

Travel arrangement services, 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, October 19, 2023

Operating revenue of travel arrangement and reservation services industry groups nearly tripled in 2022

The operating revenue of the travel arrangement and reservation services industry group rose sharply by 182.2% to \$9.7 billion in 2022. Despite the strong recovery following the COVID-19 pandemic, the industry group's operating revenue was 33.7% lower than in 2019.

This industry group is composed of three industries: tour operators, travel agencies, and other travel arrangement and reservation services. Tour operators accounted for the largest share of revenue in 2022, at 55.2%. This is a sign of travel patterns returning to normal, as tour operators were hit hardest by the pandemic, accounting for 27.1% of total operating revenue in 2021.

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

Tour operators

Tour operators had the biggest increase in operating revenue in 2022, up 475.2% to \$5.4 billion. While this industry benefitted the most from the removal of travel restrictions, it has the longest path to full recovery, as operating revenue was 41.1% lower than in 2019.

Operating expenses increased 331.8% in 2022, reaching \$5.6 billion. The cost of goods sold was the largest contributor (81.6%) to industry expenses.

The operating profit margin for tour operators remained negative (-3.9%) in 2022. While still unprofitable in 2022, this margin was a notable improvement over that of -38.4% in 2021.

Travel agencies

Travel agencies recovered as well, more than doubling their operating revenue to \$1.8 billion in 2022, a 115.4% increase. Bolstered by domestic travel activities, travel agencies have generally held up better than tour operators since the onset of the pandemic. This industry's operating revenue was down 27.9% compared with 2019.

In 2022, operating expenses totalled \$1.8 billion, an increase of 58.1% from 2021. Salaries, wages, commissions and benefits contributed the most (51.2%) to industry expenses.

The profit margin of travel agencies almost broke even in 2022, at -0.1%. This was a significant improvement from -36.4% in 2021.

Other travel arrangement and reservation services

The operating revenue for other travel arrangement and reservation services was \$2.5 billion in 2022, representing a 52.5% increase compared with 2021. The variety of business types in this industry, such as automobile clubs, ticket service companies and travel wholesalers, allowed it to benefit from domestic travel-related business activities more than the other industries. The operating revenue in 2022 was 16.4% below the 2019 level.

Operating expenses rose 54.3% to \$2.4 billion in 2022. This dropped the profit margin from 5.8% in 2021 to 4.7% in 2022. This industry remained profitable throughout the pandemic.



Industry trends in 2023

Business consolidation, easing economic growth and the removal of most restrictions on travel will influence the recovery of the travel arrangement and reservation services industry. In this context, a financial picture for the 2023 reference year will be provided when survey data are published in 2024.

Note to readers

The data for 2021 and 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) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).