

COVID-19 Impact and Recovery Report: United Kingdom

Updated: July 31, 2020

This report provides a snapshot of the situation in the United Kingdom (UK). It includes the following sections:

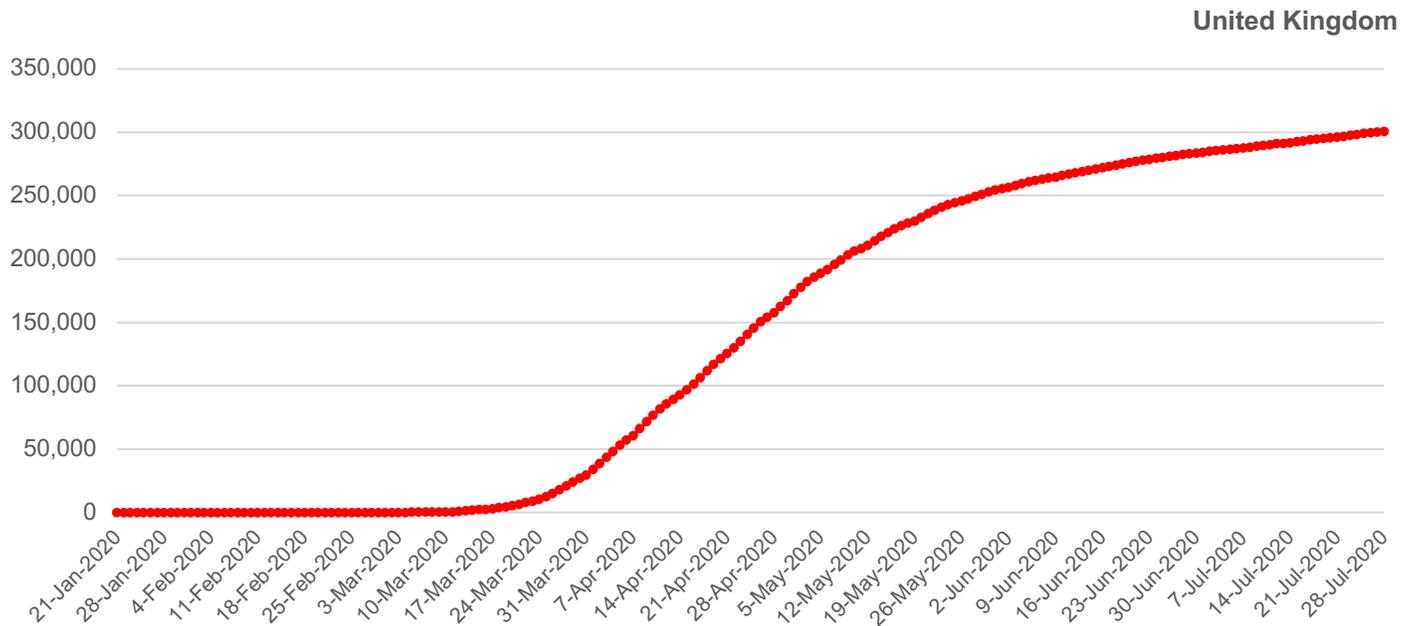
- COVID-19 Cases and Related Restrictions:** The number and growth rate of cases as of a certain date. Given the fluidity of the situation, these numbers may be out of date very quickly, but the intent is to provide context for analysis, as well as a sense of the scale. It also provides the known travel bans and restrictions in the country.
- Estimated Impacts on Travel to Canada:** The effects of COVID-19 on tourism revenue in Canada. This includes estimated spend inside the country, but excludes spending on transportation to get to Canada.
- Recovery Signals:** The comprehensive approach to understanding when the market is recovering from a travel perspective based on data and analysis in partnership with Google, Expedia, International Air Transport Association (IATA) and more. Destination Canada uses this information to estimate the stage of recovery of the market.
- Methodological Notes:** An explanation of the methodologies in the different sections and relevant sources.

1. COVID-19 CASES AND TRAVEL RESTRICTIONS IN THE UNITED KINGDOM

As of July 28, 2020, the COVID-19 pandemic is still on an **upward** trajectory in the United Kingdom in terms of the reported number of confirmed cases and deaths. Current numbers:¹

- Total Confirmed: 302,293 (+2% compared to the previous week)
- Total Deaths: 45,963

Confirmed COVID-19 Cases



Source: European CDC (as of July 28, 2020)

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Effective March 18, 2020, Canada has closed its borders to non-Canadian citizens/permanent residents.²

The United Kingdom issued an advisory against all non-essential international travel as of March 17, 2020, and strongly advised that UK residents outside of the country return to the UK if possible due to widespread flight suspensions and airport closures.³ As of July 3, 2020, the government eased some restrictions around non-essential travel for UK citizens, compiling a list of some countries and territories that are considered lower risk. The list of exempt countries remains under constant review and currently includes Canada.⁴

Effective March 23, 2020, the British government introduced lockdown and social distancing measures, including:

- Requiring people to stay at home, except for very limited purposes (food, healthcare or work that cannot be done from home)
- Closing non-essential shops and community spaces
- Stopping all gatherings of more than two people in public⁵

On May 11, 2020, the above social distancing guidance was revised in a detailed plan published by the British government to gradually begin lifting restrictions as part of its phased approach to recovery.⁶ Some of the first changes allowed unlimited outdoor exercise and encouraging some people to return to work.⁷

On June 23, 2020, the British government announced another series of changes to lockdown measures in England including the re-opening of pubs, restaurants, accommodation sites and some leisure facilities and tourist attractions from July 4, 2020, provided they adhere to safety guidelines.⁸ In Northern Ireland, hotels, restaurants and pubs that serve food were able to reopen as of July 3, 2020⁹. In Wales, as of July 13, 2020, pubs, bars and restaurants were able to open outdoors. Indoor attractions and tourist accommodation with shared facilities, such as camping, were also permitted to reopen as of July 25, 2020.¹⁰ The majority of the tourism sector was also re-opened in Scotland as of July 15, 2020, including hotels, campsites and tourist attractions.¹¹

On July 31, 2020, amid rising numbers of new cases, plans to further ease lockdown measures as of August 1, 2020, were put on hold, to be reviewed again after two weeks. The announcement also includes additional localized restrictions in some areas.^{12,13}

2. ESTIMATED IMPACTS ON TRAVEL TO CANADA

As of July 26, 2020, based on data from payment cards, Statistics Canada, cancellations of previously planned trips, new bookings and forward-looking scheduled air capacity, Destination Canada estimates the economic impact from COVID-19 on Canada to be as outlined below.

Estimated Change in Tourism Export Revenue Compared to 2019 by Quarter (\$M)

	JAN	FEB	MAR	Total Q1	APR	MAY	JUN	Total Q1+Q2	JUL	AUG	SEP	Total Q1+Q2+Q3
\$ change compared to 2019 (\$M)	\$1.0	\$3.7	-\$35.3	-\$30.7	-\$86.8	-\$111.4	-\$149.0	-\$377.9	-\$175.0	-\$184.1	-\$151.2	-\$888.2
% change	2.1%	7.3%	-62.5%		-88.6%	-93.1%	-94.6%		-88.8%	-85.0%	-88.4%	

Source: Destination Canada Estimates (data as of July 26, 2020)

Estimated Change in Tourism Export Revenue Compared to 2019 by Province (in \$M)

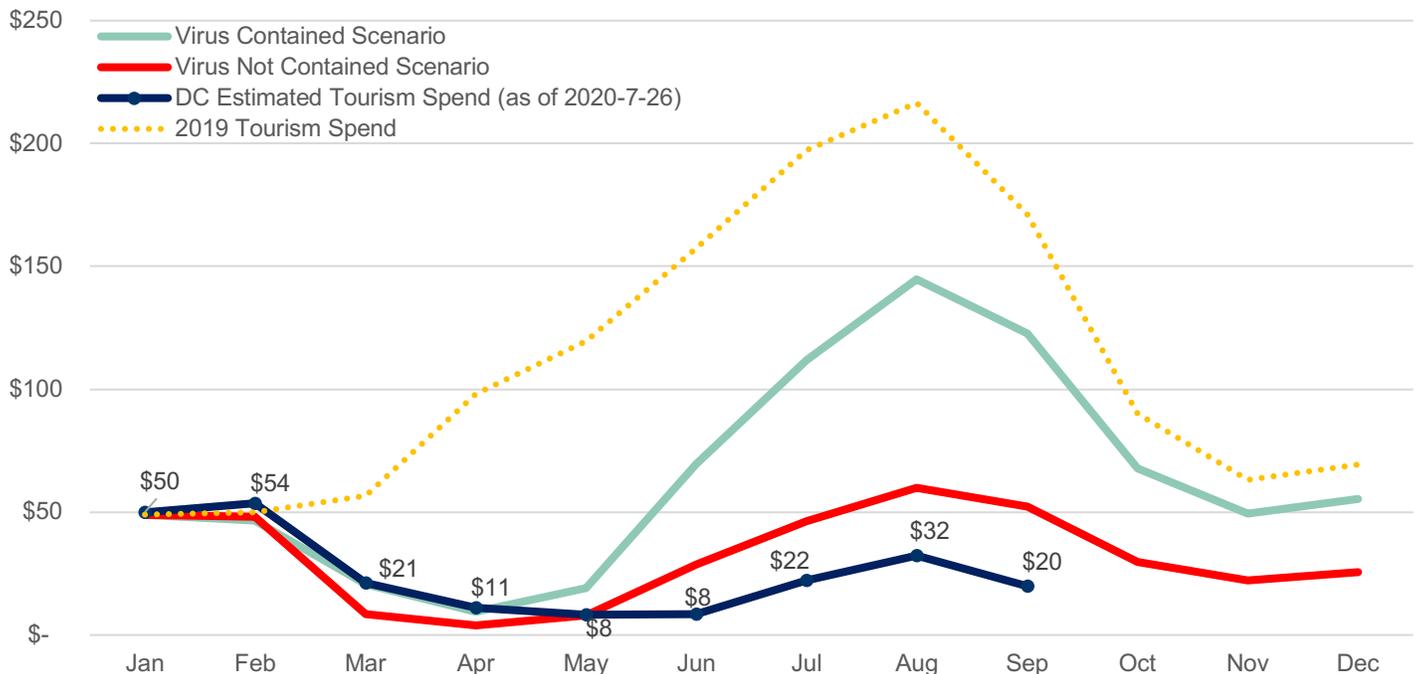
	CAN	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL	NORTH
Jan - Jun	-\$377.9	-\$118.6	-\$67.9	-\$3.8	-\$3.8	-\$127.8	-\$32.0	-\$3.5	-\$9.3	-\$2.6	-\$3.2	-\$5.3
Jan - Sep	-\$888.2	-\$282.7	-\$148.5	-\$9.4	-\$9.1	-\$284.8	-\$90.5	-\$9.8	-\$25.1	-\$7.2	-\$8.3	-\$12.7

Source: Destination Canada Estimates (data as of July 26, 2020)

Destination Canada has commissioned Tourism Economics,¹⁴ to develop a series of models to estimate the impact of COVID-19 on the Canadian economy and travel. This analysis considers two scenarios: **Virus Contained Scenario**: (travel is possible in July and August) and **Virus Not Contained Scenario** (no travel in July and August).

Assessing the current trajectory of COVID-19 against these models will allow Destination Canada and its partners to continue to refine the estimated impacts and understand the speed and scale of recovery. The chart below compares the current estimates against these models.

Estimated Tourism Spend versus Tourism Economics Virus Contained and Virus Not Contained Models, as of July 26, 2020 (\$M)



Source: Destination Canada Estimates, Tourism Economics Estimates

Based on the data currently available, we are able to assess tourism spend impacts for British travel to Canada up to September 2020.

Destination Canada currently assesses that, while tourism spend estimates earlier in the year were more in line with the Virus Contained scenario, at this point the data indicates that British tourism spend for the summer months is falling below the Virus Not Contained scenario, and that trend is likely to continue through September.

3. RECOVERY SIGNALS

In response to COVID-19, Destination Canada has established a framework and analytical approach to identify signals from consumer and industry behaviour to understand when, where and at what pace travel and tourism will resume. Destination Canada collaborated with partners in destination marketing, media, technology and travel to identify these indicators and signals. The framework has identified multiple phases of recovery, which aligns with user sentiment and intent to travel. The summary of the methodology and terms can be found in Section 4. Methodological Notes.

The framework below provides analysis on when travellers may be considering, planning and reserving travel.

<p>Destination Canada's Assessment of the UK market:</p>	<p>II Domestic</p>	<p>Government restrictions on movement and travel are gradually being lifted, with localized restrictions being implemented in some areas as necessary. Domestic travel within the UK is being considered and planned.</p>
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Assessment Summary:

	Phase				Analysis
	I COVID Response	II Domestic	III Tentative Int'l	IV Regularized Int'l	
Travel Search Index	●	●	○	○	YOY domestic travel searches have been gradually trending upward since mid-May. There was a particularly noticeable jump in the week ending June 28, 2020, after a June 23, 2020, announcement that most leisure facilities and tourist attractions, restaurants, hotels, etc. would re-open as of July 4, 2020, and again in the weeks since the re-opening. Destination Canada assesses that the British have resumed their search for domestic travel.
Accommodation Searches	●	●	○	○	YOY domestic accommodation searches have been gradually trending upward since early June. There was a notable increase in the week ending June 28, 2020, following a June 23, 2020, announcement that most leisure facilities and tourist attractions, restaurants, hotels, etc. would re-open as of July 4, 2020, and again in the weeks since the re-opening. Destination Canada assesses that the British have resumed their search for domestic accommodation.
Rate of Hotel Booking	●	○	○	○	YOY domestic accommodation bookings have been gradually trending upward since early June. There was a notable increase in the week ending June 28, 2020, following a June 23, 2020 announcement that most leisure facilities and tourist attractions, restaurants, hotels, etc. will re-open as of July 4, 2020, and again in the weeks since the re-opening. Destination Canada assesses that this may be an early sign that the British may be starting to resume booking domestic accommodation.
Rate of Air Travel	□	○	○	○	Not applicable at this stage.
New COVID Cases	●	○	□	□	The number of weekly new cases in the UK has been declining for several weeks, having reached a potential peak in the week ending April 12, 2020. However, there were still 4,621 new cases in the week ending July 26, 2020, a slight uptick from the previous week.
Dining Search Index	●	●	○	○	YOY domestic dining search has been trending upward since mid-June. There was a notable increase in the week ending July 12, 2020, following the re-opening of most leisure facilities and tourist attractions, restaurants, hotels, etc. as of July 4, 2020. Destination Canada assesses that the British have resumed their search for domestic dining.
Activities Search Index	●	●	○	○	YOY domestic destination activities search has been trending upward since early June 2020. There were notable increases in the first two weeks of June, and then again in the week ending July 12, 2020, following the re-opening of most leisure facilities and tourist attractions, restaurants, hotels, etc. as of July 4, 2020. Destination Canada assesses that the British have resumed their search for domestic destination activities.

Legend: Progress to date ● Not there yet ○ Signal not applicable □

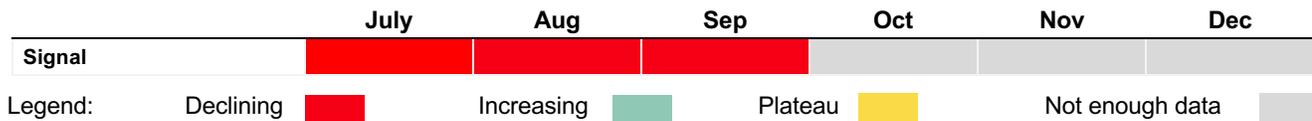
Future Planned Travel

The chart below provides an assessment of when travellers are booking travel to Canada. This assessment is based on changes to net planned travel (new bookings, less cancellations) from the country to Canada, compared to past travel behaviour.

- A 'declining' signal indicates that the year-over year net planned travel is falling week over week and is likely not a period currently being considered for travel.
- A 'plateau' signal indicates no change week over week.
- An 'increasing' signal indicates there is an increase in year-over-year net planned booking, week over week and that this time period is being considered for travel to Canada.

A 'not enough data' signal indicates that travellers do not normally book that far in advance so we cannot assess the signal at this time.

Planned Travel for the United Kingdom to Canada compared to 2019, as of July 26, 2020



4. METHODOLOGICAL NOTES

I. COVID-19 Cases: The intention for this section is to provide context on impact and recovery analysis by providing a snapshot in time of the state of the pandemic and government restrictions. For the most current information on COVID-19 in that country, readers are encouraged to seek information from official government sources.

II. Estimated Impacts: The estimates are based on data from spending on credit and debit cards in Canada for January, February and March 2020, normalized against Statistics Canada data. For April 2020 onwards, forward-looking air booking and cancellation data for return tickets from IATA accredited travel agencies is used. Destination Canada estimates that these IATA bookings account for 36% of the air travel market from the United Kingdom to Canada in 2019.

Also used in the analysis is the forward-looking scheduled air capacity. These impacts are based on modelled estimates from 2018 spending data, adjusted for travel growth, and using payment card data from 2019 and 2020 wherever possible. The analysis should be taken as indicative only.

Based on in-market intelligence, we know that travel agents and operators have prioritized repatriation of clients in areas with outright travel bans (e.g. Middle East, India, Peru) and are not processing cancellations normally. Different airlines also use various systems to re-book travel, some of which are incenting late rebooking (i.e. closer to the original date of travel). As such, the forward booking data may over-represent the amount of travel that will happen and should be taken as an upper bound.

III. Recovery Signals: The Recovery Measures are listed in their order of importance in understanding travel behaviour, with the primary measures in black and supporting measures in dark gray. A brief description of each measure is provided below.

Destination Canada has developed a framework to understand the phases of recovery of the travel market. These phases are:

- I. **COVID-19 Response:** Governments are responding with measures such as shelter-in-place orders and mandatory quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
- II. **Domestic Travel:** Travel by multiple means (air, car, trains, etc.) within the country, across provincial/territorial/state boundaries.
- III. **Tentative International Travel:** Some international travel, likely only required travel such as family-related or urgent business. There may be some leisure travel as some less risk-averse travellers seek to capitalize on reduced prices or increases availability. Airlines may not have restored international routes beyond major hubs.
- IV. **Regularized International Travel:** Regular international travel. Some business meetings and events are re-introduced and attended, leisure travel is closer to pre-COVID-19 levels.

A filled-in dot in the Assessment Summary table signifies that Destination Canada assesses we are in that phase of travel. An empty dot means we have not yet reached that indicator and the crossed off box would signify that the measure does not apply for that phase of recovery. Some measures are currently being developed and will be updated as progress is made.

Description of the Measures

- **Travel Intent Search Index:** Google search engine queries for travel-related keywords in 2020 compared to 2019 searches, broken down by week (i.e. week of April 19, 2020 vs week of April 19h, 2019). Available for each market's domestic, international and Canada-specific travel search terms.

- **Rate of Accommodation Searches:** Weekly searches in 2020 for accommodation on a major online travel agency (OTA) against a rate of 2019 weekly searches, broken down by week. Available for each market's domestic, international and Canada-specific accommodation searches. This is provided as a rate rather than a volume of searches.
- **Rate of Accommodation Bookings:** Accommodation bookings in 2020 on a major OTA against a rate of 2019 bookings, broken down by week. Available for each market's domestic, international and Canada accommodation bookings. This is provided as a rate rather than a volume of bookings.
- **Rate of Air Travel:** The volume of forward-looking 2020 air bookings by month to Canada versus 2019 air bookings, broken down by week. By comparing against the 2019 average of when travel was booked for and when it was booked, this establishes the amount of impact against each month of travel. When appropriate, this assessment is supplemented by analysis of the forward-looking planned air seat capacity within a country and to other countries.
- **Weekly New COVID-19 Confirmed Cases:** The weekly total of new confirmed COVID-19 cases, as provided by the European Centre for Disease Prevention and Control. Number of cases in the market and within Canada will likely be a determining factor for both governments allowing phased return of travel, as well as consumer confidence in traveling to a market.
- **Dining, Attractions & Events Search Index:** Google searches for dining, attraction and event-related keywords in 2020 compared to 2019 searches, broken down by week. Available for each market's domestic, international and Canada-specific dining, attraction, and event-related search terms. This is provided as an index rather than a volume of searches.

Sources:

¹ Johns Hopkins Coronavirus Resource Center, July 28, 2020 5:00pm PST <https://coronavirus.jhu.edu/map.html>

² <https://nationalpost.com/news/canada/trudeau-travel-restrictions-ban-coronavirus-covid19-canada>

³ <https://www.gov.uk/foreign-travel-advice>

⁴ <https://www.gov.uk/guidance/coronavirus-covid-19-countries-and-territories-exempt-from-advice-against-all-but-essential-international-travel>

⁵ <https://www.gov.uk/government/publications/full-guidance-on-staying-at-home-and-away-from-others>

⁶ <https://www.gov.uk/government/publications/our-plan-to-rebuild-the-uk-governments-covid-19-recovery-strategy/our-plan-to-rebuild-the-uk-governments-covid-19-recovery-strategy>

⁷ <https://globalnews.ca/news/6926856/coronavirus-boris-johnson-uk-speech/>

⁸ <https://www.gov.uk/government/news/pm-announces-easing-of-lockdown-restrictions-23-june-2020>

⁹ <https://www.bbc.com/news/uk-northern-ireland-53158453>

¹⁰ <https://gov.wales/wales-ready-welcome-visitors-again>

¹¹ <https://www.gov.scot/news/tourism-sector-reopens/>

¹² <https://www.cbc.ca/news/world/united-kingdom-lockdown-coronavirus-1.5670085>

¹³ <https://www.gov.uk/guidance/31-july-announcement>

¹⁴ Tourism Economics, COVID-19's Impact on Canadian Tourism, March 23, 2020 <https://www.destinationcanada.com/en/coronavirus-updates/covid-19-research>