# COVID-19 Impact and Recovery Report: Business Events

**Updated on July 15th, 2020 based on data as of June 30th, 2020**

*Caveat: The information provided in this document is based on reporting by participating partners. Future versions of this document may contain information from new participating partners. Care should be taken in comparing versions of this document over time.*

This document provides an estimate of the impacts from COVID-19 on business events in Canada. It also provides analysis on sentiment towards business events from various sources and relevant information on social distancing recommendations and travel restrictions.

To date, Destination Canada estimates that the total losses to the sector since the start of the COVID-19 pandemic include 3,053 events, 1.33M delegates and nearly $1.17B in direct spending (as per data from June 30, 2020). These losses span business events planned between 2020-2026 including both definite and tentative events. International delegates lost represent more than 565,000 delegates and $743.6M in direct spending.

Losses for events occurring in 2020 (as of June 30, 2020 data) include 2,380 events, 1.06M delegates and $925.7M in direct spending compared to 2019, this represents a loss of nearly 83% of the events, 73% of the delegates and 79% of the direct spending. The events planned for Q4 2020 are still at risk of being cancelled or rebooked for future years.

The tables below represent a business events snapshot from Pace Report Partners on planned events for 2020 and reported cancellations for 2020. For more detailed information, please refer to subsequent pages in this report.

**Pre-COVID-19 Confirmed Business Events for 2020**

| | | Source market breakdown | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total** | **Canada** | **%** | **US** | **%** | **Other Countries** | **%** |
| **Number of Events** | 1,913 | 1,395 | 73% | 404 | 21% | 114 | 6% |
| **Number of Delegates** | 1,041,054 | 697,009 | 67% | 238,488 | 23% | 105,557 | 10% |
| **Direct Spending** | $839.26M | $386.84M | 46% | $313.61M | 37% | $138.81M | 17% |

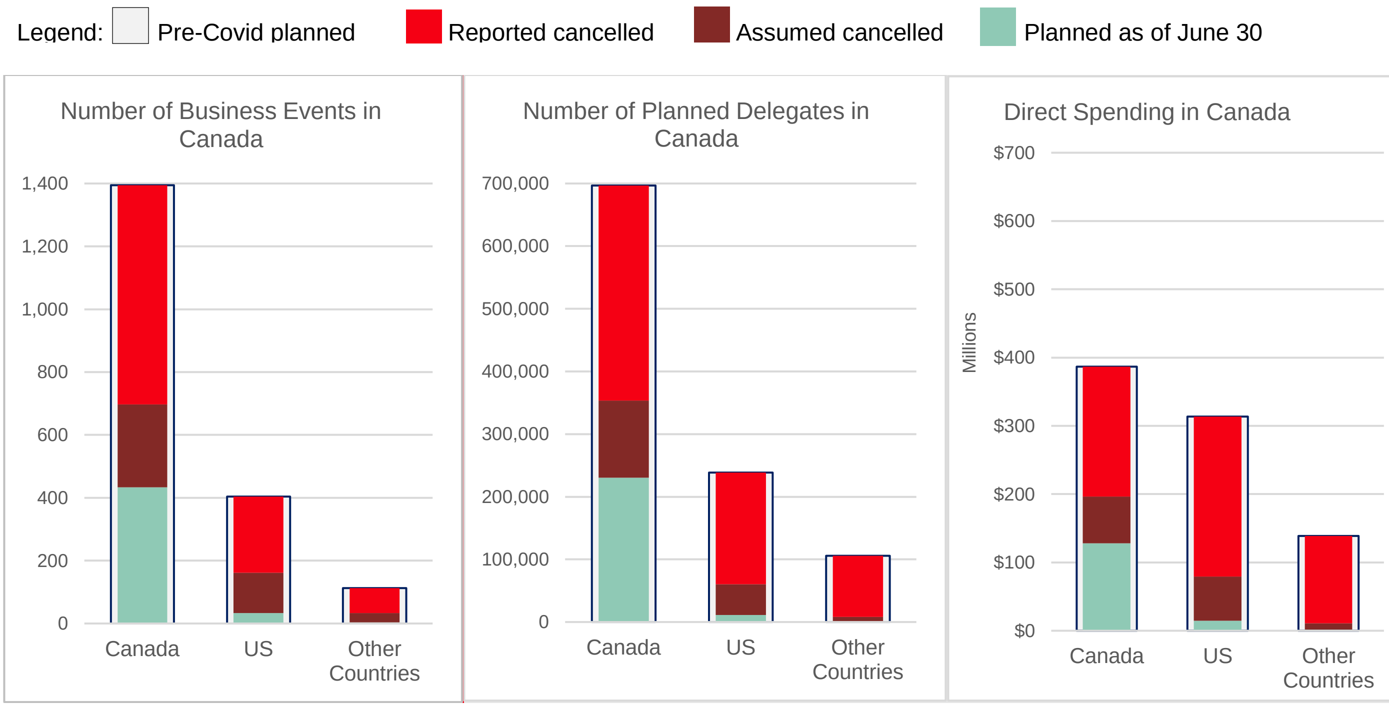
**Data as of June 30, 2020, Business Events (Reported Cancelled for 2020 + DC Estimate assumed cancelled*)**

| | | Source market breakdown | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total** | **Canada** | **%** | **US** | **%** | **Other Countries** | **%** |
| **Number of Events** | -1,442 | -962 | -67% | -371 | -26% | -109 | -7% |
| **Number of Delegates** | -798,468 | -466,619 | -58% | -227,281 | -29% | -104,568 | -13% |
| **Direct Spending** | -$695.35M | -$258.97M | -37% | -$298.87M | -43% | -$137.51M | -20% |

*Note: 351 business events and 143,999 delegates assumed cancelled from March – September 31, 2020 (24% of events and 18% of delegates) as a result of reporting delays from partners and their clients. It is assumed some will be postponed and others cancelled. Travel and current mass gathering restrictions factored that plausible event travel will not resume before October 2020. 71 international events and 35,535 delegates expected from October-December 2020 assumed cancelled due to mass gathering and travel restrictions. This will be reassessed in future impact reports.

 Please source this document as “COVID-19 Situational Analysis: Business Events, Updated July 15”, Destination Canada

**Data as of June 30th, 2020 Business Events (Reported Cancelled)**




## PRIMARY COVID-19 RESTRICTIONS IMPACTING BUSINESS EVENTS

Effective March 18, 2020, Canada closed its borders to non-Canadian citizens/permanent residents.[2] Canada and the US closed the land border between the two countries to non-essential travel as of March 21, 2020.[3] The initial border closure agreement with the US that was set to expire on April 18, 2020, has been further extended to August 21, 2020. On June 8, 2020, Prime Minister Justin Trudeau announced that immediate family members of citizens or permanent residents will be allowed to enter the country as of June 9, 2020.

On March 19, 2020, the US State department issued an advisory to US citizens to avoid all international travel.[4] Within the US, several (but not all) individual states, counties and cities have imposed restrictions on their residents. As of April 15, 2020, at least 316 million people in 42 states, three counties and nine cities are being urged to stay home.[4] All 50 US states have begun reopening, following various lockdowns and shelter-in-place orders that started in March 2020. There are, however, substantial variations in how individual states are reopening. Some states have reintroduced some restrictions and/or paused reopening plans due to spikes in the number of new cases (see here for more details). As of July 15, 2020, international travel is still considered a “Global Level 4 Health Advisory – Do Not Travel” by the US Department of State.[4]

On March 25, 2020, the Public Health Agency of Canada (PHAC) recommended the cancellation or postponement of in-person gatherings of more than 50 attendees in Canada for the following eight weeks to reduce community transmission.[5] In some provinces, this recommendation was tightened to smaller gatherings of up to 25 people in Saskatchewan,[6] and no more than five people in Halifax.[7] As of June 9, 2020, provinces and territories have begun reopening with various phased approaches, however in all regions restrictions remain around large gatherings and conferences. It is hypothesized that these restrictions will be in place until provinces and territories completely reopen. Gathering restrictions along with traveller self-isolation measures currently in place, like a 14-day self-isolation period, will continue to halt business events in most provinces and territories. Current restrictions can be found here.

Many businesses in the US and Europe (including Amazon, Microsoft, Nestle and Google) have paused non-essential travel and encouraged remote work. On April 7, 2020, Microsoft transitioned all external and internal events to a digital format through July 2021[10].

The cumulative impacts of these restrictions mean that face-to-face business events are essentially curtailed from the period of March 21, 2020 onwards with no definitive date for resumption at this time.

## IMPACTS ON BUSINESS EVENTS IN CANADA

On a monthly basis, Destination Canada develops the Canada Business Events Pace Report. This report is a collaboration of destinations across Canada that shares information on business events to align marketing and sales efforts. This report is available to Pace Report partners only, however, the analysis in this paper is derived from forward-looking data in that report. This includes 21 urban Canadian destination marketing organizations (DMOs) and convention centres participating in the July 2020 Canadian Business Events Pace Report. This analysis also includes cancellation reports of non-Pace Report partners.

### Pre-COVID-19 Outlook

Based on the Pace Report data, for 2020, it was hypothesized that 2020 would be a strong year with more than 1,900 business events occurring, representing more than 1.04 M delegates and $839.26M in direct spending. Of those delegates, approximately 33% would have been from internationally-based organizations who were planning to hold business events in Canada.

**Pre-COVID-19 Confirmed Business Events for 2020 (data updated May 31, 2020)**

| | Total | Canada | % | US | % | Other Countries | % |
|---|---|---|---|---|---|---|---|
| Number of Events | 1,913 | 1,395 | 73% | 404 | 21% | 114 | 6% |
| Number of Delegates | 1,041,054 | 697,009 | 67% | 238,488 | 23% | 105,557 | 10% |
| Direct spending | $839.26M | $386.84M | 46% | $313.61M | 37% | $138.81M | 17% |

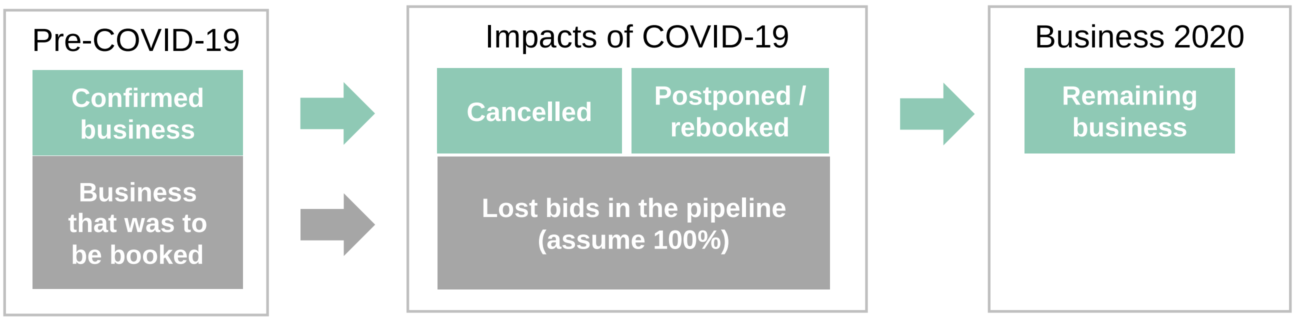

The peak months for business events travel are typically April, May, June, September and October. April, May and June have had all business events cancelled and **Q4 is now at risk due to COVID-19 related cancellations.**
This period from October to December represents:

- 23% of the total planned business events, including more than 235,000 delegates, of which more than 36% were international delegates, (total 84,526 international delegates which includes ~55,520 US delegates and ~29,006 from other countries)
- 28% of the international business events tracked in Canada.

### Impacts from COVID-19

COVID-19 has had significant and potentially catastrophic impacts on the business events sector. To estimate the impact of COVID-19, the following losses are being tracked:

1. Cancellation of contracted business events;
2. Lost opportunity of bids in the pipeline;
3. Postponement or rebooking of events originally planned for 2020.




*Methodological note: The direct spending impacts noted below are modelled estimates, adjusted for growth, from Statistics Canada National Travel Survey and Visitor Travel Survey data. This report does not represent a complete economic impact and should be taken as indicative only for future baseline comparison.*

The estimated impact of COVID-19 on business events is a loss of nearly -$1.17 billion in direct delegate spending. We anticipate this number will grow as more events are cancelled or rebooked.

**Total Estimated COVID-19 Losses (as of June 30, 2020)**

| | Events | Delegates | Direct Spending (M) |
|---|---|---|---|
| 1.A1 Pace Partners Reported Cancelled for 2020 (as June 30) | -1,020 | -618,934 | -$552.89M |
| 1.A2 Pace Partners Reported Cancelled for 2021-2025 | -77 | -55,507 | -$57.41M |
| 1.B Additional Non-Pace Partners Reported Cancelled 2020-2022 | -596 | -206,517 | -$183.31M |
| 1.C DC Estimate Cancelled Events (Mar-Sept 2020: all markets, Oct-Dec: Intl markets) | -422 | -179,534 | -$142.46M |
| 2. Tentative business lost for 2020 | -938 | -266,863 | -$230.35M |
| **Total Estimated loss** | **-3,053** | **-1,327,355** | **-$1,166.42** |

**Pace Report Comparison to 2019**

| | Events | Delegates | Direct Spend ($M) |
|---|---|---|---|
| Estimated 2019 | 2,872 | 1,467,867 | $1,173.02 |
| Known 2020 Losses to date (1A1, 1C, 2 above) | -2,380 | -1,065,331 | -$925.70 |
| % compared to 2019 | -83% | -73% | -79% |
| At risk events: October–December 2020 | 431 | 235,782 | $195.10M |

## BUSINESS EVENTS TRAVEL SENTIMENT

Destination Canada is using a number of methods to track when and if the travel market shows signs of recovery including Destinations International webinars, International Congress and Convention Association webinars, the Professional Convention Management Association pulse surveys[8], NorthStar Meetings Group weekly surveys[9], Destination Analysts[11] research and others.

Planners, once optimistic for a return of in-person events by Q4-2020 now anticipate planning fewer events for the next 12-18 months and are currently planning new regional/national events at least a year out (Q3,Q4 2021and 2022). It is anticipated that large scale corporate and association events will be slow to resume, as they wait for a cure or reliable therapeutic treatment. While there is still a preference by delegates and planners to meet in person versus virtual conferences, events going forward will have a virtual component.

Below are highlights extracted from the most recent pulse surveys (June-July 2020):

- Recovery timeline: Planners were optimistic that they would be able to host their meetings in September and Q4 2020. However, the recent NorthStar Meetings Group survey published July 14, 2020, saw planner confidence that had risen in June, has declined in July. One in three planners believe they'll plan fewer events in the next 12-18 months (down 25%) but 41% expect face-to-face meetings to return before year-end. This change in planner confidence is attributed to the variability of COVID-19 cases in some countries and increases of cases in the US. This timeline will continue to depend on the state of COVID-19, travel restrictions and willingness to travel.

- Future events: The current primary focus of planners is rebooking business events. Planner confidence shows more promise for new events from the UK for Q1 2021 than from US, Europe and Asia. More planners are now looking a year out (or later) to book their new events. New business events bookings are continuing to show an increased preference to the third and fourth quarters 2021 and Q1-Q4 2022.

- Long-term plans (2021-2023) are still being considered. Destination Analysts see planner confidence in meetings business returning to normal or near-normal levels for the majority of planners in 2021, however, 32% also thought it could be 2022 or later.

- Segments: Smaller local and regional events will thrive before national and international groups gather[13]. Digital components will be important for these in-person events as they re-start, for those not willing to travel but wanting to participate. Larger conference groups will likely wait until there is a vaccine or therapeutic treatment. Corporate/private sector businesses will have in person events come back first, and associations will return at a slower pace. One in three planners are likely to use multiple host properties due to capacity limitations with distancing (this was the same for corporate, third party and association planners)[11]

- Integration of virtual meeting spaces: Face-to-face meetings will remain important. However, the virtual component will now become more common in programming. Prior to COVID-19, it was an add-on or "experimental" feature of a program. There will be more opportunities for those organizations who can capitalize on virtual meetings and hybrid meetings. Virtual events pose challenges as the industry pivots in this space in the near term; 40 percent of planners have been unable to organize a successful virtual event this year. The biggest roadblocks are engagement, technology and sponsorship[14]

- Resilience of in-person meetings: Face-to-face meetings create memorable experiences and drive business forward, building trust and camaraderie. This may become even more important as organizations seek to rebuild their operations post-COVID-19. For the incentive market global DMC partners survey found the majority (63%) have no plans to go completely virtual in 2021. Incentive trips are deemed irreplaceable (by other incentive groups) because they uniquely increase the sense of loyalty to a company.[12] It has been noted while a recession will impact event budgets, some industries are thriving as a result of COVID-19 and incentive events are on the rise for 2021[15].

- Willingness to travel: There is still a preference to meet in person over virtual conferences. For example, y business travel news recently reported seven out of ten US attendees prefer in-person over virtual conferences. Attendees are unlikely to attend conferences until the COVID-19 situation is contained, and 71% of Americans who attended conferences agreed with this statement[16].

*Please note, Destination Canada does not endorse or validate third-party research.*

## Details on Estimated Losses

### 1. Cancelled business

To estimate the cancelled business to date, DC uses three sources of data. Combined, all cancellations reported and estimated represent 2,115 events, more than 1.06M delegates and a loss of $936.07M in direct delegate spending.

**1. A. Pace Report Partners:** As of June 30, 2020, 21 participating Pace Report partners reported confirmed cancellations. For Pace Report Partners, we have a breakdown of whether the cancellations are from organizations based in Canada, the US or another country. These events span 2020- 2025.

**Data as of June 30, 2020, Business Events (Reported Cancelled)**
**Represents business events from 2020-2025**

| | Total | Canada | % | US | % | Other Countries | % |
|---|---|---|---|---|---|---|---|
| Number of Events | -1,097 | -746 | -68% | -264 | -24% | -87 | -8% |
| Number of Delegates | -674,441 | -363,932 | -54% | -209,887 | -31% | -100,622 | -15% |
| Direct spending | -$587.54M | -$179.22M | -31% | -$276.00M | -47% | -$132.32M | -23% |

**Business Events for 2020: Data as of June 30, 2020 (Reported Cancelled 2020)**

| | Total 2020 | Canada | % | US | % | Other Countries | % |
|---|---|---|---|---|---|---|---|
| Number of Events | -1,020 | -698 | -68% | -242 | -24% | -80 | -8% |
| Number of Delegates | -618,934 | -343,429 | -55% | -178,178 | -29% | -97,327 | -16% |
| Direct spending | -$552.89M | $190.60M | -34% | -$234.30M | -42% | -$127.99M | -23% |

This shows reported cancellations of planned events in 2020 that make up 57% of the total confirmed business events, 65% of the total expected delegates and 73% of the direct delegate spending over the 2020-2025 period. Of the cancellations 30% of delegates are from international organizations (20% US and 9% other countries).

**Business Events for 2021-2025: Data as of June 30, 2020, Business Events (Reported Cancelled 2021-2025)**

| | Total 2021-2025 | Canada | % | US | % | Other Countries | % |
|---|---|---|---|---|---|---|---|
| Number of Events | -77 | -48 | -62% | -22 | -29% | -7 | -9% |
| Number of Delegates | -55,507 | -20,503 | -37% | -31,709 | -57% | -3,295 | -6% |
| Direct spending | -$57.41M | -$11.38M | -20% | -$41.70M | -73% | -$4.33M | -7% |

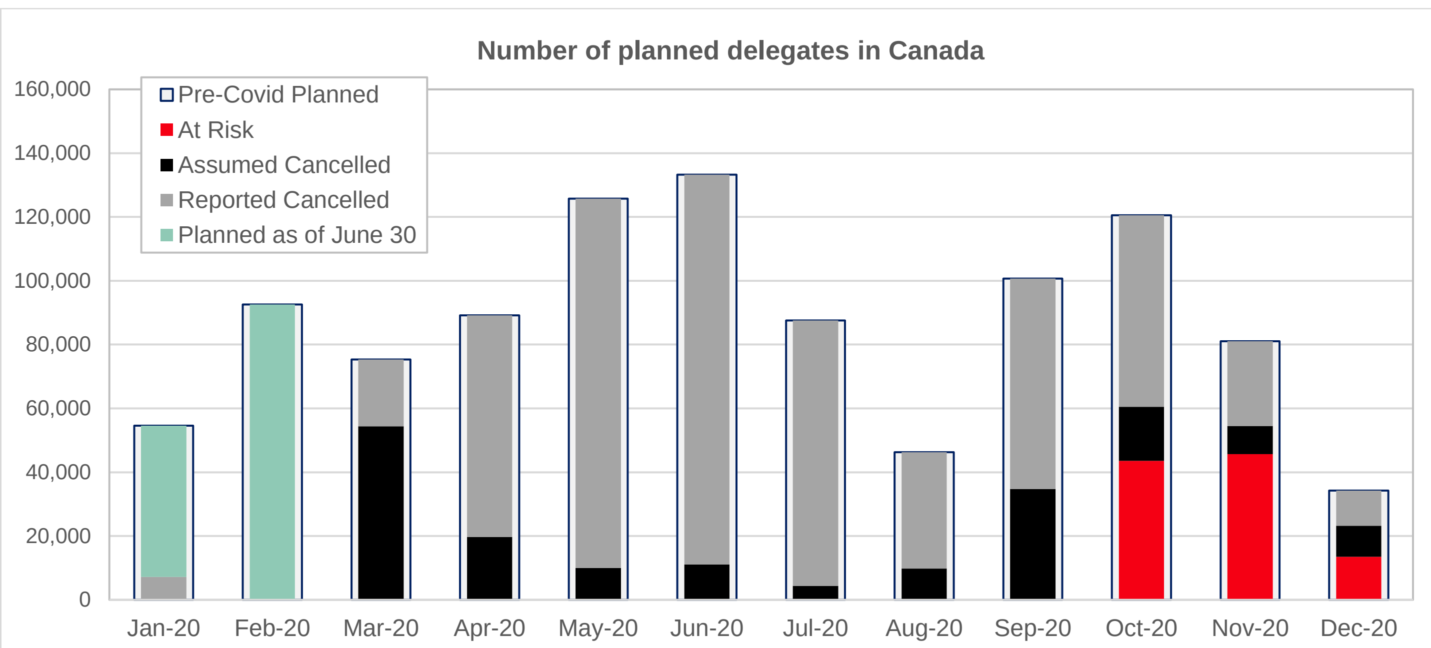
The ripple effect of cancellations in future years (2021-2025) is also noted in the tables above, as several international conferences are booked up to five years in advance. As a result of having to move conferences from 2020 to 2021, this has caused contract issues over multiple years and Canada being cancelled and possibly rebooked in future years. While these cancelled business events by Canadian organizations represents 62%, the organizations from US and other countries represent the majority (63%) of the 55,507 delegates.

**1. B. Non-Pace Partners:** We also received cancellations from an additional 13 non-Pace partners. For 2020, this represents a total of 586 events and ten events for 2021-2022, representing a total 206,517 delegates who would have spent $183.3M directly in destination. These cancellations are primarily meetings from Canadian organizations.

**1. C. Cancellations Not Yet Reported:** This encompasses events that were not able to happen due to gathering and travel restrictions. For March-September 31, 2020, we estimate an additional 351 events (representing more than 143,000 delegates and $95.73 M in direct-delegate spending) were cancelled or postponed. Some of the cancellations may have not yet been reported for March–September due to active postponement discussions between partners are event organizers. Due to the uncertainty in restrictions and long planning cycles we have additionally estimated that international delegates will not travel from October–December 2020.

**DC Estimate as of July 15, 2020 (Cancellations not yet confirmed)**

| | Number of Events | Number of Delegates | Direct Spending |
|---|---|---|---|
| **March** | -81 | -54,395 | -$32.68M |
| **April** | -39 | -19,689 | -$12.66M |
| **May** | -36 | -10,000 | -$7.45M |
| **June** | -39 | -11,052 | -$8.01M |
| **July** | -20 | -4,329 | -$2.89M |
| **August** | -33 | -9,793 | -$9.25M |
| **September** | -103 | -34,741 | -$22.77M |
| **October** | -48 | -16,967 | -$22.31M |
| **November** | -16 | -8,813 | -$11.59M |
| **December** | -7 | -9,755 | -$12.82M |
| **Total** | -422 | -179,534 | -142.46M |




- Due to the current travel and mass gathering restrictions in place, DC has estimated the remainder of events scheduled for July, August and September to be lost, along with international events in Q4 2020.
  - Of the 227 business events still on the books that DC has considered cancelled, 52% are from international organizations (US and other countries). These events have nearly half the delegates arriving from outside of Canada.
- At risk are the events for October–December 2020:
  - The events planned represent more than 235,782 delegates, 431 events and approximately $195.10M in direct spending. These remaining Q4 events represent another 23% of 2020's planned events and (23% delegates).

- Of these October–December 2020 events, 71 are from internationally-based organizations (US and other countries) which may be taking a “wait and see” approach to cancel the events dependent on restrictions. At this time, we are assuming they are cancelled due to current restrictions.
- All remaining 2020 events are at risk of cancellation due to gathering restrictions, potential border closures and uncertainty of air service. The summer months will provide us with more clarity on these events as their hotel and venue negotiations and agreements are liked to be more finalized.

## 2. Lost opportunity

Our partners were bidding on business events that were going to be taking place in 2020. As of January 31, 2020, there were 938 outstanding business events to be confirmed for 2020 that represented 266,863 delegates and $230.35M in direct spending.

Due to COVID-19, these business opportunities were cancelled. It is assumed no new bookings are occurring for future months (July–December 2020) as event organizers are taking a “wait and see” approach as many organizations have halted travel, while restrictions on gatherings remain in place. Organizers are focused on rebooking 2020 events for future years.

COVID-19 has also had an impact on tentative business events from 2021-2025 as organizations evaluate their future events planning cycles and displacement of 2020 business events into future years causes displacement or cancellation of the need to bid for future years. These additional 62 business events represent, approximately 40,940 in delegates. More than half (58%) of the business events are from internationally based organizations.

## 3. Postponement or rebooking of events planned for 2020

DC is also monitoring the pace of rebooked events. What we are able to see so far is that planners are moving their events into the fall 2020. In our last Business Events Impact and Recovery Report, we noted rebooking events from March to June to fall of 2020 may prove to be challenging due to:

- Lack of hotel or convention centre availability as a result of COVID-19 emergency response;
- Lack of hotel or convention centre availability due to other previously scheduled business events;
- Event organizers bumping Canada to future years, due to event rotation schedules.

These events are becoming more difficult to postpone in 2020 due to current restrictions and thus, event organizers are looking beyond 2020 for rebooking, with some looking as far out as 2025. These rebooked events will likely displace other potential events in the pipeline that have not yet been confirmed.

As of June 30, 2020, 193 business events representing 116,769 delegates and $119.71M have been rebooked for future years (2021-2026). Of these, nearly half the events are international organizations and 62% of delegates (72,245 delegates) are from US and other countries (52% and 48% respectively), which would represent $95M in direct spending in destination.

The ripple effect of postponed and rebooked events will be felt in the industry for years. This includes that of tentative business Canadian destinations were bidding on for future years that will now be cancelled indefinitely or affected by postponed/rebooked events. Several international conferences are booked up to five years in advance. Given this booking cycle, some international events are more likely to be cancelled rather than postponed. Such events with long advanced booking windows will simply need to be rebooked in later years.

This ripple effect can already be seen in the most recent Pace Report (data as of June 30, 2020).

Thus far, the overall rebooked business events for 2021-2026 represents 18% of cancelled events. In comparison, international organizations have rebooked 27% of cancelled events in Canada

According to the Pace Report participants, 7% of cancelled business events that are considered cancellations have already indicated they will postpone to future years.

Prior to COVID-19, 2022 and 2024 were showing to be softer years both in terms of number of events and delegates attending these events. However, as we see postponements and rebooking occur 2021 and 2022 are now both pacing ahead and on par respectively for this time of year in terms of number of events, the number of delegates travelling in 2022 is still lower than expected and could be due to a possible trend in smaller meetings. This will continue to be monitored as the situation evolves.

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