COVID-19
TOURISM IMPACT REPORT
With a focus on British Columbia outside the Lower Mainland and Whistler
Week of June 8, 2020 (Preliminary results)

FOR QUESTIONS CONTACT:
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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 

June 8- June 12, 2020 with 323 tourism businesses.

Key Issues for Consideration:
- **10%** of firms are operating with business as usual. This is still lower than the national average, which is at 38%.
- **975 staff** have been rehired by businesses across 312 firms since wage subsidy programs and re-opening measures have begun.
- **97%** of businesses are currently not making profits.
- **41%** of businesses do not expect to make profit this year even if tourism/travel is encouraged within Canada and all over the world.
- **12%** of all businesses report that they are not eligible for any government program.
- The majority of businesses believe that their local communities are not yet ready to welcome visitors from other countries, even if travel restrictions relax.

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
10% of firms are now operating with business as usual, more than what we have recorded in past weeks (5%). This is a sign that the industry is slowly recovering, albeit at a rate that is much slower than the national average: according to CFIB, 38% of businesses are operating with business as usual.**

975 staff have been hired or rehired by businesses across 312 firms since wage subsidy programs and re-opening measures have begun. 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 in British Columbia.***

**All findings are based on member surveys collected by the Secretariat during June 8 - June 12, 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

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Top 3 biggest challenges that are preventing accommodation businesses and resorts from fully reopening:

1) **Sales will be too low to make it worthwhile (30%)**
2) **Concerns over health and safety of staff and customers (18%)**
3) **Government mandate closure (11%)**

Top 3 biggest challenges that are preventing activity businesses from fully reopening:

4) **Concerns over health and safety of staff and customers (18%)**
5) **Inability to implement physical distancing in my business (17%)**
6) **Community sentiments towards welcoming tourists/re-opening tourism businesses (15%)**

Top 3 biggest challenges that are preventing other type of businesses from fully reopening:

7) **Community sentiments towards welcoming tourists/re-opening tourism businesses (30%)**
8) **Sales will be too low to make it worthwhile (20%)**
9) **Government mandate closure (10%)**

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****"Other businesses" includes Food & Beverages, Visitor Centre, Festival/Event, Transportation, Retail/Sales, Indigenous Tourism, Winery, and Publicly owned asset.
Do you agree with the following sentences regarding the situation of your business with respect to visitors and profits? Please check the first answer that you agree with.

| My business is already making profits right now | 3% |
| Encouraging tourism/travel within BC alone will be enough for my business to make profit. | 12% |
| Encouraging tourism/travel from Alberta and BC will be enough for my business to make profit. | 15% |
| Encouraging tourism/travel from across Canada will be enough for my business to make profit. | 10% |
| Encouraging tourism/travel from the United States & Canada will be enough for my business to make profit. | 8% |
| Encouraging tourism/travel from all over the world will be enough for my business to make profit. | 12% |
| I don’t think my business will make profit this year. | 41% |

→ 97% of businesses are currently not making profit.
→ 40% of businesses said they would be able to make profit if tourism/travel is encouraged across Canada.
→ 41% of businesses do not expect to make profit this year even if tourism/travel is encouraged within Canada and all over the world.

How difficult will it be for your business to repay its debt on a scale from 1-10? (median value)*

- Remote: 5
- Rural: 5
- Urban: 6

50% of businesses in urban areas responded with “7” or higher.

Meanwhile, 31% and 34% of businesses in rural and remote areas responded with “7” or higher, respectively.

How likely are you to travel this summer?

- Very likely: 10%
- Likely: 18%
- Neither likely nor unlikely: 13%
- Unlikely: 29%
- Very unlikely: 30%

28% of business owners said that they themselves are likely or very likely to travel this summer.

Meanwhile, 59% of business owners said they are unlikely or very unlikely to travel this summer.

*“0” = My business did not incur much additional debt during the COVID-19 shutdown.
“1” = A summer season, even with some COVID-19 restrictions, will generate enough cashflow to pay down the new debt.
“10” = With the cost of servicing the debt or making deferred payments, the business may not be viable anymore.
Have you received/applied to any government programs, supports or services related to COVID-19?

- 67% of businesses have received at least one government program/financial assistance.
- 12% of businesses report that they 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 and challenges:

“The overall community sentiment is that Albertans are unwelcome in BC, and that they face the risk of harassment or vandalism of vehicles. This is nullifying some of the provincial tourism marketing efforts.” – Kootenay Rockies, Publicly owned asset owner, June 8, 2020

“It is very frustrating because we had a 90% booked season, but we now don’t have a single guest. About 90% of our guests are from overseas and are not allowed to come into Canada.” – Vancouver Island, Activity owner, June 8, 2020

“I am very impressed with the speed of government responses.” – Northern BC, Activity owner, June 9, 2020

“We borrowed $40,000 from the Federal Government. The process was fast and easily handled by our bank. Our biggest concern right now is repaying the loan as we do not expect to make a profit this summer.” – Thompson Okanagan, Activity owner, June 10, 2020

“Government support programs have created a disincentive for some employees to return to work” – Thompson Okanagan, Accommodation owner, June 12, 2020

“As a sole proprietor and lower income business, the CERB is very helpful for our business, but it’s ending too soon. I desperately need the CERB to be extended.” – Vancouver Island, Activity owner, June 12, 2020
In your estimation, what percentage of your local community would agree with the following sentences?

The majority of businesses believe that their local community would welcome visitors travelling to their community from other communities near them and from other parts of BC.

However, the majority of businesses believe that their local community is not as likely to welcome visitors travelling from other parts of Canada, with 61% of businesses believing that less than half of their local community would welcome Canadian visitors from out of province.

Meanwhile, the majority of businesses believe that their local community would not welcome visitors travelling to their community from other countries, even as travel restrictions relax.

This poses a challenge to re-opening, as 20% of businesses said they would not be able to make profit unless tourism/travel from other countries is encouraged (page 3).
COVID-19 Tourism Impact Report
CARIBOO CHILCOTIN COAST

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

- Business as usual: 11%
- Reduced operations: 47%
- Temporarily closed: 28%
- Permanently closed: 9%
- Regular operations not yet started: 4%
- Closed for season early: 0%

How difficult will it be for your business to repay its debt on a scale from 1-10?

- Extremely difficult: 0%
- Very difficult: 6%
- Somewhat difficult: 14%
- Somewhat easy: 12%
- Very easy: 4%
- Extremely easy: 12%

What is preventing your business from fully reopening?

- Government mandated closure: 28%
- Sales will be too low to make it worthwhile: 18%
- Concerns over health and safety of our staff and customers: 8%
- Inability to implement physical distancing in my business: 5%
- Unclear guidelines regarding my physical operations: 10%
- Lack of access to personal protective equipment (PPE): 3%
- Staffing issues: 3%
- Community sentiments against re-opening tourism businesses: 10%

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

- Already received: 56%
- Application approved, waiting to receive: 6%
- Applied, but unsure if application approved: 8%
- Applied, but application not approved: 10%
- Planning to apply: 10%
- Would like to, but not eligible: 4%
- Would like to, but do not know how: 8%
- Not needed for now: 0%

Do you agree with the following sentences regarding the situation of your business with respect to visitors and profits? Please check the first answer that you agree with.

- My business is already making profits right now: 1%
- Encouraging tourism/travel within BC alone will be enough for my business to make profit: 13%
- Encouraging tourism/travel from Alberta and BC will be enough for my business to make profit: 11%
- Encouraging tourism/travel from across Canada will be enough for my business to make profit: 12%
- Encouraging tourism/travel from the United States and Canada will be enough for my business to...: 11%
- Encouraging tourism/travel from all over the world will be enough for my business to make profit: 11%
- I don’t think my business will make profit this year: 39%
COVID-19 Tourism Impact Report

KOOTENAY ROCKIES

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

- Business as usual: 11%
- Reduced operations: 49%
- Temporarily closed: 23%
- Permanently closed: 0%
- Regular operations not yet started: 9%
- Closed for season earlier: 8%

How difficult will it be for your business to repay its debt on a scale from 1-10?

- 10: 16%
- 9: 18%
- 8: 8%
- 7: 8%
- 6: 16%
- 5: 0%
- 4: 0%
- 3: 0%
- 2: 4%
- 1: 4%

What is preventing your business from fully reopening?

- Government mandated closure: 20%
- Concerns over health and safety of our staff and distancing in my business: 3%
- Inability to make it worthwhile: 8%
- Lack of access to personal protective equipment (PPE): 0%
- Community sentiments against reopening tourism businesses: 20%

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

- Already received: 0%
- Application approved, waiting to receive: 62%
- Applied, unsure if application approved: 2%
- Applied, but planning to apply: 2%
- Would like to but not eligible: 19%
- Would like to but do not know how: 0%
- Not needed for now: 8%

Do you agree with the following sentences regarding the situation of your business with respect to visitors and profits? Please check the first answer that you agree with.

- My business is already making profits right now: 4%
- Encouraging tourism/travel within BC alone will be enough for my business to make profit: 8%
- Encouraging tourism/travel from Alberta and BC will be enough for my business to make profit: 27%
- Encouraging tourism/travel from across Canada will be enough for my business to make profit: 10%
- Encouraging tourism/travel from the United States and Canada will be enough for my business to...: 4%
- Encouraging tourism/travel from all over the world will be enough for my business to make profit: 13%
- I don’t think my business will make profit this year: 35%
Please indicate the impact of COVID-19 on your current operations.

- Business as usual: 9%
- Reduced operations: 49%
- Temporarily closed: 26%
- Permanently closed: 0%
- Regular operations not yet started: 7%
- Closed for season early: 9%

How difficult will it be for your business to repay its debt on a scale from 1-10?

- Easy (1): 18%
- Very easy (2): 18%
- Somewhat easy (3): 5%
- Neutral (4): 8%
- Somewhat difficult (5): 18%
- Difficult (6): 15%
- Very difficult (7): 18%
- Extremely difficult (8): 0%
- Impossible (9): 3%
- Impossible (10): 0%

What is preventing your business from fully reopening?

- Government mandated closure: 27%
- Sales will be too low to make it worthwhile: 14%
- Concerns over health and safety of our staff and distancing in our business: 14%
- Inability to implement physical distancing in my business operations: 5%
- Undesirable guidelines regarding operation of my business: 0%
- Lack of access to personal protective equipment (PPE): 0%
- Staffing issues: 19%
- Community sentiment against reopening tourism businesses: 0%

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

- Already received: 64%
- Application approved, waiting to receive: 7%
- Applied, unsure if application was approved: 5%
- Applied, but planning to apply: 5%
- Would like to but not eligible: 7%
- Would like to but do not know how: 2%
- Not needed for now: 10%

Do you agree with the following sentences regarding the situation of your business with respect to visitors and profits? Please check the first answer that you agree with.

My business is already making profits right now: 0%

Encouraging tourism/travel within BC alone will be enough for my business to make profit: 20%

Encouraging tourism/travel from Alberta and BC will be enough for my business to make profit: 12%

Encouraging tourism/travel from across Canada will be enough for my business to make profit: 5%

Encouraging tourism/travel from the United States and Canada will be enough for my business to…: 10%

Encouraging tourism/travel from all over the world will be enough for my business to make profit: 10%

I don’t think my business will make profit this year: 44%
COVID-19 Tourism Impact Report
THOMPSON OKANAGAN

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

- Business as usual: 12%
- Reduced operations: 52%
- Temporarily closed: 27%
- Permanently closed: 8%
- Regular operations not yet started: 2%
- Closed for season early: 0%

How difficult will it be for your business to repay its debt on a scale from 1-10?

- Difficult: 16%
- Somewhat difficult: 6%
- Neutral: 6%
- Somewhat easy: 11%
- Easy: 16%
- Very easy: 8%

What is preventing your business from fully reopening?

- Government mandates: 15%
- Sales too low to make it worthwhile: 17%
- Concerns over health and safety of staff and customers: 4%
- Inability to implement physical distancing in business operations: 2%
- Unclear guidelines regarding business operations: 0%
- Lack of access to personal protective equipment (PPE): 6%
- Staffing issues: 12%
- Community sentiment against re-opening tourism businesses: 0%

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

- Received: 75%
- Application approved and waiting to receive: 2%
- Application approved: 8%
- Application not approved: 2%
- Planning to apply: 2%
- Would like to but not eligible: 5%
- Would like to but do not know how: 3%
- Not needed for now: 5%

Do you agree with the following sentences regarding the situation of your business with respect to visitors and profits? Please check the first answer that you agree with.

- My business is already making profits right now: 6%
- Encouraging tourism/travel within BC alone will be enough for my business to make profit: 6%
- Encouraging tourism/travel from Alberta and BC will be enough for my business to make profit: 18%
- Encouraging tourism/travel from across Canada will be enough for my business to make profit: 11%
- Encouraging tourism/travel from the United States and Canada will be enough for my business to...: 3%
- Encouraging tourism/travel from all over the world will be enough for my business to make profit: 8%
- I don't think my business will make profit this year: 48%

Glenn Mandziuk
CEO, THOMPSON OKANAGAN TOURISM ASSOCIATION
COVID-19 Tourism Impact Report

VANCOUVER ISLAND

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

- Business as usual: 8%
- Reduced operations: 41%
- Temporarily closed: 40%
- Permanently closed: 0%
- Regular operations not yet started: 9%
- Closed for season early: 2%

How difficult will it be for your business to repay its debt on a scale from 1-10?

- 1: 7%
- 2: 6%
- 3: 7%
- 4: 7%
- 5: 6%
- 6: 6%
- 7: 12%
- 8: 17%
- 9: 11%
- 10: 7%

What is preventing your business from fully reopening?

- Government Sales will be too low to make it worthwhile: 13%
- Concerns over health and safety of our staff and distancing in our business: 11%
- Inability to implement physical distancing in my business: 14%
- Unclear guidelines regarding business operations: 8%
- Lack of access to personal protective equipment (PPE): 0%
- Staffing issues: 3%
- Community sentiment against re-opening tourism businesses: 10%

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

- Already received: 73%
- Application approved, waiting to receive: 3%
- Application approved: 11%
- Application not approved: 15%
- Would like to but not eligible: 1% (not required)
- Would like to but do not know how: 6%

Do you agree with the following sentences regarding the situation of your business with respect to visitors and profits? Please check the first answer that you agree with.

- My business is already making profits right now: 1%
- Encouraging tourism/travel within BC alone will be enough for my business to make profit: 13%
- Encouraging tourism/travel from Alberta and BC will be enough for my business to make profit: 11%
- Encouraging tourism/travel from across Canada will be enough for my business to make profit: 12%
- Encouraging tourism/travel from the United States and Canada will be enough for my business to...: 11%
- Encouraging tourism/travel from all over the world will be enough for my business to make profit: 11%
- I don’t think my business will make profit this year: 39%
COVID-19 Tourism Impact Report

APPENDIX A: FIRMS SURVEYED

Have you filled out any of our previous weekly surveys?

- Yes: 81%
- No: 11%
- Not sure: 9%

Do you consider the area in which your business operates to be urban, rural, or remote?

- Urban: 53%
- Rural: 21%
- Remote: 24%
- Unsure: 2%

Business Type

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>45%</td>
</tr>
<tr>
<td>Activity</td>
<td>24%</td>
</tr>
<tr>
<td>Resort</td>
<td>13%</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>13%</td>
</tr>
<tr>
<td>Visitor Centre</td>
<td>2%</td>
</tr>
<tr>
<td>Festival / Event</td>
<td>2%</td>
</tr>
<tr>
<td>Transportation</td>
<td>2%</td>
</tr>
<tr>
<td>Retail / Sales</td>
<td>4%</td>
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<tr>
<td>Indigenous Tourism</td>
<td>9%</td>
</tr>
<tr>
<td>Winery / brewery / distillery</td>
<td>2%</td>
</tr>
<tr>
<td>Publicly owned asset / Other</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>12%</td>
</tr>
</tbody>
</table>

Is your business seasonal?

- Yes: 45%
- No: 54%
- Unsure: 2%