

Industry Leaders Call on Federal Government to Streamline Rules and Encourage Canadian Travel; Launch Canadian Tourism Roundtable

OTTAWA, May 29, 2020 – Leaders of the Canadian tourism and travel sectors today announced the formation of the Canadian Tourism Roundtable (“Roundtable”), a coalition of industry representatives committed to restoring the Canadian tourism and travel sector in the wake of the COVID-19 pandemic. The Roundtable is calling on all levels of government to work together to streamline and clarify rules around travel in order to ensure safe, accessible and timely travel for Canadians this summer.

This sector, which supports 1.8 million workers across the country, has been devastated by the pandemic and urgent action must be taken to prevent long-lasting economic and job impacts. Through the Roundtable, leaders of Canada’s tourism and travel sector – airports, airlines, hotels, chambers of commerce, and others – have come together to restart the sector smoothly and safely and are committed to working together with all levels of government to restore the Canadian tourism industry to its potential.

“The Roundtable is looking forward to working with governments across the country to take meaningful steps to ease travel and quarantine restrictions so that they are more targeted and less universal. Failing to do so risks permanently losing millions of jobs across the country that depend upon a robust tourism sector. Other jurisdictions, like the European Union and Australia, have already unveiled action plans to save the summer travel season,” said Charlotte Bell, Chief Executive Officer of the Tourism Industry Association of Canada (TIAC).

“The aviation, hospitality, and tourism sectors were hit particularly hard by the pandemic,” said Perrin Beatty, President and Chief Executive Officer of the Canadian Chamber of Commerce. “Although a return to pre-crisis conditions may be several years off, protecting this vital sector during the critical summer season will require a carefully calibrated and targeted response from government. Restoring tourism is important for all regions of Canada,” he added.

For many Canadian businesses in the sector, re-opening the summer travel season is critical for their survival. Roundtable members recently wrote to Prime Minister Justin Trudeau requesting a meeting to discuss appropriate, more targeted and urgent measures to get the sector back to work and to encourage Canadians to safely explore our country this summer, so the season is not entirely lost for travelers or the industry.

Working with all levels of government, the Canadian Tourism Roundtable is confident it can develop and coordinate a comprehensive plan that is highly focused on public safety, to streamline the rules with the end-to-end traveler experience in mind, and to enable Canadians to connect with family and friends across the country once again, while simultaneously restoring some of Canada’s all-important summer tourism season.

About the Canadian Tourism Roundtable

The Canadian Tourism Roundtable is a cross-Canadian coalition of leaders in the tourism and travel sector – including representatives from airports, airlines, hotels, and chambers of commerce across the country – committed to working together to restart the sector smoothly and safely. Travel and Tourism is a \$102 billion sector, employing millions of Canadians across the country and accounting for 2.1% of the country’s gross domestic product. It advocates for a safe and prosperous tourism and travel sector across Canada.

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The Canadian Tourism Roundtable Fact Sheet

Canada's tourism and travel sector is a dynamic, sustainable and vastly diverse industry, comprised of innovative businesses in every region of the country. It employs millions of Canadians, half of whom are under 35. Since the onset of the COVID-19 pandemic and the introduction of government efforts to mitigate against it, the Canadian tourism and travel sector has been hit disproportionately hard.

Canada's Tourism and Travel Sector

The tourism and travel sector is an important economic driver and a vital element of Canada's economic fabric.

- Canada's travel and tourism industry is a \$102 billion sector, accounting for 2.1% of the country's GDP.¹
- One out of every 11 jobs in Canada is directly involved with travelers, and the sector employs 1.8 million workers across the country, split between the travel services, accommodation, recreation and entertainment, transportation, and food and beverage industries.²
- Prior to the pandemic, Canada welcomed more than 57,000 international overnight visitors to the country every day.³
- Since foreign currencies are used to purchase Canadian services, tourism is Canada's largest service export, and was worth \$22.1 billion in 2018.⁴

Below are key economic indicators that represent the impact of the COVID-19 pandemic on this vital Canadian industry.

Impact of the COVID-19 Pandemic on Canada's Tourism Sector⁵

- **Consumer Spending:** In a recent report prepared for Destination Canada on the impact of the pandemic on domestic Canadian travel, Tourism Economics found that traveler spending could fall anywhere from \$54.9 billion to \$34.8 billion in 2020, representing drops of 33% and 58% respectively.⁶
- **Employment:** The number of individuals employed in tourism decreased by 433,100 in April 2020, following a decrease of 448,600 in March. Since COVID-19 related shutdowns began, tourism employment has decreased by 881,700, or 43.3%.
 - From March to April, the biggest drop in employment occurred in the food & beverage services industry, dropping by 244,800, following a drop of 487,700 in March. In April, employment in food & beverage services decreased by 33.9% from March, followed by accommodations (-32.8%), travel services (-23.2%), recreation and entertainment (-20.1%), and transportation (-18.9%).
 - The **unemployment rate** in the tourism sector skyrocketed to 28.2% in April, up from 15.8% in March and 5.7% in February. The unemployment rate is highest in the accommodations industry, followed by food and beverage services (34.3%), recreation and entertainment (28.0%), travel services (22.3%) and transportation (14.8%).
 - The reduction in employment and increase in unemployment rates does not fully capture the slowdown occurring in tourism. This was particularly noticeable in March, when many tourism employees continued to work but with **reduced hours**. For example, from

¹ National Travel Indicators, Statistics Canada (2018 Q4)

² Tourism Industry Association of Canada, *Travel & Tourism: The Economic Importance of Travel in Canada*, 2018

³ Destination Canada, *Unlocking the Potential of Canada's Visitor Economy*, December 2018

⁴ Statistics Canada, National Tourism Indicators 2018 Q2 Table 36-10-0230-01 (formerly CANSIM 387-0001)

⁵ All statistics below are adapted from Statistics Canada's Labour Force Survey by Tourism HR Canada. The monthly LFS sample size is approximately 56,000 households, covering 100,000 individuals.

⁶ Tourism Economics. *COVID-19's Impact on Canadian Tourism: Domestic Travel*. Prepared for Destination Canada. March 23, 2020.

February to March, employment in accommodation and food services dropped 23.7%, but hours worked decreased 44.4%.

- While employment is dropping across all age groups, it is dropping particularly quickly for young people. Employment across all sectors for those aged 15 to 24 dropped 21.9% from March to April. This is particularly concerning as young people traditionally comprise a large part of the increased hiring that usually occurs in the tourism sector leading into the summer months.

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Canadian Tourism Roundtable Members

Tourism Industry Association of Canada (TIAC): TIAC serves as the national private-sector advocate for the tourism industry. Based in Ottawa, it takes action on behalf of Canadian tourism businesses and promotes positive measures that help the industry grow and prosper. TIAC's membership reflects partnerships among all sectors of the industry, and provincial, territorial and regional tourism associations, enabling the association to address the full range of issues facing Canadian tourism.

National Airlines Council of Canada (NACC): NACC is an association for all carriers facing similar regulatory and policy issues in Canada. It advocates for safe, environmentally responsible and competitive air travel by promoting the development of sound public policy and engaging with government and industry stakeholders.

Canadian Airports Council (CAC): The Canadian Airports Council, a division of Airports Council International – North America (ACI-NA), is the voice of Canada's airports. It works to ensure that Canada's airports have the regulatory and operational tools they need by advocating for policies that strengthen the ability of Canada's airports to serve their travelers and communities.

Hotel Association of Canada (HAC): The Hotel Association of Canada is the leading voice of the Canadian Hotel & Lodging industry, bringing legislative solutions to industry challenges. It delivers targeted advocacy for fair rules for the sharing economy, to address Canada's hotel labour shortage, and for sustainability solutions for the hotel industry across Canada.

Association of Canadian Travel Agencies (ACTA): ACTA is the Association of Canadian Travel Agencies, a national member-based trade association that represents the retail travel sector of Canada's tourism industry. Over 24,000 Travel Agents across the country work in its member agencies representing more than 80% of the travel business booked through a Travel Agency in Canada.

Meetings Mean Business Canada (MMB): Meetings Mean Business is an industry-wide coalition to showcase the undeniable value that business meetings, trade shows, incentive travel, exhibitions, conferences and conventions bring to people, businesses and communities. By rallying industry advocates, working with stakeholders, conducting original research, engaging with outside voices and more, the coalition brings the industry together to emphasize its importance.

Canadian Chamber of Commerce: The Canadian Chamber of Commerce has connected businesses of all sizes, from all sectors and from all regions of the country to advocate for public policies that will foster a strong, competitive economic environment that benefits businesses, communities and families across Canada. With a network of over 450 chambers of commerce and boards of trade, representing 200,000 businesses of all sizes in all sectors of the economy and in all regions, they are the largest business association in Canada, and the country's most influential. They are the primary and vital connection between business and the federal government.

Toronto Region Board of Trade (BOT): The Toronto Region Board of Trade is one of the largest and most influential chambers of commerce in North America. Its constant flow of ideas, people and introductions to city-builders and government officials firmly roots them as connectors for — and with — the business community. They act as catalysts for the region's growth agenda, at home and on a global scale with their World Trade Centre Toronto franchise. Backed by more than 13,500 members, they advocate on your behalf for policy change that drives the growth and competitiveness of the Toronto region.

Chamber of Commerce of Metropolitan Montreal (CCMM): The mission of the Chamber of Commerce of Metropolitan Montreal (formerly known as Board of Trade of Metropolitan Montreal) is to act as the voice of Montréal's business community and to promote the prosperity of the city and its businesses. The Chamber is involved in key areas of economic development, advocating a philosophy of action based on engagement, credibility, pro-activity, collaboration, and innovation.

Greater Vancouver Board of Trade: The Greater Vancouver Board of Trade has been recognized as Western Canada's leading business association, engaging Members to impact public policy at all levels of government and to succeed and prosper in the global economy. With a Membership whose employees comprise one-third of B.C.'s workforce, they are the largest business association between Victoria and Toronto. They leverage this collective strength, facilitating networking opportunities, and providing professional development through four unique signature programs. In addition, they operate one of the largest events programs in the country.

Tourisme Montréal (MTL): Tourisme Montreal is an organization of 85 professionals who work together to position the city as a leading international-calibre destination for the leisure tourism and business travel markets. It comprises 900 members, partners and tourism industry stakeholders who aim to maximize the economic benefits of tourism in Montréal and across all of Québec.

Tourism Toronto (TCVA): Tourism Toronto is the official destination marketing organization for Toronto's tourism industry. It focuses on promoting and selling the greater Toronto region as a remarkable destination for tourists, convention delegates and business travelers. Officially operating as a not-for-profit agency, Tourism Toronto has over 1,100 members and is a partnership of public and private sectors.

Business Council of Canada: Founded in 1976, the Business Council of Canada is a not-for-profit, non-partisan organization representing business leaders in every region and sector of the country. The Council's member companies employ 1.7 million Canadians, contribute the largest share of federal corporate taxes, and are responsible for most of Canada's exports, corporate philanthropy, and private-sector investments in research and development.

International Air Transport Association (IATA): The International Air Transport Association is a trade association for the world's airlines, representing some 290 airlines or 82% of total air traffic. It supports many areas of aviation activity and helps formulate policy on critical aviation issues.