

# City of Kamloops

## 2024 Economic Impact Report

August 2024



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# Glossary

Terminology	Definition
<b>Geographic Terms</b>	
“City of Kamloops” or “Kamloops” or “City”	Refers to the broad geographic area of the community (i.e., Census Subdivision, Census Metropolitan Area).
“Census Metropolitan Area” or “CMA”	One or more adjacent municipalities centered on a population centre as demarcated by Statistics Canada.
“Census Subdivision” or “CSD”	General municipality classification as demarcated by Statistics Canada.
“Economic Region” or “ER”	Grouping of complete census divisions as demarcated by Statistics Canada.
<b>Other Terms</b>	
“North American Industry Classification System” or “NAICS”	An industry classification structure developed by statistical agencies in North America. The 2017 version consists of 20 sectors, 102 subsectors, 324 industry groups, 710 industries, and 928 Canadian industries. <sup>1</sup> This document does not adhere to the “industry” and “sector” terminology in NAICS and thus uses the two terms interchangeably.
“ESG”	ESG refers to environmental, social, and governance considerations.
“AI”	AI refers to artificial intelligence.
“NR”	Not Reported.
“NA”	Not Applicable.
“VK”	Venture Kamloops

<sup>1</sup> Statistics Canada. *Introduction to the North American Industry Classification System (NAICS) Canada 2017 Version 3.0*. Retrieved from: <https://www.statcan.gc.ca/en/subjects/standard/naics/2017/v3/introduction>

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# Executive Summary

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The Kamloops Economic Impact Report 2024, initiated by Venture Kamloops (VK), explores the City's economic fabric. Building upon the previous "Socio-Economic Portrait: Unveiling Kamloops' Economic Landscape " document covering 20 industries, this document narrows its focus to five. This report aims to equip stakeholders with strategic insights for decision-making, through an assessment of industry dynamics.

The report's core objectives are to assess Kamloops' economic vitality and identify growth opportunities. Key economic indicators, socio-economic factors, and focused industry analyses were employed to offer insights for future development efforts.

Report development used a methodical approach including industry selection, trend analysis, and qualitative exploration. This, along with input from VK, directed the report towards five industries, revealing historical perspectives, informed forecasts, and growth potential through detailed analysis.

The Industry Background sub-sections profile five industries shaping Kamloops' economic landscape, utilizing the North American Industry Classification System (NAICS). Granular insights into employment, compensation, business size, and import-export dynamics provide a holistic perspective, guiding informed decision-making.

The report analyzed employment and salaries, providing a historical perspective and informed forecasts for the five focus industries. The forecasts leverage labour force data, providing insights into industry trajectories. Additionally, an externally created provincial forecast ensures alignment and reliability.

The report further provides qualitative insights into each industry's potential growth, acknowledging the speculative nature of forecasting. Global trends, industry challenges, and the transformative impact of technology are explored for a holistic appreciation of potential growth opportunities.

Finally, two industries were selected for further analysis which consisted of additional secondary research and local firm interviews to gather a more in-depth understanding of the current state and outlook of these industries. These two selected industries were the Construction industry, and the Transportation and Warehousing industry.



### **Key Industry Analysis Highlights:**

1. **Construction:** Data of past performance in Kamloops and global trends, points to positive future growth in Kamloops, although firms within Kamloops are less optimistic and cited a number of challenges.
2. **Transportation and Warehousing:** Past data indicates modest growth in Kamloops, while the more optimistic global trends (embracing technology and greener transport) were viewed by firms in Kamloops as a distant factor.
3. **Professional, Scientific, and Technical Services:** Strong past performance looks to continue, although there is potential for significant industry disruption due to technological advances (such as AI).
4. **Education Services:** Mixed past performance creates difficulties in predicting future dynamics. The understanding is further complicated by the different types of institutions across the industry (i.e., primary, secondary, post-secondary schools, and public/private schools, in addition to non-school educational organizations).
5. **Healthcare and Social Assistance:** The significant growth in Kamloops has likely been influenced by the pandemic, making it a challenge to gauge future growth. There are significant challenges documented and expected in the industry, displaying the importance of the industry in the future.

The Kamloops Economic Impact Report 2024 analyzes Kamloops' economic landscape, offering stakeholders valuable insights into key industries. The report serves as a strategic tool for informed decision-making and fosters a dynamic approach to economic development in Kamloops.

# Project Introduction

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The initial phase of the engagement with Venture Kamloops (VK) involved an exploration of the city's economic landscape, driven by a need for valuable insights into economic growth prospects and a commitment to an evidence-based approach. Recognizing the significance of periodic Economic Impact Studies in VK's strategic planning, the objective was to conduct a report, building on historical ones.

This report serves as an extension of the "Socio-Economic Portrait: Unveiling Kamloops' Economic Landscape" report that covered 20 industries within the City of Kamloops. In contrast, this report narrowed the findings of the previous report to focus on five industries. The objective of this report, and its underlying analysis, was to provide a targeted examination of these sectors, offering stakeholders, policymakers, investors, and residents strategic insights for informed decision-making and future planning. The following pages present analysis of demographic indicators, economic trends, and the specific dynamics of these critical industries, contributing to a nuanced understanding of Kamloops' socio-economic fabric.

## Objectives

This project's primary objectives were to assess the economic vitality of the City of Kamloops by evaluating key indicators and to identify potential growth opportunities within specific industries. Through analyzing socio-economic factors, and a focused examination of selected industries, the aim was to provide actionable insights that will guide strategic decisions for future economic development efforts. Therefore, as noted, the project's core objectives were to:

1. Measure Kamloops' economic vitality, and
2. Identify growth opportunities.

Key economic indicators provide insights into the city's socio-economic well-being, challenges, and opportunities across various industries. This report identifies industries of interest that have shown future growth potential through a historical analysis of data points, informing strategic decisions for future economic development efforts.

The scope focused on the City of Kamloops, with a detailed approach involving industry selection, trend analysis on employment and salaries, identification of growth sectors, and additional qualitative insights.

## Approach

The report's approach focused on 20 primary industries driving Kamloops' economic engine from the "*Socio-Economic Portrait: Unveiling Kamloops' Economic Landscape*" report. Beginning with industry selection and overview, key industries were identified through a combination of existing data and local insights. VK then provided direction on five industries of interest, of which trend analysis on employment and salaries provided a historical perspective and informed forecasts on the five industries of focus. Identifying growth industries involved discerning the five industries of interest to VK based on those showing promising growth signs from the data points available and subsequently analyzed. The analysis of these five industries included qualitative exploration, considering elements such as market size, revenue, and technological trends. To gain additional insights into two industries of particular interest, firms within those industries were interviewed and supplemental secondary research was conducted.

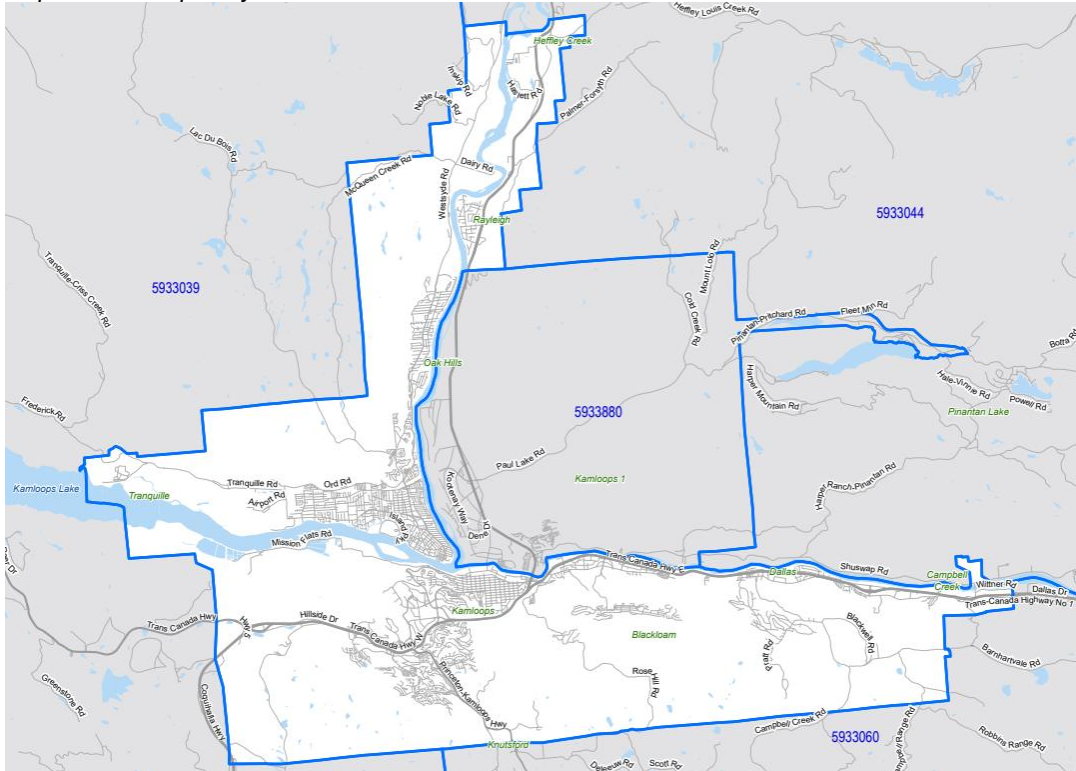
The project's structured approach and methodology aimed to deliver a nuanced, data-driven narrative, providing actionable insights for VK's economic development goals in 2024 and beyond. The work plan outlined each phase's key activities, resources, and outputs, ensuring a systematic and collaborative approach.



## Definitions of Geographic Areas

Two defined geographic areas are used in this report for Kamloops. The primary geographic area is the Kamloops City Census Subdivision. See Map 1 for a detailed map from Statistics Canada of this area (white area outlined in blue).<sup>2</sup>

Map 1 – Kamloops City Census Subdivision

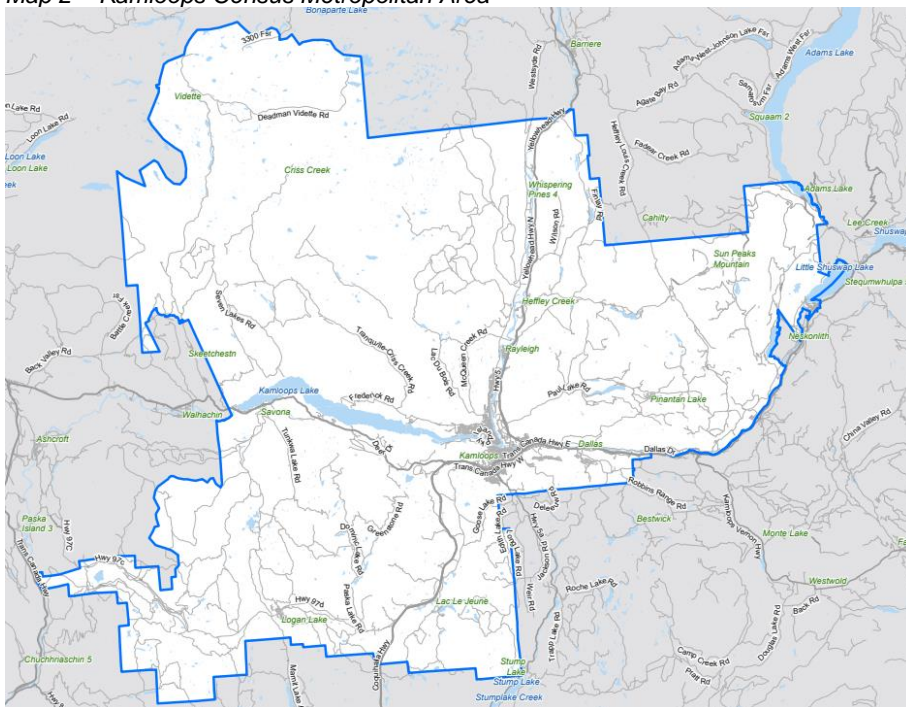


Source: Statistics Canada

<sup>2</sup> Statistics Canada. *Census Subdivision*. Retrieved from: <https://www12.statcan.gc.ca/census-recensement/2021/geo/maps-cartes/static-statique/pdf/A0005/2021A00055933042.pdf>

Where data for the Census Subdivision is not available, then the data for the broader Kamloops Census Metropolitan Area is used. See Map 2 for a detailed map of this area (white area outlined in blue).<sup>3</sup> This area includes communities such as Logan Lake and Savona.

Map 2 – Kamloops Census Metropolitan Area



Source: Statistics Canada

<sup>3</sup> Statistics Canada. *Census Metropolitan Area*. Retrieved from: <https://www12.statcan.gc.ca/census-recensement/2021/geo/maps-cartes/static-statique/pdf/S0503/2021S0503925.pdf>

# Focused Industry Analysis and Forecast

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## How to Read this Report

This report is designed to provide an understanding of Kamloops' economic landscape, focusing on five key industries critical to the city's development. To effectively navigate this report, consider the following guide:

- **Five Focus Industries:** Each industry under examination - Construction, Transportation and Warehousing, Professional, Scientific, and Technical Services, Education Services, and Healthcare and Social Assistance - plays a role in shaping Kamloops' economic fabric and has its own section in this report.
  - **Industry Background:** Within the "Industry Background" sub-sections, readers will find profiles for each focus industry. Utilizing the North American Industry Classification System (NAICS), these profiles offer insights into employment, compensation, business sizes, and import-export dynamics. These indicators provide a foundational understanding of the economic contributions of each industry. *Note – Figure titles throughout align directly with the “Socio-Economic Portrait: Unveiling Kamloops' Economic Landscape” report for ease of reference between the two reports.*
  - **Industry Forecasts:** The report employs three distinct forecasting methods to project potential growth for each industry. These methods include labour force data for the Kamloops census subdivision, the Thompson-Okanagan economic region, and an externally created provincial forecast. The triangulation of these approaches enhances the reliability and robustness of the growth predictions.
  - **Global Perspectives:** Each industry incorporates global perspectives derived from secondary research for a broader view. These insights highlight industry-specific challenges and opportunities on a wider scale, contributing to a holistic understanding of the forces shaping Kamloops' economic landscape.
  - **Further Assessment of Two Industries:** The construction industry, and the transportation and warehousing industry were selected for further analysis. Thus, these two industries include a supplemental analysis sub-section which provides greater insight into the industry dynamics through secondary research. They both also include a sub-section highlighting the key themes heard through interviews with firms from Kamloops.
- **Qualitative Outlook and Comparison:** Each industry is summarized and assessed at the end of the report. Recognizing the speculative nature of forecasting, the qualitative perspectives offer a nuanced understanding of the growth prospects. Factors such as global trends, industry challenges, and the impact of technology are explored, providing stakeholders with information for strategic decision-making.

This report serves as a strategic tool for stakeholders, policymakers, and business leaders, fostering a dynamic and informed approach to economic development in Kamloops. By delving into industry backgrounds, forecasts, global perspectives, and qualitative insights, readers can understand each industry's role and potential growth prospects.

## About the Industry Background Sub-Section

In the "Industry Background" sub-sections, readers can anticipate exploring five industries that are shaping the economic landscape of the City of Kamloops. Leveraging NAICS as the analytical framework, we delve into each industry's nuances, offering stakeholders a granular understanding. The high-level overview encompasses components such as employment growth, compensation structures, place of work, business counts/sizes, and the dynamics of goods export and import firms, providing a broader perspective on each industry's contribution to Kamloops' economic vitality.

This industry analysis serves as a strategic tool for stakeholders, policymakers, and business leaders, equipping them with actionable insights into the city's economic diversification and identifying potential areas for development. By examining key indicators across diverse industries, these sub-sections aim to guide informed decision-making, ultimately fostering a sustainable and dynamic approach to economic development in Kamloops.

## About the Industry Forecasts Sub-Section

We conducted two types of forecasts for each of the five selected industries (a third external forecast by the provincial government is also noted for each industry).

The first forecast (titled Forecast #1) is based on the labour force census and national household survey data specifically for the Kamloops census subdivision (CSD). This forecast uses data collected every four years. This forecast method applies directly to the Kamloops CSD, but it relies on only three data points (numbers for 2011, 2016, and 2021). These large data point gaps suggest that any significant changes in employment between these data collection points may vary and may not be fully represented or captured in the forecast.

The second forecast (titled Forecast #2) is based on labour force data for the Thompson-Okanagan economic region (ER), subtracting the Kelowna census metropolitan area (CMA). This forecasting method uses monthly data and applies to a geographic range extending far outside the Kamloops CSD. The data is comparatively more detailed, recorded monthly from 2006 to the end of 2023.

These two forecast approaches enable us to draw more robust insights about the direction of each industry. Lastly, we recorded an externally created forecast for the province in each section (titled Forecast #3). This third forecast is designed to enhance the alignment of the other two forecasts, serving as an additional perspective or proxy to mitigate potential discrepancies in outcomes and ensure the robustness of our methodologies.

Note that labour force growth forms the basis for these forecasts. While labour force growth can provide insights into the direction of an industry's performance, it is essential to recognize that labour force growth does not equate to output growth. While output is likely to increase with an expansion in the labour force, the magnitude of growth is likely not one-for-one. Factors such as productivity and technology can influence industry output growth differently than labour force growth.

Lastly, note that the first and second forecasts assumes that the industries will continue to trend as they have in the past. There are many complex factors that are hard to capture that may cause an industry's future to be different than its past growth.

## About the Industry from a Global Perspective Sub-Section

A sub-section titled “The Industry from a Global Perspective” is provided for each industry. These sub-sections intend to add contextual and complementary information for each industry. Industry trends and predictions give a top-down view of the industry and allow for a more holistic understanding of the forces shaping it.

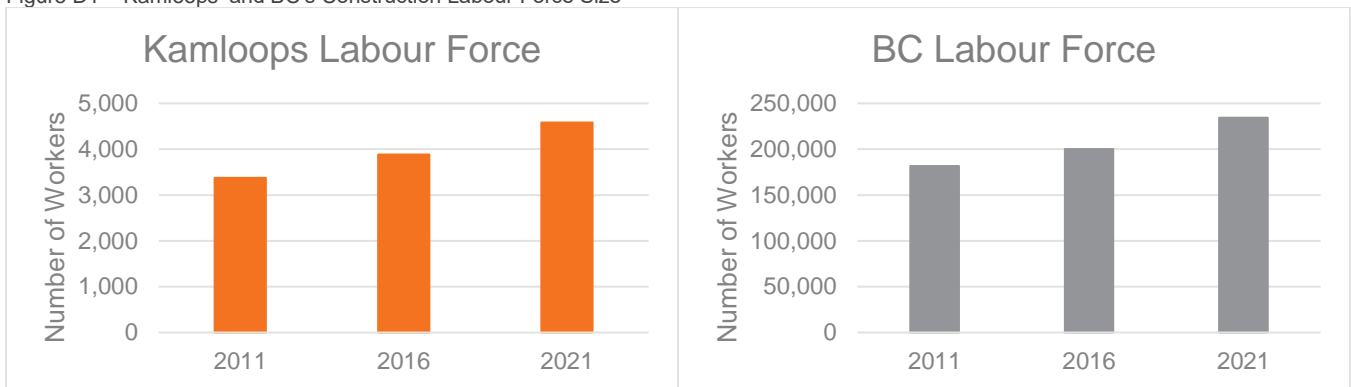
# Construction

## Industry Background

The construction industry comprises establishments primarily engaged in constructing, repairing and renovating buildings, engineering works, and subdividing and developing land.<sup>4</sup>

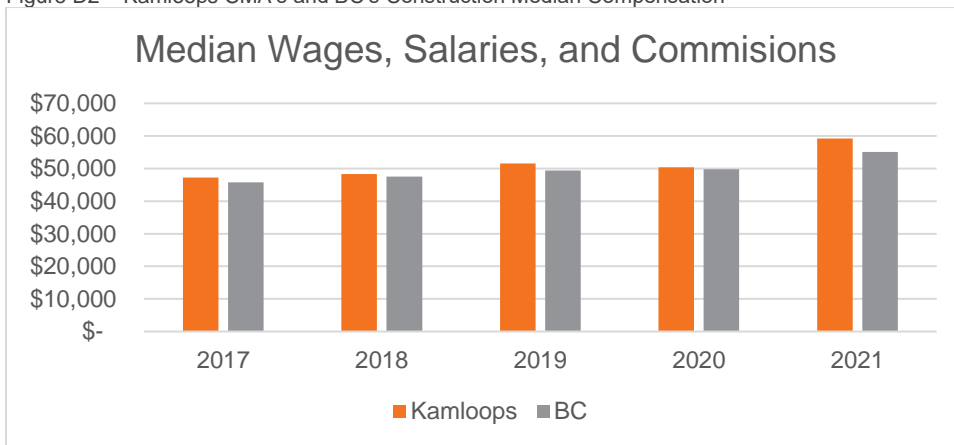
Kamloops has shown a similar growth trajectory for the construction industry's labour force compared to the province (see Figure D1).<sup>5</sup> Kamloops' construction workforce grew by 36% over the ten years, while BC's increased by 29%.<sup>6</sup>

Figure D1 – Kamloops' and BC's Construction Labour Force Size



Median compensation in the industry grew for both Kamloops and the province (see Figure D2).<sup>7</sup> Kamloops' compensation increased at a somewhat higher rate (25%), compared to BC's rate (20%). See Appendix C for the relative ranking of Kamloops' construction industry among all twenty industries.

Figure D2 – Kamloops CMA's and BC's Construction Median Compensation



<sup>4</sup> Statistics Canada. *North American Industry Classification System (NAICS)*. Retrieved from: <https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1181553>

<sup>5</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

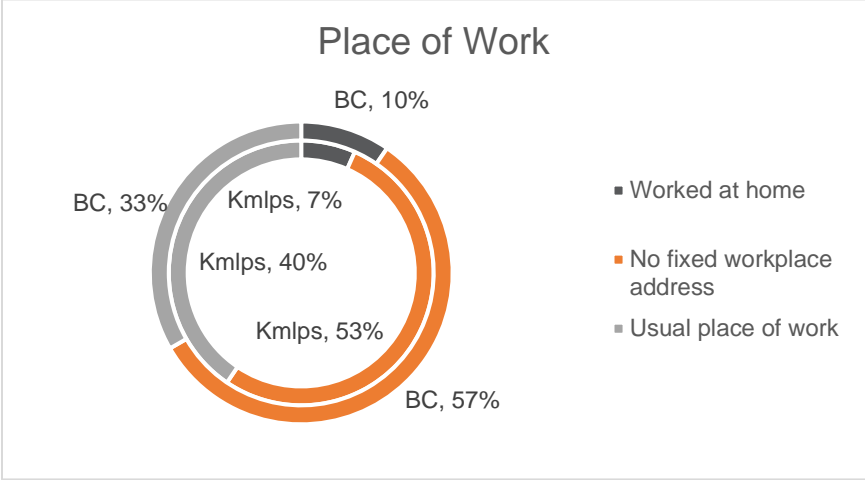
<sup>6</sup> Note – Figure titles throughout align directly with the "Socio-Economic Portrait: Unveiling Kamloops' Economic Landscape" report for ease of reference between the two reports.

<sup>7</sup> Statistics Canada. *Wages, salaries and commissions of tax filers aged 15 years and over by main industry sector and sex*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110007301>



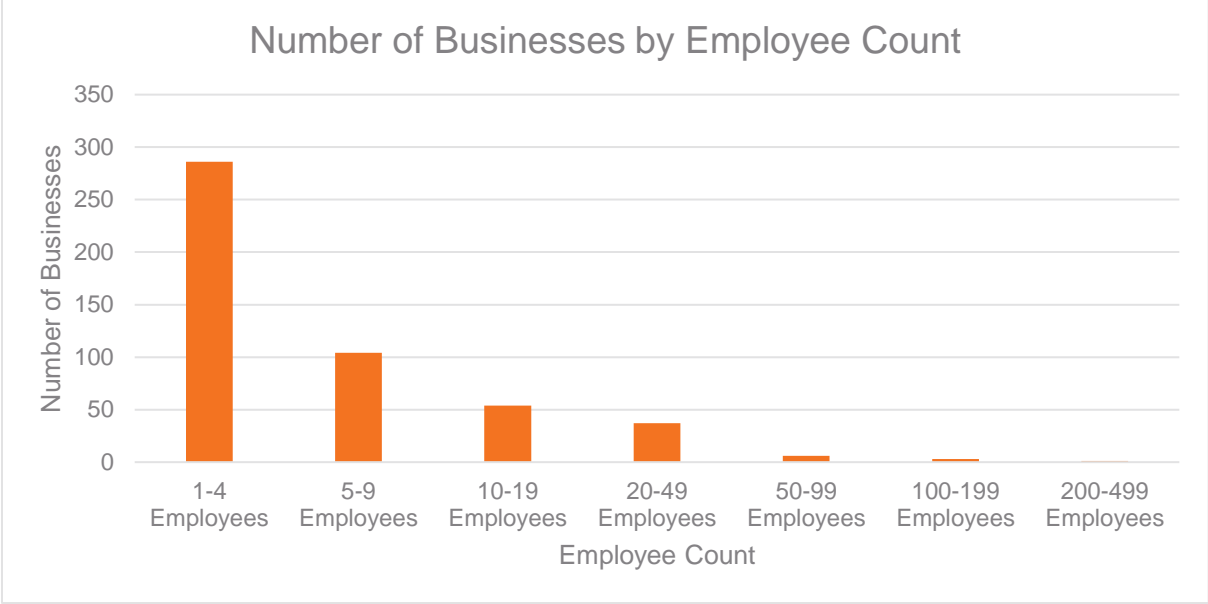
The place of work among those in the construction industry for both Kamloops and BC were relatively similar (see Figure D3).<sup>8</sup> Few workers worked from home, generally aligning with the nature of typical roles within the construction industry.

Figure D3 – Kamloops and BC’s Construction Place of Work: 2021 Census



The construction industry in Kamloops consists of a large number of small businesses (see Figure D4).<sup>9</sup> Although the number of larger firms are fewer in comparison, they still account for the employment of a large part of the sector (i.e., one firm with between 200 to 499 employees, and three firms with between 100 to 199 employees).

Figure D4 – Kamloops’ Construction Businesses by Employees



<sup>8</sup> Statistics Canada. *Place of work status by industry sectors, occupation broad category and gender: Canada, provinces and territories, census divisions and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=9810045601>

<sup>9</sup> Statistics Canada. *Canadian Business Counts, with employees, census metropolitan areas and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3310071901>

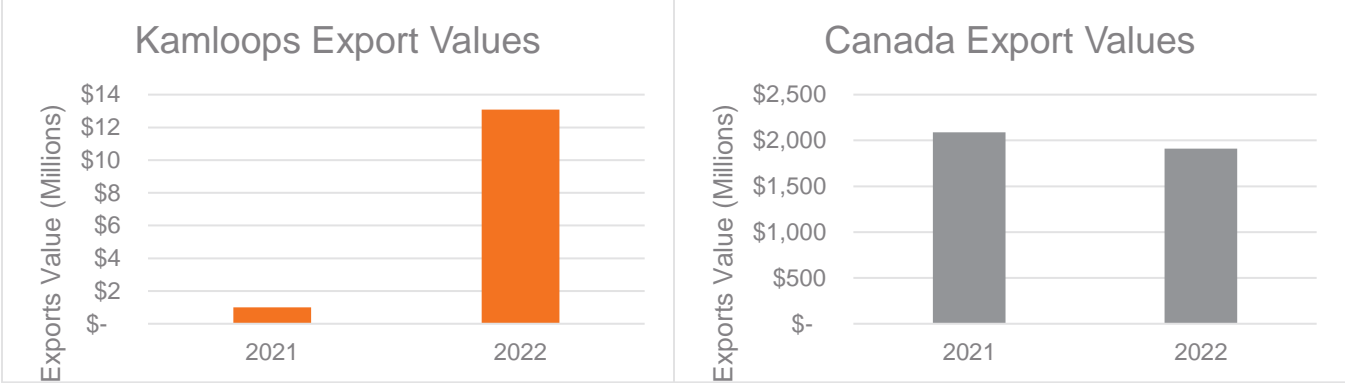
Import values in the construction industry were nearly identical for the Kamloops industry, compared to Canada at approximately 9% growth (see Figure D5).<sup>10</sup> In comparison, the number of importing establishments decreased in Kamloops by 2% and decreased by 1% for Canada.

Figure D5 – Kamloops CMA's and Canada's Construction Import Values (\$ Millions)



The value of exports in the Kamloops construction industry increased drastically. In contrast, the value for Canada decreased by 8% (see Figure D6).<sup>11</sup> The number of exporting establishments in both Kamloops and Canada increased. In Kamloops, it grew from six to eight establishments (rate of 33%), while for Canada, it increased from 1,961 to 2,050 (rate of 5%).

Figure D6 – Kamloops CMA's and Canada's Construction Export Values (\$ Millions)



See Appendix D for import and export data considerations and limitations.

<sup>10</sup> Statistics Canada. Trade in goods by importer characteristics, by industry and census metropolitan area. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013901>

<sup>11</sup> Statistics Canada. Trade in goods by exporter characteristics, by industry of establishment and census metropolitan area. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013801>

See a summary overview of the industry's prospects in the following table.

Table D1 – Summary Comparator of Construction Industry

<b>Measure</b>	<b>Kamloops</b>	<b>BC</b> <i>(Canada for Imports/Exports)</i>	<b>Kamloops Comparison to Benchmark</b>
10 Year Labour Force Growth (2011-2021)	36%	29%	Higher
4 Year Compensation Growth (2017-2021)	25%	20%	Higher
2021 Median Compensation	\$59,230	\$55,120	Higher
Value of Imports 2021-2022	9%	9% <i>(Canada)</i>	Same
Change in # Importers 2021-2022	-2%	-1% <i>(Canada)</i>	Lower
Value of Exports 2021-2022	1,206%	-8% <i>(Canada)</i>	Higher
Change in # Exporters 2021-2022	33%	5% <i>(Canada)</i>	Higher

Over ten years, Kamloops displayed a commendable 36% growth in the labour force, surpassing British Columbia's 29%, positioning Kamloops with higher labour force growth in the construction industry.

Similarly, in terms of four-year compensation growth, Kamloops reported a 25% increase, outpacing British Columbia's 20% growth. Furthermore, Kamloops exhibited higher median compensation 2021, at \$59,230 compared to British Columbia's \$55,120.

However, there were notable differences in import-export dynamics. While both Kamloops and Canada reflected a 9% increase in import values, Kamloops experienced a 1,206% surge in export values, whereas Canada encountered an 8% decrease. Additionally, while the number of importers decreased for both Kamloops and Canada, both exhibited a minor reduction.

Overall, Kamloops showcased higher growth rates in the labour force and compensation, alongside superior median compensation figures in 2021. Notably, the substantial increase in export values and higher changes in the number of exporters highlight Kamloops' distinctive performance in the export sector. Overall, relative to its benchmarks, the Kamloops construction industry shows strong recent growth and is an important industry within Kamloops.

See Appendix E for this sub-section's data characteristics and limitations.

## Forecast #1

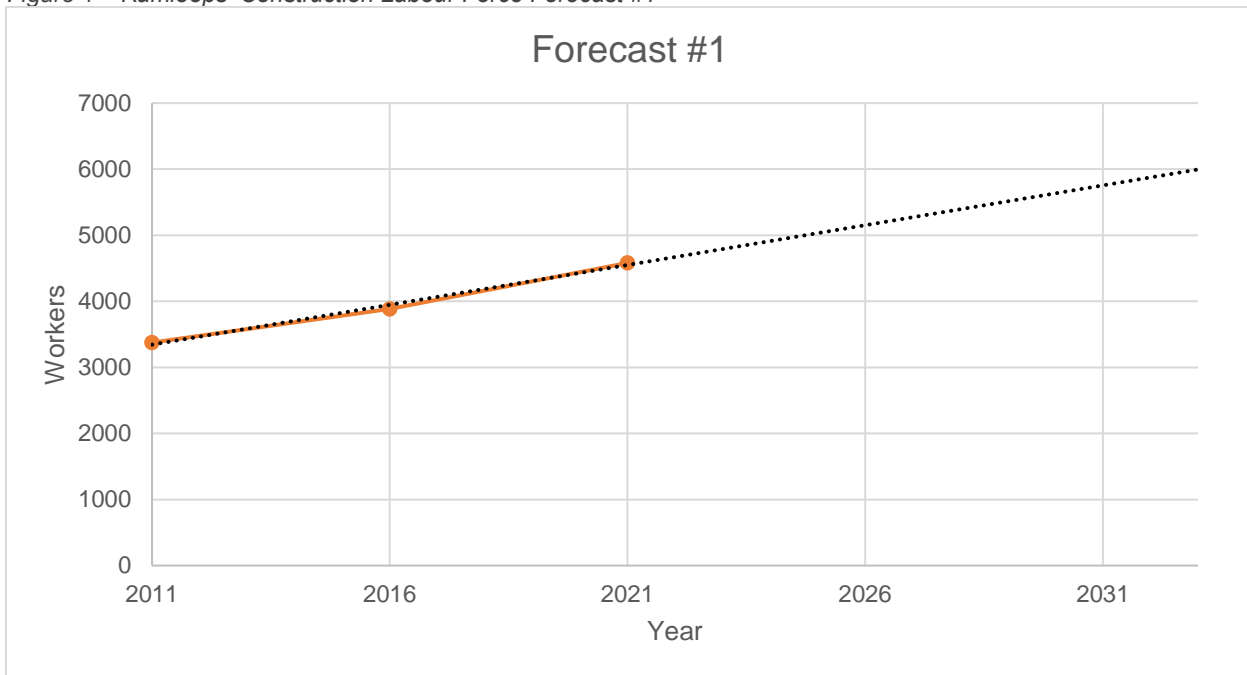
The data used in the first forecast comes from Statistics Canada’s labour force census and national household survey. According to these sources, the number of workers in Kamloops’ construction industry has grown. See Table 1 for the relevant numbers.<sup>12</sup>

Table 1 – Kamloops’ Construction Labour Force Size

	2011	2016	2021
<b>Worker Count</b>	3,375	3,885	4,580

The data in Table 1 was used to calculate a linear trend.<sup>13</sup> This trend was extended out to 2033 and is shown in Figure 1 below.

Figure 1 – Kamloops’ Construction Labour Force Forecast #1



The annual compounded growth rate (2023-2033) is estimated at 2.3% in the first forecast.

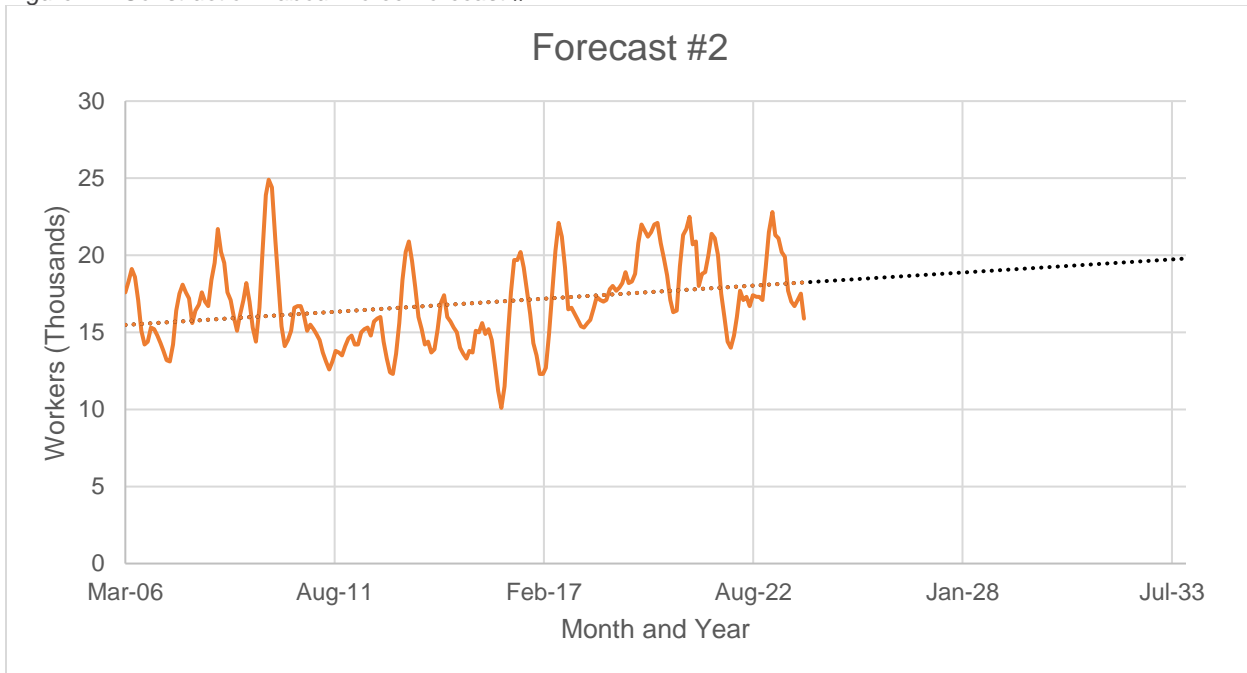
<sup>12</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

<sup>13</sup> Calculated through the least squares method (a method for finding the best fitting line for data points, by reducing the sum of squares of the residual parts of the line).

## Forecast #2

The second forecast leverages Statistics Canada's labour force data for the economic region which has been collected monthly. The number of workers in the Thompson-Okanagan economic region (excluding Kelowna) in the construction industry has increased from 2006 to 2023.<sup>14,15</sup> This data was used to calculate a linear trend, which was extended out to 2033 and is shown in Figure 2.

Figure 2 – Construction Labour Force Forecast #2



The annual compounded growth rate (2023-2033) is estimated at 0.8% based off the second forecast.

## Forecast #3

A third forecast, from the Government of British Columbia, estimates an annual compounded growth rate (2023-2033) of 0.5% for the province (for the construction industry's labour force).<sup>16</sup>

<sup>14</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410038801>

<sup>15</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410037901>

<sup>16</sup> Government of British Columbia. *Labour Market Outlook 2023 Edition*. Retrieved from: [https://www.workbc.ca/sites/default/files/2023-11/MPSEFS\\_11803\\_BC\\_Jobs\\_LMO\\_2023\\_FINAL..pdf](https://www.workbc.ca/sites/default/files/2023-11/MPSEFS_11803_BC_Jobs_LMO_2023_FINAL..pdf)

*Forecasts Summary*

Table 2 summarizes the three forecasts . See Appendix B for additional forecasts using City of Kamloops permit data.

*Table 2 – Construction Forecast Summary*

	<b>Annual Compounded Growth Rate (%)</b>	<b>Geographic Coverage</b>
<b>Forecast #1</b>	<b>2.3</b>	Kamloops CSD
<b>Forecast #2</b>	<b>0.8</b>	Thompson-Okanagan ER (excluding Kelowna CMA)
<b>Forecast #3</b>	<b>0.5</b>	British Columbia

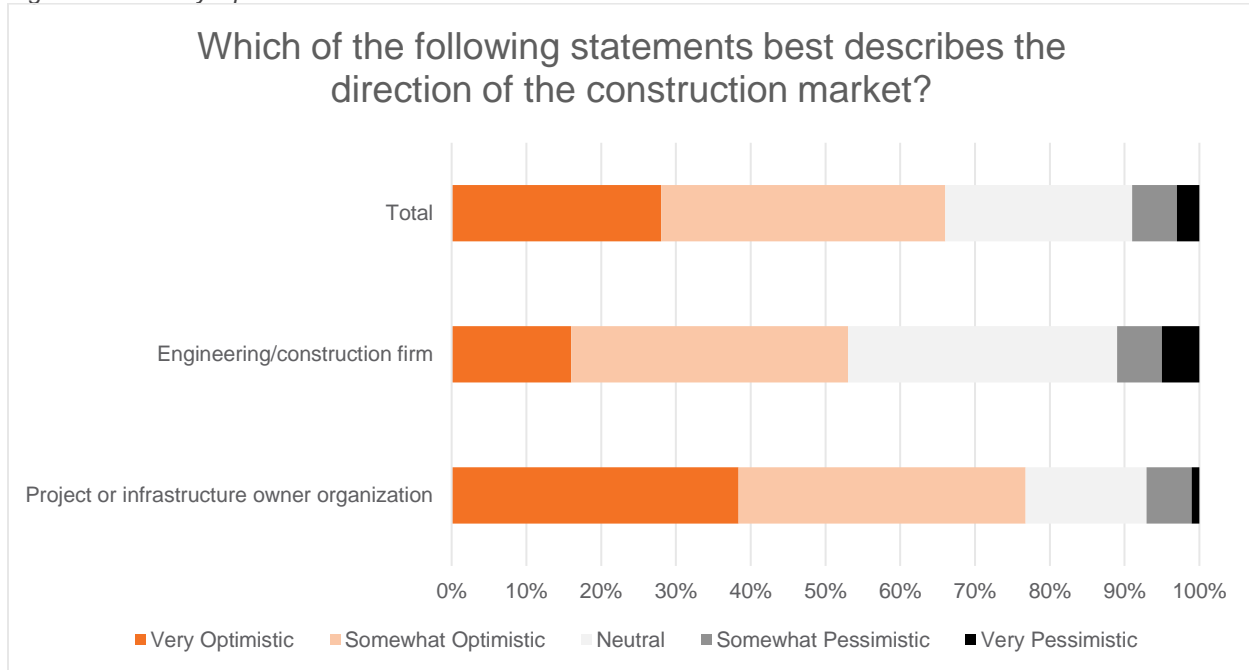


## The Industry from a Global Perspective

To complement and provide contextual support for the direction of the construction industry in Kamloops, global perspectives of the construction industry are provided in the following sub-section.

KPMG, an accounting and advisory firm, surveyed nearly 300 firms around the world and found the industry to be in a “cautiously optimistic mood”.<sup>17</sup> Figure 3 displays the levels of optimism and pessimism in the industry, as reported in the 2023 Global Construction Survey.

Figure 3 – Industry Optimism and Pessimism



Source: KPMG

The survey gathered many insights, some of which are shown in Table 3.

<sup>17</sup> KPMG. 2023 Global Construction Survey. Retrieved from: <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2023/06/familiar-challenges-new-solutions.pdf>

Table 3 – Construction Industry Survey Key Findings

<p><b>Addressing industry performance challenges</b></p>	<ul style="list-style-type: none"> <li>• Two-thirds (66%) of respondents are optimistic about the direction of the construction market, and 78% feel infrastructure stimuli will have a positive impact.</li> <li>• Project performance remains in the spotlight, with only half of owners saying their projects are completing on time and 87 percent stating that projects are coming under greater scrutiny.</li> <li>• To address ongoing volatility, the biggest priority is improving estimating accuracy, transferring risk, and increasing innovation.</li> </ul>
<p><b>Rising influence of ESG</b></p>	<ul style="list-style-type: none"> <li>• ESG <sup>18</sup> has climbed construction leaders’ agendas, with 54% “fully envisioning” the benefits of ESG and aggressively pursuing maturity. Survey respondents say the key benefits of ESG are reputational improvement and competitive advantage – as well as a necessity to enhance access to project capital.</li> <li>• Diversity, equity, and inclusion (DEI) is the third most important factor determining future success, as the sector shifts away from its hard-hat image toward greater use of technology and more remote working.</li> <li>• Owners are relatively more concerned with reducing greenhouse gases (GHG) while engineering and construction (E&amp;C) companies place the highest priority on DEI. Embodied carbon (carbon released during the construction process) is a growing concern and is likely to be the subject of future regulations.</li> </ul>
<p><b>The great innovation race</b></p>	<ul style="list-style-type: none"> <li>• The construction industry is starting to embrace the power of technology to transform performance – with 81% of E&amp;C firms adopting mobile platforms, 43% using robotics process automation (RPA) and 40% adopting artificial intelligence (AI) - although many are in the early stages.</li> <li>• When it comes to improving ROI on capability projects, project management information systems (PMIS), building information modeling (BIM), and advanced data analytics are considered to have the greatest potential; digital twins, modular/offsite manufacturing, AI, and BIM are driving the greatest gains in project performance.</li> <li>• A vast majority of respondents say prefabrication is an important solution for capability projects, although just one-quarter of E&amp;C companies use modular manufacturing across all projects.</li> <li>• There’s growing recognition of the power of technology to improve safety, notably from use of D&amp;A and modular manufacturing – the latter reduces dangerous, onsite work.</li> </ul>

Source: KPMG

<sup>18</sup> ESG refers to environmental, social, and governance considerations.

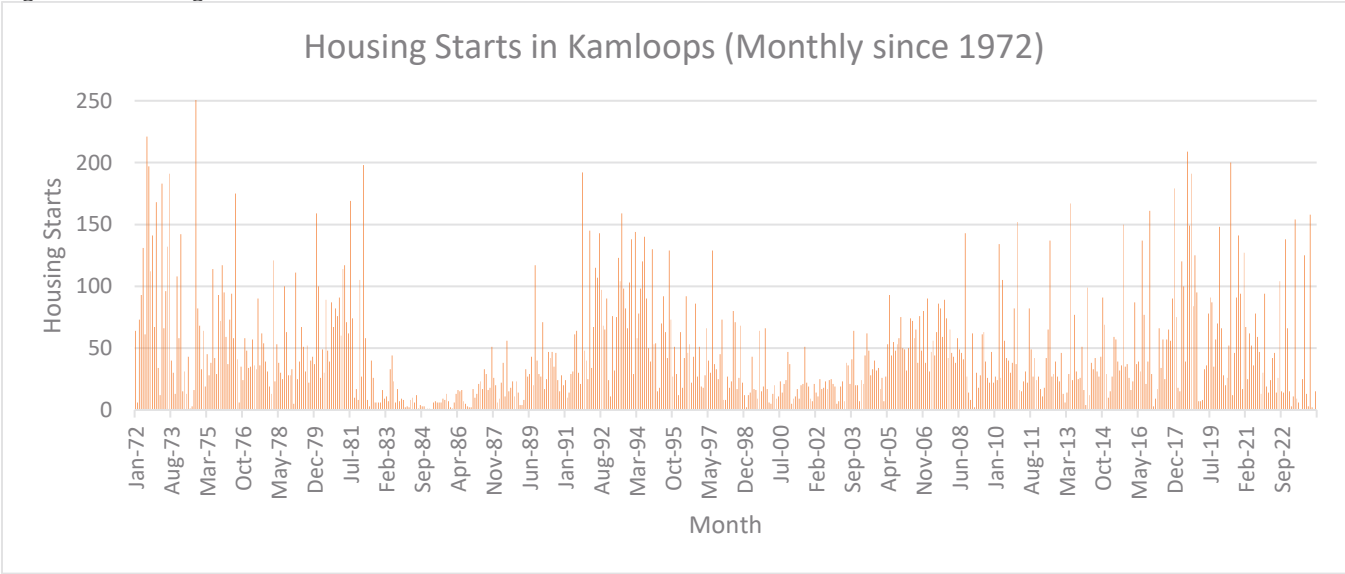
Oxford Economics, an economic advisory firm, estimates that global construction work will grow from US\$9.7 trillion in 2022 to US\$13.9 trillion by 2037<sup>19</sup>, though growth is not equally divided among all countries. The report states that global construction ‘superpowers’ (China, the US, India) will drive growth, with emerging Asia and sub-Saharan Africa being the highest-growing regional markets. The report also highlights four aspects shaping the industry: monetary policy, green construction and climate change, digitalization, and higher materials prices.

The two reports mentioned in this sub-section point to the importance of ESG and innovation in the construction industry. Both reports also point to a more optimistic than pessimistic view of the global industry’s future.

**Supplemental Analysis**

Due to data limitations, housing market data was leveraged as a proxy for construction industry performance in Kamloops. The following figure shows the monthly housing starts in Kamloops since 1972.<sup>20</sup> The numbers show a fluctuation in housing starts over the last several decades, and it appears to have been declining in the last few years. Additionally, in the last few years there appears to be greater volatility from month to month than the historical average.

Figure 4 – Housing Starts since 1972 <sup>21</sup>



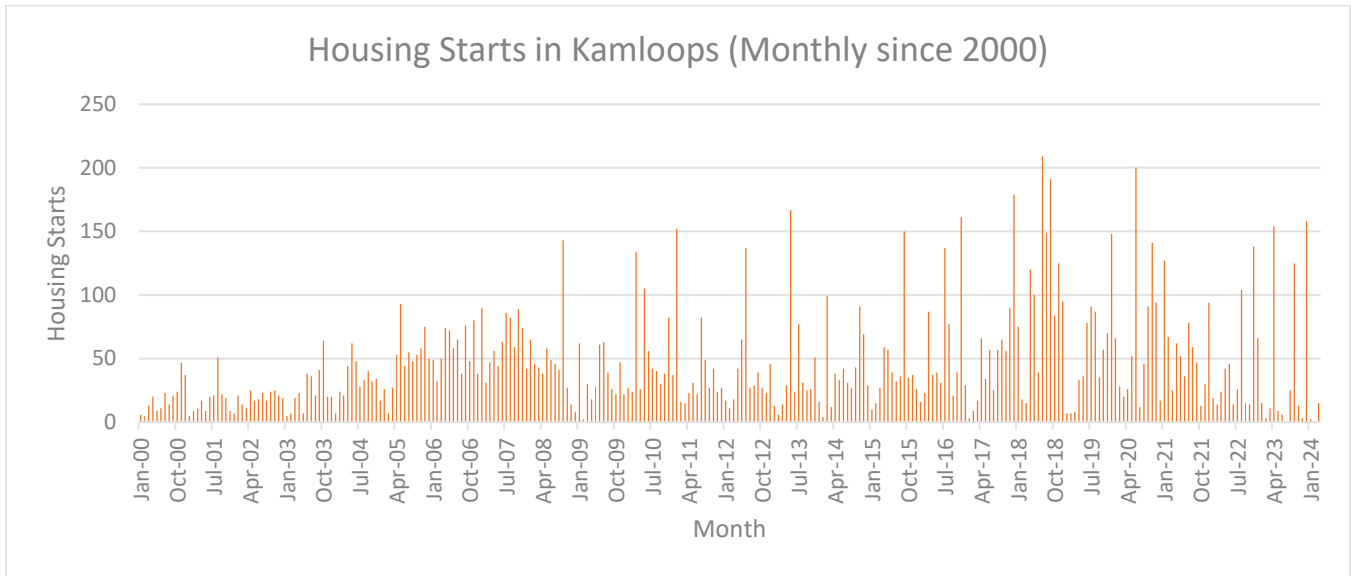
These dynamics are more evident when limiting the graph to the last two decades, as shown in following graph.

<sup>19</sup> Oxford Economics. *Global Construction Futures*. Retrieved from: [https://www.oxfordeconomics.com/wp-content/uploads/2023/03/Construction\\_Futures\\_OE\\_PAGES-1.pdf](https://www.oxfordeconomics.com/wp-content/uploads/2023/03/Construction_Futures_OE_PAGES-1.pdf)

<sup>20</sup> Statistics Canada. *Canada Mortgage and Housing Corporation, housing starts, under construction and completions in census agglomerations of 50,000 and over, monthly*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3410015501>

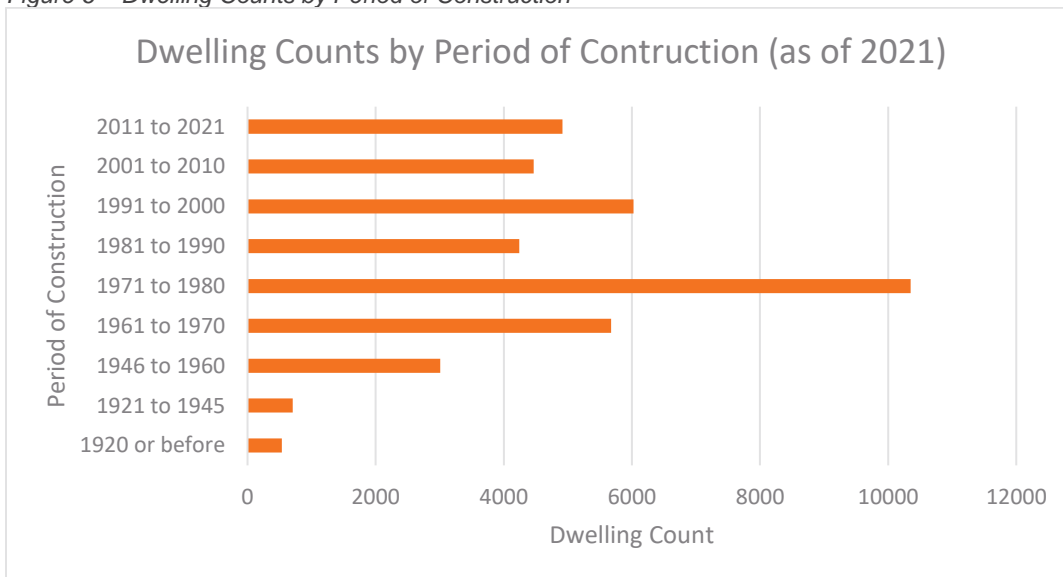
<sup>21</sup> Figure data applies to Kamloops CMA, additionally note the outlier for September 1974, which extends to 492 (this scale not shown on the graph)

Figure 5 – Housing Starts since 2000<sup>22</sup>



Looking at current dwelling ages and conditions may be useful in understanding the future upkeep and replacement construction work to come. The following figure shows the period of construction for current dwellings in Kamloops.<sup>23</sup> Note that the period groups are not all the same length (i.e., 2011 to 2021, and 1946-1960). The graph shows that a significant share of the dwellings in Kamloops were built between 1971-1980, and that a large portion of houses were built prior to 2000. Having a large portion of older dwellings may be indicative of the future need for more contractor demand.

Figure 6 – Dwelling Counts by Period of Construction<sup>24</sup>



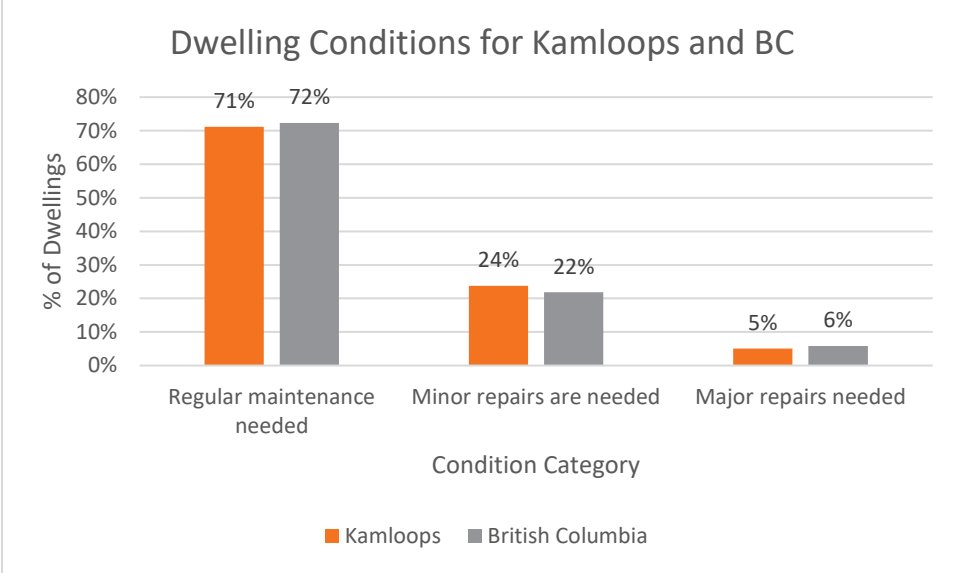
<sup>22</sup> Figure data applies to Kamloops CMA

<sup>23</sup> Statistics Canada. *Dwelling condition by tenure: Canada, provinces and territories, census divisions and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=9810023301>

<sup>24</sup> Figure data applies to Kamloops CSD

To further assess the potential demand due to older infrastructure, the current condition of dwellings can be assessed. See the following figure for the comparison of dwelling conditions in Kamloops compared to the province.<sup>25</sup>

Figure 7 – Dwelling in Kamloops and BC by Condition <sup>26</sup>



The figure shows very similar conditions of dwellings in Kamloops compared to the province.

Lastly, the substantial population growth in Kamloops should be considered when assessing the current and future outlook of the construction industry. As outlined in Appendix F, Kamloops’ population has increased significantly since the 2006 census year. Thus, it is important to acknowledge that this growth likely boosted the demand for construction in Kamloops, and whether this population growth continues or not is likely to play a large part in determining the future performance of the construction industry.

It is difficult to infer dynamics from the numbers in this sub-section since housing starts and housing characteristics are not a perfect proxy for the construction industry as whole. The key takeaways are that the housing starts in the past few years in Kamloops appear to have become more volatile than previously, potentially indicating a more volatile construction industry. Additionally, there are many dwellings in Kamloops that were built several decades ago, potentially indicating the need for broader construction repair and maintenance in the future (would not be unreasonable to expect the infrastructure throughout Kamloops outside housing was built in similar time periods). The condition of dwellings in Kamloops is very similar to that throughout the province, indicating Kamloops does not stand out in this area compared to other jurisdictions in the province.

<sup>25</sup> Statistics Canada. *Dwelling condition by tenure: Canada, provinces and territories, census divisions and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tb11/en/cv.action?pid=9810023301>

<sup>26</sup> Figure data applies to Kamloops CSD

## Stakeholder Engagement Findings

A number of firms were interviewed to further assess the construction industry in Kamloops. The following insights are gathered and interpreted from stakeholder interviews. As such, the findings are limited to the discussions and comments documented by these stakeholders without further extrapolation or speculation. As shown below, several key themes were heard.

### Key Themes

**1. Government regulations and “administrative red tape” were often cited as hindering industry operations and growth.**

The engaged firms mentioned administrative barriers are currently present at different levels of governments (municipal, provincial, federal). A few examples of the challenges included slow approval times, broadly speaking, and the level and specification of requirements imposed by governments. These increase the firm’s costs through extended project times, increased risks of delays and uncertainty of costs. Additionally, the lack of coordination and communication among different levels of government makes it more difficult for construction firms to operate as they are directly charged with those coordination efforts which further exacerbate impacts resulting from extended processing times and challenging requirements to be met in anticipation of applications and approvals.

**2. Technology adoption is not often seen as a core component of the industry.**

The construction industry was often acknowledged as not being at the forefront of technology adoption to increase productivity and competitiveness. Although the industry specific applications of technology are evident (i.e., materials and energy efficiency), there do not appear to be significant transformations in the near future brought on by new technology. This is different from what this report identified through its secondary research of global trends: that technology and ESG are particularly important to the construction industry.

**3. Limited land for development.**

Stakeholders often cite the need for more land for development in Kamloops as a challenge. As the geographic boundaries of Kamloops and developable land remains constrained (i.e., “horizontal” expansion constraints), respondents cited a few possibilities such as lands could be rezoned and/or developers are encouraged and allowed to pursue denser developments. Land constraints may lead firms to expand their operations further outside Kamloops and result in net-loss or shrinkage of the industry. Those interviewed with significant open land holdings appeared more optimistic about the industry’s future.

**4. Challenges associated with acquiring and retaining labour.**

The engaged firms cited a labour shortage in the construction industry, although the degree to which it affected their operations varied considerably by each individual business. In addition to a lack of labour supply, there have been difficulties retaining human capital within the industry (impacting succession planning and longer-term career development and firm operations). The industry’s decreasing appeal to young workers may be contributing to these difficulties. Firms seek to mitigate their labour challenges by developing relationships with other organizations and/or unique value propositions.

Some interviewees noted that making Kamloops a more attractive city via investment in public places (i.e., sports/art centers) may help retain labour and families.



## 5. Limited industry growth.

Industry outlooks varied, although the consensus was that the industry would experience mediocre future growth given the variety of observations and impacts noted above. The reasoning for this outlook was wide-ranging and tended to be associated with the other key themes (e.g., government constraints, lack of land, labour challenges). Many interviewees acknowledged that Kamloops' cost of living and housing costs was often more affordable than elsewhere in BC, although it has become more expensive. If Kamloops becomes similarly expensive as elsewhere in the province, growth in Kamloops' construction industry may suffer.

Other noteworthy perspectives and insights were captured during the engagements, these include:

- The current bid procurement process, particularly in the private sector, is driving prices to unsustainably low prices, resulting in lower quality work (procurement policies should change to embrace quality and innovation). A decrease in bid prices for work (by contractors) is making it difficult for contractors to make a profit.
- Construction demand in Kamloops is at an all-time high compared to the past. The industry must adapt quickly to this surge, as a large project or inflow of projects cannot be supported overnight.
- Embracing and adopting technology in construction could help attract and retain the new generation of workers.

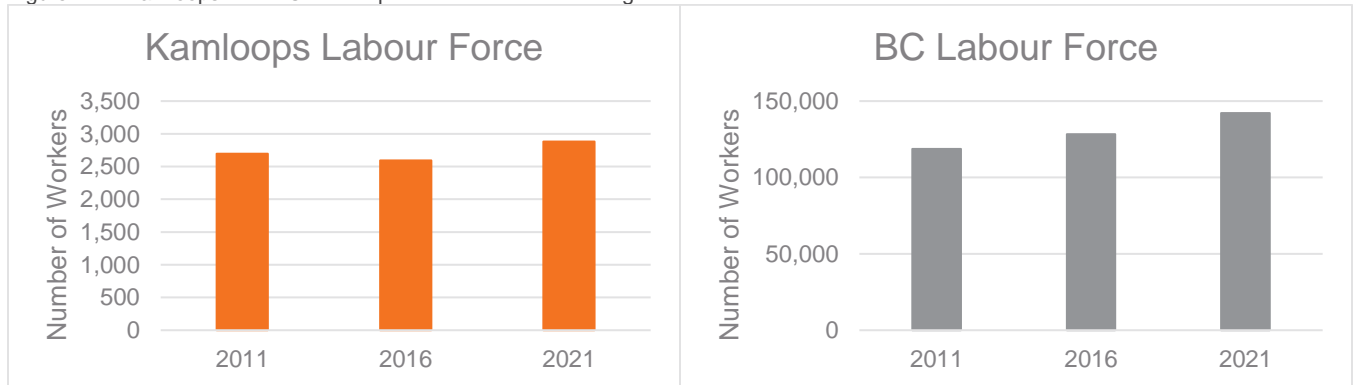
# Transportation and Warehousing

## Industry Background

The transportation and warehousing industry is comprised of establishments primarily engaged in transporting passengers and goods, warehousing and storing goods, and providing services to these establishments. The modes of transportation are road (trucking, transit and ground passenger), rail, water, air and pipeline.<sup>27</sup>

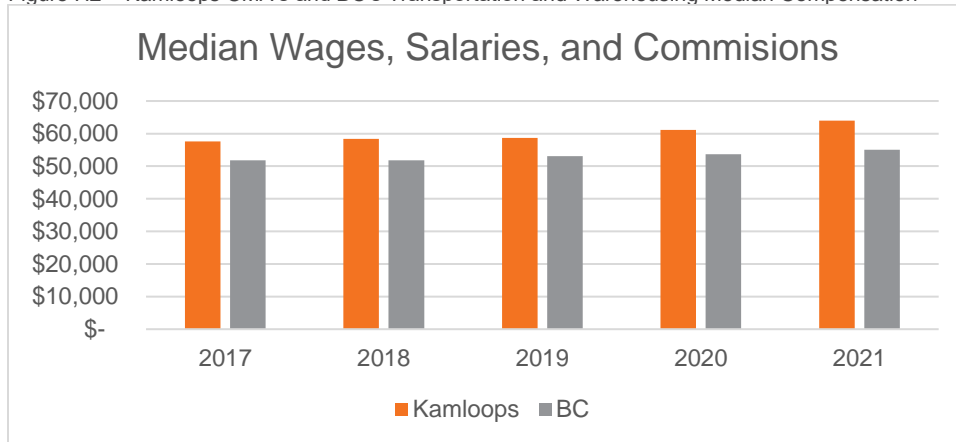
The labour force size for the transportation and warehousing industry grew in both Kamloops and BC (see Figure H1).<sup>28</sup> The labour force grew by 7% in Kamloops, below the growth of 20% for BC.

Figure H1 – Kamloops' and BC's Transportation and Warehousing Labour Force Size



The median compensation in Kamloops and BC has recently grown, with Kamloops compensation growing by 11%. In comparison, BC's grew by 6% (see Figure H2).<sup>29</sup> Also note the overall higher compensation in Kamloops compared to the province. See Appendix C for the relative ranking of Kamloops' transportation and warehousing industry among all twenty industries.

Figure H2 – Kamloops CMA's and BC's Transportation and Warehousing Median Compensation



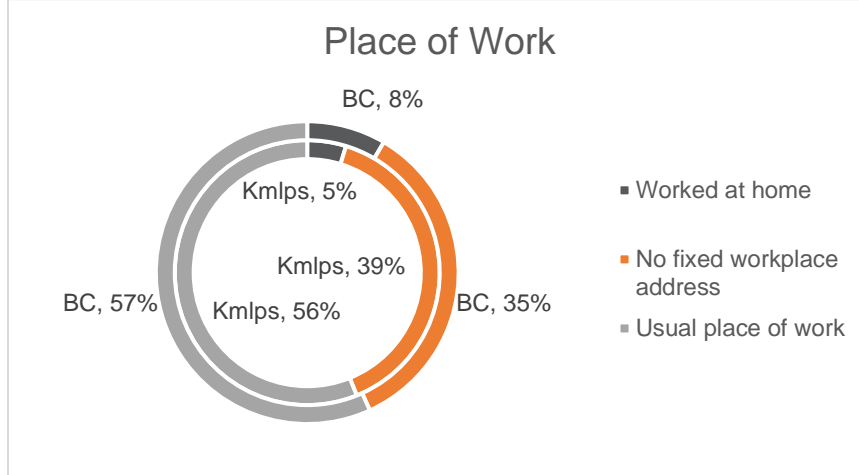
<sup>27</sup> Statistics Canada. *North American Industry Classification System (NAICS)*. Retrieved from: <https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1181553>

<sup>28</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

<sup>29</sup> Statistics Canada. *Wages, salaries and commissions of tax filers aged 15 years and over by main industry sector and sex*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110007301>.

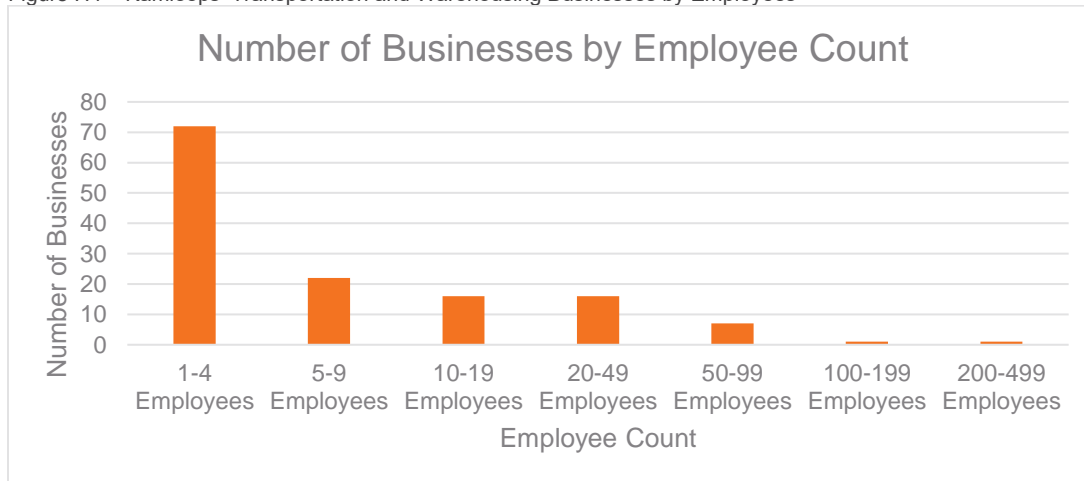
As expected, the percentage of workers in the industry working from home is relatively small (see Figure H3).<sup>30</sup> The distribution between usual place of work and no fixed workplace may be partly described by the difference in transportation versus warehousing positions, and also how the question is interpreted during the census survey.

Figure H3 – Kamloops' and BC's Transportation and Warehousing Place of Work: 2021 Census



Kamloops' transportation and warehousing industry has a diverse range of business sizes, although small businesses with one to four employees make up most of the businesses (see Figure H4).<sup>31</sup>

Figure H4 – Kamloops' Transportation and Warehousing Businesses by Employees



<sup>30</sup> Statistics Canada. *Place of work status by industry sectors, occupation broad category and gender: Canada, provinces and territories, census divisions and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=9810045601>

<sup>31</sup> Statistics Canada. *Canadian Business Counts, with employees, census metropolitan areas and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3310071901>

Both Kamloops and Canada’s import values for this industry increased, 37% for Kamloops and 36% for Canada (see Figure H5).<sup>32</sup> The number of importing establishments has also increased 10% for Kamloops, and 6% for Canada.

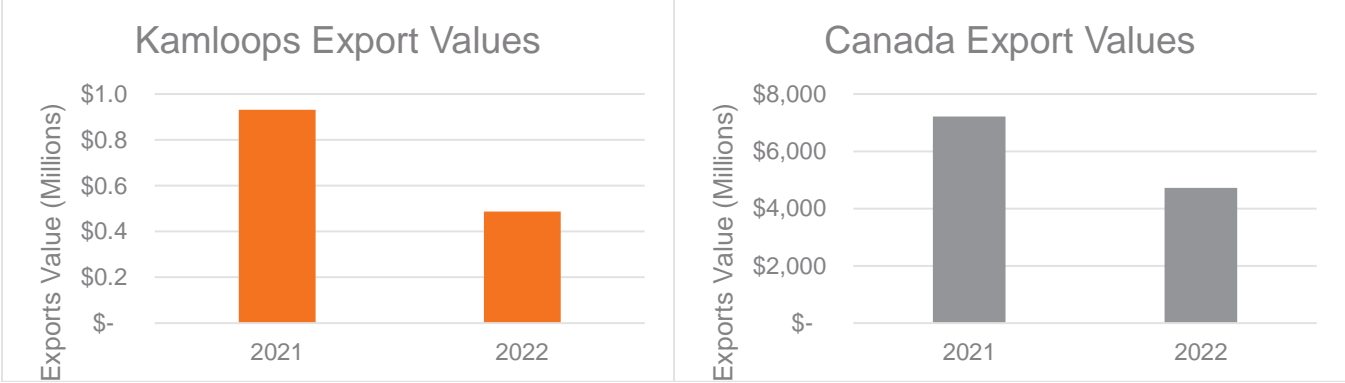
Figure H5 – Kamloops CMA’s and Canada’s Transportation and Warehousing Import Values (\$ Millions)



The export figures from Kamloops registered a decrease of 48% (see Figure H6).<sup>33</sup> It's important to acknowledge that these values, albeit notable in percentage change, are relatively small in absolute terms and may not fully indicate the industry's performance. Additionally, the specific data regarding the number of exporting firms in Kamloops was not reported for 2022; in the preceding year (2021), there were only five exporting firms.

Comparatively, the export values for Canada also experienced a decline, contracting by 34% (Figure H6). Interestingly, during the same period, Canada's number of exporting establishments increased by 8%. These contrasting trends highlight the nuanced dynamics within the export landscape, showcasing challenges and opportunities for businesses in Kamloops and the broader Canadian context.

Figure H6 – Kamloops CMA’s and Canada’s Transportation and Warehousing Export Values (\$ Millions)



See Appendix D for import and export data considerations and limitations.

<sup>32</sup> Statistics Canada. *Trade in goods by importer characteristics, by industry and census metropolitan area*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013901>  
<sup>33</sup> Statistics Canada. *Trade in goods by exporter characteristics, by industry of establishment and census metropolitan area*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013801>

See a summary overview of the industry’s prospects in the following table.

Table H1 – Summary Comparator of Transportation and Warehousing Industry

Measure	Kamloops	BC <i>(Canada for Imports/Exports)</i>	Kamloops Comparison to Benchmark
10 Year Labour Force Growth (2011-2021)	7%	20%	Lower
4 Year Compensation Growth (2017-2021)	11%	6%	Higher
2021 Median Compensation	\$64,010	\$55,020	Higher
Value of Imports 2021-2022	37%	36% <i>(Canada)</i>	Higher
Change in # Importers 2021-2022	10%	6% <i>(Canada)</i>	Higher
Value of Exports 2021-2022	-48%	-34% <i>(Canada)</i>	Lower
Change in # Exporters 2021-2022	NR	8% <i>(Canada)</i>	NA

Over ten years, Kamloops experienced a 7% growth in the labour force, which is notably lower than British Columbia's more substantial 20% growth, positioning Kamloops with a lower rate of labour force expansion in the transportation and warehousing industry.

Regarding four-year compensation growth, Kamloops exhibited an 11% increase, outpacing BC's 6% growth. Additionally, Kamloops reported a higher median compensation in 2021, standing at \$64,010 compared to BC’s \$55,020.

Import-export dynamics showed mixed results. Kamloops demonstrated higher percentage changes in import values (37%) and the number of importers (10%) compared to Canada’s 36% and 6%, respectively. However, in the export domain, Kamloops faced a 48% decrease in export values, whereas Canada experienced a 34% decline. The specific data on changes in the number of exporters in Kamloops was not available for direct comparison.

Overall, Kamloops exhibited lower labour force growth but showcased higher compensation growth rates and median compensation figures in 2021. The higher percentage changes in import values and the number of importers indicate positive momentum for Kamloops. However, the substantial decrease in export values is a notable area for consideration. Overall, the industry in Kamloops appears to have moderately grown.

See Appendix E for this sub-section’s data characteristics and limitations.

## Forecast #1

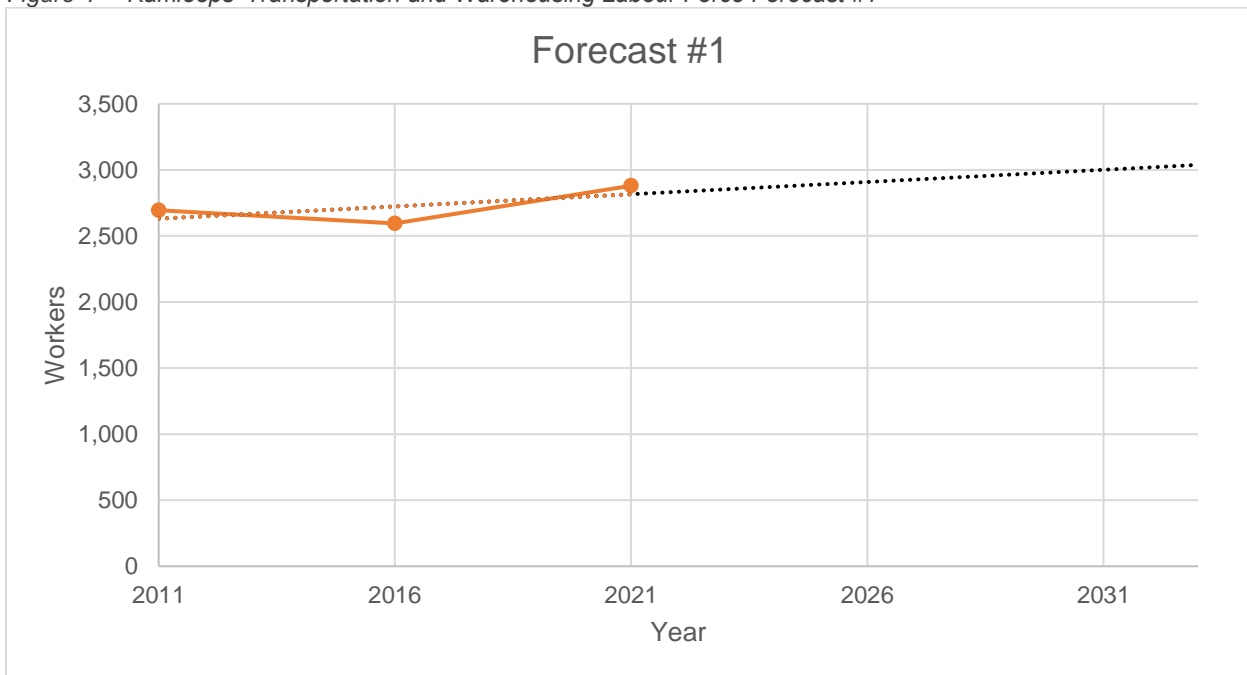
The source data used for the first forecast are Statistics Canada's labour force census and national household survey. The labour force size of the industry has grown from 2011 to 2021 according to these sources, although it decreased between 2011 and 2016.<sup>34</sup> See Table 4 for the specific numbers.

Table 4 – Kamloops' Transportation and Warehousing Labour Force Size

	2011	2016	2021
<b>Worker Count</b>	2,695	2,595	2,880

A linear trend was calculated based of the data in Table 4.<sup>35</sup> The extended trend is shown in Figure 4.

Figure 4 – Kamloops' Transportation and Warehousing Labour Force Forecast #1



The industry's estimated annual compounded growth rate is 0.6%, based on the trend above (2023-2033).

<sup>34</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

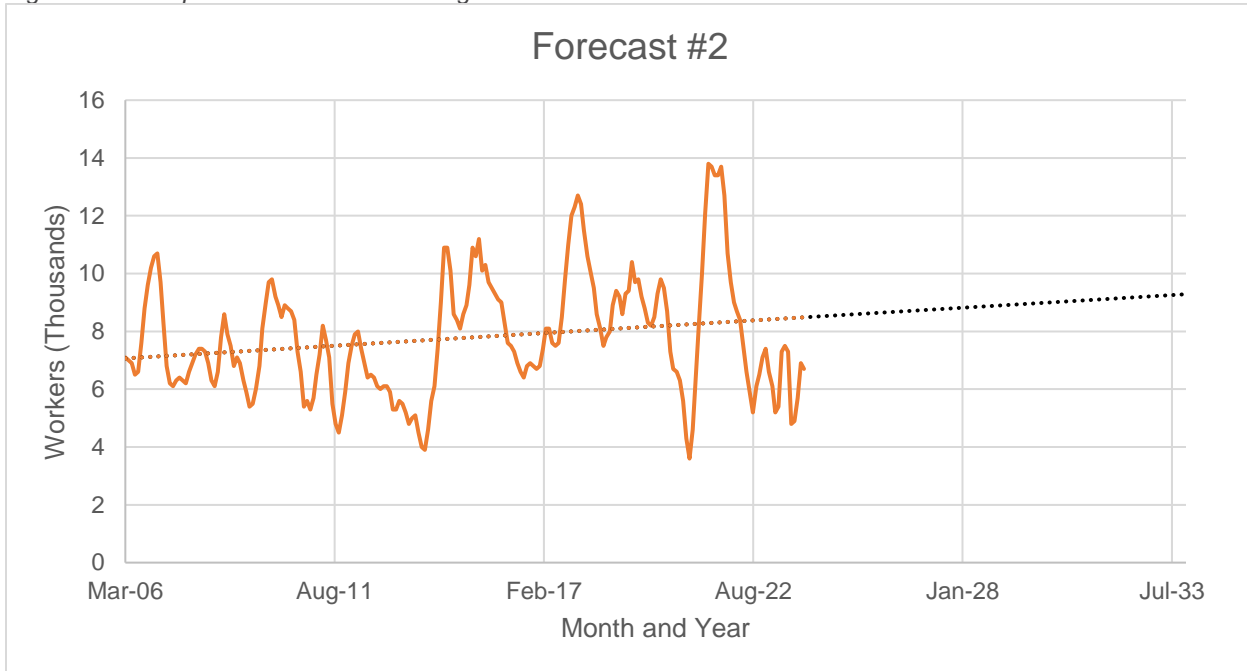
<sup>35</sup> Calculated through the least squares method (a method for finding the best fitting line for data points, by reducing the sum of squares of the residual parts of the line).



## Forecast #2

The second forecast leverages Statistics Canada’s labour force data for the economic region which has been collected monthly. From 2006-2023, the Thompson-Okanagan ER (excluding Kelowna CMA) also showed an increase in the size of the labour force.<sup>36 37</sup> The linear trend is shown in Figure 5, noting its volatility.

Figure 5 – Transportation and Warehousing Labour Force Forecast #2



The second forecast projects an annual compounded growth rate of 0.9% (2023-2033).

## Forecast #3

The third forecast, from the Government of British Columbia, estimates an annual compounded growth rate of 1.2% (2023-2033) for the province (for the industry’s labour force).<sup>38</sup>

<sup>36</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410038801>

<sup>37</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410037901>

<sup>38</sup> Government of British Columbia. *Labour Market Outlook 2023 Edition*. Retrieved from: [https://www.workbc.ca/sites/default/files/2023-11/MPSEFS\\_11803\\_BC\\_Jobs\\_LMO\\_2023\\_FINAL..pdf](https://www.workbc.ca/sites/default/files/2023-11/MPSEFS_11803_BC_Jobs_LMO_2023_FINAL..pdf)

*Forecasts Summary*

The three forecasts are summarized in Table 5.

*Table 5 – Transportation and Warehousing Forecast Summary*

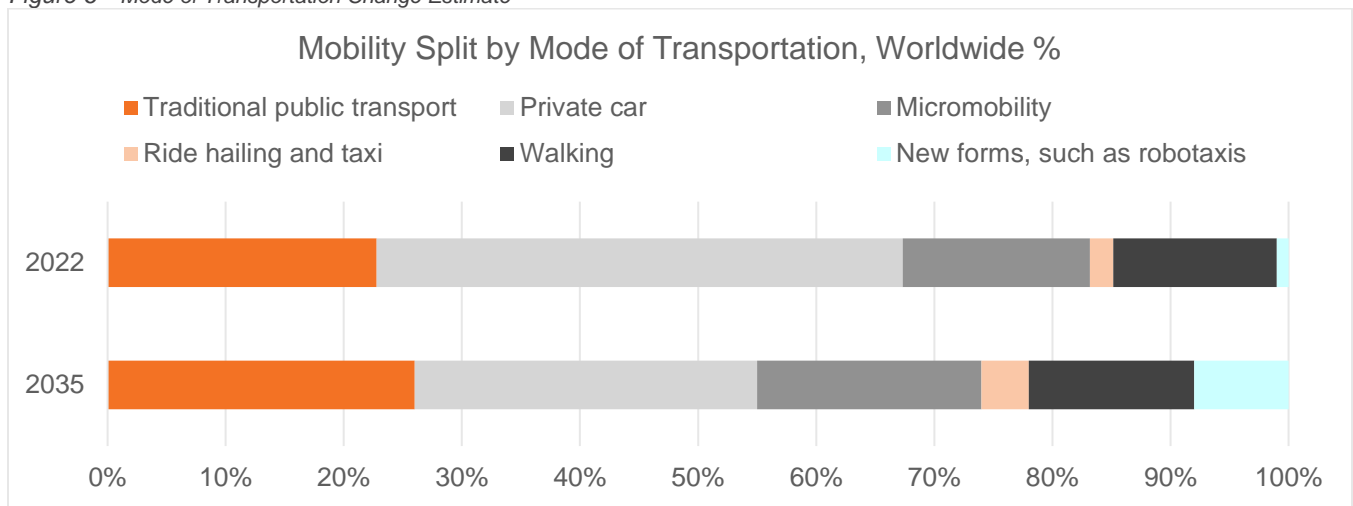
	<b>Annual Compounded Growth Rate (%)</b>	<b>Geographic Coverage</b>
<b>Forecast #1</b>	<b>0.6</b>	Kamloops CSD
<b>Forecast #2</b>	<b>0.9</b>	Thompson-Okanagan ER (excluding Kelowna CMA)
<b>Forecast #3</b>	<b>1.2</b>	British Columbia

## The Industry from a Global Perspective

Global perspectives of the industry are considered in this sub-section to provide contextual support and dynamics for the direction of the transportation and warehousing industry in Kamloops.

Much emphasis in the industry currently focuses on the shift towards less carbon-intensive forms of transportation. For example, BCG, a consultancy firm, estimates that electric vehicles will account for 35% of new car sales in 2035, and that shared mobility offerings will account for 15% of urban trips by 2035.<sup>39</sup> McKinsey, a consultancy firm, estimates a fairly significant change in transportation modes by 2035 (see Figure 6).<sup>40</sup> These changes in transportation come with new technology. BCG predicts that autonomous cars will emerge in the next 15 years, with high-driving (level four) automation features on 10% of new vehicles sold in 2035.<sup>41</sup>

Figure 6 – Mode of Transportation Change Estimate



Source: McKinsey

When it comes to leveraging new technology, Deloitte, an accounting and advisory firm, in a 2022 survey of transportation executives, found that just 29% of executives regard legacy logistic providers as best positioned to make progress in data optimization by 2030.<sup>42</sup> Figure 7 also shows a similar percentage for implementing AI technology. These findings indicate a potentially complex future for legacy logistic companies.

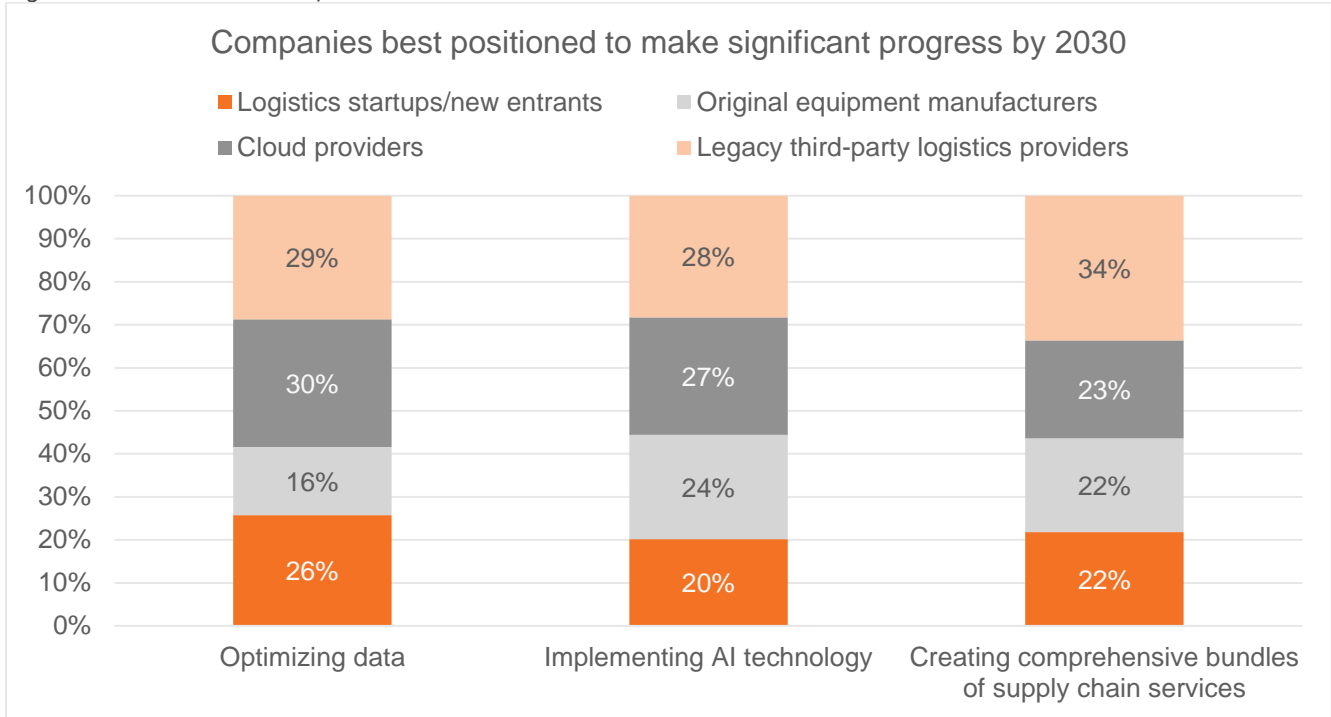
<sup>39</sup> BCG. *Mobility*. Retrieved from: <https://www.bcg.com/industries/public-sector/mobility>

<sup>40</sup> McKinsey. *The big picture: Worldwide mobility in 2035*. Retrieved from: <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/The-future-of-mobility-global-implications>

<sup>41</sup> BCG. *Mobility*. Retrieved from: <https://www.bcg.com/industries/public-sector/mobility>

<sup>42</sup> Deloitte. *The future of freight*. Retrieved from: <https://www2.deloitte.com/uk/en/insights/focus/transportation/future-of-transport-industry.html>

Figure 7 – Best Positioned Companies



Source: Deloitte

The Conference Board of Canada, a think tank, developed a forecast for the transportation industry in Canada (including its subsectors).<sup>43</sup> The forecasted estimates focused on the industry performance from 2020 through 2024 but extended as far as 2040.<sup>44</sup> Table 6 highlights some key numbers that point to an overall growing industry.

Table 6 – Conference Board of Canada’s Forecast Summary

	2023 Forecast	2030 Forecast	2040 Forecast
<b>Real Gross Domestic Product (millions, \$2012)</b>	82,060	89,815	101,381
<b>Employment</b>	779.8	810.8	855.0

Source: Conference Board of Canada

Overall, the Canadian/global industry has a positive outlook, with shifts that are expected to transform the industry in the long-term.

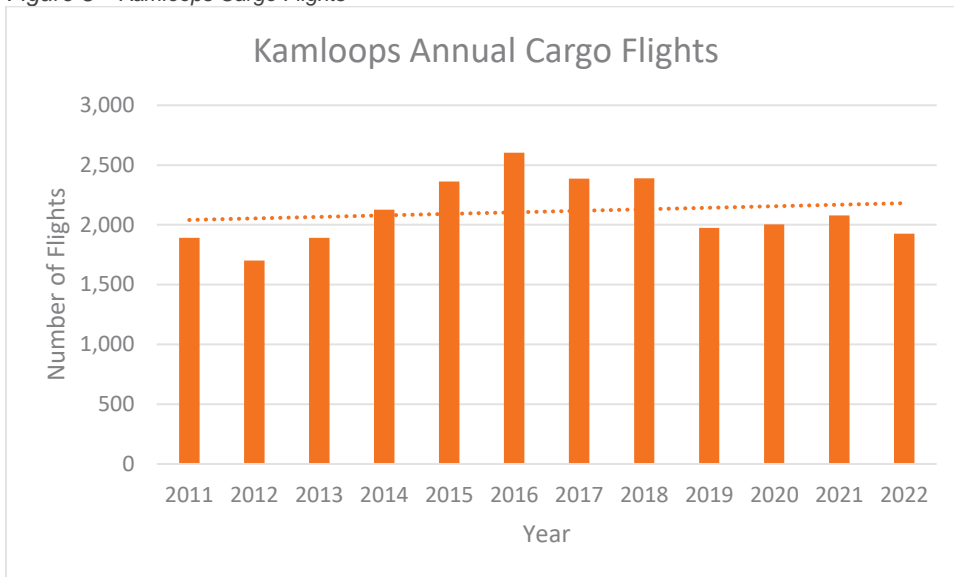
<sup>43</sup> The Conference Board of Canada. *The Outlook for Canada’s Transportation Sector 2020-2040 (Post-COVID-10)*. Retrieved from: [https://publications.gc.ca/collections/collection\\_2021/tc/T22-250-2021-eng.pdf](https://publications.gc.ca/collections/collection_2021/tc/T22-250-2021-eng.pdf)

<sup>44</sup> See Appendix A for the historical and projected industry numbers for GDP, employment, investment, revenue, profit margins, and other measures. Refer to the source to see the subindustry historical numbers and forecasted numbers.

## Supplemental Analysis

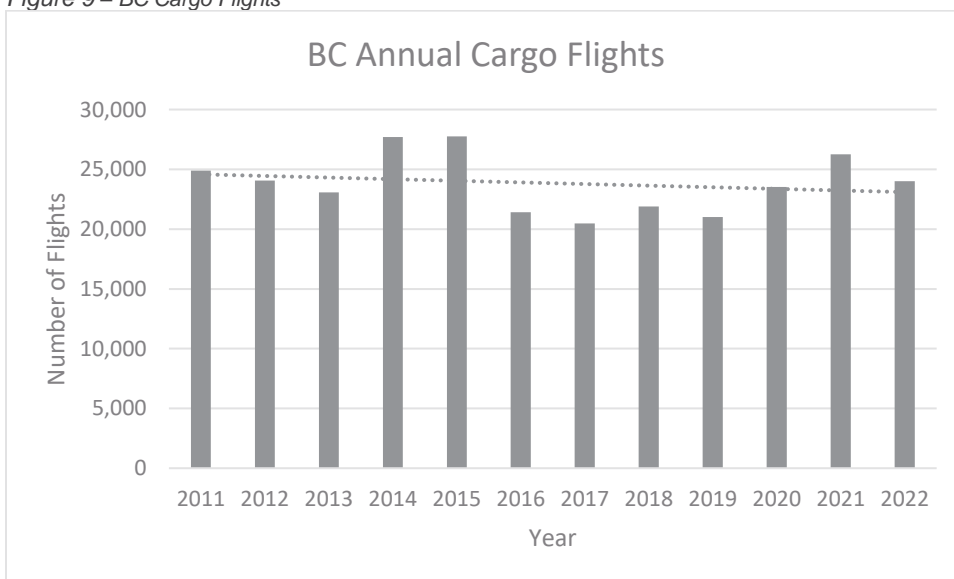
Due to the limitations of transportation and warehousing industry data in Kamloops, an assessment of proxy measures can be used to infer industry trends. One of these measures is cargo flight trends. See the following figure for the number of annual cargo flights for Kamloops.<sup>45</sup>

Figure 8 – Kamloops Cargo Flights



The number of cargo flights appears to be relatively flat (evident by the dotted line of best fit). In comparison to all of BC (see following figure), it appears that Kamloops is performing similarly or slightly better than the province.

Figure 9 – BC Cargo Flights



<sup>45</sup> Statistics Canada. *Air cargo traffic at Canadian airports, annual*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=2310025401>

The weight of cargo transported shows a much different trend than flight numbers. In the following figure there is an evident drop from 2018 to 2019 in the tonnes of cargo transported for Kamloops. In comparison, the numbers for BC (next figure), show a less significant drop during this period and appeared to rebound back to previous levels, whereas for Kamloops it did not.

Figure 10 – Kamloops Flight Cargo in Tonnes

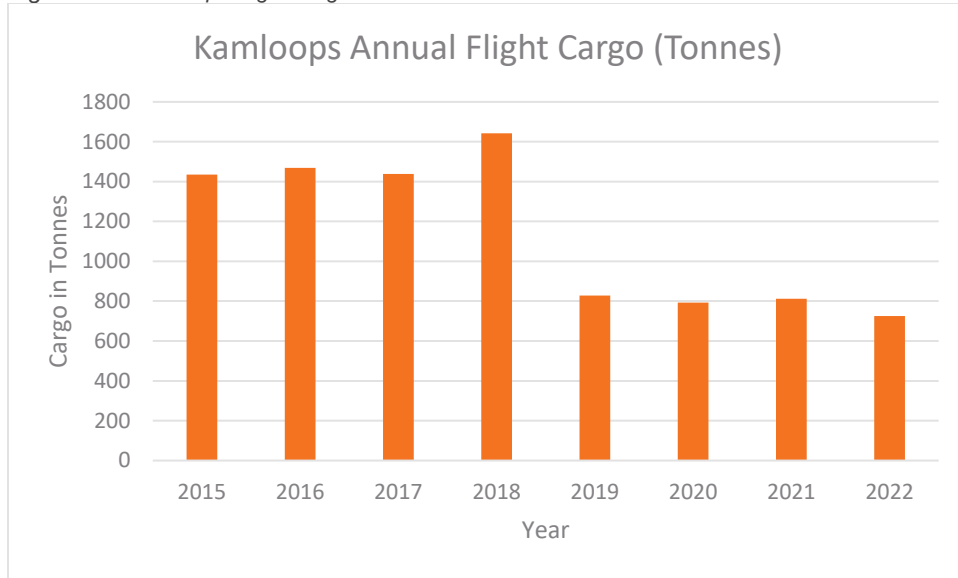
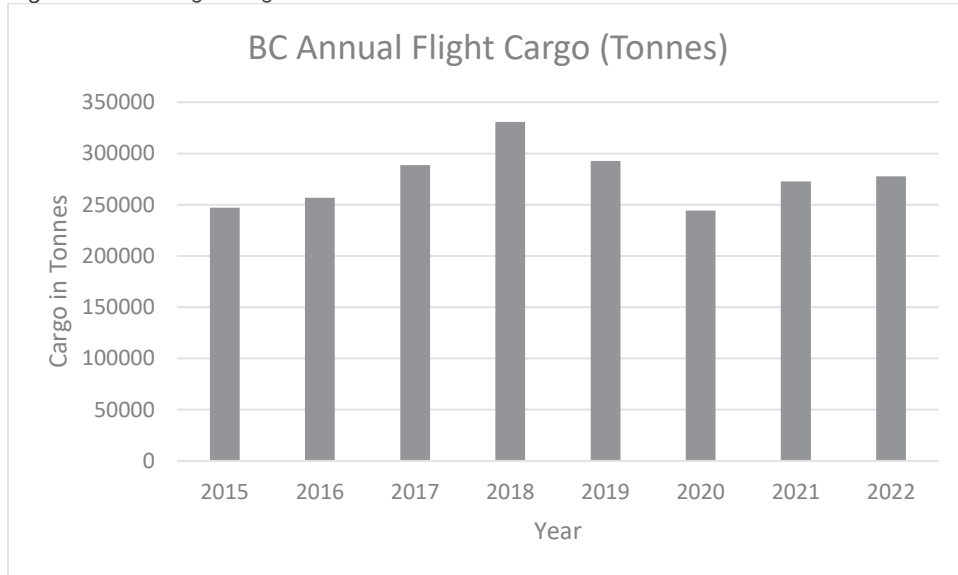


Figure 11 – BC Flight Cargo in Tonnes

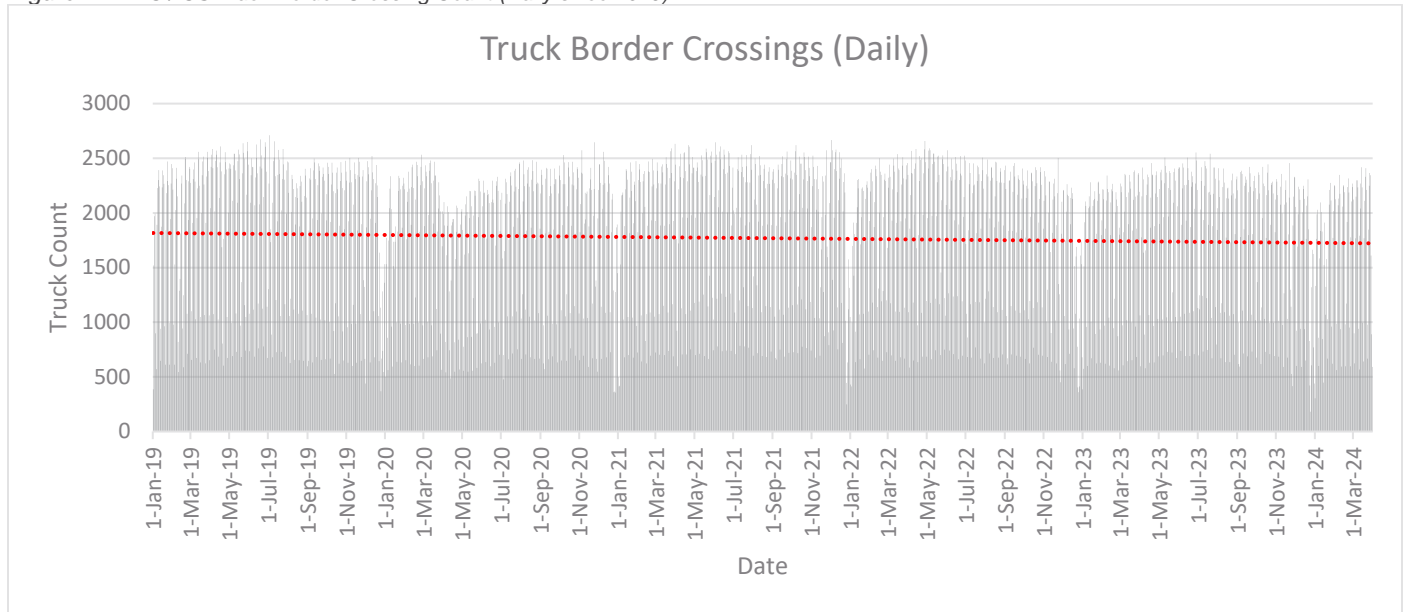


There are a number of inferences that could be gathered from these trends, although due to the number of variables involved, it is difficult to draw any definitive conclusions. Although we can conclude that the number of cargo flights for Kamloops has been relatively flat and that the total transport of cargo (by weight) has recently experienced a significant drop, potentially inferring reduced performance or activity in the air cargo sub-industry. However, we have not assessed whether recent infrastructure

changes, such as new roads, railways, or other logistics developments, might have impacted shipping costs for heavy goods. Such changes could potentially affect the cost competitiveness and local realities reflected in these results.

The trucking sub-industry can be assessed by looking at cross-border trucking flows. The following figure shows the daily count of trucks crossing the BC / US border since 2019.<sup>46</sup>

Figure 11 – BC / US Truck Border Crossing Count (Daily since 2019)



Truck crossings appear to have remained stable, potentially showing a slight decline (as can be inferred from the dotted red line of best fit). There is also an apparent seasonality to truck crossing volumes with a dip at the beginning/end of each year.

Another potential indicator of the transportation industry is the flow of commodities via rail into and out of BC. The following figures show an increase in inflows and outflows over the last two decades.<sup>47</sup> Both inflows and outflows show growth over the last two decades, although inflows have shown a greater growth over time than outflows. Despite this long-term growth, inflows decreased from 2020 to 2022, while outflows slightly increased. It appears that the long-term rail performance has been strong, although the last few years have seen stagnating numbers.

<sup>46</sup> Statistics Canada. *Leading indicator, Trucks and drivers entering or returning to Canada, by vehicle licence plate*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=2410005901>

<sup>47</sup> Statistics Canada. *Rail industry origin and destination of transported commodities*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=2310006201>

Figure 12 – BC Rail Inflow

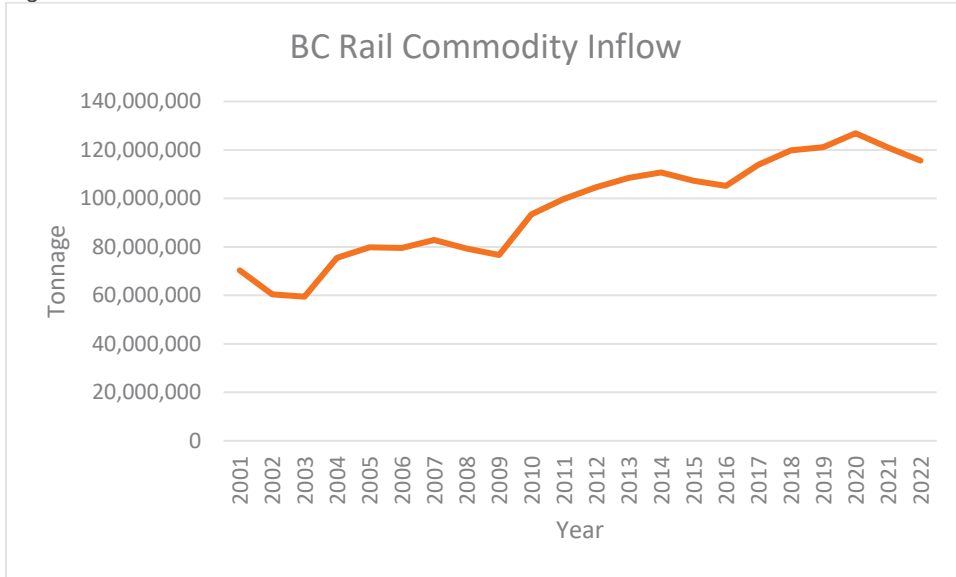
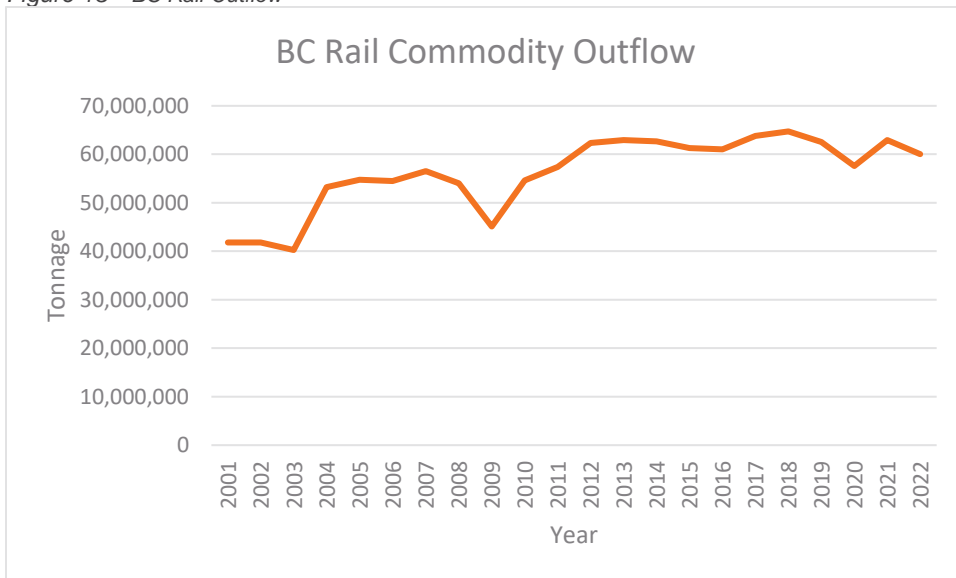


Figure 13 – BC Rail Outflow



Considering the data from cargo flights, trucking crosses, and rail flows, in Kamloops there appears to have been a stagnation in recent years (2019-2022). The transportation and warehousing industry includes many types of fundamentally different firms, therefore caution must be extended when drawing conclusions from this data. It is particularly important to note that the performance of BC is not necessarily the same as Kamloops, but due to data limitations it can act as a reasonable proxy. It is important to note that transportation data from BC port activities, such as those from the Vancouver Port Authority or the Prince Rupert Port Authority, would significantly differ and could skew provincial results. Given its inland location within BC, far from coastal regions, this data may not be as relevant for the City of Kamloops.



## Stakeholder Engagement Findings

A number of firms were interviewed to further assess the transportation and warehousing industry in Kamloops. The following insights are gathered and interpreted from stakeholder interviews. As such, the findings are limited to the discussions and comments documented by these stakeholders without further extrapolation or speculation. As shown below, several key themes were heard.

### Key Themes

**1. The connection of Kamloops to highways and its location gives it an advantage for trucking.**

The companies engaged often mentioned Kamloops's advantageous placement in the trucking industry. People frequently cite Kamloops as a superior trucking hub. However, respondents do not consider Kamloops the destination but a point along the route. This means that warehousing is less prominent in Kamloops potentially limiting this a future opportunity.

**2. Transportation and warehousing are heavily reliant on other industries.**

Local industries such as mining and forestry are key players in the success of transportation and warehousing companies. It's important to offset this reliance by finding alternative products to transport/store despite the inherent limitations. However, Kamloops's diverse economy offers a wider range of potential industry clients, which can be a strategic advantage for transportation and warehousing companies.

**3. Relationships with others and existing roots are often why a company is located in Kamloops.**

Relationships with those in Kamloops (family and friends) are often why a company is located in the city. Interviewees mentioned that, in the transportation industry, in particular, corporate offices can be successful in many locations, and therefore, location selection is not a crucial business decision. On the other hand, the placement of warehousing and storage yards is more logistically determined, and Kamloops is often not the destination for transported goods but one point along the transport route. Thus, Kamloops does not stand out as an exceptional or obvious choice for the location of these facilities.

**4. Technology in the transportation and warehousing industry is not expected to undergo significant changes soon.**

Although the industry acknowledged technology development (e.g., electric/renewable powered vehicles, autonomous vehicles, warehouse automation), it is not expected to be adopted and implemented soon. However, interviewees were optimistic about the long-term benefits of these technologies, which could be leveraged in the future.

Other noteworthy perspectives and insights were captured during the engagements, which are shown below:

- The lack of land in Kamloops is a challenge, particularly in warehousing.
- University students can be a valuable source of temporary workers, but they often leave companies and go to other cities.
- Enhancing the business environment in Kamloops is a key factor in supporting the transportation and warehousing industry. This could involve creating a more family-friendly environment, improving safety measures, and reducing bureaucratic hurdles.
- Warehousing in larger centers along the coast (i.e., Vancouver) can be more advantageous; smaller warehousing companies in Kamloops may need help in the future. However, the correlation between the growth of trucking and warehousing opportunities may lead to growth.
- Agencies such as VK's support the transportation and warehousing industry. By promoting Kamloops' industry, they can attract more business to the city, thereby boosting the sector.

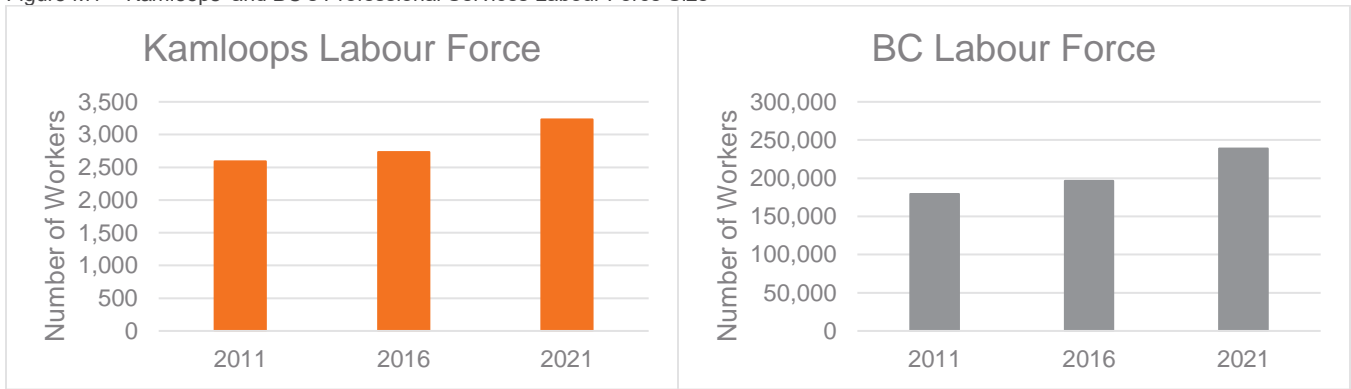
# Professional, Scientific, and Technical Services

## Industry Background

The professional, scientific, and technical services industry comprises establishments primarily engaged in activities in which human capital is the primary input. These establishments make the knowledge and skills of their employees available, often on an assignment basis. Some of the main components of this sector are legal services, accounting, engineering, and scientific and technical consulting services.<sup>48</sup>

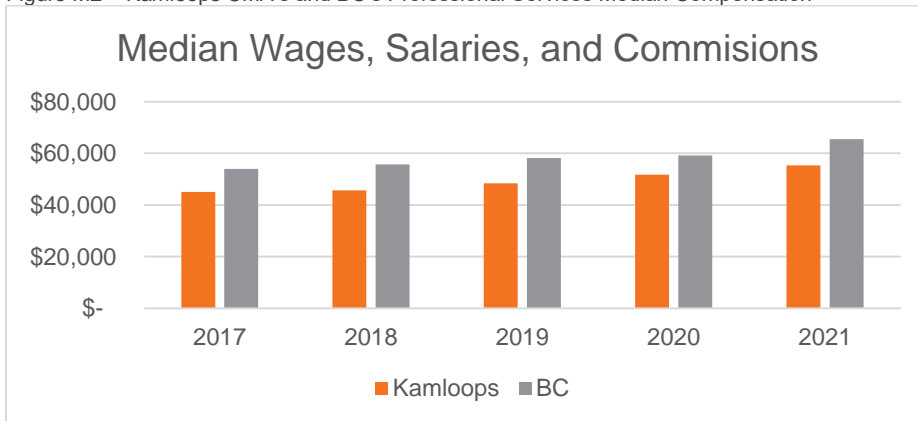
The industry’s labour force has grown significantly in both Kamloops and the province (see Figure M1).<sup>49</sup> Over ten years, the labour force size increased by 25% in Kamloops and 33% in the province.

Figure M1 – Kamloops’ and BC’s Professional Services Labour Force Size



Kamloops’ and the province’s median compensation grew at a similar rate from 2017 to 2021 (see Figure M2).<sup>50</sup> The median compensation in Kamloops grew by 23%, while the rate for the province was 21%. See Appendix C for the relative ranking of Kamloops’ professional, scientific and technical services industry among all twenty industries.

Figure M2 – Kamloops CMA’s and BC’s Professional Services Median Compensation



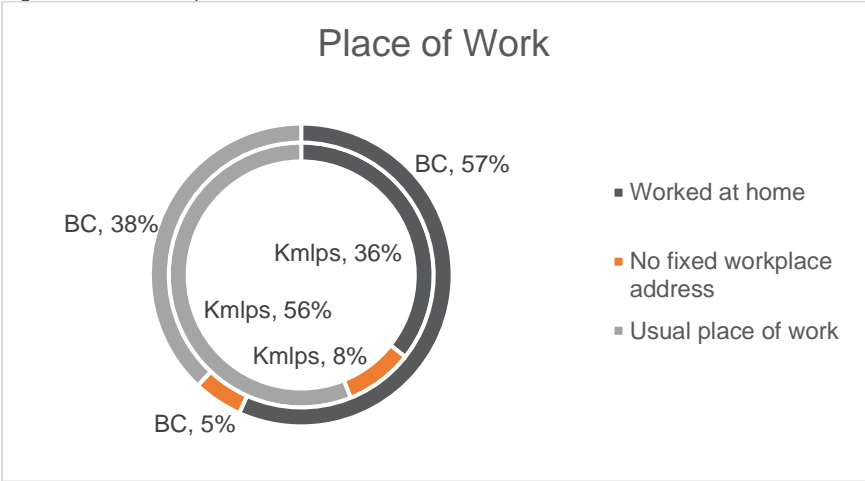
<sup>48</sup> Statistics Canada. *North American Industry Classification System (NAICS)*. Retrieved from: <https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1181553>

<sup>49</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

<sup>50</sup> Statistics Canada. *Wages, salaries and commissions of tax filers aged 15 years and over by main industry sector and sex*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110007301>.

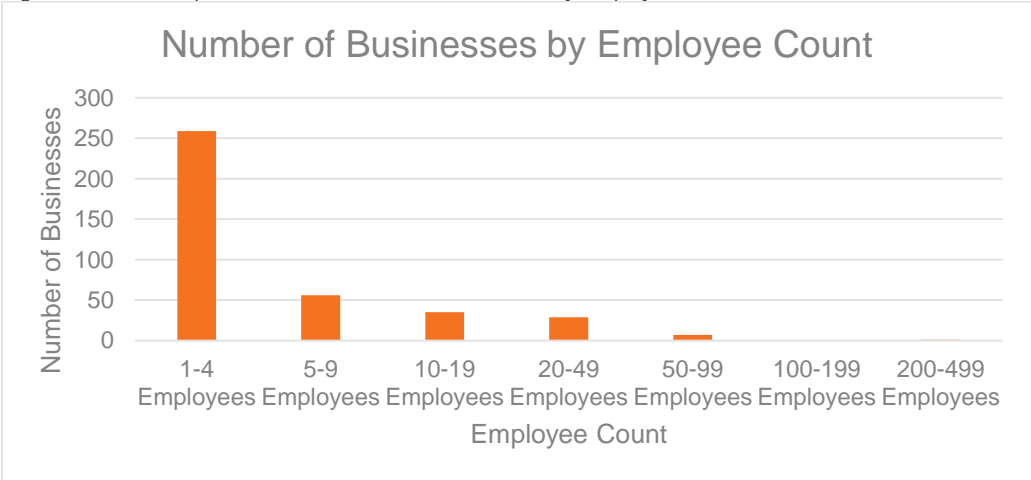
The sector in the province reported a far higher percentage of employees that worked from home (57%) compared to Kamloops (36%) (see Figure M3).<sup>51</sup>

Figure M3 – Kamloops’ and BC’s Professional Services Place of Work: 2021 Census



The industry in Kamloops has many small firms (see Figure M4).<sup>52</sup> In particular, it has 259 firms with one to four employees. All firms have less than 100 employees except for one business with between 200 to 499 employees.

Figure M4 – Kamloops’ Professional Services Businesses by Employees



<sup>51</sup> Statistics Canada. *Place of work status by industry sectors, occupation broad category and gender: Canada, provinces and territories, census divisions and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=9810045601>

<sup>52</sup> Statistics Canada. *Canadian Business Counts, with employees, census metropolitan areas and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3310071901>

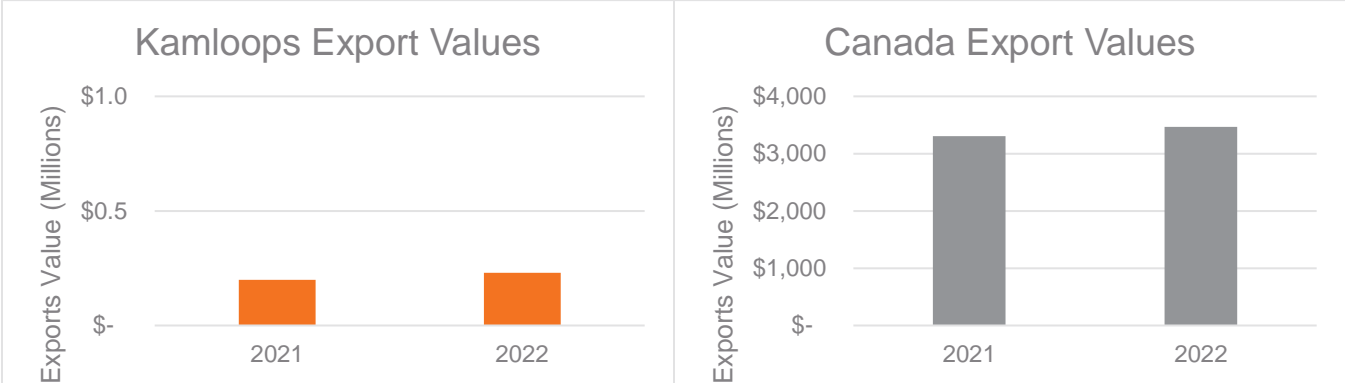
Both Kamloops and Canada's imports in this sector increased in value (see Figure M5).<sup>53</sup> The Kamloops value of imports increased by 33% (although it was small to start with), and the number of importing firms increased from 22 to 23 (5%). Canada's import values increased by 23%, while its number of importing firms increased by 1%.

Figure M5 – Kamloops CMA's and Canada's Professional Services Import Values (\$ Millions)



Export values for both Kamloops and Canada in this sector were relatively flat from 2021 to 2022 (see Figure M6).<sup>54</sup> Kamloops' export values stayed approximately the same, and its number of exporting firms did not change; remaining at six firms. Canada's value of exports for the sector increased by 5% while the number of exporting firms increased by 3%.

Figure M6 – Kamloops CMA's and Canada's Professional Services Exports Value (\$ Millions)



See Appendix D for import and export data considerations and limitations.

<sup>53</sup> Statistics Canada. *Trade in goods by importer characteristics, by industry and census metropolitan area*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013901>  
<sup>54</sup> Statistics Canada. *Trade in goods by exporter characteristics, by industry of establishment and census metropolitan area*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013801>

See a summary overview of the industry’s prospects in the following table.

Table M1 – Summary Comparator of Professional Services Industry

Measure	Kamloops	BC <i>(Canada for Imports/Exports)</i>	Kamloops Comparison to Benchmark
10 Year Labour Force Growth (2011-2021)	25%	33%	Lower
4 Year Compensation Growth (2017-2021)	23%	21%	Higher
2021 Median Compensation	\$55,330	\$65,560	Lower
Value of Imports 2021-2022	33%	23% <i>(Canada)</i>	Higher
Change in # Importers 2021-2022	5%	1% <i>(Canada)</i>	Higher
Value of Exports 2021-2022	16%	5% <i>(Canada)</i>	Higher
Change in # Exporters 2021-2022	0%	3% <i>(Canada)</i>	Lower

Over ten years, Kamloops experienced a commendable 25% growth in the labour force, though this is slightly lower than the significant 33% growth observed in British Columbia. This positions Kamloops with a lower rate of labour force expansion compared to the provincial benchmark, but the overall rate of expansion is still high.

Regarding four-year compensation growth, Kamloops exhibited a 23% increase, outpacing the 21% growth reported in British Columbia. However, despite this positive trend, Kamloops reported a lower median compensation in 2021, standing at \$55,330 compared to British Columbia's \$65,560.

Import-export dynamics showed notable trends. Kamloops experienced a 33% increase in import values for 2021-2022, surpassing the 23% growth reported in Canada. The number of importers for Kamloops increased by 5%, while Canada reported a more modest 1% growth. On the export front, Kamloops displayed a 16% increase in export values, which is higher than the 5% growth observed in Canada. Additionally, the number of exporters for Kamloops remained stable at 0%, while Canada reported a modest 3% increase.

Overall, Kamloops demonstrated commendable growth in the labour force and compensation rates, outperforming British Columbia. However, Kamloops reported lower median compensation figures.

See Appendix E for this sub-section’s data characteristics and limitations.

## Forecast #1

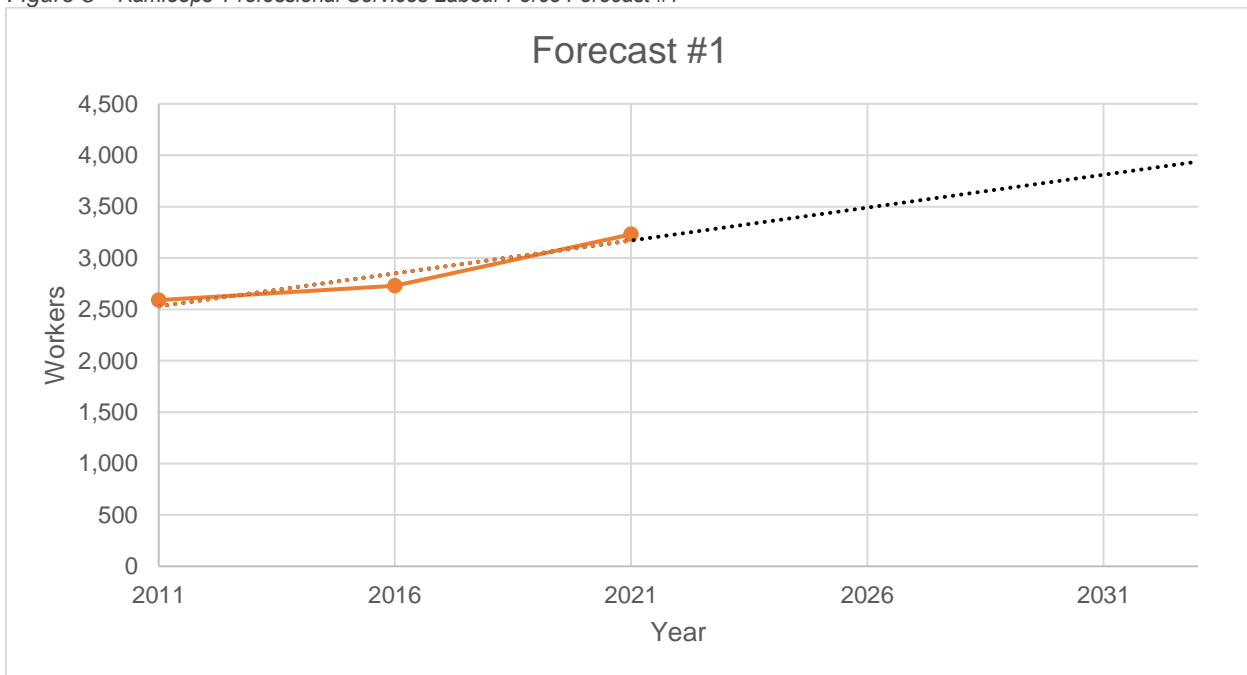
The data sourced for the first forecast was gathered from Statistics Canada's labour force census and national household survey. These data sources show an increasing size of the labour force in the industry (see Table 7).<sup>55</sup>

Table 7 – Kamloops' Professional Services Labour Force Size

	2011	2016	2021
Worker Count	2,590	2,730	3,230

The data was used to calculate a trend.<sup>56</sup> This trend, shown in Figure 8, was extended to 2033.

Figure 8 – Kamloops' Professional Services Labour Force Forecast #1



According to the first forecast, annual compounded growth is 1.8% (2023-2033).

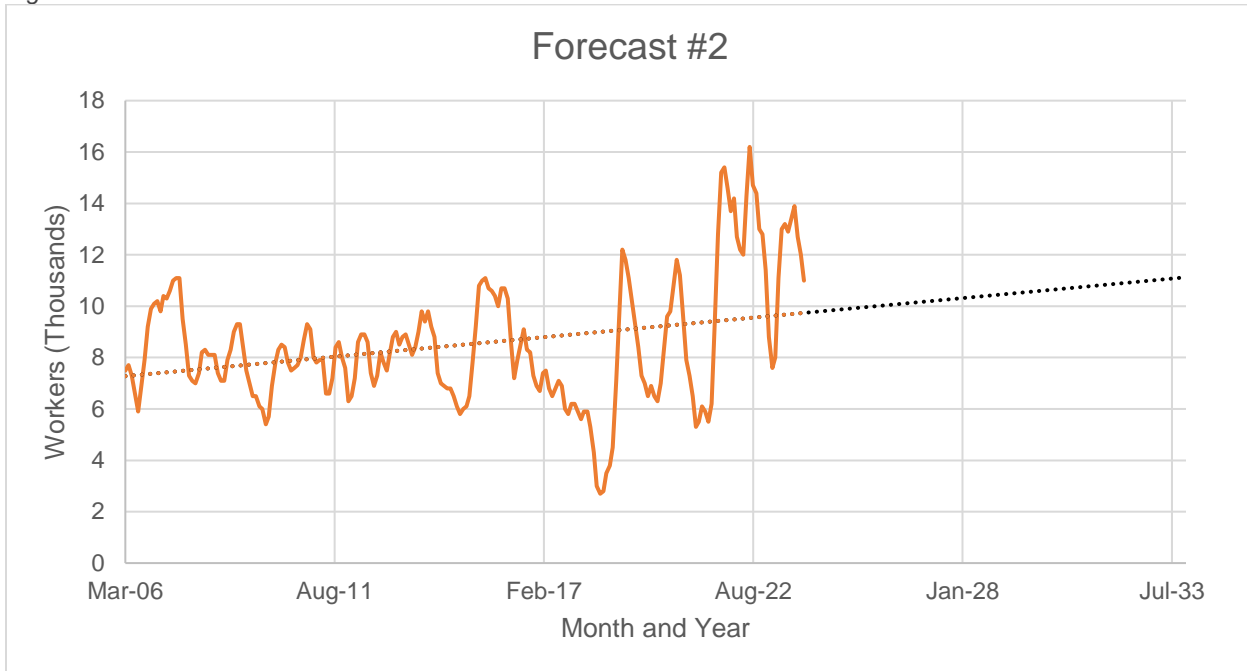
<sup>55</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

<sup>56</sup> Calculated through the least squares method (a method for finding the best fitting line for data points, by reducing the sum of squares of the residual parts of the line).

## Forecast #2

The second forecast leverages Statistics Canada's labour force data for the economic region which has been collected monthly. Using the same methodology but for the Thompson-Okanagan ER (excluding Kelowna CMA), there is positive trend.<sup>57 58</sup> See Figure 9 for the region's forecasted labour growth.

Figure 9 – Professional Services Labour Force Forecast #2



The annual compounded growth for the second forecast is 1.3% (2023-2033).

## Forecast #3

The third provincial forecast estimates an annual compounded growth rate of 2.5% (2023-2033).<sup>59</sup>

<sup>57</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410038801>

<sup>58</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410037901>

<sup>59</sup> Government of British Columbia. *Labour Market Outlook 2023 Edition*. Retrieved from: [https://www.workbc.ca/sites/default/files/2023-11/MPSEFS\\_11803\\_BC\\_Jobs\\_LMO\\_2023\\_FINAL..pdf](https://www.workbc.ca/sites/default/files/2023-11/MPSEFS_11803_BC_Jobs_LMO_2023_FINAL..pdf)



*Forecasts Summary*

See Table 8 for a summary of the three forecasts.

*Table 8 – Professional Services Forecast Summary*

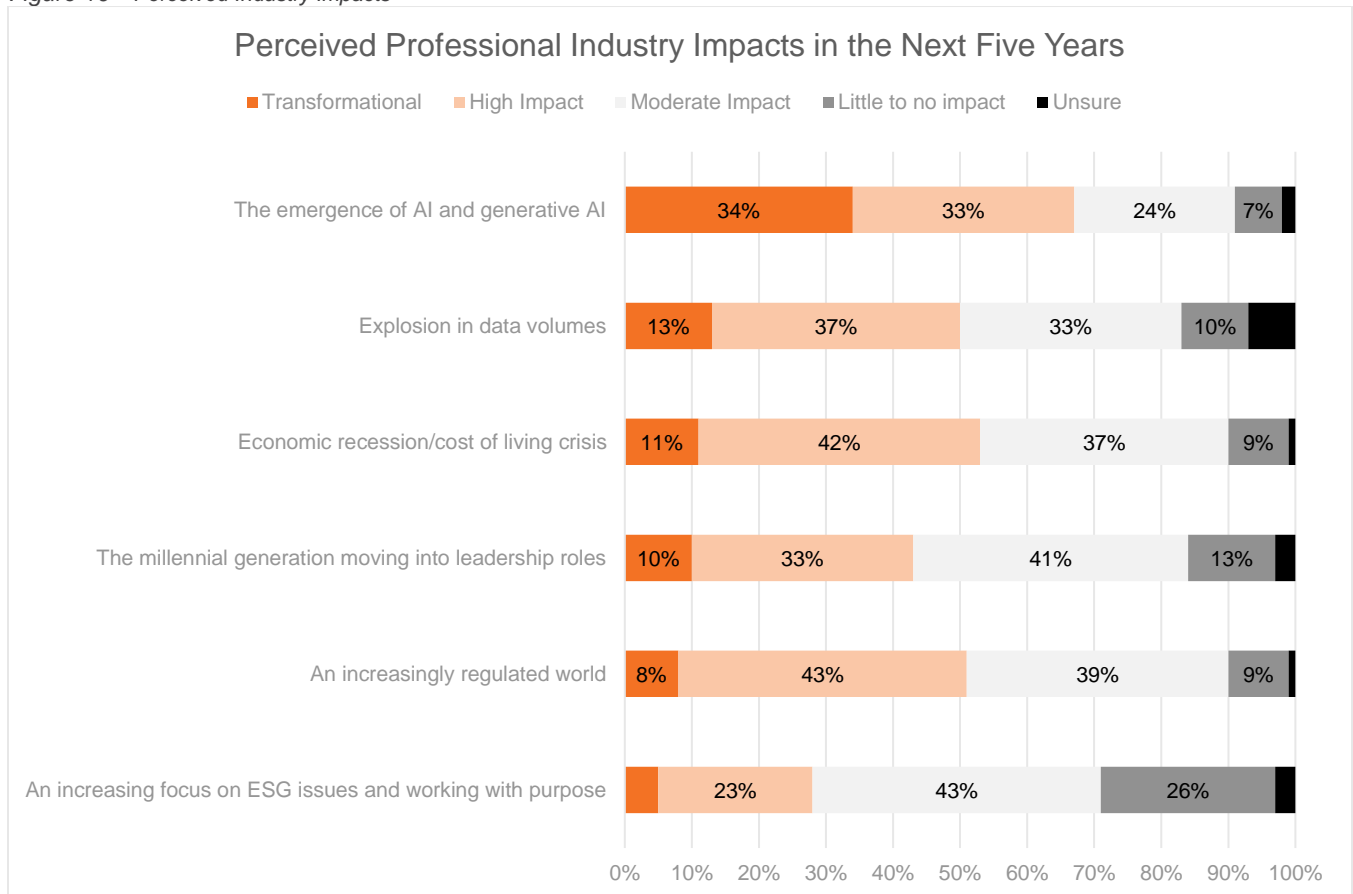
	<b>Annual Compounded Growth Rate (%)</b>	<b>Geographic Coverage</b>
<b>Forecast #1</b>	<b>1.8</b>	Kamloops CSD
<b>Forecast #2</b>	<b>1.3</b>	Thompson-Okanagan ER (excluding Kelowna CMA)
<b>Forecast #3</b>	<b>2.5</b>	British Columbia

## The Industry from a Global Perspective

The professional, scientific and technical services industry is not as standardized / defined as other industries due to its broad human capital services nature. Acknowledging that the following information may be based on a different interpretation of the industry compared to the official NAICS definition, its relevance persists as this section provides a high-level overview of the industry and its trends.

Thomson Reuters, a multimedia firm, published a report assessing the impact of AI on professional services.<sup>60</sup> The report included surveys of more than 1,200 working professionals. Figure 10 summarizes some of the perceived impacts on the profession in the next five years.

Figure 10 – Perceived Industry Impacts



Source: Thomson Reuters

<sup>60</sup> Thomson Reuters. *Future of Professionals Report*. Retrieved from: <https://www.thomsonreuters.com/content/dam/ewp-m/documents/thomsonreuters/en/pdf/reports/future-of-professionals-august-2023.pdf>

The report also found that 51% of individuals surveyed predict a decrease in entry-level positions over the next five years. However, 57% expect an overall increase in professionals in their firm or department. Additionally, the report stated that the overall trend is towards increased recruitment, with respondents much more likely to predict team sizes growing rather than decreasing. The report deems this is even true for positions such as tax professionals, where there is an apparent fear that there are more leaving than joining the profession. One caution is that these survey results may be biased towards optimism since the respondents are arguably more likely to be optimistic about their profession/industry.

In summary, the global professional services industry outlook appears positive, and there are some clear trends of the increasing importance of AI and data in the industry.

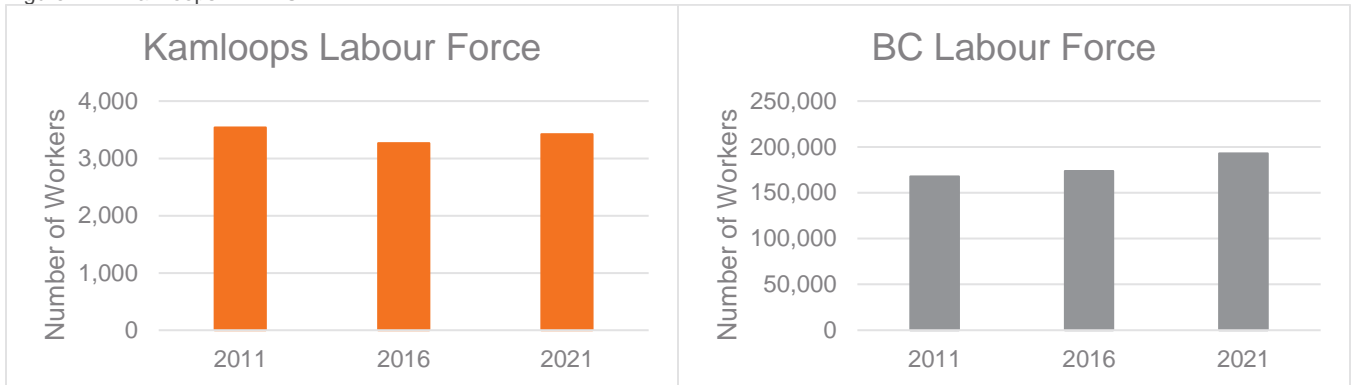
# Education Services

## Industry Background

The educational services industry comprises establishments primarily engaged in providing instruction and training in a wide variety of subjects. Specialized establishments, such as schools, colleges, universities and training centres, provide this instruction and training. These establishments may be privately owned and operated, for profit or not, or they may be publicly owned and operated.<sup>61</sup>

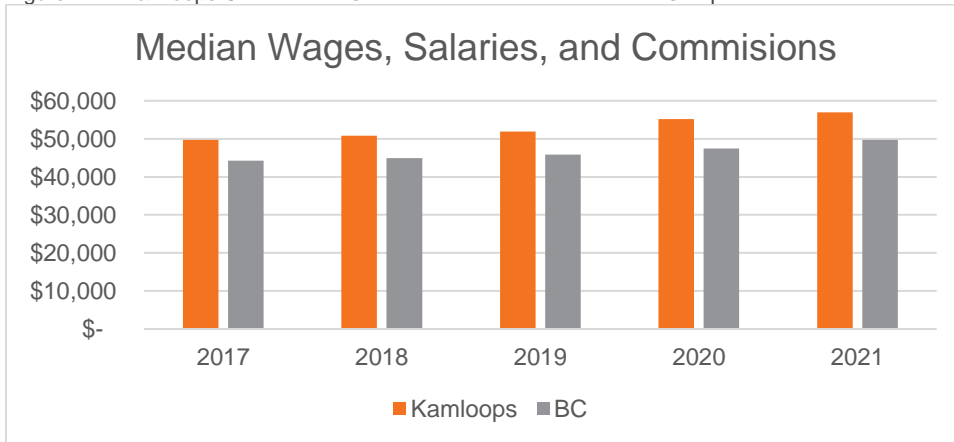
The labour force size in Kamloops for the educational services industry decreased by 3% over ten years while the provincial labour force for the sector grew by 15% (see Figure P1).<sup>62</sup>

Figure P1 – Kamloops’ and BC’s Educational Services Labour Force Size



Kamloops’ and the province’ industry have experienced recent stable compensation growth, with Kamloops’ median wage increasing by 15% and the province’s increasing by 12% (see Figure P2).<sup>63</sup> See Appendix C for the relative ranking of Kamloops’ educational services industry among all twenty industries.

Figure P2 – Kamloops CMA’s and BC’s Educational Services Median Compensation



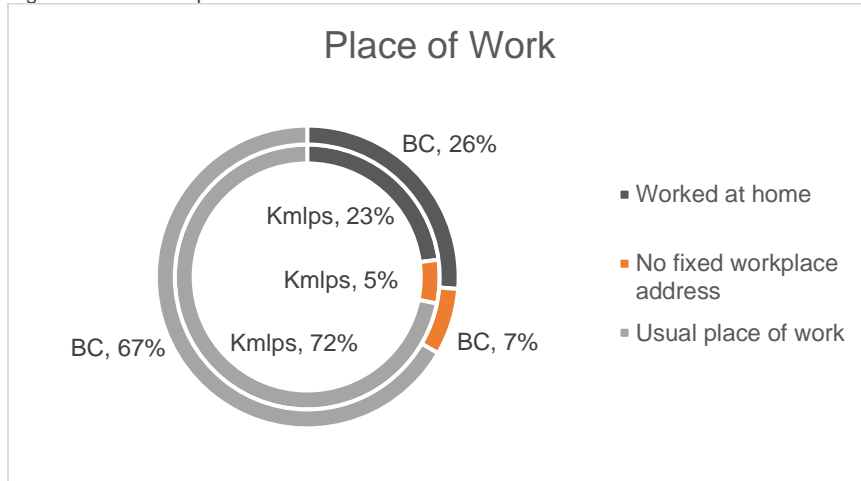
<sup>61</sup> Statistics Canada. *North American Industry Classification System (NAICS)*. Retrieved from: <https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1181553>

<sup>62</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

<sup>63</sup> Statistics Canada. *Wages, salaries and commissions of tax filers aged 15 years and over by main industry sector and sex*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110007301>

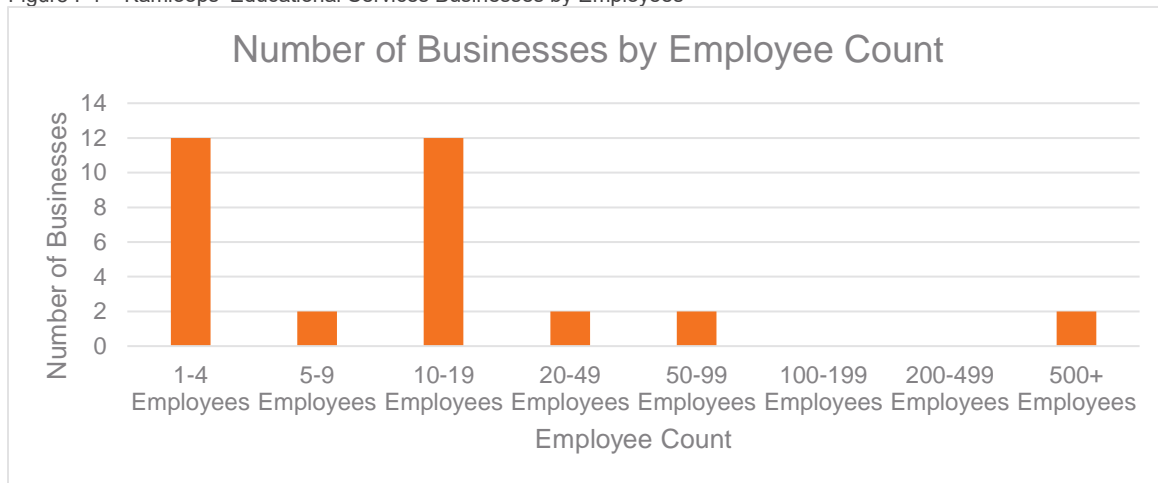
Place of work for the educational services industry was relatively similar for Kamloops as for the province (see Figure P3).<sup>64</sup>

Figure P3 – Kamloops' and BC's Educational Services Place of Work: 2021 Census



There is a broad range of employer sizes in Kamloops, although the industry primarily consists of two employers with over 500 employees (see Figure P4).<sup>65</sup>

Figure P4 – Kamloops' Educational Services Businesses by Employees

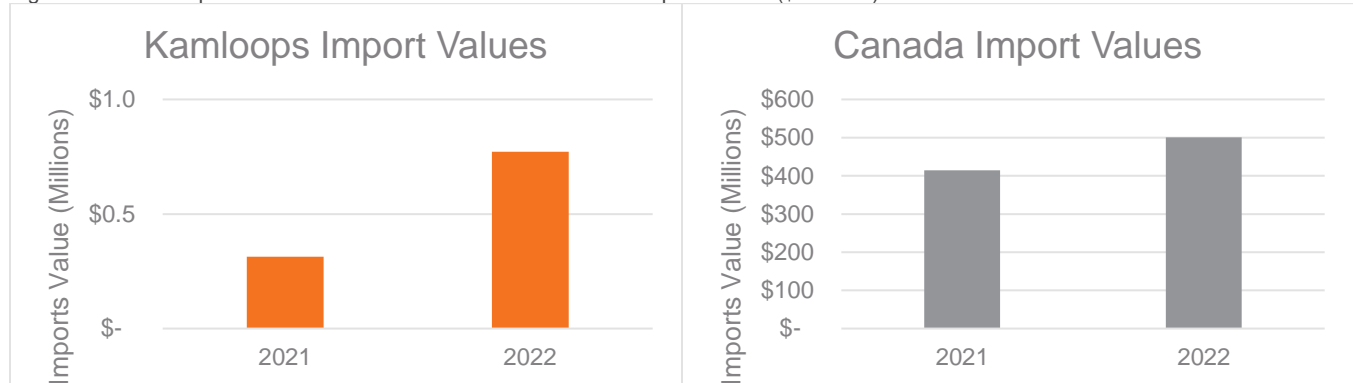


<sup>64</sup> Statistics Canada. *Place of work status by industry sectors, occupation broad category and gender: Canada, provinces and territories, census divisions and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=9810045601>

<sup>65</sup> Statistics Canada. *Canadian Business Counts, with employees, census metropolitan areas and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3310071901>

The import values for Kamloops increased by 146%, although they were low to begin with (see Figure P5).<sup>66</sup> The import values for Canada increased by 21% (see Figure P5). The number of importing firms for Canada increased by 14% (Kamloops' number of importers was only reported in 2022 at eight establishments).

Figure P5 – Kamloops CMA's and Canada's Educational Services Import Values (\$ Millions)



None of the export values for Kamloops were reported expected for 2022 export values, which was only \$4,000.<sup>67</sup> The export values for Canada decreased by 29%, and the number of exporting establishments decreased by 3% (see Figure P6).

Figure P6 – Canada's Educational Services Export Values (\$ Millions)



See Appendix D for import and export data considerations and limitations.

<sup>66</sup> Statistics Canada. *Trade in goods by importer characteristics, by industry and census metropolitan area*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013901>

<sup>67</sup> Statistics Canada. *Trade in goods by exporter characteristics, by industry of establishment and census metropolitan area*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013801>

See a summary overview of the industry’s prospects in the following table.

Table P1 – Summary Comparator of Educational Services Industry

Measure	Kamloops	BC (Canada for Imports/Exports)	Kamloops Comparison to Benchmark
10 Year Labour Force Growth (2011-2021)	-3%	15%	Lower
4 Year Compensation Growth (2017-2021)	15%	12%	Higher
2021 Median Compensation	\$56,980	\$49,740	Higher
Value of Imports 2021-2022	146%	21% (Canada)	Higher
Change in # Importers 2021-2022	NR	14% (Canada)	NA
Value of Exports 2021-2022	NR	-29% (Canada)	NA
Change in # Exporters 2021-2022	NR	-3% (Canada)	NA

Over ten years, Kamloops experienced a slight decline in the labour force at -3%, while BC exhibited 15% growth. This positions Kamloops with a poorer labour force performance compared to the provincial benchmark within the education services industry.

For four-year compensation growth, Kamloops grew by 15% and BC reported a 12% growth rate. Regarding median compensation in 2021, Kamloops reported a higher figure at \$56,980 compared to BC’s \$49,740. This indicates that despite the contraction in the labour force, Kamloops boasts higher median compensation (this may be a result of higher post-secondary schooling incomes).

Import-export dynamics showed compelling trends. Kamloops experienced 146% increase in import values for 2021-2022, surpassing the 21% growth reported in Canada. The change in the number of importers for Kamloops is not reported, but Canada reported a significant 14% increase. On the export front, specific data for export values or the change in the number of exporters for Kamloops is not reported. However, Canada faced a notable 29% decrease in export values and a 3% decrease in the number of exporters.

Overall, Kamloops demonstrated challenges in labour force growth but showcased higher median compensation and impressive growth in import values compared to the provincial benchmark. The lack of specific data on export values and the number of exporters for Kamloops limits a comprehensive assessment of its overall trade dynamics compared to Canada.

See Appendix E for this sub-section’s data characteristics and limitations.

## Forecast #1

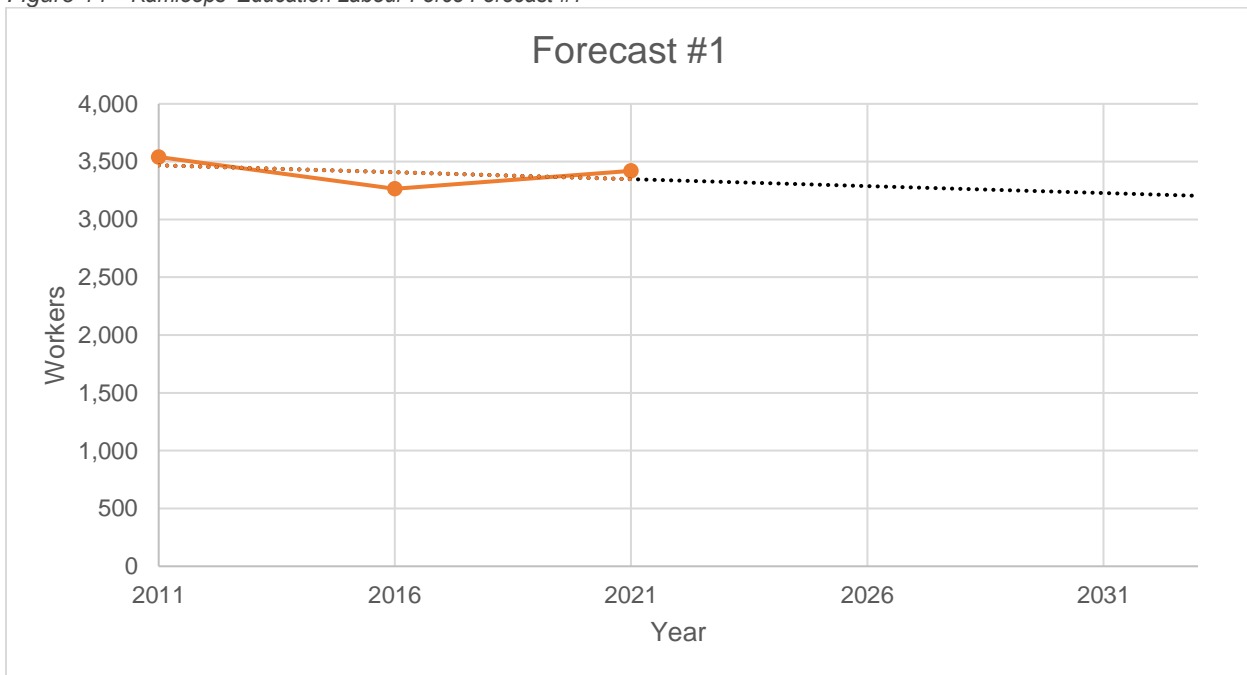
The first forecast is based on data from Statistics Canada's labor force census and national household survey. The data from these sources shows an overall decrease in the size of the labour force from 2011 to 2021.<sup>68</sup> See Table 9 for the data.

Table 9 – Kamloops' Education Labour Force Size

	2011	2016	2021
<b>Worker Count</b>	3,540	3,265	3,420

A trend was calculated based off the data<sup>69</sup> and is shown in Figure 11.

Figure 11 – Kamloops' Education Labour Force Forecast #1



The first forecast predicts an annual compounded growth of -0.4% (2023-2033).

<sup>68</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

<sup>69</sup> Calculated through the least squares method (a method for finding the best fitting line for data points, by reducing the sum of squares of the residual parts of the line).



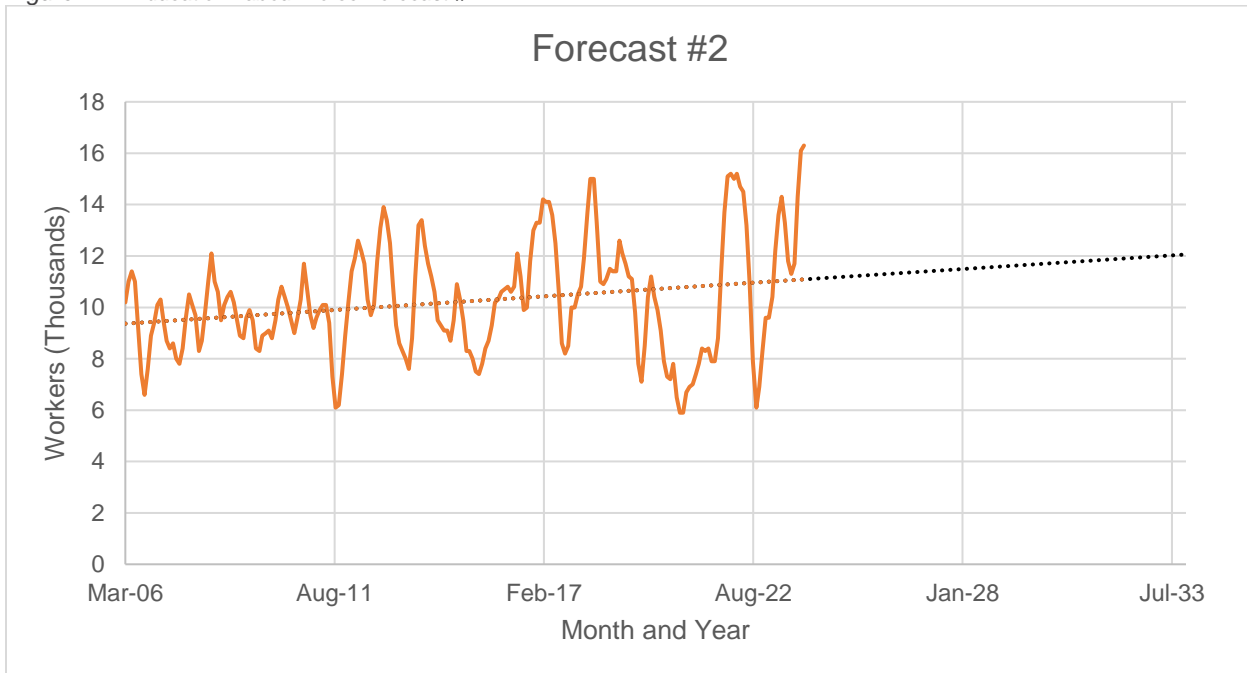
## Forecast #2

The second forecast utilizes labor force data from Statistics Canada, which is gathered on a monthly basis for the economic region. The second forecast, for the Thompson-Okanagan ER (excluding Kelowna CMA), shows a slightly increasing trend.<sup>70</sup>

<sup>71</sup> See

Figure 12 for the regional growth forecast.

Figure 12 – Education Labour Force Forecast #2



The annual compounded growth based off the second forecast is 0.8% (2023-2033).

## Forecast #3

The provincial estimate projects an annual compounded growth rate of 1.1% (2023-2033).<sup>72</sup>

<sup>70</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410038801>

<sup>71</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410037901>

<sup>72</sup> Government of British Columbia. *Labour Market Outlook 2023 Edition*. Retrieved from: [https://www.workbc.ca/sites/default/files/2023-11/MPSEFS\\_11803\\_BC\\_Jobs\\_LMO\\_2023\\_FINAL..pdf](https://www.workbc.ca/sites/default/files/2023-11/MPSEFS_11803_BC_Jobs_LMO_2023_FINAL..pdf)

*Forecasts Summary*

Table 10 summarizes the three forecasts.

*Table 10 – Education Forecast Summary*

	<b>Annual Compounded Growth Rate (%)</b>	<b>Geographic Coverage</b>
<b>Forecast #1</b>	<b>-0.4</b>	Kamloops CSD
<b>Forecast #2</b>	<b>0.8</b>	Thompson-Okanagan ER (excluding Kelowna CMA)
<b>Forecast #3</b>	<b>1.1</b>	British Columbia

## *The Industry from a Global Perspective*

Global perspectives of the industry are provided in this sub-section to provide contextual support and dynamics for the direction of the education industry in Kamloops.

Morgan Stanley, an investment bank, estimates the global education market will reach an estimated US\$8 trillion in value by 2030, up from \$6 trillion in 2022.<sup>73</sup> Although they estimated private and public spending on education will drop from 5.9% of global gross domestic product in 2022 to 5.3% in 2030. They also expect that an increasing share of private capital will lead to an emphasis on education technology (“edtech”), which they expect to grow from \$250 billion in spending in 2022 to \$620 billion in 2030.

It is important to note that many different educational institutions have other purposes; therefore, drawing high-level insights can be difficult. There is some benefit to looking at subsectors. For example, Bain, a consultancy, shows that US colleges and universities had deteriorating financial positions the decade before the pandemic. During the pandemic, this trend reversed.<sup>74</sup> They argue that this reverse is only temporary, a result of federal relief funding, endowment growth, and short-term cutbacks.

Another notable insight is that UNESCO, a United Nations agency, back in 2016 estimated that nearly 69 million more teachers are needed in the world by 2030 to achieve universal basic education and that current trends see this deficit increasing.<sup>75</sup> Note that this dynamic may vary on a country basis.

The OECD, an intergovernmental organization, in its report, “Back to the Future of Education,” does not contain predictions or recommendations but imagines multiple scenarios that are fictional sets of alternative futures.<sup>76</sup> They state that imagining multiple scenarios recognizes that there is not only one pathway into the future but many. Their four scenarios are shown in Figure 13.

<sup>73</sup> Morgan Stanley. *Global Education’s \$8 Trillion Reboot*. Retrieved from: <https://www.morganstanley.com/ideas/education-system-technology-reboot>

<sup>74</sup> Bain & Company. *The Financially Resilient University*. Retrieved from: <https://www.bain.com/insights/financially-resilient-university/>

<sup>75</sup> UNESCO. *Addressing the Teacher Shortage—a Global Imperative*. Retrieved from: <https://www.un.org/en/un-chronicle/addressing-teacher-shortage%E2%80%94a-global-imperative>

<sup>76</sup> OECD. *Back to the Future of Education*. Retrieved from: <https://www.oecd-ilibrary.org/sites/c6236dc7-en/index.html?itemId=/content/component/c6236dc7-en>

Figure 13 – OECD Scenarios for the Future of Schooling

### Schooling Extended

- Participation in formal education continues to expand. International collaboration and technological advances support more individualized learning. The structure and processes of schooling remain.

### Education Outsourced

- Traditional schooling systems break down as society becomes more directly involved in educating its citizens. Learning takes place through more diverse, privatized and flexible arrangements, with digital technology a key driver.

### School as Learning Hubs

- Schools remain, but diversity and experimentation have become the norm. Opening the “school walls” connects schools to their communities, favoring everchanging forms of learning, civic engagement and social innovation.

### Learn-as-you-go

- Education take place everywhere, anytime. Distinctions between formal and informal learning are no longer valid as society turns itself entirely to the power of the machine.

Source: OECD

In summary, the reports point to many different considerations when thinking about the future of the education industry. Overall, the global industry indicates a positive growth outlook with some major challenges.

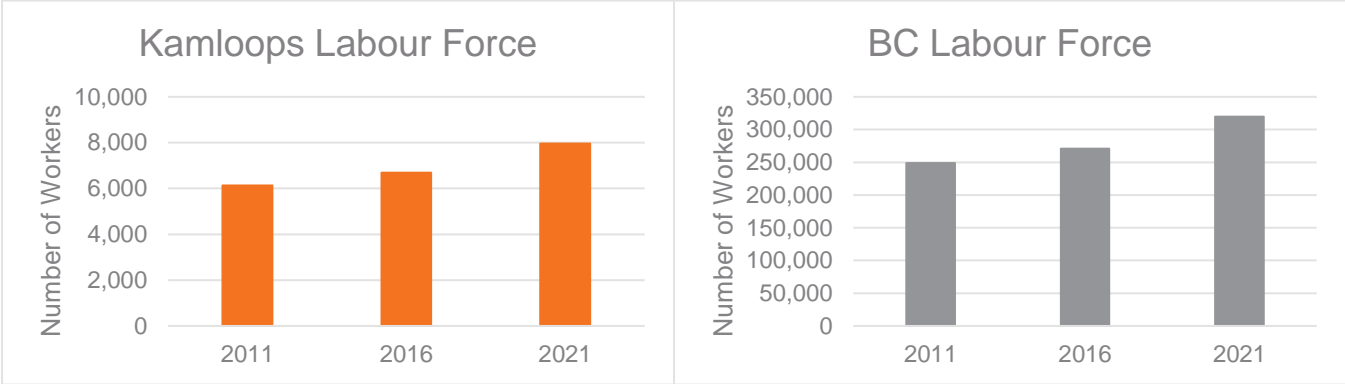
# Healthcare and Social Assistance

## Industry Background

The health care and social assistance industry comprises establishments primarily engaged in providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counselling, welfare, child protection, community housing and food services, vocational rehabilitation and childcare, to those requiring such assistance.<sup>77</sup>

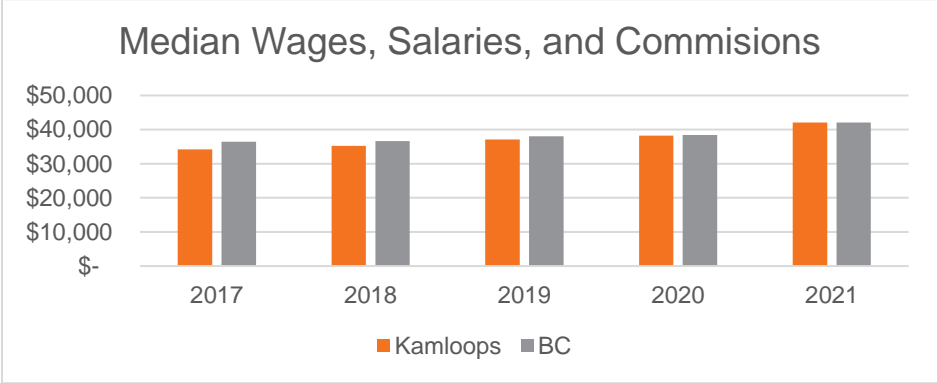
The labour force size for the industry grew significantly in Kamloops (30%) and the province (28%) (see Figure Q1).<sup>78</sup> Kamloops’ and BC’s workforce grew substantially from 2016 to 2021, likely in part due to the pandemic. Note that from 2011 to 2016, both workforces still increased significantly.

Figure Q1 – Kamloops’ and BC’s Health and Social Labour Force Size



Over four years, the median compensation in Kamloops increased by 23%, while it grew by 15% in the province (see Figure Q2).<sup>79</sup> Between 2020 and 2021, there was a substantial increase in median compensation in Kamloops and the province (potentially due to the pandemic). From 2017 to 2020, median compensation growth was moderate but consistently positive each year. See Appendix C for the relative ranking of Kamloops’ health and social industry among all twenty industries.

Figure Q2 – Kamloops CMA’s and BC’s Health and Social Median Compensation



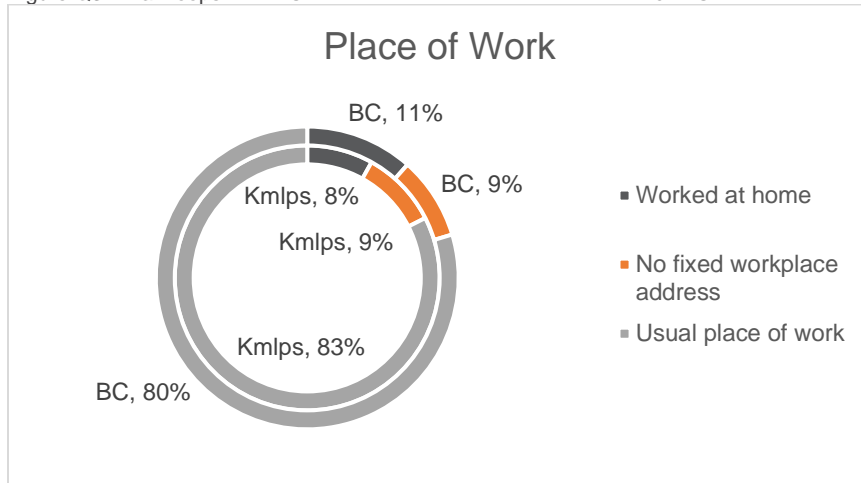
<sup>77</sup> Statistics Canada. *North American Industry Classification System (NAICS)*. Retrieved from: <https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1181553>

<sup>78</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

<sup>79</sup> Statistics Canada. *Wages, salaries and commissions of tax filers aged 15 years and over by main industry sector and sex*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110007301>.

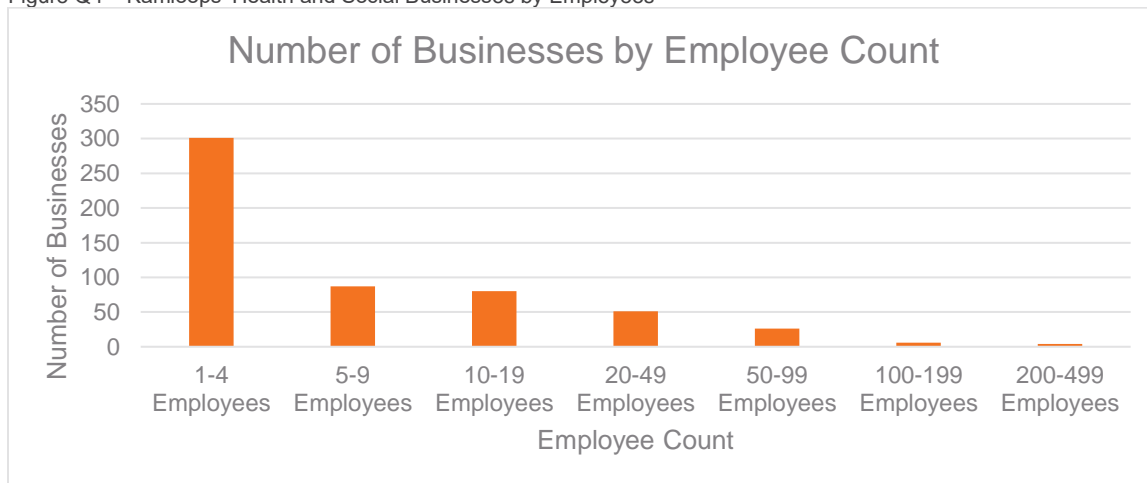
The place of work for those in this industry was relatively the same in Kamloops and the province, although the percentage of those that worked from home was slightly lower in Kamloops than the province (see Figure Q3).<sup>80</sup>

Figure Q3 – Kamloops' and BC's Health and Social Place of Work: 2021 Census



The industry in Kamloops varies largely by organization size (see Figure Q4).<sup>81</sup> For example, there are four organizations with between 200 and 499 employees. In comparison, there are 301 organizations with between one and four employees.

Figure Q4 – Kamloops' Health and Social Businesses by Employees



<sup>80</sup> Statistics Canada. *Place of work status by industry sectors, occupation broad category and gender: Canada, provinces and territories, census divisions and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=9810045601>

<sup>81</sup> Statistics Canada. *Canadian Business Counts, with employees, census metropolitan areas and census subdivisions*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3310071901>

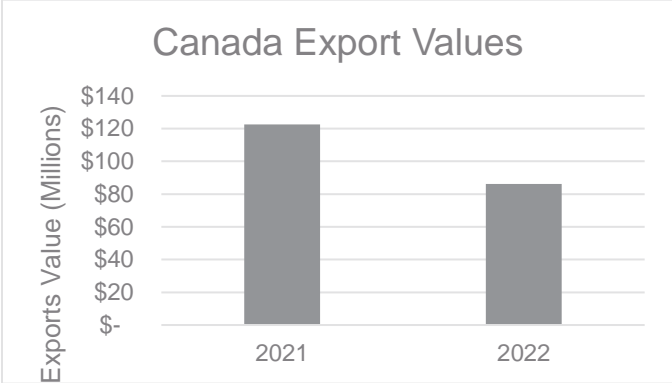
The import values for Kamloops approximately doubled. At the same time, for Canada, import values decreased by 2% (see Figure Q5).<sup>82</sup> The number of importing establishments in Kamloops increased from 21 to 22 (5%), while it decreased by 4% for Canada.

Figure Q5 – Kamloops CMA’s and Canada’s Health and Social Import Values (\$ Millions)



Data for Kamloops’ exports in this industry was not reported, although the exports for Canada were reported, with a 7% increase in exporting establishments but a 30% decrease in export values (see Figure Q6).<sup>83</sup>

Figure Q6 – Canada’s Health and Social Export Values (\$ Millions)



See Appendix D for import and export data considerations and limitations.

<sup>82</sup> Statistics Canada. *Trade in goods by importer characteristics, by industry and census metropolitan area*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013901>  
<sup>83</sup> Statistics Canada. *Trade in goods by exporter characteristics, by industry of establishment and census metropolitan area*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013801>

See a summary overview of the industry’s prospects in the following table.

Table Q1 – Summary Comparator of Health and Social Industry

Measure	Kamloops	BC <i>(Canada for Imports/Exports)</i>	Kamloops Comparison to Benchmark
10 Year Labour Force Growth (2011-2021)	30%	28%	Higher
4 Year Compensation Growth (2017-2021)	23%	15%	Higher
2021 Median Compensation	\$42,090	\$42,040	Higher
Value of Imports 2021-2022	85%	-2% <i>(Canada)</i>	Higher
Change in # Importers 2021-2022	5%	-4% <i>(Canada)</i>	Higher
Value of Exports 2021-2022	NR	-30% <i>(Canada)</i>	NA
Change in # Exporters 2021-2022	NR	7% <i>(Canada)</i>	NA

Over ten years, Kamloops exhibited a labour force growth of 30%, surpassing the 28% growth observed in British Columbia. This positions Kamloops with a slightly higher labour force expansion rate than the provincial benchmark within the health care and social assistance industry.

Kamloops reported a 23% four-year compensation growth, outpacing the 15% reported for BC. This indicates that Kamloops experienced a higher compensation growth rate over the specified period. Regarding median compensation in 2021, Kamloops reported a figure of \$42,090 compared to BC’s \$42,040. This suggests that Kamloops’ median compensation is slightly higher than the provincial benchmark.

Kamloops experienced an 85% increase in import values for 2021-2022, in contrast to Canada’s 2% decrease. The change in the number of importers for Kamloops was positive, with a 5% increase, while Canada reported a decline of 4%. Specific data for export values for Kamloops is not reported for exports. However, Canada faced a significant 30% decrease in export values. The change in the number of exporters for Kamloops is not reported, but Canada reported a positive 7% increase.

Overall, Kamloops demonstrated notable labour force growth and four-year compensation growth. Although the numbers appear promising, they must be interpreted with caution since the pandemic likely had a large impact on the industry’s dynamics. Thus, some data may not be reflective of the baseline growth but a temporary deviation from the norm. Although it appears that prior to the pandemic the industry was still growing in Kamloops.

See Appendix E for this sub-section’s data characteristics and limitations.



## Forecast #1

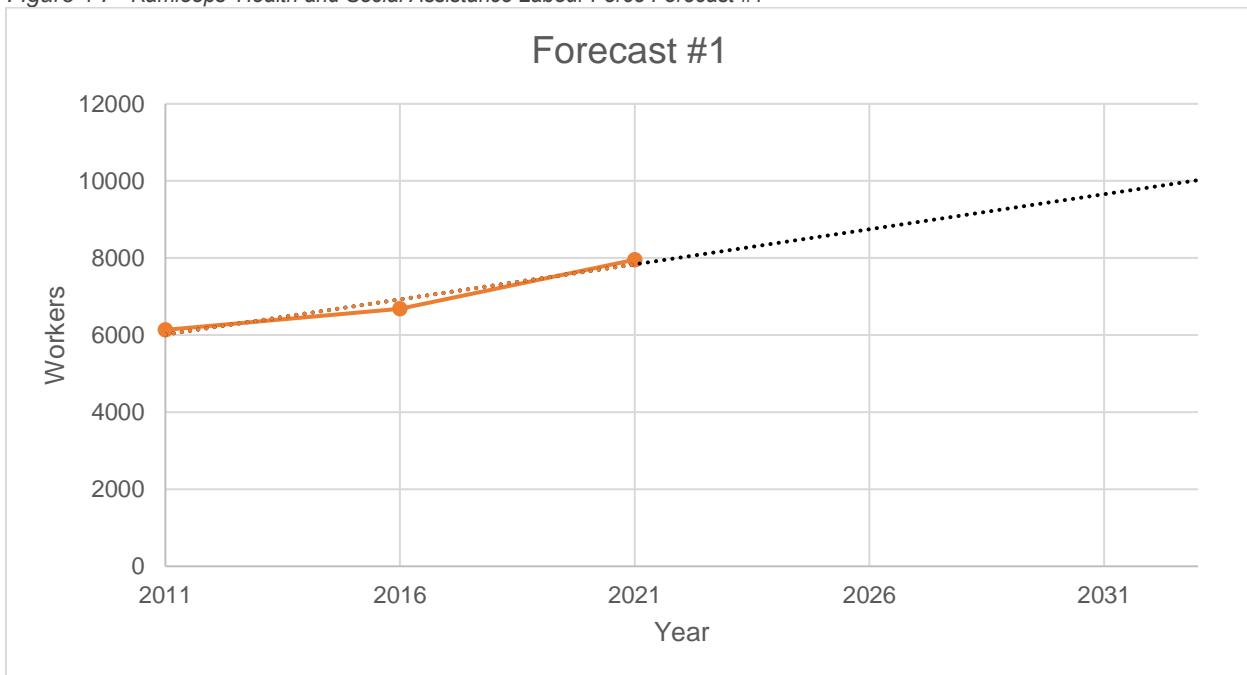
The first forecast is based on data from Statistics Canada's labor force census and national household survey. The size of the workforce in Kamloops for the healthcare and social assistance industry grew according to these data sources.<sup>84</sup> See Table 11 for the specific numbers.

Table 11 – Kamloops' Health and Social Assistance Labour Force Size

	2011	2016	2021
Worker Count	6,135	6,685	7,955

A linear trend was calculated based off the data in Table 11.<sup>85</sup> The trend is shown in Figure 14.

Figure 14 – Kamloops' Health and Social Assistance Labour Force Forecast #1



Based on the trend above, the industry's estimated annual compounded growth is 2.0% (2023-2033).

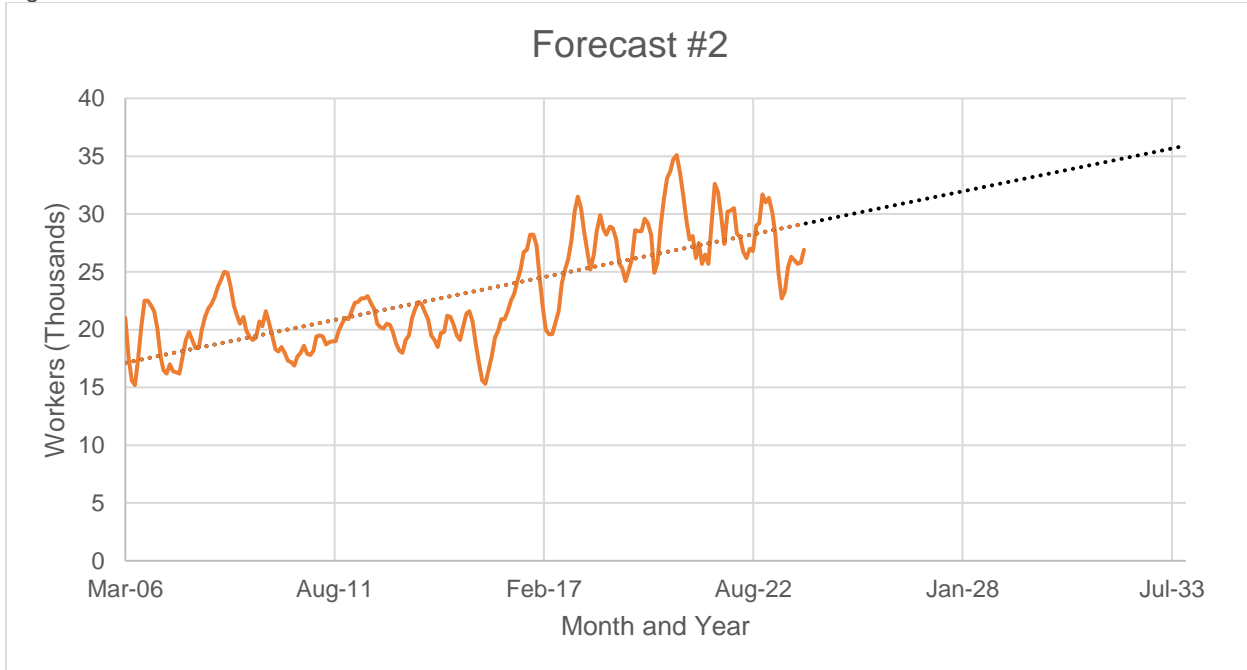
<sup>84</sup> Statistics Canada. Retrieved from: 2021 Census Data, 2016 Census Data, and 2011 NHS Data.

<sup>85</sup> Calculated through the least squares method (a method for finding the best fitting line for data points, by reducing the sum of squares of the residual parts of the line).

## Forecast #2

The second forecast utilizes labor force data from Statistics Canada, which is gathered on a monthly basis for the economic region. From 2006-2023, the Thompson-Okanagan ER (excluding Kelowna CMA) showed an increase in the size of the labour force.<sup>86 87</sup> The linear trend estimate is shown in Figure 15.

Figure 15 – Healthcare and Social Assistance Labour Force Forecast #2



According to the second forecast, the annual compounded growth rate estimate is 2.1% (2023-2033).

## Forecast #3

The third forecast, from the Government of British Columbia, estimates an annual compounded growth rate of 1.8% (2023-2033) for the province (for the industry's labour force).<sup>88</sup>

<sup>86</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410038801>

<sup>87</sup> Statistics Canada. *Employment by industry, three-month moving average, unadjusted for seasonality (x 1,000)*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410037901>

<sup>88</sup> Government of British Columbia. *Labour Market Outlook 2023 Edition*. Retrieved from: [https://www.workbc.ca/sites/default/files/2023-11/MPSEFS\\_11803\\_BC\\_Jobs\\_LMO\\_2023\\_FINAL..pdf](https://www.workbc.ca/sites/default/files/2023-11/MPSEFS_11803_BC_Jobs_LMO_2023_FINAL..pdf)

*Forecasts Summary*

The three forecasts are summarized in Table 12.

*Table 12 – Healthcare and Social Assistance Forecast Summary*

	<b>Annual Compounded Growth Rate (%)</b>	<b>Geographic Coverage</b>
<b>Forecast #1</b>	<b>2.0</b>	Kamloops CSD
<b>Forecast #2</b>	<b>2.1</b>	Thompson-Okanagan ER (excluding Kelowna CMA)
<b>Forecast #3</b>	<b>1.8</b>	British Columbia

## The Industry from a Global Perspective

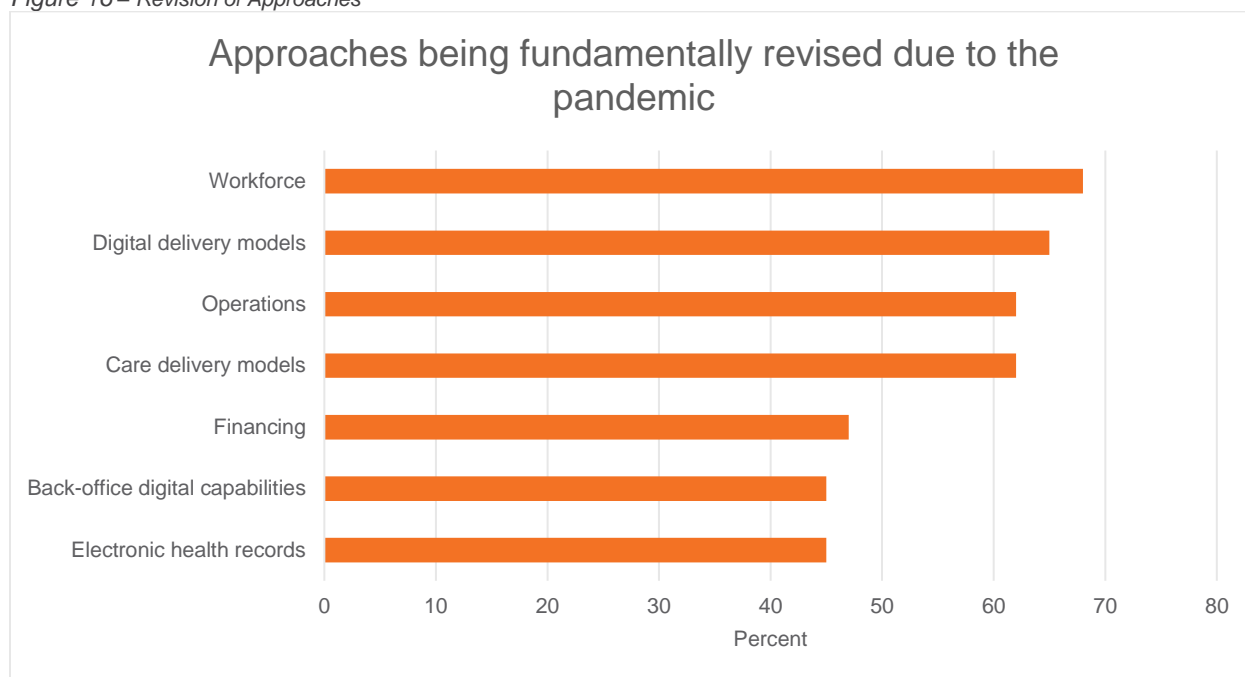
Global perspectives of the industry are provided in this sub-section to provide contextual support and dynamics for the direction of the healthcare and social assistance industry.

The Economist Intelligence Unit, the research and analysis division of The Economist Group, estimates that healthcare spending in 2024 will rise 6.1% in US-dollar terms and by 1.1% in real terms, following two years of decline, as inflation eases.<sup>89</sup> They also note that resources will remain constrained as governments try to bring down fiscal deficits and public debt levels while heading off healthcare strikes.

The World Health Organization, a United Nations agency, estimates a shortfall of 10 million health workers by 2030. However, this is mostly in low and lower-middle-income countries.<sup>90</sup> Other reports often mention a shortage of workers. For example, Deloitte, an accounting and advisory firm, found 87% of US healthcare providers listed staffing shortages as their biggest challenge, and nine of ten developed countries (including Canada) had dissatisfied or burnt-out physicians.<sup>91</sup>

KPMG, an accounting and advisory firm, conducted a survey revealing that 43% of healthcare CEOs believe they are encountering a talent shortage, and 68% perceive a fundamental revision in the workforce approach due to the pandemic.<sup>92</sup> See Figure 16 for a ranking of the top perceived changes due to the pandemic.

Figure 16 – Revision of Approaches



Source: KPMG

<sup>89</sup> Healthcare outlook 2024. *Economist Intelligence Unit*. Retrieved from: <https://www.eiu.com/n/wp-content/uploads/2023/10/Healthcare-report-2023.pdf>

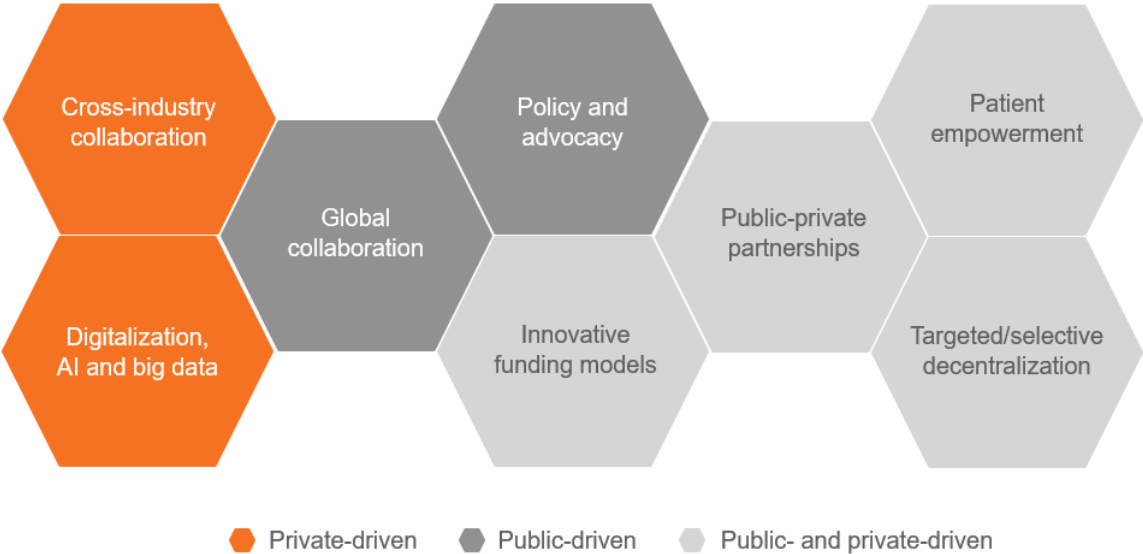
<sup>90</sup> World Health Organization. *Health workforce*. Retrieved from: [https://www.who.int/health-topics/health-workforce#tab=tab\\_1](https://www.who.int/health-topics/health-workforce#tab=tab_1)

<sup>91</sup> Deloitte. *2024 Global Health Care Sector Outlook*. Retrieved from: <https://www.deloitte.com/global/en/Industries/life-sciences-health-care/analysis/global-health-care-outlook.html>

<sup>92</sup> KPMG. *2021 Healthcare CEO Pulse*. Retrieved from: <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2021/07/healthcare-ceo-outlook-report.pdf>

The World Economic Forum, an organization focusing on public-private sector collaboration, in collaboration with L.E.K. Consulting, a consultancy firm, developed a Global Health and Healthcare Strategic Outlook with a vision for 2035 and outlined “levers” that private and public stakeholders are employing to address issues and barriers in health and healthcare (see Figure 17).<sup>93</sup>

Figure 17 – Levers to Address Issues and Barriers in Health and Healthcare

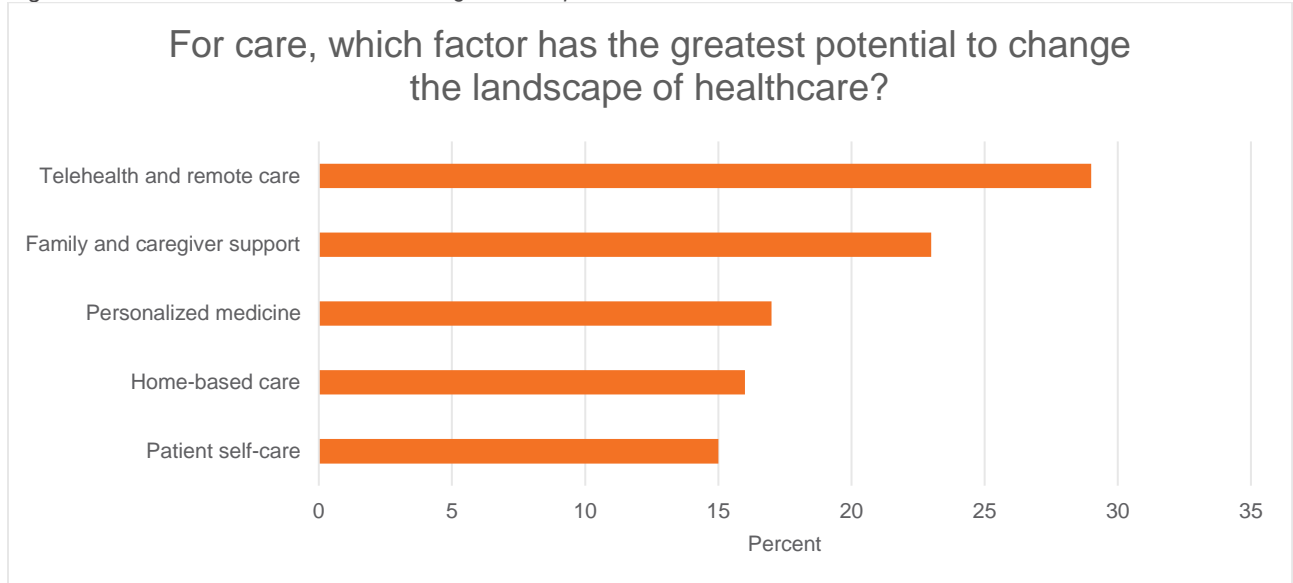


Source: World Economic Forum in collaboration with L.E.K. Consulting

<sup>93</sup> World Economic Forum in collaboration with L.E.K. Consulting. *Global Health and Healthcare Strategic Outlook*. Retrieved from: [https://www3.weforum.org/docs/WEF\\_Global\\_Health\\_and\\_Healthcare\\_Strategic\\_Outlook\\_2023.pdf](https://www3.weforum.org/docs/WEF_Global_Health_and_Healthcare_Strategic_Outlook_2023.pdf)

A Future of Healthcare report by KPMG points to some factors that have the potential to change the landscape of healthcare.<sup>94</sup> Figure 18 shows the survey results of 473 Directors at healthcare organizations answering the question: “For care, which factor has the greatest potential to change the landscape of healthcare?”.

Figure 18 – Factors with the Potential to Change Landscape



Source: KPMG

Lastly, the report developed six signals of change, which summarize some of the recent trends in healthcare (shown in Figure 19).

Figure 19 – Six Signals of Change

- A changed reality of customer-centric care** – Consumer demand for convenient personalized services.
- A workforce in crisis** – The need for new workforce strategies to combat burnout.
- Harsh economic realities** – Scarce financial resources amid a growing demand for services.
- Fast-changing markets** – The disruptive impact of non-traditional entrants.
- Altered stated for supply chains** – Solving persistent constraints in supply chains.
- Turning data into value** – Digital capabilities to support modern care models.

Source: KPMG

The reports mentioned in this sub-section point to many similar trends. Some common themes were workforce challenges (shortages, productivity, burnout), innovation opportunities (digital and AI), and potential funding challenges (government budget, availability of funding). Overall, global healthcare remains an important industry despite its challenges.

<sup>94</sup> KPMG. *Future of healthcare*. Retrieved from: <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2023/03/future-of-healthcare.pdf>

# Industries Outlook and Comparison

## Local Forecast Comparison

Table 13 shows the forecast comparison for each of the five industries. Two key aspects to consider when interpreting the numbers in the table are:

(1) the growth rates are based on labour force size, not output. Since data is limited on industry output, labour force size was used as a proxy for industry growth.

(2) the first and second forecasts are an extension of previous growth rates, and previous growth does not always align with future growth. Forecasting economic growth is a speculative activity. This report makes assumptions based on past trends that the reader can leverage to form their own opinions on the future growth of a given industry.

The qualitative outlook and comparison sub-section below provides one of many potential predictions for each industry’s future.

Table 13 – Five Industries Forecast Comparison for Labour Force Annual Compounded Growth Rate (%) (2023-2033)

	Construction	Transport	Professional	Education	Healthcare	Geographic Coverage
Forecast #1	2.3	0.6	1.8	-0.4	2.0	Kamloops CSD
Forecast #2	0.8	0.9	1.3	0.8	2.1	Thompson-Okanagan ER (excluding Kelowna CMA)
Forecast #3	0.5	1.2	2.5	1.1	1.8	British Columbia

## Qualitative Outlook and Comparison

This section summarizes each industry's potential growth. Acknowledging the speculative nature of forecasting is crucial while considering the various approaches that contribute to a nuanced understanding of potential industry trajectories.

### Construction

The construction industry in Kamloops has shown recent growth, outperforming the province in many measures, as documented in the industry background sub-section. Labour force growth, compensation growth, and compensation level were higher in Kamloops compared to the province. With that said, permit data indicates a volatile past few years in the industry (see Appendix B).

The first forecast, 2.3%, is higher than any of the other four industries assessed in this report. However, the second forecast ties for the lowest of the five industries, and the third forecast approach is the lowest compared to the other industries. All three forecasts were positive, and the growth rate reduced as data for a larger geographic area was used.

When considering global trends and outlooks concerning future growth, these trends point to a transforming landscape, particularly regarding innovation and ESG. These trends indicate both opportunities and potential challenges to Kamloops' construction industry. As technologies are adopted and implemented across the industry, successful firms may need to adapt or risk falling behind. Since the construction industry in Kamloops appears to be well established, it risks being complacent instead of innovative. The construction firms in Kamloops that were interviewed tended to view innovation as a much less central component of the construction industry. On the other hand, it's possible that the global enthusiasm and hopes for technology and ESG is not realistic.

Globally, ESG regulations may pressure some firms to evolve their practices. The environmental component of ESG may prove to be an important aspect of the industry's growth. Different projects (i.e., based on renewable energy) or requiring different approaches (i.e., construction done in an environmentally friendly ways) may be a great advantage or disadvantage for firms in the future. For firms in Kamloops, it was often acknowledged that BC was at the forefront of setting environmental standards and that surpassing these standards were not of particular value.

Additionally, considering that Kamloops' population has grown in the last decade, the recent performance in the construction industry may be causally tied to that growth. It makes intuitive sense that a larger population leads to more construction work since more people need housing, businesses are likely to increase, and public infrastructure is in greater demand and use.

As a result of interviews with construction firms in Kamloops, five core themes emerged. The most noticeable theme was challenges associated with government regulations and 'red tape', resulting in delays and increased project risk. Another notable view was the lack of belief in technology being a core component of the industry, which contradicts the global trend of more significant innovation in construction. The lack of land available to develop in Kamloops was another recurring theme. It is still being determined what land constraints will lead to, although a couple of potential outcomes are less construction within Kamloops, rezoning of land, and denser developments. Another theme was the challenges associated with acquiring and retaining labour. The degree of impact varied by firm, although firms were finding ways to offset these challenges. The last key theme was the mixed views of the industry's future growth in Kamloops. The secondary research is more optimistic than the outlooks of those interviewed within the industry.

In summary, there are opportunities and challenges on the horizon for Kamloops' construction industry. Based on the data available, the forecast analysis suggests positive growth in the industry for Kamloops, but to a lesser extent than was experienced in the past decade. The perspectives of those within the industry were less optimistic and supported a more mediocre growth scenario. In conclusion, positive but not exceptional growth appears to be a reasonable estimate for the future of Kamloops' construction industry.

### *Transportation and Warehousing*

Kamloops' transportation and warehousing industry exhibited recent growth, with notable differences in



key indicators compared to the provincial averages. While the labour force growth lagged behind the province, compensation growth and overall compensation levels exceeded the provincial figures. It's important to highlight a temporary decline in the labour force between 2011 and 2016, followed by an expansion from 2016 to 2021.

Compared to the forecasts in the other four industries, transportation and warehousing ranked slightly below average. For the first forecast, it ranked second lowest; for the second forecast, it ranked in the middle; and for the third forecast, it ranked in the middle. None of the industry's forecasts were particularly outstanding, with the highest forecast being 1.2%.

Global trends and outlooks point to a growing and transforming transportation industry. Two key transformative components are shifting to greener transport and implementing new technologies. These aspects may fundamentally change how the industry operates, determining which firms remain competitive. Despite the global optimism behind new technologies and greener transport, those interviewed in the Kamloops industry were less optimistic when it came to the current and short-term feasibility of new technologies and greener transport.

One key theme gathered from the interviews was that relationships and existing roots were often the reason a transport company decided to be headquartered in Kamloops. Additionally, it was frequently mentioned that Kamloops' geographic location/connection to highways makes it an advantageous location. On the other hand, Kamloops is a less desirable location for warehousing and storage yards since Kamloops tends to be a point along the route and not the final destination of goods. One of the last core interview themes was the reliance of transportation and warehousing on other industries. Firms within the transportation and warehousing space tend to perform similarly to other industries, such as mining and forestry.

Overall, the Kamloops industry has shown modest growth. Based on the data available, the forecast analysis indicates low growth in the coming years. New technologies and greener transport have great potential for disrupting the industry in the long term. In the meantime, the Kamloops industry looks to continue its relatively slow growth.

### *Professional, Scientific and Technical Services*

The professional services industry in Kamloops showed recent growth at a similar rate as the province. Labour force growth was lower in Kamloops than in the province, and compensation growth was slightly higher in Kamloops compared to the province. However, median compensation levels are significantly lower in Kamloops than in the province. This may be indicative of a less mature sector.

Compared to the other four industries in the forecasts, the professional services industry often ranks well. The first forecast had the third largest growth rate out of the five industries; the second forecast had the second largest growth rate; and the third forecast had the largest growth rate. The number that stands out is the provincial estimated growth rate (third forecast), which shows a growth rate of 2.5% annually, more than double that of the other industries reviewed, except healthcare.

Global trends and outlooks in the industry show the anticipated importance of AI. The Reuters survey found that 34% of professionals saw AI as having a transformational impact on the industry in the next five years, and 33% anticipated it to have a high impact. Time will tell if these impacts are realized, but the anticipated impact appears to be high. A variety of factors may shape AI's impact on the industry. These potential changes may be realized with AI implemented in worker tools such as Microsoft Office

or as tools such as ChatGPT. In summary, the effects of AI on the industry are ultimately unknown but, as of now, are expected to be considerable.

Overall, there has been strong growth in Kamloops within the professional services industry. Based on the data available, the forecast indicates positive growth in the industry and potentially transformational impacts due to the implementation of new technology.

### *Education Services*

The education services industry in Kamloops has displayed a mixed performance in recent years, with a 3% decrease in the 10-year labour force, in contrast to a 15% growth in the province. However, compensation growth over four years was slightly higher in Kamloops than the provincial average, and the median compensation was also higher in Kamloops. These fluctuations underscore the complexity of assessing industry performance, emphasizing the need for caution in drawing conclusions based on the available data.

Education services ranked relatively poorly compared to the forecasts of the other four industries. For the first forecast, the industry had the lowest number (the only negative rate); for the second forecast, it was tied for the lowest growth rate; and for the third forecast, it was the second lowest.

The global trends and outlooks of the industry point to growth but with a few notable potential challenges and shifts (also note that what is true at the global level may be far different than what is seen in Kamloops). One concern pertains to the uncertainty of funding education. Public funding may not be as available in the coming years as it has been due to the growing debt level of many governments. Another concern at the global level is the estimated shortage of teachers. An underlying theme in education is how technology will be implemented and adapted. These potential impacts could result in fundamental changes in how education is structured and delivered.

Overall, the performance of Kamloops' education services industry has showcased a mixed performance. Based on the data available, the forecast analysis indicates minimal growth for the industry in the coming years.

### *Healthcare and Social Assistance*

The healthcare industry in Kamloops has also shown recent growth, tending to somewhat outperform the province in recent growth measures documented in the industry background sub-section. When looking at the numbers and outlooks for this industry, it's important to consider how the pandemic affected them. For example, the recent growth may be exaggerated due to the temporary high allocation of resources to the industry. Several data points pertained to the year 2021, which was amid the pandemic. Therefore, caution must be exercised when interpreting these numbers.

Compared to the forecasts of the other four industries, healthcare is a top performer. Healthcare has the second-highest growth estimate for the first forecast, the highest estimate for the second forecast, and the second highest for the third forecast. All three forecasts are also very similar, indicating the growth of the industry and the growth across geographic areas.

Global trends and outlooks in the industry show the importance of healthcare and identify some themes such as workforce challenges (shortages, productivity, burnout), innovation opportunities (digital and

AI), and potential funding challenges (government budgets and availability of funding). Workforce challenges may be a temporary result of the pandemic, but it may also be an ongoing challenge. Canada has an aging population, and Kamloops has a higher share of aging residents and a lower share of younger residents than other regions in Canada. These demographic insights imply that Kamloops may face a challenge via increased demand for healthcare while being constrained on the human capital supply side. Adopting technology, particularly emphasizing the growing significance of AI and digital transformation in healthcare, may partially offset these types of challenges. Lastly, funding availability and accessibility may have a decisive impact on the future of the healthcare industry. In particular, government spending on healthcare can be uncertain and may decrease after years of high allocation due to the pandemic.

In summary, there has been growth in Kamloops over recent years, although some of this growth may be attributable to the temporary demand and supply required during the pandemic. Based on the data available, the forecast analysis for Kamloops' healthcare industry is anticipated to grow.

# Conclusion

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The Kamloops Economic Impact Report 2024 represents an exploration of the city's economic fabric, narrowing its focus to five industries. Building on the foundation laid by the previous "*Socio-Economic Portrait: Unveiling Kamloops' Economic Landscape*" document, this report serves as a strategic tool for stakeholders, policymakers, and business leaders. The report aims to equip decision-makers with the insights to navigate Kamloops' economic trajectory by merging demographic indicators, economic trends, and industry dynamics.

The core objectives of this report were to assess Kamloops' economic vitality and identify growth opportunities. Employing a methodical approach involving industry selection, trend analysis, and qualitative exploration, VK's input guided the examination of sectors including: Construction, Transportation and Warehousing, Professional, Scientific, and Technical Services, Education Services, and Healthcare and Social Assistance.

The Industry Background sections provided:

- Profiles of each focus industry
- Insights into employment
- Compensation measures
- Business size measures
- Import-export dynamics

While acknowledging the speculative nature of economic predictions, the forecasts built off labour force data, providing insights into industry trajectories. Additionally, global perspectives, underpinned by secondary research, offered nuanced insights into industry-specific challenges and opportunities on a broader scale.

Finally, two industries were selected for further analysis which consisted of greater secondary research and firm interviews to gather a more in-depth understanding of the current state and outlook of these industries. These two selected industries were the Construction industry, and the Transportation and Warehousing industry.

## Key Industry Analysis Highlights:

1. **Construction:** Data of past performance in Kamloops and global trends, points to a positive future growth in Kamloops, although firms within Kamloops are less optimistic and cited a number of challenges.
2. **Transportation and Warehousing:** Past data indicates modest growth in Kamloops, while the more optimistic global trends (embracing technology and greener transport) were viewed by firms in Kamloops as a distant factor.
3. **Professional, Scientific, and Technical Services:** Strong past performance looks to continue, although there is potential for significant industry disruption due to technological advances (such as AI).
4. **Education Services:** Mixed past performance creates difficulties in predicting future dynamics. The understanding is further complicated by the different types of institutions across the industry (i.e., primary, secondary, post-secondary schools, and public/private schools, in addition to non-school educational organizations).
5. **Healthcare and Social Assistance:** The significant growth in Kamloops has likely been influenced

by the pandemic, making it a challenge to gauge future growth. There are significant challenges documented and expected in the industry, displaying the importance of the industry in the future.

In conclusion, the *Kamloops Economic Impact Report 2024* serves as a dynamic guide for stakeholders navigating the city's economic landscape. As Kamloops continues to evolve, this report stands as a valuable resource for strategic decision-making, fostering a proactive and informed approach to economic development in the years to come. The multifaceted insights provided within each industry's analysis present a holistic view, enabling stakeholders to make decisions that align with the city's economic objectives and aspirations.

# Appendices

## Appendix A – Conference Board of Canada’s Transportation Forecast

Table 14 – Transportation Forecasts <sup>95</sup>

### Transportation – NAICS 48

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real gross domestic product (millions, \$2012)	47,527	49,896	51,481	51,279	51,019	52,527	55,577	57,308	58,417	57,996	55,290	57,514	60,106	61,743	62,719	67,034	69,880	71,728	76,121	78,554	79,464
Industry price index (2012=100)	n/a	5.0	3.2	-0.4	-0.5	3.0	5.8	3.1	1.9	-0.7	-4.7	4.0	4.5	2.7	1.6	6.9	4.2	2.6	6.1	3.2	1.2
Employment (000s)	581.4	605.0	604.9	589.0	620.2	623.2	613.4	616.3	637.9	650.8	643.2	637.1	668.4	659.7	691.6	702.7	725.4	722.0	748.7	778.9	824.2
Investment (\$ millions)	16,143	13,572	13,473	13,940	12,884	13,147	14,449	17,371	19,860	21,759	21,265	18,883	20,090	24,770	32,130	35,696	39,520	37,116	37,085	43,538	48,841
Revenues (\$ millions)	66,982	72,869	75,549	76,701	77,644	88,870	94,996	102,911	106,737	113,089	103,654	111,474	119,301	126,325	133,060	145,744	151,213	152,676	165,536	179,705	187,053
Costs (\$ millions)	64,951	71,194	74,891	73,813	75,370	84,957	89,276	95,735	99,842	106,534	98,867	104,350	111,531	116,524	122,924	133,182	137,950	138,032	148,582	161,863	168,346
Pre-tax profits (\$ millions)	2,030	1,676	657	2,888	2,273	3,913	5,720	7,176	6,895	6,555	4,788	7,124	7,770	9,801	10,137	12,561	13,263	14,643	16,954	17,843	18,706
Profit margin (per cent)	3.0	2.3	0.9	3.8	2.9	4.4	6.0	7.0	6.5	5.8	4.6	6.4	6.5	7.8	7.6	8.6	8.8	9.6	10.2	9.9	10.0
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Real gross domestic product (millions, \$2012)	63,057	69,465	78,423	82,060	83,690	84,940	86,020	86,849	87,785	88,798	89,815	90,818	91,912	93,022	94,167	95,338	96,522	97,731	98,930	100,144	101,381
Industry price index (2012=100)	-20.6	10.2	12.9	4.6	2.0	1.5	1.3	1.0	1.1	1.2	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.2	1.2	1.2
Employment (000s)	725.9	730.0	766.0	779.8	786.1	791.6	796.1	799.3	802.8	806.8	810.8	814.7	818.9	823.2	827.6	832.1	836.7	841.3	845.9	850.4	855.0
Investment (\$ millions)	-11.9	0.6	4.9	1.8	0.8	0.7	0.6	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5
Revenues (\$ millions)	144,595	160,765	187,296	201,429	209,763	216,891	223,691	230,034	236,836	243,977	251,307	258,823	266,814	275,041	283,543	292,332	301,425	310,832	320,445	330,377	340,641
Costs (\$ millions)	140,021	155,953	174,781	184,359	191,617	198,060	204,375	210,254	216,486	223,037	229,770	236,662	243,975	251,509	259,290	267,331	275,653	284,251	293,038	302,116	311,487
Pre-tax profits (\$ millions)	-16.8	11.4	12.1	5.5	3.9	3.4	3.2	2.9	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Profit margin (per cent)	2.4	3.0	6.6	8.5	8.7	8.7	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6

\* Percentage change is not calculated on negative numbers.

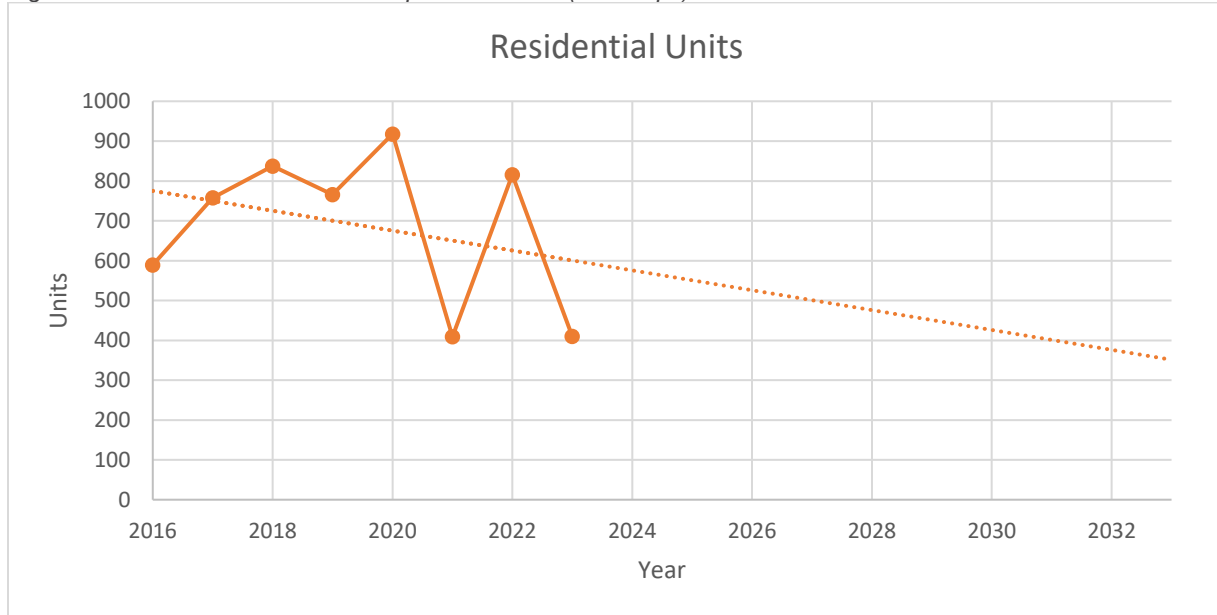
Source: Conference Board of Canada

<sup>95</sup> The Conference Board of Canada. *The Outlook for Canada’s Transportation Sector 2020-2040 (Post-COVID-10)*. Retrieved from: [https://publications.gc.ca/collections/collection\\_2021/tc/T22-250-2021-eng.pdf](https://publications.gc.ca/collections/collection_2021/tc/T22-250-2021-eng.pdf)

## Appendix B – Additional Construction Forecasts

The number of residential units (that acquired a permit) appeared to be increasing until 2020, after which it significantly dropped, then showed variation in the last few years.<sup>96</sup> See Figure 20.

Figure 20 – Residential Units that Acquired a Permit (Kamloops)

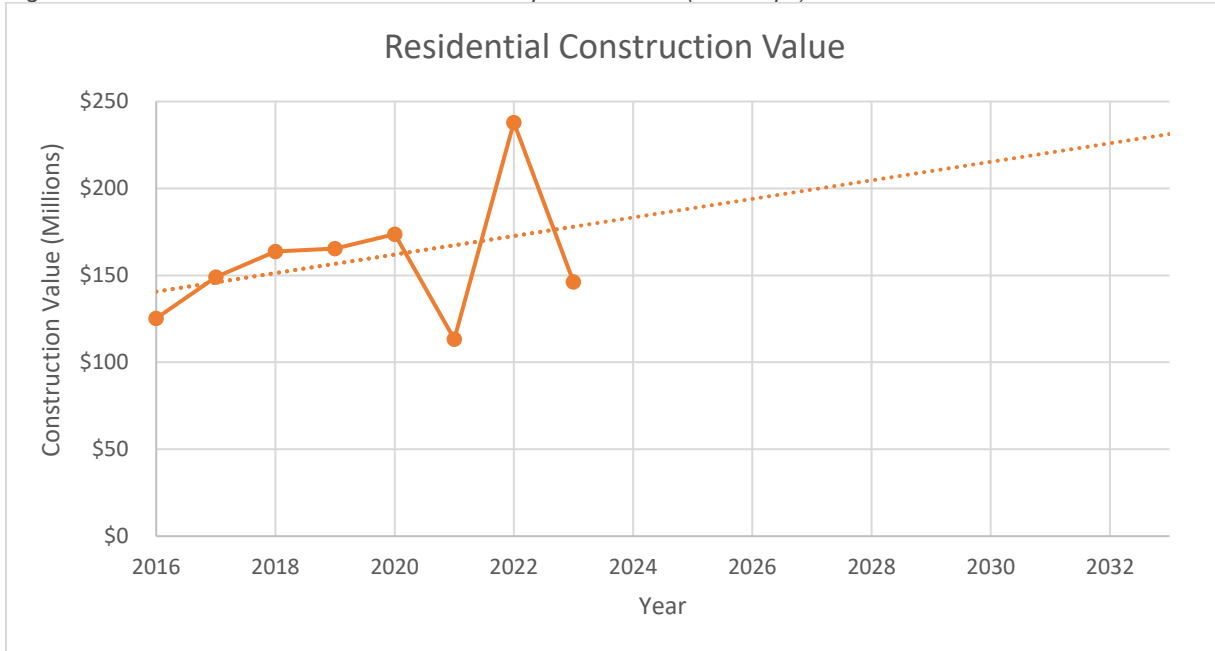


In contrast to the total residential units, the residential construction values show a more positive trend, although still a large variation after 2020<sup>97</sup>. See Figure 21.

<sup>96</sup> City of Kamloops. *Building Permit Reports*. Retrieved from: <https://www.kamloops.ca/business-development/building-permits/building-permit-reports>

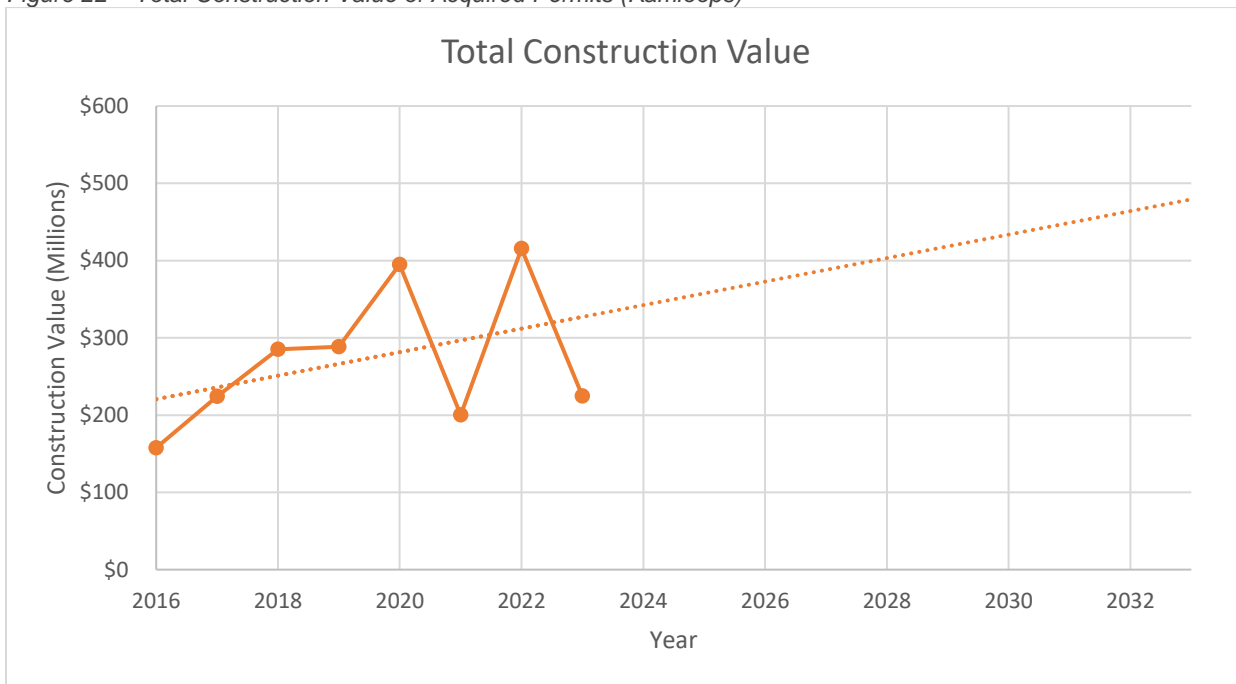
<sup>97</sup> City of Kamloops. *Building Permit Reports*. Retrieved from: <https://www.kamloops.ca/business-development/building-permits/building-permit-reports>

Figure 21 – Residential Construction Value of Acquired Permits (Kamloops)



The construction value for all construction types (residential, commercial, other), show a similar pattern as the residential construction values<sup>98</sup>. See Figure 22.

Figure 22 – Total Construction Value of Acquired Permits (Kamloops)



<sup>98</sup> City of Kamloops. *Building Permit Reports*. Retrieved from: <https://www.kamloops.ca/business-development/building-permits/building-permit-reports>



These three graphs suggest that construction in Kamloops was growing from 2016 to 2020, after which numbers varied greatly. A shock appeared to shake the industry around 2021, which may in part be a result of the pandemic.

## Appendix C – Industry Labour Force and Compensation Summary

This section presents a detailed breakdown of industry labour force size, labour force growth over the past ten years, median compensation, and compensation growth over the last four years, all ranked in descending order. Based on Statistics Canada 2021 data, these tables offer a quick snapshot of each industry’s performance relative to others across these key variables while explicitly highlighting the comparative position of the five focus industries.

Table 15 – Industries’ Labour Force Size in Descending Order (Kamloops)

	Labour Force Size (2021)
<b>Health care and social assistance</b>	<b>7,955</b>
Retail trade	6,950
<b>Construction</b>	<b>4,580</b>
Accommodation and food services	3,750
<b>Educational services</b>	<b>3,420</b>
<b>Professional, scientific and technical services</b>	<b>3,230</b>
Public administration	3,125
<b>Transportation and warehousing</b>	<b>2,880</b>
Manufacturing	2,350
Other services (except public administration)	2,215
Administrative and support, waste management and remediation services	2,010
Mining, quarrying, and oil and gas extraction	1,575
Wholesale trade	1,405
Arts, entertainment and recreation	1,210
Finance and insurance	1,115
Real estate and rental and leasing	820
Agriculture, forestry, fishing and hunting	595
Information and cultural industries	495
Utilities	285
Management of companies and enterprises	65

Table 16 – Industries' Labour Force Growth in Descending Order (Kamloops)

	Labour Force - 10 Year Change
Utilities	58%
<b>Construction</b>	<b>36%</b>
<b>Health care and social assistance</b>	<b>30%</b>
<b>Professional, scientific and technical services</b>	<b>25%</b>
Administrative and support, waste management and remediation services	25%
Other services (except public administration)	15%
Retail trade	11%
Mining, quarrying, and oil and gas extraction	8%
<b>Transportation and warehousing</b>	<b>7%</b>
Public administration	3%
Manufacturing	0%
<b>Educational services</b>	<b>-3%</b>
Management of companies and enterprises	-7%
Accommodation and food services	-7%
Finance and insurance	-9%
Arts, entertainment and recreation	-11%
Real estate and rental and leasing	-12%
Wholesale trade	-15%
Agriculture, forestry, fishing and hunting	-21%
Information and cultural industries	-29%

Table 17 – Industries' Median Compensation in Descending Order (Kamloops)

	Median Compensation (2021)
Mining, quarrying, and oil and gas extraction	\$ 120,620
Utilities	\$ 100,620
Wholesale trade	\$ 66,460
<b>Transportation and warehousing</b>	<b>\$ 64,010</b>
Information and cultural industries	\$ 63,670
Manufacturing	\$ 62,670
Public administration	\$ 61,790
<b>Construction</b>	<b>\$ 59,230</b>
<b>Educational services</b>	<b>\$ 56,980</b>
<b>Professional, scientific and technical services</b>	<b>\$ 55,330</b>
Finance and insurance	\$ 55,220
<b>Health care and social assistance</b>	<b>\$ 42,090</b>
Real estate and rental and leasing	\$ 39,970
Other services (except public administration)	\$ 37,710
Arts, entertainment and recreation	\$ 35,680
Agriculture, forestry, fishing and hunting	\$ 33,590
Retail trade	\$ 27,060
Accommodation and food services	\$ 16,840
Management of companies and enterprises	\$ -
Administrative and support, waste management and remediation services	\$ -

Table 18 – Industries' Compensation Growth in Descending Order (Kamloops)

	Compensation Growth - 4 Years
Other services (except public administration)	32%
Information and cultural industries	31%
Real estate and rental and leasing	29%
<b>Construction</b>	<b>25%</b>
Arts, entertainment and recreation	25%
Finance and insurance	24%
<b>Professional, scientific and technical services</b>	<b>23%</b>
<b>Health care and social assistance</b>	<b>23%</b>
Utilities	17%
<b>Educational services</b>	<b>15%</b>
Retail trade	13%
Public administration	13%
Manufacturing	12%
<b>Transportation and warehousing</b>	<b>11%</b>
Accommodation and food services	11%
Agriculture, forestry, fishing and hunting	5%
Wholesale trade	5%
Mining, quarrying, and oil and gas extraction	1%
Management of companies and enterprises	-
Administrative and support, waste management and remediation services	-

## Appendix D – Import and Export Data Considerations and Limitations

Import and export values are indicators which may be used to measure the economic activity and competitiveness of a particular sector, industry, or region. They provide insights into the flow of goods and services across borders, reflecting the level of international trade and integration of an economy into the global market. In this report, import values represent the monetary worth brought into the country. In contrast, export values denote the value sold to foreign markets. Services imported and exported are more difficult to track and not included in this report, therefore caution must be extended when interpreting the numbers, as services imports and exports could change the interpreted trade dynamics. Additionally, note that data for Kamloops is only available for two years, thus gathering trends from this limited period should be interpreted with caution (these years of 2021 and 2022 may also have been affected by the pandemic). Lastly, note that some industries' export and import numbers for goods vary in how indicative they are of performance. For example, smaller industries may have numbers that naturally largely vary each year, and service focused industries may have little trade in terms of goods.

The significance of import and export values lies in their ability to gauge the level of external trade and the trade balance for a specific sector or industry. A higher value of exports than imports is indicative of a trade surplus, reflecting a sector's or industry's ability to generate revenue by selling its products or services abroad. This may contribute positively to growth and enhancing the region's overall economic health by boosting employment, income, and investment.

Conversely, a higher value of imports than exports results in a trade deficit, indicating that the sector or industry imports more goods than it exports. While a trade deficit may indicate a higher demand for foreign products or inputs, it can also signal potential weaknesses in the sector's competitiveness, productivity, or innovation. Also note that an industry with a trade deficit is not necessarily a negative to overcome, as other countries may be naturally more efficient in producing the goods (they have a comparative advantage) or may be subsidized in manner that is difficult to match.

Monitoring import and export values helps policymakers, businesses, and investors assess the sector's trade performance, identify market opportunities, and formulate strategies to enhance competitiveness and sustainability.

Import and export values also serve as key indicators of a sector's integration into global value chains and its exposure to international market dynamics. Changes in import and export values can reflect shifts in consumer preferences, changes in global demand and supply conditions, fluctuations in exchange rates, and the impact of trade policies and regulations. Analyzing trends in import and export values allows stakeholders to identify emerging opportunities, mitigate risks, and adapt their strategies to remain competitive in an interconnected and dynamic global economy.

Overall, import and export values play a role in measuring the impact of a particular sector by providing insights into its trade performance, competitiveness, and integration into the global market. By monitoring these values, stakeholders can make informed decisions, foster economic growth, and enhance the sector's and broader economy's resilience and sustainability.

## Appendix E – Data Characteristics and Limitations

It is important to acknowledge the characteristics and limitations of the data leveraged in the analysis to interpret the information and exercise caution when properly warranted. This appendix highlights some key data characteristics and limitations by measurement type. One universal caution is that NAICS is not static but changes over the years; therefore, some data variation may result from the classification system changes.

### ***Labour Force Measurements***

The 2016 and 2021 labour force counts come from Statistics Canada's census data, while the 2011 count comes from Statistics Canada's National Household Survey. Therefore, data collection standards and methodology may vary somewhat for 2011 compared to 2016 and 2021. The labour force counts are also based on population samples, so the actual number may differ from Statistics Canada's estimates.

Another factor to be aware of is that the data is only shown every five years. Thus, labour force counts may have varied significantly every year, but this would not be captured in the data.

### ***Compensation Measurements***

Data is reported as the median compensation and not the average. The compensation number includes wages, salaries, and commissions of tax filers 15 years of age and older, meaning that this is not total income but compensation income. Also, note that the Census Metropolitan Area for Kamloops was used (as the Census Subdivision data was not reported). Therefore, this measure includes more individuals in the surrounding area.

### ***Place of Work Measurements***

The location of work data comes from the 2021 Census and is an estimate based on samples. The pandemic resulted in some lockdowns starting in 2020, where some individuals may have started to work from home. Therefore, differences in work-from-home rates in Kamloops, compared to the province, may have been skewed if the data was collected at a slightly different time or due to different labour profiles and natures of typical work.

### ***Measurements of Businesses by Number of Employees***

The data for these measurements is gathered from Statistics Canada's Business Register. The "Worked outside Canada" category was omitted since the numbers tend to be very small and therefore provide low value for analysis.

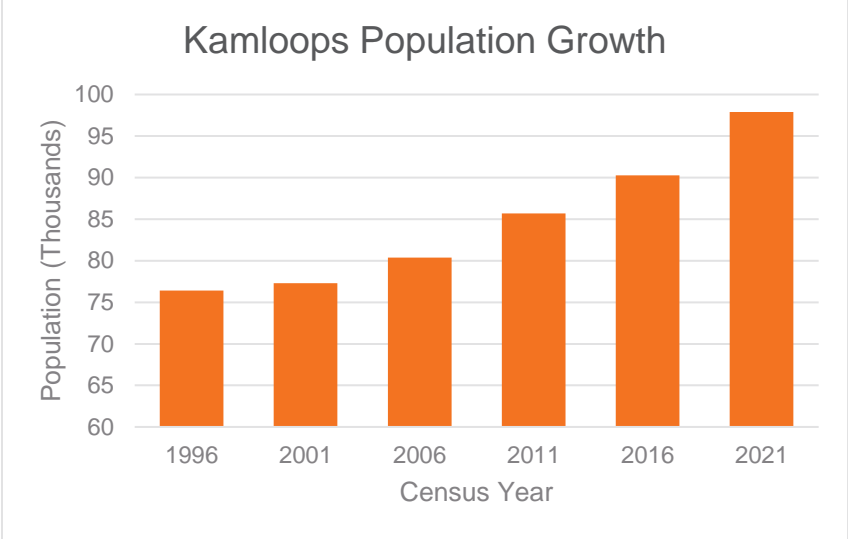
### ***Import and Export Measurements***

The import and export data only applies to goods (not services) and are documented on a customs basis. Therefore, some industries may naturally have very high or minimal imports or exports. The data for Kamloops is also limited to two years, and the benchmark jurisdiction is Canada, as British Columbia's numbers were not provided.

# Appendix F – Kamloops’ Population Growth

Kamloops has experienced consistent population growth since 1996, with marked acceleration evident after the 2006 census. This upward trend underscores a robust expansion, as reflected in the population growth from 80,376 in 2006 to 97,902 by 2021 (see Figure F1)<sup>99</sup> – a 22% increase over 15 years. Demographic shifts can signify a dynamic landscape, indicating potential shifts in consumer behaviours, workforce dynamics, and infrastructure demands within the city's socio-economic framework.

Figure F1 – Kamloops Population since 1996



Kamloops' accelerated population growth, particularly evident post-2006, marks a notable departure from its earlier trajectory compared to the national average (see Figure F2). Before 2006, Kamloops trailed behind Canada in population growth rate, but the subsequent years witnessed a marked reversal. Notably, between 2016 and 2021, while Canada experienced a 5.24% population increase, Kamloops outpaced the national growth with an 8.44% surge, underscoring its demographic momentum in recent years relative to the broader Canadian landscape.

<sup>99</sup> Statistic Canada. Retrieved from multiple tables.

Figure F2 – Kamloops and Canada Growth Rates since 1996

