

CANADA'S AIRPORTS: LINKING CANADIANS TO EACH OTHER AND THE WORLD



ECONOMIC IMPACT OF CANADA'S AIR TRANSPORT INDUSTRY



133 Million
Passengers in 2015



\$34.5 Billion
Contributed to Canada's GDP



\$7 Billion
Accrued Taxes



141,000
Direct Jobs Supported

Since ancient times, humans have embraced trade with each other. Air transport emboldens trade, by promoting economic and social connections across regional and international borders. By its nature, aviation is an international business and Canada's airports compete not only for the business of the Canadian air traveller, but also for international tourists and as a transit point for travellers destined ultimately for other destinations.

BORDER SERVICES

Canada Border Services Agency (CBSA) is the federal agency that provides border services at airports in Canada. This is a core service at airports, with a fundamental impact on the safe, secure, efficient, and quality air travel experience.

Innovative programs and the use of technology have enabled Canada's airports to grow their international connections while also improving the level of service provided to travellers. This is a success story, with trusted traveler program cooperation across international borders allowing CBSA to concentrate its resources on the greatest areas of risk by focusing on unknown travelers.

While the Canada-U.S. trusted traveller program NEXUS has been a great example of binational cooperation, the U.S. has moved much more quickly to develop similar relationships with other countries. With the number of passengers using Canada's airports increasing 27 per cent since 2009, some international gateways are starting to see growing wait times in their border halls. Continued investments in staffing and technology, such as automating the Primary Inspection Line through the introduction of kiosks, need to be made in a timely manner to ensure the experience doesn't deteriorate further.

TRANSIT WITHOUT VISA

Canada still requires visas from visitors from many parts of the world, but unlike many countries in Europe and Asia with which Canada competes for air travellers, the program that allows transiting passengers to bypass this requirement is very limited.

Allowing Transit Without Visa (TWOV) for all travelers except those from high risk countries would bring Canada in line with most of the rest of the world. In addition to enabling Canadian airports and air carriers to capture a bigger share of U.S.-bound traffic from overseas transiting over Canadian airports, it also would deliver a significant competitive advantage for Canada in international-to-international connecting traffic.

INTERNATIONAL AIR CARRIER COMPETITION

The level of air service between two countries is determined by air service bilateral agreements that Canada negotiates with foreign partners. Canada's approach to international air access has evolved significantly over the past 30 years from a highly regulated environment to a more market-based approach. While there has been considerable progress on market access since the 2006 Blue Sky Policy, there is still more that can be done in liberalizing air policy to allow Canada to keep pace with major economic partners, expand aviation and tourism market opportunities, and increase consumer choices.

The CAC would like the Government of Canada to apply the Blue Sky Policy more progressively and in a manner that is strategically aligned with Canada's international trade agenda and tourism objectives, consistent with recommendations made in the Canada Transportation Act Review report entitled *Pathways: Connecting Canada's Transportation System to the World*.

ARRIVALS DUTY FREE

The ability for travellers to access duty free upon arrival from an international trip is available in more than 50 countries around the world. The introduction of Arrivals Duty Free in Canada would provide travellers with an improved level of service, and help Canadian duty free operators compete more effectively with their foreign counterparts. It also would help Canadian duty free operators to repatriate \$100 million in sales lost to foreign duty free operators. Introduction of Arrivals Duty Free would result in:



\$100 Million
New Overseas Sales



900
New Jobs



\$9 Million
New Tax Revenue

CANADA'S AIRPORTS CALL ON THE GOVERNMENT OF CANADA TO:



- **Strengthen resources at Canada Border Services Agency to support the growing demand on service through staffing, continued innovation through technology and continued cooperation with international partners.**
- **Complete implementation of Transit Without Visa, including expanding it to all international markets except those identified as representing higher risk.**
- **Update the Blue Sky Policy for international air service liberalization by implementing:**
 - **A minimum allowance of seven flights per week for each of the designated air carriers.**
 - **All subsequent increases in air access in increments of at least seven flights per week per designated air carrier.**
 - **Automatic planned increases in capacity to allow for stimulation of demand.**
- **Work with the provinces to introduce Arrivals Duty Free, as expected by international travelers and in line with a growing number of international jurisdictions.**

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The Canadian Airports Council (CAC), a division of Airports Council International-North America, is the voice for Canada's airports community. The CAC has 50 members operating more than 100 airports across Canada, including all of the non-governmentally operated National Airports System (NAS) airports. CAC member airports handle more than 90 per cent of the commercial air traffic in Canada, and an even greater share of international traffic.