

Winnipeg and Manitoba COVID-19 Performance: July 2020

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Bottom Line / Introduction

As Manitoba enters phase 4 after the COVID-19 pandemic lockdown, and we review provincial government plans to [reopen schools](#), it is a good time to reflect on the last few months. In this issue, we take stock of the situation in Manitoba as of July 2020 providing a snapshot of COVID-19 cases and deaths by a variety of geographies. Next, we look at the latest federal economic and fiscal situation, as well as the economic update from the Manitoba provincial government. From there we briefly review actions by the City of Winnipeg and finally information on the broader economy.

COVID-19 Cases: World, Canada, Manitoba, and Manitoba Regions

As of July 27, 2020, Canada has experienced 0.7 per cent of global cases, and 1.4 per cent of global deaths. In contrast, Manitoba has only 0.4 per cent of Canada’s COVID-19 cases, and 0.1 per cent of Canada’s deaths (**Table 1**), representing the lowest total cases in Western Canada.

Table 1: COVID-19 Total Cases and Deaths (as of July 27, 2020)

Geography	Total Cases	Total Deaths
World	16,249,165	649,208
Canada	113,898	8,890
Manitoba	400	7
MB - Winnipeg	249	5
MB – Not Winnipeg	151	2
Canada Share of World	0.7%	1.4%
Manitoba Share of Canada	0.4%	0.1%

Dynamic data sources on the COVID-19 outbreak for:

- The globe is [here](#).
- Canada is [here](#).
- Manitoba is [here](#).

Canada: Federal Government Economic and Fiscal Update

The Federal government has shouldered much of Canada’s financial burden dealing with COVID-19. The federal deficit has moved from an estimated 28.1 billion dollars, to an estimated 343 billion dollars (as noted in the July 8, 2020 [Federal Economic and Fiscal Snapshot](#)) due to COVID-19 revenue reductions and expenditure increases.¹

The largest expenditures occur in the category of income and business support programs, such as the **Canada Emergency Response Benefit (CERB)** and **Canada Emergency Wage Subsidy (CEWS)** support. The income and business supports have helped to bridge Canadian families and businesses through the lockdowns. Significant

¹ Detailed economic and fiscal projections here: <https://www.canada.ca/en/department-finance/services/publications/economic-fiscal-snapshot/details-economic-fiscal-projections.html>

[monetary](#) and financial actions have taken place alongside fiscal actions. As noted in the Winnipeg Free Press, [fewer Manitobans are accessing federal emergency funds](#).

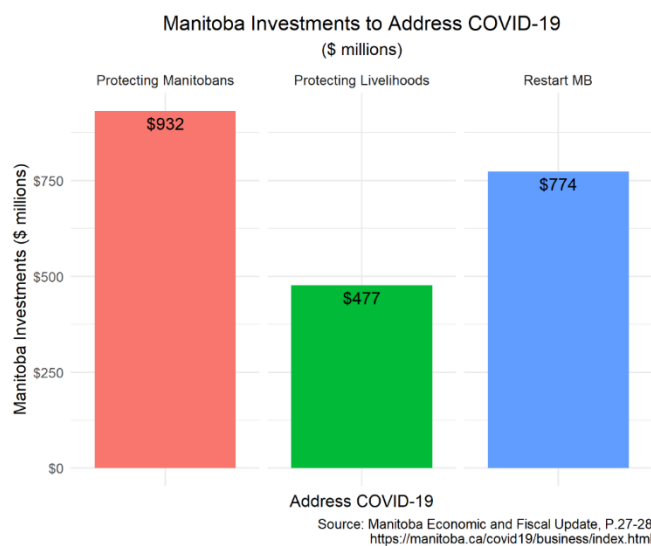
Beginning in early May, restrictions began to ease in a variety of provinces, including Manitoba. People, governments, and businesses continue to adapt to the new normal. It is expected that the need for extraordinary supports will continue to ease, but at variable rates. **The situation in some specific industries will take longer to recover, depending on the sector.** For example, businesses that are dependent upon: **foreign travel to/from Canada**, as this is dependent upon other countries COVID-19 situation and assessments.

Other businesses face profitability issues in adapting their bricks and mortar marketing channels to COVID-19 health measures. Marketing channel innovation (e.g. e-commerce, delivery, curbside), and the addition of new lines of business needs to continue.

- ❖ According to the May 2020 **retail sales** data, clothing stores were struggling, in part due to lingering effects of the lockdown. How can e-commerce solutions substitute for physically trying on clothes?
- ❖ **Large sports/live events** that typically take place in indoor venues that have crowds in excess of 500 people are cancelling. Would pay-per-view or online password-protected livestreams, or other marketing channels boost revenues sufficiently to achieve break-even or better results?

Province of Manitoba: Economic and Fiscal Update

Figure 1: Manitoba Investments to Address COVID-19 (\$ Millions) – Source: WED Issue 21.



The Manitoba government has taken significant reparative actions related to COVID-19, particularly related to healthcare and fiscal supports for individuals and firms. Details can be found on the provincial government [COVID-19 site](#). Details for restarting the Manitoba economy, post-lockdowns, can be found on the [Restart MB](#) webpage. Manitoba entered [phase 4](#) of the recovery July 25, 2020.

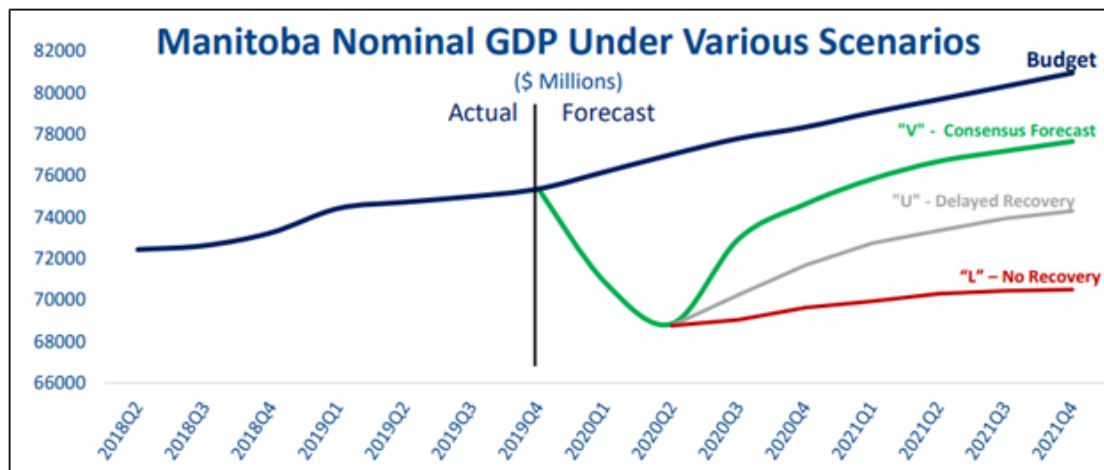
COVID-19 has had a significant effect on the provincial government's expenditures and revenues. As noted in

[issue 21](#) of the Weekly Economic Digest,² the province of Manitoba released its [Economic and Fiscal Update](#) on June 30, 2020.

² Chris Ferris (July 7, 2020), "Manitoba GDP Forecast," Weekly Economic Digest, Volume 1, Issue 21, Economic Development Winnipeg. [Weekly Economic Digest volume 1, Issue 21](#).

The province indicates that they will invest over 2.1 billion dollars to address COVID-19 impacts and grow/maintain the economy over the 2020/21 and 2021/22 fiscal years. Provincial revenues have also fallen this fiscal year due to COVID-19.

Figure 2: Manitoba Nominal GDP, Quarterly, Under Various Scenarios (\$ Millions)



The province considered three scenarios for Manitoba's nominal GDP. **Note: A V-shaped recovery is the consensus forecast for Manitoba's nominal GDP (Figure 2), as of the June 30, 2020 update.**³ A V-shaped recovery anticipates a rebound in the second half of 2020, bouncing off the April 2020 lows. Containing the health effects of COVID-19 is key to containing the economic effects of COVID-19.⁴ We all have a role to play in this.

Winnipeg

Municipal Government of the City of Winnipeg

The City of Winnipeg took decisive action to support citizens and businesses, while adjusting financial programs to hold the line on expenditures.

Table 2: City of Winnipeg Tax Deferral Timing

Tax	Due Date	Late Fees Waived Until
Property Taxes	Jun 30, 2020	Oct 1, 2020
Business Taxes	May 29, 2020	Sep 1, 2020
Tax Installment Payment Plan (TIPP) Program fees	Jun 30, 2020	Oct 1, 2020

On April 3, 2020, the City of Winnipeg [announced](#) that it would allow property and business tax deferrals, with no late penalty charges. All were encouraged to pay on time if they could.

³ See Manitoba Government (June 30, 2020) [Economic and Fiscal Update](#), page 17.

⁴ See Manitoba Government (June 30, 2020) *Ibid*, page 16.

Based on information announced [June 25, 2020](#),⁵ approximately 9 per cent of homeowners and businesses took advantage of any City of Winnipeg tax deferral program, well below the initial forecasted 15 per cent. This 9 per cent represents approximately 5.4 million dollars in deferred taxes.

The City acted to protect its financial position, including the financial stabilization fund and liquidity position (**Table 3**). The information in Table 3 can be found under item seven, titled “Addressing the Financial Challenges of COVID-19” [here](#).

Essential services such as water and waste, and garbage collection were continued throughout, and a variety of public health (PPE) and social distancing measures were implemented to protect staff from possible COVID-19 infection. The city kept up its infrastructure spending. Including road renewal, work on the North End treatment facility and other infrastructure priorities.

As in many workplaces, large portions of city staff were working from home during the lockdown period. Over the last month, a large number of city staff have transitioned back into their regular workplaces (or returned from a temporary layoff). The civic workplaces have a variety of social distancing measures and PPE in place.

Table 3: Selected Expenditure and Financing Actions by the City of Winnipeg

Category	Description
Expenditure: Staffing and Related Service	A temporary layoff of non-permanent community services staff (note: service levels were increased after allowed under the province’s phased-in recovery plan). Splash pads opened up in June, helping people to beat the heat.
	City libraries had closed during the lockdowns. All library branches will be reopened by August 4, 2020 (except Cornish Library due to renovations), but at partial capacity to enable social distancing.
	Hiring freeze for remainder of year at the City of Winnipeg
	Voluntary Furlough program
	A temporary reduction in transit service due to reduced transit ridership at the start of the lockdowns (note: service levels have since been increased)
Expenditure: Other	Departments being ordered to reduce discretionary spending
	Freezing fleet (vehicle) purchases
Financial Adjustments	Adjusted timing of debt borrowing, Replaced cash to capital with debt financing, and Deferring certain transfers to programs.

Winnipeg Economy

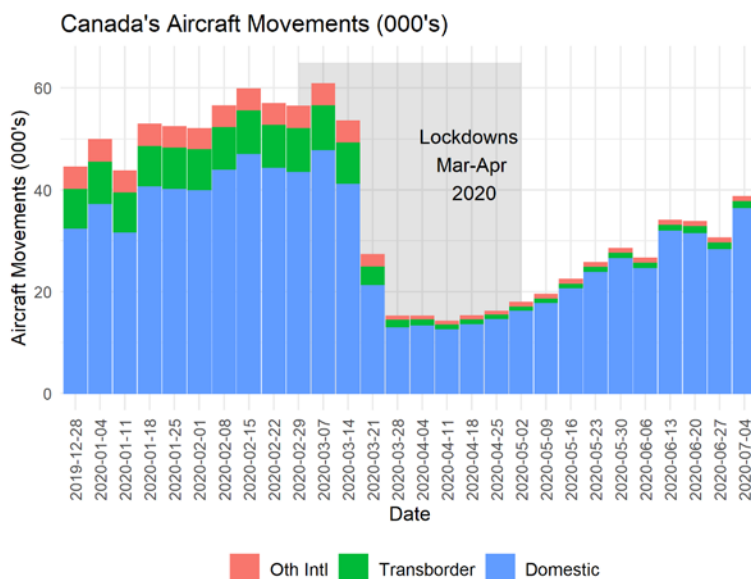
The lockdowns saw reduced economic activity in late March and April. As the province has implemented a phased-in recovery, we have seen activity increase in many sectors, including manufacturing, wholesale, retail, trade, adding to the number of people employed in Manitoba. For the most part, Manitoba’s position is better than the Canadian average compared to February 2020.

⁵ City of Winnipeg (July 9, 2020). Standing Policy Committee on Finance Regular Meeting, [Decision Making Information System](#). See page 3, under item 7.

The industries that were most affected by COVID-19 early on were mainly service related sectors, but there were effects on goods production. Tourism was hit particularly hard, but is beginning to show signs of recovery.

- **Sports and Entertainment venues**, events that typically require large groups of people have been closed since late March. Many 2020 summer festivals, events and business conferences were postponed or canceled. Some events have switched to online versions. **As of Phase 4, larger indoor and outdoor events can take place.**
 - If CFL season and playoffs go ahead, Winnipeg will be the Hub city this year. Like many other sports leagues around the world, fans will not be allowed in the stadiums to watch the games. Players and support staff will have to stay within a CFL bubble.⁶
- **Museums** were closed due to the lockdowns. They started to reopen in phase 4, if they have not already reopened.
- **Restaurants** are now starting to offer sit-down dining again (*with social distancing and other restrictions*). Many adapted early on by offering delivery (*with their own staff or third party services like Skip the Dishes*), with some offering grocery services as well.

Figure 3: Canada's aircraft movements (000s), weekly



Source: Statistics Canada, aircraft movements, weekly Unadjusted, Tables 20-10-0008-01

- **Airlines** are still showing lower numbers of aircraft movements than normal, but it is picking up from March/April lows. For Canadian weekly figures, see (Figure 3).⁷
- **This data does not speak to average capacity utilization of the flights/movements, but does point to the beginnings of restoring confidence in the safety of domestic flights.**

• Flights in Canada require the use of masks on the flight, and in the secure zone. As of Monday July 27, 2020, Non-medical masks are required for anyone at the Richardson

⁶ See <https://www.cfl.ca/2020/07/21/winnipeg-tentatively-chosen-hub-city-2020-season/>

⁷ See Statistics Canada. [Table 23-10-0287-01 Domestic and international Itinerant aircraft movements, total of all airports with NAV CANADA towers, weekly.](#)

- International Airport in Winnipeg. **Air cargo** is a bright spot in airport activity. This related to the increased demand for e-commerce.⁸
- **Domestic travel restrictions** are slowly easing with Western Canada and North Western Ontario, as noted in the province's phase 4 plan.
 - [Tourism Winnipeg](#) and our Marketing & Branding department are coordinating with [Travel Manitoba](#) on a promotional campaign "**Save Our Summer**" to encourage people to save their summer and travel locally.
 - **Retail** has taken a sharp hit due to the lockdowns, with the exception of grocery stores and pharmacies. Ecommerce solutions (own website, or using a market like Amazon/Shopify), or offering curbside or delivery has allowed retail firms to stay open and prop up revenues.
 - Retail sales are starting to turnaround now that the lockdowns have eased. They face higher costs due to PPE and related items, as they cannot have as many people in stores as they typically could before.⁹ Plexiglas and masks have played a key role in enabling reopening where social distancing is not an option (particularly at checkouts).
 - **Film production** has reopened. As of Phase 3, a protocol is in place so that film productions can come to Manitoba without a local self-isolation if they have self-isolated at home before coming.
 - **Office staff across many industries** worked from home, with some continuing to do so after the lockdowns began easing in May 2020. Other firms have adapted their office protocols and flow of staff to enable socially distanced reopening of their offices.
 - Various **goods manufacturers** took some supply chain hits, particularly on complex goods from overseas, or on movement overseas. Manitoba's **hog processing** sector managed to avoid any COVID-19 related shutdowns. Most manufacturing firms quickly adapted their production floors to enable social distancing. Sales have begun to rebound.
 - Numerous companies in Winnipeg have retooled to help fight COVID-19, making PPE, hand sanitizer and other needed items. See EDW's [news](#) webpage for some examples between March and July.

EDW Contacts for Assistance or Inquiries:

- **For Winnipeg businesses looking for help accessing government programs, please reach out to our Yes! Winnipeg Team** through our [Help us help you form](#) if you are not sure who to contact on the Y!W team.
- For general inquires please email wpginfo@edwinnipeg.com.
- For Marketing & Communications Inquiries, please email marketingandbranding@edwinnipeg.com.

⁸ See Chris Ferris (July 24, 2020), [WED # 24, July 24, 2020](#). P.6.

⁹ See Chris Ferris (July 24, 2020), [WED # 24, July 24, 2020](#).