



BC Chamber of Commerce

News Release: For Immediate Release

Pulse-check survey shows many B.C. businesses in need of life support

April 3, 2020, Vancouver, BC - The COVID-19 crisis is significantly hurting British Columbia businesses and their employees. In the past two weeks alone, approximately half of the 1,900 businesses surveyed have experienced revenue decreases of 75% or more, while two-thirds have seen revenues drop by 50% or more.

This is according to a survey of the members of the BC Chamber of Commerce and its regional chamber network, the Greater Vancouver Board of Trade, and the Business Council of British Columbia, with the assistance of the Mustel Group. This is the first in a series of bi-weekly pulse checks using the BCMindReader.com platform.

The data paints 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 B.C. 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 B.C. 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 B.C. government include:

- Further reduce tax rates and defer payments facing B.C. 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 B.C. industry sectors that are being particularly affected by the pandemic crisis (46%).

“There’s no doubt governments want to find the right solution for businesses, but 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.” Val Litwin, President & CEO, BC Chamber of Commerce

“The impact of COVID-19 on the business community has been immediate and unlike anything faced in generations. Each passing day represents a critical juncture for many employers, as they are making difficult decisions and waiting for government support to arrive. We need a bridge to the other side of this crisis that will help to hasten the economic recovery when the public health emergency subsides.” – Bridgitte Anderson, President & CEO, Greater Vancouver Board of Trade

“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 through the guidance of the Provincial Health Officer. Where possible, the majority have moved to or increased their digital or e-commerce operations. However, they, like all businesses, need assistance to have the liquidity and healthy balance sheets necessary to endure the lost sales and revenues, cancelled projects and contracts, and increased operating costs, particularly those in global supply chains and export markets. Speed and efficiency in implementing government actions to support supply chain resilience, provide access to credit and reduce the tax and regulatory cost burdens that combined are vital to successfully emerging into the vastly different world we will inherit post the COVID-19 pandemic.” Greg D’Avignon, President & CEO, Business Council of British Columbia.

About the BC Chamber:

The BC Chamber of Commerce is the largest and most broadly-based business organization in British Columbia. Representing more than 125 Chambers of Commerce and Boards of Trade, and 36,000 businesses of every size, sector and region of the province, the BC Chamber of Commerce is *The Voice of Business in B.C.*

About the Greater Vancouver Board of Trade:

Since its inception in 1887, the Greater Vancouver Board of Trade has been recognized as Pacific Canada’s leading business association, engaging members to impact public policy at all levels of

government and to succeed and prosper in the global economy. With a Membership whose employees comprise one-third of B.C.'s workforce, we are the largest business association between Victoria and Toronto. We leverage this collective strength, facilitating networking opportunities, and providing professional development through four unique Signature Programs. In addition, we operate one of the largest events programs in the country, providing a platform for national and international thought leaders to enlighten B.C.'s business leaders.

About the Business Council of British Columbia

Now in its 54th year as the premier business organization in British Columbia, the Business Council of B.C. is a non-partisan organization made up of 250 leading and largest companies, post-secondary institutions and industry organizations from across B.C.'s diverse economy. The Council produces exceptional public policy research and advocacy in support of creating a competitive economy for the benefit of all British Columbians.

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