

INCLUSIVE ECONOMIC GROWTH--Support for Large Tourism Operators

Three Nova Scotia tourism operators that serve as anchors for the sector will be able to access lower-cost financing through the Tourism Sector Financing Assistance Program.

Ambassatours Gray Line and Murphy's on the Water, Cabot Links and Coach Atlantic have signed on to the program, announced in October 2020 to help rebuild one of the sectors hardest hit by the COVID-19 global pandemic.

The program provides a standby letter of credit that operators use to secure loans. Up to almost \$35 million in borrowing has been approved for these operators through their financial institutions.

"Our large tourism operators will play a vital role in our economic recovery and the growth of the sector as we work together to build back better," said Labi Kousoulis, Minister of Inclusive Economic Growth. "Our large operators were not eligible for federal programs, so we quickly filled that gap with support to ease operating pressures and create the conditions for the sector to rebound."

The Tourism Sector Financing Assistance Program was made available to resorts, tour operators and scenic and sightseeing transportation services with at least 100 full-time and/or seasonal employees, annual revenue of at least \$10 million and who experienced revenue decline of at least 50 per cent for the period April 1 to July 30, 2020 compared to the same period last year.

The amount of debt cannot exceed \$15 million per operator. The Nova Scotia COVID-19 Response Council fund will guarantee up to 95 per cent of the amount borrowed. The interest rate cannot exceed prime lending rate plus 1.5 per cent.

The entire tourism sector benefits from the activities of larger operators, as visitors who tour the province also shop, eat at restaurants, stay in accommodations and experience other types of Nova Scotia hospitality.

Quotes:

"I am willing to bet my career and reputation that this program will not cost taxpayers one dollar because the companies that were chosen were pre-COVID strong and were meticulously vetted by NSCRC and our banks. These companies will not fail, meaning zero cost to the people of Nova Scotia and significant benefit over time. This is proven internationally to be strong economic policy. After 34 years of building our company and promoting to people from around the world to come and visit and enjoy Nova Scotia, we feel very fortunate at having been approved for this program."

- Dennis Campbell, chief executive officer, Ambassatours Gray Line and Murphy's on the Water

"Through this program, we have been able to consolidate our loans at more favourable terms which will help meet our monthly debt service obligations. Protecting the financial liquidity of our company is critical during these pandemic times and will ensure we are here to serve our customers and the tourism industry when the necessary public health restrictions are lifted."

- Michael Cassidy, owner, Coach Atlantic

"This has been an extremely challenging year for the global tourism sector, but we're optimistic about the future. We're thrilled that we have met program criteria and have been able to secure financing at more favourable terms. This means that Cabot will be able to maintain hundreds of local jobs and continue to attract more visitors to Cape Breton as the sector recovers."

- Andrew Alkenbrack, general manager, Cabot Links

Quick Facts:

-- Ambassadors Gray Line and Murphy's on the Water can access up to \$11 million, Cabot Links up to \$14.25 million and Coach Atlantic up to \$9.5 million

--government contributed \$100 million to the Nova Scotia COVID-19 Response Council in 2020 to support small businesses and the tourism sector

-- programs funded through the council include the Small Business Impact Grants 1 and 2, Small Business Reopening and Support Grant, the Small Business Real Property Tax Rebate Program, and the Nova Scotia Rent Deferral Guarantee program that benefited commercial tenants

-- more than \$95 million in support has been committed or spent through the Nova Scotia COVID-19 Response Council

Additional Resources:

Provincial COVID-19 supports for business: <https://novascotia.ca/coronavirus/support/#support-for-business>

Federal COVID-19 supports for business: <https://www.canada.ca/en/department-finance/economic-response-plan.html#businesses>

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