

Reference Period: 2014 - 2018

Restaurant Industry Forecast



**Restaurants
Canada**

The voice of foodservice | La voix des services alimentaires

Prepared by
Chris Elliott, Senior Economist

September
26, 2014

Highlights

Commercial foodservice sales are forecast to climb by 4.9% in 2014 to a record \$57.5 billion

Caterers will lead all segments with average annual sales growth of 5.3% per year between 2014 and 2018.

Alberta will boast the fastest-growing foodservice industry with average annual sales growth of 5.1% per year between 2014 and 2018.

A rebound in exports and business investment will boost Canada's real GDP by 2.7% in 2015 following two consecutive years of 2.0% growth.

Rising employment and wage inflation will lift disposable income by a healthy 4.3% in 2015. High household debt levels, however, will restrain consumer spending over the near term.

Commercial foodservice sales in Canada are forecast to climb by a solid 4.9% to \$57.5 billion in 2014. This follows a 4.4% increase in 2013.

In 2014, growth will be led by a 6.6% revenue increase at caterers and a 5.3% jump in spending at quick-service restaurants. Full-service restaurant sales will moderate slightly to 4.6% growth following a healthy 5.2% increase in 2013.

Drinking places, which have reported five consecutive years of declines, will report a modest increase (+0.8%) in spending in 2014.

In 2015, foodservice sales will grow by 4.0% to \$59.8 billion. This reflects a moderation in spending in Ontario and parts of Western Canada.

Overall, foodservice sales will grow an average of 4.0% per year between 2014 and 2018.

Adjusted for menu inflation, real sales will average 1.7% growth per year.

Rising consumer spending will boost the foodservice share of the total food dollar from 37.7% in 2013 to 38.6% in 2018.

At the provincial level, British Columbia will lead the country in growth (+7.5%) in 2014 due to pent-up consumer demand. Sales will moderate to a more sustainable 3.9% in 2015.

Over the next five years, Alberta will lead the country with average annual growth of 5.1% per year compared to the national average of 4.0%.

An expanding population and strong disposable income growth will lift total foodservice sales in Saskatchewan by 5.3% in 2014.

Commercial Foodservice Sales in Canada Year-over-Year Nominal Change

	2013	2014p	2015f	2016f	2017f	2018f
Quick-service restaurants	4.4%	5.3%	4.1%	4.1%	4.2%	3.8%
Full-service restaurants	5.2%	4.6%	3.9%	3.8%	3.3%	3.2%
Caterers	3.4%	6.6%	5.4%	4.9%	5.0%	4.5%
Drinking places	-1.2%	0.8%	1.0%	1.1%	1.2%	1.0%
Total Sales	4.4%	4.9%	4.0%	3.9%	3.8%	3.5%

Healthy economic growth will boost foodservice sales in Manitoba by 5.4% in 2014 and 4.4% in 2015.

A rebound in exports and growing population will lift foodservice sales in Ontario by 4.2% in 2015.

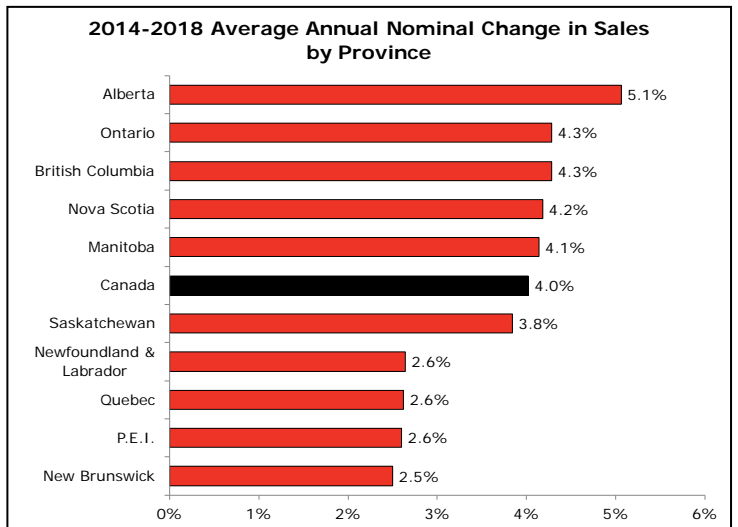
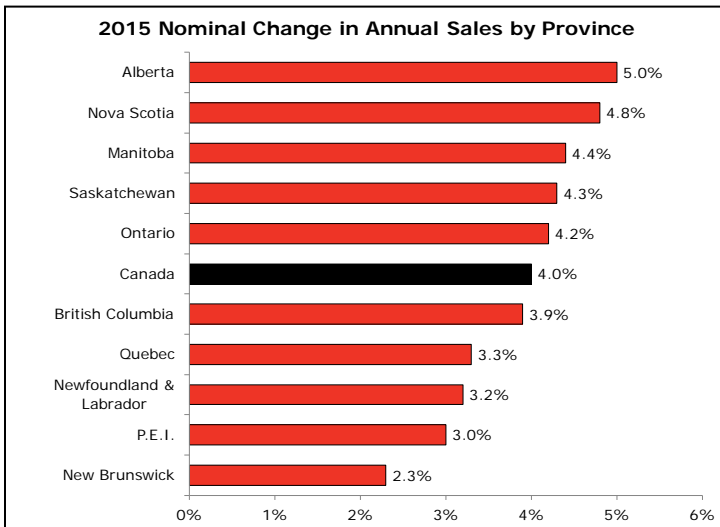
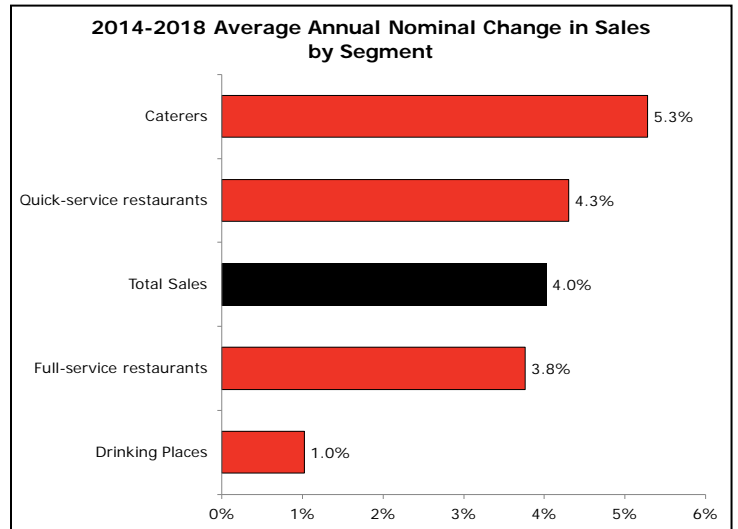
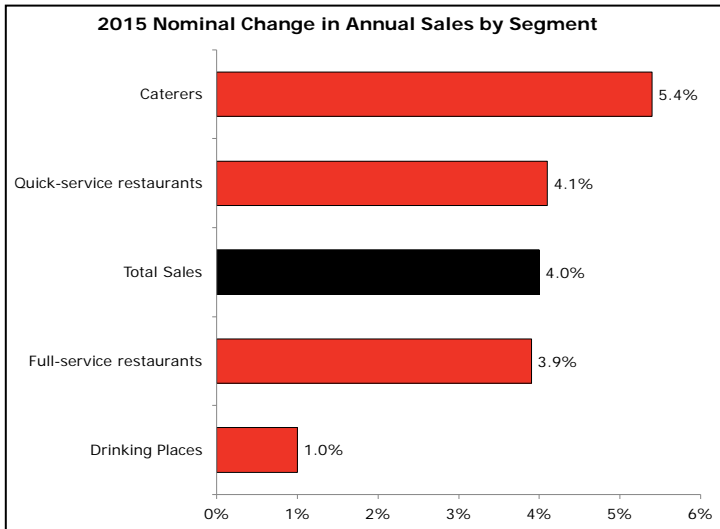
After struggling in 2013 and 2014, foodservice sales in Quebec will rebound with a solid 3.3% increase in sales in 2015.

As a result of weak consumer spending, New Brunswick will post the slowest foodservice sales growth between 2014 and 2018 with average annual growth of 2.5% per year.

Thanks to the spinoffs created from a \$25-billion shipbuilding contract, Nova Scotia's foodservice industry will expand by 4.8% in 2015 and 5.8% in 2016.

Modest consumer spending will restrain foodservice sales on Prince Edward Island to average annual growth of 2.6% per year between 2014 and 2018.

Following several years of robust gains, foodservice sales in Newfoundland and Labrador will moderate to 2.0% growth in 2014. Sales are forecast to expand by 3.2% in 2015.



For the third consecutive year, Canada's commercial foodservice industry will post healthy gains. Sales in 2014 are projected to climb by a respectable 4.9%. This is slightly above last year's forecast which called for a 4.7% increase in 2014. Overall, total commercial foodservice sales will climb by \$2.7 billion to \$57.5 billion.

Adjusted for menu inflation of 2.1%, real sales will expand by 2.8%.

Growth in 2014 was driven by robust consumer spending in Western Canada and Ontario. As a result, caterers, full- and quick-service restaurants reported strong increases in revenue. In contrast, drinking places continue to struggle, although sales are projected to climb slightly in 2014 (+0.8%).

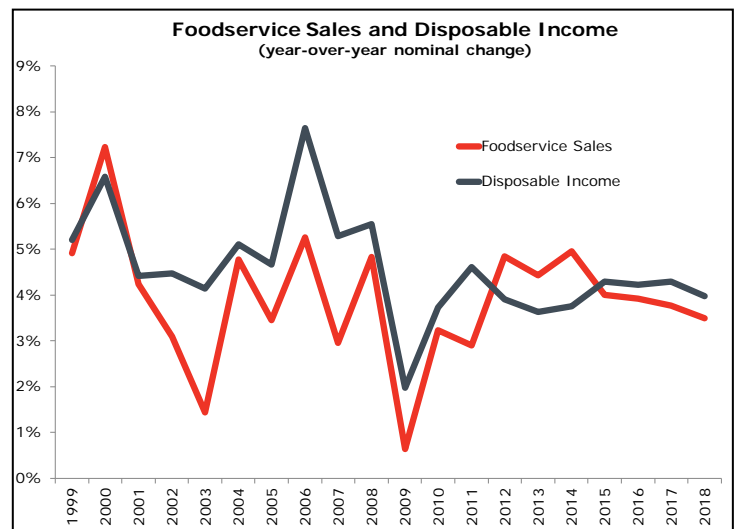
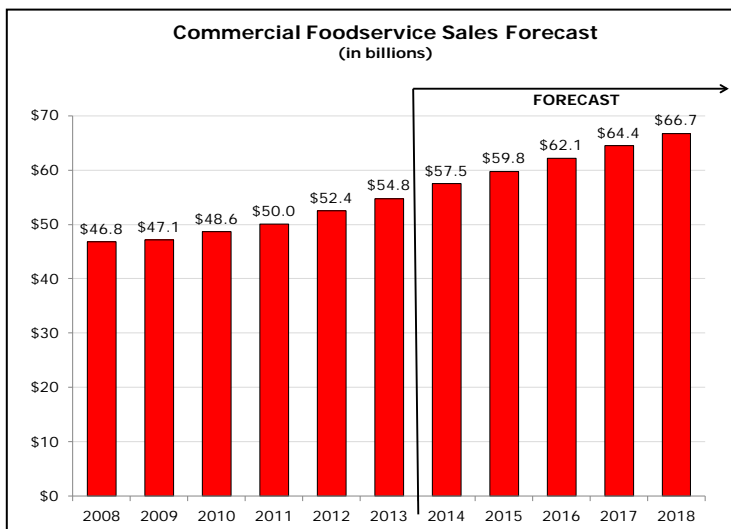
In 2015, commercial sales are forecast to advance by an additional 4.0% to almost \$60 billion. This reflects a modest slowdown in spending following three years of solid foodservice sales growth. In fact, foodservice sales outpaced disposable income growth during those three years, which is an anomaly compared to the historical trend. Disposable income is the single most important

determinant of foodservice sales. Typically, disposable income growth exceeds foodservice sales growth with the exception of 2000 and 2011 to 2013. Looking ahead, foodservice sales will resume the long-run relationship and are forecast to lag disposable income growth. Given the high debt levels of households, foodservice sales cannot sustain such a vibrant pace between 2015 and 2018.

In 2016, sales will expand by a further 3.9% to \$62.1 billion. Growth will continue to be driven by solid gains at caterers and quick-service restaurants.

Although total sales will grow over the next five years, they will decelerate from an annual pace of 4.9% in 2014 to 3.5% in 2018. The moderation reflects an overall slowdown in economic activity. Slow labour market growth due to an aging population and modest gains in productivity will restrain real GDP growth over the forecast horizon.

Overall foodservice sales will grow an average of 4.0% per year between 2014 and 2018. As a result, commercial foodservice sales will climb to \$66.7 by 2018. Including non-commercial foodservice will boost total foodservice industry



Source: Restaurants Canada and Statistics Canada

Source: Restaurants Canada and Conference Board of Canada

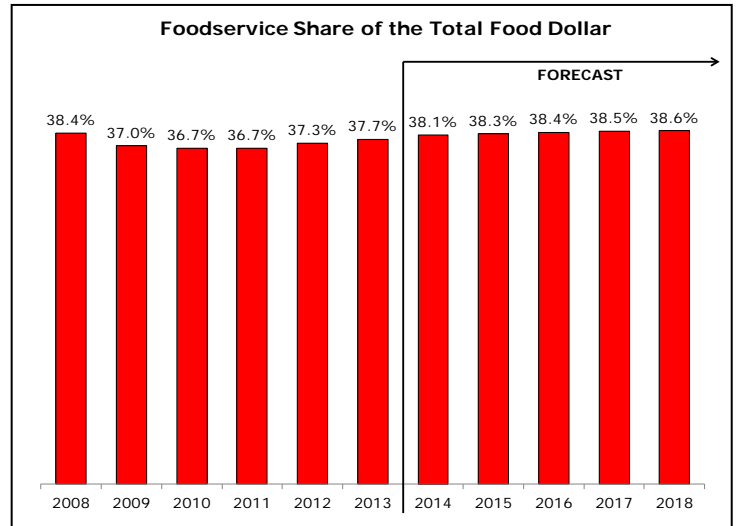
sales from \$71 billion in 2014 to \$82 billion in 2018.

During this time, retail food and grocery sales will steadily climb from \$115 billion in 2014 to \$131 billion in 2018. Stiff competition between traditional grocery retailers and big box stores such as Wal-Mart and Costco will restrain food prices. Restaurants Canada's econometric analysis shows that high debt levels cause households to spend less on food from restaurants and purchase more from retail food stores.

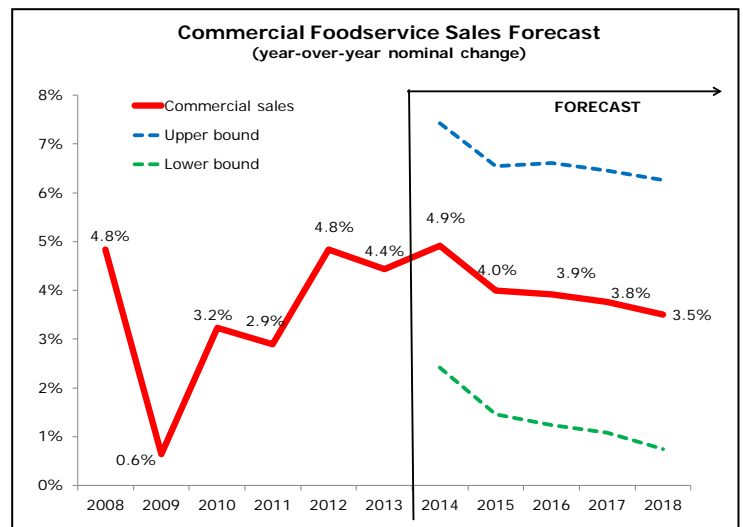
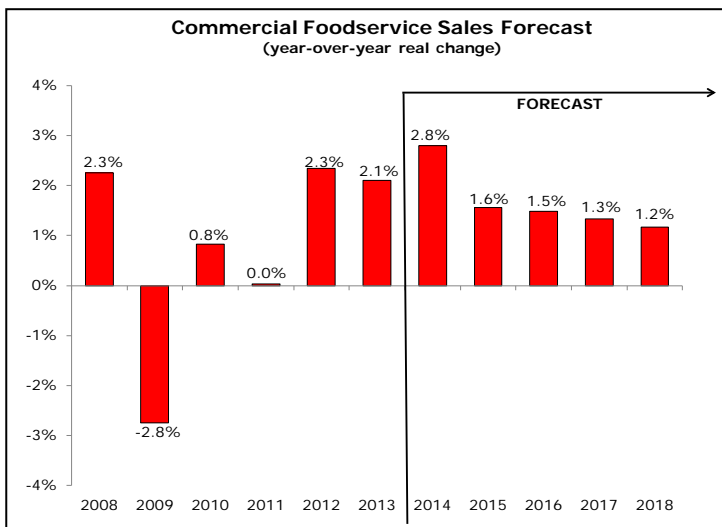
Overall, the foodservice share of the total food dollar¹ will climb to 38.1% in 2014, its highest level since 2008. With the restaurant industry slightly outpacing growth in the retail food sector, the foodservice share of the total food dollar will steadily climb to 38.3% in 2015 and reach 38.6% by 2018.

There are a number of upside and downside risks. The ongoing global economic recovery may mean it takes longer for Canada's economy to return to its potential growth, which would lead to weaker sales in the near term.

Conversely, a stronger recovery in the United States economy would spur exports and boost employment in Canada. This would result in stronger-than-expected foodservice sales growth.



¹ Total food dollar includes food and beverage sales at grocery, department, liquor and convenience stores. Includes commercial and non-commercial foodservice spending by consumers, tourists, businesses and government. The above chart assumes average annual growth of 3.5% for non-commercial foodservice sales.



Source: Restaurants Canada and Statistics Canada

Note: Data are not adjusted for menu inflation. Upper and lower bounds represent a 95% confidence interval for foodservice sales growth based on current economic forecasts.

Quick-service restaurants will surpass \$25-billion in annual sales in 2014. Since 2010, quick-service restaurants have led the industry in total sales volume. In the wake of the recession and slow recovery in the job market, consumers looked for affordability and value. Given the stiff competition within the quick-service restaurant category, operators responded by offering value-based promotions, improving quality and introducing new menu items to attract customers. The entry of new fast casual chains from the United States has also lifted total sales.

Total foodservice sales at quick-service restaurants are forecast to advance by a healthy 5.3% in 2014 following a 4.4% increase in 2013. Since 2010, sales have averaged 4.8% per year. This compares to an average annual increase of 3.7% at full-service restaurants during this time.

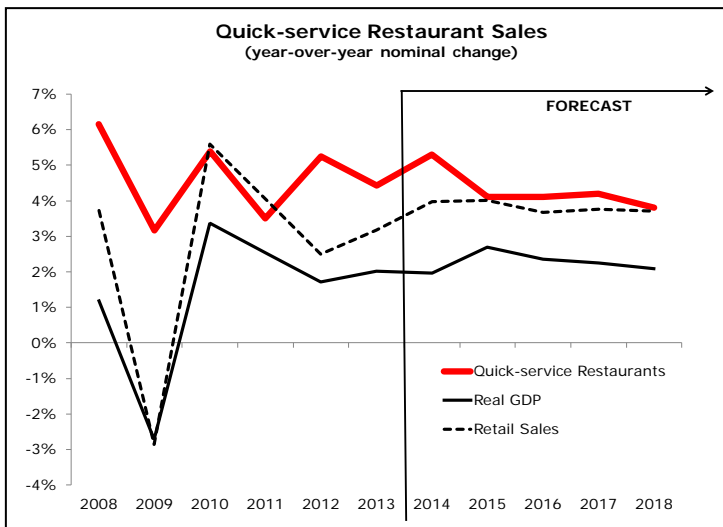
Most provinces reported solid sales growth in 2014. The biggest gains are in Western Canada, Ontario and Newfoundland and Labrador. In contrast, sluggish consumer spending will lead to modest growth in Quebec and Prince Edward Island.

Growth at quick-service restaurants in recent years has been driven by breakfast and afternoon snacks. In contrast, lunch has witnessed modest gains and supper traffic remains below 2009 levels. As a result, there is potential for higher sales in the years ahead as the economy improves.

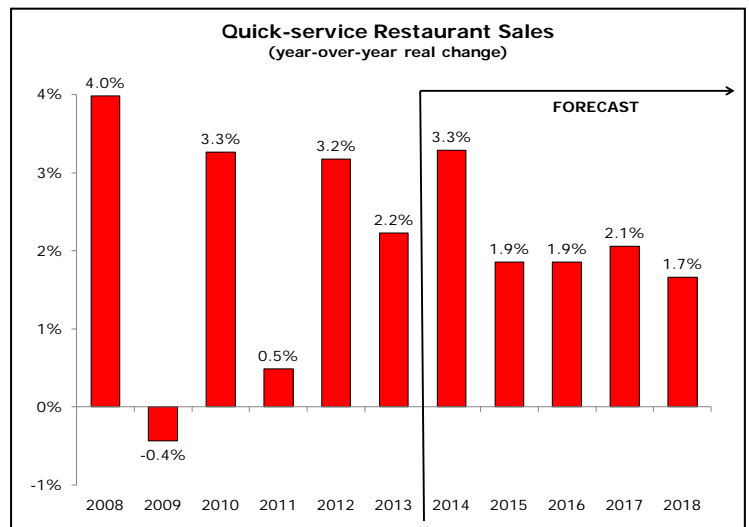
Looking ahead, sales at quick-service restaurants are forecast to climb by 4.1% in 2015 to \$26.5 billion. Growth will be bolstered by solid gains in Western Canada and a rebound in spending in Quebec.

In 2016, sales will expand by an additional 4.1%. Rising disposable income and a lower unemployment rate will boost average check sizes and frequency of visits.

Between 2015 and 2018, sales at quick-service restaurants will grow an average of 4.1% per year. This represents a slightly slower pace than the average of 4.8% growth per year between 2010 and 2014.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

The recession and the slow recovery led to lacklustre growth at full-service restaurants between 2009 and 2011 as consumers and businesses cut back on discretionary spending. Despite an uneven economic recovery, sales at full-service restaurants have bounced back and have posted three consecutive years of solid gains. Adjusted for inflation, sales at full-service restaurants finally returned to their pre-recession levels.

In addition, supper traffic is slowly improving and nearly back to 2009 levels. Supper traffic increased by 1.4% in the 12 months ending May 2014 compared to the same period in 2013.

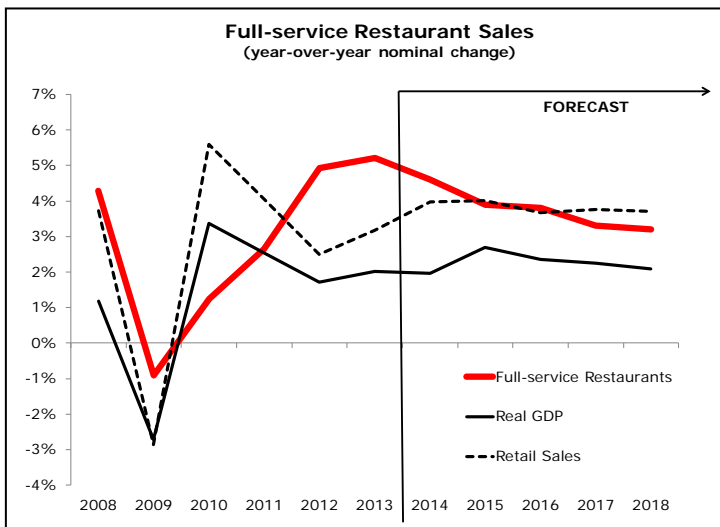
Overall, sales are projected to climb by 4.6% to \$24.8 billion in 2014 following a solid 5.2% increase in 2013.

At the provincial level, sales are mixed in 2014. British Columbia, Alberta and Ontario will lead the country with sales growth exceeding 6%. A growing population will lead to another year of solid gains in Saskatchewan and Manitoba. In

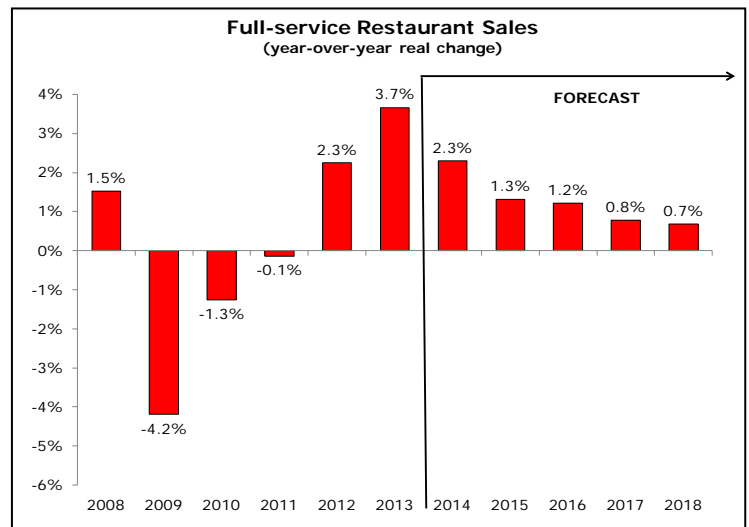
contrast, weak consumer demand will reduce sales in Quebec. Following two years of double-digit growth, full-service restaurant sales in Newfoundland will fall by 4%.

Improved consumer confidence and rising disposable income will support a 3.9% increase in spending at full-service restaurants in 2015. While disposable income growth will accelerate in 2015, spending at full-service restaurants will be restrained by a moderation in spending in Ontario and British Columbia following strong gains in 2014. In 2016, sales will grow by an additional 3.8%.

On average, sales at full-service restaurants will continue to grow at a solid pace over the next five years. A growing population will lift sales in Ontario and Western Canada. Nevertheless, high household debt levels and strong gains at quick-service restaurants will restrain spending at full-service restaurants to 3.8% growth per year over the next five years. Adjusted for menu inflation of 2.5%, real sales will grow an average of 1.3%.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Between 2010 and 2013, caterers led the country with average annual sales growth of 5.4% per year. This compares to an average of 2.7% growth per year in the rest of the commercial foodservice segments.

In 2014, caterers will lead the country once again as sales expand by 6.6%. This will bring total revenue to \$4.9 billion. A number of factors have led to the strong performance by caterers over the past decade.

First, strong demand in remote camps servicing the natural resources industry continues to boost total revenue. In addition, operators are raising their menu prices as staff shortages are resulting in higher labour costs.

Second, an aging population has led to an increase in the number of beds at retirement homes and long term care facilities. In addition, managed services providers are increasing their presence in hospitals.

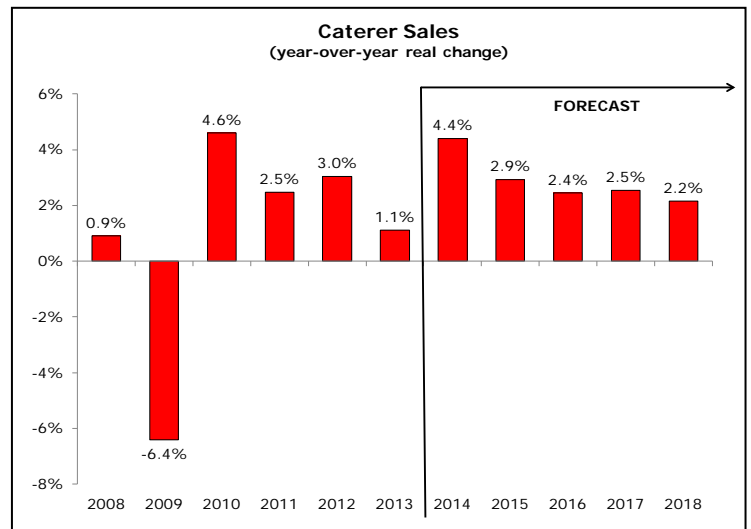
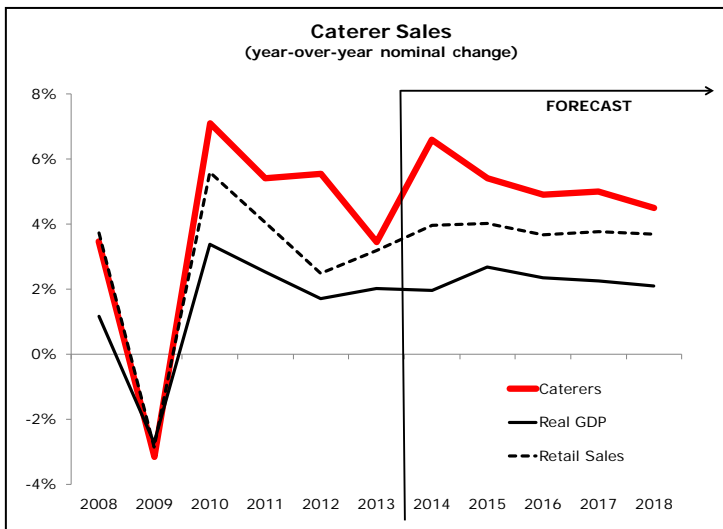
Third, caterer revenues at colleges and universities are growing due to increases in enrolment and inflation. In contrast, catering at high schools continues to fall as government

regulations regarding healthier menu offerings is leading students to go offsite for their food.

In 2015, caterers will surpass \$5 billion in annual sales with a 5.4% increase in revenue. Growth will be bolstered by strong gains in Western Canada and Ontario.

Between 2014 and 2018, caterers will grow by an average of 5.3% per year.

Adjusted for menu inflation of 2.3%, real sales will grow an average of 2.9% per year over the next five years.



Source: Restaurants Canada and Conference Board of Canada

Source: Restaurants Canada and Statistics Canada

While other segments of the restaurant industry have enjoyed respectable growth, drinking places have struggled. Between 2004 and 2013, sales at drinking places tumbled by 16% compared to a 41% increase in the rest of the commercial foodservice industry. A number of issues explain why sales have declined so dramatically over the past decade.

First, alcohol prices at drinking places have grown at a much faster pace than at retail stores. Between 2004 and 2013, alcohol prices at drinking places have jumped by 24% compared to only an 8% increase at the retail level. This has led to a shift by consumers away from drinking places. The recession, weak consumer confidence and high unemployment rates have also discouraged Canadians from going out to pubs and bars.

Second, an aging population and consumers looking for healthier options have led to a steady reduction in sales at drinking places. This shift is not unique to Canada, but impacting drinking places around the world.

Third, tougher drinking-and-driving legislation in many parts of the country has created an added degree of caution.

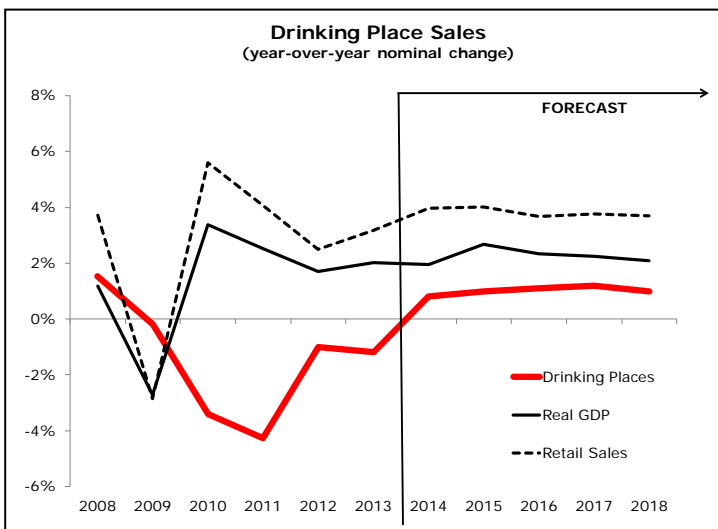
Fourth, rising operating expenses and declining revenues have led to a sharp drop in the number of drinking place establishment -- from 8,882 in 2004 to 5,473 in 2013. This decline is the biggest factor in the drop in aggregate sales.

Even with an improving economy and rising consumer confidence, drinking places have faltered. Following five consecutive years of declines, sales at drinking places are forecast to expand by a modest 0.8% in 2014.

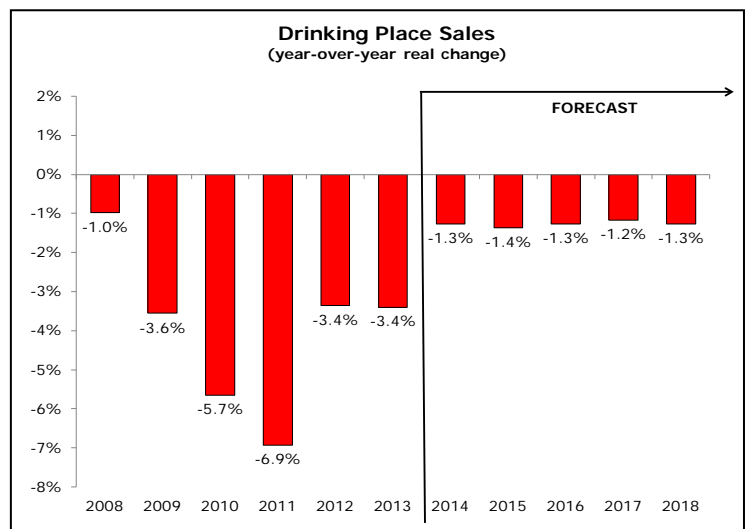
While Ontario, British Columbia and the Maritime provinces will post higher sales in 2014, they will be offset by declines in Quebec and the Prairie provinces.

Looking ahead, a deceleration in unit closures will be less of a drag on total drinking place sales. This, combined with improved disposable income growth will lead to a modest bump in total sales.

Growth will remain tepid over the forecast horizon as consumers go out less often to drinking places. This generally reflects stricter drinking and driving legislation and changing consumer preferences.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Between 2010 and 2013, Newfoundland and Labrador boasted the third-fastest growing economy, expanding by an average of 3.0% per year. A booming offshore oil and mining sector, combined with spinoffs created from those jobs, has driven overall economic activity. This in turn has put more money in the pockets of consumers and bolstered retail spending in the province.

After several years of rapid expansion, economic activity is forecast to take a breather in the coming years. Real GDP growth is projected to moderate to 0.9% in 2014 after advancing by 7.9% in 2013. This is a result of a sharp slowdown in residential construction and resource production.

With a number of new energy projects in progress for the next few years, real GDP in Newfoundland is forecast to climb by 1.6% in 2015. This will lift retail spending by 3.2%.

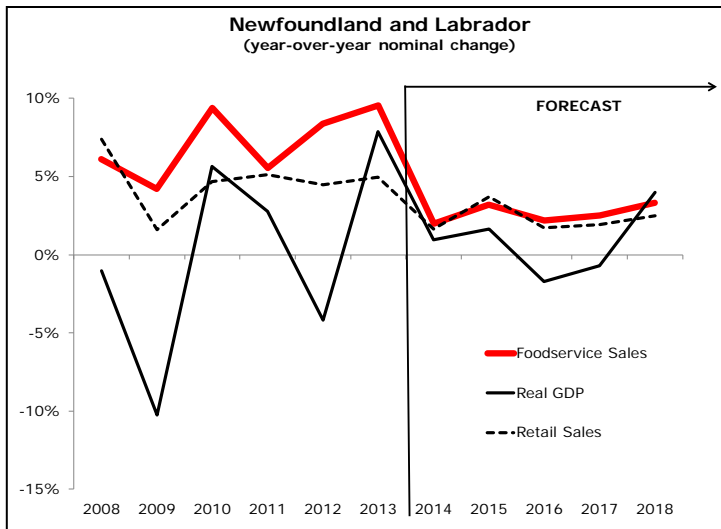
Between 2016 and 2017, however, the province will struggle due to a moderation in the natural resource sector before rebounding in 2018.

Rising economic activity has rapidly improved the prosperity of households in Newfoundland. In 2009, Newfoundland ranked last in Canada with a median income of \$60,290. In 2012, the most recent year available, Newfoundland ranked fifth at \$70,900.

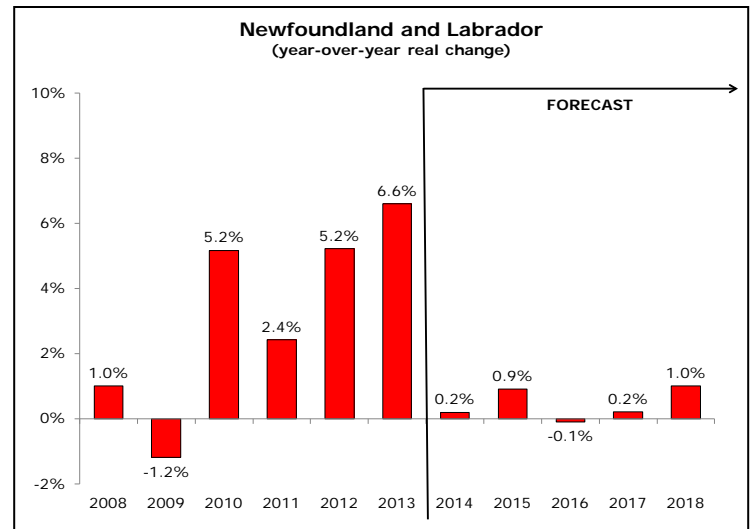
The sharp rise in income has increased discretionary spending on foodservice. Between 2009 and 2013, foodservice sales have jumped by 37%, representing \$217 million in additional spending. Demand during that time was led by caterers and full-service restaurants.

Commercial foodservice sales are forecast to moderate to 2.0% growth in 2014 after leading the country with a 9.5% jump in spending in 2013. Although domestic demand is softening, the province will post an influx of tourists due to an increase in cruise ship traffic.

Over the long term, sales will be restrained by stagnant population growth which is the lowest in the country. As a result, foodservice sales will expand by an average of 2.6% over the next five years – relatively on par with retail sales growth.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Prince Edward Island's real GDP is forecast to climb by a tepid 0.8% in 2014 following modest growth of 1.4% in 2013. In recent years, a slowdown in residential and non-residential construction and government cutbacks has restrained economic activity.

The economy is poised to improve in 2015 as a 90-cent (U.S.) Canadian dollar will boost growth in fishing, agri-food and tourism. Real GDP is forecast to climb by 2.1%, the strongest growth since 2007.

The increase in economic activity will spur job creation, boosting net employment by 1.1% in 2015 after shrinking by 0.2% in 2014.

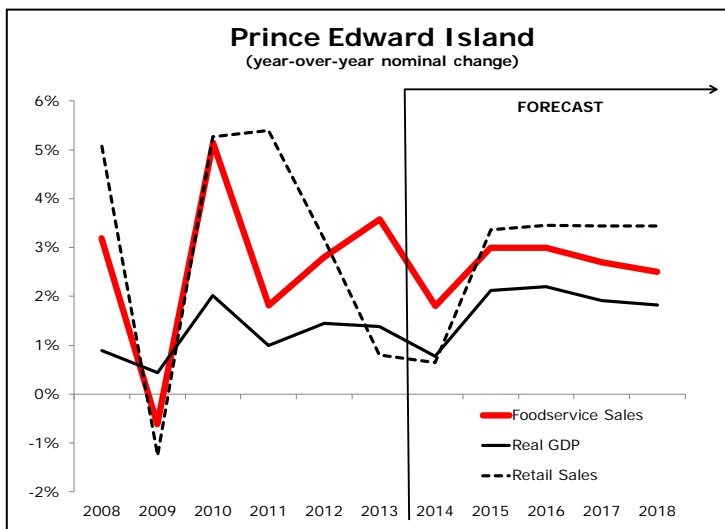
Over the remainder of the forecast, Prince Edward Island's economy will post solid gains. Some of this growth will come from emerging industries such as aerospace and pharmaceuticals. As a result, real GDP will grow an average of 1.8% between 2014 and 2018 compared to the national average of 2.3%.

Restaurant operators have struggled over the past decade. A rising Canadian dollar and the Great Recession in the United States led to a decline in international visitors to the Island. As a result of fewer tourists and weak domestic spending, Prince Edward Island experienced the second-weakest growth with commercial foodservice sales expanding by an average of just 1.2% between 2003 and 2013. This is in sharp contrast to average national growth of 3.5% per year. During this time, total spending at PEI's full-service restaurants in particular tumbled by 10%.

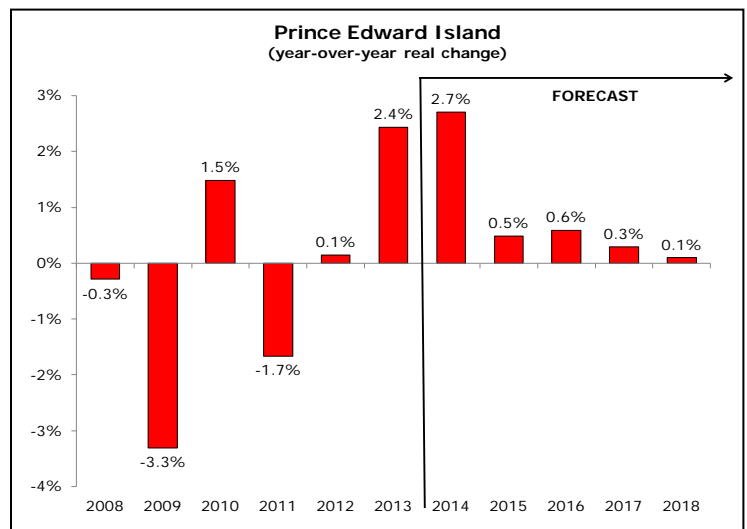
Sales are forecast to climb by a modest 1.8% in 2014 as a result of strong gains at full-service restaurants. Quick-service restaurants, which account for 61% of sales in the province, will see modest growth for the second consecutive year.

Improved economic growth in 2015 will lift foodservice spending by 3.0% as a result of higher wages and a rebound in job creation.

A steady increase in population and a recovery in the global economy will lead to average annual sales growth of 2.6% per year on Prince Edward Island compared to the national average of 4.0% growth.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Nova Scotia’s real GDP grew by an average of just 0.4% per year between 2011 and 2013, the second-weakest growth in the country. Economic activity was held back by declining natural gas production and weak exports to the United States.

As a result, Nova Scotia was among the weakest job creators which restrained retail sales growth.

In 2014, Nova Scotia’s economy is poised to grow by 2.2%, which is the strongest expansion since 2010. Growth will be led by a rebound in exports and rising natural gas production.

The economy will get a further boost at the end of 2015 with the \$25-billion shipbuilding contract with the Royal Canadian Navy. This will boost Nova Scotia’s real GDP by 2.1% in 2015. By 2016, economic activity will advance by a healthy 2.7% making Nova Scotia among the fastest-growing provinces.

Economic activity will moderate in 2017 and 2018 with sustainable average annual real GDP growth of 1.5%.

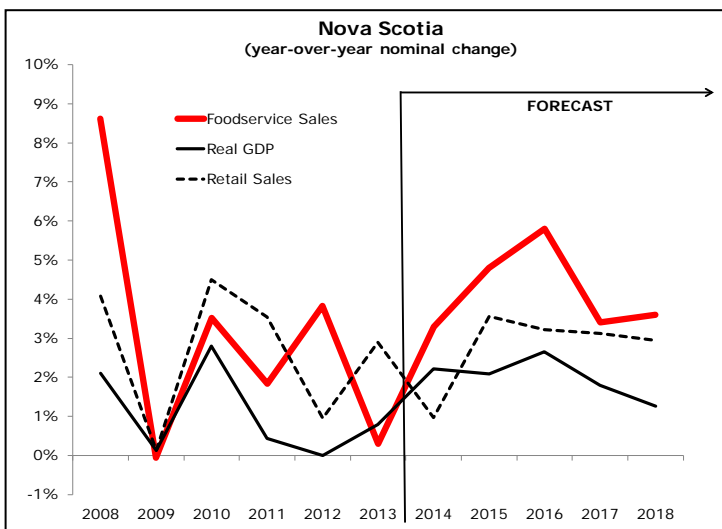
Overall, 2014 has been another challenging year for Nova Scotia’s restaurant industry. Sales are forecast to climb by 3.3% as solid gains at quick-service restaurants and drinking places are offset by declining revenue at caterers and flat spending at full-service restaurants.

With the economy improving in 2015 and a strong jump in job creation, foodservice sales will climb by a healthy 4.8%.

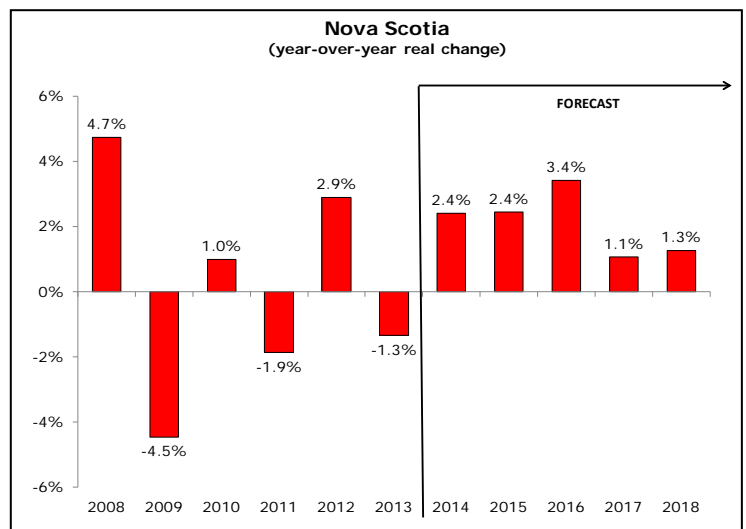
Restaurant sales will benefit from the spinoffs created from the shipbuilding contract. As a result, foodservice sales will advance by a healthy 5.8% in 2016.

Foodservice sales will moderate to a more sustainable pace with growth of 3.4% in 2017 and 3.6% in 2018.

Improved economic activity over the forecast horizon will provide a much needed boost to foodservice sales. Nevertheless, modest population growth of just 2.0% between 2014 and 2018 will limit growth over the long term.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

New Brunswick’s economy has struggled in recent years due to government cutbacks, weak manufacturing activity and a soft housing market. Between 2010 and 2013, real GDP rose by just 0.4% -- the weakest growth of any province.

The softness in the economy will carry over into 2014 as real GDP expands by a tepid 0.4%. This will only return the province’s economic activity back to 2008 levels.

With the economy facing a number of headwinds, total employment in New Brunswick has declined every year between 2010 and 2013. Employment will improve with modest growth of 0.5% in 2014.

The sluggish performance of the economy has led to below-average retail sales growth in recent years but pent-up demand will boost retail sales by 2.6% in 2014. This represents the strongest increase since 2011.

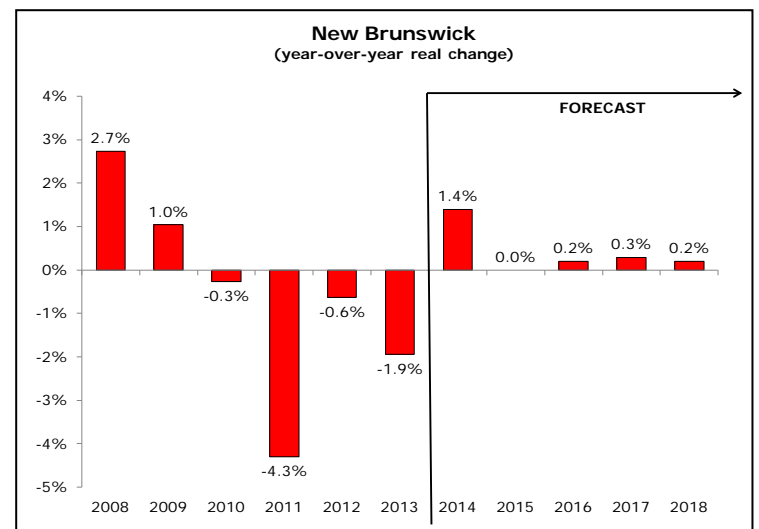
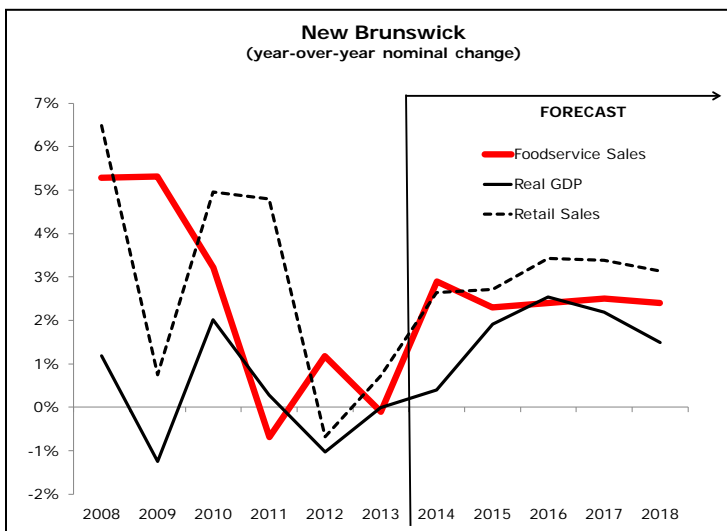
Looking ahead, growth in shipping containers from ports, increased potash production, and expansion in the metal mining industry will drive real GDP growth. The economy is forecast to climb by 2.7% in 2015. Between 2016 and 2018, growth will average 2.1% -- the strongest in Atlantic Canada.

Following several years of disappointing sales, New Brunswick’s restaurant industry is forecast to grow by 2.9% in 2014. Growth will be bolstered by a rebound in spending at quick- and full-service restaurants.

Over the past decade, New Brunswick has posted the weakest sales growth due to a combination of declining employment, sluggish population growth and the lowest median income in the country (\$65,910 in 2012 compared to the national average of \$74,540). As a result, quick-service restaurants account for an increasing share of the restaurant industry, climbing from 53% in 2000 to 63% in 2013.

After a difficult decade, improved economic growth, a 1.0% increase in total employment and pent-up consumer demand will lift foodservice sales by 2.3% in 2015.

Overall, foodservice sales over the next five years will expand by an average of 2.5% per year, a sharp improvement from the 0.8% average annual growth of the past decade. Although New Brunswick will experience steady gains in economic activity, foodservice spending will be restrained by modest growth in population.



Source: Restaurants Canada and Conference Board of Canada

Source: Restaurants Canada and Statistics Canada

Despite encouraging signs of a global economic recovery, Quebec’s economy is still struggling to find its feet. Real GDP is forecast to expand by 1.5% in 2014 following a 1.1% increase in 2013. This is down from average annual growth of 2.6% in the ten years prior to the 2009 recession. A full recovery in the economy is being held back by a slowdown in the housing market, soft manufacturing exports and government cutbacks.

Improved economic growth in the United States and a lower Canadian dollar will spur the manufacturing and export industries in 2015. This will boost Quebec’s real GDP by 2.3%. A stronger economy will bolster job creation by 1.0% in 2015 following a modest 0.4% increase in 2014.

With disposable income forecast to grow by 3.8%, retail sales are projected to climb by a solid 3.9%. This represents the strongest increase in retail spending since 2010.

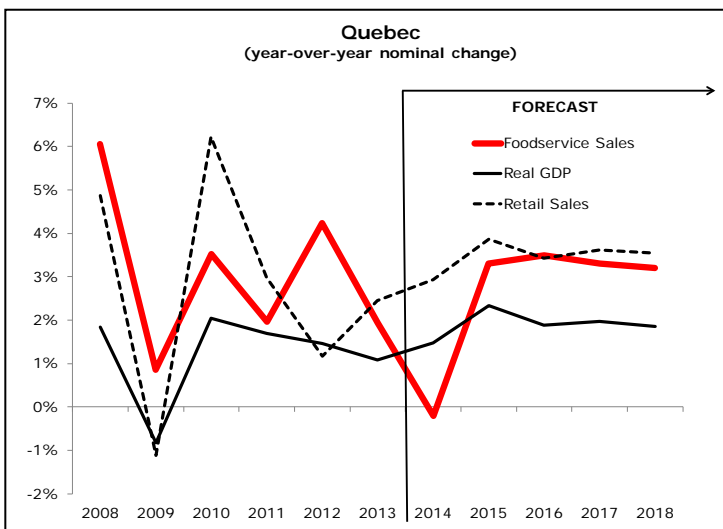
Looking ahead, Quebec’s economy will see steady gains of 1.9% per year between 2016 and 2018. This is slightly below the national average of 2.3% growth. During this time, Quebec will continue to see steady improvements in exports.

Quebec’s restaurant industry is facing a number of challenges. It has the lowest average sales per unit and lowest spending per capita (\$1,278 in Quebec versus the national average of \$1,615). While chains have seen an increase in consumer spending, sales at independent restaurants have been flat since 2009.

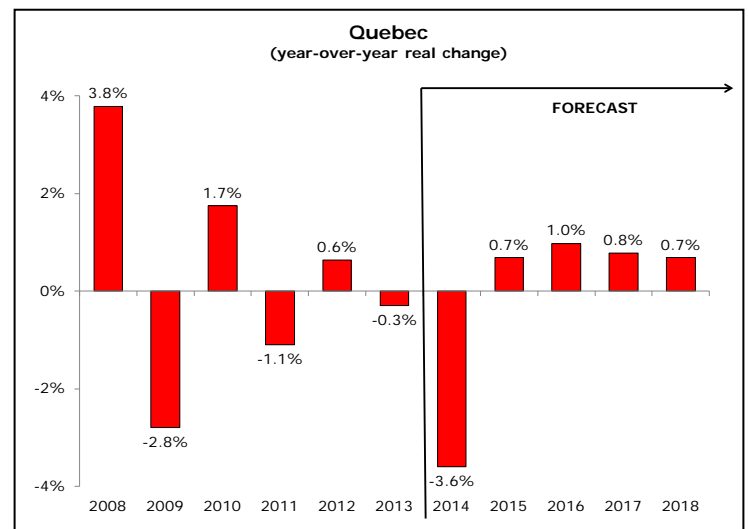
While the economy is improving, higher menu prices and sluggish consumer demand are holding back restaurant sales. Foodservice sales in Quebec will lag the rest of the country with a 0.2% decrease in 2014. This is due to a moderation in spending at quick-service restaurants as well as declining sales at full-service restaurants and drinking places. As a result, Quebec has underperformed the national average in the past four years.

Stronger disposable income and rising employment will lift total foodservice sales by 3.3% in 2015 with improved sales growth at restaurants. Sales will continue to improve by advancing 3.5% in 2016.

Over the next five years, foodservice sales will grow by an average of 2.6% compared to the national average of 4.0%. This is largely due to modest disposable income gains and slower population growth compared to the rest of Canada.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Ontario's economy continues on the road to recovery. The province's real GDP is forecast to climb by 1.5% in 2014 following a 1.2% expansion in 2013. Nevertheless, economic activity remains stuck below potential. Between 2001 and 2008, real GDP grew by a solid 2.1% per year. Weak exports and loss in manufacturing jobs, however, have restrained economic activity since the 2009 recession. Despite these challenges, growth in the Greater Toronto Area housing market continues to fuel construction, financial services and consumer spending.

A stronger U.S. economy in 2015 will boost demand for Ontario exports, leading to a healthy 2.6% increase in real GDP. The surge in economic activity will boost employment and reduce the unemployment rate to 7.1% from its current level of 7.5%.

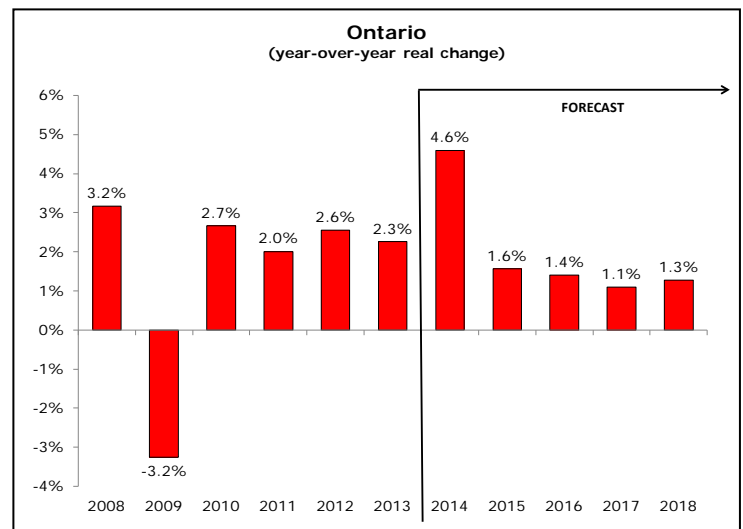
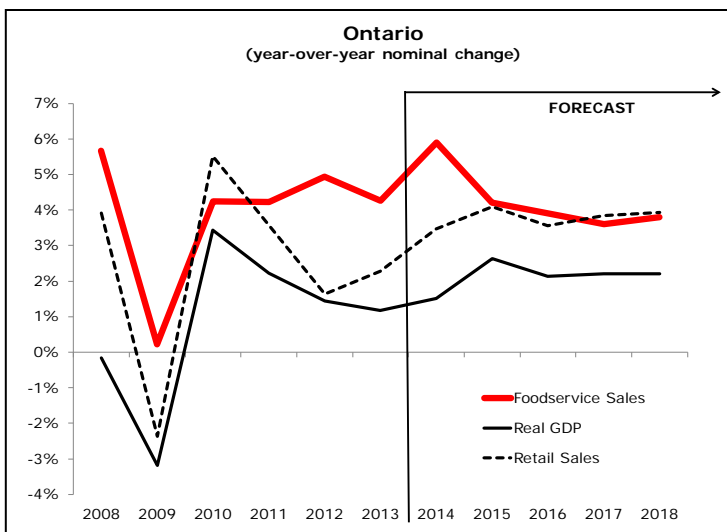
Between 2016 and 2018, Ontario's real GDP will grow by an average of 2.2% per year – in line with pre-recession growth rates. Economic activity will be propped up by improving exports, rising disposable income and a growing population.

While the economy has struggled to return to its pre-recession growth rates, Ontario's restaurant industry has been resilient over the past few years. Healthy gains at restaurants and caterers will boost total foodservice sales by 5.9% in 2014.

Growth is being driven by a number of factors, including a 3.6% increase in disposable income, rising population and restaurant unit expansion.

With foodservice sales growth outpacing total retail spending between 2011 and 2014, growth is expected to moderate to a more sustainable pace in the coming years. Sales are forecast to climb by an additional 4.2% in 2015 and 3.9% in 2016.

Between 2015 and 2018, foodservice sales in Ontario will grow by an average of 3.9% per year. While a number of factors determine the historical trends in restaurant sales, disposable income is the most important factor explaining past sales data in Ontario. This growth reflects average disposable income growth of 4.2% per year.



Source: Restaurants Canada and Conference Board of Canada

Source: Restaurants Canada and Statistics Canada

Between 2004 and 2014, Manitoba's economy grew by a robust 27%, the second-fastest growth in the country. The province has benefited from a diversified economy as gains in manufacturing, mining, investment, agriculture and housing construction have supported healthy real GDP growth.

While the economy has reported strong gains, employment growth in the province has lagged the rest of the country in recent years. In 2014, employment is forecast to be flat following a tepid 0.5% increase in 2013. This is due to weak growth in the services sector.

In 2015, a stronger global economy will lift real GDP by 3.0%. Employment is also forecast to rebound by 1.0%, representing the strongest gain since 2010. Rising employment will reduce the unemployment rate to 5.1% in 2015 compared to the national average of 6.7%.

Manitoba's economy will continue to post strong gains over the remainder of the forecast as the economy sees healthy growth in exports to the United States, as well as growing export demand from new markets in China, the EU and Latin America.

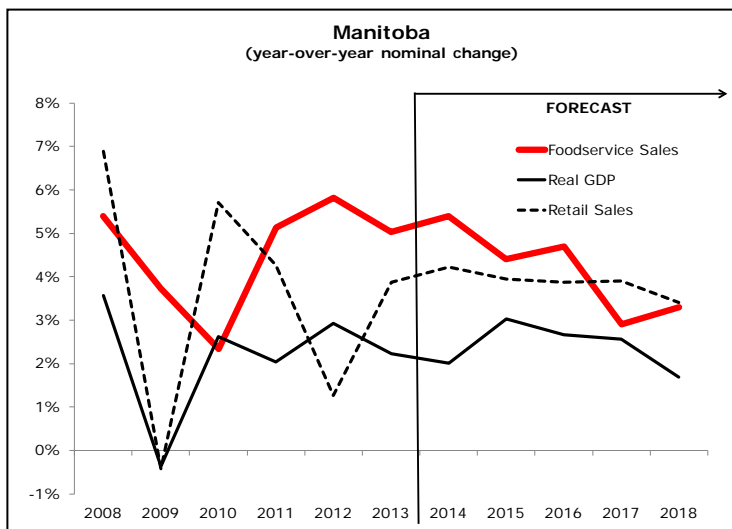
Thanks to a strong economy and an expanding population, Manitoba's commercial foodservice industry reported the fourth-fastest growth in the country with average annual gains of 5.3% per year between 2011 and 2013.

Sales are forecast to expand by an additional 5.4% in 2014 due to healthy consumer demand at quick- and full-service restaurants.

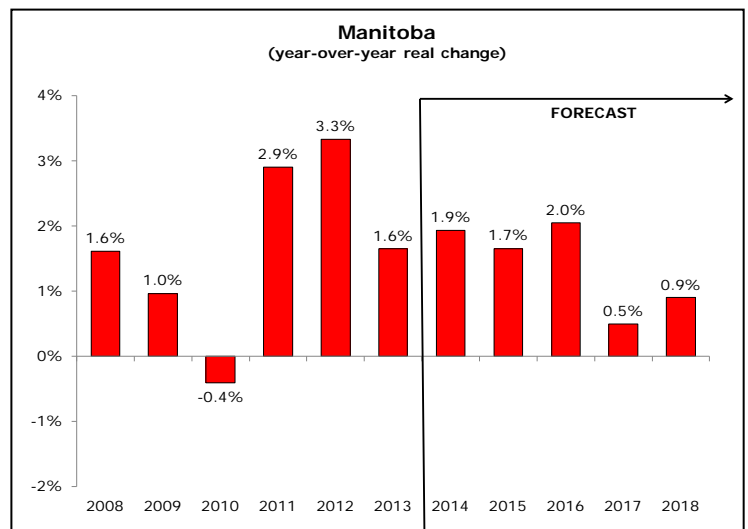
Continued economic expansion will encourage consumer spending and boost the province's population. This will lead to a solid 4.4% increase in restaurant sales in 2015. In 2016, foodservice sales are forecast to advance by an additional 4.7%.

In 2017, following several years of strong gains, foodservice sales are forecast to moderate to 2.9% growth. Sales are then forecast to expand by 3.3% in 2018.

Between 2014 and 2018, foodservice sales in Manitoba will grow by an average of 4.1% per year. This is just above the national average of 4.0% growth.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Saskatchewan’s economy is projected to moderate in 2014 to 0.8% growth following a robust 4.8% expansion in 2013. This is a sharp slowdown following several years of robust gains as growth in agriculture and natural resources propped up economic activity. The increase in these industries led to a healthy increase in the population. Saskatchewan’s population rose by 1.9% in 2014 – the second-strongest growth in the country after Alberta.

A booming economy led to a sharp rise in employment and a surge in new housing construction. As a result the unemployment rate is the lowest in the country at 4.0%.

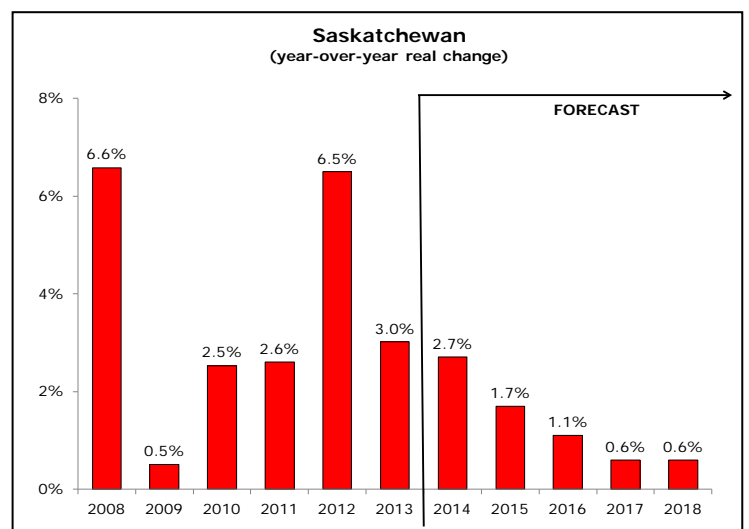
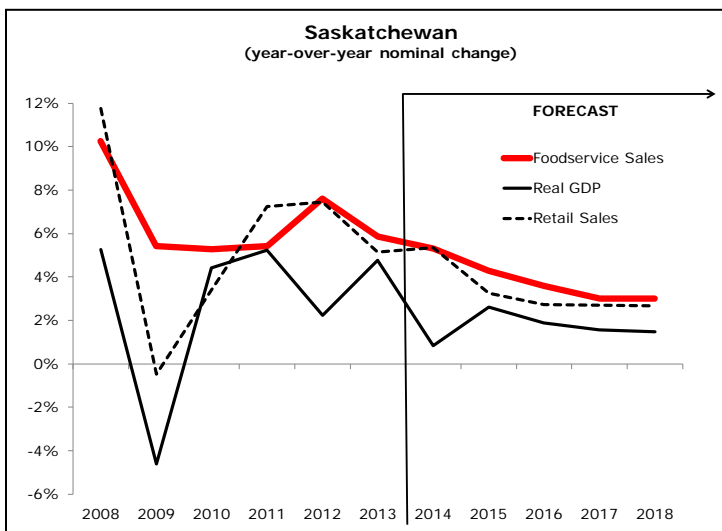
Low unemployment has pushed up wages. Average weekly earnings jumped by 2.6% in 2013. Over the past decade, wages in Saskatchewan have jumped from seventh in the country to the second highest. As a result, retail spending per capita in Saskatchewan is second only to Alberta.

After several years of robust growth, Saskatchewan’s economy will grow at a more sustainable level of 1.6% per year between 2016 and 2018. This will lead to a moderation in population growth and retail spending.

After several years of robust gains, Saskatchewan’s restaurant industry is forecast to climb by 5.3% in 2014 following average annual growth of 7.1% over the previous eight years. Growth will be led by strong gains at restaurants and double-digit growth at caterers.

In 2015, sales are forecast to grow at a more sustainable pace of 4.3%. While this marks slower growth compared to the gains of the past decade, Saskatchewan will still post among the highest growth rates in the country. The increase in foodservice sales over the long term will correspond with overall retail sales growth.

Based on Restaurants Canada’s model of Saskatchewan’s restaurant industry, population growth is the most significant factor determining sales. As a result, the projected slowdown in population growth will lead to a moderation in foodservice spending over the forecast horizon. An unexpected pickup in economic activity, however, would lead to stronger population growth and translate into stronger foodservice sales growth than forecast.



Source: Restaurants Canada and Conference Board of Canada

Source: Restaurants Canada and Statistics Canada

Alberta will lead the country in economic growth in 2014 as real GDP expands by a healthy 3.6%. This is on the heels of a solid 3.9% increase in 2013.

Once again, strong oil production and a booming natural resource industry will lead to a surge in investment in the energy sector and propel consumer spending.

Robust economic growth has made Alberta the fastest growing province in terms of income, population, employment and retail sales in 2014.

Alberta will remain a leader in economic growth in 2015, although the pace will moderate slightly to 3.0%.

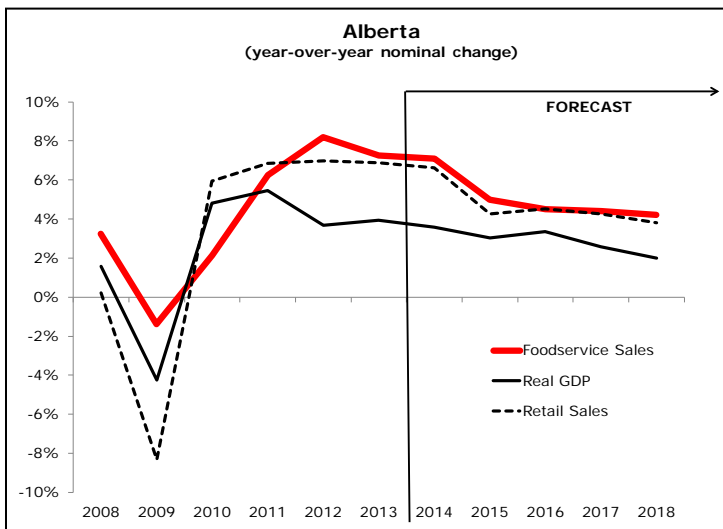
Nevertheless, the surge in economic activity has several implications. First, the province's unemployment rate has fallen to 4.4% in 2014 and will decline further to 4.2% in 2015. This will continue to exacerbate the chronic labour shortage crisis in many parts of the province. Second, inflation is picking up with the consumer price index climbing by 2.5% in 2014 and by 2.2% in 2015. This compares to an average of just 1.3% per year in 2010 and 2011.

Foodservice sales continue to grow at a robust pace and are expected to advance by 7.2% in 2014 following a 7.3% increase in 2013. On a per capita basis, foodservice sales in Alberta are the highest in the country at \$2,120 versus the national average of \$1,615.

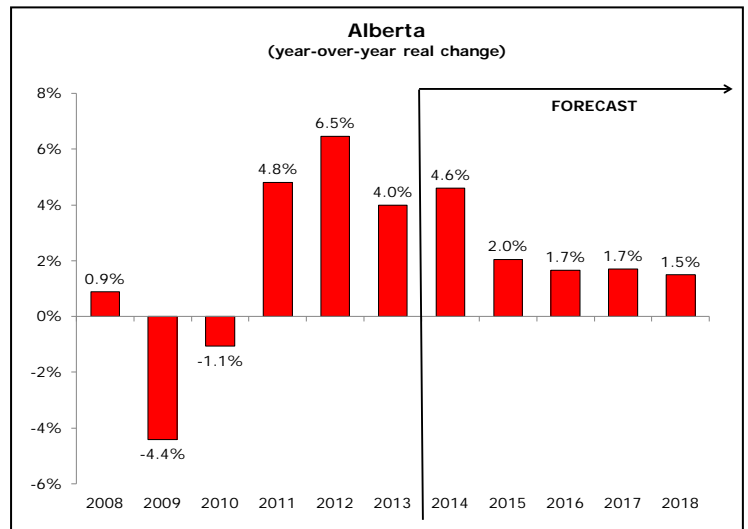
A number of factors have driven sales in the province. First, median income in Alberta is the highest in the country, which leads to increased discretionary spending at restaurants. Second, Alberta has the youngest population in Canada – a group that is more likely to go out to restaurants. Third, Albertans work the longest hours per week, making it more difficult to find time to cook.

Strong economic growth and rising employment will boost foodservice sales in Alberta by 5.0% in 2015. This is the strongest growth in the country.

Over the next five years, above-average economic growth and high disposable income will make Alberta the fastest-growing province in the country. Sales will grow an average of 5.1% per year compared to the national average of 4.0%.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

British Columbia’s economy continues on the road to recovery, expanding by a solid 2.7% in 2014 following a 2.0% increase in 2013.

Growth is being driven by a booming housing market and a rebound in consumer spending and exports.

In 2015, the economy will improve further with a 2.9% increase in real GDP. Growth will be boosted by solid gains in the mining and forestry sectors, as well as investments in power projects and shipbuilding.

Despite healthy economic growth, the province’s labour market continues to struggle. In 2014, employment will grow by a tepid 0.4% following a 0.2% decline in 2013. In 2015, employment will grow by 1.2% which is in line with the national average.

Pent up demand will lift retail spending by 4.1% in 2014 and a further 3.5% in 2015.

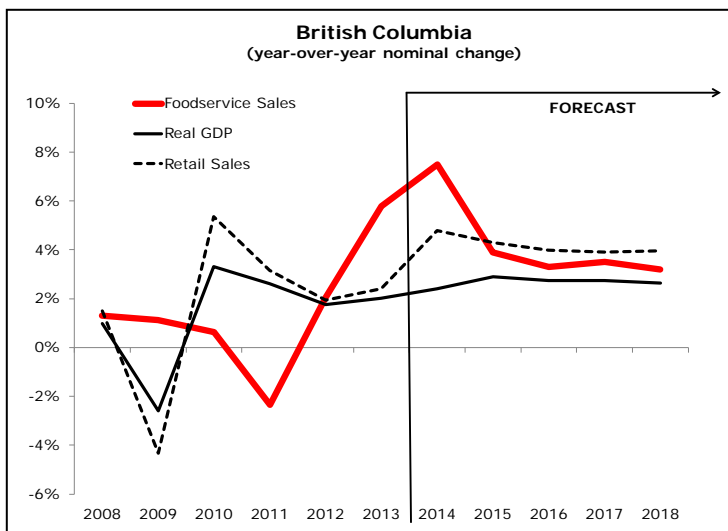
Over the next five years, British Columbia’s economy will grow by an average of 2.4% per year compared to the national average of 2.3%. Growing signs of an economic slowdown in Asia, however, would restrain the province’s real GDP in the short term.

British Columbia’s restaurant industry is forecast to lead the country with a 7.5% increase in total sales to \$8.9 billion. Adjusted for menu inflation, real sales are now above 2009 levels for the first time. This follows several years of weak growth due to the recession and the introduction, and subsequent removal of the HST.

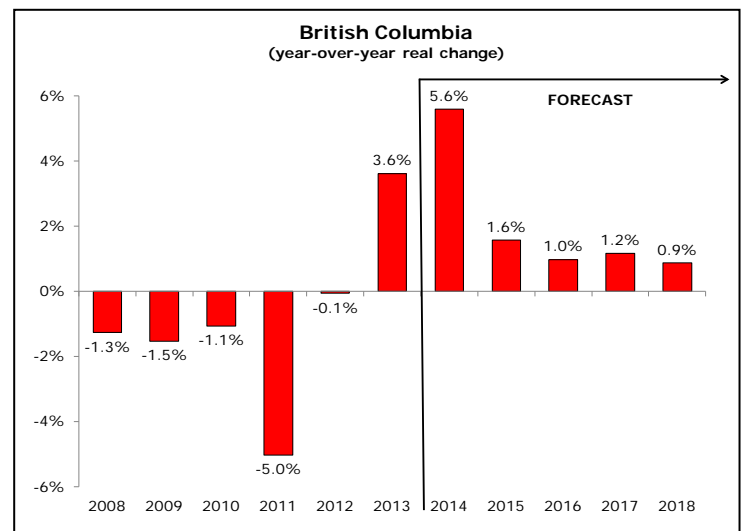
A healthy economy and pent-up demand have led to strong growth in foodservice sales across all segments of the industry in 2014 with caterers and quick-service restaurants leading the charge.

Following two years of strong gains, sales are forecast to moderate to 3.9% growth in 2015. This is slightly below the national average of 4.0% growth.

A growing population and above average disposable income will support steady spending at restaurants over the next five years. Between 2015 and 2018, foodservice sales will grow an average of 3.5%.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Despite the various challenges impacting the global economic recovery, Canada's economy has weathered the storm better than most countries. After a challenging first quarter due to bad weather, Canada's economy is projected to expand by 2.0% in 2014 following a 2.0% increase in 2013. Economic activity is forecast to pick up momentum, accelerating to 2.7% growth in 2015 due to an increase in exports.

Households remain an engine of growth as consumer spending is forecast to climb by 2.5% in 2015 after a 2.4% increase in 2014.

With modest growth in 2013 and 2014, exports are forecast to rebound with by a healthy 5.1% increase in 2015. This is due to a stronger United States economy and a Canadian dollar that will hover at or just below 90 cents U.S.

Business investment in structures, machinery and equipment will grow by 4.8% in 2015 following a tepid 1.0% increase in 2014.

After being a drag on economic activity due to cutbacks, government spending will increase slightly (+0.6%) in 2015.

A stronger economy will support healthy job creation in 2015. Net employment is forecast

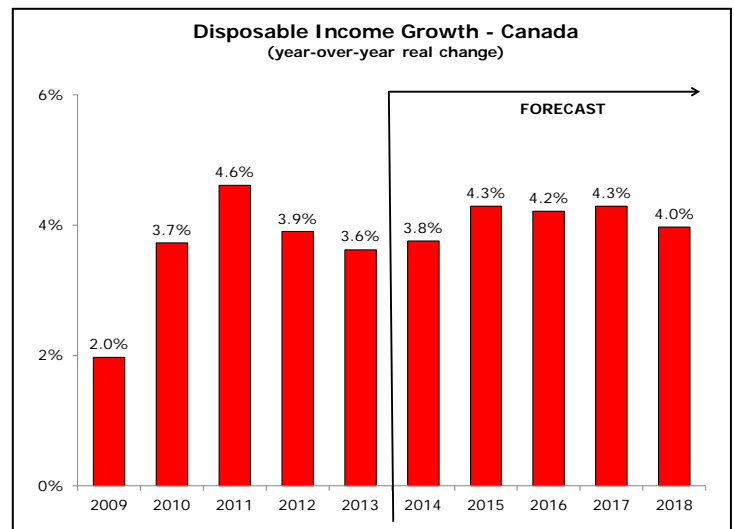
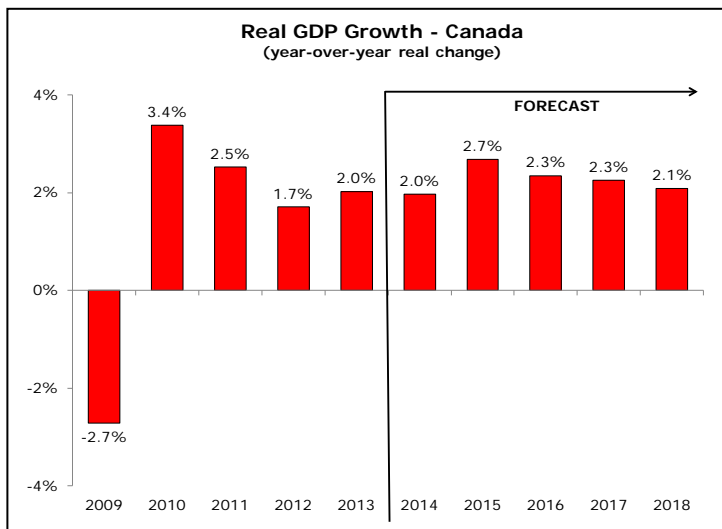
to climb by 220,000 jobs in 2015 after an increase of just 131,000 in 2014. The increase in exports will provide a much needed boost to Canada's beleaguered manufacturing sector, which has lost 475,000 jobs since 2005. As a result, the unemployment rate will slip from its current level of 7.0% to 6.5% by the end of 2015.

A stronger economy and job creation will provide greater stability for consumers. Consumer confidence, which remains below pre-recession levels, will continue to rally.

Job growth and wage inflation will lift disposable income by 4.3% in 2015.

Higher consumer confidence and rising disposable income will boost retail sales by 4.0% in 2015 following a 4.0% increase in 2014. Nevertheless, Canadian households are carrying a near-record amount of debt, equalling 163.6% of disposable income.

Consumers will continue to economize to pay down private debt, which will restrain discretionary spending in the near term. Over the next five years, retail sales will grow an average of 3.8% compared to an average of



Source: Conference Board of Canada

Source: Conference Board of Canada

5.4% per year in the five years prior to the 2009 recession.

At the provincial level, economic growth in Canada will be largely dominated by Western Canada, which will continue to post solid gains due to growth in the natural resources sector and as low unemployment rates and high wages attract workers from other provinces.

Alberta and Manitoba will lead the country with real GDP growth of 3.0%. Over the next five years, Alberta will lead the country in real GDP growth.

Although Manitoba will share the spotlight with Alberta as the fastest-growing economy in 2015, a slightly slower population growth (compared to Alberta) will mean retail sales will expand by 3.9% compared to Alberta's 4.3%.

After several years of sub-par growth, British Columbia's economy will expand by a healthy 2.9% in 2015 thanks to improved exports to the United States.

Ontario's economy will expand by a solid 2.6% in 2015 following a 1.5% gain in 2014. This is due to a rebound in the manufacturing sector and increased business investment.

Saskatchewan's economy will grow by 2.6% in 2015. This is a sharp moderation from an average of 6.3% growth between 2011 and 2014.

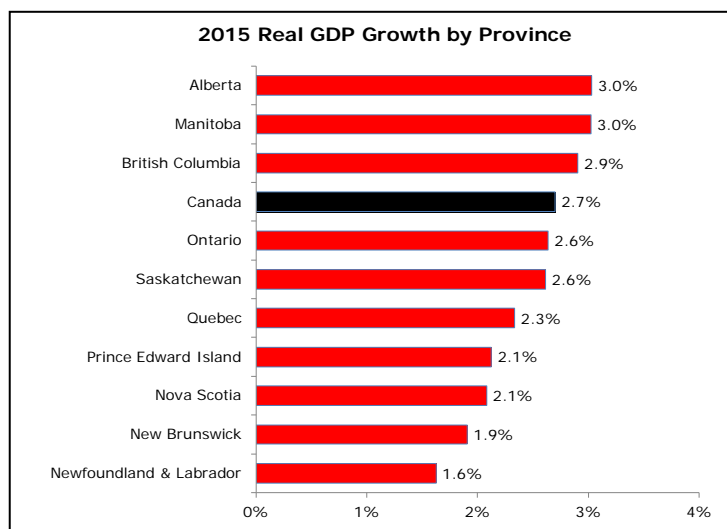
A rebound in the United States economy will boost real GDP in Quebec by 2.3% in 2015. This is a significant improvement for an economy that averaged real GDP growth of 1.4% between 2011 and 2014.

Prince Edward Island's real GDP is forecast to climb by 2.1% in 2015, the province's strongest growth since 2007.

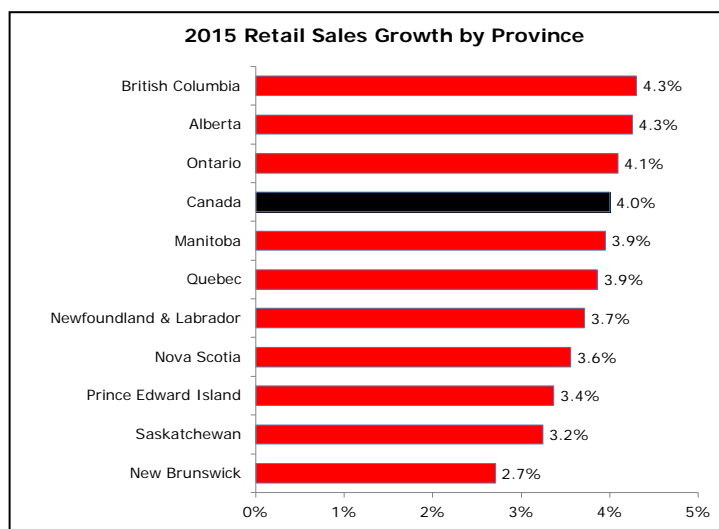
A rebound in exports will lead to a 2.1% expansion in Nova Scotia's economy in 2015. The \$25-billion shipbuilding contract will provide further stimulus to the economy in 2016 with real GDP forecast to grow by 2.2%.

New Brunswick's economy continues to struggle due to weak domestic spending and government consolidation. Real GDP is forecast to grow by a modest 1.9% in 2015.

A moderation in the natural resources sector will restrain real GDP growth in Newfoundland and Labrador to 1.6% in 2015 after leading the country with a 7.9% increase in 2014.



Source: Conference Board of Canada



Source: Conference Board of Canada

Commercial Foodservice Sales Canada

Millions of Dollars

	2009	2010	2011	2012	2013	2014p	2015f	2016f	2017f	2018f	Average
Quick-service restaurants	\$20,133.8	\$21,219.7	\$21,962.0	\$23,114.4	\$24,137.9	\$25,417.2	\$26,459.3	\$27,544.2	\$28,701.0	\$29,791.7	
% change	3.2%	5.4%	3.5%	5.2%	4.4%	5.3%	4.1%	4.1%	4.2%	3.8%	4.3%
Full-service restaurants	\$20,675.0	\$20,931.4	\$21,486.0	\$22,545.2	\$23,722.0	\$24,813.2	\$25,780.9	\$26,760.6	\$27,643.7	\$28,528.3	
	-0.9%	1.2%	2.6%	4.9%	5.2%	4.6%	3.9%	3.8%	3.3%	3.2%	3.8%
Caterers	\$3,732.8	\$3,997.6	\$4,213.5	\$4,447.2	\$4,600.4	\$4,904.0	\$5,168.8	\$5,422.1	\$5,693.2	\$5,949.4	
	-3.1%	7.1%	5.4%	5.5%	3.4%	6.6%	5.4%	4.9%	5.0%	4.5%	5.3%
Drinking Places	\$2,554.8	\$2,467.7	\$2,362.4	\$2,338.8	\$2,311.3	\$2,329.8	\$2,353.1	\$2,379.0	\$2,407.5	\$2,431.6	
	-0.2%	-3.4%	-4.3%	-1.0%	-1.2%	0.8%	1.0%	1.1%	1.2%	1.0%	1.0%
Total Sales	\$47,096.4	\$48,616.3	\$50,024.0	\$52,445.6	\$54,771.6	\$57,464.2	\$59,762.2	\$62,105.8	\$64,445.5	\$66,701.0	
	0.6%	3.2%	2.9%	4.8%	4.4%	4.9%	4.0%	3.9%	3.8%	3.5%	4.0%
CPI-FAFH	1.211	1.240	1.275	1.306	1.336	1.364	1.397	1.430	1.465	1.498	
	3.5%	2.4%	2.9%	2.4%	2.3%	2.1%	2.4%	2.4%	2.4%	2.3%	2.3%
Real Sales (in 2002\$)	\$38,898.6	\$39,222.5	\$39,237.1	\$40,157.5	\$40,995.5	\$42,126.3	\$42,784.1	\$43,419.8	\$43,999.5	\$44,515.6	
	-2.8%	0.8%	0.0%	2.3%	2.1%	2.8%	1.6%	1.5%	1.3%	1.2%	1.7%
Retail Food Store Sales*	\$100,198.1	\$104,979.3	\$107,376.8	\$109,720.2	\$112,411.1	\$115,221.3	\$118,908.4	\$122,832.4	\$126,763.0	\$130,692.7	
	5.3%	4.8%	2.3%	2.2%	2.5%	2.5%	3.2%	3.3%	3.2%	3.1%	3.1%
Foodservice Share of Food Dollar**	37.0%	36.7%	36.7%	37.3%	37.7%	38.1%	38.3%	38.4%	38.5%	38.6%	38.4%
Real Per Capita Foodservice Sales (in 2014 \$)	\$1,578	\$1,573	\$1,558	\$1,576	\$1,591	\$1,616	\$1,622	\$1,627	\$1,630	\$1,630	\$1,625

Source: Restaurants Canada, Statistics Canada and Conference Board of Canada

p - preliminary; f - forecast

* includes food and beverage sales at grocery, department, liquor and convenience stores.

** includes commercial and non-commercial foodservice sales. This assumes a constant average annual growth of 3.5% for non-commercial foodservice sales.

Commercial Foodservice Sales by Province

Millions of Dollars

	2009	2010	2011	2012	2013	2014p	2015f	2016f	2017f	2018f	Average
CANADA	\$47,096.4	\$48,616.3	\$50,024.0	\$52,445.6	\$54,771.6	\$57,464.2	\$59,762.2	\$62,105.8	\$64,445.5	\$66,701.0	4.0%
% change	0.6%	3.2%	2.9%	4.8%	4.4%	4.9%	4.0%	3.9%	3.8%	3.5%	4.0%
Newfoundland & Labrador	\$588.9	\$644.1	\$679.7	\$736.5	\$806.7	\$822.8	\$849.2	\$867.9	\$889.6	\$918.9	2.6%
	4.2%	9.4%	5.5%	8.4%	9.5%	2.0%	3.2%	2.2%	2.5%	3.3%	2.6%
P.E.I.	\$175.1	\$184.1	\$187.5	\$192.7	\$199.6	\$203.2	\$209.3	\$215.6	\$221.4	\$227.0	2.6%
	-0.6%	5.1%	1.8%	2.8%	3.6%	1.8%	3.0%	3.0%	2.7%	2.5%	2.6%
Nova Scotia	\$1,209.5	\$1,252.0	\$1,275.1	\$1,323.8	\$1,327.7	\$1,371.5	\$1,437.3	\$1,520.7	\$1,572.4	\$1,629.0	4.2%
	-0.1%	3.5%	1.8%	3.8%	0.3%	3.3%	4.8%	5.8%	3.4%	3.6%	4.2%
New Brunswick	\$938.7	\$968.8	\$962.2	\$973.6	\$972.5	\$1,000.7	\$1,023.8	\$1,048.3	\$1,074.5	\$1,100.3	2.5%
	5.3%	3.2%	-0.7%	1.2%	-0.1%	2.9%	2.3%	2.4%	2.5%	2.4%	2.5%
Atlantic Region	\$2,912.2	\$3,049.1	\$3,104.5	\$3,226.6	\$3,306.5	\$3,398.3	\$3,519.6	\$3,652.5	\$3,757.9	\$3,875.2	3.2%
	2.4%	4.7%	1.8%	3.9%	2.5%	2.8%	3.6%	3.8%	2.9%	3.1%	3.2%
Quebec	\$9,385.2	\$9,715.8	\$9,906.5	\$10,326.5	\$10,525.9	\$10,504.8	\$10,851.5	\$11,231.3	\$11,601.9	\$11,973.2	2.6%
	0.9%	3.5%	2.0%	4.2%	1.9%	-0.2%	3.3%	3.5%	3.3%	3.2%	2.6%
Ontario	\$17,631.8	\$18,381.4	\$19,159.0	\$20,104.4	\$20,962.9	\$22,199.7	\$23,132.1	\$24,034.3	\$24,899.5	\$25,845.7	4.3%
	0.2%	4.3%	4.2%	4.9%	4.3%	5.9%	4.2%	3.9%	3.6%	3.8%	4.3%
Manitoba	\$1,338.6	\$1,369.9	\$1,440.1	\$1,523.9	\$1,600.5	\$1,686.9	\$1,761.1	\$1,843.9	\$1,897.4	\$1,960.0	4.1%
	3.7%	2.3%	5.1%	5.8%	5.0%	5.4%	4.4%	4.7%	2.9%	3.3%	4.1%
Saskatchewan	\$1,357.0	\$1,428.6	\$1,506.2	\$1,620.8	\$1,715.7	\$1,806.7	\$1,884.3	\$1,952.2	\$2,010.7	\$2,071.1	3.8%
	5.4%	5.3%	5.4%	7.6%	5.9%	5.3%	4.3%	3.6%	3.0%	3.0%	3.8%
Alberta	\$6,526.6	\$6,665.4	\$7,082.2	\$7,662.2	\$8,218.7	\$8,810.5	\$9,251.0	\$9,667.3	\$10,092.6	\$10,516.5	5.1%
	-1.4%	2.1%	6.3%	8.2%	7.3%	7.2%	5.0%	4.5%	4.4%	4.2%	5.1%
British Columbia	\$7,796.0	\$7,846.1	\$7,663.0	\$7,819.3	\$8,272.4	\$8,892.8	\$9,239.6	\$9,544.5	\$9,878.6	\$10,194.7	4.3%
	1.1%	0.6%	-2.3%	2.0%	5.8%	7.5%	3.9%	3.3%	3.5%	3.2%	4.3%

Source: Restaurants Canada, Statistics Canada and Conference Board of Canada

Inflation for Food Away from Home (or Menu Inflation) by Province

	2009	2010	2011	2012	2013	2014p	2015f	2016f	2017f	2018f	Average
CANADA	1.211 3.5%	1.240 2.4%	1.275 2.9%	1.306 2.4%	1.336 2.3%	1.364 2.1%	1.397 2.4%	1.430 2.4%	1.465 2.4%	1.498 2.3%	2.3%
Newfoundland & Labrador	1.234 5.5%	1.283 4.0%	1.322 3.0%	1.361 3.0%	1.399 2.7%	1.424 1.8%	1.457 2.3%	1.490 2.3%	1.525 2.3%	1.560 2.3%	2.2%
P.E.I.	1.180 2.8%	1.222 3.6%	1.265 3.5%	1.299 2.7%	1.313 1.1%	1.302 -0.9%	1.334 2.5%	1.366 2.4%	1.399 2.4%	1.433 2.4%	1.8%
Nova Scotia	1.270 4.6%	1.302 2.5%	1.351 3.8%	1.363 0.9%	1.385 1.7%	1.398 0.9%	1.430 2.3%	1.463 2.3%	1.496 2.3%	1.531 2.3%	2.0%
New Brunswick	1.217 4.2%	1.259 3.5%	1.307 3.8%	1.331 1.8%	1.356 1.9%	1.376 1.5%	1.408 2.3%	1.439 2.2%	1.470 2.2%	1.503 2.2%	2.1%
Atlantic Region	1.241 4.5%	1.280 3.2%	1.327 3.6%	1.349 1.7%	1.375 1.9%	1.390 1.1%	1.422 2.3%	1.455 2.3%	1.488 2.3%	1.522 2.3%	2.1%
Quebec	1.210 3.8%	1.231 1.7%	1.270 3.1%	1.315 3.6%	1.344 2.2%	1.391 3.5%	1.428 2.6%	1.463 2.5%	1.500 2.5%	1.537 2.5%	2.7%
Ontario	1.214 3.6%	1.233 1.5%	1.260 2.2%	1.289 2.3%	1.314 2.0%	1.330 1.2%	1.365 2.6%	1.399 2.5%	1.434 2.5%	1.470 2.5%	2.3%
Manitoba	1.228 2.7%	1.262 2.8%	1.289 2.2%	1.320 2.4%	1.364 3.3%	1.410 3.4%	1.449 2.7%	1.486 2.6%	1.522 2.4%	1.558 2.4%	2.7%
Saskatchewan	1.245 4.9%	1.278 2.7%	1.314 2.8%	1.327 1.0%	1.364 2.8%	1.398 2.5%	1.434 2.6%	1.470 2.5%	1.506 2.4%	1.542 2.4%	2.5%
Alberta	1.208 3.2%	1.247 3.2%	1.264 1.4%	1.285 1.6%	1.325 3.1%	1.358 2.5%	1.398 2.9%	1.437 2.8%	1.475 2.7%	1.515 2.7%	2.7%
British Columbia	1.182 2.7%	1.202 1.7%	1.236 2.8%	1.262 2.1%	1.289 2.1%	1.312 1.8%	1.342 2.3%	1.373 2.3%	1.404 2.3%	1.437 2.3%	2.2%

Source: Restaurants Canada, Statistics Canada and Conference Board of Canada

* Inflation rates for British Columbia exclude the impact of the Harmonized Sales Tax

Real Commercial Foodservice Sales (Adjusted for Inflation) by Province

Millions of Dollars

	2009	2010	2011	2012	2013	2014p	2015f	2016f	2017f	2018f	Average
CANADA	\$38,898.6	\$39,222.5	\$39,237.1	\$40,157.5	\$40,995.5	\$42,126.3	\$42,784.1	\$43,419.8	\$43,999.5	\$44,515.6	1.7%
% change	-2.8%	0.8%	0.0%	2.3%	2.1%	2.8%	1.6%	1.5%	1.3%	1.2%	1.7%
Newfoundland & Labrador	\$477.4	\$502.1	\$514.2	\$541.0	\$576.7	\$577.8	\$582.9	\$582.4	\$583.5	\$589.2	0.4%
	-1.2%	5.2%	2.4%	5.2%	6.6%	0.2%	0.9%	-0.1%	0.2%	1.0%	0.4%
P.E.I.	\$148.5	\$150.7	\$148.2	\$148.4	\$152.0	\$156.1	\$156.9	\$157.8	\$158.3	\$158.4	0.8%
	-3.3%	1.5%	-1.7%	0.1%	2.4%	2.7%	0.5%	0.6%	0.3%	0.1%	0.8%
Nova Scotia	\$952.6	\$962.0	\$944.1	\$971.5	\$958.5	\$981.3	\$1,005.3	\$1,039.7	\$1,050.8	\$1,064.2	2.1%
	-4.5%	1.0%	-1.9%	2.9%	-1.3%	2.4%	2.4%	3.4%	1.1%	1.3%	2.1%
New Brunswick	\$771.4	\$769.3	\$736.1	\$731.5	\$717.3	\$727.2	\$727.2	\$728.6	\$730.8	\$732.2	0.4%
	1.0%	-0.3%	-4.3%	-0.6%	-1.9%	1.4%	0.0%	0.2%	0.3%	0.2%	0.4%
Atlantic Region	\$2,346.9	\$2,381.8	\$2,340.3	\$2,391.7	\$2,405.5	\$2,444.7	\$2,474.7	\$2,511.0	\$2,525.9	\$2,546.8	1.1%
	-2.0%	1.5%	-1.7%	2.2%	0.6%	1.6%	1.2%	1.5%	0.6%	0.8%	1.1%
Quebec	\$7,754.7	\$7,889.9	\$7,803.5	\$7,853.3	\$7,829.8	\$7,549.9	\$7,601.4	\$7,675.6	\$7,735.5	\$7,788.3	-0.1%
	-2.8%	1.7%	-1.1%	0.6%	-0.3%	-3.6%	0.7%	1.0%	0.8%	0.7%	-0.1%
Ontario	\$14,520.8	\$14,907.9	\$15,207.6	\$15,595.9	\$15,948.5	\$16,689.1	\$16,949.4	\$17,180.9	\$17,365.3	\$17,585.5	2.0%
	-3.2%	2.7%	2.0%	2.6%	2.3%	4.6%	1.6%	1.4%	1.1%	1.3%	2.0%
Manitoba	\$1,090.1	\$1,085.6	\$1,117.1	\$1,154.3	\$1,173.3	\$1,196.0	\$1,215.8	\$1,240.7	\$1,246.7	\$1,257.7	1.4%
	1.0%	-0.4%	2.9%	3.3%	1.6%	1.9%	1.7%	2.0%	0.5%	0.9%	1.4%
Saskatchewan	\$1,090.0	\$1,117.5	\$1,146.7	\$1,221.2	\$1,257.9	\$1,292.3	\$1,313.7	\$1,327.8	\$1,335.6	\$1,343.4	1.3%
	0.5%	2.5%	2.6%	6.5%	3.0%	2.7%	1.7%	1.1%	0.6%	0.6%	1.3%
Alberta	\$5,402.8	\$5,345.2	\$5,602.6	\$5,964.4	\$6,202.8	\$6,487.2	\$6,619.6	\$6,729.1	\$6,840.5	\$6,940.4	2.3%
	-4.4%	-1.1%	4.8%	6.5%	4.0%	4.6%	2.0%	1.7%	1.7%	1.5%	2.3%
British Columbia	\$6,597.4	\$6,527.5	\$6,199.8	\$6,195.9	\$6,420.1	\$6,779.6	\$6,885.7	\$6,953.0	\$7,034.5	\$7,096.4	2.0%
	-1.5%	-1.1%	-5.0%	-0.1%	3.6%	5.6%	1.6%	1.0%	1.2%	0.9%	2.0%

Economic Forecasts (Year-over-Year Growth) Canada

	2009	2010	2011	2012	2013	2014p	2015f	2016f	2017f	2018f	Average
Real GDP	-2.7%	3.4%	2.5%	1.7%	2.0%	2.0%	2.7%	2.3%	2.3%	2.1%	2.3%
Disposable Income	2.0%	3.7%	4.6%	3.9%	3.6%	3.8%	4.3%	4.2%	4.3%	4.0%	4.1%
Employment	-1.6%	1.4%	1.5%	1.2%	1.3%	1.0%	1.8%	1.5%	1.4%	1.2%	1.4%
Unemployment Rate*	8.3%	8.0%	7.5%	7.3%	7.1%	6.8%	6.5%	6.3%	5.9%	5.7%	6.2%
Exchange Rate (USD per CAD)	\$0.876	\$0.971	\$1.011	\$1.001	\$0.971	\$0.912	\$0.912	\$0.915	\$0.920	\$0.922	\$0.916
Retail Sales	-2.9%	5.6%	4.0%	2.5%	3.2%	4.0%	4.0%	3.7%	3.8%	3.7%	3.8%
Consumer Price Index*	0.3%	1.8%	2.9%	1.5%	0.9%	1.8%	1.9%	2.1%	2.1%	2.1%	2.0%
Real GDP - United States	-2.8%	2.5%	1.8%	2.8%	1.9%	2.3%	3.2%	3.0%	2.9%	2.6%	2.8%

Source: Conference Board of Canada

* refers to actual levels.



The voice of foodservice | La voix des services alimentaires

Author

Chris Elliott, Senior Economist, Restaurants Canada

Contact

Restaurants Canada

1155 Queen St. West
Toronto, Ontario
M6J 1J4

Tel.: 1-800-387-5649

Fax: (416) 923-1450

Email: info@restaurantscanada.org

www.restaurantscanada.org