



ENSURING CANADA'S TOURISM ECONOMY'S SURVIVAL

Vince Accardi, Vice-President, Stakeholder
Relations and Business Development
Tourism Industry Association of Canada

A photograph taken from inside a vehicle, looking out through the open rear hatch. In the foreground, a person's feet are visible, wearing patterned socks and dark sneakers, resting on a colorful, patterned blanket. The vehicle's interior is dark, and the hatch is open, revealing a scenic view of a calm lake, distant mountains, and a cloudy sky. The text is overlaid in the center of the image.

**The Tourism Industry
Association of Canada (TIAC) is
the national voice of the tourism
industry in Canada.**

A photograph of a white lighthouse with a red lantern room, situated on a rocky island. The scene is set during sunset or sunrise, with a soft orange glow on the horizon. Several people are visible walking on the rocks around the lighthouse. The text is overlaid on the left side of the image.

TIAC has been working with an Industry Recovery Committee to inform its recommendations since May 2020.

This committee of tourism leaders encompasses representatives from all sectors of the tourism economy.

THE TOURISM ECONOMY IN CANADA...

Prior to COVID-19, tourism was one of the fastest growing industries in the world.



TRAVEL IS A \$105 BILLION SECTOR

- Accounts for **2% of Canada's GDP**
- **Largest service export** in Canada – \$23.1 Billion

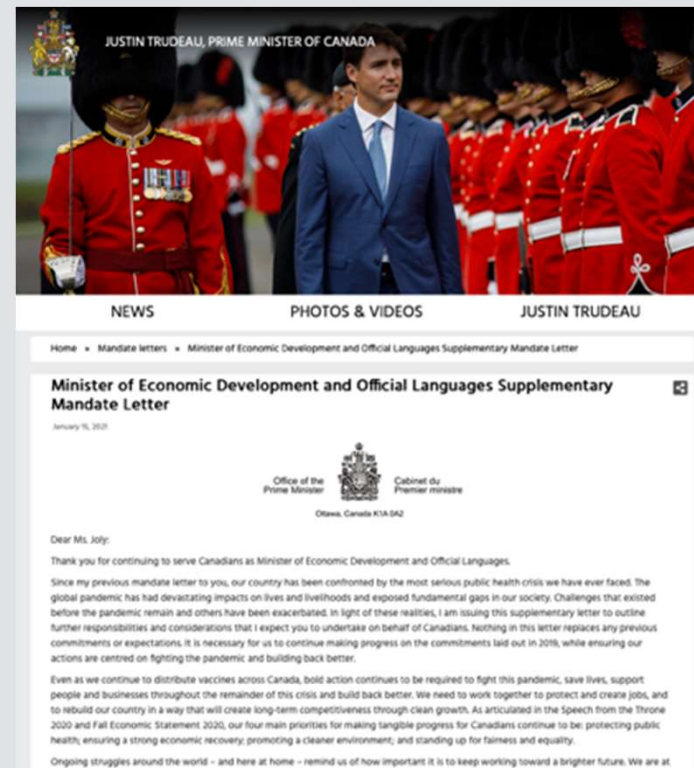
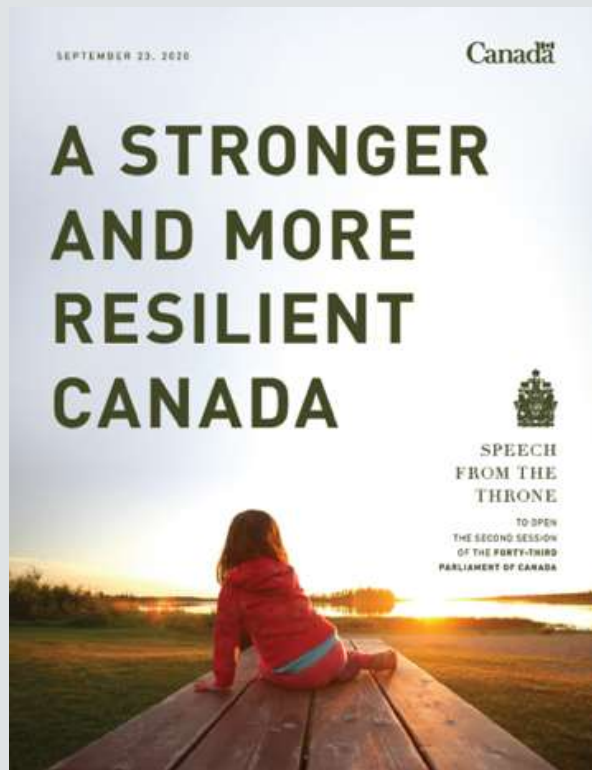


1.9 MILLION WORKERS

- **1 out of every 11 jobs** in Canada is directly involved with travellers



Tourism was the **first hit, hardest hit, and will be the last to recover.**



We have seen the acknowledgement and commitment.
Now is the time to plan and invest.

TOURISM RECOVERY PLAN

This plan was created to ensure Canada's Tourism Economy Survival, and Global Competitiveness as we plan for a time when it is safe to travel again.

Our recommendations are outlined under the following three themes:

- Supporting Business Solvency
- Championing Safety
- Keeping Canada Globally Competitive

Recommendations are based on the following three phases.





OUR RECOMMENDATIONS AND ASKS

Must be included in the next federal budget announcement in order to fully support the recovery of the tourism economy.

With government support, we CAN plan for the survival of the industry.

A man and a woman are working together at a desk. The man, on the left, has curly hair and is looking down at a tablet. The woman, on the right, has long hair and is looking at the tablet. They are both wearing aprons. On the desk, there is a tablet, a calculator, a pen, and some papers. The background is a blurred office or workshop setting.

SUPPORTING BUSINESS SOLVENCY

Businesses have lost revenue and cashflow, but fixed expenses continue.

It is recommended that extensions of existing business support programs go directly to those that need it the most and support the hardest hit businesses into recovery.

SUPPORTING BUSINESS SOLVENCY

Highly Affected Sectors Credit Availability Program (HASCAP)

- Program details announced January 26, 2021.
- Imperative that the program was available by February 2021, and available on a per property basis for those with multiple properties (ie. hotels).
- Collecting industry responses on experience with program.



Program details announced January 26, 2021

- » Financial institutions accepting applications as of February 1, 2021
- » 100% government backed loans
- » Up to \$1M per business and up to \$6.25M for affiliated businesses

SUPPORTING BUSINESS SOLVENCY

Regional Relief and Recovery Fund (RRRF) – Tourism Envelope

- RRRF Funding must prioritize supporting tourism stakeholders that are unable to get relief from other business support programs.
- Program must be available on a per property basis and must provide support to owners of multiple businesses.
- The RRRF must be made available to not-for-profit tourism associations with contractual relationships but no staff and support Destination Marketing Organizations.

“The Fall Economic Statement committed \$500 million in program support through to June 2021, specifically for tourism businesses.

In a recent survey, 41% were unaware of the COVID related financing through RRRF, and of those who did apply, only 14% were successful.”

SUPPORTING BUSINESS SOLVENCY

Canada Emergency Wage Subsidy (CEWS)

- Increase subsidy to 85% for hardest hit businesses until the end of summer 2021.
- Ensure the program works for seasonal businesses, associations and other tourism businesses that show no revenues in specific periods due to business cycles but have year-round employees.
- Base year to date revenue comparisons off 2019 or rolling reduction for 12 months.
- Modify program criteria to include 100% of costs to carry furloughed employees.



SUPPORTING BUSINESS SOLVENCY

Canada Emergency Rent Subsidy (CERS)

- Enable access to the 90% top up for businesses that are impacted by limitations on mass gatherings and travel restrictions and include businesses that have provided essential services but have not closed.

“In a recent survey of 2,000+ tourism businesses, 66% indicated that without access to government supported financing, they will be unable to stay in business.”

SUPPORTING BUSINESS SOLVENCY

Air Sector Support

- Provide immediate liquidity for the aviation sector by supporting carriers, airports and by providing sufficient funding to government service providers such as NavCan and Canadian Air Transport Security Authority (CATSA).
- Establish incentives for airlines to maintain service to remote communities.
- Eliminate airport ground lease rent.

“Canada is an outlier when it comes to direct financial aid to the air sector and is losing market share to global carriers.”

A man with a beard and a grey face mask is looking out a window. He is wearing a brown jacket over a light blue shirt. The background is blurred, showing what appears to be an airport or travel setting with other people and structures.

CHAMPIONING SAFETY

Canada's tourism economy recovery will be dependent on safe re-opening of Canada's borders, investments in rapid testing and measures to control importation of the virus.

Tourism businesses and the Canadians they employ need to understand what conditions are required before provincial/territorial and international borders can reopen in order to properly plan for their future.

CHAMPIONING SAFETY

Recommendations

- Provide government financial support for rapid testing and contact tracing programs to keep Canadians safe and to reinstate travel.
- Use current international and industry data and available science to inform the reduction or elimination of quarantine measures.
- Provide tourism businesses with tax credits to help defray costs associated with safety protocols.
- Provide federal guidance on a policy roadmap to safely reopen provincial/territorial and international borders by managing the risk of contagion with testing as a replacement for quarantine measures.



A scenic landscape featuring a Rocky Mountaineer train traveling along a track. The train consists of two blue and yellow locomotives and several passenger cars. The background is dominated by a range of rugged, rocky mountains under a clear blue sky. A dense forest of evergreen trees covers the lower slopes of the mountains. In the foreground, a body of water is visible, reflecting the surrounding scenery. A vertical yellow line is positioned to the left of the text on the right.

KEEPING CANADA GLOBALLY COMPETITIVE

People will travel again.

**Let's make sure our tourism
economy is ready for it by planning
for our global competitiveness to
recover when the time comes.**

KEEPING CANADA GLOBALLY COMPETITIVE

Recommendations

- **When the time is right**, provide a tax incentive to Canadians for the 2021/2022 tax years to travel locally or within Canada.
- **Re-introduce the federally funded Marquee Tourism Events Program (MTEP)** to support key festivals and events across Canada.
- Provide **at least \$225 million top up funding to Destination Canada** over three years.



KEEPING CANADA GLOBALLY COMPETITIVE

Recommendations

- Develop a **Business Events and Urban Recovery funding program** to help support urban DMOs replace businesses meetings and events losses.
- **Reinstate the visitor GST program** for international visitors.



KEEPING CANADA GLOBALLY COMPETITIVE

Recommendations

- **Provide targeted funding for labour market research and skill and capacity building programs** that prioritize jobs in the **Tourism Economy**.
- **Extend work visas** for a full year and waive fees until 2022, and ensure immigration programs meet future tourism labour demands.



THANK YOU

Chaired by TIAC's Board Chair, Dave McKenna and the President of the Banff Jasper Collection by Pursuit.

Industry Members include:

Vince Accardi, Acting CEO and Vice-President, Stakeholder Relations and Business Development, Tourism Industry Association of Canada

Steve Sammut, President and CEO, Rocky Mountaineer

Cathy Duke, CEO, Destination St. John's

Andrew Lind, Chief Operating Officer, Muskoka Language International

Don Cleary, President of Marriott Hotels of Canada

Nancy Stibbard, Owner and CEO, Capilano Group

Paul Nursey, President and CEO, Destination Greater Victoria

Cathy Pugh, General Manager, Fredericton Convention Centre

Ian Clarke, Chief Financial Officer, Greater Toronto Airports Authority

Teresa Ryder, Director of Business Development, Indigenous Tourism Association of Canada

David Mounter President and CEO, Jonview Canada

Mike McNaney, President and CEO, National Airlines Council of Canada

Jean-Michel Ryan, President, Mount Sutton, Quebec

Barry Smith, Executive Director, Convention Centres of Canada

Christina Franc, Executive Director of Canadian Association of Fairs and Exhibitions

Martin Roy, Executive Director, Festivals and Major Events Canada (FAME)

Kurt Huck, President, Passenger & Commercial Vessel Association



TOURISM COUNTS

CANADA CANNOT AFFORD TO LOSE
THE TOURISM INDUSTRY.

With tourism responsible for 1 in every 11 jobs in Canada, and over 2% of its GDP, we need to ensure that the tourism and travel sector is here to stay long after the COVID-19 pandemic ends.

[Learn more](#)

#TourismCounts

Summary of Recommendations

RESPONSE – Government support for business solvency is vital and ongoing
RECOVERY – Government investments are required to encourage Canadians to explore Canada and to keep Canada competitive on the global stage
RESILIENCE – Government investments and commitments support tourism growth, sustainability and resilience

Themes	Areas of Focus	Recommendations
Supporting Business Solvency	HASCAP	Financial institutions must be ready to receive HASCAP applications by February 2021
		HASCAP must be available on a per property basis
	RRRF	RRRF funding must prioritize supporting tourism stakeholders
		RRRF program must be available on a per property basis
	CERS	RRRF must be made available to not-for-profit tourism associations with contractual relationships but no staff and support Destination Marketing Organization
		Enable access to the 90% top up for businesses that are impacted by limitations on mass gatherings and travel restrictions, and include businesses that have provided essential services but have not closed due to the eligibility criteria
	CEWS	Increase CEWS subsidy to 85% for hardest hit businesses until the end of summer 2021
Championing Safety	Aviation Support	Ensure CEWS works for seasonal businesses, associations and other tourism business-es that show no revenues in specific period due to business cycles
		Base CEWS year-to-date revenue comparison on 2019 or a rolling reduction for 12 months
	Safety and Testing	Modify CEWS criteria to include 100% of the costs to carry furloughed employees
		Provide immediate liquidity for the aviation sector by supporting carriers, airports and by providing sufficient funding to government service providers such as NavCan and Canadian Air Transport Security Authority (CATSA).
Keeping Canada Globally Competitive	Borders	Establish incentives for airlines to maintain service to remote communities.
		Eliminate airport ground lease rent.
	Unlocking Potential	Provide tourism businesses with tax credits to help defray costs associated with safety protocols
		Provide government financial support for rapid testing
	Labour	Provide federal guidance on a policy roadmap to safely re-open provincial/territorial and international borders
		Use current international and industry data and available science to inform the re-duction or elimination of quarantine measures.
	Unlocking Potential	Provide a tax incentive to Canadians for the 2021/2022 tax years to travel locally or within Canada.
		Re-introduce the federally funded Marquee Tourism Events Program (MTEP)
Keeping Canada Globally Competitive	Labour	Develop a Business Events and Urban Recovery funding program
		Provide top up funding to Destination Canada
	Unlocking Potential	Reinstate a visitor GST rebate program for international visitors
		Provide funding for labour market research and skill and capacity building programs
Keeping Canada Globally Competitive	Labour	Extend work visas for a full year and waive fees until 2022 and ensure immigration programs meet future tourism labour demands



QUESTIONS & FEEDBACK?

www.TIAC-AITC.ca



Alana Baker

SENIOR DIRECTOR, POLICY & PUBLIC AFFAIRS

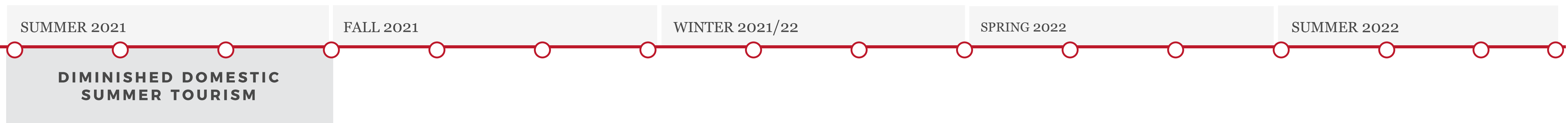


2021 OUTLOOK

4 Factors Affecting Recovery



VACCINATION TIMELINE



2021 OUTLOOK

4 Factors Affecting Recovery



2021 OUTLOOK

4 Factors Affecting Recovery



VACCINATION TIMELINE

SLOW BUSINESS TRAVEL

SUMMER 2021

FALL 2021

WINTER 2021/22

SPRING 2022

SUMMER 2022

DIMINISHED DOMESTIC
SUMMER TOURISM

NO CONVENTION & MEETINGS BUSINESS

2021 OUTLOOK

4 Factors Affecting Recovery



2021 OUTLOOK

4 Factors Affecting Recovery



WE UNDERSTAND THAT PUBLIC
HEALTH RESTRICTIONS ARE
NECESSARY AND WILL LIKELY
CONTINUE INTO THE FALL.

WE HAVE EXPERIENCED A

12-Month

SHUT DOWN



A DIFFICULT

14-Months

AHEAD

= 26-Month SHORTFALL



**RISK OF HOTELS CLOSING
PERMANENTLY IN MASS SCALE.**

**CAUSE A BREAKDOWN OF ANCHOR
BUSINESSES IN THE TOURISM &
TRAVEL SECTOR.**



1 IN 2
HOTELS

**EXPECT CONTINUED
REVENUE LOSS BETWEEN**

50% AND 90%

FOR THE REMAINDER OF 2021

*SOURCE: HAC MEMBER SURVEY 1000 RESPONDANTS
REPRESENTING OVER 5,000 PROPERTIES (MARCH 3, 2021)*

WHAT DOES THIS MEAN **FOR CANADIANS** *IN THE POST-COVID WORLD?*

TOURISM DESTINATIONS |

Hotel closures will curtail tourism activity. Communities that rely on tourism will be at risk.



BUSINESS MEETINGS & CONVENTIONS

Canada will not attract major group business without local accommodations



MAJOR FESTIVALS & CULTURAL EVENTS

Canada will lose capacity to host major festivals and cultural events



ESSENTIAL SERVICES

Without accommodations in remote and rural communities, essential services cannot be provided





EMPLOYEES

More than 2 million tourism industry jobs are at risk

Tourism represented **88% OF CANADIANS WITHOUT JOBS** in November

On average, tourism unemployment rate is **NEARLY DOUBLE** of the overall economy, and growing.

HOTEL EMPLOYMENT DECLINED BY 42.4% since February 2020, the greatest loss of employment among the industry groups.

Source: Tourism HR Canada

INVESTORS, CREDITORS, OWNERS

—

Facing another 14 months of uncertainty





NEARLY
7 IN 10
HOTELIERS

WILL BE **UNABLE TO STAY IN
BUSINESS** WITHOUT AN

**EXTENSION AND
EXPANSION OF
CEWS/CERS**

UNTIL DECEMBER 2021

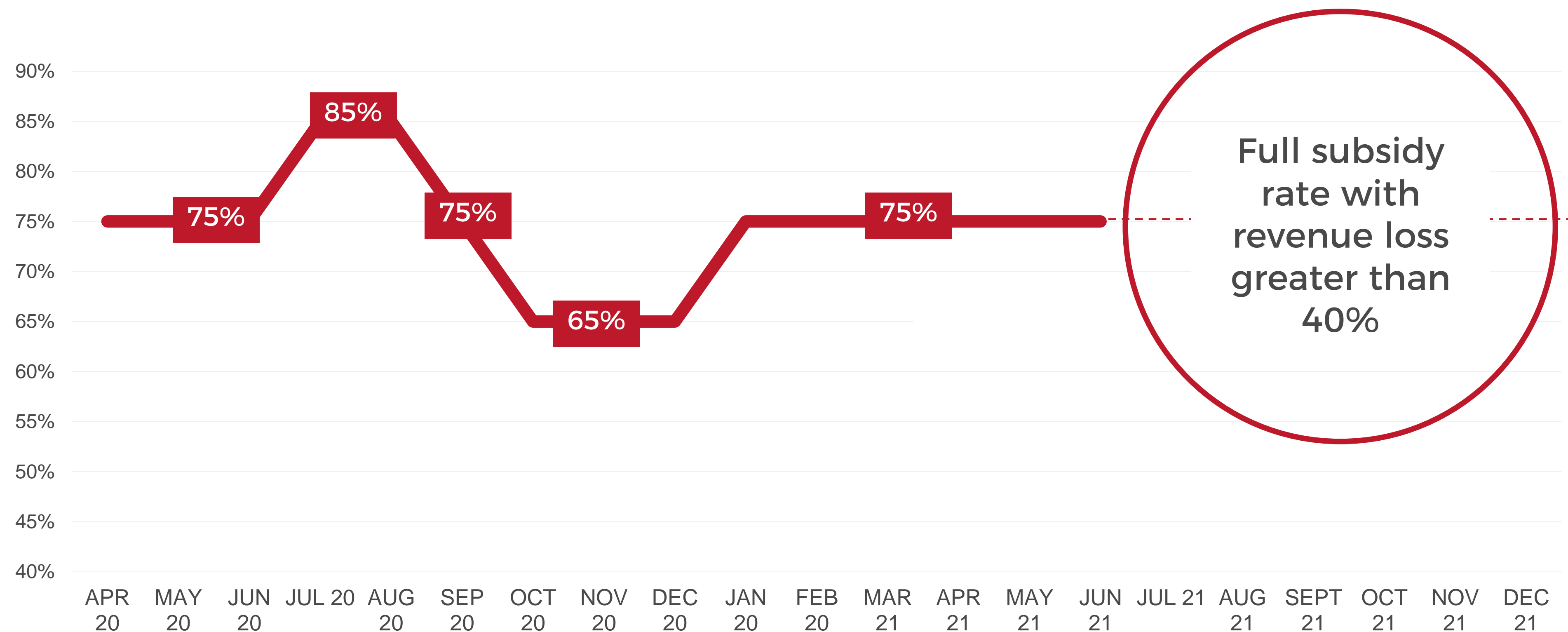
*SOURCE: HAC MEMBER SURVEY 1000 RESPONDANTS
REPRESENTING OVER 5,000 PROPERTIES (MARCH 3, 2021)*

A decorative graphic consisting of a grid of small, light gray dots arranged in a rectangular pattern on the left side of the slide.

CEWS & CERS WERE CRITICAL
FOR **SURVIVING COVID YEAR 1.**

CEWS & CERS NEED TO BE
EXTENDED & ENHANCED
FOR COVID YEAR 2.

Canada Emergency Wage Subsidy



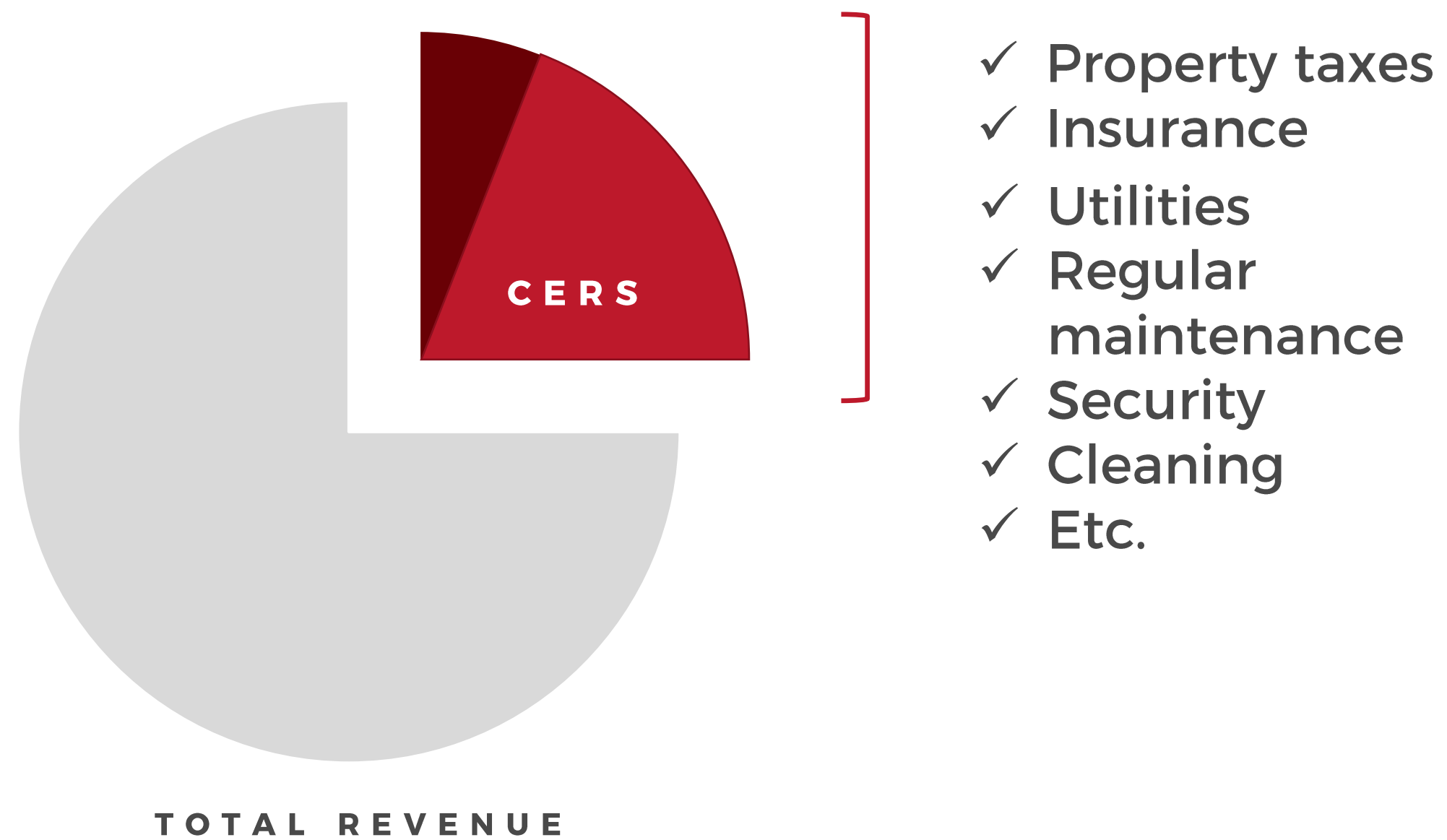
KEY TAKEAWAY

CEWS SHOULD BE EXTENDED AND
TARGETTED ONLY TO HARD HIT
BUSINESSES AFTER JUNE

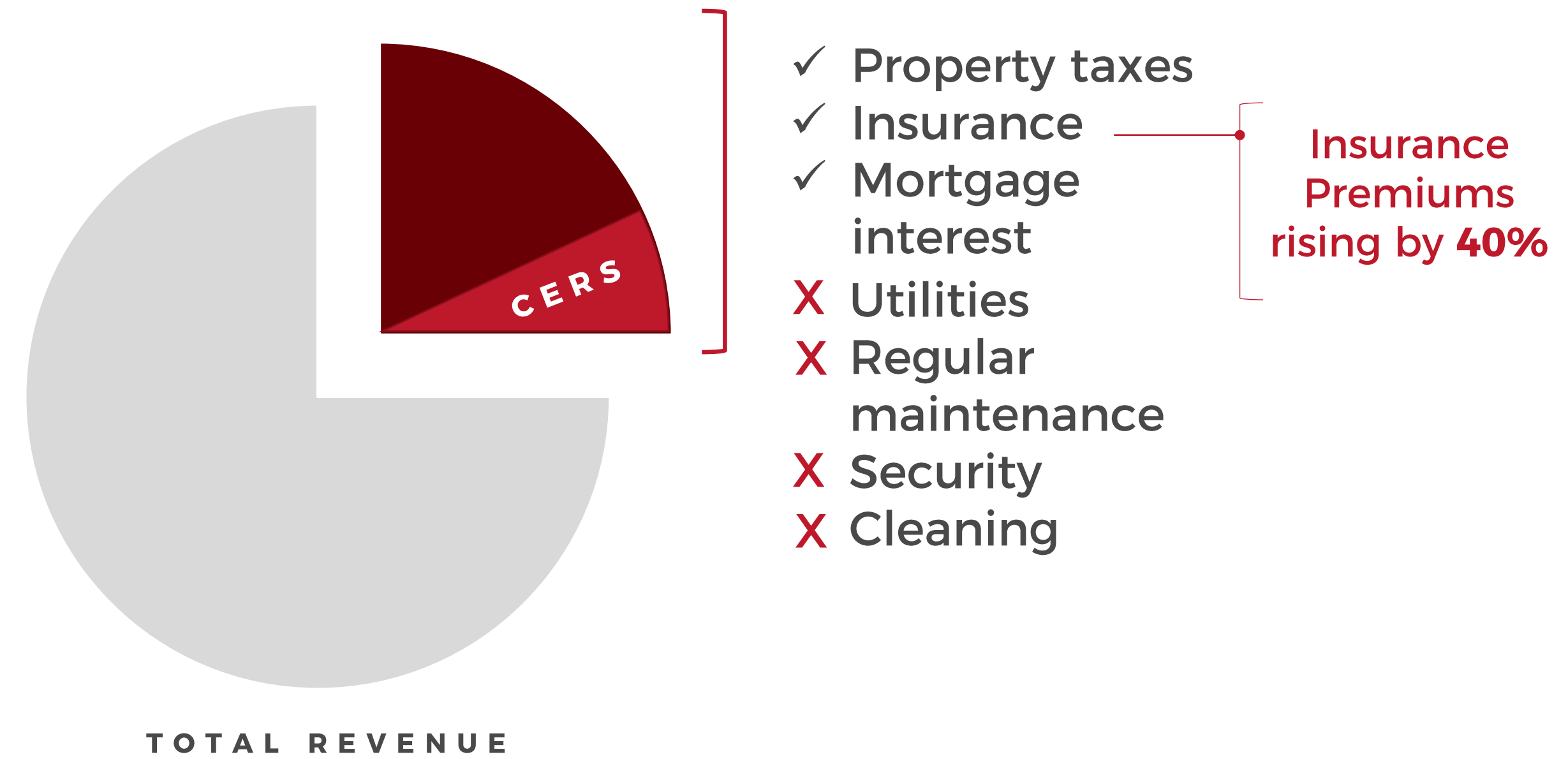
CERS Flaw #1

PROPERTY OWNERS VERSUS RENTERS ELIGIBLE COSTS

RENTERS



PROPERTY OWNERS



KEY TAKEAWAY

EXPAND QUALIFYING OVERHEAD EXPENDITURES FOR PROPERTY OWNERS

CERS Flaw #2

AFFILIATED ENTITY CAP

\$300k CAP LIMITS COVERAGE FOR **800+** PROPERTIES AND **25%** OF THE WORKFORCE

WHO ARE THEY?



CANADIAN
OWNED



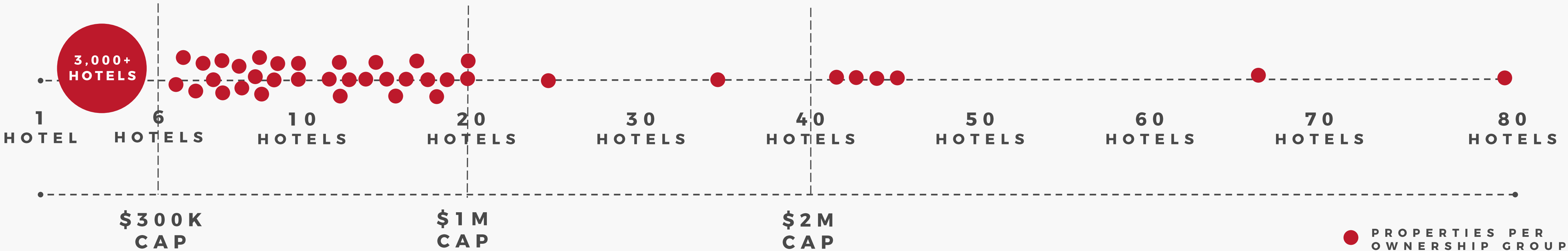
MEDIUM SIZED
BUSINESSES



CANADIAN SUCCESS
STORIES



OPERATING IN
URBAN AREAS



KEY TAKEAWAY

INCREASE AFFILIATED ENTITY CAP FROM
\$300K TO \$1 MILLION

Recommendations | SUPPORT CANADA'S HOTEL SECTOR

- 1. Protect Employment**
- 2. Enhance Fixed Cost Support for Hard-Hit, Mid-Sized Businesses**
- 3. Address HASCAP Accessibility Issues**
- 4. Provide direct incentives to promote travel to Canadians**

KEY ASK IN BUDGET 2021

**Commitment and a Plan to Support
our Survival for Next 12 Months**

Thank You

Alana Baker

Senior Director, Policy & Public Affairs



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Restaurants
Canada

The voice of foodservice | La voix des services alimentaires

State of the industry: Restaurants and Foodservice in Crisis

HR Tourism Presentation by:

OLIVIER BOURBEAU

Vice-President, Federal & Quebec



Restaurants
Canada

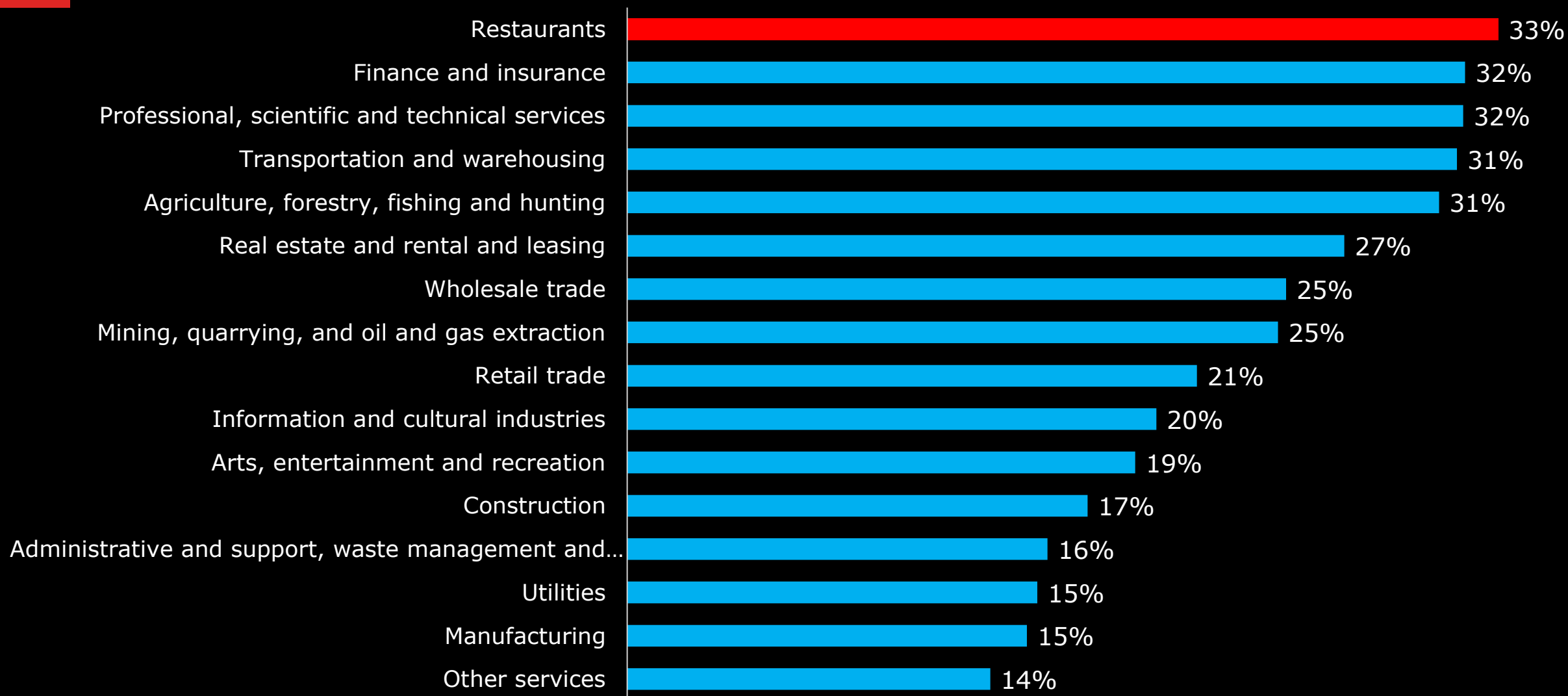
The voice of foodservice | La voix des services alimentaires

Pre-Tax Profit Margins



The average Canada restaurant has a pretax profit of just
\$33,177

Economic Growth by Industry (2010 to 2019)



Source: Statistics Canada



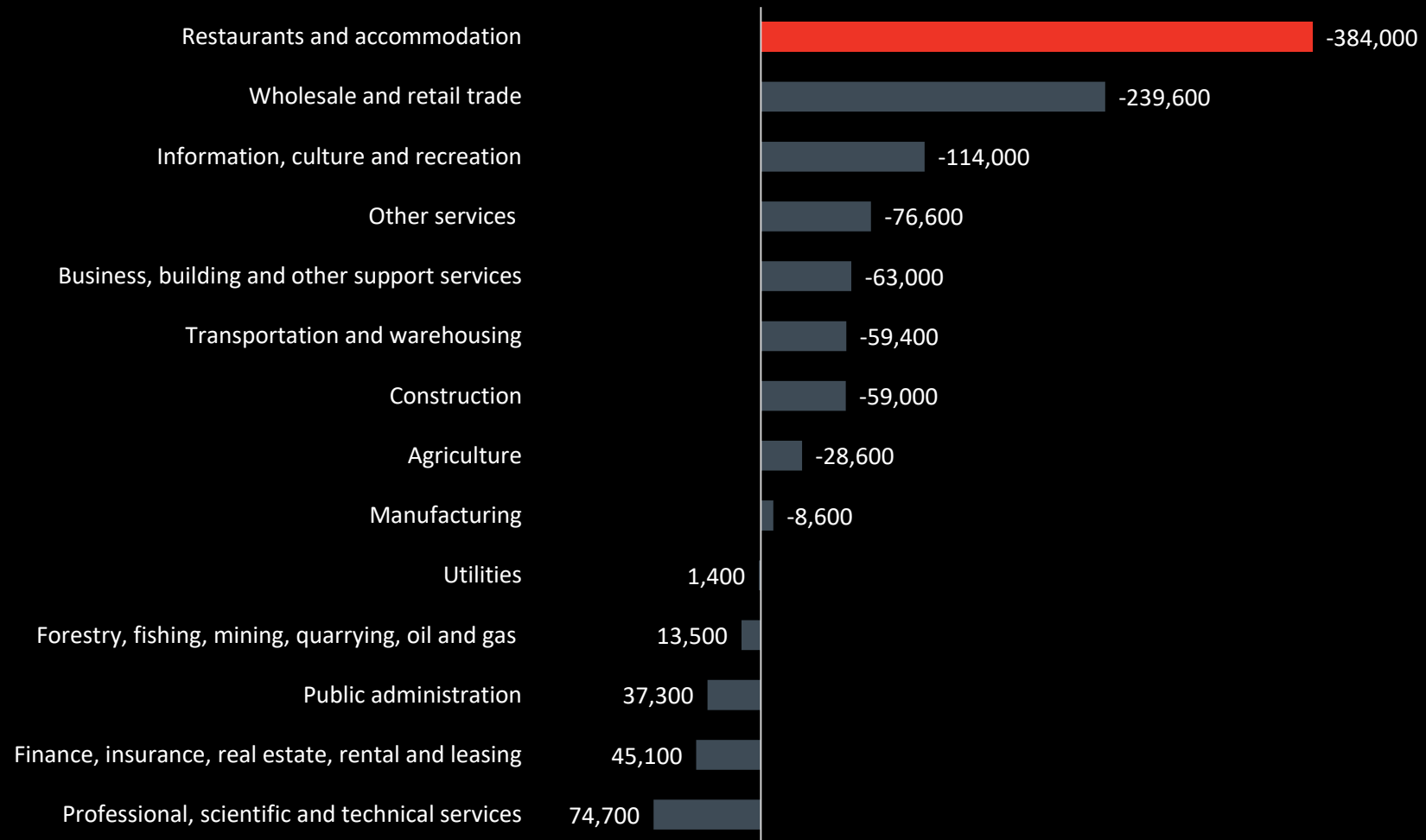
Let's talk about HR...

Foodservice and Accommodation Employees in Canada (seasonally adjusted)



Job Loss Gap in Canada

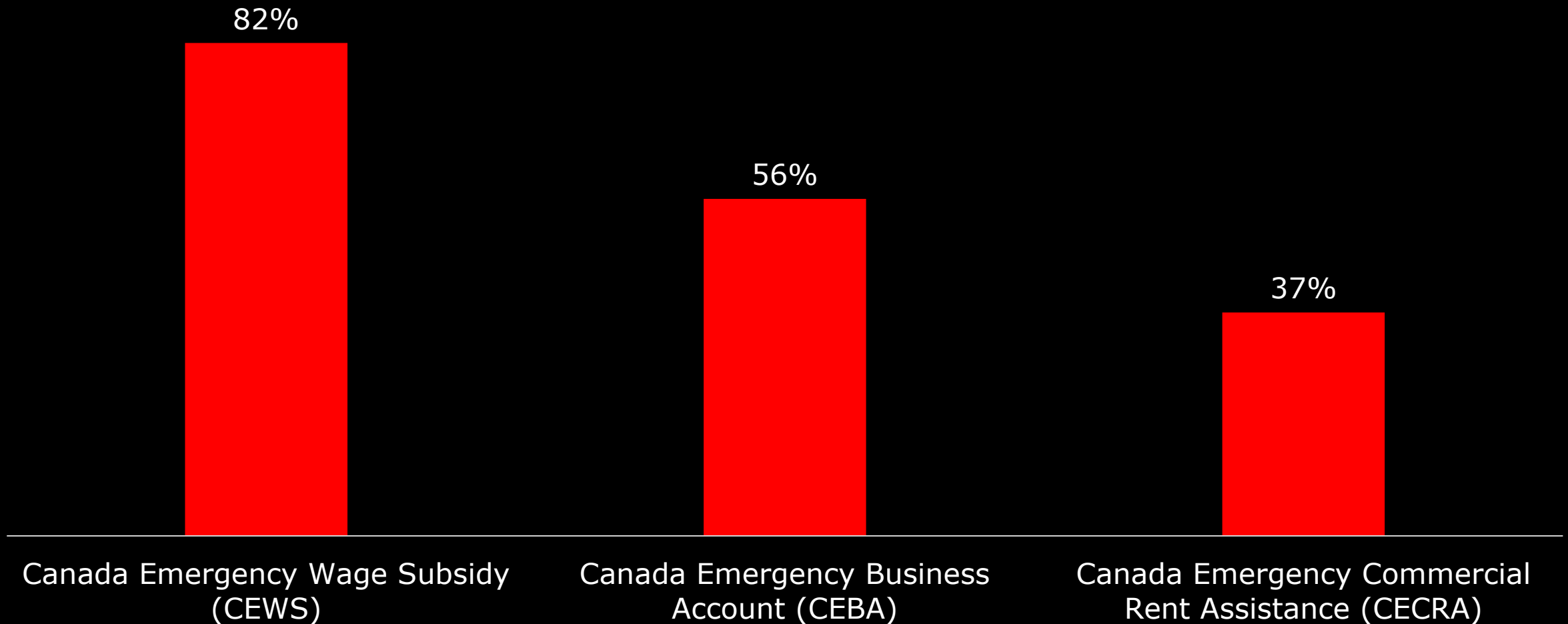
January 2021 employment compared to February 2020



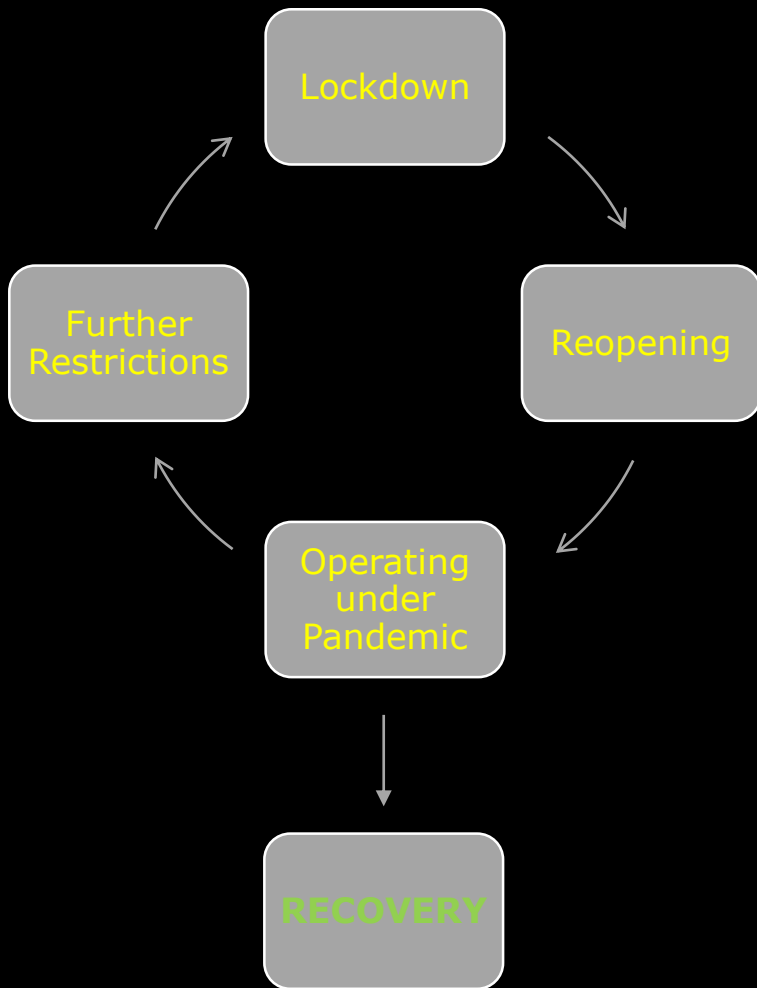
Source: Restaurants Canada and Statistics Canada

How helpful have the following government programs been for your business?

Share that said "Extremely Helpful" or "Very Helpful"

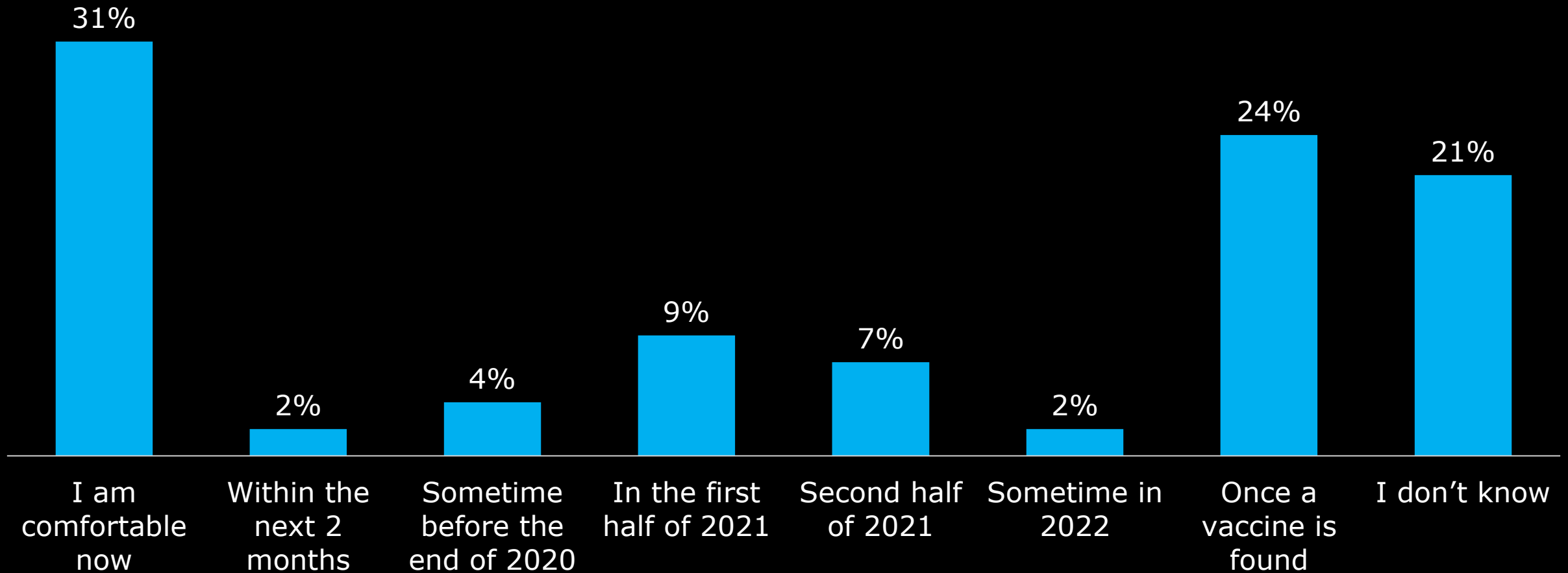


Covid-19 and the Foodservice Sector



- Life under lockdown
- \$750M invested in safety, training, and personal protective equipment - average of \$35K per restaurant.
- Re-opening debt cycle

Looking ahead, how long will it be for you to feel comfortable visiting a table-service restaurant with friends and family on a regular basis?



Source: Angus Reid, conducted Sept. 17-18, 2020



**What does the restaurant
industry need to go from
survival, to revival?**

Recommendations for Revival

LABOUR	Canada Emergency Wage Subsidy (CEWS)	<ul style="list-style-type: none"> ➤ CEWS should then be extended through <u>April 1, 2022</u>. ➤ Restaurants Canada is proposing a 'Restaurant Relief' model that includes appropriate amendments for restaurants that opened in 2020, ongoing recognition and support for our industry as 'hardest hit'
LABOUR SHORTAGE	Employment Insurance (EI) & Immigration	<ul style="list-style-type: none"> ➤ Restaurants Canada supports employment measures. Therefore, we recommend that the federal government puts the emphasis on a « return to work » policy, instead of generous programs keeping workers out of the employment cycle. ➤ Restaurants Canada asks the federal & provincial governments to facilitate Immigration, especially for positions requiring less credentials, as well as temporary workers.
FIXED COSTS	Canada Emergency Rent Subsidy (CERS)	<ul style="list-style-type: none"> ➤ The CERS program should then be extended through <u>April 1, 2022</u>. ➤ Eligibility requirements need to reflect diverse and innovative foodservice business models. ➤ Restaurants Canada recommends that the \$300,000 cap on multi-unit operations across the country be eliminated and instead calculated on a per-location basis (with appropriate adjustments made for new businesses that opened in 2020).

QUESTIONS

OLIVIER BOURBEAU

obourbeau@restaurantscanada.org



**Restaurants
Canada**

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The voice of foodservice | La voix des services alimentaires



**Restaurants
Canada**

The voice of foodservice | La voix des services alimentaires

A close-up photograph of three hands holding coffee cups in a toast. The top hand holds a white cup with latte art. The bottom-left hand holds a dark cup with ice and coffee. The bottom-right hand holds a white cup with latte art. The background is blurred, showing a wooden table and coffee-making equipment.

Thank You