

- **Inflation in BC climbed 2.1% in February**
- **BC retailers saw sales fall 0.9% in January, while wholesale trade dropped 2.2%**
- **BC's population grew 1.1% in 2004, to 4,219,968**

## Prices

- **BC's year-over-year inflation rate climbed 2.1% in February.** The high cost of energy products continues to be a major factor in the rise in the Consumer Price Index (CPI). Energy prices were up 7.9% in February, contributing to the price jumps for transportation (+4.7%) and shelter (+2.5%). The CPI excluding energy increased only 1.6%. The rapid rise in the price of gasoline (+10.1%) helped fuel the inflation in the transportation sector.

Other than transportation, the commodity group with the next highest price increase was health and personal care (+2.8%), followed by clothing and footwear (+2.7%). Prices of food products (+0.1%) and household operations and furniture (+0.1%) were virtually unchanged from a year earlier. The flat pricing of major commodities such as food helped keep the rise in prices of goods (+1.2%) at a far more modest level than inflation in services (+2.8%).

Vancouver's CPI jumped 2.1% in February, while Victoria experienced slightly higher inflation with 2.4% year-over-year growth in prices.

*Data Source: Statistics Canada*

- **The Canadian inflation rate was identical to that of BC in February (+2.1%).** The Northwest Territories (+3.7%), Manitoba (+3.3%) and Newfoundland and Labrador (+3.1%) each recorded price changes over three percent, while Alberta (+1.5%) and Quebec (+1.9%) had the lowest inflation rates in the country.

*Data Source: Statistics Canada*

## The Economy

- **Retail sales in British Columbia dipped 0.9% in January (seasonally adjusted) bucking the national trend, which saw sales climb 2.0%.** However, the provinces that experienced most of the growth in January were also those that

had poor sales in December. BC retailers, on the other hand, saw sales increase 1.1% in December, compared to a 1.2% decline for Canadian retailers as a whole.

The gains in the rest of the country can possibly be attributed to the growing popularity of gift cards. This is the second straight year where national retail sales in December have fallen, while January sales have climbed. It appears that the prevalence of gift cards has some consumers delaying their purchases until after the holidays.

Across the country, Quebec retailers had the largest jump in sales in January (+4.7%), followed by Manitoba (+2.7%) and Ontario (+2.3%). Newfoundland and Labrador (-2.7%) and Nova Scotia (-2.0%) experienced the most significant drops in sales. *Data Source: Statistics Canada*

- **Wholesalers in British Columbia also suffered a decline in sales in January, falling 2.2% from the December level (seasonally adjusted).** Food products and "other" products were the main contributors to the January slide. Only Newfoundland and Labrador (-5.9%) had a larger drop in wholesale sales than BC. For Canada as a whole, sales edged down 0.2%. New Brunswick (+3.2%) and Nova Scotia (+1.2%) wholesalers recorded the strongest performances in January. *Data Source: Statistics Canada*
- **The number of regular Employment Insurance (EI) recipients in BC increased 1.1% (seasonally adjusted) to 56,220 in January.** Nationally, the number was also up (+0.6%), with 519,820 Canadians receiving regular EI benefits. *Data Source: Statistics Canada*

## Population

- **British Columbia's population edged up 0.2% in the fourth quarter of 2004, to 4,219,968.** Over

### Did you know...

The largest Easter egg ever made was built in Vegreville, Alberta. Constructed from over 3,500 pieces of aluminium, it weighs 5,004 pounds and is 31 feet high!

the year, BC added more than 46,000 residents, a change of 1.1% over the population recorded at the end of 2003. The largest component of growth was from immigration, as net migration from international sources was over 28,000. There were also more people moving into BC from other provinces than were leaving, contributing about 7,000 to population growth. The remainder (just shy of 11,000) were the excess of births over deaths.

*Data Source: Statistics Canada*

- **Canada's population grew slightly less than BC's, edging up 0.1% in the fourth quarter to end the year at 32.1 million, about 0.9% over the level recorded at the end of 2003.** Alberta was the fastest growing province in 2004, with a 1.4% increase over 2003. Newfoundland and Labrador was the only region in the country to see a contraction in the number of residents (-0.4%). Canada's largest province, Ontario, grew at about the same rate as BC (+1.1%).

*Data Source: Statistics Canada*

### Visible Minorities

- **It is projected that almost one out of every three people living in BC in 2017 will belong to a visible minority group.** According to the 2001 Census, about 21%, or 852,700 of BC residents were visible minorities, with the vast majority (87%) living in Greater Vancouver. This number is expected to rise anywhere between 50 and 100 percent by 2017, depending on immigration and fertility levels. Urban centres, particularly Vancouver, will continue to be the most popular locations for visible minorities to live.

Nationally, the projection is for a visible minority presence of between 19% and 23% of the population by 2017. Other than BC, Ontario is the only other province expected to exceed the Canadian average, which was already the case in 2001. Over half (57%) the visible minorities in Canada in 2017 are expected to reside in Ontario and a fifth of them are projected to live in British Columbia. Toronto is expected to house about 45% of Canada's visible minorities, Vancouver 18%, and Montreal 11%.

*Data Source: SC Catalogue 91-541-XIE*

### Spending More, Saving Less

- **Canadian households are spending more and saving less than they used to.** Forty-seven percent of households spent more than their total pre-tax income in 2001, up from 39% in 1982. Those in the pre-retirement years experienced the biggest change in spending habits over the last two decades, with 45% outspending their income, compared to 34% in 1982. Households that spent more than their pre-tax income had similar spending levels to those who were net savers. The big difference was vehicle purchases: households that were net spenders paid an average of \$15,200 for car purchases, compared with only \$9,000 for those that were net savers.

Deficit spending can be financed by selling assets or drawing down savings, but in many cases the money is borrowed. Lower interest rates, increasing financial wealth and rising real estate values have all helped loosen household purse strings.

*Data Source: Statistics Canada*

### The Nation

- **Canada's composite index of leading indicators remained unchanged in February.** Weak sales of automobiles led to a downturn in transactions of durable goods. Four of the components of the index were on a downswing. The US composite leading indicator remained unchanged for the second straight month. The stock market was the strongest performing indicator, posting growth of 2.2%.

*Data Source: Statistics Canada*



*Have a Happy Easter!*

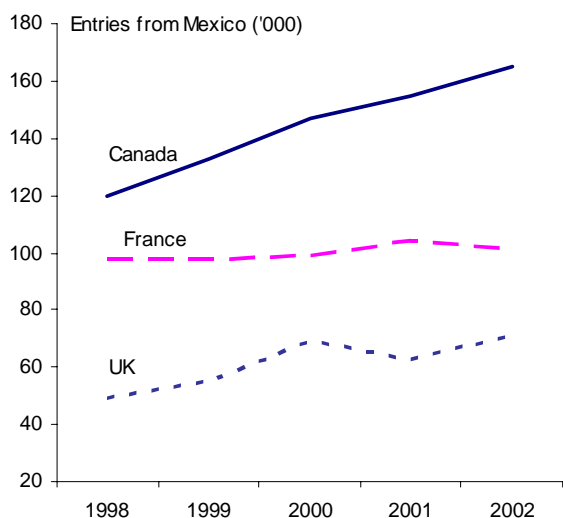
*Infoline Issue: 05-12  
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## Mexico a Growing Market for both B.C. and Canada

A growing number of Mexicans, close to 13 million in 2004, went abroad, suggesting that foreign travel is a growing consumer pastime among Mexicans.

In 2002, close to 12 million Mexicans travelled abroad. Approximately 80% of them took short trips by car across the US border within the "free mile zone," mainly to go shopping. Mexicans travelling within the free mile zone do not require visitors' visa, or passports to enter the US. There are, however, an estimated 3 million Mexicans who travel further afield for pleasure, business and to visit friends and family.

### Mexicans Choose Canada over European Favourites



Data Source: World Tourism Organization

Not surprisingly, the US is the favourite destination of Mexican tourists. This is partly because the US and Mexico are neighbouring states, and their close proximity means that many Mexicans do not have to travel far to visit the US. Mexican immigrants to the US also attract visits from friends and family who live south of the border.

The cumbersome entry requirements could deter travel from Mexico to the US, creating an opportunity for Canada to pick up some of the slack.

Many Mexicans are interested in Canada, and perceive it as safe and less expensive than their own country. However, the interest has not translated into a higher market share for Canada, possibly due to lack of awareness about attractions and activities offered in Canada.

In December 2004, the Canadian Tourism Commission's (CTC's) board of directors approved an increase in marketing investment of \$600,000 for Mexico. The extra marketing dollars are expected to help better position Canada in the Mexican tourism market.

### How do Mexicans spend their time while on holiday?

Mexicans travel not only for recreational purposes, but also for educational reasons. Travel abroad means that they can experience other cultures, with their traditions and history, and is viewed by many as an investment in the future of their children. Many Mexicans visit museums, art galleries, cultural events and festivals when they travel to Canada. They also like participating in sporting events and, not surprisingly, winter activities are also popular. Some Canadian tour operators have reported increasing interest in ski packages to Canada over the last few years.

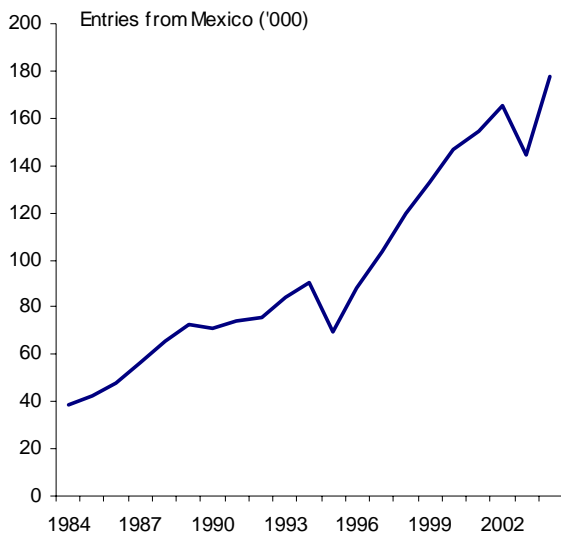
### Travel from Mexico to Canada is increasing

In 2004, over 177,000 Mexicans travelled to Canada, exceeding the peak of 165,000 visitors recorded in 2002 before the peso slipped. Outbound travel from Mexico to Canada expanded a hefty 23% in 2004, from 144,000 visitors in 2003. Travel from Mexico to Canada jumped from 38,820 visitors in 1984 to over 177,000 in 2004.

Canada's profile as a tourist destination is on the rise in Mexico partly due to various tourism agencies and organizations marketing efforts to attract a higher number of tourists from Mexico. The Canadian Tourism Commission's Market Priorities Assessment (MPA) ranked Mexico as Canada's fifth-largest inbound tourism market.

The number of outbound travellers has also increased due to Mexico's success in stabilizing its economy and achieving a less-volatile currency by emerging market standards.

### Canada Is Attracting More Mexicans



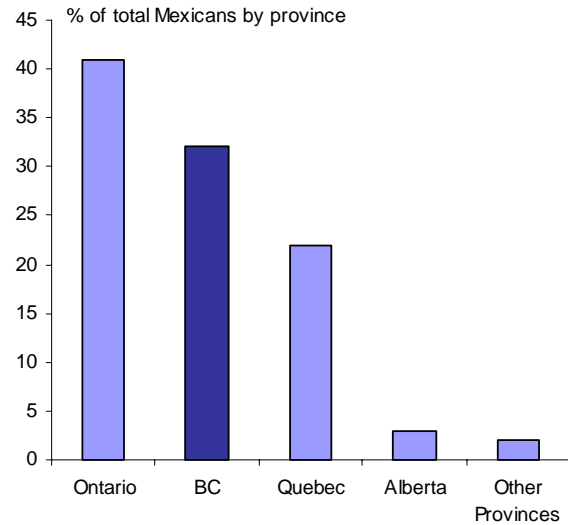
Data Source: Statistics Canada

A small portion of the increase in visitors over the years might also be attributed to the more than 10,000 Mexicans working in Canada each year to help fill worker shortages in agriculture and construction.

### BC is the second most popular Canadian destination for Mexicans

In 2004, 56,500 Mexican visitors came to BC, a 6.4% increase from the previous year, representing 32% of the total Mexican visitors to Canada. Mexicans entering via BC border crossings represent 0.8% of the total number of travellers coming to BC. Ontario ranks first as the favourite destination of Mexican tourists, receiving close to half of the Mexican tourists arriving at Canadian national borders.

### One in Three Mexicans Visiting Canada Comes to BC




Data Source: Statistics Canada

This is most likely due to a higher concentration of Mexican immigrants in Ontario compared to BC. Mexico was Ontario's fifth-largest foreign tourism market in 2004, welcoming 73,200 thousand Mexicans, a 36% increase from the previous year.

Quebec is the third most preferred province, receiving 22% of Mexican outbound travellers with approximately 38,200 arrivals last year. All the other provinces receive only 2% of total Mexican inbound travel to Canada; however, most provinces experienced double-digit growth between 2003 and 2004.

The Tourism Industry has recovered in 2004 from the severe hits received in 2003. Most of the traditional overseas markets bounced back, and with new emerging ones such as Mexico and Mainland China, the future looks bright.

 **fax** transmission information service from **BC STATS**

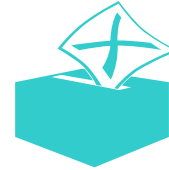
 **Email** transmission information service from **BC STATS**

 also on the **Internet** at [www.bcstats.gov.bc.ca](http://www.bcstats.gov.bc.ca)

## BC at a glance . . .

<b>POPULATION (thousands)</b>	Jan 1/05	% change on one year ago
BC	4,220.0	1.1
Canada	32,078.8	0.9
<b>GDP and INCOME</b>		% change on one year ago
<i>(BC - at market prices)</i>	2003	
Gross Domestic Product (GDP) (\$ millions)	145,550	5.2
GDP (\$ 1997 millions)	133,600	2.5
GDP (\$ 1997 per Capita)	32,175	1.6
Personal Disposable Income (\$ 1997 per Capita)	19,758	0.3
<b>TRADE (\$ millions, seasonally adjusted)</b>		% change on prev. month
Manufacturing Shipments - Jan	3,586	0.1
Merchandise Exports - Jan	2,631	3.0
Retail Sales - Jan	3,987	-0.9
<b>CONSUMER PRICE INDEX</b>		12-month avg % change
<i>(all items - 1992=100)</i>	Feb '05	
BC	123.8	2.1
Canada	125.8	2.0
<b>LABOUR FORCE (thousands)</b>		% change on prev. month
<i>(seasonally adjusted)</i>	Feb '05	
Labour Force - BC	2,258	0.9
Employed - BC	2,100	0.4
Unemployed - BC	158	8.9
		Jan '05
Unemployment Rate - BC (percent)	7.0	6.5
Unemployment Rate - Canada (percent)	7.0	7.0
<b>INTEREST RATES (percent)</b>	Mar 23/05	Mar 24/04
Prime Business Rate	4.25	4.00
Conventional Mortgages - 1 year	4.80	4.30
- 5 year	6.05	5.70
<b>US/CANADA EXCHANGE RATE</b>	Mar 23/05	Mar 24/04
<i>(avg. noon spot rate) Cdn \$</i>	1.2036	1.3411
<i>US \$ (reciprocal of the closing rate)</i>	0.8300	0.7471
<b>AVERAGE WEEKLY WAGE RATE</b>		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Feb '05	
BC	704.90	2.8
Canada	692.92	2.6
<b>SOURCES:</b>		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate		} Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see <a href="http://www.bankofcanada.ca">www.bankofcanada.ca</a>		

## Electoral District Profiles



Statistical Profiles of Provincial Electoral Districts are useful to candidates and their parties, voters, media, students, and all other organisations and individuals engaged in the democratic and political process.

The link below will take you to our jumping off point to a range of information from the latest 2001 census profiles to similar work for 1996 and 1991 periods.

<http://www.bcstats.gov.bc.ca/Regions/ped.htm>

### Released this week by BC STATS

- Small Business Quarterly, 4<sup>th</sup> Quarter 2004
- Tourism Sector Monitor, February 2005
- Consumer Price Index, February 2005
- Migration Highlights, 4<sup>th</sup> Quarter 2004
- Immigration Highlights, 4<sup>th</sup> Quarter 2004

### Next week

- Current Statistics, March 2005
- BC Business Indicators, March 2005