

A BUSINESS CASE- FOR A CONFERENCE CENTRE IN KINSTON, ONTARIO

Revised Forward – May 2021

The research and analysis that informed this study was conducted in the midst of the COVID-19 pandemic that continues to impact the globe. The pandemic is the largest shock to the global and Canadian travel and tourism industry in modern times. Destinations around the world continue to be faced with rolling lockdowns, border closures, restrictions on non-essential travel, closures and capacity restrictions on hotels, restaurants, businesses and attractions.

While the roll-out of vaccination programs continue to give hope to a return to travel in the medium to long-term, the arc of the

pandemic is still far from clear. National and provincial/state governments are focused on increasing vaccination rates while supply issues continue to plague efforts. At the same time, a third-wave has gripped the majority of the Americas, Europe, South East Asia and the Eastern Mediterranean¹ and in some cases, is threatening to undo progress made earlier in the year. There are however, some countries that have managed to contain infection rates and achieve high-levels of vaccination rates (i.e., the U.S, U.K, Israel and the UAE) and as a result are starting to see a return to a ‘new normal’ including travel bubbles for the summer/high-volume travel season.

In Canada however, with the continued closure of borders, enhanced travel restrictions and the reality of subsequent waves of the virus—the impacts on return to travel continue to be felt. This uncertainty means that plausible recovery

¹ World Health Organization: WHO Coronavirus (COVID-19) tracker-
<https://covid19.who.int/>

scenarios are hard to discern. Destination Canada predicts a return to 2019 levels by 2026 (assuming borders re-open by October 2021).

Key tourism recovery scenarios

Border re-opening	Rev. in 2021 (\$B)	Loss in 2021 vs. 2019	Return to 2019 level
Jan 2021	57	-46%	2024
Apr 2021	48	-54%	2025
Oct 2021	42	-60%	2026

Source: Destination Canada

Recovery though, will not happen all at once. Small corporate and regional meetings are expected to kickstart recovery as early as Q3-Q4 2021—with revenue imperatives driving associations to book/rebook destinations as early as 2022². Domestic and regional events will be key to sparking recovery in the short-term.

² Destination Canada: Canada’s Business Events Restart Recovery Framework-
<https://www.destinationcanada.com/sites/default/files/archive/1287-Canada%26%23039%3Bs%20Business%20Events%20Restart%20Recovery>

While Canada continues to pause MICE travel, parts of the world are starting a slow return to large scale in-person events. China, for example, has scheduled a number of high-profile expos for spring/summer 2021—while Germany is set to play host to the first large-scale expo with international (EU) attendance in the fall. While venues in other markets are writing the playbook for hosting in-person meetings and events during and post-pandemic, Canada has the advantage of learning from early meetings and events health and safety protocols held in other jurisdictions to ensure a smoother recovery once conditions allow.³

Health and Safety will be key. We know that in a post-COVID reality, health and safety have a heightened priority and will drive planners and delegates to choose a destination. Clear, coordinated, concise and

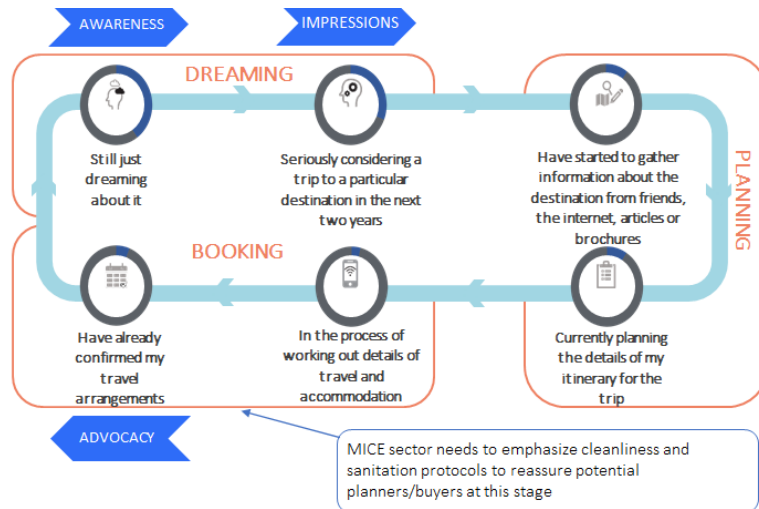
%20Framework/01-12-2021_CanadaRestartRecoveryFramework_webversion_EN.pdf

³ Gaining Edge: Tracking the MICE Sector’s Return in a COVID-19 World- Part 2: <https://gainedge.com/tracking-the-return-of-the-mice-events-sector-in-a-covid-19-world-part-2/>

factual information on health and safety standards will help build interest and drive bookings.

The figure below demonstrates the impacts of COVID-19 on the path to purchase and where health and safety messaging will be crucial to influence bookings.

Path to Purchase:



Source: Twenty31

Design note: Graphic file provided separately

Virtual platforms will continue to be a reality in a post-COVID-19 world. While virtual and hybrid-events were initially seen as a way to fill the gap for meetings and events, these platforms have provided greater access and flexibility and opened new doors and windows to the MICE market. While there are still mixed reviews about the financial viability of hybrid or fully virtual events, those facilities that have invested in the technology needed to support these delivery mechanisms, stand to differentiate themselves from competitors both in the short-term and in a post-pandemic return to meetings and conventions.

Another pandemic reality is the fundamental shift in where visitors feel comfortable visiting. Given the need for social distancing and avoiding crowds where possible, a shift to smaller destinations, away from large urban centres provides additional recovery potential for small to

medium sized destinations for both leisure and business travel.⁴

While the lasting effects of COVID-19 and the ebbs and flows of recovery remain unclear, what is clear is that despite the downturn in MICE and business travel, the world's business and event planners are researching their preferred locations and Kingston has the potential to capitalize on the immediate down time and be well-positioned to capture pent-up demand for business travel.

In a May 2021 poll of Kingston Accommodation Providers (KAP), there was overwhelming positive support (89 per cent) for the project. Destinations that have innovative facilities and the ability to adapt—or be built at the outset— with new health and safety realities, along with virtual and hybrid technological capacities, will be more successfully able to differentiate themselves in what is likely to be a competitive marketplace and

demonstrate a compelling case for investment from all three levels of government. This, along with an overarching and comprehensive MICE strategy will support and spur overall tourism recovery and job creation within a destination.

As COVID-19 continues to evolve and impact Canadian society and business, Tourism Kingston will need to continue to assess the situation and likely amend and refresh this study based on current information and data.

⁴ Twenty31- Top Trends for 2021