



COVID-19 Impact and Recovery Report: International Summary

Updated: May 5, 2020

This document provides a summary of the situation across Destination Canada’s international markets. For further details, please refer to the Impact and Recovery Report documents available for each individual market.

This document has the following sections:

- COVID-19 Cases:** The number and pace of growth of cases as of a certain date. Given the fluidity of the situation, these numbers will be out of date very quickly, but their intent is to provide context for the analysis, as well as a sense of the scale of the situation. It also provides the known travel bans and restrictions in the country.
- Estimated Impacts on Travel to Canada:** Estimates on the impacts on tourism revenue in Canada. This includes estimated spend inside the country, but excludes spending on transportation to get to Canada.
- Recovery Signals:** Destination Canada has developed a comprehensive approach to understanding if the market is recovering, from a travel perspective. Bases on data and analysis in partnership with Google, Expedia, IATA and more, Destination Canada has an estimate on the stage of recovery of the market.
- Methodological Notes:** An explanation of the methodologies in the different sections, and the sources.

1. COVID-19 CASES

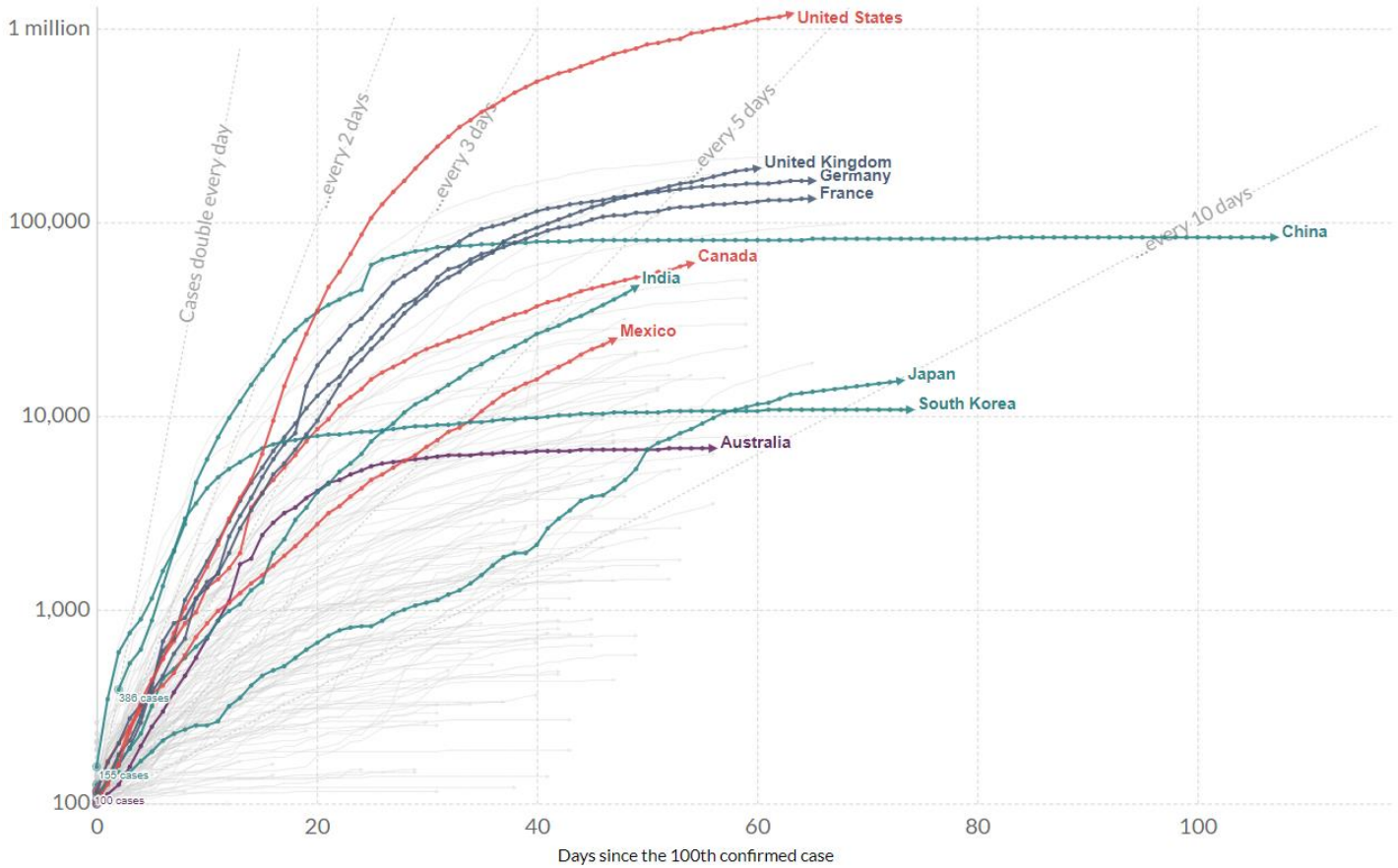
As of May 5, the coronavirus pandemic is **plateauing** in terms of the reported number of confirmed cases across the majority of Destination Canada’s markets. However, India and Mexico are continuing to see an **incline** in the number of cases. Current numbers: ¹

	Global	US	MX	UK	FR	DE	IN	CN	KR	JP	AU
Total Confirmed Cases	3,659,271	1,203,502	24,905	196,240	170,687	167,007	49,400	83,966	10,804	15,078	6,875
Trend	--	--	↑	--	--	--	↑	--	--	--	--

The graph below shows the rate of growth in the number of confirmed cases across all of Destination Canada’s markets, including the domestic market. Regardless of what date confirmed cases began appearing in each market, the graph is normalized to help us understand the trajectory of growth based on the number of days since each country reported its 100th confirmed case. Guidelines are included that help understand the rate at which the number of cases is increasing (e.g. are cases doubling every day, every two days, every 5 days, every 10 days, or flattening). It appears that the trajectory for each market most closely aligns with the following:

- Cases doubling every 10 days:** India, Mexico
- Cases flattening:** China, South Korea, Australia, United States, Germany, United Kingdom, France, Canada, Japan

Confirmed COVID-19 Cases

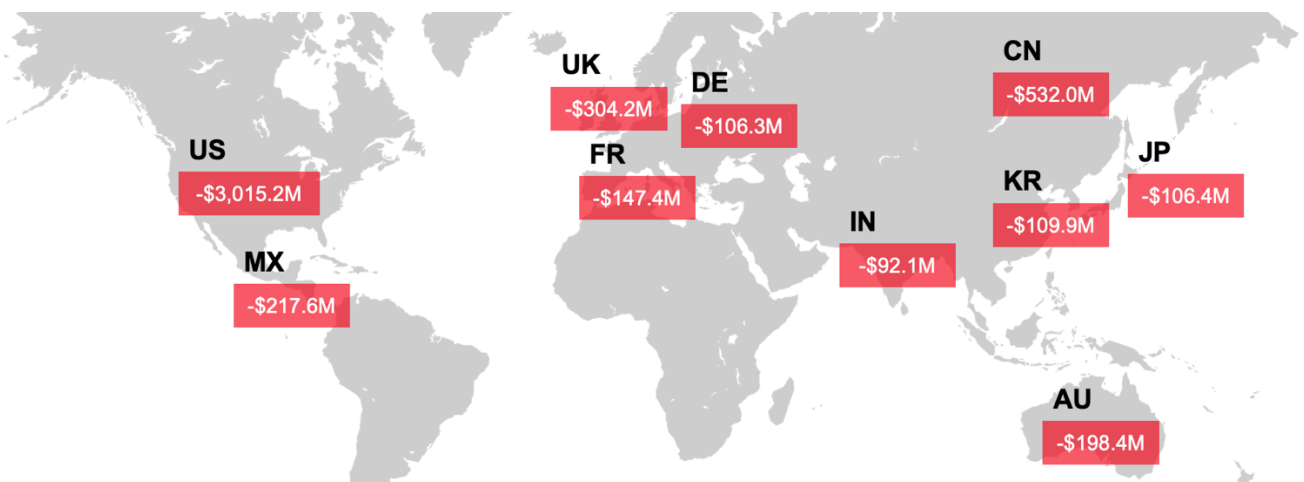


Source: Jan 21 – May 5; European CDC, OurWorldInData.org/coronavirus

2. ESTIMATED IMPACTS ON TRAVEL TO CANADA

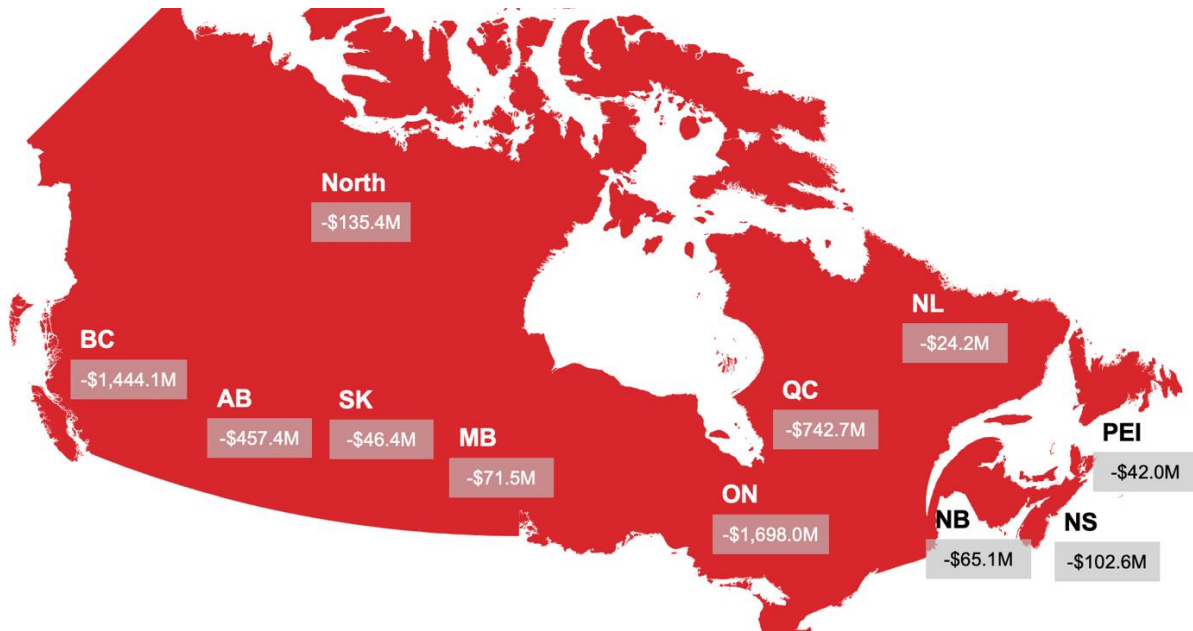
As of May 2, 2020, based on data from payment cards, Statistics Canada, cancellations of previously planned trips, new bookings and forward looking scheduled air capacity, Destination Canada estimates the economic impact from COVID-19 on Canada to be as outlined below.

Estimated Change in Tourism Export Revenue from January to June Compared to 2019 by Market (\$M)



Source: Destination Canada Estimates

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



Source: Destination Canada Estimates

3. RECOVERY SIGNALS

Due to the COVID-19 crisis, 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 4. Methodological Notes.

	Destination Canada's Overall Assessment of Each Market	Notes
US	I COVID Response	Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
Mexico	I COVID Response	Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
UK	I COVID Response	Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
France	I COVID Response	Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
Germany	I COVID Response	Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
India	I COVID Response	Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
China	I COVID Response	Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
South Korea	II Domestic	Destination Canada assesses that South Korea has left the COVID Response phase, and that domestic travel within South Korea is being considered, planned, and booked; and that trips are being taken. There is insufficient signal to indicate that South Koreans are considering or planning international travel at this point.
Japan	I COVID Response	Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
Australia	I COVID Response	Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.

Legend for US Market: I COVID Response, II HyperLocal, III Regional, IV Inter-prov, V Tentative Int'l, VI Regularized Int'l

Legend for Overseas Markets: I COVID Response, II Domestic, III Tentative Int'l, IV Regularized Int'l

Future Planned Travel

The framework above provides analysis on when travellers may considering, planning and reserving travel. The chart below provides signals for the future dates being booked for travel to Canada. This assessment is based on net planned travel (new bookings less cancellations) from the country to Canada, compared to past travel behaviour. A 'declining' signal indicates that the 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 net planned booking week over week, and that this time period is being considered for travel to Canada. A signal of 'not enough data' indicates that travellers do not normally book that far in advance, and so we cannot assess the signal at this time.

Planned Travel Compared to 2019, as of May 2, 2020

	May	Jun	July	Aug	Sep	Oct	Nov	Dec
US	Declining	Declining	Not enough data	Not enough data	Not enough data	Not enough data	Not enough data	Not enough data
Mexico	Declining	Declining	Declining	Not enough data	Not enough data	Not enough data	Not enough data	Not enough data
UK	Declining	Declining	Declining	Declining	Not enough data	Not enough data	Not enough data	Not enough data
France	Declining	Declining	Declining	Declining	Declining	Not enough data	Not enough data	Not enough data
Germany	Declining	Declining	Declining	Declining	Declining	Not enough data	Not enough data	Not enough data
India	Declining	Declining	Not enough data	Not enough data	Not enough data	Not enough data	Not enough data	Not enough data
China	Declining	Declining	Declining	Not enough data	Not enough data	Not enough data	Not enough data	Not enough data
South Korea	Declining	Declining	Declining	Declining	Not enough data	Not enough data	Not enough data	Not enough data
Japan	Declining	Declining	Not enough data	Not enough data	Not enough data	Not enough data	Not enough data	Not enough data
Australia	Declining	Declining	Declining	Declining	Declining	Not enough data	Not enough data	Not enough data

Legend: Declining ■ Increasing ■ Plateau ■ Not enough data ■

4. METHODOLOGICAL NOTES

I. COVID Cases: The intention for this section is to provide context for the impact and recovery analysis by providing a snapshot in time of the state of the outbreak 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, normalized against Statistics Canada data. For April onwards, forward-looking air booking and cancellation data 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 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 have different systems to re-book travel, some of which are incenting a late rebooking (i.e. closer to the original date of travel). As such, the forward booking data likely over-represents the amount of travel that will happen and should be taken as an upper bound.

III. Recovery Signals:

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

- I. **COVID-19 Response:** Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
- II. **Hyper Local to Local Travel Only:** Some restrictions have been lifted and movement within local areas is possible. Governments will likely recommend that places ensure physical distancing while supporting local economies.
- III. **Regional Travel:** Travel by vehicle within province/territory/state is possible and not discouraged.
- IV. **Inter-Provincial Travel:** Travel by multiple means (air, car, trains, etc) within the country, across provincial/territorial/state boundaries, encouraged by local governments to support recovery efforts.

- V. **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.
- VI. **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.

For overseas markets the phases are:

- I. **COVID-19 Response:** Governments are responding with measures such as shelter in place and 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.

Description of the Measures

- **Travel Intent Search Index:** 2020 searches on Google's search engine for travel related keywords compared to 2019 searches, broken down by week (i.e. week of April 19th, 2020 vs week of April 19th, 2019). Available for each market's domestic, international, and Canada specific travel search terms.
- **Rate of Accommodation Searches:** 2020 weekly searches 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:** 2020 accommodation bookings 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 is booked for, and when it is booked, this establishes the amount of impact against each month of travel. When appropriate, this assessment is supplemented by analysis on 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.
- **COVID-19 Search Index:** An index of COVID-19 related queries on Google's search engine, covering a number of topics from economic (unemployment insurance, jobs, etc.) to health related terms. In development.
- **Dining, Attractions & Events Search Index:** 2020 searches for dining, attractions & events related keywords compared to 2019 searches, broken down by week. Available for each market's domestic, international, and Canada specific dining, attractions and events related search terms. This is provided as an index rather than a volume of searches.
- **Path to Purchase Ratio (Survey):** This survey will be deployed once a number of measures such as travel intent searches and accommodation searches trend upwards. It will trend, on a bi-weekly cadence, what phase in the path to purchase our target travellers in each market are in. It will also try to fill in some gaps that other measures/surveys do not provide, such as consumer confidence. In development.
- **Sentiment Ratio from News and Social Media:** A review of the current news and social media landscape and ratio of positive/negative/neutral conversations related to travel. In development.

Sources:

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