

September 14, 2020

**VIA E-MAIL**

The Right Honourable Justin Trudeau, P.C., M.P.  
Prime Minister of Canada  
Office of the Prime Minister  
80 Wellington Street  
Ottawa, ON  
K1A 0A2

Dear Prime Minister:

As your government plans for the upcoming Parliamentary session and a new Speech from the Throne, our members across the country will be looking for reassurance that supporting their operations through the ongoing COVID-19 crisis will remain a priority.

### **Restaurant Industry's Role within A Resilient, Prosperous and Inclusive Canada**

Restaurants and other foodservice businesses make up a critical load-bearing pillar of Canada's culture and economy. Before the pandemic, our industry comprised approximately 98,000 establishments from coast to coast to coast, contributing 4 per cent to the country's GDP and serving about 22 million customers every day. The foodservice sector was Canada's fourth-largest employer, directly employing 1.2 million people and providing the number one source of first jobs. Restaurants also provided significant support to community causes, contributing an estimated \$460 million to charities each year.

Restaurants have played a critical role in providing their communities with safe and reliable meal options throughout the COVID-19 pandemic. Yet, the foodservice industry was one of the first sectors impacted by the crisis, and continues to be the hardest hit. By April, foodservice sales had plummeted to their lowest level in more than two decades and more than 800,000 foodservice workers were laid off or had their hours cut down to zero. To provide context, one out of every five jobs lost in the wake of the pandemic was in foodservice, and our industry lost more jobs during the first six weeks of lockdown than the entire Canadian economy during the 2008-2009 recession. While the latest Labour Force Survey from Statistics Canada reveals foodservice employment has risen by 355,000 jobs since May, the sector remains 260,000 jobs short of where it was in February. No other industry comes close to this level of shortfall.

### **Risk to Canada's Economy**

Due to the impacts of COVID-19, total foodservice sales in Canada could drop by nearly half in 2020, representing \$44.8 billion in lost sales compared to 2019.

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The recovery of the foodservice industry will not be linear. Despite best efforts to innovate and adapt to the current environment, our sector will experience ups and downs as patios close, consumer behaviour adjusts and areas such as downtowns no longer host office workers and tourists in the same volumes they once did. Based on industry data collected since March, Restaurants Canada estimates that roughly 10 per cent of foodservice businesses have already permanently closed due to the impacts of COVID-19. More than half of respondents to a survey conducted between June 25 and July 3 said they are continuing to operate at a loss. When asked how many months they expect it will take their business to return to profitability, the majority said at least a year.

A thriving foodservice sector is critical to Canada's economic recovery. Our industry supports a wide variety of local businesses, indirectly supporting an additional 290,000 jobs and typically spending more than \$30 billion per year on food and beverage purchases, providing critical revenue to Canadian farmers. While we recognize the significant support that the federal government has provided during this pandemic, ongoing and new assistance will be needed. Now is the time to transition from emergency measures to ensuring business continuity and efforts to rebuild the Canadian economy.

### **Opportunities to Support Foodservice**

As your government resets its agenda and priorities, and seeks to demonstrate a strong commitment to economic recovery, Restaurants Canada recommends signalling clear intentions to support the foodservice industry in the following ways:

- Extend and adapt the main emergency COVID-19 federal business support programs, including the Canada Emergency Wage Subsidy, the Canada Emergency Commercial Rent Assistance Program and the Canada Emergency Business Account.
- Direct stimulus spending toward the restaurant industry, similar to the UK's "Eat Out to Help Out" program, to boost critically needed revenue to struggling restaurants and the sectors of the economy that depend on their survival.
- Ensure any new measures under consideration take into account the challenging realities of operating a business during the ongoing pandemic and continue to create conditions that support Canadians returning to work.

Government, industry, and all Canadians need to work together to get through this crisis and rebuild our economy. The survival of the foodservice sector is an integral part of that effort. Restaurants need a renewed commitment to keep contributing to job creation, vibrant neighbourhoods and economic growth.

We look forward to working with you and your government to revive the Canadian foodservice industry and continue contributing to a resilient, prosperous and inclusive Canada. Please accept our best wishes for your continued success.

Sincerely,



Todd Barclay  
President and CEO