

# STATE OF TOURISM IN CANADA DURING COVID-19

DASHBOARD (2.0) – APRIL 2021



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## KEY INSIGHTS: TWENTY31 INTERPRETATION OF FINDINGS

### GLOBAL

- One year ago, governments around the world began implementing travel restrictions and lockdowns to mitigate the spread of COVID-19
- Global infections are back on the rise, with the World Health Organization (WHO) reporting highest numbers of new cases in Brazil, India, France and Poland
- One in three travel destinations are still fully closed to international tourists as concerns grow over the impact of new coronavirus variants, with most of the tourist draws affected being in Asia, the Pacific, North America and Europe
- However, more than a third of global tourism destinations are now partially open to international visitors, with destinations like Albania, Costa Rica, Dominican Republic, North Macedonia and Tanzania lifting all related travel restrictions
- International destinations are beginning to adopt a more nuanced, evidence and risk-based approach to COVID-19 linked travel restrictions, with antigen test requirements for entry, contact tracing programs and refined quarantine policies
- The majority of governments still advise their citizens to avoid non-essential travel while the focus sharpens on delivering the international vaccination program



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## CANADA

- With COVID case counts and variants on the rise, Canada's borders remain closed to non-essential travel, rolling restrictions are sweeping the provinces, and inter-provincial travel restrictions continue to be in place
- The visitor economy saw unprecedented losses in 2020 alongside business closures and rising unemployment, demonstrating an impact on tourism greater than 9/11, SARS and the 2008 economic crisis combined
- While safety remains a consideration, Canadians want to resume international travel with increased confidence building as a result of vaccinations
- To help rebuild the Canadian tourism economy, citizens are being urged to spend their travel dollars domestically

### IMPACT ON CEF PROGRAM:

Because of its service nature, tourism has been and continues to be far and away the most exposed sector in the Canadian economy to the policies and practices designed to limit transmission of COVID-19. With new and continued restrictions in place, the program remains on the verge of collapse.



## KEY TAKEAWAY SNAPSHOT

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### 01 HEALTH IMPACT

Globally and across Canada, new COVID-19 cases continue to rise. All regions report an increase in the number of cases, and all regions, except for Africa, report an increase in the number of deaths. Europe and the Americas continue to account for nearly 80% of all the cases and deaths. Vaccines are a critical new tool in the battle against COVID-19 and it is hugely encouraging to see so many vaccines proving successful and going into development. Working as quickly as they can, scientists from across the world are collaborating and innovating to bring tests, treatments and vaccines that will collectively save lives and end this pandemic. However, new viral variants, limited vaccine supply, and underinvestment in tools and therapies have resulted in the need to refresh the global strategy to chart the roadmap out of the pandemic.

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### 02 ECONOMIC IMPACT

Before the pandemic, tourism accounted for one out of every 10 jobs around the world and in many places, travel plays an even greater role in the local economy. As lockdowns fell into place worldwide, international arrivals have plunged, with the economic impact of travel-related declines reaching stunning levels. In Canada, the one-year anniversary of the shutdown of the Canada-U.S. border has arrived — with unprecedented impact on lives, businesses, and communities. As the effects could be long-lasting, it is now expected that travel will not return to pre-pandemic levels until 2024.

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### 03 FOCUS CASE STUDY 1 – VACCINES AND TRAVEL

As domestic vaccination rates trend upward, more people are traveling or planning to travel. Broadly speaking, proof of vaccination in order to travel is not required, but it may be in the future depending on where one is travelling. As a means to reboot the decimated tourism industry, countries and industries are considering various vaccine health passes as prerequisites of entry and travel. However, the World Health Organization has come out against the idea of a COVID-19 vaccine certificates as vaccines are not available on an equitable basis.

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### 04 FOCUS CASE STUDY 2 – TOURISM IS THE HEARTBEAT OF CANADA

Redirecting foreign spend power towards domestic and getting locals to grasp the importance of supporting local tourism businesses will be critical this year, particularly as 99% of businesses in Canada's tourism sector consist of small and medium enterprises. By keeping their tourism dollars in

Canada, Canadians play a critical role in bolstering the tourism economy, creating jobs and supporting local businesses.

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## 05 FOCUS CASE STUDY 3 – REMOTE WORK VISAS: THE FUTURE OF WORK AND TRAVEL

The remote work environment has advanced extremely fast due to the state of the world pandemic. Millions of workers now have the flexibility to work from anywhere they desire. With a huge portion of people working from home already, remote work is the present, and flexible working is the actual future of work and travel. Emerging remote work visa programs have the potential to create a much more sustainable form of tourism and could potentially transform how the world works and travels.

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## 06 CANADIAN RESIDENT SENTIMENT TOWARD TOURISM

With 80% of Canadians planning to travel when restrictions are relaxed, and data showing increasing interest in international travel search dates, the majority of Canadians are eager to get back out and explore when it is safe to do so.

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## 07 TRAVELLER BEHAVIOURS

While there is public support for travel restrictions, frustrations with the loss of freedom, feelings that quality of life is suffering, business interruptions and the mental stress associated with missing important human moments are mounting. The health, economic and social consequences of closed borders and quarantines are taking their toll, driving people to become more comfortable with managing the risks of COVID-19.

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## 08 AVIATION

Airlines, a leading performance indicator for the overall tourism sector, have been hit hard by the COVID-19 pandemic. With their fleets grounded and operating on severely constrained conditions, both domestic and international carriers have been devastated. Despite a rise in confidence in air travel as a result of testing and vaccination, the global aviation industry is estimated to lose more than \$94 billion by the end of 2021, signaling a deeply uncertain future.

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## 09 ACCOMMODATION & EVENTS

Global and domestic business travel are unlikely to recover before 2024 with virtual meetings continuing to replace the majority of business travel. As over the past year, this will continue to severely impact the accommodation and events sector, contributing to more job losses in the tourism sector that will take years to rebuild.

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## 10 CRUISE

The COVID-19 pandemic and subsequent pause in commercial cruise operations has had devastating impacts on the cruise community. With strict protocols in place, and with the approval and support of local and regional authorities, cruise ships are gradually resuming operations around the world. However, even as the promise of vaccines roll out, the future of the industry remains uncertain,

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## 11 MAJOR TOUR OPERATORS

With COVID-19 continuing to influence travel restrictions around the world, tour operators have been forced to re-evaluate their plans for the coming months with many suspending operations and updating their travel policies to accommodate impacted clients. The majority of domestic and international operations have been postponed until the end of April at a minimum, causing deeper economic loss within the industry.

## OVERVIEW

### HEALTH IMPACT

#### KEY TAKEAWAY

Globally and across Canada, new COVID-19 cases continue to rise. All regions report an increase in the number of cases, and all regions, except for Africa, report an increase in the number of deaths. Europe and the Americas continue to account for nearly 80% of all the cases and deaths. Vaccines are a critical new tool in the battle against COVID-19 and it is hugely encouraging to see so many vaccines proving successful and going into development. Working as quickly as they can, scientists from across the world are collaborating and innovating to bring tests, treatments and vaccines that will collectively save lives and end this pandemic. However, new viral variants, limited vaccine supply, and underinvestment in tools and therapies have resulted in the need to refresh the global strategy to chart the roadmap out of the pandemic.

### GLOBAL

- Confirmed deaths with COVID-19 surpassed 2.78 million globally, while worldwide cases climbed above 127 million with over 124 million recoveries<sup>1</sup>
- 520,540,106 vaccine doses have been administered<sup>2</sup>
- Seven different vaccines across three platforms have been rolled out in countries with vulnerable populations in all countries the highest priority for vaccination<sup>3</sup>
- More than 200 additional vaccine candidates are in development, of which more than 60 are in clinical development<sup>4</sup>
- The ACT Accelerator, launched in April 2020 by the World Health Organization (WHO), European Commission, France, The Bill & Melinda Gates Foundation and leading public health agencies has released a prioritised strategy and budget for 2021 to change the course of the evolving COVID-19 pandemic through increased funding for R&D and vaccine product optimization<sup>5</sup>

### CANADA

- As of March 29, there have been a total of 976,598 confirmed cases and 22,926 reported deaths in Canada<sup>6</sup>
- 5,301,234 doses of vaccines have been given, and 672,214 people (approx.1.8% of the population) are fully vaccinated<sup>7</sup>
- Concerns over blood clots in patients who have received the AstraZeneca vaccine may further slow the vaccine rollout in Canada<sup>8</sup>

## ECONOMIC IMPACT

### KEY TAKEAWAY

Before the pandemic, tourism accounted for one out of every 10 jobs around the world and in many places, travel plays an even greater role in the local economy. As lockdowns fell into place worldwide, international arrivals have plunged, with the economic impact of travel-related declines reaching stunning levels. In Canada, the one-year anniversary of the shutdown of the Canada-U.S. border has arrived — with unprecedented impact on lives, businesses, and communities. As the effects could be long-lasting, it is now expected that travel will not return to pre-pandemic levels until 2024.

## GLOBAL

- Around the world, international arrivals are estimated to have dropped to 381 million in 2020, down from 1.461 billion in 2019 — a 74% decline<sup>9</sup>
- In countries whose economies are heavily reliant on tourism, the precipitous drop in visitors was, and remains, devastating<sup>10</sup>
- According to recent figures from the United Nations World Tourism Organization, the decline in international travel in 2020 resulted in an estimated loss of \$1.3 trillion in global export revenues in global export revenues, representing 11 times the loss that occurred in 2009 as a result of the global economic crisis<sup>11</sup>

## CANADA

- March signalled the one-year anniversary of travel restrictions with no sign of a roadmap for returning to normal<sup>12</sup>
- Once again, the Canada-U.S. border closing has been extended for another month, through April 21<sup>13</sup>
- 2020 losses to Canada's tourism sector are the worst on record<sup>14</sup>
- Alongside declines in tourism, the COVID-19 pandemic brought business events to a halt; in Montreal, Toronto and Vancouver, hotels recorded the lowest occupancies of any region in Canada with revenues falling an estimated 79% in the last year representing loss of \$2.3 billion across the three cities<sup>15</sup>
- COVID-19 impact data also shows deepening inequality because of COVID-19's disparate impact on women, who make up the majority of the travel services workforce, as well as on immigrants, who make up 26% of tourism employees, higher than the national 23.8%<sup>16</sup>
- For now, based on the current 2021 outlook, Destination Canada is forecasting that tourism overall will increase 28% relative to 2020 or 35% below 2019 levels, while domestic tourism demand will reach \$64.5 billion, which is 30.7% higher than 2020, yet 21.3% less than 2019 levels<sup>17</sup>



## FOCUS CASE STUDY 1: VACCINES AND TRAVEL<sup>18</sup>

### KEY TAKEAWAY

As domestic vaccination rates trend upward, more people are traveling or planning to travel. Broadly speaking, proof of vaccination in order to travel is not required, but it may be in the future depending on where one is going. As a means to reboot the decimated tourism industry, countries and industries are considering various vaccine health passes as prerequisites of entry and travel. However, the World Health Organization has come out against the idea of a COVID-19 vaccine certificates as vaccines are not available on an equitable basis.

- Earlier this month, in a new set of guidelines for fully vaccinated Americans, the Centers for Disease Control and Prevention left its stance on travel unchanged: Don't do it unless you must, even if you are fully vaccinated.
- One major scientific question is still unsettled: Can a vaccinated person transmit the virus to an unvaccinated one? The research is unclear on exactly how well they stop the virus from taking root in an immunized person's nose and then spreading to others
- The Moderna and Pfizer-BioNTech vaccines are proving highly effective at preventing infections under real-world conditions, according to a C.D.C. study released on March 29 that suggests that if infections were so rare, transmission was likely rare, too
- Although proof of vaccination is not yet required to board a plane or book a hotel, it's starting to open certain doors
- As of March 26, Americans who are fully vaccinated (or those who can prove previous infection) can travel to Iceland, and vaccinated (or previously infected) European Union and European Economic Area citizens are allowed to avoid Iceland's existing border measures like testing and quarantine
- Vaccinated foreigners can also now avoid testing and quarantining in Belize, with other countries almost certain to follow suit in the coming months
- Passengers on British Airways flights from London to India can now input their health information while booking, just as they would a passport number, and third-party health apps, including CommonPass and the IATA Travel Pass are being tested on different airlines and routes, and are expected to be rolled out to the public in the coming months
- Proof of vaccination may also be required to board a cruise ship: Royal Caribbean is requiring passengers 16 and older to be vaccinated and Virgin Voyages, Crystal Cruises and other cruise lines have also announced vaccine requirements for all passengers and crew

## FOCUS CASE STUDY 2: TOURISM IS THE HEARTBEAT OF CANADA<sup>19</sup>

### KEY TAKEAWAY

Redirecting foreign spend power towards domestic and getting locals to grasp the importance of supporting local tourism businesses will be critical this year, particularly as 99% of businesses in Canada's tourism sector consist of small and medium enterprises. By keeping their tourism dollars in Canada, Canadians play a critical role in bolstering the tourism economy, creating jobs and supporting local businesses.

- Early on in the pandemic, Canada announced it was investing \$30 million in its provinces and territories to help them promote backyard travel while the country's borders remained shut
- It was a novel approach for the country; occupancy picked up locally, but revenue per available room dropped significantly as hotels focused on filling their rooms
- As the domestic tourism push continues, Destination Canada has strategies in place to help Canadians become aware of the big role they can play in their country's economic recovery
- With one in 10 jobs in Canada being tourism-related, tourism is being positioned as the "Heartbeat of Canada"
- Destination Canada's phased domestic tourism marketing plan includes running a series of special offers this year, starting in the summer, to give Canadians a chance to explore like they've never had a chance to do before because there will be an enriched value proposition
- If Canadians shift two-thirds of their planned spend on international leisure travel towards domestic tourism, it will make up for the estimated \$19 billion shortfall currently facing our visitor economy—and help sustain 150,000 jobs

## FOCUS CASE STUDY 3: REMOTE WORK VISAS: THE FUTURE OF WORK AND TRAVEL<sup>20</sup>

### KEY TAKEAWAY

The remote work environment has advanced extremely fast due to the state of the world pandemic. Millions of workers now have the flexibility to work from anywhere they desire. With a huge portion of people working from home already, remote work is the present, and flexible working is the actual future of work and travel. Emerging remote work visa programs have the potential to create a much more sustainable form of tourism and could potentially transform how the world works and travels.

- COVID-19, and the increase of remote jobs has created a wave effect both domestically and internationally in both travel and professional work sectors
- As a result of the pandemic and the changing work industry, many people are starting to consider the perks of working remotely, travelling worldwide and living a sustainable lifestyle with a fraction of the costs of living in a major city
- Governments are beginning to notice this change in behaviour, and are looking for ways to attract a new type of traveller by creating remote work visas that range from residency permits to digital nomad visas
- Some of the leading countries that are pioneers of work visas, and their requirements, are:
  - Georgia: proof of income of \$2,000 per month and evidence of travel insurance; no visa fee and is valid for 12 months
  - United Arab Emirates (UAE): proof of income of \$5,000 per month and active health insurance; visa fee of \$287 and is valid of 12 months
  - Croatia: proof of income of \$2,590 or proof of \$31,000 in savings; no visa fee and valid for 12 months
- Although it is difficult to predict the future and the exact implications that the growing trend of remote work visas will have on the overall travel and tourism industry, there is great potential in enabling travellers to spend more time in a country
- Although it is difficult to predict the future and the exact implications that the growing trend of remote work visas will have on the overall industry, it is reasonable to expect more flexibility and freedom in our day-to-day lives

## CANADIAN RESIDENT SENTIMENT TOWARD TOURISM WITHIN CANADA AND TOWARDS THE U.S. AND OTHER COUNTRIES<sup>21</sup>

### KEY TAKEAWAY

With 80% of Canadians planning to travel when restrictions are relaxed, and data showing increasing interest in international travel search dates, the majority of Canadians are eager to get back out and explore when it is safe to do so.

In this section, we cover Canadian resident sentiment towards travelling within Canada to other communities and provinces, as well as to the U.S. and other countries. A pink box indicates majority negative sentiment; a green box indicates majority positive sentiment.

	AB	Atl. Reg.	BC	ON	QC	SK & MB
I feel safe to travel to communities near me	83%	87%	80%	75%	74%	74%
I feel safe to travel to communities in my province	78%	78%	65%	64%	73%	69%
I feel safe to travel to other provinces in Canada	54%	32%	36%	46%	57%	42%
I feel safe to travel to the United States	29%	8%	11%	16%	27%	16%
I feel safe to travel internationally	25%	8%	15%	16%	23%	14%



Majority positive sentiment



Majority negative sentiment



Neutral



## TRAVELLER BEHAVIOURS

### KEY TAKEAWAY

While there is public support for travel restrictions, frustrations with the loss of freedom, feelings that quality of life is suffering, business interruptions and the mental stress associated with missing important human moments are mounting. The health, economic and social consequences of closed borders and quarantines are taking their toll, driving people to become more comfortable with managing the risks of COVID-19.

### GLOBAL<sup>22</sup>

- The International Air Transport Association (IATA) announced results from its latest poll of recent travelers, revealing growing confidence in a return to air travel, frustration with current travel restrictions, and acceptance of a travel app to manage health credentials for travel
- 88% believe that when opening borders, the right balance must be struck between managing COVID-19 risks and getting the economy going again
- 85% believe that governments should set COVID-19 targets (such as testing capacity or vaccine distribution) to re-open borders
- 84% believe that COVID-19 will not disappear, and we need to manage its risks while living and traveling normally
- 68% agreed that their quality of life has suffered with travel restrictions
- 49% believe that air travel restrictions have gone too far
- 89% of respondents believe that governments need to standardize vaccine and testing certificates
- 80% are encouraged by the prospect of the IATA Travel Pass App and would use it as soon as available
- 78% will only use a travel credential app if they have full control over their data

### CANADA<sup>23</sup>

- Canadians want to travel: while safety is a key consideration in planning travel, data shows high interest in future international travel according to a recent iPolitics survey
- 49% of Canadians believe they should be able to travel after they're vaccinated, but most of them believe the destination should have vaccination levels equal to or greater than Canada's
- 33% agree that travel should be allowed, but with restrictions
- Fewer than two in 10 Canadians, or 16% of respondents, believe they should be free to travel anywhere they want once they're vaccinated
- 35% strongly agree that Canada should develop a vaccine passport that allows Canadians to travel without requiring them to isolate and quarantine when they get home
- 56% said they would travel internationally within a year, and 81% said they'd travel internationally after a year had elapsed; fewer than two in 10 Canadians said they wouldn't travel internationally at all

## AVIATION

### KEY TAKEAWAY

Airlines, a leading performance indicator for the overall tourism sector, have been hit hard by the COVID-19 pandemic. With their fleets grounded and operating on severely constrained conditions, both domestic and international carriers have been devastated. Despite a rise in confidence in air travel as a result of testing and vaccination, the global aviation industry is estimated to lose more than \$94 billion by the end of 2021, signaling a deeply uncertain future.

In this section, we present the latest updates from the top airlines in Canada, the U.S., and key Canadian global source markets.

Airline	Key Updates
<b>CANADA</b>	
<b>Air Canada, Westjet + AirTransat</b>	The land border travel restrictions between Canada/U.S./Mexico have been extended until at least April 21, 2021, resulting in suspension of a number of domestic and international flight routes <sup>24</sup>
<b>U.S.</b>	
<b>United</b>	Domestic travel bookings are running at 90% of 2019 levels with seat utilization averaging 80% <sup>25</sup>
<b>Southwest</b>	Southwest Airlines has joined Hawaii's Safe Travels Program, allowing passengers flying to Honolulu (Oahu) and Kahului (Maui) to skip health screening and quarantine requirements after landing. The airline says it all part of their efforts to offer a simple and streamlined arrival into Hawai'i. <sup>26</sup>
<b>Delta</b>	As Delta moves into the summer, the airline is adding nine new routes and expanding services on over 20 destinations. The carrier is expecting a summer surge with expanded interest in domestic and short-haul international travel. <sup>27</sup>
<b>American</b>	American Airlines is seeing the recovery materialize. The last few weeks have been a boon for the carrier, with bookings strengthening and load factors increasing. With only a couple of days left in the quarter, American Airlines is revising its first-quarter forecast to be more positive than before. However, the airline is cautiously optimistic about the future. <sup>28</sup>
<b>INTERNATIONAL</b>	
<b>Aeromexico</b>	Grupo Aeromexico totaled a consolidated net loss of US\$2.1 billion during 2020 due to the heavy impact of the COVID-19 crisis. The airline, currently under a Chapter 11 bankruptcy process, expects to have a turnaround in 2021. <sup>29</sup>

Airline	Key Updates
<b>Air China</b>	Before departure, all crews have their temperature checked and registered, all aircraft are stocked with pandemic prevention kits, and flight attendants are strictly trained in pandemic prevention for added safety in the air. For \$200, passengers can also now purchase an extra seat for more safety and comfort. <sup>30</sup>
<b>Air France-KLM</b>	Air France, in partnership with Groupe ADP, is trialing health passports for a number of its destinations out of Paris Charles de Gaulle. This program began over a week ago for the airline's flights to the overseas territory destinations of Guadeloupe and Martinique. However, it is now expanding these digital health passports to its San Francisco and Los Angeles services. <sup>31</sup>
<b>Air India</b>	The last week has seen a flurry of action around Air India's privatization. The government has officially narrowed down the number of potential buyers to two major players, bringing the process towards the last phases. However, the sale has seen repeated delays in the last year, prompting concerns. <sup>32</sup>
<b>Alitalia</b>	After months of discussion, Alitalia could well start flying again as a new airline in just a few weeks. Yesterday, Italian Prime Minister Mario Draghi met with senior figures in the transport and economy departments to finalize a plan for the struggling carrier. Details are slowly emerging about what the new Alitalia could look like. <sup>33</sup>
<b>British Airways</b>	British Airways is continuing to expand the functionality of its health passport offerings. The airline's VeriFLY app is now being enabled to store the data of up to nine people, meaning that an entire family could use it on one phone. Previously, travelers needed one device per person. <sup>34</sup>
<b>China Eastern</b>	China Eastern Airlines is operating a type of flight that, in recent months, has become an increasingly common phenomenon. Namely, through its airfreight partner China Cargo Airlines, it delivered more than a million coronavirus vaccines to the Dominican Republic. <sup>35</sup>
<b>China Southern</b>	Guangzhou-based China Southern is flagging a US\$1.7 billion loss for the 2020 calendar year. Citing COVID-19 and the subsequent drop in travel demand, the airline lodged documents with the Hong Kong Stock Exchange on warning of the loss. <sup>36</sup>
<b>Emirates</b>	Emirates is joining the growing list of airlines that are offering scenic "flights to nowhere." This particular flight, however, is being put on to celebrate the UAE's vaccination program success as well as highlight Emirates' progress in vaccinating its employees. <sup>37</sup>
<b>Etihad</b>	Etihad Airways revealed that 100% of its operational pilots and cabin crew are now vaccinated against COVID-19. The airline pointed out that it had become the first airline in the world to do so by achieving this feat. The airline's medical center has also been turned into a vaccination clinic. <sup>38</sup>
<b>Lufthansa</b>	German national flag carrier Lufthansa said in a statement released on March 12 that it had doubled its number of flights to spring sun destinations over the Easter holidays after seeing a massive increase in bookings. Not surprisingly, after almost a year of lockdowns and restrictions, people in Germany are eager to get away to somewhere warm over the upcoming spring holidays. <sup>39</sup>
<b>Japan Airlines</b>	Japan Airlines (JAL) is launching flights between Tokyo Haneda (HND) and Moscow Sheremetyevo (SVO). The airline was supposed to launch these flights last March but the plans were modified amid the impact of the pandemic. <sup>40</sup>
<b>Korean Air</b>	Korean Air is operating international sightseeing flights after being granted approval by Korea's Ministry of Land, Infrastructure, and Transport. The airline commenced its 'flights to nowhere' in February with the destination being Japan. <sup>41</sup>

Airline	Key Updates
<b>Qantas</b>	Qantas confirmed its plans to fly internationally again by autumn. Both Qantas and Jetstar, the company's lower-priced carrier, plan to relaunch international travel to most of their former routes by or before October 31, 2021. <sup>42</sup>
<b>Ryanair</b>	Despite currently dealing with shockingly low passenger numbers, Ryanair remains optimistic about the future. The airline's CEO even told Simple Flying that it is carefully watching Lufthansa's recovery to see if there is room for expansion in Germany. <sup>43</sup>
<b>Qatar</b>	Qatar Airways announced its upcoming summer schedule today and it looks nothing like the one from 2020. The Gulf-carrier, which never stopped flying during the pandemic, will be back with 1,200 weekly flights to over 140 destinations by the peak of IATA's summer season. <sup>44</sup>



## ACCOMMODATION & EVENTS

### KEY TAKEAWAY

Global and domestic business travel are unlikely to recover before 2024 with virtual meetings continuing to replace the majority of business travel. As over the past year, this will continue to severely impact the accommodation and events sector, contributing to more job losses in the tourism sector that will take years to rebuild.

### GLOBAL

- Global business travel is unlikely to make a full recovery before 2024, especially with the use of virtual meetings as an ongoing substitute; around 20%-25% of business travel involves meeting people from within a company's own organization and these trips are most at risk of being replaced<sup>45</sup>
- Full-service carriers such as Delta Airlines, United Airlines, American Airlines, Lufthansa, and British Airways will be most affected by the slow pick up in business travel; there will be different paces of recovery for business travel, with stronger demand in large countries where there is substantial domestic travel such as the US, Brazil, Australia, Russia and China<sup>46</sup>
- Sectors with a lot of site-specific activities such as manufacturing, real estate and construction are also likely to recover sooner and see faster growth in business travel after the pandemic, especially in countries such as China, Japan and Germany<sup>47</sup>

### CANADA

- Occupancy among Canadian commercial accommodations fell to an all-time low of 13.8% in April 2020, amid the first wave of COVID-19<sup>48</sup>
- In 2020, commercial accommodation revenue fell by estimated 61% as occupancy rate fell 50% and Average Daily Rates contracted by 25%<sup>49</sup>
- Canada is projected to reach a total business travel spend of \$23.6B by 2024, 92% of annual pre-pandemic levels<sup>50</sup>



## CRUISE

### KEY TAKEAWAY

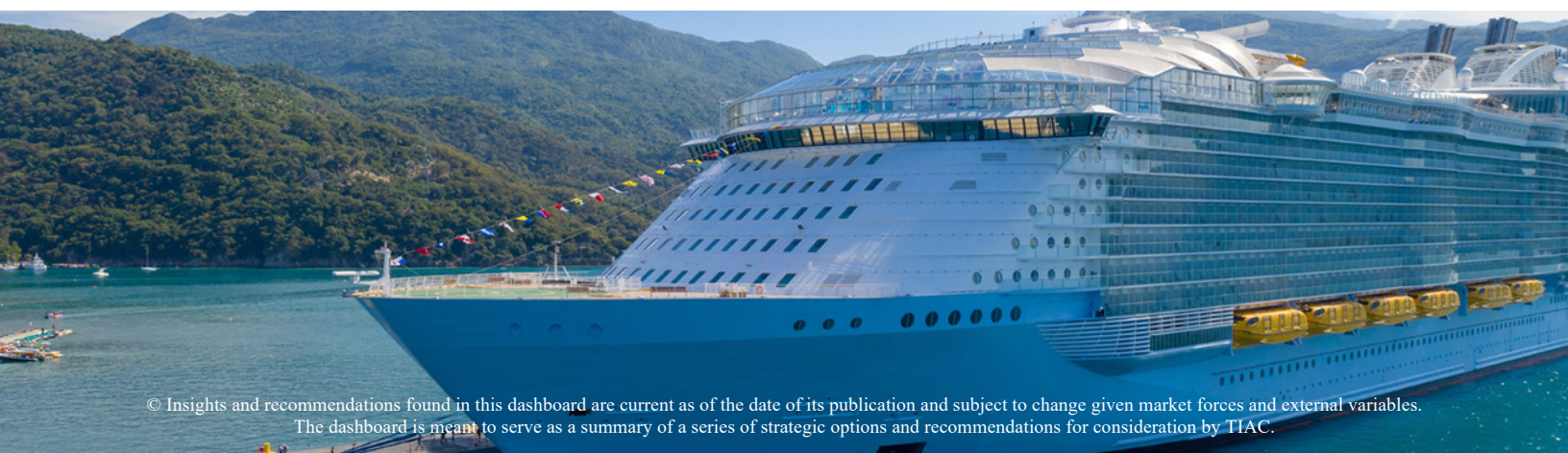
The COVID-19 pandemic and subsequent pause in commercial cruise operations has had devastating impacts on the cruise community. With strict protocols in place, and with the approval and support of local and regional authorities, cruise ships are gradually resuming operations around the world. However, even as the promise of vaccines roll out, the future of the industry remains uncertain.

### GLOBAL

- Following the global pause in cruise operations in mid-March, cruises resumed sailing in parts of Europe, Asia and the South Pacific beginning in July 2020<sup>51</sup>
- From early July through mid-December 2020, there were more than 200 sailings
- The success of these initial sailings demonstrates that the new protocols are working as designed—to mitigate the risk of COVID-19 among passengers, crew and the destinations cruise ships visit<sup>52</sup>
- The industry is on a path to resumption in the United States, Canada, Mexico, the Caribbean and elsewhere in 2021<sup>53</sup>
- According to the Cruise Lines International Association (CLIA), the leading voice of the global cruise industry, 74% of cruisers are likely to cruise in the next few years; 2 out of 3 cruisers are willing to cruise within a year; and 58% of international vacationers who have never cruised are likely to cruise in the next few years<sup>54</sup>

### CANADA

- The cruise ship industry has a significant economic impact across Canada, representing \$4.2 billion in revenues, 29,000 jobs and \$1.4 billion in wages in 2019<sup>55</sup>
- Based on 2016 data, revenues from the international cruise ship industry are centered mainly in British Columbia (69%), Quebec (16%) and Atlantic Canada (7%)<sup>56</sup>
- Canada's ban on cruise ships until 2022 means that economic repercussions will disproportionately impact these regions<sup>57</sup>



## MAJOR TOUR OPERATORS

### KEY TAKEAWAY

With COVID-19 continuing to influence travel restrictions around the world, tour operators have been forced to re-evaluate their plans for the coming months with many suspending operations and updating their travel policies to accommodate impacted clients. The majority of domestic and international operations have been postponed until the end of April at a minimum, causing deeper economic loss within the industry.

### GLOBAL

- Intrepid Travel has extended the suspension of the majority of tours until at least April 30, 2021; guests who were booked on a suspended tour due to the pandemic will automatically receive a credit of 110% of monies paid excluding additional flights or insurance<sup>58</sup>
- The Globus family of brands – Globus, Cosmos, Monograms and Avalon Waterways – have extended its suspension of operations through April 2021<sup>59</sup>
- Trafalgar, Luxury Gold and Insight Vacations are reviewing departures on a case-by-case basis<sup>60</sup>

### CANADA

- In light of ongoing travel restrictions, Rocky Mountaineer is delaying the start of its Canadian travel season until June 1, 2021; the company is also extending the inaugural season of its new route to the U.S., “Rockies to the Red Rocks,” by four weeks<sup>61</sup>
- Sunwing, along with all other major Canadian airlines and tour operators, has suspended flights to all sun destinations until April 30, 2021<sup>62</sup>

## COVID-19 RESTRICTIONS: CANADIAN PROVINCES/TERRITORIES<sup>63</sup>

- Travel between provinces and territories in Canada is still restricted at this time, as coronavirus travel advisories continue to be in place in regions across the country
- British Columbia is imposing new restrictions due to a recent spike in COVID-19 cases, including a pause on indoor dining, indoor worship services suspended, and the Whistler-Blackcomb resort will be closed; these new provincial travel restrictions are to remain in place until April 19th
- Manitoba currently requires anyone who enters from outside of the province to self-isolate for 14 days
- Anyone who enters Yukon territory must self-isolate for two weeks
- The province of Quebec is currently under a mandatory curfew with all residents required to stay home between the hours of 9:30 p.m. and 5 a.m. every day.
- Some coronavirus travel restrictions have recently been lifted throughout the province Ontario

## TRAVEL RESTRICTIONS: THE UNITED STATES<sup>64</sup>

- **31 states currently do not have travel restrictions;** Alabama, Alaska, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin and Wyoming
- **19 states currently have travel restrictions;** California, Connecticut, Hawaii, Illinois, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oregon, Rhode Island, Vermont, and Washington State. (Washington D.C. also has travel restrictions)



## TRAVEL RESTRICTIONS: TOP GLOBAL OUTBOUND MARKETS (EXCLUDING THE U.S. AND CANADA) <sup>65</sup>

The top five Canadian inbound markets are summarized in the table below.

Country	Comments
<b>China</b>	China has restricted the entry of all foreign nationals except Hong Kong, Macau, and Taiwan passport holders.
<b>United Kingdom</b>	The United Kingdom has reimposed national lockdown. Foreign nationals are subject to the 'Stay at Home' regulations. All travelers must have a medical certificate with a negative COVID-19 test result and are subject to a 10-day self-isolation upon arrival.
<b>France</b>	France has updated its screening regulations. Arrivals by air routes will need to complete a 'sworn statement' certifying they are not suffering from COVID-19 symptoms and have not been in contact with confirmed cases in the preceding two weeks. Travelers must present a medical certificate with a negative COVID-19 PCR test result issued within 72 hours prior to departure. Travelers are subject to a 7-day isolation period and take another COVID-19 PCR test at the end of this period.
<b>India</b>	India has restricted entry to most foreign travelers until at least February 28, except relief, repatriation, humanitarian flights. However, certain eligible foreign nationals are able to travel to India via Vande Bharat flights or third country flights.
<b>Mexico</b>	Mexico does not have any entry restrictions for air travel, but travelers arriving from countries affected by COVID-19 will be screened and quarantined if necessary.

## ABOUT

The 'State of Tourism in Canada during COVID-19' dashboard 2.0, compiled by Twenty31 analysts, provides a monthly snapshot of recent global, regional and domestic tourism health and economic updates, and insights on the impact of COVID-19 on the travel and tourism industry's path to recovery. Insights are derived from a review of myriad global and Canadian media sources, associations, consultancies, and expert opinion from the tourism industry and government. We analyze the current state and future potential of key drivers of tourism recovery, including the most important tourism channels – source markets, airlines, accommodations, tourism businesses, tour operators, OTAs, and travellers.

This dashboard serves two objectives. 1) First, to identify activities and messages for Canada's tourism industry, and, 2) in particular, to inform the timing of program and recovery activities and messages supporting the Canada Experiences Fund (CEF) and other programs to aid in the recovery of Canada's tourism economy.

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