

Economic Development Winnipeg

WEEKLY ECONOMIC DIGEST



TRAVEL AND TOURISM ACTIVITY STARTING TO RECOVER

MANITOBA'S TOURISM INDUSTRY IS BECOMING MORE RESILIENT AND IS STRENGTHENING ITS OFFERINGS FOR THOSE WHO LIVE IN OR WANT TO VISIT THE HEART OF CANADA

Chris Ferris, Senior Economist

Bottom Line

The combination of non-pharmaceutical interventions (e.g., masks, social distancing), vaccinations and the leveraging of vaccination status is enabling the return to business activity in the travel and tourism sector. It will take some time before this pandemic is in the rearview mirror, but the higher the share of the population is vaccinated against COVID-19, the less disruption we should see in our economy. The recent approval of the Pfizer vaccine for five to 11-year-olds means about 93.8 per cent of the Manitoba population will be eligible for a COVID-19 vaccine.

Recent changes to airports, and airline processes for passengers, passenger trains and public transit encourage safe travel. These factors are key to enabling the tourism industry to bounce back. **The travel and tourism industries expect activity to return to pre-pandemic levels closer to 2024.**

ANALYSIS

Canadian tourism statistics

Travel between Canada and other countries for [September 2021](#) is rebounding from September 2020, but still remains well below the levels in September 2019. The [National Travel Survey for Q2-2021](#) shows that domestic trips are still low, pulled down by high-contact activities and partially offset by gains in outdoor activities. COVID-19 restrictions such as border closures have weighed heavily on trips to the USA and internationally.



Air Travel

Canada's September 2021 commercial aviation statistics dipped slightly month-over-month.

When we compare September 2021 values to January 2020:

- The **number of passengers** was 41 per cent of its Jan'20 level.
- **Operating revenues** were 37 per cent of its Jan'20 level.
- **Load factors** were 83 per cent of its Jan'20 level.

Source: Statistics Canada, Table 23-10-0079-01

ANALYSIS

Aircraft Movement Indices - by Jet power plant type

January 2020 = 100



Source: Statistics Canada, Aircraft movement statistics: Major Airports Tables 23-10-0006-01, and 23-10-0013-01

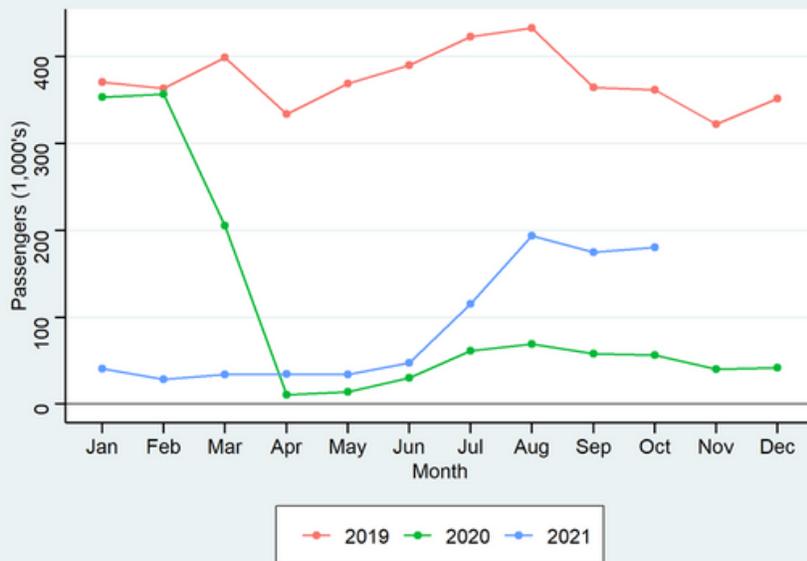
Jet Aircraft flights in/out of Winnipeg/J.A. Richardson International Airport

As of September 2021, the number of jet plane flights between airports has risen back to 73 per cent of its January 2020 level. /1

[The pandemic](#) has accelerated the [trend](#) of moving away from wide-body planes. [Airlines](#) have shifted to smaller and narrow-body planes as passenger numbers begin climbing back.

Total WAA Passenger counts by month

in 1,000's



Source: Winnipeg Airport Authority Historical Passenger Statistics, and Preliminary

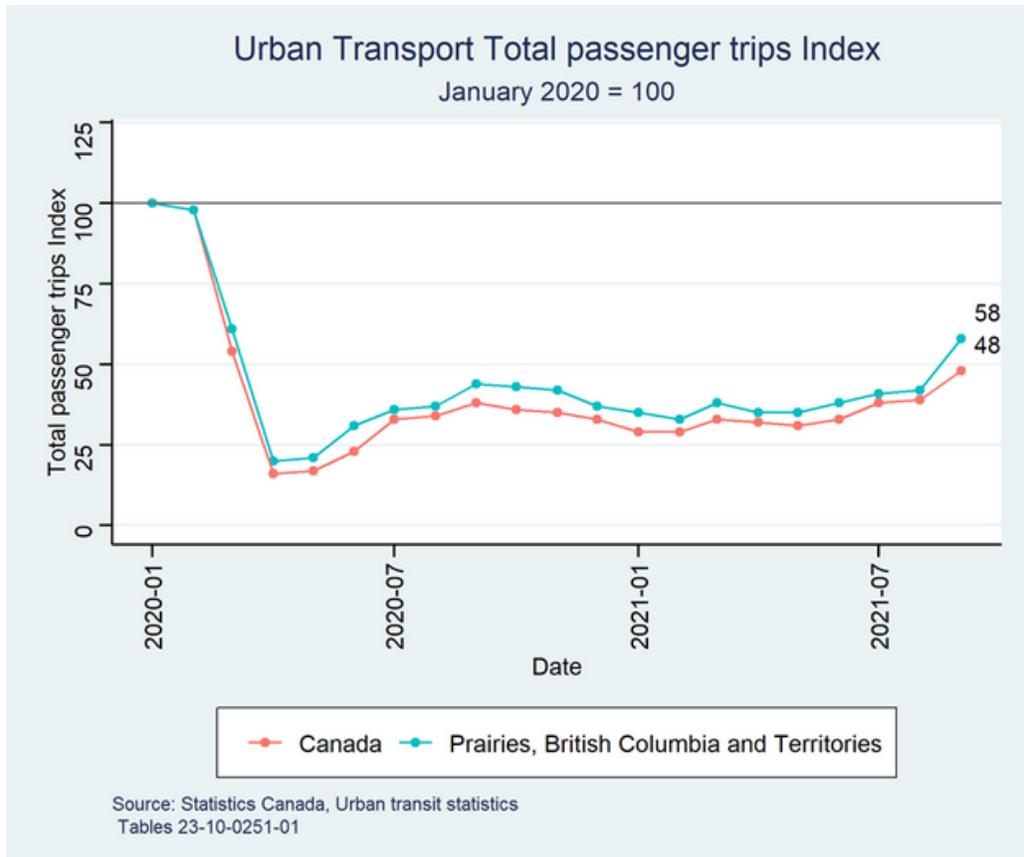
Air Travel

Preliminary passenger numbers from the Winnipeg Airport Authority (WAA) for July to October 2021 show a significant improvement compared to the April 2020 to June 2021 period.

- October 2021 passengers were about 50 per cent of October 2019's numbers.

/1 Flights between airports are technically called **itinerant movements**. We did not study local movements of aircraft since their origin and destination are the same airport and are not typically associated with commercial travel.

ANALYSIS



Urban Transit Systems

Canada's urban transit passenger numbers started to rise in September 2021, but they remain well below in January 2020. September 2021 figures for Canada are only 48 per cent of January 2020, while the numbers for BC, the Prairies and Territories were 58% of its January 2020 level.

This correlates with the Winnipeg Transit experience of COVID-19 and reactions to its continuing suppression of passenger numbers.

See Box 1 for Manitoba Tourism note.

Source: Statistics Canada, Table 23-10-0251-01

BOX 1: STATE OF MANITOBA TOURISM, AND THE TOURISM INNOVATION & RECOVERY FUND

Manitoba's travel industry is aiming to become more resilient (new [strategic plans](#)) and to strengthen its product/service offerings ([Tourism Innovation & Recovery Fund](#)).

[On November 18, 2021](#) Colin Ferguson, President & CEO of Travel Manitoba, [presented](#) an update with the Manitoba Association for Business Economics ([MABE](#)) on the state of Manitoba's tourism industry, the impact of COVID-19, and [Travel Manitoba's](#) revised [Tourism Strategy](#), and [Indigenous Tourism](#) strategy.

Travel Manitoba is encouraging the recovery of the Manitoba tourism industry. One way is the [Tourism Innovation & Recovery Fund \(TIRF\)](#). TIRF exists to help Manitoba-owned and operated tourism businesses/organizations who are looking to: (1) **enhance the tourism experience** that they offer, or (2) **develop new tourism experiences**.

The [TIRF program intake closes on December 9, 2021](#), so review this program if your Manitoba tourism business operates in this space.

Looking Forward

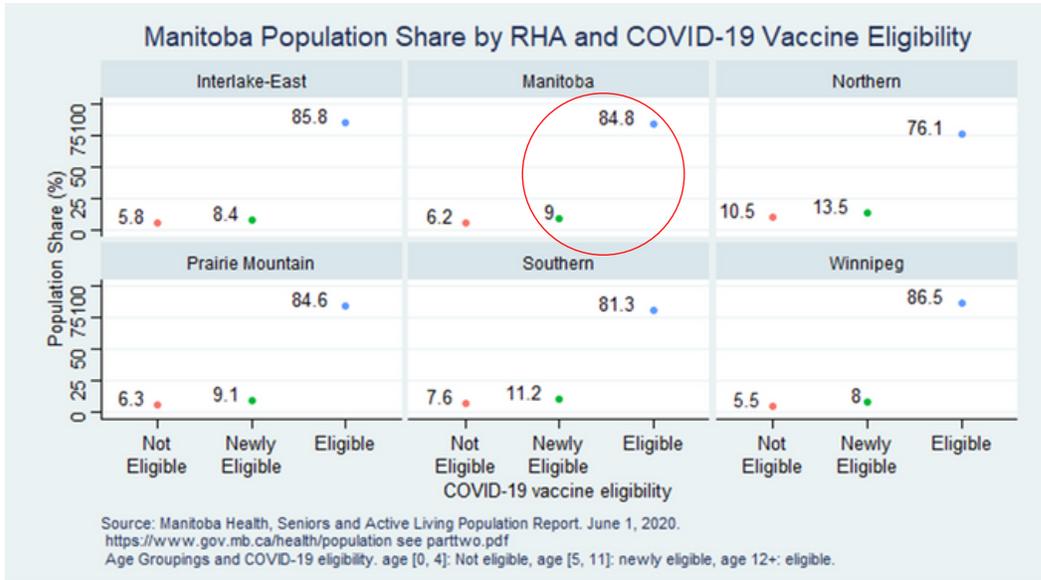
[Within Canada](#), airline and rail passengers aged 12+ need to be fully vaccinated as of November 30 to travel (after a transition period announced in October 2021). [International travel rules](#) continue to evolve and are aimed at controlling COVID-19. While fully-vaccinated people will be able to travel, the virus continues to mutate, raising the fear of break-through risks even to those fully vaccinated. **On-off travel bans are likely to continue to be applied at various times till the end of the year and onwards through 2022. This will (tend to) weigh on travel.**

Mass urban transit is also expected to take time to recover. Looking towards 2022, the City of Winnipeg is projecting passenger numbers of 60 to 75 per cent of 2019 pre-pandemic levels. ^{/2}

Children five to 11 were recently approved for the Pfizer COVID-19 vaccine in Canada. Many parents in Manitoba eagerly signed their kids up. Using Manitoba's population by Regional Health Authority ([RHA](#)) from June 2020, we see approximately 84.8 per cent of the Manitoba population had been eligible before this announcement, and a further nine per cent became eligible (for a total of 93.8 per cent). After this, only 6.2 per cent of the Manitoba population (those four or younger) would still be ineligible for a COVID-19 vaccine. The Northern and Southern RHAs have slightly above average shares of those four or younger.

^{/2} As noted on the [Preliminary 2022 Budget](#) website, "Tax Supported Operating Budget and the Financial Stabilization Reserve." Winnipeg's city council is expected to [vote on the budget](#) on December 15, 2021.

ANALYSIS



See the Manitoba vaccination uptake data to see statistics on how the vaccination program is rolling out./3

The sooner we get eligible Canadians and people around the world fully vaccinated, the sooner we can shift from the various pandemic restrictions to an endemic situation. Being fully vaccinated protects those who are vaccinated from severe illness. Until then, there remain infection risk and economic disruption risks, including tourism related activities.

We can continue to reduce the risk of COVID-19 transmission by only allowing fully-vaccinated people into high-contact events, and activities. Once most children aged five to 11 are fully vaccinated, most of our population involved in high contact activity will be covered. For kids (zero to four) in early learning centres, if the parents and staff are fully vaccinated, then the risk of transmission is greatly reduced.

/3 See <https://manitoba.ca/covid19/vaccine/reports.html>.

INQUIRIES AND CONTACTS

If you require help accessing government programs, contact our YES! Winnipeg team through the [Help us help you form](#).

General inquires: wpginfo@edwinnipeg.com

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