

Current Statistics ♦ March 2006

- **Private and public sector investment in the province is expected to increase 6.5% this year, as public sector spending continues to grow at double-digit rates.** Public sector establishments expect their spending on construction and machinery and equipment to rise 19.3% this year, after expanding more than sixteen percent in each of the past two years. Private sector investment growth, however, is forecast to slow during 2006, rising 3.4% – the lowest rate since 2002.

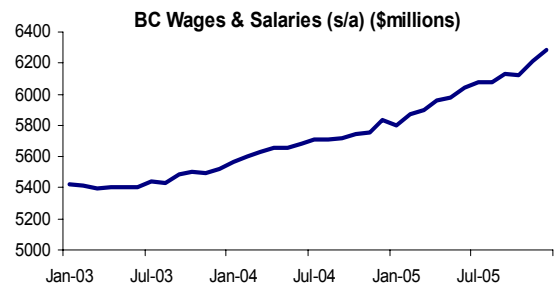
In the private sector, planned spending on machinery and equipment is expected to increase 1.8% this year, well below the 7.7% growth in 2005. Construction spending is forecast to rise 4.1%, also less than in 2005 (+6.8%) as the frenetic pace of new housing construction slows down from the double-digit growth posted during the last four years. Spending on new housing is forecast to rise 5.0% this year.

In the public sector, spending on construction (+20.0%) and machinery and equipment (+17.7%) is expected to increase significantly. The biggest anticipated increase (+10.7%) is in spending by local government. The provincial government plans to increase its investment 4.0% after a whopping 50.4% increase in 2005, when spending on both structures (+53.6%) and machinery and equipment (+44.0%) skyrocketed. Some of the building boom is likely related to activities getting underway in preparation for the 2010 Olympics.

Investment by the primary (-11.4%) and manufacturing (-6.6%) industries is expected to decline this year, while service sector industries pick up the slack. The biggest gains are forecast in construction (+28.8%) and communication and utilities (+25.0%).

Data Source: Statistics Canada

- **Wages, salaries and benefits earned by workers in the province advanced 1.9% (seasonally adjusted) in the fourth quarter, continuing a long trend of steady growth in labour income.** The increase was slightly higher than the national average (+1.7%) but lower than in both Alberta (+3.9%) and Saskatchewan (+2.0%). *Data Source: Statistics Canada*



- **Labour income in the province rose 6.1% during 2005, posting the strongest increase since 2000, when wages, salaries and benefits of workers in the province grew 6.8%.** The increase in labour income was well above the 3.3% growth in employment during 2005, suggesting that higher wages were a major factor. Alberta (+9.4%) posted an even stronger increase in labour income, as did the territories (+7.8%). Nationally, labour income increased 5.4% last year. *Data Source: Statistics Canada*

- **Farm cash receipts in the province rose 5.2% in 2005, largely because of a turnaround in earnings from sales of livestock (+16.3%).** Crop receipts were up 2.2%, but payments to farmers declined 35.9%. Nationally, cash receipts rose 1.1% as a decline in crop revenues (-6.2%) was more than offset by a big gain (+7.4%) in the livestock industry, following the reopening of U.S. borders as the fear of mad cow disease began to wane.

Data Source: Statistics Canada

- **British Columbia's unemployment rate fell to a new low of 4.8% (seasonally adjusted) in February, with 9,000 net new jobs added to the economy, an increase of 0.4%.** The number of people either working or looking for work was virtually unchanged (+600 people) from January. During the last twelve months, B.C. has shaved 2.2 percentage points off its unemployment rate.

B.C.'s unemployment rate was at a thirty year low in February. This was also the case in Alberta, where the rate fell to 3.1%, less than half the national average of 6.4%. The Canadian unemployment rate was also the lowest it has been since 1976, the first year for which Labour Force Survey data is published.

Data Source: Statistics Canada

- **Goods producing industries in B.C. hired more workers in February, with employment climbing 4.0%.** The manufacturing sector, which had shed workers in the previous two months, employed 6.7% more people. Construction companies (+3.0%) also took on more workers. However, there were fewer jobs in forestry, fishing and mining (-3.4%) and in utilities (-7.0%). Employment also edged down (-0.5%) in the service sector, where six industries trimmed their payroll lists. Information, culture and recreation (-9.2%) and miscellaneous services (-5.8%) posted particularly large declines.

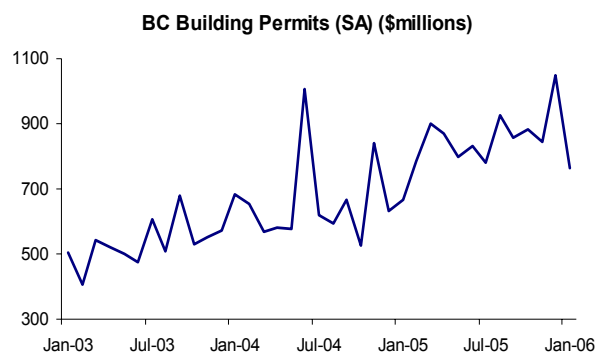
There were fewer full-time (-1.3%), but more part-time (+7.5%) jobs in February. Self-employment slipped 0.4%, and the number of public sector workers contracted 2.5%. However, there were 1.5% more jobs in the private sector. The unemployment rate for young people (aged 15-24) remained stable at 7.6%.

Data Source: Statistics Canada

- **The value of building permits issued by B.C. municipalities fell (-27.4%, seasonally adjusted) in January, as permits for both residential (-33.1%) and non-residential (-10.7%) projects declined.** Although

investment intentions were up in both Abbotsford (+104.6%) and Victoria (+30.3%), permits in the Vancouver area, where most of the province's planned activity occurs, fell back 17.3% from December 2005. Canadian permits were also down (-19.3%), as slowdowns in Ontario (-28.5%), B.C., Alberta (-12.6%), and three other provinces offset growth in other parts of the country.

Data Source: Statistics Canada



- **Sales by retailers in the province rose 2.4% (seasonally adjusted) in January, following a somewhat disappointing performance in December (-0.7%).** Retail sales were similarly robust in Alberta (+2.4%) and Nova Scotia (+2.4%). The national increase was 1.4%, with retailers in all parts of the country recording higher sales. Manitoba (+0.5%) and Quebec (+0.8%) were the only provinces where sales increased less than one percent. The strong sales may have been buoyed by gift card redemptions.

Data Source: Statistics Canada

