

Nourishing Our Nation: Raising Our Voice in the 2019 Federal Election

When foodservice thrives, so do our communities. A thriving restaurant sector is critical to the well-being of communities across Canada, contributing to jobs, investment, innovation, tourism, charitable causes and spaces for people to come together. Working with Restaurants Canada, the next federal government can help foodservice businesses continue **#NourishingOurNation**.

KEY ISSUE: Annual Escalator on Alcohol Excise Duties

As a sector made up of professionally trained staff regularly serving customers from across the country and around the world, foodservice provides an ideal setting for showcasing Canadian beverage alcohol products. But Canada's liquor policies currently do more to discourage than encourage licensed establishments from playing this role.

For instance, the amount of tax collected on liquor in Canada is among the highest in the world. According to the Canadian Taxpayers Federation, federal and provincial taxes currently make up:

- nearly 50 per cent of the cost of beer;
- between 65 and 70 per cent of the final price of wine; and
- up to 80 per cent of the cost of spirits.

In 2017, the Canadian government made an already bad situation worse: the federal budget that year not only increased the excise duties on beverage alcohol products by 2 per cent, it also introduced an automatic annual escalator on those duties. As a result, the amount of money that the federal government collects from all beer, wine and spirits bought and sold within Canada has been going up every year since, without having to face a vote in Parliament.

Excise duties are the first of many federal and provincial markups on beverage alcohol. The cascading effect of these recurring tax hikes means the resulting price increases faced by restaurants and consumers are exponential. The tax escalator unfairly targets Canadian products and jobs, disproportionately hurting Canadian farmers, vintners, distillers, brewers, restaurateurs and their customers.

Restaurants Canada is calling on the next federal government to:

- **Stop the escalator on alcohol excise duties.** A full repeal of the automatic annual escalator would provide welcome relief for Canadian restaurants and their patrons.

CANADA'S FOODSERVICE SECTOR AT A GLANCE

- Our country's 98,000 foodservice businesses generate \$89 billion in economic activity each year.
- For every dollar spent in a restaurant, \$1.85 is spent in the rest of Canada's economy.
- With roughly 1.2 million workers, foodservice is the fourth-largest employer in the country.



For more information:

David Lefebvre,
Restaurants Canada
Vice President, Federal and Quebec
DLefebvre@restaurantscanada.org
1-800-387-5649 ext. 6000
Twitter: @RestaurantsCA