

## Restoring Public Confidence

*Safely returning to domestic and international passenger travel*

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### Bottom Line

The COVID-19 pandemic has resulted in significant disruption to the demand for, and supply of, mass transportation of people both domestically and internationally. This is due to COVID-19 travel restrictions (containment), and a lack of consumer confidence. Voice and video communication has proven to be an adequate substitute for some situations, but most trip plans have been abandoned or delayed. This has had a major impact on the revenue streams of the business and leisure travel sector, including accommodations, convention centres, museums, and large sporting events. In addition to sales disruption, businesses may be experiencing secondary effects such as staff learning and training setbacks, productivity losses, loss of long-term contracts and renewals, and decreasing ability to attract financing of projects.

Recovery in the travel sector will be heavily dependent upon the return of consumer confidence in the safety of mass transport. Getting Canadians vaccinated and other public health actions against COVID-19 will allow the safe restoration of our various modes of mass transportation of people for business and leisure.

Given that the rollout of vaccine programs across countries will vary significantly, we will need to be mindful of ways of restoring international travel linkages. Recent, negative COVID-19 tests are in use (rapid tests at an airport may become more common), but several countries and travel industries are using vaccine passports to help restore confidence in demanding domestic and/or international trips.

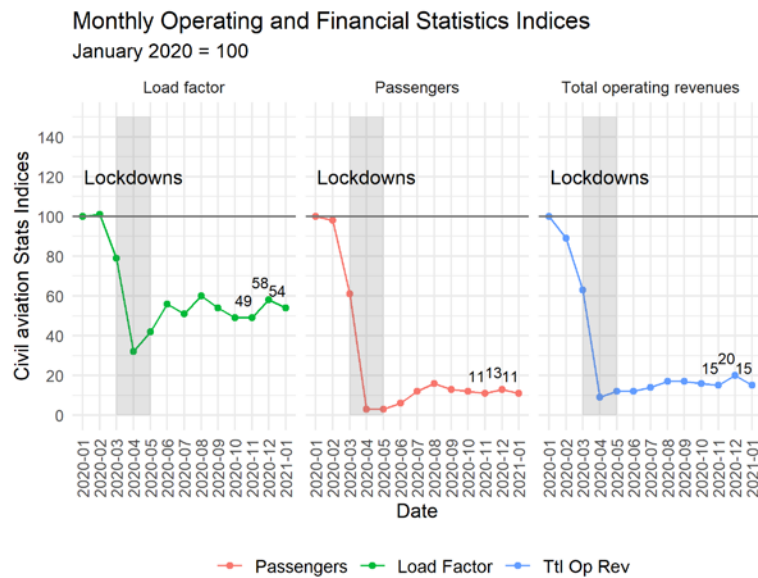
### Setting the Stage

The mass transportation of people continues to suffer from significant reductions in usage across modes (air, rail, road, and water), both domestically and internationally. This is due to travel restrictions and a lack of consumer confidence.

For instance, [travel between Canada and other countries in January 2021](#), shows us that arrivals from the US and other countries were still down 92.3 per cent on the year. Canadians returning home from trips abroad had declined by 89.9 per cent year-over-year. Similarly, Canada's [urban public transit in January 2021](#) is still down 74.6 per cent on the year. Canada has conditionally extended a [ban on international originated cruise ships until February 2022](#). Air travel is particularly constrained.

## Analysis of Air Passenger Travel, January 2021

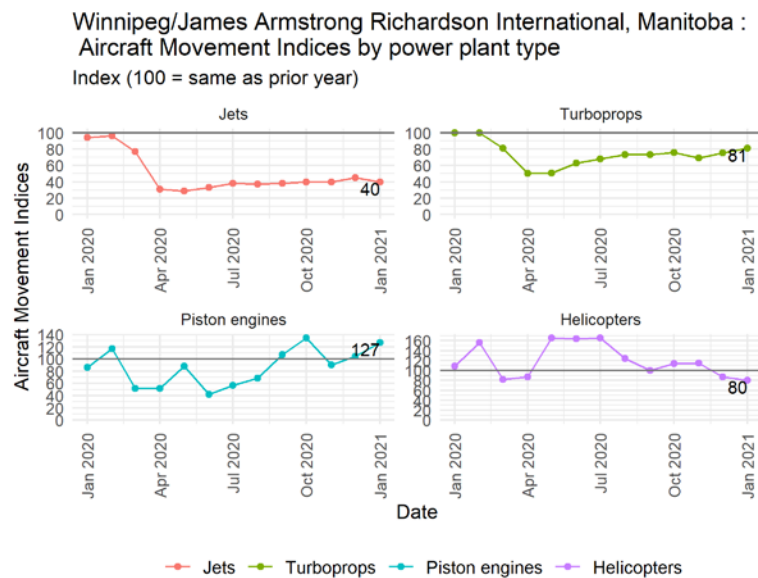
Figure 1: Monthly Operating and Financial Statistics Indices (100 = same as January 2020)



January 2021 monthly operating and financial statistics for airlines in Canada compared to January 2020 show that:

- The number of Canadian air passengers remained down 89 per cent,
- Total operating revenues remained down 85 percent, and
- Load factors are still down 46 per cent (**Figure 1**).

Figure 2: Aircraft Movement Indices for Winnipeg/James Armstrong Richardson International Airport by Power Plant Type (100 = same as prior year)



January 2021 **jet** aircraft movements at James Richardson International Airport remain down 60 per cent on the year (**Figure 2**). These aircraft have the highest passenger carrying capacity. **Turboprops** movements are still 19 per cent below that of last year. They are typically transporting smaller numbers of passengers traveling regionally.

As noted in **Figure 1** above, load factors are still down. In other words, the planes that are

flying are not full. This is why the percentage decline in passengers is even greater than the percentage decline in jet aircraft movements.

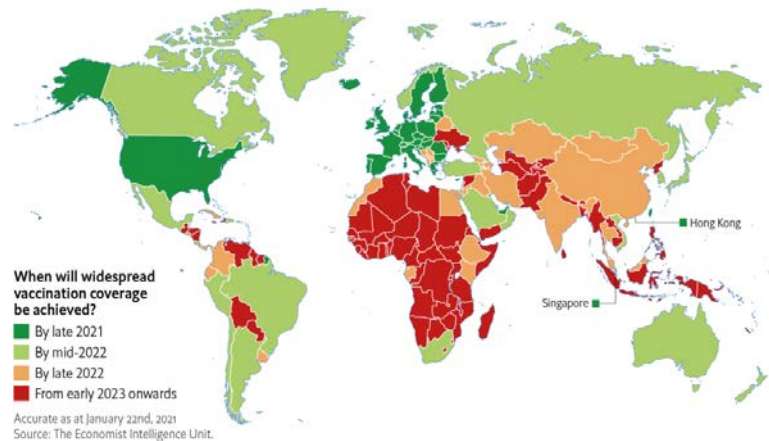
The sharp reduction of air passengers has led to the suspension of many routes within Canada, and the disruption of normal international flights. This has rocked the overall air-passenger value chain, cutting demand for new planes, parts, maintenance, repair and overhaul, and services to passengers in airports.<sup>1</sup>

<sup>1</sup> This reduction in the demand for aerospace parts is part of the reason why January 2021 transportation equipment manufacturing sales in Manitoba remains down 20 per cent on the year. [See WED Vol.2, Issue # 11](#)).

Considerations for International Travel in Particular

Figure 3: Estimate of when countries will be fully vaccinated.

Rich countries will get access to coronavirus vaccines earlier than others



The timing of COVID-19 vaccination programs across countries will vary as shown in the research by the [Economist Intelligence Unit](#) from January 27, 2021 (Figure 3). The population of some countries will be widely vaccinated around the same time as Canada, while others will take much longer. The implication is that international travel is likely to be disrupted for some time.

On the business-side, when we consider Manitoba’s top five export destinations and import origins, we see that widespread vaccinations are expected for the United States and Germany (part of EU) by late 2021, Japan and Mexico by mid-2022 and China by late 2022. Of these countries, only China does not have a Free Trade Agreement (FTA) with Canada.

Regardless of the travel mode, international passengers must supply passports to travel to another country. Well prior to COVID-19, [it was common for travelers to show up-to-date vaccination certificates](#) to travel between countries. The International Air Transport Association (IATA) is rolling out a [travel pass](#) to share correct information on passengers’ COVID-19 health status. This is part of a wider set of IATA initiatives to [restart passenger travel](#) safely.

It may be useful to employ a common approach for COVID-19 health information sharing for international trips across modes and countries. Passenger trips often involve multiple legs, across multiple transportation modes. International travel modes can, and often do include air, water, rail, or road. Often travelers use intra-city urban transit and can use multiple modes for domestic travel between cities. For Manitoba, passenger trips by air, road and rail are most relevant.

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