

GLOBAL RISE IN EVENT TOURISM:

seize the opportunity

A brief to the House of Commons Standing Committee on Finance
as part of the pre-budget consultations ahead of the next federal budget

> MARCH <
2026 <

FAME
FESTIVALS AND MAJOR EVENTS
FESTIVALS ET ÉVÉNEMENTS MAJEURS
CANADA

Credit: FMG

Recommendation:

- 1. Given the global rise in event tourism and in order to boost both domestic and international tourism in Canada within the current geopolitical context, a program or fund dedicated to the growth and tourism appeal of Canadian festivals and events should be established, managed by regional development agencies and allocated a \$75M annual budget.**

Festivals and Major Events Canada, also known by the acronym FAME, has a direct and affiliated membership of over **500 members** of all sizes and types across the country.

The coalition works closely with the **Regroupement des événements majeurs internationaux** (RÉMI), which consists of some 30 major events in Quebec, as well as with the following organizations: **Ontario Festival Industry Taskforce** (OFIT), **Événements Attractions Québec** (ÉAQ), **Atlantic Presenters Association** (APA), **BC Music Festival Collective** (BCMFC), **Ottawa Festival Network** (OFN) and the **City of Charlottetown**.

Event Tourism

- Event tourism is a **dynamic and growing sector of the tourism industry** that focuses on organizing and promoting events that appeal to visitors.
- These events can include **festivals and events, shows, exhibitions and sporting competitions**, taking place over a **specific, limited period of time**, creating a **sense of urgency** to visit the destination and offering participants unique experiences that enhance their tourist stay.
- Event tourism can include musical events, cultural events in a broad sense, sporting events and other types of events.
- It differs from business tourism (and attendance at conferences, for example) in that participants' **motivation is entirely personal** rather than professional, and in that it is generally associated with concepts of **leisure** and **recreation**.

A New Rise

- In recent reports, Skift – a leading source of global travel and hospitality news – has highlighted the rise of “event tourism” as a **key factor driving global tourism growth**.
- “For decades, travel planning followed a clear, linear process: pick a destination, book a flight, select a hotel, then decide on activities. **That sequence is being turned on its head.** Increasingly, travellers — particularly Gen Z and millennials — **start with the experience**: a music festival, a rival match, a Formula 1 weekend, a once-in-a-lifetime celestial event or a top-billed residency. **The destination becomes a mere extension of the moment.” (Forbes, 2025)**
- US Congress has taken note of this trend. Through the American Music Tourism Act, currently under consideration, it is calling on the National Travel and Tourism Office (NTTO) within the Department of Commerce to **promote tourism around music- and sports-related attractions**, which is essentially event tourism; it also expands the NTTO’s current mandate to **facilitate sporting and recreational events and activities** to include the promotion of international travel and tourism to such activities in the United States. It stipulates that the NTTO must submit a report to Congress on its activities and findings within one year of the Act coming into effect, and every two years thereafter.
- Last year, the Canadian Live Music Association (CLMA) released the results of a study demonstrating that, in 2023 alone, the Canadian live music industry generated \$3.73B in tax revenue and \$10.92B in GDP. Of this latter figure, **\$8.92B is attributable to tourism associated with live music activities**.
- Globally, the music festival market is **expected to grow by 17.4%** between 2026 and 2030, reaching a value of US\$6.74B by the end of that period.
- Global tourist numbers were up by 4% in 2025, estimated at 1.52 billion people – over 60 million more than in 2024. **The percentage of travellers worldwide who said in 2025 that they planned to travel to attend an event (sporting, cultural, etc.) was 44%. This percentage rose to 52% in the United States.** Among young people, the percentage was significantly higher according to another source, at 40% compared to 9% among people 55 and over.
- The FIFA World Cup, major tours by artists such as Taylor Swift, and a host of **popular festivals and events** are prime examples of the phenomenon currently driving tourism growth.

What to do?

- Canada must do more, given the unprecedented geopolitical context in which Canadians are more likely to choose to travel domestically if the tourism offering is attractive, and in which many international tourists interested in a North American experience are more hesitant to visit the United States. **The aim is therefore, on the one hand, to stem the outflow of currency abroad, and on the other, to encourage the inflow of new money into the economy.**
- FAME puts forward several proposals to promote growth in the sector that require, first and foremost, recognition of the touristic and economic value of many festivals and events, which are all too often viewed only through the (admittedly important) cultural and social lens. FAME believes that, through a series of measures, Canada must allow certain events that wish to **grow** to move into a category that generates greater economic and tourism benefits, with a **more attractive** and **better-promoted** product, to attract a larger proportion of tourists, including international tourists, as participants over the next five years.

With regard to the budget, this leads FAME to recommend **the establishment of a program or fund dedicated to the growth and tourism appeal of Canadian festivals and events, managed by regional development agencies and allocated a \$75M annual budget.**

Why 75M\$?

- The Marquee Tourism Events Program (MTEP) launched by the Harper government provided \$50M a year for two years (2009–2010 and 2010–2011). Adjusted for inflation, that is equivalent to **\$75M today**.
- In 2011, in its evaluation of the MTEP, the Government of Canada concluded that the program had “responded to the need for an **immediate economic stimulus** to the tourism sector” and had “created [other] positive benefits for recipients”.
- When the MTEP was in effect, its budget was supplemented by \$50.2M from Canadian Heritage, through two programs: CAPF and BCAH. This amount has since increased to \$72.7M, not quite keeping pace with inflation, and in a context where the number of festivals and events receiving support has grown.
- In the Canadian festival and events sector, excluding agencies, **the Liberal government is currently investing less than the Conservative government did in 2010**, both in constant dollars (approx. \$73M vs \$150M) and current dollars (approx. \$73M vs \$100M). Given the current climate, now is the time to seize this opportunity.

What could this program or fund look like?

- This program would come at just the right time, as the budgets for the major programs currently supporting festivals and events under Canadian Heritage – **the Canada Arts Presentation Fund (CAPF) and Building Communities Through Arts and Heritage (BCAH) – are no longer able to meet demand.** With CAPF, for example, the maximum amount awarded has been decreasing year after year, despite additional funding beyond the base budget. As a result, some recipients are now receiving only about 40% of what they did before the pandemic.
- Among other things, the program would support a category of festivals and events that are not recognized by Canadian Heritage, whether they be primarily entertainment or sporting events, those that are for-profit, or any others that are excluded by the Department; it would add other assessment criteria and new, different funding for those already supported by Canadian Heritage.
- The program could include components and levels, and would be tailored to the needs of **festivals and events of all sizes with growth potential and the ability to attract more domestic and international tourism.** Within the ecosystem, it would enable a form of recovery: festivals and events recognized in Canada would increase their international attractiveness, while others, recognized regionally, could have a greater impact throughout Canada. It would be in line with strategies aimed at restoring Canada's status as one of the world's most popular destinations and regaining market share.
- Funding awarded through this program should be primarily for **festival operations**, although it may require the presentation of a growth or development plan, a business plan or a strategy to enhance the festival's attractiveness and tourism performance. Consideration would be given to attendance, participant origin and, ultimately, results. We're not talking here about a program based on new projects requiring investments that too many organizations are unable to make.
- As with tourism in general, event tourism has a bright future ahead. We must continue to focus on festivals and events that attract Canadian and international participants to a particular city or region and that are economically and touristically 'profitable', comparatively, such as conferences and business tourism.
- Support for festivals and events has a multiplier effect on tourism: it has been shown that **out of every dollar spent by a participant, \$0.25 goes towards accommodations and \$0.33 goes towards dining**, not to mention transportation and other categories. Many communities and commercial arteries generate income comparable to a full year's revenue during a single short festival or event.
- With **economic impact studies**, festivals and events can assess actual progress, as is the case in Quebec for festivals and events with an operating budget over \$6M. This would, however, require the **implementation of a methodological guide across Canada**, like the one recognized in Quebec and pursuant to which more than fifteen festivals and events are already required to measure their impact (even though this requirement has been temporarily suspended as a result of the pandemic). It would also require the involvement of partners such as FAME.
- FAME estimates that the **festival and events sector generates billions of dollars in GDP across Canada.** As the driving force behind the decision to visit a destination on a specific date, they attract many international tourists who inject fresh money into the economy.
- In a regional development agency like Canada Economic Development in Quebec, **it would be worthwhile to see how this new program could be articulated in relation to existing efforts**, and to a lesser extent, to do the same in other regional development agencies in Canada.