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September 2020 Newsletter: NMMA Canada continues to proactively address tariffs, luxury tax threats

From the Desk of Sara Anghel, President, NMMA Canada

As we are bidding farewell to summer, I thought it would be a good time to give you an update of what the association has been doing on your behalf this year. And what a year it has been so far!

When Justin Trudeau and the Liberals won the election last fall, our industry was looking down the barrel of a 10 percent luxury tax on boats over a hundred-thousand dollars. We rallied quickly and moved up the date for our annual Day on the Hill in Ottawa. This past February, in the middle of a snowstorm, NMMA led a team of marine industry leaders to meet with dozens of government officials and MPs. We drove home the message that a luxury tax would hurt local businesses and destroy jobs across the country. Many MPs, including on the government side, heard our words and agreed.

And then a few weeks later, the Coronavirus arrived. This once-in-a-century event has affected the recreational boating sector in many unexpected ways. At the beginning of the crisis, our manufacturers and dealers were caught up in the emergency shutdown orders. For a while, there was doubt about whether there would be a boating season at all. During this early period, NMMA lobbied hard to keep the boating industry on the minds of federal and provincial officials. We successfully argued for marinas to be able to open up early and get ready for the season. And we pressed for boat dealers to be treated the same as auto dealers by allowing contactless delivery and curbside pickup.

NMMA has also been at the forefront in advocating for boating access and funding for outdoor infrastructure. As chair of the Canadian Outdoor Recreation Roundtable, I was [published in the July edition of the Hill Times newspaper](#) arguing for investments in shovel-ready projects such as boat ramps and marina expansions.

NMMA Canada proactively moves to address tariffs, luxury tax threats to industry in 2020/21

Despite the successful season enjoyed by many boating businesses, there are risks looming on the horizon for the recreational boating industry. For example, this past August President Trump announced a 10% tariff on raw Canadian aluminum being imported into the United States. This move took the political and business world by surprise given the recent coming-into-force of USMCA/NAFTA 2.0. As soon as rumours appeared about possible tariffs, Sara Anghel and NMMA president Frank Hugelmeyer co-wrote a [letter to President Trump and Prime Minister Trudeau](#) urging them to avoid another trade dispute. Once the tariffs were formally announced and Canada released its draft set of counter-measures, NMMA partnered with the provincial Marine Trade Associations and wrote a [separate letter to the Prime Minister](#) encouraging the government to keep boats off the counter-tariffs list. Thankfully, as of this writing, it appears the Trump administration has lifted the 10% aluminum tariffs retroactive to September 1st — and Canada will refrain from bringing in retaliatory tariffs.

Another potential threat is the government's promised 10% luxury tax on boats over \$100,000, which appeared in the Liberal 2019 election platform and was reiterated in the previous finance minister's mandate letter. NMMA is preparing to fight on your behalf against this tax should it appear in the government's upcoming 2021 budget.

No matter the issue, you can rest assured that NMMA will keep fighting to stay on the radar of MPs and policymakers and drive outcomes that help Canada's recreational boating sector grow and thrive.

Federal Update — Throne Speech sets out government's four-part vision for economic recovery

On September 23rd, the Trudeau government presented its plan for Canada's pandemic response and economic recovery in the [Speech from the Throne](#), which also marks the start of a new session of parliament. The speech outlined four priorities that the government will focus on:

- Fighting the pandemic and saving lives;
- Supporting people and businesses through measures such as extending the Canada Emergency Wage Subsidy to summer 2021 and expanding the Canada Emergency Business Account to help businesses with fixed costs;
- Promoting policies that strengthen the middle class, create jobs, and promote long-term competitiveness — especially with respect to climate action and clean technology;
- Addressing social inequities and advancing reconciliation with Indigenous peoples.

Relevant to the recreational boating industry, the Throne Speech committed further support to “bridge vulnerable businesses to the other side of the pandemic”, including the travel and tourism sector.

In the coming weeks, the federal government will table a budget that will attach dollars to many of the Throne Speech commitments. You can read NMMA's 2021 pre-budget submission [here](#).

World Marinas Conference Webinar Series

The World Marinas Conference (WMC) Industry Reconnect inaugural webinar series is coming up next month. ICOMIA WMC Industry Reconnect will run as free to register webinar series, aiming to bring the industry together and provide a forum to discuss pressing topics in the current Covid-19 crisis, making it a must attend event for marina specialists. Panelists will include NMMA's own Sara Anghel, who is also currently serving as ICOMIA president.

The webinar series includes the following sessions:

1. **State of the industry around the globe** (6th October at 10–11:30 UTC)
2. **Boating & Tourism with Covid19 — what's next?** (13th October at 11–12:30 UTC)
3. **Technology looking forward** (20th October at 11–12:30 UTC)
4. **Vision of CHANGE** (27th October at 12–13:30 UTC)

To see the speaker lineup or register for the Webinar Series, please visit this webpage: <https://www.icomia.org/wmc-industryreconnect>.

NMMA Memorandum of Understanding with Transport Canada Declaration of Conformity — UPDATE!

In January, NMMA announced it was entering a Memorandum of Understanding (MOU) with Transport Canada to ease the entry of NMMA Certified boats and yachts for sale into the Canadian marketplace.

The MOU will permit NMMA Certified boat models to enter Canada with the submission of an NMMA model certificate confirming certification along with a new abbreviated Declaration of Conformity (DoC). The new abbreviated DoC has been finalized and is now available [here](#).
