

# COVID-19 TOURISM IMPACT ROLL-UP REPORT #1

## BRITISH COLUMBIA OUTSIDE THE LOWER MAINLAND, EXECUTIVE SUMMARY

JUNE 1, 2020

The British Columbia Regional Tourism Secretariat, British Columbia Hotel Association and the British Columbia Destination Marketing Organizations Association are working together to understand:

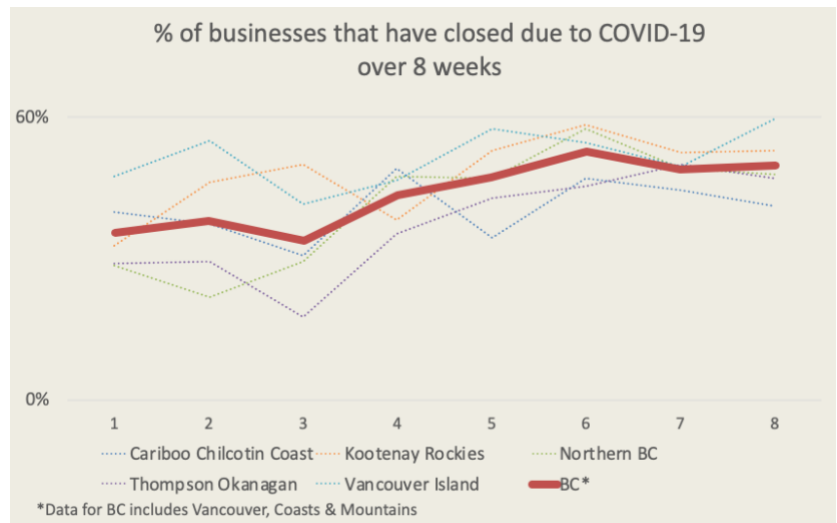
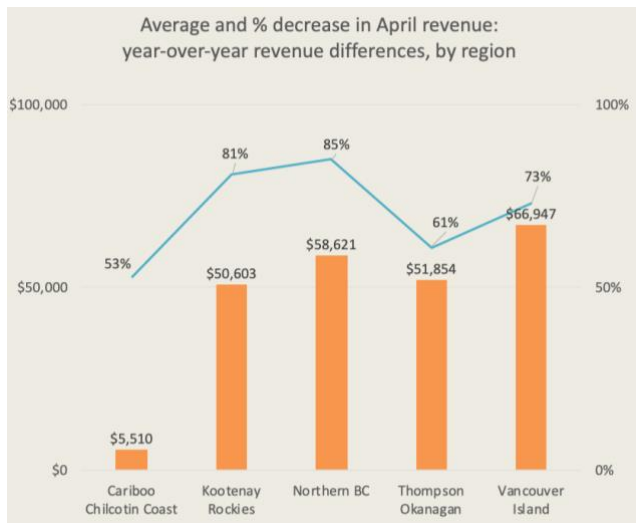
- the impact of COVID-19 on the tourism industry in British Columbia, with a focus outside the Lower Mainland and Whistler
- business perception of government responses
- businesses expectations for recovery

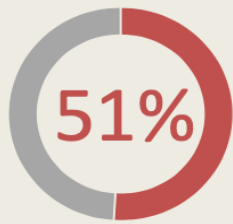
This document is the executive summary to the COVID-19 Tourism Impact Roll-Up Report and is based on findings from 8 weekly surveys collected by the Secretariat, over phone call or online, from March 23 to May 15, 2020, except where otherwise noted. The summary highlights key results including COVID-19 impact on cumulative loss, employment, solvency, businesses expectations on re-opening, and policy recommendations. For detailed results and in-depth analysis, please see the full report.

### I. GAPS AND RECOMMENDATIONS

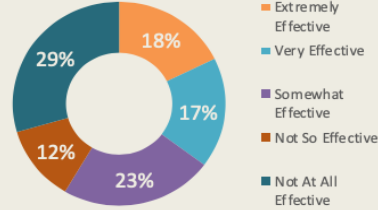
<p><b>Re-opening is challenging for most businesses in the tourism industry</b></p>	<p><b>Businesses are not only facing a liquidity crisis but also a solvency crisis</b></p>	<p><b>Many businesses have been ineligible for government support programs</b></p>	<p><b>Restrictions to non-essential travel within BC has the highest impact on businesses</b></p>	<p><b>Urban, rural, and remote areas face different levels of impact from COVID-19</b></p>
<p><b>Recommendation:</b> Invest in Regions to support rebuilding of social license to welcome visitors.</p> <p><b>Recommendation:</b> All recovery marketing plans and campaigns must be in alignment with the rebuilding of social license to ensure a positive return for tourism.</p> <p><b>Recommendation:</b> Provide clear communication on re-opening guidelines vs legal requirements.</p> <p><b>Recommendation:</b> Identify future plans for response and business aid in the event of a second wave of COVID-19 cases.</p>	<p><b>Recommendation:</b> Government programs should also focus on providing appropriate measures, beyond traditional financing to include loan forgiveness, grants or cash injections, to help businesses survive</p> <p><b>Recommendation:</b> Seasonal businesses have lost annual revenue and will require financial support to prevent insolvency into next fiscal</p>	<p><b>Recommendation:</b> New government programs and relief should focus on addressing the gaps and supporting business not eligible for existing programs, specifically providing funds to the tourism industry businesses.</p> <p><b>Recommendation:</b> Invest in the BC Tourism Resiliency Program to support businesses to obtain information on updated applications, guidelines and eligibility criteria.</p>	<p><b>Recommendation:</b> When it is safe to do so, lifting restrictions on nonessential travel is critical for firm survival.</p> <p><b>Recommendation:</b> Businesses require lead time to be ready to accept visitors, setting a definite date for Phase 3 would provide significant help..</p>	<p><b>Recommendation:</b> Small businesses in rural and remote areas said they would like to receive training on how to use technology to future-proof their business.</p>

### II. KEY RESULTS



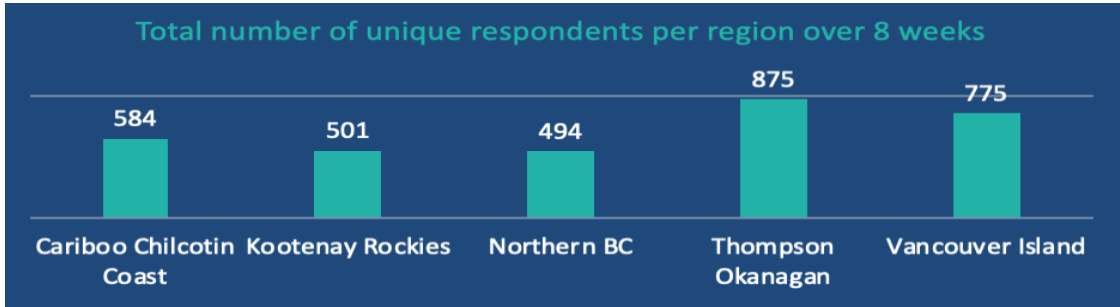


As of May 15, 2020, **51%** of surveyed businesses have received at least one government support program or financial assistance.

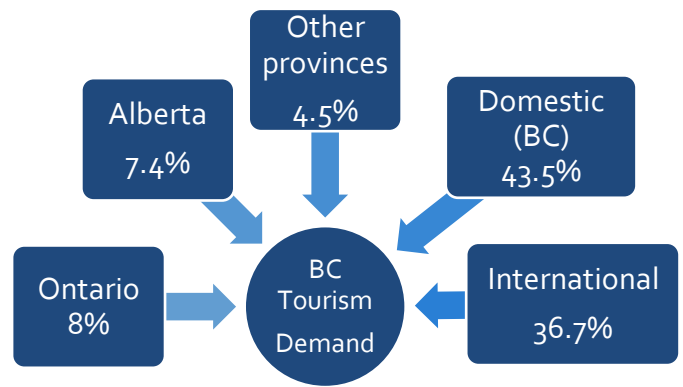
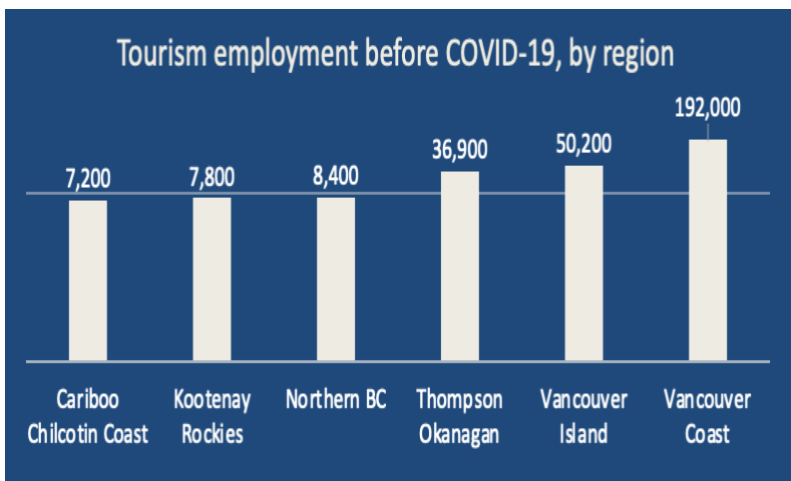


**58%** of those who have received support or assistance rated these programs as **extremely effective, very effective, or somewhat effective.**

### III. SURVEY SAMPLE

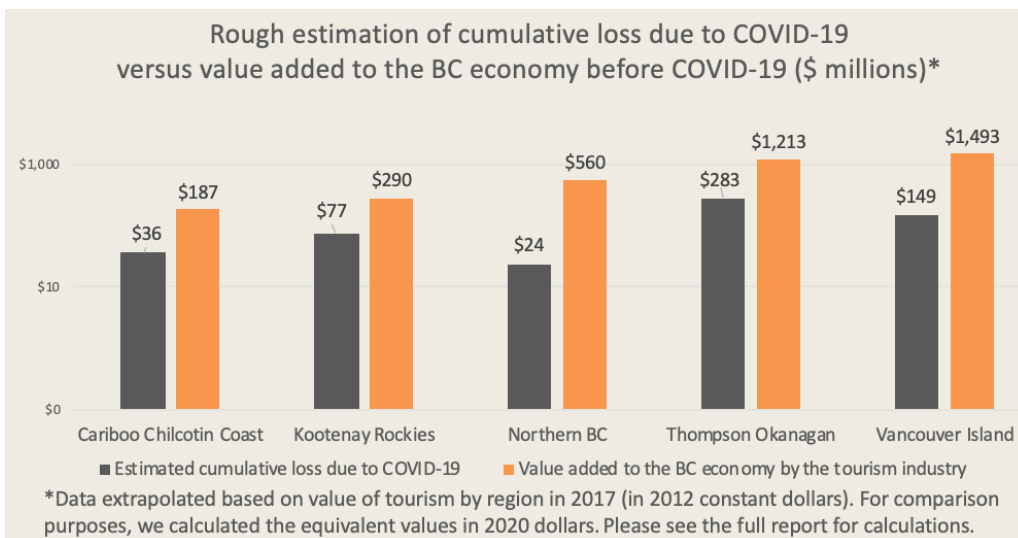


### IV. CONTEXT: TOURISM IN BRITISH COLUMBIA<sub>1</sub>



Majority of BC tourism dollars come from international and BC itself.

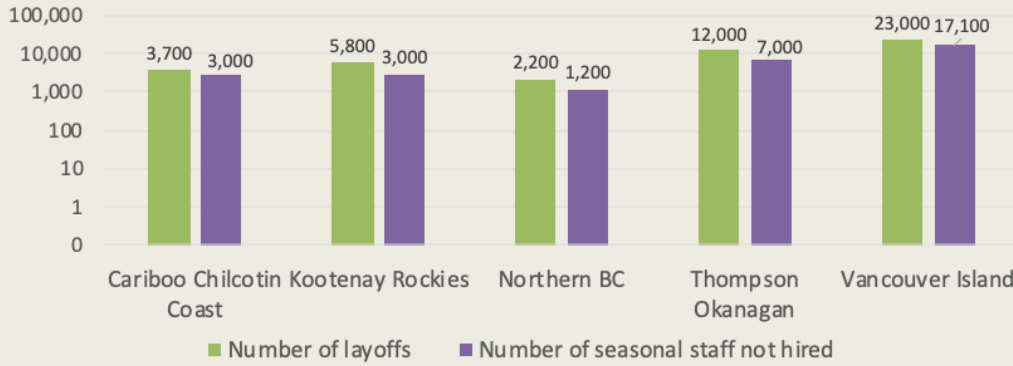
### V. RESULTS ANALYSIS<sub>2</sub>



As of May 15, 2020 Resorts, Activity/Festival, and Accommodations businesses reported the highest average losses per businesses.

The estimated cumulative loss in 5 regions due to COVID-19 is \$568 million, amounting to 15.2% of total value contributed to the BC economy by the tourism industry in 2017.

Rough estimate of total number of layoffs\* and seasonal staff not hired\* due to COVID-19, by region

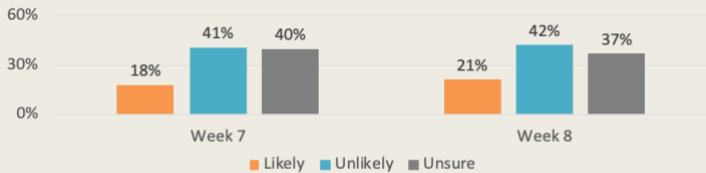


\*Data extrapolated based on the total number of employees in the tourism industry by region pre-COVID-19 on go2HR's website.<sup>3</sup> Please see the full report for the assumptions used for this calculation.

The estimated total number of layoffs and number of seasonal staff not hired across these 5 tourism regions are 47,000 and 31,300, respectively.

There is preliminary evidence that layoffs may have peaked in week 5 (April 20-24). (See our full report for analysis)

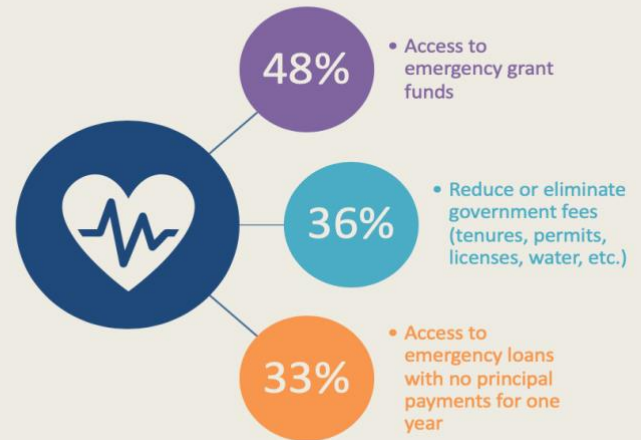
Risk of bankruptcy



Of those who report they are likely to face bankruptcy:



TOP 3 MOST NEEDED GOVERNMENT RESPONSES TO ENSURE THE SURVIVAL OF TOURISM BUSINESSES IN BC\*



\*Data for BC includes Vancouver, Coasts & Mountains

Additional help from government that would be useful for re-opening



Expectations for Reopening:

While most businesses need to make more than 50% of their typical sales in order to make it worthwhile to be open through the summer, demand for tourism in Canada is at a historical low.

Increased regional and business marketing from the government is most needed in order to help businesses to re-open. This is consistent with the stories and feedback that we have been receiving from businesses, which often highlight the need for increased marketing.

<sup>1</sup>Statistics Canada. Source: <https://www150.statcan.gc.ca/n1/pub/71-607-x/2018011/tourism-tourisme-eng.htm?view=interprovincial>.

<sup>2</sup>Destination BC, Link: [https://www.destinationbc.ca/content/uploads/2020/03/2018-Value-of-Tourism\\_Feb-2020\\_Final](https://www.destinationbc.ca/content/uploads/2020/03/2018-Value-of-Tourism_Feb-2020_Final). Calculations excluding Vancouver, Coast, and Mountains

<sup>3</sup>go2HR. Source: <https://www.go2hr.ca/research/infographic-turnover-in-bcs-tourism-industry>