

Vancouver Island Regional Supply Chain Study

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Contents

Content	Page No.
Executive Summary	3
Vancouver Island Key Insights	5
Challenges and Opportunities	6
Implementation Plan and Key Next Steps	11
Appendix	
A. Study Approach and Consultations	14
B. Identified Challenges	16
D. Detailed Opportunity Examination	20
D. Value of Central PMO	40

Executive Summary

- The Vancouver Island Economic Alliance (VIEA) plays a critical role in stimulating regional economic growth in Vancouver Island and its rural areas, as evidenced by their recent collaboration with the Nanaimo Port Authority on a feasibility study for the Duke Point Terminal expansion.
- VIEA's ongoing involvement in regional supply chain discussions is aimed at resolving the hurdles faced by local businesses in accessing and delivering products to both local and international markets, as part of a broader initiative to boost regional economy, aid business expansion, and increase competitiveness.
- The study aims to understand current supply chain issues and opportunities and develop a multi-year roadmap to transform the island's supply chain, using multiple levers to inform its findings and recommendations:
 - Comprehensive secondary regional research was conducted, analyzing past studies and scrutinizing economic drivers, demographic profiles, key industries, transportation networks, commodity flows, and market trends to understand Vancouver Island's current economic status and future potential.
 - Post research, engagement sessions were held with regional interest holders, including local businesses, Economic Development Office (EDOs), First Nations, and industry associations, both in-person and virtually. These sessions, supported by surveys and regional research, enabled a collaborative dialogue, revealing key challenges and potential opportunities.
 - A robust survey mechanism was utilized alongside the engagement sessions to reach a broad spectrum of participants, quantifying the challenges and opportunities within the island's supply chain and economic landscapes, thereby helping to understand the scope of issues and identify specific areas that need attention.
 - A benchmarking was performed on three global comparable island regions with similar geographical and supply chain characteristics as Vancouver Island, to identify potential economic opportunities that Vancouver Island could adopt to bolster economic advancement and prosperity.
- The study identified crucial challenges and opportunities that influence Vancouver Island's economy and supply chains, providing a foundation for strategic initiatives to promote regional development.

Drawing from stakeholder consultations and research, the study identified key challenges and actionable opportunities for Vancouver Island



21 Challenges recognized,

across 6 interconnected themes:

- 1) regional supply chain inefficiencies
- 2) unexplored collaboration opportunities
- 3) restricted industrial development
- 4) infrastructure and resource constraints
- 5) regulatory hurdles
- 6) the need for regional branding



17 Opportunities defined,

across 5 thematic areas:

- 1) improving supply chains
- 2) enhancing local economy and market reach
- 3) augmenting island attractiveness
- 4) diversifying the economy and fostering innovation
- 5) building resilience and risk management

Vancouver Island | Key Insights

Vancouver Island's evolving economy faces infrastructure and workforce challenges, underscoring the need for diversified growth and strategic investments

KEY FINDINGS

DEMOGRAPHY

- **Population Growth:** Population continues to grow, estimated at approx. 942,340 in 2023 - a 3.1% increase from 2022¹
- **Migration Trends:** The surge in remote work is attracting younger migrants alongside the usual retiree influx
- **Indigenous Communities:** The indigenous communities are broadening their economic impact



REGIONAL ECONOMY



- **Economic Base & GDP:** Regional GDP hit approximately \$40 billion in 2022, marking a significant footprint in BC's economy
- **Resource Based Industries:** Forestry, logging, and fisheries anchor the economy, significantly boosting GDP & jobs
- **Service Industry:** Tourism, continues to be a major driver, directly benefiting hospitality, retail, & culture sectors



SUPPLY CHAINS

- **Strategic Location:** The island's geographic position is positive for facilitating trade and cargo movement
- **Transportation:** Key ports & highway network are lynchpins of freight & people movement
- **Short Sea Shipping:** Short sea shipping service is key to island's supply chain

IMPLICATIONS

-  Tailored infrastructure and economic strategies
-  Integrated economic development

-  Diversify beyond resource-based industries and tourism
-  Infrastructure upgrades

-  Address transportation bottlenecks that pose risks to economic growth
-  Improve connectivity & attract investment

¹ <https://www2.gov.bc.ca/gov/content/data/statistics/people-population-community/population/population-estimates>

² <https://members.viatec.ca/news/Details/an-insider-look-at-pacifican-s-funding-for-victoria-tech-175393>

³ <https://victtechjournal.com/p/8-1-million-victoria-oceantech-cleantech-fintech-pacifican>

⁴ <https://news.gov.bc.ca/releases/2024IRR0006-000214>

Major Regional Challenges

Through consultations and market analysis, six major interconnected themes were identified

Inefficiencies in Regional Supply Chains

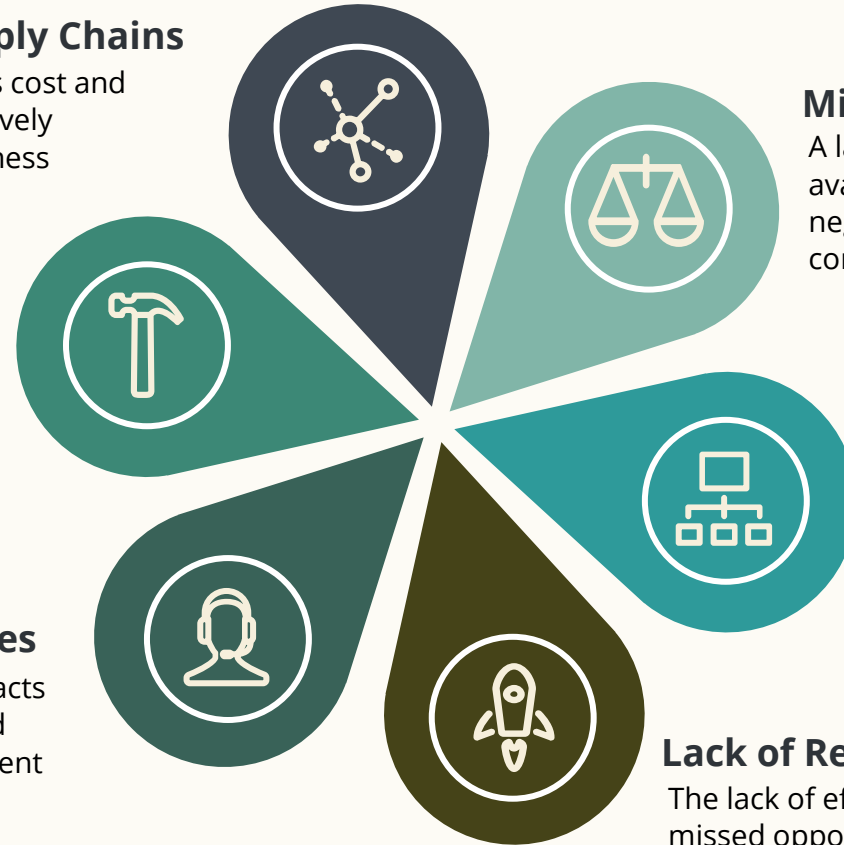
Issues like limited visibility, high logistics cost and insufficient logistics partners, are negatively impacting local businesses competitiveness

Limited Industrial Development

High reliance on offshore suppliers due to limited development in the goods-producing sector, impacting regional resilience

Navigating Regulatory Challenges

The change in regulations and policies impacts industries like forestry and aquaculture and dampens general business/investor sentiment



Missed Opportunities for Collaboration

A lack of collaboration due to limited technology availability, misalignment in training programs is negatively impacting local businesses competitiveness in the global market

Issues Around Infrastructure & Resources

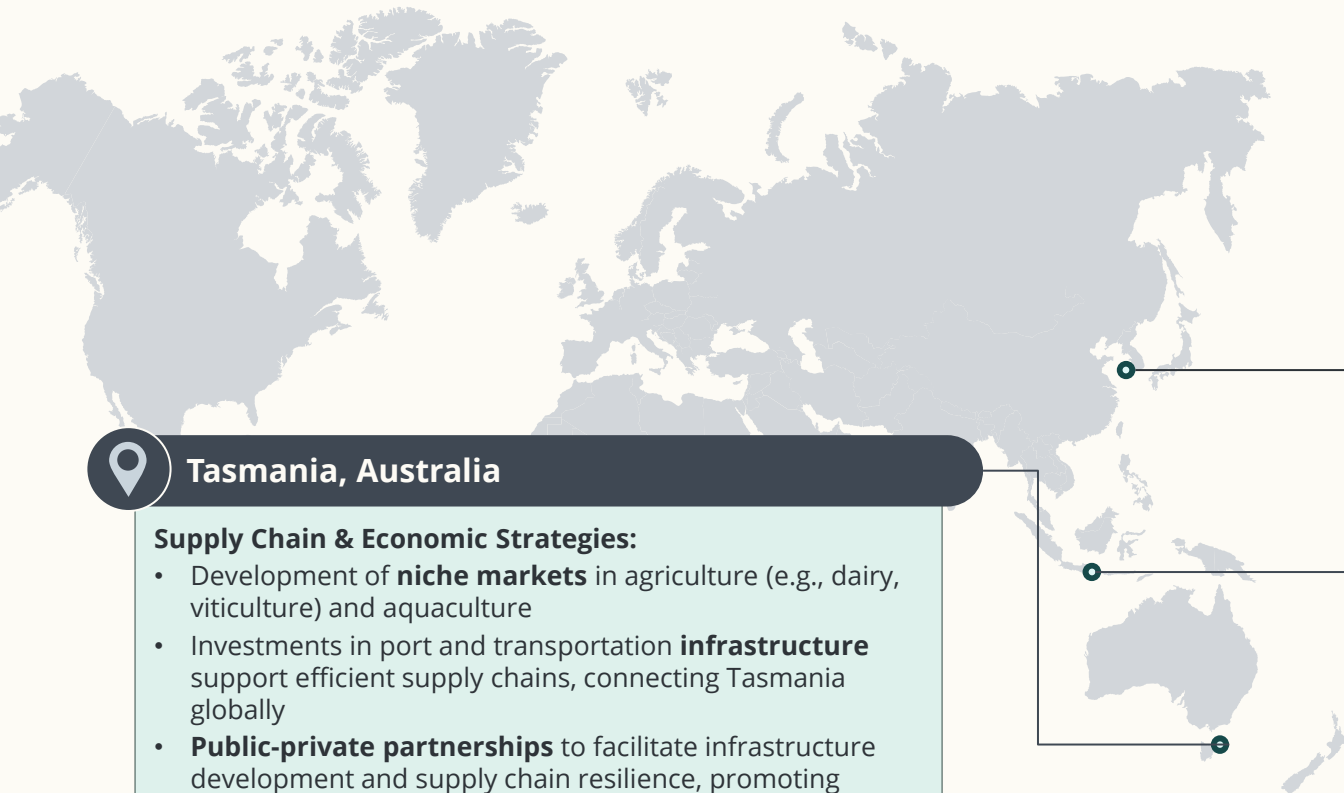
Constraints on infrastructure and resources hinder the region's economic prospects

Lack of Regional Branding

The lack of effective marketing and branding is causing missed opportunities in attracting businesses to the island

Global Comparators

Comparing Vancouver Island with similar island geographies presents valuable lessons to be learnt. Similar regions have been able to leverage their geographical uniqueness and ushered in prosperity by investing in infrastructure and diversifying economic activities as pathways to sustainable development and growth



Tasmania, Australia

Supply Chain & Economic Strategies:

- Development of **niche markets** in agriculture (e.g., dairy, viticulture) and aquaculture
- Investments in port and transportation **infrastructure** support efficient supply chains, connecting Tasmania globally
- **Public-private partnerships** to facilitate infrastructure development and supply chain resilience, promoting economic growth

Jeju, South Korea

Innovative Approaches:

- Leveraging geographical uniqueness for tourism and **renewable energy** initiatives
- Capitalize on unique **natural assets** to carve out a **niche** in the beauty industry, using **strategic branding** to promote its locally-inspired skincare products worldwide
- Diversification of the economy through technology adoption and sustainable practices

Bali, Indonesia

E-commerce and Supply Chain Model:

- Bali's **integration of tourism with E-commerce** enables it to showcase local products and crafts, facilitating immediate and post-visit digital engagement, thus extending the tourism value chain
- Through a **global platform** Bali is able to enhance the supply chain for local artisans, thereby supporting local economies and preserving cultural heritage

A Bigger Role In Western Canadian Gateway

A resilient island supply chain not only benefits the island region but also presents a broader opportunity to support Western Canadian gateway

Congestion Relief



Value Lever

Vancouver Island can alleviate congestion for mainland ports and rail systems by providing an extended transportation network to the mainland

Emergency Preparedness



Value Lever

Vancouver Island can enhance gateway resilience by serving as an alternative shipping route and storage point during unforeseen events like natural disasters or strikes.

Land Constraint



Value Lever

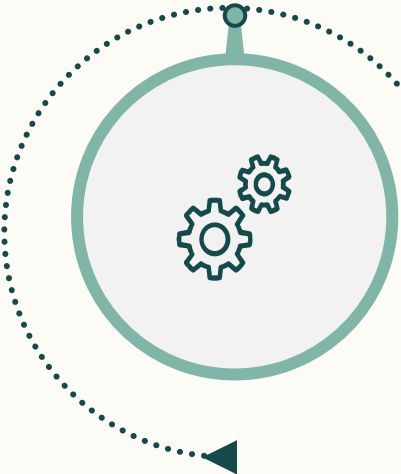
Vancouver Island's available land can be leveraged to address mainland land constraints, providing additional space for storage, value-added services, and manufacturing operations

What's The Need Of The Day

A total of 5 major opportunity themes were identified through interviews, surveys and market analysis

Enhance Supply Chains
Improve efficiency, resilience and reduce costs

Streamline transportation, enhance visibility and cost control, infrastructure readiness



Boost Local Economy & Market Reach
Integrate technology and support local industries

Support local businesses through global marketing, diversify industry base, invest in strategic projects like port expansion



Build Resilience & Manage Risk
Identify, assess, and mitigate risk

Enhance the island's ability to address adverse events by strengthening warehousing



Increase Island Attractiveness
Enhance the appeal of the island as a business through value added industry

Invest in value added industry such as co-pack, light assembly, kitting, update training programs



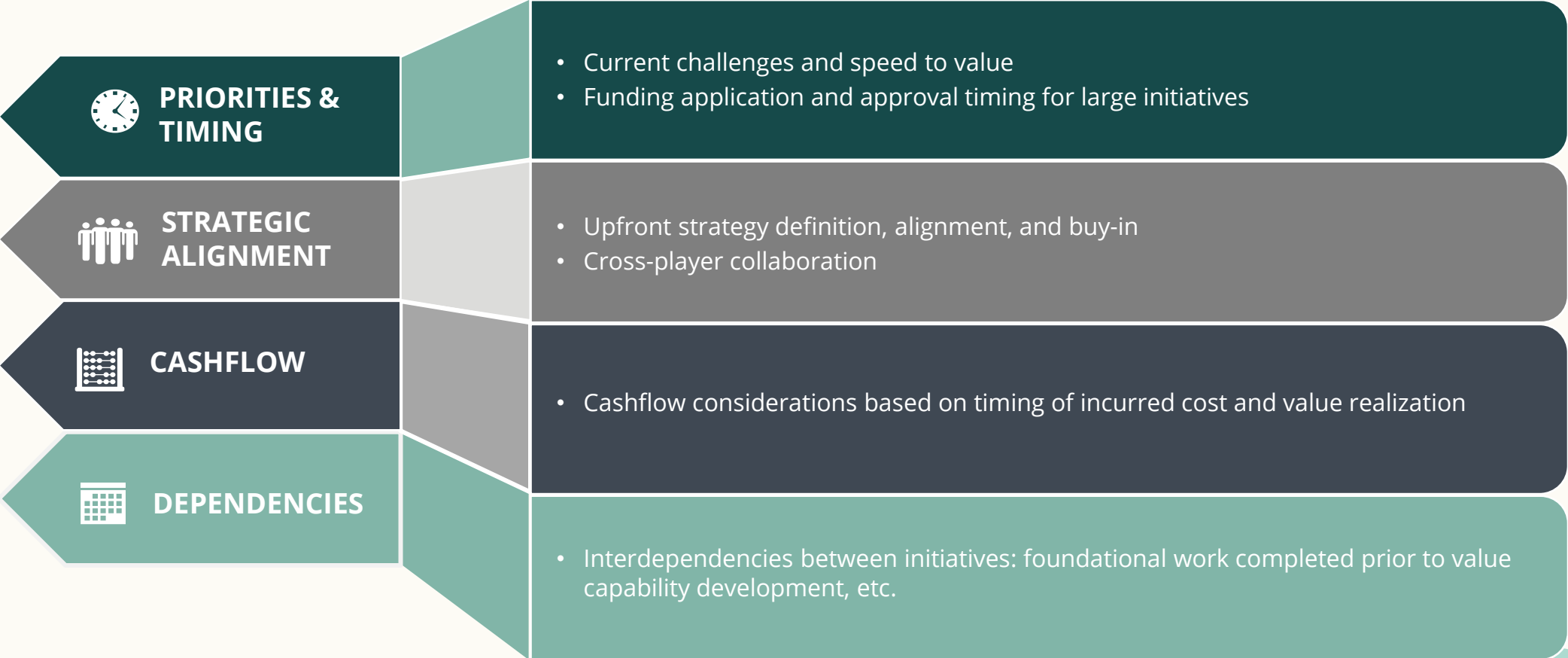
Cultivate Collaboration
Establish Industry and Cross-Industry Collaboration

Build industry-specific, cross-industry communities and invest in enabling technologies



Navigating Implementation Complexity and Stakeholder Requirements

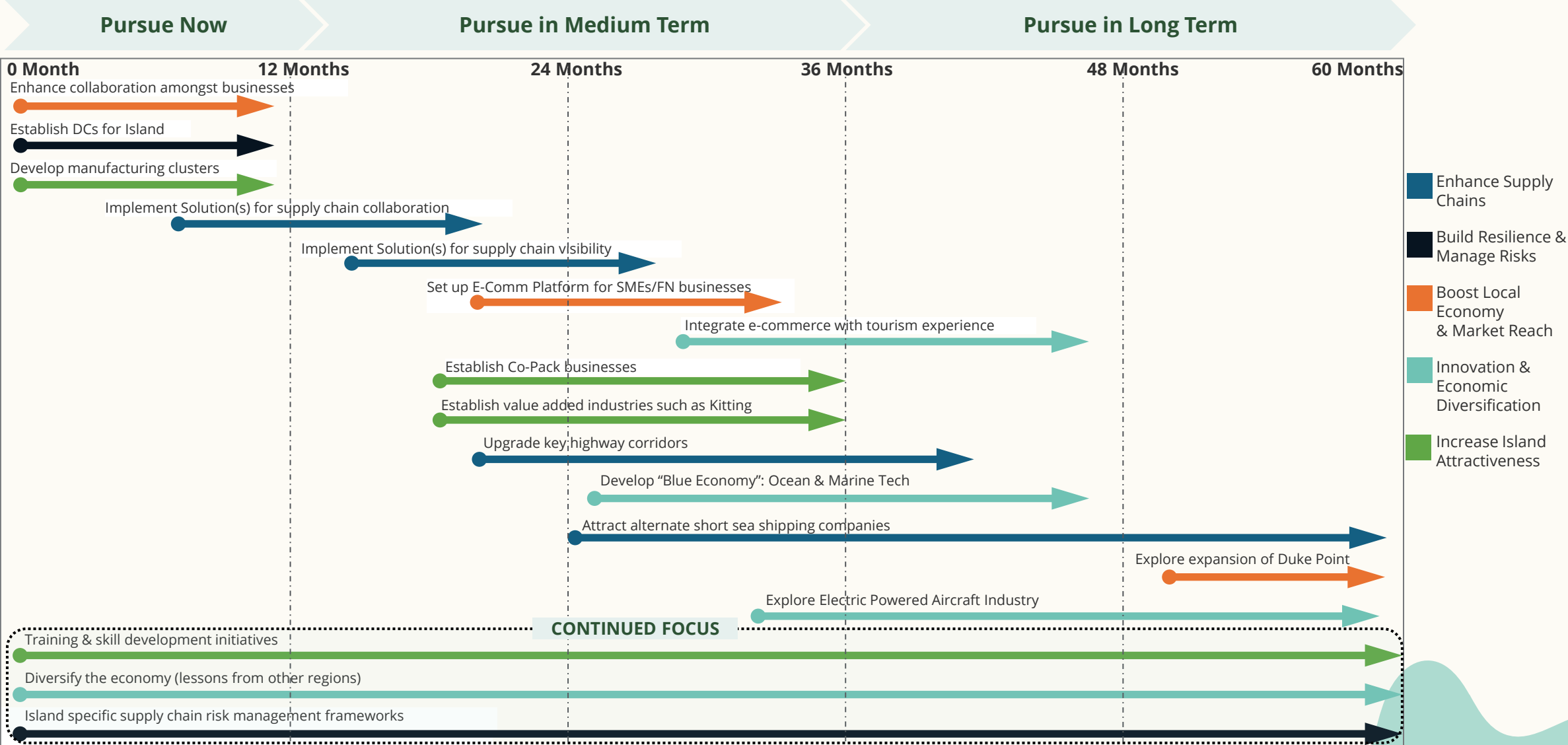
Amidst the implementation complexity and diversity of interest holders, taking a broad lens from foundational to strategic requirements concurrently is essential to develop a realistic and value-driven roadmap



Initiatives and program dependencies are taken into consideration for sequencing the initiatives.

Multi-Year Implementation Plan

The implementation plan considers interdependencies, immediate challenges faced by the island, and potential impact



Note: The initiative duration shown is illustrative and requires further analysis.

Driving Progress Through Region-Wide Collaboration

Advancing these opportunities requires region-wide collaboration, with VIEA supporting the next steps to drive progress

Develop and Socialize Development Strategy

Devise a robust strategy encapsulating a definitive long-term vision for Vancouver Island, tackling present hurdles, proposing a strategic blueprint, and instituting transparent governance. Socialize the strategy with concerned members for alignment

Establish Industry and Cross-Industry Collaboration

Establish industry-specific and cross-industry communities to validate the implementation order and identify key points of contact for effective initiative implementation

Establish a Central PMO

Establish a central Program Management Office (PMO) to implement initiatives, manage risks, and ensure timely implementation

Improve Supply Chain Visibility

Define the needs and identify use cases for supply chain visibility (such as providing users with real-time insights into congestion, bottlenecks, and space availability) and implement appropriate solutions which enable proactive decision-making and operational efficiency


Set Groundwork for Mid-Term and Long-Term Initiatives

Track the progress of priority initiatives, clearly identify key dependencies for mid-term and long-term initiatives, and lay the foundation for long-term success

Appendix A: Study Approach and Consultations

Study References

This study has explored qualitative and quantitative findings from interest holders and leading experts as well as global and regional resources

-  Interview Consultations
-  Online Survey
-  Regional Analysis
-  Deloitte Subject Matter Experts
-  Other Regional Studies

26 Interviews

19 Survey Responses

Consulted Parties



[†] Economic Development Office (EDOs) are governmental or quasi-governmental entities at the local/regional level responsible for promoting economic growth and development within a specific area

Appendix B: Identified Challenges

Current State Challenges | Overview (1/3)

A total of 21 challenges impacting regional supply chains and the island's economy were identified during the study

#	Description	Impact
Inefficiencies in Regional Supply Chains		
1	Limited number of short sea shipping services : just two main players in operation	Results in higher shipping costs due to limited competition, thus affecting end consumers on Vancouver Island
2	High cost of transportation both on island and off island logistics owing to multiple factors such as limited-service providers, disparate location of several remote communities, high rate of empty backhauls etc.	Impacts the profitability of businesses operating on the island
3	Extended lead times to ship to/from the island due to lack of direct calls to/from ports on the island	Leads to dependence on port of Vancouver, which adds approx. 1 extra day of lead time
4	Delays owing to customs clearance process in Vancouver due to dependence on CBSA services at an already congested port of Vancouver	Results in delays and potential demurrage costs for businesses
5	Limited supply chain visibility amongst small businesses operating on the island	Impedes ability to collaborate effectively, resulting in missed opportunities for cost savings, shared resources, and enhanced market reach
6	Lack of understanding and visibility into a region-specific supply chain strategy	Hinders operational coordination and resilience, stymieing businesses' competitive edge and growth potential.
Missed Opportunities Collaboration		
7	Minimal collaboration amongst small businesses for transportation due to limitations in leveraging technology and gaps in necessary business acumen	Hampers the consolidation of freight and load-sharing opportunities
8	Complex history concerning First Nation land rights , and missed opportunities for fostering inclusive economic development	Limits collaborative development and potentially impeding economic diversification and growth on Vancouver Island
9	Minimal synergy between industry, academia, and research sectors e.g. outdated computer science program at institutions in Nanaimo	Hampers the translation of innovative ideas and applied research into market-ready technologies, curtailing economic growth and technological progress on Vancouver Island

Current State Challenges | Overview (2/3)

A total of 21 challenges impacting regional supply chains and the island's economy were identified during the study

#	Description	Impact
Limited Industrial Development		
10	Limited number of distribution centers on the island leads to dangerously low inventory of essential goods	Impedes the reliability of supply chains on Vancouver Island, potentially leading to shortages and hampering the timely availability of necessities
11	High dependence on mainland/international suppliers for raw material needs	Increases risk of to supply chain vulnerabilities and disruptions, as well as potentially inflates costs for Vancouver Island's industries (high COGS)
12	Lack of a thriving manufacturing & supply chain ecosystem (manufacturing related entities such as suppliers, associations, research organizations etc.)	Curtails potential new investment in the sector as well as cascading positive second order effects for the existing industries
13	Limited goods production on Island limits its potential for both export and fulfilling domestic demand	Creates a trade imbalance (imports < exports), resulting in higher transportation costs due to the inefficiencies such as empty backhauls. Additionally, this also impacts region's economic diversity and market resilience
Issues Around Infrastructure & Resources		
14	Rail infrastructure on Vancouver Island remains largely underutilized, with services being minimal or absent due to a variety of persistent issues	Leads to increased transportation costs, higher GHG emissions, as reliance on road freight intensifies. This also exacerbates road congestion and impacts resilience of local supply chains
15	Ageing and underdeveloped road infrastructure for several key corridors and lack of alternate routes e.g. on Malahat Corridor	Impacts current and future economic demands, inflates transportation costs and has negative effect on regional supply chain resilience
16	Utility infrastructure on Vancouver Island is facing a challenge, with numerous regions experiencing capacity constraints on their power grids	Restricts existing business operations and future expansion, and challenge the region's commitment to sustainable development as energy demands continue to rise
17	Notable constraint in major economic centers like Victoria and Nanaimo around availability of industrial land	Hinders economic diversification and create barriers to entry for new businesses
18	The labor market on Vancouver Island is grappling with a shortage of workers alongside a misalignment between the skillsets of the available workforce and the needs of industry	Stifles business growth, limit productivity, and hinder the region's ability to attract and retain industries that require specialized skills

Current State Challenges | Overview (3/3)

A total of 21 challenges impacting regional supply chains and the island’s economy were identified during the study

#	Description	Impact
Navigating Regulatory Challenges		
19	Regulatory shifts and policy changes are impacting certain businesses that have traditionally been main economic drivers e.g. wood, lumber, and fisheries	May adversely affect local employment and underscore the necessity for economic diversification
Need for Regional Branding		
20	Limited knowledge and marketing around island advantages such as FTZ and tax benefits for hiring interns	Translates into missed opportunity for local businesses to capitalize on growth and development incentives
21	Limited branding/marketing around attractiveness of Vancouver Island for workers and industries	Results in a lost chance to capitalize on valuable human resources and business opportunities, ultimately hindering overall growth and prosperity

Appendix C: Detailed Opportunity Examination

Opportunity Themes

A total of 17 unique opportunities identified through interviews, surveys and market analysis were grouped across 5 major themes



Enhance Supply Chains

Streamline and optimize logistics, transportation and distribution networks to improve efficiency and reduce costs



Increase Island Attractiveness

Enhance the appeal of the island as a business destination through infrastructure improvements, promoting innovation and skill development



Boost Local Economy & Market Reach

Support local businesses, expanding market access, and fostering community engagement



Diversify Economy & Cultivate Innovation

Adopt new technologies and business models while diversifying the island's economic base



Build Resilience & Manage Risk

Identify, assess, and mitigate risks, such as natural disasters and market fluctuations, to enhance the island's ability to address adverse events

Opportunity Themes

A total of 17 unique opportunities identified through interviews, surveys and market analysis were grouped across 5 major themes

#	Opportunity Name	Opportunity Theme
1	Infrastructure upgrade for Highway 1 Malahat Corridor	Enhance Supply Chains
2	Solution(s) for supply chain visibility	Enhance Supply Chains
3	Solution(s) for supply chain collaboration	Enhance Supply Chains
4	Alternate short sea shipping supplier to increase competitive landscape	Enhance Supply Chains
5	Training & skill development: collaboration between businesses, government & academia	Increase Island Attractiveness
6	Collaborative Clusters for SME manufacturing†	Increase Island Attractiveness
7	Value Added Industries - Co Packing: packaging, labeling, and preparing products for distribution to serve the F&B industry	Increase Island Attractiveness
8	Value Added Industries - Kitting† : assembling multiple individual items into a ready-to-ship package to streamline fulfillment and shipping operations e.g. custom bikes, auto parts (brake pads and rotors, timing belt components, or gasket sets)	Increase Island Attractiveness
9	Role of port expansion as an opportunity	Boost Local Economy and Market Reach
10	E-Commerce platform catering to small/medium, and FN owned businesses	Boost Local Economy and Market Reach
11	Collaboration amongst local businesses to increase revenues, outreach, optimize supply chains and operations	Boost Local Economy and Market Reach
12	Explore new business avenues: Integrate e-commerce with tourism experient†	Innovation and Economic Diversification
13	Explore New business avenues: Blue Economy: Ocean & Marine Tech	Innovation and Economic Diversification
14	Explore New business avenues: Electric Powered Aviation	Innovation and Economic Diversification
15	Diversification of economy: lessons from other regions (Tasmania-AU/Jeju-KR) to diversify sectors, target markets and supplier base†	Innovation and Economic Diversification
16	DCs to serve the island (limited Big Box DCs to serve island demand & Specialized DCs for specific sectors)	Build Resilience & Manage Risk
17	Developing comprehensive risk management frameworks†	Build Resilience & Manage Risk

Opportunity 1: Highway Upgrades

Description

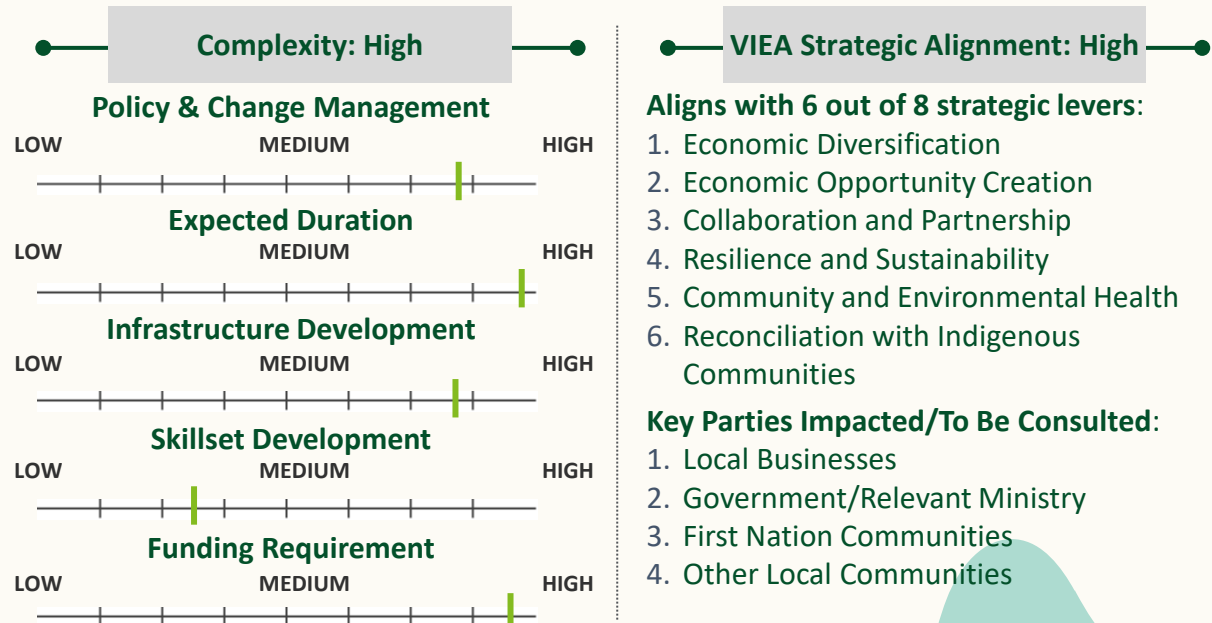
Heavy reliance on limited highway corridors, like the Malahat on Highway 1, causes traffic bottlenecks, safety concerns, and vulnerability to disruptions, impacting economic activities and supply chain efficiency. Upgrading highways by expanding lanes and developing alternate routes can enhance traffic flow, safety, and resilience, leading to improved operational efficiency and reduced transportation delays.

Potential Benefits

- **Reduced Transportation Costs:** Upgrading highways can reduce transportation costs for businesses by improving fuel efficiency and decreasing vehicle wear and tear, leading to lower logistics costs
- **Enhanced Supply Chain Reliability:** Improved highway infrastructure directly contributes to more reliable supply chains by minimizing delays caused by congestion or road conditions, thus ensuring timely delivery of goods and reducing inventory holding costs
- **Increased Economic Activity:** Potential positive impacts to stimulate economic activity by making the region more accessible to tourists and investors, leading to job creation and increased spending in local businesses
- **Strengthened Connectivity:** connectivity between urban and rural areas, facilitating easier access to markets, suppliers, and customers
- **Improved Safety:** Major highways upgrade, can have significant positive impacts on safety for all users, including motorists, commercial drivers, and emergency services
- **Increased Attractiveness for Investment:** Improved transportation infrastructure can make the region more attractive for investment by reducing operational risks and costs associated with supply chain disruptions

Key Considerations & Impacted Parties

- **Capital investments/Economic Feasibility:** Ensuring project viability through rigorous financial planning and analysis
- **Environmental Impact Assessment:** Assessing impact on local ecosystems
- **Land Acquisition & First Nation Concerns:** Procuring required lands and respecting Indigenous rights and interests
- **Other infrastructure projects:** Accounting for dependencies on other concurrent projects
- **Regulatory Approvals & Permitting Process:** Receiving necessary endorsements from relevant authorities



Opportunity 2: Solution for Supply Chain Visibility

Description

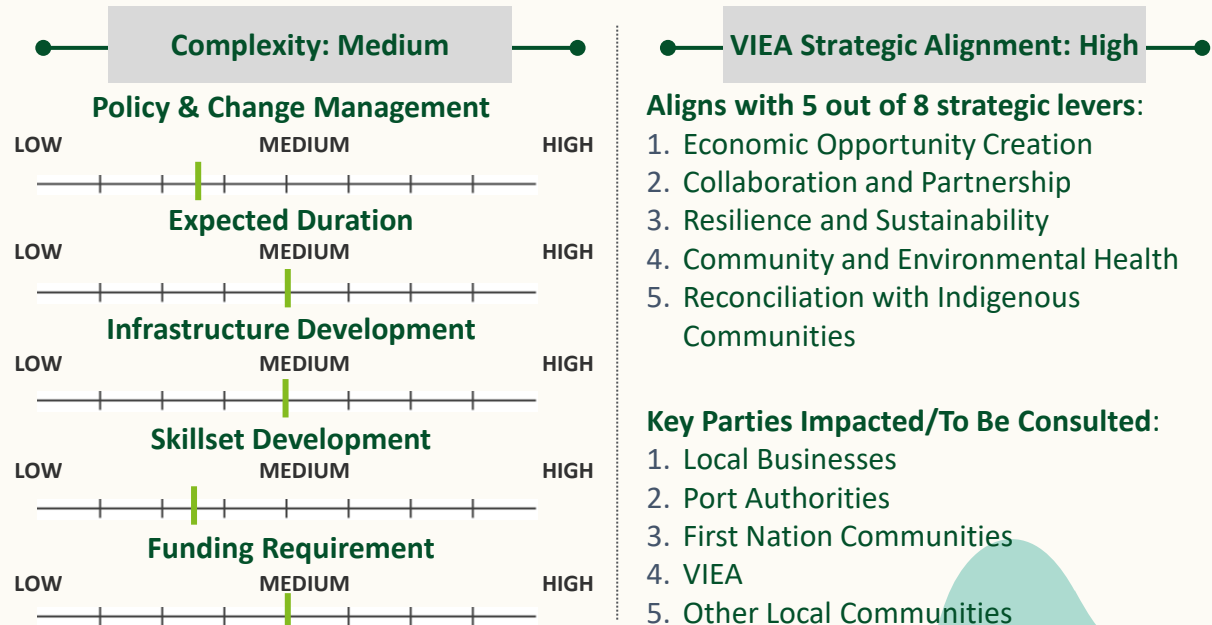
Limited supply chain visibility on Vancouver Island hampers operational efficiency, leading to increased costs and reduced customer satisfaction. Adopting digital technologies to aid supply chain visibility solutions can enhance real-time data access, improving decision-making and supply chain resilience.

Potential Benefits

- **Enhanced Operational Efficiency:** Improvements in operational efficiency by providing real-time data on available transportation operators, common lanes, inventory levels, service options etc.
- **Improved Decision-Making:** Greater visibility across the supply chain enables more informed decision-making, allowing businesses to anticipate disruptions, manage risks more effectively
- **Reduced Costs:** Enhanced visibility can help identify inefficiencies and bottlenecks in the supply chain, leading to cost reductions in areas such as inventory holding, logistics, and wasted resources
- **Strengthened Partnerships:** Sharing real-time data and insights with supply chain partners can foster stronger relationships, collaborative problem-solving, and integrated planning efforts

Key Considerations & Impacted Parties

- **Technology Integration and Compatibility:** Ensuring seamless integration with existing systems and platforms
- **Initial Implementation Costs:** Assessing required upfront investments
- **Scalability:** Planning for future expansion to accommodate growing business needs
- **Training and Change Management:** Preparing for new processes and fostering adaptability



Opportunity 3: Solution for Supply Chain Collaboration

Description

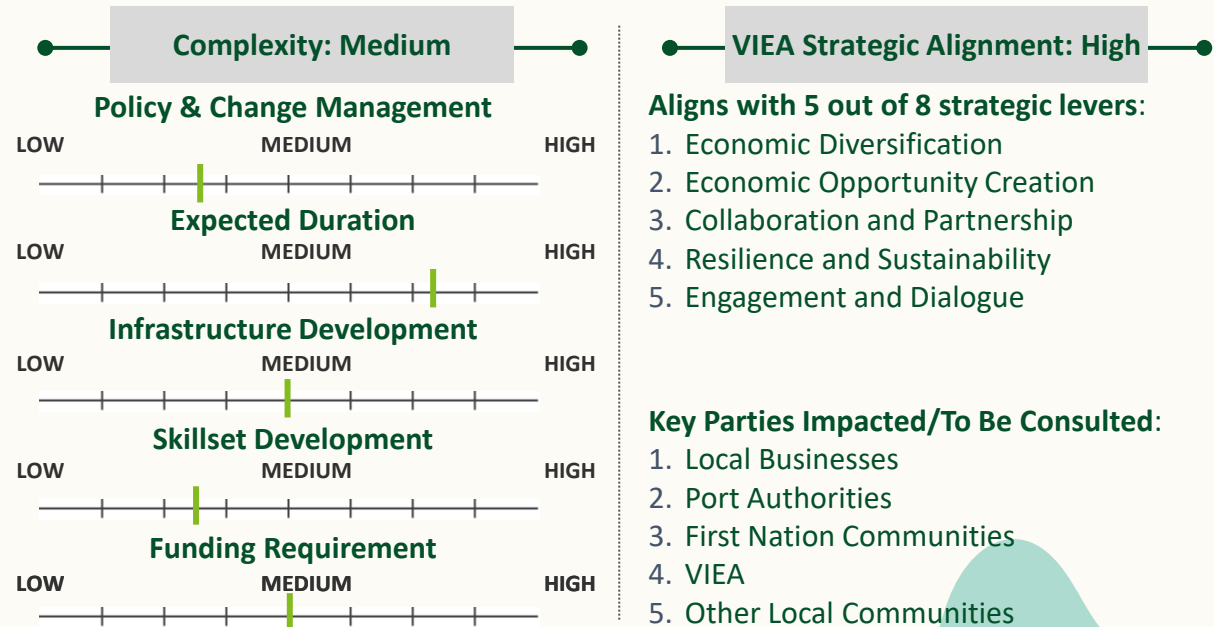
The absence of a formal mechanism for collaboration amongst local businesses results in missed opportunities for demand pooling and efficient utilization of shared transportation & logistics infrastructure. A digital collaboration platform could enable efficient information exchange and sharing of relevant transportation & logistics resources among businesses, enhancing supply chain efficiency and scalability.

Potential Benefits

- **Enhanced Supply Chain Resilience:** Enhanced collaboration facilitates a more agile response to disruptions, improving overall supply chain resilience
- **Reduced Costs Through Synergies:** Collaboration can uncover opportunities for cost savings, such as shared logistics services or bulk purchasing
- **Accelerated Time to Market:** Tighter integration between partners can speed up processes from production to delivery, enhancing competitiveness.
- **Improved Product and Service Innovation:** Collaborative relationships foster innovation by pooling insights, technologies, and capabilities

Key Considerations & Impacted Parties

- **Alignment of Goals and Strategies:** Ensuring all parties share a unified vision for success
- **Investment in Collaboration Tools:** Securing funds for advanced technologies that facilitate partnership
- **Data Sharing and Intellectual Property:** Balancing transparency with the protection of sensitive information
- **Organizational Stewardship:** Ensuring there is a facilitating body driving collaboration efforts amongst local businesses & other entities



Opportunity 4: Alternate Short Sea Shipping Carriers

Description

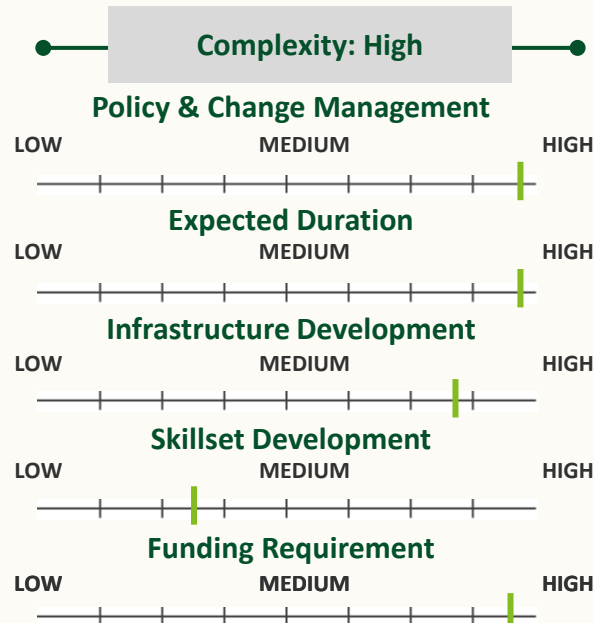
The short sea shipping routes serving Vancouver Island are dominated by just two major carriers (SeaSpan & BC Ferries), leading to potential missed opportunities for cost savings and flexible service options for consumers. Introducing alternate carriers to foster competition is crucial for unlocking more economical and adaptable shipping solutions.

Potential Benefits

- **More Competitive Pricing:** Increased competition among carriers could lead to more favorable rates for businesses, reducing logistics costs and enhancing their competitive edge
- **Boost To Service Diversity and Flexibility:** Alternative carriers might offer varied service options, including faster transit times, and specialized cargo handling capabilities, catering to diverse business needs
- **Increased Service Frequency:** Additional short shipping carriers can help access through additional sailings
- **Potential for Economic Stimulus:** The entry of new shipping carriers could stimulate economic activity, create jobs, and encourage investment in maritime and port infrastructure on Vancouver Island and the lower mainland
- **Better Resilience and Reliability:** A broader range of shipping options enhances the resilience of the supply chain, reducing the risk of disruptions and ensuring more reliable transportation for businesses

Considerations

- **Capital Investment:** Securing necessary investments
- **Regulatory and Licensing Requirements:** Navigating complex regulatory environments
- **Infrastructure and Port Access:** Ensuring adequate access to port facilities
- **Dialogue & Engagement:** Engaging with local businesses, communities, and industry players
- **Market Entry Barriers:** Setting up initial operations
- **Strategic Partnerships:** Forming partnerships with port authorities, logistics companies, and local businesses



VIEA Strategic Alignment: Low

Aligns with 3 out of 8 strategic levers:

1. Economic Diversification
2. Economic Opportunity Creation
3. Resilience and Sustainability

Key Parties Impacted/To Be Consulted:

1. Local Businesses
2. Government/Relevant Ministry
3. Port Authorities
4. First Nation Communities
5. VIEA
6. Other Local Communities

Opportunity 5: Training & Skill Development

Description

Labor shortages and skill gaps challenge several local businesses, necessitating robust skill development initiatives.

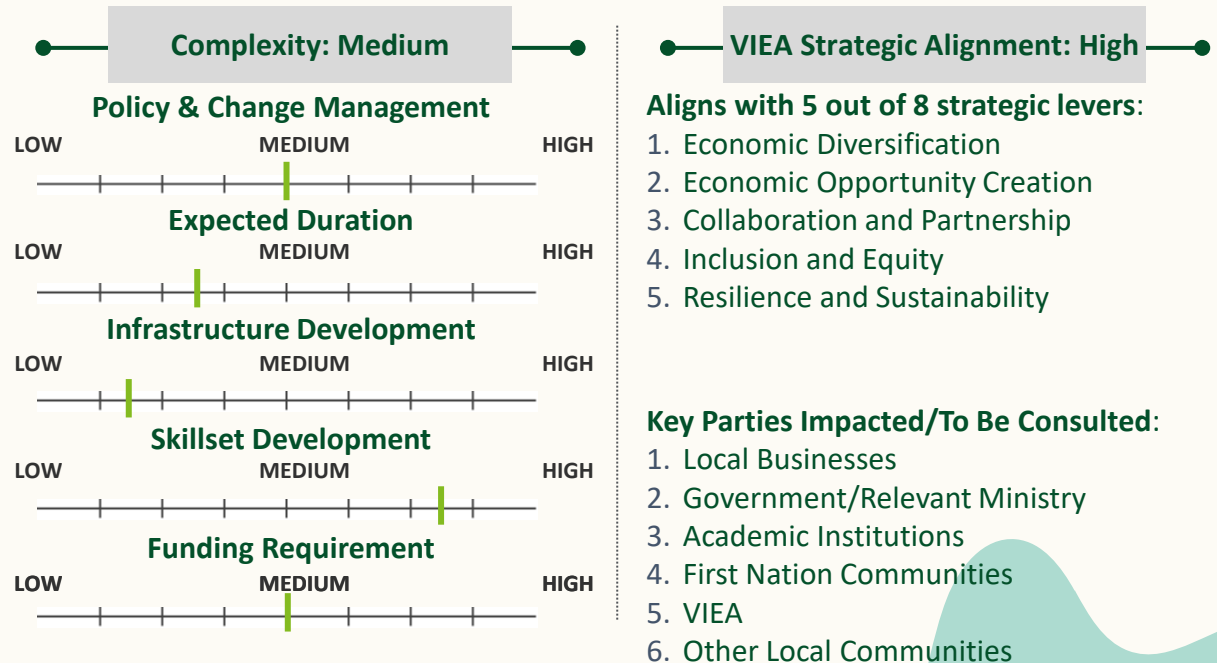
Collaborative efforts between academia and industry can align training with evolving economic needs, equipping the workforce for future challenges and ensuring Vancouver Island's economic vitality.

Potential Benefits

- **Enhanced Workforce Competitiveness:** By equipping workers with both current and emergent skills, the workforce remains competitive and capable of meeting the demands of a rapidly evolving job market
- **Economic Resilience:** A skilled workforce is pivotal in driving innovation and productivity, foundational elements for economic resilience and growth. This adaptability is crucial for weathering economic fluctuations and seizing new opportunities
- **Attracting Investment:** A region known for its skilled labor pool is more attractive to existing businesses looking to expand and potential investors seeking a capable workforce, thus fostering economic development and job creation
- **Reduced Unemployment Rates:** By aligning training programs with the needs of industries, the initiative helps lower unemployment rates, as workers are more likely to possess the skills required for available jobs
- **Future-proofing the Economy:** Preparing the workforce for future demands, including technological advancements and green initiatives, positions Vancouver Island's economy to lead in innovation and sustainability

Considerations

- **Alignment with Industry Needs:** Aligning with market demands
- **Accessibility and Inclusivity:** Ensuring equitable training opportunities for diverse populations
- **Quality and Relevance of Training:** Maintaining high standards that translate into real-world applicability
- **Funding and Resources:** Securing sufficient financial support
- **Engagement from Businesses:** Cultivating active participation from the business community
- **Government Support and Policy:** Leading stewardship efforts to align academia and business community



Opportunity 6: Collaborative Clusters for Manufacturing

Description

The manufacturing sector faces gaps in the larger industry ecosystem, notably in integration and collaboration among firms, suppliers, and other players. This hampers innovation, efficiency, and market reach for SMEs, limiting the overall growth potential of the manufacturing sector.

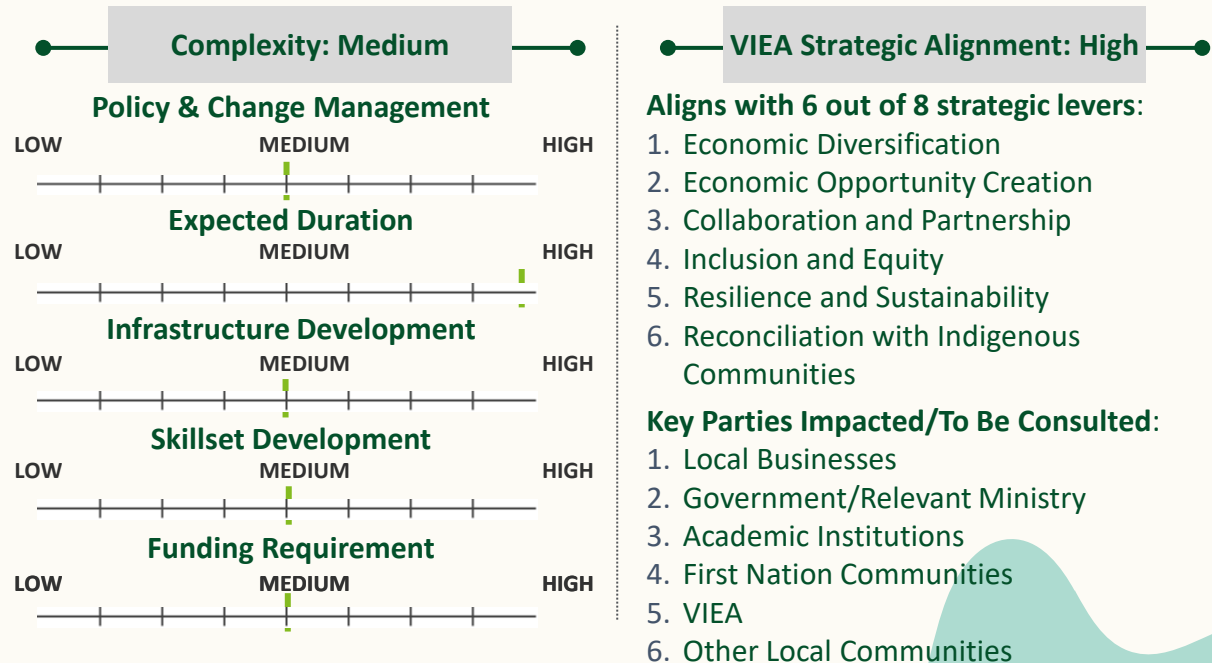
Creating a cohesive network of SMEs, supply chain entities, research bodies, and support groups can boost the local economy. This collaborative cluster approach enhances SME competitiveness through shared R&D, marketing efforts, and market access, addressing challenges of operating solo.

Potential Benefits

- **Enhanced Competitiveness:** By pooling resources and knowledge, SMEs can achieve economies of scale, reduce costs, and enhance their competitiveness both domestically and internationally
- **Accelerated Innovation:** Facilitate the exchange of ideas and technologies, spurring innovation and the development of new products and services, which can lead to market expansion and diversification
- **Attracting Investment:** A vibrant, collaborative manufacturing ecosystem can attract more investment from both public and private sources, funding new projects, and infrastructure, and encouraging the growth of ancillary businesses
- **Creation of Jobs:** The ensuing growth can lead to the creation of high-quality jobs, contributing to employment growth and economic stability
- **Improved Supply Chain Resilience:** Building a dense network of suppliers and manufacturers enhances supply chain resilience, reducing vulnerability to external disruptions by localizing production and supply chains
- **Access to Markets:** Being part of a cluster can give SMEs better access to markets, including opportunities for joint ventures and partnerships that might otherwise be out of reach for individual companies

Considerations

- **Dialogue & Engagement:** Requires active collaboration amongst various players
- **Infrastructure and Logistics:** Developing physical and logistical framework
- **Coordination Challenges:** Aligning multiple interests of multiple parties impacted
- **Funding and Financial Sustainability:** Planning for initial and ongoing investment for cluster activities
- **Government Policies and Incentives:** Leveraging required support mechanisms



Opportunity 7: Value Added Industries: Co Pack Services

Description

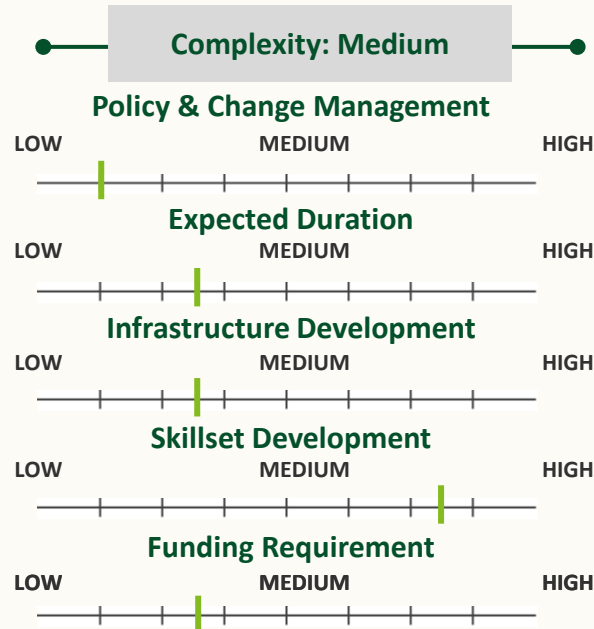
The lack of local co-packing services in Vancouver Island's Food & Beverage sector results in businesses handling such activities in-house or outsource from the mainland, leading to logistical challenges, extra costs as well as the businesses deploying resources away from their core-competencies. Establishing co-pack services locally addresses this gap, streamlining operations and allowing companies to concentrate on their primary value-adding activities.

Potential Benefits

- **Reduction in Costs:** Minimizing the need for long-distance logistics and in-house packaging operations can significantly cut costs for F&B companies
- **Efficiency of Operations:** By outsourcing packaging to specialized local providers, F&B businesses can achieve higher operational efficiency and focus on their core competencies
- **Improved Supply Chain Resilience:** Reducing dependence on off island co-pack services providers will have positive impact on the regional supply chain resilience
- **Better Market Responsiveness:** Faster turnaround times for packaging can improve market responsiveness, enabling companies to meet consumer demands more effectively
- **Boost to Sustainability:** Localizing co-pack services can reduce the carbon footprint associated with transportation, aligning with growing consumer demand for sustainable business practices

Considerations

- **Associated Supplier Networks:** Cultivating robust partnerships for consistent material supply.
- **F&B Industry Engagement:** Engaging relevant players in food and beverage for tailored service offerings.
- **Skilled Workforce:** Accessing talent adept in co-packing operations and safety standards.
- **Logistical Connectivity:** Ensuring efficient transportation links for seamless product distribution



VIEA Strategic Alignment: High

Aligns with 5 out of 8 strategic levers:

1. Economic Diversification
2. Economic Opportunity Creation
3. Collaboration and Partnership
4. Inclusion and Equity
5. Resilience and Sustainability

Key Parties Impacted/To Be Consulted:

1. Local Businesses (F&B)
2. Potential Co-Pack Service Providers
3. VIEA
4. Local Communities

Opportunity 8: Value Added Industries: Kitting Services

Description

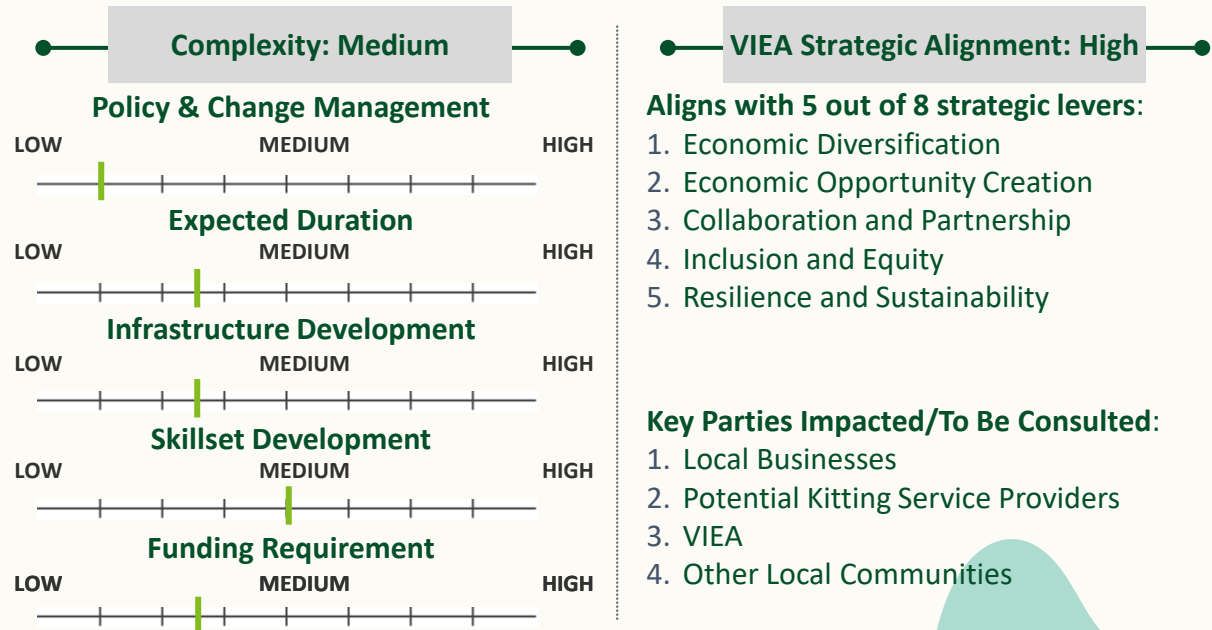
Limited manufacturing on Vancouver Island impedes economic growth and creation of mass jobs. Considering the high cost of developing advanced manufacturing, establishing a kitting industry emerges as a strategic alternative. Kitting, which involves assembling related parts into ready-to-assemble kits, offers a low-capital pathway to stimulate the local economy, create jobs, and improve supply chain efficiency. This initiative can lay the groundwork for future manufacturing expansion with minimal initial investment.

Potential Benefits

- **Diversification of the Economic Base:** Establishing a niche in value-added services contributes to the diversification of the region's economic base, reducing dependency on traditional industries
- **Creation of Jobs:** While not as labor-intensive as full-scale manufacturing, kitting still offers employment opportunities, particularly in warehousing, logistics, and assembly work
- **Better Businesses Attractiveness :** Offering a range of value-added services can make the region more attractive to both domestic and international businesses, potentially serving as a catalyst for further investment and development. Businesses can potentially benefit through tax rebates through setting up of value-added services on the island
- **Potential for Increased Exports:** Developing kitting operations on the island can help boost export of high value sub-assemblies from the island
- **Optimization of Supply Chain :** Local kitting services can help companies optimize their supply chains by reducing lead times, lowering shipping costs, and improving inventory management

Considerations

- **Market Demand and Customer Needs:** Identifying customer requirements and market size
- **Operational Infrastructure:** Establishing required facilities and systems
- **Skilled Workforce:** ensuring access to employees with necessary skillset
- **Market Competition:** Assessing the competitive landscape and differentiators
- **Supplier Relationships & larger logistics network:** Building strong links for supply chain reliability and expansion



Opportunity 9: Duke Point Terminal Expansion

Description

Vancouver Island's reliance on the Port of Vancouver due to lack of direct calls from shipping lines and missing CBSA clearance capabilities lead to logistical inefficiencies.

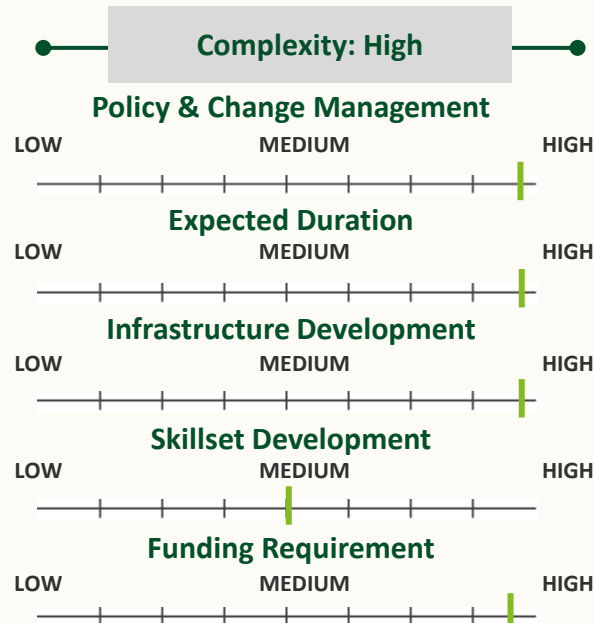
The expansion of Duke Point Terminal is a strategic opportunity to boost Vancouver Island's logistics and economic landscape. By increasing capacity, upgrading infrastructure, and accommodating a broader spectrum of cargo ships, this initiative will solidify the terminal's significance in both regional and global trade markets.

Potential Benefits

- **Increased Trade Capacity:** Expanding the terminal can accommodate larger vessels and more diverse cargo, boosting trade volumes
- **Economic Growth:** The expansion can spur local economic growth by creating jobs, increasing local investment, and enhancing the overall economic vitality of the region
- **Enhanced Supply Chain Efficiency:** Improved terminal infrastructure and capacity can lead to more efficient supply chains for businesses across Vancouver Island
- **Strategic Connectivity:** Enhancing the terminal's capabilities can position it as a strategic link in the global supply chain network, attracting more international trade opportunities
- **Environmental Sustainability:** Modernizing facilities with the latest green technologies can improve environmental sustainability in port operations

Considerations

- **Environmental Impact:** Assessing potential negative effects on local ecosystems
- **Community Engagement:** Involving local communities in the planning process
- **Funding and Investment:** Securing the necessary capital
- **Regulatory Approvals:** Receiving necessary governmental permissions
- **Infrastructure Integration:** Aligning with existing transportation and utility networks



VIEA Strategic Alignment: High

Aligns with 6 out of 8 strategic levers:

1. Economic Diversification
2. Economic Opportunity Creation
3. Collaboration and Partnership
4. Inclusion and Equity
5. Resilience and Sustainability
6. Reconciliation with Indigenous Communities

Key Parties Impacted/To Be Consulted:

1. Local Businesses
2. Government/Relevant Ministry
3. Port Authorities
4. First Nation Communities
5. VIEA
6. Other Local Communities

Opportunity 10: E-Commerce for SMES, and FN owned businesses

Description

Small and medium enterprises (SMEs) and First Nations (FN) owned businesses on Vancouver Island currently face challenges in accessing broader markets due to limited digital marketplace presence.

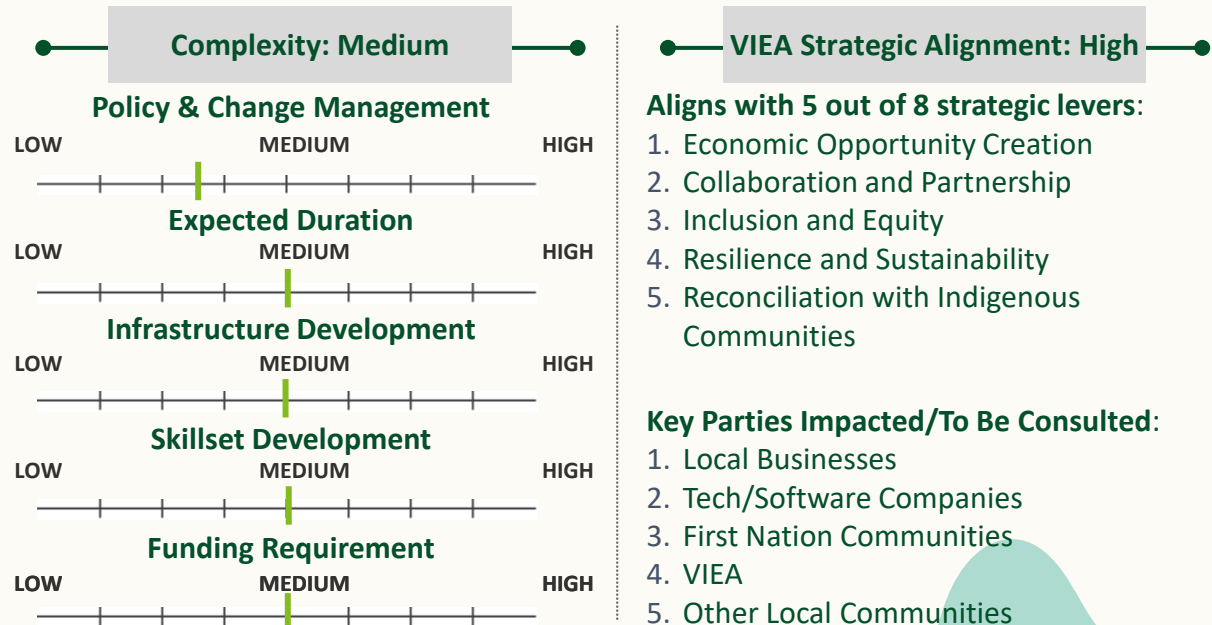
Establishing a specialized e-commerce platform can address this issue by offering a dedicated space for showcasing and selling local goods. This can not only enhance the market reach of Vancouver Island's unique and diverse products but also support the economic empowerment of SMEs and FN-owned businesses by connecting them with a wider domestic/international audience.

Potential Benefits

- **Increased Visibility:** Providing a platform for local and FN-owned businesses to showcase their products to a broader audience beyond Vancouver Island
- **Market Expansion:** Facilitating access to national and international markets, thereby helping businesses expand their customer base and increase sales
- **Empowerment of Communities:** Empowering FN-owned and local SMEs by providing them with digital tools and resources to grow their businesses in the digital economy
- **Sustainable Economic Development:** Supporting the growth of the local economy in a sustainable manner by promoting locally produced goods, which can contribute to job creation and economic resilience
- **Cultural Promotion:** Offering a unique opportunity to promote and preserve the cultural heritage of First Nations through the wider dissemination of their arts, crafts, and products
- **Enhanced Tourism:** A thriving market for locally produced goods can have a positive effect on tourism by building a strong brand value for the region

Considerations

- **Digital Literacy and Support:** Offering training and support to sellers
- **Marketing and Branding:** Emphasizing uniqueness of Vancouver Island's products and the cultural significance of FN-owned businesses
- **Market Competition:** Assessing & accounting for the competitive landscape of e-comm with established players
- **Supply Chain Challenges:** Managing logistics & fulfillment options (warehouses & DCs)
- **Partnerships:** Collaborating and onboarding local businesses
- **Technology Solution Provider:** Identifying appropriate service provider to build the desired infrastructure



Opportunity 11: Collaboration amongst Local Businesses

Description

Local businesses on Vancouver Island often operate in isolation, limiting their ability to leverage collective strengths for growth and resilience. By enhancing collaboration, these businesses can break down operational silos and tap into a network of mutual support and resource sharing.

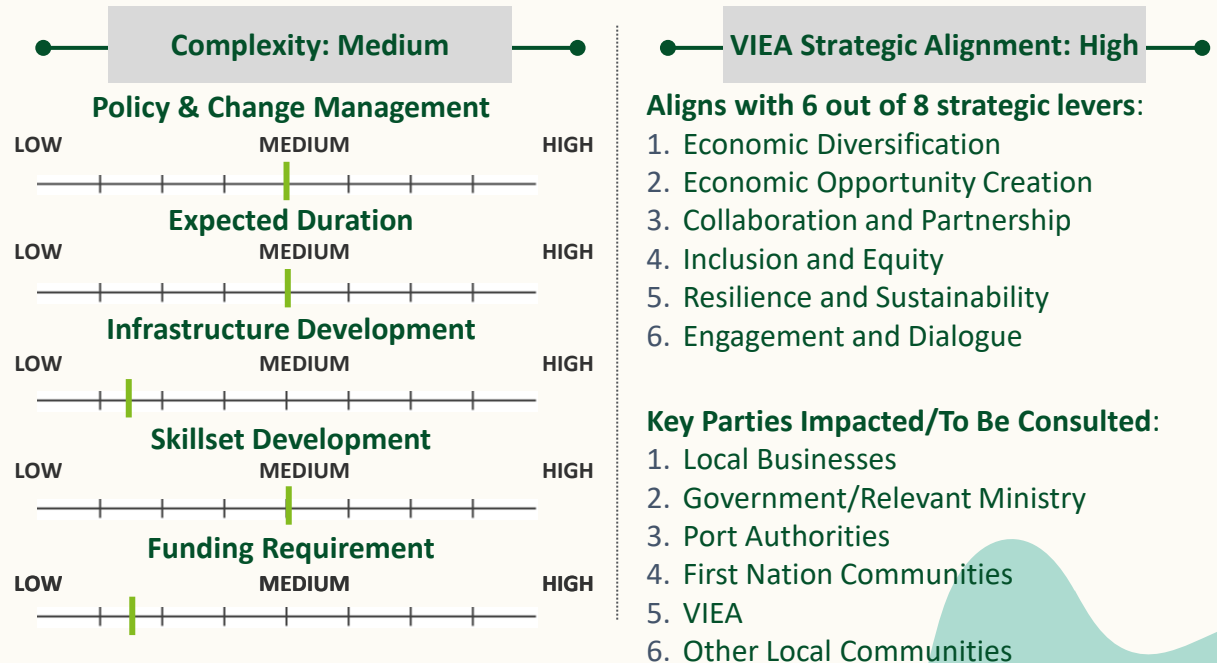
Building on the efforts of organizations such as VIEA, there is potential to further drive cooperative initiatives. Such initiatives should aim to pool resources, streamline efficiencies, and cultivate a tightly-knit business community poised to tackle challenges and capitalize on opportunities.

Potential Benefits

- **Reduction of Costs:** Sharing resources and services can help reduce costs for individual businesses through economies of scale
- **Innovation and Knowledge Sharing:** Collaborative environments foster innovation by facilitating the exchange of ideas and best practices among businesses
- **Expansion of Markets:** Joint marketing initiatives and shared sales channels can help businesses reach new customers and markets more effectively
- **Strengthened Supply Chains:** Collaboration among businesses can lead to more resilient and responsive supply chains, reducing vulnerabilities to disruptions
- **Development of Larger Community:** A collaborative business ecosystem contributes to the overall economic health and sustainability of the region, enhancing its attractiveness to investors, talent, and new businesses

Considerations

- **Collaboration Readiness:** Willingness of businesses to engage in these efforts as well as identifying potential barriers to collaboration and strategies to overcome them
- **Structured Framework for Collaboration:** Planning for governance structures, shared goals, and operational guidelines
- **Value Proposition:** Articulating the benefits of collaboration to businesses
- **Diverse Participation:** Ensuring the initiative is inclusive across various sectors/sizes and including First Nations-owned enterprises
- **Organizational Stewardship:** Ensuring there is a facilitating body driving collaboration efforts amongst local businesses & other entities



Opportunity 12: Integrate e-commerce with tourism experience

Description

The lack of integration between tourism and e-commerce on Vancouver Island restricts local businesses from fully capitalizing on the area's substantial tourist traffic.

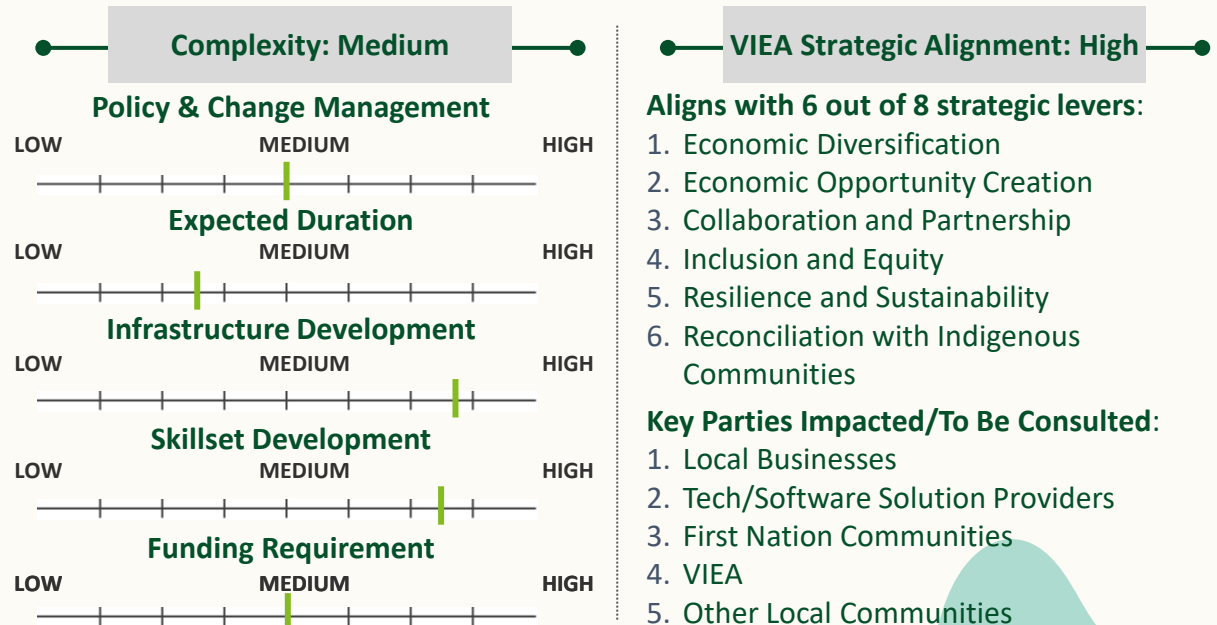
Inspired by successful models like Bali, there's potential to merge physical and digital experiences, allowing tourists to seamlessly purchase local products and services during and post-visit. This could involve leveraging digital technologies to personalize shopping experiences that align with the tourist's preferences and itinerary, enhancing engagement through storytelling tied to tourism.

Potential Benefits

- **Opportunity for Local Businesses:** Allowing tourists to continue engaging with and purchasing from local businesses even after returning home, thereby expanding the customer base and increasing sales
- **Enhanced Tourist Experience:** Providing tourists with a convenient way to discover and purchase local crafts, products, and experiences, thereby enriching their visit and encouraging repeat visits
- **Potential for Cross Selling & Up Selling:** Increasing sales for a wider range of local businesses through cross selling & up selling opportunities
- **Promotion of Local Culture:** Leveraging e-commerce to promote the unique cultural heritage and products of Vancouver Island, enhancing cultural appreciation and support for local artisans
- **Sustainable Development of Tourism:** Encouraging sustainable tourism practices by promoting local products and experiences, which can lead to more responsible consumer behavior among tourists

Considerations

- **User Experience:** Designing an engaging, and seamless digital platform
- **Local Business Inclusion:** Including a wide range of local businesses
- **Technology Infrastructure:** Building robust technology infrastructure
- **Sustainability Concerns:** Balancing increased consumerism with environmental and cultural sustainability
- **Digital Security & Data Privacy Considerations:** Building robust data privacy measures to protect personal information
- **Pricing Considerations/Competition:** Accounting for risks of price wars
- **Marketing & Promotion:** Marketing efforts for such tailored experiences is a key success factor



Opportunity 13: Blue Economy: Ocean & Marine Tech

Description

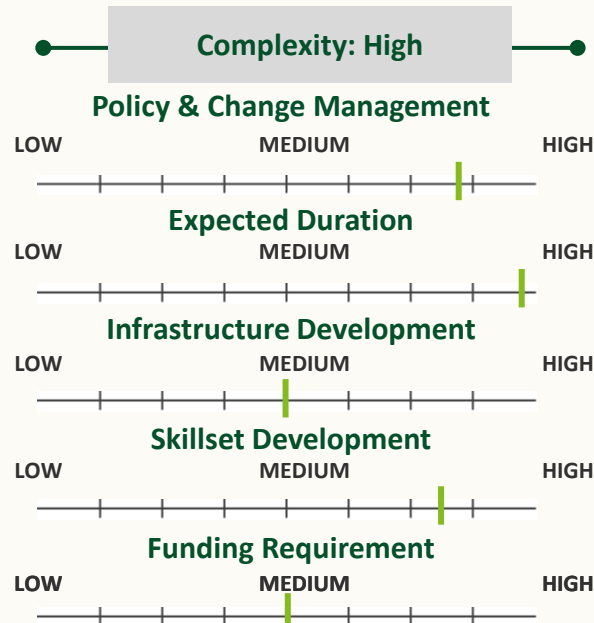
Regulatory shifts challenging traditional aquaculture on Vancouver Island highlight a need for adaptation and economic revitalization. Capitalizing on the island's rich marine biodiversity and coastline, there's an opportunity to transform the marine sector through marine technology innovations. Focusing on eco-friendly equipment, renewable energy, sustainable aquaculture, and cutting-edge tech like AI and robotics for exploration, can pave the way for sustainable growth and a robust blue economy.

Potential Benefits

- **Diversification of Economy:** Expanding into ocean and marine tech opens new avenues for economic growth, diversifying the region's economy beyond traditional sectors thus adding more resilience
- **Promotion of Research & Development:** The initiative has the potential of second order effects such as enhanced R&D which could be an engine for export growth
- **Creation of Jobs:** The growth of the Blue Economy can lead to the creation of high-quality jobs in research and development, engineering, marine biology, and environmental sciences, among others
- **Environmental Sustainability:** Emphasizing sustainable practices in marine industries can help preserve the ocean's health and biodiversity, ensuring long-term ecological balance and resource availability
- **Innovation and Global Leadership:** Investing in marine technology positions Vancouver Island as a leader in ocean innovation, attracting international partnerships and investments
- **Potential to Develop Knowledge Economy:** this development can be an opportunity to build a knowledge economy through exchange of ideas & thought leadership

Considerations

- **Sustainability and Environmental Impact:** Prioritizing the preservation of marine ecosystems while pursuing economic activities
- **Access to Talent and Skills Development:** Developing a skilled workforce to match the required skills
- **Global Competition:** Navigating international competition
- **Collaborative Networks:** Building strong networks between academia, industry, government, and Indigenous communities
- **Dialogue & First Nation Engagement:** Ensuring indigenous communities are actively engaged since marine based economy is their mainstay



● **VIEA Strategic Alignment: Medium** ●

Aligns with 4 out of 8 strategic levers:

1. Economic Diversification
2. Economic Opportunity Creation
3. Collaboration and Partnership
4. Resilience and Sustainability

Key Parties Impacted/To Be Consulted:

1. Local Businesses
2. Government/Relevant Ministry
3. Port Authorities
4. First Nation Communities
5. VIEA
6. Other Local Communities

Opportunity 14: Electric Powered Aviation

Description

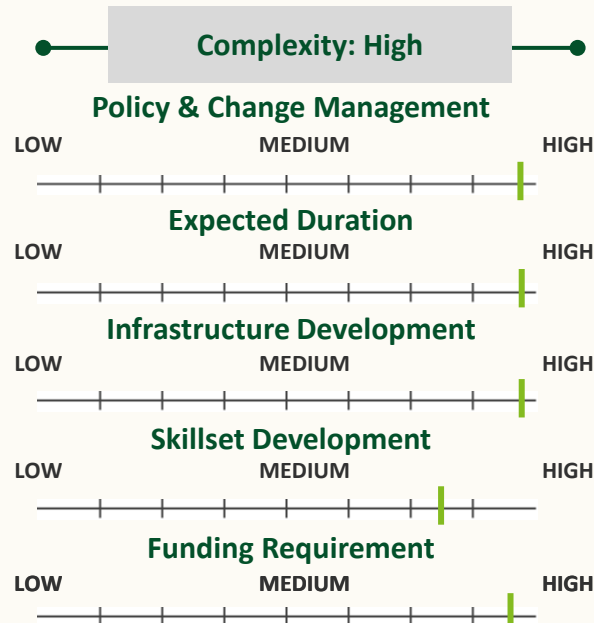
Limited economic diversification poses a risk to Vancouver Island's economy. However, the unique geography of the island, with its short-haul routes to the mainland and numerous intra-island connections, presents an opportunity for pioneering the electric aviation sector. Initiatives by leaders like Sealand Flight in Campbell River highlight the sector's potential. Developing this industry could diversify the local economy and position Vancouver Island as a leader in sustainable aviation, capitalizing on its geographical benefits.

Potential Benefits

- **Innovation in Thought Leadership:** Positioning Vancouver Island as a leader in the adoption of green aviation technologies, attracting investment, and fostering innovation in the sector
- **Environmental Sustainability:** Drastically reducing greenhouse gas emissions and contributing to cleaner air and a healthier environment
- **Job Creation:** Substantial job creation benefits across several sectors such as manufacturing, maintenance, R&D, infrastructure development, education and training etc.
- **Boost to Tourism:** Enhanced and more affordable air connectivity provided by electric planes could lead to an increase in tourism, benefiting the local economy
- **Efficiency of Operations:** Lower maintenance and operating costs associated with electric propulsion could lead to more affordable air travel for passengers

Considerations

- **Technological Viability and Safety:** Ensuring the reliability and safety of electric plane technology through rigorous testing and certification
- **Infrastructure Requirements:** Developing the necessary infrastructure
- **Regulatory Approval:** Navigating the complex regulatory environment
- **Financial Viability:** High initial investments in technology development
- **Advancements in Battery Technology:** The initiative heavily depends on breakthroughs in battery technology
- **Government Support and Incentives**
- **Larger Ecosystem:** Presence of other players in close proximity: aerospace ecosystem such as technology providers, maintenance etc.



VIEA Strategic Alignment: Medium

Aligns with 4 out of 8 strategic levers:

1. Economic Diversification
2. Economic Opportunity Creation
3. Resilience and Sustainability
4. Community and Environmental Health

Key Parties Impacted/To Be Consulted:

1. Local Businesses
2. Government/Relevant Ministry
3. Airport Authorities
4. First Nation Communities
5. VIEA
6. Other Local Communities

Opportunity 15: Diversification of Economy

Description

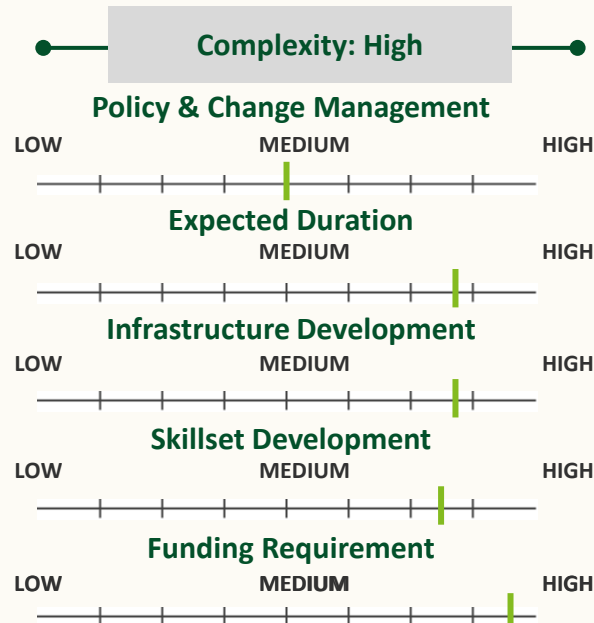
The reliance of Vancouver Island's economy on sectors like forestry, fisheries, and tourism presents a risk of volatility and limits sustainable growth. Learning from Tasmania and Jeju, which have cultivated and marketed niche products—Tasmania with its wool, wine, and whiskey, and Jeju with its beauty and cosmetics industry - Vancouver Island has the opportunity to diversify its economy. Developing and promoting its own unique products can not only offer new revenue streams but also enhance the island's brand on a global scale, driving economic resilience and growth by tapping into specialized markets.

Potential Benefits

- **Resilience to Economic Fluctuations:** A diversified economy is less vulnerable to downturns in any single sector, ensuring more stable employment and income levels
- **Job Creation and Talent Attraction:** Growth in new sectors creates high-value job opportunities, attracting and retaining talent on the island
- **Sustainable Development:** Emphasizing sectors that promote environmental sustainability aligns with global trends and local values, contributing to long-term ecological and economic health
- **Improved Innovation and Competitiveness:** Investing in high-growth sectors fosters innovation, enhancing the region's competitiveness on a national and global scale
- **Enhanced Quality of Life:** Economic growth and diversification contribute to higher living standards, improved public services, and a vibrant cultural scene

Considerations

- **Sector Selection:** Identifying industries with growth potential that align with Vancouver Island's unique geographic, cultural, and economic characteristics
- **Skill Development and Education:** equipping the workforce required skills
- **Infrastructure and Connectivity:** Upgrading physical and digital infrastructure to support new industries
- **Displacement of Traditional Industries:** Rapid shifts towards new industries could disrupt traditional sectors and communities reliant on them



VIEA Strategic Alignment: High

Aligns with 5 out of 8 strategic levers:

1. Economic Diversification
2. Economic Opportunity Creation
3. Collaboration and Partnership
4. Inclusion and Equity
5. Resilience and Sustainability

Key Parties Impacted/To Be Consulted:

1. Local Businesses
2. Government/Relevant Ministry
3. Port Authorities
4. First Nation Communities
5. VIEA
6. Other Local Communities

Opportunity 16: Distribution Centers to Serve The Island

Description

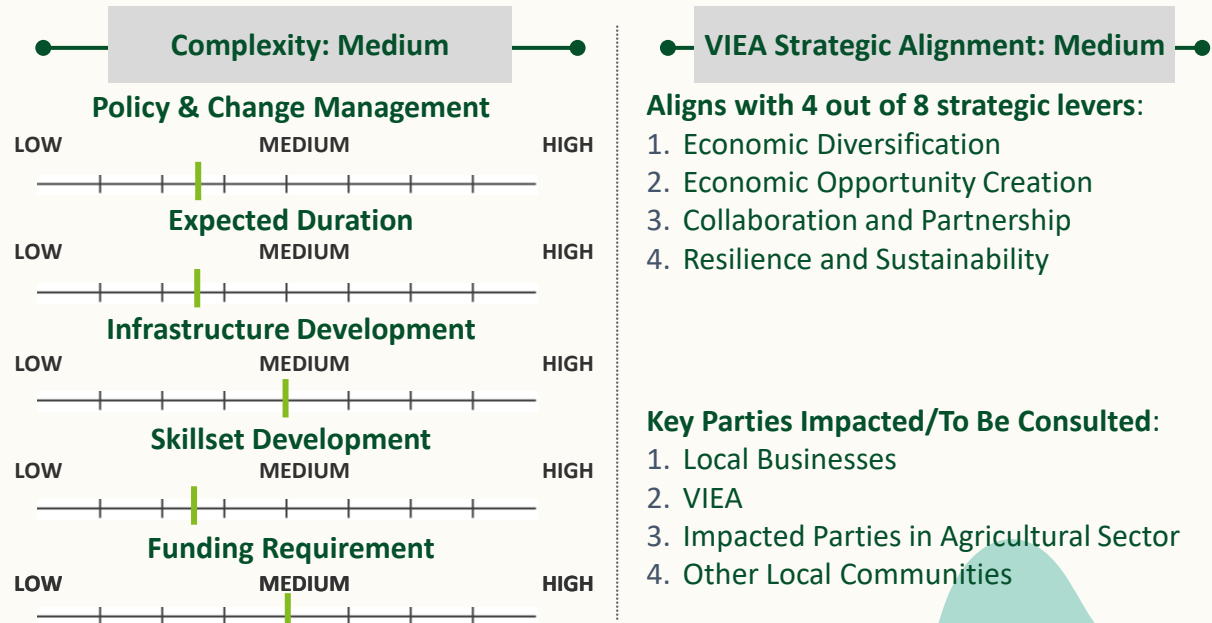
The scarcity of large-scale and specialized niche distribution centers (DCs) on Vancouver Island creates a logistical bottleneck, forcing reliance on mainland-based facilities. Developing strategically located DCs on the island, designed to meet the specific requirements of key industries and local businesses, is crucial for alleviating supply chain constraints and enhancing operational efficiency.

Potential Benefits

- **Reduced Costs and Improved Efficiency:** Local distribution centers can significantly cut transportation costs and time
- **Enhanced Economic Growth:** Positive effect on the local economy through job creation
- **Increased Support for Local Businesses:** Specialized distribution services could provide local businesses with the logistical support needed to expand their operations and enter new markets
- **Enhanced Supply Chain Resilience:** Having local distribution capabilities can improve the island's resilience to disruptions, such as ferry delays or mainland supply chain issues
- **Improved Environmental Benefits:** Shorter transportation routes and more efficient logistics could lead to reduced carbon emissions, aligning with sustainability goals
- **Reduced Safety Stocks:** Local DCs on the island can help reduce safety stocks in case of major disruptions (operational/environmental)

Considerations

- **Location and Infrastructure:** Identifying optimal locations for these DCs
- **Investment and Financing:** Securing the necessary investment
- **Market Demand Analysis:** Conducting thorough research to ensure there is sufficient demand to justify the development of such DCs
- **Financial Viability:** Balancing the high initial investment costs against potential long-term benefits
- **Transportation Networks:** Relying on robust and reliable transportation networks



Opportunity 17: Comprehensive Risk Management Frameworks

Description

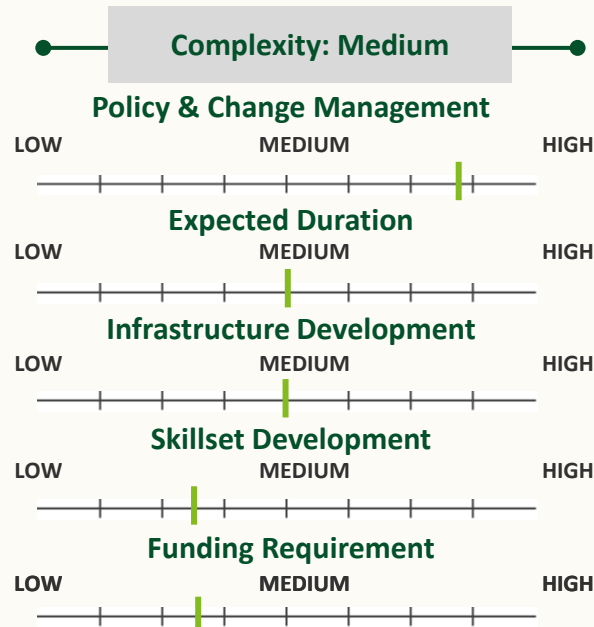
Vancouver Island's economy and supply chains have been repeatedly tested by disruptive events such as severe weather and global health crises, revealing significant vulnerabilities. These disruptions have led to shortages of essential goods and, at times, complete isolation of communities. To address this, the development of comprehensive risk management frameworks is crucial. Such frameworks should aim to systematically identify, assess, and prioritize risks, thereby enhancing the island's resilience and ensuring continuity in the face of future challenges

Potential Benefits

- **Enhanced Supply Chain Resilience:** Strengthened ability to withstand and recover from disruptions
- **Improved Economic Stability:** By minimizing the impact of disruptions on businesses and communities, risk management frameworks contribute to the overall economic stability of the region
- **Better Business Continuity:** Strategic planning and preparedness enable businesses to maintain operations during adverse events, protecting jobs and local economies
- **Boost to Environmental Sustainability:** Incorporating environmental risks into management frameworks helps protect the region's natural resources and ecosystems
- **Better Investor Confidence:** Demonstrating a proactive approach to risk management can enhance investor confidence in the region's businesses and infrastructure projects

Considerations

- **Dialogue & Engagement:** Involving a broad spectrum of impacted parties, including businesses, government agencies and communities
- **Risk Identification and Analysis:** Conducting thorough assessments
- **Technology Integration:** Leveraging advanced technologies for risk monitoring, data analysis, and communication
- **Government Support and Regulation:** Regulatory support and possibly incentives from government bodies



● **VIEA Strategic Alignment: Medium** ●

Aligns with 4 out of 8 strategic levers:

1. Collaboration and Partnership
2. Inclusion and Equity
3. Resilience and Sustainability
4. Community and Environmental Health

Key Parties Impacted/To Be Consulted:

1. Local Businesses
2. Government/Relevant Ministry
3. Port Authorities
4. First Nation Communities
5. VIEA
6. Other Local Communities

Appendix D: Value of Central PMO

A central PMO can provide functional and strategic oversight required to drive the economic roadmap

Program Management

Integrated Plan Development

Streamlining project success through cross-Functional Planning

Management Reporting

Optimizing program review by leveraging data driven insights, reporting and support decision making

Community Leadership

Fostering cross community collaboration and drive shared vision for successful initiatives implementation

Resource Management

Ensuring program delivery by maximizing efficiency and optimal resource allocation

Status Tracking

Ensuring project transparency and progress visibility with periodic updates

Dependency Tracking

Ensuring program continuity by proactively managing interdependent tasks, initiatives and milestones

Risk Management

Mitigating program uncertainties through proactive identification, analysis, and response strategies

Incentive Application

Supporting multiple executions by assisting grant application

Value Realization

Target Development

Driving project success through strategic goal-setting and milestone planning

Financial Management

Driving program delivery within estimated budget

Project Prioritization

Maximizing program impact through clearly prioritizing foundational initiatives

Results Tracking

Enhancing program outcomes through continuous evaluation of results of implanted initiatives

Organization Alignment

Interest Holder Alignment

Streamlining interest holders' goals and expectations

Program Communications

Ensuring effective, continuous and transparent information exchange

Knowledge Sharing

Empowering the interest parties by continuous knowledge sharing and industry insights

Training

Bridging academia and industry with relevant skills development

Capability Enablement

Policy Deployment

Policy development for shaping the program execution landscape and beyond

Innovation Enablement

Driving innovation deployment and adoption

Skill Force Enablement

Empowering skill force to develop, foster, and implement required skills during and beyond projects



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