

COVID-19 TOURISM IMPACT REPORT

British Columbia Regional Tourism Secretariat

MARCH 30, 2020

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FOR QUESTIONS CONTACT:

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Chair, BC Regional Tourism Secretariat
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PROVINCIAL SUMMARY

The British Columbia Regional Tourism Secretariat, British Columbia Hotel Association and the British Columbia Destination Marketing Organization 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 surveys from March 23rd to March 27th with 492 different tourism businesses.

The impact of the COVID-19 pandemic on tourism businesses in BC is worsening and businesses that may have feared the loss of their summer season last week are now concerned about their long-term survival. While recently announced Federal and Provincial relief measures and programs will support tourism businesses and employees, businesses reported widespread confusion regarding eligibility, application processes and timelines for relief funding.

Key Issues for Consideration

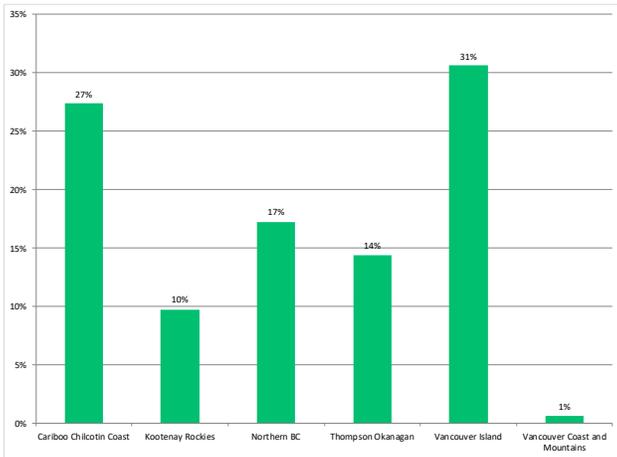
- Tourism businesses already shoulder significant debt burdens. Loans may provide short term relief, while failing to ensure long-term viability.
- While all businesses report needing support only 13% of surveyed businesses have accessed a government program, support or service related to COVID-19.
- Many tourism businesses provide essential services during the summer to wildfire crews and industry. We must ensure that an adequate number of businesses are open to provide these services.
- Ambiguous messaging related to social distancing and tourism business expectations has resulted in some communities shaming businesses into closing.

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.

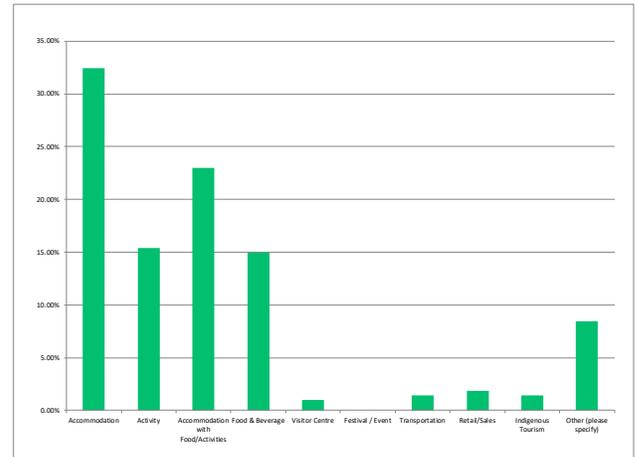
Sincerely,

Glenn Mandziuk
Chair, British Columbia Regional Tourism Secretariat

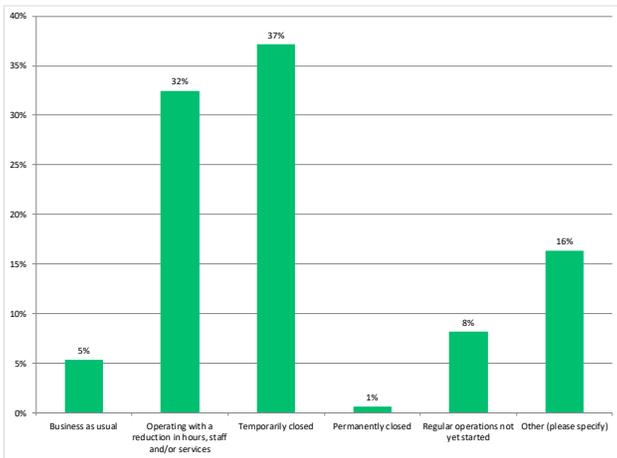
BUSINESS LOCATION BY REGION



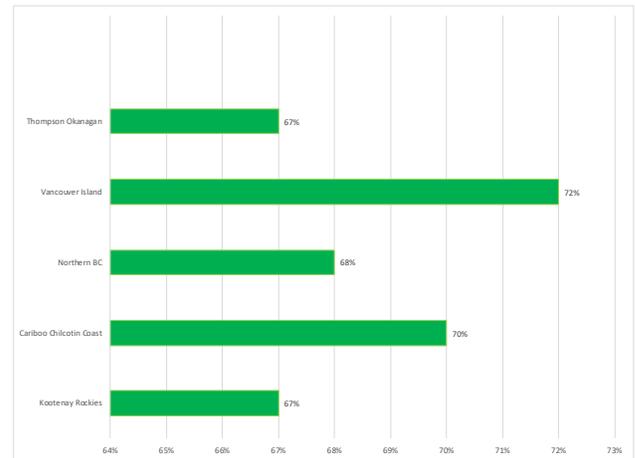
BUSINESS TYPE



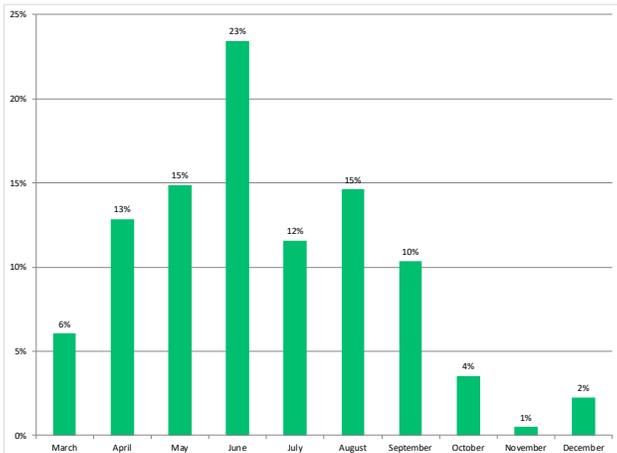
IMPACT ON OPERATIONS



CANCELLATIONS BY REGION



IMPACT ON FUTURE BUSINESS



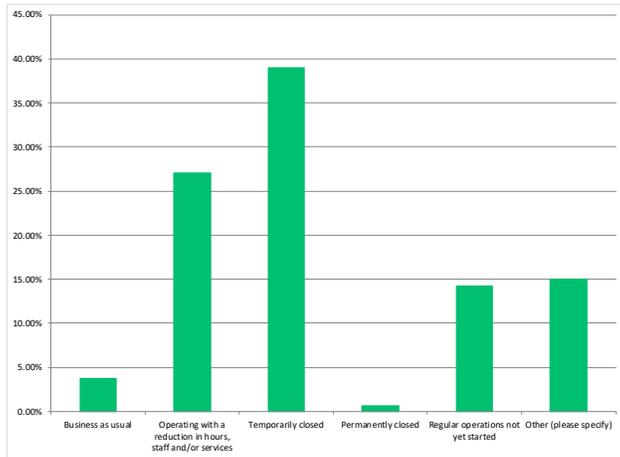
STAFF LAYOFFS

- **5,870** reported layoffs across 361 businesses; average 16 layoffs per business

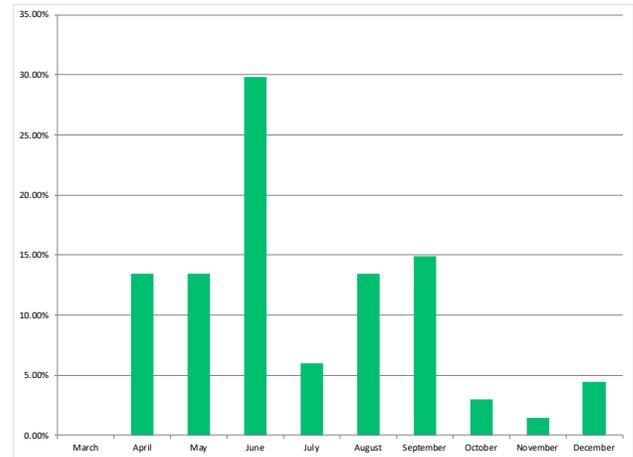
FINANCIAL IMPACTS

- Average loss of **\$229,536** to date due to COVID-19 per business
- On average each business requires **\$39,774** per month to remain solvent

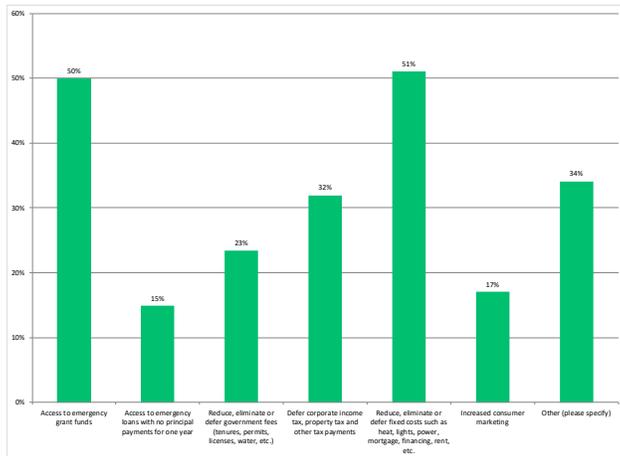
PLEASE INDICATE THE IMPACT OF COVID-19 ON YOUR CURRENT OPERATIONS



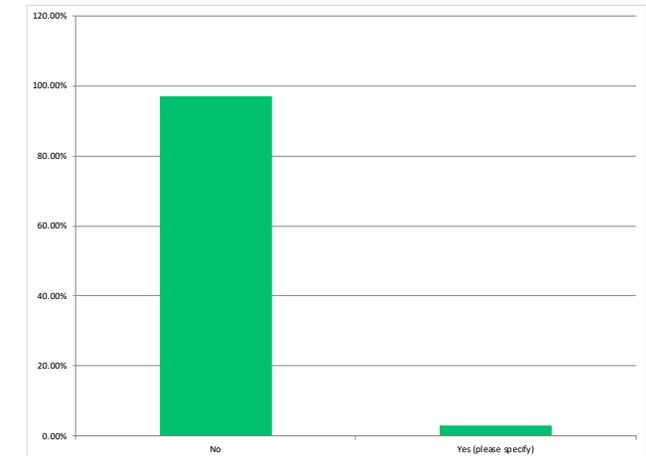
HOW FAR OUT HAVE YOU SEEN FUTURE BOOKINGS FOR YOUR BUSINESS IMPACTED?



WHAT GOVERNMENT ACTION IS NEEDED TO ENSURE THE SURVIVAL OF YOUR BUSINESS?



HAVE YOU ACCESSED ANY GOVERNMENT PROGRAMS, SUPPORTS OR SERVICES RELATED TO COVID-19?



RECOVERY AND SUPPORT

REGIONAL SUPPORT

- Help communicate and provide access to available programs and services for businesses.
- Advocate to government for financial support

PROVINCIAL SUPPORT

- Delay commercial property tax
- Waive 2020 commercial recreation permit fees, park use permit fees, guiding fees and water use fees.

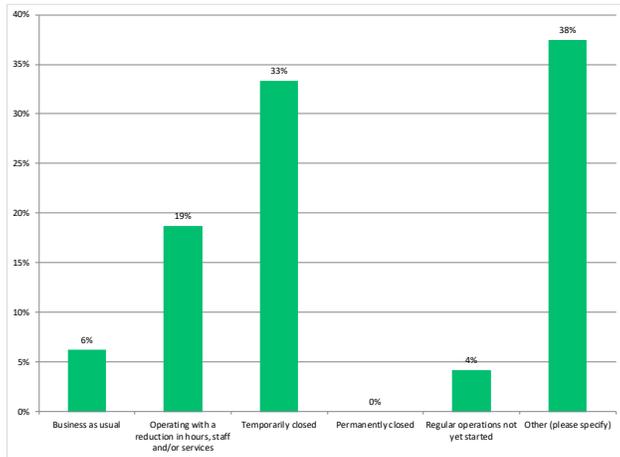
FINANCIAL IMPACTS

- Average loss of **\$48,614** to date due to COVID-19 per business
- On average each business requires **\$20,777** per month to remain solvent

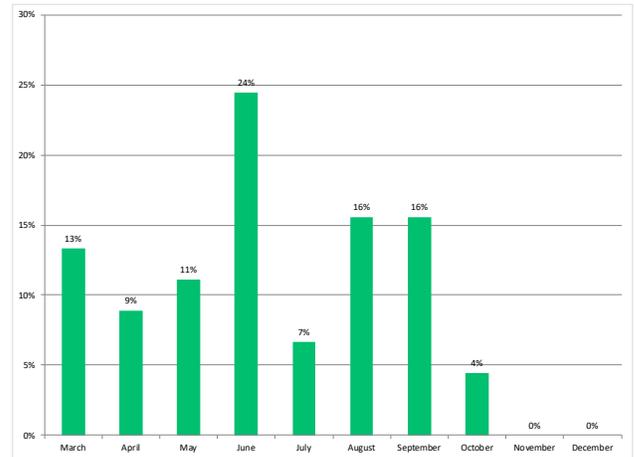
GENERAL NOTES

- Businesses recognize that the situation is fluid and evolving.
- Government needs to monitor the mid to long-term impact of COVID-19 and adapt policy accordingly.

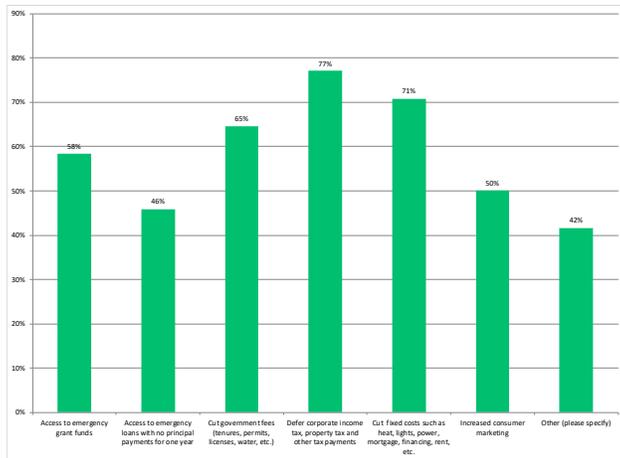
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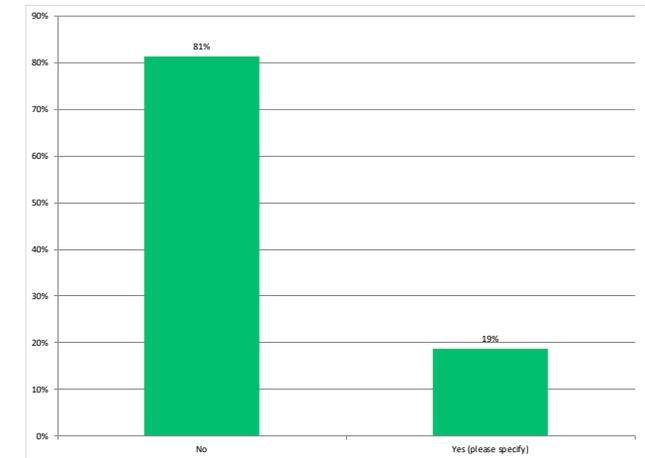
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RECOVERY AND SUPPORT

REGIONAL SUPPORT

- Connect businesses to available programs
- Prepare short-haul recovery marketing campaign

PROVINCIAL SUPPORT

- Allow accommodations to further defer MRDT payments to stay afloat
- Increase wage subsidy

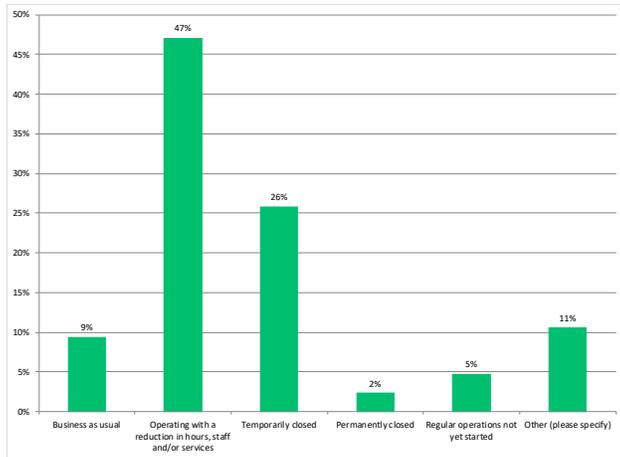
FINANCIAL IMPACTS

- Average loss of **\$21,667** to date due to COVID-19 per business
- On average each business requires **\$43,343** per month to remain solvent

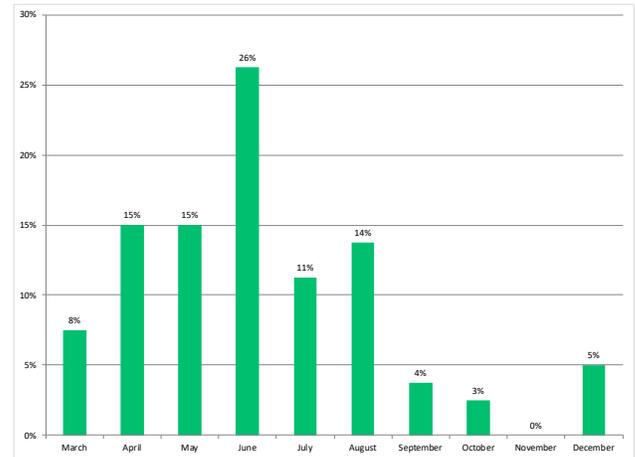
GENERAL NOTES

- Businesses recognize that the situation is fluid and evolving.
- Government needs to monitor the mid to long-term impact of COVID-19 and adapt policy accordingly.
- Desire for online forums to enable B2B communication, brainstorming and best practice sharing.

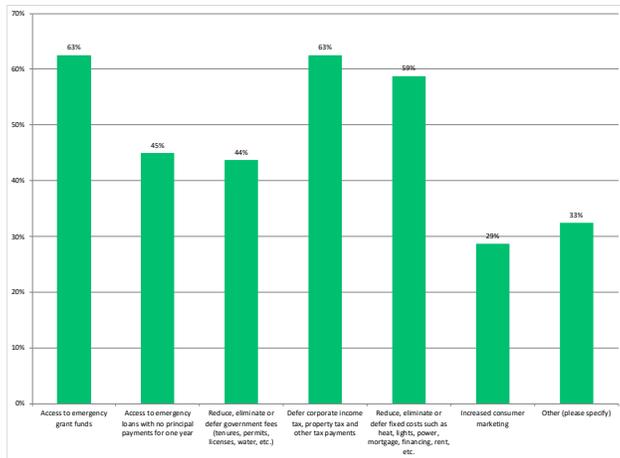
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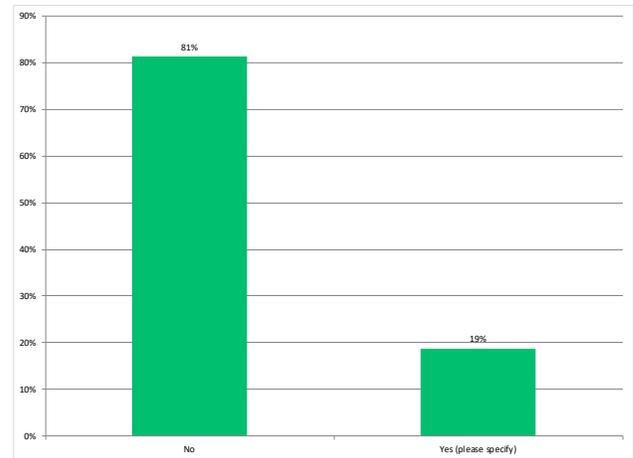
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RECOVERY AND SUPPORT

REGIONAL SUPPORT

- Focus on recovery and marketing
- Provide timely communication of critical information to stakeholders

PROVINCIAL SUPPORT

- Province must understand that deferral of certain payments and taxes will only delay the failure of some businesses
- Focus on getting capital to businesses as fast as possible

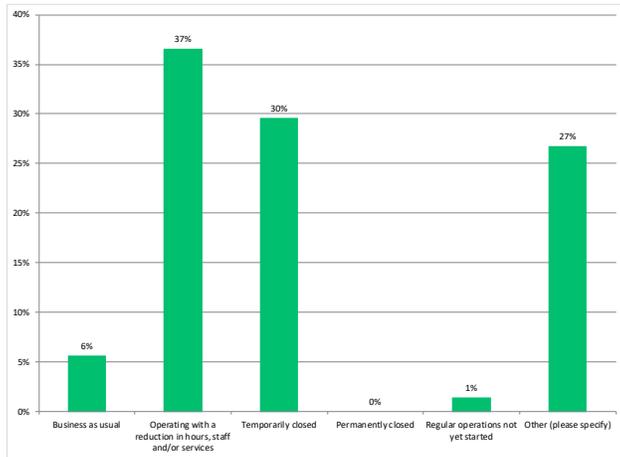
FINANCIAL IMPACTS

- Average loss of **\$61,400** to date due to COVID-19 per business
- On average each business requires **\$39,158** per month to remain solvent

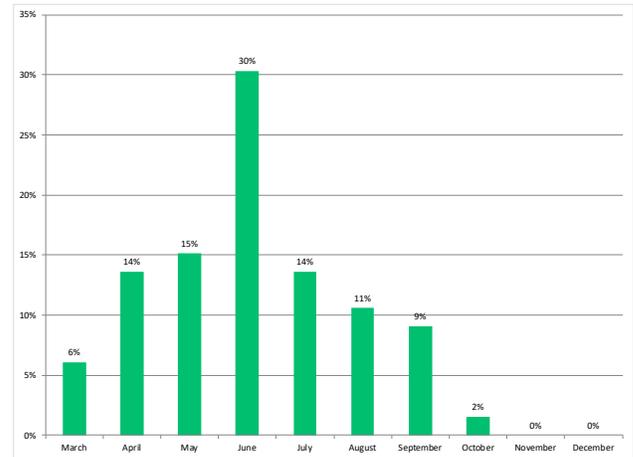
GENERAL NOTES

- Impact of COVID-19 on business will increase as seasonal businesses have to delay or cancel openings.
- Support is needed to direct businesses to appropriate supports and programs.

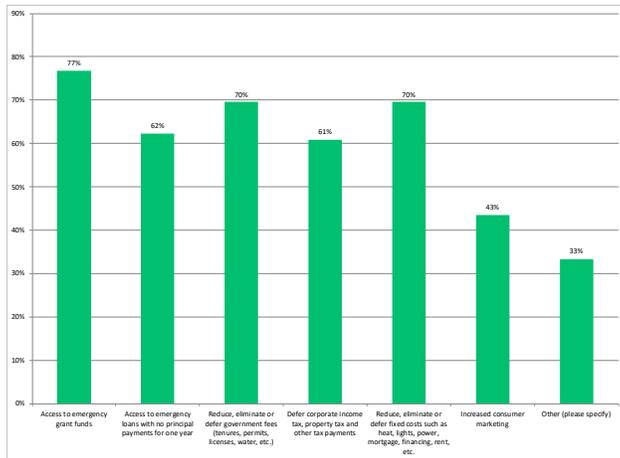
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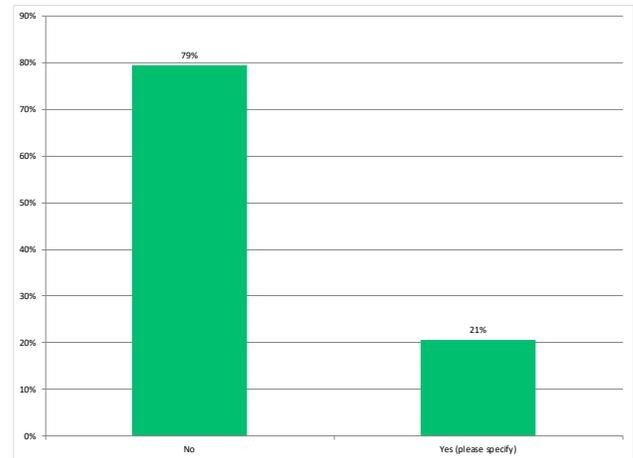
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RECOVERY AND SUPPORT

REGIONAL SUPPORT

- Encourage locals to access available services and plan for recovery marketing
- Communicate government programs to businesses

PROVINCIAL SUPPORT

- Lack of understanding related to foreign temporary labour and COVID-19 impacts
- Create long-term recovery programs and funding

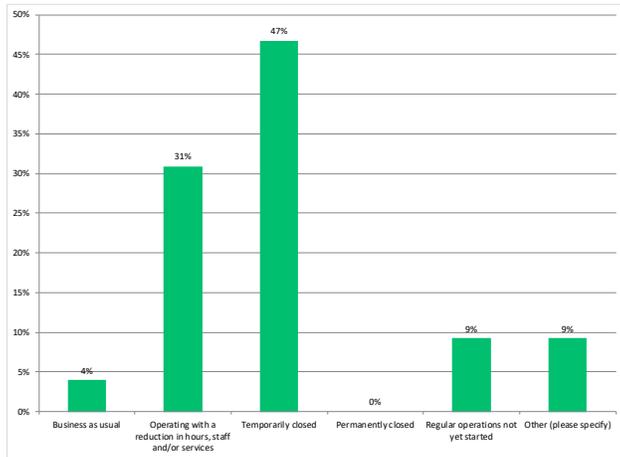
FINANCIAL IMPACTS

- Average loss of **\$651,000** to date due to COVID-19 per business
- On average each business requires **\$62,062** per month to remain solvent

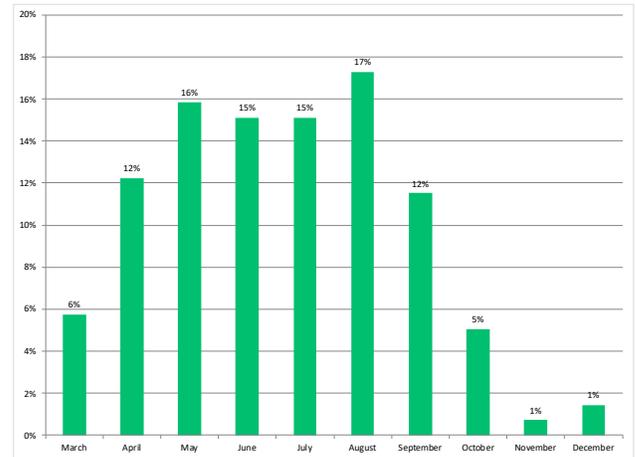
GENERAL NOTES

- EI related benefits and programs are the most commonly accessed COVID-19 related programs
- Of the businesses that have accessed Provincial supports, 77% felt that programs were not making a meaningful difference.

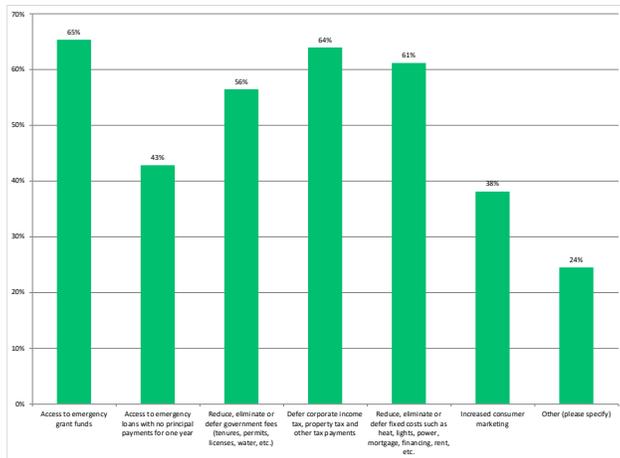
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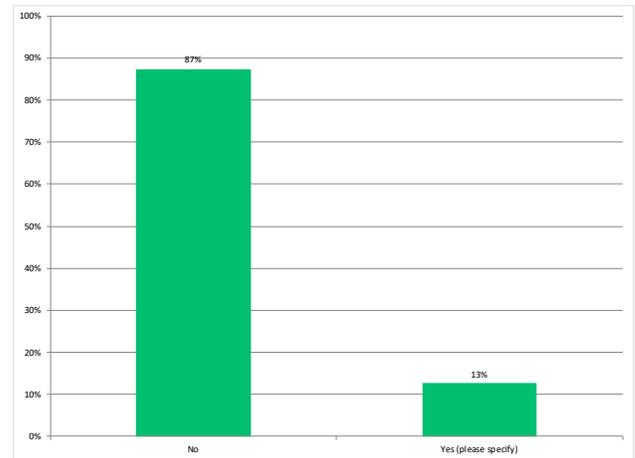
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RECOVERY AND SUPPORT

REGIONAL SUPPORT

- Help businesses access programs and advise on recovery strategy at the business level
- Advocate for SME

PROVINCIAL SUPPORT

- N/A

FINANCIAL IMPACTS

- Average loss of **\$365,000** to date due to COVID-19 per business
- On average each business requires **\$33,553** per month to remain solvent

GENERAL NOTES

- Businesses want clear communication from the Health Officer regarding what activities are and are not acceptable. Make it black and white- not shades of grey.
- Many businesses are unsure as to whether they will survive COVID-19.