



## FOR IMMEDIATE RELEASE

### **Minimum wage hike will create “unsustainable” economic climate for NB convenience stores CICC & ACSA develop 4-point action plan for government to adopt**

**Moncton, New Brunswick, December 2, 2021** - Reduced operating hours, potential store closures and less convenience for New Brunswick communities will be the fallout of the province’s minimum wage hike, according to the Convenience Industry Council of Canada and the Atlantic Convenience Stores Association.

“New Brunswick communities will suffer as a result of this increase,” says Anne Kothawala, president and CEO of CICC. “The wage hike will create an unsustainable operating climate for stores that are continuing to weather the economic storm due to COVID-19. Store closures are a real possibility in the province.”

“A 17 per cent increase in the minimum wage right now is mind boggling,” adds Mike Hammoud, president of the ACSA. “Working on already razor-thin profit margins, this will be the final blow for many stores.”

On average, convenience stores have weathered a \$10,000 increase in costs to comply with health and safety protocols during the pandemic. It’s estimated that for the average store in the province that is open 17 hours per day, the \$2-per-hour wage increase will result in an extra \$29,000 of costs annually.

“For many stores, \$29,000 represents their overall annual profit. Clearly, this is not sustainable moving forward and will result in reduced operating hours and store closures,” explains Kothawala.

“Convenience stores are pillars of their communities, but they need to make a profit,” says Hammoud. “Cost-cutting only goes so far and many have already been forced to scale back operations to continue to serve communities during the pandemic.”

In an effort to offset the increased costs and to ensure the province’s 800- stores remain open, both associations have penned a letter to the Premier outlining a possible innovative solution. Specifically, they are looking for government to work with the industry to increase fuel margins



as well as lottery commissions, commit to cracking down on contraband tobacco and give convenience stores the ability to sell beverage alcohol.

“Convenience stores are an essential part of the provincial economy, employing 7,000 New Brunswickers and collecting \$478 million in taxes in 2020,” adds Kothawala. “We need the government to be a partner and work with us to ensure communities continue to have the convenience and choice they deserve.”

– 30 –

**Media contacts:**

Anne Kothawala, President & CEO  
Convenience Industry Council of Canada  
(647) 242-3560  
akothawala@convenienceindustry.ca

Mike Hammoud, President  
Atlantic Convenience Stores Association  
(902) 880-9733  
hammoud@conveniencestores.ca

**About the Convenience Industry Council of Canada (CICC)**

The Convenience Industry Council of Canada (CICC) is a national, not-for-profit council represents more than 25,000 convenience retailers nationwide. Our sector employs more than 220,000 Canadians and generates an estimated \$54 billion in economic impact from coast to coast to coast. Convenient in good times and essential in tough times. There are more than 800 convenience stores in New Brunswick with each store collecting on average over \$600,000 in taxes for the federal, provincial, and local municipal governments.

**About the Atlantic Convenience Stores Association**

The ACSA was founded in 2008 as a paid membership, not-for-profit industry association. The association represents independent convenience store owners and regional chains throughout Atlantic Canada.

The mandate of the association is to help ensure an economically viable and sustainable business environment for members by serving the best interests of Atlantic Canada’s convenience store retailers and consumers alike through advocacy, advice, education, training, and responsible retailing.