

2010 ECONOMIC IMPACT SUMMARY



YLW is a major contributor to the British Columbia economy. YLW plays a key role in facilitating the growth of trade and tourism between British Columbia, the rest of Canada and the world by providing air links to connect Kelowna and the Thompson-Okanagan to other business centres and destinations. YLW is one of the top 10 airports in Canada, with passenger throughput of nearly 1.4 million in 2010. Air services from YLW include 62 daily non-stop flights to destinations in Canada, U.S. and the Caribbean. Passengers are provided with access to 375 destinations worldwide with one connection from YLW.



Enplaned and Deplaned Passengers (Thousands)



Compound Annual Growth Rate=5.2%

Source: Kelowna International Airport Annual Report, 2010

What is economic impact?

Economic impact is a measure of the spending and employment associated with a sector of the economy, a specific project, or a change in government policy or regulation. There are three types of economic impact:

- ▶ **Direct:** Includes on-site firms at the airport and airport dependent off-site firms
- ▶ **Indirect:** Includes down-stream industries that are supported by YLW (e.g., suppliers to airport businesses)
- ▶ **Induced:** Employment generated from expenditures by individuals employed directly or indirectly (e.g., spending on home renovation by airport employee)

YLW handles over 1.3 million enplaned & deplaned passengers per year



Estimating current economic impact

- ▶ **Direct impact** based on survey of 118 on-site and off-site firms
- ▶ **Indirect and induced impact** estimated based on Statistics Canada economic multipliers for B.C.
- ▶ Multiplier impacts should be interpreted with caution (**direct impacts** are more accurate)

YLW generates significant economic impact in BC

- ▶ 1,400 **direct jobs** are associated with YLW, representing 1,290 direct person years of employment.
- ▶ Including multiplier impacts (indirect and induced), ongoing operations at the airport may be supporting up to 2,730 in **total jobs**, equivalent to 2,520 person years of employment.
- ▶ In addition to employment, YLW generates approximately \$70 million in **direct wages and benefits**, \$120 million in **direct economic output**.
- ▶ Including indirect and induced impacts, operations at the airport may be supporting up to \$140 million in **total wages and benefits**, \$250 million in **total GDP** and \$610 million in **total economic output** for the province of British Columbia.

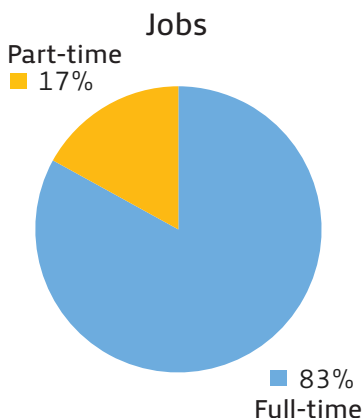
Type of Impact	Jobs	Person Years	Wages (\$ million)	GDP (\$ million)	Economic Output (\$ million)
Direct	1,400	1,290	70	120	300
Indirect	640	590	30	60	160
Induced	690	640	40	70	150
Total	2,730	2,520	140	250	610

Source: InterVISTAS Consulting Inc.

Ongoing operations at YLW contributes a total of 2,730 jobs and \$610 million in total economic output to the province

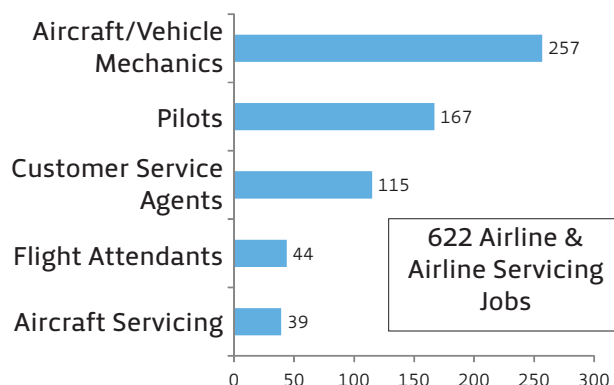
YLW generates full-time and highly skilled jobs

- ▶ 83% of jobs at the airport are full-time positions.
- ▶ Over 600 or 47% of surveyed positions are classified as airlines and aircraft servicing jobs by YLW employers. Aircraft and vehicle mechanics are the largest component with nearly 300 jobs.



Source: InterVISTAS Consulting Inc.

Employment - Airline & Airline Servicing Jobs

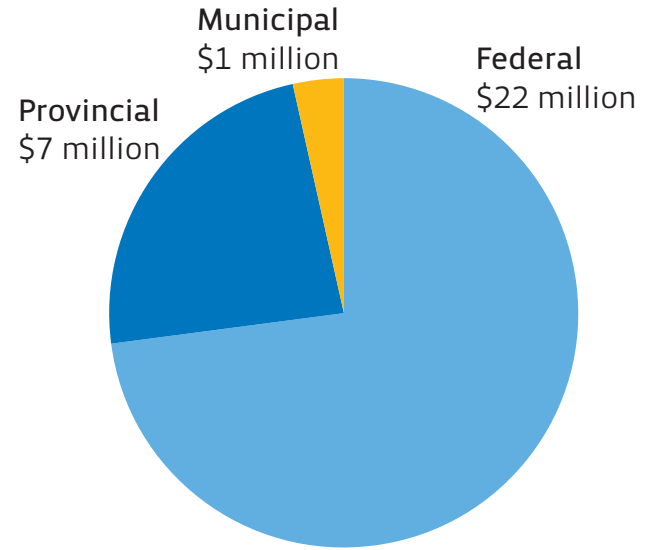


Majority of employment at YLW are full-time positions, and 47% of surveyed positions are for high skilled aviation jobs

YLW generates tax revenues for governments

YLW is also an important generator of taxation revenues to each level of government:

- ▶ On-going economic activity at the airport contributes over \$30 million annually in tax revenue to all levels of government
- ▶ The federal government is the largest recipient of tax revenue, receiving nearly \$22 million, or 73% of the total amount.
- ▶ The BC provincial government receives over \$7 million in tax revenue (24% of the total).
- ▶ The municipal government collected approximately \$1 million in 2009 tax revenue (3% of the total).
- ▶ Approximately 23% of taxes were paid by air travellers, and the remaining 77% of taxes were paid by airport employers and their employees.



Total \$30 million

Source: InterVISTAS Consulting Inc.

Ongoing operations at YLW generate \$30 million per annum in government tax revenues

Employment is generated each time an aircraft lands at YLW

- ▶ A daily short-haul service to **Calgary** generates 16 person years of employment and \$950,000 in wages annually at YLW.
- ▶ A daily long-haul service to **Toronto** generates 21 person years of employment and \$1.2 million in wages annually at YLW.

Each departure of a passenger flight from YLW generates employment & labour hours

Service	Direct Employment (Person Years)	Direct Wages (\$ million)	Direct GDP (\$ million)	Direct Economic Output (\$ million)
Short-haul domestic service to Calgary (YYC) (daily flights)	16	0.95	1.7	4.3
Long-haul domestic service to Toronto (YYZ) (daily flights)	21	1.2	2.2	5.6



To view the entire Economic Impact Assessment go to ylw.kelowna.ca

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