

**MARCH 24, 2021
OTTAWA, ON**

DEAR MINISTER FREELAND:

The Coalition of Hardest Hit Businesses (CHHB) is an industry-driven group of over 100 stakeholders representing a variety of sectors including tourism, travel, arts and culture, events and festivals, accommodation and hospitality. Because of public health policies during COVID-19 like the mass gathering bans, we were the first to close and will be the last industries to recover. Since the beginning of the pandemic, we have seen thousands of festivals, concerts, conventions, Indigenous tourism experiences, fairs, exhibitions, and business and sporting events cancelled.

Before the COVID-19 pandemic, our industries employed more than 2 million Canadians, representing about 1 in 10 jobs in the country. Our membership consists of primarily Canadian-owned small- or medium- sized businesses who provide significant employment in local communities. Those employed on the front lines in our sector are predominantly women, young people, Indigenous, and new Canadians – populations whose employment has been particularly impacted by the pandemic.

Mark Carney wrote in his new book: "Support for companies should be targeted at regenerating the most affected industries, rather than provided as expensive blanket support for all." We agree with this assessment and believe it is time for the Government to tailor its existing support programs beyond June 2021 to those industries most affected by the pandemic.

The challenges we expect to encounter through 2021 are not the result of individual business decisions; they are entirely pandemic-related and have devastated an otherwise healthy and thriving industry. We have every confidence that travel will resume once all barriers are lifted, but unfortunately, we are months away from a world in which borders (provincial and international) are open, mass gathering bans are removed and Canadians are encouraged to travel, rather than stay at home. Until this day comes, our industry will need additional Government support to get to the other side.

The Canada Emergency Wage Subsidy (CEWS) program is a critical lifeline for our industries and our employees. The program was well designed for the early stages of the pandemic, well administered and relatively easy to access. It is keeping many of our highly-impacted businesses open to employ people today, and for this, we thank you.

The Canada Emergency Rent Subsidy (CERS) program also provides critical support to help with fixed costs like insurance, which has risen on average 40% because of COVID, and is expected to spike again in year two. Though woefully inadequate for medium-sized businesses, this program has supported many of our small operators who would not be operational today without it.

The recently launched Highly Affected Sectors Credit Availability Program (HASCAP) has fixed a major gap in the previous Business Credit Availability Program (BCAP), and now provides debt certainty to hard hit sectors where debt was otherwise unavailable.

But debt alone cannot sustain an industry so deeply devastated by the pandemic. Without an extension of CEWS and CERS to the end of 2021, 60% of the businesses surveyed in the hardest hit coalition have said they will not survive. What we need in the Federal Budget is an acknowledgment that hard hit industries will continue to struggle and a corresponding commitment to ensure that adequate support programs are available to bridge through to the other side. A commitment in the Budget would give our 200,000+ tourism businesses the confidence they need to remain intact and maintain employment.

Specifically, in Budget 2021/2022, we are hopeful to see Finance Canada announce:

- 1) An extension and enhancement of CEWS at 75% targeting hard hit industries until the end of 2021; and
- 2) An extension and enhancement of the CERS program for hard hit businesses, including deeper support for medium-sized businesses.

We appreciate your consideration of these recommendations and are indebted to you for your continued support and leadership. Thank you for hearing us.

Sincerely,





Cc: The Honourable Mélanie Joly, Minister of Economic Development & Official Languages
The Honourable Mary Ng, Minister of Small Business, Export Promotion and International Trade
The Honourable Steven Guilbeault, Minister of Canadian Heritage