



ADVISORY SERVICES

The Impact of the Potential Influenza Pandemic on the BC Economy

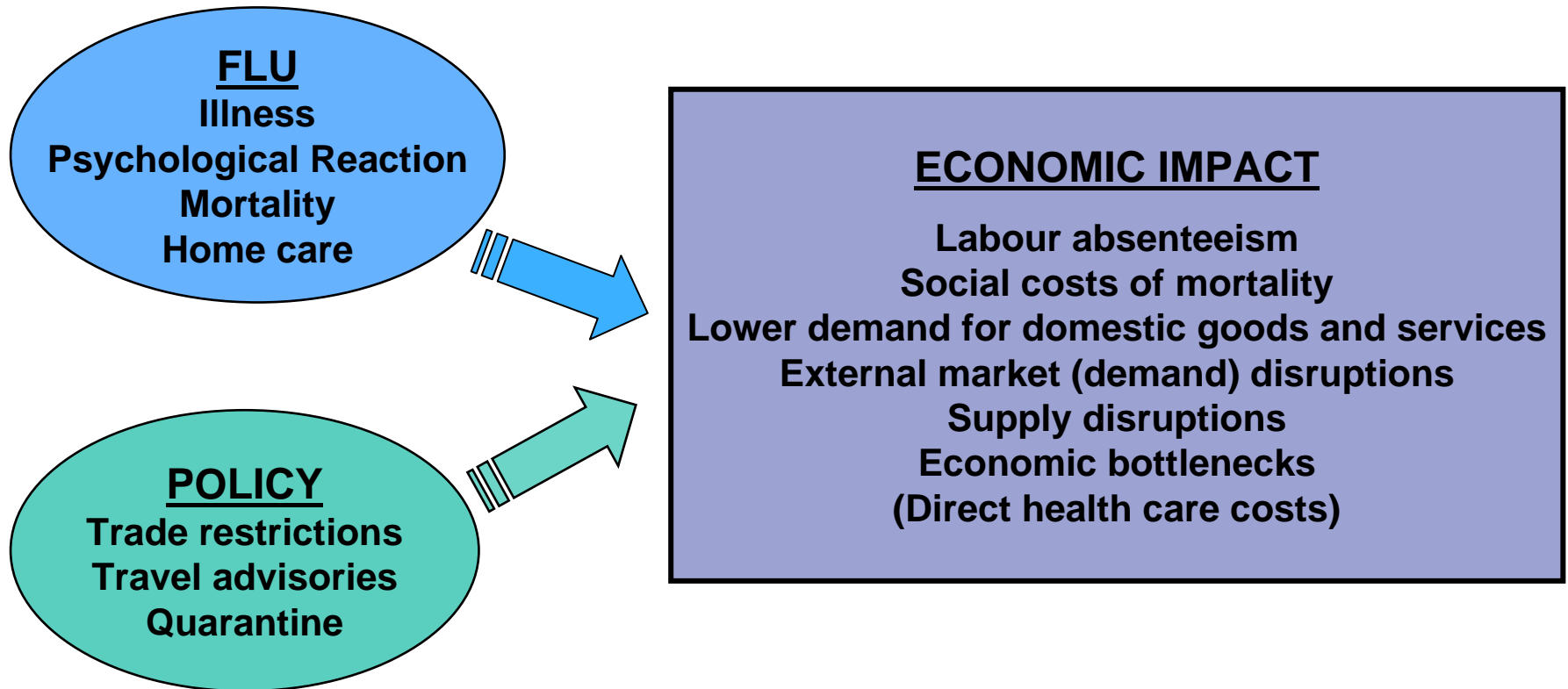
Pacific Pandemic Forum for Business

December 15, 2005

Core objectives

- **Provide independent analysis of the potential impact of flu pandemic on the BC economy**
- **Analysis will cover two overall scenarios where flu pandemic affects the BC economy through domestic outbreak (at different impact levels), and through international outbreak with major trading partners (at different impact levels)**
- **Analysis will focus at a macro-level where impact is assessed for industries and/or sectors of the economy including relative regional impacts, but will not assess potential impact at a business or individual level**
- **Raise awareness and understanding of possible economic impacts**
- **Support public policy development**

Approach



Key variables

➤ Demand-side impacts

- Impacts to key industries/sectors of the BC economy due to changes in business and consumer demand either domestic or international (e.g., Tourism, Agriculture, Shipping, etc.)

➤ Supply-side impacts

- Impacts to the economy due to losses from labour income, absenteeism, voluntary or mandatory quarantine, etc.

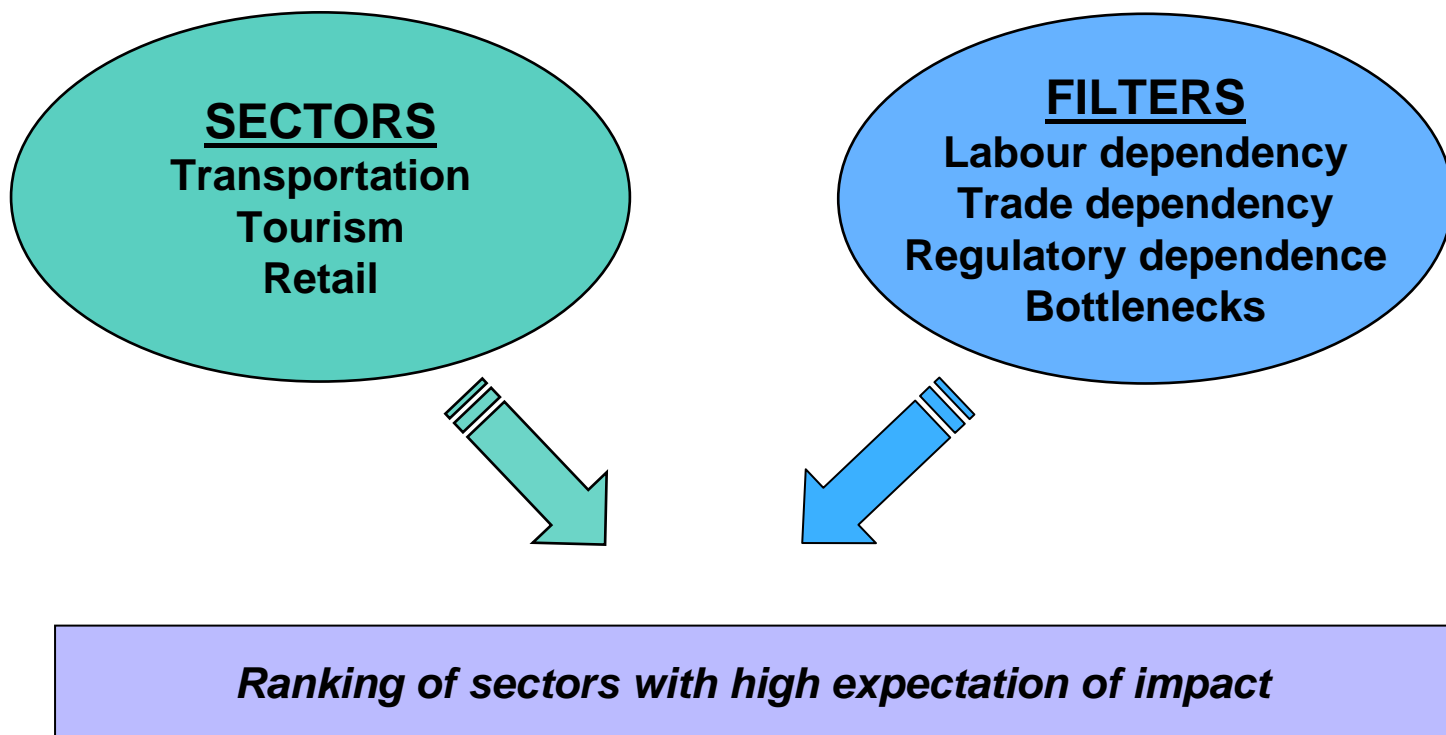
➤ Economic bottlenecks

- Critical bottlenecks where capacity is affected significantly, leading to cross-sectoral impacts (e.g., transportation, food supply, education, etc.)

➤ Policy impacts

- Impacts to the economy due to domestic or external policy decisions (e.g., quarantine decisions, trading decisions, border security, travel orders, etc.)

“Filter” by Economic Impact Indicator and Industry Sector



Impacts

Labour Absenteeism

- Home care (sick family members)
- Avoidance (i.e., self quarantine)
- Mortality

Labour value x Time off = Labour income losses

Mortality x Economic value of life = Social costs

Lower Demand

- Good and Services
- Travel & Tourism
- Entertainment & Hospitality
- International Trade (e.g., commodities, finished goods)

Lower demand = Business income losses + Labour income losses

Impacts

Supply Disruptions

- Disruptions in supply countries or jurisdictions
- International trade (e.g., commodities, consumer goods)

Supply disruptions = Business income losses + Labour income losses

Economic Bottlenecks

- Economic activities that potentially have disproportionate impacts (“cornerstones”)
- Shipping, border access, transportation, etc.
- Export regulation
- Inspections and certifications

Supply/Demand disruptions = Business income losses + Labour income losses

Policy Issues

Direct Support

- **Businesses**
- **Industry Sectors**
- **Individuals**

Multi-jurisdictional Cooperation

- **Airports and Ports**
- **Cross-boarder**
 - a) **Inter-provincial**
 - b) **USA-Canada & other nations**

Business & Industry Preparedness

- **Guidance and support in preparing business continuity plans**

Expected Conclusions

- **Characterization of potential impact on the BC economy**
- **Input to possible policy development**
- **Raise public awareness**
- **Advance understanding**