



INITIATIVES PRINCE GEORGE

ECONOMIC UPDATE

April 2013



Photos courtesy Thompson Creek Metals and Taseko Mines Ltd.

In recognition of the valuable contribution the mining sector makes to the economies of Prince George and Northern BC, Prince George Mayor Shari Green has proclaimed April 28 – May 4, 2013 to be “Mining Week” in the city of Prince George.

During 2012, there were nine operating mines, two mines under development, 16 proposed mines and 51 major exploration projects across Northern BC. Mining exploration expenditures increased by an annual average of 26.4% over the past five years and totaled \$557.8M in 2012, up 67.8% from 2011. As Prince George is the service and supply hub for industry activities across the north, the growing mining sector is playing an important role in the city, contributing to the ongoing strength and diversification of the economy.

In Prince George, employment in the mining sector increased by an annual average of 31.5% over the past five years. Approximately 16.2% of Northern BC's employment in the mining and oil & gas sector is located in the city, with a similar percentage for the number of businesses focused primarily on mining or support activities for mining operations. According to Statistics Canada, 1,100 Prince George residents and 6,800 people across Northern BC were directly employed in the mining and oil & gas sector during 2012.

Regional mining activities rely on the capabilities of Prince George firms to provide drilling, engineering and environmental services, manufacturing and

fabrication of equipment, transportation and other supplies and services. The broad range of products that local companies can provide to larger operations throughout the region facilitates a considerable economic impact to the city. For example, Thompson Creek Metals spent \$61M in Prince George in 2012, nearly half of its expenditures in the region, on procurement for the Mt. Milligan mine under construction 155 km northwest of Prince George. As more major exploration projects proceed to the development stage over the next decade, the impact on the economy is expected to be extensive.

Mining exploration and development across the northern region is driving the increased significance of the industry to the provincial economy. According to the Mining Association of British Columbia (MABC), the mining industry created \$9.9B in economic activity across the province in 2011, up 25.3% from the year before.

Provincial revenues generated by mining industry activities amounted to \$805M in 2011, an increase of 16.5% compared to 2010. Government revenues from resource development provide funding to the Ministries of Health, Education, and Environment, among others, ensuring the sustainability of established health care and education services, as well as the effective delivery of other essential government services.

The contribution of the sector to the provincial economy will continue to be

augmented by new prospective mining developments that represent a significant proportion of the \$70B in investments anticipated across Northern BC over the next decade.

Initiatives Prince George (IPG) is partnering with the Mining Association of British Columbia (MABC) to celebrate Mining Week in Prince George and to host a half-day seminar and luncheon on May 2. One highlight of this event will be the presentation of a report providing insight into the procurement practices of companies engaged in major mining projects, proposed and underway, in Northern BC. The findings of the report will assist local firms in preparing to supply and service these major projects.

... the growing mining sector is playing an important role in [Prince George]...

Luncheon topics will also include a summary of mining activity in the region, and industry representatives from Taseko Mines will speak about three of the company's mine projects, with a focus on procurement practices and opportunities for local businesses.

The BC Mining Week Luncheon will be held from 9:00am to 1:30pm on May 2 at the Ramada Hotel. To register, visit: <http://bcminingweekluncheon.eventbrite.com>.



Economic Statistics

Employment

46,400 persons were employed in Prince George in March, down 2.5% from the previous month.¹ The labour force declined by 2.0% so the number of unemployed persons increased slightly, leading the unemployment rate to increase 0.5% (to 5.7%). This reflects labour force activity observed in the province and across the country. Across BC, the number of employed persons decreased by 0.6%; those in the labour force increased by 0.1%. This led the number of unemployed persons to increase by 11.9% and the unemployment rate to increase 0.7% (to 7.0%). Across Canada, the number of employed persons and those in the labour force decreased by 0.3% and 0.1%, respectively; the number of unemployed persons increased by 3.2% and the unemployment rate increased 0.2% (to 7.2%). Prince George's working age population was unchanged last month; the employment rate decreased 1.7% (to 65.6%). Employment rates decreased 0.4% in BC and 0.2% across Canada (to 60.0% and 61.8%, respectively).

(Source: Statistics Canada Labour Force Survey)

Real Estate

239 properties, of all types, worth \$53.5M changed hands in Prince George during the first three months of 2013. At the end of March there were 660 properties of all types



¹ Monthly employment figures are influenced by seasonal factors; month-over-month comparisons should be viewed with this in mind.

listed for sale within the City limits. In March, 70 single family homes were sold in the city, 7 fewer than in the same month last year, with an average price of \$245,125. Year-to-date, the number of homes sold in the city was on par with the number sold over the same period last year; the average price was down 0.3%. Comparatively, the year-to-date number of single family homes sold in BC was down 18.8% at the end of March; the average price was down 4.0%. March statistics for housing sales across Canada were not available at the time of publication.

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

Housing Construction

There were 3 housing starts in Prince George in March (all single family units), 5 fewer than in March 2012. Year-to-date, the number of housing starts was up 6.7% compared to the first three months of last year. 14 residential units were completed in the city (all single family dwellings), 37 fewer than in the same month last year.² 158 housing units were under construction, 47.7% more than in the same month in 2012. Year-to-date housing starts were down 13.4% and 17.0%, respectively, in BC and Canada, at the end of March.

(Source: Canada Mortgage and Housing Corporation)

Building Permits

The City of Prince George issued 24 building permits valued at \$4.9M in February.³ The value of permits issued was up 127.0% compared to the same month last year; the number of permits issued was up 4.3%. Institutional permits accounted for 44.9% of the total value of building permits issued, with a permit for interior improvements to the University Hospital of Northern BC

² The 36-unit seniors' development, Elizabeth Fry Place, was completed in March 2012.

³ March building permit statistics were not available at the time of publication.

making up the entirety of the category. Commercial permits made up 37.2% of building permits issued in February; Residential permits made up the remainder of permits issued. Year-to-date building permits were down 18.0% in BC and 6.4% across Canada at the end of February.

(Source: City of Prince George; Statistics Canada)



Business Licenses

165 business licenses were issued in the city in March (35 new⁴ and 130 renewals).

(Source: City of Prince George)

Airport Passenger Volumes

37,877 passengers moved through the Prince George airport in March, 0.6% fewer than in the same month in 2012. Year-to-date, passenger traffic was down 0.5% compared to the first three months of last year. Comparatively, year-to-date traffic through Vancouver's airport was down 1.7% at the end of February.

(Source: Prince George Airport Authority; Vancouver Airport Authority)



⁴ New business licenses are issued when a new business is established, when a business is re-established after not operating for a period of time and when a business changes ownership or relocates.