

# VOICE OF BUSINESS

Connecting Voices. Building Business

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## Industry Associations Call for More Time to Repay CEBA Loans

On July 24th, 2023 the Canadian Chamber of Commerce network together with other industry associations called on Minister Freeland, federal Minister of Finance, to extend the current Canada Emergency Business Account (CEBA) repayment deadline by two years to the end of 2025, or at least by one year, while maintaining access to the forgivable portion.

Almost 900,000 CEBA loans were approved across Canada. Many businesses had no choice but to take on this loan due to circumstances beyond their control. This includes businesses in some of the hardest hit industries such as the retail industry and tourism sector. Mandatory business closures and other government health restrictions left businesses with severe income losses and cash flow issues.

Despite their best efforts, high interest rates, inflation and increased labour costs are making it difficult for small-and-medium size businesses to keep their heads above water, let alone make any dent in the debt many had to take on to survive pandemic restrictions. A recent analysis of over 15,000 Canadian businesses found that inflation, input costs, and interest/debt costs are the three most acute obstacles faced by business (at 56%, 40% and 38%, respectively), and the smaller the firm, the more constrained they are by debt.

Moreover, recent surveys focused on CEBA loan-holder companies reveal that:

- 49% of small businesses are still making below normal revenues;
- 50% of Canadian foodservice operators are currently operating at a loss or breaking even compared to 12% pre-pandemic; and;
- 45% of Canada's tourism businesses are likely or somewhat likely to close within the next three years without government intervention into their mounting debt load.



With each passing day, entrepreneurs who collectively maintain a very considerable workforce, face increasingly daunting financial pressure. Ottawa needs to act now to extend the CEBA repayment deadline.

Unless the federal government acts quickly to postpone the CEBA repayment deadline, businesses that are unable to repay their CEBA loan in time will lose access to the forgivable portion of up to \$20,000, thus further increasing their debt load. Extending the repayment timeline for the CEBA loan without losing access to the forgivable portion would give many small-and-medium size businesses the stability and certainty they need to get back on their feet on a path to prosperity.

*"The government did a good thing during the pandemic: it responded to businesses in crisis and gave them a lifeline with the CEBA loan program. But not all businesses have their heads above water yet: they're facing extreme inflation, unreliable supply chains, and the tightest hiring market in a generation. They're just asking for more time to pay the government back."*

Matthew Holmes, Senior Vice President of Policy and Government Relations, Canadian Chamber of Commerce

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## Calendar of Events:



### Upcoming Chamber on Tap Dates:

Guest: Travis Low, Blue Moose Media  
Thursday, September 14th, 2023  
5:00 p.m. to 7:00 p.m.  
Blend Kitchen & Bar (Riverside)  
North Battleford Golf & Country Club

Thursday, October 26th, 2023  
5:00 p.m. to 7:00 p.m.  
Blend Kitchen & Bar (Riverside)  
North Battleford Golf & Country Club

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### The Power Hour

Thursday, October 12th, 2023  
11:45 a.m. to 1:15 p.m.  
Western Development Museum

"When there  
was one cost  
of business I  
didn't have to  
stress over."



Talk with your local advisor:  
Aaron Cadrin  
306.446.8080

Chambers Plan  
Employee Benefits

## Policy Matters: Regulatory Reform

-Canadian Chamber of Commerce

At the Canadian Chamber of Commerce they talk a lot about regulatory burden because it is consistently one of the biggest barriers to economic growth that we see across sectors. So, what \*IS\* it exactly? In a Nutshell .....

"Regulations" are the government rules that legally dictate what businesses are allowed to do when it comes to producing, manufacturing and selling their goods and services.

The OECD lists three general types:

- **Economic regulation** is meant to improve the efficiency of delivering goods and services to markets and customers. It can include government-imposed restrictions on things like prices, quantity, service and imports and exports.
- **Social regulation** is meant to protect the well-being and rights of society. It can include protection of the environment, health and safety in the workplace, workers' rights, and consumer protections against things like fraud.
- **Administrative regulation** relates to general government management of the operation of the public and private sectors. It can include regulations relating to taxes, business operations, distribution systems, health care administration and intellectual property rights.

### THE POLICY PROBLEM

Well-designed and well-implemented regulations can be one of the government's tools to grow the economy and help keep Canadian citizens and our environment safe. Unfortunately, Canada has a complex network of overlapping regulations from all levels of government that make a lot of things more expensive and difficult than they need to be for businesses. Complying with all these layers of regulations is also time-consuming, and combined with inefficient and unpredictable regulatory processes, Canadian businesses are not set up for success.

### POLICY SOLUTION

Considering Canada's alarmingly low level of economic growth – our GDP is projected to grow by only 1.4% this year and 1.3% in 2024 – we literally can't afford the regulatory burdens facing Canadian businesses. The solution? Regulatory reform (aka regulatory modernization).

A modern, streamlined regulatory process is a thing of beauty, removing barriers and allowing businesses to stay competitive and maximize their growth while protecting the welfare of Canadian citizens. This looks like improved environmental, social and economic protections, while simultaneously increasing investment growth and the number of jobs for Canadians – win-win!

We can't just talk the talk when it comes to regulatory reform – we need to see real action that will move the needle. How do we do it?

**Collaboration:** A holistic, whole-of-government approach that coordinates action across all departments and provides ongoing resources for research and analysis of new and better approaches to designing and implementing regulations.

Regulatory departments and agencies need to work together to examine the regulatory systems of their respective jurisdictions and work with the private sector to identify areas for improvement and better alignment.

**Trade:** Establish a registry of interprovincial trade barriers. A public registry will both educate Canadians on the barriers to interprovincial trade and compel governments to defend why such barriers are justified within our national economy – transparency is key!

Reduce regulatory barriers between the U.S. and Canada by renewing the work of the Regulatory Cooperation Council.

**Economic:** Launch a comprehensive independent review of the tax system – Canada needs to make our tax system more modern, simple and fair to win the competition for global investment.

Develop a common definition for 'net-zero aligned investment' by governments and include emissions reduction estimates alongside policies.

Make it mandatory for regulating bodies and agencies to look at all regulations with an economic and competitive lens. There is currently a siloed approach where a particular department only looks at the regulations from their own perspective i.e. health, environment, etc. We need to consistently be looking at regulations holistically, from all angles, including from an economic point of view.

