

2001 ESTIMATED ECONOMIC CONTRIBUTION OF THE MOTORCYCLE & ATV INDUSTRY IN ALBERTA

<i>Activity</i>	<i>Dollar Amount Contributed to Alberta Economy</i>	<i>Dollar Amount Contributed to Government Revenue</i>
New Motorcycle Sales:	100,039,500	
New ATV Sales:	100,372,500	
Used Motorcycle Sales:	19,160,688	
Used ATV Sales:	27,462,920	
Parts & Accessories	103,282,200	
Service Labour	22,120,070	
Advertising & Promotion	5,026,139	
Employment Income: Dealers (675 F/T, 77 P/T) Provincial Income Tax	56,039,585	4,191,360
Gasoline Sales Sales Tax Revenue*	20,216,093	3,774,788
Registration Revenue		2,563,876
Total	453,719,695	10,530,024

Sources: 2001 Annual Industry Statistics, MMIC
2001 Motorcycle & ATV Retail Outlet Profile Survey, MMIC
2001 Motorcycle Registrations by Province, MMIC
1996 Provincial Gasoline Sales Tax Analysis, MMIC*

*(Please note that due to a lack of current analysis on this item and tight time constraints a 'reasonable estimate' for 2001 was used based upon the 1996 data. A multiple of 2.5 was used to reflect the significant increase in all measurable areas of motorcycle and ATV activity. Not only do we witness significant growth in sales of over 2.5 times 1996 levels, but also increased usage of the products. It is firmly believed that the above estimate significantly understates the actual impact of gasoline usage by ATVs and motorcycles)

Methodology

- New motorcycle dollar value calculated by 9,306 units sold multiplied by an average price of \$10,750.
- New ATV sales value calculated by 13,383 units sold multiplied by an average price of \$7,500.
- Based on the ATV sales report, Alberta accounts for 13,383 of the 24,894 new units sold in Western Canada. This gives Alberta a **54%** share of the Western ATV market.
- Based on the motorcycle sales report, Alberta accounts for 9,306 of the 21,802 new units sold in Western Canada. This gives Alberta a **43%** share of the Western M/C market.
- Overall, Alberta accounts for **49%** of the Western Motorcycle and ATV market.
- In Western Canada we find that the Motorcycle, Moped and ATV market sold a total of 46,696 new vehicles (based on retail sales reports for 2001). Of these 53.32% were ATVs and 46.78% were motorcycles (including mopeds).

We can use these market shares to interpolate in the used Motorcycle and ATV market. This market had sales of \$95,417,000 in Western Canada (based on the retail outlet profile survey). This gives \$50,857,261 in used ATV sales and \$44,559,739 in used M/C sales for Western Canada. If we now apply the earlier figures on Alberta's share of the Western Market, we can estimate the used M/C and ATV sales for Alberta.

Alberta used ATV sales (54% of Western market) = \$27,462,920

Alberta used M/C sales (43% of Western market) = \$19,160,688

- Parts and Accessories Sales were calculated by interpolating Alberta's share of the Western motorcycle and ATV market to the Western market for parts and accessories. Western sales in this category are \$210,780,000. At 49% of this, Alberta sales would be **\$103,282,200**.
- Service labour for Alberta can be calculated using the same methodology as above. It totaled \$45,143,000. Alberta's share can be estimated at **\$22,120,070**.
- Advertising and Promotion in Western Canada is estimated at \$10,257,426. Using the same logic as above, Alberta motorcycle and ATV advertising would be **\$5,026,139**.
- Employment Income follows the same methodology used in the above example. The total estimated annual payroll for Western Canada is \$114,366,499 (generated through dealers). At 49% of this market, Alberta payroll can be estimated at **\$56,039,585**.

Methodology Continued

The average salary can be calculated by \$114,366,499 (total payroll) divided by 3,918 (total employees). This gives us an average salary of \$29,190. Of the 3,918 employees, it can be interpolated that 1,920 (49%) work in Alberta. We can use these figures to (very conservatively) estimate the provincial income tax generated from dealers

Federal Tax - $17\% * 29,190 = 4,962$

Provincial Tax - $44\% * 4,962 = \$2,183$ per employee

For 1920 employees this = **\$4,191,360** total provincial income tax

- Gasoline sales and taxes were derived from the gasoline sales tax analysis. Estimated number of off-road bikes and ATVs in use was calculated by using an operability rate since many owners of these vehicles do not register them.
- Registration revenue was derived from motorcycle registrations by province. Due to a lack of available data on registered off-road motorcycles and ATVs, the 1994 registration level was increased by 185%, which is the net increase in new sales of ATVs from 1994 to 2001.