BC STATS

Service BC
Ministry of Labour & Citizens' Services

Infoline

*Contact:* bcstats.infoline@gov.bc.ca

*Issue: 06-51* *December 22nd, 2006*

- **Inflation rate climbs to 1.5% in November as cost of shelter increases**
- **Retail sales remain flat in October; wholesale sales up, despite declines at national level**
- **Visitor entries drop off in October**

## Population

- **BC's population grew 0.39% between July and October, rising to 4,327,431.** This was one of the most substantial population increases among the provinces, second only to Alberta (+1.12%). No other province experienced growth that exceeded the national average in the third quarter, though Ontario (+0.27%) and Quebec (+0.23%) came close. The Canadian population expanded 0.33%, rising to 32,623,490.

During the third quarter of 2006, BC gained a total of 13,276 persons as a result of net migration from all sources. This was slightly lower than the 13,496 migrants in the third quarter of last year. The decrease in total net migration was a result of a decline in international migration. The province received 11,151 migrants from international sources, compared to 11,822 in the same quarter of last year. On the other hand, net interprovincial migration between July and October (+2,125) was higher than over the same period last year (+1,674). When natural increase (births minus deaths) is added to the migration figures, BC's population grew by 16,979 people between July 1, and October 1, 2006.

*Data Source: Statistics Canada*

## Prices

- **British Columbia's year-over-year inflation rate stood at 1.5% in November, up slightly from October (1.1%).** The cost of energy products (-0.8%) continued to ease, such that excluding energy, the overall Consumer Price Index (CPI) would have been slightly higher (+1.7%). Despite falling prices for piped gas (-10.4%) and fuel oil (-15.5%), the cost of shelter was up 2.0%. Residents paid more for other utilities such as water (+9.1%) and electricity (+4.0%) than in the same month last year. The cost of home insurance (+7.2%) and maintenance & repairs (+2.1%) also took a bigger chunk out of the household budget. Drivers paid less at the pump (-0.6%) in November but transportation costs were up (+1.1%) as prices for operating (+2.3%) and insuring (+5.0%) a motor vehicle were also higher than last year. The cost of food climbed by 3.0% as grocery bills (+2.5%) and restaurant meals (+4.2%) were more pricey. Prices for clothing & footwear (+1.6%) were also higher than in October of 2005.

Health & personal care was more costly (+1.9%) than last year as was tuition (+1.9%), though British Columbians enjoyed lower prices for recreational equipment & services (-5.4%).

The inflation rate in Vancouver (+2.1%) was moderately higher than the provincial average, while Victoria's (+0.9%) was somewhat lower.

*Data Source: Statistics Canada*

- **The Canadian inflation rate was 1.4% in November, slightly lower than that of BC.** Residents of western provinces saw the biggest overall CPI increases with Alberta (+3.7%) recording the highest rate in the country. Other provinces enjoyed more modest expansion, ranging from 0.2% in New Brunswick to 1.7% in Manitoba. Despite the overall increase, the national inflation rate remains considerably lower than the 2.3% average for the last five years.

*Data Source: Statistics Canada*

## The Economy

- **Sales by retailers in the province edged down (-0.1%, seasonally adjusted) in October, after dropping 0.7% in the previous month.** None of the provinces made gains and Saskatchewan (-2.2%) posted the most significant decline in

Report B.C.'s Construction Industry Since 1990

**Did you know...**
**Canadian shoppers spent $36.8 billion in December 2005, 6.6% more than in December 2004** *Source: Statistics Canada*

sales. At the national level, sales were off 0.7% in October as sales in the automotive sector continued to slide. *Data Source: Statistics Canada*

- **Wholesale sales in BC strengthened in October, expanding 1.9% (*seasonally adjusted*) following a 4.9% slip in September.** Canadian sales were relatively flat (-0.2%), with six provinces posting decreases. *Data Source: Statistics Canada*

- **The number of British Columbians receiving regular employment insurance (EI) benefits dropped (-3.5%, *seasonally adjusted*) to 37,780 in October.** All but two provinces saw a decline in EI beneficiaries, resulting in a 0.8% decrease at the national level. *Data Source: Statistics Canada*

- **Restaurant, caterer and tavern receipts in the province were down (-1.5% *seasonally adjusted*) in October, following a 0.4% slip in September.** Drinking places (-15.8%) took in substantially less while sales in food service establishments, which account for more than 90% of total receipts, saw a 0.4% downturn. For Canada as a whole, revenues were up 0.6% with a 0.7% increase at food service establishments outweighing a 1.0% loss in receipts at drinking places. *Data Source: Statistics Canada & BC Stats*

- **Production at BC's sawmills and planing mills was flat (+0.1%, year-over-year) in October.** Although mills in the Interior (+3.0%) produced more lumber, production at Coastal mills was down substantially (-16.1%). Canadian lumber production was 1.7% lower than in the same month last year. *Data Source: Statistics Canada*

## Tourism

- **The number of travellers entering Canada via BC borders continued to fall (-1.5%, *seasonally adjusted*) in October mainly due to declines in entries from the US (-1.6%).** American visitors made fewer same-day (-3.9%) and overnight (-0.2%) trips north of the border into BC. The US accounts for about 80% of all traveller entries into the province.

  Travel to BC from overseas countries was also down (-1.1%) in October. Asian entries, making up about half of the total, were down 0.9% while entries from Europe (the next biggest source of visitors to BC) fell even more (-3.0%). The number of travellers from Oceania was also lower (-4.9%).

  Canadian entries were off 0.8% in October, as travel from the US (-1.4%) slowed. However, there were more Canadians returning home via BC from overseas (+2.8%). *Data Source: Statistics Canada*

## The Nation

- **Canada's economy stalled in October, with real GDP remaining virtually unchanged (-0.0%, *seasonally adjusted*) from the previous month.** The goods sector was flat, as losses in agriculture, forestry, fishing & hunting (-1.0%) and manufacturing (-0.8%) offset gains in utilities (+2.3%), mining, oil & gas extraction (+0.8%) and construction (+0.2%). The service sector was also unchanged, as wholesale (-0.8%) and retail (-0.5%) trade along with transportation & warehousing (-0.7%) lost ground while other service industries made modest gains. Arts, entertainment & recreation (+0.6%) was the top performer among service producing industries. GDP expanded 0.9% in the energy sector and the business sector (-0.0%) was flat in October. *Data Source: Statistics Canada*

*Best wishes for a Merry Christmas and Happy New Year from all of us at BC Stats!*

*We're taking a break for the holidays. The next issue of Infoline will be The 2006 Index. Our regular format will resume on January 5th, 2007.*

*Infoline* **Issue: 06-51**
**December 22nd, 2006**

Infoline Report

Issue: 06-51
Dec. 22, 2006

Contact: Lillian Hallin (250) 387-0366
Originally published in *Business Indicators* Issue 06-11. Annual Subscription $60 +GST

# B.C.'s Construction Industry Since 1990

*This article is adapted from the Guide to the BC Economy and Labour Market, which provides an overview of the provincial economy and the characteristics of its workforce for the period from 1990 to 2005. Written for students and career practitioners, the Guide focuses on provincial industries with an emphasis on their human resource side. The complete document is available at: http://www.bcstats.gov.bc.ca/pubs/econ_gui.asp*

During the early 1990s, BC had the fastest-growing population in Canada. Record numbers of people were moving here from other provinces and countries, providing a stimulus for economic growth and boosting the population by nearly 15% between 1990 and 1995. However, the influx of people into BC slowed at the end of the decade. BC slipped back to third place (after Alberta and Ontario) among the provinces in terms of population growth in the late 1990s. More recently, the pace has begun to pick up and BC is once again attracting residents from other parts of the country, as well as new immigrants to Canada.

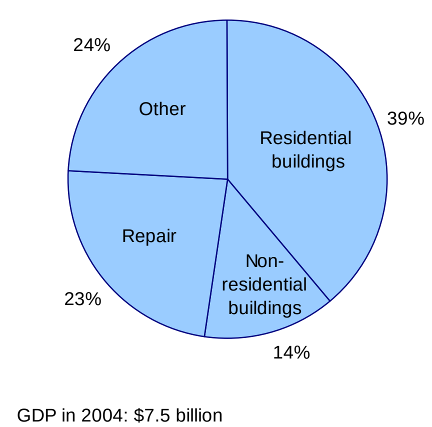
Since 1990, the number of people living in BC has increased by nearly a third (29%), making BC the fastest-growing province over the period. The Canadian population grew a little more than half as much (17%).

An expanding population is one factor that has contributed to strong growth in the construction industry in recent years, but other forces, such as general economic conditions and special events, also play a role. For example, the Olympics will be held in the Vancouver/Whistler area in 2010. As part of the preparations for this event, major upgrades of the Sea-to-Sky highway will be made, and there will be substantial investment in new venues for Olympic events. Transportation infrastructure (such as the RAV line) in Vancouver is being put into place, and work on other Olympic-related projects is already underway, and the industry is seeing an increase in the demand for its services.

**What's included in this industry?**

The construction industry includes establishments that are primarily engaged in constructing, repairing and renovating buildings and engineering works, and in subdividing and developing land. They sometimes work under contract to other firms, and produce both complete projects and parts of projects.

The construction industry includes a lot more than just houses and other buildings




*Data Source: Statistics Canada*
Figure 1

More than half of the GDP[1] in the construction industry comes from putting up buildings, such as houses, condos, office towers and shopping centres. Residential buildings account for about 39% of total GDP in the industry, while non-residential buildings make up 14%.

[1] GDP data is used here, since employment figures are not available at the same level of detail

There are a lot of other activities in the construction industry. About a quarter of its GDP is generated by engineering construction. This includes building roads, highways and airstrips; gas and oil facilities; dams and irrigation projects; railways, telegraph and telephone lines; and other types of engineering projects. Repair construction (on buildings as well as roads, highways and other projects) makes up about a quarter of the value added to the economy by this industry.

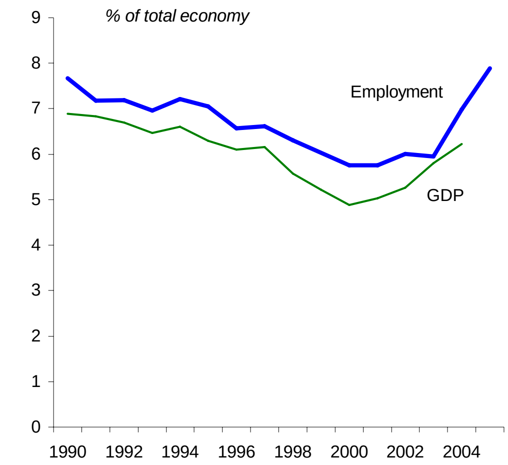
**What's happened since 1990?**

When the economy is booming, the construction industry usually booms too, but when times are tough, new construction projects tend to be put off. Builders often borrow money to finance big projects (and homeowners usually have to take out a mortgage to pay for their home), so changes in consumer confidence and the cost of borrowing also have a big effect on this sector, as do increases in the price of materials such as lumber that are used in construction.

Figure 2 shows how output and employment in the construction sector have varied relative to the rest of the economy since 1990. As the figure shows, the industry didn't do as well as the rest of the economy during the 1990s, and its share of both GDP and employment declined.

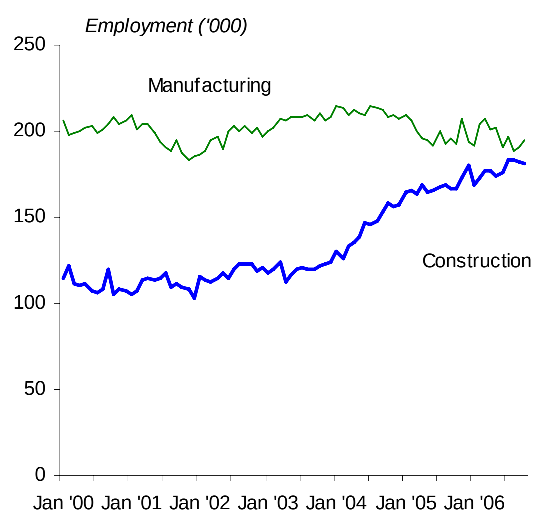
The last few years have been very good ones for the construction industry. Just under 8% of the province's workers have jobs in construction. That's significantly higher than the average during the 1990s, but at about the same level as in the early 1980s, when there was also a building boom in BC.

BC's construction industry has been booming in recent years, as it continues to recover from a slump in the 1990s




*Data Source: Statistics Canada*
**Figure 2**

Employment in the industry has increased significantly and now rivals that in manufacturing




*Data Source: Statistics Canada*
**Figure 3**

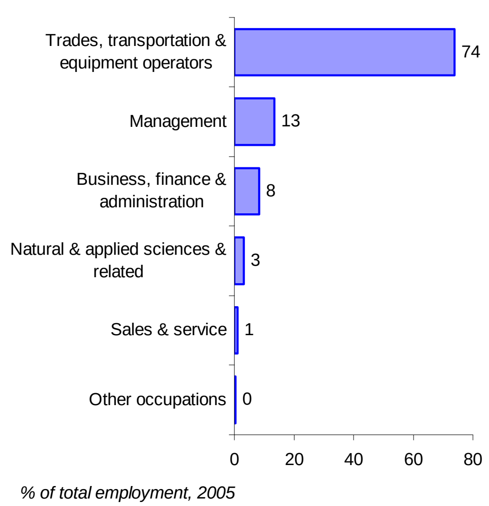
There is no doubt that the construction industry has been a big source of employment and GDP growth in the BC economy during the last few years. However, the very strong growth that has been seen in recent years has to be viewed in the context of what happened during the 1990s, a period when the industry was in decline.

Construction is a boom and bust industry. The current strength of the industry is a reflection of general economic conditions, pent-up demand for new housing and other structures in some areas of the province, and investment in new infrastructure that is taking place in order to prepare for the 2010 Olympics. Whether the strong growth will continue in the future, at least past 2010, is an open question, but it is likely that the next few years will be good ones in this industry.

**What are the most common occupations?**

Like most industries, construction employs people in a wide range of occupations involving different types of skills. Three out of every four people who work in this industry are tradespeople, contractors, and others who have special skills related to construction. They may also be labourers, or equipment operators.

Three-quarters of the workers in this industry are tradespeople or operators of transportation equipment




*Data Source: Canadian Occupational Projection System estimate*

Figure 4

Twenty-eight percent of workers in this industry are in construction trades: they are plumbers, carpenters, bricklayers, cabinetmakers, painters and so on. Another 13% are contractors and supervisors of these tradespeople and 7% are electricians or other workers in similar occupations.

Other common occupations in the construction industry include management (13%), business, finance and administration (8%), and workers in natural and applied sciences and related activities (3%) (architects, engineers, construction estimators, building inspectors and so on).

**How many people work in construction, and how much do they earn?**

In 2005, there were 168,000 people working in the province's construction industry. These workers earned an average hourly wage of $19.57 for a usual work week of 40 hours. The average wage for workers in construction trades (including those employed in industries other than construction) was $18.96 in 2005. Trades helpers and construction labourers earned an average wage of $16.50.

**What are the characteristics of the work force?**

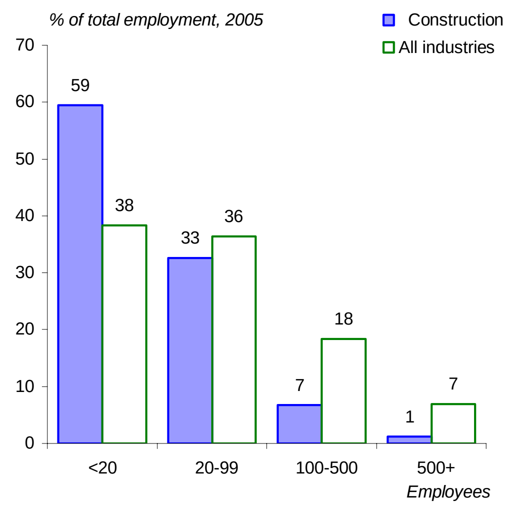
The construction industry continues to be male-dominated, with men outnumbering women nine to one. Similarly, nine out of ten workers are employed full-time.

Just under a quarter (24%) of the workers in this industry have union coverage, considerably less than the provincial average of 33%.

Construction workers have a higher-than-average chance of finding themselves unemployed at some point. Between 1990 and 2005, the unemployment rate in this industry averaged 11.3%, three percentage points higher than the provincial average (8.4%) during this period.

Self-employment is much more common in construction than in most other industries. Four out of every ten workers are self-employed, double the average for all industries in the province. The construction industry is well-suited to self-employment, since many of the required skills can be used on small self-directed projects as well as large ones. This means that it is relatively easy for an individual who has the know-how and the equipment required to do construction projects to start up his or her own company, if the prospect of working for a larger organization is not appealing.

Construction establishments are often small businesses with fewer than 20 workers




*Excludes self-employed*
*Data Source: Statistics Canada*
**Figure 5**

Construction firms tend to be somewhat smaller than firms in other industries. This is partly a reflection of the relatively high incidence of self-employment in this industry. Fifty-nine percent of the people working in the industry are employed at establishments with fewer than 20 workers. Most of the other workers (33% of the total) in the construction industry had jobs in mid-sized firms, with more than 20 but less than 100 employees.

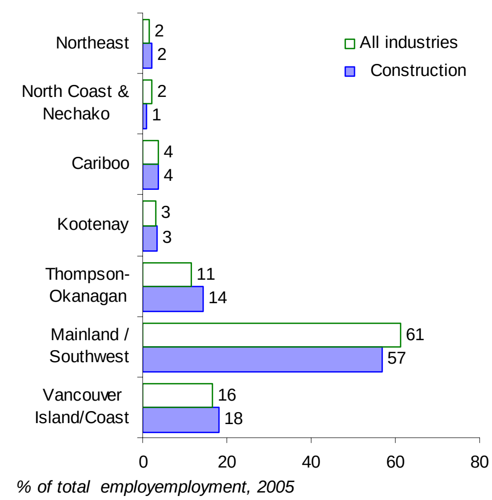
It should be noted that these figures do not include self-employed workers. Self-employment is a significant factor in the construction industry. About 64% of self-employed construction workers have no paid help. It is likely that most of the other self-employed workers in this industry operate small businesses with fewer than 20 workers.

**Where are the jobs located?**

Construction activity occurs in all parts of the province. Residential, commercial and institutional buildings are most likely to be built in the more densely populated areas of the province, but many heavy or engineering construction projects occur in more sparsely populated areas. Factories, gas distribution facilities, power generating stations, and dams, for example, are built near a source of water, or near gas fields, or wherever the raw materials used in production are located.

Fifty-seven percent of workers in this industry are located in the Mainland/Southwest Region, with the Vancouver Island/Coast area having just under a fifth of the work force.

Three out of four construction jobs are in the Lower Mainland and Vancouver Island/Coast regions




*Data Source: Statistics Canada*
**Figure 6**

## *Statistics Canada's Survey Skills Workshops*

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- Fundamentals of collecting data and maximizing response

**Questionnaires**

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- Rating scales
- Questionnaire design; wording, sequencing and layout

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- Probability vs. non-probability sampling
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- The factors affecting sample size

**Processing and Analysis**

- The "drivers" of satisfaction
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**Regular Fee $550 + GST**
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**Register 2 weeks before the workshop date**

**February 7-8, 2007**
**Room 201, Library Square Office Tower**
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**Vancouver BC**

Refreshments will be served throughout the day.

DW

## REGISTRATION

Name: ______________________________

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Refund Policy—Registrations are guaranteed once payment is received. Fees will be refunded, less $75 administration charge, if written notice is received at least 3 business days prior to the workshop. Substitutions are permitted at any time. Group rates are also available.

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# Understanding and Interpreting Data

This is a practical statistical course that covers the basic aspects of survey data analysis. This course will appeal to novice analysts and those who are required to interpret statistical findings. It provides an overview of basic types of research as well as analytical requirements. This is followed by a short treatment of survey sampling and types of data. Some of the analytical techniques that will be covered include cross tabulations, chi-square and some aspects of linear regression. The workshop includes a hands on data analysis exercise and a discussion on the principles for presenting results.

- Analytical requirements and sources of data
- Survey design and sampling methods
- Types of Data
- Confidence intervals
- Grouping and graphic data
- Analytical techniques
- Interpreting and presenting analytical results

**DATE:**
March 7-8, 2007

**LOCATION:**
To be announced
Victoria, BC

**TIME:**
8:30 am—4:30 pm

Refreshments will be served throughout the day.

## Learn from the Survey Experts!!

**REGISTER EARLY!**
**SPACE IS LIMITED!**

Cost is $550 + GST

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# Infoline

December 22, 2006
Issue 06-51

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

## BC at a glance . . .

| POPULATION (thousands) | Oct 1/06 | % change on one year ago |
|---|---|---|
| BC | 4,327.4 | 1.2 |
| Canada | 32,730.2 | 1.0 |
| **GDP and INCOME (Revised Nov 8)** | | % change on |
| *(BC - at market prices)* | 2005 | one year ago |
| Gross Domestic Product (GDP) *($ millions)* | 168,855 | 7.2 |
| GDP *($ 1997 millions)* | 145,501 | 3.7 |
| GDP *($ 1997 per Capita)* | 34,173 | 2.4 |
| Personal Disposable Income *($ 1997 per Capita)* | 20,983 | 2.4 |
| **TRADE ($ millions, seasonally adjusted)** | | % change on prev. month |
| Manufacturing Shipments - Oct | 3,522 | 0.9 |
| Merchandise Exports - Oct | 2,844 | 2.1 |
| Retail Sales - Oct | 4,483 | -0.1 |
| **CONSUMER PRICE INDEX** | % change on | 12-month avg |
| *(all items - Nov 2006)* | one year ago | % change |
| BC | 1.5 | 1.7 |
| Vancouver | 2.1 | 1.8 |
| Victoria | 0.9 | 1.6 |
| Canada | 1.4 | 2.1 |
| **LABOUR FORCE (thousands)** | | % change on |
| *(seasonally adjusted)* | Nov '06 | prev. month |
| Labour Force - BC | 2,323 | 0.0 |
| Employed - BC | 2,209 | -0.2 |
| Unemployed - BC | 114 | 6.0 |
| | | Oct '06 |
| Unemployment Rate - BC *(percent)* | 4.9 | 4.6 |
| Unemployment Rate - Canada *(percent)* | 6.3 | 6.2 |
| **INTEREST RATES (percent)** | Dec 20/06 | Dec 21/05 |
| Prime Business Rate | 6.00 | 5.00 |
| Conventional Mortgages - 1 year | 6.30 | 5.80 |
| - 5 year | 6.45 | 6.30 |
| **US/CANADA EXCHANGE RATE** | Dec 20/06 | Dec 21/05 |
| *(avg. noon spot rate)* Cdn $ | 1.1486 | 1.1695 |
| US $ *(reciprocal of the closing rate)* | 0.8708 | 0.8563 |
| **AVERAGE WEEKLY WAGE RATE** | | % change on |
| *(industrial aggregate - dollars)* | Nov '06 | one year ago |
| BC | 739.68 | 3.0 |
| Canada | 734.49 | 3.0 |

**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
### for Regions and Municipalitites, 2006

Released Friday, December 15th.

www.bcstats.gov.bc.ca/data/pop/pop/estspop.asp

## Small Business Quarterly (FREE)

This longstanding periodical is now available for free on our site. Check out the latest issue (including data tables) and browse previous articles (previous articles have always been free for all our subscription periodicals).

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

## *A Guide to the BC Economy and Labour Market*

The third edition of the *Guide* is now available. The *Guide* is a useful resource which provides an overview of the provincial economy and the characteristics of its workforce. Written by Lillian Hallin of BC Stats, it focuses on provincial industries with an emphasis on their human resource side. Economic terms are explained and examples provided, so that a background in economics is not needed to understand the material. The *Guide* also provides an historical perspective on how the provincial economy has developed, as well as what it may look like in the future.

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

### Released this week by BC STATS
- Consumer Price Index, November 2006
- Migration Highlights, 3rd Quarter 2006
- Immigration Highlights, 3rd Quarter 2006

### Next week
- Small Business Quarterly, 3rd Quarter 2006
- Business Indicators, December 2006
- Current Statistics, December 2006

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