

Corporate Plan Summary 2001



Discover our true nature

CANADIAN
TOURISM
COMMISSION



COMMISSION
CANADIENNE
DU TOURISME



**Canadian Tourism Commission
Corporate Plan Summary
2001**

Ottawa

National Library of Canada cataloguing in publication data

Canadian Tourism Commission

Corporate plan summary 2001

Issued also in French under title : Sommaire du plan
d'entreprise 2001.

ISBN 0-662-31274-0

Cat. No. C86-131/2001E

1. Tourism -- Government policy -- Canada.
2. Tourism -- Canada.
- I. Title.

G155.C3C32 2001

338.4'791704648

C2001-980338-9

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Executive Summary

The Canadian Tourism Commission (CTC) became a Crown corporation on January 2, 2001, with the coming into force of the Canadian Tourism Commission Act. This is the first Corporate Plan Summary of the new Crown corporation.

According to the CTC Act, the objects of the Commission are to:

- *Sustain a vibrant and profitable Canadian tourism industry;*
- *Market Canada as a desirable tourist destination;*
- *Support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and*
- *Provide information about Canadian tourism to the private sector and to the governments of Canada, the provinces and the territories.*

In pursuit of its objectives and working with its public- and private-sector partners, the Commission undertakes:

- Joint advertising and promotional activities in markets across the globe;
- Macroeconomic, market and industry research; and
- Industry- and product-development activities to remove barriers to growth and encourage the development of tourism products that meet international demand.

Reflecting these objectives are the two main CTC business lines of marketing and sales, and information. Marketing and sales activities aim to increase tourism-industry revenues by attracting more and higher-yield tourists from international markets and by encouraging more Canadians to travel at home. Information activities help improve industry decision-making and profitability by researching and communicating market opportunities, new products in demand, trends, barriers to growth, and opportunities to lower transaction costs.

The guiding principle of all Commission undertakings is partnership with the industry, both public sector and private sector. Marketing and sales partnership activities are directed by working committees of the Board of Directors mandated to develop strategies and action plans to increase industry receipts from the specific geographic markets. At present, the major tourism market is Canada; the key foreign target markets are the United States, the United Kingdom, France, Germany and Japan.

Partnerships also underlie the research and product development activities of the Commission and its committees.

For the year 2001, the CTC operational budget is \$98.0 million. Of this amount, \$69.3 million is devoted to marketing, sales and product development and \$7.7 million to information, which includes research and industry development. The balance covers corporate services and personnel costs in Canada and abroad.

Tourism, from both domestic and international sources, is a significant contributor to the Canadian economy. The ultimate tourism output measures are a country's share of the world

tourism arrivals, its share of the revenues these arrivals generate, and its world ranking in each of those two categories.

In international tourist arrivals, Canada moved to 9th position in 2000, compared to 11th in 1995, the year in which the CTC was created as a special operating agency; in international revenues, Canada was also in 9th position, compared to 12th in 1995.

In 2000, the tourism industry injected \$54.1 billion into the Canadian economy and total tourism employment was 546,400 persons. Tourism employment growth was 4.2 per cent, outpacing the 3.7 per cent rate of growth in total business-sector employment. The travel deficit, however, rose to \$2.1 billion, up from \$1.7 billion in 1999, meaning that Canadians spent far more outside the country on tourism than foreign visitors spent in Canada.

Like all industries, the performance of the tourism industry is influenced by external factors over which the industry has no control. Tourism is largely a discretionary expenditure item. In good economic conditions, consumers may choose to buy tourism products. Even then, tastes may shift among commodities within the sector. In difficult economic environments, consumers may be less inclined to purchase tourism products. Whatever the economic environment, the CTC works to make travel in Canada a desirable commodity, although such variables can make it difficult for the industry to achieve the performance targets for numbers of visitors and tourism receipts.

The domestic market remains the major source of Canadian tourism revenues, at \$37.9 billion in 2000, or 70 per cent of the total tourism expenditures in Canada. The variation in domestic demand has been statistically strongly linked to the cyclical variation in the overall Canadian economy. The economy fared well last year, so domestic spending increased 8.8 per cent over 1999.

To maintain its competitive edge in the international tourism market, Canada will need to counter aggressive competition in its key source markets. Canada's ability to respond to market developments will rest in large measure on the Commission's ability to lever even greater funding for its joint programs from private- and public-sector partners. Total partner contributions have grown considerably since the Commission was established in 1995. The challenge for the future will be to increase the ratio of marketing partnership contributions to federal funding.

This corporate plan sets out specific objectives and strategies for each of the Commission's programs for 2001. It indicates how government appropriation of \$98.0 million is distributed across the marketing and sales, industry and product development, research, and corporate services programs. The plan also identifies the quantitative and qualitative results expected. Expenditures by market, which were included in the 2001 Corporate Plan, have been omitted from this Summary, as this information is considered commercially sensitive.

I: Mandate

The Canadian Tourism Commission (CTC) became a Crown corporation on January 2, 2001, when the *Canadian Tourism Commission Act* came into force. The Commission reports to Parliament through the Minister of Industry.

According to section 5 of the legislation, the Commission is charged with the overarching object of sustaining “a vibrant and profitable tourism industry.” Stemming from this overarching goal, the Commission’s objects are to:

- ***Market Canada*** as a desirable tourist destination;
- ***Support a cooperative relationship*** between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- ***Provide information*** about Canadian tourism to the private sector and to the governments of Canada, the provinces and the territories.

In support of the objects, the CTC has two main lines of business – marketing and sales, and information – with partnership undertakings playing a key role in each. Each business line is integral to the pursuit of improved industry profitability through increased productivity.

The goal of the marketing arm is to increase demand for Canadian tourism products, which leads to increased industry revenues. The information arm aims to improve tourism-industry performance by helping the industry identify opportunities, understand costs, and measure health and performance.

Serving its industry-leadership role, the CTC Board of Directors endorsed the following industry vision and mission statements. Each is a call to the industry to come together in pursuit of sustainable growth and prosperity:

The vision statement declares that:

- Canada will be the premier four-season destination to connect with nature and to experience diverse cultures and communities.

The mission statement commits that:

- Canada’s tourism industry will deliver world-class cultural and leisure experiences year round, while preserving and sharing Canada’s clean, safe and natural environments. The industry will be guided by the values of respect, integrity and empathy.

These are challenging goals for the industry that can be accomplished only by co-operative actions. Through fostering partnerships, the CTC helps make co-operation a reality. Since its formation as a special operating agency in 1995, the CTC has been successful in attracting partners from all tourism-industry sub-sectors, both public and private.

II: Corporate Profile

The CTC Family

The Canadian Tourism Commission is a unique public/private sector partnership that provides an innovative approach to tourism: one that is industry-led, market-driven and research-based. The partnership drives economic growth and creates jobs for Canada.

The Board

The Commission reports to a 26-member Board of Directors. The chairperson and the president are appointed by the Governor in Council. The remaining directors are appointed by the Minister of Industry with the approval of the Governor in Council. The Deputy Minister of Industry Canada is an *ex officio* director. Appointments are made to reflect the private-public sector nature of the industry, as well as the various regions of the country. From its beginning, the Commission has been industry-led, with 17 of the 26 board members drawn from the private sector.

Board Committees

The Board sets the strategic direction for the Commission, approves the corporate plan, the detailed strategic plan and resource allocation. According to its by-laws, the Board may appoint committees of directors to make recommendations to it. To date, the Board has established the following committees:

- An Executive Committee, mandated to meet during the intervals between meetings of the Board, with the authority to exercise almost all of the powers of the Board and provide direction on strategic plans and budgets;
- A Corporate Governance Committee, mandated to develop the corporate approach and support directors on policies and procedures of corporate governance;
- An Audit Committee, mandated to review and make recommendations to the Board on the adequacy of the Commission's processes to identify and manage risk; to ensure appropriate internal control systems; and to comply with relevant laws, regulations and policies;
- A Human Resources Committee, mandated to review the Commission's human resource policies and plans;
- A Nominating Committee, mandated to make recommendations to the Minister of Industry on the appointment of private-sector representatives as directors; and
- A Small and Medium-Sized Enterprises (SME) Committee mandated to advise the Board on the needs and opportunities for greater involvement of these enterprises in Commission programs.

Working Committees

As well, the Board may appoint other committees to advise it on how best to carry out Commission work. At present, the following working committees have been established:

- United States Leisure Marketing;
- European Marketing;
- Asia/Pacific Marketing;
- Canada Marketing;
- Latin America Marketing;
- United States Meetings, Conventions and Incentive Travel Marketing;
- Industry and Product Development;
- Research; and
- Technology.

The Board appoints the private-sector chair of each of the nine working committees and allocates resources to each to perform its duties. The chair, in turn, appoints representatives from the industry to sit on the committees to assist in determining objectives, strategies and action plans. The chairs report to the Board at its regular meetings.

CTC Staff

Table 1 is an organization chart that identifies the senior staff positions in the Commission and their reporting relationships.

The President is the Chief Executive Officer of the Commission and is responsible for all Commission activities.

The Executive Vice-President and Chief Operating Officer (COO) reports to the President and is responsible for:

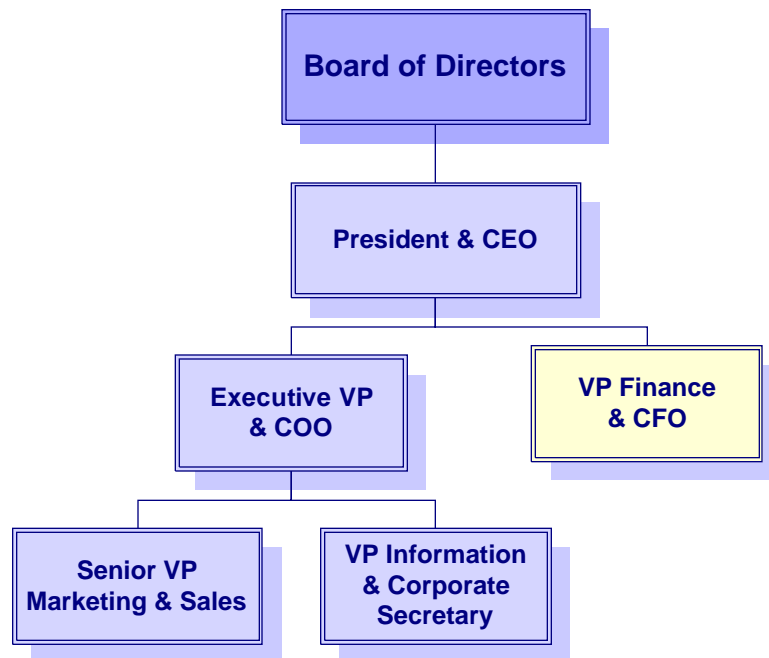
- Marketing and Sales
- Information
- Human Resources
- Strategic and Corporate Planning

The Vice-President, Finance, and Chief Financial Officer reports to the President and is responsible for corporate finance, audit and risk management. The position reports to the Board through the Chair of the Audit Committee of the Board.

The Senior Vice-President, Marketing and Sales, reports to the Executive Vice-President and COO and is responsible for the six marketing programs, including 80 foreign sales staff, and product development.

The Vice-President, Information, and the Corporate Secretary reports to the Executive Vice-President on matters of technology, government relations, research, communications, and industry development. As Corporate Secretary, on matters relating to the Board and its committees, the position reports to the Chair of the Board and to the President and CEO.

Table 1. CTC Organizational Chart



Commission staff support the Board and its committee members and provide a secretariat function to the Board committees. They also serve the working committees by coordinating and networking with industry stakeholders and facilitating work with private- and public-sector partners. Staff implement committee action plans, such as joint programs in marketing, research and product development.

To ensure that marketing and sales activities are highly effective in international markets, the CTC engages local staff to work in foreign countries. In more than a dozen countries, the CTC has 80 marketing and sales staff who speak the local languages and know both Canada and their own tourist networks and buyers. These 80 employees represent almost 50 per cent of the total CTC staff complement of 164.

CTC Partners

The success of CTC programs relies on attracting and expanding partner support from industry and provincial and territorial governments. The goal is to attract partnership cash or in-kind contributions that match or exceed CTC contributions to activities. In-kind contributions include courtesy goods or services, such as airline tickets, rental cars, or accommodation, offered to potential buyers of Canadian tourism products or to foreign media coming to Canada for product-testing tours.

The CTC conducted an analysis of partnership contributions in 2000. The analysis looked at dollar values, sources (public or private), type (cash or in-kind) and origins of the partnership programs (led by CTC or joint ventures led by partners).

In the review period, partnership contributions were calculated at \$81 million, split as follows:

- 78 per cent (\$63 million) were cash and 22 per cent (\$18 million) were in-kind.
- Provinces and territories contributed 32 per cent (\$26 million); industry contributed 68 per cent (\$55 million).
- Cash contributions were of two kinds: cash to the CTC and cash paid to suppliers or joint ventures. Of the \$63 million total partner cash contribution, 60 per cent (\$38 million) went to joint ventures outside the CTC and the remaining 40 per cent (\$25 million) went to the CTC.

In 2001, the CTC is reviewing all partnership activities with a view to producing a definition of “partnership activity” that is consistent with the industry, which will then be applied across all CTC programs.

Although the term has not been consistently defined as yet, the term “partnership contributions” has been used as a performance measure in each of the geographic marketing programs for the current planning year. The projected partnership contributions may be cash or in kind.

CTC “Common Look and Feel” – Canada Branding

In early 2000, the CTC initiated a project to determine the feasibility of developing a consistent and centralized global brand identity for Canada. The goal was to implement a standardized look and feel for all CTC products and activities. The key objectives were to convey an immediately recognizable look and feel for the CTC wherever its products appeared worldwide; to realize economies of scale in developing common marketing materials for all markets; and to respect the Federal Identity Program.

Research was conducted and focus groups were held in key CTC markets (Canada, the U.S., the U.K., France, Germany and Japan) to validate the project and help determine the most effective creative approach.

In 2001, the CTC incorporated a new Canada brand into its activities, evolving the former CTC logo and incorporating the tag line "Discover our true nature." The new brand, which incorporates the Canada wordmark as defined in the Federal Identity Program, is now being integrated into all CTC corporate and marketing products.

In all markets, the CTC will conduct tracking and evaluation activities to gauge the success of the brand in generating increased awareness and interest in Canadian travel products and to ascertain whether there were indeed cost savings from using common marketing materials in all markets.

III: CTC External Environment

Tourism – A Significant Contributor to Canadian Economic Health

Tourism is an industry on the move, both in Canada and around the world. More people than ever are travelling both domestically and abroad – from affluent baby boomers in North America and Europe to the growing middle classes in developing regions like Southeast Asia and Latin America. In fact, tourism is one of the world's fastest growing industries. According to preliminary figures from the World Tourism Organization, global international tourism revenues in 2000 were \$US476 billion, an increase of 4.5 per cent over 1999. This figure is expected to grow at an annual rate of 4.1 per cent for 2001 and the next few years.

In 2001, it is projected that tourists will spend more than \$57 billion in Canada, \$17 billion of which will come from international visitors. The tourism gross domestic product will exceed \$25 billion; direct employment attributable to tourism will be over 565,000 jobs; and tax revenues collected by all governments attributable to tourists will amount to over \$17 billion. Clearly, the Canadian tourism industry makes an essential contribution to the economic well-being of Canadians and to regional development. Tourism also serves as a bridge between Canada and the world and is an important instrument to strengthen Canada's profile and position in the international community.

CTC Success Determined by Internal and External Factors

CTC success is based in part on its ability to:

- Invest marketing resources where they will have the greatest likelihood of increasing international and domestic tourism receipts;
- Entice increased industry and government participation in Commission programs; and
- Produce and disseminate to industry quality research and information products to help them enhance industry performance and increase tourism revenues.

Success is also influenced, however, by factors beyond the Commission's control, as the tourism market environment is influenced by external variables that have a significant impact on travel demand in both the domestic and international environments.

Investing Marketing Resources – Domestic Context

In 2000, total tourism spending in Canada was \$54.1 billion. Spending by Canadians travelling in Canada accounts for approximately 70 per cent of this total, or \$37.9 billion. Clearly, the domestic market remains by far the single biggest market for the industry and a major determinant of tourism-industry success, even though Canada's dependence on the domestic market has decreased since 1990 from 78 per cent to 70 per cent.

The tourism market, however, is highly sensitive to variations in the business cycle, as tourism spending is largely discretionary. Research shows that the cyclical variation in the overall Canadian economy explains most of the variation in the demand for, and supply of, total tourism commodities in Canada. In fact, 73 per cent of the cyclical variation in tourism demand and 86 per cent of the variation in the supply of tourism commodities in Canada can be statistically explained by the cyclical variation in Canadian Gross Domestic Product.

At this time, the domestic economic outlook is positive and Canadians are known to have strong travel intentions. As the U.S. economic slowdown is expected to continue in 2001, however, tourism demand in Canada could witness a ripple effect, as Canadian industrial sectors begin feeling the impact. U.S. travel to Canada, a mainstay of Canadian foreign tourism revenue, may be expected to decrease this year. In 2001, therefore, it will be very important for the CTC to help raise awareness among Canadians of the range and value of Canadian tourism products, so that more Canadians choose to travel at home.

Meeting the challenge to encourage Canadians to travel in Canada will require sustained effort, as there have been significant recent cost increases in the Canadian tourism industry. For the past two years, various tourism price indices in Canada increased faster than the general level of prices, making tourism more expensive relative to other commodities. In 2000, the Consumer Price Index rose by 2.7 per cent, while the implicit price index for tourism commodities rose by 5.5 per cent. Tourism increases were sparked by higher accommodation (+7.7 per cent) and transportation costs (+4.9 per cent), which have, in turn, been affected by rising oil prices and changes in the Canadian airline industry. In this economic environment, consumer spending on tourism tends to diminish and aggressive marketing is needed to counteract that tendency.

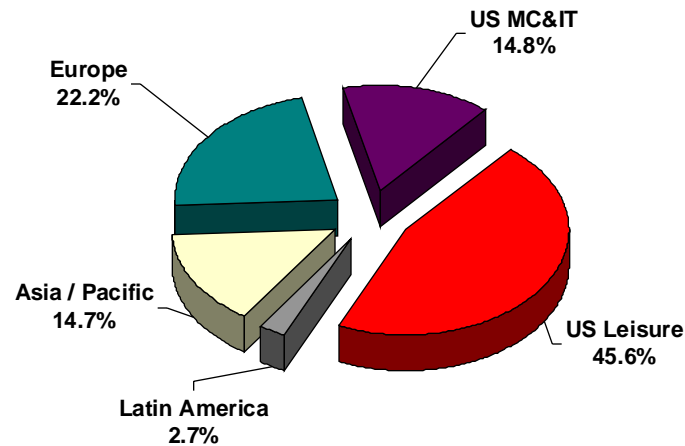
One factor affecting whether Canadians travel more in Canada or the U.S. is the relative value of the two currencies. Historically, the Canadian preference is to stay in Canada when the Canadian dollar is weak against the U.S. dollar. Yet there are signs that Canadians are becoming accustomed to a lower Canadian dollar against the U.S. dollar and are altering their travel patterns accordingly. In 2000, there was a 3.5 percent increase in the numbers of Canadian overnight trips to the U.S. – 14.6 million – accounting for almost \$11.2 billion of expenditures in the U.S. It is hoped that CTC marketing activities can help stem this increase in travel outside of Canada.

Investing Marketing Resources – International Context

Performance projections for numbers of tourists and revenues are based on assumptions regarding growth rates in the relevant source markets. Assumptions, however, are not under CTC and industry control. As with the domestic market, changes in the economic health of international source markets and variations in exchange rates will affect CTC and industry performance projections, as travel is largely a discretionary expenditure. These are important considerations when performance against objectives is assessed at a later date.

Chart 1 shows the contributions of international markets to Canadian international tourism receipts in 2000.

Chart 1: Contribution of geographic markets to Canadian international tourism receipts, 2000.



Five countries are Canada's major sources of international travel revenues: the U.S., the U.K., France, Germany and Japan. In 2000, these five markets together represented 80 per cent of all overnight international receipts (for trips of 24 hours or longer).

While tourism demand in most of the international markets is expected to remain solid for 2001, the slowdown in the U.S. economy is showing some effect on tourism. Offsetting this downturn in the U.S. economy, however, is the relatively strong U.S. dollar against the Canadian dollar. The U.S. tourism demand projections for 2001 are based on an assumed soft landing of the U.S. economy and a minimum overall disturbance on tourism demand.

The projection regarding the U.S. economic climate is a very critical variable for overall CTC and Canadian-industry performance, as U.S. leisure and group-business travel to Canada accounted for 78.6 per cent of international overnight trips to Canada in 2000 and 60.3 per cent of international tourist revenues.

At the start of 2001, the U.K. was expected to continue its recent strong performance; however, the agricultural issues that developed in late winter may affect projections.

It is assumed that the economies in France and Germany will continue to expand and that the worst of the financial crisis in Asia is over.

A cautionary note has also been struck with regard to the fragile Japanese economy, which continues to struggle through a decade-long recession.

Emerging markets with promise of increased growth include Mexico, Southeast Asia, China and India.

The relative strength of the Canadian dollar against currencies other than the U.S. dollar is another external factor affecting travel to this country and the Commission's ability to deliver its marketing programs. While a stronger Canadian dollar is a positive change because CTC foreign-marketing costs are lower, the negative side is a cost increase for the foreign tourist and decreased Canadian competitiveness.

The emphasis of CTC spending on marketing and sales activities will not change in 2001; 80 per cent of the Commission's non-salary budget in this year will continue to be allocated to marketing and sales in all markets.

The Bottom Line

The bottom line for tourism is found in the international travel account of the balance of payments. This is the difference between the amount of tourist spending in Canada and the amount of Canadian tourist spending abroad. In 2000, Canadians spent \$18.0 billion outside Canada, while foreign spending in Canada accounted for \$15.9 billion in the same year. Hence, there was a deficit of \$2.1 billion in 2000, compared with \$1.7 billion in 1999. The Commission's work aims to help reverse this rising deficit.

Information

The second CTC business line, complementing marketing and sales and contributing also to industry success, is information. Information is critical to gaining deeper knowledge of the Canadian tourism industry and its markets; sharing that information with the industry and other governments is equally essential. Tourism operations can adapt to changing markets if their demands are known, while governments can better target interventions if they have accurate and timely information.

Tourism is a unique industry, presenting a particular set of challenges. Until recently, the industry was not identifiable as a distinct economic activity. Communications with the industry can be a challenge because of its diverse nature and the fact that it is overwhelmingly composed of some 158,000 business establishments, 99 per cent of which fall into the Statistics Canada definition of small and medium-sized enterprises.

Because of the diverse nature of the industry, the CTC is challenged to continue to improve the quality of its research program and its communications with stakeholders.

Future Challenges

Since the CTC was created as a special operating agency in 1995, Canada has increased its share of international tourist arrivals and of receipts, while, at the same time, Canadian spending abroad has decreased. Table 2 compares the amounts and percentages of these measurables in 1994 (before the CTC was created) and in 1999.

Table 2. Canadian share (absolute and percentage) of world tourism arrivals, receipts and spending, 1999 vs. 1994.

Item	1999		1994	
	(#)	(%)	(#)	(%)
Arrivals	19,556	2.98	1,976	2.93
Receipts	\$US 13,803	2.30	\$US 8,617	1.92
Spending	\$US 15,567	2.80	\$US 12,885	3.17

Looking to the future, Canada and the CTC will have to take aggressive action to maintain or increase market share. Currently, certain countries are making concerted efforts to attract foreign tourist dollars. Aggressive marketing by the United Kingdom, Australia and South Africa in Europe and by Australia and New Zealand in Asia could diminish Canada's competitive position in these regional markets. Canada is far outspent by its key competitors in terms of marketing expenditures. While Canada reinvests 0.27 per cent of international tourism receipts in marketing, South Africa invests 0.5 per cent, Australia 0.97 per cent and New Zealand 1.4 per cent.

While Canadian marketing expenditure patterns are relatively weak, Canada's marketing effectiveness is strong, as comparative assessments with other countries indicate. Canada has the highest return of revenue on its marketing investments and the lowest international marketing costs relative to overall tourism spending. Clearly, we have the know-how to make effective marketing decisions. We need to find new ways of increasing, or at least maintaining, our share of the world tourism market.

In the future, the CTC will need to consider the following opportunities that have been identified as ways to achieve greater success for its programs and the Canadian tourism industry:

- Expand and strengthen marketing activities in each of the traditional geographic markets;
- Develop new and emerging markets in East Asia, South Asia and the Pacific, (particularly China and India), which the World Tourism Organization has identified as the fastest-developing tourism regions of the world;
- Develop new market segments such as golf, spas, and learning vacations;
- Improve research and development, linking the CTC with other government initiatives to expand the knowledge base and make this information available to tourism decision-makers;
- Stimulate demand for winter travel to develop Canada as a four-season destination, helping tourism operations sustain year-round commercial viability;
- Develop more effective technology to connect the industry and service travellers, thereby improve overall Canadian tourism-industry quality and service standards;
- Meet the challenge to encourage Canadians to travel to Canada; and

- Encourage SMEs to develop and package more four-season tourism experiences and products.

IV: CTC Objectives and Strategies

Marketing and Sales Branch

Eighty per cent of the Commission's non-salary budget in 2001 is allocated to marketing and sales activities in the domestic and international markets.

Three main objectives are common to each of the geographic marketing programs:

- Promote awareness of Canada and its variety of year-round tourism attractions;
- Facilitate sales of tourism products, thereby increasing national revenues; and
- Attract industry partners and expand to non-traditional partnerships.

For each geographic marketing program, the following strategies are in place:

- Identify and target high-yield potential tourists to Canada and, for the domestic program, to encourage Canadians to travel at home;
- Increase and diversify advertising and other market exposure;
- Develop media contacts that result in free, objective media coverage of Canadian products, experiences and destinations;
- Work with tour operators to diversify their product offerings and delivery systems, resulting in increased sales; and
- Work with non-traditional tourism partners to leverage expenditure and create more partnering opportunities for industry.

In each market, three performance measures are consistently used:

- Number of overnight tourists travelling in Canada;
- Revenues, or receipts, attributable to tourism; and
- Value of partner contributions to CTC programs.

The first two performance measures are projections made by using source data from Statistics Canada from a variety of surveys and economic indicators. The third measure is derived by the CTC. In addition to the above generic objectives and strategies, the six marketing programs have market-specific objectives and strategies.

U.S. Leisure Marketing Program

The 2001 marketing program has identified the following market-specific objectives:

- Increase penetration of marketing efforts in states that lie south of the traditional northern-states market;
- Entice U.S. travellers to spend more in Canada;
- Develop seasonal tour packages to help make Canada a four-season destination
- Foster the development of innovative, customer-responsive travel packages; and
- Improve the perceived value of, and the ease of access to, Canadian travel products.

Strategies to meet these objectives include:

- Build relations and partnerships with the retail and wholesale trade that will encourage the development and sale of Canadian year-round packaged tour products, focusing on specific product clusters: touring, winter/ski, adventure, cities and resorts, and history and culture;
- Develop promotions with traditional and non-traditional partners to lever the budget and create buy-in opportunities for the tourism industry;
- Work with tour operators to conduct marketing programs and provide operators with information on the wants, needs and expectations of target customers;
- Exploit brand loyalty by triggering the interest of repeat visitors; and
- Expand the “Canada Specialist Program” that certifies qualifying tour operators knowledgeable about Canadian tourism.

Discussion

While the U.S. Leisure Market is the major source of foreign tourist travel to Canada, it is the northern border states that tend to be the prime tourist source. Recent CTC efforts, therefore, have focused on drawing visitors from the “long-haul” U.S. market – destinations further than a five-hour drive from the common border.

The major demographic market groups for leisure travel to Canada from the U.S. are increasingly the middle-aged and mature traveller. These groups have the disposable income to travel as well as a desire for the kinds of tourism products that Canada has to offer. Research also indicates a growing interest in two other product clusters available in Canada – learning vacations and cuisine. At the same time, the number of first-time American international travellers is growing. Research also indicates, however, that American interest in visiting Canada far exceeds current visitor volume, pointing to a large potential market yet to be tapped.

Performance Indicators

The annual objectives for 2001 are 12.9 million tourists and \$5.9 billion in receipts. This represents an increase of 1.4 per cent for tourists and 5.0 per cent for receipts over the projected outcome for 2000.

U.S. Meetings, Conventions and Incentive Travel (MC&IT) Marketing Program

The objectives for 2001 in this market are to:

- Position Canada as a desirable group-business destination;
- Develop communications vehicles for partners to promote retail product offerings; and
- Increase the number and types of industry partners participating in the program.

Strategies for this market are the following:

- Tailor direct marketing initiatives to specific U.S. regions and market segments through direct mailings, interactive marketing and telemarketing;
- Conduct familiarization tours and site inspections for high-potential meeting planners;
- Ensure a CTC or Canadian-partner presence at major industry trade shows;
- Create venues, such as “Showcase Canada” (tourism marketplaces) and golf tournaments, where meeting planners and Canadian suppliers can meet face-to-face;
- Conduct advertising campaigns with prominent spreads in trade magazines; and
- Produce, in conjunction with partners, the Canada Destination Guide – a marketing booklet on Canadian tourism opportunities.

Discussion

The United States is the most sought-after business-travel market in the world and many countries, such as the United Kingdom, Australia, South Africa and New Zealand, vie for these travellers. Strenuous competition for this high-spending market segment also comes from U.S. destinations such as Seattle, New York, Denver, Chicago, Orlando, Las Vegas and Hawaii, some of which have tourism-promotion budgets that outstrip that of the CTC.

The following issues also affect sales in the U.S. MC&IT Program:

- While in the U.S. there is expansion of convention and exhibition space, there is limited growth of these facilities in Canada;
- In high season, major Canadian tourist destinations are operating at, or close to, capacity in high season.
- Air fares to Canada are rising compared to the U.S. and competing overseas destinations;
- There is a perception that exchange-rate savings are offset by higher Canadian costs; and
- There are concerns that Customs and Immigration procedures pose travel complications.

Canada positions itself in this market as a competitive four-season destination differentiated by quality, with products that offer value, distinct culture, service and safety. Key to success in this program are conducting effective advertising campaigns and building sound relationships with decision-makers who determine meeting and incentive travel destinations.

Performance Indicators

The annual objectives are 2.5 million group business-travel tourists and \$1.9 billion in receipts. These totals represent increases for 2001 over 2000 of 2.0 per cent and 5.0 per cent, respectively.

Europe Marketing Program

Specific objectives for the Europe Marketing Program are to:

- Increase awareness of Canada by positioning Canadian products as affordable, within easy reach of Europeans and of good value; and
- Diversify Canadian-product offerings in the travel-trade catalogues.

Three types of promotional strategies have been developed for 2001, with varying applicability to each European geographic market:

- Maintain a strong year-round promotional presence among key target-market segments to build a brand image of Canada and increase sales;
- Educate the travel trade on Canadian products; and
- Increase media activities and public relations efforts.

Discussion

Canada's performance in the European market continued to show positive results for 2000, albeit less outstanding than in 1999. Growth came despite a weakening of most European currency exchange rates and an increase in Canadian travel package prices. The higher package prices resulted from airfare increases flowing from airline consolidation and raised accommodation costs, which were a result of rising oil prices.

The CTC core European markets are the United Kingdom, France, Germany, Italy, the Netherlands and Switzerland. The first three of these markets account for 66 per cent of total overnight visitation from Europe.

Performance Indicators

Projections are for 2.5 million tourists, for a growth rate of 2.0 per cent over 2000, and \$2.9 billion in receipts, for an increase of 4.4 per cent over 2000.

Asia/Pacific Marketing Program

Canada's particular objectives for travel from this market for 2001 are to:

- Maintain a competitive position in these countries, retaining or increasing market share where possible;
- Promote a broad product line that meets customer needs, particularly for active nature and winter experiences;
- Focus on lengthening the stay of visitors to Canada, to enhance per capita revenue; and
- Help remove barriers to travel, such as onward domestic airline capacity beyond major Canadian gateways and visa requirements that exist in certain countries.

The following strategies are among those developed for the Asia/Pacific Marketing Program:

- Promote Canadian rejuvenated image campaigns with appropriate promotional initiatives, media and public relations activities;
- Educate the Asia/Pacific travel trade on Canadian products;
- Develop and promote activity-oriented outdoor packages to encourage nature and winter experiences;
- Work with airlines, tour operators and suppliers to create price-competitive packages;
- Ensure strong advertising and promotional focus on Canada's distinct regions;
- Work with Canadian air carriers to improve domestic capacity and connections during peak season;
- Work with the industry to create price-competitive tour packages; and
- Continue working with Chinese authorities to obtain "approved destination status" for Canada.

Discussion

Economic growth in the Asia/Pacific region remained fairly vibrant during most of 2000, but tapered off by year-end. While there was anticipation that the Asian economic crisis was over, factors arose to change the positive outlook. The U.S. economy has slowed and the outlook for Japan is for subdued growth. At the same time, other Asian economies are fragile, particularly those economies that depend on U.S. exports for growth and are feeling the repercussions of the U.S. slowdown.

The picture is not altogether bleak, however. Assuming a soft landing of the U.S. economy and positive steps towards recovery and growth in countries in the Asia/Pacific region, long-haul travel from this market can be expected to resume, albeit at a reduced rate of growth compared with recent years.

Performance Indicators

Annual objectives for this region are 1.5 million tourists, \$1.9 billion in receipts, for respective increases of 3.6 per cent and 4.9 per cent over 2000.

Latin America Marketing Program

Objectives particular to the Latin America market for 2001 are the following:

- Review the structure and manner of delivering CTC programs to this region;
- Developing a reporting system on market performance in this market using measurements identical to those in the other CTC markets; and
- Expand the appeal and uptake of "icon" attractions such as sights and fauna, while promoting Canada as a natural, sophisticated and active holiday destination.

Specific strategies for 2001 include the following:

- Continue to work with tour operators to diversify their tour packages to entice new clients;
- Conduct educational seminars and familiarization tours for the travel trade and media;
- Use all media opportunities to report on Canada year-round; and
- Produce promotional materials using cooperative advertising with major tour operators.

Discussion

Because the economies in this region are going through modernization and structural changes, the travel demand, specifically in the case of Brazil and Argentina, is volatile and significant changes are expected regarding the long-term prospects for outbound travel.

In addition, there are the following considerations in marketing to Latin America:

- There is strong competition from Europe and the United States trying to capture the same target markets;
- Canada's airfares are still considered to be high, especially during the shoulder seasons;
- Marketing efforts are very weak in comparison with our competitors';
- The travel visa process from Brazil and Argentina is cumbersome; and
- While there are direct flights to Latin American countries from eastern Canada, from western Canada there are only indirect flights through the U.S.

Of the three countries on which the CTC focuses in this region – Mexico, Brazil and Argentina – Mexico was the least affected by the global economic turbulence, so the prospects for Mexican travel in 2001 are strong, with growth projected at 12.14 per cent. In fact, since 1995, overnight trips to Canada from Mexico have more than doubled.

The expected travel demand in Brazil and Argentina is positive at this time, despite recent efforts in Brazil to boycott Canadian products. Brazilian travel to Canada increased by 11.6 per cent in 2000 over 1999, while over the same period, travel from Argentina increased by 3.8 per cent. It is expected that visitor arrivals will reach the pre-1998-crisis level by 2002.

Of particular interest is that Latin Americans who travel to Canada are among the highest per-capita spenders among our international visitors.

Performance Indicators

Annual objectives are 424,000 tourists and \$606 million in revenues, increases of 5.0 per cent and 10.0 percent, respectively.

Canada Marketing Program

The market-specific objectives for the Canada Marketing Program for 2001 are to:

- Encourage Canadian operators to develop innovative, customer- responsive travel packages;
- Improve the value perception of, and ease of access to, Canadian travel products;
- Overcome Canadian apathy for domestic travel; and
- Entice more Canadians to choose interprovincial Canadian over international travel.

These strategies have been developed to achieve the above objectives:

- Work with tourism operators to develop innovative travel packages;
- Develop advertising and promotional activities that emphasize the advantages and value of Canadian travel products and packages;
- Work with operators and destination marketing organizations to develop and promote off-peak interprovincial travel; and
- Develop travel-trade activities to encourage retail agents to offer Canada as a primary destination option.

Discussion

Tourism spending by Canadians in Canada is by far the mainstay of the country's tourism revenues. Canadians spent \$37.9 billion on travel and tourism in Canada in 2000 – or 70 per cent of total tourism revenues.

The Canada Marketing Program was created to reduce Canada's unacceptable travel deficit in the beginning of the 90s. Influencing Canadians to travel in their own country and stem the flow of Canadians who take their vacations outside the country are essential factors in the balance of international travel trade equation. While the travel account deficit declined throughout most of the 1990s, it began to increase last year. From a low of \$1.7 billion in 1999, the deficit reached \$2.1 billion in 2000. If left unchecked, the total travel deficit could reach \$4.4 billion by 2005.

As the total Canadian tourism market grows, the Canada Marketing Program is required to encourage Canadians to travel in Canada and help satisfy increased demand for quality Canadian products, experiences and destinations. The desired result is to raise Canada's position as a top-of-the-mind destination for Canadians, diminish outbound travel and grow the Canadian market.

Performance Indicators

The focus of the domestic program is on overnight travel. For 2001, domestic overnight travel is expected to generate \$17.7 billion from 78.2 million overnight trips, for increases over 2000 of 4.7 per cent and 1.8 per cent, respectively.

Product Development Program

To help maintain the international competitiveness of Canadian tourism, the Product Development Program has identified the following objectives for 2001:

- Improve the quality of Canada's tourism offerings;
- Work with the industry to increase the quantity of market-ready products available;
- Foster the development of new products, consistent with emerging market trends; and
- Encourage the packaging of these products so they can be effectively marketed.

Strategies in support of these objectives for 2001 include the following:

- Refine the selection criteria for new product clubs to reflect more closely industry vision and mission and current market needs;
- Work with CTC sales and marketing staff to identify future market needs;
- Collect, synthesize and distribute to industry examples of best practices and success stories specific to key sectors;
- In partnership with the industry and its suppliers, create industry learning opportunities;
- Develop and implement product testing for aboriginal packages that are determined to be internationally market-ready;
- Coordinate or facilitate the work being done by provinces, associations and other key stakeholders; and
- Establish a benchmark number of market-ready operators in the culture and heritage sector.

Discussion

Tourism products are the specific attractions or groups of attractions that tourists come to experience. As the global tourism market expands, consumers have become more sophisticated and more demanding about their travel preferences. Canada must respond to this challenge by continually improving quality and expanding the array of its tourism product offerings. The Product Development Program works with industry to develop marketable tourism products.

Likely the most visible and most successful of the CTC product development initiatives has been the Product Club Program. Product Clubs are partnerships that the CTC forms with industry operators (predominantly SMEs) to foster the development of specific tourism products.

The Product Club Program issues an annual call for proposals and selects the most promising products for development. Each successful product club is offered a three-year contract for support from the CTC, after which they must function self-sufficiently.

There are now a total of 31 Product Clubs involving approximately 5,000 individual businesses and representing all sectors of the tourism industry.

Performance Indicators

The 2001 goals for this division are to increase partners from approximately 5,000 to 5,500 and to increase the number of product clubs from 31 to 35.

Information Branch

Information is vital for the Canadian industry to maintain an edge in the highly competitive world-tourism market.

Research

Research objectives in 2001 include:

- Develop new analytical tools and information to help individual businesses improve their performance;
- Enhance industry and public awareness, knowledge and understanding of the role and importance of tourism in the economy and of related research;
- Identify strategic challenges to future tourism development and profitability; and
- Sustain and improve national tourism database quality.

Specific research strategies for 2001 are the following:

- Use CTX (the CTC business-to-business Web site) to consolidate data through a single portal;
- Continue to develop the Tourism Satellite Account;
- Work with the World Tourism Organization and the Organization for Economic Co-operation and Development to share Canadian best practices and to raise international awareness and understanding of tourism measurement standards, concepts and definitions for tourism statistics and tourism satellite accounts;
- Publish and promote new information on micro-economic financial performance and profitability measures for the tourism; and
- Expand the number of research partners and the amount of partnership contributions from the private sector.

Discussion

Timely, accurate, and relevant information can support more effective market and business-development decisions.

In recent years, the Research Program has met a number of important strategic needs, such as establishing the importance of tourism in the Canadian economy and providing ongoing tracking of industry performance, global trends and shifts in key markets. The program has also helped to develop partnerships and advance the understanding and application of the principles of tourism satellite accounts.

Performance Indicators

Successful performance will be measured by the quality of relations with the industry, the timeliness of tourism information provided, and user satisfaction with research reports and publications.

Communications and Special Events

The following objectives have been identified for 2001:

- Market the CTC as the primary source of knowledge and information on the tourism industry;
- Strengthen the capacity of government partners and industry associations to provide their constituents with information about the industry and the CTC;
- Expand programs, such as licensing use of the CTC logo, to increase awareness of the CTC to Canadians and visitors;
- Create marketing and sales relationships with traditional and non-traditional partners; and
- Facilitate Canadian media familiarization tours to Canadian sites.

The following strategies will be adopted:

- Develop a national media-relations strategy;
- Develop communications products to help small and medium-sized enterprises better understand and access CTC programs;
- Develop corporate events to enhance the interest of international clients and the media in Canadian tourism products; and
- Develop and implement performance measures to evaluate communications products and services.

Discussion

A newly created function at the CTC, the Communications and Special Events function is responsible for corporate communications, the travel trade media, special corporate events, licensing and publishing.

Communicating the most accurate and up-to-date information to the tourism industry, CTC partners, the media and CTC employees in a timely manner and fostering dialogue among these groups is the principal challenge and remains critical to the success of the industry and the CTC.

Performance Indicators

Performance will be evaluated by:

- The value of unpaid media coverage generated for the CTC and its programs;
- Comparing the volume, reach and quality of paid communications activities year over year; and
- Tracking numbers and types of information inquiries received following CTC-initiated media activities.

Industry Development

Industry Development objectives include:

- Monitor and analyze trends and developments in federal fiscal, tax, transportation and immigration regulatory frameworks;
- Promote consideration of tourism interests in federal policies and programs;
- Maintain dialogue with the industry, industry umbrella organizations, financial institutions and governments; and
- Research issues affecting the industry.

For 2001, the strategies are to:

- Publish a report for the Adventure and Eco-Tourism industry on risk management and insurance;
- Publish a report on focus groups held with SME tourism operators in 2000 addressing the unique problems in obtaining tourism business financing;
- Assist the tourism industry to respond to Transport Canada's review of Canadian international air transport policy and work with the industry on concerns related to domestic air policy;
- Work towards facilitating border-crossing for low-risk, bona fide business and leisure tourists; and
- Support the private sector and non-governmental organizations in addressing the tourism labour shortage.

Discussion

The Industry Development function is the link connecting the tourism industry, stakeholder associations and other governments. The challenge for the division is to foster

communication on industry issues and help create a regulatory and industry environment that is conducive to tourism growth.

Working with the Industry and Product Development Committee, the division has helped industry identify five major issues that currently affect tourism industry growth:

- Transportation, particularly air, and intermodal connections;
- Looming human resource shortages at all levels of the tourism industry;
- Access to research and information;
- Seasonality of Canadian tourism products; and
- Service and product quality and the need for national standards.

Performance Indicators

Successful performance will be measured by the quality of relations with industry leaders and individuals, with the chairs and members of CTC committees with which the group works, with tourism associations and with government officials at various levels.

Government Relations

For 2001, the objectives of the government-relations function are to:

- Establish liaison relationships with officials in the federal, provincial and territorial governments; and
- Raise government awareness of CTC programs and the Commission's role in promoting tourism in Canada.

The following strategies will be used to achieve these objectives:

- Communicate with representatives of the federal, provincial and territorial governments;
- Participate in conferences and attend meetings of national and provincial tourism advocacy groups; and
- Monitor proceedings of relevant Parliamentary committees.

Discussion

Newly created as a function within the Crown corporation, government relations is the focal point for liaison with the federal, provincial and territorial governments in Canada. The purpose of the unit is to raise awareness of government officials on issues affecting the tourism industry

Performance Indicators

Success will be measured by increased government sensitivity to tourism-industry needs in developing programs and policies and by the quality of relations with individuals involved.

Technology

The objectives for Technology for 2001 are to develop and apply Web-based technologies to:

- Extend industry marketing reach;
- Improve business-to-business communication;
- Improve CTC communication with its international sales staff and with industry; and
- Provide a computing infrastructure that meets CTC requirements.

The following strategies are identified for 2001:

- Make CTX (the business-to-business CTC Web site) easier to use and work with key partners to expand its membership and functionality;
- Develop a vision for the CTC consumer-oriented Web site (TravelCanada.ca) and modify the site to reflect that vision;
- Implement an information-exchange tool using Internet technologies (i.e. an intranet) that will help connect CTC staff worldwide; and
- Implement a computing infrastructure that provides CTC staff with access to their electronic desktop when they are in the office or away.

Discussion

Technology and, in particular, the technologies associated with the Internet, offer great potential for both the tourism industry and the CTC. The CTC has the potential to play a significant role in encouraging the industry to adopt this technology more broadly. The Commission must also make the industry fully aware of its existence and services and must work to bring diverse industry constituents together to obtain synergy. Technology can play an integral role in achieving these objectives.

The CTC has focused on facilitating business-to-business interaction through the Canadian Tourism Exchange (CTX), an Internet application that it launched in May 1999 and that now has close to 14,000 member organizations. The challenge for 2001 is to continue expanding CTX functionality and to attract significantly more members.

Consumers are making extensive use of the Internet both to research destinations and to buy travel. Many organizations in both the private and public sectors are jockeying for position as a connector between the travelling public and the industry. The CTC will have to determine the extent and nature of its interaction with the consumer in light of these organizations' activities, as the CTC also has a consumer-oriented TravelCanada.ca Web site.

To benefit from the experience that the Canadian tourism industry has already gained in "e-marketing," the CTC has created a new working committee, the Technology Committee. This committee will provide strategic guidance to the Commission on the direction for, and evolution of, both its business-to-business and consumer Web sites.

The CTC faces the challenge of a geographically dispersed sales force with 80 representatives worldwide. The Commission needs to remain well connected with its sales

force abroad while also ensuring that the sales force is well connected to the Canadian tourism industry. This is another area where the Internet technologies can bridge the geographic divide by providing another medium for ongoing communications among all parties.

Performance Indicators

Performance indicators for the year are:

- The widespread use by CTC staff of the Commission's intranet for information sharing and dissemination;
- Implementation of a network infrastructure that recognizes the Commission's need for worldwide access;
- Development of an e-strategy that establishes future direction for the Commission's business-to-business (CTX) and consumer (TravelCanada.ca) Web sites; and
- A doubling of the number of tourism operators enrolled as members of CTX.

Financial Services Branch

The objective for the branch for 2001 is to develop an autonomous corporate financial infrastructure adapted to the needs of the CTC.

In order to achieve its objective, the branch will focus on four main strategies:

- Establish a CTC financial services team through a combination of hiring and in-house training;
- Develop financial policies, procedures and control environment tailored to the needs of the Commission;
- Develop enhanced reporting and information systems that better serve management's need to measure results; and
- Initiate processes for the identification and management of risk, in collaboration with the Audit Committee of the Board of Directors.

Discussion

The Canadian Tourism Commission began operating as a Crown corporation on January 2, 2001. Crown corporation status provides the CTC with the managerial independence needed to strengthen its ties with industry partners, the authority to generate revenues from value-added services to the industry, and the flexibility to enable the CTC to keep pace with the new initiatives of the tourism industry. As a Crown corporation, the CTC is subject to the accountability regime set out in Part X of the *Financial Administration Act*.

Performance Indicators

Performance indicators for the year are:

- Implementation of a financial information system to help manage and assess the results of CTC activities; and
- Establishment of a financial risk management framework.

Human Resources Division

The objectives of the Human Resources division for 2001 are to:

- Make a smooth transition from functioning under the federal *Public Service Employment Act* and the *Public Service Staff Relations Act* to a separate employer under the Canada Labour Code;
- Develop and implement an integrated human resource management system;
- Develop benchmarks for time to complete Human Resource actions; and
- Begin work to develop separate-employer employee benefits and superannuation plans.

The following strategies will be implemented:

- Negotiate collective agreements with unions;
- Research employee-benefit and superannuation plans appropriate to a small Crown corporation; and
- Develop and implement training, career-development, employee-communications and awards and recognition programs.

Discussion

Human Resources is responsible for all aspects of personnel planning and support for 84 staff at headquarters and 80 at CTC foreign offices. In 2001, it will be important to support management goals to make the Commission an attractive employer by developing and implementing sound and fair human resource policies and procedures.

Performance Indicators

Performance indicators for 2001 are the following:

- Progress towards reaching new collective agreements with unions;
- Developing options to replace existing employee benefits and superannuation packages;
- Developing benchmarks for time to complete human resource actions; and
- Having in place the specific human-resource management plans ready for implementation in 2002.

V: Financial Statements

The projected financial statements have been prepared in accordance with generally accepted accounting principles consistent with the principles that management intends to follow in its year-end audited financial statements.

*The Canadian Tourism Commission
Projected Balance Sheets
As at January 2, 2001, and December 31, 2001
(in thousands of dollars)*

	2001 Opening	2001 Projection
ASSETS		
Current		
Cash and short-term deposits	\$ -	\$ 4,000
Cash entitlements	1,000	-
Prepaid expenses	-	50
	1,000	4,050
Capital Assets	1,238	1,138
	\$ 2,238	\$ 5,188
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ -	\$ 2,250
Deferred revenue	1,000	1,000
	1,000	3,250
Employee Termination Benefits	-	600
Deferred Capital Funding	1,238	1,138
	2,238	4,988
Equity of Canada	-	200
	\$ 2,238	\$ 5,188

*The Canadian Tourism Commission
 Projected Statement of Operations and Equity of Canada
 For the year ending December 31, 2001
 (in thousands of dollars)*

Marketing and Sales Operations	
U.S. Leisure Travel	\$ 22,070
U.S. Meetings, Conventions and Incentive Travel	4,952
Canada	6,313
Europe	12,571
Asia/Pacific	11,261
Latin America	827
Corporate Initiatives	4,463
Product Clubs and Product Development	4,311
Market Research	2,527
	69,295
Information Services	7,743
Corporate Services	5,292
Personnel Costs	14,966
Operating Expenses Before Amortization	97,296
Amortization of Capital Assets	754
Total Operating Expenses	98,050
Less: Other Income	(200)
Net Cost of Operations Before Government Funding	97,850
Parliamentary Appropriation	
Operating and capital	97,946
Appropriation used to purchase capital assets	(650)
Amortization of deferred capital appropriation	754
	98,050
Net Results of Operations	200
Equity of Canada, Beginning of Period	-
Equity of Canada, End of Period	\$ 200

*The Canadian Tourism Commission
Operating and Capital Budgets
For the year ending December 31, 2001
(in thousands of dollars)*

Operating	\$	97,296
Capital		
Computer equipment and software		500
Furniture and leasehold improvements		150
		650
Appropriation	\$	97,946

*The Canadian Tourism Commission
Reconciliation of Parliamentary Appropriation per
Statement of Operations to Government Fiscal Period
For the year ending December 31, 2001
(in thousands of dollars)*

Parliamentary Appropriation, Capital & Operating, per Statements		\$ 98,050
Parliamentary Appropriation Voted in 2001-2002	82,460	
Less: Portion Recognized in Calendar 2002	(32,971)	
		49,489
Parliamentary Appropriation Voted in 2000-2001	80,300	
Less: Portion Recognized in Calendar 2000	(31,739)	
		48,561
Parliamentary Appropriation Recognized in Calendar 2001		\$ 98,050

*The Canadian Tourism Commission
 Projected Cash Flows Statement
 For the year ending December 31, 2001
 (in thousands of dollars)*

Cash Flows From Operating Activities	
Net Results of Operations	\$ 200
Items not Affecting Cash:	
Amortization of capital assets	754
Amortization of capital funding	(754)
	200
Change in Non-Cash Working Capital items:	
Accounts receivable	1,000
Prepaid expenses	(50)
Accounts payable and accrued liabilities	2,250
Accrued employee termination benefits	600
Net Cash From Operations	4,000
Cash Flows From Financing Activities	
Appropriation Used to Purchase Capital Assets	650
Cash Flows From Investing Activities	
Acquisition of Capital Assets	(650)
Increase (Decrease) in Cash Position	4,000
Cash and Short-Term Deposits, Beginning of Period	-
Cash and Short-Term Deposits, End of Period	\$ 4,000

Appendix A – Board of Directors

CANADIAN TOURISM COMMISSION			
Board of Directors			
	Public Sector	Private Sector Regional	Private Sector National
Chairman – J. Buchanan	Federal: DM–Industry Canada (<i>ex officio</i>)		Air: Scheduled
President – J. Watson	Ontario	Ontario	Air: Non-Scheduled
	Quebec	Quebec	Hotel: Upscale Chain
	Atlantic: NB / PEI	Atlantic: NB / PEI	Hotel: Mid-Price / Budget Chain
	Atlantic: Nfld / NS	Atlantic: Nfld / NS	Entertainment / Attraction
	Manitoba / Sask.	Manitoba / Sask.	Aboriginal
	Alberta / NWT / Nunavut	Alberta / NWT / Nunavut	Developer / Finance / Retail / Technology
	BC / Yukon	BC / Yukon	Distribution Channels
			At large

