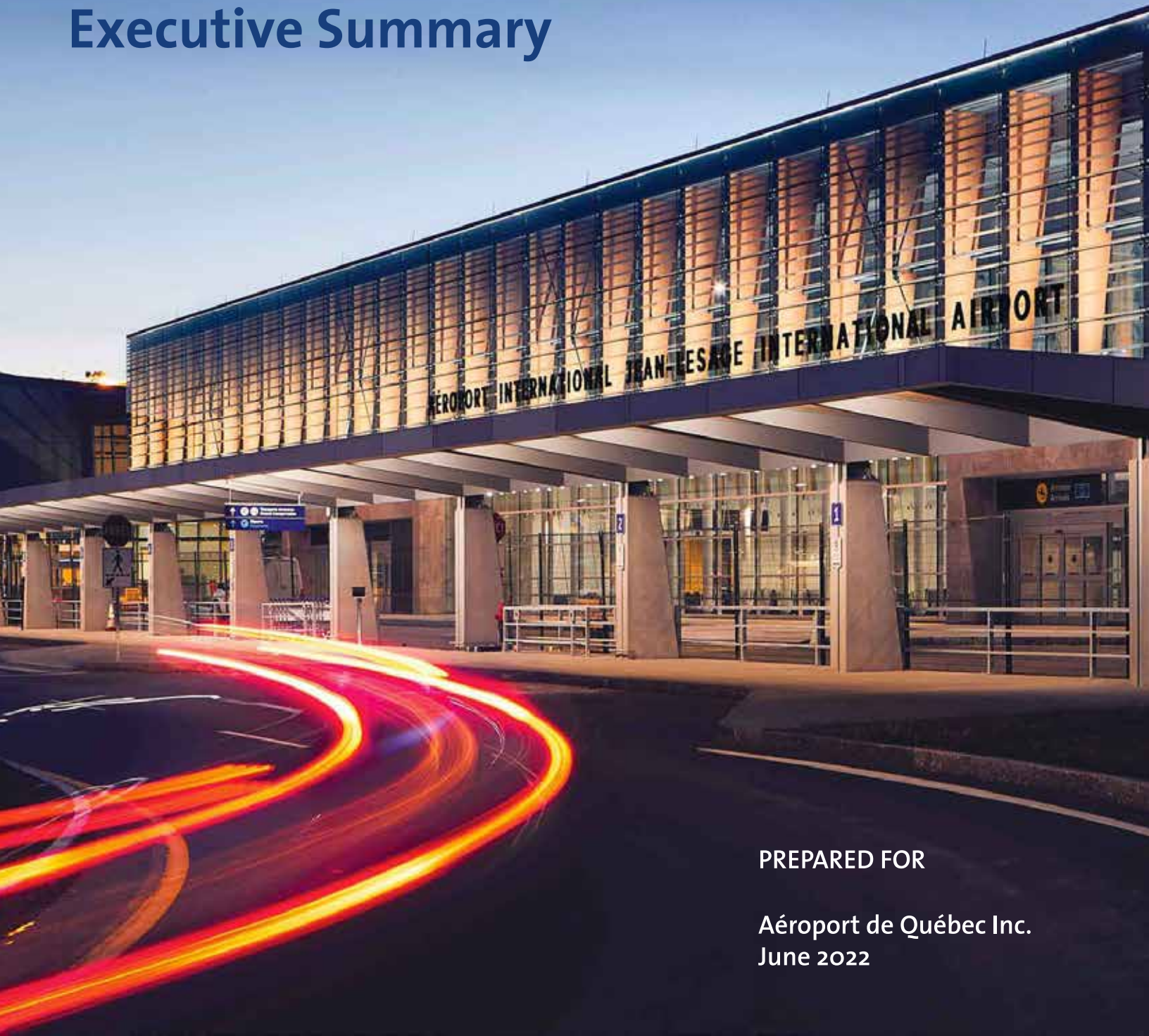


FINAL REPORT

# Economic Impact Study

QUÉBEC CITY JEAN LESAGE INTERNATIONAL AIRPORT (YQB)

## Executive Summary



PREPARED FOR

Aéroport de Québec Inc.  
June 2022

# Executive Summary

**This study aims to examine the economic impacts generated from the operations related to the Québec City International Airport (YQB) and all businesses operating on Aéroport de Québec Inc. (AQi) land, based on a review of business and activities using 2019 as the baseline (pre-COVID19).**

The economic impact of YQB is reflected in the 2,480 direct jobs (corresponding to 2,220 full-time equivalents (FTEs)<sup>1</sup> of employment) that are supported or facilitated by the airport, and the \$170 million in direct wages paid. In terms of indirect and induced impacts, our findings indicate that YQB generated a total of 4,720 jobs and \$290 million in total wages throughout Québec (QC), and a total of 5,410 jobs and \$330 million in total wages across Canada in 2019.<sup>2</sup> The estimated annual tax revenues generated by YQB are as follows: \$58 million to the federal government, \$32 million to the provincial government, and \$7 million to the municipal government, for a total of \$97 million in tax revenues for 2019.

**Methodological Note:** 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. In this case, economic impact refers to the economic contribution associated with the ongoing activities of the Québec City International Airport and all Aéroport de Québec tenants, subtenants and associated firms located off-airport. The economic contribution of the airport and AQi's tenants to the community is termed the economic impact of YQB. The three major components of economic impact are classified as direct, indirect, and induced impacts.<sup>3</sup> Together, they provide a snapshot of how the business of the airport can impact the local and regional economy.

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- 1 FTE = full-time equivalent of employment. For purposes of this study, one full-time equivalent of employment corresponds to 1,832 hours of work annually. See Appendix C for further details.
  - 2 Unless specifically indicated as the “City of Québec” or “Québec City”, all references to Québec (QC) pertain to the entire province.
  - 3 Direct impacts account for the economic activity of the target sector itself. Indirect impacts are those that result because of the direct impacts, which involve employment in downstream industries that arise from the presence of YQB. Induced employment is generated from expenditures by individuals employed directly or indirectly by the airport.

## Economic Impacts (2019)

The current economic impact of Québec City International Airport (YQB) is summarized in Figure ES-1 below.<sup>4</sup> Direct economic impact measures the employment and economic impact directly associated with the airport. This includes employment of all airport terminal building tenants, Aéroport de Québec Inc. land tenants, subtenants, and also relevant employment of firms that are located off-airport. Indirect and induced impacts are multiplier impacts in the wider economy stimulated by the airport's activities (e.g., other businesses that supply goods and services to the airport and spending by airport employees).

Emphasis is placed on the direct economic impacts as these are based on data from the employment survey and are clearly identifiable. The multiplier impacts are derived from Statistics Canada economic multipliers for Québec.<sup>5</sup>

The direct impacts of YQB in 2019 are estimated to be 2,480 jobs (equivalent to 2,220 direct FTEs), earning approximately \$170 million in direct wages and an average of \$68,500 per job. This compares to the average annual provincial wage of \$50,100 and average annual national wage of \$53,500 across all industries, reflecting the large number of high skilled positions that are supported by the airport's operations. Direct employment generates

### Economic Impacts of YQB – 2019 (Annual direct impacts)

- 2,480 jobs (or 2,220 FTEs)
- \$170 million in wages
- \$290 million in GDP
- \$600 million in economic output

4 The results of this study are based on a review of 2019 operations.

5 Statistics Canada, CANSIM, Table 281-0027, Earnings, average weekly, by industry (All industries), 2019, calculated for annual earnings.

Figure ES-1. Annual Ongoing Economic Impact of Québec City International Airport, 2019

Impact	Employment		Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
	Jobs	FTEs			
<b>Impacts in Québec (QC)</b>					
Direct	2,480	2,220	\$170	\$290	\$600
Indirect	1,410	1,260	\$80	\$120	\$240
Induced	840	750	\$40	\$80	\$140
<b>Total QC</b>	<b>4,720</b>	<b>4,230</b>	<b>\$290</b>	<b>\$490</b>	<b>\$980</b>
<b>Impacts in Rest of Canada (Not Including QC)</b>					
Indirect	420	380	\$30	\$50	\$110
Induced	270	240	\$20	\$30	\$60
<b>Total Rest of Canada</b>	<b>690</b>	<b>610</b>	<b>\$40</b>	<b>\$80</b>	<b>\$170</b>
<b>Grand Total in Canada</b>	<b>5,410</b>	<b>4,840</b>	<b>\$330</b>	<b>\$570</b>	<b>\$1,140</b>

Notes:

- Totals may not sum due to rounding.
- References to Québec (QC) pertain to the entire province.

\$290 million in direct GDP and \$600 million in direct economic output annually. Total impacts are calculated by adding together the direct, indirect, and induced impacts. Including indirect and induced multiplier impacts, current economic impacts of YQB include a total of 4,720 jobs or 4,230 FTEs in Québec. Total earnings of all associated provincial employees amount to \$290 million in wages. Furthermore, YQB's operations contributed an estimated \$490 million and \$980 million in total GDP and total economic output, respectively, to the provincial economy. Indirect and induced impacts also occur across Canada. Nationwide, the YQB operations support a total economic impact (direct, indirect, and induced) of 5,410 jobs or 4,840 FTEs, earning \$330 million in wages, along with \$570 million in total GDP and \$1.1 billion in total economic output across Canada.

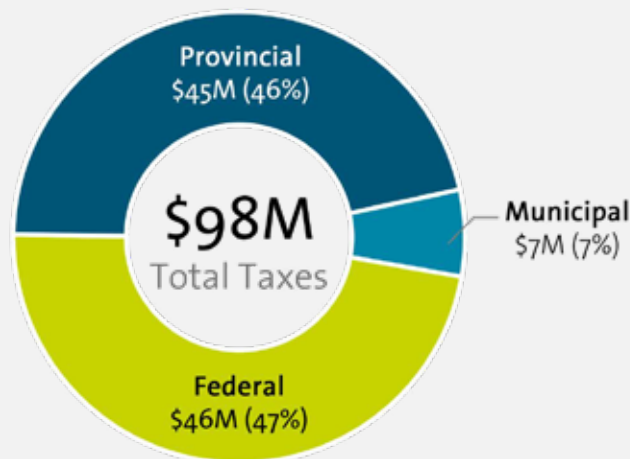
In addition, beyond the direct, indirect, and induced economic impacts, YQB contributes positive effects to the region that can be more difficult to quantify. The airport also facilitates employment and economic development in the regional economy through increased trade, attracting new businesses to the region, and encouraging investment. It supports long-term economic growth by providing links between the regional and national economy through increased employment, greater connections to business markets, and greater access to resources.

This yields additional benefits to direct users and generates positive impacts on the performance and economic activity of the region. Overall, YQB is an important facilitator of economic development, and contributes to the Québec region's attractiveness and competitiveness.

### Tax Contributions (2019)

Québec City International Airport (YQB) is also an important generator of tax revenues to all levels of government. Total tax contributions in 2019, are estimated at nearly \$98 million. Approximately 10% of the airport's taxes were paid by air passengers, 80% was paid by airport employers, AQi tenants and their employees, and the remaining 10% by Aéroport de Québec Inc.

Figure ES-2: Estimated Annual Tax Revenues from Québec City International Airport (YQB), 2019



Notes: Totals may not sum due to rounding.

The majority of YQB's taxes accrue to the federal and provincial governments, accounting for 47% and 46%, respectively, of the total tax revenues generated by YQB. The municipal government benefits from YQB through the collection of property taxes and payments in lieu of taxes (PILT), amounting to over \$7 million paid by AQi and its tenants. Figure ES-2 provides a summary of the taxes collected.

## One-Time Economic Impact of Capital Expenditures (2019)

There are additional one-time economic impacts associated with the capital expenditures made by AQi and its tenants, equivalent to \$102 million in 2019 (approximately 37% was invested by AQi). These impacts are considered separately from the airport's ongoing operations because capital spending can vary significantly over time and on a project-by-project basis. The economic impact of these capital expenditures can be estimated using economic multipliers. Based on the analysis, YQB's capital expenditures in 2019 generated approximately 460 direct jobs (equivalent to 430 direct FTEs) and \$40 million in direct wages, as shown in Figure ES-3.<sup>7</sup>

**In 2019, capital expenditures at Québec City International Airport supported 460 direct jobs, and contributed \$50 million in direct GDP**

<sup>7</sup> All capital expenditures included occur in Québec only.

Figure ES-3: One-Time Economic Impact of Capital Expenditures at YQB, 2019

Impact	Employment		Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
	Jobs	FTEs			
Impacts in Québec (QC)					
Direct	460	430	\$40	\$50	\$100
Indirect	300	280	\$20	\$30	\$50
Induced	190	180	\$10	\$20	\$30
<b>Total QC</b>	<b>950</b>	<b>890</b>	<b>\$60</b>	<b>\$90</b>	<b>\$190</b>

Notes:  
 - Totals may not sum due to rounding.  
 - References to Québec (QC) pertain to the entire province.

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