BREAKING: 85% Want the Border to Remain Closed Through 2020

Description

Market research firm Ipsos just revealed a poll that shows 85% of Canadians prefer that the U.S. and Canada border remain closed through the remainder of 2020. Non-essential cross-country travel is currently banned.

Politicians seem aligned with the public's wishes. "We're going to keep working closely with our American neighbours to keep people safe on both sides of the border," Justin Trudeau said last week.

The poll had additional questions that revealed how hesitant everyday Canadians are about foreign visitors. More than 90% think that a mandatory 14-day quarantine should be enforced for *anyone* entering the country. Only 2% strongly disagreed with a quarantine requirement.

Canadians want to limit foreign travelers, but they're also not keen to travel themselves. The poll showed that 92% of Canadians believe that traveling south of the border would be too risky for them this year.

Canadians don't even want to travel domestically. "More than 60% said travelling to another province this summer is too risky, with comfort levels varying by region," reports *Global News.* "For instance, 76% of Atlantic residents in the poll and 51% of Albertans agreed with this statement."

You should keep all of this in mind for your own travel and safety plans. But these developments also have an impact on the stock market. Airlines, restaurants, and tourism businesses are most clearly at risk.

The border closing hurts these stocks

Last week I covered the most vulnerable company of all: **Air Canada** (TSX:AC). I stressed that even Air Canada's executives were bracing for a multi-year recovery.

"Realistically, we expect it to take at least three years for Air Canada to get back to 2019 levels of revenue and capacity," CEO Calin Rovinescu said during a recent investor call. "Some of the manufacturers have come out and an estimated three to five years. Boeing and Airbus, I think both have estimates in that range."

Airline investors hoping for a quick reversal should abandon this investing strategy. The recent border news only reaffirms what we already know. This crisis isn't going away anytime soon. Businesses and tourists are currently in a holding pattern, but that stance is increasingly becoming a permanent fixture of life.

There may be intermittent blips of demand for airline stocks, but these companies are built for another era, one where international borders weren't fraught with uncertainty.

Another industry that should remain pressured includes restaurants, like **Boston Pizza Royalties Income Fund** and **A&W Revenue Royalties Income Fund.** Restaurant stocks often make a disproportionate amount of money from tourist-heavy locations, or at least areas with a high density of people.

Restricted movements and an unwillingness to travel are a direct blow to these businesses. According to Restaurants Canada, "The majority of foodservice businesses across the country are still losing money and could take at least a year to return to profitability."

There are certainly stocks that can *thrive* during the downturn. But if you're looking to capitalize by purchasing tourist or travel dependent stocks, think again. Conditions for these companies won't return to normal for at least another 12 months.

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