



## Halifax Tourism and COVID-19: Scenario-Planning Exercises for Summer 2021

### Purpose of the Note

This briefing note:

- Summarizes the impacts of the COVID-19 pandemic on the Halifax tourism sector.
- Describe drivers that shape the success of the sector. These drivers were identified at the scenario-planning sessions and guided discussions on the four plausible futures and how to address them.
- Provides tourism and non-tourism industries with a useful method for understanding and responding to challenges presented by COVID-19.

This briefing note is intended for policy-makers who are responsible for Halifax tourism policy and provide support for tourism businesses, for regional tourism associations and destination marketing organizations, and for businesses in the tourism sector.

### About the MacEachen Institute

The MacEachen Institute for Public Policy and Governance at Dalhousie University is a nationally focused, non-partisan, interdisciplinary institute designed to support the development of progressive public policy and to encourage greater citizen engagement.

### Authors

Kevin Quigley, PhD  
Brianna Wolfe

### Contact

For more information on this research, contact [mipp@dal.ca](mailto:mipp@dal.ca)

### Key Observations and Recommendations

- Tourism is an important sector for Halifax. As a result of COVID-19, the sector is experiencing high unemployment rates and many businesses are struggling.
- With support from the Change Lab Action Research Initiative (CLARI), Discover Halifax and the MacEachen Institute recently held scenario planning exercises for the tourism sector to describe and consider different plausible futures to which the sector must respond in summer 2021.
- We identified *market confidence* and the city's *capacity to host* tourists as central concepts to consider for next year; from these variables we developed four separate scenarios and considered what the sector might do to prepare for these futures.
- In response to COVID-19, the sector must improve sector coordination. This strategy would require tourism industries to meet more frequently and work to establish a method for engaging with other key stakeholders, such as the government and public health. An effective risk management plan depends on having access to reliable information, developing and enforcing high standards and motivating appropriate behaviours in the sector, all in a timely and transparent manner.
- New partnerships, technological advances, expanding the tourism season and infrastructure development were cited as opportunities that the sector and key stakeholders can pursue to help in the sector's recovery.
- The full report is available on the MacEachen Institute [website](#).

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## Project Description

This project was devised jointly by Discover Halifax and the MacEachen Institute for Public Policy and Governance and sponsored by the [Change Lab Action Research Initiative](#) (CLARI). We aimed to create and support a conversation with the Halifax tourism sector and related stakeholders about the impacts of COVID-19 on tourism and how to foster appropriate responses that contribute to the health and economic well-being of our community in the medium and long term, with a focus on summer 2021.

## Context

Tourism is an important sector for both Halifax and the province. The tourism sector in Halifax employs more than 34,000 people and generates over \$1.3 billion in direct spending each year (Destination Halifax, n.d.). While Nova Scotia has fared better than many parts of the country in containing the spread of COVID-19, Halifax tourism has been hit hard: unemployment rates are high and many businesses are struggling. Travel restrictions and border closures will continue to affect Halifax tourism for the foreseeable future; the Atlantic Bubble introduced in July underscores that Atlantic Canada is the key market for the sector to target in the short-term.

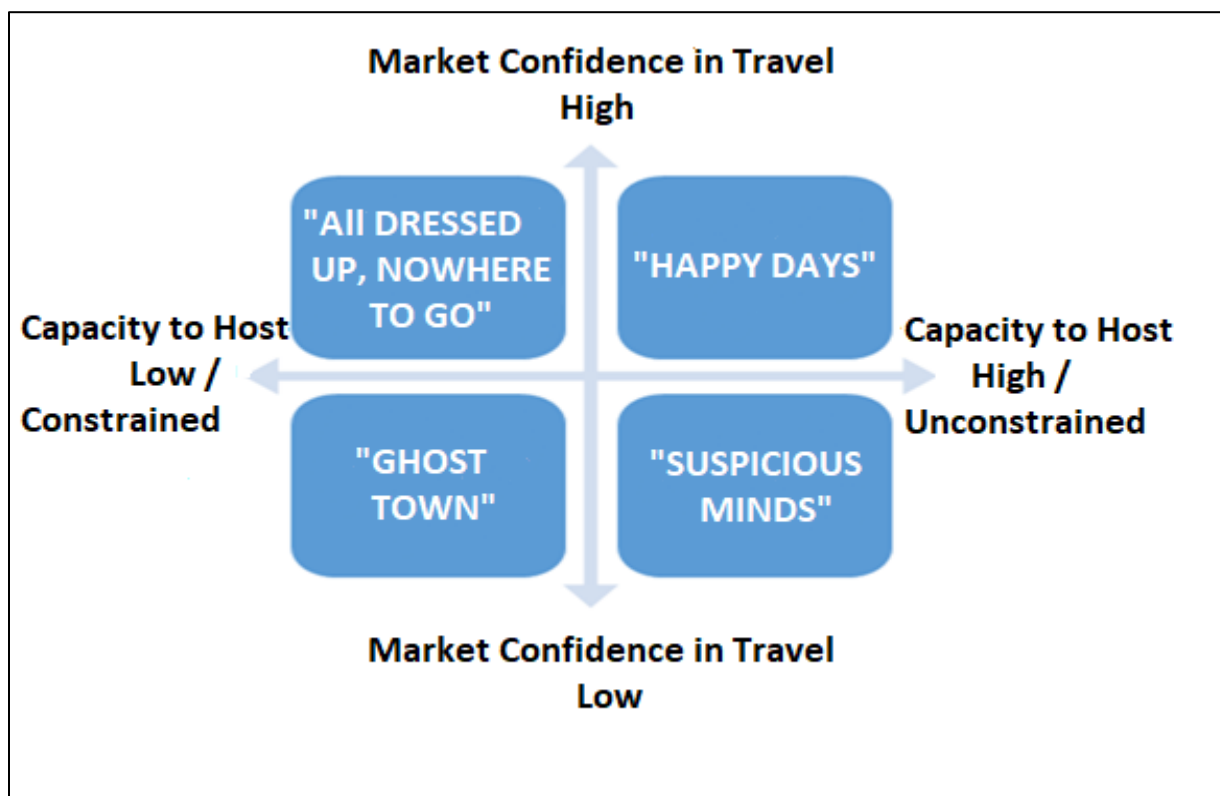
## Method

We hosted and facilitated two three-hour scenario-planning sessions with tourism sector stakeholders at the Westin Nova Scotian. The first session, August 7, 2020, provided participants with an introduction to scenario planning and involved a group discussion of key variables that drive the tourism sector. The second session, August 14, 2020, included a group discussion about four plausible futures and strategic interventions for addressing these futures. Session participants were chosen and invited for their knowledge of, responsibility for, and interest in tourism and the COVID-19 pandemic. Both sessions followed public health guidelines for in-person meetings.

## Halifax Tourism Drivers

The scenario literature characterizes drivers as concepts that are largely outside an organization's control but significantly impact the organization. Following the discussion at the first session, we identified two drivers that demonstrated high levels of impact and uncertainty: *market confidence in travel* and *capacity to host*. Market confidence in travel is largely a demand concept and refers to the public's confidence and interest in travelling and ability to do so (e.g., level of demand for air travel and hotel rooms). Capacity to host is largely a supply concept, which refers to Halifax's ability to host visitors (e.g., the social distancing measures in place and their impact on restaurants and bars). We plotted these variables on a 2 x 2 matrix to identify four plausible futures for the Halifax tourism sector (see figure below). After providing an overview of each scenario, we asked participants to answer the following questions:

- What does the scenario look like and how would we get to this scenario?
- What are the underlying causes of this scenario?
- What are the potential critical failures in this scenario?
- What are the opportunities that present themselves in this scenario?



**Figure 1: Four Plausible Scenarios for Halifax.** Market confidence in travel and the capacity to host is high/unconstrained in the “happy days” scenario, while market confidence in travel and the capacity to host is low/constrained in the “ghost town” scenario.

As the figure above illustrates: scenario 1 is “happy days,” which refers to a return to the supply and demand level prior to the pandemic; scenario 2, “suspicious minds,” refers to Halifax having the capacity to host tourists but people are still too uneasy to travel; scenario 3, “ghost town,” refers to a situation that is very much like the circumstances we faced between April and June this year, in which many places were closed and most people stayed home; and scenario 4, “all dressed up, nowhere to go,” refers to a situation in which people are ready to travel again but rules, regulations, and processes are making it difficult for them to do so.

## Strategic Responses

We identified some early strategic responses the sector could adopt in these highly fluid and uncertain circumstances in order to better prepare for next year.

As for many sectors, the tourism sector needs to continue to adapt in light of COVID-19, learn how to manage risks, including those associated with government regulation and public attitudes, and leverage the opportunities presented by the different futures. An effective risk management plan depends on having access to reliable information, developing and enforcing high standards and motivating appropriate behaviours in the sector, all in a timely and transparent manner.

Typical of many tourism sectors, the Halifax tourism sector is comprised of mainly small- and medium-sized enterprises (SMEs), working in a competitive context, which can make it difficult to coordinate across the sector and represent a unified position on issues. At the same time, those in the sector have shared aspirations for a healthy and prosperous community and a thriving

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tourism sector, which can be achieved more effectively in the current circumstances by better coordination across the sector. To respond to the scenarios described above, the sector needs to create a strategy for improving sector coordination. This strategy would require tourism industries to meet more frequently and work to establish a method for engaging with other key stakeholders, such as the government and public health agencies. A more collaborative approach would also provide the sector with the opportunity to make positive changes aimed at placing the sector in a stronger position going forward. New partnerships, technological advances, expanding the tourism season and infrastructure development were cited as opportunities that the sector and key stakeholders can pursue to help in the sector's recovery.

Stronger alignment across the sector can also help the sector maintain high standards of public health and market itself accordingly; in so doing, it can help to allay public concerns from Nova Scotians and tourists from markets who visit Nova Scotia that the province is a safe place to visit.

## Conclusion

The Halifax tourism sector has endured many challenges throughout the COVID-19 pandemic. Despite these challenges, industries in the tourism sector have shown adaptive capacity, along with a commitment to learn from this unprecedented situation. Looking ahead to summer 2021, the tourism sector could face vastly different futures, with attendant opportunities and risks. Scenario planning is one tool the tourism sector can use to identify, plan, and strategize for these futures and manage uncertainty.

## Full Report

The full report is available on the MacEachen Institute [website](#).

## Further Reading

Quigley, K., Bisset, B., & Mills, B. (2017). *Too critical to fail: How Canada manages threats to critical infrastructure*. Montreal: MQUP.

The MacEachen Institute recently hosted [expert panels](#) on risk governance and economic and public health challenges posed by COVID-19.

The Toronto tourism sector's response to the [SARS outbreak in 2003](#) demonstrates the significance of maintaining coherent coordination, while the [Foot and Mouth Disease outbreak in the United Kingdom in 2001](#) underscores the vulnerabilities of a highly fragmented tourism sector.

## References

Destination Halifax. (n.d.). Marketing strategy 2016–2021 [PowerPoint slides].

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## Appendix

### More from the MacEachen Institute

The Institute is working to create resources and policy discussion around the COVID-19 crisis. These include briefing notes like this one as well as panel discussions, videos and media commentary. You can find [all resources related to COVID-19 on our website](#).

### Other briefing notes in this series

- [Observations from Toronto's Tourism Recovery Post SARS in 2003](#)
- [Labour Issues and COVID-19](#)
- [Quarantine and COVID-19](#)
- [People with Disabilities and COVID-19](#)