



STATE OF THE ISLAND ECONOMIC

REPORT

2020

VANCOUVER ISLAND
ECONOMIC ALLIANCE



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PERSPECTIVE – TRENDS OF NOTE

What a difference a year makes. This is the 6th edition of the State of the Island Economic Report, and, like the rest of the world, this year's report is a bit different. We have done our best to maintain the look and feel of our usual report, but the keen eyed among you will notice that it is slightly longer this year. This is due to the addition of partial year data for many indicators and associated commentary to provide some insight into the impact of the COVID-19 pandemic on the Island economy.

Where we can, we have included data up to the end of August, mostly on labour market indicators, to give as complete a picture as we can of the impact of COVID and what the recovery is starting to look like. We need to provide a caveat to some of this data. In some instances, particularly GDP, the charts show a sharp V-shaped recovery. This is due to the data in the charts measuring growth rates. Growth rates in 2021 for a number of indicators may look impressive, but it is important to note that the growth rate is being measured from the lowest point in the pandemic downturn. This means that even though the growth rate graph shows a sharp increase, that increase does not indicate growth in the GDP. In fact, our GDP has not fully recovered from the economic effects of COVID and is still below the pre-COVID GDP.

This time last year, we noticed a gradual slowing of the provincial economy in the first half of the year and anticipated that the slowdown would continue through 2019 and into 2020. In fact, the economy held its own with GDP increasing slightly and remaining one of the strongest in Canada. Supported by some large infrastructure projects and continued migration to the province, the Island economy held up well and withstood the turmoil in the forestry sector including an eight-month strike at Western Forest Products and extended winter shutdown at

Mosaic Forest Management. The tourism sector which had a good year and population growth, both contributed to a stable economy last year. Expectations for 2020 were for continued economic growth in BC and on the Island, albeit at a more modest pace. The economic effects of the pandemic have been felt on the Island and in BC as they have throughout the world. The shutdown of most economic activity affected all sectors of the economy with significant declines in employment until re-opening began in mid-May leading to a partial recovery. Since then, some sectors such as manufacturing, resources, and health, have seen a sharp rebound while others, especially tourism, hospitality, and entertainment, have continued to struggle. The recovery is expected to be uneven as it is not clear when the virus will recede enough to allow borders to reopen and normal travel to resume, helping tourism and hospitality related industries. A fall surge in cases has already led to curtailment of some of the opening criteria for businesses in other jurisdictions resulting in another downturn in some sectors of the economy. We are not out of the woods yet.

Like nearly everyone, at VIEA we have adapted to a Zoom/Teams world and are carrying on our business as well as we can. Following the success of our Island Good pilot project in 2018 we expanded the program (currently with 90+ licensees) so it is now available to all producers, processors, distributors, and retailers on Vancouver Island (including the Gulf Islands). Our Wood Waste Recovery initiative is moving into the pilot project phase and is working with K’omox and Qualicum First Nations and Harmac Pacific on recovering fibre—currently thought of as waste—for use in manufacturing.

We hope that the call to action in the feature article in this year’s report “How Do We Start Reconciliation?” will lead to a new initiative to measure the positive impact of Indigenous business on the Island economy. We also have an article highlighting the rapidly expanding seaweed industry on the Island, an exciting new addition to the established aquaculture sector. To help understand what has happened to the economy during COVID and what might happen over the next 12 months, we talked to three BC economists. We have captured the discussion in an article in this year’s report and we trust you will find it informative, along with our expanded data.

Attendees of the Summit will receive a digital copy of this year’s report and hard copies will be available for purchase on request. We will continue to make distribution of the report available for anyone wishing to order through Amazon. The support of MNP in producing this report is greatly appreciated and we value the support of our sponsors: Coastal Community Credit Union, BC Ferries, and Nanaimo Airport Authority. The production of this report is also dependent on the members of our committee and I would like to thank Po Wan, George Hanson, Shannon Baikie, Joe Cristiano, Susan Mowbray and Peter van Dongen for their insights and contributions to this year’s report.

Please be kind, be calm and be safe.

Pip White
Chair, 2020 SOTIER Committee

LIMITATIONS

This report is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or a substitute for personalized, professional advice.

We have relied upon the completeness, accuracy and fair presentation of all information and data obtained from public sources, believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy and fair presentation of the information underlying them. As a result, we caution readers not to rely upon any findings or opinions expressed as complete and disclaim any liability to any party who relies upon them as such.

The findings and opinions expressed in the presentation constitute judgments as of the date of the presentation, and are subject to change without notice. MNP is under no obligation to advise of any change brought to its attention which would alter those findings or opinions. The reader must understand that our analysis is based upon projections, founded on past events giving an expectation of certain future events. Future events are not guaranteed to follow past patterns and results may vary, even significantly. Accordingly, we express no assurance as to whether the projections underlying the economic and financial analysis will be achieved.

Before taking any particular course of action, readers should consult their professional advisor to discuss matters in the context of their particular situation.

The Canadian economy slowed in 2019 as overall GDP growth fell to 1.7% from 2.0% in 2018.¹ The slowdown reflected global trade conflicts as well as challenges in the Canadian oil and gas sector and reduced investment in the residential housing market.

BC's economy remained among the strongest in Canada in 2019, due in part to investment in major infrastructure projects in Northern BC, including LNG Canada and the Coastal Gaslink Pipeline. 2019 was a challenging year for many communities as the forestry sector struggled with poor market conditions, timber supply issues and the ongoing US softwood lumber tariffs. This led to shutdowns and curtailments at mills across BC as well as widespread layoffs.

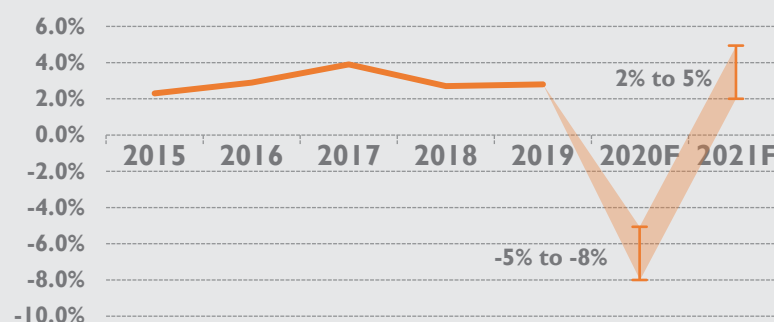
On Vancouver Island, the economy remained stable as population levels grew moderately and tourism performed well. While Vancouver Island's forestry sector largely avoided widespread closures in 2019, there was an eight-month-long strike by Western Forest Products mill workers that resulted in significant declines in production and slowdowns in forestry-dependent communities across the region.

Peter van Dongen
Senior Manager,
Business Development
at MNP at the 2019
State of the Island
Economic Summit,
Nanaimo BC.

GDP

To begin 2020, BC's GDP was expected to grow by approximately 2% annually, outpacing most other provinces in Canada.² BC's growth forecast was based on a combination of continued population growth, a steadying of the housing market, and a number of major infrastructure projects in Northern BC.

BC Real GDP Growth Rate



Source: Statistics Canada, Table 36-10-0402-01 GDP at basic prices, by industry, provinces and territories; Central I (September 2020); Province of BC First Quarterly Report 2020-2021 (September 2020).

In March 2020, as the global COVID-19 pandemic spread to BC, the BC government declared a public health emergency and implemented a number of measures to contain the spread of the virus. Measures included mandating physical distancing requirements and banning gatherings of more than 50 people including sporting events, concerts, performances, meetings, conferences and social events. As a result of the restrictions, many businesses were forced to alter their operations by transitioning their employees to working remotely and reconfiguring their production lines. Businesses that were unable to comply with physical distancing requirements, such as barbershops, hair salons and other personal services, were ordered closed, and restaurants and bars were only permitted to offer takeout service. In addition, the federal government closed the border to all non-essential travel.

Restrictions remained in place until May 18 when BC entered Phase 2 of its restart plan.³ As part of Phase 2, businesses were permitted to re-open with enhanced safety protocols. Restrictions on gatherings and movements in the province remained and the border remained closed. Beginning June 24, BC entered Phase 3, in which movement within the province was no longer discouraged. Physical distancing requirements and restrictions on gathering sizes remained in place, and as of September, the border remained closed to all non-essential travel.

At the onset of the restrictions, most sectors of the economy were affected and significant declines in employment levels occurred in March and April. As the economy re-opened in May and June, employment levels rebounded sharply and by Q3, employment in manufacturing, resource sectors, professional services, and health and social services, had recovered to close to pre-pandemic levels. Retail sales also showed signs of recovery while travel restrictions and physical distancing requirements

² BC Business Council, BC Economic Review and Outlook, February 2020.

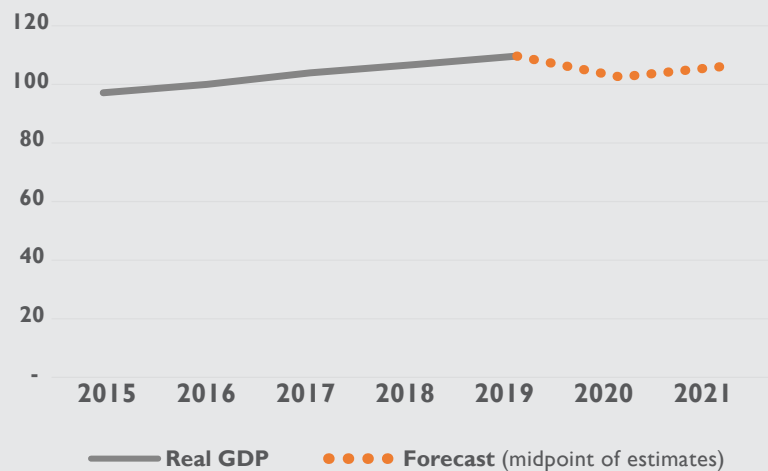
³ BC's Response to COVID (Available here: <https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support>).

Macroeconomic Indicators

continued to severely impact the hospitality, accommodation, entertainment, and recreation sectors.

As of September, BC's GDP was projected to decline by between 5% and 8% in 2020. The recovery process is expected to be gradual and uneven, with sectors such as tourism and recreation continuing to be severely impacted as long as physical distancing requirements, restrictions on gatherings, and border closures remain in place. Another key factor will be migration patterns and how those change in response to COVID-19. In the Lower Mainland, international immigration has been a significant source of growth, while in other regions of the province such as Vancouver Island and the Okanagan, migration from other regions of BC and Canada has been more significant.

BC Real GDP Index (2016 = 100)



Source: Statistics Canada, Table 36-10-0402-01 GDP at basic prices, by industry, provinces and territories; Central I (September 2020); Province of BC First Quarterly Report 2020-2021 (September 2020).

There are some indications that Vancouver Island has fared better than other regions of the province. As of August, employment levels were down approximately 4% year-over-year compared with between 5% and 12% in other regions, and housing prices are up year-over-year. Vancouver Island's continued path to recovery is expected to be influenced by migration patterns and the resumption of cross-border visitation.

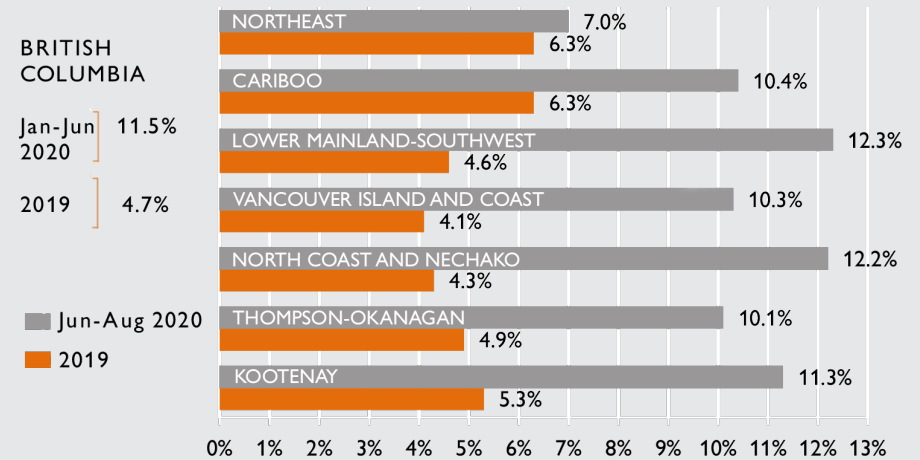
The Canadian dollar remained stable relative to the US dollar through 2019, but declined in value in March 2020 as there was a flight-to-safety to the US dollar among investors. As the economy began to re-open and financial markets settled, the Canadian dollar regained value and in August it was trading in the same range as it began the year. There remains a great deal of uncertainty around the outlook for the Canadian dollar. While analysts expect the Canadian dollar to increase in value in 2021, the risk of a large second wave of COVID-19 infections could result in short-term movements.

For Vancouver Island's key sectors, fluctuations in the value of the Canadian dollar are unlikely to have a significant impact as long as restrictions on travel and border closures remain in place.

Macroeconomic Indicators

Employment Rate

BY REGION 2019 AND 2020 (Jan-June)



Source: Statistics Canada Table: 14-10-0293-01, Table: 14-10-0090-01 and BC Stats Monthly Labour Force Statistics.

THE UNEMPLOYMENT RATE ON VANCOUVER ISLAND DECLINED FOR A FOURTH STRAIGHT YEAR IN 2019 AND, AT THE BEGINNING OF 2020, WAS AMONG THE LOWEST IN THE PROVINCE. Beginning in mid-March, COVID-19-related business closures and layoffs led to increasing unemployment rates across the province. Unemployment rates peaked in Q2, reaching 12.3% in BC and 11.7% on Vancouver Island. As the restrictions were lifted and the economy gradually re-opened, unemployment rates started to decline.

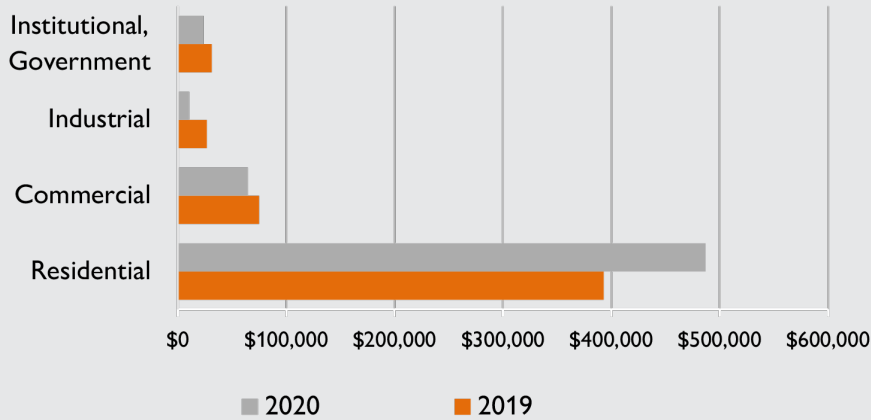
As of August, unemployment rates among occupations in sectors hardest hit by COVID-19 restrictions ranged from 11.7% for sales and service occupations to over 20% for those in arts, culture, recreation, and sport occupations. In occupations in trades, transportation, manufacturing, business, and finance, unemployment rates were between 7% and 10%, while in occupations in health, natural sciences, management, natural resources, and agriculture, unemployment rates were consistent with pre-pandemic levels.

Employment gains and associated reductions in unemployment rates are anticipated to be lower as the recovery progresses and restrictions remain in place.

Infrastructure and Development

Building Permit Values (Victoria CMA only)

JANUARY TO JUNE (in \$000s)



Source: Statistics Canada, Table: 34-10-0066-01.

PLEASE NOTE that complete building permit data were only available for the Victoria Census Metropolitan Area (CMA) for 2020.

Housing Starts YEAR-OVER-YEAR JANUARY TO JUNE



Source: CMHC, Starts and Completions Survey.

THE VALUE OF BUILDING PERMITS IN THE VICTORIA CMA INCREASED BY 11% IN THE FIRST SIX MONTHS OF 2020, COMPARED TO THE SAME PERIOD IN 2019.

The increase was driven by residential permit values, which experienced a 24% year-over-year increase, while the non-residential permit values decreased by 26% year-over-year.

In the first quarter, residential permit values in Victoria increased by 30% year-over-year and in the second quarter, values increased by 16% year-over-year. This suggests that the outlook for construction in the Victoria region remains positive in the near term.

Building permits indicate construction intentions, while housing starts indicate construction activity. In the first six months of 2020, the number of housing starts increased in Port Alberni, Parksville-Qualicum Beach and Campbell River and declined elsewhere. This suggests that construction activity on Vancouver Island has continued but is slowing.

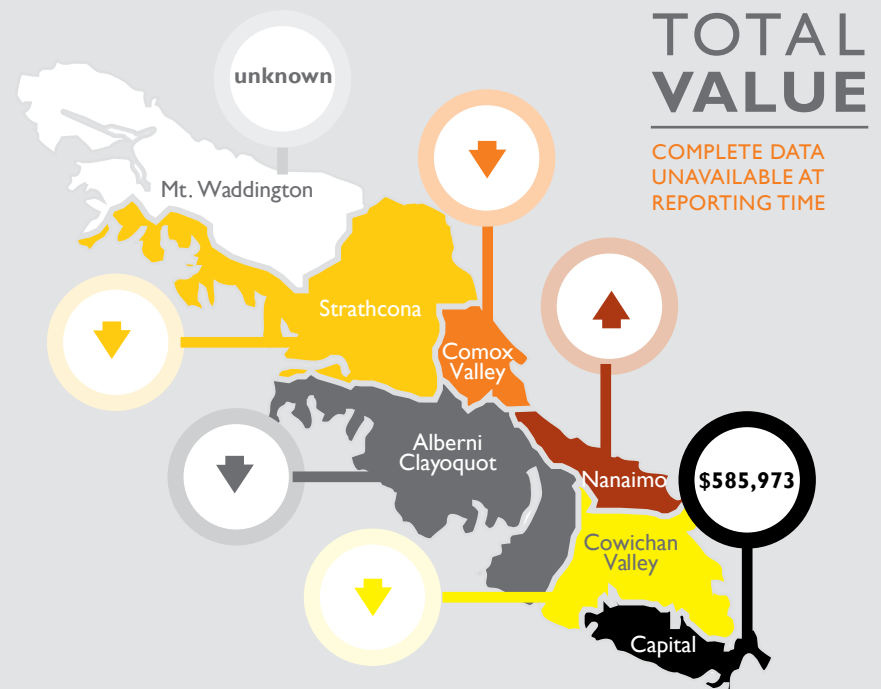
COMOX VALLEY WATER TREATMENT PLANT

The Comox Valley Regional District (CVRD) is constructing a new water treatment facility in order to improve water quality. The CVRD

Infrastructure and Development

Building Permits by Regional District

JANUARY TO JUNE 2020 (IN 000s)



Source: Statistics Canada, Table: 34-10-0066-01.

PLEASE NOTE that complete building permit data were only available for the Victoria Census Metropolitan Area (CMA) for 2020. For all other regions, trend is reported based on available information.

is the only major community in BC without secondary water treatment and as a result, extreme rains and flooding in 2015 resulted in boil water advisories in the surrounding area. Construction on the project began in late 2019 and is expected to be completed by 2021.⁴

PORT ALBERNI SAWMILLS

In May 2020, the San Group completed construction of its Port Alberni sawmill and began production of specialty wood products. In April 2020, the San Group completed the purchase and re-opening of the previously shuttered Chalwood Forest Products sawmill in Port Alberni. These two mills, in addition to the San Group's third mill in Port Alberni, are expected to eventually employ approximately 250 people.⁵

⁴ Comox Valley Regional District. Available here: <https://www.comoxvalleyrd.ca/projects-initiatives/past-current-projects/comox-valley-water-treatment-project>.

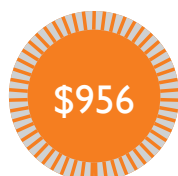
⁵ San Group. Available here: <https://www.sangroupinc.com/san-group-bets-on-high-value-future-with-new-port-alberni-sawmill/>.

Infrastructure and Development

MAJOR INFRASTRUCTURE PROJECTS UNDER CONSTRUCTION

VALUE OF INVESTMENT
IN \$MILLIONS

UTILITIES



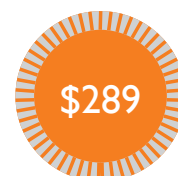
TRANSPORTATION



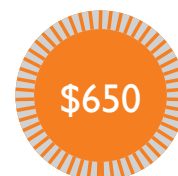
HEALTHCARE



EDUCATIONAL INSTITUTIONS



AFFORDABLE HOUSING



Source: British Columbia Major
Projects Inventory, Q1 2020.

NIGEL VALLEY

Nigel Valley is a 70-unit development in Saanich that will be co-owned and operated by five housing and community care operators including BC Housing and Island Community Mental Health. The development will house and serve the needs of a wide variety of populations, including individuals recovering from mental illness, adults with developmental and physical disabilities, seniors, and families. Construction is expected to be completed by the end of 2020.⁶

ROYAL BAY SECONDARY SCHOOL EXPANSION

Royal Bay Secondary School in Colwood is undergoing an expansion that will add 600 seats, including 21 new classrooms, and a small gymnasium for community use.⁷ The school was already operating at 135% capacity and the expansion will bring Royal Bay's capacity to 1,400 students, making it the largest secondary school on Vancouver Island. The expansion is expected to be complete and ready for students by fall 2020.

Major projects that are now completed or have updated timelines include:

MARINE OIL SPILL RESPONSE PROJECT

As of August 2020, the Western Canada Marine Response Corporation (WCMRC) is planning to restart construction on the oil spill response terminal in Nanaimo. Construction is expected to commence in Q3 2020 and be completed by Q3 2021. Once operational, the base will have 34 full-time employees.⁸

HIGHWAY 4 – KENNEDY HILL SAFETY IMPROVEMENTS

As of spring 2020, construction on Highway 4 was delayed due to COVID-19 restrictions that reduced the size of construction crews, as well as a construction-related rockslide in January.⁹ The road upgrades are now expected to be completed in spring 2021.

WASTEWATER TREATMENT FACILITY – CAPITAL REGIONAL DISTRICT

As of June 2020, the project is underway and expected to be completed by the end of 2020.¹⁰

⁶ BC Housing. Available here: <https://www.bchousing.org/projects-partners/development-projects/saanich-nigel-valley>.

⁷ BC Government. Available here: <https://news.gov.bc.ca/releases/2018EDUC0014-000415>.

⁸ Data provided by WCMRC.

⁹ CTV News. Available here: <https://vancouverisland.ctvnews.ca/kennedy-hill-construction-may-stretch-into-2021-province-1.4869774>.

¹⁰ Capital Regional District. Available here: https://www.crd.bc.ca/docs/default-source/wastewater-planning-2014/2020-06-25-projectupdate9-web.pdf?sfvrsn=6a8601cc_2.



FROM TOP

Ken Peacock
David Williams
Bryan Yu

State of the Island Economist Panel Q & A

GUEST CONTRIBUTORS

Ken Peacock, David Williams, Bryan Yu

The COVID-19 pandemic is unlike any other economic shock in recent memory and has had a profound impact on how organizations operate and how people go about their day-to-day lives. It has also had a devastating impact on the health and well-being of many people due to job losses, business closures, and isolation.

At present, the longer-term impacts of the pandemic are unknown. What happens will be shaped by factors such as the availability of a vaccine or effective treatments, the severity of subsequent waves of infection, and how governments, businesses, and individuals respond.

To help understand the implications of COVID-19 on the economy, we assembled a panel of BC economists to share their perspectives on where BC was heading before the pandemic and what might be ahead of us.

KEN PEACOCK is the Chief Economist and Vice President of the Business Council of British Columbia. Ken contributes to the Council's work on economic and policy issues of interest to the business community. He attained his master's degree in economics from Simon Fraser University and is a past president of the Association of Professional Economists of BC and a member of the BC Economic Forecast Council.

DR. DAVID WILLIAMS is the Vice President of Policy for the Business Council of British Columbia. He has over 20 years of economic policy advising experience at the Bank of Canada, International Monetary Fund, Australia's Department of the Prime Minister and Cabinet, and Reserve Bank of Australia. David holds a doctorate in economics from Oxford University.

BRYAN YU is the Deputy Chief Economist at Central 1 Credit Union. He has been with the organization for more than a decade, leading the Economics team's forecasting and analysis of provincial and regional economic activity in support of credit unions across BC and Ontario.

I. *In January and February of 2020, most forecasts predicted sustained but modest growth for both British Columbia and Canada. What was underpinning these forecasts?*

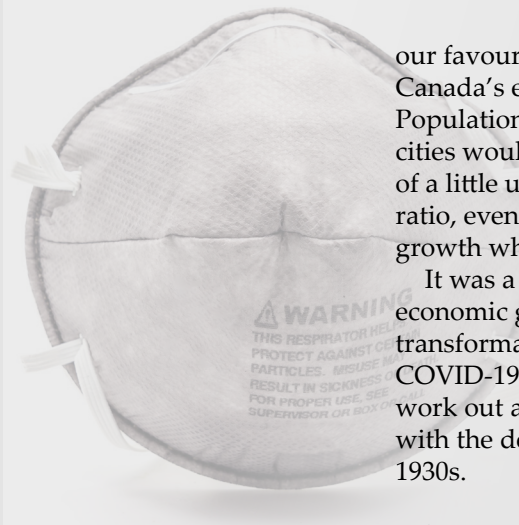
BY: We are in a different world from early 2020. While the coronavirus was on the radar as a regional threat in China at the time, economists and the broader health community largely anticipated the virus to be well contained and clearly not evolve into a global pandemic. While the Canadian growth cycle was on a decelerating trend heading into 2020, with some of the greatest risks associated with trade policy and geopolitical tensions with the US and China, a modest growth outlook was supported by a growing population, major project construction, and solid government finances. Clearly, the pandemic has turned the world on its head, with efforts to stem the spread of the virus including temporary shutdowns of parts of the economy, contributing to the deepest downturns in decades.

DW: Canada tottered into 2020 with a debt- and immigration-reliant growth strategy that was yielding low unemployment but little to no growth in GDP per capita, productivity, or real wages. The economy could scarcely manage topline GDP growth of 2% without overheating and prompting higher interest rates from the Bank of Canada. That's extraordinarily low for an economy operating at near full employment.

Over the past five years, fully four-fifths of Canada's topline GDP growth reflected growth in aggregate working hours as the labour pool expanded. Over the same period, labour productivity—which is what ultimately determines average real wages and living standards over the long term—made its smallest contribution to GDP growth since the 1980s. On a per worker basis, business investment was falling and was weaker in 2019 than in 2008. Putting all the pieces together, GDP per capita grew by a tiny 0.3% per annum over the five years to 2019.

In other words, Canada's economy was growing mostly because it had more people in it. But because of weak investment and productivity growth, it wasn't getting any better in terms of making the average Canadian better off. Also, despite being at the "top" of the economic cycle, Canada had become one of the world's top ten indebted countries with all-sector debt of about 300% of GDP.

Going into 2020 and 2021, policymakers were hoping that everything would break in



our favour. A lift in global growth would keep Canada's economy close to full employment. Population and labour force growth in the big cities would then guarantee topline GDP growth of a little under 2%, reducing our debt-to-GDP ratio, even though this translated into almost no growth whatsoever in GDP per person terms.

It was a curiously labour-intensive economic growth strategy for an era of digital transformation and automation – trends which COVID-19 has now greatly accelerated. It didn't work out as hoped. Instead, Canada is grappling with the deepest global recession since the 1930s.

2. *How has COVID-19 and the associated restrictions affected some of the key influences on the outlook for British Columbia and Canada, particularly with respect to population growth, housing and real estate, and key industries such as tourism and forestry?*

BY: The pandemic continues to evolve. Some sectors will see this as a moderate and temporary contraction while others will take years to rebound. Not surprisingly, tourism faces an uncertain future. It is unclear when borders will re-open to discretionary travel and to what extent. This will depend on availability of a vaccine and/or how governments and industry adapt and the willingness of individuals to jump on planes. While we have seen some re-allocation of domestic tourism during these summer months, the hospitality sectors will face challenges from the lack of global recreation and business travellers through 2022, creating threats to viability of businesses.

The sector will be an ongoing drag on BC's growth. Retail businesses have improved, but capacity constraints due to physical distancing and health fears will continue to push consumers to online purchases requiring some re-think of future capacity. Export oriented goods sectors should bounce back relatively quickly due to less impact from physical distancing requirements, but a weaker global growth backdrop will impede recoveries and longer-term growth.

Housing has emerged as one of the stronger sectors in the pandemic, with sales surpassing pre-pandemic levels and while prices are moving higher. Low interest rates are an incredible incentive to jump in the market, particularly with the hardest hit households being in lower wage occupations with those on the homeownership ladder less affected. Indeed work-from-home expectations have likely fuelled demand for increased space, prospects of working outside the major urban markets and also demand for recreational properties.

DW: To date, changes in consumer behaviour, shutdowns and border closures have had severe impacts on the arts, entertainment, and recreation sector and the accommodation and food service sector. Trade-exposed sectors like transport services, manufacturing, mining, and oil and gas production have also been hit hard by the downturn in global demand. The outlook for these sectors is highly uncertain and depends on how COVID-19 and public health measures evolve here and overseas.

There are a few sectors for which demand has held up. Significant interest rate cuts have benefited the finance, insurance, and real estate sectors. Some parts of the retail trade sector, especially grocery stores, have fared reasonably well, even as others continue to struggle (e.g. clothing and bookstores). The forestry sector, BC's leading export industry, has benefited from strong lumber pricing on the back of strong housing starts and renovation activity in the US, where Canadian lumber exports accounts for about 30% market share and BC lumber represents about half of that.

3. What is the short-term outlook (6 to 12 months) for British Columbia and are there any bright spots?

BY: The economy is recovering with initial rebounds following the restart phase being relatively vigorous. The low-hanging fruit however has largely been picked and a slower recuperation growth phase is likely, as ongoing physical distancing measures, tourism restrictions, and the generally weaker demand environment hampers a return to full output and capacity. We also anticipate two weak years for population growth, reflecting processing delays for new Canadians, tighter borders and less mobility globally. This will hamper the consumer rebound. Businesses are likely to hold back on investment given uncertainty, indeed there have been a number of high-profile cutbacks in this regard, although government investment will continue to support overall capital spending.

KP: Over the coming year, the provincial economy will continue to recover. The upturn will be strong. But context is important. In more normal times, economic growth in the 4% to 5% range would be very strong. But in the wake of the steepest downturn in a century, growth in this range will only get the province halfway back to pre-pandemic levels of economic activity.

Yes, there are bright spots. At this stage in the recovery, job losses are concentrated in a handful of industries. The pain is most acute in sectors depending on international travel and tourism or large audience-attended events. On the other hand, in several sectors, employment is up since February. Most notably, the number of people working in professional, scientific, and technical services has jumped strongly. The province's technology sector is growing rapidly. And we expect film and television production to resume its place as an important source of jobs and export income.

4. The initial response to the pandemic included a huge amount of government supports to households and businesses. What are some of the short-term and longer-term implications of those supports for businesses and investment?

KP: These supports have helped thousands of households and businesses across the province. In BC, more than 1.1 million people have claimed the CERB. By August, the federal government had transferred more than \$8.2 billion to BC residents through this program alone. Additional wage supports, business loans, deferred taxes and a multitude of other programs add up to billions more in transfers. The federal government is

on track to post a deficit of more than \$330 billion, a staggering 15% of GDP, this fiscal year. The federal government has done most of the heavy lifting for supports. But the province is also providing relief and rolling out other stimulus spending. More spending coupled with a sharp downturn in revenue means the province too, is facing a large deficit this year, probably close to \$15 billion, which is more than 5% of GDP.

The financial viability of many households and businesses depends on the different forms of support. And indications are the federal government will continue to provide various forms of financial backstops

But these massive transfers and accompanying deficits cannot go on indefinitely. BC's fiscal circumstances are healthy and manageable, especially with *rock bottom* borrowing costs. But as the economy heals and more people get back to work, governments will need to turn their attention to the sustainability of government finances, and deficit and debt reduction. Returning to fiscal balance will take several years, perhaps the better part of a decade. Many pundits believe taxes will need to rise in the future to tame deficits. This will likely be the case across many advanced economies. But in BC's case, with a proportionally smaller deficit, it will be possible to gradually eliminate the deficit through economic growth coupled with some fiscal restraint as appropriate.

5. What are some of the key ways in which households and businesses can adapt and succeed in the current economic climate?

DW: This is an incredibly difficult period as we confront the worst public health crisis and the deepest recession of our lifetimes. Many businesses have seen a significant downturn in demand. Businesses and jobs that are highly dependent on in-person social interactions such as tourist and event operators, airlines, and restaurants, are finding things very challenging. There is considerable uncertainty about future COVID-19 waves and public health measures. Everyone knows someone who has lost their job or a company that is battling to stay afloat. How do British Columbians adapt and stay resilient?

Many companies have had to re-examine their business models. Investments in digital technologies, capital equipment, automation, and workforce skills have been critical survival strategies. Some firms have successfully pivoted from bricks-and-mortar operations to work-from-home, e-commerce, or online service delivery. Others have automated aspects of their production process. Firms are re-evaluating their supply chains with respect to both resilience and costs. Businesses in decent shape may be looking to secure longer term deals with suppliers, creditors, landlords and customers at favourable rates and terms. Some firms might decide to shut down for the foreseeable future and hope to reopen down the track. And others may require government programs to support their workers and operations.

For British Columbians, *priority one* is public health and *priority two* is employment. That means keeping skills up-to-date and looking to *upskill* where possible. Some workers may need to re-train or adapt their skill set. They may need to look to apply their skills in other industries. For example, a salesperson previously working in tourism might have much to offer in a customer sales and support role in the digital services sector, where near-term business conditions are better.

Governments are feeling their way through COVID-19 too. So, you should contact a local MP or MLA if you have feedback on the challenges you and your community are facing as we navigate through the pandemic.

BUSINESS ENVIRONMENT AND INVESTMENT ATTRACTION

Peter Hall, Vice President and Chief Economist, Export Development Canada at the 2019 State of the Island Economic Summit, Nanaimo BC.

The overall moderation in growth on Vancouver Island was reflected in trends in business formation and bankruptcies. The number of businesses in key sectors was relatively stable while the number of businesses in real estate and healthcare sectors experienced growth, which is consistent with the strength of the housing market and population growth. Business formations were consistent with or above their three-year averages across Vancouver Island, while consumer bankruptcies remained below their three-year average.

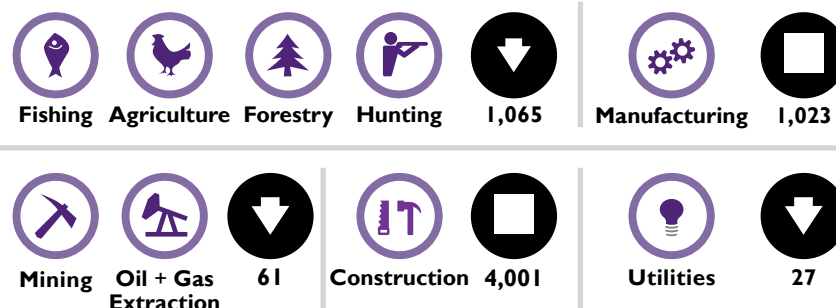
In the first half of 2020, consumer and business bankruptcies declined year-over-year on Vancouver Island by 22% and 40%, respectively. This is consistent with trends observed across Canada and is likely due in part to government support measures like the Canadian Emergency Response Benefit (CERB) and the Canadian Emergency Wage Subsidy (CEWS), as well as mortgage deferral options. As government support measures are pulled back, both consumer and business bankruptcies are likely to increase. The sectors most at risk on Vancouver Island are retail, accommodation and food services, recreation and culture, and other tourism-related businesses.

It is important to note that business bankruptcies are only a partial reflection of business closures. Businesses that chose to shut down but were not experiencing immediate financial difficulties are not included.

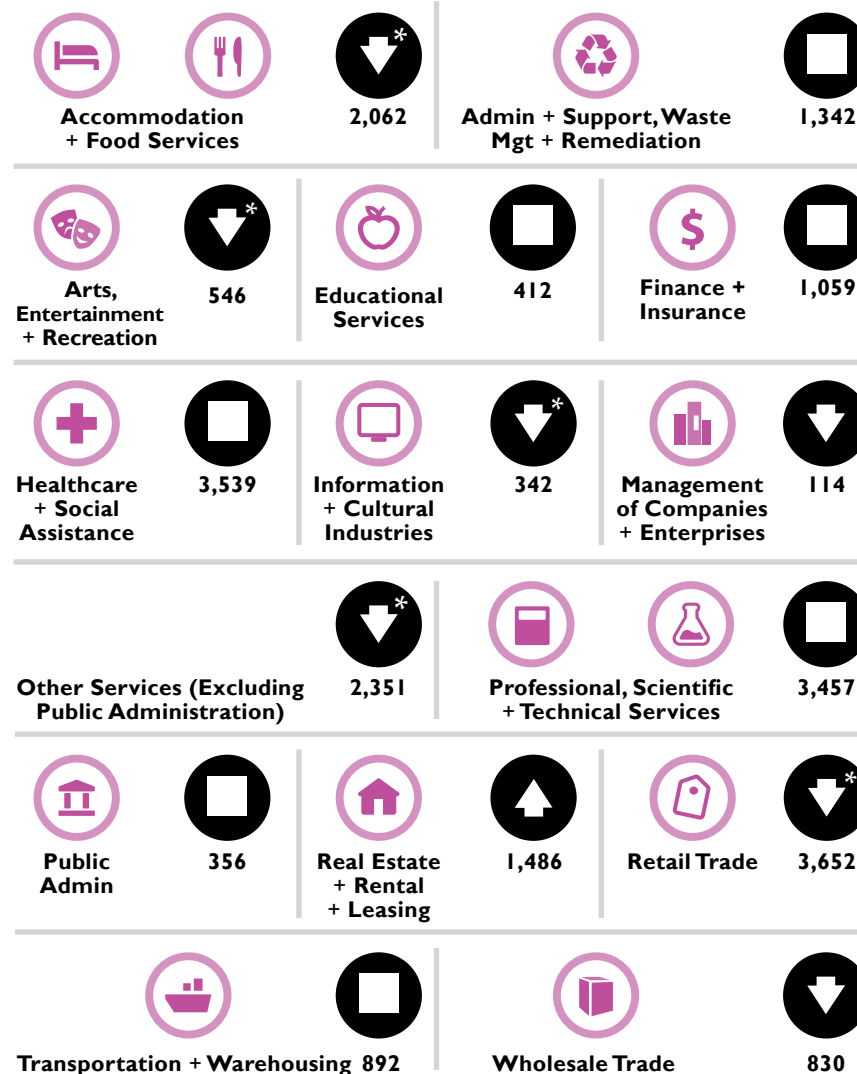
Number of Businesses with Employees

BY SECTOR AND CATEGORY, SHOWING TREND

GOODS-PRODUCING SECTOR



SERVICE-PRODUCING SECTOR



*Declines are anticipated as a result of COVID-19.

Source: Statistics Canada, Business Register, Establishment Counts December 2018.



Insolvency

Business Bankruptcies

2016–2018
ANNUAL AVERAGE

13
VI+COAST

114
BC

2019

14
VI+COAST

90
BC

Consumer Bankruptcies

2016–2018
ANNUAL AVERAGE

1,004
VI+COAST

4,312
BC

2019

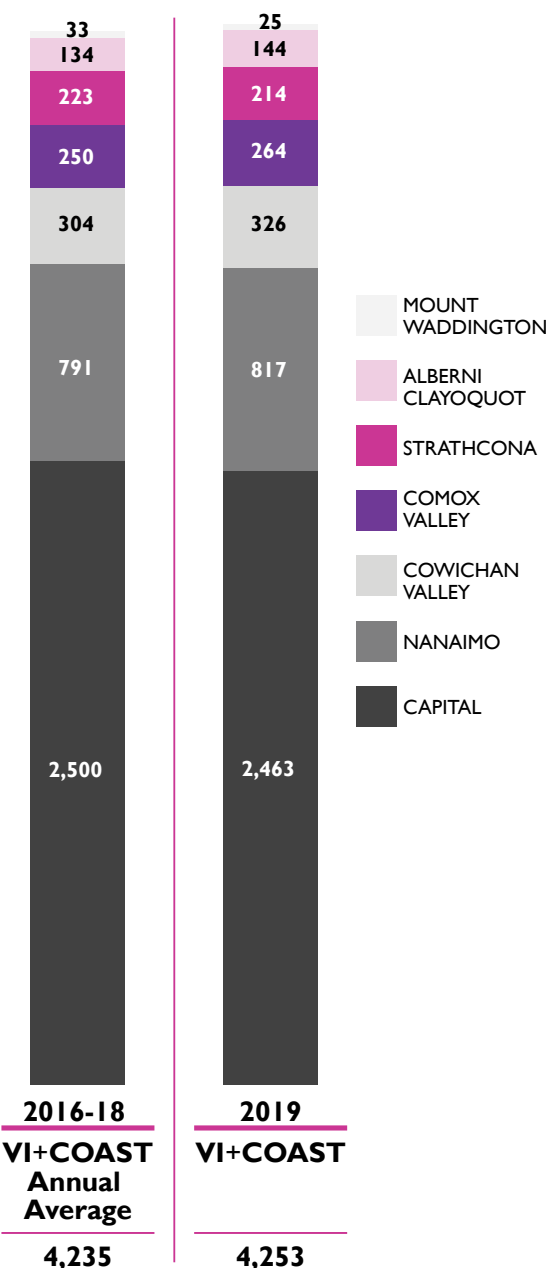
936
VI+COAST

4,134
BC

Source: Office of the Superintendent of Bankruptcy Canada.

Business Formations

INCORPORATIONS BY REGIONAL DISTRICT



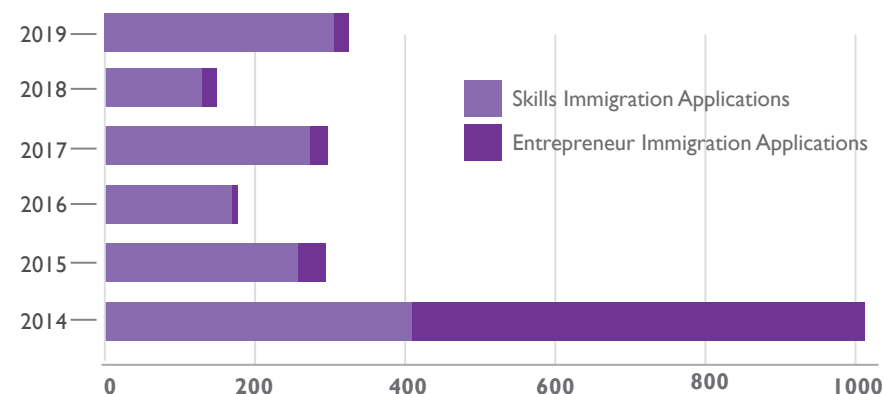
Source: BC Stats, Business Formations and Failures.

THE BRITISH COLUMBIA PROVINCIAL NOMINEE PROGRAM (BC PNP)

facilitates the immigration of skilled foreign workers, international students, and entrepreneurs. Prospective applicants are nominated for permanent residency through either the Skills Immigration stream or through the Entrepreneur Immigration stream.

Skilled and Entrepreneurial Immigration

Applications to the Provincial Nominee Program



Source: BC Ministry of Jobs, Economic Development and Competitiveness.

Note: Due to a large inventory of applications to process, there was a 90-day program pause in 2015, which led to a surplus of applications from 2015 that were processed between 2016 and 2018. As a result, the 2015 and 2016 data should be considered in conjunction with one another.

Skills Immigration

2014–2019

1,213

NOMINATIONS

Source: BC Ministry of Jobs, Economic Development and Competitiveness.

Entrepreneur Immigration

2014–2019

174

WORK PERMITS

170

NOMINATIONS

271

JOBS CREATED

\$73

MILLION INVESTMENT

Source: BC Ministry of Jobs, Economic Development and Competitiveness.

Nominees under the Skills Immigration stream are selected based on the skills, education and/or experience required for high-demand occupations in the province. The number of applicants under this program on Vancouver Island increased significantly in 2019, bringing the annual average to approximately 260. Between 2014 and 2019, there were 1,558 applicants for Skills Immigration, of which approximately 78% received nominations for permanent residency.

Nominees under the Entrepreneur Immigration stream are required to meet a determined financial investment amount and demonstrate the ability to create job opportunities. The number of applicants under this stream on Vancouver Island has declined significantly since 2014, though it has remained relatively stable since 2017. This corresponds to a change in the program in which applicants have to be invited to apply.

DUE TO COVID-19-RELATED BORDER CLOSURES, IT IS EXPECTED THAT SKILLED AND ENTREPRENEURIAL IMMIGRATION WILL DECLINE THROUGH 2020 AND INTO 2021. Applications to the programs have been stable through the pandemic and are being processed; however, in-person entrepreneur interviews were postponed but have since resumed virtually. Nominations for occupations in severely affected sectors have been temporarily suspended and this will be reviewed in consideration of economic recovery.

POPULATION AND LABOUR FORCE

Vancouver Island's population continued to grow modestly in 2019. Its overall growth rate (1.5%) was slightly above BC as a whole (1.4%) and in line with the Lower Mainland (1.5%). While the working age population continued to grow, there are indications that growth is beginning to level off in this population segment.

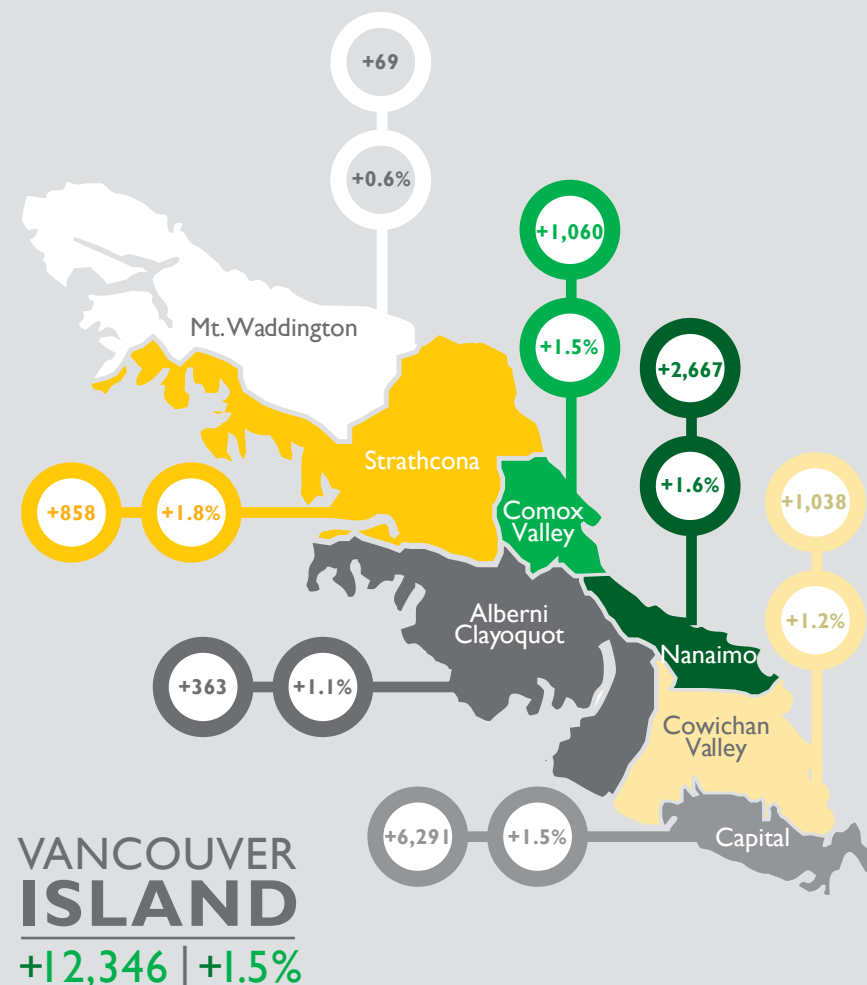
Preliminary population estimates suggest that in Q1 2020, population growth in BC continued at a pace in line with 2019 before slowing in Q2 2020. There are indications that interprovincial migration to BC has continued, and the slowing population growth rate is likely attributable to a reduction in international immigration.

On Vancouver Island, population growth has primarily been attributable to a combination of migration from other regions within BC, and migration from other provinces. International immigration has been less of a factor. Consequently, population growth may slow modestly in response to COVID-19 restrictions but there is not expected to be a significant impact in the near term. There are some indications from the real estate market that migration to Vancouver Island has continued due to its relative affordability as well as the trend to remote working increasing the attractiveness of communities outside the major population centres.

Delegates at the (pre-COVID) 2019 State of the Island Economic Summit in Nanaimo, BC.

Population

Population Growth by Region – 2018 TO 2019



Source: BC Stats, Population Estimates by Regional Districts and Development Regions.

Population Distribution VANCOUVER ISLAND AND COAST BY AGE GROUP

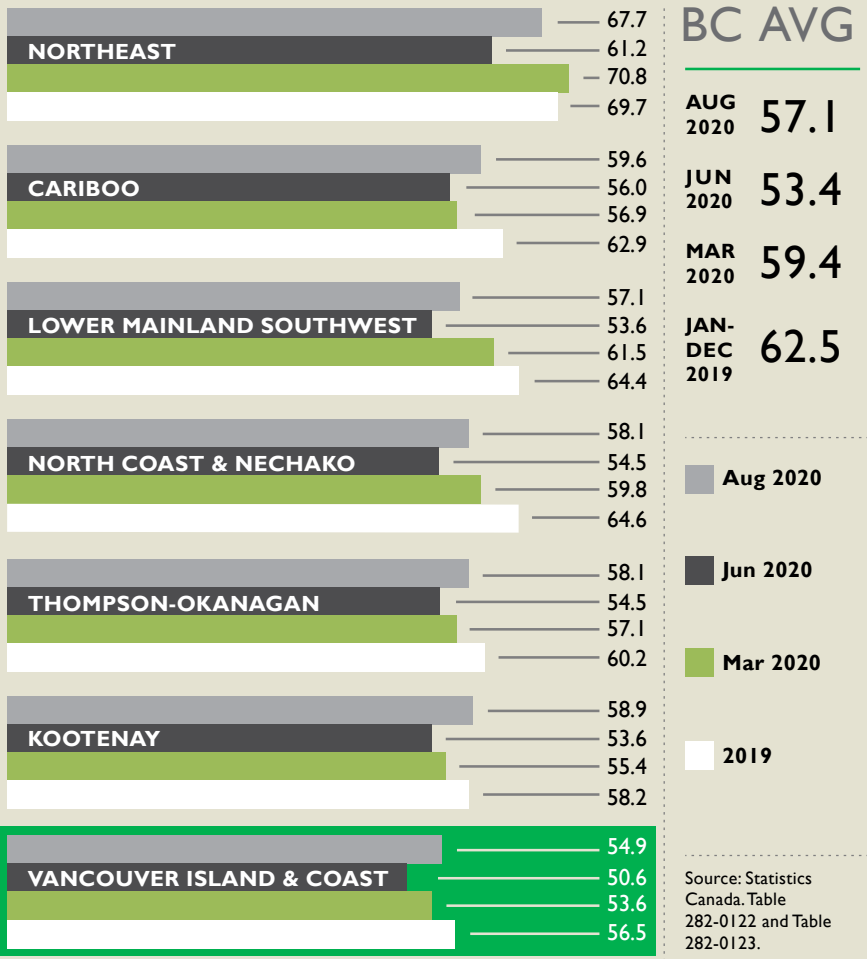
2009	<15 yrs (14%)	Working Age Population 15-64 yrs (67%)	65+ (19%)
2014	<15 yrs (13%)	Working Age Population 15-64 yrs (65%)	65+ (21%)
2019	<15 yrs (13%)	Working Age Population 15-64 yrs (63%)	65+ (24%)

Source: BC Stats, Population by Age and Sex.

Labour & Employment

Employment Rate

IN PERCENTAGES BY REGION 2019; MAR-AUG 2020

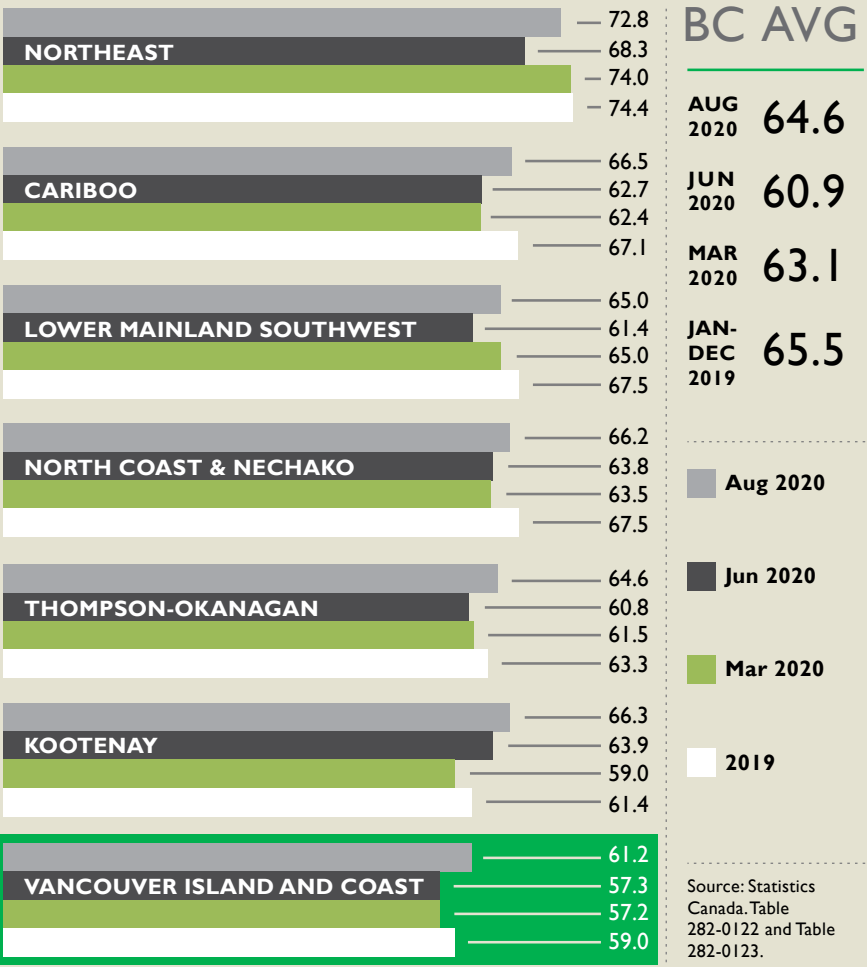


VANCOUVER ISLAND'S LABOUR FORCE PARTICIPATION RATE AND EMPLOYMENT RATE BOTH TRENDED DOWN IN 2019, AFTER FOUR YEARS OF CONSECUTIVE GROWTH. PRELIMINARY DATA INDICATES THAT DECLINES CONTINUED INTO Q1 2020. Following the introduction of Phase 1 COVID-19 restrictions, the employment rate on Vancouver Island fell to its lowest level in 20 years, before recovering to be in line with historical levels between June and August.¹¹ Similarly, labour force participation rates declined at the onset of Phase 1 COVID-19 restrictions before returning to their historical levels between June and August. This suggests that labour force attachment remains strong and there have not been a significant number of people that have dropped out of the labour force. **OVERALL EMPLOYMENT LEVELS SLIGHTLY DECLINED ON VANCOUVER ISLAND IN 2019.** The share of employment in the service sector dropped to 2017 levels, due to declines in the wholesale and retail trade sectors. The forestry sector also experienced declining employment levels, which is likely linked to the eight-month-long strike at six Western Forest Products mills on Vancouver Island.

¹¹ Statistics Canada. Table: 14-10-0293-01.

Participation Rate

IN PERCENTAGES BY REGION 2019; MAR-AUG 2020



Labour Force Participation

Rate OVERALL TRENDS BY AGE (BC) 2017 TO 2019



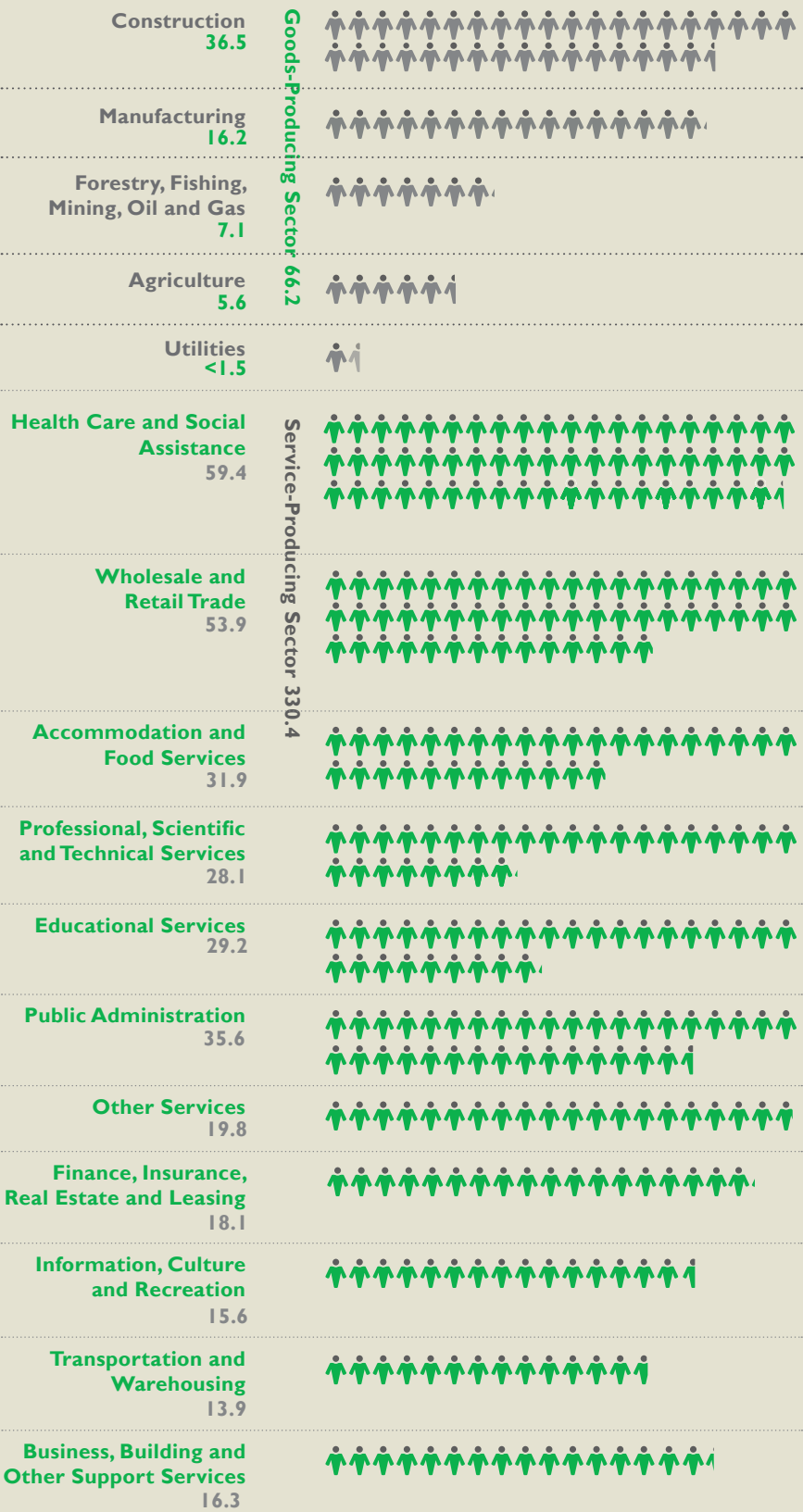
Source: Statistics Canada. Table 14-10-0018-01 Labour force characteristics by sex and detailed age group, annual.

COVID-19 UPDATE

In April 2020, at the start of restrictions, labour force participation rates in BC declined. Among women 15 to 44, participation rates dropped by between 10 and 20 percentage points while among men in the same age groups, participation rates dropped by between 7 and 16 percentage points. Participation rates began to rise among both women and men in June and by September, participation rates were approximately one percentage point lower for women and 1.9 percentage points lower for men compared with 2019.

Labour & Employment

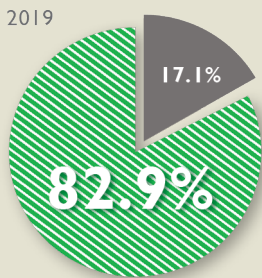
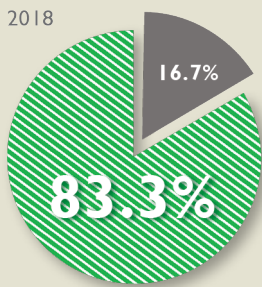
Employment By Industry VANCOUVER ISLAND 2019 (IN 000s)



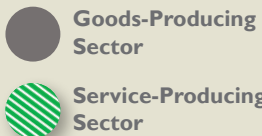
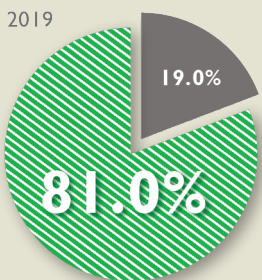
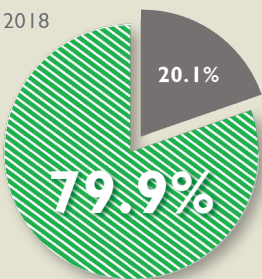
Source: Statistics Canada, Labour Force Survey, Custom Tabulation, Prepared by BC Stats January 2020.

Labour & Employment

Share of Employment BY SECTOR ON VI



Share of Employment BY SECTOR IN BC



Source: Statistics Canada, Labour Force Survey, Custom Tabulation, Prepared by BC Stats January 2020.

THE INTRODUCTION OF COVID-19-RELATED RESTRICTIONS AT THE END OF Q1 2020 LED TO SIGNIFICANT DECLINES IN EMPLOYMENT ACROSS THE REGION.

Between February and May, employment declined by 7.4%. The hardest hit sectors were accommodation and food services, retail and information, culture, and recreation which together accounted for over 90% of job losses.¹²

As the economy re-opened in May and June, employment levels rebounded sharply and by Q3 employment in manufacturing, resource sectors, professional services, and health and social services was above February levels. Compared with Q3 2019, employment in manufacturing and construction was down between 9% and 11% in Q3 2020, while employment in professional, scientific and technical services, finance, insurance, real estate and business support services was at or above 2019 levels. Travel restrictions and physical distancing requirements continued to severely impact the hospitality, accommodation, entertainment and recreation and personal services sectors and employment in these sectors remained below February levels and was down between 20% and 30% compared with Q3 2019.

COVID-19 UPDATE

In response to COVID-19, the federal government provided supports to workers and employers. The CERB benefit provided support to workers for up to 28 weeks. The program ended Oct. 3 and continued supports are being provided through the employment insurance (EI) system and the introduction of additional benefits for those not eligible for EI, those who are sick or must self-isolate, and those providing care to dependents or family members affected by COVID-19 or closures to schools and daycares as a result of COVID-19. The CEWS provides support to employers through a wage subsidy based on revenue declines. As of Oct. 2020 the program is in place until the end of the year.

Source: Government of Canada. "After CERB: Transitioning to new benefits" (Available here: <https://www.canada.ca/en/services/benefits/ei/cerb-application/transition.html>) and "Extending the Canada Emergency Wage Subsidy" (Available here: <https://www.canada.ca/en/department-finance/news/2020/10/extending-the-canada-emergency-wage-subsidy.html>).

¹² Statistics Canada. Table: 14-10-0091-01

INDUSTRY ANALYSIS

After a year of stability in 2019, the COVID-19 pandemic and associated shutdowns have led to steep declines and a pessimistic outlook for many of Vancouver Island's key industries. Forestry experienced a difficult 2019 due to an eight-month-long strike at Western Forest Products mills, while COVID-19-related restrictions delayed resumption of harvesting activities and led to further declines in production and employment.

Tourism is among the sectors most affected by COVID-19 as travel restrictions and border closures led to significant declines in visitors. The spillover effects of the hospitality sector shutdowns were felt by the aquaculture sector, as restaurant closures have led to declining demand for seafood products.

The number of international students on Vancouver Island is also expected to decline due to border closures, a lack of confidence in travel and the expected switch to remote learning. On the positive side, housing prices on Vancouver Island experienced a slight increase in 2020, despite reduced sales volumes.

Anthony Everett
President & CEO,
Tourism Vancouver
Island, at the 2019
State of the Island
Economic Summit
in Nanaimo, BC.

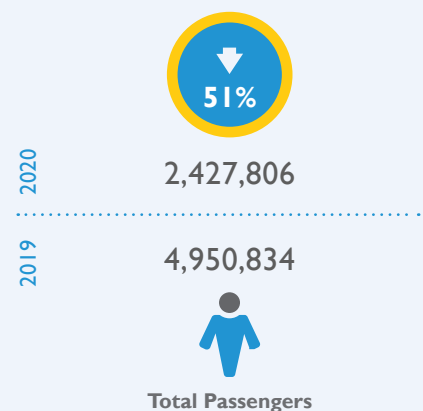
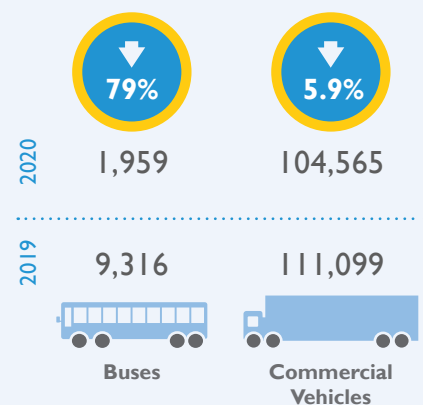
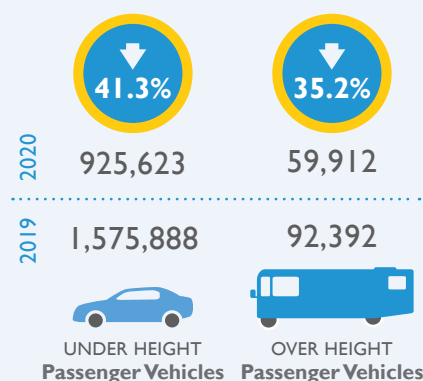
Tourism

2019 WAS A YEAR OF STABILITY FOR VANCOUVER

ISLAND'S TOURISM SECTOR as the number of passengers at regional airports modestly increased and ferry traffic remained largely unchanged from 2018. However, the tourism sector is among the hardest hit by the COVID-19 pandemic due to travel restrictions and border closures.

Ferry Traffic

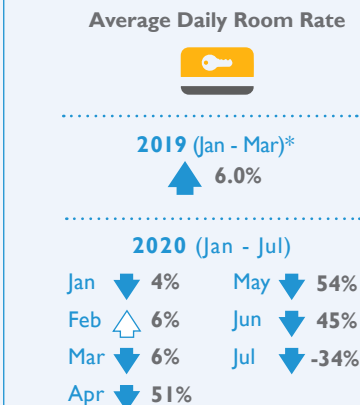
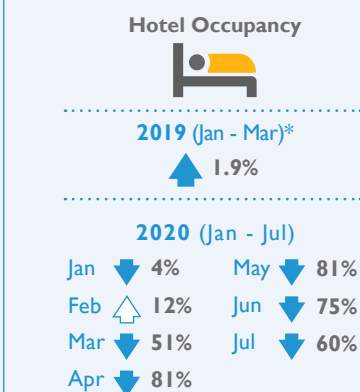
JAN-JUN YEAR-OVER-YEAR CHANGE



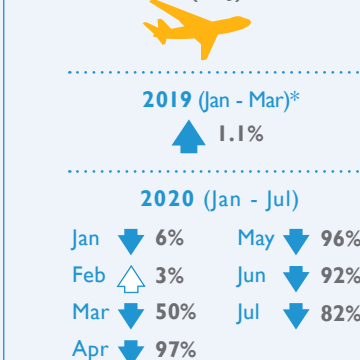
Source: BC Ferries.

Visitor Indicators

YEAR-OVER-YEAR CHANGE



Victoria International Airport Arrivals (YYJ)



Source: Tourism Victoria, Tourism Industry Indicators and COVID-19 Impacts Dashboard.

BC Ferries traffic levels are not expected to return to pre-COVID-19 levels until at least 2023

When Phase 1 restrictions were introduced, BC Ferries’ passenger traffic to Vancouver Island declined by over 80%, year-over-year, while vehicle traffic declined by over 70%. Capacity and sailings were adjusted to meet reduced service requirements, and certain routes like the Horseshoe Bay – Departure Bay route, were temporarily suspended. Service levels were increased beginning in late April, and traffic levels increased faster than expected throughout the summer as travel restrictions within BC were relaxed. As of September, capacity was approximately 20% above core service levels and traffic levels are not expected to return to pre-COVID-19 levels until at least 2023.

Passenger arrival data for the Victoria airport suggests that most visitors to Vancouver Island are travelling by car and are likely from other parts of BC.

Data to assess the impact on accommodation providers were only available for Greater Victoria. In April and May, occupancy rates were down by over 80% year-over-year, while accommodation revenues declined by over 90% year-over-year.¹³ By July, both occupancy rates and accommodation revenues began to increase, though they remained significantly lower than historical levels.

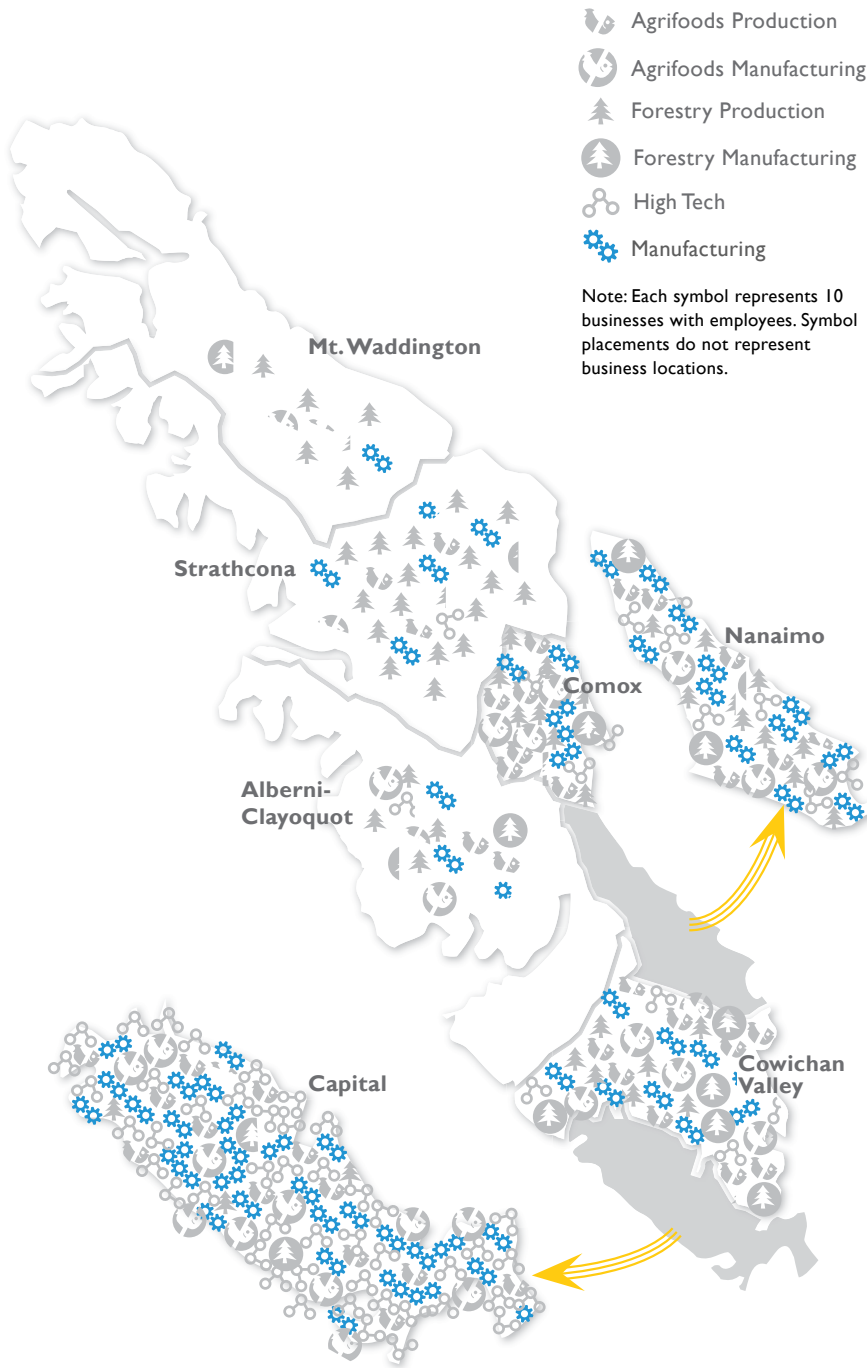
THE OUTLOOK FOR TOURISM ON VANCOUVER ISLAND IS POOR AND IS EXPECTED TO REMAIN THAT WAY UNTIL TRAVEL RESTRICTIONS AND BORDER CLOSURES ARE RELAXED. HOWEVER, IT IS IMPORTANT TO NOTE THAT TRAVEL MAY NOT RECOVER IMMEDIATELY ONCE RESTRICTIONS ARE RELAXED AS IT MAY TAKE TIME FOR PEOPLE TO FEEL COMFORTABLE TRAVELLING AGAIN.

¹³ Tourism Victoria. Tourism Industry Indicators and COVID-19 Impacts Dashboard.

Manufacturing

Distribution of Manufacturing Businesses

EXCLUDING MANUFACTURERS OF FOOD AND BEVERAGE, FOREST PRODUCTS AND HIGH TECH, ACROSS VANCOUVER ISLAND | RELATIVE TO OTHER KEY INDUSTRIES WITHIN REGIONAL ECONOMIES

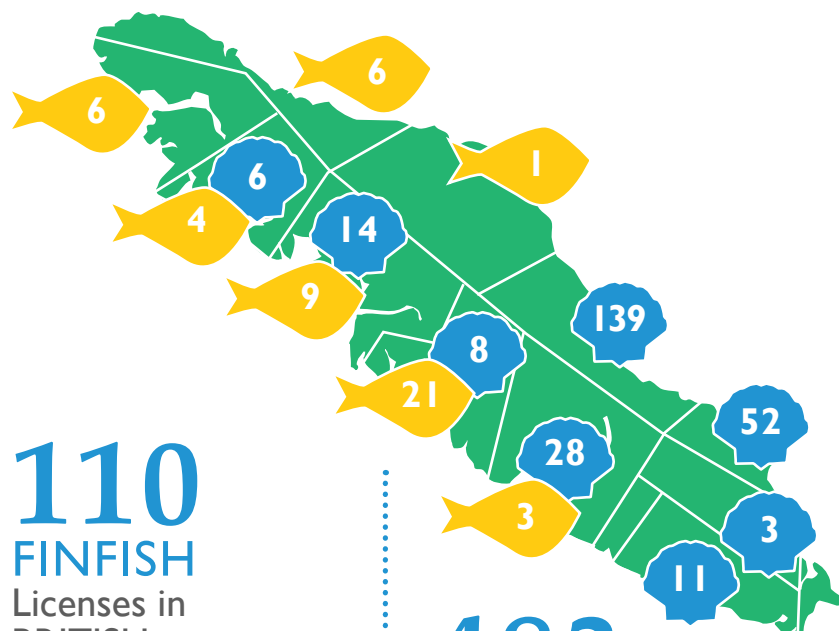


Source: Statistics Canada, Business Register.

Aquaculture & Agriculture

Shellfish and Finfish Licenses

FINFISH—MAY 2020; SHELLFISH—JUNE 2020



110
FINFISH
Licenses in
BRITISH
COLUMBIA

50
FINFISH
Licenses on
VANCOUVER
ISLAND

45%
of all BC Licenses
on VANCOUVER
ISLAND

483
SHELLFISH
Licenses in
BRITISH
COLUMBIA

261
SHELLFISH
Licenses on
VANCOUVER
ISLAND

54%
of all BC Licenses
on VANCOUVER
ISLAND

Source: Department of Fisheries and Oceans, Current Valid British Columbia Shellfish Aquaculture License Holders as of June 5, 2020.

Aquaculture & Agriculture

BC Aquaculture Production

ANNUAL AVERAGE 2013 TO 2018 (\$ Millions)

\$23.1
SHELLFISH

9,453
TONNES

\$607.4
FINFISH

83,027
TONNES

\$630.5
TOTAL

92,480
TONNES

Source: Department of Fisheries and Oceans, Aquaculture Production Quantities and Values.

Note: Data were not available for the value of Scallops farmed in 2015 and 2016, and as a result the Total Shellfish and Total Aquaculture Production average values are marginally understated.

The quantity of aquaculture production in BC remained stable in 2018, while the value increased. Export data indicate that export volumes fell in 2019 while export values increased, due in part to record-high Atlantic salmon prices at the end of the year. The price increase was due to strong seasonal demand as well as supply disruptions in Chile and Norway.¹⁴

In the first half of 2020, export data indicate that the volume of seafood trade from BC has fallen by approximately 11% compared to the same period in 2019.¹⁵ COVID-19-related restaurant closures severely affected the shellfish and farmed salmon sectors worldwide, significantly reducing demand and disrupting supply chains.^{16, 17} In addition, reductions in air capacity to key Asian markets, increases in freight rates and COVID-19-related safety protocols have raised costs for producers on Vancouver Island as prices have fallen.

IN THE NEAR TERM, DEMAND FROM RESTAURANTS IS EXPECTED TO REMAIN WEAK AND PRICES ARE EXPECTED TO REMAIN LOW FOR MOST SEAFOOD PRODUCTS, WHILE COSTS ARE EXPECTED TO REMAIN ELEVATED DUE COVID-19 SAFETY PROTOCOLS. THESE FACTORS COMBINED WITH CONTINUED UNCERTAINTY WITH RESPECT TO TENURES COULD HAVE A MATERIAL IMPACT ON PRODUCTION ON VANCOUVER ISLAND GOING FORWARD.

¹⁴ FAO. "Salmon's upward growth trajectory grinds to a halt over COVID-19". Available here: <http://www.fao.org/in-action/globefish/market-reports/resource-detail/en/c/1296665/>.

¹⁵ Canadian Merchandise Trade Database.

¹⁶ FAO. "COVID-19 disrupts bivalve production and trade". Available here: <http://www.fao.org/in-action/globefish/market-reports/resource-detail/en/c/1296657/>.

¹⁷ FAO. "Salmon's upward growth trajectory grinds to a halt over COVID-19". Available here: <http://www.fao.org/in-action/globefish/market-reports/resource-detail/en/c/1296665/>.

Aquaculture & Agriculture

Distribution of Agrifoods Businesses

ACROSS VANCOUVER ISLAND | RELATIVE TO OTHER KEY INDUSTRIES
WITHIN REGIONAL ECONOMIES



Source: Statistics Canada, Business Register.



Seaweed An Ocean of Opportunity



TOP

L to R Mike Williamson and Chris Williams during spring harvest, 2020

ABOVE

Dried sugar kelp

NEXT PAGE

L to R Poke bowl by Chantal Davis of That Planted Life

The farm, July 2020

Farm deployment in Barkely Sound, fall 2019

GUEST CONTRIBUTOR —Erin Bremner-Mitchell

Manager of Communications and Engagement

Cascadia Seaweed

The entrepreneurial spirit prevails when unexpected opportunities emerge. This is what transpired for Bill Collins while developing business cases for Foreign Trade Zone Vancouver Island (ftzvi.com) on behalf of the Vancouver Island Economic Alliance, when he learned that seaweed had the opportunity to save the world.

Collins, and his colleague on the project, John McCannel, developed four business cases to attract Foreign Direct Investment to Vancouver Island, then laid the groundwork for engaging potential investors. One of the opportunities identified was sustainable aquaculture, and aquatic plant aquaculture in particular, represented a tremendous opportunity. After an hour on the phone with one of Canada's most knowledgeable seaweed experts, a new business endeavour began to brew in this budding sector (Cascadia Seaweed Corporation) offering positive social, environmental and economic benefits to coastal BC.

Although seaweed is relatively new to North American palates, it has been an important part of Asian cuisine for centuries. Thus, it makes sense that presently more than 99% of global seaweed production takes place in Asia. The rest of the world is only now catching on and commercial production outside of Asia is in its infancy. The World Bank reported that by 2034, seaweed farming will add about 10% to the world's present supply of food—and therein lies the opportunity.



“There is an incredible market for seaweed, growing about 6% a year, where global demand is constantly outpacing supply,” says Collins. “Our research indicates that 16 million pounds of seaweed was imported to North America from Asia in 2019, yet there is a movement among consumers to purchase local food items.” This demonstrates an opportunity to intercept the distribution with a grown-in-BC solution.

Besides being supported by a strong business case, the cultivation of seaweed is also supported by an environment case, in climate-positive ways, by providing marine habitat and sequestering carbon. **IN ADDITION TO BEING A SUSTAINABLE CROP REQUIRING ONLY THE SEA AND SUNLIGHT TO GROW, SEAWEED IS AN EXTREMELY VERSATILE AND NUTRITIOUS PRODUCT, AMENABLE TO ADDRESSING FOOD SECURITY, CLIMATE CHANGE AND ECONOMIC RESILIENCE—ALL CRITICAL FACTORS TO THE SURVIVAL OF HUMAN BEINGS.**

Seaweed is a macroalgae grown in saltwater environments and categorized by pigments: red, green and brown. There are a variety of species within each category and they individually own a unique biological profile. Over 630 identified species of seaweed thrive in British Columbia waters. BC is a ‘Goldilocks Zone’ for growing seaweed. The Island region boasts ample sunlight, cold nutrient-rich water, minimal shipping activity, a relative absence of pollutants, a favourable regulatory environment, and close proximity to major markets.

It was quickly determined that the highest and best value for cultivated seaweed grown and processed in BC would be in the human food industry, and more specifically the plant-based, alternative protein category. To take this concept from sound business case to successful enterprise, two capable executives: Mike Williamson and Tony Ethier, have been added to the team. Cascadia Seaweed has its sights on becoming the largest provider of cultivated seaweed and seaweed products in North America.

“When we formalized Cascadia Seaweed in June of 2019, we thought our business could service the North American market with 100 hectares... we now have plans in place to develop this into a new sector, enhancing thousands of hectares of BC’s beautiful coastline with seaweed cultivation,” says Collins. In the ocean, the cultivation of seaweed helps sequester carbon, provides habitat for other marine life, and helps to mitigate ocean acidification. Communities along the BC coast will also benefit directly through job creation, and indirectly through purchases of infrastructure equipment, rental of transportation, storage and processing.

Three of the four original business cases developed by VIEA have led to positive connections with Indigenous communities regarding economic opportunities. The desire to provide economic diversification for coastal communities and First Nations is integrated into the values of Cascadia Seaweed. Identifying that each Nation has unique interests, goals, and capacity, the Cascadia team has adopted a collaborative and agile approach to developing business agreements with First Nations based on mutual success.

Within the first three months of operation, Cascadia Seaweed signed a partnership with Nuuchahnulth Seafood Limited Partnership (NSLP)—an enterprise that offers planning and management support to First Nations and their members in various aspects of aquaculture—to cultivate kelp in the pristine waters of Barkley Sound. NSLP and their Nation partners put test seaweed crops in the water in 2018 with very positive results. In the fall of 2019, two one-hectare test farms were installed and seeded with sugar kelp (*Saccharina latissima*) and winged kelp (*Alaria marginata*) and the journey to large-scale commercial cultivation was officially underway.

While these two hectares of seaweed grew, absorbed nutrients from the sea to grow, the land-based operations of Cascadia expanded, and partnerships with numerous First Nations interested in the seaweed industry began to flourish. It was also time to demonstrate to all levels of government that this new sector fulfills a multitude of important requirements for accomplishing their respective mandates. At a gathering of industry stakeholders to discuss the development of a Vancouver Island seaweed nursery, Cascadia Seaweed introduced Mark Smith as the Executive Director of the newly established Pacific Seaweed Growers Association. This member-driven organization has been tasked with developing educational material, new technology and innovation for the industry, and to strongly advocate for government support. There are many opportunities for this sector to flourish within the developing *blue economy*, and it is critical that this side of the aquaculture triangle has a voice at the table, along with finfish and shellfish. The World Bank describes the *blue economy* as the sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of the ocean ecosystem.

As a company dedicated to supplying ingredients, it was Cascadia’s initial intent to sell large quantities of high-quality seaweed to second stage food producers. But, opportunities to create finished products have been continuously presented to the start-up for consideration. When a small team with passion for healthy living, commitment to social responsibility, and experience delivering food products to the marketplace approached the Cascadia partners with a proposal, it was time to take a deeper dive into the ocean of consumer-facing products.

“It was the right people at the right time,” says Mike Williamson, Cascadia’s CEO. “They bring a set of skills that we didn’t have, which is why we were not comfortable pursuing that direction in the first place. Now that we have the skills and the increased capacity, we can move ahead confidently with product and brand development.”

As considerations were being made to expand the company, it was also time to get back onto the water and harvest the first crop—to ultimately find out if the test farms had been successful. There is no better way to put wind in the sails of an already fast-paced start-up than to pull lines of thick, delicious, golden kelp out of the ocean where only four short months earlier, the team had placed thin seeded lines. Cascadia is now ready to farm 10 times more area next season.



ABOVE & RIGHT
Seed deployment in Barkley Sound

In support of local food security, Cascadia donated a significant portion of its first seaweed crop to a First Nation-owned-and-operated community garden in Port Alberni. Other portions of the crop landed at Caledonian Distillery as the feature ingredient in Canada’s First Seaweed Peated Whisky, and at the neighbouring brewery, TWA Dogs, for a Devil’s Apron ISA. The rest was flash-frozen in blocks, and transported to cold storage. From there, samples are being distributed to local restaurants, Canadian cosmetic manufacturers, and international seafood companies who are developing their own products with Cascadia Seaweed as a primary ingredient.

The operation of cultivating seaweed successfully at scale requires securing tenures, creating detailed farm plans, conducting site inspections, sourcing inventory to build out the farms, recruiting vessels and crews for installation, seeding and harvesting. Capacity is identified in collaboration with First Nation partners, and supplies are purchased to the greatest extent from Island businesses. While this is only the beginning, seaweed cultivation and processing holds enormous immediate potential as a sustainable, carbon-negative industry generating economic activity and wealth in coastal BC.

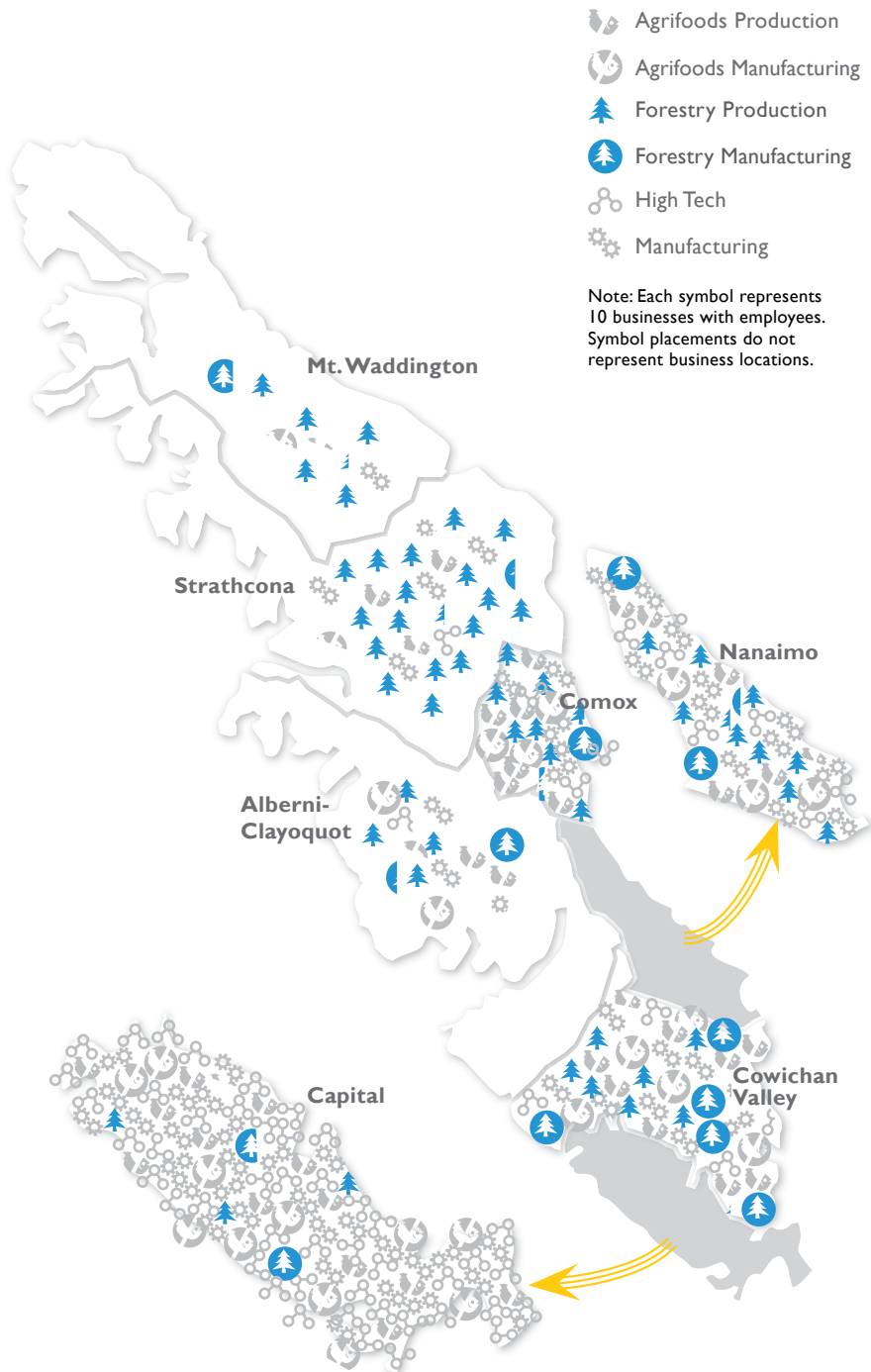
The building of an entirely new sector that spans food security, climate change, First Nations reconciliation and sustainable employment requires intense support from all stakeholders. Government has to ensure that the industry is developed in harmony with the environment and competing land-use opportunities. This requires investment in research and development, sectoral support through training and skills development, and most of all, belief in the opportunity. Given the government-to-government-to-government-to-industry nature of the opportunity, all must seek creative solutions to be successful in delivering what Collins estimates could contribute \$1 billion to the GDP of coastal BC with the opportunity for more, well beyond our province. **THIS IS AN EXCELLENT EXAMPLE OF THE VANCOUVER ISLAND ECONOMIC ALLIANCE’S ABILITY TO DELIVER INNOVATIVE SOLUTIONS TO BRING PROSPERITY TO OUR COMMUNITIES.**

Seaweed aquaculture is an excellent example of a transformational economic opportunity at a time when our economy needs sustainable solutions that fit naturally with coastal First Nation values, culture, and knowledge of the marine environment. Seaweed aquaculture provides opportunities in rural and remote communities, addresses issues of nutritious food security, and contributes positively to the balance of our economy by producing goods in commercial volume.



Forestry

Distribution of Businesses ACROSS VANCOUVER ISLAND | RELATIVE TO OTHER KEY INDUSTRIES WITHIN REGIONAL ECONOMIES



Source: Statistics Canada, Business Register.

Forestry

Distribution of Forestry Sector Employment

VANCOUVER ISLAND 2019



Source: BC Stats, Employment by Industry.
*Values are for Paper Manufacturing Industry which includes Pulp.

Timber Processing Facilities

VANCOUVER ISLAND 2020



Source: Ministry of Forests, Lands and Natural Resource Operations, Major Timber Processing Facilities in BC, 2018 and Mill Status Reports.
*Includes Chip Mills, Veneer Mills and Shake and Shingle Mills.

2019 WAS ANOTHER CHALLENGING YEAR FOR VANCOUVER ISLAND'S FORESTRY SECTOR, AS BOTH PRODUCTION AND EMPLOYMENT LEVELS DECLINED.

The difficulties were related to ongoing timber supply issues and poor market conditions as well as an eight-month-long strike at the six Western Forest Products Vancouver Island sawmills. Approximately 3,000 workers were affected by the strike, which lasted from July 2019 to February 2020.¹⁸

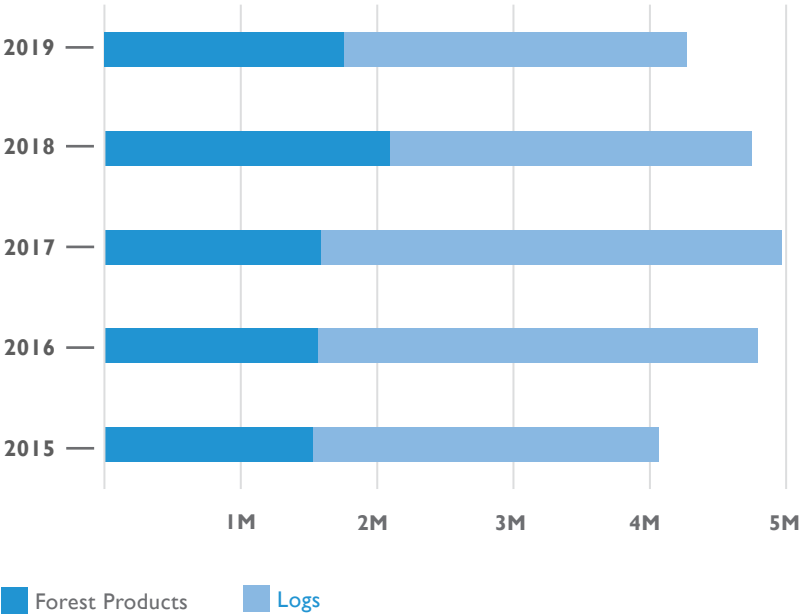
In 2020, COVID-19-related market uncertainty, shutdowns and disrupted supply chains led to further declines for BC's forestry sector. Softwood lumber exports from BC's coast to the US, in March through May 2020, were down 19% year-over-year, while softwood lumber production on BC's coast declined by 35% over the same time period.^{19, 20}

¹⁸ Saanich News. Mar 23, 2020. Available here: <https://www.saanichnews.com/news/western-forest-products-curtails-operations-for-one-week-due-to-covid-19-crisis/>.
¹⁹ Global Affairs Canada. "Monthly Export Reports (Canada-US)". Available here: https://www.international.gc.ca/controls-controles/softwoodbois_ooeuvre/index.aspx?lang=eng.
²⁰ Statistics Canada. Table: 16-10-0045-01. Lumber, production, shipments and stocks, monthly.

Forestry

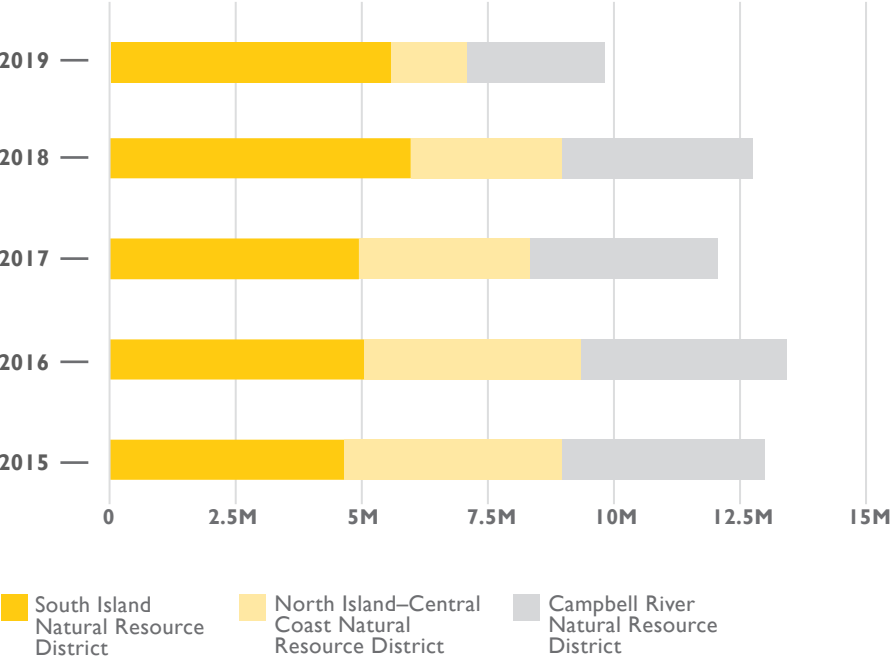
Forest Product and Log Cargo Volumes

THROUGH PORT ALBERNI AND PORT OF NANAIMO IN METRIC TONNES



Source: Nanaimo Port Authority Cargo Statistics, Port Alberni Port Authority.

Harvest Volumes on Crown Land by Natural Resource District (m³)



Source: Ministry of Forests, Lands and Natural Resources Harvest Billing System.

Western Forest Products shut down production at all mills for one week in March 2020 to implement enhanced safety protocols for COVID-19, while insufficient timber supply led to the Cowichan Bay and Ladysmith mills closing until May 2020 and August 2020, respectively.²¹

On the positive side, the San Group completed construction of its Port Alberni sawmill in May and, in April, purchased and re-opened the previously shuttered Chalwood Forest Products sawmill in Port Alberni.²² These two mills, in addition to the San Group's third mill in Port Alberni, are expected to eventually employ approximately 250 people.

In July 2020, after two years of declines, lumber prices increased significantly as COVID-19-related mill curtailments and strong demand for renovations led to demand outstripping supply.²³ However, the price surge is expected to be short-lived as supply-demand imbalances are likely to be resolved by winter. Price volatility is expected to continue due to overall market uncertainty related to COVID-19.

On Vancouver Island, shipments of logs and demand for forest products were slow to restart after initial COVID-19-related curtailments. Despite the current surge in lumber prices, the outlook for forestry on Vancouver Island remains muted due to ongoing issues related to timber supply, the US softwood lumber tariffs, and uncertainty with respect to how changes to the Manufactured Forest Products Regulation will affect production.

SOFTWOOD LUMBER UPDATE

In August 2020, the World Trade Organization sided with Canada on the US-Canada softwood lumber dispute, declaring that the US Department of Commerce made a number of errors when imposing countervailing duties on Canadian softwood lumber in 2017.²⁴ In particular, incorrect benchmark lumber prices were used to determine whether stumpage fees were adequate for Canadian producers. The US has criticized the decision and is expected to appeal within 60 days of the ruling.

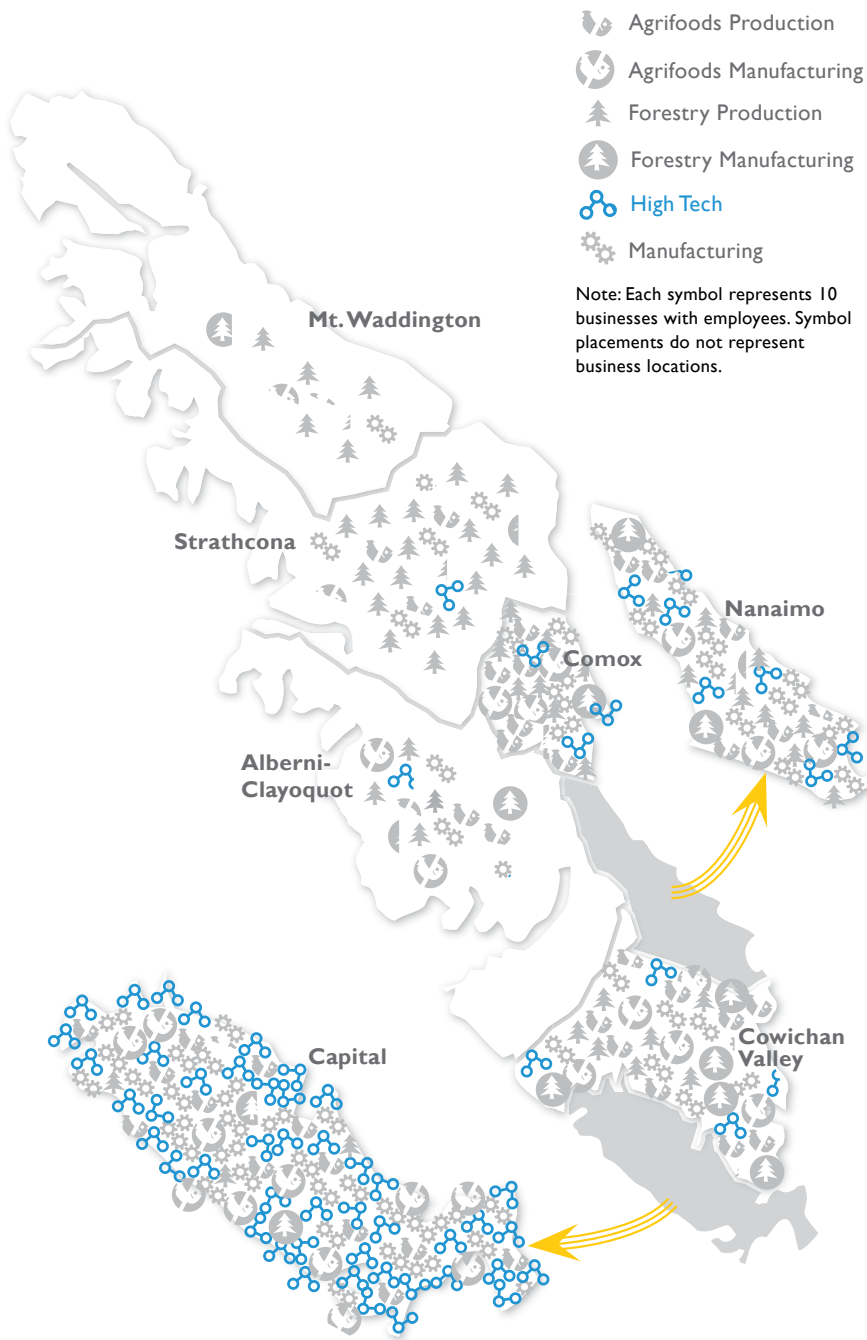
CHANGES TO THE MANUFACTURED FOREST PRODUCTS REGULATION

In January 2020, the provincial government announced changes to the Manufactured Forest Products Regulation that require lumber made from Western Red Cedar or Cypress to be fully manufactured in BC to be eligible for export or that the seller/exporter obtain an exemption and pay a fee-in-lieu of manufacture.²⁵ These changes came into effect on September 30, 2020.

²¹ Western Forest Products. 2020 Quarter Two Report.
²² San Group. Available here: <https://www.sangroupinc.com/san-group-bets-on-high-value-future-with-new-port-alberni-sawmill/>.
²³ Canadian Forest Industries. Available here: <https://www.woodbusiness.ca/softwood-lumber-prices-rise-further-as-north-american-housing-starts-breaking-records/>.
²⁴ CBC. Available here: <https://www.cbc.ca/news/business/canada-softwood-lumber-1.5698013>.
²⁵ BC Gov News. "Additional action supports forest sector". Available here: <https://news.gov.bc.ca/releases/2020FLNR0032-001041>.

High Technology

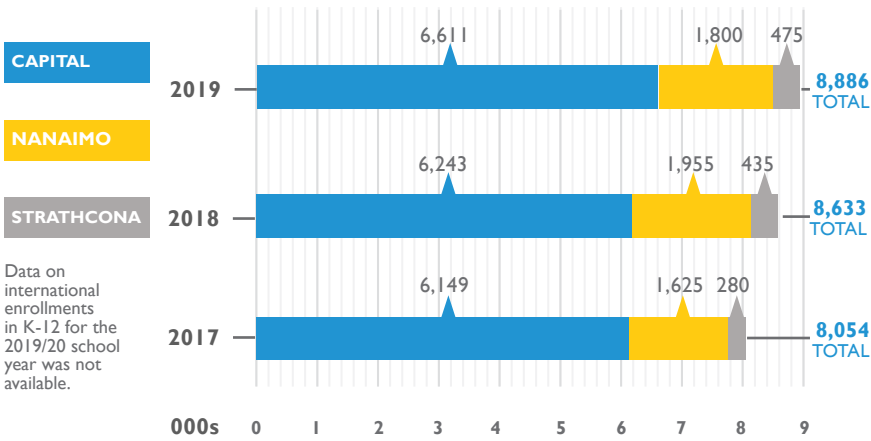
Distribution of Businesses
ACROSS VANCOUVER ISLAND | RELATIVE TO OTHER KEY INDUSTRIES WITHIN REGIONAL ECONOMIES



Source: Statistics Canada, Business Register.

Education

Post-Secondary International Enrollments
BY REGIONAL DISTRICT



Source: BC Ministry of Advanced Education, May 2020 Data Submission and BC HEADset. Please note that values for 2017 and 2018 have been revised from previous reports and reflect enrollments as of November 1 in each year.

Post-Secondary International Enrollments
ON VANCOUVER ISLAND



Source: BC Ministry of Advanced Education, May 2020 Data Submission, BC HEADset and BC Ministry of Education.

Businesses in Educational Services



Source: Statistics Canada, Business Register, December 2017, 2018, 2019. Please note that the value for 2018 has been revised from the previous report.

Employment in Educational Services



Source: Statistics Canada, Labour Force Survey, Custom Tabulation.

INTERNATIONAL ENROLLMENTS AT VANCOUVER ISLAND POST-SECONDARY INSTITUTIONS CONTINUED TO GROW IN 2019, due to a large year-over-year increase at Royal Roads University, and modest increases at North Island College and the University of Victoria. Business counts and employment levels in the sector remained stable.

International enrollments are expected to significantly decline in 2020 due to COVID-19-related travel restrictions, decreased confidence in moving abroad to study and the move to virtual delivery of classes. Fewer international students are expected to have a number of impacts on the communities in which they study, including reductions in demand for rental accommodations and reductions in demand for ESL tutoring and other ESL services. In addition, international students tend to pay higher tuition fees than domestic students so fewer international students may negatively impact post-secondary budgets.



How Do We Start Reconciliation?
We Need Data

ABOVE
Barbara Clarkson
North Vancouver Island
Aboriginal Training
Society (NVIATS) in
attendance at the 2019
State of the Island
Economic Summit,
Nanaimo BC.

GUEST CONTRIBUTOR
Carol Anne Hilton, MBA CEO
Founder of the Indigenomics Institute

HOW MANY FIRST NATION ECONOMIC DEVELOPMENT CORPORATIONS ARE THERE ON VANCOUVER ISLAND? How many Indigenous businesses are there? What is the size of Indigenous economic impact in the region? How does this compare to the previous year or over a 10-year period? What is the size of the Indigenous labour force in the Island region? What are the unemployment rates? How many Indigenous female businesses are there? These are central questions pointing to the absence of solid Indigenous economic data sets necessary to understanding the evolving growth of the Indigenous economy here on Vancouver Island and in the rest of the province.

Since initiating the annual State of the Island Economic Report (SOTIER), the Vancouver Island Economic Alliance (VIEA) has noted the need to understand the regional Indigenous economy, the lack of data to enable reporting, and the importance of such data to facilitating economic reconciliation to support growth and inclusion.

Now with the release of the 6th edition of the annual Report, VIEA’s research and production team still searches for the resources necessary to engage the 50 First Nations in the Island region in an acceptable process for gathering Indigenous economic data. It is increasingly clear that establishing Indigenous economic baseline data and metrics is a critical first step towards understanding the current and future state of the Indigenous economy. The lack of such information locally, provincially, and

nationally speaks to the level of collaborative engagement still required in working with First Nation communities, economic development corporations, and businesses to identify immediate needs for achieving inclusive Indigenous economic prosperity.

A regional economic baseline metric can support knowledge development for governments, industry, and First Nations to better understand Indigenous economic impact, outcomes and economic strengths. The data can further support a foundation for resiliency and growth. Establishing an Indigenous economic baseline will be a significant first step towards being able to measure trends over time. As VIEA continues to advocate for First Nation economic inclusion, it is abundantly clear that the health of the Indigenous economy demands our attention as an emerging segment of our economy with far-reaching implications. VIEA's unique role as a regional non-government organization focused on economic vitality and sustainability can serve to bring visibility to and help make room for the growing presence of the Indigenous economy. VIEA's unbiased ability to lead stakeholder collaboration is needed for convening community and business thought leaders towards an inclusive island economy.

What are the effects of a gap in Indigenous economic data? Without data, no one person or group can take responsibility because there is no accurate means for determining what is or is not happening. With no decision-making framework, it is difficult to choose a course of action with certainty; no policy influence is possible because no data exists to support proposals, and the absence of strategic planning and capital for the Indigenous economy results.

INDIGENOMICS

Indigenomics is about incorporating traditional Indigenous values in a modern setting for local economic development and resource management. It is being designed and constructed to create economic prosperity for Indigenous people with a potential value of \$100 billion. Indigenous people make up about 5% of Canada's population and \$100 billion is about 5% of pre-COVID estimates for Canadian GDP in 2020. Further, it is important that the Indigenous economy be viewed as, generative and constructive, contributing significantly to the regional, provincial, and national economies.

Indigenous communities were disinclined from having a seat at the economic table while the Island's economy developed primarily in the forestry, mining and fishing industries.

HISTORICAL CONTEXT OF INDIGENOUS ECONOMY

Understanding the lack of economic inclusion of First Nations on Vancouver Island and the lack of Indigenous visibility in the regional economy, requires looking into the Island's (and British Columbia's) 19th century past. The Douglas Treaties of Vancouver Island were signed between the British colonists and 14 First Nations, mostly in the southern part of the Island, between 1850 and 1854. These treaties ensured that, in exchange for goods, settlers had access to lands and resources and that Indigenous people would also have continued access to the same. The first Indian reserves created in the 1850's, established the conditions for economic isolation and systemic polarization of Indigenous communities over time, causing economic regression. This was primarily facilitated through the Indian Act, along with federal and provincial regulations and policies. As a result, Indigenous communities were disinclined from having a seat at the economic table while the Island's economy developed primarily in the forestry, mining, and fishing industries. Today, our economy is more diverse with aquaculture, technology, tourism, manufacturing, and services built on the original three resource industries. And First Nations are making huge strides and room at the table by generating significant economic activity and a growing economic presence which we need to understand better.

TRENDS AND CHALLENGES

Today First Nations across the Island are expanding businesses and economic activities beyond the traditional fishing, forestry, and mining industries. As local economies continue to evolve, First Nations are becoming lead economic players, driving wealth creation and employment for their members while contributing to the overall economic vitality of local communities.

The Huu ay aht Nation on the west coast of the Island is an example of the growing strength of Indigenous economies. The Huu ay aht have built a significant presence in commercial properties of Port Renfrew and Bamfield. They are active in the forest industry and have diversified into the transportation, hospitality, and tourism industries—putting the Nation in position as a regional economic driver.

It is essential that we sit up and pay attention to implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), into law here in BC.

According to Mike Willie, owner of Sea Wolf Adventures in Port McNeill, “It is important for many reasons that Indigenous people participate in the mainstream economy as business owners and innovators. Doing so provides economic opportunities for our communities and entrepreneurs, and can influence change politically, socially and economically. Opening Sea Wolf Adventures has been a catalyst, helping to change conversations, open discussion about appropriate relationships and usage of land, and encourage new perspectives. The business has also helped to adjust the power balance in the use of our traditional territories. Having Indigenous operators working in areas where non-Indigenous operators have prospered for decades, encourages conversations of reconciliation and partnership in new ways.”

Chief Tanya Jones of the Tseycum Nation reflects on economic inclusion in this way: “We are a small, beautiful community on the Saanich peninsula of the WSANEC territory. In these times of change, we are seeking strong economic ventures that will support, build, and guide our future, based on our culture, well-being and children. We are open to new opportunities and, most of all, long-term partnerships.”

WHAT ROLE CAN VIEA PLAY?

VIEA’s annual Economic Report for the Island region is the perfect vehicle for reporting on Indigenous-focused economic questions. Once a method and practice for gathering data is established, the ability to cite and compare statistics will play a significant role in building awareness towards achieving economic reconciliation. In the absence of such data, the Economic Report has shared anecdotes to portray Indigenous economic activity while knowing full well that this is inadequate, given the history of exclusion and the potential magnitude of Indigenous contribution to our economy.

It is essential that we sit up and pay attention to implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), into law here in BC. UNDRIP is a legal foundation with an economic outcome. It describes Indigenous peoples as having the right to maintain and develop their own political, economic, and social systems and institutions; to be secure in the enjoyment of their own means of subsistence and development; and to engage

freely in their traditional, and other economic activities. In naming this as a right, it can be understood that the right to an economy has been systematically denied Indigenous peoples. Implementation of UNDRIP changes the economic landscape, setting a higher standard for governing issues between First Nations and other levels of government.

THE OPPORTUNITY

First Nations in the Island region have expanded their business and economic activities in all sectors, and in many regions, First Nations have become leads as economic players creating local wealth and employment.

As economic opportunities emerge for First Nations communities, new models for economic collaboration are needed. For instance:

the **BC First Nations Development Corporation Association**, comprised of Nation-owned development corporations from across BC, has a mandate to further enable the collective strength and influence of all BC First Nation-owned business organizations;

the **South Island Prosperity Project**, the economic development agency for 11 municipalities in the Capital Regional District, sets an example in its inclusion of several First Nations;

an emerging group, **Raven Indigenous Capital Partners (RICP)**, is meeting the growing needs of Indigenous entrepreneurs by providing financial capacity support and access to patient, flexible capital needed to accelerate the Indigenous social economy. As Canada’s first and only Indigenous-owned financial intermediary, Raven is positioned to provide strategic leadership in the transition to a reconciliation economy. “We are an organization of firsts,” says Paul Lacerte, Managing Partner with RICP. “We are raising Canada’s first Indigenous Impact Investment Fund; we are delivering Canada’s first Indigenous social entrepreneur accelerator; and we are creating Canada’s first Community Driven Outcomes Contracts (CDOC) in the clean energy and diabetes reduction spaces.”

It is in new endeavours such as these that the emerging Indigenous economy can establish

INDIGENOMICS ECONOMIC MIX

The Indigenomics Institute has established the concept of the Indigenomics Economic Mix—12 levers for supporting sustainable emergence of the Indigenous economy:

1. Equity ownership
2. Capital
3. Entrepreneurship
4. Trade
5. Philanthropy
6. Procurement
7. Clean energy
8. Technology
9. Social finance
10. Investment
11. Commerce
12. Infrastructure

space for reconciliation and new Indigenous economic outcomes.

It will be levers such as those developed by The Indigenomics Institute for economic activity that will help qualify metrics for Indigenous economic development. These can inform government development of inclusion measures, policy, sectoral tables, and economic development programs. In addition, these can also be used to help develop measurements for establishing baseline data and for tracking Indigenous economic trends over time.

CONCLUSION

There is a saying in organizational development circles that *What gets measured gets done!* We easily recognize reconciliation as social philosophy, as Canadian government policy, and as a fundamental principle in the United Nations Declaration on the Rights of Indigenous Peoples, but what does it mean? And how do we know if we are making progress? Beginning with assembling the first State of the Island Economic Report, VIEA has recognized the absence of clear, repeatable data for two important components of the Island economy—First Nations and technology. VIEA has sought to address these gaps by including editorial content to share anecdotal information. And while tech industry associations can at least estimate reporting numbers, very little information exists to help us understand what is and is not happening in the Indigenous economy.

In the spirit of reconciliation, without baseline data, we have no idea where we are except that where we are, is not where we want to be. And it is very difficult to develop a coherent plan or measure outcomes or chart trends without a verifiable starting point. If we are serious about reconciliation, it is time for consistent measurements so that our progress, or lack thereof, can be tracked to help inform our actions. The entire purpose of VIEA's Economic Report is to inform Island decision makers annually, of economic trends to help guide business planning. We need Indigenous economic data to complete our understanding of the Island economy and to help inform investment to achieve tangible, meaningful reconciliation.

COST OF LIVING AND AFFORDABILITY

To begin 2020, Vancouver Island's housing market experienced a slight increase in sales volumes as well as modest growth in prices. COVID-19 restrictions led to significant declines in new listings in March and April. Sales activity was down by 54% year-over-year in April and 46% year-over-year in May.²⁶

From May to August, sales volumes increased substantially as the economy began to reopen and the real estate sector adapted to the COVID-19 pandemic by increasing the use of virtual tours and implementing mandatory mask use for open houses. In August, sales volumes of single-family homes in Victoria increased by 60% year-over-year.

Prices have remained relatively stable as supply has largely matched demand, restricting the build-up of inventory that would cause price declines. Initially, both buyers and sellers left the market, while mortgage deferral options may have contributed to fewer forced sales. As the economy reopened, record-low interest rates and pent-up demand caused a flood of buyers in the housing market, putting modest pressure on prices on Vancouver Island. It is also important to note that COVID-19-related job losses have fallen disproportionately on lower-wage workers, which likely has a greater effect on the rental market than the new home and resale market.

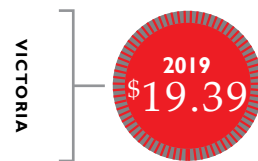
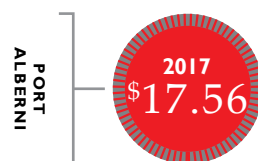
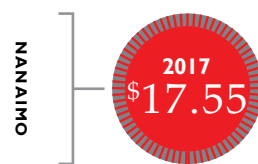
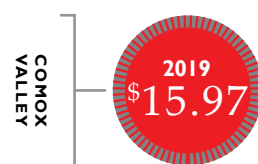
Looking forward, there remains a great deal of uncertainty in Vancouver Island's housing market. Low interest rates, affordability and a shift to remote work may lead to a continued migration from the Lower Mainland to Vancouver Island communities. However, the degree to

²⁶ Vancouver Island Real Estate Board. Monthly Statistics Package. April 2020. May 2020.

Cost of Living and Affordability

Living Wages

FOR SELECTED
COMMUNITIES ON
VANCOUVER ISLAND



households are relying on government support payments and mortgage deferrals is still unclear. If these measures lapse, some homeowners may be forced to sell and there could be a rapid increase in the supply of homes, leading to price declines.

Wage Rates



Source: Government of Canada, Job Bank Wage Report, November 2019

A LIVING WAGE is the hourly wage rate that is required for a household to meet its basic needs and provide a basic level of economic security. Living wages are calculated based on a family of four in which both parents work full-time, one child is in full-time daycare and one child is in after-school care. Costs used in the calculation include rental housing, transportation, food, clothing, childcare, medical expenses and miscellaneous expenses. The calculation does not include allowances for retirement savings, debt servicing or the costs of caring for an elderly, disabled, or seriously ill family member.

The living wage on Vancouver Island ranges from \$15.81 in Qualicum-Parkville to \$19.63 in Clayoquot Sound. Comparing the living wages to median wage, the majority of workers on Vancouver Island earn at least a living wage. However, median wages for cashiers, chefs, outdoor recreation guides, shippers and receivers, and aquaculture labourers are below the living wage in certain communities.

There were no data available on Vancouver Island to assess wage trends. In BC, average weekly earnings grew by 2.7% per year from 2016 to 2019.²⁷ Inflation over the same period was in line with wage growth, at 2.4%.²⁸ Inflation is expected to remain near zero and the minimum wage is set to increase to \$15.20 in June 2021. Low inflation and the economic downturn from COVID-19 is expected to lead to slower wage growth in most industries.

Source: Living Wage Canada and Cowichan Valley Living Wage 2017.

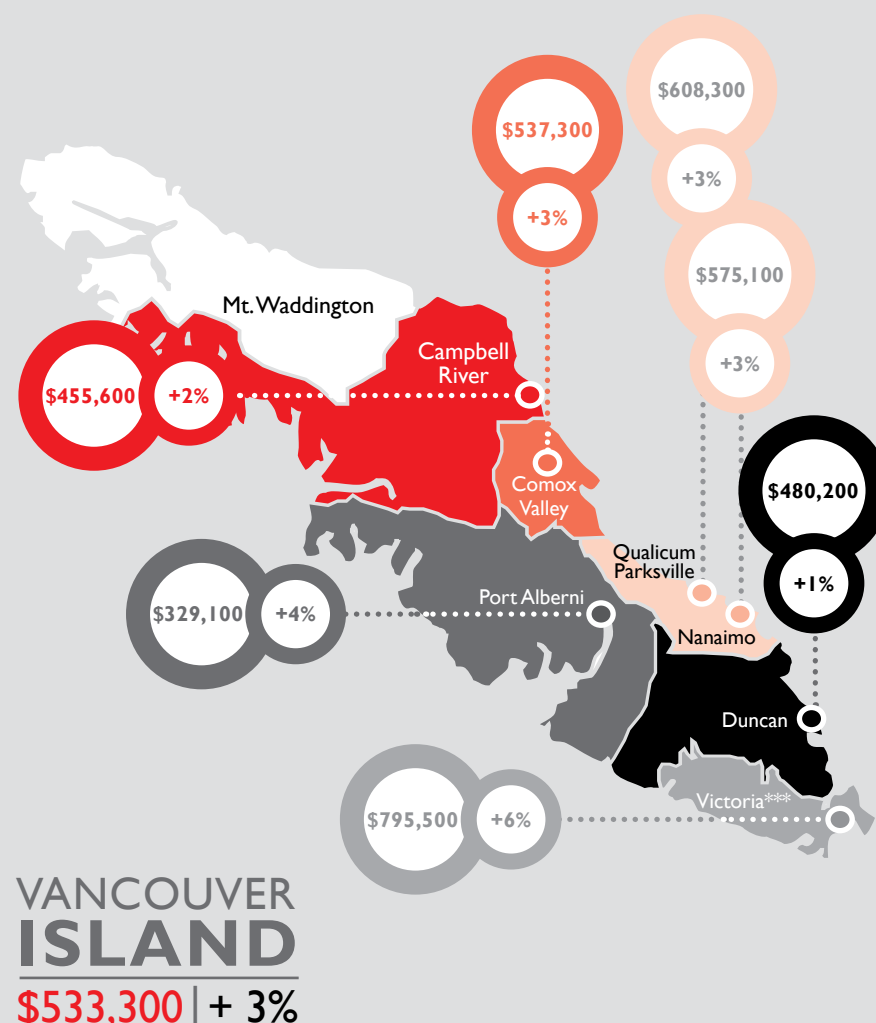
²⁷ Statistics Canada, Table 14-10-0204-01 Average weekly earnings by industry, annual.

²⁸ Statistics Canada, Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted.

Cost of Living and Affordability

Housing—Benchmark Single Family Home Prices*

IN AUGUST 2020 (GROWTH COMPARED TO ONE YEAR AGO)**



Source: Vancouver Island Real Estate Board Monthly Statistical Package August 2020, Victoria Real Estate Board Statistics Package for Media August 2020.

*The benchmark for single family home is a composite of one-storey homes (where the bedrooms, kitchen and dining rooms are on the same floor and the utility room and laundry room are generally located below ground) and two-storey single family homes (characterized by distribution of bedrooms on the upper floor(s) and a kitchen, living room and other day-to-day rooms on the main floor). This benchmark does not differentiate between attached and detached home. (source: MLS Home Price Index Methodology – Benchmark Descriptions)

**In May 2019, the Altus Group, that manages the MLS HPI data for CREA and all participating boards including the VIREB and VREB, revised the historic benchmark single-family home prices on Vancouver Island. This process is part of their annual review in which adjustments to the definition of the benchmark home are conducted to match market trends. As a result, the benchmark prices reported in previous versions of the State of the Island report have been adjusted and the year-over-year change will not align with them.

***Victoria includes: Victoria, Victoria West, Oak Bay, Esquimalt, View Royal, Saanich East, Saanich West, Sooke, Langford, Metchosin, Colwood, Highlands, North Saanich, Sidney, Central Saanich, ML Malahat and Area, GI Gulf Islands

Median Wage Rates

[illegible]

Source: Government of Canada, Job Bank Wage Report for Vancouver Island and Coast, (Updated November 2019). Available here: <http://www.jobbank.gc.ca/>.

— Dan Hurley, VIEA Chair

THANKS

to the generosity of our supporters and the expertise of researchers and staff at MNP, VIEA is proud to present the 6th edition of this report, an annual reading of the state of the Island economy and the key issues, trends and events that shape the way we live, work and do business on Vancouver Island.

The next edition of the report is planned to be released at VIEA'S 2021 State of the Island Economic Summit...

viea.ca

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2021



If you would like to explore opportunities for strong, sustainable economic growth by engaging with an ever-expanding community of forward thinkers, policy makers and risk takers across sectors and all industries on Vancouver Island, then join VIEA.

Visit viea.ca to find out what we do and how you can get involved.



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