

National Tourism Indicators

2020 Q2 Highlights

Canada



Peggy's Cove
Nova Scotia

Highlights from the National Tourism Indicators for the second quarter of 2020¹

Tourism GDP
CAD 3.0 billion
-71.6%

- The month of April marked the first full month of COVID-19 public health measures, bringing much of the Canadian and global economy to a grinding halt.
- Acting as a barometer of the economic health in the tourism sector, the average occupancy rate in the Canadian accommodation sector reached a record low of 13.8% in April, down from 63.6% a year earlier. It averaged 19.3% between April and June 2020, down from 68.5% a year earlier².
- The resulting economic impacts of the COVID-19 containment measures in Canada was most acutely felt in the tourism sector. Over the second quarter, the tourism GDP fell 72% on a year-over-year basis while the overall Canadian GDP contracted 14%³. Over the first six months of 2020, tourism GDP declined by a steep 46%, while the overall Canadian GDP contracted 6.5%.

**Jobs Sustained
by Tourism
Activities**
392,400
-47.4%

- Jobs sustained by tourism activities buckled by 44% on a seasonally adjusted basis relative to the first quarter of 2020, which declined 6.2% relative to the previous quarter with the onset of the global pandemic in mid-March 2020. Relative to the same period in 2019, jobs attributable to tourism fell 47% over the second quarter of 2019, illustrating the depth of the decline over the second quarter.
- The tourism industries that incurred the most severe contractions in jobs generated from tourism activities were the accommodation (-54%), food and beverage services (-53%), and the recreation and entertainment (-53%) sectors.
- Monthly estimates looking at business closures in Canada revealed that between March and June 2020, the tourism sectors of art, entertainment and recreation (-21.1%) and accommodation and food services (-18.9%) sustained the largest decline in the number of active businesses remaining open of any other industry sectors, both of which stood well below the Canadian business industries average of -9.6% (Table 2).

**Tourism
Activities in
Canada**
CAD 7.3 billion
-71.1%

- After a 12.5% decline in the first quarter of 2020, tourism spending on Canadian goods and services dissolved even further by 71% on a year-over-year basis in the second quarter, representing the largest decline registered since the start of the series on the national tourism indicators in 1986.
- While COVID-19 related controls impacted all tourism industries, passenger air transport absorbed the largest losses in revenues over the second quarter (\$5.2 billion or -96%, year-over-year), followed by food and beverage services (\$2.8 billion or -74%, year-over-year) and accommodation services (\$2.8 billion or -66%).

¹ All numbers are in current Canadian dollars, not adjusted for inflation. Jobs attributable to tourism are seasonally adjusted. Unless otherwise specified, percentage changes are expressed on a year-over-year basis against the same period the previous year

² Source: STR weekly Canadian Hotel Review

³ GDP at basic price estimated from Statistics Canada table 36-1-0103-01

	<ul style="list-style-type: none"> In contrast, the impact on single purpose tourism consumer durable goods (pre-trip expenditures) was relatively mild (\$44 million or -4.4%) as Canadians unable to travel further afield engaged in the purchase of camping equipment, motor homes and travel-related trailers for local travel.
Domestic Tourism Expenditures CAD 7.2 billion -62.6%	<ul style="list-style-type: none"> Tourism spending by Canadians on Canadian goods and services declined by 62% over the second quarter of 2020 as health and safety measures limited travel endeavors to destinations closer to home. This drop in revenue from domestic sources brought domestic tourism expenditures to a level not seen since 1986 (Figure 1). As a result, passenger air transport by Canadians on Canadian-owned carriers registered the steepest revenue loss (\$4.0 billion or -95%) as Canadians were largely unable to travel abroad or to other parts of Canada. The number of non-stop flights from Canadian origins to Canadian destinations contracted by 76% from 198,600 flight in Q2 2019 to 48,400 flights to Q2 2020⁴. This also represented a contraction of 12.8 million seats (-81.6%) servicing destinations across the country, from 15.8 million seats in 2019 to 2.9 million seats in 2020.
Tourism Export CAD 145 million -97.6%	<ul style="list-style-type: none"> With the border closure in place for the duration of the second quarter of 2020, revenues from international visitors between April and June collapsed by 98%, from \$6.1 billion in 2019 to \$145 million in 2020. The few international visitors entering Canada by air were essential workers, including temporary foreign workers required in areas such as agriculture. As a result, tourism revenues fell by a comparable amount across all tourism commodities. As a result of travel bans and public gathering restrictions, international business events held in Canada were cancelled. This resulted in international revenue from convention fees falling by 100%. Given that business events are an important source of tourism revenues for the accommodation and food and beverage sectors, this was a devastating loss for the industry.

Table 1 National tourism performances over the first two quarters of 2020 relative to 2019

	2019 Q1	2020 Q1	2019 Q1	2019 Q2	2020 Q2	2019 Q2	YTD
Total Tourism Demand (\$million)	20,169	17,645	-12.5%	25,259	7,301	-71.1%	-45.1%
Domestic Demand (\$million)	16,453	14,600	-11.3%	19,116	7,156	-62.6%	-38.8%
Tourism Export (\$million)	3,716	3,045	-18.1%	6,143	145	-97.6%	-67.6%
GDP (\$million) ¹	8,257	7,196	-12.8%	10,606	3,007	-71.6%	-45.9%
Tourism GDP Share ²	1.6%	1.4%	-0.2%	2.0%	0.7%	-1.3%	
Employment (thousand jobs) - Seasonally adjusted	745	705	-5.3%	746	392	-47.4%	-26.4%
Tourism Implicit Price Index (100=2012)	107.4	109.5	2.1	109.1	104.7	(4.4)	

¹ GDP at basic price, estimated for direct contribution only

² Year-over-year change expressed as Percentage-Points (p.p.)

Sources: Statistics Canada, National Tourism Indicators 2020 Q2 custom tables, all values expressed in non-seasonally adjusted current dollars and values; Destination Canada for tourism share estimates, except for employment which is seasonally adjusted.

⁴ Source: IATA SRS Analyzer.

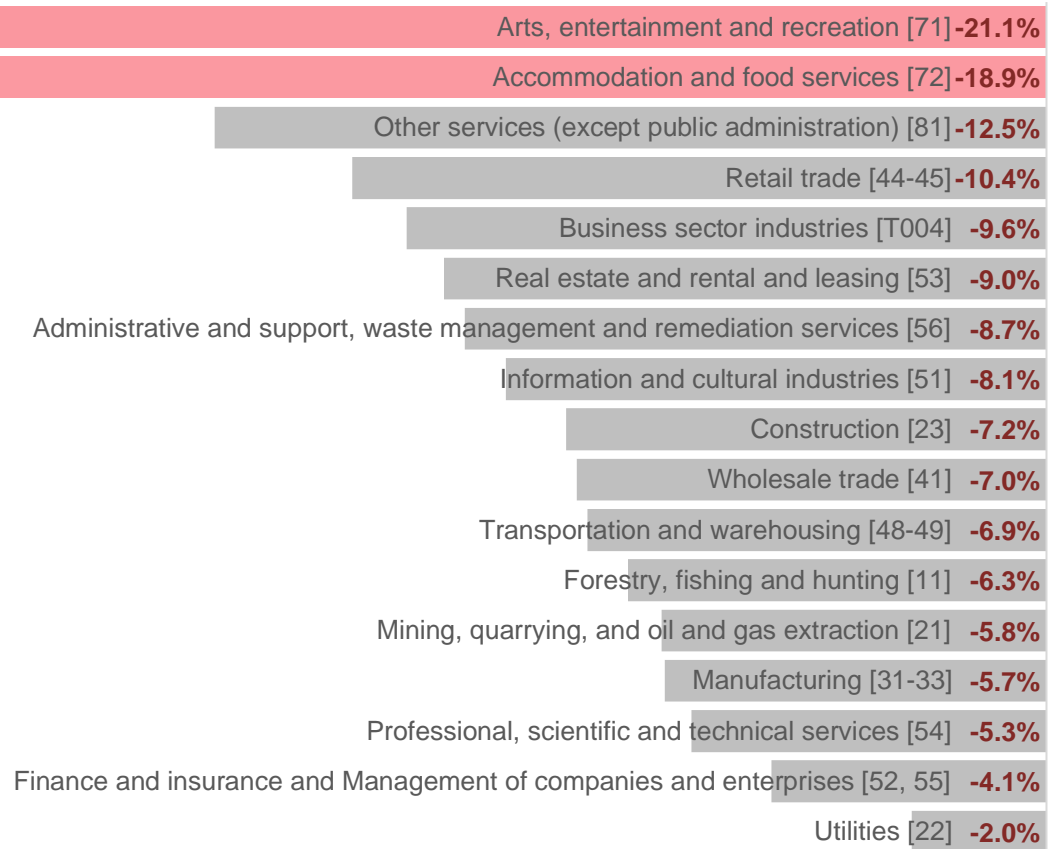
Table 2. Tourism expenditures on Canadian goods and services, 2020 Q2

	Total Expenditures			Domestic Expenditures			Tourism Exports		
	\$ million	2020Q2/2019Q2	Share of total	\$ million	2020Q2/2019Q2	Share of total	\$ million	2020Q2/2019Q2	Share of total
Transportation	1,656	-82.8%	23%	1,620	-79.2%	23%	36	-98.0%	25%
Passenger air transport	244	-95.5%	3%	222	-94.7%	3%	22	-98.2%	15%
Accommodation	967	-74.4%	13%	941	-56.4%	13%	26	-98.4%	18%
Food and beverage services	1,453	-66.1%	20%	1,434	-55.1%	20%	19	-98.3%	13%
Recreation and entertainment	392	-70.1%	5%	383	-50.8%	5%	9	-98.3%	6%
Pre-trip expenditures	1199	-3.5%	16%	1199	-3.5%	17%	0	0.0%	0%
Travel Services	261	-77.9%	4%	259	-76.8%	4%	2	-97.0%	1%
Convention fees	17	-75.7%	0%	17	-68.5%	0%	0	-100.0%	0%
Other goods and services	1,356	-64.2%	19%	1,303	-53.0%	18%	53	-94.8%	37%
Total	7,301	-71.1%	100%	7,156	-62.6%	100%	145	-97.6%	100%

Sources: Statistics Canada, National Tourist Indicators 2020 Q2 custom tables, values expressed in current dollars;

Table 2 Active Businesses in Canada by Industry Grouping

Variance between June 2020 and March 2020



Source: Statistics Canada, Monthly estimates of business openings and closures, June 2020, Table 33-10-0270-01

Figure 1

Quarterly Macroeconomic Economic Evolution of Tourism in Canada 1986-2020 Q2

