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September 6, 2023

Hon. Lana Popham Minister of Tourism, Arts, Culture and Sport

Email: TACS.Minister@gov.bc.ca

Hon. Brenda Bailey Minister of Jobs, Economic Development and Innovation

E-mail: JEDI.Minister@gov.bc.ca

Hon. Katrine Conroy Minister of Finance

Email: FIN.Minister@gov.bc.ca

Hon. Rob Fleming
Minister of Transportation and
Infrastructure

E-mail: minister.transportation@gov.bc.ca

Re: Letter of support from the Surrey Board of Trade regarding creating an Air Service Attraction Fund for Budget 2024

Dear Ministers,

On behalf of the Surrey Board of Trade and its 6,000 business contacts which employ over 60,000 employees, we write to urge the provincial government to create an Air Service Attraction Fund for budget 2024.

The Government of British Columbia should create a merit-based Air Service Attraction Fund in Budget 2024. The fund will bring government and industry partners together in a partnership to incentivize new international, domestic, and interprovincial air connections and move forward on our shared goals of increased employment, Indigenous reconciliation, climate action, and clean economic growth.

The Surrey Board of Trade is excited about the opportunities that more direct air service would enable for enhancing trade and business relationships between British Columbia and new international markets. These priority markets include the Indo-Pacific, South America, and beyond. International markets are essential to growing local businesses.

The Surrey Board of Trade recognizes that direct air services are a major economic driver for the province. Each new international air route delivers immediate economic impacts, creates local jobs, and stimulates new trade relationships to grow the B.C. economy.

The Air Service Attraction Fund will generate increased overnight visitor expenditure, support tourism jobs across B.C., and accelerate the Province's StrongerBC economic recovery objectives, the Trade Diversification Strategy, and the Strategic Framework for Tourism.

Alongside bringing economic benefits to B.C., this partnership could also be an impact investment that could further our shared priorities in reconciliation – as funding could be



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tailored to incentivize air services that would support B.C.-based airlines and Indigenous tourism operators.

British Columbia's airports are vital community assets and crucial drivers of the provincial economy. While B.C. airport operators are investing substantially to support the rebuild of international air routes, our airports face formidable challenges due to the robust government funding programs that have been established by the Governments of Alberta, Quebec, and Washington State to rebuild air capacity and inbound tourism. This rising level of competition is translating into increased market 'leakage'—meaning that people who should be travelling through YVR are going to Montreal, Calgary, or Seattle instead. We are already seeing the negative impacts here in our province. In 2023, B.C. is projected to have the lowest air capacity recovery among major Canadian provinces, exacerbating impacts on trade, regional connectivity, employment, immigration, and tourism.

A new Air Service Attraction Fund will support British Columbia's tourism recovery by creating an integrated aviation attraction approach. It will allow government, airports, airlines, marketing bodies, other private sector entities work together to attract new or expanded international routes with long-term sustainability to B.C.

Every new international flight to YVR can generate up to \$36 million of economic output in BC, contribute \$19 million to the GDP of our province, and generate 320 new jobs.

In their 2023 budget consultation report, the Select Standing Committee on Finance recognized the importance of funding to attract air services to B.C.. As cross-industry demand has only continued to grow, the Committee has now recommended the creation of an air service attraction fund in their 2024 report to address this clear need.

The B.C. aerospace sector already invests in the attraction of new air services to our province, but a partnership between industry and the Government of British Columbia would be a strong signal to the world that our province is an international destination for trade and tourism.

If you have any questions, please contact me at 604-634-0342 or at email: anita@businessinsurrey.com.

Sincerely,

H. Captain (Navy) Anita Huberman President & CEO, Surrey Board of Trade