

Powered by People

**Vancouver International Airport
2010 Economic Impact Report**



Powered by People, YVR Drives Economic Growth

People have come to know Vancouver International Airport (YVR) as a world-class airport—an airport that visitors admire for its beauty and customer care and one that British Columbians are proud to call their own.

In the following pages, we've summarized the results from our latest Economic Impact Report confirming that YVR is an economic engine for our communities, the province and our nation. Vancouver Airport Authority and the 400 businesses that operate at YVR generate thousands of jobs, millions of dollars in taxes and billions of dollars in wages and gross domestic product (GDP) through day-to-day operations and construction projects.

While the numbers provide a way to track growth and development and demonstrate the interconnectivity of our world, they are only part of the picture. Behind every statistic is a story about an individual who relies on the airport's convenient, 24-hour international air access for their job, to connect with their family or to grow their business.

So we hope when you see the numbers you'll remember, as we do, that it is the power of people that makes YVR the significant economic driver it is today.



2010 Economic Impact Report Highlights

YVR is important to the economy of the region, the province of British Columbia and beyond. Here's why:

YVR Creates Jobs

- Ongoing operations at YVR support 23,614 direct jobs.
- A daily international flight creates about 186 person-years of direct employment and an all-cargo flight creates 73 person-years of direct employment.
- For every direct job at YVR, there are 2.5 more indirect and induced jobs.
- Airport employees earn annual wages higher than the provincial average.
- YVR employs more people than B.C.'s forest industry.

YVR is an Economic Engine

- People employed at YVR receive \$1.0 billion in annual wages.
- YVR generates \$5.3 billion in total GDP and \$11.7 billion in total economic output into the Canadian economy.

YVR Contributes to Government Revenues

- Government revenues from YVR total \$608 million annually to the federal and provincial governments, the City of Richmond and TransLink.
- 8.8% of the City of Richmond's tax revenue in 2009 was attributable to YVR's operations.

YVR Builds Opportunities

- In 2009, construction projects at YVR generated 953 person-years of direct employment, \$44.1 million in direct wages and \$83.6 million in direct GDP.

YVR Helps Businesses Grow

- Case studies of B.C. businesses found that almost all (86%) cited proximity to YVR as an important consideration for their business location.
- More than half of businesses surveyed say they have used overnight flights to Asia that resulted in improved efficiency and productivity.

YVR Creates Jobs

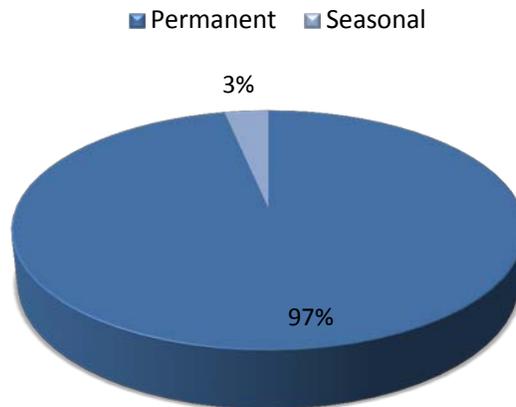


John is a baggage handler employed by one of the 67 airlines operating at YVR. As an airport employee, he earns more than the average worker in B.C. and is among 3% of Metro Vancouver residents who rely on the airport for their household income.

The ongoing operations at YVR support 23,614 direct jobs or 21,633 direct person-years of employment in a variety of sectors including aviation, transportation, hotel, retail and public safety.

The majority of jobs at the airport are full-time, stable and permanent. Almost 97% of the jobs related to YVR operations are permanent positions.

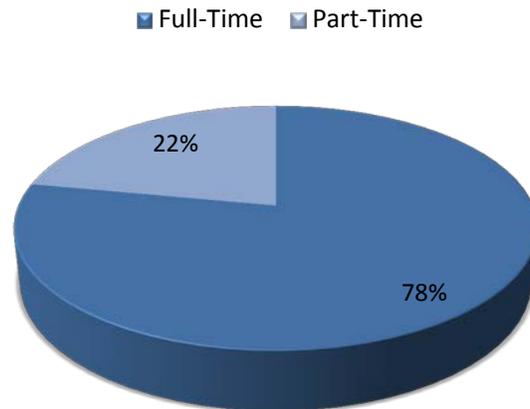
Permanent Versus Seasonal YVR Employment



186

**PERSON-YEARS OF EMPLOYMENT
CREATED BY ONE DAILY, INTERNATIONAL
FLIGHT.**

Part-Time Versus Full-Time YVR Employment



Employees of organizations located at YVR or with operations related to the airport earned approximately \$1.0 billion in wages in 2010, with an average wage of \$46,814 per year.

This annual wage is higher than the \$42,081 average annual wage in British Columbia, Richmond (\$36,753) and Vancouver (\$45,200).

Factors Impacting Employment

In this most recent survey, overall direct jobs at YVR have declined by 11.5% from the last Economic Impact Report in 2005 for a variety of reasons, including automation, consolidation and the global financial crisis of 2008.

Some sectors, including retail, public safety and hotels reported staffing increases, while air carriers and ground transportation companies such as buses and car rentals saw decreases in employment. Here are some examples:

- Air carrier employment decreased 16%, due in part to airline mergers and automation. For instance, 55% of passengers now use kiosks to check in at YVR.
- Employment in the retail sector at YVR has increased by almost 48%, corresponding to expansion of retail areas in the terminals.
- Jobs in the car rental and ground transportation area have declined by some 30%, a result of consolidation in the car rental business and the August 2009 opening of the Canada Line rapid transit system to the airport.

YVR is an Economic Engine



Bill runs a family-owned 12-acre greenhouse in Langley. He sells tomatoes to an airport catering business that makes meals for airlines. His six full-time employees, their wages, and the economic activity generated by his business are part of the \$5.3 billion in total GDP YVR generates each year.

In addition to the employment impacts of operations at YVR, there are also broader measures of economic contribution. The two most common are economic output and GDP.

The direct employment attributable to operations at YVR generates \$1.9 billion in direct GDP.

Taking into consideration all multiplier effects (direct, indirect and induced effects), operations at YVR are estimated to generate up to \$5.3 billion in GDP and up to \$11.7 billion in economic output economy-wide.

Impact Type	Person Years	Jobs	Wages	GDP	Economic Output
Direct	21,633	23,614	\$1.0 billion	\$1.9 billion	\$9.5 billion
Indirect	22,072	23,015	\$981.5 million	\$2.1 billion	
Induced	13,696	15,168	\$526.8 million	\$1.3 billion	
Total	57,402	61,796	\$2.5 billion	\$5.3 billion	\$11.7 billion

73

PERSON-YEARS OF EMPLOYMENT CREATED ANNUALLY BY A DAILY, ALL-CARGO FLIGHT.

YVR Contributes to Government Revenues



James and his family are taking a holiday to California. The tax they paid on their airfare is part of the \$71 million the federal government collected on YVR passenger airfares. The family bought sunglasses and sunscreen for their trip from a shop at YVR, contributing to the \$11 million collected by the province on retail purchases made at the airport.

YVR's operations generated \$608 million in government revenues, paid to federal, provincial, and municipal governments as well as to the regional transportation authority, TransLink.

Included in this total are amounts paid by airport businesses, employees, passengers and Vancouver Airport Authority. Some examples of the types of government revenues are:

Airport Businesses and Employers pay corporate income tax, fuel and carbon tax, municipal property tax, employee-related EI, CPP and WCB premiums.

Airport Employees contribute personal income tax, CPP and MSP premiums.

Passengers pay taxes on airfares, the Airport Improvement Fee (AIF) and the Air Traveller Security Charge along with applicable taxes on retail, food and beverage, and transportation purchases.

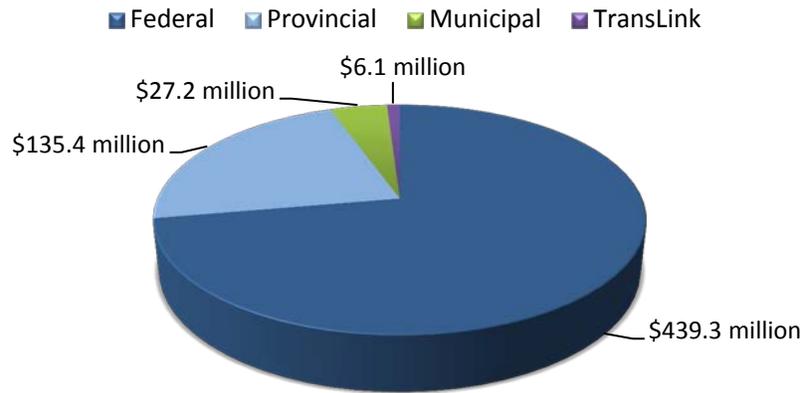
Vancouver Airport Authority, in addition to employer-related taxes, made land lease payments to the federal government amounting to \$51.6 million in 2009, and paid the City of Richmond \$15.5 million in 2009 as payment in lieu of taxes.

The federal government is the largest recipient of revenue, receiving 72.3 % of the total; the provincial government is the next largest recipient, receiving 22.3%. The municipal government (City of Richmond) collects \$27.2 million in revenue generated from activities related to YVR operations. TransLink is also a recipient of revenue attributable to YVR operations; the transit authority collected \$6.1 million in 2009.

1000
PASSENGERS

**CREATE ONE DIRECT PERSON-YEAR OF
EMPLOYMENT – YVR WELCOMED 16.8 MILLION
PASSENGERS IN 2010.**

Revenues by Level of Government



59
TONNES

**FREIGHT REQUIRED TO GENERATE ONE DIRECT
PERSON-YEAR OF EMPLOYMENT – YVR HANDLED
228,000 TONNES IN 2010.**

YVR Builds Opportunities



Louise is an electrician who worked for three months on the lighting and wiring in YVR's new Public Observation Area. Her job is one example of how 953 direct person-years of employment and \$44.1 million in wages were created by the airport's construction projects in 2009.

Vancouver Airport Authority has continued to expand and upgrade YVR since the last Economic Impact Report in 2005. In 2009, \$223.2 million was invested in capital projects including: gate and retail expansion of C-Pier in the Domestic Terminal, the Canada Line rapid transit project, the Public Observation Area and food court, aircraft de-icing pads, and construction of a new employee parking lot, among many others.

An estimated \$83.6 million in direct GDP can be attributed to airport construction in 2009, over and above the recurring annual impacts from ongoing operations related to the airport.

Highlighted in the table below are the direct impacts of construction projects; the data were taken from this study and previous studies.

Year	Capital Expenditures (\$millions)	Person Years of Employment	Salary & Wages (\$millions)	Direct GDP (\$millions)
1994	\$98.50	421	\$19.50	\$36.90
1997	\$51.00	218	\$10.10	\$19.10
2000	\$81.40	331	\$16.10	\$30.50
2004	\$123.00	411	\$24.30	\$46.10
2009	\$223.20	953	\$44.10	\$83.60

YVR Helps Businesses Grow



Dorothy is a marketing manager with a B.C. university and a mother of two. She travels frequently to see her key clients and potential students in mid-sized Chinese markets. Hers is one of the 53% of organizations that use YVR's overnight flights to Asia. It allows her to be at work during the day, have dinner at home with her family and fly overnight for her meetings in China.

YVR's 2010 Economic Impact Report confirms the findings from past studies; that the airport is an important economic generator for British Columbia, creating jobs, contributing government revenues and adding significantly to provincial and national GDP.

This is the impact of the airport itself but we also know that there are individuals and businesses around the province that rely on YVR's convenient, 24-hour international air access to compete globally and prosper.

So, as part of our 2010 Economic Impact Report, we went "off-airport" and talked to 15 major companies and organizations in Metro Vancouver in order to compile a series of case studies. Some of the key findings from our discussions with organizations in a variety of sectors such as mining, manufacturing, education, software development and tourism include:

Proximity to YVR is an important consideration in the location decision of most organizations

- 86% said that being close to YVR was at least somewhat important in locating their business.
- 28% said that staff members take more than 15 international flights out of YVR per month.

The majority of organizations have used overnight flights departing from YVR for Asia

- More than half (53%) indicated that their staff has used overnight flights departing from YVR for Asia.
- Most indicated that these flights have improved efficiency, effectiveness and productivity.

Many organizations have reduced their use of air travel, mainly because of cost concerns

- 67% have reduced their use of air travel due to concerns related to cost, greenhouse gas emissions and work-life balance.
- Of those who have reduced air travel, half have replaced air travel with video-conferencing technology and most say they don't anticipate any further reductions to travel.

About this Report

Vancouver International Airport (YVR) is Canada's second busiest airport and a significant contributor to the economy in British Columbia. YVR is a major employer in the region, home to some 400 organizations, and directly contributes to the provincial GDP. The airport's operations facilitate activity in other economic sectors, which further contribute to the provincial economy.

Serving 16.8 million passengers in 2010 and connecting people and businesses to 119 destinations worldwide, YVR is a major gateway between Canada and Asia and has more transpacific flights than any other airport in North America, relative to our population.

Vancouver Airport Authority is a community-based, not-for-profit organization that manages YVR and is committed to creating an airport that British Columbia can be proud of: a premier global gateway, local economic generator and significant community contributor.

YVR's 2010 Economic Impact Report is the latest in a series of economic impact studies; similar assessments were conducted in 1994, 1997, 2000 and 2005. This study was prepared by Ference Weiker & Company.

Following the same approach as the 2005 study, the 2010 methodology included a survey of airport businesses and organizations. To supplement this information, we also compiled case studies of businesses located close to YVR in order to better understand how YVR helps B.C. companies compete globally.

May 2011

Vancouver Airport Authority

P.O. Box 23750 Airport Postal Outlet

Richmond, British Columbia Canada V7B 1Y7

Telephone: 604.276.6500

Facsimile: 604.276.6505

Web: www.yvr.ca