



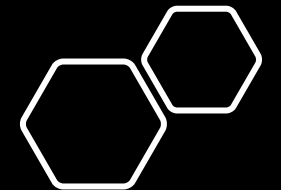
BCEDA

BC Economic Development Association



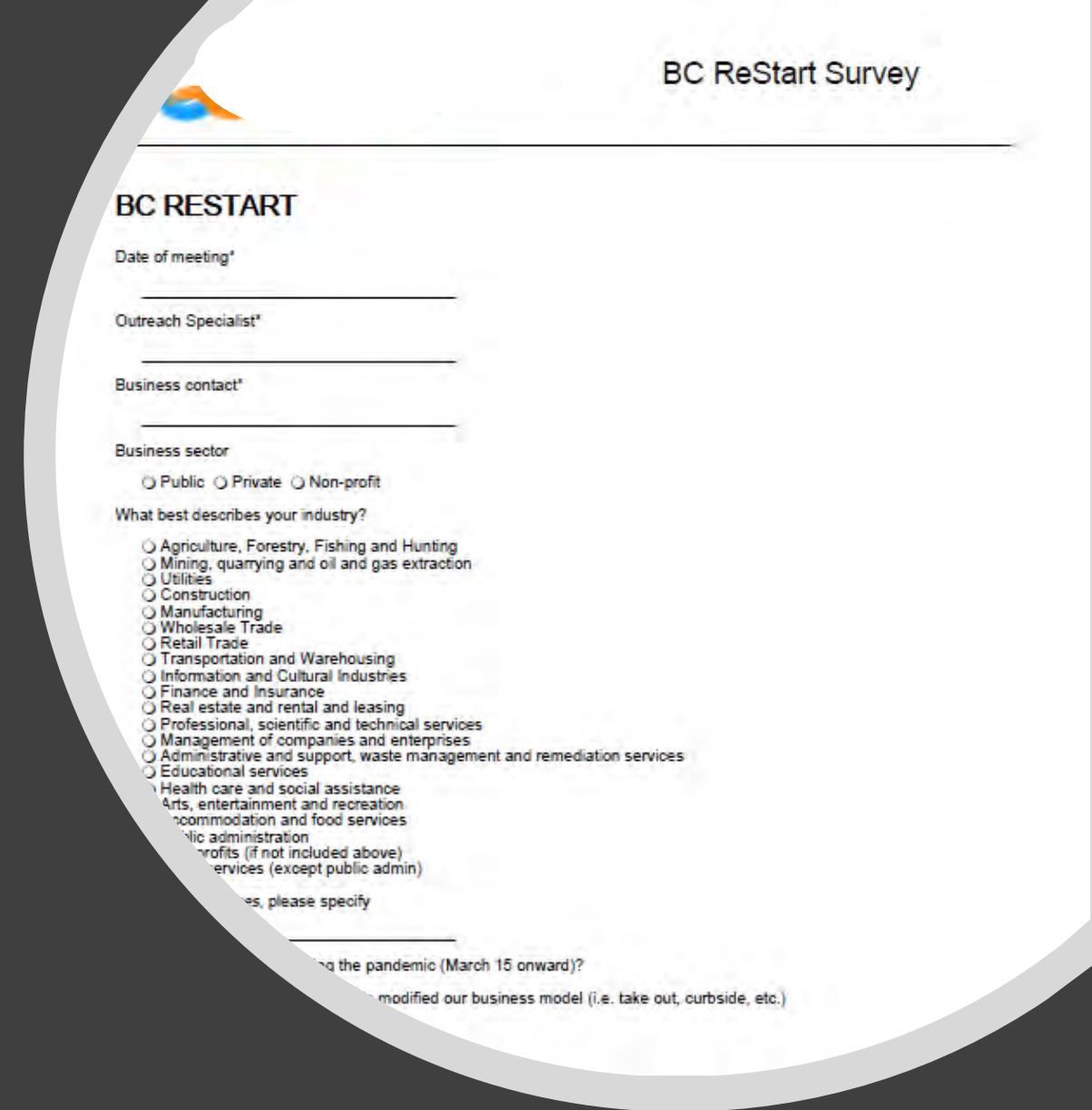
BCEDA EDRP COVID19 - Economic Response and Recovery (Restart) Conference Call

Thursday, May 28, 2020



What is BCEDA Doing?

- COVID19 Webpage:
<https://www.bceda.ca/covid19.php>
- Resources for BC Businesses Guide
- COVID19 Bulletin
- Business ReStart Plan Template
- Municipal Restart Survey
- Restart Survey Phase 3 - FortisBC





1-888-772-4667
Hotline Powered by FortisBC

Businesses can call to:



Complete the Business Restart Survey

- New survey focused on reopening
- Aggregate data to be shared with communities
- Also available online: <https://bit.ly/3dc8Oxg>



Register for SupportLocalBC.com

- Gift card website
- Businesses get 100% of proceeds
- Incentives – Buy a \$25 gift card for a Northern BC business & LNBC will pitch in \$25 to buy another gift card from a Northern BC business

Resource Updates

- Canada Emergency Commercial Rent Assistance
- Business Resilience Service – 1-866-989-1080
- Innovation Canada – Business and Individual
- Destination Marketing & Management Toolkit





Dave Frank
Executive Director

BC Aviation Council

COVID-19 and B.C.'s Aviation Sector: A Tragedy

Webinar Hosted By
BC Economic Development Association

Dave Frank, Executive Director

Dave@BCAviationCouncil.org

May 28th, 2020



Today's Presentation

- Who Is The British Columbia Aviation Council?
- Importance of Aviation/Aerospace
- How Airports & Travel Will Be Changed/Reshaped
- Current Situation - Survival
- “Green Shoots” - Stabilization
- Our Ask of Governments - Recovery



Who Is The BCAC?

- Industry Group for Aviation and Aerospace
 - 340 Member Registered Charity, Member-Driven and Funded
 - In Existence for 82 Years
 - An Industry that is Visible, Connected, Thriving
 - We Communicate, Facilitate and Amplify Our Industry's Voice
-
- \$300,000 Scholarship Endowment
 - Over \$70k Distributed Annually in Scholarships (non-COVID years)
 - Conduct the Annual Silver Wings Industry/Scholarship Awards (ditto)
 - On Federal Advisory Committees
 - House of Commons Transportation Invited Witness
 - Work With 16 National and Regional Associations



Working Together



Importance of Aviation/Aerospace

- In 2019, the province's aviation and aerospace industries directly employed over 44,000 professionals and contributed \$12.6 billion to Canada's Gross Domestic Product
- Beyond that, Aviation is the most powerful socio-economic infrastructure a Community has



How Airports & Travel Will Be Changed/Reshaped

- Have Absolutely No Idea
- But Change it Will
- Why?

Current Situation

- The Industry is Decimated
- Over 93% of Business Activity is Gone
 - 41,000 People Directly Impacted
 - \$11.5 Billion in Gross Domestic Product – Poof!
- Several Remote & Indigenous Communities Lost All Scheduled Air Services

“Green Shoots”

- Aviation is a “Get It Done” Industry
- There is Still a Skeletal Scheduled Network
 - Flight’s per Week, Not per Day
- Carriers Starting to Put Toe Back in the Water
- Increased Cargo Systems and Small Charters
- Medevac Continues Exceptional Work
- Ready for Forest Fire Season
- Flight Schools Are Back in the Air



Our Ask of Governments - Federal

- Transport Canada Has Been Extremely Responsive
- Provide low barrier forgivable business loans/grants to essential small or regional air operators and aircraft maintenance providers to cover such costs as NAV CANADA charges, airport charges, aviation fuel excise taxes, rent and ground handling fees – Survival
- Ensure that all airports, irrespective of their ownership model, are eligible for all programs launched to combat COVID – especially the Canada Emergency Wage Subsidy program and Rent Subsidy Program – Survival
- Flexibility to adjust tight implementation deadlines and dedicated federal funding to help airports meet new regulatory requirements – Survival
- Increase Airport Capital Assistance Program (ACAP) funding to \$95 million and relax program's guidelines – Recovery
- Increase funding for Destination Canada to promote travel domestically, as well as to stimulate international tourism to Canada once travel rebounds – Recovery

Our Ask of Governments - Provincial

- Double funding for the British Columbia Air Access Program (BCAAP)
Funding – Survival/Recovery
 - Use the program in 2020 to support airport operating costs
 - Increase the program's contribution to projects to 95%
- Increased funding for Destination BC to stimulate domestic travel, as well as to support international tourism to Canada once travel has begun to rebound – Recovery
- Increase the amount of Student Aid available for domestic Students to reflect the approximately \$85,000 commercial pilot license program cost (the Alberta model) – Recovery

Our Ask of Governments - Municipal

- Write letters of support to the Federal and Provincial governments – especially if an Airport Community
- Support your local airport
- BCAC can help facilitate



Thank You!

Fly Safe and Be Well

Dave@BCAviationCouncil.org





Chad Munchinsky
Airport Business Development &
Community Relations Manager

Geoff Ritchie
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Airport Development



Kelowna International Airport

COVID-19

Kelowna Air Service Recovery

Presented to:

British Columbia Economic Development Association



28 May 2020



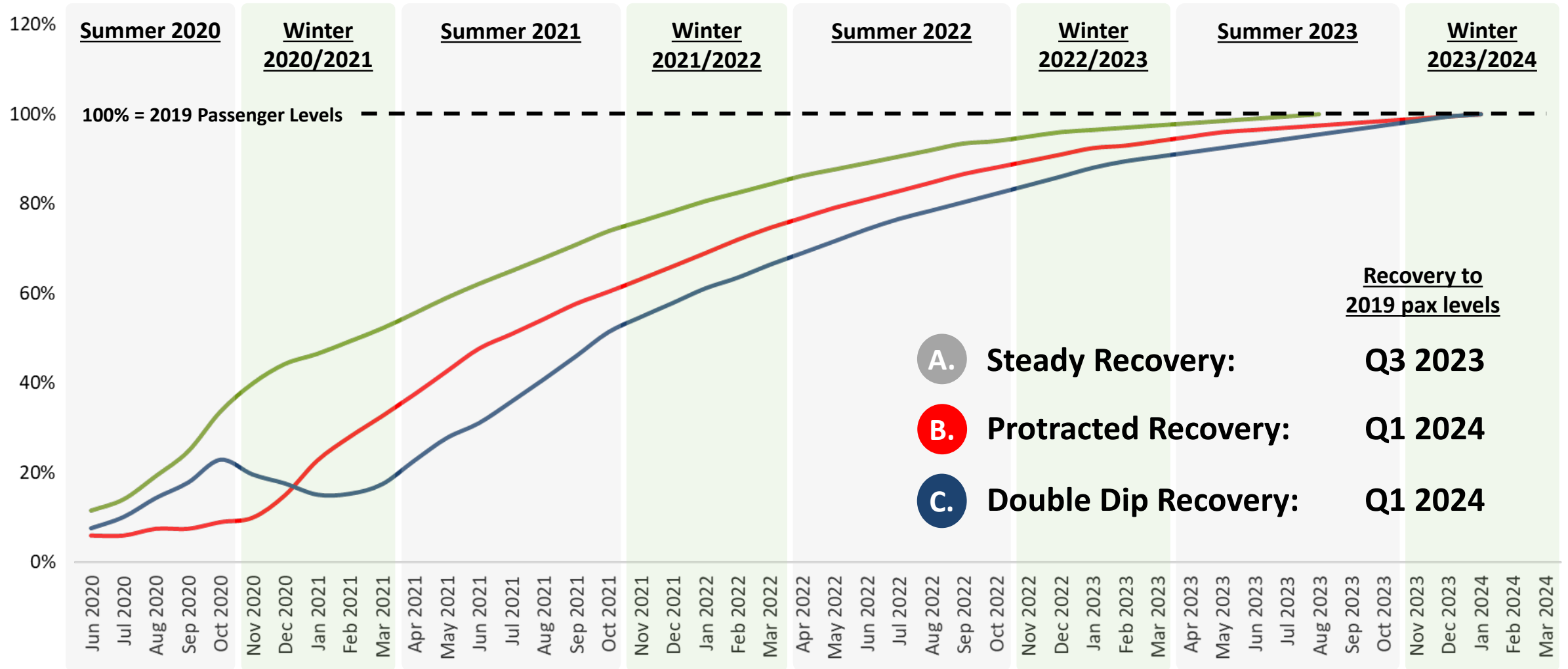
YLW: Month of April 2020



		2020		2019		Variance	
		April	YTD	April	YTD	April	YTD
PAX In	Domestic	2,920	204,350	70,772	309,553	-95.87%	-33.99%
	Transborder	81	14,474	3,824	21,465	-97.88%	-32.57%
	International	-	12,011	3,578	21,404	-100.00%	-43.88%
	Combined	3,001	230,835	78,174	352,422	-96.16%	-34.50%
PAX Out	Domestic	2,691	204,254	71,712	317,859	-96.25%	-35.74%
	Transborder	14	13,900	3,218	19,986	-99.56%	-30.45%
	International	-	10,006	2,428	19,748	-100.00%	-49.33%
	Combined	2,705	228,160	77,358	357,593	-96.50%	-36.20%
Total PAX	Domestic	5,611	408,604	142,484	627,412	-96.06%	-34.87%
	Transborder	95	28,374	7,042	41,451	-98.65%	-31.55%
	International	-	22,017	6,006	41,152	-100.00%	-46.50%
	Combined	5,706	458,995	155,532	710,015	-96.33%	-35.35%

April 2020 passengers were 96.3% lower than previous year.

YLW Air Service Recovery Scenarios



Global companies matter to regional and local economies



- Q1'20: \$1.7B Loss, Core Operations
- Workforce Reduction: 16,000 jobs
- JV with Embraer canceled
- 737MAX customer orders:
 - 150 cancellations in March
 - 108 cancellations in April



- Workforce Reduction: 3,200 jobs
- April aircraft deliveries 80% lower year over year
- 66 aircraft cancellations YTD April 2020

Airline Bankruptcies (To date May)

- LATAM
- Thai Airways
- Avianca
- Virgin Australia
- Norwegian Denmark/Sweden
- Air Mauritius
- South African Airways
- Ravn Air, Compass, Miami Air



- Workforce reduction planned: 20,000 jobs of 38,000 total
- -75% capacity reduction in Q3 2020
- Right-sizing fleet: Retiring 79 older aircraft (all B767s, A319s, E190s)
- AC Rouge will continue with greater concentration of narrowbody fleet
- Minimum 3 year recovery timeframe



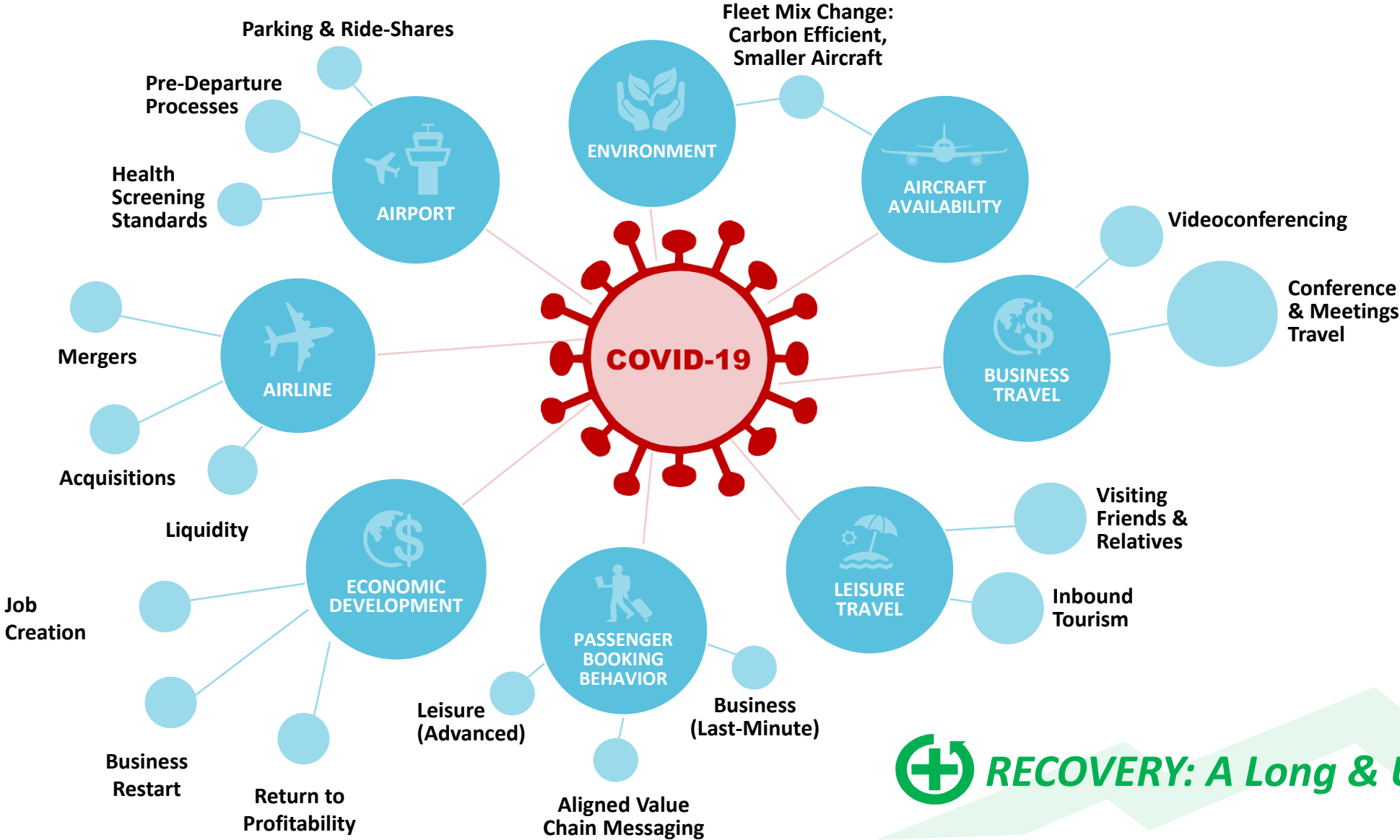
- 135 of 181 aircraft parked (early May 2020)
- Domestic route reductions until 04 July
- Transborder/International suspensions through 25 June
- Air travel to begin recovery in Q4 2020
- CEO Ed Sims: "We might not be our previous size for a long time, if ever"

Airline Cash Burn (March/April 2020)



Airlines, Airports, and Aerospace companies drive the world economy – in turn, effecting your economy

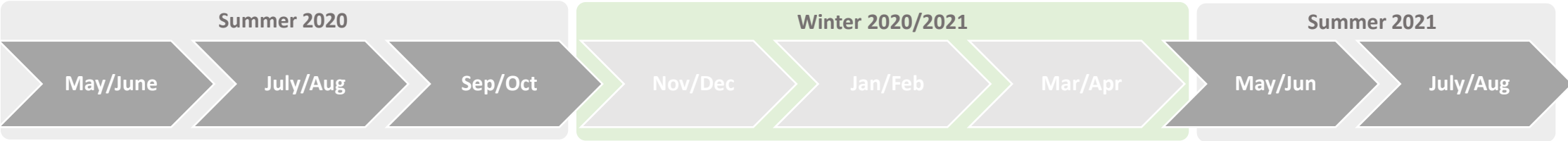
A Multitude of Factors in Air Service Recovery



 **RECOVERY: A Long & Uneven Journey**

Protracted Recovery Strategic Framework

For Discussion



	17k 6%	24k 7%	27k 8%	41k 13%	90k 25%	122k 35%	143k 45%	187k 53%
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- | | | | |
|---|---|---|--|
| <ul style="list-style-type: none"> • Provide a safe travel environment • Work with partners for demand generation initiatives • Communicate demand to airline network planners | <ul style="list-style-type: none"> • Develop technologies supporting safe travel • Adjust operations to suit changing requirements • Continue to communicate demand requirements to airlines | <ul style="list-style-type: none"> • Deploy technologies supporting safe travel • Enhance winter strategies and begin summer sector demand • Continue to communicate demand requirements to airlines | <ul style="list-style-type: none"> • Communicate sector air service requirements to airline network planners • Begin winter strategy and enhance summer • Continue to communicate demand requirements to airlines |
|---|---|---|--|

- Partner with YLW, other airports, and airlines to support demand through marketing initiatives for support of air service recovery to benefit all industry sectors.
- Drive demand in all market segments, don't just support "what we are good at locally" target the overall regional/provincial economic development first and local benefits will follow.
- Align and deliver consistent messaging regarding the safety practices in place to help generate confidence and trust in the whole value chain from house, to airport, to business.
- Be prepared to support this collaboratively as a medium to long term initiative, its not a short term recovery. Defer the smaller issues for now and concentrate on the large scale recovery.

- | | | | |
|---|---|--|---|
| <ul style="list-style-type: none"> • Clean sheet opportunity to design the new network. Demand, not capacity driven. • Short term planning, month to month based on demand on any given route. • Fleet reshaping will determine available capacity. • Advance bookings key to route availability. | <ul style="list-style-type: none"> • Due to depressed Summer season, winter season flying will be only increased slightly. • Shorter winter peak season and reduced capacity in winter shoulder periods. • Support of routes with higher load factors and frequencies over others. | <ul style="list-style-type: none"> • Strong advanced bookings key to reinstate additional Transborder and International capacity. • Airport support in deploying technologies for 'safe' travel confidence. • Return of premium passenger revenues. | <ul style="list-style-type: none"> • Airlines will begin to reinstate additional capacity. • Service offerings improve with increased premium revenues. • Continued fleet management and route development for strong markets. |
|---|---|--|---|

Airport Pax (% of 2019 Pax)

What can the airport do?

How can Economic Development Partners help?

What will the Airlines be planning and looking for?

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Serge Corbeil

Director - Government Relations, Local
and Provincial

Air Canada



Air Canada COVID-19 Recovery Effort to Re-start the Visitor Economy

First flight from
Vancouver to Seattle



September 1
1937



Air Canada at a Glance – A Look Back

- Air Canada is **Canada's largest airline** and the largest provider of scheduled passenger services in the Canadian market, the Canada-U.S. transborder market and in the international market to and from Canada.
- In 2019, Air Canada together with its Air Canada Express regional partners carried close to **52 million passengers**.
- Air Canada: over **220 destinations** worldwide – 64 in Canada, 60 in the US and 98 in Europe, Africa, to the Middle East, Asia, Australia, the Caribbean, Mexico, Central America and South America.
- One of the 20th largest airlines in the world and one of only 12 airlines that serve six continents.



Air Canada in B.C.

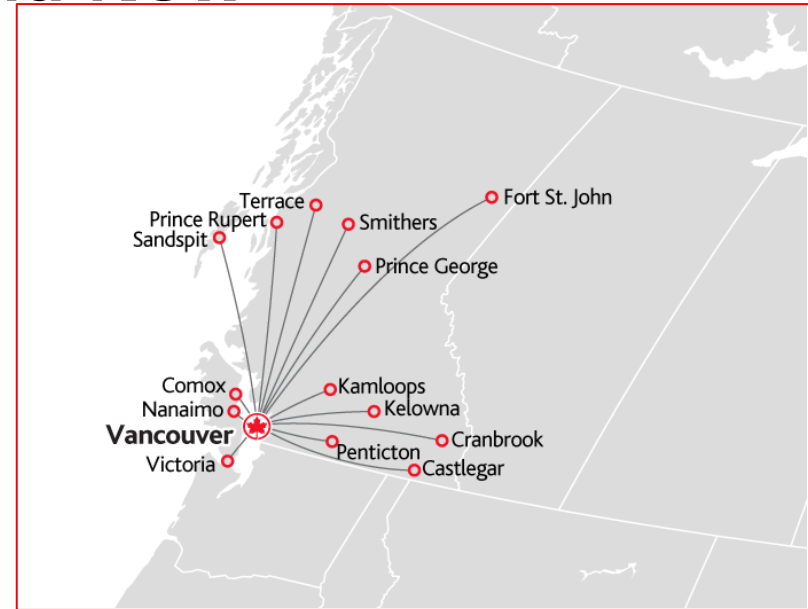
- More than **5,300 employees** in Metro Vancouver
- With our partner airlines, more than **7,000 in B.C**
- **Over \$1.1 billion in expenditures**
- **Support 9,133 jobs**
- Tourism economic contribution of **\$600 million** supporting **6,370**



Air Canada in B.C. Then and Now

Pre-Covid:

- Fly to **16 airports** in the province
- **69 destinations** through the YVR hub:
 - 26 in Canada
 - 20 in USA
 - 23 International



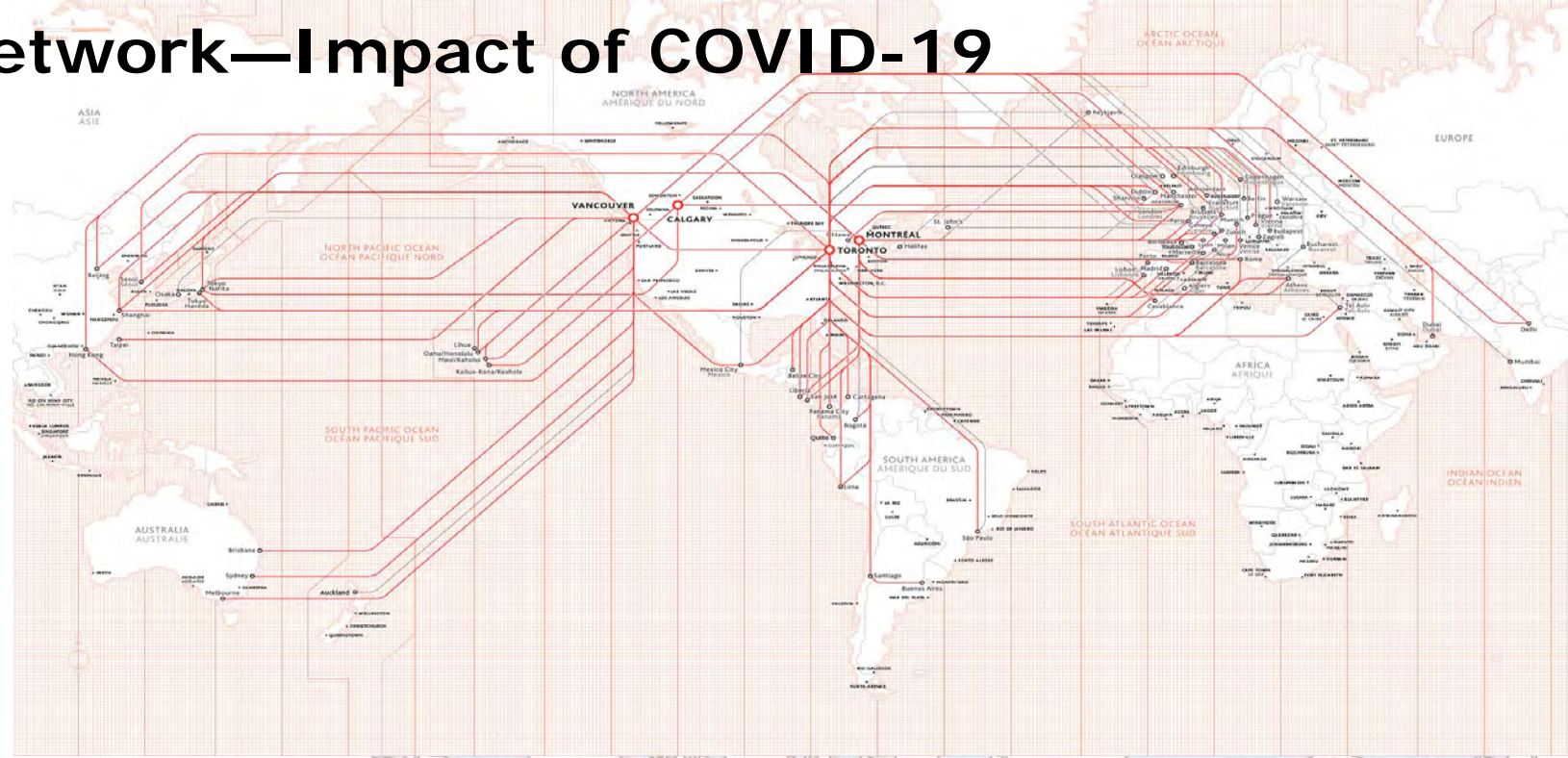
Currently (May schedule):

- Fly to 5 airports in the province
- 16 destinations:
 - 11 in Canada
 - 2 in USA
 - 3 International



Our Network—Impact of COVID-19

March
2020



April
2020



Tourism in Canada



- Generates \$102 billion in annual economic activity, 1.8 million jobs and accounting for over 2% of GDP.
- Tourism is Canada's largest service export, valued at over \$22 billion in 2018 and close to 20% of all service export revenues.
- Prior to COVID, the GOC outlined 2025 economic targets for Tourism in Canada
 - Increase revenue by 25% to \$128 billion
 - Increase jobs by 7.3% (or 54,000 new jobs)
 - GDP: growth in the visitor economy to outpace growth in the national economy
- Source: [Tourism Growth Strategy](#)



A SIGNIFICANT CONTRIBUTOR TO THE CANADIAN ECONOMY

Air Canada contributes approximately \$21B to Canada's GDP and supports the employment of almost 190,000 people. ¹

A MAJOR CONTRIBUTOR TO CANADA'S ECONOMY



**5 MILLION
FOREIGN TOURISTS**
contributing to an additional
\$3.4B
in GDP impact

1. KPMG and Intervistas, 2018



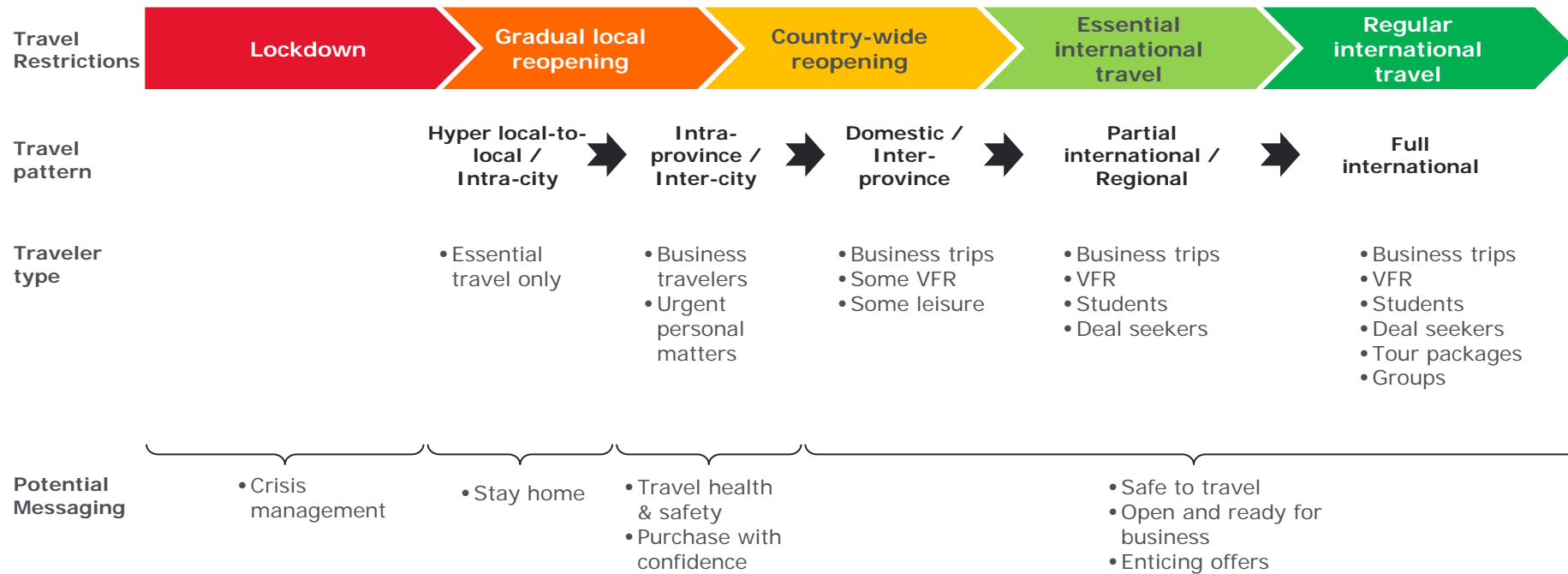
\$47B
In total annual
economic output ¹





THE RE-START APPROACH

A PHASED APPROACH TO RECOVERING TRAVEL DEMAND



BOOK AND FLY WITH CONFIDENCE



Air Canada CleanCare+

- Mandatory pre-flight customer temperature checks (first in the Americas)
- More personal space in Economy Class at least until June 30, 2020
- Personal care kits containing disinfectant and safety items
- Electrostatic cabin spraying to reinforce aircraft grooming protocols
- Revised food product minimizing crew and passenger contact
- Customer face-coverings and employee Personal Protective Equipment now mandatory

Safe to fly

Air Canada Vacation CareFlexPlus

- A travel protection plan that allow customers to change plans and get a full refund on Air Canada Vacations packages
- Reinforce ACV's "Canada Promise"
- Offer reduced deposit option for consumers and travel agents

Safe to book

Flight Changes and Cancellation policies

New bookings made up to June 30, 2020 can be changed without fees for original travel between March 1, 2020 and June 30, 2021.

Customers with refundable tickets will continue to have the option of refunds:

1. Air Canada Travel Voucher for the remaining value of their ticket that has no expiry date, is fully transferable and retains any residual value or;
2. Ability to convert the remaining value of their ticket into Aeroplan Miles, with 65 per cent more value versus the normal rate for buying Miles.



Helping Connect the World Beyond Hub Cities

Initiatives that contribute to ease of connection to regions:

- One Stop Security: passengers transiting through a Canadian airport do not need to go through security (CATSA)
- International to Domestic: passengers arriving from an international flight pick up their luggage at their final destination.



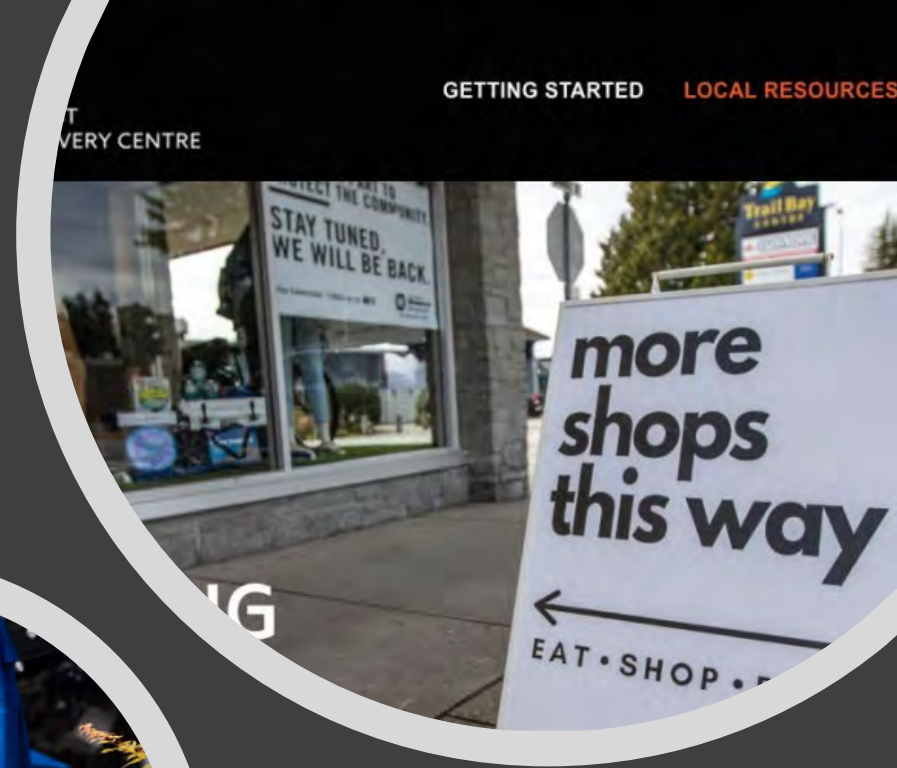


Thank you
Merci

aircanada.com

What Communities and Others are Doing?

- Sunshine Coast Business Recovery Centre
- Port Coquitlam – Free Patio Construction
- City of Victoria – Business Restart Toolkit



Questions

- What type of assistance would be helpful from the Province of BC and the Government of Canada? For you, or your businesses.
- What type of assistance could BCEDA provide?



Thank you

- Please send us an email with topics that you would like to see covered in future conference calls/webinars.
- If you have ideas on things we should be doing, are willing to offer assistance, or just want to provide us with updates on how this crisis is impacting you, please reach out.

We are confident that together we will all come through to the other side, and when we do, our communities and our economy will prosper. When that great day comes, BCEDA will be there to support our return to normalcy and our ability to retain and attract businesses, residents and tourists. Be safe.