

Economic Impact Analysis of Recreational Boating in Canada: 2001

Executive Summary

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Prepared for:

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National Highlights

In 2001, recreational boaters spent \$7.1 billion pursuing their avocation. Net of expenditures on imported products and services of \$2.5 billion, a total of \$4.6 billion was spent in Canada by recreational boaters in that year.

An additional amount of \$3.9 billion in inputs were spent on top of that \$4.6, bringing the total of direct and indirect expenditures on recreational boating to \$8.5 billion in 2001.

Recreational boating either directly or indirectly accounted for 84,000 full time equivalent jobs in 2001. The total payroll associated with those jobs was \$2.6 billion. The average wage was \$31,000.00.

Expenditures by those directly and indirectly employed by the industry in 2001 generated further economic activity, creating more jobs. These “induced impacts” are estimated to have added a further 26,000 full-time equivalent jobs to the economy, and accounted for a further \$3.0 billion of economic activity, ultimately stimulated by the recreational boating sector.

The combination of these direct and indirect expenditures of \$8.5 billion, together with the “induced effects” from this economic activity, yielded an industry that generated gross economic output of \$11.5 billion in 2001. This figure represents the sum of all economic activity directly or indirectly associated with recreational boating, or induced by the ripple effects of direct and indirect expenditures washing across the economy.

Gross domestic product (GDP) measures only the value-added contribution of various players in each industry impacted. As such, GDP calculations avoid the “double counting” issues associated with measuring gross output. The Canadian recreational boating industry contributed \$7.1 billion to the nation’s GDP in 2001. That represents 0.7% of total GDP.

Income taxes paid by those employed directly and indirectly totalled \$500 million. Those tax revenues accruing to government do not include the revenues governments would receive from the industry by way of sales taxes, corporate taxes or other forms of direct taxation.

Those employed in the industry, like all other Canadians, consume services provided by all three levels of government. These services come in two kinds.

One kind is general in nature and available to all Canadians, including such services as education and health care. The other kind of service is more industry specific, such as search and rescue services. This and other sector-specific government services contribute to the economic health and well being of the industry as a whole. As such, they provide benefits for those employed or otherwise engaged in the industry and its activities. The value of these two kinds of services rendered by governments for the direct and indirect benefit of recreational boaters and those employed in the industry is estimated at \$123 million.

Manufacturing accounted for \$689 million worth of total GDP, and 9,535 of the 84,000 full time equivalent jobs in the sector.

Recreational boating activities are conservatively estimated to have generated at least \$2.16 billion worth of gross domestic output in the Canada's tourism sector in 2001. This level of activity will have been responsible for the generation of 27,785 full-time equivalent jobs in the Canadian tourism industry.

Sector Highlights

- Recreational Fishing accounts for:
 - \$4.2 billion worth of the sectors' gross output;
 - \$730m worth of manufacturing gross output; and,
 - 41,862 full-time equivalent jobs, of which 3,232 are in manufacturing.
- Power boating accounts for:
 - \$2.9 billion worth of the sectors' gross output;
 - \$761 million worth of manufacturing; and,
 - 30,257 full-time equivalent jobs, 3,691 of which are in manufacturing.
- Sail boating accounts for:
 - \$400 million worth of the sectors' gross output;
 - \$65 million worth of manufacturing; and,
 - 4,370 full-time equivalent jobs, 336 of which are in manufacturing.
- PWC's account for:
 - \$783 million worth of the sectors' gross output;
 - \$397 million worth of manufacturing; and,
 - 6,259 full-time equivalent jobs, 1,920 of which are in manufacturing.
- Human powered water craft account for:
 - \$92 million worth of the sectors' gross output;
 - \$31 million worth of manufacturing; and,
 - 983 full-time equivalent jobs, 174 of which are in manufacturing.

Regional Highlights

Even excluding recreational fishing activities:

- In BC, recreational boating is responsible for generating:
 - \$1.439 billion in gross output;
 - 14,995 full-time equivalent jobs, 1,813 of which are in manufacturing; and,
 - \$476 million in total labour force income;
- On the Prairies, recreational boating is responsible for generating:
 - \$1.366 billion in gross output;
 - 11,882 full-time equivalent jobs, 800 of which are in manufacturing; and,
 - \$349 million in total labour force income;
- In Ontario, recreational boating is responsible for generating:
 - \$3.019 billion in gross output;
 - 31,288 full-time equivalent jobs, 2,396 of which are in manufacturing; and,
 - \$996 million in total labour force income;
- In Quebec, recreational boating is responsible for generating:
 - \$2.169 billion in gross output;
 - 20,693 full-time equivalent jobs, 3,560 of which are in manufacturing; and,
 - \$633 million in total labour force income
- In the Atlantic provinces, recreational boating is responsible for generating:
 - \$460 million in gross output;
 - 5,187 full-time equivalent jobs, 686 of which are in manufacturing; and,
 - \$141 million in total labour force income.

A ten percent increase in any one of these activities could lead to a roughly proportional increase in the economic impact, if that increase were spread across more frequent trips by established boaters as well as the attraction of a modest additional number of boaters to any of the recreational boating activities.

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