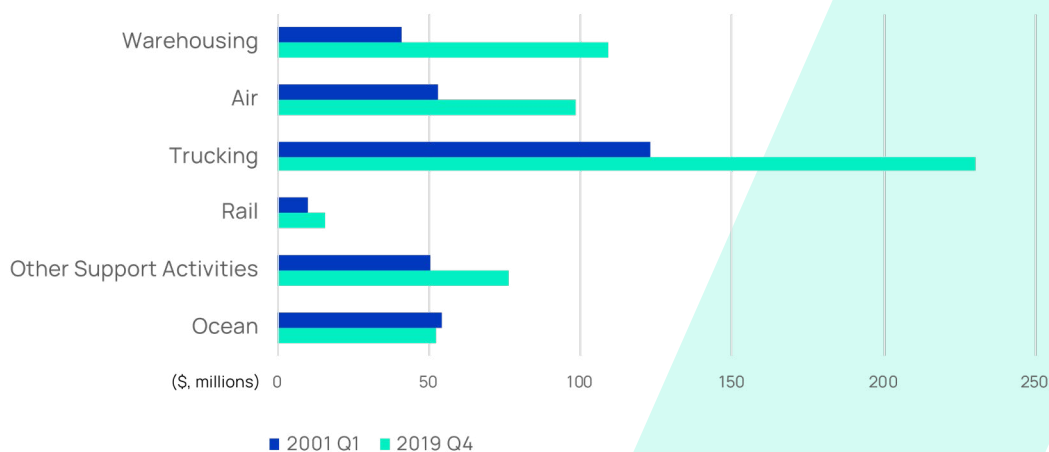# Strategic Industry Analytics Project Industry Spotlight:
Transportation & Logistics

The ports and airport give the Metro Vancouver region a natural advantage in Transportation & Logistics

A strong Transportation & Logistics industry is foundational to facilitate economic activity. The Metro Vancouver region is situated on the west coast and is home to the largest port in Canada and the nation's second busiest international airport by passenger traffic. These assets and the related infrastructure create a strategic advantage in Transportation & Logistics not reflected in the data, and serve as catalysts for economic activity in other sectors. To investigate this important industry, this report snapshot provides a closer look at 29 components encompassing warehousing, air, rail, ocean, trucking, and support activities. [1]

Diving into regional GDP, Figure 1 shows the contribution of the Transportation & Logistics industry, 2001-2019, by mode. Among the industries covered by the SIA project, the impact of the COVID-19 pandemic was greatest in Transportation & Logistics, with air transportation hit the hardest. Using fourth quarter 2019 numbers (the last pre-pandemic) instead of fourth quarter 2020 (the latest available at the time), keeps the focus on the long-term dynamics of the regional economy (and not the pandemic-induced downturn).

Figure 1: Transportation & Logistics contribution to regional GDP by mode, 2001 and 2019, ranked by percentage change (millions of chained 2012 dollars)

SOURCE: INVEST VANCOUVER STRATEGIC INDUSTRIES ANALYTICS PROJECT

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1   Predominantly population-serving components, such as taxi and bus services, were not included. The 29 included components necessarily capture considerable population-serving activity, as it is not possible to separate international from domestic activity, let alone outbound from inbound flows.
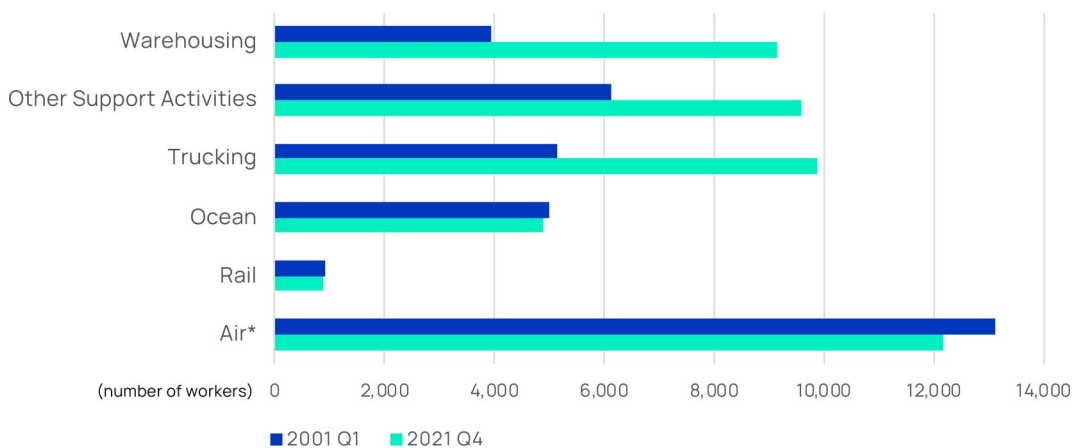
Transportation & Logistics highlights in the Metro Vancouver region:

- The largest growth in GDP can be seen in warehousing, which increased from $41 million in 2001 to $109 million in 2019, a 168% increase. The increase in the prominence of warehousing reflects the shift to e-commerce and online retailers over traditional brick and mortar stores.

- Trucking and air were relatively similar, experiencing an 87% and 85% increase, respectively, while rail increased 59%.

- The only decrease was in ocean transportation, which decreased from $54 million in 2001 to $52 million in 2019, a 4% decrease. Activity at the port, on the other hand, increased substantially, particularly in container traffic and bulk cargo.

Transportation & Logistics is a major employer with rapid growth in warehousing, support activities, and trucking

Figure 2 shows the contribution to regional employment from the Transportation & Logistics industry, 2001-2021, by mode, except for air, which uses 2019 year-end figures.

Figure 2: Transportation & Logistics employment by mode, ranked by percentage change 2001-2021

*Air transportation based on 2019 Q4

SOURCE: INVEST VANCOUVER STRATEGIC INDUSTRIES ANALYTICS PROJECT

Transportation & Logistics highlights in the Metro Vancouver region:

- Despite the increase seen in the air industry's contribution to GDP, employment decreased 7% to 12,186 in 2019.

- The largest employment growth was in warehousing, which saw a 132% increase to 9,134 in 2021.

- Trucking employment grew 92% to 9,858 in 2021.

- Other support activities increased 56% to 9,570 in 2021.

- Rail and ocean transportation both saw small decreases in employment over the period, 3% and 2% respectively. Which suggests both got more efficient, as the volume of containers moving through the Port of Vancouver increased dramatically and bulk cargo tonnage handled increased as well.

About the Strategic Industries Analytics Project

There is a critical need for granular data covering some of the Metro Vancouver region's export-oriented industries to support data-driven identification of economic development opportunities and to guide investment attraction efforts. The Strategic Industries Analytics (SIA) project fills this need with regional datasets for components of selected industries covering 20 years of gross domestic product (GDP), employment, labour hours, and capital stock. Analysis of these datasets supports a granular understanding of key industries. Invest Vancouver is releasing the results to provoke further investigation, discussion, and collaboration among public and private sector stakeholders and will use the analysis to narrow its focus and guide future investment attraction efforts.

Read the full report for more about the regional economy, and more granular findings on industries of interest like High-tech Services and Digital Media & Entertainment.

About Invest Vancouver

Invest Vancouver is the economic development leadership service for the Metro Vancouver region. By working to secure strategic investment, promote the region to a global audience, and advise decision-makers through forward-thinking economic research and policy analysis, Invest Vancouver is amplifying opportunity and advancing shared prosperity for all residents in the region.

Interested in investing in the region's growing Transportation & Logistics industry?

Contact info@investvancouver.ca

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Strategic Industries Analytics Project
Discovering Opportunities in the Metro Vancouver Region's Export Industries
November 2023

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