

**FINA COVID-19 CONSULTATIONS**

**April 8, 2020**

**CHECK AGAINST DELIVERY**

**TOURISM INDUSTRY ASSOCIATION OF CANADA**

**Charlotte Bell**

**President and CEO**

Thank you, merci. First and foremost, thank you for the extraordinary speed in which government has put measures in place to address this crisis. Our thanks extend to the many women and men within government, at all levels, working towards solutions.

Parliament was never designed to deal with an all-encompassing crisis of this magnitude. But only Parliament can take the bold steps needed to address the situation.

TIAC represents the entire spectrum of the travel economy. We support our industry in its entirety – those on this panel and those who are not.

The travel economy is the proverbial “canary in the coalmine”. We were the first to experience extreme, severe and immediate impacts. The situation is dire – most businesses are closed; many will never reopen. SMEs and seasonal businesses, including Indigenous tourism and outfitters, have not yet opened for the high season and will likely lose their entire year’s revenues. Festivals, sporting events, conferences and other venues where people gather are cancelled. Countless attractions people flock to year after year are closed. And international students won’t be coming either.

We’re calling on government to take bold measures to provide sector-specific relief to those hit hardest – other countries have stepped up to support their travel economy. This industry is an economic driver for communities across the country who depend on it for jobs and economic growth- without it, the impact to local economies will be disastrous. The timing of this pandemic is all the more catastrophic for our sector. Unlike other businesses, tourism garners the bulk of its revenues during the high season between May and September. We need the right relief measures, immediately accessible, so businesses can stay afloat. We appreciate the programs announced so far, we asked for most of them, but there are significant gaps in the eligibility criteria and design. I will focus on three:

- The wage subsidy is a great idea but not designed to address our industry's needs. Most businesses can't access it – they've laid off most if not all of their staff. You can't show a 30% revenue loss in March and April when you only open in May. Some likely won't open until much later, if at all. If businesses are already closed, this measure won't help. With many businesses owner-operated, if they can't get support, they won't be able to hire staff because they'll be out of business;
- The Canada Emergency Business Account (CEBA) \$40K loan program is also not accessible to many tourism operators as many small, rural and seasonal businesses don't meet the minimum \$50K payroll criteria;
- The Business Credit Availability Program (BCAP) is designed to provide an operating line of credit or one-year term loan up to \$5M. Again, for many tourism businesses who depend on the summer for their entire annual revenues, this is just more debt they can't repay within a year's time.

The one thing the industry needs is liquidity to meet expenses so businesses can reopen when this crisis is over– for many operators, that may mean next year after losing their entire year's revenues. This is why we ask that you consider some fine-tuning under the Small and Medium-sized Enterprise Loan and Guarantee Program that would address the industry's top concern: liquidity. We believe these changes would help solve the current problems tourism businesses face when trying to access the BCAP.

With full government backing for loans up to \$6.25 M processed through chartered banks and credit unions rather than BDC, you could establish a forgivable portion of these loans for amounts paid for wages, rent, mortgage, insurance and utilities to the period when revenue reaches 70% of normal monthly activity.

Members, other countries have put tourism-specific packages in place recognizing the contributions the sector makes to overall economies and jobs as well as understanding that

many businesses garner most if not all of their revenues over a short period of time. Many countries have also turned their attention to recovery programs specifically designed to support tourism.

We urge the federal government to find solutions that will address the particular needs of this sector. We must develop a robust recovery plan now, so we can bounce back when the crisis is over. Tourism has been an economic driver and job creator for this country with 1 in 10 jobs from this sector and contributions of \$102B to the Canadian economy. When this is over, we'll be competing with countries who are ahead of us in terms of relief programs and recovery planning. We need to be ready to go because tourism can and will contribute significantly to the recovery of the Canadian economy when this is over.

Thank you. Merci. I will be pleased to answer your questions.