



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

Cost Estimate of Election Campaign Proposal

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Short Title: Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS) extension for certain industries

Description: Extending CEWS and CERS from 24 October 2021 to May 31, 2022 for certain industries. This extension is available exclusively for businesses with at least a 40% revenue loss in the following industries: hotels, tour operators, travel agencies, convention centers and festivals. The subsidy rate will be equal to the revenue loss compared to pre-COVID levels, up to a limit of 75%.

Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
	Total cost		476	213	-	-	-

Notes:

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a reduction in the budgetary balance (lower revenues or higher spending). A negative number implies an increase in the budgetary balance (higher revenues or lower spending).
- "-" = PBO does not expect a financial cost.

Estimation and projection method: This cost estimate is based on PBO models used in previous CEWS and CERS costings. Where required, potential subsidies at the 3-digit NAICS subsector level were apportioned between eligible and ineligible industries based on their share of sectoral employment losses. The estimate includes both CEWS and CERS costs, as well as cost recovery from increased corporate income tax revenue.

Source of Uncertainty: The main sources of uncertainty relate to the magnitude and distribution of revenue losses across businesses, as well as employment levels and rents for those businesses.

Data Sources:	Variable	Source
	Canada Emergency Wage Subsidy model	PBO
	Canada Emergency Rent Subsidy model	PBO
	Labour Force Survey	Statistics Canada