

From: "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>

To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"

"City Leadership Team - DL"

"Marley, Eleena" <Eleena.Marley@vancouver.ca>

Date: 6/9/2020 11:46:52 AM

Subject: VEC Economy Report - June 5, 2020

Attachments: Memo to Mayor & Council - Economic Impact of COVID-19 - Monthly Labour F....pdf
2020-06-05 VEC ECONOMIC REPORT - FINAL.pdf

Dear Mayor and Council,

Attached are the following:

1. PDS's monthly memo to Council outlining Statistics Canada's monthly Labour Force Survey (LFS).

Highlights: Monthly Labour Force Survey Data, May 2020:

- Employment in the region increased by 1,300 (+0.1%) between April and May 2020
- However, the number of job seekers re-entering the labour force increased significantly between April and May resulting in the unemployment rate increasing by 3.3 percentage points to 14.1% in Metro Vancouver, the highest rate on record.
- Nationally, the unemployment rate increased by 0.7 percentage points, to 13.7%
- Sectors with the largest employment losses between April and May include:
 - o Wholesale and retail trade sector (-20,100 jobs, -9.3%)
 - o Accommodation and food services (-19,100 workers, -24.8%)
- Cumulatively, employment in the region decreased by 249,900 (-17.1%) since February

2. VEC Economy Report, May 22- June 5, 2020.

a. **Report moving to monthly:** We are moving to a circa monthly cadence with reports being circulated July 16, August 13 and September 23.

- In September, we will consider whether to retain a monthly cadence, or move to quarterly
- If there is a spike in health cases, business issues, government measures, we will circulate an interim report as needed or move back to a more regular submission.
- If you would like to be removed from this distribution or have colleagues who wish to be included, please email me direct.

3. Evolving the Economy Report

a. **Survey:** To inform how we evolve the Economy report going forward, we welcome all readers to complete a short survey:

How are you using this report?

Help us ensure that we are providing you with the most timely, relevant and engaging economic insights.

[\[vancouvereconomic.ca1.qualtrics.com\]](https://vancouvereconomic.ca1.qualtrics.com)

Best,
Sadhu

Sadhu Afochs Johnston | City Manager
Office of the City Manager | City of Vancouver
604.873.7627 | sadhu.johnston@vancouver.ca

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.

MEMORANDUM

June 5, 2020

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Karen Levitt, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Lon LaClaire, General Manager, Engineering Services
Jessie Adcock, General Manager, Development, Buildings and Licensing
Rena Kendall-Craden, Civic Engagement and Communications Director
Rosemary Hagiwara, Acting City Clerk
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Chris Robertson, Assistant Director, Planning, Urban Design and Sustainability
Matthew Bourke, Senior Planner, Planning, Urban Design and Sustainability
Marten Hansen, Planner, Planning, Urban Design and Sustainability

FROM: Gil Kelley
General Manager, Planning, Urban Design and Sustainability

SUBJECT: Economic Impact of COVID-19 - Monthly Labour Force Data: May 2020

Highlights: Monthly Labour Force Survey Data, May 2020

- Employment in the region increased by 1,300 (+0.1%) between April and May
- However, the number of job seekers re-entering the labour force increased significantly between April and May resulting in the unemployment rate increasing by 3.3 percentage points to 14.1% in Metro Vancouver, the highest rate on record
- Nationally, the unemployment rate increased by 0.7 percentage points, to 13.7%
- Sectors with the largest employment losses between April and May include:
 - o Wholesale and retail trade sector (-20,100 jobs, -9.3%)
 - o Accommodation and food services (-19,100 workers, -24.8%)
- Cumulatively, employment in the region decreased by 249,900 (-17.1%) since February

Purpose of this memo

This memo highlights the monthly Labour Force Survey (LFS) data published by Statistics Canada released on June 5th, 2020 for the reference period of May 10th to May 16th. The LFS provides estimates for the unemployment rate and employment totals by industry and occupation on a monthly basis. The information presented in this memo provides a snapshot of the impact COVID-19 has had on Vancouver's labour force and economy in the short period of time since the Pandemic began. Staff in Planning, Urban Design and Sustainability will provide

an updated monthly memo as new data is released. This information is meant to be viewed in conjunction with other socio-economic and community statistics to form a cohesive picture of the City's current state and assist with recovery and resilience planning. This information will be posted to the City website and shared with the business community.

Important notes about the data

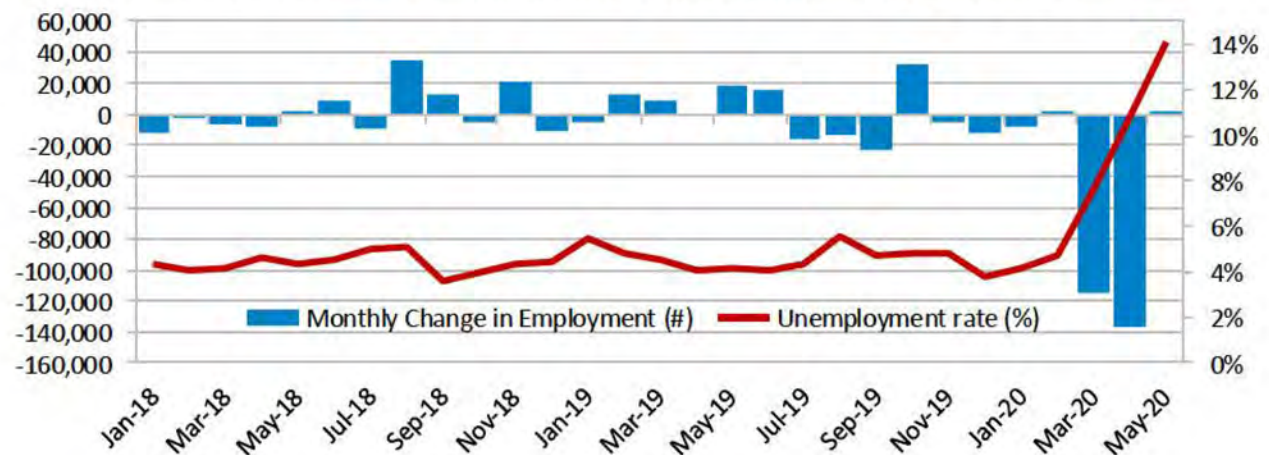
The statistics presented in this memo are for the Metro Vancouver region as the Census Metropolitan Area (CMA) is the smallest geography level available for LFS data tables published by Statistics Canada. LFS data for the city of Vancouver proper is not available. Throughout this memo, the term "Vancouver" refers to the Vancouver CMA. The LFS data used to create the statistics presented in this report are not seasonally adjusted¹.

Changes in employment totals and unemployment rate

Employment in Vancouver increased from 1,210,200 in April to 1,211,500 in May for a gain of 1,300 (+0.1%) jobs. However, the number of job seekers re-entering the labour force increased significantly between April and May resulting in the unemployment rate increasing by 3.3 percentage points to 14.1% in Metro Vancouver, the highest unemployment rate for the region on record². Cumulatively, employment in the region decreased by 249,900 (-17.1%) employed workers since February; about 52% of employment losses since March were in full-time positions. Nationally, the unemployment rate increased by 0.7 percentage points, to 13.7%³.

The modest increase in employed workers reflects the start of the gradually easing of public health and other restrictions, including allowing some non-essential businesses to re-open. A number of major orders related to the COVID-19 pandemic issued by various levels of government were active during this reference week (May 10th to May 16th). Please see Figure 6 for a full list of announcements and orders made since the previous reference period. Appendix A shows all prior announcements and orders starting on March 12th. The next labour force survey release will be on July 10th (for the reference week June 14th to 20th).

Figure 1 – Unemployment rate and monthly employment change in Metro Vancouver



Source: Statistics Canada. Table 14-10-0295-01 Labour force characteristics by census metropolitan areas, unadjusted for seasonality.

¹ Seasonal adjustments to labour force data are done to eliminate the effect of seasonal and calendar influences (e.g. seasonal shopping or agricultural work).

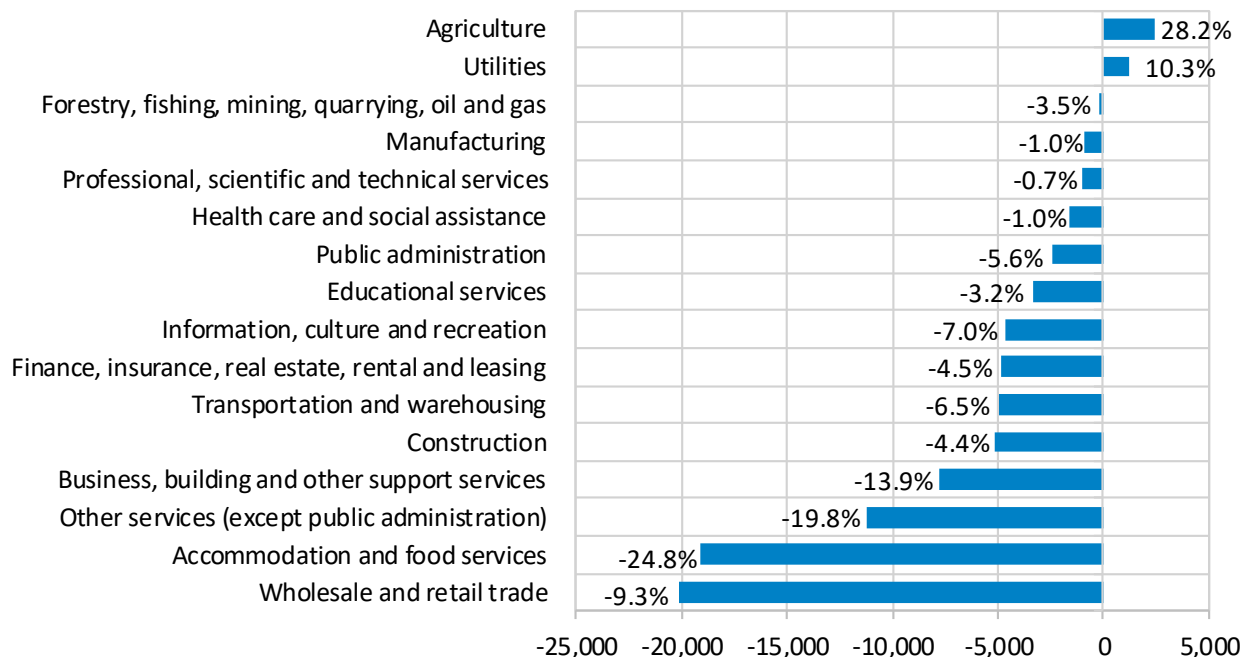
² Metropolitan employment data is only available back to January 2001.

³ Nationally, the seasonally unadjusted unemployment rate increased by 0.3 percentage points to 13.8%

Industry overview

Industry employment data for the Vancouver CMA is published as a 3 month rolling average; therefore, data published for May is an average of March, April and May. Employment in the wholesale and retail trade sector experienced the largest month to month (April to May) loss in Metro Vancouver, declining by 20,100 jobs (-9.3%). The second largest sector employment decline was in accommodation and food services, which lost 19,100 workers (-24.8%). The third largest employment loss was in other services⁴, which declined by 11,200 jobs (-19.8%). Between April and May, employment in agriculture grew by 2,400 people, an increase of 28.2% to its workforce. Employment for the utilities sector also increased by 1,200 people (+10.3%).

Figure 2 – Employment change by industry in Metro Vancouver, April to May



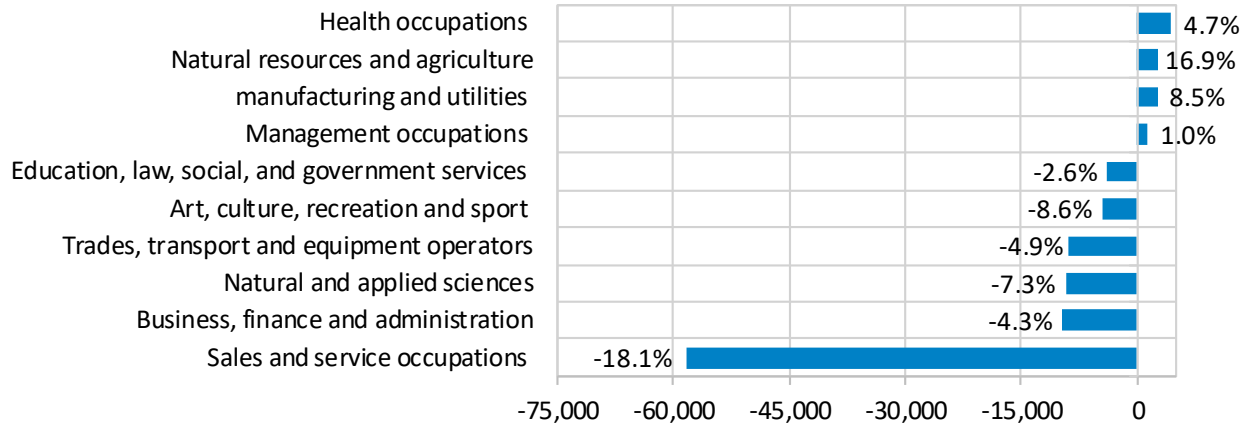
Source: Statistics Canada. Table 14-10-0097-01 Employment by industry, three-month moving average, unadjusted for seasonality, census metropolitan areas.

Occupation overview

Occupation employment data for the Vancouver CMA is published as a 3 month rolling average; therefore, data published for May is an average of March, April and May. Employment in sales and service occupations experienced the largest month to month loss in Metro Vancouver, declining by 58,300 jobs (-18.1%) between April and May. The second largest decline was attributed to business, finance and administration occupations, which lost 9,800 workers (-4.3%). The third largest employment losses were in natural and applied sciences, which declined by 9,200 jobs (-7.3%). Employment in health occupations grew by 4,500 workers (+4.7%).

⁴ This other services sector includes establishments engaged in repairing, or performing routine maintenance on motor vehicles, machinery, equipment; providing personal care services, funeral services, and laundry services to individuals, such as pet care and photo finishing services; organizing and promoting religious activities; supporting various causes through grant-making, advocating social and political causes, and promoting and defending the interests of their members.

Figure 3 – Employment change by occupations in Metro Vancouver, April to May

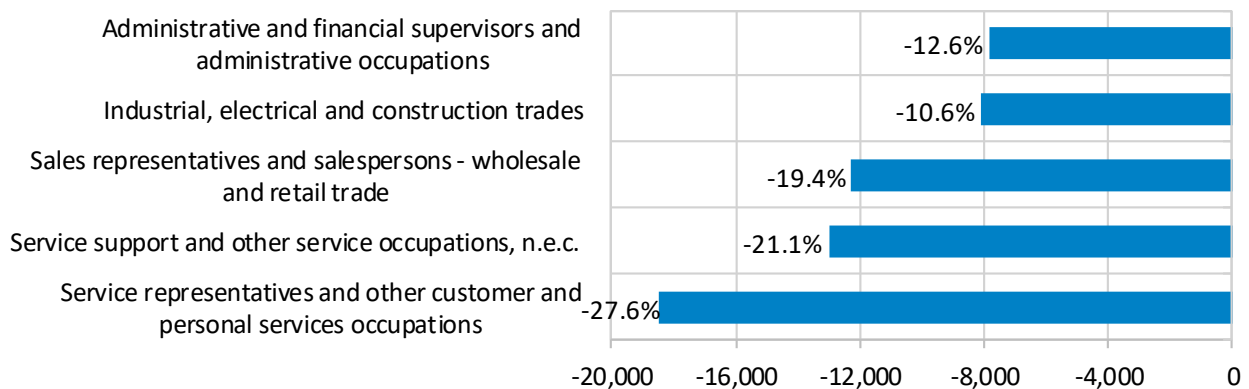


Source: Statistics Canada. Table 14-10-0313-01 Employment by occupation, three-month moving average, unadjusted for seasonality, census metropolitan areas.

The largest decrease in employment by detailed occupations was service representatives and other customer and personal services occupations, which lost 18,500 (-27.6%) workers since the previous month. Other occupations with significant employment losses include:

- Service support and other service occupations (-13,000; -21.1%)
- Sales representatives and salespersons - wholesale and retail trade (-12,300; -19.4%)
- Industrial, electrical and construction trades (-8,100; -10.6%)
- Administrative and financial supervisors and administrative occupations (-7,800; -12.6%)

Figure 4 – Most employment losses by detailed occupation, April to May



Source: Statistics Canada. Table 14-10-0313-01 Employment by occupation, three-month moving average, unadjusted for seasonality, census metropolitan areas.

The largest increase in employment by detailed occupations was for professional occupations in nursing, which gained 4,200 (+17.1%) workers since the previous month. Other occupations with employment gains from April to May include:

- Professional occupations in business and finance (+3,400; +4.3%)
- Trades helpers, construction labourers and related occupations (+2,600; +31.0%)
- Professional occupations in health (+2,100; +7.1%)

Figure 5 – Most employment gains by detailed occupation categories, April to May



Source: Statistics Canada. Table 14-10-0313-01 Employment by occupation, three-month moving average, unadjusted for seasonality, census metropolitan areas.

Government orders

A number of major orders related to the COVID-19 pandemic were issued by various levels of government prior to and during this reference week (May 10th to 16th). Please see Figure 6 for a full list. The next labour force survey release will be on July 10th (for reference week June 14th to 20th). The data provided in the July 10th release will provide important insights into the impacts from senior government mitigation measures taken after June 5th have had on employment and the economy.

Figure 6 – Labour and business-related Government orders and announcements in place during the May 10th to May 16th reference period

Government	Date declared	Announcements/Orders
SINCE PREVIOUS Reference Week		
Translink	April 20 th	TransLink has announced almost 1,500 layoffs and reduced services to save costs.
Canada	April 21 st	\$350 million in emergency funds for community groups and national charities
Canada	April 23 rd	Medical and Research Strategy announced including \$1.1 billion in funding for research into vaccines and treatments, and national testing and modelling.
City of Vancouver	April 29 th	Property tax payment deadline for both residential and commercial delayed from July 3 to September 30, 2020
Province of British Columbia	May 1 st	B.C. Emergency Benefit for Workers provides a one-time, tax-free payment of \$1,000
Canada	May 5 th	\$252 million to support for agricultural-food industry with implementing measures to comply with sanitary requirements and maintain food supply
Province of British Columbia	May 6 th Implemented May 19 th	B.C.'s Restart Plan announced to lift restrictions in phases, gradually allowing for more social and economic activity. Phase 2, which will begin in May 19, includes: opening regulated health services and more non-essential businesses
Canada	May 7 th	Up to \$3 billion in wage top-up for essential workers announced.

Government	Date declared	Announcements/Orders
Canada	May 11 th	Announced large employer emergency financing facility (LEEFF) providing bridge financing to employers with annual revenues of more than \$300 million
Canada		Expansion of the Business Credit Availability Program (BCAP) to mid-sized companies with larger financing needs. Support for mid-market businesses will include loans of up to \$60 million per company, and guarantees of up to \$80 million
Canada	May 12 th	\$3 billion for infrastructure projects to make facilities more pandemic-resistant and encourage outdoor activities. Projects must be completed in 2021.
Canada	May 14 th	New Regional Relief and Recovery Fund (RRRF) devotes nearly \$962 million to help more businesses and organizations in sectors such as manufacturing, technology, tourism and others that are key regional and local economic drivers.
Canada	May 15 th	Canada Emergency Wage Subsidy (CEWS) will be extended by another 3 months (to end of August) to support businesses in re-opening plans
Canada		\$450 million to help researchers and research institutions impacted by the pandemic

Upcoming LFS data releases

Statistics Canada is scheduled to release LFS data on a monthly basis. The following table illustrates the upcoming LFS data releases and their reference period.

Figure 7 - Schedule of Labour Force Survey release dates

Release dates	Reference period
July 10, 2020	June 14 to 20, 2020
Aug 7, 2020	July 12 to 18, 2020
Sept 4, 2020	Aug 9 to 15, 2020

Additional Data Sources: Employment Lands and Economy Review

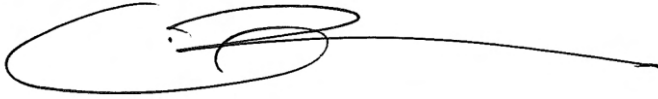
The Employment Lands and Economy Review team has also prepared 30 fact sheets using a variety of data sources detailing the economic structure of the city of Vancouver and the role of the city within the regional economy. These fact sheets are available on the City's website here: <https://vancouver.ca/employment-lands>.

City of Vancouver business support webpage

On Friday, April 3rd, City staff established the COVID-19 Business Communications and Support Office (BCSO) to assist local businesses at this critical time. The office is a single point of contact for Vancouver's local business owners to get information from the City of Vancouver regarding business support programs, to learn what City-run business services are currently available, and to make suggestions to the City concerning business and the economy. The webpage is available here: <https://vancouver.ca/home-property-development/covid-19-coronavirus-support-for-local-businesses.aspx>.

Staff in the City-Wide & Regional Planning division of the Planning, Urban Design and Sustainability department is supporting the BCSO, ensuring that information for business remains current and accessible, responding directly to questions by e-mail as well as assisting with developing resources for responding to concerns raised by local business operators.

If you have any questions or require further information, please contact me or Chris Robertson, Assistant Director, City-Wide & Regional Planning, at 604-873-7684 or chris.robertson@vancouver.ca.

A handwritten signature in black ink, consisting of a large, sweeping loop on the left that extends into a long, horizontal line on the right.

Gil Kelley, FAICP
General Manager, Planning, Urban Design and Sustainability

604.873.7456 | gil.kelley@vancouver.ca

APPENDIX A - Labour and business-related Government orders and announcements in place up to the end of the previous reference week ending April 18th

PRIOR TO Reference Week		
Province of British Columbia	March 12 th	Gatherings of over 250 people prohibited
Canada	March 13 th	Cruise ships with over 500 people prohibited from docking at any Canadian port
Province of British Columbia	March 16 th	Gatherings of over 50 people prohibited
Canada	March 17 th	Bank of Canada lowered the interest rate by 50 basis points to 0.75%
Canada		Canada closed its border to non-citizens (with some exceptions); inbound travelers must self-isolate
City of Vancouver / Parks Board		All VPL, Civic Theatre, and Park Board facilities closed
Province of British Columbia		State of emergency declared
Province of British Columbia		Those travelling on or after March 12 th must self-isolate
Province of British Columbia		Order to shut down all restaurant and bar dine-in service
Province of British Columbia		Notice to close casinos
Canada	March 18 th	Income tax payment deferral for business delayed to after August 31 st
Canada		10% wage subsidy for small employers and non-profits for three months
City of Vancouver	March 19 th	State of emergency declared
Canada	March 20 th	Canada-U.S. border closed to all non-essential travel starting March 20 th
City of Vancouver		Order to shut down all restaurant table service starting March 20 th
Province of British Columbia	March 21 st	Order to shut down personal service establishments (salons, spas, massage and tattoo parlors)
City of Vancouver	March 23 rd	Order to shut down personal service establishments (salons, spas, massage and tattoo parlors)
Province of British Columbia		BC Emergency Benefit for Workers provides a tax-free \$1,000 payment starting May 1 st
Province of British Columbia	March 24 th	School Tax reduction for businesses in property classes 4, 5, 6
Canada	March 27 th	Deferral of GST and HST tax payment, and taxes and duties owed on imports until June
Canada		Bank of Canada lowered the interest rate by 25 basis points to 0.50%
Canada		Canada Emergency Business Account provides up to \$25 billion to eligible financial institutions so they can offer \$40,000 interest-free loans to small businesses guaranteed and funded by the Government of Canada; up to \$10K forgivable.
Canada	March 27 th Implemented April 27 th	Canada Emergency Wage Subsidy: 75% wage subsidy up to \$847/week if applicant's business revenue has decreased by 30% because of Covid-19

Canada	March 30 th	Small and Medium-sized Enterprise Loan and Guarantee program that will enable up to \$40 billion in lending
Province of British Columbia	April 1 st	BC Hydro announces series of targeted bill relief programs across all customer types
Province of British Columbia	April 2 nd	\$300 monthly top-up for income assistance or disability assistance
City of Vancouver	April 3 rd	COVID-19 Business Communications and Support Office launched to assist local businesses
Province of British Columbia	April 8 th	Emergency Relief Support Fund providing \$225 per month for parents of children with special needs
Province of British Columbia	April 9 th	Temporary rental supplement of \$300 per month for eligible households with no dependents (\$500 with dependents)
Province of British Columbia		Residential rental eviction ban
Province of British Columbia	April 14 th	Requirement for 14-day self-isolation for all temporary foreign workers arriving in BC for seasonal farm work
Province of British Columbia	April 15 th	Provincial state of emergency is extended to April 28 th
Province of British Columbia		Additional services for commercial truck drivers
Province of British Columbia	April 16 th	Further reduction to school property tax rate for commercial properties, enhancement to 50% reduction to provincial school property tax rate that was originally announced for classes 4, 5, and 6
Province of British Columbia		Postponing the date that late payment penalties apply for commercial properties in classes 4,5,6,7 and 8 to Oct. 1, 2020
Canada / Province of British Columbia	April 16 th	The Canada Emergency Commercial Rent Assistance program (CECRA) to provide 75% commercial rent relief to tenants
Canada	April 17 th	\$675 million for small and medium-sized businesses through Canada's Regional Development Agencies
Canada		\$500 million in funding for Culture, Heritage and Sports
Canada	April 18 th	\$306.8 million in funding to help small and medium-sized Indigenous businesses

Vancouver Economic Commission

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

June 5, 2020

Updated: 5-June-2020

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

Purpose

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

Disclaimer

1. The information contained in this report is updated with continually evolving quantitative and qualitative data from various reputable sources
2. The insights in this report are drawn from the work of numerous other datasets that vary in scope and scale; as such, VEC acknowledges it has made judgment calls when processing the raw data to generate pertinent Vancouver-centric numbers for reporting and analysis
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 the point of report delivery. These metrics and assumptions are under continuous review
5. Where applicable, VEC's analysis of impact on revenues, employment and business closures have been calculated using inputs from Statistics Canada, BC Chamber of Commerce surveys, or other reputable public data sources

Further Information:

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

Executive Summary

A. COVID-19 Impacts

The Canadian economy has so far appeared to have avoided the worst-case scenario presented in the [Bank of Canada's](#) April Monetary Policy Report. However, those forecasting B.C.'s GDP for 2020 still estimate a contraction ranging from 4% to 7.4%, while BC Business Council even accounts for a potential 11% drop. The unemployment rate in Vancouver reached 14.1% in May while VEC analysis suggests that closer to 40% of Vancouver jobs had already been lost as of April. General uncertainty about the process of economic recovery, resiliency of businesses, and the extent of a second wave of the pandemic, remains high both in Canada and globally, with both business and consumer confidence remaining near-record lows. Canada's consumer confidence index sits at 63.7 (60 points lower than in February), while the business confidence index was down 48% in the first quarter of 2020

Local surveys reflect this uncertainty at a regional level, and this report includes insights from the most recent [COVID-19 Pulse Check Survey](#), and small business insights from a local, provincial and national level.

Minority populations and small and medium enterprises continue to be disproportionately affected by the economic impacts of COVID-19. On a national level, businesses with 5-19 employees laid off 39.1% of their employees, compared to businesses with 500 + employees who laid off just 20.6% of their employees. On average, businesses of all sizes laid off 26.6% of employees, however, businesses owned by women (31.9%), Indigenous people (27.3%) and visible minorities (31.4%) all laid off a higher percentage of employees.

At the local levels, despite sales volumes at local businesses continuing to dwindle (74% - 78%), the reported average number of employees laid off has also decreased from 43 people on average during the first Pulse Survey (March 26 - April) to 12 people in the third Pulse Survey (May 11 - 15). Furthermore, the regional consumer price index remains steady overall at 0.1% - while Vancouverites paid more for food due to supply bottlenecks and a falling exchange rate, this was overall counteracted by other reductions in the cost of transportation, recreation, energy and clothing.

While most recent [Statistics Canada Labour Force Survey](#) pegs the Vancouver CMA unemployment rate at 14.1% (May 2020), unemployment in Montreal and Toronto hit 15.2% and 15.4% respectively, Vancouver is forecast to recover to an unemployment rate of around 5% by 2021, still higher than pre-COVID levels.

Based on the [recent announcement](#) from the Federal government for cruise ship restrictions until Oct 31, the Port of Vancouver is forecasting a 100% decrease year-over-year for 2020, compared to 2019, estimated to be \$10.2Bn. [\[ME1\]](#)

B. Provincial Reopening and Economic Recovery

There remains significant uncertainty about how the local, national and global economy will recover, the extent to which business can be resilient and supported, and the likely impact of a potential second wave. As a result, scenario forecasting continues to differ widely.

There continues to be a growing movement, locally, nationally and globally for a just, equitable society and economy of the future. The [Thought Leadership](#) section highlights key topics about the building local and global momentum around equity and inclusion, sustainability, workforce resilience and progressive financial models for an economy of the future. With a spike in anecdotal stories and reports of racially charged

incidents since COVID-19, members of the business community have stepped forward to condemn racism and racial prejudice, and pledge action within their own organizations and communities. Further electrified by the recent killing of George Floyd, the discourse has coalesced around supporting Black and minority businesses and communities and ignited more discussions on business accountability. VEC commits to examine its own biases, programs and systems to ensure we are striving for equality, justice, diversity and inclusivity in all that we do.

In Vancouver, schools re-opened and businesses have opened or are considering opening. In the film sector, health and safety protocols have been approved by WorkSafeBC, allowing for next step of business resumption for the motion picture sector. There are growing calls for Government backed Pandemic Insurance Proposals, as insurance companies are excluding 'communicable disease elements' from business and event insurance.

The BC Provincial Reopening and Recovery table highlights provincial reopening stages ahead of summer. Many sectors have begun to feel and report the positive impact of these economic restarts, and [Open Table](#), used to make dine-in reservations online, has reported almost a 20% increase in usage.

Contents

1. [Industry Asks of Government](#)
2. [Key Government Announcements Impacting the Business Community](#)
3. [Economy at a Glance](#)
 - a. [Vancouver](#)
 - b. [British Columbia](#)
 - c. [Canada & Global](#)
4. [Key Findings from COVID-19 Impact Pulse Survey #3](#)
5. [Thought Leadership Resources](#)
6. [Sector Summaries](#)
 - a. [Construction & Engineering](#)
 - b. [Creative Sector](#)
 - c. [Healthcare & Education](#)
 - d. [Manufacturing & Local Food Supply](#)
 - e. [Science and Technology](#)
 - f. [Small Business Sectors](#)
 - g. [Tourism & Retail](#)
7. [Appendices](#)

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[Take the 2-3 minute survey](#)



1. Industry Priority Asks of Government

The industry feedback and requests in this section have been collected through key VEC stakeholder channels and partners, with a focus on new and current government stimulus packages and the outstanding needs of the business community.

1.1 Top Outstanding Asks to Government

Asks for the City of Vancouver	
Type of Ask	Ask
Financial Support	Support BC-made tech through government purchasing power
Financial Support	Design/create policy interventions incentivizing the flow of private capital through a matching program with venture capital companies for businesses who may not qualify for federal financial programs
Financial Support	Creation of municipal-backed ecosystem hub to support startups focused on enabling smart city solutions and initiatives
Financial Support	A municipal-backed Startup-in-Residence Program
Health/Safety	Public support of the motion picture industry's return to work, and acknowledgement of its workplace health and safety measures for both workers and communities
Health/Safety	Expanded standard hours of construction to enable a higher degree of enforcement of social distancing protocols at job sites

Asks for the Provincial Government	
Type of Ask	Ask
Financial Support	Avoid tax, policy and other policy changes that will further increase businesses' costs of reopening – as reported in British Council of BC
Financial Support	Increase support for digital and communication technologies that drive growth and high-wage economies – as reported in British Council of BC
Financial Support	Continued stability of motion picture production incentives to maintain BC's competitive advantage and protect a high-emplying sector that spends \$3.6 billion annually in BC
Financial Support	Make CECRA automatic/mandatory for all small businesses who have lost more than 70% of revenue
Financial Support	City of Vancouver and VEC submitted a joint support letter to government to support

	Small Business BC's grant application to pilot the Digital Main Street initiative that helps main street businesses achieve digital transformation.
Financial Support and Health/Safety	Small-Scale Meat Producers Association asks for the facilitation of more meat processing infrastructure in the region to better improve BC's food security
Health/Safety	Public inquiry into construction site sanitation, further laws, guidance, and oversight are required to protect workers
Reopening	Industry, local governments, academics, and nonprofits continue to request that the Government of British Columbia develop a recovery plan that is focused on sustainability and resilience, especially and including delivering on BC's existing commitments within CleanBC, and, furthermore, to target investment to seek emissions reductions over and above those targets
Reopening	Industry needs more financial help for restaurant reopening plans to be feasible at 50 percent capacity
Reopening	Uphold the Province's commitment to Community Benefit Agreements (CBAs) as a part of recovery Planning
Reopening	Generally improve climate and competitiveness for private-sector job creation and business expansion in export-oriented sectors – as reported in British Council of BC
Reopening	Help clear the path for shovel-ready private and public capital projects as a means of job creation and speeding economic recovery – as reported in British Council of BC

Asks for the Federal and Provincial Government

Type of Ask	Ask
Financial Support	Workforce development of \$500 million to be deployed for workforce training, with up to \$1,000 per employee
Financial Support	That any economic relief measures (esp. operational relief & subsidiaries) consider ongoing challenges to live performance venues, which will need to stay closed longer than other businesses
Financial Support	Support BC-made tech with government purchasing power
Financial Support	Design/create policy interventions incentivizing the flow of private capital through a matching program with venture capital companies for businesses who may not qualify for federal financial programs
Financial Support	Expand eligibility for CECRA, covering businesses that have lost between 30–70 percent of revenue
Financial Support	Temporarily suspend hotel tax before lifting restrictions, and continue to work with the Federal government to support regrowth in the sector by funding tourism associations
Financial Support	Request for GST/HST relief waiver for the first quarter of 2020 to relieve financial

	stress for businesses
Financial Support	\$10 billion loan to increase liquidity across all areas of tourism, including hospitality and restaurants

Asks for the Federal Government

Type of Ask	Ask
Financial Support	That the next phase of the federal stabilization funding package continues to include the motion picture sector
Financial Support	Government backed Pandemic Insurance Proposal, as insurance companies are excluding 'communicable disease elements' from business and event insurance. This is a two-year proposal until vaccines are publicly available
Reopening	Industry, local governments, academics, and nonprofits continue to request that the Government of Canada develop a recovery plan that is focused on sustainability and resilience, especially and including delivering on Canada's commitments within the Paris Agreement and the Pan-Canadian Framework
Reopening	Creation of a nation-wide investment retrofit program and retrofit Federal buildings
Reopening	Invest stimulus into Canada's fast-growing clean energy and cleantech sector
Reopening	Expand existing initiatives and programs already existing in clean energy and clean tech

2. Key Government Announcements Impacting the Business Community

2.1 Latest Government Announcements identified as most beneficial / having the most positive impact

- Vancouver launched its [Restart Smart Vancouver](#) plan for reopening, which outlines safe access to community activities, services for residents and support for local businesses
- The end of June will see [\\$2.2 billion in annual federal infrastructure funding](#) distributed across Canadian communities in a one-time payment
- On June 1, 2020, [British Columbia K-12 schools reopened](#) on a part-time basis, with more than 60,000 students returning on the first day
- BC strengthens the [Canada Emergency Rent Assistance \(CECRA\) program](#), ruling that eligible businesses whose landlords choose not to apply for the program will be protected from evictions through the end of June 2020

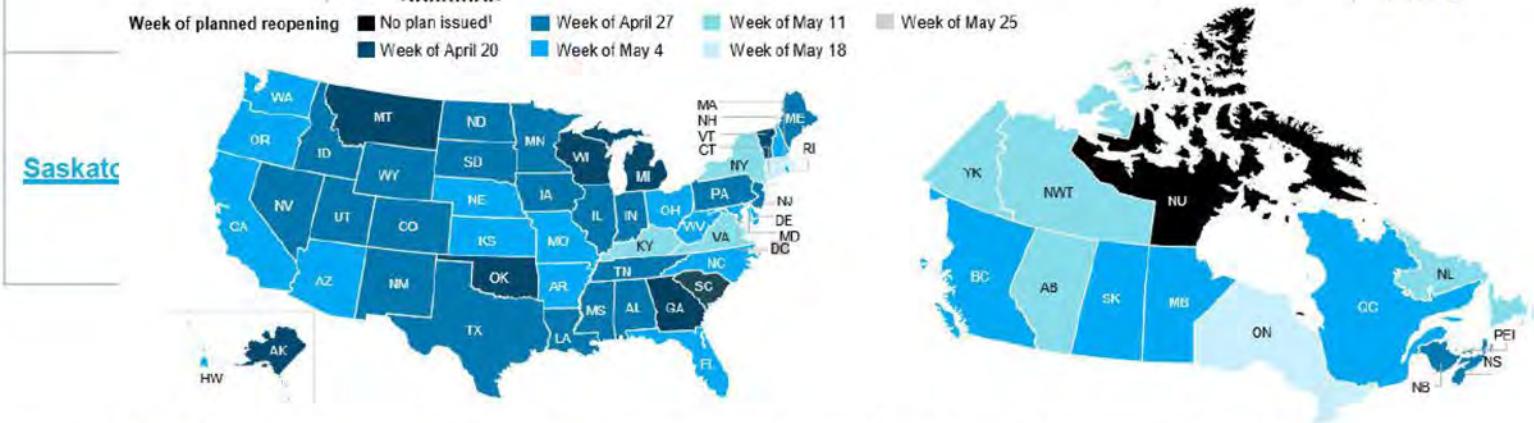
2.2 Provincial Reopening and Recovery Plans

Ten provinces to date have announced reopening and recovery plans. The table below provides an overview and relevant quick links:

Provincial Reopening & Recovery Plans	
Province (with link)	Summary
Alberta	<ul style="list-style-type: none"> • Prior to Stage I, a few restrictions were lifted, such as boat launch access in some Provincial parks and opening golf courses • Stage I launched May 14, and included opening farmers markets, museums and galleries, daycares, and out-of-school care with occupancy limits • The province now permits outdoor gatherings of up to 50 people • The timing for Stage II has not yet been announced
British Columbia	<ul style="list-style-type: none"> • BC's Phase II began May 19 and includes permitting small social gatherings, restoring non-urgent surgery, opening provincial parks for day use and opening more non-essential businesses with safe operating plans • K–12 students returned to school on a part-time as of June 1 • Reservations for BC campsites opened on May 25 and campsite operations resumed June 1 • Phase III may begin later in June
Manitoba	<ul style="list-style-type: none"> • Phase I began May 4, including the restoration of non-urgent surgery, and the opening of: retail businesses, hair salons and barbers, museums, galleries and libraries • Phase II began on June 1 with expanding public gatherings, restaurant dine-in restored and film productions starting up again <ul style="list-style-type: none"> • As of May 22, public gatherings of up to 25 people were allowed indoors, and up to 50 people outdoors, with physical distancing • As of June 1 childcare groups may now increase to 24 children plus staffing
New Brunswick	<ul style="list-style-type: none"> • NB has a color-coded system: on May 8 they moved from “red” to “orange” – now permitting two-household “bubbles,” and gatherings with physical distancing for 10 or fewer people • On May 22–29, NB began to enter into the “yellow” or third phase, permitting outdoor gatherings of up to 50 people with physical distancing • The province has broken into 7 zones – all zones, except zone 5, have moved into the “yellow” phase; as of June 5, gatherings of 50 people or more will be allowed outside
Newfoundland and Labrador	<ul style="list-style-type: none"> • At Alert IV, NL has not changed from the last reporting period. Individuals may now expand to two-household social bubbles; funerals and weddings may occur (with no more than 10 people gathered), municipal parks are open without playground equipment, and camping sites remain closed • It will take at least 28 days before progressing to Alert III
Nova Scotia	<ul style="list-style-type: none"> • Initial steps as of May 1 include reopening provincial and municipal parks and trails; permitting people to travel to cottages; and allowing drive-in religious services

	<ul style="list-style-type: none"> On May 16, additional announcements permitted two-household social bubbles, reopening public beaches, and opening outdoor activities As of June 5, restaurants will be permitted to function at 50% dine-in capacity and as of June 15, daycare and family home facilities may reopen
<u>Ontario</u>	<ul style="list-style-type: none"> Ontario's three-stage approach will slowly reopen more workplaces and public spaces/gatherings There are many requirements for the progression to each stage, including two-to-four-week periods with consecutive daily decreases in the number of new reported COVID-19 cases As of May 19 and the first stage, the following are open: retail stores with their own street-front entrances; tennis courts; horse racing; and libraries for pickup/delivery. The decision on whether to move the province to stage two of reopening may come within the week.
<u>Prince Edward Island</u>	<ul style="list-style-type: none"> PEI has four distinct phases, lifting restrictive measures over three-week periods: May 1; May 22; and June 1 are Phases I through III. Implementation date for the Phase IV is TBD Phase II began on May 22 will include outdoor gatherings of up to 10 people, or up to five people indoors, reopening of retail businesses such as retail outlets and greenhouses, and reopening of all childcare under Chief Public Health Office guidance Phase III began on June 1 with no more than 15 people indoors and 20 people outdoors. Taprooms and brew pubs are now permitted to reopen.
<u>Quebec</u>	<ul style="list-style-type: none"> Quebec's reopening emphasises a gradual, sector-based approach. All retail trade and supply chain businesses with street access may reopen May 4 (excepting the Metropolitan Community of Montreal) On May 11, all manufacturing businesses resumed activities with a maximum number of 50 gathered employees On May 27, Quebec government announced the gradual resumption of tourist activities

1. Nunavut has not released a reopening




plan as it has not recorded any confirmed cases of COVID-19; 2. Quebec (Greater Montreal and Alberta (Calgary and Brooks) have sub-provincial variability in reopening








Source: McKinsey & Company






This table illustrates the varying stages of reopening across the U.S. and Canada, with many States and Provinces releasing multi-phase plans to reopen.

2.3 New Key Announcements by all Levels of Government











Click on  for the link to government news release

Updates from the City of Vancouver		
Link	Update Type	Description
	Health/Safety	City shares plans to introduce 50 km of Slow Streets and use roadways for patios
	Reopening	City supports the Business Improvement Associations' (BIAs) Open With Care campaign and urges all Vancouverites to support local business
	Reopening	Launched the Temporary Expedited Patio Program, which permits restaurants and liquor serving establishments to set up temporary patios using streets and on-street parking, and sidewalk streets in front of or adjacent to their business for free
	Reopening	Vancouver launched its municipal restart plan, outlining safe access to community activities, services for residents and support for local businesses
	Reopening	Launch of expedited process for patio permits
	Reopening	On May 26, City Council passed a motion directing staff to work with the Vancouver Parks Board on the topic of legalizing safe and responsible alcohol consumption in public spaces, including parks

Updates from the Provincial Government		
Link	Update Type	Description
	Financial Support	A \$10 million grant will go to supporting 59 destination marketing organizations
	Financial Support	\$10 million has been allocated to survivors of sexual assault
	Financial Support	\$200,000 allocated to residents of the DTES to support a grassroots program to ensure health and safety measures are adhered to during this unprecedented time
	Financial Support	Launched a new online tool to support the agriculture sector and food processors with hiring process
	Financial Support	British Columbians will be able to share priorities for the priorities of the 2021 Budget as the province rebuilds from COVID-19
	Financial Support	Minimum wage increases to \$14.60 as of June 1
	Financial Support	BC strengthens the Canada Emergency Rent Assistance (CECRA) program, ruling that eligible businesses whose landlords choose not to apply for the program will be protected from evictions through the end of June 2020

	Financial Support and Health/Safety	BC Government is investing \$7.5 million through Creative BC to Amplify BC, to help BC's music industry continue to create and operate during COVID-19
	Health/Safety	The State of Emergency has been extended until June 9 – this has been the longest State of Emergency in BC's history
	Health/Safety	Nearly 60,000 students return on first day of in-class instruction
	Reopening	Order of the Provincial Health Officer that owners responsible for indoor or outdoor spaces may not allow more than 50 vehicles at any event
	Reopening	Patio service areas have been expanded temporarily to help the hospitality sector and ensure a safer reopening

Updates from the Federal Government

Link	Update Type	Description
	Financial Support	\$14 billion will be allocated to the Provinces and Territories to help them safely and carefully reopen their economies
	Financial Support	Launch of a four-week business resilience service hotline offering advice to businesses for financial services
	Financial Support	Additional support for Indigenous communities, including \$650 million for Indigenous communities on health care, income support and new shelters for women and \$285 million for public health in First Nations, Métis and Inuit communities
	Financial Support	\$2.2 billion in annual federal funding from the Gas Tax Fund will be allocated to communities across Canada to help move forward with infrastructure projects to restart the economy
	Financial Support	On May 25, the Canada Emergency Commercial Rent Assistance (CECRA) portal opened online for small businesses
	Financial Support and Health/Safety	Launch of an online tool to help Canadian find out which benefits they can access
	Health/Safety	PM Trudeau joined 50 Heads of States and Government for a UN Event on Development that examined the possible financial impacts of COVID-19 on international development efforts
	Health/Safety	Announcement of new requirements for the use of face coverings by workers and others involved in the transportation system to reduce the risk and spread of COVID-19
	Health/Safety	Cruise ships with overnight accommodations allowed to carry more than 100 people are prohibited from operating in Canadian waters until October 31, 2020
	Health/Safety	Over the past 10 weeks a total of 40 flights carrying PPE have arrived in Canada

3. Economy at a Glance

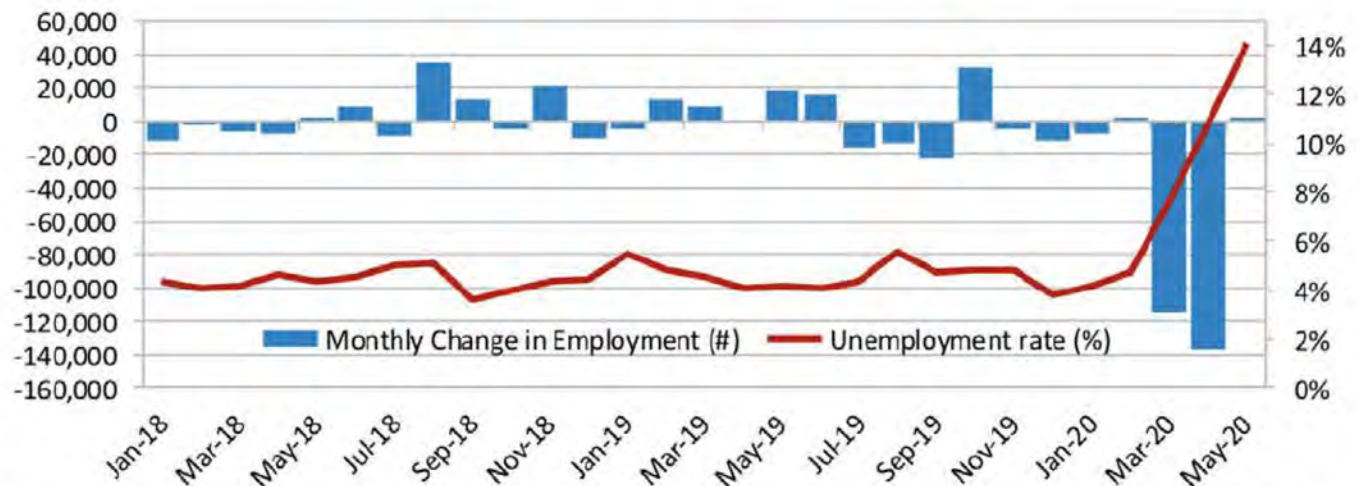
Contents and Quick Navigation:

- [3.1 Vancouver](#)
- [3.2 British Columbia](#)
- [3.3 Canada and Global](#)

3.1 Vancouver Economy at a Glance

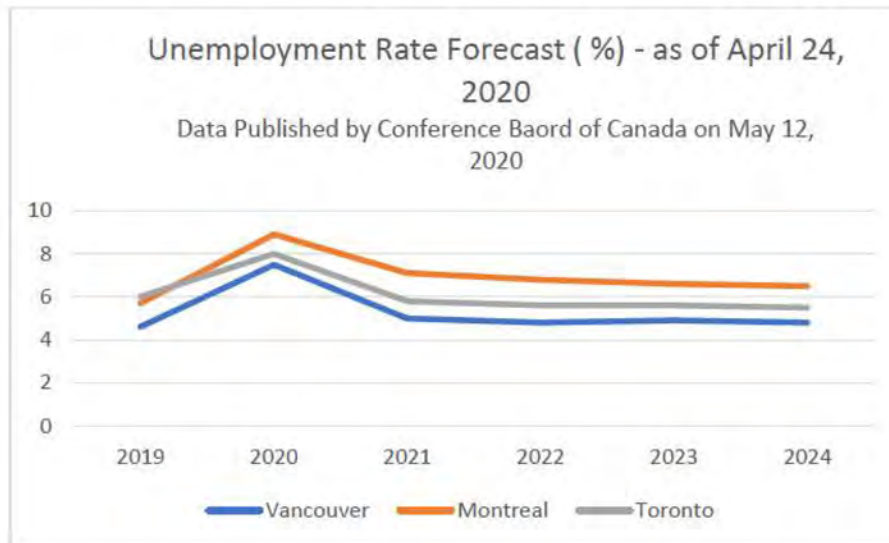
3.1.1 Employment

- Approx. 410,000 jobs existed in Vancouver prior to COVID-19
- Approx. 90,000 jobs in Vancouver (22 percent of the workforce) have been laid off as of April 2020 ^[1]
 - Approx. 172,000 workers in Vancouver were anticipated to be laid off. (Note: this was in March, prior to the announcement of the Federal government 75 percent wage subsidy) ^[2]



Source: Statistics Canada. Table 14-10-0295-01 Labour force characteristics by census metropolitan areas, unadjusted for seasonality.

- The Vancouver CMA monthly, unadjusted for seasonality unemployment rate for May 2020 was 14.1%, compared to Montreal CMA at 15.2% and Toronto CMA at 15.4% - [Statistics Canada](#)



Source: [Conference Board of Canada](#)

- Vancouver, Montreal and Toronto all saw spikes in unemployment during COVID-19. While Vancouver is forecast to recover to below five percent unemployment in 2021, of the three cities, Toronto is the only one of the three forecast to eventually improve their unemployment rate over pre-pandemic levels – [Conference Board of Canada](#)
- Vancouver Airport Authority (YVR) issued layoff notices for 25 percent of their 550 employees

3.1.2 Revenue

- Pre-COVID-19, the Vancouver economy was estimated to bring in \$89 billion in revenues this year from small and medium-sized enterprises ^[3]
- There has been a 27 percent drop in business revenues in Vancouver as of April 2020
 - This is equivalent to approx. \$2 billion less in monthly revenues generated

3.1.3 Businesses

- Pre-COVID-19, there were approx. 32,000 businesses operating in Vancouver
 - This is in addition to an approx. 100,000 sole proprietors or self-employed individuals
- Approx. 13,400 businesses have temporarily or permanently closed in Vancouver as a result of COVID-19 (approx. 40 percent). Although the long-term impacts of the pandemic remain to be seen, the large majority of these are currently filed as temporary closures
- These numbers include approx. 2,000 accommodation and food service businesses, 2,500 professional, scientific & technical firms and more than 3,000 healthcare and social assistance organizations British Columbia Economic Development association has launched a [business restart survey](#), results will be shared with local municipalities as an information source

3.2 British Columbia Economy at a Glance

3.2.1 Macro Indicators

How the World Has Changed		
	February 18, 2020	Mid-May 2020
Global economic growth 2020 (IMF)	3%	-3%
Canadian economic growth 2020	1.4 % (B.C. Budget)	-6.2% (IMF)
B.C. economic growth 2020	2.0% (B.C. Budget)	-8 to -10% (Business Council of B.C.)
B.C. 2020 unemployment rate	5.1% (B.C. Budget)	9-11% (Business Council of B.C.)
B.C. operating budget balance, 2020-21	\$227 million surplus (B.C. Budget)	\$7-10 billion deficit (Business Council of B.C.)

Source: BC Business Council

- Since mid-February, the economic landscape of BC has changed dramatically. The Business Council of BC has updated estimated forecasts for economic impact indicators – [Business Council of BC](#)
- British Columbians are likely to see fewer declines in housing starts in 2020 and 2021 when compared to those in Quebec and Ontario. However, Ontario is likely to see larger overall declines in sales numbers and prices in 2020 than in BC and Quebec – [Canada Housing and Mortgage Corporation](#)

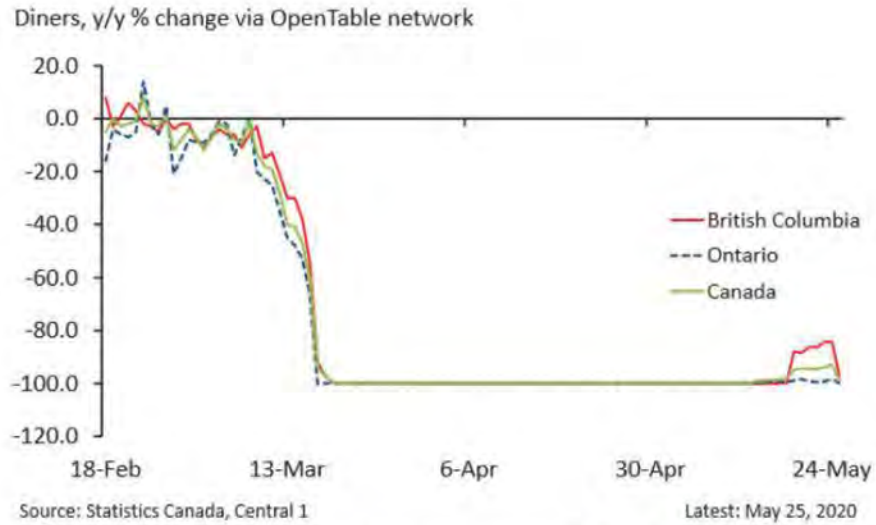
3.2.2 Consumer Confidence



Source: The Conference Board of Canada, Index of Consumer Confidence

- In April the Index of Consumer Confidence hit an all time low, and in the month of May has climbed 16.2 points nationally, and 13 points in BC – [The Conference Board of Canada](#)

Dine in activity ticks higher as restaurants re-open dining areas



- As BC enters its second economic restart phase, restaurants have been permitted to reopen dining rooms with appropriate physical distancing measures in place – [Central 1](#)

Balanced Scorecard of Key Economic Metrics

Due to the level of economic uncertainty, forecasts for GDP continue to vary by organisation as many focus on developing scenarios and not committing to defined forecasts.

● Improved ● Neutral ● Worsened

● **0.1%**

Consumer Price Index
y-o-y April 2020
Vancouver CMA

● **3.3%**

Consumer Price Index, Food
y-o-y April 2020
British Columbia

● **14.1%**

Unemployment rate
Monthly, Unadjusted
May 2020
Vancouver CMA

● **\$2.8B**

Exports
Total, April 2020
British Columbia

● **-18.7%**

Exports
y-o-y April 2020
British Columbia

● **-50.8%**

Residential Unit Sales
y-o-y April 2020
British Columbia

● **-30.2%**

Housing Starts
2020f
British Columbia

Other Economic Metrics

● **-100%**

Cruise Ship Passenger Revenue
2020f
Port M. Vancouver

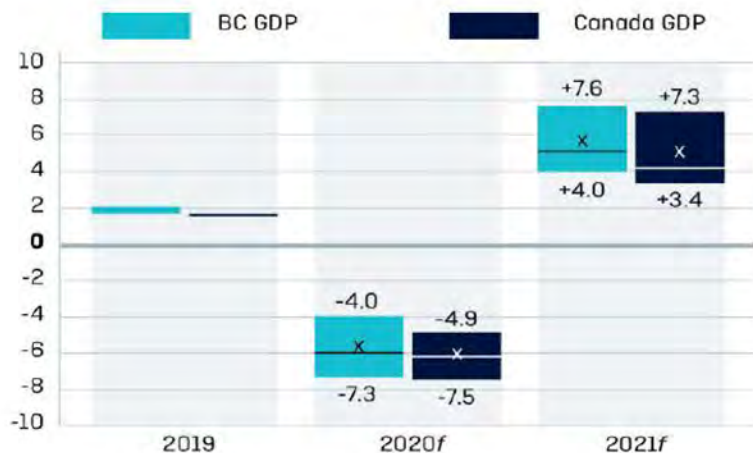
● **-\$10.2B**

Decline in Direct Economic Impact from Cruise Industry
2020f
Port M. Vancouver

● **-48.3%**

Enplaned/Deplaned Passengers
y-o-y Mar 2020
YVR

GDP Forecasts
BC and Canada, percent



Sources: [British Columbia Real Estate Association](#), BC Stats, Business Research & Economic Advisors, [Central 1](#), [Conference Board of Canada](#), Statistics Canada, Port Metro Vancouver, YVR.
GDP: TD, RBC, Central 1, IMF

- Vancouverites paid more for food (3.3 percent) due to supply bottlenecks and a falling exchange rate. This was counteracted by a fall in energy prices and other reduced costs for transportation, recreation, clothing, and footwear. Overall, the CPI remained nearly unchanged (0.1 percent change)
- Vancouver CMA unemployment rate (monthly, unadjusted for seasonality) is 14.1% for May 2020 compared to Montreal CMA of 15.2% and Toronto of 15.4%, Vancouver is forecast to recover to an unemployment rate of closer to 5% by 2021

- Exports dropped 14.8% in the first four months of 2020, compared year-over-year due to COVID-19 and rail blockades earlier this year. BC exports of solid wood products declined 20.5% and energy products declined 23.7% in the same period.
- Based on the [recent announcement](#) from the Federal government for cruise ship restrictions until Oct 31, the Port of Vancouver is forecasting a 100% decrease year-over-year.

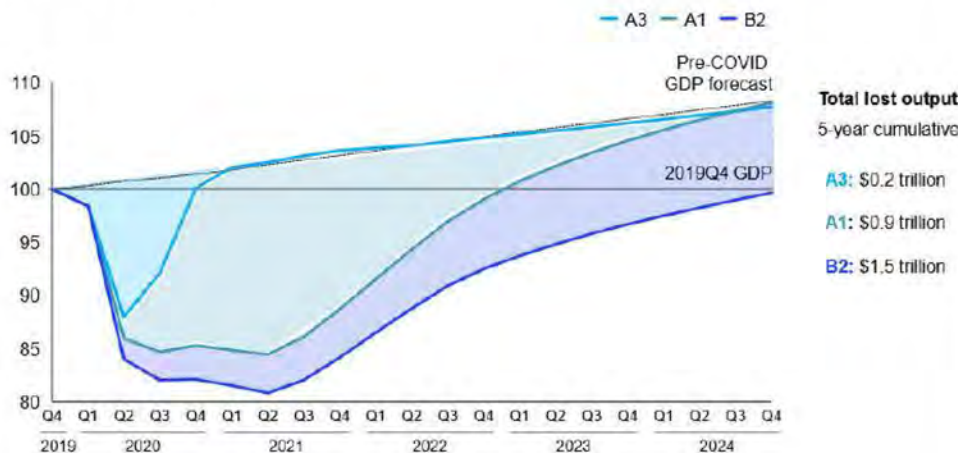
3.3 Global and Canadian Economy at a Glance

3.3.1 GDP and investment

- Q1 2020 FDI levels saw an overall increase of 5.4 percent when compared to the same period in 2019. However, when compared to the average quarter for 2019, the performance of Q1 2020 is lower 21.9 percent – [Statistics Canada](#)
- Downward pressure on FDI flows could range between 30–40 percent during 2020–2021 – [United Nations](#)
- The Canadian GDP has dropped by 8.2 percent for Q1 (annualized rate), led by a 9.0 percent decline in consumer spending – [RBC Economics](#)

Projected Real GDP impact and recovery timeline¹

Index (2019 Q4 = 100)



Time to return to pre-crisis GDP levels depends on **control of virus spread** and the **effectiveness of government intervention**:

- **B2:** assumes economic policy is less effective, **creating self-reinforcing recession dynamics** that cause long-term structural damage to the economy
- **A1:** assumes economic policy succeeds in stopping the rapid decline of the economy in 2020, but is **insufficient to raise confidence and restart growth**
- **A3:** more effective public health response succeeds in controlling the virus, leading to a **strong rebound in business and consumer confidence** that drives growth in the second half of 2020.

¹ Assumptions: Canada overnight rate remains near zero from 2020Q2 through 2023Q4; Fiscal stimulus is sufficient to maintain non-discretionary consumer spending

Source: McKinsey analysis, in partnership with Oxford Economics

- The graph from McKinsey shows the time to return to pre-crisis GDP levels, depending on control of virus spread and effectiveness of government intervention in Canada – [McKinsey & Company](#)

3.3.2 Consumer Spending and Employment

Average Total Bankcard Balance per Consumer with a Balance

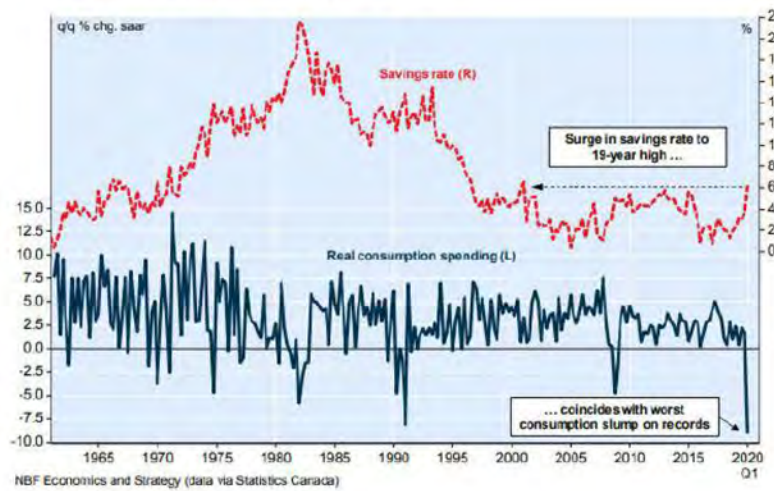


Source: [TransUnion](#)

- On average, Canadian consumers have reduced their bankcard balances during Q1 of 2020 – [TransUnion](#)

Canada: Savings rate surges to 19-year high

Real consumption spending versus household savings rate



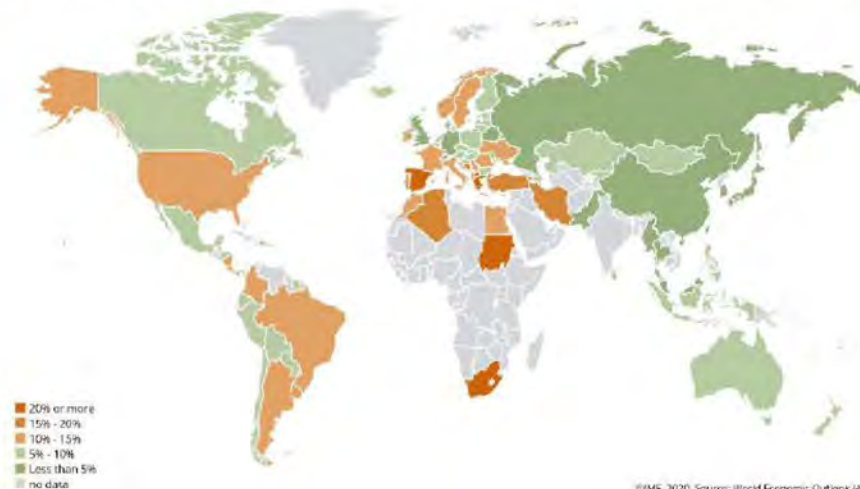
NBF Economics and Strategy (data via Statistics Canada)

Source: [National Bank](#)

- Savings have surged to a 19-year high which coincides with the worst consumption slump on records – [National Bank](#)
- Researchers have estimated that approximately 42 percent of the jobs lost during COVID-19 may not come back – [University of Chicago, Becker Friedman Institute for Economics](#)

IMF DataMapper

Unemployment rate (Percent, 2020)



©IMF, 2020. Source: World Economic Outlook (April 2020)

- As of April 2020, the global unemployment of major advanced economics (G7 countries) was 7.8 percent and the average European areas was 10.4 percent – [International Monetary Fund](#)

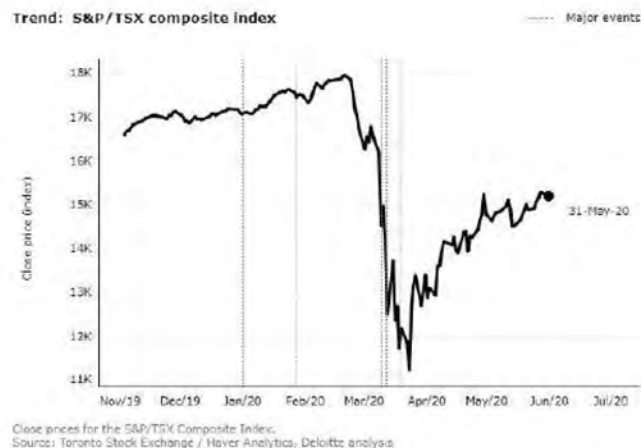
3.3.3 Financial Markets

Credit Markets



Source: ICE/BAML, Federal Reserve Board, TD Economics

- Rising levels of corporate debt and declining revenues have increased the challenge for the market’s view on the ability for businesses to repay debt payments, leading to a wave of credit downgrades – [TD Economics](#)



- The S&P/TSX composite index has increased since April 2020; equities will rebound before many other economic data series improve – [Deloitte](#)
- The Bank of Canada observes that the Canadian economy appears to have avoided the most severe scenario presented in the [Bank of Canada’s April Monetary Policy](#) report, indicating that the impact has peaked, but notes that uncertainty about the recovery process remains high – [Bank of Canada](#)

- A shift is being seen in financial markets of a larger shift to sustainable investing on a global scale, the forecast is that funds will continue to flow into sustainable assets for decades – [BlackRock Investment Institute](#)

4. Key Findings from COVID-19 Impact Pulse Survey #3

The Impact Pulse surveys are an initiative led by the BC Chamber of Commerce, Greater Vancouver Board of Trade and Business Council of British Columbia, with assistance of the Mustel Group.

The latest survey findings (Pulse Survey 3) are from 1,343 business leaders between May 11–15, 2020, and the survey results may be viewed in their entirety [here](#). Survey results for [Pulse Survey 1](#) and [Pulse Survey 2](#) are linked for comparability.

Key findings for BC

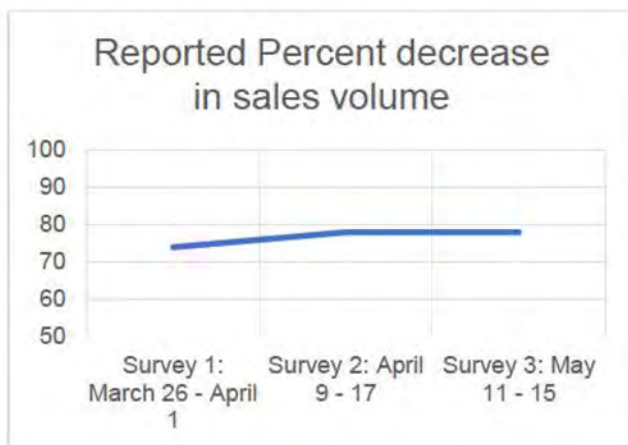
Please note city-level data is not yet available – however, the BC data collected is broadly representative.

Key Challenges around Reopening identified by Businesses in Pulse Survey 3

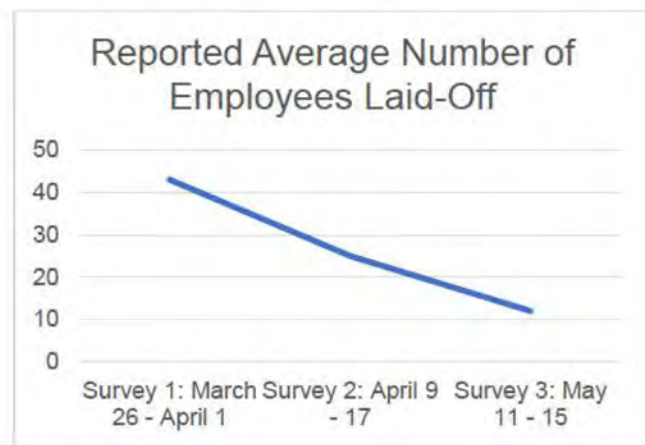
- **75 percent** of respondents indicated challenges attracting customers or revenues
- **49 percent** of respondents identified having enough operating cash for expenses as a challenge
- **31 percent** of respondents identified challenges around having enough operating cash to meet and implement safety standards
- **39 percent** of respondents identified challenges around recruitment and re-recruitment of staff
- **31 percent** of respondents identified government not allowing business to open yet as a challenge

Comparative Results Across Pulse Surveys

The graphs below show the change in response between each Pulse Survey



Average sales volumes have decreased with each Pulse Survey



Average number of laid-off employees has decreased with each Pulse Survey

Percentage of Non-Essential Business Closures

	Survey 2: April 9-17	Survey 3: May 11 - 15
Arts & Entertainment	77%	77%
Accommodation & Food Services	74%	68%
Healthcare and Social Assistance	74%	74%
Retail	60%	58%

5. Thought Leadership Resources

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

Thought Leadership for the Future Economy

For up-to-date access to VEC's newest articles and opinion pieces, [sign up](#) for our newsletter **The Lens** or check out our [blogs](#). Recent blogs include:

- [Access to early-stage and venture capital remain crucial topic for BC](#)
- [Impact entrepreneurs will lead the global pandemic recovery: An interview with Decade](#)
- [Why tech should could form the backbone of BC's economic recovery](#)

Source	Title
Diversity & Inclusion	
The Tyee	Data Linking Race and Health Predicts New COVID-19 Hot Spots
Forbes	The Economic Impact of COVID-19 Will Hit Minorities the Hardest
United Nations	Policy Brief: A Disability-Inclusive Response to COVID-10
World Economic Forum	What risks does COVID-19 pose to society in the long-term?
Equitable Financial Models	
Rocky Mountain Institute	Global Stimulus Principles: The Economy We Build Should Not Be the Same Economy we Decarbonize
The New Yorker	The Coronavirus is exposing Wall Street's reckless gamble on bad debt
World Economic Forum	Transformational Investment: Converting Global Systematic Risks into Sustainable Returns
Local Economies & Cities	
Deloitte	Orchestrating the recovery of organizations and supply chains
PYXERA Global	Paradigm Shift: Solutions Driving the Circular Transformation
Sustainability & Renewable Energy	
David Suzuki Foundation	Canada needs a "green recovery" to confront COVID-19 and other crises
Pembina Institute	Green Stimulus: principles and recommendations for a 2020 economic stimulus package
United Nations	UN Event on Development, investing in a sustainable and inclusive recovery
World Economic Forum	Energy Transition Index 2020: from crisis to rebound
Workforce Resilience & Retraining	
Ontario Chamber of Commerce	Retraining Ontario's workforce to recover from COVID-19
REW	Prepare for These Potential Market Shifts in a Post-COVID-19 World

6. Sector Summaries

Contents and Quick Navigation:

- A. [Construction & Engineering](#)
- B. [Creative Sector](#)
- C. [Healthcare & Education](#)
- D. [Manufacturing & Local Food Supply](#)
- E. [Science and Technology](#)
- F. [Small Business Sectors](#)
- G. [Tourism & Retail](#)

How are you using this report?

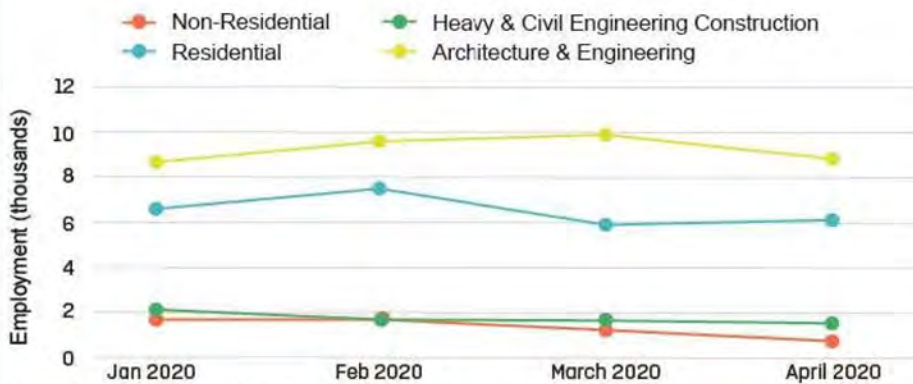
Help us ensure that we are providing you with the most timely, relevant and engaging economic insights.

[Take the 2-3 minute survey](#)



Sector Profile

Construction & Engineering Employment, Vancouver



Source(s): Labour Force Survey, Statistics Canada

-29%

Construction sector revenues
y-o-y Q1 2020, Canada

50%

Construction sector business closures
As of April 2020, Canada

Key Strategic Forum

BC Council of Construction Associations COVID-19 Cabinet

Sector Activity

Residential and commercial construction, architecture, engineering

COVID-19 Impact

Significant slowdown in construction; construction projects proceed with social distancing protocols in place

Economic Impacts

39.4 percent year-over-year reduction in total home sales in [Greater Vancouver](#) for April 2020

Primary Asks to Government and Government Response

To Federal government:

- To invest in a resilient recovery, [Passive House Canada](#) has committed to a three-part recovery plan
 - Invest stimulus into Canada's fast-growing clean energy and cleantech sectors
 - Expand existing initiatives and programs already existing in clean energy and clean tech
 - Continue to communicate that Canada will expand on its best-in-class climate and environment policies
- Creation of a nation-wide investment retrofit program and retrofit Federal buildings

To Federal and Provincial government:

- Workforce development of \$500 million to be deployed for workforce training, with up to \$1,000 per employee

To Provincial government:

- Public inquiry into construction site sanitation, further laws, guidance, and oversight are required to protect workers
- Uphold the Province's commitment to Community Benefit Agreements (CBAs) as a part of recovery Planning

To City of Vancouver (same as last report):

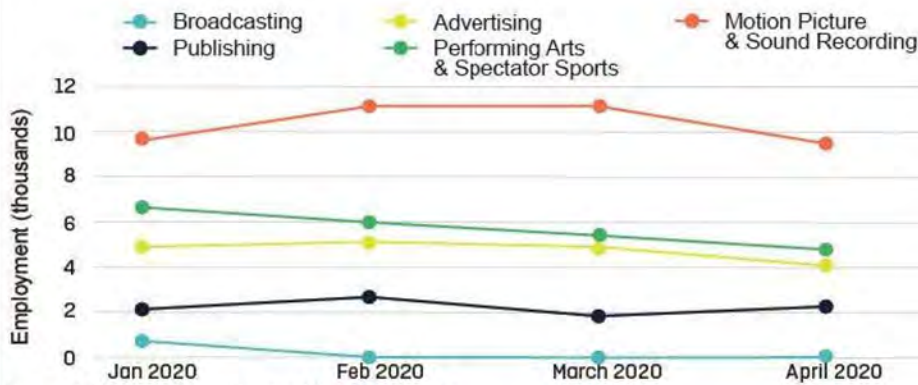
- Expanded standard hours of construction will enable social distancing protocols at job sites to be followed by a higher degree

Innovations and Recovery Planning

- [#lunchboxchallenge](#) allows businesses to show appreciation for their frontline construction workers by providing lunch for them while also supporting local restaurants

Sector Profile

Creative Sector Employment, Vancouver



-22%

Information and Cultural Industries Revenues
y-o-y Q1 2020, Canada

-42%

Performing Arts and Spectator Sports Revenues
y-o-y Q1 2020, Canada

Key Strategic Forum

Canadian File & Industry Taskforce, Vancouver Film, TV Animation and VFX Taskforce

Sector Activity

Film, TV, visual effects, animation, e-sports, video games

COVID-19 Impact

Significant impact with widespread venue closures and production cessation

Economic Impacts

In 2018, live music and festivals generated nearly \$700 million in annual revenue and supported 15,000 jobs across all sectors. This year, the impacts of COVID-19 equate losses amounting in the hundreds of millions ^[4]

Primary Asks to Government and Government Response

To Federal government:

- That the next phase of federal stabilization funding packages includes the motion picture sector
- Government-backed Pandemic Insurance Proposal as insurance companies are excluding 'communicable disease elements' from business and event insurance. This is a two-year proposal until vaccines are publicly available.

To Federal and Provincial governments (same as last report):

- That any economic relief measures (esp. operational relief & subsidiaries) consider the ongoing challenges to live performance venues, which will need to stay closed longer than other businesses

To Provincial government:

- Continued stability of motion picture production incentives – to maintain BC's competitive advantage and protect a high-employing sector that spends \$3.6 billion annually in BC

To City of Vancouver:

- Public promotion of the motion picture's safe working practice

Innovations and Recovery Planning

- Health and safety protocols have been approved by WorkSafeBC, allowing for next step of business resumption for the motion picture sector

Sector Profile

Healthcare & Education Employment, Vancouver



Source(s): Labour Force Survey, Statistics Canada

-36%

Healthcare, Social Assistance and Educational Services revenues
y-y Q1 2020, Canada

75-77%

Healthcare, Social Assistance and Educational Services Business Closures
As of April 2020, Canada

Key Strategic Forum

No local sector-wide forums identified

Sector Activity

Hospitals, care homes and academia

COVID-19 Impact

Impact to be determined

Economic Impacts

- Many school districts are facing layoffs: almost [200 teachers](#) have been laid off from the Coquitlam school district due to a drop in international student enrollment
- Most [SFU's courses](#) will be delivered remotely in the Fall 2020 semester; this is likely to continue through [Spring 2021](#)

Primary Asks to Government and Government Response

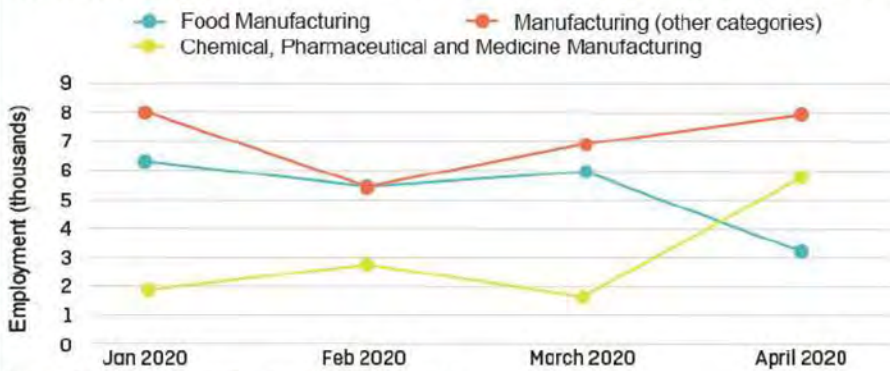
- Nearly [60,000](#) student returned on the first day of in-class instruction as part of [BC's Restart Plan](#). To ensure schools are safe, the number of students attending each day will be reduced. The goal is to see students return to full-time classroom schedules in September.

Innovations and Recovery Planning

- [Innovate BC](#) is investing \$375,000 towards 100 Mitacs student internships for COVID-19 specific projects.
- Natural Sciences and Engineering Research Council awards grant to fund collaboration between [ImmunoPrecis and the University of Victoria](#) for the generation of a potential COVID-19 antibody-based test in Canada that can provide real-time responses
- FDA approves [SFU professor Andy Hoffer's](#) invention to help wean COVID-19 patients from ventilators

Sector Profile

Manufacturing & Local Food Supply Employment, Vancouver



Source(s): Labour Force Survey, Statistics Canada

-22%

Manufacturing Revenues
y-o-y Q1 2020, Canada

38%

Manufacturing Business Closures
As of April 2020, Canada

Key Strategic Forum

BC Open Source COVID-19 Medical Supplies
COVID Supply Chain Working Group

Sector Activity

Manufacturing (including food manufacturing), agriculture, farmers markets

COVID-19 Impact

Medium Impact – varies depending on type of supplies and current demand

Economic Impacts

[Canadian Manufacturers & Exporters](#) completed a survey on Manufacturing Business Conditions between May 7–22 with 320 respondents. Of all provinces, BC manufacturers reported the lowest percentage of below-normal output, at 52.8 percent. Nationally:

- One in four manufacturing businesses have scaled up or retooled their operations to rebuild products and components necessary to help in the fight against COVID-19
- 68 percent of respondents identified that insufficient domestic demand was the most import factor in limiting their ability to increase production
- 53.2 percent of respondents had applied for or received federal support through the Canada Emergency Wage Subsidy (CECRA)

Primary Asks to Government and Government Response

To the Provincial government:

- The Small-Scale Meat Producers Association requests more meat processing infrastructure in the region to better improve BC's food security

Innovations and Recovery Planning

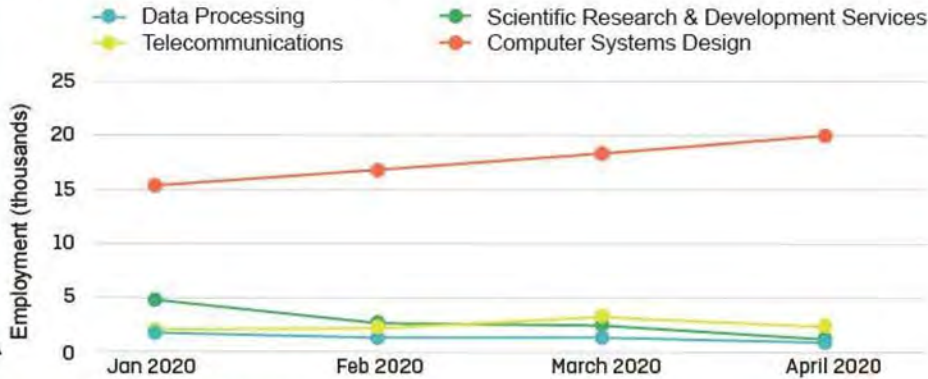
- The [Rapid Response Platform](#) tool for matching PPE supply with those in need has launched. As industries reopen with an increased demand for PPE, the platform automatically matches supply with demand: more than 23,700 matches have been made to date.
- COVID-19 has allowed for supply chains to become more dynamic with the emergence of micro supply chains and the development of supply networks – Invest in Canada
- Three cases of COVID-19 have been identified at the [Oppenheimer Group](#) fruit and vegetable processing plant in Coquitlam. Due to adherence and cooperation with local health officials, the facility continues to operate safely

Science & Technology

[\(Return to Sector Index\)](#)

Sector Profile

Science & Technology Employment, Vancouver



Source(s): Labour Force Survey, Statistics Canada

● **-25%**

Professional, Scientific, and technical Services Revenues
y-o-y Q1 2020, Canada

● **27%**

Professional, Scientific, and Technical Services Business Closures
As of April 2020, Canada

Key Strategic Forum

Tech Industry COVID-19 Taskforce

Sector Activity

Tech (AI, software), cleantech and renewable energy, life sciences

COVID-19 Impact

Impact to be determined – Many businesses in this sector have not been as dramatically impacted relative to other sectors of the economy

Economic Impacts

No new municipal or regional data

Primary Asks to Government and Government Response

To Federal, Provincial and City of Vancouver governments (same as last report):

- Support BC-made tech through government purchasing power
- Design/create policy interventions incentivizing the flow of private capital through a matching program with venture capital companies for businesses who may not qualify for federal financial programs

To City of Vancouver (same as last report):

- Creation of municipal-backed ecosystem hub to support start-ups focused on enabling smart city solutions and initiatives
- A municipal-backed [Start-up in Residence Program](#)

Innovations and Recovery Planning

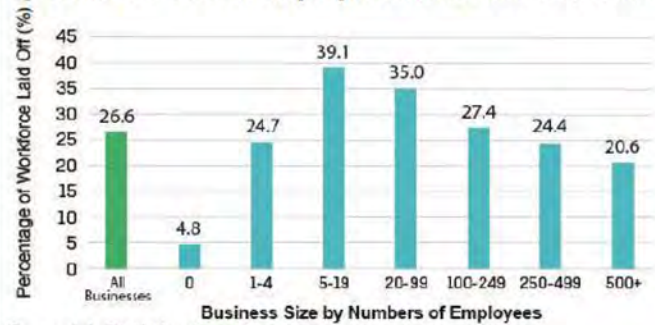
- [UBC researchers](#) have developed a biodegradable medical mask for COVID-19 using locally sourced wood fibres
- [Clarius](#), a local medical imaging business, has partnered with [researchers from UBC](#) to develop a portable ultrasound scanner to accelerate COVID-19 diagnosis – communities rural BC will be the first recipients
- CanSino Biologics and Precision NanoSystems have [announced a collaboration](#) to co-develop a COVID-19 RNA vaccine

Small Business Sectors

[\(Return to Sector Index\)](#)

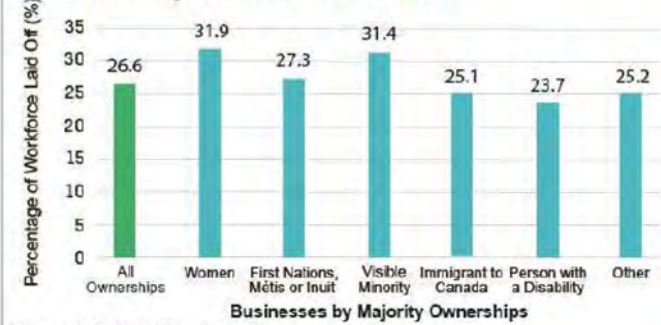
Sector Profile

Percentage of workforce laid off due to COVID-19 by business size of employment, March 2020, Canada



Source(s): Statistics Canada

Percentage of workforce laid off due to COVID-19 by Ownership, March 2020, Canada



Source(s): Statistics Canada

25% Workforce laid off, businesses with 1-4 employees
As of April 2020, Canada

40% Workforce laid off, businesses with 5-19 employees
As of April 2020, Canada

Key Strategic Forum	BIA Partnership; Small Business COVID-19 Economic taskforce (terms of reference under review with industry)
Sector Activity	Small businesses (under 50 employees), startups, and businesses owned by underrepresented groups, such as indigenous and women entrepreneurs, physicians, dentists, and other clinics
COVID-19 Impact	High Impact – business closures, significant impact to operations, layoffs, all contributing to financial crisis

Economic Impacts

Canadian Federation of Independent Businesses (CFIB) completed a [survey](#) of 6,379 SME owners across Canada the week of May 15, which finds:

- A three percent decrease (from 74 percent to 71 percent) over the previous week’s survey on the percentage of business owners worried about the economic repercussions of COVID-19
- Half of surveyed businesses reported that mandated closures were keeping them from partially or fully reopening

Primary Asks to Government and Government Response

Ask to Federal & Provincial governments (same as last report):

- Expand eligibility for CECRA, covering businesses that have lost between 30–70 percent of revenue

Ask to Provincial government (same as last report):

- Make CECRA automatic/mandatory for all small businesses who have lost more than 70 percent of revenue

Innovations and Recovery Planning

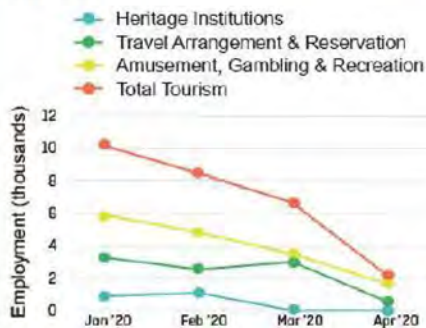
- Until July 1, [Mitacs](#) is boosting its funding for SMEs and reducing the costs so they only pay 25% for the first four months of an innovation project done in collaboration with a post-secondary institution
- The [Canadian Business Resilience Network](#) is launching a small business relief program for up to \$10,000 in grants with support from Salesforce
- The [Provincial government](#) announced that eligible businesses whose landlords choose not to apply for Federal CECRA program will be protected from evictions due to unpaid rent through the end of June 2020
- Google Canada has [committed a million dollars](#) to Digital Main Street’s ShopHERE program to help 50,000 Canadian SMEs start up online stores this year

Tourism & Retail

[\(Return to Sector Index\)](#)

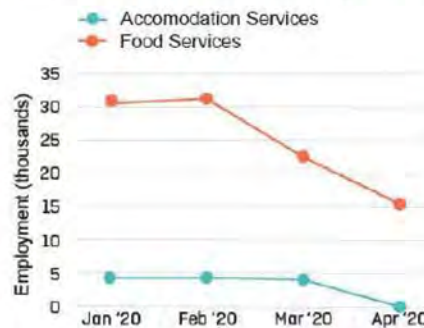
Sector Profiles

Tourism Sector Employment, Vancouver



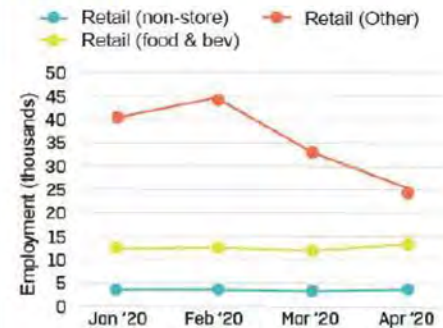
Source(s): Labour Force Survey

Accommodation & Food Services Sector Employment, Vancouver



Source(s): Labour Force Survey

Retail Sector Employment, Vancouver



Source(s): Labour Force Survey

● **-42%**

Arts, Entertainment and Recreation Revenues
y-o-y Q1 2020, Canada

● **-46%**

Accommodation and Food Services Revenues
y-o-y Q1 2020, Canada

● **-33%**

Retail Trade Revenues
y-o-y Q1 2020, Canada

Key Strategic Forum	Metro Vancouver Tourism and Hospitality Industry Response and Recovery Task Force
Sector Activity	Hotel and restaurants, tourism and recreation, retail, and non-bricks and mortar retailers (online shopping)
COVID-19 Impact	Significant impact with unprecedented low capacity levels and full closure non-essential services, tourism sector effectively on standstill

Economic Impacts

Based on the [recent announcement](#) from the Federal government for cruise ship restrictions until Oct 31, the Port of Vancouver is forecasting a 100% decrease year-over-year, including direct economic impact of:

- The loss of 8,617 jobs equating to approx. \$386 million in lost income
- \$10.2 billion in direct economic impact

Tourism Vancouver surveyed 345 Metro Vancouver respondents through Facebook between May 8–12 on local travel:

- 64 percent of respondents had some comfort level with visiting local businesses
- 80 percent of respondent ranked dining-in at restaurants as a top anticipated activity

Primary Asks to Government and Government Response

Asks to Federal and Provincial governments (same as last report):

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

Ask to Provincial government:

- Industry needs more financial help for restaurant reopening plans to be feasible at 50 percent capacity

Innovations and Recovery Planning

- The [BC Ale Tale](#) has launched "a new normal" at brewery tasting rooms, sharing rules and best practices
- [BC Restaurant and Food Services Association](#) has launched a restaurant operator reopening checklist
- The City of Vancouver [launched temporary expedited patio permits](#) to allow businesses to set-up temporary patios using street, on-street parking and sidewalk space in front of or next to their business form free

7. Appendices

Appendix A: Strategic Forums

A list of industry strategic forums focused on economic impacts and recovery (COVID-19) that VEC is actively engaged with:

Forum	Lead Organisation	High-level mandate	Membership
Established			
BC Economic Disaster & Relief Programming – COVID Economic Response & Restart	BC Economic Development Association	Convening weekly calls to knowledge share best practices, with guest speakers provide economic updates on various sectors	BCEDA members. Weekly attendance has averaged at approx. 110 economic developers
BC Open Source COVID-19 Medical Supplies	Consortium of Medical Supply Stakeholders	A primary point of contact for BC's 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
C40 Green Economy Forum on COVID Economic Response	C40	To share best practices in the recovery at the city level while keeping climate policy and green economic programs at the top of emerging agenda	Approximately a dozen C40 cities participate
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 (disbanding)	City of Vancouver	Coordinate and align COVID-19 impact and mitigate efforts across COV and VEC	City of Vancouver and Vancouver Economic 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 of March 20)
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
Moving in a Livable Region	SFU Centre for Dialogue	Convening to advocate to save regional transit and other forms of mobility: see link	Steering committee members are roughly 50 stakeholders across the region
Regional Metro Leaders Economic Recovery	Pacific Northwest Economic Region (PNWER)	Convening calls every two weeks to knowledge share best practices and learn from other metro regions	PNWER members include EDOs, Chambers of Commerce and related ministries; approximately 25 people
SFU Community COVID-19 Response & Recovery Network	SFU	To mobilize the capacity and creativity of the SFU communities beyond the academy, they are building a network to help people connect, share resources, and act to enhance their collective impact	Roughly 80 people from across SFU
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	Biweekly 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 Film, TV, Animation and VFX Taskforce	MPPIA & Creative BC	Impacts, mitigations and recovery plans across Vancouver's creative industries	Creative BC, VEC, MMPIA.
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:

1. **Creative Economy** (terms of reference and membership under review)
2. **Green Friends** (looking to advocate for positive climate-friendly policy)
3. **Small Business COVID-19 Economic Taskforce** (exploring deferring to City of Vancouver COVID-19 Business and Community Economic Recovery Steering Committee engagement with the small business community)

Appendix B: References

^[1] Based on application of national survey on COVID impacts conducted by Statistics Canada in April to Vancouver baseline economic data

^[2] Based on application of BC Chamber March survey on anticipated COVID impacts to Vancouver baseline economic data

^[3] There are approximately 250 business in Vancouver that bring in more than \$50 million in annual revenues, adding an additional \$14 billion to \$44 billion in annual revenues to Vancouver's economy

^[4] Pacific Office of the Ministry of Innovation, Science & Economic Development

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