

EXECUTIVE SUMMARY

The Economic Role of the Gateway Transportation System in the Greater Vancouver Region

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By Economic Development Research Group, September 2008

Overview

This study provides an analysis of the economic role of the Greater Vancouver Gateway Transportation System in light of recent changes in the regional economy and international trade. It is an update of a previous study completed for the Greater Vancouver Gateway Council in 2003. A summary of its findings are shown below, corresponding to pertinent chapters in the report.

Key Findings

- The Gateway Transportation System encompasses the marine ports, airport, rail, trucking and related activities that serve international trade and tourism in the Greater Vancouver region.
- The Gateway Transportation System directly contributes 82,000 jobs and over \$6.5 billion in GDP annually to the regional economy. This was a 9% increase in direct job impact and a 29% increase in direct GDP impact (after adjusting for inflation) from the previous study.
- When including jobs supported by supplier orders and worker spending generated by the Gateway Transportation System, the total impact is over 157,000 jobs which represents 1 in 7 jobs in the region.
- International trade, and hence the importance of the Gateway Transportation System, is growing. The greatest growth has occurred at the marine ports. For instance, tonnage at Port of Vancouver has increased by 32% and container tonnage at Vancouver and Fraser has increased by 60% over the 2002 to 2007 period.

Chapter 2: *The Importance of Trade in Greater Vancouver*

- The value of BC international exports increased from \$30 billion to \$32 billion from 2002 to 2007; however, when adjusted for inflation, these values are similar.
- The mix of exports is changing—wood products have decreased while minerals have increased.

¹ The opinions expressed in this study are those of the authors, not of the Government of Canada.

- Manufacturing jobs frequently follow export trends—jobs in wood products decreased while those involved in minerals and metals increased.
- Jobs in transportation and warehousing (which support trade activity) grew 12% from 2002 to 2007—the region has 27% higher concentration in these jobs relative to Canada.

Chapter 3: *Performance of the Gateway Transportation Sector*

- Vancouver's seaport handled more than 80 million tonnes of cargo in 2007, an increase of 32% over 2002. Among the river ports, tonnage increased by 7% at Fraser and decreased by 37% at North Fraser.
- A 60% increase in container activity from 2002 to 2007 resulted from increased trade with Asia and containerization of goods previously found in bulk or breakbulk form.
- Vancouver International Airport remains the second busiest airport in Canada in terms of both cargo and passengers. While total tonnage decreased slightly, the value of international cargo increased by 25% from 2002 to 2007.
- Air passenger travel increased by 18% in the same period—mainly due to demand from domestic and European travelers.
- Rail tonnage in BC increased by 23% from 2001 to 2006, yet trade value decreased slightly. These trends reflected more cross-border trade in heavy metals (i.e. ores) and less with motor vehicles and wood products.
- Cross-border trucking activity has also decreased in terms of value. However, trucking jobs have grown significantly indicating increased demand within BC and the rest of Canada.

Chapter 4: *Economic Impacts of the Gateway Transportation System*

- The direct role of the Gateway Transportation System has increased by all measures since the last study for marine, air, and truck related activities (with the exception of a slight decrease in rail employment).
- More than half of the total impacts on the region occur outside Vancouver and Richmond, which represent the nexuses of transportation activity.
- This activity generates \$428 million in annual property tax revenue for the region. Annual sales and income tax impacts include \$934 million to the provincial government and \$1.7 billion to the federal government.
- A small sample of facilities and related companies on the Gateway network contributed over \$4 million in community investments in 2006 and 2007.
- Gateway businesses generate an estimated \$1.8 billion in capital investment annually in BC.