

## April 2015

### Mining Activities Contributing to a Diverse and Sustainable Regional Resource Economy

Starting May 3, 2015 British Columbia will celebrate Mining Week and recognize the importance of mining to the provincial economy. As the largest city in one of the fastest growing economic regions of the country Prince George is in a strategic geographic location to support existing and proposed Mining projects.

The BC mining industry contributed \$8.5 billion to the provincial economy in 2013. The sector was highlighted in 2014 when Mt. Milligan copper-gold mine, located 155 km northwest of Prince George, achieved commercial production in February 2014. Fortunes for the mining sector took another positive turn in early 2015 when the high-grade gold Brucejack Project in north-west BC received Environmental Assessment Approval from the Minister of Environment and Minister of Energy and Mines. An estimated total capital investment of \$747 million for this project will employ 900 personnel at the peak construction period of 24 months. The transition from exploration to mine development on the Brucejack Project is an indicator of a resilient mining industry in northern BC for Prince George to service and supply.

Another important investment related to provincial approvals was the establishment of a Major Mines Permitting Office. This 2015 budget announcement will provide a boost to declining private sector exploration spending by:

- Coordinating major mine permits across government
- Adding staff to conduct more inspections and permit reviews
- Maintaining improved turnaround times for notice of work permits

This is welcoming news as the city is a base for mining-related businesses. Prince George has experienced growth of 61.5% in the number of firms providing operational support for this resource activity in the region from 2008 to 2012.

Northern BC supports seven operating mines with two more under development and twenty-five proposed mining projects. Additionally, fifty-one major mineral exploration projects signal continued interest in expanding this sector in northern BC. The provincial government expects that in the next few years as many as ten new mines could proceed. As of 2014 this activity represents benefits of \$24.4 billion worth of ongoing and proposed mining projects. Mining exploration is valued at \$476 million. Therefore, this sector will continue to make important contributions to the provincial economy in the future.

In BC from 2003 to 2013 the average annual exploration spending was \$354.8 million. 2014 saw a slight decrease from this average, but contributed \$338 million to the provincial economy.

Mineral extraction is vital in many day-to-day items such as cell phones, musical instruments and sports equipment. Mining also supports clean energy projects. For example, 4 tonnes of copper and 300 tonnes of steel are contained in the average wind turbine. The proposed Site C dam will require construction materials such as steel, stainless steel, aluminum and copper. More information on mining is available on our website ([http://www.initiativespg.com/wp-content/uploads/2014/06/IPG\\_Sector-Profiles-2015-Mining-WEB.pdf](http://www.initiativespg.com/wp-content/uploads/2014/06/IPG_Sector-Profiles-2015-Mining-WEB.pdf)).



## Economic Statistics

### Employment

The number of people employed in Prince George decreased from 47,500 in February 2015 to 46,300 in March 2015. This is due to a substantial decrease in the number of people in the workforce, from 49,700 in February 2015 to 48,500 in March 2015. Consequently, the Prince George unemployment rate increased by 0.1% to 4.5% in March 2015. In BC, the number of full time jobs declined by 5,700 in March 2015; while, part-time jobs grew by 11,300. As a result, the unemployment rate in BC decreased marginally to 5.8% in March compared to 6.0% in February. The number of people employed in the private sector in BC decreased by 1,000. The number of people self-employed grew by 2,500, while employment in the public sector increased by 4,100. Last month employment rates in BC and across Canada were 59.3% and 61.4%, respectively, while Prince George was significantly higher than both at 64.8%. Prince George remained below the provincial (5.8%) and national (6.8%) unemployment rates at 4.5% during March 2015.

*(Source: Statistics Canada Labour Force Survey)*

### Real Estate

42 newly constructed single detached houses were sold in March 2015 at an average price of \$403,592. This was in comparison to 30 houses sold at an average price of \$434,066 in March 2014. Home sales in northern BC totaled 302 units in March 2015, down 16.1% compared to March 2014. The average home price in northern BC in February was \$249,913, down 4.5% on a year-over-year basis. The total value of properties sold in northern BC was \$75.5 million in March 2015, down by 19.9% on a year-over-year basis. National home sales were up 4.1% between February 2015 and March 2015, but the average price rose by 9.4% on a year-over-year basis in March.

*(Source: BC Northern Real Estate Board; Canadian Real Estate Association)*

### Housing Construction

There were 10 housing starts in Prince George during March 2015 (8 single family dwellings and 2 semi-detached); this is in comparison to 3 single family dwellings starts in March 2014. A total of 5 single-detached residential houses were completed in March 2015. Comparatively, the total number of housing starts in BC during March 2015 was up by 4.7% compared to March 2014.

*(Source: Canada Mortgage and Housing Corporation)*

### Building Permits

The City of Prince George issued 63 building permits valued at \$11.1 million in March 2015. The value of commercial permits was \$6.1 million in March 2015. The value of permits issued for new single family detached units were \$3.0 million during March 2015.

*(Source: City of Prince George; Statistics Canada)*

### Business Licenses

The City of Prince George received 35 new business license applications and 231 renewal applications in March 2015.

*(Source: City of Prince George)*

### Airport Passenger Volumes

47,461 passengers moved through the Prince George International Airport in February 2015, which is 33.97% higher than in January 2014<sup>2</sup>. A 12,035 passenger increase is attributed to the success of the 2015 Canada Winter Games. Traffic through the Vancouver International Airport was up 6.0% for the month of February 2015 in comparison to February 2014.

*(Source: Prince George Airport Authority and Vancouver Airport Authority)*