

Crystal Ball Event Shares Optimistic View on Regional Economy

By [250 News](#)

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Heather Oland of L&M Engineering addresses attendees to the Crystal Ball event sponsored by the Canadian Home Builders Association. Others on the panel are, from l-r Bruce Sutherland, Albert Koehler, Katherine Scouten, Brodie Guy, Mayor Dan Rogers, Mary Jane Whitmarsh, John Bowman, Garth Frizzell, and Dick Harris.

Prince George, B.C. – If the economic crystal ball initially looked cloudy, an event hosted by the Canadian Home Builders Association was meant to see that the fog lifts.

Some of the key players in shaping the local and regional economy shared their thoughts on the future for the region. While all recognized the difficult times, they expressed optimism.

Moderator for the evening, Bruce Sutherland, started off with a memo from a company that could have been written last week. The memo talked about possible reduction in jobs, or wages because of a tariff with the United States. That memo had been written in 1932. Sutherland says that company stayed around for a lot of years, so an economic downturn is not the end of the world.

“It’s not the end of the world, and we’re here to look into the crystal ball, and look at things with a positive attitude and let’s get things going.”

(at right, about 100 people attended the Crystal Ball panel discussion on the economy)



There were 9 speakers on the panel, but it was Mayor Dan Rogers who started the discussion.

Mayor Rogers says the City is affordable and is a great place to raise a family, the quality of life is very high. "We are making strategic investments to improve the opportunities here." He believes the post secondary education facilities will form the back bone of the economic recovery.

"Clearly we are seeing unprecedented challenges, we are monitoring the building permits, and they have gone down, the assessments have dropped a little."

Rogers says there have to be frank discussions about local services. "Increasing user fees is the reality we are facing. We have gone through a phase and we are about to set our mill rates. Our business tax is about 2 to 1 compared to residential ratio." Rogers says Prince George is well positioned to tell the world about this community's competitive advantage.

Dr. Albert Koehler, President of the Chamber of Commerce:

While Koehler agrees with the Prime Minister that the recovery has to start in the United States, he worries that if the U.S. borrows too much money, interest rates will rise, and that will have a direct impact on interest rates here. What will happen in Prince George? So far the signs are not too bad, says Koehler who adds that the stock market is showing signs of stabilizing, and the economy is following the stock market with a delay of about 6 months. "That would put us in October of this year, so we will cruise through the summer and see recovery start in late fall, and be in a position to come out of this stronger than before." Why will P.G. come out stronger "We were in a period of transition and the transition has been interrupted, as soon as the green light of recovery shows, we will be there and will continue with that transition."

Katherine Scouten, Initiatives Prince George: Although Prince George's unemployment situation jumped a full one percent last month, the numbers are still better than the national numbers. "The Conference Board of Canada is not predicting unemployment to peak until the middle of 2010."

There is some good news coming out of the States, the number of mortgage applications is up, the housing starts are higher than expected, and consumer spending was up. Prince George continues to diversify, producing over 3,000 jobs over the past 7 years. P.G. is participating in high growth sectors, namely health care and education. Northern Health has nearly a billion dollars worth of capital plans for the region. "2009 is no doubt going to be a difficult year, but Prince George is re-tooling for the future, we are a knowledge based resource economy that is well connected to the world." She says that will carry P.G. through the next dozen years.

Brodie Guy Economic Development, Northern Development Initiatives Trust:

He says there is good news for mining as coal contracts have been signed at values higher than 2007 prices, gold is up and that speaks well for Terrane Metals as it moves closer to the development of the Mt. Milligan Mine. Conefex has opened in Ft.St.James with 131 employees and hopes to grow to 250 next year. It is anticipated there will be even more infrastructure announcements made before the writ is dropped next week putting the Province into election mode.

Heather Oland , L&M Engineering: "Looking into a crystal ball is what community planners do every day." She says in order to plan for the future, there needs to be a look at the past. 10 years ago, the unemployment rate in Prince George was 10%, CNC didn't have the John Brink Trades Center, the Airport didn't have the third longest runway in the country, and Fortwood Homes was building house, but not neighbourhoods. UNBC was just two years old and there was no Medical Program.

"I don't think we've hit bottom yet" says Oland. "It is a good time to build because the environment is very competitive, everyone is looking for ways to cut costs to be lean."

Mary Jane Whitemarsh, President of the Canadian Home Builders Association of B.C.:

"B.C. is not immune to the global crisis but we are in a much better position. " She says B.C. doesn't do most of its trade with the States, it does most of its trade with Asia, and she says there are indications China is already starting to see a turn around. While applauding all the construction projects announced in the past couple of days by the provincial and Federal governments she says people shouldn't say they are not impacted by such projects, "For every home that is built, \$20,000 is spent in spin off products, carpets, lighting, big screen t.v.'s maybe a pool table." She says this downturn is a time of cleansing, "We have been so busy in the recent past, we haven't had time to take stock of where we are going. "

John Bowman, President of College of New Caledonia: "The future depends largely on the training that is provided by institutions like CNC."

Bowman says he is proud of the growth and impact of the regional facilities, especially Mackenzie and Ft. St James. "Four years ago we had 547 apprentices, this year we have more than a thousand and that is expected to grow to more than 1200 in the next year." CNC is seeing a boom, applications for all programs are up 21% compared to last year. He says he expects to see new programs for mining, engineering, and support for logistics.

Garth Frizzell, President Terra Cognita : Last December, his company felt the pain of the global economic melt - down, and had to let some people go. Now, with the stimulus packages that have been announced he has been able to hire those people back and expects to announce further growth . The challenges facing Prince George today are not unlike the challenges that faced Moncton New Brunswick about 20 years ago when they lost their major industries. "No one company in Moncton has more than 3% of the economy." Frizzell says if you want to check the diversification of Prince George check out who is making up the hockey teams " It used to be the teams were made up with people from the mills, now there are teams of doctors, lawyers, even soft ware companies."

Dick Harris, Cariboo-Prince George M.P.: "I think there is some optimism here (in the room) because not one person has left , so you must be liking what you're hearing." Harris says he doesn't want to minimize the seriousness of the current economic downturn, but he remembers the early 80's when interest rates were 20% and only a handful of customers could pay their bills. He is confident that just as things turned around then, things will turn around again. "My prediction is, we are going to have some challenges throughout '09, we can look at this with a negative view or a positive view. I choose to be positive, I think things are going to be difficult but I see a trend we will see starting to shape up this fall, it's happening now

in some sectors and in 2010 we will see some serious changes in the forest industry that will be helpful. "

Minister of Forests and Range, Pat Bell: While not about to say when the sector will turn around, Bell says the industry will change and will rebound. He pointed to pellet development, new ways to grow trees, a tripling of the tree planting industry and building institutional buildings out of wood. "I do think our forest products industry will look different and if we manage it right and if we're aggressive on where we want to take this, we can really develop our industry. We will get through the next five to 10 years, but I think the forest industry is going to be back and it will be back with a vengeance."

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