

Edmonton Global- Covid-19 Update

Wednesday, March 25, 2020 930am

Edmonton Global maintains a [Covid-19 Business Resources](https://edmontonglobal.ca/covid-19-resources/) page containing updated information for the Edmonton metro region's business community. [https://edmontonglobal.ca/covid-19-resources/.](https://edmontonglobal.ca/covid-19-resources/)

The contents of this update are not intended to replace the official communications of the Government of Canada, the Province of Alberta, or any official communications of our municipal or other partners.

Government

Federal

- The Federal stimulus package, to support Canadian individuals and businesses, passed in the House of Commons, the Senate, and came into effect on March 26, 2020. (<https://www.ctvnews.ca/health/coronavirus/feds-announce-boost-to-emergency-covid-19-aid-benefit-1.4867539>)
- Initially pegged at \$82bn, the new package will represent \$107bn in support, through both direct payments and tax deferrals.
 - To increase the speed at which Canadians in need can access funds, the conventional EI system has been significantly simplified.
 - Workers whose income has been lost due to COVID-19 will be eligible to receive \$2,000 a month for a period of up to four months. Applications open in April.
- Initial reports of EI application figures suggest the largest-ever surge in unemployment claims since records began nearly 1 million claims made in the past week. (<https://www.cbc.ca/news/politics/trudeau-income-supports-covid19-1.5509247>)
- Canada's Regional Development Agencies—including Western Economic Diversification in Alberta—are offering additional funding to tourism operators and SMEs who have previously received funding and whose operations have been impacted by COVID-19.
 - Contact Western Economic Diversification for details on eligibility (**see attached Info Sheet**).
- The Bank of Canada has once again slashed its key interest rate. (<https://globalnews.ca/news/6740389/bank-of-canada-interest-rate-cut/>) Now 0.25%, it represents the “effective lower bound” or the lowest level at which interest rates can be set.

- Global Affairs Canada (GAC) has established a task force to manage (with government partners) emerging issues, such as border issues affecting delivery of essential products and services at the border; international requests for COVID-19 related products; and foreign supplier offers to send COVID-19 related products to Canada. They are also tracking Canadian companies capable of producing needed products and matching them to requests.
- Enforcement of quarantine for Canadian travelers returning from abroad has greatly increased. The government is now applying the *Quarantine Act* (2005). Effective Thursday, March 26, travelers returning will be subject to 14 days mandatory quarantine. (<https://www.cbc.ca/news/politics/mandatory-quarantine-hajdu-1.5509508>)
 - Non-compliance penalties are significant: fines up to \$750,000 or imprisonment for up to six months. If the non-compliance “jeopardizes another’s life” directly, the penalties are even more severe: \$1 million in fines, up to three years in prison, or both.
 - Additionally, travelers re-entering the country at one of the four international airports still open—Vancouver, Calgary, Toronto, and Montreal—will be obligated to serve the duration of their quarantine in that city. Connecting flights are not permitted.
- The Government of Canada’s Department of Procurement renewed its call to businesses that may have products which can support communities during the pandemic. Any businesses whose products can help combat COVID-19 are encouraged to contact the Government via this link: <https://buyandsell.gc.ca/calling-all-suppliers-help-canada-combat-covid-19>.

They are currently seeking:

Products

- Disposable N95 masks
- Disposable surgical masks
- Nitrile gloves
- Vinyl gloves
- Gowns
- Bottles of hand sanitizer
- Other prevention products

Services

- Guard / security services
- Nursing services
- Food services
- Laundry services
- Accommodation maintenance services
- Personal services
- IT support services

- US President Donald Trump has suggested stationing US military forces at the US-Canada border to prevent irregular migrants from entering the United States from Canada during the COVID-19 crisis. (<https://globalnews.ca/news/6735064/coronavirus-militarizing-canada-us-border/>)
 - The proposal has been firmly opposed by PM Trudeau and Deputy PM Freeland.
 - It should be noted that 4,000 irregular migrants attempted to cross the US-Canada border in Q4 2019, of which 1,600 were admitted. (<https://irb-cisr.gc.ca/en/statistics/Pages/Irregular-border-crosser-statistics.aspx>) Current trends of irregular migrants suggest an overwhelming majority (>95%) are fleeing the USA and attempting to enter Canada, not the inverse suggested by President Trump.

Provincial

- Over and above federal penalties for non-compliance with quarantine orders, the Government of Alberta has also amended its protocols. (<https://www.alberta.ca/release.cfm?xID=69918C41565BC-002C-269C-638E958E5912C37B>) New amendments allow peace officers and police to issue tickets to enforce COVID-19 public health orders.
 - Fines have increased from \$100 per day to \$1,000 per occurrence.
 - Courts are now permitted to administer fines of up to \$100,000 for a first offence and up to \$500,000 for a subsequent offence for more serious violations.
- Quebec and Ontario declared certain businesses “essential” earlier this week. Alberta is looking to follow suit with feedback from businesses across the province. **Please share and complete the Alberta Critical Infrastructure Update** here: <https://extranet.gov.ab.ca/opinio6//s?s=48804>

Elsewhere in Canada

- The Canadian Civil Liberties Association is closely monitoring the constitutionality of emergency measures undertaken across Canada. (<https://ccla.org/coronavirus-update-emergency-measures-by-province/>) *In particular, they emphasize a lack of timelines for the cessation of proposed emergency measures.*
- On Wednesday March 25, Ontario Finance Minister Rod Phillips provided a fiscal update in place of a provincial budget for 2020. The update outlined immediate measures that will be taken to support Ontarians in the midst of the COVID-19 pandemic in the form of both tax benefits and direct funding. This is a one-year outlook with a full budget to be tabled by November 15. The fiscal outlook projects a \$20.5 billion deficit.
- British Columbia announced a slate of new measures under the province’s *Emergency Program Act*.

- Establishing a Supply Chain Coordination Unit in partnership with industry to coordinate goods and services distribution. Additionally, the province has repealed any local government bylaws that restrict the movement of goods.
 - Suspending all local States of Emergency, except the City of Vancouver, which is governed under its own City Charter.
 - Retailers and suppliers must now report inventory of critical supplies. Reselling medical and cleaning equipment, food, medicine, PPE, and other essential supplies is prohibited by jail time and fining.
 - Anti-hoarding and anti-black market sales are being mitigated through point-of-sale volume restrictions.
 - Municipal bylaw officers may now be redeployed for the enforcement of orders of the Provincial Health Officer (PHO), including fines and jail time.
- Prince Edward Island has walked-back elements of its initial COVID-19 business shutdown which included the closure of liquor stores. Addictions expert note that alcohol dependent individuals can experience life-threatening symptoms during withdrawal; the province has re-opened one liquor store. (<https://www.cbc.ca/news/canada/prince-edward-island/pei-charlottetown-liquor-store-reopens-1.5509195>)

Municipalities

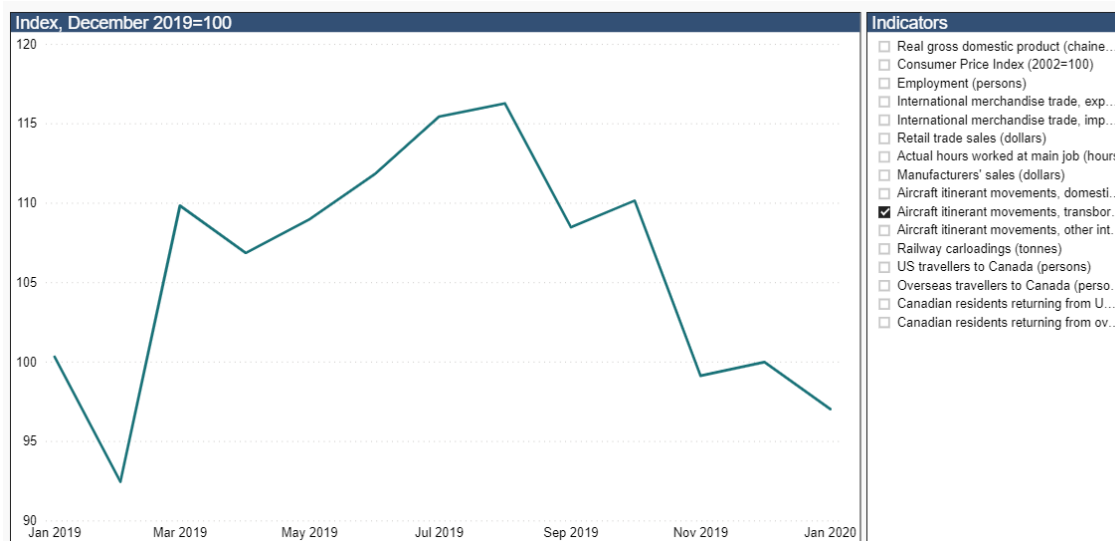
- **Edmonton:** penalties on property tax and utility payments have been temporarily waived. Edmonton Transit Service, along with city parking fees, have been suspended indefinitely.
- **Devon:** declared a state of local emergency on March 24, 2020. Property taxes and utility payments may now be deferred.
- **Leduc** is deferring the property tax deadline until August 31 and utility payments for up to three months.
- **Fort Saskatchewan** is temporarily waiving penalties on late utility bills. It has also launched a resource page for businesses (<https://www.fortsask.ca/en/doing-business/covid19-business-resources.aspx>)
- **St. Albert** is temporarily waiving penalties on late utility bills.
- Spruce Grove has delayed implementation of a new stormwater utility until September. It also deferred first reading of a proposed Business Improvement Area Tax Bylaw.

Economic

Canadian Economic Dashboard and COVID-19

- Statistics Canada released the Canadian Economic Dashboard and COVID-19 on March 26, 2020.
- “This dashboard presents selected data that are relevant for monitoring the impacts of COVID-19 on economic activity in Canada. It includes data on a range of monthly indicators – real GDP, consumer prices, employment, merchandise exports and imports, retail sales, hours worked and manufacturing sales - as well as monthly data on aircraft movements, railway car loadings, and travel between Canada and other countries.
- Estimates are presented from January 2019 to the current reference month for each data series. The information will be updated continuously as new data becomes available, and additional series may be added to the dashboard as circumstances warrant.”

Figure 1. Aircraft movements, transborder. Index, December 2019 = 100.



Source: [Statistics Canada. Canadian Economic Dashboard and COVID-19](#)

Global economic forecast

- On March 26, TD Economics released a global economic forecast.
- The bank anticipates a drop more severe than during the global financial crisis (GFC) in 2007 and 2008.
- They expect that Canada’s economy will contract by 4.2 percent in 2020.
- They note a high degree of uncertainty however: “Events are changing by the hour. The ebb and flow of news is rapid. And we are adjusting forecasts in real-time.

Figure 2. TD Economics forecast as at March 26, 2020.

Economic Indicators for Selected Economies				
	2018	Forecast		
		2019	2020	2021
Real GDP (annual per cent change)				
World	3.6	2.9	-0.5	5.5
Advanced Economies	2.2	1.7	-3.7	3.7
U.S.	2.9	2.3	-3.5	3.6
Japan	0.3	0.7	-2.5	2.7
Euro Area	1.9	1.2	-6.0	4.0
Germany	1.5	0.6	-5.0	4.2
France	1.7	1.3	-5.2	4.0
Italy	0.7	0.3	-6.5	3.6
United Kingdom	1.3	1.4	-5.3	3.9
Canada	2.0	1.6	-4.2	3.6
Emerging Markets	4.5	3.6	1.6	6.6
China	6.8	6.1	3.5	8.2

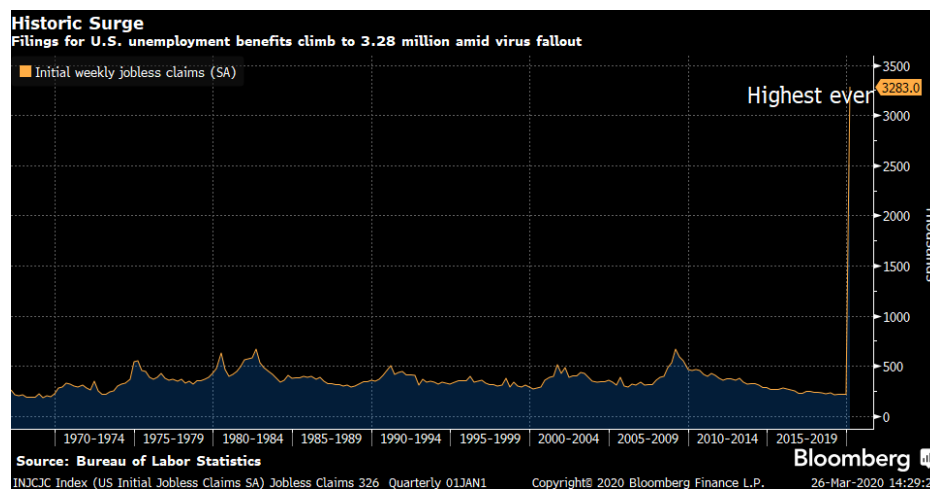
*Share of 2018 world gross domestic product (GDP) at PPP.
 Forecast as at March 26 2020
 Source: National statistics agencies, TD Economics.

Source: TD Economics: Global Forecast Update: What A Year This Week Has Been

Recent developments in the U.S. economy

- Unemployment benefit claims rose from 211,000 on March 12, 2020 to over 3.28 million by March 27, 2020.
- This is the largest increase in jobless benefits claims ever recorded.

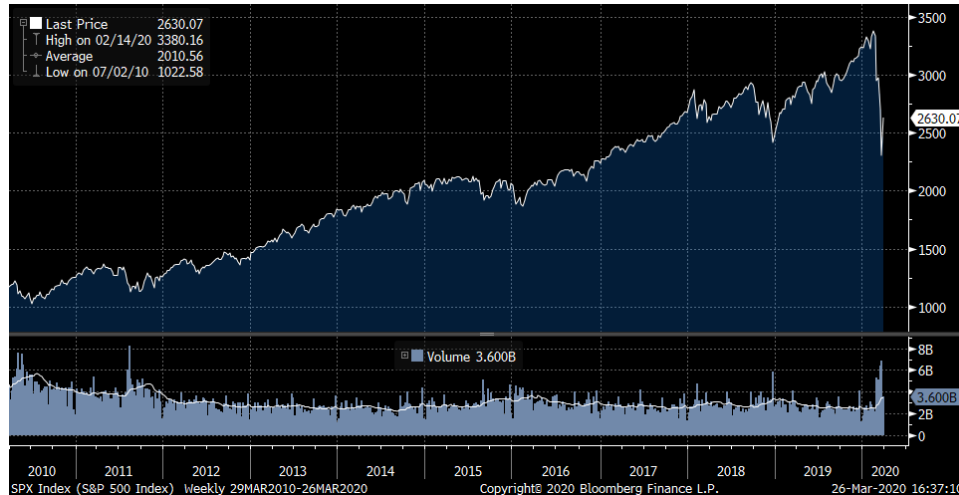
Figure 3. Filings for unemployment benefits (jobless benefits) as at March 27, 2020.



Source: Bloomberg.

- The S&P index, which tracks the 500 largest public companies in the United States, experienced one of the largest declines on record from February 20 to March 23, 2020.
- On March 27, 2020, the S&P index experienced the **largest daily increase on record**.

Figure 4. S&P Index, weekly average from March 2010 to March 2020.



Source: Bloomberg.

Canadian economic forecasts for 2020

- Three Canadian banks re-issued a new forecast for Canadian economic growth this week.
- The Canadian economy is forecasted to contract in the range of -2.2% (RBC Economics, March 26, 2020), -4.2% (TD Economics, March 27, 2020), -4.8% (National Bank, March 27, 2020).

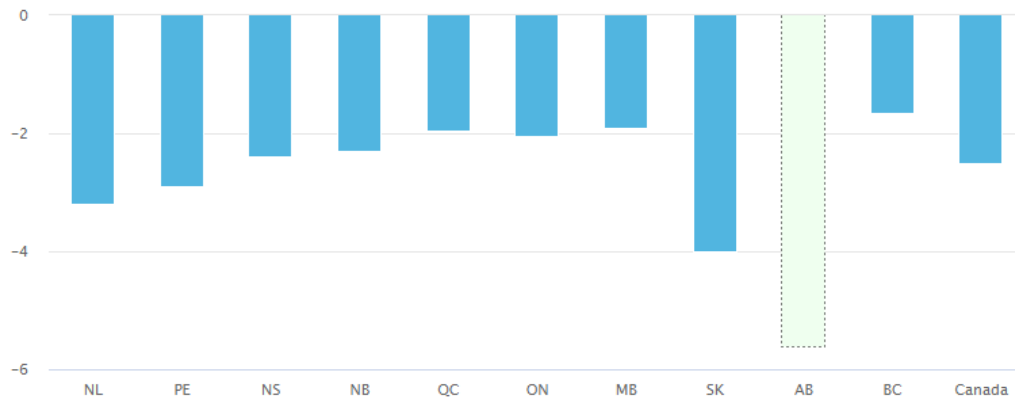
Economic growth forecast, Canadian provinces

- RBC Economics published the 2020 forecast for the provinces on March 25, 2020.
- For the national economy, RBC anticipates a sharp contraction in the first quarter of 2020, followed by a sharp rebound in the third and fourth quarter.
- The Alberta economy is expected to contract by 5.6% in real terms.
- This is the most severe contraction that the province has ever experienced in a single year and the largest in Canada.

Figure 5. RBC Economics: COVID-19 Recession to Hit Every Province.

Recession spreading from coast to coast

Annual % change in provincial real GDP, 2020



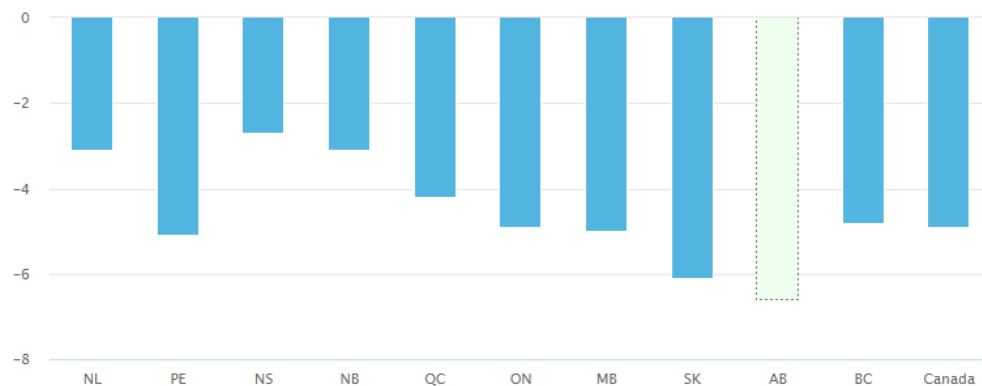
Employment impacts, Canadian provinces

- RBC forecast that 1 of every 20 jobs lost in the C-19 recession will be occurring in Alberta.
- It will be difficult for the province to regain economic growth in the province without significant fiscal stimulus from both the federal and provincial government.

Figure 6. RBC Economics: COVID-19 Recession to Hit Every Province.

Expected employment declines

% change



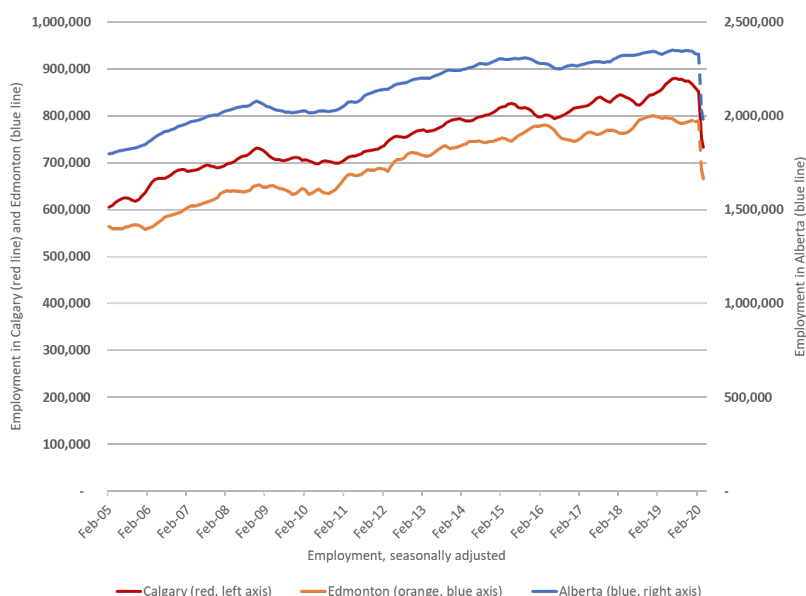
Source: [RBC Economics, March 25, 2020](#).

Regional employment impacts

- Historical employment from February 2005 to February 2020 is obtained from Statistics Canada Labour Force Survey.

- Monthly change in employment from February to March 2020 is based on information from industry sources. The monthly change in employment from March to April is based on UK government real time information on employees perceived job security (1 out of 20 report anticipating they may lose their job as a result of the COVID-19).

Figure 7. Employment in Alberta (blue line), Calgary (red line) and Edmonton (orange line). Historical February 2005 to February 2020. Forecasted change in total employment for March 2020 and April 2020.



Source: [Statistics Canada Labour Force Survey](#) (historical) and Edmonton Global (forecast).

- The C19 recession is anticipated to set cause the level of employment in Alberta to reach the same levels as in 2010 and 2011.
- Regionally, total employment levels in Edmonton is expected to decline faster than in Calgary (again, based on industry supplied information to date).

Stakeholder / Community

Edmonton Screen Industries Office (ESIO) Survey

- A survey to assist representatives of Canada's audiovisual industry assess the impacts of COVID-19
- Survey Link (Note: Deadline March 31) https://na1se.voxco.com/SE/114/COVID19_Media/?fbclid=IwAR1vd0aMluvOi7BhQ6UvsRrqiY08vq5yOdnqtfh-gmZTB3WP3Kyc6mo71pI

Edmonton Chamber of Commerce

- COVID-19 Impact Survey - Week 2 survey link: <https://www.surveymonkey.com/r/MBRJWFD>

National Research Council

The **National Research Council** is working with Canadian businesses to expedite technology development for the following product categories. See <https://nrc.canada.ca/en/support-technology-innovation/covid-19-national-research-council-industrial-research-assistance-program> or contact Julie Kennett - julie.kennett@nrc.gc.ca (Calgary) or Ernest Siu - ernest.siu@nrc.gc.ca (Edmonton) for details.

- Personal protective equipment
- Sanitization
- Diagnostic and testing
- Therapeutics
- Disease tracking technology