



**Recreational
boating's**

big splash

**The Economic Impact
of Recreational Boating
in Canada: 2006
Summary Report**

Recreational boating's **\$15.6 billion** splash...

In 2006, nearly six million Canadians took to the water in a boat. The money they spent buying, servicing and operating Canada's 2.9 million pleasure boats pumped \$15.6 billion directly into the national economy.



...and, its **\$26.8 billion ripple effect**

The \$15.6 billion Canadian boaters spent in 2006 rippled through the economy, creating 111,747 jobs directly and another 42,726 jobs indirectly. Of course, all those people and the companies they work for spent money too, which created more employment and more spending on Canadian businesses. When the ripple effect of successive waves of spending and hiring are accounted for, it added up to a total impact of \$26.8 billion and 373,606 jobs.

**Big
splash!**

**Big
ripple!**

The Big Picture

Economic Impact of Recreational Boating in Canada



The \$15.6 billion in expenditures by recreational boaters in 2006 had major impacts as it washed through the Canadian economy.

It ultimately resulted in:

- more than 373,000 jobs
- more than \$17.5 billion in wages and salaries
- sales and excise taxes paid to various levels of government of more than \$3.3 billion
- economic activity totalling \$26.8 billion

Impacts	Real Gross Domestic Product (thousands)	Employment	Labour Force Income (thousands)	Operating Surpluses (thousands)	Sales and Excise Taxes (thousands)	Total of Wages and Salaries, Operating Surpluses and Sales and Excise Taxes (thousands)
Direct	\$ 5,376,634	111,747	\$ 3,767,763	\$ 1,412,324	\$ 1,616,140	\$ 6,796,227
Indirect	\$ 3,258,040	42,728	\$ 1,854,872	\$ 1,243,658	\$ 953,825	\$ 4,052,355
Induced	\$ 15,234,910	219,131	\$ 11,947,917	\$ 3,251,480	\$ 754,813	\$ 15,954,210
Total	\$ 23,869,584	373,606	\$ 17,570,552	\$ 5,907,462	\$ 3,324,778	\$ 26,802,792

What boaters spent their money on

2006 Final Direct Expenditures Net of Sales Taxes (billions)

Boat Insurance:	\$0.22
Private construction:	\$0.23
Other Expenditures:	\$0.34
Purchases of imported boats and accessories:	\$0.64
Purchases of Canadian built boats and engines:	\$1.21
Travel/Fuel:	\$2.10
Expenditures at other retail outlets:	\$2.26
Fishing tourism related activities:	\$3.03
Marina/Dealer/Yacht Club excluding new boat purchases:	\$3.78
Direct spending accruing to Canada's national economy:	\$13.80
Sales Tax:	\$1.80
Total:	\$15.60



Nearly half of that boater spending was tourism related

Boaters spent \$2 billion on travel by automobile, generating big impacts on the automotive and petroleum industries. Over and above that, anglers – using boats for fishing – spent \$3 billion in tourism-related activities each year.

Between spending by anglers, cruisers, trailer-boaters, cottagers with boats and land-based visitors, boating-related tourism added up to \$6 billion, about half of the direct economic impact of boating before taxes. If boating tourism were fully integrated with tourism activity, it would account for 10 percent of Canada's tourism dollars.

Don't forget about American boaters and their impact on the tourism industry

Along with its resident boaters, Canada also attracted boating tourists from the United States. There were 4.3 million boats registered in the eight Great Lakes states, home to one-third of all U.S. boaters.

coast to coast

The big splash and its ripple effects, by region



Regional Economic Impact of Recreational Boating (in Millions)

	Atlantic Region	Quebec	Ontario	Prairies	British Columbia	Total
Direct Labor Income	186.1	942.1	1,676.4	475.6	488.7	\$ 3,767.8
Direct Operating Surpluses	80.8	401.3	680.3	261.1	175.8	\$ 1,412.3
Direct S & E Taxes	81.9	363.2	800.5	130.5	240.2	\$ 1,616.1
Indirect Labor Income	70.8	428.7	861.9	273.7	218.8	\$ 1,854.9
Indirect Operating Surpluses	60.2	221.0	397.6	276.3	101.7	\$ 1,243.7
Indirect S & E Taxes	48.3	214.3	472.3	77.0	141.7	\$ 953.8
Induced Labor Income	442.9	2,435.2	6,307.1	1,309.8	1,452.9	\$ 11,947.9
Induced Operating Surpluses	143.8	684.0	1,527.4	490.5	405.8	\$ 3,251.5
Induced S & E Taxes	34.6	191.9	339.7	93.7	94.8	\$ 754.8
Total Regional Impact	1,149.4	5,881.4	13,063.2	3,388.4	3,320.4	\$ 26,802.8

65,938 and \$1.85 billion

The first is the number of new recreational boats Canadians bought in 2006, and the second is the total they spent on those boats.

- Eight percent of Canadians who don't currently have a boat say they plan to purchase one "in the next three years".
- And by the way, \$1 million spent on new boat purchases in Canada generated \$1.46 million in real gross domestic product, and created 22 new jobs with an average annual salary of \$44,806.

Estimated Canadian New Boat Unit Sales

Total: 65,938

Sterndrive Boats
12,034



Sailboats
1,870



Inboard Boats
3,008



Personal Watercraft
3,889



Outboard Boats
21,284



Human Powered Boats
23,853



manufacturers



6,575
employees

Canadian boat manufacturers employed 6,575 people.



\$1.7 billion
BOATS

Those employees built boats worth \$1.7 billion (wholesale).

\$600 million
EXPORTS

Of that \$1.7 billion, \$600 million were exports.

\$47,430
AVERAGE SALARY

The average salary paid to those employed by the larger manufacturers, including benefits, was \$47,430.



However, 33 percent of boat manufacturers say that attracting and retaining good staff is either a “serious” or “prohibitive impediment” to the growth of their business.

Manufacturing by region

More than half of Canada's total boat, part and accessory manufacturing took place in the province of Quebec.



Total Canadian boat manufacturing	\$ 1,734m
Other marine manufacturing	\$ 243m
Total	\$1,977m

Total Boat Manufacturing Revenues:

<u>\$277 million</u> British Columbia	<u>\$166 million</u> Prairies	<u>\$204 million</u> Ontario	<u>\$1,012 million</u> Quebec	<u>\$75 million</u> Atlantic
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Regional break-down of employment in boat manufacturing

<u>1,566 employees</u> British Columbia	<u>645 employees</u> Prairies	<u>906 employees</u> Ontario	<u>2,226 employees</u> Quebec	<u>509 employees</u> Atlantic
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	No. employees
Total Canadian boat manufacturing	5,852
Other marine manufacturing	723
Total	6,575

marinas

Expenditures at Marinas

Canada had 959 marinas. The vast majority were owner-operated, family owned businesses. In 2006, recreational boaters supported those small businesses with more than \$3.2 billion worth of expenditures.



marinas:
\$3.2 billion

Spending by Category at Canada's Marinas

(Millions)

New boat and engine sales:
\$1,386.36

Pre-owned boat and engine sales
\$489.24

Repair Services
\$490.40

Parts & Supplies
\$208.70

Services
\$135.32

Fuel
\$127.28

Accessory/Gear Sales
\$116.58

Storage
\$115.57

Rentals
\$112.27

Food & Beverage Sales
\$55.40

Other
\$44.81

TOTAL
\$3,281.92

yacht clubs

Expenditures at Yacht Clubs

Recreational boaters spent more than \$400 million at Canada's 302* yacht clubs in 2006. Spending at marinas and yacht clubs totalled almost \$3.7 billion. This spending allowed marinas and yacht clubs to employ an average of 12 full-time equivalent staff, at an average salary of \$28,186.

*Compiled from website listings of sailing and yacht clubs by province



Direct Expenditures Resulting from Yacht Club Operations

(Millions)

Membership Fees	\$124.92
Boat Servicing	\$122.68
Food and Beverage	\$72.18
Winter storage	\$27.96
Dockside fueling	\$29.57
Other	\$33.06
TOTAL	\$410.37

dry-land

Dry-land dealers

259 “dry-land” boat dealers generated a total of \$1.3 billion in sales in 2006.

New and used boat sales and repairs accounted for \$877 million of these sales.



Marinas and yacht clubs plan combined spending of over \$500 million, in each of the next three years, to accommodate the demand in recreational boating.

1,990 kilometers...

If you laid all the slips available for docking recreational boats together, one after the other, from all the marinas and yacht clubs in Canada, it would stretch 1,990 kilometres in total length.

- And, it is not enough. One quarter of the marina and yacht club operators surveyed said availability of slips, especially for larger boats of 30 feet or more is either a “serious” or “prohibitive impediment” to the growth of their operations.

Regional breakdown of total expenditures on new boats and engines

	Atlantic Region (millions)	Quebec (millions)	Ontario (millions)	Prairies (millions)	British Columbia (millions)	Total (millions)
Sailboats	\$ 17.44	\$ 91.32	\$ 125.24	\$ 23.86	\$ 97.90	\$ 355.76
Sterndrive Boats	\$ 10.29	\$ 134.09	\$ 444.74	\$ 47.10	\$ 91.81	\$ 828.02
Inboard Boats	\$ 5.99	\$ 64.46	\$ 116.72	\$ 10.27	\$ 60.42	\$ 257.86
Outboard Boats	\$ 7.42	\$ 100.99	\$ 140.68	\$ 38.58	\$ 41.67	\$ 329.34
Personal Watercraft	\$ 0.65	\$ 2.15	\$ 44.86	\$ 6.51	\$ 4.17	\$ 58.34
Canoes/Kayaks/Other	\$ 0.36	\$ 6.60	\$ 9.61	\$ 2.41	\$ 3.98	\$ 22.95
Loose Engines	\$ 3.99	\$ 70.60	\$ 57.28	\$ 16.63	\$ 16.50	\$ 165.00
TOTAL	\$ 46.13	\$ 470.20	\$ 939.13	\$ 145.35	\$ 416.46	\$ 2,017.27

so what's new?

What's changed since the last study (2001):

1. Recreational Boating is a Growing Industry

Comparative Compound Average Annual RGDP Growth Rates 2001-2006

Canadian Average (all industries)	2.7%
Recreational Marine	2.6%
Industrial Production	1.1%
Non-durable Manufacturing	-0.3%
Durable Manufacturing	1.2%
Manufacturing	0.6%
Transportation Equipment	1.7%
Retail Trade	4.5%

(Selected industries)

Source: Derived from Statistics Canada CANSIM Matrix 379 0027

Over the last five years, growth in the recreational marine category outperformed the manufacturing industrial sectors to which it belongs. It has increased at a compound average annual rate (CAAR) of 2.6 percent, keeping recreational marine manufacturing on pace with the Canadian average of all industries.

That's more than four times the growth rate for all manufacturing, twice the growth rate of durable manufacturing, and more than 50 percent above that of the larger transportation equipment sector. Non-durable manufacturing declined at the CAAR of -0.3 percent.

Source: Derived from Statistics Canada CANSIM Matrix 379 0027

2. Employment Growth

The 2001 study reported direct and indirect employment of 83,731 of which 9,353 were in manufacturing. With the broader coverage of this report largely in tourism related areas, these numbers swell to direct and indirect employment of 154,476 of which 11,165 are in manufacturing, including 6,575 directly employed by recreational boat builders and engine distributors.

3. Average Salary Growth

Average wages and salaries earned by these employees directly or indirectly involved in recreational boating rose from \$31,000 in 2001 to \$36,398 in 2006.



So what's new?

Recreational Boating's Big Challenge

During the last quarter of 2001, one Canadian dollar was worth 71.0 cents in U.S. currency. By the end of 2006 one Canadian dollar was worth 85.8 cents U.S., a 20.8 percent appreciation.

The resulting decline in Canadian exports, net of re-exports, and the rise in imports (shown in chart below) was to be expected. A surplus of trade in recreational boats and engines in 2002 of \$454 million plummeted to a deficit of \$105 million in 2006, an overall decline in trade of \$559 million in four years.

Balance of Trade in Recreational Boating

	2001	2002	2003	2004	2005	2006
Exports of CDN Boats and Engines Net of Re-exports	733	789	631	618	602	600
Imports	315	346	399	501	609	746
Balance of Trade in Recreational Boats and Engines Adjusted for Re-exports	434	454	239	125	0	-105

Source: Strategis

20.8%

The increase in the value of the Canadian dollar relative to the US dollar.



The Canadian Dollar: Time magazine's "Canadian Newsmaker of the Year" for 2007

A 20.8 percent increase in the value of the Canadian dollar relative to the US dollar has presented significant challenges to Canadian manufacturers from 2001 to 2006. That appreciation over six years pales in comparison to the 24.5 percent rise in the Canadian dollar in the first ten months of 2007.

Date–Currency	One Canadian Dollar Buys:					
	US Dollar	Chinese Yuan	EURO	Japanese Yen	Mexican Peso	UK Pound
2/1/2007	0.8584	6.7114	0.6461	101.999184	9.25069	0.435
3/7/2007	0.9438	7.1685	0.6932	115.513457	10.16467	0.468
2/11/2007	1.0685	7.9681	0.7379	122.609122	11.4338	0.5132

Source: Bank of Canada

The Canadian dollar and its impact on recreational boating balance of trade, January to October, 2007

The Canadian dollar's appreciation in the first ten months of 2007 exceeded the total for the previous five years. Its appreciation was broadly spread among trading partners and contributed to a trade deficit in recreational boats of \$187 million, a pace destined to double the 2006 trade deficit.





Discover Boating Canada

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This report was produced by Discover Boating Canada. Discover Boating is a public awareness effort managed by NMMA Canada on behalf of the Canadian recreational boating industry. Discover Boating programs focus on increasing participation and creating interest in recreational boating by demonstrating the benefits, affordability and accessibility of the boating lifestyle while helping to educate potential boaters and offering opportunities to experience the fun and togetherness of being on the water in a boat. Each year almost six million people in Canada enjoy boating, the recreational activity that “connects like no other.”

IN PARTNERSHIP WITH



The **Atlantic Marine Trades Association (AMTA)** is the official voice of the recreational boating industry in Canada's Maritime Provinces. AMTA's mission is to promote the sport of recreational boating and support its members in their endeavours. AMTA is the owner of the Halifax International Boat. www.boatinginatlanticcanada.com



The **Quebec Marine Trade Association / Association Maritime du Québec (AMQ)** represents both the industry and individual boaters; providing services relating to the specific needs of each membership category. AMQ is focused on environmental protection programs, boating security, development of the marina network infrastructure, nautical tourism and the promotion of boating and water sports. Revenues generated from the Montreal Boat and Water Sports Show (which it owns), are used to fund projects such as the Marina Rating and the Eco-Marinas programs, the Quebec Nautical Stations program and the Discover Boating program both at the national and the regional levels.



The **BC Marine Trades Association (BCMTA)** is the voice of the recreational marine industry in British Columbia. BCMTA works with other industry groups and all levels of government to provide a strong and consistent voice for the boating community. BCMTA's mandate is to promote recreational boating in BC and to ensure a positive atmosphere of growth for all members. In addition to owning the Vancouver International Boat Show, the BCMTA actively pursues opportunities to promote boating in BC. www.bcmta.com



The **Canadian Marine Manufacturers Association (CMMA)** represents the recreational boating industry in Canada and is committed to being a leader; in promoting boating, advocacy with government and providing value added services to foster the financial success of the marine industry. www.cmma.ca



The **Mid-Canada Marine Dealers Association (MMDA)** was founded to promote the boating industry as a whole, not only in the Province of Manitoba, but North Western Ontario as well. The MMDA has grown in membership and now not only promotes the Mid-Canada Boat Show (which it owns), for its members, but has also increased its level of commitment to the boating and fishing industry. www.midcanadamarinedealers.com



The **National Marine Manufacturers Association (NMMA)** is the leading association representing the recreational boating industry in North America. NMMA member companies produce more than 80 percent of the boats, engines, trailers, accessories and gear used by North American boaters and anglers. Programs in public policy, market research and data, product quality assurance and marketing communications promote industry growth. NMMA Canada is home to the Discover Boating campaign, and is the Canadian shows division of NMMA – the world's largest producer of boat shows, including the Toronto International Boat Show. www.nmma.org; www.torontoboatshow.com



The **Ontario Marine Operators Association (OMOA)** is the largest recreational marine trade association in Canada. The OMOA is an industry leader, with such programs as Clean Marine, Careers in Boating, Ontario Yacht Brokers & Dealers Association and Discover Boating. www.marinasontario.com

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