

Scarborough Community Council

From: Steven McKinnon <steven@kinronassociates.com>
Sent: Tuesday, November 1, 2016 11:56 PM
To: Scarborough Community Council
Cc: yiu@toronto.ca; Clerk
Subject: RE: Request to Deem Scarborough Community Multicultural Festival - Municipal Significance
Attachments: EconomicImpact.pdf
Importance: High

Please add this material to the request.

More detailed information as to what the festival brings as Economic Impact for Toronto for the Scarborough Community Multicultural Festival

Thanks

The Economic Impact of Scarborough Community Multicultural Festival in Toronto in 2016

**This report was generated by
the Ontario Ministry of Tourism, Culture and Sport TREIM model**

November 1, 2016

Note: The Ministry of Tourism, Culture and Sport does not take any responsibility for inputs that the user has provided, nor for the interpretation of the results.

1. Introduction

This report provides an estimate of the economic impact that Scarborough Community Multicultural Festival is expected to have on Ontario's economy, in terms of Gross Domestic Product, employment and taxes generated. The analysis is based on the following information the user has provided to the MTCS Tourism Regional Economic Impact Model:

Number of Visitors for Activity (or Event) of Type Festivals/Fairs

Origin	Same Day		Overnight	
	Total Number of Visitors	Percent of Visitors' Origin	Percent of Visitors' Origin	Average Length of Stay (nights)
Ontario	1,000	0.00%	0.00%	17
Rest of Canada	200	0.00%	0.00%	4
USA	100	0.00%	0.00%	17
Overseas	3	0.00%	0.00%	17
Total	1,303			

Given that the detailed breakdown of spending by the above visitors on category, such as transportation, accommodation, etc. is not available from the user, the TREIM utilized the average expenditure of visitors in Toronto with characteristics closest to those provided by the user from Statistics Canada's Travel Survey of Residents of Canada and the International Travel Survey to generate the detailed spending as followings (in dollars):

Travel Services	\$0
Public Transportation	\$13,175
Private Transportation - Rental	\$1,582
Private Transportation - Operation	\$32,471
Local Transportation	\$10,237
Accommodation	\$98,764
Food & Beverage - At Stores	\$31,966
Food & Beverage - At Restaurants/Bars	\$104,250
Recreation & Entertainment	\$50,484
Retail - Clothing	\$68,636
Retail - Other	\$11,540
Total	\$423,104

The user also has selected the following parameters:

- The visits take place in Toronto in 2016
- The impact is to be shown for Toronto and for Rest of Ontario
- Induced impacts of household spending are included
- Induced impacts of business investment are included
- The economic environment is as follows:

Baseline	2012	2013	2014	2015	2016
Ontario Real GDP (%change)	2.13%	2.25%	1.81%	2.14%	2.46%
Ontario CPI (%change)	2.13%	1.69%	2.10%	2.01%	1.83%
Ontario Population (%change)	0.92%	0.73%	0.69%	0.77%	0.96%
Ontario Unemployment Rate	7.68%	7.35%	7.24%	6.89%	6.63%
Government of Canada 3 month T-Bill Rate	0.94%	1.10%	2.52%	2.91%	3.80%

2. Summary of Findings

Table 1. Economic Impacts of Scarborough Community Multicultural Festival in Toronto in 2016 (in dollars)

	Toronto	Rest of Ontario
Total Visitors' Spending	\$ 423,104	
Gross Domestic Product (GDP)		
Direct	\$ 184,565	\$ 0
Indirect	\$ 56,006	\$ 20,620
Induced	\$ 54,459	\$ 15,059
Total	\$ 295,031	\$ 35,679
Labour Income		
Direct	\$ 125,519	\$ 0
Indirect	\$ 39,387	\$ 15,011
Induced	\$ 34,899	\$ 10,524
Total	\$ 199,805	\$ 25,535
Employment (Jobs)		
Direct	4	0
Indirect	1	0
Induced	1	0
Total	5	0
Direct Taxes		
Federal	\$ 44,291	\$ 0
Provincial	\$ 44,065	\$ 0
Municipal	\$ 316	\$ 0
Total	\$ 88,671	\$ 0
Total Taxes		
Federal	\$ 77,817	\$ 6,955
Provincial	\$ 61,537	\$ 5,349
Municipal	\$ 812	\$ 101
Total	\$ 140,167	\$ 12,405

Table 2. Economic Impacts of Scarborough Community Multicultural Festival in Toronto on GDP by industry (in dollars)

Industry	Impact on Toronto		Impact on Rest of Ontario	
	Direct GDP	Total GDP	Direct GDP	Total GDP
Crop and Animal Production	\$ 0	\$ 702	\$ 0	\$ 408
Forestry, Fishing and Hunting	\$ 0	\$ 70	\$ 0	\$ 101
Mining and Oil and Gas Extraction	\$ 0	\$ 223	\$ 0	\$ 191
Utilities	\$ 0	\$ 3,508	\$ 0	\$ 717
Construction	\$ 0	\$ 8,553	\$ 0	\$ 984
Manufacturing	\$ 0	\$ 8,171	\$ 0	\$ 7,004
Wholesale Trade	\$ 0	\$ 9,465	\$ 0	\$ 2,813
Retail Trade	\$ 19,893	\$ 28,924	\$ 0	\$ 3,022
Other Transportation and Warehousing	\$ 7,173	\$ 10,722	\$ 0	\$ 1,563
Ground Passenger Transportation (excl. Rail)	\$ 7,982	\$ 8,550	\$ 0	\$ 214
Information and Cultural Industries	\$ 1,062	\$ 6,093	\$ 0	\$ 1,978
Other Finance, Insurance, Real Estate and Renting and Leasing	\$ 0	\$ 23,535	\$ 0	\$ 5,575
Car Renting and Leasing	\$ 872	\$ 1,237	\$ 0	\$ 156
Owner Occupied Housing	\$ 0	\$ 9,157	\$ 0	\$ 842
Professional, Scientific and Technical Services	\$ 0	\$ 7,375	\$ 0	\$ 2,625
Other Administrative and Other Support Services	\$ 0	\$ 4,008	\$ 0	\$ 1,256
Travel Agencies	\$ 0	\$ 0	\$ 0	\$ 0
Education Services	\$ 0	\$ 342	\$ 0	\$ 80
Health Care and Social Assistance	\$ 0	\$ 2,027	\$ 0	\$ 579
Arts, Entertainment and Recreation	\$ 19,755	\$ 21,106	\$ 0	\$ 582
Accommodation Services	\$ 65,426	\$ 65,850	\$ 0	\$ 762
Food & Beverage Services	\$ 30,578	\$ 32,182	\$ 0	\$ 1,813
Other Services (Except Public Administration)	\$ 122	\$ 3,054	\$ 0	\$ 852
Operating, Office, Cafeteria, and Laboratory Supplies	\$ 0	\$ 0	\$ 0	\$ 0
Travel & Entertainment, Advertising & Promotion	\$ 0	\$ 0	\$ 0	\$ 0
Transportation Margins	\$ 0	\$ 0	\$ 0	\$ 0
Non-Profit Institutions Serving Households	\$ 1,426	\$ 3,767	\$ 0	\$ 376
Government Sector	\$ 1,694	\$ 4,563	\$ 0	\$ 801
Net Indirect Taxes on Production	\$ 0	\$ 299	\$ 0	\$ 35
Total	\$ 184,565	\$ 295,031	\$ 0	\$ 35,679

Appendix:

The Economic Impact of Visits in Toronto and other Ontario regions: since no Ontario region is economically self-sustaining, in order to produce the goods and services demanded by its visitors, it will need to import some goods and services from other regions. As such, some of the economic benefits of the visitors' spending in Toronto will spill over to other Ontario regions, such as the one you have selected as "additional". If the second column of Table 1 contains only zeros, then that means that Toronto does not trade with that region.

Gross Domestic Product (GDP): value of goods and services produced by labour and capital located within a country (or region), regardless of nationality of labour or ownership. This GDP is measured at market prices. Tourism GDP refers to the GDP generated in those businesses that directly produce or provide goods and services for travelers.

Direct impact: refers to the impact generated in businesses or sectors that produce or provide goods and services directly to travelers, e.g. accommodations, restaurants, recreations, travel agents, transportation and retail enterprises etc. Direct impact on GDP, employment and tax revenues is also called tourism GDP, tourism employment and tourism tax revenues.

Indirect impact: refers to the impact resulting from the expansion of demand from businesses or sectors directly produce or provide goods and services to travelers, to other businesses or sectors.

Induced impact: refers to the impact associated with the re-spending of labour income and /or profits earned in the industries that serve travelers directly and indirectly.

Employment: refers to number of jobs, include full-time, part-time, seasonal employment, as well as both employed and self-employed.

Federal tax revenues: include personal income tax, corporate income tax, commodity tax (GST/HST, gas tax, excise tax, excise duty, air tax and trading profits) and payroll deduction that collected by the federal government.

Provincial tax revenues: include personal income tax, corporate income tax, commodity tax (PST/HST, gas tax, liquor gallonage tax, amusement tax and trading profits) and employer health tax that collected by Ontario provincial government.

Municipal tax revenues: include business and personal property taxes that collected by the municipalities. Collection, however, does not follow immediately the consumption or production of goods and services in a municipality by visitors (as is the case with HST or personal income taxes). Rather, these taxes show the percent of the total property taxes collected by a municipality that can be attributed to tourism because of tourism's contribution to the economic activity of the municipality and hence its tax base.

Industry: The industry follows Statistics Canada's North America Industry Classification System (NAICS) Input-Output small aggregation industry classification.