

# Northern Rockies

## Investment Attraction Strategy

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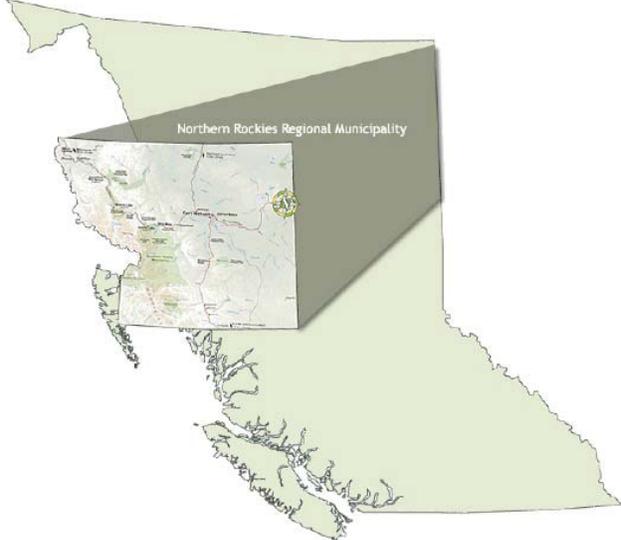
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# 1 INTRODUCTION

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## 1.1 PURPOSE

This Foreign Direct Investment Strategy (the Strategy) serves as a foundation and guidance for future investment attraction planning and policy in accordance with the vision and objectives of the Regional Municipality. It sets out clear and actionable recommendations to aid in the attraction of new investment and businesses to the region. The study area is the Northern Rockies Regional Municipality.



## 1.2 METHODOLOGY

The research conducted in preparing the Strategy consisted of a literature review and compilation of economic data from statistical agencies and trends that were used to prepare the assessment of economic resources and investment attraction trends. A regional visit allowed the consulting team to meet with key stakeholders in a focus group format. A follow-up interview program provided further guidance for the Strategy recommendations. Literature, data sources and personal communications are noted in Appendix B of this document.

## 1.3 REPORT STRUCTURE

**Chapter 2, The Economy Today**, presents a synopsis of the current economy and sectors of the Northern Rockies, as well as some of the key strengths, challenges, and opportunities (SCO) present in the region.

**Chapter 3, Existing Capacity**, examines the extensive investment attraction activities that the NRRM has historically engaged in and evaluates the tools currently employed in these efforts.

**Chapter 4, Local Perspectives**, presents a synopsis of the local views, ideas, and opinions gathered during the focus group session and various interviews in December of 2017.

**Chapter 5, Sector Targets**, outlines the risk/reward potential of sectors in the current economic base of the NRRM.

**Chapter 6, Foundations of Investment Attraction**, presents a high level overview of how Investment Attraction efforts can and should intertwine with the other functions of a holistic Economic Development program.

**Chapter 7, The Process of Investment Attraction**, outlines the range of broad investment attraction activities and programs available to the NRRM.

**Chapter 8, FDI Strategy**, presents the strategy recommendations, including a framework and marketing strategy for international investment attraction in the NRRM.

**Chapter 9, Conclusions** provides closing observations and implications for FDI in the region.

## 2 THE ECONOMY TODAY

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### Demographics

Over the past 30-year period, the population in the Northern Rockies region (Northern Rockies Regional Municipality and Fort Nelson First Nation) has remained stable, moving from 5,325 in 1986 to 5,990 in 2016. It has fluctuated within this period with the community's largest recorded population during the period being in 2006 when it reached 6,245 and the lowest population in 1991 when it fell to 5,190 people.

In 2016, the Northern Rockies' age characteristics were very different than those seen at the provincial level, including only 7% over 65 years old compared to 18.3% at the provincial level, and 26.2% of the population under the age of 19 years of age compared to 20.4% for the province.

### Personal Income

The median personal income for men and women in the Northern Rockies was noticeably above the provincial level in 2015. In fact, the rate of change in income between 1995 and 2015 for both men and women have been exceeding the rate of increase at the provincial level over the same period. In 2015, men in the Northern Rockies earned \$59,545 while women earned \$30,990. In comparison, men at the provincial level earned \$40,370 while women in British Columbia earned \$27,545.

### Labour Force

The goods-producing sector of the Northern Rockies' labour force has declined by 36.7% in the past 10-year period between 2016 and 2006. Overall, the regional labour force has contracted from 3,890 in 2006 to 3,050 in 2016.

Despite the decline in labour force in the region, the employment concentration still sees the region have a much larger share of its labour force in mining, oil and gas than seen elsewhere in British Columbia.

### Sectors

**Oil and Gas** - The Northern Rockies is seen as the Shale Gas Capital of Canada and has seen tremendous up-tick in activity since 2009, both in the number of new businesses and interest in development opportunities in the area. Despite recent downturn, the sector remains a major employer locally. Locally, an estimated labour force in oil and gas remained at 340 in 2016, with this direct activity making up 12 percent of the total local labour force.

**Forestry** – Forestry has been a major employer but with the closure of major processing facilities in 2008 employment has declined significantly with only a fraction of the former work force now being employed in the sector. In total, it is estimated that only about 65 workers were employed locally in the industry in 2016. This is down substantially from approximately 640 forest sectors workers employed locally in 2006.

**Agriculture** – In 2016 there were 24 farms in the Northern Rockies which collectively had gross receipts of \$1.25 million, more than double the gross receipts in 2011. Despite the increase in gross receipts, a total of 5 farmers reported only 9 paid employees in 2016. The farm products raised and produced in the region continues to diversify.

**Tourism** – Historically, tourism has made up between six to nine percent of the region’s economic basic. The 2007 Northern Rockies / Fort Nelson Tourism Strategic plan notes that tourism is a multi-million-dollar industry for the Northern Rockies, estimating annual expenditures at \$23,770,000. The region has several tourism draws such as the Alaska Highway and Muskwa-Kechika wilderness area. Despite the value of the local tourism sector, visitor numbers have remained flat in recent years.

**Transportation** – The Northern Rockies is served by rail (CN Northern Railhead), air (Northern Rockies Regional Airport), and truck based transportation services. The Alaska Highway and Liard Highways are key transportation and tourism routes between the north and the south. Employment in the transportation has declined over the last ten years but the sector still remains a significant employer. In 2016, the transportation, storage and warehousing industry had a local labour force of 255 workers.

**Public Sector** – There are several public sector employers based primarily in Fort Nelson. In addition to the NRRM and Fort Nelson First Nation’s government administrations, the federal and provincial governments also have various offices and staff in the region. Overall, the public sector (education, health care and public administration) had a labour force of 620 in 2016, which accounted for 21 percent of the total local labour force.

### 3 EXISTING CAPACITY

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The Northern Rockies has long been engaged in investment attraction as it works to bring attention to the substantial opportunities in the region in innovative ways that out-shine the obstacles of distance and remoteness the community faces. The Community Economic Development and Tourism division is generally well resourced with modern tools, a budget that allows for expenses related to investment attraction such as travel, hosting, marketing, and technology acquisition, and most importantly professional staff assigned as dedicated contacts for investment inquiries. Land Use regulations have been crafted with careful and intentional consideration of future investment, particularly in the resource sectors. And potentially most telling, the NRRM has also invested substantial municipal funds into projects deemed important for investment readiness.

A modern economic development department is often only as good as its tools. One of the NRRM's most recent investments has been in the EDISON data tool. The effectiveness of this particular product has yet to be fully determined, however it is a wise effort to have resources available on-demand to interpret and organize data in ways that are useful to potential investors, start-ups, and entrepreneurs. EDISON compliments the Regional Municipality's ArcGIS system which enables professional and detailed maps and infographics for planning, marketing, and responses to inquiries and could be expanded to provide analytic support to clients with ESRI Business Analyst. Also, the NRRM's website and in particular the business and investment sections of the website are populated with information and links useful to new investors although the content in many sections is in need of updating.

Marketing and promotion have long been staple activities of the NRRM's economic development program. The Regional Municipality is keenly aware of the lack of awareness of investment opportunities in Fort Nelson and the Northern Rockies. The NRRM has regularly advertised over the years in publications such as the Comprehensive Oilfield Service and Supply Database (COSSD), Invest in BC, the Daily Oil Bulletin, and professional forestry industry periodicals. The Regional Municipality has also regularly hosted and attended important industry events. Fort Nelson hosted industry events surrounding the designation of Fort Nelson as BC's Forest Capital in 2006, the Horn River Symposium in 2009 and the Shale Gas Symposium in 2012. Municipal staff regularly promote investment opportunities as the Calgary oil and gas service sector tradeshow, held in conjunction with the annual Global Petroleum Show and promote the area as both a tourism destination and an opportunity for tourism investment at the annual BC Sportsman's show at the Tradex in Abbotsford.

Direct political advocacy for policy changes and provincial investment continues to be a priority. The 2015 Forestry Rejuvenation Project concept paper is one example, as was the creation of the NRRM itself in 2009. Other examples include efforts to require the Oil and Gas industry to ensure local companies are aware and able to bid on exploration and production work in partnership with EnergyServicesBC, and the active pursuit of the creation of the Centre Line Road in conjunction with upgrades to the Sierra Yoyo Desan road to enable continued investment, exploration and production in the Horn River Basin.

The Official Community Plans, Land Use Bylaws, and similar regulations have been regularly updated to ensure investment, economic development and responsible natural resource development are sufficiently enabled. The Rural Official Community Plan Bylaw No. 136, recently adopted in 2017, is particularly emblematic of the NRRMs use of its bylaws and regulations to promote and enable economic development and local prosperity.

Municipal investment is often prioritized for projects deemed necessary to improve the region's attractiveness to new investors. One of the key reasons for the construction of the Northern Rockies Recreational Centre was to help tackle the chronic challenge of labour force retention. Another clear example is the Regional Municipality's initiative to remove sufficient lands from the Agricultural Land Reserve to enable the development of the Fort Nelson Business Park and the sale of market-ready lots.

Finally, outbound missions have been a recent addition to the investment attraction efforts of the Northern Rockies. A recent trip to Asia by the Mayor and Economic Development Officer to meet with a wood products company, as well as specific efforts with a company specializing in gas with limited market access are both examples of this.

This strong history of the substantial investment attraction and economic development efforts of the NRRM, as well as areas where greater attention could be focused, is reflected in the "Investment Attraction Readiness Scorecard" shown below. The check list is a subjective view of NRRM's readiness and while the community appears well positioned in the Knowledge and Resource categories, there is some room for improvement in the Communications area, specifically in regards to profile and website information.

Table 1 Investment Readiness Checklist

Northern Rockies Regional Municipality Investment Readiness Assessment Scorecard		
Sections / Categories	Score	Target Score to be Investment Ready
<b>Section A - Knowledge</b>		
Contacts	2	4
Land Use Planning	12	15
Engaging the Business Community	2	3
Information Sources	0.5	0
<b>TOTAL</b>	<b>16.5</b>	<b>22</b>
<b>Section B – Resources</b>		
Industrial Land Inventory	5	6
Joint Ventures	0.5	1
Economic Development Capacity	3	3
<b>TOTAL</b>	<b>8.5</b>	<b>10</b>
<b>Section C – Communications</b>		
Community and Site Selection Profiles	4	8
Website	1.5	4
Other Communications Considerations	0	0
<b>TOTAL</b>	<b>5.5</b>	<b>12</b>
<b>GRAND TOTAL</b>	<b>30.5</b>	<b>44</b>

## 4 LOCAL PERSPECTIVES

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The focus group and key informant interviews provided local stakeholders with the opportunity to express their views about the state of economic development in the Northern Rockies region and the implications for foreign direct investment. The current positioning of the Regional Municipality is really focused on the unique nature of the local government and the safe, family-oriented pace that is seen as being good for business as well as life. The resourcefulness and independence of the community is linked to resource industry cycles that are either drawing in or bleeding out investment and economic activity.

Understandably, the assets of the region are largely its natural endowments, but also the economic and community infrastructure that far exceeds what other communities of similar size have at their disposal. When prompted for differentiators, informants felt the Alaska Highway, energy resources, protected areas and sense of place were at the top of the list.

Constraints are dominated by the uncertainty over the land and resource management of the Crown land base. Whether these are First Nations rights and interests or caribou management, the effects on investment flows are seen as adverse because of heightened business and financial risk. Deteriorating rail services was another area that appears to have gone from former strength to current liability for export activities that increasingly seek out efficient and reliable transportation options.

Not surprisingly, the opportunities continue to be tied to the timber and energy resource base, although hitherto under-utilized resources such as agriculture and geothermal capabilities are attracting investor interest. On an optimistic note, the Community Forest Agreement (CFA), if successful, may usher in a new model of economic cooperation that will reduce business uncertainty and generate new sources of wealth that all residents desire.

Positioning	•unique, safe, family, resourceful, independent community
Assets	•natural resources, wilderness, quality infrastructure, not-for-profits
Differentiators	•Alaska Highway, energy resources, hotspots, Muskwa-Kechika, sense of place
Constraints	•unstable land and resource management, rail services, caribou, inert assets
Opportunities	•Community forest agreement, wood processing, agricultural production, renewables

## 5 SECTOR TARGETS

When assessing potential targets for FDI programming in the NRRM, it is useful to turn to the existing economic base and what analysts term the industry life cycle stage to help illustrate growth dynamics and the relative attractiveness for FDI moving forward (see graphic below). The two major industries are in advanced cycle stages, with forestry in decline on a national/provincial scale and the energy industry struggling to control costs and seek out new markets. Interestingly, the emergence of a liquefied natural gas (LNG) component would represent a new growth phase for the energy industry requiring substantial flows of new investment. The existing tourism industry might also be classified as mature/declining due to the shrinking Alaska Highway travel market and the many facility closures that have happened over the last two decades. Agriculture in the Northern Rockies is clearly in the development phase with potential related to highly differentiated products and innovations related to northern climates.



The following table provides an assessment of how industry life stage link to FDI trends and the risk/reward potential for the Northern Rockies. FDI investment in Canada is actually fairly modest in forestry, tourism and agriculture, whereas it is significant in the energy industry. In 2006, energy and mining accounted for 23% of all inbound FDI in Canada, versus less than 1% each for agriculture, forestry and tourism (as measured by investment in accommodation and food and beverage businesses) (Statistics Canada 2017b).

In the NRRM, forestry has seen capital outflows as facilities were shuttered and harvesting activity dramatically scaled back. Similarly, oil and gas and tourism have seen investment stalled, although this is based on anecdotal evidence as investment activity is not tracked at the regional level. FDI in local agriculture and renewable energy is believed to be negligible.

	Life Stage	FDI in Canada	Local Investment Trend	Risk/Reward Potential
<b>Forestry</b>	Decline	Low	Declining	High/Medium
<b>Oil and Gas</b>	Maturity	High	Stalled	High/High
<b>Tourism</b>	Shake-out	Low	Stalled	Medium/Medium
<b>Agriculture</b>	Growth	Low	Negligible	Medium-High/Low
<b>Renewable Energy</b>	Growth	Medium	Negligible	Medium/Medium

In terms of the risk/reward profile, forestry is considered high risk with medium reward potential given that historical facilities were involved in low-price, commodity production and the current trading environment with the important US market not favourable. Oil and gas is high risk but also high reward as commodity prices can swing back at any time, as they have done in the past. It is note that the outlook for forestry and oil and gas would change if new industries were created that were not present in the past. Value-added wood processing or LNG would represent such change.

Tourism, agriculture and renewable energies have lower risk profiles, in part because they are less intrusive and land intensive and therefore less likely to encounter regulatory or other systematic barriers. However, the rewards are also believed to be lower from the perspective of the job and income benefits that the region would realize.

## 6 THE FOUNDATIONS OF INVESTMENT ATTRACTION

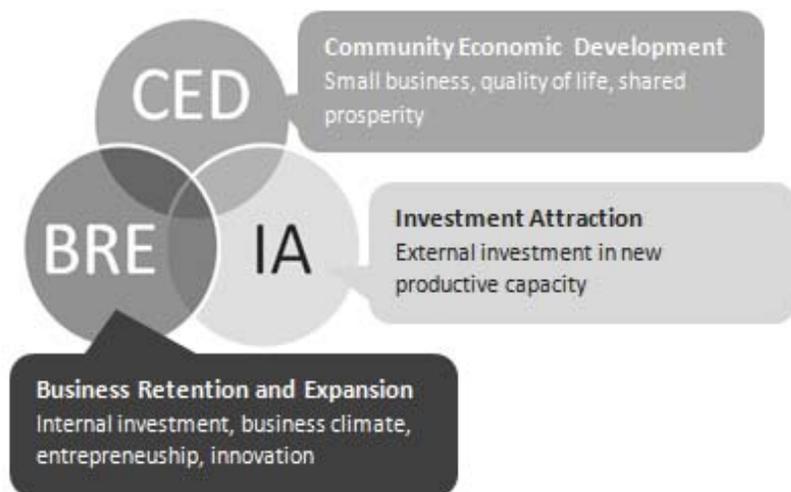
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This strategy is focused on foreign investment, but it is essential that FDI be grounded in the broader process of economic development. Without this foundation, FDI efforts will be less than optimal and the region less likely to benefit by way of local business activity, jobs, incomes and overall community health.

Existing local businesses generate the majority of new jobs in a community, and it can be as high as 90 per cent depending on the structure of the economic base (Boyles 2014). Business retention and expansion (BRE) is the cornerstone of economic development and in fact a foundation for investment attraction since activity is

often at a business to business level. Equally as important are community economic development (CED) initiatives that target small business, quality of life and social equality and prosperity. Emerging concepts such as social enterprise, of which there are several in the NRRM such as ABC and 123, is especially important to younger generations and youth who see entrepreneurial opportunity to make a difference either in their own community or beyond it.

BRE, CED and IA (or FDI) are therefore best viewed as integrated, but moving, parts that are mutually supportive and synergistic. By linking existing businesses and community organizations, the identification and prioritization of inbound investment become a natural part of this integrated system, and is likely to provide more effective and economically beneficial results.



## 7 THE PROCESS OF INVESTMENT ATTRACTION

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Investment attraction programs can take many forms, and most small communities have a passive or responsive approach that reacts to inquiries as opposed to generating them. The range of investment attraction activities and programs are surprisingly diverse.

Targeted outreach and connection identifies sector leaders and executives with a follow up strategy to reach out directly.

Inbound missions and visitation stresses partnerships with senior government trade officials and local business leaders that can champion the community and investment-ready businesses.

Marketing and information campaigns covers paid and unpaid media, social media, public relations and messaging that carries a value proposition around livability, affordability and business.

Outbound missions and visitation again involves the strategic identification of senior government trade partners who are venturing abroad while working with local businesses in their efforts to participate (especially important for export marketing).

Special events and programs can continue to showcase investment opportunities and emerging trends in the NRRM to foreign, domestic, and local investors. Such events can range from larger “Symposiums” to smaller and more intentional B2B formats that encourage strong business relationships.

Follow up and after care can set the region apart since few communities do the appropriate due diligence in evaluating the effectiveness of their programming and keeping the search lights on emerging opportunities.



# 8 FDI STRATEGY

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## 8.1 STRATEGIC PRIORITIES

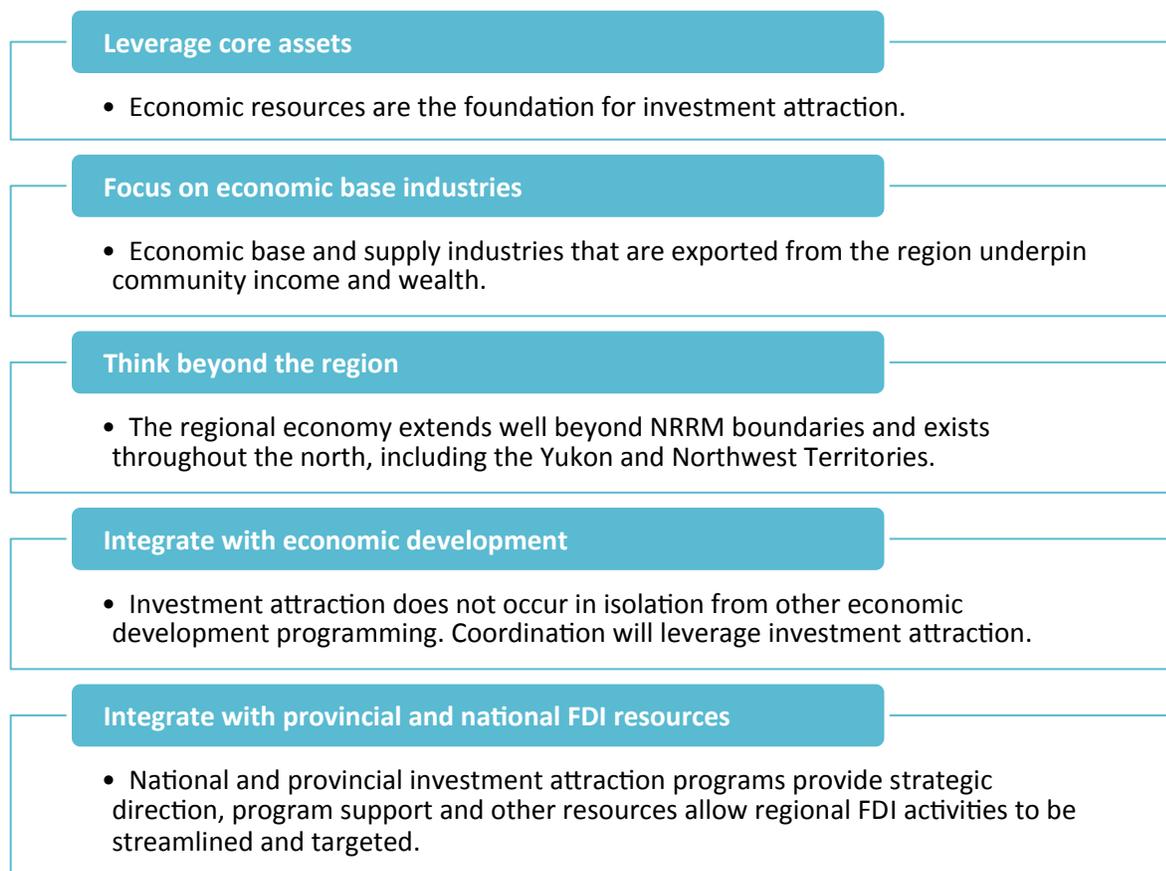
The strategic direction for FDI attraction in the NRRM, encompassing Principles and Goals, is indicated below. In this study, we've used the following definitions:

**Principles** are those fundamental rules or propositions that guide activities and the chain of reasoning; and

**Goals** are the endpoints the organization desires and against which performance measurement is aligned.

### Principles

The core principles that determine how NRRM should inform its decision-making, the identification of sectors and investment attraction priorities, are as follows.



## Goals

The Strategy has four main goals that will guide strategic action over the next five years.

1. **Greater awareness of the NRRM** is a longstanding goal of the administration and should remain so. The lack of awareness and understanding of the region and its economy, even within the province, remains low and is a major barrier to investment flows.
2. Higher numbers of **competitive export businesses** contribute to cluster conditions and will be the most likely targets of inbound investment. The NRRM economy is small, relatively narrow and leaks a considerable amount of business and consumer spending. Businesses engaged in export activities are highly valued as a foundation of an FDI attraction program because they expand the economic base and create wealth.
3. A third goal is to attract FDI that leads to **expanded productive capacity** in the regional economy. FDI that replaces local capital can potentially create incremental benefits if the latter remains in the region and is applied to other areas of the economy. Ideally, FDI leads to new or additional production of goods and services that either displace imports or are themselves exported out of the region.
4. FDI should lead to **growth in employment and income opportunities** for the resident workers and their families. Jobs and wages underpin quality of life and contribute to the in-migration of skilled workers, which has a stabilizing effect on population and services.

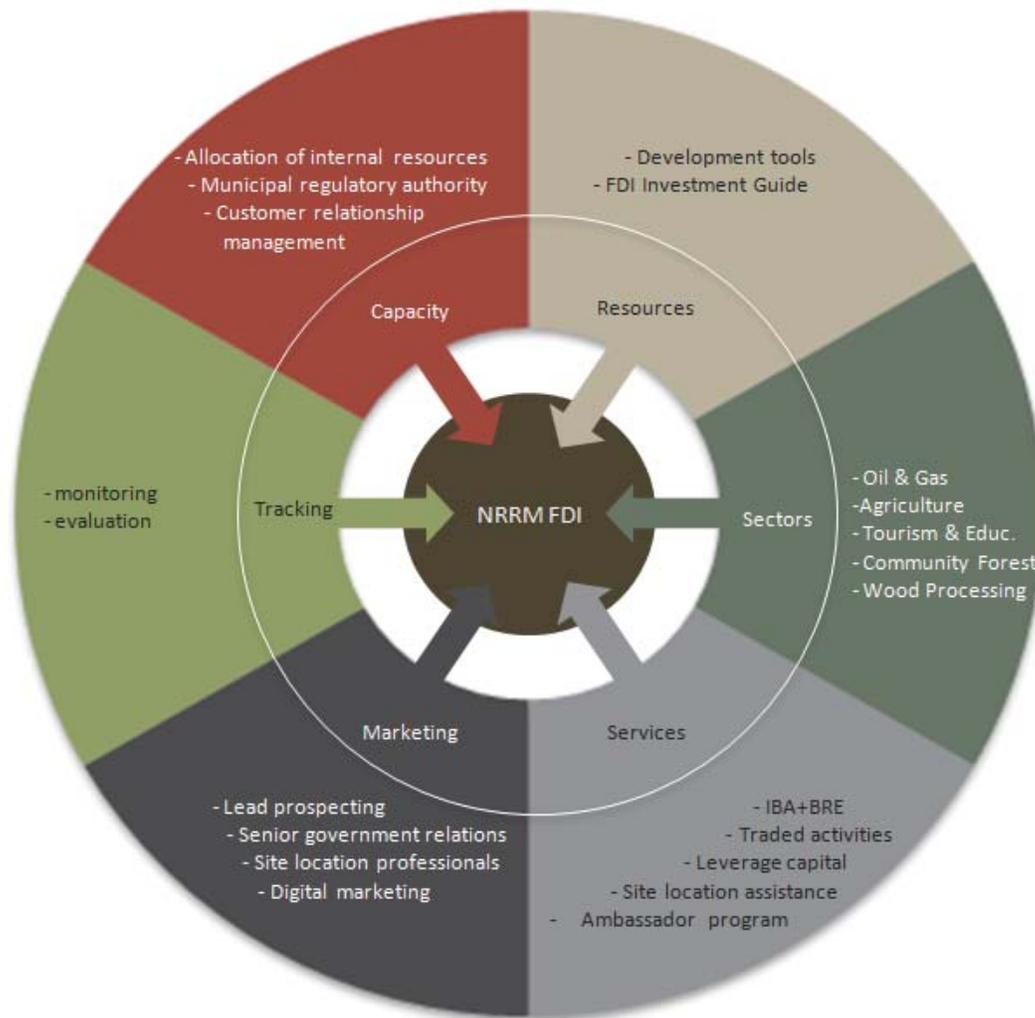


## 8.2 THE STRATEGY AT A GLANCE

Twenty strategies are grouped into six themes:

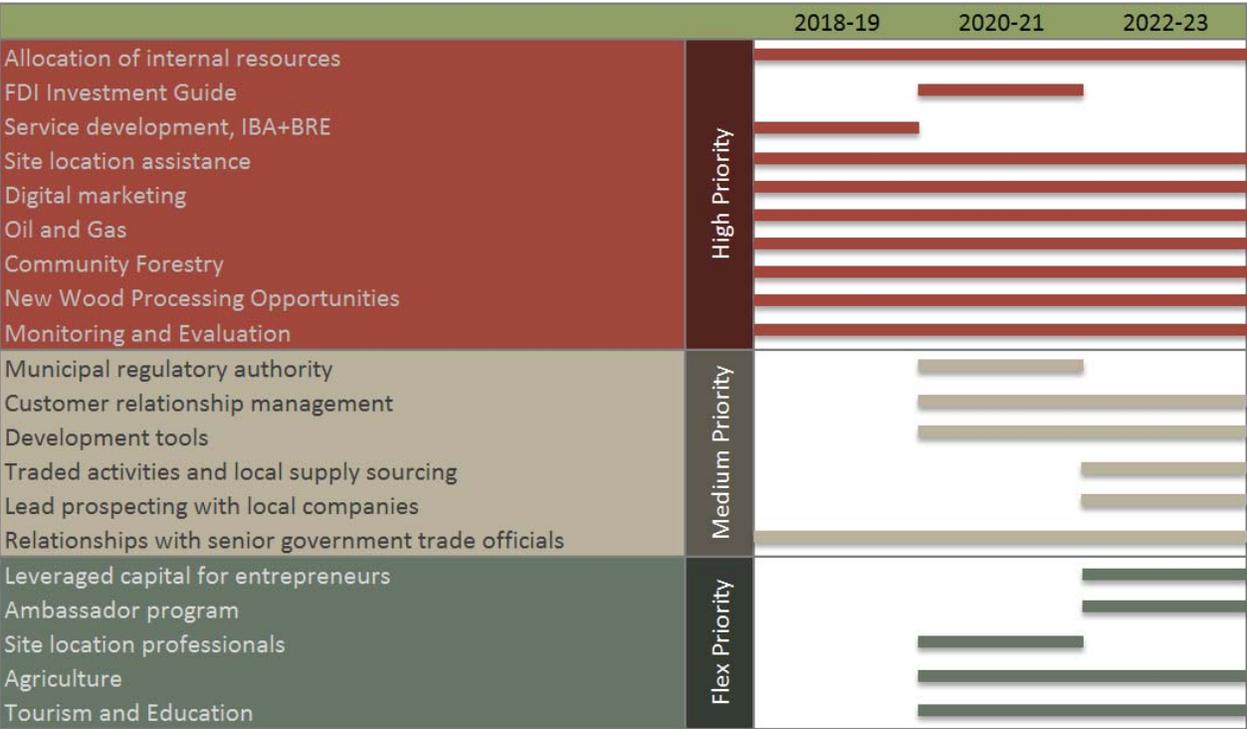
- |                       |                             |
|-----------------------|-----------------------------|
| 1 Capacity Building;  | 4 Services;                 |
| 2 NRRM Resources;     | 5 Marketing Activities; and |
| 3 Sector Development; | 6 Progress Tracking         |

The strategies stand on their own but of course provide synergy by interacting to build a successively more dynamic approach to the practice of investment attraction.



The planning horizon is six years, with priorities established as high, medium and flexible, the latter recommended for implementation if and when resources and time allow. High priority initiatives include, oil and gas, forestry, digital marketing, investment guide, site location assistance and Investment Attraction and Business, Retention and Expansion.

The medium and flex priority initiatives are aimed at creating a stronger foundation for economic development through the development of tools and resources that enhance and in some cases “automate” service delivery. They can be applied to any investment initiative, irrespective of sector or industry, and should allow NRRM to be more nimble and tailored in seeking out and responding to emerging opportunities.



## 8.3 THE STRATEGY IN FULL

**Initiative:** Allocation of Internal Resources

**Objectives:**

- increase work efficiency
- enhance relationships with funding partners

**Rationale:** The delivery of a new strategic plan requires a consideration of the resources that will be needed to proceed with implementation. In terms of this FDI strategy, the Community Economic Development and Tourism division is already committing its available work time and resources to various initiatives, as noted in Section 3. Implementation can be managed in the following ways:

- Seek to gain efficiencies by minimizing administrative tasks and maximizing time allocated to initiatives:
- Reallocate existing resources to new initiatives; or/and
- Add new resources that increase capacity, which may include:
  - Internal resources; or
  - External or leveraged resources.

The consulting team has not undertaken any organizational evaluation as part of this strategy so does not have an opinion on the first of these matters. We do note, however, that many economic development offices spend too much time on administrative tasks and not enough time “on the street” and recommend the division ensure it is being as efficient as possible in its use of internal resources. Work flows should be consistent with the level of priority for each of the strategic goals, or areas of responsibility, and the organization’s performance outcomes measured accordingly. Key factors to consider include budgets, salaried and contracted resources, and what the ‘highest and best use’ of staff time is according to skills and responsibilities, but especially based on the outcomes expected from the Regional Municipality.

### Actions

- Develop a monthly work flow chart that includes delivery of this strategy, as well as all other ED and administrative requirements, assess resources and timelines for delivery of each activity and prioritize according to NRRM’s internal and external objectives. Based on the resources available, identify where internal resources should be applied and external resources should be engaged.
- Develop a transition plan to adjust work flows according to priorities, for example ensuring administrative responsibilities can be delegated to free up internal resources so they can focus on FDI outcomes that will be measured by funding partners. Add outcomes and metrics.
- Develop a work flow report that can be shared with the Regional Municipality on a semi-annual basis.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
• Internal	High			

**Initiative:** Municipal Regulatory Authority

**Objectives:** • identification of new ways to use the regional municipality designation for investment attraction

**Rationale:** NRRM is the only regional municipality in the province, although technically it is classed as a district municipality. What distinguished NRRM is that it is a geographically large area, accounting for approximately 10% of the total area of the province. One of the advantages of the regional municipality designation is that it represents a single level of local government, unlike the rest of the province where municipalities and regional districts coexist. NRRM also has the authority to exercise land use planning and regulation, building regulation and zoning (in addition to other core responsibilities like transportation, protection, environment and recreation/culture) over a considerable land base. How the Regional Municipality actually exercises this regulatory authority to foster economic, business and investment development is only now being explored and there may be opportunities for innovative approaches and partnerships that will give the community a better say in economic diversification and wealth creation moving forward.

The focus group discussion noted, however, that there was a downside to the regional municipality model, in that the region had not really adopted a strong identity and position for dealing with the provincial government and First Nations.

### Actions

- Prepare a concept brief or pre-feasibility study that would involve a pilot project for forest management in the NRRM, focusing on forested lands outside the operable land base in the TSA. Discussions in the focus group indicated that there is merchantable timber potential in small volume forests outside operability areas. This concept might involve using zoning authority to initiate a discussion with government on using the timber for local processing but also to accomplish subsequent silviculture objectives that support other initiatives identified in this strategy, for example agroforestry.
- Examine a public-private partnership for a community network that would considerably enhance local internet performance and availability and create a better environment for investment attraction. Senior government broadband initiatives should be monitored for potential infrastructure funding, for example Canada’s rural broadband program. Potential case communities include the following:
  - The community network initiatives in the Alberta communities of Olds and Parkland County are worthy of study and may be suitable for application in NRRM. Parkland has defined broadband as an essential utility, much like waste and recreation services, and developed infrastructure accordingly which it then leases to service providers, whereas Olds built its own fibre network and acts as its own Internet Service Provider (ISP).
  - The Eastern Ontario Regional Network ([EORN](#)) represents a more hands-off approach with an exit strategy for the public entity.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• MAH</li> <li>• FLNRORD</li> </ul>	Medium		●	

**Initiative:** Customer Relationship Management

- Objectives:**
- Documented communications history
  - Strengthened collaboration with partners

**Rationale:** Many economic development offices have some type of customer relationship management (CRM) capacity, usually in the form of in-house or off-the-shelf software. Briefly, a CRM tool would allow NRRM to track both internal and external communications, which can greatly facilitate prospecting and reporting activities. At this time, there is no formal tracking taking place and therefore no documented history of the nature, scope and intensity of investment enquiries. NRRM is a small community with limited resources, and there is some uncertainty about the longevity of an investment attraction program, so this initiative is recommended for implementation after a two-year trial period when the region is ready to take the next step forward in formalizing economic development services.

### Actions

- Research, evaluate and select CRM capabilities so NRRM has a well documented, archive of communications intelligence. The types of information that should be tracked includes name, inquiry type, inquiry source, assistance given, tools used, referral made to, and so forth. Ease of implementation and use should be paramount as it is noted that a large proportion of economic developers do not use the software as recommended because of learning curve and maintenance issues. Incorporation of smart phone functionality would be preferred. Potential options include the following:
  - Off-the-shelf software such as Executive Pulse, Cloud Nine or Salesforce
  - Modifying project management software like Wrike to get two uses out of one product
  - Customized low-cost, low-tech internal tracking program, for example in Excel.
- Track the following activities with the CRM system:
  - Major projects in Northeast BC
  - Major events
  - Incentives and grant programs
  - Partners
  - BRE/investor contacts and survey results
  - Red flags, opportunities
  - Outreach and trade missions/events
  - Tracking investment readiness metrics
  - Performance metrics

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• Internal</li> <li>• EDABC</li> </ul>	Medium			

**Initiative:** Development and Investment Attraction tools

- Objectives:**
- Implement best practices to ensure land development opportunities are ready for investment
  - Excel at hosting investors
  - Develop incentives that support community development goals and foster investment
  - Leverage external resources to support on-going investment opportunities

**Rationale:** In investment attraction practice, there is often little consideration is given to activities that make a region ready for investment and place it in a position to out-compete the competition. Being ready from a planning, zoning, infrastructure, human resource, and incentive perspective is a key part of “being investor ready” and ensures that when the investment opportunity emerges that the effort can remain focused on selling the opportunity instead of trying to address issues and concerns.

### Actions

- Improve community investment readiness by regularly evaluating the Score Card (see Section 2) and identifying improvements.
- Establish a Business Investment Team (BIT) within NRRM that can coordinate departmental functions, discuss incentives and identify municipal infrastructure so as to raise the desirability of investment opportunities.
- Research potential development incentives for issues specific to Fort Nelson, including housing, redevelopment of under-utilized or vacant buildings, use conversions (e.g. industrial or commercial to residential) and properties that have the potential for employment generating activities. Common incentives in BC include Developer’s Cost Charges (DCC) forgiveness in downtown areas with in-place infrastructure, density bonuses and inducements for green building developments. NRRM is currently drafting a revitalization tax bylaw.
- Monitor provincial, federal and non-government organization funding programs for opportunities to leverage FDI investments. While programs may not be available to the foreign or outside investor, they may be available to the community for compatible initiatives, for example housing, labour market or municipal infrastructure.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• NDIT</li> <li>• JTT</li> <li>• MAH</li> <li>• Infrastructure Canada</li> </ul>	Moderate		●	●

**Initiative:** FDI Investment Guide

**Objectives:** • Centralized guide for navigating the regulatory environment

**Rationale:** Many foreign investors have little to no idea of the federal, provincial and local regulatory regimes in the north, especially if they have not invested in the country before. They may be vaguely aware of Indigenous issues but they are usually informed by the front-page news rather than actually how to consult and do business. NRRM’s Planning and Development section has several guides for helping developers navigate the permitting process, and something similar could be prepared for foreign investors who are enquiring about local opportunities. The scope would be considerably larger than the NRRM guides in that the senior government regulatory environment would also be addressed. A guide would generate considerable efficiency benefits for NRRM and allow a more targeted response to investment enquiries.

Canada was ranked a top three destinations for FDI by A.T. Kearney's Foreign Direct Investment (FDI) Confidence Index in 2016 (Invest Ontario 2017). The top-rated factors affecting FDI were:

- Cost of labour
- Regulatory transparency
- General security
- Technology and innovation capabilities
- Tax rates and ease of payment
- Talent and skill level
- Government incentives

### Actions

- Prepare an outline of guide contents, working with NDIT and JTT to determine the appropriate themes and scope. Strive for brevity and avoid repeating information that is already available and accessible elsewhere, using links to do so. This document should not be a marketing piece with an emphasis on community and economic profiles—it should target practical issues related to taking an investment from concept to reality. In addition to the Kearney content noted above, themes brought up in the consultation program that should be addressed include:
  - Indigenous interests, rights and relations
  - Crown land and resource use and management
  - Crown tenures
  - Local government
  - Infrastructure
  - Labour market
- Produce multiple languages for the guide.
- Determine whether the guide will be prepared in-house or contracted.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"><li>• NDIT</li><li>• JTT</li><li>• Invest BC</li></ul>	High		●	

**Initiative:** Service Development:

1. Investment and Business Attraction Service (IBA), and
2. Business Retention and Expansion Service (BRE)

- Objectives:**
- Enhanced business climate for FDI investors
  - Responsive and welcoming local business network

**Rationale:** There is an intimate connection between business retention and expansion efforts and investment attraction—put simply, best practices indicate that they work together. Executing a BRE program is a structured, action-oriented approach to business and economic development, with an emphasis on local interviews that target BRE but also promote attraction. BRE programs set the stage for FDI, without it the community will not be efficiently or effectively managing its resources. The local business community can do more than identify leads, it can also offer a perspective on how the community becomes tactical when it comes to investment attraction. This is all accomplished through scheduled visitation and outreach programs, informed intervention, and working with partners to identify and participate in appropriate international outreach that leads to investment.

One of the best sources of new business leads and information for investment attraction is through existing businesses. By using local firms and agencies as a conduit to strategic information, the BRE process can be transformed into an integrated BRE+A program. There is no substitute for primary data collected from local businesses which is then able to inform decision-making and allow more focused efforts on priority sectors and initiatives. Local partners can be instrumental in gathering data and participating in outreach but these efforts must be well planned and coordinated. Executing a well-rounded program that integrates BRE+A with trade and export development is a best practices approach for today's economic development teams.

For the NRRM, a more focused approach might be warranted, for example by focusing on business visitation that involves specific investment attraction issues. This will lead to providing assistance helping local businesses, which will increase workload, but it will also help in building reputation and gaining street credibility. NRRM should be striving to position itself as the go-to resource for BRE+A.

### Actions

- Develop a Service Definition for IBA and BRE that clarifies the value proposition to the NRRM's business clients and sets appropriate expectations that staff can deliver consistently.
- Develop an aftercare database of firms that are foreign owned or have foreign investment in the NRRM.
- Customize a survey for the NRRM that identifies issues and opportunities targeted at foreign investment.
- Design a program of visitation, outreach, data collection and aftercare services:
  - process for identifying businesses
  - semi-annual targets for outreach
  - minimum of one interview per week
  - report template with data summary, findings, actions and successes
- Use the data and software to create a dashboard that demonstrates real-time results and outcomes.
- Use Province of BC [Business Walk](#) resources to plan a business walk in Fort Nelson.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"><li>• NDIT</li><li>• FNDCOC</li></ul>	High			

**Initiative:** Traded Activities and Local Supply Sourcing

- Objectives:**
- Increase in uptake of federal trade programs
  - Increase in trade-related production capacity

**Rationale:** Two natural extensions of a BRE+A program is investment attraction through trade development and the diversification of the local supply chain. The NRRM is a small economy, but there are some resourceful and innovative export businesses that represent opportunities for growth. There are also some major barriers to that growth such as access to skilled labour. NRRM has limited resources to directly offer export and trade assistance, however it is in the position to broker and facilitate access to resources for local companies, especially those identified as export/investment ready.

### Actions

- Identify firms who are or may be ready for export marketing.
- Develop an investment and trade approach or discussion paper, that can be shared with partners who can be engaged in its execution, particularly targeting provincial and federal trade representatives in priority sectors and markets. This may be particularly important around oil and gas sector as the region works to attract investment in to the area.
- Work with partners who provide investment and trade services to local companies and share the framework with them for discussion, familiarity and engagement.
- Provide matching and referral services to:
  - BC and Canada government trade programs
  - major project procurement websites
  - [Canadian Company Capabilities](#) registry
- Produce an online directory of services that can be promoted to project proponents and procurement offices.
- Host a training seminar or “bootcamp” for local contractors and entrepreneurs that would provide information on how they can participate in major project supply chains. NDIT offers these programs on an as need bases so direct coordination with them can be made for their bootcamp program can be arranged at minimal cost.
- Explore regional market opportunities. NRRM is in a unique position as the “gateway” to the north and given the distance from southern suppliers there may be goods that can be based locally were a demonstrate cost reduction can be obtained if delivered from NRRM. Specifically, local business interests already see the potential in supplying gas to northern markets, displacing diesel in northern communities in a cost-effective manner.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• NDIT</li> <li>• CFDCPL</li> <li>• FNDCOG</li> </ul>	Medium			●

**Initiative:** Leveraged Capital for Entrepreneurs

- Objectives:**
- Increase awareness of investing in the Northern Rockies
  - Foster local investment in establishing and growing local business opportunities

**Rationale:** Nurturing entrepreneurs by assisting with the exploration and growth of business opportunities is the best way for community diversification over the long term. Supporting early stage start ups requires business management assistance, market research and mentorship. While regional organizations like NDIT, CFDCPL and Innovation Central provide some support, NRRM can target outside investment with an active focus resource-related technologies and innovations. Levering local investors to invest either directly or by promoting investment as champions will enhance these efforts.

The local aspect would depend on some form of capital pool model. Local residents make financial investments in various savings and retirement instruments each year. The notion of building a local capital pool that can be used to foster new business development opportunities in the community has been around for decades but any successful program will always be contingent on generating rates of return that do not incur excessive opportunity costs for resident investors. In rural Canada especially, local investment pools are viewed as one way to overcome the challenges of attracting external investors. Two of the most renowned examples include Sangudo, Alberta and [New Dawn](#) in Cape Breton, which is the oldest Community Development Corporation in Canada. With increasing interest in innovative community financing models, NRRM may wish to research some Canadian best practices and identify some realistic options for putting local capital to work locally.

### Actions

- Establish a venture capital steering committee that would include local professionals familiar with venture finance.
- Investigate the principals and experiences of successful organizations that have charted the way, for example the [Southern Interior Beetle Action Coalition](#) which has done considerable study in this area, and Sangudo, Alberta’s experience with their investment co-op. Explore what [Nova Scotia](#) has done to support local investment funding.
- Develop a suitable framework and business plan for a local investment model.
- Reach out to the VC and investment communities in Western Canada, and other strategic regions where possible. Vancouver has a thriving VC and startup community, and efforts to connect regularly with key leaders will help increase the profile of business opportunities in the northeast.
- Invite business leaders and investors to pitch sessions in NRRM or support local companies to participate in pitch sessions with major events like Banff Venture Forum, Vancouver Enterprise Forum, World Entrepreneur Forum, Canadian Financing Forum, CVCA, Vantec, Grow Conference, etc. Peace Liard Community Futures has been involved in a successful Junior Dragon’s Den program in the region and could provide guidance on this initiative.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• Local business and residents</li> <li>• JTT</li> <li>• BDC</li> <li>• CFDCPL</li> </ul>	Flex			●

**Initiative:** Site Location Assistance

**Objectives:** • Standardized and timely response to investment enquiries

**Rationale:** NRRM can increase its responsiveness to investment enquiries, and improve the local business climate, by providing and maintaining clear and concise site-specific and regional information that anticipates the requirements of potential investors. Timelines for investors to search out specific information is often tight and uncertainty or delays in data access may lead to disqualification early in the selection process. In addition, having data readily available allows the NRRM staff to focus on the process of attraction when dealing with potential clients, instead of building as the enquiry requests the information. Overall, data such as labour, transportation, zoning, utilities, available land must be readily available, in a standardized, downloadable format and appropriately scaled to specific opportunities, if possible.

### Actions

- Ensure that there is a clear contact for development and business enquires and that their contact information is available and prominently displayed.
- Review International Economic Development Council (IEDC) [data standards](#) to see if the website should make other data available to users (e.g. utility rates).
- Prepare a commercial and industrial land and building inventory, utilizing municipal, BC Assessment Authority, and Canadian Real Estate Association (ICX) data – sample spreadsheet provided.
- Streamline site location process and prepare the appropriate response. Can be as simple as using a whiteboard or spreadsheet to codify the process.
- Prepare a Site Selection Package Template customized for the NRRM to make responses to inquiries more professional, timely, and effective – sample Site Selection Package Template provided.
- Develop a property research tool and ensure it is supported and utilized by real estate industry. Review tools currently in place by other economic development organizations such as [Vernon, County](#), and [Salmon Arm](#).
- Design an enquiry response program to screen enquiries, prospects and targets and with guidelines for response timing, information dissemination and follow-up. Can be as simple as a whiteboard.
- Update the regional profile. The last update appears to have been pre2009 (2006 Census data, labour Outlook from 2010 to 2020 with outdated highlights particularly in Oil & Gas and Forestry). Make sure this document is updated regularly and prominently featured at the website. Investors will find accurate and up-to-date information somewhere whether it is positive or not. It is imperative that the NRRM become a trusted and reliable source of objective economic data and information regardless of the picture that data paints.
- Through the BRE+A program, identify businesses looking to expand or find new locations and who may be looking to relocate outside of the region.
- Identify local companies through the BRE+A and Ambassador programs who are available to represent the region during site investigations.
- Explore business case for future web-based GIS capabilities. The merging of GIS platforms (e.g. ArcGIS) with Google/Bing maps could enable dynamic search and site location tools. The costs of providing a map-based property information is declining and may be cost-effective if scaled to Fort Nelson.
- Verify the accuracy of Google’s foreign language translation of the site once it is complete, particularly in German, Chinese, Korean and Japanese. Alternatively, consider in-house translations.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• NDIT</li> <li>• FNDCOC</li> <li>• Real Estate companies</li> </ul>	High	●	●	●

**Initiative:** Ambassador Program

- Objectives:**
- Improved business climate
  - Expanded local business network

**Rationale:** An ambassador program is aimed at encouraging investment, fostering the supply chain and developing cluster activity through a broadening and deepening of the local business network. This is done by inviting volunteers to promote the region. There are many examples of successful ambassador programs in Canada, including communities as diverse as Kingston, Edmonton, Saskatoon and Squamish. The program would provide the resources to volunteers/ambassadors to guide them in promoting business investment in the region.

### Actions

- Prepare program guidelines for actively promoting and marketing the NRRM through a network of appointed Ambassadors that offer a personal introduction to the region, networking opportunities and trouble-shooting advice to new investors, entrepreneurs and companies.
- Develop an orientation guide for volunteers that provides facts and figures, messaging, success stories, and protocols for lead generation. Importantly, the guide would instruct how volunteers promote the NRRM in their day to day conversations and professional activities.
- Develop a training program for orientating ambassadors.
- Identify and recruit ambassadors, including development of a dedicated web page to host the program. Ambassadors could be any number of stakeholders including civil servants, local business and community members, alumni and expats, interested friends, family members and colleagues in a position to promote the region.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"><li>• FNDCOC</li><li>• Local Companies</li><li>• Community Organizations</li></ul>	Flex			

**Initiative:** Lead Prospecting with Local Companies

- Objectives:**
- Increase in leads generated through the BRE+A program
  - Increase in external investments

**Rationale:** Core in-house corporate research capacity and capability is essential to permit quick and informed reaction to enquiries and to proactively research and target prospects in specific sectors, countries and regions. This can be accomplished by nurturing communications with local firms who deal directly or indirectly with foreign investment.

### Actions

- Identify local and regional professional services, for example legal or accounting, who consult to foreign investors as part of their prospecting and development planning. Interest in working with NRRM on introducing foreign investors to the region should also be explored.
- Create a referral program in which economic development agencies notify each other of investment, business development or community development enquiries and events.
  - Ensure NRRM is referred to on all new business licence applications for basic sector activities (e.g. excluding retail, personal service and many business services).
- Identify key partners and develop a protocol for referrals and responsibilities for follow up.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• NDIT</li> <li>• FNDCOC</li> <li>• CFDCPL</li> <li>• Local professional service firms</li> <li>• Innovation Central</li> </ul>	Medium		●	●

**Initiative:** Relationships with Senior Government Trade Officials *(For intelligence on emerging opportunities.)*

- Objectives:**
- Leverage senior government investment and trade resources
  - Increase participation in senior government investment and trade initiatives
  - Increase in lead generation from senior government contacts

**Rationale:** Lead generation can be enhanced by accessing the information and advice of trade officials and experts in the federal and provincial governments. Provincial agencies like the [BC Ministry of International Trade](#), which offers services from market data and to outbound missions, and programs like the [Provincial Nominee Program](#) can be crucial to rural investment programs. Federal agencies provide information toolkits, export guides, business development and export financing assistance and set international trade policy. Developing and maintaining relationships with upper levels of government in these strategic agencies is part of economic development’s central mandate.

### Actions

- Review research, participate in networking events and promote NRRM with federal, provincial and non-profit agencies responsible for international trade and investment attraction:
  - Trade and Invest BC
  - Industry Canada
  - Canadian Trade Commissioner Service
  - Canadian Commercial Corporation
  - Export Development Canada
  - Business Development Bank
  - Foreign Affairs and Trade Development Canada.
  - [AdvantageBC](#), which promotes BC as a favourable location for international business
- Work with Trade and Invest BC to identify emerging opportunities related to the Trans-Pacific Partnership and the Canada-European Union Comprehensive Economic and Trade Agreement.
- Set up a telephone interview schedule with trade reps internationally who could assist with the outcomes of this strategy, explain the approach and explore options for engagement and collaboration in priority sectors.
- Support local companies participating in trade missions sponsored by senior government.
- Explore the [BC JTST site selector](#) website investigating best practices and key site selector information to assure the Regional Profile remains an industry leader.
- Link the NRRM website to the [BC Investment and Trade communities website](#). This site has recently been updated and contains key indicators on the region.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• Trade and Invest BC</li> <li>• AdvantageBC</li> <li>• Export Dev Canada</li> <li>• BDC</li> <li>• Can Manufacturers &amp; Exporters</li> <li>• Can Trade Commissioner Service</li> <li>• DFATD</li> <li>• Industry Canada</li> </ul>	Medium			

**Initiative:** Site Location Professionals (*Site Selectors*)

- Objectives:**
- Increased awareness for NRRM
  - Increase in enquiries
  - Increase in the conversion of enquiries to prospects
  - Increase in investment decisions

**Rationale:** Site selection is the process of identifying and securing the optimal site for a business that contributes to economic development goals of the region. At the macro level, site location can refer more to a broader location strategy that targets the best region for a firm to locate. Once this has been decided, however, site selection becomes a matter of the actual physical facility, rather than the broader strategy behind that choice. The site selection process can be contracted to site selectors or it may be performed in-house—in either case, incorporating a company’s strategic objectives has become a prime consideration as opposed to a strictly property and financial focus. The site location process is based on a more comprehensive range of information than real estate professionals can provide and that there is a clear role for economic development agencies as process influencers.

It is important to note that a local organization like NRRM does not get involved at early stages of the site selection process, specifically at the broader screen level where countries and major regions are being considered. The process here is more likely to engage proprietary or government databases than community websites. It is during the short-listing and site visit steps that NRRM enters the picture, and when it does, it need the data tools, incentives and capacity for response to remain in the running.

### Actions

- Build relationships with site location professionals. Real estate organizations could be contacted on an ongoing basis to build awareness of the NRRM as a place to invest and do business.
  - [Building Owners and Managers Association](#)
  - [BC Real Estate Association](#)
  - [Canadian Real Estate Association \(CREA\)](#)
  - [Landlord.bc](#)
  - [Real Estate Council of BC](#)
  - [Real Estate Foundation of BC](#)
  - [Real Estate Institute of BC](#)
  - [UBC Faculty of Commerce Centre for Urban Economics and Real Estate](#)
- Create more exposure for the region among site selection publications. Major periodicals, include:
  - [Business Facilities](#) is a major location advisor, regularly featuring Canadian articles. It also has a Canadian community listing.
  - [Area Development Online](#) has numerous resources and articles on various global locations, their positioning and what they are doing to attract business.
  - A related site to Area Development is [Location Canada](#), a site developed in conjunction with the Canadian Consulate in New York to promote foreign direct investment into Canada, as well as to support the federal and provincial governments’ investment promotion efforts. It provides many resources and articles on Canadian locations.
  - [Site Selection Online](#) has regular national and international reports.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• NDIT</li> <li>• Real estate companies</li> </ul>	Flex		●	

**Initiative:** Digital Marketing

- Objectives:**
- Platform to host key supporting materials for potential investors
  - Communications in a language understood by target investor
  - Expand market reach and engage potential investors

**Rationale:** It is now common practice for site selectors and investors to use the web and social media to conduct research on a prospective area. It is important that the web tools available from NRRM reflect best practices and focus on presenting target information that investors are looking for in a convenient and accessible format.

It is now common practice for site selectors and investors to use the web and social media to conduct research on a prospective area. One of the advantages of social media is that it projects a sense of animation and currency that is difficult to convey on a passive website. Investors, especially Millennials, are much more likely to be drawn into investigating opportunities through social media interactions. It is noted that an active social media campaign can be time consuming and should be scaled to NRRM's resources.

**Actions**

- Update and maintain web content related to investment and business
  - Create an annual communications and content plan for business and investment section of the website that establishes communications goals for the website and that includes the following actions:
  - Remove or update obsolete content, utilize content creation tactics to maximize the likelihood of search engines to find NRRM content when users search for terms such as “Invest in British Columbia”, “BC Oil and Gas”, “Oil and Gas Service Sector”, or “BC Wood Products”;
  - Streamline and simplify the sitemap and/or content “tree”;
  - Regularly access Google Analytics to monitor traffic and determine investment attraction content that is not accessed and begin experimenting with tactics to drive traffic to important content; and
  - Consider posting new content as “articles” rather than pages that are easily searched, and drive traffic to new content using a simple communications and/or marketing plan that utilizes both social and traditional media channels crafted to be relevant and attraction to potential investors and entrepreneurs.
- Data support – explore linkage to [BC’s Economic Atlas](#) that provides map layer data on various information sources including major projects and infrastructure and transportation.
- Explore business case for future development of web-based GIS capabilities. The integration of the Content Management System with GIS platforms such as ERSI’s, ArcGIS, and consumer products such as Google Maps and Microsoft Bing Maps would create dynamic search and site location tools for NRRM.
- Work with NDIT and BC MJTT, utilizing their marketing websites to feature specific opportunities.
- Develop a social media strategy. Media tools like Facebook, Twitter, LinkedIn, and You tube managed hand-in-hand with the website can be highly useful in promoting NRRM’s story, supporting branding, and engaging partners. Scale the strategy to facilitate implementation using one or two media to begin. The strategy should be manageable, but of course active and engaged.
- Work with the Airport to update and upgrade their website and maintain its stature as a welcome point for visitors and investors. The Airport is a very important piece of economic infrastructure. The current website, especially the news page, has not been updated in years and could easily be maintained with new news of which there is plenty. Over time, a major upgrade to accentuate investment attraction should be undertaken.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• NDIT FNDCOG</li> <li>• RDI JTT</li> </ul>	High			

**Initiative:** Oil and Gas

- Objectives:**
- Position region to benefit from next industry up-cycle
  - Grow mid and down-stream activity

**Rationale:** Oil and gas activity is a mainstay of the northeast economy, and although the industry, and communities, are experiencing a down cycle, there will be an inevitable recovery in commodity prices and investment confidence. The resource potential is significant on a world scale and the in-place infrastructure alone (some of it state-of-the-art) is worth billions of dollars. While exploration is nearly at a standstill and production activity lagging, there will come a time when energy capital will flow back into the region due to an increase in demand.

One of the cautionary tales of current energy markets is that the high pace, hectic development of the past is unlikely to be repeated with energy companies now being much more selective in where and how they invest. Local conditions affecting business and financial risk will take on a higher profile than in the past as companies weigh the costs and benefits of investing in one region versus another. The news is not all bad, however, as foreign companies continue to explore local opportunities and are setting the stage for future production increases.

For NRRM, an investment attraction program for this industry should focus on setting the right local conditions for future industry investment and being prepared to provide support that will maximize local benefits.

### Actions

- Continue to support plans to develop a small Liquefied Natural Gas (LNG) facility on Highway 77. NRRM has been assisting Chinese-owned KT Energy with their proposed plant in the Maxhamish area, with production to be hauled to communities in Northern BC, Northwest Territories, Yukon Territories, and Alaska. The company, which received an LNG Facility Permit from the Oil & Gas Commission (OGC) in March 2017, plans to commission the facility in late 2018. Subsequent expansion may be undertaken based on market conditions.
- Re-examine gas to liquids potential for the region. At least two companies have investigated a gas to diesel facility in Fort Nelson in the last year, but neither is currently pursuing further research or development. Gas to liquids is a proven industrial process and based on supply/demand circumstances for the foreseeable future, low price feedstock is likely to be available for some time to come, with gasoline and diesel fuel produced by a selling at relatively high prices. The region has ample industrial capacity for an operation, including experienced labour, technical capacity, service industry, and existing infrastructure such as gas wells, facilities and pipelines that could support development and operation. With the right investment group, there is no reason why a facility could not be viable.
- Join the BC Oil and Gas Research and Innovation Society (BC OGRIS) as a way to stay informed on emerging technologies, research activities and pilot projects that may have potential application or partnerships for the NRRM. OGRIS manages a considerable grant program which could be accessed for researching opportunities in the region, for example caribou management or waste heat recovery and use.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• JTT</li> <li>• OGC</li> <li>• EMPR</li> <li>• BC OGRIS</li> <li>• Energy companies</li> </ul>	High	●	●	●

**Initiative:** Agriculture

- Objectives:**
- Grow agriculture production in non-traditional products
  - Increase technology inputs to enhance commercial activity

**Rationale:** The agricultural output of the Northern Rockies is very small, its contribution to the economic base negligible and awareness of the region as a destination for sector investment marginal if not nil. At the same time, with emerging concerns about global warming, food security and safety, the growing premium being placed on water, energy and food (see Section 10.11) and the region’s agriculture attributes (e.g. arable land,) there is likely future potential for increased production and foreign investment. However, the market opportunities have to be explored and better defined before outside interest ensues.

There is some local capacity and interest in agriculture. Apart from a small farm base, NRRM has an Agricultural Advisory Committee available to guide prospective initiatives. A Farmers Market and community gardens have shown that local producers are capable of a variety of quality crops. A Vermiculture (worm composting) Pilot Project is now in progress and will be wrapped up in 2018.

### Actions

- Support further research and development with a focus on northern resources and issues. Research potential is associated with:
  - High CO2 content in the natural gas and its use for agri-food production
  - Trial crops in areas assessed in the 2007 Arability Mapping Project to determine if these soils (especially organic soils in the Fort Nelson area) can become more productive
  - Native plant production (for silviculture use)
  - Neutraceuticals and alternative medicines
  - Muskeg/moss applications
  - Livestock
- Produce an agriculture land plan with a farmland inventory that builds on the 2007 arable land study.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• FLNRORD (Agriculture)</li> <li>• Investment Agriculture Foundation</li> </ul>	Flex		●	●

**Initiative:** Tourism and Education

- Objectives:**
- Diversify tourism markets
  - Increase visitation and spending levels

**Rationale:** The recreational and eco-tourism potential of northeast BC is exceptional, with areas such as the Muskwa-Kechika potentially attractive on a global scale, but the region is virtually unknown within and outside the province, and is not being promoted that extensively. One of the advantages of tourism development is that it can be grown and controlled locally (in contrast to forestry and oil and gas which are driven by international forces), and it is also readily understood by foreign investors. However, it is noted that tourism represents a very small share of FDI in Canada, less than 1% (Statistics Canada 2015b). Moreover, existing tourism metrics for the northeast are not positive enough to attract much investment interest. Many operators are in fact serving the oil and gas business rather than leisure travellers, which creates a reliance on a highly cyclical industry, so the business model is atypical of a tourism venture. NRRM can target specific tourism investment initiatives, namely succession of existing businesses, high-end eco-tourism resorts/lodges that take advantage of the wilderness setting, and edu-tourism that utilizes community infrastructure. Indigenous tourism is also virtually unexplored.

### Actions

- Create an investment profile for a tourism developments that outlines pre-feasibility parameters that can be assembled as a lure piece to attract investment enquiries. A case study of Neighbours Inn in Prophet River whose owner came from Asia and subsequently invested new capital could be profiled. A profile could focus on the Muskwa-Kechika as a destination development opportunity.
- Monitor federal and provincial immigrant investor initiatives for application in the region. The Canadian Immigrant Investor Program was cancelled in 2014 amid controversy, but the [Immigrant Investor Venture Capital Pilot](#), as well as the ongoing Provincial Nominee Program are still active. These initiatives are mentioned here because unlike other resource industries, tourism capital is often associated with individual entrepreneurs who move to and live in the communities they invest in.
- Explore opportunities to support and collaborate with Fort Nelson First Nation in their tourism enterprises, especially in the areas of providing Indigenous learning and experiential tourism products.
- Explore with the Northern Lights College (NLC) and School District 81 (SD81) an initiative for attracting more international students to Fort Nelson, perhaps in conjunction either with outdoor recreation or the oil and gas sector. Both BC and Canada have prioritized international education and have dedicated resources to strategic partnerships.
- Prepare a lure piece that could be featured on the website and reproduced in hard copy that provides a narrative on a specific tourism investment opportunity such as a resort/lodge. The piece would include an overview of the opportunity, prefeasibility information, the advantages of working in the North Rockies region, and of course a call to action, inviting enquiries and follow-up.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• NBCT</li> <li>• NLC</li> <li>• SD 81</li> </ul>	Flex		●	●

**Initiative:** Development of Community Forestry

- Objectives:**
- Create local value from the forest resource in the region
  - Recreate capacity in the forest sector in the local area
  - Increase local employment
  - Foster a collaborative economic development project between FNFN and the NRRM

**Rationale:** A recent report by the Southern Interior Beetle Action Committee (SIBAC) and the BC Community Forest Association (BCCFA) highlighted the values being created by [community forests](#) across the province. Besides direct employment and revenues accruing to the local area associated with timber harvesting, community forests are playing a greater role by fostering other values such as tourism, recreation, botanical forest products, education, and value-added wood processing.

In addition, the BCCFA has been active in exploring value added wood opportunities for their members in the past and it is likely that they will once again begin exploring new ventures that can be implemented in rural communities across the province. The [BC Rural Centre](#) has documented several success stories on their website where rural communities have fostered their own wood processing opportunities to expand benefits from local forest resources.

Historically, Fort Nelson has been exposed to a small concentration of large forest licenses. While these companies created significant employment when in operation, their demise also created a large job loss when they closed permanently. Currently the NRRM and the FNFN are pursuing a Community Forests with an annual allowable cut in the range of 185,000 cubic metres. Moving forward this volume could play a strategic role in diversifying the “basket” of activities taking place in the forests sector and position the FNFN and NRRM to begin generating community wealth and revenue from the local forest resource in a balanced and diversified manner.

### Actions

- NRRM and FNFN have been working on a Community Forest application and this will continue.
- BCCFA did a presentation in Fort Nelson in October, 2017. The BCCFA provides extension services on a variety of community forest topics and a network of community forest operators. NRRM and FNFN should join BCCFA as a member and utilize their services and draw on the experiences of the community forest network.
- Investigate the [Burns Lake Community Forest](#) fibre share agreement and other such agreements that are linked to local wood processing and explore a strategic fibre agreement that could be used to support a local wood processing firm in the NRRM area.
- Undertake an RFP process with targeted value-added sector to identify private sector opportunities that may be interested in establishing local value-added opportunities.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• BC Government</li> <li>• BCCFA</li> <li>• FP Innovation</li> </ul>	High			

**Initiative:** Identification and Marketing of New Wood Processing Opportunities

- Objectives:**
- Create local value from the forest resource in the region
  - Recreate sustainable wood processing jobs in the local area
  - Increase local employment
  - Foster a collaborative economic development project between FNFN and the NRRM

**Rationale:** Across the province as sawmills close and logging activities become more mechanized, communities are seeing firsthand how quickly they can be detached from their local forest resource. This is particularly acute in smaller rural communities where the impacts have been disproportionately adverse. NRRM is no different, and in many ways, has seen a more severe impact as not only did all its major processing facilities close in 2008, but also logging activities have ceased as well.

While there is interest from outside the local area to see the forest, harvesting continue and raw logs shipped south to existing processing facilities, this is clearly not the goal of the local area. NRRM makes up most of the Fort Nelson Timber Supply Area, and this area is currently undergoing a timber supply review that will be completed in March 2018, with an allowable annual (AAC) cut determination being made by September 2018. This gives the NRRM an opportunity to actively participate in the discussion on the future AAC and the undercut that has occurred between 2008 and 2017.

In addition, NRRM has been undertaking the Forestry Rejuvenation Project and actively working to identify potential wood processing activities that might be viable in the local area. In 2017, FP Innovation was engaged to investigate the quality of aspen wood supply that might be available locally. Prior to this in 2015, Wood Markets explored the viability of several wood processing activities. Work continues on identifying suitable local value-added processing. This initiative builds on the initial research and focuses on the marketing and attraction of investment in the forest processing locally.

Actions

- Build on FP Innovations next steps from the Aspen Utilization study, explore further research tasks.
- Continue to follow up on opportunities identified by the FP Economic Advisors currently working for NRRM to identify value added firms that may be interested in locating in Fort Nelson.
- Liaison with Canfor to determine their plans for their tenure in the Fort Nelson TSA.
- Investigate the possible utilization of the kilns at the Canfor sawmill site. Investigate the potential of a community kiln that could support several value-added ventures from the one location.
- Continue to support Canfor in attracting a buyer for their OSB plant and industrial lands.
- Continue to liaison with forest sector businesses interested in developing processing in the local area.
- Work with the provincial government to ensure that the available deciduous wood after the expiry of the Pulp Wood Agreements is targeted to firm(s) that have established plans for local processing.
- Explore ways to target small volumes of specific fibre types (i.e., birch, log home logs, etc.) towards new small value-added ventures locally. This may involve specific agreements with licensees or a log sort system.
- Explore wood processing opportunities with the FNFN that they may have an interest in developing or partnering on.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
<ul style="list-style-type: none"> <li>• BC Government</li> <li>• FP Innovation</li> <li>• NDIT</li> </ul>	High	●	●	●

**Initiative:** Monitoring and evaluation

**Objectives:** • Standardized monitoring, evaluation and reporting framework

**Rationale:** NRRM can communicate economic development and investment attraction activities by defining expected outcomes and tracking performance. The underlying question to be answered is “Are FDI efforts making a difference, and if so, in what way?” The indicators and data used should lead to good decisions about what activities and programs are best for the region and its communities. At the same time, they should be useable by staff and board members to assist with broader communications and marketing activities.

### Actions

- Identify sources of for the objectives outlined in this plan.
  - **Outputs** such as clients served, investment attracted, website visits, program uptake and the like can be measured through internal tracking, using ExecutivePulse.
  - **Outcomes**, which are measures of additionality, for example employment and income levels, can be tracked using published data from statistical agencies.
- Establish a quarterly reporting period, with annual report summaries that compare year-over-year. Exceptions can be made in the case of special projects.

Partners	Priority Level	Timelines		
		2018-19	2020-21	2022-23
• Internal	High	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 9 CONCLUSION

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The Northern Rockies Regional Municipality's strengths continue to lie in its vast resource base supplying opportunities in the Oil and Gas, Forestry, and Tourism sectors. As the local focus group underscored, agricultural and geothermal capabilities are generally under-utilized and are worthy of the Regional Municipality's continued attention in order to take advantage of growth opportunities as they arise, however the larger and more established economic legs of the region's "Three Legged Stool" (Oil and Gas, Forestry, and Tourism) should remain as the Regional Municipality's main focus as it seeks to encourage greater amounts of outside investment of any kind from outside the Regional Municipality.

Chapter 6 outlined the interconnectedness of Investment Attraction (IA) efforts with Business Retention and Expansion (BRE) efforts, and Community Economic Development (CED) efforts. The NRRM has a strong track record in Marketing efforts (IA), a good relationship with its local businesses through the Chamber and otherwise (BRE), and a history of prioritizing initiatives that positively impact the communities quality of life (CED). To bolster Investment Attraction effectiveness, continued and effective attention to all three core services is important even as individual initiatives are tackled.

Moving forward, this Strategy consists of a number of independent recommended actions tied to specific opportunities, as well as a number of initiatives focused on efficient processes, effective tools and administrative tasks. Both of these types of actions and initiatives are important in the NRRM's efforts to attract greater amount of investment, however it is the administrative tasks that often set communities apart, establish a positive pattern of effective actions, and ensure that the community is constantly ready for unexpected opportunities. Administrative excellence has the added benefit of enabling a small team to evaluate its actions, see results, and execute changes to its work plans or strategy with confidence as new opportunities arise or are seen in the metrics that are more methodically collected.

The recommendations in this Strategy align with the Principals and 5-year Goals from section 8.1. Though the Regional Municipality has little influence on global markets, this Strategy will enable it to be better positioned to take advantage of opportunities as they arise, and to focus its efforts on strategic projects most likely to enable greater amounts of investment in the most promising regional economic sectors.

# 10 APPENDIX A - CURRENT SITUATION ASSESSMENT

## 10.1 POPULATION

Table 2 outlines the historical population for Northern Rockies Regional Municipality and Fort Nelson First Nations (collectively referred to as Northern Rockies) and compares this to British Columbia for the period between from 1986 and 2016. Over the past 30-year period, the population in the Northern Rockies Regional District has remained very stable moving from 5,325 in 1986 to 5,990 in 2016. However, there have been cycles of in and out migration with the community’s largest recorded population being reached in 2006 at 6,245 while the lowest population was in 1991 when it fell to 5,190. Meantime, the population for British Columbia has steadily increased from 3.0 million in 1986 to 4.8 million in 2016.

Table 2 Population and Population Change, 1986 to 2016

	Population		Percentage Change	
	Northern Rockies	BC	Northern Rockies	BC
<b>1986</b>	5,325	3,004,075	100.0%	100.0%
<b>1991</b>	5,190	3,373,400	97.5%	112.3%
<b>1996</b>	6,115	3,882,045	114.8%	129.2%
<b>2001</b>	5,970	4,076,880	112.1%	135.7%
<b>2006</b>	6,245	4,241,690	117.3%	141.2%
<b>2011</b>	6,055	4,499,140	113.7%	149.8%
<b>2016</b>	5,990	4,751,610	112.5%	158.2%

Source: BC Stats (1998) (2014) (2016)  
 Note: Northern Rockies population count includes the Northern Rockies Regional Municipality and Fort Nelson First Nation.

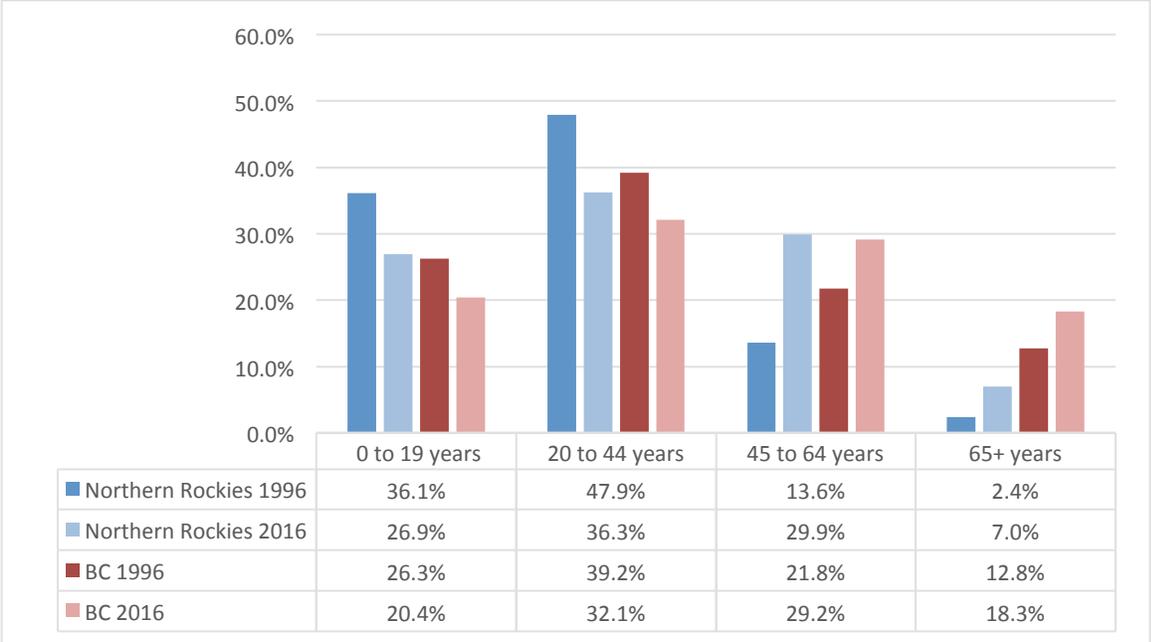
## 10.2 AGE CHARACTERISTICS

Northern Rockies age characteristics have changed over the past twenty years and is illustrated in Figure 1. Overall, the population under the age of 19 has declined from 36% in 1996 to 27% in 2016. The 2016 share of 27% remains noticeably higher than observed at the provincial level where 20% of the population was under the age of 19 years.

Meanwhile the working population, ages 20 to 64 years, has increased slightly, moving from 62% in 1996 to 66% in 2016. However, in this group, there has been a significant movement towards

the older end of this demographic with 30% of residents now aged between 45 and 64, compared to only 14% in 1996.

Figure 1: Population Change in Northern Rockies and BC, 1996 and 2016



Source: Statistics Canada (1996) (2017a)  
 Note: Northern Rockies refers to the Northern Rockies Regional Municipality and Fort Nelson First Nation community

Finally, the population 65 years and over has been increasing, growing in share from 2% in 1996 to 7% in 2016; however, this is considerably lower than the provincial level where over 18% of BC residents were 65 years of age or older in 2016.

### 10.3 MEDIAN AGE

The shift towards an older demographic is further illustrated by the median age over time. Table 3 outlines the change in median age between 2001 and 2016. Over the period the median age has risen from 29.7 years to 35.6 years in the Northern Rockies. Though this trend is consistent with province’s aging demographic trend, when compared to the province, the Northern Rockies has a much younger median age over the entire period.

Table 3 Median Age (in years) for Northern Rockies and BC (2001 to 2016)

	2001	2006	2011	2016
<b>Northern Rockies</b>	29.7	31.4	33.1	35.6
<b>BC</b>	38.4	40.8	41.9	43.0

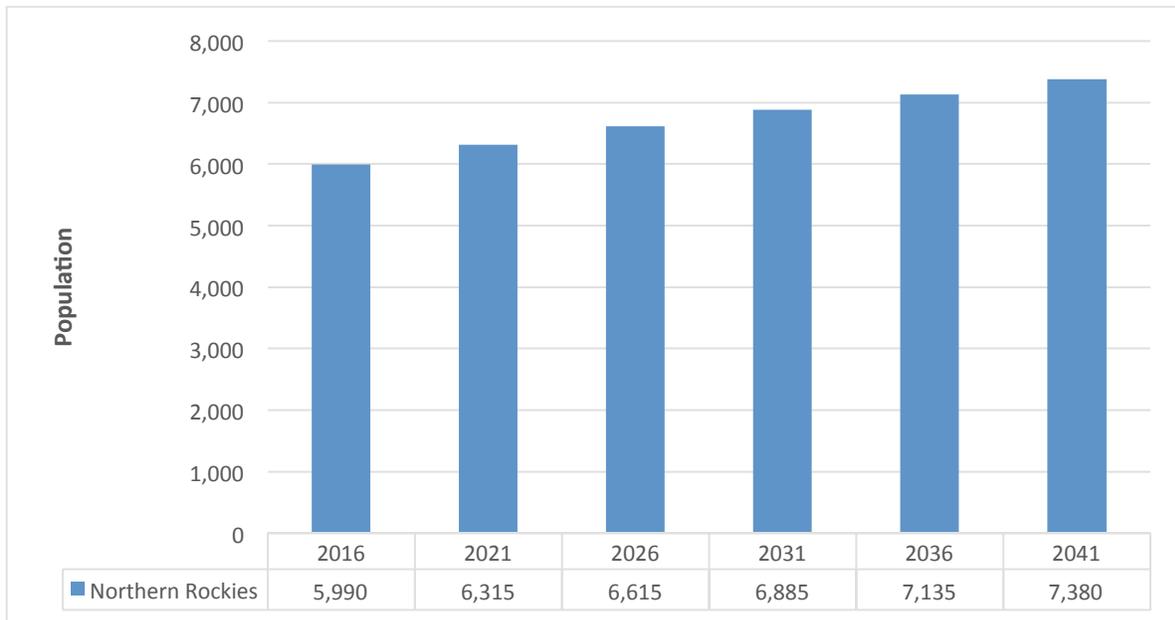
Source: Statistics Canada (2001a) (2007) (2012) (2017a).

Note: Northern Rockies refers to the Northern Rockies Regional Municipality and Fort Nelson First Nation community

## 10.4 PROJECTIONS

Figure 2 outlines the projected change in population in the Northern Rockies between 2016 and 2041. The Northern Rockies is anticipated to add a further 1,400 people between 2016 and 2041. If this trend holds it will represent a noticeable change in population growth when compared to the previous 30-year period (See Table 2 above).

Figure 2 Northern Rockies Population Projections, 2016 to 2041

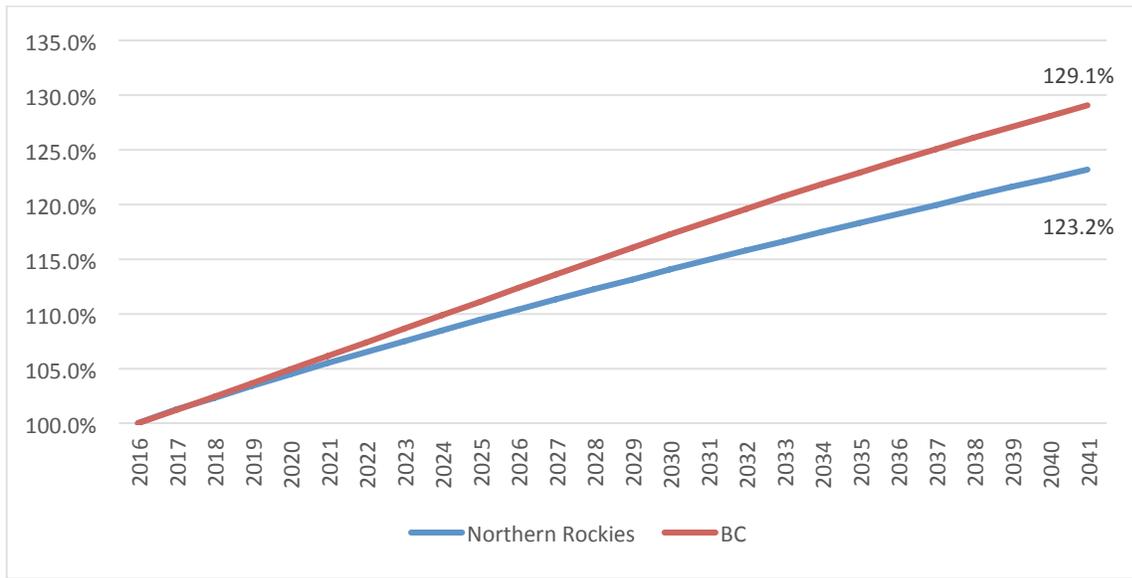


Source: Statistics Canada (2017a); BC Stats (2017a)

Note: Northern Rockies population count includes the Northern Rockies Regional Municipality and Fort Nelson First Nation

Figure 3 presents the percentage population change for Northern Rockies and British Columbia for the period from 2016 to 2041. Both the province and Northern Rockies are anticipated to experience healthy population growth over the 25-year period beginning in 2016.

Figure 3 Northern Rockies and British Columbia Population Change, 2016 to 2041



Source: BC Stats (2017a)

Note: Northern Rockies population count includes the Northern Rockies Regional Municipality and Fort Nelson First Nation

### 10.5 EDUCATION

Table 4 outlines the educational attainment for the Northern Rockies in 2016 and compares the shares by educational category with British Columbia. The educational attainment is based on the highest certificate, diploma or degree for residents aged 15 years and over. As illustrated, the Northern Rockies has a higher percentage of residents who have not graduated from high school when compared to the provincial average. In addition, the share of residents with university certificates, diplomas or degrees at a bachelor level or above is less than a third of the rate seen at the provincial level.

Table 4 Northern Rockies and BC Educational Attainment (2016)

	NRRD		BC
<b>No certificate; diploma or degree</b>	1,630	26.8%	15.5%
<b>Secondary (high) school diploma or equivalency certificate</b>	515	30.9%	29.4%
<b>Trades cert. or diploma other than Cert. of Apprenticeship or Qualification</b>	345	6.4%	3.7%
<b>Certificate of Apprenticeship or Certificate of Qualification</b>	220	6.9%	5.1%
<b>College; CEGEP or other non-university certificate or diploma</b>	845	18.3%	18.1%
<b>University certificate or diploma below bachelor level</b>	350	2.5%	3.6%
<b>University certificate; diploma or degree at bachelor level or above</b>	275	8.1%	24.6%
<b>Total</b>	4,180	100.0%	100.0%

Source: Statistics Canada (2017a)

Note: Northern Rockies includes the Northern Rockies Regional Municipality and Fort Nelson First Nation

## 10.6 INCOME

### Median Individual Personal Incomes

As outlined in Table 5, the median personal income for men and women in the Northern Rockies was noticeably above the provincial level in 2015. In fact, the rate of change in income between 1995 and 2015 for both men and women have been exceeding the rate of increase at the provincial level over the same period. However, the median income for women in the Northern Rockies still lags their male counterparts by a significant margin locally and only represents 52% of the share of the male personal income in 2015.

Table 5 Northern Rockies and British Columbia Median Individual Personal Income and Change (1995 - 2015)

	1995	2010	2015	Change 1995 - 2015
<b>Northern Rockies</b>				
<b>Male</b>	\$34,975	\$53,225	\$59,545	170%
<b>Female</b>	\$12,155	\$30,670	\$30,990	255%
<b>Total</b>	\$21,480	\$37,910	\$42,955	200%
<b>British Columbia</b>				
<b>Male</b>	\$26,425	\$35,625	\$40,370	153%
<b>Female</b>	\$15,235	\$23,625	\$27,545	181%
<b>Total</b>	\$19,980	\$28,765	\$33,010	165%

Source: Statistics Canada (1996) (2013) (2017a)

Note: Northern Rockies includes the Northern Rockies Regional Municipality and Fort Nelson First Nation

## Median Household Incomes

Figure 4 outlines the median household incomes for the Northern Rockies and British Columbia for the period between 1995 and 2015. In 1995, median household income in the Northern Rockies stood at \$53,260 or 26% above the provincial income level, which was \$42,160. In 2015 the Northern Rockies households had median income of \$89,525. This was 27% above the provincial median household income of \$69,995.

Figure 4 Northern Rockies and BC Median Household Income (1995 -2015)



Source: Statistics Canada (1996) (2001a) (2007) (2013) (2017a)  
 Note: Northern Rockies includes the Northern Rockies Regional Municipality and Fort Nelson First Nation

## Personal Income By Source

Table 6 provides a closer look at personal income sources for 2015 in the Northern Rockies and British Columbia. For the Northern Rockies, employment income dominates as an income source as 3,470 or 83.1% of all personal income earners had some employment income in 2015. This group typically had a median personal income of \$42,990 from earned income. In addition, government transfers were received by 2,430 residents in the Northern Rockies, or 58.2% of all those who earned personal income in 2015. This group received a median income of \$3,544 in 2015.

When compared to British Columbia, the employment income amount from employment income is noticeably higher at 88.3% when compared to the provincial value of 71.7%. Conversely, government transfers are noticeably lower as the Northern Rockies has 58.2% of

residents earning government transfers, while at the provincial level it is 67.9%. The primary reason for this difference, is the lower share of the population over 65 years of age in the region when compared to the province. In the Northern Rockies only 6.9% of residents reported earned income from Old Age Security while 18.4% at the prevail level. The Northern Rockies did however, have twice the share of residents reporting Employment Insurance income in 2015 as observed at the provincial level.

**Table 6 Northern Rockies and BC Detailed Personal Income By Source, 2015**

	Northern Rockies Regional District			British Columbia		
	With an amount	% with an amount	Median amount	With an amount	% with an amount	Median amount
<b>Total income</b>	4,015	96.2%	\$42,955	3,727,360	96.3%	\$33,012
<b>Market income</b>	3,685	88.3%	\$43,166	3,363,310	86.9%	\$31,585
<b>Employment income</b>	3,470	83.1%	\$42,990	2,775,010	71.7%	\$31,713
<b>Investment income</b>	1,025	24.6%	\$405	1,351,485	34.9%	\$1,038
<b>Private retirement income</b>	275	6.6%	\$12,416	593,465	15.3%	\$15,281
<b>Market income not included elsewhere</b>	525	12.6%	\$1,526	615,650	15.9%	\$1,203
<b>Government transfers</b>	2,430	58.2%	\$3,544	2,628,215	67.9%	\$4,592
<b>Old Age Security pension</b>	290	6.9%	\$6,806	711,590	18.4%	\$6,805
<b>Canada Pension Plan and QCP</b>	525	12.6%	\$7,174	921,645	23.8%	\$7,504
<b>EI benefits</b>	555	13.3%	\$6,794	275,260	7.1%	\$5,169
<b>Child benefits</b>	690	16.5%	\$3,373	474,605	12.3%	\$3,406
<b>Other government transfers</b>	1,495	35.8%	\$457	1,753,640	45.3%	\$471

Source: Statistics Canada (2017b)

Note: Northern Rockies includes the Northern Rockies Regional Municipality and Fort Nelson First Nation.

## 10.7 LABOUR FORCE

Table 7 compares the goods-producing and service-producing labour forces of British Columbia and the Northern Rockies Regional District for 2006 and 2016. Over the past ten years the Northern Rockies Regional has experienced a sharp decline in its labour force experiencing an almost 22% decline. Much of this decline has been concentrated in the goods-producing sectors which collectively are down by 36.7%. Conversely, the BC labour force has experienced overall growth of 11.3%. This has been driven by the service producing sector, while the goods producing sector has maintained its labour share over the period.

Table 7 Allocation of Employment to Goods and Services Production, 2006 and 2016

Industry Class	Northern Rockies			British Columbia		
	2006	2016	% Change	2006	2016	% Change
<b>Goods producing</b>	1,405	890	-36.7%	462,980	461,115	-0.4%
<b>Services producing</b>	2,485	2,160	-13.1%	1,730,130	1,979,190	14.4%
<b>Total</b>	3,890	3,050	-21.6%	2,193,110	2,440,305	11.3%

Source: Statistics Canada (2007) (2017a)

Note: Northern Rockies includes the Northern Rockies Regional Municipality and Fort Nelson First Nation.

## 10.8 EMPLOYMENT CONCENTRATION

Location quotients are a tool for comparing a community's labour force distribution with a benchmark area (in this case BC) to identify comparative advantages and disadvantages. A location quotient of 1.0 for a basic sector indicates that the region employs the same proportion of its labour force in that sector as the province does, and that the region has no comparative advantages or disadvantages. A location quotient of greater than 1.0 indicates that relatively more people are employed in that sector, and that there are comparative advantages at work.<sup>1</sup> Conversely, a location quotient of less than 1.0 indicates that there are relatively fewer people employed in that sector, and that there are likely comparative disadvantages affecting activity.

Table 8 shows how the Northern Rockies' employment concentration by industry has changed between 2001 and 2016. The goods-producing industries of mining, quarrying and oil and gas extraction have by far, had the highest location quotients over the four census periods, which is to be expected given the importance of oil and gas activities to the local economy. Perhaps surprisingly, utilities has also been noticeably strong through the period. In addition, manufacturing, which at one time had a strong forestry component, has seen a marked decline over the past 15 years.

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<sup>1</sup> The comparative advantages are not identified. The location quotient analysis assumes that a region has proportionally more employment than what it is being compared against (in this case, the province of BC). The region possesses comparative advantages vis-à-vis the benchmark (BC). The comparative advantages are relative so using another benchmark, such as Canada or a city, would give a different result.

Table 8 Location Quotients for Major Industry in Northern Rockies

	2001	2006	2011	2016
<b>11 Agriculture; forestry; fishing and hunting</b>	1.39	1.29	0.17	0.69
<b>21 Mining; quarrying; and oil and gas extraction</b>	7.05	9.82	17.76	11.32
<b>22 Utilities</b>	8.22	5.25	3.45	3.60
<b>23 Construction</b>	1.00	0.95	2.12	1.26
<b>31-33 Manufacturing</b>	2.52	1.50	0.17	0.52
<b>41 Wholesale trade</b>	0.92	1.04	0.46	0.69
<b>44-45 Retail trade</b>	0.64	0.88	0.96	0.89
<b>48-49 Transportation and warehousing</b>	1.72	1.74	1.17	1.62
<b>51 Information and cultural industries</b>	0.22	0.48	0.65	0.42
<b>52 Finance and insurance</b>	0.61	0.27	0.40	0.48
<b>53 Real estate and rental and leasing</b>	0.43	1.33	2.20	1.26
<b>54 Professional; scientific and technical services</b>	0.13	0.35	0.45	0.35
<b>55 Management of companies and enterprises</b>	0.00	0.00	0.00	0.00
<b>56 Admin &amp; support; waste manag. &amp; remediation services</b>	0.64	0.81	1.16	1.01
<b>61 Educational services</b>	0.58	0.87	0.67	1.08
<b>62 Health care and social assistance</b>	0.42	0.37	0.47	0.53
<b>71 Arts; entertainment and recreation</b>	0.28	0.44	0.76	0.49
<b>72 Accommodation and food services</b>	1.27	1.48	1.51	0.92
<b>81 Other services (except public administration)</b>	1.17	0.89	0.85	1.31
<b>91 Public administration</b>	1.19	1.07	1.38	1.40

Source: Statistics Canada (2001b) (2011) (2013) (2017a)

Note: Northern Rockies includes the Northern Rockies Regional Municipality and Fort Nelson First Nation.

The Northern Rockies does not perform as well in most service industries, which is not unexpected given that most communities outside the Lower Mainland rely more on resource development for their economic bases (and thus less on services). Spending leakages to regional centres also helps explain lagging service employment. Still, in the Northern Rockies, real estate, rental and leasing businesses have performed well, perhaps because of the large share of shadow population associated with the oil and gas industry. Of note is the very low location quotient in Professional, Scientific and Technical Services, which again is frequently low in rural areas and smaller communities. However, it is also a sector that is growing rapidly provincially and nationally. Job growth in the future will depend in part on expanding activity in this important and growing industry.

The labour force data used in Table 8 is modelled differently to illustrate the shifting structure of the economy in Table 9. The location quotient analysis has already demonstrated that comparative advantages may still exist whether or not an industry is actually growing. Between 2001 and 2016, the North Rockies lost 425 jobs—the shift-share analysis attempts to shed some light on the causal nature of that decline by breaking down the change in employment by industry group into three components:

1. ***Growth or decline arising from general employment growth in the Northern Rockies***  
If provincial employment is growing then it is reasonable to expect regional and industry growth to be increasing as well. This provincial growth effect is determined by multiplying 2001 base employment by the percentage change in total BC employment between 2001 and 2016.
2. ***Growth or decline arising from the nature of industry in the Northern Rockies***  
The industry mix is calculated by multiplying 2001 base employment by the percentage change in overall employment between 2001 and 2016 in BC, for that industry.
3. ***Growth or decline attributable to the specific conditions of the Northern Rockies***  
This third component is the residual remaining. This local competitive effect is arrived at by multiplying the 2001 base employment by the percentage change in that industry's employment between 2001 and 2016 in the Northern Rockies, less the percentage change in the industry for BC as a whole.

The provincial effects are all positive because overall provincial employment increased between 2001 and 2016. The industry effects differ substantially by industry and it can be seen that industries important to the Northern Rockies, namely forestry and manufacturing, took the biggest hits.

The local competitive effects, the area where the Northern Rockies has the greatest ability to influence as a community, is the residual employment. In this component, the Northern Rockies was positive in information and cultural industries, real estate and rental and leasing, professional, scientific and technical services, and educational services, but negative for all other industries. Large local effects, such as manufacturing, accommodation and food services, and construction indicate that the change in local employment is not easily explained by overall provincial or industry employment changes. In fact, it is well known that closures and downsizings in wood processing capacity and forestry activities has hit the region hard, which might also explain the poor local performance in accommodate and construction employment as they are both highly sensitive to the loss of population precipitated by declining forestry activity.

Table 9 Shift-Share Analysis of Major Industry in Northern Rockies RM, 2001-2016

	Provincial Growth	Industrial Mix	Local Competitive	Total
<b>11 Agriculture; forestry; fishing and hunting</b>	27	-22	-79	-74
<b>21 Mining; quarrying; and oil and gas extraction</b>	53	220	-173	100
<b>22 Utilities</b>	32	11	-142	-99
<b>23 Construction</b>	54	181	-191	44
<b>31-33 Manufacturing</b>	112	-103	-454	-445
<b>41 Wholesale trade</b>	25	-1	-74	-50
<b>44-45 Retail trade</b>	52	55	-52	55
<b>48-49 Transportation and warehousing</b>	61	37	-137	-39
<b>51 Information and cultural industries</b>	4	2	9	15
<b>52 Finance and insurance</b>	16	13	-54	-25
<b>53 Real estate and rental and leasing</b>	7	11	31	49
<b>54 Professional; scientific and technical services</b>	7	15	28	50
<b>55 Management of companies and enterprises</b>	0	0	0	0
<b>56 Admin &amp; support; waste manag.</b>	19	33	-13	39
<b>61 Educational services</b>	30	35	20	85
<b>62 Health care and social assistance</b>	31	53	-59	25
<b>71 Arts; entertainment and recreation</b>	5	6	-2	9
<b>72 Accommodation and food services</b>	72	84	-270	-114
<b>81 Other services (except public administration)</b>	40	28	-83	-15
<b>91 Public administration</b>	51	27	-113	-35
<b>Total</b>	<b>698</b>	<b>685</b>	<b>-1808</b>	<b>-425</b>

Source: Statistics Canada (2001b) (2017a)

## 10.9 ESTABLISHMENT SIZE AND TRENDS

Table 10 outlines the number of establishments by location and with employees in the Northern Rockies and British Columbia between 2010 and 2016. As illustrated, the number of establishments with employees has declined over the period decreasing by 31 or 7.9% between 2010 and 2016. Over the same period the province has experienced an increase of 11.1% in the number of establishment locations with employees.

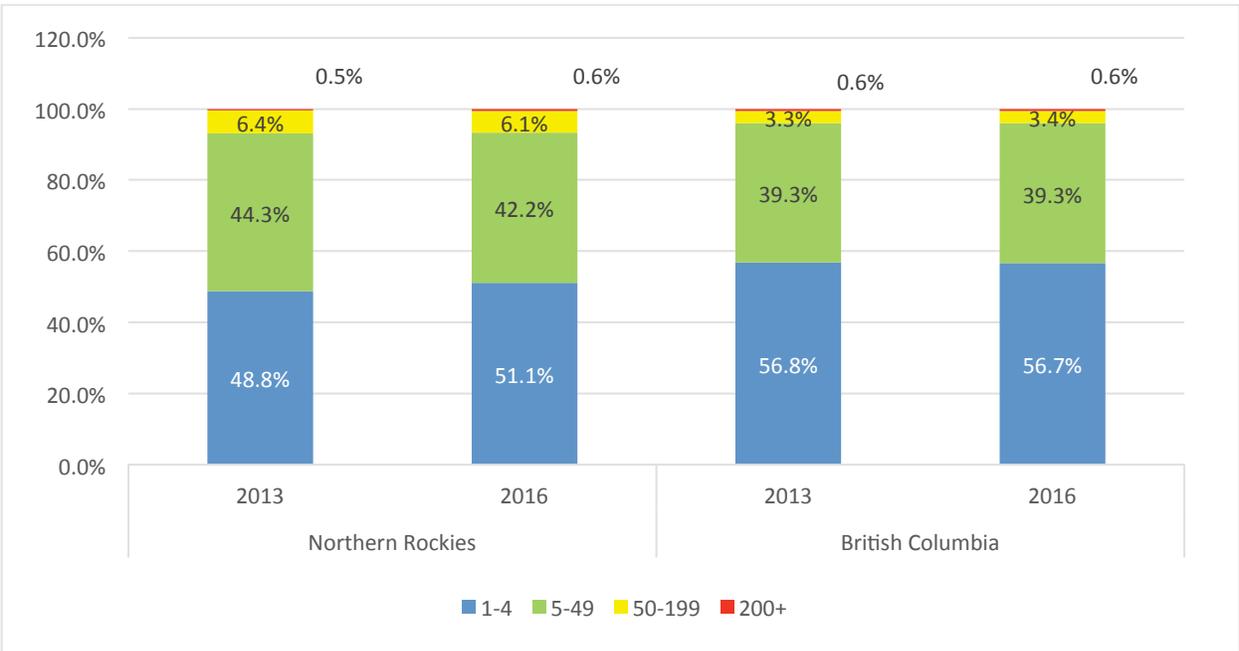
Table 10 Number of Establishment Locations in Northern Rockies and BC, 2010-2016

	2010	2011	2012	2013	2014	2015	2016
<b>Northern Rockies RM</b>	393	394	423	429	412	392	362
<b>BC</b>	175,913	175,589	175,950	183,667	190,384	192,260	195,980

Source: BC Stats (2017b)

Figure 5 highlights the number of establishment locations based on the range of employees employed. As illustrated, and as expected, establishments with one to four employees making up the largest number of establishments representing just under 50% in the Northern Rockies in 2013, growing to a share of 51% by 2016. This is a smaller share than experienced at the provincial level. Businesses that have employees between 5 and 49 represented 44.3% in 2013 and 42.2% in 2016. This is slightly larger than experienced at the provincial level. The Northern Rockies has about twice the share of the businesses with employee levels between 50 and 199 when compared to the provincial share.

Figure 5 Distribution of Establishment Locations by Number of Employees, 2013 and 2016



Source: BC Stats (2017b)

### 10.10 ESTABLISHMENTS BY INDUSTRY

Table 11 shows the establishment count locations with employees for the Northern Rockies and compares the establishment shares with those observed at the provincial level. As illustrated, in 2014, the Northern Rockies had a significantly larger share of establishments in mining, quarrying and oil and gas extraction than observed at the provincial level. The region also had a larger share of establishments in transportation and warehousing. Conversely, the District had a small percentage of establishments in the agriculture and forestry, manufacturing, health care and social assistance and professional, scientific and technical services than generally observed at the provincial level. In total there were 406 establishment locations with employment in December 2014.

Table 11 Northern Rockies and BC Establishment with Employees by Location (Dec 2014)

	Northern Rockies		BC
<b>11 - Agriculture, forestry, fishing and hunting</b>	6	1.5%	3.6%
111 - Crop production	0		
112 - Animal production and aquaculture	1		
113 - Forestry and logging	3		
114 - Fishing, hunting and trapping	0		
115 - Support activities for agriculture and forestry	2		
<b>21 - Mining, quarrying, and oil and gas extraction</b>	30	7.4%	0.7%
211 - Oil and gas extraction	13		
213 - Support activities for mining, and oil and gas extraction	17		
<b>22 - Utilities</b>	3	0.7%	0.1%
<b>23 - Construction</b>	58	14.3%	11.5%
<b>31-33 - Manufacturing</b>	2	0.5%	3.8%
<b>41 - Wholesale trade</b>	21	5.2%	4.9%
<b>44-45 - Retail trade</b>	39	9.6%	10.8%
<b>48-49 - Transportation and warehousing</b>	72	17.7%	4.3%
<b>51 - Information and cultural industries</b>	4	1.0%	1.4%
<b>52 - Finance and insurance</b>	2	0.5%	3.6%
<b>53 - Real estate and rental and leasing</b>	15	3.7%	5.0%
<b>54 - Professional, scientific and technical services</b>	29	7.1%	11.0%
<b>55 - Management of companies and enterprises</b>	4	1.0%	1.2%
<b>56 – Admin. &amp; support, waste manag. &amp; remediation services</b>	20	4.9%	4.5%
<b>61 - Educational services</b>	4	1.0%	1.4%
<b>62 - Health care and social assistance</b>	13	3.2%	9.0%
<b>71 - Arts, entertainment and recreation</b>	4	1.0%	1.5%
<b>72 - Accommodation and food services</b>	28	6.9%	6.5%
721 - Accommodation services	15		
722 - Food services and drinking places	13		
<b>81 - Other services (except public administration)</b>	36	8.9%	8.4%
<b>91 - Public administration</b>	3	0.7%	0.5%
<b>Unclassified</b>	13	3.2%	6.3%
<b>Total</b>	<b>406</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Statistics Canada (2015a)

Note: Northern Rockies includes the Northern Rockies Regional Municipality and Fort Nelson First Nation.

## 10.11 MACROECONOMIC TRENDS

Foreign Direct Investment is influenced by both internal conditions and macro-economic events and trends. The following paragraphs identify some prominent developments that are affecting foreign direct investment in the developed world.

**Trade and financial markets have become globalized International.** Trade has increased dramatically over the last two decades. Global exports as a share of global GDP increased from just below 20% in the early 1990s to over 30% at the peak of the financial crisis in 2007-08. Despite recent setbacks to trading activities such as BREXIT and emerging challenges around renegotiations with NAFTA, trade relations are clearly emerging as a key wealth generator and will continue to expand as companies and countries see the values of integrated trade. Domestically, the recent free trade agreement with the European Union, and potential agreement with Pacific Rim countries and other jurisdictions will amplify the effects of globalization.

**Fragile globalization in a multipolar world.** Fears about weakening enthusiasm for globalisation have, seemingly, been realised in the past few years. However, there are numerous variables that will shape whether the purported antitrade environment of 2016 lasts to 2035. In the most likely scenario, globalisation patterns will be shaped less by politics and more by structural factors. Global trade is steady as a percentage of global growth, likely due to China's reorientation towards domestic consumption and the maturing of trade in goods. A more services-oriented economy will have different requirements for global trade governance, but Beijing, Brussels, and Washington will remain the key decision points for global economic affairs. (CEPS. 2017)

**Emerging markets have now emerged.** The IMF predicts that the total GDP of emerging markets will soon overtake that of developed economies. They already attract almost 50% of foreign direct investment (FDI) global inflows and account for 25% of FDI outflows (Martin 2014). By 2050, six of the seven largest economies in the world could be emerging markets (PwC 2017). There are two dimensions to this phenomenon, the first being the heightened competition for FDI that regions in the developed world will have to respond to if they wish to expand their production capacity. And second, emerging market companies will increasingly make outbound investments into other emerging and developed economies.

**Industrial and technological revolution.** By 2035, technological advances will have a major impact on the social and economic foundations of society, potentially more far-reaching than the initial phase of computerisation from the 1980s onwards. Technologies involving automation and machine learning have the potential to disrupt job markets, making millions of jobs obsolete. As technologies like self driving cars begins to proliferate, governments at all levels will be faced with questions of adaptation, governance, and human development. Countries will be forced to

consider how much of their core information infrastructure they will permit to be run by companies domiciled in other countries. (CEPS. 2017)

**Global population growth and urbanization continues to grow.** The world's population is currently 7.6 billion and is expected to grow to 9.8 billion by 2050, with most of this growth in Asia (UN 2017a). The global population is expected to continue growing, but at a slower rate. It will also get gradually older as life expectancies rise. An expanding middle class living in urban areas will stimulate business and significantly increase demand for physical and soft infrastructure (Martin 2014).

**Environmental and sustainability issues have become a prominent component of future economic development.** Preliminary estimates suggest that the level of global energy-related CO<sup>2</sup> emissions increased in 2017 after remaining flat for three consecutive years. The frequency of weather-related shocks continues to increase, also highlighting the urgent need to build resilience against climate change and prioritize environmental protection (UN 2017b). Policymakers across the world face a number of challenges if they are to achieve sustainable long-term economic development. Structural developments, such as ageing populations and climate change, require a forward-thinking policy which equips the workforce to continue to make societal contributions later on in life and promotes low carbon technologies. Overall, as the environmental crisis deepens, leaders must embed sustainable cultures as critical natural resources run out (Koren Ferry HayGroup 2017).

**The Canadian economy is undergoing profound structural change.** The Canadian economy was built on the exploitation of extractive resources whose economic rents allowed companies to prosper, gave workers relatively high wages and helped grow communities and regions. However, increased worldwide production, increased business costs, substitution effects and other competitive drivers eventually eliminated those rents and the competitive advantage producers used to benefit from. Primary and other manufacturing industries have all experienced this transition and are no longer able to provide the tax, employment, income and other economic benefits that they once did.

**Manufacturing is on the decline.** The economies of industrialized, western nations continue to experience a transition from goods production to service production due to globalization, competition from developing and emerging markets and the increasing adoption of technology, particularly computer systems and the Internet. Manufacturing capacity has shifted overseas to lower cost jurisdictions, with less onerous environmental regimes and proximity to emerging markets. In Canada, manufacturing currently directly accounts for about 10% of Canadian GDP, down from close to 20% in the year 2000 and as high as 30% in the early 1950s (RBC 2017). However, this trend is not necessarily universal, homogenous or uni-directional; as capacity

becomes more globally balanced some developed regions will inevitably experience new areas of growth.

**Technology is on the ascendency.** Manufacturing is increasingly technology-led with integrated software systems, flexible and innovative manufacturing concepts, virtual production through computer modelling, sophisticated supply chain management and the like. Production centres that are not considered a competitive advantage, including many routine business functions (such as basic manufacturing and customer service desks) are being outsourced, with technology as the enabling mechanism.

**Competition for human capital is intense.** Throughout the World there is approximately 201 million workers unemployed, or 5.8% of the labour force (International Labour Organization 2017). Yet many employers are saying they cannot find the workers with the skills they need. There is a growing skills gaps with youth unemployment, which is a specific area of concern. In addition, skilled labour is increasingly becoming more mobile with workers now moving around the globe in search of work.

**Food, water and energy are the most valued commodities.** Global population growth will increase demand for food, water and energy resources worldwide (National Intelligence Council 2012). Canada has these commodities in abundance and is well positioned to increase trade in related products and services.

**Globalization has changed the ground rules for economic development.** Globalization has created a new playing field for economic development practitioners that places increasing emphasis on the need for locally-driven and measurable programs. First, it has forced them to evaluate, justify and articulate their competitive advantages in a global context. Second, it has highlighted the inherent advantages of focusing on existing firms as centres of growth or development. Third, it has put more emphasis on the potential of young companies and entrepreneurs that represent the new jobs in the future. And finally, it has shifted brand recognition to a global and not simply a regional or even national setting (Morfessis and Malachuk 2011).

In the context of global and national socio-economic trends, there is a growing level of participation in regional economic development collaboratives. Cooperation and active collaboration is supplanting competition, particularly in terms of place marketing where regions are much more likely to build leveraged programs that can connect with decision-makers than individual communities (Berzina 2014).

Regions then become attractive, not by selling their physical space but by selling themselves as a community with the right combination of business and social attributes that fit the new economy.

Raising the bar on the skilled, experienced, and educated labour pool through increasing education attainment levels, continuing education and training opportunities (especially for in-demand technical and professional skills) and greater involvement of the private sector in human development programs is an emerging trend. Local education, workforce training, and talent attraction and retention issues has become more prominent among practitioners.

Enhancing 'quality of life' features that serve the recruitment and retention of technologists, technicians, skilled trades and professionals is also becoming a key economic development focus. Quality of life is determined by reasonable housing costs, strong basic education achievement, access to colleges and universities, low crime rate, accessible health services, diverse retail, personal and business service capacity, cultural vibrancy, healthy tourism sector, efficient transportation systems and an attractive, clean environment.

Creating a positive and actively supportive business climate with a reliable, efficient development process, cohesive land use and zoning that encourages appropriate business expansion and retention and the deployment of infrastructure that will catalyze private investment is allowing leading edge communities to change their economic direction in a positive fashion.

## 10.12 KEY SECTORS

The Northern Rockies is made up of several major industries that create the community's economic base. The following snapshots focus on sectors that represent potential targets for future development because of their employment and income impacts.

### Oil and Gas

The Northern Rockies is seen as the Shale Gas Capital of Canada and has seen tremendous up-tick in activity over the recent past, both in the number of new businesses and interest in development opportunities in the area. Historically, oil and gas has ranged from four to twenty-three percent of the total basic economy locally and likely higher than recorded values after 2006. By the end of 2012, shale gas land tenure sales were brisk with the province taking in over \$3.6 billion in land sales and royalties in the Horn River and Liard Basins (NRRM 2017a). However, this activity has curtailed significantly with the down turn in the oil and gas prices in 2014, and the sector has seen a noticeable slowdown locally since. Currently major projects such as phase 2 of the Cabin Gas Processing facility have been placed on hold due to the current pricing climate.

Despite the downturn, the oil and gas sector remains a significant employer locally with an estimated labour force in oil and gas of 380 in 2016, and direct activities making up 11 percent of the total labour force locally (Statistics Canada 2018). Unfortunately, the local oil and gas labour force has declined from 435 in 2011, a decline of almost 13 percent in five short years. Table 12

highlights the longer-term trend of how the oil and gas labour force has climbed over the ten-year period between 2001 and 2011 and then fallen back between 2011 and 2016.

Table 12: Northern Rockies Oil and Gas Sector Labour Force, 2001 to 2016.

	2001	2006	2011	2016
<b>211 Oil and Gas Extraction</b>	95	145	230	205
<b>213 Support Activities for Mining and Oil and Gas Extraction</b>	155	195	205	175
<b>Total</b>	250	340	435	380

Source: Statistics Canada (2001b) (2006) (2011) (2018)

Not outlined in the direct labour force is the number of jobs supported by oil and gas locally, which has also declined over the period. In addition, a large shadow work force is involved in the northern oil and gas industry and this work force has also shrunk in the Northern Rockies area, creating employment declines throughout Alberta and British Columbia.

## Forestry

The Fort Nelson Timber Supply Area (TSA) is the second largest in British Columbia by area and covers an area of almost 9.9 million hectares in the north-eastern corner of the province, within the Northern Interior Forest Region (BC Ministry of Forests and Range. 2006). The TSA is located entirely in the Boreal forest with mixed wood stands (coniferous and deciduous species) being predominant through a significant portion of the timber profile (NRRM 2015).

Historically, the region had a very active forest sector with basic sector employment making up between forty-six percent and twenty-seven percent of total basic sector economic activity before totally collapsing in 2008. In the early 1970's, Sikanni Forest Products had a rough-cut sawmill established just outside of the town of Fort Nelson. Between the late 1970's and 1990's Tackama Forest Products opened a sawmill and plywood plant and Fort Nelson Forest Industries opened a sawmill. The 1990's saw Slokan Forest Products purchase the Tackama Forest Products Mills and Fort Nelson Forest Industries, which eventually became the property of Canfor Corporation with their purchase of Slokan in 2003.

Meanwhile, the Fort Nelson Forest Industries site was transformed into an OSB plant in 1995. From 1990-95 Fort Nelson also had a chopstick mill which operated using deciduous species. Market conditions led to the closure of the sawmill in 2005, the OSB plant in June 2008, and the plywood mill in October 2008. The location of these mill sites was an industrial area approximately 8-10 kilometers south of Fort Nelson, west of highway 97. (NRRM 2015)

The current Allowable Annual Cut (AAC) was established by the Chief Forester's decision in 2006 and saw the AAC increased to 1,625,000 m<sup>3</sup> per year. At the same time the requirement for

separate harvest flows from the conifer and deciduous forest components was removed (FLNRO 2017).

Despite the resource availability, the forest sector employment is a fraction of what it was when the sawmill, OSB Plant and plywood plant operated prior to shut down in 2008. As illustrated in Table 13, a small labour force remains in the logging sector and wood processing sectors locally. In total, it is estimated that only about 50 workers were employed locally in the industry in 2016. This is down substantially from approximately 640 forest sectors workers employed locally in 2006, but does represent an increase over 2011.

Canfor is currently looking for a buyer for the PolarBoard facility and the associated licenses that Canfor has in the region. Finding a suitable investor who would restart the mill in the region and would create a significant upswing in forestry activity in the region. However, considerable time has already passed since the mill closure in 2008 and as time passes it appears that new investors are hesitant to purchase these assets. In addition, there is growing interest within the forest sector to access the region’s deciduous fibre supply and export these volumes to southern sawmills that are now experiencing fibre shortages. Unfortunately, transferring raw logs from the region will create minimal local employment. The community remains committed to working with the province to see the vast available resource allocated in a way to generate local economic benefits.

Table 13: Northern Rockies Forest Sector Labour Force, 2001 to 2016.

	2001	2006	2011	2016
<b>113 - Forestry and Logging</b>	60	115	0	25
<b>1153 - Supportive Activities for Forestry</b>	45	35	0	0
<b>321 - Wood Products Manufacturing</b>	515	490	20	25
<b>Total</b>	620	640	20	50

Source: Statistics Canada (2001b) (2006) (2011) (2017a)

## Agriculture

Agriculture remains a viable way of life for many Northern Rockies residents and the region enjoys above average sunshine annually. The region averages 2028 hours of sunshine annually which is significantly more hours than many southern areas (Current Results 2017). The success of crops, local food security, the health of livestock, and the availability of land are all measures of the potential for growth of this industry locally. The initiation of a Public Farmers Market in the summer of 2010 showed growing support from the community, while the annual development of two Community Gardens demonstrates growing signs of interest in local agriculture. (NRRM 2017)

While agriculture represents a small portion of the community’s economic base, it remains an important land use in settled areas and contributes to local quality of life. In 2016, there was 24

farms in the Northern Rockies Regional District, which collectively had a market value of \$38.5 million. Of this total, land and buildings represented \$30.7 million. (Statistics Canada 2017c)

The \$38.5 million value represents a \$12.1 million increase over 2011 when 28 farms had a total market value of \$26.4 million. In 2016, 17 farms reported livestock and poultry valued at \$3.8 million. This was up noticeably from when 19 farms reported a value of \$975,000 in 2011. (Statistics Canada 2017d)

As illustrated in Table 14, farms ranged in size from under 10 acres to over 3,520 acres. When compared to 2011, the number of farms reporting 10 acres or less has doubled, while the number of farms over 3,520 has also increased (Statistics Canada 2017d).

Farm income is rising in the region with the most noticeable change since 2011 is the number of farms earning over \$50,000 in 2016, this number has doubled from 3 to 6. Overall, farms generated \$1.25 million in gross receipts in 2016, which was more than double the \$0.55 million in gross receipts generated in 2011 by the local farming community. Of the 24 farms reporting in 2016, 11 farms reported gross receipts of \$10,000 or less; while 9 reported income between \$10,000 and \$99,999, the remaining 4 reported gross receipts over \$100,000 (Statistics Canada 2017f). Despite the increase in gross receipts, only 5 farmers reported a total of 9 paid employees in 2016. This was up marginally from 2011 when 8 paid employees were reported.

Table 14: Northern Rockies Farms by Size, 2016 (Acres)

	2011	2016
<b>Farms under 10 acres</b>	3	6
<b>Farms 10 to 239 acres</b>	5	4
<b>Farms 240 to 559 acres</b>	8	4
<b>Farms 560 to 1,599 acres</b>	7	4
<b>Farms 1,600 to 3,519 acres</b>	5	4
<b>Farms 3,520 acres and over</b>	0	2
<b>Total</b>	<b>28</b>	<b>24</b>

Source: Statistics Canada (2017e)

Farming activity in the region is varied with animal production including 4 farms reporting beef cattle ranching, 6 farms reported other animal production, and 3 farms identifying horse and other equine production. Among crop production, 8 farms reported hay production, while 3 farms reported greenhouse, nursery and floriculture production, 2 farms reported vegetable production and 2 farms reported floriculture production. (Statistics Canada 2017f)

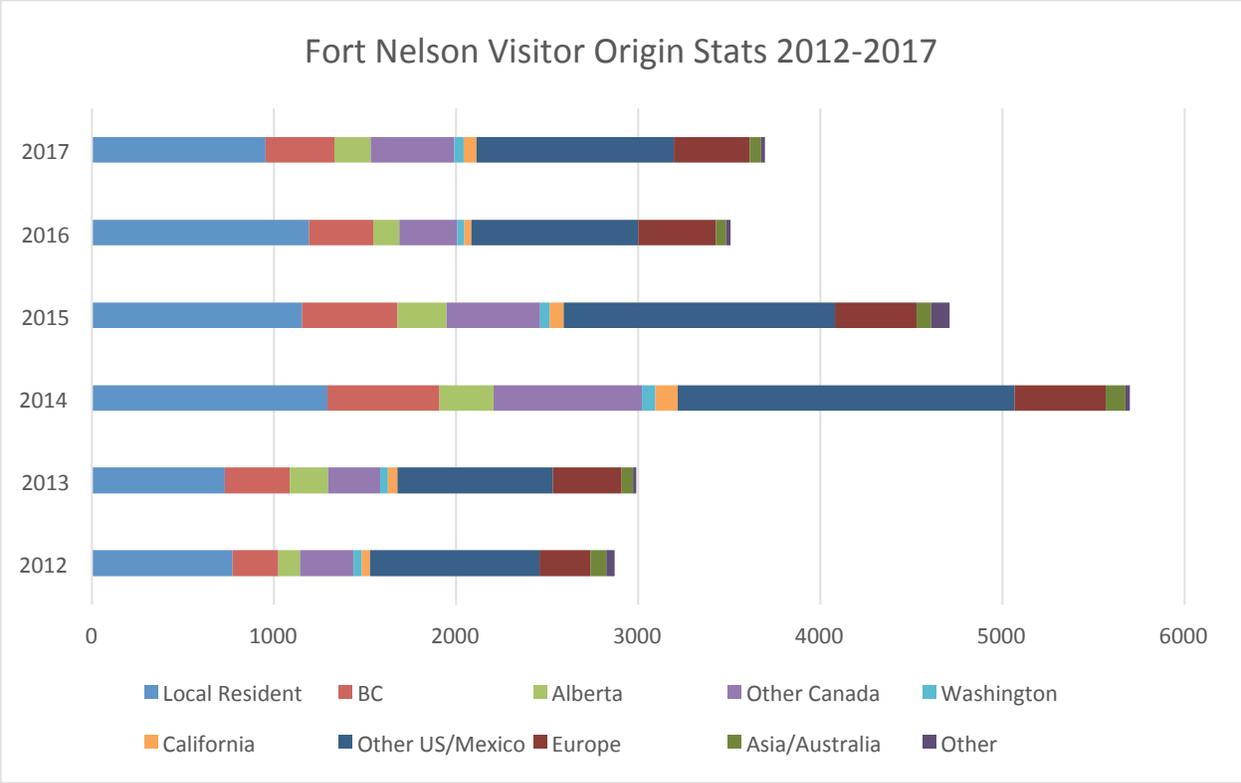
## Tourism

Historically, tourism has contributed between six and nine percent of the region's economic base, comparatively small in relation to the oil and gas, but still significant as a source of private sector jobs and income as well as the unique northern identity of the community (Horne 2009).

Employment is difficult to quantify because tourism is not considered an industry by statistical agencies but instead comprises portions of several industries like accommodation, food and beverage, retail, transportation and personal services that cater to visitors. In 2016, the experienced labour force of the Northern Rockies hospitality sector (accommodation, food and beverage) was 240 workers.

The 2007 Northern Rockies / Fort Nelson Tourism Strategic plan notes that tourism is a multi-million dollar industry for the Northern Rockies, estimating annual expenditures at \$23,770,000 (Meadfield 2007). The Plan makes note of many of the non-economic contributions that the tourism industry makes to the communities of the Northern Rockies RM, including enabling more restaurants, retail services, and entertainment opportunities than that possible without tourist support, and helping to smooth out the impact of "Boom-Bust" resource cycles.

The Northern BC Regional Tourism profile from May of 2017 found that British Columbia residents were the majority overnight visitation in BC at 76% of all visitors. These same visitors accounted for 56% of the tourism spending as well. Other parts of BC, Alberta, Alaska, Washington, and Nebraska are the top five origins of Northern BC tourists (DBC 2017). This mix roughly correlates to the statistics collected locally by the Fort Nelson Visitor Information Centre.

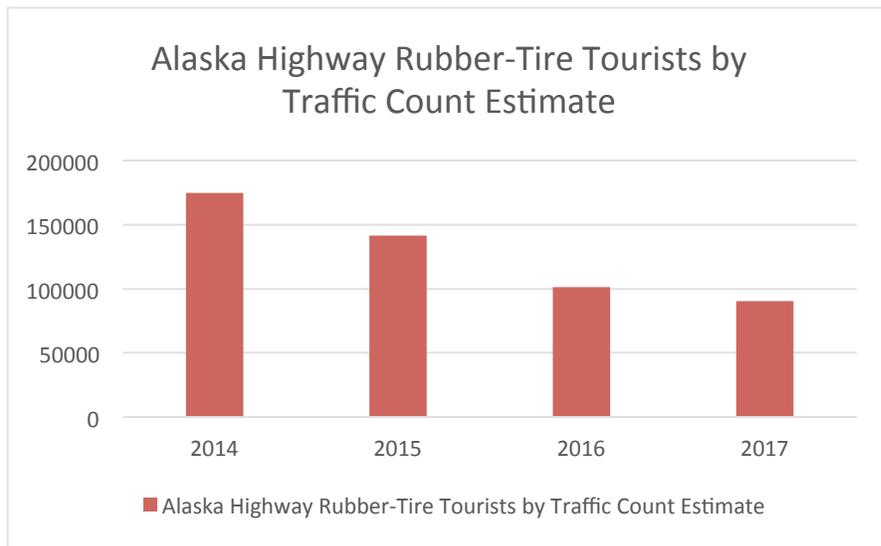


Source: Northern Rockies Regional Municipality, Visitor Information Centre

Tourism experiences available in the region are well-described in the Regional Municipality-run tourism website, [www.tourismnorthernrockies.ca](http://www.tourismnorthernrockies.ca). The NRRM’s vast and diverse geography supports big game hunting - notably for sheep, goat, moose, and elk – fishing, ATVing, camping, white-water rafting, mountain climbing, cross-country skiing, hiking, canoeing, photography and more rare experiences such as dog-sledding and experiencing the aurora borealis.

The natural beauty and outdoor recreation opportunities are complemented by built facilities in Fort Nelson as the service centre of the NRRM and much of the whole Deh-Cho area. Fort Nelson offers a golf course, sports fields, the renowned Fort Nelson Heritage Museum and the multi-use Recreation Centre. The Demonstration Forest and community trail are local attractions for walkers and cross-country skiers. “Old Fort Nelson” and Treaty Days hosted by the Fort Nelson First Nation are growing indigenous tourism opportunities to complement the unique northern draw of the community.

Despite the legendary draw of the Alaska Highway and the rugged and unparalleled wilderness of



Source: Northern Rockies Regional Municipality Calculations, with Public Works and Procurement Canada (PWPC) Alaska Highway Traffic Data.

the Muskwa-Kechika, the number of visitors coming to the region appears to be flat-lining or on the decline as shown in the Visitor Centre statistics above. A local calculation for tourism traffic as a function of total traffic on the Alaska Highway shows a marked decline from a record year in 2014 (174,535 estimated rubber-tire tourists) to just over half that

amount estimated for 2017 (90,180).

Employment in tourism is made up of portions of several sectors making in challenging to measure employment precisely; however, arts, accommodation and food service are readily tracked by Statistics Canada and typically serve as an indicator of the trend in tourism employment. Table 15 outlines the labour force in these three categories associated with tourism for the period from 2001 to 2016. As illustrated, 2016 marks a low point over the period and a noticeable decline since 2011.

Table 15: Northern Rockies Arts, Accommodation and Foods Labour Force, 2001 to 2016.

	2001	2006	2011	2016
<b>71 – Arts, Entertainment and Recreation</b>	25	40	65	40
<b>721- Accommodation</b>	165	140	190	105
<b>722 – Food Services</b>	185	180	285	200
<b>Total</b>	375	360	540	345

Source: Statistics Canada (2001b) (2006) (2011) (2018)

## Transportation-Aviation

Northern Rockies is served by rail, air, and truck based transportation services. CN Rail provides rail service to the Northern Rockies but locals have seen the service decline noticeably in recent years to the point that it has become unreliable (BC Chamber of Commerce 2017). Currently,

there are also two competing railway proposals that would see a rail line built from Alberta to Alaska and that would serve as an oil-by-rail route where oil could be then transported via the Trans-Alaska Pipeline System (TAPS) to Valdez, Alaska (BIV 2017). Both proposed lines remain at the preliminary stage and no firm action to move forward has occurred to date.

The Alaska Highway is a key transportation and tourism route that runs through the Northern Rockies Regional Municipality. In all, from Dawson Creek, the Alaska Highway extends almost 970 km to Lower Post in British Columbia where it then enters the Yukon and connects to Alaska. The Northern Rockies Regional Airport provides modern airport facilities to the region with the airport providing services to a wide variety of aircraft ranging from small recreational and flight training aircraft to larger corporate, regional and commercial aircraft. Fully serviced by Central Mountain Air, 6 days a week service to Prince George allows passengers to easily connect to international markets through Edmonton, Calgary and Vancouver International Airports (Northern Rockies Regional Airport 2017).

As a regional transportation hub there is a corresponding significant transportation and warehousing labour force locally. In 2016, the transportation, storage and warehousing industry had a local labour force of 300. As illustrated in Table 16, the labour force increased between 2011 and 2016. However, this represents a decline from 2006, when truck transportation and air transportation labour force in the local area was larger.

Table 16: Northern Rockies Transportation and Warehousing Labour Force, 2001 to 2016.

	2001	2006	2011	2016
<b>481 - Air Transportation</b>	35	35	15	25
<b>484 - Truck Transportation</b>	120	210	100	175
<b>485 - Transit and Ground Passenger Transport</b>	45	15	35	15
<b>488 - Support Services to Transportation</b>	25	45	55	50
<b>All other Transportation</b>	70	50	45	35
<b>Total</b>	295	355	250	300

Source: Statistics Canada (2001b) (2006) (2011) (2018)

## Public Sector

The public sector has been a stabilizing factor in the region, historically supporting between fifteen to nineteen percent of the region's basic economic activity (Horne 2009). In the Northern Rockies there are several public-sector employers with both the Northern Rockies Regional Municipality and Fort Nelson First Nation government employing their own administrative staff locally. At the federal level there is a Public Works and Government Services Canada office and Royal Canadian Mounted Police detachment. Provincially, local offices include: Government Agent – Service BC office, BC Ministry of Forests, Lands and Resource Operations, BC Oil and

Gas Commission, Public Health, and BC Ministry of Children and Family Development. In 2016, public administration accounted for approximately 240 jobs in the local area (Statistics Canada 2018). Overall, this was down sharply from the 290 reported in 2011 (Statistics Canada 2013).

In addition, in 2016, education services and health care and social assistance made an important contribution to the overall employment in the local area. Education services labour force stood at 235 in 2016 up from 175 in 2011. Meanwhile health care and social assistance was up slightly with a labour force of 195 between 2011 and 2016. (Statistics Canada 2011, 2017a)

Overall, the public sector (education, health care and public administration) had a labour force of 670 in 2016, which accounted for almost 20 percent of the total local labour force. The 2016 labour force in the public sector has increased slightly from a labour force of 640 in 2011 while the percentage share has jumped from 17 percent in 2011 to 20 percent in 2016.

Table 17: Northern Rockies Public Services Labour Force, 2001 to 2016.

	2001	2006	2011	2016
<b>61 – Educational Services</b>	145	235	175	235
<b>62 – Health Care and Social Services</b>	150	140	175	195
<b>91 – Public Administration</b>	250	210	290	240
<b>Total</b>	545	585	640	670

Source: Statistics Canada (2001b) (2006) (2011) (2018)

## 10.13 MAJOR PROJECTS

At the end of 2016, there were three projects proposed or in construction in the Northern Rockies Regional District. These projects included:

- **Construction of Highway 77 Fort Nelson River Bridge and Highway 97 southbound Passing Lane** -These two components of the project include upgrading to the Fort Nelson River Bridge on Highway 77 and construction of a southbound passing lane on Highway 97 at 58 Mile north of Fort St. John. Project is funded by B.C. on the Move (\$22 million) and the federal New Building Canada Fund (\$17.5 million), for total spending of close to \$40 million. This project is scheduled for completion towards the end of 2017.
- **Horn River Basin Industrial Park** – This proposed project is being lead by the Northern Rockies Regional Municipality and would see approximately \$40 million invested in the creation of a light industrial park located on 250 acres in the Horn River Basin with two to 20-acre parcels available that would be serviced with power, gas, electrical, sewer and road access to the Alaska Highway. This project was recently released from the Agriculture Land Reserve and the development process continues.

- Fortune Creek Gas Plant** – Quicksilver Resources is proposing to build the Fortune Creek Gas Plant 110 kilometers north of Fort Nelson, B.C. The purpose of the plant is to remove H<sub>2</sub>S and CO<sub>2</sub> from the raw natural gas produced in the area, to produce treated sales gas (natural gas that can be used as fuel by residential, commercial and industrial consumers) for transport to market. When in operation, the plant would process compressed raw feed gas which may contain trace amounts of H<sub>2</sub>S. The H<sub>2</sub>S and excess CO<sub>2</sub> would be removed as part of the process, resulting in treated sales gas which would then enter existing or proposed pipelines owned, operated and built by third parties for transport to market. The capital cost of the first phase of the plant is estimated to be approximately \$175 million. Quicksilver Resources anticipates that the construction of the proposed plant will result in the creation of approximately 100 jobs, while the on-going operation of the plant would create 12 on-going jobs (NDIT 2017a).

There are also two projects in the region that have placed on hold but may move forward at some point in the future. These include:

- Fort Nelson Carbon Capture and Storage Feasibility Project** - Spectra Energy is currently investigating a site located at a depth of 2,200 metres into multiple sub-surface geological formations, in proximity to Spectra Energy's existing Fort Nelson gas plant to develop its carbon capture and storage (CCS) site. CCS involves capturing carbon dioxide (CO<sub>2</sub>) –compressing and transporting it to injection wells where it is injected into deep underground geological formations for permanent storage. Spectra Energy is exploring a large-scale CCS project near its existing Fort Nelson natural gas plant in northeast BC. No cost or project data has been announced as of late 2017 (NDIT 2017b).
- Cabin Gas Plant** - Ledcor began work on the Cabin Gas Plant Phase 1 in August, 2010. The Cabin Gas Plant, located 60 km (37 miles) northeast of Fort Nelson, British Columbia in the Horn River Basin area, is considered the largest shale gas field in Canada at a capacity of 800 million cubic feet per day. Construction of the EnCana Cabin Gas Plant 2 commenced August 2011 and was put on hold in December 2012 due to the market conditions for natural gas (Ledcor 2017).

## 10.14 STRENGTHS, CHALLENGES, OPPORTUNITIES ANALYSIS

Strengths, Challenges and Opportunities (SCO) analysis is a tool that helps communities identify areas of productive economic activity and wealth creation. SCO is meant to address strategically relevant issues of comparative advantage or disadvantage, which become targets for sustaining or enhancing (in the case of strengths), mitigating and converting (in the case of challenges) or developing and diversifying (in the case of opportunities). An overview of key strengths, challenges and opportunities for the Northern Rockies is provided in this section.

Strategic strengths in the Northern Rockies includes a relatively young population with a median age of 35.6 years, compared to a median age of 43.0 at the provincial level. The region also anticipates future population growth, which goes against the trend of many rural areas of BC which are seeing population declines. A growing population builds in support for additional business activities and services as the population increases. The region is also fortunate to be a partner in the Infrastructure Development Contribution Agreement which provides additional revenues from the province to supplement traditional municipal tax sources and allows the community resources to address infrastructure and services in a timely fashion. The Northern Rockies Regional Municipality also has an abundance of land resources that can be used to grow sectors such as agriculture and forestry.

Challenges fall into three general areas: on-going business downturn in resource sectors, economic characteristics of a small community, and access to markets. Northern Rockies has been very dependent on oil and gas and forestry over the past 20 years and with the downturn in these two sectors locally, economic challenges have persisted. Without the spending and investment from these two key sectors, there is little in the local economy to replace the overall lost prosperity. The region does not have a diverse base of business doing a variety of business activities; therefore, the community is dependent on the success of a small number of businesses. The remote and rural location of the Northern Rockies creates challenges in moving goods. Firstly, the long distances to market increase the cost; secondly the reliability of the transportation, particularly rail, can be a challenge; and finally having the necessary infrastructure; all needs to be overcome to actually create value for products like natural gas.

The Northern Rockies has a range of economic development and business opportunities related to its proximity to the region's natural resources. The most prominent resource is in the natural gas sector where the Northern Rockies has the second largest, and second most productive play in British Columbia in the Horn River Basin. This gas resource stretches from south of Fort Nelson and north to the BC/Yukon border. In addition, the area is home to the Liard Basin and Cordova Embayment, which are gas plays still in early development, and are situated to the west

and east, respectively, of the Horn River Basin and also reach the edge of the BC/Yukon border (Natural Resource Canada. 2017).

Unlike the rest of British Columbia, the Northern Rockies has a large forest resource that is underutilized. The Fort Nelson Timber Supply Area has an allowable annual cut of 1,625,000 m<sup>3</sup> per year. Currently Canadian Forest Products Ltd. is actively looking to sell their milling facilities and associated licenses which total approximately 1.2 million m<sup>3</sup> per year. In addition, the Northern Rockies and Fort Nelson First Nation are exploring new community forest licenses that would potentially make additional fibre available to potential processing opportunities locally. Finally, agriculture remains untapped in several areas and the region has intensive long sunny days that could support agriculture expansion in the region.

The region's proximity along the Alaskan Highway and its pristine wilderness area also lends the region to numerous new tourism opportunities. This combined with its growing population lend itself to expansion among retail service activities in the region. Finally, the region has built a strong base of community infrastructure and services that are supportive of new residents looking for a more rural quality of lifestyle.

Figure 6 summarizes the strengths, challenges and opportunities for the Northern Rockies area.

Figure 6 Northern Rockies Strengths, Challenges and Opportunities Overview

Strengths	<ul style="list-style-type: none"> <li>Youth</li> <li>Projected population growth</li> <li>High incomes</li> <li>Available labour force</li> <li>Infrastructure Development Contribution Agreement (IDCA)</li> <li>Strong community infrastructure</li> <li>Unique local government</li> <li>Available commercial/industrial land</li> <li>Abundant forest resource</li> <li>Abundance of gas resources</li> <li>Growing agricultural sector</li> <li>Pristine wilderness</li> <li>Entrepreneurial</li> </ul>	<ul style="list-style-type: none"> <li>median Age 35.6, versus 43.0 in BC</li> <li>rural community experiencing positive growth</li> <li>incomes above provincial levels</li> <li>work force available for new business activities</li> <li>diversifies local revenue sources and lessens dependence on property taxes</li> <li>room for new products and production</li> <li>recreation centre, hospital, schools</li> <li>In place and available for development</li> <li>One of the few opportunities to purchase tenure or access fibre</li> <li>the Horn Basin has been proven to be a world class gas deposit in the local area.</li> <li>high heat units, long sunlight hours, good soils</li> <li>northern experience and culture</li> <li>business in the north builds self-reliance</li> </ul>
Challenges	<ul style="list-style-type: none"> <li>High unemployment rate</li> <li>Small labour force</li> <li>Economic conditions</li> <li>Downturn in gas sector</li> <li>High reliance on large establishments</li> <li>Struggling major forest industries</li> <li>Lack of interest in forestry assets</li> <li>Poor rail service</li> <li>Reduced bus service</li> <li>Lack of a commercial gas pipeline</li> </ul>	<ul style="list-style-type: none"> <li>15.1% in 2016 compared to 6.7% for province</li> <li>can create challenges for some industries</li> <li>downturn has resulted in decline in businesses</li> <li>significant layoffs in the oil and gas sector</li> <li>community exposed to closures of large business</li> <li>major processors shutdown for almost a decade</li> <li>Canfor tenure/facilities on the market for years</li> <li>CN Rail service is irregular, raises business costs</li> <li>pending Greyhound service cancellation</li> <li>accessing to tide water not available</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>Horn Basin gas activity</li> <li>Community Forest Licenses</li> <li>Available access to forestry resource</li> <li>Agriculture</li> <li>Good transportation links</li> <li>New rail links</li> <li>Renowned tourism assets</li> <li>Strong local community infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>second largest gas field in British Columbia</li> <li>in development</li> <li>rare opportunity to access large forest volumes</li> <li>intensive growing season and expanding product opportunities.</li> <li>Alaska Highway, airport and rail</li> <li>proposals for oil by rail between Alberta-Alaska</li> <li>Eco-tourism</li> <li>well suited for attracting new residents and professionals</li> </ul>

# 11 APPENDIX B - REFERENCES

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## 11.1 ACRONYMS

AAC	Allowable Annual Cut
BCCFA	BC Community Forest Association
BC OGRIS	BC Oil and Gas Research and Innovation Society
BDC	Business Development Bank
BRE	Business Retention and Expansion
BRE+A	Business Retention Expansion and Attraction
CCAS	Carbon Capture and Storage
CFDCPL	Community Futures Development Corporation Peace Liard
CTCS	Canadian Trade Commissioner Service
DFATD	Department of Foreign Affairs Trade and Development
EDABC	Economic Development Association of BC
EMPR	BC Ministry of Energy, Mines and Petroleum Resources
FDI	Foreign Direct Investment
FLNRO	BC Ministry of Forests, Lands and Natural Resource Operations
FNDCCOC	Fort Nelson and District Chamber of Commerce
GDP	Gross Domestic Product
IMF	International Monetary Fund
JTT	BC Ministry of Jobs, Trade and Technology
LNG	Liquefied Natural Gas
NBCT	Northern BC Tourism
NDIT	Northern Development Initiatives Trust
NRRM	Northern Rockies Regional Municipality
OGC	BC Oil and Gas Commission
OSCE	Organization for Security and Co-operation in Europe
SCO	Strengths, Challenges, Opportunities
SIBAC	Southern Interior Beetle Action Committee
TAPS	Trans-Alaska Pipeline System
TSA	Timber Supply Area
UN	United Nations

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