

# STATE OF TOURISM IN CANADA DURING COVID-19

DASHBOARD (2.0) – MARCH 2021



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## KEY INSIGHTS: TWENTY31 INTERPRETATION OF FINDINGS

### GLOBAL

- Despite a global decline in infection rates, the World Health Organization (WHO) continues to classify the COVID-19 pandemic as an extraordinary event, a public health risk to other States through international spread, and a crisis requiring a coordinated international response
- Most countries are continuing to maintain travel restrictions and varying degrees of lockdown measures to control the spread of the virus and its variants, marking a year since the pandemic began
- Travel and border restrictions, including quarantines, are furthering economic devastation; the need to learn to live with the virus and find alternative solutions to enable international travel to resume remains urgent
- The worldwide rollout of vaccines, including the COVAX program (a global initiative providing equitable access to COVID-19 vaccines) is underway, and testing measures in airports – and on cruise ships – are beginning to become standardized; both vaccines and testing remain paramount to industry recovery
- Innovation in all aspects of the tourism and travel industry is rapidly emerging as businesses and destinations race to reinvent themselves within the confines of government-mandated protocols



© Insights and recommendations found in this dashboard are current as of the date of its publication and subject to change given market forces and external variables. The dashboard is meant to serve as a summary of a series of strategic options and recommendations for consideration by TIAC.

## CANADA

- Mirroring the global scenario, Canada is responding to new COVID variants and continued transmission of the virus
- Measures in Alberta, Ontario, and Quebec are beginning to ease while some provinces, like Newfoundland and Labrador, are increasing restrictions due to high case counts
- Four of Canada's major airlines have suspended service to Mexico and the Caribbean, and new testing and quarantine measures are now in effect for all international travellers
- Health Canada's rollout of the COVID-19 vaccine is well underway, with distribution doubling weekly; a total of 6.5 million doses are expected by the end of March, and vaccines are expected to arrive faster heading into the spring

### IMPACT ON CEF PROGRAM:

With COVID-19 cases still rampant, new viral variants in circulation, and stricter quarantine measures in effect, traveller confidence in both domestic and international travel has not yet returned. Although the vaccine rollout will support industry recovery, testing remains the key to unlocking borders and encouraging both recreational and business travel. At provincial and federal levels, increased government support for tourism businesses is available to help people and businesses get through the next few months and to position the sector for recovery once travel restrictions are lifted.



## KEY TAKEAWAY SNAPSHOT

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### 01 HEALTH IMPACT

COVID-19 remains a serious global health threat and the situation continues to evolve, including the emergence of new variants in over 30 countries. Despite new variants, worldwide cases are declining. However, the risk to Canadians is still considered high. The border closure has been extended to March 21, marking a full year of suspended land movement. Travel restrictions continue to limit travel to Canada, with most foreign nationals unable to enter the country even if they have a valid visitor visa or electronic travel authorization (eTA). As of February 21, Canadians returning to Canada must meet new testing and quarantine requirements including mandatory quarantine at a government-approved hotel. Vaccine rollout continues world-wide, with the COVAX initiative officially underway and the AstraZeneca vaccine now approved in Canada.

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### 02 ECONOMIC IMPACT

2020 was an incredibly difficult year for the Travel and Tourism industry, with the coronavirus outbreak reaching all countries and causing unprecedented levels of restrictive measures. The second spike in coronavirus cases in Europe and North America subdued momentum at the end of 2020 and into 2021. While governments have implemented a range of fiscal packages and policies to protect jobs and incomes during the pandemic, unemployment rates have increased and incomes have fallen. These pressures are likely to escalate as government support is gradually eased, and while there is clear and significant pent-up demand, citizens will become more considered with their travel decisions.

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### 03 FOCUS CASE STUDY 1 – IATA TRAVEL PASS UPDATE

The IATA Travel Pass is a mobile application under development allowing travelers to store and manage certifications for COVID-19 tests or vaccines. The app should be available in iOS and Android stores by March 2021. The information provided through the IATA Travel Pass can be used by governments requiring testing or vaccination proofs as a condition of international travel during and after the COVID-19 pandemic. A critical aspect is a fact that the information supplied is verified. It is a secure means to manage health requirements, much more efficient than paper processes. With this app, IATA also aims to provide governments with the confidence to reopen borders without imposing quarantines on incoming travelers.

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## 04 FOCUS CASE STUDY 2 – WEAVING THE RECOVERY – INDIGENOUS WOMEN IN TOURISM

COVID-19 has simultaneously reduced revenues and increased the housework burden for Indigenous women while exposing their dire lack of access to essential services. Selected as one of the ten most promising projects for the Paris Peace Forum 2020, the “Leaving No One Behind: Empowering Indigenous Women in the Post-COVID 19 Tourism Recovery” initiative aims to empower Indigenous women with the skills to compete effectively in the market, and profit from tourism’s social, cultural and economic benefits.

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## 05 FOCUS CASE STUDY 3 – TECH TRANSFORMATIONS IN THE TOURISM INDUSTRY

Technology is a crucial part of the tourism and travel industry, helping businesses with day-to-day operations, while also improving the customer experience. For this reason, hotels, airlines, restaurants and other companies must keep up with the latest technology trends within the travel industry. This is especially vital in the era of COVID, with customer expectations shifting.

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## 06 CANADIAN RESIDENT SENTIMENT TOWARD TOURISM

With ongoing COVID cases and new variants, Canadians continue to feel hesitant towards travel. As the distribution of the vaccine now underway, tourism recovery is expected to slowly return along with lifted public health measures and a broader economic rebound. The experience of the global pandemic has devastated the international travel market with no signs of recovery at any significant rate. Tourism recovery at the provincial level will continue to depend on how well COVID-19 is contained locally, vaccine distribution and efficacy, and how reliant each province is on international visitors.

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## 07 TRAVELLER BEHAVIOURS

When travel advisories are likely to be lifted or modified remains unclear. But, while the advisory remains in effect, there are still options for Canadians who choose to travel. It is more important now than ever to ensure that travellers understand their travel health insurance coverage and have the necessary coverage, as well as the mandated quarantine measures. International travel is a possibility this summer and the success of vaccine rollouts may allow for short-haul travel to resume between many economically developed nations. Although barriers are present, the rollout of a digital COVID Travel Pass will be beneficial to the global travel sector and will increase the likelihood of a meaningful start to recovery in 2021.

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## 08 AVIATION

Deep airline industry losses will continue into 2021, even though performance is expected to improve. Aggressive cost-cutting is expected to combine with increased demand, due to the re-opening of borders and the widespread availability of a vaccine. Testing remains the immediate solution to meaningfully re-open air travel, and with 46 million jobs at risk in the travel and tourism sector alone because of air travel, fast, accurate, and scalable testing must become government priorities to give airlines the means to safely do business.

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## 09 ACCOMMODATION & EVENTS

The pandemic has had a huge impact on the accommodation and events sector, and while forecasts show some revival later this year, it is clear that the economy and business confidence is going to take time to recover.

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## 10 CRUISE

Globally, cruising will most likely make its long-awaited comeback early in 2021, with an overwhelming response for trial sailings and research showing that travellers are anxious to get back out on the water. When cruising returns, the experience will be different as extensive new health and safety protocols will need to be met. However, in Canada, the ban on cruise ships has been extended until 2022. By closing Canadian ports to passenger vessels for another year, the livelihoods of tens of thousands of Americans and Canadians are at risk from more job losses and further economic devastation.

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## 11 MAJOR TOUR OPERATORS

Tours are going to look different when travel restarts in earnest. Not only have tour operators made changes for safety circumstances, but travellers will also have increased options and the comfort of navigating a post-pandemic world with the help of guides and experts. Travellers are also looking to travel with a purpose and are looking for tours and destinations that allow them to get off the beaten path and discover new places – backed by flexible cancellation policies and industry certifications in health and safety.

## OVERVIEW

### HEALTH IMPACT

#### KEY TAKEAWAY

COVID-19 remains a serious global health threat and the situation continues to evolve, including the emergence of new variants in over 30 countries. Despite new variants, worldwide cases are declining. However, the risk to Canadians is still considered high. The border closure has been extended to March 21, marking a full year of suspended land movement. Travel restrictions continue to limit travel to Canada, with most foreign nationals unable to enter the country even if they have a valid visitor visa or electronic travel authorization (eTA). As of February 21, Canadians returning to Canada must meet new testing and quarantine requirements including mandatory quarantine at a government-approved hotel. Vaccine rollout continues world-wide, with the COVAX initiative officially underway and the AstraZeneca vaccine now approved in Canada.

### GLOBAL

- Confirmed deaths with COVID-19 surpassed 2.4 million globally, while worldwide cases climbed above 110 million with over 89 million recoveries<sup>1</sup>
- The number of global new cases reported continues to fall for the sixth consecutive week<sup>2</sup>
- Viral mutations and variants continue to be reported from over 30 countries, including Denmark, the United Kingdom, Ireland, the United States, Canada, and South Africa, raising concern around the impact of viral changes and the efficacy of vaccines<sup>3</sup>
- COVID-19 vaccine doses have been shipped by the COVAX Facility head to Ghana, marking the beginning of the global rollout of vaccines<sup>4</sup>

### CANADA

- As of February 27, there have been a total of 861,472 confirmed cases and 21,915 reported deaths in Canada<sup>5</sup>
- Health Canada has approved the COVID-19 vaccine from AstraZeneca, the third to be given the green light for national use<sup>6</sup>
- Approximately 1.7 million doses of the Pfizer-BioNTech and Moderna vaccines have already been administered<sup>7</sup>
- Canada's hotel community is providing accommodation for the new mandatory three-day COVID-19 quarantine hotel stay required of non-essential travellers returning to Canada, including check-in, check-out, and compliance with the Quarantine Act<sup>8</sup>

## ECONOMIC IMPACT

### KEY TAKEAWAY

2020 was an incredibly difficult year for the Travel and Tourism industry, with the coronavirus outbreak reaching all countries and causing unprecedented levels of restrictive measures. The second spike in coronavirus cases in Europe and North America subdued momentum at the end of 2020 and into 2021. While governments have implemented a range of fiscal packages and policies to protect jobs and incomes during the pandemic, unemployment rates have increased and incomes have fallen. These pressures are likely to escalate as government support is gradually eased, and while there is clear and significant pent-up demand, citizens will become more considered with their travel decisions.

## GLOBAL

- The tourism industry lost an estimated \$1.3 trillion in export revenue in 2020<sup>9</sup>
- The travel industry's recovery will be slow as new COVID-19 variants are causing governments to continue using travel bans to stem the spread<sup>10</sup>
- Travel experts are now very cautious in their outlook, with the majority not expecting a return to pre-pandemic levels before 2023<sup>11</sup>

## CANADA

- Following three consecutive years of positive growth, international travel to and from Canada declined from 96.8 million travellers in 2019 to 25.9 million in 2020<sup>12</sup>
- January 2021 marked the tenth month of restrictions on non-essential travel into Canada, with international arrivals to Canada by land and air remaining low<sup>13</sup>
- Travellers from both the United States (-84.0% to 4.0 million) and overseas countries (-85.6% to 1.1 million) were down significantly from 2019; similarly, the number of Canadian residents returning from abroad was down sharply (-74.0% to 14.6 million) year over year<sup>14</sup>
- Despite an advisory against non-essential travel outside Canada and a mandatory 14-day quarantine period for Canadians returning from abroad, over 170,700 Canadians flew home from abroad in December 2020, up by one-third (+33.7%) from November 2020<sup>15</sup>

## FOCUS CASE STUDY 1: IATA TRAVEL PASS UPDATE<sup>16</sup>

### KEY TAKEAWAY

The IATA Travel Pass is a mobile application under development allowing travelers to store and manage certifications for COVID-19 tests or vaccines. The app should be available in iOS and Android stores by March 2021. The information provided through the IATA Travel Pass can be used by governments requiring testing or vaccination proofs as a condition of international travel during and after the COVID-19 pandemic. A critical aspect is the fact that the information supplied is verified. It is a secure means to manage health requirements, much more efficient than paper processes. With this app, IATA also aims to provide governments with the confidence to reopen borders without imposing quarantines on incoming travelers.

- On February 23, the International Air Transport Association (IATA), stated that its digital COVID Travel Pass will be ready “within weeks”
- The IATA’s Travel Pass is not the golden ticket to an instant recovery for the global travel sector, but it will no doubt help; according to GlobalData, international air arrivals decreased by 48.1% year-over-year in 2020
- Due to this unprecedented drop in demand, which has now continued into the start of 2021, ongoing testing, tracing, and vaccinations rollouts will need to be continued alongside the implementation of the digital COVID Travel Pass to ensure a strong and sustained recovery
- However, low traveller confidence may still stop many from traveling; GlobalData’s survey also found that 52% of global respondents are either ‘quite’ or ‘extremely’ concerned regarding restrictions on international travel
- IATA’s Travel Pass should, therefore, help to ease these ongoing apprehensions; as the app confirms if a passenger has had the appropriate COVID-19 tests or vaccines required to enter a country, this will assure travellers that there will be no sudden surprises when they enter the destination, such as restrictions on movement

## FOCUS CASE STUDY 2: WEAVING THE RECOVERY – INDIGENOUS WOMEN IN TOURISM<sup>17</sup>

### KEY TAKEAWAY

COVID-19 has simultaneously reduced revenues and increased the housework burden for Indigenous women while exposing their dire lack of access to essential services. Selected as one of the ten most promising projects for the Paris Peace Forum 2020, the “Leaving No One Behind: Empowering Indigenous Women in the Post-COVID 19 Tourism Recovery” initiative aims to empower Indigenous women with the skills to compete effectively in the market, and profit from tourism’s social, cultural and economic benefits.

- COVID-19 has simultaneously reduced revenues and increased the housework burden for Indigenous Women while exposing their dire lack of access to essential services
- This project will tackle the systemic socio-economic inequalities faced by Indigenous Women in Guatemala, Peru, and Mexico
- Rooted in intricate traditional textiles, it will weave an entrepreneurial fabric tailored to the post-COVID era through ancient communities
- Weaving the Recovery will nurture traditional knowledge and collective well-being while providing Indigenous Women with the skills they need to access varied markets, trade ethically, and become leaders in the post-COVID19 tourism recovery
- The resulting toolkit, experience gained and partners’ unwavering commitment will ensure its replication in other regions, bringing its benefits to other women and accelerating tourism’s sustainable and equitable recovery

## FOCUS CASE STUDY 3: TECH TRANSFORMATIONS IN THE TOURISM INDUSTRY<sup>18</sup>

### KEY TAKEAWAY

Technology is a crucial part of the tourism and travel industry, helping businesses with day-to-day operations, while also improving the customer experience. For this reason, hotels, airlines, restaurants and other companies must keep up with the latest technology trends within the travel industry. This is especially vital in the era of COVID, with customer expectations shifting.

- **Voice search and voice control:** smartphones, smart speakers, and AI assistants have all helped to increase the relevance of voice search as far as technology trends in the travel industry are concerned; in particular, a growing number of travel customers are using voice search to find and book airline tickets, hotel rooms, and travel experiences, therefore websites need to be re-designed with voice search in mind
- **Robots:** robotics technology is one of the most exciting forms of travel technology and it is constantly improving; within hotels, for example, robots have been used in concierge-like roles, helping to greet guests when they arrive and provide information while some hotels have expanded their use further still, involving them in cleaning and luggage handling
- **Contactless payments:** another important form of travel tech is the ability to accept contactless payments; this will allow travel companies to process payments much more quickly, including in situations where customers do not have access to cash, or their credit or debit card
- **Virtual Reality (VR):** VR has been an emerging technology in several different sectors, but its role within the tourism industry is especially significant as it provides travellers with the ability to experience far away locations from the comfort of their own home, and can be the difference in whether they ultimately complete a booking; from experiencing everything from virtual hotel tours and restaurants to landmarks, national parks or even specific activities, the interactivity and immersion can create a competitive advantage over rivals who are not yet making the most of these kinds of tech trends
- **AI Chatbots:** AI-powered chatbots can be one of the single most sensible travel technology investments because they can provide customers with swift answers to questions on a 24/7 basis, regardless of staff availability; they can also be especially good at responding to queries about COVID policies and safety or hygiene measures
- **Big Data:** in modern tourism management, big data is a fact of life, and almost all companies that are successful employ their data collection techniques; one of the biggest uses for this data is to improve personalization with travel companies using the information they gather to make specific adjustments to their offerings. For example, hotel owners can use big data for revenue management purposes, using historic occupancy rates and other past trends to better anticipate levels of demand; when demand is predictable, pricing and promotional strategies can also be optimized.

## CANADIAN RESIDENT SENTIMENT TOWARD TOURISM WITHIN CANADA AND TOWARDS THE U.S. AND OTHER COUNTRIES<sup>19</sup>

### KEY TAKEAWAY

With ongoing COVID cases and new variants, Canadians continue to feel hesitant towards travel. As the distribution of the vaccine now underway, tourism recovery is expected to slowly return along with lifted public health measures and a broader economic rebound. The experience of the global pandemic has devastated the international travel market with no signs of recovery at any significant rate. Tourism recovery at the provincial level will continue to depend on how well COVID-19 is contained locally, vaccine distribution and efficacy, and how reliant each province is on international visitors.

In this section, we cover Canadian resident sentiment towards travelling within Canada to other communities and provinces, as well as to the U.S. and other countries. A pink box indicates majority negative sentiment; a green box indicates majority positive sentiment.

	AB	Atl. Reg.	BC	ON	QC	SK & MB
I feel safe to travel to communities near me	67%	79%	60%	71%	64%	77%
I feel safe to travel to communities in my province	53%	67%	62%	55%	64%	65%
I feel safe to travel to other provinces in Canada	23%	48%	29%	38%	45%	17%
I feel safe to travel to the United States	9%	19%	18%	13%	17%	9%
I feel safe to travel internationally	9%	20%	16%	14%	20%	9%

Majority positive sentiment
  Majority negative sentiment
  Neutral

## TRAVELLER BEHAVIOURS

### KEY TAKEAWAY

When travel advisories are likely to be lifted or modified remains unclear. But, while the advisory remains in effect, there are still options for Canadians who choose to travel. It is more important now than ever to ensure that travellers understand their travel health insurance coverage and have the necessary coverage, as well as the mandated quarantine measures. International travel is a possibility this summer and the success of vaccine rollouts may allow for short-haul travel to resume between many economically developed nations. Although barriers are present, the rollout of a digital COVID Travel Pass will be beneficial to the global travel sector and will increase the likelihood of a meaningful start to recovery in 2021.

### GLOBAL<sup>20</sup>

- As we look into 2021, there are many reasons to be optimistic as travel intent is climbing and vaccines are on the near horizon
- In MMGY Travel Intelligence surveys ending 2020, just over 50% of travelers said they will get a vaccine immediately
- In China, hotel occupancy and domestic flight numbers are now 90% of 2019 levels and in a study from McKinsey, Chinese intent to travel rose from 15% to 70% between May and August
- In the US, flight, occupancy, and visitation numbers continue to be devastatingly below norms, but consumers have slowly tipped into travel albeit in different and constrained ways
- As with the post-9/11 travel period, people will now prioritize travel in new ways that allow a connection and authentic experience that acts as a salve for the sense of deprivation in 2020, both in leisure and business settings
- Newly passed stimulus in the U.S. should also help boost spending by Q2 it is expected that stimulus received by some households will be spent, in part, on travel
- MMGY Social Analytics also suggests that there is a 23% increase in people talking about travel terms; an 11% increase in talk about travel via flights; 80% of workers citing missing meetings and events associated with their work; and a 36% increase in booking and travel intent

### CANADA<sup>21</sup>

- A recent survey conducted by the Travel Health Insurance Association of Canada (THIA) found that 80 percent of Canadians plan to travel in 2021, but most do not plan to cross borders anytime soon
- The survey of 1,000 Canadians revealed that 53 percent of Canadians will only begin making cross-border travel plans when a COVID-19 vaccine is available
- Results found that barring a vaccine, 74 percent of respondents want carriers, from airlines to trains, to block off seating or operate below maximum capacity to allow for physical distancing before they feel comfortable booking any travel

- Sixty-two percent of Canadians also want assurances from their travel health insurance providers that they have appropriate coverage should they or their travel companions' contract COVID-19 while on vacation
- Twenty-nine percent of survey respondents are willing to travel outside of Canada with their biggest concern with travelling outside of Canada includes questions around returning safely; of those who said they plan to travel in 2021, 25 percent said that they would answer untruthfully to COVID-19 screening questions to board their flight home

## AVIATION

### KEY TAKEAWAY

Deep airline industry losses will continue into 2021, even though performance is expected to improve. Aggressive cost-cutting is expected to combine with increased demand, due to the re-opening of borders and the widespread availability of a vaccine. Testing remains the immediate solution to meaningfully re-open air travel, and with 46 million jobs at risk in the travel and tourism sector alone because of air travel, fast, accurate, and scalable testing must become government priorities to give airlines the means to safely do business.

In this section, we present the latest updates from the top airlines in Canada, the U.S., and key Canadian global source markets.

Airline	Key Updates
<b>CANADA</b>	
<b>Air Canada, Westjet + AirTransat</b>	Effective February 22, 2021, in addition to providing a negative pre-departure COVID-19 test, all customers arriving in Canada by air must take two COVID-19 molecular tests - one on arrival at the airport and one as part of an at-home test kit to be completed later in the quarantine period. Before traveling to Canada, passengers must also book and pay for a three-night stay in a government-authorized accommodation where one must remain until receiving the results from the first test. <sup>22</sup>
<b>The U.S.</b>	
<b>United</b>	United Airlines has agreed to pay over \$49 million to resolve criminal charges and civil claims in regards to postal service fraud for transporting international mail <sup>23</sup>
<b>Southwest</b>	To find out why Southwest Airlines uncapped its middle seats and made them available for sale, just follow the money, in addition to having the science to support that flying can be safe even without capacity limits. The airline, which lost about \$60 million in lost revenue due to blocking the middle seat from September through November, had a revenue boost of around \$80 million as a result of uncapping the middle seat. <sup>24</sup>
<b>Delta</b>	Delta Air Lines is moving forward with building up its resources to allow for smoother international travel. The airline is rolling out a new testing partnership for customers to order an at-home test and teases that, soon, customers flying to the US will be able to upload their negative test results online at check-in, which will clear them for entry to the United States. <sup>25</sup>
<b>American</b>	American Airlines is now allowing AAdvantage members to redeem miles for COVID-19 tests. For a mere 12,000 miles, passengers can order an at-home COVID-19 testing kit through LetsGetChecked. From Friday, American Airlines customers will also be able to access VeriFLY's upgraded multi-passenger authentication capabilities. <sup>26</sup>

Airline	Key Updates
<b>INTERNATIONAL</b>	
<b>Aeromexico</b>	Grupo Aeromexico totaled a consolidated net loss of US\$2.1 billion during 2020 due to the heavy impact of the COVID-19 crisis. The airline, currently under a Chapter 11 bankruptcy process, expects to have a turnaround in 2021. <sup>27</sup>
<b>Air China</b>	China ended 2020 with 420 million passenger movements, making it the second-largest aviation market for the 15th consecutive year with Air China the largest carrier. The administration is forecasting passenger volume in 2021 will reach 590 million, or 90% of 2019 levels, mainly thanks to its strong domestic market. <sup>28</sup>
<b>Air France-KLM</b>	The Air France-KLM group released its annual financial results today for the full year 2020. As expected, the group posted a heavy net loss of €7.1 billion (\$8.5 billion). The group also reported a 59% fall in revenues and an overall drop in passenger numbers by around 67%. <sup>29</sup>
<b>Air India</b>	Air India Air has become the sole airline to transport vaccines during the first phase of inoculation, targeting frontline workers as India readies to vaccinate hundreds of millions. <sup>30</sup>
<b>Alitalia</b>	Delta Air Lines is growing its quarantine-free flights to Italy. With a new partnership with Italian flag carrier Alitalia, the airline has now doubled its offering of quarantine-free flights to Italy. These flights, however, are only open for essential travellers. <sup>31</sup>
<b>British Airways</b>	IAG, the British Airways owner, has posted a €7 billion (\$8.5 billion) loss for the full year up to December 31st, 2020. The loss comes as the airline group's revenue plunged due to the impact of the COVID-19 crisis. <sup>32</sup>
<b>China Eastern</b>	China Eastern Airlines announced that it is set to receive a cash injection corresponding to \$4.6 billion from a group of four other state-owned investors. While the timing is undeniably welcome, the move is part of a larger scheme to diversify the business of government-owned entities. <sup>33</sup>
<b>China Southern</b>	Guangzhou-based China Southern is flagging a US\$1.7 billion loss for the 2020 calendar year. Citing COVID-19 and the subsequent drop in travel demand, the airline lodged documents with the Hong Kong Stock Exchange on a warning of the loss. <sup>34</sup>
<b>Emirates</b>	Emirates has signed a Memorandum of Understanding (MoU) with the Dubai Health Authority (DHA) to implement digital verification of COVID testing and vaccination. The move comes amid a sharp rise in cases across the UAE since the new year, with the scheme expected to go live in the coming months. <sup>35</sup>
<b>Etihad</b>	Etihad Airways revealed that 100% of its operational pilots and cabin crew are now vaccinated against COVID-19. The airline pointed out that it had become the first airline in the world to do so by achieving this feat. The airline's medical center has also been turned into a vaccination clinic. <sup>36</sup>
<b>Lufthansa</b>	Germany is a world-leader in the pharmaceutical industry. Despite this, it is presently experiencing a shortage of coronavirus vaccines, delaying its rollout among the German population. However, Lufthansa is said to be considering an exclusive and novel solution to this problem – vaccine tourism flights to Moscow. <sup>37</sup>
<b>Japan Airlines</b>	Japan Airlines has increased its forecasted losses for the year by over 10% as domestic recovery slows. The flag carrier is now estimating a loss of ¥420 billion (\$4bn) for the year. JAL is one of the few carriers that has largely avoided pay cuts and job losses due to the pandemic, but increasing cash burn could force the carrier to make changes. <sup>38</sup>

Airline	Key Updates
<b>Korean Air</b>	Korean Air has posted its results for 2020, and it seems the airline has come through the crisis in a largely healthy position. Despite ending with a net loss, the losses were lower than in 2019, and the operating profit just 17% less than the previous year. The airline plans to continue its efforts on cargo to maintain financial health, but will not add passenger seat capacity before the end of 2021. <sup>39</sup>
<b>Qantas</b>	Qantas shared that it is looking into the use of digital health pass apps to help resume safe international travel. The CommonPass and IATA Travel Pass smartphone apps are being trialed on the airline's international repatriation flights. <sup>40</sup>
<b>Ryanair</b>	The COVID-19 pandemic has hit the aviation industry hard. Ryanair noted this while revealing its third-quarter results earlier today. However, the airline has also referenced the current COVID-19 travel restrictions for UK and Irish travellers as accelerating the situation recently. <sup>41</sup>
<b>Qatar</b>	Soon, passengers on Qatar Airways' Airbus A350s will be able to access the in-flight entertainment system without ever touching the screen. By scanning a QR-code, they will be able to control the system via their electronic devices. Qatar Airways says this is to limit touch-points on board the aircraft and provide greater peace of mind throughout the journey. <sup>42</sup>

## ACCOMMODATION & EVENTS

### KEY TAKEAWAY

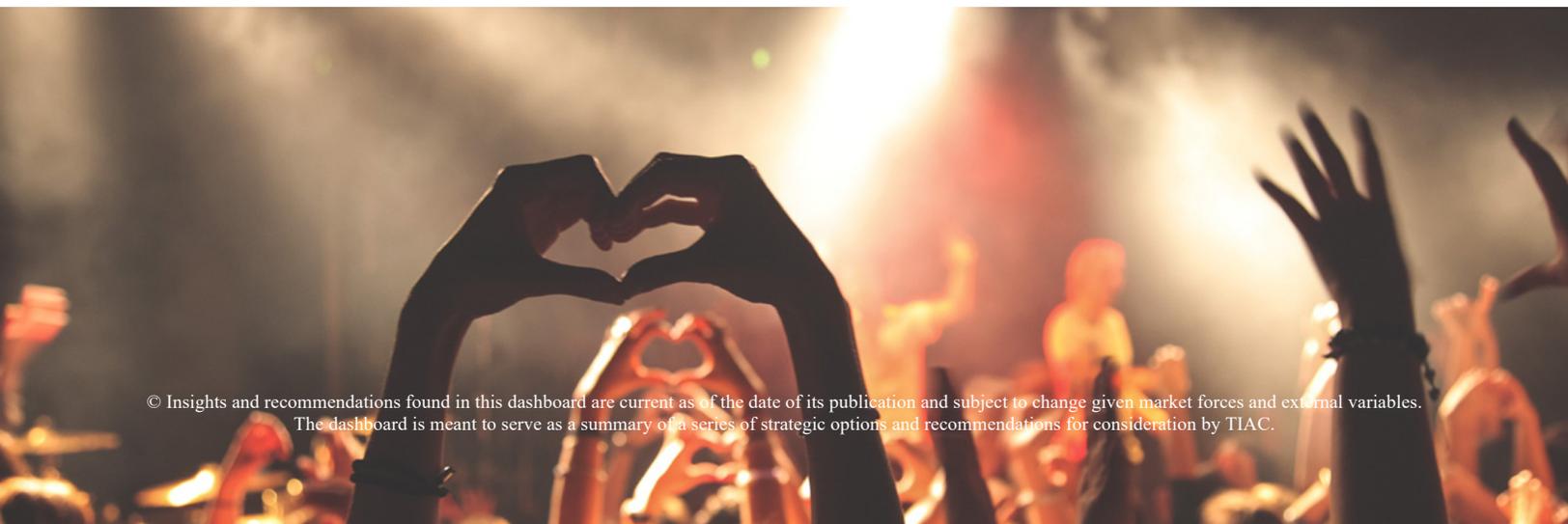
The pandemic has had a huge impact on the accommodation and events sector, and while forecasts show some revival later this year, it is clear that the economy and business confidence is going to take time to recover.

### GLOBAL

- Business travel spending plummeted an estimated -51% to \$12.5B in 2020<sup>43</sup>
- GDP and business travel spend is expected to bounce back in 2021, but recovery will be gradual due to a slow start to the national vaccination effort, a restrictive national travel policy, lagging business confidence, and unprecedented debt levels, which will delay economic growth.<sup>44</sup>

### CANADA

- Canada is projected to reach a total business travel spend of \$23.6B by 2024, 92% of annual pre-pandemic levels<sup>45</sup>
- The Global Business Tourism Association (GBTA) Canada announced new dates for the Toronto Conference; this annual event will now take place on September 20- 21, 2021 at the Sheraton Centre in Toronto<sup>46</sup>



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## CRUISE

### KEY TAKEAWAY

Globally, cruising will most likely make its long-awaited comeback early in 2021, with an overwhelming response for trial sailings and research showing that travellers are anxious to get back out on the water. When cruising returns, the experience will be different as extensive new health and safety protocols will need to be met. However, in Canada, the ban on cruise ships has been extended until 2022. By closing Canadian ports to passenger vessels for another year, the livelihoods of tens of thousands of Americans and Canadians are at risk from more job losses and further economic devastation.

### GLOBAL

- New regulations are being passed for the cruise industry, including the *Cruise Passenger Protection Act* states that a trained physician is required onboard all cruise lines, and video cameras must be installed in public places<sup>47</sup>
- In addition to the use of personal protective equipment (PPE) and high-frequency cleaning, ventilation, air purification, and air filtration standards are being installed by most cruise lines to help combat the spread of coronavirus<sup>48</sup>
- Similar to air travel, passengers will undergo testing at least twice during their sailing – before boarding a ship and before disembarking at a final destination; ships will also have enhanced medical centres that can handle potential outbreaks<sup>49</sup>
- The Centre for Disease Control (CDC) has stated that for now, cruises will be limited to the length of their itineraries with sailings no longer than seven days<sup>50</sup>

### CANADA

- The Canadian government extended a ban on cruise ships until at least 2022 just weeks before its initial restrictions were set to expire; the ban, which has been extended until Feb. 28, 2022, applies to all cruise vessels carrying more than 100 people<sup>51</sup>
- In addition to cruise ships, the country has banned all adventure-seeking pleasure craft from entering Arctic waters as well as prohibited passenger vessels carrying more than 12 people from sailing the Arctic coastal waters, including by Nunatsiavut, Nunavik, and the Labrador Coast; local arctic residents are exempt<sup>52</sup>



## MAJOR TOUR OPERATORS

### KEY TAKEAWAY

Tours are going to look different when travel restarts in earnest. Not only have tour operators made changes for safety circumstances, but travellers will also have increased options and the comfort of navigating a post-pandemic world with the help of guides and experts. Travellers are also looking to travel with a purpose and are looking for tours and destinations that allow them to get off the beaten path and discover new places – backed by flexible cancellation policies and industry certifications in health and safety.

### GLOBAL

- Many tour operators now have opportunities for travellers to travel in private groups; CIE Tours, Globus, Adventures by Disney, Trafalgar and others have all started offering these types of trips with a major focus on customization<sup>53</sup>
- Companies have also added new domestic trips to cater to travellers who would like to go somewhere but are unsure of international travel<sup>54</sup>
- Tour operators are making travellers feel safe and comfortable by providing added protections such as wellness guides, flexible booking options, and cancel-for-any-reason plans<sup>55</sup>

### CANADA

- Operators are exploring new ways to help travellers book with confidence, such as “LOONIE” deposits for 2021/2022 Summer and Winter tours coupled with highly flexible cancellation policies<sup>56</sup>
- Safe Travels certifications by the World Travel & Tourism Council are being sought after and awarded to leading tour operators looking to differentiate their business through enhanced health and safety measures in alignment with provincial, federal, and industry standards<sup>57</sup>

## COVID-19 RESTRICTIONS: CANADIAN PROVINCES/TERRITORIES<sup>58</sup>

- An official global travel advisory remains in effect for Canadian provinces, with non-essential travel restricted until further notice and the Canada/US border remaining closed
- New federal requirements, including mandatory border testing and hotel quarantine, are now in effect for international travellers
- Alberta, Quebec, Ontario, Nova Scotia, and New Brunswick are beginning to lift restrictions, allowing non-essential retailers, including personal care businesses like hair salons, to re-open their doors and restaurants to reopen for in-person dining
- Despite lifting the restriction on businesses, Quebec will keep the 8 pm curfew in place and impose earlier curfews within the “red zone”
- Newfoundland and Labrador could see some additional restriction imposed as cases levels are increasing
- Manitoba, Saskatchewan, and British Columbia are ramping up immunization campaigns while continuing restrictions on both indoor and outdoor gatherings
- In the North, Yukon and Nunavut are reporting no new cases

## TRAVEL RESTRICTIONS: THE UNITED STATES<sup>59</sup>

- The CDC has a new requirement for proof of a negative COVID-19 test result or recovery from COVID-19 for all airline passengers arriving in the United States; this applies to all travellers, including US citizens, starting on January 26, 2021
- Travellers are being urged to enroll in the Smart Traveller Enrolment Program (STEP) to receive alerts about COVID outbreaks, terrorist threats, security incidents, planned demonstrations, natural disasters, etc., and make it easy to be located in case of an emergency
- Americans interested in traveling abroad are continuing to check for entry restrictions as many European countries, for example, have restricted entry to tourists and other non-essential travellers
- Americans returning to the United States from the UK, Ireland, the European Schengen Area, Brazil, and China had to travel through select airports with enhanced screening procedures, but this rule no longer applies
- US citizens who wish to travel within the United States are currently not blocked from doing so by any official nationwide advisories or restrictions but should consider the risks of being in crowded spaces and their ability to self-isolate at their destinations
- Travellers who are allowed to enter the United States but have passed through or have been in any of the countries named in the Borders section must quarantine for 14 days once they reach their final destination.
- Travellers who return to the US will experience standard customs processing, plus additional entry screening to inquire about their medical history, current condition, and contact information for local health authorities; they will also receive written guidance about COVID-19 and be directed to their final destinations, where they should immediately home-quarantine following CDC best practices

## TRAVEL RESTRICTIONS: TOP GLOBAL OUTBOUND MARKETS (EXCLUDING THE U.S. AND CANADA)

The top five Canadian inbound markets are summarized in the table below.

Country	Comments
<b>China</b> <sup>60</sup>	Due to a recent rise in COVID-19 cases, travel restrictions in many cities in China have changed. However, travel in China is gradually resuming. Cross-province tours are allowed and foreign nationals currently in China can travel in China as long as they have the required documents (including ID card, passport, green health code, etc.).
<b>United Kingdom</b> <sup>61</sup>	All travel corridors are currently suspended. Anyone arriving in England must quarantine for 10 days and take 2 coronavirus tests while in quarantine. Travellers returning from countries on the travel ban red list now need to quarantine in a government-approved hotel.
<b>France</b> <sup>62</sup>	France has announced they will be restricting travel to and from France from non-EU countries from 31 January 2021. Travel will only be permitted for essential reasons. They have also adopted their national classification of risk areas, hence travel restrictions for France are not based on the common "EU Traffic Lights" map. Any international travel is discouraged until further notice unless pressing reasons require it.
<b>India</b> <sup>63</sup>	India has extended its scheduled international flight ban once again. The order means that all scheduled passenger flights are suspended until the end of March, while cargo flights may continue to operate. However, international travel has resumed due to travel bubbles and hundreds of repatriation flights.
<b>Mexico</b> <sup>64</sup>	Mexico is easing coronavirus restrictions in popular tourist cities ahead of spring break. The news comes just before Mexico's busy spring break season and despite the Centers for Disease Control and Prevention's January Warning for Americans not to visit Mexico because of "very high" levels of the coronavirus.

## ABOUT

The 'State of Tourism in Canada during COVID-19' dashboard 2.0, compiled by Twenty31 analysts, provides a monthly snapshot of recent global, regional and domestic tourism health and economic updates, and insights on the impact of COVID-19 on the travel and tourism industry's path to recovery. Insights are derived from a review of myriad global and Canadian media sources, associations, consultancies, and expert opinion from the tourism industry and government. We analyze the current state and future potential of key drivers of tourism recovery, including the most important tourism channels – source markets, airlines, accommodations, tourism businesses, tour operators, OTAs, and travellers.

This dashboard serves two objectives. 1) First, to identify activities and messages for Canada's tourism industry, and, 2) in particular, to inform the timing of program and recovery activities and messages supporting the Canada Experiences Fund (CEF) and other programs to aid in the recovery of Canada's tourism economy.

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