

Service bulletin

Traveller Accommodation Services

2009



Highlights

Canada's traveller accommodation industry experienced its first decline in operating revenues since 2003, losing momentum during the economic downturn and a drop in overnight travel to Canada.

The International Travel Survey indicated that overnight travel to Canada by residents of the United States declined 6.7% in 2009. As well, overnight travel to Canada by residents of overseas countries (other than the US) experienced its first drop in 6 years, declining 12.8% from 2008.

According to the Traveller Accommodation Survey, the total industry operating revenues decreased to \$15.1 billion in 2009, a drop of 6.7%. Operating expenses declined 3.3% to \$13.8 billion, resulting in a weakening in the industry's profit margin to 8.3% from 11.4% in the previous year. The traveller accommodation industry is made up of two industry groupings, the hotel, motor hotel and motel industry group and the other traveller accommodation industry group.

Hotels, motor hotels and motels

The decline in operating revenue for the traveller accommodation industry was driven by the hotel, motor hotel and motel industry group which accounts for 84% of the total industry revenue. The operating revenues of this industry group slipped to \$12.6 billion in 2009, a drop of 8.3% from last year.

Newfoundland and Labrador and Saskatchewan were the only provinces that registered an increase in operating revenues, up 1.2% and 3.3%, respectively. The biggest loss was in British Columbia where operating revenues dropped 10.9%.

Total operating expenses declined 4.4% to \$11.6 billion. The operating profit margin dropped from 11.5% in 2008 to 7.7% in 2009, continuing to decline from a peak in 2005.

Sales from room or unit accommodations for travellers remained the largest revenue source for the hotel, motor hotel and motel industry group, accounting for two-thirds of revenue. This was followed by meals and non-alcoholic beverages for immediate consumption (16.5%).

In 2009, salaries, wages and benefits accounted for just over one-third of the industry group's total operating expenses; this was followed by cost of goods sold (15.4%) for items such as food, beverages and merchandise.

Other Accommodation Industries

The other accommodation industry group, which accounts for 16% of total industry revenue, includes campgrounds, bed and breakfasts and rooming and boarding houses. Operating revenues in this industry group increased 2.7% to reach \$2.5 billion, while operating expenses increased 2.8% to \$2.2 billion. The operating profit margin for the industry group decreased slightly to 11.2% in 2009.

The other accommodation industry group is concentrated primarily in Alberta and Ontario, with those two provinces accounting for 59% of the industry group's total revenue.

Statistical tables

Table 1

Summary statistics for traveller accommodation, Canada, by provinces and territory, 2007 to 2009

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfoundland and Labrador	208.1	180.6	69.3	13.2
Prince Edward Island	83.0	78.9	25.5	4.9
Nova Scotia	355.7	332.6	113.0	6.5
New Brunswick	265.9	244.9	79.5	7.9
Quebec	2,333.2	2,210.9	771.7	5.2
Ontario	4,190.3	3,964.5	1,362.7	5.4
Manitoba	800.6	742.3	197.3	7.3
Saskatchewan	562.8	478.6	146.2	15.0
Alberta	3,172.6	2,725.3	906.8	14.1
British Columbia	2,939.8	2,710.2	957.3	7.8
Yukon	80.2	79.9	25.6	0.4
Northwest Territories	64.1	58.7	18.4	8.4
Nunavut	32.0	30.1	7.3	6.2
Canada	15,088.2	13,837.5	4,680.6	8.3
2008 ^r				
Newfoundland and Labrador	207.7	182.7	68.8	12.0
Prince Edward Island	86.7	81.4	27.3	6.1
Nova Scotia	383.3	339.8	115.1	11.4
New Brunswick	270.3	247.4	80.1	8.5
Quebec	2,541.3	2,334.1	820.9	8.2
Ontario	4,511.0	4,068.2	1,427.5	9.8
Manitoba	807.2	740.1	195.6	8.3
Saskatchewan	550.8	462.2	143.8	16.1
Alberta	3,311.7	2,770.7	949.9	16.3
British Columbia	3,314.5	2,924.9	1,010.7	11.8
Yukon	82.6	72.1	22.2	12.7
Northwest Territories	64.8	60.8	19.8	6.3
Nunavut	31.9	29.0	7.2	8.9
Canada	16,163.8	14,313.3	4,888.9	11.4
2007 ^r				
Newfoundland and Labrador	194.3	169.3	64.3	12.9
Prince Edward Island	85.5	77.9	27.1	8.9
Nova Scotia	382.2	336.3	113.0	12.0
New Brunswick	265.0	235.5	79.2	11.1
Quebec	2,494.1	2,275.9	808.2	8.7
Ontario	4,484.1	3,983.1	1,390.2	11.2
Manitoba	729.1	663.4	175.6	9.0
Saskatchewan	500.9	436.1	134.9	12.9
Alberta	3,119.2	2,614.8	889.2	16.2
British Columbia	3,338.5	2,954.7	1,028.3	11.5
Yukon	82.2	74.9	22.8	8.8
Northwest Territories	61.4	56.6	19.1	7.7
Nunavut	34.0	31.3	8.2	7.9
Canada	15,770.5	13,910.0	4,760.2	11.8

Note(s): According to the North American Industry Classification System (NAICS 721). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data have been revised to exclude federal and provincial campgrounds from the other accommodation industries.

Table 2
Summary statistics for hotels, motor hotels and motels, Canada, by province and territory, 2007 to 2009

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfoundland and Labrador	174.8	147.5	60.2	15.6
Prince Edward Island	66.0	63.9	22.1	3.2
Nova Scotia	319.7	301.9	105.6	5.6
New Brunswick	228.9	208.7	69.8	8.8
Quebec	1,955.6	1,862.2	666.8	4.8
Ontario	3,528.1	3,349.2	1,182.3	5.1
Manitoba	734.5	679.5	181.4	7.5
Saskatchewan	507.6	428.7	135.1	15.5
Alberta	2,360.1	2,079.6	732.6	11.9
British Columbia	2,600.0	2,386.9	876.3	8.2
Yukon	F	F	F	F
Northwest Territories	x	x	x	x
Nunavut	x	x	x	x
Canada	12,618.5	11,645.0	4,076.6	7.7
2008 ^r				
Newfoundland and Labrador	172.7	148.5	59.4	14.0
Prince Edward Island	70.7	66.5	23.9	5.9
Nova Scotia	350.2	309.0	107.9	11.8
New Brunswick	234.7	212.6	72.4	9.4
Quebec	2,186.2	2,005.1	727.9	8.3
Ontario	3,910.4	3,530.3	1,286.3	9.7
Manitoba	744.1	678.4	180.4	8.8
Saskatchewan	491.5	408.7	132.4	16.8
Alberta	2,531.7	2,133.1	762.3	15.7
British Columbia	2,917.6	2,554.5	917.3	12.4
Yukon	F	F	F	F
Northwest Territories	x	x	x	x
Nunavut	x	x	x	x
Canada	13,759.1	12,179.9	4,312.0	11.5
2007				
Newfoundland and Labrador	162.3	137.7	55.5	15.2
Prince Edward Island	70.4	64.3	23.7	8.7
Nova Scotia	348.8	305.0	106.0	12.6
New Brunswick	231.6	202.9	72.2	12.4
Quebec	2,142.5	1,948.9	715.8	9.0
Ontario	3,898.3	3,448.7	1,259.3	11.5
Manitoba	668.7	604.2	160.5	9.6
Saskatchewan	444.8	384.5	124.1	13.6
Alberta	2,454.8	2,028.8	723.1	17.4
British Columbia	2,944.0	2,590.3	937.5	12.0
Yukon	64.8	58.0	18.9	10.5
Northwest Territories	x	x	x	x
Nunavut	x	x	x	x
Canada	13,511.2	11,846.7	4,220.2	12.3

Note(s): According to the North American Industry Classification System (NAICS 721). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 3
Summary Statistics for other accommodation industries, Canada, by province and territory, 2007 to 2009

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfoundland and Labrador	33.3	33.1	9.1	0.5
Prince Edward Island	17.0	15.0	3.4	11.4
Nova Scotia	36.1	30.7	7.5	14.8
New Brunswick	37.0	36.2	9.7	2.1
Quebec	377.6	348.7	104.9	7.6
Ontario	662.2	615.3	180.4	7.1
Manitoba	66.1	62.8	15.9	5.0
Saskatchewan	55.2	50.0	11.1	9.5
Alberta	812.5	645.7	174.2	20.5
British Columbia	339.8	323.3	81.0	4.8
Yukon	F	F	F	F
Northwest Territories	x	x	x	x
Nunavut	x	x	x	x
Canada	2,469.7	2,192.5	604.0	11.2
2008 ^r				
Newfoundland and Labrador	35.0	34.2	9.4	2.3
Prince Edward Island	15.9	14.9	3.3	6.7
Nova Scotia	33.1	30.7	7.2	7.1
New Brunswick	35.6	34.8	7.7	2.3
Quebec	355.1	329.0	92.9	7.3
Ontario	600.6	537.9	141.2	10.4
Manitoba	63.1	61.7	15.2	2.2
Saskatchewan	59.3	53.5	11.4	9.7
Alberta	780.0	637.6	187.6	18.3
British Columbia	396.9	370.4	93.4	6.7
Yukon	F	F	F	F
Northwest Territories	x	x	x	x
Nunavut	x	x	x	x
Canada	2,404.7	2,133.5	576.8	11.3
2007 ^r				
Newfoundland and Labrador	32.0	31.6	8.8	1.2
Prince Edward Island	15.1	13.6	3.4	9.9
Nova Scotia	33.4	31.3	6.9	6.3
New Brunswick	33.5	32.6	7.1	2.7
Quebec	351.6	327.0	92.4	7.0
Ontario	585.7	534.4	130.9	8.8
Manitoba	60.4	59.2	15.2	1.9
Saskatchewan	56.1	51.7	10.9	7.9
Alberta	664.4	586.0	166.2	11.8
British Columbia	394.5	364.4	90.8	7.6
Yukon	17.4	16.9	3.9	2.6
Northwest Territories	x	x	x	x
Nunavut	x	x	x	x
Canada	2,259.3	2,063.3	540.0	8.7

Note(s): According to the North American Industry Classification System (NAICS 721). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data have been revised to exclude federal and provincial campgrounds.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the Traveller Accommodation industry in Canada. Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry. Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

Target population

The target population consists of all establishments classified to the Accommodation Services industry (NAICS 721) according to the North American Industry Classification System (NAICS) during the reference year.

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register Division and is updated using administrative data. The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments. Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some. The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling. The effective sample size for reference year 2009 was 2,519 collection entities.

Definition

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

Operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items

Operating profit margin is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

An active statistical establishment is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 76.5%. CVs were calculated for each estimate and are available upon request.

Related products

Selected CANSIM tables from Statistics Canada

351-0002 - Traveller accommodation, summary statistics, by North American Industry Classification System (NAICS), annual (375 series)

351-0006 - Traveller accommodation, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (21 series)

Survey(s)

Definitions, data sources and methods: survey number 2418 - Annual Survey of Service Industries: Traveller Accommodation

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: March 2011

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
X	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

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