CANADIAN INBOUND TOURISM ASSOCIATION (ASIA PACIFIC)

A non-profit organization federally incorporated under the Canada Not-for-Profit Corporations Act
(Registration Number 336098-9)

October 14, 2020

The Honourable Mélanie Joly
Minister of Economic Development and Official Languages
House of Commons
Ottawa, ON
K1A 0A6

Dear Minister Joly,

On behalf of CITAP, we would like to thank you and the Canadian Government for your leadership and the support provided to the tour and travel industry during these unprecedented times.

As you know, the Canadian Inbound Tourism Association- Asia Pacific ("CITAP") is committed to improving business for Asia Pacific Tourism inbound to Canada. Our focus is supporting long-term industry growth through respectful, sustainable practises. Prior to COVID-19, Canada's visitor economy was a driving force for this country. Tourism was Canada's 5th largest sector, and in 2019 accounted for 1 in every 11 jobs, contributing over $102 billion annually, over 2% of Canada's GDP.

Looking ahead, our mandate continues to be wholly focused on giving the Asia Pacific visitor segment its fullest expression as part of the nation's recovery.

With this in mind, we have held a series of in-depth discussions with our membership regarding both the current state of the tour and travel economy and how to best position ourselves on the long road ahead to recovery. The considered consensus of our group has been clear: There is now an urgent need for a coordinated support program which ensures both that: (i) key components of the industry survive this downturn while at the same time (ii) enabling stakeholders to be fully prepared and operational when the first wave of recovery materializes. As our industry is broad and varied, the support program components, working together, need to be both flexible and robust enough to provide meaningful assistance.

For your consideration, we present the following recommendations:

*Level 1: At an industry-wide level with immediate effect, in the areas of Management of Human resources and Intellectual capital*

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1) Extension of wage subsidy along the same lines as the most recent incarnation of the CEWS program:
    - In its present form, the amount of subsidy is scaled differently to provide more subsidy to those whose sales have been more negatively affected. This was not the case when the program first began.
    - The subsidy encourages employers to retain staff who may have developed specialized skills working as part of work groups that have the know how to respond quickly and effectively to customer needs. In some cases, this may also involve language skills and cultural knowledge which cannot be easily regained through training new recruits when recovery is at hand.
2) Support of foreign workers in the industry. Recommendations include easing the work permit conditions to allow them to change their employer under the same work permit.
    - These workers are highly trained professionals or specially skilled workers.
    - Much of Canada's tour and travel advantage lies in our ability to marshal this unique intellectual capital that understands Canada as a destination and, at the same time, the needs of our demanding international visitor. At both an industry wide level and at the business enterprise level, losses here take significant time to replace and represent careful investments by businesses over many years.
3) Additional Support for industry workers:
    - Create or augment programs of support that would more directly address mental health challenges of our workers during the COVID-19 outbreak.

*Level 2: Access, Financing, Marketing, Business Development-preparing for the recovery. These areas are considered "key levers" and will play major roles in both the speed, depth and breadth of industry recovery*

4) Easing of restriction on international travel between countries with both a low % of COVID-19 infections and a demonstrated history for COVID containment: This includes rapid responses to increases in cases and outbreaks.
    - Easing the quarantine policy of 14 days and replacing it with the condition that travellers must provide evidence of a negative COVID testing results immediately in advance of their travel date.
    - Consider adapting a "best practices" policy in opening the tour and travel industry in a responsible way; similar to how Hawaii has been practicing due diligence rather than adapting a blanket policy to ease quarantine restrictions.
    - Travellers must travel via direct flights from countries within a travel bubble.
    - The prevailing view of many of our members is this:
        - Instead of focusing on uptake in such a program, the real benefit may be that the world looks at Canada as a progressive, well-managed destination willing to implement appropriate measures to safely invite our visitors. It expresses a national will to meet this challenge with sober and thoughtful solutions
5) GST/HST rebate on packaged tour products sold to non-residents.
    - This essentially restores parts of the FCTIP (Foreign Convention and Tour Incentive Program) that was rescinded at the end of 2017: the thrust of the rebate is to remove some of the sales tax on what is essentially an export product.
    - Reinstituting the rebate will allow Canadian tourism to compete more effectively with other tour and travel destinations. The rebate will provide tour operators with sufficient returns to

invest more proactively in operations and marketing efforts. Receptive tour operators are usually the first to enter new source markets or to develop new parts of pre-existing ones. These activities will be catalysts in the recovery and ensure that Canada is first in line and top of mind with travellers eager to travel in the post-pandemic period.

6) Support Destination Marketing Organizations and marketing Canada in overseas markets: Destination Canada's funding has been supporting Provincial Marketing Organizations but not so much regional or city DMOs. And most of the funding during COVID is used for marketing to Canadians to travel in Canada. As we prepare to transition to recovery, more support of businesses with a direct interest in international programs is required
    - Measures in this area may include full relief of ADS* fees for registered ADS tour operators who have been continuously accredited for at least 5 years. *(*ADS: Approved Destination Status program to promote travel from China to Canada)*
    - Making collateral marketing materials available in the Asia Pacific region for operators who wish to proactively start their sales, marketing, and product development programs with their overseas partners. This is especially critical for regions where Destination Canada does not have an in-market presence: CITAP operators are proud members of Team Canada and can go to those new and developing markets on behalf of the Canadian industry with greater speed and flexibility
7) Create incentives to encourage improved use and appropriate development of limited industry infrastructure, to steady income flow and minimize both overflow and underuse situations.
    - Examples include spreading out large conventions/business meetings throughout the year, spreading out the ship departures throughout the week to more effectively manage cruise related business. Work with stakeholders to ease concentration of business on weekends, especially during the summer and fall seasons.
    - Consideration to support or incent capital investment with federal and provincial partners to develop new accommodations and transportation infrastructure: Canada is a vast nation with countless treasures. But improving travel within Canada would go a long way in addressing overuse and overflow in a small number of regions. And improvement in flow and growth will provide a critical mass that will encourage other business development: seasonal businesses can move to year-round operations, translating to a more robust and resilient industry
    - Canada continues to present vast and undeveloped potential. Now is the time to start planning in unexplored and undeveloped areas. That great potential beckons, to forge deep ties to local communities who have not had the opportunities to participate in the tour and travel economy and develop wonderfully unique Canadian experiences. Indigenous tourism is one such area worthy of further consideration. These types of developments will set Canada apart as a uniquely different travel destination.

Minister Joly, without doubt, the pending recovery may be the most daunting challenge our industry has faced since 9-11. It will take a series of short-term and long-term measures, in multiple areas, involving many stakeholders and guided by a deft level of coordination. CITAP very much looks forward to your support and national leadership on these initiatives and any others that the Minister may suggest that work together.

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In our common goal of restoring and growing our businesses, we remain fully at your disposal.

Sincerely,



John Webster,
President, CITAP



Joe Volk
Executive Director, CITAP



Marilyn Désy
General Manager, Quebec Receptive Tour Operators and Travel Agencies (ARF-Québec)

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