



BRITISH COLUMBIA REGIONAL TOURISM SECRETARIAT

COVID-19 TOURISM IMPACT REPORT

With a focus on British Columbia outside the Lower Mainland and Whistler
Weeks of June 8, 2020 and June 15, 2020

FOR QUESTIONS CONTACT:
Glenn Mandziuk
Chair, BC Regional Tourism Secretariat
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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 **June 8- June 19, 2020 with 573 tourism businesses.**

Key Issues for Consideration:

- **11%** of firms are **operating with business as usual.** This is still lower than the national average (38%).
- **1821 staff** have been **hired or rehired** by businesses across 553 firms since re-opening measures have begun. Of these 553 firms, 407 firms reported laying off a total of 5756 staff due to COVID-19 in our previous surveys and have now hired/rehired 1433 staff since wage subsidy programs and re-opening measures have begun.
- **97%** of businesses are currently not making profits.
- **44%** of businesses **do not expect to make profit this year** even if tourism/travel is encouraged within Canada and all over the world.
- Compared to this time last year, **most businesses are having 0-25% as many bookings and business inquiries** for the months of June, July, August and Fall, 2020.
- The majority of businesses believe that their **local communities are not yet ready to welcome visitors from other countries**, even if travel restrictions relax.

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.

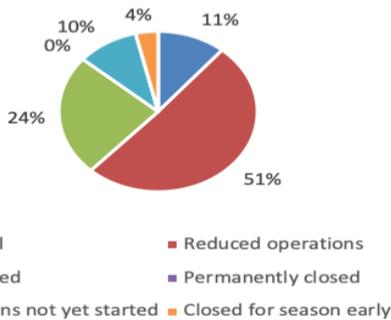
Sincerely,

Glenn Mandziuk
Chair, British Columbia Regional Tourism Secretariat

Provincial Summary

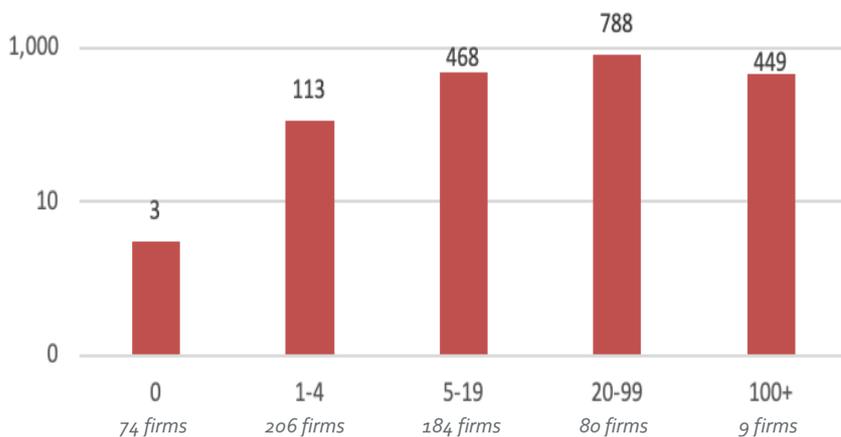
PROVINCIAL SUMMARY

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



11% of firms are **now operating with business as usual**, more than what we have recorded in past weeks (**5%**). This is a sign that the industry is slowly recovering, albeit at a rate that is much slower than the national average: according to CFIB, 38% of businesses are operating with business as usual. **

How many staff have you hired or rehired since wage subsidy programs and re-opening measures have begun? By firm size



1821 staff have been hired or rehired by businesses across **553** firms since wage subsidy programs and re-opening measures have begun. Of these 553 firms, 407 firms reported laying off a total of **5756** staff due to COVID-19 in our previous surveys and have now hired/rehired 1433 staff since wage subsidy programs and re-opening measures have begun. Meanwhile, national employment in May saw a recovery of 10.6% of the COVID-19-related employment losses recorded in March and April, with an increase of 12,000 jobs in Accommodation and Food Services in British Columbia. ***

Top 3 biggest challenges that are preventing **accommodation businesses and resorts** from fully reopening:

- 1) **Sales will be too low to make it worthwhile (29%)**
- 2) **Concerns over health and safety of staff and customers (16%)**
- 3) **Community sentiments towards welcoming tourists/re-opening tourism businesses (14%)**

Top 3 biggest challenges that are preventing **activity businesses** from fully reopening:

- 4) **Community sentiments towards welcoming tourists/re-opening tourism businesses (19%)**
- 5) **Sales will be too low to make it worthwhile (18%)**
- 6) **Government mandate closure (17%)**

Top 3 biggest challenges that are preventing **other type of businesses** from fully reopening:****

- 7) **Community sentiments towards welcoming tourists/re-opening tourism businesses (28%)**
- 8) **Sales will be too low to make it worthwhile (21%)**
- 9) **Government mandate closure (12%)**

*All findings are based on member surveys collected by the Secretariat during June 8 - June 19, 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. Photo Credits: Chris Wheeler and Eco Escape Travel

**Starting from March 16, 2020, The Canadian Federation of Independent Business (CFIB) has been surveying its members to discover how coronavirus is affecting independent business. Source: <https://www.cfib-fcei.ca/sites/default/files/2020-06/COVID-19-survey-results-May28.pdf>

***Statistics from Statistics Canada, updated on May 06, 2020. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/200605/dq200605a-eng.htm>

**** "Other businesses" includes Food & Beverages, Visitor Centre, Festival/Event, Transportation, Retail/Sales, Indigenous Tourism, Winery, and Publicly owned asset.

PROVINCIAL SUMMARY

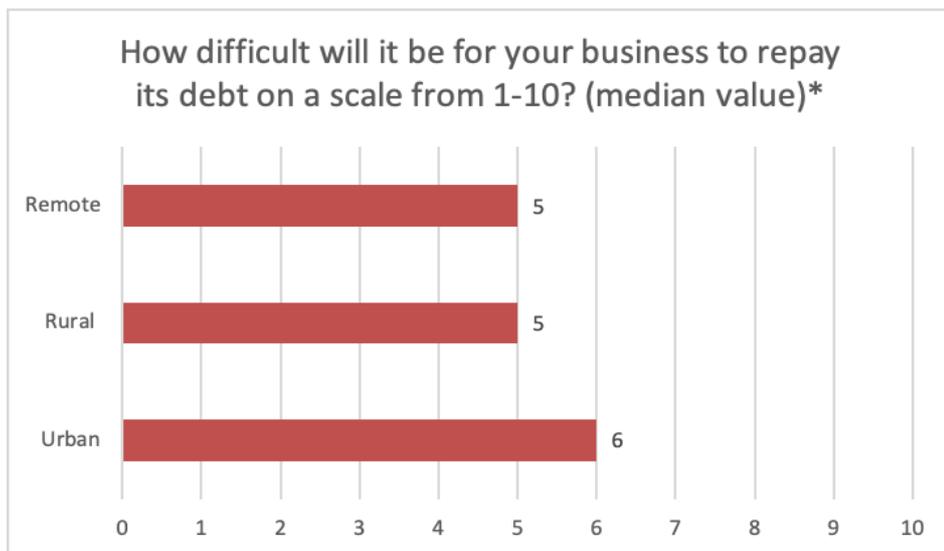
Do you agree with the following sentences regarding the situation of your business with respect to visitors and profits? Please check the first answer that you agree with.

My business is already making profits right now	3%
Encouraging tourism/travel within BC alone will be enough for my business to make profit.	12%
Encouraging tourism/travel from Alberta and BC will be enough for my business to make profit.	13%
Encouraging tourism/travel from across Canada will be enough for my business to make profit.	10%
Encouraging tourism/travel from the United States & Canada will be enough for my business to make profit.	8%
Encouraging tourism/travel from all over the world will be enough for my business to make profit.	10%
I don't think my business will make profit this year.	44%

→ **97%** of businesses are **currently not making profit**.

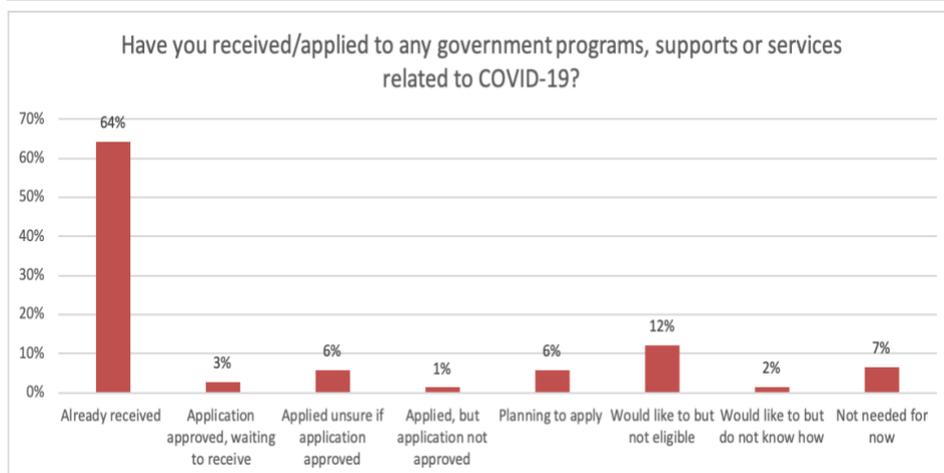
→ **38%** of businesses said they would be **able to make profit if tourism/travel is encouraged across Canada**.

→ **44%** of businesses **do not expect to make profit this year** even if tourism/travel is encouraged within Canada and all over the world.



46% of businesses in **urban areas** responded with **"7" or higher**.

Meanwhile, **31%** and **35%** of businesses in **rural and remote areas** responded with **"7" or higher**, respectively.



64% of businesses have **received** at least one government program/financial assistance.

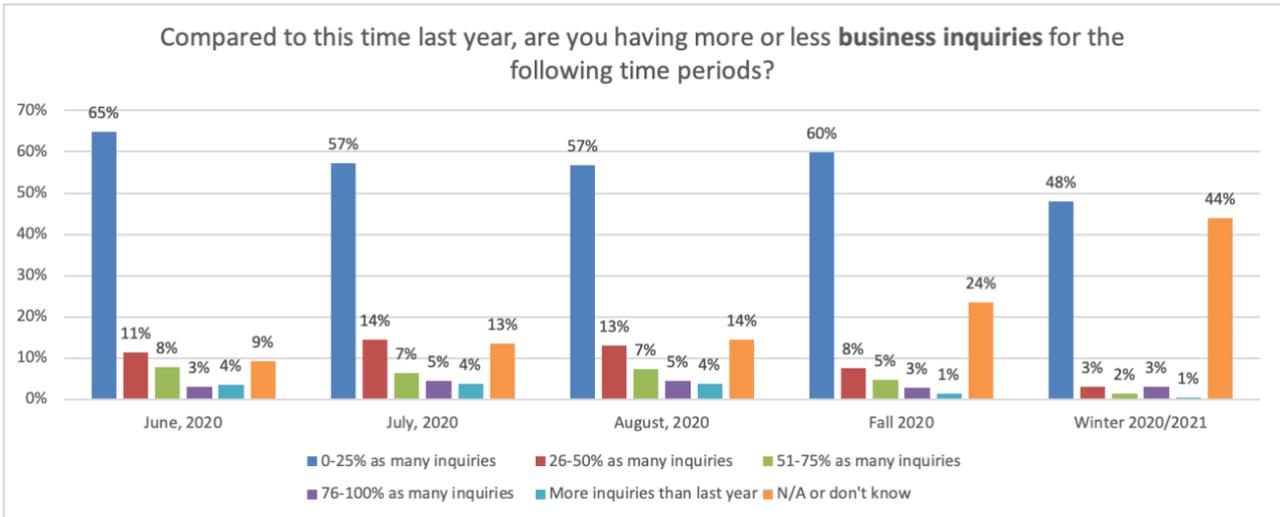
Meanwhile, **12%** of businesses report that they **are not eligible for any government program**.

*"0" = My business did not incur much additional debt during the COVID-19 shutdown.

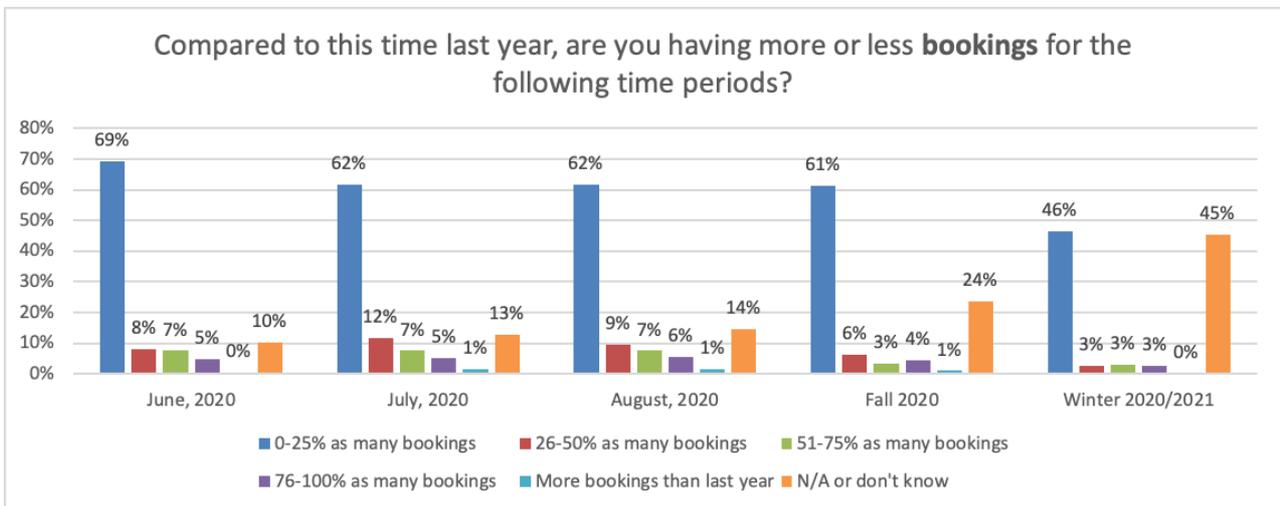
"1" = A summer season, even with some COVID-19 restrictions, will generate enough cashflow to pay down the new debt

"10" = With the cost of servicing the debt or making deferred payments, the business may not be viable anymore

PROVINCIAL SUMMARY



Compared to this time last year, most businesses are having 0-25% as many business inquiries for the months of June, July, August and Fall, 2020.



Compared to this time last year, most businesses are having 0-25% as many bookings for the months of June, July, August and Fall, 2020.

We asked businesses to share their experience and challenges:

"The overall community sentiment is that Albertans are unwelcome in BC, and that they face the risk of harassment or vandalism of vehicles. This is nullifying some of the provincial tourism marketing efforts." – Kootenay Rockies, Publicly owned asset owner, June 8, 2020

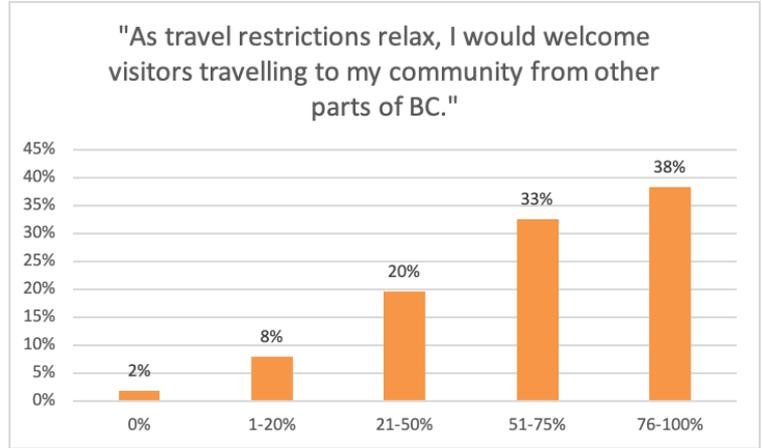
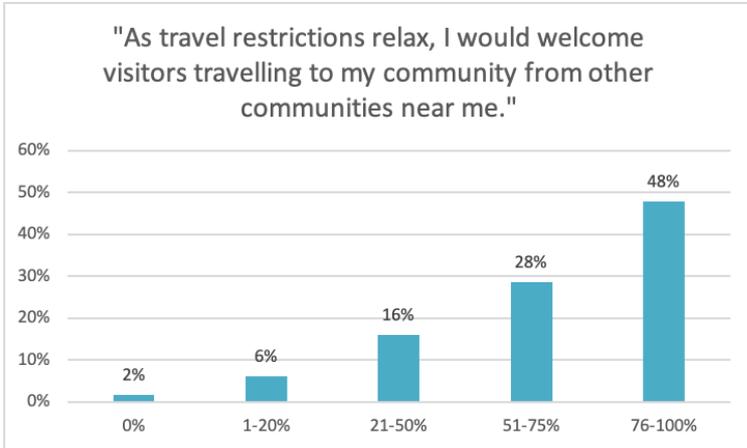
"I am very impressed with the speed of government responses."
– Northern BC, Activity owner, June 9, 2020

"Government support programs have created a disincentive for some employees to return to work" – Thompson Okanagan, Accommodation owner, June 12, 2020

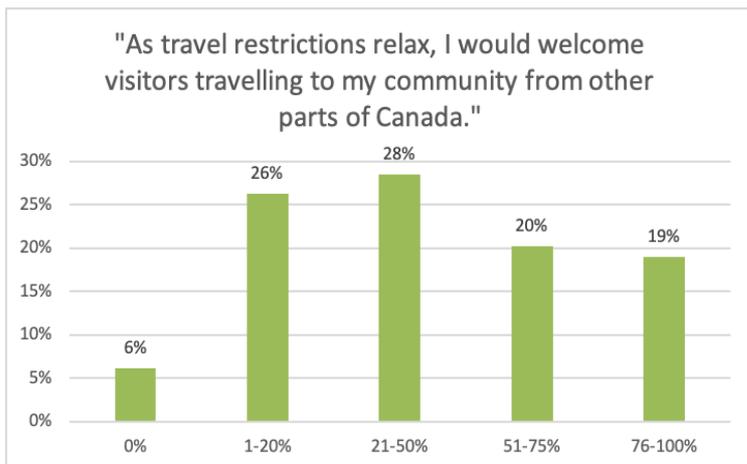
"None of the government programs are offering support for new businesses. All criteria require 2019 operations. Being eligible for CEWS or CEBA would make a huge difference for us."
– Vancouver Island, Activity owner, June 15, 2020

A CLOSER LOOK: COMMUNITY SENTIMENTS

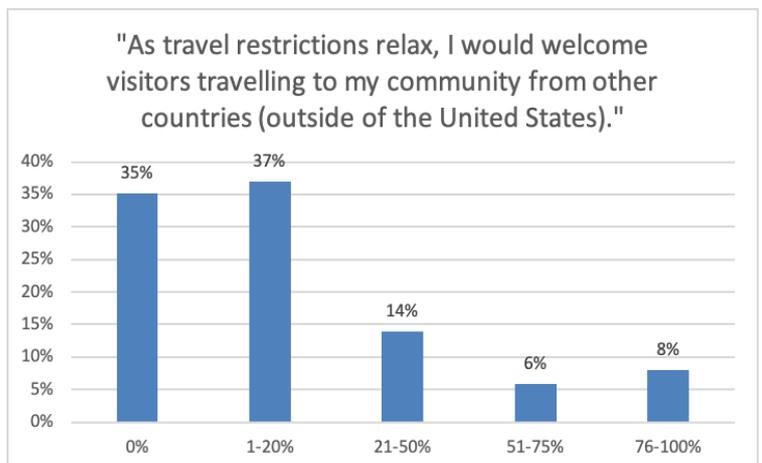
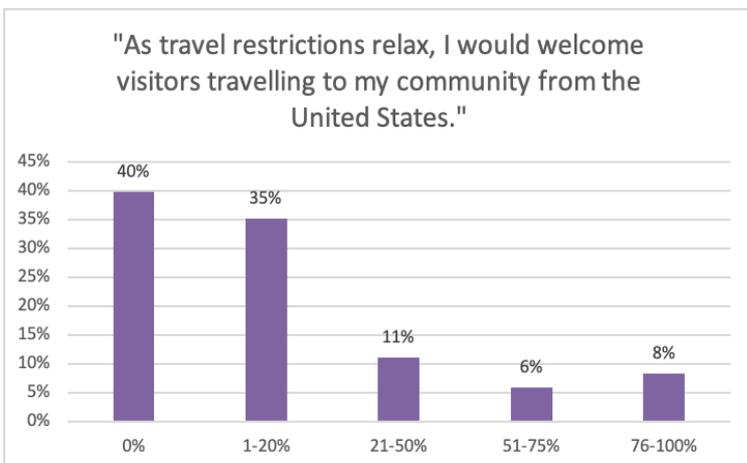
In your estimation, what percentage of your local community would agree with the following sentences?



The majority of businesses believe that their local community would welcome visitors travelling to their community from other communities near them and from other parts of BC.



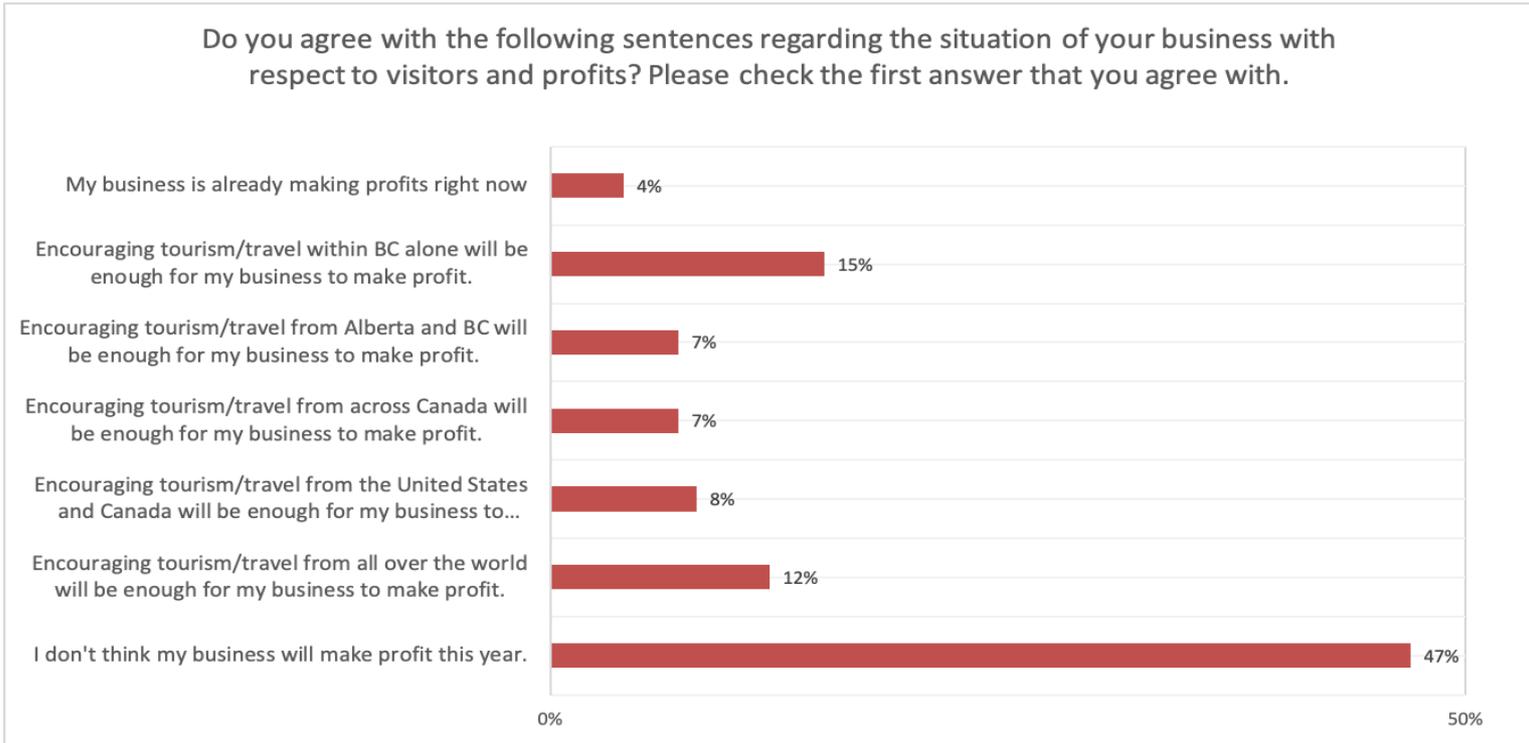
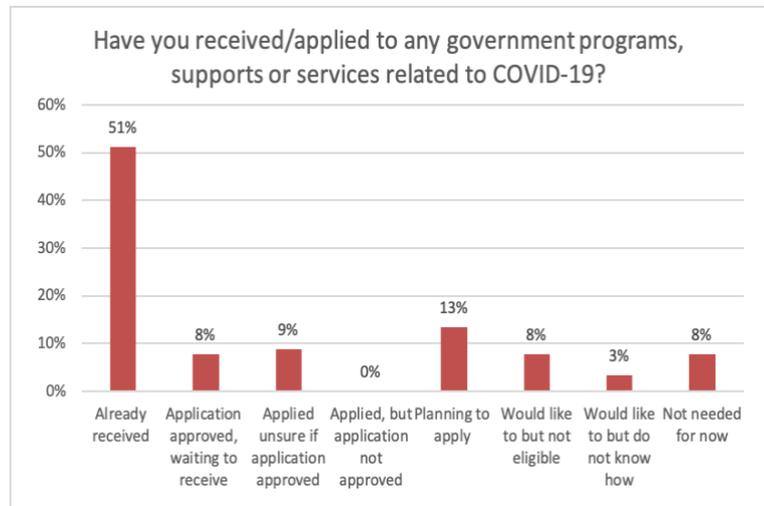
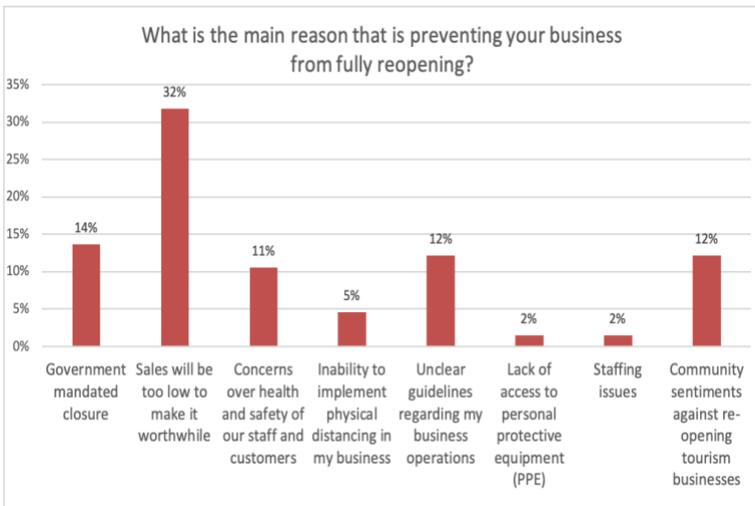
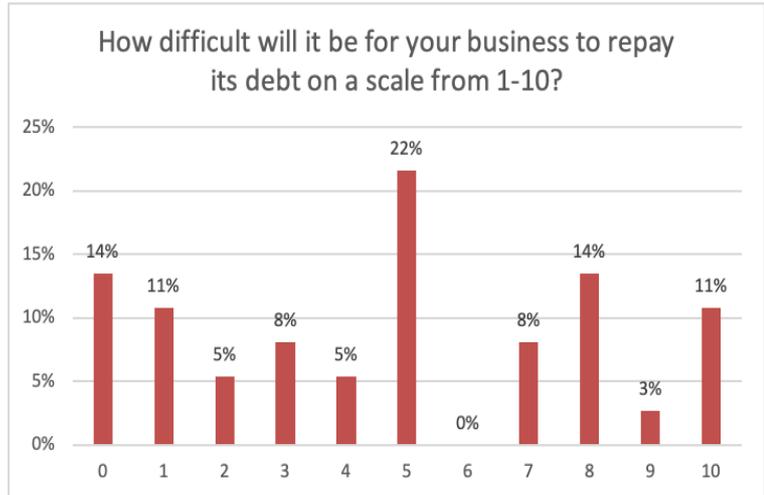
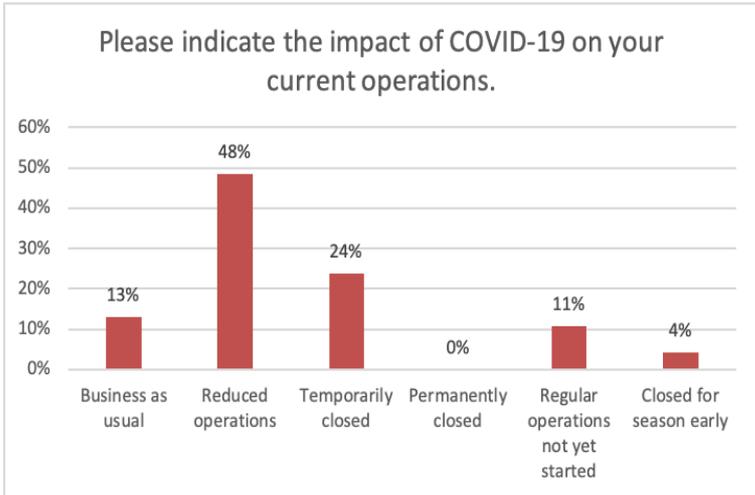
However, the majority of businesses believe that their local community is not as likely to welcome visitors travelling from other parts of Canada, with 60% of businesses believing that less than half of their local community would welcome Canadian visitors from out of province.



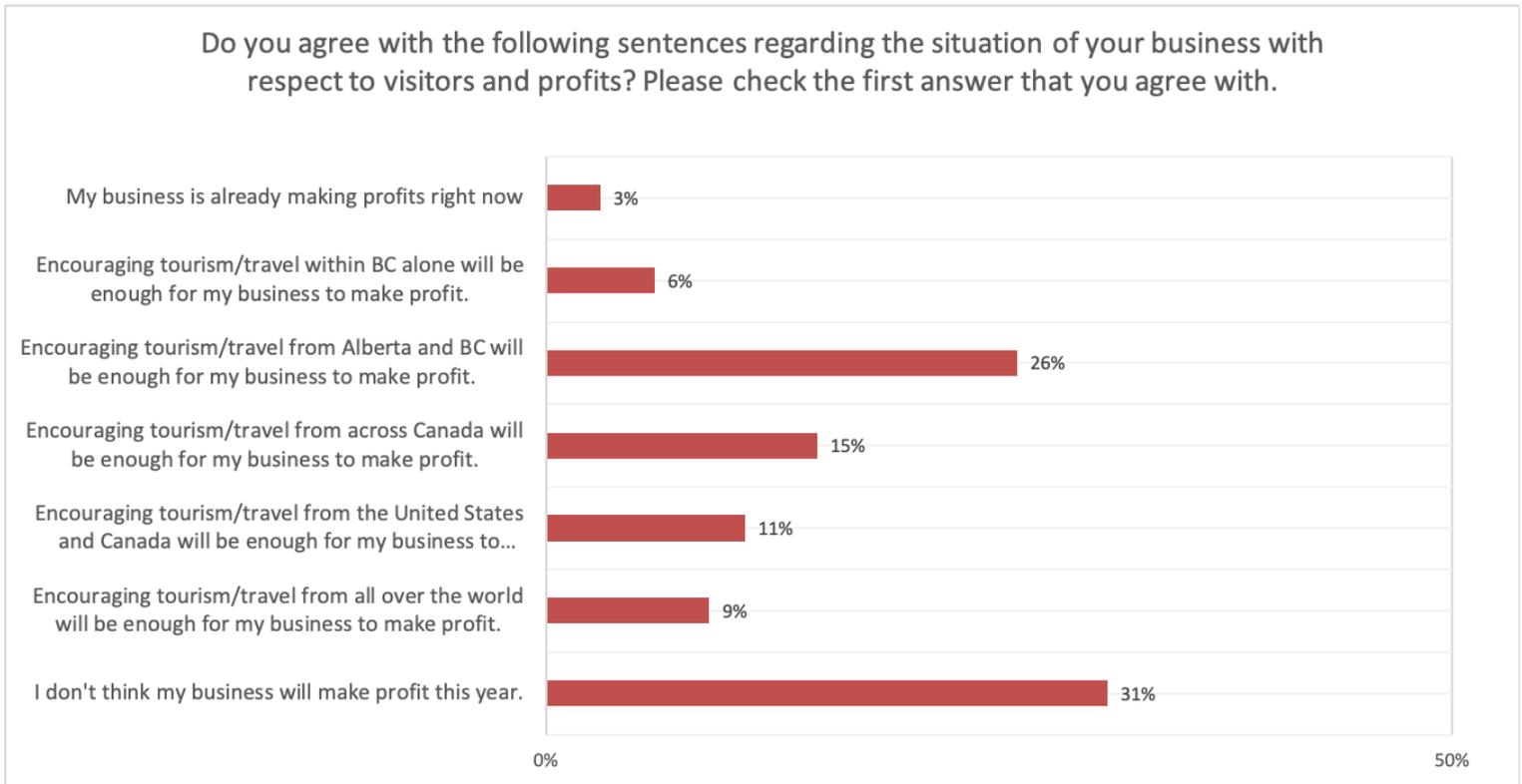
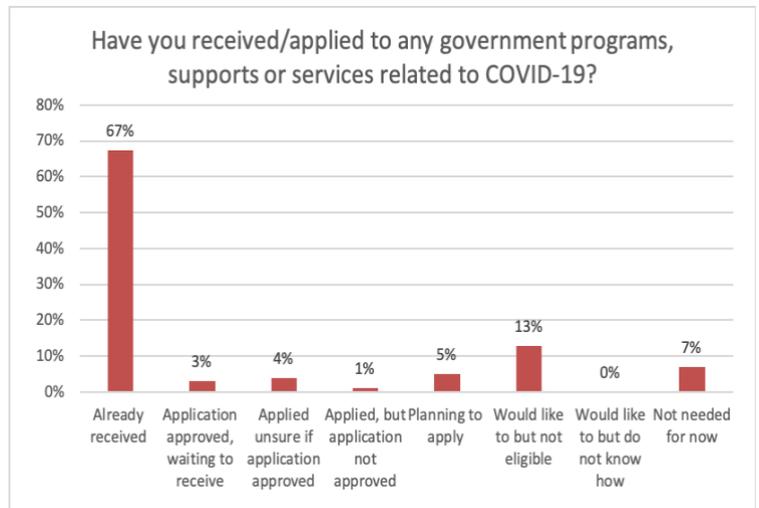
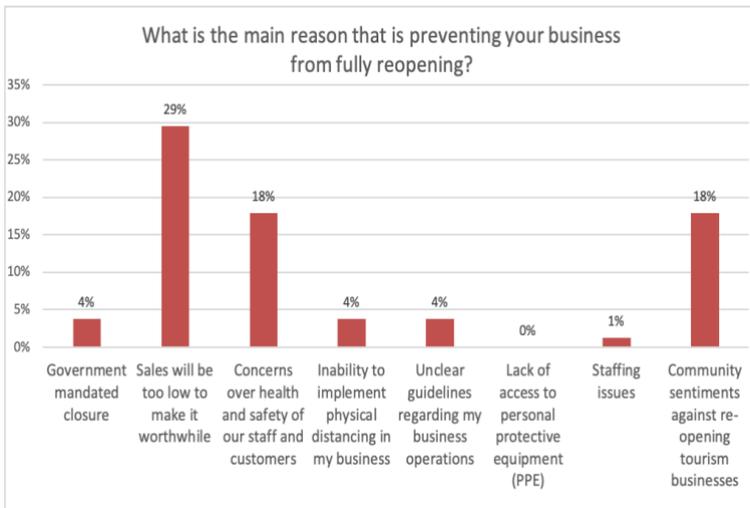
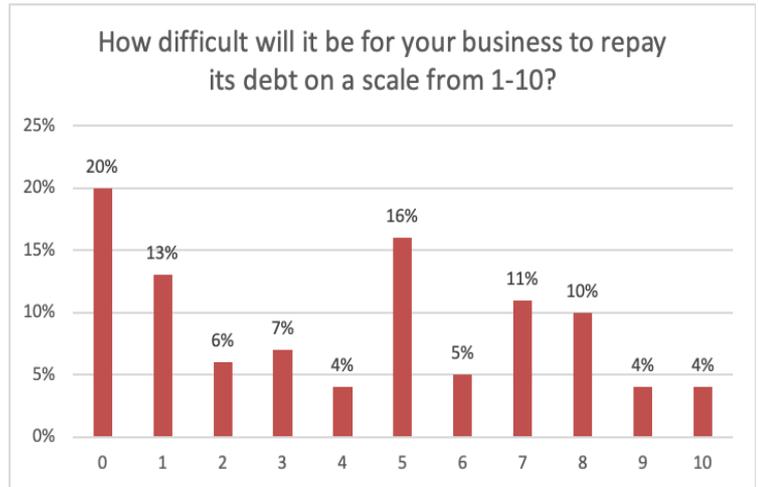
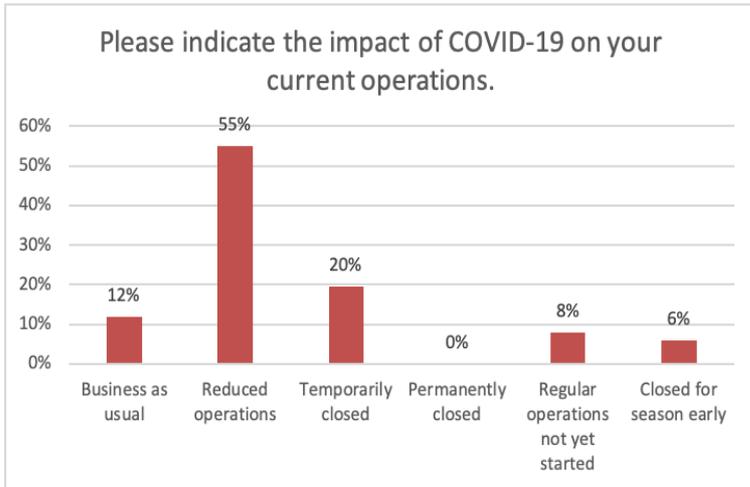
Meanwhile, the majority of businesses believe that their local community would not welcome visitors travelling to their community from other countries, even as travel restrictions relax.

This poses a challenge to re-opening, as 18% of businesses said they would not be able to make profit unless tourism/travel from other countries is encouraged (page 4).

CARIBOO CHILCOTIN COAST

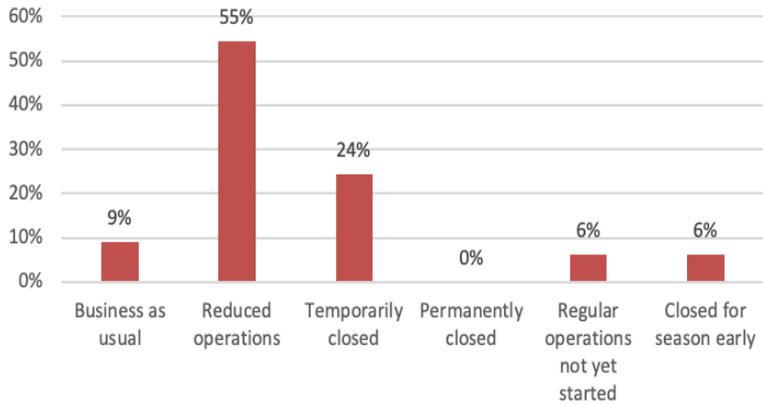


KOOTENAY ROCKIES

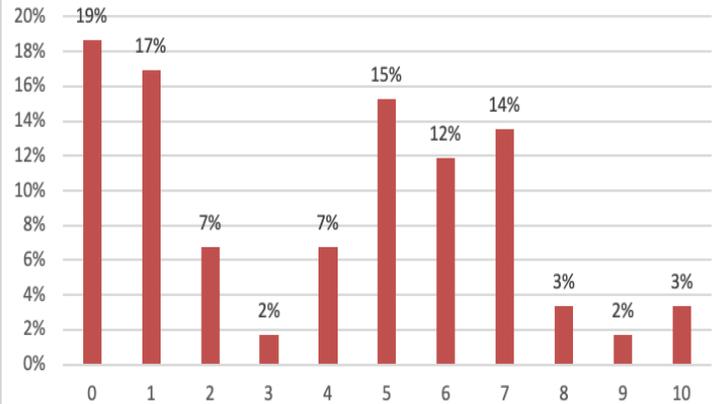


NORTHERN BC

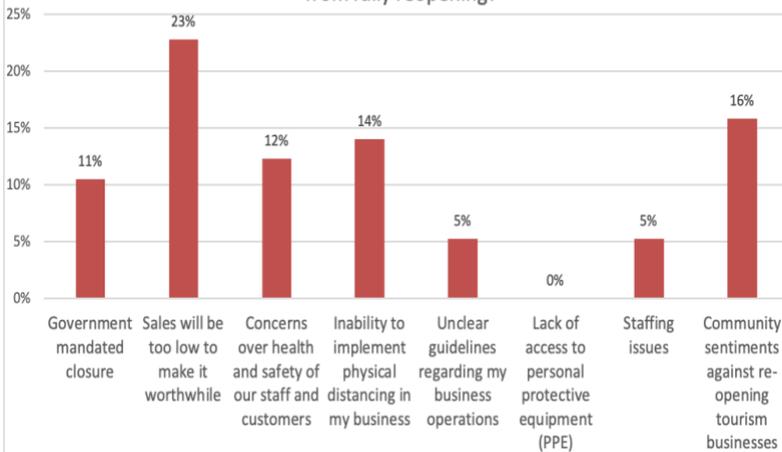
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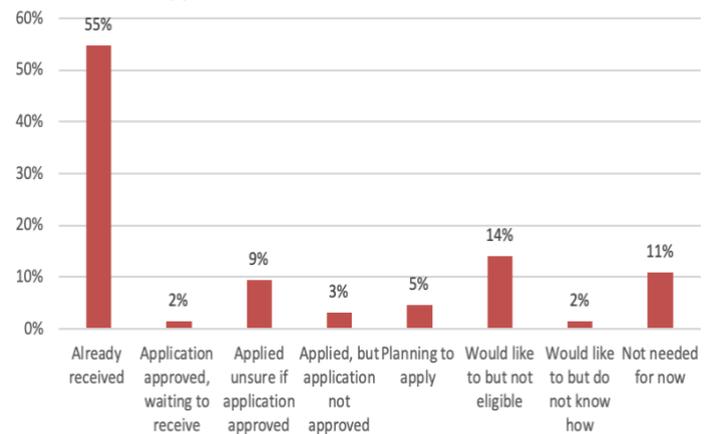
How difficult will it be for your business to repay its debt on a scale from 1-10?



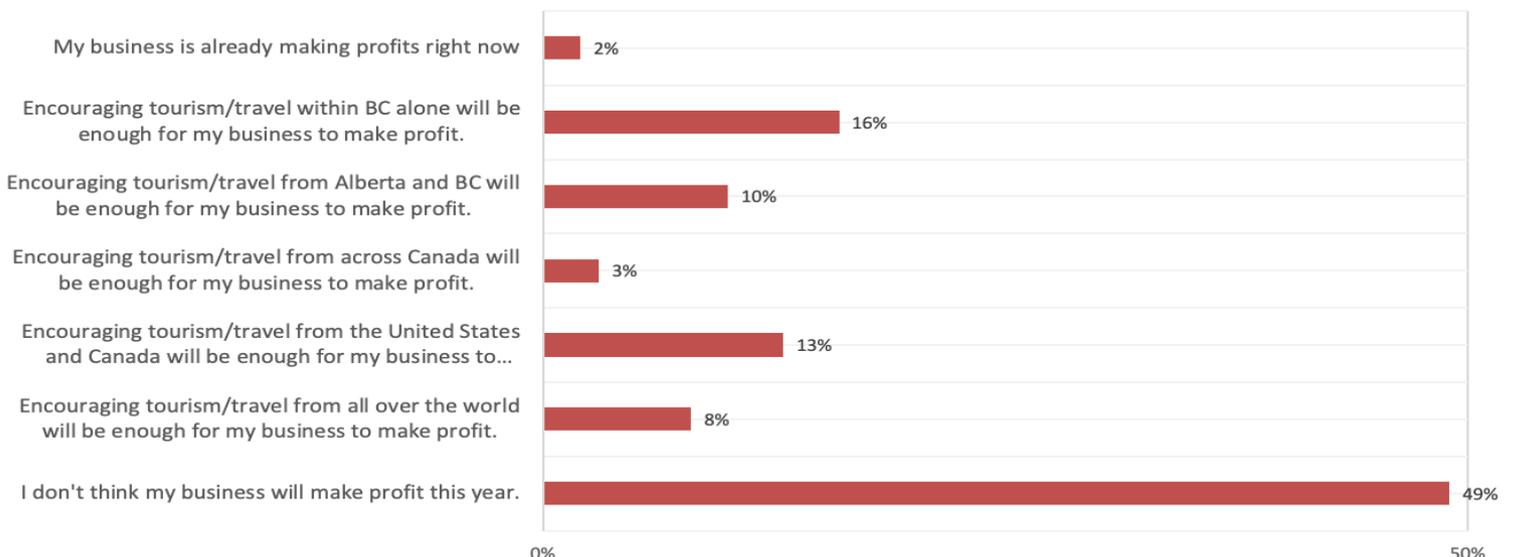
What is the main reason that is preventing your business from fully reopening?



Have you received/applied to any government programs, supports or services related to COVID-19?

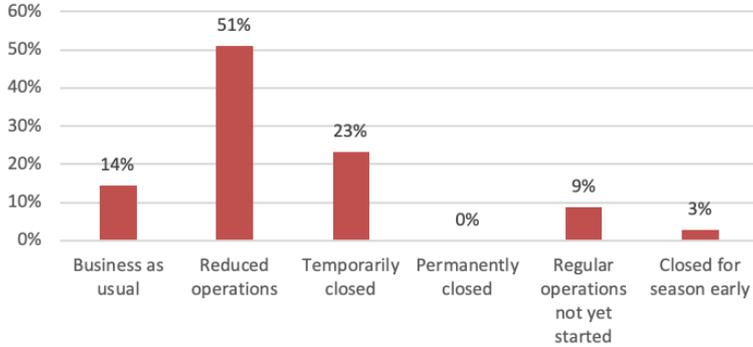


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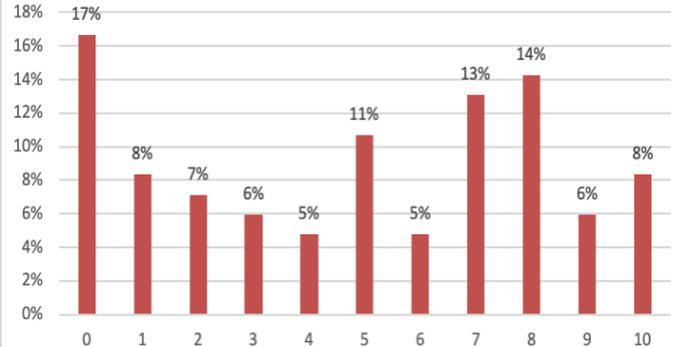


THOMPSON OKANAGAN

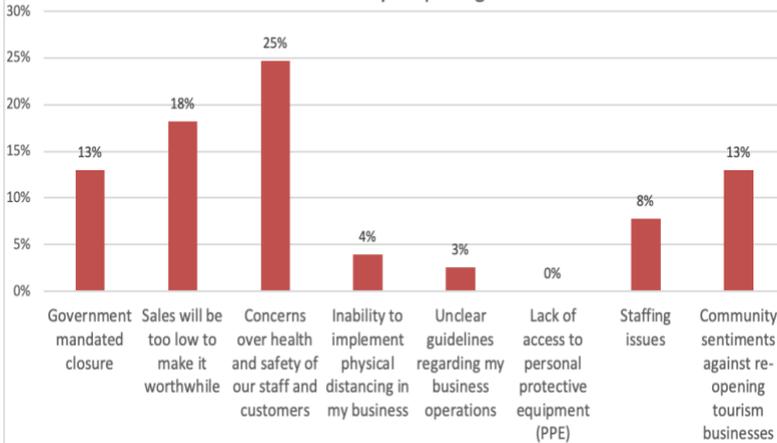
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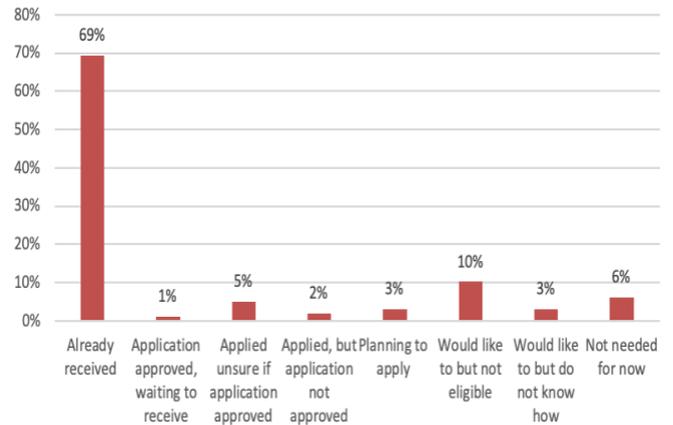
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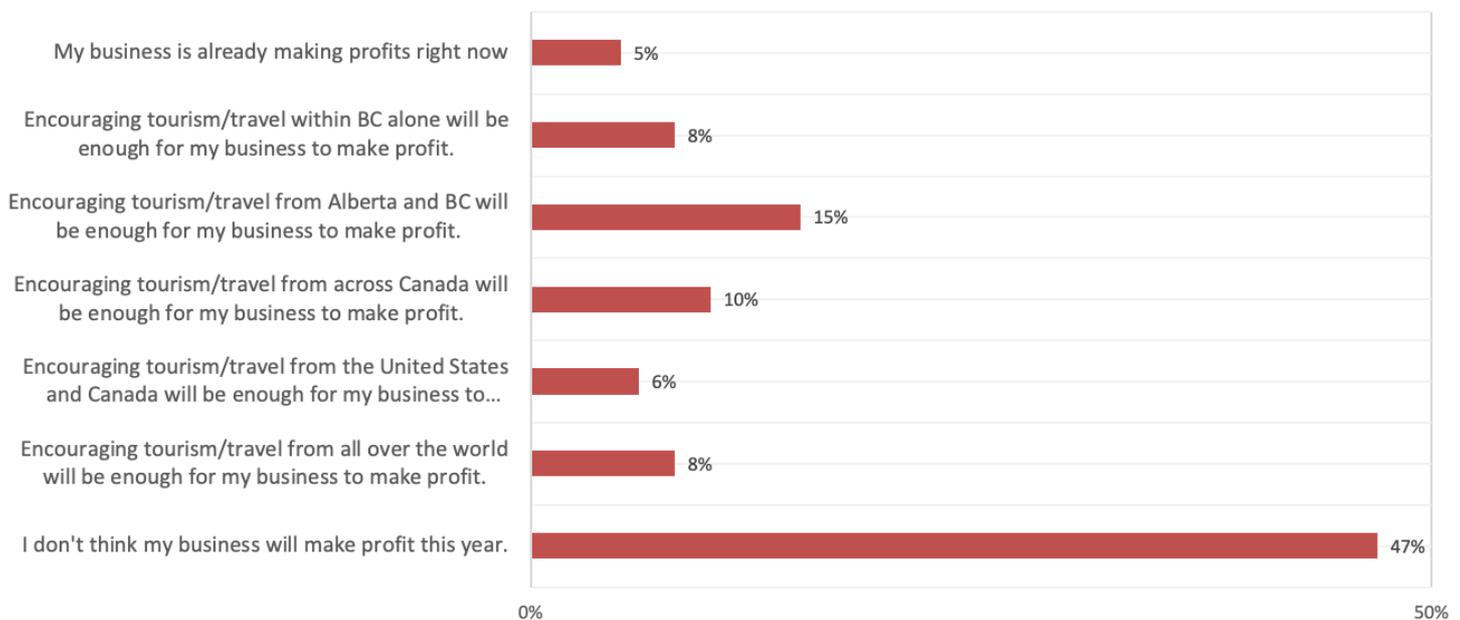
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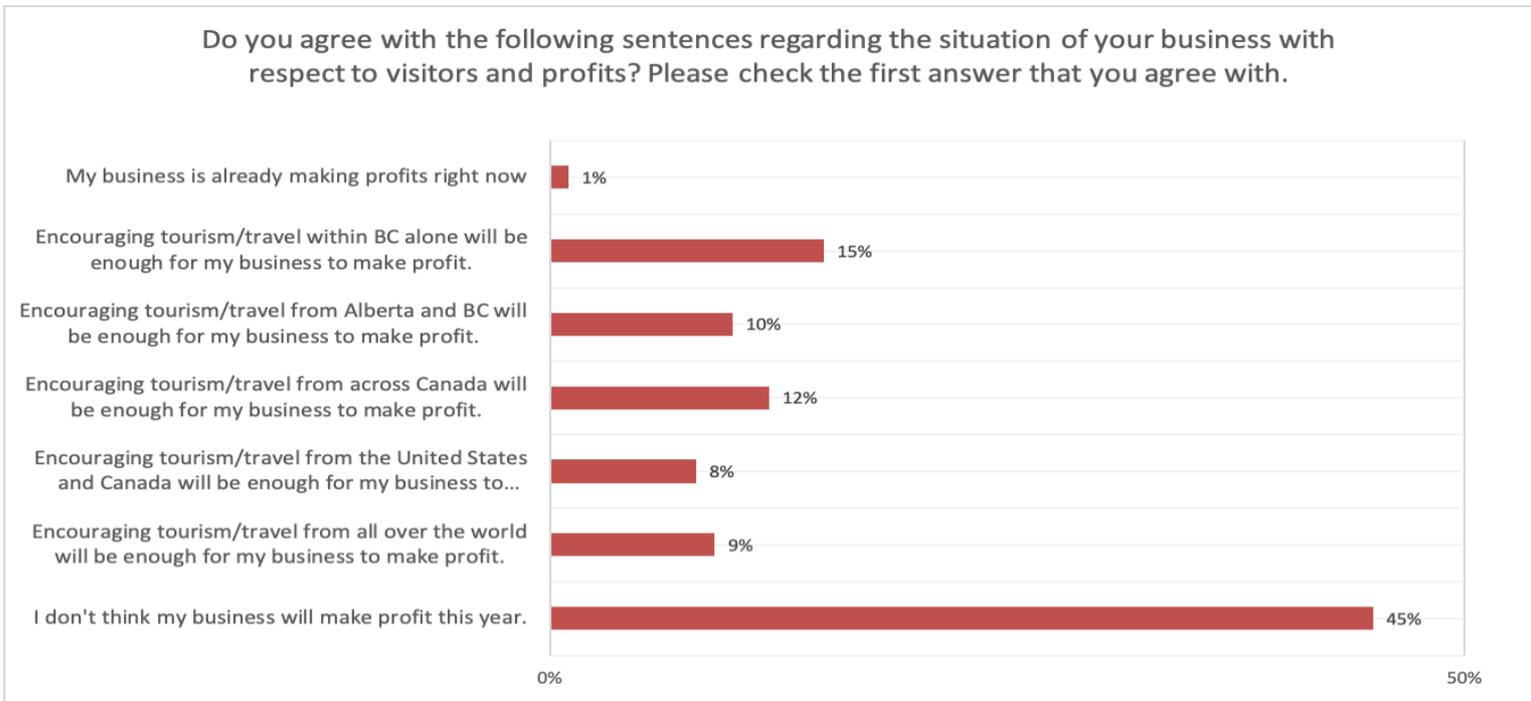
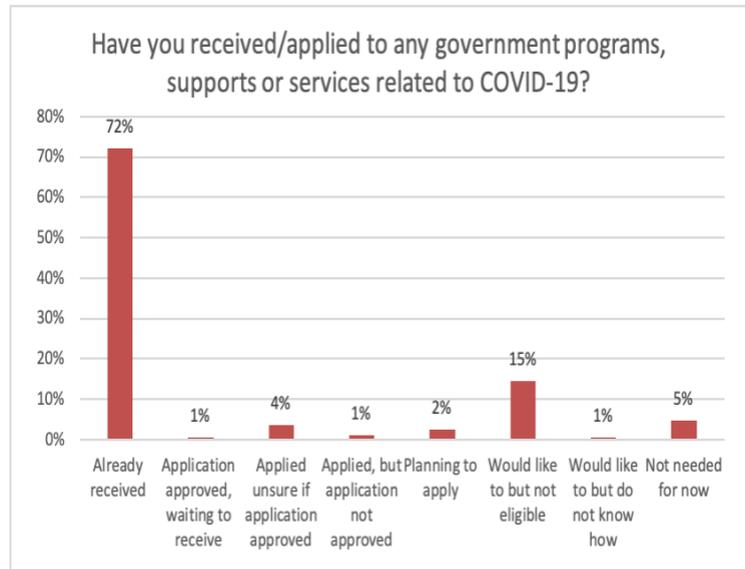
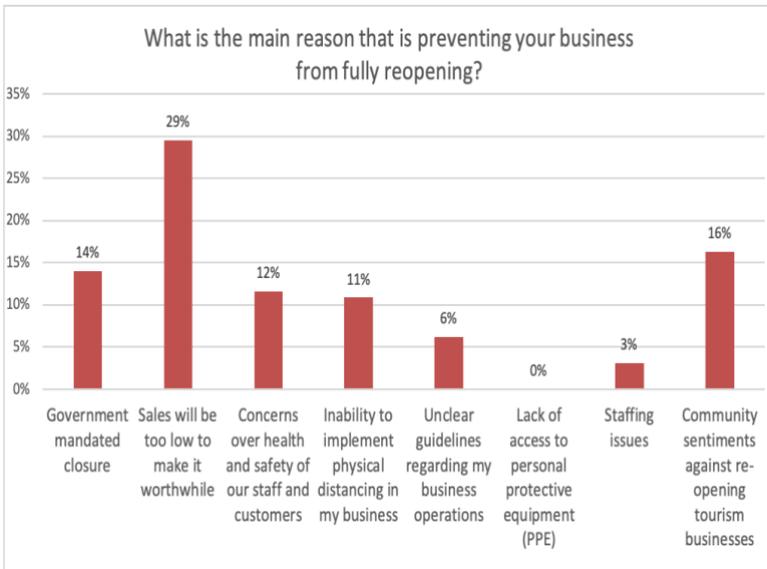
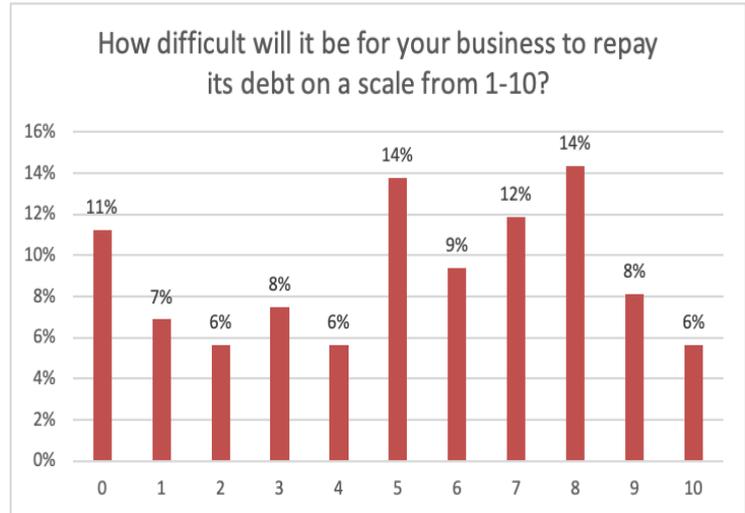
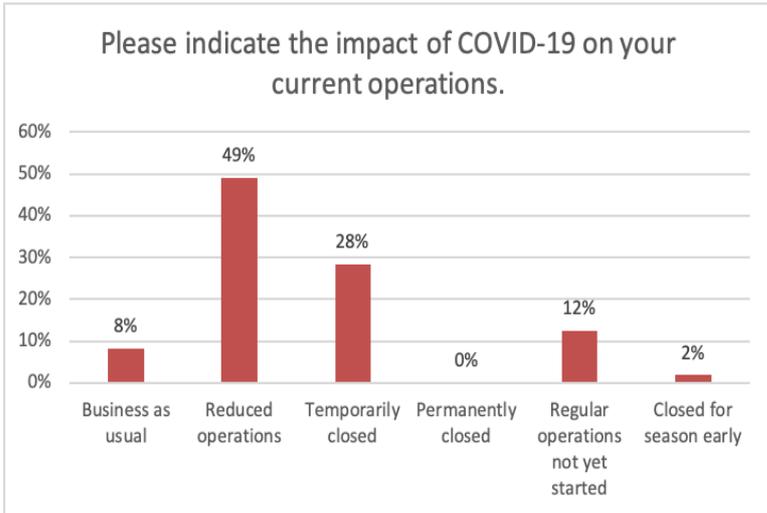
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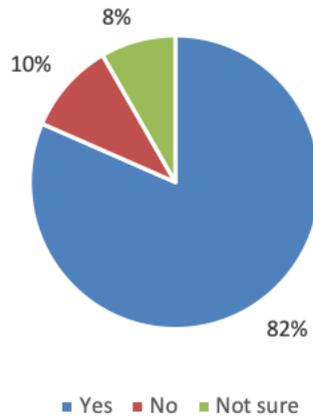


VANCOUVER ISLAND

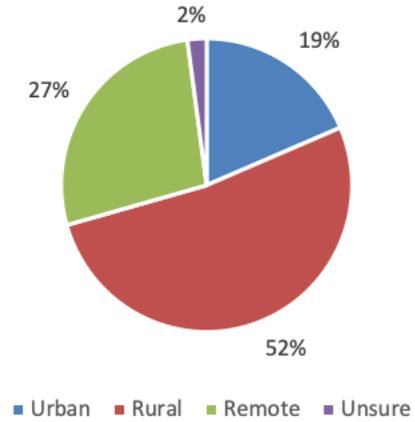


APPENDIX A: FIRMS SURVEYED

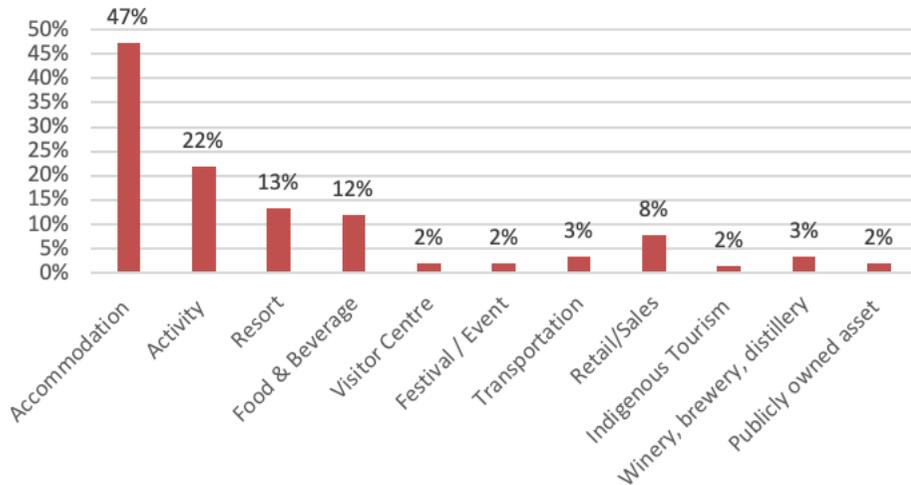
Have you filled out any of our previous weekly surveys?



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



Business Type



Is your business seasonal?

