

Case 1: One in 10 restaurants around the country have permanently closed due to COVID-19, new survey suggests

<https://www.cp24.com/news/one-in-10-restaurants-around-the-country-have-permanently-closed-due-to-covid-19-new-survey-suggests-1.4879103>

Approximately 800,000 food service jobs have been lost across Canada in the past month and about one in 10 restaurants in the country have permanently closed due to the COVID-19 pandemic, a new survey suggests.

Restaurants Canada, a not-for-profit association that supports restaurants nationwide, says between March 25 and March 29, about 655 food service operators representing 13,300 locations across Canada responded to its survey gauging the impact the virus has had on the food service industry. The survey found that about four out of five restaurants across Canada have laid off employees and if conditions do not improve, seven out of 10 food service operators will need to cut back hours even further or lay off more employees. Restaurants Canada says an estimated 800,000 jobs have been lost across the country in the past month and more than 300,000 of those jobs are in Ontario alone.

Provinces around the country have ordered restaurants to end dine-in service in an effort to slow the spread of COVID-19. While some are still offering takeout and delivery, many have been forced to close due to the pandemic. The survey found that while one in 10 restaurants have already been forced to close permanently, another 18 per cent of restaurants may have to close their doors for good if conditions continue.

“Not only was our industry among the first to feel the impacts of COVID-19, we’ve been one of the hardest hit so far, with nearly two thirds of our workforce now lost,” Shanna Munro, the president and CEO of Restaurants Canada, said in a written statement. “In our 75 years of existence as Canada’s national foodservice association, these are by far the worst numbers we have ever seen.”

Restaurants Canada says Ontario’s \$37 billion food service industry represents approximately four per cent of the province’s GDP and the non-profit organization estimates that Ontario food service sales will be down \$7.7 billion for the second quarter of this year. The group says that stronger measures are needed for rent relief, asking that landlords offer food service operators “payment-free periods.” Restaurants Canada says a “coordinated effort led by government” is required to make this happen and needs to be coupled with “no-eviction orders.”

The organization also said food service operators need access to “working capital” as most businesses have limited revenue, if any, and have likely depleted reserve funds. Expanding the qualifying conditions and the time period for accessing the federal government’s 75 per cent wage subsidy would also assist the industry at this critical time, the group added.

'It is very dire'

“We commend the Ontario government for deferring tax collection and other government payments so that restaurants can preserve much needed cash flow during this crisis,” James Rilett, the vice-president of Restaurants Canada’s Central Canada division, said in a written statement. “Without the steps already taken, the impacts on our industry would be even more devastating. In this time of crisis, it is reassuring to see governments, at all levels, come to the table with solutions.”

Speaking to CP24 on Thursday, Rilett said he spent the weekend talking to restaurant owners who don't know how they are going to pay their rent. "The longer this goes, rent, hydro bills... all those things keep coming even though they have no revenue coming in," he said. "We definitely need more support for things like rent, things like ongoing expenses." He said many businesses are trying to determine how far in debt they want to go.

"It is very dire out there," he said. "People don't know where to turn and they are not sure what is going to happen after this." Speaking to reporters during his daily briefing at Queen's Park on Thursday afternoon, Premier Doug Ford said he plans to talk to the province's finance minister and the prime minister about the situation today.

Footing bill for leases would cost 'billions,' Ford says

"My heart breaks for these restaurant owners. A lot of them are small, family-run companies," Ford said. "One in 10 may not reopen and I imagine it would probably be higher than one in 10." Ford said while he "appreciates" the federal government's plan to offer interest-free loans of up to \$40,000 to some struggling businesses, the amount is not enough to really support some restaurants in the country's biggest cities.

"In some cases, that might be two months' rent. I'm speaking for downtown Toronto, for example, (where) the rents are astronomical," he said. Ford noted that there are 1.2 million leases in Ontario.

"I will sit down with the finance minister but that is a massive amount of businesses," he said. "It would be billions and billions of dollars to cover leases." Ford said he plans raise the issue when the country's premiers speak to Prime Minister Justin Trudeau later today. "I will emphasize this and see if we can get more funding for restaurant owners."