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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 Quebec



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 CORPORATION OF AUTOMOBILE DEALERS OF QUEBEC

As this latest CADA report demonstrates, Quebec's automotive dealers are essential players in our province's economy and society. In a complex economic context, they continue to play a crucial role in creating jobs, stimulating economic growth and contributing to a sustainable future for Quebec.

What's more, they have a decisive impact on their communities through their unwavering support for various local projects and organizations. This translates into financial investment and personal commitment to sports teams and athletes at all levels, community organizations and other initiatives close to their hearts. It's also worth noting that dealers are among the leading investors in the media, making a major contribution to the Quebec economy.



That's why it's essential to continue collecting data, and the CADA economic impact study remains an essential tool for tracking and demonstrating our positive impact on Quebec.

Sincerely,

Ian P. Sam Yue Chi  
President and Chief Executive Officer  
CCAQ

## EXECUTIVE SUMMARY

The Canadian Automobile Dealers Association (CADA), in conjunction with the Corporation of Automotive Dealers of Quebec (CCAQ), engaged MNP LLP (MNP) to carry out an economic impact study of new car dealer operations in Quebec.

### KEY STATISTICS

In 2022:

- New car dealers sold 357,030 new vehicles in Quebec.
- New car dealers directly employed 37,000 people.
- Total revenues of new car dealers were \$35 billion, of which 51 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 Quebec's new car dealers in 2022. Between approximately 89 percent and 92 percent of the impacts occur in Quebec and the remainder occur in other parts of Canada as a result of supply chain linkages.

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

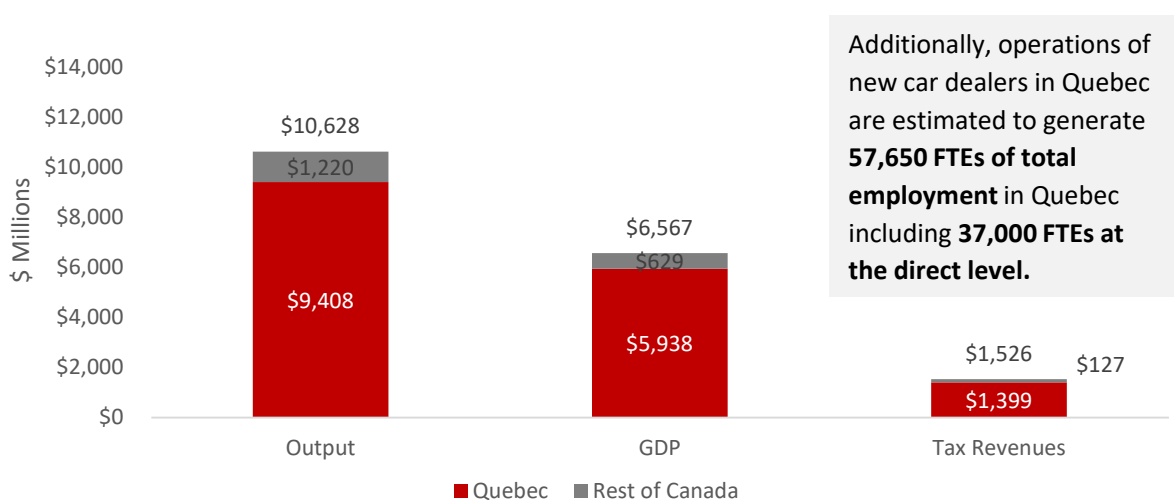
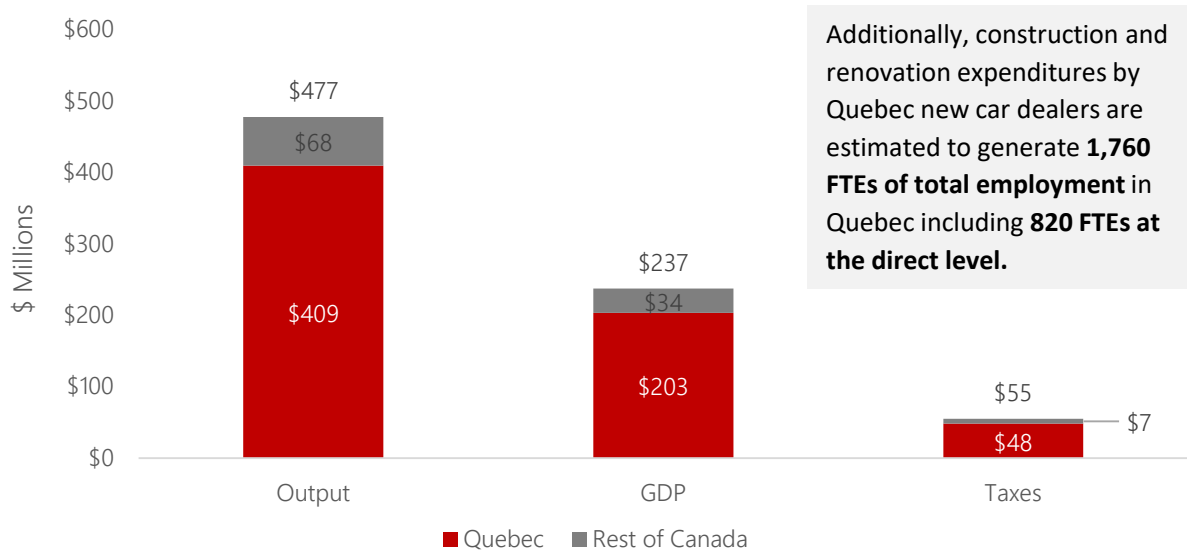


Figure B shows the estimated annual economic impacts of construction and renovation expenditures by Quebec new car dealers. Between approximately 86 percent and 87 percent of the impacts occur in Quebec and the remainder occur in other parts of Canada as a result of supply chain linkages.

**Figure B: Estimated Annual Economic Impacts of Construction and Renovation Expenditures by Quebec New 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 Corporation of Automotive Dealers of Quebec (CCAQ), which represent 98 percent of all dealers in Quebec, engaged MNP LLP (MNP) to carry out an economic and social impact analysis of new car dealer operations in Quebec.

The scope of the study included:

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



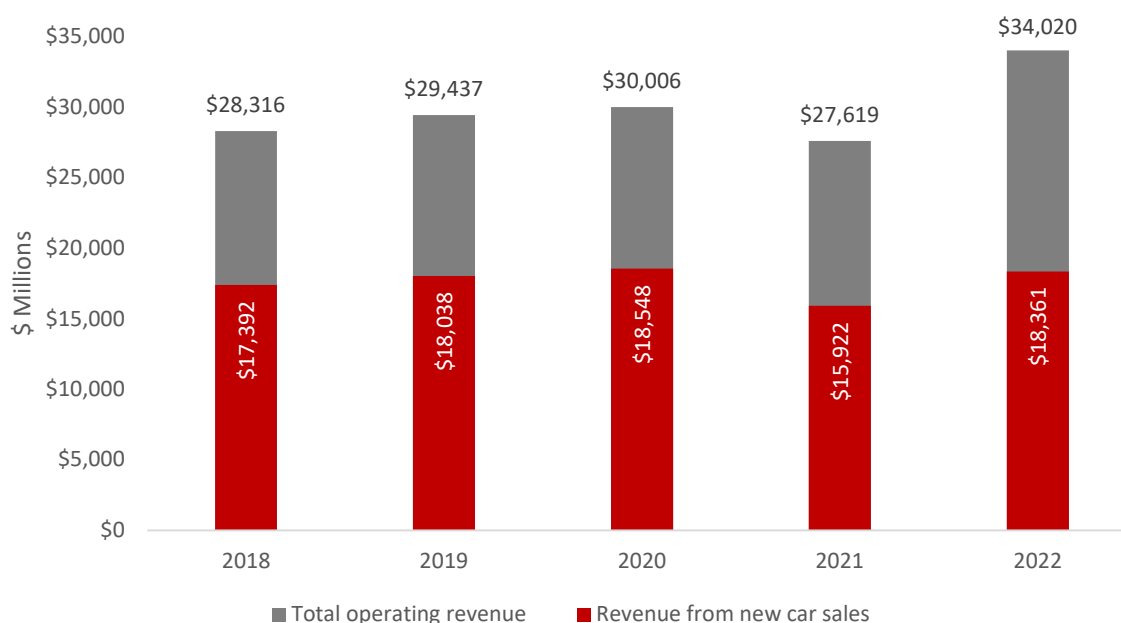
## 2. ABOUT NEW CAR DEALERS IN QUEBEC

### 2.1 OVERVIEW OF NEW CAR DEALERS IN QUEBEC

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 Quebec between 2018 and 2022. During this period, revenues from the sale of new vehicles accounted for between 51 percent and 62 percent of total operating revenues. From 2018 to 2019, the total revenues as well as the revenues from new car sales increased by approximately three percent per year. In 2020, as a result of COVID-19 restrictions and supply chain issues, the overall operating revenue of dealerships decreased by eight percent compared with 2019. As the economy started opening back up in 2021, total revenues and the revenues from the sales of new cars began to recover. In 2022, the total operating revenues increased by 18 percent relative to 2019, while revenues from the sale of new cars were just under pre-pandemic levels.

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

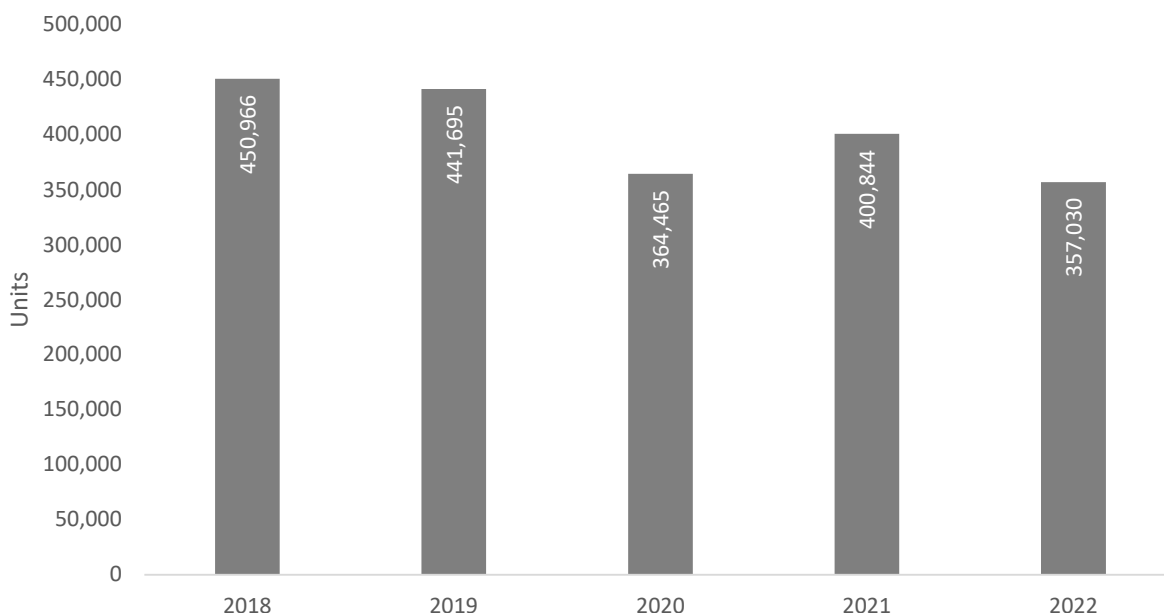


Source: Statistics Canada. Table 20-10-0066-01. Annual retail trade survey, financial estimates.

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

Figure 2 shows the number of new motor vehicles sold in Quebec from 2018 to 2022. Between 2018 and 2019, new motor vehicle sales declined by approximately two percent annually. In 2020, COVID-19 led to a sharper drop in sales (by 17 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 2022, the number of sales decreased by 11 percent, resulting in a roughly 19 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 Quebec, 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.

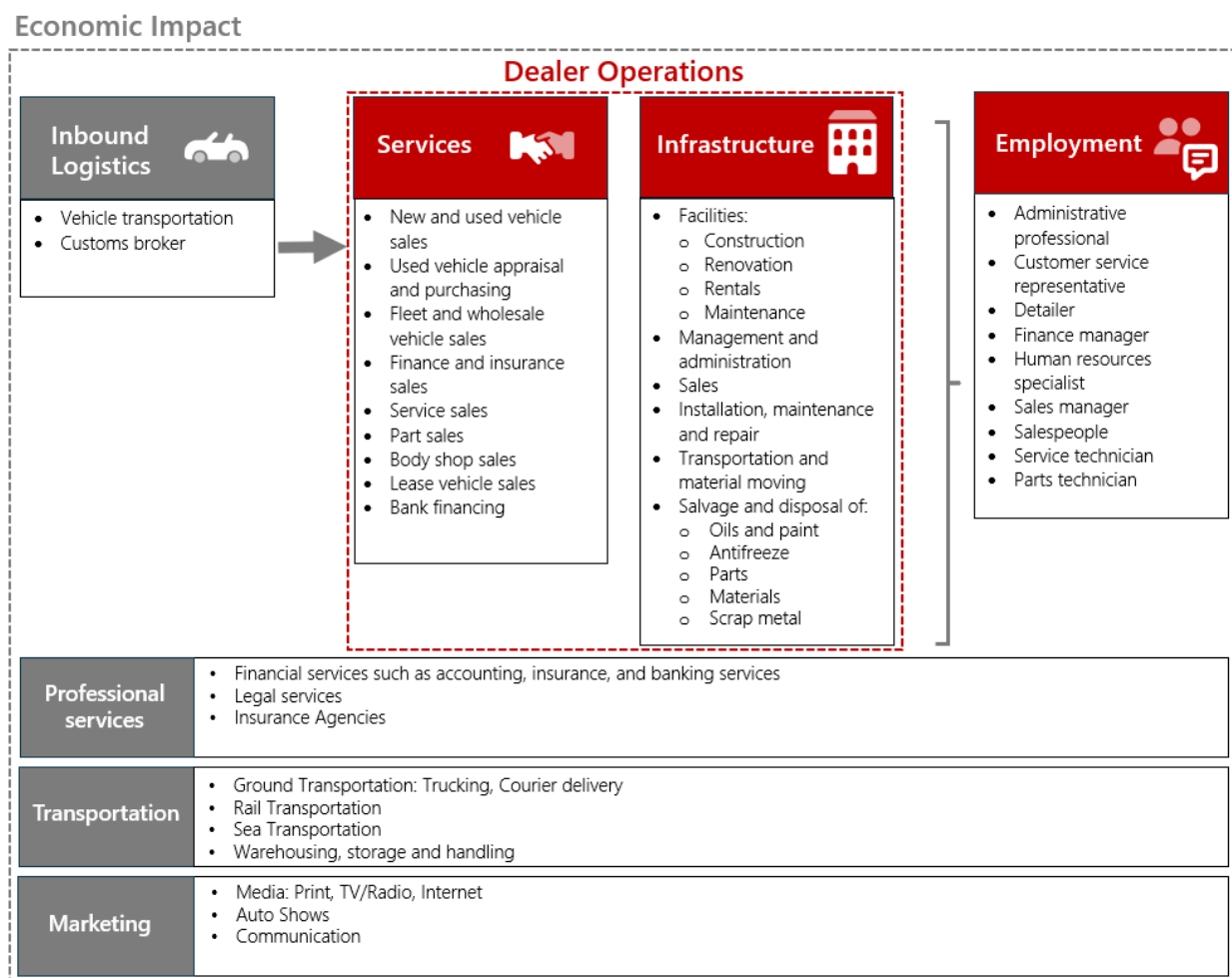
<sup>4</sup> Bernard M.C., Dankyi E. (April 11, 2023). Statistics Canada. Enduring effects of the pandemic: The case of the passenger car rental industry in New Brunswick. Retrieved from <https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2023006-eng.htm>



## 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 Quebec 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 Quebec's new car dealers were estimated to be approximately \$34.2 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 Quebec's New Car Dealers, 2022**

Expenditure Category	Spending (\$ millions)	Percentage of Total Expenditure
Cost of goods for resale	\$29,914	87.5 %
Salaries, wages and benefits	\$2,183	6.4%
Rent	\$385	1.1%
Advertising and promotions	\$242	0.7%
Amortization	\$168	0.5%
Repairs and maintenance	\$147	0.4%
Professional and business fees	\$122	0.4%
Utilities and telephone/telecommunication	\$121	0.4%
Interest	\$104	0.3%
Insurance	\$79	0.2%
Delivery, shipping and warehouse	\$41	0.1%
Other expenses	\$687	2.0%
<b>Total</b>	<b>\$34,193</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 Quebec new car dealers in Canada. In 2022, new car dealers were estimated to generate:

- \$10,628 million of total output, consisting of direct output of \$5,570 million and \$5,058 million of indirect and induced output.
- \$6,567 million of total GDP consisting of \$3,732 million in direct GDP and \$2,835 million of indirect and induced GDP.
- 62,890 total FTEs consisting of 37,000 direct jobs and 25,890 indirect and induced jobs.
- \$1,526 million in total revenue for all three levels of government consisting of \$690 million in direct revenues and \$836 million of indirect and induced revenues.

Between approximately 88 percent and 94 percent of the impacts accrue in Quebec and the remainder accrue in the rest of Canada.<sup>5</sup> Appendix B provides a breakdown of impacts in Quebec and the rest of Canada.

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

Category	Output (\$ millions)	GDP (\$ millions)	Employment (FTEs)	Federal Tax (\$ millions)	Provincial Tax (\$ millions)	Municipal Tax (\$ millions)
Direct	\$5,570	\$3,732	37,000	\$234	\$377	\$79
Indirect and Induced	\$5,058	\$2,835	25,890	\$25	\$452	\$130
<b>Total</b>	<b>\$10,628</b>	<b>\$6,567</b>	<b>62,890</b>	<b>\$488</b>	<b>\$829</b>	<b>\$209</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 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 Quebec invested approximately \$227 million annually in new and existing facilities between 2018 and 2022. This consisted of \$138 million of construction expenditures and \$89 million of renovation expenditures.

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

- \$477 million of total output, consisting of direct output of \$227 million and \$250 million of indirect and induced output.
- \$237 million of total GDP consisting of \$107 million in direct GDP and \$130 million of indirect and induced GDP.
- 2,030 total FTEs consisting of 820 direct FTEs and 1,210 indirect and induced FTEs.
- \$55 million in total revenue for all three levels of government consisting of \$21 million in direct revenues and \$34 million of indirect and induced revenues.

Between approximately 82 percent and 90 percent of the impacts accrue in Quebec and the remainder accrue in the rest of Canada.<sup>6</sup> Appendix B provides a breakdown of the impacts in Quebec 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	\$227	\$107	820	\$6	\$11	\$4
Indirect and Induced	\$250	\$130	1,210	\$11	\$18	\$5
<b>Total</b>	<b>\$477</b>	<b>\$237</b>	<b>2,030</b>	<b>\$17</b>	<b>\$29</b>	<b>\$9</b>

<sup>6</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.



### 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 Quebec are between 26 and 41 years old. While generation Z constitutes 11 percent of the workforce at Quebec's dealerships.
- Most employees (76 percent) working at Quebec 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 Quebec'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 Quebec's new car dealers were estimated to have generated direct and indirect employment of 49,535 FTEs. This is equivalent to the number of direct and indirect jobs created through the construction of approximately 24,700 new homes in Quebec. This equates to 43 percent of new home starts in 2022.<sup>7</sup>
- **Healthcare:** The direct employment generated by the operations of Quebec's new car dealers equates to 28 percent of the employment generated by the healthcare services in Quebec in 2020.<sup>8</sup>
- **Mining:** The total employment generated by the operations of new car dealers in Quebec is equivalent to 131 percent of jobs generated by the mining industry in Quebec in 2020.<sup>9</sup>

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<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> Statistique Quebec. (2020, October 7). Retrieved from <https://statistique.quebec.ca/en/communiquelabour-market-very-dynamic-in-quebec-service-industries-before-the-covid-19-crisis>

<sup>9</sup> Quebec Mining Association. Retrieved from <https://amq-inc.com/en/lindustrie-mini%C3%A9re-a-lorigine-de-retombees-economiques-majeures-pour-le-nord-du-quebec/>

## 4. SOCIAL AND COMMUNITY CONTRIBUTIONS

Sport is an integral part of Quebec's culture. While hockey plays an outsized role in Quebec's sporting community, there are also numerous amateur sports teams and athletes. Quebec athletes claimed 12 out of Canada's total of 29 medals in the 2018 PyeongChang Winter Olympics and contributed 11 out of the 23 medals won by Canada in the 2022 Beijing Winter Olympics.<sup>10,11</sup> Summer sports also have a significant following. Over time soccer has been growing in popularity and has become an integral part of Montreal's lively culture.<sup>12</sup>

Support from local businesses, including car dealerships, plays a significant role in fostering this rich sporting culture. For example, HGregoire, known for its long-standing partnership with athletes and sports organizations, supports young athletes through Nez rouge Laval-Basses-Laurentides, in addition to their previous sponsorships of golfers and other athletes.<sup>13</sup> Similarly, Groupe Park Avenue's recent two-year partnership with the Montreal Alouettes demonstrates the synergy between sports and local business communities.<sup>14</sup> A key factor in the decision to enter into this partnership by Group Park Avenue was the alignment of values between the two organizations and the shared commitment to invest in communities.<sup>15</sup>

By forming partnerships with sports teams and athletes, car dealerships extend beyond their business realm, fostering local talent and enhancing community spirit. These collaborations not only provide financial backing and resources essential for the development of sports but also showcase a commitment to nurturing the aspirations of young and emerging athletes.

Dealerships also support athletes and individuals with reduced mobility. The Mobilis Foundation provides financial support to people with reduced mobility for the acquisition of an adapted vehicle, adaptations to homes, and the costs of travel required by their condition as well as sports or recreational activities specially designed for beneficiaries with a mobility-related disability.

All 145 Mobilis Corporation member dealers are involved in the Mobilis Foundation. The primary annual fundraising events are the Québec City International Auto Show Preview Benefit Evening and a golf tournament. Together these two events raise approximately \$200,000 annually. Since it was formed in

<sup>10</sup> Canadian Olympic Medal Count. (n.d.). 2018 PyeongChang. Olympic.ca. Retrieved October 26, 2023, from <https://olympic.ca/games/2018-pyeongchang/>


<sup>11</sup> Sciola, A. (2022, February 16). Nearly 50% of Canada's medalists this year are Quebec-born athletes. Daily Hive. <https://dailyhive.com/montreal/quebec-canada-medals-beijing-olympics>

<sup>12</sup> Desbaillets, P. (2023, June). From past to present: The thriving soccer culture in Montreal. Cult MTL. Retrieved from <https://cultmtl.com/2023/06/from-past-to-present-the-thriving-soccer-culture-in-montreal/>

<sup>13</sup> HGregoire. (n.d.). Humanité. Retrieved October 25, 2023, from <https://www.hgregoire.com/humanite>

<sup>14</sup> Groupe Park Avenue. (2021, August 26). A new partnership between the Montreal Alouettes and Groupe Park Avenue. Retrieved from <https://groupeparkavenue.com/en/news/new-partnership-between-montreal-alouettes-and-groupe-park-avenue>

<sup>15</sup> Ibid.



2009, the Mobilis Foundation has raised \$1.6 million and supported more than 340 individuals and organizations.<sup>16</sup>

In addition to the activities of the Foundation, Mobilis Corporation member dealers are very involved in their community and donate some \$1 million to charity every year.<sup>17</sup>

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<sup>16</sup> Mobilis Foundation

<sup>17</sup> Ibid.

## 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 Quebec 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 Quebec in 2022**

The first step in estimating the economic impacts of Quebec's new car dealers was to estimate the operating revenue of the dealerships in Quebec 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 Quebec'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 table below provides a breakdown of economic impacts in Quebec and the rest of Canada.

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

Category	Output (\$ millions)	GDP (\$ millions)	Employment (FTEs)	Federal Tax (\$ millions)	Provincial Tax (\$ millions)	Municipal Tax (\$ millions)
<b>Direct Impacts</b>						
Quebec	\$5,570	\$3,732	37,000	\$234	\$377	\$79
<b>Indirect and Induced Impacts</b>						
Quebec	\$3,838	\$2,206	20,650	\$195	\$399	\$115
Rest of Canada	\$1,220	\$629	5,240	\$59	\$53	\$15
<b>Total Impacts</b>						
Quebec	\$9,408	\$5,938	57,650	\$429	\$776	\$194
Rest of Canada	\$1,220	\$629	5,240	\$59	\$53	\$15
<b>Total</b>	<b>\$10,628</b>	<b>\$6,567</b>	<b>62,890</b>	<b>\$488</b>	<b>\$829</b>	<b>\$209</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>						
Quebec	\$227	\$107	820	\$6	\$11	\$4
<b>Indirect and Induced Impacts</b>						
Quebec	\$182	\$96	940	\$8	\$15	\$4
Rest of Canada	\$68	\$34	270	\$3	\$3	\$1
<b>Total Impacts</b>						
Quebec	\$409	\$203	1,760	\$14	\$26	\$8
Rest of Canada	\$68	\$34	270	\$3	\$3	\$1
<b>Total</b>	<b>\$477</b>	<b>\$237</b>	<b>2,030</b>	<b>\$17</b>	<b>\$29</b>	<b>\$9</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.