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Saskatchewan Businesses Experiencing an 'Economic Gash' says Provincial Chamber

Regina, SK - The Saskatchewan Chamber of Commerce and its partners undertook a survey of businesses regarding COVID-19, and with over 1000 responses the results are stark but also hold some promise.

"Businesses told us clearly that they are in a very, very troubled position with so many unknowns. The best analogy is that we have suffered an economic gash that needs immediate attention and will take time to heal," said Steve McLellan, CEO, Saskatchewan Chamber of Commerce.

The results of the survey demonstrated a very clear picture of the current situation. These are some of the highlights:

- 85% of businesses that responded have felt a negative impact already, and 87% believe the challenges will continue for two months or longer.
- The greatest negative impacts include reduced revenues; impacts on staff either through layoffs, workers being off for health reasons due to isolation protocols or under-utilized labour while still at work; and the cancellation of important work-related travel events.
- 42% of respondents believe they will see as much as a 50% drop in revenue.

Businesses are reacting by canceling employee travel and managing both customer and supplier questions on the overall situation. Layoffs have begun and are expected to increase.

"We were heartened that almost half of the respondents had a plan in place to help mitigate the challenges. We have also seen many creative and impactful actions by businesses to show support for the health of employees and the public, and for Canada's collective effort. From voluntary closures of public spaces, including restaurants and facilities, to donating excess food to food banks, businesses are still focused on doing the right thing for the community, employees and customers." said McLellan.

Respondents recommended immediate action by government to help offset challenges by implementing the following:

- **Immediate action on Federal Employment Insurance (EI)** - Open up the criteria on EI to eliminate the waiting periods, allow self-employed persons full access to EI for a certain period of time, offer extensions on the Work-Sharing program, extend or temporarily eliminate the length of time a person can stay on EI, and offer some form of EI for parents who need to stay at home to provide childcare with the closure of public schools.
- **Allow layoffs without termination** - Revise the provincial layoff policy to allow temporary layoffs of up to 8 weeks on a specific period without requiring notice or payment in lieu. Manitoba has this policy in place currently.
- **Expand loan access** - Provide quick turnaround, low interest loans to businesses to ensure they have enough cash flow to sustain them during this dramatic loss in revenue. Greater use of the Federal Canada Small Business Loan

program facilitated by local credit unions and banks will mean easier transactions.

- **Extend tax windows** - All levels of government should extend all tax payment deadlines to reflect the current situation and to enable businesses to preserve short-term cash flow.
- **Ensure access of products across the border** - Define international border rules for incoming transportation drivers to ensure sustained flow of products while maintaining effective safety protocols.

The Saskatchewan Chamber of Commerce, in partnership with local chambers and many provincial business groups, conducted the survey on March 16 and 17, 2020. There were over 1000 responses from across the province.

"Our businesspeople have dealt with this dramatically changing economic landscape as well as could be expected given the circumstances so far. But there needs to be rapid and coordinated action by the federal and provincial governments or else we will see closures on a level that we have not seen in this province for decades. Most business people are monitoring the government messages and are fully supportive of the level of inter-jurisdictional cooperation that has happened to date, quick action by these levels of government will be required in the next few days to retain a stronger hope of future success," said Valerie Sluth, Chair of the SCC Board of Directors.

The Saskatchewan Chamber of Commerce serves as the voice of business and represents the interests of over 10,000 individual businesses, industry associations, and local chambers across the province through its chamber network. Information on COVID-19 and all other business issues can be found on www.saskchamber.com.

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