BRITISH COLUMBIA

BC STATS

ServiceBC
Ministry of Labour & Citizens' Services

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 06-17* *April 28, 2006*

- **BC posts second-fastest growth rate in the country, as the economy expands 3.5% in 2005**
- **Real after tax income rises to $20,896 in 2005; saving rate continues to plunge**
- **Manufacturers optimistic about second-quarter prospects**

The Economy

- **British Columbia's economy continued to grow at a fast clip in 2005, with GDP increasing 3.5% (in chained 1997 dollars) during the year.** Alberta (+4.5%) was the only region to outpace BC last year. The Canadian economy expanded 2.9%. Despite BC's solid performance last year, GDP growth was not as strong as in 2004, when the economy expanded 4.0%.

Final domestic demand (total spending by consumers, businesses and governments) remained the main source of economic growth. Domestic demand advanced 4.8% in 2005, partly on the strength of an 8.5% increase in business investment. Businesses in the province spent 16.7% more on new machinery & equipment than in 2004, and residential investment was up a robust 8.6%. However, investment in non-residential structures slumped (-1.8%) for the second year in a row. Government investment in structures (+5.6%) and machinery & equipment (+7.3%) also provided a boost to the economy. Consumer spending advanced 4.6%, the strongest gain since 1989. Purchases of durable goods (+5.5%) and services (+5.3%) were particularly robust. Government spending on goods & services continued to increase at a slow pace (+1.5%).

Export growth slowed to 2.9% from the 5.7% increase posted in 2004. However, the value of imported goods & services rose even more (+6.0%) as the province continued to purchase more goods and services from other regions than it sold to them.

Data Source:: Statistics Canada

- **Real after-tax personal income in BC increased 2.5% to $20,693 (in 1997 dollars) per person in 2005.** Per capita disposable income remained below the national average ($21,065), and was considerably lower than in Ontario ($22,086), Alberta ($24,783) and the north, where incomes ranged from $26,555 in Nunavut to $31,690 in NWT. In addition to having the highest per capita incomes in the country, the three territories also posted the strongest after-tax income growth last year.

Data Source: Statistics Canada & BC Stats

- **BC's saving rate continued to plummet, dropping to a new low of -7.3% in 2005.** This was the ninth straight year in which the saving rate has been negative. Per capita spending exceeded disposable income in eight provinces, but BC's rate was the lowest in the country. Alberta (+5.1%) and Ontario (+1.2%) were the only provinces with positive saving rates. The Canadian rate (-0.2%) slipped below zero for the first time last year. A persistently and increasingly negative saving rate is cause for concern, since it means that a growing share of consumer spending is being financed by withdrawals from accumulated savings rather than current income.

Data Source: Statistics Canada

- **Manufacturers in the province are quite optimistic about production prospects in the second quarter.** Nearly two-thirds (64%, *seasonally adjusted*) of manufacturers surveyed in April say they expect production prospects to be about the same as in the last quarter. Among those anticipating changes, 25% say production will likely increase, while 11% expect to see declines. Seventy-nine percent think that inventory levels will be about right while 18% expect them to be too high. While 63% of manufacturers forecast that orders will be unchanged, 26% think they will rise, compared to 10% who expect a decline. No big changes are anticipated in the backlog of unfilled orders. Overall, employment levels look promising for the second quarter, with 66% of manufacturers predicting little change and 21% expecting to see an improvement in job prospects.

Report **Family Immigrants to British Columbia**

Did you know...
When selecting an airline, 44% of Canadian business travellers list price over flight schedules as the most important factor.
Source: Global Business Travel Survey

Expectations are little less rosy for Canadian manufacturers with only 58% expecting normal volume of production over the next three months and 27% anticipating lower levels. Fifteen percent of Canadian manufacturers think inventory levels will be too high, and 20% expect orders to decline. Job losses (15%) are thought to be more likely than job gains (13%), although most manufacturers (71%) do not anticipate much change in employment prospects. The appreciation of the Canadian dollar, labour shortages in the West and increasing prices for raw materials are among the factors contributing to a 21% expectation of production difficulties over the second quarter.
Data Source: Statistics Canada

- **February restaurant and tavern receipts in BC were unchanged (+0.1% *seasonally adjusted*) as slight gains in food service establishments (+1.0%) offset a 10% slip in sales at drinking places**. For Canada as a whole, revenues were down 1.1%. *Data Source: Statistics Canada & BC Stats*

- **Production at sawmills and planing mills in the province was up (+2.1%, year-over-year) in February.** Although mills in the Interior produced more lumber (+2.5%, largely because of robust activity in the Central and Northern Interior), production at Coastal mills was flat (-0.6%). Canadian lumber production was off 2.3% in February. *Data Source: Statistics Canada*

Education

- **In 2001/02, 90% of students in Canada relied on more than one source to fund their post-secondary education.** A study using data from the Postsecondary Education Participation Survey finds that typical costs (including tuition, books and supplies) for postsecondary students amounted to $4,000 in 2001/02. About 40% of students were enrolled in more costly programmes (expenses over $5,000), 36% in moderately-priced programmes ($2,500 to $5,000) and a quarter in less expensive programmes (less than $2,500).

Personal savings was the most common source of funding for postsecondary students. Although 85% of those in the more expensive programmes reported personal savings as a source of funding, only 24% were able to cover all their educational costs using savings. Grants and scholarships, an important source of financial support, were issued to 29% of students. However, this type of funding fully covered education costs for only 5% of the student population. Student loans were used by 26% of students, though only 60% of loan recipients were able to cover their costs solely with student loans. After personal savings, the most common source of funding was employment income, followed by money from family, partners and friends. *Data Source: SC: Cat. #81-595-MIE2006042*

- **Employment rates for full-time students in BC have increased over the past eight years.** More young people aged 15 to 24 combined school and work during the 2004/05 academic year (34%) than in 1997/98 (29%). In the summer of 2005, the employment rate for students planning to return to their studies in the fall was 46%, also up from 1998. Working and studying has become more common across the country with 40% of full-time students in Canada working during the academic year and 52% holding summer jobs. Alberta led the nation in terms of employment rates for students during the school year (44%), compared to only 23% in Newfoundland. However, during the summer months, PEI topped the other provinces, with over two-thirds of its students holding summer jobs last year.
Data Source: SC: Cat. #81-004-XIE

Aircraft Movement

- **Vancouver International Airport, the second-busiest airport in Canada, saw 322,986 take-offs and landings in 2005, up 2.6% from 2004.** Among other airports in the province, some saw increased traffic, such as Kelowna (+5.5%), whereas others, like Victoria International (-1.1%), reported fewer flights. Nationally, the 42 Canadian airports with NAV CANADA air traffic control towers reported over 3.1 million aircraft movements in 2005, an increase of 0.8%.
Source: Statistics Canada

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Infoline Report

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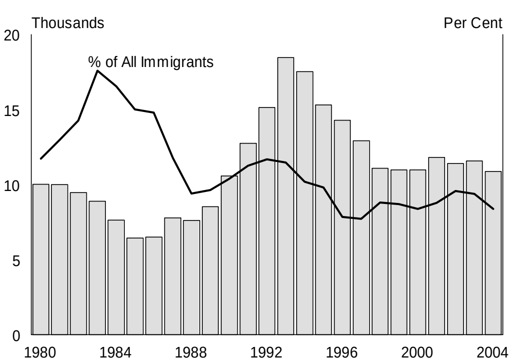
Contact: Frank Ip (250) 387-0336
Originally published in *Immigration Highlights* Issue 05-4. Annual Subscription $30 +GST

Family Immigrants to British Columbia

Family Reunification has always been a main theme in Canada's immigration policies. Immigrants in the family classes are major components in the overall immigrant landings in British Columbia and Canada. Family immigrants are those who are admitted due to the existence of direct family members in Canada. Family immigrants generally include parents, grandparents, sons and daughters, spouse and fiancé, and their accompanying dependent children.

In recent years, family immigrants represented about 30 per cent of all immigrants arriving in the province each year. The total number of family immigrants who came to the province has averaged around 10,000 persons per year over the last five years. While the number of family immigrants to B.C. seems to have peaked during the early nineties, the proportion of family immigrants to total landings has been declining since the mid eighties. This was mainly a result of more immigrants being admitted under the skilled workers and business classes. Similar observations can also made for family immigrants who landed elsewhere in Canada. The total number of family immigrants to Canada has averaged around 60,000 persons annually over the past five years.

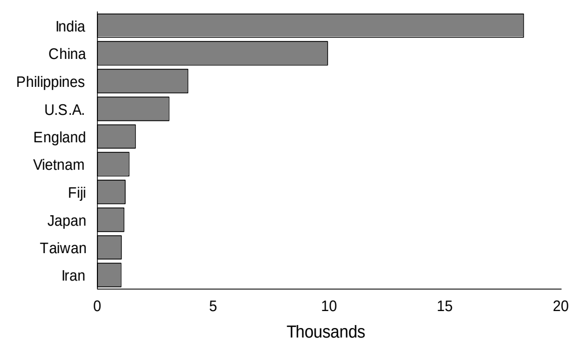
Family Immigrants to British Columbia



India has always been the top source of family immigrants to the province. Over the past five years (2000–2004), one-third of family immigrants who landed in B.C. were from India. China has consistently been the second top source of family immigrants, followed by the Philippines, United States and England. Also, a high number of family immigrants came from Hong Kong during the few years before 1997, but the numbers have declined sharply in recent years.

Top 10 Source of Family Immigrants

Landed in B.C. Between 2000 and 2004



Since a high percentage of family immigrants are spouses/fiancé or parents/grandparents, almost half of the family immigrants landed in the period 2000-2004 were between 20 to 34 years old, and about 28 per cent were 50 years or older. Also, females represented about 60 per cent of all recent family immigrants to the province.

Unlike independent and business immigrants, who are selected based on their skills and economic contribution to the Canada, family immigrants are admitted mainly for family reunification purposes. Hence, family immigrants tended to have lower education attainment when compared to other immigrants. A relatively higher proportion of family immigrants aged 20 or older arrived in the province with only secondary or lower education (44.2% family vs. 15.5% others). Also, a relatively lower proportion of family immigrants had achieved a bachelor or higher university degree prior to immigrating to B.C. (25.1% family vs. 60.4% others)

Similarly, English language ability of recent family immigrants was slightly below that of the overall immigrants as a relatively large number of them were from non-English speaking countries, such as India and China. The proportion of family immigrants who arrived in B.C. with no English language ability during the last two decades was about 57 per cent.

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2006
Census Day
May 16, 2006

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BC at a glance . . .

POPULATION (thousands)	Jan 1/05	% change on one year ago
BC	4,279.5	1.3
Canada	32,422.9	1.0
GDP and INCOME		% change on one year ago
(BC - at market prices)	2005	
Gross Domestic Product (GDP) *($ millions)*	168,011	6.8
GDP *($ 1997 millions)*	144,028	3.5
GDP *($ 1997 per Capita)*	33,853	2.2
Personal Disposable Income *($ 1997 per Capita)*	20,896	3.5
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Feb	3,706	-3.4
Merchandise Exports - Feb	3,007	-1.1
Retail Sales - Feb	4,327	0.1
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Mar '06	% change
BC	126.3	1.9
Canada	129.3	2.3
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Mar '06	prev. month
Labour Force - BC	2,291	0.2
Employed - BC	2,189	0.6
Unemployed - BC	102	-6.8
		Feb '06
Unemployment Rate - BC *(percent)*	4.4	4.8
Unemployment Rate - Canada *(percent)*	6.3	6.4
INTEREST RATES (percent)	Apr 26/06	Apr 27/05
Prime Business Rate	5.75	4.25
Conventional Mortgages - 1 year	6.25	4.90
- 5 year	6.75	6.05
US/CANADA EXCHANGE RATE	Apr 26/06	Apr 27/05
(avg. noon spot rate) Cdn $	1.1270	1.2466
US $ *(reciprocal of the closing rate)*	0.8861	0.8004
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Mar '06	one year ago
BC	718.33	2.9
Canada	721.41	3.7

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

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www.bcstats.gov.bc.ca/pubs/pr_bcmd.asp

Socio-Economic Profiles & Indices 2005

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www.bcstats.gov.bc.ca/data/sep/index.asp

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- Business Indicators, April 2006
- Current Statistics, April 2006

Next week

- Tourism Sector Monitor, April 2006

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