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**CATO releases the latest Economic Impact Analysis report for the year 2024-2025 of the Canadian Tour Operators.**

TORONTO - CATO has once again commissioned the consulting firm BDO to carry out a third study of the economic impact of Canadian tour operators for 2024-2025. A first analysis was conducted in 2021 to evaluate the impact of the COVID-19 pandemic and to continuously track the industry's growth.

The survey consisted of 12 questions focusing on three categories for the years 2024-2025:

- Revenue and expenditures (to fulfill services)
- Employment
- Innovation

**The results for 2024-2025** are as follows: (Results do not include ATOQ members)

**Total Economic Contributions**

Total revenue, employment, labour costs, and overall economic output among CATO members fell sharply in 2021 due to COVID-19. Since 2023, tour operators have seen a strong rebound in demand for tour packages, supporting modest but steady growth through 2025—most notably in the Economic Output category.

Based on the numbers, CATO's direct economic impact for YE 2023 was \$5.3 billion, and for YE 2025 it's \$ 6.1 billion; that's a 7.4 ~~8.7~~% increase in 2 years. The total Economic Output over those same two years, which includes indirect impact, increases from nearly \$9,2 billion to \$9,9 billion, an increase of 7.4% as well. "Despite all the challenges and headwinds over the last 12-14 months, those are not only significant increases but they're truly impressive," said Brett Walker, Chair of the CATO board of directors. He added, "The direct economic impact data from USTOA for 2024 is around \$24 billion. Our economic impact represents 25% of USTOA's, while our population is only 10% the size of the US."

**Total employment**

It rose steadily from 21,824 (2023) to 25,869 (2024) and 29,104 (2025). Part-time employment increased sharply from 189 (2023) to 2,018 (2024) and continued to grow to 2,312 (2025).

**Canada-to-US Travel**

Substantial declines in revenues associated with Canada to U.S. cross-border travel during 2025, and anticipated declines over the next 12 months, suggest that Canada to U.S. travel demand is expected to remain well below pre-pandemic levels for many tour operators. Domestic tour packages reflect an increase.

Most respondents reported growth in tour package sales for non-U.S. destinations over the past year, a consequence of outbound international travel and adjustments to product offerings in response to reduced cross-border demand. In short, a broad reallocation of activity away from U.S.-focused travel.

Operators commonly described expanding international programming, particularly in Europe, which was consistently identified as a core market. Additional growth was noted across several other regions, including Mexico, the Caribbean, and Latin America. Increased emphasis on domestic Canadian travel, particularly within Atlantic Canada, was also cited as part of this shift. Other regions, such as Asia, South America, and the South Pacific, were generally described as stable over the period.

### **AI's impact on Member Organizations**

AI adoption among tour operators remains at an early stage, with impacts still emerging for many organizations. Where AI is currently being used, it is primarily viewed as a tool to improve operational efficiency in many aspects and to improve customer experience. Usage of AI is not viewed as a tool to fundamentally change business models.

At the same time, many organizations emphasized the uncertainty associated with AI's rapid pace of change. Questions remain around best practices, appropriate use, and longer-term implications and overall impact. There are some concerns around regulatory compliance costs, lack of regulatory guidance, or limited internal understanding of AI applications. No respondents identified job displacement, increased operational risk, or uncertainty regarding AI investment decisions.

### **Sustainability in Tourism**

Survey responses indicate that sustainability is widely recognized as an important issue among CATO members, though the level of implementation varies significantly across organizations.

Some tour operators have established comprehensive sustainability programs, including formal policies, greenhouse gas reduction initiatives, B Corp certification, dedicated sustainability teams, and alignment with international standards such as the United Nations Sustainable Development Goals. Others are still in the early stages of developing their sustainability approach.

Common sustainability initiatives include reducing single-use plastics, promoting reusable water bottles, setting carbon reduction targets, tree-planting programs, and partnering with eco-certified suppliers and accommodations. Many operators also highlighted their commitment to responsible tourism through support for local communities, ethical wildlife practices, use of local vendors, and community investment programs.

Members generally define sustainable tourism as minimizing environmental impacts, respecting local cultures, protecting wildlife, supporting local communities, and helping ensure the long-term viability of destinations.

Overall, the findings suggest that while awareness of sustainable tourism is high among CATO members, the maturity and integration of sustainability practices vary, making it an evolving strategic priority across the sector.

### **Other facts for 2025:**

- Direct Full-time Employment in 2020 was 2,571, 3,702 in 2023, and 6,953 in 2025.
- Total Employment full time from 2023 to 2025: 20,294 - 22,315 - 25,071, an increase of 19%.

- Direct Labour Income increased by 38% to \$222.9M in 2023, from \$161.5M in 2020, to \$276 M in 2025, a 19% increase.
- Total Direct and Indirect Labour Income was at \$1,327 billion in 2023, and \$1,542 billion in 2025, a 14% increase.

In conclusion, said Jean Hébert, CATO executive director, “this year’s Economic Impact Analysis demonstrates the remarkable resilience and adaptability of Canada’s tour operator sector. Despite economic uncertainty, shifting travel patterns, geopolitical challenges, and evolving consumer expectations, our members continue to grow, create jobs, invest in innovation, and contribute significantly to the Canadian economy. The report also highlights how operators are responding to changing market dynamics by expanding international and domestic travel offerings, exploring the opportunities presented by artificial intelligence, and advancing sustainability initiatives across their businesses. As we look ahead, CATO remains committed to advocating for policies that support growth, competitiveness, and consumer confidence, while helping our members navigate an increasingly complex global tourism landscape. The strength of these results is a testament to the entrepreneurial spirit of our members and the vital role they play in Canada's travel and tourism economy.”

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The Canadian Association of Tour Operators (CATO) is a non-profit organization consisting of highly respected tour operators from across Canada, as well as supporting members representing organizations from around the world. CATO’s primary role is to inform government and other stakeholders of issues important to its members as well as advocate on their behalf.