

TIAC  AITC

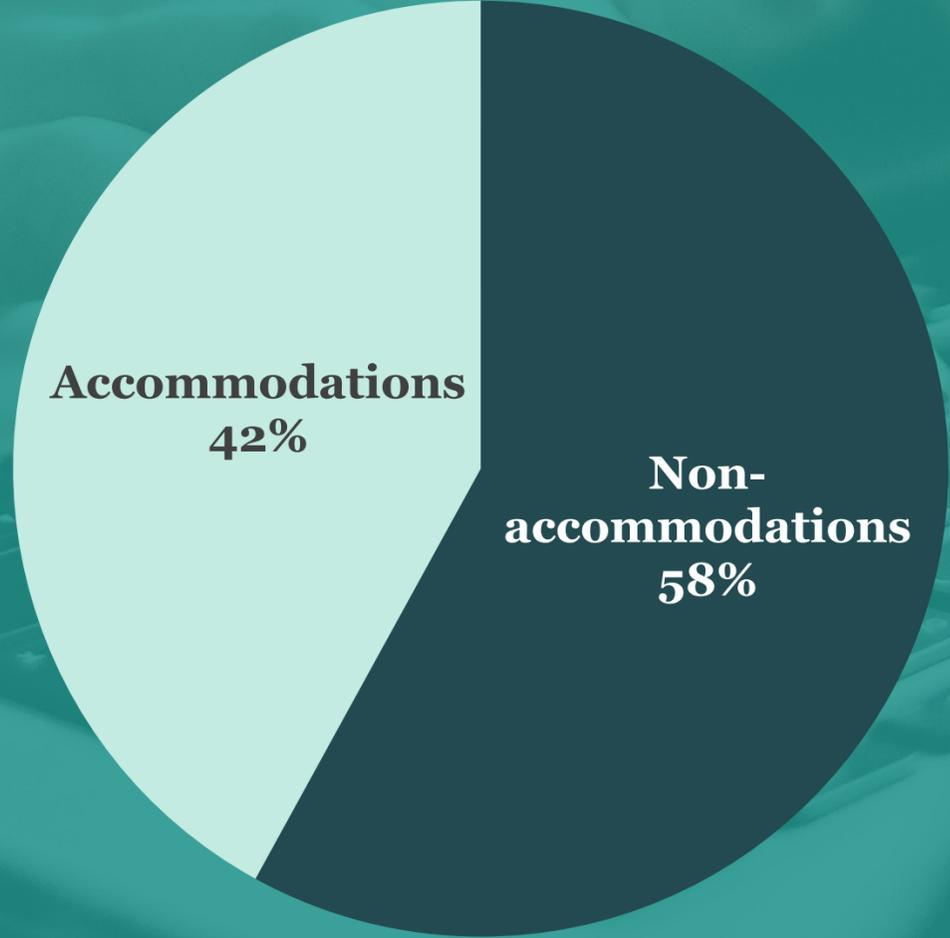
SURVEY RESULTS

Government Relief Measures

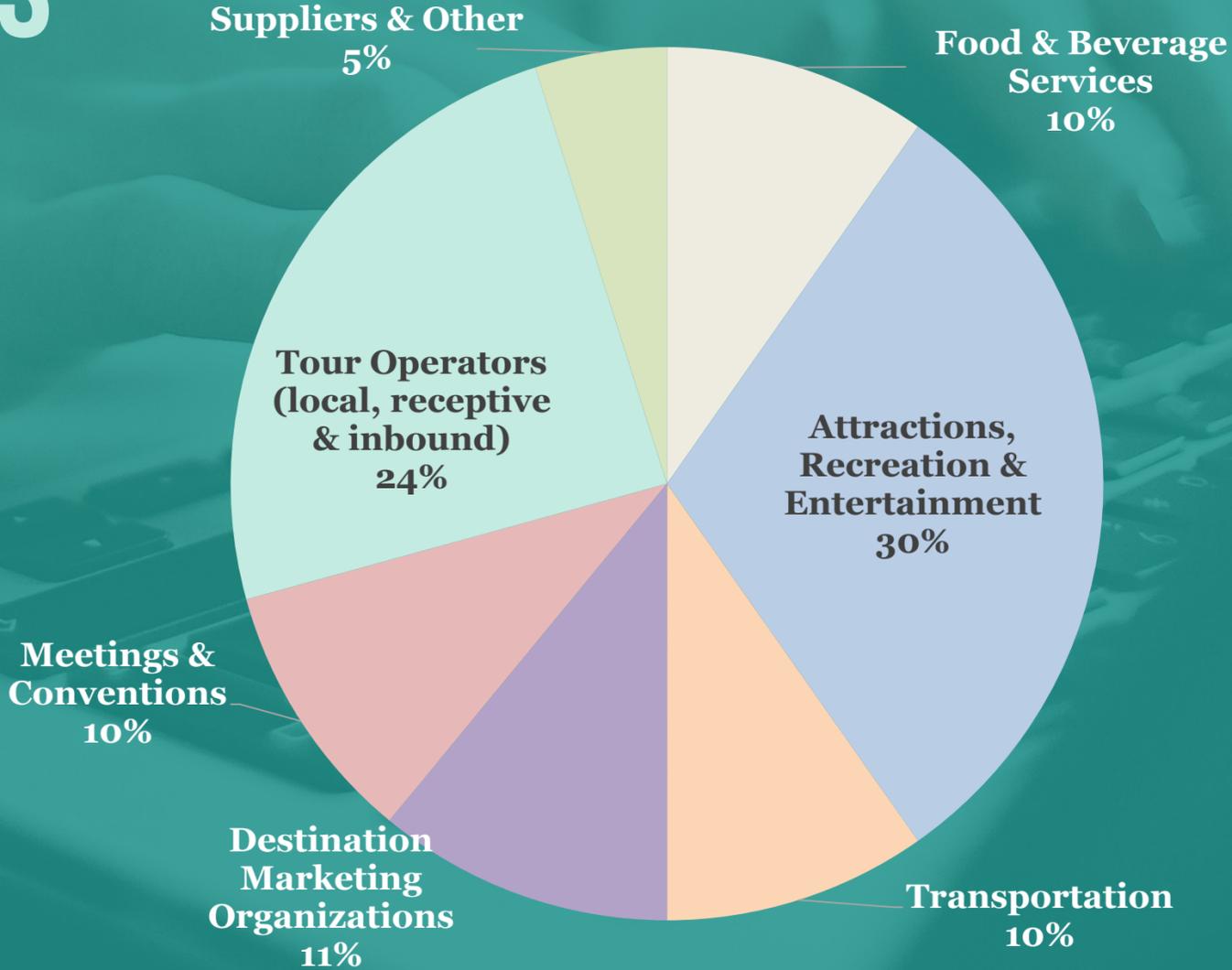
June 30 – July 14, 2020

PROFILE OF RESPONDENTS

489
RESPONSES



PROFILE OF NON-ACCOMMODATIONS RESPONDENTS



PROFILE OF RESPONDENTS



42%
of all respondents
in rural areas



58%
of all accommodations
in rural areas



46%
of all non-accommodations
in major cities

PROFILE OF RESPONDENTS



64%

of all respondents
employ between 1-20
employees (same data
for accommodations and
non-accommodations)



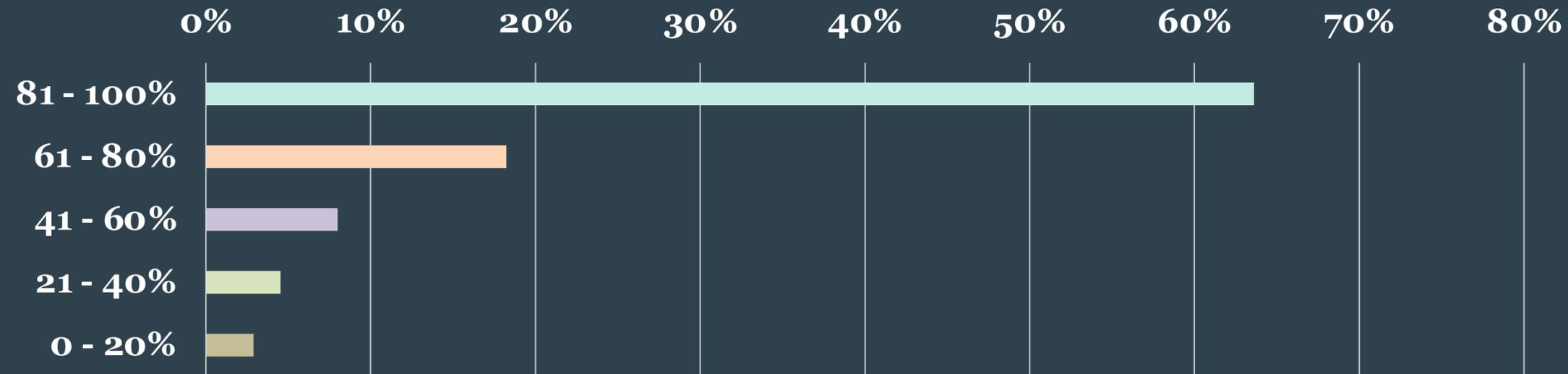
79%

of all respondents
are small business
operators with \$5
million or less in
annual revenue

- **84% of accommodations are considered small business operators**
- **75% of non-accommodations respondents are considered small business operators**

REVENUE DECLINE

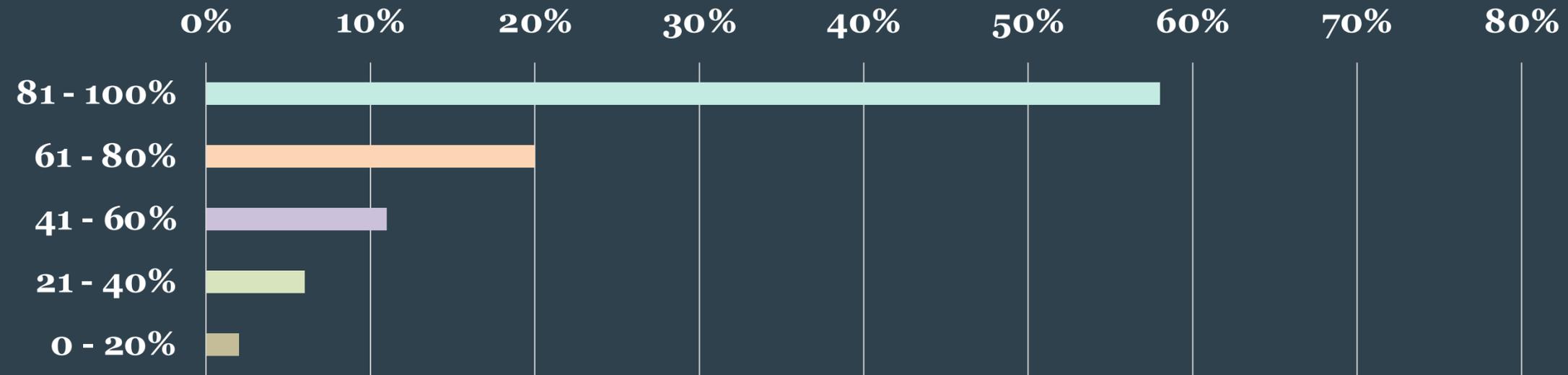
ALL RESPONDENTS Revenue Decline Over the Last Month
(compared to last year)



82% of all respondents experienced between
61% and 100% revenue decline

REVENUE DECLINE

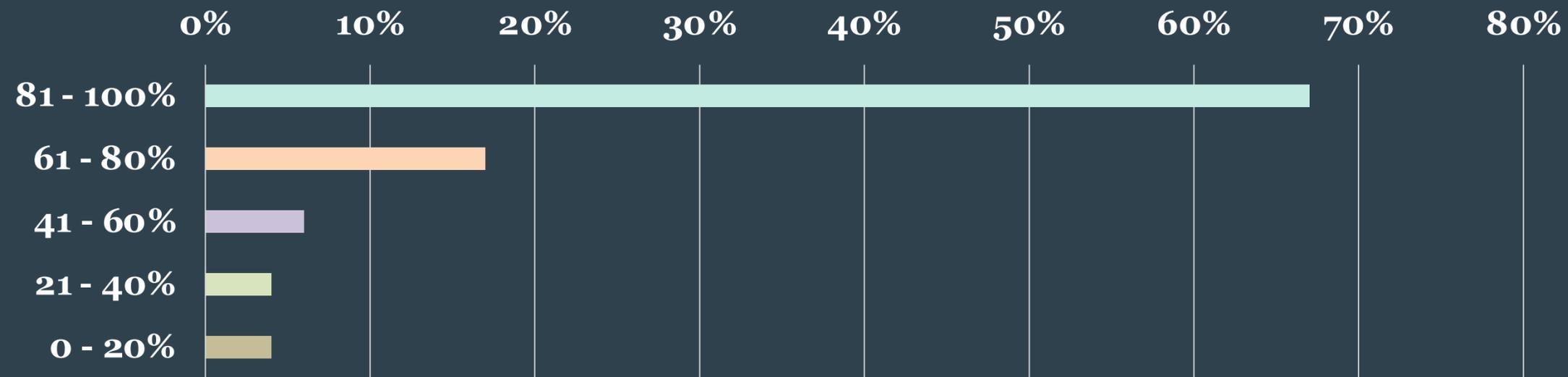
ACCOMMODATIONS Revenue Decline Over the Last Month (compared to last year)



79% of accommodations experienced
between 61 and 100% revenue decline

REVENUE DECLINE

NON-ACCOMMODATIONS Revenue Decline Over the Last Month (compared to last year)

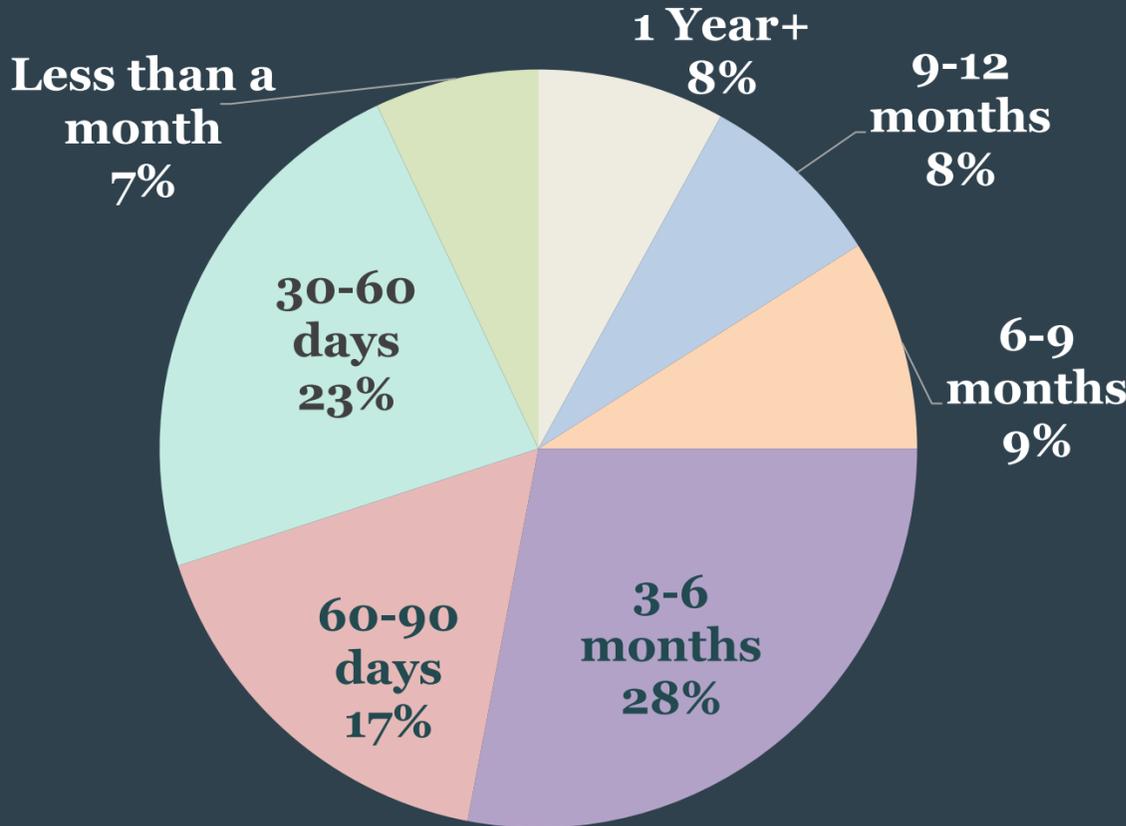


84% of non-accommodation respondents experienced between 61 and 100% revenue decline

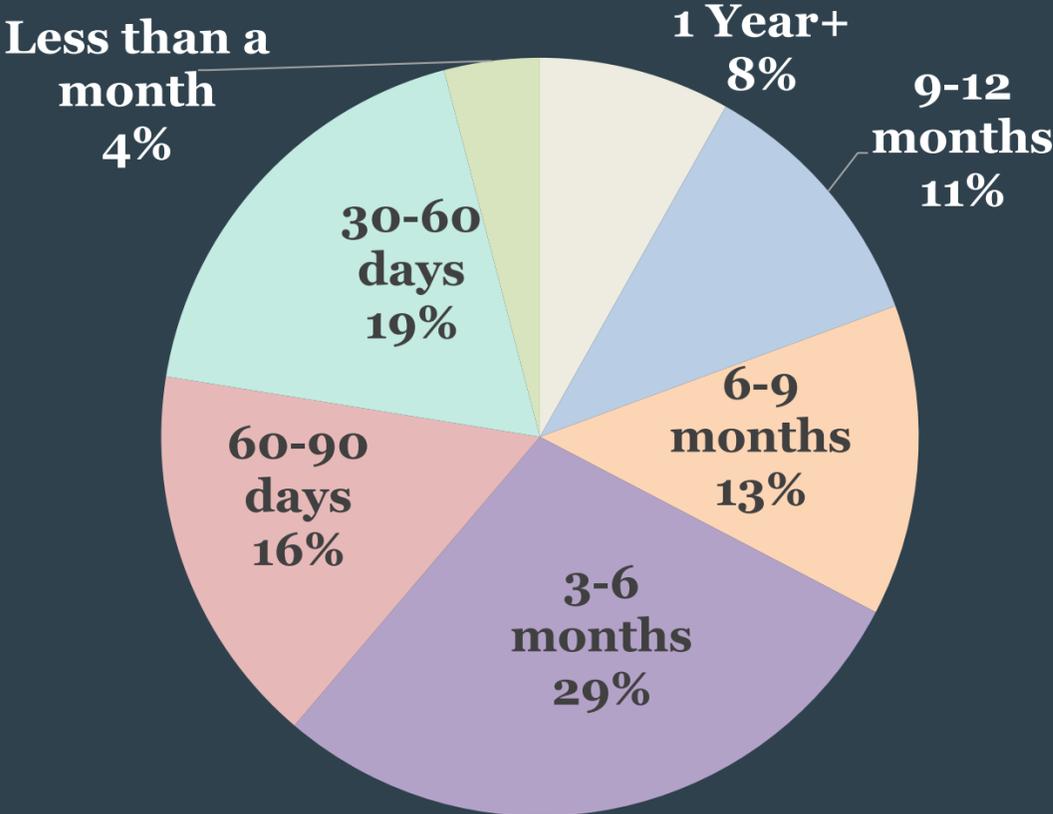
THE FUTURE — “OUT OF BUSINESS”

68% of all respondents say without access to government supported financing, they will be **unable to stay in business**

ACCOMMODATIONS



NON-ACCOMMODATIONS



3 MONTHS UNTIL CASH RUNS OUT

42% of all respondents will only be able to operate for a **maximum of 3 months** without government support

47%

of **ACCOMMODATIONS**
will only be able to operate a
maximum of 3 months
without government support

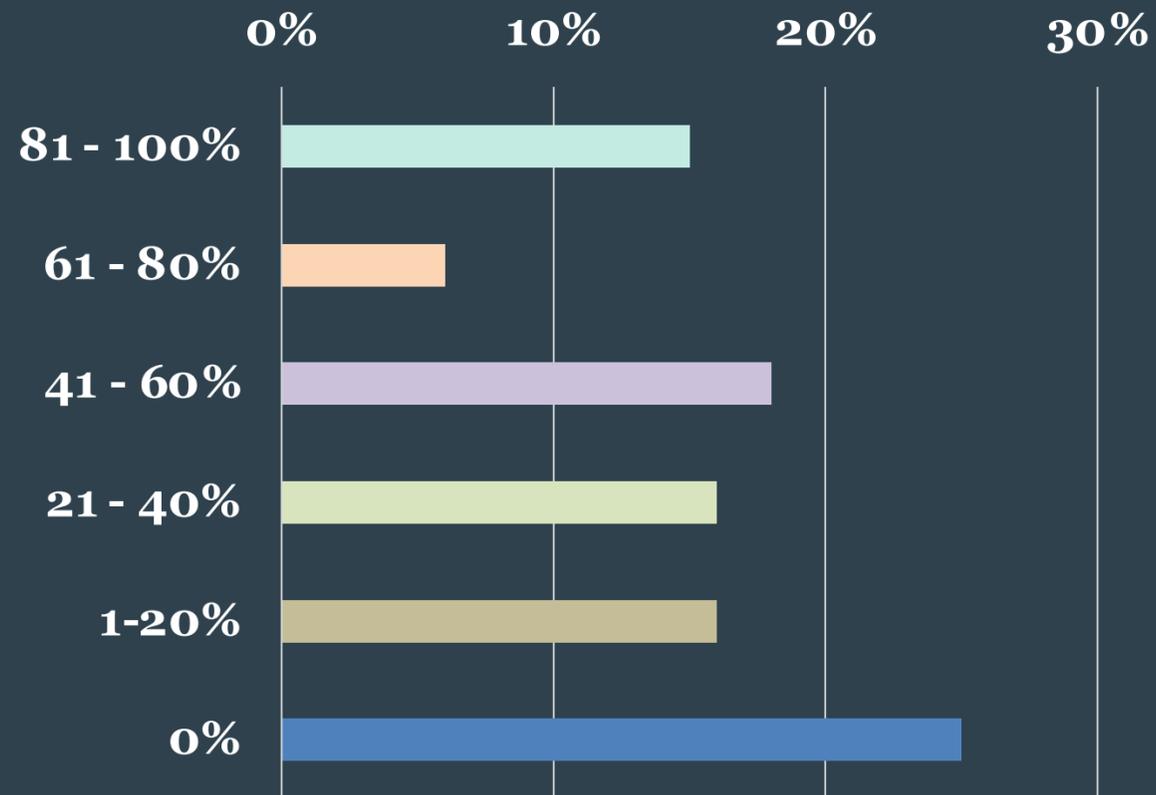
39%

of **NON-ACCOMMODATIONS**
will only be able to operate a
maximum of 3 months
without government support

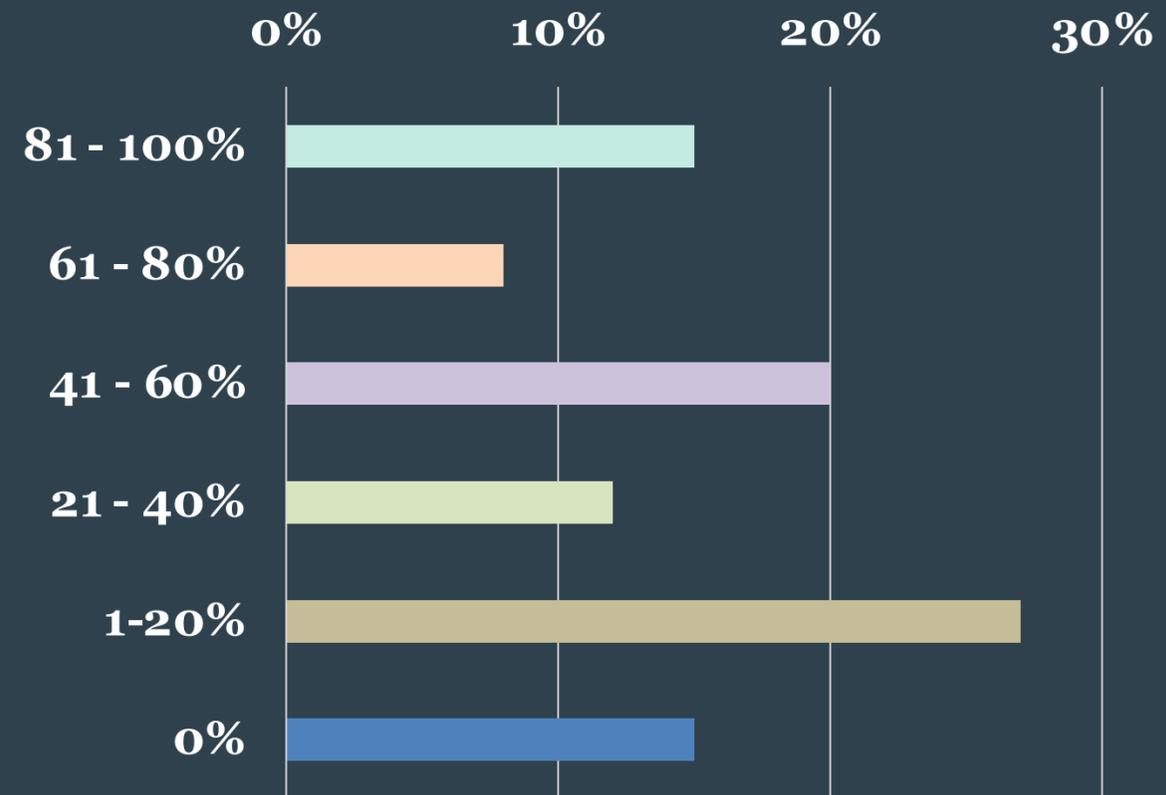
EMPLOYEES

56% of all respondents have only employed up to 40% of their staff on payroll as compared to the same time last year

ACCOMMODATIONS
% of Staff on Payroll
(compared to last year)



NON-ACCOMMODATIONS
% of Staff on Payroll
(compared to last year)



0% means business is closed or has not brought back salary staff

RENT & MORTGAGE STATUS

38% of all respondents are **NOT CURRENT** with their rent or mortgage

The rent relief program (CECRA) is due to end July 31, no further extension has been announced.

Many mortgage deferrals are ending soon.

“Some landlords don't qualify for CECRA or are unwilling to participate. Would like to see an option for funds to be provided directly to tenants. Many programs expire in August, but for tourism and transportation, we will not see any significant recovery prior to 2021.

TRANSPORTATION – VANCOUVER, BRITISH COLUMBIA

RENT & MORTGAGE STATUS

While most Accommodations and Campground / RV Park respondents were current with property taxes – only 50% of other respondents are current with their property taxes including Attractions, Tour Operators and Food Services.

“Loans will only ensure my failure at a later date!
My business relies 99% on tourists. At the moment (July 8) we
are getting about 2% of our normal business. If my current
domestic business quadrupled or even grew by 10x I would
still never be able to pay back a loan.”

TOUR OPERATOR – BLUE RIVER, BC

CANADA EMERGENCY BUSINESS ACCOUNT (CEBA)

60%

of all respondents qualified for and obtained a \$40,000 loan under CEBA

+70% of Food & Beverage Services, Suppliers & Other and Tour Operators were successful in qualifying and obtaining a loan under CEBA. Other tourism subsector success rates were significantly lower:

- 60% Accommodations
- 49% Attractions, Recreation & Entertainment
- 38% Destination Marketing Organization
- 32% Meetings & Conventions
- 46% Transportation

QUALIFYING FOR CEBA FUNDING

While CEBA is a valuable resource, it does not seem to make a discernable difference in the current state of operations for tourism businesses. In fact:

- **74.6%** of those who obtained a CEBA loan can only pay their expenses for a maximum of 6 months – 44.25% for less than 90 days.
- **72.4%** of these respondents can only pay their expenses for a maximum of 6 months – 46.55% for less than 90 days.

Liquidity is still a major issue for all businesses with ongoing government support

“The challenges are not solely whether there is available funding, but whether we have the customers to support our tour operation. Without tourism, we can't sustain our business and the debt that will occur if we don't have the customers!”

FOOD & BEVERAGE SERVICES – MURRAY RIVER, PEI

“Our Credit Union won't submit anymore applications to BCAP as all previous ones were rejected. We're desperately looking for financial assistance but can't seem to get anywhere.”

ACCOMMODATIONS— RUSSELL, MB

BUSINESS CREDIT AVAILABILITY PROGRAM (BCAP)

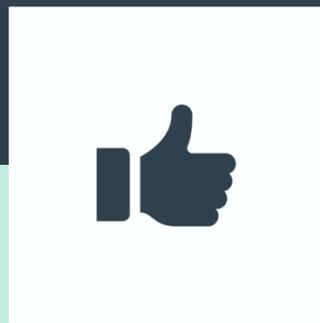


45%

of all respondents
have applied for a
loan through BCAP

BCAP – ACCEPTED, DENIED & STILL WAITING

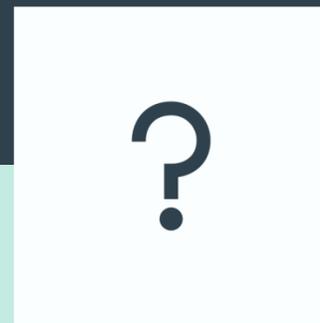
Of the 45% that applied, the majority of respondents who responded ‘waiting’ have been doing so over 30 days



12.5%

ACCEPTED

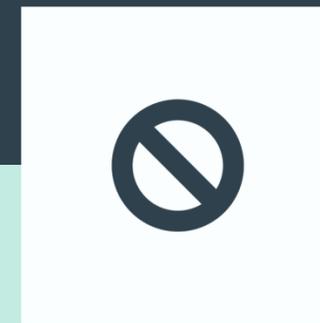
16% Accommodations
10% Non-Accommodations



38%

WAITING

33% Accommodations
43% Non-Accommodations



43%

DENIED

44% Accommodations
41% Non-Accommodations

BCAP – NOT WORKING AS INTENDED

- **+50%** of operators waited up to 3 months to learn about their loan
- **21%** of respondents sought non-government financial assistance due to better terms; easier process and existing relationship with lender
- **44%** of respondents who sought out non-government financial assistance were successful in obtaining non-government funding

“Our Borders are closed to the rest of Canada until there is a vaccine!
The relief northern fund is set to be terminated July 31st. With only the local population of Yellowknife to market, there is not enough demand to survive. We need our borders open to the rest of Canada to make it a go. We need the relief fund to be extended ASAP for a longer period of time.”

TOURISM OPERATOR – YELLOWKNIFE, NORTHWEST TERRITORIES

“The recent performance of our company (owing to 2017 wildfire) and the fact that we rely on international visitors – the bank thinks we're not going to make it with these uncertainties, therefore not worth a loan.”

ACCOMMODATIONS – THOMPSON-NICOLA E, BC

CANADA EMERGENCY WAGE SUBSIDY (CEWS)

61%

of all respondents
are using the
CEWS Program

Breakdown by sub-sector:

- 61% Accommodations
- 59% Attractions, Recreation & Entertainment
- 78% Destination Marketing Organization
- 79% Food & Beverage Services
- 56% Meetings & Conventions
- 68% Supplier & Others
- 54% Tour Operators (local, receptive & inbound)
- 69% Transportation

“The government funding seems to be skewed towards corporations that have payroll accounts and business bank accounts - they seem to be ignoring the smaller mom & pop seasonal businesses that support local hiring and local businesses.”

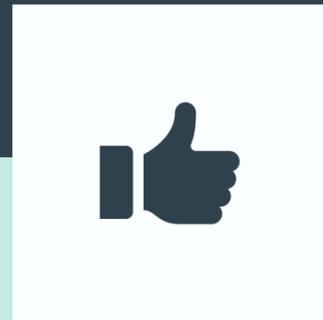
ACCOMMODATIONS – TICHBORNE, ONTARIO

“Because we were in the tourism industry,
the bank did not extend financing as they said
tourism was the hardest hit.”

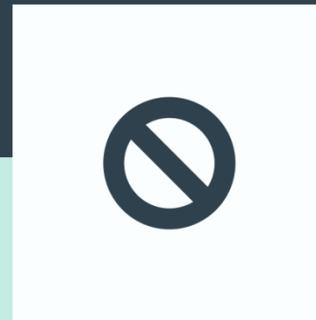
ACCOMMODATIONS – ST. JOHN'S, NL

REGIONAL DEVELOPMENT AGENCY (RDA) RELIEF PROGRAMS (RRRF & COMMUNITY FUTURES)

ONLY 32% respondents attempted to access funding support through their RDA.



34%
Successful



34%
Denied



32%
Awaiting

Percentage of denials by region:

27% – WD (MB/SK/AB/BC)

29% – FedDev Ontario & FedNor (ON)

25% – CED (QC)

19% – ACOA (NB/NS/NFLD/PEI)

0% – CanNor (NU/NT/YT)

RDA RELIEF PROGRAM – REASON FOR DENIAL

- ⊘ “Not combinable with federal assistance”
- ⊘ “Was told nothing was available”
- ⊘ “Must be on a coop request basis”
- ⊘ “No programs to provide financial support to businesses wanting to move operations online, no grant support to SMEs in BC.”

THANK YOU TO ALL WHO PARTICIPATED

Charlotte Bell

President & CEO

Tourism Industry Association of Canada

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