

AN OVERVIEW OF ALBERTA

# A Supportive Business Environment for Tourism





The Government of Alberta recognizes the important role that tourism plays in the provincial economy.

Through the Ministry of Tourism, Parks and Recreation, the government is focused on facilitating the development of new and enhanced tourism products and destinations.

One of the roles of the Ministry is to generate information that assists tourism industry stakeholders and government decision makers in identifying opportunities that exist within the sector.

In 2009, the Ministry commissioned a report entitled *Recreational Vehicle Camping in Alberta: A Demand and Supply Side Perspective*. An advisory group was formed to provide guidance for the study and included officials from the Ministry's Tourism Division, the Alberta Hotel and Lodging Association and the Recreational Vehicle Dealers Association of Alberta. The report looks at both demand and supply side components driving development opportunities in the RV campground sector.

This booklet provides information about Alberta's business environment, and the economic climate that supports opportunities in Alberta's RV campground sector. The two other accompanying booklets highlight critical findings from the study.

The Ministry hopes that the information will assist new and existing RV campground operators, as well as others in planning for tourism in their respective regions and communities.

The booklets in this package include:

- *An Overview of Alberta: A Supportive Business Environment for Tourism*
- *Recreational Vehicle Camping in Alberta: A Demand Side Perspective*
- *Recreational Vehicle Camping in Alberta: A Supply Side Perspective*

# OVERVIEW

The Province of Alberta is located in western Canada, and is situated between the provinces of British Columbia and Saskatchewan.

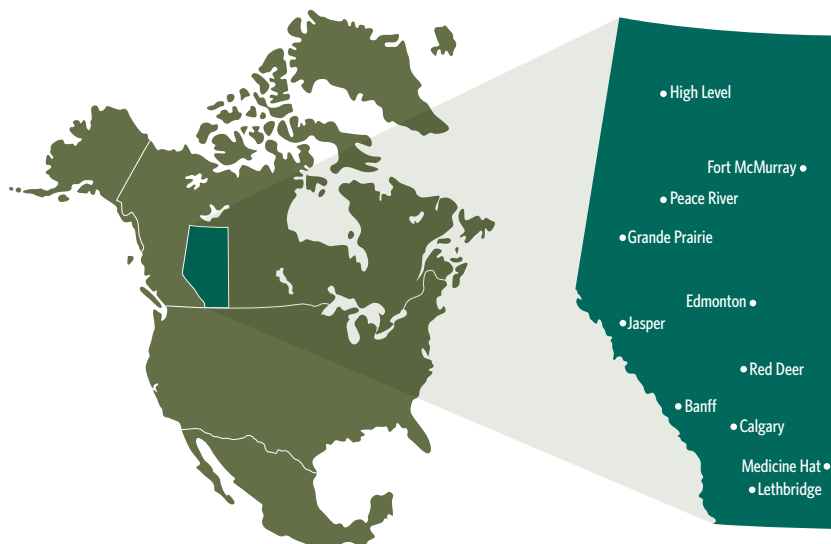
Alberta is blessed with a range of natural attractions including: the iconic Rocky Mountains; a variety of lakes and rivers; prairie landscapes; forested areas; and rich paleontological areas such as the Canadian Badlands. The province has a diversity of provincial parks and recreation areas, and also features some of Canada's most popular national parks including Banff and Jasper National Parks.

It has a population of over 3.6 million people and covers an area of 661,000 square kilometres. Its two major cities include Edmonton and Calgary, both of which have populations in excess of 1 million people.

In 2008, Alberta's population grew at a nation leading rate of 2.1%, double the Canadian growth rate. According to Statistics Canada, this was due to a natural increase, especially in net international migration.

Alberta is part of a western Canadian market of 10.3 million people. Its proximity to the western United States provides easy access to an overall market of 61.1 million people. This includes the 10 states westbound from Colorado to the Pacific Coast.

The province is supported with a modern and well-maintained transportation infrastructure, including an extensive highway system that extends throughout the entire province and two international airports located in Calgary and Edmonton.

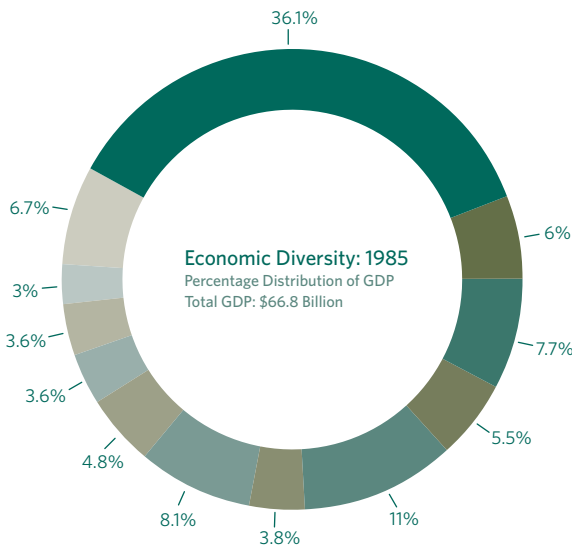




# ALBERTA ECONOMY

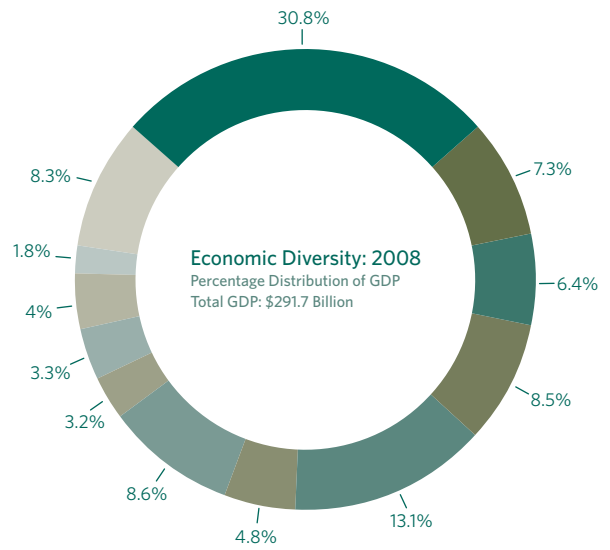
Alberta has an abundance of natural resources which have formed the foundation of the province's economy. The government has created a positive business climate by developing a competitive tax system, encouraging investment, and empowering Alberta businesses to compete around the globe. The result is one of the world's most competitive economies.

Structure of the Alberta Economy  
Percentage Distribution of GDP



- 36.1% Energy
- 6% Manufacturing
- 7.7% Transportation & Utility
- 5.5% Business & Communication Services
- 11% Finance & Real Estate
- 3.8% Tourism & Consumer Services
- 8.1% Retail & Wholesale
- 4.8% Public Administration
- 3.6% Education
- 3.6% Health
- 3% Agriculture
- 6.7% Construction

Source: Statistics Canada and Alberta Finance and Enterprise



- 30.8% Energy
- 7.3% Manufacturing
- 6.4% Transportation & Utility
- 8.5% Business & Communication Services
- 13.1% Finance & Real Estate
- 4.8% Tourism & Consumer Services
- 8.6% Retail & Wholesale
- 3.2% Public Administration
- 3.3% Education
- 4% Health
- 1.8% Agriculture
- 8.3% Construction

Source: Statistics Canada and Alberta Finance and Enterprise



## Economic Results

- Because of the global economic situation, Alberta's economy contracted by 0.2% in 2008. However, even with this decline Alberta still leads all provinces in economic growth during the past five years, with an average annual GDP growth of 3.8% per year.
- Experts believe that Alberta will fully recover and continue to lead the country in economic growth over the long term.
- Alberta's exports of goods and services more than tripled between 1998 and 2008 to \$118.7 billion. A growing number of those exports are manufactured products and services. Exports of manufactured goods more than doubled over the same period.
- Alberta has had a rapidly growing manufacturing base. Between 1998 and 2008, manufacturing shipments more than doubled to \$70.1 billion.
- Average annual employment in Alberta in 2008 increased by 53,900 over 2007. More than 500,000 new jobs were created between 1998 and 2008.
- Alberta's average unemployment rate in 2008 was the lowest in Canada at 3.6%.

Source: Alberta Finance and Enterprise

## Strong Economy

- Alberta has capitalized on its strengths in agriculture, energy, forestry and industrial products to develop a dynamic and diverse economy.
- Over the past decade, the economy has experienced rapid growth in such industries as oil sands, machinery, fabricated metals, construction, retail and wholesale trade, and business services.
- Tourism has also been growing, and is contributing more to the overall provincial economy

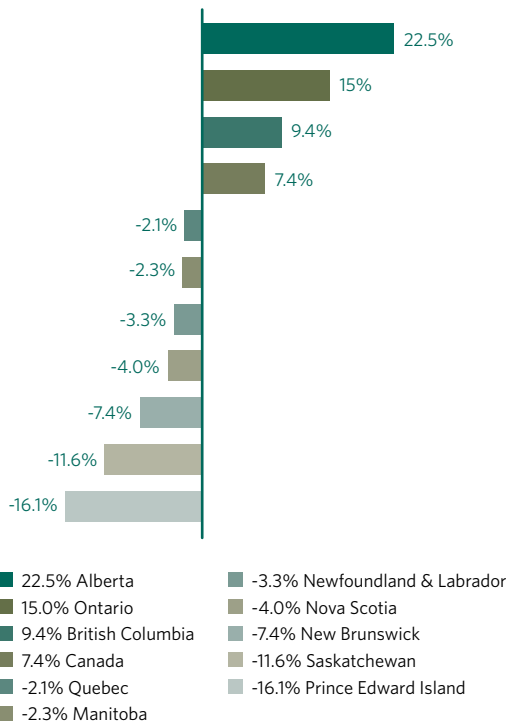
## Positive Business Environment

There are a number of elements that make Alberta a good location for investment and business establishment:

- The lowest overall taxes in Canada.
- No provincial sales tax (the only province in Canada without one).
- No general capital or payroll taxes prevalent in other provinces and U.S. states.
- A highly entrepreneurial and competitive business community.
- A government committed to less regulation to enhance business competitiveness.
- A fiscally responsible government that demonstrates to investors the business-like attitude of the Government in Alberta.
- A highly skilled, educated, and motivated workforce that is the most productive in Canada.
- A strong science and technology culture.
- World-class infrastructure to support business, including transportation, telecommunications, and utilities, as well as excellent hospitals, schools, and post-secondary institutions.



**Small Business: Cornerstone of the Economy 1998 – 2008**  
 Percentage change in small business establishments (less than 50 employees)



Source: Canadian Business Patterns, Statistics Canada

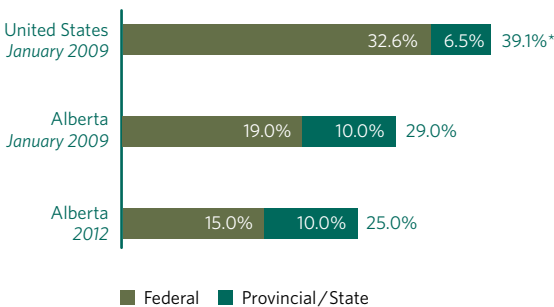
## Highly Entrepreneurial

### Small Business

- Alberta has a dynamic and innovative business climate, as shown by its growth in the number of small businesses.
- Leading Canada in the increase of small businesses (defined as business establishments with less than 50 employees), Alberta enjoyed a 22.5% increase or 26,291 business establishments between the fourth quarter of 1998 and the fourth quarter of 2008. For the same period, the province's increase of businesses with less than 10 employees was also the highest at 27% compared to the Canadian average of 6.4%.
- Alberta has the third highest percentage of self-employed workers in Canada.

## Competitive Corporate Taxes

### Comparison of Corporate Income Taxes



\*6.5% represents the average effective top general state corporate income tax rate. U.S. rates known as of January 2009.

Source: Alberta Finance and Enterprise, and Tax Foundation

- Alberta has one of the most competitive tax environments in North America.
- It is the only province that does not have a provincial retail sales tax.
- Alberta has a competitive corporate tax rate for manufacturers.
- The combined federal/provincial corporate income tax rate is 29% for general businesses and 14% for small businesses.
- Alberta has no provincial capital or payroll taxes, which are common in many other provinces and U.S. states.



# ALBERTA GOVERNMENT

## Supports Tourism

Tourism is an important industry in Alberta, and the Government recognizes the role it plays in helping to diversify the provincial economy. The government's strategic focus is on positioning Alberta as an attractive and preferred travel destination, and facilitating the development of marketable tourism products, new travel destinations, and a policy and regulatory environment that supports tourism.

In 2005, the government enacted the Tourism Levy Act which created a sustainable funding source for provincial tourism marketing and development programs. The four percent Tourism Levy is applied at hotels, lodges and other fixed roof accommodation, and collected and remitted to the Government of Alberta. The funds collected provide the basis for the tourism marketing and development activities carried out by Travel Alberta and the Ministry of Tourism, Parks and Recreation respectively.

Effective April 2009, Travel Alberta became a provincial Crown corporation and continues to market Alberta as a tourism destination regionally, nationally and internationally. It also assists Alberta's tourism industry market and sell their product. Its marketing programs are based on partnership and collaboration with industry stakeholders. Funding to support the marketing efforts of Travel Alberta has grown to well over \$50 million.

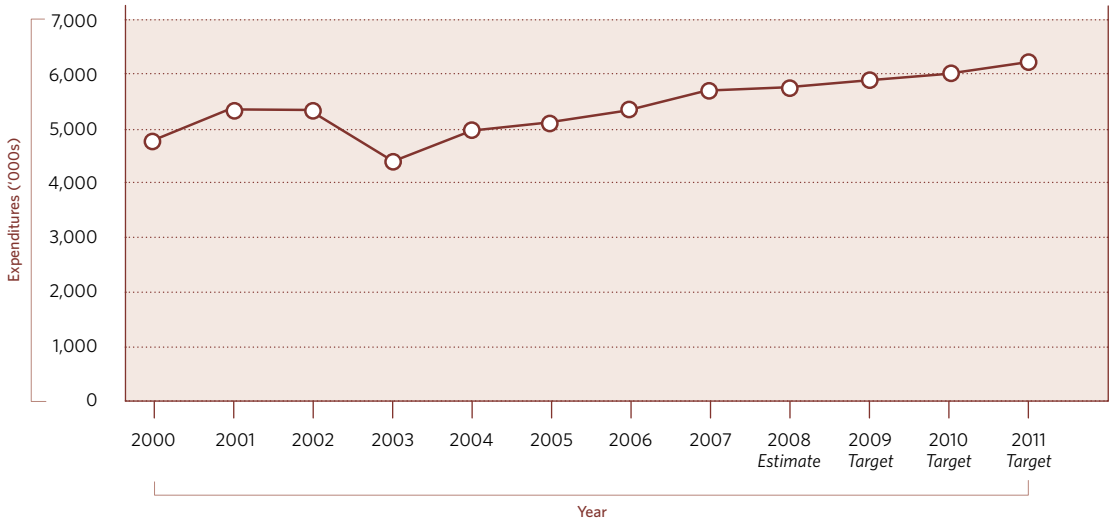
## Tourism Statistics

In Alberta:

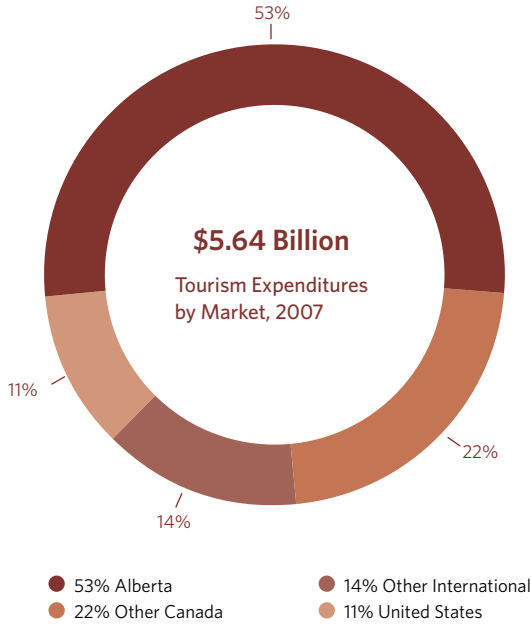
- The total number of person visits to Alberta in 2007 was 22.28 million, an increase of 13.9% from 2006 (19.56 million person visits).
- Of the 22.28 million person visits to Alberta, residents of Alberta accounted for approximately 80% of the visitors. Residents of other Canadian provinces accounted for 12% of all visitors and international visitors accounted for 8%.
- Tourism expenditures in Alberta for 2007 totaled \$5.64 billion, an increase of 9.4% from 2006 (\$5.15 billion).
- Of the \$5.64 billion, Alberta residents accounted for \$2.97 billion or 53%. Residents of other Canadian provinces accounted for \$1.23 billion (22%), while international visitors spent \$1.44 billion (25%) in Alberta.

Source: Alberta Tourism, Parks and Recreation and Statistics Canada

### Historical Tourism Expenditures and Recent Trends



Source: Alberta Tourism, Parks and Recreation and Statistics Canada



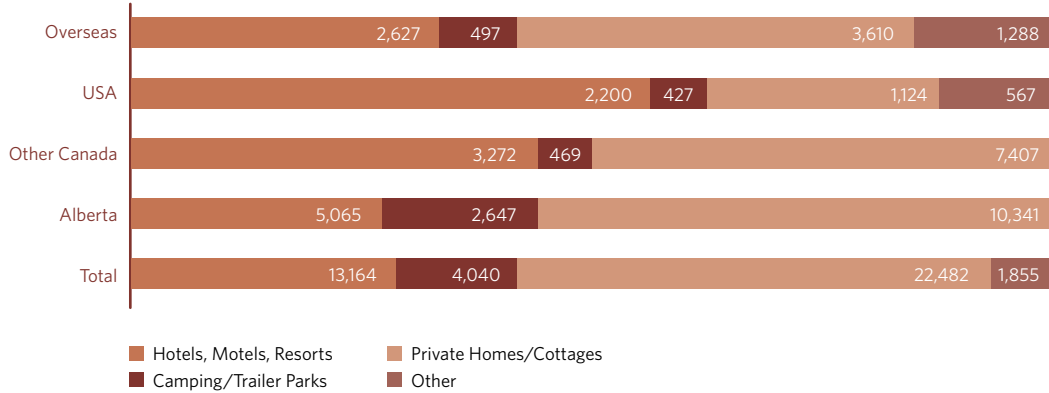
Source: Alberta Tourism, Parks and Recreation and Statistics Canada





# Tourism is a Multi-faceted Sector

Accommodation in Alberta in 2007  
Person-Nights in '000s

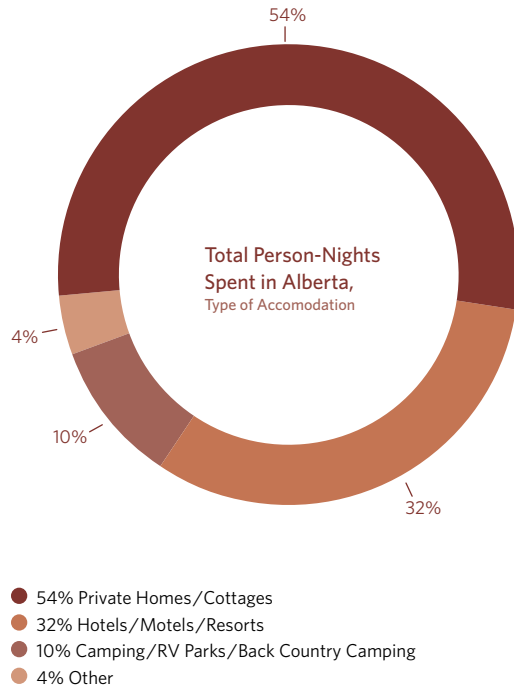


Source: Alberta Tourism, Parks and Recreation and Statistics Canada

Alberta's tourism industry is comprised of many interdependent sectors including: attractions, hotels/motels, campgrounds, food service outlets, along with a range of retail and transportation services.

Campgrounds are an important product sector that form part of Alberta's tourism industry.

Based on data from Statistics Canada's 2007 Travel Survey of Residents of Canada and International Travel Survey, we see that camping activity plays an important role in supporting provincial tourism visitation.



- 54% Private Homes/Cottages
- 32% Hotels/Motels/Resorts
- 10% Camping/RV Parks/Back Country Camping
- 4% Other

Source: Alberta Tourism, Parks and Recreation and Statistics Canada



# RV CAMPING IN ALBERTA

## A Demand and Supply Side Perspective

Accompanying this booklet are two other booklets that showcase the findings from the *Recreational Vehicle Camping in Alberta: A Demand and Supply Side Perspective* study that was commissioned by the Tourism Business Development, Research and Investment Branch of Alberta Tourism, Parks and Recreation in collaboration with the Alberta Hotel and Lodging Association and the Recreational Vehicle Dealers Association of Alberta. The booklets highlight information about the RV camping market and the related needs and preferences of RV camping enthusiasts, as well as a detailed assessment of the supply of RV camping facilities in Alberta.

## Tourism Business Development and Investment Opportunities in Alberta's Tourism Industry

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For additional information on the study and opportunities that exist within Alberta's RV campground sector, please contact:

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**Tel:** 780-427-6485  
**Fax:** 780-427-6454  
**Email:** [bill.hodgins@gov.ab.ca](mailto:bill.hodgins@gov.ab.ca)  
**Web:** [www.tourism.alberta.ca](http://www.tourism.alberta.ca)

## Alberta Government Support

Alberta Tourism, Parks and Recreation's Tourism Business Development, Research and Investment Branch offers a variety of services for those seeking to invest in and develop tourism projects in Alberta.

Our interest is in helping investors and developers identify viable tourism development opportunities in the province. With our knowledge of the

resources, land base and characteristics of tourist visitation across Alberta, we can tailor our assistance to your needs.

Once you decide on a particular location in the province, we will direct you to key community business contacts. Our services are free of charge to qualified business developers and investors.

## Tourism Related Investment Services

Some of the services available through Alberta Tourism, Parks and Recreation include:

- Assessing and matching your investment interests and financial resources with appropriate tourism business investment opportunities.
- Organizing site visits to review investment opportunities.
- Introducing you to relevant business contacts and facilitating meetings to assist with your investment interests.
- Availing tourism research and development information to substantiate your business case or feasibility study.
- Providing detailed information on tourism sectors of interest.
- Assistance with regards to Crown land leasing opportunities through the Alberta Tourism Recreation Leasing process.
- Links to the Federal Government's Business Immigration Program.
- Access to tourism related investment services through the Alberta government's international office network (Beijing, Tokyo, Hong Kong, Taipei, Seoul, Mexico City, London and Munich).

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**You can access our services through these international offices or by visiting us online at: [www.tourism.alberta.ca](http://www.tourism.alberta.ca)**

**For additional information on the provincial campground sector, you may also wish to contact:**

### **Alberta Hotel and Lodging Association**

401 - Centre 104  
5241 Calgary Trail  
Edmonton AB T6H 5G8

Tel: 780-436-6112  
Fax: 780-436-5404  
Toll Free: 1-888-436-6112  
Web: [www.ahla.ca](http://www.ahla.ca)

### **Recreational Vehicle Dealers**

**Association of Alberta**  
305 - 8657 51 Ave.  
Edmonton AB T6E 6A8

Tel: 780-455-8562  
Fax: 780-453-3927  
Toll Free: 1-888-858-8787  
Web: [www.rvda-alberta.org](http://www.rvda-alberta.org)

**For additional information on the Alberta government's Land-Use Framework, please visit: [www.landuse.alberta.ca](http://www.landuse.alberta.ca)**



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