



**CSNA Submission To The Special Committee On Covid-
19 Response**

**Reopening The Economy - The State's Response And
Support For Businesses**

June 2020

The Convenience Stores & Newsagents Association welcomes the invitation from the committee to provide the members of the committee our perspective on the challenges in managing the reopening of the Irish economy.

We sincerely hope that the Covid committee will, at some point in the not too distant future, undertake to investigate the preparedness of the state and its agencies to put into place a coherent series of measures to meet the challenges of this pandemic and to consider what priorities should be put in place in the event of further future significant challenges to public health.

Now is perhaps not the best time to divert our collective energies into investigations, but if there are lessons to be learned from our shared societal experiences, these investigations must be carried out, in public, and preferably through an Oireachtas committee.

The 1500 members of CSNA are in a different position than many businesses the committee have sought submissions from, insofar that we have, in the vast majority of cases, remained open throughout the lockdown. This has provided us with a head start in providing a safe and secure environment for both staff and customers and have managed to introduce barrier methods such as Flexi gas/Perspex, sanitising stations, Floor Graphics and the maximum capacity notification at entrances.

The HSC range of posters in its distinctive yellow Pantone has been an extremely simple and effective communication module, changed with regularity and readily downloadable.

The Association has provided over 40 different items of public health information/COVID-19 related articles to our members through direct mail, newsletter, mail chimp and via our website. We can confirm that the yellow posters and leaflets have been the most frequently accessed products by our members providing members of the public with exposure to the four or five most important messages on each visit to the store

The impact of Covid to the convenience, forecourt and CTN sectors (confectionary, tobacco newsagent) has been varied. In many cases, those businesses in rural and suburban areas have experienced increases in footfall, due to the very substantial numbers of people working from home. It needs to be understood that an increase in footfall, or even of turnover does not necessarily translate into increases in profitability. There have been many marked shifts in purchasing patterns of those using the stores. Increases in sales of grocery, alcohol, tobacco, and household products all of which are relatively low margin products create an overall drop in the margins previously enjoyed by those stores due to the virtual collapse of sales of Deli coffee and confectionary. We would estimate that average profits earned each week by most of the stores has been reduced by two percentage points even when turnover has remained static or increased marginally.

There are many retailers that cannot apply for the TWSS because their turnover has not decreased by 25% but it is very likely that the level of profit earned has reduced by 25% given the change nature of the sale stores sales mix .

CSNA members throughout the country has managed to provide home delivery and bespoke select and collect services for the countless thousands of our neighbours that are unable or fearful of venturing outside of their home. These services are free to the recipient but obviously there are significant costs attached to the service, costs that impact on the overall profitability of the businesses. We are not seeking recompense from the state merely an acknowledgement that the presence of thousands of local grocery outlets facilitates the vulnerable the compromised and those without transport in ways that the larger supermarkets can never do. We look forward to being able to continue

Utilising the online training scheme is provided by enterprise Ireland and the local enterprise office.

Members of the committee would be aware that Ireland has a very substantial problem with smuggled tobacco and tobacco entering the state having been imported by people for their personal use, duty having been paid in another EU country.

The Department of finance in response to a recent Parliamentary question advised that the estimated loss to Irish revenue was in excess of €240 million

The increases in sales that many of our shops are experiencing would suggest that this figure is possibly an under estimate of the level of illicit consumption given that we are experiencing increases of 15 to 30% uplift in tobacco sales. It is highly unlikely that this increase in sales is solely due to increased consumption due to working from home, far more likely that sales of, and access to, illicit and personal imports has dried up.

We realise that the Covid committee have agreed to pay particular attention to the needs of Irish SMEs and welcome this positive stance

CSNA, in addition to all the trade bodies representing tourism, hospitality, retail and industry are part of the LJA, Local Jobs Alliance.

We urge the committee to read our most recent publication “significance of the SME sector in the Irish economy”, written by the Economist Jim Power, copies of which have been provided to the Chair and members of the Committee.

We would also take this opportunity to ask the committee to consider inviting Mr Peter Boland of the alliance for insurance reform to provide to the committee expert evidence of the scandal of denial of business interruption policy claims by the majority of Irish insurance companies

The majority of Irish SMEs will require ongoing state assistance to allow them to continue to provide their services into the Irish economy and beyond

These supports and assistances have already been identified and outlined to the committee by a number of our colleagues in the LJA but to reiterate they include Rates support, rent support ,liquidity ,dealing with debt and stimulating expenditure by the public specifically into bricks and mortar shops by way of vouchers.

For many businesses the TWSS scheme has made a very significant difference and we would urge the committee to see the merit in advising the government that the extension of the scheme at least for a further six months is an absolute necessary requirement for the vast majority of our Members.

One of the very real difficulties we experience is the increase in lawless and antisocial behaviour from a small number of people in our members' urban stores.

There are increased difficulties of stretched resources in An Garda Siochana and these delinquents are taking advantage of the situation, with shoplifting and threatening behaviour at an all-time high in many outlets.

Some of the difficulties emanate from the decision of the Prison Service to release in excess of 200 prisoners out into the community, an action that has had negative outcomes for many of the stores.

To summarise, CSNA asks that the Committee agrees to consider investigating how prepared for a Pandemic we had actually been, and to agree to take evidence and make recommendations to ensure that Ireland will have a coherent policy to deal with similar Public Health threats.

We respectfully ask the Committee to ask Mr Jim Power and Mr Peter Boland to provide you with additional expert insights into the issues concerning the Reopening of the economy from the perspective of SME's.

If there are any aspects of this submission that requires additional background information, please contact me at the below

Vincent Jennings

CEO

CSNA

087 6750128