



Mainland/Southwest Development Region



The Mainland/Southwest Development Region (MSWDR) accounts for 61% of BC's population, and was home to 2.8 million residents in 2013. Geographically, this Development Region encompasses an area of approximately 36,305 km², extending from Lillooet at its northern extremity, to the US border, and from the Sunshine Coast to its western border near Hope.

2013 was another year of moderate population growth in the MSWDR, with total population rising by 37,785, an annual rate of 1.3%.¹ The largest absolute and percentage increases occurred in Metro Vancouver, while the Fraser Valley, Sunshine Coast, and Squamish-Lillooet Regional Districts had slow or negative growth rates. Provincially, the population growth rate was only 0.9%. The most rapid growth in BC occurred in the Northeast Development Region, at 1.9%, it is the highest rate in at least 5 years.²

Between July 2012 and June 2013, the MSWDR saw a natural increase of approximately 10,900 births, while net international migration accounted for another 33,380. This eclipsed the outflow of 6,500 residents who left to live in other provinces or elsewhere in BC.

Last year, BC's economic performance was lackluster for the second year in a row, with GDP growth slowing to 1.3% from 1.5% in the previous year. While the value of BC's exports rose, both consumer spending and job creation rates were flat. Growth in retail sales in BC never exceeded 1.6%, and declined to 1.1% in the fourth quarter of 2013. The news was better for the MSWDR, which saw a 2.1% annual increase in the number of jobs.

¹ These are preliminary Statistics Canada estimates.

² Last year we reported a 2012 population growth rate of 2.2% in the NE Development Region. This number has been subsequently been adjusted downward by Statistics Canada.

BC's economy is inextricably tied to its export sector. After a slump in 2012, the value of BC's exports rose by 5.9%, reaching \$33.3 billion in 2013. Lumber and natural gas exports saw the largest gains, at 26.4% and 29.2% respectively, while the value of metallic mineral exports rose by a respectable 11.1%, due to the doubling of zinc ores and concentrate values.

The US remains BC's largest export market, accounting for over 46% of all provincial exports in 2013. Last year, an improved US economy and renewed demand boosted BC exports to this market by 10%, with significant growth in softwood lumber. However, growth in exports to the China outstripped this at a rate of almost 15%, with wood, coal, and copper dominating. China accounted for almost 20% of BC's market share in 2013, compared to just 6% in 2008.

As discussed in previous years, the MSWDR enjoys a unique blend of mature and "new economy" industries. It is a hub of innovation and investment in digital media, film and TV production, finance, information and communications technology (ICT), life sciences, clean technology, and transportation and logistics. These industries continued to proliferate in the MSWDR in 2013, bringing exciting new ideas, businesses, and talent to BC, and changing the face of this region.

However, it appears that the resource industry garnered more attention in 2013, with the announcement and public scrutiny of several major proposed natural gas and mining projects. This has raised many questions about the role of resources in our modern and services-oriented era, what it means for the provincial economy, and the related social and environmental costs. The role of the provincial resource industry in BC will be discussed further in our provincial BC Check Up, to be published later this year.

As of spring 2014, there are 12 proposed LNG projects in northern BC, all at various stages of the approval process, and no decision has been made to proceed on any of them. If some are approved, there will be untold direct and indirect economic benefits not only in northern BC, but throughout the province. A recent report by Phil Cross, former chief analyst for Statistics Canada, shows that 55% of the economic benefits related to resource extraction are realized in the Lower Mainland of BC.³

There is no question that the mining, energy, and forestry industries generated substantial economic activity throughout BC last year, as well as within the MSWDR. The many resource companies that operate throughout the province not only generate jobs and businesses locally, but have their headquarters and primary suppliers in the MSWDR. In 2012, for example, of the 1,200 mineral explorations companies established in BC, most are situated in Metro Vancouver.⁴ Our economy is also strongly linked to the energy sector in Alberta. A survey of oil sand producers in fall 2012 demonstrated that there were at least 322 BC suppliers to the Canadian Oil Sands projects, with most of these located in the MSWDR.⁵

³ Cross, Philip, April 2014, *High Impact: The Importance of Natural Resources to the Economy of British Columbia*. A project of the Resource Works Society.

⁴ The Mining Association of Canada, *Facts and Figures 2013*.

⁵ Source: Canadian Association of Petroleum Producers, Fall 2012, *BC Suppliers to Canadian Oil Sands*.

WORK Indicators

Job Creation

Job creation represents the dynamics of employment growth at a given time, and is one of the most popular economic indicators. In 2013, only 1,400 new jobs were generated in the Mainland/Southwest Development Region. There was a total loss of 14,800 jobs in the goods-producing industries, which was offset by an increase of 16,900 jobs in the service sector. With the exception of the dramatic spike in employment losses that occurred in 2009, last year's slow job growth rate of 0.1% was the lowest in the past decade.

Employment in the MSWDR's goods-producing sector was 254,000 in 2013, a decline of 14,800 jobs from the previous year. Manufacturing took the biggest hit, losing 14,900 jobs. These jobs were lost primarily in the food, fabricated metal products, and transportation equipment industries. The utilities industry lost 2,600 jobs, while construction dipped slightly by 900 jobs, on the heels of a much bigger loss in 2012. Lacklustre construction activity was the result of stagnant housing starts in 2013, and continued stasis in the non-residential building industry, where the aggregate value of building permits declined all last year.⁶ In contrast, the resources sector, including the forestry, fishery, mining, and oil and gas sector gained 3,300 new jobs in 2013, while agriculture also saw a slight increase of 300 jobs, primarily in crop production.

The MSWDR's services-producing sector enjoyed better fortunes in 2013, expanding by 16,900 to 1.2 million jobs. The greatest job creation took place in trade (+ 13,700 jobs), particularly the retail sector; professional, scientific and technical services (+14,800 jobs) where the gains were concentrated in architecture/engineering, legal and accounting services; fire, insurance and real estate (+9,100 jobs); and public administration (+5,700 jobs). These gains were offset by losses in the "other services" sector (-10,200 jobs), with business and travel services showing the largest losses; transportation and warehousing (-4,600 jobs), with declines in rail, postal and courier standing out; and business, building and other support services (-3,700 jobs). There were further losses in education services (-2,300 jobs) and information, culture and recreation (-3,300 jobs).

Looking at the two major Census Metropolitan Areas (CMAs) of the Lower Mainland, statistics reveal the majority of job creation in both goods and services was concentrated in the Vancouver CMA.⁷ This is where all new jobs in the MSWDR's professional, scientific and technical sector were created in 2013, as well as most resource-related jobs. Nevertheless, the Abbotsford/Mission CMA saw a surge in finance, insurance and real estate employment (+1,300 jobs), reflecting the expansion of its population and development. Jobs in education services also increased in the Abbotsford/Mission CMA (+700 jobs), while the number declined in Vancouver (-1,500 jobs). This too reflects the growth in the number of young families in the Abbotsford/Mission CMA.

In 2013, only four of BC's Development Regions saw positive growth in job creation. Top-ranked was Kootenay, with a one-year job growth rate of 4.1%. This was driven by activity in the manufacturing and trade industries. The Northwest Region (encompassing the Nechako and North Coast) took second place with a job creation rate of 1.5%. Vancouver Island/Coast was ranked third, with a growth rate of 0.5%, while the Mainland/Southwest was fourth at 0.2%. The number of jobs declined in all other remaining Development Regions, with the Cariboo placing last with a decline of 4.6%.

⁶ BC Stats, *British Columbia Building Permits for Development Regions and Regional Districts, by Type 2005 – 2013*, (2013 preliminary). February 5, 2014.

⁷ Note these two CMAs represent a large share, but not all, of the Mainland/Southwest DR.

Table 1-1: Employment, Mainland/Southwest Development Region, 2008 to 2013⁸

	2008	2009	2010	2011	2012	2013	Job Creation (000)	
							5-Year 2008-13	1-Year 2012-13
TOTAL EMPLOYMENT (000)	1382.9	1369.2	1388.4	1419.1	1447.4	1449.5	+66.6	+2.1
Goods-Producing Sector (000)	277.1	242.7	242.4	260.3	268.8	254.0	-23.1	-14.8
Agriculture	16.8	14.9	15.0	12.9	13.3	13.6	-3.2	+0.3
Forestry, fishing, mining, oil and gas	6.6	7.8	7.6	10.9	9.0	12.3	+5.7	+3.3
Utilities	9.0	7.5	9.5	7.8	10.6	8.0	-1.0	-2.6
Construction	125.2	109.9	108.2	125.7	115.6	114.7	-10.5	-0.9
Manufacturing	119.5	102.7	102.1	103.0	120.2	105.3	-14.2	-14.9
Services-Producing Sector (000)	1105.8	1126.5	1146.1	1158.8	1178.6	1195.5	+89.7	+16.9
Trade	208.5	222.4	226.3	221.5	220.4	234.1	+25.6	+13.7
Transportation & warehousing	81.2	74.9	79.2	82.2	88.9	84.3	+3.1	-4.6
Finance, insurance, real estate & leasing	104.9	97.5	97.3	100.8	101.7	110.8	+5.9	+9.1
Professional, scientific & technical services	118.7	117.8	121.6	128.4	118.9	133.7	+15.0	+14.8
Business, building & other support services	65.2	61.8	61.7	61.0	64.0	60.3	-4.9	-3.7
Educational services	103.5	108.1	109.5	110.0	114.0	111.7	+8.2	-2.3
Health care & social assistance	128.6	147.7	149.6	147.1	155.2	153.3	24.7	-1.9
Information, culture & recreation	80.9	78.8	74.1	75.3	81.7	78.4	-2.5	-3.3
Accommodation & food services	101.0	100.4	100.4	110.7	104.9	104.5	+3.5	-0.4
Other services	62.0	60.4	65.6	62.0	72.3	62.1	+0.1	-10.2
Public administration	51.2	56.5	60.8	59.9	56.6	62.3	+11.1	+5.7

Source: Statistics Canada, Labour Force Survey Historical Review

Unemployment Rate

The unemployment rate captures the balance of labour force supply and demand, and is a key economic indicator in all countries. In the MSWDR the unemployment rate declined for the third year in a row in 2013, although only by 0.1 percentage points (ppt) to 6.7%. Although this indicator continued to improve since the recession, the unemployment rate in 2013 still rested well above pre-recession rates.

In 2013, the MSWDR's labour force grew by 1,900 to 1.6 million. At the same time, the number of employed workers rose by 2,100, reflecting a significant gain in full time jobs (+5,800) that outstripped a reduction of 3,700 part time jobs.

⁸ 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 can not be calculated.

Between 2012 and 2013, approximately 38,900 workers in the MSWDR left the labour force, the largest one-year increase in this indicator since at least 1998. The rise in the number of people not in the labour force (that is, people of working age who cannot or will not seek employment) can be attributed to a myriad of reasons including workers who choose to leave work to go to school, choose to stay at home with children, or the “discouraged worker” effect. There could also be a relationship with the large increase in international in-migration to BC in 2013. The first three quarters of 2013 saw 35,609 new immigrants and 18,054 new non-permanent residents in BC. This would have included new families where one parent stays home with the children.

BC’s overall unemployment rate was 6.6% in 2013. Among the Development Regions, the Northeast enjoyed the lowest unemployment rate of 4.9%, while Kootenay’s rate of 5.2% was second lowest. In third place was Cariboo, at 5.7%. While Mainland/Southwest ranked in sixth place with a rate of 6.7%, Thompson-Okanagan was in last place with a rate of 7.1%. This year’s results show that resource-dependent Development Regions generally enjoyed lower levels of unemployment than in 2012 as a result of improved export markets and recovering demand in the US.

Table 1-2: Unemployment Rate (%), Mainland/Southwest Development Region, 2008 to 2013

Region	2008	2009	2010	2011	2012	2013	Percentage Point (ppt) Change	
							5-Year 2008-13	1-Year 2012-13
Mainland/Southwest	4.3	7.2	7.6	7.3	6.8	6.7	+2.4 ppt	-0.1 ppt
British Columbia	4.6	7.7	7.6	7.5	6.7	6.6	+2.0 ppt	-0.1 ppt

Source: Statistics Canada

In 2013, while the rate of youth unemployment in the MSWDR declined by 0.2 ppt to 10.8%, the indicator is still well above its level of five years ago.⁹ The recession of 2008 eliminated many jobs held by young workers throughout the MSWDR and BC, with only limited recovery since then.

Youth unemployment rates ranged from 6.3% in the Northeast, where the resource and service industries continue to generate a lot of employment for young workers, to as high as 13.3% on the North Coast, where unemployment rates are chronically high. The Mainland/Southwest’s youth unemployment rate of 10.8% ranked fourth of all Development Regions.

Table 1-3: Youth (age 19 to 24 years) Unemployment Rate (%), Mainland/Southwest Development Region, 2008 to 2013

Region	2008	2009	2010	2011	2012	2013	Percentage Point (ppt) Change	
							5-Year 2008-13	1-Year 2012-13
Mainland/Southwest	5.8%	9.9%	11.4%	11.5%	11.0%	10.8%	+5.0 ppt	-0.2 ppt
British Columbia	6.8%	11.1%	11.3%	11.5%	10.9%	10.5%	+3.7 ppt	-0.4 ppt

Source: Statistics Canada, Labour Force Survey, Custom Table

⁹ Workers between age 19 and 24.

Business and Investment Activity

Capital investment in non-residential structures, machinery, and equipment are essential for both current and future economic growth. Investment adds to a region's stock of industry and public infrastructure, boosting productivity and job creation and ensuring that BC remains competitive with producers in other provinces and countries. The private sector accounts for approximately 90% of total capital investment in BC, with the public sector comprising the rest.

Preliminary estimates show that total capital investment in BC declined by 0.3%, to \$32.4 billion in 2013.¹⁰ While non-residential investment in BC grew by 2.6% to reach \$21.6 billion, this was eclipsed by a 5.5% decline in machinery and equipment investment. A second year of lackluster economic growth and consumer demand, stagnant prices for minerals and energy, and continuing uncertainty about the world financial markets all served to dampen investor confidence.

Although a much smaller market, the venture capital market provides an alternative gauge of private sector investment activity. In 2013, venture capital investment in BC more than doubled to \$478 million. This was the largest increase of any Canadian region in 2013, giving BC a 24% market share. By comparison, Ontario and Quebec-based venture capital activity was \$676.4 million and \$588.5 million respectively.¹¹ In 2013, the two largest venture capital deals in BC were HootSuite, a social media management venture (\$170.7 million) and Celator Pharmaceuticals (\$32.7 million).

Capital investment in the MSWDR grew by just over 3% in 2013. The total for the region's major projects, either proposed, underway, completed, or on hold, increased to \$80.1 billion. This was an increase of \$2.6 billion from December of 2012.¹² By the end of 2013, there were 490 major projects in the MSWDR: of these, 224 were in the proposal stage (valued at \$35.3 billion), 215 had already begun construction (valued at \$38.3 billion), 23 were completed (valued at \$2.1 billion), and 28 were on hold (valued at \$4.4 billion).¹³ These projects spanned many sectors from mining and transportation, to utilities and public infrastructure; however the largest share of projects (52%) were in commercial/residential projects.

The largest new projects that began construction in the MSWDR in 2013 are the following:

- Pacific National Exhibition (PNE) Expansion (\$208 million) – Vancouver, started fall 2013, finish summer 2014;
- Hotel and Residential Development, West Georgia (\$500 million) – Vancouver, started spring 2013, finish spring 2015;
- Little Mountain Housing Redevelopment (\$300 million) – Vancouver, started April 2013, finish 2022;
- Cambie Place Condos (\$200 million) – Vancouver, started fall 2013, finish 2015;
- Rodgers Creek Development (\$120 million) – West Vancouver, started fall 2013, finish 2016;
- Lower Level Road Re-alignment (\$100 million) – North Vancouver, started spring 2013, finish 2014;
- Surrey Area Substation Projection (\$94 million) – Surrey, started spring 2013, finish spring 2015; and,
- Seyllynn Village (\$90 million) – North Vancouver, started June 2013, finish spring 2015.

¹⁰ This is non-residential construction and machinery and equipment. Statistics Canada, 2014: *Public and Private Intentions in Canada – 2014 (intentions)*, Table 2 Capital spending, non residential construction and machinery and equipment, provinces and territories, Statistics, Catalogue no. 61-205-X <http://www.statcan.gc.ca/daily-quotidien/140226/t140226a002-eng.htm> Reviewed March 2014.

¹¹ Thomson Reuters, *Canada's Venture Capital Market in 2013*, prepared for the Canadian Venture Capital and Private Equity Association <https://www.cvca.ca/>

¹² BC Ministry of Economic Development, *BC Major Projects inventory*, December 2013.

¹³ Ibid.

Business Bankruptcies

The business bankruptcies indicator captures the results of economic changes, investment climate, and the corresponding business failure rates of previous years, and has a direct bearing on present entrepreneurial and investor confidence.¹⁴ This year's results show a resounding improvement over the past year (-20.4%) and the past five years (-52.5%). The total number of business bankruptcies in the MSWDR declined from 108 to 86 in 2013.

Last year's business bankruptcy rate was the lowest in at least 12 years. This suggests a higher success rate for new businesses, implying that the MSWDR investment climate has improved since 2009. Data from the Office of the Superintendent of Bankruptcy Canada indicates this has been the general trend for Canada. A comparison by the Organization for Economic Cooperation and Development (OECD) in 2012 shows a decline in Canada's bankruptcy rate in comparison to most other OECD countries since before the 2008/2009 financial crisis.¹⁵

The North Coast, Kootenay, and Cariboo Development Regions recorded the largest percentage declines in their bankruptcy rates in 2013. The North Coast led with a 100% decline (going from two to zero in 2013), with the Kootenay and Cariboo ranked second and third, with respective rates of -54.5% and -50%. The MSWDR ranked in the middle. In contrast, the Thompson-Okanagan and Vancouver Island/Coast saw bankruptcies increase at 25.6% and 73.9% respectively.

Table 1-4: Business Bankruptcies, Mainland/Southwest Development Region, 2008 to 2013

	2008	2009	2010	2011	2012	2013	Percentage Change	
							5-Year 2008-13	1-Year 2012-13
Business Bankruptcies	181	205	127	108	108	86	-52.5%	-20.4%

Source: BC Stats and Office of the Superintendent of Bankruptcy Canada

¹⁴ In previous years, we have also included an indicator of business incorporations, but this data is no longer provided by BC Stats.

¹⁵ OECD (2012), "Recent Trends in New Firm Creations and Bankruptcies", in *Entrepreneurship at a Glance 2012*, OECD Publishing. It should be noted that different insolvency procedures and regulatory environments between countries can distort comparisons.

LIVE Indicators

Educational Attainment

Educational attainment reflects the productivity of the labour force and its potential for generating future real wealth. In 2013, just over 71% of the MSWDR's labour force, aged 25 to 54, achieved a post-secondary certificate/diploma or higher. This was a 2.1 ppt increase over the previous year. There has been a significant increase in education attainment in 2013 compared to that of a decade earlier (+10 ppt) (see Table 1-5). This occurred in both the MSWDR and BC as a whole.

The number of workers with a bachelor's degree showed the largest gain in 2013 (+20,400), while the number of workers with "some high school" education declined the most (-10,500). These numbers are not surprising, given the rising general level of educational attainment, not just in BC, but across Canada. Rapid technological change and industry requirements make the acquisition of some level of post-secondary education an essential requirement for being hired, or advancing in a career. Our job creation figures shown earlier demonstrate that most new jobs were created in the service sector last year, with the professional, scientific, and technical industries accounting for the largest increase. Employment growth in knowledge- and technology-intensive sectors is driving the need for greater educational attainment in the workforce.

In 2013, Mainland/Southwest remained first with an educational attainment rate of 71.1%. In second place was Vancouver Island/Coast, with a rate of 65.7%, and the Thompson-Okanagan followed with 63.9%. The Northeast Development Region was ranked last with an educational attainment rate of 54.9%. All Development Regions but Cariboo saw an increase between 2012 and 2013.

The availability of post-secondary training options in the MSWDR provides one explanation for its higher rate of educational attainment. Moreover qualifications and skills obtained in higher education programs are better matched with jobs in cities. In the Northeast Development Region, however, a plethora of low-skilled high-paying jobs tends to attract young workers right from higher school (or even before completion of high school), thereby suppressing the overall level of educational attainment.

Table 1-5: Percent of Labour Force Aged 25 to 54 with a Post-Secondary Certificate/ Diploma or Higher, Mainland/Southwest Development Region, 2008 to 2013

Region	2003	2008	2009	2010	2011	2012	2013	Percentage Point Change	
								5-Year 2008-13	1-Year 2012-13
Mainland/Southwest	61.0%	65.1%	65.0%	67.1%	68.4%	69.0%	71.1%	+6.0 ppt	+2.1 ppt
British Columbia	58.9%	62.6%	63.0%	64.4%	65.9%	66.6%	68.1%	+5.5 ppt	+1.5 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 job loss, reduced income, money mismanagement, relationship breakdown, or medical problems. Over the past five years, the number of consumer proposals¹⁶ provincially and nationally has grown to comprise a considerable share of insolvencies as more consumers choose this option to manage their debt.¹⁷ This year, we have expanded our discussion to include consumer proposals.

While MSWDR insolvencies peaked at 3.3 per thousand population during the recession in 2009, MSWDR insolvencies have been declining year by year to 2.9 in 2013. The bankruptcy rate also declined, reaching 1.7 in 2013. This can be ascribed to improved unemployment figures, and a continuing low interest rate.

Conversely, the number of proposals in the MSWDR increased from 0.5 per person in 2008 to 1.2 in 2013. This trend was spurred largely by changes in the Bankruptcy Insolvency Act (BIA) in 2008, when the limit of the size of non-mortgage debt qualifying for a proposal was hiked from \$75,000 to \$250,000, an incentive to choose proposals as an alternative to bankruptcy.¹⁸

A report by CIBC in August 2013 indicated that delinquencies in mortgage and credit card debt have declined since the recession, but there has been a corresponding rise in delinquency for lines of credit.¹⁹ The combined effect of fewer bankruptcies and more proposals as an alternative suggests less hardship and better long-term financial prospects for families.

Among the Development Regions, the North Coast ranked in top place in 2013, enjoying a 40.9% decline in insolvencies from the previous year. Number two was the Northeast, with a 29.2% decline in insolvencies. The Mainland/Southwest ranked in seventh place, with a 3.6% increase in insolvencies (primarily proposals), while The Nechako was ranked last with an 11.1% increase in this indicator.

Table 1-6: Annual Consumer Insolvency Rates per 1,000 Population Aged 18 Years and Older, Mainland/Southwest Development Region, 2008 to 2013

Rate		2008	2009	2010	2011	2012	2013	Percentage Change	
								5-Year 2008-13	1-Year 2012-13
Mainland/ Southwest	Insolvency	2.4	3.3	3.1	2.9	2.8	2.9	+20.8%	+3.6%
	Bankruptcy	1.9	2.6	2.3	1.9	1.8	1.7	-10.5%	-5.6%
	Proposal	0.5	0.7	0.8	0.9	1.0	1.2	+140.0%	+20.0%
BC	Insolvency	2.5	3.7	3.5	3.2	3.2	3.2	+28.0%	0.0%

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

¹⁶ A consumer proposal is an alternative to bankruptcy whereby the indebted consumer negotiates to repay only a part of their debt. This allows the debtor to keep their assets as long as they continue to make payments on any loans secured by those assets, such as a home mortgage.

¹⁷ This trend was spurred largely by changes in the Bankruptcy Insolvency Act (BIA) in 2008, when the limit of the size of non-mortgage debt qualifying for a proposal was hiked from \$75,000 to \$250,000, an incentive to choose proposals as an alternative to bankruptcy. Source: Tal, Benjamin, "The Changing Composition of Insolvencies," *The Bankruptcy Report*, CIBC, August 12, 2013.

¹⁸ Tal, Benjamin, CIBC, August 12, 2013, *The Bankruptcy Report*, [The Changing Composition of Insolvencies](#).

¹⁹ Ibid.

Conclusions

The MSWDR's role as the service and transportation hub of BC sustained it through a year of tepid economic growth in 2013. While provincial GDP growth slowed to 1.3% in 2013, the MSWDR saw improvements in all of its LIVE, WORK, and INVEST indicators. However, some concerns about the labour market still persist.

In 2013, population, employment, and educational attainment all increased in the MSWDR, while the unemployment rate dipped slightly. This can be attributed to US and international demand for BC's exports of energy, minerals, and forest products, and the associated economic activity stimulated throughout the region. Nevertheless, job creation in the MSWDR was at its slowest rate in a decade, with only 1,400 net new jobs. The growth of the MSWDR service sector managed to more than offset a loss of 14,800 jobs in the goods producing sector, where manufacturing was the hardest hit.

Both the MSWDR unemployment and youth unemployment rates declined only slightly from the previous year, and still remain well above the pre-recession levels of the mid 2000s.

The MSWDR's investment climate remained positive last year, with a \$2.6 billion increase in the value of projects proposed, underway, completed, or on hold over 2012. This was also the location of the two largest venture capital deals in BC last year. In view of these positive developments, it is little surprise that the number of business bankruptcies in the MSWDR declined significantly in 2013.

The number of consumer insolvencies rose slightly in 2013. A closer look shows that the number of bankruptcies has declined steadily since 2009, while the number of proposals has increased. A continuing low interest rate and improved unemployment figures reduced the bankruptcy rate, while new regulations pertaining to minimum assets have motivated many indebted individuals to choose the route of proposals over bankruptcy. Both of these together mean, to some extent, less hardship for indebted families.

The most recent labour market indicators show employment in the goods producing sector has picked up in the first quarter of 2014, especially in the construction and utilities industries. On the services side, job creation has slowed during the first quarter, with the greatest losses in trade. As of March 2014, the unemployment rate in the MSWDR was 6.1%, down from the 2013 average of 6.7%.²⁰

The economic outlook for BC is for a more rapid pace of expansion over the next two years, and a potential GDP growth rate of 2.4%.²¹ With continued strength in BC's export markets, further economic diversification in the MSWDR's massive service sector, and approval on at least one major LNG project in 2014, the MSWDR's economy stands to see improved labour market developments and stronger GDP growth.

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.