



BRITISH COLUMBIA REGIONAL TOURISM SECRETARIAT

COVID-19 TOURISM IMPACT REPORT

WEEK OF MAY 4, 2020

FOR QUESTIONS CONTACT:
Glenn Mandziuk
Chair, BC Regional Tourism Secretariat
250-860-5999
ceo@totabc.com

Opening message

The British Columbia Regional Tourism Secretariat, British Columbia Hotel Association and the British Columbia Destination Marketing Organizations Association are continuing to leverage our collective business network to collect, collate and report on the impact of the COVID-19 pandemic on tourism businesses and to gather feedback on potential response and recovery measures. This business intelligence was gathered through telephone and online surveys from **May 4-8, 2020 with 499 tourism businesses.**

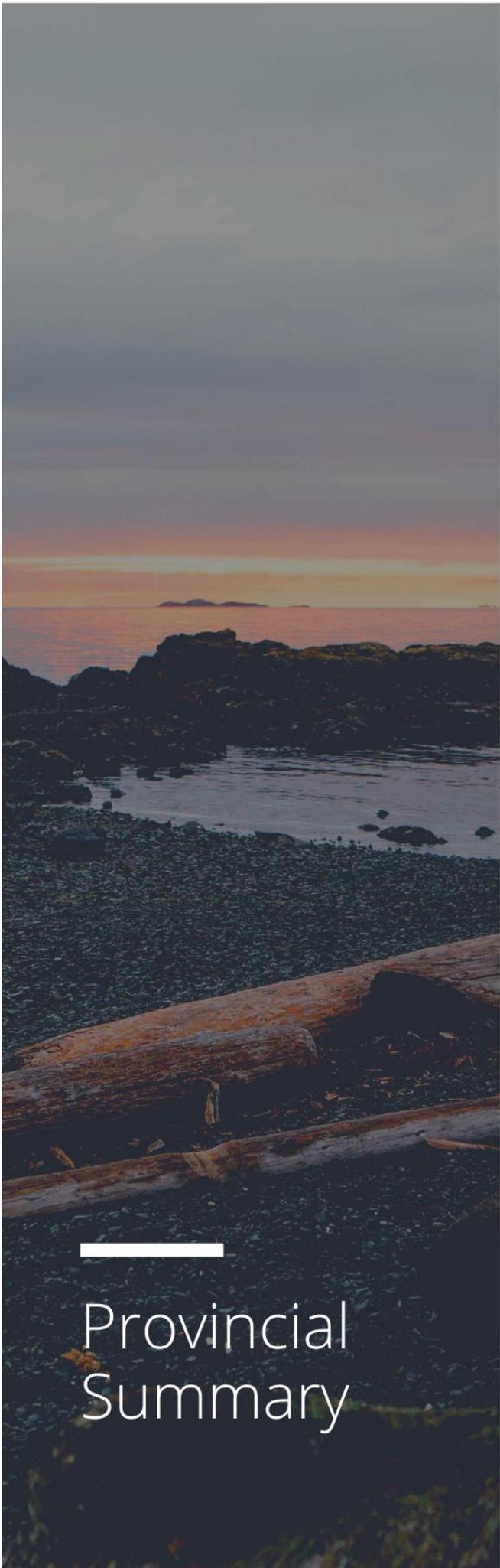
Key Issues for Consideration:

- **18%** of firms said that they are **likely to face bankruptcy**
- Nearly **1/2** of firms are **temporarily closed** due to the impact of COVID-19
- **Less than 1/4** of firms **expect to be fully open** for the **entire summer tourism season**
- Overall, **tourism industry in BC suffers greater impact** from COVID-19 as compared to the national average
- Many small businesses are **not eligible for any government support program.**
- Some businesses are also impacted from **wildfires and floods**
- Most accessed government programs are CERB and CEBA. Overall **positive experience** among the 32% of firms who have accessed **government programs**

On behalf of the British Columbia Regional Tourism Secretariat and our partners, I would like to thank the Honourable Minister of Tourism, Arts and Culture, Lisa Beare, and her staff for their dedication and support during this most challenging time.

Sincerely,

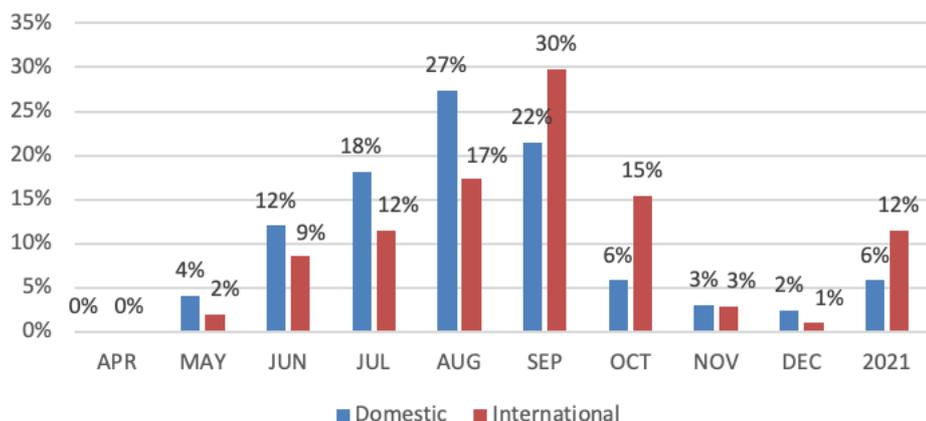
Glenn Mandziuk
Chair, British Columbia Regional Tourism Secretariat



Provincial Summary

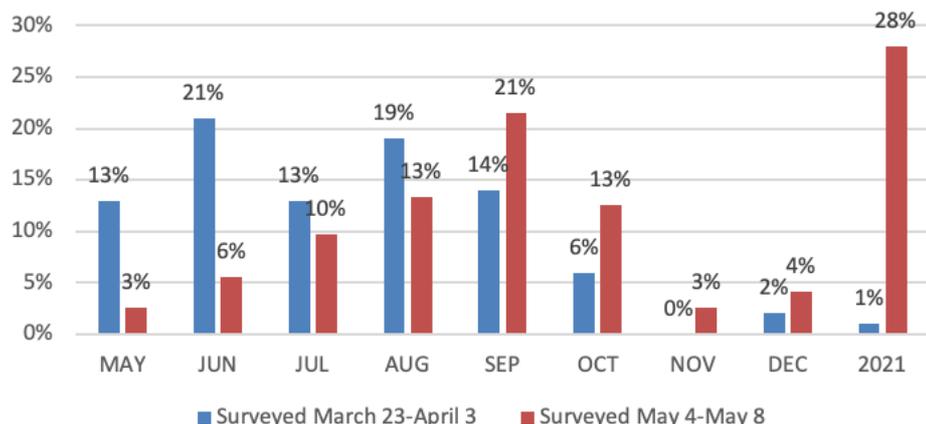
PROVINCIAL SUMMARY**

What is the furthest out you are receiving cancellations, by type of customers



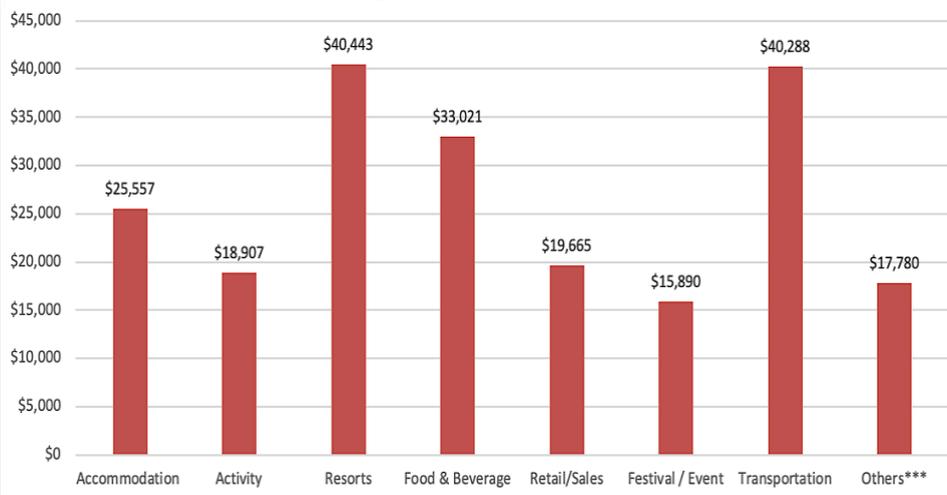
Businesses with an **international clientele** are seeing cancellations right through the **fall** and into **2021**. Meanwhile, **businesses with Canadian clients** still have a chance to receive **existing travelers** should the **Covid-19** situation improve.

What is the furthest out you are seeing a change in the pace of future bookings?



Impact on bookings continues to push forward, with 70% of firms seeing slower booking in September and beyond, as opposed to a month earlier (March 23-April 3), when the majority of firms saw slower bookings from May to August.

Please provide a monthly amount of financial support your business requires to stay solvent (in CAD).



Businesses require on average **\$23,400 per month to stay solvent**, with a range from \$500 to \$58,600 and a median of \$8,250.

Note: All data ranges in this report are calculated from the 10th percentile to the 90th percentile.

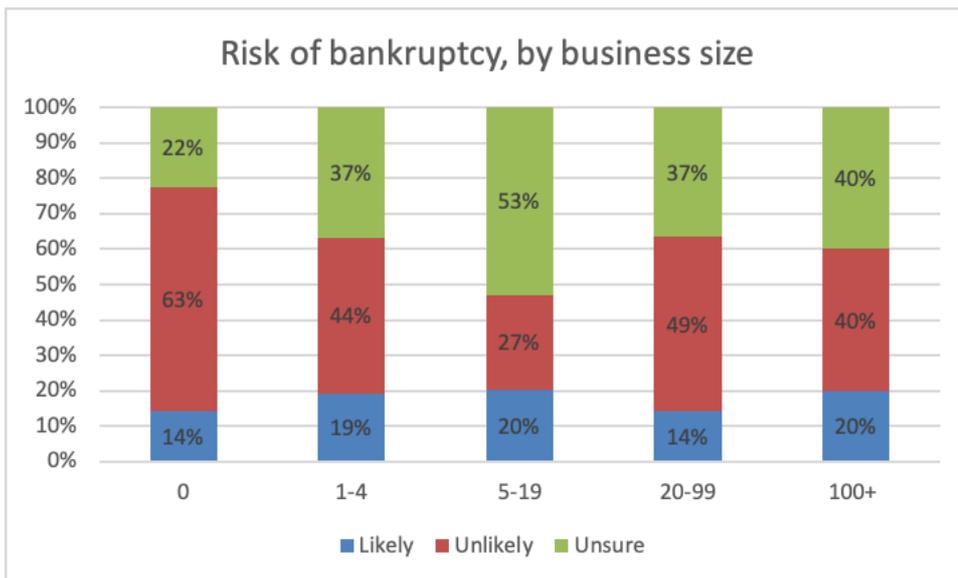
*All findings are based on member surveys collected by the Secretariat during May 4-8, except where otherwise noted. Data and figures represent a subset of regional tourism operators and are subject to change with changes in coverage, data cleaning, weighting and other statistical correction and/or as data become more complete. Some quotes edited for brevity.

**We do not have enough survey data for Vancouver, Coast & Mountains this week to produce a standalone report for that region.

***"Others" includes Visitor Centre, Indigenous Tourism, Winery, Brewery, Distillery, and Publicly Owned Asset

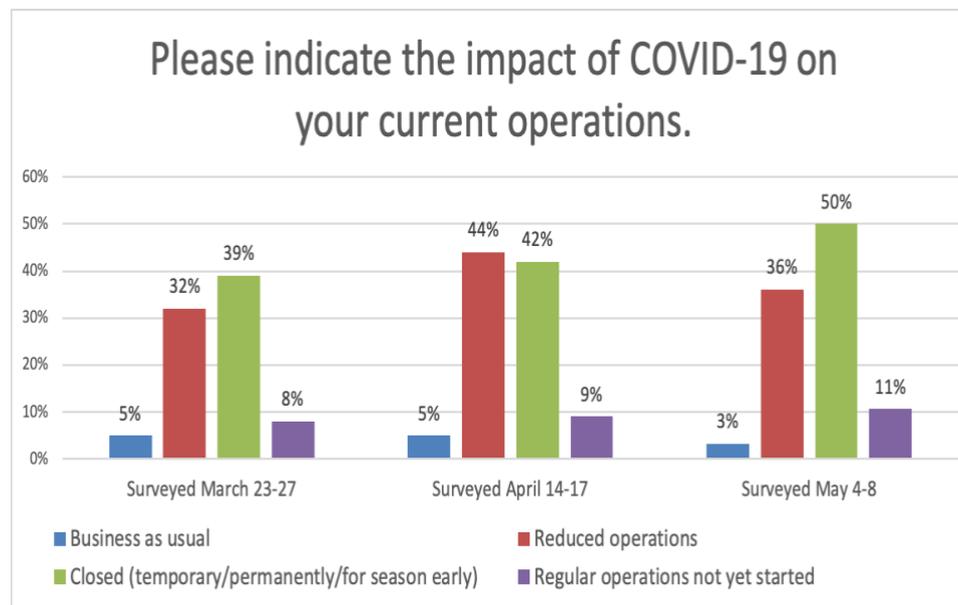
Photo Credits: Ben Giesbrecht

PROVINCIAL SUMMARY



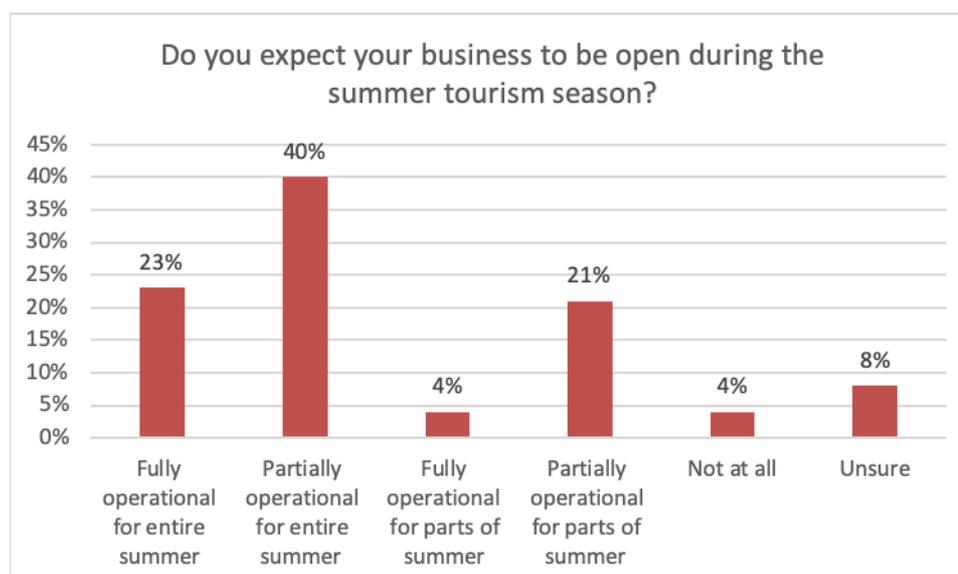
Overall, **18% of all firms** said that they are likely to face bankruptcy.

Sole proprietor businesses (indicated by 0 employees), are least likely to face bankruptcy.



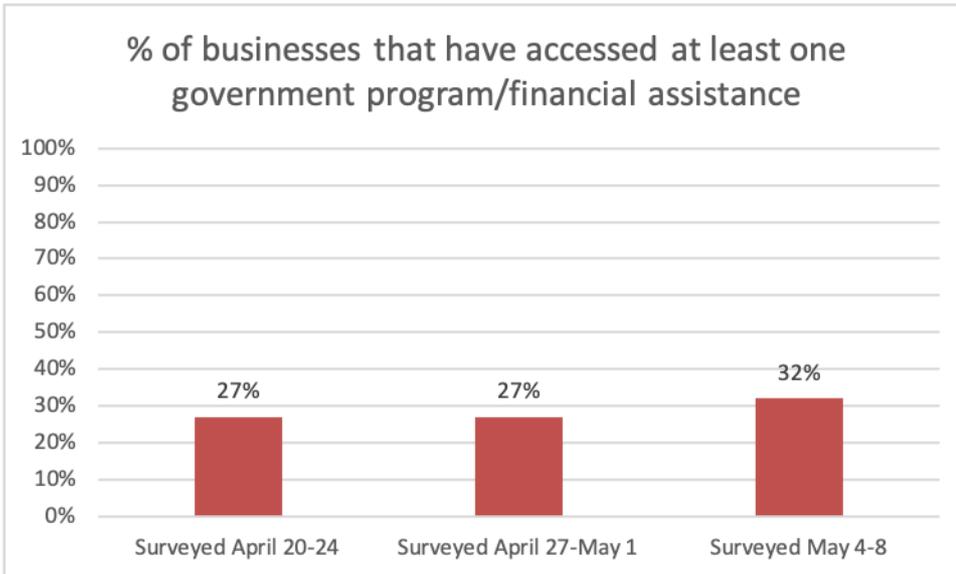
Since the first survey (surveyed March 23-27), the % of firms that are temporarily closed have consistently increased, while % of firms that remain in business as usual slightly decreased.

From April 14-17 to May 4-8, there was a transition period in which firms switched from “reduced operations” to “temporarily closed”.

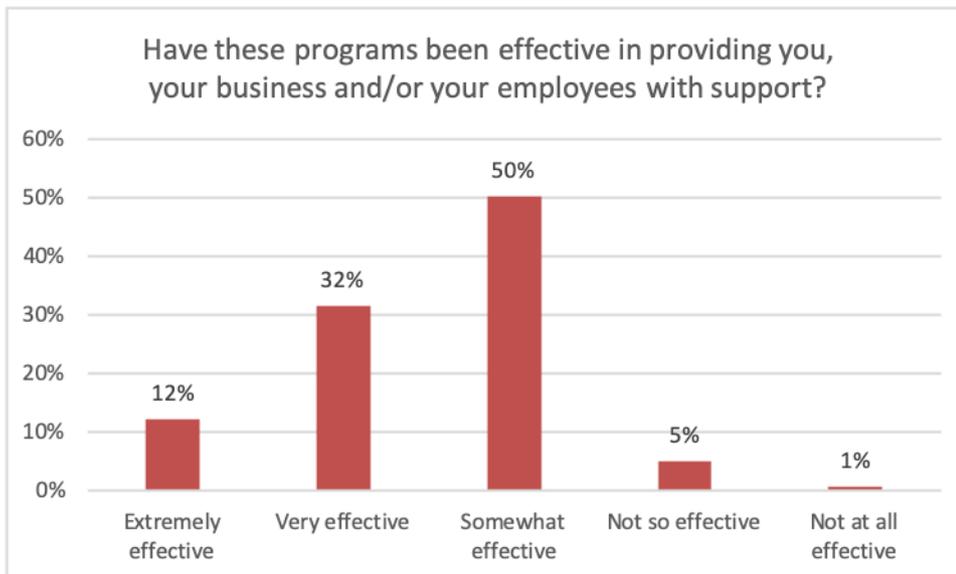


Among the businesses whose current operations are “Business as usual”, “Reduced operation” or “Temporary closed”, **40% expect to be partially operational for the entire summer.**

PROVINCIAL SUMMARY



Over the course of 3 weeks, the number of firms who have accessed government programs/financial assistance slightly increased, from 27% to 32%.



Overall positive experience among the 32% of firms who have accessed at least one government program/financial assistance. (Surveyed May 4-8, 2020)

*We asked those who said that “The government programs/financial assistances that they have accessed were not so effective/not at all effective” to provide **further explanations**:*

“The CEBA program should be available to sole proprietors and businesses that only hire contract employees. Meanwhile, the eligibility for CERB should be based on 2019’s revenue or income to make it fairer for businesses who don’t have payrolls.”

– Vancouver Island, Activity owner, May 7, 2020

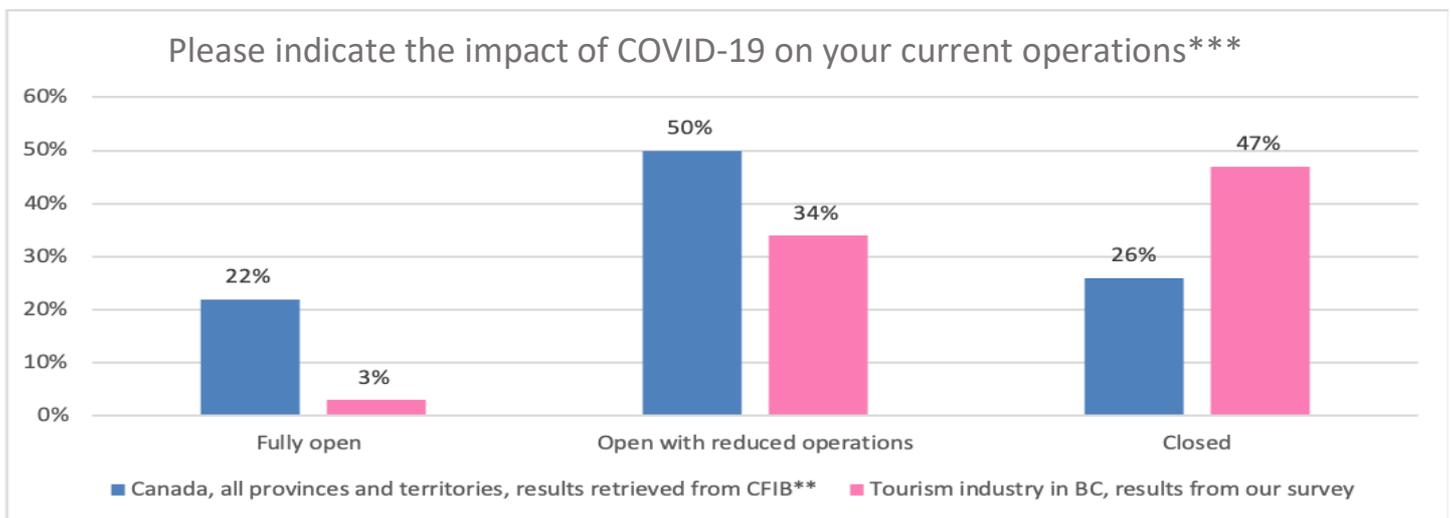
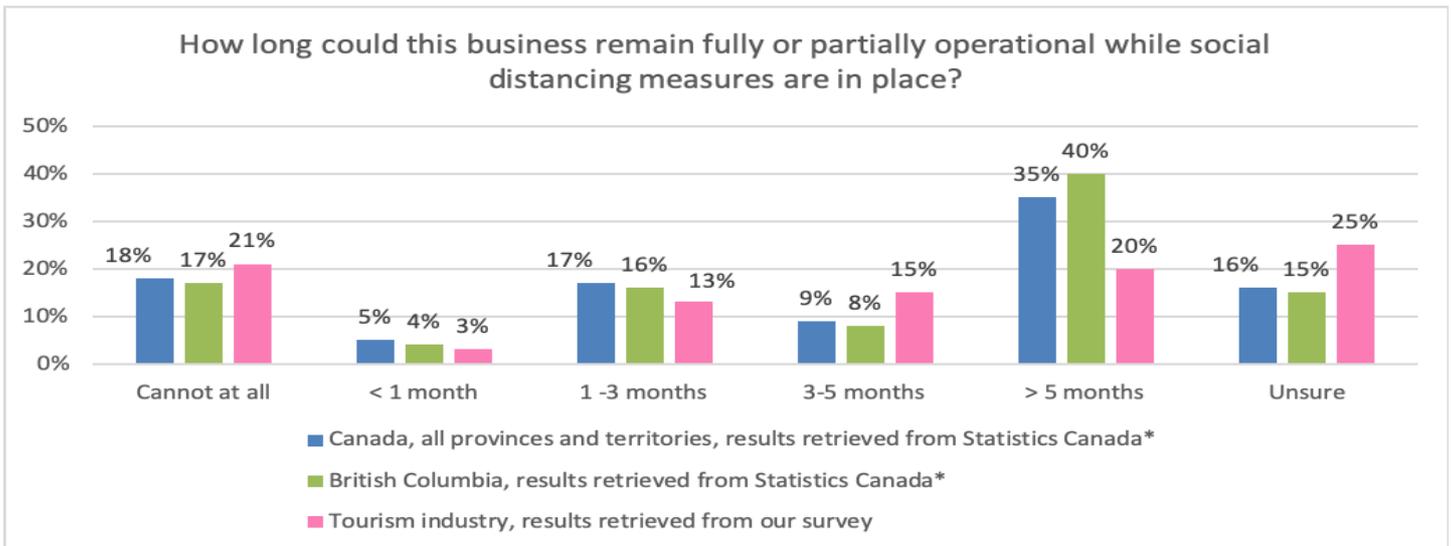
“The assistance packages are too small. They are more suitable for assisting wage earners to get by. The assistance programs to date do not address the magnitude of the problem (for example: large recent capital expenses, refunds, etc.)”

– Cariboo Chilcotin Coast, Activity owner, May 8, 2020

A CLOSER LOOK: COMPARING TO ALL CANADIAN BUSINESSES

From April 20-May 8, we asked 844 distinct businesses questions to match those in nationally-representative surveys conducted by Statistics Canada and the Canadian Federation of Independent Business (CFIB). Compared to this national average, tourism businesses in BC were **more likely to not be able to operate at all, and less likely to be able to operate for more than five months, under social distancing measures.** Meanwhile, **tourism businesses in BC are more likely to be closed due to COVID-19 and less likely to be fully or open with reduced operations, as compared to the national average.**

For the 844 firms surveyed from April 20-May 8, **12,716 staff have been laid off** due to COVID-19. The number reflects the major drop in employment rate within the accommodation and food services sector from April 2019 to April 2020 in Canada. According to Statistics Canada, accommodation and food services had the most severe impact on employment rate in April 2020, as compared to the rest of the Canadian economy.



12,716

Staff Layoffs
across 844 businesses
BC Tourism Industry
Results from our survey

As of Dec 2018, there were 19,000 tourism-related businesses in British Columbia
(Source: https://www.destinationbc.ca/content/uploads/2020/03/2018-Value-of-Tourism_Feb-2020_Final.pdf)

-49.1%

% Change in employment
from April 2019-April 2020
Accommodation & Food Services Sector
Results from Statistics Canada****

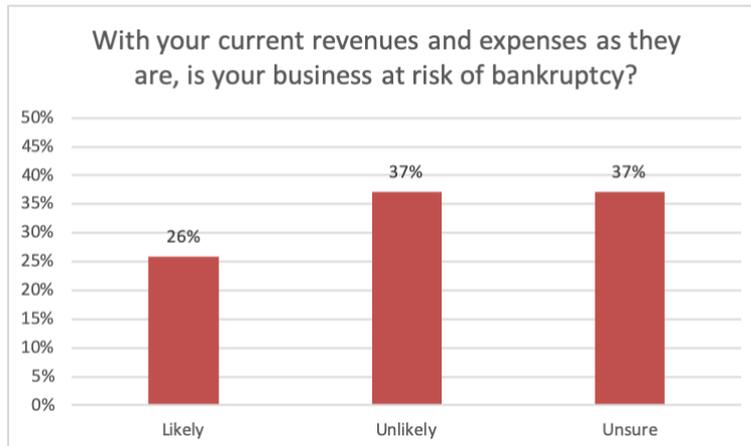
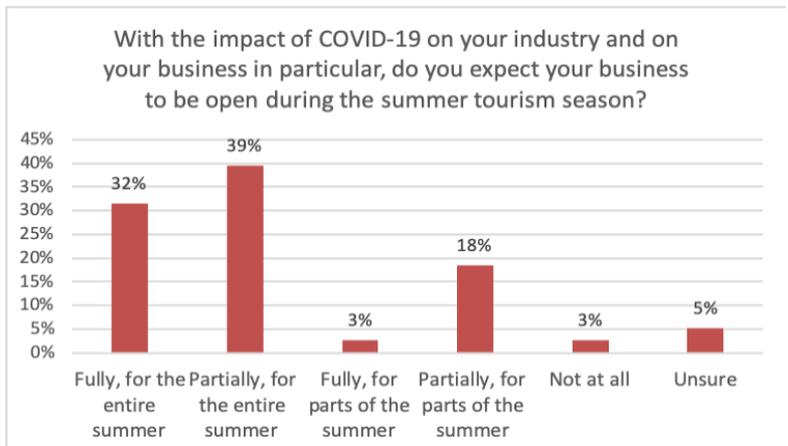
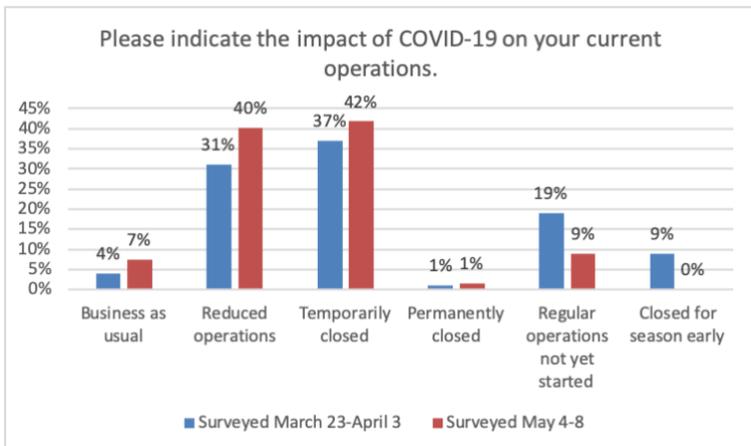
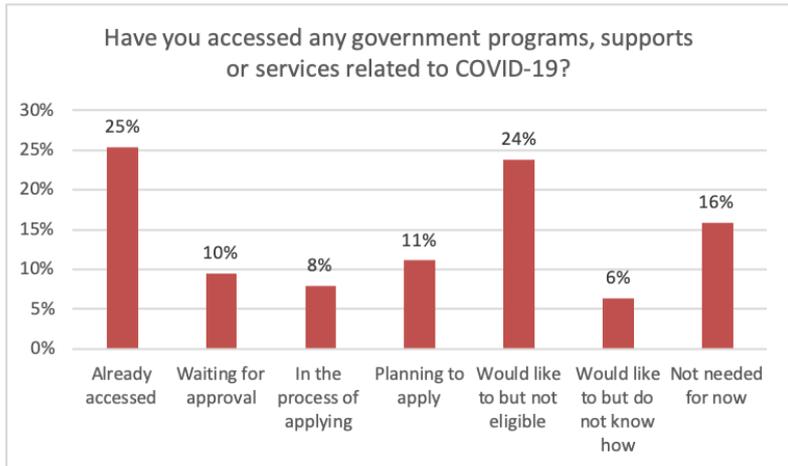
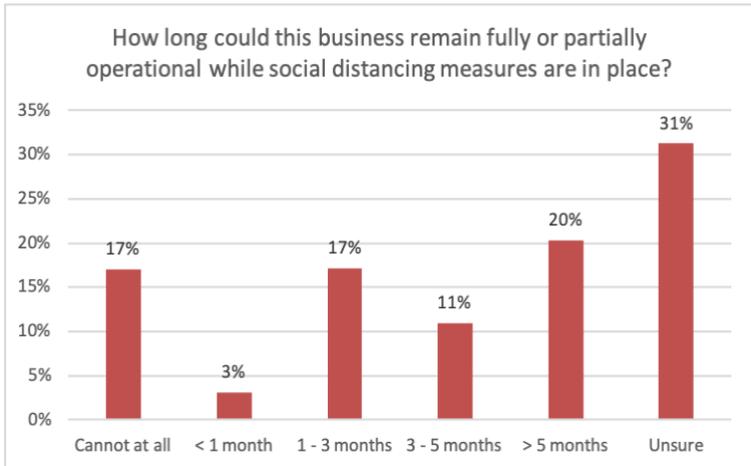
*From April 3-24, 2020, Statistics Canada surveyed representatives from 12,600 businesses to investigate how COVID-19 is affecting their businesses. The result from the first iteration of the survey was published on April 29, 2020. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/200429/dq200429a-eng.htm>

**Result retrieved from Canadian Federation of Independent Businesses (CFIB)'s survey report. CFIB's result is based on 8,042 responses received from April 24-30, 2020. Source: <https://www.cfib-fcei.ca/sites/default/files/2020-05/COVID-19-survey-results-April-30.pdf>

***"Fully open" represents firms who are operating as usual. "Closed" includes firms who are "temporarily closed" and "permanently closed"

****Results updated on May 8, 2020. Source: <https://www150.statcan.gc.ca/t1/tb1/en/tv.action?pid=1410035502>

CARIBOO CHILCOTIN COAST



Out of pocket COVID-related expenses

- Businesses spend on average \$5,400 for hygiene products and utility bills

Wildfires and floods in 2020

- 13% of businesses are impacted by wildfires
- 8% of businesses are impacted by floods

Government programs

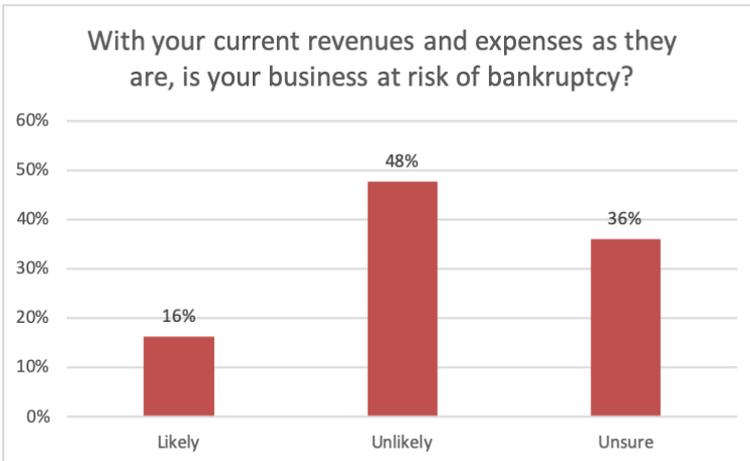
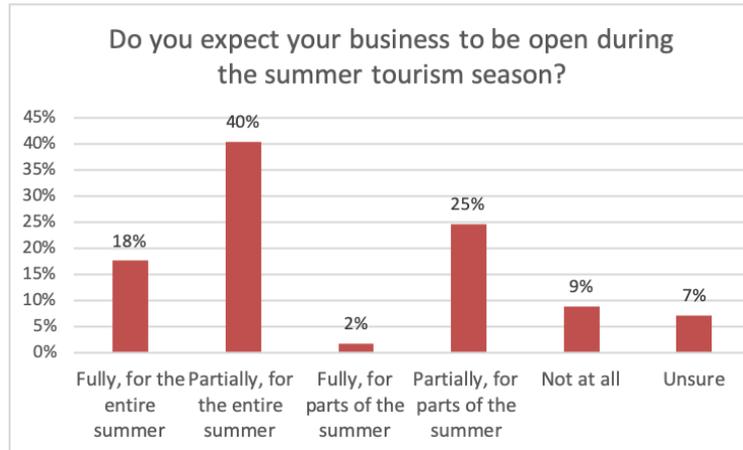
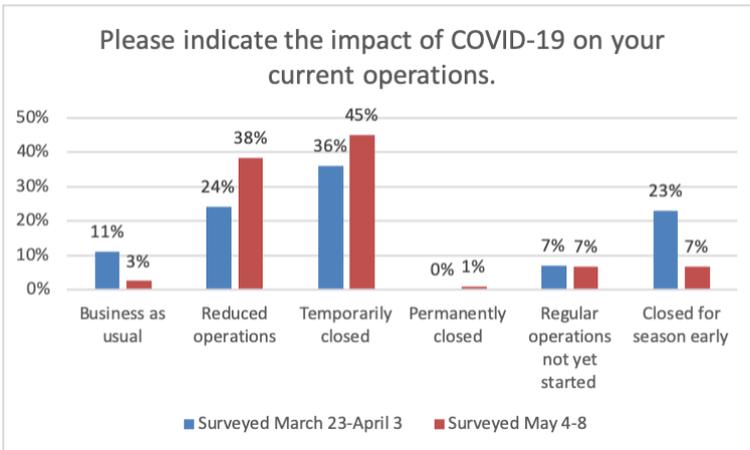
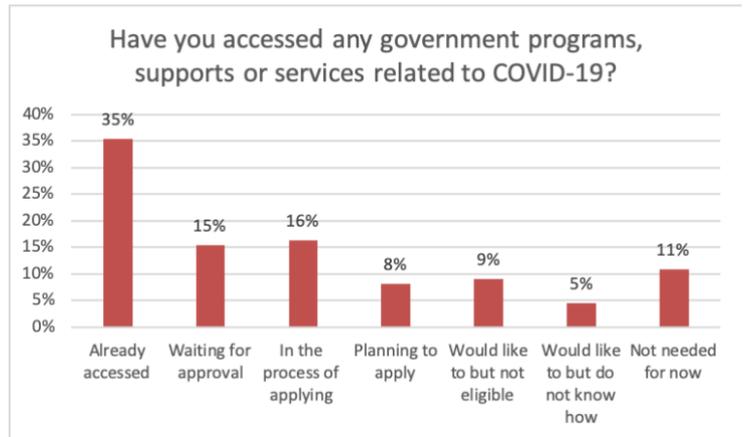
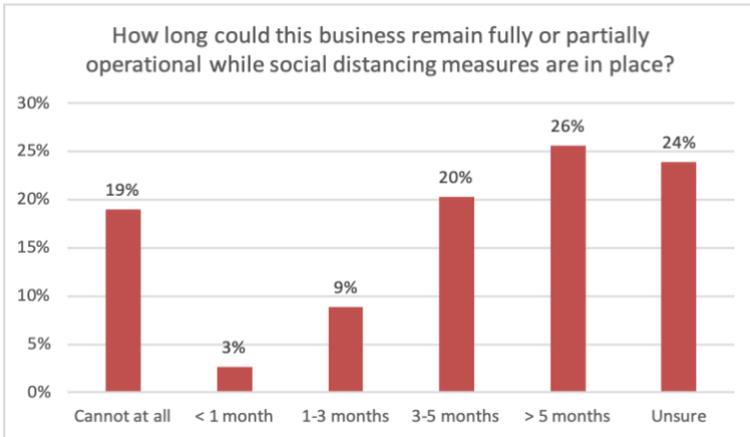
- Most accessed programs are CERB and CEBA

*Categories abbreviated. For full definitions, see earlier reports

“Decision making needs to reflect the differences between the Lower Mainland and the rest of BC: allow businesses to use their creativity to allow small events to proceed (several retreats that could have been hosted safely and pleasurably were cancelled). Losses from this summer alone will be far greater than from the wildfires in 2017.” – Accommodation owner, May 4, 2020

“We hesitate to apply for the support programs because we’re unsure of the application process and of the effect it could have on our taxes in the future.” – Indigenous Tourism owner, May 5, 2020

KOOTENAY ROCKIES



Out of pocket COVID-related expenses

- Businesses spend on average \$8000 for cleaning supplies, new online ordering platforms, and refunds

Wildfires and floods in 2020

- 5% of businesses are impacted by wildfires
- 2% of businesses are impacted by floods

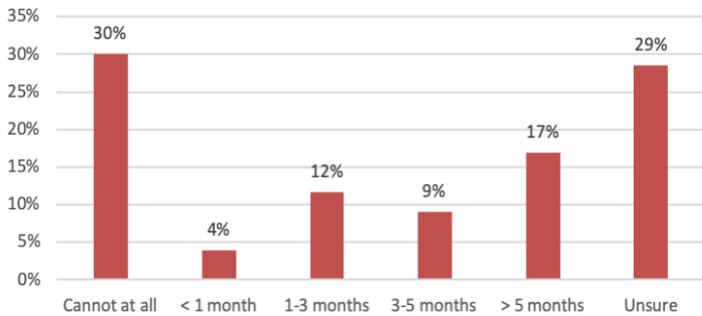
Government programs

- Most accessed programs are CERB, CEBA, BCEBW, and wage subsidies

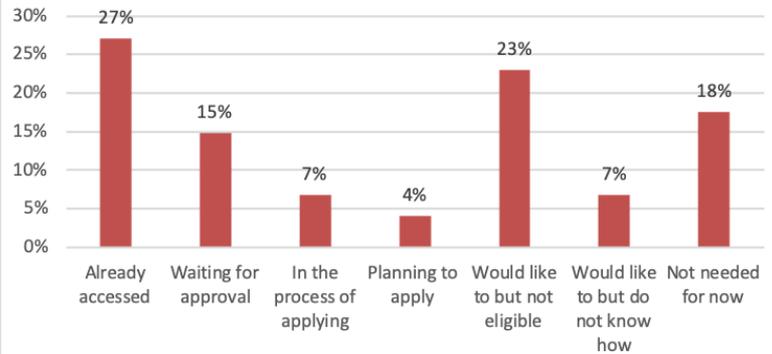
*“We are encouraged to continue marketing and to tailor our messages to reflect the current situation, but we have no revenue. Developing marketing content is a challenge for most small operators in a normal business environment. **Developing content now, and for the upcoming year when revenue is expected to be substantially lower, is particularly difficult.** Opening up funding for content creation to small businesses would be helpful to allow us to survive this situation.”- Activity owner, May 4, 2020*

*“We don't have enough funding to help us. **We may go bankrupt and lose everything if we open at 50% capacity- it takes more revenue than that to break even and pay rents and bills.** We also need our recovery to be quick. If Covid-19 comes back, what is our plan? Shut down again? If we didn't already go bankrupt, we sure will if we have to close down again.” – Accommodation owner, May 6, 2020*

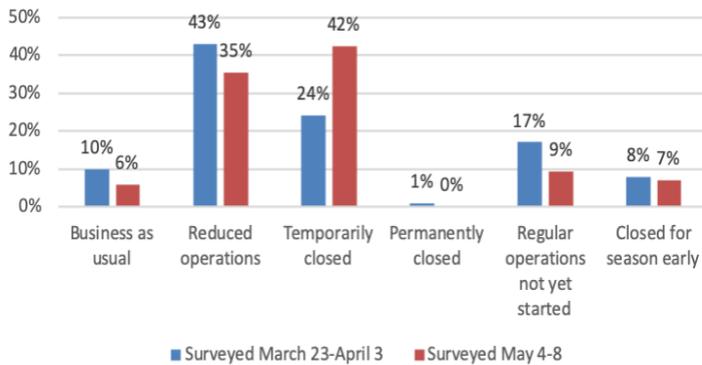
How long could this business remain fully or partially operational while social distancing measures are in place?



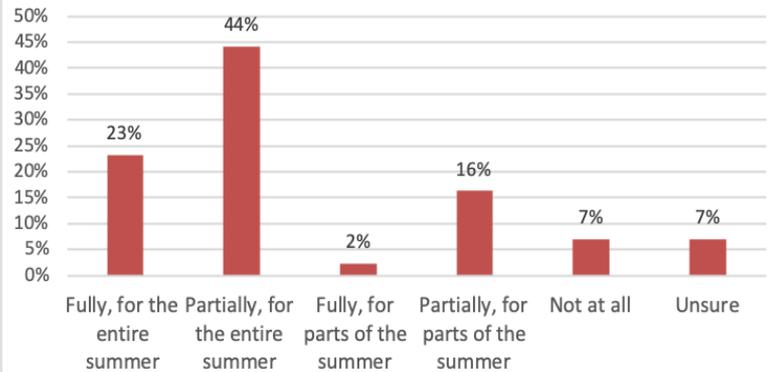
Have you accessed any government programs, supports or services related to COVID-19?



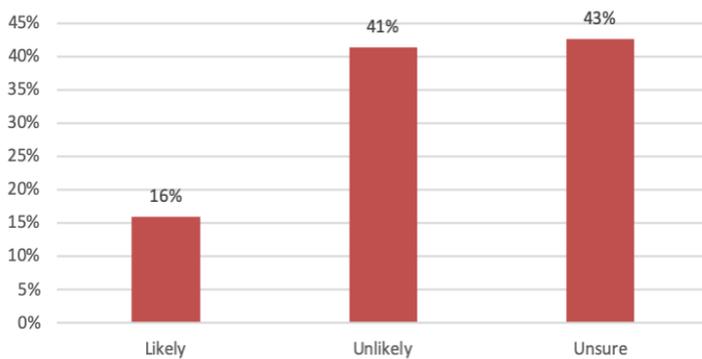
Please indicate the impact of COVID-19 on your current operations.



Do you expect your business to be open during the summer tourism season?



With your current revenues and expenses as they are, is your business at risk of bankruptcy?



Out of pocket COVID-related expenses

- Businesses spend on average \$12,300 for personal protective equipment, advertisements, and refunds

Wildfires and floods in 2020

- 5% of businesses are impacted by wildfires
- 4% of businesses are impacted by floods

Government programs

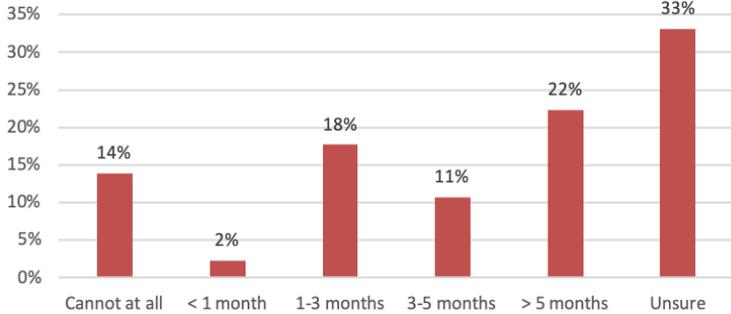
- Most accessed programs are CERB and CEBA

*“As a **seasonal business**, we are potentially looking at a **whole year without clients/revenue**. It's like a wheat farmer missing out on harvest. We already made investments, and on top of that, we are still paying fixed costs. We were having one of our best booking years in 33 years and now we have to start moving clients to future years. Even if travel and entry into Canada were allowed from August onwards, it would be **impossible to hire staff on short notice**.” – Activity owner, May 4, 2020*

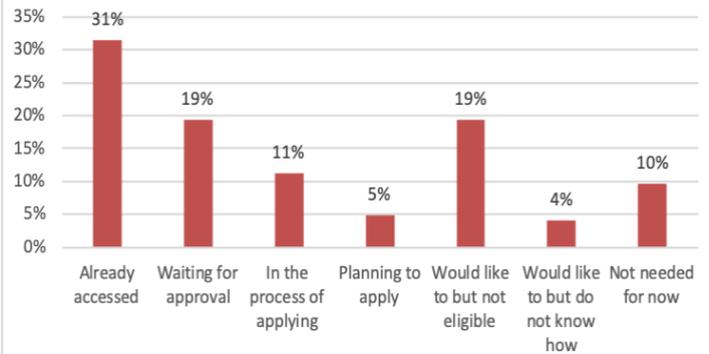
*“**There is no support for family-run businesses**, as they do not have payroll. This will impact many small businesses, many of which are in tourism.” – Accommodation owner, May 6, 2020*

THOMPSON OKANAGAN

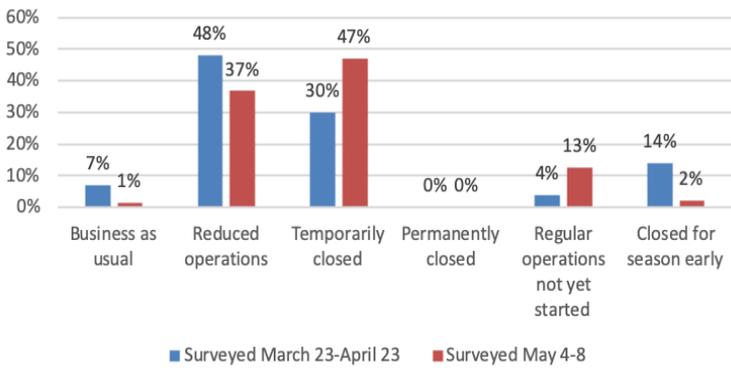
How long could this business remain fully or partially operational while social distancing measures are in place?



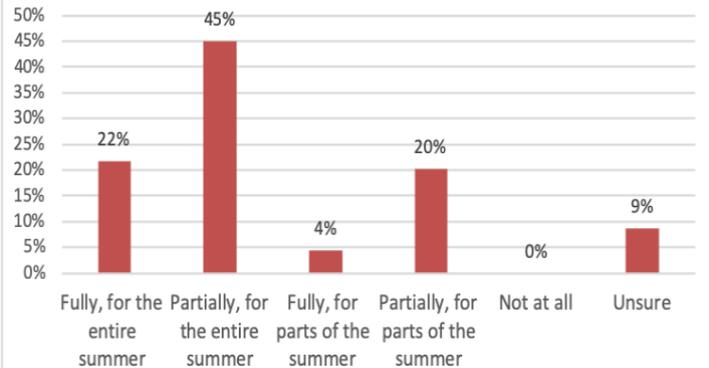
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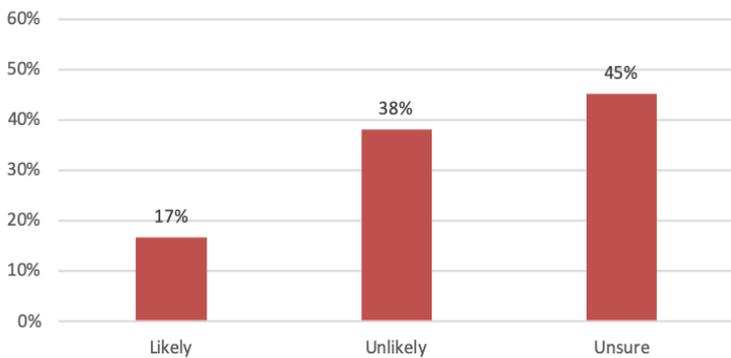
Please indicate the impact of COVID-19 on your current operations.



Do you expect your business to be open during the summer tourism season?



With your current revenues and expenses as they are, is your business at risk of bankruptcy?



Out of pocket COVID-related expenses

- Businesses spend on average \$3,500 on cleaning supplies, signage, and refunds

Wildfires and floods in 2020

- 11% of businesses are impacted by wildfires
- 9% of businesses are impacted by floods

Government programs

- Most accessed programs are CERB, CEBA, and Wage subsidies

*"I quit my full-time job 2 years ago to pursue my business, unfortunately that makes me **ineligible for CERB and other funding**. Last year was our first year in operations, so it is very difficult for me to show a loss in revenue. We don't know how to apply or show eligibility for help, as we're so new."*

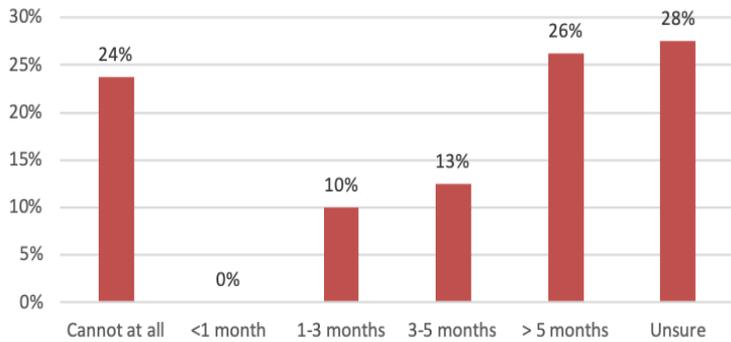
- Festival & Event owner, May 4, 2020

*"We are a seasonal business so we need to secure enough money to make it through the coming winter, otherwise it will be 18 months (including last winter) without proper income, and **we will go bankrupt**. **We need a non-repayable bailout** like the wildfire response stimulus or a combination with monthly support that last through this coming winter and spring 2021."*

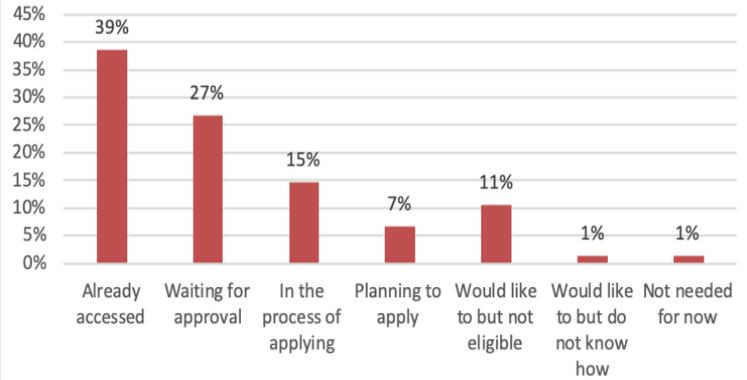
- Accommodation owner, May 6, 2020

VANCOUVER ISLAND

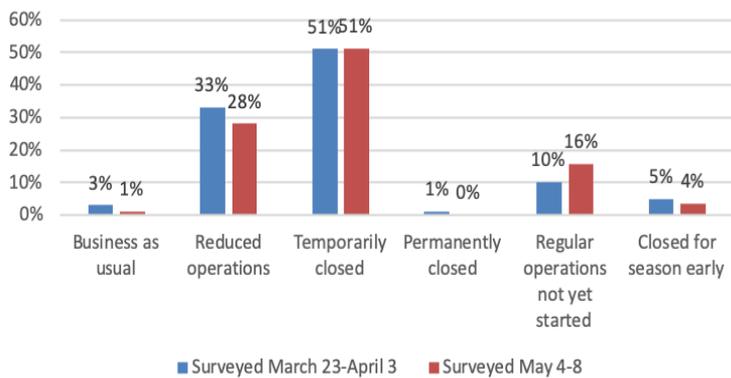
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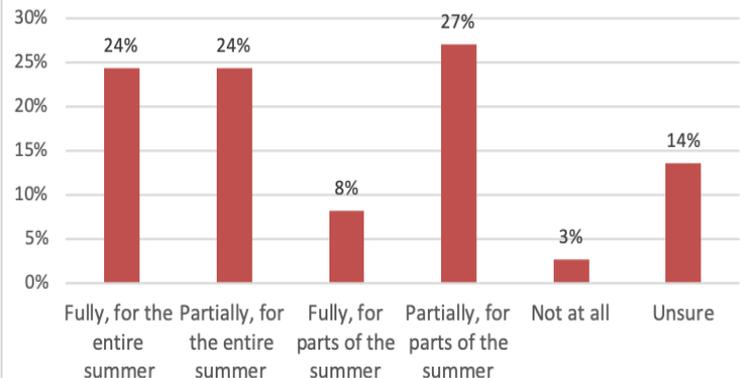
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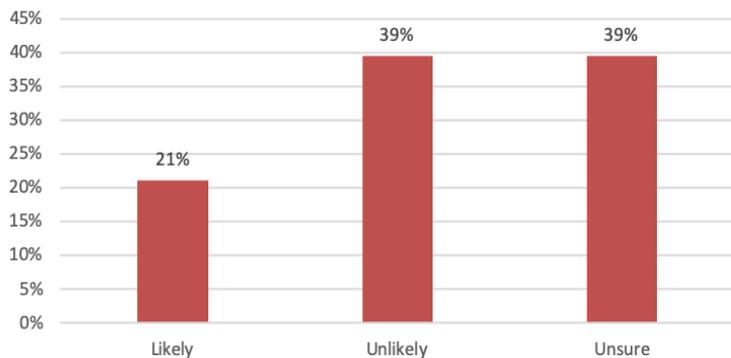
Please indicate the impact of COVID-19 on your current operations.



Do you expect your business to be open during the summer tourism season?



With your current revenues and expenses as they are, is your business at risk of bankruptcy?



Out of pocket COVID-related expenses

- Businesses spend on average \$12,300 on cleaning supplies, new/updated advertisements, and refunds

Wildfires and floods in 2020

- No impact from wildfires and/or floods

Government programs

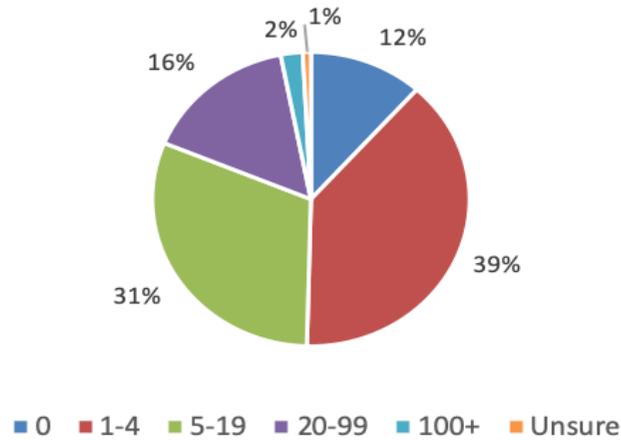
- Most accessed programs are CERB and CEBA

*“We feel that the government has no idea how this is going to destroy businesses in our sector, and subsequently the people working in our industries. Had there been **clearer guidelines/policies**, we would have been able to plan better.” – Business owner, May 4, 2020*

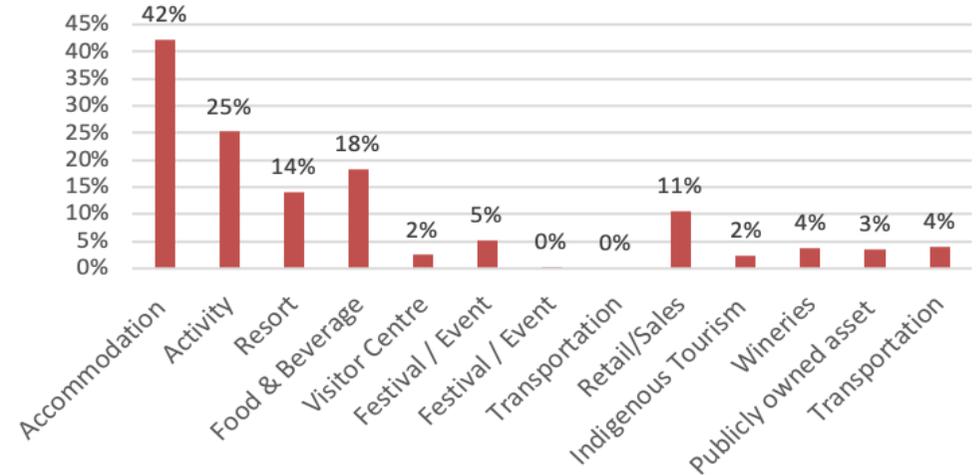
*“Speaking on behalf of marine-based tourism, we are running out of time! If we do not have borders open or at least a “go ahead” to allow all our clients to come, we will not survive. Bail out packages for marine-based tour operators that gain 80% of their yearly income during June-September is needed, or **there will be catastrophic bankruptcy.**” – Activity owner, May 7, 2020*

APPENDIX A: FIRMS SURVEYED

Approximately how many employees did your firm have in May, 2019 (last year)?

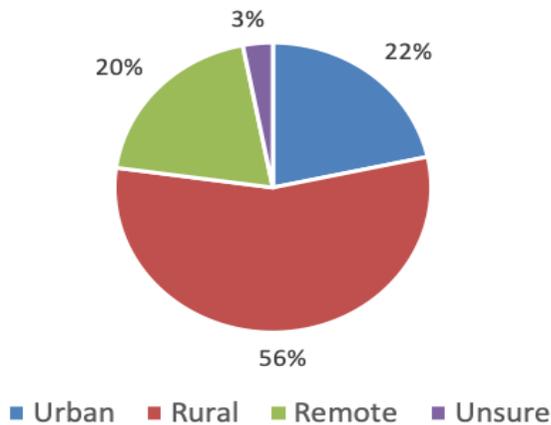


Business Type



Note: Some businesses fall under multiple categories. Thus, the numbers will not add up to 100%

Do you consider the area in which your business operates to be urban, rural, or remote?



Which BC Tourism Region does your business primarily operate in?

