



# Challenges for Tourism in Atlantic Canada: A Transportation Perspective

12 May 2020

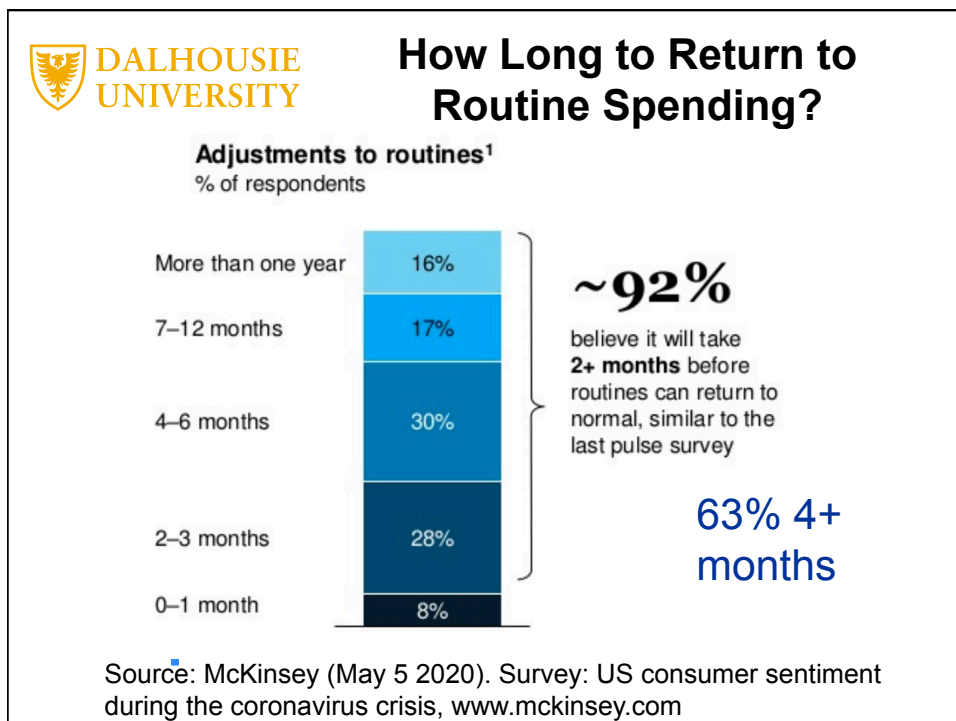
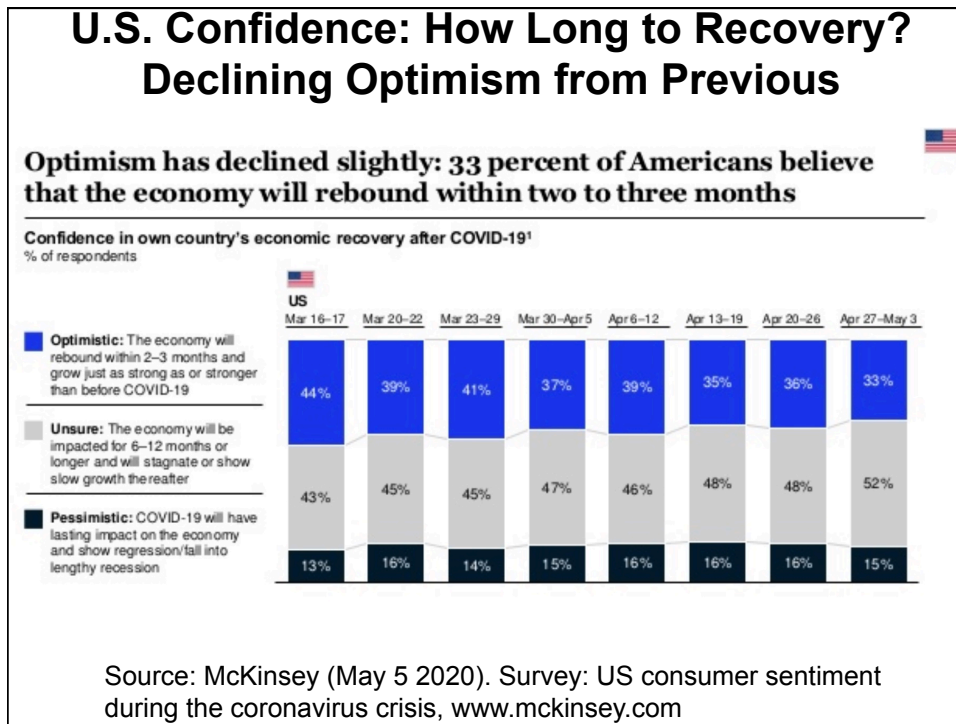
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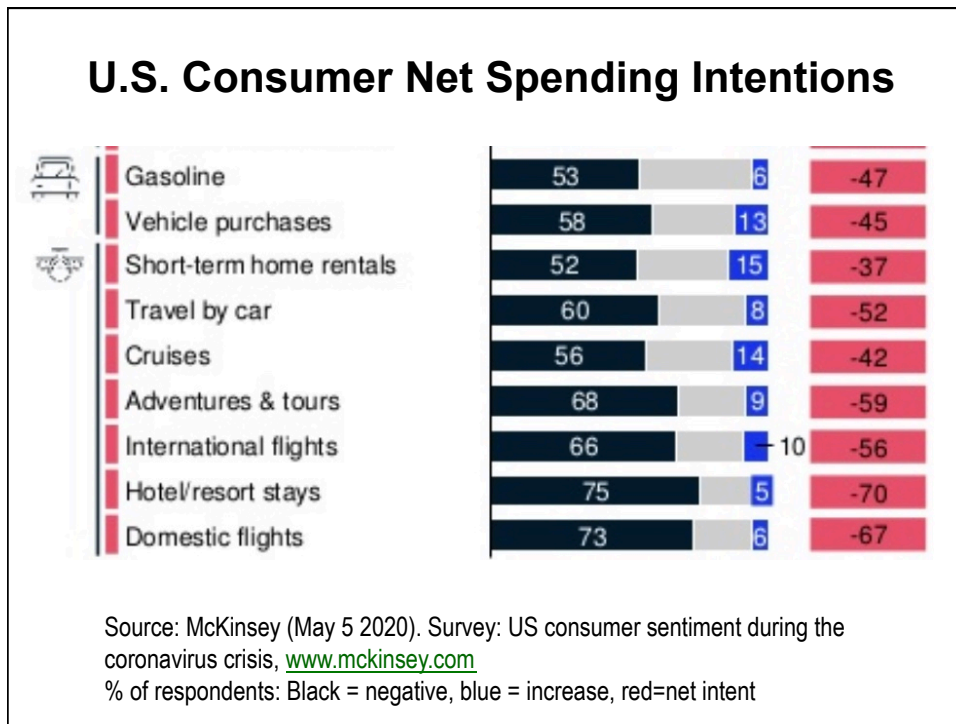


## This is a medium and short-term challenge (for now...)

### Key facts:

- Canada is only open to essential travel and returning Canadians; NS is only open to essential travel
- The questions everyone is asking:
  - How do operators get through 'short-term'?
  - What is 'medium-term'?
  - When the 'medium-term' arrives, how will tourists get here?
- My focus today on
  - consumer sentiment for purchases of tourism-related products and transport, and time frames (McKinsey)
  - The global transport situation for tourism (air and cruise)
- Q&A: Which sub-sectors of tourism will come back first? (Activities: golf, hiking; Who: VFR, Maritimers by car)





## McKinsey's Canada Survey (May 1 2020)

- Canadians even less optimistic about a return (20% optimistic compared with 33% for US citizens).
- Canadians similar returns to normal routines (93% in more than 2 months vs. 92% for U.S.) and 68% in 4 or more months (compared with 63% for U.S.)
- Canadian net intentions to purchase resort stays, hotels and domestic flights even worse than U.S. intentions. Only 1% will buy more than in the past, while hotels/resorts face 88% less net intention (U.S. was 75% less), and domestic flights 87% less (U.S. 73% less).
- Conclusion: While Canadians have received more government support than their American counterparts, they are less optimistic about future recovery.

## When will possible Canadian tourists have money for travel?

**Deloitte Canada economic forecasts**

2020 real GDP % change annualized

Q1	Q2	Q3	Q4
<b>-5.2</b>	<b>-23.1</b>	<b>+7.0</b>	<b>+14.7</b>

Expected rebound

**Mid Q3 2020**

Expected recovery

**Q3 2021**

Source: Deloitte Canada (April 2020). Predicting the post-pandemic rebound

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## NS Visitor Entries ('000s) 2018

Visitors by Entry Point	Entries 000s	Percent
<b>Road Visits by Entry Point</b>	1,593	66.0%
Amherst	1,376	57.0%
North Sydney	52	2.2%
Digby	37	1.5%
Caribou	109	4.5%
Yarmouth	20	0.8%
<b>Air Visits by Entry Point</b>		
Halifax Airport	820	34.0%
<b>Total Visitors</b>	<b>2,413</b>	<b>100.0%</b>

Source: Visitor Exit Survey. Nova Scotia Tourism Statistics.



## International Air Transport Assoc. says (April 7)

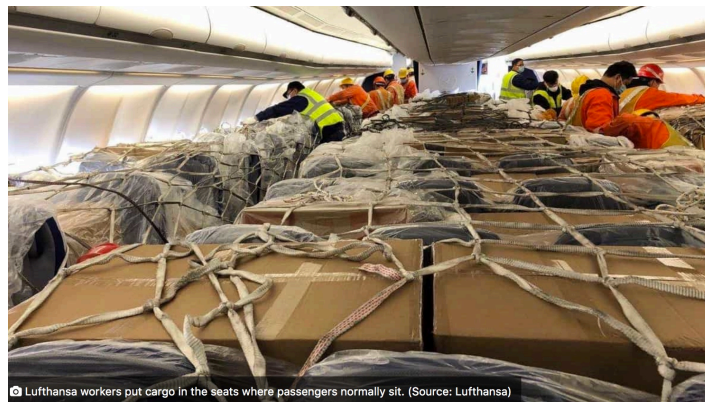
- 25.5 million jobs will disappear and full-year passenger revenue losses will drop by 44%.
- This number includes the tourism jobs dependent on aviation as foreign tourists use air travel to get to their destinations.
- “The tourism and travel industry is among the hardest hit by the pandemic.”

Expectation: Not a speedy return ...



## Airlines Get Creative ...

- The airline industry is facing bankruptcies worldwide. How they are filling seats in the short-term:



© Lufthansa workers put cargo in the seats where passengers normally sit. (Source: Lufthansa)

Thanks to American Shipper and Lufthansa for this photo.



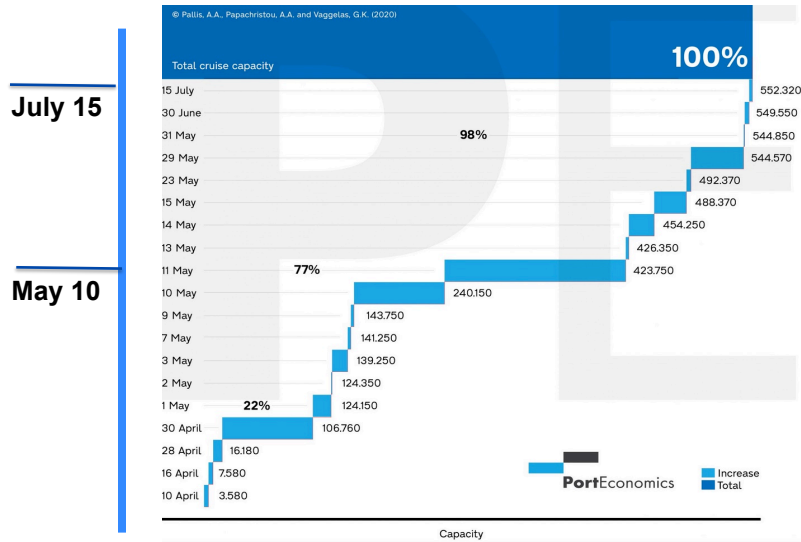
## World Maritime News (reported April 7 ...)

- According to the US Coast Guard, 73 cruise vessels, with 52,000 crew on board, are moored or anchored in US ports and anchorages.
- Another 41 cruise ships, with 41,000 crew members, are underway and still in the vicinity of the United States.
- Some ships have been docked at their homeports for weeks but many of them remain anchored far away from ports, in the open seas. **There are still operating cruise ships with passengers onboard, struggling to find open ports to disembark.** Those vessels that succeeded in bringing passengers home can now struggle in finding a safe anchorage due to a shortage of berthing locations.

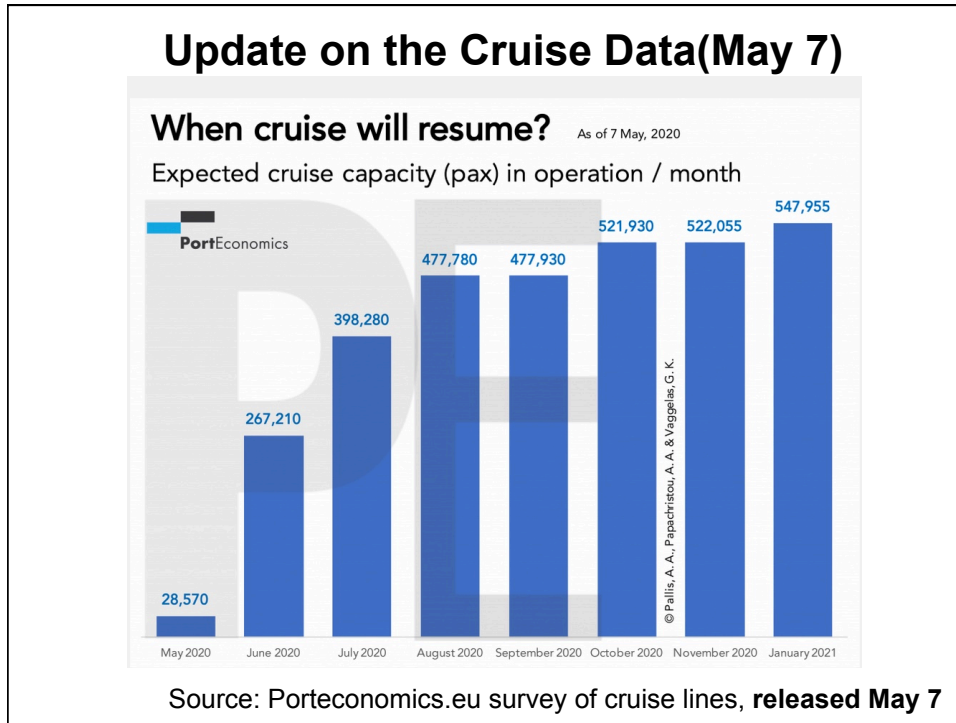
**Update: U.S. 'No-sail' order extended to July 24 by the CDC.**



## The Missing Cruise Data: When is the industry back?



Source: Porteconomics.eu survey of cruise lines, released April 5



## Cruising in Our Future?

- Cruise season in Halifax deferred until July 1 (except for ships with <500 pax). 6 large cruises showing in July. 8 in August. Very full schedules for September and October.
- 2019: 179 cruise vessels, 323,709 cruise passengers at Halifax. Sydney, Charlottetown and Saint John are other Maritimes ports of significance in this.
- 30-day moratorium on U.S. cruising announced March 13. (Extended by CDC to July 24.) Foreign flag ships not wanted if any COVID-19 cases on board.
- For company by company stats go to [PortEconomics.eu](https://PortEconomics.eu)
- Nova Scotia's peak season is the fall. Looks like a limited season is still possible if restaurants, bars, museums and art galleries are open, and if the cruise industry is able to restore the faith of cruisers...



## First To Recover?

Which sub-sectors of tourism will come back first?

Who?

- VFR
- Maritimers by car

Which activities?

- Golf (resorts)?
- Golf (less than 2 hrs)
- Hiking

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