

House of Commons  
Ottawa, Ontario,  
Canada  
K1A 0A6

July 2023

Sent via Email

**Ref: Debt Relief Urgently Needed for Ontario Tourism Businesses**

Dear MP,

With your support and the support of the Government of Canada, our industry is welcoming visitors back to Ontario in a first full year of tourism since 2019. With the release of *Canada 365: Welcoming The World. Every Day*, Canada's new Federal Tourism Growth Strategy, our industry looks forward to rebuilding a stronger, more innovative, more sustainable, and more competitive tourism product.

However, new, longstanding, and pandemic-related challenges continue to impact Ontario's tourism industry and the capacity of businesses in your riding to leverage new opportunities for growth. Key visitor markets have yet to fully return, with inflation and the rising cost of living impacting travel plans. Recent research shows that about 55% of Ontario, Quebec, and US travellers have either shortened a planned holiday, cancelled it altogether, switched from a foreign to a domestic vacation, or are seriously considering making similar changes to their travel plans in 2023 in response to financial pressures. Furthermore, critical labour gaps, supply chain disruptions, inflation, rising taxes, and rising commercial costs continue to prolong an already slow and uneven economic recovery period.

Consequently, the debt load that tourism operators took on to survive the pandemic has worsened. New research conducted by Nanos (commissioned by the Tourism Industry Association of Canada and TIAO as a member of the Provincial and Territorial Tourism Industry Association) shows that: 51% of tourism businesses are now over \$100,000 in outstanding debt; 55% of Canadian tourism businesses lack confidence that they can repay the Canada Emergency Business Account (CEBA), the Regional Relief and Recovery Fund (RRRF), and the Highly Affected Sectors Credit Availability Program (HASCAP) loans in the next 2 years; and, alarmingly, 45% of Canada's tourism businesses may close within the next three years without government intervention into their mounting debt load.

Debt has impacted the capacity of businesses to operate at full capacity, hire the necessary staff, create new tourism experiences, and build the next attraction. For this reason, TIAO has joined a new coalition formed with national organizations in the visitor economy and small business sectors. Together, **we are calling on Minister Chrystia Freeland to:**

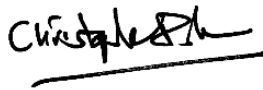
- Extend the zero-interest repayment deadline for the CEBA loan to December 31, 2025;
- Increase the forgivable portion of the CEBA loan to \$30,000 (or 50%) if fully repaid before December 31, 2024, and maintain the current forgivable portion of \$20,000 (or 33.3%) if fully repaid by December 31, 2025; and,
- Modify the RRRF and HASCAP loans in a similar fashion to allow more time and flexibility in repayment terms.

Tourism and hospitality matter for Ontario and for Canada. By generating tax revenue, building community infrastructure, providing foundational work experience, and creating vibrant communities to work and live in, tourism drives our economy and propels social and cultural development across the country. We look forward to continued collaboration with the federal government to grow tourism's impact through the new Federal Tourism Growth Strategy. But in order to leverage the opportunities and realize the goals outlined in this strategy, our industry first needs to make a full economic recovery. Overcoming the debt load is the final hurdle that tourism businesses face.

**I am asking for your support in calling on the Minister of Finance and the Minister of Tourism to ensure that tourism and hospitality businesses across Ontario and across Canada have the opportunity to fully recover.**

Thank you for your consideration of the contents of this letter. If you have any questions or would like to speak with tourism and hospitality operators in your riding, please don't hesitate to get in contact with me at [cbloore@tiaontario.ca](mailto:cbloore@tiaontario.ca)

Yours sincerely,



**Christopher Bloore**  
President & CEO  
Tourism Industry Association of Ontario (TIAO)