



# Franchising

## MARKET OVERVIEW

Canada has nearly 80,000 franchises operating nationwide under more than 1,000 brand names and contributing over US\$85.4 billion to Canada's GDP. Canada is home to the second largest franchise market worldwide, second only to the United States and the largest per capita franchise market, with a national population of only 31.6 million.

Home to many large U.S.-based franchises, over 60% of Canadian franchise systems are Master Licensees of U.S. franchise systems. Most U.S. franchises are successful in Canada once they have correctly adjusted to the Canadian marketplace.

## REGULATIONS

Of the 10 Canadian provinces, only Ontario, Alberta, and Prince Edward Island have provincial disclosure requirements. Legislation has been introduced in the province of New Brunswick; however, this has not been enacted and is awaiting approval.

The disclosure requirements within Ontario, Alberta and Prince Edward Island are similar to the Federal Disclosure Document (FDD) requirement. The franchise law committee of the Uniform Law Conference of Canada has developed a uniform model of franchise law for all provinces to adopt, but not required to use. Prince Edward Island and New Brunswick's franchise laws are based on this model.

## MARKET FACTS

As in the United States, the most important factor for franchise trends is demographics. The Canadian Franchise Association reiterates the importance of the baby boomers pointing out that the largest market for potential franchisees are people between their 40s and 60s. Other key factors include:

Brand recognition  
Industry Experience

Franchisor Support  
Franchise fees

Unique Concept  
Family can work in the business

[More information](#) on Franchise trends, characteristics and Canadian motivation for purchasing franchises is available.

Franchise Sectors experiencing growth in Canada include:

Health & Fitness- including home health care & nutrition  
Pets- sales, supplies & services

Landscaping/Environmental  
Education Services

## CANADA FIRST - BUILDING BRIDGES TO PROSPERITY!

For more information on doing business in Canada, U.S. companies should contact the U.S. Commercial Service in Canada (CS Canada). CS Canada offers a variety of resources and services (including market research, agent/distributor searches, corporate matchmaking, etc.) to assist U.S. exporters of non-agricultural products entering new markets. The Canadian market in particular represents a good "first step" for new-to-export companies seeking a new and exciting opportunity, and we welcome the chance to assist you.

We hope that you find this information useful. If you would like further information, please contact [Cheryl.Schell@mail.doc.gov](mailto:Cheryl.Schell@mail.doc.gov).  
Visit our website [www.BuyUSA.gov/Canada](http://www.BuyUSA.gov/Canada) to discover other commercial opportunities in Canada.