



Challenges for Tourism in Atlantic Canada: A Transportation Perspective

12 May 2020

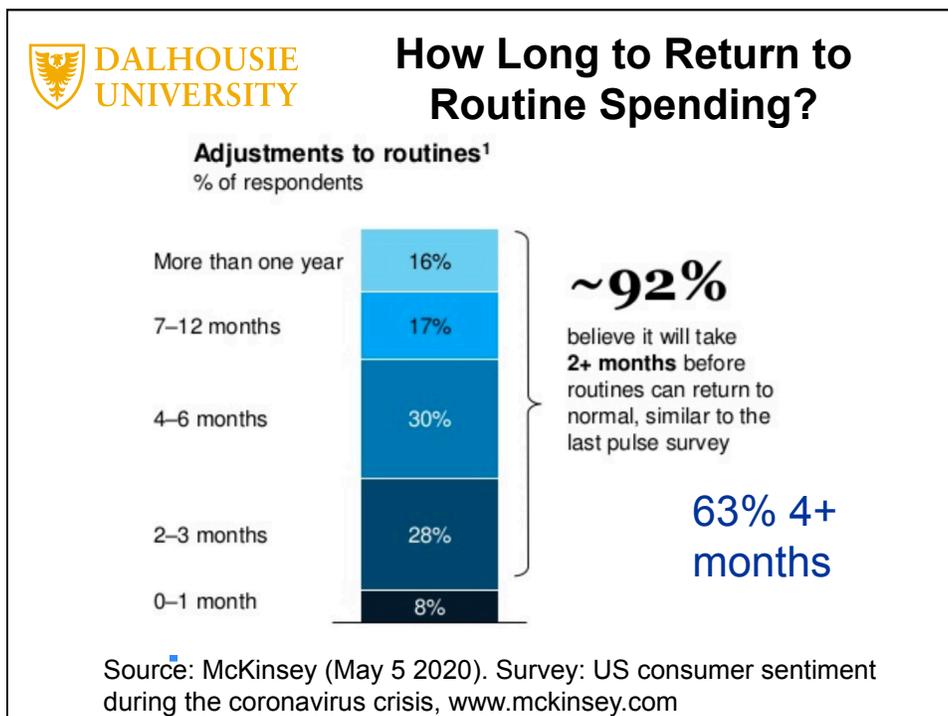
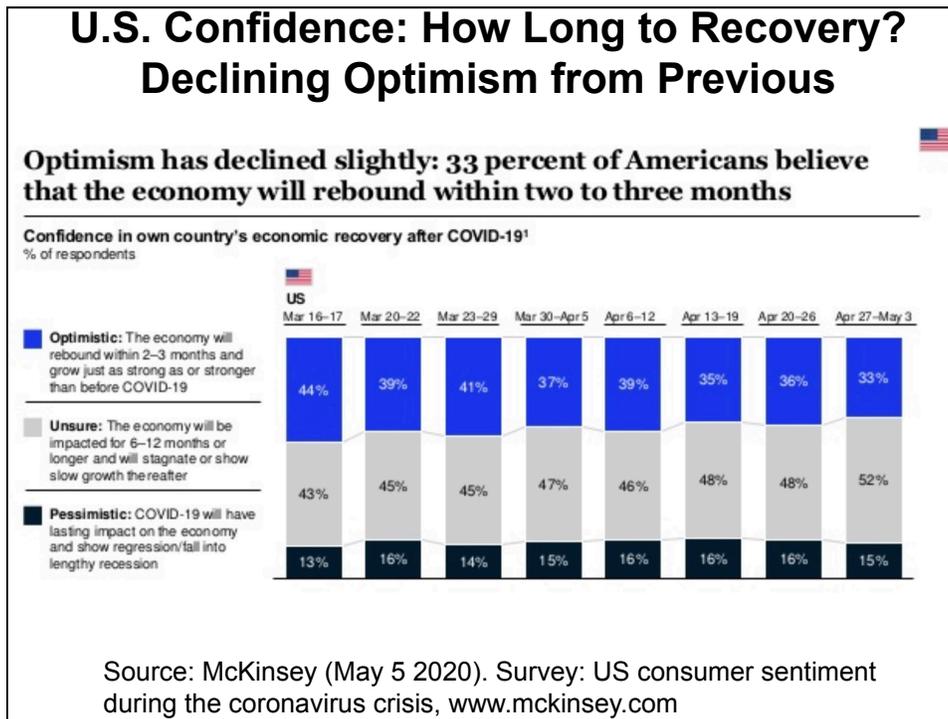
© Mary R. Brooks, 2020

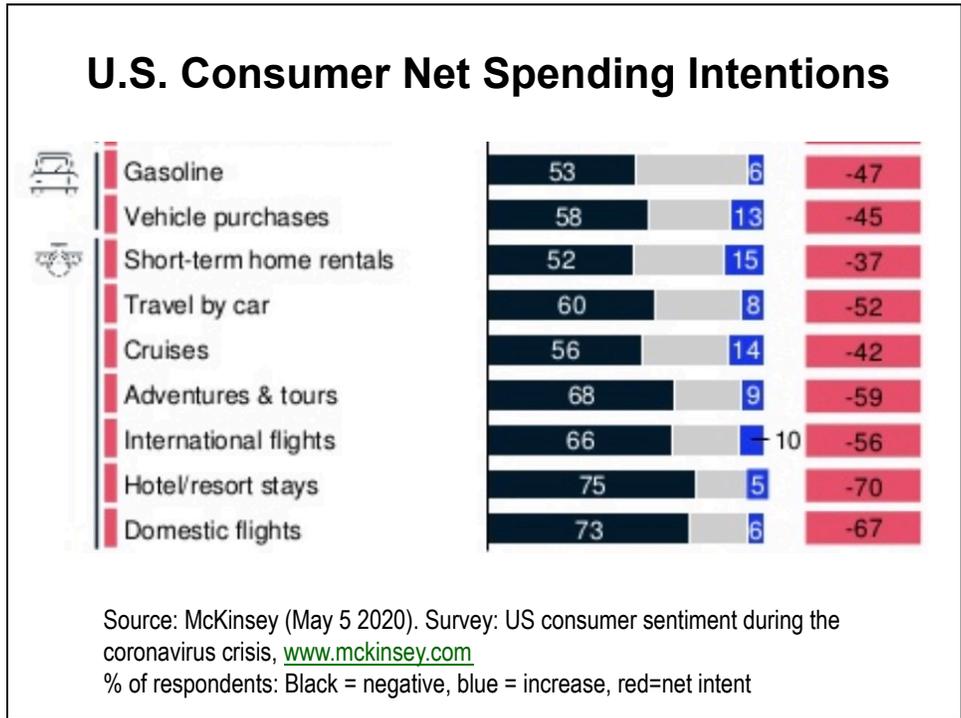


This is a medium and short-term challenge (for now...)

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)







DALHOUSIE UNIVERSITY

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
-5.2	-23.1	+7.0	+14.7

Expected rebound

Mid Q3 2020

Expected recovery

Q3 2021

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



DALHOUSIE UNIVERSITY

NS Visitor Entries ('000s) 2018

Visitors by Entry Point	Entries 000s	Percent
Road Visits by Entry Point	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%
Air Visits by Entry Point		
Halifax Airport	820	34.0%
Total Visitors	2,413	100.0%

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.



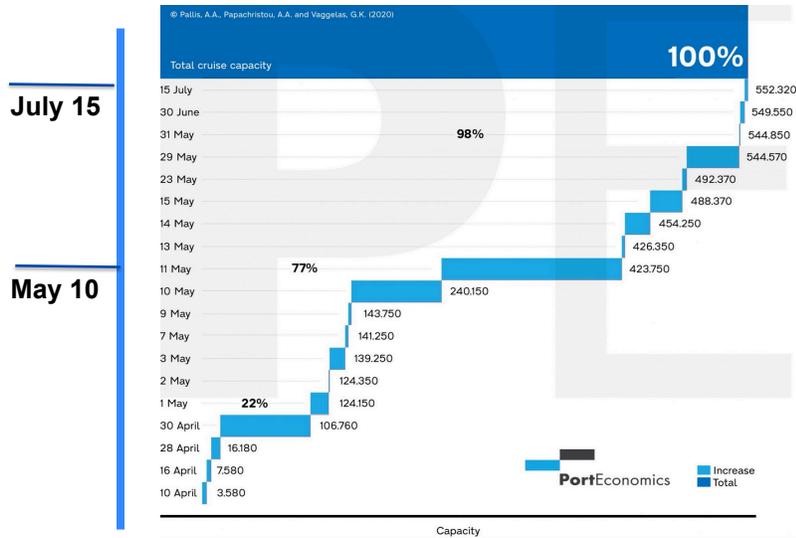
World Maritime News (reported April 7 ...)

- 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.

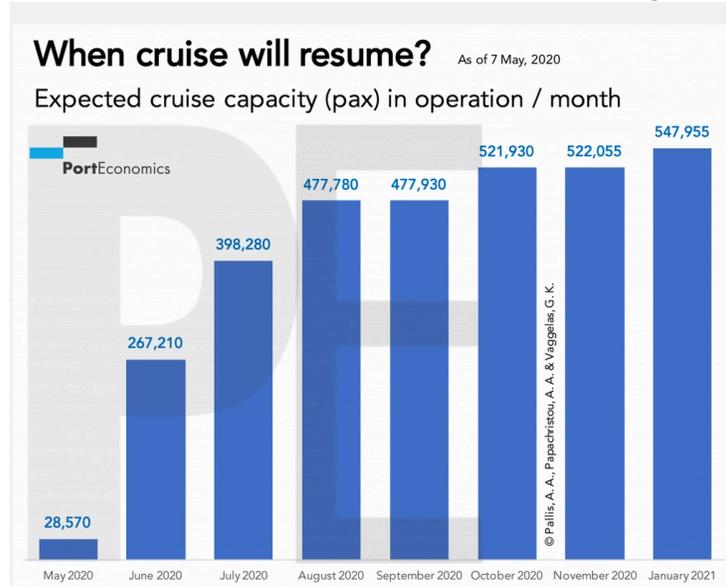


The Missing Cruise Data: When is the industry back?



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

Update on the Cruise Data(May 7)



Source: Porteconomics.eu survey of cruise lines, **released May 7**



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
- 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

Mary R Brooks
m.brooks@dal.ca

