

# Economic Impact Study

**BC Ferries New Major Vessel Program (4 NMVs)**  
FOR BC Ferries

2 July 2025



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# 1 Introduction

On March 31, 2025, BC Ferries received approval from the BC Ferries Commissioner for the capital expenditure to purchase four new major vessels through its New Major Vessel (NMV) program.<sup>1</sup> These new vessels will replace the four oldest vessels in BC Ferries' fleet. The approval of the significant capital expenditure by BC Ferries will allow its ongoing operations to start to meet the demands of a growing population, aging fleet, and increased travel demand.

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*Growing population, increased demand and aging fleet require proactive action by BC Ferries to revitalize its fleet.*

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BC Ferries commissioned InterVISTAS Consulting Inc. to conduct a study to estimate the economic impact associated with the NMV program. This includes the incremental contributions to BC Ferries' employment, as well as benefits to the broader economy in terms of tourism activity, commercial truck traffic, and social impacts (e.g., facilitating education and medical needs, connecting communities). The economic impact associated with infrastructure capital expenditures is also assessed.

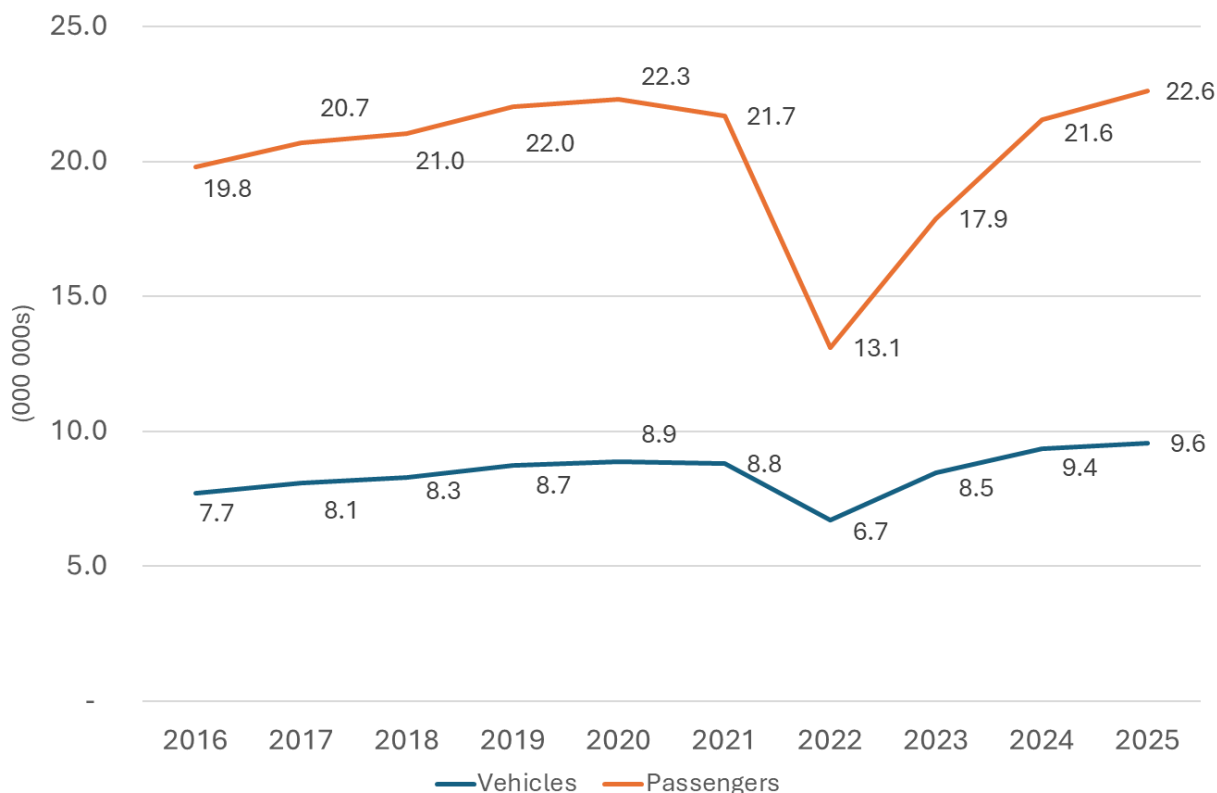
## 1.1 Overview of BC Ferries and the New Major Vessel Program

BC Ferries ranks as one of the largest ferry operations globally, having facilitated the travel of over 22 million passengers and nearly 10 million vehicles during fiscal 2025. Traffic levels have surpassed those achieved prior to the global pandemic in 2019. **Figure 1-1** shows BC Ferries' passenger and vehicle traffic from fiscal 2016-2025.

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<sup>1</sup> BC Ferries' original request of the Commissioner was to purchase five new major vessels, as provided by their application of December 13, 2024. [News Release | New Major Vessels project reaches milestone with BC Ferries Commissioner application](#). However, BC Ferries' request to purchase a fifth vessel was not approved. [News Release – Commissioner Approves Four New Major Vessels – Office of the BC Ferries Commissioner](#).

**Figure 1-1: BC Ferries' passenger and vehicle traffic, fiscal year-ending 2016-2025**



Source: BC Ferries Annual Reports.

### 1.1.1 The New Major Vessel Program

Through the NMV Program, which includes a goal of building up to seven NMVs, BC Ferries aims to modernize and expand its fleet for the long term.<sup>2</sup> In March 2025, BC Ferries received approval to acquire four vessels, the first of which is anticipated to be in service by 2029, with the others following a short time thereafter. The operational lifespan of the vessels is anticipated to be 45 years, between 2029 to 2075.

<sup>2</sup> Source: <https://www.bcferrries.com/in-the-community/projects/new-major-vessels>.

These vessels will serve the busiest routes between Vancouver Island and the Lower Mainland, significantly increasing capacity and enhancing the travel experience for passengers. Each vessel will

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*The New Major Vessel program supports BC Ferries' commitment to environmental sustainability that aligns with the province's CleanBC goals.*

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accommodate up to 2,100 passengers and 360 automobile equivalents (a standard unit of measure). This compares to an average capacity of 1,380 passengers and 290 automobile equivalents for the current vessels that would be replaced. Designed with sustainability in mind, the new vessels will utilize diesel-battery hybrid propulsion systems capable of converting to all-electric operation once shore-based recharging infrastructure is in-place at terminals. This initiative supports BC Ferries' commitment to environmental sustainability and aligns with the Province's CleanBC goals.

As well as modernizing the BC Ferries fleet, the broader NMV Program will result in increased capacity, and improved reliability of overall services. This starts to better align services with the needs and expectations of BC Ferries customers. In the 2024 BC Ferries Coastal British Columbia Area Travel Demand Survey, 62% of surveyed respondents indicated that *number of departures* had an impact on their travel experience with BC Ferries, the single biggest factor affecting travel experience. In addition, *reduced trip cancellations* (54% of respondents) and *on-time departures/arrivals* (41%) were the most cited areas for improvement. Approximately 40% of respondents indicated that *more departures* would encourage them to make use of coastal ferry services, the second most popular response (after *cheaper ticket prices*).

### 1.1.2 Importance of New Major Vessel Program for British Columbia's Future Growth

Although BC Ferries only received approval to purchase four vessels to start, rather than the five requested, the progression of this fleet renewal plan is critical to BC Ferries long term operations. BC Ferries continues to face significant challenges as its current fleet ages, compromising the reliability of the

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*BC Ferries New Major Vessel Program will update its aging fleet, increasing the system's overall safety and reliability for its customer base.*

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ferry system in British Columbia. Six vessels in the fleet that operate on the major routes are decades old (built in the 1960s, 1970s and 1980s) and, despite investments to extend their lives, are nearing the end of their operational lifespans. Four of those vessels are in urgent need of replacement because further prolonging their service lives is not an option. As vessels approach or exceed their planned service life, they become more prone to mechanical and operational issues, which require the removal of vessels from operation for extended time periods to undertake

repairs to ensure their continued safe operation, thus impacting service levels.

In addition, demand for ferry services is expected to increase for both people and goods movement. BC Stats forecasts that the population of the Vancouver Lower Mainland will increase from 3.4 million in 2023 to 4.2 million in 2040 (+23%), while the population of Vancouver Island and the Coastal Regions will

increase from approximately 935,000 to 1,045,000 (+12%).<sup>3</sup> To address the needs of a growing population, additional ferry capacity is essential. BC Ferries' operations are crucial for providing both residents and visitors with dependable and affordable travel options, while also enhancing overall customer experience. A growing population and increased demand for services are key drivers of the need for the NMV Program.

BC Ferries is also focused on improving operational efficiency and adopting more sustainable practices to ensure long-term viability. BC Ferries is using industry-best technologies with the NMVs and taking sustainable actions, which are anticipated to reduce maintenance costs and improve fuel efficiency.

Furthermore, ferry operations play a vital role in maintaining the connectivity of communities, supporting social and economic ties across the region. The ferry system connects numerous coastal and island communities, providing essential transportation links that facilitate the movement of people, goods, and services. This connectivity is vital for residents who rely on ferries for daily commutes, access to healthcare, education, and other essential services.

From a social perspective, BC Ferries fosters community ties by making it easier for people to visit family and friends, participate in community events, and engage in cultural and recreational activities. The organization also engages with communities to better understand their needs and concerns. This engagement helps build strong, long-lasting relationships and ensures that ferry services are responsive to the evolving needs of the population. Overall, BC Ferries is more than just a transportation provider; it critically supports the social and economic connections of coastal British Columbia.

## 1.2 Economic Impact Overview

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*The NMVs are designed to carry 52% more passengers and 24% more vehicles than the average capacity of the vessels being retired. The larger vessels are expected to require higher employment compared to the current fleet.*

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BC Ferries contributes directly to employment in British Columbia, as well as the province's Gross Domestic Product (GDP) through its ongoing business and commercial activities and operations. It also acts as an economic catalyst, facilitating the growth of regional businesses and industrial sectors.

Economic impact is a measure of the employment, spending, and economic activity associated with a sector of the economy, a specific project (such as the construction of new infrastructure), or a change in government policy or regulation. In this case, the incremental economic impact of BC Ferries' NMV Program

is assessed. The program is scheduled to deliver four NMVs, which will replace the oldest vessels in BC Ferries' fleet. Each NMV is designed to carry 52% more passengers and 24% more vehicles than the average capacity of the vessels being retired, with anticipated higher employment requirements to operate the larger new vessels.

The NMV Program allows BC Ferries to enhance its fleet resilience, while increasing its available capacity to service its current and future customer base. The analysis discussed in Section 2 considers the

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<sup>3</sup> <https://bcstats.shinyapps.io/popApp/>. Based on BC Stats P.E.O.P.L.E. Population Estimates and Projections, for Vancouver Island/Coast and Mainland/Southwest Development Region for 2023 and 2040 time periods.

economic impact associated with the incremental traffic capacity provided by operations of the four NMVs' over their 45-year lifespan.

Economic impact is commonly measured in several ways, including employment (jobs), wages, GDP, and economic output, as summarized in **Figure 1-2**. BC Ferries' operations support both the local and provincial economies.

**Figure 1-2: Measurements of Economic Impact**

<b>Employment (Jobs)</b>	<ul style="list-style-type: none"> <li>The number of jobs generated by a particular source. This includes full-time, part-time and seasonal positions.</li> </ul>
<b>Wages</b>	<ul style="list-style-type: none"> <li>The wages, salaries, bonuses, benefits and other remuneration earned by the associated workforce.</li> </ul>
<b>Gross Domestic Product (GDP)</b>	<ul style="list-style-type: none"> <li>A measure of the value added by labour and capital services used to produce final goods and services, as a result of economic activity in the nation. This measure is net of the value of intermediate goods and services used up to produce the final goods and services.</li> </ul>
<b>Economic Output</b>	<ul style="list-style-type: none"> <li>The dollar value of industrial output produced. Sometimes referred to as "economic activity," it reflects the spending (i.e., capital improvement plus revenue) by firms, organizations and individuals.</li> </ul>

### 1.2.1 Categories of Economic Impact

The three major components of economic impact are *direct, indirect, and induced impacts*. These distinctions are used as a base for the estimation of the total economic impact of incremental operations and traffic associated with the approved NMV Program.

These categories of impacts are described below and summarized in **Figure 1-3**.



**Direct impacts** associated with activities directly related to the operation of the four NMVs.

The direct employment base comprises staff on the vessels, at the terminals, and those working elsewhere to support the incremental passenger and vehicle traffic.



**Indirect impacts** of industries that supply, support, or are wholly dependent on activities arising from BC Ferries' operations carried out by the four NMVs. For instance, indirect employment includes the portion of employment in supplier industries which are dependent on sales to the water transport sector, (e.g., food wholesalers that supply food for catering on board the vessel), fuel providers, and IT suppliers, etc.



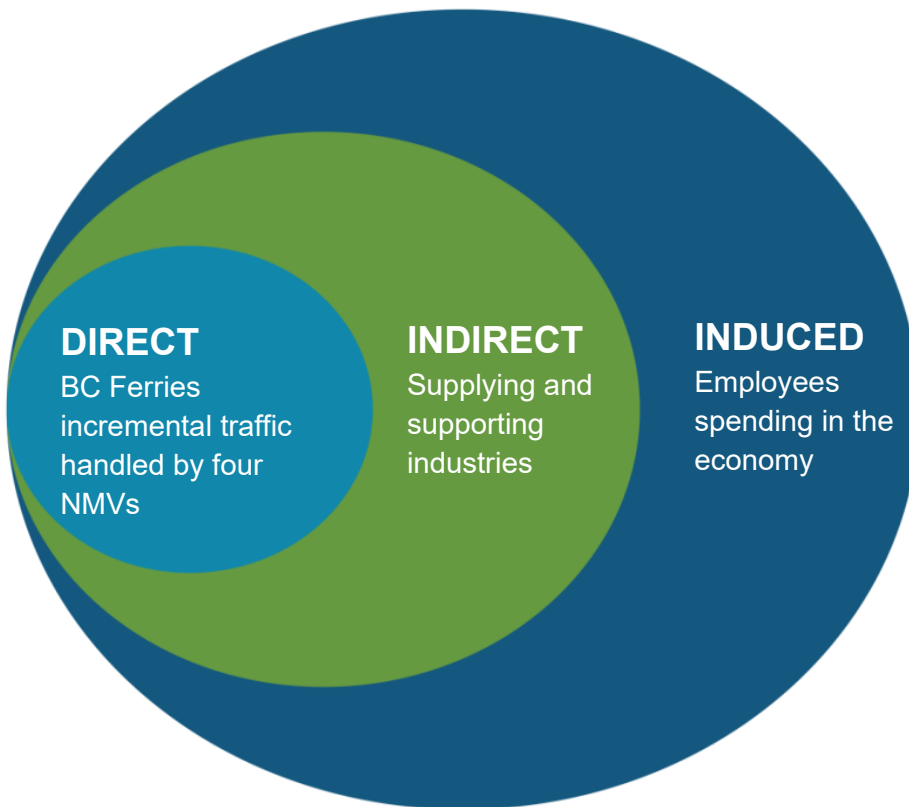
**Induced impacts** created by the spending of wages, salaries, and profits earned through direct and indirect economic activities. It captures the economic activity generated by the employees of firms directly or indirectly connected to BC Ferries' operations spending their wages in the wider economy. For example, a terminal employee might spend their wages on groceries, restaurants, childcare, dental services, home renovations and other items which, in turn, generate employment in a wide range of sectors of the general economy.



**Total economic impacts** as the sum of the direct, indirect, and induced impacts.



Figure 1-3: Categories of Economic Impact Generated by the New Major Vessel Program



## 2 Economic Impact Results

BC Ferries' NMV Program will include four vessels that will enter service beginning in 2029 and have an anticipated lifespan of 45 years. Each new vessel is designed to carry 52% more passengers and 24% more vehicles than the average capacity of the vessels being retired. The following discussion and economic impact results are related only to the estimated *incremental* passengers and vehicles to be handled by BC Ferries during the time period from 2029 to 2075, with average per annum impacts. Incremental traffic includes the capacity supported by the four NMVs relative to the capacity of the four existing vessels that will be replaced.

The *incremental* economic impact is considered for the following areas:

1. Additional employment positions required to operate and maintain the four new vessels.
2. Tourism spending by non-local visitors, whose travel is facilitated by BC Ferries.
3. Value of commercial cargo that is transported via BC Ferries' services between Vancouver Island and the Lower Mainland.
4. Agglomeration impacts.
5. Social impacts.
6. Terminal- and NMV-related infrastructure project spending within B.C.

**Appendix A** provides a summary of the Economic Impact Modelling Methodology.

### 2.1 Incremental Vessel Employment, 2029-2075

**Figure 2-1** shows the economic impact of incremental vessel employment, wages, GDP and economic output generated each year during the operation of the four vessels, on average. Also shown are the cumulative impacts over the 45-year lifespans of the vessels.





Based on data provided by BC Ferries, it is anticipated that 151 additional jobs per annum will be required at BC Ferries to support NMV operations, maintenance, and terminal operations. Including multiplier impacts (indirect and induced), the employment impact will be equivalent to 367 jobs on an annual basis. This employment will generate \$27 million annually in wages. The associated GDP impact is \$48 million and the economic output \$99 million each year.

Over the 45-year lifespan of the four NMVs, an estimated 6,795 job-years of direct employment will be generated and 16,501 job-years of employment including multiplier impacts.<sup>4</sup> The cumulative GDP impact, including multiplier impacts, is nearly \$2.2 billion and economic output of over \$4.4 billion throughout the entire lifespan of the NMVs.

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<sup>4</sup> A job-year is equivalent to employment for one year (e.g., a job lasting six months would be equivalent to 0.5 job-years, and a job lasting three months would be equivalent to 0.25 job-years.). The same individual can contribute to multiple job-years if employed over multiple years or in multiple positions.

**Figure 2-1:**  
**Economic Impact of Incremental Vessel Employment, Average Per Annum Impacts and Cumulative 2029-2075 Impacts**

Impact	Employment (Jobs)	Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
<b>Average Per Annum Impacts</b>				
Direct	151	\$9	\$17	\$42
Indirect	136	\$13	\$18	\$37
Induced	80	\$5	\$13	\$19
<b>Total BC</b>	<b>367</b>	<b>\$27</b>	<b>\$48</b>	<b>\$99</b>

<b>Cumulative 45 Year Impacts</b>				
Impact	Employment (Job Years)	Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
Direct	6,795	\$400	\$776	\$1,906
Indirect	6,113	\$576	\$814	\$1,675
Induced	3,594	\$225	\$564	\$871
<b>Total BC</b>	<b>16,501</b>	<b>1,200</b>	<b>2,154</b>	<b>4,452</b>





Note: Totals may not sum, due to rounding. Monetary impacts presented in 2025 dollars.

BC Ferries estimates that maintenance expenditures for the four NMVs is anticipated to be over \$1 billion over the life of the vessels. This translates into approximately \$24 million in maintenance expenditures per annum in British Columbia.

Over the 45-year lifespan of the four NMVs, an estimated 3,786 job-years of direct employment will be generated and 9,195 job-years of employment including multiplier impacts.<sup>5</sup> The cumulative GDP impact, including multiplier impacts, is \$1.2 billion and economic output of nearly \$2.5 billion throughout the entire lifespan of the NMVs. **Figure 2-2** displays the economic impact results.

<sup>5</sup> Ibid.

**Figure 2-2:**  
**Economic Impact of Incremental Vessel Maintenance Employment, Average Per Annum Impacts and Cumulative 2029-2075 Impacts**

Impact	Employment (Jobs)	Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
<b>Average Per Annum Impacts</b>				
Direct	84	\$9	\$10	\$24
Indirect	76	\$7	\$10	\$21
Induced	45	\$3	\$7	\$11
<b>Total BC</b>	204	\$19	\$27	\$55

<b>Cumulative 45 Year Impacts</b>				
Impact	Employment (Job Years)	Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
Direct	3,786	\$405	\$432	\$1,062
Indirect	3,406	\$321	\$453	\$933
Induced	2,003	\$125	\$314	\$484
<b>Total BC</b>	9,195	\$851	\$1,200	\$2,480

Note: Totals may not sum, due to rounding. Monetary impacts presented in 2025 dollars.

## 2.2 Broader Economic Impacts

*Beyond BC Ferries employment base to support its operations and maintenance activities, BC Ferries also supports and facilitates other economic sectors, known as catalytic impacts.*

The previous sections document the incremental jobs and GDP associated with the operation and maintenance of the NMVs. However, the economic impact of the ferry services does not end there. The BC Ferries system is a critical transportation infrastructure and an extension of the road system to enhance the connectivity of the province. As such, ferry services support and facilitate other economic sectors and business activities – sometimes referred

to as catalytic impacts (as Wider Economic Benefits). This includes a range of tourist activities and spending on Vancouver Island and the Lower Mainland. Also, BC Ferries enables the movement of commercial goods and services, benefiting businesses in the province and providing connections to the

national and global economy. Ferry services also have an important role in social connectivity, enabling access to health services, education, and family connections. The following sections describe these catalytic and social impacts specific to the proposed NMV Program.

### 2.2.1 Incremental Tourism Activity, 2029-2075

Tourism is a significant industry in British Columbia's economy, generating over \$18 billion in revenue in 2022 and contributing \$7.2 billion to the province's GDP. Tourism is one of the largest economic sectors for the province, surpassing industries such as forestry, agriculture and mining.<sup>6</sup> There are nearly 17,000 tourism-related businesses in the province that serve non-local visitors from within Canada, the U.S., and internationally. Overall, the province welcomed over 3.2 million international visitors, with the province's tourism industry employing nearly 155,000 people.

BC Ferries' services play an integral role in facilitating the movement of these visitors to different parts of the province. According to BC Ferries' analysis, from 2029-2075, over 41 million incremental passengers and over 19 million vehicles are anticipated to utilize BC Ferries' services volumes with the implementation of the NMV Program. Based on BC Ferries' Customer Satisfaction Survey results, it is estimated that approximately one-third (34%) of BC Ferries' passengers are travelling for leisure/vacation purposes. Therefore, of the total incremental passengers, nearly 14 million (34% of 41 million) are estimated to be travelling for leisure/vacation purposes.

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*BC Ferries' NMV Program is estimated to facilitate the travel of 14 million incremental visitors from 2029 to 2075, spending over \$5 billion in the provincial economy, supporting over 53,300 total job years in tourism related industries.*

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These visitors will spend money in local B.C. economies on accommodation, food and beverage, retail, recreation services, and on local ground transportation. The primary source for estimating direct tourism visitor spending is data from Statistics Canada's National Travel Survey (NTS) and Visitor Travel Survey (VTS), which provide insights into person-visits and expenditures at the CMA (Census Metropolitan Area) level. An average visitor spending rate of \$353 per visitor is used in this analysis.<sup>7</sup>

The estimated incremental visitor spend in British Columbia is approximately \$109 million per annum or nearly \$5 billion over the 45-year lifespan of the vessels. **Figure 2-3** displays the economic impact of the incremental non-local visitors travelling on BC Ferries on average per annum and cumulative 45 year impacts.





The incremental tourism spending is estimated to generate an additional 840 jobs per annum in the tourism sector and 1,180 jobs per annum, including indirect and induced multiplier impacts. This contributes an additional \$101 million to GDP and \$189 million to economic output each year.

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<sup>6</sup> Source: <https://news.gov.bc.ca/factsheets/bcs-tourism-industry-a-resilient-economic-driver>.

<sup>7</sup> The average visitor spend of \$353 is based on domestic visitors to BC that visit the Vancouver CMA using water transportation in 2023.

**Figure 2-3:**  
**Summary of Incremental Tourism Activity Facilitated by BC Ferries Operations in British Columbia, Average Per Annum Impacts and 2029-2075 Impacts**

Impact	Employment (Jobs)	Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
<b>Average Per Annum Impacts</b>				
Direct	840	\$41	\$54	\$109
Indirect	192	\$13	\$24	\$43
Induced	149	\$9	\$23	\$36
<b>Total BC</b>	<b>1,180</b>	<b>\$64</b>	<b>\$101</b>	<b>\$189</b>
<b>Cumulative 45 Year Impacts</b>				
Impact	Employment (Job Years)	Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
Direct	37,957	\$1,850	\$2,427	\$4,933
Indirect	8,674	\$607	\$1,091	\$1,960
Induced	6,722	\$422	\$1,053	\$1,628
<b>Total BC</b>	<b>53,354</b>	<b>\$2,878</b>	<b>\$4,571</b>	<b>\$8,521</b>

Note: Totals may not sum, due to rounding. Monetary impacts presented in 2025 dollars.

### 2.2.2 Incremental Commercial Truck Traffic, 2029-2075

The BC Ferries system is an important conduit for the movement of goods within BC and onwards to and from national and international markets. The goods transported range from groceries, consumer goods and construction materials needed by local residents and businesses, to key product exports that support Vancouver Island's key industry clusters, including agriculture and aquaculture, forestry, technology, education, healthcare and manufacturing. BC Ferries is a key facilitator of short sea shipping between the mainland and Vancouver Island, enabling efficient goods movement.

In 2024, BC Ferries data and analysis estimated that commercial vehicles transported goods worth \$8 billion. With BC Ferries operating 185,000 sailings per annum, the average value of cargo per sailing was approximately \$43,200. Total commercial truck footage volume was 12.8 million. Based on industry average truck lengths, this translates to 330,000 trucks utilizing BC Ferries' services in 2024, implying that the average value of cargo per truck is \$24,100.

Over the 45-year time frame from 2029 to 2075, based on scenario modelling conducted by BC Ferries, the incremental commercial truck footage is estimated to be nearly 55 million. Based on industry average truck lengths, the incremental trucks handled with the NMVs is estimated to be nearly 1.3 million trucks. Thus, the estimated value of cargo carried on the incremental truck volume is over \$31 billion during the lifespan of the NMVs. On a per annum basis, this equates to over \$690 million in incremental cargo value transported on BC Ferries' operations.

BC Ferries' services are a critical component of the supply chain for the province and its regions and enhancements to its service will only improve the quality and reliability of this vital system.

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*It is estimated that incremental commercial trucks will carry cargo valued at over **\$31 billion** over the 45 year lifespan of the four New Major Vessels. Per annum, this averages to over **\$690 million** in incremental cargo value transported on BC Ferries' operations.*

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### 2.2.3 Agglomeration and Employment

Improving the connectivity provided by BC Ferries' services will reduce the generalized transportation costs (travel time, wait times, reliability, etc.) for businesses, employees and trade activity, unlocking economic benefits for regions of BC. The "travel premium" associated with regions relying on ferry connectivity will be reduced, creating new employment and business development opportunities.

A key element is agglomeration effects that arise from the effective clustering of businesses, services and people through improved transportation links. Agglomeration effects results from the greater exchange of skills, experience, and knowledge facilitated by businesses and employees being better connected to markets. Businesses have access to a wider and deeper labour pool, while residents have access to a great range of jobs. The connectivity provided by ferry services can support increased interaction, competition, and collaboration between businesses in different locations. Access to markets is also improved, allowing business to more easily connect with customers and expand the potential customer base. Ultimately, this agglomeration can lead to greater productivity, innovation, and efficiency due to the concentration of resources, knowledge, and networks.

There is a wealth of economic literature on the linkage between transportation infrastructure and agglomeration effects.<sup>8</sup> Agglomeration impacts are often included in the evaluation of transportation projects.<sup>9</sup> While agglomeration effects are typically associated with transportation systems serving urban centres, the effect also exists for ferry systems that link urban centres together and provide connectivity for regional communities.

Similarly, the improved connectivity provided by the NMV Program can enhance employment opportunities. Businesses are more likely to locate or expand their operations in regions with good connectivity. Likewise, residents in more remote communities can more easily access employment opportunities without needing to relocate to large urban centres. Improved ferry services make coming and going easier and more flexible and effectively make “remote” communities less remote.

## 2.2.4 Social Impacts

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*BC Ferries services are integral to supporting medical care, education, and economic opportunities for British Columbia’s communities.*

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Enhanced ferry services also provide a range of social benefits that enhance the quality of life for individuals and communities. These benefits include increased mobility, community connection, and access to services.

In the 2024 BC Ferries Coastal British Columbia Area Travel Demand Survey, 51% of surveyed respondents reported that their use of the BC Ferries’ services was primarily to visit friends and relatives. This emphasizes the important role that ferry services play in connecting

communities and fostering strong familial and social networks.

The ferry system also has an important role in providing access to health care that may not be available locally. The travel demand survey found that 5% of ferry users were travelling for medical reasons. Similarly, students can use ferry services to attend schools or universities in other locations, ensuring access to educational opportunities, particularly for those in more remote areas.

BC Ferries’ services also have a role in ensuring that services can be made available locally. Some regions have challenges in recruiting key workers such as health care staff, teachers, and other government services. Improved ferry services will make living and working in these regions more attractive by enhancing connectivity to and from other parts of the province.

## 2.3 Terminal and NMV Infrastructure Related Capital Expenditures

Beyond the incremental economic impacts of BC Ferries’ operations, there are also significant one-time economic impacts related to terminal- and NMV-related infrastructure builds. This includes projects to support the NMVs and the technology they bring, necessitating terminal upgrades and plans for

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<sup>8</sup> See example: Bolter, K. and J. Robey. 2020. "Agglomeration Economies: A Literature Review.", <https://research.upjohn.org/reports/252>.

<sup>9</sup> For example, the UK’s TAG evaluation guidance: [webtag-productivity-impacts-tag-unit-a24.pdf \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/90444/webtag-productivity-impacts-tag-unit-a24.pdf).



electrification of both terminals and the NMVs. BC Ferries has earmarked over \$600 million for these investments, with nearly 80% (\$475 million) of the expenditure expected to be spent on labour and businesses in British Columbia. Approximately \$290 million is allocated for labour costs to support the infrastructure projects, translating to over 1,300 direct job-years over seven years of development in the province. Direct wages during the construction period are estimated at \$118 million. Including indirect and induced multiplier impacts, a total of 2,789 job-years are estimated to be generated and \$404 million in GDP. On average, each construction year will see 398 total jobs, earning \$33 million in wages, generating \$58 million in GDP and \$106 million in economic output. The terminal upgrades and electrification will meet the operational needs of the new vessels while fostering sustained construction activity and long-term economic benefits for surrounding communities. **Figure 2-4** displays the cumulative economic impacts of these capital projects that will take place between 2024 and 2030.

**Figure 2-4:**  
**Economic Impact of Terminal and NMV Capital Spending, Average Per Annum Impacts and Cumulative 2024-2030 Impacts**

Impact	Employment (Jobs)	Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
<b>Average Per Annum Impacts</b>				
Direct	189	\$17	\$27	\$68
Indirect	129	\$11	\$19	\$34
Induced	80	\$5	\$13	\$19
<b>Total BC</b>	<b>398</b>	<b>\$33</b>	<b>\$58</b>	<b>\$121</b>
<b>Cumulative 2024-2030 Impacts</b>				
Impact	Employment (Job Years)	Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
Direct	1,325	\$118	\$187	\$475
Indirect	904	\$79	\$130	\$239
Induced	560	\$35	\$88	\$135
<b>Total BC</b>	<b>2,789</b>	<b>\$232</b>	<b>\$404</b>	<b>\$849</b>

Note: Totals may not sum, due to rounding. Monetary impacts presented in 2025 dollars.

### 3 Summary

With a growing population, aging fleet, and increased travel demand, BC Ferries needs to revitalize its fleet through the NMV Program that will replace vessels within the current fleet and increase capacity, allowing BC Ferries to meet future travel demand.

The four NMVs will support significant incremental economic activity for British Columbia during its 45-year service lifetime from 2029 to 2075. Highlights of the potential positive economic impact include:

- The NMVs will create 151 additional direct jobs annually, earning \$9 million in wages, and provide stable, well-paying employment opportunities for local residents. Including indirect and induced multiplier effects, this employment will generate nearly 370 jobs and \$27 million in wages, with a total GDP impact of \$48 million. Over their service lifetime, the vessels are expected to generate 17,200 job-years, \$1.2 billion in wages and \$2.2 billion in GDP impact for British Columbia.
- BC Ferries estimates that maintenance expenditures for the four NMVs is anticipated to be over \$1 billion over the lifespans of the vessel. This translates into approximately \$24 million in maintenance expenditures per annum in British Columbia. Over the 45-year lifespans of the four NMVs, an estimated 3,786 job-years of direct employment will be generated and 9,195 job-years of employment including multiplier impacts. The cumulative GDP impact, including multiplier impacts, is \$1.2 billion and the economic output \$2.5 billion throughout the entire lifespan of the NMVs.
- The vessels are expected to facilitate travel for nearly 14 million additional visitors over 45 years, contributing almost \$5 billion in economic activity to the B.C. economy. This spending will generate nearly 38,000 direct job-years, earning \$1.9 billion in wages, and support growth in local economies across Vancouver Lower Mainland, Vancouver Island and the Sunshine Coast. Including multiplier impacts, the visitor spending is estimated to create nearly 53,400 total job-years, earning \$2.9 billion in wages. Total GDP impacts amount to nearly \$4.6 billion. On average, this activity will generate nearly 1,200 jobs each year, with an annual GDP impact of over \$100 million.
- BC Ferries provides an integral service to ensure an efficient flow of goods to reach people and businesses in Vancouver Island and the Mainland. The four NMVs are estimated to carry 1.3 million incremental commercial trucks that may carry goods valued at over \$31 billion between 2029 and 2075, encouraging investment and expansion in other logistics-dependent sectors. It is estimated that, on average, commercial vehicles travelling on BC Ferries' NMVs will carry over \$690 million worth of goods per annum.
- BC Ferries plans to invest over \$600 million in infrastructure projects to support the integration of four new NMVs, including terminal upgrades and electrification. Nearly 80% of this expenditure is expected to benefit British Columbia, with \$290 million allocated for labour costs, creating over 1,300 direct job-years over seven years. On average, each year of construction will generate nearly 400 total jobs, earning \$33 million in wages. These upgrades will meet the operational needs of the new vessels and provide long-term economic benefits for surrounding communities.

# Appendix A: Economic Impact Modelling

## *Direct Economic Impacts*

Statistics Canada input-output multipliers were used to estimate the impacts generated by visitor spending in British Columbia. An input-output (I-O) model is a representation of the flows of economic activity within a region or country. The model captures what each business or sector must purchase from every other sector in order to produce a dollar's worth of goods or services. Using such a model, flows of economic activity associated with any change in spending may be traced either forwards (spending generating income which induces further spending) or backwards (visitor purchases of meals leads restaurants to purchase additional inputs - groceries, utilities, etc.).

Visitor spending was assessed by expenditure category (including accommodation, food/beverage, retail, ground transportation) and then economic multipliers for each industry were applied to determine the associated jobs, wages, GDP, and economic output associated with every dollar of visitor spending. GDP (Gross Domestic Product) is a measure of the monetary value of final goods and services produced as a result of economic activity, while economic output is the dollar value of industrial output produced.

## *Indirect and Induced Economic Impacts*

Indirect and induced impacts were estimated using multipliers from the Statistics Canada input-output model. These indirect and induced impacts are represented by economic multipliers, normally expressed as a ratio of total impacts (i.e., direct plus indirect plus induced) to direct impacts. Using the I-O model, multipliers can be produced for employment and GDP, normally expressed in terms of a ratio to the direct impact.

The size of these economic multipliers is a function of a number of factors:

- **The nature of the industry or economic sector under consideration.** Multipliers vary across different industries within the economy based on the mix of labour and other inputs, and the propensity of each industry to buy goods and services from within the economy. Some industries require large amounts of goods and services from other sectors of the economy and therefore have large multiplier impacts. Other sectors are more labour intensive and require fewer inputs from other sectors of the economy, resulting in smaller multiplier impacts.
- **The amount of imports needed as an input to production.** Industries or economic sectors that require a large amount of imports have lower multiplier impacts as this part of the spending goes outside of the national economy (in essence, this part of the multiplier impact is occurring in another country).
- **Propensity to consume domestic goods.** The spending patterns of consumers in the national economy will affect the induced impacts. The greater the propensity to consume domestically produced goods and services, the greater is the multiplier effect. Similarly, higher spending on imports or higher savings rates will dampen the induced multiplier.
- **Government taxation and spending has a complex influence on the size of the multiplier impacts.** Higher taxation rates can dampen multiplier impacts, although this can be offset by how the government chooses to spend these tax revenues.

As with any model of a complex economy, I-O models have their limitations. For example, I-O models assume constant returns to scale (i.e., no economies or diseconomies of scale) and a fixed input structure with no substitution of inputs (e.g., one fuel type cannot be substituted for another). Furthermore, due to the large amount of data collection and analysis required, the I-O data can be released several years after the period on which they are based, so may not precisely represent current conditions. Nevertheless, I-O models are the most widely accepted and well-established means for estimating multiplier impacts and are based on data unparalleled in its detail and breadth.

### ***2021 Statistics Canada Input-Output Multipliers***

The multipliers used for the analysis are based on Statistics Canada economic multipliers for British Columbia from the 2021 Interprovincial Input-Output model, which is the most recent available. These multipliers were updated with Consumer Price Indices to account for inflation to 2025. Multiplier impacts are presented at the provincial level.



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