

Local spending nearly quadruples impact on SK economy: PwC study

Generates \$1.51 in economic activity for every dollar spent

FOR IMMEDIATE RELEASE:

Saskatoon, SK, September 12, 2019 - A new study reveals that in-province procurement purchases by Saskatchewan resource companies would deliver nearly four times more economic benefit to the province than purchases made from non-Saskatchewan suppliers.

According to the study, each dollar spent exclusively with local suppliers would generate \$1.51 in total economic output for the province, compared to the \$0.39 that would be generated by purchases from out of province suppliers.

“We always knew that purchasing from local suppliers benefitted the province,” says Rob Tebb, Chairman of the Board for the Saskatchewan Industrial and Mining Suppliers Association (SIMSA), “but now we have a more concrete idea how much more impact local spending can have on our local economy.”

Commissioned by SIMSA and performed by PricewaterhouseCoopers, the study used data from current spending patterns plus interviews with SIMSA members to compare the theoretical impact of one dollar spent by a resource company in three ways: 100 percent in-province, 100 percent out of province, and the current 63/37 (excluding utilities) local to out of province spending split.

In addition to overall economic output, the impact of spending on GDP, Jobs (full-time equivalent), Labour Income, and Total Taxes was assessed. A dollar spent with local suppliers would generate \$0.86, in GDP, \$0.34 in labour income, and \$0.18 in tax revenue. That same dollar spent with suppliers outside Saskatchewan would return only \$0.25 in GDP, \$0.13 in labour income and \$0.05 in tax revenue to the province.

The study also tracked the economic impact of spending for out-of-province resource companies on Saskatchewan suppliers, noting that every dollar spent in Saskatchewan generates \$1.12 in economic impact for the province.



SIMSA economic footprint also measured

Concurrent with its study on the total impact of local spending on the province, PWC also assessed the total economic footprint¹ of SIMSA's 207 current supplier-members based on their global and local sales.

According to the study, SIMSA members in 2018 generated:

- \$15.1 billion in revenue
- \$8.263 billion in GDP
- 33,363 FTE¹ jobs
- \$2.1 billion in labour income
- \$2.0 billion in total tax contribution
- \$4.2 million in charitable giving
- \$20.4 million in SaskPower purchases

Based on their sales to their Saskatchewan clients alone, SIMSA members generated a total of \$3.9 billion in output, \$2.1 billion in GDP, \$870 million in labour income, and \$529 million in total tax contribution.

“We’ve grown from 74 to 207 members over the past three years, thanks in large part to in-person events with Saskatchewan resource sector companies like Nutrien, BHP, Cameco, K+S, Mosaic, and Federated Co-op, plus ongoing support from Western Economic Diversification Canada, SaskBuilds, and the Ministry of Trade and Export Development,” says Eric Anderson, SIMSA’s Executive Director. “As more suppliers join us, we can contribute even more to the Saskatchewan economy.”

¹ Total economic footprint includes direct, indirect (supply chain), and induced (employee spending) impacts

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Download the full report at:

simsa.ca/documents



What one procurement dollar means to Saskatchewan:

 When spent with an
 out-of-province supplier

 When spent with an
 in-province supplier


Economic output	\$ 0.39	\$ 1.51
GDP	\$ 0.56	\$ 0.86
Labour income	\$ 0.23	\$ 0.34
Taxes	\$ 0.12	\$ 0.18


The SIMSA Economic Footprint

A summary of the direct, indirect (supply chain), and induced (employee spending) impacts of members of the Saskatchewan Industrial and Mining Suppliers Association (SIMSA) in 2018

Based on global sales



\$15.1 billion
in revenue




\$8.263 billion
in GDP



30,363
FTE jobs



\$2.1 billion
in labour income




\$2.0 billion
in total tax
contribution

Based on sales in Saskatchewan only




\$3.9 billion
in output



\$2.1 billion
in GDP



\$870 million
in labour income



\$529 million
in total tax
contribution

Additional impacts



\$4.2 million
in charitable giving



\$20.4 million
in SaskPower
purchases

