



Tourism in Northwest British Columbia

Overview and Recent Trends (2017- 2020)

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Executive Summary

Tourism in British Columbia has grown substantially over the past two decades, generating economic benefits to communities across the province regarding revenue and job creation. However, despite wide-ranging increases in visitor numbers in previous years, declining visitor numbers in Northwest British Columbia between 2017 and 2019 suggest that tourism is not distributed equally across the province. Additionally, the initial impacts of the COVID-19 pandemic were severe for the tourism industry at all levels of geography. The ongoing situation introduces a high degree of uncertainty on safely attracting visitors back to communities in the medium long-term.

British Columbia's updated tourism strategy for 2019– 2021 prioritizes explicitly supporting people and communities as an action point, outlining the goals of improving quality of life and increasing support and celebration of Indigenous cultures through tourism. Given the challenges that the tourism industry and Indigenous-owned tourism business operators face in the province, funding for Indigenous businesses and communities is necessary to weather current market conditions in the medium-term and attract additional visitors in the long-term.

1.0 Overview

The provincial tourism board has presented British Columbia (BC)'s natural beauty and Indigenous cultural heritage as reasons to visit a world-class destination under the "Super, Natural British Columbia" promotional campaign branding. The success of Destination BC's marketing efforts over the past two decades is evident; tourism revenue in BC grew 53.3% between 2008 and 2018 and generated \$20.5 billion in income for the province in 2018. Tourism's role in the economy has evolved to such an extent that in 2018 it contributed \$8.3 billion to provincial GDP, more than any other primary resource industry (Destination BC, 2020a).

By sector, accommodation and food services, transportation services, and retail services account for the largest shares of tourism revenues in BC. In contrast, the remainder of revenue generated is from other tourism-related services, including vehicle rentals, tourism-related recreation and entertainment, and vacation homes (Destination BC, 2019). Tourism was responsible for employing over 160,000 people in 2018, paying approximately \$6.0 billion in wages and salaries (Destination BC, 2020a). The industry's growth showed no signs of slowing in 2019, with 6.2 million international visitors to BC, up 2.6% on the previous year (Destination BC, 2020b).

The growth of the tourism industry has also generated opportunities for Indigenous communities. It is estimated that 37% of international visitors to Canada are interested in Indigenous tourism (Indigenous Tourism Canada, 2018). In BC, the sector generated \$524 million in revenue and employed 6,597 people in 2017 (Fiser and Hermus, 2019). In Northwest BC, the Nisga'a Lisims Government promotes the Nass Valley as a place of pristine waters and dramatic landscapes, creating jobs and opportunities for Nisga'a citizens, providing cultural knowledge to visiting tourists.



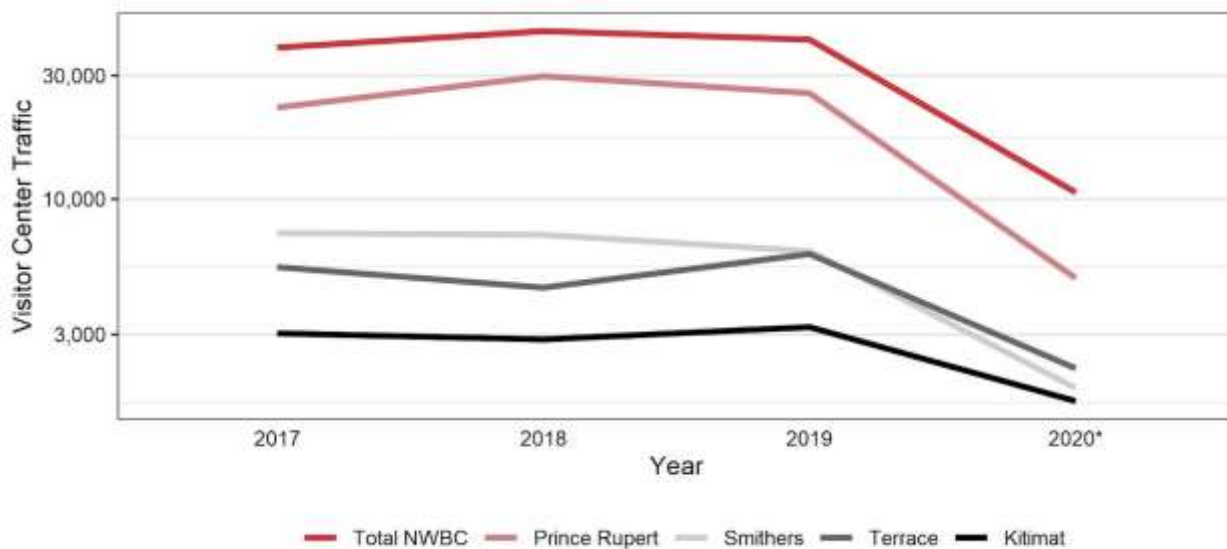


2.0 Recent Visitor Trends

Despite the broad-based increase in visitor numbers and tourism revenues in BC since the early 2000s, there have appeared regional differences in the distribution of tourism within the province and the economic benefits it brings to communities. For example, although there were year-on-year increases in international visitor numbers in all five categories comprising Destination BC's International Visitor Arrivals to BC (International, US Overnight, US Total, Asia Pacific, and Europe) in 2019, passenger volumes to Prince George Regional Airport declined by 1.9% between 2018 and 2019 (Destination BC, 2020b)

Furthermore, as illustrated in Figure 1, footfall to visitor centers in Terrace, Smithers, and Kitimat decreased by 16.7%, 1.5%, and 5.2%, respectively, from 2017 to 2018. Between 2018 and 2019, this downward trend included Prince Rupert's visitor center and overall visitor numbers to visitor centers in Northwest BC declined by 7.3%.

Figure 1: Northwest BC Visitor Centre Traffic 2017– 2020



(Source: Destination BC)

* 2020 estimated using Year to date visitor numbers.

3.0 Impacts of COVID-19

Alongside most jurisdictions in Canada and internationally, BC undertook measures to curb the spread of COVID-19 in mid-March 2020. These measures included declaring a public health emergency and provincial state of emergency, which required international travellers to self-isolate for 14 days upon arrival in the province (Government of BC, 2020). International tourism was almost entirely halted, and movement within the province was heavily curtailed. Provincial parks were closed, as were dine-in services at bars and restaurants (Government of BC, 2020). The devastating effects of the onset of the COVID-19 pandemic on BC tourism are evident:



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international visitor numbers across all categories decreased between 60% and 70% in March 2020 as restrictions came into effect, and between 95% and 99% in April 2020, compared to their respective numbers in 2019 (Destination BC, 2020c).

During Phase 2 of BC's Restart Plan (May 18– June 23), people were "encouraged to stay close to home and avoid any travel between communities that was not essential" (Government of BC, 2020). The effects of the pandemic's initial stages on tourism in Northwest BC were on par with the provincial and national picture. Most visitor centers and tourist establishments were effectively shut down for April, with numbers to Northwest BC visitor centers down 94.1% on the previous year for Q2 2020.

Phase 3 (June 24–present) of the Restart Plan allows people to take part in "smart, safe and respectful travel within BC" (Government of BC, 2020). As such, footfall traffic to visitor centers in Northwest BC in Q3 2020 increased in comparison with Q2 2020 but was still down over 68% compared to visitor numbers in Q3 2019.

Provincial guidelines state that large group gatherings and international tourism will only resume when national and international case numbers decline and when one of the following three conditions are met within the province (Government of BC, 2020):

1. wide vaccination,
2. community immunity, or
3. widespread successful treatments.

As such, it is reasonable to expect visitor numbers to Northwest BC to remain between 10-30% of their 2019 volumes for the foreseeable future as the province maintains its Phase 3 restrictions. This introduces significant uncertainty for the tourism sector. Several Indigenous-owned business operators have expressed concerns about the risk of permanent closure if the situation continues into their 2021 season (Conference Board of Canada, 2020).

4.0 Addressing Industry Challenges

In March 2019, the Province of British Columbia outlined an updated tourism strategy intended to address challenges to the sustainable growth of provincial tourism, specifically; "challenges related to labour and capacity, seasonality and regional dispersion, access and infrastructure, competitiveness, and long-term sustainability" (Government of BC, 2019).

The goal of this updated tourism strategy is to achieve a steady revenue growth rate of 6% by addressing capacity challenges and exploring new opportunities within communities (Government of BC, 2019). Action is proposed in three principal areas:

1. Supporting People and Communities,
2. Sustainably Growing the Visitor Economy, and
3. Respecting Nature and the Environment.



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Indigenous tourism is specifically captured by "Supporting People and Communities," the goal specifically being "to improve the quality of life and increase support and celebration of Indigenous cultures through tourism." Access to financing and marketing support and training have been identified most frequently as challenges faced by Indigenous tourism businesses in Canada (Fiser and Hermus, 2019). As such, any proposed strategy should address these issues.

Significant headwinds face the tourism sector from the current and ongoing effects of the COVID-19 pandemic, which has heavily exacerbated a recent trend of declining visitor numbers to Northwest BC. Indigenous governments and tourism operators have also been severely impacted by COVID-19 and face additional challenges in accessing financing, and marketing support and training, constraining their ability to respond to market-based challenges. Given the emphasis that the Government of BC places on "Supporting People and Communities" in its updated provincial tourism strategy, funding for Indigenous businesses and governments in Northwest BC should be a priority. This funding is necessary to help communities and businesses weather current market conditions and expand marketing efforts to attract additional visitors in the long-term.



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