



November 2013



The demand for energy is rising due to an increase in the economic activity in Asia. At the same time the supply of energy is constrained due to the high prices of fossil fuels, geopolitical issues in net oil exporting countries, and growing concerns about climate change. These are a few of the reasons why governments and organizations around the world need to support the production of renewable energy sources. These challenges can be addressed by producing bioenergy. As a result, the global trade of bioenergy products such as ethanol, biodiesel, and wood pellets has been growing exponentially in recent time.

Canada possesses a vast amount of forest resources that are used to produce bioenergy for local and international markets. In fact, the British Columbia region is the largest producer of bioenergy in North America and has annual capacity of 4,300 Gwh<sup>1</sup>. The growth and development of the bioenergy industry is supported by well-established infrastructure and favourable federal and provincial regulations and incentives. British Columbia's bioenergy assets include vast forestry resources, top researchers, technology companies, universities researchers, and several organizations to support the development of bioenergy in the region. The province

is also committed to maintaining a share of at least 90 percent of its electricity generation from clean and renewable energy sources<sup>2</sup>.

The bioenergy product that is gaining the most momentum in Canada is wood pellets. Canada is the leading producer of wood pellets in the world and British Columbia, contributing nearly 66 percent of the national production. The major markets for Canadian wood pellets in 2012 were primarily located within five countries: the United Kingdom (UK), the Netherlands, Japan, the United States and Italy<sup>3</sup>. Canada has 41 wood pellet plants<sup>4</sup>; in addition to 12 proposed plants and 5 under construction. As of 2013, BC had 13 operational pellet plants with an annual capacity of 1.87 million tonnes. Prince George contributes nearly 21 percent to the total capacity of the province, with 400,000 tonnes produced at the Pacific bioenergy wood pellet plant<sup>4</sup>.

Prince George has a strategic advantage due to its geographic location in the region. The Northern British Columbia region possesses the largest amount of wood biomass in the country. There are also a large number of companies involved in the production of bioenergy due to availability of raw-materials.



Photo: UNBC Bioenergy Plant

Prince George is growing as a cluster of bioenergy projects; including those projects are UNBC's biomass gasification system developed by Nexterra to heat the Prince George campus. It offsets nearly 85% of previous fossil fuel consumption. The Canfor cogeneration project which is expected to reduce natural gas consumption by 500,000 GJ for a cost savings of \$5 million per year<sup>1</sup>. The City of Prince George is optimizing the downtown District Energy System by burning local sawmill residues more efficiently in order to provide heat and hot water to four buildings including City Hall, the Coliseum, the Four Seasons Pool, and the Civic Centre. Finally, Alterna Biocarbon commercial demonstration converts 110,000 tonnes of wood residues into 25,000 tonnes of biocarbon<sup>5</sup>. These projects demonstrate that Prince George is a leader in growing bioenergy sector

<sup>1</sup>Northern Development Initiative Trust  
<sup>2</sup>BC Ministry of Energy, Mines and Petroleum

<sup>3</sup>Natural Resources Canada

<sup>4</sup>Canadian Biomass Magazine  
<sup>5</sup>Alterna Biocarbon



## Economic Statistics

### Employment

The number of people employed in Prince George increased from 48,000 to 49,000 in October, up 1,000 persons, a staggering 2.0% growth from the previous month. As of October 2013, Prince George unemployment rate had fallen to 5.8%. This is in contrast to an unemployment rate of 6.6% in September 2013. In comparison to provincial (6.5%) and national (6.9%) unemployment rates, Prince George continued to stay ahead of national and provincial trend.

In contrast, the Cariboo region's unemployment rate further declined to 5.4% in October, down from 6.4% in September and 6.6% in August.

In British Columbia, the number of persons employed decreased by 5.3% and those in the labour force was also down by 0.4% between September and October. Consequently, the province lost 5,300 jobs in October, including a drop of 11,000 full-time positions. This loss was partially and partially offset by a gain of 5,600 part-time jobs.

Across B.C., several positions were gained in the following industries: health care and social assistance (10,300 jobs), educational services (7,500), accommodation and food services (7,200), information, culture and recreation (7,000), construction (1,300), utilities (800), and manufacturing (200).

Across Canada, the number of employed person increased 0.1%. Employment rates in BC and across Canada were 59.6% and 61.8%, respectively, while Prince George was significantly higher than both, at 69.3%

*(Source: Statistics Canada Labour Force Survey)*

### Real Estate

In the third quarter of 2013, 291 single family houses were sold in Prince George

which is up by 18.7% from the same period in 2012. The average selling price increased by 2.4% year-to-year basis<sup>6</sup>.

There were 464 units sold in Northern BC in October, up 9% compared to October 2012. The total value of properties sold was \$109.2 million, up 11% compared to October 2012.

National homes sales declined by 3.2% between September-October, but the average price rose by 8.5%. The average selling price in October in the province was up 6.3% compared to October 2012. Home sales in Northern BC were up 9.1% in October compared to same month in 2012.

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



### Housing Construction

There were 12 housing starts in Prince George during October 2013 (all single family dwellings), compared to 25 during the same month in 2012. Overall, the housing starts during January-October 2013 are down 8.2% compared to the same period in 2012. Year-to-date there is 166 housing starts compared to 181 in 2012 during the same period.

The total number of housing starts in the province during October was down 9.1% compared to national housing start which was down 4.1%.

There were 19 single-detached residential house completed in October compared to 16 in 2012 same period, up 18.1%.

*(Source: Canada Mortgage and Housing Corporation)*

### Building Permits

The City of Prince George issued 55 building permits valued at \$7.9M in October, which is up by 24.1% or \$1.54M over the same month in 2012. Year-to-date building permit activity surpassed \$100.04M – which is off by 0.7% from 2012 levels, but 10.9% above the same period in 2011.

Commercial building permits year-to-date are at \$45.6M, up 92.5% as compared to same period last year. Industrial permits were at \$17.0M, which is off from \$42.8M in 2012 during peak conditions.

New residential permits accounted for 40.0% of the total value of building permits issued in October, with permits for 19 single family dwellings and 2 duplex made up the category.

*(Source: City of Prince George; Statistics Canada)*

### Business Licenses

The City of Prince George issued 33 business licenses in October (29 new and 4 renewals). This was down from 41 licenses issued in September.

*(Source: City of Prince George)*

### Airport Passenger Volumes

37,672 passengers moved through the Prince George Airport in October, 9.7% more than in September. Year-to-date passenger traffic through the airport was up 2.1% compared to 2012 levels. Comparatively, year-to-date traffic through Vancouver's airport was up 0.5% at the end of October.

*(Source: Prince George and Vancouver Airport Authorities)*

<sup>6</sup>October real-estate sales statistics for Prince George were unavailable at the time of publication released