

The Honourable Chrystia Freeland, P.C., M.P.  
Deputy Prime Minister and Minister of Finance  
Department of Finance Canada  
90 Elgin Street  
Ottawa, Ontario K1A 0G5

February 9, 2021

Dear Minister Freeland,

On behalf of the Canadian Association of Exposition Management (CAEM), we are pleased to provide this submission as part of the 2021 budget development process. The Canadian Association of Exposition Management represents over 500 producers, venues and suppliers of commercial events – also referred to as trade shows, consumer shows and/or expositions. The business events industry, including commercial events, directly employs 229,000 people across the country and contributes 33 billion in direct spending annually to local economies. Expositions contribute to increased business development, support for the tourism and transport industries, and drive research, innovation, and professional connections across countless industries.

The commercial events space has been one of the most impacted sectors in the pandemic. There is no work-from-home option for expositions. Unlike retail, gyms, and restaurants, trade and consumer shows have not been permitted to re-open to any degree. While there is much talk about hope for 2021, for the exposition industry, the immediate future looks bleak. Most Canadians won't be able to access vaccines until late in the year, essentially writing off 2021 for any kind of comeback opportunity for the exposition sector. The collapse of the travel industry, including reduced airline schedules, mandatory testing and hotel quarantines, and advisories against interprovincial travel, will further discourage the confidence of individuals who might consider travelling to events as restrictions are slowly lifted. The government has focused its attention and funding opportunities for hardest-hit sectors like tourism, but there has been minimal support for commercial markets, which are generally eligible for neither business nor tourism funding streams. It is clear that more targeted support is needed. The exposition sector serves as the driving force behind countless other industries, from travel to tourism, and from local small businesses and sports to manufacturing.

The sector is committed to a safe restart and is well-prepared to rigorously implement health and safety standards as required by local officials, yet CAEM members have predicted that continued restrictions throughout 2021 will result in a worse year than 2020. Giving a hand up to this industry, whose members are active participants in their communities, provides a golden opportunity to simultaneously support local economies, including sparking the creation of well-paying jobs and making it possible for small businesses across the supply chain to not just survive, but succeed. To support these businesses through these continued challenging times, we ask that the following changes or expansions to four specific programs be implemented:

Canada Emergency Wage Subsidy: The wage subsidy has been critical to keeping the sector afloat this last year. However, public health orders and restrictions are currently being tightened in many jurisdictions. With commercial events operators, vendors, and suppliers looking at another year with little to no revenue, keeping the wage subsidy at 65% will not be enough for businesses to keep their employees on the payroll, and it is already clear that support will be needed well beyond June 2021. Many commercial show businesses rely heavily on independent contractors rather than standard employees. Excluding independent contractors from CEWS eligibility has left thousands of businesses unable to assist their employees, and employees with little to no financial support as the second year of the pandemic begins.

1. Extend the CEWS until June 2022 for the hardest-hit sectors, which includes producers of trade shows, consumer shows and expositions, as well as those in the supply chain relying on commercial events for a certain percentage of their annual revenue. Expand CEWS eligibility to include independent contractors.
2. Increase the CEWS subsidy amount to 85% of wages for the hardest-hit sectors.

3. CEWS eligibility should be calculated against 2019 revenues (not strictly year-over-year, i.e. 2021 eligibility based on 2020 revenue) in recognition that most organizations earned little to no revenue in 2020.

Canada Emergency Rent Subsidy: With the industry looking at another full year before they can begin to host in-person events and bring in revenue, much additional support is needed to keep these businesses afloat during this time. The current \$300,000 cap is prejudicial to businesses which have high rental costs, as many commercial event businesses do, and those that operate multiple facilities – again, a hallmark of the industry. The majority of exposition industry businesses have been forced to take on deep debts. Any kind of business planning or revenue forecasting for industries which rely on bringing hundreds or thousands of people together, will remain impossible for many months. Expanding the rent subsidy to cover rent paid by show producers to facilities once reopening begins, would be essential support for many businesses to be able to undertake large expenses after almost two years of little to no income.

1. Extend the CERS until June 2022 for the hardest-hit sectors, including producers of trade shows, consumer shows & expositions, as well as those in the supply chain relying on commercial events for a certain percentage of their annual revenue.
2. Expand the CERS eligibility criteria to include rent paid by show producers to facilities once reopening begins.
3. Increase or remove the \$300,000 cap to allow larger businesses and businesses with multiple facilities to benefit from the program.
4. Expand the 90% top up to businesses that are impacted by restrictions on mass gatherings and travel restrictions, such as commercial events.

Regional Relief and Recovery Fund: While there are numerous funding options available for tourism, CAEM & its members don't strictly fall in the "tourism" category, leaving the industry without a funding stream to rely on for support. Recognizing the drastic impact that the pandemic has had on commercial events, and the positive downstream effects commercial events have across the economy, especially for local businesses and tourism industries, program eligibility should be expanded. Specific funding should be allotted to support producers of trade shows, consumer shows and expositions, as well as those in the supply chain relying on commercial events for a certain percentage of their annual revenue, all of which are currently receiving minimal federal funding support. Given the degree of hardship suffered this last year, with many businesses facing a 100% reduction in revenue, establishing a forgivable portion of this funding and ensuring that businesses which may have also received some government funding through CEWS, CERS, CEBA, and others, will still be eligible for RRRF funding, is essential. Additionally, businesses across the country must have equal access to federal support programs.

1. In Budget 2021, the RRRF should be recapitalized and extended to June 2022 to support the 'hardest hit' sectors nationwide, reflecting the fact that the exposition sector will face challenges for at least the next year. The earmarking of 25% of RRRF funding for tourism should continue, and eligibility should be expanded to tourism-adjacent businesses as well as permitting access to funding for businesses which may have received other COVID-relating funding such as CEWS, CERS, CEBA, etc.
2. A specific business events funding stream that includes trade and consumer shows, as well as related businesses such as those in the supply chain relying on commercial events for a certain percentage of their annual revenue, should be established, with a portion of the funding earmarked as forgivable. This support will ensure that the commercial events sector will survive to support the economic recovery and return of safe domestic tourism in 2021-2022.
3. The specific tourism funding streams which are available through the RDAs in Southern Ontario and Quebec, should be established for all RDAs to ensure a level playing field across the country.

Highly Affected Sectors Credit Program: This program is well-designed and sorely needed, however it must be available to all the hardest-hit sectors, including commercial events, at no interest or partially forgivable. The challenge of our businesses taking on additional debt when event cancellations are already extending into 2022 is exceptionally problematic for many in our sector.



1. A portion of HASCAP loans should be forgivable or available at no interest.

The exposition sector has been one of the most patient industries throughout the pandemic, but as we begin another year with minimal opportunity to run our businesses and raise revenue, we have to realistically look at our viability. Without further government support, many vendors, suppliers, trade show organizations, and exposition facilities will be forced to lay off additional employees or close their doors altogether, resulting in further waves of economic hardship throughout our communities. We hope you will consider changing the above program criterion and ensuring that the exposition sector is included in any funding opportunities, to protect tens of thousands of middle-class jobs and the success of countless Canadian communities.

Sincerely,

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