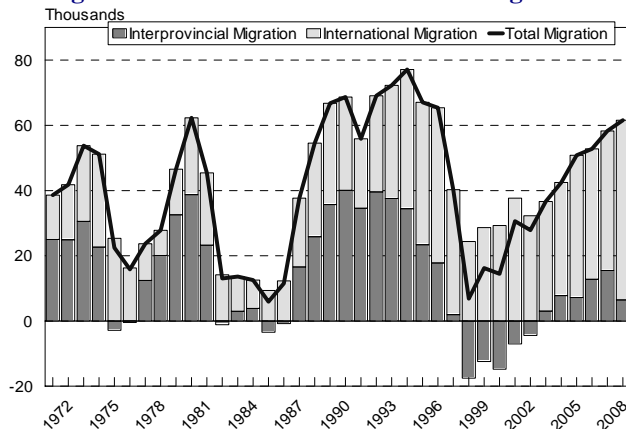


Migration Review 2008

In the 2008 calendar year the population of British Columbia grew by 73,773 persons (1.7 percent) to reach 4,419,974 as of January 1st, 2009. Almost three quarters of this growth, 55,109, came from net international migration, while net interprovincial migration contributed 6,405 people. The remaining growth can be attributed to the excess of births over deaths (i.e. natural increase). Overall, migration flows brought more than 129,000 people into the province while nearly 68,000 left.

Figure 1: British Columbia Total Net Migration



Over the past four decades migration has directly added more than half a million people to the provincial population. Despite some low points in the mid-1980s and late 1990s/early 2000s, migration has been the main driver of year-over-year population change. Despite some volatility, interprovincial migration was the primary component of population growth until the late nineties. However, since interprovincial migration dropped off in 1998, international migration has continued to increase and in 2008 accounted for almost 90 percent of the net gain from migration. While net exchange of persons from the rest of

Canada is again positive, it is more modest than that experienced in previous decades.

It is important to note that the international and interprovincial components of migration have different drivers. International migration is less influenced by near term economic circumstances and is a longer process, often taking years. Also, an immigrant's choice of residence has much to do with the community and settlement resources available. On the other hand, interprovincial migrants face no regulatory barriers to movement and are largely driven by employment opportunities and other social and economic factors. A better understanding of British Columbia's recent population change and near term prospects can be had by examining these components of migration in turn.

International Migration

Net international migration to British Columbia is driven largely by federal policy with respect to immigration. The federal government sets an overall annual immigration planning level range for Canada. These planning levels are not intended to be rigid quotas and actual immigration may exceed the range. In 2008, the planning range for 2009 was set at 240,000 to 265,000 immigrants, the same range as the previous two years.

The planning ranges listed in Table 1 show a steady increase since 1995. The actual levels of immigrant arrivals display more variability, with a significant dip in 1998 and 1999. B.C.'s share of the immigrant arrivals also fell off sharply in 1999. Examining Figure 1 shows that in the mid-1990s there was a sharp rise in the

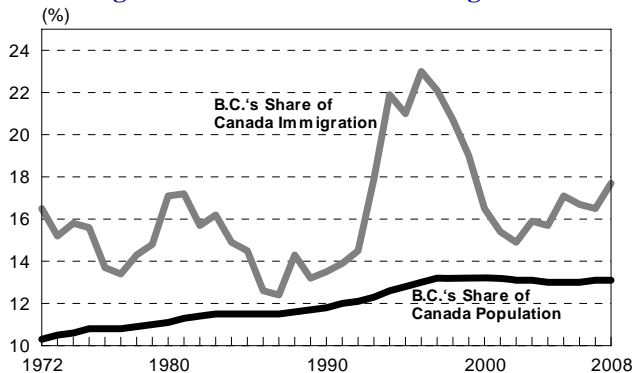
share of immigrants to Canada coming to B.C., with a return to more historically consistent levels by the end of the decade. This was largely due to the lead-up and conclusion of the handover of Hong Kong to China in 1997.

Table 1

Year	Planning Level (000's)	Actual (000's)	B.C. Share (%)
1995	190-215	213	21.0
1996	195-220	226	23.0
1997	195-220	216	22.1
1998	200-225	174	20.7
1999	200-225	190	19.0
2000	200-225	227	16.5
2001	200-225	251	15.4
2002	210-235	229	14.9
2003	220-245	221	15.9
2004	220-245	236	15.7
2005	220-245	262	17.1
2006	225-255	252	16.7
2007	240-265	237	16.5
2008	240-265	247	17.7
2009	240-265		

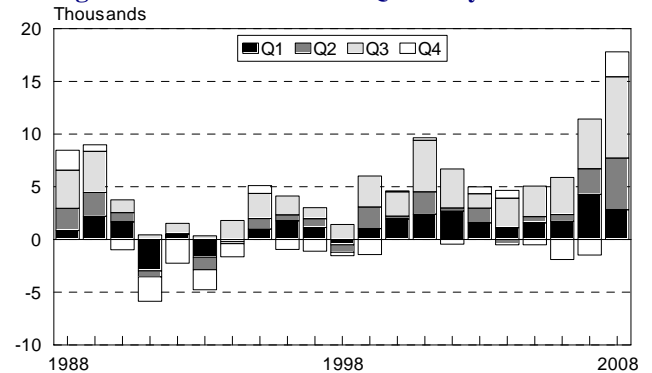
Canada admitted 247,241 immigrants in 2008, well within the planning range. Of those, 17.7 percent, 43,793, came to B.C. Most who arrive in B.C. choose the Lower Mainland as their home, due in part to the established immigrant communities and concentration of settlement resources.

Figure 2: British Columbia Immigration



One particularly interesting aspect of international migration in 2008 is the high levels of net non-permanent residents (NPRs). NPRs include foreign citizens in Canada as students, temporary workers, and refugees. In 2008 B.C. recorded a net increase of 17,801 NPRs, its largest growth ever. This brings the total number of NPRs residing in B.C. as of January 1st, 2009 to 117,950.

Figure 3: British Columbia Quarterly Net NPRs



Temporary workers accounted for nearly all of the increase in net NPRs in 2008, with 16,388 more temporary workers than the previous year. Alberta also experienced a large increase in net NPRs during 2008 (+23,860), again due almost entirely to temporary workers (+22,244).

Part of this increase can be attributed to changes in federal policy towards temporary foreign workers. For many workers, the length of time they can stay in Canada has been extended¹. Naturally, with individuals staying longer, sustained flows of new foreign workers will lead to increased overall levels. The longer period also makes temporary workers a more desirable and viable option to employers facing labour shortages.

¹ Numerous changes in 2007 including an extension to the maximum duration of work permits for those in the Low Skill Pilot Project from 12 to 24 months.

Additionally, despite current worries about economic outlook, through most of 2008 many B.C. industries were doing well. As it takes time to bring in foreign workers, these large numbers may be the result of a slight lag. The current economic outlook is more pessimistic and it seems likely that as the economy slows, it will become easier for employers to find qualified Canadians. Similarly, before recruiting temporary foreign workers, employers are required to demonstrate that there is an insufficient supply of Canadian workers. Higher unemployment rates will make this more difficult.

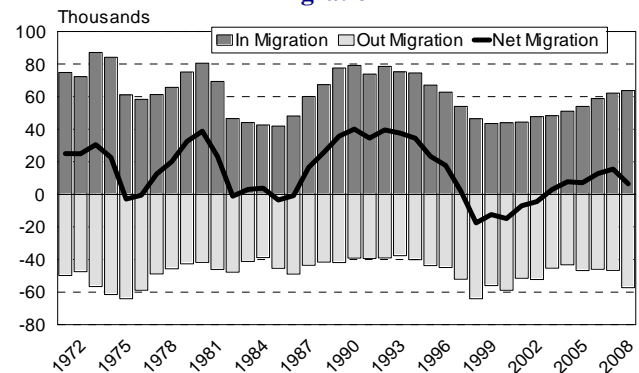
Interprovincial Migration

Since the 1970s, movement between British Columbia and other parts of Canada has fluctuated. For the most part, this variation can be explained by push and pull factors that either attract or repel residents. These factors include cultural, political, and economic characteristics that change the relative desirability of the province.

Net interprovincial migration to British Columbia was strong through most of the 1990s, and then experienced a steep drop in 1998, not returning to positive territory until 2003. This was a period when B.C. lagged behind the rest of Canada in GDP growth and had greater unemployment, especially compared with neighbouring Alberta. Since this decline the level of net migration has steadily recovered, reaching over 15,000 in 2007. However, this level fell to just under 6,500 in 2008. Despite a slight increase in inflows to the province during 2008, Figure 4 illustrates that a larger increase in outflows caused a reduction in net interprovincial migration.

Migration to and from Alberta and Ontario accounts for about three quarters of B.C.'s interprovincial flows. As a result, the strength of B.C.'s economy relative to these two provinces is very important. Recent forecasts predict that the effects of the global economic downturn will be spread across all parts of Canada. While this may not be great news for B.C., the shared downturn should help mitigate any effect on net interprovincial migration in the near-term.

Figure 4: British Columbia Annual Interprovincial Migration



Another consideration is that in January of 2008 B.C. reported a 2.8 percent increase in employment compared with the same month of 2007. In contrast, there was an employment decrease of 1.8 percent in January of 2009 compared with 2008. Figures from other recent months indicate that this is indeed a downward trend. As employment contracts, B.C. may have more difficulty attracting migrants from other parts of Canada and current residents will consider opportunities elsewhere. However, as long as the relative position of B.C. remains positive, migrants will continue to flow west of the Rockies.

Conclusion

British Columbia saw robust growth from migration in 2008. International migration continues to be the major source of growth. Regulatory changes likely caused levels of net non-permanent residents to briefly rise, yet there is reason to believe that those same regulations will lead to a sustained, smaller increase due to reductions in barriers to recruiting temporary foreign workers. With resident outflows to other provinces rising, interprovincial migration showed signs of weakening, yet in the short-term the net level will depend on how the provincial economy fares relative to the rest of Canada, and in particular Alberta and Ontario.