British Columbia
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Contact: bcstats.infoline@gov.bc.ca Issue: 08-03 January 18th, 2008

- **BC home to 17% of the nation's Aboriginal population in 2006**
- **Investment in non-residential buildings up 13.1% in 2007**
- **BC's life expectancy highest in Canada in 2005**

2006 Census

- **In 2006, one in six Canadians who identified themselves as Aboriginals lived in British Columbia.** The province's Aboriginal population was 196,075, making up five percent of BC's total population, but 17% of the Canadian Aboriginal population.

  British Columbia's Aboriginal population is the second largest in the country. The largest share of the nation's Aboriginal population lives in Ontario (21.0%) while the fewest reside in Prince Edward Island (0.1%). In the major urban areas in BC, a fairly low proportion of the population identified themselves as Aboriginal in 2006. Prince George (10.7%), together with Edmonton (5.1%), Regina (8.9%) and Winnipeg (10.0%) were among the Canadian cities with relatively large Aboriginal populations. The proportion of Aboriginals was much lower in Vancouver (1.9%) and Victoria (3.4%).

  BC's Aboriginal population is considerably younger than its non-Aboriginal population. In 2006, one in four Aboriginals were less than fifteen years old, compared to one in six non-Aboriginals. Similarly, while nearly 16% of non-Aboriginals living in BC were 65 or older, only about five percent of the Aboriginal population was in this age group.

  The Aboriginal population is made up of those persons who self-identified with at least one Aboriginal group (First Nations, Métis, Inuit) or who reported being a Treaty Indian or a Registered Indian (as defined by the Indian Act of Canada) or who were members of an Indian Band or First Nation.

  Data Source: S.C., 2006 Census of Canada

The Economy

- **Investment in non-residential buildings was relatively unchanged (+0.1% *seasonally adjusted*) in the fourth quarter.** Spending on new industrial buildings remained robust (+7.3%) and commercial building activity inched up (+0.2%), together managing to offset declines in the institutional & government (-2.6%) sector. Non-residential building construction activity continued to increase in Vancouver (+0.5%), rising to $869 million. Victoria (+1.0% to $111 million) and Kelowna (+16.7% to $73 million) also showed growth, while investment in Abbotsford slipped (-4.1% to $58 million).

  Nationally, non-residential construction expenditures grew 2.4% in the fourth quarter, marking the nineteenth consecutive quarterly increase. In terms of dollar value, Ontario recorded the biggest increase (+2.5% to $3.8 billion), followed closely by Alberta (+3.6% to $2.4 billion). Spending was up most significantly in Saskatchewan (+13.7% to $265 million). Investment in new non-residential building projects was down in four provinces, with parts of Atlantic Canada along with Manitoba posting decreases.

  Data Source: Statistics Canada

- **Shipments of goods manufactured in British Columbia fell 1.8% (*seasonally adjusted*) in November, following a 1.4% gain in the previous month.** Producers of durable products (-1.7%) saw shipments slip after a relatively uneventful October (+0.2%). Shipments by the primary metal (-18.6%) industry dropped off substantially, and the machinery (-4.1%) industry was also off. On the other hand, BC producers of computer & electronic (+9.6%), non-

Report

BC's Commodity Exports Still Largely Forest-Based

Did you know...

Residents of Saskatchewan and Manitoba (each 78%) and British Columbia (76%) are the most likely in the country to have read a book in the past year. *Source: Ipsos Canada*

metallic minerals (+5.0%) and wood (+1.1%) products were among those who fared better.

On the non-durables side, shipments by manufacturers of paper (-5.4%) and chemicals (-5.3%) dropped off sharply in November. This was only partly offset by a 1.5% increase in the food industry. Overall shipments of non-durable goods declined 1.8%.

BC manufacturers did not fare as well as those in some other provinces in November. Canadian shipments were up 1.1% driven mostly by increases in Ontario (+1.4%) and Quebec (+1.1%), each of which benefited from a resurgence in the transportation equipment sector and strong sales by manufacturers of petroleum and coal products. Manufacturers in PEI (+6.1%) posted the strongest growth.

Data Source: Statistics Canada

- **The number of new vehicles driven off car lots in BC (including the North) continued to slump (-0.5%, *seasonally adjusted*) in November, falling for a second straight month.** Newfoundland (+2.3%) and Alberta (+0.9%) were the only provinces to see an upturn in vehicle sales, with decreases in other regions ranging form 0.2% in Nova Scotia to 30.4% in PEI.

Canadian sales slipped 2.9% in November. Sales of passenger cars were off (-1.8%) with decreased sales of both North American-made cars (-1.4%) and overseas models (-2.4%). Sales of trucks, vans & buses (-4.0%) were also down.

Data Source: Statistics Canada

2007 in Review

- **Investment in non-residential buildings in the province climbed 13.1% last year, reaching $5.9 billion.** The investment growth was driven by significant increases in the value of commercial (+21.8%) and industrial (+15.4%) buildings, which more than offset a drop in the institutional & government sector (-2.5%).

Nationally, non-residential construction expenditures hit an annual record for the seventh consecutive year in 2007. Spending was up for two components with commercial (+18.3%) and institutional (+3.9%) projects each showing substantial growth. Industrial investment, on the other hand, declined 3.4%. Robust building construction activity in the West bolstered the national growth as BC and Alberta accounted for more than 80% of the total annual increase.

Data Source: Statistics Canada

Tourism

- **International visitor entries to Canada through British Columbia climbed (+1.1%) in November.** There were slightly more guests from the US (+0.1%) as same-day travel was up (+2.5%), outweighing a decline in overnight trips (-1.0%). The number of visitors from overseas (+4.2%) jumped with more visitors from Asia (+6.6%) and Oceania (+8.0%) coming to BC, offsetting a decline in visitor entries from Europe (-1.9%).

Data Source: Statistics Canada& BC Stats

Life Expectancy and Mortality

- **In 2005, BC residents boasted a life expectancy of 81.2 years, the highest in the country.** At 83.5 years, life expectancy for women in the province remained slightly higher than that of men (78.8), though the gap has narrowed in recent years. Ontario (80.7) and Quebec (80.4) were the only other provinces with life expectancy rates equal to, or higher than the national average (80.4). Between 2000 and 2005, life expectancy at birth in Canada increased by 1.1 years from 79.3 to 80.4.

There were 30,227 deaths in BC in 2005, up slightly from 2004 (29,923). The total mortality rate in the province (the number of deaths per 1,000 population) was 7.1, on par with the Canadian average. Male British Columbians (7.4) had a slightly higher mortality rate than females (6.8). Alberta (5.9) was the only province with overall mortality rates comparatively lower than in other provinces and below the national average (7.1). The highest rate was recorded in Saskatchewan (8.9).

At 4.5 in 2005, BC recorded one of the lowest infant mortality rates (deaths per 1,000 children under the age of 1 year) in the country, nearly a full decimal point below the rate for Canada as a whole (5.4). PEI (2.2) had the lowest infant mortality rate in the country, while Saskatchewan (8.3) had the highest.

Data Source: S.C. Cat. # 84F0211XWE

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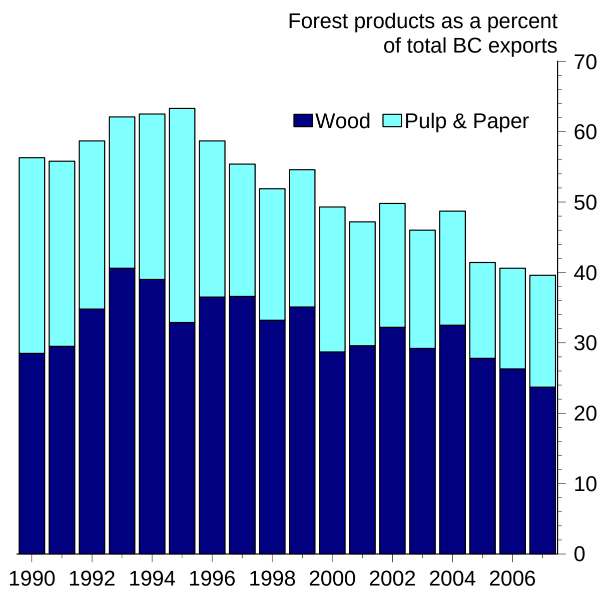
Originally published in
Exports Issue 07-10

BC Commodity Exports Are Still Largely Forest-Based

The economic impact of the forest sector industries in BC has diminished over the last several decades as the province's economy has diversified and other industries, particularly in the service sector, have gained in importance. For example, direct employment in the forest sector (forestry services, logging, wood manufacturing, pulp and paper manufacturing) fell from 6.3% of total employment in the province in 1991 to only 3.3% in 2006. Nevertheless, forest products still comprise a substantial portion of BC's international commodity exports.

Forest products still represent a major portion of British Columbia's commodity exports



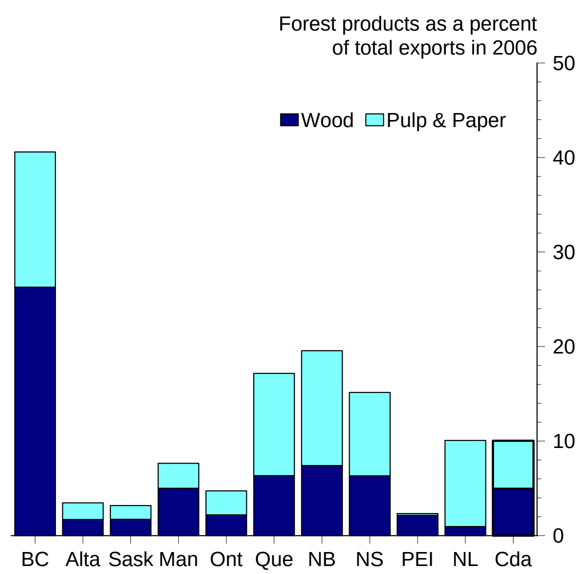
Source: Statistics Canada

Note: 2007 is year-to-date to October

In 2006, 41% of BC's commodity exports consisted of forest products and year-to-date in 2007, the share of total exports derived from the forest sector is still hovering around 40%. This is down from over 60% in the early 1990s, but forest products still make up a far larger share of British Columbia's exports than any other commodity group. Energy products (natural gas, electricity, coal, oil, etc.) comprise about 20% of the value of total BC commodity exports, or only half that of forest products.

Compared with other provinces, BC is far more reliant on the forest sector as a source for commodity exports. In 2006, about 20% of New Brunswick's exports were forest sector products, well behind BC's 41% figure, but New Brunswick ranked second in the country in terms of forest products as a percent of exports. While BC was the origin of only 8% of Canada's total exports in 2006, it was the source of a third of Canadian forest product exports.

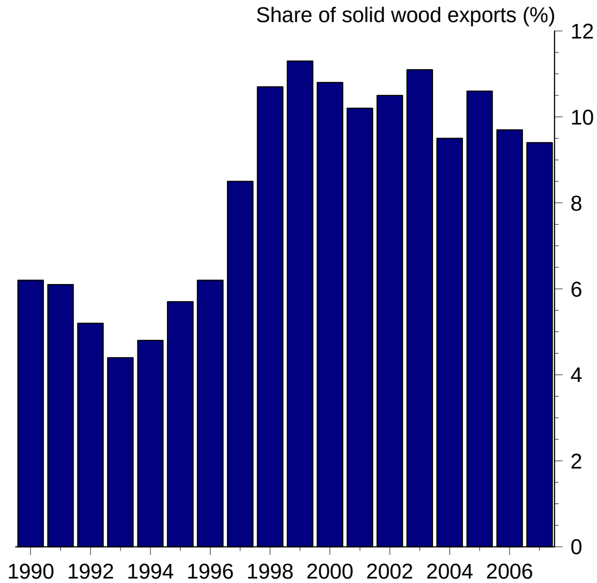
The forest sector is far more important in BC than in other provinces



Source: Statistics Canada

Approximately 23% of Canada's international shipments of pulp and paper products came from BC, while 43% of solid wood product exports originated in British Columbia. Most of these solid wood products consist of building materials, such as lumber, plywood, shakes and shingles, etc. While there was some growth in exports of value added wood products in the late 1990s, their share of BC's solid wood exports has since levelled off at around 10%.

The share of value added wood products jumped in the late nineties, but still represents only about a tenth of overall solid wood exports



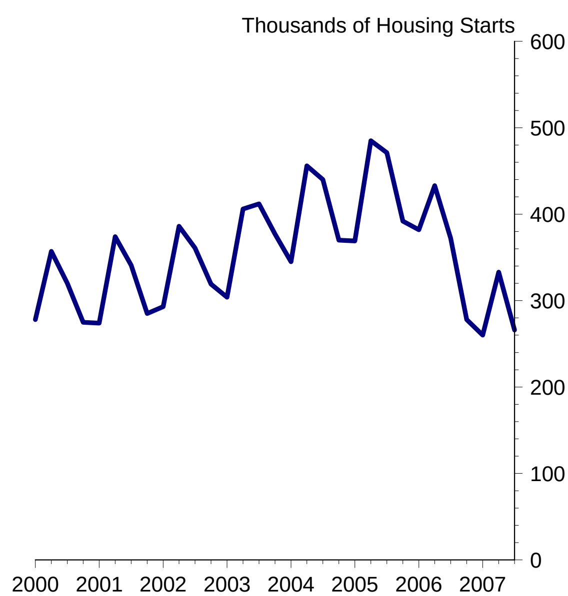
Source: Statistics Canada

Note: 2007 is year-to-date to October

Given the emphasis on building materials, demand for housing is a strong determinant of the strength of BC's wood exports. The main destination for BC's international shipments of wood products is the United States, with over three quarters (76% in 2006) of BC's wood exports shipped there. As such, the housing meltdown in the US is having severe repercussions for forest companies in BC.

The current decline in the US housing market has its roots in the subprime mortgage issue that hit the stock market earlier in the year. A large number of mortgage companies in the US were offering deals on mortgages, such as no money down, low initial interest rates and so forth, and they were often giving people mortgage loans without even a simple credit check or any kind of income verification. The prospect of cheap, easily available mortgages artificially drove up the demand for housing and, consequently, drove up the price as well, which led to an increase in home building. Once the higher interest rates started to kick in, many of these mortgage holders ended up defaulting and the mortgage companies started going out of business. Consequently, the housing supply expanded with the addition of homes lost to loan default and the availability of low-cost loans fell, which in turn reduced demand for new housing. The combination of a larger supply and lower demand has resulted in a significant drop-off in the number of housing starts in the United States, which has diminished the demand for building products from BC and elsewhere. US housing starts in the third quarter of 2007 were down 28% from the third quarter of 2006, and have declined 44% from the number recorded in the third quarter of 2005.

The number of housing starts in the United States has dropped dramatically



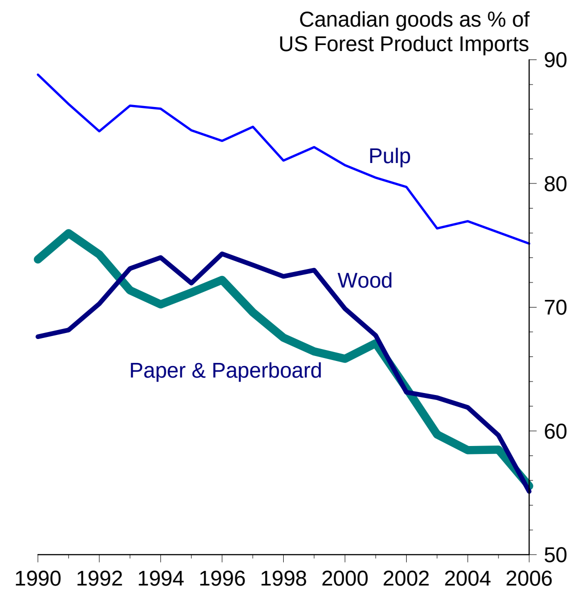
Source: US Census Bureau

At the same time that demand for housing was falling in the US and prices for building materials were about to fall, Canada entered into the new softwood lumber agreement that set export taxes on lumber when prices fell below a certain level. Exacerbating the situation even more for lumber producers in BC was a surplus of wood due to accelerated harvesting of pine beetle-killed wood. The excess supply of lumber has further dampened prices. The result of the confluence of these events has been a number of mill closures and subsequent layoffs in the forest sector in British Columbia.

As if all that isn't bad enough for BC's forest sector, Canada's share of American forest product imports has been falling over the last decade. As mentioned earlier, about three-quarters of BC's solid wood product exports are destined for the United States. For paper and paperboard, the figure is similar (75% to 80%), while between 50% and 60% of exported newsprint is shipped to the US. Pulp is the only major forest product export from BC that does not count on the US market for most of its business, as only about a quarter of BC's pulp exports are shipped to the United States.

Given this concentration on the US market, the fact that Canada is losing market share to other countries is of concern for BC forest sector manufacturers. For instance, for wood products, Canada's share of the US import market has dropped from a peak of 74% in 1996 to only 55% in 2006. Paper and paperboard (including newsprint) has seen its share diminished from over 70% in the early 1990s to less than 56% in 2006 and although BC pulp producers are less dependent on the American market, the Canadian share of pulp imports has also slumped about ten percentage points in the last decade.

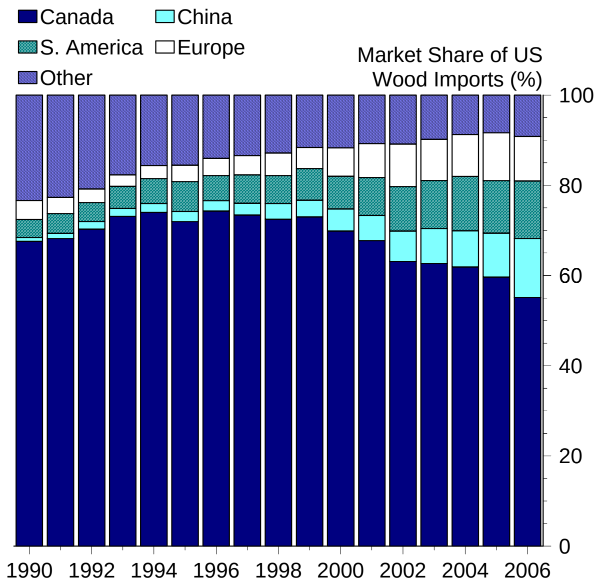
Canada's share of the US market for forest products has been falling



Source: Industry Canada

In the last several years, China has increased its share of the American market for solid wood products from less than 3% in 1997 to over 13% in 2006. Chinese lumber manufacturers have easy access to the large supply of trees in Russia and a large portion of their lumber is derived from Russian forests. Countries in South America, such as Brazil and Chile have been gaining a larger foothold in the American market as well. European countries, particularly Germany, have made smaller gains when viewed independently, but in aggregate their market share is reasonably comparable to that of South America and China.

Canada is still the source of most of the wood shipped to the US, but other regions have been taking away some of Canada's market share



Source: Industry Canada

The combination of reduced market share in the United States for forest products and a drop in demand for wood products may be a bad sign for overall commodity exports from British Columbia, given the significant presence that forest products have in BC's export mix. If the province is to avoid another year of slumping exports, BC's forest companies may have to court other markets for their products. The recent opening of a new container handling facility at the Port of Prince Rupert could be an opportunity for companies in Northern BC to open up new markets in Asia for their products. If BC forest companies manage to diversify their customer base, they may not only avoid a severe economic downturn, but they also may soften the blow if there are any future disputes with the softwood lumber industry in the United States.

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Email transmission information service from BC Stats

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

BC at a glance . . .

POPULATION (thousands)	Oct 1/07	% change on one year ago
BC	4,402.9	1.5
Canada	33,091.2	1.0
GDP and INCOME (Revised Nov 8)		% change on
(BC - at market prices)	2006	one year ago
Gross Domestic Product (GDP) *($ millions)*	180,328	6.4
GDP *($ 2002 millions)*	158,335	3.3
GDP *($ 2002 per Capita)*	36,649	1.9
Personal Disposable Income *($ 1997 per Capita)*	23,996	5.0
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Nov	3,482	-1.8
Merchandise Exports - Nov	2,510	3.9
Retail Sales - Oct	4,745	0.2
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Nov 2007)	one year ago	% change
BC	1.3	1.8
Vancouver	1.4	2.2
Victoria	0.6	1.2
Canada	2.5	2.1
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Dec '07	prev. month
Labour Force - BC	2,392	-0.3
Employed - BC	2,291	-0.3
Unemployed - BC	100	0.0
		Nov '07
Unemployment Rate - BC *(percent)*	4.2	4.2
Unemployment Rate - Canada *(percent)*	5.9	5.9
INTEREST RATES (percent)	Jan 16/08	Jan 17/07
Prime Business Rate	6.00	6.00
Conventional Mortgages - 1 year	7.35	6.30
- 5 year	7.49	6.45
US-CANADA EXCHANGE RATE	Jan 16/08	Jan 17/07
(avg. noon spot rate) Cdn $ per US $	1.0239	1.1737
(closing rate) US $ per Cdn $	0.9760	0.8524
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Dec '07	one year ago
BC	755.66	2.2
Canada	766.72	4.9

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

Topic Tables – 2006 Census NEW

What are the top languages spoken at home in your community? Where were a community's immigrants born? A different approach to census tabulations.

www.bcstats.gov.bc.ca/data/cen06/topics/topics.asp

2007 Municipal Populations

Total population for municipalities and Regional Districts for July 1, 2007, as well as revised figures for 2002 to 2006, are now online.

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

Area Profiles

There is a new link in the **RESOURCES** tab found at the bottom of our left sidebar. This page acts as a gateway to all our area profile products. Each profile paints a statistical picture of an area using maps, charts, tables, rankings, comparisons, and more. More than eight thousand individual files are available now. Check it out!

www.bcstats.gov.bc.ca/data/dd/profiles.asp

2006 Census Profiles

We have profiles for approximately 1,700 different places. New for this cycle is the addition of a comparison area to help you identify which characteristics set a particular place apart from the 'norm'. Since we offer a choice between two comparison areas for each location, there are 3,400 profiles in all..

www.bcstats.gov.bc.ca/data/cen06/profiles/detailed/choose.asp

Released this week by BC Stats
- Exports, October 2007
- Earnings & Employment Trends, Dec. 2007
- 2006 Census: Aboriginal Peoples, January 15th

- **Next week**
- Consumer Price Index, December 2006

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