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

FINAL REPORT  
November 2023

# The Economic Impacts of New Car Dealers in Newfoundland and Labrador



RESEARCH PARTNER



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## 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 AUTOMOBILE DEALERS ASSOCIATION OF NEWFOUNDLAND AND LABRADOR

Dear Newfoundland and Labrador Dealer Members,

THE Automobile Dealers Association of Newfoundland and Labrador (ADANL) was incorporated in 1961. Since then, and for many years prior to that, ADANL has worked hand in hand with CADA to provide tools and information to assist dealers in making informed decisions in our constantly changing business world. This Economic Impact Study is a prime example.

As we emerge from arguably one of the toughest three-year business environments that anyone has operated through, we can stand proud that our adaptability and innovation has fared us well through these unprecedented times.


Operating a business in Newfoundland and Labrador has its many challenges. We occupy a land area of over 400,000 square kilometers and have the fastest aging population in all of Canada. Most of our population lives on the island portion of our province where aging highway infrastructure and long distances play a crucial and costly factor for our businesses.

Businesses are facing change at an unprecedented rate. As we move forward, traditional sales and marketing methods used by dealerships may not be as effective or relevant in current market conditions. Dealerships must adopt a new approach that is more customer centric, data driven and innovative. In this vein, we are pleased to partner with CADA and MNP to bring you the first ever, data driven, Economic Impact Study for Newfoundland and Labrador. We hope the data will provide you with a solid base as you plan for a smoother and more profitable future ahead.

### Using 2022 data, here are the key figures from the study:

- New car dealers sold 24,156 new vehicles in Newfoundland and Labrador.
- New car dealers directly employed 1,690 people.
- Approximately 56 percent of the jobs at new car dealers are skilled positions requiring a post-secondary credential, professional certification, or significant experience.





We would like to thank CADA for once again providing the guidance and the tools to assist ADANL and its members. Our combined success is about the work the provincial associations do with the national association to make our dealerships as successful as they can be.

We are proud to stand tall as a leading industry in our community.

Thank you to CADA and MNP for the thought-provoking study.

Sincerely,

Marian Templeton  
Executive Director  
ADANL

## EXECUTIVE SUMMARY

The Canadian Automobile Dealers Association (CADA), in conjunction with the Automobile Dealers Association of Newfoundland and Labrador (ADANL), engaged MNP LLP (MNP) to carry out an economic impact study of new car dealer operations in Newfoundland and Labrador.

### KEY STATISTICS

In 2022:

- New car dealers sold 24,156 new vehicles in Newfoundland and Labrador.
- New car dealers directly employed 1,690 people.
- Total revenues of new car dealers were \$2.1 billion, of which 54 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 Newfoundland and Labrador's new car dealers in 2022. Between approximately 78 percent and 82 percent of the impacts occur in Newfoundland and Labrador and the remainder occur in other parts of Canada as a result of supply chain linkages.

**Figure A: Estimated Economic Impacts of Newfoundland and Labrador 's New Car Dealer Operations, 2022**

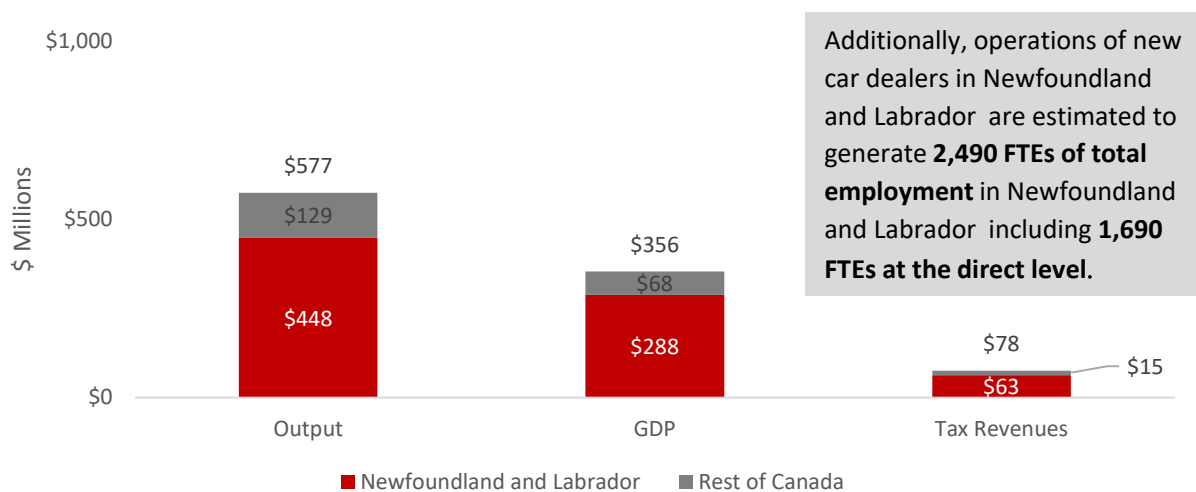
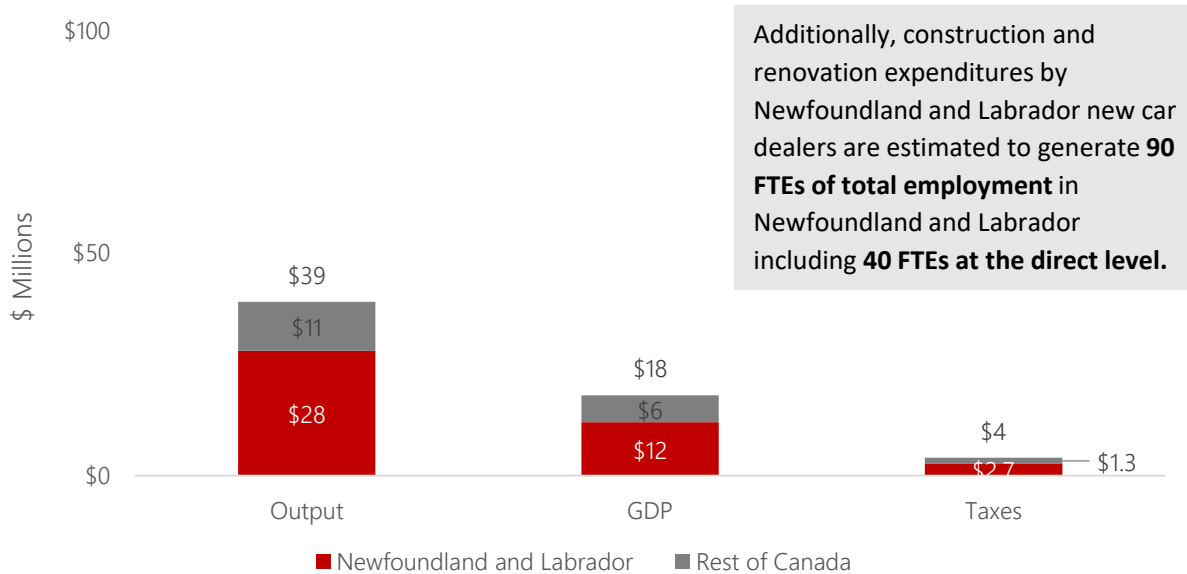


Figure B shows the estimated annual economic impacts of construction and renovation expenditures by Newfoundland and Labrador new car dealers. Between approximately 64 percent and 72 percent of the impacts occur in Newfoundland and Labrador and the remainder occur in other parts of Canada as a result of supply chain linkages.

**Figure B: Estimated Annual Economic Impacts of Construction and Renovation Expenditures by Newfoundland and Labrador Car Dealers**





## 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 Automobile Dealers Association of Newfoundland and Labrador (ADANL), engaged MNP LLP (MNP) to carry out an economic and social impact analysis of new car dealer operations in Newfoundland and Labrador.

The scope of the study included:

- Estimating the economic impacts generated by Newfoundland and Labrador'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 Newfoundland and Labrador's new car dealers from ADANL, 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 Newfoundland and Labrador'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 Newfoundland and Labrador's new car dealers.
- Section 3 summarizes the economic impacts created by Newfoundland and Labrador's new car dealers and their workforce profile.
- Section 4 presents a case study on the broader social and community contributions of Newfoundland and Labrador'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 ADANL, 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.

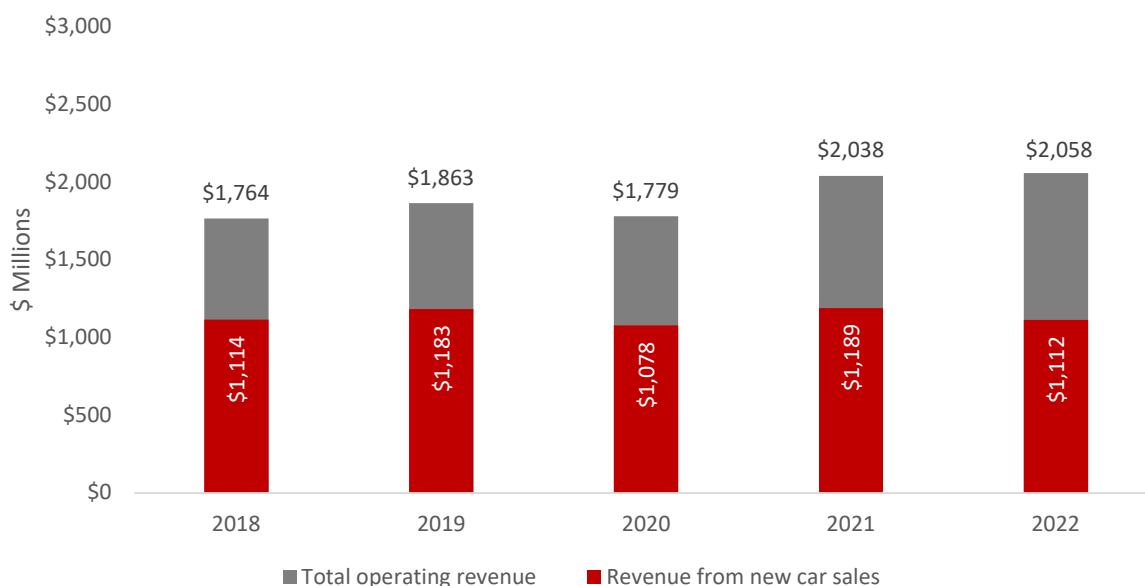
## 2. ABOUT NEW CAR DEALERS IN NEWFOUNDLAND AND LABRADOR

### 2.1 OVERVIEW OF NEW CAR DEALERS IN NEWFOUNDLAND AND LABRADOR

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.<sup>1</sup>

Figure 1 shows revenues for new car dealers in Newfoundland and Labrador between 2018 and 2022. During this period, the overall trend in total operating revenues and revenues from new car sales were relatively stable. Revenues from the sale of new vehicles accounted for between 54 percent and 63 percent of total operating revenues. In 2020, total operating revenue declined slightly as a result of the COVID-19 restrictions and supply chain challenges. As the economy started opening back up in 2021 after the COVID-19 pandemic, total revenues, and the revenues from the sale of new cars began to recover. In 2022, the total operating revenues increased by ten percent relative to 2019, while revenues from the sale of new cars were six percent below pre-pandemic levels.

**Figure 1: Operating Revenues for New Car Dealers in Newfoundland and Labrador (\$ Millions), 2018 to 2022**

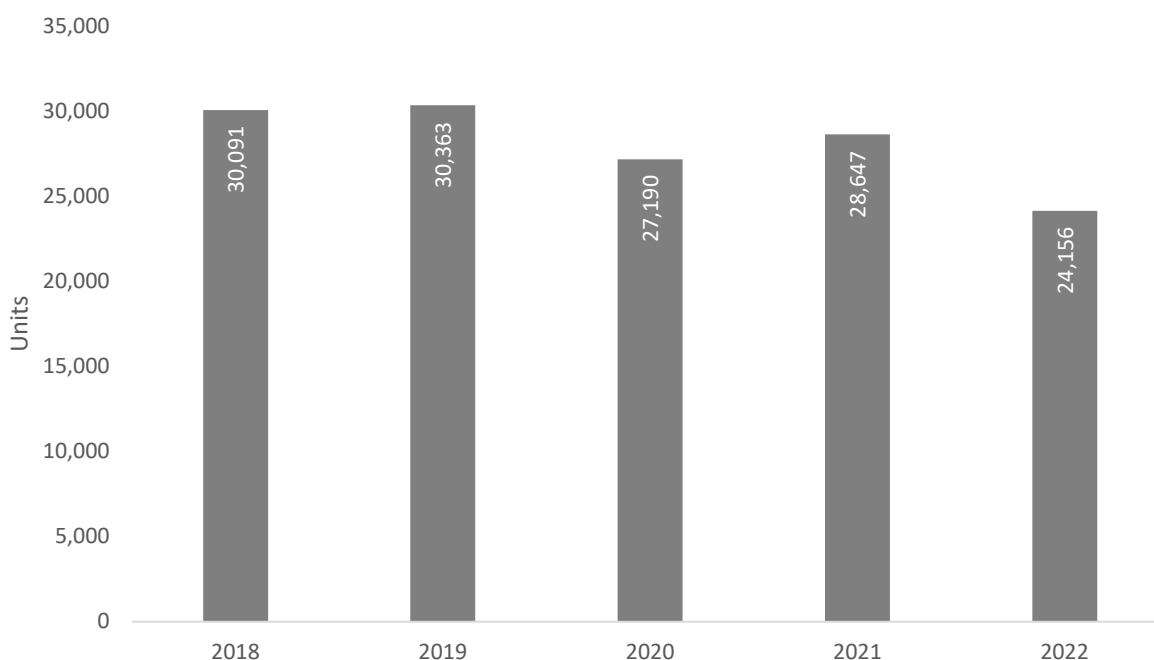


Source: Statistics Canada. Table 20-10-0066-01. Annual retail trade survey, financial estimates.

<sup>1</sup> Statistics Canada. NAICS Canada. Automotive dealers.

Figure 2 shows the number of new motor vehicles sold in Newfoundland and Labrador from 2018 to 2022. In 2019, new motor vehicle sales increased by one percent. But in 2020, COVID-19 led to a sharp drop in sales (by 10 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.<sup>2</sup> In 2021, demand for new vehicles rebounded but in 2022, the number of sales decreased by 16 percent, resulting in a roughly 20 percent decrease compared with pre-pandemic levels.<sup>3</sup> 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.<sup>4</sup>

**Figure 2: New Motor Vehicles Sales for New Car Dealers in Newfoundland and Labrador, 2018 to 2022**



Source: Canadian Automobile Dealers Association

<sup>2</sup> 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).

<sup>3</sup> Statistics Canada. Table 20-10-0001-01 New motor vehicle sales.

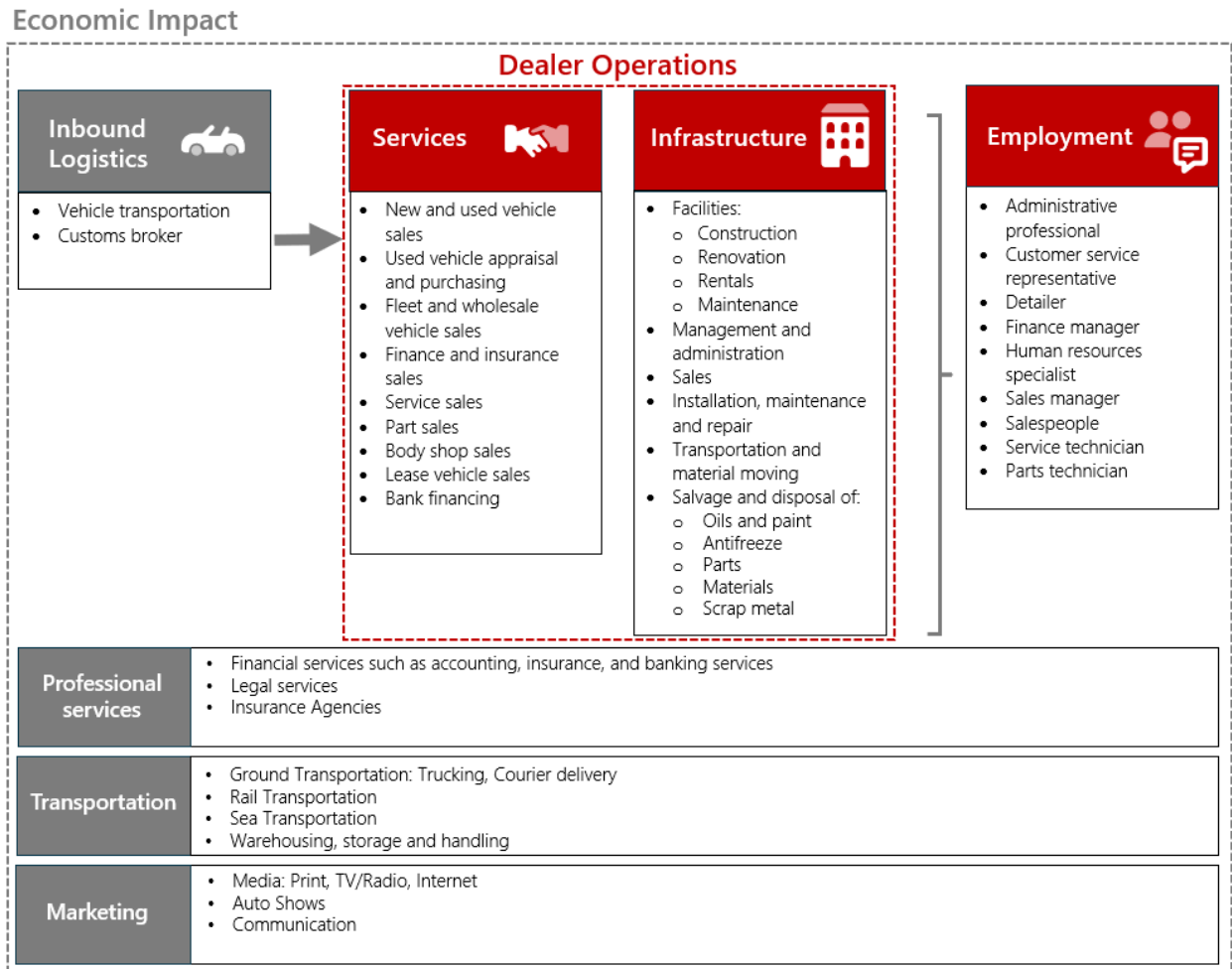
<sup>4</sup> Bernard M.C., Dankyi E. (April 11, 2023). Statistics Canada. Enduring effects of the pandemic: The case of the passenger car rental industry in New Brunswick. Retrieved from <https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2023006-eng.htm>



## 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 Newfoundland and Labrador from other parts of Canada and the US by rail, truck and sea. 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 Newfoundland and Labrador's new car dealers were estimated to be approximately \$2 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 Newfoundland and Labrador's New Car Dealers, 2022**

Expenditure Category	Spending (\$ millions)	Percentage of Total Expenditure
Cost of goods for resale	\$1,760	89.0%
Salaries, wages and benefits	\$111	5.6%
Rent	\$20	1.0%
Advertising and promotions	\$12	0.6%
Amortization	\$9	0.5%
Repairs and maintenance	\$7	0.4%
Professional and business fees	\$6	0.3%
Utilities and telephone/telecommunication	\$6	0.3%
Interest	\$5	0.3%
Insurance	\$4	0.2%
Delivery, shipping and warehouse	\$2	0.1%
Other expenses	\$35	1.8%
<b>Total</b>	<b>\$1,977</b>	<b>100%</b>

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 Newfoundland and Labrador new car dealers in Canada. In 2022, new car dealers were estimated to generate:

- \$577 million of total output, consisting of direct output of \$298 million and \$279 million of indirect and induced output.
- \$356 million of total GDP consisting of \$195 million in direct GDP and \$161 million of indirect and induced GDP.
- 3,060 total FTEs consisting of 1,690 direct jobs and 1,370 indirect and induced jobs.
- \$78 million in total revenue for all three levels of government consisting of \$32 million in direct revenues and \$46 million of indirect and induced revenues.

Between approximately 71 percent and 85 percent of the impacts accrue in Newfoundland and Labrador and the remainder accrue in the rest of Canada.<sup>5</sup> Appendix B provides a breakdown of impacts in Newfoundland and Labrador and the rest of Canada.

**Table 2: Estimated Total Economic Impacts of Newfoundland and Labrador New Car Dealers, 2022**

Category	Output (\$ millions)	GDP (\$ millions)	Employment (FTEs)	Federal Tax (\$ millions)	Provincial Tax (\$ millions)	Municipal Tax (\$ millions)
Direct	\$298	\$195	1,690	\$15	\$15	\$2
Indirect and Induced	\$279	\$161	1,370	\$17	\$24	\$5
<b>Total</b>	<b>\$577</b>	<b>\$356</b>	<b>3,060</b>	<b>\$32</b>	<b>\$39</b>	<b>\$7</b>

### 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

<sup>5</sup> Please 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.



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 Newfoundland and Labrador invested approximately \$18 million annually in new and existing facilities between 2018 and 2022. This consisted of \$17 million of construction expenditures and \$1 million of renovation expenditures.

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

- \$39 million of total output, consisting of direct output of \$18 million and \$21 million of indirect and induced output.
- \$18 million of total GDP consisting of \$6 million in direct GDP and \$12 million of indirect and induced GDP.
- 140 total FTEs consisting of 40 direct FTEs and 100 indirect and induced FTEs.
- \$4 million in total revenue for all three levels of government consisting of \$1.1 million in direct revenues and \$2.9 million of indirect and induced revenues.

Between approximately 60 percent and 74 percent of the impacts accrue in Newfoundland and Labrador and the remainder accrue in the rest of Canada.<sup>6</sup> Appendix B provides a breakdown of the impacts in Newfoundland and Labrador 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	\$18	\$6	40	\$0.4	\$0.5	\$0.2
Indirect and Induced	\$21	\$12	100	\$1.2	\$1.4	\$0.3
<b>Total</b>	<b>\$39</b>	<b>\$18</b>	<b>140</b>	<b>\$1.6</b>	<b>\$1.9</b>	<b>\$0.5</b>

<sup>6</sup> Please note that ranges reported elsewhere in the report (i.e., page 7) 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 40 percent of employees of new car dealers in Newfoundland and Labrador are between 26 and 41 years old. While generation Z constitutes 11 percent of the workforce at Newfoundland and Labrador's dealerships.
- Most employees (77 percent) working at Newfoundland and Labrador 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 Newfoundland and Labrador'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 Newfoundland and Labrador's new car dealers were estimated to have generated direct and indirect employment of 2,490 FTEs in the province. This is equivalent to the number of direct and indirect jobs created through the construction of approximately 1,660 new homes in Newfoundland and Labrador. This equates to 120 percent of new home starts in the province in 2022.<sup>7</sup>
- **Aquaculture:** The direct employment generated by the operations of Newfoundland and Labrador's new car dealers equates to direct employment generated through the handling of approximately 13 million tonnes of aquaculture, which is equivalent to nearly 70 percent of the total production in Newfoundland and Labrador.<sup>8,9</sup>
- **Education:** The total direct and indirect employment generated from the operations of new car dealers in Newfoundland and Labrador in 2022 is equivalent to 45 percent of the employment generated by the Memorial University. This is equivalent to servicing roughly 8,750 students annually.<sup>10,11</sup>

<sup>7</sup> Canadian Home Builders' Association. Residential Construction in Canada, Economic Performance Review 2022. Retrieved from <https://www.chba.ca/impacts>

<sup>8</sup> Newfoundland Aquaculture. Retrieved from <https://naia.ca/index.php/aquaculture-nl/production-stats>

<sup>9</sup> Newfoundland Aquaculture. Retrieved from <https://naia.ca/index.php/aquaculture-nl/economic-benefits>

<sup>10</sup> Memorial university website. Retrieved from <https://www.mun.ca/main/about/economic-impact/#:~:text=Memorial%20is%20a%20significant%20contributor,9%2C922%20jobs%20throughout%20the%20province>

<sup>11</sup> Memorial University. Website. Retrieved from <https://www.mun.ca/main/about/#:~:text=At%20Memorial%20University%20more%20than,across%20five%20campuses%20and%20online>



## 4. SOCIAL AND COMMUNITY CONTRIBUTIONS

New car dealerships in Newfoundland and Labrador actively support their communities. The generosity and community spirit of these businesses are evident in their contributions, ranging from educational support to transportation services for vulnerable groups. Examples of this support include:

- The Hickman Automotive directly contributes to the educational aspirations of local youth through its "Tuition for the Year" program. Recognizing the financial challenges faced by post-secondary students, this initiative provides an essential boost to one student each year, enabling them to pursue their educational goals with less financial burden.<sup>12</sup> This scholarship is indicative of how dealerships in the province extend support to youth education, exemplifying a commitment to the next generation's academic and professional development.
- Capital Auto Group has demonstrated its community commitment by donating a Subaru Outback to Ronald McDonald House Newfoundland and Labrador (RMHNL). RMHNL provides a place for families to stay at little or no cost while their child receives treatment at nearby hospitals. The vehicle is a critical resource for the organization, facilitating transportation for families during their stay and enabling staff to conduct essential fundraising activities throughout Newfoundland and Labrador.<sup>13</sup> This gift illustrates how dealerships offer mobility support to charitable organizations, aiding them in fulfilling their crucial missions.
- In 2017, the seniors' community in Labrador received substantial support from Labrador Motors Limited in Goose Bay, which, along with other community contributors, donated a 2018 GMC Acadia SLE to the Labrador Friendship Centre. This vehicle served as a seniors' van, enhancing the mobility and independence of the seniors by providing transportation for various needs, including medical appointments and social activities.<sup>14</sup>

These instances illustrate the role of car dealerships in supporting community welfare. Through educational aid, mobility support, and essential services, these dealerships are helping to build stronger communities across the province.

<sup>12</sup> Hickman Automotive Group. (n.d.). Community. Retrieved from <https://www.hickmangroup.ca/community/>

<sup>13</sup> Shaalan, A. (2022, May 20). 2022 Ronald McDonald House Outback Presentation. Capital Auto Group. <https://www.capitalautogroup.ca/en/news/view/2022-ronald-mcdonald-house-outback-presentation/100899>

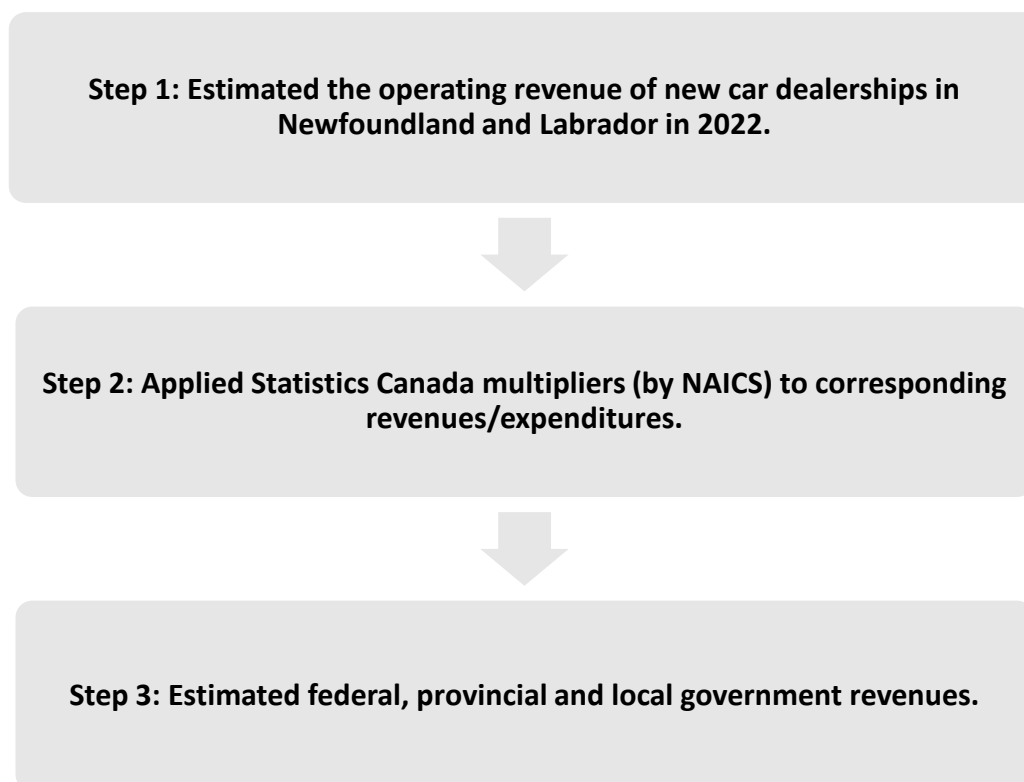
<sup>14</sup> Labrador Motors Ltd. Goose Bay. (2017, November 27). Community Involvement. Retrieved from <https://www.labradormotorsgoosebay.com/en/news/view/community-involvement/66802>



## 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: Estimate the operating revenue of new car dealerships in Newfoundland and Labrador in 2022

The first step in estimating the economic impacts of Newfoundland and Labrador's new car dealers was to estimate the operating revenue of the dealerships in Newfoundland and Labrador 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 Newfoundland and Labrador'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 Newfoundland and Labrador and the rest of Canada.

**Table 5: Economic Impacts of New Car Dealer Operations in Newfoundland and Labrador, 2022**

Category	Output (\$ millions)	GDP (\$ millions)	Employment (FTEs)	Federal Tax (\$ millions)	Provincial Tax (\$ millions)	Municipal Tax (\$ millions)
<b>Direct Impacts</b>						
Newfoundland and Labrador	\$298	\$195	1,690	\$15	\$15	\$2
<b>Indirect and Induced Impacts</b>						
Newfoundland and Labrador	\$150	\$93	800	\$11	\$18	\$3
Rest of Canada	\$129	\$68	570	\$6	\$6	\$2
<b>Total Impacts</b>						
Newfoundland and Labrador	\$448	\$288	2,490	\$26	\$33	\$5
Rest of Canada	\$129	\$68	570	\$6	\$6	\$2
<b>Total</b>	<b>\$577</b>	<b>\$356</b>	<b>3,060</b>	<b>\$32</b>	<b>\$39</b>	<b>\$7</b>



**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)
<b>Direct Impacts</b>						
Newfoundland and Labrador	\$18	\$6	40	\$0.4	\$0.5	\$0.2
<b>Indirect and Induced Impacts</b>						
Newfoundland and Labrador	\$10	\$6	50	\$0.6	\$0.9	\$0.1
Rest of Canada	\$11	\$6	50	\$0.6	\$0.5	\$0.2
<b>Total Impacts</b>						
Newfoundland and Labrador	\$28	\$12	90	\$1.0	\$1.4	\$0.3
Rest of Canada	\$11	\$6	50	\$0.6	\$0.5	\$0.2
<b>Total</b>	<b>\$39</b>	<b>\$18</b>	<b>140</b>	<b>\$1.6</b>	<b>\$1.9</b>	<b>\$0.5</b>

## 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.