

# Travel arrangement services, 2021

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## Travel arrangement service industries cut in half in 2021, down by more than three-quarters since 2019

The travel arrangement and reservation services industry group generated \$3.5 billion in operating revenue in 2021, a 55.4% fall from 2020. Since 2019, these industries' operating revenues have dropped by 76.0%, a decrease of more than a combined \$11 billion in revenue. The pullback was more pronounced in 2021 compared with 2020, mainly because the early winter months of 2020 operated normally. Packaged tours to travel to sun destinations during those winter months make up a significant portion of annual revenue for these industries, particularly for tour operators.

In 2021, Ontario accounted for the largest share of revenue (40.3%), followed by Quebec (22.5%), British Columbia (19.6%) and Alberta (11.6%).

This industry group is composed of three industries: tour operators, travel agencies, and other travel arrangement and reservation services. Other travel arrangement and reservation services accounted for the largest share of revenue at 48.9%, which is usually not the case. This industry includes a variety of types of companies, most of which were not as affected by border closures as tour operators and travel agencies. Tour operators normally account for more than half of revenue in this industry group.

It should be noted that travel arrangement services can be offered (mostly digitally) to Canadians by firms that operate legal entities from foreign countries. Purchases made by Canadian consumers from foreign companies are not included in this survey.

### Tour operators

Tour operators' operating revenue plummeted by 78.9% to \$920 million. It was by far the largest decline among the travel arrangement industries because tour operators are very reliant on international travel. Since 2019, tour operators' operating revenue dropped by 89.9%.

In 2021, packaged tours generated 55.9% of all sales revenue, followed by group tours (19.5%), mainly to foreign destinations other than the United States. Individuals and households in Canada (79.3%) were the main source of tour operator sales.

E-commerce accounted for 38.1% of total sales.

Operating expenses decreased by 72.2%, falling to \$1.3 billion. Cost of goods sold (60.5%) was the largest contributor to industry expenses, followed by salaries, wages, commissions and benefits (17.0%).

The operating profit margin for tour operators turned more negative, declining from -5.2% in 2020 to -38.9% in 2021.

### Travel agencies

Travel agencies did not fare much better, as they generated \$865 million in operating revenue in 2021, a 36.4% drop from 2020 and a 65.4% drop from 2019.

Airline seats (35.4%) claimed the largest share of sales revenue, followed by packaged tours (18.1%) and travel insurance products (11.3%), whose share of sales has more than tripled during the COVID-19 pandemic. Most sales were to individuals and households (60.5%) or businesses (22.5%).

The domestic market was key in 2021, as sales to Canadian destinations accounted for 41.7% of the total, a notable increase from 25.7% in 2019.



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E-commerce accounted for 30.0% of total sales in 2021.

Operating expenses were \$1.1 billion, down by 28.3% from 2020. Salaries, wages, commissions and benefits (52.7%) contributed the most to industry expenses.

The profit margin for travel agencies also took another hard hit, falling to -31.7% in 2021, down from -16.9% in 2020.

### Other travel arrangement and reservation services

The operating revenue for other travel arrangement and reservation services was \$1.7 billion in 2021, representing a 19.8% decline from 2020. This industry has held up better during both years of the pandemic, bringing its total decline from \$3.1 billion in operating revenue in 2019 to a comparably more moderate -43.9%. The variety of types of businesses in this industry, such as automobile clubs, ticket service companies and travel wholesalers, allowed it to benefit more from the travel-related business activities that occurred domestically.

Operating expenses fell by 20.9% to \$1.6 billion in 2021. This drop resulted in a profit margin of 5.7%, keeping the industry profitable.

#### Note to readers

Data for 2020 have been revised.

These and other data related to business and consumer services can be found at the [Business and consumer services and culture statistics portal](#).

**Available tables:** [21-10-0003-01](#), [21-10-0004-01](#), [21-10-0130-01](#), [21-10-0236-01](#), [21-10-0238-01](#) and [21-10-0257-01](#).

**Definitions, data sources and methods:** survey number [2423](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).