

- Sawmill and planing mill production up 9.6% in March
- Western provinces lead growth in non-residential building construction in 2005
- Median family income in Victoria reaches \$64,200 in 2004

The Economy

- **Production at sawmills and planing mills in BC was 9.6% higher in March than in the same month last year.** Mills in the interior produced 8.3% more lumber and coastal mills increased output by 17.4%. Canadian production was also up (+4.5%), largely because of increased productions in BC, Quebec (+4.0%) and Ontario (+4.2%). *Data Source: Statistics Canada*
- **BC (+26.9%) and Alberta (+27.9%) saw the largest gains in the country in terms of investment in non-residential building construction last year.** In BC, investment was up in all three components of non-residential construction: commercial (+17.4%), industrial (+42.7%) and institutional (+44.0%). Office tower construction was behind the lion's share of growth. In Vancouver, investment in office buildings soared 45.1% to \$458 million, and in Calgary it jumped 58.1% to \$497 million. Booming conditions in Alberta were a result of rising oil prices while increased trade with Asia as well as preparations for the 2010 Olympic Games are among factors contributing to BC's growth. Nationally, total investment in non-residential buildings climbed 8.7% to \$31.5 billion with significant increases in the value of commercial (+12.7%) and industrial (+20.3%) components. Spending on institutional projects such as museums, schools and hospitals slipped 4.7% in 2005. Newfoundland & Labrador (-1.2%) and Saskatchewan (-3.4%) were the only provinces to post decreases in investment in non-residential buildings in 2005.

Data Source: SC Cat.#11-621-MIE2006043

Income

- **Among British Columbia's Census Metropolitan Areas (CMAs) Victoria had the highest median total family income in 2004.** The

median for families (including both couple and lone-parent families) in the capital city reached \$64,200 in 2004, up 2.1% from 2003 (after adjusting for inflation). Families in Vancouver observed a similar increase in total annual income (+2.0% to \$56,200), while those in Abbotsford saw the most significant rise (+3.4% to \$53,700). The median income for Canadian families grew 1.8% in 2004, reaching \$58,100. Oshawa, Ontario was the Canadian CMA with the highest median family income (\$75,000) in 2004.

Data Source: Statistics Canada

- **The median total income for individuals among BC's Census Metropolitan Areas (CMAs) was also highest in Victoria (\$27,900) in 2004.** Median income for those residing in Vancouver was up slightly (+0.7% to \$23,100) from 2003 while Abbotsford residents saw an increase of 1.5% to \$22,400. At the national level, median total income increased 1.5% to \$24,400.

Data Source: Statistics Canada

Agriculture

- **Farm cash receipts were 1.5% higher in the first quarter of 2006 than in the same period of 2005, reflecting higher revenues from the sale of both crop (+5.2%) and livestock (+3.1%) products.** Cattle (+39.7%) and egg (+42.1%) producers recorded significant year-over-year growth while farmers of turkeys (-25.4%) and hens & chickens (-4.1%) both received less from sales. Producers of apples (+6.0%), floriculture & nursery products (+6.9%) and potatoes (+65.1%) accounted for much of the gain in crop receipts.

Nationally, farm cash receipts slipped 3.3% to \$9.0 billion for the first quarter of 2006, with declines in both crop (-8.0%) and livestock (-0.1%) receipts.

Data Source: Statistics Canada

Did you know...

Canadians fork over an average \$3.52 (or US \$3.14) for a Big Mac hamburger. China has the cheapest Big Macs (\$1.31 US) and in Norway the price is super-sized (\$7.05 US). In their native USA, Big Macs take a \$3.10 bite out of consumers' pockets. Source: The Economist

- **The net cash income of farmers in the province decreased to \$356 million in 2005, down 23.1% from \$463 million in the previous year.** Nationally, net cash income was more stable, slipping just 1.1% to \$6.6 billion. Increases in farmers' net cash income were seen in five provinces, ranging from 166.7% in Newfoundland & Labrador to 2.1% in New Brunswick. Of those provinces to post decreases, BC and Alberta (-19.9%) saw the most significant slips. Farmers in many Canadian provinces struggled in 2005, experiencing declines in net cash income resulting from two years of drought as well as trade restrictions due to BSE.

Data Source: Statistics Canada

Hiring Practices

- **Of those surveyed in 2001, one in five Canadian employees reported having undergone no screening process when first hired by their employer.** Among employees who did undergo some sort of screening process, almost all (96%) underwent a personal interview prior to being hired. A medical examination (16%) was the second most common screening tool followed by skill-specific tests (12%) and security checks (10%). The use of medical examinations in hiring practice has become less common over the past few decades whereas security checks have increased steadily. Drug tests, which were very infrequent prior to 1990, are now required for approximately one in 50 job seekers.

Data Source: SC Cat.#75001 -XIEVol.7 No.5

Unemployment

- **The overall unemployment rate for Canadians aged 25 to 64 has changed little since the 1970s.** However, most labour market participants are in fact more likely to be unemployed today than in the early 70s. For example, among workers aged 25 to 34 with less than a high school diploma, the unemployment rate for men increased a full seven percentage points between 1971 and 2005 and six percentage points for women. University graduates of the same age group also saw unemployment rates increase, up about one point for men and roughly two points for women.

Data Source: SC Cat.#75001 -XIEVol.7 No.5

The Nation

- **The index of leading economic indicators rose 0.5% (seasonally adjusted) following a similar gain (+0.6%) in March.** Six of the ten indicators in the index were up, led by money supply (+2.4%). Furniture and appliance sales (+1.5%) also posted strong growth, while the housing index retreated (-1.0%).

Data Source: Statistics Canada

- **In 2005, foreign direct investment in Canada (+9%) increased at three times the pace of Canadian direct investment abroad (+3%).** Foreign investment in Canadian securities reached \$415.6 billion, up \$34.6 billion from 2004, while the soaring Canadian dollar lowered the value of existing investments abroad, causing Canadian investment in foreign securities to climb at a slower pace (\$13.7 billion to \$465.1 billion). On a year-over-year basis, the appreciation of the Canadian dollar in 2005 was up 3.4% to the US dollar, 15.2% against the pound sterling, 19.0% on the Japanese yen and 18.3% on the Euro.

Data Source: Statistics Canada

- **Cigarette sales and production in Canada continue to plummet.** In April, cigarettes sold by Canadian manufacturers dropped to 2.6 billion, down 9.6% from April of 2005. Production decreased to 2.3 billion, down 36.8% over the same month last year.

Data Source: Statistics Canada

Oops!

A bullet published in the April 28th issue of Infoline contained some incorrect data. It should have read:

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

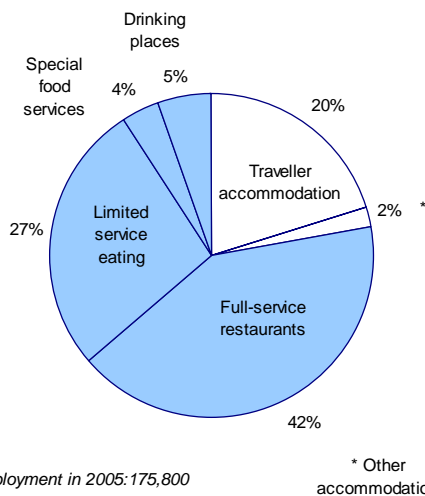
*Infoline Issue: 06-21
May 26, 2006*

BC's Labour Market in the Accommodation and Food Services Industry

Higher level of employment at food services & drinking places

In 2005, BC's accommodation & food services industry employed 175,800 people. Food service and drinking places account for eight out of ten jobs in this industry. These establishments provide food, snacks and beverages that are intended for immediate consumption to customers who order them.

Nearly eighty percent of the jobs in this industry are at food services and drinking places



Data Source: Labour Force Survey

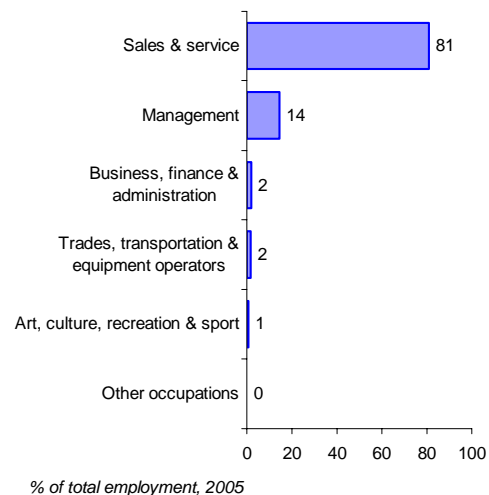
The accommodation industry provides lodging or short-term housing to travellers and other people who are temporarily away from their usual residence. Traveller accommodation includes hotels, motels, lodges and resorts that may offer both accommodation and food services, since many have a restaurant, bar or café onsite.

More workers in accommodation & food services are in sales and service occupations

More than in any other industry, one occupational group dominates the workforce in the accommodation & food services industry. Eight out of ten workers in this industry are in sales and service occupations. Food and beverage servers make up 18% of the total workforce in the industry, while cooks (14%) and cashiers (6%) are other common occupations. Other typical occupations in this group include cleaners and janitors (5%), food service supervisors (4%), chefs (3%), bartenders (3%) and hosts (2%).

After sales and services, restaurant, accommodation and other managers (14%) account for the biggest percentage of the workforce. The remaining 5% are employed in various other occupations.

Eight out of ten workers are employed in sales and service occupations

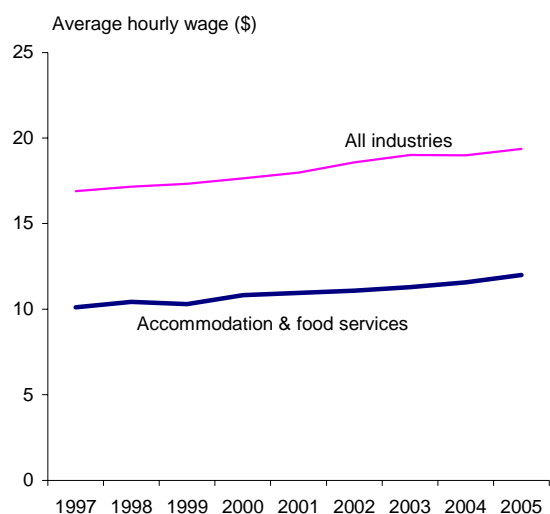


Data Source: Canadian Occupational Projection System estimate

Hourly wages: below average

Hourly wage rates in the industry are quite low, averaging \$12.00 an hour in 2005, just over 60% of the average for all industries in the province. Wages are lowest in food services and drinking places (\$11 an hour). Workers in accommodation services received an average wage of \$14 an hour in 2005. The typical worker spent 32 hours a week on the job.

Hourly wages at the accommodation & food services industry below average



Data Source: Labour Force Survey

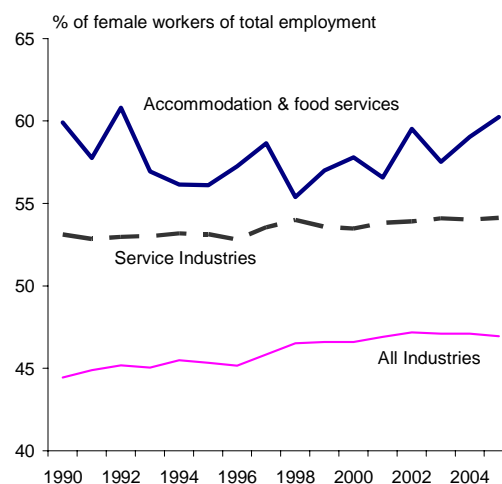
However, wages are not the full measure of earnings for many workers in the industry. Although wages in accommodation & food services are well below the levels seen in most other industries, workers supplement their earnings with tips received from customers. A standard tip or bar tip is usually 10-20% of the bill, so some food and beverage service workers derive more of their income from this source than from the wages that they receive from their employers.

Employment characteristics: part-time, female and young workers, short tenure

Part-time employment is more common in this industry than in any other industry. Thirty-seven percent of the workers were employed part-time in 2005. The only industry with a similarly large part-time work force was retail trade, where the rate was 34%.

Women make up just under half (47%) of the BC workforce, but the workers in accommodation & food services is largely female, with women holding three out of every five jobs in this industry. In addition, over 70% of people holding part-time jobs in the industry are women.

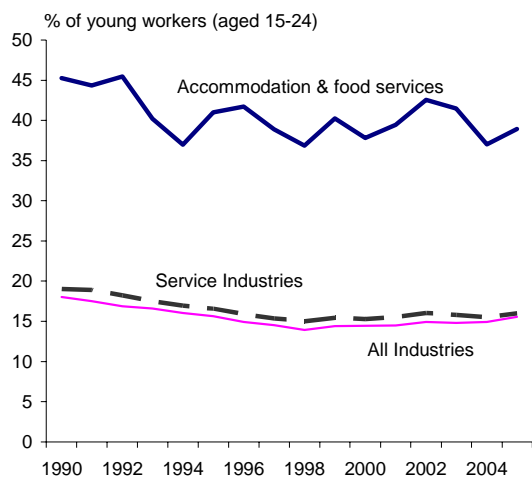
Women hold about 60% of jobs



Data Source: Labour Force Survey

Between 1990 and 2005, about 40% of accommodation and food service workers were young people (aged 15-24). Given that young people make up only 15% of the BC workforce, it is clear that the accommodation & food services industry is heavily geared toward youth employment, although the share of young workers of the total employment went from 45% in 1990 down to over 38% in 2005. Furthermore, about six out of ten young workers in the industry are females.

Young workers prominent



Data Source: Labour Force Survey

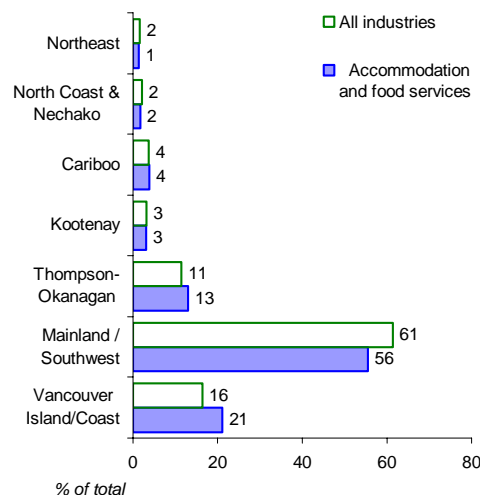
The accommodation & food services industry provides a variety of employment opportunities for students and young people, offering them the crucial entry points into the workforce. Given the generally high unemployment rates among young people, the importance of the industry to youth is noteworthy.

Unemployment rates averaged 8.4% during the period from 1990 to 2005, the same as the average for all industries in the economy. However, workers in this industry are more likely to experience unemployment than other service-sector workers. The jobless rate in the service sector averaged 5.1% during this period.

Job allocations in BC

The demand for accommodation & food services is related to the size of the population living in an area. However, hotels, motels and other types of accommodation are also located at or near popular tourist sites. For example, there are several large hotels in the Whistler area, which have been built to accommodate skiers and other tourists visiting the resort town. Fishing or hunting lodges, guest ranches and similar types of accommodation may be found in rural or wilderness areas.

Thompson-Okanagan and Vancouver Island/Coast have a higher-than-average share of jobs in this industry



Data Source: Labour Force Survey

With most of the large hotels located in the region, Mainland/Southwest provides more than half (56%) of the jobs in the accommodation & food service industry.

Thompson/Okanagan accounts for a bigger than average share of total employment in this industry. With its scenic beauty, orchards, wineries and varied outdoor recreation opportunities, the region is a popular spot for tourists. Vancouver Island/Coast is also popular with tourists from North America and overseas who often include a visit to Victoria, Long Beach or other parts of the region in their travel itineraries.

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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
<i>(BC - at market prices)</i>	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)	20,693	2.5
TRADE (\$ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Mar	3,801	1.3
Merchandise Exports - Mar	2,955	-1.5
Retail Sales - Mar	4,346	0.7
CONSUMER PRICE INDEX		12-month avg % change
<i>(all items - 1992=100)</i>	Apr '06	
BC	127.1	1.8
Canada	130.0	2.3
LABOUR FORCE (thousands)		% change on prev. month
<i>(seasonally adjusted)</i>	Apr '06	
Labour Force - BC	2,296	0.2
Employed - BC	2,193	0.2
Unemployed - BC	103	1.1
		Mar '06
Unemployment Rate - BC (percent)	4.5	4.4
Unemployment Rate - Canada (percent)	6.4	6.3
INTEREST RATES (percent)	May 24/06	May 25/05
Prime Business Rate	5.75	4.25
Conventional Mortgages - 1 year	6.25	4.85
- 5 year	6.75	5.95
US/CANADA EXCHANGE RATE	May 24/06	May 25/05
<i>(avg. noon spot rate) Cdn \$</i>	1.1125	1.2618
<i>US \$ (reciprocal of the closing rate)</i>	0.8977	0.7935
AVERAGE WEEKLY WAGE RATE		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Apr '06	
BC	720.63	2.9
Canada	724.06	3.5
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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← Corrected (PDI per Capita)

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- BC Business Indicators, May 2006
- Current Statistics, May 2006

Next week

- Tourism Sector Monitor, May 2006
- Quarterly Regional Statistics, 1st Quarter 2006