

Business Indicators ♦ April 1998

Employment in Tourism-Related Industries, 1997

Tourism in BC

Tourist activity plays an important role in BC's diverse economy. In 1996, the tourism sector generated \$4.6 billion (current dollars) in GDP¹, up 5.7% from 1995. The sector earned \$8.3 billion in revenue, attracting 21.2 million tourists from around the world².

Tourism-related industries

One question that often gets asked is how many people work in the tourism sector. The most frequently cited measure of the number of tourism workers is "employment in tourism-related industries". This is a count of the total number of workers in industries which are heavily dependent on tourism activity. These industries include accommodation services, food and beverage services, and some of the transportation and amusement and recreation service industries.³

Readers should note that this is a measure of total employment in these industries, and NOT a measure of how many jobs are created by tourism.

¹ Gross domestic product, a measure of value added.

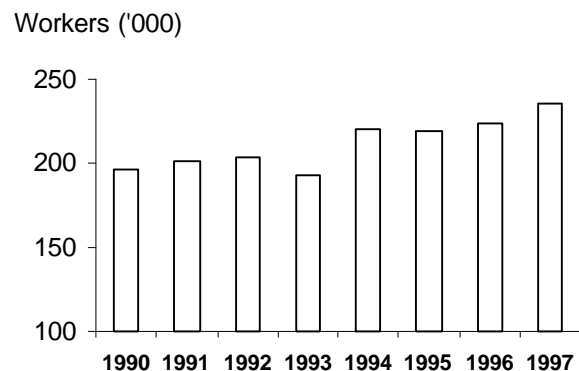
² Source: Tourism BC.

³ For a more detailed account of tourism-related industries, and the methodology used to calculate the employment in these industries, refer to *Employment In Tourism-Related Industries, 1984-1996*, available at the BC Stats website (<http://www.bcstats.gov.bc.ca>).

Employment in tourism-related industries jumps 5.2%

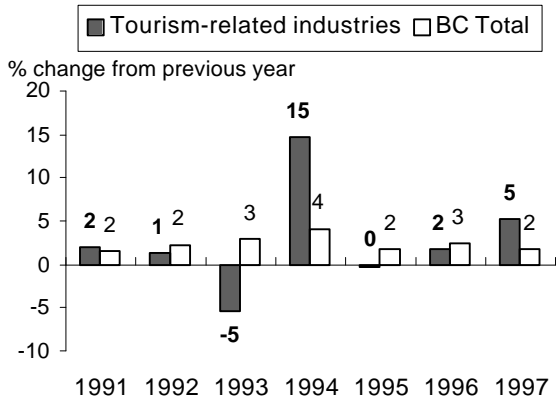
In 1997, tourism-related industries added 11,600 workers, increasing 5.2% to 235,300. Employment in the tourism-related industries stood at 196,500 in 1990, and with the exceptions of 1993 and 1995, has increased in every year since then.

Tourism-related industries show steady growth



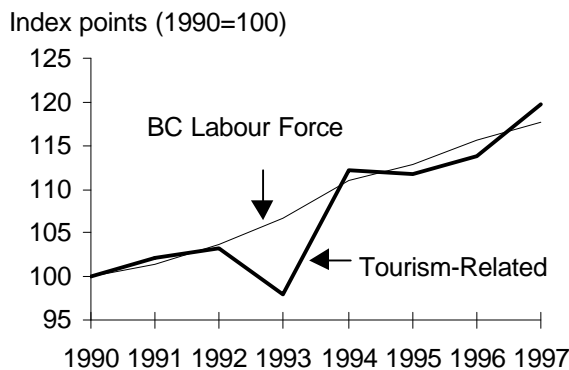
1997 had the highest growth in tourism-related employment in three years. It was also the first time since 1994 that employment growth in tourism-related industries has outpaced the BC economy as a whole. In 1997, the number of people working in BC grew a modest 1.8% to 1.8 million.

Tourism-related employment growth outpaces BC economy for first time in 3 years



Employment in tourism-related industries has grown at roughly the same rate as the provincial economy as a whole since 1990. The number of workers in tourism-related industries has climbed 20%, while total employment in BC increased 18%.

Employment in tourism-related industries keeps pace with BC economy



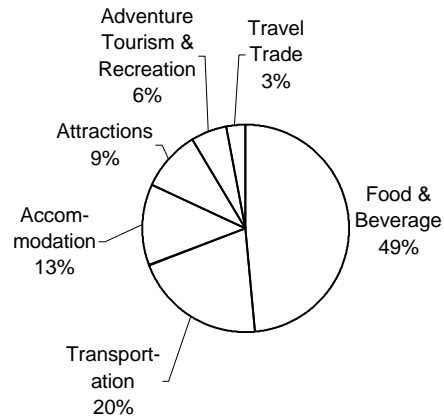
On average, employment in tourism-related industries has grown 2.6% an-

nually⁴ since 1990, while the provincial workforce has increased at an average annual rate of 2.4%. The growth in 1997 accounts for tourism's slightly stronger showing; the annual average employment growth in tourism-related industries was slightly below the provincial rate from 1990 to 1996.

Food & beverage services dominate employment in tourism-related industries

Of the 235,300 workers in tourism-related industries, almost half (49%) work in the food and beverage service industry. Another third are in either transportation industries or accommodation service industries.

Food & beverage services almost half of employment in tourism-related industries



The food and beverage service industry added 8,200 workers in 1997, an increase of 8%. This accounted for more than two-thirds of the growth in tourism-

⁴ Compound rate.

related industries. The next largest tourism-related industry, transportation, also saw employment rise 8% with the addition of 3,400 workers.

Employment in the accommodation services industry grew slightly (1%) in 1997, to reach a total of 30,300 workers. This was nearly 5,000 fewer than in the peak year of 1994, when 35,100 people worked in the industry.

Other industries in the diverse BC economy

Any measure of an industry's performance, be it job creation, GDP, or revenue, immediately prompts comparisons with other parts of the economy. How does the employment of 235,300 in tourism-related industries stack up against other industries in BC?

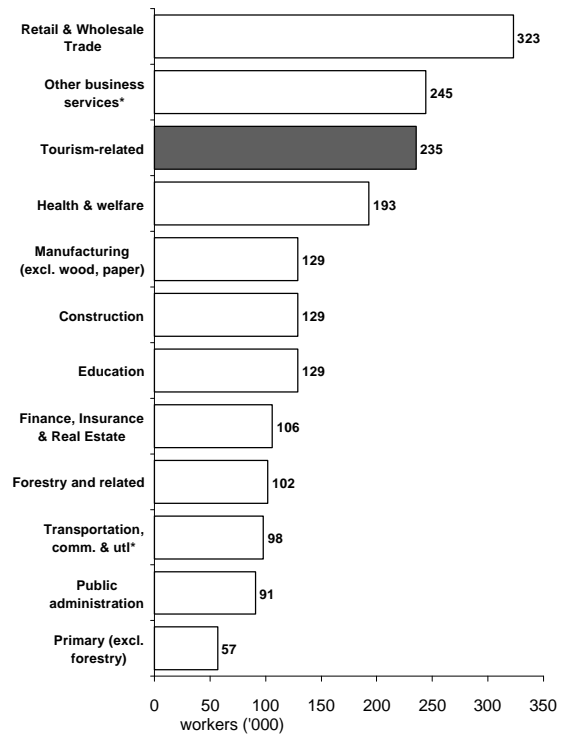
In terms of employment, service industries are far larger than the goods producing industries; in 1997 three out of every four workers in BC was employed in the service sector. In general, the group of service industries defined as tourism-related is one of the largest employers in BC.

The single largest industrial activity in 1997 was retail trade, with 228,000 workers. Another 95,000 worked in wholesale trade businesses.

Other large employers were the health and welfare services industries, which had 193,000 workers. The construction industries and education services each employed 129,000 British Columbians. The finance, insurance and real estate industry had 106,000 workers, while the

public service (federal, provincial, and municipal) had 91,000.

Tourism-related industries employ 12% of BC workers



Note: those industrial groups marked * have had the tourism-related component removed.
Source: BC Stats; Statistics Canada, Labour Force Survey.

There were 102,000 workers in the forest sector and its related manufacturing industries. Of these, 30,000 were employed in forestry (logging), 49,000 in wood products manufacturing (sawmills), and 23,000 were in paper and allied industries (pulp and paper mills).

Another measure of tourism job creation

The greatest shortcoming of the employment in tourism-related industries estimate is that it doesn't measure how many jobs are created in BC through tourism activity. Instead, it counts each and every worker in the tourism-related industries. This is significant, as some demand in tourism-related industries is locally induced and not attributable to tourism. This is most apparent in the food and beverage services industry, where estimates of tourism's contribution vary between 15 and 25 per cent.

This year, BC STATS has begun development of an estimate of tourism's impact on job creation in BC. This estimate will provide a better measure of tourism job generation for inter-industry comparisons.

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Additional statistics on tourism in British Columbia are available from:

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<http://www.bcstats.gov.bc.ca>