



BACK TO PARLIAMENT

About Restaurants Canada

We are the **VOICE** of Canada's foodservice industry.

Established in 1944 and representing 100,000 locations in every community across the country, Restaurants Canada is a national, not-for-profit member-based trade association. Our mission is to advance the potential of Canada's diverse and dynamic foodservice industry through member savings, research, advocacy, resources and events.

Canada's foodservice sector is a \$120 billion industry that serves 23 million customers across the country every day. As the fourth-largest private-sector employer, Canadian foodservice businesses directly employ nearly 1.2 million people and indirectly support another 287,000+ jobs in related industries, purchasing \$41 billion in food and beverage products every year.

MISSION

The champion that unites our industry and fuels success through **Advocacy, Connection, and Support.**

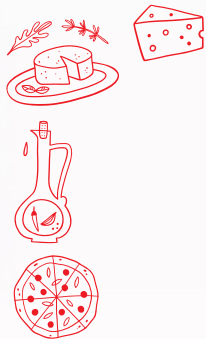
VISION

Vibrant and thriving restaurant and foodservice communities across Canada.

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Message from Kelly Higginson, President and CEO

On behalf of the 100,000+ foodservice locations we represent across Canada, and particularly the ones in your riding, I congratulate you on your election to Parliament. Foodservice businesses are job powerhouses, the number one source of first-time jobs for many youth, gathering places for Canadians, and the backbone of their communities. Few sectors have such a direct positive impact on the lives of your constituents.

As their elected representative, your voice is critical in ensuring that the policies government champions reflect the value these businesses bring to your community. This booklet is an overview of the foodservice industry as a pillar of the Canadian economy, and of our members' concerns and priorities.

As we enter a new session of Parliament, with a new government in place, we welcome the opportunity to meet with you at your convenience.

Sincerely,

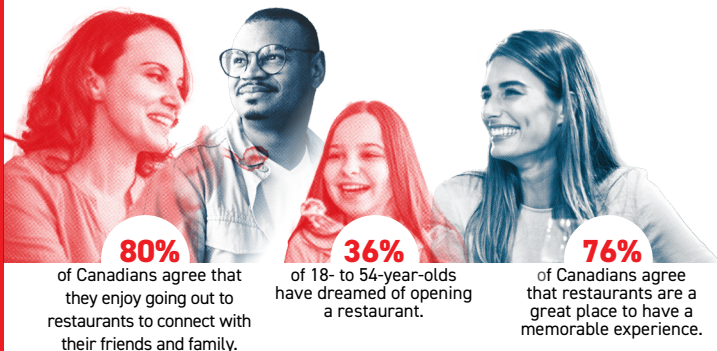
Kelly Higginson

A FLAVOURFUL INDUSTRY: CANADA'S DIVERSE FOODSERVICE BUSINESSES FEED COMMUNITIES AND THE ECONOMY

SIZE AND SCOPE OF THE INDUSTRY

With more than **100,000 locations across Canada**, foodservice is a nearly **\$120 billion dollar industry** and is a powerhouse employer for Canadian communities. Each and every day across Canada, restaurants nourish our communities by feeding us, providing hundreds of thousands of jobs, and serving as a place to gather and bond with our friends, family, and colleagues.

The livelihoods of countless employees, especially youth and newcomers, depend on the success of these establishments.



23 MILLION visits made by Canadians to restaurants every day.



\$41 BILLION in food and beverage products purchased every year.



\$26 BILLION contributed in federal, provincial, and municipal taxes and by its employees.



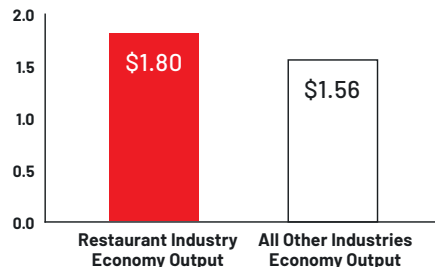
NEARLY \$120 BILLION in annual foodservice sales from coast to coast to coast.



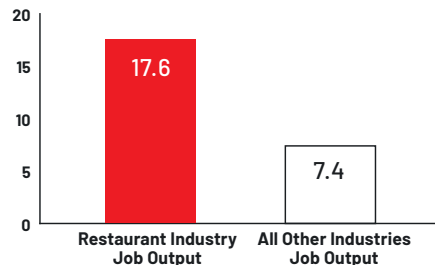
100,000+ foodservice locations across Canada.

OUR INDUSTRY'S MULTIPLIER EFFECT

For every dollar of output in the restaurant industry, **\$1.80** of output is generated in the broader economy. This compares to **\$1.56** for all industries.



For every million dollars of output, the restaurant industry generates **17.6** new jobs. By comparison, the industry average is **7.4** jobs per million dollars of output.



THE JOB IMPACT

INDUSTRY WORKFORCE DIVERSITY IN NUMBERS



NUMBER ONE

source of first-time jobs for Canadians is the restaurant industry.



MORE THAN

520,000

youth are employed in the restaurant industry, which represents one in five youth jobs.



FOURTH

Restaurants are the fourth largest employer in Canada.



3 IN 10

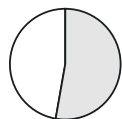
Canadians between the ages of 18 and 54 have worked in the restaurant industry at some point in their lives (23%).

1.2 M

The restaurant industry employs nearly 1.2 million workers, representing 6% of the country's workforce.

1 IN 4

More than 1 out of every 4 workers in the foodservice industry are immigrants.



53%

Across the country, immigrants make up 53% of foodservice business owners with paid staff.



39%

39% of foodservice workers are part of a visible minority.



FOODSERVICE INDUSTRY AS A MAJOR EMPLOYER OF CANADIANS

Restaurants employ more than **all of these industries combined**.



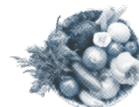
REAL ESTATE



FORESTRY



UTILITIES



AGRICULTURE



**MINING AND OIL
AND GAS EXTRACTION**



FISHING

SPINOFF JOBS CREATED BY THE FOODSERVICE INDUSTRY

Agricultural and related services industries	85,100	Retail Trade	16,700
Food	43,000	Finance and Real Estate	19,200
Transportation	12,000	Business Services	21,100
Wholesale Trade	23,100	Other Industries	66,900

TOTAL INDIRECT EMPLOYMENT:

287,100

Our members' biggest concerns

REMOVING GST/HST FROM ALL FOOD

Currently, prepared meals are subject to sales tax, while groceries, ready-to-heat and frozen meals are not. This unfair tax treatment puts an undue burden on busy, working Canadians struggling with the cost of living and hurts foodservice businesses. Restaurants Canada is asking the federal government to **permanently exempt all food from GST/HST**.

When the GST was first imposed on prepared food but not ready-to-heat and other groceries in 1991, real foodservice sales dropped 11%, as consumers shifted more of their spending to grocery stores. This led the foodservice industry to lay off 46,000 Canadians and employment growth slowed from an average of 31,135 jobs a year to just 17,387 jobs.

The recent GST/HST holiday showed us that removing the tax from restaurant meals stimulates the economy and protects jobs:

- 24,000 foodservice jobs created during the tax holiday—more than the 12 previous months combined
- Foodservice sales increased 8.3% in January
- Bankruptcies down 50% year-over-year
- 84% of Canadians say food should not be taxed, no matter where it is purchased

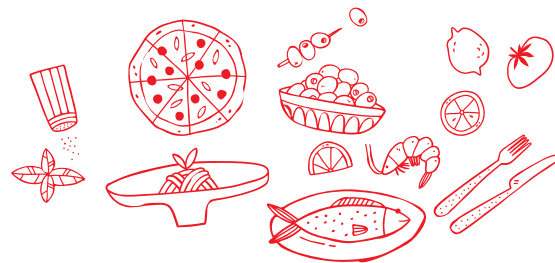
PROTECTING THE FOODSERVICE INDUSTRY FROM THE IMPACT OF U.S. TARIFFS

The Canadian and U.S. food production and foodservice industries are inextricably linked: a single burger may contain a bun made in California from Saskatchewan flour, beef from cattle born in Alberta, raised in Nebraska and processed in Colorado, tomatoes from Ontario and bacon from Manitoba pigs processed in Iowa.

A prolonged trade dispute will have significant negative effects on our industry. In particular, many goods central to our operations come from the U.S. and are either not available in large enough quantities domestically/from other suppliers or remain less expensive from U.S. suppliers even with tariffs applied.

Our asks:

1. Exempt all food and food-safe packaging from retaliatory tariffs.
2. Broaden the interpretations surrounding food and beverage packaging materials for the remission support announced earlier this year.



Our members' biggest concerns

ACCESSING THE WORKFORCE OF THE FUTURE

The foodservice industry is labour intensive. Every \$1M in output activity requires 12 employees, compared to just five for retail and four for groceries. Labour shortages in key roles like cooks and front-of-house managers make it difficult for restaurants to operate, let alone expand. **By 2030, we expect there will be 200,000 additional jobs that will need to be filled.** As Canada retools its immigration system, we are looking to work with government on solutions that allow our industry to connect with the workers we need.

Our asks:

1. A matching and training program to connect the nearly 1 million unemployed newcomers holding open work permits in Canada with jobs in industries like foodservice,

particularly in remote, rural and tourist communities.

2. Allow provinces where demographics make immigration a necessity to have more access to foreign workers.
3. Work with the foodservice industry on strategies to attract more Canadian workers, especially youth.

REDUCING EI PAYROLL TAXES

Today, 53% of restaurants are operating at a loss or barely breaking even, compared to just 12% pre-pandemic. Over the past two years total food costs have increased by 25%, insurance by 24%, utilities by 20% and labour costs by 18%. With profit margins typically between 3% and 5%, it has been hard for operators to absorb these cost increases.

The federal government can provide long-term relief to our industry and to the 1.2

million workers we employ by **reducing Employment Insurance payroll taxes by 2%.**

REMOVING INTERPROVINCIAL TRADE BARRIERS

Removing interprovincial trade barriers could boost the Canadian economy by as much as \$200B a year and allow the foodservice industry to diversify its supply chains in the face of U.S. tariffs.

We applaud recent leadership by the federal government to remove interprovincial trade barriers and work with the provinces to modernize Canada's internal trade infrastructure.

