

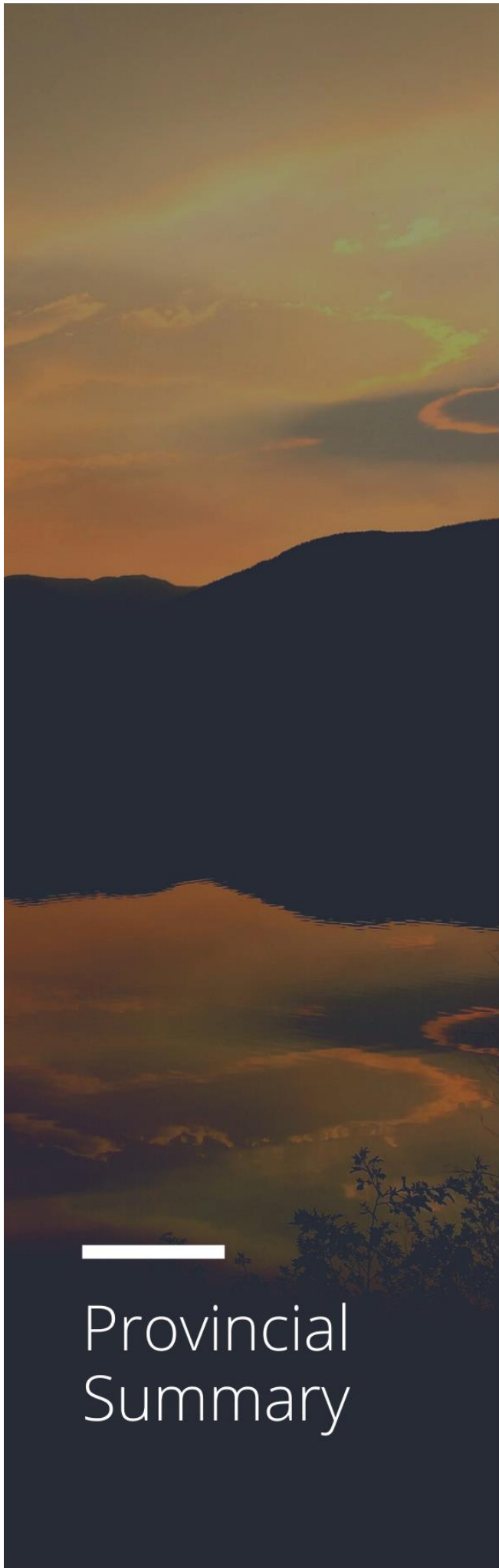
BRITISH COLUMBIA REGIONAL TOURISM SECRETARIAT

# COVID-19 TOURISM IMPACT REPORT

WEEK OF MAY 25 AND JUNE 1, 2020

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FOR QUESTIONS CONTACT:  
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# 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

**May 25- June 5, 2020 with 713 tourism businesses.**

Key Issues for Consideration:

- Only **5%** of firms are **operating with business as usual**. This is significantly lower than the national average, which is at 38%.
- Businesses are **most concerned** with **not having enough customers to make profits**.
- **1104 staff** have been **rehired** by businesses across 700 firms. This amounts to **13%** of the total number of **layoffs and seasonal staffs not hired due to COVID-19** reported by the same firms.
- **77%** of businesses would **need to make more than 50% of their typical sales to make it worthwhile to stay open** through the summer.
- Overall, **44%** of all businesses are **unable to pay 100% of their bills in May**.

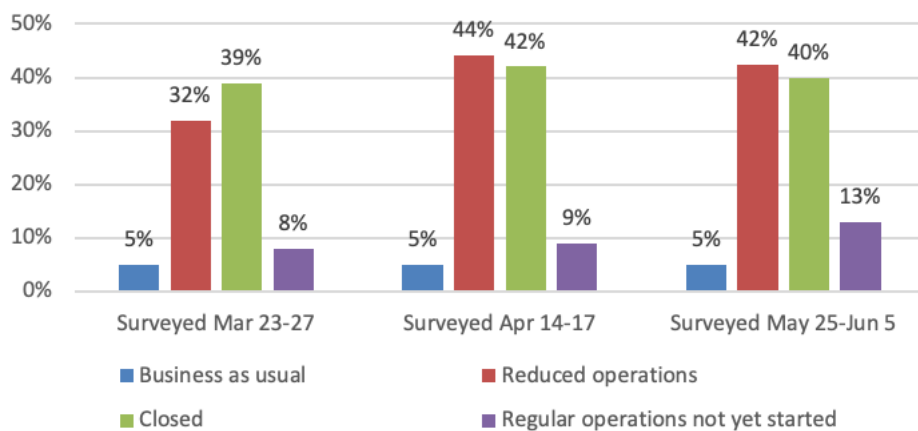
On behalf of the British Columbia Regional Tourism Secretariat and our partners, I would like to thank the Honourable Minister of Tourism, Arts and Culture, Lisa Beare, and her staff for their dedication and support during this most challenging time.

Sincerely,

Glenn Mandziuk  
Chair, British Columbia Regional Tourism Secretariat

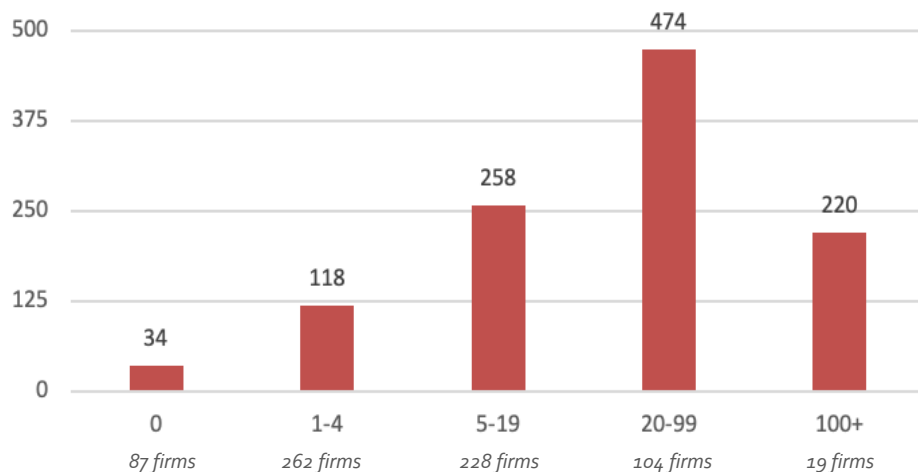
# PROVINCIAL SUMMARY

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



Since the first survey (surveyed March 23-27), the % of firms that are **open for business as usual** remains consistently at 5%. This is **significantly lower than the provincial average**, which is at 38%, according to a survey conducted by CFIB\*\* from May 22-25, 2020.

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



**1104** staff have been hired or rehired by businesses across **700** firms. This amounts to **13% of the total number of layoffs and seasonal staff not hired due to COVID-19** reported by the same firms (surveyed May 25-June 5, 2020). 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.\*\*\*

**Top 3 biggest concerns for firms in urban areas with respect to re-opening:**

- 1) Not having enough customers to **make profits (82%)**
- 2) **Facing higher costs** due to protocols on safe health practices or other COVID-19 related expenses **(57%)**
- 3) Restrictions may be put back in place requiring me to **close down again (50%)**

**Top 3 biggest concerns for firms in rural areas with respect to re-opening:**

- 1) Not having enough customers to **make profits (80%)**
- 2) Keeping up with **protocols on safe health practices (56%)**
- 3) **Facing higher costs** due to protocols on safe health practices or other COVID-19 related expenses **(54%)**

**Top 3 biggest concerns for firms in remote areas with respect to re-opening:**

- 1) Not having enough customers to **make profits (80%)**
- 2) Restrictions may be put back in place requiring me to **close down again (66%)**
- 3) Paying down **debt/bills** acquired during shutdown or making up for lost revenue **(58%)**

Note: Firms are allowed to choose multiple options; hence, the % will not add up to 100%

\*All findings are based on member surveys collected by the Secretariat during May 25- June 5, 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: Lisa Simenoff

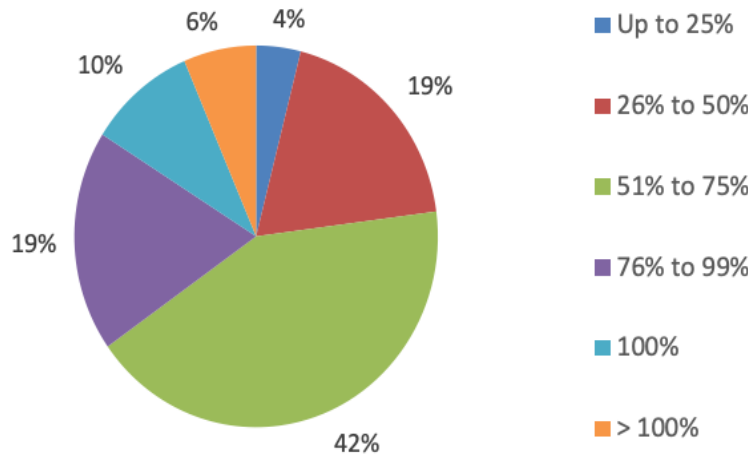
\*\*Starting from March 16, 2020, The Canadian Federation of Independent Business (CFIB) has been surveying its members to discover how coronavirus is affecting independent business. Source: <https://www.cfib-fcei.ca/sites/default/files/2020-06/COVID-19-survey-results-May28.pdf>

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



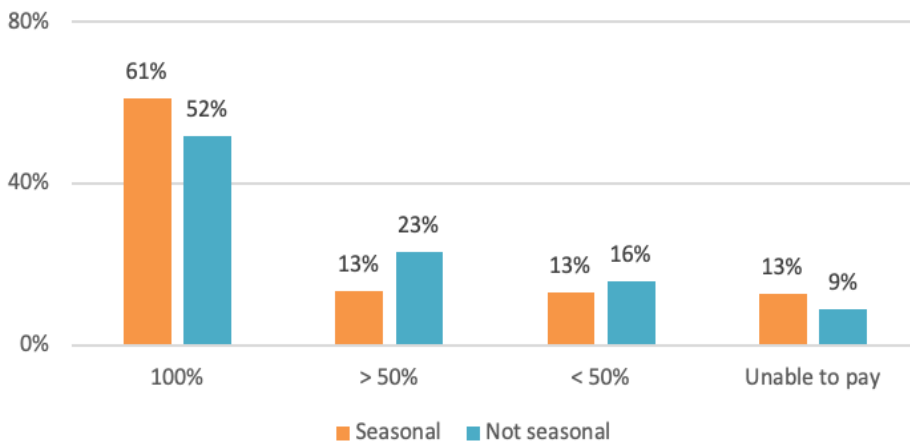
# PROVINCIAL SUMMARY

What percentage of your typical sales do you need to make it worthwhile for your business to be open through this summer?



*77% of businesses would need to make more than 50% of their typical sales to make it worthwhile to stay open through the summer.*

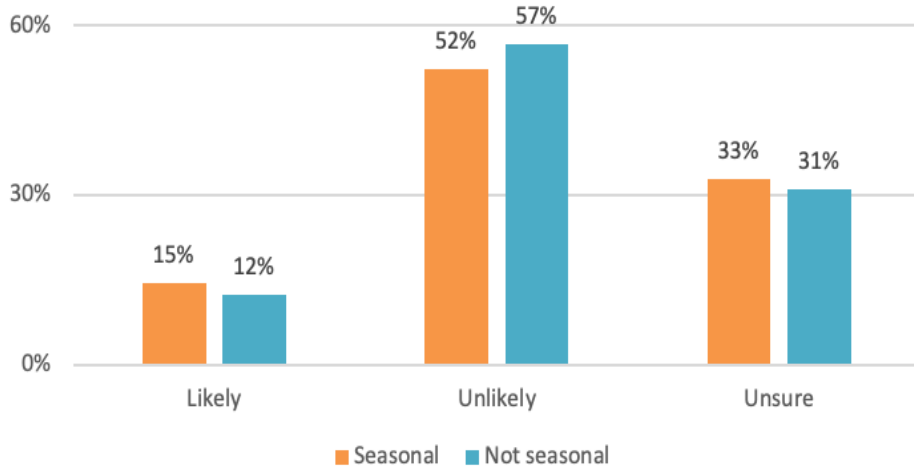
Do/did you have the cash flow to pay your May bills?



*Seasonal businesses are both more likely to be able to pay 100% of their bills in May and not able to pay their bills at all. Meanwhile, businesses that are not seasonal are more likely to be able to pay a portion of their bills in May.*

*Overall, 44% of all businesses are unable to pay 100% of their bills in May.*

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

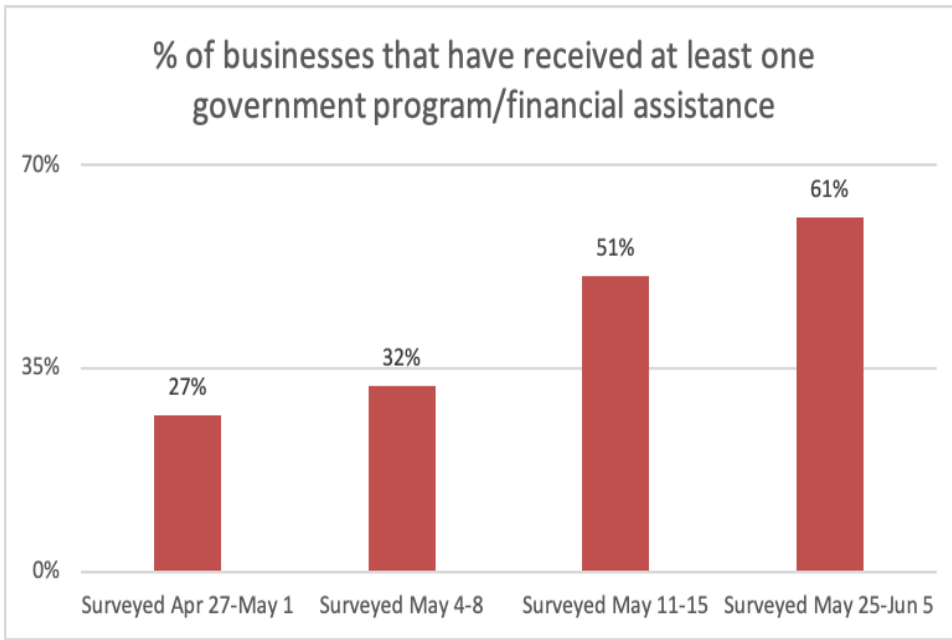


*Seasonal businesses are slightly more likely to say that they are at risk of bankruptcy. Overall, 13% of all businesses said they are at risk of bankruptcy due to COVID-19.*

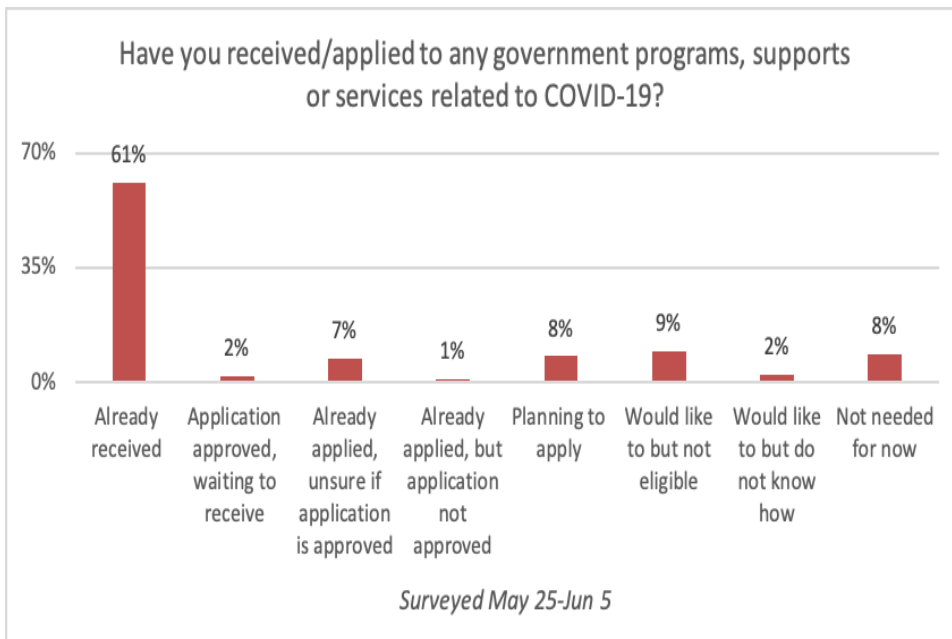
*In comparison, 12% of businesses in all industry across Canada reported that they are considering bankruptcy/winding down their business.\**

\*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>

# PROVINCIAL SUMMARY



Over the course of 6 weeks, **% of businesses that have received at least one government program/financial assistance has increased from 27% to 61%.**



While 61% of businesses have received at least one government program/financial assistance, **9% of businesses are not eligible for any government program.** However, this number is expected to decrease over the next few weeks, following the Federal Government's announcement on expanding the eligibility criteria for CEBA.

We asked businesses to share their experience if they have found a government program to be particular helpful/not at all helpful/hard to access:

*"We applied for the \$40,000 CEBA through our bank and it was **very easy and fast**. It feels good to have that extra cushion in our bank in these uncertain times."*

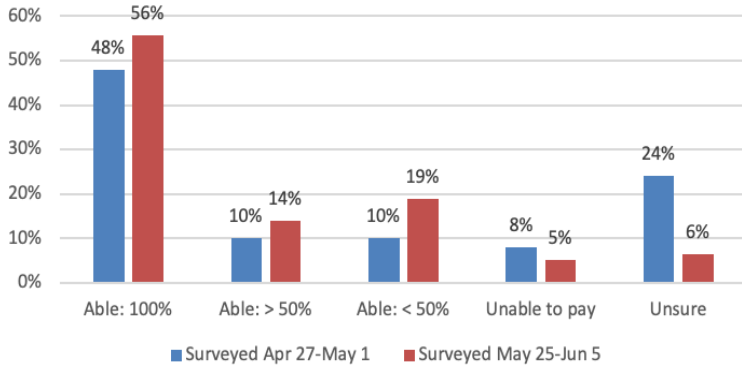
-Cariboo Chilcotin Coast, Food & Beverages owner, May 31, 2020

*"The wage subsidy won't work for me because my family members work for me seasonally. I have to show the amount I paid them pre-Covid-19 (January-March 2020) in order to be eligible for the program, but since they're seasonal employees, I can't declare it. **The requirements for the CEWS should be adjusted to accommodate seasonal businesses.**"*

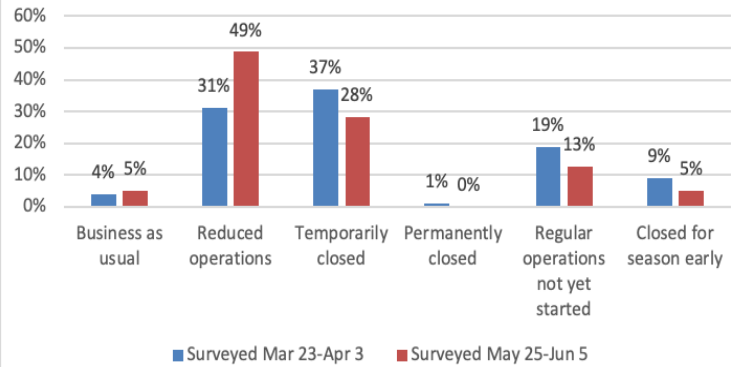
- Northern BC, Accommodation owner, May 26, 2020

# CARIBOO CHILCOTIN COAST

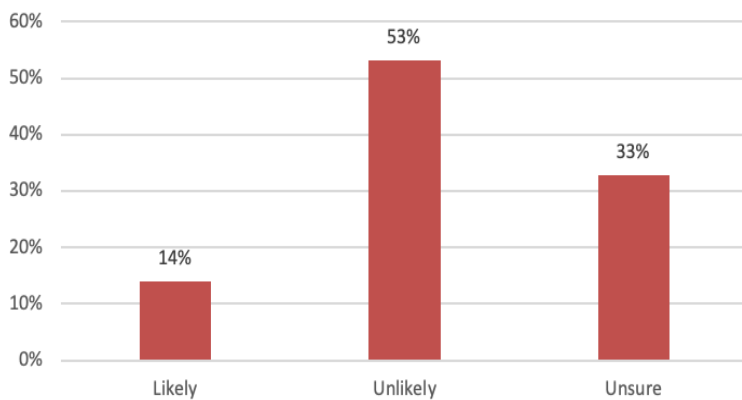
Do/did you have the cash flow to pay your bills this month?



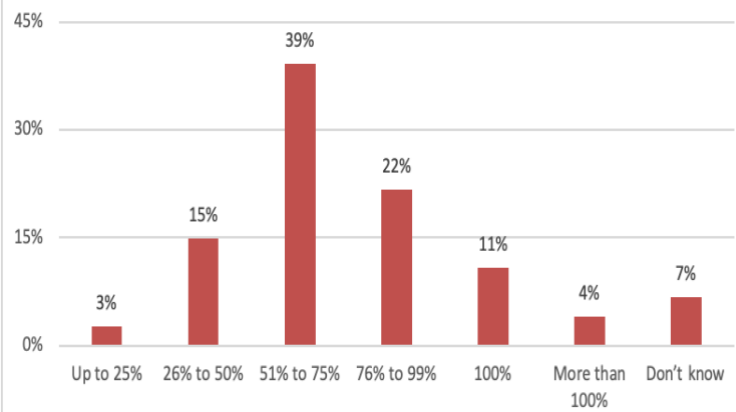
Please indicate the impact of COVID-19 on your current operations.



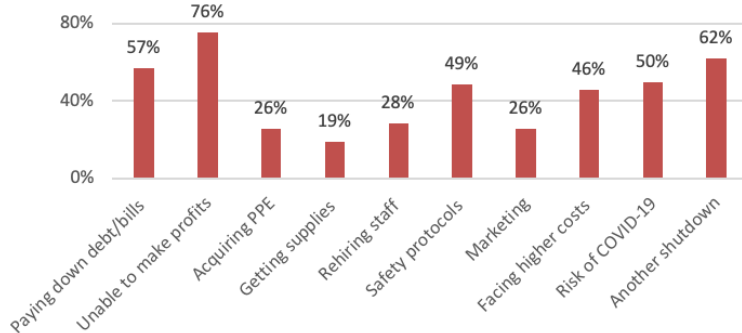
With your current revenues and expenses as they are, is your business at risk of bankruptcy?



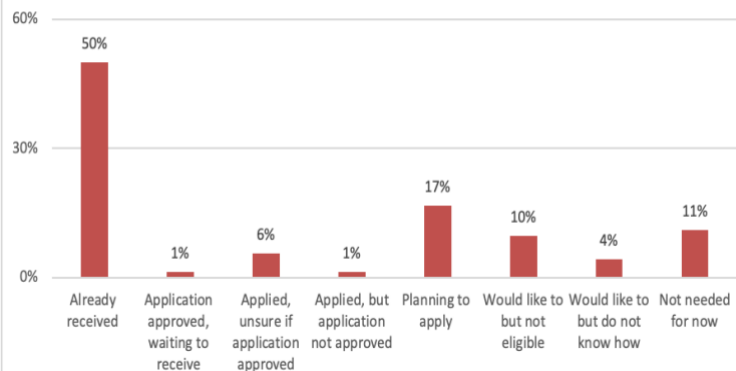
What percentage of your typical sales do you need to make it worthwhile for your business to be open through this summer?



What are you highly worried about with respect to re-opening as the COVID-19 restrictions are gradually lifted? Please choose all that apply.



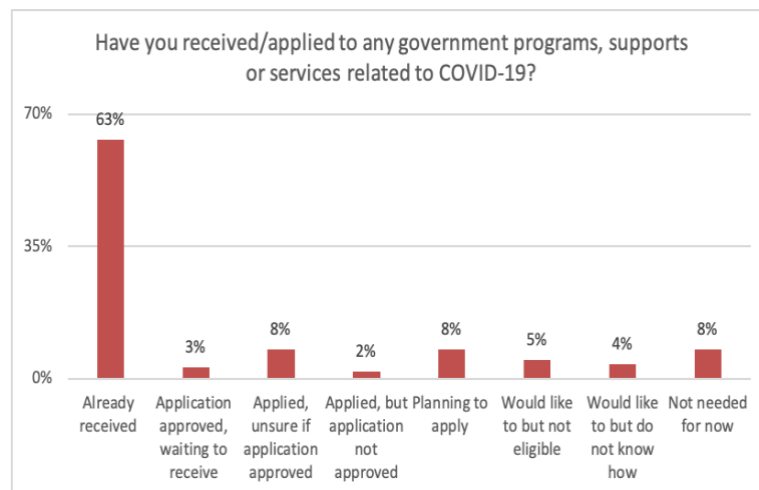
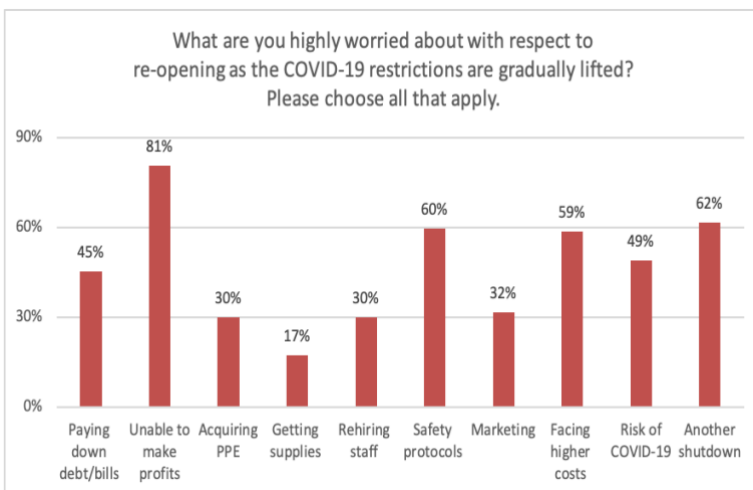
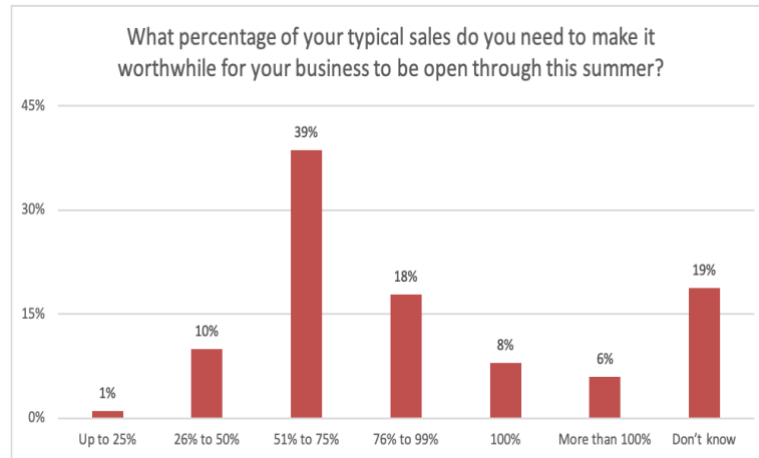
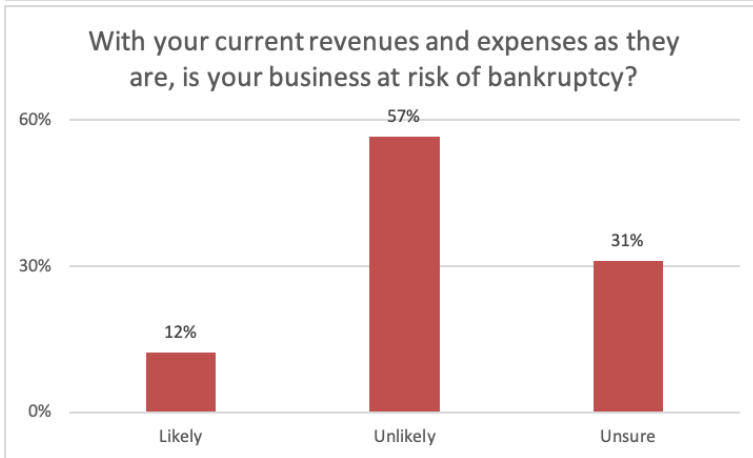
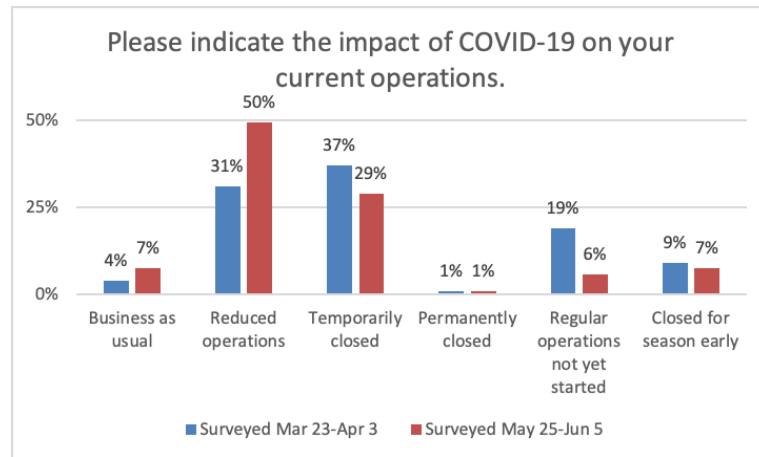
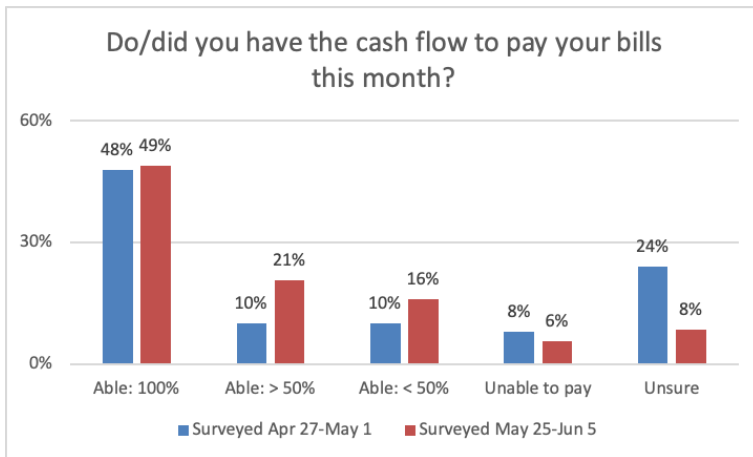
Have you received/applied to any government programs, supports or services related to COVID-19?



"As we are a seasonal business, we only have a short window of time to make enough money to sustain our business. We are usually open May-September. We need to have a profit of \$30,000 to cover our bills this winter. I don't see us turning much of a profit at all this year. Moreover, because of the impact of the wildfires in 2017/18, we were already struggling with accumulating debt with no personal savings left. If we don't receive some sort of stimulus (increasing the grant portion of the CEBA, or direct grants to our seasonal business), we will not make it through the winter."

- Food & Beverages owner, June 3, 2020

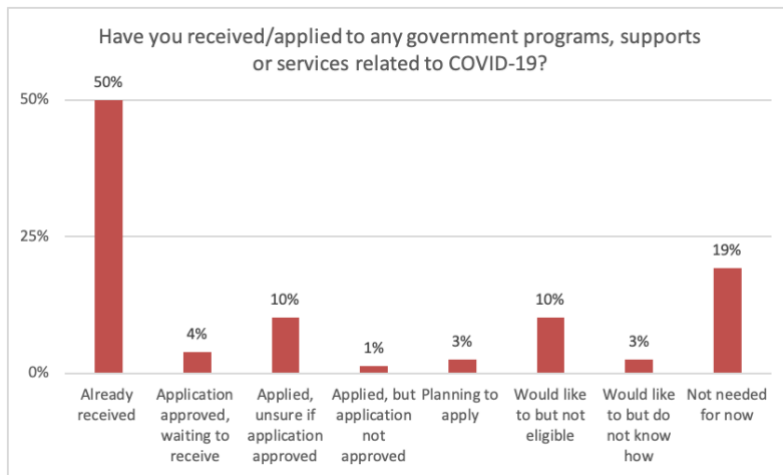
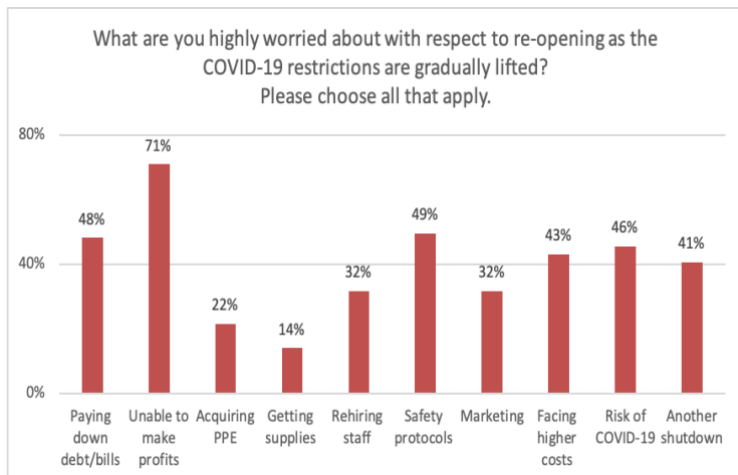
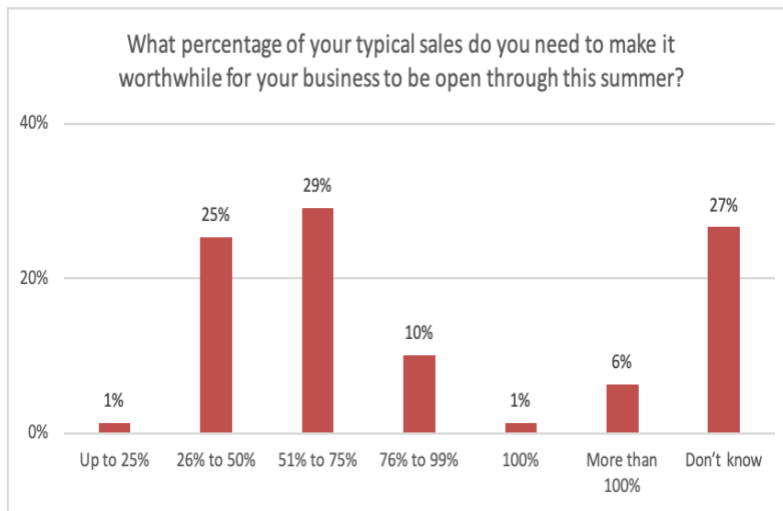
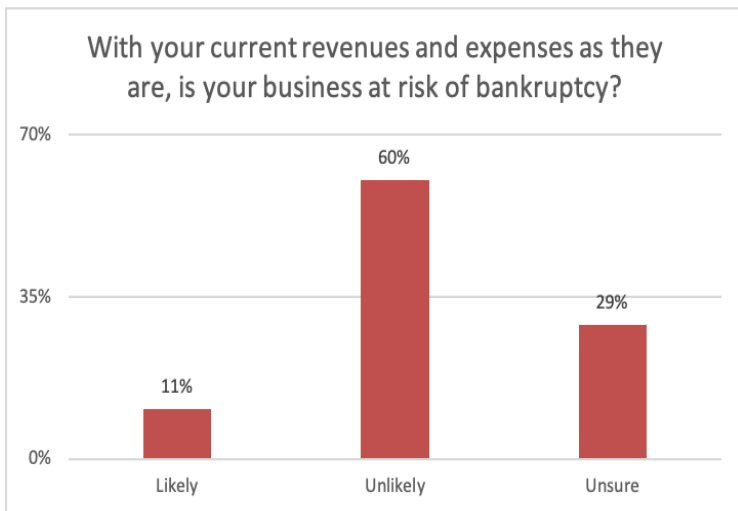
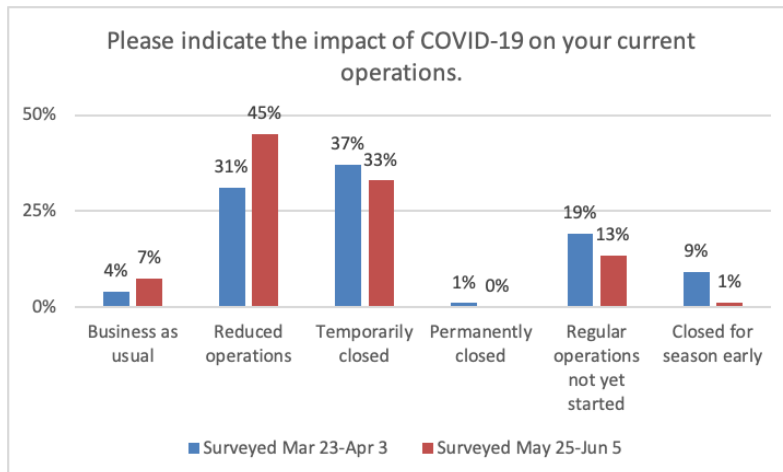
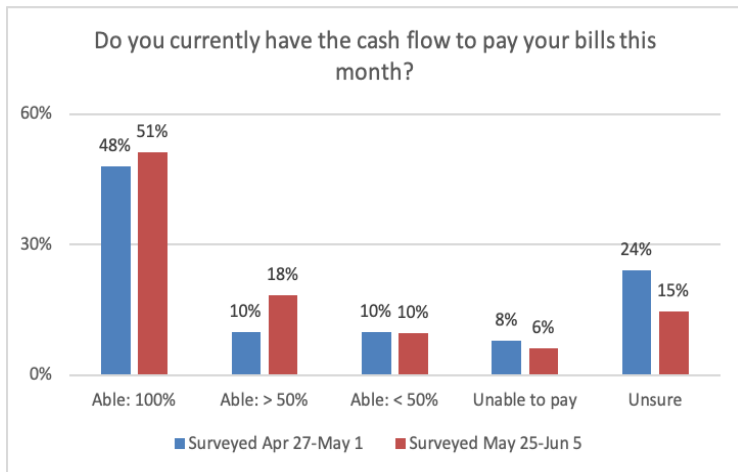
# KOOTENAY ROCKIES



*“Our bookings for this upcoming winter are lower than usual. It may not be worth operating, given that the insurance fee to operate is over \$20,000. We may have trouble hiring qualified staff at the last minute if bookings come in late, as it generally takes months and \$1000 each to go through the process of hiring a foreign worker - if they are allowed to work in Canada. If we decide to operate and pay the insurance and are subsequently shut down it could be devastating to ourselves and our staff.”*  
 - Activity owner, June 1, 2020

*“As a non-profit registered charity, we rely on our volunteers, who are all seniors. We can't have them work this summer, so we now have one employee who has to do all the work alone. We were also not qualified for Canada Summer Jobs Student this year.”*  
 - Public Owned Asset owner, June 2, 2020

# NORTHERN BC

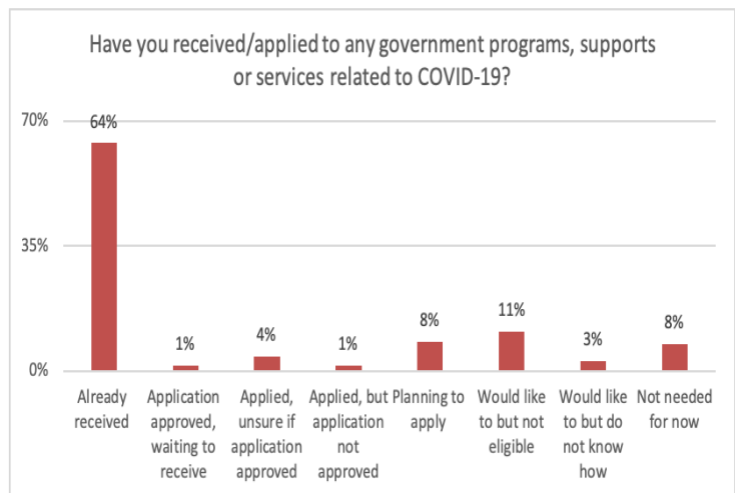
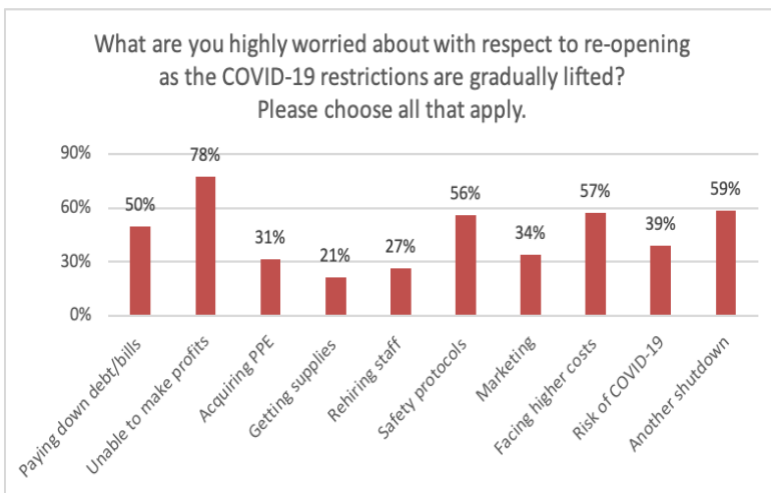
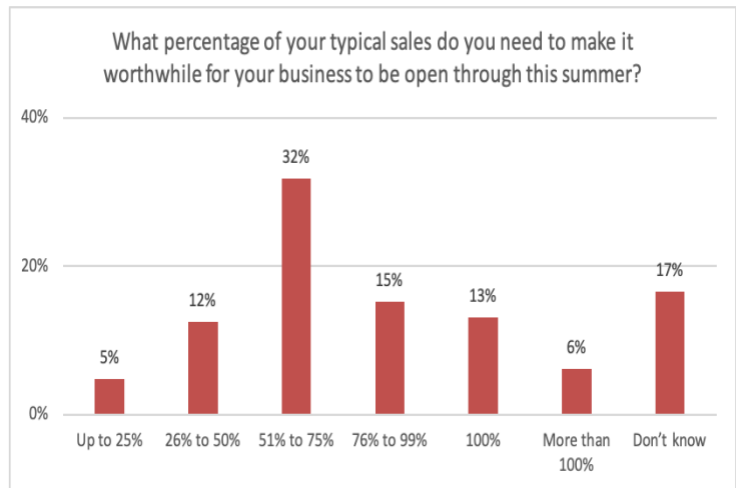
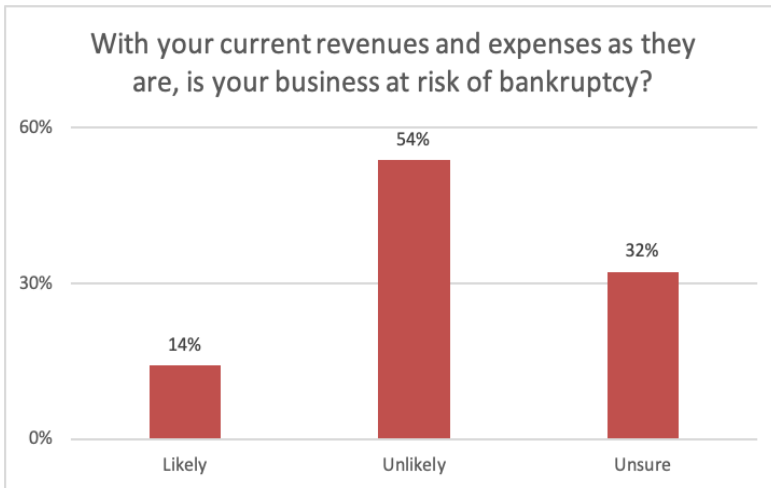
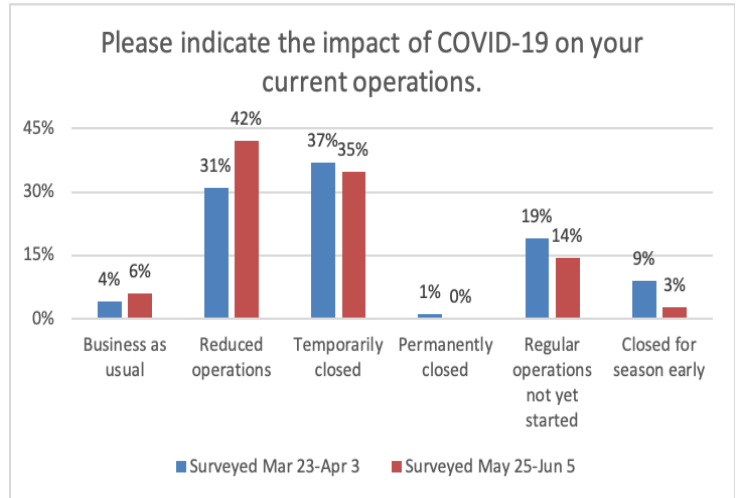
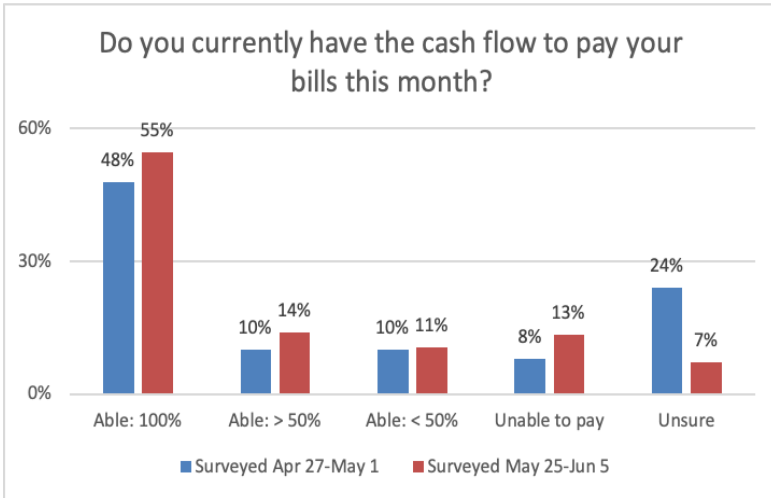


*“All we ask is that the government provides us with an affordable liability insurance program. This is something that has been seriously lacking when it comes to government support for seasonal tourism in rural areas.”*  
 – Activity owner, May 26, 2020

*“Regulations and policies should be consistent across the industry and the province. If one type of business is allowed to open in Vancouver Island, then that same type of business should be allowed to open in other parts of the province as well.”*  
 – Activity owner, June 3, 2020



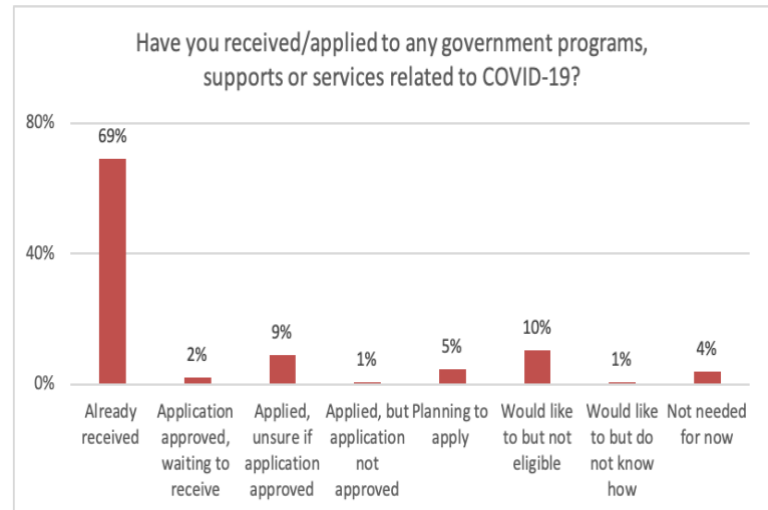
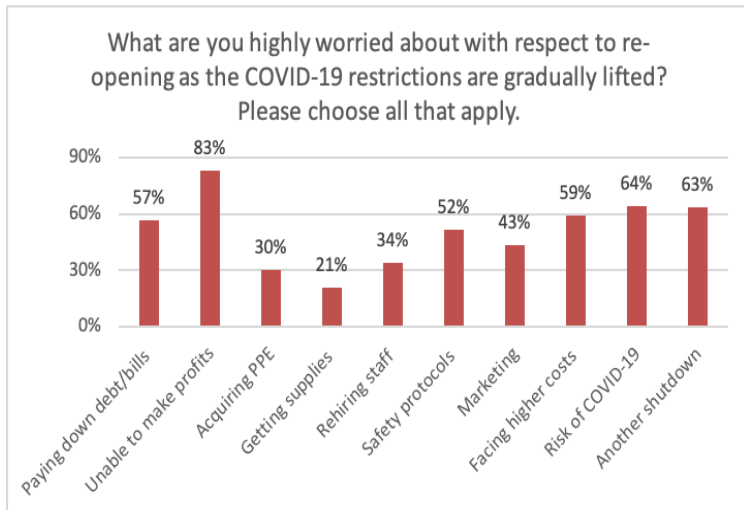
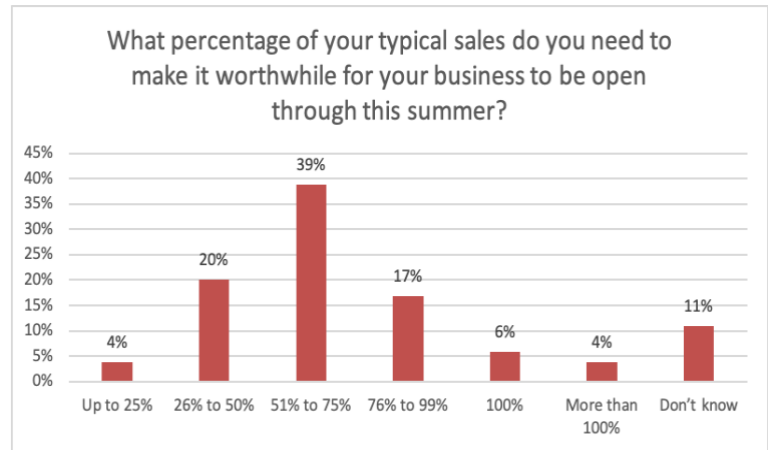
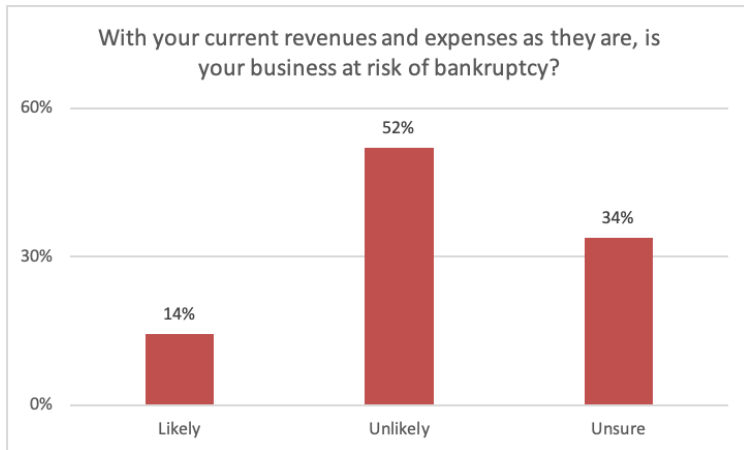
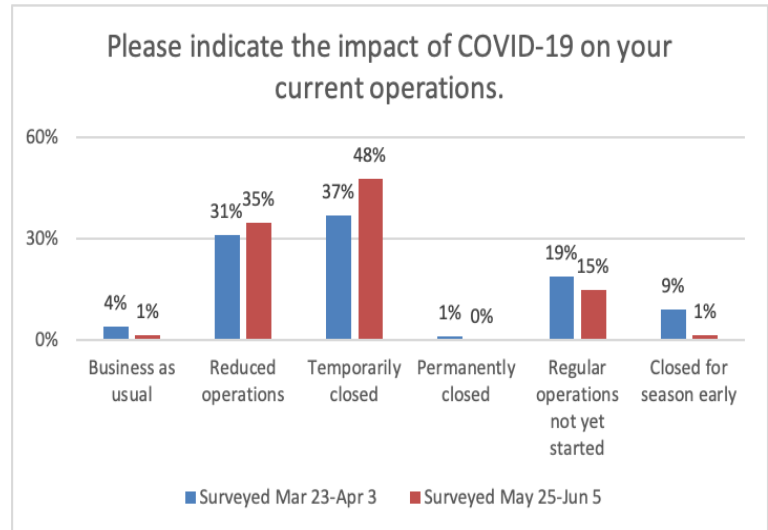
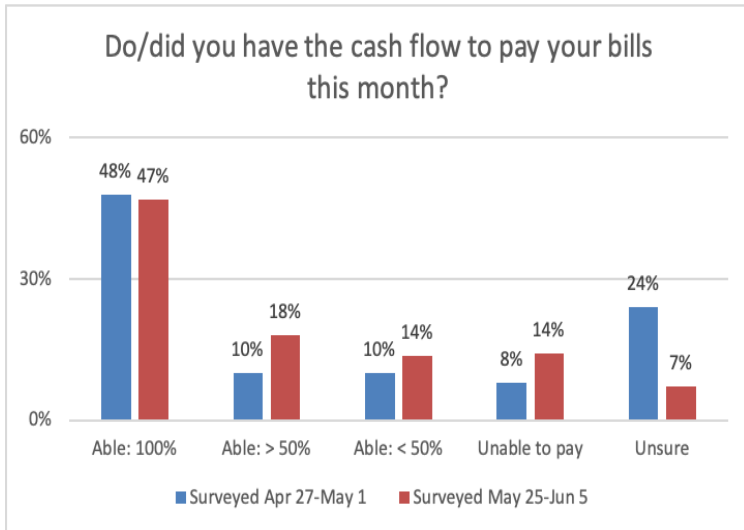
# THOMPSON OKANAGAN



*“The guidelines provided for the accommodation sector are geared towards larger properties such as hotels. For home-based accommodation providers like B&B’s or vacation suites, where the owner is the only “staff” (cleaning, cooking, etc.), many of the guidelines are not feasible. It’s been very frustrating trying to navigate what we need to do and then trying to procure supplies when the local stores rarely have stock (for example, Lysol wipes or other disinfectants).” – Accommodation owner, May 26, 2020*

*“TOTA and the BC government can help right now by reducing the anti-Alberta sentiment that seems to be out there. Governments (and municipalities too) can also help by looking at purchasing programs and make sure they are buying as much as they can from small businesses. A \$10,000 contract to a small firm is as important as a \$1,000,000 contract to a large one.” – Winery owner, June 3, 2020*

# VANCOUVER ISLAND

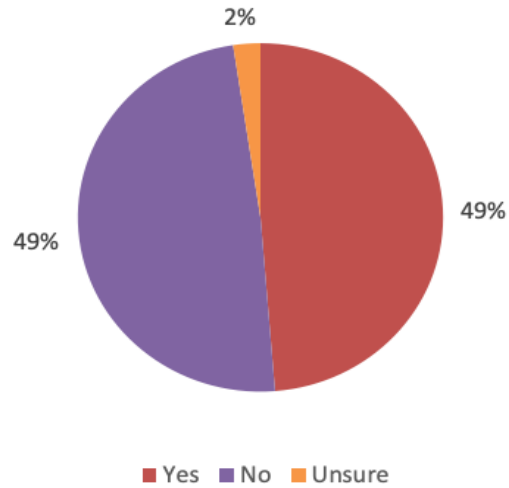


*“Businesses in the tourism industry are likely to not have a business season in 2020. Restarting business does not do anything for us with no tourists in town and our borders closed. I am afraid many businesses will not be able to weather this crisis. We still have mortgage, insurance, and other costs that need to be paid even if we have no revenue. I would like to see some help from CRA for these businesses.” – Activity owner, May 25, 2020*

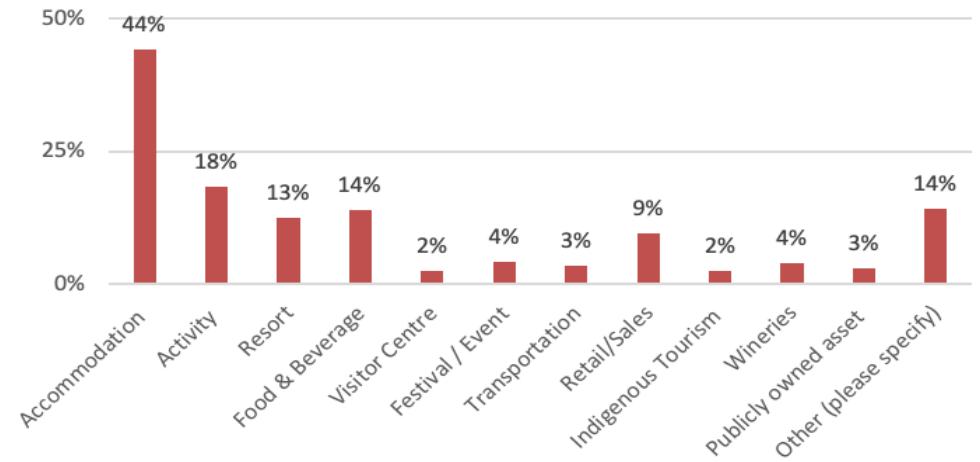
*“One of the consequences of the COVID-19 pandemic is an emotional crisis, which is not receiving enough attention and support from the government. Our mental health is heavily affected by unemployment and loss of income, but most of all, by the fact that we have no idea what our future will be like.” – Food & Beverages owner, May 25, 2020*

# APPENDIX A: FIRMS SURVEYED

Is your business seasonal?

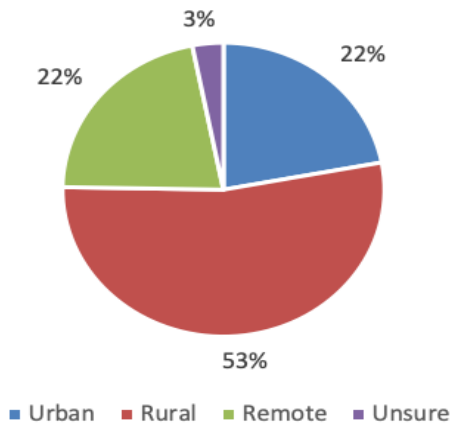


Business Type



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?

