



# Canada: Food Service Equipment Opportunities

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## Market Overview

With a growth rate forecast of six to seven percent through 2010, many opportunities lie ahead for U.S. suppliers of commercial food service equipment. In 2008, the Canadian commercial food service equipment industry, which includes a wide variety of restaurant and other commercial and institutional equipment to prepare food and beverages, grew to an estimated value of \$US 1.6 billion.

The commercial food service equipment industry is a largely import-based market, in which total imports account for eighty-one percent of the total market share, valued at \$US 1.3 billion. The United States is by far Canada's largest supplier, representing sixty-seven percent of total imports, followed by Mexico, China, and South Korea.

Demand for commercial food service equipment depends on the economic health of the food service industry. While consumer spending is decreasing in Canada, the food service market is estimated to grow 6-7% over the next two years. According to Statistics Canada, in June 2008, commercial food service sales were estimated at \$US 50 billion. Growth is particularly strong in Ontario, Nova Scotia, and Saskatchewan. Best prospect products include "green-strategy" equipment and equipment for the quick-service sector.

While some food service equipment manufacturers sell directly to clients with their own sales force and distribution operations, others use general sales agents, and manufacturers' representatives. When creating a distribution network in Canada, U.S. manufacturers should consider establishing representation in different regions of the country.

Canada presents no significant barriers to imports of commercial food service equipment from the United States. All imported products must comply with safety regulations, such as electrical standards, and meet French-English bilingual labeling requirements. Imports must pay a Federal Goods and Services Tax of five percent of the duty-paid value of imported merchandise to the Canada Revenue Agency at the time of import. In addition, each province assesses a similar provincial value-added tax.

## Best Prospects for Opportunities

Food service operators must deal with rising energy costs and slowing growth in customer demand, therefore their operations must be as lean as possible, and equipment that offers the latest in technology and design will be most competitive. The "green" trend is expanding in the food industry and extending to food service equipment. Sustainable building designs and equipment are becoming more common among food service operators. Overall, the focus on innovation and technology should benefit U.S. suppliers who are able to meet the needs of end-users in terms of pricing, energy and speed efficiency, and innovation. The highest demand in food service

equipment includes equipment for heating food and drink, electric coffee/tea making machines, dishwashing machines and non-portable electric cookers, grillers and roasters.

### **Meet Canadian Distributors and Agents at NRA Show**

The U.S. Commercial Service's International Buyer Program brings together thousands of international buyers each year to meet with U.S. manufacturers and exporters at major trade shows in the United States. We invite you to come meet the Canadian delegation attending the [National Restaurant Association Show](#), May 16-19 2009 in Chicago, Illinois. The [NRA Show](#) is the largest hotel, restaurant, and retail show in the western hemisphere, with over 50 000 attendees from 100 countries and 2000 exhibitor corporations last year. A large delegation of Canadian distributors, agents, and hospitality industry owners and executives will be attending this trade show. This will present an excellent opportunity to create critical business deals and expand into the growing Canadian market for commercial food service equipment. For further information and/or to register for this event, visit: <http://www.buyusa.com/canada/en/natlrestshow.html> or contact [Connie Irrera](#), Commercial Specialist, at the US Consulate General in Montreal.

### **Resources & Contacts**

Following is a list of the major events/trade shows in Canada for the commercial food service sector:

Canada Restaurant and Food Association Show  
March 8-10, 2009  
Direct Energy Centre  
Toronto, Ontario  
[www.crfa.ca/trandeshow/crafashow](http://www.crfa.ca/trandeshow/crafashow)

Hotel and Restaurant Suppliers Association Salon Rendez-Vous Show  
February 8-10, 2009  
Place Bonaventure  
Montreal, Quebec  
<http://afhrgolive.com/SalonHRI2009/index.html>

Salon Rest-Hote  
October 4-6, 2009  
Centre de Foires de Québec  
Québec City, Québec  
<http://www.rest-hote.com>

More details can be found at:

[Canada Border Services Agency](#)

[Canadian Standards Association](#)

[Canadian Restaurant and Food services Association](#)

[Hotel and Restaurant Suppliers Association](#)

[Food Service and Hospitality Magazine](#)

### **For More Information**

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### **Canada First – Building Bridges to Prosperity**

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