

Letter from Calin Rovinescu, President and CEO: Our Growing Economic Impact



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A key achievement of Air Canada's transformation has been the rapid expansion of our network, with about 40 new international destinations added since 2012 alone. Each new route provides benefits to customers, municipalities and the economy, but some hold special promise for even greater impact.

A case in point is our recent announcement of routes starting next summer from our Montreal hub, providing non-stop service to Toulouse and Seattle. Beyond the added convenience new flights typically provide visiting families, tourists and business people, as well as more freight and e-commerce, these two routes bring particular advantages for Canada.

They directly link the Montreal region, where much of Canada's aerospace industry is based, to the world's aviation centres for Airbus and Boeing. This creates opportunities to accelerate synergies between these nodes to the benefit of Canada, whose aerospace industry is the world's fifth largest, contributing \$25.5 billion annually to the Canadian economy.

The warm reception our announcements received from industry stakeholders underscores how powerful an economic catalyst Air Canada can be. For example, a study of our Toronto-Pearson global hub, in which we have invested substantially over the last decade, found the airport facilitates 332,000 direct and indirect jobs, including 179,000 attributable to the trade and foreign direct investment supported by our hub.

Similarly, our Vancouver hub connects to the Asia-Pacific like no other, with flights to Beijing, Hong Kong, Shanghai, Tokyo, Seoul, Osaka, Taipei, Sydney, Melbourne and Brisbane. Later this year we will add Auckland, New Zealand.

Impact studies of Air Canada reveal the effects. We spend more than \$10 billion in Canada annually, which generates a total economic output of \$47 billion to the Canadian economy, and we support employment for almost 190,000 people. The five million foreign tourists we flew to Canada last year contributed an additional \$3.4 billion.

Our Toronto, Montreal and Vancouver hubs rank among the 50 most connected international airports (only the United States and China have three or more). Our continued growth will enable us to keep competing globally against the world's largest carriers. This is not only good for customers - giving them choice and convenience - but also essential for Canada





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