

January 27, 2025

The Honourable David Eby
Premier of British Columbia
PO BOX 9041 STN PROV GOVT
Victoria, BC V8V 9E1

VIA EMAIL

Dear Premier Eby:

Restaurants Canada is deeply concerned about the potential impacts of a tariff dispute between the US and Canada on British Columbia's 15,000 foodservice businesses, that directly employ more than 190,000 British Columbia workers.

Our industry depends on the United States for numerous food and beverage products, as well as other key products for the operation of their businesses. **While this is not an exhaustive list, we are most concerned about poultry, fresh fruits and vegetables, paper products, food-safe packaging, and cleaning products.** Tariffs and/or other measures targeting the above items would bring harm to our already fragile industry.

Food is a necessity and a product that Canadians can't do without. Food affordability is already an issue in Canada and the tariff dispute threatens to place further stress on our food security. Because of this, food products deserve special consideration in government deliberations during this dispute.

A large portion of our membership is also concerned about alcohol products. We are working to assess the likely impact of measures that could target American-sourced alcohol, particularly spirits and wine.

Our industry is vulnerable and has no capacity to absorb further cost increases because of retaliatory tariffs on goods we rely on. 53% of Canada's restaurant companies are losing money or barely breaking even, versus 12% in 2019.

Like households, Canadian restaurants have experienced a massive surge in costs over the past two years alone: 25% higher food costs, 18% higher labour costs, 24% higher insurance costs, 20% higher utilities costs, and 22% higher for other operating expenses.

As the fourth largest private sector employer in the country, with 1.2 million employees nationwide, we are also concerned that tariffs on food could result in widespread job losses.

How your government can work with our industry to protect jobs

1. Where possible, avoid retaliatory measures that have specific ramifications for foodservice businesses and work with Ottawa to protect against US sponsored measures. Where unavoidable, please work with our industry to identify offsetting measures that can help protect our sector.
2. If tariffs are placed on products that result in job losses, we urge you to work with Ottawa to utilize the Employment Insurance system to provide wage support, as was successfully done during COVID. This would minimize long-term impacts by maintaining the connection of employees to the workplace and limit the impact on community organizations such as foodbanks.
3. The threat of this trade dispute illustrates the lack of progress made on reducing interprovincial trade barriers, since the last tariff dispute, to improve food security for Canadians. We stand ready to work with your government to identify internal trade barriers whose removal could result in strengthening our economy, freeing the flow of goods across the country and improving Canadians' quality of life.

Restaurants Canada supports a united Team-Canada approach to any potential dispute. Again, we thank you for your support and leadership during a time of crisis and look forward to discussing these recommendations with you.

Sincerely,



Mark von Schellwitz

Vice President, Western Canada,
Restaurants Canada

- cc. The Honourable Brenda Bailey, Minister of Finance
The Honourable Diana Gibson, Minister of Jobs, Economic Development & Innovation
The Honourable Garry Begg, Minister of Public Safety & Solicitor General
The Honourable Lana Popham, Minister of Agriculture & Food
The Honourable Spencer Chandra Herbert, Minister of Tourism, Arts, Culture & Sport