

**Colin Hansen, Minister of Economic Development**  
**Speech to the Parksville Chamber of Commerce**  
**Thursday, November 10, 2005**

Thanks very much. I always welcome the opportunity to get over to the Island. My folks still live in Courtenay, where I grew up after living in Port Alberni, and then went through my high school years in Courtenay. The Island is still a favourite spot for me. I think everybody that was born on the Island has one dream in their life, if they ever have to move away from the Island, and that is to move back. That's certainly my goal at some point in the next thirty or forty years.

I have really enjoyed some of the travels around British Columbia in the time that I have had this new responsibility because when I think back to some of the visits around the province that I was able to do in the nine and a half years that I have been an MLA, there's really a sense now that things are changing.

Even if you go back about two years, I was going into a lot of communities and talking about the fact that the economy of the province was starting to turn around. We were starting to see really good growth in employment numbers in the province and in many parts of British Columbia people sort of look back at you as if to say, "That's nice. We know that's happening in the Lower Mainland. That's good, good for the province, yes," but you could tell they didn't feel that it was really starting to affect their communities in a meaningful way.

I think what's exciting about this last year or two years, is that people in every single part of British Columbia are starting to have a renewed sense of optimism and a renewed sense of confidence that, in fact, things are turning around and we are going to see some pretty solid economic growth in the next little while.

There's lots of people who will say that it has nothing to do with what the provincial government did and it has everything to do with commodity prices or things like that. But in reality, I don't think the facts hold that up. It's not that the provincial government is solely responsible, but there was certainly a pretty big role that the province played over that period of time.

If you think back to four and a half years ago, there was really a sense of pessimism around the province. We had a tax structure that was amongst the highest in Canada, if you think about personal income tax. Some of our small business taxes and corporate taxes literally were driving people out of British Columbia. We heard time and time again of young, bright entrepreneurs who were leaving the province because of our taxes. Or, particularly in industries like the high-tech sector, it couldn't attract the kind of employees that it needed because those employees could earn more after-tax income virtually anywhere else in North America.

We were able to come in and change that. We brought in tax changes that now have our income tax rates as the lowest in Canada for incomes up to \$80,000 a year. In fact over \$80,000 a year, we're second only to Alberta. So we've made some pretty big progress.

In terms of eliminating unnecessary regulation, I think that's one area that we've had probably the biggest change in the province that really hasn't been talked about very much. We set as a goal for ourselves four and a half years ago, that we were going to eliminate one-third of the regulatory requirements in British Columbia. Why do you say one-third? It was really based on some pretty good feedback that we got from people in business around the province in terms of what they estimated was the amount of regulation in the province that was unnecessary - in that it was not achieving any meaningful objective other than to tie business in a whole bunch of paperwork. So we set out with that goal, ministry after ministry, setting targets, finding the areas that there was just meaningless red tape for the sake or red tape and getting rid of it.

We achieved that goal, actually, about a year ago. We surpassed the elimination of one-third of those regulatory requirements. In fact, we had some latest numbers that just came out a week and a half ago now that shows that we've now surpassed forty percent. Again, it's looking at how you ensure that you've got good environmental protection, good consumer protection, good labour regulations in the province to protect workers, etc..., but do it in a way that's meaningful and that actually achieves objectives, rather than simply regulation for regulation's sake, which we saw so much of in the province in the previous decade.

We are starting to see some things changing as a result of some of these tax changes and other initiatives. In the Ministry of Economic Development we track what we call 'Major Projects'. It's called "*The Major Projects Inventory*". We actually try to identify throughout the province any project that has a capital value in excess of \$15 million. In the latest inventory for the period up to the end of September it shows that there is \$82 billion worth of major projects either planned or in development today in British Columbia. That is a thirty percent increase from just last December. The prospect is that that's going to continue to grow in the future as more and more investors from around the world start to recognize what British Columbia has to offer.

There's some other numbers that are out there that reinforce things are on the right track. One, for example, is our unemployment rate. I can remember giving a speech to the Vancouver Board of Trade - I guess it was four and a half weeks ago now. It was the day that the September labour force survey came out from Stats Canada. It showed that in British Columbia, we were down to 5.7 percent unemployment. That was the second lowest ever recorded. In fact, I think there was only one month in the history of the province that we had recorded a lower unemployment rate. That was in June, of 1981, that we hit 5.5 percent

unemployment. Last Friday the latest unemployment numbers came out for British Columbia, and we are now at 5.1 percent.

That is a phenomenal change in just a short period of time, especially when you consider that what those numbers mean – it means a growth of just under a quarter of a million net new jobs in British Columbia in the period of less than four years.

Well, what about Vancouver Island? In 2001, four years ago, the unemployment rate on Vancouver Island was 9.6 percent. As of last Friday, we're down to 5.9 percent. That's true of every single region in British Columbia. We have seen unemployment rates hit record lows or close to record lows in every single region of the province.

It wasn't that long ago that in British Columbia we were talking about some of our key industries as sunset industries. We talked about the mining industry that really was driven out of this province in the early 1970's and never did really recover during that period of time. But we were elected government and started working with the mining sector. There were still a lot of British Columbians involved in the mining industry but the problem was they weren't working in British Columbia; they were working in Chile and other parts of the world.

We sat down with the mining industry and said, what do we have to do to re-energize the mining industry? We looked at some of the regulatory changes that were necessary, doing things like getting rid of the corporate capital tax in British Columbia, making sure that B.C. was once again an inviting place for investment and in that space of four and a half years we have increased the amount of mining exploration in British Columbia by five hundred percent.

It's great to look at places like Tumbler Ridge, Highland Valley Copper near Logan Lake or the Mount Polley mine near Williams Lake. Those are all mine sites that have reopened in the last couple of years, and are generating jobs and generating revenues to the province. But the mining exploration is something that's even more exciting because those are about the jobs of the future, the jobs that are going to be providing good, well-paying jobs ten, fifteen and twenty years from today.

We start looking at sectors such as the high-tech sector, where B.C. is now being recognized around the world as a new, burgeoning centre of new technology and technology-related jobs.

We're starting to see in the tourism sector that post-9/11 is starting to come back to levels – and I know communities like Parksville and Qualicum feel that very directly.

It's because of all of these turnarounds that we're starting to see some of the new economic growth and revenues coming back to government in ways that mean we don't have to fleece people's pockets with high tax rates, but, in fact, it's the strong economy that really generates revenues to the province. It's because of that strong economy that we've been able to invest more money into tourism promotion and just earlier this year another \$2 million into tourism on Vancouver Island. It's because of that strong economy that we've been able to add 4,000 university and college seats for new enrolment on Vancouver Island. It's because of that strong economy that we've been able to add \$2 million into the expansion of the Comox airport, which I know is a key piece of infrastructure that's feeding the tourism industry on the northern three-quarters of Vancouver Island. It's because of that strong economy that we've been able to put another million dollars into the new walkway development here in Parksville.

And it was in sort of the context of this strengthening economy that the Premier asked me to take on this new job as Minister of Economic Development. The actual title is Minister of Economic Development and Minister Responsible for the Asia-Pacific Initiative and the 2010 Olympic Games.

When I first was asked to take on this job I had a meeting with the Premier just a couple of days afterwards. As I walked into the Premier's office he said, "I hope you appreciate what the most important part of that job is?" There's a lot of people that would guess what the answer to that might be and most would say, "Well, it must be the Olympic Games," because the Olympics are truly going to be an exciting opportunity for British Columbia. And it is... it is an opportunity to showcase British Columbia to the world.

We estimate that during the 2010 Olympic Games there will be anywhere from 8,000 to 10,000 journalists coming to British Columbia. They're not here just to come to Vancouver or Whistler. They're here to come to British Columbia. We have an opportunity to actually capture the world broadcasts and the world media attention for all of British Columbia. That is our objective, to make sure that we capitalize on every shameless bit of self-promotion that we can do as a province to get that message out to the world.

You watch... in February when the Winter Games open in Torino, you will hear a lot about Italy. You will hear a lot about reasons why you should be going to ski the Italian Alps or why you should be going to Rome for a summer vacation and all of the things that Italy can offer the world in terms of new technology. We will have the same opportunity here in British Columbia, and it will be a tremendous opportunity to focus on areas like Parksville-Qualicum, the rest of Vancouver Island, tourism destinations, opportunities for investment and we will shamelessly capitalize on every single one of those opportunities!

So you might say the most important part of my job is obviously economic development – it has to be the centerpiece of what my ministry's responsibility is.

It's true, that is the corner piece. But to answer the question of what my job is, I ask myself not 'what will the economy of British Columbia look like ten, fifteen or twenty years from now' but rather 'what could the economy of British Columbia look like'. What could we do as a province, what could we be like as a province, if we actually attained something just short of what was impossible to achieve? Then let's strive for that goal. And let's start now to make sure that we actually achieve that goal to maximize the kind of jobs, to maximize the economic opportunity, to maximize the growing standard of living and quality of life that we enjoy in British Columbia. Let's strive for what's just short of impossible. Then let's ask ourselves, what do we need to do about it today and tomorrow to achieve that goal? If we don't, then we've lost 24 hours in terms of achieving what is just short of being impossible. And that's really what the job of a Minister of Economic Development is all about.

But that wasn't what the Premier said either. Actually, I knew the answer before he actually asked the question. The most important part of my job is the Asia-Pacific initiative. The reason for that is because the future of the economy of British Columbia. The key to the economic future of British Columbia is, in fact, the Asia-Pacific and our relationship with the Asia-Pacific region.

Over the last 100 years, we've gone from a world where the economy of the world was centered on Europe and then it shifted to North America. And what we are going to see over the coming decades is a shift to Asia. We can either ignore it or we can be part of it. We have an opportunity, because of where British Columbia is situated, to be very much part of that new economic dynamism that we're going to see in the world in the coming decades.

In terms of China, the economic growth in China is going up by nine percent a year. India's going up at a rate of seven percent a year. Both Korea and Japan have had their economic forecasts double this year alone. So we need to be part of that as we go forward.

Part of our advantage in British Columbia is geographic. We are Canada's only Pacific province. We have the opportunity to be The Gateway. When we talk about The Gateway, it's not just a gateway to British Columbia. It is not just a gateway to Canada. British Columbia can be the gateway between the countries of the Asia-Pacific and all of North America.

You may say, well, that's a bit presumptuous. Well, it's not, really. Put yourself in the position of being a freighter captain, and you're heading out of Shanghai harbour, heading for the west coast of North America. Two days out to sea you realize that you have a fuel consumption problem, and you've got to find a port a little bit closer than the one that you were originally heading to.

Well, think about the map of the Pacific Ocean. If you think about the map that most of us were looking at in high school, if we had a map that structurally

showed the Pacific Ocean instead of one that focused on the Atlantic Ocean with... You know those maps that show British Columbia just about to fall off one end of the earth and Asia just about to fall off the other end because Europe was the centre of the universe? For those that actually saw maps that had the Pacific Ocean, you could have Hong Kong and Shanghai on the left side of the Pacific Ocean and you've got the west coast of North America on the other side.

How this happened is because we tried to take this round globe and print it out on a flat piece of paper and it sort of distorts reality a little bit. Most people looking at that map would think that freighter captain heading out of Shanghai harbour would obviously be heading for Los Angeles as the closest port because on those flat maps you go from Asia to North America, and if you want to come to British Columbia you've sort of got to veer up north to get there. But that's not how the world is shaped. The world is round. And the shortest, the closest harbour on the west coast of North America is Prince Rupert. Prince Rupert is actually thirty-six hours closer, shipping time, than the port of Vancouver. The port of Prince Rupert is actually sixty-eight hours closer, shipping time, than the port of Los Angeles. So that captain of that freighter should be heading for Prince Rupert.

Now, the challenge in Prince Rupert today is he could take on more fuel but he wouldn't have a hope in heck of unloading his cargo because we don't have adequate infrastructure to take advantage of that. We don't have the port facilities. So we're investing in the port facilities in Prince Rupert. We're investing in the port facilities in Vancouver. The federal government has come in as a partner on the whole Gateway concept to ensure that we've got the road linkages, the rail linkages so that we can actually be that gateway for goods to and from North America through the British Columbia ports.

We've also got an advantage in geography when it comes to air travel, whether it's for tourism or business travel. Vancouver airport is a hub for intercontinental travel between Asia and North America, and is bringing tourists into British Columbia to give us the opportunity to actually show a great tourism experience right here in this province.

The other great advantage that we have as a province is beyond geography. It's the people of the province. If you think about what's happening in Asia, every single country around the world wants to be part of this growing Asian economy and to be part of trade and investment. In British Columbia we have an asset that no other jurisdiction in the world has, and that's our new immigrants. We have hundreds of thousands of our fellow British Columbians who were born in those countries, who understand the languages, they understand the cultures, they understand how to do business, and they already have relationships. And that's what international trade is all about today, particularly in Asia. It's about building relationships that facilitate trade and commerce.

As we talk about trade missions where businesses and government leaders will travel to other countries to try to build relationships, in British Columbia we should be extending that hand. The trade missions should be to our own new citizens, because they have the contacts, they have the relationships and they have the knowledge – not only of Canada, but of those countries, and they would be tremendous ambassadors for us. We need to capitalize on that asset because it is something that no other jurisdiction in the world can claim to have.

Recently, the president of China was in Vancouver. President Hu Jintao was here. There was a private meeting that was set up between President Hu and Premier Campbell and I was invited to attend that meeting. Before we went into that meeting, the Premier and I sat down and made a mental list of all of the things that the Premier needed to touch on. What are the things we wanted the President of China to go back to China knowing? It was the importance of the Gateway Project; how we in British Columbia can assist in facilitating trade and commerce and investment between North America and China. We also wanted to talk about the strength we had in terms of the citizens from China that are living in Canada today and how important they are as international ambassadors. In fact, last year I think the estimate was that there were 330,000 British Columbians speak one of the Chinese languages.

So as we went into this private meeting, President Hu starts out talking about the pleasantries and how nice the city of Vancouver is. Then before Premier Campbell even got a chance to get into the number one point that we wanted to cover, the President of China telling us how impressed he was with the Gateway initiative, how impressed he was learning about how the port of Vancouver and the port of Prince Rupert can facilitate trade and how impressed he was with the plans for rail expansion in British Columbia to get goods to market into the central part of the United States, which is obviously key markets for them. He was telling us about how important he felt the new immigrants to British Columbia were and what a role they could play.

By the time President Hu had finished talking about what he already knew about British Columbia, it didn't leave Premier Campbell much to cover in terms of the conversation. So that word is getting out there.

The other side of Asia-Pacific initiatives that I think is going to be very important is tourism. China is very soon going to recognize Canada as an approved destination status, as they term it. What it means is that the citizens of China will be able to travel freely to Canada without, basically, government permission to do so.

Last year, there were 70,000 Chinese visitors to British Columbia. It is estimated that in ten years' time there will be 500,000 a year - 500,000 Chinese visitors coming to British Columbia. There is a hugely growing middle class, and they have an appetite for travel.

If you think back a number of years when we started to see a significant increase in the Japanese tourism – Japanese tourists coming to British Columbia, we had to prepare for that. We had to actually provide a tourism product that was inviting to the Japanese tourists. We now, today, have to rise to the same challenge when it comes to the tourists from China. It's the same situation when you ask a fisherman, "What kind of lures do you like to use?" and he says, "What I like really doesn't matter; it's what the fish like." I think we have to approach this challenge the same way.

We have a tremendous tourism product to offer the world. But I think saying, "We have a tourism product. Come and see it. Come and enjoy it," isn't going to maximize our opportunity when it comes to the growing tourism market coming from China. We have to identify what is it that the Chinese visitor wants to come and see. How is it that we can educate our tourism staff, our hospitality staff, in all of the tourism industries to cater to the Chinese visitor so that they go back having enjoyed a first-class experience in Canada.

As this tourism market hits, and it's going to hit us hard and it's going to hit us big... It's not something that's going to grow a little bit at a time as happened with the Japanese market. I'd say when it comes to that tourism market we have only one opportunity in British Columbia to create a good first impression and we need to start planning now, because that is going to be coming at us very soon.

I want to touch a bit on the Olympic Games. That is obviously one of my big responsibilities that the Premier has given me. It too is offering a big opportunity for the entire province. As I said before, it is an opportunity for us to showcase to the world what British Columbia can offer in terms of a tourism market, among many other things.

One of the things with the Olympics is we are determined that B.C. companies are going to have a leg up when it comes to actually providing the goods and services that are going to be needed to put on the Olympic Games.

Around the tables is this brochure. The 2010 Commerce Centre is something that we have developed in the Ministry of Economic Development to make sure that companies throughout British Columbia have an opportunity to be part of all of the procurement that's going to take place for the Olympics. It's an estimated \$4 billion worth of goods and services. Think about your company and what you could offer the Olympic Games and everything that comes along with the Olympic Games.

This is actually a very easy thing to do. You go online to [www.commercecentre.com](http://www.commercecentre.com). If you register your company in there and the things that you can offer you then don't even have to monitor this site. It costs you



nothing to register. But as we identify opportunities, we will actually e-mail you and tell you about opportunities that fit into what your business can offer.

We're looking at things like a contract for the construction of a \$60-million venue. You might think your company can't really bid on that one. But we will then go to that company that gets that contract and we'd say, okay, all of your contracts that you're going to let, post them on [www.2010commercecentre](http://www.2010commercecentre). One of those contracts may be for interior design. Well, there may be companies on the central part of Vancouver Island who would want to bid on that. But even if it's, let's say, a company somewhere else in the province. We will go to those companies and say... bid. Put all of your contracts onto the website. So it's going to be sort of these cascading tiers of contracts.

Part of that interior design may be to get artwork and an interior design that's going to reflect the regions of British Columbia. Well, I have no doubt that there are companies in Parksville and Qualicum that would be able to bid on that element of the contract. We're determined to push this out as much as we can. We can't give a price preference for B.C. companies, but we can certainly give all of you a leg up by making it a lot easier for B.C. companies to be part of that bidding and part of that procurement.

The other part of the Olympics that I think is going to be quite exciting is around the media attention that's going to be paid to this province. Today through the Ministry of Economic Development and the BC Olympic and Paralympic Secretariat, we're looking for stories. We're looking for stories about British Columbia that the international media would find intriguing.

Cathedral Grove, for example, is a natural. Cathedral Grove is one little vignette. It's that little piece that could become the anchor for a little five-minute segment about Cathedral Grove – how you get there, where to stay and that would be a perfect little clip that the Olympic Secretariat staff in my ministry are going to say to the international media, “we're going to make your job real easy. Here is a video clip of one of the great destination spots in British Columbia.” We're working on projects like that now and we welcome your ideas.

It's actually a pretty exciting time in British Columbia. We've seen the economy turn around. But when you see some of the things that are happening, whether it's the mining exploration that's going to lead to the jobs of the future or whether it's the 2010 Olympic Games that are going to really set the stage for the B.C. economy in the decade following the 2010 Olympics, not only are we seeing some pretty good signs of economic growth today but we have every reason to expect that that will continue in the years ahead.

If you go back just five years ago, there was a lot of pessimism around the province. There were a lot of people that felt that the good days of British Columbia were in the 1980s or back in the 1960s. There were lots of people that

felt that our kids and grandkids will not enjoy the kind of standard of living that we have enjoyed. But I can tell you today when you look around this province and some of the exciting things that are happening, I have absolutely no doubt that the best years for British Columbia are the years still to come.

Thank you very much.