

CADA  [®] _©

Canadian Automobile Dealers Association
Corporation des associations de détaillants d'automobiles

FINAL REPORT
November 2023

The Economic Impacts of New Car Dealers in British Columbia

NCDA
New Car Dealers Association of BC

MNP RESEARCH PARTNER



TABLE OF CONTENTS

MESSAGE FROM THE CANADIAN AUTOMOBILE DEALERS ASSOCIATION	3
MESSAGE FROM THE NEW CAR DEALERS ASSOCIATION OF BRITISH COLUMBIA	4
EXECUTIVE SUMMARY	5
KEY STATISTICS.....	5
ECONOMIC IMPACTS	5
1. INTRODUCTION	7
1.1 BACKGROUND AND PURPOSE	7
1.2 APPROACH	7
1.3 STRUCTURE OF THE REPORT	7
1.4 LIMITATIONS	8
2. ABOUT NEW CAR DEALERS IN BC	9
2.1 OVERVIEW OF NEW CAR DEALERS IN BC	9
2.2 LINKAGES WITH OTHER INDUSTRIES.....	11
3. ECONOMIC IMPACT ANALYSIS.....	13
3.1 OVERVIEW OF ECONOMIC IMPACT ANALYSIS	13
3.2 ECONOMIC IMPACT OF OPERATIONS	14
3.3 ECONOMIC IMPACTS OF INVESTMENTS IN NEW AND EXISTING FACILITIES	15
3.4 WORKFORCE PROFILE	17
3.5 COMPARISON OF ECONOMIC IMPACTS WITH OTHER INDUSTRIES.....	19
4. SOCIAL AND COMMUNITY CONTRIBUTIONS	20
APPENDICES.....	21
APPENDIX A – ECONOMIC IMPACT METHODOLOGY.....	21
APPENDIX B – DETAILED ECONOMIC IMPACTS.....	23
APPENDIX C – ABOUT MNP	25



MESSAGE FROM THE CANADIAN AUTOMOBILE DEALERS ASSOCIATION

Automotive retail dealers are an integral part of the economic and social fabric of their communities. Our over 3,400 members are present in almost all towns and cities across Canada selling and servicing vehicles while providing substantial employment opportunities and directly contributing important amounts to local, provincial and national Output, GDP and Tax Revenue and generating additional indirect and induced economic contributions.

Our members run the range from family owned, single point businesses with 30 employees to publicly traded corporations operating over 70 dealerships. This Economic Impact Study, prepared by our research partner MNP, provides the data that shows the full scope of the contributions of the automotive retailing to the Provincial and Canadian economies.

We trust you will find this information useful and encourage you to engage with CADA, our Provincial Associations and our individual members to find out more about how automotive retailers are, and will continue to be, an essential part of our economy and society.

Sincerely,

Tim Reuss
President and Chief Executive Officer
CADA





MESSAGE FROM THE NEW CAR DEALERS ASSOCIATION OF BRITISH COLUMBIA

The 2023 CADA Economic Impact Study, conducted by MNP, highlights the extraordinary role and contribution of British Columbia's (BC) new car dealerships to the provincial economy. With an impressive 161,470 new vehicles sold in 2022 (despite ongoing challenges stemming from the pandemic recovery, global supply chain issues, and the war in Ukraine), dealerships continued to establish themselves as a key part of BC's economic engine.

The Study found the sector provides stable employment for 29,870 people, and generates total revenue of \$17 billion, of which 58 percent is attributed to new vehicle sales. Notably, 56 percent of the workforce is in highly skilled positions, providing the promise of career opportunities in a number of vocations.



We hope you find this information useful, and a reminder of how important BC's New Car Dealers are to the economic vitality and well-being of the Province.

Sincerely,

Blair Qualey
President and Chief Executive Officer
NCDA

EXECUTIVE SUMMARY

The Canadian Automobile Dealers Association (CADA), in conjunction with the New Car Dealers Association of British Columbia (NCDA), engaged MNP LLP (MNP) to carry out an economic impact study of new car dealer operations in British Columbia (BC).

KEY STATISTICS

In 2022:

- New car dealers sold 161,470 new vehicles in BC.
- New car dealers directly employed 19,000 people.
- Total revenues of new car dealers were \$17 billion, of which 58 percent was attributable to the sale of new vehicles and the remainder was attributable to the sale of parts, accessories, used vehicles and maintenance services.
- Approximately 56 percent of the jobs at new car dealers are skilled positions requiring a post-secondary credential, professional certification or significant experience.

ECONOMIC IMPACTS

Figure A shows the estimated economic impacts of BC's new car dealers in 2022. Between approximately 84 percent and 90 percent of the impacts occur in BC and the remainder occur in other parts of Canada as a result of supply chain linkages.

Figure A: Estimated Economic Impacts of BC's New Car Dealer Operations, 2022

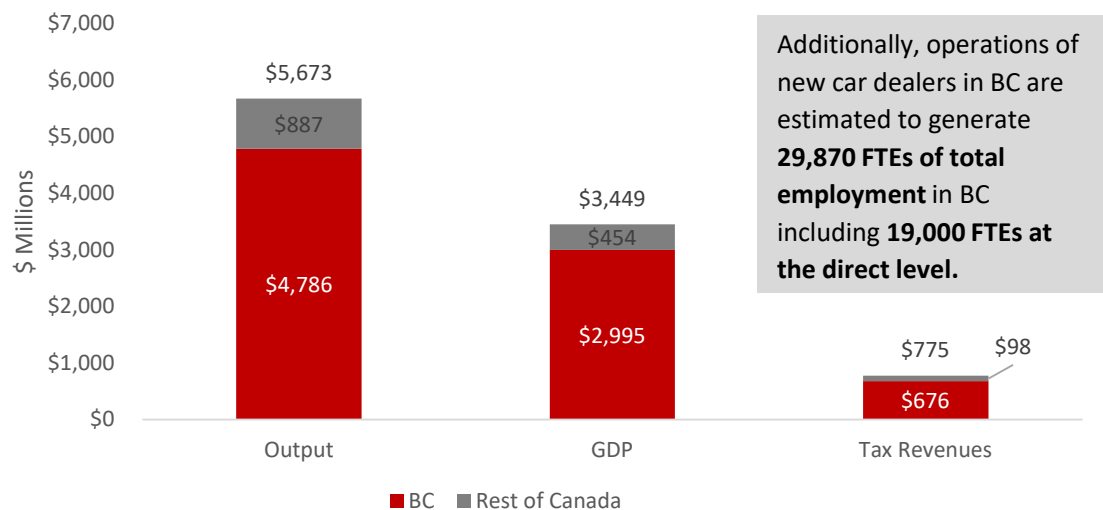
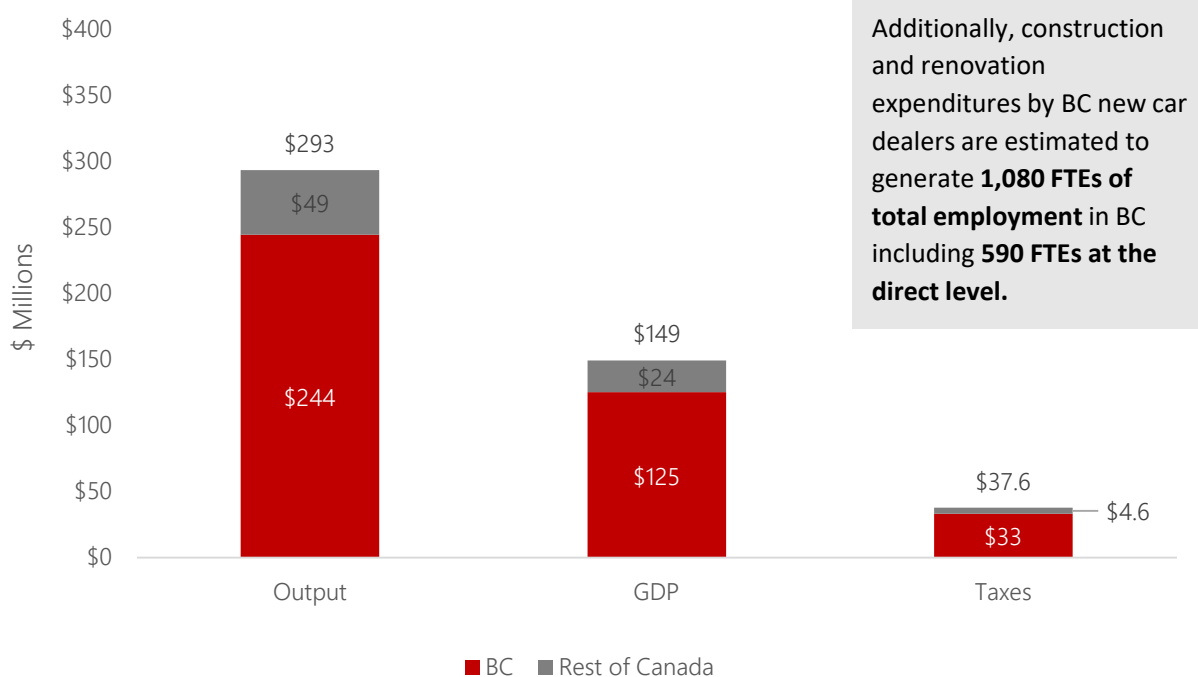


Figure B shows the estimated annual economic impacts of construction and renovation expenditures by BC new car dealers. Between approximately 83 percent and 88 percent of the impacts occur in BC and the remainder occur in other parts of Canada as a result of supply chain linkages.

Figure B: Estimated Annual Economic Impacts of Construction and Renovation Expenditures by BC New Car Dealers, 2022





1. INTRODUCTION

1.1 BACKGROUND AND PURPOSE

The Canadian Automobile Dealers Association (CADA), which represents over 3,400 franchised new car and truck dealers across Canada, in conjunction with its provincial association, the New Car Dealers Association of British Columbia (NCDA), which represents over 400 franchised new car and truck dealers throughout British Columbia (BC), engaged MNP LLP (MNP) to carry out an economic and social impact analysis of new car dealer operations in BC.

The scope of the study included:

- Estimating the economic impacts generated by BC's new car dealers.
- Describing the types and occupations supported by new car dealers.
- Developing a case study to articulate new car dealers' broader social and community impacts.

1.2 APPROACH

In preparing this report, MNP carried out the following activities:

- Gathered information on the number of locations, revenues, expenditures, and employment of BC's new car dealers from NCDA, CADA and publicly available sources.
- Identified gaps in data and information and developed strategies to fill those gaps.
- Developed estimates of the economic impacts created by BC's new car dealers.
- Developed a workforce profile and value chain description.
- Developed a case study on the broader social and community contributions of new car dealers.
- Developed a report detailing the findings of the study.

1.3 STRUCTURE OF THE REPORT

The remaining sections of this report are organized as follows:

- Section 2 provides an overview of BC's new car dealers.
- Section 3 summarizes the economic impacts created by BC's new car dealers and their workforce profile.
- Section 4 presents a case study on the broader social and community contributions of BC's new car dealers.
- The appendices provide additional detail on the economic impact methodology including relevant assumptions.



1.4 LIMITATIONS

This report is not intended for general circulation, nor is it to be published in whole or in part without the prior written consent of CADA and MNP. The report is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or a substitute for personalized, investment or business advice.

We have relied upon the completeness, accuracy and fair presentation of all information and data obtained from NCDA, CADA, and public sources believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy and fair presentation of the information underlying them. As a result, we caution readers not to rely upon any findings or opinions for business or investment purposes and disclaim any liability to any party who relies upon them as such.

The findings and opinions expressed in the presentation constitute judgments as of the date of the report and are subject to change without notice. MNP is under no obligation to advise of any change brought to its attention that would alter those findings or opinions.

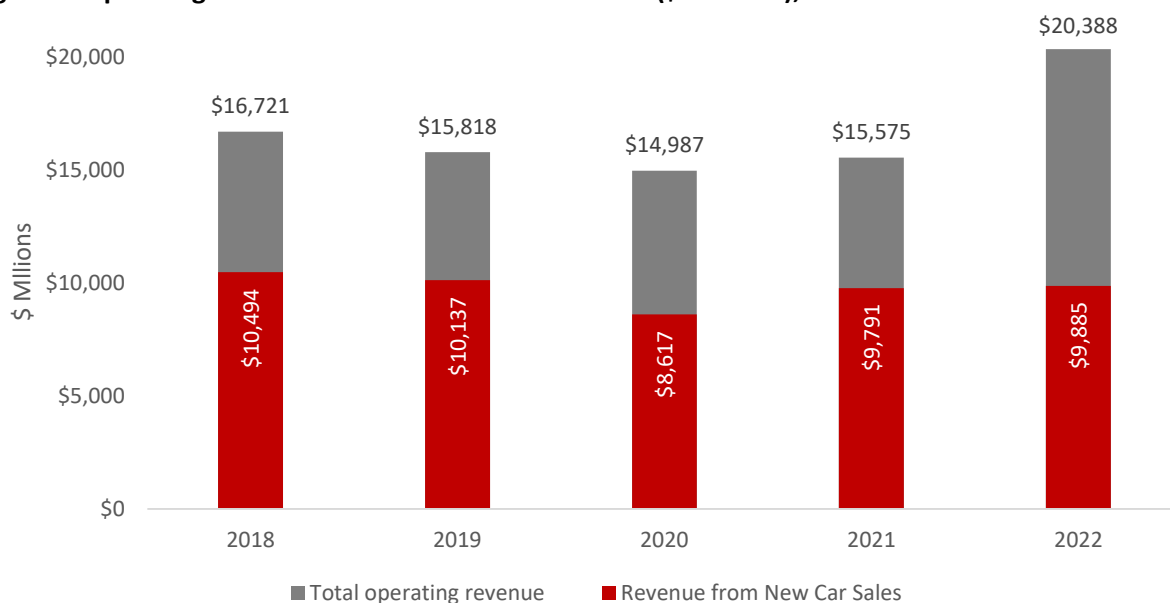
2. ABOUT NEW CAR DEALERS IN BC

2.1 OVERVIEW OF NEW CAR DEALERS IN BC

New car dealers are part of the retail automotive industry. This industry consists of businesses primarily involved in selling new cars, SUVs, light-duty trucks, and vans (including mini-vans) to individual customers or car leasing companies. These businesses also commonly sell used cars, replacement parts, accessories, and offer repair services.¹

Figure 1 shows revenues for new car dealers in BC between 2018 and 2022. During this period, revenues from the sale of new vehicles accounted for between 56 percent and 64 percent of total operating revenues. From 2018 to 2019, revenues from new car sales were relatively stable, while total revenues declined. In 2020, overall operating revenues decreased by six percent compared with 2019. This was largely a result of people buying fewer new cars between March 2020 and August 2020, which corresponded with the period of time when BC implemented its most restrictive measures to control the spread of COVID-19.² As the economy started opening back up, new car sales increased. In 2021 and 2022, revenues from the sale of new cars were slightly below pre-pandemic levels, while total revenues were up almost 8 percent relative to 2019.

Figure 1: Operating Revenues for New Car Dealers in BC (\$ Millions), 2018 to 2022



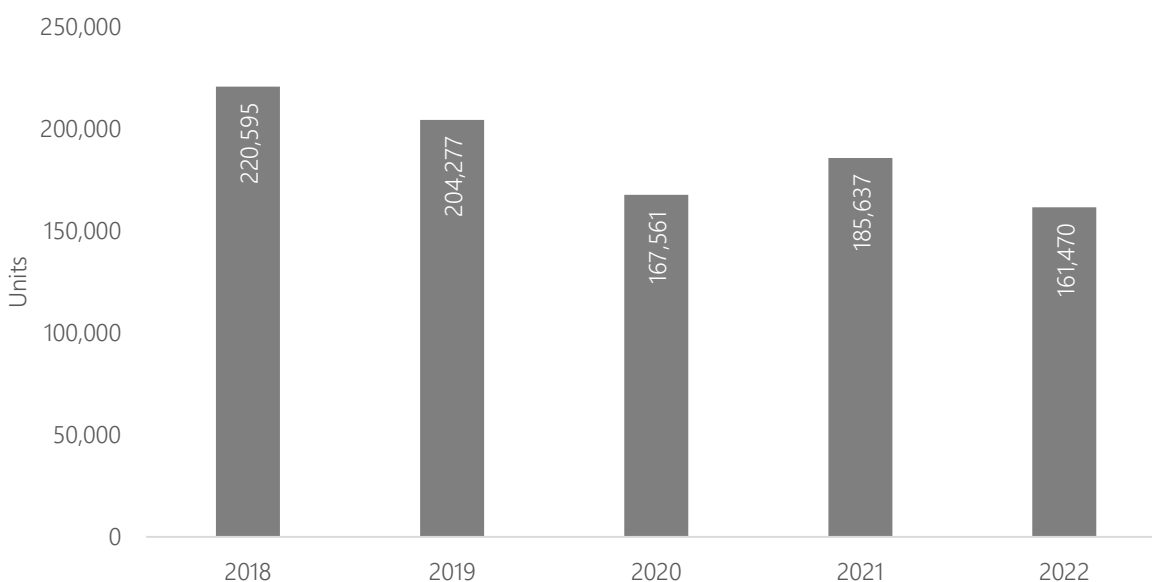
Source: Statistics Canada. Table 20-10-0066-01. Annual retail trade survey, financial estimates.

¹ Statistics Canada. NAICS Canada. Automotive dealers.

² MNP. The economic impacts of Members of New Car Dealers Association in BC. (2022)

Figure 2 shows the number of new motor vehicles sold in BC from 2018 to 2022. In 2019 new motor vehicle sales declined by approximately seven percent. In 2020, COVID-19 led to a sharper drop in sales (by 18 percent compared with 2019). Shutdowns at manufacturing plants which led to reduced auto production and supply constraints for new vehicles impacted the sale of new vehicles.³ In 2021, demand for new vehicles rebounded but supply chain issues continued to limited the number of units sold.⁴ In 2022, the number of sales decreased by 13 percent, resulting in a roughly 21 percent decrease compared with pre-pandemic levels.⁵ One of the reasons for this decline was a shortage of components such as semiconductor chips. According to Statistics Canada, motor vehicle manufacturing levels in Canada in 2022 were more than 25 percent lower than in 2019.⁶

Figure 2: New Motor Vehicles Sales for New Car Dealers in BC, 2018 to 2022



Source: Canadian Automobile Dealers Association

³ International Organization of Motor Vehicle Manufacturers, Global Auto Production in 2020 Severely Hit by COVID-19 Crisis with a 16% Drop in World Auto Production. March 2021. Available here: <https://www.oica.net/wp-content/uploads/OICA-Press-Release-2021-03-24.pdf> (Accessed: May 16, 2022).

⁴ MNP. The economic impacts of Members of New Car Dealers Association in BC. (2022)

⁵ Statistics Canada. Table 20-10-0001-01 New motor vehicle sales

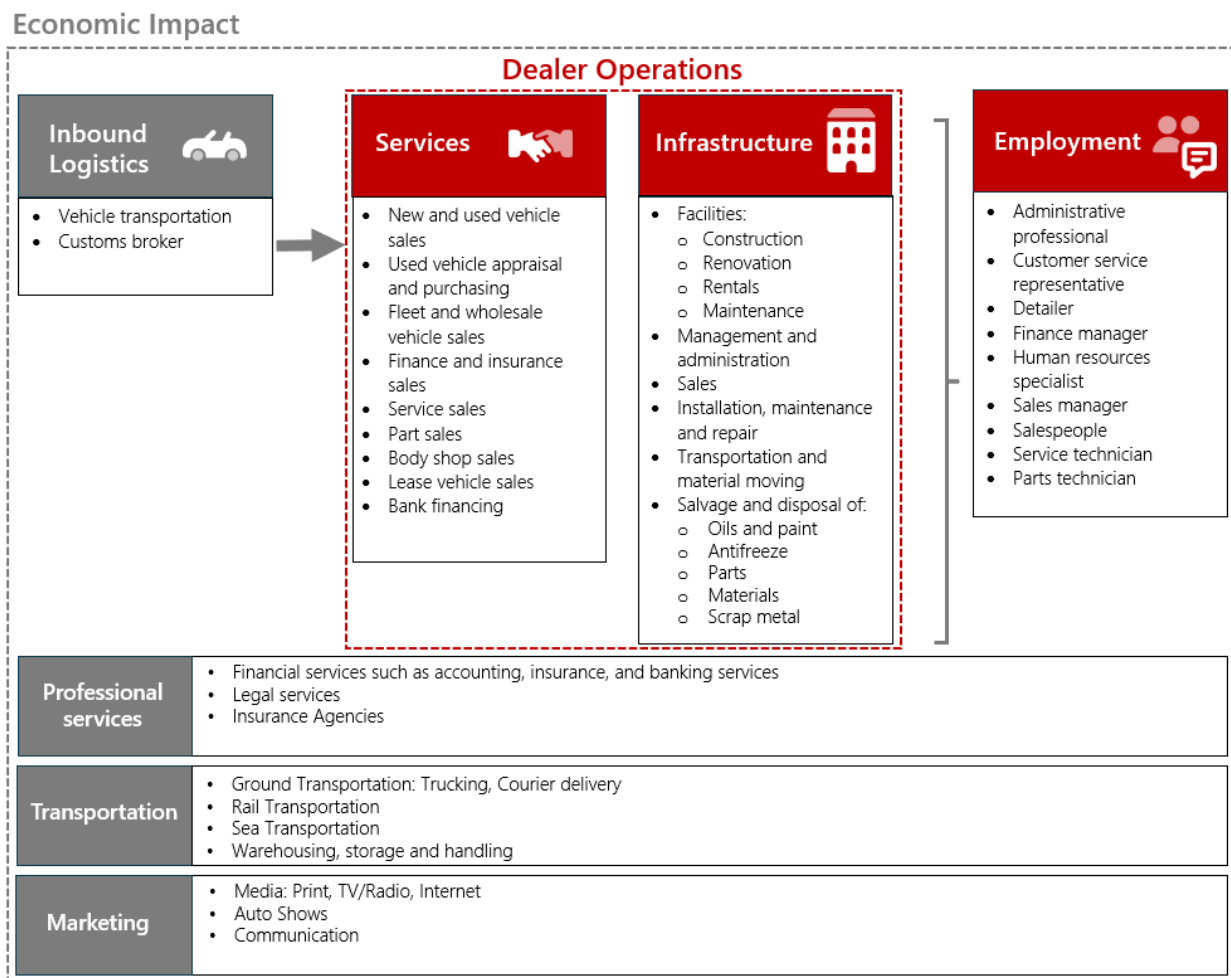
⁶ Bernard M.C., Dankyi E. (April 11, 2023). Statistics Canada. Enduring effects of the pandemic: The case of the passenger car rental industry in New Brunswick. Retrieved from <https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2023006-eng.htm>



2.2 LINKAGES WITH OTHER INDUSTRIES

How new car dealers generate economic activity can be illustrated in terms of a value chain which illustrates the linkages between dealers and their suppliers. The value chain for new car dealers is provided in Figure 3. Vehicles and parts and accessories sold by new car dealers are brought to BC from other parts of Canada and the US by rail and truck. Vehicles produced outside of North America are also sent by sea. To support their operations, new car dealers purchase services from a range of suppliers including banking and financial institutions, lawyers, insurance agencies, media outlets, advertising agencies, couriers, waste management companies and repair and maintenance service providers.

Figure 3: Linkages Between New Car Dealers and Other Industries





3. ECONOMIC IMPACT ANALYSIS

3.1 OVERVIEW OF ECONOMIC IMPACT ANALYSIS

In general, economic impacts are viewed as being restricted to quantitative, well-established measures of economic activity. The most commonly used of these measures are output, GDP, employment and government revenue:

- **Output** is the total gross value of goods and services produced by a given company or industry measured by the price paid to the producer. This is the broadest measure of economic activity.
- **Gross Domestic Product (GDP)**, or value added, refers to the additional value of a good or service over the cost of inputs used to produce it from the previous stage of production. Thus, GDP is equal to the unduplicated value of the goods and services produced.
- **Employment** is the number of additional jobs created. Employment is measured in terms of full-time equivalents (FTEs). One FTE is equivalent to one person working full-time for one year or one person-year of employment.
- **Government Revenues** are the total amount of revenues generated for different levels of government. Revenues arise from personal income taxes, indirect taxes less subsidies, corporate income taxes, taxes on products and royalties. Please note that because tax revenues can frequently change due to modifications in tax policy, the government revenues in this report are estimates only and subject to change. They should be viewed as approximate in nature.

Economic impacts may be estimated at the direct, indirect and induced levels:

- **Direct impacts** are due to changes that occur in "front-end" businesses that would initially receive expenditures and operating revenue as a direct consequence of the operations and activities of an industry, organization or project.
- **Indirect impacts** arise from changes in activity for suppliers of the "front-end" businesses.
- **Induced impacts** arise from shifts in spending on goods and services as a consequence of changes to the payroll of the directly and indirectly affected businesses.

To estimate the economic impacts generated by new car dealers MNP employed an input-output methodology using multipliers published by Statistics Canada. Input-output modeling is a widely used and widely accepted approach, making it recognizable by many different stakeholders and audiences. The structure of the approach also facilitates easy comparisons between reported results for different industries and organizations.

Appendix A provides a more detail description of MNP's approach to estimating the economic impacts.

3.2 ECONOMIC IMPACT OF OPERATIONS

The operations of new car dealers generate economic impacts for the province through direct expenditures on goods and services, the employment of staff and the generation of taxes for local, provincial and federal governments. The total expenditures by BC's new car dealers were estimated to be approximately \$16.4 billion in 2022. As shown in Table 1, the largest categories of expenditure were cost of goods for resale (e.g., vehicles, parts, and accessories), followed by expenses on salaries, wages and benefits, and rent.

Table 1: Estimated Total Spending of BC's New Car Dealers, 2022

Expenditure Category	Spending (\$ millions)	Percentage of Total Expenditure
Cost of goods for resale	\$14,419	88.0%
Salaries, wages and benefits	\$1,014	6.2%
Rent	\$179	1.1%
Advertising and promotions	\$113	0.7%
Amortization	\$78	0.5%
Repairs and maintenance	\$69	0.4%
Professional and business fees	\$57	0.3%
Utilities and telephone/telecommunication	\$56	0.3%
Interest	\$49	0.3%
Insurance	\$37	0.2%
Delivery, shipping and warehouse	\$19	0.1%
Other expenses	\$319	1.9%
Total	\$16,409	100%

Source: Statistics Canada. Table 20-10-0066-01 Annual retail trade survey - financial estimates and Financial Performance Data (2020), Financial Performance Data (2021), Innovation, Science and Economic Development Canada for New Car Dealers (NAICS 44111)

New car dealers are classified as being in the retail trade industry. Retail trade is a service industry and the economic impacts are based on the activities involved in providing services to sell goods. Consequently, the manufacturing of the goods sold by a retailer are not included in the overall economic impact. To account for this, expenditures on goods for resale were excluded from the calculation of economic impacts.

Table 2 shows the estimated economic impacts of BC new car dealers in Canada. In 2022, new car dealers were estimated to generate:

- \$5.7 billion of total output, consisting of direct output of \$2.6 billion and \$3.0 billion of indirect and induced output.
- \$3.5 billion of total GDP consisting of \$1.7 billion in direct GDP and \$1.8 billion of indirect and induced GDP.
- 33,360 total FTEs consisting of 19,000 direct FTEs and 14,360 indirect and induced FTEs.
- \$775 million in total revenue for all three levels of government consisting of \$286 million in direct revenues and \$489 million of indirect and induced revenues.

Between approximately 84 percent and 90 percent of the impacts accrue in BC and the remainder accrue in the rest of Canada.⁷ Appendix B provides a breakdown of the impacts in BC and the rest of Canada.

Table 2: Estimated Total Economic Impacts of BC New Car Dealers, 2022

Category	Output (\$ millions)	GDP (\$ millions)	Employment (FTEs)	Federal Tax (\$ millions)	Provincial Tax (\$ millions)	Municipal Tax (\$ millions)
Direct	\$2,625	\$1,667	19,000	\$140	\$119	\$27
Indirect and Induced	\$3,048	\$1,782	14,360	\$196	\$231	\$62
Total	\$5,673	\$3,449	33,360	\$336	\$350	\$89

3.3 ECONOMIC IMPACTS OF INVESTMENTS IN NEW AND EXISTING FACILITIES

In addition to spending on operations, new car dealers spend a substantial amount on new dealership construction and renovation each year. To estimate the economic impacts of that expenditure, a combination of primary and secondary data was used. A survey of members administered by the CADA gathered information on construction and renovation expenditures over the period 2018 to 2022. In

⁷Please note that ranges reported elsewhere in the report (i.e., page 5) calculate the tax impacts as a single amount, which results in a narrower range of values.

addition, information from Statistics Canada's Building Permits data for car dealers was used to develop estimates of construction and renovation expenditures.

It was estimated that new car dealers in BC invested approximately \$142 million annually in new and existing facilities between 2018 and 2022. This consisted of \$115 million of construction expenditures and \$28 million of renovation expenditures.

Table 3 shows the estimated annual economic impacts of construction and renovation expenditures by BC new car dealers. Between 2018 and 2022 on an annual basis, new car dealers were estimated to generate:

- \$293 million of total output, consisting of direct output of \$142 million and \$151 million of indirect and induced output.
- \$149 million of total GDP consisting of \$66 million in direct GDP and \$83 million of indirect and induced GDP.
- 1,260 total FTEs consisting of 590 direct FTEs and 670 indirect and induced FTEs.
- \$37.6 million in total revenue for all three levels of government consisting of \$18 million in direct revenues and \$19.6 million of indirect and induced revenues.

Between approximately 83 percent and 91 percent of the impacts accrue in BC and the remainder accrue in the rest of Canada.⁸ Appendix B provides a breakdown of the impacts in BC and the rest of Canada.

Table 3: Estimated Annual Economic Impacts of Investment in New and Existing Facilities

Category	Output (\$ millions)	GDP (\$ millions)	Employment (FTEs)	Federal Tax (\$ millions)	Provincial Tax (\$ millions)	Municipal Tax (\$ millions)
Direct	\$142	\$66	590	\$6	\$8	\$4
Indirect and Induced	\$151	\$83	670	\$8	\$9	\$2.6
Total	\$293	\$149	1,260	\$14	\$17	\$6.6

⁸Please note that ranges reported elsewhere in the report (i.e., page 6) calculate the tax impacts as a single amount, which results in a narrower range of values.

3.4 WORKFORCE PROFILE

New car dealers provide stable long-term employment for skilled and unskilled labour. Skilled employment includes tradespeople, salespeople, finance officers, managers, administrative staff, marketing staff, and professionals. Unskilled and semi-skilled employment includes detailers, lot people, drivers, delivery people, and shop helpers. Approximately 56 percent of the workforce are employed in skilled positions requiring a post-secondary credential, professional certification, or significant experience.

Table 4 provides an overview of the workforce at new car dealers.

Workforce Demographics





- Around 43 percent of employees of new car dealers in BC are between 26 and 41 years old. While generation Z constitutes 15 percent of the workforce at BC's dealerships.
- Most employees (76 percent) working at BC new car dealerships identify as male.** This representation is consistent with national data. Additionally, at a national level, the occupations with the highest female ratio include finance and insurance managers (43 percent) and service advisors (31 percent).**

*Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000)

** Canadian Automobile Dealers Association. 2022 Industry Report.




Table 4: Workforce at New Car Dealers

Skills Level	Category	Description	Share of Workforce
Skilled	Parts and Service 	<p>This group of occupations includes skilled trade workers and technicians responsible for the maintenance and repair of vehicles, as well as support staff.</p> <p>Skilled positions include parts people, service advisors, automotive service technicians, collision repair technicians, glass technicians, automotive painters, automotive refinishing prep technicians, and estimators. Support positions include shop helpers, detailers, couriers, and delivery drivers.</p>	43%
	Management and Administration 	<p>This group of occupations includes operations and strategic management positions, as well as marketing, legal and IT.</p> <p>Operations management positions include fixed operations managers, parts managers, and service managers. Strategic management positions include controllers and general managers.</p>	13%
Semi-skilled	Sales and Customer Service 	<p>This group of occupations includes receptionists, sales, finance and leasing, and customer service representatives who are responsible for greeting and addressing customer queries.</p> <p>Sales and customer service representatives must maintain industry product knowledge and have excellent communication skills. Education requirements for these positions vary from high school to a bachelor's degree.</p>	36%
Unskilled	Other Occupations 	<p>This group of occupations provide general support for the day-to-day operations of the dealerships.</p> <p>Positions include building and lot maintenance personnel, inventory clerks, shuttle and parts drivers, and car wash/vehicle detailers.</p>	8%



3.5 COMPARISON OF ECONOMIC IMPACTS WITH OTHER INDUSTRIES

To provide perspective on the size of the economic impacts of BC's new car dealers, it is useful to compare the impacts with those created by other industries and initiatives. Three such industries are:

- **New Home Construction:** In 2022, the operations of BC's new car dealers were estimated to have generated direct and indirect employment of 25,400 FTEs. This is equivalent to the number of direct and indirect jobs created through the construction of approximately 8,940 new homes in BC. This equates to 19 percent of new home starts in 2022.⁹
- **Transportation:** The total employment generated by the operations of BC's new car dealers equates to the employment generated through the handling of 40 million containers (29 percent of container volume in 2021) at the Port of Vancouver, Canada's largest port.¹⁰
- **Film Production:** The total employment generated from the operations of new car dealers in BC is equivalent to 57 percent of the total employment generated by the film industry in BC in 2021.¹¹

⁹ Canadian Home Builders' Association. Residential Construction in Canada, Economic Performance Review 2022. Retrieved from <https://www.chba.ca/impacts>

¹⁰ Port of Vancouver. Key Facts. Retrieved from <https://www.portvancouver.com/wp-content/uploads/2022/05/2022-05-17-Brochure-key-facts-web.pdf>

¹¹ Creative BC Impact Report 2020_21. Retrieved from: <https://creativebc.com/sector/research-reports/annual-impact-reports/impact-report-2020-21/#:~:text=FY2020%2F21%20Focus,cases%20they%20are%20still%20ongoing>



4. SOCIAL AND COMMUNITY CONTRIBUTIONS

New car dealerships in British Columbia are committed to supporting their local communities through various philanthropic ventures. These contributions, which mirror the values and commitments of the dealerships, signify their deep engagement with the community. Examples of how new car dealerships are engaging with their communities are:

- Kelowna Toyota has established itself as a dedicated community supporter, with a history of substantial contributions to local charities. In 2022, the dealership continued this tradition by donating over \$200,000 to various organizations.¹² Past support provided to the community includes funding the first year of the Mental Health and Wellness Program in Kelowna with a \$20,000 donation in 2019.¹³ The dealership also has ongoing involvement with Mamas for Mamas—a national charity aiding mothers and children in need.
- OpenRoad Auto Group has taken a multifaceted approach to community support. This is reflected in the creation of the OpenRoad Foundation, which focuses on environmental sustainability, community welfare, and educational advancement. Among other charitable actions in 2023, the group also donated to the Volunteer Cancer Drivers Society, an organization dedicated to providing free and reliable transportation for cancer patients in need within the Greater Vancouver and Fraser Valley regions.¹⁴
- Capilano Volkswagen has demonstrated their commitment to health by sponsoring the Cypress Challenge in multiple years. Their \$150,000 donation has powered an event that rallies more than 600 cyclists to ascend Cypress Mountain, and in 2023, this initiative alone raised over \$418,000 for pancreatic cancer research and patient care.¹⁵

These initiatives are just a few examples of the significant contributions new car dealerships make to their communities.

¹² NowMedia. (2023, July 20). Toyota Charity Spotlight - Final Cut (Updated) [Video]. Vimeo. <https://vimeo.com/847133559>

¹³ Mamas for Mamas. (2019, October 10). Kelowna Toyota. Retrieved from <https://www.mamasformamas.org/kelowna-toyota/>

¹⁴ Ginsca, M. (2023, July 19). OpenRoad Auto Group announces the OpenRoad Foundation. OpenRoad Auto Group Blog. Retrieved from <https://blog.openroadautogroup.com/openroad-auto-group-announces-the-openroad-foundation/>

¹⁵ BC Cancer Foundation. (n.d.). The Capilano Volkswagen Cypress Challenge presented by Glotman Simpson, benefiting the BC Cancer Foundation; Cypress Challenge | BC Cancer Foundation. Cypress Challenge. Retrieved from <https://cypresschallenge.ca/>



APPENDICES

APPENDIX A – ECONOMIC IMPACT METHODOLOGY

MNP's approach to economic impact modelling is based on published Statistics Canada multipliers and input-output modelling. Below is a step-by-step overview of our approach to estimating the economic impacts.

Step 1: Estimated the operating revenue of new car dealerships in BC in 2022.



Step 2: Applied Statistics Canada multipliers (by NAICS) to corresponding revenues/expenditures.



Step 3: Estimated federal, provincial and local government revenues.

Step 1: Estimate the operating revenue of new car dealerships in BC in 2022

The first step in estimating the economic impacts of BC's new car dealers was to estimate the operating revenue of the dealerships in BC using the following sources from Statistics Canada:

- Retail trade sales (CANSIM 080-0020) for New Car Dealers (NAICS 44111).
- Annual retail trade survey financial estimates (CANSIM table 080-0030) for New Car Dealers (NAICS 44111).



Step 2: Applied Statistics Canada multipliers (by NAICS) to corresponding revenues/expenditures

Statistics Canada's input-output multipliers were then used to estimate the economic impacts of BC's new car dealers. To estimate the economic impacts generated by the construction and renovation activities, the multipliers were applied to the construction expenditures and to estimate the economic impacts of the operation. Please note that the direct output for retail operations is measured on margin basis.

Therefore, to estimate the economic impacts of operations the multipliers were applied to gross operating margin i.e., revenue less cost of goods sold. Statistics Canada's input-output multipliers produced estimates of direct, indirect and induced output, GDP, and employment.

Step 3: Estimated Federal, Provincial and Local Government Revenues

Based on direct payments made to various levels of government, the estimated federal, provincial, and local government revenues include calculations of corporate income taxes, personal income taxes, taxes on products and taxes on production.

APPENDIX B – DETAILED ECONOMIC IMPACTS

The tables below provide a breakdown of economic impacts in BC and the rest of Canada.

Table 5: Economic Impacts of New Car Dealer Operations in BC, 2022

Category	Output (\$ millions)	GDP (\$ millions)	Employment (FTEs)	Federal Tax (\$ millions)	Provincial Tax (\$ millions)	Municipal Tax (\$ millions)
Direct Impacts						
BC	\$2,625	\$1,667	19,000	\$140	\$119	\$27
Indirect and Induced Impacts						
BC	\$2,161	\$1,328	10,870	\$153	\$190	\$48
Rest of Canada	\$887	\$454	3,490	\$43	\$41	\$14
Total Impacts						
BC	\$4,786	\$2,995	29,870	\$293	\$309	\$75
Rest of Canada	\$887	\$454	3,490	\$43	\$41	\$14
Total	\$5,673	\$3,449	33,360	\$336	\$350	\$89

Table 6: Estimated Annual Economic Impacts of Investment in New and Existing Facilities

Category	Output (\$ millions)	GDP (\$ millions)	Employment (FTEs)	Federal Tax (\$ millions)	Provincial Tax (\$ millions)	Municipal Tax (\$ millions)
Direct Impacts						
BC	\$142	\$66	590	\$6	\$8	\$4
Indirect and Induced Impacts						
BC	\$102	\$59	490	\$6	\$7	\$2
Rest of Canada	\$49	\$24	180	\$2	\$2	\$0.6
Total Impacts						
BC	\$244	\$125	1,080	\$12	\$15	\$6
Rest of Canada	\$49	\$24	180	\$2	\$2	\$0.6
Total	\$293	\$149	1,260	\$14	\$17	\$6.6

APPENDIX C – ABOUT MNP

For over 60 years, MNP has proudly served and responded to the needs of clients in the public, private and not-for-profit sectors. Today, MNP is the fifth largest Chartered Professional Accountancy and business consulting firm in Canada and is the only major accounting and business consulting firm with its head office located in Western Canada. MNP has more than 117 locations and over 7,100 team members across the country.



MNP Consulting Services

MNP Consulting provides a broad range of business and advisory services to clients including:

- Strategy Development and Planning
- Stakeholder Engagement
- Performance Measurement
- Economic Analysis
- Research
- Data and Analytics
- Business Plans and Feasibility Studies
- Performance Improvement
- Financial Analysis

About MNP's Economics and Research Practice

Economic and industry studies are carried out by MNP's Economics and Research practice. Based in Vancouver, the Economics and Research practice consists of a team of professionals that has a successful track record of assisting clients with a wide variety of financial and economic impact studies. Our work has encompassed a wide range of programs, industries, company operations and policy initiatives, and has helped clients with decision-making, communication of economic and financial contributions, documentation of the value of initiatives and activities, and development of public policy.