



December 2012



The diverse range of business sizes across all industries in the Prince George economy illustrates the diversity and strength of the economy, as well as the city's ability to offer a wide range of business services and employment opportunities across a variety of sectors.

In last month's Economic Update, Initiatives Prince George profiled the contribution of small business to the local economy. This month's article profiles the role of larger businesses in the economy, providing a more complete overview of Prince George's economic structure.

Large businesses¹ make up 2.3% of the total number of business locations in Prince George.² Although the majority of these firms are within the 50-99 employee range, 43.4% of large businesses have more than

100 employees; 19.1% have more than 200.

Five sectors account for more than half of the large businesses in Prince George; *Retail Trade, Manufacturing, Accommodation & Food Services, Construction* and *Agriculture & Forestry* account for 58.1% of businesses with more than 50 employees.

Among the five sectors with the highest number of large firms, the *Retail Trade, Manufacturing* and *Accommodation & Food Services* sectors all have a higher relative proportion of total employment, compared to their proportion of total firms.³ This is due mainly to the considerable amount of jobs concentrated at larger employers in these sectors.

For example, the presence of large retailers⁴ in Prince George not only augments the city's role as the service and supply hub for Northern BC, but also provides a large and growing employment base. The city's well-developed retail cluster also attracts customers from outside Prince George, positively impacting businesses in other sectors of the economy.

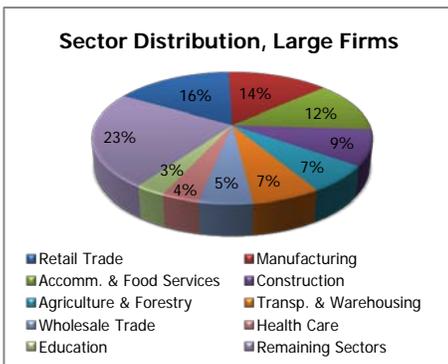
Large employers are also important to the expansion of businesses in supporting sectors. In the *Manufacturing* sector, large firms engaged in wood products and

chemical manufacturing activities⁵ have contributed greatly to the development of a robust supply chain of businesses across a number of other sectors with the capabilities to serve a variety of industries.

Among remaining sectors, it is important to note large employers including the Northern Health Authority, which employs more people in Prince George than any other company, as well as CN who has expanded employment in the city considerably in recent years. The University of Northern BC and the College of New Caledonia also provide a significant number of jobs in Prince George, which is an important component of the economic impact of post-secondary education on the city.

Information about the city's industry structure is an important part of IPG's approach to marketing Prince George as a preferred place to live, work and invest. The information helps IPG to communicate the wide range of opportunities available in the city, and assists businesses and investors in making business location and expansion decisions.

Throughout 2013, Initiatives Prince George will continue to compile, analyze and report sector-specific information in a variety of publications. 2012 industry employment statistics are scheduled for release in January 2013; industry business statistics will be available in February.



¹ Large businesses are defined as having 50 or more employees. Small businesses are defined as having fewer than 50.

² Statistics Canada Business Register (Dec. 2011).

³ 11.7%, 8.8% and 7.4% of total employment, compared to 8.9%, 3.1% and 4.1% of total firms, respectively.

⁴ Large retail employers include but are not limited to: Canadian Tire, Home Depot, Walmart, Costco, Sears, the Bay and Save-on-Foods.

⁵ In this sector, Canfor has been one of the largest employers in PG for decades. Other large employers include Lakeland Mills and Brink Forest Products.

ECONOMIC UPDATE

Economic Statistics

Employment

51,200 persons were employed in Prince George in November, down 1,200 persons (2.3%) from the previous month; the decline was attributed largely to seasonal factors and reflects a trend typical of this time of year. The labour force declined by 2,200 persons (3.9%), leading the number of unemployed persons to decline by 24.3% and the unemployment rate to decrease 1.4% (to 5.2%). Across BC, the number of persons employed declined by 0.2%; those in the labour force also declined by 0.2%. This led the number of unemployed persons to increase by 0.1% and the unemployment rate to increase 0.1% (to 6.8%). Across Canada, the number of employed persons increased 0.3% and the labour force increased by 0.1%. As a result, the number of unemployed persons decreased 2.9% while the unemployment rate declined by 0.2% (to 7.2%). Prince George's working age population was unchanged last month; the employment rate decreased 1.7% (to 72.2%). The employment rate decreased 0.2% in BC and increased 0.2% across Canada (to 60.4% and 62.0%, respectively).

(Source: Statistics Canada Labour Force Survey)

Real Estate

69 single family homes were sold in the city in November, 1 more than in the same month in 2011, with an average price of \$254,406. Year-to-date, the average house price was up 2.6% compared to the first eleven months of 2011; unit sales were also up 2.6%. Comparatively, the year-to-date



average price of a single family home was down 8.6% in BC at the end of November; units were down 11.0%. In Canada, the average price was up 0.2%; unit sales were down 0.2%.

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



Housing Construction

There were 20 housing starts in Prince George last month (18 single units and 2 multiple dwelling units), 13 more than in November 2011; year-to-date starts were up 30.5%, compared to the first eleven months of last year. There were 16 residential units completed in the city in October⁶ (all single family dwellings), 3 fewer than in the same month last year. 183 housing units were under construction in October (132 single family and 51 multiple dwelling units); 3.4% more than in the same month in 2011. Housing starts were up 7.5% and 12.4%, in BC and Canada, respectively, at the end of October.

(Source: Canada Mortgage and Housing Corporation)

Building Permits

The City of Prince George issued 52 building permits valued at \$4.9M in November. The value of permits issued was up 148.7% compared to the same month last year; the number of permits issued was up 44.4%. Year-to-date, the value of permits issued by the City was up 14.7% at the end of November; the number of permits was up

⁶ November statistics for some indicators were not available at the time of publication.

5.2%. Residential permits accounted for 73.0% of the total value of building permits issued in the city last month, with permits for 5 new single family dwellings and 22 new townhouse units accounting for 85.5% of the category. Commercial permits made up 18.0% of the permits issued last month; Industrial permits made up the remainder of the value of permits issued. The year-to-date value of building permits was up 22.5% in BC and 12.0% across Canada at the end of October.

(Source: City of Prince George; Statistics Canada)

Business Licenses

The City of Prince George issued 35 business licenses in October (16 new⁷ and 19 renewals). 5 of the new licenses were due to businesses changing location.

(Source: City of Prince George)

Airport Passenger Volumes

36,606 passengers moved through the Prince George airport in November, 0.8% more than in the same month in 2011. Year-to-date passenger traffic through the airport was up 4.7%, compared to the first eleven months of last year. Comparatively, traffic through Vancouver's airport was up 3.7% at the end of October.

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



⁷ 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.