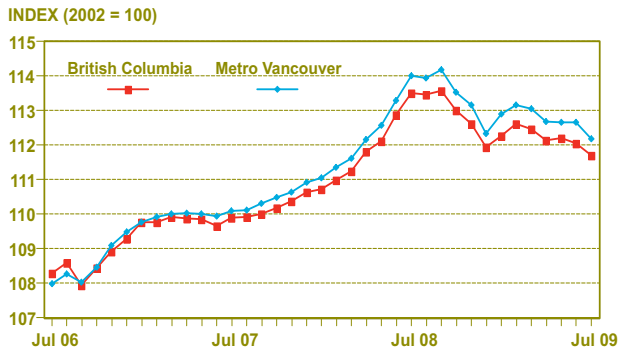
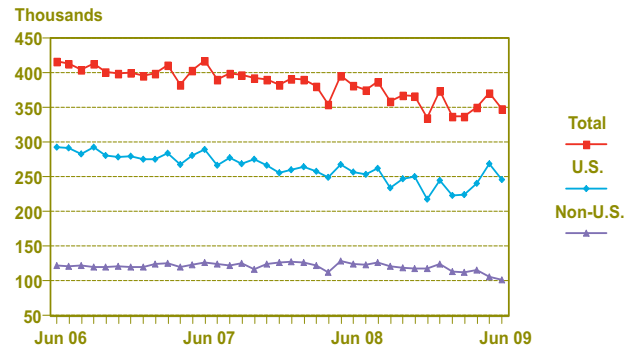


**Consumer Price Index**  
**Monthly, Seasonally Adjusted**



Source: Statistics Canada and C1CU seasonal adjustment.

**International Tourist Entries to B.C.**  
**Seasonally Adjusted, Monthly**



Source: Statistics Canada and Central 1 CU seasonal adjustment.

This week's major economic indicators for B.C. reveal lower gasoline prices and home owner replacement costs, rising food prices and declining international traveller entries.

**Consumer prices** in B.C. were lower in July, compared with both June and with July 2008. The year-over-year decline was almost entirely due to a spike in gasoline and other energy prices at this time last year. The month-over-month decline was largely due to lower gasoline prices in July. Homeowner replacement costs are also lower this year in B.C., due to last year's housing market recession. Lower energy and housing costs were slightly offset by rising food prices.

The all-items Consumer Price Index (CPI) for B.C., seasonally adjusted, declined 0.3% from June and was 1.6% below the year-ago level, according to the latest estimates from Statistics Canada. Metro Vancouver's consumer price inflation was virtually identical to that of the province overall.

Neither inflation nor deflation is of particular concern this year, as the recession works its way through the real

economy. Central 1 Credit Union forecasts that B.C.'s CPI inflation rate will slow down to average just 0.4% this year, compared with 2.1% last year. That will be the slowest rate of CPI inflation since a 0.3% rise in 1998.

**International non-resident tourist entries** to B.C. decreased in June, reversing a brief uptick in May and resuming the downward trend that has prevailed since late 2003. June's decline was led by a drop in visitors from the United States and was amplified by fewer visitors from other foreign countries.

Total entries fell 6.0% month-over-month, seasonally adjusted, according to the latest estimates from Statistics Canada. U.S. visitors dropped 8.2%, while visitors from other countries fell 3.9%. In the first half of 2009, total entries declined by 150,000 people (7.7%) compared to the same period a year ago. Year-to-June visitors from the U.S. were down 73,000 (5.7%) year-over-year. Meanwhile, visitors from other countries so far this year have dropped 76,000 (11.3%) year-over-year.

Tourism will likely continue to struggle for some time yet, although the 2010 Winter Olympics will provide a



significant temporary boost in the first half of next year. The nearing end of the global recession will add some lift to business travel in the coming months and years, but discretionary travel spending is forecast to remain weak through 2011.

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