

# **The Impact of COVID-19 on Canada's Indigenous Tourism Sector: Insights from Operators**

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## Executive Summary

This report was commissioned by the Indigenous Tourism Association of Canada (ITAC) to provide an economic assessment of COVID-19's impact on Canada's Indigenous tourism sector. The report revises our previous 2017 direct economic footprint of the Indigenous tourism sector and provides an update with 2019 and 2020 estimates of Gross Domestic Product (GDP), employment, and business growth.

Based on ITAC's revised definition, at least 1,699 Indigenous businesses participate in Canada's Indigenous tourism sector. In 2019, over 36,000 people worked in the sector's associated industries. Their combined direct economic footprint in 2019 was estimated to exceed \$1.6 billion in GDP. Based on a high-level comparison between our 2020 estimates and the 2019 footprint, it appears that drastic losses in direct employment and GDP have resulted from COVID-19's impact on the Indigenous tourism sector. Compared to 2019, our 2020 impact assessment projects a 65.9 per cent decline in direct GDP, down to \$555 million, and a 59.4 per cent decline in employment, down to 14,624 jobs.

Diverse businesses occupy the Indigenous tourism sector including co-operatives and community-owned ventures, incorporated businesses, and a range of sole proprietors, from independent artists to wilderness guides. The variety of participants also includes not-for-profit organizations such as museums owned and operated by Indigenous communities and organizations, cultural festivals, theatre groups, and natural heritage sites. Our combined survey research and economic assessment in 2020 indicate that the pandemic has had a deep and serious impact on most businesses in the sector. Based on our research it is estimated that at least 714 could be at serious risk of closure in 2020-2021.

# 1.0 Background

This report, commissioned by the Indigenous Tourism Association of Canada (ITAC), provides an economic assessment of COVID-19’s impact on the Indigenous tourism sector in Canada. While the report updates our previous 2017 assessment for ITAC<sup>1</sup>, it also applies a revised definition of the tourism sector that excludes two industry subsectors previously estimated as part of travel services – retail, namely Indigenous-owned gasoline stations and general merchandise stores. This revision, based on ITAC’s guidance, is intended to focus our assessment on the Indigenous tourism sector’s core businesses.

Based on the revised definition, our findings indicate that at least 1,699 entrepreneurs and organizations participate in Canada’s Indigenous tourism sector. In 2019, over 36,000 people worked in the sector’s associated industries. Their combined direct economic footprint in 2019 was estimated to exceed \$1.6 billion in Gross Domestic Product (GDP).

ITAC’s strategic vision for Indigenous tourism encompasses several economic growth targets. These targets, reflected in our economic impact assessment, are broken down by measures of GDP, employment, and business growth in Canada’s Indigenous tourism sector. ITAC anticipates that by 2024 the Canadian GDP impact of Indigenous tourism will increase to \$1.9 billion; and the Indigenous tourism workforce will increase to 49,000. While our assessments for 2017 and 2019 suggest the sector has been steadily advancing towards these goals, the estimates for 2020, under the impact of COVID-19, present a stark contrast. Our 2020 assessment suggests that, at \$555 million, the sector’s direct GDP footprint has shrunk by almost 66 per cent compared to 2019. (See Table 1.1).

**Table 1.1**  
**Summary of key measures and ITAC’s goals for the Indigenous tourism sector in Canada**

Measures	Revised 2017 estimates	2019 estimates	2020 estimates	2024 goals
<b>Direct Employment (Peak Employment)</b>	35.0k	36.0k	14.6k	49k
<b>Direct GDP</b>	\$1.5B	\$1.6B	\$555M	\$1.9B

Source: The Conference Board of Canada

<sup>1</sup> The 2017 assessment is featured in our 2018 report for ITAC published as Canada’s Indigenous Tourism Sector: Insights and Economic Impact, The Conference Board of Canada, May 2019.

In addition, ITAC's goals for 2024 include a growth target of over 200 more Indigenous tourism businesses to reach 1,900 above the current estimated universe of 1,699. While our present impact assessment did not investigate the growth of new businesses in the sector between 2019 and 2020, we found that COVID-19's impacts could result in at least 714 business closures across the sector in 2020 and 2021. Without immediate action to strengthen the sector's recovery and resilience beyond 2020, there is a serious risk that ITAC's strategic goals could be in jeopardy.

Our discussion of findings is broken down into three chapters. In Chapter 2 we present an updated profile of the Indigenous tourism sector in Canada, based on ITAC's revised definition. This chapter provides an overview of the sector and serves as a primer for understanding the context of our economic impact assessment in Chapter 4. Our discussion in Chapter 2 walks readers through ITAC's updated business inventory and highlights key characteristics of its featured businesses, drawing on information from our 2020 survey of Indigenous tourism operators.

In Chapter 3 we provide insights from the 585 Indigenous tourism operators who participated in our 2020 survey. This chapter summarizes key dimensions of what operators' have been experiencing under COVID-19 and what they anticipate in 2020-2021. Our discussion includes operators' perceptions of how long the impacts of COVID-19 may last, how severe COVID-19's impacts have been on their business operations and across different market segments, and how well-informed and resilient they feel under pandemic conditions. These insights should be of strategic value to ITAC and its partners as they seek to better understand the needs of operators.

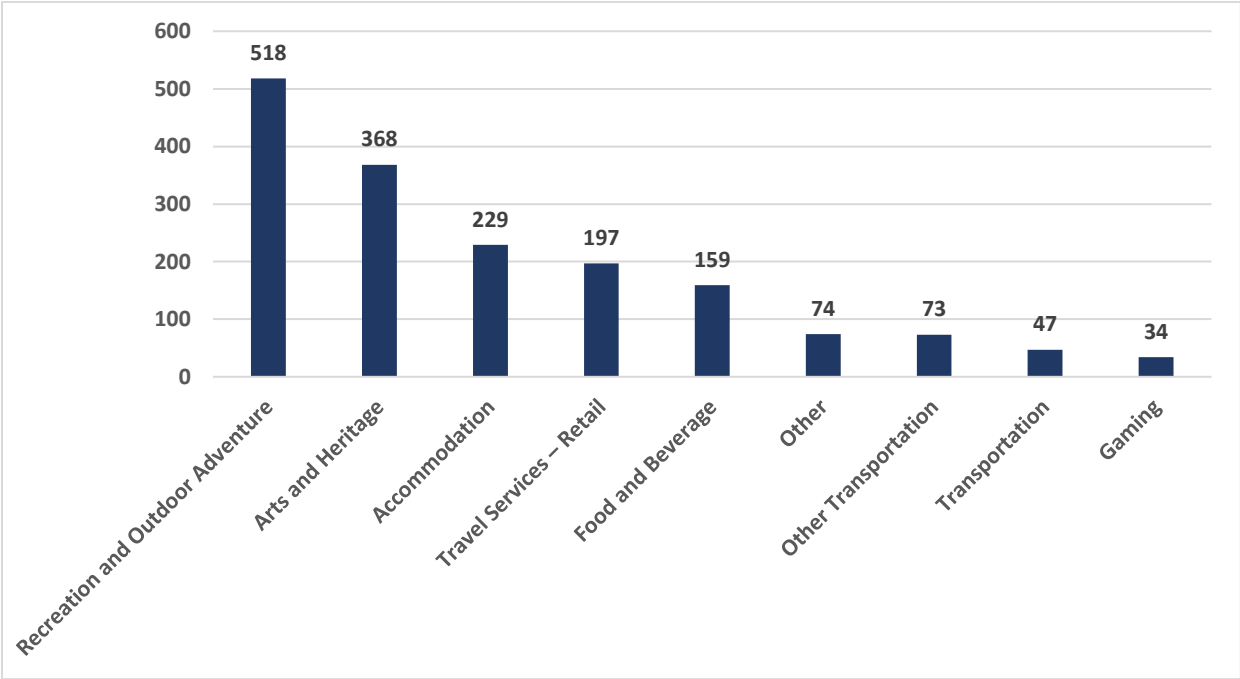
In Chapter 4 we then provide an updated 2020 direct economic footprint of the Indigenous tourism sector that addresses ITAC's key performance measures of GDP, employment, and business growth under the impact of COVID-19. Our discussion of the footprint compares COVID-19's impacts in 2020 to updated estimates for 2019.

# 2.0 Profile of Canada’s Indigenous Tourism Sector

## Defining the Indigenous Tourism Sector

Based on ITAC’s revised definition, which excludes gasoline stations and general merchandise stores, the Indigenous tourism sector in Canada comprises at least 1,699 businesses spread across 33 different industry subsectors. Following ITAC’s approach to defining the sector, we aggregate these industry subsectors into nine different tourism domains as indicated below. (See Chart 2.1). Our 2018 report for ITAC provides details on the aggregation and definitional aspects of these tourism domains. It also provides insights into the business characteristics of tourism operators in each domain.

**Chart 2.1**  
**Tourism Businesses within each Industry Domain**  
(Number of businesses)



Source: The Conference Board of Canada

The Indigenous tourism sector is quite diverse, including co-operatives and community-owned ventures, incorporated businesses, and a range of sole proprietors, from independent artists to wilderness guides. The variety of participants also includes not-for-profit organizations such as

museums owned and operated by Indigenous communities and organizations, cultural festivals, theatre groups, and natural heritage sites. With this diversity, the Indigenous tourism sector presents a unique constellation of values and tourism experiences.

## 2019 Economic Footprint and Basis of Comparison

To begin assessing the impact of COVID-19 on the Indigenous tourism sector in 2020, we first established a basis of comparison. To do so we estimated the size and economic footprint of the sector in 2019, building off our revised 2017 impact assessment and the methodology from our 2018 report for ITAC.<sup>2</sup>

In our 2019 base case, the sector's direct economic footprint exceeded \$1.6 billion in GDP, and nearly \$3.7 billion in associated revenues. In 2019, the sector also employed more than 36,000 people, with just over half (51 per cent) being employed in Ontario or British Columbia. By comparison, employment in the territories amounted to under 4,237 individuals or 11 per cent of total sector employment.

Up until 2020, a key feature of the Indigenous tourism sector has been its robust and positive growth trajectory. The estimated footprints for the sector in 2019 and in the previous impact assessments commissioned by ITAC for 2017 and 2014, all suggest that sector-specific growth has been faster than the overall Canadian tourism sector, both in terms of GDP and employment. However, as we examine in Chapter 4, this trend has been severely curtailed under the impact of COVID-19. The next chapter provides insights into the risk perceptions of Indigenous tourism operators and the losses they are experiencing and expecting in 2020-2021 because of the pandemic.

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<sup>2</sup> The 2019 sector footprint extrapolates from revised 2017 estimates derived from our previous 2018 report for ITAC, published as Canada's Indigenous Tourism Sector: Insights and Economic Impact, The Conference Board of Canada, May 2019. This 2018 report drew upon a detailed inventory process carried out in 2017 and 2018. For more details on our methodology please refer to Appendix D.

## 3.0 Insights from Operators

Between April and May 2020, we deployed a survey of Indigenous tourism operators to gather information about the current and expected impacts of COVID-19 on their business operations. 585 Indigenous-owned businesses responded to the survey, providing insights into the losses operators have been experiencing under COVID-19, and what they anticipate in 2020-2021. Our discussion in this chapter includes operators' perceptions of how long the impacts of COVID-19 may last, how well-informed and resilient they feel under pandemic conditions, and how severe COVID-19's impacts have been on their business operations and across different market segments. The insights from these 585 operators form an important basis for our assessment of COVID-19's economic impacts in Chapter 4.<sup>3</sup> Further results are summarized in Appendix B. In our judgment, the survey responses are sufficiently representative of the overall Indigenous tourism sector; however, as with all surveys, certain cautions still apply at both a geographic and industry level.<sup>4</sup> Detailed industry impacts are discussed in Chapter 4 and outlined in Appendix C, while this chapter presents high-level findings from the survey.

Overall, the survey responses indicate that operators have a relatively high-level of awareness about COVID-19's impacts, not just on their own business operations, but also on their peers and the broader industry sector. Respondents are also deeply concerned that COVID-19's impacts will extend into 2021 and beyond. Most operators are expecting significant losses to revenues and employment, and many expressed concerns about the risk of permanent closure if the situation continues into their 2021 season.

### Basic Characteristics of Responding Businesses

The Indigenous tourism operators who responded to our 2020 survey reflect a diversity of cultural backgrounds, experiences, and business structures. In terms of the identity of their majority owners, over 73 per cent were Status or Treaty First Nations, over 12 per cent were Métis, and 6.5 per cent were Inuit. Given the prevalence of First Nations identities, over 47 per cent of these businesses operated on-reserve.

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<sup>33</sup> The total number of responses for any question varied depending on the specific question asked.

<sup>4</sup> Please refer to Appendix D which describes the overall approach used to generate regional/industry insights based on survey responses and other relevant information.

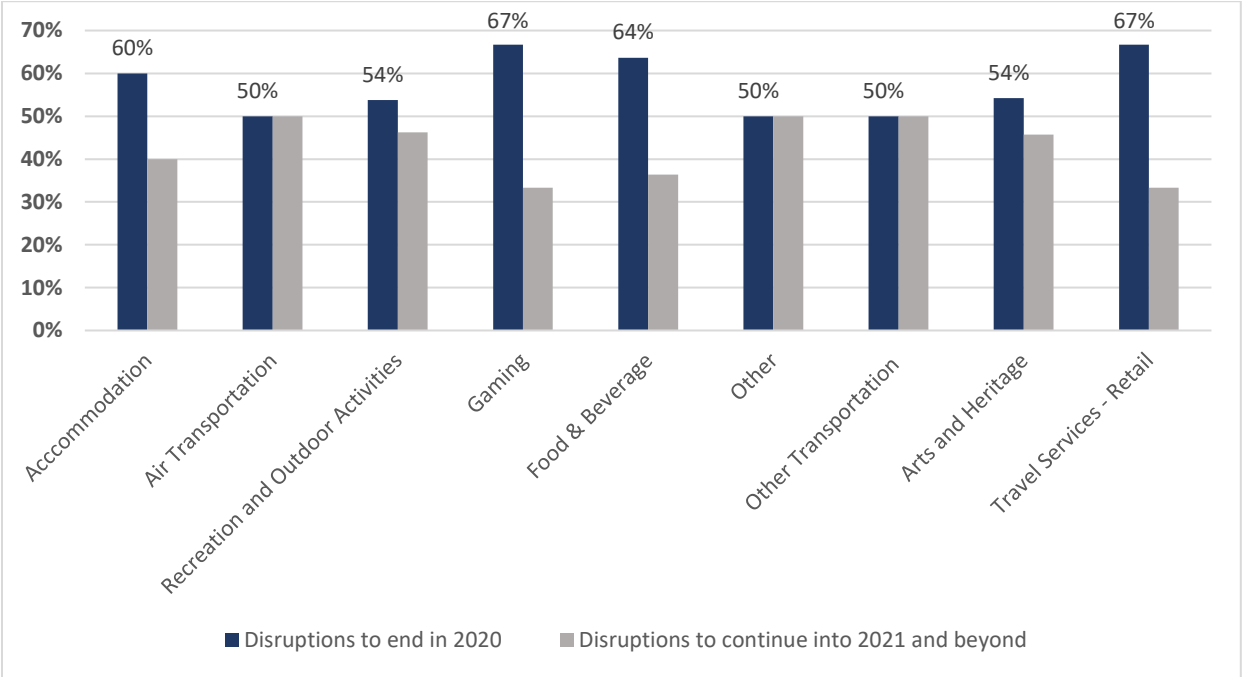


In terms of business structure, one third (33.3 per cent) were sole proprietorships, while over 26 per cent were incorporated for-profit enterprises, and over 14 per cent were not-for-profits. Furthermore, among the pool of responding businesses that were not sole proprietorships, almost 30 per cent were community-owned enterprises or associations.

## How Long Will Disruptions Last?

More than 50 per cent of businesses across ITAC’s nine tourism sector domains felt that COVID-19 related disruptions would extend into 2021 and beyond. The three industry domains where operators were most optimistic about disruptions ending in 2020 were gaming, travel services – retail, and food and beverage services. (See Chart 3.1.)

**Chart 3.1**  
**Expectations about the duration of COVID-19’s disruptions**  
 (Per cent of respondents)



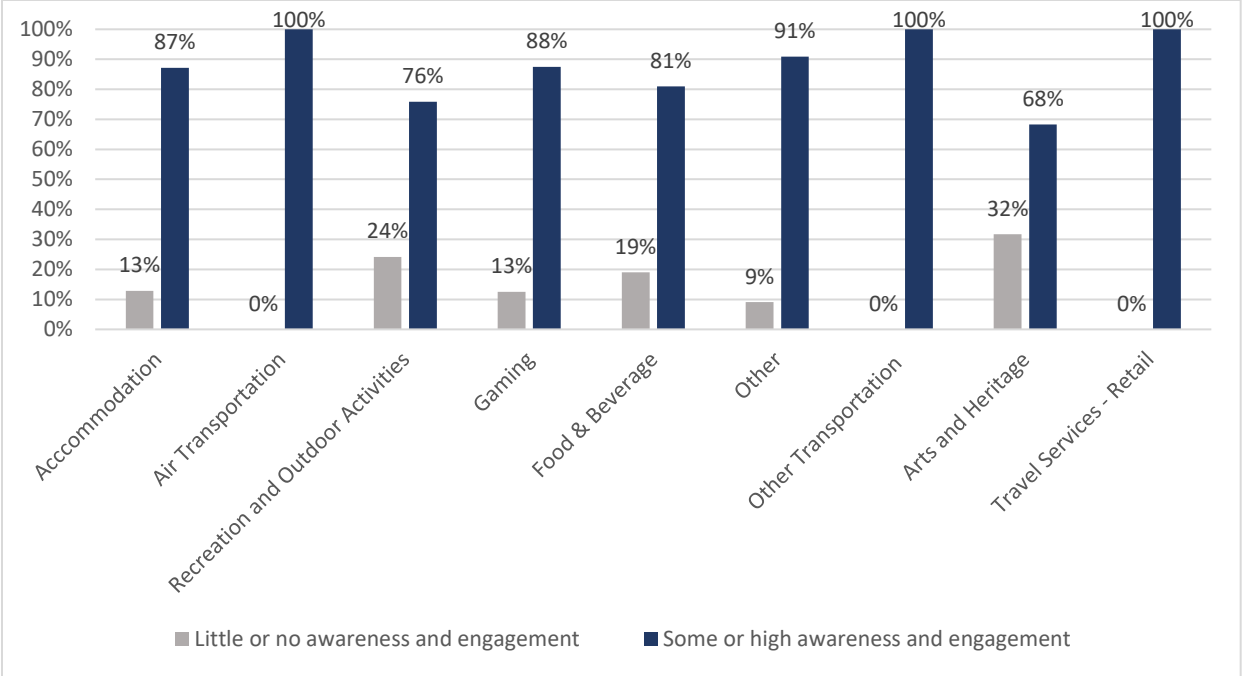
Source: The Conference Board of Canada

## Awareness of the Issues and Associated Impacts

To further understand Indigenous tourism operators’ risk perceptions, the survey also asked about their awareness of the issues and associated impacts. Their responses suggest that most

operators, from across the sector, felt they were aware of COVID-19’s impacts on similar businesses in their region; and many also stated that they were actively seeking more information and engaging with their peers. The greatest uncertainty appeared to be among respondents in the arts and heritage and recreation and outdoor activities domains. (See Chart 3.2.)

**Chart 3.2**  
**Awareness of the impact of COVID-19 on other similar businesses**  
 (Categorized awareness levels, Per cent of respondents)

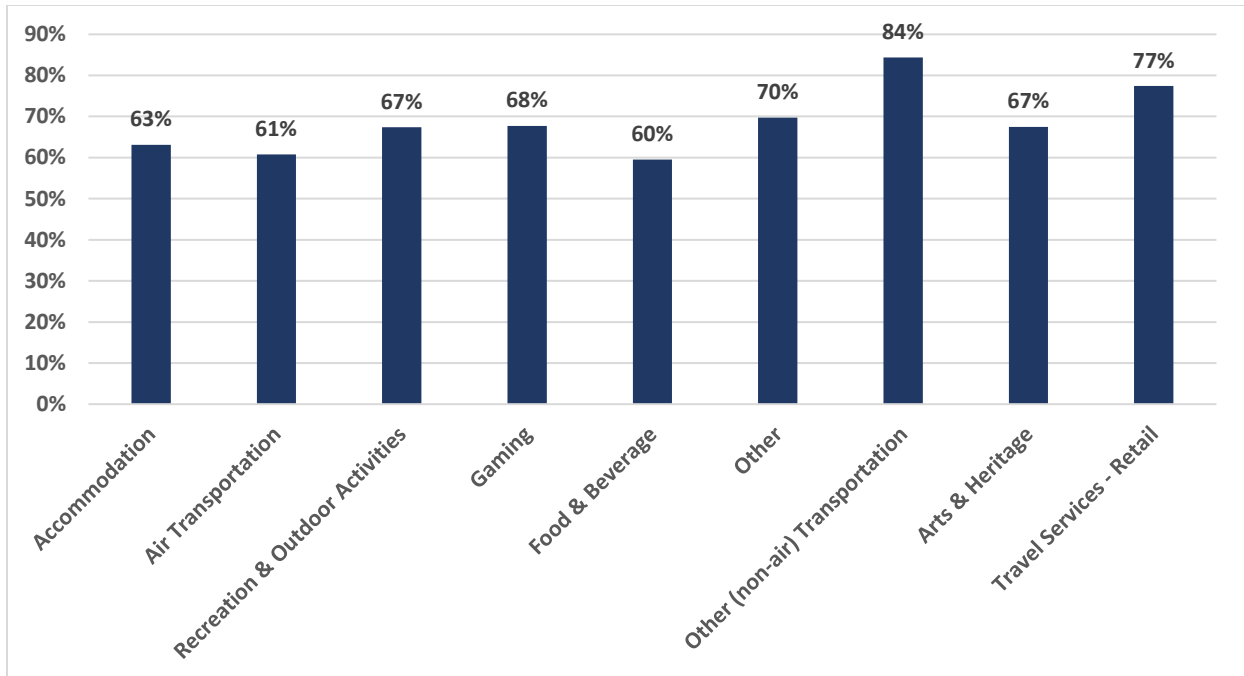


Source: The Conference Board of Canada

## Impact on Expected Revenues

The average respondent across all domains expected revenue losses associated with COVID-19 to be greater than 60 per cent in 2020. The three distinct domains where businesses expected the highest percentage losses were transportation (non-air), travel services – retail, and gaming. Respondents grouped in the miscellaneous other category also reported higher percentage losses. (See Chart 3.3.)

**Chart 3.3**  
**Expected revenue losses in 2020**  
 (Decrease in annual revenues from 2019, Per cent)



Source: The Conference Board of Canada

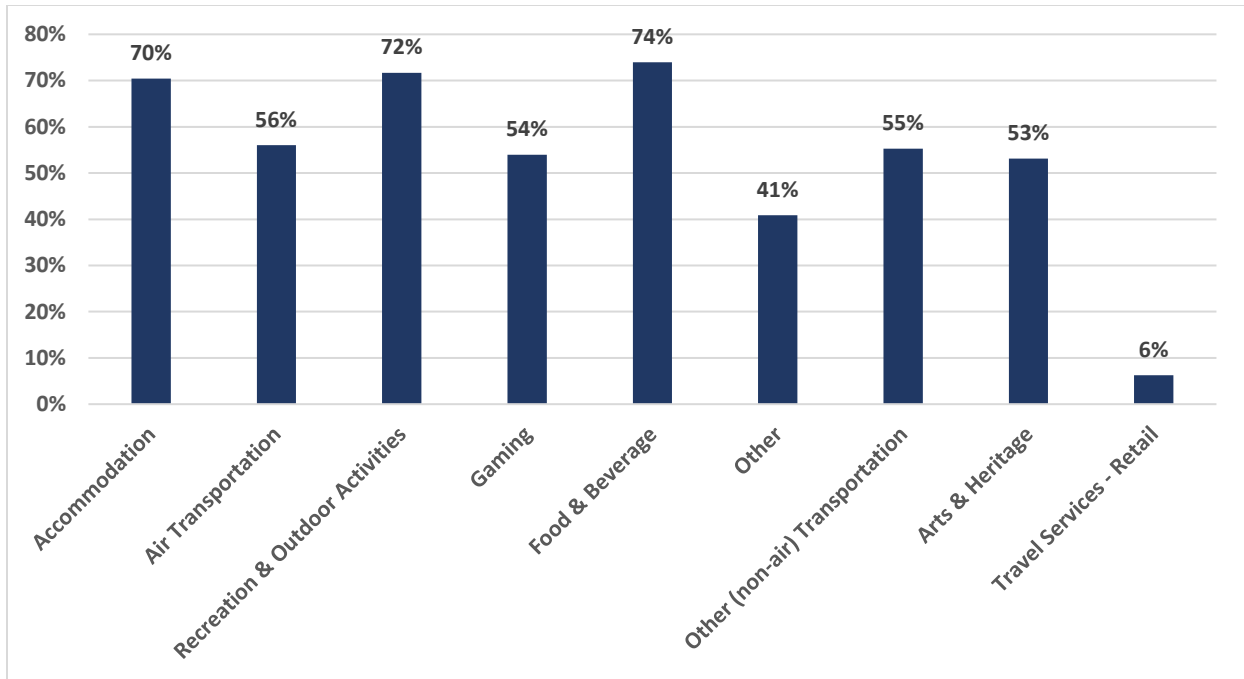
## Expected Revenue Losses by Market Segment

In terms of market segmentation, respondents expected their greatest percentage share of revenue losses to come from visitors outside of Canada or from visitors outside their own province/territory. Businesses within accommodation, attraction, food and beverage, other transportation, and travel services – retail felt that there could be an 80 per cent or more decline in revenues from visitors outside of Canada. Slightly more modest declines were projected for visitors or locals from within their own province/territory.

## Impact on Employment

Across all domains, the average respondent expected employment losses to be over 50 per cent in 2020. Operators from the food and beverage, recreation and outdoor activities, and accommodation domains expected the greatest percentage employment losses due to COVID-19. (See Chart 3.4.) Operators in travel services – retail, and the miscellaneous other domain expected the least impacts on employment.

**Chart 3.4**  
**Expected employment loss in 2020**  
 (Decrease in annual employment from 2019, Per cent)

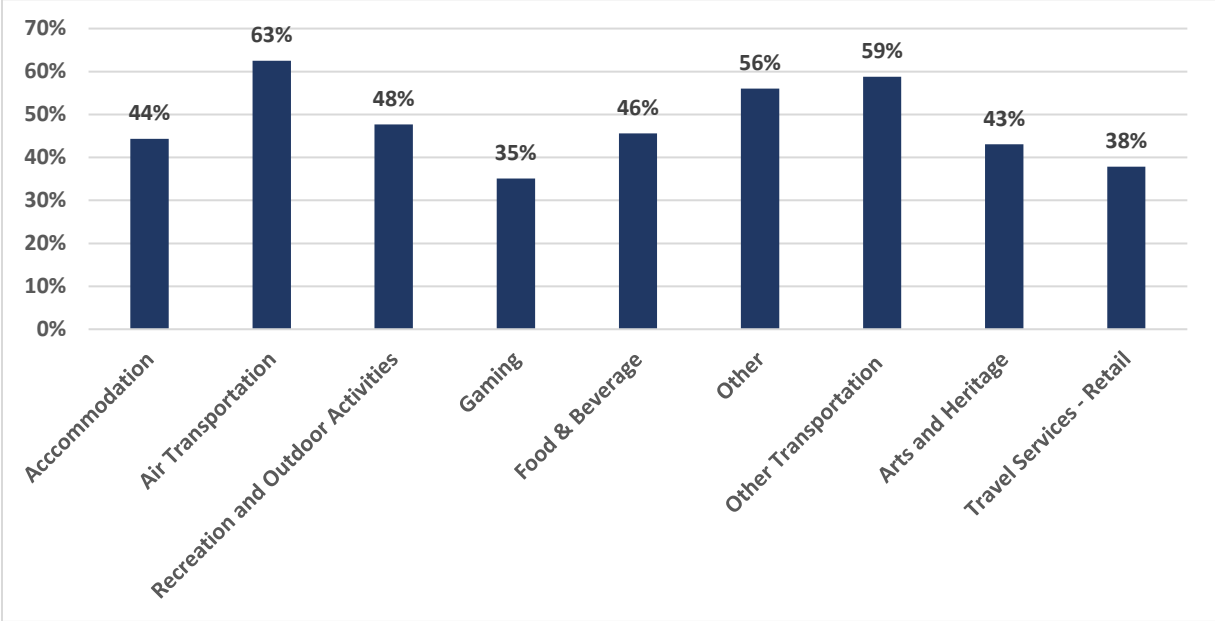


Source: The Conference Board of Canada

## Expectation of Permanent Closure Due to COVID-19

Across all domains, the average respondent felt there was a greater than 40 per cent chance of permanent business closure in 2020 or 2021 due to COVID-19 related disruptions. Businesses within transportation domains, both air and other, were the most concerned about threats of permanent closure under COVID-19. Meanwhile, respondents in the gaming and travel services – retail domains were more confident in their businesses’ resilience. (See Chart 3.5.)

**Chart 3.5**  
**Probability of having to close operations permanently due to COVID-19**  
(Percentage chance)



Source: The Conference Board of Canada

## 4.0 Direct Economic Impact on Canada's Indigenous Tourism Sector in 2020

This chapter presents the potential direct impact of COVID-19 on the Indigenous tourism sector's economic footprint in 2020. To estimate the negative impact of COVID-19 in 2020, we incorporate the insights from operators surveyed in 2020, along with other industry-specific information and economic models maintained by The Conference Board. In assessing the negative impact, the closest counterfactual we have in terms of a non-COVID-19 world is 2019. Our 2019 estimates therefore serve as the basis of comparison for understanding relative sector performance under COVID-19 conditions.<sup>5</sup> Detailed national and provincial/territorial economic impacts are discussed in Appendix C, while overall high-level impacts are discussed in this chapter.

### Direct Economic Impact of COVID-19

Based on the insights of operators and other sector-specific information, it is projected that the Indigenous tourism sector's overall footprint will be greatly reduced in 2020 under COVID-19. The table below summarizes key measures for the sector's economic footprint in 2019 and 2020.

**Table 4.1**  
Economic Footprint of the sector in 2019 and 2020 (Per cent)

	<b>Revenue (\$ Million)</b>	<b>GDP (\$ Million)</b>	<b>Employment (Jobs)</b>	<b>Wages (\$ Million)</b>
<b>2019</b>	<b>3,727</b>	<b>1,626</b>	<b>36,037</b>	<b>1,139</b>
<b>2020 (under COVID-19)</b>	<b>1,288</b>	<b>555</b>	<b>14,624</b>	<b>498</b>

Source: The Conference Board of Canada

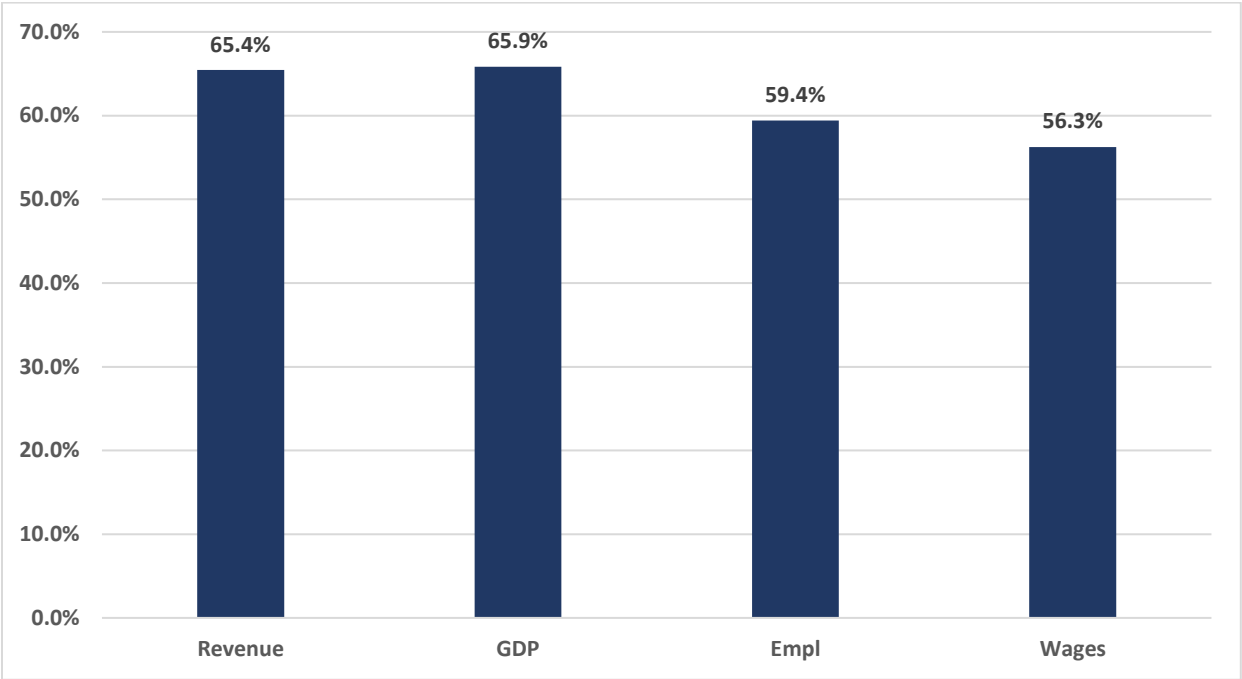
Our estimates indicate that consequent to COVID-19, the revenues and GDP attributed to the sector will decrease by almost 66 per cent, while employment and wages could decrease by 59 and 56 per cent respectively. (See Chart 4.1.)

#### Chart 4.1

<sup>5</sup> As mentioned in chapter 2, the 2019 Indigenous tourism sector footprint is estimated by revising and projecting out the 2017 footprint introduced in our 2018 report for ITAC, Canada's Indigenous Tourism Sector: Insights and Economic Impact, The Conference Board of Canada, May 2019. Refer Appendix D for details on methodology.

**Economic Footprint of the sector in 2020**

(Decline in Revenue, GDP, Employment and Wages across Canada in 2020, Per cent)

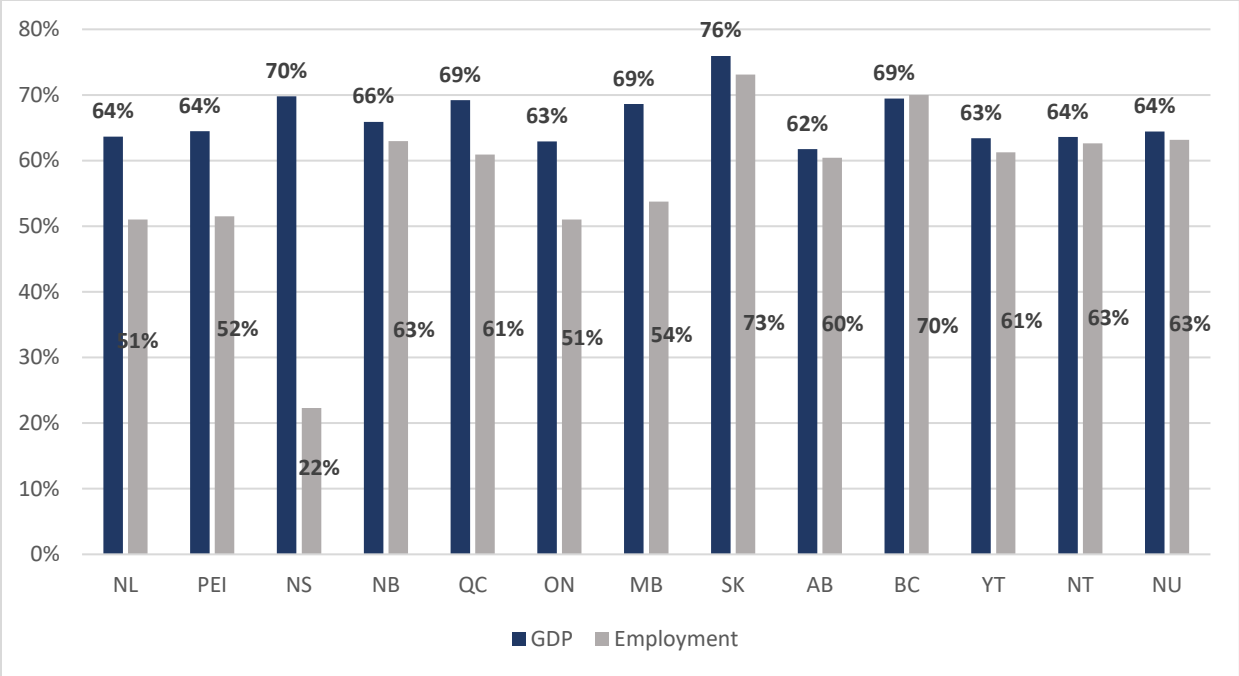


Source: The Conference Board of Canada

Unpacking the impact on GDP and employment further, almost all provinces and territories could face more than 60 per cent losses in GDP in the year 2020, with the impact being even more significant for some provinces. (See Chart 4.2.) On employment losses, at least 8 provinces would face losses equal to or larger than 60 per cent. Saskatchewan, British Columbia, Quebec and Manitoba stand to face the largest losses in GDP. Detailed impacts are provided in Appendix C.

**Chart 4.2**  
**Provincial/territorial level impacts of COVID-19 in 2020**

(Decline in GDP and Employment across provinces from 2019, Per cent)



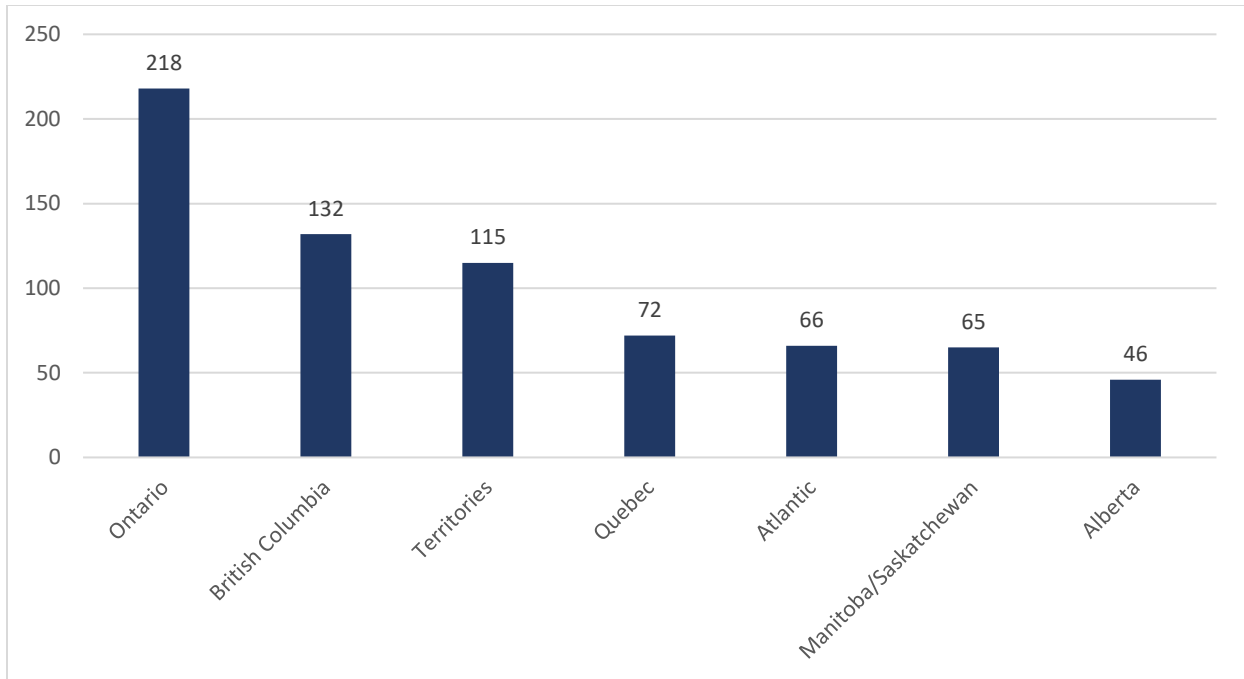
Source: The Conference Board of Canada

## Permanent Business Closures

As a result of the hit on revenues and GDP, many businesses could be facing the possibility of permanent closure. Our estimates indicate that because of COVID-19, 714 businesses across the sector are at high risk of permanent closure in 2020 and 2021. Ontario, British Columbia, and Quebec would be the provinces most impacted in terms of estimated business closures. (See Chart 4.3.)

**Chart 4.3**  
**Impact of COVID-19 on Business Operations**  
 (Number of businesses that could permanently close)





Source: The Conference Board of Canada

## 5.0 Conclusion

ITAC’s strategic vision for Indigenous tourism anticipates that by 2024 the Canadian GDP impact of Indigenous tourism operators will increase to \$1.9 billion; and the Indigenous tourism workforce will increase to 49,000. While our assessments for 2017 and 2019 suggest the sector has been steadily advancing towards these goals, our estimate of COVID-19’s impact in 2020 paints the picture of a sector in crisis.

Presently, ITAC and its members are engaging with Indigenous partners and federal and provincial/territorial governments to establish a plan and associated stimulus for sector recovery<sup>6</sup>. As we learned from the 585 respondents to our 2020 survey, Indigenous tourism operators have immediate short-term goals, such as maintaining liquidity and core employment under extreme losses and threats of closure. Longer-term, the sector’s recovery and renewal will also benefit from flexible and adaptive approaches that address the different realities of this sector’s diverse businesses – from its independent sole-proprietors, to not-for-profit heritage associations, and incorporated air carriers, casinos, and resorts.

<sup>6</sup> See: Indigenous Tourism Association of Canada, “Forward Together: A Strategic Recovery Plan For The Indigenous Tourism Industry in Canada 2020-2024.”

The great diversity of businesses operating in the Indigenous tourism sector means that flexibility is needed to accommodate the different needs, time horizons, and safety requirements of participating industry subsectors. Adaptability and a phased approach to accommodate different local realities will also be required. The Indigenous communities that form the backbone of many tourism offerings in this sector also have their own local restrictions and timelines for allowing tourists to return, and it may take time for all sides to build confidence and trust in the “new normal”. Listening to communities and working with their members and businesses will be fundamental to recovery and renewal.

## Appendix A – Bibliography

Fiser, Adam and Gregory Hermus. Canada's Indigenous Tourism Sector: Insights and Economic Impact, The Conference Board of Canada, May 2019.

Indigenous Tourism Association of Canada. "Forward Together: A Strategic Recovery Plan For The Indigenous Tourism Industry in Canada 2020-2024," May 2020.

## Appendix B – Survey Results

**Table 2**  
**COVID-19 Impact on Expected Revenues**  
**(Per cent decline from 2019)**

	Territories	British Columbia	Alberta	MB/SK	Ontario	Quebec	Atlantic
<b>Accommodation</b>	61%	53%	61%	78%	75%	61%	51%
<b>Recreation &amp; Outdoor Activities</b>	62%	73%	49%	46%	73%	65%	76%
<b>Gaming</b>	80%	78%	82%	80%	80%	80%	79%
<b>Food &amp; Beverage</b>	57%	59%	50%	57%	61%	79%	40%
<b>Arts &amp; Heritage</b>	68%	82%	49%	77%	63%	60%	67%
<b>Air Transportation</b>	95%	95%	95%	95%	95%	95%	95%
<b>Travel Services – Retail</b>	78%	78%	78%	78%	78%	78%	78%
<b>Other</b>	69%	77%	69%	69%	48%	91%	54%
<b>Other Transportation</b>	85%	80%	85%	85%	85%	98%	85%

Source: The Conference Board of Canada.

**Table 3**  
**COVID-19 Impact on Expected Employment**  
**(Per cent decline from 2019)**

	Territories	British Columbia	Alberta	MB/SK	Ontario	Quebec	Atlantic
<b>Accommodation</b>	61%	53%	61%	78%	75%	61%	51%
<b>Recreation &amp; Outdoor Activities</b>	75%	77%	82%	38%	75%	65%	70%
<b>Gaming</b>	96%	93%	98%	96%	96%	96%	94%

<b>Food &amp; Beverage</b>	76%	75%	57%	76%	73%	98%	57%
<b>Arts &amp; Heritage</b>	58%	77%	22%	25%	68%	62%	50%
<b>Air Transportation</b>	47%	47%	47%	47%	47%	47%	47%
<b>Travel Services – Retail</b>	6%	6%	6%	6%	6%	6%	6%
<b>Other</b>	43%	100%	43%	43%	20%	43%	52%
<b>Other Transportation</b>	55%	56%	55%	55%	55%	55%	55%

Source: The Conference Board of Canada.

## Appendix C Model Results

**Table 4**  
Economic Footprint of the Sector in 2020  
(With COVID-19 Impact)

Province	Revenue (\$)	GDP (\$)	Employment (Jobs)	Wages (\$)
NL	35,507,592	18,012,905	483	16,902,611
PEI	2,468,329	1,340,616	83	1,308,402
NS	15,748,188	9,361,802	649	19,506,766
NB	21,191,973	8,068,574	286	5,432,208
QC	101,219,924	51,299,704	1,642	47,737,909
ON	471,246,303	193,163,995	5,411	199,850,697
MB	30,036,202	12,581,056	547	14,273,925
SK	57,079,034	26,411,243	879	19,379,390
AB	147,430,622	59,816,707	1,044	43,976,833
BC	157,373,024	76,388,580	2,012	56,172,383
YT	33,285,005	13,145,773	375	10,395,073
NT	107,440,157	40,906,899	647	26,649,703
NU	108,112,202	44,632,286	567	36,666,531
<b>Canada Total</b>	<b>1,288,138,556</b>	<b>555,130,141</b>	<b>14,624</b>	<b>498,252,432</b>

Source: The Conference Board of Canada.

**Table 5**  
COVID-19 Impact on the Sector  
(Per cent decline from 2019)

Province	Revenue	GDP	Employment	Wages
NL	64.5%	63.7%	51.0%	51.7%
PEI	62.7%	64.5%	51.5%	50.5%
NS	69.7%	69.8%	22.3%	18.7%
NB	70.2%	65.9%	63.0%	67.3%
QC	68.2%	69.2%	60.9%	56.2%

<b>ON</b>	62.6%	62.9%	51.0%	44.8%
<b>MB</b>	68.1%	68.6%	53.8%	53.5%
<b>SK</b>	76.5%	75.9%	73.1%	80.2%
<b>AB</b>	62.3%	61.7%	60.4%	58.5%
<b>BC</b>	69.6%	69.5%	70.0%	67.5%
<b>YT</b>	62.7%	63.4%	61.3%	59.6%
<b>NT</b>	63.1%	63.6%	62.6%	58.9%
<b>NU</b>	63.2%	64.4%	63.1%	60.0%
<b>Canada Total</b>	65.4%	65.9%	59.4%	56.3%

Source: The Conference Board of Canada.

**Table 6**  
**Number of Businesses that might close permanently as a result of COVID-19**

	British							Canada
	Territories	Columbia	Alberta	MB/SK	Ontario	Quebec	Atlantic	
<b>Accommodation</b>	27	13	2	12	25	19	4	102
<b>Recreation &amp; Outdoor Activities</b>	33	44	11	15	44	19	4	170
<b>Gaming</b>	0	2	1	3	4	0	0	10
<b>Food &amp; Beverage</b>	2	10	1	3	36	4	12	68
<b>Arts &amp; Heritage</b>	29	40	28	23	56	15	31	222
<b>Air Transportation</b>	6	0	0	0	3	1	1	11
<b>Travel Services – Retail</b>	4	5	2	4	28	10	6	59
<b>Other</b>	3	10	1	3	13	3	3	36
<b>Other Transportation</b>	11	8	0	2	9	1	5	36
<b>Total</b>	115	132	46	65	218	72	66	714

Source: The Conference Board of Canada.

## Appendix D: Methodology

### Revising and Updating the 2017 Footprint of Indigenous Tourism Sector to 2019

The Conference Board of Canada was involved in an extensive inventory of businesses and many of those businesses contributed insights in 2018 to assemble the direct economic footprint associated with the Indigenous tourism sector for the 2017 reference year. In order to understand the impact of COVID-19 on the sector, in terms of actual values not just percentages, the 2017 footprint needed to be “advanced” to represent the 2019 reference year. In this respect, the change in the direct footprint of the sector was assumed to follow similar growth patterns as that exhibited by Canada’s overall tourism sector (as reported by Statistics Canada’s National Tourism Indicators). Based on the recent history of the Indigenous tourism sector growing faster than Canada’s overall tourism sector (2014-2017), this approach may be conservative. Ultimately, the variability in projecting the footprint of the Indigenous tourism sector for 2019 would have little impact on the main focus—shedding light on the impact of COVID-19.

The specific economic measures updated included revenues, GDP, and employment. All three variables were updated using the specific growth rate (by industry) as reported by the respective measure from Statistics Canada’s National Tourism Indicators. This includes revenues (Table: 36-10-0230-01), GDP (Table: 36-10-0234-01) and employment (Table: 36-10-0232-01). To estimate the change in overall wages for the sector, the change in employment was multiplied with the change in average wages (as reported using individual tourism industries from Statistics Canada’s Table: 14-10-0064-0).

### Using the 2020 Business Survey to Inform the Modelling Process

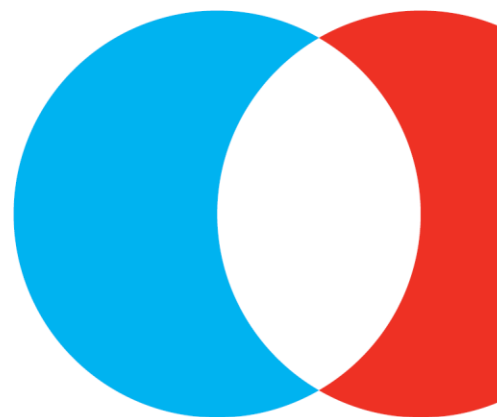
While the business survey was quite successful (based on engaging 585 respondents) and representative of the overall Indigenous tourism sector (based on the revised inventory of 1,699 indigenous tourism businesses in 2017), caution was still required to directly infer survey responses to represent particular industry subsectors and/or particular geographies within Canada.



To ease this process, survey respondents were aggregated by region and at a broader industry level, in particular using ITAC's 9 industry domains built up from the full 33 industry subsectors used to represent the sector. This process provided for more robust representativeness and, conversely, less areas where national level responses had to be used. Judgement was used to assess those instances where reported data from the survey were too few in absolute or percentage terms to represent an industry domain and/or geographic region. In most instances where this arose (domain-specific responses by region), it meant that we used the national level results for that industry domain.

In some cases, however, it was acknowledged that the responses even at the national level might not be fully representative of a broader industry domain. This was deemed to be the case in air transportation because of the vast disparity in operations between the largest and smallest operators among businesses in this domain. In this case, national level results for air transportation from The Conference Board's most recent national forecast were incorporated into the analysis. In particular, it was assumed that 95 per cent of the impact of COVID-19 on air transportation within the Indigenous tourism sector would be explained by the impact of COVID-19 on air transportation in the overall economy. The remaining 5 per cent could be inferred from respondents (who were largely quite small in scale). Moreover, in terms of using the 2020 survey results to estimate possible business closures; for the air transportation domain, we applied a discount factor of 50 per cent to the average reported likelihood of closing, in order to account for the vast disparity in operations between the largest and smallest operators in this domain.

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