

Standing Senate Committee on National Finance and
Standing Senate Committee on Social Affairs, Science and Technology
Senate of Canada
Ottawa, Ontario
Canada, K1A 0A4

May 19, 2020

Re: Formal Submission In Response To COVID-19 And The Federal Emergency Response

Dear Senator Mockler, Senator Forest, Senator Petitclerc and Senator Poirier,

These are unprecedented times and the Yellowknife business community is in crisis. The impacts of the COVID-19 pandemic have been devastating for the Yellowknife business community and our 383 members and their employees.

The Canadian Chamber of Commerce in collaboration with Statistics Canada, recently released the *Canadian Survey of Business Conditions* - a national survey completed by more than 13,000 businesses across Canada. Across the three territories, 57.4% of businesses report a high decrease in demand for products and services and 33% report a high number of cancelled contracts. In addition, 29.5% of businesses have voluntarily closed, 23.3% are closed temporarily as mandated by the government, and 1.1% have closed permanently.

In the Northwest Territories, more than 300 people in the tourism industry have lost their jobs and 3% of operators have closed permanentlyⁱ. Furthermore, the mineral industry and the many businesses who provide products and services to the mines, have been negatively impacted by the suspension of operations of the Ekati Diamond Mine, which supports 1,800 employees and contractorsⁱⁱ.

To help us react quickly to the needs of our membership, the Board of Directors established the Business Resilience Working Group on April 6, 2020, with the goal of making recommendations for the municipal, territorial and federal governments. On April 8, 2020 we released our federal recommendations, which we are pleased to share with you:

Recommendation #1: Waive the Canada Emergency Wage Subsidy program's 30% reduction in gross revenue requirement for any Northwest Territories businesses that have incurred losses as a result of COVID-19 and government-imposed restrictions.

Recommendation #2: Work with the Government of the Northwest Territories to develop a COVID-19 Commercial Rent Strategy for the Northwest Territories. This strategy should focus on providing rental relief for businesses who have been forced to close or are unable to generate revenue as a result of COVID-19.

For the most part, we feel that recommendation #2 has been addressed through the Canadian Northern Economic Development Agency's Northern Business Relief Fund and the Canada Emergency Commercial Rent Assistance program.

It is recommendation #1 that we urge you to support.

The Canada Emergency Wage Subsidy program provides support for 75% of wages – up to \$847 per week – for employers who have suffered a drop in gross revenues of at least 15% in March, and 30% in April and May. This eligibility requirement will leave many Northern businesses unable to access these funds.

For example, according to the *Canadian Survey of Business Conditions*, only 46.5% of businesses across Canada in the mining, quarrying and oil and gas industries will be able to demonstrate a loss of 30% or greater. What about the other 53.5%? The mineral industry is the biggest contributor to the Northwest Territories' GDP – representing 36.34% of total GDP in 2018ⁱⁱⁱ and providing over 10,000 jobs and over \$3 billion in annual business spending across the North. Our

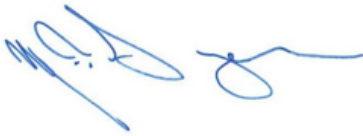
business community and the economies of the three territories rely heavily on the mineral and exploration industry and it is essential that these businesses have access to federal support through the Canada Emergency Wage Subsidy.

While the revenue reduction requirement will disproportionately impact industries that have seasonal fluctuations in revenue, such as mining, construction and tourism, to name a few, it will impact many businesses across the North. That is why this recommendation has gained traction and received public support from:

- NWT & NU Construction Association
- NWT & NU Chamber of Mines
- Conseil de développement économique des Territoires du Nord-Ouest (CDETNO)
- NWT Tourism
- NWT Chamber of Commerce
- City of Yellowknife
- Government of the Northwest Territories, as per Minister of Industry, Tourism and Investment, Katrina Nokleby's April 25, 2020 media statement
- Member of Parliament for the Northwest Territories, Michael McLeod, as per his April 17, 2020 letter to Minister of Finance, Bill Morneau.

You can view all letters of support and lobbying efforts done by the Business Resilience Working Group at:
<https://ykchamber.com/business-resilience/>

Respectfully,



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President
Yellowknife Chamber of Commerce



Deneen Everett
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ⁱ NWT Tourism. (April 8, 2020). Presentation To Parliamentary Committee on Finance.

ⁱⁱ Dominion Diamond Mines. (2020). *Careers*. Retrieved from: <https://www.ddmines.com/careers/>

ⁱⁱⁱ NWT Bureau of Statistics. (2020). *Gross Domestic Product*. Retrieved from: <https://www.statsnwt.ca/economy/gdp/>