



TOURISM INDUSTRY
ASSOCIATION OF CANADA

ASSOCIATION DE L'INDUSTRIE
TOURISTIQUE DU CANADA

**Written Submission to the Government of Canada's Labour Code, and Labour
Relations Framework and Policy Consultations**

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A reliable transportation system is essential to protecting Canada's international reputation as a stable, accessible, and dependable destination for travellers, investors, event organizers, and business partners

Tourism's Economic Role

Canada's tourism sector is one of the country's most powerful and widely distributed economic engines. It drives approximately **30% of Canada's service exports**,¹ generates **\$132.9 billion in economic activity**,² supports more than **280,000 businesses**,³ and sustains **2.1 million jobs**⁴ in communities across every province and territory. Few sectors reach as deeply into Canada's regions, rural and remote destinations, small businesses, Indigenous and cultural economies, and urban centres alike.

Tourism is more than a visitor economy. It is a platform for regional development, cultural exchange, trade diversification, and Canadian competitiveness. Every international visitor represents new export revenue. Every convention, festival, hotel stay, tour, restaurant meal, and transportation expenditure supports Canadian businesses and workers. As Canada works to grow the economy, diversify trade, strengthen communities, and build resilience in an increasingly uncertain global environment, tourism offers a practical and immediate path to achieving these objectives.

The Importance of Reliable Transportation

The success of Canada's tourism sector depends heavily on reliable transportation systems and stable connectivity. Tourism's federally regulated sectors – particularly in transportation and logistics – are essential to maintaining Canada's economic growth, international competitiveness, and ensuring travellers can reach destinations across the country. Aviation in particular plays a foundational role in

¹ Statistics Canada. Table 36-10-0007-01 International transactions in services, by selected countries, annual (x 1,000,000)

² Statistics Canada. Table 36-10-0230-01 Tourism demand in Canada. Current prices, unadjusted.

³ Emerit, *Rapid reSearch Tool: Business Counts for Canada's Tourism Sector, 2025*

⁴ Emerit, *Rapid reSearch Tool: Labour Force Survey Data for Canada's Tourism Sector, 2025*

supporting visitor movement, international travel, business events, and regional economic growth.

Last year, Canada welcomed approximately 11.2 million non-resident travellers by air, with international air travellers representing some of the country's highest-value visitors – spending upwards of 80% more during their stay than those travelling by other means. Canadian businesses and foreign investors must be able to rely on stable regional connectivity and air access. Major disruptions in Canada's transportation networks not only impact the sector itself, but also Canada's broader visitor economy and wider national connectivity.

Tourism is also an essential aspect of the Federal Government's priorities and is positioned to contribute approximately 10% towards Canada's goal of generating an additional \$300 billion in non-U.S. exports by 2035⁵. Reliable air access is a key enabler of this growth. As the federal government seeks to modernize Canada's labour relations framework, it is important to recognize the economic importance of tourism and the follow-on impacts that labour disruptions can have on Canada's tourism sector and the wider Canadian economy.

Tourism's Vulnerability to Labour Disruption

Tourism is uniquely vulnerable to labour disruptions because the sector depends on reliability, timing, and consumer confidence. Unlike many other industries, tourism demand is very time-sensitive and cannot be recovered once lost. Cancelled trips, disrupted itineraries, and uncertainty surrounding transportation reliability frequently result in permanent economic losses for businesses and destinations across the country. In an increasingly competitive global environment, prospective visitors – both for business and leisure – prioritize destinations that are stable, dependable, and easy to access. Canada's ability to compete for international travellers, investment, and major events depends heavily on visitor confidence and perceived reliability.

Recent labour disruptions affecting major air carriers during peak summer travel periods have demonstrated the significant consequences that transportation instability can have on the Canadian economy. Tourism businesses across the country – including hotels, restaurants, attractions, tour operators, event organizers, retailers and small businesses – experience immediate economic impacts when transportation systems become unstable. The continuity of transportation systems

⁵ [Tourism Outlook 2026–2035 – Canadian Tourism Data Collective](#)

is more than just access – it is an economic pillar that enables growth across the country.

The timing of disruptions has been particularly challenging for the tourism sector. Many businesses rely heavily on peak travel periods to generate a substantial portion of their annual revenues. Even short-term disruptions during summer travel seasons, holidays, or major events can create significant financial losses that are difficult or impossible to recover later in the year. Beyond leisure travel, the stability of people transportation is critical to Canada's ability to attract international conferences, conventions, sporting events, and other business travel. Visitors and event planners prioritize destinations that are dependable and easy to access. Frequent stoppages harm Canada's ability to attract these major, high-value events that support communities across the country.

Downstream Impacts on Tourism Operators

Outside of airlines and airports – tourism operators are uniquely exposed because they often face heightened downstream effects of labour disputes despite not being involved in the dispute itself. Transportation disruptions can trigger widespread cancellations, reduced bookings, lower visitor spending, operational uncertainty, and staffing challenges across the broader visitor economy.

Because of tourism's deep interconnectedness with transportation systems, prolonged labour disruptions within federally regulated transportation sectors create broad economic consequences that affect businesses, workers, travellers, and communities across Canada. As Canada works to strengthen economic resilience, diversify trade, and grow international visitation – maintaining stable and reliable transportation systems will remain essential to supporting the country's competitiveness, international reputation, and long-term economic growth.

Recommendations

TIAC supports efforts to modernize the Canada Labour Code in a balanced and responsible manner that recognizes both the importance of collective bargaining rights and the broader economic impacts associated with prolonged disruptions in transportation sectors.

To support Canada's tourism economy, economic competitiveness, and transportation reliability, TIAC recommends that the federal government:

1. **Strengthen federal dispute-resolution tools** to help prevent prolonged labour disruptions in federally regulated transportation sectors, while maintaining fairness between unions and employers.
2. **Ensure that the tourism industry is considered in updates to labour policy** aimed at reinforcing economic stability, recognizing the disproportionate downstream impacts of labour disruptions on Canada's tourism sector.

About the Tourism Industry Association of Canada:

Founded in 1930 to encourage the development of tourism in Canada, the Tourism Industry Association of Canada (TIAC) serves as the national private-sector advocate for Canada's \$132.9 billion tourism sector. Based in Ottawa, TIAC acts on behalf of Canadian tourism businesses and promotes positive measures that help the industry grow and prosper.

TIAC is responsible for representing tourism interests at the national level, and its advocacy work involves promoting and supporting policies, programs and activities that will benefit the sector's growth and development.

TIAC's membership reflects partnerships among all sectors of the industry, and provincial, territorial and regional tourism associations, enabling the association to address the full range of issues facing Canadian tourism.