

- BC's inflation rate drops to 1.8% in December; annual rate for 2005 is lowest in Canada
- Investment in non-residential building construction soars
- Shipments up 1.8% in November; wholesale sales improve

## Prices

- **British Columbia's year-over-year inflation rate moderated slightly in December, dropping to 1.8% as consumers received some relief from energy-driven increases in the overall price level.** Although the cost of energy was 8.2% higher than in December 2004, the increase was modest compared to the double-digit price hikes seen early in the fall. At the same time, prices for goods other than energy rose only 1.2%—the lowest rate since 2001.

Goods and services affected by energy costs continued to show upward price movement in December, with the transportation index rising 3.5%, largely because of higher prices for gasoline (+11.5%) and public transportation (+2.9%). Utility costs for homeowners were also up significantly (+14.8% for piped gas and +23.5% for fuel oil & other fuels). However, furniture, textiles, household equipment and chemicals cost less in December than they had a year earlier, and the overall index for household operations advanced just 0.2%. Increases in the cost of food (+1.2%) were modest, largely because prices for groceries (+0.6%) rose only marginally; restaurant meals were 2.3% more expensive than they were a year earlier. Clothing and footwear prices edged up 0.5%, and the cost of recreation, education & reading materials was 0.9% higher than in December 2004.

BC, Alberta, Manitoba and the territories were the only regions where inflation rates eased in December. In the rest of the country, consumers faced higher overall price levels, with the Canadian CPI rising to 2.2%. Nationally, energy costs (+10.2%) were a bigger inflationary factor than in BC. Excluding energy, the Canadian price level would have been up just 1.4% in December.

*Data Source: Statistics Canada*

- **Residents of Vancouver (+1.5%) experienced**

**considerably less inflation than those in other parts of the province.** Winnipeg (+1.3%), Regina (+1.4%) and Saskatoon (+1.5%) were the only major Canadian cities with a similarly low inflation rate. In the Victoria metropolitan area, prices were up 2.0%.

Among the provinces, year-over-year inflation rates were lowest in Manitoba (+1.3%) and Saskatchewan (+1.4%), and highest in Nova Scotia (+2.7%). Quebec and Ontario both posted a 2.1% increase in the overall price level.

*Data Source: Statistics Canada*

## The Economy

- **Investment in non-residential buildings increased 7.9% (seasonally adjusted) in the fourth quarter.** Spending on new institutional and government buildings remained robust, rising 18.2%. There was also more activity in the commercial (+5.1%) and industrial (+1.8%) sectors.

*Data Source: Statistics Canada*

- **Shipments of goods manufactured in British Columbia rose 1.8% (seasonally adjusted) in November following a 1.5% gain in the previous month.** The increase in the value of shipments was largely due to an upturn in durable goods manufacturing (+4.2%), which was driven by solid growth in the dominant wood industry (+1.5%) and a substantial 50.0% increase in shipments by the primary metals industry, the second largest manufacturer of durable goods in BC. Producers of fabricated metal products saw their shipments rise 1.1%, but other manufacturers of durable goods did not fare as well. On the non-durables side, shipments by paper producers dropped off sharply (-6.1%) in November. This was only partly offset by a 1.1% increase in the food industry. Overall shipments by producers of non-durables were down 1.4%.

Prices for BC softwood lumber products (*unad-*

## Did you know...

Ninety-five percent of Canadians believe having fun leads to a healthy life; 80% say they have enough fun in their life. *Data Source: Ipsos-Reid Survey*

justed) were slightly lower than in November 2004, and producers also received less for wood pulp than they did in November 2004.

The Canadian manufacturing sector slowed, with shipments falling 1.5% in November. Ontario (-3.0%) and Quebec (-0.8%) both exhibited weakness, and in New Brunswick, the value of shipments plunged 11.7%. Every other province posted gains, with the most notable increases seen in Newfoundland (+8.9%) and PEI (+10.7%).

*Data Source: Statistics Canada*

- **Wholesalers in the province recorded a 0.8% increase in sales in November, as sales rebounded after slipping (-1.6%) in the previous month.** Nationally, sales were weak in November, dropping 0.2% largely because of a poor performance in Ontario, where sales were off 1.0%.

*Data Source: Statistics Canada*

## 2005 in Review

- **During 2005, BC's overall price level increased 2.0%, less than in any other province, and slightly less than the national inflation rate, which was 2.2%.** Lower-than-average increases in the cost of food (+1.3%, compared to a national average of 2.5%) and shelter (+2.2%, compared to +3.1% nationally) were the main reasons for the slightly lower inflation rate in this province. Prices for other types of goods and services rose more than in the country as a whole. Vancouver's inflation rate was 1.9%, while prices in Victoria increased 2.2% during 2005.

Nationally, the cost of food purchased from stores rose 2.3% last year; in BC, the increase was just 0.5%. Canadian homeowners also faced higher increases in the cost of utilities, as electric power rates rose at the same time that prices for piped gas and fuel oil were soaring. In BC, consumers faced similarly large increases in the cost of gas and oil, but saw virtually no change in their electricity rates. Overall, energy costs in BC rose less (+7.8%) than the national average (+9.7%) while the cost of other goods and services increased at the same rate (+1.5%).

*Data Source: Statistics Canada*

- **Investment in non-residential buildings climbed 25.8% during 2005, with significant**

**increases in the value of institutional & government (+42.7%) and industrial (+41.6%) building construction.** Spending on new commercial projects rose a substantial 16.5%.

*Data Source: Statistics Canada*

## Tourism

- **Traveller entries to BC from the US and overseas fell 1.7% (seasonally adjusted) in November as the number of visitors from the US continued to drop off.** Although the recent downturn in the number of Americans crossing the border into BC is largely due to fewer same-day trips to Canada (down 6.1% in November), overnight trips from the US (-0.9%) have also been slipping.

Visits from overseas sources increased 1.4% in November. Asian entries, which account for about half of the overseas total, were up 0.6%, while the number of people coming to BC from Europe (+1.0%) and the South Pacific (+1.0%) was also on the rise. Entries from Japan increased (+3.9%) for the first time since May. There were more travellers from Germany (+9.8%), but fewer people from the UK (-3.6%), the main source of visitors from Europe.

Total Canadian entries from the US advanced 0.7% in November, while entries from other sources jumped 3.0%.

The number of Canadians returning home via BC from the US and overseas was virtually unchanged in November, but Canadians as a whole were more likely to be travelling outside the country in November (+1.3%) than in the previous month. *Data Source: Statistics Canada & BC Stats*

## Unlawfully at large

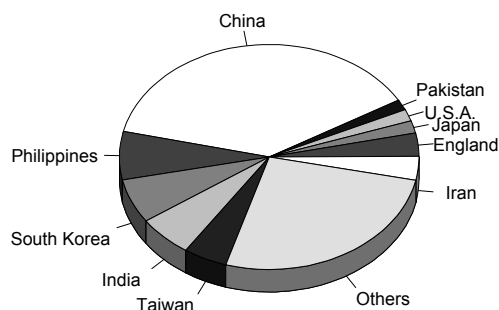
- **The number of Canadian adults charged with being unlawfully at large (those who escaped from prison or other forms of custody) dropped again in 2004, with 1,982 charges laid, 2.5% less than in the previous year.** Failure to appear, breach of probation, being unlawfully at large and other similar offences accounted for 22% of the 305,550 (non-traffic) offences recorded in 2004. *Data Source: SC, Catalogue 85-002, Vol 26#1*

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## Skilled Worker Immigrants to British Columbia

Skilled worker immigrants are those who are selected primarily based on their skills, education and occupational experiences. Skilled worker immigrants, along with some immigrants admitted under the Provincial Nominee Program, are admitted to Canada mainly for the purpose of filling the domestic shortage of skilled labour. (see the *June 2005 Special Feature for a discussion of the Provincial Nominee Program*). Apart from the other requirements, skilled worker immigrants must possess a high degree of English or French language proficiency so they can quickly integrate into the Canadian economy and establish themselves successfully as permanent residents in Canada.

B.C. Skilled Worker Immigrants By Top 10 Sources  
Landed 2000-2004 Principal Applicants Only



Over the five-year period between 2000 and 2004, skilled workers accounted for 48.1 per cent of all immigrants who landed in British Columbia. This represented 87,646 immigrants, with 36,497 being the principal applicants, and the rest being accompanying dependents such as children or spouses. Since it is the principal applicants whose skills were assessed during the admission process, the rest of this article relates only to the principal applicants of immigrants in the skilled work class who landed during 2000–2004.

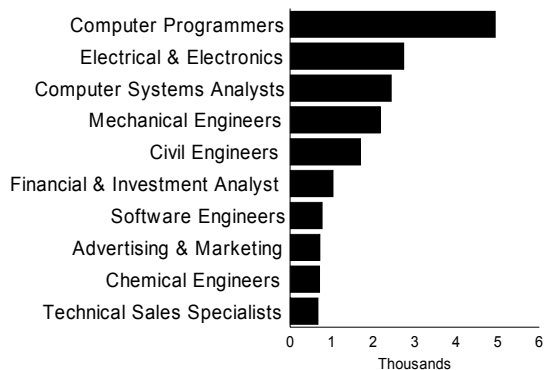
B.C. attracted 14.2 per cent of all skilled workers to Canada during the study period, slightly less than the 15.6 per cent share of the overall landings during the period. Ontario and Quebec were the biggest recipients with each attracting 56.7 and 16.4 per cent of all skilled workers, respectively. The total number of skilled workers who landed in Canada during the five-year period was 257,251 persons.

Skilled workers are generally younger and are more likely to possess post secondary education when compared to immigrants in other classes. Also, male skilled worker immigrants outnumber their female counterparts by 2.3 to one. A majority of the skilled workers were in the 25–45 age group at the time of landing. Of all skilled workers who landed between 2000 and 2004, 57.1 per cent possessed a bachelor degree and another 30.2 per cent had some form of a post-graduate education. These education levels were much higher than the rest of B.C. immigrants, who averaged 17.1 per cent with a bachelor degree, and 5.4 per cent with post-graduate studies.

Approximately half of the B.C. skilled worker immigrants were clustered in ten occupation groups. A majority of these professions were computer related, followed by engineering, finance, marketing and sales. During the five-year period, B.C. skilled worker immigrants were distributed among a total of 539 different occupational groups, although many of these occupation groups were represented by only one or a few immigrants.

In addition to skilled worker immigrants, foreign workers on temporary work permits could also be used to effectively fill short-term labour market demands. During 2005 (up to Dec 18), a total of 19,225 persons had entered B.C. on temporary work visas. A majority of these are care-givers, nannies, farm workers and university professors. Some of these temporary workers may eventually become Canadian landed immigrants.

B.C. Skilled Worker Immigrants by Top 10 Occupations  
Landed 2000-2004 Principal Applicants Only



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

## BC at a glance . . .

<b>POPULATION (thousands)</b>	Oct 1/05	% change on one year ago
BC	4,271.2	1.3
Canada	32,378.2	1.0
<b>GDP and INCOME</b>		% 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
<b>TRADE (\$ millions, seasonally adjusted)</b>		% change on prev. month
Manufacturing Shipments - Nov	3,666	1.8
Merchandise Exports - Nov	3,010	-3.3
Retail Sales - Oct	4,263	-0.1
<b>CONSUMER PRICE INDEX</b>		12-month avg % change
<i>(all items - 1992=100)</i>	Dec '05	
BC	125.7	2.0
Canada	128.1	2.2
<b>LABOUR FORCE (thousands)</b>		% 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
<b>INTEREST RATES (percent)</b>	Jan 18/06	Jan 19/05
Prime Business Rate	5.00	4.25
Conventional Mortgages - 1 year	5.80	4.80
- 5 year	6.30	6.05
<b>US/CANADA EXCHANGE RATE</b>	Jan 18/06	Jan 19/05
<i>(avg. noon spot rate)</i> Cdn \$	1.1726	1.2273
US \$ <i>(reciprocal of the closing rate)</i>	0.8543	0.8150
<b>AVERAGE WEEKLY WAGE RATE</b>		% 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](http://www.bankofcanada.ca)

## Consumer Price Index 2005

With the release of the December 2005 monthly consumer price index came an update of the annual series. BC Stats publishes several documents featuring long time series of the highest level Canada, British Columbia, Vancouver and Victoria data.

[http://www.bcstats.gov.bc.ca/data/bus\\_stat/econ\\_stat.asp](http://www.bcstats.gov.bc.ca/data/bus_stat/econ_stat.asp) [continued]

## 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

- Consumer Price Index, December 2005

### Next week

- Earnings & Employment Trends, Dec. 2005
- Business Indicators, January 2005
- Current Statistics, January 2005