



CEO Message: Recovery

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Merriam-Webster Dictionary defines Recovery as:

Recovery *noun*

re·cov·ery [ri-'kə-və-rē](#)

Plural recoveries

1 : the act, process, or an instance of recovering
especially: an economic upturn (as after a depression)

I'm not sure that there was ever more anticipation for a summer like the one we had this year. With COVID-19 to a large extent now firmly in the rear-view mirror, we plowed into summer with high expectations for renewed revenues caused by pent up demand. And for the most part, our customers delivered.

Our leisure travelers couldn't wait to get back to the great outdoors and our resort and outdoor adventure activities revenues soared, with some reporting that they had one of their best years EVER! So great to hear, yet these stories were very localized and by percentage, very small.

Although most operators were very encouraged by the return of travelers, many were still a long way off pre-pandemic revenues. Unfortunately, for the accommodation sector, the return of the leisure traveler could only provide so much business for our urban downtown properties. Built more for corporate clients and events, the summer was predictably slow.

Almost every other aspect of tourism across the province also reported the positive impact of Saskatchewan's booming economy, particularly because of the resource market. Oil and gas and mining all saw increased activity and crews moving into our rural and midscale markets had a significant and very positive impact on many communities and the businesses in them.

The reactivation of the film industry also has had an immediate impact on our tourism industry and not just in Regina, home of the "John Hopkins Sound Stage". Across the province we are seeing the start of location development and planning for shooting. Several productions are well underway providing a much-needed boost to local economies and an increase in labour.

Starting in May, we saw the wave coming and we prepared to ride hard. And during the euphoria of those summer months, we were able to suspend the reality of the shadows and clouds on the horizon and hope for the best. We knew what was coming and really didn't want to think about the coming storm.

When Hurricane Long-Haul hit our shores, it came in smooth and under our radar. Impacted by so many factors beyond our control (war in Europe, supply chain issues, sky rocketing fuel and grocery costs, rise in energy bills, PST on entertainment, minimum wage increases) we as operators struggled with managing our already thin margins without passing along too much to the customer. We know that our guests, like us, only have so much discretionary spending and with Christmas coming, we didn't want to scare off our loyal fan base with price increases.

Add to this mix that labour is incredibly hard to find, and customer demands are higher than ever, we now have many owners and operators working double time trying to provide the service and product the guests have grown accustomed to. And they are exhausted.

There is no sugar coating it. So many operators were hoping for a fantastic, busy Christmas season to carry them through to the new year, but unfortunately for some, they are just not able to hang on. Every week we see more and more businesses, most small to medium sized enterprises wave the white flag and call it a career.

After such an incredibly hard 2 years, it's very difficult to see these people, families and businesses succumb to the long-term effects of the pandemic. Tourism really is the Long-Haul sector of Covid. This runway has stretched out much longer than any of us ever imagined. With debt accumulated during the last 2 and half years, many have said that they are arguably in worse shape now that during the height of Covid.

But having said all of that, reviewing the laundry list of sometimes depressing (economically and psychologically) challenges we face daily, most of you will live to see another day. We will see prices stabilize and return to some sort of normal. Because of the great work we are doing with our provincial government, we will see a significant increase in labour to our province. We will see businesses start up with enthusiasm and take their place as the "new place" down the block that you just got to try out.

This recovery is going to happen across the province and as our economy sets the pace in Canada, we will see people from across the nation, and world, interested in investing, working, and living in our great province. We are in this for the long haul and with having some major wins under our belt in 2022, we know 2023 will be our year. We must hang on for a little bit longer....