

COVID-19 TOURISM IMPACT REPORT

British Columbia Regional Tourism Secretariat

MARCH 22, 2020

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FOR QUESTIONS CONTACT:

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PROVINCIAL SUMMARY

The British Columbia Regional Tourism Secretariat and the British Columbia Hotel Association have partnered 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 March 17th to March 21st with 364 different tourism businesses.

The COVID-19 pandemic has had an immediate and severe impact on tourism businesses throughout British Columbia. The majority of surveyed businesses predict the loss of their entire summer season, with some businesses reporting cancellations into the fall. As a result, many businesses will fail without immediate government support. Respondents identified the following actions for consideration:

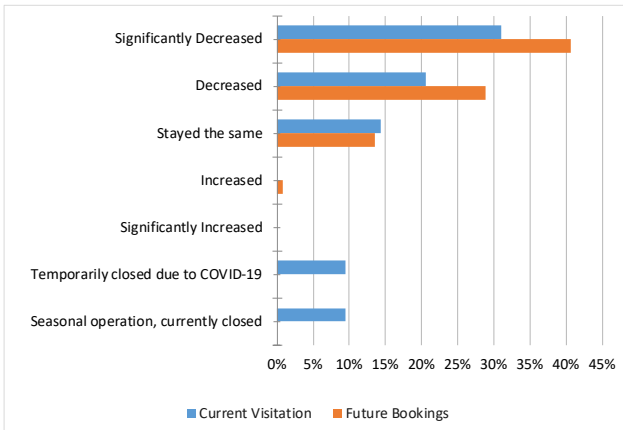
- Emergency contingency grants to businesses to cover fixed costs and to avoid insolvency
- Deferment of fixed costs – property tax, land tenure fees, corporate income tax, etc
- Enhance EI benefits and improve communication to businesses and tourism workers
- Development of regional response and recovery plans

On behalf of the British Columbia Regional Tourism Secretariat and the British Columbia Hotel Association, 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.

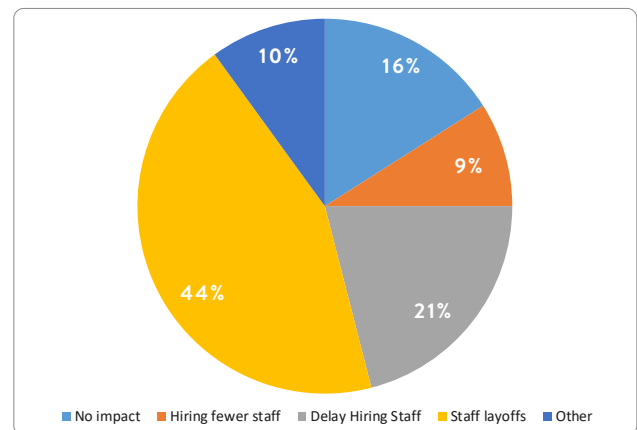
Sincerely,

Glenn Mandziuk
Chair, British Columbia Regional Tourism Secretariat

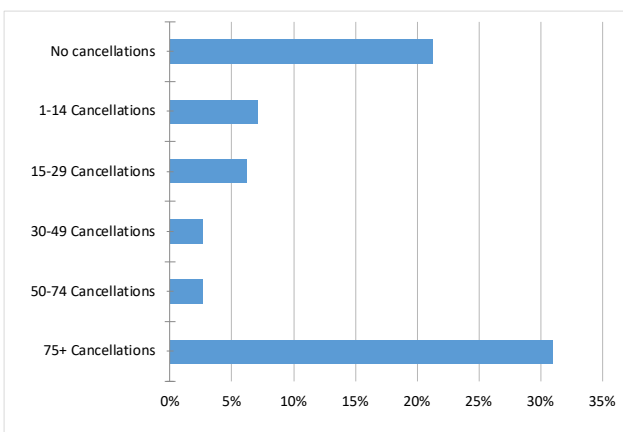
VISITATION AND BOOKINGS



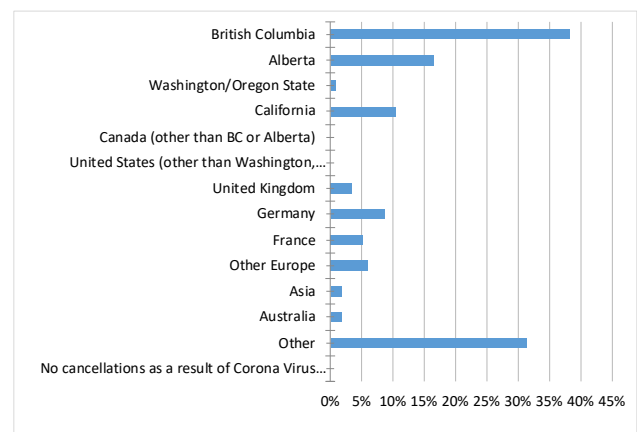
STAFFING AND EMPLOYMENT IMPACT



CANCELLATIONS



CANCELLATIONS BY SOURCE MARKET



REQUESTED REGIONAL SUPPORTS

- 1 Advocate to government for business needs
- 2 Provide up to date information
- 3 Increased marketing to encourage local travel

POLICY CLARIFICATIONS REQUESTED

- When can financial relief measures be expected?
- How do non-EI eligible laid off staff secure emergency funds?

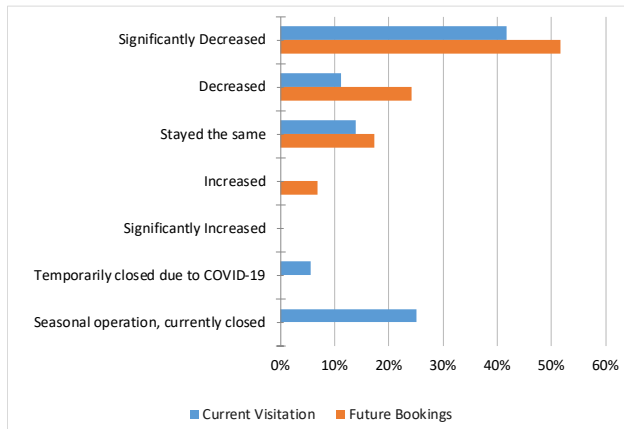
REQUESTED GOVERNMENT SUPPORTS

- 1 Provide funding or interest free loans to small businesses
- 2 Reduce or eliminate government fees (tenures, permits, licenses, water, etc.)
- 3 Tax deductions related to travel and recreation in Canada
- 4 Invest in labour training programs for staff

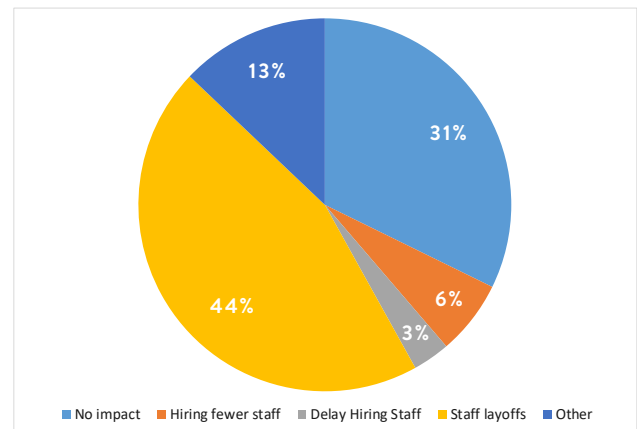
GENERAL NOTES

- A total of 8,894 employees have been laid off from 211 surveyed businesses.
- Most businesses anticipate additional layoffs.
- The majority of businesses are anticipating the loss of their entire season.
- Many businesses were willing to provide support related to COVID-19 if required (ex. serve as isolation rooms).

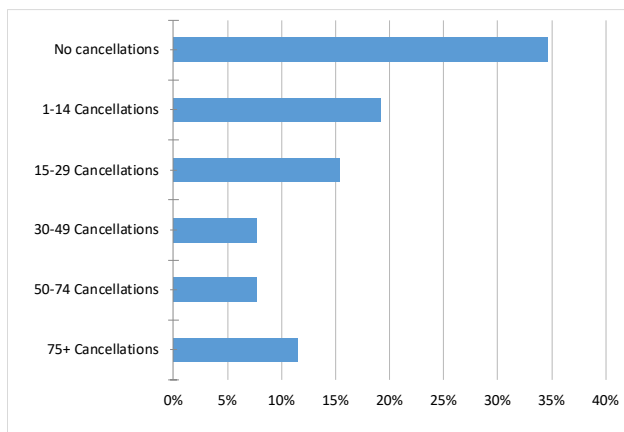
VISITATION AND BOOKINGS



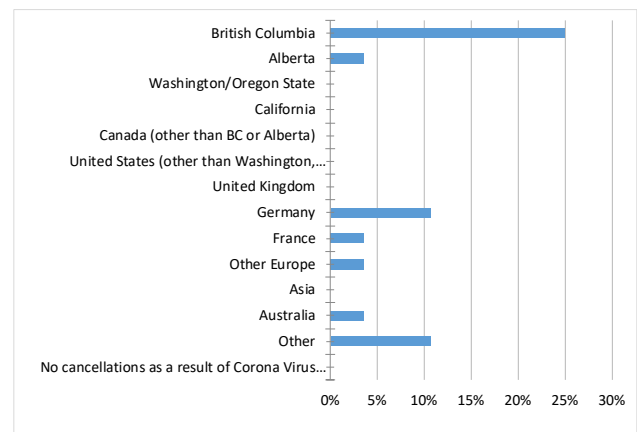
STAFFING AND EMPLOYMENT IMPACT



CANCELLATIONS



CANCELLATIONS BY SOURCE MARKET



RECOVERY AND SUPPORT

REQUESTED REGIONAL SUPPORTS

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FINANCIAL IMPACTS

Minimum amount of revenue required per business in the next three months to remain open and able to operate in the future:

MEAN	MEDIAN	RANGE
\$20,000	\$18,000	\$10,000 - \$54,000

POLICY CLARIFICATIONS REQUESTED

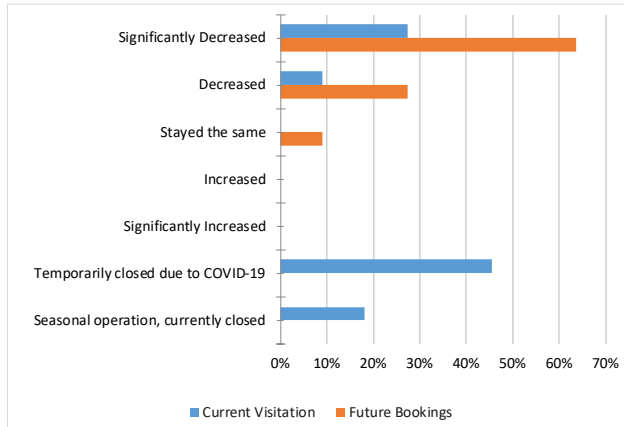
- Operators would like more clarification on EI and other recovery programs.
- Would like clarification on how people on work permits will be affected by COVID related loss of work.
- Businesses want to know how to get on a list to provide isolation options in order to earn revenue and stay off aid.
- Are there resources for RDMOs to hire local laid off staff to assist businesses in obtaining access to support programs?

BUSINESSES WILLING TO ACT AS ISOLATION SHELTERS: 25% | BUSINESSES PREDICTING LOSS OF ENTIRE SEASON: 29%

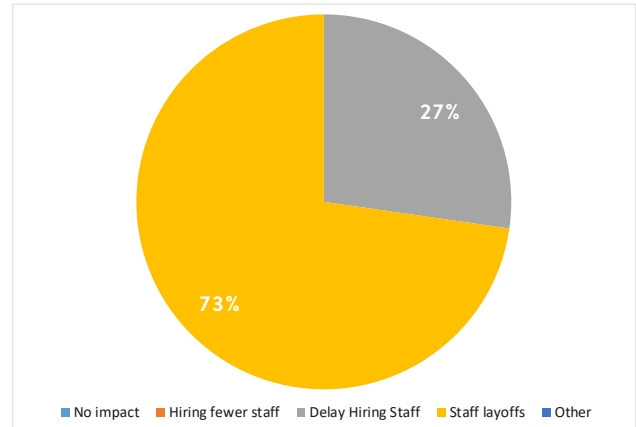
GENERAL NOTES

Some businesses have reported if they lose tenure, park permits, water licenses, etc they will close as the process and cost to re-obtain is too onerous. Preventing losses will be critical to recovery. Business concern is high regarding taking on new debt as many are still servicing debt from 2017-18 wildfires. Strong desire for appropriate positive messaging and enabling industry to aid in the crisis.

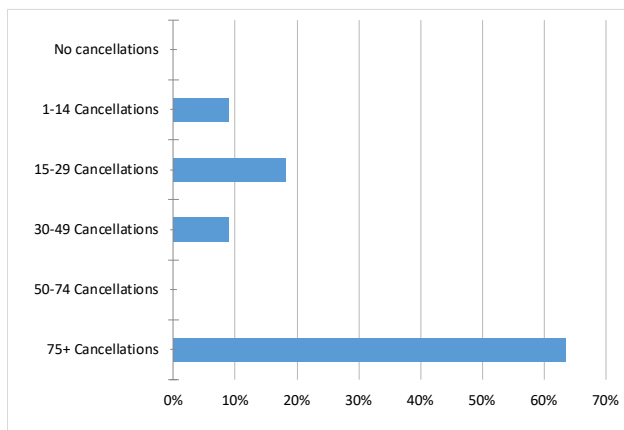
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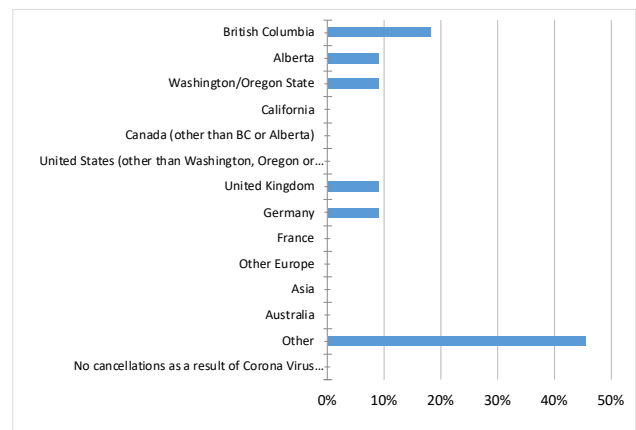
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FINANCIAL IMPACTS

Minimum amount of revenue required per business in the next three months to remain open and able to operate in the future:

MEAN	MEDIAN	RANGE
N/A	N/A	N/A

POLICY CLARIFICATIONS REQUESTED

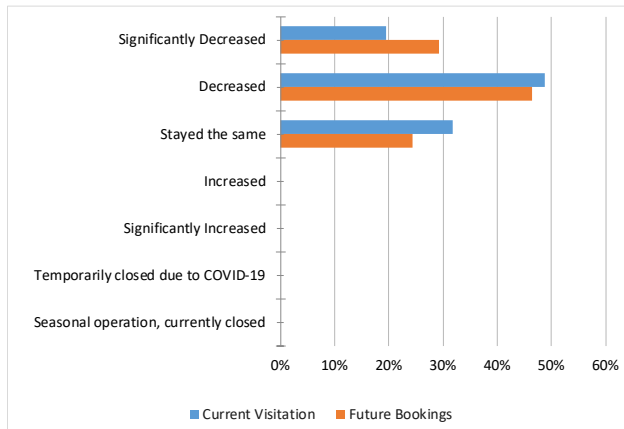
- Employment insurance support

BUSINESSES WILLING TO ACT AS ISOLATION SHELTERS: N/A | BUSINESSES PREDICTING LOSS OF ENTIRE SEASON: 2

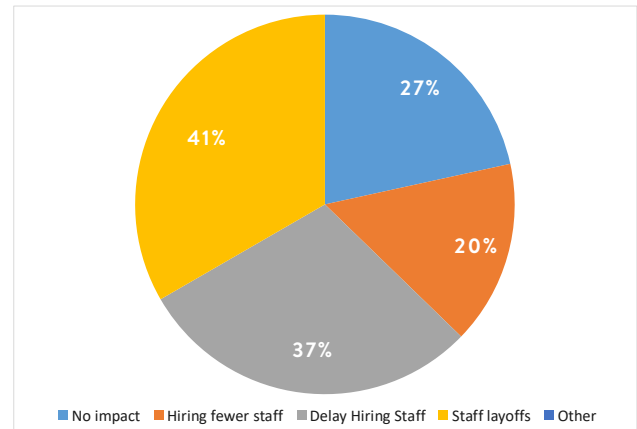
GENERAL NOTES

Concern over impact virus mean value 5.0 (1-5 scale). Concern extremely high, no one answered lower. Concern over staff: survive hard economic times, get EI money directly/quickly and extend EI claims for people who's claim runs out in March. Available when business resumes. Future bookings severely affected or non-existent now.

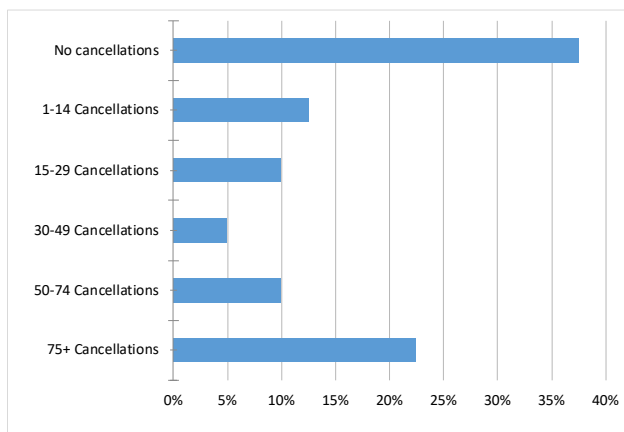
VISITATION AND BOOKINGS



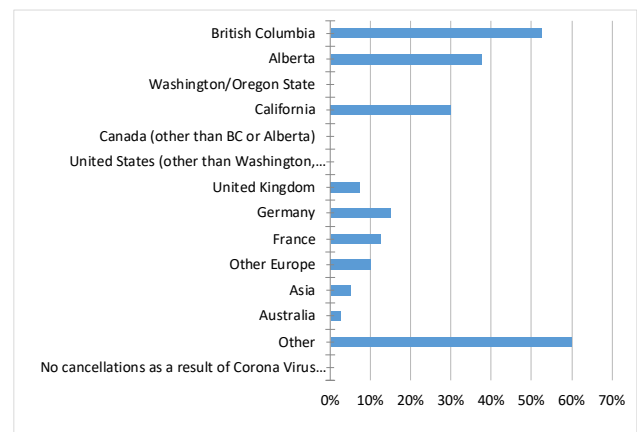
STAFFING AND EMPLOYMENT IMPACT



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RECOVERY AND SUPPORT

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REQUESTED GOVERNMENT SUPPORTS

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- 4 Increased marketing by Destination BC

FINANCIAL IMPACTS

Minimum amount of revenue required per business in the next three months to remain open and able to operate in the future:

MEAN	MEDIAN	RANGE
\$153,077	\$50,000	\$6,000 - \$600,000

POLICY CLARIFICATIONS REQUESTED

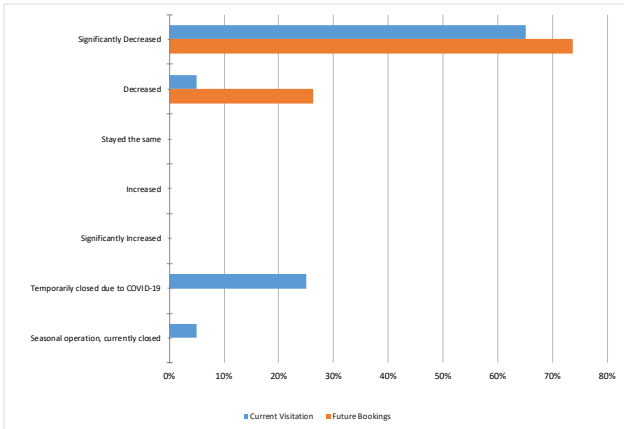
- Support with applying for government funding
- Direction on the rules for refusing customers who appear to be sick

BUSINESSES WILLING TO ACT AS ISOLATION SHELTERS: 3 | BUSINESSES PREDICTING LOSS OF ENTIRE SEASON: 33%

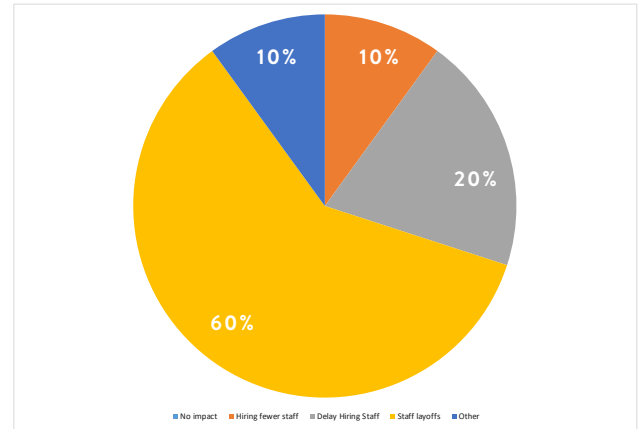
GENERAL NOTES

As of March 20, 50 tourism businesses in northern BC were surveyed. Many of these businesses fear for their future and are predicting the loss of their entire tourism season. The average level of concern for businesses right now is 4.1/5. The cancellation of large events in the north (i.e. Women's World Curling Championships) have resulted in thousands of hotel room cancellations and millions of dollars lost in economic impact.

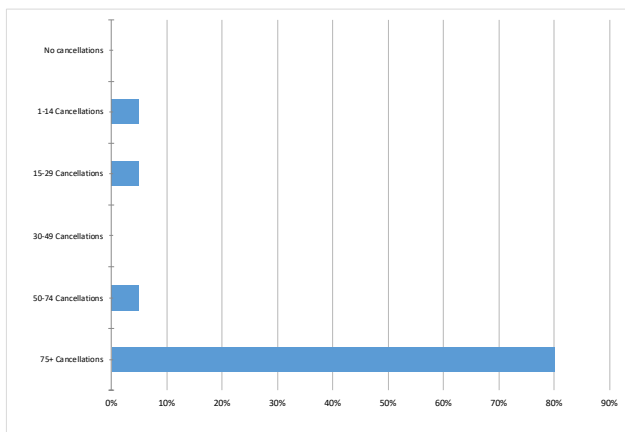
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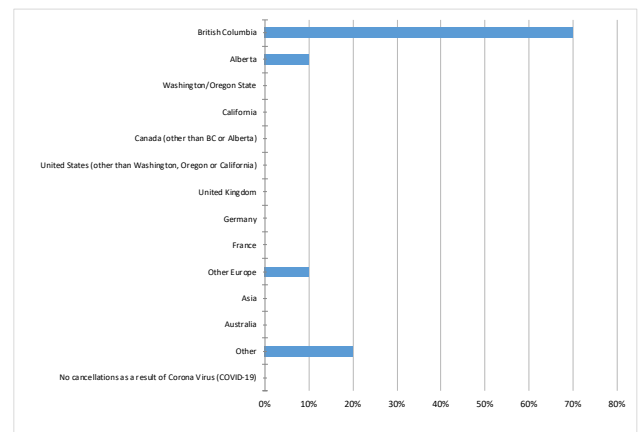
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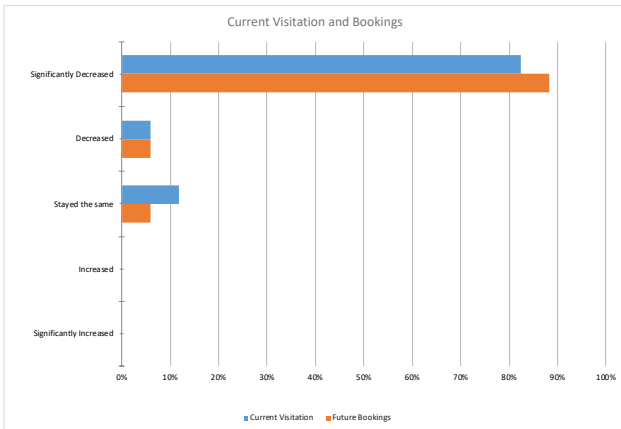
- N/A

BUSINESSES WILLING TO ACT AS ISOLATION SHELTERS: 4 | BUSINESSES PREDICTING LOSS OF ENTIRE SEASON: SEVERAL

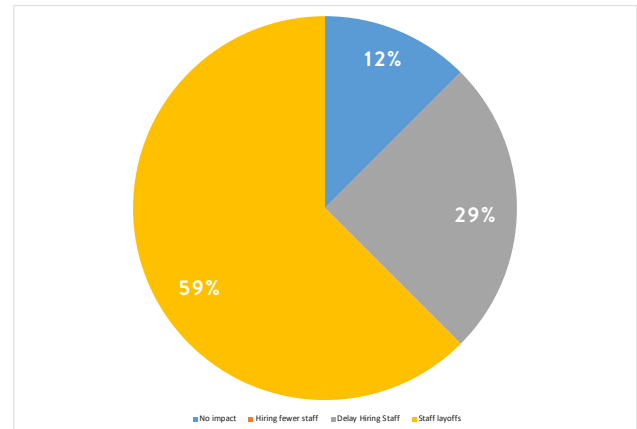
GENERAL NOTES

Thompson Okanagan tourism businesses have been significantly impacted by COVID-19. All businesses surveyed report staff layoffs and ranked their level of concern about the impact of COVID-19 as a 5/5.

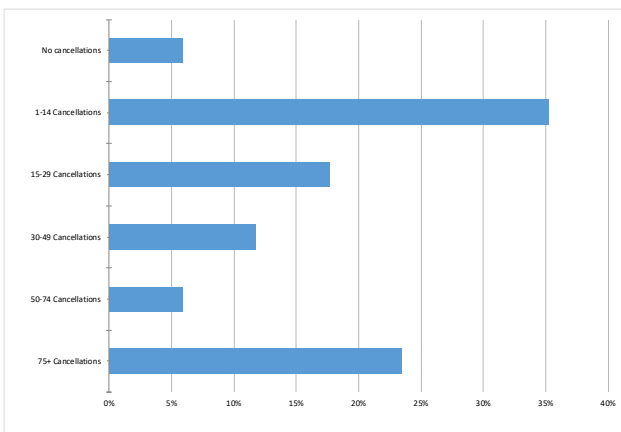
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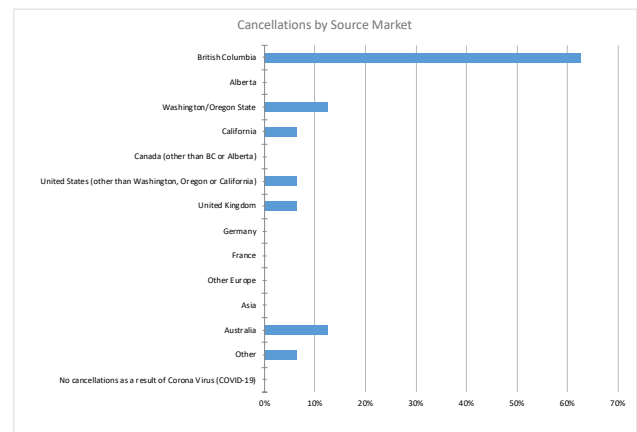
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FINANCIAL IMPACTS

Cashflow is the most critical issue facing businesses. Most businesses surveyed were unable to report on their three month financial requirement at this time, but losses for many businesses have exceeded \$100,000 to date.

POLICY CLARIFICATIONS REQUESTED

- Is it safe for visitors to travel domestically?
- Should domestic travellers self-isolate?
- How do self-employed apply for EI?
- Is there emergency support for foreign workers?

BUSINESSES WILLING TO ACT AS ISOLATION SHELTERS: **SOME HOTELS** | BUSINESSES PREDICTING LOSS OF ENTIRE SEASON: **57%**

GENERAL NOTES

On March 19th, 35 Vancouver Island Region businesses were surveyed. Many of these businesses fear for their future and need immediate support to cover fixed costs. When asked “How concerned are you about the impact of Coronavirus (COVID-19) on your business? (1-5)” the averaged level of concern is 4.81/5.