

TRAVEL OUTLOOK FOR AMERICAS- A REPORT BY PATA- JULY 2020

A report by Pacific Asia Travel Association (PATA) India Chapter regarding market developments in Canada and USA has been placed below for the information of Members:

COVID-19 General updates

- New cases of COVID-19 are continuing to surge in the US. While it reflects expanded testing, most experts believe this is evidence that the virus is making a comeback in some parts of the country, and restrictions are being re-instated in many cities and states. Even though the death rate has been flat (in fact, lower than earlier in the pandemic), this may not hold as there is a 2-5 week lag between infection, and the next few weeks will be critical. Furthermore, younger people have been making up a higher proportion of new cases- while they are more likely to survive, they can spread the virus to more vulnerable populations. There are currently 3.2M cases and 135K deaths in the country.
- In Canada, conditions are more promising. The growth of cases and deaths continues to decline, with all provinces and territories continuing to relax lockdown rules. There are 105K cases and 8.6K deaths as of today.

Economic outlook

- The growth of new cases in the US and the associated reactivation of restrictions has curtailed some of the economic optimism seen in May and June, with Goldman Sachs forecasting 2020 US GDP to drop 4.6%, revised from an earlier predicted decline of 4.2%. Future threats include continued spikes in Covid-19 cases and deaths, expanded unemployment benefits expiring at the end of July, and a resumption in layoffs as the Payroll Protection Plan (PPP) runs out in July. Discussions on new relief aid will take place in Congress after July 17.
- In Canada, 953K jobs were created in June, with an unemployment rate of 12.3%. GDP grew 3% in May as restrictions began to ease, and a bigger bounce is expected for June as the economy moves towards a long recovery period. The government and central bank have stated the worst of the economic pain from the pandemic is behind the country, but Canada will face high unemployment and low growth until 2021.

Travel updates:

- The weekly report from Destination Analysts ([click here](#)) shows the surge in COVID-19 cases continues to increase Americans' concerns about safety and diminish travel enthusiasm back to the same levels they were in April. Longwoods International's weekly report ([click here](#)) has similar findings indicating that US Travel intentions have worsened, reversing positive trends over the past few months.
- The Canadian and American borders remain closed, and non-essential travel is discouraged. However, with a widening gap in recovery between the US and Canada, we anticipate that Canadian travelers will see restrictions lifted sooner, and will be accepted by more countries sooner than American travelers over the next several months (as has happened with the EU). *Consider this as you prioritize your recovery investments and activities.*