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COALITION OF THE HARDEST HIT BUSINESSES CALLING ON GOVERNMENT TO PROTECT TRAVEL AND TOURISM IN CANADA

OTTAWA—July 6, 2021—Today, the Coalition of Hardest Hit Businesses (CHHB) is calling on the federal government to protect travel and tourism businesses and their employees in Canada, as the crucial Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS) programs wind down.

Since the beginning of the COVID-19 pandemic, businesses in the travel and tourism sector have been devastated by necessary public health restrictions, border closures, travel bans, and the loss of international and domestic travellers. The CEWS and CERS programs have been lifelines for these businesses that would otherwise have been forced to close. With these two key financial relief measures winding down as of July 4th, many CHHB members are facing a near-certain financial crisis that will hit especially hard in the fall and winter of this year.

“Our members need these programs to survive,” said Beth Potter, President and CEO of the Tourism Industry Association of Canada. “Our most recent survey from June shows that nearly 60% of Canada’s hardest hit businesses will not survive if CEWS and CERS are not extended. This, together with the increased uncertainty around the reopening of our international borders, the absence of major tourism events and conventions, and the slow return of business travel means we could see a potential collapse of our industry.”

“Our industry was the first hit, the hardest hit, and will be the last to recover,” said Susie Grynol, President and CEO of the Hotel Association of Canada. “We know that recovery for our businesses will be slower than other sectors; it will not happen with the flick of a switch. For our members who are directly tied to international and business travel, and major events and festivals that need much more lead time to plan, continued and tailored wage and fixed cost support will be needed for those that need it most to ensure we can get to the other side.”

“The tourism industry employs thousands of Canadians,” said Philip Mondor, President, Tourism HR Canada. “The wind down of these programs will mean many businesses will have to let staff go and millions of Canadians will be out of work.”

If businesses in the hardest-hit sectors are allowed to fall victim to the unfortunate timing of CEWS and CERS withdrawal, staggered travel and tourism reopening, and Canadians’ unavoidable urge to exit the country in cold months, we will see the loss of our vibrant tourism and travel industry, that was previously Canada’s 5th largest sector in GDP contribution. This means that small communities will no longer be able to support tourism, major cities will no longer be able to compete for major meetings and

conventions, festivals and cultural events, remote communities will be lacking in critical infrastructure for emergency services, and the livelihoods of more than two million people – mostly women, youth and immigrants – will be at risk. A few months of financial support will avoid years of economic and social disruption.

The Coalition underlined that Finance Canada has justified winding down the subsidies because they potentially provide a disincentive for businesses to reopen and rehire employees. While this could be true for businesses dependent on a domestic customer base, it is not true for businesses in the tourism, travel and accommodation sectors that are still under heavy restrictions and international visitors are prohibited from coming to Canada.

Lastly, the Canada Recovery Hiring Program (CRHP) is being boasted by the government as the program to replace the CEWS. However, it is inadequate for businesses that are not recovering. CRHP only provides funding to businesses to hire or rehire staff as business activity recovers. “Without continued tailored support for businesses that have been hardest hit, many tourism businesses across Canada will face difficult decisions on reopening, and won’t be able to pay their bills to be around in 2022 ,” said Potter.

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Established in September 2020, the [Coalition of the Hardest Hit Businesses](#) is an industry-driven coalition that represents the hundreds of businesses in tourism, travel, arts and culture, events and festivals, motor coach, accommodations and hospitality, and Indigenous tourism experiences.

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