

Thursday March 19, 2020

The Honourable Bill Morneau
Minister of Finance
Parliament Buildings
Ottawa, Ontario
K1A 0A6

Re: 150 SMEs in Canada's language education sector at risk

Dear Hon. Bill Morneau;

Canada's language education sector – the entry point for our country's \$22 billion international education export sector and major contributor to tourism and food and accommodation sectors – is at risk of being decimated as a result of the COVID-19 pandemic. This includes the risk of closure of many private language schools, all SMEs, in over 100 communities across Canada. If we manage this crisis properly, we can regain 2019 numbers in export revenues and jobs in one to two years. If not, it will take at least five years for the sector to rebuild.

Consider:

- Our members received (until this crisis hit) 150,000 international language students from abroad per year and rely almost exclusively on export revenue.
- Most of Canada's 642,480 international students go through our members programs first to learn English and French and to integrate to our higher education programs and society and culture – without the language component, there is almost no international education. We are the entry point.
- Our 150,000 students, and their visiting families, are also tourists (and counted within the tourism and hospitality numbers) and use all tourism, hospitality, and restaurant services. Without them, many Canadian businesses in certain regions would not thrive.
- Canada's language education sector employs 9000 staff and teachers directly. Indirectly, many service providers, such as homestay families, also rely on our sector to sustain their livelihoods.

The issue:

- Without immediate and reasonable financial support for the 150 SMEs that make up the sector (in addition to our 60 public sector members) we estimate that many will go out of business or be so financially crippled that it will take at least five years to rebuild to pre-crisis numbers for jobs and export revenues. With strategic support, the number of SME schools ready to reboot after the COVID-19 crisis will be much higher, and we estimate that we can rebuild in one to two years.

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Languages Canada, the national association and accreditation body for Canada English and French language education sector, has a strategy to help the country's language education programs through this crisis, shorten the recovery time of the sector, and lessen the recovery time of Canada's \$22 billion international education and the \$105 billion tourism sectors. But we can't do it alone. While some of the government's current relief measures will undoubtedly help Canadians weather the storm, such as EI and working capital loans, these options are not sufficient to assure the survival of many private language education providers(SMEs) who are being hit the hardest by the COVID-19 crisis.

We have a clear and reasonable strategy and would like the opportunity to discuss with you.

I invite you to contact me directly to arrange a meeting: gperalta@languagescanada.ca / 613-324-8409.

Sincerely,



Gonzalo Peralta
Executive Director

CC:

Hon. Mélanie Joly
Minister of Economic Development and Official
Languages

Hon. Mary Ng
Minister of Small Business, Export Promotion and
International Trade

Hon. Chrystia Freeland
Deputy Prime Minister and Chair of Cabinet
Committee on COVID-19 Response

Elder Marques
Chief of Staff to the Minister of Finance

Jeremy Broadhurst
Chief of Staff to the Deputy Prime Minister

Rick Theis
Policy Advisor to the Prime Minister

Languages Canada is the national association and accreditation body for Canada English and French language education representing 210 member institutions in 180 study locations across Canada, including public colleges and universities, as well as private schools. We are an integral and essential segment of Canada's international education sector and have worked closely with the federal and provincial government since our creation in 2008.