

- BC's unemployment rate at 5.1% in December
- Number of BC residents receiving EI benefits increased 0.8% in October
- The Canadian Economy was up 0.2% in October

Labour Force

- **British Columbia's unemployment rate edged up 0.2 percentage points in December to 5.1% (seasonally adjusted), as the total labour force grew (+0.3%) at a slightly faster pace than did job creation (+0.1%).** BC led the country in job growth in 2005 with gains in construction (+14.0%), trade (+13.3%), information, culture & recreation (+13.1%) and educational services (+10.9%) helping push average annual employment up 3.8%.

The province's goods (0.0%) and service (+0.1%) sectors both remained flat in December. Substantial losses in manufacturing (-6.3%), which accounts for almost half the total employment in the goods sector, and utilities (-13.0%) were enough to balance out strong job gains in agriculture (+16.9%), construction (+4.3%) and forestry, fishing, mining, oil & gas (+3.7%).

Employment gains in the service industries occurred mainly in public administration (+4.0%), educational services (+3.1%) and accommodation & food services (+2.5%). However, there were noticeably fewer jobs in transportation & warehousing (-3.2%), health care & social assistance (-2.8%) and trade (-0.4%).

Data Source: Statistics Canada

- **Youth (15-24) were still suffering a higher jobless rate (8.1%, seasonally adjusted) in December, while, at 4.5%, the unemployment rate was little changed among adults 25 and up.** More men (+0.5%) had jobs while the number of female workers was down slightly (-0.3%) from November.

There was a small increase in full-time employment (+0.4%) in December; however, the number of part-time jobs fell 1.0%. The number of self-employed rebounded (+0.7%) in Decem-

ber after a 2.1% slump in November. Employment in the public sector climbed 1.0%, the first increase since May. However, there were 0.3% fewer private sector jobs in December.

Data Source: Statistics Canada

- **Within British Columbia, all regions recorded lower unemployment rates (3-month-moving average) than in December 2004.** The development regions of North Coast/Nechako (7.7%), Kootenay (5.4%), Vancouver Island & Coast (5.3%), and Cariboo (4.9%) continued to experience higher unemployment rates than the provincial average in December. Lower Mainland/Southwest recorded a jobless rate of 4.2% while the Thompson-Okanagan (4.1%) region boasted the lowest unemployment rate in the province.

Data Source: Statistics Canada

- **The Canadian unemployment rate was 6.5% (seasonally adjusted) in December, up just 0.1 percentage point from November.** Jobless rates were lower in the provinces west of Quebec, ranging from 4.1% in Alberta to 6.2% in Ontario. On the other side of the country, Newfoundland (15.5%) and Prince Edward Island (10.9%) had the highest unemployment rates.

Data Source: Statistics Canada

The Economy

- **The number of people in British Columbia receiving regular employment insurance (EI) benefits was up 0.8% (seasonally adjusted) in October, to 48,500 individuals.** Nationally, there was a 1.3% decrease in the number of EI beneficiaries. BC and Newfoundland & Labrador (+0.4%) were the only provinces to see the number of EI beneficiaries increase. The number of beneficiaries in Ontario dipped in October (-3.2%). New Brunswick (-2.3%), PEI (-2.2%) and Saskatchewan (-1.6%) were also responsi-

Did you know...

Approximately 91% of New Year's resolutions fail within the first seventeen days.

Source: Health Canada

ble for a large portion of the decline in recipients across the country. *Data Source: Statistics Canada*

- **Restaurant, caterer and tavern receipts in the province slipped in October, decreasing 1.8% (seasonally adjusted).** Drinking places took in substantially less (-8.5%) than in September, and food service establishments also had a less lucrative month (-1.1%). Canadian establishments fared slightly better: receipts increased 0.4% overall, but revenues at drinking places were down (-8.1%) for the sixth time in seven months. *Data Source: Statistics Canada & BC Stats*

Rail Transportation

- **Coal remained by far the leading commodity to be transported by rail both into and out of the province in 2004.** Coal accounted for 43.2% of all commodities leaving BC, while lumber, wood chips and pulp were far behind. Next to coal, wheat from the prairie-provinces was the next most common commodity to be transported on BC's railways. Lumber is still by far the leading commodity to be transported by rail to the US and Mexico, with 5.6 million tonnes recorded heading south in 2004.

Data Source: Statistics Canada

The Nation

- **Canadian GDP edged up (0.2%, seasonally adjusted) to \$1,081 billion in October, led by strong growth in the goods-producing sector (+0.3%).** Manufacturing output (+1.0%) regained ground after a lull in September, mostly as a result of a 9.4% increase in the output of motor vehicles. Manufacturers of sawmill products (-2.8%) and food (-2.4%) recorded the largest declines.

Construction activity was up (+0.5%) in October on the strength of non-residential building construction (+1.0%). Residential construction (-1.2%) dropped for the third consecutive month as decreases in housing starts were observed in all but the Atlantic region.

The energy sector edged down 0.3%, attributable in part to warmer weather in October, which contributed to a 1.2% decline in the production of electricity and a 2.8% reduction in the distribution of natural gas.

On the services side, retail (+0.9%) and wholesale (+1.0%) trade were both up, partly due to a rebound in auto sales. Tourism-related industries had a mixed performance, owing in part to the high Canadian dollar, with accommodation & food services increasing (+0.3%), and air (-1.3%) and ground (-1.5%) transportation slipping.

The strike by BC's teachers fuelled a 1.7% decrease in output of educational services in October.

Data Source: Statistics Canada

- **Canadian manufacturers received an average of 2.9% more for their products in November 2005 than in the same month of 2004.** Petroleum and coal products continued to have a strong influence on the 12-month change, rising 19.7% from November of 2004, down from October's increase of 24.7%. Chemical products (+9.3%), also contributed to the increase in manufacturers' prices, while prices for motor vehicles & other transport equipment were 1.1% less than a year ago.

Prices for raw materials surged 12.1% in November compared to the same month of 2004, driven mainly by a 19.1% jump in the price of mineral fuels. Despite a 5.8% decrease from October, the price of crude oil (+23.0%) remained a large factor in the year-over-year jump in the cost of mineral fuel. Excluding mineral fuels, the raw material price index would have increased just 5.2% over November of last year.

BC softwood lumber prices continued to drop (-1.5%) as Coastal producers received less (-5.9%) for their products than in November 2004, and prices for Interior lumber remained relatively flat (+0.4%).

The appreciation of the Canadian dollar also muted the increase in producer prices. Excluding the impact of the exchange rate, producer prices would have risen 3.2% instead of only 2.9%, as actually recorded.

Data Source: Statistics Canada

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Tourism in Nanaimo Regional District

Nanaimo Regional District is the second largest regional district in the Vancouver Island/Coast area, contributing more than \$38 million to BC's total room revenue in 2004.

Nanaimo Regional District boasts one of the mildest climates in Canada, and its proximity to Mount Washington ski resort means that visitors can enjoy numerous recreational opportunities. During winter months, they can ski in the morning and golf or sail in the afternoon. With the region including popular tourist destinations such as the city of Nanaimo, Parksville, Qualicum Beach and Coombs, the Nanaimo Regional District offers visitors a variety of activities such as hiking, fishing and nature exploring in summer, and skiing and snowmobiling in winter.

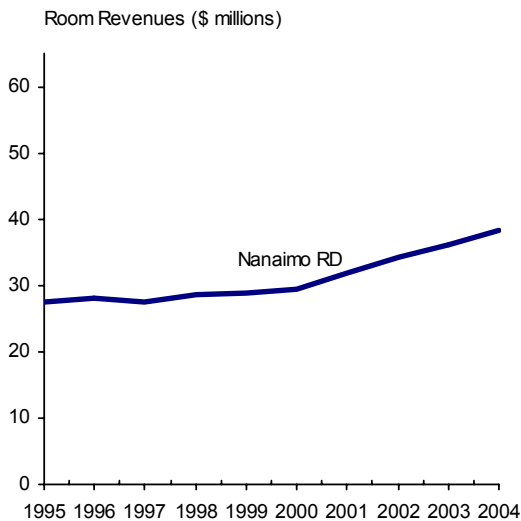
and is the second largest city in the Vancouver Island/Coast region. Nanaimo has unique heritage attractions, a burgeoning arts and culture scene and a myriad of recreational activities to suit every budget.

Nanaimo Regional District room revenues up in 2004

Room revenues in the Nanaimo Regional District increased only marginally between 1995 and 1999, but began to pick up speed in 2000. Since then, revenue growth in the region has outpaced increases in other areas such as the Capital Regional District and Vancouver Island/Coast as a whole.

The Nanaimo Regional District grew 39.3% between 1995 and 2004 compared to Vancouver Island/Coast (+52.6%), and BC total (+58.3%). The increase was largely localized in the city of Nanaimo where revenues shot up 167.9% during this period.

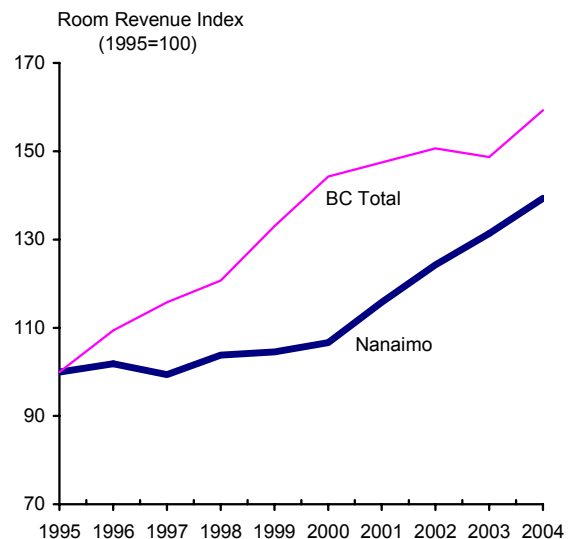
Room revenues picking up speed in Nanaimo Regional District



Source: BC Stats

The name Nanaimo is derived from the Coast Salish word "Snuneymuxw", which means 'great and mighty people'. The city of Nanaimo has a beautiful harbour front,

Nanaimo Regional District also growing faster than the BC average

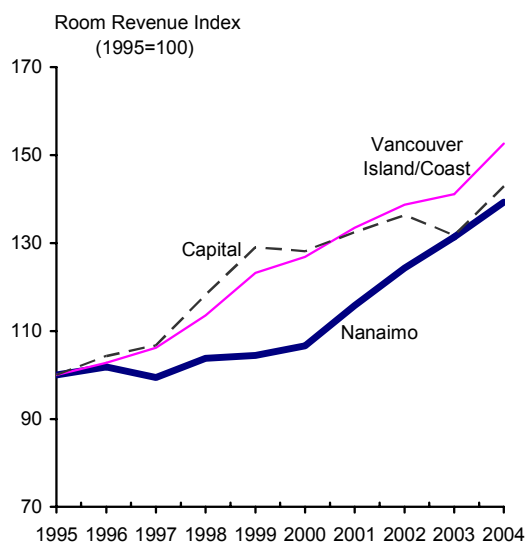


Source: BC Stats

Room revenues at all types of establishments in the Nanaimo Regional District posted strong growth (+6.0%) in 2004, with particularly strong increases at hotels (+8.1%), motels (+6.1%) and bed and breakfasts (+13.5%).

Other accommodation establishments also experienced room revenue growth in 2004. Revenues increased more than twenty percent at both fresh-water fishing and salt-water fishing lodges. Business was also up at campgrounds (+0.8%) and vacation rentals (+3.6%), which provide visitors with different accommodation choices to suit their individual interest and budget.

Revenues increasing faster in Nanaimo Regional District than in other areas on the Island during the period since 2000

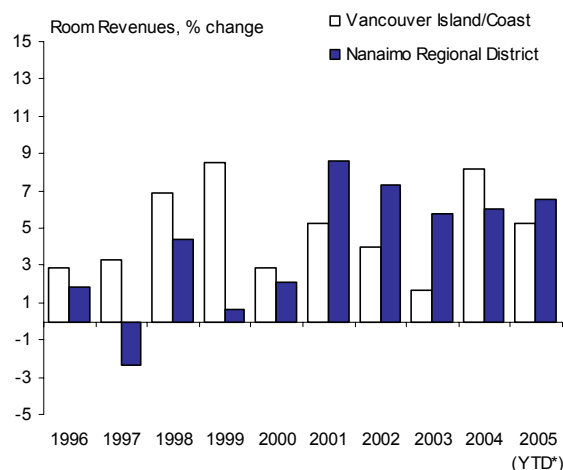


Data Source: BC Stats

Nanaimo Regional District only represents about 13% of the Vancouver Island/Coast region's room revenues, but it has become an important source of revenue growth in the region. The district experienced an increase (+6.5%) in room revenues during the first eight months of 2005 relative to the same period of 2004, outperforming Van-

couver Island/Coast as a whole (+5.3%) and the Capital Regional District (+5.1%), which accounts for about 60% of the revenues in the Vancouver Island/Coast region.

Nanaimo continued to outperform the Capital Regional District in 2005



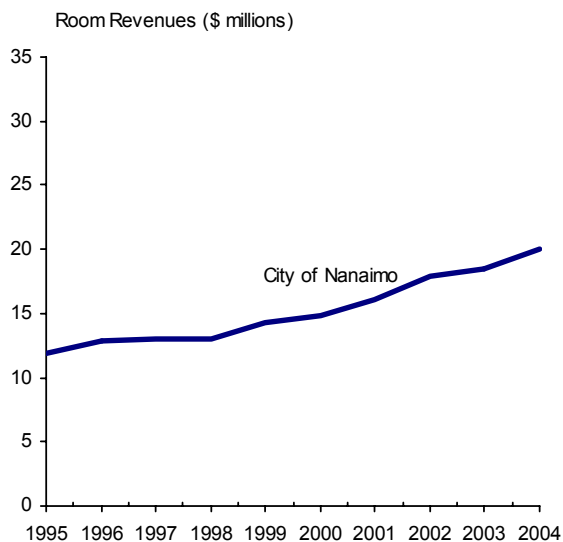
*YTD, year-to date growth covers the period from January to August 2005 compared to the same period in 2004. Data Source: BC Stats

The City of Nanaimo

The city of Nanaimo is located north of Victoria and is a transfer point, as it is easily accessible from Vancouver via BC Ferries at Departure Bay and Duke Point. As a result, many visitors use Nanaimo as their point of entry to the Vancouver Island/Coast region, which has benefited accommodation properties in the city.

The city of Nanaimo is an important source of revenue growth for Nanaimo Regional District and the Vancouver Island/Coast region. In the first eight months of 2005, double-digit growth of 11.5% was recorded in the city of Nanaimo compared to the same period in 2004. This was nearly double the increase in the city of Victoria (+5.9%), the largest city in the Vancouver Island/Coast region.

City of Nanaimo experienced double-digit growth in the first eight months of 2005

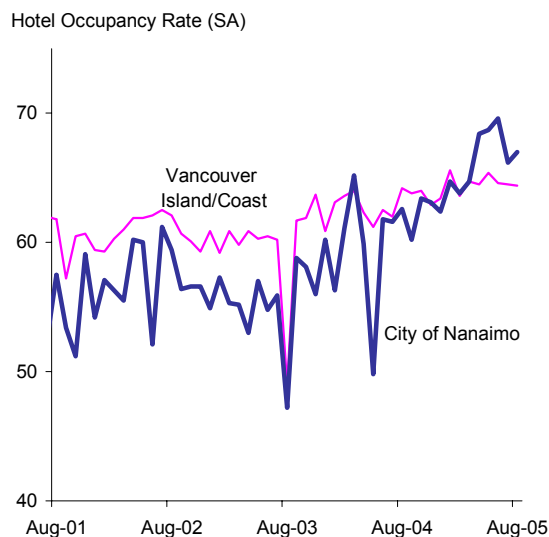


Data Source: BC Stats

Room revenue rose in all types of accommodation establishments with the most growth in hotels (+12.1%), as mid-size hotels (150–250 rooms, +20.9%) were much busier in the first eight months of 2005. Motels (+7.6%) and bed and breakfasts (+7.6%) also fared well compared to the same period of 2004.

The hotel occupancy rate in the city of Nanaimo climbed to 67.0% (seasonally adjusted) in August 2005, surpassing the Vancouver Island/Coast region (64.4%), and other areas in the region such as Greater Victoria (66.2%), and Parksville and Qualicum beach (56.9%).

Hotel Occupancy rate in the city of Nanaimo surpassed Vancouver Island/Coast Region in 2005

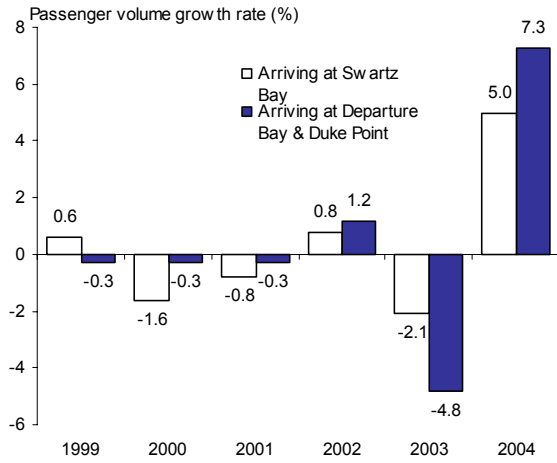


Data Source: Pannell Kerr Forster and BC Stats


Convenient ferry services allow the city of Nanaimo to be a popular stopover spot for travellers who travel not only to Vancouver Island/Coast, but also to Vancouver Island’s largest ski destination, Mount Washington ski resort. Mount Washington has long been known for having good snow conditions from early in winter to well past Easter. This accounts, in part, for Mount Washington being the second-busiest winter recreation destination in BC, behind Whistler/Blackcomb located in the lower Mainland. The city of Nanaimo is much closer to Mount Washington than Victoria for people who travel from the mainland.

Overall, both vehicle (+8.4%) and passenger (+7.3%) volumes arriving at Departure Bay and Duke Point climbed in 2004, outperforming Swartz Bay in Victoria with 3.1% more vehicles and 5.1% more passengers aboard.

More passengers recorded arriving at Departure Bay & Duke Points than Swartz Bay in 2004



Data Source: BC Ferries

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

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

 also on the **Internet** at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)		% change on one year ago
	Oct 1/05	
BC	4,271.2	1.3
Canada	32,378.2	1.0
GDP and INCOME		% change on one year ago
<i>(BC - at market prices)</i>	2004	
Gross Domestic Product (GDP) (\$ millions)	157,241	7.7
GDP (\$ 1997 millions)	139,205	4.0
GDP (\$ 1997 per Capita)	33,129	2.8
Personal Disposable Income (\$ 1997 per Capita)	20,182	1.4
TRADE (\$ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Oct	3,583	1.5
Merchandise Exports - Oct	3,157	1.4
Retail Sales - Oct	4,263	-0.1
CONSUMER PRICE INDEX		12-month avg
<i>(all items - 1992=100)</i>	Nov '05	% change
BC	126.2	2.0
Canada	128.2	2.2
LABOUR FORCE (thousands)		% change on prev. month
<i>(seasonally adjusted)</i>	Dec '05	
Labour Force - BC	2,285	0.3
Employed - BC	2,169	0.1
Unemployed - BC	116	3.3
		Nov '05
Unemployment Rate - BC (percent)	5.1	4.9
Unemployment Rate - Canada (percent)	6.5	6.4
INTEREST RATES (percent)	Jan 4/06	Jan 5/05
Prime Business Rate	5.00	4.25
Conventional Mortgages - 1 year	5.80	4.80
- 5 year	6.30	6.05
US/CANADA EXCHANGE RATE	Jan 4/06	Jan 5/05
<i>(avg. noon spot rate)</i> Cdn \$	1.1515	1.2238
US \$ <i>(reciprocal of the closing rate)</i>	0.8721	0.8156
AVERAGE WEEKLY WAGE RATE		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Dec '05	
BC	706.03	1.4
Canada	712.53	4.0

SOURCES:

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 www.bankofcanada.ca

Population estimates 2005

Municipal and regional district population estimates are a basic measure that feeds into decisions around funding, services, and much more. This release contains revisions for the period back to 2002.

Municipal and regional district population 2005

<http://www.bcstats.gov.bc.ca/data/pop/pop/estspop.asp> [continued]

Released this week by BC STATS

- No subscription releases

Next week

- Tourism Sector Monitor, December 2005
- Labour Force Statistics, December 2005
- Earnings & Employment Trends, Dec. 2005
- Exports, November 2005