

Economic Diversification

“Economy” is well defined as the system of production, distribution and consumption of goods and services. The idea of a “sustainable” economy is not well defined, this part of the plan will evolve as we learn together what that can mean for Prince George. Initiatives Prince George, as the City’s economic development corporation provides economic development services that are aimed at developing Prince George as a ‘knowledge based resource economy connected to the world’¹.

Description

Economic diversity is widely considered an important value of a healthy economy, and increasing diversity is a core strategy for Initiatives Prince George. Although communities dependent on single industries can be prosperous, communities with diverse economies are less likely to be victim of boom-and-bust scenarios.² Consistent with these principles, Prince George has experienced slow but steady economic growth in recent years, in part due to its improved economic diversification.³



Status

The BC Stats 2009 report “BC Local Area Economic Dependencies: 2006”⁴ reports that Prince George’s economy is moderately diverse, and becoming more diverse, while becoming less dependant on the forestry sector. This conclusion is supported by a number of recent studies that show expansion of several non-forestry sectors. These reports include

- **Initiatives Prince George 2008 Community Profile**⁵,
- **Initiatives Prince George 2008 Economic Structure report**
- **The Fraser Basin Council Sustainability Report**⁶, and
- **the 16-97 Alliance Cluster Initiative Report.**⁷

¹ Initiatives Prince George, 2008 to 2010 Business Plan

² BC Stats. 2009. “Business Indicators, March 2009.” <http://www.bcstats.gov.bc.ca/pubs/bcbi/bcbi0903.pdf>

³ Fraser Basin Council. 2008. “A Picture of Our Region: Upper Fraser Sustainability Snapshot.” http://www.fraserbasin.bc.ca/publications/documents/08_UF_Snapshot.pdf, p. 16.

⁴ BC Stats. 2009. “BC Local Area Economic Dependencies: 2006.” http://www.bcstats.gov.bc.ca/pubs/econ_dep/2006/2006_all.pdf

⁵ Initiatives Prince George. 2008. “2008 Community Profile.” http://www.businesspg.com/Documents/OtherDocuments/IPG_CommunityProfile2008.pdf

⁶ Fraser Basin Council. 2008. “A Picture of Our Region: Upper Fraser Sustainability Snapshot.” http://www.fraserbasin.bc.ca/publications/documents/08_UF_Snapshot.pdf

⁷ Meyer Norris Penney LLP. 2008. “16-97 Alliance Cluster Initiative.”

NAICS categories	persons employed ('000s)		change, 2002-2007	
	2002	2007	('000s)	percent
Total, all industries	42.7	46.3	3.6	8.4%
Agriculture	0.0	0.0	0.0	-
Forestry, Fishing, Mining, Oil and Gas	2.0	1.8	-0.2	-10.0%
Utilities	0.0	0.0	0.0	-
Construction	2.9	2.6	-0.3	-10.3%
Manufacturing	6.8	6.6	-0.2	-2.9%
Wholesale and Retail Trade	6.5	8.5	2.0	30.8%
Transportation and Warehousing	3.6	3.4	-0.2	-5.6%
Finance, Insurance, Real Estate and Leasing	1.5	0.0	-1.5	-100.0%
Professional, Scientific and Technical Services	1.5	2.2	0.7	46.7%
Business, Building and Other Support Services	0.0	1.8	1.8	-
Educational Services	2.8	3.5	0.7	25.0%
Health Care and Social Assistance	5.3	5.6	0.3	5.7%
Information, Culture and Recreation	1.5	0.0	-1.5	-100.0%
Accommodation and Food Services	3.1	3.0	-0.1	-3.2%
Other Services	2.0	1.6	-0.4	-20.0%
Public Administration	1.9	2.3	0.4	21.1%

Source: Initiatives Prince George

Performance Measurement

Of the potential measures listed below, which should we use to measure and communicate progress? Would you rather use another one? Why?

- As seen in the table above, economic diversity can be measured by looking at an area's profile by employment or companies, as categorized by North American Industrial Classification System (NAICS), and indexing this data.

Questions for Consideration

- How can economic diversity be improved in Prince George?
- Where are the opportunities for alignment between the myPG process and Initiatives Prince George's current strategy and focus areas?

More Information

BC Stats. 2009. "BC Local Area Economic Dependencies: 2006."

http://www.bcstats.gov.bc.ca/pubs/econ_dep/2006/2006_all.pdf

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