

## **MEDIA RELEASE**

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### **BC Chamber Pulse-check Survey shows many BC Businesses in Need of Immediate Support**

*Kelowna:* The COVID-19 crisis is significantly hurting British Columbia businesses and their employees. In the past two weeks alone, approximately half of close to 2,000 businesses surveyed in B.C. have experienced revenue decreases of 75% or more, while two-thirds have seen revenues drop by 50% or more.

This is according to a province-wide survey of the business community conducted by the BC Chamber of Commerce, in cooperation with other Chambers including the Kelowna Chamber of Commerce. The Business Council of British Columbia, and other partners also participated, with the assistance of the Mustel Group.

“There’s no doubt governments want to find the right solution for businesses, but the business community and our members are saying ‘time is of the essence’. With these survey results entrepreneurs are sending a clear message to Ottawa and Victoria: they need enhanced supports now because time is running out. Governments must focus on getting subsidies and credits to businesses quickly.” Jeffrey Robinson, President, Kelowna Chamber

The data paint an ominous picture of what businesses and workers are experiencing now and what they expect to face in the future:

- Nearly one-third are planning to cancel or have had contracts or tenders cancelled, while a quarter will defer or cancel capital projects in the next two weeks.
- Among those laying off staff, on average, organizations have laid off 43 employees. As BC businesses tend to be skewed to smaller businesses (less than 20 employees), the median or mid-point is much lower, at five employees.
- More than 50% of businesses are concerned they will be insolvent or not have the fiscal capacity to restart their business.
- Businesses are trying to pivot with 23% increasing efforts towards online, digital, or e-commerce options.
- Businesses tend to expect the economic rebound in their market will be slow (55% versus 14% fast) but a sizable group is unsure (31%).



Individual businesses in BC are experiencing the crisis differently, depending on their sector, location of operations, size, exposure to global supply chains, and the impacts of other global market forces.

Opinions are divided on the effectiveness of government support announced to date, especially with respect to measures that support cash flow and to prevent layoffs (note that the 75% wage subsidy was introduced after the survey was launched). This may reflect that while many announcements have been made, funds have not yet been received by businesses or individuals.

When asked what actions the federal government could take to further support business, respondents pointed to the following measures:

- Provide direct payments to affected businesses (56%).
- Immediately reduce rates for EI, company taxes, personal tax, GST, other government-imposed levies or charges (42%).
- Ensure that critical supply chains are able to function (32%).
- Ensure that credit markets and the financial system continue to function (33%).

Top recommendations to the BC government include:

- Further reduce tax rates and defer payments facing BC businesses and households (57%).
- Consider remedies for businesses not able to pay rent in collaboration with property owners and tenants (42%).
- Provide direct support to BC industry sectors that are being particularly affected by the pandemic crisis (46%).

This was the first in a series of bi-weekly pulse checks using the BCMindReader.com platform that will be undertaken during this crisis so local businesses in Kelowna and across BC can voice their concerns and challenges directly through to the province.

“In the face of COVID-19, larger businesses and organizations are doing their best to keep their operations going while ensuring they are protecting employees and creating safe working environments. Speed in implementing government actions, provide access to credit and reduce the tax and regulatory cost burdens are vital to successfully emerging into the vastly different world we will inherit post the pandemic.” Greg D'Avignon, President & CEO, Business Council of British Columbia.

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