

# Economic Impact Study of the Yarmouth-Maine Ferry

Prepared for the Department of Public Works  
Province of Nova Scotia

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21FSP Advisory Inc.



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## Glossary of Acronyms

BFL – Bay Ferries Ltd.	RoPax – roll-on / roll-off passenger ferry
CAPEX – capital expenditures	SMEs – small and medium sized enterprises
CCS – carbon capture and storage	SOx / NOx / CO <sub>2</sub> - Sulphur oxides; nitrogen oxides; carbon dioxide
DMO – Destination Marketing Organization	Southwest Nova Scotia – encompasses counties of Annapolis, Digby, Yarmouth, Shelburne, and Queens
DPW – Department of Public Works	TNS – Tourism Nova Scotia
EIS – Economic impact study	VES - Nova Scotia Visitor Exit Survey
ETS – European carbon pricing mechanism for shipping	VIC – Visitor Information Centre
FTE – full-time equivalent	WREN – Western Regional Enterprise Network
GHG – greenhouse gas emissions	YASTA – Yarmouth and Acadian Shores Tourism Association
GNS – Government of Nova Scotia	YMF – Yarmouth to Maine Ferry
HSC – high-speed craft	
HST – Harmonized sales tax	
IMO – International Maritime Organization	
IO – input-output modelling / analysis, quantifies direct, indirect, and induced economic effects	
LNG – liquid natural gas	
Mobility tracking – cell-signal data for visitor movement patterns	
Netnography – online ethnography	
NSIO – Nova Scotia Input Output model	
OPEX – operational expenditures	
Pax – passengers	
PSOs – Public Service Obligation(s)	

# Executive Summary

## Introduction

In August 2023 the Government of Nova Scotia (GNS), through the Department of Public Works, (DPW) issued a Request for Proposals (RFP) to undertake an economic impact study (EIS) designed to quantify and clearly describe the economic impact of the Yarmouth to Maine (YMF) Ferry service.

Unlike previous studies, this analysis was specifically focused on the impact of the service on the province as a whole, not just Southwest Nova Scotia.

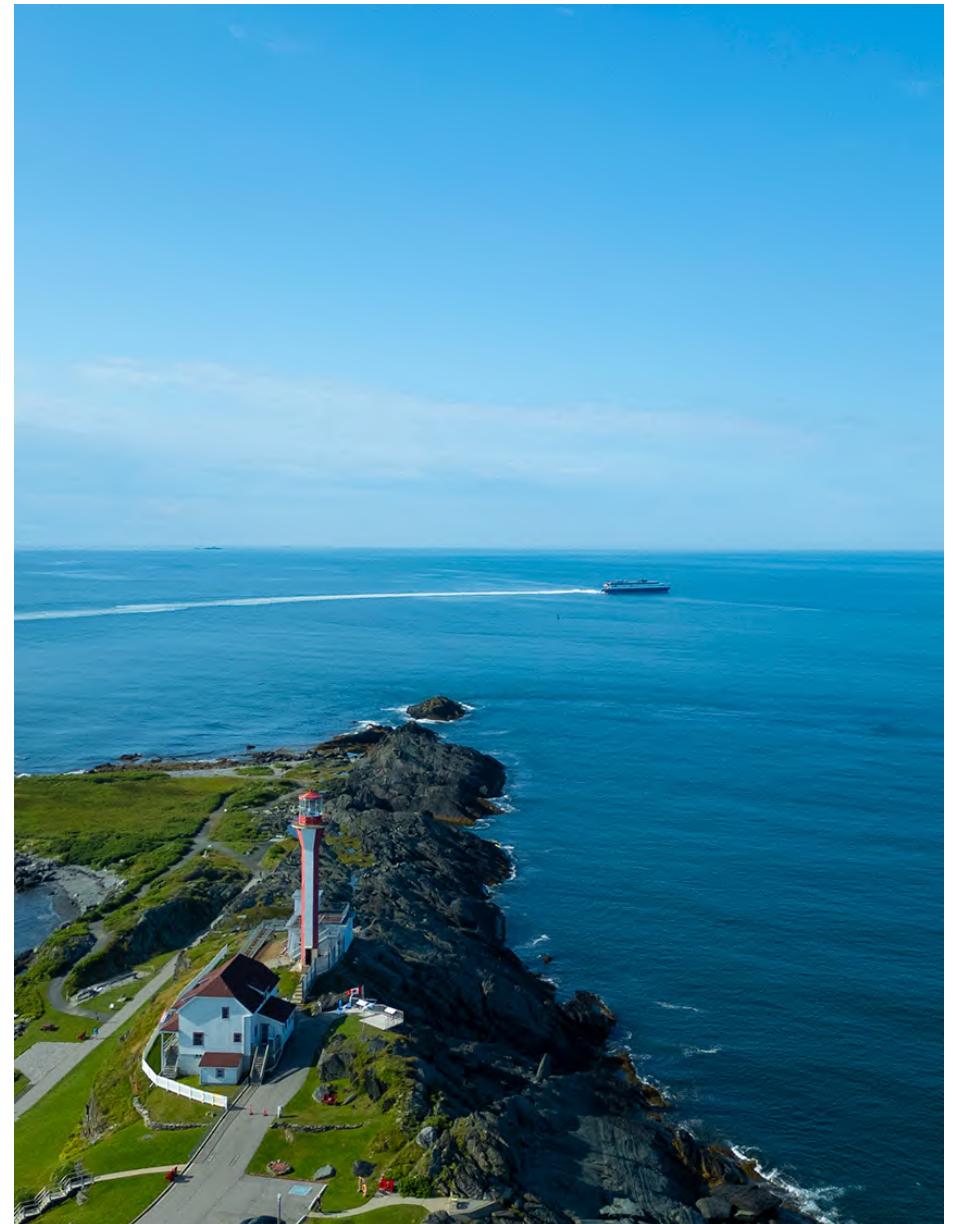
The study was undertaken at a time when the ferry operation was stabilizing following service cancellation during COVID. Because the tourism sector broadly was readjusting following the disruptive impact of the global pandemic, the GNS further specified that the study would be undertaken over two sailing seasons, specifically, 2023 and 2024.

The YMF ferry has been the subject of several previous studies and much public debate over its economic value in comparison to the cost of the service and performance targets attributed to the service outside the agreement with the province.

Largely concentrating on local impacts in Southwest Nova Scotia, these studies were limited in scope and typically initiated as a result of disruptions in the service, whether service cancellation or failed alternative operations.

This study is different. Conducted during an operational phase, its goal was to provide data and evidence for the GNS to inform future decisions regarding the ferry's operational and economic viability. The study took place near the end of the current 10-year contract with Bay Ferries Limited (BFL). As such, the EIS considered a wide range of socio-economic factors, both quantitative and qualitative.

An Interim Progress Report was completed and publicly released by DPW in the Fall of 2024. It provided interim details on the results of the 2023 sailing season and updated progress on the completion of the EIS. At that time, the Government of Nova Scotia extended the current YMF contract for another year to March 31st, 2027.



Building on the Interim Report, an important part of the overall study was to conduct a comprehensive multisource data-collection exercise to both build out the picture of YMF ferry operations, as well as to support the economic impact assessment. Specifically, the Nova Scotia-specific Input-Output (NSIO) model was used to quantify economic contributions in terms of Gross Domestic Product (GDP) impacts, employment (FTEs), labour income, and provincial tax revenues.

Having a broad mandate, the study encompassed the ferry's impact on tourism operators and businesses, supply chains, accommodations providers, investment and access to capital, and on understanding the perspectives of cultural communities, employment impacts, and operator and government revenues.

A mix of quantitative and qualitative methods and multiple lines of inquiry were used to comprehensively address the study mandate, while bringing clarity to the overall economic impacts of the ferry to the Province of Nova Scotia and its taxpayers.

The RFP for this study also raised a number of specific questions related to the Yarmouth-Maine Ferry operation. These are addressed throughout the study report. A summary of responses to these questions is also included in Appendix A.

The RFP noted that broad public engagement was out of scope for this research. Rather, extensive targeted bi-lateral meetings and/or focus sessions with a larger sample of stakeholders provided rich insights and an overall important contribution to the study.

This outreach and engagement with key stakeholders included cultural, linguistic, Indigenous, and African Nova Scotian communities, economic development organizations, tourism and accommodation operators, provincial Destination Marketing Organizations (DMOs), Chambers of Commerce, hoteliers, including Indigenous operators, provincial/municipal political leaders and senior officials, trucking interests, the fishing industry, and international property owners who maintain residences in Nova Scotia.

This is the final report on the economic impact study.

## Background and Context

The YMF is a particularly important and longstanding part of the Southwest Region of the province's transportation ecosystem, with historical and cultural significance.

Since its inception in the 1880s, the ferry service has been intertwined with the region's tourism, trade, and social connectivity. It has served as an important transportation link and cultural bridge between Nova Scotia and New England.

Though a stable operation for decades, the 21st century brought significant disruption, including the 2009 cancellation of the service triggered by the withdrawal of provincial funding, shifting port operations, contractual challenges, a global pandemic wherein service was suspended, and climate-related risks.

These factors, combined with service interruptions, destabilized confidence in the continuity of ferry operations, created uncertainty and impacted business and tourism planners causing significant economic and social impacts.

In addition, these disruptive events catalyzed renewed public debate on the cost and overall value of the service. The 2023–2024 study was designed to bring data-driven objectivity to an often polarized discussion.

As a value-added element to the study and to guide future decision-making, the study team completed a detailed case study on the specifics of the 2009 cancellation, including the immediate aftermath and stimulus efforts that were put in place. Its purpose is to provide deeper insights into the value the ferry brings to the province.

The YMF's origins date back to steamship operations in the 1880s. Key milestones include the MV Bluenose era (1955–1982), Scotia Prince operations (1982–2004), and the introduction of high-speed catamarans under Bay Ferries.

21FSP research

The significance of the case study is that it serves as a cautionary tale on the consequences of hastily removing infrastructure, without understanding the impacts and especially without strategies to mitigate the harm created in doing so.

While a narrower view might be able to justify the decision on fiscal grounds, its effects on employment, tourism, property values, and social well-being – overall community impacts – across the Southwest Region were significant and precipitated the need for further funding to manage and mitigate these impacts.

The case study underscores the ferry's important role as part of the transportation ecosystem and as a vital connector for communities, economies, and cultures between Nova Scotia and New England.

A summary of the case study is included in the report, and an in-depth report is included in Appendix C.

## Findings

Over its history, public discourse in respect to the YMF has often focused on the cost of the service and the perception that it has been overly expensive.

To address this issue, as part of an extensive research and benchmarking exercise, the study team conducted global research, benchmarking and associated analysis to examine the level of subsidy ferries typically receive regionally, nationally and internationally. This enabled an examination of the relative cost of the YMF operations as compared to global analogue ferry operations of a similar size and scale.

The facts and evidence gathered through this phase indicate that **virtually all passenger ferry services in Canada and globally receive government subsidies** to ensure essential connectivity, especially in regions where alternative transportation options are limited, as is the case in Yarmouth, Nova Scotia.

Based on this comprehensive review, **the objective conclusion is that the level of operational support provided by the Government of Nova Scotia for the YMF is neither disproportionately higher or lower than both international and regional analogues.**

## Aggregated Findings

The study utilized extensive data including stakeholder engagement, benchmarking against other ferry operations, netnography, and two full seasons of economic data.

Key findings included:



Visitors arriving via the ferry stay longer and spend more than those arriving via other entry modes.



Strong support exists across the province for continued ferry service.



Predictable and reliable ferry operations promote long-term tourism investment, while uncertainty deters business confidence and excludes tourism planners who most often are planning 2-3 years ahead.



Subsidy levels are consistent with international norms; virtually all passenger ferries receive public support.



With input from the provinces' Destination Management Organizations (DMOs) and tourism operators, the ferry impacts contribute broadly to the province and supports regional equity and resilience, particularly given its role in emergency access and trade diversification.

The analysis of the normalized cost of the service confirms that the YMF is not more expensive than other ferries for either the government (it's within the high-low range of those under the Ferry Services Contribution Program) or the passenger. Detailed information on the cost comparisons is included in **Appendix D**.

As part of the study, a retrospective analysis of contracts for ferry services from Yarmouth to Maine since 2000 was undertaken, along with a detailed examination of the current ten-year contract (now eleven with the one-year extension) with BFL (initial contract in 2016 and amended in 2018). This analysis shows that it shares similar features with most ferry contracts.

From an analysis of the 2016 contract and antecedent events, it is clear that the framers of this contract understood that the YMF operation was not going to be 'profitable' in the typical definition of the term. Rather, its focus was to enhance the tourism sector by bringing high-value, non-Nova Scotia visitors to the province, thereby, benefiting the Province's tourism sector, its operators and associated businesses, while also enhancing the province's brand. The expectation at the time was that any operator of the service would require support for anticipated operating deficits.

Governments everywhere consistently make investments to support sector development. While these investments often return tax revenue and can boost GDP, **the return on investment (ROI) is focused on redistributive impacts toward sector development**. Conceptually, this is the theory that underpins the Government of Nova Scotia's support for the YMF.

The study finds clear evidence of substantial province-wide positive economic impact. The YMF generates significant economic benefits to Nova Scotia, not just to Yarmouth or Southwest NS.

Based on an extensive engagement process with tourism operators, YMF supply chain participants and a province wide online survey, **visitor spending is widespread, with impacts evident in Halifax, Annapolis Valley, and Cape Breton, in addition to Yarmouth**. Tourism spending from ferry passengers supports hundreds of jobs and millions in GDP annually across the province.

The complex details related to these findings are explored in the **Economic Impact Analysis - Methodology and Results** chapter of this report.

In addition, **non-NS and U.S. ferry passengers spend considerably more**

**per capita** than other tourists arriving by air or road. Ferry travellers have longer stays and are more likely than the average visitor to Nova Scotia to stay in paid accommodations, making them high-value visitors.

The study confirms that, over the 2023 and 2024 sailing seasons, the YMF achieved a strong post-COVID recovery and stabilized operations. Passenger volumes have **rebounded post-pandemic**, particularly those drawn from the U.S. market. The two-year data collection window (2023–2024) shows a return to pre-pandemic growth trends.

The results of the input – output analysis confirms that **public investment in the YMF is delivering positive economic return through its distributive impact on growing and strengthening the province's tourism sector**.

The provincial operating subsidy to BFL has been a recurring and substantial public investment made to support the ferry service. Because of this, it has often also been a point of public debate. In this debate, it is important to understand that the subsidy is not a fixed payment but rather a cash deficiency model. Essentially, the GNS covers the shortfall between eligible operational costs and revenue earned through ticket sales and other income. There are also provisions built into the ferry contract to incentivize the operator to save money to the benefit of both parties – BFL and the GNS.

As detailed in the financial analysis chapter, **the study confirms that the province's operating contract is positively impacting the tourism sector in Southwest Nova Scotia and across the province**.

Based on the results of the engagement process undertaken during the study, another key finding is the broad stakeholder support that exists for the ferry.

Provincial DMOs, business organizations, tourism operators, cultural and linguistic communities, municipal elected leaders and senior officials expressed strong support for the ferry.

Some stakeholders also emphasized that the ferry is more than transportation, it's a symbol of regional connection, culture, and opportunity.

Beyond the impact of the ferry operations itself, there are also notable ancillary benefits, the value of which also lie outside the scope of this study. As an international port, Yarmouth hosts dedicated customs clearance capacity. The availability of this service along the South Shore of Nova Scotia

has been a spur for growth in other related tourism activities such as cruise ship visitation in towns along Nova Scotia's South Shore.

In 2023, the province experienced highly destructive wildfires and floods. Considering climate adaptation and emergency management, a later breaking realization in the study has been the perceived value of having another functioning port with international connectivity as an asset in relation to potential challenges requiring emergency response capability. Yarmouth and its ferry service offers this capacity.

Throughout the stakeholder engagement process, a recurrent observation was the importance of the YMF as strategic infrastructure, providing redundancy while supporting cross-border trade, emergency access routes and catalyzing the growth of tourism and cultural organizations.

Stakeholders were also forthright in their assessment of opportunities for better optimization of the YMF. While the economic benefits are evident to stakeholders, they also offered the view that improvements could be made to optimize the service. Recurrent themes were the opportunities to enhance marketing, improve passenger data collection and strengthen linkages with tourism operators province wide. Notably, more certainty over service continuity was highlighted in this regard.

The RFP for the study also noted the importance of considering the vessel used in the YMF service. With an international marine expert on the study team, an analysis of the global shipping sector was undertaken including an examination of both current and future trends in respect to the transformation of the shipping industry.

The research identifies a broad range of contemporary, potentially transformative, initiatives underway. These include electrification, dual fuel (LNG/diesel), green hydrogen, use of wind for propulsion, on-board carbon capture, and storage technologies (CCS), among others.

These emerging and evolving developments are expected to grow and scale. However, presently, considering the state of alternative technology development, the application of many of these new innovations may be constrained by route length, environmental characteristics of the route and the availability of fuels.

Shorter, inshore services align themselves well to electrification and hybridisation. Ships operating in higher traffic volume areas can opt for

alternative fuels as the incentive for developing the supply chain exists.

While electrification is viable for short to medium-distance ferry routes, current battery technology presents challenges for open ocean ferries requiring longer ranges. The energy density of batteries limits their application in long-haul maritime transport. However, advancements in alternative fuels like ammonia and hydrogen are emerging as potential solutions.

As these developments and their innovation intensity are experiencing rapid development, in another contract period for the YMF, the current state of the transformation of the global shipping industry will need to be an important consideration.



## The Economic Impact Analysis

This analysis includes both operational expenditures and visitor spending. It was undertaken using the Nova Scotia-specific Input-Output (NSIO) model to quantify economic contributions in terms of GDP, employment (FTEs), labour income, and provincial tax revenues.

Data sources included passenger surveys (2023–2024), tourism spending profiles, employment and tax data, and ferry operational data and subsidy levels.

Categories of impact are expressed as:

- **Direct impacts:** Spending by ferry passengers, ferry operator expenditures (e.g., wages, fuel), and terminal operations.
- **Indirect impacts:** Business-to-business activity in supply chains.
- **Induced impacts:** Household spending resulting from wages supported by ferry-related activity.

Throughout, our focus was to capture ferry-related impacts that are incremental to the province, exclusively from non-Nova Scotia visitors, whose trips were influenced (in whole or in part) by the availability of the ferry service to isolate incremental, ferry-dependent impacts, thereby, offering a more accurate and policy-relevant picture of the ferry's contribution to Nova Scotia's economy from net new non-resident spending.

The economic impact results are shown in the following table. Scenario 1 applies influence-based weightings from the BFL passenger surveys to estimate the share of visitor spending attributable to the ferry. Scenario 2 applies a flat 41% attribution rate and uses provincial tourism per diems to estimate visitor spending, a conservative, lower-bound approach.

Scenario 1 generates approximately \$42.3 million in GDP at basic prices, \$18.5 million in labour income, and supports an estimated 442 full-time equivalent (FTE) jobs. Provincial revenues associated with this scenario total roughly \$2.71 million, with an additional \$1.50 million in HST revenues. Scenario 2 yields an estimated \$31.4 million in GDP, \$12.1 million in labour income, and 272 FTE jobs. Provincial revenues are estimated at \$1.77 million, with an additional \$798,000 in HST revenues.

	Scenario 1: OPEX + Visitor Spending	Scenario 2: OPEX + Visitor Spending
GDP at basic prices (\$)	\$42.32M	\$31.38M
Labour Income (\$)	\$18.51M	\$12.07M
Employment (FTEs)	442	272
Provincial Revenue (\$)	\$2.71M	\$1.77M
HST	\$1.50M	\$0.80M

These ratios demonstrate that while the service does not break even fiscally, it delivers strong economic returns per dollar of public investment, particularly in terms of jobs, income, and GDP outcomes that extend beyond the provincial balance sheet.

From a public finance perspective, the ferry service continues to represent a net cost to the Province, with the 2024 operating subsidy projected at approximately \$21.3 million. While provincial revenues generated through income and consumption taxes, including an estimated \$1.5 million to \$0.8 million in HST depending on the scenario, help offset this cost, total recoveries cover only 15 to 20 percent of the subsidy. This means the service operates at a fiscal loss when viewed solely through the lens of the provincial treasury. However, as noted, this does not capture the broader economic benefits, strategic value, or regional development impacts generated by the service.

# By the Numbers

## Ferry Visitor Habits and Spending

**8.4 nights**

average nights on trip among non-NS residents  
staying 1+ nights

**\$106**

total personal daily expenditures among non-NS  
residents staying 1+ nights

**60% earn over \$100K**

average passenger annual household income

# By the Numbers

## Regions where passengers spent nights or visited after arriving on the ferry

among non-NS residents (either round-trip or Yarmouth one-way) who stayed one night in NS (2024)

Fundy Shore and  
Annapolis Valley - 50%

Yarmouth and  
Acadian Shores - 77%

South Shore - 57%

Northumberland Shore - 23%

Eastern Shore - 22%

Halifax Metro - 53%

Cape Breton Island - 29%

Primary visitor nationality

**U.S. residents**

Source: The CAT 2024 Passenger Study, Narrative Research, 2025

## Conclusions

Integrating the findings, the input from stakeholders and the economic impact analysis, the clear conclusion is that the YMF continues to be a valued transportation option, positively impacting the tourism sector and supply chain participants in Nova Scotia and regionally.

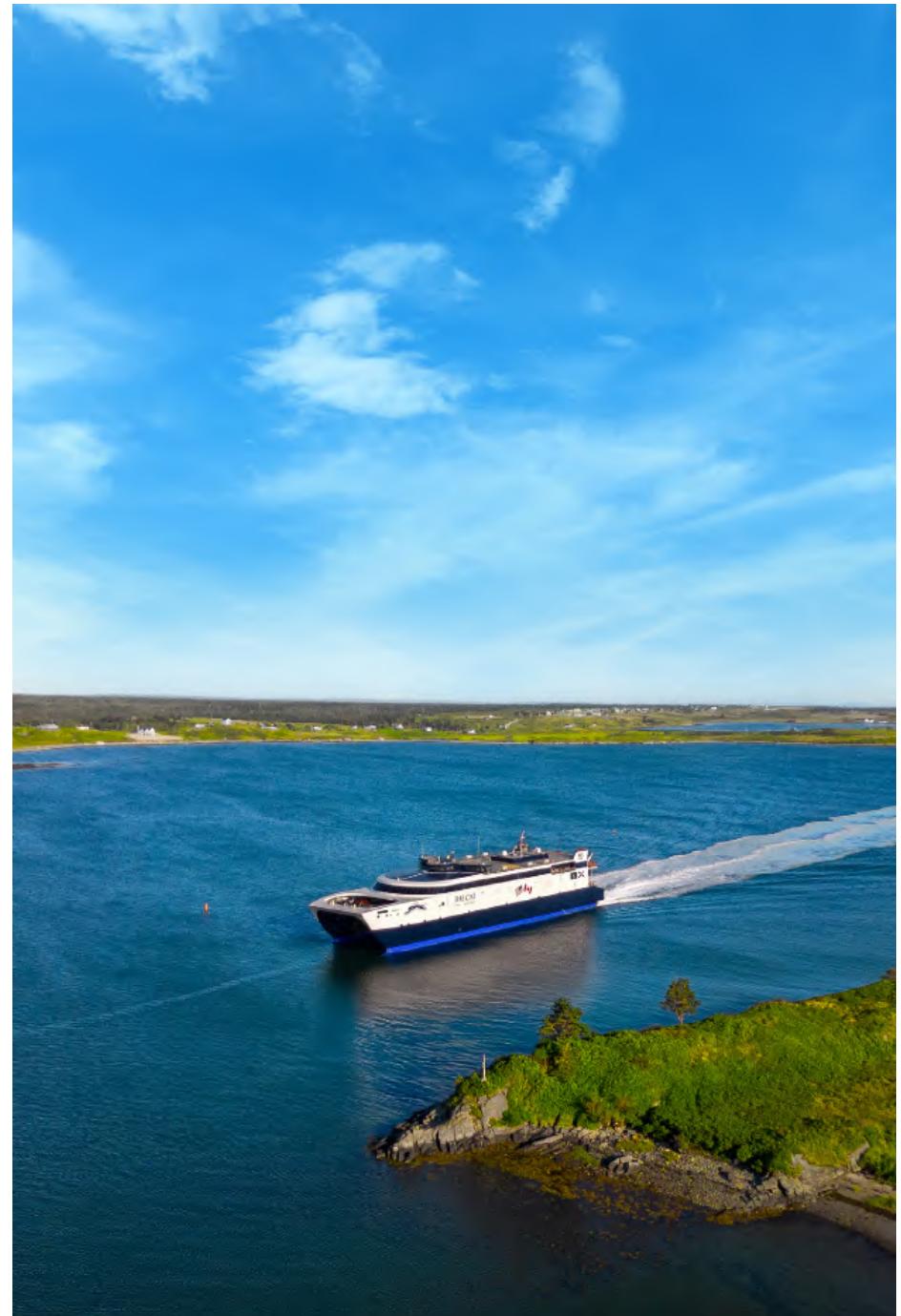
Beyond its economic impact, during the engagement, stakeholders also consistently pointed to the social and cultural significance of ferry operations for the province and the connection with communities and people throughout New England.

The ferry's value proposition is further strengthened in the context of important emerging issues that were advanced by numerous stakeholders during this study. These relate to security and public safety considerations and the reality that Nova Scotia is almost an island and, as such, is vulnerable to climate change and extreme weather events.

The ongoing debate around addressing the challenges related to the Isthmus of Chignecto and its potential vulnerability to flooding is an issue that is very much front of mind for scientists, climatologists and political leaders. In this context, having another access and egress point for Nova Scotia to move people and goods through the YMF ferry and the Port of Yarmouth is a newly emerging and important consideration underscoring the ferry value proposition.

Overall, the study indicates that the ferry delivers a net benefit to the Province by redistributing visitor spending into Nova Scotia communities, particularly in rural areas. The service contributes to employment and household income in the tourism and service sectors and generates incremental tax revenues for both the Province and municipalities. Small businesses, especially those in Southwest Nova, report meaningful gains from ferry-induced travel, while the service also helps connect visitors to destinations across the Province.

The findings suggest that expectations for the ferry should remain realistic and focused on its core strengths: regional economic development, cross-border access, and support for the tourism sector. Comparable operations elsewhere highlight the importance of stable infrastructure, service reliability, and integrated promotion. In this context, the ferry continues to meet its intended objectives, and longer-term investments in infrastructure and marketing could further enhance its contribution to the Province.



# Introduction and Mandate

In 2016, the Province of Nova Scotia entered a ten-year contract with Bay Ferries Limited (BFL) to provide a passenger and car ferry service from the United States through the State of Maine to Nova Scotia through the Town of Yarmouth: the Yarmouth to Maine Ferry (YMF). The contract was set to expire on March 31st, 2026.

The Department of Public Works (DPW) manages the Ferry service contract for the provincial government.

The YMF has been the subject of several previous studies and public debates over its economic value in comparison to the cost of the service. These studies largely concentrate on local impacts in Southwest Nova Scotia, and were typically initiated as a result of disruptions to the service, including service cancellation and challenged or failed alternative operations.

The current Government of Nova Scotia (GNS) initiated an economic impact study (EIS) on the YMF to provide a broader examination of the service to better understand its value proposition for Nova Scotians, tourism operators, and associated businesses; indeed, for the province as a whole.

In August 2023, DPW issued a Request for Proposals (RFP) to undertake an economic impact study. Its focus was to quantify and clearly describe the economic impact of the YMF service. Unlike previous studies, the design of this study specifically focused on the impact of the service on the province as a whole.

The study was undertaken at a time when the ferry operation was stabilizing following cessation of operations during COVID. However, considering that the tourism sector broadly was readjusting following the disruptive impact of the global pandemic, the GNS further specified that the study would be undertaken over two sailing seasons – 2023 and 2024.

Conducting the study over two sailing seasons was important in ensuring that the service had the opportunity to further normalize following disruptions arising from the pandemic and changes to the U.S. port

destination.

In issuing the RFP, the government was seeking time series data and a trends assessment to assist in informing government decision-making in terms of both overall ferry operations, as well as its future. As such, the EIS considered a wide range of socio-economic factors, both quantitative and qualitative.

Following a competitive RFP process, in September 2023, 21FSP Advisory was contracted to complete the EIS for DPW.

An interim [Progress Report](#) was completed and publicly released by DPW in October 2024. It provides details on the results of the 2023 sailing season and progress on the completion of the final EIS. At that time, the GNS extended the YMF contract for another year, to March 31st, 2027.

This is the final report on the economic impact study.



## This Report

This final report includes the results of the two-season study (2023 and 2024) and the economic impact analysis of the YMF ferry operations during that period. The resulting findings are based on extensive data collection and analysis, input-output analysis, and targeted stakeholder engagement.

The report provides a comprehensive analysis of the YMF's impact on Nova Scotia's economy, including its contribution to tourism, local businesses, employment opportunities, and resulting government revenues.

The overall objective of this EIS has been to secure evidence to determine the value proposition that the YMF offers to stakeholders and taxpayers. The study casts a broad net by examining a series of questions addressing a wide range of topics identified in the RFP. These questions are addressed throughout the study report. A summary of responses to these questions is also included in Appendix A.

An important focus of this study has been on the ferry's distributional economic impact on the following:

- Tourism and tourism operators in Southwest Nova Scotia and across the province
- Businesses and small-medium enterprises (SMEs) both in Southwest Nova Scotia and throughout the province
- Employment opportunities for Nova Scotians and associated skills development
- Household and government revenues
- Supply chain development

The study employs both quantitative and qualitative research methodologies, including:

- Economic input-output modeling
- Stakeholder interviews with a wide range of tourism operators, related industry associations, government agencies, and economic development organizations
- Benchmarking against comparable ferry operations in Canada and globally

- Surveys and focus groups
- Historical data analysis, including mobility tracking to assess passenger spending patterns
- As an innovative approach, the study employed netnography to analyze online discourse and sentiment

The study culminates in the completion of the input output analysis. Modelling was conducted using the Nova Scotia Input-Output (NSIO) model, maintained by the Department of Finance and Treasury Board, which is built on Statistics Canada's 2017 Supply and Use Tables.

The NSIO model addresses the direct, indirect, and induced impacts of the ferry operation.

Importantly, the RFP also sought an examination of potential alternate futures considering, among others:

- Visitor and travel trends
- Whether cargo opportunities positively impact the business case
- Whether a different vessel, and perhaps a different passenger experience, might strengthen the YMF's value proposition and enhance economic impact



# Context

As an important element in the transportation ecosystem in Southwest Nova Scotia, the context for this two-season study of the YMF is critically important.

As a starting point, it included an examination of the history of the ferry and its evolution over the years, while also considering the broader implications related to the ferry's presence and availability.

Equally important is the consideration of key factors that have impacted the YMF operations over the past quarter century. These are significant and, arguably, continue to influence ferry operations. This included the cancellation of the ferry in 2009, an event that had a significant impact, particularly on Southwest Nova Scotia. As a value-add, we've completed a case study on the specifics of 2009 cancellation, which provides deeper insights into the value the ferry brings to the province.

Of interest to the GNS in undertaking this study is the matter of the vessel itself and understanding trend lines in shipping and ferry operations that have relevance for future decision making.

More recently, the current trade tensions between Canada and the United States are an important contextual factor in this historically constructive relationship relating to YMF operations.

As a backdrop to the overall study findings, this section of the report explores these complex contextual factors and their implications.

## History

The longevity of this operation and the resulting cultural, economic, and social ties between Nova Scotia and Maine tell a noteworthy and compelling story. Throughout the engagement process, stakeholders offered many observations, stories, and anecdotes about that history and what it has meant to Nova Scotians. A detailed history of the YMF is included in Appendix B as an infographic. It provides a historical timeline since the beginning of the operation in the late 1800s, the type of vessels used, and an accompanying summary of milestone events through the years.

As a transportation link and cultural bridge between Canada and the United States, the YMF service has a rich history. Highlights include:

- **Early Beginnings:** Steamship connections between Yarmouth and Boston/New York began in the 1880s, fostering tourism and trade. Over the years a wide variety of vessels were brought into service. Mid-twentieth century to the end of the century was a period of stability for ferry operations
- **MV Bluenose Era:** In 1955, the MV Bluenose was introduced, operating between Bar Harbor, Maine and Yarmouth, Nova Scotia until 1982
- **Scotia Prince Service:** From 1982 to 2004, the MS Scotia Prince connected Portland, Maine and Yarmouth, enhancing accessibility and tourism
- **The CAT:** Bay Ferries introduced a high-speed catamaran service in 1998, reducing travel time between Yarmouth and Bar Harbor

Beyond its economic impact and utility as an important element of Southwest Nova Scotia's transportation ecosystem, during engagement stakeholders consistently pointed to the social and cultural significance of ferry operations for the province. The ferry is widely seen as having been instrumental in maintaining cultural ties, facilitating exchanges between Nova Scotia and New England. In supporting tourism development, it has enabled visitors to experience the rich heritage and natural beauty of both regions. Overall, the YMF has played a role in connecting communities, supporting economies, and enriching the cultural fabric of the regions it serves.

The 21st century has been a more turbulent time for the YMF. The ferry service experienced several significant disruptions between 1999 and 2024, marked by service cancellations, vessel changes, economic disruptions and currency fluctuations, changes in immigration and border protocols, infrastructure renewals, contractual shifts, a global pandemic precipitating a shutdown of the service, and extreme weather events that have impacted ridership. Throughout much of this period, the service itself has been debated in terms of its cost and value to Nova Scotia, with the debate itself impacting confidence in the continuity of the service.

Public discourse on the YMF has often been highly charged, a factor that underscores the importance of the objectivity this study affords.

In December 2009, BFL ceased its high-speed catamaran service, known as "The Cat," between Yarmouth and Maine. This decision followed the then Nova Scotia government's termination of subsidies, which had amounted to \$18.9 million annually since 2007. The cessation led to economic challenges in Southwest Nova Scotia, particularly affecting tourism and related businesses. The impacts of the cessation of service are explored further in the case study below (see Appendix C for the full case study).

Following the 2009 cancellation, local stakeholders formed the Nova Scotia International Ferry Partnership to advocate for restoring the ferry service.<sup>1</sup> This community-based leadership group highlighted the economic and social impacts of the service's absence, emphasizing its importance for tourism and regional connectivity. At the time, testimonials from business owners and residents underscored the adverse effects on the community and sought to build the case for renewed ferry operations based on analysis and evidence.

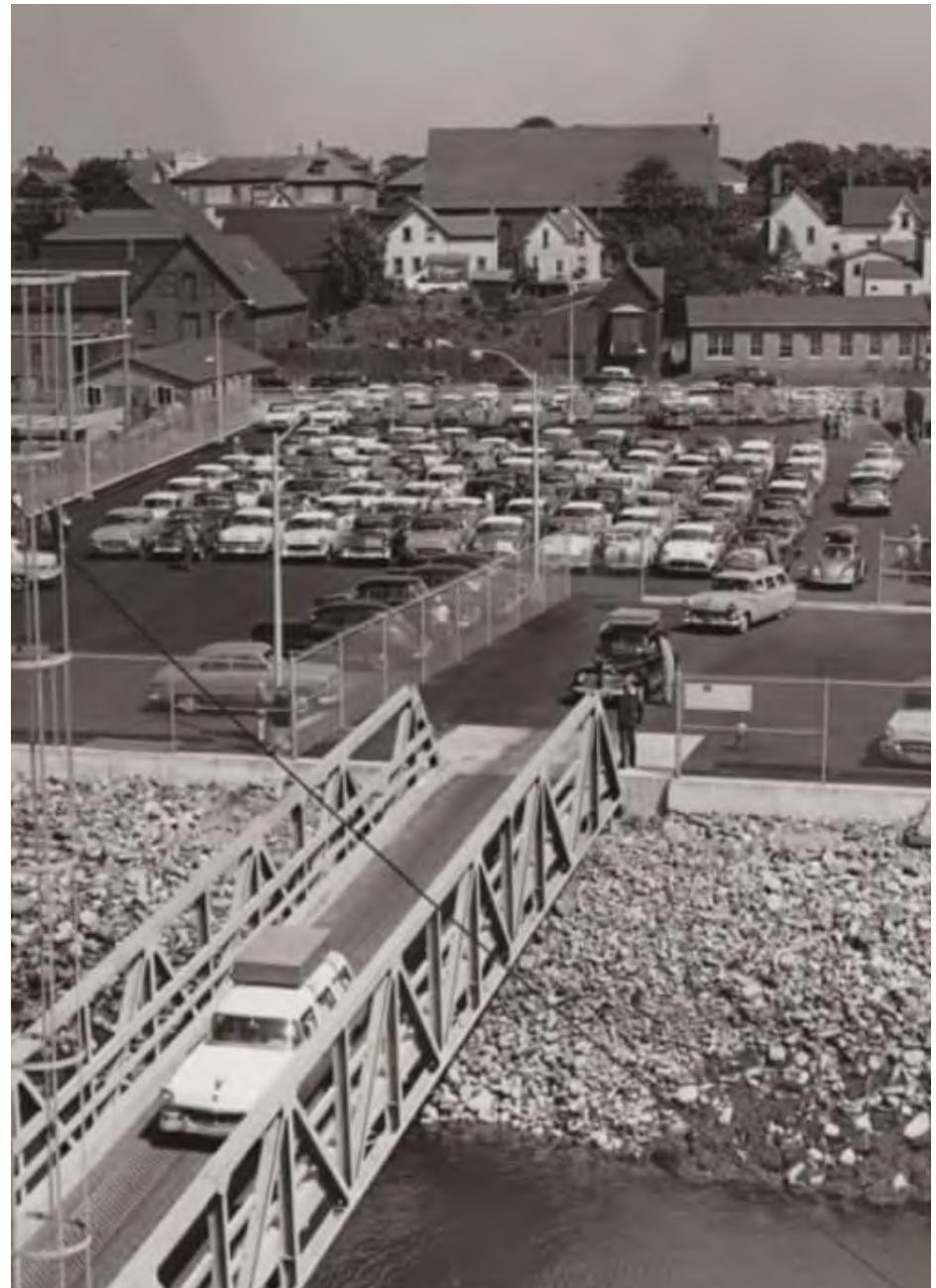


Image Source: Nova Scotia Archives

Other issues that have generated disruption for YMF ferry operations relate to global and local factors.

Globally, major external events have impacted this service. These include:

- The 9/11 terrorist attacks profoundly and permanently impacted U.S.-Canada travel, with major shifts in policies, procedures, and public perceptions related to border security and travel resulting in a remarkably “thicker” border. The Western Hemisphere Travel Initiative (2007-2009) required nationals of certain previously exempt North American jurisdictions to present a passport or other approved document to enter the United States
- The SARS outbreak (2003) led to widespread health fears and travel advisories, causing a sharp decline in tourism
- The 2008-2009 global financial crisis caused prolonged disruption, leading to reduced disposable income, a Canadian dollar that soared above the value of the U.S. dollar, and higher unemployment rates, resulting in a decline in international travel<sup>69+6</sup>
- The H1N1 pandemic in 2009 led to significant health concerns and travel restrictions, temporarily decreasing international travel
- 2010 onward saw significant growth in competitive tourism markets, particularly in Mexico, the Caribbean, and Europe, potentially pulling U.S. visitors away from Canada
- The Covid-19 pandemic beginning in 2020 resulted in closed borders nationally (and provincially within Canada), significantly reducing tourism and travel. The YMF ceased operations for two seasons as a result
- An emerging factor that may positively impact visitor traffic to Nova Scotia is the trend for people in areas that are experiencing prolonged extreme heat waves, particularly from the southern U.S. states wanting to travel to cooler and more temperate areas during the summer as a result of climate change. This trend, dubbed “coolcationing,” was named by Condé Nast Traveler as one of the “biggest travel trends to expect in 2024”
- At the time of writing, the dynamic north-south trade tensions and a greater focus on border security may have further implications on visitor travel

### “Coolcationing”

“For the vast majority of folks, summer holidays used to be about following the sun, seeking the heat – watching the mercury climb and hitting the sands. With the intense, record-breaking temperatures of recent years, however, many are considering travelling in the opposite direction: booking ‘coolcations’ in temperate destinations, which also benefit from being less crowded.”

Source: *Condé Nast Traveller*

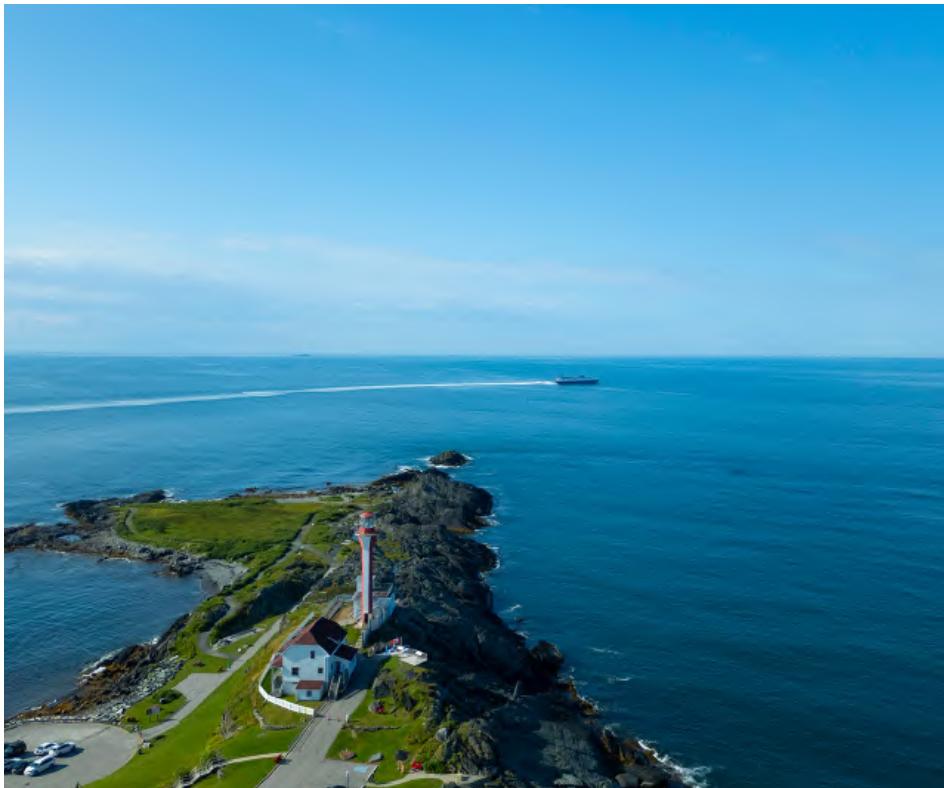
Collectively, these factors have created a paradigm shift in international travel which has had and continues to have a disruptive impact on the YMF and travel to NS more broadly.

***These factors have created further challenges for the YMF, have negatively impacted certainty of ferry availability, pax (pasenger) recruitment and overall ferry operations over the first quarter of the 21st century.***

Within Nova Scotia, events over the past fifteen years have served to further disrupt and complicate YMF operations. These include:

- The decision by the operator in 2009 to suspend the service following the province’s withdrawal of contract financial support
- A 2014 replacement service using a cruise-style ferry – the Nova Star – quickly failed after one year of operation and, as reported by stakeholders, resulted in further disruption and reputational harm among particular market segments
- Attempts to reinitiate a ferry service through a 2016 *Request for Submissions* by the province took time to advance. This resulted in further delays and an accompanying lack of predictability for travel organizations whose planning for visitation and tours is typically undertaken several years in advance. This continuing uncertainty in respect to ferry operations negatively impacted efforts to increase both passenger and revenue growth

- In 2018, the elimination of Portland as a primary port led to further delays as significant upgrades to the Bar Harbor Ferry Terminal were required to meet the requirements of U.S. Customs and Border Protection Services. It is notable that even if the Town of Bar Harbor was willing to welcome truck traffic, its ferry terminal does not have the ability to handle freight as they cannot screen the trucks
- The Covid-19 pandemic precipitated a shutdown of the service in 2020 with a resumption and rebuilding effort only possible in 2022. This rebuilding effort has continued throughout the 2023 season and into 2024, with passenger traffic continuing to grow year over year
- In March 2016, BFL secured a new contract to operate the YMF service. The company chartered the HST-2, a high-speed catamaran previously used by the U.S. Navy, rebranding it as “The CAT.” Service resumed on June 15, 2016, initially operating between Yarmouth and Portland, Maine



## Case Study: 2009 Ferry Cancellation

The closure of the YMF service in 2009 marked a significant disruption for Southwest Nova Scotia, and, indeed, the province as a whole. Precipitated by the cessation of the annual operating grant to Bay Ferries, this decision had far-reaching consequences, notably in terms of economic, tourism, and social impacts.

Lessons learned from the case study analysis offer very useful insights on the impact of the cancellation and into the ferry's value proposition for the area. The detailed case study report is included in Appendix C. This section of the report provides a high level summary of the findings.

This case study analysis relies on a compendium of information from a wide variety of sources including municipal taxation data, real estate metrics, provincial statistics, and an examination of the work of the International Ferry Partnership, as well as extensive discussions with municipal leaders, particularly the Town of Yarmouth, and through input during the stakeholder engagement process.

Comparative analysis was then used to emphasize the ferry cancellation as a principal causal factor. This approach cannot firmly quantify the impact of the cancellation, but in the absence of more detailed data, comparing Yarmouth and the Municipality of the District of Yarmouth (MODY) with total provincial figures can illustrate the extent and specificity of local decline in the context of aggregate provincial growth between 2009 and 2010. In terms of economic and employment impacts, the cessation of the service led to job losses, with estimates of the loss of over 300 positions, primarily in the service and retail sectors. Approximately 80 ferry-related jobs in Yarmouth were lost, and an estimated 40 jobs were impacted on the U.S. side. An economic study in 2012 estimated that reintroducing the ferry could generate 355 jobs and contribute \$12 million to the provincial GDP.

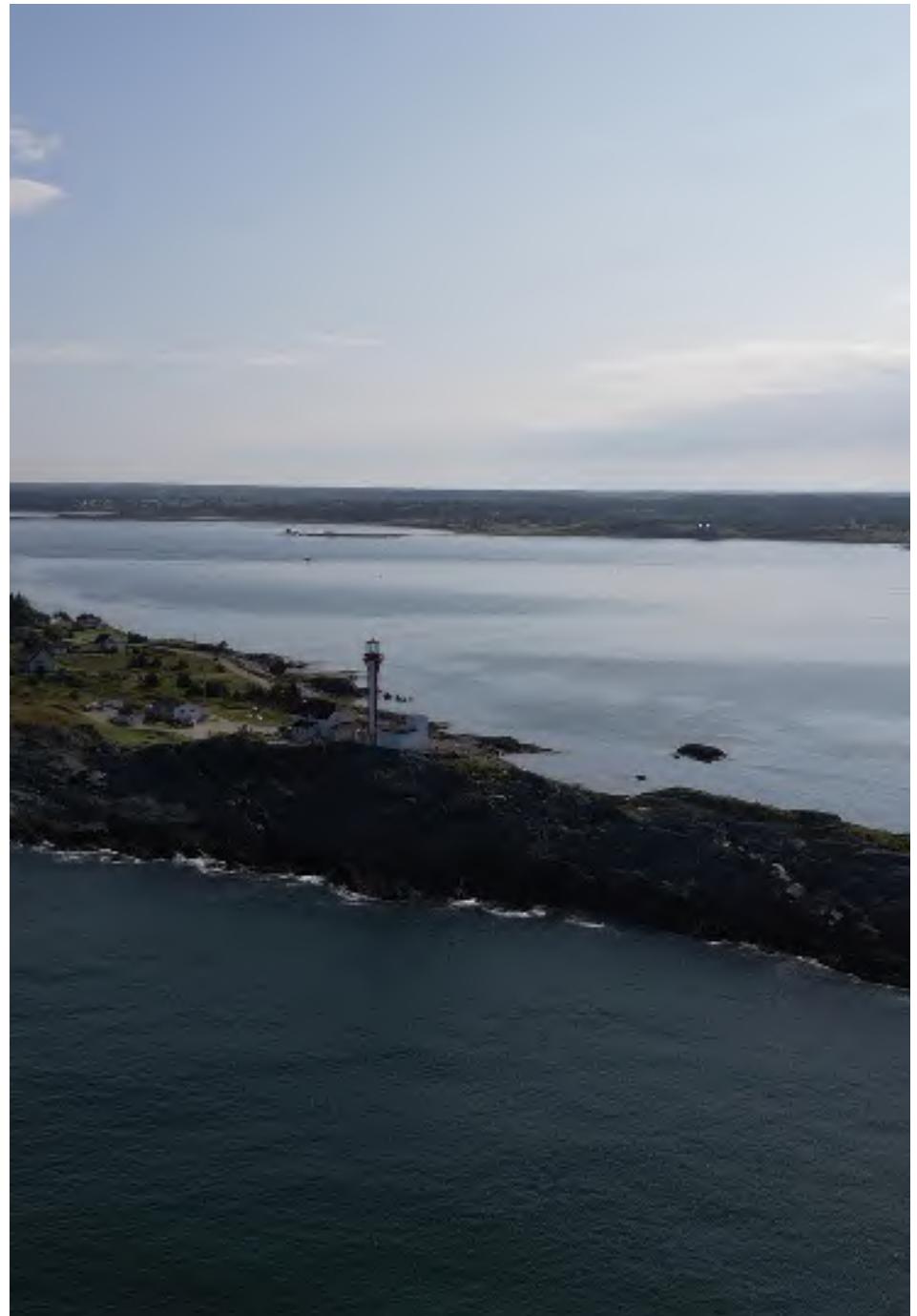
Census data helps to corroborate this picture and put Yarmouth in a provincial context. Between 2006 and 2011, the experienced labour force in Yarmouth declined by 4.5%, and in the Municipality of Yarmouth (MODY) by 7.5%. In the province, the experienced labour force grew over this period by 1.3%. “Experienced labour force” refers to persons who were employed during the census reference period and who were unemployed but who had last worked for pay or in self-employment after January 1 of the previous year (i.e., in this case, 2005 and 2010).

In Yarmouth, the decline was much steeper in the hospitality and broader tourism sector. In Accommodations and Food Services, the labour force dropped by 30% in the Town alone, equating to over 90 jobs lost. More than 34% of the labour force was lost in the Retail Trade (over 200 positions) and over 57% in Arts, Entertainment, and Recreation (40 positions).

In the province, growth in Arts, Entertainment, and Recreation (5.9%) and in Retail Trade (4%) exceeded total industry change (+1.3%). Accommodations and Food Services declined over this period, but only by 1.7% - far below figures in the Town and Municipality.

There was also an accompanying population decline. Between 2006 and 2011, the population of Yarmouth declined by 5.6% and of MODY by 2%, while the population of Nova Scotia grew by slightly less than 1% during this period.

In respect to other tourism impacts, not unexpectedly, there was a notable decline. The cancellation severed an important transportation link between Nova Scotia and New England, resulting in a sharp decline in tourism. In fact, from 2009 to 2013, the Yarmouth region saw a continuous decline in room nights sold, with the steepest drop occurring in 2010-2011. During this period (2009-2013), the Yarmouth and Acadian Shore region saw the **greatest drop among all regions in the province** during the 2009-2010 period (the first year following the cancellation) and the 2012-2013 period, as well as the second largest drop in 2010-2011 (**Figure 1**).



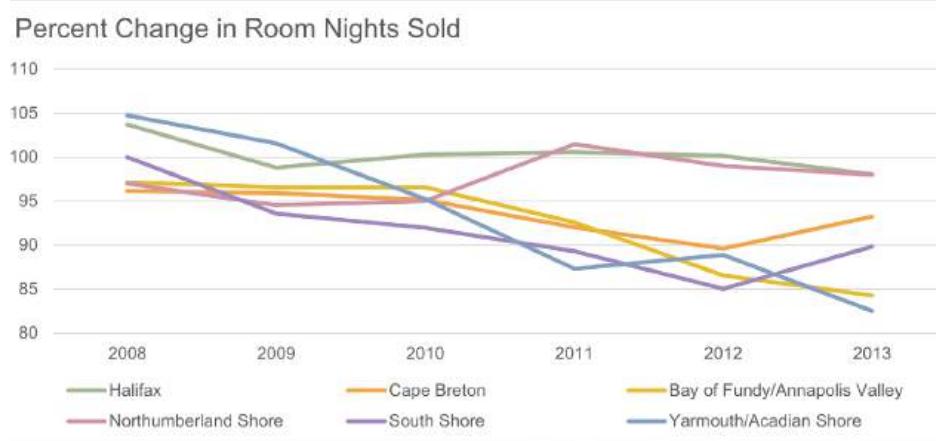


Figure 1. Percent Change in Room Nights Sold. Source: Tourism Nova Scotia

From a community perspective, the closure also contributed to a significant drop in property values. Between 2009 and 2011, Yarmouth County saw a 51% decline in deed transfer tax revenue. In the Town of Yarmouth, property sales were 17.7% below assessed values, signaling a level of economic distress attributed in part to the ferry's termination.

An interesting finding within the case study relates to the social and cultural repercussions arising from the 2009 ferry cancellation. Evidence and stakeholder feedback notes that the ferry closure not only harmed the local economy but also affected the social fabric of the community. There was an increased demand for social services, and surveys indicated a rise in low-income households, with the percentage of people below the after-tax low-income threshold in Yarmouth rising from 19.7% in 2006 to 37.4% in 2011 – an increase of 17.7%. In Nova Scotia, this figure rose from 9.6% in 2006 to 17.4% in 2011 – a substantial increase but far less than in Yarmouth.

Overall, social challenges intensified in the region, including increased demand for housing and food assistance, rising poverty levels, and diminished community morale.

Though not often top of mind, there was also a reported environmental impact. The ferry was seen as essential infrastructure for regional connectivity, helping reduce greenhouse gas emissions by providing a more

efficient route compared to road travel to move an equivalent number of travelers.

Cancellation of the ferry also prompted debate in the Nova Scotia Legislature. The government at the time emphasized fiscal considerations, pointing to declining ridership, increasing operating costs, and external pressures such as post-9/11 passport requirements and fuel prices as factors behind the decision to withdraw the operating grant. Others, including opposition members, highlighted what they saw as the long-term risks of losing a transportation link, drawing attention to potential economic and cultural impacts on the region.

While perspectives on the decision differed, there was general recognition that its aftermath required additional provincial attention, and various measures were introduced to help offset the economic disruption in Southwest Nova Scotia.

While there is not precise information on the additional and reactive spending that the GNS allocated to Southwest Nova Scotia in the aftermath of the ferry cancellation to offset the economic losses and the impact of the cancellation, it is reported to have been significant. This information was confirmed by a number of sources.

The significance of the case study is that it serves as a cautionary tale on the consequences of removing existing infrastructure. While a narrower view can justify the decision on fiscal grounds, its effects on employment, tourism, property values, and social well-being – the overall community impacts across the Southwest Region – were significant. The case study underscores the ferry's role as part of the transportation ecosystem and as a connector for communities, economies, and cultures between Nova Scotia and New England.

*The case study underscores the ferry's importance as a vital economic and social connector, while also exploring the broader implications of discontinuing regional transportation infrastructure.*

## Bar Harbor Redevelopment of the Maine Ferry Terminal Project

Another contextual factor explored as part of this study relates to the current efforts underway in respect to a proposal for a phased ferry terminal redevelopment on the Maine ferry terminal property.

Established in 1956, the Bar Harbor ferry terminal historically served the Bar Harbor to Yarmouth ferry route. When ferry operations ceased in 2009, the property was underutilized. Considering its strategic importance, the Town of Bar Harbor acquired the site from the Maine Department of Transportation in 2019 for \$3.5 million.

In September 2022, Bar Harbor initiated a master planning project to redevelop a portion of the ferry terminal property at 121 Eden Street.<sup>2</sup> The master plan outlines a phased approach to transform the site into a public marina while accommodating ongoing ferry operations.

Town Council approved the conceptual master plan in December 2023, acknowledging the significant investment required and the need for phased implementation. Phase 1, estimated at \$9.2 million, would focus on demolishing the south pier and constructing the boat launch ramp. Subsequent phases depend on funding availability and future decisions regarding ferry operations.

The master plan's phased development reflects Bar Harbor's commitment to maintaining the ferry service while enhancing public access to the waterfront. As long as the ferry operations continue, the redevelopment would focus on the southern section of the property. Should ferry services discontinue, the plan allows for full utilization of the site for marina purposes. This planning approach focuses on ensuring that the property would serve both current transportation needs and future community interests.

However, a further disruption in the YMF ferry service, at any time, could potentially foreclose on the possibility of ever restoring a future service to Bar Harbor if the entire site were to be developed as a marina.

As of April 2025, the town is actively seeking funding for Phase 1, including state and federal grants.



# What We Did and Key Findings

## Introduction

The work plan for the study included the following areas of focus:

- An extensive research and benchmarking exercise
- Comprehensive multi- source data-collection to support the input/ output analysis and deepen understanding of the nuances of the ferry operation
- A review of the 2016 procurement process and RFP analysis
- Targeted engagement with key stakeholders
- Design and deployment of an online province-wide survey of tourism operators and related businesses
- Sectoral analysis related to the impact of the YMF on tourism development
- Trends analysis in shipping with a particular focus on ferry operations

This section of the report describes the process and relevant findings arising from this analysis.

## Research and Benchmarking

In undertaking this analysis, the study team focused on both quantitative and qualitative data, utilizing multiple lines of inquiry and evidence. This included:

- Research (local and international) and benchmarking – over its history, public discourse in respect to the YMF has often focused on the cost of the service and the perception that it has been overly expensive. This has been a frequently cited comment which, to an extent, can be attributed

to the polarized view of the value of the ferry service that evolved over time. To address this issue, the study team conducted global research, benchmarking, and associated analysis to examine the level of subsidy ferries typically receive regionally, nationally, and internationally. This enabled an examination of the relative cost of the YMF operations as compared to global analogue ferry operations of a similar size and scale. The benchmarking exercise also examined the changes that are taking place in the shipping sector globally, particularly in respect to greenhouse gas (GHG) emissions intensity, a matter that is explored in greater detail in a separate analysis below

- An analysis of the value proposition the YMF offers to the province and to Southwest Nova Scotia and its redistributive impact on the tourism sector and operators
- An examination of historical data on ferry operations and how its operation, since 1885, has contributed to the economic, social, and cultural fabric of Southwest Nova Scotia and the province during its operation
- An engagement process, detailed separately below
- Site visits and in-depth provincial research to present as comprehensive a picture of this ferry's operations and impact as possible

A comprehensive analysis of the 2016 RFP process to establish the current contract for the YMF was also undertaken. The focus was on comparing expectations with actual performance over the course of the almost complete 10-year contract. Data was collected from multiple sources, including financial reports, traffic patterns, and passenger surveys.

As an international ferry service, another focus of this study has been on the strategic considerations related to this service, as illustrated in the text box below. An important element of this is the presence of Canadian customs clearance for international passengers arriving on the YMF. This service extends beyond Yarmouth, benefiting the entire South Shore, including visiting yachts and cruise ship operations.

## What's Different

- This study includes the development of a visitor expenditure profile to assess the impact on tourism operators in Southwest Nova Scotia and across the province
- A significant focus is evaluating impacts on small businesses regionally and provincially, providing more granularity than past studies
- The study aimed to quantify various impacts - changes in income, employment, local suppliers, government revenues, and workforce planning to provide deeper insight into the ferry's economic contribution
- This study explores and proposes additional opportunities or changes through a forward-looking approach designed to identify potential growth avenues
- Previous studies and analyses have focused more directly on the local economic benefits associated with this ferry service

## Benchmarking

In the public and political discourse that has evolved around the YMF ferry, from the mid-aughts to present day, there has often been an emphasis on the perceived “lack of profitability” of the YMF ferry in terms of the actual ferry operations. This expectation is not the reality of most global ferry operations and is generally not a threshold that is applied to ferry operations. The study team delved into this factor in considerable detail through a comprehensive benchmarking exercise led by a study team member, an international marine specialist with deep experience in vessel operations.

A central finding is that virtually all combined passenger and car ferry services receive public sector subsidies.

In the European Union (EU), these subsidies often fall under the framework of Public Service Obligations (PSOs), where governments, similar to the GNS' approach of supporting the BFL operations, contract private operators to provide services that serve the public interest but may not be profitable without financial support.

The situation in Canada is similar, with most passenger ferry services receiving government subsidies. The “public interest” in supporting ferry subsidies varies across the individual circumstances related to specific operations.

In the case of the provincial contract with BFL to operate the YMF ferry, **the explicit public interest in the 10-year contract was the ferry's benefit in supporting the provincial tourism industry by attracting international visitors to the province from the United States (U.S.).** The deliberations at the time of establishing the 2016 ten-year contract also took into consideration the history and provenance of international ferry operations between Nova Scotia and the North Eastern United States since 1885.

## Strategic Considerations

Yarmouth is one of 13 designated marine ports for international vessels in Nova Scotia.

Customs and Immigration clearance at the Yarmouth Ferry Terminal enhances economic activity, benefitting the entire South Shore.

The ferry serves as a vital link for Nova Scotia's security and connectivity, particularly considering climate change impacts.

*Progress Report – 21FSP Advisory, October 2024*

An emerging factor that was advanced during this study relates to security considerations. Almost an island, Nova Scotia is vulnerable to climate change and extreme weather events. The ongoing debate around addressing the challenges related to the Isthmus of Chignecto and its potential vulnerability to flooding is an issue that is very much front of mind for scientists, climatologists, and political leaders. **In this context, having another access and egress point for Nova Scotia to move people and goods through the YMF ferry and the Port of Yarmouth is an important consideration underscoring the ferry's value proposition.**

An important element of the study was benchmarking the YMF against similar ferry services in **Canada, the U.S., and Europe**. The focus of this analysis was on government subsidy models, cost efficiency, the changing nature of the shipping industry broadly and long-term operational viability.

Within the Canadian context, the study team examined BC Ferries, Northumberland Ferries Limited (NFL), and Bay Ferries Ltd (BFL). Virtually all of these ferries attract a subsidy from provincial or federal governments.

Globally, the extent of subsidies for passenger ferry services varies by country and region, depending on a variety of factors. These include the strategic importance of the routes, economic considerations, and the availability of alternative transportation modes. In many cases, governments provide financial support to ensure the continuity of services that are vital for regional connectivity and/or for other purposes.

In summary, evidence indicates virtually all passenger ferry services in Canada and elsewhere receive government subsidies to ensure essential connectivity, especially in regions where alternative transportation options are limited, as is the case in Yarmouth, Nova Scotia.

Based on the benchmarking exercise undertaken, Appendix D includes a detailed summary of relevant subsidy comparisons across a range of ferry operations – regionally, nationally, and internationally.



*The level of operational support provided by the Government of Nova Scotia for the YMF is neither disproportionately higher or lower than both international and regional analogues. Overall analysis of the normalized cost of the service confirms that the YMF is not more expensive than other ferries for either the government (it is within the high-low range of those under the Ferry Services Contribution Program) or the passenger.*

The legitimacy and viability of public investments in transportation infrastructure, such as ferries, are well-documented in various studies and reports. These investments often operate at a deficit but yield substantial economic benefits, particularly in enhancing tourism and regional development.

Moreover, comprehensive analyses, such as those conducted by the American Public Transportation Association, reveal that investment in public transit can yield a 5-to-1 economic return, highlighting the broader economic productivity gains from such expenditures.

<https://www.apta.com/wp-content/uploads/APTA-econ-impact-transit-investment-2020-ES.pdf>

## Multi-Source Data Collection

An important part of the study was to conduct a comprehensive multi-source data-collection exercise to both build out the picture of YMF ferry operations as well as to support the economic impact assessment, including the input output analysis.

Having a broad mandate, the study encompassed the ferry's impact on tourism operators and businesses, supply chains, accommodations providers, investment and access to capital, and on understanding the perspectives of cultural communities, employment impacts, and operator and government revenues. The range of data sources utilized throughout the study are noted in the text box on the following page.

A mix of quantitative and qualitative methods and multiple lines of inquiry were used to comprehensively address the study mandate.

As an innovation and to source another data point, the study team also used

sentiment analysis, a form of netnography that is a vital research methodology for the digital era.<sup>3</sup> The focus of this effort was to explore what was being said about the YMF and its operations in the digital realm, including social media channels.

The project scope also involved gathering a range of secondary data from available sources, as well as primary data to assist with building a more comprehensive and evidence-based understanding of the economic impacts of the YMF.

Areas of focus included securing data to support the development of a visitor expenditure profile, examining traffic flows over two sailing seasons (2023 and 2024), assessing the impact on tourism operators in Southwest Nova Scotia and across the province, and bringing clarity to the overall economic benefits and costs of the ferry to the Province of Nova Scotia and its taxpayers.

A wide range of possible impacts were quantified during this analysis, including changes in income, employment, value-added services by local and regional suppliers, government revenues, workforce planning, and the travel trade industry. A comprehensive effort has also been undertaken on evaluating the impacts on small business, including tourism operators, within the region and across the province.

Throughout the study, a rich source of qualitative data arose from the ongoing engagement which continued over the two seasons. Anecdotes, stories and stakeholder insights, including from business leaders, hoteliers, cultural organizations and elected officials served to augment the quantitative data.



## Data Sources

- Provincial expenditures (exp.)
- BFL operational exp. data
- BFL – Passenger Survey reports x 3 years
- Sentiment analysis (netnography)
- Tourism NS Data – multiple years
- Property Valuation Services Corporation
- Municipal statistics
- Citation analysis
- Statistics Canada National Travel Survey
- Mobility data
- Visitor Information Centre (VIC)/Hotel operator data
- File cache – International Ferry Partnership
- Anecdotal sources – Yarmouth and Acadian Shores Tourism Association (YASA), Destination Marketing Organization (DMO), Chambers of Commerce. Western Regional Enterprise Network (WREN), CAO's, cache of correspondence to political leadership
- Historical data
- Qualitative input from stories insights of key stakeholders generated through the engagement process

## 2016 Contract Analysis

A retrospective analysis of contracts for ferry services from Yarmouth to Maine since 2000, along with a detailed examination of the current ten-year contract with BFL (2016 and amended in 2018), shows that it shares similar features with most ferry contracts. The contract sets out the financial arrangements between the parties - the Government of Nova Scotia, through the Department of Public Works, and BFL.

Through this contract, “the Province agrees to provide payments to BFL in respect to the operation of the ferry service equivalent to the total of:

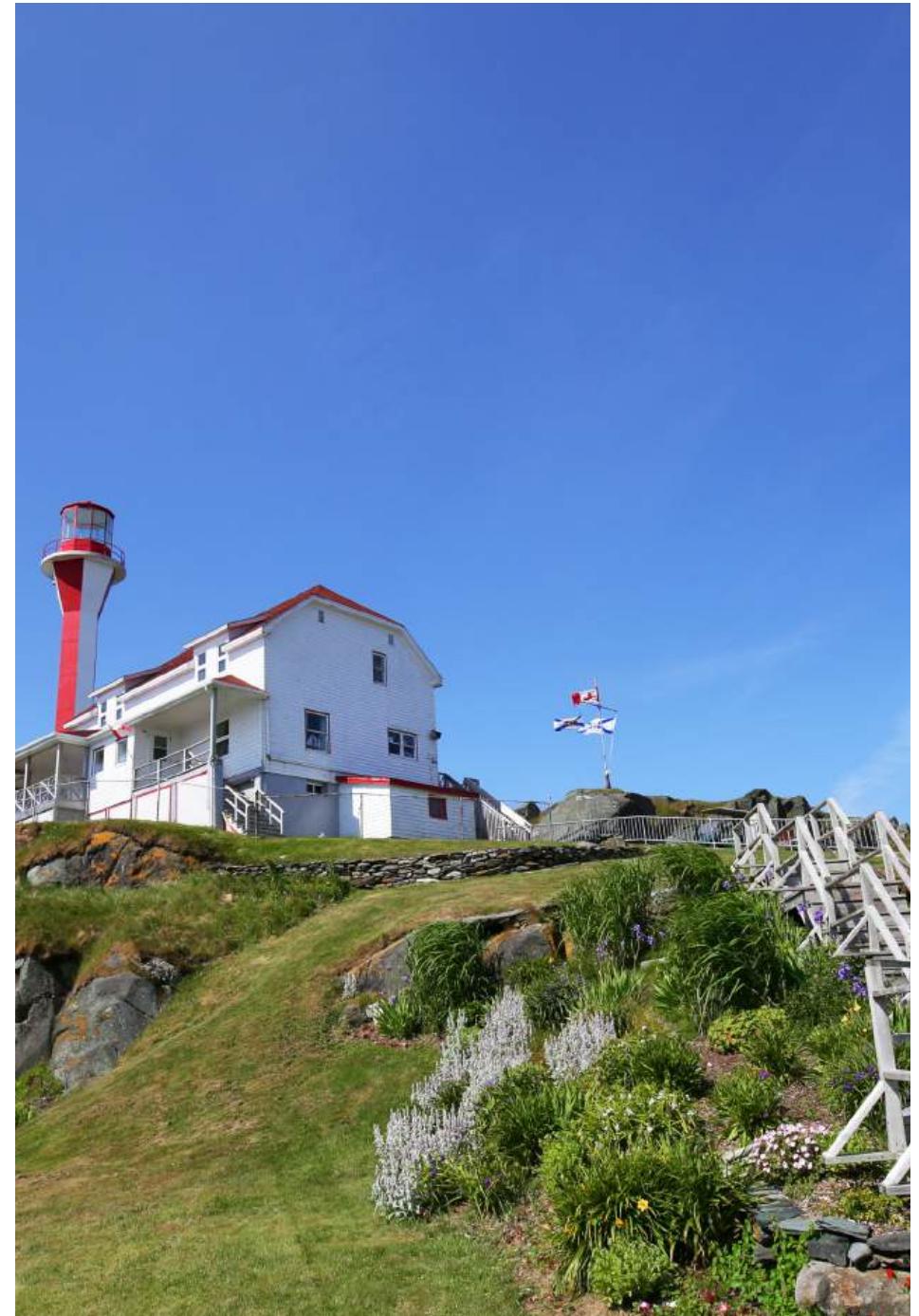
- a. The cash deficiency for the year, and
- b. The Management Fee, subject to any adjustment provided for in the agreement.”

To minimize the ongoing requirement for potential increased provincial funding, the contract also included provisions designed to incentivize the operator to control and, where possible, reduce costs.

The framers of this contract understood that this ferry operation was not going to be “profitable” in the typical definition of the term. **Rather, its focus was to enhance the tourism sector by bringing high-value non-Nova Scotia visitors to the province, thereby benefiting the Province’s tourism operators and associated businesses while enhancing the province’s brand.**

Governments everywhere consistently make investments to support sector development. While these investments often return tax revenue and can boost GDP, the **return on investment (ROI) is focused on redistributive impacts toward sector development** and, conceptually, that is the theory that underpins the Government of Nova Scotia’s (GNS’s) support for the YMF.

*In undertaking this study, the GNS wanted to understand and quantify the impact and value of the distributive impact of this investment in the YMF. The results are summarised in the input/output analysis later in this report.*



## Engagement

The RFP for this study noted that broad public engagement was out of scope for this research. Rather, targeted interviews with a larger sample of affected individuals, small business and industry groups, government officials, and cultural and linguistic cohorts provided rich insights and an overall important contribution to the study.

Focused outreach and engagement with key stakeholder groups included cultural and economic development organizations, tourism and accommodation operators, provincial Destination Marketing Organizations (DMOs), Chambers of Commerce, hoteliers (including Indigenous operators), provincial/municipal political leaders and senior officials, trucking interests, the fishing industry, and international property owners who maintain residences in Nova Scotia.

To secure input from regional and provincial tourism operators and businesses, the study team designed and deployed a province-wide online survey of tourism and business operators. Tourism DMOs helpfully distributed the survey to their respective networks throughout Nova Scotia.

Focus sessions were held with government officials, municipal leaders and elected officials. Engagement also included tourism industry representatives, business associations, and outreach to Indigenous businesses, particularly hoteliers.

Figure 2 provides a summary of those the study team met during the engagement process.

The consultant team used a standard pre-approved methodology throughout the engagement strategy, consistently exploring a broad range of thematic areas to gain stakeholder perspectives on:

- The benefits of the ferry to the province as a whole. An important area of focus was on Southwest Nova Scotia and the entire South Shore of the province, including on local businesses and local employment opportunities
- The impact of the ferry on tourism both in particular areas and throughout the province
- Stakeholder perspectives on the impact experienced during periods when the ferry has not been operational

- Perspectives on type of vessel and the ability to transport cargo
- Perspectives on any infrastructure challenges and how these might be addressed
- As an international ferry, perspectives on the role of government – federal, provincial, municipal

## Stakeholder Input

- Strong support for the ferry in SW Nova Scotia along with demonstrable economic impact for tourism operators and supply chain participants
- General support among provincial DMOs
- Tourism operators/businesses are supportive throughout the province
- Some informants favour a ferry that carries trucks/cargo and operates year round
- Credible data on negative economic impacts when ferry was cancelled or not operating
- Divergence of opinion on operating cost/ticket price – not a consensus
- Availability of customs clearance and, as one of only a handful of designated international ports, Yarmouth is a gateway to other opportunities like cruise ships, super yachts
- Strong concurrence among informants that marketing of the ferry service is very important
- History, provenance, and cultural connections are viewed by stakeholders to be very important

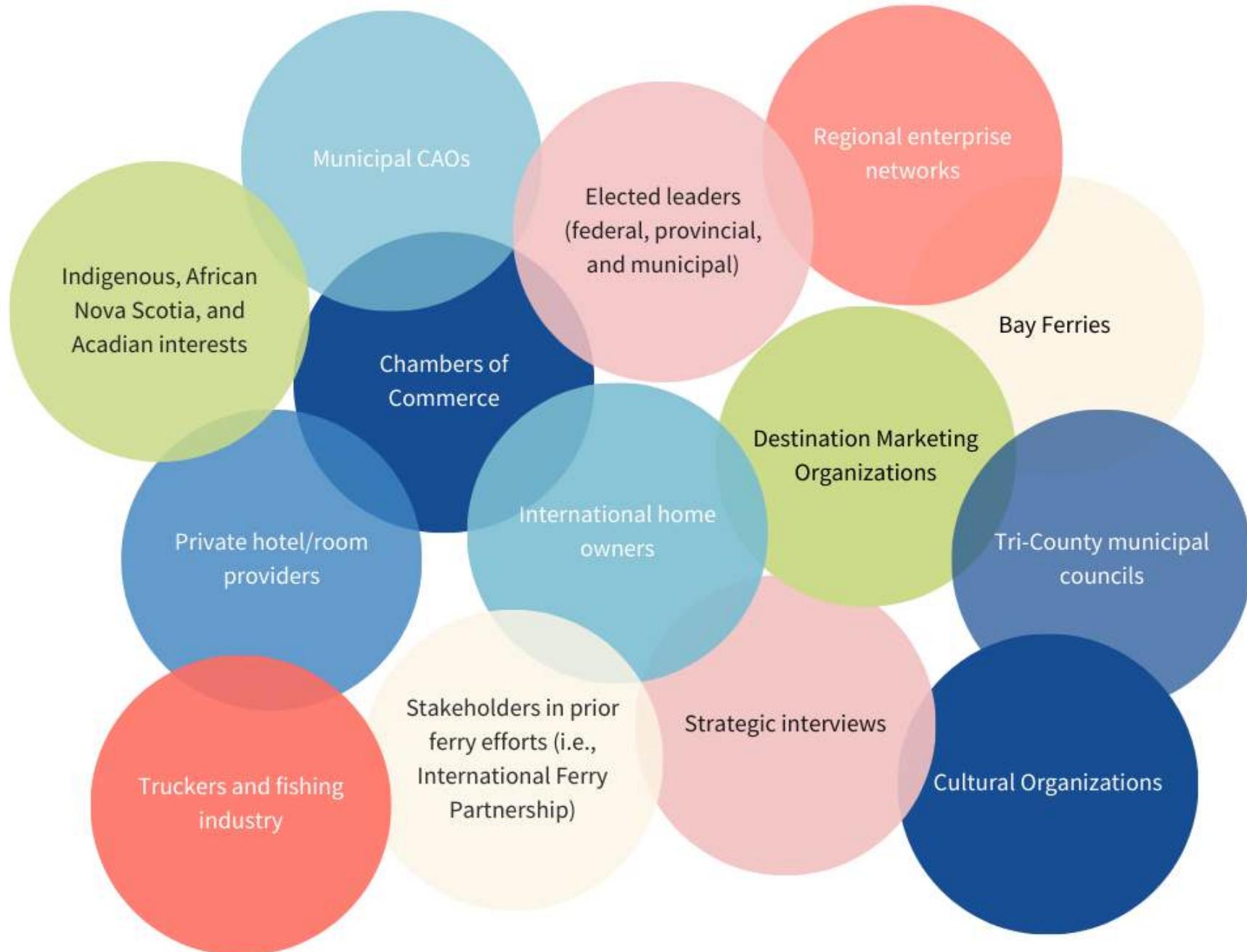


Figure 2. Study Engagement Targets

To encourage candour and ensure that stakeholders were not constrained in bringing forward matters of unique concern and focus for them, the study team consistently invited them to advance any other issues they might want to bring forward for discussion, all under the promise of aggregated and anonymized results reporting.

Throughout the study, the team was also contacted incidentally by many informants, including international property owners, trucking and transportation companies, and others who became aware of the study and wanted to have their voices heard. The engagement process continued throughout the study.

Collectively, these inputs were very valuable, providing a deeper and more nuanced understanding of prevailing views on the economic contributions of this ferry service. Through this process, both qualitative and quantitative findings emerged which are addressed in this, the final report.

The study team is deeply appreciative of this input and the generosity of time key stakeholders lent to the process, ultimately, a testament to the level of interest in the study and its outcome.



## What We Heard: Highlights

Key findings arising from the engagement process undertaken during the study include the following:

- There is staunch support for the ferry in Southwest Nova Scotia across all municipalities. Key proximate municipalities have provided financial support and cost sharing on ferry-related infrastructure in recognition of the benefits the ferry operation brings to their area. There is broad recognition of the YMF's high value to Nova Scotia's tourism sector. Tourism operators consistently comment on the importance of marketing as a valuable tool in driving ferry passenger volumes and Nova Scotia visitation. They also point to the importance of "stability." It is well known that tour operators plan two to three seasons ahead. In that context, the ongoing uncertainty in relation to YMF operations has meant that tour operators often do not consider this service, thereby negatively impacting passenger and revenue growth possibilities
- As one of a handful of designated "ports of entry" in the province, having CBSA customs clearance in Yarmouth benefits Southwest Nova Scotia, as well as the entire South Shore. Stakeholders value the availability of this service within a broad geography in Southwest Nova Scotia and along the South Shore
- At a time when climate change and broader security concerns are very much front of mind, stakeholders consistently pointed to the importance of the YMF and the Port of Yarmouth as another access/egress point for commerce, shipping, and passenger travel (goods and people movement) in an **emergency management context. This is also a prominent issue for local municipalities**
- Stakeholders were reflective on the issue of the **role of government** in relation to ferry operations. The divesture of ports and airports by the federal government in the nineties was an issue that frequently came up across stakeholders and within focus sessions. Yarmouth, in particular, has experienced what stakeholders alluded to as the "double whammy" in having lost its airport and federal oversight of the port that is home to the YMF. Stakeholders assert that because the ferry service is international, there is an even more compelling argument for federal support and ongoing involvement. Stakeholders note that municipalities have stepped up with funding and governance, but most agree that this level of government is not in an ideal position to address

the ongoing cost intensity of an asset like the port. The province and the federal government has also stepped up on infrastructure projects and the federal government has supported the CBSA office at the ferry terminal which provides benefits beyond the port. Stakeholders were also quick to point out that there is outstanding deferred maintenance and infrastructure upgrades required at the port to the level of ~\$20- \$30 million. **Notwithstanding, and particularly when considering that ports along the south shore of the province may become more important in an emergency management context, stakeholders assert that senior level government funding and management is now more important than ever**

- The strong economic impact of the ferry is demonstrable throughout Southwest Nova Scotia (through employment, investment, business confidence, etc.). This is detailed in the input output analysis later in this report
- The Bar Harbor Ferry Terminal is not designed or configured to accept or process truck traffic. Local communities around Bar Harbor have not expressed support for having commercial trucks from the ferry travelling through their neighbourhoods
- The fishing industry in Southwest Nova Scotia has a settled pattern of using the Digby-Saint John Ferry for purposes of moving product into the U.S. Northeast and beyond, though some stakeholders, including truckers and others in the goods movement sector, would like to see a year-round ferry operation in Yarmouth that could also be used to move fishery related and other local products into the U.S. Northeast. Considering the current trade tensions between Canada and the U.S., depending on the extent to which market diversification for Nova Scotia's fishery related products may evolve, this issue may become more or less prominent in the future
- The existing rhythm of one return trip daily is an approach that is clearly favoured by hoteliers/accommodation providers. They believe this is the right operational model to optimize economic impact and they strongly support its continuation
- There are significant supply chain (vessel service, fuel, concessions) impacts and crew accommodation impacts, owing to Bay Ferries' local procurement of these services. These impacts are detailed and captured in the input output analysis section of this report. These impacts would

be demonstrably greater if the province or an operator contracted by the province were to own the vessel that provides the service, supporting the creation of more jobs in Nova Scotia

- There is a diversity of opinions on the type of vessel for the YMF. Not everyone likes the fast ferry; some would like to see a cruise ferry. For those who are resistant to the fast ferry as a primary vehicle, the concerns largely relate to the perceived environmental impact related to fuel consumption metrics for fast ferries. However, as noted in the following section on trends analysis in shipping, fuel consumption and emissions intensity for fast ferries is directly linked to the speed of a particular ferry. **When the YMF ferry operates at its usual historical pace, using only 50% of engine power and speed, its emissions are naturally much lower**
- Some informants expressed that the economic impact of U.S. property owners who use the ferry has historically been overlooked. These visitors tend to remain in the province for several months. Many have family that visit during their tenure here. In many cases, these visitors are also using the ferry. Though it is difficult to precisely calculate the economic impact of the international property owner cohort due to lack of data, anecdotally, stakeholders believe that their presence in the province for a longer period of time has a positive impact on the communities in which their residences are located because they are buying groceries, using local contractors for home maintenance and purchasing fuel, among other activities that support local businesses
- In respect to the ferry service itself, informants uniformly rated the vessel and crew highly notably mentioning the ease of loading/unloading vehicles, getting from the car deck, employee service, and vessel cleanliness
- Discussions with hoteliers and business organizations underscored the importance of the ferry in creating the right climate to support investment in accommodations and services. Many of these informants referenced the negative economic and social impacts that happened with the cancellation of the ferry contract in 2009. Through the engagement process a number of informants shared information on abandoned projects, projects not started, operations closed and other similar stories. The subtext in this feedback consistently emphasized that **predictability and greater certainty around the ferry operation is**

**required.** According to stakeholders, this challenge exists to the present. Without consistency, specific stakeholders noted several investment projects (a new hotel, a student residence that in the summer would provide hostel-type accommodations, reopening and/or upgrading of closed accommodations, as examples) that had been abandoned or shelved because of the uncertainty around the ferry's future. For tourist operators the "certainty issue" also impacts use of the ferry by tourism planners who typically plan several seasons ahead. **Not knowing whether the ferry is going to operate significantly impacts growth in ridership**

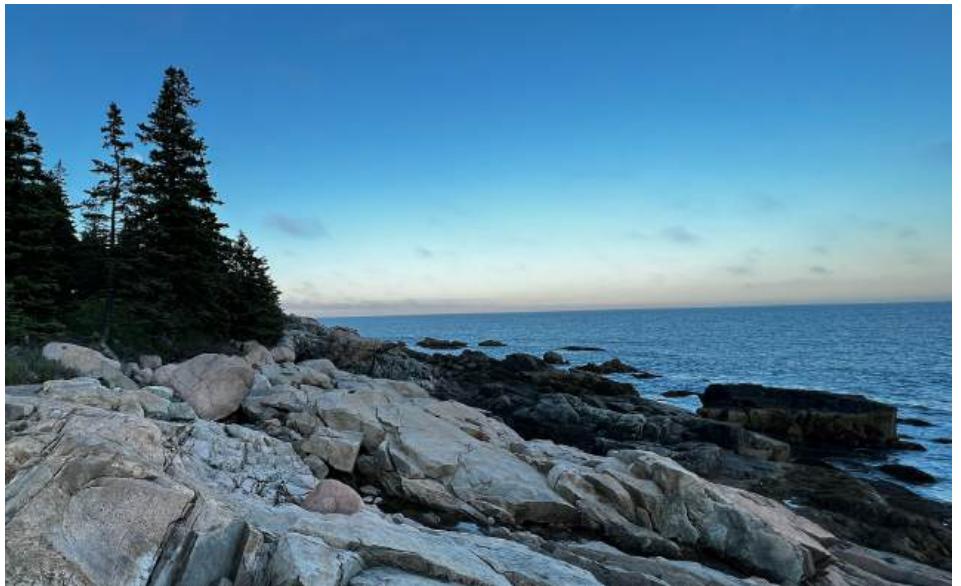
- In respect to the immediately foregoing point on the need for certainty, the GNS's October 2024 announcement of the extension of the ferry contract for one year (to include the 2026-2027 season beyond the expiry of the current 10-year contract on March 31, 2026) was well received by stakeholders. It provided the certainty of ferry operations for at least the next two sailing seasons
- A number of key informants expressed a desire for the tourism industry and operators to "up their game" in the quality of the offerings, particularly, hours open, customer service, among other factors identified. Some pointed to the sporadic nature of ferry operations as at least part of the causative factor for these perceived shortcomings. There was, however, a message in this input that suggests a need for more collaborative planning, regional coordination and effective marketing of the province's and the region's assets (Southwest Nova Scotia, the Annapolis Valley and along the South Shore of the province)
- Considering the province's recent experiences in climate related emergencies, including wild fires, floods, concerns related to the maintenance of road and rail connectivity through the Isthmus, among other factors, an increasing theme emanating from key informants throughout the study was **the importance of the YMF and the Port of Yarmouth as an access/egress point and a vital asset to support the transport of goods and people in the case of an emergency.** This is an issue that has not been a prominent factor in the past, but because of these recent experiences, it is an issue that is expected to continue as an ongoing consideration underscoring the importance of the service and the connectivity it engenders
- Even before the trade tensions with the U.S., informants had economic

diversification in mind. In an area of the province where the local economy is dominated by resource based industries – forestry, the fishery and, in some cases, extractive industries - growth in the tourism industry is seen as important factor in diversifying the local economy and the ferry is seen to be a foundational element in its success.

- Marketing was a consistent and recurrent theme throughout the study. It was repeatedly advanced by stakeholders, including DMO's, tourism operators, hoteliers, and business associations. Effective marketing is seen a means to drive both overall passenger growth and tourism spending, and to highlight the province's value proposition as a destination. Presently, the operating contract between the Province and BFL provides for just under \$2M annually for marketing the ferry service (based on the 2024/2025 operating budget). BFL also collaborates with Tourism Nova Scotia (TNS) on ferry marketing. There is an opportunity to more effectively leverage the \$2 million marketing component of the ferry operator contract
- As referenced earlier, because the public debate on the YMF has, at times, been so highly charged, and as an innovation in recognition that communication channels have significantly evolved in the digital environment, the study team included netnography as another method to gather data. This type of research taps into media discourse, social media activity, and online community contexts to better understand perspectives on the YMF's operations. Data was scraped from social media platforms (Instagram, Facebook, X/Twitter, and Youtube), discussion platforms (Reddit), and news media sources covering the 2023-2025 period.<sup>4</sup> Key high-level findings include:
  - **Mentions of the ferry service are seasonal and event-triggered:** Public conversation clusters around three main pulses: (a) spring timetable announcements, (b) mid-summer first-hand travel posts, and (c) autumn budget debates
  - **Perception of the ferry is divided by channel, not by issue:** Positive sentiment (>40 %) dominates mainstream news, LinkedIn, and visual platforms; negative sentiment (>30 %) resides almost exclusively in Reddit threads and a handful of X/Twitter discussions. Each channel seems to represent a distinct stakeholder micro-public
  - **Cost and subsidy are the primary topic driving negative sentiment:** The recurring sentiment—"“\$30 M tax burden for a ferry I don’t use”—is the main negative comment about the service

- **Economic-impact storytelling is persuasive, and siloed:** Ridership growth and visitor-spend figures resonate strongly in B2B venues (news, LinkedIn) but are underrepresented in consumer arenas (social media)
- **Customer experience is a strategic asset:** Traveller-generated content (Instagram reels, YouTube vlogs, Tripadvisor reviews) skews decisively positive, highlighting speed, onboard service, and “mini-cruise” appeal
- **Operational friction points are niche - but influential:** Reddit users cite late evening arrivals, weather cancellations, and onboard pricing as pain-points. While low in volume, these detailed critiques shape decision-making among repeat and high-information travellers
- **Perceptions diverge geographically:** Nova Scotians debate taxpayer ROI; Mainers view the ferry as a leisure shortcut
- **Heritage and cross-border culture are nice topics:** Posts invoking shared maritime history and Acadian/New England ties deliver above-average engagement but appear sporadically
- **Historical volatility fuels latent uncertainty:** References to past route changes and service interruptions keep questions about long-term viability in circulation

On one level, the YMF is simply a transportation utility. Though international, it basically carries cars and passengers. During the engagement, stakeholders were quick to point out that Southwest Nova Scotia faces several transportation constraints and infrastructure deficits that impact regional connectivity, economic development, and public safety. Key issues include – the absence of rail, no commercial air travel, highway infrastructure deficits and critical transportation infrastructure that is increasingly vulnerable to extreme weather events, among others. In this context, the criticality of the YMF as a vital transportation link is amplified, a point that was repeatedly referenced by a disparate range of stakeholders.



To complement stakeholder meetings, the study team distributed an online survey through DMOs to tourism operators and related businesses across Nova Scotia. A total of 144 responses were received, most from business owners in the province. The results highlight a strong sense among respondents that the YMF plays a meaningful role in their operations. For example, many noted they would likely need to reduce staff if the service were discontinued, and more than two-thirds said the ferry is important for generating demand for their products or services. Others pointed to uncertainty around ferry operations as a factor that has influenced their business investment decisions.

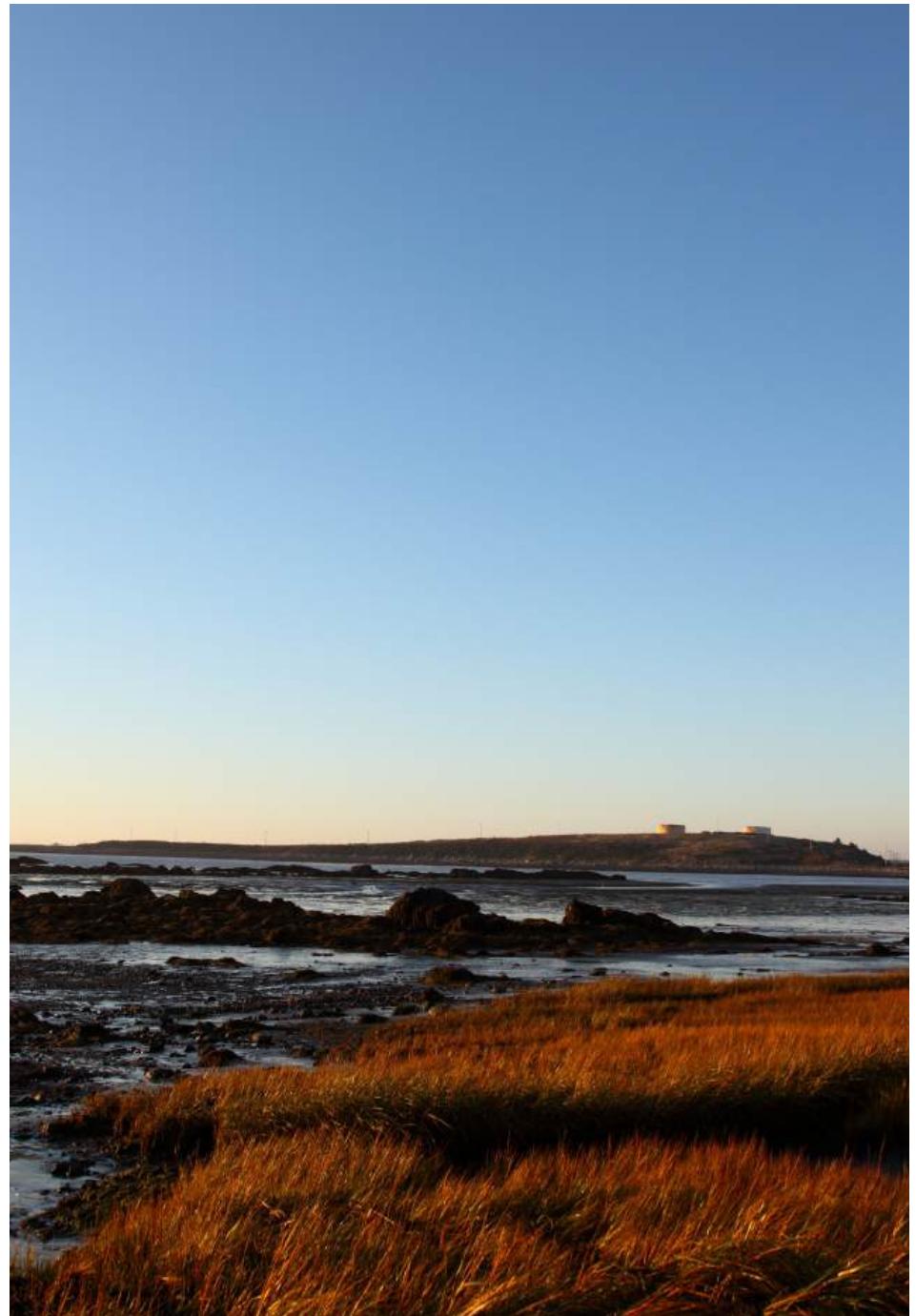
While the survey does not represent the entire provincial tourism sector, it offers a window into the views of businesses that are directly and indirectly connected to the service, and echoes what stakeholders and shared during the engagement.

Overall, key informants understood and appreciated that the focus of provincial funding to the YMF was about the ferry operation’s role in bringing mostly U.S. visitors to the province and building the provincial tourism sector. The distributive impact of government investment is evaluated not by farebox recovery, but by the broader economic and regional benefits that

the service delivers. Like other investments governments make in sector development, this **distributive impact** in the context of tourism manifests in several key ways:

- **Regional economic stimulation** - Ferries act as gateways to under-visited or rural regions, channeling tourism dollars into communities that may otherwise see limited visitor traffic
- **Tourism sector growth and average stay extension** - Subsidized ferry routes help attract **high-value, vehicle-based travelers** who tend to stay longer and spend more than air or cruise passengers
- **Equity in regional development** - Investment in ferry infrastructure helps **distribute economic activity** more evenly across the province, aligning with place-based economic development goals
- **Broadening access to support tourism development** - Ferries offer another access point, removing transportation barriers that can deter international visitors. In the Southwest Nova Scotia context, this access builds on a long and well-documented history of cross-border travel and connectivity.
- **Fiscal return on investment** - Though the ferry may run at a **financial loss**, the net fiscal return to government can be positive when considering increased tax revenue from tourism spending (HST, income tax, fuel tax, etc.), business licensing and development fees and avoided costs of rural decline or underutilized infrastructure

*The research bears out that government subsidies for international ferry operations can be economically legitimate and viable when evaluated through the lens of strategic tourism development and regional equity. The ferry is not just a mode of transport - it is a catalyst for distributed economic growth, helping to build more inclusive, resilient, and place-based tourism economies.*



## Sectoral Analysis: The Shipping Industry in a Period of Transition

An area of interest in the RFP issued for this study was the matter of vessel choice for this route. In answering the question related to the optimal type of vessel for a YMF service, the study team has undertaken an analysis of contemporary trends in the shipping industry, particularly as related to greenhouse gas emissions (GHGs). The global shipping industry, responsible for approximately 3% of global GHG emissions, is actively pursuing strategies to decarbonize.

Against this backdrop, it is important to consider the economic contribution of global ferry operations:

- Globally, ferry operations supported 1.1 million jobs and contributed \$60 billion to global GDP in 2019 (this is the most recent data, as per Interferry/Oxford Economics)<sup>5</sup>
- The global passenger ferries market was valued at USD 9.77 billion in 2023 and is projected to grow to USD 13.73 billion by 2032, reflecting a compound annual growth rate (CAGR) of 3.9%<sup>6</sup>

Broadly, socioeconomic benefits include enhancing transport options (accessibility), creating local jobs (reducing unemployment), and increased property values and regional identity (community impacts). During the engagement process associated with the study of the YMF, all of these factors were identified by stakeholders.

Like many other sectors, globally, the shipping industry is undergoing significant disruption and transformational change primarily related to the reduction of GHG emission intensity from sector operations.

As noted in the adjoining text box, updated in February 2025, the 2023 International Maritime Organization (IMO) Strategy on GHG Emissions from Ships<sup>7</sup> (the 2023 IMO GHG Strategy) embodies a vision and outlines efforts to address greenhouse gas (GHG) emissions from international shipping.

Another authoritative body, the International Transport Forum, recognizes that shipping decarbonization can be accelerated by using alternative fuels (such as sustainable biofuels, hydrogen, and ammonia), electrifying ships, and using wind power.

During the two-year course of this study, changes in the shipping sector

continued apace including:

- **Electrification** - has gained significant momentum, particularly in the ferry sector. Electric ferries are increasingly being deployed for short, regular routes where charging infrastructure can be efficiently utilized
- **Dual-fuel systems** - to navigate the transition towards greener fuels amidst ongoing uncertainties and emerging technologies, many shipping companies have invested in dual-fuel vessels capable of operating on both traditional marine fuels and alternative options like liquefied natural gas (LNG) or methanol
- **Innovations in fast ferries** - fast ferries have seen remarkable innovations aimed at reducing emissions. Hydrofoil technology, which allows vessels to “fly” above the water, significantly reduces drag and energy consumption. While not a new technology, these are now being trialled widely in various applications
- **Additional measures** - beyond electrification and dual-fuel systems, the industry is exploring other measures to reduce emissions emphasizing the adoption of low- and zero- emission fuels, such as green ammonia and methanol, and modernizing shipbuilding practices

In February 2025, the International Maritime Organization (IMO) convened the 18th Intersessional Working Group on Reduction of Greenhouse Gas (GHG) Emissions from Ships (ISWG-GHG 18) to advance efforts in curbing emissions within the maritime sector. This meeting was a continuation of the IMO's commitment, as outlined in the 2023 IMO GHG Strategy, which aims for net-zero GHG emissions from international shipping by or around 2050.

<https://www.imo.org/en/MediaCentre/MeetingSummaries/Pages/ISWG-GHG-18.aspx>



As reflected in the adjoining text box, these efforts are evolving and are expected to continue to accelerate, enhancing the value proposition of shipping as a sustainable source of movement for goods and people.

Predominantly, the significant shipping related initiatives documented during the study have focused on the reduction of GHGs. Driven by regulatory requirements, including from the International Maritime Organisation (IMO), the quest is to reduce emissions of sulfur oxide (SO<sub>x</sub>), nitrogen oxide (NO<sub>x</sub>), and carbon dioxide (CO<sub>2</sub>), while also measuring a ship's energy performance via the Carbon Intensity Indicator. Regions such as the European Union (EU) are now taxing a ship's well to wake (life-cycle analysis) emissions through the Emissions Trading Scheme (EU ETS).

As noted and based on research and analysis to date, future trends in respect to the transformation of the shipping industry consistently points to a range of contemporary key initiatives underway - electrification, dual fuel – LNG/diesel, green hydrogen, use of wind for propulsion, on board carbon capture, and storage technologies (CCS), among others. Buquebus in Argentina brought a 2100 passenger, 225 car all electric fast ferry into service for the 145 nautical mile route on the Rio de la Plata in 2023.<sup>8</sup> In Norway, Fjord1 has introduced a fleet of all electric RoPax ferries for crossing the fjords in Norway.

These early developments are expected to grow and scale. However, presently, considering the state of alternative technology development, the application of many of these new innovations may be constrained by route length, environmental characteristics of the route, or the availability of fuels. Shorter, inshore services align themselves well to electrification and hybridisation. Ships operating in higher traffic volume areas can opt for alternative fuels as the incentive for developing the supply chain exists.

While electrification is viable for short- to medium-distance ferry routes, current battery technology presents challenges for open ocean ferries requiring longer ranges. The energy density of batteries limits their application in long-haul maritime transport. However, advancements in alternative fuels like ammonia and hydrogen are emerging as potential solutions. For example, in the U.S., a 67-year-old tugboat was recently retrofitted to operate on ammonia, showcasing the potential of such fuels in achieving zero-emission propulsion for larger vessels.<sup>9</sup>

**The YMF route presently requires a vessel capable of operating in a high sea state on a seasonal basis which limits both design and the desirability of developing an alternative fuel supply at this time. This is likely to change over time as the technology and use of alternative fuels advances.**

Notwithstanding that high speed craft (HSC) burn more fuel than conventional vessels, research has shown that slower vessels emit less exhaust gas compared to high-speed ones.<sup>10</sup> According to OCEANA, even a 20% reduction in ferry speed can lead to a 50% reduction in air pollutants. Reduction in CO<sub>2</sub> emissions is one of the main challenges for the shipping industry and for vessels.

*In this study, BFL reports that its ferry typically runs at 50% of its engine's capacity, a factor that positively impacts emissions intensity.*

## An Evolving Sector

Ferries operate along the established route, connecting key destinations, islands, or crossing points. In urban areas, ferries offer an alternative to road transportation, providing faster and less congested routes for daily commuters. Moreover, during natural calamities, ferries serve as crucial assets for evacuating people and transporting essential relief supplies.

Growing technological advancements in Artificial Intelligence (AI) and machine learning and an increasing focus on autonomous ferries drives the market growth. In recent years, many autonomous technologies have been introduced to improve operational efficiency and reduce crew workload. These may include automated mooring systems, auto-pilot functions, and remote monitoring of critical systems. Additionally, there is a growing trend of greener energy sources, such as liquefied natural gas (LNG) or hydrogen as alternative fuels to reduce greenhouse gas emissions and promote cleaner operations, thereby increasing the demand for passenger ferries market growth across the globe.

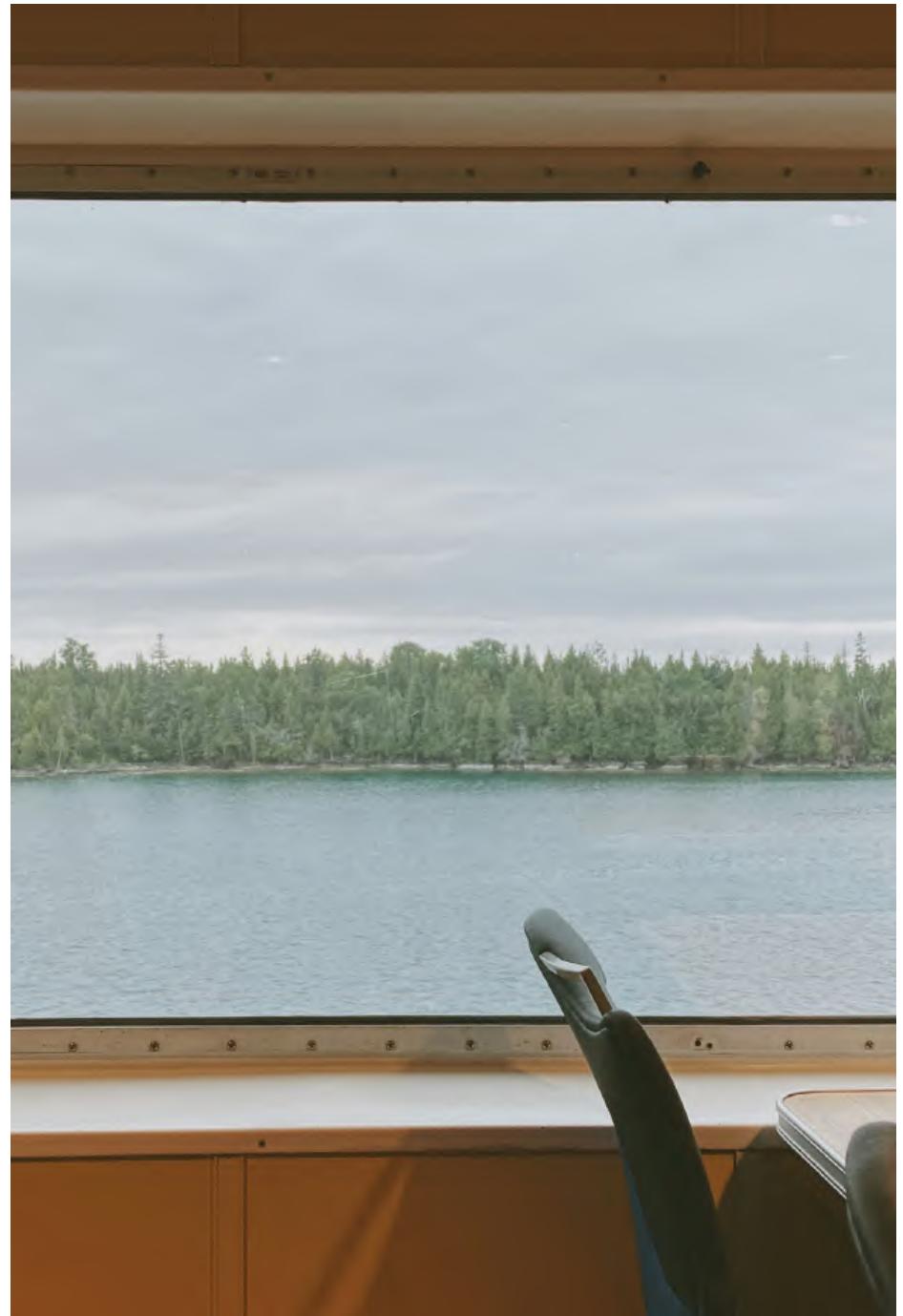
Source: <https://www.fortunebusinessinsights.com/passenger-ferries-market-103655>

The future of fast ferries is likely to see continued advancements in technology and design to improve speed, efficiency, and sustainability. Improved hull designs, means of propulsion, automation, and hull coatings will all help to improve efficiency through the water and thus reduce the energy needed to reach a desired speed. Improvements in terminal design and vehicle loading systems may also be developed to improve the turn around time in port and reduce the vessel speed required to achieve the desired itinerary timetable. Additionally, the integration of digital technologies such as smart ticketing systems and real-time tracking will likely become more prevalent to enhance the passenger experience.

In summary, the maritime industry is actively exploring and implementing various technologies, including hybrid systems, alternative fuels, and electrification to meet GHG emission reduction targets. While electrification is currently more feasible for shorter routes, ongoing innovations in fuel technologies hold promise for sustainable open ocean ferry operations in the future.

Overall, the research shows that the future of fast ferries is expected to focus on sustainability, efficiency, and passenger comfort.

*Going forward, these trends must continue to be tracked and considered in future ferry contracts.*



# Economic Impact Analysis - Methodology and Results

The intent of this study is to better understand the economic impact of the ferry service on the province as a whole.

This section outlines the methodology used to estimate the economic impact of the ferry service from 2016 to 2024, and the results of the analysis.

## Methodology

The analysis includes both operational expenditures and visitor spending and applies the Nova Scotia-specific Input-Output (NSIO) model to quantify economic contributions in terms of GDP, employment (FTEs), labour income, and provincial tax revenues.

The NSIO is operated and maintained by the Department of Finance and Treasury Board's Economics and Statistics Division (ESD). The model was made available for the purpose of estimating the economic impacts associated with the ferry service.

21FSP was responsible for developing the input data used to run its NSIO model. The analysis focuses on the two sailing seasons that were the focus of the study – 2023 and 2024.

Our methodology is built on detailed data collected from BFL, Tourism Nova Scotia, and the Department of Public Works. We developed a data template to standardize collection from BFL and to also ensure comparability across multiple operating years.

Throughout, our focus was to capture ferry-related impacts that are incremental to the province, exclusively from non-resident visitors, whose trips were influenced (in whole or in part) by the availability of the ferry service. As detailed below, our strategy was to use information on trip motivation to isolate incremental, ferry-dependent impacts, thereby offering a more accurate and policy-relevant picture of the ferry's contribution to

Nova Scotia's economy from *net new non-resident spending*.

Considering the high degree of public investment and scrutiny associated with the service, our methodology emphasizes attribution, transparency, and sensitivity testing, balancing robust analytics with the real-world complexity of disentangling travel motivations and spending behaviour.

Toward this, we quantify and present a range of economic impacts reflective of two scenarios – reflecting a range of per person spending levels, as well as significance of the ferry in choosing to visit Nova Scotia. The resulting high-low range that emerges is a result of using two different sources consistently using the same or similar data points. This is explained more fully below.

Earlier sections of the report provide insight into the regional movement of visitors, offering a qualitative understanding of where ferry-enabled tourism activity is most likely to occur.

## Data Collection and Inputs

As indicated throughout this report, a number of data sources were considered. To further ground the analysis in empirical evidence, the comprehensive data collection template requested standardized data from BFL for operating years from 2016 through 2024 on the following:

**Operational data:** Operational data were gathered from BFL and the Department of Public Works and included:

- Annual operating expenditures and revenues
- Ticket sales and government subsidies (2016–2024 actuals; 2025 estimate)
- Staffing levels (PT, FT, seasonal) across terminals, vessels, and call centres

- Allocation of spending by detailed category (e.g., fuel, labour, marketing)

In 2024, this included detailed line-item financial data that was collected which supported a robust operational analysis.

**Visitor Data (2016–2024):** BFL supplied detailed annual visitor data disaggregated by origin (U.S., NS, other Canada, international) on:

- Total passengers and travel party bookings
- Average party size and two-way travel share
- Unique passenger counts, excluding repeat legs
- Average trip duration (nights spent in NS) by origin
- Average and total spending by category (accommodation, food, fuel, shopping, recreation, etc.)
- Influence of the ferry on travellers' decision to visit NS (on a 4-point scale)

This data was based on robust annual Passenger Surveys conducted for BFL by an independent market research company.

The 2024 study shows a ferry service that is strengthening its economic contribution (compared to the previous 2 years), and delivering a consistently positive experience to visitors. It also highlights a few areas for further improvement.

The 2024 season saw a substantial increase in total unique passengers, rising to 37,269 (this includes resident and non-resident), up from 29,048 in 2023, a notable recovery in post-pandemic travel volumes and exceeding the rate of recovery experienced by other modes of transportation to Canada. The report also shows that the majority of passengers continue to be older, more affluent, and well-educated travellers, primarily from the U.S. Northeast and Canada. The average age ticked up to 61 years, with many passengers being retirees or working professionals.

**Derived data:** Using information from the above sources, and where required, we also derived additional variables (e.g., per diem, total unique non-NS spend) using data fields provided by BFL, or collected from Tourism Nova Scotia, including, for example:

- Estimate of unique non-NS visitor counts

- Adjusted for group travel behaviour
- Derived per-diem and per-trip spending averages

TNS data was used to cross-check visitor spending and test alternative ferry-influence / trip motivation assumptions, and their impact on incremental visitor spending.

Although the scope of our study was to consider both the 2023 and 2024 seasons, **we ultimately expanded our analysis to cover the period from 2016 to 2024 inclusively.** The extended time range for the analysis did not require significantly increased data collection or preparation while adding perspective on YMF outcomes following periods of interruption.

During this period of analysis, the service shifted from Portland to Bar Harbor in late 2018, with the first scheduled Bar Harbor-Yarmouth sailing planned for the summer of 2019. Delays to upgrades at the Bar Harbor terminal pushed the inaugural season back, and the actual launch of service from Bar Harbor occurred in May 2022. The second important event was the global Covid-19 pandemic, which resulted in the shutdown of the ferry service for the 2020 and 2021 seasons.

## Approach to Visitor Impact Modelling

Visitor-related impacts described below were calculated using the NSIO model, with attention to isolate incremental visitor spending. The following steps were taken:

- Deduplicating traveller records:** We eliminated double-counting by focusing on unique non-NS visitors. Two-way travellers and group size adjustments were factored in.
- Estimating trip spending:** We derived per-person trip spend by origin group using BFL and TNS sources. Categories consistently included lodging, food, entertainment, transportation, and other expenses.
- Attribution of influence:** To isolate ferry-induced trips, we developed two scenarios, as follows:

**Scenario 1 – Gradient Attribution (BFL-Informed):** We applied influence weightings derived from BFL's Passenger Survey data. Respondents were grouped by how strongly the ferry influenced their decision to visit Nova Scotia. Each group was assigned a discount factor based on quartile bands.

This nuanced method captures partial influence and smooths extreme responses. The underpinning rationale behind this method is that it's unlikely that the ferry is 100% of the reason anyone came to NS and likewise, it is unlikely that the ferry offering had no influence among those who actually took the ferry.

**Scenario 2: Flat Attribution (TNS-Based):** This approach applied a flat or constant 41% attribution rate to all non-NS visitor spending, based on the TNS 2022 Visitor Exit Survey.<sup>11</sup> This reflects a more conservative position and is useful as a policy stress-test or lower-bound scenario. We also applied TNS-reported per diem values, which likewise tended to be lower than those emerging from the CAT Passenger Study.

The following table helps clarify these distinctions.

Scenario	Name	Attribution Method	Visitor Spending Source	Overnight Adjustment?	Description
1	Gradient Attribution	Influence-weighted bands	BFL Passenger Survey	No	Main estimate, for which the richest data exists, using nuanced attribution tiers (13%–88%)
2	Flat Attribution	41% flat rate	TNS Exit Survey	No	Conservative estimate applying constant influence

Table 1. Scenario Descriptions

## Operational Impact Modelling

Operational impacts were calculated using BFL's 2024-2025 expenditure data as the reference year. We mapped their ferry spending data into input-

output (IO) industry categories and the data was processed through the NSIO model.

Ferry operations generate a mix of year-round and seasonal employment across multiple operational areas, including terminal operations (BFL and third-party security and cleaning staff), onboard services (Canadian and U.S. crew), and contact centre staffing. BFL provided employment data for the 2023 season and noted that employment levels have been relatively consistent throughout the period. For this reason, 2023 was considered a representative year for employment.

The expenditure detail included direct wages, lease costs, insurance, professional services, and other operational expenditure (OPEX) categories. The total impact of operations includes:

- Direct economic activity from company expenditures
- Indirect impacts from supply chain spending
- Induced impacts from household consumption of earned labour income

Due to commercial confidentiality of the underpinning OPEX data, we only report total economic impacts resulting from ferry operations.

## Capital Investments

Our analysis focuses on the recurring, annual economic impacts of the YMF service, specifically operating expenditures and visitor-related spending. Capital expenditures (CAPEX), such as vessel investment or terminal infrastructure upgrades, are intentionally excluded from this model. CAPEX tends to be irregular and event-specific, rather than part of the annual operating profile. Further, the current service uses a leased vessel and existing shore-side facilities, meaning no significant capital spending occurred during any recent representative year (2022, 2023, and 2024).

Consideration was given to including a pro-rated or imputed capital value as an option, but this would risk misrepresenting the nature and timing of these impacts. In our view, should substantial capital investments arise in the future, a separate, purpose-built analysis would be better suited to capture their distinct economic contribution.

## Analysis of Results

This section presents the results of the economic impact analysis of the ferry service, integrating detailed visitor activity data, spending patterns, and OPEX. Drawing from both BFL's administrative records and survey-based passenger research, the analysis quantifies the service's contribution to NS's economy in terms of unique visitors, trip duration, spending per trip and per day, and influence on travel decisions.

The findings are organized to progressively build a picture of the ferry's impact. These insights are then modelled through the NSIO model to assess full economic impact. Where appropriate, we interject further methodological clarifications throughout this section, present multi-year trends, benchmarking comparisons, and present sensitivity scenarios and analysis to support the findings.

### Visitor Volumes and Composition

Between 2016 and 2018, total ferry passenger volumes rose steadily from approximately 35,600 to over 50,300, driven primarily by growth in U.S. passengers who consistently represented the majority of traffic. Indeed, U.S. passengers are the main target market and rationale for the service in the first place.

In 2018, the peak year for ridership before service disruptions associated with the terminal move, nearly 40,000 US passengers used the ferry, comprising nearly 80% of total ridership.

After a multi-year hiatus due to both the terminal shift from Portland to Bar Harbor, and the Covid-19 (with no visitor data for 2020 and 2021), the service resumed in 2022 with 36,231 total passengers, nearly returning to 2016 levels. Since then, ridership has climbed steadily, reaching 49,301 passengers in 2024, essentially regaining its pre-pandemic high.<sup>12</sup>

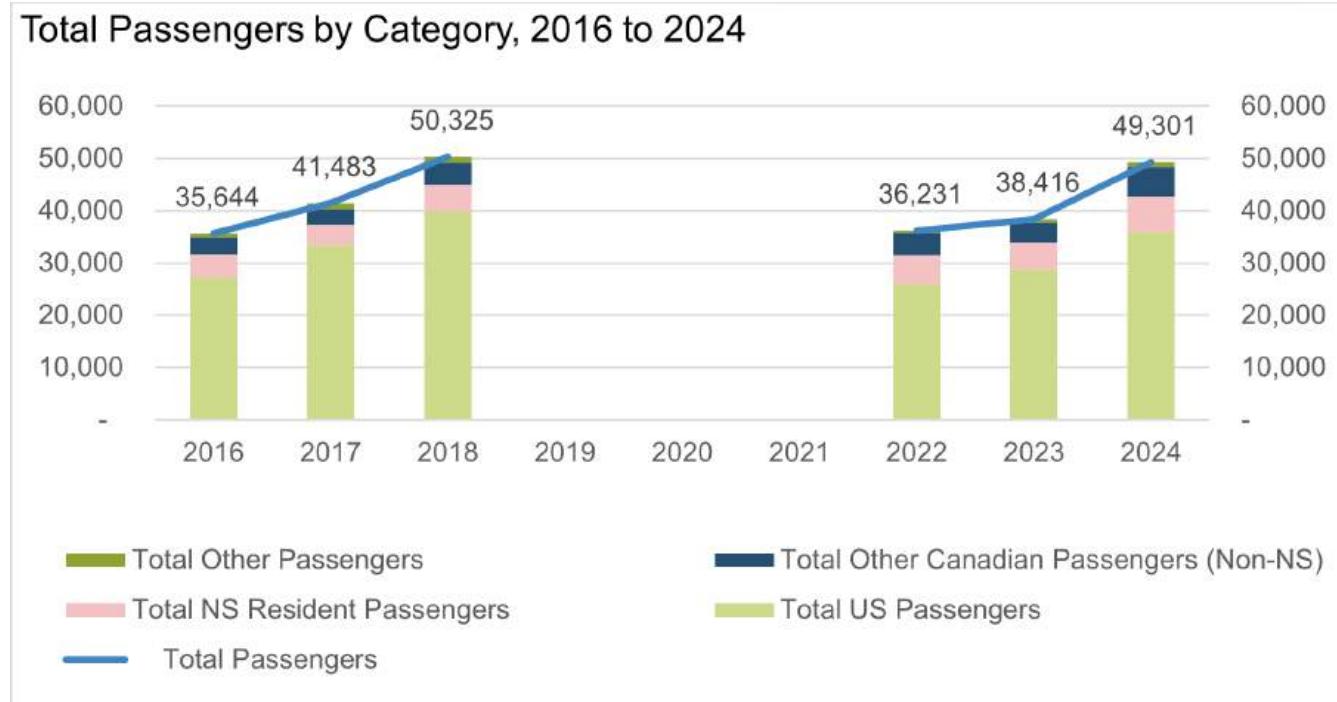


Figure 3. Total passengers by category, 2016 to 2024

U.S. travellers continue to dominate, with 35,945 passengers in 2024, followed by Nova Scotia residents (6,775) and non-NS Canadian passengers (5,679). A smaller but consistent share of travellers (under 1,200 annually) come from international markets outside Canada and the U.S.

Overall, the data illustrates a clear pattern: strong pre-terminal move / pre-pandemic growth, full shutdown, and then a sustained rebound. The 2024 season shows more robust and increasing visitation, particularly among U.S. and domestic Canadian travellers, with all passenger categories rebounding to, or surpassing, pre-pandemic levels. That said, the prevailing geopolitical context and concerns related to intensified border scrutiny by U.S. officials may impact the 2025 season.

## Understanding Two-Way Travel

Roughly four in ten YMF passengers travel round-trip, a share that has remained consistent over the years, despite changes in service patterns and global travel behaviour. From 2016 through 2024, total two-way travel hovered in the 39% to 46% range, suggesting a relatively stable split between one-way and return-trip usage.

For U.S. passengers, the ferry's largest customer segment, two-way travel has modestly declined, from 51% in 2016 to 43% in 2024, indicating a slight trend toward one-way or multi-modal travel itineraries (e.g., drive in, ferry out). This may reflect changes in trip planning or increased integration of the ferry into broader travel loops throughout the eastern seaboard.

Although not the focus of the economic impact analysis, Nova Scotia residents are consistently more likely to travel round-trip, with two-way rates around 47% to 60% over the period. Their higher share makes intuitive sense. It appears that NS residents tend to treat the ferry as a gateway for outbound tourism, with plans to return home the same way.

The share of two-way travellers among other Canadians has remained low and steady at 12% to 13%, likely reflecting more complex cross-country itineraries or perhaps fly-drive combinations.

The most volatile group when it comes to two-way travel are “Other Passengers” (non-Canadian, non-U.S.). For this cohort, two-way rates fluctuate from 11% to 26%, possibly due to smaller sample sizes and more varied travel behaviours.

## Estimating Unique Passengers

Accurately estimating unique passengers is an important step in calculating the incremental economic impact of ferry-borne visitation. Since many travellers book round trips, simple passenger counts can overstate the actual number of distinct individuals entering the province.

In order to isolate the economic impact of distinct individuals, we developed a method to estimate unique passengers (individuals who made at least one trip) while avoiding double-counting round-trip travellers.

BFL's 2024 reporting estimated 37,269 unique passengers, including NS-resident and non-resident travellers, based on an internal adjustment to their total of 49,301 boardings. This corresponds to a deduplication factor of approximately 75.6%, which aligns closely with their reported two-way travel rate of 39%.

In this current study, we applied a more granular method. Using BFL's own disaggregated data on country of origin and two-way travel share by market segment, we derived segment-specific deduplication factors and applied these across all origin categories.

This yielded a slightly higher estimate of 39,687 unique passengers in 2024, with an implied deduplication factor of approximately 80.5% (See Figure 4).

This difference reflects the more nuanced travel behaviour of different markets, particularly the relatively higher one-way travel share among non-U.S. passengers (note, “Other Passengers” refers to passengers from other international markets).

While both methods produce broadly comparable results, our approach was applied to create a more robust base for downstream modelling, especially when isolating ferry motivated impacts by origin.

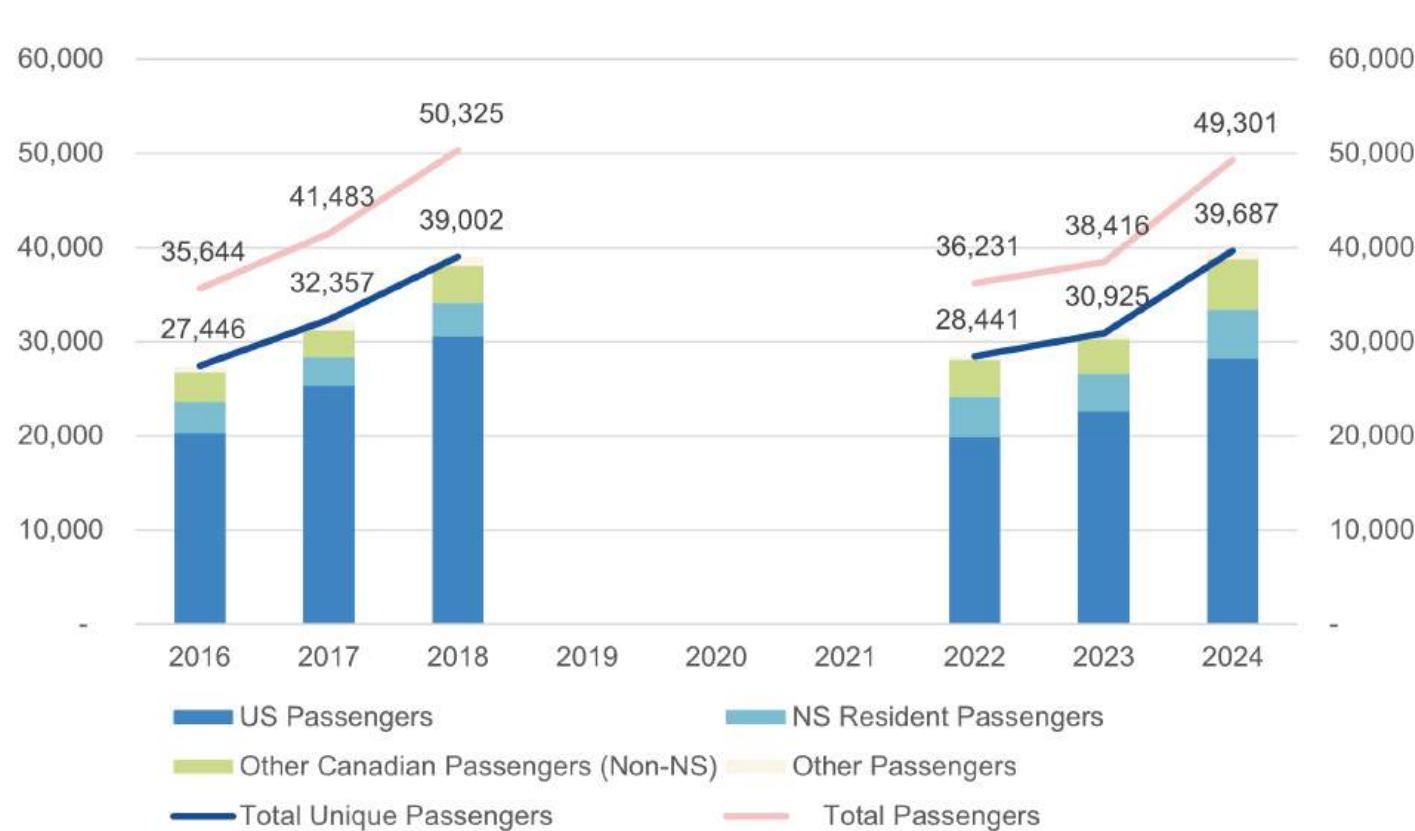


Figure 4. Total Unique Passengers by Market, 2016 to 2024 (adjusted for 2-way travel)

## Average Nights Spent in Nova Scotia by Ferry Travellers

Ferry passenger visitor stays have shown relative stability over time, with non-resident ferry travellers consistently spending more than a week in Nova Scotia. When all travellers are included, the average duration of stay has hovered between 7 and 8.2 nights per person over the past three active seasons (2022–2024). However, when Nova Scotia residents are excluded, the average duration increases to 8.2 nights in both 2023 and 2024, returning to levels observed prior to the terminal move / pandemic disruptions. This gives visitors ample time to travel throughout the province and, in some cases, the Atlantic Region, amplifying their potential impact.

U.S. travellers have shown the longest and most consistent length of stay, averaging between 8.1 and 9.2 nights across all years, with 2024 reaching 8.5 nights. Other Canadian and international travellers vary more but generally fall in the 6 to 9 night range, depending on the year.

**The data underscore a key feature of ferry-sourced visitation: non-resident passengers aren't just day-trippers; they're longer-stay travellers whose visits are more economically valuable on a per-person basis. This reinforces the strategic importance of the ferry as a gateway to high-value, overnight, and longer-stay tourism.**

The summary of unique non-resident visitor counts that are used in the analysis below is summarized in the following Table 2 for 2024, although the approach was also applied to prior years considered in this report.

Details	2024
<b>Total Passengers</b> <ul style="list-style-type: none"> <li>This figure reflects the full count of ferry passengers recorded for the 2024 season. It includes round-trip and one-way travellers and does not distinguish between Nova Scotia (NS) residents and out-of-province visitors.</li> </ul>	49,301
<b>Unique Passengers</b> <ul style="list-style-type: none"> <li>Adjusting for individuals who may have made multiple crossings during the season, this number estimates the total unique individuals who used the ferry in 2024. This avoids double-counting and provides a more accurate basis for estimating visitor impacts.</li> </ul>	39,687
<b>Unique Non-NS Passengers (Adjusted for 2-way travel)</b> <ul style="list-style-type: none"> <li>From the pool of unique passengers, this figure removes NS residents and adjusts for round-trip travel by non-NS visitors. It reflects the estimated number of unique out-of-province individuals who entered NS via the CAT ferry and could have contributed to the province's tourism economy.</li> </ul>	34,352

Table 2. Visitor counts (2024)

A further adjustment considered the subset of non-NS unique ferry passengers who entered the province but did not stay overnight, effectively passing through Nova Scotia without contributing meaningfully to the visitor economy. According to the CAT study, this group represents approximately 1% of non-NS unique ferry passengers. While we tested the impact of excluding this segment, the effect on overall results was negligible, and therefore the results are not reported.

## Average Trip Spending by Non-NS Travellers (Per Person)

Average per-person spending by non-Nova Scotian travellers using the ferry service has increased steadily over time, particularly since the resumption of service following the move to Bar Harbor / pandemic pause. In 2017 and 2018, average spend hovered just above \$1,050, with spending fairly evenly distributed across accommodations, food, transportation, and other travel-related purchases.

Following the pandemic, spending levels rebounded strongly. By 2022, the average trip spend had increased to \$1,336, rising again to \$1,530 in 2023, and reaching a peak of \$1,636 in 2024. This upward trend likely reflects both inflationary pressures and shifts in travel behaviour, including longer average stays and higher discretionary spending among visitors. This also overlaps with the post-Covid “revenge travel” phenomenon: a surge in people travelling, sometimes extravagantly, after pandemic restrictions eased, leading to greater spending per trip.

In terms of goods and services consumed by visitors, accommodation and food consistently make up the two largest categories, reaching \$615 and \$370 respectively in 2024. Automobile-related travel expenses (fuel, rentals, parking) remained stable, while shopping and recreation accounted for a smaller but still meaningful portion of expenditures. Spending on “Other” items declined substantially over the period, potentially suggesting improved categorization or changes in consumer behaviour.

In 2023, BFL began reporting tickets for The CAT as a distinct spending category, adding transparency around the full cost of travel for passengers. For those years, ticket costs averaged approximately \$216 per person in 2023 and \$221 in 2024, making them the third-largest individual expense category for non-NS visitors, behind accommodations and food.

Ticket expenditures are excluded from the economic impact modelling to avoid double counting. Since ticket revenue is also captured as part of BFL's operational income, and operational expenditures are included in the NSIO-based analysis, counting ticket spending again under visitor expenditures would artificially inflate the total impact. By removing it, we ensure the analysis reflects only net new contributions to the provincial economy.

## Visitor Spending

The post-pandemic rebound has been both rapid and consistent, reversing the sharp declines of 2020–2021 and showing that demand for the ferry is not only resilient but growing. U.S. travellers remain the dominant source of tourism revenue, contributing nearly \$40.5 million in 2024 - close to 70% of total trip spending - reflecting both their strong share of ridership and higher per-person expenditures.

Other Canadian travellers added just over \$8 million, while Nova Scotia residents generated an estimated \$7.9 million through frequent use rather than length or value of stay; however, resident spending is not in scope for the evaluation of economic impacts.

International visitors, though a smaller share overall, also illustrate the rebound: their spending reached roughly \$1.9 million in 2024, more than double the 2022 level and well above pandemic lows.

Taken together, non-Nova Scotian travellers accounted for approximately \$50.6 million in gross trip spending before adjusting for travel motivation. These figures underscore the ferry's role in anchoring the provincial tourism economy, even if they do not on their own confirm how much of that activity was directly triggered by the service.<sup>13</sup>

To more rigorously assess incremental economic impact, we constructed our own bottom-up estimate of ferry-related visitor spending using the granular data provided by BFL.

Our 2024 estimate from this process totals \$62.3 million in gross spending, slightly higher than BFL figure (\$58.5 million).<sup>14</sup> This difference reflects key methodological refinements that improve attribution and while avoiding overstatement.

Our analysis incorporates:

- Unique passenger counts (adjusted for two-way travel)
- Spending profiles by origin group and category (e.g., accommodations, food, fuel)
- Exclusion of ticket revenue, since it is already captured through the operational expenditure model
- Segregation of NS resident spending, which is not considered

incremental for provincial-level analysis

Most critically, our approach applies influence-based discounting to account for whether the ferry played a meaningful role in travellers' decisions to visit Nova Scotia.

## Ferry Influence on Travel Decisions

Understanding how the ferry influences travel decisions is central to estimating the incremental impact of the service on the Nova Scotia economy. While gross visitor spending provides a picture of the total tourism-related economic activity associated with ferry passengers, not all of that spending can be attributed to the existence of the ferry itself. Some travellers would have come to Nova Scotia regardless of whether the ferry was available, using alternative routes such as air or land.

As noted earlier, to adjust for this we applied influence-based discounting, a method grounded in responses from passenger surveys that asked how much the ferry influenced their decision to visit. Those who responded that the ferry definitely or probably influenced their decision were treated as more likely to represent incremental visitors, people whose trips depended on the ferry being in service.

By assigning proportional weightings to each response band, we could estimate the share of visitor spending that was truly induced by the ferry. This approach is more nuanced than using a flat influence rate and allows us to smooth extremes, acknowledging that while some passengers were only mildly influenced by the ferry, others would not have made the trip without it.

In this context, the consistently high influence scores from the survey (74% to 77% of non-NS visitors saying the ferry influenced their decision in recent years) support the argument that a substantial portion of the ferry-related visitor spending is genuinely incremental, and therefore relevant when assessing the economic return on public investment in the service.

To reflect this, our analysis applies two distinct attribution scenarios:

- **Scenario 1 (Influence-Weighted):** This method uses the BFL survey to weight responses by degree of influence, offering a nuanced estimate that adjusts for partial causality. It reflects the real-world complexity of travel decisions and provides a reasoned midpoint between conservative and optimistic assumptions.

- **Scenario 2 (Flat Attribution):** This alternative uses a single 41% attribution rate, drawn from the Tourism Nova Scotia Visitor Exit Survey. It serves as a lower-bound scenario, applying a more cautious lens to estimate ferry-induced spending, and also incorporates TNS's generally lower per diem values.

Together, these two approaches bracket a plausible range of outcomes and provide a transparent framework for understanding how much of the ferry-related visitor spending is likely to be truly incremental. These are detailed as follows.

### *Influence-Weighting Approach*

We applied proportional weights to each response group to reflect varying levels of influence, rather than assuming a uniform or binary impact.

These weights were applied to both the number of travellers and their estimated spending. This produced an influence-adjusted estimate of ferry-attributable spending that aims to reflect only those trips where the ferry played a material role in the travel decision.

Across the past three operating seasons, the influence-weighted adjustment reduced total non-resident visitor spending by approximately 31% to 32%, with the resulting weighted totals representing between 68% and 69% of the original gross spending figures. In 2024, for example, the adjusted estimate of incremental spending under Scenario 1 was approximately \$38.6 million, down from a gross total of just over \$56 million.

While 76% of non-Nova Scotian passengers in recent years reported that the ferry either “definitely” or “probably” influenced their decision to travel to Nova Scotia, our influence-weighted attribution method results in an average effective attribution rate of 69%.

This reflects an effort to temper the influence estimates by applying mid-band weights rather than treating all positive responses equally. In doing so, the analysis remains anchored in self-reported travel motivations while attempting to mitigate overstatement. The approach is thus more conservative than simply summing the “definitely” and “probably” groups, which would yield a higher total influence figure.

This influence-adjusted spending estimate forms the basis for Scenario 1 of the IO modelling of economic impacts. While not precise to the dollar, this approach offers a practical way to reflect traveller motivation in assessing

the incremental effects of the ferry service on the Nova Scotia economy.

### *Flat Attribution Approach*

As a second approach to estimating attributable visitor spending, we applied a flat 41% attribution rate based on the methodology used by the Nova Scotia Visitor Exit Survey (VES). This attribution rate has been used historically in provincial tourism impact modelling and provides an alternative perspective grounded in broader provincial data collection.

Unlike the BFL survey, which collects data exclusively from ferry passengers, the VES is designed to reflect a cross-section of all visitors entering Nova Scotia through various modes, including air, land, and sea. Each data source offers strengths: the VES benefits from its broad population frame, while BFL data may provide greater depth and relevance when analyzing ferry-specific travel behaviour of ferry passengers.

We do not position one as superior to the other but rather acknowledge that different organizations collect and interpret visitor data for different purposes.

Additionally, with the VES approach, we:

- Applied the TNS per-trip estimates (derived from an average per diem of ~\$180)
- Used the average duration of stay for ferry travellers, based on BFL data
- Calculated total unique non-resident visitors
- Applied the 41% attribution rate uniformly across non-resident spending

The VES method includes only 50% of the cost of travel to Nova Scotia, built into the per diem, so we mirrored that assumption by excluding ticket spending from the Input-Output model to avoid duplication with operational revenue already captured in that model.

In 2024, under Scenario 2, the adjusted estimate of incremental spending was approximately \$20.6 million, based on a flat 41% attribution rate, down from a gross total of \$50.1 million. This is summarized in Table 3.

Visitor Spending Summary (2024)	Scenario 1 (Gradient Attribution)	Scenario 2 (Flat Attribution, 41%)
Total Visitation	49,301	49,301
Unique Passengers	39,687	39,687
Unique Non-NS Passengers	34,352	34,352
Total Non-Resident Spending	\$56.2	\$50.1
Attributable non-resident spending	\$38.6	\$20.6

Table 3. Visitor spending scenario summaries

While the objective of this analysis was to present as accurate a picture of the economic impact of the YMF, taken together, these scenarios show the sensitivity of spending estimates to methodological choices. Presenting both gradient and flat attribution models, with and without overnight filters, allows for a broader range of considerations and supports decision-making under the uncertainty caused by survey-based research and analysis.

## Operational Expenditures and Their Economic Footprint

In addition to tourism-related visitor spending, the operation of the ferry service itself generates significant economic activity. This includes expenditures on vessel staffing, fuel, port fees, maintenance, shore-based services, and administrative functions required to deliver the service annually.

While detailed line-item data on ferry operations remains confidential and cannot be shared herein, we have incorporated operational expenditures into the economic model based on aggregate expenditure totals and category-level breakdowns provided by BFL.

These figures are consistent with past years financial reporting from BFL and reflect both on-shore and marine-side spending across Nova Scotia and other jurisdictions (other Canadian provinces and spending outside Canada).

As noted, to avoid double counting, we have excluded ticket revenue from the NSIO model.<sup>15</sup>

Together, the combined **direct impacts** of ferry-induced visitor spending and ferry operational spending provide an estimate of the service's direct contribution to the Nova Scotia economy.

## Economic Impact Modeling

To understand the full economic footprint of the Yarmouth ferry in 2024, we modelled both direct visitor spending and direct operational expenditures using the provincial input-output framework. The objective was to isolate incremental impacts, that is, the economic activity in Nova Scotia that can reasonably be attributed to the presence of the ferry service.

## Operational Spending Impacts (OPEX)

Beyond visitor expenditures, the operation of the ferry itself generates significant economic activity within Nova Scotia. To estimate this impact, we used detailed expenditure figures provided by BFL and applied input-output modeling to assess how this spending circulates through the provincial economy.

Importantly, we adjusted the expenditure inputs to reflect only Nova Scotia-based production - that is, we excluded spending on goods and services produced outside the province. This ensures the results capture the portion of operational spending that directly benefits Nova Scotia's economy.

The following summarizes the total estimated impact of operational spending in 2024:

OPEX Impact Summary (2024)	Total
GDP Impact	\$18.9 million
Labour Income	\$6.6 million
Employment (FTEs)	79.3 jobs
Provincial Revenue	\$1.0 million

Table 4. OPEX Impact Summary (2024)

Due to commercial confidentiality, direct, indirect, and induced impacts are not provided separately for OPEX expenditures.

## Visitor Spending Impacts

**Visitor spending represents the largest and most policy-relevant economic contribution associated with the Yarmouth ferry service, as it reflects new, incremental dollars entering the Nova Scotia economy.**

BFL's surveys are specifically designed to capture data to measure the degree to which the ferry influenced travel decisions and to estimate the share of spending that can be reasonably attributed to the service.

To estimate these impacts, we applied two attribution methods, as noted, that adjust gross visitor spending to reflect only incremental travel.

This discounting was informed by passenger-reported influence data and applied to total visitor spending across all non-Nova Scotia traveller categories. The result is a refined view of how the ferry stimulates new tourism-related economic activity in Nova Scotia (note, the scale used in the axis in the following charts are the same to help visually distinguish the depths of the impacts).

### ***Gradient Attribution / Weighted Influence Attribution (BFL + CAT Study).***

This scenario draws directly on BFL passenger survey data to estimate how strongly the ferry influenced travel decisions. Responses were weighted according to reported influence levels, “definitely,” “probably,” and so on, allowing us to discount spending proportionally and avoid overstating the ferry’s role. The result is a high-fidelity estimate grounded in the behaviour of actual ferry users.

Under Scenario 1, which applies a gradient attribution approach without any visitation filters, the estimated economic impacts are the highest across all categories. In 2024, this method yields a GDP impact of approximately \$23.4 million, \$13.8 million in labour income, and supports 362 full-time equivalent (FTE) jobs.

Provincial revenues are estimated at \$2.0 million, with an additional \$1.5 million in HST collected. These figures reflect a broader view of the visitor economy, capturing a more expansive range of potential spending influence.

***Flat Attribution (Based on TNS Data).*** Scenario 2 applies a more conservative lens, using a 41% flat attribution rate derived from the Tourism Nova Scotia visitor exit survey. This method doesn’t weight responses by degree of influence but instead applies a blanket adjustment across all non-NS visitor spending. It represents a cautious estimate that might appeal to

policy stress-testing or interjurisdictional benchmarking.

Scenario 2 uses a flat attribution approach, assuming that 41% of visitor activity can be reasonably tied to the event or intervention. Under this method, the estimated GDP impact is \$12.4 million, with \$7.3 million in labour income and 192.8 FTEs supported. Estimated provincial revenues total \$1.1 million, with \$0.8 million in HST. This approach offers a more conservative lens on visitor influence, applying a uniform rate across the board.

The scenarios yield very different results, but both confirm meaningful potential returns. The table on the following page summarizes the estimated economic impact under each attribution method.

Visitor Spending Summary (2024)	Scenario 1 (Gradient Attribution)	Scenario 2 (Flat Attribution, 41%)
Total Visitation	\$23.4M	\$12.4M
Labour Income	\$13.8M	\$7.3M
Employment (FTEs)	362	192.8
Provincial Revenue	\$2.0M	\$1.1M
HST	\$1.5M	\$0.8M

Table 5. Economic impact by attribution method

This analysis captures how tourism spending tied to the ferry ripples through the Nova Scotia economy, supporting a range of sectors from accommodations and food services to retail, recreation, and transportation. Notably, even under the more conservative Scenario 2, the ferry contributes to hundreds of jobs and millions in GDP within Nova Scotia.

## Combined Economic Impact Summary

The two attribution scenarios presented offer a graduated set of estimates reflecting different assumptions about visitor behaviour and influence, layered on top of the ferry’s direct operational spending. Scenario 1, which applies a gradient attribution model to all visitor spending, produces the highest overall economic impact. Scenario 2 uses a flat 41% attribution rate, with and without the overnight filter, offering lower-bound estimates for purposes of cross-checking.

This is summarized in the following table for 2024.

When operational and visitor-related impacts are combined, we arrive at the following:

- Scenario 1 estimates a total GDP impact of \$42.3 million, \$18.5 million in labour income, support for 442 FTEs, and \$2.7 million in provincial revenue.
- Scenario 2, using a flat 41% attribution, produces a GDP impact of \$31.4 million, \$12.1 million in labour income, 272 FTEs, and \$1.8 million in provincial revenue.

	Scenario 1: OPEX + Visitor Spending	Scenario 2: OPEX + Visitor Spending
GDP at basic prices (\$)	\$42.32M	\$31.38M
Labour Income (\$)	\$18.51M	\$12.07M
Employment (FTEs)	442	272
Provincial Revenue (\$)	\$2.71M	\$1.77M
HST	\$1.50M	\$0.80M

Table 6. Combined economic impact summary

## Harmonized Sales Tax (HST) on Non-Resident Visitor Purchases

Consistent with prior years, HST revenue attributable to tourist purchases is estimated at 10% of direct GDP, adjusted to reflect input tax credits claimed by producers. These figures exclude HST associated with ferry ticket sales and downstream impacts from wages or induced spending. Estimated HST only pertains to the direct impacts.<sup>16</sup>

## The Visitor Impact Focus

While it is common to present a combined economic impact from both ferry operations and ferry-facilitated visitor spending, it is important to distinguish between these two effects:

- **Visitor spending impacts are the main focus:** These reflect new dollars entering the NS economy from outside the province. This effect is the primary reason for public redistributive investment in the ferry in the first place, and the main reason why NS resident spending is excluded from the analysis
- **Operational spending impacts are secondary:** These reflect how the province's redistribution of public spending circulates through the economy via wages, local procurement, service contracts, among others, in support of ferry operations. While real and measurable in financial terms, this activity is fundamentally public money being re-spent and is not inherently net-new to the provincial economy

Together, these components present the total economic footprint of the ferry service. However, only visitor spending can be said to represent a true return on investment, and it is this impact that should guide ongoing decisions about the service's value.

## Considerations and Contextualizing the Impacts

### Who Benefits from the Economic Impact?

The economic activity generated by the ferry service flows into communities, businesses, and households throughout Nova Scotia. While the precise regional distribution of impact is not captured in the provincial-level NSIO model, the beneficiaries of this economic activity can be broadly identified.

- **Tourism-dependent businesses:** These are among the most direct recipients of ferry-related economic benefits. Hotels, motels, campgrounds, restaurants, gift shops, fuel stations, tour operators, and cultural attractions all see revenues from non-resident travellers who arrive in Nova Scotia by sea. These businesses are especially concentrated in Yarmouth and the southwestern region, where the ferry lands and where many visitors begin their provincial travel itineraries. However, respondents to the online survey distributed to tourism operators throughout the province also noted the importance of the ferry in driving visitation beyond Southwest Nova Scotia
- **Workers and households:** The second group of beneficiaries includes workers and households who rely on tourism and service sector employment. Ferry-driven tourism supports hundreds of full-time equivalent jobs across the province, many of them seasonal or part-time, in hospitality, food services, retail, and entertainment. Operational spending by Bay Ferries Ltd. also contributes to local employment, including terminal staff, vessel crew, and call centre employees as well as subcontracted services such as security and cleaning. It further creates the case for services that might not be present otherwise (e.g., Canadian Border Services in Yarmouth and along the South Shore)
- **Local suppliers and small businesses:** Beyond those directly employed or engaged in tourism, a third set of beneficiaries includes local suppliers and small businesses that provide goods and services to support the ferry's operations. These include marine fuel suppliers, parts and maintenance contractors, IT vendors, insurance providers, accountants, and other firms whose services are procured as part of the day-to-day delivery of the service either directly or as part of a broader supply chain
- **Province of Nova Scotia:** The province is also a beneficiary, collecting tax revenues generated by both visitor activity and operational spending. In 2024, the combined effect of visitor and operational activity

is estimated to have generated between \$1.8 million and \$2.7 million in provincial tax revenues, depending on the attribution scenario

There are also a range of less quantifiable but no less important beneficiaries. For municipalities in the southwest, the ferry represents more than just a mode of transportation. It is an economic engine and a foundation for broader population and tourism strategies. Businesses have built products, services, partnerships, and a network of hard and soft tourism infrastructure around the seasonal influx of visitors the service delivers. Any changes to the service have ripple effects well beyond the ferry itself, as was documented in the case study completed on the 2009 decision (Appendix C) to cancel the YMF and during the pause for the shift in terminals / Covid-19 pandemic.

As noted in the findings relating to the engagement undertaken with key stakeholders, business leaders, particularly in Southwest Nova Scotia, were clear in indicating that the presence of the ferry is a strong factor in their investment decision making.

### Public Finance Perspective

From a public finance standpoint, the service continues to represent a net cost to the province, though that cost is partially offset by associated tax revenues. In 2024, the province is expected to provide an operating subsidy of approximately \$21.3 million. When accounting for both income and consumption taxes generated through direct and indirect economic activity, along with estimated HST revenues from non-resident tourist purchases (ranging from approximately \$798,000 in Scenario 2 to \$1.5 million in Scenario 1), total provincial tax revenues attributable to the service are estimated at \$2.6 million to \$4.2 million, depending on the scenario.

This means that even after including HST, the service continues to operate at a fiscal loss for the province, with tax recoveries covering only 12% to 20% of the subsidy in 2024.

This fiscal assessment should be complemented with the broader economic, social, and strategic impacts reported in this study.

Like many government-funded transportation modalities, tourism initiatives, or other economic development activities, these sector support and development initiatives (including support to the YMF) are not designed to be fiscally neutral.

What matters from a public finance lens, then, is not just whether the ferry service generates tax revenue (as noted in the Public Finance Perspective, few others globally do) but whether the economic and strategic value created justifies the public cost. This includes consideration of the full suite of impacts.

## Exploring Policy Alternatives

Although beyond the scope of this study, policy makers may wish to consider whether equivalent public investment in another sector or program could generate stronger / more targeted economic returns. If such an analysis were to determine that a different investment delivers greater GDP or employment outcomes per dollar, important questions would follow:

- Where would those economic returns accrue?
- Who would benefit?
- What are the implications of shifting investment away from rural, tourism-based strategic investments toward a different sector or geography?

Importantly, such a shift would not be neutral. As noted, businesses in Southwest Nova Scotia and throughout the province have built up visitor services, accommodations, and tour offerings based on the availability of ferry-linked visitation. A pivot in policy investment would have downstream effects on businesses, employment, and regional development plans anchored to the ferry service.

Another question, also beyond the scope of this analysis, is whether the ferry service itself could be made more impactful. Further, these impacts are noted in a prevailing circumstance where the travel trade has typically not considered using the YMF in ferry travel since their planning is usually several years ahead. In this context, the certainty of ferry operations has been so disrupted over the past decade that it has not been seen as a predictable option for travel. Arguably, if travel trade practitioners were regular users, there is potential for enhanced economic impact for both BFL and the province through increased ridership.

Future exploration of service design, including alternative sailing schedules, marketing strategies, or vessel configurations, may offer additional ways to enhance economic impact. For example, if it were possible to shift to a Canadian crew based in NS, logically, there would be less leakage from the

NS economy and a greater share of the OPEX would be expended within the NS economy. The potential for such refinements and adjustments could be addressed in operational or strategic planning exercises related to the ferry operation itself and are less well aligned as an outcome of an economic impact study.

Still, these are all legitimate questions for government, especially in an environment of fiscal constraint. While this study does not conduct a comparative cost-benefit analysis or assess alternative uses of funds, it affirms that the current ferry investment does generate tangible economic returns, particularly in the form of inbound visitor spending and employment in tourism-reliant communities.

Going forward, policymakers may wish to explore whether the service can be optimized to increase its return (e.g., through service redesign), or whether other investments could achieve similar or greater results.

Beyond the impact of the ferry operations itself, there are also notable ancillary benefits, the value of which also lie outside the scope of this study.

As an international port, Yarmouth hosts dedicated customs clearance capacity. The availability of this service along the South Shore of Nova Scotia has been a spur for growth in other related tourism activities, such as cruise ship visitation.

Also, considering climate adaptation and emergency management, having another functioning port with international connectivity is an asset in relation to potential challenges requiring emergency response capability.

## Measures of ROI

The provincial operating subsidy to BFL has been a recurring and substantial public investment made to support the ferry service. Because of this, it has often been a point of public debate. In this debate, it is important to understand that the subsidy is not a flat payment but rather a cash deficiency model. Essentially, the GNS covers BFL's shortfall between eligible operational costs and revenue earned through ticket sales and other income.

In 2024, the province was expected to contribute approximately \$21.3 million. The number of unique non-Nova Scotian visitors attributable to the service is 34,352. This translates into a per-visitor subsidy of approximately \$620.

By comparison, the average direct spend per non-NS visitor is estimated at \$1,636, with an average stay of 8+ nights. This suggests that the subsidy continues to catalyse significantly greater tourism spending than it costs, generating activity in largely rural communities throughout the province that would likely not occur in the absence of the ferry.

## Business Lens

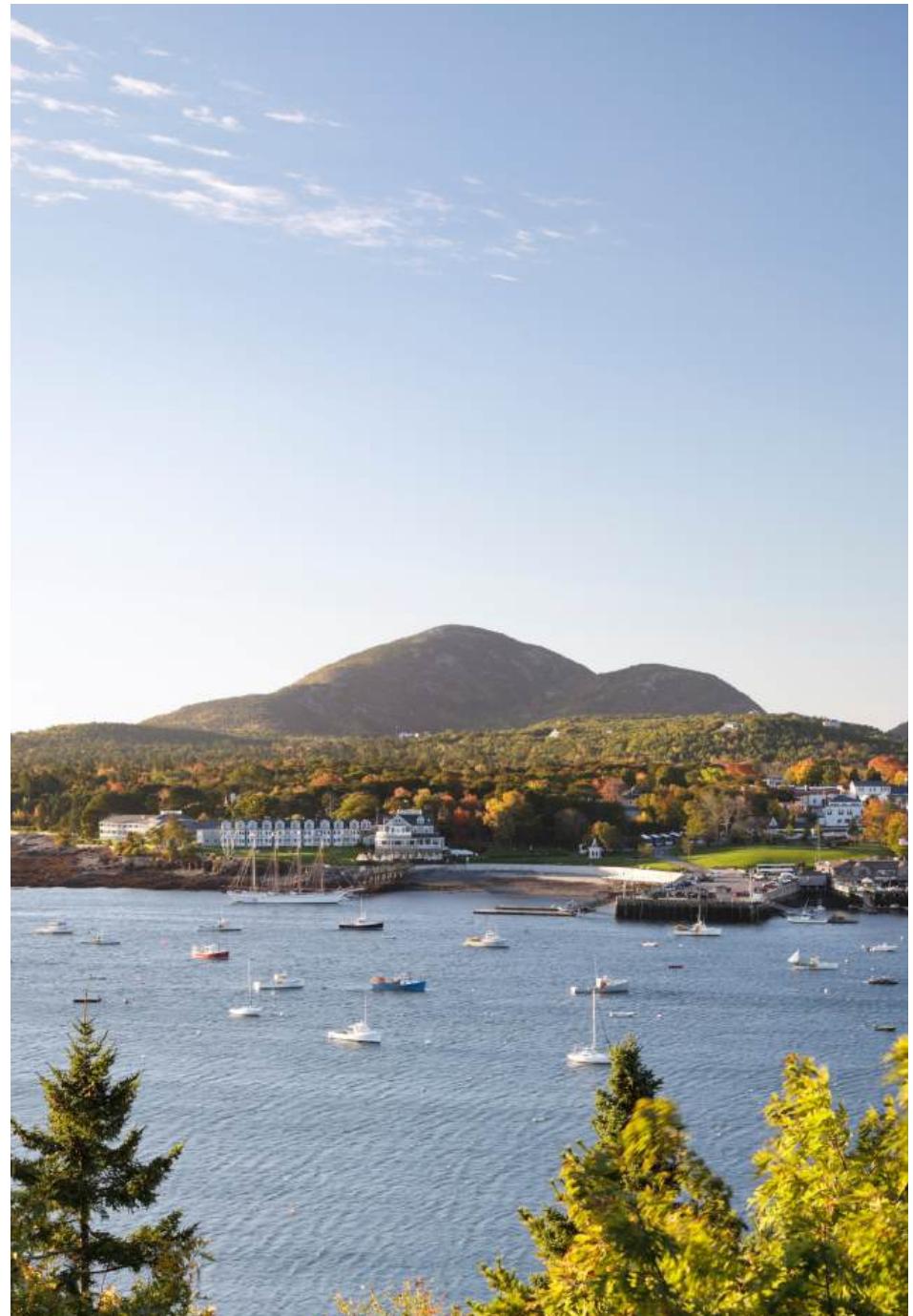
Viewed through the lens of market development, the growth pattern of the current ferry service shows a consistent upward trajectory during its initial years. After launching in 2016 with just over 35,000 passengers, the service grew to more than 50,000 by 2018. This growth was largely driven by U.S. travellers and likely reflects increasing market awareness and acceptance of the route.

Service disruptions followed, beginning with the relocation from Portland to Bar Harbor and compounded by the Covid-19 pandemic, which halted operations for two seasons. When the ferry resumed in 2022, it effectively re-entered the market under conditions similar to a new service launch.

Since then, the service has followed a growth pattern comparable to its original path. Passenger volumes in 2022 were similar to 2016 levels, increased in 2023, and by 2024 had returned to near 2018 levels, approaching 50,000 passengers.

This pattern suggests that demand for the ferry could prove to be durable and responsive under stable conditions. The repeat of early growth trends implies a stable base of market interest, rather than one-time or novelty-driven usage. While it is not possible to know how ridership would have evolved without interruption, a hypothetical annual growth rate of 7% from 2018 onward would have placed 2024 volumes above 75,000 passengers, nearing the vessel's estimated capacity.

Overall, data indicate that passenger demand has been constrained more by service interruptions and external uncertainty than by lack of interest. The service has shown the ability to rebuild passenger volumes following extended gaps in operation, a noteworthy characteristic for transportation infrastructure with seasonal and cross-border dependencies.



# Closing Statement

Integrating the research findings, input from stakeholders, and economic impact analysis, the clear conclusion is that the YMF continues to be a valued transportation option positively impacting the tourism sector regionally, with benefits extending across Nova Scotia.

For Southwest Nova Scotia, the YMF is an important element in the transportation ecosystem, a region that is constrained in terms of geography and lack of other transportation assets, such as a functioning airport and rail connectivity. The region is also a significant benefactor of visitor spending.

Beyond its economic impact, during the engagement, stakeholders consistently pointed to the social and cultural significance of ferry operations for the province.

Historically, and to present day, the ferry is widely seen as facilitating cultural ties and exchanges between Nova Scotia and New England. In supporting tourism development, it has enabled visitors to experience the rich heritage and natural beauty of both regions.

Beyond tourism sector development, the ferry's value proposition is strengthened by stakeholder reports about security considerations and the reality that Nova Scotia is almost an island and, as such, is very vulnerable to climate change and extreme weather events. The Isthmus of Chignecto and its potential vulnerability to flooding is a significant risk. In this context, having another access and egress point for Nova Scotia to move people and goods through the YMF and the Port of Yarmouth is a new and important consideration underscoring the ferry value proposition.

Throughout this study, many stakeholders contributed their wisdom and guidance. These included business leaders, tourism operators including hoteliers and accommodation providers, industry associations like YASTA, cultural and linguistic communities including Indigenous, African Nova Scotian and Acadian communities, along with elected officials (federal, provincial, and municipal). The consultant team is deeply appreciative of their generosity and thoughtful input.



# Appendix A: RFP Questions

## Introduction

The following summary matrix reports addresses the original questions in the Request for Proposals (RFP) issued to conduct the Economic Impact Study on the Maine-NS Ferry Service for the Department of Public Works (Request for Proposal Number: Doc1521692503).

The matrix provides a brief summary of the findings in the study and provides information on where more detailed information responding to these questions can be located within the report.

RFP Question	Summary & Location Finder
1. What is the net benefit to the Province as a result of the ferry service?	<p>The study offers clear evidence of substantial province-wide positive economic impact, particularly in the tourism sector. The YMF generates significant economic benefits to Nova Scotia, not just to Yarmouth or Southwest NS. The specific impacts, both in Southwest Nova Scotia as well as throughout the province, are detailed in the Economic Impact Analysis: Methodology and Results Section of the final report.</p> <p>The economic impact analysis uses the Nova Scotia-Specific Input-Output (NSIO) model to quantify economic contributions in terms of Gross Domestic Product (GDP) impacts, employment (FTEs), labour income, and provincial tax revenues. The report highlights the redistributive effects of the province's investment in the service. In 2024, the ferry generated between \$31.4M and \$42.3M in GDP depending on the scenario. It supported between 272 and 442 full-time equivalent jobs and \$12.1M-\$18.5M in labour income. Provincial revenues were \$1.8M-\$2.7M, with an additional \$0.8M-\$1.5M in HST on non-resident purchases. Visitor spending is the primary source of net-new benefit, while operational impacts largely recycle public dollars.</p>
2. What expectations for this type of ferry service are reasonable for the current year as well as years forward? Are there other comparable ferry operations that could serve as benchmarks and provide insight into relative cost factors, usage patterns, or type of vessels linked to specific operational value propositions?	<p>To address this issue, the study team conducted global research, benchmarking and associated analysis to examine the level of subsidy ferries typically receive regionally, nationally and internationally. With a marine services specialist on the team, there was also an analysis undertaken of vessel type, fuel source(s) and trendlines relative to ferry operations. This enabled an examination of the relative cost of the Yarmouth to Maine operation as compared to global analogue ferry operations of a similar size and scale. Recognizing that virtually all ferries receive subsidies, the objective conclusion of the study is that the level of operational support provided by the Government of Nova Scotia for the YMF is neither disproportionately higher or lower than both international and regional analogues. Detailed information on study results can be located in the What We Did and Key Findings section of the report. In short, passenger demand has proven to be durable when service is stable, with a trend line of ~7% growth per year since 2018, suggesting volumes could have exceed 75,000 passengers in 2024 if service continuity prevailed.</p>

RFP Question	Summary & Location Finder
3. What does the ferry contribute to the labour market for the local area and for the Province, such as individual/ household income and employment?	These specific impacts are detailed in the Economic Impact Analysis: Methodology and Results section of the final report. The economic impact analysis uses the Nova Scotia-Specific Input-Output (NSIO) model to quantify economic contributions in terms of Gross Domestic Product (GDP) impacts, employment (FTEs), labour income, and provincial tax revenues. This shows that ferry supports 272 to 442 FTE jobs, generating \$12.1M-\$18.5M in labour income annually. Operational expenditures alone contribute ~79 FTEs and \$6.6M in labour income, with jobs spanning vessel operations, food and beverage, tourism, retail, and maintenance.
4. Quantify how small businesses across the province are affected by the operation of the ferry.	<p>The RFP for this study noted that broad public engagement was out of scope for this research.</p> <p>To support qualitative analysis of the ferry's impact across the province, the study team conducted an extensive outreach and engagement process with cultural, linguistic, and economic development organizations, as well as tourism and accommodation operators, provincial Destination Marketing Organizations (DMOs), Chambers of Commerce, hoteliers, including Indigenous operators, provincial/municipal political leaders and senior officials, trucking interests, and the fishing industry, to secure their perspectives on small business and tourism operator impacts.</p> <p>To support quantitative analysis, the study team also issued an online survey with the assistance of provincial DMOs. This survey was focused on receiving input from small business and tourism operators. 81% of respondents were business owners. This research showed that small businesses benefit directly from visitor spending on accommodations, food services, retail, and recreation. Local suppliers also benefit through contracted services such as marine fuel, repairs, IT, insurance, and accounting.</p> <p>The results are reported in the What We Did and Key Findings section of the report ( specifically, the What We Heard: Highlights sub-section).</p>
5. What does the ferry contribute to tax revenues for the Province and local municipalities?	These specific impacts are detailed in the Economic Impact Analysis: Methodology and Results section of the final report (specifically Public Finance Perspective sub-section). This shows that annual provincial tax revenues attributable to the ferry are \$1.8M to \$2.7M, with \$0.8M to \$1.5M in HST on non-resident spending. Municipal tax impacts are indirect through increased business activity, visitor spending, and property values.

RFP Question	Summary & Location Finder
6. Describe in specific terms, with data, how the ferry does or does not support tourism beyond Southwest Nova into the rest of the Province?	<p>The results of the input – output analysis and the associated data-intensive analysis confirms that public investment in the Yarmouth to Maine Ferry is delivering positive economic return through its distributive impact on growing and strengthening the province's tourism sector. This is detailed in the financial analysis chapter and specifically the Economic Impact Analysis: Methodology and Results section of the final report. The visitor survey data referenced in the report shows ferry passengers disperse widely across Nova Scotia: South Shore (57%), Halifax (53%), Fundy/Annapolis (50%), Cape Breton (29%), Northumberland (23%), and Eastern Shore (22%).</p> <p>In addition to the I/O analysis results, qualitative analysis throughout the final report outlines feedback from tourism operators (in person and via an online survey) which reinforce the findings of the I/O analysis.</p>
7. What are the typical planning horizons for tour operators / destination marketers and how has the ferry services history impacted their use and promotion of the service?	<p>For tour operators the “certainty issue” impacts use of the ferry by tourism planners who typically plan several seasons ahead. Not knowing whether the ferry is going to operate significantly impacts growth in ridership. Tour operators typically need 24-36 months of reliability before they will confidently integrate a transportation service like the CAT ferry into their packages. The ferry’s inconsistent service history has undermined this confidence, reducing its use and visibility in travel trade channels thus constraining its integration into packaged tours and limiting their promotion of the option. Service stability is essential for growth. Destination marketers, while more agile, have also been constrained by uncertainty, limiting the long-term branding potential of the service and impacting the ability of the service to tap into this valuable ridership source.</p>
8. Are there other visitor / travel trends that have impacted (positively or negatively) people's use of the ferry service?	<p>The Context section of the final report provides a detailed examination of trends, issues and disruptions that have impacted visitor travel. This includes a retrospective analysis along with some of the trends that are expected to impact future visitation. For example, an emerging factor that may positively impact visitor traffic to Nova Scotia is the trend for people living in areas that are experiencing prolonged extreme heat waves, particularly from the southern U.S. states, wanting to travel to cooler and more temperate areas during the summer as a result of climate change. This trend, dubbed “coolcation,” was named by Condé Nast Traveler as one of the “biggest travel trends to expect in 2024”. Another more recent factor is the dynamic north-south trade tensions and a greater focus on border security for travellers to the U.S. which may have further implications on visitor travel. This analysis culminates in a characterization of these factors as having created a paradigm shift in international travel which has had and continues to have an impact (positive and negative) on the YMF and travel to NS more broadly.</p>

RFP Question	Summary & Location Finder
9. How would cargo opportunities augment the business case for the ferry service and what infrastructure would be needed to accommodate cargo?	<p>In answering the question related to the optimal type of vessel for the Yarmouth to Maine Ferry service, the study team undertook an analysis of contemporary trends in the shipping industry, particularly as related to ferry operations. The What We Did and Key Findings section of the report and, specifically, in the Sectoral Analysis: The Shipping Industry in a Period of Transition sub-section of the final report, details the findings. During the two-year course of this study, global changes in the shipping sector have continued apace.</p> <p>The study team examined whether cargo opportunities would augment the business case for this ferry service and found that the Bar Harbor Ferry Terminal is not designed or configured to accept or process truck traffic. Local communities around Bar Harbor have not expressed support for having commercial trucks from the ferry travelling through their neighbourhoods, hence, this option is largely foreclosed considering the current U.S. port destination.</p> <p>Some stakeholders see potential for year-round Yarmouth service for fisheries, but significant investment would be required. Were other port configurations to be considered in the future, there might well be a positive impact on the business case.</p>
10. Are there other opportunities or changes to variables that could be considered to grow the ferry service, increase ridership and positively impact tourism to the southwestern area and around the Province?	<p>As the final report details, the data show that the service experienced two distinct growth curves, one following the 2016 launch, and another following the terminal change / post-COVID relaunch. In both cases, ridership and visitor spending rose steadily, suggesting that service interruptions, not lack of demand, were the primary constraint on growth. This pattern suggests that demand for the ferry could prove to be durable and responsive under stable conditions. The repeat of early growth trends implies a stable base of market interest, rather than one-time or novelty-driven usage. While it is not possible to know how ridership would have evolved without interruption, a hypothetical annual growth rate of 7% from 2018 onward would have placed 2024 volumes above 75,000 passengers, nearing the vessel's estimated real capacity.</p> <p>Further, these impacts are noted in a prevailing circumstance where the travel trade has typically not considered using the YMF in ferry travel since their planning is usually several years ahead. In this context, the certainty of ferry operations has been so disrupted over the past decade that it has not been seen as a predictable option for travel. Objectively, if this cohort was included as a regular user, there is potential for enhanced economic impact for both the operator and the province through increased ridership.</p> <p>These issues are examined in the Economic Impact Analysis - Methodology and Results section of the report and, specifically, in the Exploring Policy Alternatives sub-section of the report.</p>

RFP Question	Summary & Location Finder
	<p>There is also the issue of marketing of the service. Marketing was a consistent and recurrent theme throughout the study. It was repeatedly advanced by stakeholders, including DMOs, tourism operators, hoteliers, and business associations. Effective marketing is seen as a means to drive both overall passenger growth and tourism spending, and to highlight the province's value proposition as a destination.</p> <p>In addition to the impact on tourism, as one of a handful of designated "ports of entry" into the province, having CBSA customs clearance in Yarmouth benefits Southwest Nova Scotia, as well as the entire South Shore. Stakeholders value the availability of this service within a broad geography in Southwest Nova Scotia and along the South Shore.</p> <p>Multi-year certainty in contracts, alignment with tour operator planning horizons, retaining the one-return-trip daily schedule, and leveraging long-stay US property owners are key opportunities. Maintaining CBSA presence in Yarmouth is critical.</p> <p>At a time when climate change and broader security concerns are very much front of mind, stakeholders consistently pointed to the importance of the YMF and the Port of Yarmouth as another access/egress point for commerce, shipping, and passenger travel (goods and people movement) in an emergency management context. This is also a prominent issue for local municipalities.</p>
11. Quantify the effect of ferry operations on direct and indirect job creation (including vessel operations and inputs such as fuel, food & beverage), ferry terminal services including Canada Border Services, and crew management and expenditures for both the region and the Province as a whole	<p>These issues are part of the I/O analysis completed during the study and are examined in detail the Economic Impact Analysis - Methodology and Results section of the report. To summarize, while it is common to present a combined economic impact from both ferry operations and ferry-facilitated visitor spending, it is important to distinguish between these two effects:</p> <ul style="list-style-type: none"> <li>Visitor spending impacts are the main focus: These reflect new dollars entering the NS economy from outside the province. This effect is the primary reason for public redistributive investment in the ferry in the first place, and the main reason why NS resident spending is excluded from the analysis.</li> <li>Operational spending impacts are secondary: These reflect how the province's redistribution of public spending circulates through the economy via wages, local procurement, service contracts, among others, in support of ferry operations.</li> </ul> <p>Including direct, indirect, and induced impacts, the ferry supports 272 to 442 FTEs annually. This includes vessel operations, fuel supply, food and beverage, retail, recreation, and terminal services such as CBSA. Together with other metrics presented, these components present the total economic footprint of the current ferry service. Other potential opportunities to amplify this impact are mentioned in the final report.</p>

RFP Question	Summary & Location Finder
12. What are the indirect and induced effects (additional jobs or financial output) beyond the economic impact directly attributable to having a Yarmouth-Maine ferry service?	These issues are the subject of detailed reporting and examination in the Economic Impact Analysis - Methodology and Results section of the report. Beyond direct visitor spending and operations, the ferry supports supply chain activity, induced household spending, and strategic benefits including emergency access and cross-border connectivity.
13. Speak to the broad economic impacts on the immediate and surrounding businesses and communities as well as the Province overall when the ferry service has not been in service including changes in employment, tourism, household wealth, municipal tax base.	<p>The cessation of ferry service in 2009 marked a significant disruption for Southwest Nova Scotia, and, indeed, the province as a whole. To examine the implications, the study team conducted a case study of the impact of this event. A summary of the case study is provided in the Context section of the final report and, specifically in the Case Study: 2009 Ferry Cancellation sub-section of the report. Service interruptions had resulted in the loss of more than 300 jobs, a 30% decline in local accommodations and food services, a 34% decline in retail, and a sharp drop in property values and municipal revenues. Rising poverty rates in Yarmouth were also timed with the cessation in service.</p> <p>The detailed case study report is also included as Appendix C within the final report.</p> <p>Lessons learned from the case study analysis offer very useful insights on the impact of the cancellation and into the ferry's value proposition for the area.</p> <p>This case study analysis relies on a compendium of information derived from a wide variety of sources including municipal taxation data, real estate metrics, provincial statistics, and an examination of the work of the International Ferry Partnership (a locally established citizen's group advocating for the resumption of ferry services), as well as extensive discussions with municipal leaders, through broad input during the stakeholder engagement process.</p> <p>The significance of the case study is that it serves as a cautionary tale on the consequences of removing existing infrastructure. While a narrower view can justify the decision on fiscal grounds, its effects on employment, tourism, property values, and social well-being – the overall community impacts across the Southwest Region - were significant. The case study underscores the ferry's role as part of the transportation ecosystem and as a connector for communities, economies, and cultures between Nova Scotia and New England.</p>

RFP Question	Summary & Location Finder
<p>14. Vendors are encouraged to think about other opportunities to assist in answering the question: “Is the Maine-NS ferry service, as currently constituted, a viable operation and worthy of continued government investment at its current level of investment?” Are there options or complements to achieve or deepen the economic impact that government could consider? Are there other tangible benefits derived from the ferry service that have economic value? Are there added benefits to having a variety of ways to travel to the province?</p>	<p>Feedback from business and tourism operators in Southwest Nova Scotia and across the province is included in the What We Did and Key Findings section of the report both qualitatively and quantitatively.</p> <p>Both qualitative and quantitative feedback from business and tourism operators, municipalities, and cultural and linguistic organizations were broadly supportive of the value proposition that the ferry operations offer to Nova Scotia.</p> <p>At the same time many raised insightful suggestions on measures that could be taken to amplify these impacts.</p> <p>The research undertaken during this study bears out that government subsidies for international ferry operations can be economically legitimate and viable when evaluated through the lens of strategic tourism development and regional equity. In this context, a ferry is not just a mode of transport - it is seen as a catalyst for distributed economic growth, supporting business investment, creating the marine services capacity that enable cruise activity, helping to build more inclusive, resilient, and place based tourism economies.</p>
<p>15. Vendors are asked to provide their assessment of whether this ferry service could ever be viable without government subsidization. Under what specific circumstances or conditions could this occur?</p>	<p>Within the What We did and Key Findings section of the final report and, specifically 2016 Contract Analysis, the study team conducted an analysis of the current 10-year contract for the Yarmouth to Maine Ferry Service.</p> <p>In this analysis, it is clear that the framers of this contract understood that this ferry operation was not going to be “profitable” in the typical definition of the term. Rather, its focus was explicitly to enhance the tourism sector by bringing high-value non-Nova Scotia visitors to the province, thereby benefiting the Province’s tourism operators and associated businesses and strengthening of the overall tourism sector and the province’s brand.</p> <p>Conditions that could reduce subsidy needs include higher and stable demand, public ownership of the vessel, and infrastructure upgrades. But given the seasonal nature, market size, and cross-border costs, viability is probably not realistic in the absence of a subsidy.</p> <p>The research bears out that virtually all ferries are subsidized and that governments everywhere consistently make investments to support sector development. While these investments often return tax revenue and can boost GDP, the return on investment (ROI) is focused on redistributive impacts to support sector growth, development and scaling. Conceptually, that is the theory that underpins the Government of Nova Scotia’s support for this ferry.</p> <p>To minimize the ongoing requirement for potential increased provincial funding, the 2016 contract also included provisions designed to incentivize the operator to control and, where possible, reduce costs.</p> <p>It was clear throughout the study that stakeholders clearly understand this context.</p>

# Appendix B: History of the YMF

Yarmouth Steam Ship Company operated steamers between Yarmouth and Portland; Yarmouth and Boston Steamship Company, the Yarmouth Steam Navigation Company, and Eastern Steamship Lines operated additional lines between Yarmouth/New England ports. Early services were sporadic, dependent on seasonal demand/weather conditions

European operator Lion Ferry initiated seasonal Portland-Yarmouth ferry service with M/S Prince of Fundy. M/S Prince of Fundy operated on this route from 1970 until 1976, and was joined by the M/S Bolero from 1973 to 1976. From 1976 to 1981, the M/S Caribe was the sole vessel in operation

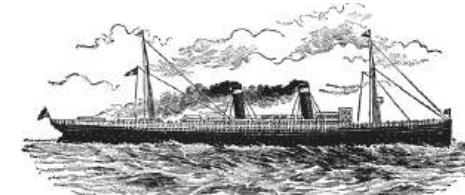
Lion Ferry sold the service to Baron Stig Leuhusen, who established Prince of Fundy Cruises, starting service between Bar Harbor-Yarmouth

Bay Ferries operated Yarmouth-Bar Harbor route, using MV Bluenose for one year; federal Department of Transport transferred operational responsibility to Bay Ferries

Bay Ferries replaced INCAT 046 with HSC The CAT



1885-  
1955



1955  
1970

The Yarmouth ferry terminal officially opened on December 20, with the MV Bluenose starting service in January 1956. This service was significant for trade and tourism between Nova Scotia and New England

1977

CN Marine, later Marine Atlantic, operated the MV Bluenose service (sharing the Yarmouth terminal with Lion Ferry)

1982



1983

CN Marine began using M/V Bluenose II on its Bar Harbor crossing. Vessel was initially the M/S Stena Jutlandica before being acquired and renamed for the Yarmouth-Bar Harbor route by CN Marine (later Marine Atlantic). Bluenose II replaced the original MV Bluenose

1997

1998

Bay Ferries purchased INCAT 046 for the Bar Harbor route

2002

Scotia Prince Cruises cancelled Yarmouth-Portland service due to discovery of dangerous levels of mould in the City of Portland's terminal

Bay Ferries suspended Yarmouth-Bar Harbor service after provincial subsidy ends

Nova Star Cruises operated the MV NovaStar between Portland and Yarmouth; federal investments were made to support U.S. Customs and Border Protection facilities at Portland terminal; significant provincial investments made (\$39.5M). The service faced financial mismanagement, operational inefficiencies, and unmet expectations



Plans were announced to change the Maine port from Portland to Bar Harbor. Provincial investments were made to upgrade Bar Harbor terminal to comply with U.S. Customs and Border Protection requirements

The CAT resumed service to Bar Harbor. Terminal renovations were supported by Tri-County partnerships between the Town of Yarmouth, the municipalities of Yarmouth and Argyle, and the provincial and federal government

2005

2006

2009

2012

2014

2016

2018

2020

2022

2023

Bay Ferries Limited announced plans to offer high-speed service from Yarmouth-Portland using HSC INCAT 059, in addition to existing Bar Harbor service. Nova Scotia government subsidized the service - \$1.5 million in 2006 and 2007 and \$6 million in 2008

The Province's Department of Economic and Rural Development and Tourism released an RFP for an operator for the Yarmouth Ferry

Bay Ferries announced the charter of a new high-speed catamaran, HST-2, chartered from the U.S. Navy, with a Yarmouth-Portland service, in agreement with the U.S. Maritime Administration and the U.S. Navy, branded as The CAT. Federal investments were made for customs and immigration facilities at the Bar Harbor terminal to process passengers and vehicles; provincial investments made to support operations, marketing, terminal upgrades, and offsetting operational deficits



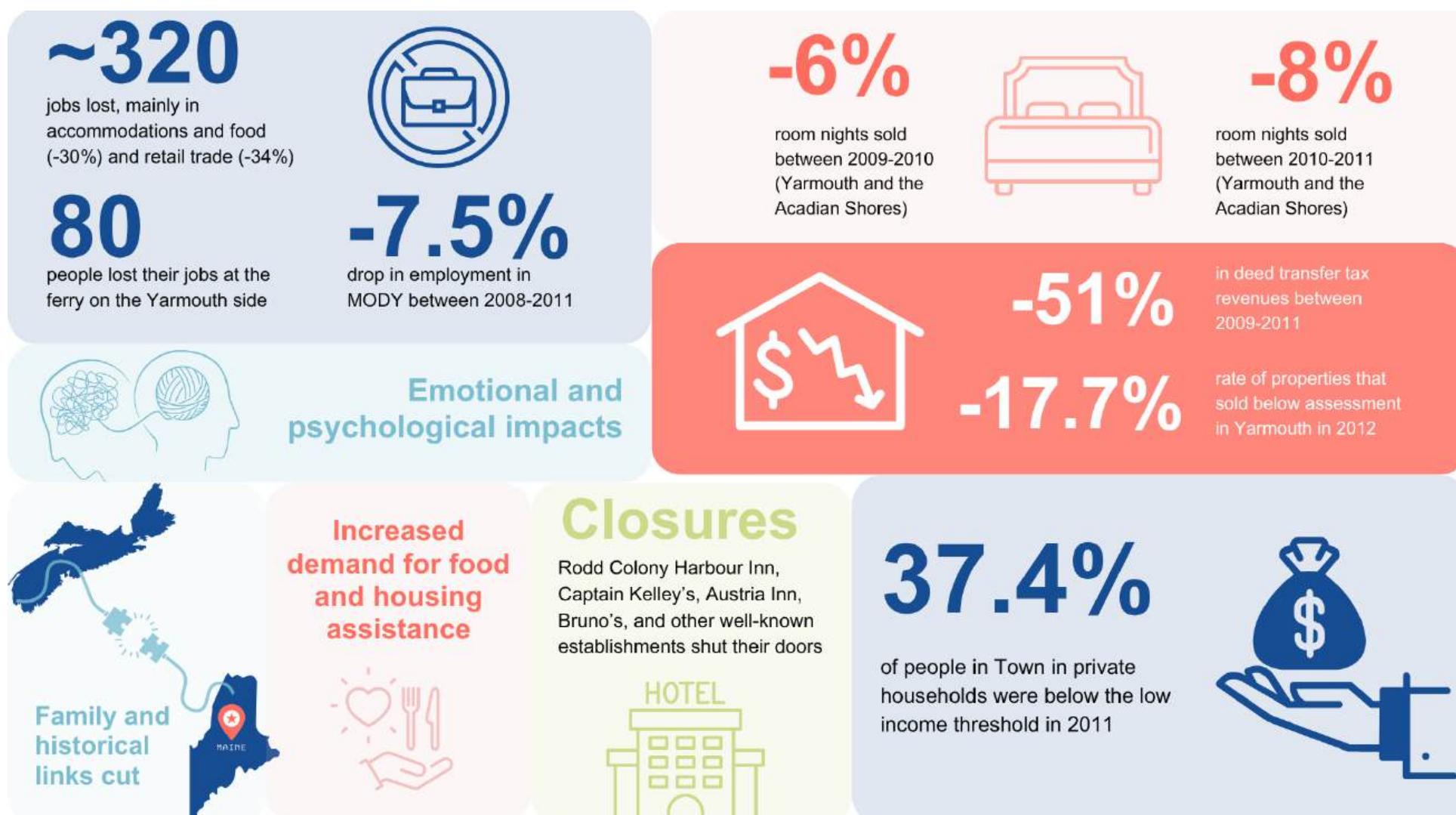
Service was cancelled due to the COVID-19 pandemic

Climate and weather-related incidents resulted in 17 cancellations during the sailing season; these incidents included forest fires, heavy rainfall and flooding, and tropical storms

# Appendix C: Case Study - the 2009 Ferry Closure

## Introduction

In 2009, the Nova Scotia New Democratic Party (NDP) government made the monumental decision to stop providing an annual subsidy to Bay Ferries. This prompted Bay Ferries to cancel its Yarmouth-Maine ferry service. The closure had profound repercussions on South West Nova Scotia – especially Yarmouth. This case study integrates both anecdotal and quantitative insights on the impacts of the closure, examining economic and employment impacts, property values, tourism declines, and socio-cultural disruptions.



## Economic and Employment Impacts

The ferry cancellation directly impacted employment in South West Nova Scotia. Job loss estimates at the time ranged from 120 to over 300. These estimates were mostly for job losses in the service sector, because of already-rising hotel cancellations in December 2009, and the impending decline in retail activity.<sup>17</sup>

The higher estimate of ~300 job losses was first verified by an economic impact study published by the Expert Review Panel on a Yarmouth-US Ferry in 2012.<sup>18</sup> This report argued that a reintroduced Yarmouth-US ferry would generate 355 total jobs in the province, including 63 in the Yarmouth & Acadian Shores region, in addition to a total GDP output of \$12 million province wide.

Concern over losses in the service sector were also corroborated by Statistics Canada data in 2006 and 2011 (i.e., between census years). According to this data, decline was most evident in accommodation and food services, and retail trade.<sup>19</sup>

- Data revealed a 4.5% drop in total experienced labour force in the Town of Yarmouth and a 7.5% decline in the Municipality of Yarmouth (MODY) between 2006 and 2011<sup>20</sup>
- Accommodation and food services in the Town saw a 30% decrease, representing over 90 workers lost
- Retail trade in the Town experienced a 34% decline, with over 200 positions eliminated
- ~80 ferry employees on the Yarmouth side lost their jobs due to the closure (~40 lost their jobs on the US side)<sup>21</sup>

Local political leaders estimated that the job losses were even higher. Zach Churchill, then-MLA for Yarmouth, estimated that an immediate loss of between 325 and 625 jobs in Yarmouth, pointing out that the area lost half of its available accommodations as several hotels and inns, including well-known establishments like the Rodd Colony Harbour Inn, Captain Kelley's, Bruno's, and the Austrian Inn, closed their doors.<sup>22</sup>

Local leaders, including the Town of Yarmouth Mayor and MODY Warden, penned letters to the NDP Premier, detailing the widespread economic distress caused by the cancellation. They speculated that the service

cancellation would result not only in job losses but would also cause broader ripple effects, including reduced revenue for businesses and potential risks to the Canadian Border Services office and the local airport's international status.<sup>23</sup>

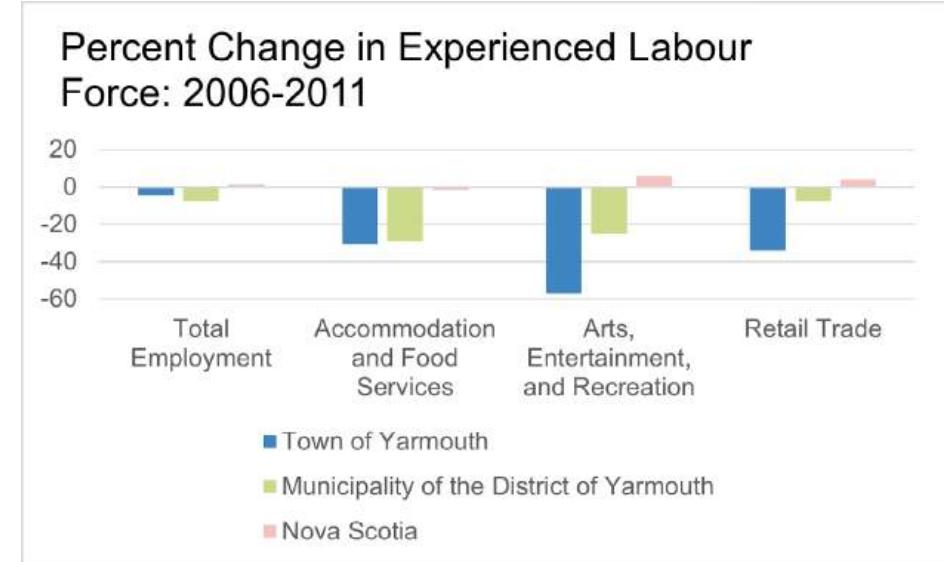


Figure 5. Percent Change in Employment by Industry

## Tourism Decline

The cancellation severed a longstanding transportation link between Nova Scotia and New England. This disruption had immediate and long-term effects on tourism and visitation, illustrated by a drop in room nights sold:

By 2010, the Yarmouth and Acadian Shores region saw the steepest decline in room nights sold across the province. Room sales dropped over 6% from 2009 levels and fell by another 8% the following year. This trend continued into 2013, when the region again saw the steepest drop in sales in the province.<sup>24</sup>

The reduction in accommodations dealt a significant blow to the tourism industry, historically one of the pillars of the region's economy and cultural identity.

Tourism operators emphasized the service's significance in their letters

to the provincial government. Then-Mayor for Yarmouth, Phil Mooney, explained that ferry passengers frequently extended their visits to other destinations across Nova Scotia. On the other hand, the Municipality of Clare raised a cultural tourism consideration, underscoring the ferry's role in sustaining Acadian tourism, which relied on New England visitors to support festivals, cultural attractions, and local businesses.

Additionally, Clare officials highlighted the historical and familial ties between Acadians in Nova Scotia and those in New England. These relationships, they argued, were strengthened by the ease of ferry travel and contributed to the region's unique cultural identity.<sup>25</sup>

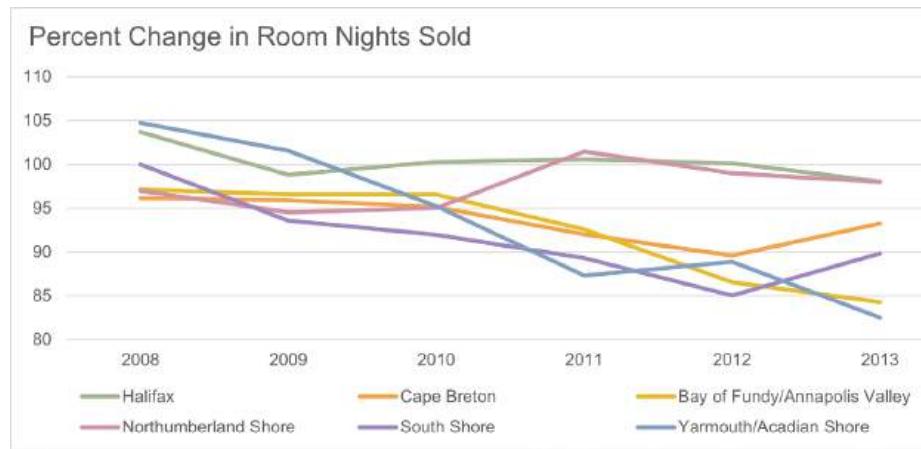


Figure 6. Percent Change in Room Nights Sold. Source: Tourism Nova Scotia

"Though Yarmouth has been the gateway, those visitors whether on bus tours or travelling in personal vehicles have fanned out throughout our province spending time and money in all of our communities. The Cabot Trail, Peggy's Cove, Joggins Fossil Cliffs, Lunenburg, the Annapolis Valley and many other destinations will feel the impact of this decision."

Letter to Premier's Office, Town of Yarmouth Mayor, 2010

## Property Value Impacts

Out-migration and employment and visitation decline also drove down property values. This was emphasized by municipal representatives from Yarmouth County in a presentation to the Expert Review Panel in 2012.<sup>26</sup>

According to their figures, deed transfer tax revenue declined by 51% between 2009 and 2011, after growing every year but one (2008) between 2003 and 2009. This sharp reversal was a strong sign of declining economic activity and devaluation of local properties that was likely catalyzed by the cancellation of the ferry. At the time of the presentation, average sales in Yarmouth County were proceeding at 7.4% below property assessments. In the Town of Yarmouth, averages sales were 17.7% below assessment.

## Social and Cultural Repercussions

Beyond economic and tourism-related consequences, the ferry's cancellation heightened social challenges.

Letters from organizations like the Yarmouth County Protestant Ministerial Institute documented the growing demand for food and housing assistance, as well as increasing strains on families and individuals. The Institute described a demoralizing cycle of hardship, with rising emotional and psychological distress among residents.

An exchange between three commentors on a chat forum about the ferry closure reiterated these sentiments<sup>27</sup>:

Commentor 1. *"Something needs to be done soon; otherwise, Yarmouth will turn into a ghost town."*

Commentor 2. *"Not only Yarmouth, but the South Shore, and Digby way."*

Commentor 3. *"Yes. Morale is low."*

Often, this distress is difficult to quantify, but income levels can be a useful measure. According to census data, in 2006 19.7% of people in private households in the Town of Yarmouth were below the low-income after-tax threshold set by Statistics Canada. In 2011, based on the National Household Survey, that percentage had risen to 37.4% - an increase of 17.7%.<sup>28</sup> In Nova Scotia, this figure rose from 9.6 in 2006 to 17.4% four years later.

The Union of Nova Scotia Municipalities framed the ferry as essential infrastructure, akin to a highway, enabling economic activity, environmental

benefits, and regional connectivity. They also emphasized its role in reducing greenhouse gas emissions, by rerouting traffic from longer stretches of road.

The subsidy termination also gave rise to tensions between municipalities and the province, sparking debate in the Nova Scotia Legislature.<sup>29</sup> Opposition MLAs criticized the province's decision, citing its significant economic and social impacts. Liberal MLA for Yarmouth, Zach Churchill argued that a modest \$3 million investment could have maintained the service for another year, allowing time to develop a sustainable business model.

Churchill also highlighted the \$6 million termination fee paid to Bay Ferries, suggesting that preserving the service might have been more cost-effective in the long term. He attributed declining tourism numbers from the U.S. between 2009 and 2012 in part to the ferry's absence, which disrupted access to one of Nova Scotia's key visitor markets.

On the other side of the debate, NDP MLA for Lunenburg West (and Ministerial Assistant for the Department of Health at the time), Gary Ramey, defended the government's decision. Ramey emphasized declining ridership and escalating costs as fueling the decision to stop the subsidy. He also cited external factors, such as post-9/11 passport requirements, rising fuel prices, and currency parity, as contributors to reduced demand for the service. Ramey emphasized that the government had initiated consultations and issued a request for proposals (RFP) to explore alternative ferry models, describing the cancellation as a more sustainable approach than continuing to subsidize an unviable operation.

“Historically, Nova Scotians have used our waterways to develop and support commerce and to stay connected. More recently, we have recognized the important role the waterways play in helping us reduce our greenhouse gas emissions. Nova Scotia’s transportation links are not just our 100 series highways...”

Letter to Premier’s Office, Union of Nova Scotia Municipalities, 2010

## Conclusion

The 2009 ferry cancellation serves as a case study of the far-reaching impacts of discontinuing regional infrastructure. While the government explained that the decision was a fiscal necessity, its impacts were felt across South West Nova Scotia, reshaping the region's economy, tourism industry, and social fabric. The ferry's absence underscored its role as a critical connector linking communities, sustaining livelihoods, and preserving cultural ties between New England and South West Nova Scotia.

# Appendix D: Cost Comparisons Across Ferry Operations Generally

A key finding arising from the research undertaken during this study confirms that virtually all ferries are subsidized – in Canada and globally. Ferry operators with multiple routes may have some profitable routes, but these often cross-subsidize other unprofitable routes.

The analysis undertaken during this study, including a benchmarking exercise considered international, domestic and Atlantic Region comparators key highlights of which are summarized below.

## Cost per KM

The following table provides a 2024 passenger price of a short international crossing (< 150 km) during the peak season, based on the cost for a return trip for one car and two passengers (selected for travel between June 29 to July 6).

Table 7: Price 2024: Return price for a car & 2 pax June 29 to July 6

Route	Distance (KM)	Price 2024: Return price for a car & 2 pax June 29 to July 6	Price USD	Price Per KM Euro	Price Per KM USD
Bar Harbor - Yarmouth NS	192	€ 792.88	\$858.00	€ 2.06	\$2.23
Helsingør-Helsingborg	5	€ 54.00	\$58.44	€ 5.40	\$5.84
Puttgarden-Rodby	19	€ 207.00	\$224.02	€ 5.45	\$5.90
Calais-Dover	40	€ 170.00	\$183.97	€ 2.13	\$2.30
Hirtshals-Kristiansand	131	€ 391.00	\$423.14	€ 1.49	\$1.62
Duinkerken-Dover	61	€ 202.00	\$218.60	€ 1.66	\$1.79
Holyhead-Dublin	104	€ 512.00	\$554.09	€ 2.46	\$2.66
Fishguard-Rosslare	98	€ 532.00	\$575.73	€ 2.71	\$2.94
Cairnryan-Larne	51	€ 386.85	\$418.65	€ 3.79	\$4.10
Totals and average price	64	€ 306.86	\$332.08	€ 3.14	\$3.39

As shown, the YMF costs passengers an average of U.S. \$2.23 which compares relatively well to other routes considered (average was U.S. \$3.39 per km).

## Ferry Services – Canadian Comparison<sup>30</sup>

The following comparison to Canadian ferry operations provides some context for the YMF.

**BC Ferries:** BC Ferries, an independently managed, publicly owned company, is the largest passenger ferry system in North America. It provides passenger and vehicle ferry services for coastal and island communities in British Columbia. The operations are under a long-term agreement with the Province of BC to provide ferry services on specified routes, with renegotiation every four years. BC Ferries receives ferry service fees and federal-provincial subsidies, with annual payments increasing with the Vancouver Consumer Price Index.

The following provides a summary of operations for Fiscal 2023:

- Passengers: 21.5 million
- Subsidy: \$33,344,000 (federal-provincial)
- Gross Revenue: \$1,042,840,000
- Public Fare Revenue: \$684,388,000
- Management Fee: \$213,317,000 (provincial)
- Safe Restart Funding: \$8,000,000

**Marine Atlantic:** This is a Federal Crown Corporation connecting Newfoundland and Labrador with mainland Canada and reports annually to the Government of Canada through the Minister of Transport. The service operates two routes: year-round service between Port aux Basques and North Sydney, and a seasonal service between Argentia and North Sydney, using a fleet of four ice-class ferries. The following provides a summary for Fiscal Year 2022/23:

- Passengers: 360,388
- Subsidy: \$130,200,000 (federal)
- Gross Revenue: \$132,319,000
- Public Fare Revenue: \$109,597,000

- Cost Recovery: 59.9%

**Ferry Services Contribution Program:** This provides federal government funding for private operators supporting three inter-provincial ferry services in Eastern Canada, including Saint John, NB / Digby, NS; Wood Islands, PEI / Caribou, NS; îles-de-la-Madeleine, QC / Souris, PEI. The Subsidies and Management expenses include:

- Bay Ferries (Digby/Saint John):
  - Subsidy: \$14,317,658 (2022/23)
  - Vessels and terminals owned by the federal government
- Northumberland Ferries (Caribou/Wood Islands):
  - Subsidy: \$22,126,650 (2022/23)
  - Vessels and terminals owned by the federal government
- CTMA Traversier Ltée (îles de la Madeleine/Souris):
  - Subsidy: \$18,420,091 (2022/23)
  - Vessels and terminals owned by the federal government

Public fare revenue, gross revenue, and management fees for these routes are unspecified. Transport Canada is responsible for capital investments in vessels and terminals.

By way of comparison to those identified under the Ferry Services Contribution Program, the estimated 2024 / 25 subsidy for the YMF is on the order of \$21 million.

The conclusion is that the level of operational support provided by the Government of Nova Scotia for the YMF is neither disproportionately higher or lower than both international and regional analogues. Objectively, early analysis of the normalized cost of the service confirms that the YMF is not more expensive than other ferries for either the government (its within the high-low range of those under the Ferry Services Contribution Program) or the passenger.

## Endnotes

1 [Campaign launched to restart Yarmouth ferry | CBC News](#)

2 [Bar Harbor advances \\$40M phased proposal for ferry terminal redevelopment | Mainebiz.biz](#)

3 [Netnography: Definition, Uses, Steps, Examples](#)

4 Quantitative data are based on 290 public posts/articles scraped without account credentials; private-platform content (e.g., Facebook comments) is excluded

5 Economic impact of the global ferry industry

6 [Passenger Ferries Market Size & Trends | Growth Report \[2032\]](#)

7 [2023 IMO Strategy on Reduction of GHG Emissions from Ships](#)

8 <https://maritime-executive.com/article/world-s-largest-shipboard-battery-will-power-ferry-on-rio-de-la-plata>

9 [Tugboat powered by ammonia sails for the first time, showing how to cut emissions from shipping | AP News](#)

10 [Why Ferry Travel is Eco-friendly | Ferryhopper](#)

11 The Bay Ferries Passenger Study has a robust sample size of close to 3,900 travel parties, which is much larger than the sample size of 140 travel parties that used the ferry who completed the Visitor Exit Survey.

12 Elsewhere in this report we have also noted the context for the 2023 season – recovery coming out of the pandemic, fires, flood, storms, etc. and the potential impact uncertainty over service continuity may have played in marketing the service. In regard to this latter point, as mentioned elsewhere in this report, travel planners typically book their travel requirements several years in advance..

13 While NS resident spending associated with ferry travel is real, its inclusion poses challenges from an attribution and substitution standpoint. For this reason, and consistent with economic impact best practices, this study focuses on non-resident spending, that is, new money entering the provincial economy as a result of the ferry service

14 This gross spending value is not adjusted for 2-way traffic, ferry motivation, or overnight stays in Nova Scotia.

15 Ticket sales are already reflected in gross visitor spending figures (which capture what passengers spend on their entire trip), and their inclusion in both revenue and expenditure streams would artificially inflate impact estimates.

16 Estimated HST only pertains to the direct impacts because it is calculated based on spending by tourists on final goods and services in Nova Scotia. This is the value-added portion of those purchases. This direct spending represents the immediate economic activity tied to visitors (e.g., hotels, meals, retail, attractions), and the associated HST is collected at the point of sale.

17 “Ferry-Less Town Braces for Job Cuts,” CBC News, December 22, 2009, <https://www.cbc.ca/news/canada/nova-scotia/ferry-less-town-braces-for-job-cuts-1.807890>; “Yarmouth ferry could be saved: NS Premier open to short-term cash to keep Yarmouth NS ferry running,” The Times Transcript, December 24, 2009; “Ferry service between NS and Maine scuttled,” Telegraph Journal, December 19, 2009.

18 Expert Panel on a Yarmouth-US Ferry. Re-Establishing a Yarmouth-US Ferry? An Analysis of the Issues. August 2012. Accessed at [https://novascotia.ca/tran/yarmouthferry/Yarmouth-US%20Ferry\\_Panel\\_Report-FINAL.pdf](https://novascotia.ca/tran/yarmouthferry/Yarmouth-US%20Ferry_Panel_Report-FINAL.pdf)

19 Statistics Canada, 2006 Census of Population, Statistics Canada Catalogue no. 94-579-XCB2006001; Statistics Canada. 2013. National Household Survey (NHS) Profile. 2011 National Household Survey. Statistics Canada Catalogue no. 99-004-XWE. Experienced labour force” refers to persons who were employed during the census reference period and who were unemployed but who had last worked for pay or in self-employment after January 1 of the previous year (i.e., in this case, 2005 and 2010).

20 These percentage changes refer to the entire period between 2006-2011, not percentage change by each year.

21 “Ferry-Less Town Braces for Job Cuts,” CBC News, December 22, 2009, <https://www.cbc.ca/news/canada/nova-scotia/ferry-less-town-braces-for-job-cuts-1.807890>.

22 Nova Scotia House of Assembly, Debates and Proceedings, 4th Session, November 28, 2012, Hansard 12-58 (Halifax: Queen’s Printer, 2012), available at <http://nslegislature.ca/index.php/proceedings/hansard/>

23 Letters shared by Yarmouth and Acadian Shores Tourism Association with the 21FSP research team. Though local leaders expressed concern about the airport and CBSA, the airport ultimately kept its international status and the CBSA office remained operational.

24 In 2008, Yarmouth and Acadian Shores recorded the province’s highest growth in room nights sold, increasing by nearly 5% year-over-year, before the ferry service cancellation.

25 “Yarmouth’s Rodd Inn to Close,” CBC News, January 17, 2011, <https://www.cbc.ca/news/canada/nova-scotia/yarmouth-s-rodd-inn-to-close-1.1036885>.

26 Municipal Presentation to Expert Review Panel, “Nova Scotia – USA Ferry Service.” 2012. Internal document.

27 “U.S. Firm Eyes Yarmouth Ferry This Summer,” Reddit Post, R/NovaScotia, February 15, 2013, [www.reddit.com/r/NovaScotia/comments/18l6c5/us\\_firm\\_eyes\\_yarmouth\\_](http://www.reddit.com/r/NovaScotia/comments/18l6c5/us_firm_eyes_yarmouth_)

ferry\_this\_summer/. While these contributors' perspectives are not quantifiable metrics of a depressed economy, they shed light on some prevailing views immediately following the ferry cancellation in 2009, and add some contextual nuance to understanding the social and economic sentiments of the time.

28 Statistics Canada. 2013. Yarmouth, T, Nova Scotia (Code 1202006) (table). National Household Survey (NHS) Profile. 2011 National Household Survey. Statistics Canada Catalogue no. 99-004-XWE; Statistics Canada. 2007. Yarmouth, Nova Scotia (Code1202006) (table). 2006 Community Profiles. 2006 Census. Statistics Canada Catalogue no. 92-591-XWE.

29 Nova Scotia House of Assembly, Debates and Proceedings, 4th Session, November 28, 2012, Hansard 12-58 (Halifax: Queen's Printer, 2012), available at <http://nslegislature.ca/index.php/proceedings/hansard/>

30 Sources: BC Ferries: [BC Ferries Report](#); Marine Atlantic: [Marine Atlantic Annual Report 2022-2023](#); Ferry Services Contribution Program: Public Accounts 2023

