



CONTRIBUTION TO THE DEVELOPMENT OF GREATER MONTRÉAL

ECONOMIC IMPACTS OF MONTRÉAL-TRUDEAU AND MONTRÉAL-MIRABEL AIRPORTS



HIGHLIGHTS

More than **250 businesses** active in eight different industries operate out of Montréal-Trudeau and Montréal-Mirabel airports. During 2009, these companies generated:

- › A grand total of **60,000 jobs**, including **31,600 direct jobs**;
- › Direct, indirect and induced **added value** of **\$5.5 billion**, which represents approximately **4% of Greater Montréal's gross domestic product**;
- › **Tax and quasi-tax revenues** totalling approximately **\$1 billion** for the three levels of government, including **\$47 million in property taxes**.

More than **28,000** people work **directly** at **Montréal-Trudeau** and approximately **3,600** at **Montréal-Mirabel**.



The **aircraft manufacturing and repair** segment is by far the largest in terms of number of jobs (19,809) and added value (\$2.6 billion).

In addition, Aéroports de Montréal and other companies operating at the airports plan to invest **\$2.3 billion** during the period 2010 to 2015, leading to the creation or retention of approximately **23,300 jobs** (person-years) over six years.

From **2005 to 2009**, the number of direct, indirect and induced jobs generated by the two airports grew by **4,000** and total added value by **\$1 billion**, in spite of the 2008-2009 economic crisis.



MONTRÉAL-TRUDEAU

Located close to downtown Montréal, Pierre Elliott Trudeau International Airport is the largest Canadian airport east of the Great Lakes. Approximately 13 million enplaned/deplaned passengers transit through the airport each year. Some 30 airlines offer direct flights from Montréal to 130 destinations. In addition to air transportation operations, including air cargo and general aviation, the airport is a major hub for industrial, business, administrative and government activities. The airport, including the terminal, workshops and warehouses, as well as the private companies operating inside the airport perimeter provide direct employment to a total of 28,000 people.



BREAKDOWN OF JOBS BY AIRPORT

(in person-years)

	DIRECT	INDIRECT	INDUCED	TOTAL
Montréal-Trudeau	28,078	17,000	7,511	52,589
Montréal-Mirabel	3,523	2,544	1,237	7,303

BREAKDOWN OF ADDED VALUE BY AIRPORT

ALL INDUSTRIES COMBINED
(in \$millions)

	DIRECT	INDIRECT	INDUCED	TOTAL
Montréal-Trudeau	2,717	1,335	522	4,574
Montréal-Mirabel	587	216	86	889

MONTRÉAL-MIRABEL

Montréal-Mirabel International Airport is on track in its efforts to convert to an all-cargo and industrial airport. Many of the buildings, hangars and warehouses closed down in 2004 have found new uses. Montréal-Mirabel is also a major integrated aeronautics hub that is home to such activities as aircraft manufacturing and repair, sub-contracting, R&D, testing and specialized training, etc. More than 3,600 people work directly on the site. With the substantial investments currently being made by companies such as Bombardier Aerospace and Pratt & Whitney Canada, the number of jobs is expected to rise substantially over the next few years.



BROAD RANGE OF INDUSTRIES LOCATED AT THE AIRPORTS

THE BUSINESSES OPERATING AT THE AIRPORTS HAVE BEEN GROUPED INTO EIGHT ECONOMIC SECTORS TO ENABLE APPLICATION OF THE INSTITUT DE LA STATISTIQUE DU QUÉBEC'S ECONOMIC MODEL.

The **manufacturing and repair of aircraft and their components**, including engine overhaul, heads the list with a 30% share of the direct jobs and 53% share of the direct added value. A total of 10 businesses represent this segment at both airports, some of which are growing rapidly in tandem with the development of Greater Montréal's aerospace cluster.



The **air transportation** industry, including aircraft maintenance and general aviation, ranks second with 26% of direct jobs and 19% of direct economic activity at the two airports. The industry comprises approximately 50 companies, including a high proportion of airlines.

Aeronautics support services, which include private security agencies, in-flight catering and jet-fuel suppliers, also play a major role, accounting for 27% of direct jobs and 16% of direct added value. Approximately 40 companies are represented in this industry.

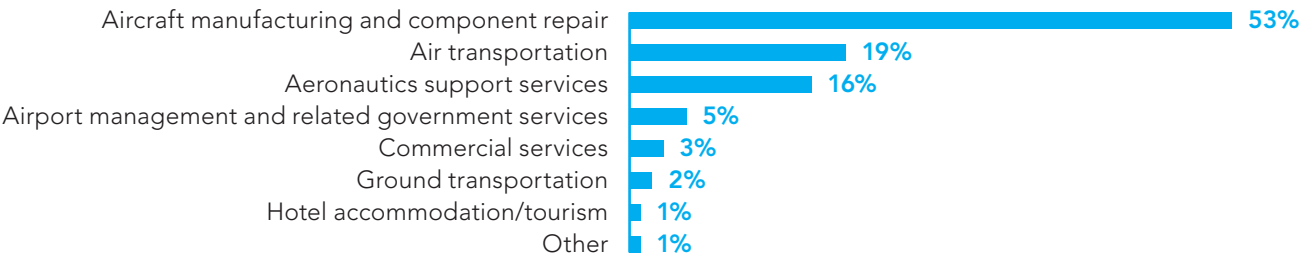
Airport management and related government services, including customs and immigration services as well as public health and safety agencies, account for 5% of direct jobs and 5% of direct added value. The industry comprises approximately 15 organizations.

Commercial services (retail businesses, vehicle rental businesses, financial services, restaurants and bars, etc.), **ground transportation companies** (taxis, limousines, freight transportation, etc.) and **hotel accommodation/tourism** businesses respectively generate 5%, 5% and 2% of direct jobs and 3%, 2% and 1% of direct added value.

Lastly, the **other** sectors account for 2% of direct jobs and 1% of direct added value.



BREAKDOWN OF DIRECT ADDED VALUE BY INDUSTRY



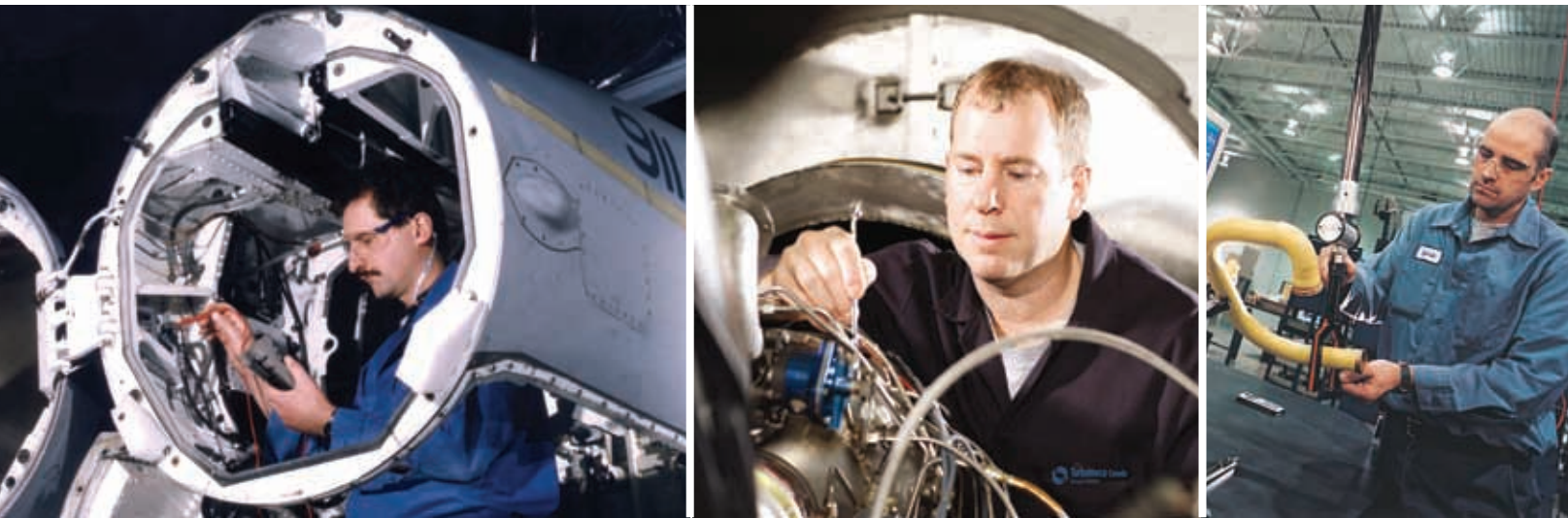
MONTRÉAL'S AIRPORTS ARE MAJOR HUBS OF ECONOMIC ACTIVITY

Montréal-Trudeau and **Montréal-Mirabel** international airports, which are managed, operated and developed by Aéroports de Montréal (ADM), are more than **vital transport infrastructures** for Greater Montréal and the rest of Québec. They are also **major economic hubs** for an extensive range of economic activities. The continued growth of these activities is largely due to ADM's industrial development strategy.

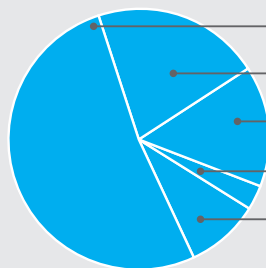
The approximately **250 aeronautics, industrial, retail, governmental and administrative businesses** that operate at Montréal-Trudeau and Montréal-Mirabel airports provide direct employment to nearly **31,600 people**. An additional 19,600 indirect jobs and 8,800 induced jobs bring the grand total to approximately **60,000 jobs**. These businesses' production represents direct added value of \$3.3 billion. Taking into account the indirect (\$1.6 billion) and induced (\$0.6 billion) impacts, total added value amounts to **\$5.5 billion**, or the equivalent of approximately **2% and 4% of the gross domestic products of Québec and Greater Montréal respectively** in 2009.

The Island of Montréal benefits from the lion's share of the economic impact generated by the airports – 43,800, or 73%, of total jobs and \$4.1 billion, or 75%, of total added value. **Montréal's West Island region*** alone accounts for approximately 31,000, or 52%, of total jobs.

The chart below details the regional breakdown of the added value and jobs generated by the two airports. Given that Pierre Elliott Trudeau airport is in Montréal and Montréal-Mirabel airport is located on the North Shore, it stands to reason that these regions are the biggest beneficiaries. The other regions benefit from only part of the indirect and induced impacts.



REGIONAL BREAKDOWN OF JOBS



- Montréal's West Island* **52%**
- Elsewhere on the Island of Montréal **21%**
- Laval/North Shore **15%**
- South Shore **3%**
- Elsewhere in Québec **9%**

* Includes the following municipalities and boroughs: Dorval, L'Île-Dorval, Pointe-Claire, Kirkland, Beaconsfield, Baie-D'Urfé, Sainte-Anne-de-Bellevue, Senneville, Dollard-des-Ormeaux, L'Île-Bizard-Sainte-Genève, Pierrefonds-Roxboro and Saint-Laurent.

MUNICIPALITIES OF MONTRÉAL AND MIRABEL BENEFIT GREATLY FROM THE AIRPORTS' PRESENCE

Besides the fact that the vast majority of the added value and jobs generated by the airports is concentrated in the immediate vicinity, **the municipalities of Montréal and Mirabel** derive substantial revenues in the form of property taxes.

In 2009, ADM and the businesses operating at the airports paid **\$47 million in property taxes** (or payments in lieu of), with the municipalities or boroughs of Montréal receiving \$45 million and Mirabel \$2 million. ADM alone paid \$37 million in property taxes.

Montréal's economy also benefits from a significant share of **tourism spending by visitors from outside Québec** who transit through the airport. They spend an estimated **\$750 million a year** (2008 estimate) in the region's retail businesses, especially hotels, restaurants and transportation services. Note that tourism spending was estimated using statistics and ratios provided by Tourisme Québec.

In addition to this spending is **local spending by businesses** operating on the airport sites (estimated at \$4.9 billion) and **local purchasing of goods and services by employees** (valued at \$600 million).



MAJOR REVENUE SOURCE FOR THE GOVERNMENTS

The economic activity generated out of Montréal-Trudeau and Montréal-Mirabel airports represents a major source of revenues for the governments of Canada and Québec. It is estimated that the direct, indirect and induced impacts contribute a grand total of **\$980 billion** a year to both levels of government in the form of income taxes, sales taxes specific to certain industries, excise duties as well as various payroll contributions. These figures are conservative, as they do not include corporate taxes.

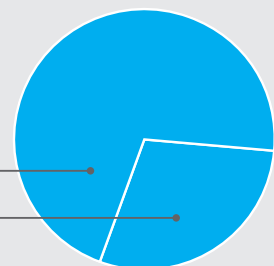
The **Government of Canada** collects a total of **\$270 million** – \$200 million in tax revenues and \$70 million in quasi-tax revenues – while the **Government of Québec's** revenues amount to **\$710 million**, including \$340 million in tax revenues and \$370 million in quasi-tax revenues.

TAX AND QUASI-TAX REVENUES

\$980 MILLION

Government of Québec: **72.7%**

Government of Canada: **27.3%**

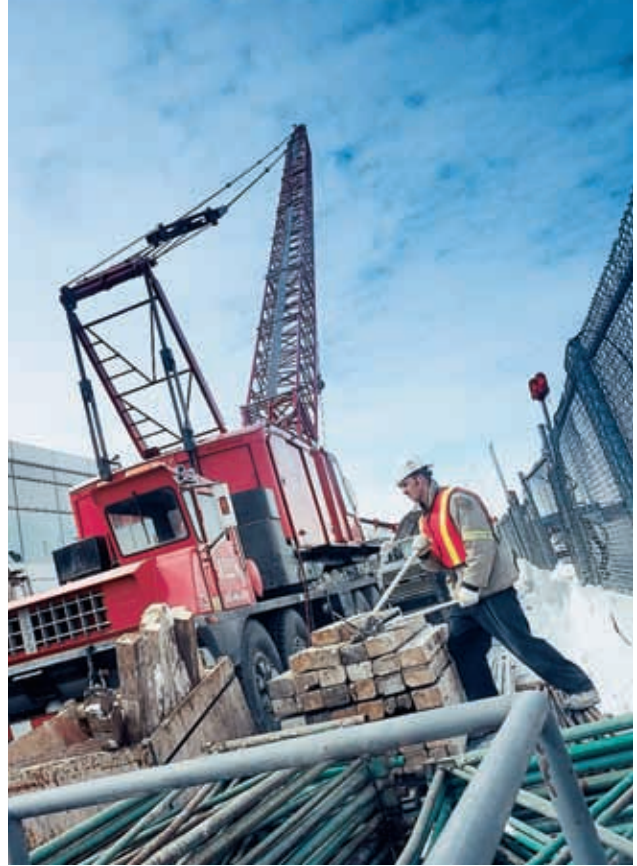


AIRPORT-RELATED INVESTMENTS TO EXCEED \$2 BILLION BY 2015

Each year, in response to the changing expectations of clients and to growth in demand for air transport, ADM invests significantly to ensure its facilities are properly maintained, improved or developed.

During the 2010 to 2015 period, investments as part of ADM's airport facilities development and maintenance programs will total close to **\$800 million**. This amount includes the development of the terminal (e.g.: international departures) and connecting buildings as well as the construction or refurbishment of aprons, roads, parking and other airport facilities or equipment.

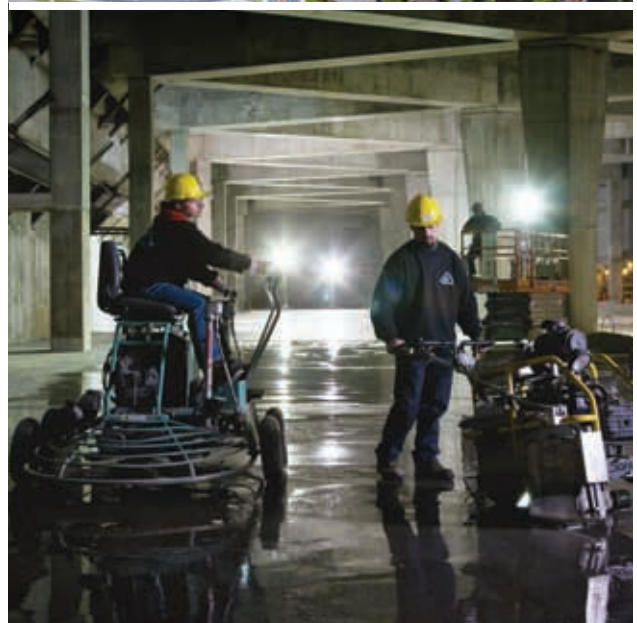
In addition, approximately **\$600 million** will be invested in the rail link to the downtown core and **\$170 million** in the re-engineering of the Dorval Interchange.



Lastly, investments from private businesses will exceed **\$760 million**, excluding any new industrial projects that may be built on the sites.

Investments in the airports will total approximately **\$2.3 billion**, more than double the amount anticipated for the 2005 to 2011 period. It is estimated that these investments will generate:

- a total of **23,300** indirect and induced jobs;
- a total of **\$1.9 billion** in indirect and induced added value;
- tax and quasi-tax revenues totalling **\$480 million**, including \$370 million for the Government of Québec and \$110 million for the Government of Canada.



METHODOLOGY OF THE IMPACT STUDY

ADM asked the firm E&B Data to update a study on the economic impact of Montréal-Trudeau and Montréal-Mirabel airports. The firm applied the same methodology as that used for the 2002 and 2005 impact studies. The base data for the year 2009 were collected by means of a questionnaire sent to companies operating within the airport sites, along with subsequent telephone interviews. Using the Institut de la statistique du Québec's cross-industry model, the firm's consultants then estimated the direct and indirect added value of the companies' activities, as well as the tax and quasi-tax revenues generated for the governments of Canada and Québec. The induced added value, meanwhile, was determined using an economic multiplier.



DEFINITIONS

- Jobs are measured in person-years.
- Added value is the production value obtained from the sum of the compensations corresponding to the production factors. Note that importations from outside of Québec are considered as leakage.
- Direct impact corresponds to activities conducted directly at the airport sites; indirect impact stems from suppliers of companies operating within the airport sites and induced impact is generated from consumer spending by employees of airport facilities and their suppliers.
- Tax revenues include all income destined for government treasuries, while quasi-tax revenues consist of payroll taxes paid into public plans, such as the Québec Pension Plan.



CORPORATE PROFILE

ADM is a non-profit corporation without share capital and is responsible for managing, operating and developing Montréal-Pierre Elliott Trudeau International Airport and Montréal-Mirabel International Airport under the terms of a 60-year lease entered into with Transport Canada in 1992.



ADM'S MISSION IS THREEFOLD:

- › To provide quality airport services that are safe, secure, efficient and consistent with the specific needs of the community.
- › To foster economic development in the Greater Montréal Area, especially through the development of the facilities for which it is responsible.
- › To co-exist in harmony with the surrounding environment, particularly in matters of environmental protection.

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