

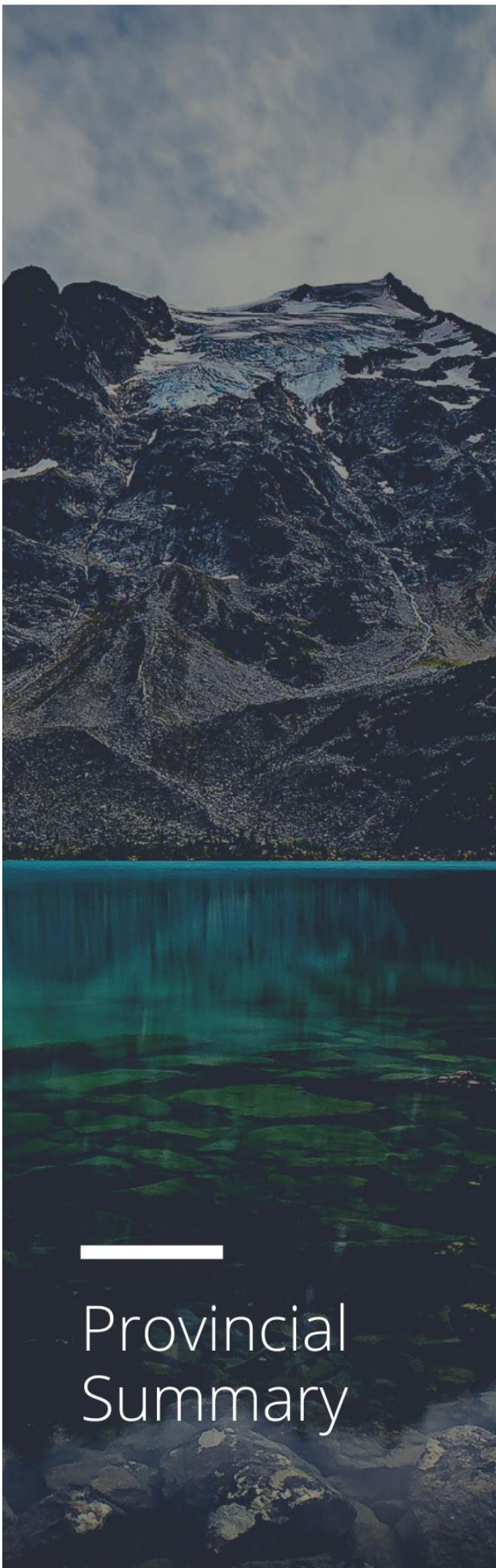


BRITISH COLUMBIA REGIONAL TOURISM SECRETARIAT

COVID-19 TOURISM IMPACT REPORT

WEEK OF APRIL 27, 2020

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



Provincial Summary

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 **April 27th to May 1st with 345 tourism businesses.**

Key Issues for Consideration:

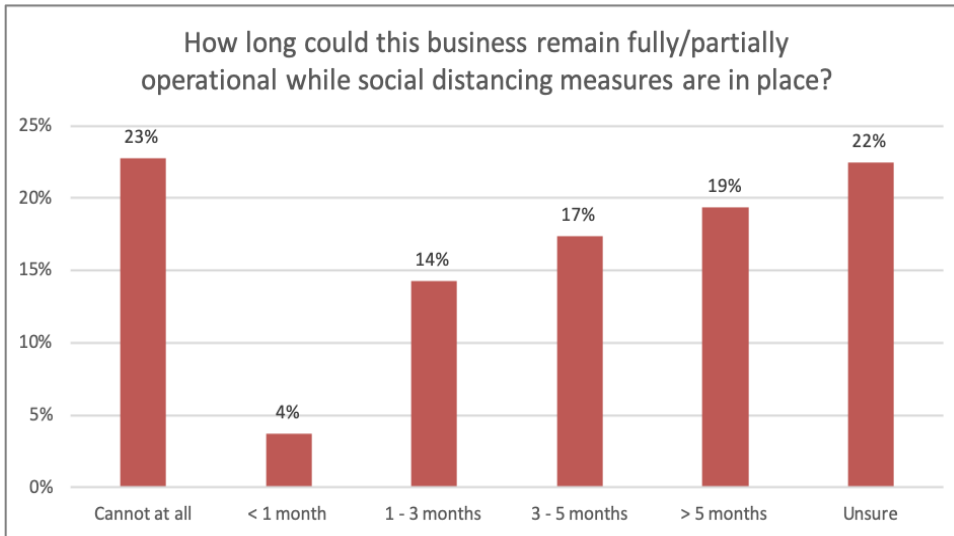
- **Impact on bookings continues to push forward**, with more than 80% of firms seeing slower bookings in September and beyond
- Only **37%** of firms think they could remain operational through 3 months or longer of social distancing. Nearly **1/4** of businesses **cannot operate at all with social distancing measures in place**
- Many small businesses are **not eligible for any government support program**
- Most accessed government programs are CERB and CEBA. Overall **positive experience** among the 27% 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,

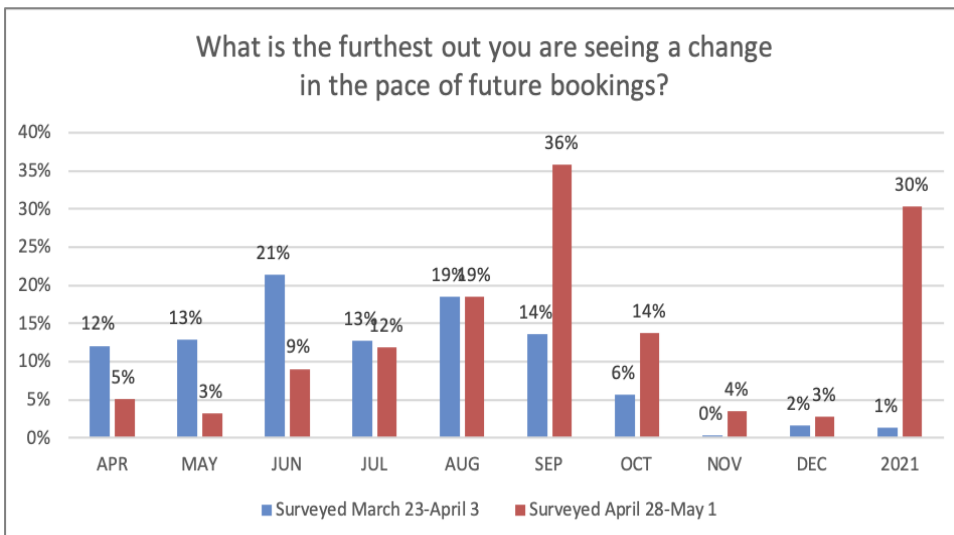
Glenn Mandziuk
Chair, British Columbia Regional Tourism Secretariat

PROVINCIAL SUMMARY**



2,979
SEASONAL
STAFF

WILL NOT
BE HIRED

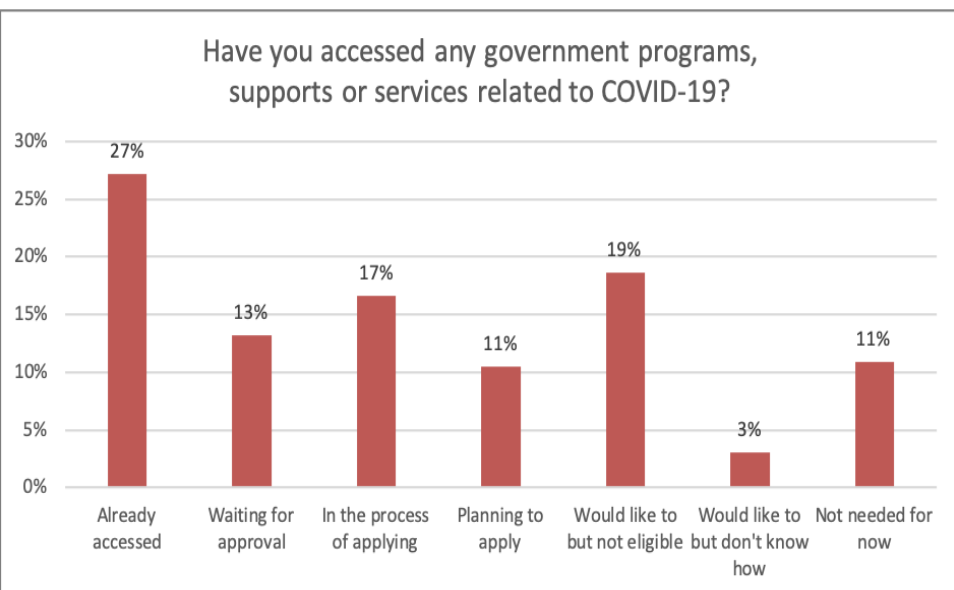


3,533

STAFF
LAYOFFS
across 345 businesses

\$74,273

AVERAGE
EXPECTED LOSS
FOR APRIL
RANGE: \$0 - \$191,209
MEDIAN: \$9,814



\$33,585
ON AVERAGE
PER MONTH

TO REMAIN
SOLVENT
RANGE: \$1000 - \$80,000
MEDIAN: \$8,500

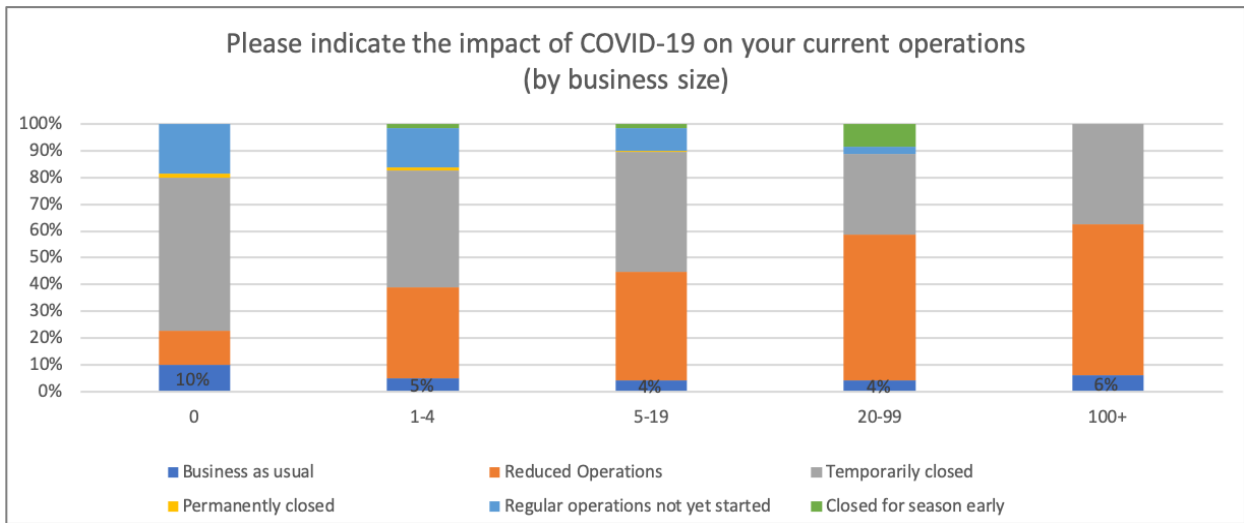
Note: All data ranges in this report are calculated from the 10th percentile to the 90th percentile

*All findings are based on member surveys collected by the Secretariat during April 27-May 1, 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.

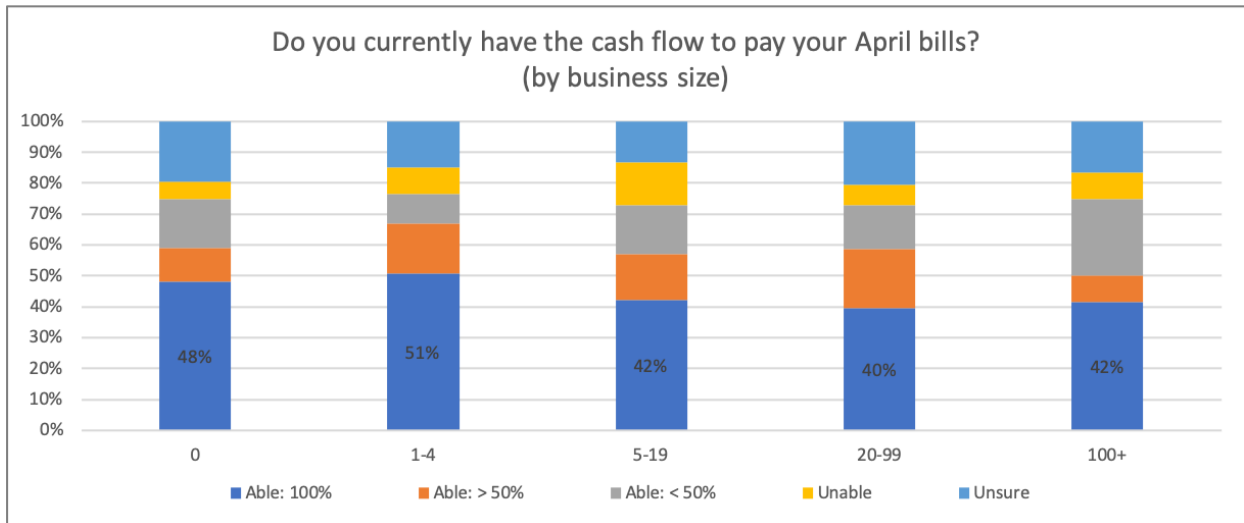
**We do not have enough survey data for Vancouver, Coast & Mountains this week to produce a standalone report for that region. Photo credits to Giuseppe Milo and James Wheeler

PROVINCIAL SUMMARY

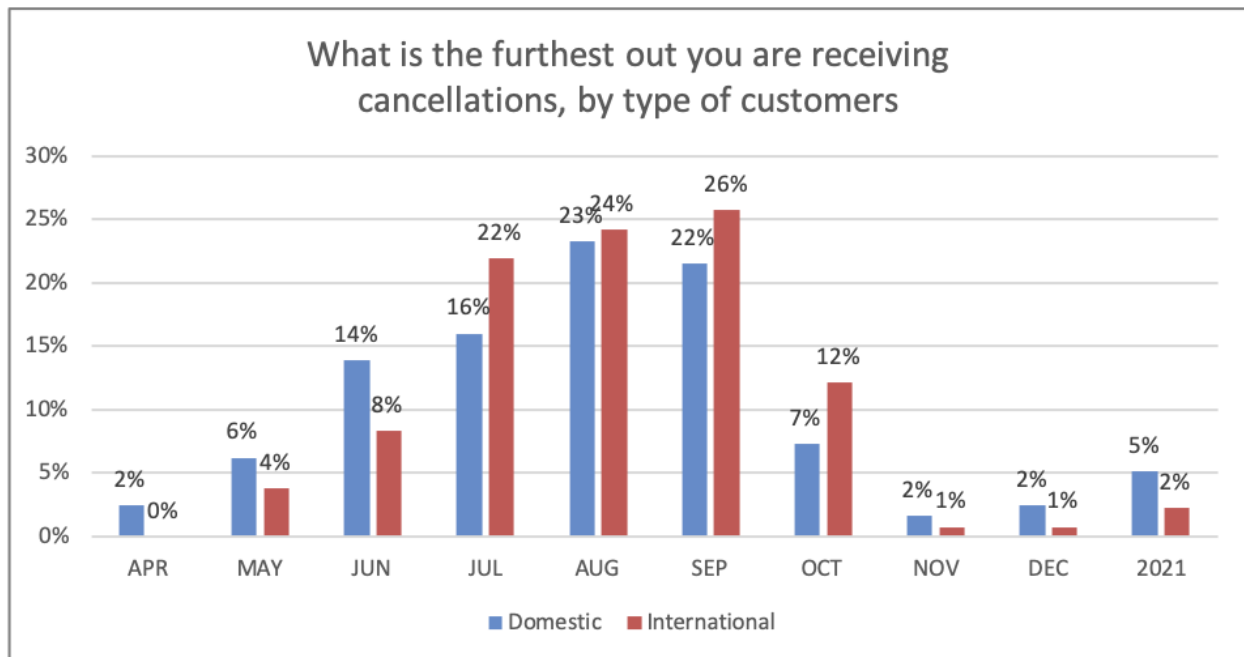
COVID-19 has impacted the operation of more than 90% of all firms, ...



... with less than 50% of the firms have the cash flow to pay their April bills.



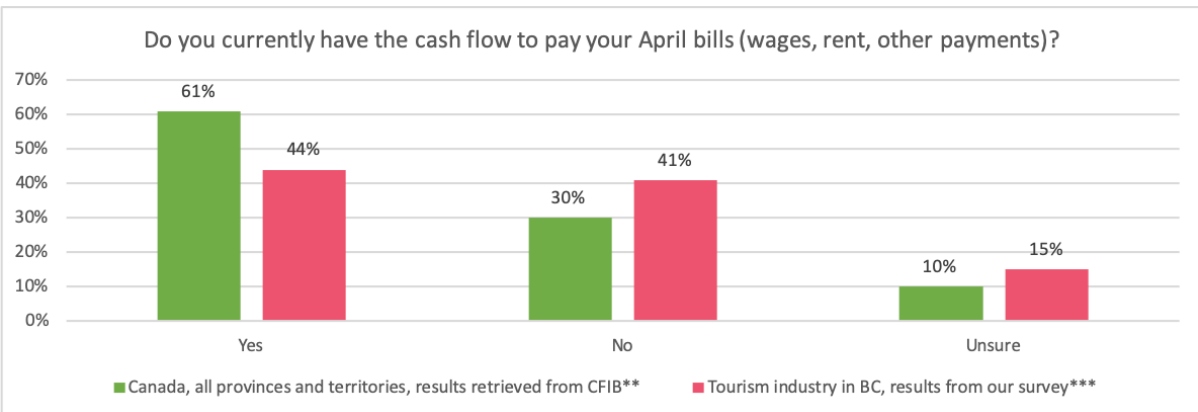
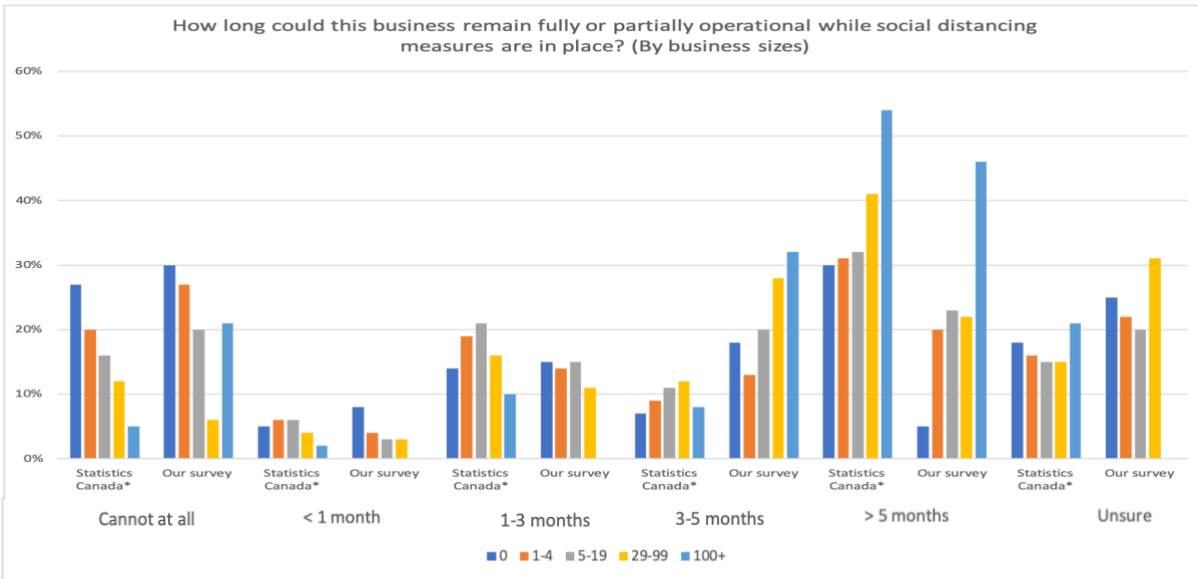
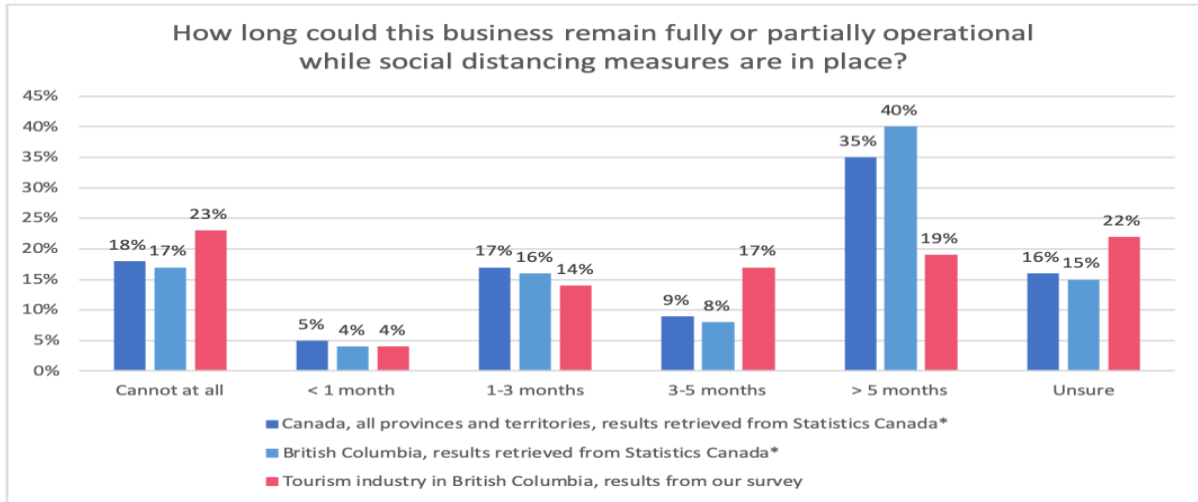
Generally, smaller firms are more likely to be closed but also slightly more able to pay bills as compared to larger firms.



Meanwhile, businesses with an international clientele are seeing cancellations right through the fall as opposed to spring and summer.

A CLOSER LOOK: COMPARING TO ALL CANADIAN BUSINESSES

From April 20-May 1, we asked 861 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 business 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**. Breaking those results by firm size indicates that these differences are present for nearly all sizes of firms. In particular, **100+ employee businesses in B.C.'s tourism sector are more than four times as likely to not be able to operate at all compared to the same size firms in the national sample**, while **sole practitioner businesses in B.C.'s tourism sector are only 1/6 as likely to be able to operate for more than 5 months**, compared to the same size firms in the national sample. As of April, businesses in B.C. tourism were **less likely to be able to pay their bills** than nationally-representative sample.

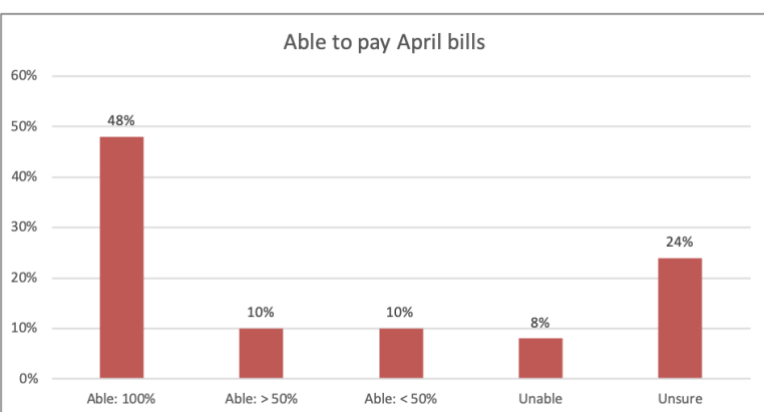
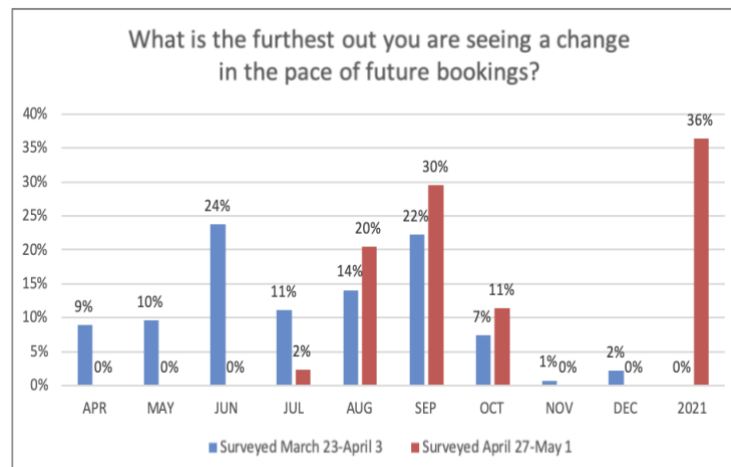
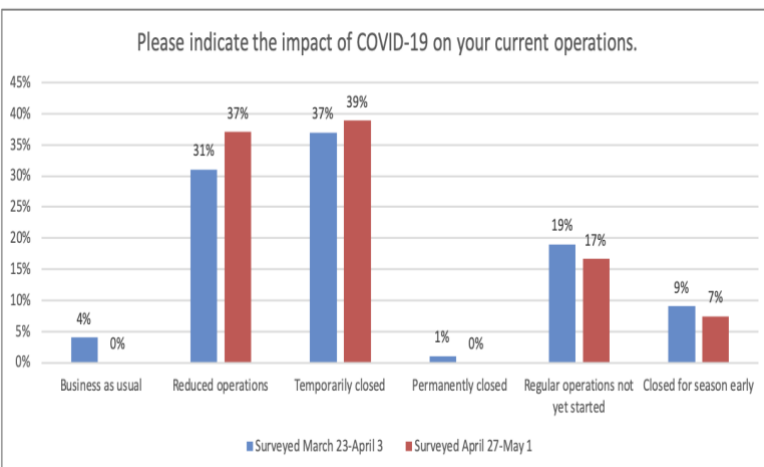
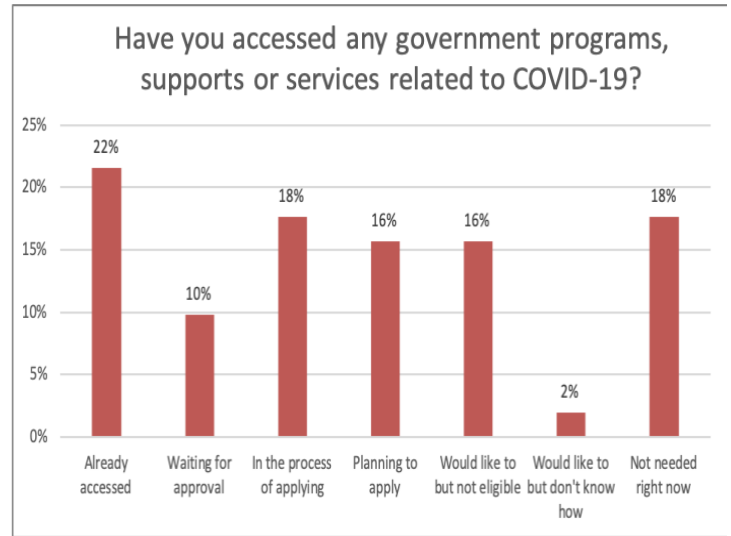
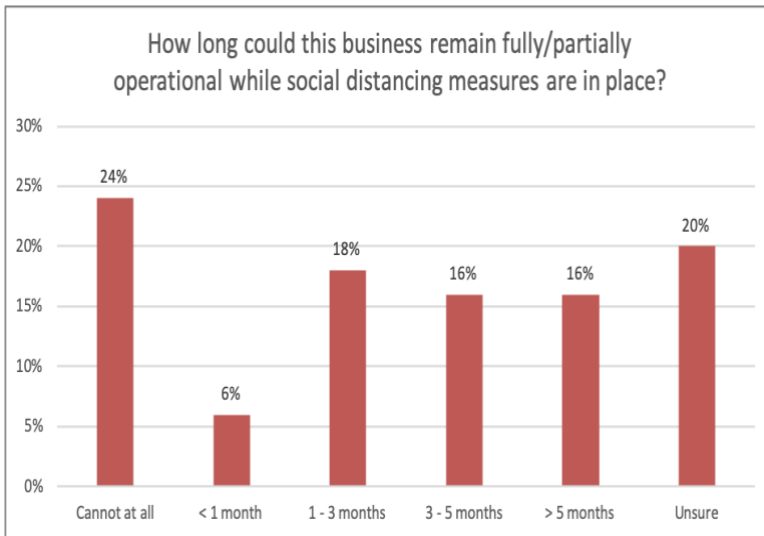


*From April 3-24, 2020, Statistics Canada surveyed representatives from 12,600 businesses to investigate how COVID-19 is affecting their businesses. The result from the first iteration of the survey was published on April 29, 2020. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/200429/dq200429a-eng.htm>

**Result retrieved from Canadian Federation of Independent Businesses (CFIB)'s survey report. CFIB's result is based on 10,190 responses received from April 3-6, 2020. Source: <https://www.cfib-fcei.ca/sites/default/files/2020-04/COVID-19-survey-results-April-7.pdf>

***"Yes" represents firms who have indicated that they are able to pay 100% of their April bills. "No" includes firms who answered "able to pay more than 50% of the bills", "able to pay less than 50% of the bills" and "unable to pay".

CARIBOO CHILCOTIN COAST



Financial Impact

- Expected revenue loss in April, 2020 per business ranges from -\$14,000 (revenue increases by \$14,000 compared to April 2019) to \$179,808, average: \$63,688, median: \$2,600
- Fixed cost to remain solvent ranges from \$800 to \$109,700 per month, average: \$37,141, median: \$10,000

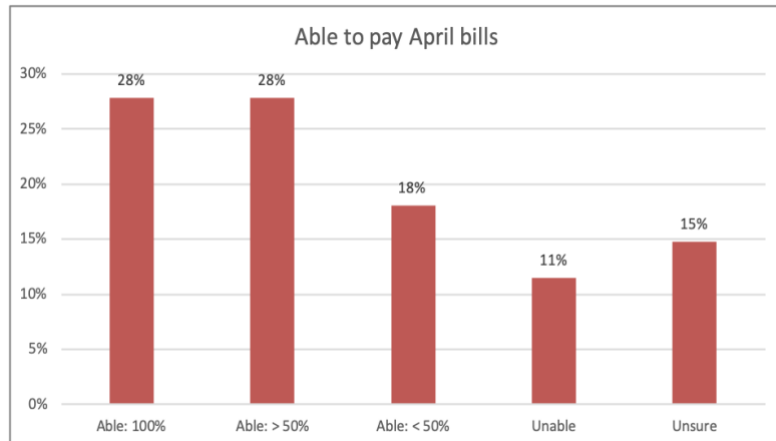
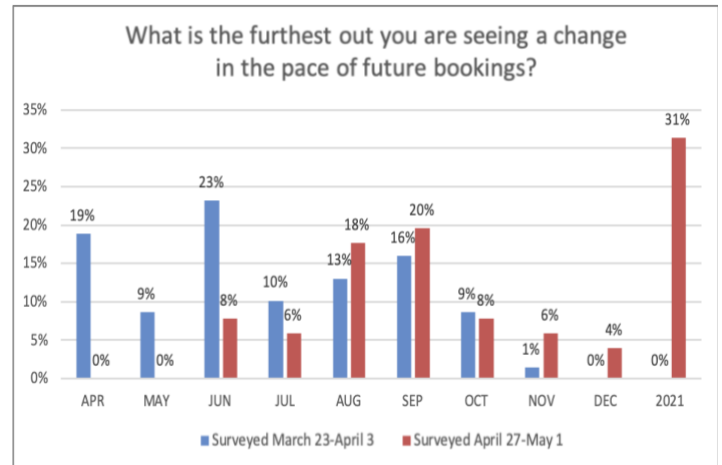
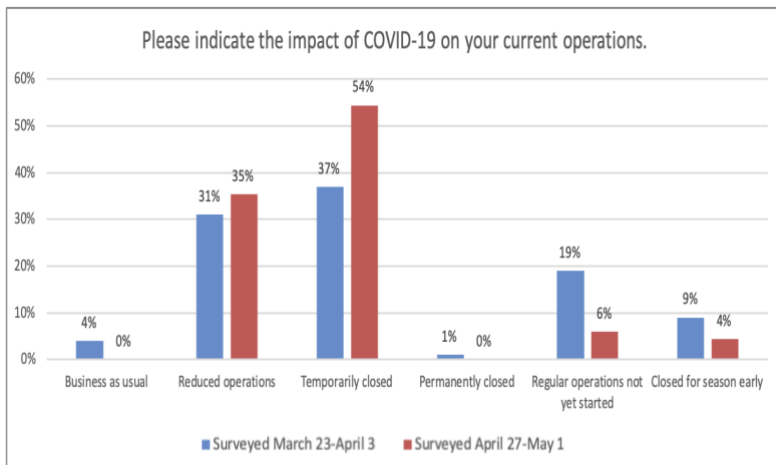
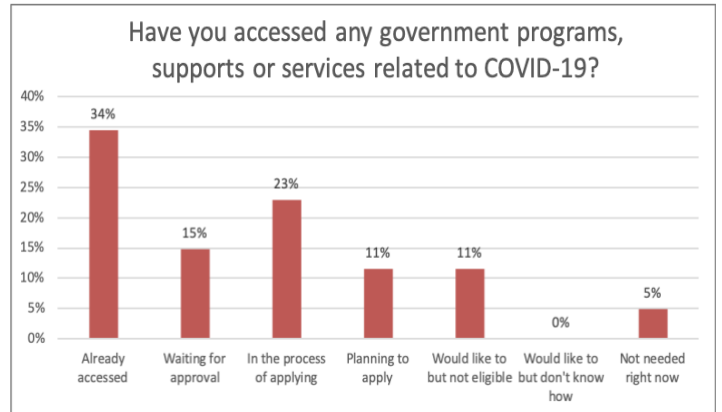
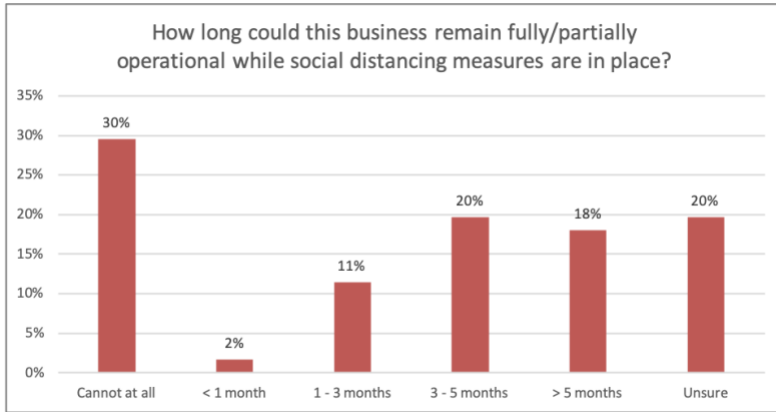
Out of pocket COVID-related expenses

- Businesses spend on average \$1340 for hygiene products, product delivery, and payroll

*Categories abbreviated. For full definitions, see earlier reports

*“Our business usually opens in May: all cabins, RV sites fishing boat rentals, etc. So far, we have managed to pay all of our bills up to May 1, 2020, but since all of our bookings are gone, we do not know how we will pay the bills for the rest of summer. Our restaurant is no longer running either, so we have taken a financial hit there as well. As we own our property and run our business as a mom-and-pop operation, **there is currently no funding for us:** from CERB to bank financial support to B.C. Hydro relief fund. So, if you contact me in two to three months’ time, I will certainly have a different story to tell when we have no income.” – Accommodation owner, May 1, 2020*

KOOTENAY ROCKIES



Financial Impact

- Expected revenue loss in April, 2020 per business ranges from \$0 to \$182,678 average: \$71,800, median: \$15,500
- Fixed cost to remain solvent range from \$1,000 to \$65,350 per month, average: \$25,272, median: \$5,200

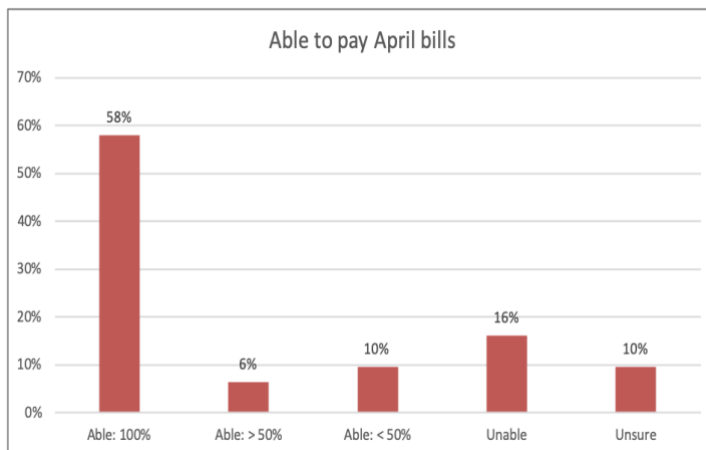
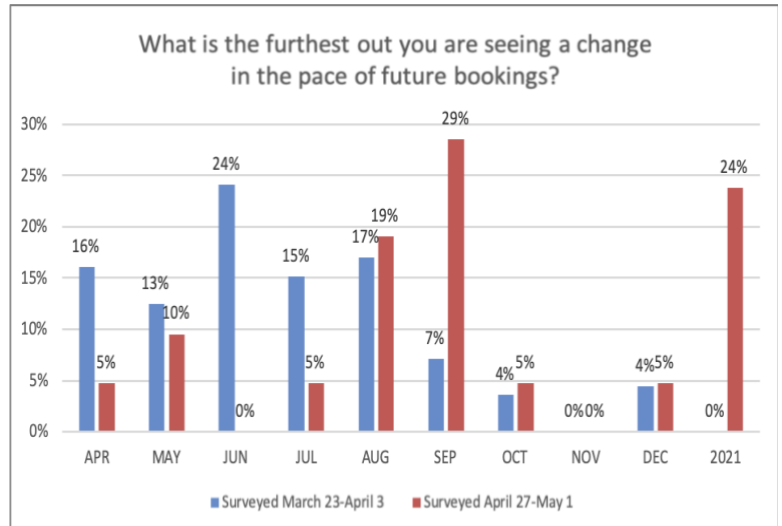
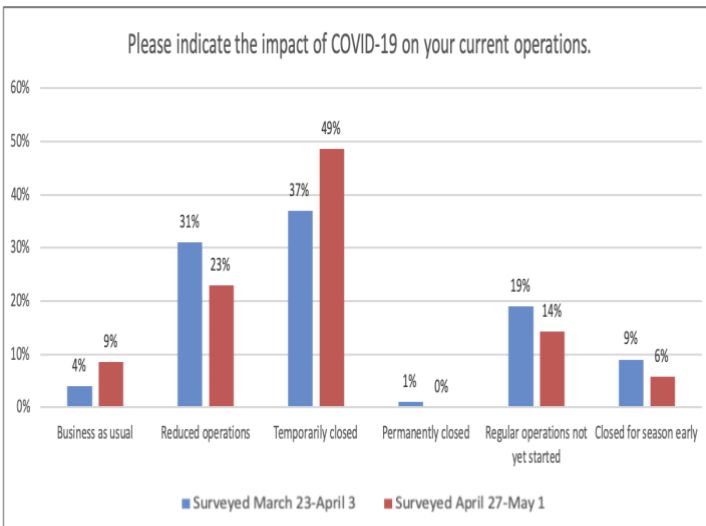
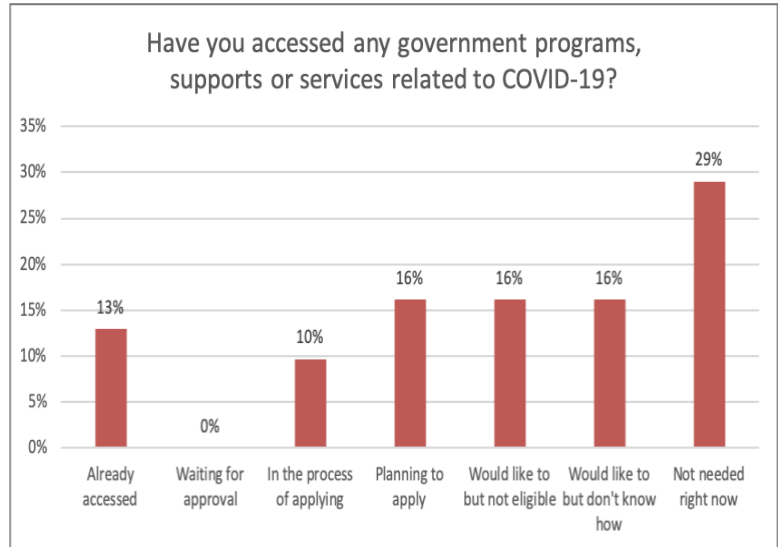
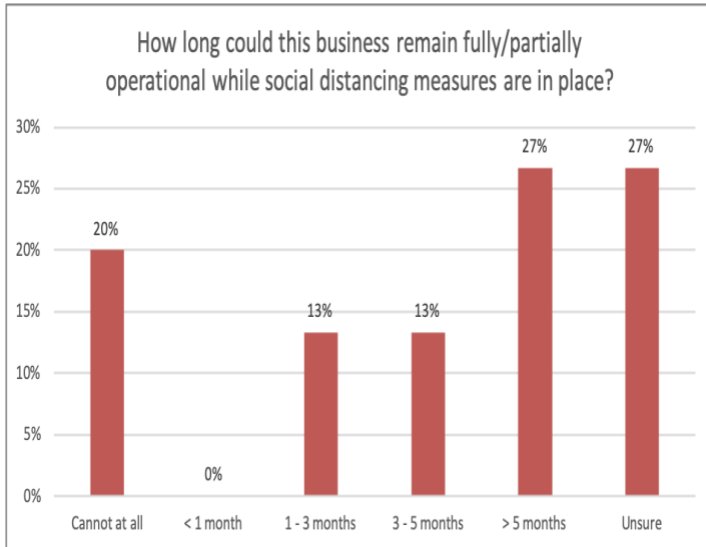
Out of pocket COVID-related expenses

- Businesses spend on average \$1200 for cleaning supplies, admin costs, refunds, and payroll

“Our industry needs help with cancellation policies. With conflicting pressure to do right by our guests, listen to lawyers, and follow government regulations that we had not heard of before, we ended up giving full refunds. This extremely hurt our business, even more than just shutting down. Insurance companies were much smarter than us and ended up finding loopholes to not pay the claims. This summer we were fully booked, but now we are just half full and declining. Normally our next two seasons would be booking up right now, but guests are afraid to commit.” – Accommodation owner, April 28, 2020

“While financial support helps to weather the storm, our major concern is determining the level of revenues 4 to 18 months from now. Our business is retail-based, but we rely heavily on both international and provincial tourism. No amount of financial assistance can save a business if future revenues are severely impacted.” – Retail owner, April 28, 2020

NORTHERN BC



Financial Impact

- Expected revenue loss in April, 2020 per business ranges from \$0 to \$91,400, average: \$22,836, median: \$5000
- Fixed cost to remain solvent range from \$80 to \$84,120 per month, average: \$21,708, median: \$5,100

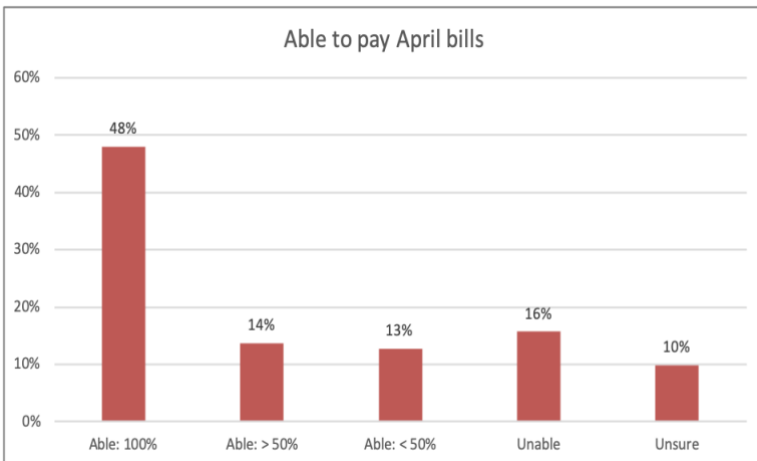
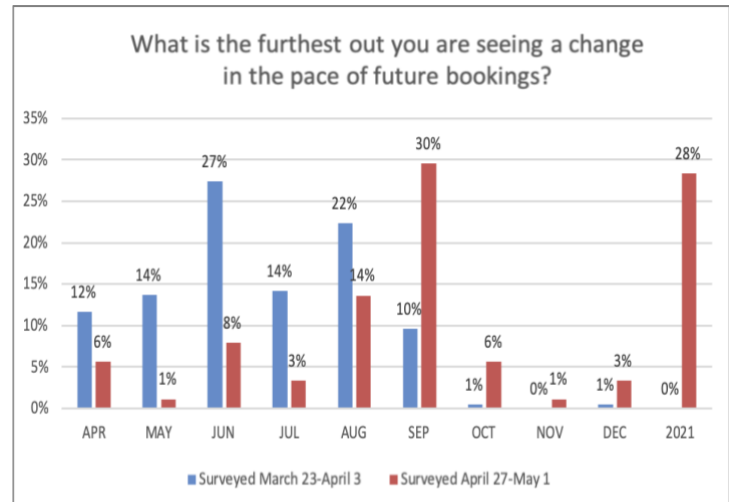
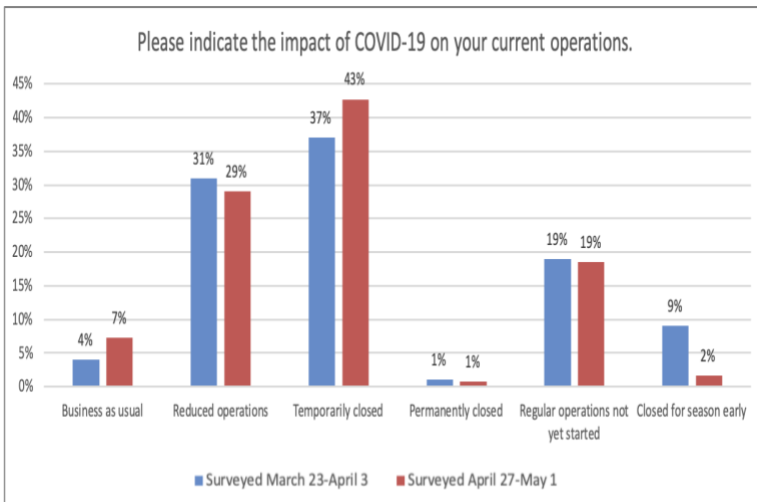
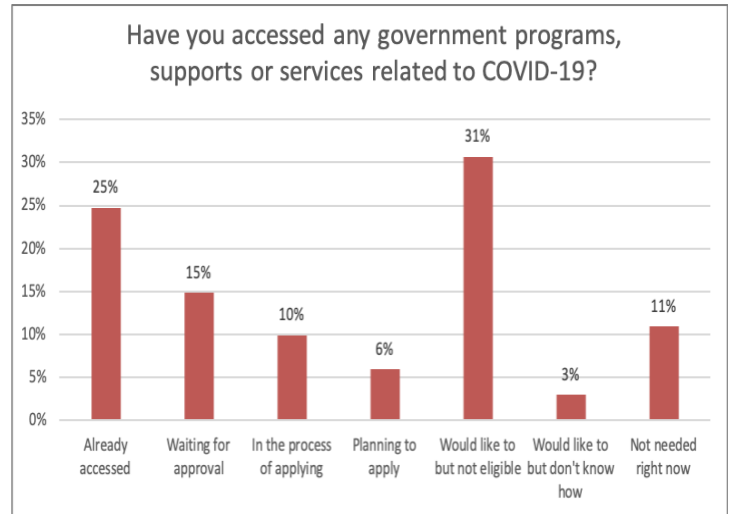
Out of pocket COVID-related expenses

- Businesses spend on average \$7700 for personal protective equipment, insurance, and refunds

“As tourism is seasonal, losing this year’s tourism will mean that I have to sustain business until May or June 2021 before I see revenues. That is too long a timeframe to maintain even minimal overhead costs.” - Retail owner, April 28, 2020

“Businesses in the north have been suffering for the last 6 years. We need the government to notice and find out why this is happening. We need desperately to be heard. We need help because the resources we used to profit from are now all lost.” – Accommodation owner, April 29, 2020

THOMPSON OKANAGAN



Financial Impact

- Expected revenue loss in April, 2020 per business ranges from \$0 to \$171,811, average: \$57,396 median: \$5,250
- Fixed cost to remain solvent range from \$0 to \$77,200 per month, average: \$29,684, median: \$7,750

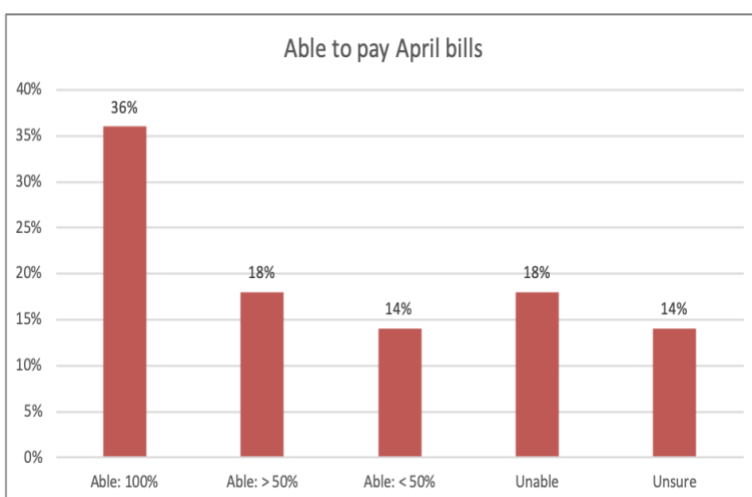
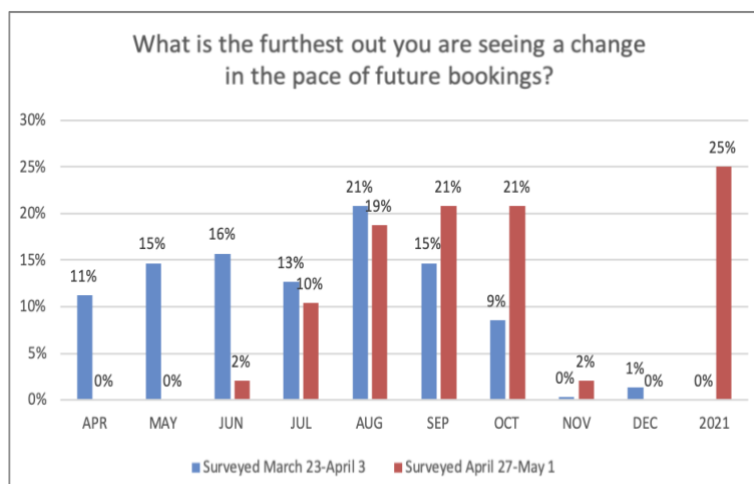
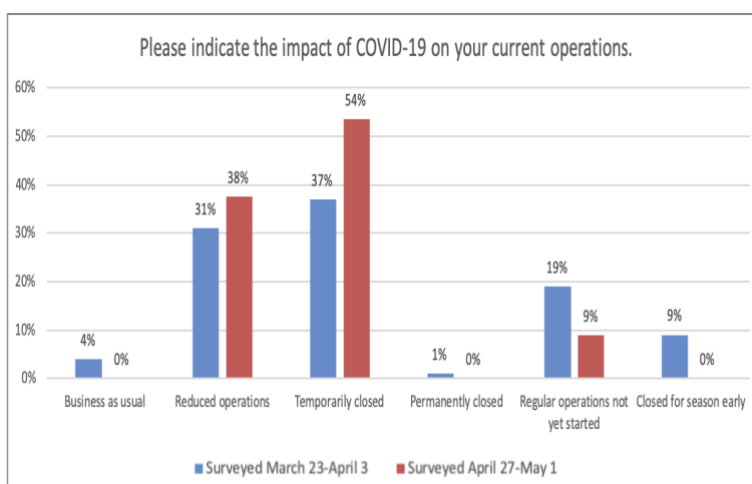
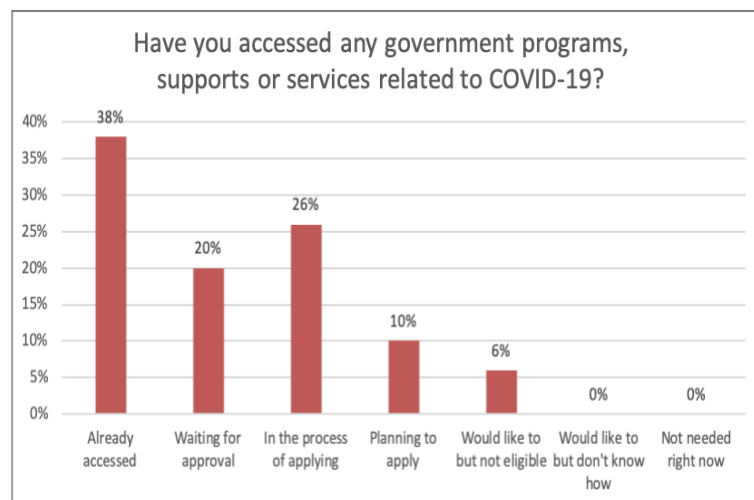
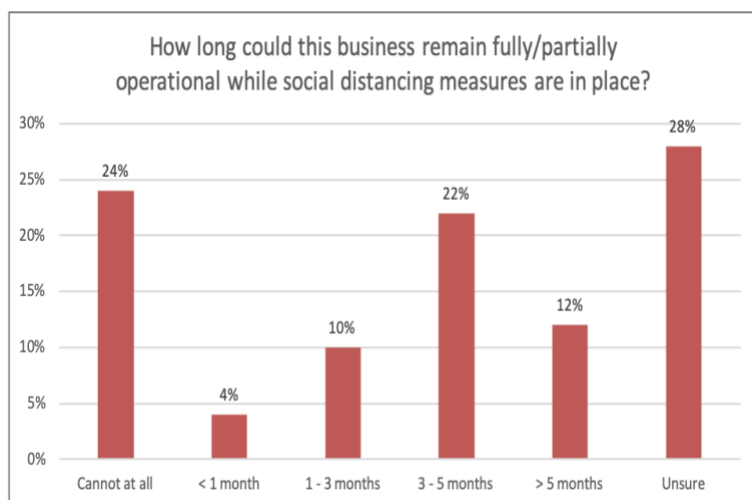
Out of pocket COVID-related expenses

- Businesses spend on average \$7,674 on cleaning supplies, online meeting subscriptions, and refunds

“As a sole proprietor and operating a small business, there is no funding available through the CERB program. We cannot give out T4's to ourselves so we can't apply for the operating loan either. This is most likely to be true for thousands of small sole proprietor businesses that cannot survive the economic downturn. It would be appreciated if the government looked at this and opened up the CERB program to sole proprietor businesses based on an annual gross income or other means.”

– Accommodation owner, April 28, 2020

VANCOUVER ISLAND



Financial Impact

- Expected revenue loss in April, 2020 per business ranges from \$0 to \$492,500, average: \$150,360 median: \$32,500
- Fixed cost to remain solvent range from \$2000 to \$113,150 per month, average: \$44,204, median: \$11,400

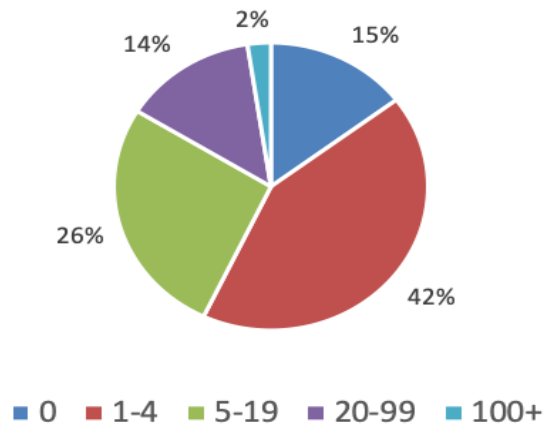
Out of pocket COVID-related expenses

- Businesses spend on average \$5,400 on cleaning supplies, new/updated advertisements, and refunds

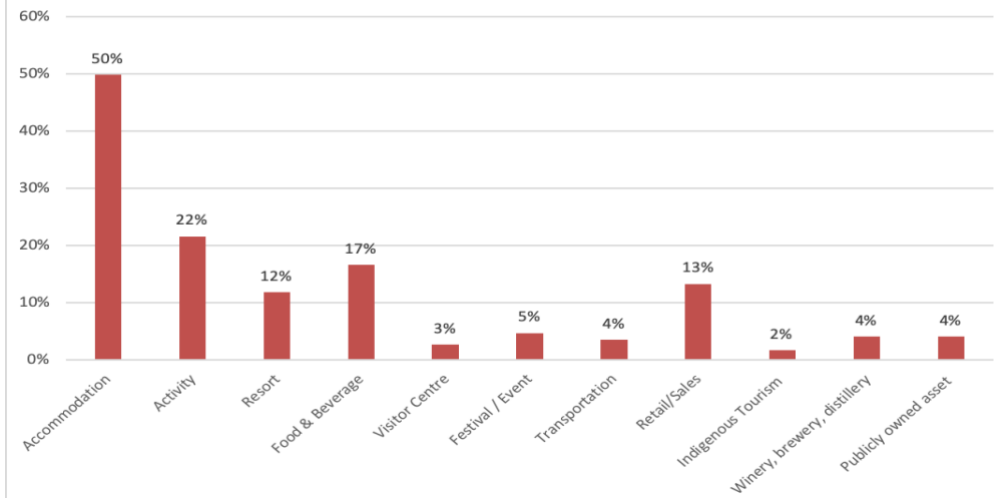
“Businesses in BC are still recovering from overland flooding that impacted their homes and business in January 2020. We have no income and many expenses. We need more support and may not receive the same funding as larger businesses do. How can we get additional assistance? We don't want to take loans as we currently don't owe anyone. We are getting by on our savings but our business is not operating and we have no idea as to when we will have guests. – Accommodation owner, April 30, 2020

APPENDIX A: FIRMS SURVEYED

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

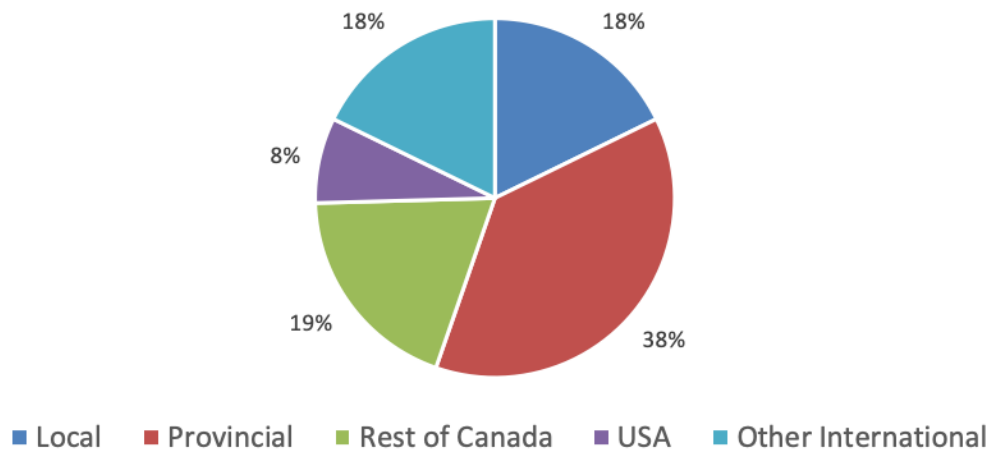


Business Type



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

Where do your clients primarily come from?



Which BC Tourism Region does your business primarily operate in?

