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Challenges and Opportunities

British Columbia's Labour Market Future
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Ministry of Advanced Education and Labour Market Development



Chapter One

Our Future

Overview of the B.C. Economy

British Columbia's early economy was built on the strength of our rich natural resources. Logging, mining, fishing and agriculture were dominant. Even early manufacturing activities were based on the processing of natural resources: canning Fraser River salmon, producing lumber and paper from trees harvested in the province's coastal and interior forests and extracting the province's rich mineral wealth. This early dependence on primary industries helped forge an image of B.C.

that persists to this day. It is little wonder, then, that most people, when asked to name the biggest industries in the province, continue to put forestry, mining, fishing and agriculture at the top of the list.

However, over the past several decades, the economy has undergone some important transformations. A variety of new types of goods and services are being made available to meet the needs of an increasingly multicultural population. Technological and cultural changes have also had a big effect, as have changes in the way companies do business. Linkages with Asia Pacific and the growth of the green economy are also creating new business opportunities.



All of these changes have allowed B.C.'s economy to mature into a more diverse, less resource-dependent form. Primary goods production is giving way to a greater emphasis on value-added manufacturing as well as other types of goods and services production. While forestry, mining, fishing and agriculture are still important – especially in communities where they are big employers – they are no longer the sole dominant force in B.C.'s economy. Indeed, since the mid-1990s, there have been fewer people working in these industries than in other types of goods production.

At present, only eight percent of B.C. workers have jobs in resource harvesting and extracting industries such as agriculture, fishing, forestry and mining. That's down from about 13 percent in 1990. The combined contribution of Agriculture; Fishing, Hunting and Trapping; Forestry; and, Mining, Oil and Gas to provincial GDP has declined from 7 percent in 1998 to 5.5 percent in 2008. Wood product exports declined from \$10B in 2004 to \$5.4B in 2008 due to low global lumber prices. Employment in other types of goods production has picked up in recent years after declining during the 1990s, and accounts for about 14 percent of all the jobs in the province.

Over the past decade, British Columbia's economy has undergone significant growth and transformation across a broad base of industries. The top five employers are retail trade, health services, accommodation, manufacturing and construction. The province's service exports have been steadily growing as well, and two areas in particular hold potential for further growth – transportation and tourism.