



April 2011



The Mayor of Prince George proclaimed April 26th as Mining Day in Prince George, in advance of the Minerals North conference held in Stewart on April 27th-29th and BC Mining Week which will occur from May 8th-14th. The Mining industry is growing in significance throughout the province and especially Northern BC, presenting huge economic opportunities for businesses and workers based in Prince George.

Across BC, the number of persons employed in Mining and Oil & Gas activities increased by 65.7% between 2005 and 2010. *Mining and Support Activities for Mining and Oil & Gas* accounted for 51.1% and 44.4% of the employment growth in the industry, respectively. Over this period, direct mining employment grew by 66.7% and employment related to support activities increased by 93.0%, for a total of 9,000 persons employed in the industry in 2010.¹

Prince George experienced a similar rate of growth in Mining and Oil & Gas employment over the past five years, increasing 116.7% between 2005 and 2010, for a total of 1,300 persons employed. The number of area² businesses engaged in support activities for the industry nearly doubled over this period. While Mining still currently accounts for a relatively small proportion of total employment and businesses in Prince George, it is expected that the impact of the

industry's activities will continue to increase in upcoming years.

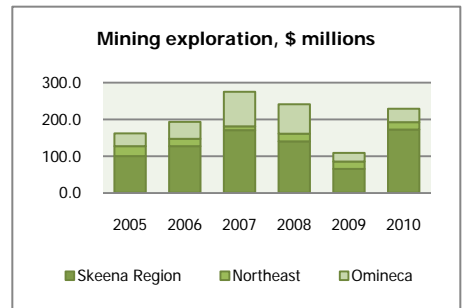
There are currently 10 operating mines, 3 mines under development, 12 proposed mines and 69 major exploration projects across Northern BC.³ Mines currently under development include the \$917M Mt. Milligan project 155km northwest of Prince George and the re-opening Dome Mountain project located 370km northwest of the city.

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Proposed mine projects in Northern BC represent more than \$8.5B in potential capital investment. Projects include the Kutcho Creek, Red Chris, Schaft Creek and Galore Creek mines, which combined have the potential to generate more than \$3.5B in pre-production capital expenditures in Northwest BC. Development of these mines is anticipated to commence upon completion of the \$404M Northwest Transmission Line, which could be as early as the end of 2013.

Last year, there was more than \$229M spent in Northern BC on mining exploration, more than double the amount expended in

2009 and 16.9% more than the average spent over the previous five years.⁴ Expenditures accounted for 71.1% of total exploration spending across the province. The number of exploration projects underway across Northern BC increased from 42 to 69 between 2009 and 2010, suggesting continued increases in mine development activity in coming years.



Prince George is the location of approximately 20.0% of the total firms and 28.0% of total employment in Northern BC,⁵ and a major source of supply for the goods, services and labour required for projects throughout the region. Current and future growth in the mining industry will serve to augment Prince George's role as a service and supply hub for natural resource activities in Northern BC.

¹ Statistics Canada, *Labour Force Survey*.

² Business location counts are provided for the area within the Regional District of Fraser-Fort George.

³ Skeena, Northeast and Omineca mining regions, combined. Mining projects include metal, coal and industrial minerals. Prince George is located within the Omineca mining region.

⁴ Ministry of Forests, Lands and Natural Resource Operations, *Exploration and Mining in BC 2010*.

⁵ Statistics Canada *Labour Force Survey and Business Register Establishment Counts*.



Economic Statistics

Employment

There were 47,300 persons employed in Prince George in March; compared to the previous month, employment declined slightly (1.9%; 900 persons), although the decline was moderated by a 1.8% decline in the labour force (900 persons). As a result, the number of unemployed persons was unchanged and the unemployment rate increased 0.1% to 5.8%. The number of persons in the labour force in BC and across Canada also declined slightly, by 0.6% and 0.1%, respectively; the number of employed persons increased 0.2% in BC and was relatively unchanged in Canada. As a result, the number of unemployed persons decreased by 8.1% in BC and 0.9% in Canada; the provincial and national unemployment rates declined by 0.7% and 0.1% (to 8.1% and 7.7%, respectively). Prince George's working age population was unchanged last month, and the employment rate decreased 1.3% to 66.5%; employment rates were unchanged in BC and Canada (at 60.1% and 61.8%, respectively).

(Source: Statistics Canada Labour Force Survey)

Real Estate

There were 76 single family homes sold in Prince George in March, 2 fewer than in March 2010, with an average price of \$261,674 (11.1% higher than in February and 6.3% higher than in the same month last year). Year-to-date, the average price of a single family home was down 1.6% compared to the first three months of last year; unit sales were down 11.3%. Comparatively, average prices were up



15.4% and 7.9% in BC and Canada, respectively, year-to-date; unit sales were up 4.7% provincially and down 6.4% nationally as of the end of March.

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

Housing Construction

There were 2 housing starts in Prince George in March (both single family dwelling units), compared to 8 starts in the same month last year. Year-to-date starts were up 127.8% over the first three months of 2010.



Comparatively, housing starts were down 3.8% and 2.9%, respectively, in BC and across Canada for the same period. There were 17 residential units completed in the city in March (all single family units), 9 more than in the same month in 2010, and there were 168 housing units under construction (96 single family and 72 multiple dwelling units); 4 fewer than in March 2010.

(Source: Canada Mortgage and Housing Corporation)

Building Permits

The City of Prince George issued 25 building permits valued at \$4.0M in March, down 53.2% compared to the same month last year. Residential building permits accounted for 65.1% of the total value of permits issued in the city, with permits for ten new single family dwellings making up the majority of the value of this category. Institutional building permits accounted for 30.2% of the permits issued in March; a \$1.0M permit for renovations to the Simon Fraser Lodge and a \$0.2M permit for

upgrades to the Kin Center made up the entirety of the category. Commercial permits made up 4.0% of the permits issued last month, and Industrial permits accounted for the remainder. Year-to-date, the value of permits issued in the city was down 41.1% at the end of March. Comparatively, permits were down 9.9% provincially and up 0.4% nationally at the end of February.

(Source: City of Prince George; Statistics Canada)

Business Licenses

The City of Prince George issued 221 business licenses in March (42 new licenses⁶ and 179 renewals). 10 of the new licenses issued were a result of existing business changing location. The number of permits issued last month was down 34.6% over the same month in 2010.

(Source: City of Prince George)

Airport Passenger Volumes

36,760 passengers passed through the Prince George airport in March, 0.7% fewer than in March 2010. Year-to-date, passenger traffic through the airport was up 1.2% compared to the first three months of last year. Comparatively, traffic through the Vancouver airport was up 0.1%, year-to-date, at the end of March.

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



⁶ 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.