

ECONOMIC IMPACT STUDY

Ottawa International Airport

Prepared for the Ottawa International Airport Authority
by LeighFisher Canada Inc.
2011

International Airport
Authority



Administration de
l'aéroport international



Highlights

Direct employment >>> 4,964

Total employment >>> 10,325

Direct labour income >>> \$271 million

Total labour income >>> \$581 million

Direct gross output >>> \$1.12 billion

Total gross output >>> \$2.26 billion

AIRPORT OVERVIEW

Situated in the nation's capital, the Ottawa Macdonald-Cartier International Airport is located 14 kilometers south of Ottawa's city centre. The airport is one of twenty-six nationally significant airports considered essential to Canada's air transportation system, and is the 6th largest in the country based on passenger volume. It is open twenty-four hours a day and is operated by the Ottawa Macdonald-Cartier International Airport Authority. The Authority operates the airport without government subsidies under a 60-year lease transfer agreement with Transport Canada.

The Airport Authority's mandate is to manage, operate and develop airport facilities and lands in support of the economic growth of the National Capital Region.



WHAT IS ECONOMIC IMPACT?

An economic impact study is a means of providing a measure of an airport's current activity, importance and purpose, as well as the benefits associated with the airport.

The purpose of measuring the economic impact at the Ottawa International Airport is to heighten business and community awareness of the airport and its contribution to the economic well being of the country. It also identifies economic linkages between the aviation industry and other sectors of the economy.

This economic impact study was completed using data from 2010. Since the last study in 2008, the Ottawa International Airport has seen growth in traffic and has implemented its capital investment plan in response to capacity utilization trigger points set to meet growing demand.

The Input-Output Method

The input-output method of determining economic impact measures three separate effects: direct, indirect and induced economic impacts.

>>> Direct Economic Impact

Direct Economic Impact results from activities carried out by firms and others with a direct involvement in the operation and management of the airport and associated aviation related services. The distinguishing feature of a direct impact is that it is an immediate consequence of airport activities. Most direct impacts are generated on-site.

>>> Indirect Economic Impact

Indirect Economic Impact is attributable to non-aviation industries largely off-site, which result because of the airport activity e.g., travel agencies, hotels, etc. This economic activity would not take place in the absence of the airport.

>>> Induced Economic Impact

Induced Economic Impact is the multiplier effect that results from the re-spending of the direct and indirect impacts, such as the purchase of a new vehicle, or renovations to one's residence.

Measuring Economic Impact

Economic impacts can be measured and quantified in several different ways.

>>> Employment

Employment includes the number of full-time equivalent workers based on a 40-hour work week.

>>> Labour Income

Labour Income includes the salaries and wages of a given workforce.

>>> Gross Output

Gross Output includes the total revenues from output including materials and supplies.

>>> Tax Revenues

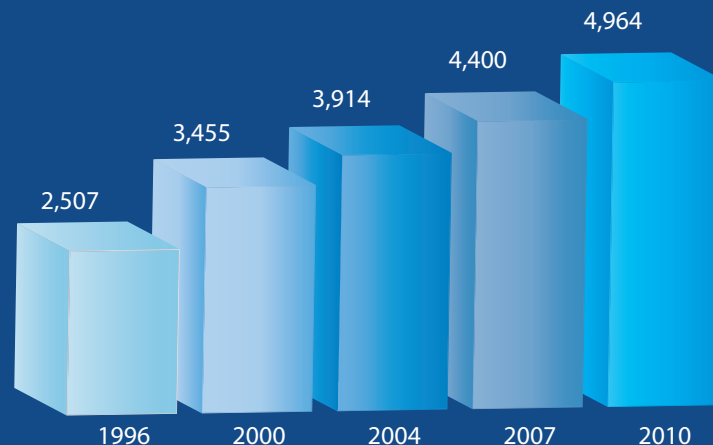
Tax Revenues include all taxes generated by the airport's operations, such as personal income tax, retail sales tax, fuel taxes, property taxes, etc.

EMPLOYMENT

>>> Direct Employment

Direct employment accounts for 4,964 full-time equivalent (FTE) employees working at the airport campus. This represents an increase of 13% over the 4,400 full-time employees recorded in 2007.

Direct Full-Time Employment at the Ottawa International Airport >>>



>>> Indirect & Induced Employment

Indirect employment resulting from activities at the airport is estimated at 2,780 FTE, while induced employment resulting from activities at the airport is estimated at 2,581 FTE.

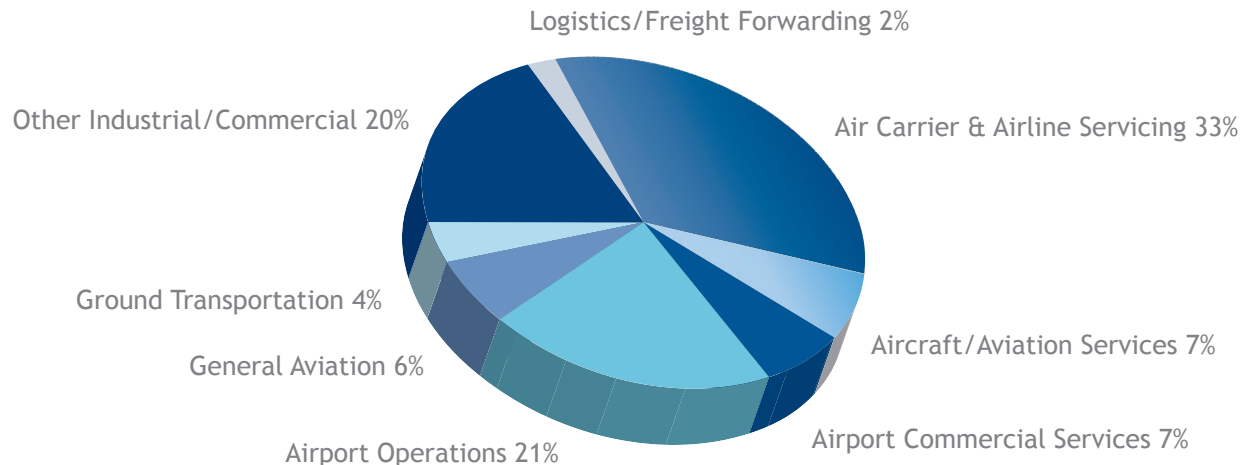
For every 10,000 passengers, there are 11.1 direct full-time jobs.

Each increase of one million passengers at the airport directly employs 1,110 people on a full-time basis.

2010 Employment Impacts at the Ottawa International Airport >>>

Economic Impact	Employment (FTE)	Employment per 10,000 passengers
Direct	4,964	11.1
Indirect & Induced	5,361	12.0
Total	10,325	23.1

Distribution of Direct Employment at the Ottawa International Airport >>>



Labour Income

>>> Direct Labour Income

It is estimated that activity at the airport directly contributes \$271.3 million in labour income. This is equivalent to an average of \$54,662 per FTE.

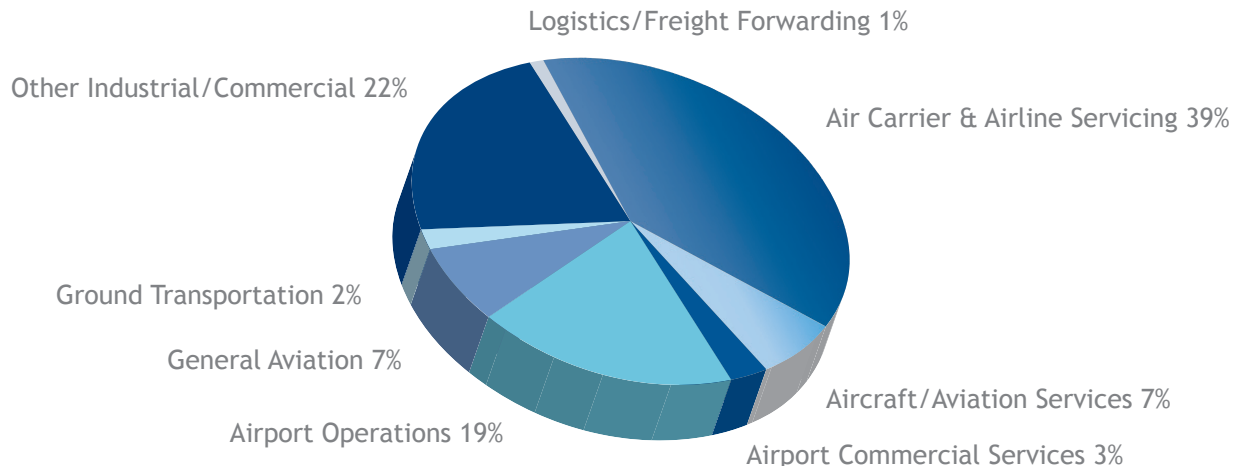
>>> Indirect & Induced Labour Income

Indirect labour income resulting from activities at the airport is estimated at \$145.4 million, while induced labour income resulting from activities at the airport is estimated at \$163.9 million.

2010 Labour Income Impacts at the Ottawa International Airport >>>

Economic Impact	Total Labour Income
Direct	\$271.3 M
Indirect & Induced	\$309.3 M
Total	\$580.6 M

Distribution of Labour Income the Ottawa International Airport >>>



Output

>>> Direct Output

Activity at the airport directly contributes \$1.1 billion in direct output. This means that each full-time employee at the airport produces approximately \$225,000 in direct gross output. Put another way, there is approximately \$250 in gross output generated on a per passenger basis.

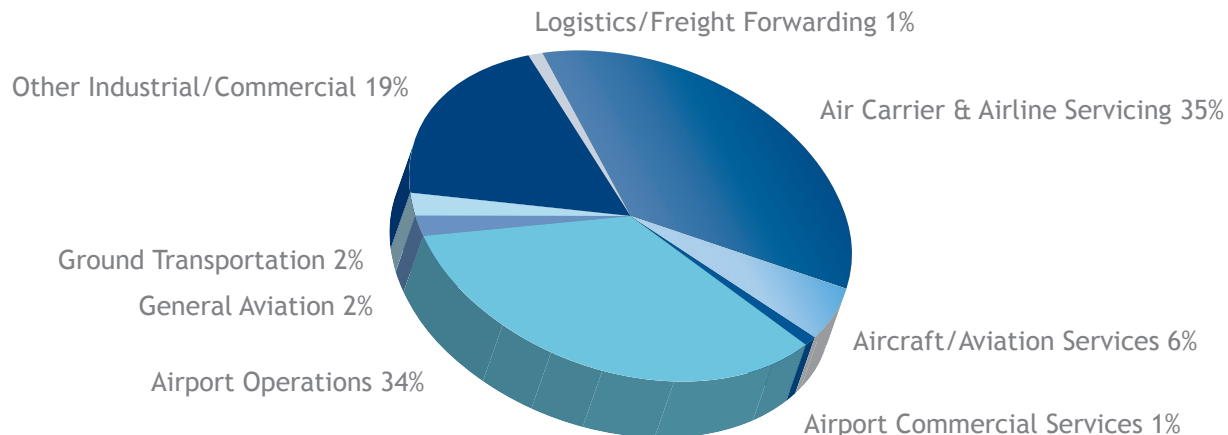
>>> Indirect & Induced Output

Indirect output resulting from activities at the airport is estimated at \$626 million, while induced output resulting from activities at the airport is estimated at \$515 million.

2010 Gross Output Impacts at the Ottawa International Airport >>>

Economic Impact	Total Gross Output
Direct	\$1,118 M
Indirect & Induced	\$1,141 M
Total	\$2,259 M

Gross Output at the Ottawa International Airport >>>



GDP

>>>Direct GDP

It can be concluded that \$1.1 billion in direct output is equivalent to \$503 million in GDP.

>>> Indirect GDP

Indirect GDP resulting from activities at the airport is estimated at \$302 million, while induced GDP resulting from activities at the airport is estimated at \$267 million.

2010 GDP Impacts at the Ottawa International Airport >>>

Economic Impact	Total GDP
Direct	\$503 M
Indirect & Induced	\$569 M
Total	\$1,072 M

Taxes

The Ottawa International Airport receives no government subsidies, yet airport activities generated nearly a quarter of a billion dollars in taxes during 2010.

Taxes Remitted to Various Levels of Government in 2010 >>>

Type of Tax	Amount
Direct personal income taxes	\$46 M
Retail tax (employee spending)	\$10 M
Retail tax (on airfares incl. fees, and retail and concessions)	\$58 M
Corporate income tax	\$43 M
CPP (employer & employee)	\$19 M
EI (employer & employee)	\$10 M
WCB (employer)	\$6 M
Air travellers security charge	\$23 M
Ground rent	\$6 M
Payment in lieu of taxes	\$5 M
Property taxes (tenants)	\$4 M
Aviation fuel tax	\$17 M
Total	\$247 M