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Tourism facing mass failure without lifeline

680 words

By Catherine Holt, CEO Greater Victoria Chamber of Commerce, and Paul Nurse, CEO Destination Greater Victoria

This is Tourism Week across the country. Normally a time of vibrancy and celebrations, the tourism sector is instead fighting to survive a season at risk of being lost entirely due to COVID-19. The Conference Board of Canada's May 2020 report suggests Greater Victoria's large and stable public sector will "partially insulate the region from COVID-19's economic damage." We are all grateful for this. But when we look at the economic data pertaining to the regional economy in its entirety, the public sector data masks the severity of the impacts on the private sector. And at the heart of those impacted most severely is tourism and the many small businesses that rely on the wellbeing of this sector.

Compared to other areas of Canada, there is disproportionately high representation of tourism businesses in the Capital Region's economy where two in five working people are employed either directly in the sector or in businesses dependent upon tourist spending. National and international travel are lifelines for these businesses. With borders and our waters closed to critical sources of travellers, airlines reducing flights and government directing people to stay local, tourism businesses are staring at a total collapse of their sector.

The notion that tourism in the Capital Region will struggle but survive on local and regional travel is erroneous and not supported by data. It is also dangerous because it may inadvertently influence federal and provincial decision making. In recent years, domestic travellers from B.C. contributed less than one-third of Greater Victoria's annual tourism revenue. We typically have 2.4 million visits by B.C. residents annually and that would need to grow to six million visits to offset lost revenue — completely unrealistic. While we will try and make the best of what we have to work with, the hard truth is that without significant and timely financial support, even with a green light of confidence to encourage local, provincial and potentially national visitors, the majority of our businesses won't survive 2020, let alone until spring 2021 when prospects for travel hopefully improve.

The provincial government's Restart Plan earmarks easing restrictions on travel towards the end of July 2020. This timing understandably depends on the continued containment of COVID-19. However, it is impossible for tourism-reliant businesses to plan or resource with any certainty. Businesses will lose virtually the entire tourism season.

Although the federal and provincial governments have consulted on what the needs are for various sectors, neither domestic travellers nor the government supports presented to date will enable tourism businesses to retain or re-employ their staff. Unless financial support is received urgently, the very limited time left for the tourism sector to recover coupled with ongoing uncertainty will result in the collapse of most businesses dependent upon visitors travelling to our communities. The federal government has created and implemented special programs to bolster oil and gas, agriculture, and other sectors, but, so far, there has not been any direct support of substance for tourism — a \$102-billion industry nationally that in our region contributes more than \$2.3-billion to the local economy.

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We are trying to make the best of a health crisis that has also become an equally severe economic crisis. We are trying to hang on this season, not profit.

On behalf of our member businesses and their employees, we are calling upon all levels of government to be more attuned and responsive to what is really happening on the ground — here in the Capital Region, around the province and across the country. We urgently need the provincial and federal governments to take immediate action to ensure that tourism businesses emerge from the pandemic whole, so they can continue to be a major contributor and help rebuild our economy here at home and across the country.

In order to survive, tourism needs support staying solvent now.

The Conference Board of Canada report forecasts 2021 will be better business-wise for everyone. GDP is expected to gradually increase, and unemployment will decrease. But in order to still be here and fully realize this anticipated growth, tourism businesses urgently need government help at this critical juncture.

Destination Greater Victoria (Greater Victoria Visitors and Convention Bureau) is our region's official, not-for-profit destination marketing organization working in partnership with nearly 1,000 businesses and municipalities in Greater Victoria.

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