

GOAL 14: TOURISM EXPANSION

New Brunswick will increase the amount of GDP generated through tourism by 57%, reaching \$2 billion by 2025.

Status: INDETERMINATE

Current Situation

In a report called “New Tourism Economy,” the Government of New Brunswick outlines its tourism growth strategy for 2018-2025, stating that the province should aim to increase GDP generated through tourism by 57%, which will raise the amount to \$2 billion by 2025. Because there is a lack of publicly available data for tourism revenues, the amount of GDP tourism generates is difficult to measure. However, data for the number of rental rooms being sold in New Brunswick is available through the provincial government’s Tourism Indicators, and this can be used as a rough proxy to determine approximate revenue amounts.

From 2010 to 2017, the number of rooms sold annually in New Brunswick increased from 1,671,306 to 1,807,203, with a large portion of this growth taking place in 2016 and 2017. Meanwhile, the total number of rooms available during the same period has decreased. In 2010, 3,342,612 rental rooms were available in New Brunswick; by 2017, this number had decreased to only 3,205,344.

Figure 1: New Brunswick Rental Room Occupancy

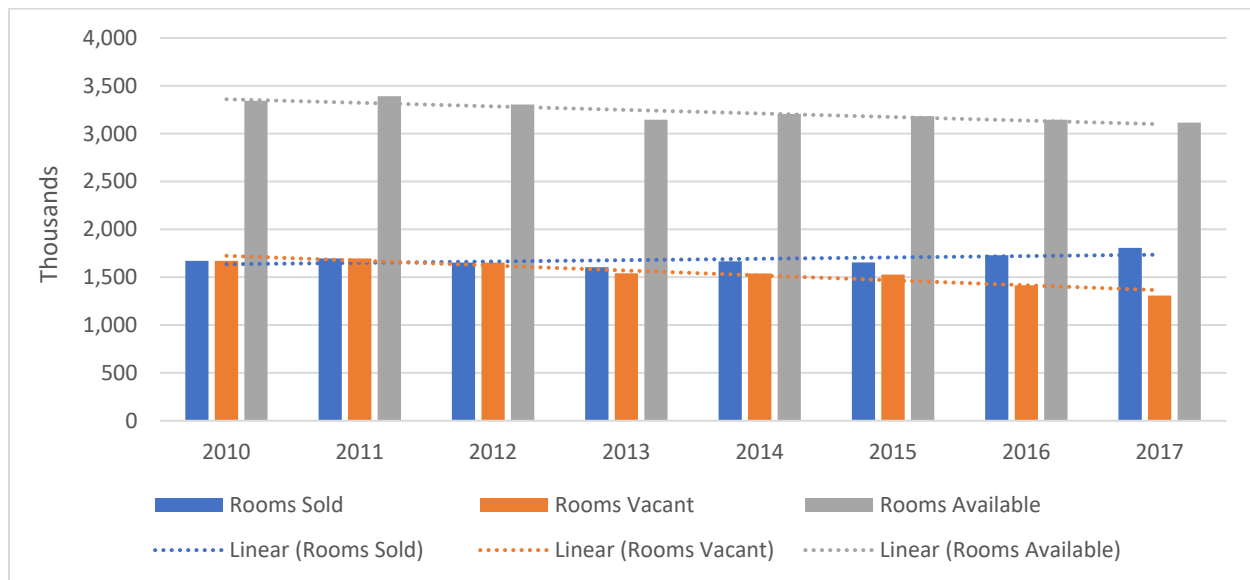


Figure 1: Data	Rental Rooms Available	Room Occupancy Rate	Rental Rooms Sold	Rental Rooms Vacant	Rooms Sold Growth Rate
2010	3,342,612	50%	1,671,306	1,671,306	-----*
2011	3,392,056	50%	1,696,028	1,696,028	1.48%
2012	3,304,395	50%	1,652,198	1,652,198	-2.58%
2013	3,145,690	51%	1,604,302	1,541,388	-2.90%
2014	3,205,344	52%	1,666,779	1,538,565	3.89%
2015	3,182,819	52%	1,655,066	1,527,753	-0.70%
2016	3,146,048	55%	1,730,326	1,415,722	4.55%
2017	3,115,868	58%	1,807,203	1,308,665	4.44%

Source: GNB.ca New Brunswick Tourism Indicators

*The growth rate is calculated using the previous year's room sales as a baseline; however, because there is no data for room sales in 2009, the growth rate for 2010 cannot be determined.

What this Means

On average, the number of rooms rented in New Brunswick increased by 1.17% annually from 2010 to 2017. If growth continues at this slow rate, room sales will not have a substantial impact on New Brunswick's tourism revenues by 2025. However, if the number of rooms sold continues to increase at the rates seen most recently in 2016 and 2017 (4.55% and 4.44% respectively), revenue from rental rooms could comprise a much larger share of the tourism revenue being generated in the province.

It is important to note that rental room sales have a large impact on the economy, as room rentals indicate that tourists will be staying in the province for a period of time, often spending money at local businesses during their visit and consequently boosting the economy in multiple ways.

Although the Government of New Brunswick has set an initiative to improve the province's tourism industry, the lack of publicly accessible data has made it difficult to accurately assess the growth of tourism revenue. This is further complicated by a lack of consistency in the methods used by the government to measure the economy, as growth targets tend to change every 2 to 3 years. To determine whether the province is progressing in this area, it is important that the government remain consistent in using the same system of measurement across multiple growth reports.

Sources

- OneNS.ca
- GNB – New Brunswick Tourism Growth Strategy 2018
- GNB – New Brunswick Tourism Indicators