

Reference Period: 2015 - 2019

\$1,100

Restaurant Industry Forecast



**Restaurants
Canada**

The voice of foodservice | La voix des services alimentaires

Prepared by
Chris Elliott, Senior Economist

September
9, 2015

Highlights

The recession in Alberta and weak demand in Quebec will restrain total commercial foodservice sales growth to 4.5% in 2015 following a 5.5% increase in 2014.

Total commercial foodservice sales will expand to a record \$60 billion in 2015.

Greater economic growth and rising disposable income will boost sales by an additional 3.8% in 2016.

Over the next five years, rising wealth and increased population will make British Columbia and Ontario the fastest-growing provinces in terms of foodservice sales.

An aging population and decline in restaurants and bars will make Quebec the slowest-growing province over the next five years.

Menu prices are projected to climb by 2.8% in 2015, but will moderate slightly to 2.5% in 2016.

Much has changed since the publication of last year's Restaurant Industry Forecast. The dramatic decline in oil prices and a slower-than-expected recovery in the United States economy pushed Canada's economy into a recession in the first half of 2015. This will have short- and long-term implication for Canada's restaurant industry.

In particular, the Conference Board of Canada has lowered its five-year outlook for disposable income and real GDP growth. As a result, commercial foodservice sales in Canada are forecast to grow by an average of 3.7% over the next five years versus 4% in last year's forecast.

In 2015, total commercial sales will expand by 4.5% to \$60 billion. This follows a 5.5% increase in 2014.

In 2016, growth will slow to 3.8% as demand at restaurants moderates to a more sustainable pace.

Adjusted for menu inflation, real sales will average 1.2% growth per year between 2015 and 2019.

The growth in foodservice sales will lift the foodservice share of the total food dollar from 38.6% in 2015 to 39.3% in 2019.

At the provincial level, British Columbia and Manitoba will lead the country in 2016 with commercial foodservice sales climbing by 4.3%.

British Columbia will lead the country in growth over the next five years due to strong economic growth and a growing population.

Following several years of strong gains, sales in Saskatchewan will moderate to 4.0% growth in 2016.

The \$25-billion shipbuilding contract will lead to healthy economic growth in Nova Scotia, boosting sales by 4.0% in 2016.

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

	2014	2015p	2016f	2017f	2018f	2019f
Quick-service restaurants	5.6%	5.9%	4.1%	3.3%	3.7%	3.5%
Full-service restaurants	5.8%	4.0%	3.9%	3.5%	3.8%	3.3%
Caterers	6.3%	4.4%	3.8%	3.5%	3.7%	4.1%
Drinking Places	-0.4%	-4.3%	-1.5%	0.8%	1.0%	1.5%
Total Sales	5.5%	4.5%	3.8%	3.3%	3.7%	3.4%

Although Ontario's restaurant industry will moderate in 2016 following several years of strong growth, it will boast the second-fastest growth over the next five years due to a growing population and rising income.

Alberta's restaurant industry will still feel the effects of low oil prices as foodservice sales grow by a modest 3.7% in 2016. This is a marked slowdown from the 6.8% average annual growth between 2011 and 2014.

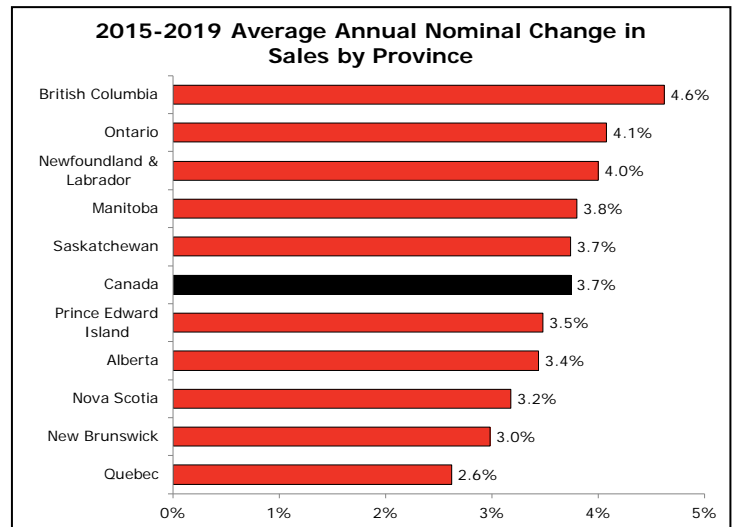
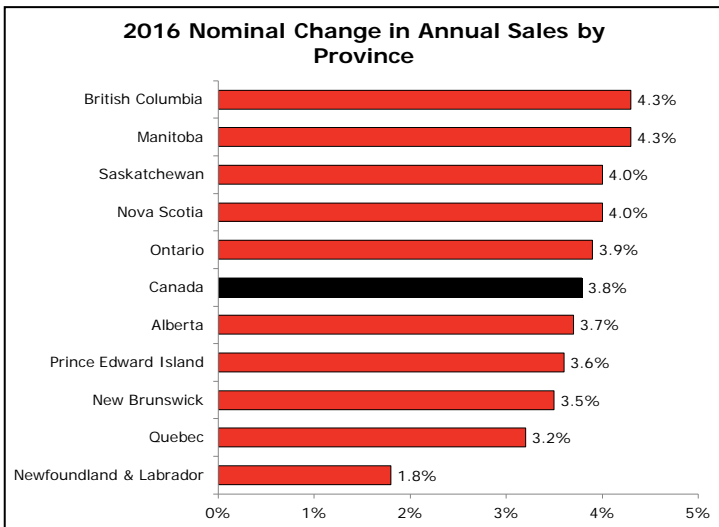
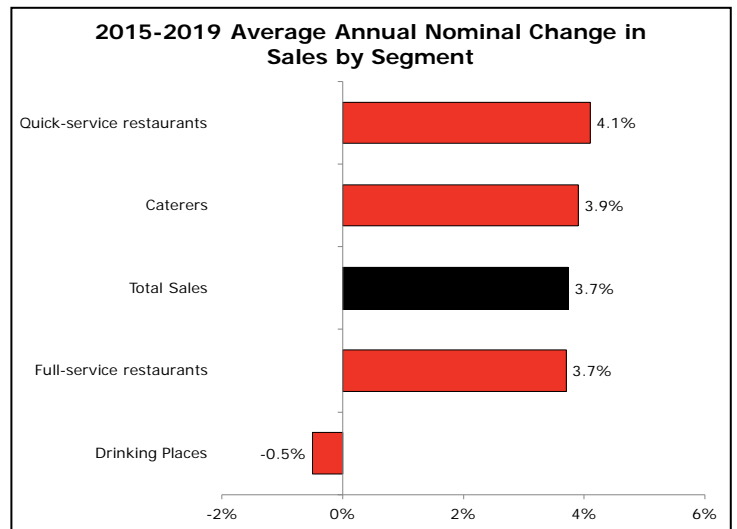
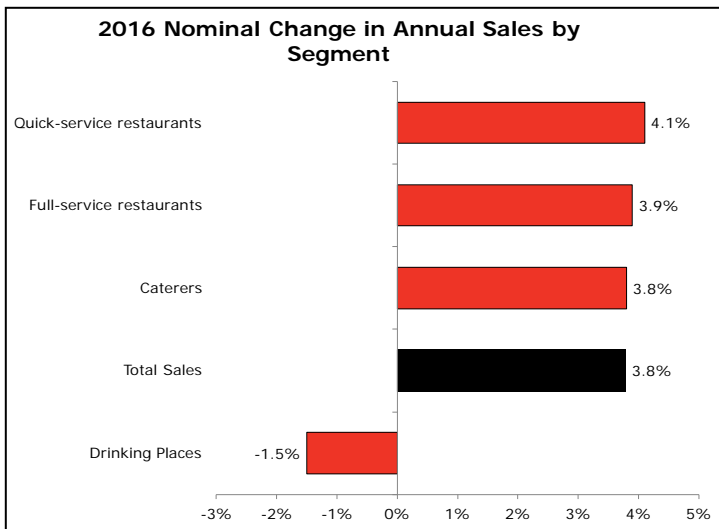
Foodservice sales on Prince Edward Island will moderate to 3.6% growth in 2016 following a

robust 6.2% increase in 2015.

Weak consumer demand will limit total foodservice sales in New Brunswick to 3.5% growth in 2016.

A decline in units and aging population will make Quebec the slowest-growing province over the next five years.

Newfoundland & Labrador will post the weakest growth in 2016 as sales advance by a tepid 1.8%. This is due to a decline in economic activity and moderation in caterer sales.



Despite a recession in the first half of the year, Canada's commercial foodservice industry will expand by a solid 4.5% in 2015 following a 5.5% increase in 2014.

Due to stronger-than-expected demand in Ontario and British Columbia, foodservice sales grew at a slightly faster pace than originally forecast. In last year's Restaurant Industry Forecast, commercial foodservice sales were projected to grow by 4.9% in 2014 and by 4.0% in 2015.

Overall, commercial foodservice sales will surpass the \$60-billion mark in 2015. Including non-commercial foodservice, total industry sales will climb to nearly \$75 billion.

Menu prices are forecast to rise by 2.8% in 2015 due to higher costs for food, labour and rent. As a result, real sales will expand by 1.7% in 2015 – the slowest growth since 2011.

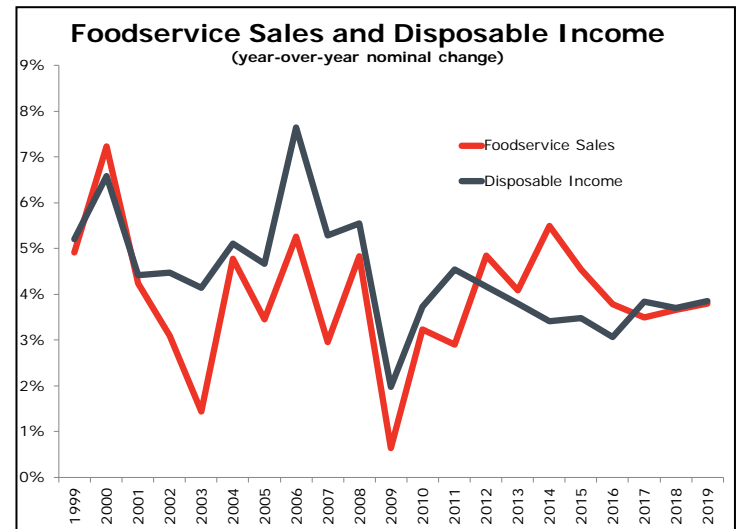
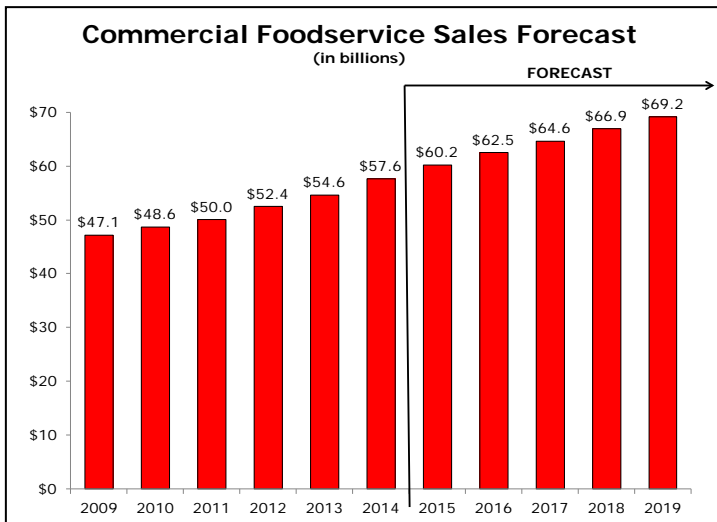
Commercial foodservice sales will once again be driven by healthy gains in British Columbia and Ontario in 2015. This is due to higher disposable income; the wealth effect from rising housing valuations; and population growth.

In contrast, the recession in Alberta and weak consumer demand in Quebec will result in lacklustre growth in those provinces.

Looking ahead, commercial foodservice sales will climb by an additional 3.8% in 2016 to \$62.5 billion. While restaurants and caterers will post solid gains, sales at drinking places are forecast to decline for the eighth consecutive year.

Between 2017 and 2019, commercial foodservice sales will grow an average of 3.5% per year. This is a moderate slowdown from the long-run average of 4% annual growth over the past two decades, and reflects a moderation in economic activity due to slower labour market growth. In addition, disposable income is forecast to moderate over the forecast horizon, which will restrain consumer spending at restaurants.

By 2019, commercial foodservice sales will rise to nearly \$70 billion – a \$10 billion increase over 2015.



Source: Restaurants Canada and Statistics Canada

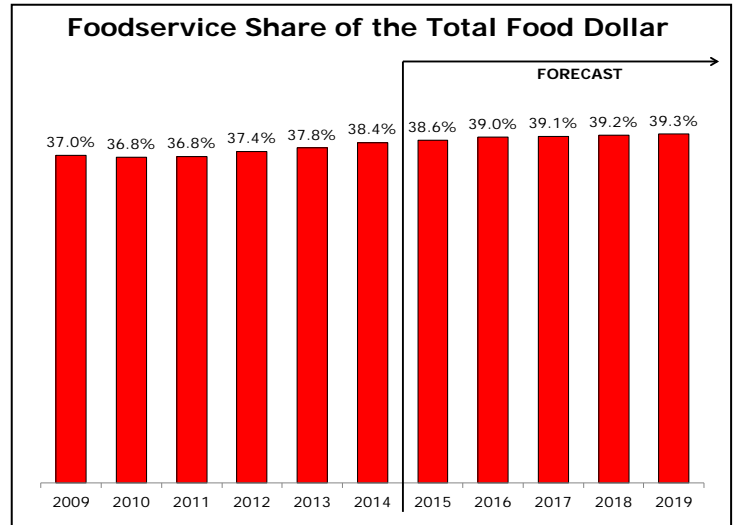
Source: Restaurants Canada and Conference Board of Canada

Overall, the foodservice share of the total food dollar¹ will steadily increase from 38.4% in 2014 to 39.3% by 2019. Despite the moderation in restaurant spending, commercial foodservice sales will continue to outpace growth in the retail food sector.

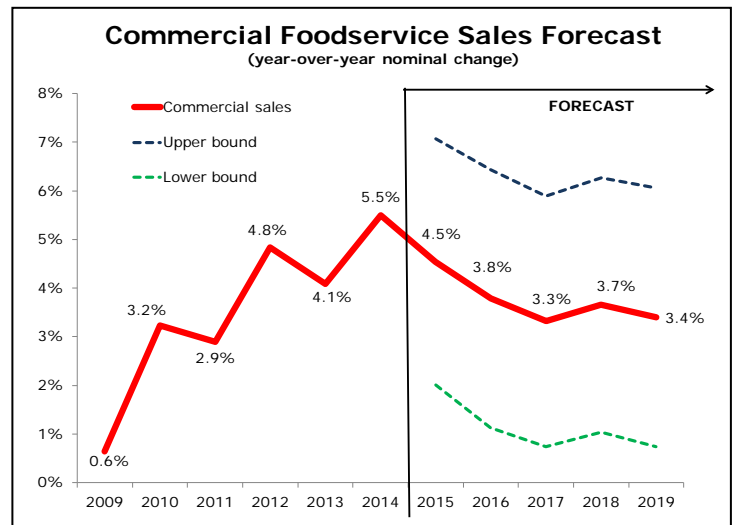
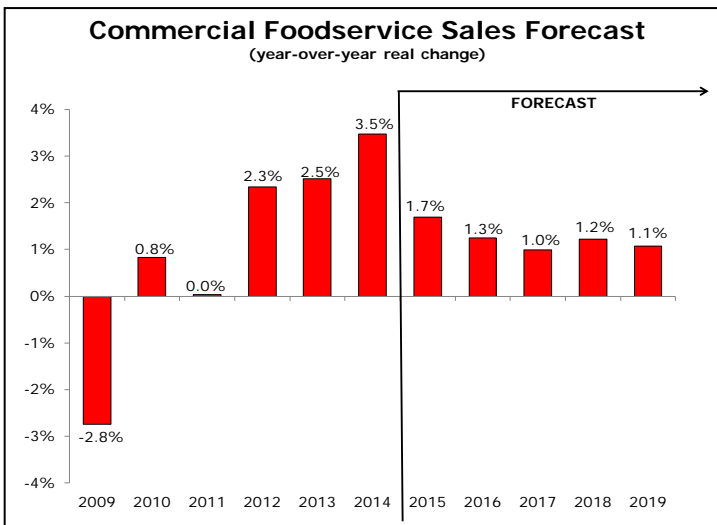
During this time, retail food and grocery sales will rise from \$119 billion in 2015 to \$133 billion in 2019. Demand for home meal replacements and pre-cooked meals at grocery stores will remain a significant challenge for the restaurant industry. But strong competition between traditional grocery retailers and big box stores will restrain food prices, holding back overall growth.

Over the next five years, commercial foodservice sales will grow an average of 1.2% per year once adjusted for menu inflation. This is in line with overall population growth. Nevertheless, there are a number of upside and downside risks. A weaker recovery in the global economy, high household debt and a significant correction in the housing market would result in lower sales in the near term.

Conversely, a stronger global economy and menu innovation would result in more people dining out, leading to 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 lead all segments with a healthy 5.9% jump in revenue in 2015. This will bring total annual sales to a record \$26.8 billion. Sales are driven by healthy consumer demand and a 2.1% increase in the number of units following virtually no growth in 2014.

In recent years, quick-service restaurants have reported strong sales as consumers demand convenience and affordability. At the same time, average check sizes have increased faster at quick-service restaurants (+14% between 2009 and 2014) compared to full-service restaurants (+11%). While some of this is due to rising menu prices, consumers are also spending more when they dine out.

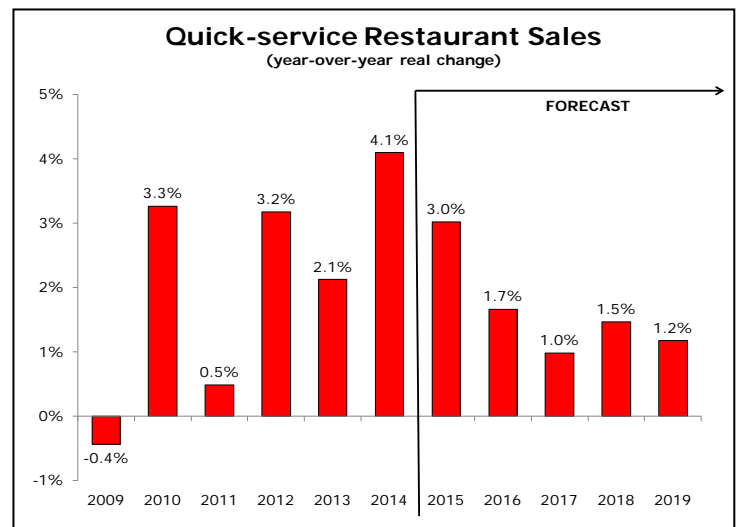
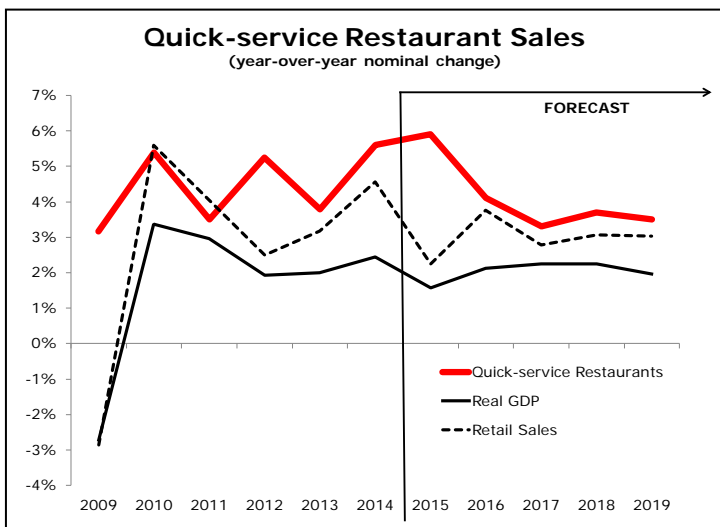
Consumer demand remains strong across most of the country. Healthy spending will make British Columbia and Ontario among the fastest-growing provinces in 2015. Even with the recession, sales at quick-service restaurants in Alberta will post solid gains as consumers shift their spending from full-service restaurants.

Following two years of year-over-year gains above 5%, sales at quick-service restaurants will moderate to 4.1% growth in 2016. Consumer demand will remain strong in Ontario and Western Canada.

Between 2017 and 2019, sales at quick-service restaurants will grow an average of 3.5% per year. The breakfast category will remain strong, but consumers looking for convenience and innovation will boost traffic for lunch, supper and snacks.

Between 2015 and 2019, sales at quick-service restaurants will grow an average of 4.1% per year. This is slightly slower than the average 4.7% growth per year between 2010 and 2014.

Adjusted for menu inflation, real sales will grow an average of 1.7% over the next five years – the fastest growth of any segment.



Source: Restaurants Canada and Conference Board of Canada

Source: Restaurants Canada and Statistics Canada

Strong gains across most of Canada lifted total sales at full-service restaurants by a robust 5.2% in 2013 and 5.8% in 2014. The recession in Alberta and weak spending in Quebec will limit overall growth to 4.0% in 2015, but full-service restaurants will reach a record \$26 billion.

Sales will be driven by strong gains in Ontario and British Columbia. Rising housing valuations have created a wealth effect that has boosted sales in both provinces.

In contrast, a decline in independent units and an aging population will make Quebec the only province where full-service sales will fall in 2015. Although Alberta's economy is struggling, sales are forecast to post modest gains following several years of strong demand.

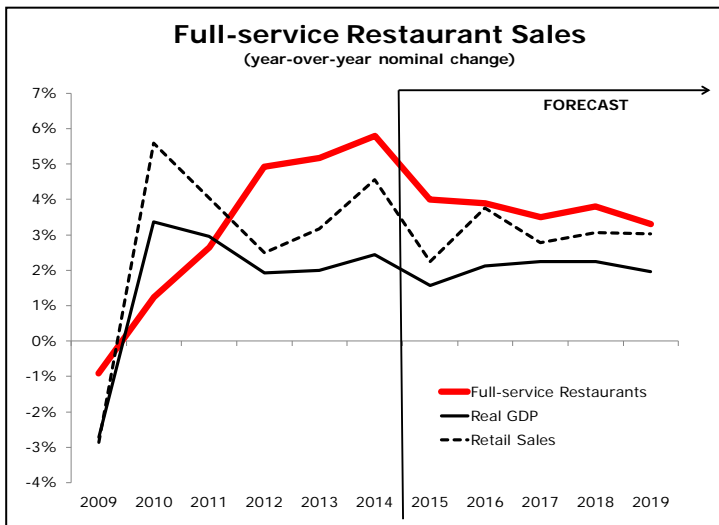
Even though sales have increased, most of the growth is due to higher menu prices and unit expansion. Per capita full-service restaurant sales remain below pre-recession levels and will remain relatively flat over the next few years.

In 2016, full-service restaurants are forecast to grow by 3.9%. While spending is expected to improve in Quebec and Alberta, a moderation in demand in Ontario and British Columbia will limit total sales growth.

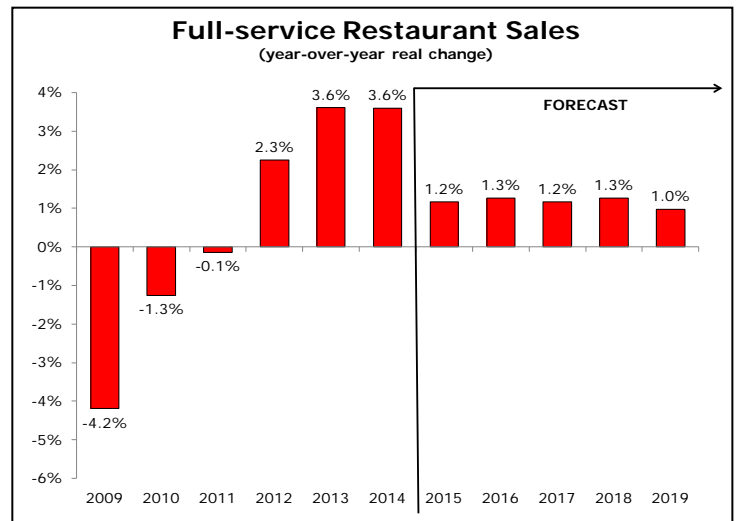
Over the next five years, sales at full-service restaurants will continue to grow at a steady pace of 3.7% per year. This compares to an annual average growth rate of 4.0% between 2010 and 2014. The slower pace reflects a moderation in disposable income compared to last year's forecast.

Adjusted for menu inflation, real sales will increase by 1.2% per year between 2015 and 2019. This is in line with overall population growth.

Most of the gains will be in provinces with high disposable income and a growing population. As a result, Ontario and Western Canada will post the strongest sales growth.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

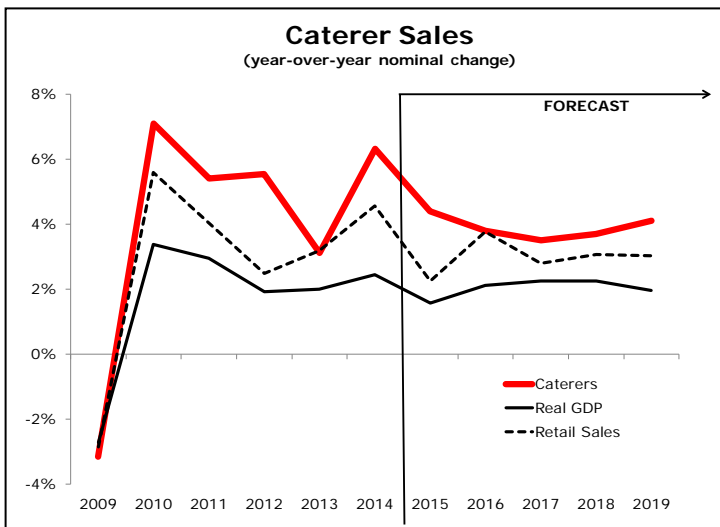
In recent years, caterers have posted solid gains at foodservice facilities in the health care sector; at education institutions; and at remote camps servicing the natural resource industries. In fact, caterers led all segments with a robust 31% jump in revenue between 2009 and 2014.

While the recession led to a significant pullback in caterer revenue in Alberta, total caterer sales will still advance by 4.4% to more than \$5 billion in 2015. Growth will be propelled by double-digit gains in Newfoundland & Labrador, Manitoba and Saskatchewan due to a surge in locations. Ontario and Quebec will also post healthy gains.

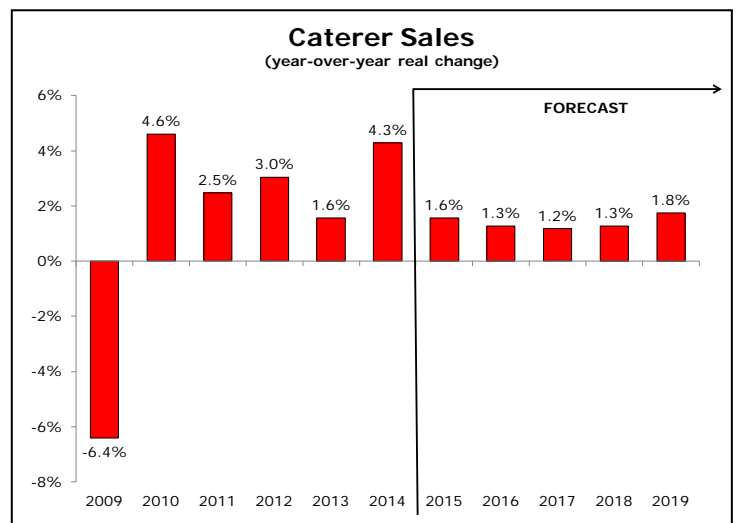
Caterer sales will grow by an additional 3.8% in 2016 as an aging population leads to higher demand for foodservice in hospitals, long-term care facilities and retirement homes. A rebound in economic growth in Alberta will also lead to higher caterer revenues.

Growth in the caterer segment has largely been tied to performance in the natural resource industry. Although oil prices will struggle over the near term, growth in mining will continue to boost caterer revenues. In addition, increased contracting and rising menu prices will boost caterer revenues by an average of 3.8% between 2017 and 2019.

Overall, caterers will grow an average of 3.9% per year between 2015 and 2019. Adjusted for menu inflation, real sales will grow by a healthy 1.4%.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Following a 0.4% decline in 2014, sales at drinking places were forecast to grow by 1.0% in 2015 according to last year's Restaurant Industry Forecast. Instead, sales for 2015 are revised to decline by 4.3%. This is due to an unexpected double-digit drop in sales in Quebec combined with a sharp reduction in spending in Ontario and Alberta. Sales in British Columbia will be flat in 2015 following healthy gains in 2014.

Since 2004, sales at drinking places have plummeted by a staggering 20% compared to a 56% increase in the rest of the commercial foodservice industry.

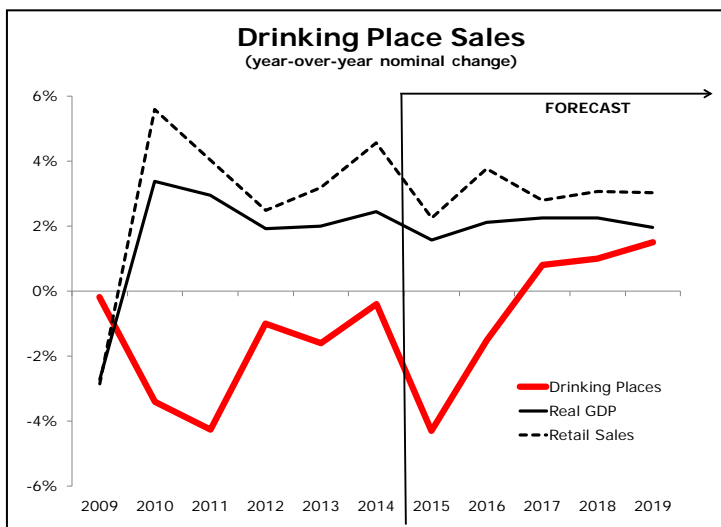
Several factors led to the decline in sales. Alcohol prices at drinking places have grown at a much faster pace than at retail stores. Between 2004 and 2015, alcohol prices at drinking places have jumped by 28% compared to a 12% increase at the retail level. This has led to a shift by consumers away from drinking places.

Second, an aging population and consumers looking for healthier options have led to a steady reduction in sales at drinking places.

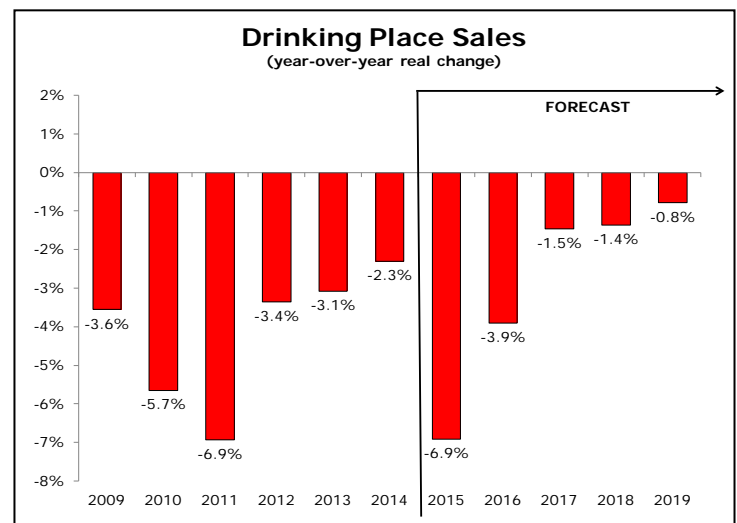
Finally, stricter drinking-and-driving legislation in many parts of the country has created an added degree of caution.

As a result, the number of drinking places has tumbled from 8,882 in 2004 to just 5,400 in 2014. According to Restaurants Canada's econometric model of the drinking place sector, the drop in units is the most significant factor leading to lower sales.

Looking ahead, sales at drinking places will grow an average of just 0.5% per year between 2016 and 2019. With the number of drinking place closures expected to subside, sales will see modest gains. Nevertheless, spending at drinking places will lag all other foodservice segments due to the aforementioned factors of price, aging population and drinking-and-driving legislation.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

After posting robust real GDP growth of 7.3% in 2013, Newfoundland & Labrador’s economy has struggled. In 2014, economic activity fell by 2.9%. A sharp drop in commodity prices will lead to flat economic activity and lower retail spending in 2015. The weak performance will carry forward into 2016 as real GDP falls by 1.6%.

The biggest challenge facing the economy is the decline in energy and non-energy exports as a result of lower commodity prices. The drop in exports, combined with lower capital investment and a decrease in construction activity, will lower employment. With fewer people working, retail sales are projected to slip by 0.5% in 2015.

While most provinces will see a steady decline in the unemployment rate, the weak economic climate will raise Newfoundland’s unemployment rate from 11.9% in 2014 to 12.4% in 2015 and 13.0% in 2016.

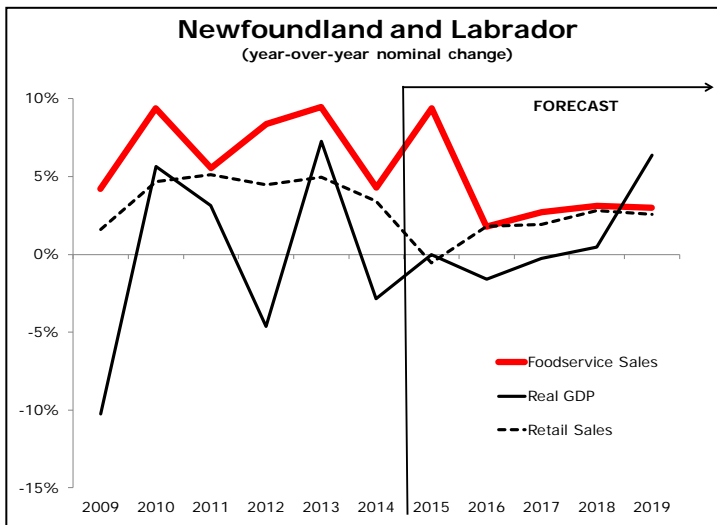
Despite the weak economy, foodservice sales have bucked the trend with higher spending in 2015. In fact, Newfoundland will lead the country with a 9.4% jump in spending. As a

result, commercial foodservice sales will expand to nearly \$920 million.

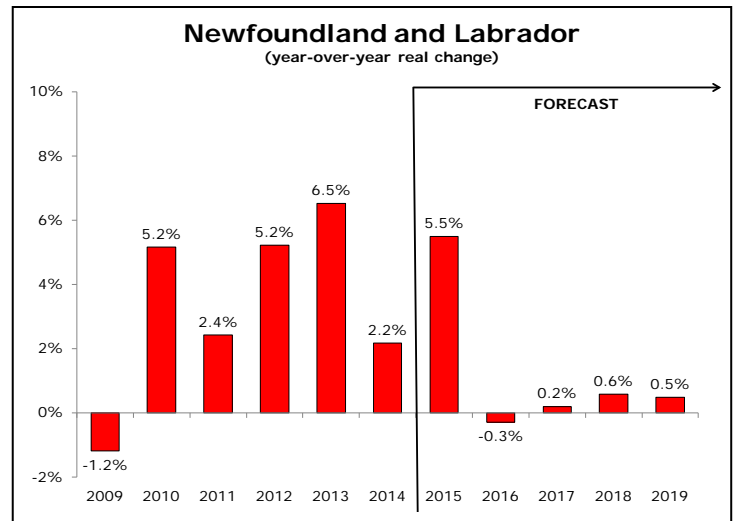
Total foodservice sales are being driven by robust gains in the caterer segment where revenues will skyrocket by more than 40% on a year-over-year basis. This is due to new units. Drinking places will also post solid gains (+10%). Sales at full-service restaurants will rebound in 2015 following modest gains in 2014.

Although Newfoundland’s restaurant industry has outpaced the economy in recent years, sales are forecast to moderate to a more sustainable pace over the next four years with average annual growth of 2.7%.

One of the biggest challenges facing the province is the decline in population. Between 2015 and 2020, Newfoundland’s population will decrease from 523,000 to 513,400, due to an aging population and out-migration. According to Statistics Canada, Newfoundland will be the only province with a lower population over the next 15 years. This will restrain spending on foodservice over the long term.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Prince Edward Island’s commercial restaurant industry is forecast to climb by a robust 6.1% to \$217 million in 2015. This is the province’s strongest increase in more than 16 years. Growth will be led by double-digit gains at quick-service restaurants. In contrast, sales at full-service restaurants will struggle for the second consecutive year.

The increase in foodservice sales is being driven by a stronger economy. Prince Edward Island’s real GDP is projected to climb by 2.4% in 2015 as a low Canadian dollar will boost the province’s exports and tourism industry.

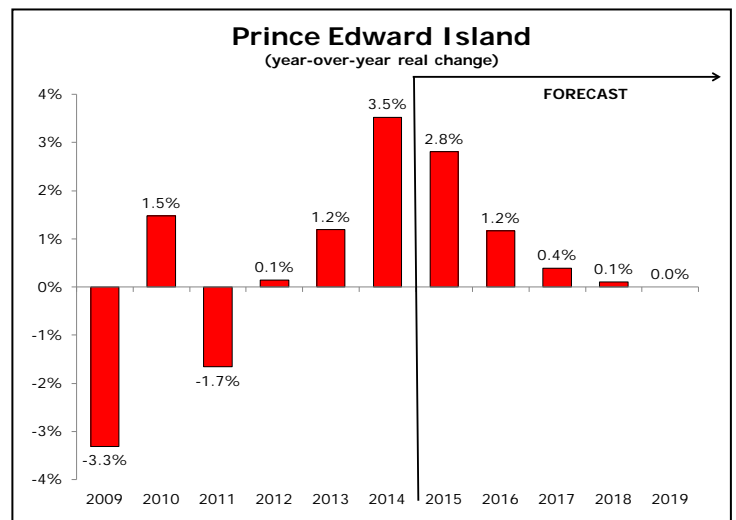
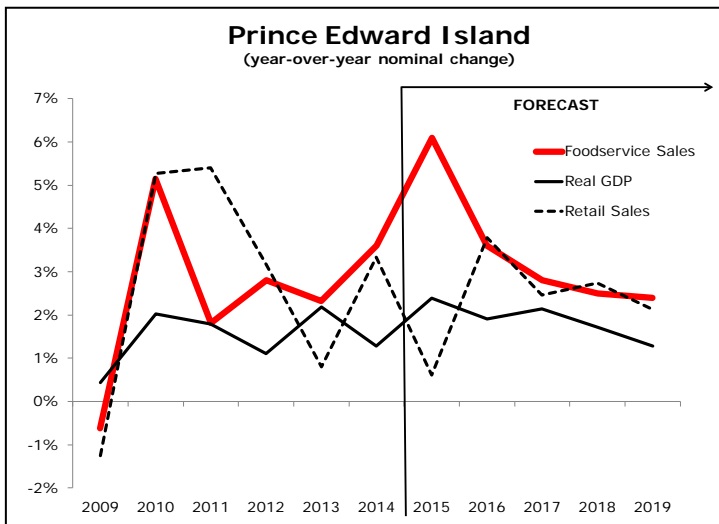
Despite the increase in economic activity, job creation has stalled with only modest growth expected in 2015. As a result, consumers will hold back on spending at retail stores, which will see a tepid 0.6% increase.

In 2016, Prince Edward Island’s economy will moderate slightly to 1.9% growth. The momentum of 2015, however, will help spur job creation and boost employment by 0.9% -- the strongest growth in Atlantic Canada.

The gains in employment will boost retail sales by a robust 3.8% -- a pace that matches the national average for 2016.

The combination of increased tourism and stronger domestic demand will lift total foodservice sales by 3.6% due to solid gains at restaurants.

Over the next four years, total commercial sales will grow by an average of 2.8% a year. This forecast is relatively unchanged from last year’s report. Due to the low Canadian dollar, a stronger-than-expected increase in the number of domestic and international visitors could result in stronger foodservice sales growth.



Source: Restaurants Canada and Conference Board of Canada

Source: Restaurants Canada and Statistics Canada

Between 2009 and 2013, weak economic activity held average annual commercial foodservice sales in Nova Scotia to a lacklustre 1.9% growth. A rebound in restaurant spending, however, lifted sales in 2014 by 5.5%. In 2015, annual sales will grow by an additional 5.8% to a record \$1.48 billion.

Despite the strong headline growth in sales, spending is mixed at the segment level. Full-service restaurants will lead all segments with double-digit gains, but most of this is driven by an increase in units. In contrast, sales at quick-service restaurants and caterers will post fairly weak gains. Revenues at drinking places will decline due to lower consumer demand and a decrease in units.

Overall, Nova Scotia's economy is projected to moderate from 1.6% growth in 2014 to 1.3% in 2015. This is due to a slowdown in government spending and a weak energy sector. The economy will get help from the \$25-billion ship-building contract, which will spur manufacturing activity and job creation. In fact, employment is forecast to climb in Nova Scotia for the first time in two years.

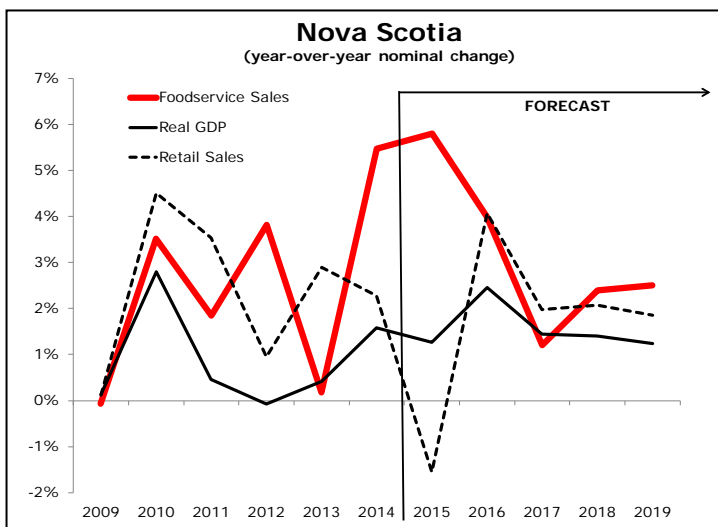
Growth in manufacturing and the services sector will boost Nova Scotia's real GDP by a healthy 2.5% in 2016, making it one of the fastest-growing economies in the country.

Rising employment will help boost consumer spending. Retail sales are forecast to climb by a healthy 4.1% in 2016 following a 1.6% decline in 2015.

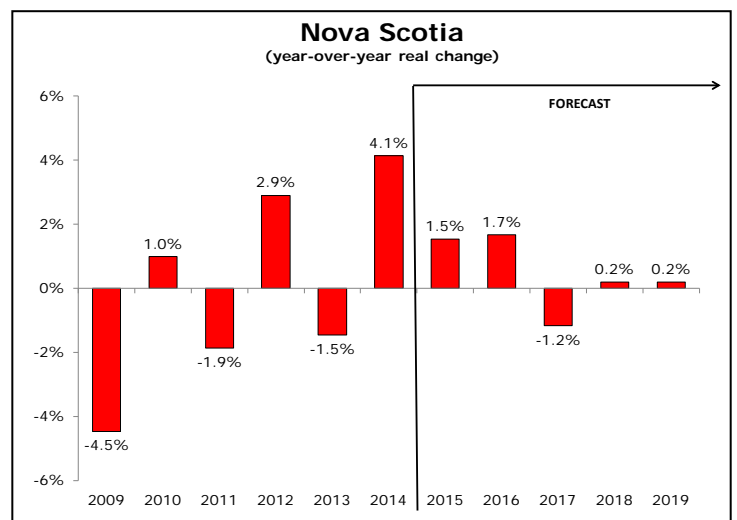
A stronger economy, higher consumer spending and healthy job creation will lift total foodservice sales by an additional 4.0% in 2016. While sales will moderate at full-service restaurants, this will be offset by a rebound at quick-service restaurants and caterers.

Following several years of strong gains, a moderation in economic activity will restrain total foodservice sales to 1.2% growth in 2017.

Between 2017 and 2019, foodservice sales will grow by an average of just 2.0% due to sluggish population growth.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Rising sales at restaurants and caterers will boost foodservice sales in New Brunswick by 4.1% in 2015. This represents the province's strongest increase since 2009.

Foodservice spending is being driven by improved economic activity. New Brunswick's real GDP is projected to grow by 1.4% in 2015 following an average annual decline of 0.2% between 2011 and 2014.

A weak Canadian dollar and stronger U.S. economy will spur growth in the forestry, manufacturing and mining sectors. Construction activity continues to stumble due to lower housing starts. Finally, significant provincial government deficits will lead to budget cuts and tax hikes that will weigh on consumer spending.

One of the biggest obstacles facing the economy and restaurant industry is anemic job creation. Total employment in New Brunswick is forecast to climb by just 0.2% in 2015 and remains 1.8% below pre-recession levels. As a result, consumer spending will expand by just 1.1% in 2015 compared to the national average of 2.2% growth.

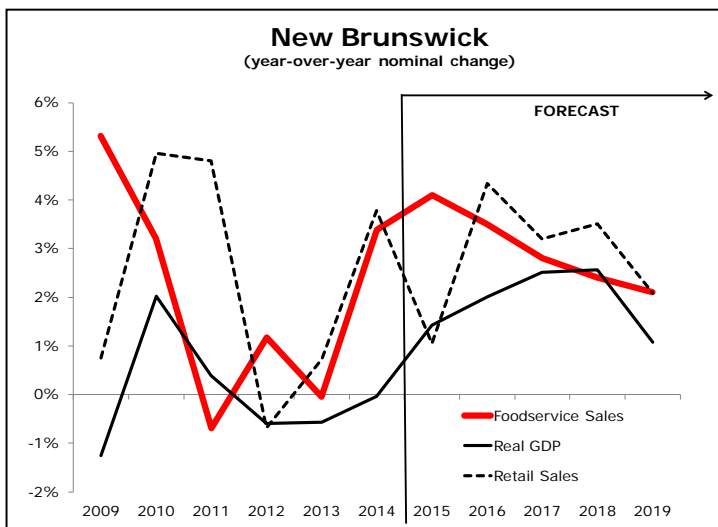
In 2016, economic prospects will improve as New Brunswick's real GDP grows by a solid 2.0%. A low Canadian dollar will boost manufacturing and exports. Mining and forestry will also improve following three years of declines.

Nevertheless, total employment in the province will grow by a tepid 0.3% as gains in private-sector employment are offset by a decrease in public sector payrolls.

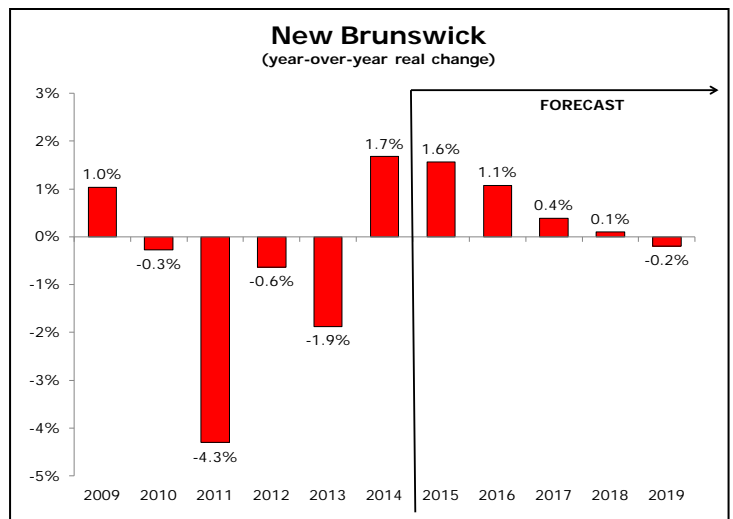
The increase in real GDP will be enough to support a 3.5% increase in commercial foodservice sales in 2016 with solid gains at restaurants and caterers.

Between 2017 and 2019, foodservice sales will grow an average of 2.4% per year as weak population and job growth restrain spending.

Although the outlook for New Brunswick is below the national average, it still is a significant improvement from relatively flat sales in the province between 2005 and 2013.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Although Quebec’s economy has steadily improved since the recession, the restaurant industry continues to struggle. Commercial foodservice sales in Quebec are projected to grow by a disappointing 0.8% in 2015. This is the weakest growth in the country for the second consecutive year.

While caterers are one of the few bright spots as revenue expands by nearly 4.0%, this comes on the heels of a flat performance in 2014. Quick-service restaurants will also post gains, but will be among the slowest in the country. The biggest challenge in Quebec is declining sales at full-service restaurants and a double-digit drop in drinking place sales that are pulling down overall sales. Since 2009, sales at drinking places have tumbled by a staggering 36% due to a decline in units and weak customer demand.

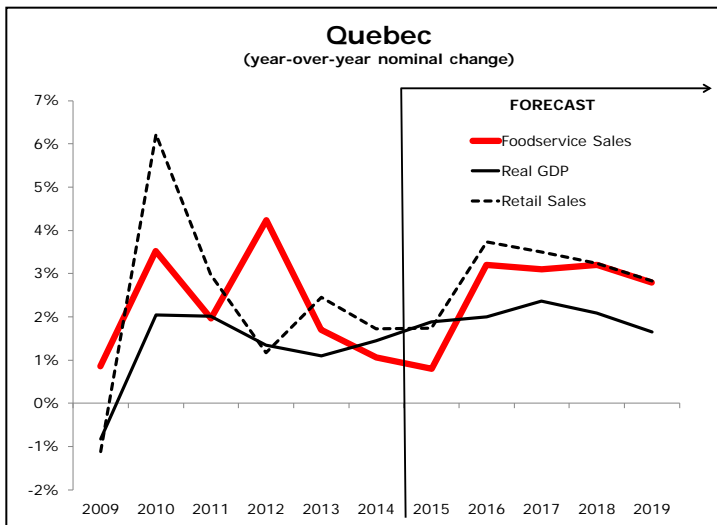
In 2016, a weak Canadian dollar and a stronger U.S. economy will boost exports. This will lift Quebec’s real GDP by 2.0% -- on par with the national average. An increase in employment will raise retail sales by 3.7%, which will be the strongest growth since 2010.

A stronger economy and job creation will boost foodservice sales by 3.2% to \$11 billion. Full- and quick-service restaurants will see improved gains but sales will remain weak at drinking places due to an aging population.

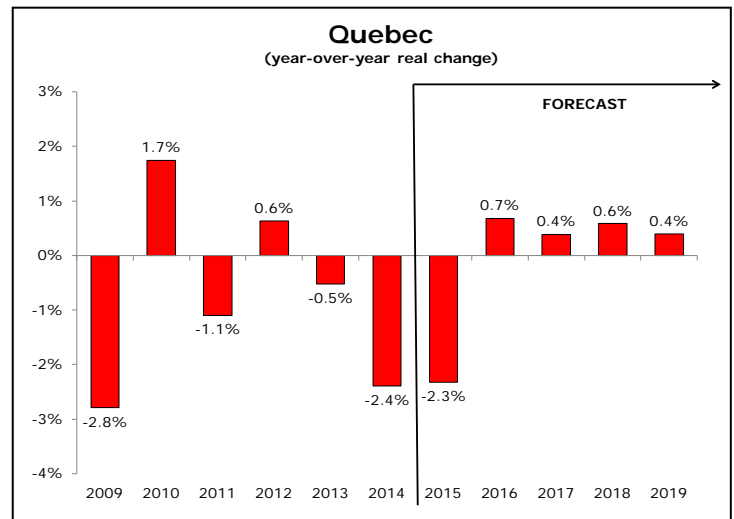
Despite the increase in foodservice spending in 2016, there are two significant overarching trends that will restrain growth in Quebec. First, while the rest of Canada has posted solid increases in the number of commercial units, Quebec has been stagnant as an increase in the number of chain establishments is being offset by a decline in independent units.

Second, while many parts of the country will see a steady increase in population, the number of 15-to 64-year olds has plateaued in Quebec and will slowly decrease in the years ahead. This will restrain foodservice sales growth.

As a result of the above trends, total foodservice sales will grow an average of 3.0% per year between 2017 and 2019. This compares to the national average of 3.5%.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

For the second consecutive year, Ontario will boast amongst the fastest-growing foodservice sales in the country. The restaurant industry has benefited from strong consumer spending, rising disposable income and a growing population.

Commercial foodservice sales in Ontario are projected to climb by 5.4% in 2015 to a record \$23.5 billion. An increase in the number of full- and quick-service restaurants and strong domestic spending growth remain the main drivers of foodservice sales. Caterers continue to report solid gains following robust demand in 2014. Sales at drinking places, however, will see double-digit declines due to unit closures and fewer customers.

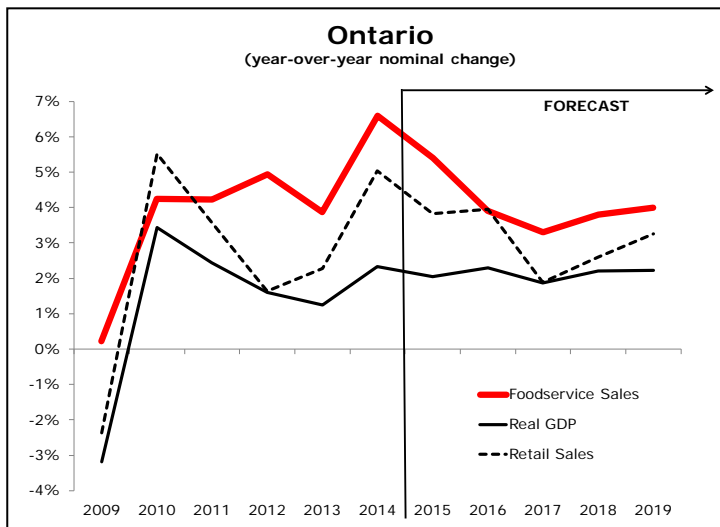
The restaurant industry has outpaced the economy and retail sales in the past five years. Overall, Ontario's economy will expand by 2.0% in 2015 following a 2.3% expansion in 2014. A low Canadian dollar and stronger U.S. economy will provide a significant boost to the province's beleaguered manufacturing sector. This will lead to greater exports of industrial machinery, electronics and automotive goods.

Consumers remain optimistic about the future as retail sales remain buoyant and will see the second-fastest growth in the country, climbing by 3.8% in 2015. Some of this growth is due to a soaring housing/condo market in Toronto, which has driven up sales for furniture, appliances and building materials.

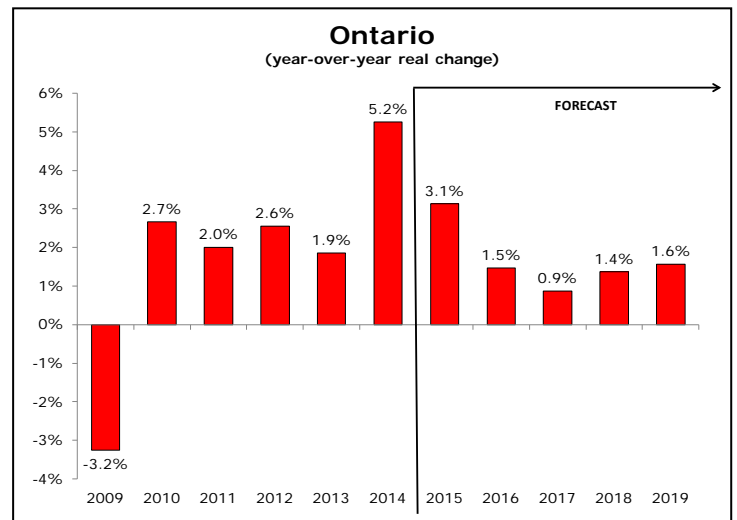
Following several years of strong gains, foodservice sales in Ontario will moderate to a more sustainable pace of 3.9% growth in 2016. This is partially due to weaker disposable income growth. Despite the slowdown, Ontario will experience some of the strongest sales growth in the country.

In 2016, healthy exports will boost Ontario's real GDP by 2.3%. Disposable income, however, is forecast to moderate from 4.0% growth in 2015 to 3.1% in 2016.

Looking ahead, steady economic growth and immigration will boost commercial foodservice sales by an average of 3.7% per year between 2017 and 2019. This is slightly above the national average of 3.5% growth.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Commercial foodservice sales in Manitoba are forecast to grow by a solid 5.8% in 2015 to more than \$1.7 billion. This follows a healthy 5.3% increase in spending in 2014. Over the past 10 years, Manitoba is tied with Ontario as the fourth-fastest-growing restaurant industry.

In 2015, sales jumped by more than 30% at caterers following a 15% increase in 2014. Nevertheless, caterers represent less than 10% of total commercial sales in Manitoba. While full- and quick-service restaurants are the largest segments in the industry, both reported a moderation in sales growth in 2015 following several years of healthy gains.

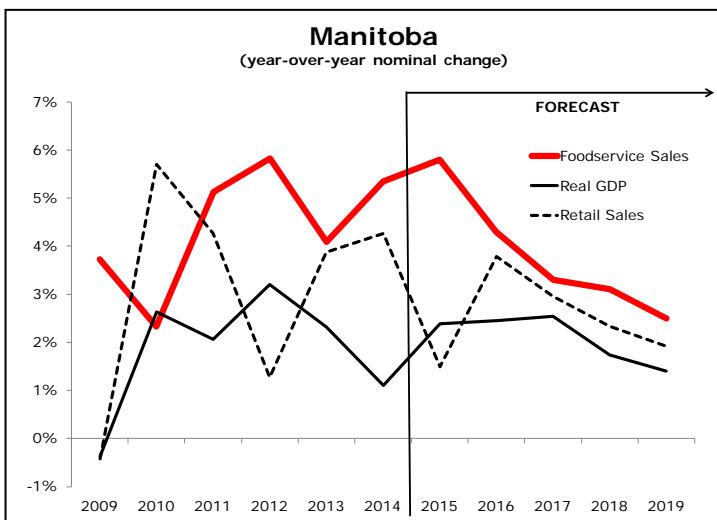
The weak performance at restaurants coincides with a marked slowdown in overall retail spending. Following a 4.3% increase in 2014, retail sales are forecast to moderate to just 1.5% growth in 2015.

While restaurant sales are forecast to rebound in 2016, slower caterer demand will restrain total commercial sales to 4.3% growth. Manitoba's restaurant industry will benefit from a stronger economy and improved domestic demand in 2016.

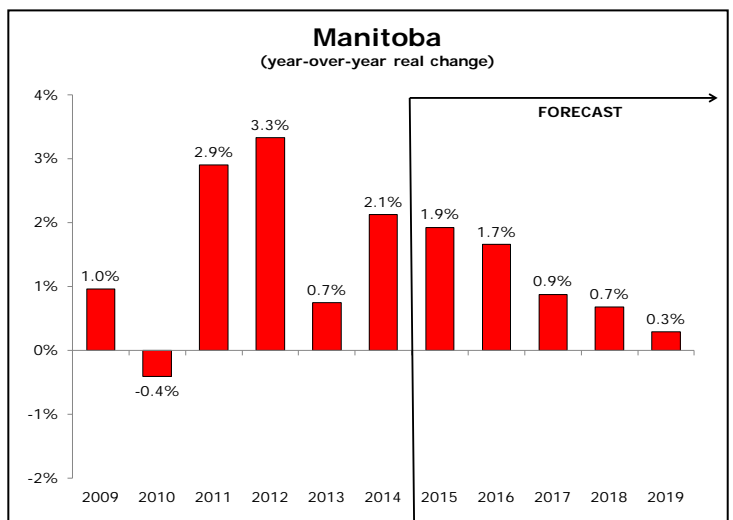
Manitoba's economy is forecast to expand by a healthy 2.5% in 2016 following a 2.4% increase in 2015. Economic activity will be bolstered by strong exports and the manufacturing of transportation equipment and furniture.

After a dismal 2014, job creation will pick up with solid gains in 2015 and 2016. This will reduce the unemployment rate to 5.1% in 2016 -- the second-lowest rate in the country after Saskatchewan.

Following several years of robust gains, total foodservice sales in Manitoba will advance by an average of 3.3% per year between 2016 and 2019. While this is a moderation from the previous five-year period, the restaurant industry will continue to outperform retail sales growth.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

The drop in oil prices will cause Saskatchewan’s economy to contract by 0.2% in 2015 following a tepid 1.4% expansion in 2014. In addition to weakness in oil and gas extraction, there will be less investment and construction activity in the near term. Housing prices have also declined, largely due to overbuilding.

Weaker economic growth and a slowdown in job creation will result in a 1.2% decline in total retail sales in 2015 following several years of robust gains.

Despite weakness at the macroeconomic level, spending on foodservice remains remarkably buoyant. Total foodservice sales are forecast to climb by 5.2% in 2015 following a 5.1% increase in 2014. While spending at full-service restaurants has softened, sales have increased at quick-service restaurants. Growth in the non-energy mining sector will help caterers post double-digit gains for the second consecutive year.

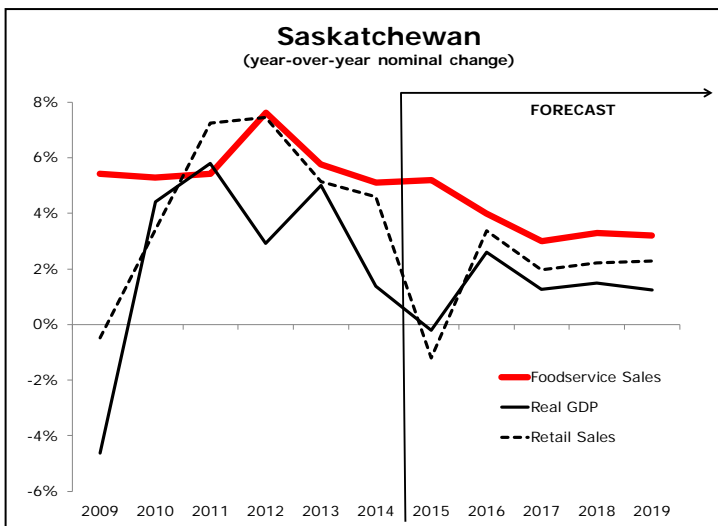
Saskatchewan’s economy is forecast to recover in 2016. A partial rebound in oil prices,

combined with gains in the potash industry, will lead to strong job creation and an increase in housing starts. As a result, Saskatchewan’s economy is forecast to grow by 2.6% -- the second-fastest in the country.

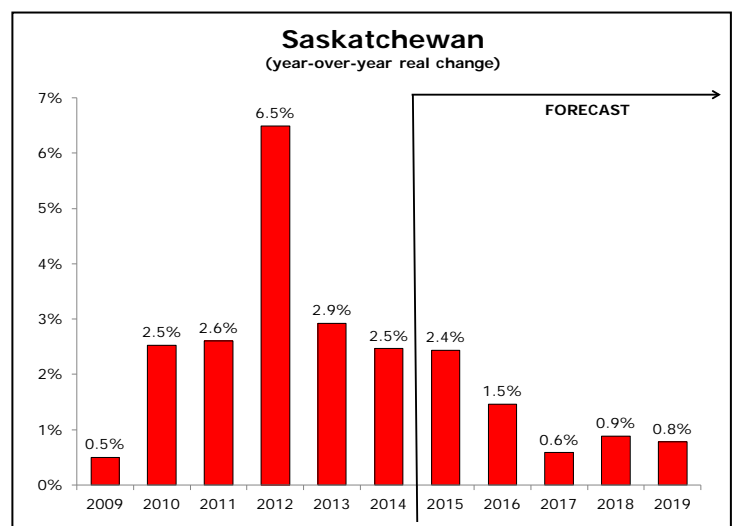
Rising incomes and job creation will boost consumer spending at retail stores by a solid 3.4% in 2016.

In 2016, foodservice sales are forecast to grow by a healthy 4.0% to \$1.9 billion. By 2017, Saskatchewan will surpass \$2 billion in annual sales.

Between 2016 and 2019, foodservice sales in Saskatchewan will grow by 3.4% -- a pace that is just slightly below the national average. The province’s restaurant industry will benefit from in-migration, high disposable income and no provincial tax on restaurant meals. With the lowest unemployment rate in the country, labour shortages will remain a critical issue for operators.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

The sharp decline in oil prices has thrust Alberta into a recession. As a result, Alberta's economy will contract by 1.0% in 2015 following five years of strong gains. The decline in real GDP will result in no new jobs in the province, which will cause the unemployment rate to jump from 4.7% in 2014 to 6.0% in 2015.

The recession and drop in employment have led to a downturn in retail sales, which are expected to decline by 2.7% in 2015. In the previous five years, Alberta led the country with average annual retail sales growth of 6.8%.

Despite the recession, weak consumer confidence and rising unemployment, Alberta's restaurant industry will post a 2.6% increase in sales. This follows four years of robust gains.

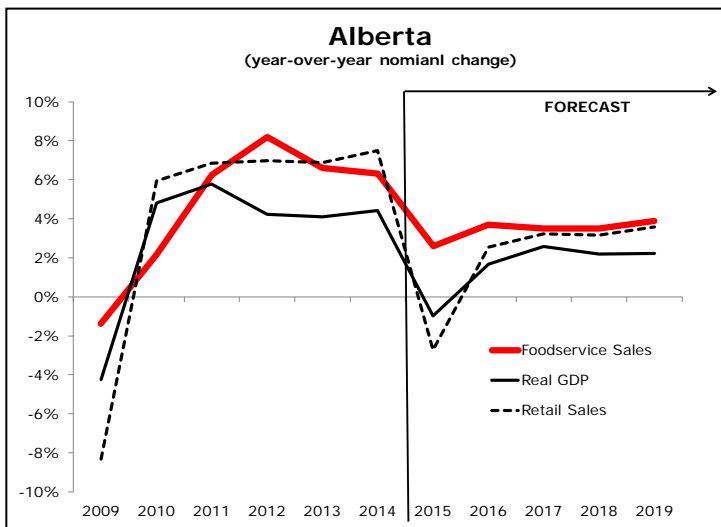
Quick-service restaurants will lead all segments as sales are up 7.5% in the first five months of 2015. This is being driven by affordability and consumers shifting from full-service restaurants.

Full-service restaurants will post generally flat sales following robust gains the previous four years. The recession will also lead to a decline in spending at caterers and drinking places.

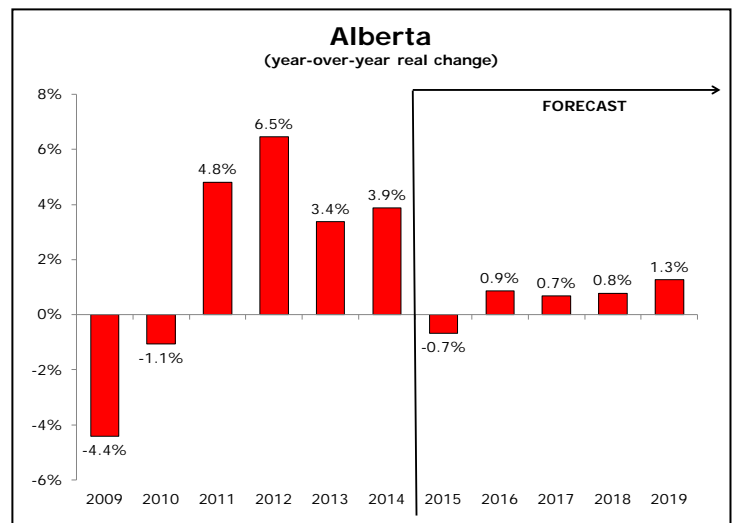
Foodservice sales are forecast to climb by 3.7% in 2016 with a rebound in spending at full-service restaurants and caterers. Nevertheless, sales will grow at a slower-than-normal rate due to the continued impact of low oil prices.

Alberta's economy will underperform the national average with a modest 1.7% increase in real GDP in 2016. Between 2017 and 2019, real GDP growth will be on par with the rest of Canada.

Overall, Alberta's restaurant industry went from being the second-fastest growing in the country over the past decade to around the Canadian average. Despite the recent setbacks, Alberta will still boast the highest average unit volume in the country due to high disposable income and no provincial sales tax on meals.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

After struggling between 2009 and 2012 due to the recession and the introduction of the HST, British Columbia’s restaurant industry roared back to life in 2013 and 2014. In 2015, Commercial foodservice sales in British Columbia will jump by 7.5% to \$9.6 billion.

Strong consumer spending, rising confidence and a healthy economy have led to solid gains at full- and quick-service restaurants in 2015. In contrast, sales at caterers and drinking places will post tepid gains following healthy growth in 2014.

The recent gains in foodservice sales mirror the performance of the economy, which is forecast to advance by 2.8% in 2015. This is the fastest growth in the country. Economic activity is being propelled by a hot housing market, an increase in exports and strong consumer spending.

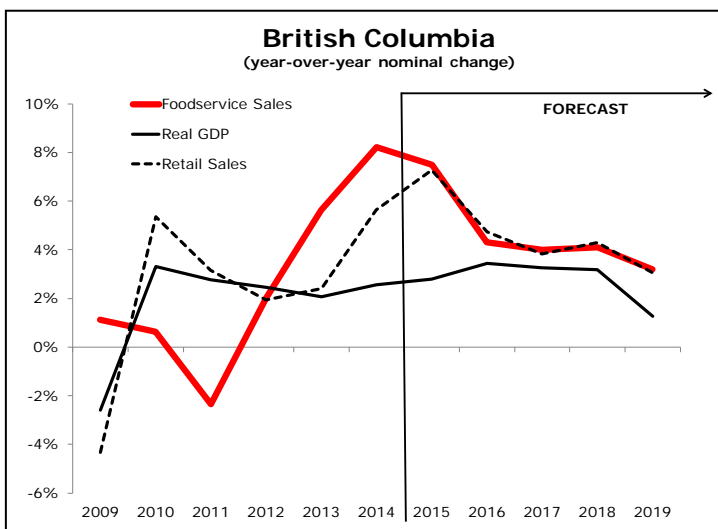
Due to the wealth effect from higher housing price valuations, British Columbia will lead the country with retail sales growing by a robust 7.3% in 2015. This is well above the national average of 2.2%.

The outlook for British Columbia remains bright over the next four years. In 2016, the low Canadian dollar and a resurgent United States economy will boost British Columbia’s real GDP by 3.4%. Healthy economic activity will support strong job creation, with employment rising by a solid 1.4%. This will put more money in the pockets of consumers and boost retail sales by an additional 4.7%.

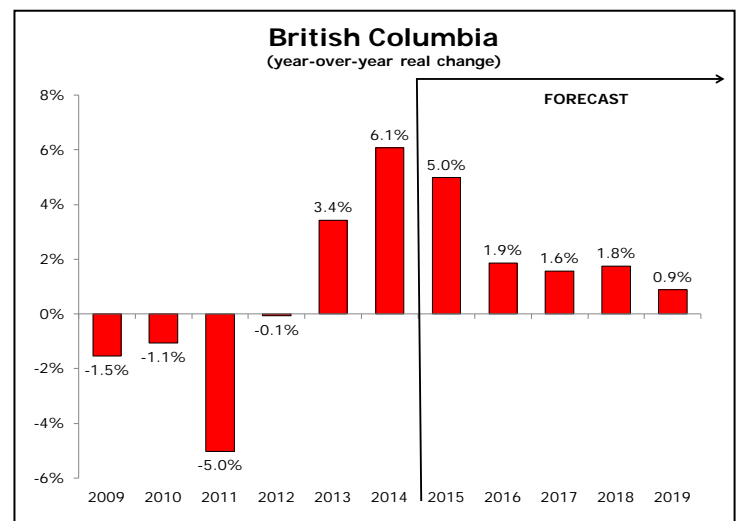
Between 2017 and 2019, British Columbia will boast the fastest-growing economy with average annual gains of 2.6% compared to the national average of 2.1%.

The strong economic outlook will result in healthy foodservice sales going forward. In 2016, commercial foodservice sales in British Columbia will grow by 4.3%. This will bring total commercial foodservice sales to more than \$10 billion.

Overall, strong macroeconomic fundamentals and a growing population will make British Columbia the fastest-growing restaurant industry over the next five years.



Source: Restaurants Canada and Conference Board of Canada



Source: Restaurants Canada and Statistics Canada

Last year's Restaurant Industry Forecast called for real GDP growth in Canada to accelerate from 2.0% in 2014 to 2.7% in 2015. The unexpected decline in oil prices and slower economic activity in the United States economy in the first half of the year will restrain 2015 economic growth to 1.6%. This is the economy's weakest expansion since 2009.

The above challenges were enough to push Canada's economy into a technical recession – two consecutive quarters of declining real GDP – in the first half of 2015. The recession is expected to be short lived. With Canada's dollar trading below \$0.76 (U.S.), Canadian goods are more competitively priced. In addition, exports to the United States are expected to pick up. This will lead to improved economic growth in the second half of 2015.

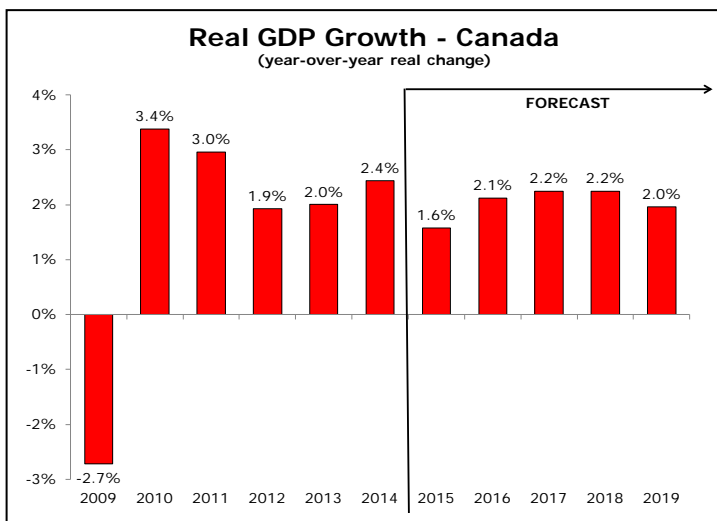
With a sluggish economy in the first half of the year, job creation has stalled. Overall, employment in Canada is forecast to grow by a tepid 0.8% in 2015. This will keep the unemployment rate at 6.9% for the second consecutive year.

Despite the challenges, disposable income is forecast to climb by 3.5% in 2015 following a 3.4% increase in 2014. This will support healthy consumer spending at restaurants. Retail spending, however, is forecast to moderate to 2.2% growth in 2015. This is due to weak spending in Alberta, Saskatchewan and Newfoundland & Labrador.

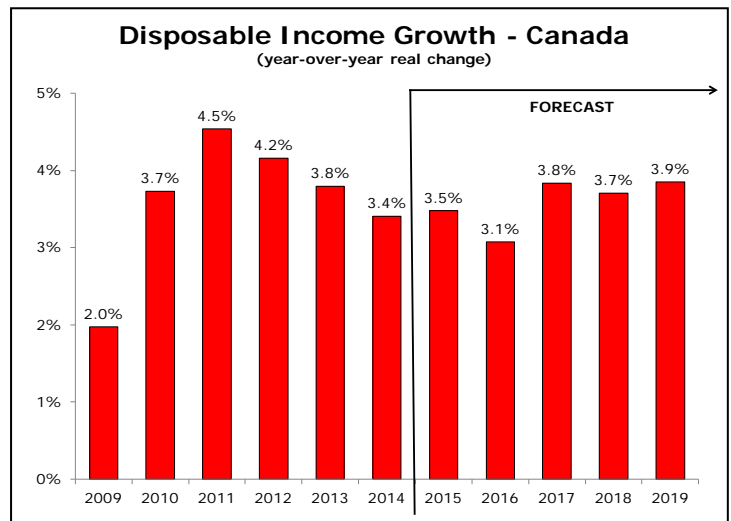
In addition, the household debt-to-income ratio remains at an all-time high of 163%. Households cutting back on their debt will restrain consumer spending over the next five years compared to last year's forecast.

The economy will improve in 2016 with real GDP growing by 2.1% and retail sales climbing by a solid 3.8%.

The impact of lower commodity prices will shave an average of 0.3 percentage points off of real GDP between 2015 and 2018 compared to last year's forecast. Disposable income will also grow at a slower pace of 3.6% per year compared to the previous forecast of 4.2% growth. This will restrain foodservice sales during the forecast horizon.



Source: Conference Board of Canada



Source: Conference Board of Canada

At the provincial level, strong exports and an expanding population will make British Columbia the fastest-growing economy in 2016 with real GDP growth of 3.4% and retail sales climbing by 4.7%. Strong macroeconomic fundamentals will make British Columbia's economy the fastest-growing province over the next five years.

After a slight contraction in 2015, Saskatchewan's economy will bounce back with a 2.6% increase in real GDP in 2016. Economic activity will be led by strong gains in non-energy mining which will offset the weakness in the energy sector. Agriculture is also expected to rebound in 2016.

An increase in manufacturing and exports will boost economic activity in Nova Scotia and Manitoba by 2.5% in 2016. The new shipbuilding contract in Nova Scotia will lift retail sales in the province by 4.1% -- the third-strongest growth in the country.

A low Canadian dollar and a stronger U.S. economy will boost Ontario's real GDP by 2.3% by 2016, up from 2.0% in 2015. A strong housing market and increase in population will also drive retail spending by a healthy 4.0%.

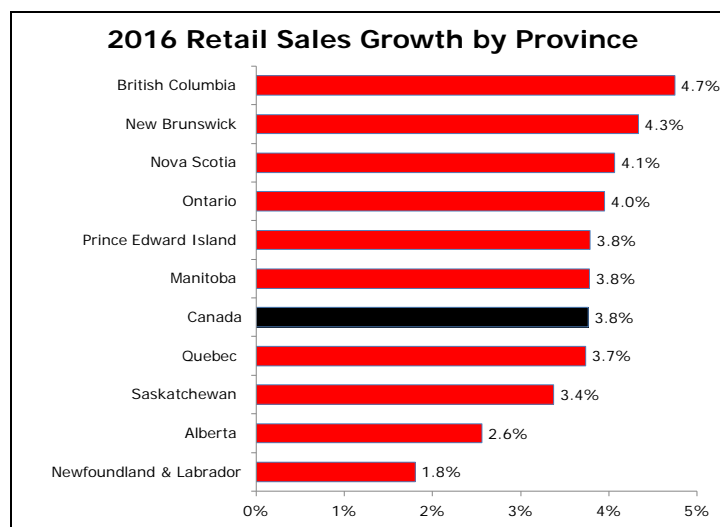
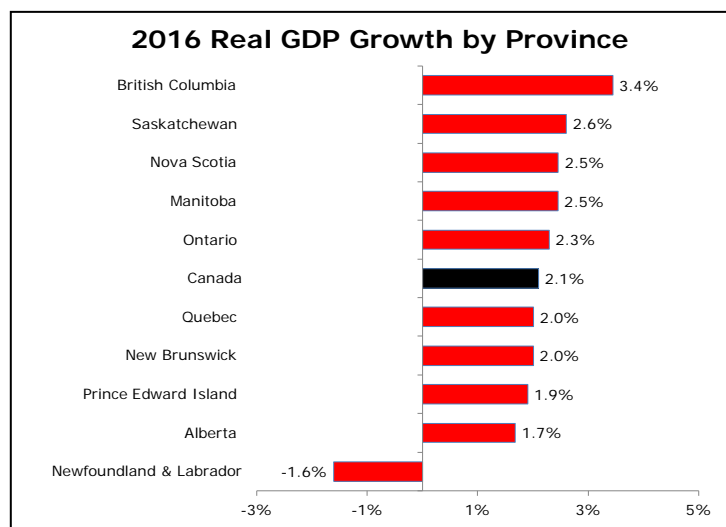
Although Quebec will see improved exports in 2016, provincial government cutbacks will restrain real GDP growth to 2.0% in 2016. With overall job creation forecast to slow, retail spending will see below-average gains over the near term.

New Brunswick's economy will expand by 2.0% in 2016, the province's strongest increase since 2010. Retail spending growth is forecast to be the second-fastest in the country at 4.3%.

The low Canadian dollar and increase in exports will boost Prince Edward Island's real GDP by 1.9% following a 2.4% expansion in 2015.

Alberta's economy is being hit hard by the recession with real GDP falling by 1.0% in 2015. With oil prices remaining weak, Alberta's economy will grow by a modest 1.7% in 2016. Retail sales are forecast to climb by just 2.6% in 2016. This is a sharp slowdown from the average annual gains of 6.8% growth posted between 2010 and 2014.

Newfoundland & Labrador will lag the country in economic and retail sales growth due to declines in the resource sector.



Source: Conference Board of Canada

Source: Conference Board of Canada

Commercial Foodservice Sales Canada

Millions of Dollars

	2009	2010	2011	2012	2013	2014	2015p	2016f	2017f	2018f	2019f	Average
Quick-service restaurants	\$20,133.8	\$21,219.7	\$21,962.0	\$23,114.4	\$23,989.3	\$25,332.5	\$26,827.2	\$27,927.1	\$28,848.7	\$29,916.1	\$30,963.1	4.1%
% change	3.2%	5.4%	3.5%	5.2%	3.8%	5.6%	5.9%	4.1%	3.3%	3.7%	3.5%	4.1%
Full-service restaurants	\$20,675.0	\$20,931.4	\$21,486.0	\$22,545.2	\$23,711.3	\$25,086.9	\$26,090.4	\$27,107.9	\$28,056.7	\$29,122.8	\$30,083.9	3.7%
	-0.9%	1.2%	2.6%	4.9%	5.2%	5.8%	4.0%	3.9%	3.5%	3.8%	3.3%	3.7%
Caterers	\$3,732.8	\$3,997.6	\$4,213.5	\$4,447.2	\$4,585.9	\$4,876.1	\$5,090.7	\$5,284.1	\$5,469.1	\$5,671.4	\$5,904.0	3.9%
	-3.1%	7.1%	5.4%	5.5%	3.1%	6.3%	4.4%	3.8%	3.5%	3.7%	4.1%	3.9%
Drinking Places	\$2,554.8	\$2,467.7	\$2,362.4	\$2,338.8	\$2,301.5	\$2,292.4	\$2,193.8	\$2,160.9	\$2,178.2	\$2,200.0	\$2,233.0	-0.5%
	-0.2%	-3.4%	-4.3%	-1.0%	-1.6%	-0.4%	-4.3%	-1.5%	0.8%	1.0%	1.5%	-0.5%
Total Sales	\$47,096.4	\$48,616.3	\$50,024.0	\$52,445.6	\$54,588.0	\$57,588.0	\$60,202.1	\$62,480.1	\$64,552.7	\$66,910.4	\$69,184.0	3.7%
	0.6%	3.2%	2.9%	4.8%	4.1%	5.5%	4.5%	3.8%	3.3%	3.7%	3.4%	3.7%
CPI-FAFH	1.211	1.240	1.275	1.306	1.326	1.352	1.390	1.425	1.457	1.492	1.527	2.5%
	3.5%	2.4%	2.9%	2.4%	1.5%	2.0%	2.8%	2.5%	2.3%	2.4%	2.3%	2.5%
Real Sales (in 2002\$)	\$38,898.6	\$39,222.5	\$39,237.1	\$40,157.5	\$41,167.4	\$42,597.3	\$43,318.0	\$43,860.6	\$44,296.7	\$44,838.5	\$45,319.8	1.2%
	-2.8%	0.8%	0.0%	2.3%	2.5%	3.5%	1.7%	1.3%	1.0%	1.2%	1.1%	1.2%
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	\$121,643.3	\$125,171.0	\$128,800.9	\$132,665.0	2.9%
	5.3%	4.8%	2.3%	2.2%	2.5%	2.5%	3.2%	2.3%	2.9%	2.9%	3.0%	2.9%
Foodservice Share of Food Dollar**	37.0%	36.8%	36.8%	37.4%	37.8%	38.4%	38.6%	39.0%	39.1%	39.2%	39.3%	24.0%
Real Per Capita Foodservice Sales (in 2014 \$)	\$1,608	\$1,603	\$1,588	\$1,606	\$1,627	\$1,666	\$1,675	\$1,678	\$1,676	\$1,678	\$1,678	\$1,677

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	2014	2015p	2016f	2017f	2018f	2019f	Average
CANADA	\$47,096.4	\$48,616.3	\$50,024.0	\$52,445.6	\$54,588.0	\$57,588.0	\$60,202.1	\$62,480.1	\$64,552.7	\$66,910.4	\$69,184.0	3.7%
% change	0.6%	3.2%	2.9%	4.8%	4.1%	5.5%	4.5%	3.8%	3.3%	3.7%	3.4%	3.7%
Newfoundland & Labrador	\$588.9	\$644.1	\$679.7	\$736.5	\$806.1	\$840.9	\$919.9	\$936.5	\$961.7	\$991.6	\$1,021.3	4.0%
	4.2%	9.4%	5.5%	8.4%	9.4%	4.3%	9.4%	1.8%	2.7%	3.1%	3.0%	4.0%
P.E.I.	\$175.1	\$184.1	\$187.5	\$192.7	\$197.2	\$204.3	\$216.8	\$224.6	\$230.9	\$236.6	\$242.3	3.5%
	-0.6%	5.1%	1.8%	2.8%	2.3%	3.6%	6.1%	3.6%	2.8%	2.5%	2.4%	3.5%
Nova Scotia	\$1,209.5	\$1,252.0	\$1,275.1	\$1,323.8	\$1,326.1	\$1,398.6	\$1,479.8	\$1,538.9	\$1,557.4	\$1,594.8	\$1,634.7	3.2%
	-0.1%	3.5%	1.8%	3.8%	0.2%	5.5%	5.8%	4.0%	1.2%	2.4%	2.5%	3.2%
New Brunswick	\$938.7	\$968.8	\$962.2	\$973.6	\$973.2	\$1,006.1	\$1,047.3	\$1,084.0	\$1,114.3	\$1,141.1	\$1,165.0	3.0%
	5.3%	3.2%	-0.7%	1.2%	0.0%	3.4%	4.1%	3.5%	2.8%	2.4%	2.1%	3.0%
Atlantic Region	\$2,912.2	\$3,049.1	\$3,104.5	\$3,226.6	\$3,302.6	\$3,449.9	\$3,663.7	\$3,784.0	\$3,864.3	\$3,964.1	\$4,063.3	3.3%
	2.4%	4.7%	1.8%	3.9%	2.4%	4.5%	6.2%	3.3%	2.1%	2.6%	2.5%	3.3%
Quebec	\$9,385.2	\$9,715.8	\$9,906.5	\$10,326.5	\$10,502.1	\$10,613.0	\$10,697.9	\$11,040.3	\$11,382.5	\$11,746.7	\$12,075.7	2.6%
	0.9%	3.5%	2.0%	4.2%	1.7%	1.1%	0.8%	3.2%	3.1%	3.2%	2.8%	2.6%
Ontario	\$17,631.8	\$18,381.4	\$19,159.0	\$20,104.4	\$20,882.0	\$22,257.9	\$23,459.8	\$24,374.8	\$25,179.2	\$26,136.0	\$27,181.4	4.1%
	0.2%	4.3%	4.2%	4.9%	3.9%	6.6%	5.4%	3.9%	3.3%	3.8%	4.0%	4.1%
Manitoba	\$1,338.6	\$1,369.9	\$1,440.1	\$1,523.9	\$1,586.3	\$1,671.0	\$1,767.9	\$1,843.9	\$1,904.8	\$1,963.8	\$2,012.9	3.8%
	3.7%	2.3%	5.1%	5.8%	4.1%	5.3%	5.8%	4.3%	3.3%	3.1%	2.5%	3.8%
Saskatchewan	\$1,357.0	\$1,428.6	\$1,506.2	\$1,620.8	\$1,714.2	\$1,801.7	\$1,895.4	\$1,971.2	\$2,030.4	\$2,097.4	\$2,164.5	3.7%
	5.4%	5.3%	5.4%	7.6%	5.8%	5.1%	5.2%	4.0%	3.0%	3.3%	3.2%	3.7%
Alberta	\$6,526.6	\$6,665.4	\$7,082.2	\$7,662.2	\$8,169.1	\$8,685.3	\$8,911.1	\$9,240.8	\$9,564.2	\$9,899.0	\$10,285.0	3.4%
	-1.4%	2.1%	6.3%	8.2%	6.6%	6.3%	2.6%	3.7%	3.5%	3.5%	3.9%	3.4%
British Columbia	\$7,796.0	\$7,846.1	\$7,663.0	\$7,819.3	\$8,259.7	\$8,937.6	\$9,608.0	\$10,021.1	\$10,421.9	\$10,849.2	\$11,196.4	4.6%
	1.1%	0.6%	-2.3%	2.0%	5.6%	8.2%	7.5%	4.3%	4.0%	4.1%	3.2%	4.6%

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	2014	2015p	2016f	2017f	2018f	2019f	Average
CANADA	1.211 3.5%	1.240 2.4%	1.275 2.9%	1.306 2.4%	1.326 1.5%	1.352 2.0%	1.390 2.8%	1.425 2.5%	1.457 2.3%	1.492 2.4%	1.527 2.3%	2.5%
Newfoundland & Labrador	1.234 5.5%	1.283 4.0%	1.322 3.0%	1.361 3.0%	1.399 2.7%	1.428 2.1%	1.481 3.7%	1.512 2.1%	1.550 2.5%	1.588 2.5%	1.628 2.5%	2.7%
P.E.I.	1.180 2.8%	1.222 3.6%	1.265 3.5%	1.299 2.7%	1.313 1.1%	1.314 0.1%	1.356 3.2%	1.389 2.4%	1.422 2.4%	1.456 2.4%	1.491 2.4%	2.6%
Nova Scotia	1.270 4.6%	1.302 2.5%	1.351 3.8%	1.363 0.9%	1.385 1.7%	1.403 1.3%	1.462 4.2%	1.496 2.3%	1.531 2.4%	1.565 2.2%	1.601 2.3%	2.7%
New Brunswick	1.217 4.2%	1.259 3.5%	1.307 3.8%	1.331 1.8%	1.356 1.9%	1.379 1.7%	1.413 2.5%	1.447 2.4%	1.482 2.4%	1.516 2.3%	1.551 2.3%	2.4%
Atlantic Region	1.241 4.5%	1.280 3.2%	1.327 3.6%	1.349 1.7%	1.375 1.9%	1.395 1.5%	1.444 3.5%	1.477 2.3%	1.513 2.4%	1.547 2.3%	1.584 2.3%	2.6%
Quebec	1.210 3.8%	1.231 1.7%	1.270 3.1%	1.315 3.6%	1.344 2.2%	1.392 3.5%	1.436 3.2%	1.472 2.5%	1.512 2.7%	1.551 2.6%	1.589 2.4%	2.7%
Ontario	1.214 3.6%	1.233 1.5%	1.260 2.2%	1.289 2.3%	1.314 2.0%	1.331 1.3%	1.360 2.2%	1.393 2.4%	1.427 2.4%	1.461 2.4%	1.496 2.4%	2.4%
Manitoba	1.228 2.7%	1.262 2.8%	1.289 2.2%	1.320 2.4%	1.364 3.3%	1.407 3.1%	1.460 3.8%	1.498 2.6%	1.534 2.4%	1.571 2.4%	1.606 2.2%	2.7%
Saskatchewan	1.245 4.9%	1.278 2.7%	1.314 2.8%	1.327 1.0%	1.364 2.8%	1.399 2.6%	1.437 2.7%	1.473 2.5%	1.508 2.4%	1.544 2.4%	1.581 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%	1.356 2.3%	1.401 3.3%	1.440 2.8%	1.480 2.8%	1.520 2.7%	1.560 2.6%	2.8%
British Columbia	1.182 2.7%	1.202 1.7%	1.236 2.8%	1.262 2.1%	1.289 2.1%	1.315 2.0%	1.346 2.4%	1.379 2.4%	1.412 2.4%	1.444 2.3%	1.477 2.3%	2.4%

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	2014	2015p	2016f	2017f	2018f	2019f	Average	
CANADA	\$38,898.6	\$39,222.5	\$39,237.1	\$40,157.5	\$41,167.4	\$42,597.3	\$43,318.0	\$43,860.6	\$44,296.7	\$44,838.5	\$45,319.8	1.2%	
% change	-2.8%	0.8%	0.0%	2.3%	2.5%	3.5%	1.7%	1.3%	1.0%	1.2%	1.1%	1.2%	
Newfoundland & Labrador	\$477.4	\$502.1	\$514.2	\$541.0	\$576.3	\$588.8	\$621.2	\$619.4	\$620.6	\$624.2	\$627.3	1.3%	
	-1.2%	5.2%	2.4%	5.2%	6.5%	2.2%	5.5%	-0.3%	0.2%	0.6%	0.5%	1.3%	
P.E.I.	\$148.5	\$150.7	\$148.2	\$148.4	\$150.1	\$155.4	\$159.8	\$161.7	\$162.3	\$162.5	\$162.5	0.9%	
	-3.3%	1.5%	-1.7%	0.1%	1.2%	3.5%	2.8%	1.2%	0.4%	0.1%	0.0%	0.9%	
Nova Scotia	\$952.6	\$962.0	\$944.1	\$971.5	\$957.3	\$996.9	\$1,012.2	\$1,029.0	\$1,017.0	\$1,018.9	\$1,020.9	0.5%	
	-4.5%	1.0%	-1.9%	2.9%	-1.5%	4.1%	1.5%	1.7%	-1.2%	0.2%	0.2%	0.5%	
New Brunswick	\$771.4	\$769.3	\$736.1	\$731.5	\$717.8	\$729.8	\$741.2	\$749.1	\$752.1	\$752.8	\$751.3	0.6%	
	1.0%	-0.3%	-4.3%	-0.6%	-1.9%	1.7%	1.6%	1.1%	0.4%	0.1%	-0.2%	0.6%	
Atlantic Region	\$2,346.9	\$2,381.8	\$2,340.3	\$2,391.7	\$2,402.6	\$2,473.4	\$2,537.7	\$2,562.1	\$2,554.7	\$2,561.6	\$2,565.6	0.7%	
	-2.0%	1.5%	-1.7%	2.2%	0.5%	2.9%	2.6%	1.0%	-0.3%	0.3%	0.2%	0.7%	
Quebec	\$7,754.7	\$7,889.9	\$7,803.5	\$7,853.3	\$7,812.2	\$7,625.2	\$7,447.9	\$7,498.7	\$7,527.9	\$7,572.0	\$7,601.6	-0.1%	
	-2.8%	1.7%	-1.1%	0.6%	-0.5%	-2.4%	-2.3%	0.7%	0.4%	0.6%	0.4%	-0.1%	
Ontario	\$14,520.8	\$14,907.9	\$15,207.6	\$15,595.9	\$15,886.9	\$16,720.6	\$17,244.2	\$17,496.8	\$17,650.5	\$17,891.9	\$18,171.4	1.7%	
	-3.2%	2.7%	2.0%	2.6%	1.9%	5.2%	3.1%	1.5%	0.9%	1.4%	1.6%	1.7%	
Manitoba	\$1,090.1	\$1,085.6	\$1,117.1	\$1,154.3	\$1,162.9	\$1,187.6	\$1,210.5	\$1,230.6	\$1,241.4	\$1,249.9	\$1,253.5	1.1%	
	1.0%	-0.4%	2.9%	3.3%	0.7%	2.1%	1.9%	1.7%	0.9%	0.7%	0.3%	1.1%	
Saskatchewan	\$1,090.0	\$1,117.5	\$1,146.7	\$1,221.2	\$1,256.9	\$1,287.9	\$1,319.2	\$1,338.5	\$1,346.4	\$1,358.2	\$1,368.8	1.2%	
	0.5%	2.5%	2.6%	6.5%	2.9%	2.5%	2.4%	1.5%	0.6%	0.9%	0.8%	1.2%	
Alberta	\$5,402.8	\$5,345.2	\$5,602.6	\$5,964.4	\$6,165.4	\$6,404.7	\$6,361.3	\$6,417.0	\$6,460.7	\$6,511.0	\$6,593.5	0.6%	
	-4.4%	-1.1%	4.8%	6.5%	3.4%	3.9%	-0.7%	0.9%	0.7%	0.8%	1.3%	0.6%	
British Columbia	\$6,597.4	\$6,527.5	\$6,199.8	\$6,195.9	\$6,407.8	\$6,797.8	\$7,136.4	\$7,268.8	\$7,382.4	\$7,512.3	\$7,578.3	2.2%	
	-1.5%	-1.1%	-5.0%	-0.1%	3.4%	6.1%	5.0%	1.9%	1.6%	1.8%	0.9%	2.2%	

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

Economic Forecasts (Year-over-Year Growth) Canada

	2009	2010	2011	2012	2013	2014	2015p	2016f	2017f	2018f	2019f	Average
Real GDP	-2.7%	3.4%	3.0%	1.9%	2.0%	2.4%	1.6%	2.1%	2.2%	2.2%	2.0%	2.0%
Disposable Income	2.0%	3.7%	4.5%	4.2%	3.8%	3.4%	3.5%	3.1%	3.8%	3.7%	3.9%	3.6%
Employment	-1.6%	1.4%	1.5%	1.3%	1.4%	0.6%	0.8%	1.1%	1.3%	1.2%	1.1%	1.1%
Unemployment Rate*	8.3%	8.0%	7.5%	7.3%	7.1%	6.9%	6.9%	6.9%	6.7%	6.3%	6.0%	6.5%
Exchange Rate (USD per CAD)	\$0.876	\$0.971	\$1.011	\$1.001	\$0.971	\$0.905	\$0.805	\$0.812	\$0.840	\$0.858	\$0.864	\$0.836
Retail Sales	-2.9%	5.6%	4.0%	2.5%	3.2%	4.6%	2.2%	3.8%	2.8%	3.1%	3.0%	3.0%
Consumer Price Index*	0.3%	1.8%	2.9%	1.5%	0.9%	1.9%	1.5%	2.3%	2.1%	2.1%	2.1%	2.0%
Real GDP - United States	-2.8%	2.5%	1.6%	2.3%	2.2%	2.4%	2.2%	3.1%	2.9%	2.7%	2.6%	2.7%

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

Copyright 2015. All rights reserved including the right of reproduction in whole or in part in any form.