Building Back Better: Measuring the resiliency of tourism in the Covid-19 aftermath

Measuring the Sustainability of Tourism: 3rd Meeting of the Expert Group
Madrid, December 14, 2022
About Destination Canada

Our Mandate

Support a vibrant Canadian tourism industry

Market Canada as a travel destination

Support cooperation between the private sector and Canadian governments at all levels

Provide data and information about Canadian tourism to the private sector and government
Checking in on the Canadian Visitor Economy:

Tourism activities on the recovery path, standing at 78% of its 2019 level at 2022 Q2.

Source: Statistics Canada, National Tourism Indicators (2022 Q2)
Navigating Through Uncharted Waters

Response
Access to timely & relevant tourism information to monitor market signals and inform response decisions

Recovery
Anticipating future trends and the next normal

Resilience
Developing a new yardstick for tourism
# Quantifying impact and market response

## Table: Easing of public health measures restrictions

<table>
<thead>
<tr>
<th>Primary Market</th>
<th>Means of transport</th>
<th>Length of stay</th>
<th>Location of trip</th>
<th>Size of group</th>
<th>Sub-sectors active in gallons (not exhaustive)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No travel</td>
<td>Hyper-local</td>
<td>Same Province</td>
<td>Inter-province</td>
<td>US Drive Markets</td>
<td>DC Markets</td>
</tr>
<tr>
<td>No travel</td>
<td>1-2 hours drive</td>
<td>1-5 hours drive</td>
<td>5-10 hours drive</td>
<td>5-20 hour drive</td>
<td>1-6 hour flight (US)</td>
</tr>
<tr>
<td>No travel</td>
<td>Day trips</td>
<td>Day trips</td>
<td>Overnights</td>
<td>Multi-day</td>
<td>5+ hour flight (other countries)</td>
</tr>
<tr>
<td>No travel</td>
<td>Within your home community</td>
<td>Within a half-day drive of your home community</td>
<td>Within Canada</td>
<td>Within Canada – enter via US land border</td>
<td></td>
</tr>
<tr>
<td>No travel</td>
<td>Close family (1-5 ppl)</td>
<td>Close family (1-5 ppl)</td>
<td>Extended family (5-10 ppl)</td>
<td>Extended family (10-50 ppl)</td>
<td>Extended family (10-50 ppl)</td>
</tr>
<tr>
<td>No travel</td>
<td>Outdoor attractions (e.g. parks, greenbelt, golf courses)</td>
<td>(previous phase, plus) Smaller leisure attractions</td>
<td>Larger restaurants</td>
<td>Anchor attractions</td>
<td>Anchor attractions</td>
</tr>
</tbody>
</table>
Timely Tourism Data

Indicators from private data sources:
- Forward air booking data
- Commercial hotel indicators
- Google search
- Mobility data

Custom surveys & data sources:
- Resident sentiment
- Traveller sentiment

Public data source:
- Leading indicators of international air & land arrivals (Statistics Canada)
Peeking in the future through air booking data

Pacing of forward air booking to Canada on returned flights from the UK, France and Germany

Timing: Bookings as of November 22, 2019 for travel in 2020 compared to November 22, 2022 for travel in 2023

Source: IATA, Global Agency Pro
Accommodation Data

Timely accommodation data is a proxy to industry vitality. During the pandemic, accommodation data helped inform decisions on fiscal and monetary policies.

Revenue per Available Room (RevPar) in Canadian Resort and Urban Locations
## Resident Sentiment

**British Columbia / Colombie-Britannique**

*I feel safe to travel / Je me sens à l’aise de voyager*

<table>
<thead>
<tr>
<th>November / Novembre</th>
<th>Trending / Tendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communities near me / ... dans des communes voisines à la mienne</td>
<td>% Somewhat / Strongly Agree / % Tout à fait d’accord / Plutôt d’accord</td>
</tr>
<tr>
<td>6%</td>
<td>34%</td>
</tr>
<tr>
<td>Communities in my province / ... dans des communes de ma province</td>
<td>3%</td>
</tr>
<tr>
<td>Other provinces or territories in Canada / ... dans d’autres provinces ou territoires du Canada</td>
<td>5%</td>
</tr>
<tr>
<td>The United States / ... aux États-Unis</td>
<td>12%</td>
</tr>
<tr>
<td>Internationally / ... dans d’autres pays</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Base:** British Columbia

To what extent do you agree or disagree with each of the following statements? *I feel safe to travel to...*

Niveau de référence : Colombie-Britannique

Dans quelle mesure êtes-vous d’accord avec chacun des énoncés suivants? *Je me sens à l’aise de voyager...*
Traveller Sentiment

Months Likely to Visit Canada / Mois où les Américains sont susceptibles de voyager au Canada

October 14-22 / 12-22 octobre

Canadian Destinations Likely to Visit / Destinations canadiennes susceptibles d’être visitées

October 14-22 / 12-22 octobre
Tourism Activity Trackers

Integrates data from several sources to create a comprehensive picture of tourism activity in Canada in reference to a base period.

Serves as a check against commercial data used over the same period to better legitimize and/or calibrate a timelier data set.

Source: Statistics Canada, Canadian Tourism Activity Tracker (Dec 5 2022) Table 24-10-0049-01
Relevant Tourism Data

Data closely align to tourism industries as defined in the **Canadian Tourism Satellite Account** is powerful to informing tourism policy development.

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**Public data source from Statistics Canada**

- **Business Register** (Semi-annual)
- **Business Openings and Closure** (monthly)
- **Business Condition Survey** (quarterly)
- **Labour Force Survey** (Monthly)
  - to monitor employment and labour pool in tourism and non-tourism sectors
- **Job vacancies** (Monthly)
Impact on tourism exceeds that of other business sectors in 2020

- **Tourism unemployment** is almost double the national rate.
- **Women, youth, new Canadians, and Indigenous workers** are the hardest hit.

### Active Businesses by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>% Change from January 2020 to November 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism industry</td>
<td></td>
</tr>
<tr>
<td>Real estate, rental and leasing</td>
<td></td>
</tr>
<tr>
<td>Administrative and support, waste management and remediation services</td>
<td></td>
</tr>
<tr>
<td>Mining, quarrying, and oil and gas extraction</td>
<td></td>
</tr>
<tr>
<td>Other services (except public administration)</td>
<td></td>
</tr>
<tr>
<td>Wholesale trade</td>
<td></td>
</tr>
<tr>
<td>Retail trade</td>
<td></td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Finance, insurance and management of companies and enterprises</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td></td>
</tr>
<tr>
<td>Forestry, fishing and hunting</td>
<td></td>
</tr>
<tr>
<td>Information and cultural industries</td>
<td></td>
</tr>
<tr>
<td>Professional, scientific and technical services</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Statistics Canada. Table 33-10-0270-01 Experimental estimates for business openings and closures for Canada, provinces and territories, census metropolitan areas, seasonally adjusted*
While the number of active businesses in the Canadian economy has recovered above to its pre-pandemic levels, tourism still lags behind in all tourism industries, except accommodation.

**Active Businesses by Tourism Industries**

2022-Aug / 2020-Jan

- Travel services (tourism)
- Bus transportation, taxi and limousine services, and vehicle rental (tourism)
- Rail, scenic and sightseeing transportation (tourism)
- Air transportation (tourism)
- Water transportation (tourism)
- Recreation and entertainment (tourism)
- Food and beverage services (tourism)
- Accommodation (tourism)

**Tourism industry**

-20,0%
-15,2%
-8,9%
-3,9%
-2,6%
-2,4%

**Business sector industries**

-1,7%
-1,2%
0,1%

2,1%

Source: Statistics Canada, Experimental estimates for business openings and closures for Canada provinces, and territories, census metropolitan areas, seasonally adjusted (Nov. 28, 2022) Table 33-10-0270-01
Canadians found different ways to travel

People have demonstrated a robust resilience toward travel, adapting their travels to the situation

<table>
<thead>
<tr>
<th>Tourism Activities in Canada in 2021 compared to 2019</th>
<th>(From seasonally adjusted 2012 CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRANSPORTATION</td>
<td></td>
</tr>
<tr>
<td>Passenger air transport</td>
<td>-61%</td>
</tr>
<tr>
<td>Passenger rail transport</td>
<td>-77%</td>
</tr>
<tr>
<td>Interurban bus transport</td>
<td>-63%</td>
</tr>
<tr>
<td>Vehicle rental</td>
<td>-72%</td>
</tr>
<tr>
<td>Vehicle repairs and parts</td>
<td>-62%</td>
</tr>
<tr>
<td>Vehicle fuel</td>
<td>-32%</td>
</tr>
<tr>
<td>Other transportation</td>
<td>-34%</td>
</tr>
<tr>
<td>ACCOMMODATION</td>
<td></td>
</tr>
<tr>
<td>FOOD and BEVERAGE SERVICES</td>
<td></td>
</tr>
<tr>
<td>RECREATION AND ENTERTAINMENT</td>
<td></td>
</tr>
<tr>
<td>Travel services</td>
<td></td>
</tr>
<tr>
<td>OTHER TOURISM COMMODITIES</td>
<td></td>
</tr>
<tr>
<td>Recreation and entertainment</td>
<td>-32%</td>
</tr>
<tr>
<td>Travel services</td>
<td>-36%</td>
</tr>
<tr>
<td>Travel services</td>
<td>-34%</td>
</tr>
<tr>
<td>Pre-trip expenditures</td>
<td>-42%</td>
</tr>
<tr>
<td>Convention fees</td>
<td>-32%</td>
</tr>
<tr>
<td>TOTAL TOURISM COMMODITIES</td>
<td>-34%</td>
</tr>
<tr>
<td>Travel services</td>
<td>-41%</td>
</tr>
<tr>
<td>Travel services</td>
<td></td>
</tr>
</tbody>
</table>

Source: Statistics Canada, National Tourism Indicators (2022 Q2)
Key Challenge
Charting a Recovery Path

**WHY**
Major crisis always trigger significant socio-economic changes. Understanding these changes are necessary to build back the industry.

**HOW**
Environmental scan:
- Social
- Technological
- Economic
- Environmental
- Political

Framework

Key Trends Shaping Tourism’s Future

The Big Shift: Key Market Trends

Covid Uncertainty
Economic Change
Social Change
Climate Change
Accelerated Digitization

Key Industry Trends
- Lack of Access & Reduced Transport Connectivity
- Labour & Skills Shortage
- Higher Costs
- Reduced Business Travel
- Product Degradation
- Reduced Access to Capital and Limited Liquidity
- Shift in Capacity and Role of DMOs

Key Market Trends
- Frictionless Travel
- Domestic Travel
- Responsible Travel
- Ascendance of Communities
- Indigenous Connection
- Wild for Wilderness
- Health & Wellbeing
- Affluent Travel Boom
- Great Resignation & Retirement
- Remote Work and Residential Tourism
Key Challenge
Setting the stage for resiliency

WHY
Destination Canada must stabilize and drive recovery, while orienting the sector to a resilient future.

HOW
Set the conditions for
» tourism to generate wealth and well-being for all of Canada and to enrich the lives of our guests;
» Canada to be home to world-class constellations of thriving destinations
To realize our aspiration means being intentional across 6 outcome areas

- 5 are community & sector focused
- 1 is guest focused
- Indigenous included in each outcome
Canadian Tourism Data Collective / Consortium de données touristiques canadiennes

FOUNDING PARTNERS

Statistics Canada
Statistique Canada

DESTINATION CANADA

Innovation, Science and Economic Development Canada
Thank you! 
Merci !