

ITAC COVID-19 Response - Fact Sheet

As of December 2, 2020

Main Message:

The Indigenous tourism industry of Canada is at risk due to COVID-19.

The current state of tourism:

- In Canada and globally, the industry is at a standstill with international borders closed and most businesses shuttered per government order.
- As the country slowly opens up and restrictions around non-essential travel loosen, agencies including Destination Canada and the Indigenous Tourism Association of Canada are encouraging Canadians to travel within their own backyards and visit local destinations that show the true beauty of what Canada has to offer - including many **Indigenous experiences** that will be welcoming Canadians this fall/winter.

The facts:

- Prior to 2020, the Indigenous tourism industry was outpacing the overall Canadian tourism industry for growth
- Many Indigenous tourism businesses are young and were not yet showing a profit and, therefore, are not eligible for the loans offered through new small business relief programming managed by BDC, EDC and the major banks in Canada
- A large number of Indigenous tourism businesses are small businesses with less than 5 employees
- There are approx. 2M Indigenous people living in Canada
- Indigenous tourism is one of the largest single employers and economic drivers of Indigenous communities, which, according to the latest research from the Conference Board of Canada, as of 2019, included at least **1,700 businesses**, more than **36,000 employees** and contributed more than **\$1.6B annually** to Canada's GDP (up from \$1.5B in 2017)
- Based on the insights of operators and other sector-specific information, the Conference Board of Canada projects the Indigenous tourism sector's overall economic footprint will be greatly reduced in 2020 as a result of COVID-19. The Conference Board of Canada estimates:
 - 714 Indigenous tourism businesses are at a high risk of permanent closures
 - Based on the continued impacts of Covid-19 and the second wave of the pandemic, an additional 500 Indigenous tourism businesses are at high risk of permanent closures
 - 21,413 employees could lose their jobs
 - \$1.1 billion in GDP contribution will be lost
- Indigenous people in Canada are using tourism as a means to rediscover and share their culture with the world. The impact of COVID-19 will go beyond the economic numbers. There will be a significant cultural impact as well.
- To date, based on research conducted with the Conference Board of Canada, ITAC is reporting a 65.9% decline in Canada's direct gross domestic product (GDP) and an anticipated loss of over 1,000 Indigenous tourism businesses, affecting over 21,000 people and their families.

What the federal government has done for Indigenous businesses specifically (as of June 10, 2020):

- The Federal Government Canada announced on June 11 that they will spend a further \$133 million on helping Indigenous businesses suffering the economic effects of the COVID-19 pandemic, of which **\$16 million was allocated in support of Indigenous businesses in the tourism sector.**

- ITAC will oversee this \$16M tourism funding, which will support over 600 Indigenous tourism businesses in the form of non-repayable grants of up to \$25,000.
- \$1.4 million for ITAC's marketing and sales recovery budget has been provided by Destination Canada
- \$306.8 million dollars in stimulus funding to support the 6,000 small-medium Indigenous businesses across the country flowing through 59 different Aboriginal financial institutions in Canada
 - Of the 6,000 small-medium Indigenous businesses, 30% (or 1,875) are Indigenous tourism businesses
 - \$180 million for repayable loans (terms are 4 - 5years interest-free)
 - \$60 million for non-repayable grants
 - \$27 million in operational support for Aboriginal Financial Institutions
 - \$38 million for Indigenous Service Canada contingency funds
 - \$1.8 million for the National Aboriginal Capital Corporation Association (NACCA) admin
 - The money will be allocated through applications at one of the 59 AFI's located here <https://nacca.ca/aboriginal-financial-institutions/>

What Indigenous Tourism Association of Canada (ITAC) has done:

- ITAC has awarded 678 non-repayable grants of up to \$25,000 per applicant, totalling \$16.21 million as part of the [COVID-19 Stimulus Development Fund](#). These grants, which have reached a mix of export-, market- and visitor-ready Indigenous tourism businesses in Canada, were made possible with the support of the Federal Government via Indigenous Services Canada and Innovation, Science and Economic Development Canada.
- *IN DEPTH DETAILS ABOUT THE STIMULUS DEVELOPMENT FUND, [HERE](#)*
- ITAC has partnered with the Conference Board of Canada on a research survey, [The Impact of COVID-19 on Canada's Indigenous Tourism Sector: Insights from Operators](#), to assess the economic impact of COVID-19 on all Indigenous tourism businesses across Canada. This research was completed on June 15, 2020.
- Continually presenting impacts of COVID-19 and proposed solutions to the Federal Government through Indigenous Services Canada and Innovation, Science and Economic Development since mid-March.
- Produced a public document entitled [ITAC Stimulus Solutions](#) dated April 6, which was sent to the Federal Government and presented to the Finance Committee on April 8.
- ITAC has rewritten their business plan, [2020-21 Revised Action Plan](#), in response to the considerable negative impacts of COVID-19 on the global tourism industry.
- ITAC has launched a four-year, \$50 million [Strategic Recovery Plan](#) with the goal to respond, recover and rebuild the Indigenous tourism industry across Canada to levels experienced in 2019 by 2024.
- ITAC launched the **Destination Indigenous marketing campaign on Sunday, June 21** in line with Indigenous People's Day as a means of promoting the industry to domestic travellers as non-essential travel resumed in the summer of 2020. The campaign included the release of a new consumer website, [Destination Indigenous](#), that linked travellers with market- and export-ready Indigenous tourism businesses who will be accepting visitors this summer; a series of [Zoom backgrounds](#) showcasing Indigenous-experience imagery from each province and territory; and two videos to entice visitors, [Virtually Yours](#) and [Virtually Yours - We Missed You](#).
- ITAC launched the *Escape from Home* campaign on July 21, which featured a series of local itineraries promoted locally to a highly targeted audience to encourage Canadians to experience their own backyard. This campaign also included working with local influencers in each region to promote the itineraries, prize giveaways and contests, blog posts about the itineraries and roundups of experiences across the country.

- With the COVID pandemic shifting travel domestically in 2020 and more than likely also for 2021, ITAC partnered with Insignia Research to better understand the COVID-19 domestic traveller's mindset, need-states and behaviours to drive interest and engagement in or including Indigenous tourism and cultural experiences in near future travel plans. [COVID-19 Driven Interest Assessment of Canada's Domestic Market](#) was released on October 27, 2020.

What Indigenous Tourism STILL needs:

- On November 19, 2020, with the continued impacts of COVID-19 ravaging the global tourism Industry, the Indigenous Tourism Association of Canada (ITAC) put out an [urgent call to the federal government](#) for a new dedication of financial funding in the amount of \$18.535M to support Indigenous tourism businesses or risk watching the industry irrevocably collapse. ITAC is recommending an emergency investment to support and further stabilize the industry from more infrastructure and economic losses, including
 - **\$6,000,000 in innovative domestic marketing to:**
 - Create a new Indigenous travel incentive program
 - Launch domestic marketing campaigns to encourage Canadians to visit Indigenous tourism experiences close to home
 - Be a resource in coaching and training tourism operators to build out sales and marketing materials and virtual experiences
 - **\$12,075,000 in Wave 2 stimulus grants for:**
 - Emergency stimulus access for Indigenous tourism businesses that did not access funds from the current program (approximately 150 businesses) and secondary funding for the 683 recipients of Wave 1 grants
 - **\$460,000 for the Indigenous Tourism Business Crisis Call Centre to:**
 - Provide members with one-on-one help for businesses to identify and access federal relief initiatives and offer supports for mental health and industry relief
 - Provide emergency capacity support for provincial and territorial partners
 - Provide support to consumers and operators participating in the travel incentive program
 - Provide members with easy access to resources for marketing and business development

*To view an infographic of ITAC's Second Wave Response, click [here](#).

- \$531M in additional relief specifically for Indigenous tourism businesses in order to maintain the level of stability and not lose businesses so that employees have jobs to go back to. Additional support from the federal government and Indigenous Affairs of \$10 million to bolster the ITAC Stimulus Grant Fund in order to reach a number of the estimated 1900 Indigenous tourism businesses.
- \$200 million in additional funding which will allow for larger loans such as an "Indigenous" version of the Business Credit Availability Program (BCAP), which is being administered by Export Development Canada (EDC) and the Business Development Bank of Canada. This allows larger loans for up to \$6.25 million, which many of our larger members require. We are having calls weekly with EDC to try to support an Indigenous BCAP investment with some of the larger and more mature AFIs.
- ITAC argues that this is not the time for loans but rather a time for creative grants and longer financial term investments in the industry in order to provide liquidity and ensure Indigenous tourism can be rebuilt post COVID-19.