Final Report

The Economic Impact of Recreational Boating in Canada: 2016

Prepared for:

NMMA CANADA™

National Marine Manufacturers Association Canada

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Hickling Arthurs Low

Innovation Policy Economics

Executive Summary

This is the fourth in a series of studies conducted by the National Marine Manufacturers Association (NMMA) Canada on the economic contribution made by the Canadian recreational boating industry. The study was conducted in cooperation with Discover Boating and the regional boating trade associations.

Canada's core recreational boating industry consists of manufacturers, stores, marinas, repair and maintenance shops, schools and boat clubs, and various other related companies.

Canada's core recreational boating industry consists of boat and accessory manufacturers, boat and accessory dealers, marina operators, repair and maintenance shops, schools and boat clubs, and various other related companies.

The core industry consists of about 4,800 companies that provide goods and services of value to Canadian and international boaters.

The core industry consists of about 4,800 companies that service the 43% of adult Canadians who participate in boating and the 20% that own a boat.

In addition to the core industry, related industries such as fishing, outfitters, and tourism, are strongly influenced by boating.

About 43% of adult Canadians (12.4 million people) participate in boating and 20% (6.0 million) own a boat.

Canada's core recreational boating industry has direct revenues of about $4.9 billion per year and directly employs about 45,000 people. The impact of the core recreational boating industry ripples out into the Canadian economy in many ways. Those revenues make a contribution to Canada's national economy (GDP) of about $5.6 billion per year and are responsible for a total of about 75,000 jobs.

The core industry has direct sales of $4.9 billion and employs 45,000 people. The economic contribution to the national economy of this is $5.6 billion and 75,000 jobs.

These total numbers mask the crucial impact that boating has on many small communities across Canada.

Table A summarizes the economic impact results of this study:

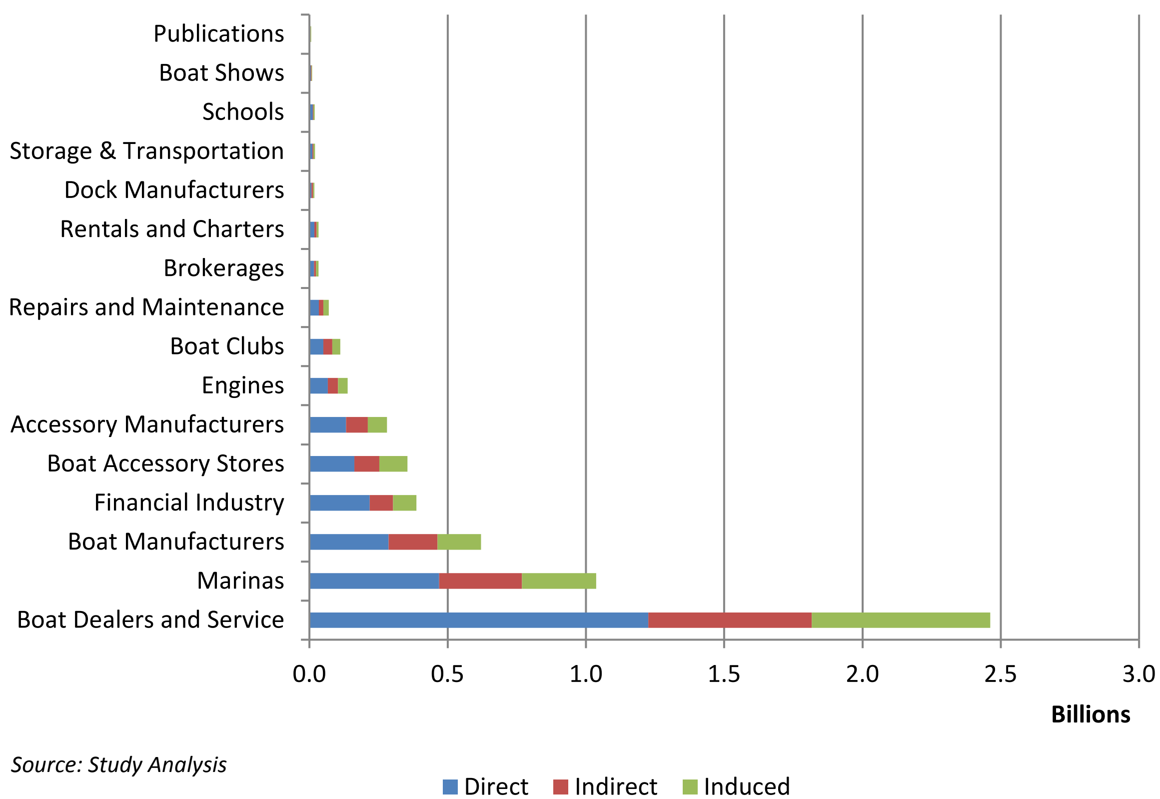
Table A: Economic Results Summary

	Direct	Indirect	Induced	Total
Revenues ($000)	$4,884,144	$2,679,871	$2,451,494	$10,015,510
GDP ($000)	$2,719,293	$1,437,055	$1,441,853	$5,598,201
Employment (FTE)	44,666	15,754	15,014	75,434
Wages & Salaries ($000)	$1,573,846	$728,214	$604,567	$2,906,627
Taxes & Subsidies ($000)	$420,821	$233,230	$214,303	$868,355

Source: Study Analysis

Figure A: Subsector Gross Domestic Product shows how the economic contribution to the national economy of the core industry is distributed among the industry subsectors. Boat Dealer and Service Stores, Marinas, and Boat Manufacturers have the largest impacts.

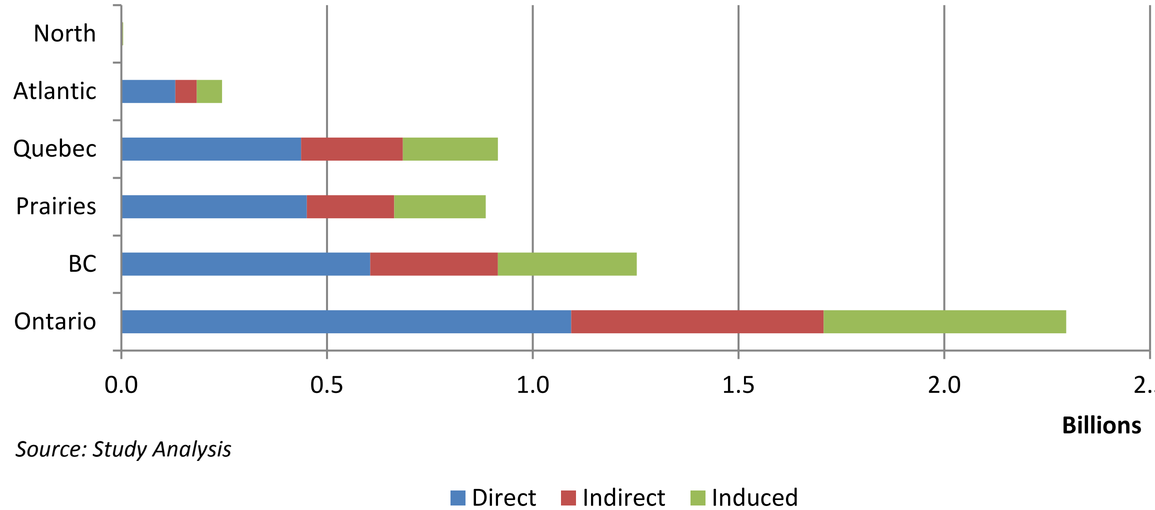
Figure A: Subsector Gross Domestic Product



Source: Study Analysis

Figure B shows how that contribution is distributed among Canadian regions. Ontario accounts for the bulk of the impacts, followed by BC, Quebec, and the Prairies. Of particular importance is the significant impact that boating has on many smaller communities across Canada.

Figure B: Regional GDP



Source: Study Analysis

In addition to the economic impact of the recreational boating industry, there are additional economic contributions by Canadians and foreign visitors when they spend money on boating trips. While such expenditures should be attributed to the economic impact of the tourism industry – accommodation, transportation, food and beverage, etc. – they are mentioned here as a reminder that boating is one of the significant attractions that encourage Canadians and foreign visitors to travel in Canada.

Boaters spent $7.4 billion while on boating trips. Canadians spend an average of $400 per trip, while foreign visitors spend $2,750 per trip.

Table B summarizes the spending of Canadians and foreign visitors will on trips that include boating. They spent $7.4 billion in 2014. While there were many fewer trips by foreign visitors, they spent much more per trip; on average Canadians spent $400 per trip, while foreign visitors spent $2,750 per trip.

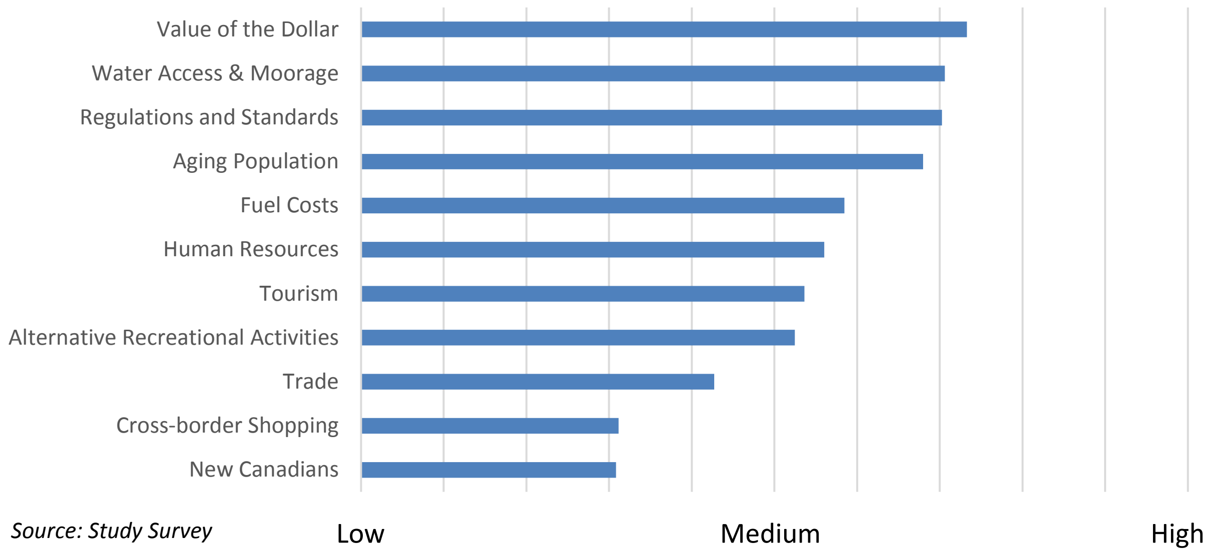
Table B: Spending on Boating Trips

	Canadians	Visitors	Total
Transportation ($000)	$ 1,837,923	$ 280,442	$ 2,118,365
Accommodation ($000)	$ 1,219,066	$ 575,940	$ 1,795,006
Food & Beverages ($000)	$ 1,844,120	$ 377,494	$ 2,221,614
Recreation & Entertainment ($000)	$ 532,444	$ 184,657	$ 717,101
Other Spending ($000)	$ 90,401	$ 53,211	$ 143,612
Clothing & Gifts ($000)	$ 224,799	$ 131,680	$ 356,479
Total ($000)	**$ 5,748,753**	**$ 1,603,424**	**$ 7,352,177**

Source: Statistics Canada

In a survey for this study, Canadian recreational boating organizations were asked a number of questions regarding their business outlook, issues facing the industry, and influences affecting the boating market. Figure C shows the average ranking of these issues and influences for the entire industry. At the top is the value of the dollar, followed by water access and moorage, regulations and standards, Canada's aging population, and fuel costs.

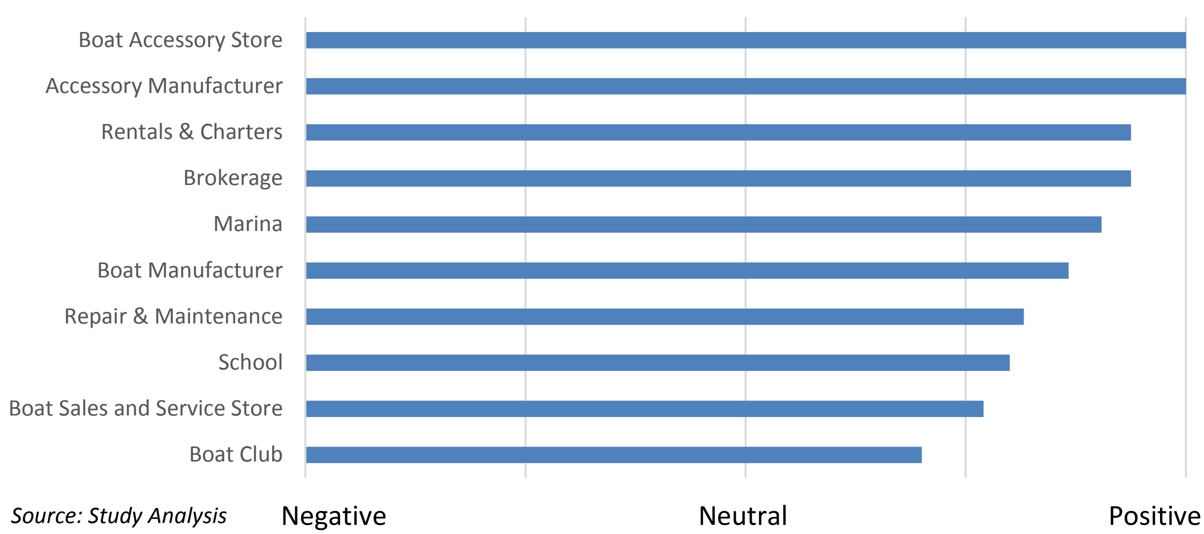
Figure C: Relative Importance of Boating Industry Issues and Influences



Source: Study Survey

The core recreational boating industry has weathered some difficult years in the last decade due particularly to downturns in the economic situation in the United States. However, the situation has been stable over the last few years. Core industry companies are now optimistic about their future, as shown in Figure D.

Figure D: Business Outlook



Source: Study Analysis

Table of Contents

1. Introduction

This report presents the fourth in a series of studies conducted for NMMA Canada on the economic contribution made by the Canadian recreational boating industry. Previous studies were completed in 2001, 2006, and 2012. The study was conducted in cooperation with Discover Boating and the regional boating trade associations.

Scope

This study focuses on the 'core' Canadian recreational boating industry: boat dealers, manufacturers, marina operators and other sector related businesses that are directly involved in the production of goods and services related to recreational boating. The economic activity related to the *use* of boats in activities such as fishing and tourism has been examine separately. It must be recognized that these ancillary effects of recreational boating make an economic contribution that is much larger than that of the core industry.

Approach

Data to support the study was obtained from a variety of sources:

- A database of core boating industry organizations developed for this study.
- Interviews with industry representatives.
- A survey of boating industry organizations conducted for this study.
- A survey of the general population regarding recreational boating conducted for NMMA Canada.
- Boating industry economic statistics from Statistics Canada.
- Boat statistics from Transport Canada.

The analysis of the economic impacts of the boating industry was performed using an input-output econometric model. Results were calculated for direct, indirect and induced impacts at the national, regional, and local levels.

In addition to this paper version of the study, the results are also available in an interactive web application.

Report Overview

This report is structured in the following parts:

- Chapter 2 introduces boating in Canada – the core organizations that provide boating goods and services, additional sectors impacted by boating, and the boaters who own and use boats.

- Chapter 3 summarizes the performance of different subsectors of the industry in terms of their growth, costs, sales, and imports and exports.

- Chapter 4 details the economic contribution of the industry from the perspective of both the industry's subsectors and by geographical region.

- Chapter 5 examines the economic contribution that results from the use of boats by Canadians and foreign visitors on their travels in Canada.

- Chapter 6 examines the market influences and industry issues that are facing the boating industry. It also looks briefly at marina activity in particular.

2. Recreational Boating in Canada

This chapter provides a brief introduction to boating in Canada from the perspectives of the core recreational boating industry, additional sectors impacted by boating, and boating participants.

2.1 Core Recreational Boating Industry

The core Canadian recreational boating industry consists of about 4,800 companies that provide goods and services of value to Canadian and international boaters. The industry can be segmented into a number subsectors in the boating value chain. However, the traditional industry segmentation should not be confused with the activities carried out within the subsector because in this industry how an organization identifies itself does not always provide a complete picture of what it does.

Error! Reference source not found. summarizes the relationships between core boating industry subsectors and boating industry activities. The table indicates whether, on average, the relative participation of a subsector in an activity is high, medium, or low. The following sections describe the subsectors and their activities.

2.1.1 Production

- **Boat Manufacturers:** This subsector builds boats: motor boats, sail boats, and human powered boats. Many of the parts required in their construction are obtained from accessory manufacturers.

- **Accessory Manufacturers:** This subsector builds products that are used on boats or by boaters. The products can be installed in new boats by boat manufacturers, installed later by the boaters themselves, or used by boaters on or off their boats.

- **Engine Manufacturers:** An important component of power boats is the engine. No marine engines are manufactured in Canada, although there are a number of engine manufacturers that have a significant presence in Canada for the distribution of their engines manufactured elsewhere.

Table 1: Boating Subsectors and their degree of Activity Participation

Boating Industry Subsector: / Boating Industry Activities:	Boat Manufacturer	Accessory Manufacturer	Boat Dealer and Service Store	Boat Accessory Store	Brokerage	Marina	Rentals & Charters	Repair & Maintenance	School	Boat Club
Boat Manufacturing	High							Med		
Accessory Manufacturing		High						Med		
New Boat Sales	Low		High	Med	Low	Low				
Used Boat Sales			High		High	Med		Low		
Engine Sales			Low	Low		Low		Low		
Accessory Sales		Med	Med	High	Low	Med		Med		
Rentals			Low			Low	High			
Accommodation						Low				
Moorage						High				Low
Fuel Sales						Med				
Food Sales						Low				
Repairs	Low	Low	Med		Med	Med	Low	High		
Storage			Low			Med				
Training									High	Med
Publications									Med	Low
Other Services						Low	Med			Med

Source: Study Survey

- **Dock Manufacturers:** Boating requires land-based infrastructure. Some of this is generic to other uses, such as roads to get to boating destinations. But docks are an infrastructure particular to boating. Docks can be small and prefabricated, or large, custom built installations. Large industry wharves and piers that are used for purposes other than recreational boating have been excluded from this analysis.

2.1.2 Sales

- **Boat Dealer and Service Stores:** This subsector often participates in many activities: selling new, and possibly used, boats (see also brokerages below); selling accessories (see also boat accessory stores below); repairing and maintaining boats (see also repairs and maintenance below); and storing boats (see also transportation and storage below). Marinas often provide a similar range of services, but are differentiated by their location on the water.

- **Brokerages:** This subsector sells predominately used boats, although new boats are possible. They differ from boats sales and service stores in their more limited range of services.

- **Boat Accessory Stores:** This subsector sells boat accessories. They differ from boat dealer and service stores in that they tend not to sell boats. They are sometimes referred to as chandleries or marine supply stores. Wholesale distributors of boat accessories have been included here.

- **Mass Market Retail:** Some stores of a general nature, such as Canadian Tire, sell boats and accessories as part of a much larger range of goods. In this study, they have been included with Boat Accessory Stores.

2.1.3 Service

- **Marinas:** Marinas potentially provide the widest range of products and services of the boating subsectors, either directly or by housing other co-located companies. They are differentiated from other subsectors by their location on water and usually the provision of moorage space. They often sell fuel, boats, boating accessories, food and other sundries. They may provide rentals, repairs, maintenance, and seasonal storage. They may have accommodation available, either in a building or a campground. In such cases, the marina may be a secondary business to the accommodation business.

- **Boat Clubs:** This subsector often provides services similar to marinas, but is differentiated by their focus on members, rather than the general public, and social activities and infrastructure for the use of those members. They also tend to have a greater emphasis on education than marinas. When their focus is on sailing, they are often referred to as yacht clubs.

- **Schools:** This subsector provides educational programs for boaters. Most common are sailing schools, but schools exist for all types of boating. Educational programs are often also associated with boat clubs.

- **Rentals and Charters:** This subsector rents boats to occasional boaters or boaters who are travelling. When the rentals are for longer periods, for larger boats, and especially if the rental comes with a crew, they are often referred to as charters.

- **Repairs and Maintenance:** This subsector repairs boats and engines, and provides other maintenance services such as cleaning. Repair and maintenance services are also often provided by organizations in other categories, such as marinas and boat dealer and service stores.

- **Transportation and Storage:** This subsector helps move large boats or stores them during the off-season. Storage is often provided by organizations in other categories, such as marinas and boat dealer and service stores.

2.1.4 Other

- **Publications:** This subsector publishes magazines, books, and other media about boating to help promote boating and educate the public.

- **Boat Shows:** This subsector produces boat shows. These shows are an important means by which boat and boat accessories sellers make their wares available to boaters. The shows also educate and inform the boating and non-boating public about different aspects of boating, such as boating opportunities and safety. The Toronto and Vancouver boat shows have a national and international draw. Regional shows are held in Calgary, Edmonton, Montreal, Winnipeg, Ottawa, and Halifax. There are also numerous other shows with a local draw.

- **Boat Associations:** This subsector acts as a voice for other categories in the boating industry.

- **Financial Institutions:** This subsector provides boat insurance and financing for boat purchases.

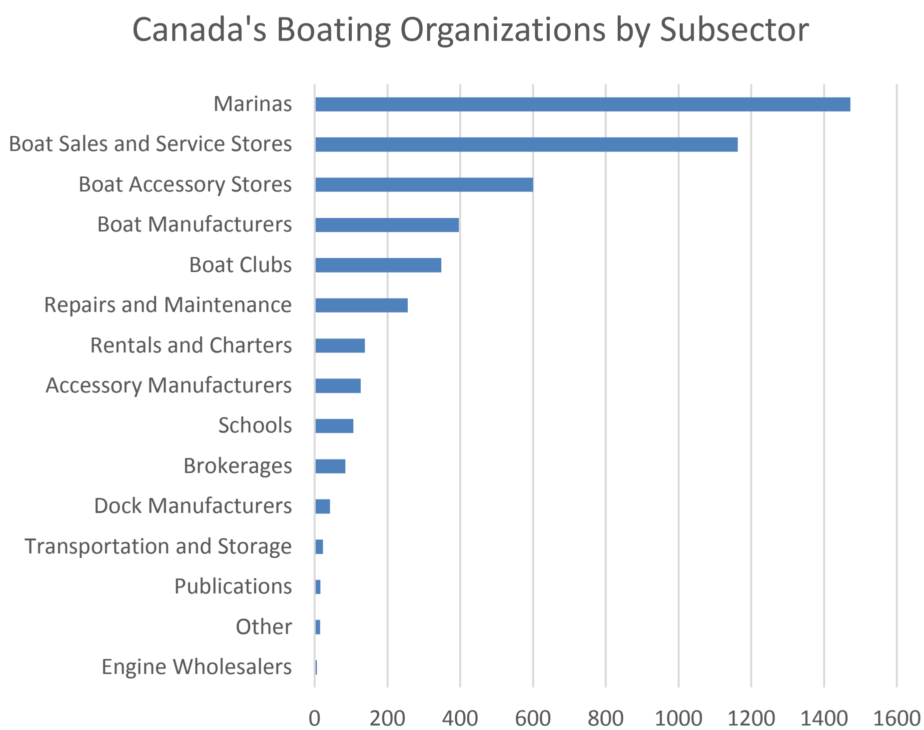
Table 2, Figure 1, and Figure 2 show the number and regional distribution of organizations in the major boating subsectors (‘Other’ includes boat shows, boating associations, and financial institutions).

Table 2: Subsector and Regional Distribution of Boating Organizations

Subsector	Ontario	BC	Quebec	Atlantic	Prairies	North	Total
Engine Wholesalers	3	3	0	0	0	0	6
Other	2	13	0	0	0	0	15
Publications	4	8	3	1	0	0	16
Transportation and Storage	0	18	0	3	2	0	23
Dock Manufacturers	15	9	10	3	4	1	42
Brokerages	28	48	1	6	1	0	84
Schools	50	25	19	4	8	0	106
Accessory Manufacturers	31	59	16	16	5	0	127
Rentals and Charters	46	53	11	10	16	2	138
Boat Accessory Stores	219	112	117	62	90	0	600
Repairs and Maintenance	77	71	14	24	70	0	256
Boat Manufacturers	99	117	55	108	17	0	396
Boat Clubs	172	58	54	42	22	0	348
Boat Sales and Service Stores	416	252	178	110	204	3	1163
Marinas	691	284	321	137	39	0	1472
Total	**1853**	**1130**	**799**	**526**	**478**	**6**	**4792**

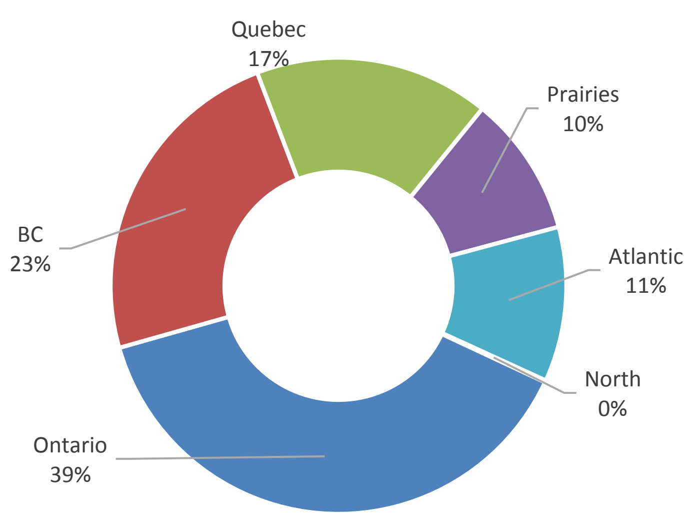
Source: Study Review

Figure 1: Number of Boating Organizations



Source: Study Review

Figure 2: Regional Distribution of Boating Organizations



Source: Study Review

From these numbers, a few sectoral and regional differences are evident:

- Overall, marinas are the most numerous organizations in the boating industry, but there are significant regional differences. Marinas are most common in Ontario, with almost half of Canada's total. In contrast, marinas are relatively uncommon in the Prairies.

- In some cases, there is overlap between marinas and accommodations. For example, in Ontario, marinas are often co-located with campgrounds. In BC, lodges located on water may provide some marina services.

- Boat manufacturers are relatively more common in the Atlantic Provinces and BC. However, most of these are small operations providing custom work. In the Atlantic Provinces in particular, there is a high degree of overlap with the production of custom made commercial craft, such as fishing boats.

- There is often a loose distinction between boat repair organizations and custom boat manufacturers – the same organization have the skills to provide both types of services and the ability to move from one to the other depending on market conditions.

- There are only about a half dozen remaining large-scale manufacturers of recreational boats remaining in Canada. The bulk of that production is in Quebec.

2.2 Boating Participants

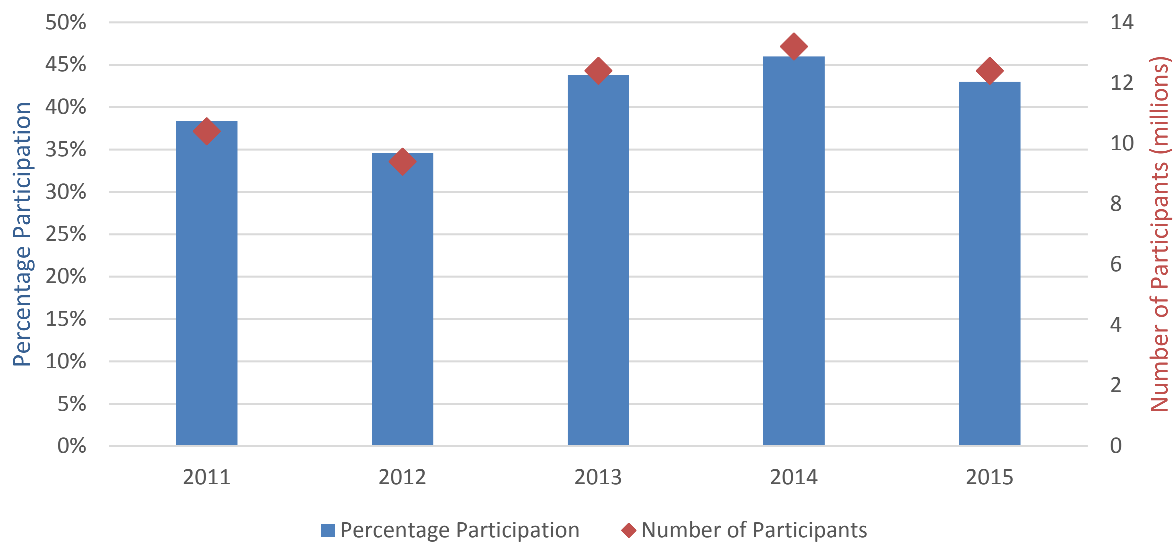
Except for limited exports (see Section 3.4), the Canadian recreational boating industry is dependent on Canadians participating in boating. This section provides a brief overview of Canadian boating behaviour. More detail is available in the source documents used for this analysis.[1]

2.2.1 Participation

In a series of surveys, Canadians have been asked how often they participate in boating. Figure 3, shows the percentage and number of adult Canadians that have participated in recreational boating during each year[2]. Overall, about 43% of Canadians (12.4 million) participated in boating in 2015. Given the relative populations, the most boaters are in Ontario (Figure 4).

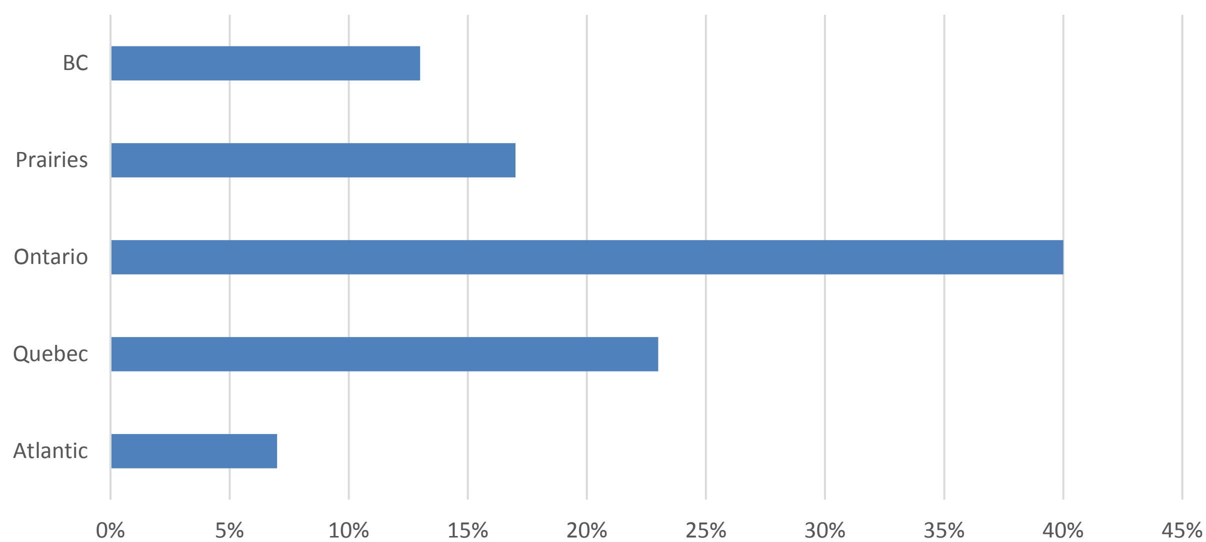
[1] 2015 NMMA Statistical Abstract
[2] 2015 NMMA Statistical Abstract.

Figure 3: Boating Participation by Year



Source: 2015 NMMA Statistical Abstract

Figure 4: Boating Participation by Region

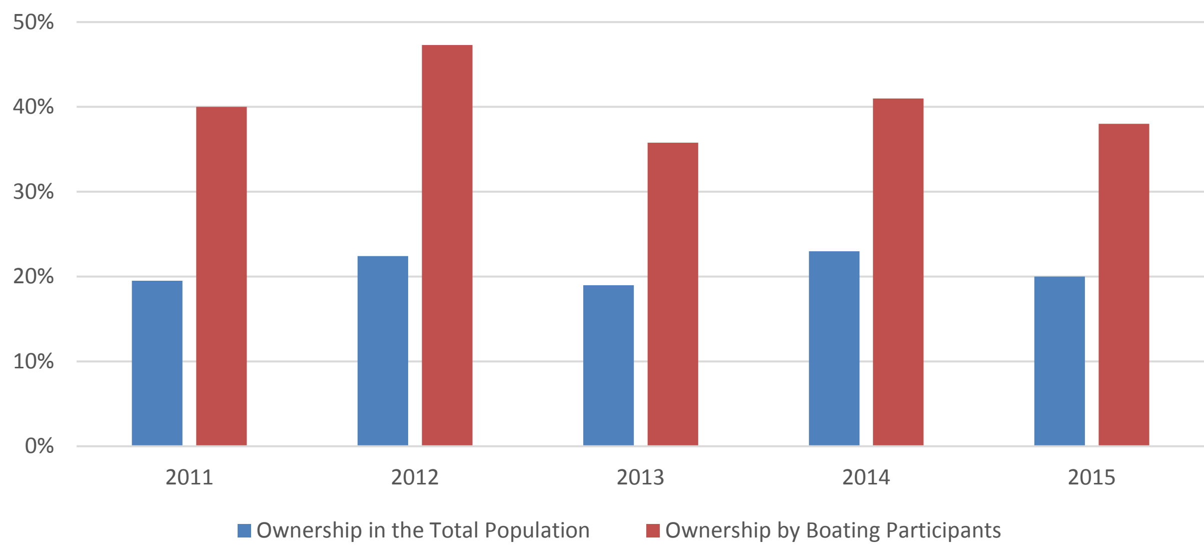


Source: 2015 NMMA Statistical Abstract

2.2.2 Ownership

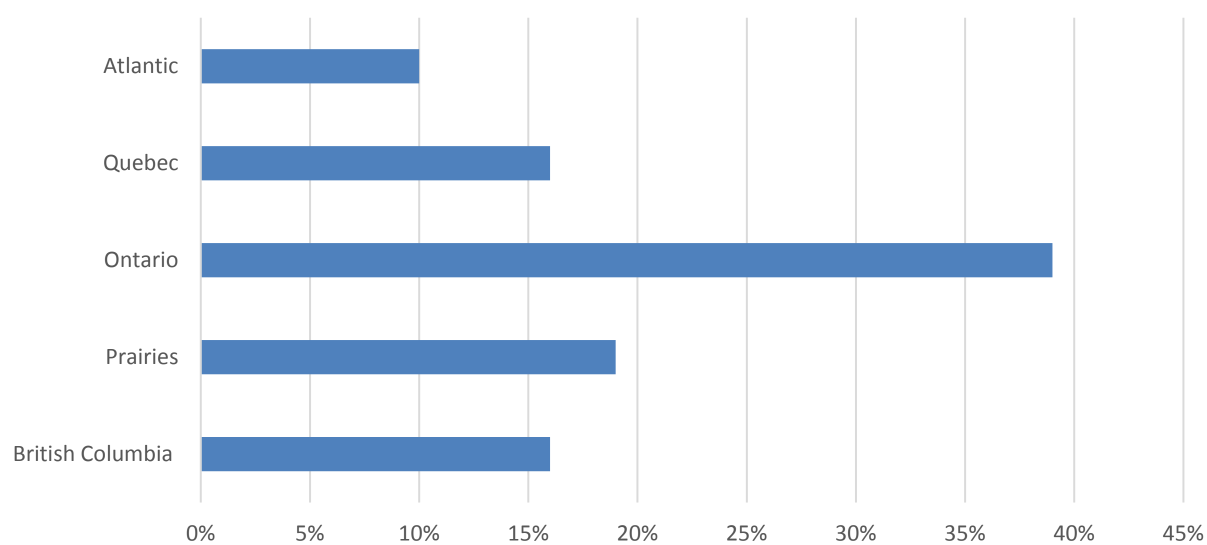
The surveys have also examined boat ownership. Figure 5 shows the percentage of adult Canadians that own a boat, both as a percentage of the total population and as a percentage of those who participate in boating. Overall, about 20% of Canadians owned a boat in 2015[3], and of those who participate in boating, 38% owned a boat. As with participation, the most boats are in Ontario (Figure 6).

Figure 5: Boat Ownership by Year



Source: 2015 NMMA Statistical Abstract

Figure 6: Distribution of Boats by Region

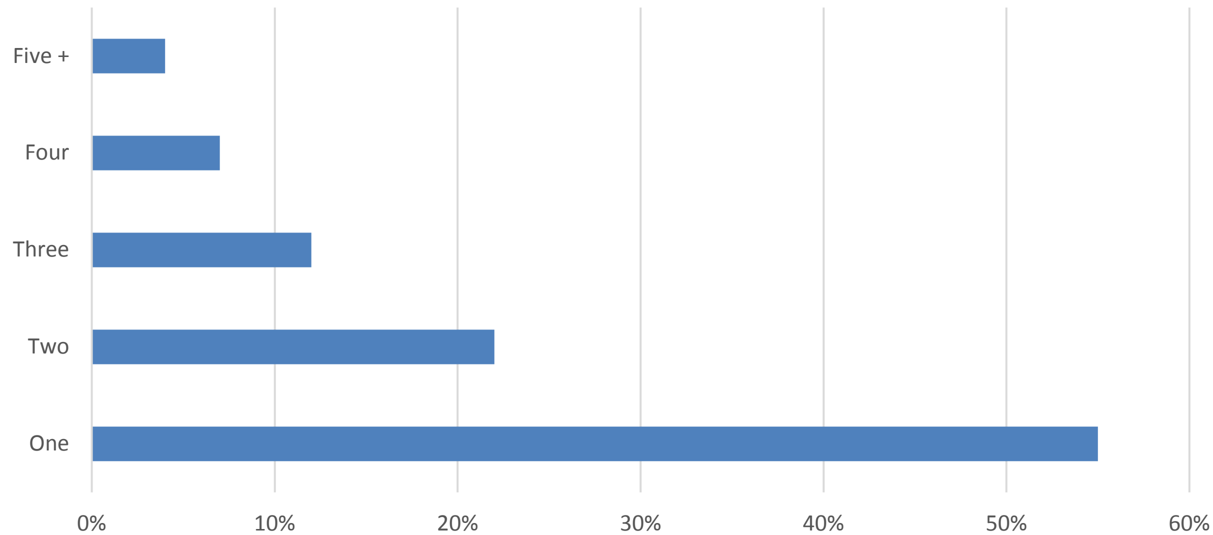


Source: 2015 NMMA Statistical Abstract

[3] 2015 NMMA Statistical Abstract

Figure 7 shows the number of boats owned by those who own a boat. Combining the number of people who own a boat with the statistics on how many boats they own results in an estimate of 8.6 million boats in Canada.

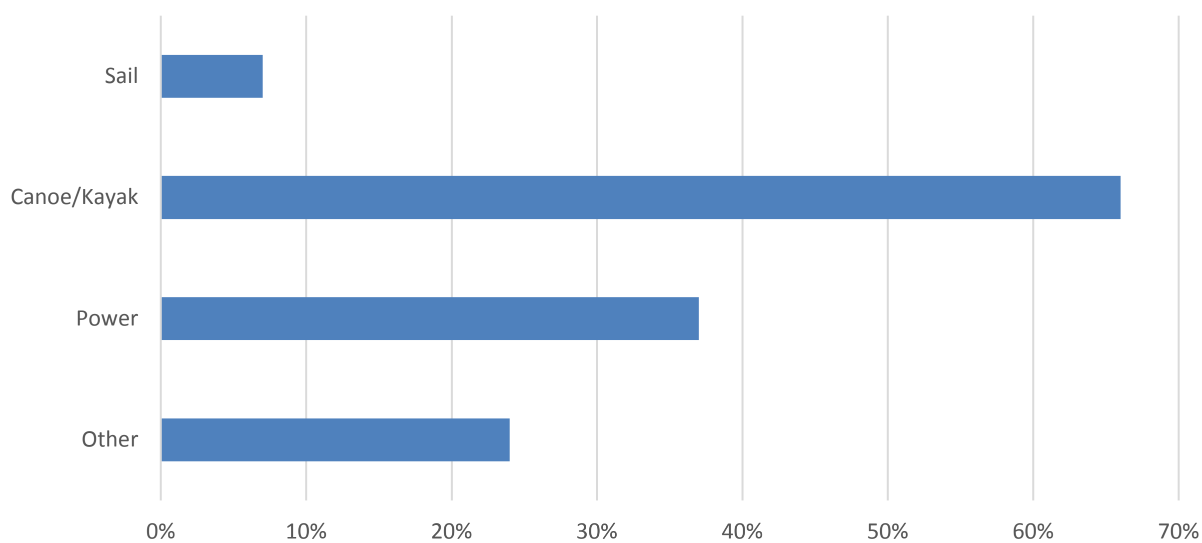
Figure 7: Number of Boats Owned



Source: 2015 NMMA Statistical Abstract

Figure 8 shows the distribution of boats by type. The majority are canoes and kayaks, followed by power boats, and sail boats.

Figure 8: Distribution of Boats by Type



Source: 2015 NMMA Statistical Abstract

2.2.3 Boater Characteristics

Based on a detailed survey conducted in 2006[4], discriminant analysis[5] was used to examine how Boaters differ from Non-Boaters. While no more recent surveys of similar detail are available, the annual NMMA survey is supportive of the general conclusions.

The attributes, attitudes, and behaviours of boaters were examined from a number of perspectives:

- Personal situation and characteristics
- Activities at home
- Water activities while travelling
- Benefits sought from travelling
- Media consumption
- Memberships
- General Attitudes

The results of that analysis provide the following observations:

- Boaters are more likely to have access to a cottage, own other recreational vehicles, and travel, compared to non-boaters.
- They are more likely to participate in fishing, camping, and swimming, compared to non-boaters.
- They are more likely to seek physical challenge, solitude, and something different, compared to non-boaters.
- They are more likely to read outdoor, science, and automobile magazines, compared to non-boaters.
- They are more likely to be members of nature, sports, and community service clubs, compared to non-boaters.
- They have a greater preference for undiscovered places, participate more in fitness programs, and have more energy, compared to non-boaters.

Such discrimination between the characteristics of boaters versus non-boaters can be important in some applications. For example in marketing, the analyses will help in both formulating the

[4] 2006 TAMS Survey
[5] Discriminant analysis is a statistical technique that finds a linear combination of features which characterizes or separates two or more classes of objects.

message and choosing the medium with which to deliver it. In some cases, marketing messages may be targeted at boaters (e.g. selling boating accessories); in other cases messages may be targeted at non-boaters (e.g. attracting new participants to boating). Also, it is likely that non-boaters which share characteristics with boaters are more likely to become boaters.

3. Industry Performance

This chapter examines the performance of the Canadian recreational boating industry; its growth, costs, domestic sales, and imports and exports.

3.1 Growth

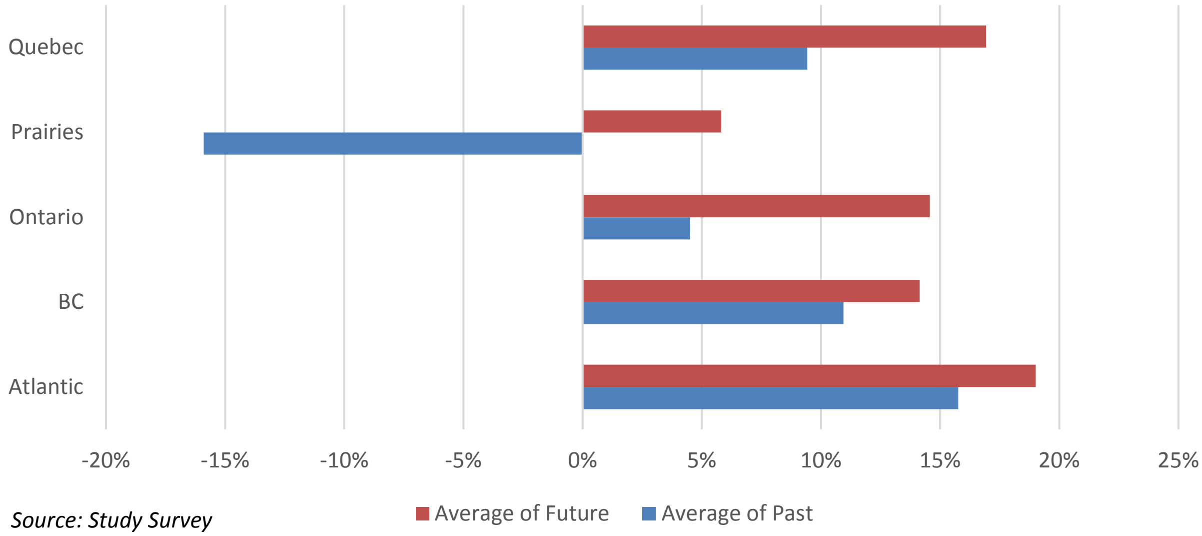
Figure 9 and Figure 10 show past and future employment growth by region and subsector, respectively. Past growth is the difference between employment two years ago and today. Future growth is the difference between expected employment two years from now and today.

Past growth was negative for the Prairies, low for Ontario, positive for Quebec and BC, and strongly positive for Atlantic Canada. Future growth is expected to be positive to strongly positive for all regions.

Past growth was neutral to positive for all subsectors.

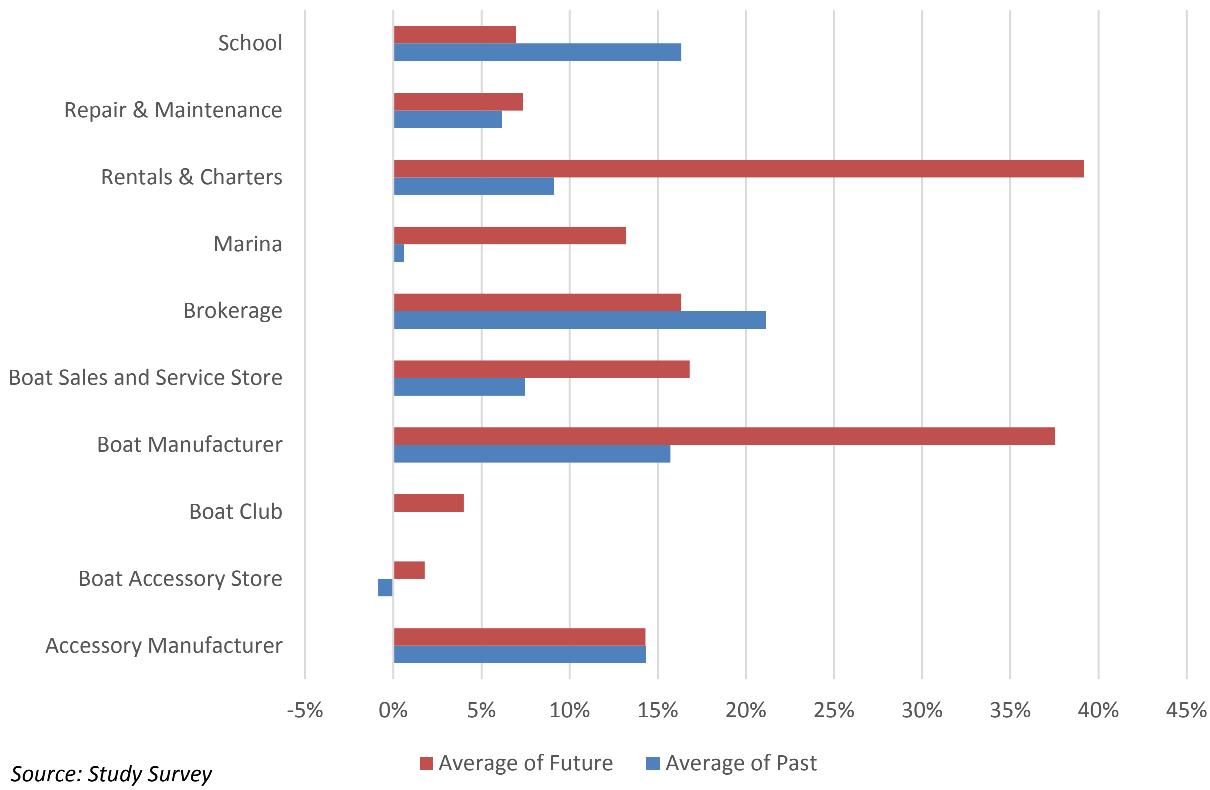
While Boat Accessory Stores and Boat Clubs are neutral about the future, Boat Manufacturers and Rentals and Charters expect strong growth, and the others expect moderate growth. Section 5.1 below considers each subsector's business outlook. That estimation shows that all subsectors are, in general, optimistic about the future.

Figure 9: Employment Growth by Region



Source: Study Survey

Figure 10: Employment Growth by Subsector



Source: Study Survey

3.2 Annual Costs

Boating organizations incur a variety of costs in their operations. For those subsectors from which sufficient responses were received, Table 3 and Figure 11 show the breakdown of the major expense categories as a percentage of revenue.

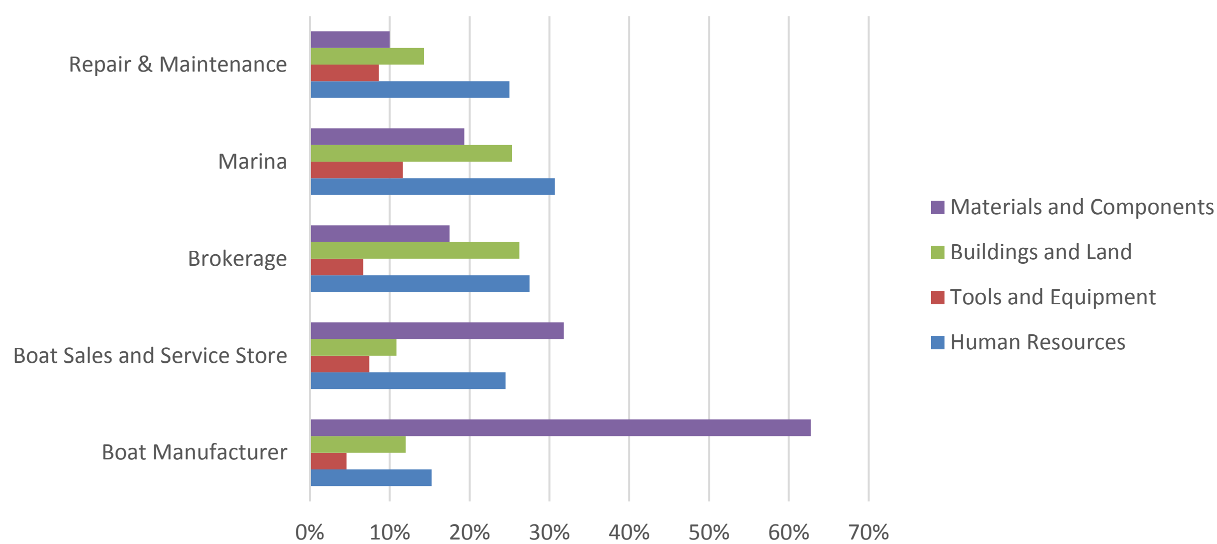
Human resource costs and Tools and Equipment are highest for Marinas. Materials and Components are highest for Boat Manufacturers. Buildings and Land are highest for Brokerages and Marinas.

Table 3: Annual Costs

	Human Resources	Tools and Equipment	Buildings and Land	Materials and Components
Boat Manufacturers	15%	5%	12%	63%
Boat Sales and Service Stores	25%	7%	11%	32%
Brokerages	28%	7%	26%	18%
Marinas	31%	12%	25%	19%
Repair & Maintenance	25%	9%	14%	10%
Industry Average	27%	9%	20%	24%

Source: Study Survey

Figure 11: Annual Costs



Source: Study Survey

3.3 Sales

The large ticket items, boat and engine sales, are a useful barometer of the health of the overall recreational boating industry. The figures in this section come from boat registration data and therefore are primarily representative of power boats, since Transport Canada does not require human powered boats or engines under 9.9 hp to be registered in Canada. However, the numbers do indicate the general sales trends in the industry.

3.3.1 New Boat Sales

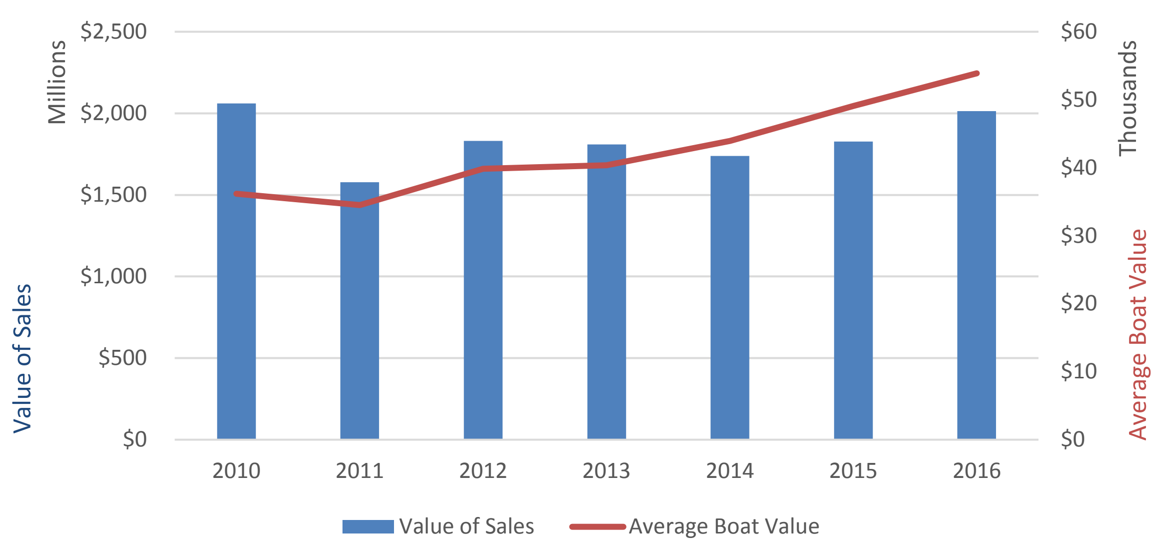
Table 4 and Figure 12 show the number of new and pre-owned boat sales by year[6]. These figures only include registered boats. While the total value of sales has been relatively constant, the average boat value has been increasing, reflecting the decrease in the number of boats sold.

Table 4: Number of Boats Sold by Year

	2010	2011	2012	2013	2014	2015	2016
New boats	56,946	45,749	45,971	44,851	39,573	37,233	37,349
Pre-owned Boats	79,712	56,469	64,197	62,489	59,778	64,021	63,505
% New	42%	45%	42%	42%	40%	37%	37%

Source: NMMA 2016 Statistical Abstract

Figure 12: Value of New Boat Sales by Year

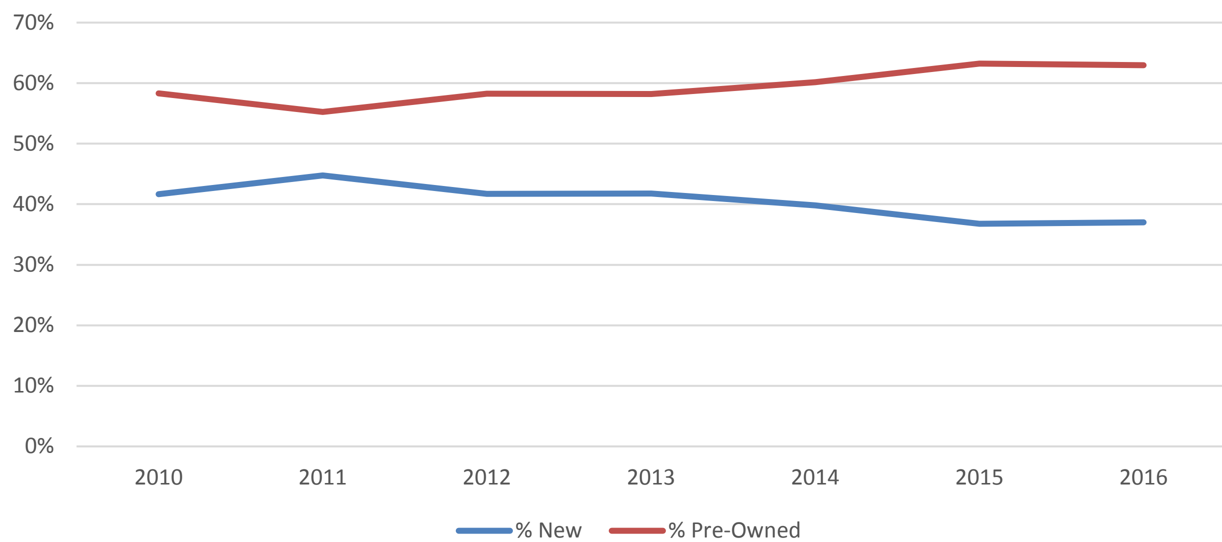


Source: 2015 NMMA Statistical Abstract

[6] NMMA 2016 Statistical Abstract

New boat sales as a percentage of total sales have been falling since 2011 (Figure 13).

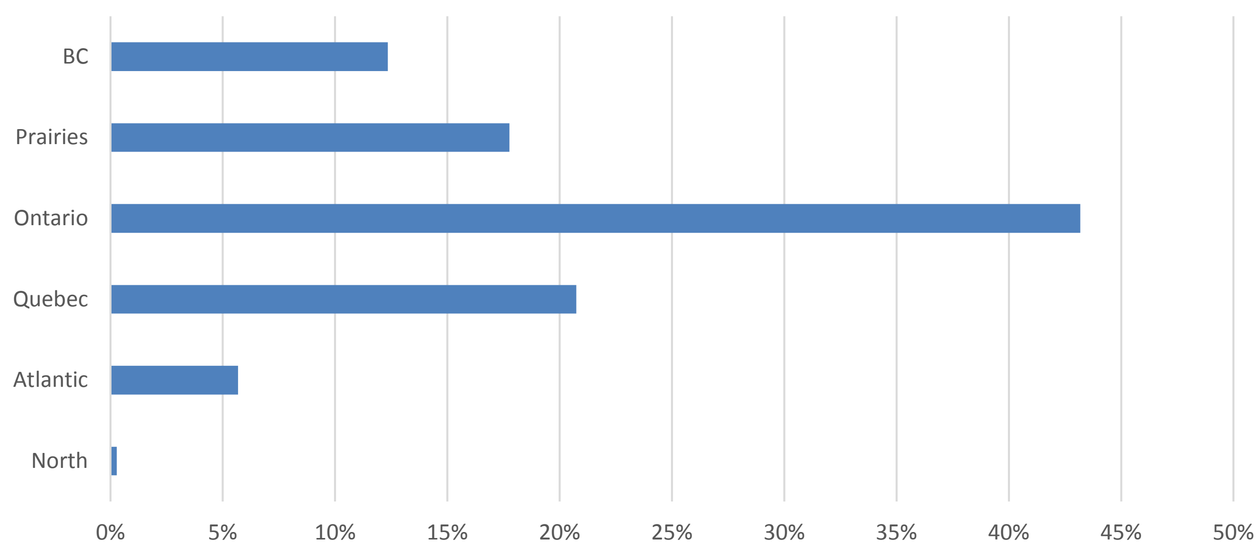
Figure 13: Boat Purchase Source



Source: 2016 NMMA Statistical Abstract

Figure 14 shows the percentage of new boats sold in each region for 2016, with Ontario accounting for 43% of new boats, followed by Quebec and the Prairies.

Figure 14: Percentage of New Boat Sales by Region

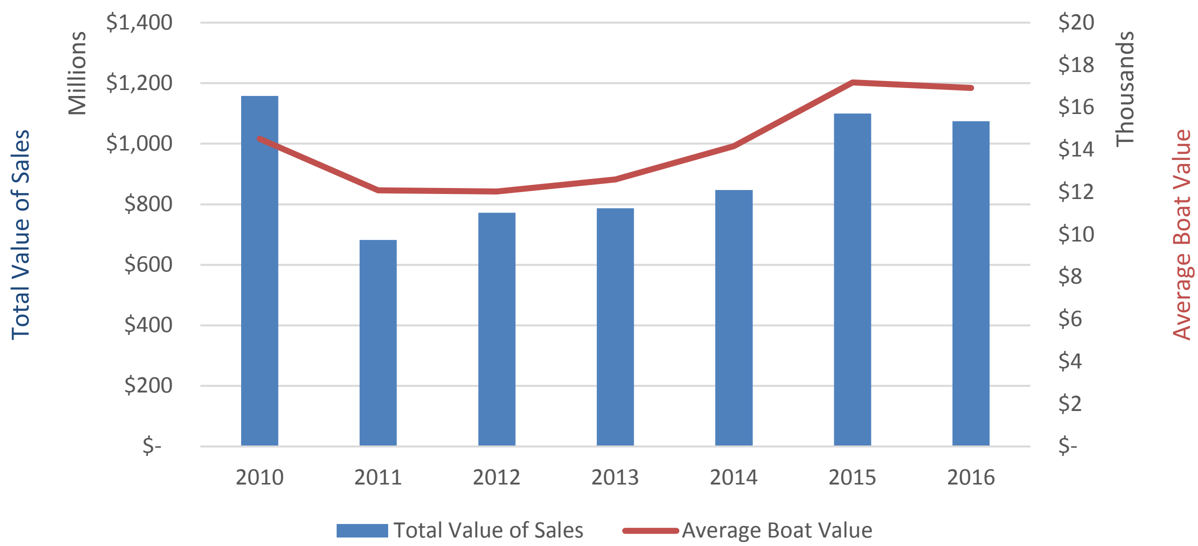


Source: 2016 NMMA Statistical Abstract

3.3.2 Pre-Owned Boat Sales

In 2016, about 63% of boat sales were of pre-owned boats. As shown in Figure 15, 2015 was the best year in the last five for pre-owned boast sales with a 50% increase in total value of sales and a 27% in average boat value over 2011[7].

Figure 15: Pre-Owned Boat Sales by Year

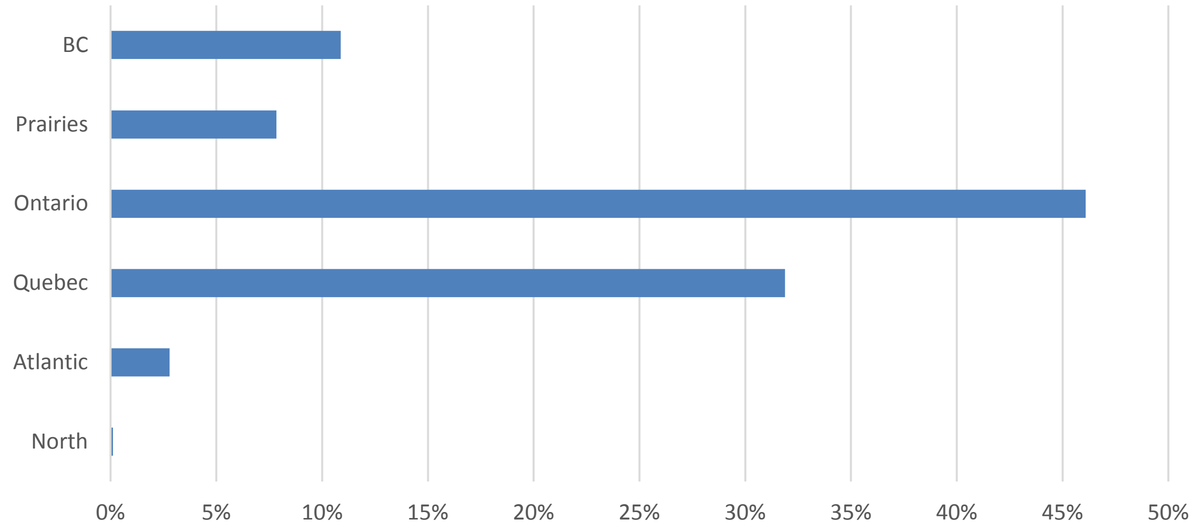


Source: 2016 NMMA Statistical Abstract

Regionally, Ontario was again the biggest market, followed by Quebec, as shown in Figure 16. However, unlike for new boats, BC was a larger market for used boats than the Prairies.

[7] These figures only include registered boats. This does not include human-powered boats and only includes larger sailboats with engines.

Figure 16: Pre-Owned Boat Sales by Region

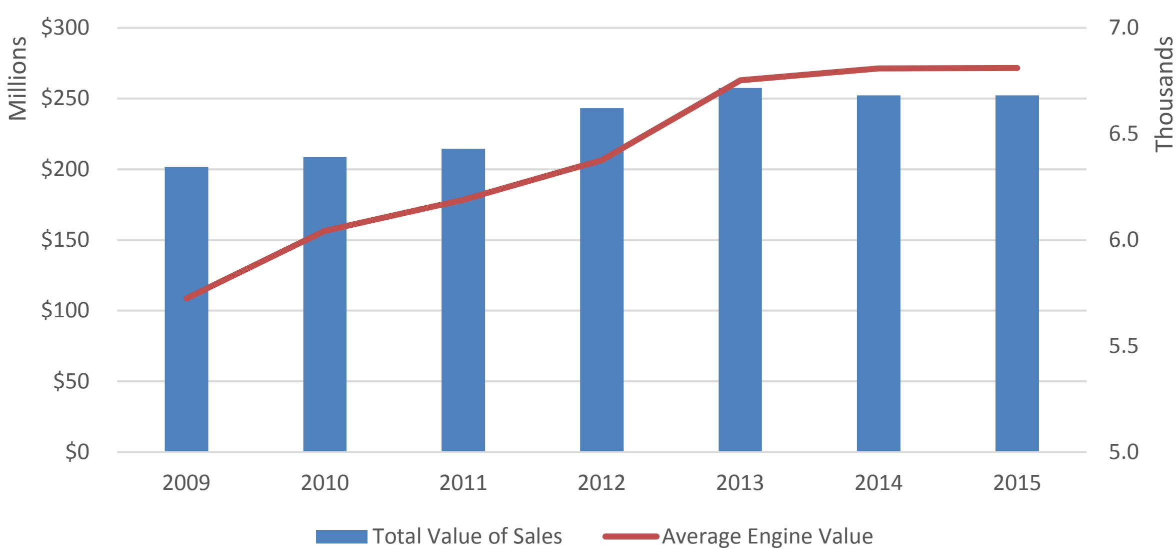


Source: 2016 NMMA Statistical Abstract

3.3.3 Outboard Engine Sales

Figure 17 shows the number of outboard engines sales up to 2015. Unlike boat sales, which saw a peak in 2010, outboard engine sales are somewhat counter-cyclical with flat sales over the three years to 2015.

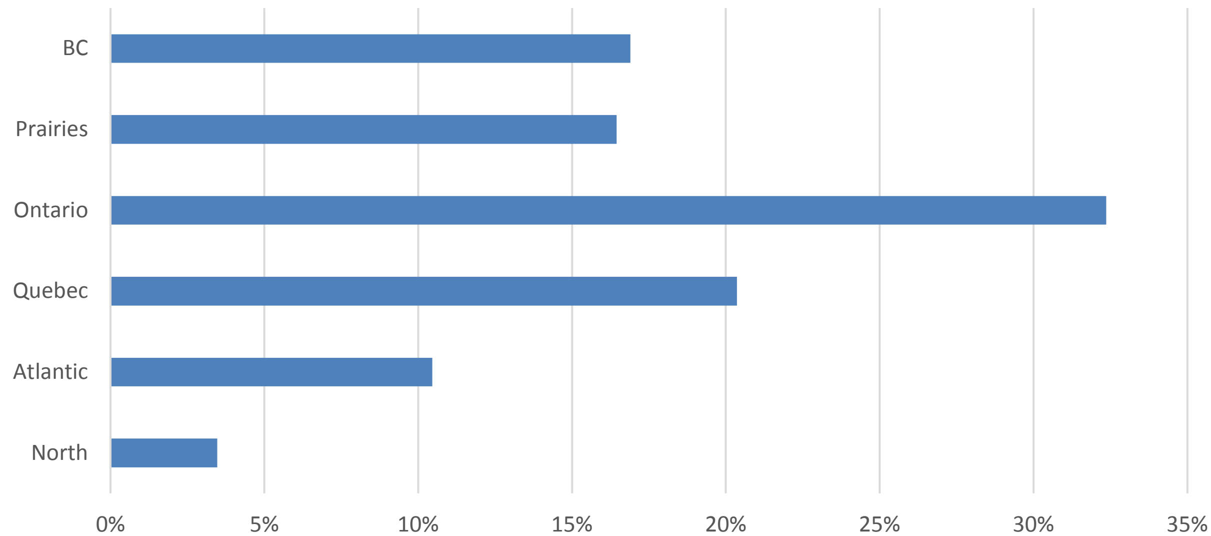
Figure 17: Outboard Engine Sales by Year



Source: 2015 NMMA Statistical Abstract

As expected, sales are greatest in Ontario. However, the North stands out for the strength of its purchases of outboard engines (Figure 18).

Figure 18: Percentage of Outboard Engine Sales by Region



Source: 2015 NMMA Statistical Abstract

3.4 Imports and Exports

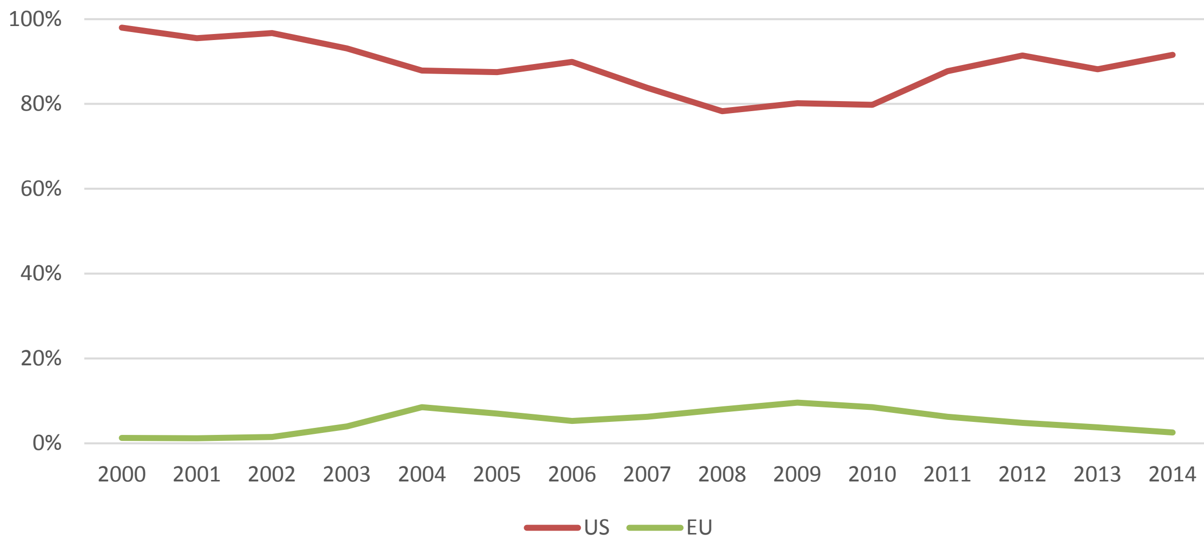
This section looks at the import and export of recreational boats and marine engines. Information on the import and export of marine accessories is not available.

While Canada is a net importer of both boats and engines, it does export boats, but essentially no engines.[8] About 76% of imports are for boats, compared to engines.

As Figure 19 shows, the story of Canada's trade in recreational boat products is intimately tied to the United States[9]. For example, in 2014, that country accounted for fully 92% of our exports of outboard motor boats and 98% of our imports. Europe is the next most important destinations of our exports.

[8] NMMA 2015 Statistical Abstract
[9] Ibid

Figure 19: Major Export Partners (Outboard Motor Boats)

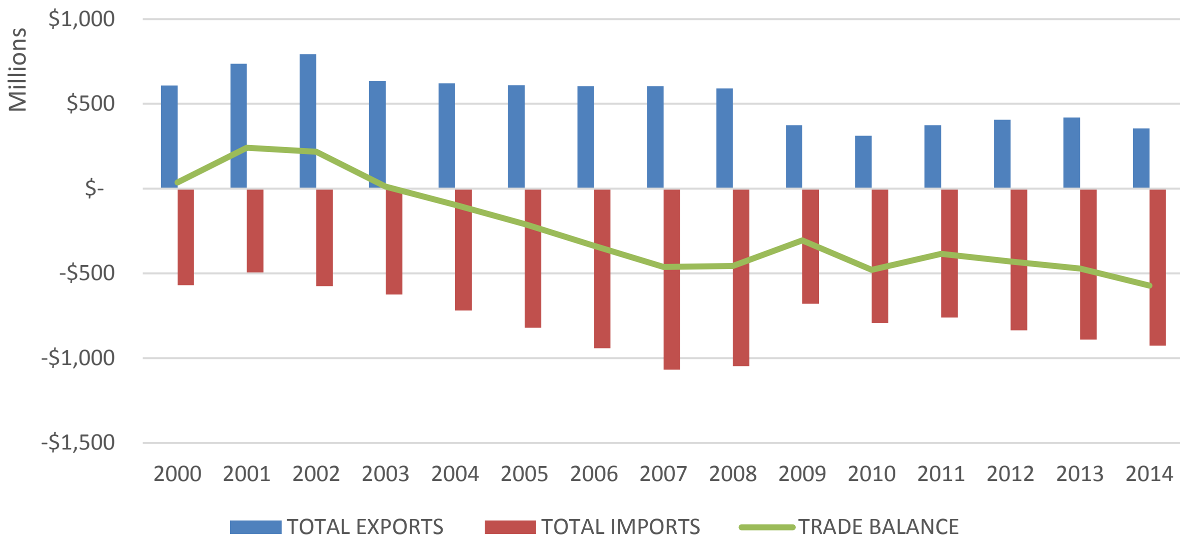


Source: 2015 NMMA Statistical Abstract

In 2014, Canada imported about $707 million worth of recreational boats and exported about $353 million. In the same year, Canada imported about $220 million worth of marine engines and exported about $2 million. The resulting trade deficit was about $572 million.

However, Canada has not always been in a trade deficit position for recreational boating goods. Figure 20 shows how imports and exports have varied from 2000 to 2014. Before 2002, Canada was in a trade surplus position. There are two reasons for the change over time – one has to do with the state of the US economy, the other with the competitiveness of the Canadian industry.

Figure 20: Import and Export Time Series



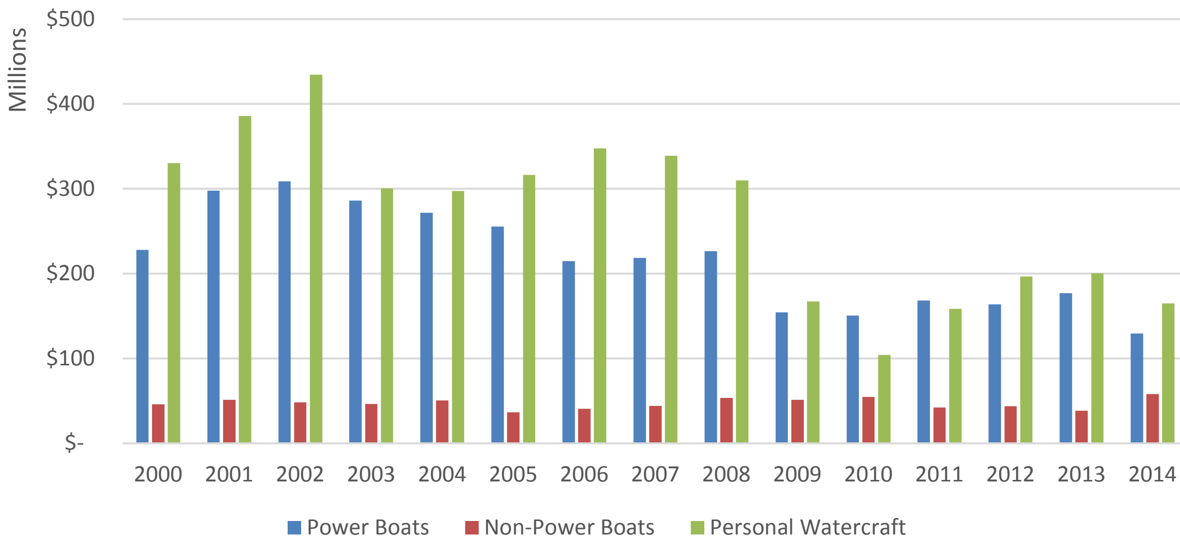
Source: 2015 NMMA Statistical Abstract

Exports to the US have decreased dramatically since 2002, and exports to Europe, Canada's next largest boating customer, have stayed relatively constant over the same period[10]. Some of the story here has to do with the weakness of the US economy, especially since 2008.

However, it is also clear the Canadian industry has not remained internationally competitive. Figure 21 shows that during the period from 2002 to 2010 non-powered boat exports remained steady, while powered boat exports fell to 50% of their former level[11]. Between 2002 and 2007, while exports were falling, imports were rising (Figure 22). So, overall Canadian firms were losing in both foreign and domestic markets – mostly to their US competitors. Since 2008, both exports and imports have fallen or stayed flat, reflecting the economies of both Canada and the US.

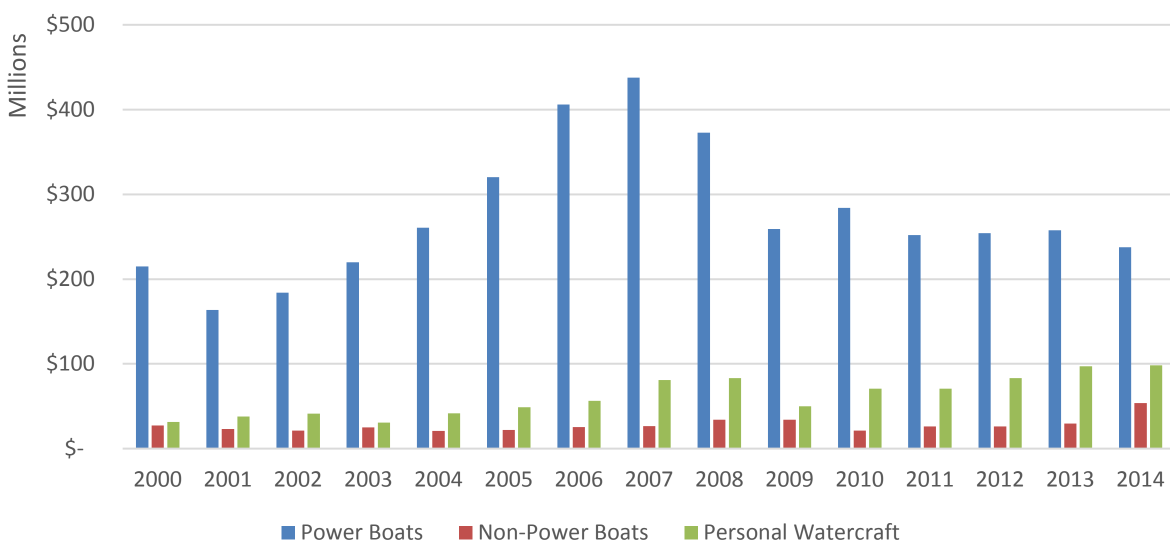
[10] Ibid
[11] Ibid

Figure 21: Boat Exports



Source: 2015 NMMA Statistical Abstract

Figure 22: Boat Imports



Source: 2015 NMMA Statistical Abstract

4. Economic Contribution of the Boating Industry

The analysis presented in this chapter used a regional input-output model and economic multipliers to determine the total economic contribution of the Canadian recreational boating industry. The results were calculated for the overall industry, subsectors, and regions.

The following three sections look at these results in more depth – first, for the overall Canadian recreational boating industry (Section 4.1), second by boating industry subsector across the Canadian regions (Section 4.2), and then regionally across the boating industry subsectors (Section 4.3).

In each case, the following results are presented[12]:

- **Revenues:** The gross output generated by the industry. It is the goods and services that are produced within an establishment that become available for use outside that establishment, plus any goods and services produced for own final use.

- **Gross Domestic Product:** The value added of the goods produced. It equals the sum of the factor incomes (wages and salaries, supplementary labour income, mixed income and other operating surplus) plus indirect taxes on production less subsidies on production and products[13].

- **Employment:** Results for employment are based on Full-Time Equivalents after adjustments for part-time and seasonal workers. Employment information presented here is based on the application of the multipliers derived from the economic model. That is, the direct employment values are a model result and not the sum of the employment at the establishments in the industry database developed for this study.

- **Wages and Salaries:** Employment earnings consisting of monetary compensation and payments-in-kind (e.g., board and lodging). Other forms of compensation included here are commissions, bonuses, tips, directors' fees, taxable allowances, and the values of stock

[12] http://www.statcan.gc.ca/nea-cen/gloss/ioa-ces-eng.htm

[13] Subsidies on production and products are current payments to enterprises made by governments (domestic or foreign) without reciprocation. Subsidies on production are paid to enterprises for engaging in prescribed activities. Examples include work-force subsidies paid on the basis of employment or training of certain persons, or on the basis of pollution abatement. Subsidies on products become payable as a result of production, sale, import, export, transfer, leasing or delivery of goods and services or as a result of their use for own consumption or capital formation and generally depend on the level such activities. Government subsidies received by industries are treated as revenues, and are shown as negative entries on the expenditure (input) side of industries. Direct payments to persons are not included here.

options of corporations. Bonuses, commissions, and retroactive wages are recorded in the period paid rather than earned. Wages and salaries are recorded on a gross basis, before deductions for taxes, employees' contributions to employment insurance, and private and public pension plans.

- **Taxes:** taxes include components paid to federal, provincial, and municipal levels of government:

  - **Indirect Taxes on Products:** This is the sum of taxes levied on goods and services beyond the producers' price valuation level. They are paid by business on their current purchases and by final users such as households on all their expenditures. Examples include the Goods and Services Tax (GST), the Harmonized Sales Tax (HST), provincial sales taxes, federal excise taxes, import duties, and fuel taxes.

  - **Indirect Taxes on Production:** These taxes include fees and surcharges incurred during the production of the goods and services and are levied by all three levels of government. Examples of federal taxes include capital taxes levied against corporate entities and Canada Deposit Insurance Corporation premiums. Provincial taxes include (personal and commercial) motor vehicle license fees, land transfer taxes, and capital taxes. Local taxes include real property taxes, developers' lot levies, and deed transfer taxes.

  - **Personal Income Tax:** federal and provincial income taxes paid by industry workers. Income taxes are dependent on an individual's family situation; the estimates calculated are sensitive to employment income and size of community. For this study, income taxes were calculated using the Social Policy Simulation Database and Model (SPSD/M). The results are based on average wages and salaries and community size. The estimates include basic tax credits and deductions. The model does not calculate tax data for the territories, thus no estimates are given for territorial taxes.

  - **Residential Property Tax:** residential property taxes paid by industry workers. Residential property taxes are based on one's place of residence instead of one's income and are therefore calculated separately by census division.

  - **Subsidies:** Government subsidies are considered here as 'negative' taxes. Subsidies are government expenditures and thus are considered negative revenue from the perspective of government accounts.

The economic impact analysis traces flows of money from core recreational boating spending, first to businesses where boaters spend their money, then to other businesses supplying goods and services to core recreational boating businesses, and finally to households earning income by working in core recreational boating industries and government through various taxes and charges on boaters, businesses and households.

- **Direct Effects** are associated with revenues from boaters on core recreational boating products and services – for example, the sale of a recreational boat.

- **Indirect Effects** result from supporting industries supplying goods and services to core recreational boating businesses – for example, the provision of cleaning services to the store that sold the recreational boat.

- **Induced Effects** result from household spending of the income earned in core recreational boating and supporting industries. Employees in recreational boating and supporting industries spend the income they earn on housing, utilities, groceries, and other consumer goods and services. This generates sales, income and employment throughout the economy.

A chain reaction of indirect and induced spending continues, with subsequent rounds of additional spending gradually diminished through savings, taxes, and expenditures made outside the country. This economic ripple effect is measured by an economic model, which uses a series of 'multipliers' to provide estimates of the number of times each dollar of direct spending cycles through the economy in terms of indirect and induced output. By means of indirect and induced effects, changes in core recreational boating spending can impact virtually every sector of the economy in one way or another.

Indirect and induced effects are sometimes collectively called secondary effects. The total economic impact of the core recreational boating industry is the sum of direct, indirect, and induced effects within a region. Any of these impacts may be measured as gross output (revenues), wages and salaries, employment, value added (gross domestic product), or taxes.

4.1 Overall Industry Results

The economic results for the Canadian recreational boating industry as a whole are summarized in Table 5 and Figure 23.

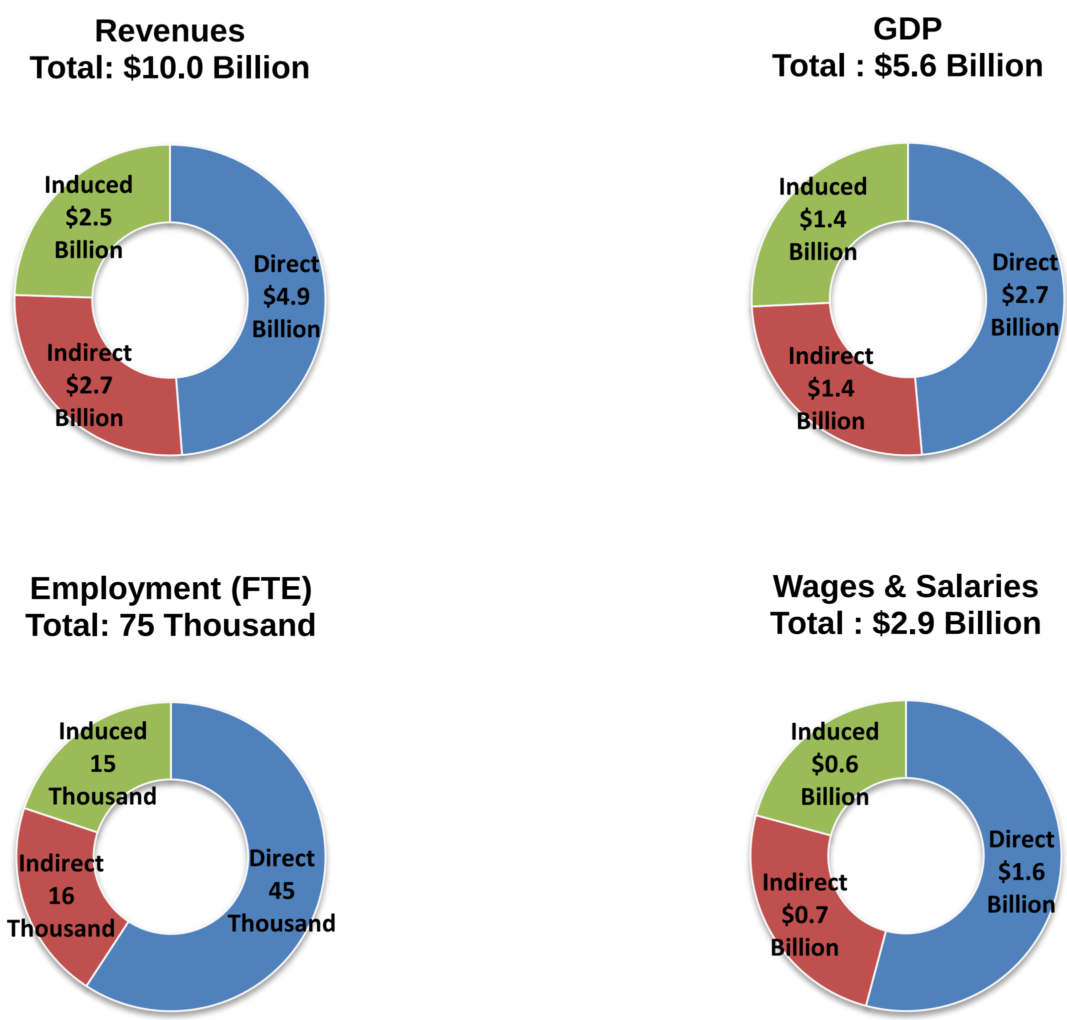
Overall, the direct recreational boating revenues of $4.9 billion resulted in further indirect and induced revenues totaling $10.0 billion. The value added portion of these revenues resulted in a direct contribution to Canada's GDP of $2.7 billion, and further indirect and induced contributions resulted in $5.6 billion of GDP for the national economy. The direct employment for the industry was about 45 thousand, and the total employment influenced by the industry is estimated at approximately 75 thousand. Wages and salaries earned by those workers totaled $2.9 billion and taxes and subsidies remitted to governments totaled $868 million.

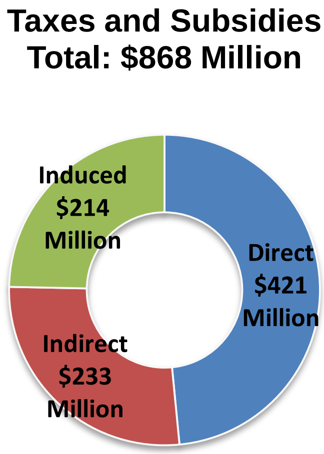
Table 5: Economic Results Summary

	Direct	Indirect	Induced	Total
Revenues ($000)	$4,884,144	$2,679,871	$2,451,494	$10,015,510
GDP ($000)	$2,719,293	$1,437,055	$1,441,853	$5,598,201
Employment (FTE)	44,666	15,754	15,014	75,434
Wages & Salaries ($000)	$1,573,846	$728,214	$604,567	$2,906,627
Taxes & Subsidies ($000)	$420,821	$233,230	$214,301	$868,353

Source: Study Analysis

Figure 23: Economic Results Summary





Source: Study Analysis

4.2 Subsector Results

This section provides the economic contribution of recreational boating by subsector. Table 6 summarizes the subsector results. Boat dealer and service stores provide the greatest contribution with revenues of $4.2 billion resulting in a GDP of $2.5 billion. This is followed by marinas, with a GDP contribution of $1.0 billion, and boat manufacturers at $0.6 billion.

Sections 4.2.1 to 4.2.5 contain tables and graphs providing additional detail for revenues, GDP, employment, wages and salaries, and taxes.

Table 6: Subsector Results Summary

	Revenue ($000s)	GDP ($000s)	Employment (FTE)	Wages & Salaries ($000s)	Taxes & Subsidies ($000s)
Boat Dealers and Service	4,172,302	2,462,066	32,870	1,306,796	391,391
Marinas	1,881,499	1,037,502	16,640	543,568	173,001
Boat Manufacturers	1,335,745	620,380	8,517	318,808	79,256
Financial Industry	612,151	387,127	3,002	170,598	59,656
Accessory Manufacturers	626,443	284,964	3,186	142,453	39,467
Boat Accessory Stores	589,448	349,075	5,012	185,409	53,902
Engines	242,361	138,428	1,502	71,624	22,253
Boat Clubs	202,170	111,481	1,788	58,407	18,589
Repairs and Maintenance	120,392	69,790	1,055	38,827	10,378
Brokerages	54,724	32,896	485	17,704	5,075
Rentals and Charters	54,363	32,659	292	14,193	4,277
Dock Manufacturers	39,775	17,893	204	9,025	2,526
Storage & Transportation	31,741	19,953	278	11,603	3,811
Schools	27,319	18,723	394	8,882	2,541
Boat Shows	14,631	9,365	152	5,831	1,462
Publications	10,446	5,896	58	2,899	770
National Total	**$10,015,510**	**$5,598,201**	**75,434**	**$2,906,627**	**$868,355**

Values may not add due to rounding.
Source: Study Analysis

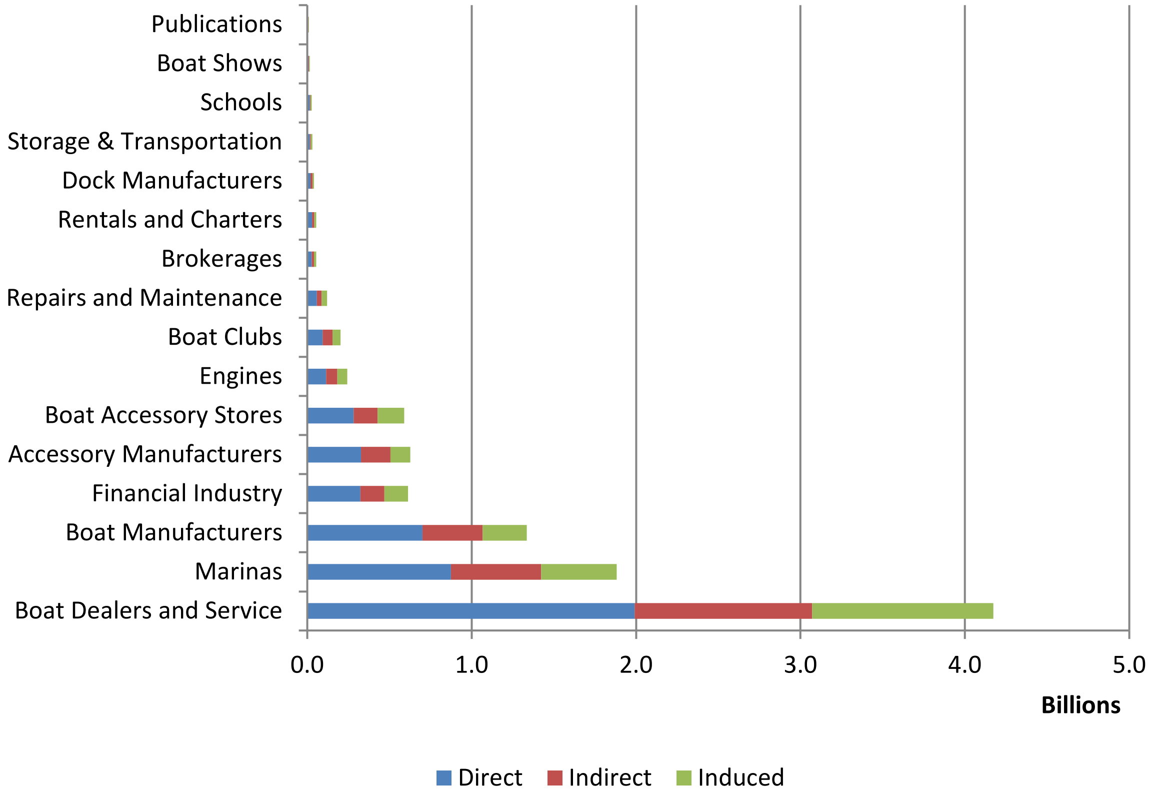
4.2.1 Revenues

Table 7: Subsector Revenues

	Revenues ($000s)			
	Direct	Indirect	Induced	Total
Boat Dealer and Service	1,991,043	1,080,517	1,100,742	4,172,302
Marinas	874,687	548,933	457,879	1,881,499
Boat Manufacturers	701,442	365,748	268,555	1,335,745
Financial Industry	322,603	145,841	143,707	612,151
Accessory Manufacturers	326,995	179,450	119,998	626,443
Boat Accessory Stores	282,048	146,778	160,622	589,448
Engines	115,119	66,909	60,333	242,361
Boat Clubs	93,986	58,984	49,200	202,170
Repairs and Maintenance	57,592	30,095	32,704	120,392
Brokerages	26,185	13,627	14,912	54,724
Rentals and Charters	28,960	13,448	11,955	54,363
Dock Manufacturers	19,722	12,451	7,602	39,775
Storage & Transportation	15,553	6,415	9,773	31,741
Schools	15,010	4,829	7,481	27,319
Boat Shows	8,193	2,847	3,591	14,631
Publications	5,004	3,000	2,442	10,446
National Total	**$4,884,144**	**$2,679,871**	**$2,451,494**	**$10,015,510**

Values may not add due to rounding.
Source: Study Analysis

Figure 24: Subsector Revenues



Source: Study Analysis

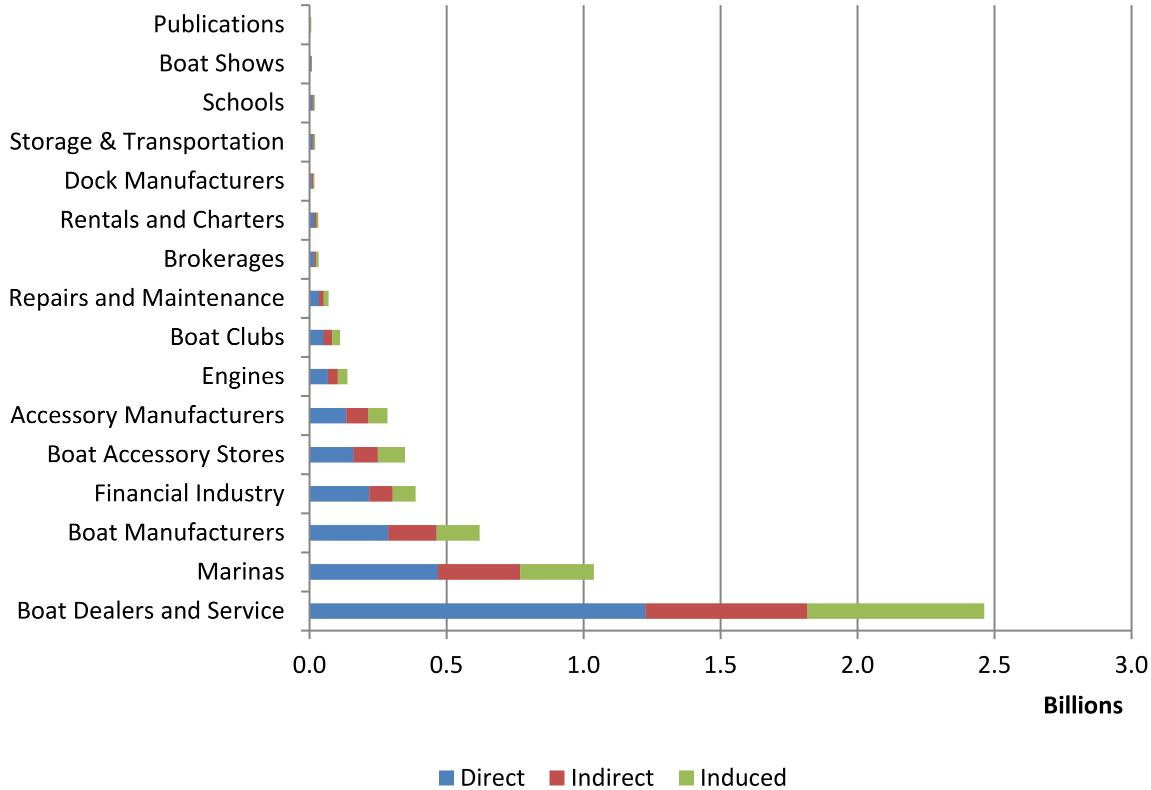
4.2.2 Gross Domestic Product

Table 8: Subsector Gross Domestic Product

	GDP ($000s)			
	Direct	Indirect	Induced	Total
Boat Dealer and Service	1,225,301	591,898	644,868	2,462,066
Marinas	469,180	300,074	268,248	1,037,502
Boat Manufacturers	286,718	176,330	157,333	620,380
Financial Industry	217,621	85,316	84,190	387,127
Boat Accessory Stores	160,610	88,645	99,820	349,075
Accessory Manufacturers	134,135	80,528	70,301	284,964
Engines	66,730	36,352	35,346	138,428
Boat Clubs	50,414	32,243	28,824	111,481
Repairs and Maintenance	34,441	16,190	19,160	69,790
Brokerages	16,656	7,504	8,736	32,896
Rentals and Charters	18,435	7,219	7,004	32,659
Dock Manufacturers	7,910	5,530	4,454	17,893
Storage & Transportation	10,979	3,249	5,725	19,953
Schools	11,605	2,736	4,382	18,723
Boat Shows	5,651	1,681	2,033	9,365
Publications	2,907	1,558	1,431	5,896
National Total	**$2,719,293**	**$1,437,055**	**$1,441,853**	**$5,598,201**

Values may not add due to rounding.
Source: Study Analysis

Figure 25: Subsector Gross Domestic Product



Source: Study Analysis

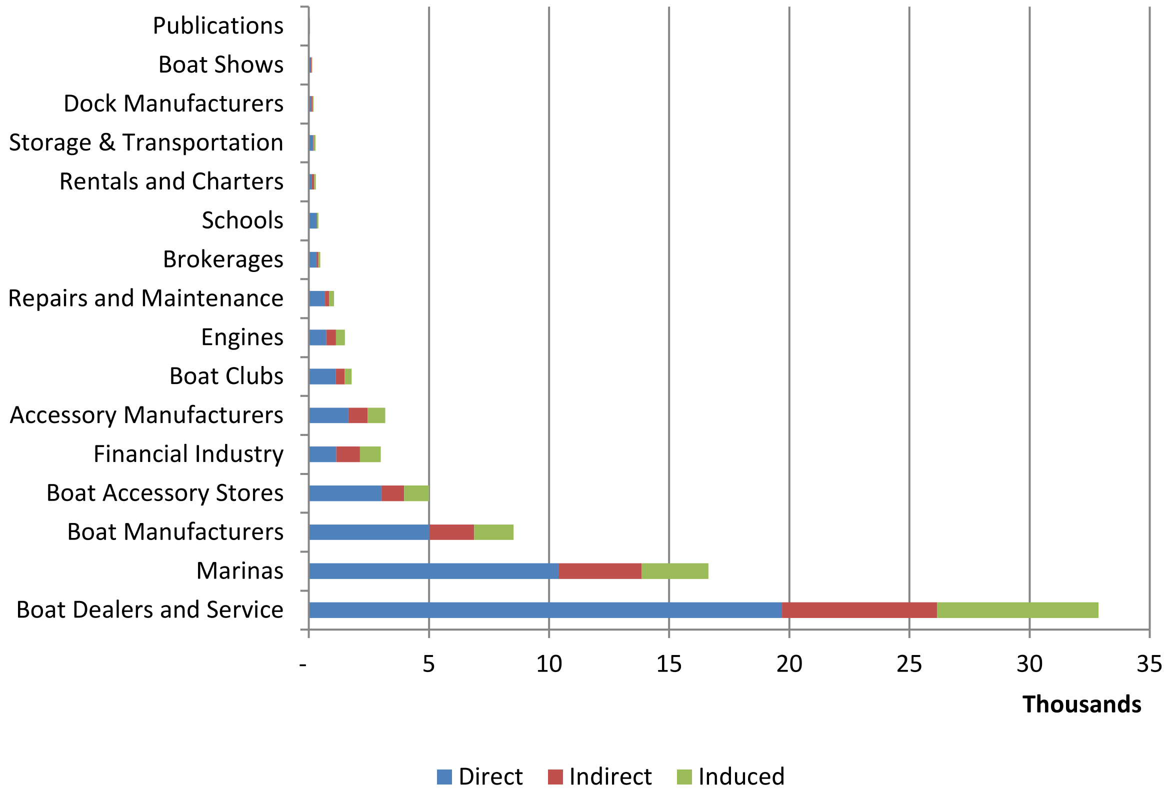
4.2.3 Employment

Table 9: Subsector Employment (FTE)

	Employment (Full-Time Equivalents)			
	Direct	Indirect	Induced	Total
Boat Dealer and Service	19,702	6,459	6,708	32,870
Marinas	10,419	3,430	2,791	16,640
Boat Manufacturers	5,017	1,864	1,637	8,517
Boat Accessory Stores	3,018	956	1,038	5,012
Financial Industry	1,149	977	876	3,002
Accessory Manufacturers	1,653	801	731	3,186
Boat Clubs	1,120	369	300	1,788
Engines	730	404	368	1,502
Repairs and Maintenance	673	182	199	1,055
Brokerages	313	81	91	485
Schools	322	26	46	394
Rentals and Charters	139	80	73	292
Storage & Transportation	185	34	60	278
Dock Manufacturers	103	55	46	204
Boat Shows	97	19	36	152
Publications	25	18	15	58
National Total	**44,666**	**15,754**	**15,014**	**75,434**

Values may not add due to rounding.
Source: Study Analysis

Figure 26: Subsector Employment (FTE)



Source: Study Analysis

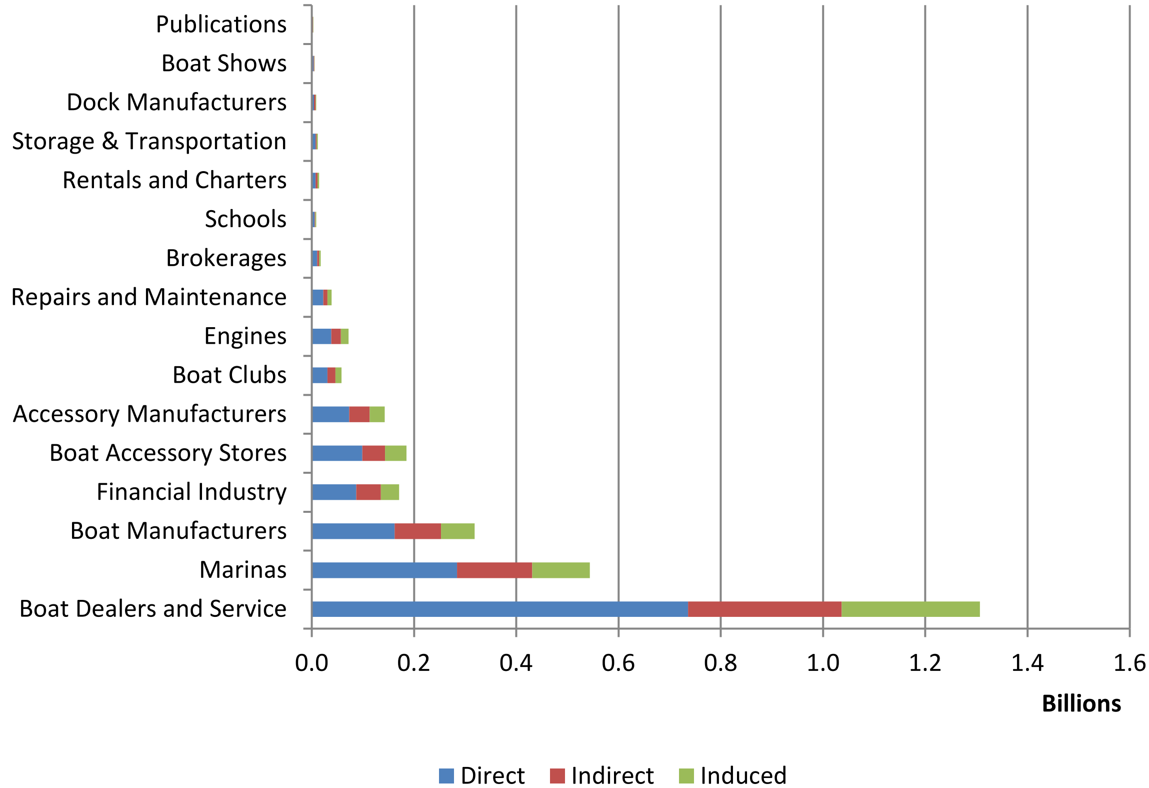
4.2.4 Wages and Salaries

Table 10: Subsector Wages and Salaries

	Wages & Salaries ($000s)			
	Direct	Indirect	Induced	Total
Boat Dealer and Service	736,126	300,353	270,317	1,306,796
Marinas	284,127	146,997	112,444	543,568
Boat Manufacturers	162,037	90,820	65,951	318,808
Financial Industry	87,110	48,197	35,291	170,598
Boat Accessory Stores	99,124	44,442	41,843	185,409
Accessory Manufacturers	72,926	40,059	29,469	142,453
Boat Clubs	30,530	15,795	12,082	58,407
Engines	38,014	18,794	14,816	71,624
Repairs and Maintenance	22,720	8,075	8,031	38,827
Brokerages	10,280	3,762	3,662	17,704
Schools	5,845	1,200	1,837	8,882
Rentals and Charters	7,570	3,687	2,936	14,193
Storage & Transportation	7,624	1,579	2,400	11,603
Dock Manufacturers	4,439	2,718	1,867	9,025
Boat Shows	3,932	878	1,021	5,831
Publications	1,443	857	600	2,899
National Total	**$1,573,846**	**$728,214**	**$604,567**	**$2,906,627**

Values may not add due to rounding.
Source: Study Analysis

Figure 27: Subsector Wages and Salaries



Source: Study Analysis

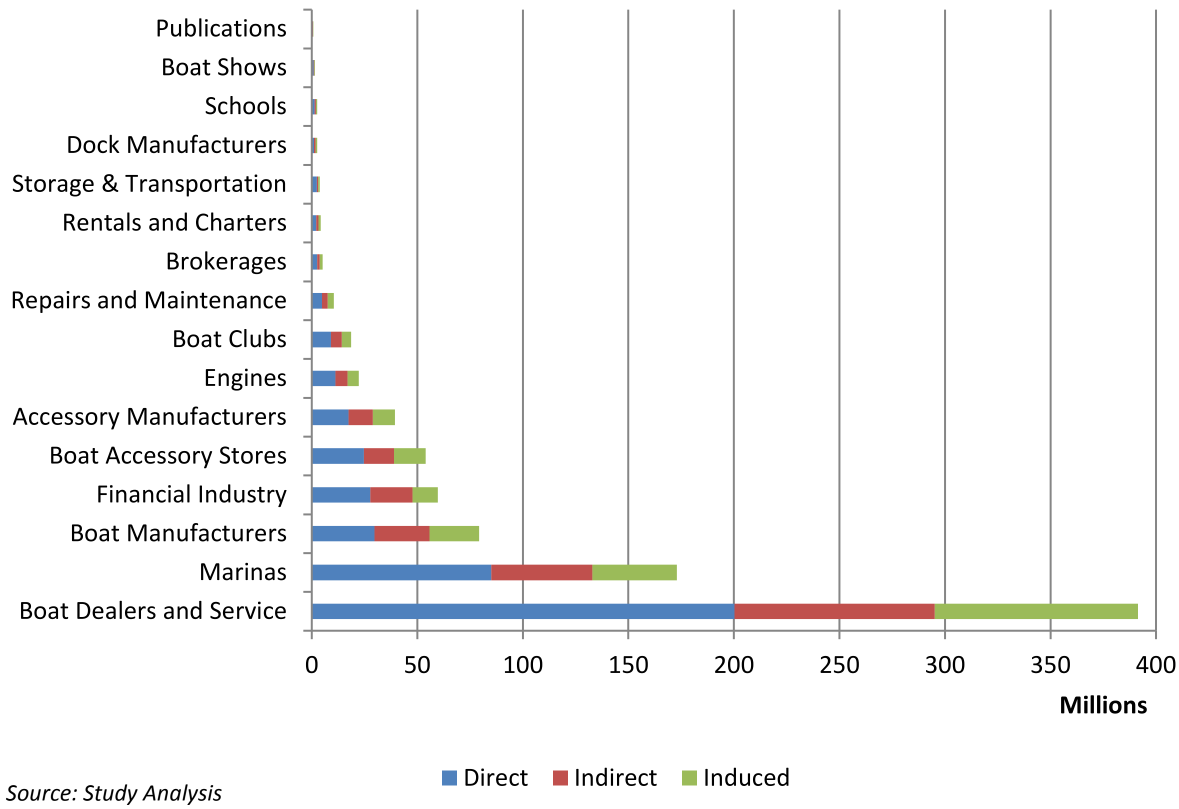
4.2.5 Taxes and Subsidies

Table 11: Subsector Taxes and Subsidies

	Total Taxes & Subsidies ($000s)			
	Direct	Indirect	Induced	Total
Boat Dealer and Service	200,298	94,963	96,130	391,391
Marinas	85,007	48,007	39,987	173,001
Boat Manufacturers	29,713	26,090	23,453	79,256
Financial Industry	27,664	20,068	11,924	59,656
Boat Accessory Stores	24,630	14,392	14,880	53,902
Accessory Manufacturers	17,434	11,553	10,480	39,467
Engines	11,261	5,723	5,269	22,253
Boat Clubs	9,134	5,158	4,297	18,589
Repairs and Maintenance	4,914	2,608	2,856	10,378
Brokerages	2,554	1,218	1,302	5,075
Rentals and Charters	2,117	1,116	1,044	4,277
Storage & Transportation	2,415	542	853	3,811
Dock Manufacturers	1,072	790	664	2,526
Schools	1,416	471	653	2,541
Boat Shows	884	282	297	1,462
Publications	309	248	213	770
National Total	**$420,821**	**$233,230**	**$214,303**	**$868,355**

Values may not add due to rounding.
Source: Study Analysis

Figure 28: Subsector Taxes and Subsidies



Source: Study Analysis

4.3 Regional Results

This section breaks down the economic contribution of recreational boating by region. Table 12 summarizes the regional results. Ontario organizations provide the greatest contribution with revenues of $4.0 billion resulting in a GDP of $2.3 billion. This is followed by BC with a GDP of 1.3 billion and Quebec at $0.9 billion.

Table 12: Regional Results Summary

	Revenues ($000s)	GDP ($000s)	Employment (FTE)	Wages & Salaries ($000s)	Taxes & Subsidies ($000s)
Ontario	4,032,057	2,296,277	30,591	1,177,135	378,257
BC	2,217,984	1,252,279	16,944	669,020	182,516
Prairies	1,504,884	885,618	10,807	457,408	135,046
Quebec	1,821,512	915,295	12,960	475,452	135,642
Atlantic	432,324	244,628	4,068	125,309	36,604
North	6,748	4,104	65	2,305	289
National Total	**$10,015,510**	**$5,598,201**	**75,434**	**$2,906,627**	**$868,353**

Values may not add due to rounding.
Source: Study Analysis

Sections 4.3.1 to 4.3.5 contain tables and graphs providing additional detail for revenues, GDP, employment, wages and salaries, and taxes.

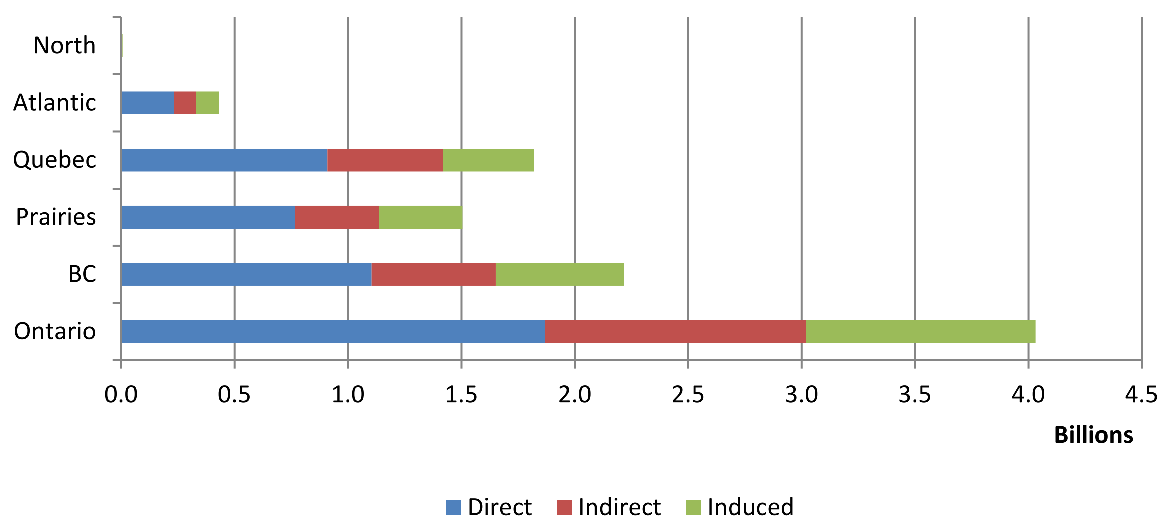
4.3.1 Revenues

Table 13: Regional Revenues

	Revenues ($000s)			
	Direct	Indirect	Induced	Total
Ontario	1,868,756	$1,151,116	1,012,185	4,032,057
BC	1,104,257	547,377	566,350	2,217,984
Prairies	765,504	372,187	367,193	1,504,884
Quebec	909,303	510,955	401,254	1,821,512
Atlantic	232,351	96,923	103,050	432,324
North	3,973	1,314	1,461	6,748
National Total	**$4,884,144**	**$2,679,871**	**$2,451,494**	**$10,015,510**

Values may not add due to rounding.
Source: Study Analysis

Figure 29: Regional Revenues



Source: Study Analysis

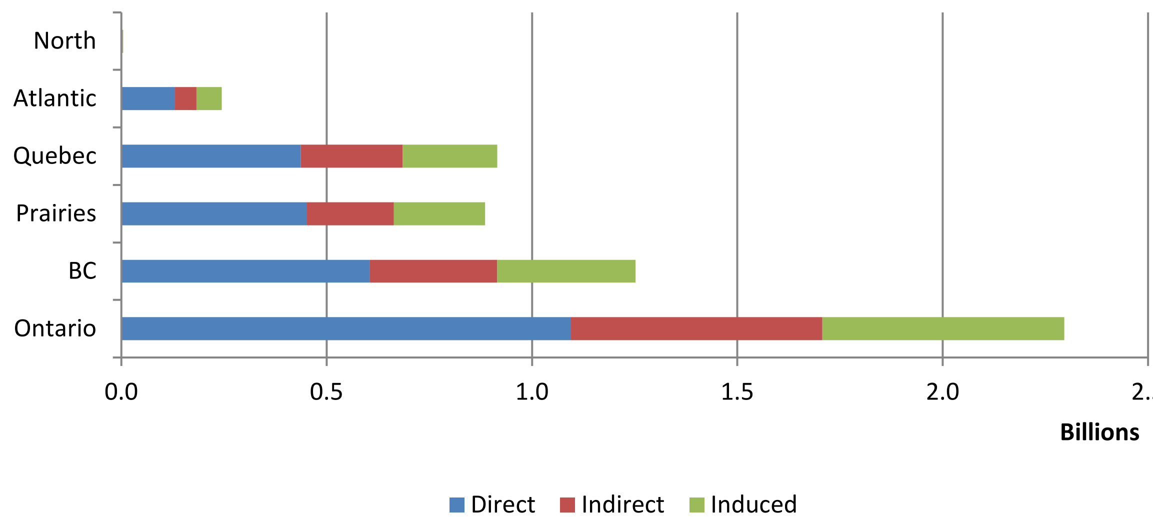
4.3.2 GDP

Table 14: Regional GDP

	GDP ($000s)			
	Direct	Indirect	Induced	Total
Ontario	1,093,562	613,548	589,167	2,296,277
BC	604,536	310,421	337,321	1,252,279
Prairies	451,165	212,240	222,212	885,618
Quebec	436,574	247,932	230,789	915,295
Atlantic	131,010	52,167	61,450	244,628
North	2,445	746	913	4,104
National Total	**$2,719,293**	**$1,437,055**	**$1,441,853**	**$5,598,201**

Values may not add due to rounding.
Source: Study Analysis

Figure 30: Regional GDP



Source: Study Analysis

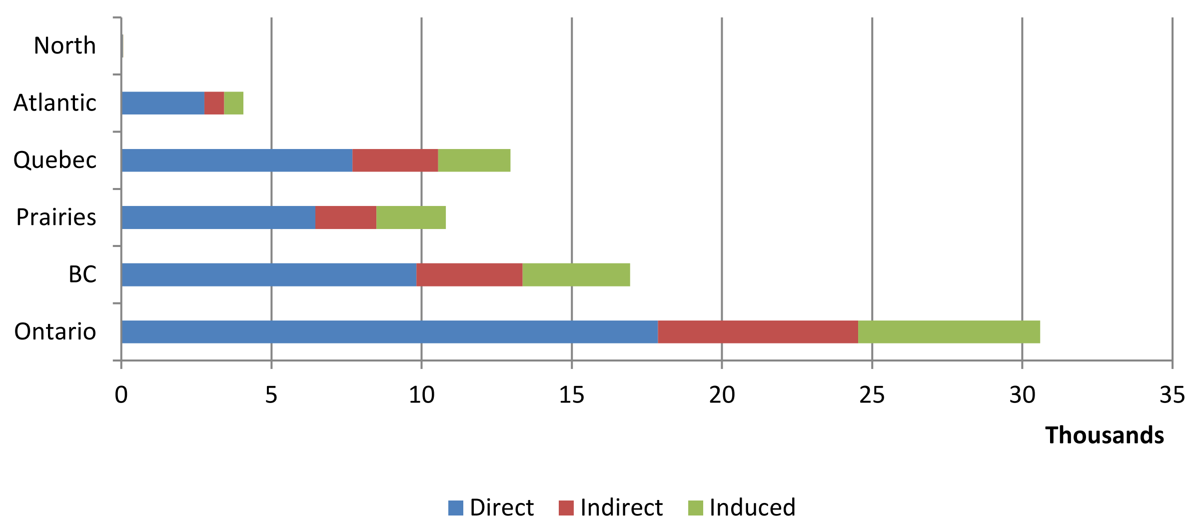
4.3.3 Employment

Table 15: Regional Employment (FTE)

	Employment (Full-Time Equivalents)			
	Direct	Indirect	Induced	Total
Ontario	17,867	6,666	6,058	30,591
BC	9,829	3,528	3,587	16,944
Prairies	6,464	2,032	2,310	10,807
Quebec	7,696	2,852	2,411	12,960
Atlantic	2,763	667	638	4,068
North	46	9	10	65
National Total	**44,666**	**15,754**	**15,014**	**75,434**

Values may not add due to rounding.
Source: Study Analysis

Figure 31: Regional Employment (FTE)



Source: Study Analysis

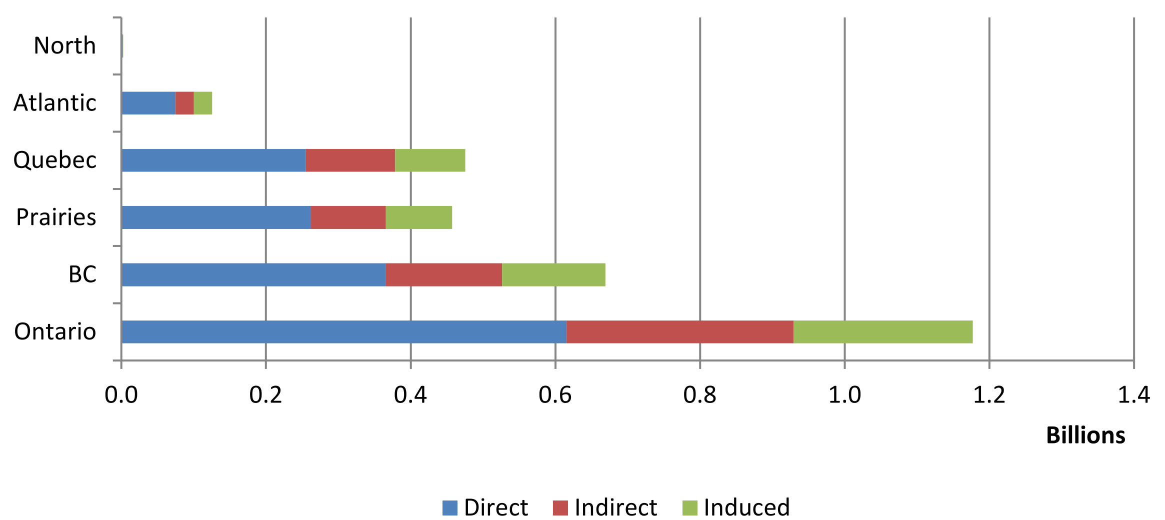
4.3.4 Wages and Salaries

Table 16: Regional Wages and Salaries

	Wages & Salaries ($000s)			
	Direct	Indirect	Induced	Total
Ontario	615,383	313,735	248,017	1,177,135
BC	365,353	161,103	142,564	669,020
Prairies	261,986	103,777	91,645	457,408
Quebec	254,919	123,760	96,773	475,452
Atlantic	74,696	25,459	25,154	125,309
North	1,509	380	415	2,305
National Total	$1,573,846	$728,214	$604,567	$2,906,627

Values may not add due to rounding.
Source: Study Analysis

Figure 32: Regional Wages and Salaries



Source: Study Analysis

4.3.5 Taxes and Subsidies

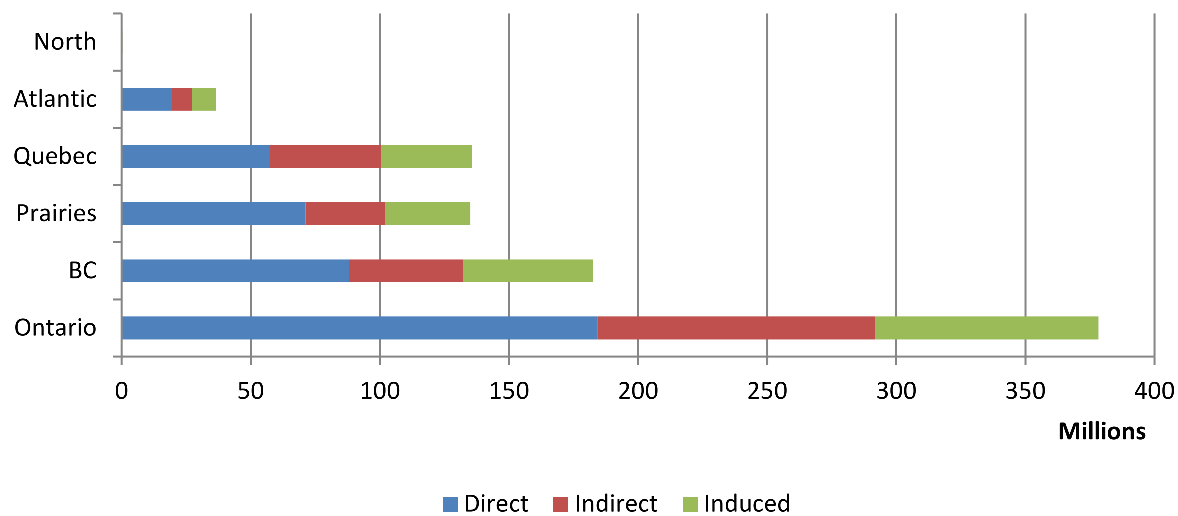
Table 17: Regional Taxes and Subsidies

	Total Taxes & Subsidies ($000s)			
	Direct	Indirect	Induced	Total
Ontario	184,405	107,415	86,437	378,257
BC	88,046	44,114	50,357	182,516
Prairies	71,179	30,913	32,954	135,046
Quebec	57,464	42,970	35,207	135,642
Atlantic	19,604	7,749	9,251	36,604
North	124	69	95	289
National Total	$420,821	$233,230	$214,301	$868,353

Values may not add due to rounding.

Source: Study Analysis

Figure 33: Regional Taxes and Subsidies



Source: Study Analysis

5. Economic Contribution of Boating Participation

The previous chapter examined the economic impact of the Canadian recreational boating industry – that is the revenue, and related economic metrics, derived by the Canadian industry through selling goods and services and boaters in Canada and elsewhere. This chapter goes a step further by considering the additional economic impact of the money spent in other industries in Canada by Canadians and foreign visitors when they go on boating trips.

In a complete analysis of the Canadian economy, such expenditures would be considered part of the economic impact of other industries – accommodation, transportation, food and beverage, etc. – that are typically considered as related to tourism, but are not part of the core recreational boating industry. These additional impacts are considered here as a reminder that boating is one of the significant attractions that encourage Canadians and foreign visitors to travel in Canada.

This analysis is made possible by two annual surveys conducted by Statistics Canada on the characteristics and behaviour of Canadians and visitors to Canada when they travel in Canada.[14] The two surveys consider the 'trips' undertaken by respondents and asks whether, among other things, the trip involved 'boating' or 'canoeing or kayaking'. In this analysis if a trip involved either, it is considered a 'boating' trip; otherwise, it is considered a 'non-boating' trip.

Section 5.1 examines the differing characteristics between boating and non-boating trips, and where relevant the difference between boating trips taken by Canadians and foreign visitors.

Section 5.2 then looks specifically at the economic implications of boating trips.

It should be remembered that the money spent on a boating trip is not an economic impact that can be attributed to the boating industry per se; in fact boating may represent a small part of any particular trip. But, this analysis does provide an indication of the further money spent by boaters as they pursue their pastime.

[14] Statistics Canada (2014) Travel Survey of Residents of Canada; Statistics Canada (2014) International Travel Survey.

5.1 Characteristics of Boating Trips

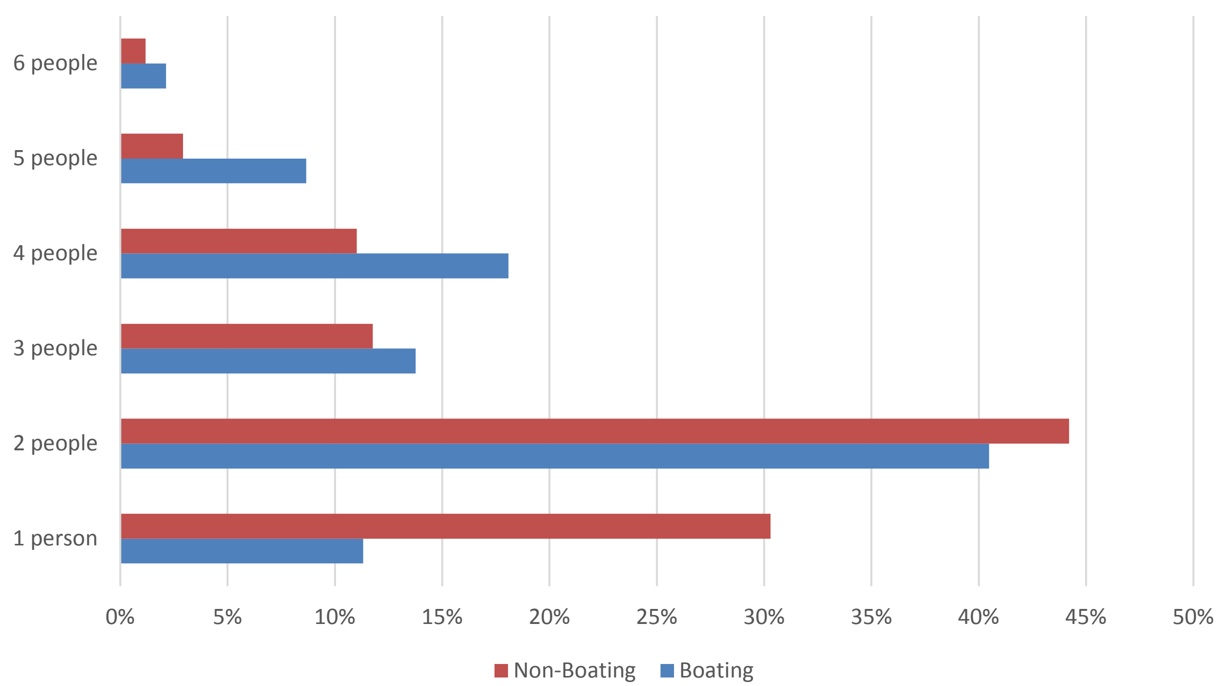
In 2014, Canadians undertook approximately 14.5 million trips that involved boating and foreign visitors took an additional 0.6 million (4% of the total); that was approximately 5% of the total trips taken. Not surprisingly, most boating trips occur in the summer and during that period boating is part of 11% of all trips. The following sections make some observations about the characteristics of those trips. In summary:

- Boating Trips Have More Participants
- Boating Trips Have More Children
- Boat Trips Go Further
- Boating Trips Last Longer
- Boating is for Holidays and Leisure
- Boater Activities are More Outdoor Oriented
- Boaters Have More Income

Boating Trips Have More Participants

As shown in Figure 34, boating trips tend to have more participants than non-boating trips, with an average of 2.8 people, compared to 2.2 for non-boating trips.

Figure 34: Trip Group Size

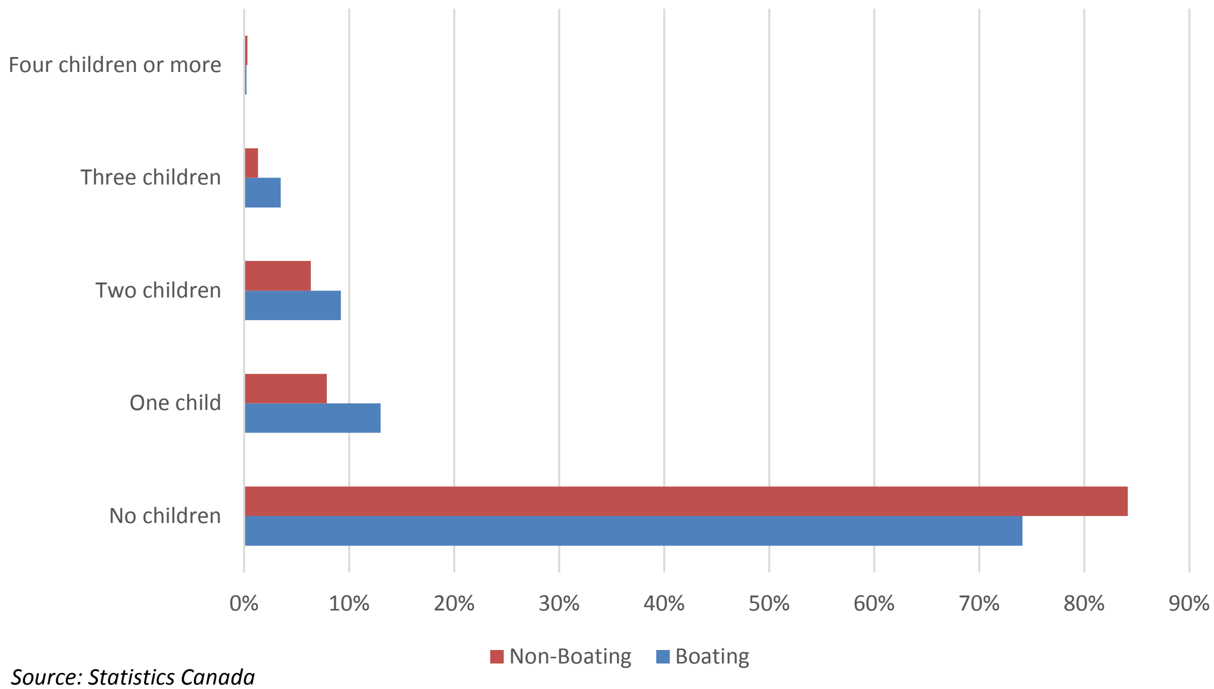


Source: Statistics Canada

Boating Trips Have More Children

As shown in Figure 35, boating trips tend to have more children than non-boating trips, with an average of 0.43 children, compared to 0.26 for non-boating trips.

Figure 35: Trip Number of Children

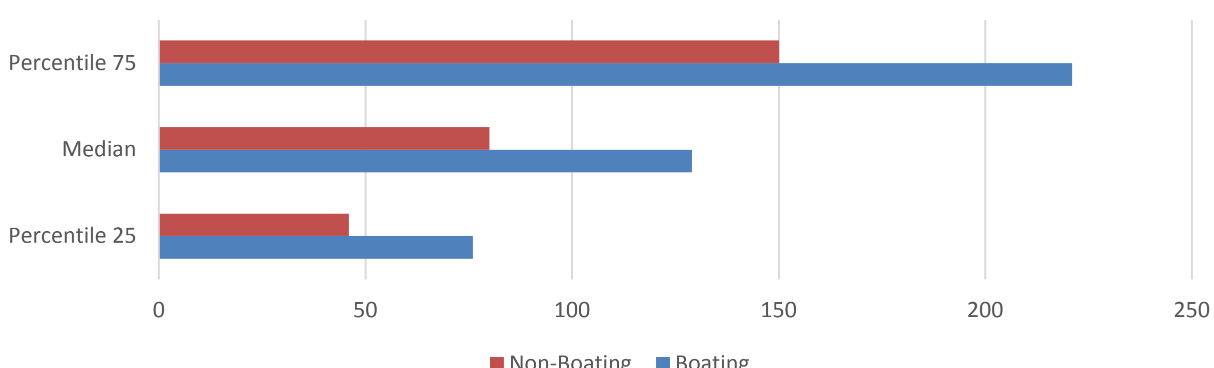


Source: Statistics Canada

Boat Trips Go Further

As shown in Figure 36, boating trips tend to go further than non-boating trips, with an average of 231 km and a median of 129 km, compared to an average of 159 km and a median of 80 km for non-boating trips.

Figure 36: Trip Distance Traveled



Source: Statistics Canada

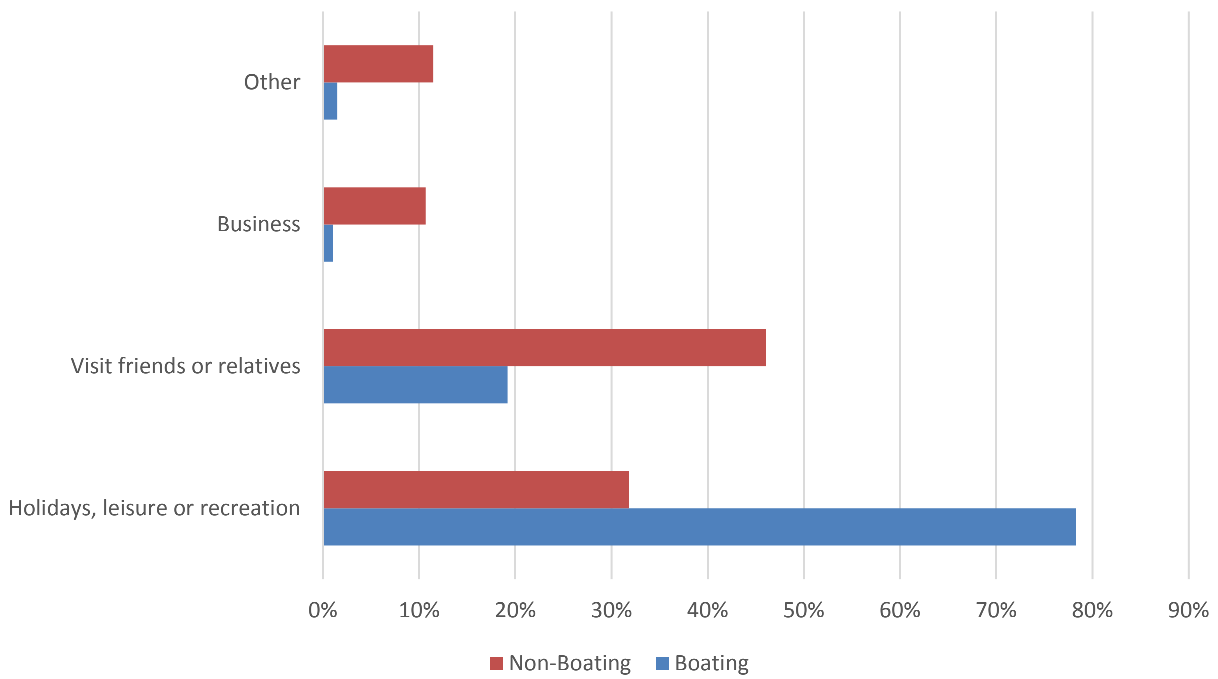
Boating Trips Last Longer

Boating trips tend to last longer than non-boating trips. For Canadians, the average is three nights for boating trips compared to 1 night for non-boating trips. For foreign visitors the durations are longer; the average is 16 nights for boating trips, compared to 10 nights for non-boating trips.

Boating is for Holidays and Leisure

As shown in Figure 37, boating trips are overwhelmingly for holidays, recreation, or leisure, while non-boating trips are for a wider range of reasons.

Figure 37: Trip Reason



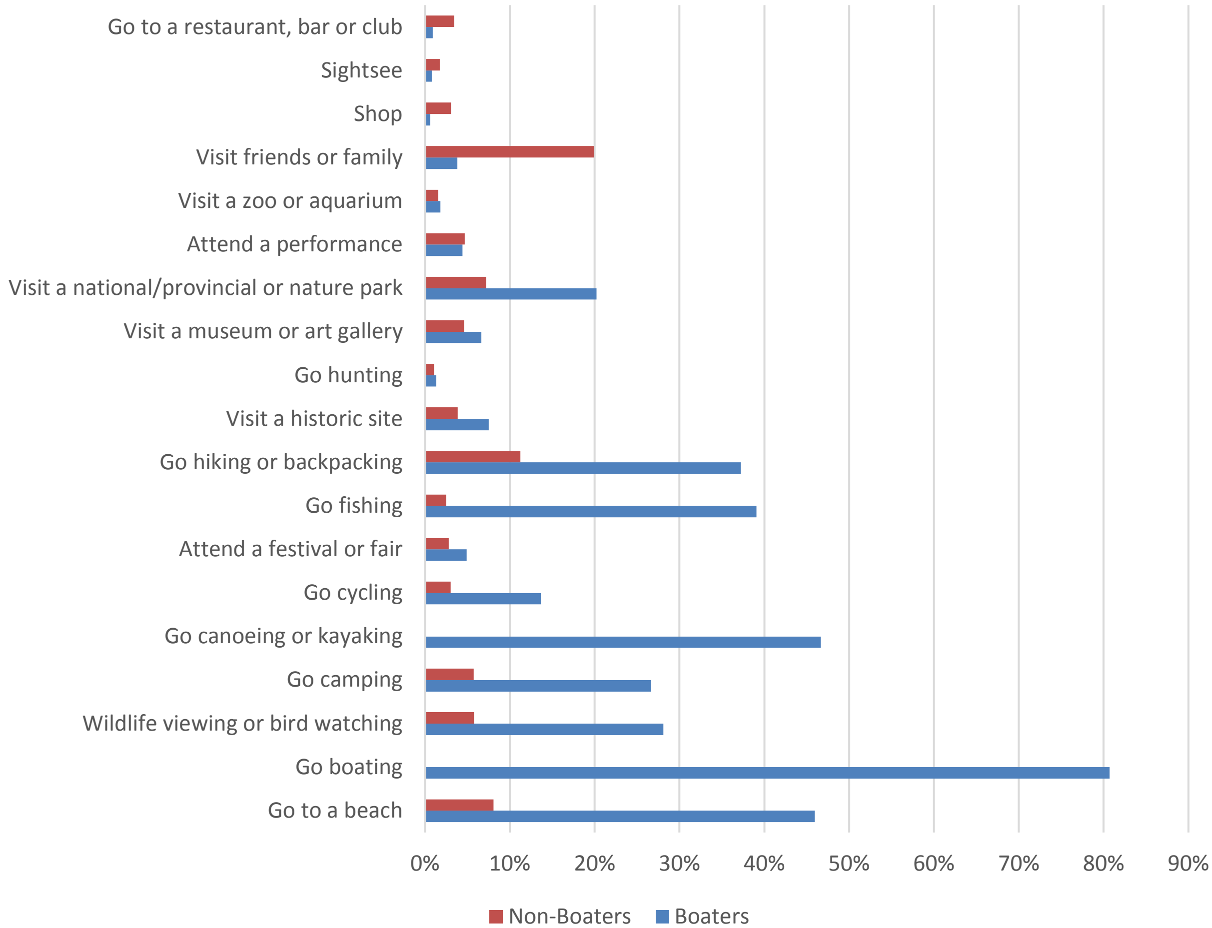
Source: Statistics Canada

Boater Activities are More Outdoor Oriented

Figure 38 shows how the activities of boaters differ from those of non-boaters while on trips. In general, boating trips involve more outdoor activities such as visiting a park and observing nature, going hiking and camping, and going fishing.

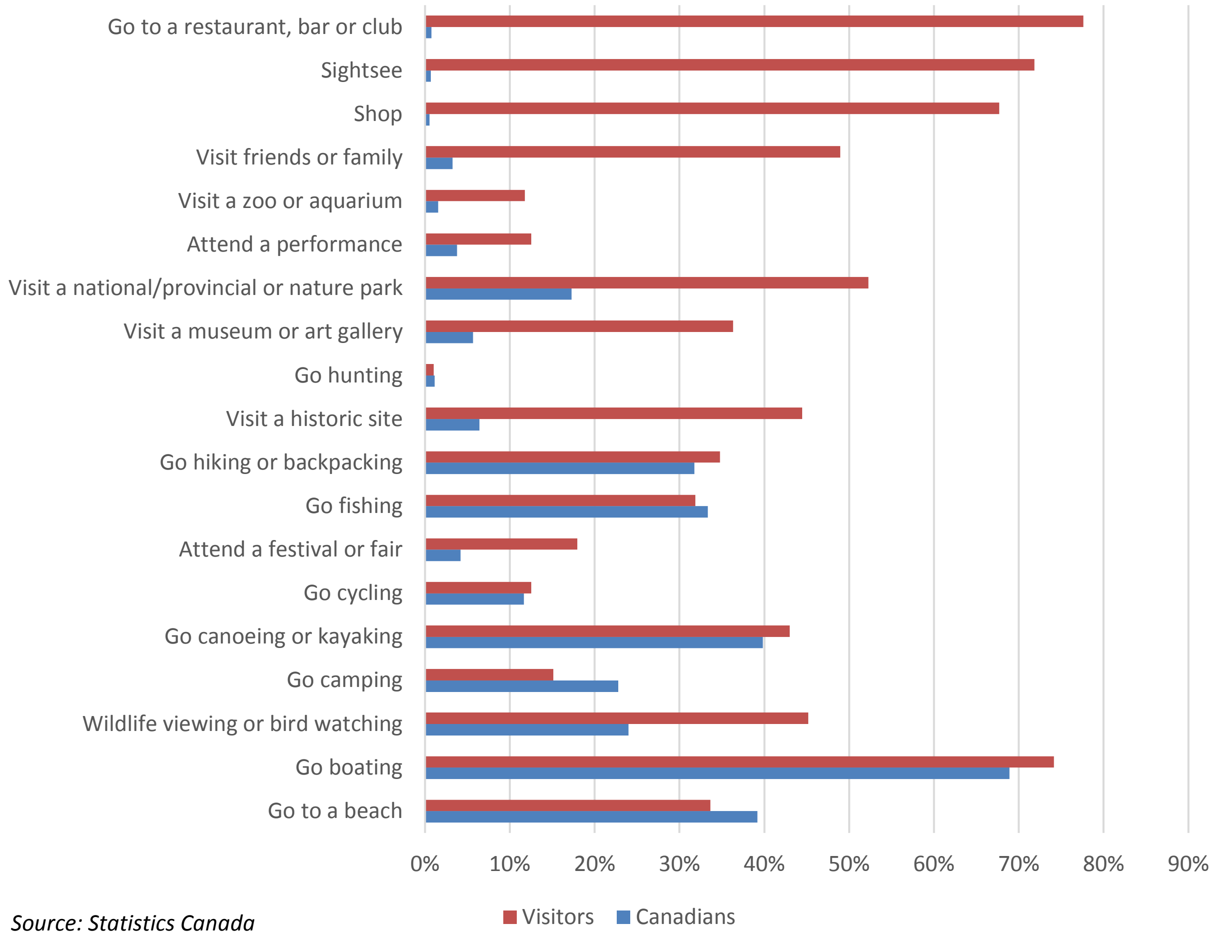
Figure 39 shows how the activities of Canadian boaters differ from those of foreign visitor boaters while on trips. Foreign visitors are much more likely to sightsee, shop, go to restaurants, and visit attractions.

Figure 38: Selected Boater and Non-Boater Activities



Source: Statistics Canada

Figure 39: Selected Canadian Boater and Foreign Visitor Boater Activities

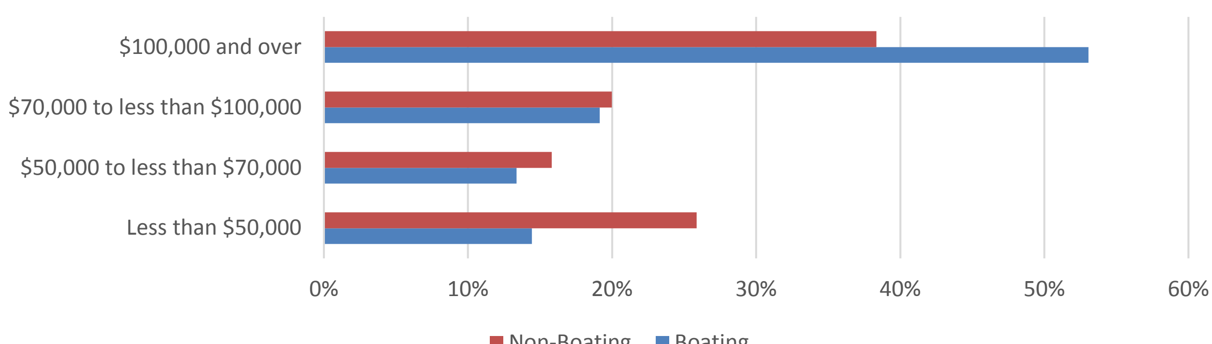


Source: Statistics Canada

Boaters Have More Income

As shown in Figure 40, travelers who engage in boating tend to have more income than those who do not.

Figure 40: Trip Household Income



Source: Statistics Canada

5.2 Spending on Boating Trips

The following tables and graphs show the spending by Canadians and foreign visitors while on trips that included boating. In summary, in 2014 Canadians spent $5.7 billion and foreign visitors spent $1.6 billion for a total of $7.4 billion.

5.2.1 By Type of Spending

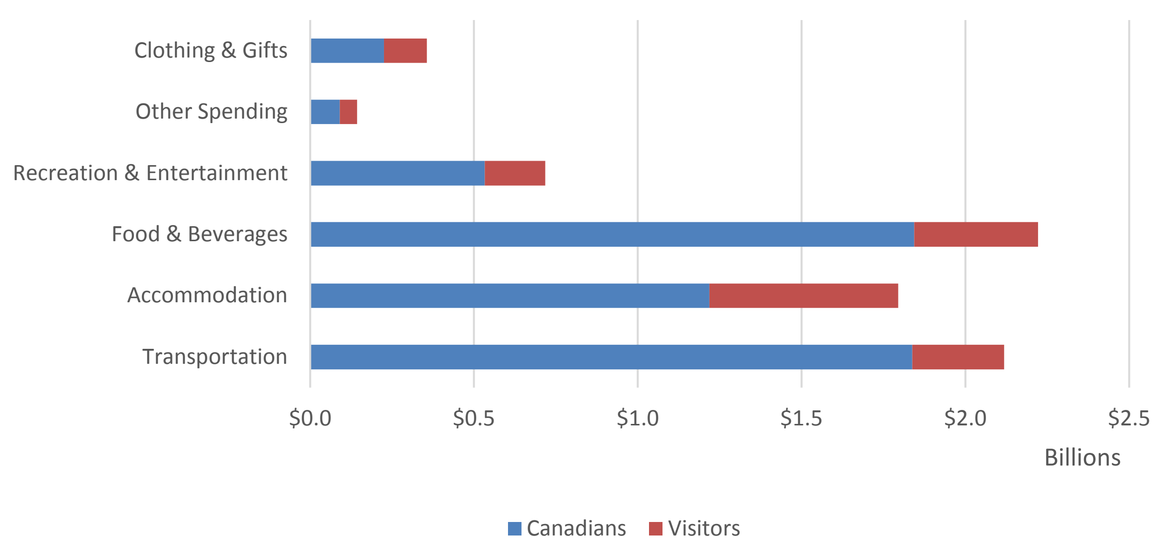
Table 18 and Figure 41 show the spending of Canadians and foreign visitors while on trips that involved boating broken down by the types of goods and services that were purchased.

Table 18: Spending by Type

	Canadians	Visitors	Total
Transportation	$ 1,837,922,608	$ 280,442,165	$ 2,118,364,773
Accommodation	$ 1,219,066,182	$ 575,940,171	$ 1,795,006,353
Food & Beverages	$ 1,844,120,115	$ 377,493,855	$ 2,221,613,970
Recreation & Entertainment	$ 532,444,441	$ 184,656,717	$ 717,101,158
Other Spending	$ 90,401,012	$ 53,211,057	$ 143,612,069
Clothing & Gifts	$ 224,798,689	$ 131,680,064	$ 356,478,753
Total	**$ 5,748,753,047**	**$ 1,603,424,030**	**$ 7,352,177,077**

Source: Statistics Canada

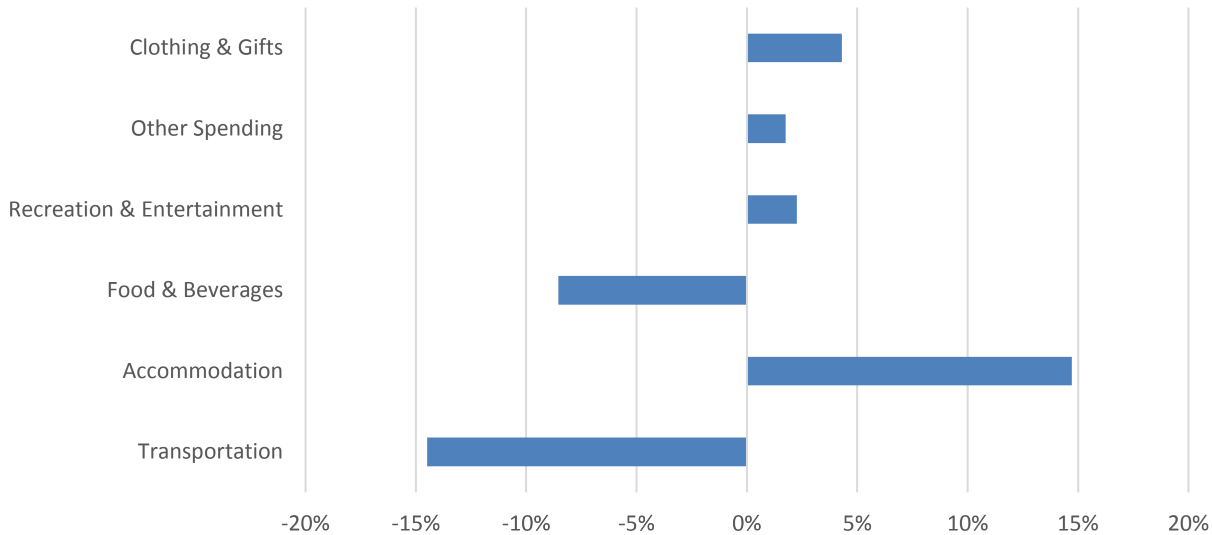
Figure 41: Boating Trip Spending by Type



Source: Statistics Canada

Figure 42 shows how the spending habits of Canadians and foreign visitors differ. Visitors spend more on accommodation, entertainment, and other purchases, while Canadians spend more on transportation and food and beverages.

Figure 42: Spending of Foreign Visitors Compared to Canadians by Type



Source: Statistics Canada

5.2.2 By Region of Spending

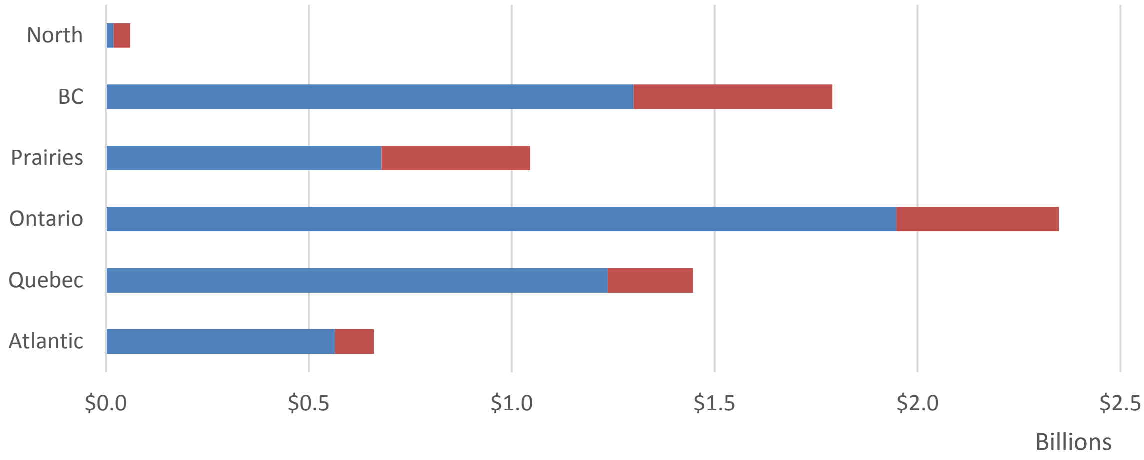
Table 19 and Figure 43 show the spending of Canadians and foreign visitors while on trips that involved boating broken down by the types of goods and services that were purchased.

Table 19: Spending by Region

	Canadians	Visitors	Total
Atlantic	$ 565,300,517	$ 94,979,713	$ 660,280,230
Quebec	$ 1,236,831,375	$ 210,417,015	$ 1,447,248,390
Ontario	$ 1,947,710,436	$ 400,514,311	$ 2,348,224,747
Prairies	$ 678,995,169	$ 367,261,415	$ 1,046,256,584
BC	$ 1,300,733,025	$ 489,289,214	$ 1,790,022,239
North	$ 19,182,525	$ 40,962,362	$ 60,144,887
Total	**$ 5,748,753,047**	**$ 1,603,424,030**	**$ 7,352,177,077**

Source: Statistics Canada

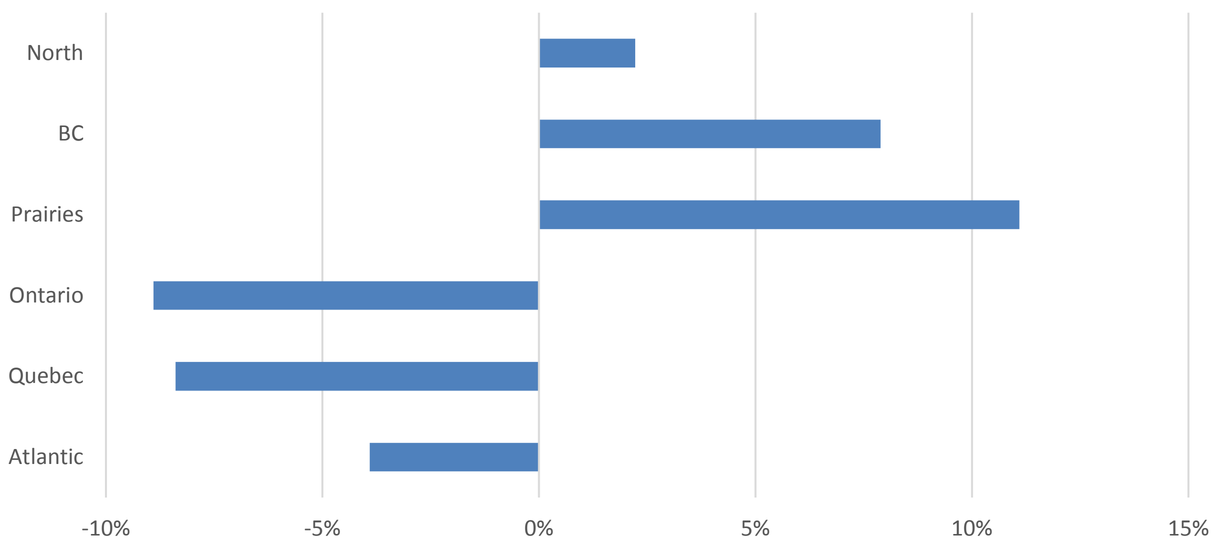
Figure 43: Boating Trip Spending by Region



Source: Statistics Canada

Figure 44 shows how the spending habits of Canadians and foreign visitors differ. Visitors spend more in the Prairies, BC and the North, while Canadians spend more in Ontario, Quebec, and the Atlantic.

Figure 44: Spending of Foreign Visitors Compared to Canadians by Region



Source: Statistics Canada

5.3 The Local Importance of Boating

Broad regional numbers mask the critical importance that revenue from boaters may have in some smaller communities. For this study, interviews were conducted with a number of communities across Canada that depend on boating and the results are summarized here.

Many small towns see their population more than double in the summer months with an influx of tourists, many of which come to participate in recreational boating. The town's marina becomes the focal point of social and economic activities through a mix of daily boating tourists (using the boat launch, parking facilities, pump-out, gas, showers, laundry, etc.) and seasonal slip rentals. The economic activity then spreads to other town services, such as local grocery stores, restaurants, shops, and local entertainment events. Day-use boaters often extend their stay overnight in cabins and campgrounds.

There are two general types of boating destinations: i) small towns where the marina is the hub of transient boating activities; and ii) large lake destinations, with limited public waterfront, that is dominated by private cottages.

Investment

For private investors, developing a new marina or boating infrastructure comes with a significant upfront cost; there is a five-year payback (as estimated by some interviewees). If the economy takes a downturn or gas prices go up, recreational boating suffers. It can be a fair-weather business.

Some municipalities are making some investments in waterfront infrastructure ranging from replacing marina roofs and building waterfront playgrounds, to building new waterfront facilities with the goal of attracting recreational boaters. Some municipalities are working with private sector investors to complete funding applications to higher levels of government in support of improved recreational boating infrastructure.

Some marinas owned by municipalities are operated as a not-for-profit corporation; thus there is not a significant budget for investing in infrastructure or promotion. Their mandate is to keep costs down to allow services to be accessible to average families.

Several towns noted that investing in recreational boating (infrastructure and promotional efforts) is most effective when a regional approach is taken; co-ordinated amongst towns and villages along the rivers and interconnected lakes.

Promotion Activities

Most towns make use of social media and their municipal website to promote recreational boating in their community by highlighting the beauty of the waterways and the facilities they have to offer. Some municipalities work in conjunction with local marinas, fishing tourist companies, and boat rental operators to promote their location as a favoured boating destination.

Some interviewees felt that more could be done to integrate boating tourism with land-based operators, such as golf course, biking trails, spas etc.

Future

Most communities reported a steady increase in the number of recreational boaters they see year over year. The lifestyle is popular with retirees who are downsizing and is an affordable summer tourist option for families.

Communities where recreational boating is dominated by day-use boaters can be frustrated by the lack of capacity for boat launches during peak season, and traffic congestion and proliferation of boat trailers parked in town. Numerous communities are looking to expand future capacity by building larger parking lots and implementing traffic restrictions during peak times.

Quotes

"Recreational boaters are a huge part of our tourism base – we have 60 seasonal births and 6-8 for daily visitors and they are always full and there is a wait list; there is definitely a strong demand – our region has three interconnected sheltered rivers, very good for boaters – a family oriented pastime". ***PEI***

"We have recently rebranded ourselves as North America's premier boating destination; recreational boaters are a fundamental pillar and target market of the tourism strategy for our region." ***Ontario***

"Our main street is very accessible from the harbor front, boaters use our grocery stores, liquor store and drug store – our local businesses benefit significantly over the summer months – May to Thanksgiving weekend" ***Ontario***

"The social aspect of recreational boating is just as important as economic – 60-70 families spend a lot of time on our waterfront, participate in our local entertainment and music events, as well as summer festivals, and spread their spending into our town – boating is part of a healthy lifestyle and invigorates our harbor front." ***PEI***

"We have a strong returning community of boaters that have been regulars for about 12 -17 years – come back every year to rent the slip. It is their home base for the summer and their presence has a significant economic impact on our town." ***Nova Scotia***

"Getting boaters into the town is a huge benefit to our community even our hotels and restaurants offer specials offers and coupons in case the boaters decide to treat them self to a night We also promote our own town's tourist events to other local marinas in surrounding areas hoping to draw those boaters over to our town!." ***Nova Scotia***

"We have a lot of day use boaters (about 80%) because of our proximity to Vancouver, Chilliwack Abbotsford – however, if people want to extend their stay, they often rent a cabin or stay in our local accommodations. They also use our campgrounds and RV parks and restaurants" ***BC Inland Boating***

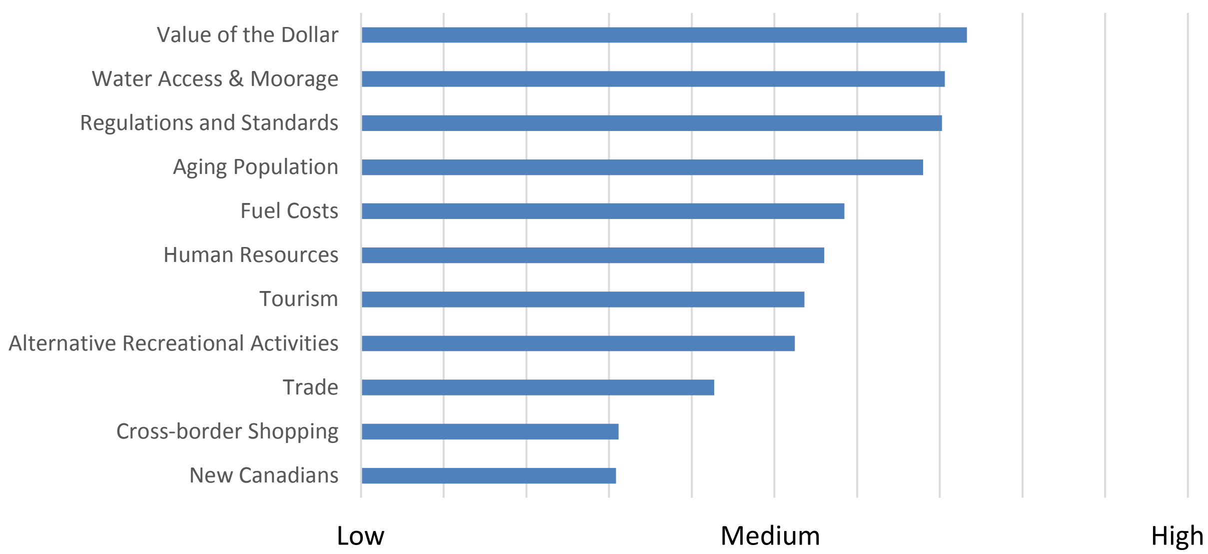
"Boater get tired of their boats! They like to get off and explore the region – boaters are often active and social people; they like to spend their money biking, golfing, site seeing and at restaurants." ***BC Coastal Boating***

6. Industry Issues and Market Influences

In a survey for this study, Canadian recreational boating organizations were asked a number of questions regarding their business outlook, issues facing the industry, and influences affecting the boating market.

Figure 45 shows the average ranking of these issues and influences for the entire industry. At the top is the value of the Canadian dollar, followed by water access and moorage, regulations and standards, and the aging population. The overall ranking is heavily influenced by the views of the high number of marinas and boat stores in the industry. Also, industry averages hide some important differences among the industry subsectors. The following sections look at each issue and influence in more detail by subsector to investigate these differences. But first, Section 5.1 looks at the overall business outlook for the industry.

Figure 45: Relative Importance of Boating Industry Issues and Influences

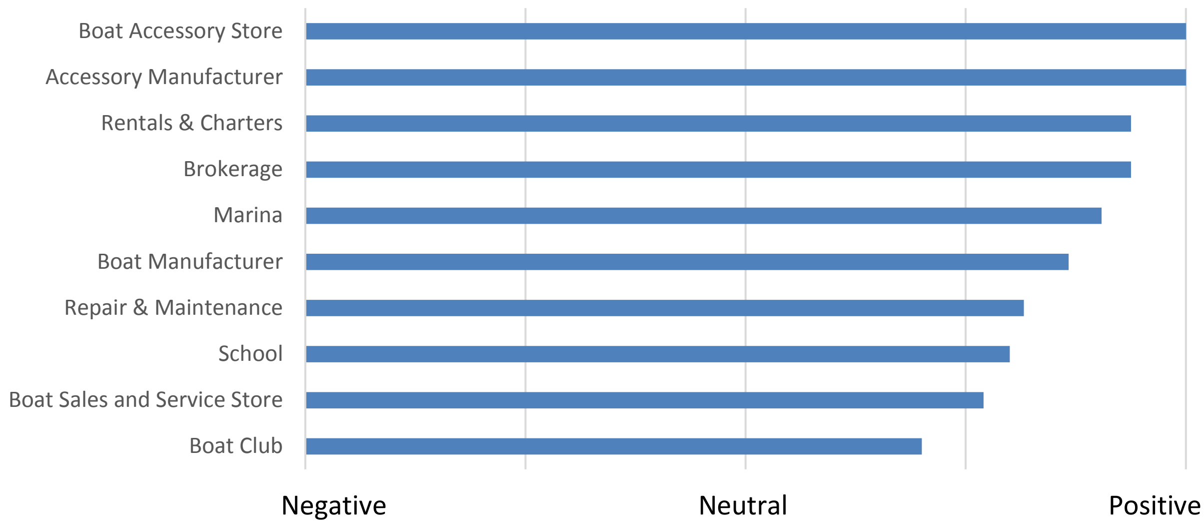


Source: Study Survey

6.1 Business Outlook

Boating industry organizations have a positive outlook for their future. Figure 46 shows the business outlook for each of the industry's subsectors. Of course, some individual organizations have negative outlooks. The most positive subsectors are Boat Accessory Stores and Accessory Manufacturers.

Figure 46: Business Outlook



Source: Study Survey

6.2 Market Influences

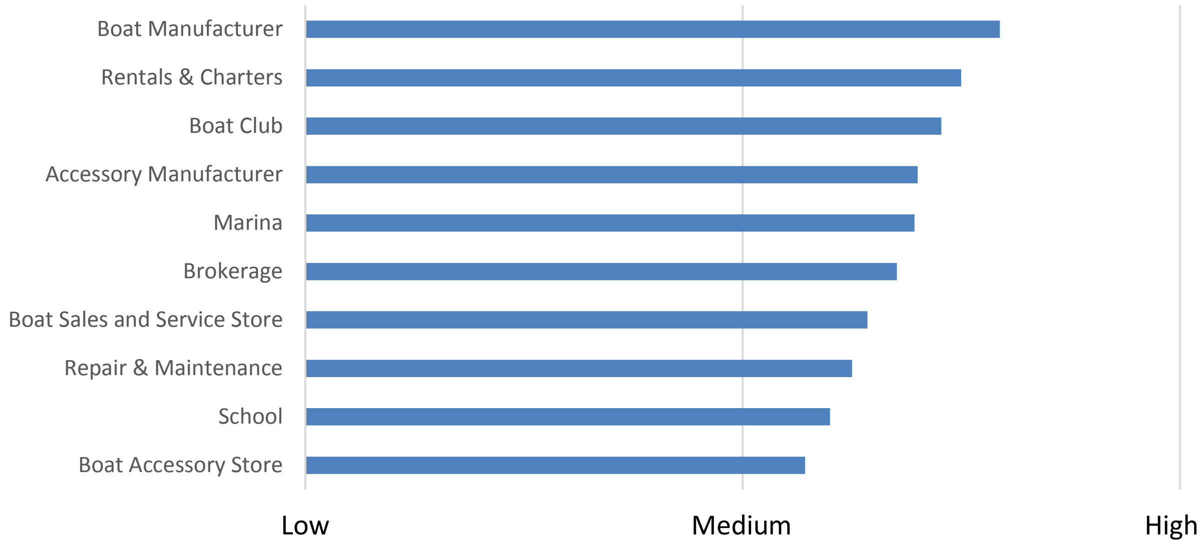
The survey of the boating industry asked organizations about the importance of a number of influences on recreational boating markets (Aging Population, Immigrants, Alternative Recreational Activities, Tourism, Cross-border Shopping).

Respondents rated the importance of each market influence on a scale of High, Medium, or Low. The results below are segmented by the type of organization.

6.2.1 Aging Population

Canada's aging population (Figure 47) was seen as the most significant influence on the recreational boating market.

Figure 47: The Market Influence of an Aging Population

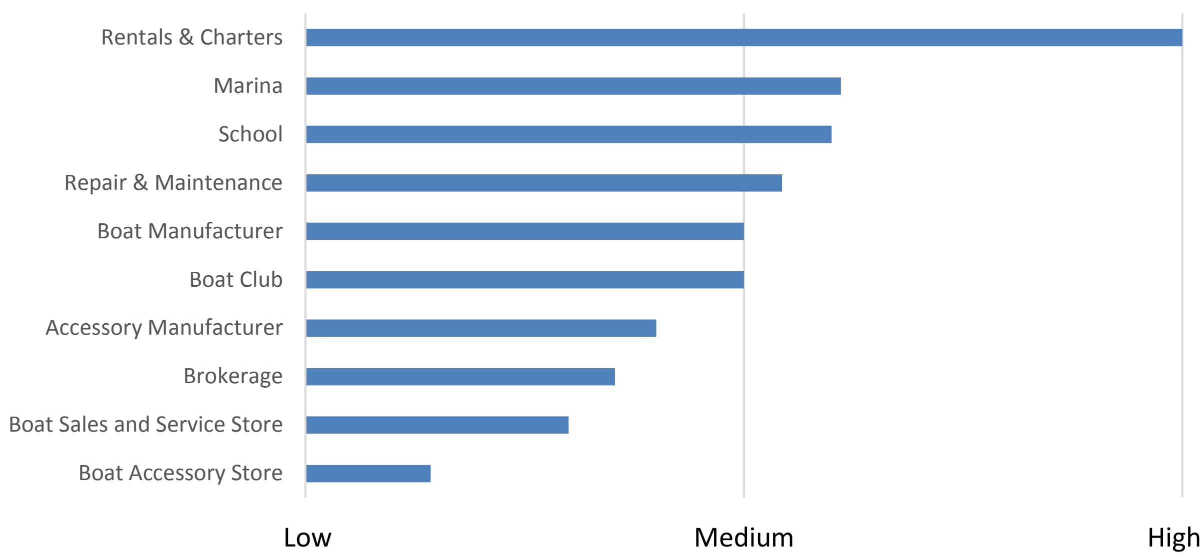


Source: Study Survey

6.2.2 Tourism

The impact of tourism (Figure 48) depends critically on the type of organization and its location. Rentals & Charters are the most likely to be impacted. Organizations near the US border are more likely to notice the impacts of the swings in the US economy and the value of the Canadian dollar.

Figure 48: The Market Influence of Tourism

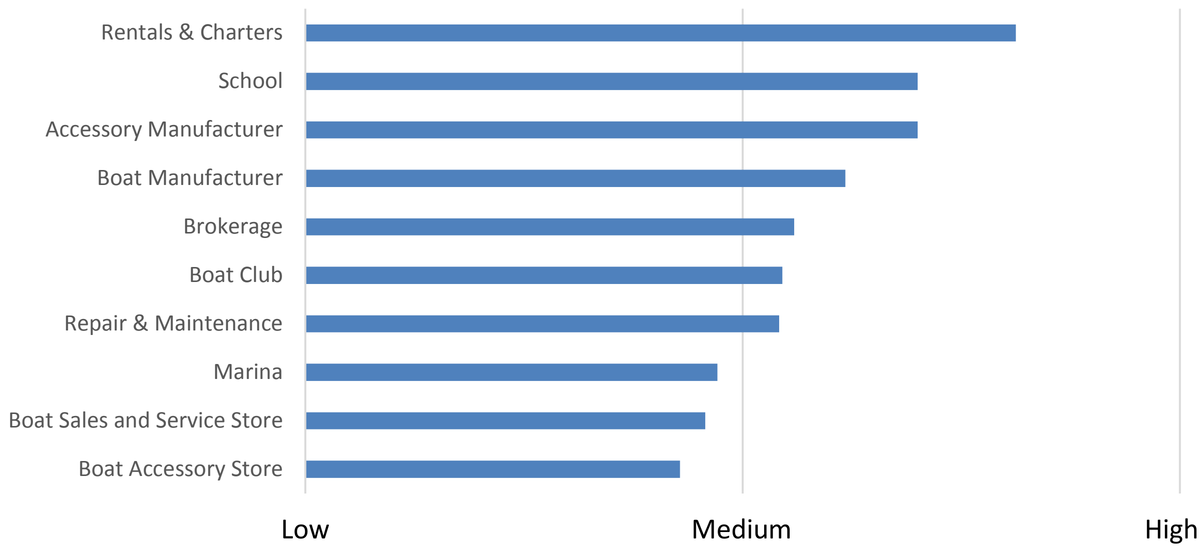


Source: Study Survey

6.2.3 Alternative Recreational Activities

Alternative recreational activities (Figure 49) are seen by some as a distraction from boating, but many others are less concerned.

Figure 49: The Market Influence of Alternative Recreational Activities

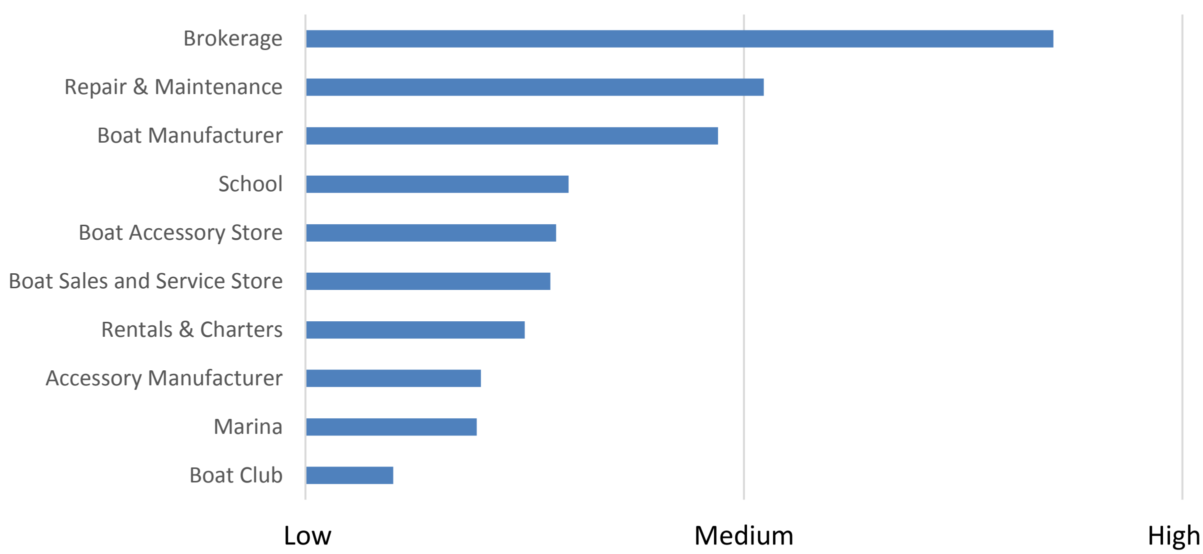


Source: Study Survey

6.2.4 Cross-Border Shopping

As for tourism, views on the issue of cross-border shopping (Figure 50) depend on the organization's type and location.

Figure 50: The Market Influence of Cross-Border Shopping

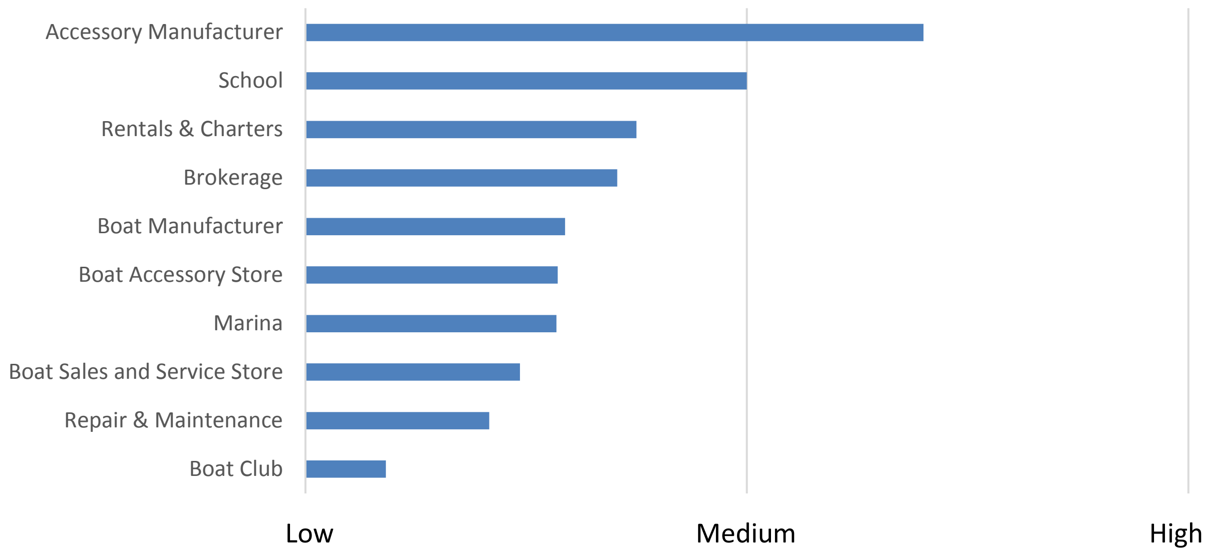


Source: Study Survey

6.2.5 New Canadians

New Canadians (Figure 51) were considered the least import of the market influences asked about in the survey. However, doing a better job of engaging new Canadians is seen as important to the future vitality of the sector.

Figure 51: The Market Influence of New Canadians



Source: Study Survey

6.3 Industry Issues

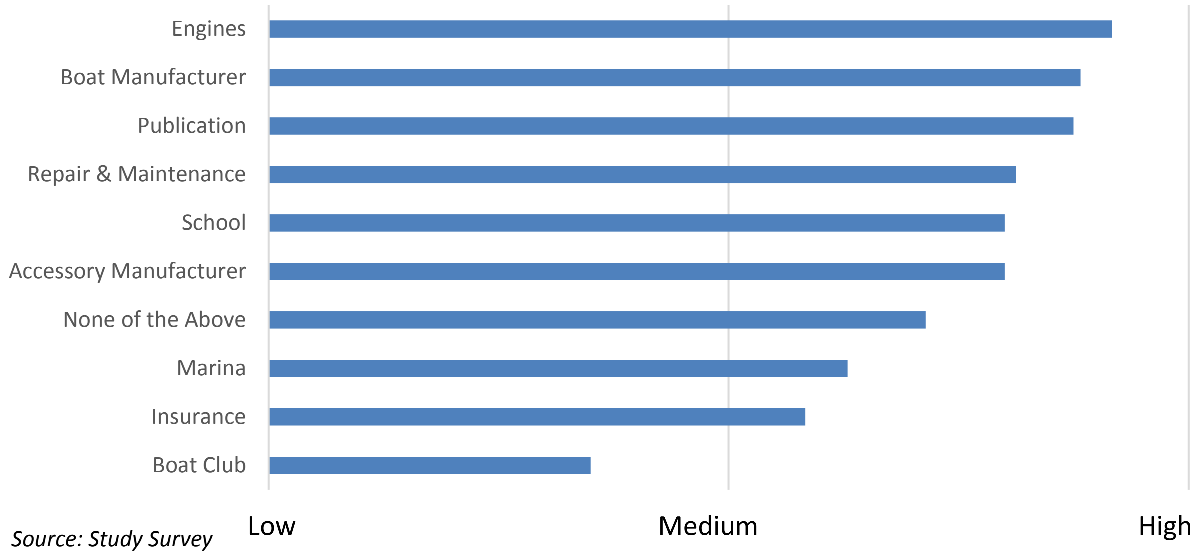
The survey of the boating industry asked organizations about the importance of a number of recreational boating industry issues (Regulations and Standards, Fuel Costs, Water Access and Moorage, Value of the Dollar, Human Resources, and Trade).

Respondents rated the importance of each industry issue on a scale of High, Medium, or Low. The results below are segmented by the type of organization.

6.3.1 Value of the Dollar

Some boating organizations that have in the past benefited from US customers, either through exports or tourists, have been negatively affected by the relative strength of the Canadian dollar (Figure 52). However, many others have profited from the strong Loonie, especially those who are bringing boating goods in from the US.

Figure 52: The Industry Issue of the Value of the Dollar

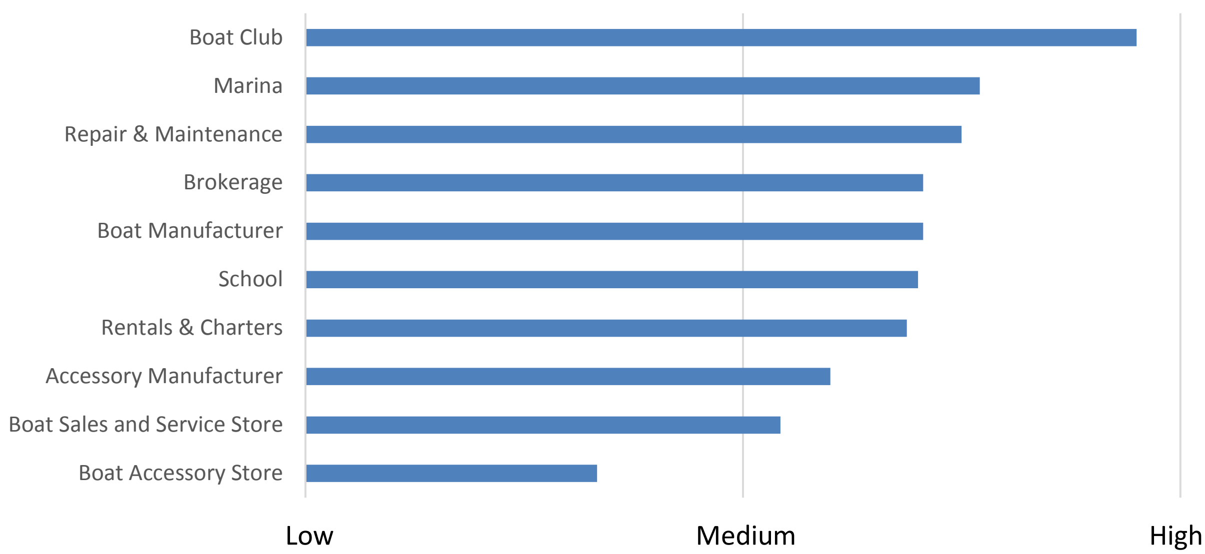


Source: Study Survey

6.3.2 Water Access & Moorage

Water access and moorage problems (Figure 53) are localized, but are significant for the boat clubs, schools, and marinas impacted. A problem related to water access is water levels. Again this is localized, but is particularly common in the Great Lakes. A similar access problem that is restricted to the Trent-Severn Waterway has been caused by a reduction in operating hours by Parks Canada.

Figure 53: The Industry Issue of Water Access & Moorage

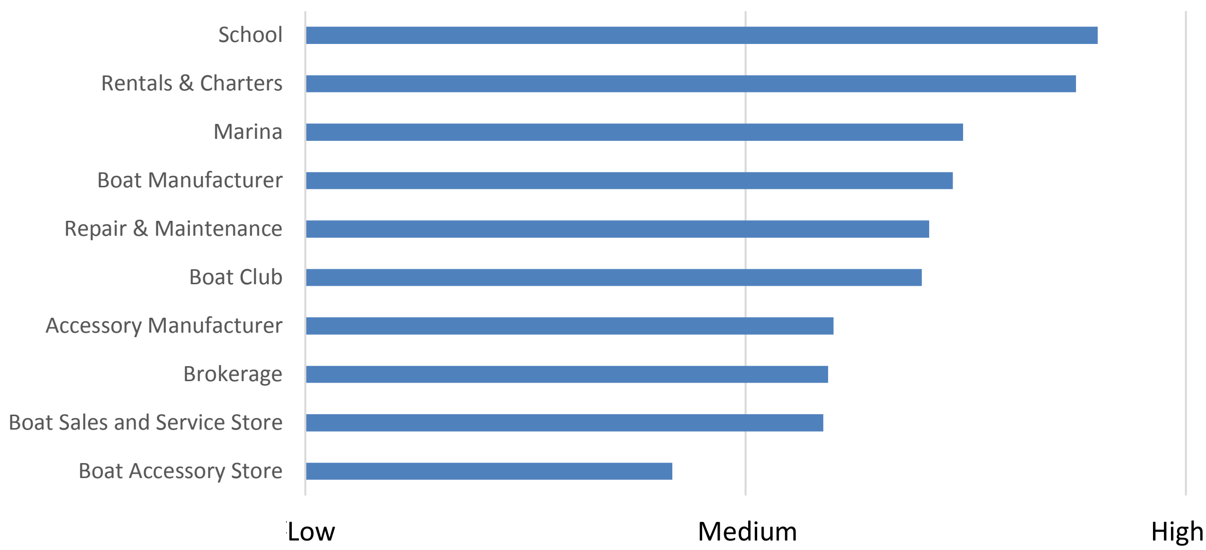


Source: Study Survey

6.3.3 Regulations and Standards

Regulations and standards (Figure 54) are considered to be the most important of the industry issues examined in the survey and they impact boating schools, marinas and boat manufacturers the most significantly.

Figure 54: The Industry Issue of Regulations and Standards

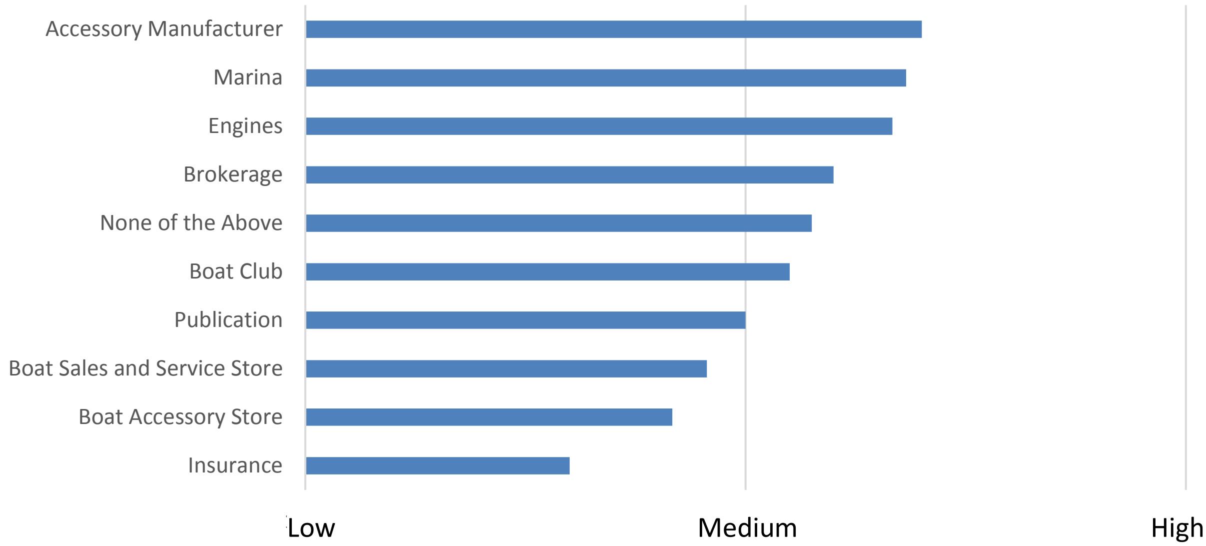


Source: Study Survey

6.3.4 Fuel Costs

Fuel costs (Figure 55) are a concern for a variety of different reasons. The most obvious is the impact it is perceived to have on power boaters. However, not everyone thinks that the effect is that great. Certainly, many in the boating industry benefit from high fuel costs – for example those selling human powered boats and sailboats. And the impact is not just on the behaviour of boaters; fuel costs are often an important part of a boating organization’s expenses.

Figure 55: The Industry Issue of Fuel Costs

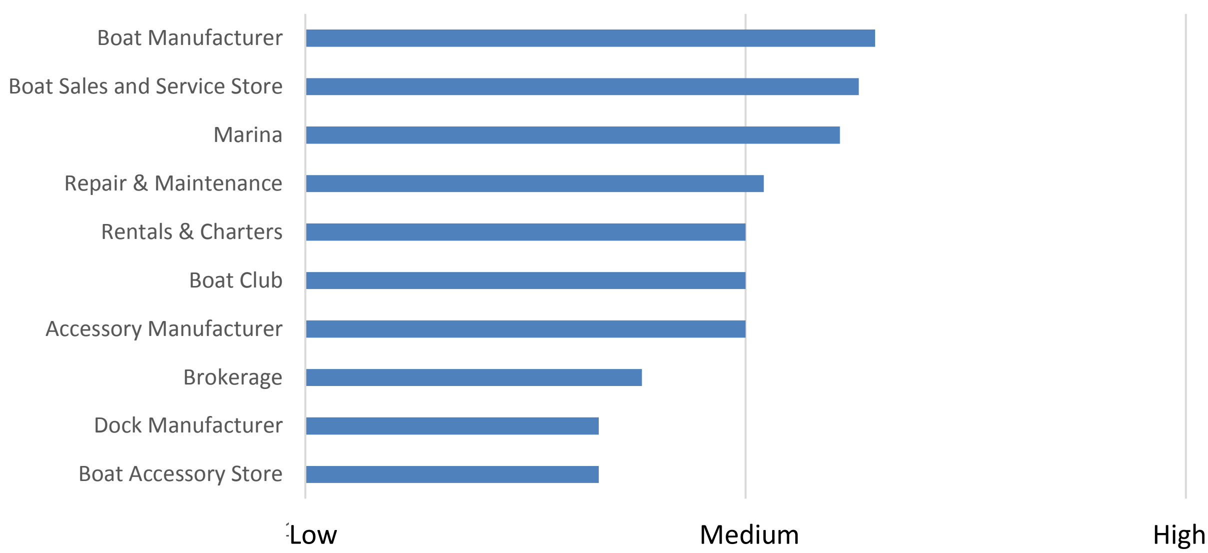


Source: Study Survey

6.3.5 Human Resources

Human resources (Figure 56) is generally not a significant issue for the boating industry. However there are particular areas of concern, especially with regard to mechanical skills.

Figure 56: The Industry Issue of Human Resources

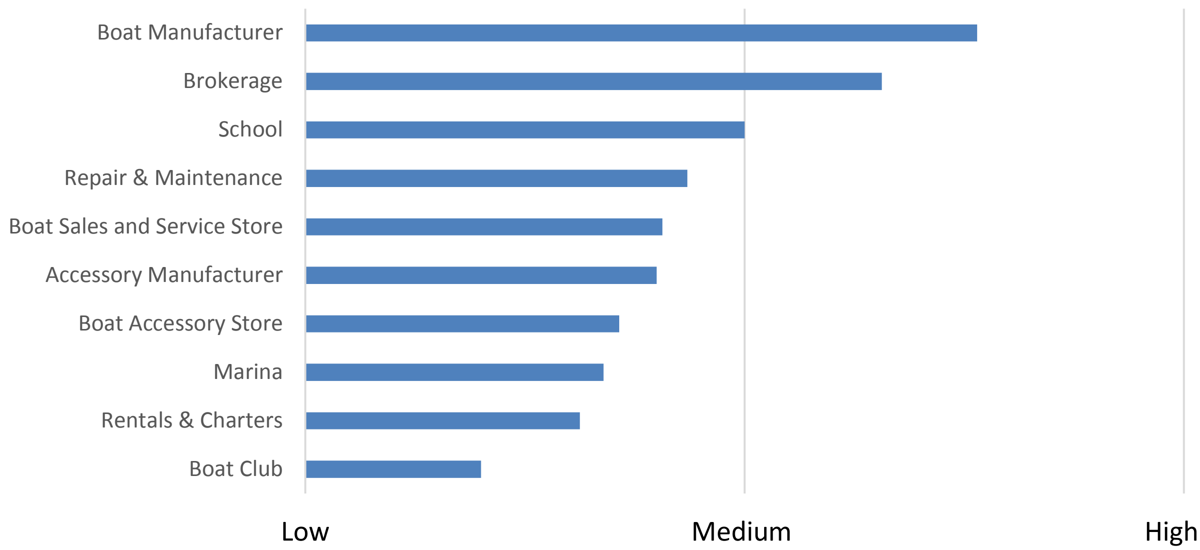


Source: Study Survey

6.3.6 Trade

Trade issues (Figure 57) were generally not considered an issue of high importance. Manufacturers are impacted the most.

Figure 57: The Industry Issue of Trade



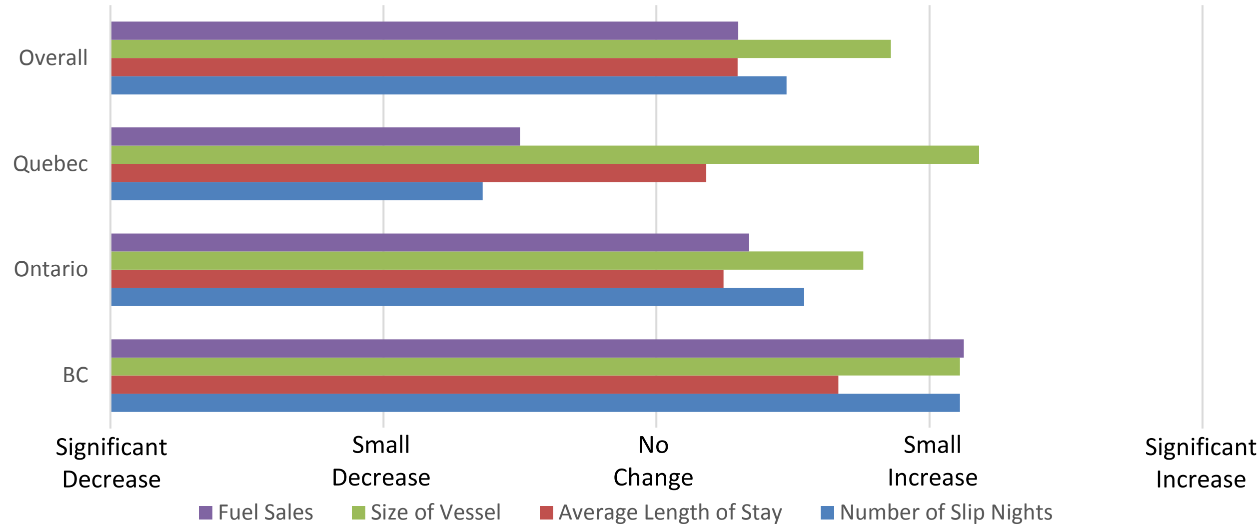
Source: Study Survey

6.4 Marinas

6.4.1 Marina Activity

Marinas that responded to the boating industry survey were asked some specific questions about their recent business. Figure 58 shows the average change in a number of indicators of marina activity for Quebec, Ontario, and BC (the regions for which there were a significant number of responses). In general, activity has been constant or seen a very small increase. The exception is Quebec where fuel sales and number of slip nights has decreased.

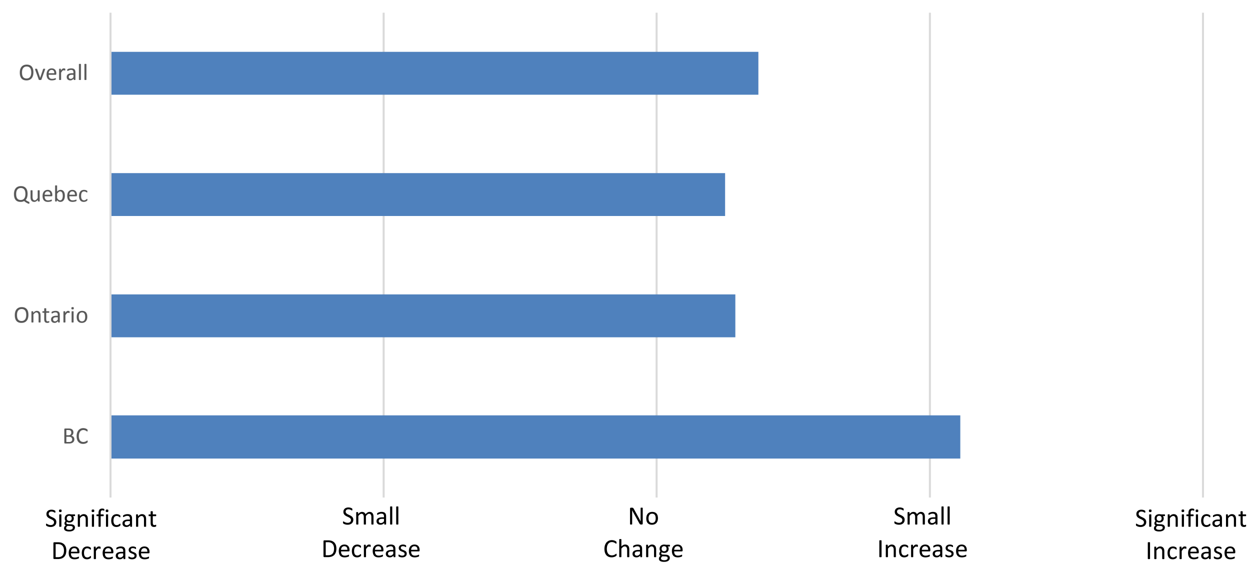
Figure 58: Change in Marina Activity



Source: Study Survey

Figure 59 shows the change in the number of US boaters visiting Canadian marinas. In all regions, there has been a very small increase on average, although the impact in some areas has been much greater.

Figure 59: US Boaters

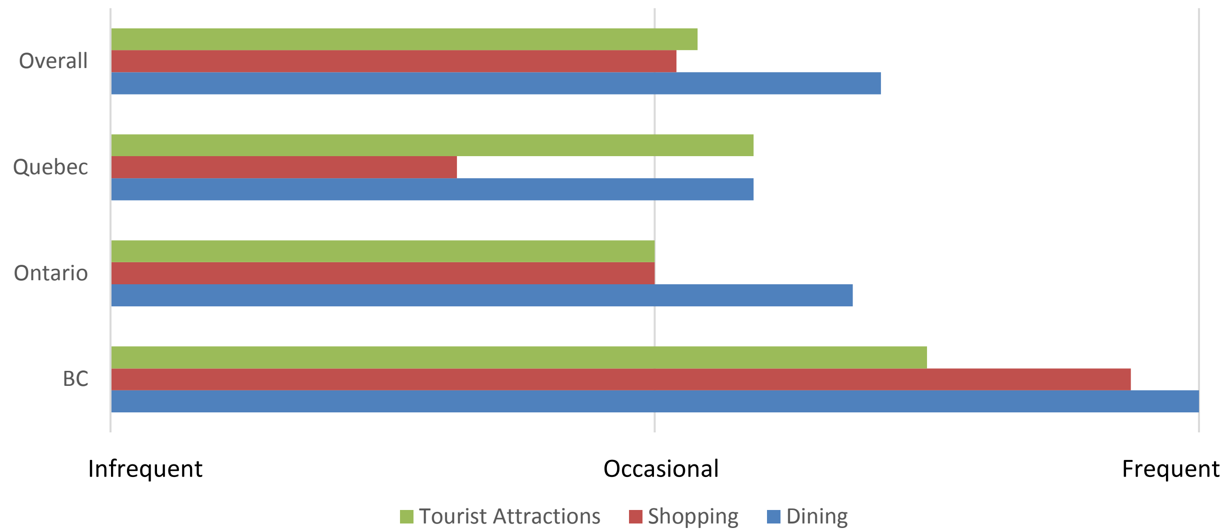


Source: Study Survey

6.4.2 Boater Activities

Marinas were also asked about the activities of their boaters when on shore. As shown in Figure 60, dining is common in all regions. Shopping is most popular in BC and least in Quebec. Tourist attractions are most popular in BC.

Figure 60: Frequency of Boater Activities



Source: Study Survey