



STAYING ON COURSE

A Message from the President & CEO of the Ontario Restaurant Hotel & Motel Association

To call the current environment “chaotic and unpredictable” would be an understatement. While this pandemic has been recognized as a triad catastrophe impacting health, economy and society, the health factor is what adds pressure to the other two. Rightfully, without health and safety the economy and social openness will suffer.

Some countries have been able to do a better job in controlling the virus than others and have been able to start moving their domestic economy forward even if its localized. Others opened too soon and have had rebounds with the virus returning. The events transpiring in the USA are examples.

Ontario has effectively been able to lower the curve and is gaining control over the virus with the exception of flare-ups seen in the agricultural sector among temporary foreign workers. The province, except for one area, entered Stage 2 which includes the opening of outdoor patios. In approximately one week’s time, we are predicting a transition to Stage 3 which includes dine-in restaurants (indoor) and meetings in conference rooms based on capacity and distancing guidelines.

Outdoor patios are a good start in progressively gaining consumer trust to start visiting restaurants once again. A good start but a tough business model. The outdoor patio business is at the mercy of weather conditions burdened by down pours or high humidity. Those that own their building and those that have a thin overhead are in a position to sustain their operation while those incurring higher fixed costs (rent being the main culprit) are having a tough time. Variable costs can be controlled to a point but it’s the temporary Canadian Emergency Subsidy (CEWS) that is a savior to most operations.

Opening and providing services inside will be greatly welcomed by the struggling hospitality sector. The limited capacity will have financial challenges but it’s a progressive step to get us to the next level.

While Ontario’s hospitality industry is ready to move to Stage 3, it’s of utmost importance to follow the safety rules and support the process no matter how inconvenient and frustrating this is. It will only take a few incidents for bringing down consumer trust and for government watchdogs to set the entire industry backwards.

These are tough times and hospitality operators continue to navigate through uncharted waters. Let’s stay on course and progressively we will emerge out of this mess. Kudos to all.

Tony Elenis
President & CEO