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Subject: VEC Weekly Economic Report - April 24, 2020

Attachments: 2020 04 24 - VEC COVID-19 Response Weekly Summary.pdf

Dear Mayor and Council,

I hope you are finding some benefit in these Economic Round-up reports, see attached the latest. Note that we will be moving to a two week cadence, so the next report will be May 8.

You may notice some changes in the sections and sectors. We have amalgamated some to simplify the structure and help with readability.

Please let me know if you have any questions.

Best,
Sadhu

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Pronouns: he, him, his



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

Vancouver Economic Commission

COVID-19 Economic Update to City of Vancouver and VEC Staff

April 24, 2020

Updated 4:30 pm PDT – 24-Apr-2020

This document is a weekly roundup of the COVID-19-related impacts, mitigations and recovery planning for the Vancouver economy. The purpose is to provide a Vancouver-centric briefing to City of Vancouver Leadership and staff at the Vancouver Economic Commission.

Purpose

1. Summarise the COVID-19 related economic impact, mitigations and recovery planning efforts on the Vancouver economy
2. Consolidate and escalate the outstanding priority industry asks of all levels of government
3. Provide key insights by sector including thought leadership, innovations and evolving economic recovery plans to inform COV and VEC's own efforts

Disclaimer

1. The information contained in this report is updated with continually evolving quantitative and qualitative data from various reputable sources.
2. There are significant issues and compromises in the data collected by various organisations — particularly in translating to timely city specific metrics versus regional.
3. All effort has been undertaken to capture the best relevant available data and intelligence, but the findings may not be fully representative of all businesses and sectors.
4. Key assumptions have been made to develop the most accurate metrics at a point in time. These metrics and assumptions are under continuous review.
5. Statistics being provided as temporary and permanent business closures under "Economic Impacts" for all sectors has been calculated from the City of Vancouver's Business Licence Database (pulled March 2020) and BC Chamber of Commerce COVID-19 Business Impact Survey (Apr, 8, 2020)

Further Information:

For the latest Government support and industry guidance to businesses and individuals, please go the VEC's COV-19 webpages: <https://www.vancouvereconomic.com/covid-19>

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1. Week at a Glance

1.A Key Government Announcements Impacting the Business Community ([Appendix A](#) for links):

New key announcements by all levels of government include:

- Federal Government:
 - *Canada Emergency Wage Subsidy (“CEWS”)*: Businesses will be able to apply beginning April 24th, with a goal of having 90% of claims processed by May 4th and payments landing later that week
 - *Canada Emergency Commercial Rent Assistance (“CECRA”)*: A agreement has been formed with provinces to subsidize commercial rent by up to 75% for small businesses with monthly rent below \$50,000 in April, May, and June.
 - *Canada Emergency Student Benefit (“CESB”)*: Comprehensive support of nearly \$9 billion for post-secondary students and recent graduates, including an additional 76,000 summer jobs
 - *Canada Emergency Response Benefit (“CERB”)*: As of April 23, 2020, 9.51 million application had been processed
 - *National Research Strategy*: \$1.1 billion national research strategy for the fight of COVID-19, including: \$115 million for vaccines and treatment, \$662 million for investment in clinical trials, \$350 million to expand national testing
 - *Indigenous Post-Secondary Students*: \$75 million for Indigenous post-secondary students
 - *Indigenous Business*: \$306.8 million in funding for Indigenous SMEs
 - *Community Groups and National Charities*: \$350 million for community groups and national charities that help seniors, homeless and other vulnerable communities
 - *Ministerial Coordination Group on COVID-19*: Declaration of international collaboration to manage the impact of COVID-19
 - *COVID-19 Immunity Taskforce*: Investigating immunity to COVID-19, and the percentage of the population with immunity
 - *Sharing of Resources*: Canadian Centre for Occupational Health and Safety has created a platform for businesses to share pandemic-related resources
 - *Border Restrictions*: Canadian/US border restrictions have been extended another 30 days

COVID-19: Impact on The Vancouver Economy

- Provincial:
 - *Provincial Action Plan*: \$36.5 million of the \$5 billion provincial action plan will be used to continue services at group homes for 9,500 adults with development disabilities
 - *Price Gouging*: Law enforcement officers may now issue \$2,000 tickets for price gouging and reselling of medical supplies during pandemic
 - *Rural, Remote and Indigenous Communities*: A new collaborative framework to ensure the health care system is better meeting the needs of these communities
 - *BC Emergency Benefit for Workers*: \$1,000 one-time, tax-free payment from the Province for people who have lost their job due to COVID-19; applications open May 1st
 - *Computer Learning*: The Province has loaned over 23,000 computers and devices to students to allow them to continue their education from home
- City of Vancouver:
 - Launched a [COVID-19 Dashboard](#) that allows the public to track the City's emergency response and efforts
 - A partnership between the City of Vancouver and Mobi by Shaw will provide a free 90-day pass to essential service workers
 - Resumed enforcement of parking in Kitsilano and Point Grey neighbourhoods

1.B Economy at a Glance

There are still significant variations in GDP forecasting owing to uncertainties about how long public health measures – such as social distancing and business closures – will continue:

- Economic GDP forecasts for BC in 2020 range from drops of –11.4% (BC Business Council, if closures continue throughout the year) to +0.6% (Central 1 Credit Union, with earlier easing or lifting of restrictions)
- Most forecasts show BC to be in a better position than Canada overall, with an ability to bounce back faster after restrictions are lifted

COVID-19: Impact on The Vancouver Economy

GDP, Unemployment and Housing Starts for Canada, BC and Vancouver CMA		2019	2020	2021
Vancouver CMA				
Conference Board of Canada (April)	Real GDP %	2.8	-3	
BC				
<u>Central 1 Credit Union (18 March)</u>	Real GDP %	2	0.6	2.7
	Unemployment %	4.7	5.3	
	Housing starts ('000s)	44.9	34.9	42.1
<u>BC Business Council - Scenario 1 (27 March)</u>	Real GDP %		-7.3	
BC Business Council - Scenario 2 (27 March)	Real GDP %		-11.4	
<u>TD Economics (18 March)</u>	Real GDP %	1.7	0.5	2.3
	Unemployment %	4.7	5.2	5.1
	Housing starts ('000s)	45.1	37.6	37.1
<u>Royal Bank of Canada</u>	Real GDP %	1.9	-4.0	4.0
	Unemployment %	4.7	8.5	6.4
Canada				
Central 1 Credit Union (18 March)	Real GDP %	1.6	0.6	1.7
<u>TD Economics (18 March)</u>	Real GDP %	1.6	-4.2	3.6
	Unemployment %	5.7	7.5	5.9
<u>International Monetary Fund (April)</u>	Real GDP %	1.636	-6.226	4.246
	Unemployment %	5.667	7.474	7.214
<u>Royal Bank of Canada (13 April)</u>	Real GDP %	1.6	-4.9	3.4
	Unemployment %	5.7	10.0	7.6
World				
International Monetary Fund (April)	Real GDP %	2.9	-3.0	5.8

1.B.a Global and Canadian Economy at a Glance

- Emerging technologies and increasing connectiveness from COVID-19 are leading to the fourth industrial revolution – [World Economic Forum, COVID-19: Emerging technologies are now critical infrastructure – what that means for governance](#)
- National Bank has provided \$800 million in interest-free loans to approximately 20,000 small businesses and non-for-profits since April 9, 2020, additionally granting 3,000 moratoriums on repayment of principal for 6 months – [The Globe and Mail, National Bank of Canada has provided \\$800-million in loans to small businesses, CEO says](#)
- On Monday, April 20, crude futures turned negative for the first time ever – [Reuters, Wall Street drops as oil traders cannot give away U.S. crude](#)
- Keeping Canadian inflation rates close to targets ensures economy can stabilize and return to full capacity – [Bank of Canada, Monetary Policy Report Press Conference Opening Statement](#)
- World Banking Group is estimated to be offering up to USD \$150–160 billion over the next 15 months with a focus on the most vulnerable global populations – [World Bank, World Bank/IMF Spring Meetings 2020: Development Committee Communiqué](#)

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- GDP and global impacts from COVID-19 now forecast to be twice as severe as 2009 recession – [Fitch Ratings, Global Economic Outlook: Crisis Update Late April 2020 – Coronavirus Recession Unparalleled](#)
- Governments have the opportunity to decarbonize the energy system and revive the economy if stimulus packages for COVID-19 are adapted to boost clean energy technologies – [Reuters, Renewables agency charts path to zero-carbon energy system by 2050](#)
- Saskatchewan announced a re-opening plan, built on a phased approach to slowly lift restrictions, allowing more employees to return to work each week – [Province of Saskatchewan, Province Announces Re-Open Saskatchewan Plan](#)

1.B.b British Columbian Economy at a Glance

- January and February 2020 EI claims released April 16 show a minor increase in EI claims in BC. Anticipate a significant increase will be reported in the next couple of months – [Statistics Canada, Employment insurance claims received by province, territory, monthly, seasonally adjusted](#)
- Province of BC continues to maintain a long-term debt rating of AA and a short-term debt rating of R-1 (high), as of April 21, 2020 – [Morningstar, British Columbia, Province of: Rating Report](#)
- The BC Supreme Court has rejected request for an interim injunction for the Speculation Tax: court case Bacon et al v. The Queen 2020 BCSC 578 – [BC Supreme Court judge reject injunction sought by homeowners against speculation tax](#)
- ICBC has been granted approval by the BC Utilities Commission to implement temporary changes due to COVID-19. Measures include waiving cancellation charges (non-fleet owners); allowing suspension of basic insurance and refunds without the need to cancel plans (fleet owners); and allowing certain rate classes to temporarily use vehicles for delivering food and medical products without additional premiums – [ICBC, April 23 Update on COVID-19](#)
- The Province has invested \$38 million through the Province's childcare matching process, allowing over 2,650 essential service workers, with children up to 5 years have age, have access to reliable childcare – [British Columbia Government News, B.C.'s essential service workers matched with child care](#)
- Based on infection rates and the extend of business closures, BC looks to be in a better position than several other Provinces and American States, however, the world-wide recession and mandated business closures are pummeling the BC economy. – *Business Council of BC, Ken Peacock, Chief Economist and Vice President*
- The sectors hardest hit in BC include: Air transportation; Accommodation (hotels, motels, etc.); Hospitality; Entertainment, leisure and recreation services; Film and television production;

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Advertising, public relations and related services; Manufacturing; Real estate services; Legal and accounting services; Retail trade (other than hospitality) – *Business Council of BC, Ken Peacock, Chief Economist and Vice President*

1.B.c Vancouver Economy at a Glance

- TransLink announced cost saving-measures, including the layoff of nearly [1,500](#) employees and [reduced transit service](#)

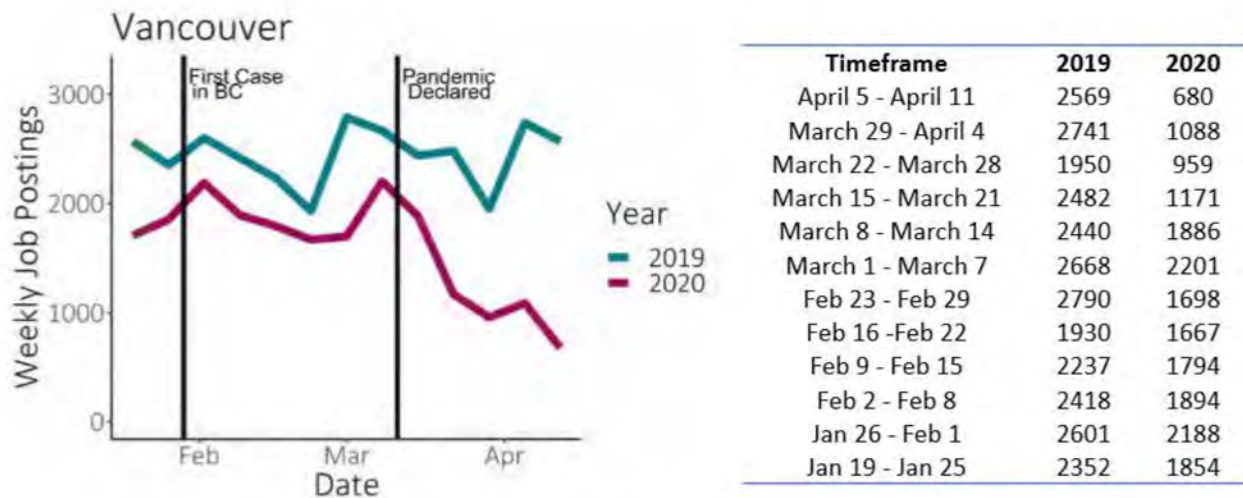


Chart: Job Postings and COVID-19 Timeline, BC Economic Development Association – Economic Response and Recovery (Restart) Conference Call, Thursday, April 23, 2020

1.C Local Industry-led innovations and mitigations

Businesses and industry associations are moving quickly to support the survival of the businesses, innovate, and turn to recovery. Some local examples include:

- **New Apparel Business Model:** [Duer](#), a Gastown-based apparel company, is now crowd-sourcing customer interest in a new design before heading to production to better meet demands and interest, reducing the cost to consumer by 20–30%.
- **Motion Picture Sector Return-To-Work:** VEC and Creative BC have convened a working group to start economic modelling scenarios to start up the motion picture sector again.
- **Safety Innovations for In-Restaurant Dining:** Dr. Bonnie Henry is [challenging](#) the restaurant industry for innovative ideas on how they can allow for in-restaurant dining as restrictions are

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slowly eased. In response the BC Restaurant & Food Services Association has formed a [taskforce](#) to meet this challenge and plan to present to the Province in two weeks.

- **Telus Mobility for Good COVID-19 Emergency Response Program:** [Donating](#) more than 10,000 mobile devices with \$0 rate plans to enable vital connections for those who need them most.
- **Precision Nanosystems:** A Vancouver-based biotech company supporting biopharma companies through its development platform has [15 users](#) developing COVID-19 vaccines worldwide.
- **Clean50 Calls for Clean Reset:** 210 leaders in the Canadian green economy composed a [letter](#) to the government calling for a clean reset for a healthy, just and prosperous Canada.

1.D Key Findings from COVID-19 Impact Pulse Check Survey #2

Led by BC Chamber of Commerce, Greater Vancouver Board of Trade, Business Council of British Columbia, and the Mustel Group with survey results published every two weeks.

The survey findings are from 1,284 business leaders between April 9 – 17, 2020. The survey results released can be found [here](#).

Key Findings for BC

Please note city-level data is not yet available. However, BC data is broadly representative.

Impact on Businesses	Percentage of Businesses Reported	Opinion of Government Measures	Percentage of Businesses Reported
<u>Most common impacts on business</u>		<u>Businesses found the Provincial and the Federal programs unhelpful for the same reasons</u>	
Decrease in sales volume	78%	Do not have employees on payroll	46%
Laying off businesses	48%	Revenues have not declined enough	28%
Reduced staff hours	43%	Already laid off employees	13%
Closed temporarily	45%	Business Shut down	11%
<u>Top non-essential businesses temporarily closed</u>		Seasonal revenue	11%
Arts & Entertainment	77%	Pre-revenue business	10%
Accommodation & Food Services	74%	<u>Federal Programs Opinions</u>	

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Healthcare & Social Assistance	74%	Helpful once implemented	50% +
Retail	60%	Unhelpful due to ineligibility or enough/timely cash flow relief	33%
<u>Decrease in Revenue</u>		Unhelp for micro businesses (under 5 employees)	5%
75% decrease or more	54%	Recovery	
50% decrease or more	66%	<u>Key challenges in restarting business</u>	
Operational and Rent Assistance		Attracting customers/revenue	79%
<u>Top operating costs</u>		Enough operating cash	55%
Wages	64%	Rehiring staff	28%
Rent	54%	<u>Continuation of business</u>	
Taxes	34%	Continue operations for 3 months	43%
Goods and supplies	32%		

1.E Thought Leadership Resources

Key economic reports, blog posts and webinars published by VEC and other key stakeholders:

Source	Highlights
Bank of Canada	Monetary Policy Report – April 2020 Webcasts
Bloomberg	Pandemic Could End Shareholder Supremacy for Good
Bloomberg	U.S. Recession Model at 100% Confirms Downturn Is Already Here
CIBC	Economics; Fixed Income, Credit, Currency, Commodity, Futures and Macroeconomic Research Strategy – FX Themes and Trades Monthly Outlook
Deloitte	Weekly global economic update
Desjardins	The Pandemic Throws the Global Economy into Disarray
EY	Actions Canadian business leaders should consider to manage the impact of COVID-19
The Globe & Mail	A global wave of money-printing awakens fear of inflation
National Bank – Economic News	Canada: Inflation surprised on the downside in March
Scotiabank – Global Economic	Canada Continues Along the Road Toward Temporarily Falling Prices
VEC	Public Transit is Essential for Healthy, Connected and Sustainable Cities

2. Industry's Priority Asks for Government

Industry feedback has been collected through key VEC stakeholder channels and partners with respect to current Government stimulus packages and outstanding needs of the business community.

Top outstanding asks to Government

Federal Government

- Clarification for the interaction of CERB, CEBA and CECRA, and how/if businesses may access multiple funding options
- Making CEWS program accessible to public sector entities and agencies to benefit organizations such as TransLink
- GST/HST relief waiver for the first quarter of 2020 to relieve financial stress for businesses
- \$10 billion loan to increase liquidity across all areas of tourism, including hospitality and restaurants
- Automatic extensions to temp. foreign workers who lost their jobs from the pandemic to find new employment within the same sector; relax TFW requirements to work exclusively for one company
- Clarification of whether film and entertainment workers qualify for EI and CERB assistance
- Waive deferred taxation to remove barriers to reopening
- Provide training and subsidies for businesses to create online revenues
- Negotiate attractive business prices for telecommunications across the country and support for online transactions and remote work

Provincial Government of BC

- To use Provincial power to requisition hotels for people without homes, decreasing the dependency on tent cities where the risk is higher for COVID-19 transmission
- Development of safe reopening strategies for businesses in advance of restrictions being lifted to – enable businesses to plan for budgets and staffing

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- Temporarily suspend hotel tax before lifting restrictions, and continue to work with the Federal government to fund tourism associations to support regrowth in the sector
- Provincial health authorities must develop clear guiding principles early in order for businesses in these sectors to plan for reopen and ramp up
- Invest in return to service by public transportation
- Waive deferred taxation to remove barriers to reopening
- Invest in entertainment industry to ensure there are events for tourists to attend
- Provide training and subsidies for businesses to create online revenues
- Incentivize local food purchasing in food services and accommodation across the province (over and above non-Canadian sources)

City of Vancouver

- Creation of a commercial tenants' board to advocate for a moratorium on evictions and be a source of information for both tenants and landlords
- For current and forecasted demand of PPE, as manufacturers are considering ramping up supply or retooling their facilities
- Expand standard hours of construction, that social distancing protocols may be followed to a higher degree at job sites
- Plan streetscape to accommodate increased delivery service for the longer term
- Reduce costs at civic theatres and encourage packages for increased provincial tourism
- Waive deferred taxation to remove barriers to reopening
- Establish fast-track permit office for businesses retuning under new health and safety guidelines which may require renovations and floor plan adjustments plus patio extensions
- Resolve zoning, taxation, and building permits for urban agriculture that can supply the food service and accommodation sectors with fewer transportation, seasonality, and climate risks
- With partners, establish a local food hub in False Creek Flats for greater access to local produce and food products (similar to South Van Food Hub)
- Launch a campaign for 'Open for Business' encouraging locals to dine out and shop local, British Columbians to visit and attend theatre, etc., and conferences to return to Vancouver

Latest government announcements identified as most beneficial / having the most positive impact

- *Canada Emergency Commercial Rent Assistance (“CECRA”)* to subsidize commercial rent for small businesses
- Increased eligibility and access for Federal programs, such as CERB and CEBA
- Commercial property tax reductions at the Provincial level
- Canada Emergency Student Benefit, and the further benefits to post-secondary students and recent graduates

Sector Quick Links

1. [Accommodation and Food Services](#)
2. [Agriculture](#)
3. [Creative Industry](#)
4. [Manufacturing, Supply Chain and Wholesale](#)
5. [Real Estate & Construction](#)
6. [Tech](#)
7. [Tourism and Recreation](#)
8. [Transportation and Warehousing](#)
9. [Other Sectors \(Academia & Education, Finance, Healthcare, Retail \[large\], Primaries & Utilities\)](#)

Priority Cross-Sectoral Organizations Quick Links

10. [Small Medium Enterprises and Business Improvement Associations](#)

3. Sector Summaries

Accommodation and Food Services

Sector Profile

Strategic Forum	Tourism Response and Recovery Taskforce
GDP	\$4,576.7 million ¹
Employed	Approx. 96,200 employed in Lower Mainland SW ²
Activity	Hotelier; other accommodation; restaurants; bars; other food services
COVID-19	Significant impact to accommodation and hospitality services experiencing unprecedented low capacity levels and full closure with exception on delivery services

Economic Impacts

- Estimated **\$3 billion** of revenues lost in Q2 for BC restaurants ⁹
- 10.2% of jobs have been lost since February 2020 in the accommodation and food services sector in Vancouver CMA ³
- Restaurants suffering 80% drop in business, 85% of workforce laid off; 100% of workforce from pubs, clubs and bars laid off ⁶
- 50% of hotels in BC are closed, more closures expected; 30% of businesses will not have the capacity to reopen ⁸
- 40 Metro Vancouver hotels are closed; 50–70% of employees laid off; revenue reduced by \$105 million ⁷

Primary Asks to Government and Government Response

Asks to Federal government:

- To waive taxes (deferred during April, May and June), to ease the path for SMEs getting ready to reopen once business operation restrictions are lifted
- Provide training and subsidies for businesses to create online revenues

Asks to Federal and Provincial governments:

- Temporarily suspend hotel tax before lifting restrictions, and continue to work with the Federal government to fund tourism associations to support regrowth in the sector

Innovations and Recovery Planning

- Dr. Bonnie Henry is [challenging](#) the restaurant industry for innovative ideas on how they can allow for in-restaurant dining as restrictions are slowly eased. In response the BC Restaurant & Food Services Association has formed a [taskforce](#), and hopes to present a plan to the Province in two weeks
- T&T Supermarkets has begun implementing temperature checks for patrons and employees before they enter stores

Agriculture

Sector Profile

Strategic Forum	No local forum identified
GDP	To be confirmed
Employed	Approx. 7,300 employed in Lower Mainland SW ²
Activity	Primary agriculture and aquaculture and related businesses
COVID-19	Decrease in temporary foreign workers (TFWs) has resulted in reduced local food production, with potential food security and pricing inflation consequences.

Economic Impacts

Alternative metrics under development, including Consumer Price Index

- Vancouver CMA agricultural sector saw a 58.7% jobs increase since February 2020; a 16% decline when comparing March levels year-over-year ³
- The food processing sector is facing supply chain disruptions and experiencing changing demand patterns ¹⁰
- 28 cases of COVID-19 have been confirmed at United Poultry Ltd., a Vancouver processing plant on East Cordova ⁵

Primary Asks to Government and Government Response

Ask to Federal government:

- It is unclear to the agriculture sector if the number of Temporary Foreign Workers (TFWs) allowed into Canada will be enough to satisfy demand.

Innovations and Recovery Planning

- BC Ministry of Agriculture has provided \$55,000 to help transition farmer to online [marketplace](#)

Creative Industry (incl. arts, culture, film, entertainment)

Sector Profile

Strategic Forum	Canadian Film & TV Industry Taskforce, Vancouver Film, TV Animation and VFX Taskforce. New VEC/COV-led forum under development.
GDP	\$7,627.8 million ¹ CBOC classifies this in Information and Culture
Employed	Varies on health of industry; recent numbers TBD (note: trades jobs specific to the industry are often classified under construction, so determining numbers is challenging)
Activity	Film and TV; BC Arts and Culture
COVID-19	Significant impact with widespread venue closures and production cessation

Economic Impacts

Canadian Media Producers Association (CMPA)

- More than 70,000 people work in the film and TV sector in BC
- BC accounts for 37% of Canada's film and TV industry, and contributed \$3.2 billion in production spending to the economy in 2018/2019

Study on National Impacts to the Canadian Production Sector (Nordicity on behalf of the Canadian Media Producers Association)

- \$2.5 billion worth of media production volume is at risk of disruption or loss
- \$1.4 billion of the \$2.5 billion is direct spending on Canadian labour
- 155,000–172,000 workers across Canada will be affected by disruptions

Primary Asks to Government and Government Response

Asks to Federal government (same as last week):

- To review the requirement for 30% reduction in revenue to receive wage subsidy: the production sector has unique corporate structures and ownerships that mean they are unable to show or prove the requisite 30% in revenue reduction
- Clarification on whether film and entertainment workers qualify for EI and CERB assistance
- Automatic extensions to TFWs who have lost their jobs from COVID to find new employment within the same sector, and to release them from working exclusively for one company

Innovations and Recovery Planning

- [BC Premier John Horgan](#) says that as the economy regains its strength, the film industry will be looking to return to BC faster than anywhere else due to the handling of the pandemic
- Motion Picture Producers Industry Association will be holding weekly webinars for industry businesses and thousands of motion picture workers, featuring keynotes such the Mayor of Vancouver

Manufacturing, Supply Chain and Wholesale

Sector Profile

Strategic Forum	BC Open Source COVID-19 Medical Supplies COVID Supply Chain Working Group
GDP	\$10.8 billion Metro Vancouver (<i>Conference Board of Canada, January 2019</i>) \$10,678.9 million (<i>Note: CBOC rate for only Manufacturing</i>) \$6,102.2 million (<i>Note: CBOC rate for only Wholesale</i>) ¹
Employed	Approx. 97,500 Manufacturing employed [only Manufacturing] Approx. 232,000 Wholesale employed [includes Retail] ²
Activity	Manufacturing; supply chain; wholesale
COVID-19	Medium Impact – varies depending on type of supplies and current demand

Economic Impacts

- Vancouver CMA jobs comparing March 2020 to Feb 2020
- 0.3% increase in manufacturing sector jobs³
- 3.3% decrease in wholesale and retail sector jobs³
- Toyota's extension of North American suspension impacts 160+ employees in Delta⁴
- Continued [e-commerce](#) growth will drive high demand from fulfillment and logistics tenants; this may increase competition in Vancouver's industrial land, with long-term impacts/increases in land values and lease rates

Primary Asks to Government and Government Response

Asks to Provincial government (same as last week):

- Ensure that the process for obtaining priority PPE items is streamlined and protocols are developed for who can access these materials

Asks to City of Vancouver (same as last week):

- Manufacturers are asking for current and forecasted demands of PPE as they consider considering ramping up supply or retooling their facilities

Innovations and Recovery Planning

- Boeing announced aircraft production in Puget Sound will start up again; this will likely have an immediate positive effect on BC suppliers

Real Estate and Construction

Sector Profile

Strategic Forum	BC Council of Construction Associations COVID-19 Cabinet
GDP	Construction – Approx. \$12.2 billion Real Estate – TBC (CBOC rate for contribution to Vancouver CMA GDP, included in Finance and Insurance) ¹
Employed	Approx. 120,400 employed in construction; Approx. 112,800 employed in real estate (includes finance and insurance) ²
Activity	Real estate; construction; housing
COVID-19	Significant slowdown in construction; construction projects proceed with social distancing protocols in place Real estate numbers, when released May 1, expected to be at standstill.

Economic Impacts

- BC has seen over 142 construction projects valued at \$2.07 billion delayed, including the \$1.6 billion Woodfibre LNG project⁴
- The housing starts are forecast to drop 21.4% in 2020 and rise 7.8% 2021⁴
- Five-year mortgages have seen decreases since last year: fixed rate has decrease by 0.12% to 2.81%, and variable rate by 0.02% to 2.43%¹²
- 3.1% of jobs lost since February 2020 in construction sector; and a 1.1% loss compared to March 2019³
- With a pause on safety certifications being issued, the workforce may no longer be certified to work once the economy picks up again¹¹

Primary Asks to Government and Government Response

Asks to Provincial government:

- Continue developing more construction site monitoring and fines to assist sites struggling with social distancing enforcement and protocols

Asks to City of Vancouver:

- Expanded standard hours of construction will enable social distancing protocols at job sites to be followed to a higher degree

Innovations and Recovery Planning

- BC Real Estate Association is expecting an increase in home sales during Q4
- Independent Contractors Association of BC, Passive House Canada and VEC continue to shape trades-focused recovery, placing emphasis on the need to invest in skills for trades, including plumbers, builders and electricians

Tech Industry

Sector Profile

Strategic Forum	Tech Industry COVID-19 Taskforce
GDP	\$12,204.5 million ¹ <i>(Note: CBOC classifies this as Professional, Scientific and Technical Services)</i>
Employed	Approx. 152,700 employed (incl. Professional, Scientific and Technical services) ²
Activity	Businesses involved in the manufacturing of electronics, creation of software, computers or products and services relating to information technology, and clean technologies
COVID-19	Impact to be determined – Many businesses in this sector have not been as dramatically impacted relative to other sectors of the economy.

Economic Impacts

- Vancouver CMA has lost 1.0% of jobs since February 2020 in the professional, scientific, and technical sector ³
- Foresight & Core Cleantech Clusters, Impact of the COVID-19 Pandemic on Cleantech, 3rd Edition Findings, published on April 18, 2020.
 - Data gathered from 200 cleantech companies across Canada between April 1–3, 2020:
 - More than 50% of businesses surveyed projected layoffs for the sector
 - More than 57% project a decline in 2020 revenue
 - More than 24% project a decline in 2020 debt capital plan

Primary Asks to Government and Government Response

- No new or outstanding asks have been communicated

Innovations and Recovery Planning

- VEC to moderate a panel next week with partners from Dentons Canada, RBC and KPMG about sustaining the innovation ecosystem during the COVID-19 crisis, including securing private investments and managing cashflow
- [New Ventures BC](#) has expanded the eligibility for ISI grants to include any type of business who are hiring students for a tech position
- Digital Technology Supercluster is committing \$60 million of its \$153 million budget to develop partnerships to address issues brought on by the pandemic, four projects already announced as early funding recipients ⁸

Tourism and Recreation

Sector Profile

Strategic Forum	Tourism Response and Recovery Taskforce
GDP	\$1,525.6 million ¹ <i>Note: CBOC classifies as Arts, Entertainment and Recreation</i>
Employed	Approx. 74,600 employed (includes Information, Culture and Recreation) ²
Activity	Tourism; conferencing; event spaces; recreation and sporting organisations and centres
COVID-19	Significant adverse impact on tourism and recreation services, with sector effectively at a standstill

Economic Impacts

- The cruise ship season cancellation means \$450 million of direct economic impact to BC, including a loss of 3,560 jobs and \$159 million in salary payments ⁶
 - The Vancouver Convention Centre reports 136 events cancelled or postponed between January–March 2020 ⁶
 - Air Canada is suspending all flights between the US and Canada between April 26–May 22 ⁵
 - Pacific Whale Watch Association, which represents 85% of the market in WA and BC, has laid off 236 of 355 employees ¹⁴
- In 2019, BC Tourism generated \$21.5 billion in revenue and employed 166,000 people ¹³
- Scenarios for 2020/2021 fiscal year:
- Best Case: \$9.8 billion in revenue loss, incl. 75,000 jobs
 - Most Likely: \$16.8 billion in revenue loss, incl. 130,000 jobs
 - Worst Case: \$19 billion in revenue loss, incl. 147,000 jobs

Primary Asks to Government and Government Response

Ask to federal government (same as last week):

- Request for GST/HST relief waiver for the first quarter of 2020 to relieve financial stress for businesses.
- \$10 billion loan to increase liquidity across all areas of tourism, including hospitality and restaurants

Innovations and Recovery Planning

No new ones to report this week.

Transportation and Warehousing

Sector Profile

Strategic Forum	No specific local, sector-wide forum identified
GDP	\$10,678.9 million ¹
Employed	Approx. 80,000 employed ²
Activity	Transportation; warehousing and storage; postal services
COVID-19	Significant layoffs and supply chain disruption

Economic Impacts

Economic impact metrics under development

- The transportation and warehousing sector saw 6.2% in jobs lost since February 2020 ³
- YVR passenger volume is down 90%, representing an immediate \$4.1 billion decline in GDP contribution in 2020 ⁶
- TransLink has announced the layoff of 1,500 employees and reduced services to save costs

Port of Vancouver reports the following shipping volumes: ⁵

- Container import levels were down by 15% (March YoY)
- In April, the number of blank sailings increased to seven as carriers swapped out smaller vessels for larger ones
- Laden containers are down by approximately 90,000 twenty-foot equivalent units, (March YoY)
- As lockdown restrictions loosen in Asia, shipments of coal increased by 22%, and grain by 25% (March YoY)

Primary Asks to Government and Government Response

Ask to Federal government (same as last week):

- A stimulus package to 119 transit operators for lost revenue from public transit fare, valued at approximately \$400 M, letter submitted to Federal Minister of Transportation

Ask to Federal and Provincial government (same as last week):

- TransLink is seeking emergency relief funding of around \$250 million to offset the costs incurred when providing essential transit services despite reduced ridership; currently losing \$75 million a month

Innovations and Recovery Planning

- Harbour Air will resume daily flights between Vancouver and Victoria beginning April 27
- BC Ferries has rescinded its layoff notices to the 1,400 permanent employees who lost their jobs in early April
- BC Chamber of Shipping stated that COVID-19 has increased the agility of government and accelerated dialogue between partners, leading to quicker marine decisions and outcomes

Other Sectors (Academic & Education, Finance, Healthcare, Retail, Primaries & Utilities)

Sector Profile

Strategic Forum	No local sector-wide forums identified
GDP	\$7,627 million in Academia and Education; \$45,766.7 million in Finance; \$9,153.33 million in Healthcare; \$7,627.8 million in Retail (large); \$6,102.2 million in Utilities & Primaries ¹ <i>Note: CBOC Includes Finance, Insurance and Real Estate as one category; classifies as Retail Trade as one category and as Primaries and Utilities as one category</i>
Employed	Approx. 108,400 employed in Academia & Education Approx. 112,800 employed in Finance [includes Real Estate Rental and Leasing] Approx. 156,800 in Healthcare Approx. 232,000 employed in Retail [includes wholesale] Approx. 5,200 for Resources; approx. 9,900 employed for Utilities ²
Activity	Healthcare and social assistance; education; banking Utilities: Electric power; natural gas; water, sewage and other systems; Forestry, fishing, Primaries: Mining, quarrying, oil and gas
COVID-19	Impact to be determined

Economic Impacts

Vancouver CMA Employment Feb–Mar 2020 ³

- 1.1% decrease in Academia & Education
- 3.8% decrease in Finance, Insurance, Real Estate, Rental & Leasing
- 2% decrease in Healthcare & Social Assistance
- 3.3% decrease in Wholesale and Retail
- 2% increase in Primaries
- 13.5 increase in Utilities

- [Teck Resources Q1 Report](#) shows a \$321 M shareholder loss, 50% compared to Q1 2019
- *Forest Product Association of Canada reports the following:*
 - 24 Sawmills are currently closed, and the price of lumber has dropped by 40%
 - Many mills have gone into curtailment, making them ineligible for CEWS reliefs
 - Pulp and paper remain generally stable; demand for paper sanitation products remains high

Primary Asks to Government and Government Response

- No new or outstanding asks have been communicated

Innovations and Recovery Planning

- [Arc'teryx](#) and [Mustang Survival](#) shifted production to create medical-grade gowns for frontline workers
- Teck Resources has created a [\\$20 million fund](#) that will provide support to critical services in the communities they operate in, including healthcare
- Vancity has a [\\$150,000 loan](#) for businesses pivoting business model due to COVID-19

4. Priority Cross-Sectoral Organizations

Small Medium Enterprises and BIAs

Sector Profile

Strategic Forum	<ol style="list-style-type: none"> 1. Small Business COVID-19 Economic Taskforce (terms of reference under review with industry) 2. BIA Partnership
GDP	34% of GDP in BC ¹⁵
Employed	Approx. 1,090,700 employed in BC small business in 2018 ¹⁵
Activity	Small (5–49) & Medium (50–199) businesses and Business Improvement Areas
COVID-19	High Impact – Business closures, significant impact to operations, layoffs, all contributing to financial crisis.

Economic Impacts

- BC is the only province that has not mandated the closure of childcare centres and 85% of them have applied to for emergency federal funding ⁴
- Commercial break-in rate is up 147% due to the ongoing closure of storefronts, even though overall crime is down 6.9% ¹⁶

Primary Asks to Government and Government Response

Ask to Federal government:

- Clarification on the interaction of CERB, CEBA, and CECRA

Ask to Federal and Provincial government:

- Coordinated Federal and Provincial moratorium on commercial evictions and rent relief framework
- Stronger and more comprehensive action for banks, credit card companies and credit unions to implement interest relief on mortgage deferrals, credit card payments and loans
- Prioritized access to grants rather than more debt measures

Ask to Provincial government:

- Development of safe reopening strategies for businesses prior to restrictions being lifted to ensure businesses can plan for budgets and staffing

Ask to Provincial and City of Vancouver

- Coordinated provincial and municipal efforts to provide three months of property tax abatement

Ask to City of Vancouver

- Establishment of a commercial tenants' board

Innovations and Recovery Planning

- [National Research Council of Canada](#) posting challenges seeking near-to-market solutions for SMEs

5. Appendices

APPENDIX A – FEDERAL AND PROVINCIAL SUPPORT

FEDERAL

Support	Description	Link
CEWS	Applications open April 27, and payments landing shortly after	Link
Canada Emergency Commercial Rent Assistance	75% rent assistance for commercial small businesses for April, May and June, rent up to \$50,000	Link
CESB	\$9 billion comprehensive plan for post-secondary students and graduates	Link
CERB	9.51 million applications have been processed since April 23, 2020	Link
National Research	\$1.1 billion for national research strategy	Link
Indigenous Post-Secondary Students	\$75 million for Indigenous post-secondary students	Link
Indigenous Business	\$306.8 million for SME Indigenous businesses	Link
Vulnerable Populations	\$350 million for community groups and national charities	Link
Ministerial Coordination Group on COVID-19	Declaration on the vital need to work together in collaboration as we manage the impact of COVID-19	Link
Immunity Taskforce	COVID-19 Immunity Taskforce	Link
Pandemic Resources	Platform for businesses to share pandemic-related resources	Link
Border Restrictions	Canadian/US border restrictions extended another 30 days	Link

PROVINCIAL

Support	Description	Link
BC Action Plan	\$36.5 million to continue services at group homes for 9,500 adults	Link
Price Gouging	\$2,000 tickets for people price gouging or reselling medical supplies	Link
Collaborative Framework	New framework for rural, remote, and Indigenous communities to ensure healthcare is better meeting needs	Link
BC Emergency Benefit for Workers	\$1,000 one-time, tax free payment for those who have lost their jobs due to COVID-19 (applications open May 1)	Link
Computer Loans	The Province has loaned 23,000 computers to BC students	Link

MUNICIPAL

Support	Description	Link
Online Dashboard	Allows the public to track the City's emergency response and efforts	Link
Mobi	The City and Mobi partnership offering essential workers free 90-day pass	Link
Paid Parking	Resumed enforcement of pay parking in Kitsilano and Point Grey	Link

APPENDIX B – INDUSTRY STRATEGIC FORUMS FOCUSED OF ECONOMIC IMPACTS AND RECOVERY (COVID-19) THAT VEC IS ACTIVELY ENGAGED WITH

Forum	Lead Organisation	High-level mandate	Membership
Established			
BC Open Source COVID-19 Medical Supplies	Consortium of Medical Supply Stakeholders	A primary contact for the BC hardware engineering and manufacturing community to communicate with Canadian and US counterparts, governments, local hospitals and Tier 1 medical device manufacturers.	300+ businesses
Building Operators and Managers Association of Canada COVID-19 Taskforce	BOMA Canada	Established to share information and create efficient channels to work towards a coordinated industry response.	BOMA Canada members
Canadian Film & TV Industry Taskforce	CMPA	Provincial and municipal representatives and national funding agencies. Sharing intelligence and briefing relevant federal minister	50+ orgs from across Canada
City of Vancouver COVID-19 Business and Community Economic Recovery Steering Committee	City of Vancouver	Coordinate and align COVID-19 economic recovery efforts across City of Vancouver and Vancouver Economic Commission	City of Vancouver and Vancouver Economic Leaders
City of Vancouver Economic Impact Task Force	City of Vancouver	Coordinate and align COVID-19 impact and mitigation efforts across COV and VEC	COV and VEC Leaders
Consider Canada City Alliance	CCCA	Top Canadian city EDOs working with the Minister of Small Business on recovery plan	Peers at Vancouver, Calgary, Edmonton, Saskatoon, Winnipeg, Ottawa, Toronto, Hamilton, Waterloo, Montreal, Quebec, Halifax
COVID-19 Cabinet	GVBOT, BCBC, BC Chamber	Advocate to all levels of government; Procurement and supply chain needs; Public safety while keeping the economy going	Founding members are BCBC, GVBOT and BC Chamber of Commerce (33 members in total as at March 20)

COVID-19: Impact on The Vancouver Economy

COVID-19 National Think Tank	EY	National think tank engaging thought leaders and Municipalities specific to COVID-19 mitigations and recovery plans	Canadian municipalities and thought leaders – TBC
COVID Supply Chain Working Group	Canadian Manufacturers and Exporters	Identify key shortages and inventory for the health care industry and external industries	Various levels of government and industry associations
DTES Frontlines	Community Impact Real Estate	Coordinate activities and support for social services (9 NPOs) in DTES	CIRES, EIC, Vancouver Foundation, EMBERS, VEC, Potluck, HAVE Café, Eastside Works, Mission Possible, HXBIA, Strathcona BIA
Marine Ferries	Transport Canada	Daily phone call to triage actions.	Canadian Ferries Association, Seaspan, ...others
Vancouver Film, TV, Animation and VFX Taskforce	MMPIA & Creative BC	Impacts, mitigations and recovery plans across Vancouver's creative industries	Creative BC, VEC, MMPIA.
Regional Economic Prosperity Management Board	Metro Vancouver	Metro municipal economic development leaders focused on data collection/analysis and targeted metro-wide and high-impact investment strategies	Metro Vancouver municipalities' economic development leaders
Small Medium Businesses and BIAs	BIA Partnership	Coordinate asks to government and recovery plans among Vancouver BIAs	22 BIAs
Tech Industry COVID-19 Taskforce	UBC/VEC	Bi-weekly meetings to share info on impact on the tech sector and development of mitigation and recovery strategies.	VEC, UBC, Innovate BC, BC Tech, SFU and Digital Supercluster
Tourism Response and Recovery Task Force	Tourism Vancouver	Response and Recovery Task Force for Metro Vancouver's tourism & hospitality industry	
Vancouver Pathfinders	VEC / NRC	Data sharing platform for cleantech companies.	15 members

Other economy focused forums under development / consideration or where VEC is not an active member, include:

1. BC Economic Recovery Task Force (Established)
2. City of Vancouver COVID-19 Advisory forum (*terms of reference and membership under review*)

COVID-19: Impact on The Vancouver Economy

3. Creative Economy (*terms of reference and membership under review*)
4. Green Friends (looking to advocate for positive climate-friendly policy)
5. Small Business COVID-19 Economic Taskforce (*terms of reference under review by industry members*)

APPENDIX C - REFERENCES

¹ 2019 Contribution to Vancouver CMA GDP – Conference Board of Canada, Vancouver CMA GDP Calculations

² Lower Mainland SW, Statistics Canada March 2020 Employment by Industry

³ Statistics Canada, Table 14-10-0097-01, Employment by industry, three-month moving average, unadjusted for seasonality, census metropolitan areas (x 1,000)

⁴ Ministry of Jobs, Economic Development & Competitiveness, Economic Policy Unit

⁵ Pacific Office of the Ministry of Innovation, Science & Economic Development

⁶ Metro Vancouver Tourism and Hospitality Industry Response and Recovery Group

⁷ Tourism Vancouver Recovery Taskforce

⁸ BC Hotel Association

⁹ Restaurants Canada

¹⁰ BC Food Processors

¹¹ BC Construction Association

¹² BC Real Estate Association

¹³ Destination BC, VP Global Marketing

¹⁴ Pacific Whale Watch Association

¹⁵ Ministry of Jobs, Trade and Technology, 2019 Small Business Profile