

Now More Than Ever #TOURISM COUNTS



Mythbusting Prince Edward Island's Tourism Industry

Many myths surround Prince Edward Island's tourism industry and how it was and will continue to be impacted by COVID-19.

Here are some of the biggest misconceptions people have about the Island's tourism industry right now.

1. Myth: Businesses should be used to cycles of growth and decline. Good business owners should have saved during the good times to be prepared for events like COVID-19.

Reality: While tourism is coming off many years of growth, this steady increase was fuelled by regular reinvestment. Many tourism operators return any profits they make back into their business, with numerous businesses diversifying into other locations and markets to reduce risk. Even after implementing these strategies, very few business owners can contemplate an event like COVID-19. The COVID-19 pandemic affects everyone and significantly reduces sales (in many cases over 80%), which is well above any usual year to year cycles that any business would be expected to prepare for.

2. Myth: I don't do any of the touristy stuff because I live here.

Reality: In 2019, tourism employed close to 9000 Islanders. If a household member doesn't depend on tourism, chances are another member of your extended family or a neighbour does. Beyond direct employment, thousands of jobs and businesses support and supply the Island's tourism industry.

The loss of tourism employment and investment will impact everyone. Many of the amenities we take for granted from waterfront enhancement, public roads, great restaurants, world-class theatre, festivals, and events depend on tourism for continued investment. We must ensure that the industry survives.

3. Myth: Businesses aren't hurting that bad. Every time I go out, there are lineups to get into restaurants, and I can't get a reservation without planning weeks ahead.

Reality: While it is true that many restaurants have had to turn away customers during peak times, this is because PEI has among the most restrictive capacity limits in Canada. While many provinces have allowed a percentage of overall capacity or a guideline based on ensuring Physical Distancing, PEI has set a limit of 50 diners, no matter the restaurant size, which is smaller than any other Atlantic Province.

4. Myth: All tourism jobs pay minimum wage

Reality: Like most industries, many entry-level tourism jobs have starting wages near the minimum wage. These jobs provide needed employment for young people, students and those re-entering the workforce.

In addition to entry-level jobs, the tourism sector also creates thousands of management, maintenance, and supervisory roles. These jobs pay much higher wages and provide year-round health benefits and dental plans. Tourism businesses invest significant money in providing additional training and advancement opportunities to their staff.

Tourism has evolved into a year-round industry on PEI.

5. Myth: If businesses attract fewer customers, then less food and supplies are being purchased, so they aren't losing money.

Reality: Businesses in the hospitality industry already operate on tight margins and have fixed and variable expenses. While it is true that variable costs like food purchases and labour are reduced with smaller capacities, many expenses such as rent, equipment leases, utilities, interest on borrowed money are fixed expenses.

With fewer customers to support those fixed expenses, any reductions in purchases like food do not allow the business to be profitable even when they are full at their reduced capacity.

Businesses also face new variable expenses with the increased costs of cleaning, disinfection, and contact tracing to respond to the pandemic.

This same scenario applies to tourism attractions and hotels as well. With a reduced number of customers, fixed expenses significantly impact the business community's long-term viability.

6. Myth: The Atlantic Bubble saved the Island's tourism season.

Reality: While tourism operators welcomed the opening of the bubble, it was never able to replace the over 1.5 million tourists that visit PEI each year.

The Atlantic Bubble did, however, ensure that many businesses did try to open in 2020. Still, our Atlantic guests tend to have shorter stays and spend less per visit than visitors from further away such as Ontario, Quebec and the United States.

Without cruise ships, conventions and events to help extend the tourism season, most businesses operated fewer hours and days in 2020.

7. Myth: Tourism is affected everywhere; PEI is no different than anywhere else.

Reality: While it is true that tourism was affected by COVID-19 across Canada and the world, tourism is three times more important to PEI's economy than in any other Canadian province as the Islands tourism sector generates over 7% of GDP on PEI.

Due to our province's small local population, travel restrictions had a more considerable impact on PEI. In comparison, destinations such as Banff, Niagara on the Lake and Mont-Tremblant saw increased visitation from their home provinces to replace out of province tourists. That increase did not happen on PEI. In fact, during July, fewer Island guests visited both fixed-roof accommodations and campgrounds than in 2019.

We need the support of our Island friends and families throughout this pandemic. Due to our small size, we will never sustain our business community on "buy local, support local" initiatives alone.

8. Myth: Tourism operators only care about making money, not public health.

Reality: Tourism operators know that the first step in rebuilding a thriving tourism industry is to continue our enviable public health record to date towards COVID-19.

Tourism operators want to ensure that we reopen the economy safely while preventing the spread of the virus. During this past season, tourism operators worked hard to ensure the safety of their guests, staff and the general public.

As we advance, we want to ensure that PEI's businesses operate under similar rules and regulations to our neighbors in the other Atlantic Provinces. As part of being in the bubble, we must work together to have common-sense rules for all businesses to follow. For this reason, the tourism industry will continue to support investments in public health, testing, and contact tracing abilities to allow us to get back to doing the things we love, welcoming visitors.