



COVID-19 Impact and Recovery Report: International Summary

Updated: May 19, 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:

1. **COVID-19 Cases:** The number and growth rate of cases as of a certain date. Given the fluidity of the situation, these numbers will be out of date very quickly, but the intent is to provide context for analysis, as well as a sense of the scale.
2. **Estimated Impacts on Travel to Canada:** The effects of COVID-19 on tourism revenue in Canada. This includes estimated spend inside the country, but excludes spending on transportation to get to Canada.
3. **Recovery Signals:** The comprehensive approach to understanding when the market is recovering from a travel perspective based on data and analysis in partnership with Google, Expedia, International Air Transport Association (IATA) and more. Destination Canada uses this information to estimate the stage of recovery of the market.
4. **Methodological Notes:** An explanation of the methodologies in the different sections and relevant sources.

1. COVID-19 CASES

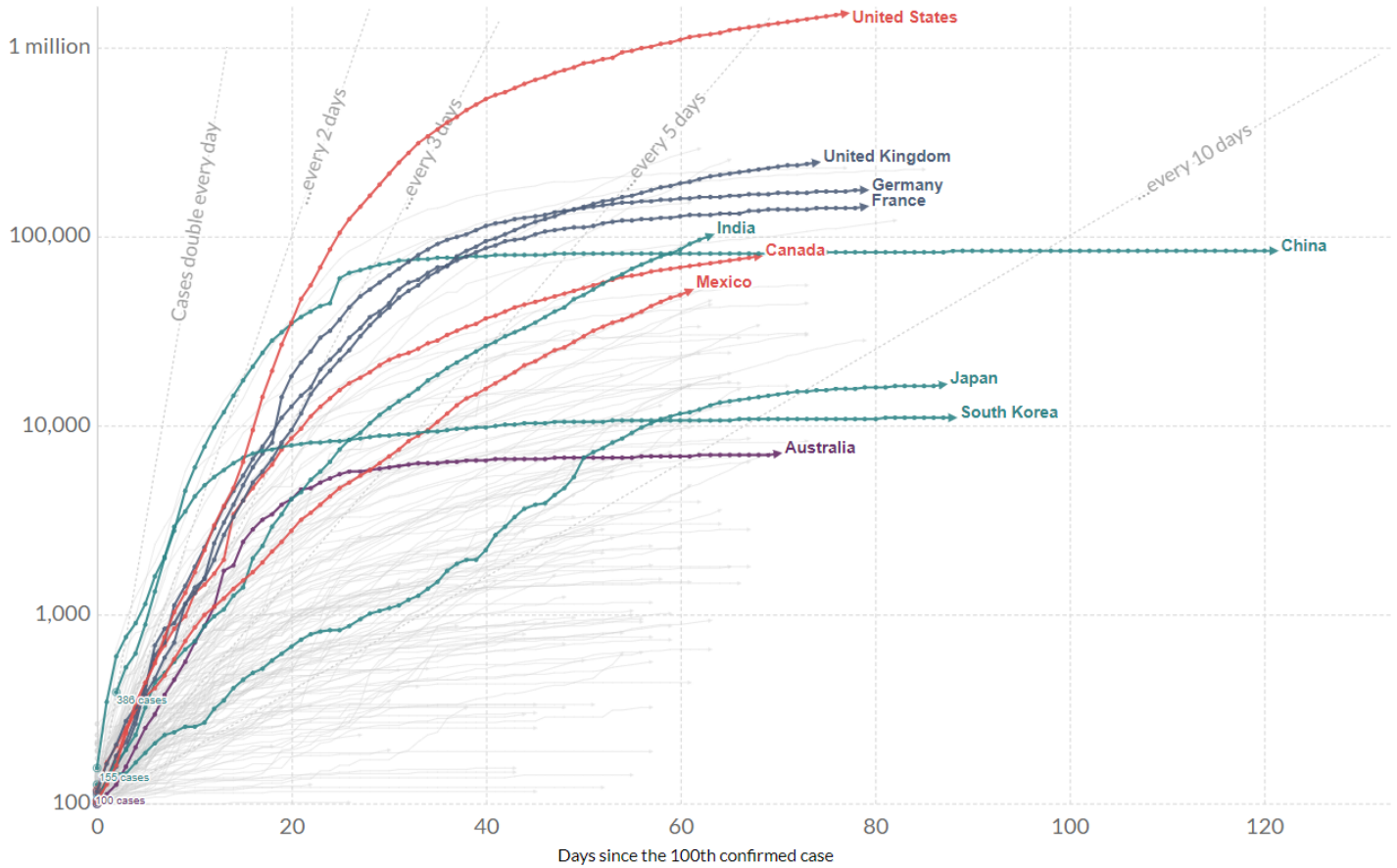
As of May 19, 2020, the COVID-19 pandemic is **slowing down** in terms of the reported number of confirmed cases across the majority of Destination Canada's markets. However, India and Mexico are continuing to see a **doubling in the number of cases at least every 10 days**. Current numbers¹:

	Global	US	MX	UK	FR	DE	IN	CN	KR	JP	AU
Total Confirmed Cases	4,892,550	1,527,355	51,633	250,138	180,933	177,778	106,475	84,063	11,078	16,305	7,072
% increase compared to previous week		12%	42%	10%	2%	3%	43%	0%	1%	3%	2%

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 slowing down). It appears that the trajectory for each market most closely aligns with the following:

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

Confirmed COVID-19 Cases

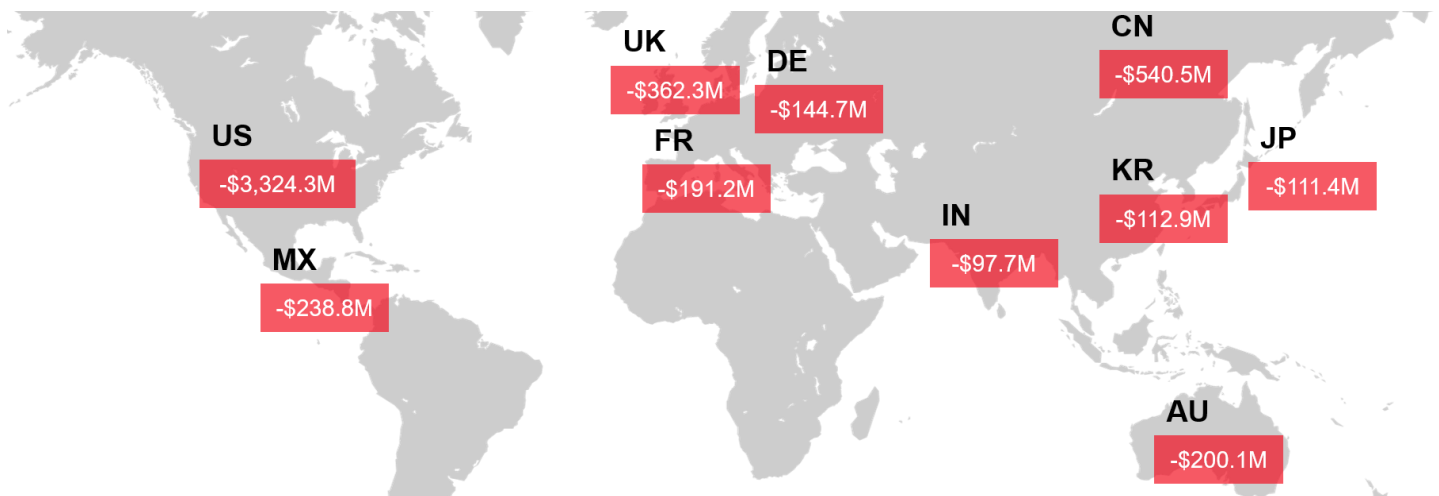


Source: European CDC, OurWorldInData.org/coronavirus (as of May 19, 2020)

2. ESTIMATED IMPACTS ON TRAVEL TO CANADA

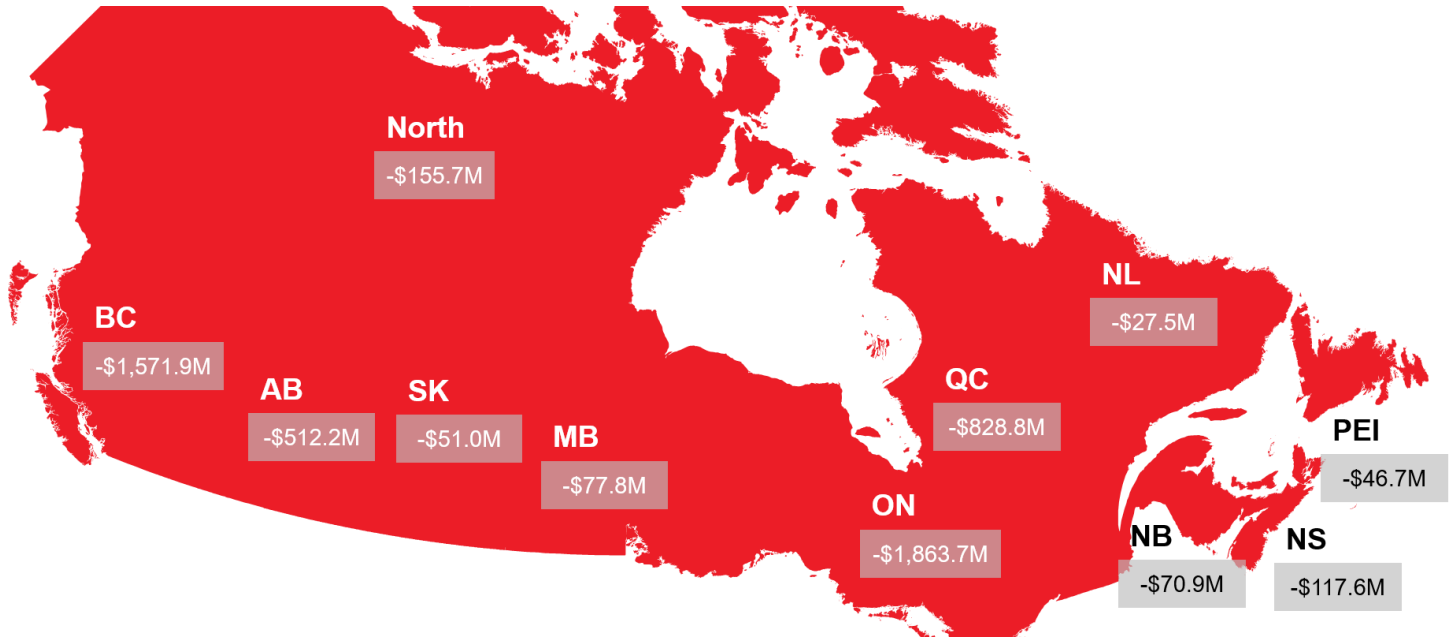
As of May 17, 2020, based on data from payment cards, Statistics Canada, cancellations of previously planned trips, new bookings and forward-looking scheduled air capacity, the economic impact of COVID-19 is estimated in the below maps, as per Destination Canada's research.

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

In response to COVID-19, 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 Section 4. Methodological Notes.

The framework below provides analysis on when travellers may be considering, planning and reserving travel.

	Destination Canada's Overall Assessment of Each Market	Notes
US	II Hyper Local	Government restrictions on movement and travel are gradually being lifted. Destination Canada assesses that US has started moving from the COVID-19 Response phase to the Hyper Local phase, and that domestic travel within US is being considered, planned, and booked.
Mexico	I COVID-19 Response	Government restrictions on movement and travel are gradually being lifted. Shifts will be closely tracked over the coming weeks.
UK	I COVID-19 Response	Plans are in place to begin gradually lifting government restrictions. Movement is still restricted and travel is either not possible, desirable or encouraged. Shifts will be closely tracked over the coming weeks.
France	I COVID-19 Response	Government restrictions on movement and travel are gradually being lifted. Shifts will be closely tracked over the coming weeks.
Germany	II Domestic	Government restrictions on movement and travel are gradually being lifted. Destination Canada assesses that Germany has started moving from the COVID-19 Response phase to the Domestic phase, and that domestic travel within Germany is being considered, planned, and booked; and that trips are being taken. There is insufficient signal to indicate that Germans are considering or planning international travel at this point.
India	I COVID-19 Response	Governments are responding with measures such as shelter-in-place orders and mandatory quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
China	II Domestic	Destination Canada assesses that China has left the COVID-19 Response phase, and that domestic travel within China is being considered, planned, and booked; and that trips are being taken. There is insufficient signal to indicate that Chinese travellers are considering or planning international travel at this point.
South Korea	II Domestic	Destination Canada assesses that South Korea has left the COVID-19 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-19 Response	Government restrictions on movement and travel are gradually being lifted. Some prefectures have already relaxed restrictions on movement, while others are considering doing so.
Australia	I COVID-19 Response	Government restrictions on movement and travel are gradually being lifted. There are signals that the market may be moving into the next phase, and shifts will be closely tracked over the coming weeks.

Legend for US Market:	I COVID-19 Response	II Hyper Local	III Regional	IV Inter-state	V Tentative Int'l	VI Regularized Int'l
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Legend for Overseas Markets:	I COVID-19 Response	II Domestic	III Tentative Int'l	IV Regularized Int'l
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Future Planned Travel

The chart below provides an assessment of when travellers are booking travel to Canada. This assessment is based on changes to net planned travel (new bookings, less cancellations) from the country to Canada, compared to past travel behaviour.

- A 'declining' signal indicates that the year-over-year 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 year-over-year net planned booking, week over week and that this time period is being considered for travel to Canada.
- A 'not enough data' signal indicates that travellers do not normally book that far in advance so we cannot assess the signal at this time.

Planned Travel Compared to 2019, as of May 17, 2020

	May	Jun	July	Aug	Sep	Oct	Nov	Dec
US	Declining	Declining	Declining	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	Declining	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-19 Cases: The intention for this section is to provide context on impact and recovery analysis by providing a snapshot in time of the state of the pandemic 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 use various systems to re-book travel, some of which are incenting 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 orders and mandatory 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-State Travel:** Travel by multiple means (air, car, trains, etc.) within the country, across state boundaries.
- 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 orders and mandatory 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:** Google search engine queries for travel-related keywords in 2020 compared to 2019 searches, broken down by week (i.e. week of April 19, 2020 vs week of April 19h, 2019). Available for each market's domestic, international and Canada-specific travel search terms.
- **Rate of Accommodation Searches:** Weekly searches in 2020 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:** Accommodation bookings in 2020 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 was booked for and when it was booked, this establishes the amount of impact against each month of travel. When appropriate, this assessment is supplemented by analysis of 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.

- **Dining, Attractions & Events Search Index:** Google searches for dining, attraction and event-related keywords in 2020 compared to 2019 searches, broken down by week. Available for each market's domestic, international and Canada-specific dining, attraction, and event-related search terms. This is provided as an index rather than a volume of searches.

Sources:

¹ Johns Hopkins Coronavirus Resource Center, May 19, 2020 5pm PST
<https://coronavirus.jhu.edu/map.html>