

DECEMBER 18, 2020

DEAR MEMBERS OF PARLIAMENT,

On behalf of the Coalition of Hardest Hit Businesses (CHHB), we'd like to thank you and your government colleagues for your ongoing efforts to support Canadians and employers during these challenging times.

The CHHB is comprised of businesses in the tourism, travel, hospitality, arts, festivals and business events sectors, who collectively employ almost 2 million people. Many sectors were impacted by COVID-19, but few as severely as ours. Faced with necessary ongoing public health and travel restrictions, we have seen thousands of festivals, concerts, conventions, Indigenous tourism experiences, fairs, exhibitions, and business and sporting events cancelled, leaving our businesses without revenue for the past 8 months. This will remain the case until at least the Summer of 2021.

Government support programs like the *Canada Emergency Wage Subsidy (CEWS)* and the *Canada Emergency Rent Subsidy (CERS)* are welcomed and have provided some much-needed relief for our sectors. However, with cash reserves depleted and losses accumulating each month, liquidity remains a significant challenge.

Our latest survey results demonstrate that without new financing, almost 70% of respondents will not make it to the summer and over 40% will not make it to the end of February (*chart 1*). The need for an immediate infusion of liquidity is urgent. Without new financing, the majority of our businesses will face permanent closure, which will impact hundreds of thousands of jobs (*chart 2*).

Chart 1: Without new financing how long can you continue to pay on-going expenses?

Less than a month	7.25%
30-60 Days	15.96%
60-90 Days	19.23%
90-120 Days	12.49%
120-150 Days	5.43%
150-180 Days	7.86%
6-9 Months	15.21%
9-12 Months	8.05%
Year+	8.52%

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Chart 2: How would you best describe your financial position?

Operations are closed and will not reopen	1.21%
We have sufficient internal resources to manage the expected downturn	8.84%
We have access to sufficient financing from regular sources to manage the downturn	10.46%
Without access to government-supported financing, we will be unable to stay in business	71.48%
Other	8.01%

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We were pleased to see the announcement of the *Highly Affected Sectors Credit Availability Program (HASCAP)* in the Fall Economic Statement. There is an urgent need for this critical program to be rolled out immediately and ready to receive applications in early January to ensure that Canada's hardest-hit businesses do not shut their doors permanently before the program launches, which would leave tens of thousands of vulnerable employees out of work. Further, in order for these businesses to access the full benefit of this program – particularly those with multiple locations – it is essential that they are not limited by restrictive caps. Doing so would prevent the program from fulfilling its intended purpose.

Canadians are looking forward to getting to the other side of this pandemic where they can travel again, attend events and festivals, and visit Canada's beautiful regions. We need the support of government to survive until next Summer so that this can be possible.

Sincerely,



