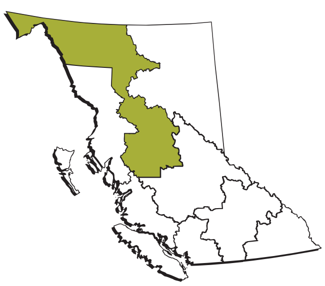
Nechako Development Region

Stikine • Bulkey Nechako



The Nechako Development Region (NDR) is the largest development region in BC, encompassing nearly one quarter of the province. Its total land area of 205,915 km^2 includes the Bulkley-Nechako and Stikine Regional Districts. Despite its large size, it is the least-populated region of the province, accounting for just one percent of the provincial population.

Population grew in the NDR by 1.9% between 2000 and 2005, to reach 45,310.[1] The provincial average during the same period was 5.3%.[2] Recent growth between 2003 and 2005 was sufficient to offset losses incurred in earlier years. BC Statistics forecasts that population in the NDR will increase at a slower annual rate of 0.7% in the long term, reaching 54,117 by 2031.[3]

[1] BC Statistics, Ministry of Labour and Citizen's Services, *BC Regional District and Municipal Population Estimates, 1996-2005,* March 2006.
[2] Ibid.
[3] BC Statistics, Ministry of Labour and Citizens' Services, *Population Projections (2005-2031)*, May 2005.

live indicators

Virtually all of the economic activity in this development region is centered in the Bulkley-Nechako Regional District, where the focus is forestry, mining, tourism and agriculture. Manufacturing of forestry products is the top industry, with sawmills providing the majority of employment.[4] The region is, in fact, one of the most manufacturing-dependent areas of BC[5] producing 15.7% of the provincial total of lumber production in 2002.[6] The District of Houston generates the majority of this activity with its large modern mills providing considerable employment, although the Fort St. James and Smithers areas also derive sizeable benefit from forestry-based manufacturing. The Endacko Mine near Fraser Lake and the Huckleberry Mine southwest of Houston are the only remaining mines in the development region, since the closure of Golden Bear in 2001.[7] In addition, the region services a number of other mine sites located in the adjacent Northeast Development Region. Most of the tourism activity is concentrated on or near Highway 16, between Vanderhoof and Smithers, with attractions ranging from hunting and fishing, to riding, hiking, canoeing, and winter sports.[8] Destination tourism, which holds much potential for this vast wilderness region is doing well, with further development still possible adventure tours such as riding, hiking, canoeing, and winter sports. Tourism dollars are also dependent on travelers completing the Heritage Discovery Circle Route and those going on to Alaska. The loss of the ferry, the Queen of the North, in early 2006 is likely to have a significant impact on the tourism sector over the coming year(s). Farming activity is, for the most part, limited to the southern portion of the region in the Bulkley Valley. While the region yields a variety of agricultural products, cattle farming, or ranching, is the leading activity.[9]

income

Evaluating real income growth enables some comparison of the progress of different regions within the province. The only consistent regional income indicator available for BC is pre-tax income, with the most current data being 2003.[10] Regional income per capita[11] for each development region has been deflated with the Consumer Price Index to net out inflation effects and to allow a comparison of ***real*** changes with other regions. As Table 1 indicates, real per capita income for the province as a whole declined by 0.7% between 2000 and 2003. These results reflect the fact that the provincial average captures real per capita losses in the Mainland/Southwest, Kootenay, and North Coast Development Regions.

On a per capita basis, real pre-tax income in the NDR increased by 0.1% between 2000 and 2003. Although residents of the NDR consistently realized lower per capita incomes than the average British Columbian between 2000 and 2003, the gap gradually was reduced to $3,559 by 2003. Residents of the sparsely-populated Stikine Regional District in the north brought in the second-lowest incomes in the province, at just $12,635 per capita in 2003.[12]

Table 1: Real Pre-Tax Income per Capita (2000$), Nechako Development Region 2000 to 2003

					Percentage Change	
Region	**2000**	**2001**	**2002**	**2003**	**3-Year 2000-03**	**1-Year 2002-03**
Nechako DR	$17,959	$17,668	$17,764	$17,982	+0.1%	+1.2%
British Columbia	**$21,686**	**$21,373**	**$21,378**	**$21,541**	**-0.7%**	**+0.8%**

Source: British Columbia Neighbourhood Income Demographics, BC Statistics.

[4] In 2003, the manufacturing industry employed 2,928 workers in the Bulkley-Nechacko Regional District (there are no statistics for the Stikine Regional District) - sawmills accounted for 2,601 of these jobs. BC Statistics, Ministry of Labour and Citizen's Services, *Manufacturing Industries by Regional District, Principal Statistics,* 2003.
[5] BC Statistics, Ministry of Labour and Citizen's Services, *Infoline*, Issue 04-41, October 2004.
[6] BC Statistics, Ministry of Labour and Citizen's Services, *BC Regional Index*. http://www.regionalindex.gov.bc.ca/
[7] BC Statistics, BC Ministry of Labour and Citizen's Services, *Quarterly Regional Reports, Nechako Development Region*, 1st Quarter 2006.
[8] BC Statistics, Ministry of Labour and Citizen's Services, *BC Regional Index*.
[9] Ibid.
[10] Pre-tax income is comprised of labour force income (employment income, wages and salaries, income from self-employment, employment insurance benefits), pension income, old age security, CPP/QPP, superannuation, family allowance income, interest & other investment income, limited partnership income, rental income, other income (e.g. alimony, income for non-filing spouses), RRSP income, non-taxable income, GST credit, child tax credit, workers' compensation payments, social assistance payments, and guaranteed income supplements. Monies not included in pre-tax income are: veterans' disability and dependent pensioners' payments, war veterans' allowances, lottery winnings and capital gains.
[11] Per capita means per person. *Total* pre-tax income is divided by the population size to estimate this figure.
[12] Residents of the Central Coast Regional District (Vancouver Island/Coast Development Region) realized an average of $8,196 per capita in 2003).

How do we interpret this slight increase in real per capita income between 2000 and 2003? First, it appears that the population decline in the NDR slightly outpaced the drop in total pre-tax income between 2000 and 2003.[13] Overall employment in the region shrank by 5.3%,[14] as compared to job growth of 4.3% for the province as a whole over the same period. This was a time of dampened economic performance in the region and in the province. In total, the region lost approximately 2,500 jobs during this period.[15]

Those that remained employed were able to improve their existing wage level. Real average employment income[16] per taxfiler in the NDR increased, from $29,194 to $30,183 or by 3.4%.[17] This is in comparison to a loss of 1.3% for the provincial average between 2000 and 2003.[18] This growth brought the region much closer to provincial average employment income levels, reducing the gap to -$771 in 2003. It is interesting to note there is a significant earnings disparity in the NDR. In 2003, Bulkley-Nechako workers earned over $6,000 more than their counterparts in the Stikine.

educational achievement

BC Statistics data shows that, between 2003/04 and 2004/05, 24.4% of 18 year olds in BC did not graduate from high school. Comparing this with the NDR, it appears that the Bulkley-Nechako Regional District had a higher-than-average percentage of 18 year olds who did not graduate high school during this time.

Table 2: Percentage of 18 Year Olds Who Did Not Graduate, Neckako Development Region, Average 2001/02-03/04 and 2002/03 – 04/05

Regional District	Average 2001/02-2003/04	Average 2002/03-2004/05
Bulkley-Nechako	29.3	31.1
Stikine*	n/a	n/a
British Columbia	**24.9**	**24.4**

Source: BC Statistics.

** BC Statistics did not report on the Stikine Regional District as the data was too small to release.*

The existence and perception of education opportunities are a factor in graduation rates, as well as educational attainment of students' parents and parental involvement in education.[19] Quality post-secondary education is accessible in some areas in the NDR, with Northwest Community College campuses in Houston and Smithers, and College of New Caledonia campuses in Burns Lake and Vanderhoof. A variety of educational options from certificate and diploma programs, trades and technology, and university transfer programs are available. Census 2001 data shows that the percentage of the population aged 25-54 years without high school completion follows a similar trend to the 18 year old non-graduation rate in the NDR. In the Bulkley-Nechako Regional District, 26% of the 25-54 age population did not complete high school, compared to the BC average of 17.2%.[20]

[13] Our annual review of the economic and social climate of BC's Development Regions is based on the most up to date information available from Statistics Canada, BC Statistics, and other credible public sources of data. Nevertheless, delayed reporting by our statistical sources means that a few one or two-year lags exist for some of the regional indicators, such as pre-tax income. This presents a challenge in working with BC regional data, but does not take away from the veracity of the results.
[14] This figure reflects employment in Northwest BC, as Statistics Canada aggregates employment data for the North Coast and Nechako Development Regions.
[15] Data for Northwest BC. Source: Statistics Canada, *Historical Labour Force Survey*, 2006 Edition, CD1, Table 30AN.
[16] Employment Income includes wages and salaries, commissions from employment, training allowances, tips and gratuities and all income from self-employment (business, professional, farming, fishing income and commissions).
[17] **Real pre-tax income per capita** is the sum of all income – labour force, pension, interest & other investment, limited partnership, rental, RRSP, and non-taxable income – divided by the population and adjusted for inflation. **Real average employment income per taxfiler** is the just the sum of wages and salaries, and self-employment income – divided by the number of individuals who filed a personal income tax return, and adjusted for inflation.
[18] BC Statistics, Ministry of Labour and Citizen's Services, *Labour Force Income Profile*, 2000 to 2003.
[19] C. Anderson w/ C. Bruce. *Using Family Background to Predict Educational Attainment in Canada*. The Expert Witness Newsletter, Vol. 9, No 3, Autumn 2004, Economica Ltd.
[20] BC Statistics, Ministry of Labour and Citizen's Services, *Indicators of Education Concerns*.

live indicators

It has been well documented that Aboriginal Peoples in BC lag behind the rest of the population in educational attainment.[21] At a provincial level, the 2004/05 six year completion rate[22] for aboriginal students was 48%, compared to 79% for all students.[23] In the NDR, 28% of enrolment in the region's schools is comprised of Aboriginal students, compared to a provincial average of 9%.[24]

Statistics Canada's ***Youth in Transition Survey*** also identifies the past availability and present expectation of well-paying jobs not requiring high school completion as factors that may contribute to low graduation rates. Since 2000, the youth unemployment rate in the NDR has varied considerably – from a low of 5.9% to a high of 12.5% in 2005.[25] While this is the highest youth unemployment rate in the province, it is somewhat misleading. Statistics Canada Labour Force Survey data shows that the youth labour force in the NDR has more than doubled since 2004. Correspondingly, the number of employed youth has also more than doubled. Recent new job prospects, may have lured some youth out of school prematurely, and may explain the increase in the non-graduation rate since 2001/02.

dependency on the social safety net

At times of strong economic growth and job creation, there are more opportunities for unemployed workers and those not participating in the labour force to obtain work. This shifts these individuals and their families away from reliance on government assistance, and towards sustainable employment earnings. The share of the NDR adult population dependent on Income Assistance and Employment Insurance was 4.7% in September 2005, compared to the provincial average of 3.7%. Residents of the NDR tend to rely more heavily on the social safety net than the average British Columbian. Other than the North Coast and Cariboo Development Regions, and parts of Vancouver Island, the region has the highest share of the adult population dependent on the social safety net in the province.[26]

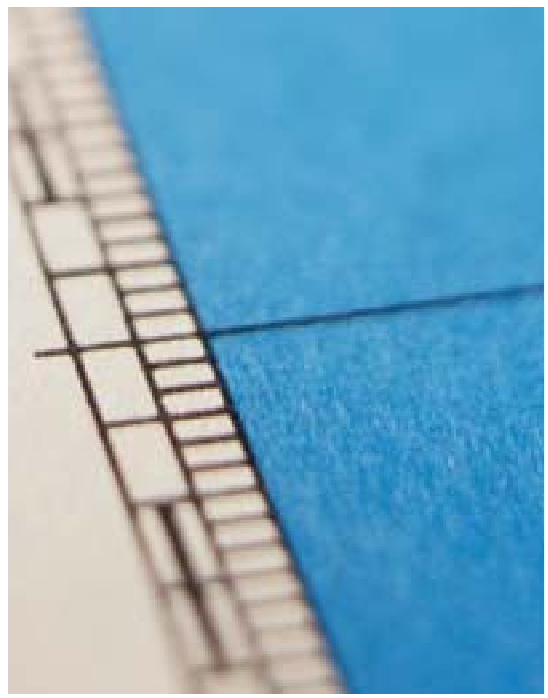


Table 3: Basic Income Assistance Recipients and EI Beneficiaries as a Percent of the Population Aged 19-64,[27] Nechako Development Region, 2001 to 2005

Region	2001	2002	2003	2004	2005
Bulkley-Nechako	8.2	7.6	6.3	5.3	4.7
Stikine*	5.4	5.9	5.9	-	-
Nechako DR Total	***8.1***	***7.6***	***6.3***	***5.2***	***4.7***
British Columbia	**7.0**	**6.1**	**5.1**	**4.2**	**3.7**

Source: BC Statistics.

** BC Statistics did not report on the Stikine Regional District in Sept 2004 or 2005 as the data was too small to release.*

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[21] BC Statistics, Earnings & Employment Trends, *The Educational Attainment of Aboriginal Peoples: A Regional Comparison – Part I*, December 2004.
[22] The portion of students who graduate within 6 years from the time they enroll in Grade 8.
[23] Ministry of Education, *2005/06 Summary of Key Information*, February 2006.
[24] In 2004/05, total enrolment in the four NDR school districts was 9,104 – aboriginal enrolment was 2,501. Source: Ministry of Education, *2005/06 Summary of Key Information*, February 2006.
[25] Statistics Canada, *Historical Labour Force Survey*, Custom Table.
[26] BC Statistics, Ministry of Labour and Citizen's Services, *Population 19-64 Receiving Basic Income Assistance of Employment Insurance,* February 2006.
[27] Rates are as of September for each year.

work indicators

Due to the buoyant economy in recent years, the share of the adult population dependent on the social safety net has declined steadily since 2001 throughout BC. Overall in the province, this ratio declined from 7% to 3.7% between 2003 and 2005, while the NDR ratio dropped from 8.1% to 4.7%.

job creation

Statistics Canada aggregates employment data for the North Coast and Nechako Development Regions. Together, these two development regions comprise **Northwest British Columbia**. Census 2001 labour force data shows that the bulk of labour market activity in this region is shared fairly equally between the Bulkley-Nechako and the Kitimat-Stikine Regional Districts, with the Skeena-Queen Charlotte Regional District contributing about 20% of labour market activity.

The labour force in Northwest British Columbia grew steadily in 2004-05, with the largest absolute gains occurring in the services-producing sector. Of the 3,300 jobs created in Northwest British Columbia in 2005, approximately 2,200 were in services.[28] This was an annual growth rate of 7.7%, the highest increase in region's services-producing employment in the past decade. The number of goods-producing jobs rose by 1,100 or at an annual rate of 7.9%. Again, the highest growth rate seen in the past decade.

Over the past five years, Northwest British Columbia's **services-producing sector** shrunk, with a loss of 1,100 jobs since 2000. Employment gains in trade, with 1,300 new jobs since 2000, were offset by job loss in educational services (1,200 jobs) and public administration (1,100 jobs).

[28] Statistics Canada, *Historical Labour Force Survey,* 2006 Edition, CD1, Table 33AN.

Table 4: Employment Northwest British Columbia, 2000-2005[29]

	2000	2001	2002	2003	2004	2005	Job Creation (000) 5-Year 2000-05	Job Creation (000) 1-Year 2004-05
TOTAL EMPLOYMENT (000)	**47.3**	**46.6**	**44.9**	**44.8**	**42.4**	**45.7**	**-1.6**	**3.3**
Goods-Producing Sector (000)	**15.5**	**13.9**	**13.8**	**14.4**	**13.9**	**15.0**	**-0.5**	**1.1**
Agriculture	-	-	-	-	-	2.5	-	-
Forestry, fishing, mining, oil and gas	5.0	4.0	3.7	4.0	2.9	3.0	-2.0	0.1
Utilities	-	-	-	-	-	-	-	-
Construction	-	2.3	2.6	2.2	1.9	1.8	-	-0.1
Manufacturing	8.1	7.3	7.1	7.2	8.4	7.6	-0.5	-0.8
Services-Producing Sector (000)	**31.8**	**32.7**	**31.1**	**30.4**	**28.5**	**30.7**	**-1.1**	**2.2**
Trade	6.4	6.9	6.0	5.9	4.7	7.7	1.3	3.0
Transportation & warehousing	3.3	2.6	3.0	2.7	2.2	3.2	-0.1	1.0
Finance, insurance, real estate & leasing	1.6	2.2	-	-	1.7	1.7	0.1	0.0
Professional, scientific & technical services	-	-	-	1.5	1.5	1.5	-	0.0
Business, building & other support services	-	1.7	-	-	1.5	-	-	-
Educational services	4.1	4.0	3.5	4.2	3.3	2.9	-1.2	-0.4
Health care & social assistance	3.8	4.7	5.0	4.9	4.6	3.9	0.1	-0.7
Information, culture & recreation	-	-	-	-	1.5	1.7	-	0.2
Accommodation & food services	3.7	3.5	3.6	3.1	3.4	3.0	-0.7	-0.4
Other services	2.6	1.8	1.7	1.9	1.8	2.3	-0.3	0.5
Public administration	2.6	2.7	3.0	2.6	2.3	1.5	-1.1	-0.8

Source: Statistics Canada, Labour Force Survey Historical Review.

The trade industry, which has been in a decline since 2002,[30] saw an abrupt turnaround in 2005. Approximately 3,000 jobs were created in this industry, a 64% increase over 2004. Employment in the industry climbed until July, reaching a high of 9,800, and by December settled at 6,000.[31] This pattern of seasonal job creation does not appear to correlate to previous years, with the summer of 2005 being exceptional. The port of Prince Rupert posted a record cruise season and the entire region was a hotbed for mineral exploration; with the trade industry benefiting from both.

Employment in the educational services industry has fallen by almost 30% since 2000. This downturn can be mostly attributed to a loss of 1,300 jobs in 2004 and 2005. In the public school system, overall enrollment continued to decline throughout Northwest British Columbia,[32] which resulted in a slight drop in teacher and administration staffing levels between 2004 and 2005.[33] Educational services include not only the public school system, but colleges, universities, technical schools, and private sector business/computer, arts, athletic and language training.

[29] Industries with 0.0 are estimated to have less than 1,500 employed at that particular point in time, thus the numbers presented in the table may not add up to total sector figures, and job creation statistics can not be calculated.
[30] Primarily as a result of closures such as Skeena Cellulose and declines in the forest industry.
[31] Statistics Canada, *Historical Labour Force Survey,* 2006 Edition, CD1, Table 33M3.
[32] The only exception was the Haida Gwaii/Queen Charlotte and Bulkley Valley School Districts, which saw increases of 29 and 21 students between 2004/05 and 2005/06. Source: Ministry of Education, *2005/06 Summary of Key Information*, February 2006.
[33] Ministry of Education, *2005/06 Summary of Key Information*, February 2006.

work indicators

Northwest British Columbia's public administration industry has contracted tremendously, by over 40%, since 2000, with the loss of 800 jobs in 2005 having the largest impact.

Northwest British Columbia's **goods-producing sector** shrank by 3%, a total of 500 jobs, between 2000 and 2005. While there was job creation in 2003 and 2005, it was not sufficient to offset losses incurred in other years. Employment losses were spread across several industries, with the largest losses seen in forestry, fishing, mining, oil and gas, with 2,000 jobs lost since 2000 in harvest rates of sockeye salmon and a downturn in the forest industry have depressed this industry.[34] Although employment in forestry, fishing, mining oil and gas remains below 2000 levels – a thriving time for the industry – it has improved in the past year with the creation of 100 new jobs, a 3.4% increase over 2004.

By the end of 2004, the manufacturing industry in Northwest British Columbia had strengthened to match employment levels seen in the mid-1990's. Unfortunately the industry suffered the loss of 800 jobs in 2005. BC softwood lumber prices plunged 12.4% in 2005, and plywood prices fell even more.[35] In the pulp and paper industry, prices dropped as a result of excessive supply, falling demand, and lower-cost competitors. High energy costs and a strong Canadian dollar eroded manufacturing profits further.[36] These developments negatively impacted wood products manufacturers and sawmill operators in Northwest British Columbia. On a positive note, the recent Canada-USA softwood lumber agreement, which will see the USA return about 80% of the more than $5 billion in duties it has collected on lumber imports and a removal of tariffs on lumber,[37] is expected to provide the region's lumber manufacturers with more certainty and stability in the future.

unemployment rate

Strong economic activity created new opportunities for unemployed workers in Northwest British Columbia in 2005. A considerable decline in joblessness[38] saw the unemployment rate fall to 8.1%, the lowest rate in the region since 1996.[39] While the region's rate declined at a greater pace than the provincial average, Northwest British Columbia still has the highest unemployment rate in the province.

[34] Human Resources Development Canada, *HRCC Northwest - Labour Market Bulletin*, 1Q04.
[35] BC Statistics, Ministry of Labour and Citizen's Services, *Current Statistics*, February 2006.
[36] BC Statistics, Ministry of Labour and Citizen's Services, *Pulp Friction: Challenging Times for BC's Pulp Industry*, November 2005.
[37] Export taxes will kick in when the price of lumber drops – producers will have to pay an export tax of 5% if there's a small drop in price; if the reduction is greater, they will have to pay as much as 15%. The agreement remains in effect for seven years, with the possibility of renewal. Source: Canadian Broadcasting Corporation, *Softwood Lumber Dispute*, April 28, 2006.
[38] BC Statistics, Ministry of Labour and Citizen's Services, *Labour Force Activity by BC Development Region – Annual Averages*, January 2006.
[39] Statistics Canada, *Historical Labour Force Survey, 2006 Edition*, CD1, Table 30AN.

Table 5: Unemployment Rate in Northwest British Columbia, 2000 to 2005

	2000	2001	2002	2003	2004	2005	Percentage Point (ppt) Change 5-Year 2000-05	Percentage Point (ppt) Change 1-Year 2004-05
Northwest BC	10.2	11.2	12.6	11.3	11.6	8.1	-2.1%	-3.5%
British Columbia	**7.1**	**7.7**	**8.5**	**8.0**	**7.2**	**5.9**	**-1.2%**	**-1.3%**

Source: Statistics Canada

business and investment activity

The province did very well in 2005, with improvements in a number of areas of the economy occurring simultaneously – high energy, mineral and metal prices, a strong high-tech sector, gas in the northeast, a turnaround in the fiscal position of the provincial government, and a shifting of trade patterns toward booming opportunities with China.[40] Investment in mineral exploration hit $220 million in 2005; the best year for BC's mining industry in more than a decade, with 650 projects underway.[41] The northwest region of the province, which includes the NDR, saw approximately $100 million in exploration expenditures.

The only negative development in the past year was the strong Canadian dollar, which impacted a number of industries, with the pulp and paper industry has being hardest hit.[42] Many forest-manufacturing companies generated lower than expected earnings because of this and soft prices, and higher manufacturing and distribution costs.[43] At the same time, however, some forestry-based companies increased their milling capacity to take advantage of increasing harvest levels for beetle-killed lumber.

Public and private sector capital investment in the NDR does not appear to be taking off as it is in other areas of the province. However, the BC Major Projects Inventory estimates that, as of the third quarter of 2005, construction had started on $104 million worth of projects in the region, with another $322 million proposed.[44] The only project under construction in the third quarter of 2005 was Canfor's Plateau Sawmill upgrade near Vanderhoof. While there are two mining projects, a wood manufacturing plant, and a resource road proposed for the region; the $50 million New Polaris Gold Mine near Atlin, in the Stikine Regional District, is the only major investment expected to proceed in 2006.[45]

incorporations

The NDR saw a slight decline the number of business incorporations during 2005, following two years of positive growth. Between 2004 and 2005, the number of incorporations fell by 1.8% to 108. Nevertheless, this was still higher than annual incorporations levels between 1998 and 2003.

[40] The Vancouver Sun, *Everything Right for the BC Economy in '05*, December 21, 2005.
[41] The Vancouver Sun, *BC Mining Exploration Totaled $220 Million in 2005*, January 19, 2006.
[42] The Vancouver Sun, *Everything Right for the BC Economy in '05*, December 21, 2005.
[43] Human Resources Development Canada, *HRCC Prince George/North Central - Labour Market Bulletin*, 3Q05.
[44] Ministry of Small Business and Economic Development (September 2005). *BC Major Projects Inventory*. http://www.gov.bc.ca/ecdev/down/mpiu_update_sept_05.pdf.
[45] Ibid.

Table 6: Business Incorporations in the Nechako Development Region, 2000 to 2005

	2000	2001	2002	2003	2004	2005	Percentage Change 5-Year 2000-05	Percentage Change 1-Year 2004-05
Business Incorporations	85	87	83	99	110	108	27.1%	-1.8%

Source: BC Statistics.

business establishments

The flurry of investment activity in BC during the past few years has created many business opportunities. Table 7 shows that province-wide, the number of business establishments increased by over 55,000 between 2000 and 2005.[46] Small business establishments[47] were responsible for 99% of this growth.

Table 7: Number of Business Establishments in the Nechako Development Region – All Sizes, 2000 to 2005

	2000	2001	2002	2003	2004	2005	Percentage Change 5-Year 2000-05	Percentage Change 1-Year 2004-05
Nechako DR	3,724	3,944	3,841	3,915	3,894	3,766	1.1%	-3.3%
British Columbia	**289,832**	**315,738**	**315,277**	**332,418**	**346,316**	**345,227**	**19.1%**	**-0.3%**

Source: BC Statistics and Statistics Canada

The NDR accounts for 1% of BC's business establishments. Business formation in the NDR was well below the provincial pace, with the region seeing a net increase of just 42 business establishments between 2000 and 2005. While there was tremendous growth in the number of businesses with no employees until 2004, the number of establishments with more than one employee declined.[48] In 2005, the region lost 128 businesses, the majority being those with no employees.

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[46] BC Statistics, Ministry of Labour and Citizen's Services, *Establishment Counts by Employee Size*, 1995 – 2004, May 2005 and Statistics Canada, Business Register, December 2005 Establishment Counts.
[47] For the purpose of this report, "small business" refers to those business establishments with less than 50 employees.
[48] The NDR saw net gain of 430 business establishments with no employees between 2000 and 2004, followed by a net loss of 100 in 2005. Business establishments with one employee or more declined by 260 between 2000 and 2004.

conclusions

In 2005, the NDR economy experienced improvements in a number of areas – an increase in population, a reduction in both the social safety net and unemployment insurance rates, and job creation levels unseen in the past decade.[49] Furthermore, the northwest region of BC, which includes the NDR, has benefited from the majority of mineral exploration in BC. Over 45% of 2005 provincial exploration expenditures are attributed to activity in the northwest. With the expectation that mineral and metal commodity prices will remain high over the short to medium term,[50] mineral finds in the exploration and development feasibility phase may be converted to operational mines. This represents considerable future job and wealth creation in the NDR and the province.

Another notable development was that by 2003, real pre-tax income per capita in the NDR had improved, lessening the gap with the rest of the province. Average employment income per taxfiler in the NDR increased even more by 2003, bringing the region substantially closer to provincial average employment income levels. However, there remains an enormous earnings disparity between the two regional districts within the development region.

The NDR's business climate, however, did not fare so well, with a marked a decline in the number of annual business incorporations and the number of business establishments in the NDR during 2005. And capital investment in the region appears to be lagging behind those in other areas of the province. An additional challenge facing the region in the coming year(s) is the loss of the ferry, the Queen of the North, which is likely to have significant impacts on the region's tourism industry.

[49] Employment data represents Nechako Development Region as well.
[50] TD Economics, *British Columbia's Golden Decade*, March 29, 2006.