



Northeast BC Exports and Provincial Revenues Report — 2021



Exports are critical to the provincial economy and are influential in raising the standard of living for all British Columbians. They support many public and private goods and services that residents are fortunate to enjoy, and by selling made-in-BC goods, the market for BC companies expands and increases the incomes that support local economies. The taxes paid by both company and residents help support health care, education, and social programs.

The northeast corner of British Columbia is famous for the expansive farmland of the Peace Country, its bountiful natural gas fields, and the forests, mines and hydroelectric generating stations that power the provincial economy. The Northeast BC Export Analysis and Provincial Revenues Report is an update to the 2014 Exports Analysis conducted by the North Peace Economic Development Commission and looks additionally at the revenue generated from the region, as well as the economic spinoff associated to each of the sectors that drive our economy.

Contributions to Provincial Economy

Total BC exports in 2019, both interprovincial and international, reached \$123 billion, with northeast BC contributing \$10.8 billion of total exports in 2019. Energy was the dominant, representing over 80% of the exports. Comparing exports regionally from 2016, energy has increased by \$3.8 billion and helped support the decline in forestry of \$0.2 billion, with mining, services and food remaining consistent. With energy comprising over 50% of regional exports, the total exports from the northeast region make up 8.8% of total provincial exports.

This equates to \$294,000 worth of exports per job in northeast BC, nearly 6% times that of any other region within British Columbia. The region's youthful population occupies 24% of the provincial land area, represents 1.5% of BC's population and contributes 8.8% of the total provincial exports. Despite the low population density, the region outperforms the rest of the province on average exports per capita at \$141,00, nearly six times the provincial average.

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Average exports per capita in Northeast BC more than double every other region



“Northeast BC is estimated to contribute \$889 million in total tax revenue, representing 2.7% of the provincial total – nearly double the portion of provincial population in the region. “

Regionally, the contribution to Personal Income Tax revenues represents 1.7% of the provincial total while sales tax regionally represents 3.8%. Northeast BC contributes an estimated 2.8% of total provincial corporate taxes which is significantly higher than its 1.5% share of total employment and is the direct result of the concentration of resource sector industries within the region. Couple this with non-residential property taxes from Northeast BC contributing 7.0% to the provincial total property tax revenue in 2019-20 of \$2.6 billion.

Jobs and the Multiplier Effect

The relative value of Northeast British Columbia can be measured in its contribution to the provincial economy through exports or impacts to provincial revenue generation, however, none compared to the magnitude from which reviewing economic impact multipliers does. Economic multipliers show how activity in one industry creates employment and income impacts in related industries.

Industries that create higher value products, purchase substantial inputs from other industries, or pay higher wages, will have a higher economic “spinoff” per dollar of revenue or per job. This results in **Northeast BC generating a spinoff impact of .93 jobs in the rest of the provincial economy, compared to a rate of 0.66 provincially.** The largest impacts on a per-job basis are generated within the oil and gas sector, the spinoff impact is 84 additional jobs throughout the BC economy for every 10 jobs within the sector.

Labour force participation within Northeast BC is at 73% with the provincial average at 64% and is supported by consistent unemployment rates that are 4–5% lower than the rest of the province.

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Punching Above Our Weight Class

Regional export value is a clear demonstration of the outsized importance of Northeast BC to the provincial economy. Whether measured on a per-job basis or a per resident basis, Northeast BC generates nearly six times as much export value as the BC average.

The multipliers clearly show that the leading industries in Northeast BC, particularly in oil and gas, have huge employment spinoffs that benefit the provincial economy. There are people employed throughout BC who working due to the economic value generated in the Northeast.

Provincial tax revenue generated in the Northeast is near double the provincial average on a per-person basis, which demonstrates how the region supports public services that benefit all British Columbians.

It should also be noted that the productive capacity of resource-based industries is less affected by the COVID-19 pandemic than many service industries that rely on interpersonal contact. As British Columbia enters what may be a long and challenging recovery from the economic effects of the pandemic, the Northeast resource industries will be more important than ever in helping to support the growth of the provincial economy.

For a copy of the full report. Contact our Executive Director at ed@rmcoalition.com.