

## 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: Interchange Fees

Like all other merchants, foodservice businesses are charged interchange fees whenever a customer uses a credit or debit card to make a purchase.

These fees have long been a concern for foodservice operators: With an average pre-tax profit margin of less than 5 per cent, restaurants often make less profit than the credit card issuer when a patron uses this method of payment for a meal.

Despite modest reductions negotiated in 2014 and 2018, the billions of dollars that merchants pay card issuers each year in interchange and other fees are continuing to rise as more and more consumers are enticed by premium reward cards and point systems. Yet these rewards are financed by merchants through higher fees. In fact, the fees charged to merchants in Canada are amongst the highest in the world and still five times higher than in the European Union, Great Britain and Australia.

### Restaurants Canada is calling on the next federal government to:

- **Regulate the interchange fees that debit and credit card issuers collect from merchants.** To ease the burden on foodservice operators, these fees should be capped and card issuers should be prohibited from adding new fees.
- **Remove interchange fees from the tax portion of the restaurant bill.** This would stop card issuers from profiting from taxes collected by business owners on behalf of government.

### 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:

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