



## *PRESS RELEASE*

# **A strong middle class needs a strong and competitive small business community**

**OTTAWA, ONTARIO – (March 19<sup>th</sup> 2019)** – The Convenience Industry Council of Canada (CICC) recognizes the importance of investing in the middle class, but calls on the government to support those small businesses that serve all Canadians. Initiatives aimed at improving regulatory competitiveness, addressing interprovincial trade barriers and transportation requirements are welcomed steps to closing the competitiveness gap in Canada.

“Convenience stores are often taken for granted. Even though they’re in every community across the country, it’s not until your local store closes that seniors and young people alike realize how convenient it was having a small business nearby to walk to for groceries, and snacks. Convenience stores, and all small businesses need governments to recognize that undue regulatory burden impacts their ability to serve their communities,” said CICC President, Anne Kothawala.

This interdependent supply chain gets bogged down when transportation requirements, internal trade barriers and slow downs at the border are not addressed. “Our stores rely on their distributors to get their products to market in a timely and efficient manner. We are pleased to see that the government listened to our concerns and included measures that lead to a more user-friendly regulatory system, allow for innovation, reduce duplication, harmonize transportation requirements and remove federal barriers to the interprovincial trade of alcohol,” added Kothawala. “Our dépanneurs in Quebec have been responsibly selling beverage alcohol for several decades and are a great place to feature local innovation. As more provinces look to allow the sale of beverage alcohol in convenience stores, this move will be welcome as an avenue to promote local breweries, wineries and distilleries.”

Despite the positive measures to reduce red-tape, our small businesses are concerned about the impact of increased EI premiums to pay for the EI training support benefit. “While we see that government is proposing a small business rebate, we need to better understand the impact on payroll costs. We support investing in training as our industry is constantly changing and innovating, however this needs to be balanced against increased costs for businesses,” said Kothawala.

Retailers are disappointed to see no further action against the underground economy as a part of Budget 2019. Canada remains a safe-haven for the sale of illegal tobacco products, which continue to rise in Canada’s biggest province (Ontario). The sale of ‘contraband’ not only deprives governments of tax revenue, but more importantly, it has the potential to affect the health and safety of our communities. These concerns will only grow once the regulations relating to bill S-5 (the government’s plain packaging legislation) come into force. “Considering the government legalized marijuana partly to eliminate the black market, more resources invested into eradicating the black market would have been welcomed by small businesses.”

While the measures announced in today’s budget will provide some relief, we continue to remain concerned about the excessive regulatory burden placed on Canada’s convenience store retailers and distributors. This includes potential regulatory changes to Front-of-Pack food labelling, marketing of food products to children, and



caffeinated energy drinks. We will continue to advocate to federal decision-makers that forthcoming regulatory changes should only be made after careful consideration for, and consultation with, small and independent retailers across Canada.

#### **ABOUT THE CICC**

The Convenience Industry Council of Canada is a new association that brings together retailers, distributors and manufacturers that sell a variety of products in convenience stores across the country. Our mission is to advance the interests of the convenience industry through effective advocacy and education. We are proud to represent an industry that contributes over \$22 billion in taxes, employs over 250,000 Canadians and brings convenience to communities from coast to coast. We reflect the communities we serve and offer opportunity to new Canadians.

#### **CONTACT INFORMATION**

Anne Kothawala, President & CEO

Convenience Industry Council of Canada

647 242-3560/ [akothawala@convenienceindustry.ca](mailto:akothawala@convenienceindustry.ca)