

International COVID-19 Impact and Recovery 2020 Summary

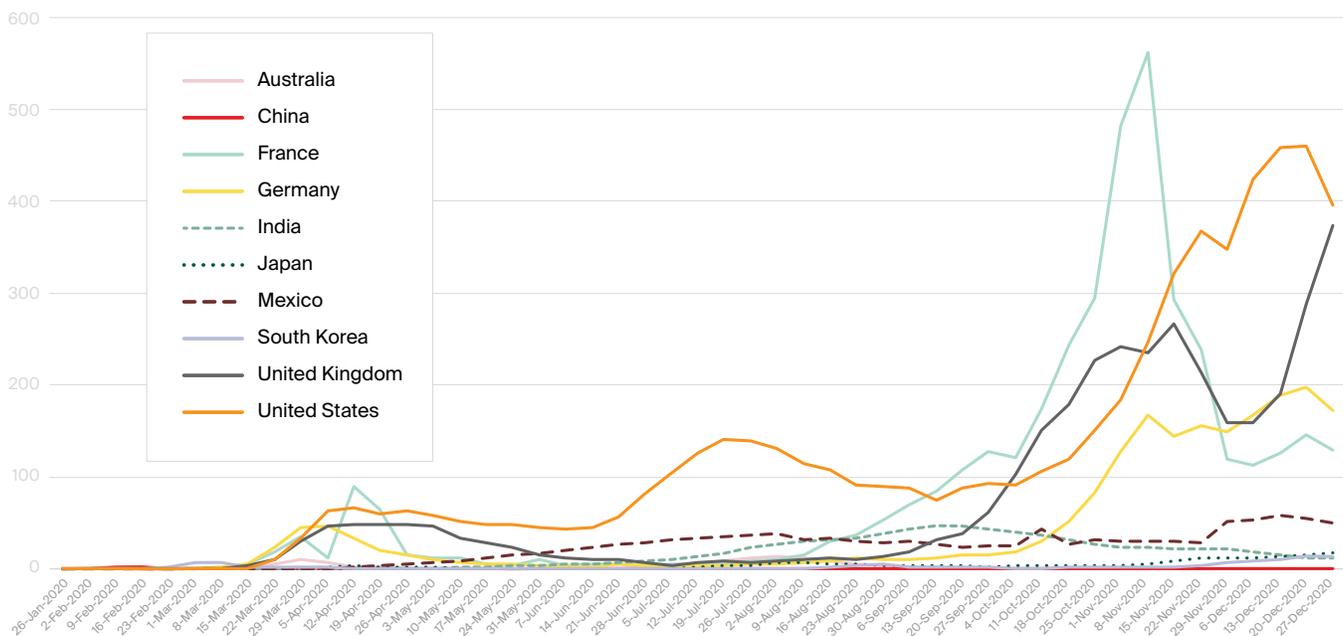
Updated: February 3, 2021

This report provides an overview of the impact of COVID-19 on travel in Destination Canada's key international markets, and in particular the impact of reduced travel to Canada in 2020. It includes the following sections:

- 1. COVID-19 Cases Per 100K:** The annual trend of new weekly cases of COVID-19 recorded per 100,000 people in the population of each market throughout 2020.
- 2. Overview of Market Recovery Assessment:** The market recovery trends observed throughout 2020, based on Destination Canada's comprehensive, data-based approach to understanding when the market is recovering from a travel perspective.
- 3. Estimated Impacts on Travel to Canada:** The effects of COVID-19 on tourism revenue in Canada in 2020. This includes estimated spend inside the country, but excludes spending on transportation to get to Canada.
- 4. Vaccine Approval by Market:** A brief overview of which markets have approved/authorized vaccines for distribution, as well as which vaccines have been approved.
- 5. Methodological Notes:** An explanation of the methodologies in the different sections and relevant sources.

1. COVID-19 CASES PER 100 K

CONFIRMED COVID-19 CASES PER 100 K BY MARKET:



Source: Johns Hopkins Coronavirus Resource Center, December 27, 2020 5 pm (PST)

2. OVERVIEW OF MARKET RECOVERY ASSESSMENT

In response to COVID-19, Destination Canada 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 would resume. Destination Canada collaborated with partners in destination marketing, media, technology and travel to identify these indicators and signals. The framework identified multiple phases of recovery, which align with user sentiment and intent to travel. The recovery phases are based on consumer behaviour data, not on government regulations, and are briefly outlined below.

For overseas markets:

I – COVID-19 Response: Residents are not searching for or booking trips within or outside of their country of residence.

II – Domestic Travel: Residents are searching for or booking trips within their country of residence.

III – Tentative International: Some international bookings are occurring at reduced levels compared to 2019 but there are fluctuations in booking behaviours.

IV – Regularized International: International bookings are occurring at levels that are stable.

For the US market:

I – COVID-19 Response: Residents are not searching for or booking trips within or outside of their state of residence.

II – Intra-State Travel: Residents are booking trips within their state; however, actual travel could take place in the near future or at a later date.

III – Inter-State Travel: Residents are booking trips in other states; however, actual travel could take place in the near future or at a later date.

IV – Tentative International: Some international bookings are occurring at reduced levels compared to 2019 but there are fluctuations in booking behaviours.

V – Regularized International: International bookings are occurring at levels that are stable.

The market recovery trends observed throughout 2020 are summarized below. As of December 2020, international travel had not recovered to a significant rate in any of Destination Canada's international markets.

AUSTRALIA

With the first wave of COVID-19 and related government restrictions on movement and travel in March 2020, there was a sudden, steep decline in both domestic and international travel in Australia as they entered the COVID-19 Response phase. In the spring, as the situation improved and restrictions were gradually lifted, travel began to resume and by June 2020 Australia moved into the Domestic travel phase. Domestic travel declined again and restrictions were reintroduced in some regions due to a localized outbreak. In July 2020 Australia reverted to the COVID-19 Response phase. A gradual increase in domestic travel began again in August 2020 and continued until most regional restrictions were lifted and Australia returned to the Domestic Travel phase in October 2020. With Australia's border closed to international travel, international travel indicators remained very low throughout 2020. At the end of the year, new COVID-19 case numbers remained low and Australia was still in the Domestic Travel phase.

SOUTH KOREA, CHINA, AND JAPAN

In early 2020, China, South Korea, and Japan entered the COVID-19 response phase. They were among the first to implement restrictions on movement and travel in response to increasing numbers of new COVID-19 cases.

In South Korea, the number of new COVID-19 cases decreased sharply from the first week of March 2020 to mid-March 2020, and remained stable, with less than 1000 new cases per week, up to early August 2020. In mid-April 2020, as they approached a national holiday long weekend, South Korea entered the Domestic travel phase and remained in this phase for the rest of the year.

Similar to South Korea, the number of new COVID-19 cases in China also fell in mid-March 2020 and has since plateaued at a low number. In May 2020, with the Labour Day holiday, low COVID-19 cases, and government restrictions on travel

gradually lifting, China entered the Domestic travel phase and remained in this phase for the rest of the year.

Unlike South Korea and China, Japan experienced slower growth in new COVID-19 cases in the first three quarters. Japan lifted domestic travel restrictions in June 2020, launched the “Go to Travel” campaign in late July 2020, and included Tokyo in the campaign in early Oct 2020. Japan entered the Domestic travel phase in late October 2020, and despite the drastic increase in the number of new COVID-19 cases in the last quarter of 2020, Japan remained in this phase from October to the end of the year.

INDIA

India entered the COVID-19 Response phase following a sudden steep decline in both domestic and international travel from the end of February leading up to the national domestic lockdown at the end of March. Following several months at very low levels, there was a gradual increase in travel which picked up in August 2020 as new COVID-19 case numbers began trending downward and continued through the rest of the year. By the end of 2020, India was still in the COVID-19 Response phase but showed signs of movement towards the Domestic Travel phase.

FRANCE, GERMANY, UNITED KINGDOM

With the first wave of COVID-19 and related government restrictions on movement and travel introduced in March 2020, there was a sudden steep decline in both domestic and international travel in the three European markets evaluated: the United Kingdom, France, and Germany, as they entered the COVID-19 Response phase. In the spring and early summer of 2020, as the situation improved and restrictions were gradually lifted, travel began to resume and all three markets moved into the Domestic travel phase in May/June/July 2020.

Travel slowed again as new COVID-19 case numbers began to climb towards the end of the summer and early fall of 2020, leading up to a severe spike in October/November, particularly in France. This led to the introduction of stronger restrictions in November 2020, and a return to the COVID-19 Response phase in France, Germany, and the United Kingdom.

MEXICO

With the first wave of COVID-19 and related government restrictions on movement and travel in the first quarter of 2020, there was a decline in both domestic and international travel in Mexico as they entered the COVID-19 Response phase. Mexico remained in the COVID-19 response phase until the end of the year.

UNITED STATES

With increasing new COVID-19 cases, the US entered the COVID-19 Response phase in March 2020. The trend plateaued at around 200k weekly new COVID-19 cases in early April 2020, and remained stable until mid-June 2020. With the stability of the number of new cases and the gradual lifting of government restrictions in most states, the US entered the Domestic travel phase in mid-May 2020. However, as the number of new COVID-19 cases trended back up from mid-June 2020 to late July 2020, some states paused or scaled back on re-opening plans and the US returned to the COVID-19 response phase in early July 2020. As the number of new cases started to plateau or decline in some states and the gradual progress of reopening plans, US re-entered Domestic travel phase early September 2020.

Throughout the pandemic so far, the approach to travel restrictions has varied drastically state by state. This analysis refers to the US as a whole. State-by-state analysis can be found in our COVID-19 Impact and Recovery Report: US Target States Summary reports, available [here](#).

MARKET RECOVERY TRENDS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Australia	n/a	n/a	I	I	I	II	I	I	I	II	II	II
China	n/a	n/a	I	I	II							
France	n/a	n/a	I	I	I	II	II	II	II	II	I	I
Germany	n/a	n/a	I	I	II	II	II	II	II	II	I	I
India	n/a	n/a	I	I	I	I	I	I	I	I	I	I
Japan	n/a	n/a	I	I	I	I	I	I	I	II	II	II
Mexico	n/a	n/a	I	I	I	I	I	I	I	I	I	I
South Korea	n/a	n/a	I	II								
United Kingdom	n/a	n/a	I	I	I	I	II	II	II	II	I	I
United States	n/a	n/a	I	I	II	II	I	I	II	II	II	II

 = Indicates a forward phase progression

 = Indicates a backward phase regression

3. ESTIMATED IMPACTS ON TRAVEL TO CANADA

As of the end of December 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 in 2020 to be as outlined below.

ESTIMATED CHANGE IN TOURISM EXPORT REVENUE COMPARED TO 2019 BY MONTH (\$M)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2020
Australia	\$0.1	\$3.2	-\$17.3	-\$42.0	-\$68.8	-\$79.0	-\$97.9	-\$85.0	-\$88.1	-\$47.7	-\$38.2	-\$72.0	-\$632.8
China	-\$3.9	-\$30.8	-\$59.7	-\$140.3	-\$155.8	-\$161.2	-\$201.8	-\$217.2	-\$202.8	-\$141.1	-\$116.8	-\$124.1	-\$1,555.6
France	-\$1.3	\$5.7	-\$19.2	-\$45.7	-\$62.5	-\$70.0	-\$109.0	-\$146.1	-\$103.1	-\$67.5	-\$48.5	-\$48.1	-\$715.3
Germany	\$0.7	\$0.5	-\$15.4	-\$25.4	-\$49.5	-\$77.7	-\$99.9	-\$111.5	-\$100.9	-\$48.1	-\$22.8	-\$23.6	-\$573.4
India	-\$1.0	-\$1.6	-\$11.3	-\$19.5	-\$34.7	-\$45.3	-\$38.1	-\$41.2	-\$44.6	-\$27.9	-\$23.8	-\$27.1	-\$316.1
Japan	-\$0.4	\$0.4	-\$16.0	-\$26.5	-\$35.4	-\$36.6	-\$51.5	-\$76.6	-\$66.8	-\$40.1	-\$29.2	-\$29.4	-\$408.1
Mexico	-\$0.3	\$1.9	-\$18.3	-\$90.9	-\$64.1	-\$81.2	-\$72.2	-\$57.9	-\$44.5	-\$41.9	-\$40.3	-\$58.9	-\$568.7
South Korea	\$1.6	-\$1.9	-\$13.3	-\$32.5	-\$34.5	-\$40.7	-\$41.4	-\$43.9	-\$35.7	-\$24.4	-\$18.0	-\$20.9	-\$305.8
United Kingdom	\$1.0	\$3.7	-\$35.3	-\$86.8	-\$111.4	-\$149.0	-\$175.0	-\$193.0	-\$158.5	-\$84.7	-\$59.8	-\$64.2	-\$1,113.3
United States	\$78	\$36.5	-\$309.1	-\$791.5	-\$1,027.5	-\$1,293.1	-\$1,525.5	-\$1,522.4	-\$1,160.7	-\$754.6	-\$567.4	-\$625.4	-\$9,533.0
Total DC Markets	\$4.2	\$175	-\$515.1	-\$1,300.9	-\$1,644.2	-\$2,033.9	-\$2,412.4	-\$2,494.8	-\$2,005.7	-\$1,278.2	-\$964.8	-\$1,093.8	-\$15,722.1

Source: Destination Canada Estimates (data as of December 25 for US, December 27 for all other markets)

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
Australia	-\$632.8	-\$302.7	-\$118.0	-\$8.2	-\$10.1	-\$102.0	-\$52.4	-\$5.8	-\$10.5	-\$5.3	-\$6.2	-\$11.7
China	-\$1,555.6	-\$632.4	-\$123.7	-\$13.2	-\$24.9	-\$539.7	-\$153.3	-\$17.6	-\$24.7	-\$9.7	-\$4.9	-\$11.5
France	-\$715.3	-\$55.1	-\$34.1	-\$8.6	-\$4.9	-\$118.3	-\$455.8	-\$7.9	-\$9.3	-\$4.2	-\$8.1	-\$9.1
Germany	-\$573.4	-\$188.2	-\$85.9	-\$5.7	-\$7.1	-\$148.2	-\$78.9	-\$7.5	-\$22.6	-\$5.8	-\$7.4	-\$16.2
India	-\$316.1	-\$36.3	-\$47.7	-\$5.3	-\$5.6	-\$150.9	-\$47.9	-\$4.2	-\$4.7	-\$3.5	-\$3.7	-\$6.2
Japan	-\$408.1	-\$153.6	-\$51.3	-\$4.9	-\$6.1	-\$116.3	-\$34.0	-\$4.4	-\$5.6	-\$5.7	-\$4.0	-\$22.2
Mexico	-\$568.7	-\$236.5	-\$29.9	-\$4.6	-\$7.3	-\$153.0	-\$111.3	-\$4.1	-\$5.4	-\$3.3	-\$3.5	-\$9.7
South Korea	-\$305.8	-\$109.8	-\$44.7	-\$4.6	-\$5.0	-\$87.7	-\$29.7	-\$4.3	-\$5.1	-\$3.0	-\$3.2	-\$8.6
United Kingdom	-\$1,113.3	-\$359.3	-\$182.5	-\$12.4	-\$12.1	-\$352.8	-\$115.4	-\$12.5	-\$29.7	-\$8.9	-\$10.9	-\$16.8
United States	-\$9,533.0	-\$2,500.9	-\$848.4	-\$86.5	-\$130.2	-\$3,470.6	-\$1,536.5	-\$190.9	-\$342.4	-\$117.3	-\$57.5	-\$251.8
Total DC Markets	-\$15,722.1	-\$4,574.8	-\$1,566.1	-\$153.9	-\$213.3	-\$5,239.5	-\$2,615.1	-\$259.4	-\$459.9	-\$166.7	-\$109.5	-\$363.7

Source: Destination Canada Estimates (data as of December 25 for US, December 27 for all other markets)

4. VACCINE APPROVAL BY MARKET

To help provide additional context on the recovery process to-date in each market, the table below outlines which markets have approved/authorized vaccines for distribution, as well as which vaccines have been approved. The information below is current as of February 3rd, 2021.

	Vaccine Approved/Authorized*
Australia	Pfizer/BioNTech
China	CNBG, Sinovac
France	Moderna
Germany	Pfizer/BioNTech
India	Bharat Biotech, ICMR
Japan	
Mexico	Pfizer/BioNTech, Oxford/AstraZeneca, Sputnik V
South Korea	
United Kingdom	Pfizer/BioNTech, Oxford/AstraZeneca, Moderna
United States	Pfizer/BioNTech, Moderna

Legend: ■ Vaccine Approved
■ Vaccine Not Approved

5. METHODOLOGICAL NOTES

1. 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. For the most current information on COVID-19 in that country, readers are encouraged to seek information from official government sources.

2. Overview of Market Recovery Assessment: Destination Canada has developed a framework to understand the phases of recovery of the travel market. The recovery phases are based on consumer behaviour data, not on government regulations, and are briefly outlined below.

For overseas markets:

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Destination Canada monitored and analyzed the measures outlined below for the market recovery assessments:

- **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 19, 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.
- **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 intra-state/territorial, inter-state/territorial, international and Canada-specific dining, attraction, and event-related search terms. This is provided as an index rather than a volume of searches.
- **Weekly New COVID-19 Confirmed Cases:** The weekly total of new confirmed COVID-19 cases and the rate of new weekly cases per 100,000 population, 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.

3. Estimated Impacts on Travel to Canada: 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. 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 some airlines provide vouchers in lieu of cancelled flights, therefore, some cancellations associated with tickets issued pre-pandemic may not be reflected in our estimation.

*Sources:

¹ <https://www.raps.org/news-and-articles/news-articles/2020/3/covid-19-vaccine-tracker>

² <https://www.france24.com/en/france/20210108-french-medical-regulator-approves-moderna-s-covid-19-vaccine>

³ <https://www.health.gov.au/news/tga-provisionally-approves-pfizerbiontech-covid-19-vaccine-for-use-in-australia>

⁴ <https://www.france24.com/en/live-news/20210125-australia-approves-pfizer-vaccine-for-rollout-in-february>

⁵ <https://www.fda.gov/emergency-preparedness-and-response/coronavirus-disease-2019-covid-19/covid-19-vaccines>

⁶ <https://www.nytimes.com/2021/01/04/world/mexico-oxford-astrazeneca-vaccine.html>

⁷ <https://www.bbc.com/news/health-55586410>

⁸ <https://www.gob.mx/salud/prensa/249-cofepris-aprueba-uso-en-emergencias-de-vacuna-pfizer-contra-covid-19?idiom=es>

⁹ <https://www.gob.mx/salud/prensa/002-se-aprueba-vacuna-de-astrazeneca-contra-covid-19-para-uso-de-emergencia-en-mexico>

¹⁰ <https://www.gob.mx/salud/prensa/002-se-aprueba-vacuna-de-astrazeneca-contra-covid-19-para-uso-de-emergencia-en-mexico>

¹¹ www.imagenradio.com.mx/vacuna-rusa-sputnik-v-es-aprobada-en-mexico