



Canadian Off-Highway Vehicle Distributors Council
Conseil Canadien des Distributeurs de Véhicules Hors Route

For Immediate Release
November 9, 2016

**CANADIANS SPENT \$6.9 BILLION ON DIRECT ACTIVITIES
INVOLVING ATVs and ROVs IN 2015**

Toronto –An independent economic impact study completed by Smith Gunther Associates Ltd., reported that in 2015, Canadians spent \$6.9 billion on activities directly involving All-Terrain Vehicles (ATVs) and Recreational Off- Highway Vehicles (ROVs) also known as side-by-sides.

“The purpose of the study was to comprehensively determine the economic impact of not only the purchase of ATVs and ROVs but also related economic activities for Canada and each of its provinces and territories,” stated Bob Ramsay, President of the Canadian Off-Highway Vehicle Distributors Council (COHV). “The study encompassed ATV and ROV activities that included riding gear, clothing, insurance and travel related to ATV and ROV use. Together these purchases and activities constitute the direct and indirect expenditures involving ATV and ROV participation.” added Ramsay.

Excluding imports, Gross Domestic Product (GDP) is a better measure of economic activity. National estimates of total direct and indirect GDP is calculated at \$4.5 to \$5.7 billion, which includes labour force income of \$2.7 to \$3.4 billion with related employment measured as 47,929 to 61,213 full time equivalents (FTEs) total including those employed directly, indirectly and in induced activities. This activity generates revenues of \$1.5 to \$1.9 billion to all levels of government combined in the form of various direct and indirect taxes on goods and services. The higher results reflect an attrition rate suggested by nearly 3,000 respondent owners to a questionnaire and the lower estimates a higher attrition rate consistent with those on personal water craft and snowmobiles.

In 2015, annual investments in the economy, such as new purchases of equipment and machinery, including ATVs, ROVs and related enhancements to vehicles reached \$1.2 billion before depreciation. Further, annual operating expenditures amounted to an additional \$6.7 billion bringing 2015 direct investment and operating expenditures to \$7.9 billion.

Through data retrieved from Statistics Canada and the COHV’s current and historical data on sales of ATVs and OHVs in each province and territory, it has been identified that economic multiplier effects are strongest in provinces which are net beneficiaries of interprovincial trade and where industrial linkages within the province are the strongest.



Ontario has the strongest overall multipliers at 2.51 followed by British Columbia at 2.36. Alberta benefits from strong value shipped and GDP multipliers and Quebec has above national employment and labour force income multipliers as well as strong market shares due mostly to its high participation rates in off-road riding and excellent trails.

“Managing the responsible use of ATVs and ROVs is a subject of current interest for many governments. It is also of great interest to the COHV and the not-for-profit rider federations that have developed across the country,” stated Bob Ramsay. “This report confirms the scope and scale of the contribution that ATV and ROV use makes to provincial economies. Especially in rural and northern areas, which the industry points out, is an important aspect that needs to be recognized and considered when discussion is focused on the responsible management of off-highway vehicle (OHV) activity across Canada.

The Canadian Off-Highway Vehicle Distributors Council (COHV), originally founded in 1984, is a national, non-profit, trade association that represents the responsible interests of the major ATV and ROV distributors, as well as the manufacturers, distributors and retail outlets of OHV related products and services.

The member companies of the COHV account for over 90 percent of all the new ATVs and ROVs sold in Canada. More information related to the COHV is available at: www.cohv.ca

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ECONOMIC IMPACT STUDY - FACT SHEET

- In 2015, there were an estimated 705,264 ATVs and 432,219 ROVs in operation. This estimate is based on an 8.6% attrition rate of the current stock of ATVs from 1994 onward when annual sales data were available or could be estimated. Similar adjustments were calculated on ROV purchased after 2006 when they started being used for recreational purposes. From those provinces where licensing data were available this rate is supported by that data.
- This comprehensive study updates an earlier 2006 study, also conducted by Smith Gunther, which examined the economic impact of ATVs specifically. Both of these reports are a snapshot in time of the economic impacts of ATV and Side-by-Side or Recreational Off-Road Vehicles (ROVs) recreational activities. Since the 2006 study, ROVs have become a significant factor and both data sources and geographic information systems have improved facilitating increased direct expenditures and availability of data to analyze the impacts.
- Other expenditures include upkeep and operations of the entire stock of all ATVs and ROVs that is the surviving stock of ATVs and ROVs sold in all years dating back to 1994 for ATVs and 2006 for ROV, enhancements of any on-highway vehicles to facilitate ATV or ROV recreational activities, paid repair and maintenance, gasoline for ATVs and ROVs, membership fees, licensing costs, attendance at events and off-highway vehicle shows and related travel, e.g. mileage charges, food and beverages and accommodation as well as related entertainment.
- Foreign spending is not considered in the report, but would increase economic impact further. Volunteer time is not considered since it is outside of Stats Canada's Input/Output range (because no funds are exchanged). Smith Gunther, nevertheless value volunteer time at \$554 million to \$858 million annually. Licensing fees are also not considered because they are usually recycled back into the general government revenues where their subsequent use will no longer impact ATVs or ROVs. Smith Gunther estimates their impact at \$99 million to \$123 million.

COHV BACKGROUNDER

- The **Canadian Off-Highway Vehicle Distributors Council**, originally founded in 1984, is a national, non-profit, trade association, which represents the responsible interests of the major



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ATV distributors, as well as the manufacturers, distributors and retail outlets of OHV-related products and services, and individual owners and riders of off-highway vehicles in Canada.

- Member companies such as; Arctic Cat; Can-Am-BRP; Honda; John Deere, Kawasaki; KTM; Polaris; Suzuki and Yamaha are committed to the integrity of the ATV and ROV industry.
- COHV's mission is the ongoing education and training of the general public on the safe and responsible use of all-terrain vehicles and off-road motorcycles as well as to promote the responsible interests of riders and the industry.
- As an industry COHV and its member companies believe that it is important to work with government and the public in our mutual goal of creating balanced legislation that works, is enforceable and includes the very important component of public education and training.