

## Business Dynamics: Impact of COVID-19 and Vaccine Rollouts

*Keeping COVID-19 in check through a solid vaccine rollout plan enables the easing of restrictions. This allows business activity to return as part of a long-awaited economic recovery.*

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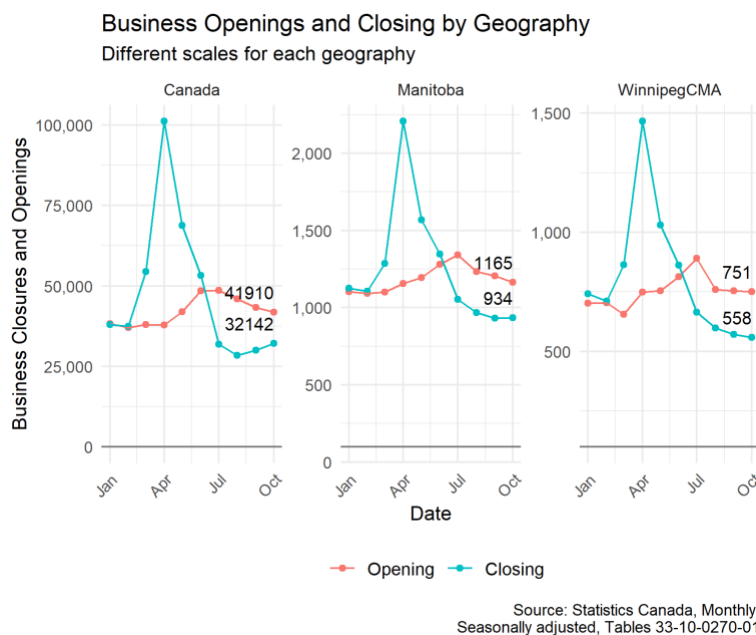
### Bottom Line

**Keeping the virus in check enables the easing of restrictions, allowing more businesses to be open. Getting as many of the eligible Manitobans vaccinated as soon as possible should allow us to reach a new normal by the end of 2021, if not sooner.**

### Business Openings and Closings

The need to control the spread of COVID-19 has meant significant restrictions on people and business activity. This naturally raises concerns that temporary business closures may become permanent business exits.

Figure 1: Business Openings and Closings by Geography



A review of Statistics Canada’s monthly estimates of business openings and closings for [October 2020](#) (**Figure 1**) Mar – Jun 2020 shows a more severe decline in Canada’s net business openings than that of Manitoba, and the Winnipeg CMA.

Since July, Canada, Manitoba, and the Winnipeg CMA have experienced positive net business openings (**Figure 1**). This has pushed the number of active business up. In October 2020, the year-over-year index for Canada was 94, Manitoba was 98, and the Winnipeg CMA was 97.<sup>1</sup> While we

expect to see net business openings dip due to the code red restrictions, the drop should be less severe than the first lockdown in Mar - Apr 2020.

### Manitoba COVID-19 Cases

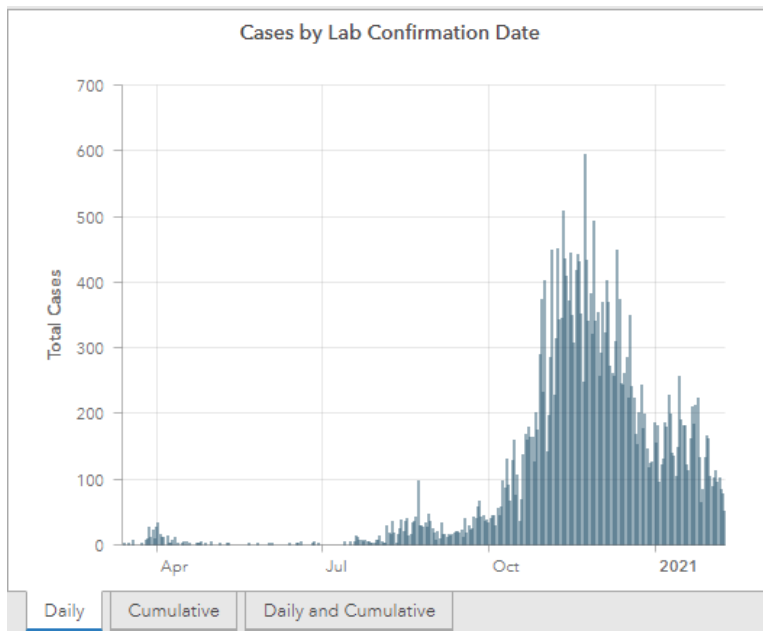
Manitoba’s second wave of COVID-19 infections are falling. Daily case counts, test positivity rates, and utilization rates of intensive care units (ICU) for COVID-19 (**Figure 2**). This allowed Manitoba Public Health to ease COVID-19 restrictions on [January 23, 2021](#).

On [February 8, 2021](#), only 53 confirmed COVID-19 cases were reported, so Manitoba continues to be headed in the right direction. Based on an announcement from Public Health, an easing of restrictions will occur on [February 13, 2021](#). The new order will be in effect until March 5, 2021.

## Vaccination Program - Looking Ahead

We are in a global COVID-19 pandemic. As of February 8, 2021, [Our World in Data](#) reports 107 million confirmed cases and 2.34 million deaths. Thus, it is not surprising that there is significant global demand for the approved vaccines. There are also some supply chain issues with scaling up vaccine production to meet that voracious demand.<sup>ii</sup> Canada optioned enough vaccine doses on behalf of the provinces to more than cover Canadians, with the delivery of doses to extend throughout much of 2021.

Figure 2: Manitoba COVID-19 Confirmed Cases by Lab Confirmation Date



Manitoba's [COVID-19 vaccination program](#) is underway. We are using the two-shot Pfizer, and Moderna vaccines. Once groups that are most at risk are fully vaccinated, [the plan](#) is to vaccinate people based on age cohorts, starting with older adults first.<sup>iii</sup> On [February 3, 2021](#), Manitoba's vaccination plan had two scenarios for all Manitobans aged 18+:<sup>iv</sup>

- **Low Supply Scenario** - all aged 18+ vaccinated by the end of December 2021, and
- **High Supply Scenario** - all aged 18+ vaccinated by the end of September 2021.

According to [Manitoba's vaccination dashboard](#), 1.4 per cent of the 18+ population of Manitoba were vaccinated fully on February 8, 2021. Given how quickly COVID-19 can spread, we will need to continue with some baseline restrictions through much of 2021 to avoid a third wave. **If all goes well, we may even get to enjoy code orange or yellow conditions as move deeper into 2021.**

### Notes

<sup>i</sup> The year-over-year index = 100 if the value is the same as the prior year.

<sup>ii</sup> A number of other vaccine candidates that Canada optioned are in third stage trials with Canada. Once approved by Canada, they would add to Canada's vaccine supplies.

<sup>iii</sup> See page 17 of the [January 27, 2021 presentation](#) to see the plan sequencing.

<sup>iv</sup> Both scenarios assume a 70% uptake rate amongst eligible Manitobans.