



PRESS RELEASE

SMALL BUSINESS RETAILERS REACT TO FEDERAL BUDGET

OTTAWA, ONTARIO – (Marketwired – March 22nd 2017) – The Canadian Convenience Stores Association (CCSA) is welcoming the federal government’s focus on growing the economy through skills training and innovation, while highlighting some new and ongoing challenges facing convenience retailers as part of the 2017 federal budget.

“C-stores are the largest retail channel in Canada, employing over 227,000 people and serving 10 million customers each day in over 26,000 locations across the country,” said CCSA President, Satinder Chera. “If the federal government is looking to make an immediate impact with its measures to grow the economy, our small business retailers are the perfect dance partner.”

While c-store retailers are ready to work with the government to grow the economy, how government addresses the concerns the CCSA outlined in its pre-budget commentary will affect its ability to contribute and benefit from today’s budget. These include the need to address the underground economy, which CCSA is concerned will be affected by today’s changes to excise duty rates and excessive merchant credit card fees.

HIGH CREDIT CARD FEES

Fees imposed by the big credit card companies continue to take a big chunk out of small retailers, which can be as high as 4% per transaction and make it difficult for them to grow and serve their customers. While other countries, including Australia and the EU have capped these rates, Canada remains fertile ground for the credit card companies to charge higher rates. “We welcome and look forward to being active participants in the Department of Finance’s review of credit card rates and hope the budgets commitment to support business growth will result in overdue relief for small merchants later this year,” said Chera.

UNDERGROUND ECONOMY

Canada remains a safe-haven for the sale of illegal tobacco products, which continue to rise in Canada’s biggest province (Ontario) as outlined in a 2016 report by the Ontario Convenience Stores Association. 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, which the CCSA fears will only grow in concern if the proposed federal legislation to implement ‘plain packaging’ of tobacco products is passed. “By making it even harder for law enforcement to distinguish between legal and illegal tobacco products, Bill S-5 will give criminals an even easier ride to sell cigarettes to minors,” said Chera.

TAX RATES AND INCENTIVES

Today's changes to the excise duty rate on tobacco products in the budget is a source of concern as it will have an immediate impact on convenience retailers that sell tobacco products. "It appears many retailers will see a hike in their tax obligations without any real warning or period of adjustment, which will place an undue burden on smaller retailers and feed the underground economy for illegal tobacco products," said Chera.

While the promised small business tax rate reduction was absent in the Budget, retailers remain hopeful that this will be introduced over the course of the government's mandate. "We ask the government to move quickly to reduce the small business tax rate to help offset increases in other areas, while also helping retailers in provide innovative and healthy options to their customers," concluded Chera. C-stores are uniquely positioned to address the problem of 'food deserts', since they have a strong footprint in small and rural communities.

ABOUT THE CCSA

The Canadian Convenience Stores Association (CCSA) is a national, not-for-profit trade association that represents the interests of convenience store retailers, distributors, and vendors in Canada. C-store retailers employ over 227,000 people, collect over \$21 billion in tax revenue for governments and serve 10 million customers every day in communities across the country.

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