

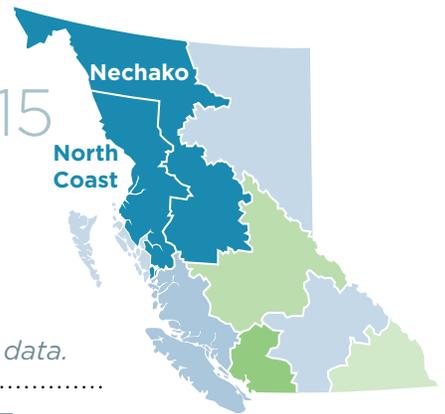
REGIONAL CHECK-UP 2015

Nechako Development Region



CPABC Regional Check-Up 2015

Northwest BC – North Coast and Nechako Development Regions



All numbers are from 2014. Increases/decreases are in comparison to 2013 data.

DEMOGRAPHICS:



Population:

North Coast: **57,173** residents
 Nechako: **40,476** residents

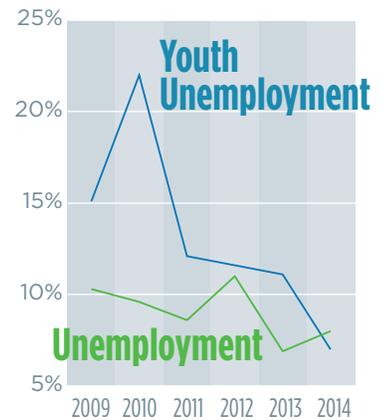
+ temporary/seasonal workers who do not reside in the region permanently

WORKING:



Jobs:
-1,600 jobs
 or **-3.9%**

caused entirely by losses in the services sector



INVESTING:



Capital Investment:

North Coast: up by **26.0%** to **\$30.7** billion
 Nechako: down by **1.0%** to **\$6.6** billion

LIVING:



Educational Attainment:

54.1% of labour force has a post-secondary certificate/diploma or higher (-1.8 ppt)



Consumer Insolvencies:

North Coast: 1.1 per 1,000 adult population or **-8.3%**

Nechako: 2.3 per 1,000 adult population or **+15.0%**

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Nechako Development Region

Extending from the northwest corner of British Columbia to the central interior, the Nechako Development Region (NDR) is the second largest but least-populated region in the province. This resource-dependent region has a land base of 192,024¹ square kilometres that spans two Regional Districts—the Bulkley-Nechako and Stikine. The largest municipalities are Smithers, Vanderhoof, Houston, and Burns Lake in the Bulkley-Nechako Regional District in the southern portion of the NDR, where 99% of the Development Region's residents reside.

NDR's population accounts for less than one percent of the provincial total. Population in the NDR increased in 2014 for the first time since 2010, up 0.8% to reach 40,476 residents. All of the growth took place in the Bulkley-Nechako, while the sparsely-populated Stikine Regional District lost more of its residents. The overall population growth rate in the NDR was slightly less than the provincial average (1.1%).

BC's economic performance improved in 2014 in response to a solid advance in the value of international exports (+6.2%),² a rise in consumer spending (+5.8%),³ and a surge in housing market activity.⁴ Shipments to the US and South Korea increased. These two countries were the main contributors to the overall gain in exports. In contrast, there was a down-

turn in BC exports to China and Japan. Although this is the first time exports to China have dipped in at least a decade, the value of exports to China was still approximately 9.0% higher than in 2012. Lumber and natural gas products, which accounted for nearly one-third of shipments to the US, swelled in 2014.

In the NDR, the forest industry remains a key economic driver. Dwindling timber supplies as the harvest of pine beetle-infested wood winds down, however, has begun to impact some operations. To cope with this, West Fraser closed its Houston sawmill in the spring of 2014 and gave up its timber tenure in that community in exchange for Canfor's Quesnel license. Canfor subsequently closed its Quesnel operation, allowing each company to maintain a viable operation.⁵

Biomass projects that are under construction or proposed for the NDR are fuelled by sawmill waste, but some are also fuelled by logging debris from the forest. Because beetle-infested pine deteriorates over time, there is a growing supply of waste available for these operations.

The NDR's mining industry was adversely impacted by depressed metal and mineral prices in 2014. The Endako Mine was forced to suspend its operations late in the year due to low molybdenum prices. Just over two years ago, the operation completed

¹ Statistics Canada, *Census 2011*.

² BC Stats, *Annual BC Origin Exports*, released April 2, 2015.

³ Statistics Canada, *Retail Trade, Sales by the North American Industry Classification System*, CANSIM Table 080-0020.

⁴ BC Real Estate Association, *Press Release*, "Consumer Demand in 2014 Strongest in Five Years", January 13, 2015.

⁵ District of Houston, *Houston Transition Plan*, December 7, 2013.

a \$650 million upgrade to double its processing capacity. Investor sentiment has also clouded, with mineral exploration expenditures dropping dramatically by a third from \$304 million in 2013, to \$203 million in 2014.⁶ Other casualties of low metal and mineral prices include continued delays in mine development at the Davidson Molybdenum Mine near Smithers and the Blackwater Gold and Chu Molybdenum projects near Vanderhoof.



⁶ Includes expenditures for the Omineca and Skeena regions combined as the NDR overlaps a portion of both. Sources: Paul Jago, British Columbia Ministry of Energy and Mines, British Columbia Geological Survey, *Mining in British Columbia, 2014*.

WORK Indicators

Job Creation

Statistics Canada aggregates WORK indicator data for the Nechako and the North Coast Development Regions. Together, these two regions comprise Northwest BC (NWBC).

Job creation is a key indicator of labour market trends and economic health. NWBC's labour market deteriorated last year on the heels of a slight improvement in 2013, driving total employment down to its lowest level in at least a decade. Statistics Canada reports an overall loss of 1,600 jobs (-3.9%) in 2014, a result of shrinking employment in the services-producing sector. Part-time employment declined considerably by 1,800 jobs, while the number of full-time positions increased slightly by 200 jobs.

This data, combined with the large contraction of the regional labour force and reports of some retail workers leaving the region as they can no longer afford to live there,⁷ suggests that at least some of the reported job losses are due to an amalgamation of part-time jobs and unfilled openings.

Employment losses of 2,200 jobs in public administration, 900 jobs in educational services, and 500 jobs in trade led to an overall decline in NWBC's services-producing sector. Following a large increase of job openings in 2013, employment in public administration contracted throughout 2014. This coincided with the completion of some major government and institutional infrastructure development such as the Northwest Transmission Line and the Forrest Kerr Hydroelectric Project. The projects' completion may have eased the

demand for some government infrastructure services.

The employment decline in educational services occurred largely at the primary and secondary school level. Ministry of Education data shows that student headcounts declined in virtually every school district in NWBC during the 2014/15 school year.⁸ Declining enrollment is a consequence of demographic change and the outmigration of some families due to inflation brought on by the major projects.

Detailed statistics reveal that job loss in the trade industry is entirely due to the contraction of 600 jobs in the wholesale sub-industry.⁹ This sub-industry supplies a wide array of products ranging from building materials and machinery to household goods. It is anticipated that many part-time workers were let go later in the year as the construction of several major projects was completed.

There was some good news in NWBC's services-producing sector in 2014, with notable gains of 1,500 jobs in accommodation and food services, 800 jobs in health care and social assistance, and 700 jobs in transportation and warehousing. Employment at the region's food and drinking places expanded by 1,300 jobs in order to keep pace with the demand from temporary workers and contractors who live on a daily allowance and have temporary accommodation. The majority of new jobs in the health care and social assistance industry were in hospitals, which gained at least 500 workers.¹⁰ Nevertheless, physician recruitment remains a challenge in the North.

⁶ "Exploration and Mining in the Omineca and Northeast Regions", 2015 and Jeff Kyba, British Columbia Ministry of Energy and Mines, British Columbia Geological Survey, *Mining in British Columbia, 2014*, "Exploration and Mining in the Skeena Region", 2015.

⁷ Gordon Hoekstra, *Vancouver Sun*, "Northwest B.C.'s LNG Boom is Already a Bust for Some", November 5, 2014.

⁸ BC Ministry of Education, *District Reports*, "Student Statistics—2014/15", January 2015.

⁹ BC Stats, *Employment and Unemployment Rate by Detailed Industry, 15 Years and Over*, March 2015.

¹⁰ Statistics Canada, *Labour Force Survey Estimates, Employment by Economic Region and National Occupation Classification*, Annual, CANSIM Table 282-0063.

Virtually all of the new jobs created in the transportation and warehousing industry are related to air, rail, water, or truck transportation. Shipments through the Port of Prince Rupert were down by 10.0% in 2014, primarily due to a drop in coal shipments, but container traffic and grain shipments improved.¹¹ Major project pre-development activity has increased the demand for both scheduled and charter flights at the region's airports.

Although NWBC's goods-producing sector reported no overall change in employment in 2014, there were shifts observed amongst its industries. Employment ramped up by 900 jobs in construction, offsetting the loss of 700 jobs in manufacturing and 100 jobs in forestry, fishing, mining and oil and gas. The overall value of building permits declined by 11.0%¹² and major project activity slowed in NWBC last year, but a considerable increase in residential and commercial construction activity kept local contractors busy.

A dwindling timber supply in the Nechako Development Region is to be blamed for much of the job losses reported in the manufacturing and forestry industries. In a proactive move, West Fraser and Canfor swapped their timber licenses in Houston and Quesnel. This allowed one viable operation to continue in each community, but put 225 mill workers out of work in Houston.¹³

Only three of BC's Development Regions reported job creation in 2014. The Cariboo Development Region led the province (+4.5%), followed by the Mainland/Southwest and Thompson-Okanagan (+2.0% and +1.0% respectively). Employment declined in the remaining regions, with Northwest BC (-3.9%) placing ahead of last place Kootenay Development Region (-11.8%). It should be noted that NWBC's statistics apply to the local resident labour force only. Temporary workers who reside in camps are not included—their work status is recorded in the Development Region where they are permanent residents.

¹¹ Prince Rupert Port Authority, *Monthly Traffic Summary for December 2014*, January 6, 2015.

¹² BC Stats, *British Columbia Building Permits for Development Regions and Regional Districts*, by Type 2006 - 2014, (2015 year-to-date), March 6, 2015.

¹³ District of Houston, *Houston Transition Plan*, December 7, 2013.

Table 1-1: Employment, NDR, 2009 to 2014¹⁴

	2009	2010	2011	2012	2013	2014	Job Creation (000)	
							5-Year 09-14	1-Year 13-14
TOTAL EMPLOYMENT (000)	42.0	41.2	43.5	39.8	40.7	39.1	-2.9	-1.6
Goods-Producing Sector (000)	12.4	11.9	11.5	12.1	11.2	11.2	-1.2	0.0
Agriculture	-	-	-	-	-	-	n/a	n/a
Forestry, fishing, mining, oil and gas	2.3	3.3	2.5	2.4	3.0	2.9	+0.6	-0.1
Utilities	-	-	-	-	-	-	n/a	n/a
Construction	3.1	2.3	3.2	4.7	3.9	4.8	+1.7	+0.9
Manufacturing	6.4	5.6	5.1	4.5	3.8	3.1	-3.3	-0.7
Services-Producing Sector (000)	29.6	29.3	32.0	27.7	29.5	27.9	-1.7	-1.6
Trade	6.9	7.3	5.4	5.2	5.9	5.4	-1.5	-0.5
Transportation & warehousing	3.0	3.0	4.1	2.7	2.0	2.7	-0.3	+0.7
Finance, insurance, real estate & leasing	-	-	-	-	1.5	-	n/a	n/a
Professional, scientific & technical services	-	2.3	1.7	1.5	1.6	1.7	n/a	+0.1
Business, building & other support services	-	-	1.5	-	-	-	n/a	n/a
Educational services	2.7	2.4	4.4	3.3	4.3	3.4	+0.7	-0.9
Health care & social assistance	5.1	5.0	5.5	4.5	3.6	4.4	-0.7	+0.8
Information, culture & recreation	-	-	-	-	-	-	n/a	n/a
Accommodation & food services	3.1	2.4	3.0	2.5	2.3	3.8	+0.7	+1.5
Other services	2.0	-	2.4	1.9	1.8	-	n/a	n/a
Public administration	2.4	2.1	2.1	2.5	3.9	1.7	-0.7	-2.2

Source: Statistics Canada, Labour Force Survey Historical Review

¹⁴ Industries with "-" 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 cannot be calculated.

Unemployment Rate

The unemployment rate is a key economic indicator that measures the number of unemployed individuals as a share of the labour force. In 2014, NWBC's unemployment rate rose by 1.1 percentage points (ppt) to 8.0%. An increase (+400) in the number of unemployed individuals together with a reduction of the labour force (-1,200) were responsible for the deterioration. The size of the NWBC's labour force (a combination of employed individuals and job seekers) fell to its lowest level since 2007 last year.

Compared to BC's other Development Regions, NWBC recorded the highest unemployment rate and the largest increase in this indicator in 2014. The lowest rates were posted in the Northeast, Mainland/Southwest and Cariboo, and Vancouver Island/Coast Development Regions (at 4.9%, 6.0%, and 6.1% respectively).

In contrast, NWBC's youth unemployment rate declined by 4.1 percentage points (ppt) to 7.0%, the lowest level in more

than a decade of solid double digit figures. Although there was no change in the number of young people working between 2013 and 2014, the youth labour force contracted, which means that fewer youth were without a job. Some young workers may have left the region to seek career opportunities elsewhere, but many others may have chosen to further their education in preparation for anticipated future job opportunities in the region.

NWBC's youth unemployment rate dipped below the provincial average by 2.2 ppt in 2014, and was the second lowest in BC after the Kootenays (6.7%). The Northeast Development Region (7.1%) also reported a low rate of youth unemployment. Development Regions reporting the highest rates of youth unemployment in 2014 include the Cariboo, Thompson-Okanagan, Mainland/Southwest, and Vancouver Island/Coast Development Regions (at 10.1%, 9.7%, 9.3%, and 9.2% respectively).

Table 1-2: Unemployment Rate, NWDR, 2009 to 2014

Region	2009	2010	2011	2012	2013	2014	Percentage Point (ppt) Change	
							5-Year 09-14	1-Year 13-14
Northwest BC	10.3	9.6	8.6	11.0	6.9	8.0	-2.3 ppt	+1.1 ppt
British Columbia	7.7	7.6	7.5	6.8	6.6	6.1	-1.6 ppt	-0.5 ppt

Source: Statistics Canada

Table 1-3: Youth (age 19 to 24 years) Unemployment Rate, NWDR, 2009 to 2014

Region	2009	2010	2011	2012	2013	2014	Percentage Point (ppt) Change	
							5-Year 09-14	1-Year 13-14
Northwest BC*	15.1	22.0	12.1	11.6	11.1	7.0	-8.1 ppt	-4.1 ppt
British Columbia	11.7	11.3	11.8	11.3	10.7	9.2	-2.5 ppt	-1.5 ppt

Source: Statistics Canada *Unemployment rate calculated by author

INVEST Indicators

Business and Investment Activity

New capital investment in non-residential structures, machinery, and equipment is a key factor in maintaining BC's competitiveness both in Canada and globally. Capital investment contributes to economic growth through job creation, improvements in capacity and productivity, and advances in technology.

The value of capital investment in BC swelled (+24%) to \$377 billion in 2014.¹⁵ Much of the growth in investment is attributed to a handful of new projects, the largest being a \$30 billion LNG facility proposed for Sarita Bay in the Vancouver Island/Coast Development Region and a \$10 Billion Bitumen Refinery at Prince Rupert in the North Coast Development Region.

In the NDR, overall capital investment was flat between third quarter of 2013 and the third quarter of 2014, with the value of major projects either proposed, underway, completed, or on hold, remaining at \$6.6 billion.¹⁶ As of September 2014, there were 19 major projects—three under construction (\$491 million),¹⁷ 11 in the proposal stage (\$2.5 billion), and five on hold (\$3.6 billion).

The value of major projects under construction, however, increased during this period. Western Bioenergy Inc. began work in 2014 on a \$235 million 40 MW biomass energy project near Fort St. James. Once in operation, the facility will consume approximately 200,000 metric tonnes of biomass fuel annually to generate electricity to power more than 40,000 homes via a 30-year electricity purchase agreement to BC Hydro.¹⁸ Commercialization is expected

to commence by summer 2016. Other projects under construction in 2014 include the \$55 million hospital replacement in Burns Lake, which should be complete in 2015, and \$201 million worth of upgrades to the Huckleberry Copper/Silver/Molybdenum Mine that will extend its life.

The \$50 million¹⁹ Babine Sawmill replacement in Burns Lake was the only project to wrap up in 2014. The mill, which was previously destroyed by fire in 2012, officially reopened in April 2014 with 120 employees on staff.²⁰ The automated features improve safety and productivity, and employ about half the work force of the previous mill.



¹⁵ BC Ministry of Jobs, Tourism and Skills Training, *BC Major Projects Inventory*, September 2014. Note: Period of reference is third quarter 2013 and third quarter 2014. In previous years we have used December data, but this was not available at the time of writing.

¹⁶ Ibid.

¹⁷ The Major Projects Inventory (MPI) has listed the \$50 million Haida Gwaii General Hospital Replacement in the North Coast Development Region in error. This amount has been subtracted from MPI figures.

¹⁸ Vancouver, BC, *Canadian Newswire*, "Financing Closes on Fort St. James Green Energy Project in British Columbia", November 14, 2013.

¹⁹ Reduced from \$100 million as reported in the September and December 2013 Major Projects Inventory.

Of the 11 projects planned for the NDR, five are related to mining (\$2.0 billion) and three are energy-related (\$111 million), using either wood waste or wind to produce electricity. Three developments are scheduled to move ahead in 2015:

- Tulsequah Chief Mine near Atlin (\$450 million)—This project is a redevelopment of an old Teck underground mine from the 1950's. Once in operation, the new mine will produce copper, gold, silver, lead, and zinc for an estimated 10 years. After a long legal battle with the Taku River Tlingit First Nation, the project was deemed “substantially started” by BC’s Environment Minister, giving it the okay to proceed.^{21,22} Chieftain Metals is in the process of finalizing project financing and planning for the next phase of construction.
- Turnagain Nickel Project east of Dease Lake (\$1.3 billion)—The development is still in the pre-feasibility stage and will require a BC Environmental Assessment review. A preliminary analysis showed positive economics with a potential mine life of 27 years, producing an average of 20,397 tonnes of nickel annually. Once in operation, the mine will be powered by the Northwest Transmission Line, which was commissioned in the North Coast Development Region in 2014. Given the current uncertainty in nickel prices, it will be no surprise if investors defer the Turnagain Project until prices become more stable.

- Nulki Hill Wind Project in Vanderhoof (\$45 million)—The proposed project will consist of up to 70 wind turbines and generate up to 210 megawatts. As this project is still in the pre-application phase with the BC Environmental Assessment Office, it may not proceed within these timelines.

Three mining projects, the \$109 million Davidson Molybdenum Mine, the \$1.8 billion Blackwater Gold Project, and the \$1.0 billion Chu Molybdenum Mine, remained on hold in 2014, awaiting more favourable market conditions. The \$517 million Morrison copper-gold mine near Granisle has had its environmental assessment suspended pending the outcome of the Independent Expert Engineering Investigation and Review Panel in relation to the tailings dam breach at the Mt. Polley mine in the Cariboo Development Region.²³ The Morrison mine was originally rejected by the BC government in 2012, but a later Supreme Court decision ruled the province re-examine the proposal.

²⁰ Favio Nienow, *Lakes District News*, “The New Babine Sawmill: Safe, Modern and Efficient”, February 11, 2015.

²¹ Chieftain Metals Corp, *News Release*, “Tulsequah Chief Mine Project Determined to be Substantially Started”, January 15, 2015.

²² Tom Fletcher, *BC Local News*, “Rocky Year Ahead for BC Mining”, January 19, 2015.

²³ Pacific Booker Minerals Inc., *News Release*, “Pacific Booker Minerals Inc. Announces Morrison Assessment Suspended Pending Mt. Polley Review Panel Outcome”, August 19, 2014.

Bankruptcies

Business bankruptcies reflect regional investment conditions and the state of the economy, and are a key indicator of business health. In 2014, the NDR's business climate remained resilient, with no reported business failures for the third consecutive year.

Business bankruptcies also remained at zero between 2013 and 2014 in the nearby North Coast Development Region, a reflection of the economic activity generated by substantial major project devel-

opment in that region. Half of BC's Development Region experienced improved business conditions. The top performers were the Thompson-Okanagan, Kootenay, and Northeast, which saw substantial declines in this indicator (-53.8%, -50.0%, and -33.3% respectively). The Cariboo and Mainland/Southwest saw an increase in reported business bankruptcies in 2014 (+100%²⁴ and +51.2% respectively).

Table 1-4: Business Bankruptcies, NDR, 2009 to 2014

Region	2009	2010	2011	2012	2013	2014	Percentage Change	
							5-Year 09-14	1-Year 13-14
Business Bankruptcies	4	4	1	0	0	0	-100.0%	0.0%

Source: Office of the Superintendent of Bankruptcy Canada

²⁴ This was an increase from one to two bankruptcies between 2013 and 2014.

LIVE Indicators

Educational Attainment

Productivity and long-term prosperity are related to the education level of the labour force. In 2014, the educational attainment level of NWBC's labour force aged 25 to 54 declined by 1.8 ppt to 54.1%, widening the gap with the provincial average of 68.1%. The share of NWBC workers with a post-secondary education or higher now sits 14.0 ppt below this benchmark.

In other Development Regions, the Mainland/Southwest (70.1%) maintained its first place standing in educational attainment, followed closely by the Kootenay and Vancouver Island/Coast (at 69.0% and 67.6% respectively). NWBC placed ahead of last place Northeast (52.6%).

NWBC's labour force continued to contract in 2014. The loss of 1,100 workers in the 25 to 54 age range with a post-secondary education or higher resulted in a higher share of unskilled labour, with high

school or some high school education, remaining in the labour force. NWBC has, in fact, experienced a persistent outflow of highly educated or skilled human capital since 2011. It is anticipated that many of these workers may have been enticed by job opportunities elsewhere, where there has been a better match for their particular skills.

Table 1-5: Percent of Labour Force Age 25 to 54 with a Post-Secondary Certificate/Diploma or Higher, NWDR, 2009 to 2014

Region	2009	2010	2011	2012	2013	2014	Percentage Point (ppt)	
							5-Year 09-14	1-Year 13-14
Northwest BC	50.8%	53.8%	58.5%	54.9%	55.9%	54.1%	+3.3 ppt	-1.8 ppt
British Columbia	63.0%	64.3%	65.9%	66.5%	67.9%	68.1%	+5.1 ppt	+0.2 ppt

Source: Statistics Canada, Labour Force Survey, Custom Table.

Consumer Insolvencies

The consumer insolvency rate is an indicator of the number of households experiencing severe financial stress. The most common causes of insolvency include, but are not limited to, job loss, reduced income, money mismanagement, relationship breakdown, or medical problems.

Between 2013 and 2014, the NDR's consumer insolvency rate jumped by 15.0% to 2.3 per 1,000 population aged 18 and older. Province wide, the NDR was the only Development Region to record an increase in this indicator. Six of eight Development Regions reported a drop, with the largest reductions realized by the Kootenay, North Coast, and Thompson-Okanagan Development Regions (-9.1%, -8.3%, and -8.1% respectively).

In 2014, both the rate of consumer bankruptcies (+7.7%) and proposals²⁵ (+28.6%) increased in the NDR. The latter is an alternative to bankruptcy that has grown in use across BC in recent years.

Despite last year's setback, the NDR registered the third lowest insolvency rate in BC, after the North Coast and North-east Development Regions (at 1.1 and 1.6 respectively). The Cariboo, Vancouver Island/Coast, and Thompson-Okanagan Development Regions recorded the highest consumer insolvency rates (at 3.9, 3.8, and 3.4 respectively).

Table 1-6: Annual Consumer Insolvency Rate per 1,000 Population Aged 18 Years and Older, NDR, 2009 to 2014

Rate		2009	2010	2011	2012	2013	2014	Percentage Point (ppt) Change	
								5-Year 09-14	1-Year 13-14
Nechako	Insolvency	3.2	4.3	2.3	1.8	2.0	2.3	-28.1%	15.0%
	Bankruptcy	3.0	3.6	1.8	1.3	1.3	1.4	-53.3%	+7.7%
	Proposal	0.2	0.8	0.6	0.5	0.7	0.9	+350.0%	+28.6%
BC	Insolvency	3.7	3.5	3.2	3.2	3.2	3.0	-18.9%	-6.3%

Source: Office of the Superintendent of Bankruptcy Canada and Statistics Canada

²⁵ Permits an indebted consumer to negotiate to repay a part of their debt, allowing them to keep their assets as long as they continue to make payments.

CONCLUSION

2014 was a lacklustre year for the economy of the NDR. Overall, the labour market deteriorated, with job losses spread among several industries. However, as some of the reported job losses may reflect unfilled job openings due to labour shortages or the amalgamation of some part time jobs, the situation may not be as bad on the ground.

Of primary concern is the ongoing reduction of Northwest BC's labour force, and the loss of skilled and highly educated workers. This has reduced both the quality and quantity of individuals available for work. Given the aforementioned, it is no surprise that the NDR's consumer insolvency rate showed the greatest increase in BC last year.

On the positive side, the decline in the labour force of young workers means that fewer youth were unemployed.²⁶ The region's investment indicators also improved. A large biomass project near Fort St. James generated employment and some economic spin-offs. Business bankruptcies also remained at zero for a third consecutive year.

Of note are nine mining projects, worth approximately \$5.5 billion²⁷ that have the potential to proceed once market conditions for metals and minerals improve and permitting is in place. These projects promise to create many jobs during construction and over the long term once the mines are operational.

BC's economic outlook for 2015 is heartening, but some challenges may still lie ahead for the NDR. Continued recovery in the

US housing market is expected to boost lumber demand; however, there is uncertainty about declining timber supplies, as salvage efforts to recover mountain pine beetle damaged trees comes to an end. In addition, the impending expiration of the Canada/US Softwood Lumber Agreement set for October make it difficult for the region's operators to plan ahead. This is troubling, as the US is BC's main customer for lumber.

Adding to this, weakness in mineral prices has continued into the early months of 2015, dulling the prospects for the resumption of operations at the Endako mine, and dampening the potential for mineral exploration and mine development.

²⁶ Jobs for youth are more transferable than for the general population, as they are less specialized and lower-skilled.

²⁷ BC Ministry of Jobs, Tourism and Skills Training, *BC Major Projects Inventory*, September 2014.

Glossary of Definitions

Consumer proposals: A viable alternative to bankruptcy for those struggling with too much debt. In a consumer proposal, the debtor makes a legally binding debt settlement arrangement with their creditors to pay a portion of their outstanding debt over a period of up to five years. The greatest advantage of a proposal over a bankruptcy is the ability of the debtor to keep their assets as long as they are able to continue to make payments on any loans secured by those assets (like a house mortgage).

Job creation: Change in number of employed individuals between two given years.

Unemployment rate: Share of employable labour force looking for work but unable to find it.

Venture capital: Is defined as financial capital provided to start-up companies (usually in the IT sector) in either the inception phase or a period of early growth, and is generally characterized by high risk.

CPABC Regional Check-Up - Nechako

As leaders in analysing and validating information, CPAs are often called upon to provide independent, fair, and objective information to assist in decision-making. It's with this goal in mind that the Chartered Professional Accountants of BC prepare the *CPABC Regional Check-Up and CPABC Check-Up* reports each year. It is our hope that the reports will make a positive public policy contribution to the province by stimulating debate and discussion about how to make BC a better place in which to live, work, and invest.

The *CPABC Regional Check-Up and CPABC Check-Up* reports, as well as related information, are available online at www.bccheckup.com.

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Opinions expressed in the *CPABC Regional Check-Up - Nechako, 2015* do not necessarily reflect those of individual chartered professional accountants.

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