

Canadian Gov't responds to hardest hit: FDFA and border stores

In September we announced that the Frontier Duty Free Association (FDFA) was taking part in the “Coalition of the Hardest Hit” to lobby Canada’s federal government for additional support for industries that saw the majority of their earnings wiped out due to COVID-19 restrictions.

With Canada’s land border shops reporting sales decreases in the range of 90-100 percent, they certainly landed in this category.

On December 1, 2020, Deputy Prime Minister and Finance Minister Chrystia Freeland released the government’s Fall Economic Statement, which centered around support for Canada’s hardest hit businesses.

A number of targeted support measures were announced that will benefit to the duty free industry, including:

1. The creation of the Highly Affected Sectors Credit Availability Program (HASCAP) – a new program for the hardest hit businesses.
2. Increasing the maximum wage subsidy rate to 75 percent for the period beginning December 20, 2020 and extending this rate until March 13, 2021.
3. Providing a top-up of up to \$500 million to Regional Development Agencies and the Community Futures Network of Canada. The government will earmark a minimum of 25 per cent of all the Regional Relief and Recovery Fund’s resources to support local tourism businesses, representing \$500 million in program support through June 2021.
4. CAD\$181.5 million in 2021-22 to the Department of Canadian Heritage and the Canada Council for the Arts to expand their funding programs to support the planning and presentation of COVID-19-safe events and the arts — including both live and digital — and to provide work opportunities in these sectors.
5. Working with industry to prevent the closure of unique and irreplaceable flagship events and festivals across Canada, and to ensure the survival of key, globally recognized assets in this sector.
6. Extending the current subsidy rates of the Canada Emergency Rent Subsidy for an additional three periods until March 13, 2021.