



Retail Cannabis Coast-to-Coast Regulator Tour

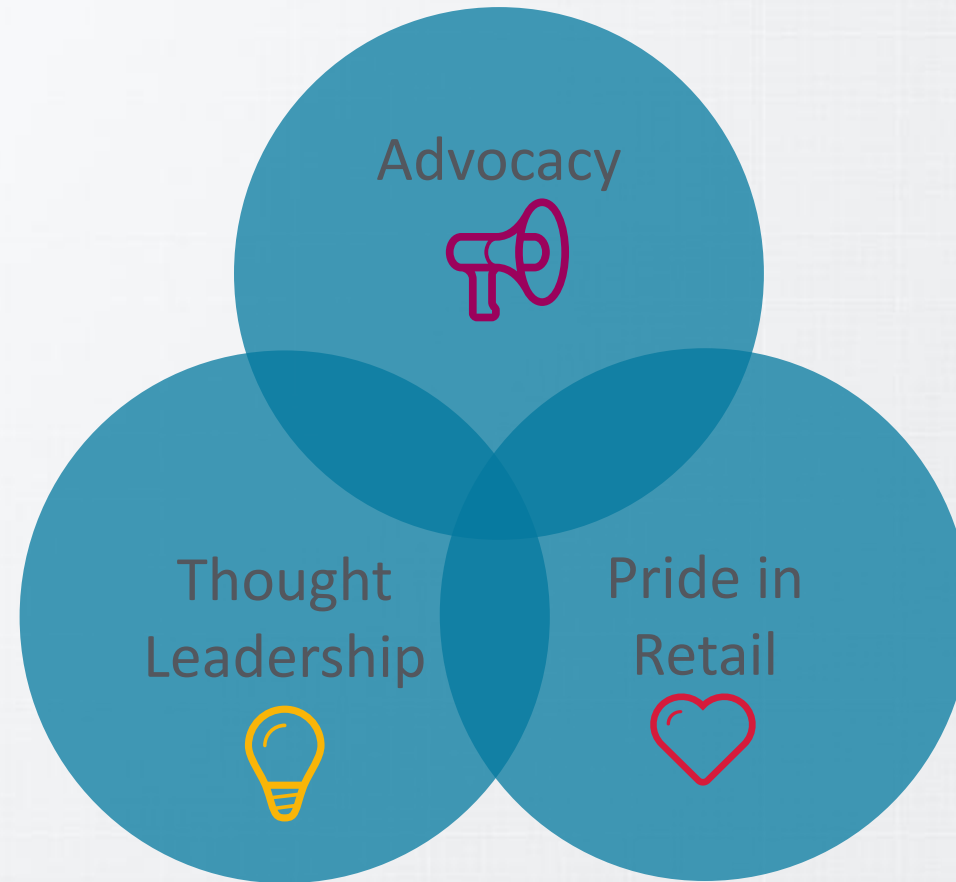
March 26, 2019

Note: This briefing does not contain nor is it intended as legal advice

RCC RETAIL
COUNCIL
OF CANADA

CCCD CONSEIL CANADIEN
DU COMMERCE
DE DÉTAIL

Retail Council of Canada's three pillars



Advocacy: Fighting for Retailers in Canada at all three levels of government

- Contain and reduce direct and indirect operating **costs**.
- Government policy that promotes sector **growth**.
- Promote and protect the **reputation** of retail.
- Identify opportunities for **harmonization**.



Advocacy: 10 key areas

RCC manages 10 key areas where government regulations and policies impact its members' business.



Canada: Retail By the Numbers



\$375.4 Billion
in Core Retail Sales in 2018.



145,200 +
storefronts in Canada



11.5 %
of Canada's workforce
works in Retail. That's
2,138,000 Canadians.



\$6.5 Billion
in capital expenditures for 2018



\$22.54/HR
Canada's average hourly retail
salary in 2017



\$75.6 Billion
in total annual salaries paid in
2017.

Maritime Provinces



\$23.6 Billion
in Core Retail Sales in 2018.



11,173+
storefronts in the Maritimes



152,200 Canadians work in retail

Highlights: Newfoundland

- Appreciate the opportunity to add \$6Million in tax dollars annually and recognize the struggle with 8% commission structure in current environment

“ I will say, based on what we've seen, I have given direction to the NLC to look at possible mitigation.”

- *Finance Minister Tom Osborne*

Highlights: New Brunswick & Nova Scotia

- Innovation within the government model e.g. Click & Collect, shared facilities (but separate) with NSLC locations
- Given March 8 Health Canada letter to LPs re: online age validation, NS online age validation model may come under some observation

Québec: Le commerce de détail en chiffres



81,1 milliards \$

Le montant total des ventes au détail annuelles au Québec en 2018



33 390 +

Le nombre de magasins au Québec



11,8 %

C'est 503 400 travailleurs canadiens.

Highlights:

- CAQ government is not a fan of cannabis
- Planning to increasing legal age for cannabis to 21
- All rights to sell cannabis, edibles and any Paraphernalia (t-shirts, lighter, pipe, etc.) that shows a leaf the word cannabis, pot or 420 reside with the SQDC.

Ontario: Retail By the Numbers



\$141.1 Billion
in Core Retail Sales in 2018



52,150 +
storefronts in Ontario



11.2 %
of Ontario's workforce works in
Retail. That's 814,200 Canadians.

Highlights:

- Mid-long term optimism with no cap on number of stores, second round of lottery end 2019, minimal municipal secondary regulations
- 77 municipalities opted-out but “wait and see” dominated conversation

Manitoba/Saskatchewan: Retail By the Numbers



\$24.2 Billion
in Core Retail Sales in 2018



9,655 +
storefronts in Manitoba



135,00 Canadians employed
In Retail

Highlights:

- **Manitoba** opening up seven new municipalities and within existing framework and working with the local governments
- Retailers chosen randomly from 100 pre-qualified applicants
- **Saskatchewan** sees launch of packaging recycling program
- Licensed employees as drivers for home regional rural delivery

Alberta: Retail By the Numbers



\$47.7 Billion
in Core Retail Sales in 2018



17,540 +
storefronts in Alberta



10.6 %
of Alberta's workforce works in
Retail. That's 247,100 Canadians.

Highlights:

- Election April 16 with Kenney's UCP party ahead 51.5% v. 34.8% NDP in the polls
- Many, many big issues in a 28 day election means cannabis not a priority or even visible in the platforms
- From within the ministry: "We will continue to take it slow and stick closely to the federal regulations once they have been finalized. Alberta Liquor and Gaming will continue to have responsibilities, and we don't see deviating dramatically from our current approach."

British Columbia: Retail By the Numbers



\$55.7 Billion
in Core Retail Sales in 2018



20,800 +
storefronts in British Columbia



11.5 %
of B.C.'s workforce works in Retail.
That's 286,200 Canadians.

Highlights:

- BC Government very consistent in B.C. Liquor Distribution Branch as sole wholesaler
- Sensitive to local governments who will be themselves becoming used to the regulatory regime e.g. local bylaws that prohibit opaque windows where cannabis retail requires opaque windows
- Many big files to be dealt with beyond cannabis