



# BUSINESS & NEWSMAKERS

► Scene75 founder finds a home in the FEC industry — page 42 / Industry legend Tom Powell passes — page 46

## Attractions industry feels the effects of coronavirus outbreak

*Parks close, stocks take a hit as impacts are being assessed*

AT: Dean Lamanna  
dlamanna@amusementtoday.com

WUHAN, China — Beyond its growing human toll, the effects of the novel coronavirus, officially designated COVID-19 by the **World Health Organization**, is a global health emergency touching the attractions industry worldwide.

The outbreak was first detected in Wuhan in December. Since then, government officials have locked down an increasing number of cities in the surrounding region, halting public transportation in an effort to prevent the disease from spreading. These moves initially impacted more than 40 million people across Hubei province.

As *Amusement Today* went to press in mid-February, cases of the coronavirus had been reported in virtually all parts of the globe. The number of cases internationally exceeded 71,000, with the number of cases in mainland China alone surpassing 70,500 — even with a two-week self-quarantine rule in effect in some of the country's metropolitan areas. The disease had caused at nearly 1,800 deaths, including three outside mainland China.

In late January, **The Walt Disney Co.** was among the first major attraction operators to take preventative steps, shutting down indefinitely large parts of **Shanghai Disney Resort** (including **Shanghai Disneyland**, **Disneytown** and **Wishing Star Park**) and, shortly thereafter, closing **Hong Kong Disneyland** just as the country was preparing to celebrate its Lunar New Year holiday. Many other parks, including **Happy Valley Shanghai** and **Hong Kong's Ocean Park**, followed suit — some under government orders.



Among the major attractions in China that remained closed as of mid-February because of the spreading novel coronavirus, or COVID-19, were **Shanghai Disneyland** and **Hong Kong's Ocean Park**.

COURTESY DISNEY PARKS, EXPERIENCES AND PRODUCTS; OCEAN PARK

"We will continue to carefully monitor the situation and be in close contact with the local government, and we will announce the reopening date upon confirmation," Disney said in an online statement, promising to assist with refunds.

At the same time, **Cirque du Soleil Entertainment Group** canceled performances of "Cirque du Soleil The Land of Fantasy" in Hangzhou, China, and **Imax Corp.** postponed theatrical releases planned for the country's New Year holiday.

Industry veteran **Bill Coan**, president and CEO of Orlando-based **ITEC Entertainment Corp.**, an international themed entertainment design and real estate development company, told *AT* that because of the epidemic's growing disruption to the Chinese and global economies, "[many] theme park developers will likely lose hundreds of millions as the spring season, which typically causes an uptick in guests before the busy summer, is halted. Seasonal ramp-up plans have been put on hold.

"While there is no recall precedence for these types of crises, major players in the space, including Disney, are making the right move in proactively protecting their brand and guests by prioritizing safety."

As air carriers have restrict-

ed or canceled flights to and from mainland China, several cruise ships have become floating quarantines and some governments have imposed two-week quarantine rules on certain travelers, companies with active projects in the areas hit hardest by the epidemic have become increasingly concerned and attuned to updates.

"Because China has historically been our most important market, we have closely followed the developments on a daily basis," said **Taylor Jeffs**, president and chief creative officer of North Hollywood, California-based immersive entertainment design firm **Legacy Entertainment**. "Our primary concern has been for the families of our employees, partners and friends, and so far, we are happy to say that none of them have been directly impacted."

Jeffs acknowledged to *AT* that it likely will be months before the long-term effects of the virus on China's entertainment landscape can be comprehended. "We have been impressed with the resiliency of our clients and their desire for new projects to continue to move forward, despite the global uncertainty and new way of working," he said. "It would have been very easy to use this virus as a valid reason to pump the brakes on some developments, but so far, we have not

seen this happening."

For some companies, retraction may become necessary before long. In early February, the **International Monetary Fund** in Washington, D.C., warned that the coronavirus may bring a slowdown in world economic growth in the short term. One report suggested that it could become the costliest-ever epidemic, projecting that the virus will cost China about \$62 billion, or 2% of the country's GDP, in the first quarter of this year.

While highlighting improved attendance and revenue numbers at its domestic parks in the first quarter of its new fiscal year, Disney was bracing for a likely two-month closure of its China parks. Hong Kong Disneyland was already seeing depressed numbers because of riots in the city. The coronavirus, the company predicted, will incur additional operating income losses of about \$175 million between its Shanghai and Hong Kong properties in its second quarter.

After Disney closed its Shanghai theme park, shares slipped in early trading in a move that would extend the stock's six-month decline to around 4.8%, according to *TheStreet.com*.

Meanwhile, Disney is lending a 60-hectare site it was reserving for the expansion of its Hong

Kong park on Lantau Island to the government for coronavirus quarantine facilities. The government needed the facilities to bring back some 2,200 residents stranded in Hubei province because of the outbreak.

ITEC's **Bill Coan** observed that the attractions industry has not confronted an epidemic of this magnitude since the SARS outbreak in 2002-03. "There were far fewer precautions taken at that time, which I believe has fueled businesses to improve their response to the coronavirus," Coan said. "I see this most recent outbreak as a 'lesson learned' type of proactive reaction as theme parks work to quickly mitigate risk as fast and as efficiently as possible. It will soften the blow to the business model in the long run."

The **International Association of Amusement Parks and Attractions (IAAPA)**, which is constantly monitoring the coronavirus developments globally, has canceled its **Meet IAAPA** event scheduled for March 22 in Beijing. For IAAPA members impacted by or seeking information about COVID-19, visit the **IAAPA Asia Pacific Information Exchange Group** at the IAAPA Member Resources for Coronavirus (COVID-19) link on the organization's website.

•iaapa.org

**Amusement**  
**TODAY** Your Amusement Industry NEWS Leader  
*has a new address!*

Our new street address is  
2004 E. Randol Mill Rd. #502  
Arlington, Texas 76011

We can always be reached at:  
P.O. Box 5427 · Arlington, Texas 76005  
(817) 460-7220 · Fax: (817) 265-6397  
www.amusementtoday.com