



COVID-19 Impact and Recovery Report: Business Events

Updated based on Data as of April 13, 2020

Caveat: The information provided in this document is based on reporting by participating partners. Future versions of this document may contain information from new participating partners. Care should be taken in comparing versions of this document over time. Please be aware that the first impact report has a greater lag than expected in future reports. Updates will be provided as soon as they are available.

This document provides an estimate of the impacts from COVID-19 on business events in Canada. It also provides analysis on sentiment towards business events from various sources, and relevant information on social distancing recommendations and travel restrictions.

In addition to monitoring media, Destination Canada receives weekly data from various business events partners to create interim updates between scheduled Pace Report publications. Interim updates are estimates only, but provide a more frequent indication of the magnitude of change as the situation evolves between official reports.

To date, Destination Canada estimates that the losses (as of April 13 data) to the sector are 1,732 events, 733,984 delegates, \$636.84M in direct spending. Compared to 2019, this represents a loss of 65% of the events, 52% of the delegates and 54% of the direct spending. The events planned for the rest of the year are still at risk of being cancelled or rebooked.

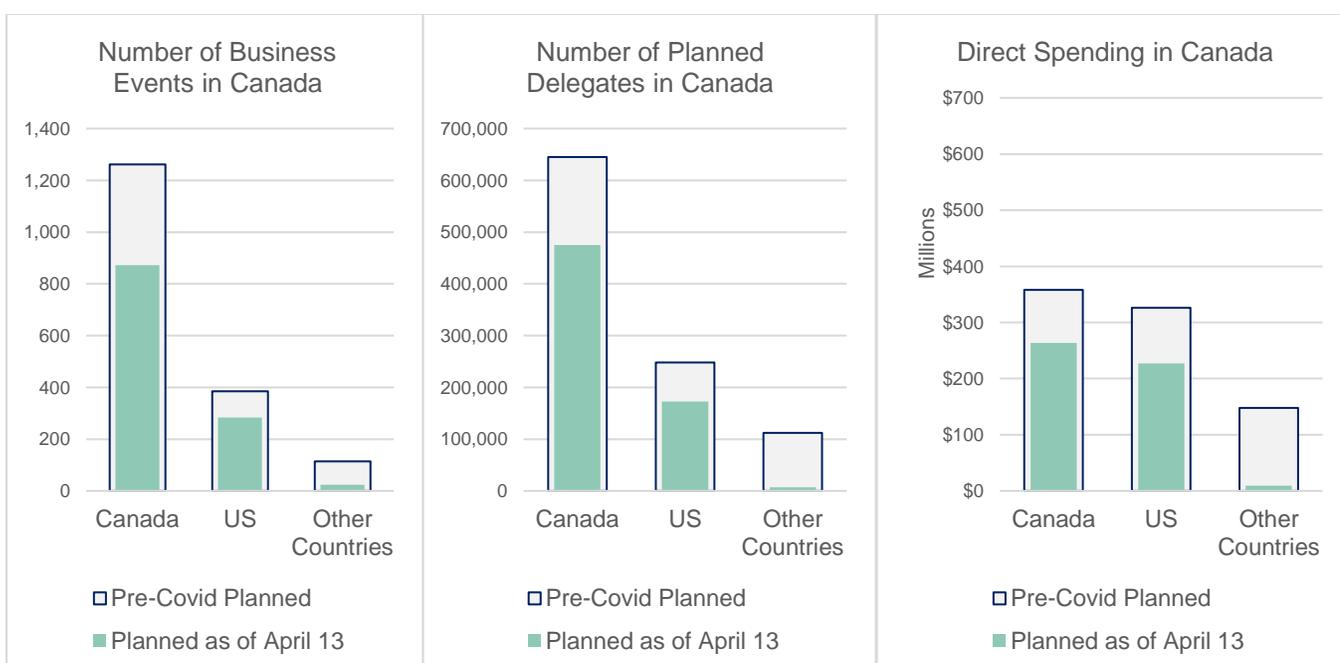
The tables below represent a business events snapshot from Pace Report Partners on planned events for 2020 and reported cancellations for 2020. For detailed information, please see report.

Pre-COVID-19 Confirmed Business Events for 2020

	Total	Canada	%	US	%	Other Countries	%
Number of Events	1,761	1,262	72%	385	22%	114	6%
Number of Delegates	1,004,940	644,820	64%	247,864	25%	112,256	11%
Direct spending	\$831.43M	\$357.87M	43%	\$325.94M	39%	\$147.62M	18%

Data as of April 13th Business Events (Reported Cancelled)

	Total	Canada	%	US	%	Other Countries	%
Number of Events	-582	-390	-67%	-102	-18%	-90	-15%
Number of Delegates	-349,934	-169,610	-26%	-75,007	-30%	-105,317	-30%
Direct spending	-\$331.26M	-\$94.13M	-28%	-\$98.63M	-30%	-\$138.49M	-42%



PRIMARY COVID-19 RESTRICTIONS IMPACTING BUSINESS EVENTS

Effective March 18, 2020, Canada closed its borders to non-Canadian citizens/permanent residents.² Canada and the US closed the land border between the two countries to non-essential travel as of March 21, 2020.³ The initial border closure agreement with the US expiring on April 18 was extended for another 30 days to May 18, 2020.

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On March 19, 2020, the US State department issued an advisory to US citizens to avoid all international travel.⁴ Within the US, several (but not all) individual states, counties and cities have issued restrictions on their residents. As of April 15, 2020, at least 316 million people in 42 states, 3 counties and 9 cities are being urged to stay home.⁴

On March 25th, 2020, the Public Health Agency of Canada recommended the cancellation or postponement of in-person gatherings of more than 50 attendees in Canada for the next eight weeks to reduce community transmission.⁵ In some provinces, this recommendation was tightened to smaller gatherings of up to 25 people in Saskatchewan,⁶ and no more than five people in Halifax.⁷

Most businesses in the US and Europe (including Amazon, Microsoft, Nestle and Google) have halted non-essential travel. Remote work is being encouraged. On April 7th, 2020 Microsoft transitioned all external and internal events to a digital format through July 2021¹⁰.

The cumulative impacts of these restrictions is that face-to-face business events are essentially curtailed from the period of March 25th onwards.

IMPACTS ON BUSINESS EVENTS IN CANADA

On a monthly basis, Destination Canada develops the Canada Business Events Pace Report. This report is a collaboration of destinations across Canada that shares information on business events to align marketing and sales efforts. This report is available to Pace Report partners only, however, the analysis in this paper is derived from forward-looking data in that report. This includes 17 urban Canadian destination marketing organizations (DMOs) participating in the March 2020 Canadian Business Events Pace Report. This analysis also includes cancellation reports of non-Pace Report partners.

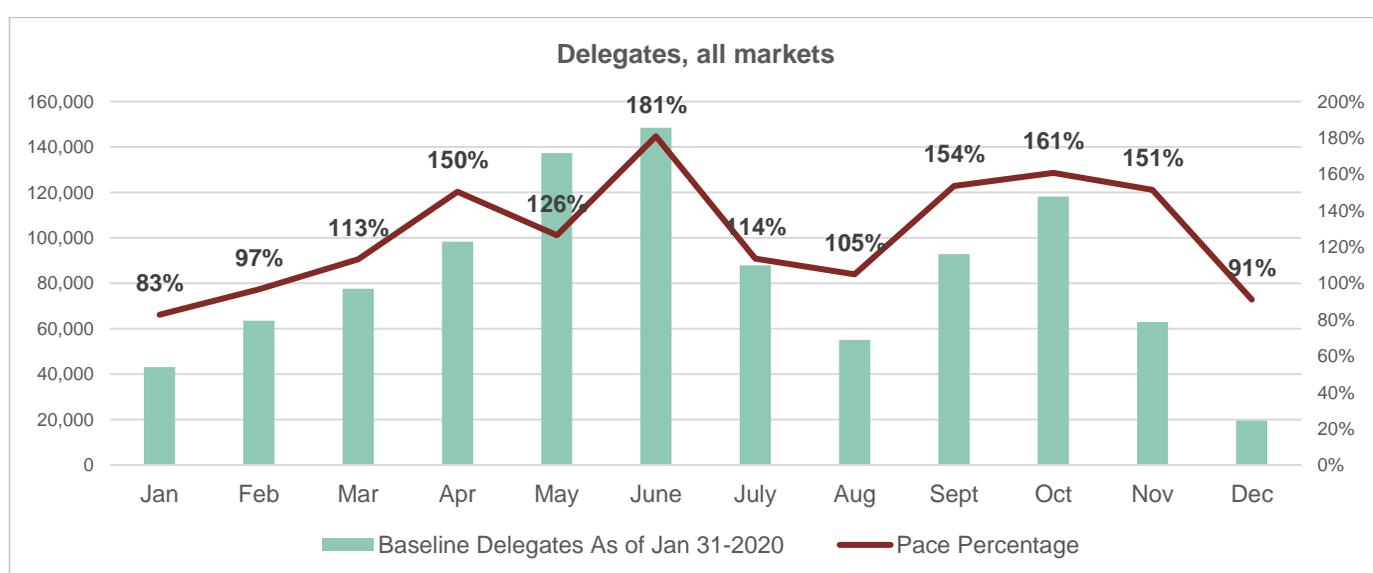
Pre-COVID-19 Outlook

Based on the Pace Report (data to January 31, 2020), 2020 was to be strong year with 1,761 business events representing more than 1.04 M delegates and \$831.43M in direct spending; approximately 36% of delegates were from internationally based organizations who were planning to hold business events in Canada.

Pre-COVID-19 Confirmed Business Events for 2020 (data as of January 31, 2020)

	Total	Canada	%	US	%	Other Countries	%
Number of Events	1,761	1,262	72%	385	22%	114	6%
Number of Delegates	1,004,940	644,820	64%	247,864	25%	112,256	11%
Direct spending	\$831.43M	\$357.87M	43%	\$325.94M	39%	\$147.62M	18%

Every month, save January, February and December, Canada had been pacing significantly above the 2018/2019 pace baseline.



The peak months for business events travel are typically April, May, June, September and October. **The months of April, May and June are especially at risk from COVID-19 related cancellations.**

As of January 31, 2020, this period represented:

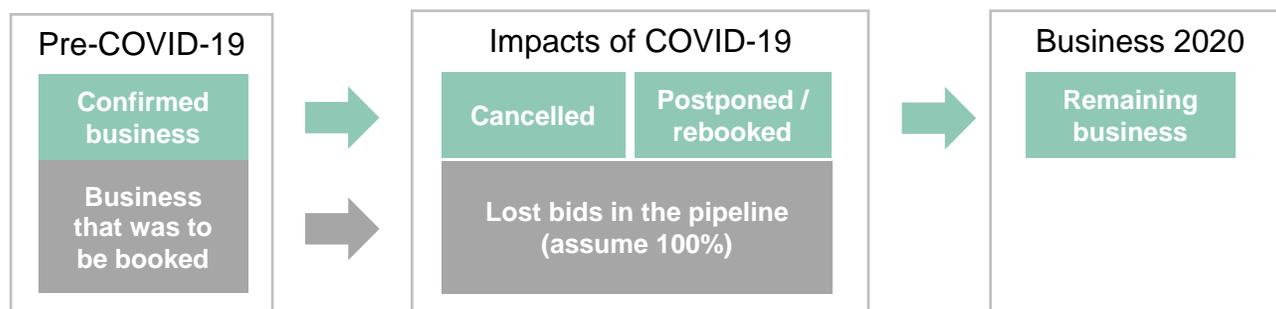
- 46% of the total planned business events, including 461,765 delegates, of which, more than 48% were international delegates, (total 173,000 international delegates which includes ~108,000 US delegates and ~66,000 from other countries)
- 44% of the international business events tracked in Canada.
- May 2020 was the most important month for Canadian (domestic) delegate travel with more than 100,000 travelling to a business event
- June represented the peak of international delegate travel with 23% of all international delegates, and 42% of those international delegates from countries outside the US

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Impacts from COVID-19

COVID-19 has had significant and potentially catastrophic impacts on the business events sector. To estimate the impact from COVID-19, the following losses are being tracked:

1. Cancellation of contracted business events
2. Lost opportunity of bids in the pipeline
3. Postponement or rebooking of events originally planned for 2020



Methodological note: The direct spending impacts noted below are modelled estimates, adjusted for growth, from Statistics Canada National Travel Survey and Visitor Travel Survey data. This report does not represent a complete economic impact, and should be taken as indicative only for future baseline comparison.

The estimated impact of COVID-19 on business events is a loss of -\$636.84 million in direct delegate spending, and we anticipate this number will grow as more events are cancelled or rebooked.

Total Estimated COVID-19 Losses (as of April 13, 2020)

	Events	Delegates	Direct Spending (M)
1.A Pace Partners Reported Cancelled (as of April 13)	-582	-349,934	-\$331.26M
1.B Additional Non-Pace Partners Reported Cancelled	-65	-13,664	-\$7.66M
1.C DC Estimate Cancelled (Mar-May 2020)	-147	-103,523	-\$67.57M
2. Tentative business lost for 2020	-938	-266,863	-\$230.35M
3. Postponed or rebooked*	TBD	TBD	TBD
Total Estimated loss	-1,732	-733,984	-\$636.84M

*Postponed business value will be available in the next Pace Report available May 5, 2020. Postponed events may be in 2020 or for future years.

Comparison to 2019

	Events	Delegates	Direct Spend (\$M)
Estimated 2019	2,683	1,415,844	\$1,173.02
Known 2020 Losses to date	-1,732	-733,984	-\$636.84
% compared to 2019	-65%	-52%	-54%
At risk: Events in June, July and August	417	291,408	\$280.1

Details on Estimated Losses

1. Cancelled business

To estimate the cancelled business to date, DC has three sources of data. Combined, all cancellations reported and estimated represent 794 events, more than 467,000 delegates, and a loss of \$406.49 M in direct delegate spending.

1.A. Pace Report Partners: As of April 13th, 17 participating Pace Report partners reported confirmed cancellations. For Pace Report Partners, we have a breakdown of whether they are Canada-, US- or Other country- based.

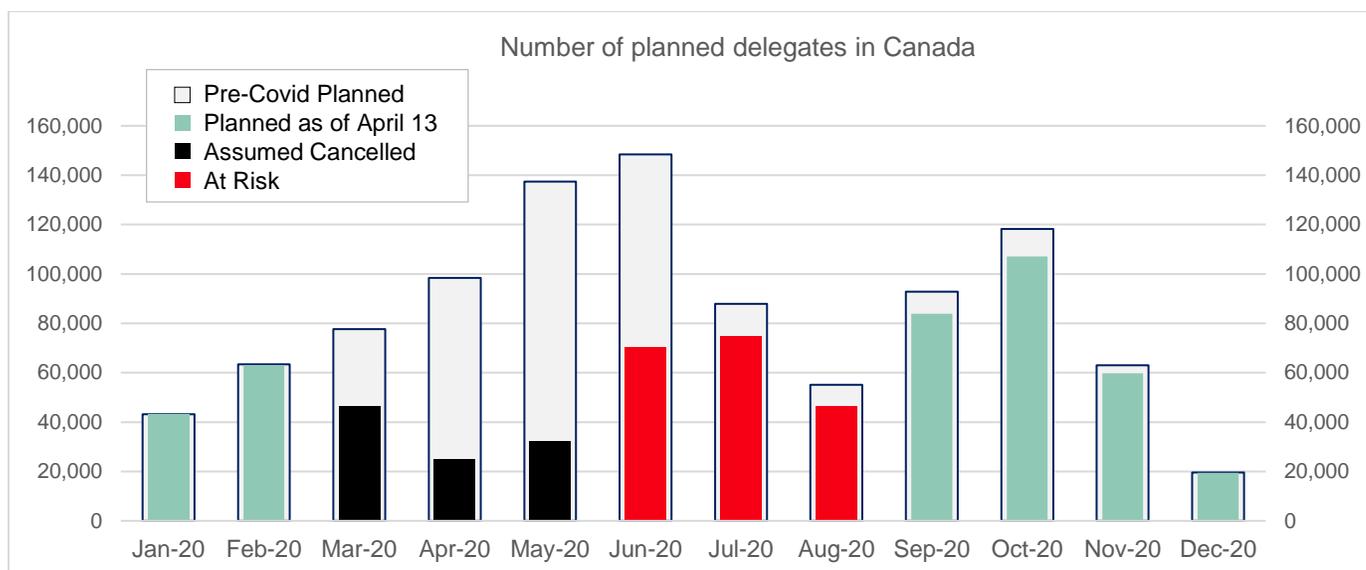
Pace Report Partners: Cancelled Business Events (Data as of April 13th)

	Total	Canada	%	US	%	Other Countries	%
Number of Events	-582	-390	-67%	-102	-18%	-90	-15%
Number of Delegates	-349,934	-169,610	-26%	-75,007	-30%	-105,317	-30%
Direct spending	-331.26M	-94.13M	-28%	-98.63M	-30%	-138.49M	-42%

This shows cancellations of planned events that are 33% of the total confirmed business events, 35% of the total expected delegates, and 41% of the direct delegate spending. Of the cancellations – 51% of delegates are from international organizations (21% US and 30% other world countries).

1.B Non-Pace Partners: We also received cancellations from an additional five (non-Pace) partners. For 2020, this represents a total of 65 events, 13,664 delegates who would have spend \$7.66M directly in destination.

1.C Cancellations not yet reported: Events that were to happen, but for which gathering and travel restrictions would have made not possible. For March, April and May 2020, we estimate an additional 147 events (representing more than 103,000 delegates and \$67.57M in direct delegate spending) were cancelled or postponed.



- As of April 13th 2020, there is a 35% loss in planned delegates for the year. Planned travel reported by Pace Partners declined monthly between –40% and –75% between March to June.
- At risk are the events for June, July and August.
 - For June alone, we had anticipated 148,428 delegates. We have already had an 85% drop in delegates from international (non- US) organizations, which represented 42% of planned international delegate travel for 2020. Non-US organizations are most likely to cancel their events earlier given the long haul travel involved. We anticipate further cancellations from US and domestic events.
 - Also at risk are July and August events, representing more than 121,000 delegates, 156 events and approx. \$111.10M.

2. Lost opportunity

Our partners were bidding on business events that were going to be taking place in 2020. As of January 31, 2020, there were 938 outstanding business events to be confirmed for 2020 that represented 266,863 delegates and represented a \$230.35 M in direct spending.

Due to COVID-19 these business opportunities were cancelled. It is assumed no new bookings are occurring for future months July – December 2020 as event organizers are keeping a ‘wait and see’ approach given that many organizations have halted travel and event planning. Organizers are focused on rebooking 2020 events.

3. Postponement or rebooking of events planned for 2020

We are also monitoring the pace of rebooked events. What we are able to see so far is that planners are moving their events into the fall. Rebooking events from March to June to fall 2020 may prove to be challenging due to:

- lack of hotel or convention centre availability as a result of COVID-19 emergency response
- lack of hotel or convention centre availability due to other previously scheduled business events
- event organizers bumping Canada to future years, due to event rotation schedules.

Some of the event organizers are rebooking or postponing events beyond 2020, with some rebooking as far out as 2024. These rebooked events will likely displace other potential events in the pipeline that have not yet been confirmed.

The ripple effect of postponed and rebooked events will be felt in the industry for years – including that of tentative business our destinations were bidding on for future years that will now be cancelled indefinitely or affected by these postponed/rebooked events. Several international conferences are booked up to 5 years in advance. Given this booking cycle, some international events are more likely to be cancelled rather than postponed. Such events with long advanced booking windows will simply need to be rebid on in later years.

BUSINESS EVENTS TRAVEL SENTIMENT

We are using a number of methods to track when and if the travel market shows signs of recovery including weekly IPSOS pulse surveys of Canadians and International visitors, the Global Business Travel Association flash polls, Destinations International webinars, International Congress and Convention Association webinars, the Professional Convention Management Association pulse surveys and NorthStar Meetings Group weekly surveys, amongst others.

Below are highlights extracted from the most recent surveys:

- Recovery timeline: While decision makers and planners are currently optimistic that they will be able to host their meetings in September and Q4 2020 (pending COVID-19 status, and factors such as provincial and federal health restrictions). Partners are now reporting cancellations for this period. We are expecting this to show in next month’s report.

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- Segments: Smaller groups will start travelling first. Digital components will be important for these in-person events as they re-start, for those not willing to travel but wanting to participate. Larger conference groups will likely wait until there is a vaccine.
- Corporate meetings are to be the first to resume: Sectors (e.g., health care) that are thriving will hold corporate meetings before association meetings/conferences, as they will need to generate revenue for their companies.
- Integration of virtual meeting spaces: Face-to-face meetings will remain important, however, the virtual component will now be more common as a “fixed” component in programs – prior to COVID-19 it was an add-on or “experimental” into the program. There will be more opportunities for those organizations who can capitalize on virtual meetings and hybrid meetings.
- Resilience of in-person meetings: Face-to-face meetings create memorable experiences and drive business forward – building trust and camaraderie. This may become even more important as organizations seek to rebuild their operations post-COVID.
- Event organizers are currently not interested in being sold to, rather they appreciate soft outreach to maintain relationships and small bites of information they can use to perform their jobs as organizers in the future. They are keen to understand what measures are being implemented to address security, safety, physical distancing, and increased sanitation across the meetings spectrum: hotels, transportation, convention centres, restaurants, off-site venues, etc.
- Event organizers sourcing for future meetings are experiencing difficulties in reaching suppliers (hotels, venues, destination marketing organizations and destination marketing companies) as many are closed or are furloughing staff.
- Willingness to travel: Among member companies of the Global Travel Business Association, 66% expect most (33%) or some (33%) of their employees will be willing to travel as the Covid-19 crisis subsides.

Sources:

¹ John Hopkins Coronavirus Resource Center, March 25, 2020 5:00pm

<https://coronavirus.jhu.edu/map.html>

² National Post, March 16, 2020

<https://nationalpost.com/news/canada/trudeau-travel-restrictions-ban-coronavirus-covid19-canada>

³ The Globe and Mail, March 19, 2020

<https://www.theglobeandmail.com/canada/article-evening-update-canada-us-border-restrictions-to-take-effect-friday/>

⁴ US State Department, April 15, 2020

<https://travel.state.gov/content/travel/en/traveladvisories/ea/covid-19-information.html>

⁵ Government of Canada, March 25, 2020 updated

<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/health-professionals/mass-gatherings-risk-assessment.html>

⁶ Province of Saskatchewan, March 20, 2020

<https://www.saskatchewan.ca/government/health-care-administration-and-provider-resources/treatment-procedures-and-guidelines/emerging-public-health-issues/2019-novel-coronavirus/public-health-measures/mass-gatherings>

⁷ Province of Nova Scotia, March 22, 2020

<https://novascotia.ca/coronavirus/#alerts>

⁸ Global Business Travel Association, April 8, 2020

https://www.gbta.org/Portals/0/Documents/Coronavirus_Poll_Report-20200408.pdf

⁹ NorthStar Meetings Group, March 31, 2020

<https://www.northstarmetingsgroup.com/uploadedFiles/Northstar-Meetings-Group-Covid-19-Survey-3.31.20.pdf>

¹⁰ <https://www.theverge.com/2020/4/7/21211721/microsoft-events-build-2021-digital-only-coronavirus-plans>

¹¹ Professional Convention Management Association, April 13, 2020 <https://www.pcma.org/survey-results-covid-19-changing-business-events-industry/>

Appendix

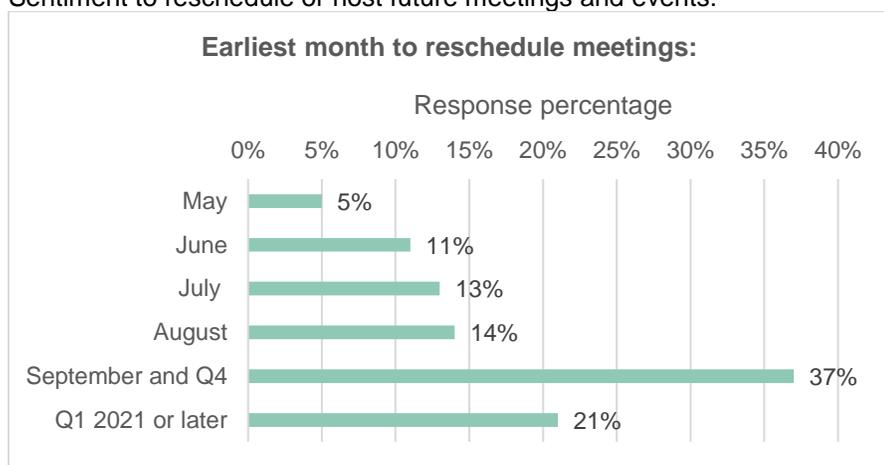
The NorthStar Meetings Group weekly pulse survey fielded March 17-24 (representing 534 respondents) shows the following insights into meeting planner sentiment⁹:

- Planners are cancelling, postponing and producing virtual events
- Most of the postponements are rebooking or planning to rebook with the same property
 - a signal to monitor if the booking windows and timeframes of these rebooked events change
- Nearly 60% have outright cancelled events
- More than 45% of those who have postponed their meetings have already rescheduled, more than 50% are still working to reschedule their postponed events
- 30% of those surveyed said they are planning to produce a meeting virtually — demonstrating solid traction for the online option, not to replace physical events but to provide some means of connecting groups during this period of disruption.

Responding planners thought rescheduling or cancelling events:

- 48% ranked rescheduling or cancelling easy or relatively easy with some compromises, objectives were met and favourable outcome
- 23% ranked neutral – working through challenges
- 15% ranked difficult or relatively difficult due to limited flexibility and lack of availability
- 13% haven't tried or had other issues

Sentiment to reschedule or host future meetings and events:



Professional Convention Management Association (PCMA) Survey:

On April 13th, PCMA released results of their April 1 - 5 event planner and supplier survey¹¹, with 1,776 respondents. Key highlights for business events include:

- Event cancellations as reported by respondents were minimal in February, but then exploded the following month, with events planned for March, April, May, and June seeing the largest numbers of cancellations.
- March was the pivotal month, with respondents saying it was when they decided to cancel. Some respondents indicated that early in the month, clients had still been hesitant to cancel or postpone.
- 61% of respondents in the midst of deciding whether to postpone, had an event scheduled in June, followed by July. There were 53 events still in the balance for May, and dozens were deciding about events in August, September, and even October. Twenty-five respondents were unsure about their events in November and December.
- Those that already postponed events were scheduled: most of the events post-poned were scheduled in March, April, and May — 75% of postponed events were to be held during those months. Far fewer June events — less than 10% — were postponed. Fifteen percent of respondents post-poned events scheduled from June through the end of the year.
- When asked if digital events will cannibalize in-person events, respondents resounded with “no”, supporting other readings where most see digital being incorporated into their events set to stay.

The Global Business Travel Association (GBTA) data is being monitored to gain insight into business confidence in travelling, signalling a next step to hosting and travelling to a conference. The weekly flash poll of business members of the **Global Business Travel Association (GBTA)**⁸, worldwide assesses their perception of the COVID-19 pandemic on their business and travel. The key findings are summarized below fielded from the April 1-4 survey of 1,000 respondents, (representing nearly 20% of GBTA members). It is important to understand business travel sentiment as corporate meetings will follow if businesses reprise their operations. Key points from the survey include:

Business travel is grounded and for business travel to specific countries:

- 95% of companies have cancelled or suspended trips to Canada (representing an estimated \$2.1B in potential loss of 2020 monthly revenue according to GBTA)
- 98% report cancelling or suspending all international travel
- 92% report domestic travel cancelling or suspending domestic travel

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Cancellation of trips:

- Most US (93%) and Europe (92%) report their company having cancelled or suspended all or most domestic travel
- Travel buyers estimate cancelling 92% of pre-booked business trips for March and April 2020
- Overall, more than half have restricted all business travel, while 45% of companies are allowing some essential travel

Willingness to travel:

- 66% of companies expect most (33%) or some (33%) of employees will be willing to travel.

Not surprisingly, virtual meetings are the new norm for these members, due to physical distancing concerns.