



A New Economic Narrative for BC

Five Years On, The Case Is Stronger



JUNE 2026

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FORWARD

Five years ago, BC Tech published ‘A New Economic Narrative for BC’.

The report provided a rigorous review of the data on BC’s economy and demonstrated that BC’s economy isn’t what we tell ourselves it is. We showed the massive shift that had taken place over three decades as BC became a knowledge and service-driven economy. And we shone a light on the fact that 21 years into the 21st century our economic narrative remained grounded in the 20th century history of BC as primarily an exporter of natural resources.

Our call to action was that government must do far more to invest in sectors with growth potential that provide high levels of employment and well-paying jobs in the 21st century— in particular BC’s tech sector.

Our report was read widely in government, most commonly with the remark ‘but if this is true it changes everything’. Yes. It does.

Some progress has been made since then — and this report acknowledges it. But the pace and scale of that investment has not matched the urgency the data demands. The world has become a significantly more difficult place in the intervening five years and the emergence of AI as a restructuring force across every sector of the economy has made the window for getting this right narrower, not wider.

Over the last five years, the tech sector grew three times faster than the rest of BC’s economy and now represents 9.6% of BC’s GDP as well as 9.2% of BC’s workforce, bigger even than BC’s resource sector which represents 7.2% of BC’s GDP and 3.1% of BC’s workforce.

BC Tech members have done a tremendous job creating jobs and GDP and building companies to keep BC’s economy growing. Meanwhile, the US tariff shock has led to a welcome and overdue realisation that BC’s prosperity should not depend on the goodwill of any single trading partner’s administration.

What hasn’t changed in five years is the relevance of the findings in our original report. So in this report we look at the data again and sharpen our recommendations to meet the challenges and opportunities of 2026.

We are not neutral observers and we don’t pretend to be – we represent BC’s technology and innovation economy. As such we believe decisions should be grounded in data and so the figures in this report are drawn from BC Government and Statistics Canada sources and our methodology is fully documented. Yet we expect some of the findings will be surprising, and resisted.

Because BC’s economy is not what we tell ourselves it is.

Jill Tipping
President & CEO, BC Tech



1. EXECUTIVE SUMMARY

What the data shows about BC's economy



GDP

BC's technology sector accounted for \$30.7 billion in GDP in 2025 – 9.6% of total provincial GDP. BC's resource sector – agriculture, forestry, fishing, mining, oil and gas, forest-products manufacturing, primary metal manufacturing, and pipeline transport – accounted for \$23.1 billion, or 7.2% of GDP. The tech sector has grown at three times the rate of the rest of BC's economy for the last five years.



Employment

BC's tech sector workforce totals 271,000 people – employees and self-employed workers combined – 9.2% of the provincial workforce, three times as many people as are directly employed in the resource sector. Tech pays wages 70% above the provincial average in both urban and rural areas and those 271,000 jobs generate \$30 billion in wages and salaries annually, making the tech sector one of the most productive sources of government revenue in the province.



Exports

BC's service exports represent over 40% of total export value. High-technology service exports reached \$14.9 billion in 2023 – approximately double their 2019 level. Yet service exports remain severely under-reported in provincial budget documents and federal statistics, leaving BC without the data it needs to manage its most important and fastest-growing export sector.

Four Forces shaping BC's economy in 2026

The AI inflection: Artificial intelligence is restructuring every sector of the global economy simultaneously. BC has genuine competitive assets at every layer of the AI economy: clean energy, chips, infrastructure and applications. BC needs a clear AI Economic Strategy to seize the economic opportunity.

The US tariff shock: US tariffs have exposed the fragility of goods-export dependence and made the case for service exports and economic sovereignty impossible to ignore. BC's knowledge economy exports are structurally tariff-resilient. The tariff shock should not be wasted – it has created the political conditions necessary for an honest economic conversation BC has been deferring for years.

The productivity imperative: BC's real GDP grew 2.0% in 2025 while population growth slowed sharply to approximately 1%, producing modest GDP per capita growth for the first time in several years, a welcome

improvement on the immediately preceding years when a construction boom driven by four major infrastructure projects from 2019 to 2022 masked weak underlying private sector productivity performance. BC cannot tax its way to fiscal sustainability, cut its way to prosperity, or rely on population growth as a substitute for real productivity gains. It has to produce more value per person. The tech sector is the province's most powerful private sector productivity engine.

The fiscal reality: BC's credit rating has been downgraded twice since our 2022 report. BC's debt service costs are 5% of total government revenues, expected to rise to 8% by 2028-29. Now more than ever BC needs to protect and grow its sustainable fiscal base. The 271,000 people working in BC's tech sector are not simply an industry constituency, they are a fiscal survival mechanism for the province.

THREE PRIORITIES

PRIORITY 1

Invest in people and the knowledge economy at scale

Invest in people and the knowledge economy at scale: Fund an additional 10,000 tech-relevant public post-secondary graduates. Double investment in short-course credentials and rapid reskilling. Invest in AI literacy and agile skills pathways that keep pace with the AI-driven transformation of every sector. Invest in the infrastructure of the services economy (affordability, childcare, transit and safety) that makes BC a place where skilled workers choose to stay.

PRIORITY 2

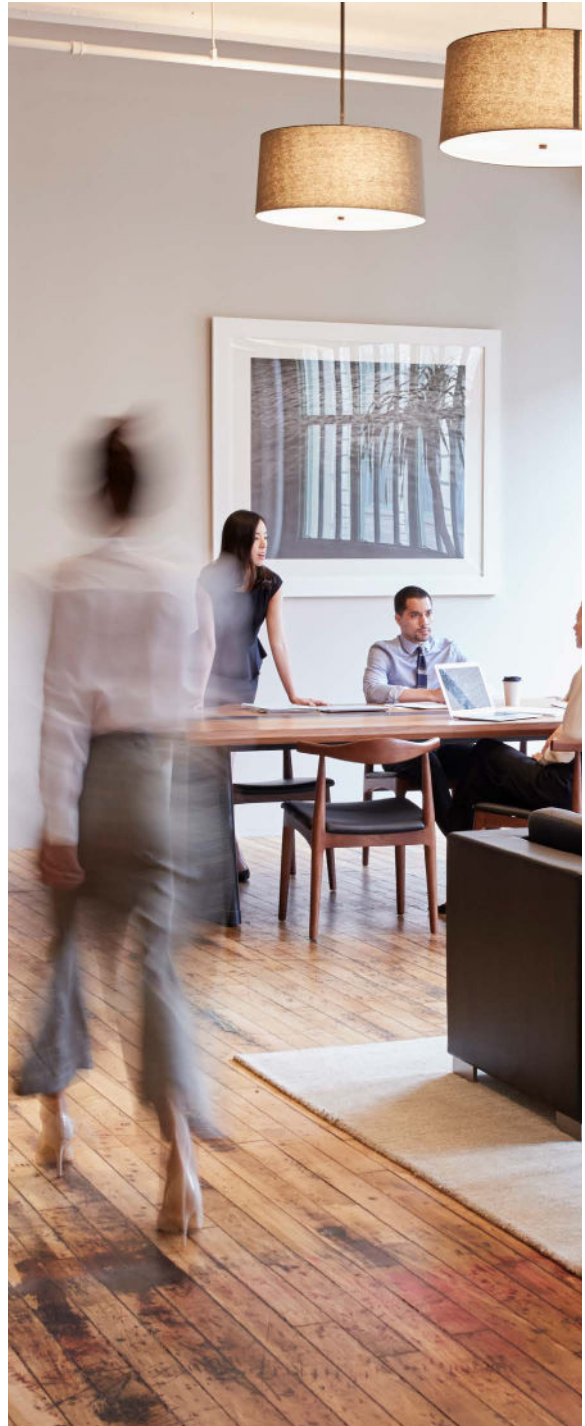
Build the anchor companies of BC's future

Close the scale-up gap through capital, customers and confidence. Implement a patent box regime and flow-through share mechanism for technology companies. Advocate to Ottawa to create a Canadian equivalent of the US Qualified Small Business Stock regime. Deploy the \$400M Strategic Investment Special Account explicitly at the scale-up stage to back BC's most promising growth-stage companies, not only large infrastructure projects. Establish a BC Technology Procurement Task Force to make Value-for-BC a formal evaluation criterion in government procurement and a BC Innovation Procurement Hub modeled on Finland's KEINO model to move beyond pilots to full-scale contracts. Establish a permanent Premier's Technology Council to provide government with direct, expert, non-partisan advice on technology and economic strategy.

PRIORITY 3

Fix the data, make the invisible visible

The measurement gap is a first-order policy problem that remains unresolved. BC should invest in BC's capacity to gather and publish economic data annually and launch a data capture project using AI tools and tech sector expertise to accelerate progress. BC's annual Budget should include a dedicated service exports chapter, equivalent in depth to the goods exports analysis, starting with Budget 2027. The knowledge economy is BC's present, not its future. It is time for our data to reflect that reality.



BC's economy is not what we tell ourselves it is. It is time to back the economy we have – not the one we remember.

2. UNDERSTANDING BC'S ECONOMY IN 2026

BC's economy is not what we tell ourselves it is. Services are 78% of BC's GDP and 82% of all jobs. The technology sector is the dominant growth engine of BC's economy and has been for years. Its exports have nearly doubled since 2019 and represent over 40% of total export value, yet they remain almost entirely invisible in provincial budget documents. BC's economy has transformed and policy has not kept pace.

2.1 Resources and Tech – two sectors, one future

Throughout this report, we compare BC's technology sector to BC's resource sector and we want to be direct about why.

The resource sector is foundational to BC. It employs tens of thousands of British Columbians in communities across the province. It underpins the port, the railways, the energy grid and the supply chains that the rest of the economy depends upon. It includes major customers of BC's tech sector adopting solutions from precision agriculture to autonomous mining, wildfire detection to cleantech.

Critical minerals deserve particular emphasis as they lie at the heart of Canada's competitive advantage and global technology cannot function without them. Of the 35 major projects on the BC government's priority list, mining projects account for 95% of permanent jobs as well as a healthy share of overall resource revenues to government.¹ Copper is essential to EVs and datacenters, Molybdenum is essential for semiconductors and solar panels, Zinc is essential to energy storage, Magnesium is essential to smartphones and laptops. As the world races to build the infrastructure of the clean energy transition and the AI economy simultaneously, critical mineral supply chains will hold strategic advantage for decades. And BC's technology sector produces the innovation that makes resource extraction safer, cleaner and more productive. The opportunity is to own both ends of that chain and BC is one of the few places on earth that can.

Today, BC's resource sector is navigating challenging headwinds. The difficulties resource projects face in reaching approvals, driven by unresolved legal

questions around land title, permitting timelines and regulatory uncertainty, are real and need resolution. The reduction in resource sector employment since 2023 is impacting households and communities across BC, and it deserves focused attention from government.

In this report we use the resource sector as our comparative sector because it is the anchor against which BC's economy has always been understood. The comparison is intended to make a concrete case for backing both sectors. BC's resource and technology sectors are not in competition, they are two sectors with one future.

Today, every company is a tech company.

Beyond the Build: What Major Projects Contribute

Taking LNG Canada as an example, Phase 1 reached final investment decision (FID) in 2018 and was then constructed at a cost to LNG Canada of \$20B for the terminal, and \$14.5B to TC Energy for the Coastal GasLink pipeline. 300 permanent jobs were created at the Kitimat terminal and the first LNG cargo shipped in June 2025. Both trains were in production by November 2025, operations are ramping through 2026 and Phase 1 is expected to hit full operational output by 2027. Budget 2026 anticipates natural gas royalties increasing primarily due to LNG Canada Phase 1 by \$455M in 2026/27, rising as production ramps to full capacity over the following two years. Should Phase 2 reach FID in late 2026 or early 2027, capacity would double once construction was complete and natural gas royalties would increase accordingly after full operations were reached, perhaps by 2034².

¹ See Appendix F: Government's 35 Major Projects

² Appendix F models contributions from LNG Canada Phase 2 and the other 35 major projects through 2035.

2.2 GDP

BC's real GDP grew by 2% in 2025 to \$319 billion, above the Canadian average of 1.6% and above the 1.2% achieved in 2024. With population growth slowing sharply to 1% in 2025 (down from 1.8% in 2024 and 3% in 2023) GDP per capita grew modestly for the first time in several years. That is a real improvement. But the years immediately preceding it told a harsher story: BC's population expanded far faster than its economy, and per-capita living standards declined.

BC's economy has shifted but the economic narrative – the story we tell ourselves about the economy – has not. Service-producing industries now account for approximately 78% of provincial GDP, up from 76% when we published our first report in 2021 and around 70% at the beginning of the century. Goods-producing industries, by contrast, continue their long-running decline as a share of total output.

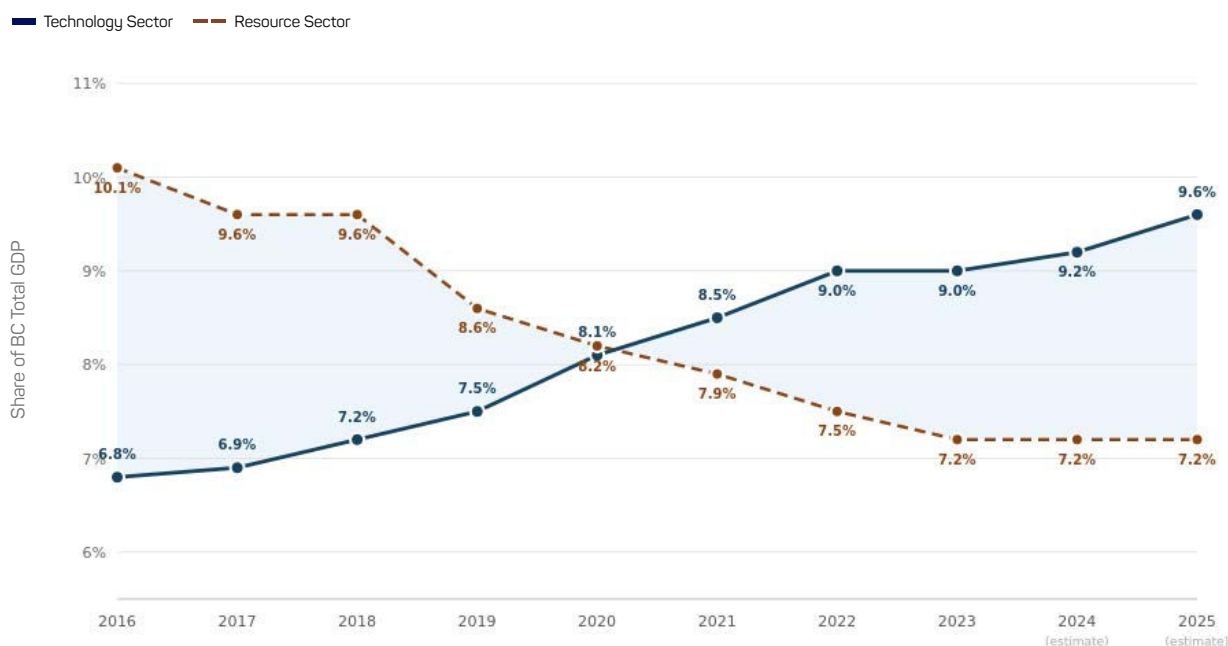
Within the service economy, the technology sector's growth is the most significant trend of the past decade. The GDP of the full tech sector has grown to \$30.7³ billion in 2025, representing 9.6% of total provincial

GDP. BC's tech sector has grown at three times the rate of the rest of BC's economy in the last five years. In 2016, the sector represented approximately 7% of provincial GDP – today it represents nearly 10%. That trajectory reflects a genuine economic shift.

Yet BC's fiscal position is deteriorating at exactly the moment this transformation should be accelerating growth. Total provincial debt is projected to rise from \$154 billion to \$235 billion over the three-year budget plan, with debt service costs rising from 4.9 cents to 8.2 cents per dollar of revenue by 2028–29. Real GDP growth of 1.3% in 2026 cannot support debt growing at this pace indefinitely. The province needs a private sector productivity engine powerful enough to broaden the tax base organically and the tech sector is the most credible candidate, if policy is intentionally designed around that outcome.

BC's Resource sector, which we define in this report as agriculture, forestry, fishing, mining, oil and gas, forest-products manufacturing, primary metal manufacturing, and pipeline transport, accounted for \$23.1⁴ billion of BC's GDP, 7.2% of the total.

Tech and Resource Sector GDP as a Share of BC Total GDP, 2016–2025
Percentage of BC Industrial Aggregate (chained 2017 CAD)



Sources: BC Stats High Technology Satellite Account; Statistics Canada Table 36-10-0711-01. Resource sector includes primary extraction, associated manufacturing, and estimate pipeline transport GDP.

³ See Appendix A for full technology sector GDP data by sub-sector, 2016–2025.

⁴ See Appendix C for full resource sector GDP data by industry, 2016–2025.

Calculation of Resource GDP

The Fraser Institute has made the case that capturing the economic contribution of BC's resource sector requires looking beyond primary extraction to include related downstream processing and resource-dedicated infrastructure such as pipeline transport and utilities⁵. We agree that downstream resource manufacturing should be included - wood products, paper, and primary metals manufacturing contribute an estimated \$3.4 billion in real GDP and approximately 29,000 jobs in 2025. We also see the methodological case for including pipeline transport as infrastructure purpose-built for and wholly dependent on the resource sector, which distinguishes it from general-purpose infrastructure. Pipeline transport GDP is not reported separately from other transportation sectors in Statistics Canada's provincial accounts, making a precise figure unavailable but using the proportions implicit in the Fraser Institute's figures we estimate it adds in the order of \$1.5 billion in real GDP, with a negligible employment footprint, and have included this estimate in our 2025 figures. Utilities, by contrast, supply power to the entire BC economy and are not meaningfully attributable to any single sector. We calculate total resource sector GDP of \$23.1 billion and 90,143 jobs in 2025.⁶

2.3 Workforce

BC's labour market in 2026 shows a province with a workforce of 2.9 million people in 2025 and a services sector that accounts for 82% of all jobs, up from 80% five years ago.

The tech sector's employment record is one of the most significant economic stories in BC and one of the least told. In 2016, in TechTalentBC⁷ the BC Tech Association and the Information and Communications Technology Council (ICTC) reported that there were 148,800 tech workers in BC - 106,000 people employed in the tech sector and the rest in tech roles in non-tech sectors. Today the tech sector workforce alone is 271,000⁸ across more than 12,000 companies with at least 100,000 further tech roles in non-tech sectors, bringing total tech jobs in BC to 371,000 or nearly 13% of BC's workforce.

Those 271,000 tech sector jobs represent 9.2% of BC's total workforce, making the sector one of the largest sources of employment in the province by any measure. To calibrate that scale: the tech sector employs three times as many British Columbians as

the province's resource sector.

This report exists to close the gap between the actual size of the tech sector and the mind-share it occupies.

The numbers of jobs are impressive, what's more impressive is their quality. Tech sector wages exceed the provincial average by 70%, in both urban and rural areas of the province and this is not a Metro Vancouver story. Tech sector jobs are being created and

retained in communities across BC, from the Okanagan and Kamloops to Prince George and the North, paying wages that are well above the regional average in every part of the province.

"The most valuable asset of a 21st-century institution, whether business or non-business, will be its knowledge workers and their productivity."

Peter Drucker, Landmarks of Tomorrow, 1959

⁵ Cross, Philip. "The Role of Natural Resources in British Columbia's Economy." Fraser Institute, March 2024. Available at: <https://www.fraserinstitute.org/studies/role-natural-resources-british-columbia-economy>.

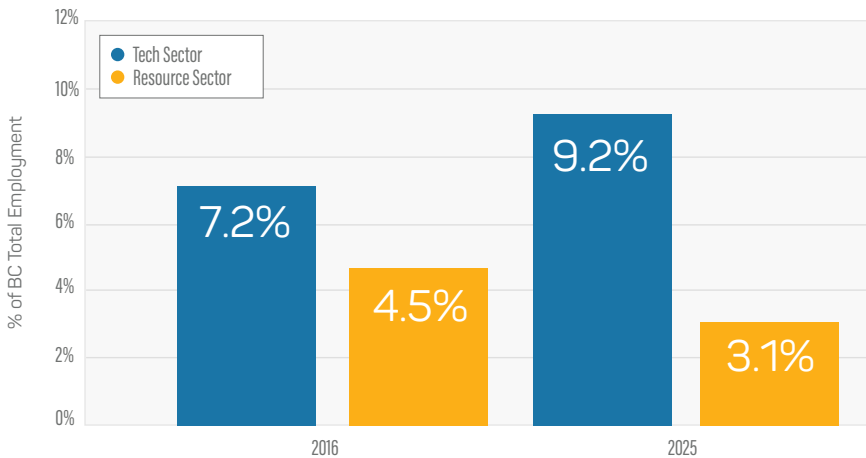
⁶ See Appendix C and D

⁷ BC Tech Association (ICTC), TechTalentBC Report, July 2016. The 148,800 figure uses ICTC's occupation-based (NOC) methodology counting tech-role workers across all sectors; the 106,000 subset uses BC Stats' industry-based (NAICS) count.

⁸ See Appendix B for full technology sector workforce data, including self-employed workers, by sub-sector, 2016-2025.

Tech and Resource Sector Workforce as % of BC Total, 2016 vs 2025

Persons employed as % of BC total employment (LFS basis)



Tech workforce was 1.5x resources workforce in 2016 and 3x in 2025.

Sources: BC Stats High Technology Satellite Account; Statistics Canada LFS. Tech total includes payroll employees, self employed, and workers in sectors outside BC Stats HT boundary (cleantech, biotech, life sciences). 2025 tech figure is a projection. Resource = primary resource (LFS) + associated manufacturing (SEP).

BC Tech's 2023 analysis of tech employment outside urban areas⁹ confirmed the breadth of this distribution in detail. 12% of BC's tech occupations (18,400 jobs) are in non-urban areas. Small communities across the province are each home to hundreds of tech workers: in 2023 Prince George had approximately 1,590, Vernon 1,110, Courtenay 1,105, and Squamish 930. In some communities, tech's share of total local employment rivals urban centres: in Squamish 7% of all jobs are tech jobs; in Nelson 6%. These are not outposts of Vancouver's tech economy. They are independent tech communities, with their own ecosystems, serving local industries from resource extraction to agriculture to aquaculture with technology solutions that are increasingly exported globally.

Associated with those 271,000 jobs is annual wages and salaries of \$30 billion. That represents a \$30 billion investment each year in BC families and communities that also generates income tax, consumption tax and payroll tax revenues for government. The leverage effect of that wage base through the broader economy and into government revenues is the central fiscal argument of this report, explored in depth in Section 3.

The BC Government's Labour Market Outlook for 2024 to 2034 projects more than 1.1 million job openings

across the economy over the decade, with over 75% requiring some form of post-secondary education. The sectors projected to generate the most new positions are health care and social assistance, professional and technical services, and construction. Service-producing industries, which already account for 82% of BC's jobs, are projected to account for the overwhelming majority of new employment created.

One structural weakness must be named directly, because it was identified in our 2022 report and has not materially improved. Ninety-four percent of BC's high-technology businesses still have fewer than 50 employees.¹⁰ The threshold to be among the largest 10% of tech companies in BC remains just 50 people, compared to 100 in Canada as a whole, 150 in Germany, 200 in Israel, and 500 in California. BC has demonstrated, through the number of billion dollar tech companies created in the last five years, that it can build globally significant technology companies. The challenge is that we have a weak middle - our pipeline of scaling companies is constrained due to the lack of policy support that other jurisdictions provide to help promising companies cross the chasm from small to large. We return to this in Section 4.4 and in Priority 2.

⁹ BC Tech Association. Tech Opportunities Outside Urban Areas. December 2023. <https://wearebctech.com/wp-content/uploads/2024/01/Tech-Employment-in-Rural-Markets-Report-Compressed.pdf>

¹⁰ The 50-employee threshold for BC and the international comparators are drawn from KPMG, British Columbia Technology Report Card: Tackling the Scale-Up Challenge (November 2020). The 94% figure is from BC Stats, Annual High Technology Indicators, Business Counts Data, 2024.

2.4 Exports

Trade is fundamental to the prosperity of any small, open economy. As Canada's gateway to the Pacific and a province with world-class companies in sectors from enterprise software to clean technology to life sciences, BC's export potential is substantial. The data confirms that services now represent over 40% of BC's total export value – a share that has grown from 28% in 2011 and is likely higher still given systematic under-reporting of digital exports.¹¹ High-technology service exports alone reached \$14.9 billion in 2023, approximately double their value in 2019. That near-doubling in four years is one of the most significant economic developments of the post-pandemic period in BC, though it goes almost entirely unreported in the province's annual budget documents.

The broader trend is unmistakable. Services accounted for 56.5% of Canada's internal trade in 2023, up from just 36.7% in 1981¹². BC's high-tech sector revenue reached \$53.9 billion in 2023, growing 5.4% year-over-year, with service sector businesses generating over 90% of that total¹³. The sector leading export growth – technology – is precisely the sector that other jurisdictions are competing aggressively to attract and retain.

The global market opportunity is growing faster than most people appreciate. According to the International Energy Agency's Energy Technology Perspectives 2024 report, trade in clean technologies, just one subsector of BC's technology economy, is projected to triple to US\$575 billion by 2035. The IEA notes that is 50% larger than the entire 2024 global trade in natural gas. The companies best positioned to capture that opportunity are not commodity exporters competing on price. They are knowledge-intensive businesses competing on innovation and IP.

Yet we can barely measure services exports. Statistics Canada determines their value through administrative records and surveys completed by companies, a methodology that results in large-scale under-reporting. Provincial and federal data on BC's services exports is generally two to three years out of date. BC's annual budget documents contain extensive analysis of goods and commodity exports, and virtually no equivalent treatment of service exports, despite services representing a larger share of what BC actually sells to the world. The consequence is not merely analytical inconvenience: when data is not captured, policy and investment do not follow. We address this directly in Priority 3.

3. The Fiscal Reality: BC's Revenue Base

BC's fiscal position has deteriorated sharply since BC Tech's last report. BC's credit rating has been downgraded twice. Debt service costs are heading toward 8 cents in every dollar of government revenue by 2028–29. Which makes the question of where BC's government revenue actually comes from anything but academic. The answer is people. And BC's 271,000 tech sector workers, earning wages 70% above the provincial average, are critical to rebuilding fiscal health.

Across BC's government, senior civil servants built their careers in an era when the resource economy defined BC's economic identity. As a result they have deep familiarity with that part of the economy – its dynamics and its challenges. That is simply how institutional knowledge is built and sustained: governments develop expertise in what they have long managed. Those closer to the policy coalface increasingly understand the shift. But the institutional architecture – ministries, procurement habits, budget priorities – still reflects the economy BC used to have. BC has four dedicated resource ministries: Agriculture and Food, Forests, Mining and Critical Minerals, and Energy and Climate Solutions¹⁴ while Technology is one of several files in the Jobs and Economic Growth ministry.

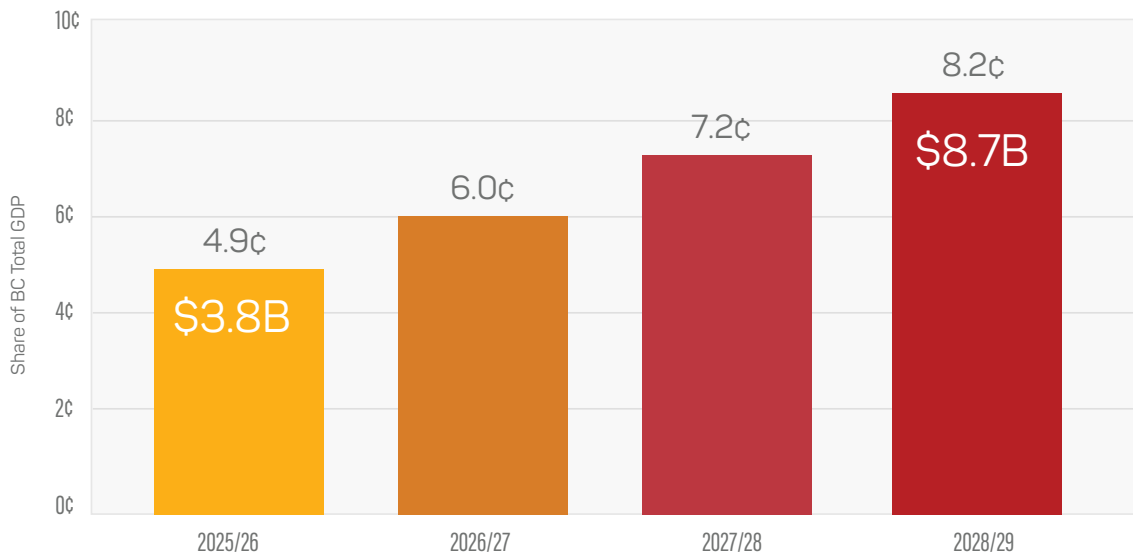
¹¹ BC Stats, British Columbia Trade in Services 2012 to 2024 (March 2026) confirms that trade in services reached 40% of BC's international exports in 2024, up from 28% in 2011. Digital and intangible exports remain subject to systematic under-reporting in underlying survey methodology (Statistics Canada, International Transactions in Commercial Services Survey, record 1536).

¹² Statistics Canada, Table 12-10-0088-01, International trade in services, by type of service and by country. Services accounted for 56.5% of Canada's internal trade in 2023, up from 36.7% in 1981.

¹³ BC Stats, British Columbia's High Technology Sector: 2023. The \$53.9 billion figure represents gross revenue across all high-technology businesses, broader than the sector's GDP contribution which measures value added rather than gross revenue.

¹⁴ Ministry names and portfolio assignments reflect the BC NDP government structure as of May 2026.

**Provincial Debt Service is Set to Rise from 4.9¢ to 8.2¢ of Every Revenue Dollar
(BC Budget 2026 three-year fiscal plan)**



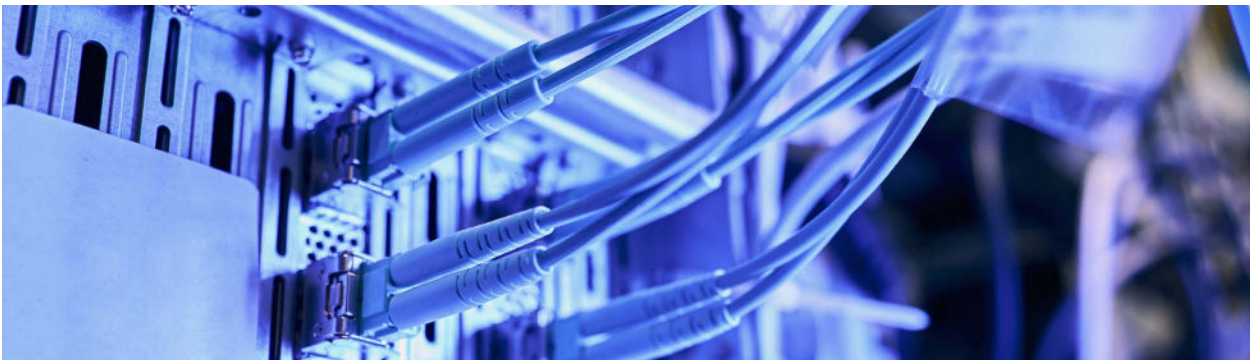
Source: BC Budget 2026, Fiscal Plan 2026/27 to 2028/29

Four years ago, when BC Tech published our second New Economic Narrative report focused on the fiscal realities, BC enjoyed a triple-A credit rating. The province's fiscal position was sound, its revenue base was stable, and the argument we were making — that government needed to invest purposefully in the knowledge economy to protect that position — was a medium-term strategic case. Today it is an immediate one. Moody's downgraded BC's credit rating twice between 2022 and 2026, most recently to Aa2. Total provincial debt is projected to rise from \$154 billion to \$235 billion over the current three-year budget plan. Debt service costs are rising from 4.9 cents to 8.2 cents per dollar of revenue by 2028–29, meaning an increasing share of every tax dollar goes to bondholders rather than to the services British Columbians depend on. The province is adding roughly \$25 billion per year in

new debt, with no projected timeline for balance.

In that context, the question of who actually funds BC's government is not an academic one. It is the central question of BC's fiscal future.

The answer, as our 2022 report demonstrated and as Budget 2026 confirms, is people. Individuals, through the income taxes they pay on their wages and salaries, the sales taxes they pay when they spend, the payroll taxes their employers remit on their behalf, their property taxes and the federal transfers that flow to BC based on the equivalent federal taxes collected from British Columbians, are the largest and most stable source of provincial revenue. That has not changed. What has changed is what it means in practice.



Natural resource revenue¹⁵ contributed \$2.6 billion to BC Government revenues in 2025/26. That is a significant sum and represents 3.1% of provincial revenue. But twenty years ago, natural resource revenues represented 12.5% of provincial revenue. The arithmetic isn't complicated: everything else grew.

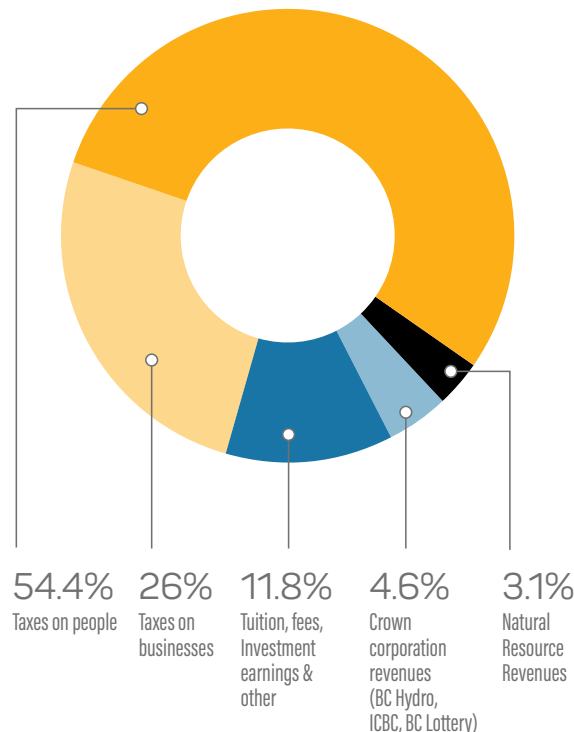
Looking at 2025/26 and excluding the one-time \$2.7 billion tobacco litigation settlement, taxes on people, including the people-sourced share of federal transfers, account for 54% of BC's recurring 2025/26 government revenues. Taxes on business, including the business-sourced share of federal transfers, contribute 26%. Post-secondary tuition, health and motor vehicle fees, investment earnings and other non-tax revenues account for 12%. Commercial Crown corporation revenues (primarily BC Hydro and ICBC) contribute 5%, and natural resource revenues 3%.

The conclusion is clear - BC's fiscal health depends above all on jobs. BC Tech's 271,000 tech sector workers are not just an economic asset in an important and growing GDP sector. They represent \$30 billion in annual wages and salaries, generating income tax, consumption tax and payroll tax revenues that flow into provincial coffers year after year, regardless of commodity price cycles, global trade conditions or housing market fluctuations. Tech sector workforce is among the most stable, highest-yielding sources of government revenue BC has - it does not boom and bust, it compounds.

Let's do the math. A tech worker pays substantially more in income tax, spends more on taxable goods and services, and generates more employer health tax than a worker earning the average wage. Multiply that differential across 271,000 workers and the fiscal leverage is enormous. This is why the argument that investing in BC's tech sector is somehow in tension with fiscal responsibility gets it exactly backwards. Growing high-wage employment in the knowledge economy is fiscal responsibility - not a progressive argument and not a tech lobby argument. It is how BC rebuilds a revenue base that can actually fund health care and education without depending on a housing market that might not keep inflating or commodity royalties that have been declining as a percentage of revenues for two decades.

The housing dimension of BC's fiscal picture deserves particular attention, because it has shifted dramatically

BC Government Revenue by Economic Source - 2025/26



Sources: BC Budget 2026/27 Fiscal Plan, Table A9; Government of Canada Annual Financial Report 2024-25. See methodology Appendix for attribution assumptions.

since our 2022 report. For two decades, an appreciating real estate market delivered significant direct revenues to government through property transfer taxes, speculation taxes and property tax assessments. That dynamic has inverted. Housing costs are now extracting wealth from BC households rather than generating it, with Metro Vancouver households allocating an extraordinary share of income to shelter. This compresses disposable income, constrains the tax base's elasticity, and creates sustained pressure on household finances that weakens the broader revenue base government depends upon. An overheated housing market was always an unhealthy source of revenue, as we argued in 2022, and a correction brings its own fiscal challenges. Neither condition is a substitute for the stable, growing, wage-driven revenue base that a thriving knowledge economy provides.

Budget 2026 contains meaningful signals that government understands some of this. Making the SR&ED tax credit permanent removes a source of

¹⁵Natural resources revenue as defined in BC Budget 2026 Table 1.4

investment uncertainty and the \$400 million Strategic Investment Special Account creates, for the first time, a mechanism for the province to co-invest alongside the federal government in targeted economic projects. The consultation on a patent box regime, if it leads to implementation, and other mechanisms such as flow-through shares would give BC tools that jurisdictions from Ireland to the Netherlands to Singapore have used to anchor high-value IP and the jobs that go with it. The \$30 million for engineering, computer science and aerospace skills training is a step, if a modest one, toward the scale of investment the talent challenge requires. These are welcome developments but they aren't

enough. The province is projecting deficits of \$13.3 billion in 2026–27, with real GDP growth of just 1.3% – a level that cannot service debt expanding at this pace. The path forward requires a significant acceleration in private sector productivity and income growth broad enough to expand the tax base organically. BC's tech sector is the province's strongest candidate for that role and the decisions required to realise that potential are ultimately political ones – they require a government willing to make explicit trade-offs in favour of building the revenue base, and to hold that course across budget cycles. BC's fiscal future and BC's tech sector's health are the same bet.

The case for doing nothing – and why it isn't good enough

BC's technology sector has grown to 9.6% of provincial GDP and 271,000 jobs without the policy levers this report recommends. So why do we think they are necessary? Because the numbers show what got built. Not what didn't. The fact that BC—proportionate to the size of our economy—has produced more \$1 billion tech companies than Ontario in the last five years makes it crystal clear how much upside potential there is.¹⁶

In business, leaders ask what more can be done to deliver optimal results. In government, leaders ask what has to be done and in a context of budget deficits, limited resources and almost infinite competing asks, it is right that leaders in government say no more often than they say yes.

But deficits cannot be sustained indefinitely. The only way through is growth – durable, compounding, productivity-driven growth that expands the tax base. And in BC's tech sector we can see we're leaving value on the table. The scale-up gap that has persisted for a decade paints a stark contrast: BC has a thriving startup culture and a some incredible breakout success stories, but a weak middle. Other governments tackled similar issues with deliberate policy and investment. BC has been content to bank the success we have.

Opportunity costs are hard to measure and don't sting as much as sunk costs, but they're much more damaging in the end. The companies acquired before they reached scale, the founders who relocated in search of growth capital or better tax regimes, the graduates who decided to make their careers elsewhere, the students who couldn't access training places – all of these are opportunity costs and while none of them show up in the official figures they are the measure of what BC's economy could have been.

The cost of not acting compounds silently but relentlessly. As Hemingway put it: *"How did you go bankrupt?" "Two ways. Gradually, then suddenly."*

¹⁶ Sources: The Narwhal Project, Canadian Technology Unicorn Tracker; BetaKit, various coverage of Canadian technology company valuations 2020–2025; The Globe and Mail, Canada's Top Growing Companies. See Bibliography for full citations.

The cost of inaction is easy to underestimate. Every year that BC does not invest in scale-up support and talent pipelines, promising BC companies that could have become anchor companies get acquired by foreign buyers or move their headquarters to jurisdictions that offer better conditions. When they go, they take their wage bills, their R&D investment, their supplier relationships, and the next generation of founders with

them – and the tax revenues that would have funded BC's health care, education and social services for decades go with them. Deferring this investment does not avoid its cost, it compounds it.

The 271,000 people working in BC's tech sector are not simply an industry constituency. They are a fiscal survival mechanism for the province.

4. FOUR FORCES SHAPING BC'S ECONOMY IN 2026

The world has changed significantly since we published our last report and what has changed has made the knowledge-economy case more urgent, not less. Two new forces – AI and the tariff shock – and two persistent challenges that were identified in our last report have together sharpened the argument from opportunity to necessity. They are not unrelated: each is an expression of the same underlying problem, that BC's economy has transformed and policy has not kept pace.

4.1 The AI Inflection

Artificial intelligence is not a future event – it is a present restructuring of the global economy, moving faster than most policy frameworks can track and creating winner-take-most dynamics across every industrial sector. Jurisdictions that invest in AI talent, infrastructure and applications will capture disproportionate economic value. The rest will import what they failed to build themselves and wonder where their best people went.

BC is better positioned for the AI era than most people realise. The province has the clean, abundant hydroelectric power which is the scarcest ingredient in the AI infrastructure buildout. It has world-class research institutions, a deep pool of engineering and data science talent, and technology companies already operating at the frontier of AI applications. Applying Jensen Huang's five-layer framework for the AI economy¹⁷ (energy, chips, infrastructure, models and applications) BC shows up at every layer.

At the energy layer, BC Hydro's clean hydroelectric generation is exactly the kind of reliable, low-carbon baseload power that hyperscalers and AI infrastructure developers are actively seeking globally. Alberta is moving aggressively to attract data centre investment. Quebec is marketing its hydro assets hard. BC has a real competitive advantage at this foundational layer but it is not guaranteed, and it will not wait.

At the chips layer, BC companies are carving out defensible positions in the parts of the global chip economy that matter most for AI: quantum computing hardware, high-performance semiconductor detectors, and integrated power-and-data solutions.

“The development of AI is as fundamental as the creation of the microprocessor, the personal computer, the Internet, and the mobile phone. It will change the way people work, learn, travel, get health care, and communicate with each other. Entire industries will reorient around it. Businesses will distinguish themselves by how well they use it.”

*Bill Gates,
“The Age of AI Has Begun,”
GatesNotes.com, March 21, 2023*

At the infrastructure layer, major telecommunications and technology companies have chosen BC as the location for national AI data centre superclusters, anchored by clean power and world-class connectivity.

At the models layer, BC is not training frontier foundation models and nor should it try to. The opportunity lies in domain-specific models built on proprietary data advantages in areas such as mineral exploration, precision agriculture, clinical diagnostics and resource management. BC does not need to build the next GPT. The opportunity is in the models that run on top of it

At the applications layer BC’s story is most compelling – traditional industries and the tech sector working the same problems. BC companies are already deploying AI in mineral extraction, agriculture, industrial fabrication, wildfire detection, drug discovery and digital health. The breadth of our applications base is a strategic strength.

Against all of that, the most consequential action BC’s provincial government has taken on AI to date has been to cap electricity available to AI and data centre projects at 400 megawatts over the first two years through a competitive allocation process while exempting mining, LNG, forestry and manufacturing from any equivalent constraint. The asymmetry is striking. Traditional industry sectors with longer and less certain investment timelines for new demand retain open-ended queue access to BC Hydro’s interconnection queue, while the sector with the most certain and immediate near-term demand for clean power is rationed. Quebec, with comparable hydroelectric assets, has already attracted data centre investments anchored in Hydro-Québec clean power agreements. Microsoft has committed CAD \$7.5 billion to Quebec City and Toronto data centres in 2026 and 2027, and Google has committed \$735 million to Quebec¹⁸, a scale of investment that BC has been slower to secure.

What BC is missing is an AI Economic Strategy to seize the economic opportunity. A serious one would start with an honest assessment of BC’s current position across all five layers of the AI economy – identifying where BC’s competitive advantages are strongest and where the gaps are widest – and would set specific, measurable targets for AI-related employment, AI infrastructure investment, government procurement of BC-built AI solutions, and AI skills training deployment.

¹⁷ Jensen Huang, “AI as a Five-Layer Cake,” Nvidia Blog. <https://blogs.nvidia.com/blog/ai-5-layer-cake/> BC Tech uses this framework as an organising structure; the characterisation of BC’s position at each layer is BC Tech’s own analysis.

¹⁸ Microsoft announced a total Canadian cloud and AI infrastructure commitment of CAD \$19 billion between 2023 and 2027 in December 2025, including more than \$7.5 billion in 2026 and 2027, anchored in Quebec City and Toronto data centres powered by Hydro-Québec agreements. Google has committed approximately CAD \$735 million to a data centre in Beauharnois, Quebec. See blogs.microsoft.com/on-the-issues/2025/12/09/microsoft-deepens-its-commitment-to-canada-with-landmark-19b-ai-investment and blog.google/intl/en-ca/company-news/inside-google/googles-ongoing-commitment-to-quebec for the original announcements.

“Many countries are drawing the same conclusions — they must develop greater strategic autonomy, in energy, food, critical minerals, in finance and supply chains. A country that can’t feed itself, fuel itself or defend itself, has few options.”

*Mark Carney, Prime Minister of Canada,
World Economic Forum, Davos, January 20, 2026*

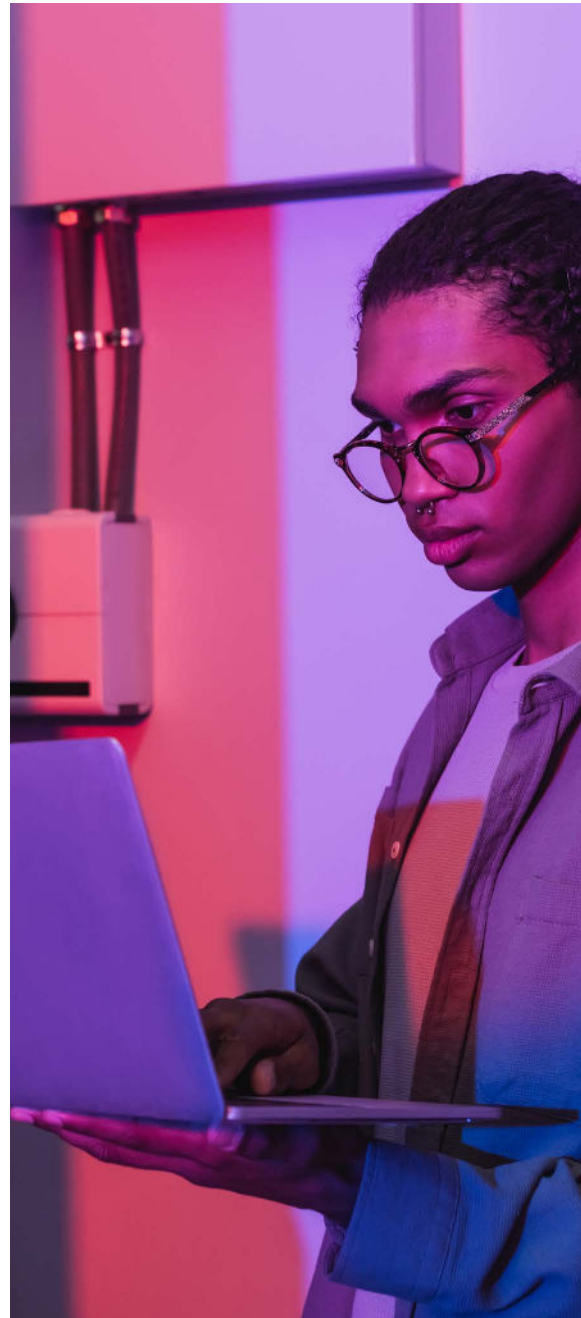
It would include a concrete timeline for reviewing and lifting the electricity allocation framework as new generation capacity comes online, assign clear ownership across ministries and be published, tracked and updated annually. Without that plan, BC will be out-competed by jurisdictions that developed a plan to seize the opportunity.

4.2 The US Tariff Shock and Economic Sovereignty

The imposition of US tariffs in 2025 and 2026 has changed the terms of debate about BC’s economic strategy in ways that would have been difficult to predict three years ago. Goods exporters face direct cost impacts that are already showing up in employment and investment figures. The economic uncertainty created by an unpredictable trading relationship with BC’s largest export market has suppressed business confidence and investment across the economy.

But the tariff shock has also created an opening. Service exports such as professional services, software and digital media cross borders without crossing customs. They are not subject to tariffs in the same way that a shipment of lumber or a tonne of copper concentrate is – BC’s knowledge economy exports are structurally tariff-resilient.

This is the economic sovereignty argument made concrete. BC’s prosperity should not depend on the goodwill of any single trading partner’s administration. Diversifying away from goods dependence and toward knowledge-intensive service exports is not merely a long-term strategic preference, it is an immediate economic security imperative. BC’s breakout tech success stories are selling software, data services, legal technology and clean energy solutions to customers in dozens of countries and they are not exposed to US tariff policy in the way a sawmill or a mine is.



Look West: Where Tech Fits

The BC Government's Look West strategy, launched in November 2025, sets a ten-year vision for economic growth built around major project delivery, skilled trades investment, and export diversification. The strategy's goals — reducing dependence on the US market, building economic sovereignty, and positioning BC as a destination for global investment — are ones BC Tech shares, and the framing of economic sovereignty as an active policy priority rather than an aspiration is a welcome shift.

Look West identifies AI, quantum computing and life sciences as targeted sectors, and the direction of travel is right. The recommendations in this report build on that foundation, with a particular focus on the broader tech sector that accounts for the bulk of the 271,000 jobs and \$30.7 billion in GDP this report documents and which will deliver the majority of the 400,000 tech sector jobs Look West anticipates. That contribution to BC's fiscal and economic resilience is large enough, and the policy levers specific enough, to warrant the same depth of attention that BC's Government brings to major resource projects and infrastructure.

The procurement dimension of economic sovereignty deserves equal emphasis. When BC's government spends taxpayer money on technology services, enterprise software, cybersecurity, or digital infrastructure, it is making a choice about whose economy that spending strengthens. Too often, that choice has defaulted to foreign vendors when BC-based alternatives exist and are competitive. The United States, the United Kingdom and Finland have each demonstrated that government procurement, deployed strategically, can build domestic technology champions that anchor talent in their home jurisdictions. BC has access to the same lever and needs to use it with serious intent.

The US tariff shock of 2025 was a wake-up call that BC needed, even if the timing was unwelcome - for too long, the assumed stability of our trading relationship with the United States allowed us to defer hard questions about economic sovereignty and export diversification.

BC should have been making this pivot before Washington forced our hand. Trade is fundamental to BC's prosperity as a small, open economy, but the composition of that trade, and the range of markets it reaches, is the thing that needs to change. An export base that tilts towards knowledge-intensive services is more resilient, and the tech sector is a key vehicle for that diversification - its markets are global and its

growth trajectory is driven by innovation rather than commodity cycles.

The tariff shock should not be wasted. It has created the political conditions for a genuine and long-overdue conversation about economic sovereignty.

4.3 The Productivity Imperative

BC's real GDP grew 2.0% in 2025, above the national average for the first time in several years, a welcome improvement. Population growth slowed sharply to approximately 1%, producing modest GDP per capita growth. But this improvement should not obscure the structural challenge that preceded it. In 2023, population grew 3% while GDP grew 1.1%, meaning GDP per capita fell sharply. In 2024, the pattern was similar. Those two years eroded real living standards for many British Columbians, and a single year of recovery does not reverse that. The productivity problem is deep-seated, not cyclical, and it requires a systemic response.

The 2019 to 2022 period masked the problem. Four megaprojects (Trans Mountain, Site C, LNG Canada and Coastal Gas Link) produced a construction boom that inflated BC's headline GDP figures well above what the underlying private sector could generate on its own. When the projects wound down, the weakness beneath them became visible.

The provincial government's economic response has leaned heavily on resource sector projects. The sugar-high of another construction boom is hard to resist and investing in resource projects is an understandable instinct given BC's history and institutional familiarity. However on its own it is not enough to address the structural productivity challenge BC now faces - the conditions that enabled previous project success are not easily replicated. Investor uncertainty around major resource project approvals, driven by a combination of unresolved legal questions around land title and project consent, permitting timelines, and the absence of regulatory clarity that investors require before committing capital, has created a significant chill on new investment. Resolving that uncertainty is important and will require focused attention. But even in the best case major resource projects take years to move from approval to construction to production which means BC cannot rely on them as a near-term source of revenue.

The recent years that preceded 2025's recovery make the point plainly. In 2024, only six of BC's industries outpaced population growth. Half of them were public sector - health care, public administration and education. The growing private sector industries were technology, finance/insurance, and transportation.

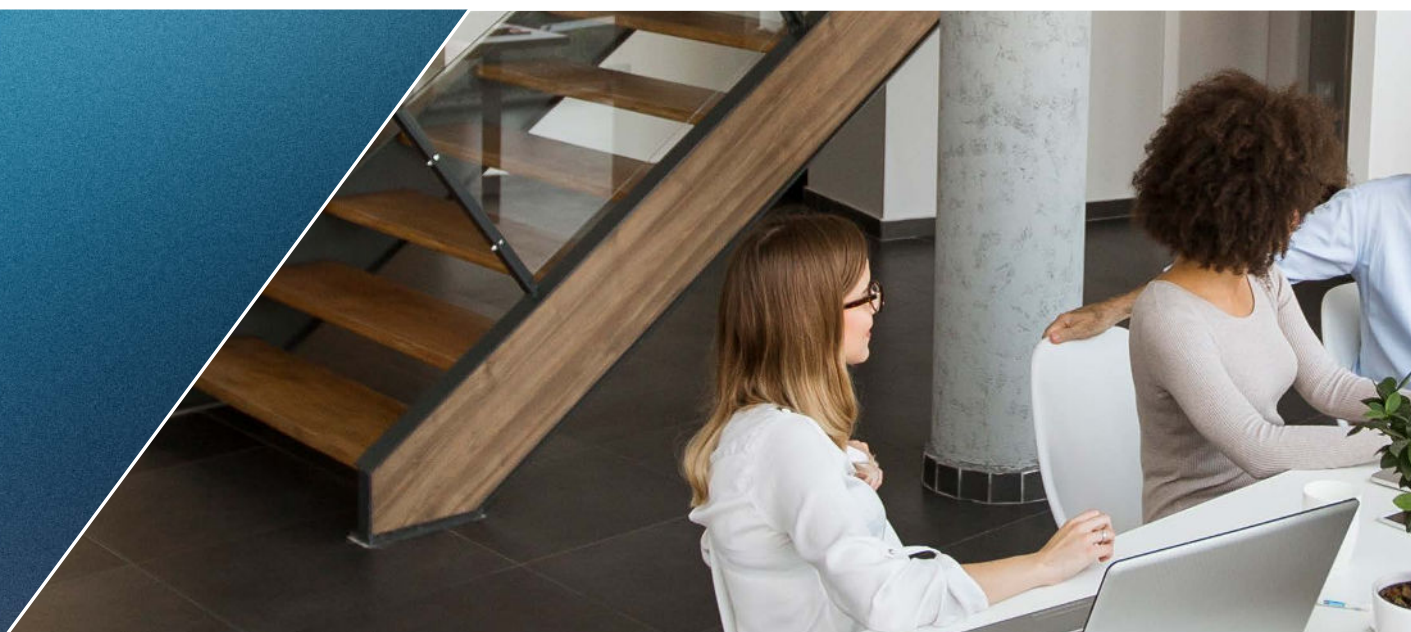
BC's economy simply isn't what we tell ourselves it is. To deliver the required results, the response to our challenges needs to be built on what our economy actually is.

This matters for the living standards argument that runs beneath everything in this report as set out in section 3. Food bank use in BC has risen 79% between 2019 and 2025, including among people who are employed¹⁹. That is not a measure of economic failure in the conventional sense but it is a measure of what happens when housing costs consume an ever-larger share of household income while productivity growth fails to generate the wage gains that could offset it.

The tech sector's role in all of this isn't only economic. The 271,000 people working in BC's tech sector, earning wages 70% above the provincial average in urban and rural areas alike, are among the British Columbians best positioned to sustain household solvency in the current cost environment. Growing that cohort through deliberate investment in talent, scaleup support and the infrastructure of the services economy is one of the most direct levers available to government to address the living standards challenge that the productivity gap has created.

BC's Budget 2026 projects real GDP growth of just 1.3% in 2026, less than the 2.0% achieved in 2025 and well below what is needed to service debt at the pace it is expanding, fund public services, and raise living standards simultaneously. Something has to give or something has to accelerate. The tech sector's GDP grew three times faster than the rest of BC's economy over the last five years - it is the most powerful private sector productivity engine BC has.

¹⁹ Food Banks BC, Hunger Report 2025; Food Banks Canada HungerCount data. BC food bank visits rose 79% between 2019 and 2025. The proportion of clients who are employed reached 18-19% nationally - the highest on record - reflecting housing cost pressure on working households rather than unemployment alone.



BC cannot tax its way to fiscal sustainability, cut its way to prosperity, or rely on population growth as a substitute for real productivity gains - it has to produce more value per person. The most direct lever is investment in education and skills — an economy produces what its workforce knows how to do. BC's workforce needs to know how to do more, more effectively, using AI and other technologies. Every BC company that deploys technology to automate a process or digitise a workflow is a productivity gain.

Other jurisdictions are not waiting. Ireland, Singapore, Israel and Sweden have all made deliberate, sustained investments in their knowledge economies that are now compounding into real productivity advantages. The window to act is open but it will not stay open indefinitely.

4.4 The Scale-Up Gap — Still Unresolved

In our 2022 report, we identified the scale-up gap as one of BC's most persistent policy failures. Four years on, it remains unresolved. Ninety-four percent of BC's high-technology businesses still have fewer than 50 employees. The threshold to be among the largest 10% of tech companies in BC is a workforce of just 50 people. The equivalent threshold in Canada as a whole is 100 employees; in Germany, 150; in Israel, 200; in California, 500.

That comparison does not mean BC lacks ambition or talent. The many billion-dollar tech companies BC has produced are proof that BC can build globally significant

technology businesses. Indeed, the data suggests that proportionate to our economy's size, we have been more successful in building billion-dollar²⁰ tech companies in the last 5 years than Ontario. But these break-out successes, impressive as they are, do not by themselves constitute an anchor company ecosystem. An anchor company ecosystem needs many more companies to make that crossing and to stay headquartered in BC when they do, rather than selling or relocating, keeping their talent and their IP in BC.

The failure to build that ecosystem is a policy gap. Other jurisdictions have closed the distance between startup culture and anchor company density through deliberate, sustained investment: patient capital mechanisms, government procurement designed to create domestic champions, tax regimes that reward the retention of IP and reinvestment of entrepreneurial gains, and export support programs that open global markets to companies at the scale-up stage. BC has pieces of this (Innovate BC's Integrated Marketplace Initiative, consultation on a patent box regime, InBC) but not a comprehensive, appropriately-funded strategy. In 2020 BC's federally-funded scaleup accelerator programming was defunded while Ontario's was continued – with \$52.4 million in funding announced in 2019 and a further \$47.5 million announced in 2024²¹. Federal scale-up investment tends to follow provincial commitment, and BC has not yet signalled the kind of priority and co-investment that would position PacifiCan to deploy at the scale that FedDev Ontario has sustained across two successive funding rounds.

²⁰ Sources: The Narwhal Project, Canadian Technology Unicorn Tracker; BetaKit, various coverage of Canadian technology company valuations 2020–2025; The Globe and Mail, Canada's Top Growing Companies. See Bibliography for full citations.

²¹ MaRS, Communitech, Invest Ottawa receiving \$52.4 million for first-of-its-kind Scale-Up program. BetaKit, April 16, 2019. <https://betakit.com/mars-communitech-invest-ottawa-receiving-52-4-million-for-first-of-its-kind-scale-up-program/> Federal government reinvests in Scale-Up Platform with \$47.5 million commitment to Invest Ottawa, MaRS, and Communitech. BetaKit, December 23, 2024. <https://betakit.com/federal-government-reinvests-in-scale-up-platform-with-47-5-million-commitment-to-invest-ottawa-mars-and-communitech/>



The \$400 million Strategic Investment Special Account announced in Budget 2026 could be a meaningful step, depending on how it is deployed. A \$400 million fund that co-invests in large infrastructure projects alongside federal dollars is a different instrument from one that systematically backs BC's most promising scale-up companies at the moment they need growth capital most.

Eight years ago BC had approximately 10,000 tech companies; today it has more than 12,000. More importantly, average firm size has grown materially over the period. That progress is real, and it reflects the hard work of BC's entrepreneurs. But average firm size is still a long way from the anchor company threshold. The distance that remains calls for policy, not pessimism.

Let's take a moment to explore: why does it matter that we turn startups into scaleups?

Scaleups do create more jobs, but that undersells it. The jobs they create are different in kind: better paid, more resilient, harder to offshore and more deeply embedded in the communities where the companies grow. They attract investment capital that multiplies across the ecosystem. They invest in R&D at rates that startups cannot sustain. They give back to their communities, not just through employment but through the charitable investment that defines the character of a city and a province.

Most importantly, they create the next generation. A scaleup spins out new startups, founded by people who learned their craft inside a company that had already solved the hard problems of growth. It is the ecosystem compounding on itself, and you can't get that compounding from startups alone.

Startups that stay small export ideas, not sales. And if they can't raise sufficient capital to scale, they export themselves, often to a foreign buyer. When a BC company scales up it starts exporting to the world, bringing BC's innovation to global markets, building the supply chains and talent networks and investor relationships that define a mature ecosystem. That's when value compounds to strengthen the economy.

So what would help tackle the scaleup gap?

Targeted investment in scaleup programs to unlock federal capital, as Ontario has successfully done.

Procurement reform. Value-for-BC as a formal evaluation criterion in procurement is what every other sophisticated jurisdiction does as a matter of course. The US does it. The UK does it. Finland does it. BC doesn't²². That is a policy choice, and it can be changed.

A patent box regime and flow-through shares treatment for tech companies are not niche fiscal instruments, they are the difference between a founder who keeps their IP in BC and one who doesn't.

A Canadian QSBS²³ equivalent would fundamentally change the incentive structure for founders and early investors, keeping the capital generated from break-out successes circulating within the BC ecosystem rather than dispersing it.

The four forces addressed in this section of the report are interconnected expressions of the same underlying challenge: BC's economy has transformed and the policy framework around it has not kept pace. The three priorities that follow are a direct response to that gap.



²²BC's procurement policy is governed by the Core Policy and Procedures Manual Chapter 6 and BC's obligations under the New West Partnership Trade Agreement, the Canadian Free Trade Agreement and – for federally cost-shared programs – CUSMA and CETA. None of BC's current implementing policies include a formal value-for-BC evaluation criteria equivalent to the federal government's Industrial and Technological Benefits Policy or Value Proposition framework.

²³IRC Section 1202. The QSBS regime allows non-corporate investors to exclude up to 100% of capital gains on qualifying small business stock held for more than five years (subject to per-issuer limits). It has been credited with increasing early-stage investment and encouraging founders to reinvest gains within the US technology ecosystem.

5. FROM EVIDENCE TO ACTION

The three priorities in this section are an evolution of the framework we set out five years ago. The direction was right then. What has changed is the evidence, the urgency, and the specific tools required. Some of what follows costs very little — the Premier's Technology Council, the procurement task force, the data reforms require political will more than budget. Others require real investment. But those investments are not simply costs: they are the mechanism by which BC builds the revenue base that funds everything else.

Priority 1 — Invest in people and the knowledge economy at scale

People have always been BC's primary economic asset - what the 21st century knowledge economy has done is make that more measurable. The skills, creativity and problem-solving capacity of the workforce are now the primary source of competitive advantage, economic value and fiscal revenue. BC's tech sector pays out \$30 billion in wages and salaries annually. That \$30 billion funds mortgages, rents, groceries, restaurant meals and retail purchases that circulate through the broader economy and generates income taxes and consumption taxes for government. It is the most productive investment BC makes and it compounds every year as the sector grows.

In 2021 we called for greater investment in education, skills training and the infrastructure of the services economy. The direction was right but the investment has not matched the rhetoric. Canada's public spending on training programs ranks in the bottom half of OECD countries²⁴. Public funding for BC's university sector has been stagnant for over a decade despite the province's relatively high economic growth and low unemployment rates²⁵.

The BC government's 2024 BC Labour Market Outlook projects more than 1.1 million job openings over the next decade, with over 75% requiring post-secondary

education but the pace of investment in the post-secondary system and in rapid reskilling pathways has not kept pace with that demand. Budget 2026's \$30 million for engineering, computer science and aerospace skills training is welcome but against the scale of what is required it is a down payment.

Budget 2026 announced \$241 million over three years for skilled trades training, doubling the annual funding provided to SkilledTradesBC to \$214 million by 2028–29, and creating 5,000 new trades training seats in the first year alone. This is welcome investment and a significant acknowledgement by government of a principle BC Tech has long argued: that investing in skills training is not a cost, it is how a government builds the human capacity to seize economic opportunities and drive productivity.

The same logic applies, with equal force, to the technology sector. If BC can make a scaled, multi-year commitment to building the workforce that will deliver its major infrastructure projects, it can make an equivalent commitment to building the workforce that will deliver its knowledge economy. Other provinces are not hesitating. In 2026, Ontario announced funding for 70,000 new seats with an explicit focus on STEM. In Budget 2026, Alberta announced \$353M in funding for high demand programmes including technology and engineering.²⁶

"The quality of a nation's manpower resources is the single most important factor determining national competitiveness. It is the people's innovativeness, entrepreneurship, teamwork, and their work ethic that gives them that sharp keen edge in competitiveness."

Lee Kuan Yew, quoted in Allison & Blackwill, Lee Kuan Yew: The Grand Master's Insights, MIT Press, 2013

²⁴OECD, Assessing Canada's System of Impact Evaluation of Active Labour Market Policies (2022); OECD Labour Market Programmes dataset. Federal active labour market spending in Canada represented just over 0.2% of GDP as of 2019, placing Canada in the bottom half of OECD countries, and Canada has reduced rather than increased this investment over the past decade. Note: the most recent OECD comparable data for Canada reflects 2019 figures; more current national data is not yet available through OECD's standardised reporting framework.

²⁵Confederation of University Faculty Associations of British Columbia (CUFA BC), An Overview of British Columbia's Post-Secondary Funding. Vancouver: CUFA BC, 2025. Provincial operating grants to BC's public post-secondary institutions have declined from approximately 68% of institutional operating revenue in 2000 to around 40% today, with tuition and fees now exceeding provincial grants as a share of operating revenue for the first time. <https://cuфаbc.ca/wp-content/uploads/2025/02/CUFA-BC-Funding-Model-Briefs-3-Funding-BCpse-Overview.pdf>

²⁶Ontario Government, "Investing \$1.7 Billion to Prepare More Students for In-Demand Careers," May 2026. <https://dawngallaghermurphymp.ca/ontario-investing-1-7-billion-to-prepare-more-students-for-in-demand-careers/>. Alberta Government, "Investing in our Post-Secondary System," Budget 2026. <https://www.alberta.ca/investing-in-our-post-secondary-system>

The next provincial budget should fund an additional 10,000 tech-relevant public post-secondary graduates and double the annual investment in short-course credentials and rapid reskilling programs. Rapid reskilling programs enable people who are new to the tech sector to gain job-ready skills in months rather than years and are entry points to careers that pay well above the provincial average. They are pathways to the kind of employment that makes BC households economically resilient and BC's tax base sustainably broad.

AI changes the talent investment argument in one critical respect: the skills required are evolving faster than the post-secondary system as currently structured can track. BC needs not just more investment in tech-relevant education but a more agile approach to what that education covers, one that keeps pace with the AI-driven transformation of the economy.

Beyond formal education and training, BC must invest in the broader infrastructure that makes it possible for skilled workers to live here. Affordability, safety, transit, childcare and education are not soft social policy, they are economic infrastructure. Talent is mobile and the most skilled workers in the world have choices about where to live and build their careers. BC's quality of life has historically been one of its most powerful talent attraction assets. Protecting and strengthening that asset by building the communities where skilled workers want to stay is an economic investment with direct returns in employment, wages and tax revenue.

Priority 2 – Build the anchor companies of BC's future

BC is world-class at starting technology companies. And it has demonstrated that companies can achieve break-out success as globally significant businesses. The challenge is that too few startups grow from small to medium to large to become the anchor companies that define a mature technology ecosystem - the companies that attract foreign talent, anchor supply chains, spin out the next generation of founders, and keep billions of dollars of economic value in the province rather than exporting it through acquisition. We have a weak middle and it is because our scaleup pipeline is not sufficiently supported with policy measures.

Closing that gap requires capital, customers and confidence — and right now BC is short on all three.

On capital, BC's entrepreneurs need access to patient, growth-stage capital at the moment they need it most, when they are too large for early-stage venture funding and too small or too risky for conventional debt financing. The SR&ED credit, made permanent in Budget 2026, is a valuable source of non-dilutive capital for companies investing in R&D. The \$400 million Strategic Investment Special Account should be deployed with an explicit remit to back BC's most promising scale-up companies, not only large infrastructure projects. The patent box regime under consultation should move to implementation for all qualifying technology companies and be supplemented with a flow-through share mechanism, giving BC the IP retention and capital formation tools that Ireland, the Netherlands and Singapore have used to build world-class technology ecosystems. BC should advocate to Ottawa to create a Canadian equivalent of the US Qualified Small Business Stock regime, a mechanism that rewards founders and investors who stay the course and reinvest their gains into the next generation of BC companies, keeping the capital that fuels the ecosystem circulating within it.

On customers, government should be BC's tech sector's best customer, not its last. Government procurement is the most underutilized economic development lever available to BC. When the federal government introduced "value proposition to Canada"²⁷ as a formal, evaluated criterion in its defence procurement processes, it produced a measurable increase in economic benefits flowing to Canadian companies. BC should adopt an equivalent Value-for-BC standard as a formal evaluation criterion in all provincial procurement, designed to operate within BC's international and interprovincial trade obligations, as the federal framework does at the national level. BC Tech recommends the establishment of a BC Technology Procurement Task Force to develop the policies, processes and mechanisms to make this operational across government and a BC Innovation Procurement Hub, inspired by Finland's KEINO model²⁸, to provide the cross-government coordination, institutional knowledge and pathway from pilot to full-scale contract that the current system lacks. Funding pilots without a pathway to scale to full contracting is a choice to manage political risk at the cost of economic value.

And on confidence, BC's technology leaders need to know that government understands the sector,

²⁷ Innovation, Science and Economic Development Canada, Industrial and Technological Benefits Policy: Value Proposition Guide. The ITB Policy requires prime contractors on major federal procurements to commit to business activities in Canada equal to the contract value, assessed as a formal evaluation criterion. See: <https://www.ic.gc.ca/eic/site/086.nsf/eng/home>

²⁸ KEINO is Finland's Centre for Sustainable and Innovative Public Procurement, established in 2018. It operates as a cross-government network providing procurement expertise and coordination between ministries, enabling government to move from pilots to full-scale contracts with domestic innovators. See: <https://www.keino.fi/en/>

A note on trade obligations and Value-for-BC

Some will argue that preferential procurement for BC's companies conflicts with our obligations under trade agreements. It does not. Canada's own federal procurement framework incorporates "value proposition to Canada" as a formal evaluated criterion, applying industrial and economic benefit considerations within the same trade agreement constraints that govern BC. The CFTA explicitly permits governments to take into account broader socioeconomic objectives in procurement, including regional economic development. BC is not being asked to break trade rules. It is being asked to use the full latitude those rules already permit, as every other sophisticated jurisdiction including the federal government already does.

values its contribution and is making decisions with the knowledge economy's interests genuinely in view. The most direct way to deliver that confidence is the establishment of a permanent standing Premier's Technology Council, a non-partisan, confidential body comprising leaders from across BC's technology and AI, life sciences, cleantech and creative technology sub-sectors, providing strategic advice directly to the Premier and government on technology trends, economic opportunities and policy priorities. You cannot seize an opportunity you do not understand. A Premier's Technology Council ensures that the voice of BC's most visionary builders and investors is directly accessible to the people making decisions about BC's economic future. Given the scale of what BC's knowledge economy has become and the challenges and opportunities of the AI era, it is time to establish a permanent Premier's Technology Council for BC²⁹.

Priority 3 — Fix the data, make the invisible visible

This is the third consecutive BC Tech report to identify the measurement gap as a first-order policy problem. The problem is straightforward. BC's annual budget documents contain extensive analysis of goods and commodity exports across many pages of charts, trend data and policy discussion. They contain virtually no equivalent treatment of service exports, despite services representing at least 40% - and most likely higher - of the total value of what BC sells to the world. Statistics Canada determines the value of services exports through administrative records and surveys that result in large-scale under-reporting.



²⁹ BC's previous Premier's Technology Council was active from 2001 to 2013, publishing multiple reports that made recommendations across broadband infrastructure, digital government, technology sector development and innovation policy.



This is not just a technical measurement problem. It is a policy problem with direct economic consequences. When data is not captured, policy and investment do not follow. BC Stats itself acknowledges the inherent limitations of the current measurement framework and the measurement gap this report identifies is not a criticism of BC Stats. It is a structural limitation of the statistical infrastructure BC Stats operates within, and one that BC Stats has been candid about³⁰. Closing it requires policy commitment and investment, not just better methodology.

When policymakers lack good data on the size and contribution of BC's knowledge economy they fill that gap with assumptions, and those assumptions tend to reflect the economy as it was rather than the economy as it is. Decisions about resource allocation and policy priorities get made on the basis of what decision-makers believe to be true. And without good data, those beliefs go unchallenged. The risk is not that policymakers are indifferent to evidence, it is that in the absence of evidence, institutional memory substitutes for data. Data that lives in a BC Tech report rather than in provincial budget documents and government dashboards will always be fighting an uphill battle against assumptions that feel like facts because they

have never been tested against current numbers. Fixing the measurement gap is a precondition for evidence-based economic policy in BC.

What government measures, government manages. What it does not measure is in practice invisible to the policy process regardless of its actual economic contribution. BC is still not measuring its most important economic sector with the rigour it deserves.

BC should work with Statistics Canada to accelerate the development of more current, more comprehensive data on digital and intangible economic activity and should invest in its own capacity to gather and publish that data, rather than relying on federal datasets that are structurally too narrow and too slow. BC should launch a data capture project using the AI tools and tech sector expertise already available in the province to accelerate progress on closing the data gap. And BC's annual Budget should include a dedicated service exports chapter, equivalent in depth to the goods exports analysis, starting with Budget 2027.

The knowledge economy is BC's present, not its future. It is time for our data to reflect that reality.

³⁰ BC Stats, Defining the B.C. High Technology Sector, 2024. BC Stats states explicitly: "it is difficult to capture the full breadth of high technology or knowledge-intensive activity in the economy through NAICS-based definitions" and that new products and services are often grouped into existing industry categories in ways that do not reflect their true economic character. Every five years NAICS is revised to incorporate emerging industries — meaning that genuinely new economic activity can go unmeasured for years before the classification system catches up.

6. THE ECONOMY BC HAS - AND THE POLICY IT DESERVES

Five years ago, BC Tech published a report arguing that BC's economy was not what we told ourselves it was. The prevailing narrative was of a province defined by its natural resources, its geography and its commodity exports. We argued that was a 20th century story being told about a 21st century economy and the data showed something different: a province where services accounted for three quarters of GDP and four fifths of jobs, where the technology sector was growing significantly faster than the rest of the economy, and where the fiscal base depended not on royalties and resource revenues but on the wages, taxes and spending of working British Columbians.

The reaction we heard most often, from officials who had read the report carefully, was: "But if this is true, it changes everything." Yes. It does.

jurisdictions that move decisively and penalise those that hesitate. The tariff shock of 2025 exposed exactly how fragile goods-export dependence had become - and forced a long-overdue conversation about economic sovereignty that BC should have been having anyway. Taken together, these forces have reframed the knowledge-economy argument: this is no longer a debate about which industries will drive future growth. It is a debate about whether BC can maintain the living standards its people expect and deserve, and whether government can fund the services they depend upon.

None of this makes the decisions ahead easy. But the window for deciding will not stay open indefinitely. And deciding not to decide is a decision.

"Every company is a software company. You have to start thinking and operating like a digital company."

Satya Nadella, CEO Microsoft, Future Decoded, London, November 2019

Five years on, the data has only deepened the case. BC's technology sector accounted for \$30.7 billion in GDP in 2025, 9.6% of the total, generated by 271,000 people earning wages at 70% above the provincial average, in both urban and rural communities across the province. The sector has delivered the jobs it promised a decade ago, faster than promised. More billion dollar tech companies have been built. Globally competitive companies in enterprise software, quantum computing, clean technology, life sciences, AI and digital infrastructure now call BC home - all while natural resources revenue have declined to 3% of provincial revenue, the housing market shifted from a revenue windfall to a source of household financial stress, and BC's credit rating was downgraded twice.

The world has also changed in ways that make the argument more urgent, not less. AI is restructuring every sector of the global economy simultaneously, creating winner-take-most dynamics that reward

What BC decides in the next few budget cycles will shape the competitiveness of its business sector, the opportunities available to British Columbians, government's own fiscal trajectory, and whether BC remains a place where the world's most talented knowledge workers choose to build their lives and their companies.

BC has clean, abundant energy, world-class universities and research institutions and a real track record of building companies that break through to globally. It has a workforce that is educated, innovative and diverse, proximity to Asian markets, deep connections to California and Washington State, and a quality of life that remains (despite real and growing affordability challenges) among the most compelling in the world.

These are the raw materials of a thriving 21st century economy. The story of BC's economy in the 21st century is still being written and we can see clearly who is writing it:

the engineers, the founders, the researchers, the designers, the operators and the investors who are building world-class companies from Vancouver to Victoria to Kelowna to Prince George. What they want from government is not protection or subsidy - it is a partner who understands what they are building and creates the conditions for them to build it here. The tech sector embraces its own obligations - investing in talent pipelines, deploying technology that raises productivity across every industrial sector and showing up as great corporate citizens in communities across the province. The prosperity of BC's tech companies and the economic and fiscal health of this province are intertwined.

BC has never lacked potential, but it has lacked a coherent, determined policy framework matched to the economy it actually has. The gap between what BC's economy is and how government talks about it, measures it and invests in it is the central problem this report identifies. Closing that gap means investing in skills training, creating the conditions in which the most promising companies can scale and stay, using procurement as an economic lever, measuring the services economy with the same rigour as the goods economy and giving BC's tech leaders a seat at the table through a permanent standing Premier's Technology Council. This would constitute taking the sector as seriously as its size demands. As seriously as BC has always taken the resources sector.

This is not a partisan argument - or rather it shouldn't be. Investing in high-wage, export-oriented, tariff-resilient industries is a supply-side argument.

Protecting the tax base that funds health care and education is fiscal responsibility. Economic sovereignty has been a cross-party cause since the tariff shock began. Nor is it a lobbying argument on behalf of the tech sector. The data behind these arguments comes from Statistics Canada and BCStats - BC Tech has assembled and interpreted the data, we did not invent it.

BC's economy is not what we tell ourselves it is.

It is time to back the economy we have - not the one we remember.





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Appendix A

Technology Sector GDP Data Table

Industry / Sub-Sector	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
HT MANUFACTURING										
Pharmaceutical & Medicine Mfg	393	416	453	444	485	561	612	657	680	721
Aerospace Products & Parts Mfg	385	365	429	574	466	388	373	370	384	407
Medical Equipment & Supplies Mfg	278	299	318	334	355	397	412	439	455	482
Computer, Electronic & Electrical Mfg	1,156	1,208	1,262	1,338	1,359	1,531	1,747	1,747	1,810	1,918
Chemical & Machinery Mfg	373	396	399	432	419	464	475	485	502	532
HT Manufacturing Subtotal	2,584	2,684	2,861	3,122	3,083	3,341	3,619	3,698	3,831	4,060
HT SERVICES										
Motion Picture Production & Post	697	887	1,006	1,110	898	1,330	1,470	648	671	712
Telecommunications	2,463	2,577	2,839	2,869	3,041	3,251	3,416	3,506	3,632	3,850
Engineering Services	1,706	1,863	1,829	2,059	2,062	2,179	2,354	2,588	2,681	2,842
Software Publishing	913	1,014	1,106	1,187	1,319	1,507	1,563	1,503	1,557	1,651
Computer Systems & Video Game Dev	3,230	3,480	3,960	4,361	4,710	6,162	7,955	8,872	9,192	9,743
Data Processing, Hosting & Web	789	857	927	1,009	1,080	1,219	1,323	1,390	1,441	1,527
Arch., Engineering & Tech Consulting	943	907	931	984	942	1,052	1,134	1,232	1,276	1,353
Scientific Research & Development	789	813	863	903	827	1,179	1,194	1,435	1,486	1,575
HT Services Subtotal	11,530	12,398	13,462	14,481	14,880	17,877	20,409	21,174	21,936	23,252
HT SECTOR TOTAL (BC Stats)	16,115	16,982	18,404	19,904	20,863	23,718	26,228	26,872	27,839	29,509
Additional Tech Subsectors (est.)	856	888	922	957	993	1,000	1,038	1,077	1,118	1,169
TECH SECTOR TOTAL	16,971	17,870	19,326	20,861	21,856	24,718	27,266	27,949	28,957	30,678
BC Industrial Aggregate (All Industries)	251,036	260,220	270,106	277,848	269,190	290,178	302,119	309,420	313,133	319,396
Tech Sector as % of BC GDP	6.8%	6.9%	7.2%	7.5%	8.1%	8.5%	9.0%	9.0%	9.2%	9.6%

Source: BC Stats High Technology Satellite Account; Statistics Canada Table 36-10-0402-01. \$M chained 2017 CAD. 2016–2023: BC Stats High Technology Satellite Account actuals. 2024E–2025E: BC Stats 2023 base projected at 3× the non-technology BC GDP growth rate. Additional Tech Subsectors covers cleantech, research/medical labs, and life sciences not in BC Stats HT definition.

Appendix B:

Technology Sector Workforce Data Table

Industry / Measure	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
HT MANUFACTURING										
Pharmaceutical & Medicine Mfg	2,400	2,670	2,440	3,030	3,420	3,470	3,630	3,980	4,130	4,320
Aerospace Products & Parts Mfg	1,710	1,630	1,350	1,810	1,980	1,720	1,490	1,570	1,630	1,700
Medical Equipment & Supplies Mfg	2,200	2,300	2,450	2,500	2,150	2,880	2,980	2,660	2,760	2,890
Computer, Electronic & Electrical Mfg	7,660	7,880	7,840	8,220	7,880	8,290	9,000	9,080	9,430	9,860
Chemical & Machinery Mfg	1,370	1,650	1,700	1,640	1,550	1,660	1,740	1,830	1,900	1,990
HT Manufacturing Subtotal	15,340	16,130	15,780	17,200	16,980	18,020	18,840	19,120	19,850	20,760
HT SERVICES										
Motion Picture Production & Post	16,290	17,180	16,960	18,280	13,550	18,640	17,900	10,590	10,990	11,490
Telecommunications	15,910	18,350	22,840	22,050	20,740	19,570	20,030	20,170	20,940	21,890
Engineering Services	17,290	18,160	17,170	18,340	18,030	19,710	20,790	22,020	22,860	23,900
Software Publishing	8,260	8,840	9,170	9,420	10,100	10,910	11,560	11,300	11,730	12,260
Computer Systems & Video Game Dev	31,520	33,400	34,920	36,920	39,210	47,010	65,400	71,420	74,130	77,490
Data Processing, Hosting & Web	10,130	8,820	9,480	11,030	10,590	11,530	12,910	14,100	14,640	15,300
Arch., Engineering & Tech Consulting	7,260	7,300	7,940	8,300	9,120	11,260	12,060	12,970	13,460	14,070
Scientific Research & Development	789	813	863	903	827	1,179	1,194	1,435	1,486	1,575
HT Services Subtotal	106,660	112,050	118,480	124,340	121,340	138,630	160,650	162,570	168,750	176,400
HT SECTOR TOTAL (Employees, SEPH)	122,000	128,180	134,260	141,540	138,320	156,650	179,490	181,690	188,600	197,160
Self-Employed (est., LFS basis)	47,005	47,739	50,889	58,082	54,680	53,046	58,696	55,437	57,540	60,150
HT SECTOR TOTAL (LFS — all workers)	169,005	175,919	185,149	199,622	193,000	209,696	238,186	237,127	246,140	257,310
Additional Tech Subsectors	9,670	10,040	10,420	10,810	11,230	11,650	12,090	12,550	13,030	13,620
TECH SECTOR TOTAL	178,675	185,959	195,569	210,432	204,230	221,346	250,276	249,677	259,170	270,930
BC Total Employment, all workers (LFS)	2,464,700	2,562,900	2,609,900	2,681,100	2,527,200	2,683,900	2,775,700	2,847,900	2,914,000	2,946,200
Tech Sector as % of BC Employment	7.2%	7.3%	7.5%	7.8%	8.1%	8.2%	9.0%	8.8%	9.0%	9.2%

Workforce 2016–2023: BC Stats High Technology Satellite Account actuals (SEPH employees). 2024–2025: BC Stats 2023 base grown at actual BC PS&T sector employment growth rates (Statistics Canada LFS Table 14-10-0023-01, April 2025): +3.80% in 2024 and +4.53% in 2025. Self-employed estimated by applying the 2023 actual self-employment rate of 23.4% of total LFS employment (consistent with BC Stats 2023 actuals) to the projected LFS totals.

Employment figures reflect workers measured by industry of employment. Additional subsectors follow the BC Ministry of Jobs JEDI Life Sciences in British Columbia: Sector Profile (BC Stats, 2023) definition.

Appendix C:

Resource Sector GDP Data Table

Industry / NAICS	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
PRIMARY RESOURCES										
Agriculture, Forestry & Fishing [11]†	6,139	6,272	6,665	6,113	6,086	6,241	5,794	5,393	5,355	5,501
Mining, Quarrying & Oil & Gas [21]	10,288	10,370	11,192	10,663	9,625	10,261	10,554	11,133	11,495	12,202
Capture Fishery [114] ‡	260	225	215	212	200	211	190	166	158	150
Aquaculture [1125] ‡	389	398	402	405	395	400	400	332	310	290
Primary Resources Subtotal	17,076	17,265	18,474	17,393	16,306	17,113	16,938	17,024	17,318	18,143
ASSOCIATED MANUFACTURING										
Wood Product Manufacturing [321]	3,927	3,665	3,396	2,760	2,554	2,699	2,646	2,400	2,294	2,130
Paper Manufacturing [322]	1,688	1,313	1,245	1,185	1,098	1,090	1,101	885	912	778
Primary Metal Manufacturing [331]	1,248	1,297	1,338	1,155	868	710	521	524	496	475
Seafood Product Prep. & Packaging [3117] ‡	223	215	185	170	158	144	133	107	100	95
Computer Systems & Video Game Dev	31,520	33,400	34,920	36,920	39,210	47,010	65,400	71,420	74,130	77,490
Primary Resources + Manufacturing	24,162	23,755	24,638	22,663	20,984	21,756	21,339	20,940	21,120	21,621
Pipeline Transport GDP (est.) ‡	1,265	1,275	1,376	1,311	1,183	1,261	1,297	1,369	1,413	1,500
RESOURCE SECTOR TOTAL (incl. pipeline)	25,427	25,030	26,014	23,974	22,167	23,017	22,636	22,309	22,533	23,121
BC Industrial Aggregate (All Industries)	251,036	260,220	270,106	277,848	269,190	290,178	302,119	309,420	313,133	319,396
Resource Sector as % of BC GDP	10.1%	9.6%	9.6%	8.6%	8.2%	7.9%	7.5%	7.2%	7.2%	7.2%

† Agriculture [11] includes forestry – cannot be separated at provincial level.

‡ Pipeline Transport GDP anchor of \$1,500M (2025, chained 2017\$) reflects TMX commercial operation from May 2024, tripling export capacity to 890,000 bpd at 90%+ utilisation (Trans Mountain Corporation, Nov 2025). Pre-TMX baseline ~\$1.0B nominal 2019 (Cross, Fraser Institute, 2024). Indexed to NAICS 21 GDP across prior years.

‡ 2021–2022 confirmed from BC Fisheries & Aquaculture Sector 2022 Edition (Lillian Hallin Consulting / BC Stats). 2023 confirmed from BC Ministry Sector Snapshot 2023. Other years interpolated or estimated.

Statistics Canada Table 36-10-0711-01.

Appendix D:

Resource Sector Workforce Data Table

Industry / NAICS	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
PRIMARY RESOURCES (LFS, incl. self-employed)										
Agriculture [111–112]	22,200	23,400	24,500	24,300	28,500	21,100	23,400	24,300	17,000	16,300
Forestry & Logging [113, 1153]	18,900	19,100	17,500	16,100	15,600	18,200	17,200	13,900	14,800	14,700
Mining, Quarrying & Oil & Gas [21]	31,400	32,000	29,200	28,400	23,900	28,300	28,100	35,300	36,800	27,900
Capture Fishery [114] ‡‡	1,600	1,500	1,400	1,300	1,200	1,105	1,055	1,105	950	900
Primary Resources Subtotal	75,900	77,750	74,300	71,700	70,700	70,085	71,355	75,950	70,850	61,050
ASSOCIATED MANUFACTURING (SEPH, adj. for self-employment)										
Wood Product Manufacturing [321]	26,943	27,117	27,888	26,776	23,036	23,851	24,018	22,498	22,033	21,427
Paper Manufacturing [322]	7,837	7,912	7,230	7,170	6,597	6,530	6,351	5,645	5,803	5,715
Primary Metal Manufacturing [331]	3,694	3,859	3,724	3,706	3,543	4,002	2,780	2,671	2,739	2,871
Seafood Product Prep. & Packaging [3117] ‡‡	2,600	2,550	2,500	2,450	2,450	2,440	2,465	1,825	1,700	1,650
RESOURCE SECTOR TOTAL	116,974	119,188	115,642	111,802	106,326	106,908	106,969	108,589	103,125	92,713
BC Total Employment, all workers (LFS)	2,464,700	2,562,900	2,609,900	2,681,100	2,527,200	2,683,900	2,775,700	2,847,900	2,914,000	2,946,200
Resource Sector as % of BC Employment	4.7%	4.7%	4.4%	4.2%	4.2%	4.0%	3.9%	3.8%	3.5%	3.1%

Primary resources: Statistics Canada Table 14-10-0023-01 (LFS, total employed incl. self-employed). Manufacturing: Statistics Canada Table 14-10-0202-01 (SEPH), adjusted for self-employment.

‡‡ Sources: BC Stats 2016 Edition (2016); BC Fisheries & Aquaculture Sector 2022 Edition (2021–2022); BC Ministry Sector Snapshot 2023 (confirmed 2023). Other years interpolated or estimated.

Note: 24% decline in Mining employment in 2025 (36,800 → 27,900) reflects US tariff impacts. Source: CPABC, BC Check-Up: Work 2025.

Appendix E:

BC Government Revenue Attribution Methodology

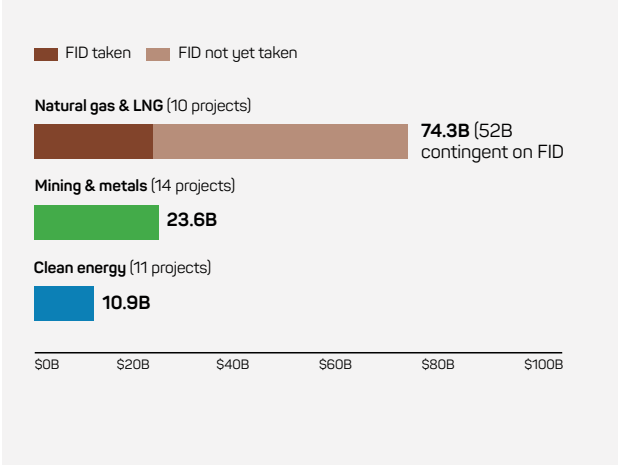
Revenue Source	2025/26 (\$M)	Taxes on People	Corporate & Business	Basis for Split
Personal income tax	\$15,885	100%	—	Direct tax on individuals
Employer health tax	\$2,588	100%	—	Tax on employment; exists because of workers
Sales tax (PST)	\$10,621	70%	30%	BC PST mostly consumer-facing; businesses pay PST on some capital inputs
Property tax (school tax)	\$3,462	60%	40%	Estimated residential share of assessed property values
Property transfer tax	\$2,626	75%	25%	Majority residential; 25% commercial/investment
Carbon tax (OBPS only)	\$238	—	100%	Consumer carbon tax eliminated Apr 2025; industrial large emitters only
Motor fuel tax	\$980	50%	50%	Personal vehicle use vs commercial fleets
Tobacco tax	\$550	80%	20%	Predominantly individual consumption
Insurance premium tax	\$550	70%	30%	Personal insurance; some commercial
Corporate income tax	\$6,270	—	100%	Direct tax on corporations
Other taxes (speculation, SVT)	\$7,020	50%	50%	Conservative split; mixed payers
Federal transfers	\$15,468	65%	35%	2024/25 federal: 45.9% PIT + 10.3% GST vs 19.0% corporate
Crown corporation revenues	\$3,820	—	—	Shown separately — BC Hydro, ICBC, BC Lottery
Tuition, fees, investment & other	\$9,749	—	—	Shown separately — user charges, investment returns, misc.
Tobacco settlement (one-time)	\$2,700	—	—	Non-recurring; excluded from recurring revenue base

Appendix F:

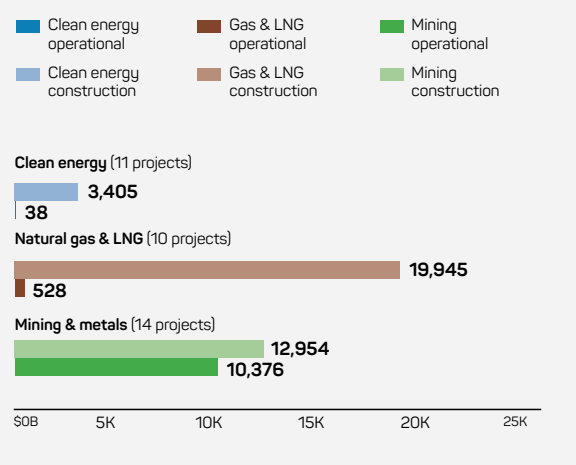
Government's 35 Major Projects

The BC Government's Look West strategy identified 35 major projects across three resource sectors — natural gas & LNG, critical minerals & mining and clean energy. Those projects would cost \$109 billion to the proponents should they all go ahead. The government considers \$88 billion of that to be on track to move forward over the next three years. They deliver meaningful value to BC in jobs and BC Government natural resource revenue:

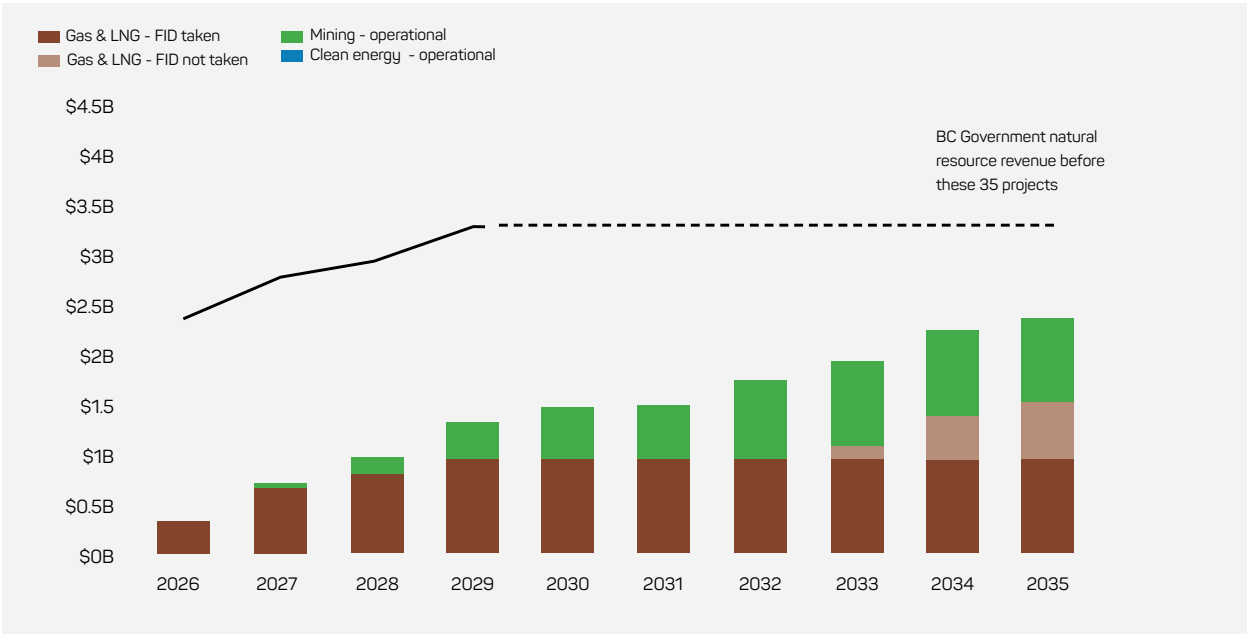
Capital cost to build
Cost to companies — how the \$109B splits across subsectors



Jobs Created
Construction and operational jobs associated with the projects



Contribution to BC Government natural resource revenue
BC government estimates of revenue, phased over the years the contributions are estimated to be realized



(1) Capital cost: Proponent disclosures, BC Government Major Projects page (gov.bc.ca/MajorProjects), May 2026. Sum of disclosed capital across all 35 projects is \$109B; the government considers \$88B to be on track to move forward over the next three years. Within Gas & LNG, \$22.4B has reached final investment decision (solid bar); \$52B is contingent on FID not yet taken — Ksi Lisims LNG (\$30B) and LNG Canada Phase 2 (~\$20B, analyst estimate). Woodfibre LNG: \$12B per BC Government includes the Eagle Mountain–Woodfibre Gas Pipeline; facility-only ~\$3–4B. (2) Jobs Created: BC Government Major Projects page, May 2026. “During construction” and “once operational” figures per project; midpoints used for ranges; TBC and N/A = zero. Direct jobs only. Ksi Lisims LNG construction jobs (9,375) per BC Government: 800 at the facility, 8,575 at the associated Prince Rupert Gas Transmission pipeline. (3) BC Government natural resource revenue: Gas & LNG bars show incremental natural gas royalty above the no-project baseline of \$576M, derived from BC Budget 2026 natural gas royalty forecasts; Woodfibre and Cedar LNG scaled by production capacity. Gas & LNG contingent: LNG Canada Phase 2 and Ksi Lisims if both reach full operations ~2034. Mining: bottom-up mineral tax by project using BC government estimates if provided, remaining projects estimated using BC Mineral Tax Act rates applied to production volumes. Clean energy: no royalty revenue. Projects sell power under 30-year BC Hydro electricity purchase agreements. BC Government natural resource revenue before these 35 projects (dashed line): BC Budget 2026 Table 1.4, actual and forecast to 2028–29; 2029–2035 extrapolated at the 2028–29 run rate. No-project natural gas royalty baseline: BC Budget 2026 actual and forecast to 2028–29; held at \$576M annually thereafter. All figures indicative.

