

COVID-19 Economic Impact in the Context of the BC *Restart Plan*

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BC Restart Plan Phases

Phase 1:

- Essential health services
- Law enforcement, public safety, first responders and emergency response personnel
- Vulnerable population service providers
- Critical infrastructure
- Food and agriculture service providers
- Transportation
- Industry and manufacturing
- Sanitation
- Communications and information technology
- Financial institutions
- Other non-health essential service providers

Mid-March to Mid-May

Phase 2:

Under enhanced protocols:

- Restoration of health services (elective surgery, dentistry, physiotherapy, etc.)
- Child care
- Retail sector
- In-person counselling
- Restaurants, cafes, and pubs (with distancing measures)
- Museums, art galleries, and libraries
- Hair salons, barbers, and other personal service establishments
- Office-based worksites
- Recreation and sports
- Parks, beaches, and outdoor spaces

Phase 2 Began Mid-May with Gradual Transition to Phase 3 Beginning June 1

Phase 3:

Under enhanced protocols:

- Hotels and Resorts (June 2020)
- Parks – broader reopening, including some overnight camping (June 2020)
- Film industry – beginning with domestic productions (June/July 2020)
- Select entertainment – movies and symphony, but not large concerts (July 2020)
- Post-secondary education – with mix of online and in-class (September 2020)
- K-12 education – with only a partial return this school year (September 2020)

June-Sept, Conditional on Transmission Remaining Low or Declining

Phase 4:

Conditional on at least one of the following; wide vaccination, “community” immunity, broad successful treatments:

- Activities requiring large gatherings, such as:
 - Conventions
 - Live audience professional sports
 - Concerts
- International tourism

Conditional On Vaccine; “Community” Immunity; Safe/Effective Treatment

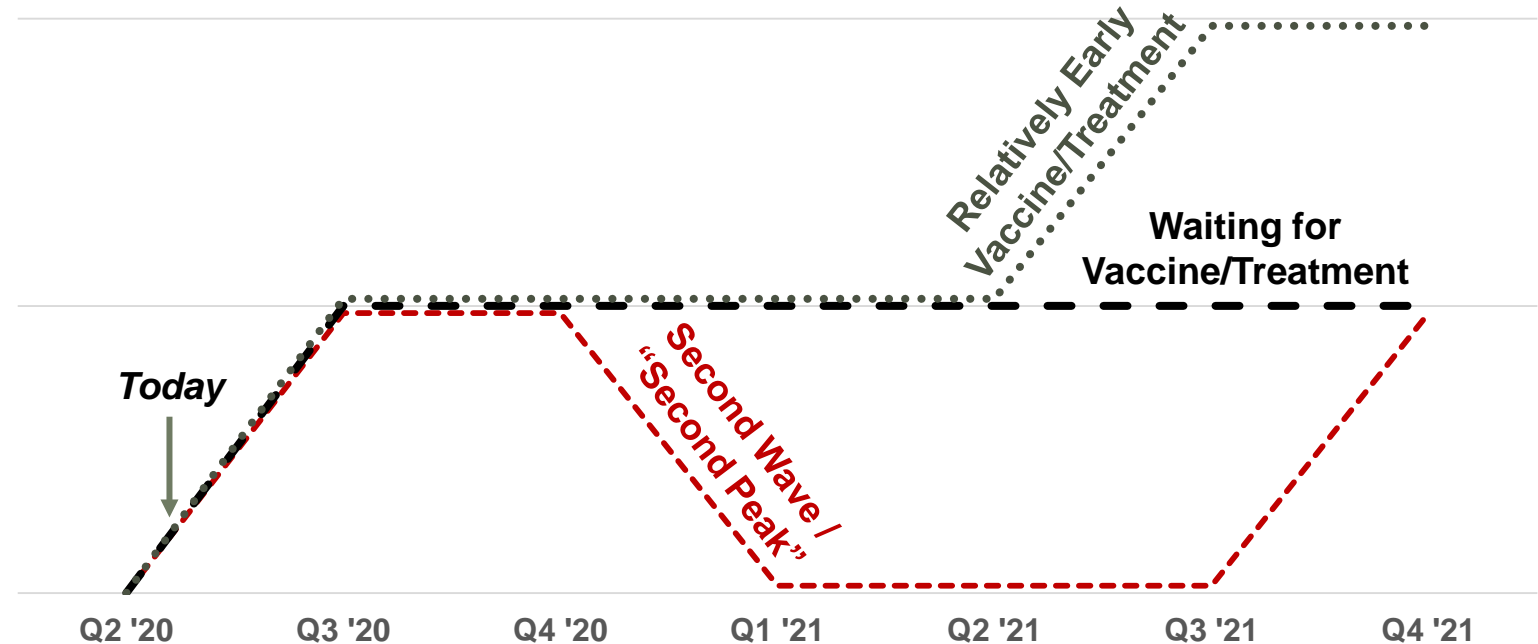
Source: Government of British Columbia (Mid-May 2020)

Potential Timing of Restart Phases

Phase 4: *Conditional On Vaccine, Treatment, and/or Immunity*

Phase 3: *Conditional on Transmission Remaining Low or Declining*

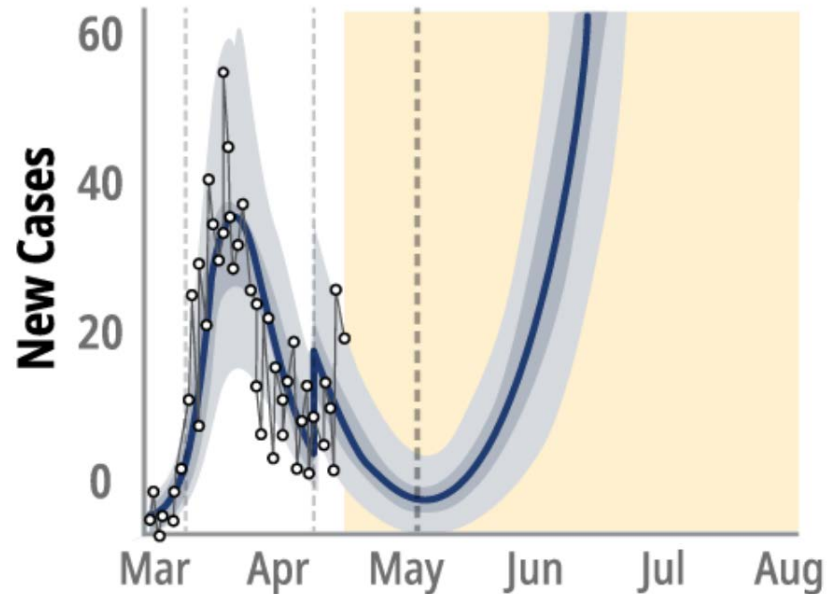
Phase 2: *Began Mid-May with Gradual Transition to Phase 3*



While the latest COVID-19 transmission data is encouraging, the future is still very uncertain.

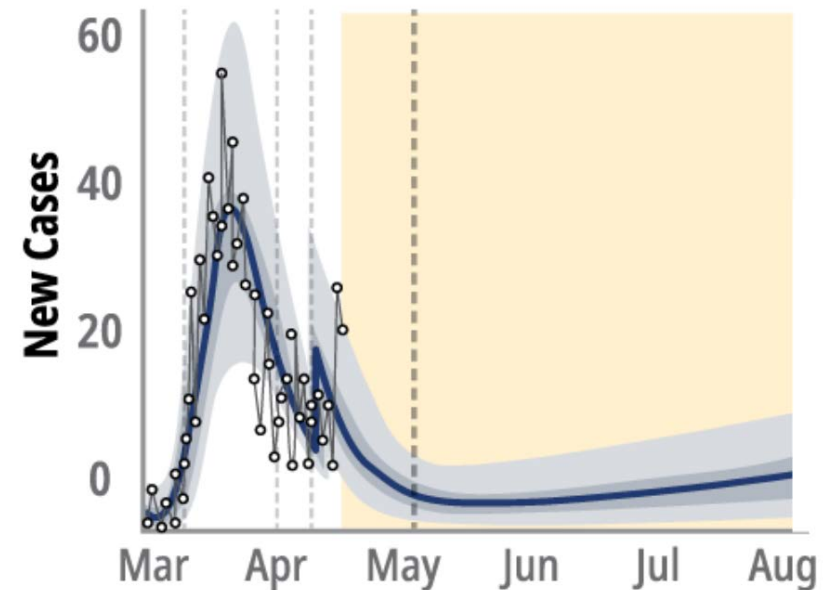
Provincial COVID-19 Transmission Modeling

20% Physical Distancing Scenario



vs.

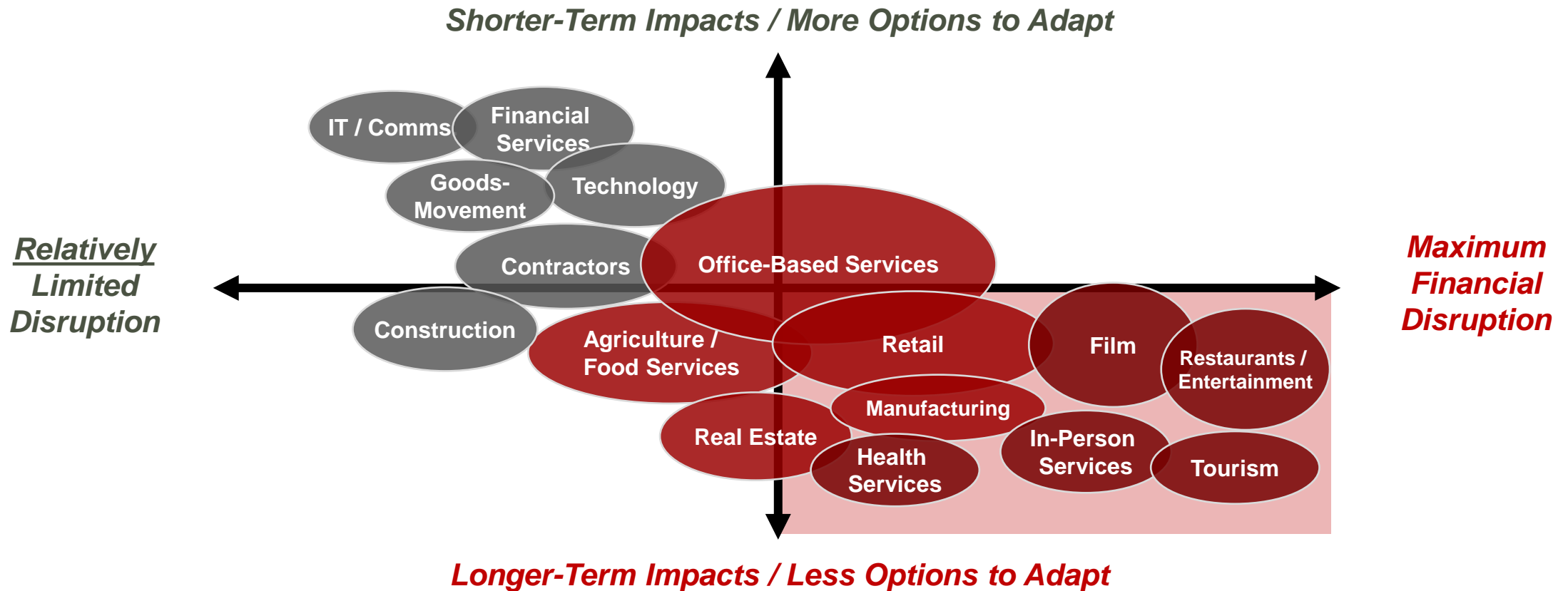
40% Physical Distancing Scenario



How is the economy impacted by a long-term need for ~40% physical distancing?

Source: Government of British Columbia (Mid-May 2020)

COVID-19 Impact to Select Business Sectors



Businesses in each sector are diverse. This figure attempts to illustrate general impact by sector.

Note: Not intended as an exhaustive illustration of business sectors.

Policy Response Options

Shorter-Term

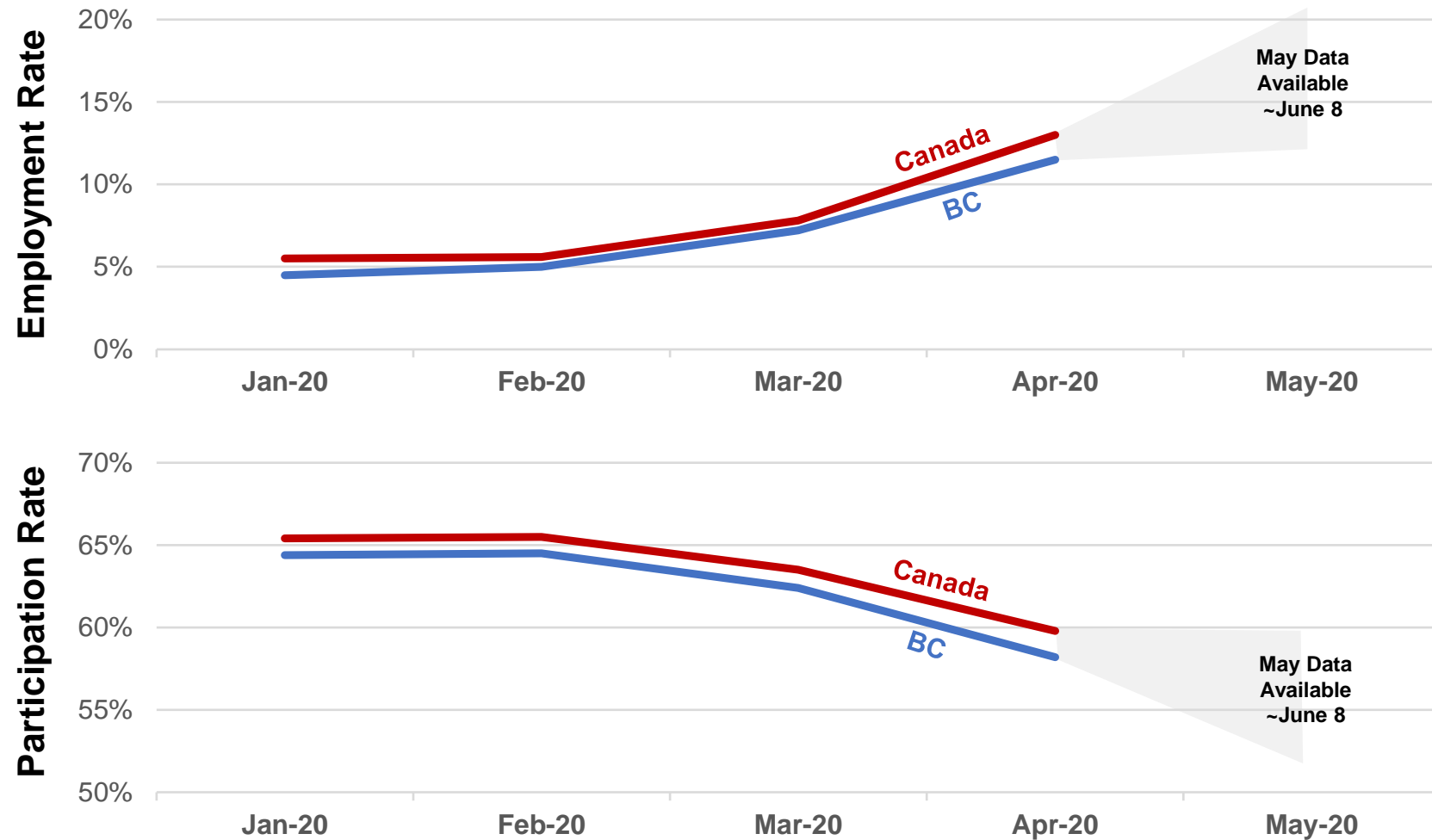


- Extended / targeted wage subsidies
- Targeted tax reductions, deferrals, exemptions
- Extended / targeted commercial lease/rent protections
- Supporting safe and efficient commuting (e.g. active transit, public transit)
- Small business education + support for accounting, consulting, legal, etc.
- Permitting and licensing reform (e.g. liquor, innovative recreation)
- Demand stimulus (e.g. capital investments, social procurement, etc.)
- Municipal funding model reform

Longer-Term

Note: Not intended as an exhaustive list of policy options.

Employment and Labour Participation Data



How will employment change during Phase 3 before a vaccine or treatment is available?

To what extent will employment improve once we reach Phase 4? What are the lasting impacts?

How can we gain better visibility into local and regional labour markets?

Source: Statistics Canada, May 30 2020; "grey areas" of uncertainty added by author.

Closing Thoughts

- Vancouver-specific and sector-specific conditions for progressing through *Restart* phases
- Economic impact of “getting stuck” in Phase 3 (i.e. having to maintain ~40% physical distancing for an unknown period of time until vaccine/treatment is available)
- Prioritizing support for most vulnerable business sectors, while maintaining fairness
- Municipal “toolbox” (is lighter than some would want, but) includes some effective tools
- Importance of gaining better visibility into the local and regional economic recovery