



MEMORANDUM

Economic Impact Assessment

Prepared for:

HOPA Ports

Prepared by:



CPCS Ref: 26258

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About the study

The objective is to evaluate the impacts of HOPA's Trade Diversification Corridor Fund application for the Port of Sault Ste. Marie Trade Corridor Project through:

- i) preparation of an Economic Impact Assessment memo and
- ii) review of the assumptions, forecasts, and methodology underpinning key aspects of HOPA's business plan for the project.

About HOPA Ports

HOPA Ports is a federal regulated port authority managing the Ports of Hamilton, Oshawa, and is developing port lands in Thorold, ON.

<https://www.hopaports.ca/>

About the Port of Sault Ste. Marie Trade Corridor Project

The Port of Sault Ste. Marie Trade Corridor Project is a multimodal port and logistics initiative that will expand marine, rail, and industrial capacity, strengthening trade diversification, supply chain resilience, and economic growth across Northern Ontario and what the TDCF identifies as Canada's Central Trade Corridor.

About CPCS

CPCS is a Canadian-headquartered global consulting firm specializing in transportation and infrastructure. CPCS advises public- and private sector clients in the areas of transportation strategy, economics and policy with a mission to deliver fact-based, data-driven analysis to deliver better infrastructure solutions.

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Opinions and limitations

Unless otherwise indicated, the opinions herein are those of the authors and do not necessarily reflect the views of HOPA Ports or other parties. CPCS makes efforts to validate data obtained from third parties, but CPCS cannot warrant the accuracy of third-party data.

Contact

Questions or comments on this report can be directed to:

Nicholas Roberts
Project Director
nroberts@cpcs.ca

Alistair Bell
Project Manager
abell@cpcs.ca

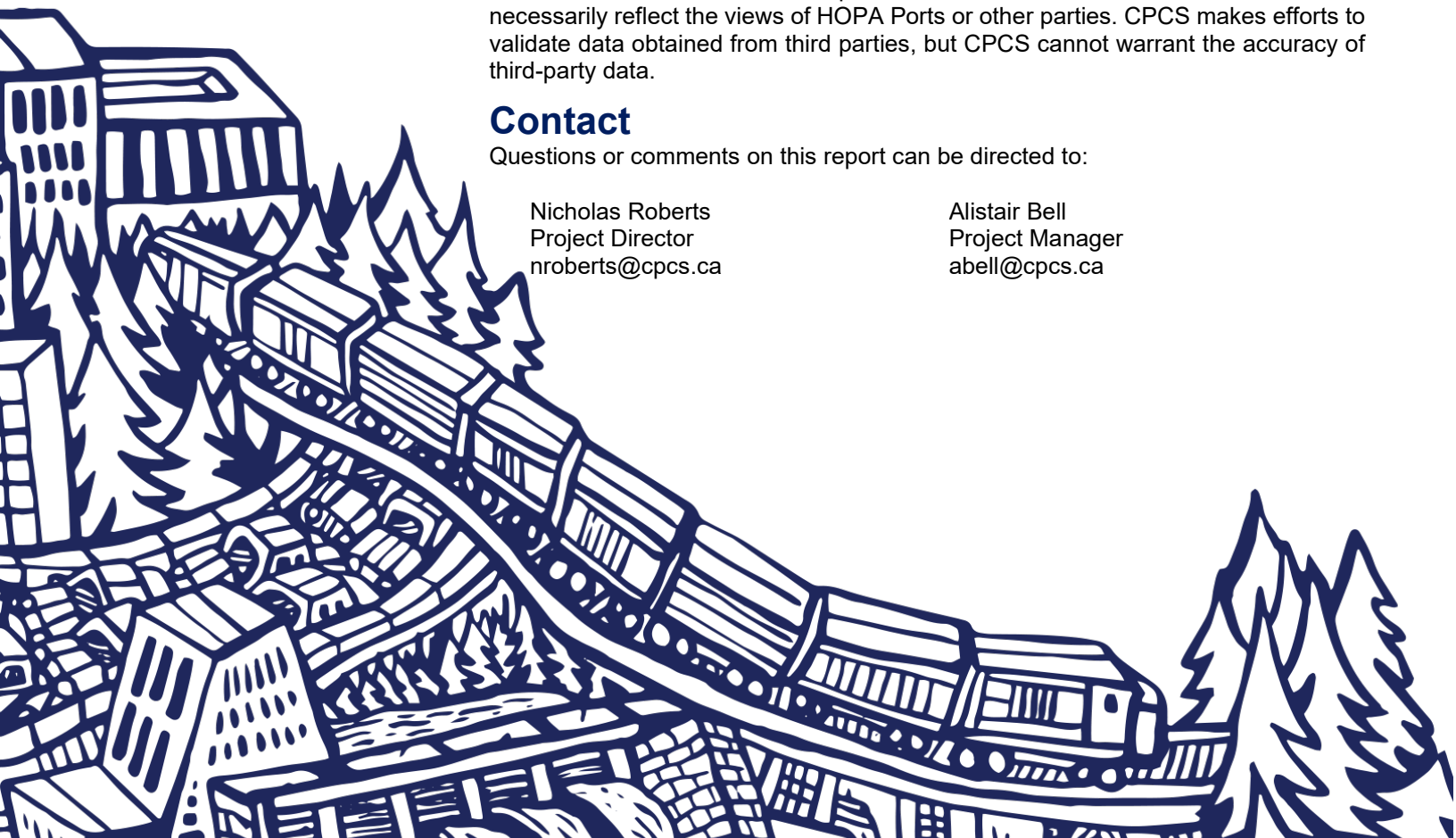


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Acronyms / Abbreviations

CAD	Canadian dollars
CTC	Central Trade Corridor
EIA	Economic impact assessment
FTE	Full-time equivalent
GDP	Gross domestic product
HOPA	Hamilton-Oshawa Port Authority
I-O	Input-Output
NAICS	North American Industry Classification System
TDCF	Trade Diversification Corridor Fund

1 Economic assessment methodology

1.1 Economic impact assessment methodology

1.1.1 Methodology

Economic impact assessments (EIAs) are structured techniques for estimating how a “stimulus input”, such as spending on goods and services, generates ripple effects throughout the economy. There are several approaches to conducting this analysis and measuring direct and indirect impacts of spending. The approach used for this study estimates economic impacts using an Input-Output (I-O) model, which translates a stimulus input by industry, as defined by North American Industry Classification System [NAICS] codes, into estimated gross domestic product (GDP) and employment impacts. Additional details on how this approach was used to assess the impacts of the Project across construction and operations are below.

Operational phase methodology

Operational economic impacts were estimated using a bottom-up approach based on direct engagement with prospective port users and other businesses expected to benefit from the Project. HOPA interviewed private sector stakeholders across industries to develop employment forecasts based on the anticipated growth plans of businesses expected to utilize the port and trade corridor infrastructure, providing a market-informed assessment of future employment impacts.

Recognizing that not all forecast growth will be realized within the assessment period, a confidence adjustment was applied to each employment estimate based on the maturity and operational status of the underlying business activity. Higher confidence levels were assigned to existing firms with demonstrated growth plans, while lower confidence levels were applied to proposed developments that remain in earlier stages of planning. The adjustment also accounts for the possibility that some investments and associated employment growth may materialize beyond the 2031 assessment horizon.

Direct employment impacts were mapped to their corresponding NAICS industries. Statistics Canada GDP-per-job ratios were then applied to estimate direct GDP impacts by economic sector. The resulting direct jobs and GDP impacts are all in and around the Sault Ste. Marie region, which lies within the Central Trade Corridor (CTC) as defined in the Trade Diversification Corridor Fund (TDCF) applicant guide. Lastly, sector specific Statistics Canada I-O multipliers were used to determine indirect job and GDP impacts in Ontario and the rest of Canada. The adjusted survey results for direct jobs that serve as the basis for the operational phase EIA are displayed in Figure 11 and discussed in **Section 4.2**.

Construction impact methodology

The starting point for quantifying the economic impact of the construction of a project is to understand how it contributes to the economy through expenditures. CPCS obtained spending data from HOPA for the construction of the Project, the core set of inputs used to initiate the I-O model. These values define the scale and structure of economic activity being modelled and form the basis for tracing how spending in the sector flows through the broader economy.

The use of Statistics Canada’s I-O modelling (and associated multipliers) is the industry-standard for conducting EIAs in Canada. I-O multipliers translate a change in output into an economic impact, using the structure of inter-industry transactions. For this study, CPCS engaged Statistics Canada

to build a custom input function for the construction spending profile of the Port of Sault Ste. Marie Trade Corridor Project ("the Project"), which was used to generate tailored I-O multipliers.

1.1.2 Definitions

Economic Sector Definitions

The EIA frames each analysis (operations and construction) around the largest economic sectors that this investment impacts. Sectors of focus are economic sectors were selected based on the Project's primary cargo streams, industrial users, and growth opportunities identified within the CTC, and are broadly aligned with Statistics Canada and NAICS industry classifications used for the EIA. The following table defines each of these economic sectors.

Economic Sector	Description
Transportation & logistics	Includes marine transportation, rail, trucking, warehousing, cargo handling, and logistics activities. This sector represents the core transportation and trade-enabling functions supported by the Project.
Manufacturing	Includes iron and steel production, pipe and tube manufacturing, fabricated metal products, metal processing activities, and cement and cement product manufacturing. For operations, it reflects the importance of Algoma Steel, Tenaris, and related manufacturing supply chains; for development of the Project, it reflects key inputs needed for construction.
Utilities & energy	Includes electric power generation, transmission, distribution, and energy-related industrial activities. Captures energy infrastructure and industrial power requirements that support trade corridor growth.
Mining & critical minerals	Includes mineral extraction and quarrying, and mining support activities. Reflects the strategic importance of Northern Ontario's mining and critical minerals sector within the CTC.
Construction materials & aggregates	Includes aggregates, salt, slag reuse, concrete, cement, and other construction material activities. Represents bulk commodity movements expected to benefit from improved multimodal transportation access.
Forestry & wood products	Includes forestry, lumber, engineered wood products, medium-density fiberboard, oriented strand board, pulp, and paper manufacturing. Represents a key export-oriented sector identified for trade diversification and market expansion.
Professional, scientific and technical services	Includes environmental consulting, architectural design, engineering research and design, and management consulting. Represents a key component for Project development and construction.
Wholesale trade	Involves the sale of large volumes of goods in bulk from manufacturers or producers. Includes the purchase of machinery, equipment, building materials and other supplies for Project construction.
Finance, insurance, real estate, rental and leasing and holding companies	Combined economic sector related to the management of money, property and financial assets. In the context of the Project, is comprised primarily of the renting or leasing of construction equipment or vehicles, real estate services and Project financing.
Administrative and support	Broad business support functions and operational services. Represents employment services, security and site services, and waste hauling and disposal for Project construction.
Other sectors	All other sectors (recycling, agriculture and agri-food, education and workforce development, retail trade, government services, accommodation and food services, etc.)

Impact definitions

Direct employment: Jobs supported by economic activity that is directly enabled by the Project. For the operating phase, these are positions in industries that depend on the movement of goods through the port and trade corridor and would not exist without the investment and the resulting increases in trade, cargo throughput, and industrial, mining, and logistics activity. For construction, direct employment reflects the jobs supported by project spending within the industries directly engaged in delivering construction activities, including engineering works, equipment supply, and on-site labour.

Indirect employment impact: Jobs supported through the supply chain because of purchases of goods and services by businesses whose activities are directly enabled by the Project. During operations, these jobs are generated by business-to-business spending and would not exist without the investment and the resulting increase in trade, cargo throughput, and industrial activity. For project construction, indirect employment reflects jobs generated across the supply chain from purchases made by industries directly involved in construction.

Direct GDP: Value added generated by industries directly engaged in delivering (operating or constructing) the Project, capturing labour income, business profits, and taxes less subsidies associated with project-related activities.

Indirect GDP: Value added generated in the supply chain from purchases made by directly affected industries during construction or operations.

Assumptions and limitations

The economic impact assessment makes the following assumptions.

- The data provided from HOPA, along with associated assumptions, have not been independently verified or audited. All impacts have been modelled using 2026 expenditures in Canadian dollars (CAD).
- I-O analysis does not determine whether resources used are employed in the most productive way, nor whether allocating them to this industry yields greater economic growth than alternative uses. It also does not assess whether these inputs would have been deployed elsewhere in the economy if not used in the industry at the time of analysis. Instead, I-O modelling estimates direct and indirect impacts based on historical inter-industry relationships. This approach does not account for structural changes in the economy since Statistics Canada's most recent multiplier estimates (2022), or for potential future shifts.
- Statistics Canada's model uses commodity-level interprovincial trade flow data and international import data from the supply and use tables. These data reflect historical average production and sourcing relationships across industries. Results therefore reflect economy-wide impacts based on historical production structures, rather than project-specific procurement decisions.
- Employment impacts for construction are presented on an aggregate basis, as the timing of spending has not yet been specified.

Considering these limitations, the results of this EIA should be interpreted as an order of magnitude estimate. Results are rounded to an appropriate level of precision for reporting purposes.

2 Summary of economic impacts

Overall, the Project is estimated to generate \$187 million in GDP during the 2027 to 2031 construction phase and \$933 million in GDP annually during ongoing operations after 2031. Sections 3.1 and 4.1 go into further detail to discuss how, and where these economic impacts are generated, including by geography (e.g., within Ontario and the Central Trade Corridor or out of province) as well as in which economic sectors.

Figure 1: Project contributions to GDP during construction and operations

GDP (\$ in millions)	Construction (total)			Operations (annual)		
	Within Ontario	Outside of Ontario	Total	Within Ontario	Outside of Ontario	Total
Direct	\$ 82	N/A	\$ 82	\$ 544	N/A	\$ 544
Indirect	\$ 78	\$ 27	\$ 105	\$ 293	\$ 96	\$ 389
Total:	\$ 160	\$ 27	\$ 187	\$ 837	\$ 96	\$ 933

The Project would support an estimated **1,270 jobs during its construction phase**, of which 700 would be direct jobs and another 570 would be supported as indirect jobs. Furthermore, there could be up to **4,750 jobs sustained annually once operational**. Sections 3.2 and 4.2 explain this job creation in greater detail and provide a breakdown by geography and economic sector.

Figure 2: Project contributions to employment during construction and operations

Employment (jobs)	Construction (total)			Operations (annual)		
	Within Ontario	Outside of Ontario	Total	Within Ontario	Outside of Ontario	Total
Direct	700	N/A	700	2,150	N/A	2,150
Indirect	460	110	570	2,120	480	2,600
Total:	1,160	110	1,270	4,270	480	4,750

3 Operational phase economic impacts

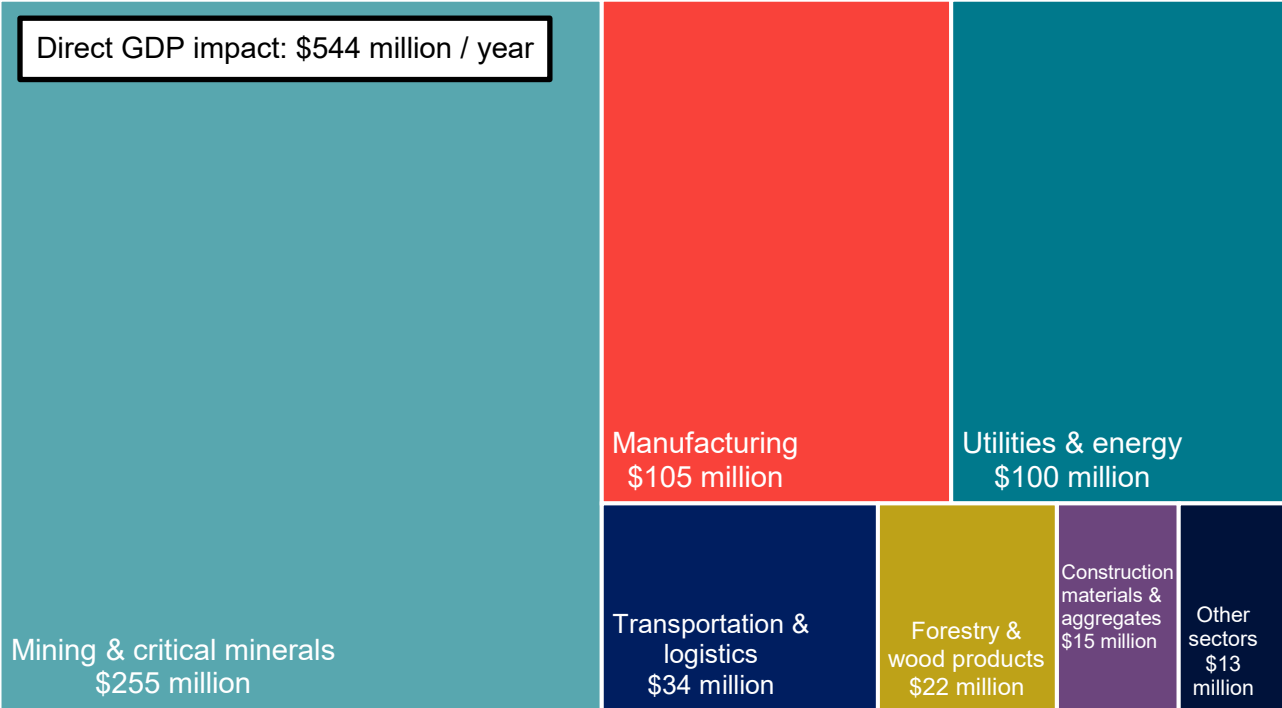
3.1 Operational GDP impacts

The following provides the Project’s quantifiable contribution to GDP during operations disaggregated by region and economic sector.

3.1.1 Direct GDP impact from operations

The Project is expected to facilitate \$544 million in annual direct GDP impacts during operations across a diverse range of economic sectors. These impacts represent economic activity that is directly enabled by the movement of cargo through the port and the associated industrial, logistics, and processing activities that rely on the port’s infrastructure. The Project is intended to unlock growth in sectors that are currently constrained by transportation capacity, connectivity, and access to efficient marine transportation in the CTC.

Figure 3: Direct GDP impact during operations by economic sector



As shown in Figure 9, the largest share of direct GDP impacts in mining & critical minerals, contributing ~\$255 million annually. This reflects the port’s strategic location within the CTC and its ability to serve existing and emerging mining developments across Northern Ontario, including in the Ring of Fire. Improved access to marine and rail infrastructure is expected to support the movement of mineral concentrates, aggregates and equipment while reducing reliance on the more costly and carbon intensive long-haul trucking. The port’s role as a multimodal gateway will improve access to domestic and international markets for mining projects that would otherwise face transportation constraints. There are currently 12 active and emerging mining projects within 150 km of Sault Ste. Marie, focused primarily on copper, nickel, and gold.

The Project is expected to generate substantial impacts in manufacturing (specifically related to steel) and utilities & energy. These impacts are tied to the continued growth of industrial users like Tenaris that depend on efficient bulk transportation and access to industrial lands. The port will support inbound raw materials, outbound finished steel products, slag recycling, and future value-added manufacturing opportunities, while also providing access to high-capacity energy infrastructure that supports industrial expansion. The business plan identifies steelmaking, steel processing, and energy-related manufacturing as key growth sectors for the corridor that would benefit from the port investment.

Additional direct GDP impacts are generated through transportation & logistics, forestry & wood products, and construction materials & aggregates. These sectors benefit from improved multimodal connectivity, expanded cargo handling capacity, and enhanced market access. The forestry sector would benefit from improved port access, supporting more competitive and resilient exports of both primary and value-added wood products (e.g., furniture).

The remaining \$14 million is associated with a collection of strategically important sectors, including marine and industrial recycling activities, agriculture and agri-food production, and post-secondary education. Growth in the education sector is tied to expanded workforce development and training opportunities in high-demand skilled trades, including welding, machining, and marine maintenance. This supports the long-term growth of the port, manufacturing, and resource sectors and aligns with federal training initiatives such as the [Team Canada Strong](#) program.

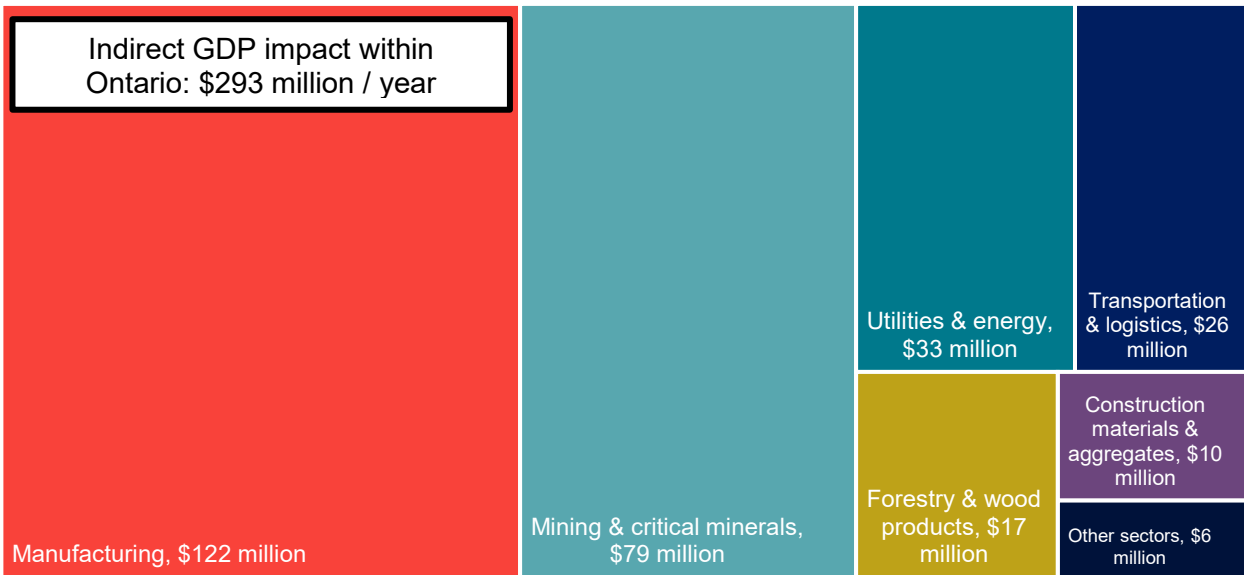
The sectoral distribution of direct GDP impacts demonstrates the diversity of the Project's benefits extending across the regional supply chain. This investment is trade-enabling, supporting growth across multiple industries, particularly the resource extraction, manufacturing, and logistics sectors that underpin economic activity across the CTC. By enabling growth in critical minerals, manufacturing, forestry, and other trade-oriented industries, the Project supports trade diversification and strengthens regional economic development and supply chain resilience.

3.1.2 Indirect GDP impact from operations

The Project is expected to generate indirect GDP impacts through increased demand for goods and services supplied by businesses throughout Ontario and outside of the province. These impacts represent economic activity occurring within the supply chains of industries that directly benefit from the expanded trade, transportation, and industrial activity enabled by the Project.

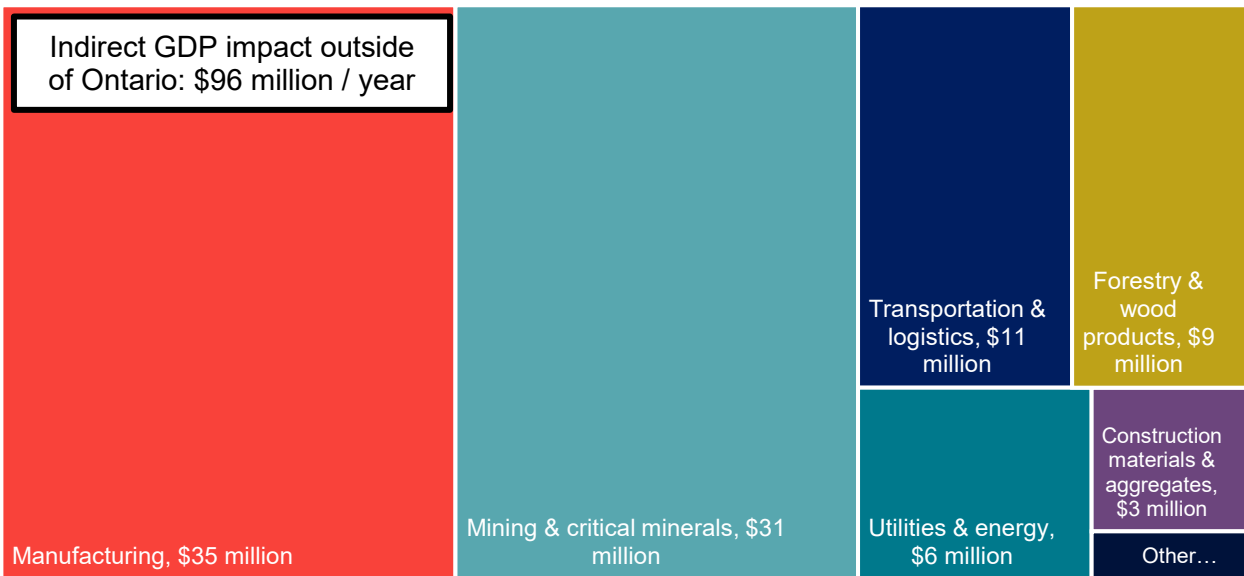
Within Ontario, the Project is expected to generate \$293 million in annual indirect GDP impacts. The largest share of these benefits accrues to the manufacturing sector, reflecting the central role of steel production, processing, fabrication, and related supply chains in supporting growth at the port. A further \$79 million annually is generated within the mining & critical minerals sector, driven by increased movement of mineral products and expanded activity throughout the CTC's resource economy. These two sectors account for 70% of indirect provincial GDP impacts.

Figure 4: Indirect GDP impact within Ontario during operations by economic sector



Additional indirect impacts are generated across several supporting industries. The utilities & energy sector contributes ~\$33 million annually, reflecting increased demand for electricity, fuel, and industrial energy services. Transportation & logistics activities generate ~\$26 million annually, while forestry & wood products contribute ~\$17 million annually, benefiting from improved market access and transportation connectivity.

Figure 5: Indirect GDP impact outside of Ontario during operations by economic sector



The Project is expected to support an additional \$96 million in annual indirect GDP impacts across the rest of Canada. The largest impacts occur within manufacturing and mining & critical minerals, demonstrating the Project's role in strengthening national supply chains for resource and industrial commodities.

3.2 Operational employment impacts

The following section presents the Project's estimated operational employment impacts, disaggregated by geographic region and economic sector.

3.2.1 Direct job impacts

The Port of Sault Ste. Marie Trade Corridor Project is expected to support approximately 2,150 new direct jobs during operations. These are incremental jobs that would not exist without the Project and are associated with economic activity enabled by the port's expanded capacity and increased cargo volumes. The jobs are expected to be concentrated in industries that rely on the movement of goods through the port and broader trade corridor, including marine transportation, cargo handling, logistics, industrial operations, resource extraction, manufacturing, and other supporting activities directly dependent on the Project.

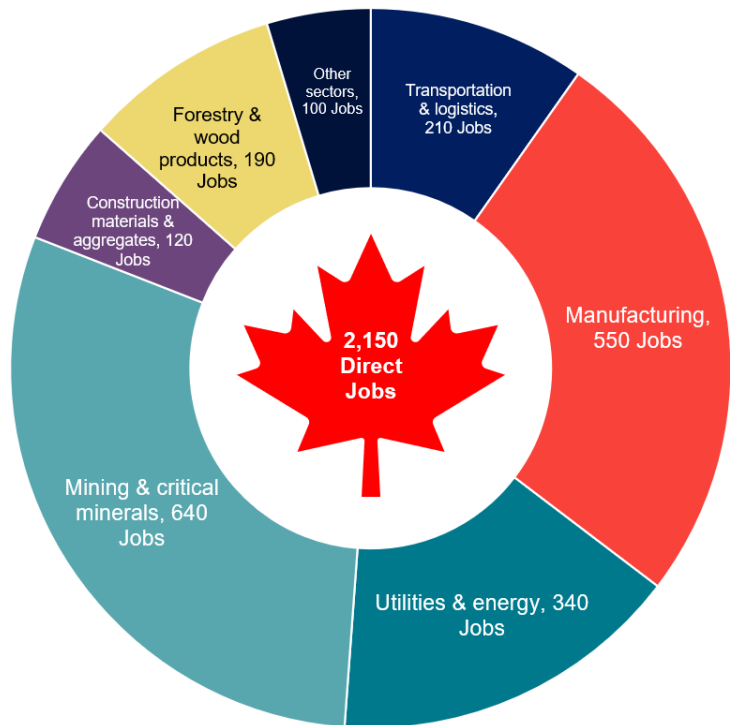
Mining & critical minerals accounts for the largest share of direct employment, supporting about 640 jobs. These positions are associated with mining operations, mineral processing, equipment handling, and related activities serving active and emerging mining developments throughout Northern Ontario and the CTC. The sector's large employment contribution reflects the labour-intensive nature of resource extraction and the growing importance of critical minerals to Canada's industrial and trade strategy.

The Project is also expected to support substantial employment in manufacturing and utilities & energy. These jobs include positions in steel production, fabrication, industrial services, energy infrastructure, maintenance, and related skilled trades. Together, these sectors account for more than 40% of direct employment and reflect the Project's role in supporting the continued growth of the region's industrial base.

Additional direct employment is generated in forestry & wood products, transportation & logistics, and construction materials & aggregates. These sectors include a mix of operational, technical, and skilled-trade occupations supporting cargo movement, value-added processing, warehousing, equipment operation, and transportation services. Many of these positions are expected to be concentrated within the Sault Ste. Marie area while supporting economic activity across the broader CTC.

The direct employment impacts demonstrate that the Project's benefits extend beyond port operations. The investment supports a range of jobs across resource, manufacturing, logistics, and service sectors, creating employment opportunities throughout Northern Ontario while strengthening the workforce needed to support long-term trade growth in the CTC.

Figure 6: Direct Job Impacts during operations by economic sector



3.2.2 Indirect job impact

The Project is expected to support a total of 2,600 indirect jobs across Canada through supply chain expenditures associated with port-enabled economic activity. The largest indirect employment impacts are in Ontario, reflecting the strong economic linkages to the Ontario portion of the CTC (Figure 7). A significant share of these impacts is associated with upstream suppliers supporting mining, manufacturing, and industrial activity, as well as businesses providing energy, transportation, professional services, equipment, and materials required to sustain increased trade flows because of the expanded port operations.

Figure 7: Indirect jobs during operations by economic sector, in Ontario

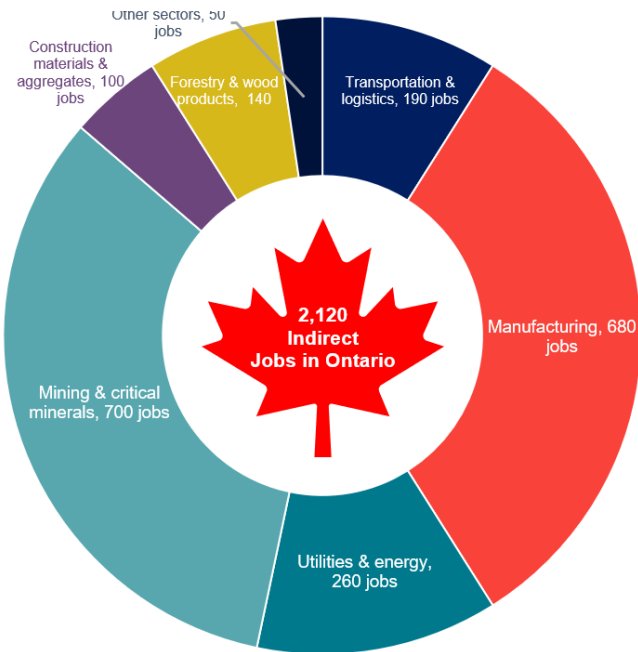
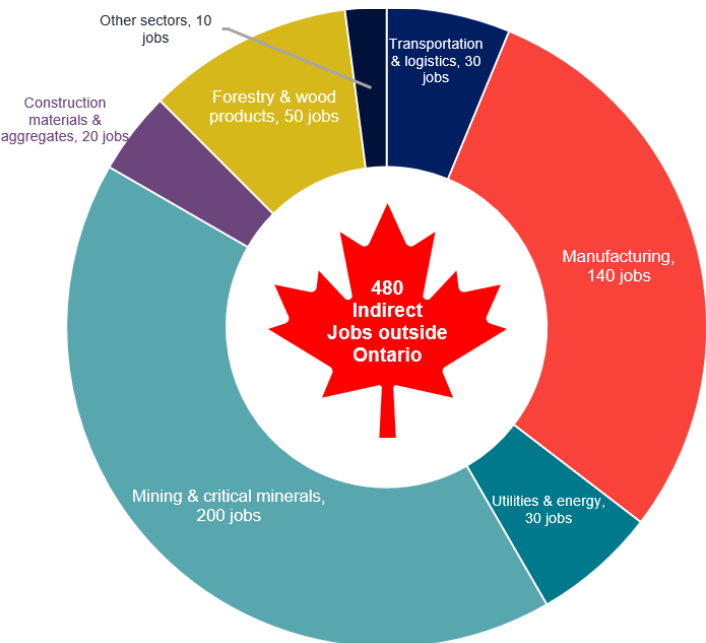


Figure 8: Indirect jobs during operations by economic sector, outside of Ontario



Additional indirect employment is generated across the rest of Canada (Figure 8) as firms outside Ontario participate in national supply chains connected to the movement, processing, and distribution of goods through the corridor. These impacts demonstrate how increased economic activity at the Port of Sault Ste. Marie creates demand for suppliers and service providers located beyond the CTC.

4 Construction economic impacts

Project construction will take place over approximately a 5-year period (2027 to 2031) and will drive approximately \$250 million in spending across marine and civil engineering works, road and street construction, construction equipment procurement, and professional and technical consulting services in Ontario. Specific activities associated with the construction of the Project include (but are not limited to) dredging, filling of slips, dockwall installation, site surfacing, stormwater management, road and rail connections, conducting geotechnical investigations and assessments, compliance activities, and project management. The spending on labour, materials and equipment for these activities is expected to generate direct and indirect economic impacts at both the provincial and national levels, including GDP and jobs.

It is important to note that the Statistics Canada Input-Output model used to estimate construction-stage impacts is based on interprovincial trade flows and international import data that reflect historical average sourcing patterns across industries. Canadian content is estimated as the share of total production requirements supplied by Canadian industries, with the remaining share assumed to be imported. As a result, the model reflects average Canadian content and import shares based on historical production structures rather than HOPA's specific procurement plans for the Project.

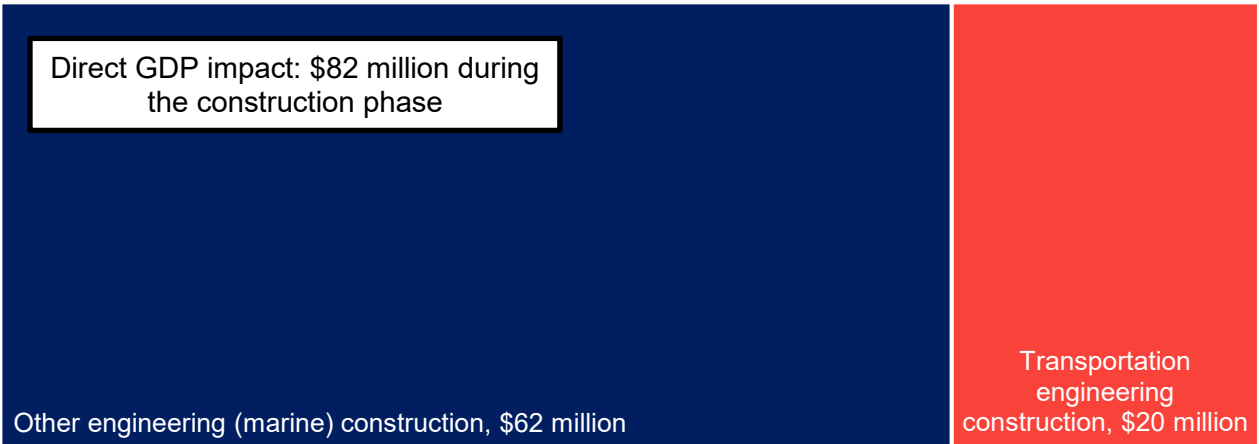
HOPA's Buy Canada policy seeks to maximize the use of Canadian materials and labour during construction. To the extent that Canadian sourcing for the Project exceeds the historical industry averages embedded within the Statistics Canada model, the construction-stage impacts presented in this assessment may be understated. In these circumstances, a greater share of project spending would remain within Canada rather than being attributed to imports, resulting in higher domestic GDP and employment impacts than what is presented below.

4.1 Construction GDP impacts

4.1.1 Direct GDP from construction

Construction of the Project has potential to generate approximately \$82 million in direct GDP for the province of Ontario. This direct impact will be concentrated in the engineering construction sector, with approximately \$62 million allocated to marine-related works and the remaining \$20 million to associated road and rail upgrades for the Project. It is reasonable to assume that most of this impact will take place in the CTC, where construction activities occur.

Figure 9: Direct GDP impact from Project construction by economic sector



4.1.2 Indirect GDP from construction

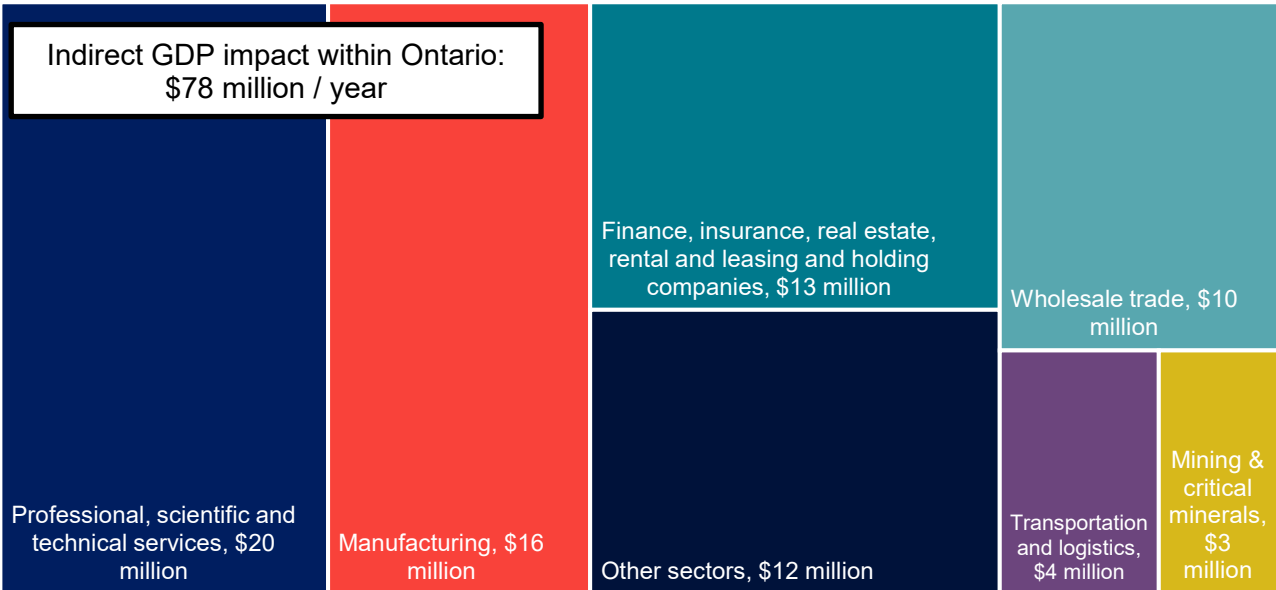
The Project will generate an estimated \$105 million in indirect GDP across Canada, with ~75% (\$78 million) of the impact occurring in Ontario. In Ontario, indirect activity is primarily concentrated in:

- Professional and technical services, including architectural, engineering, and management;
- Manufacturing, including cement and concrete products, structural metals, machinery, and petroleum refineries;
- Rental and leasing services, including automotive equipment, insurance and banking; and
- Wholesale, including machinery, equipment, building materials and supplies
- Transportation and logistics, including truck transportation
- Mining and quarrying (primarily stone, sand, and gravel)

The impacts in these sectors reflect the economic activity generated throughout the supply chain as engineering construction sectors purchase goods and services required to deliver the Project. It is expected that a greater proportion of this impact relative to the direct impact will be experienced outside of the CTC but still within Ontario.

The sectors above represent 85% of the indirect impact in Ontario. The remaining 15% of impacts are distributed across a range of other sectors, including utilities, retail trade, administrative and support services, and waste management and remediation services, among others.

Figure 10: Indirect GDP impact from Project construction by economic sector, in Ontario

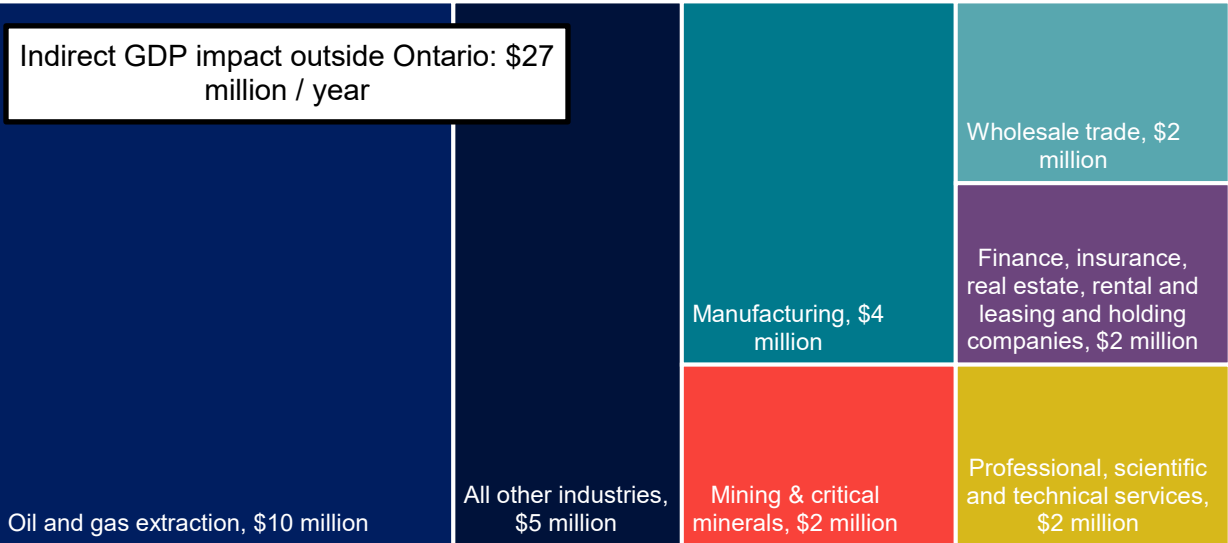


Outside of Ontario, construction is expected to support an additional \$27 million in annual indirect GDP impacts across the rest of Canada. Approximately 45% of this impact is expected to occur in Alberta, followed by Quebec (25%), British Columbia (10%) and Saskatchewan (10%).

Just under \$10 million of the \$27 million indirect impact experienced in other provinces is expected to occur in oil and gas extraction. This reflects the upstream energy demand in construction supply chains, which rely heavily on diesel and gasoline for equipment and transportation of goods. Manufacturing represents the next largest industry impact across other provinces, driven primarily

by petroleum refining, structural metal manufacturing, and cement and concrete product manufacturing.

Figure 11: Indirect GDP impact from Project construction by economic sector, outside of Ontario



4.2 Construction employment impacts

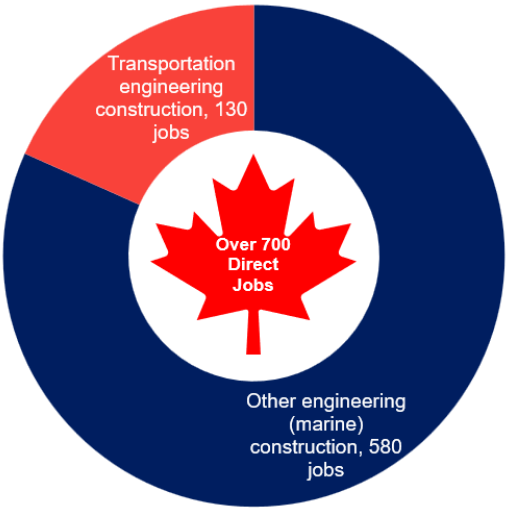
4.2.1 Direct job impacts

The Project is estimated to support over 700 direct jobs in the province of Ontario during construction.¹ Similar to GDP, this direct impact will be concentrated in the engineering construction sector, with approximately 580 jobs in marine-related works and the remaining 130 direct jobs associated with road and rail upgrades for the Project.

Direct labour can be expected to be allocated to activities including dredging, slip filling, dockwall installation, site surfacing, stormwater management, construction or upgrading of road and rail links, geotechnical investigations and assessments, compliance monitoring, and project management.

It is reasonable to assume that most of these jobs will take place in the CTC, where construction will occur.

Figure 12: Direct job impacts from Project construction by economic sector



¹ Note that employment impacts (jobs) for construction are estimated as FTE (person-years) and presented on an aggregate basis, as the timing of spending has not yet been specified.

The annual distribution of construction-related employment impacts shown in Figure 13 is indicative and reflects the anticipated project implementation schedule at the time of analysis. Actual employment impacts may vary depending on the final construction sequencing, procurement timing, and project delivery schedule.

Figure 13: Estimated direct job impact by year during construction

Economic Sector	2027	2028	2029	2030	2031	Total
Other engineering (marine) construction	155	130	115	95	85	580
Transportation engineering construction	20	25	35	30	20	130

Source: Job breakdown by year estimates were provided by HOPA.

4.2.2 Indirect job impacts

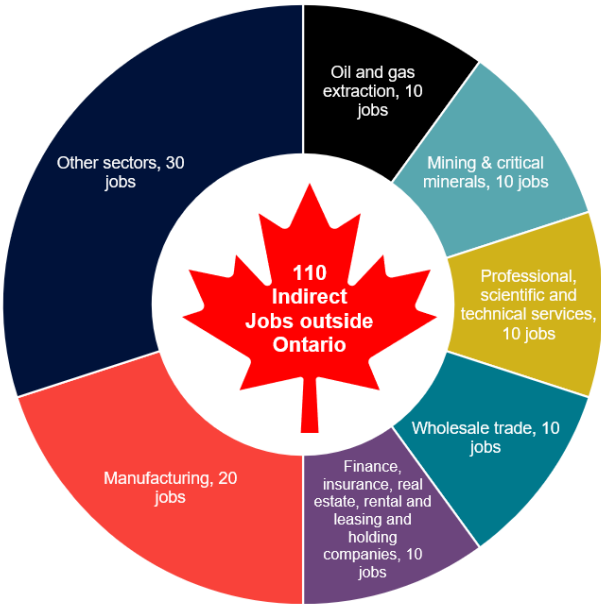
The Project is expected to support a total of 570 indirect jobs across Canada through supply chain expenditures associated with the Project’s construction. Over 80% of these job impacts are expected to be in Ontario, with the largest share occurring in professional, scientific and technical services (architecture, engineering, management and technical consulting). Other key sectors of indirect employment include manufacturing (cement and concrete products, structural metals) as well as wholesale trade (specifically for machinery, equipment, building materials and supplies).

Outside of Ontario, the remaining 20% of indirect jobs are primarily concentrated in oil and gas extraction, mining, manufacturing, and wholesale trade. Consistent with the findings in Section 4.1, the distribution of employment broadly aligns with the pattern of GDP impacts.

Figure 14: Indirect jobs from Project construction by economic sector, in Ontario



Figure 15: Indirect jobs from Project construction by economic sector, outside of Ontario





CONTACT INFORMATION

150 Isabella Street, Suite 701

Ottawa, ON Canada, K1S 1V7

P: +1 (613) 237 2500

T: +1 (613) 237 4494

hello@cpcs.ca

www.cpcs.ca

