

#### **ONTARIO RESTAURANTS ARE UNDER ATTACK**

Ontario's restaurant industry generates \$33 billion in economic activity, representing 4% of GDP. In Ontario this means more than 573,000 direct and indirect jobs and charitable contributions in the range of more than \$100 million dollars annually.

However, Ontario foodservice operations are struggling to survive with rising costs and burdensome regulations. Restaurants in Ontario maintain the lowest profitability in Canada at just 3.4%. Relative to other sectors of the economy where average profitability is roughly 10.1%. Whomever forms the next government in Ontario needs to look to improving conditions for the foodservice industry.

#### **KEY ISSUE**

**Liquor Pricing:** As we reported in our 2017 "Raise the Bar" report card, the frustration of licensees in Ontario has gone without acknowledgement by the province. In fact, bar and restaurant owners have been largely shut out of government initiatives to modernize the system.

Licensees continue to face a number of roadblocks. The biggest barriers are an outdated and unresponsive system for selection, ordering and delivery of alcohol, combined with lack of wholesale pricing. Ontario is the largest buyer of alcohol in the world, but customers are not seeing any benefit from this buying power. In fact, prices for many products are higher than in other jurisdictions, and continue to escalate.

#### **ONTARIO FOODSERVICE STATS:**

- **More than 500,000 Ontarians work in the foodservice industry**
- **Bill 148 will add \$1.8 billion dollars of new costs**
- **The new legislation will put 17,000 jobs at risk**
- **Restaurateurs in Ontario operate with the lowest margins in Canada at 3.4%**
- **The impact of this legislation will be most felt outside the GTA**

