



The wide-ranging public and economic health impacts of COVID-19 are just starting to unfold. As the virus spreads, there will be consequences for the economy, manufacturers, and their employees. We can and must learn from other parts of the world and attempt to mitigate potential long-term negative consequences.

CME's recommendations are aimed at helping manufacturers weather the COVID-19 crisis. The first priority is the health and safety of Canadians. But the public health response to COVID-19 will directly result in severe economic ramifications. While some sectors of the economy can shift delivery models, including telecommuting, and continue with minimal impacts, manufacturers cannot. This means that manufacturers are vulnerable to disruptions in production if workers fall sick to coronavirus. In turn, the local and international supply chains of production components will become restricted and their customers will limit purchases.

CME's recommendations are designed to blunt those impacts, enable the economy to keep functioning, and allow for a rapid rebound once the crisis has passed.

## COVID-19 Policy Recommendations

### PRINCIPLES

- Governments at all levels must create a structure to coordinate economic support and ensure all measures are meaningful and appropriate to the current crisis.
- Economic relief measures should prioritize keeping workers employed and working rather than pushing them to the EI system or out of the manufacturing workforce.
- Travel restrictions are necessary to mitigate exposure of vulnerable supply chains and those who work within them.
- Canada's response must be proportional and in-line with international competitors.

### ECONOMIC RELIEF RECOMMENDATIONS

#### TAXES

- Temporarily allow companies to remit only the difference between the sales taxes collected (GST/HST) and owed rather than paying full amounts and waiting for reimbursement.
- Introduce temporary holidays on all federal and provincial payroll taxes (CPP/QPP, EI, along with health and workers safety premiums).
- Provinces should work with municipalities to provide relief from property taxes and other local administrative charges.
- Government should stop collecting taxes where possible and stop issuing penalties and fines on taxes owed, and limit audits for 120 days.

#### INJECTING MONEY INTO THE SYSTEM

- Establish a direct granting program for companies in considerable financial distress, which would be in addition to loan guarantees.
- Instruct Canadian financial institutions to pause corporate/personal debt payment collection for a 60-day period.
- Financially support manufacturers producing or scaling up production of goods that will support Canada's response to the crisis, including medical devices and treatment.

#### EASE RED TAPE

- Ensure federal assistance is universally and easily accessible with minimal reporting and application requirements.
- Eliminate or reduce reporting requirements of the Work-Sharing Program and make sure "full top-up" is available to all employees.
- Introduce a one-year moratorium on new business sector regulations that fall outside of protecting the health and safety of Canadians due to COVID-19