

COVID-19 Tourism Impacts – Update June 2020

Pacific Northwest Economic Region

Northwest Territories¹

- Northwest Territories Tourism estimates the territory has lost \$18 million from its aurora winter tourism season due to the COVID-19 pandemic. With half of all non-business travel to the territory typically occurring in the summer months, the annual potential impact could be extremely adverse.

Yukon^{2,3}

- The Yukon typically sees thousands of international visitors every summer, many as passengers from Alaska cruises. The Tourism Industry Association of the Yukon estimates cancellation of Holland America cruises will be a \$40 million to \$60 million loss to the territory's economy.
- A member survey by the Tourism Industry Association of the Yukon in March 2020 indicated most members were expecting significant business losses for 2020; direct losses across 50 respondents were likely to exceed \$2 million.

Alaska^{4,5}

- Temporary closure of the US-Canadian border to all leisure travellers is directly and adversely impacting the livelihoods of businesses reliant on tourism trade along the Alaska Highway, including RV parks, gas stations, food service and gift shops.
- Almost 100,000 visitors cross-border visitors travel to Alaska by ferry and highway annually and very few of these are likely to visit in 2020.
- Arrivalist's Daily Travel Index reports gradual growth in resident willingness to travel by car, particularly road trips over 50 miles.
- More than 90% of visitors to Alaska arrive by cruise ship and uncertainties around the 2020 Alaska cruise season are posing significant financial challenges for ports in the Pacific Northwest.
- Research to the end of March 2020 showed:
 - Many tourism employers have laid off almost 45% of their total workforce.
 - There has been an average of 6 lay-offs per organization.
 - More than half of all tourism businesses expect further staff lay-offs.
 - More than half of all tourism businesses are at risk closing permanently and for 54% long-term or permanent closure is likely.
 - 86% of tourism businesses expect revenues to decrease considerably in the first half of 2020 compared to 2019. Owners estimated their revenues declined by at least 63% in March 2020 compared to the same period in 2019.

¹ <https://www.cbc.ca/news/canada/north/tourism-industry-nwt-covid-19-1.5537061>

² <https://www.cbc.ca/news/canada/north/yukon-tourism-covid-19-stimulus-1.5496196>

³ <https://www.cbc.ca/news/canada/north/yukon-covid-19-economy-1.5537456>

⁴ <https://www.cbc.ca/news/canada/british-columbia/alaska-road-trips-bc-businesses-hit-by-covid-as-rvs-stay-home-1.5569821>

⁵ <http://www.seconference.org/sites/default/files/Tourism%20COVID-19%20Business%20Impacts%20Survey.pdf>

Idaho⁶

- In April 2020, the Idaho Department of Commerce and the Idaho State Department of Agriculture conducted an Idaho Business Impact Survey regarding COVID-19. Key results for businesses in the accommodation and food services sectors were:
 - 46.5% suspended some operations and 22.7% suspended all operations.
 - 53% reported job losses of more than 75%.
 - 97.5% had decreased revenue.
- Daily Travel Index results showed road trips over 50 miles were down 14.5% in Idaho compared to the end of May 2020. Volume of trips was 42% lower than average trip volume in February 2020.

Montana^{7,8,9}

- The University of Montana's Institute for Tourism and Recreation Research conducted three surveys with travel related businesses, including accommodations, outfitters and guides, tourism services and tourism support services:
 - 27% of businesses in the accommodations sector have temporarily close (either by choice or mandate), along with 33% of outfitters and guides, 39% of tourism services and 19% of tourism support services.
 - 92% of businesses have seen a decline in booking enquiries compared to 2019.
 - On average, eight job positions per travel business will not be filled in the near future. Across 440 respondent businesses the losses will be 1,575 full-time jobs, 779 part-time jobs and 1,904 seasonal jobs typically filled over summer.
 - 44% of tourism business owners stated they have six months or less to survive if current conditions continue, while a further 22% could stay in business for up to one year.
- Daily Travel Index results showed road trips over 50 miles were down 11.3% in Montana compared to the end of May 2020. Volume of trips was 38% lower than average trip volume in February 2020.
- WalletHub financial data resources indicate that across all US states, Montana's tourism industry will be the second most-impacted by COVID-19, with only Hawaii's losses being greater. Montana's rankings on some key metrics assessed by WalletHub were:

COVID-19 Impact on Tourism in Montana (1=Most Affected, 25=Average)

- 3rd – Share of Employment in Travel & Tourism-Related Industries
- 4th – Share of Travel & Tourism Industry Generated GDP
- 6th – Travel & Tourism Consumer Spending per Capita
- 8th – Travel Spending Per Travel Employee
- 10th – Share of Businesses in Travel & Tourism-Related Industries

⁶ <https://commerce.idaho.gov/covid-19-impact-survey/>

⁷ <https://www.explorebigsky.com/montana-second-most-impacted-tourism-economy/33887>

⁸ <https://news.umt.edu/2020/05/052820itr.php>

⁹ <https://wallethub.com/edu/states-hit-hardest-by-covid-impact-on-tourism/72974/>

Saskatchewan¹⁰

- The outfitting industry has been heavily impacted by travel restrictions; it is an export industry and most clientele are American. In a normal year, the industry contributes about \$129 million to Saskatchewan's tourism sector and employs more than 2,000 people. More than 50% of outfitting businesses forecast about 75% of their annual revenue is in jeopardy and almost all see the risk of losing a full season as very high.

British Columbia^{11,12,13, 14}

- Percent RevPAR decline for BC in the week ending May 16 was 82.7%.
- Percent hotel occupancy rate for BC in the week ending May 16 was 22.2%.
- More than 40 hotels in Metro Vancouver, representing 35% of hotel rooms in Vancouver, have closed. Staff layoffs range from 50% to 70% of employees. Restaurants that are open and limited to take-out and delivery are reporting up to 80% reductions in revenue.
- More than 400 hotels across the province have closed and those that remain open have seen occupancy drop to below 10% versus the normal seasonal average of 60%-70%.
- Most ski resorts have closed and more than 15,000 ski industry employees have been laid off, amounting to an estimated \$500 million loss to the provincial economy.
- Meetings, conventions, special events and other public visitor activities have all been cancelled or postponed indefinitely.
- 70% of Restaurants Canada members indicate they are either very or extremely worried that their businesses will not have enough liquidity to pay vendors, rent and reopening costs over the next three months
- Almost all tourism businesses are facing considerable solvency challenges given likely loss of the critical summer season.
- BC's tourism industry has lost approximately 122,000 jobs and is likely to lose a minimum of \$3 billion in sales during the second quarter of 2020.
- Large venues including BC Place and the Vancouver Convention Centre are closed, with 136 events postponed or cancelled from March to June 2020. Most meetings scheduled for Metro Vancouver's hotels to October 2020 have been cancelled or postponed.
- Cruise ship activity has been deferred or cancelled, with an estimated loss of \$450 million revenues in BC along with almost 3,600 jobs.

Oregon^{15,16}

- Business Oregon, Travel Oregon, and Oregon SBDC surveyed tourism businesses in Oregon about economic impacts of COVID-19:
 - 68% have temporarily closed their business and 49% have laid off employees.
 - 53% are unable to pay business expenses.
 - 39% are unable to pay rent and 33% are unable to pay their workers.

¹⁰ <https://www.cbc.ca/news/canada/saskatchewan/covid-19-provincial-tourism-industry-1.5511739>

¹¹ <https://www.cbc.ca/news/canada/british-columbia/tourism-impacts-covid-19-summer-1.5544867>

¹² <https://www.tiabc.ca/wp-content/uploads/press-releases/COVID-Recovery-Press-Release-FINAL-CC-Version.pdf>

¹³ <https://tourismvancouver.app.box.com/s/vitffkx3wxjw0c7qapwwzklw1142xk44>

¹⁴ <https://str.com/press-release/str-canada-hotel-results-week-ending-30-may>

¹⁵ <https://portlandalliance.com/advocacy/policy/2020-05-07/covid-19-oregon-business-survey-results.html>

¹⁶ https://industry.traveloregon.com/wp-content/uploads/2020/06/COVID-Impacts_June-2_Industry-1.pdf

- Almost 50% of Oregon tourism businesses had 90%+ revenue declines in April 2020.
- Almost 90% of accommodation businesses had 50%+ revenue declines in April 2020.
- By end of May 2020, passenger throughput at Portland International Airport was 25,458 passengers (87%) below the same period last year. May 2020 is 90% below last year.
- Compared to 2019, ADR has declined 34%, RevPAR by 68% and occupancy by 53%.
- Daily Travel Index results showed road trips over 50 miles were down 5.5% in Oregon compared to the end of May 2020. Volume of trips was 34% lower than average trip volume in February 2020.

Alberta¹⁷

- More than two-thirds of tourism businesses are closed temporarily due to COVID-19:
 - Those closed include attractions (85%), meetings and conferences (78%) and guided tours (73%).
 - Almost three-quarters of seasonal operators (74%) are closed temporarily.
 - Employee layoffs are most prevalent in meetings and conferences (75%), food and beverage services (64%) and accommodations (54%).
 - Reduced working hours are most prevalent in meetings, conferences or wedding facilities (60%), food and beverage services (53%) and accommodations (44%).
 - 45% of operators with fall or winter peak seasons have reduced staff hours due to COVID-19, compared to 31% of spring and summer operators.
 - Range and availability of services has been reduced at 44% of accommodations, 47% of food and beverage operators and 56% campgrounds and RV parks. This includes 50% of operators with more than 11 employees and 38% of year-round operators.
 - One third of businesses are at moderate or extreme risk of closing permanently due to COVID-19.
- The Alberta Professional Outfitters Society estimates its economic contribution to Alberta exceeds \$105 million annually, with 90% of business from clients from outside Canada.
- Calgary Stampede is cancelled for 2020, resulting in an economic loss of \$540 million.
- Economic impacts of cancelled festivals in Edmonton is estimated to be \$38.4 million.
- Segments reliant on US and international visitors, such as hunting, outfitting, meetings and conferences are impacted very heavily.

Washington¹⁸

- Since March, 2020 visitor spending in Washington has declined by more than \$3.8 billion compared to the same period in 2019.
- Over the past three months, visitor spending in Washington has declined by at least 77% and hotel room revenue has declined by 72%.
- In April 2020, traffic through Seattle Tacoma International Airport decreased 94% versus April 2019; international traffic decreased 97% and domestic traffic decreased 93%.
- By end of April 2020, 42% of all job losses in Washington were within the leisure and hospitality sector. By May 16, 2020 almost half of 1.2 million unemployment claims in Washington were within the leisure and hospitality sector.

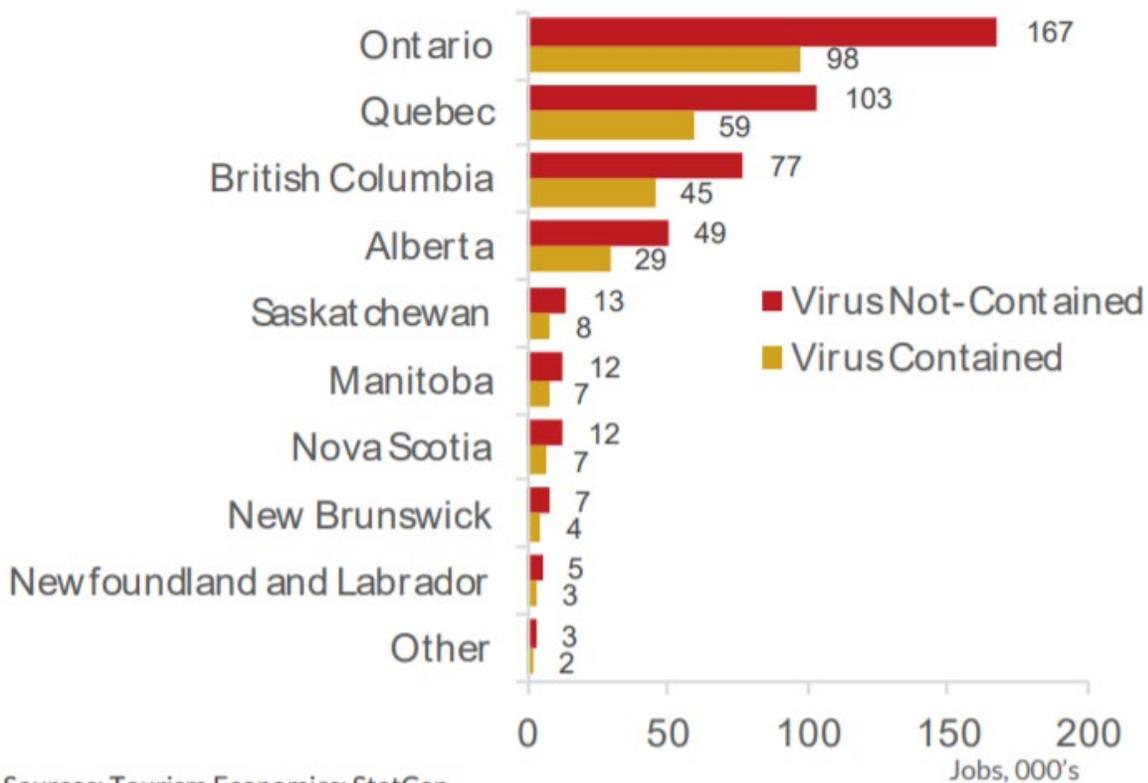
¹⁷ <https://globalnews.ca/news/6997899/alberta-outfitters-decimated-by-covid-19-restrictions-cost-tourism-industry-billions/>

¹⁸ <http://watourismalliance.com/category/wta-news/>

- To replace the visitor taxes paid to state and local governments but now lost due to COVID-19, each household in Washington would need to be taxed an additional \$1,065. State and local taxes generated by direct visitor spending totalled \$2.4 billion in 2019; these have been growing over recent years and 2019 was a 5.4% increase over 2018.
- Daily Travel Index results showed road trips over 50 miles were up 5.1% in Washington compared to the end of May 2020. Volume of trips was 38% lower than average trip volume in February 2020.

The following charts are from research conducted by Oxford Economics for Destination Canada in April 2020, projecting impacts for Canadian provinces based on scenarios of COVID-19 being contained effectively or not effectively over the short to medium term.

Canada's job losses due to COVID-19's impact on travel spending, 2020



THE VIRUS CONTAINED SCENARIO

Impacts by Province

Ontario will experience the largest losses, at \$13.7 billion.

Virus Contained COVID-19 related tourism spending losses by province, 2020
CAD, billions

	Total	Domestic	US	Overseas
Canada	-\$36.4	-\$27.2	-\$4.2	-\$5.0
Alberta	-\$4.5	-\$3.6	-\$0.4	-\$0.6
British Columbia	-\$6.1	-\$3.5	-\$1.0	-\$1.6
Manitoba	-\$1.0	-\$0.9	-\$0.1	-\$0.1
New Brunswick	-\$0.5	-\$0.4	\$0.0	-\$0.1
Newfoundland & Labrador	-\$0.4	-\$0.3	\$0.0	\$0.0
Nova Scotia	-\$0.8	-\$0.6	-\$0.1	-\$0.1
Ontario	-\$13.7	-\$10.5	-\$1.7	-\$1.5
Prince Edward Island	-\$0.1	-\$0.1	-\$0.1	\$0.0
Quebec	-\$7.9	-\$6.4	-\$0.7	-\$0.8
Saskatchewan	-\$1.0	-\$0.9	\$0.0	\$0.0
Other	-\$0.2	-\$0.1	-\$0.1	-\$0.1

Sources: Tourism Economics; StatCan

THE VIRUS CONTAINED SCENARIO

Economic impacts

Losses to the economy include 263,000 jobs, \$11.4 billion in government revenue, and \$15.1 billion in GDP.

2020 spending, employment, government revenue, and GDP losses in
Canada, Virus Contained COVID-19 scenario

CAD, billion losses compared to 2019

	Jobs	Total	Government revenue				GDP
			Federal	Provincial	Municipal	Aboriginal	
Canada	-262,942	-\$11.4	-\$5.1	-\$5.6	-\$0.6	-\$0.07	-\$15.1
Alberta	-28,888	-\$1.4	-\$0.6	-\$0.7	-\$0.1	-\$0.01	-\$2.1
British Columbia	-45,427	-\$1.9	-\$0.9	-\$0.9	-\$0.1	-\$0.01	-\$2.6
Manitoba	-7,005	-\$0.3	-\$0.1	-\$0.2	\$0.0	\$0.00	-\$0.4
New Brunswick	-4,380	-\$0.2	-\$0.1	-\$0.1	\$0.0	\$0.00	-\$0.2
Newfoundland & Labrador	-2,811	-\$0.1	-\$0.1	-\$0.1	\$0.0	\$0.00	-\$0.2
Nova Scotia	-6,798	-\$0.3	-\$0.1	-\$0.1	\$0.0	\$0.00	-\$0.3
Ontario	-97,557	-\$4.3	-\$1.9	-\$2.1	-\$0.2	-\$0.03	-\$5.5
Prince Edward Island	-1,712	\$0.0	\$0.0	\$0.0	\$0.0	\$0.00	-\$0.1
Quebec	-59,037	-\$2.5	-\$1.1	-\$1.2	-\$0.1	-\$0.01	-\$3.2
Saskatchewan	-7,707	-\$0.3	-\$0.1	-\$0.2	\$0.0	\$0.00	-\$0.4
Other	-1,619	-\$0.1	\$0.0	\$0.0	\$0.0	\$0.00	-\$0.1

Sources: Tourism Economics; StatCan

THE VIRUS CONTAINED SCENARIO

Impacts by sector

Lodging and food and beverage services both see losses of close to \$7 billion in revenue in 2020.

Virus Contained COVID-19 related tourism spending losses by sector, 2020

CAD, billions

	Total	Transportation	Lodging	Food & bev.	Recreation	Other ¹
Canada	-\$36.4	-\$11.7	-\$7.1	-\$6.5	-\$2.5	-\$8.5
Alberta	-\$4.5	-\$1.5	-\$0.9	-\$0.9	-\$0.3	-\$0.9
British Columbia	-\$6.1	-\$1.7	-\$1.5	-\$1.4	-\$0.5	-\$1.0
Manitoba	-\$1.0	-\$0.4	-\$0.2	-\$0.2	-\$0.1	-\$0.2
New Brunswick	-\$0.5	-\$0.1	-\$0.1	-\$0.1	\$0.0	-\$0.1
Newfoundland & Labrador	-\$0.4	-\$0.1	-\$0.1	-\$0.1	\$0.0	-\$0.1
Nova Scotia	-\$0.8	-\$0.2	-\$0.2	-\$0.2	\$0.0	-\$0.1
Ontario	-\$13.7	-\$4.4	-\$2.6	-\$3.1	-\$0.9	-\$2.6
Prince Edward Island	-\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Quebec	-\$7.9	-\$2.6	-\$1.4	-\$1.8	-\$0.5	-\$1.5
Saskatchewan	-\$1.0	-\$0.3	-\$0.1	-\$0.2	-\$0.1	-\$0.2
Other	-\$0.2	-\$0.1	-\$0.1	-\$0.1	\$0.0	\$0.0

¹includes Groceries, beer/wine/liquor from stores, travel services, convention fees, pre-trip expenses, miscellaneous products

Sources: Tourism Economics; StatCan

THE VIRUS NOT-CONTAINED SCENARIO

Impacts by Province

Ontario will experience the largest losses, at \$23.5 billion.

Virus Not-Contained COVID-19 related tourism spending losses by province, 2020

CAD, billions

	Total	Domestic	US	Overseas
Canada	-\$62.3	-\$47.3	-\$7.3	-\$7.7
Alberta	-\$7.8	-\$6.2	-\$0.6	-\$0.9
British Columbia	-\$10.3	-\$6.0	-\$1.8	-\$2.5
Manitoba	-\$1.7	-\$1.5	-\$0.1	-\$0.1
New Brunswick	-\$0.9	-\$0.7	-\$0.1	-\$0.1
Newfoundland & Labrador	-\$0.7	-\$0.6	-\$0.1	-\$0.1
Nova Scotia	-\$1.4	-\$1.0	-\$0.2	-\$0.1
Ontario	-\$23.5	-\$18.2	-\$2.9	-\$2.3
Prince Edward Island	-\$0.2	-\$0.1	-\$0.1	-\$0.1
Quebec	-\$13.8	-\$11.2	-\$1.2	-\$1.3
Saskatchewan	-\$1.7	-\$1.6	-\$0.1	-\$0.1
Other	-\$0.4	-\$0.2	-\$0.1	-\$0.1

Sources: Tourism Economics; StatCan

THE VIRUS NOT-CONTAINED SCENARIO

Impacts by sector

Lodging and food and beverage services both see losses of over \$11 billion in revenue in 2020.

Virus Not-Contained COVID-19 related tourism spending losses by sector, 2020
CAD, billions

	Total	Transportation	Lodging	Food & bev.	Recreation	Other ¹
Canada	-\$62.3	-\$20.3	-\$12.0	-\$11.1	-\$4.2	-\$14.6
Alberta	-\$7.8	-\$2.7	-\$1.5	-\$1.6	-\$0.5	-\$1.5
British Columbia	-\$10.3	-\$3.0	-\$2.4	-\$2.4	-\$0.8	-\$1.6
Manitoba	-\$1.7	-\$0.7	-\$0.3	-\$0.3	-\$0.1	-\$0.3
New Brunswick	-\$0.9	-\$0.2	-\$0.2	-\$0.2	-\$0.1	-\$0.2
Newfoundland & Labrador	-\$0.7	-\$0.3	-\$0.1	-\$0.2	\$0.0	-\$0.1
Nova Scotia	-\$1.4	-\$0.4	-\$0.3	-\$0.3	-\$0.1	-\$0.3
Ontario	-\$23.5	-\$7.6	-\$4.4	-\$5.4	-\$1.6	-\$4.5
Prince Edward Island	-\$0.2	\$0.0	-\$0.1	-\$0.1	\$0.0	\$0.0
Quebec	-\$13.8	-\$4.6	-\$2.4	-\$3.2	-\$0.9	-\$2.7
Saskatchewan	-\$1.7	-\$0.6	-\$0.2	-\$0.4	-\$0.1	-\$0.4
Other	-\$0.4	-\$0.1	-\$0.1	-\$0.1	\$0.0	-\$0.1

¹includes Groceries, beer/wine/liquor from stores, travel services, convention fees, pre-trip expenses, miscellaneous products

Sources: Tourism Economics; StatCan

THE VIRUS NOT-CONTAINED SCENARIO

Economic impacts

Losses to the economy include 450,000 jobs, \$19.5 billion in government revenue, and \$25.8 billion in GDP.

2020 spending, employment government revenue, and GDP losses in Canada, Virus Not-Contained COVID-19 scenario

CAD, billion losses compared to 2019

	Jobs	Government revenue					GDP
		Total	Federal	Provincial	Municipal	Aboriginal	
Canada	-450,238	-\$19.5	-\$8.8	-\$9.5	-\$1.1	-\$0.12	-\$25.8
Alberta	-49,466	-\$2.4	-\$1.1	-\$1.2	-\$0.1	-\$0.01	-\$3.6
British Columbia	-76,612	-\$3.2	-\$1.4	-\$1.6	-\$0.2	-\$0.02	-\$4.3
Manitoba	-11,878	-\$0.5	-\$0.2	-\$0.3	\$0.0	\$0.00	-\$0.7
New Brunswick	-7,344	-\$0.3	-\$0.1	-\$0.1	\$0.0	\$0.00	-\$0.3
Newfoundland & Labrador	-4,782	-\$0.2	-\$0.1	-\$0.1	\$0.0	\$0.00	-\$0.3
Nova Scotia	-11,567	-\$0.4	-\$0.2	-\$0.2	\$0.0	\$0.00	-\$0.5
Ontario	-167,250	-\$7.4	-\$3.3	-\$3.6	-\$0.4	-\$0.04	-\$9.5
Prince Edward Island	-2,857	-\$0.1	\$0.0	\$0.0	\$0.0	\$0.00	-\$0.1
Quebec	-102,553	-\$4.3	-\$1.9	-\$2.1	-\$0.2	-\$0.03	-\$5.6
Saskatchewan	-13,236	-\$0.5	-\$0.2	-\$0.3	\$0.0	\$0.00	-\$0.8
Other	-2,693	-\$0.1	-\$0.1	-\$0.1	\$0.0	\$0.00	-\$0.1

Sources: Tourism Economics; StatCan