

Ottawa International Airport

# Economic Impact

# 2008



International Airport  
Authority



Administration de  
l'aéroport international

## The Highlights

- Direct jobs = 4,900
- Total jobs = 11,800
- Direct wages = \$180 million
- Total wages = \$450 million
- Direct economic impact = \$800 million
- Total economic impact = \$1.9 billion/year



# YOW

## Ottawa International Airport

**Ottawa Macdonald-Cartier International Airport (YOW)** provides the essential infrastructure to link Ottawa and other communities in the region to cities around the world, making it an important component of Canada's trade and commerce with other countries.

YOW contributes directly to the national and provincial Gross Domestic Product and to employment in the National Capital Region. More importantly, it acts as an economic catalyst, facilitating activity in the commercial and industrial sectors. The economic contribution of the airport to the community is termed the "economic impact of YOW".

## 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. Economic impacts can be measured in various ways, such as the dollar value of industrial output produced, or in terms of person years (full-time equivalents (FTEs)) of employment generated.

### What are the different types of employment impact?

**Direct economic impact** is employment that can be attributed to the operation and management of YOW including on-site firms at the airport and airport-dependent businesses that are located off-site. Direct employment includes employees of airlines, fixed base operators, aircraft maintenance, among others.

**Indirect economic impact** is employment in down-stream industries that results from the presence of YOW. For example, suppliers of food to fixed based operators at YOW would be considered indirect employers.

**Induced economic impact** is employment generated from expenditures by individuals employed indirectly or directly. For example, if an airline maintenance firm employee at YOW decides to expand or remodel his/her home, this would result in additional (induced) employment in the general economy.

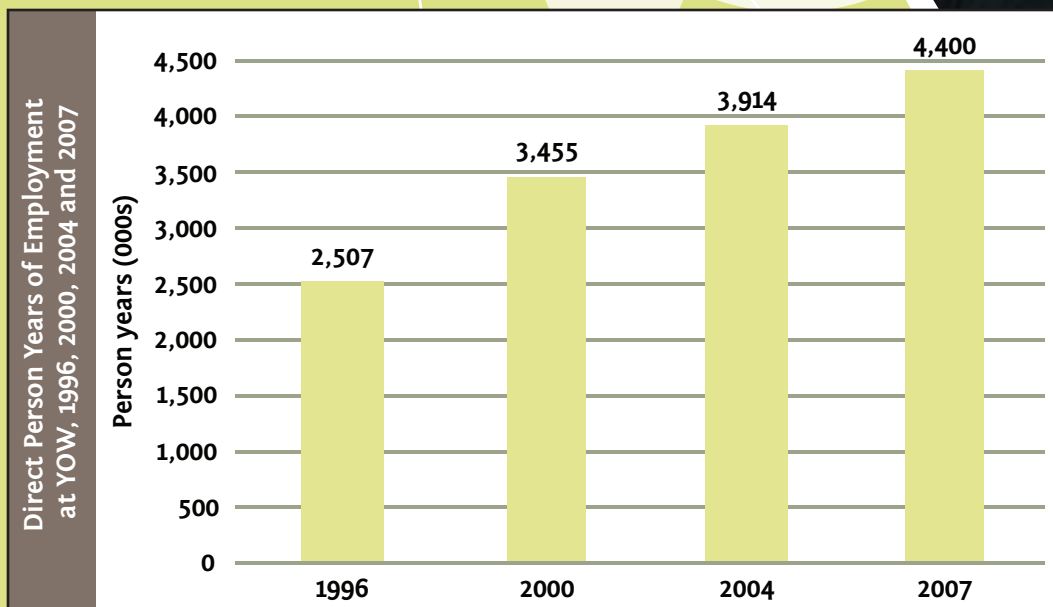
**Total economic impact** is the sum of direct, indirect and induced effects. The multiplier (indirect and induced) economic impacts represent the maximum potential stimulus to the economy resulting from activity of YOW related businesses.

# What has Changed?

Since the last economic impact study in 2004, both YOW and the air transport industry have experienced a number of changes – at YOW, this included the ongoing transition into a new terminal building; the construction of an expanded Parkade and the beginning of Phase II of the Airport Expansion Program. The airport has also experienced record-breaking passenger volumes each year since the last study.

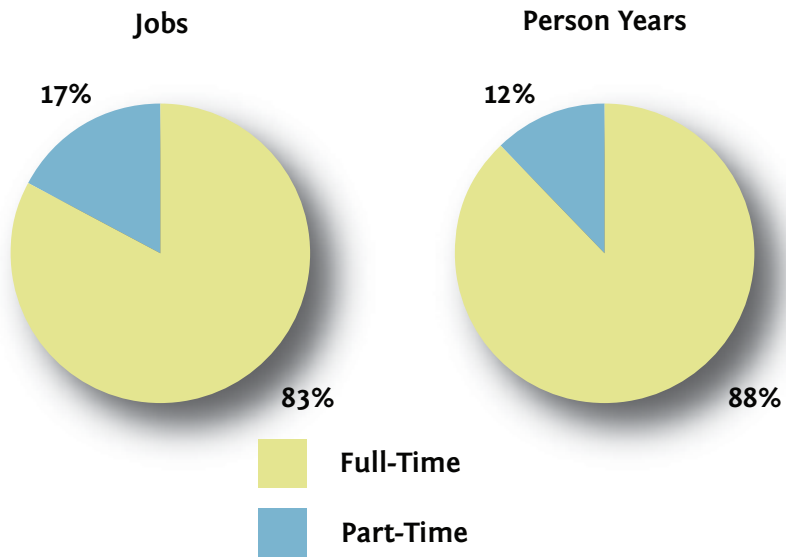
## Jobs and Person Years

Direct employment related to ongoing operations at YOW amounts to 4,900 jobs and 4,400 person years of employment.

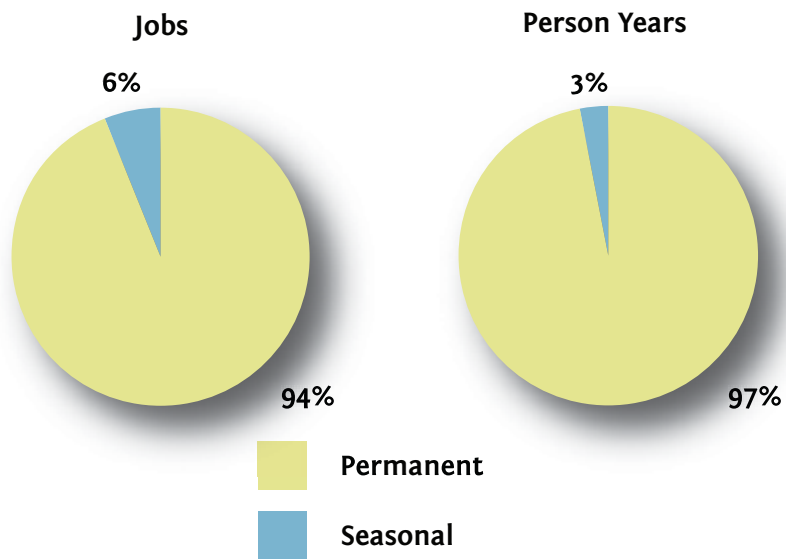


Employees at YOW and related firms earned some \$180 million in wages, yielding an average of \$40,735 per person year of employment.

Part-Time Versus Full-Time YOW Employment

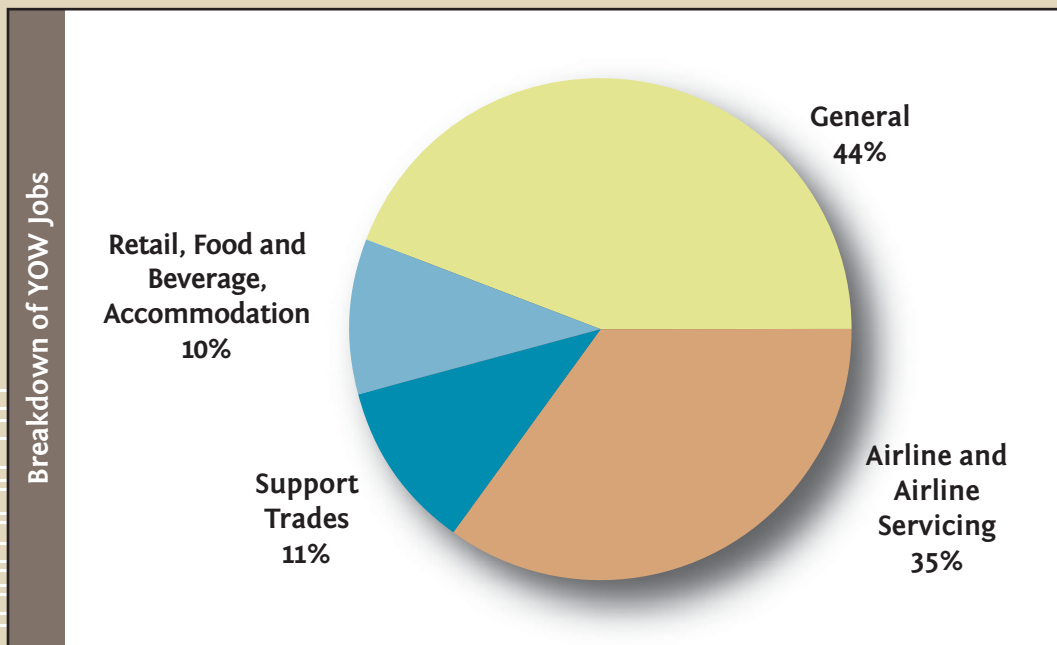


Permanent versus Seasonal YOW Employment



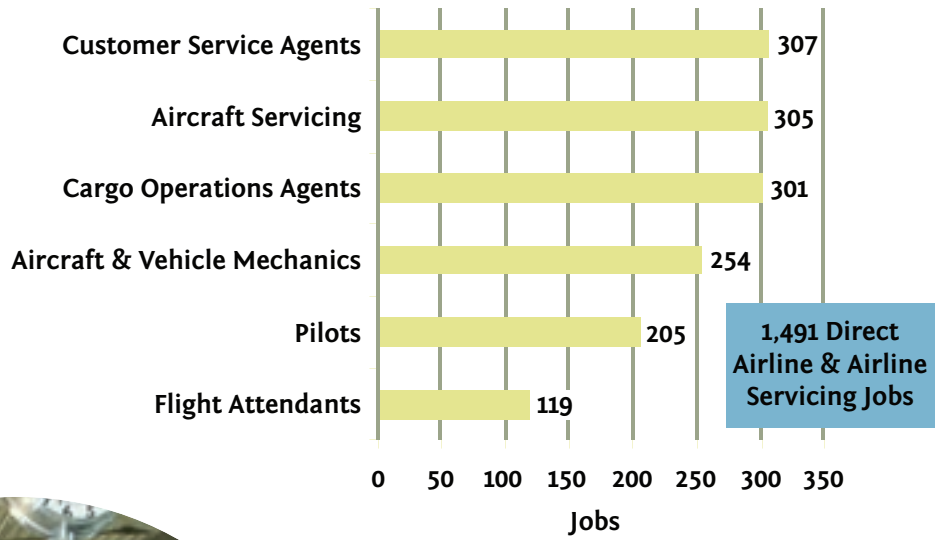
## Types of Jobs

YOW is a source of employment opportunities for individuals with a broad range of skills. Most businesses require a combination of management, clerical and trades as employees. Jobs can also be classified into airline and airline-servicing trades, support trades, retail trades and general trades.

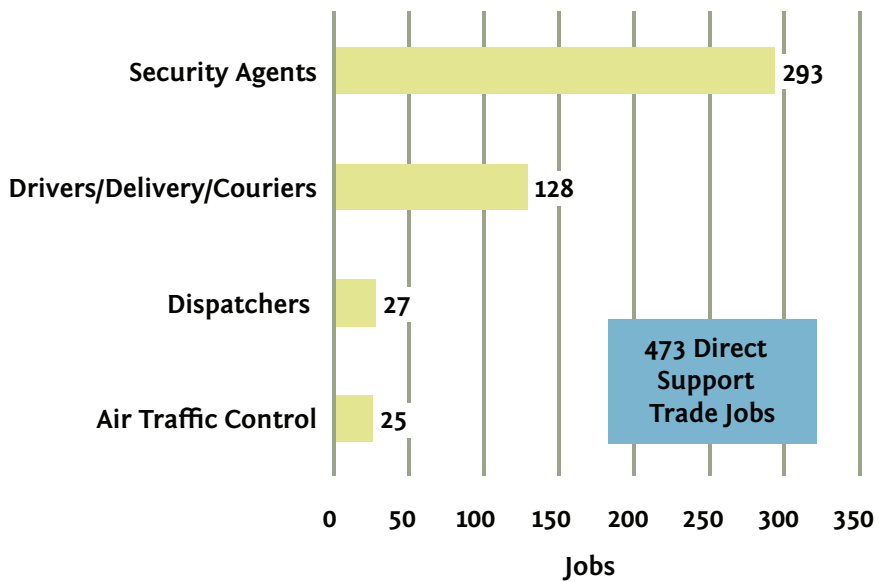




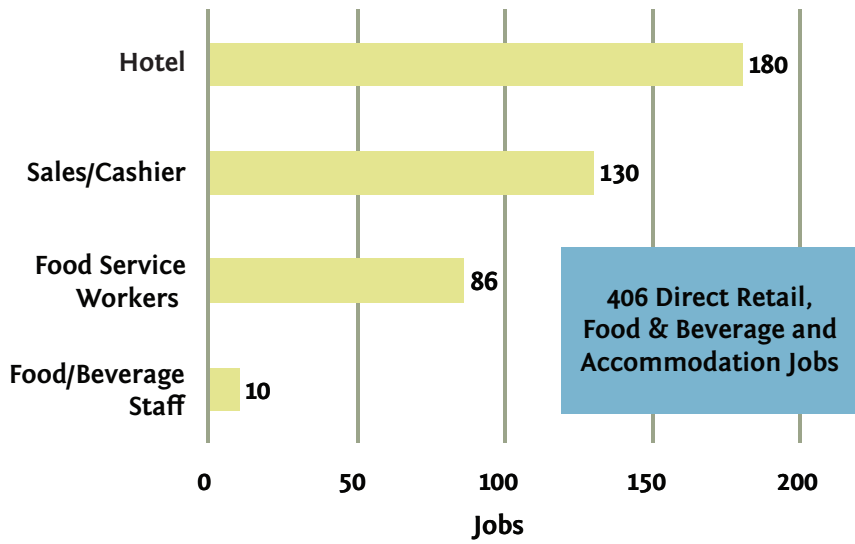
Breakdown of YOW Airline and Airline Servicing Jobs



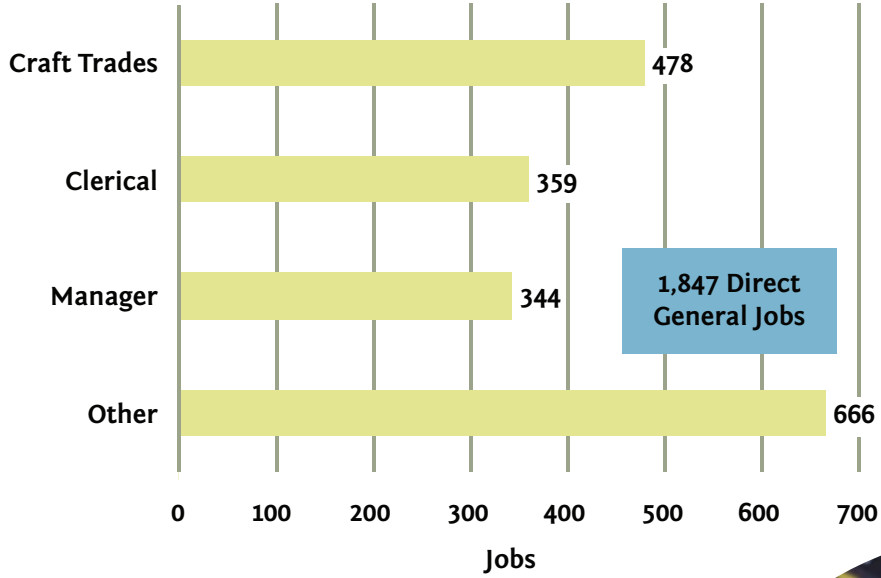
Breakdown of Support Trades Jobs at YOW



Breakdown of Retail, Food & Beverage and Accommodation Jobs



Breakdown of General Jobs at YOW





Direct and Total Employment at YOW			
	Person Years	Jobs	Wages (\$ millions)
Direct	4,400	4,900	180
Indirect	3,600	3,900	150
Induced	2,700	3,000	120
<b>Total</b>	<b>10,700</b>	<b>11,800</b>	<b>450</b>

## Other Economic Impacts

**Economic output:** total revenues from industrial output including materials and supplies.

**GDP:** value-added in industrial output, net of intermediate revenues.



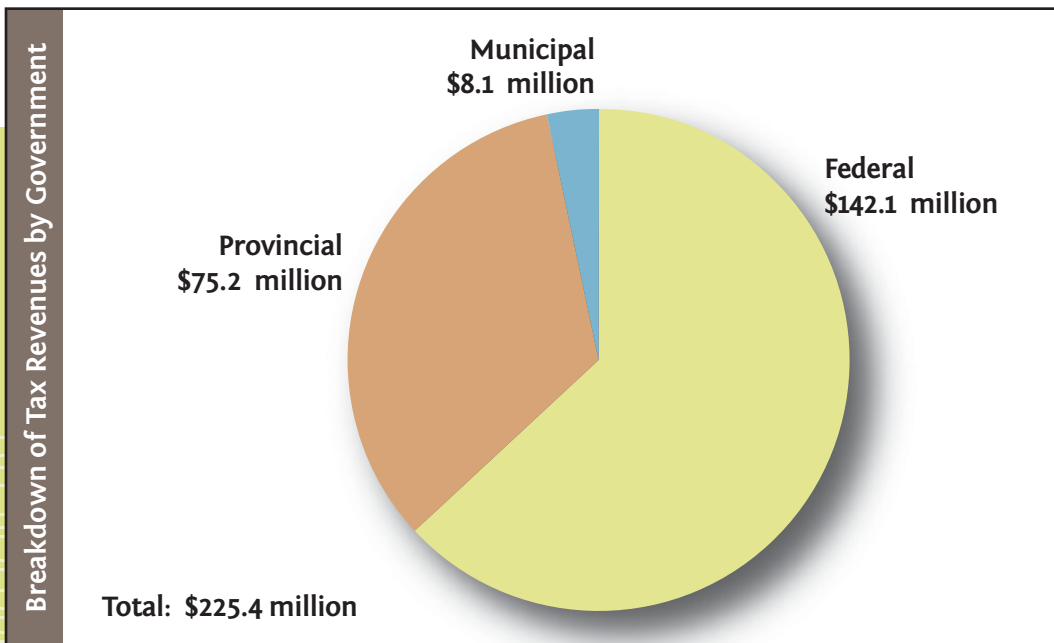
Direct and Total GDP and Economic Output at YOW		
Impact Type	GDP (\$ millions)	Economic Output (\$ millions)
Direct	250	800
Indirect	300	590
Induced	200	510
<b>Total</b>	<b>750</b>	<b>1,900</b>

# Tax Impacts

On-going economic activity at YOW generated tax revenue contributions to all levels of government of an estimated \$225 million.

Approximately 15.3% of taxes were paid by air travellers, 77.7% of taxes were paid by employers and their employees, and 6.9% by the Ottawa International Airport Authority.

In 2007, the Airport Authority contributed \$11.5 million in airport rent to the federal government and \$4.1 million to the City of Ottawa in payments in lieu of property tax.





## Economic Impact of International Flights

Every departure of an international flight from YOW generates labour involved in handling passengers, their baggage, cargo and the aircraft. This study approximates the labour hours required to support a single aircraft departure by a full service airline on a long-haul international routing, such as Ottawa-Frankfurt or Ottawa-London.

Each departure directly accounts for a total of 184 hours of employment. When taken on an annual basis, this amounts to 36.5 full-time equivalents (FTEs) in the National Capital Region, paying wages and salaries estimated at over \$1.54 million.

A service such as Ottawa-Frankfurt or Ottawa-London generates an estimated \$7.2 million in direct economic output and \$2.0 million in GDP. Considering multiplier effects (indirect and induced), the total economic impacts of the daily long-haul international service support 92 full-time equivalents paying wages of nearly \$4.0 million, with GDP impacts of \$6.5 million annually.

International Air Service Annual Economic Impacts				
Type of Impact	Person Years	Wages (\$ thousands)	GDP (\$ thousands)	Economic Output (\$ thousands)
Direct	36.5	1,523	2,024	7,171
Indirect	32.4	1,417	2,752	5,415
Induced	23.4	1,022	1,745	4,666
<b>Total</b>	<b>92.3</b>	<b>3,962</b>	<b>6,521</b>	<b>17,252</b>

