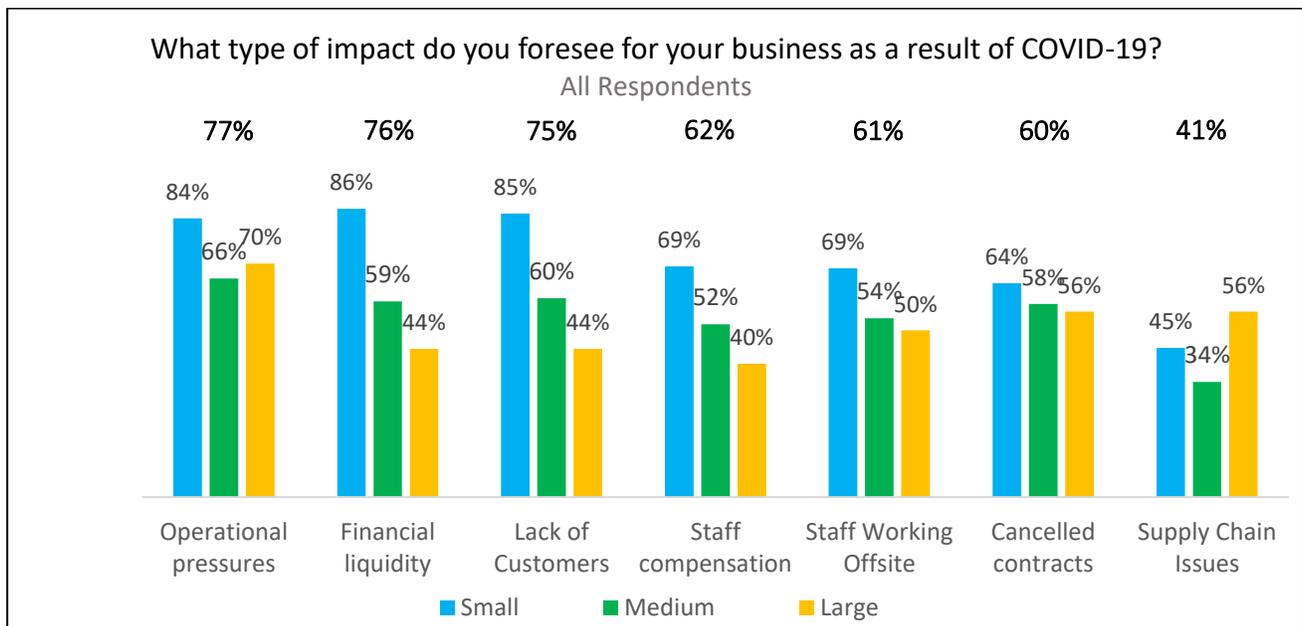


New survey from Toronto Region Board of Trade shows small businesses most impacted by COVID-19-related economic downturn

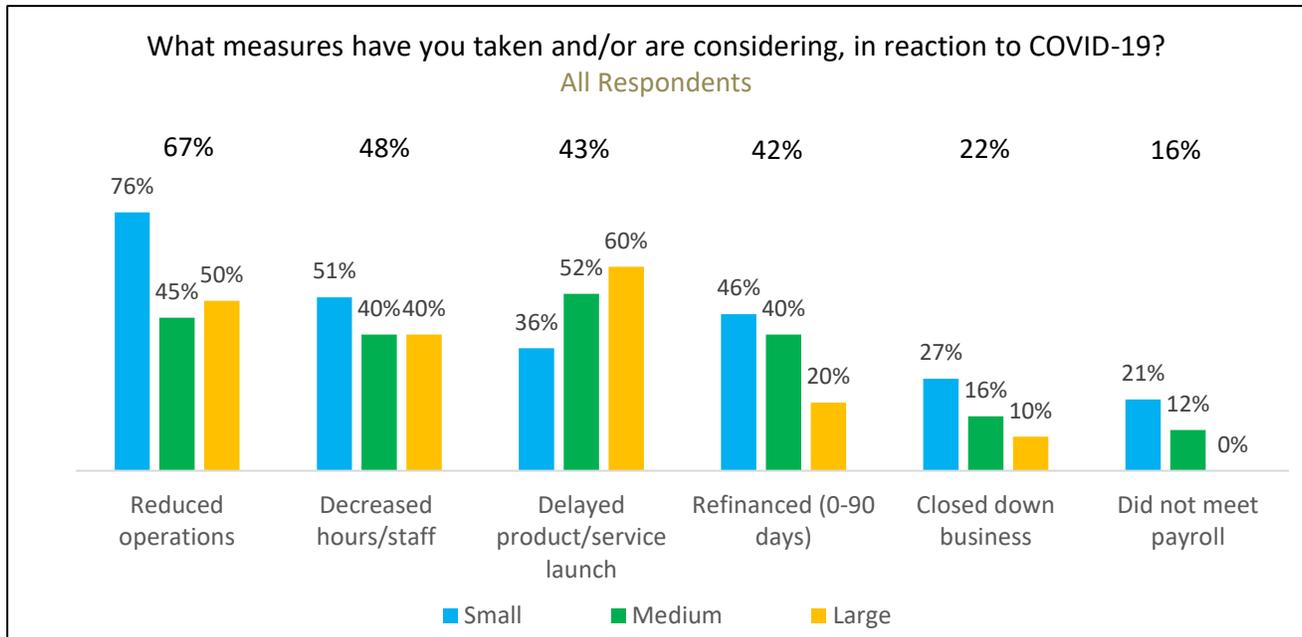
Continued government support for cash flow needs including loans, payroll, rent mortgage, and liquidity will help businesses in the short and long term

TORONTO, ON, March 24, 2020 — Businesses in the Toronto region have been significantly impacted by the outbreak of COVID-19, with small businesses bearing the brunt of the economic downturn, according to results from a COVID-19 Business Impact survey released by the Toronto Region Board of Trade (the “Board”) and World Trade Centre Toronto. While necessary measures are being taken by all levels of governments to “flatten the curve” amid the COVID-19 pandemic, the survey results highlight the degree of uncertainty facing the business community. The survey indicates that 67 per cent of businesses considered a reduction in their operations, which is now mandated for non-essential businesses by the Ontario government. In addition, 42 per cent will potentially refinance in order to maintain financial liquidity, and 43 per cent may delay or cancel new products and services.

“We have reached out to our business community and they have sent a strong message for help,” says Jan De Silva, President and CEO of the Toronto Region Board of Trade. “Governments at all levels have responded with key measures during this very uncertain time, but to ensure business continuity, our community has specifically asked for clarity on and quick access to stimulus, programs and initiatives.”



The impacts and measures taken by small businesses (<\$1M revenue), medium businesses (>\$1M and < \$100M) and large businesses (>\$100M) are highlighted in the charts above and below.



Over the recent week, governments at all levels have gone to great lengths to mitigate any risk to business continuity. However, insights gathered from the business community have highlighted four key areas of recommendations for governments that can help build on recently announced policies, and guide the way in terms of determining next steps.

- 1. Loan Access:** The federal government has already responded to businesses requests for access to emergency low-and-no-interest loans and lines of credit, and to requested deferrals on interest and principal debts to ensure businesses can remain viable.

 - *Next steps* – Ottawa should review existing lending rules and eligibility criteria to ensure sectors that are hardest hit can access loans. Accelerating EDC and BDC assessments to get credit flowing would also be a welcome benefit.
- 2. Support Liquidity:** Businesses, especially small and medium-sized ones, require cash flow to ease risk during this unprecedented time. Ottawa should suspend collection of GST/HST remittances until at least September 2020. A priority request from businesses is for the province to reduce, eliminate, or defer small business electricity and natural gas costs while emergency measures are in place.

 - *Next steps* – Suspend electricity time-of-use rates, with the option to use off-peak rates around the clock as an alternative. To provide immediate relief, government departments and agencies should also fast-track approvals for government contracts.

3. **Subsidies for Rent / Mortgage:** Businesses are concerned about rent and mortgage payments and are seeking rent freezes, subsidies and other supports
 - *Next steps* – The federal government should consider offering a 50% tax break on rental income to landlords who allow their tenants to reduce their rent for a corresponding period.

4. **Increased Wage Subsidy:** Businesses are concerned about their ability to compensate their staff and maintain staffing levels. The federal government’s recent announcement on 10% wage subsidy is a good start, but survey respondents felt this was not adequate.
 - *Next steps* – Increase the wage subsidy to at least 65%. This will enable staff retention, reduce time for new staff training, and help businesses return to regular operations as quickly as possible once public health officials deem it safe to do so.

“The health and safety of our region’s businesses and citizens is of the utmost importance, and we are grateful to governments – at all levels – who are working around the clock to ensure access to basic services,” says De Silva. “We also recognize that ensuring that our business community has the tools it needs to navigate these turbulent times will mitigate economic uncertainties felt by many. This is why the Board and World Trade Centre Toronto are working with the City of Toronto and others to create easy-to-access resources and support.”

A business continuity support program, in partnership with the City of Toronto and other institutions, will soon be launched and rolled out in several phases. It will comprise a compendium of simple, online resources, access to direct-to-business virtual support, and when the situation has stabilized, in-person seminars.

To review results in more details, and to access more information and resources with regards to COVID-19 and business, please visit <https://bit.ly/TRBOTCOVID19Survey>.

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ABOUT THE TORONTO REGION BOARD OF TRADE

The Toronto Region Board of Trade is one of the largest and most influential chambers of commerce in North America and is a catalyst for the region’s economic growth agenda. Backed by more than 13,500 members, we pursue policy change to drive the growth and competitiveness of the Toronto region, and facilitate market opportunities with programs, partnerships and connections to help our members succeed – domestically and internationally. We want Toronto to be recognized as one of the most competitive and sought-after business regions in the world, and believe this reputation starts with our businesses. Learn more at bot.com and follow us at [@TorontoRBOT](https://twitter.com/TorontoRBOT).

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