

B.C. consumers are spending at a more robust pace which is a sign the economy is recovering. Population growth bounced back in the third quarter according to preliminary data from Statistics Canada. All told this week's economic news closed out the year on a positive note and a 180 degree difference from the same time last year.

October retail sales are up almost 2% in the month aided by a jump in new vehicle sales which increased 4.5% over September. Retail sales are at their highest monthly level since last October when the financial crisis was escalating. Sales remain about 3% below their previous high and look to exceed that during the Winter Olympics and possibly next January.

For the year, retail sales are on track for a 6% contraction in B.C. with Vancouver CMA sales down about 5% and the rest of B.C. off 7%. Retail sales in 2010 are forecast to rise nearly 5% on stronger income fundamentals and low interest rates.

Population growth perked up in the third quarter to 1.8% annualized from 1.3% in the prior quarter. In numbers, population increased 24,727 persons from 17,170 persons in the second quarter. Year-over-year growth is unchanged at 1.6%. Most of this growth is from net international migration.

Net interprovincial migration is at its highest level since early 2008 rising to 3,457 persons in the third quarter from 1,752 persons in the second quarter. Alberta provided most of this net inflow at 1,700 persons followed by Ontario at 1,040 persons. Population growth from international sources is the largest component and remained elevated in the third quarter at 16,989 persons.

B.C. population is expected to grow between 1.5 and 1.7% in 2010 and 2011 which is similar to the previous couple of years. A strong resurgence in interprovincial

migration to B.C. is not expected since B.C.'s growth outlook is moderate and not much stronger than in Alberta or Ontario. This population growth does give some support to the domestic economy including the housing market.

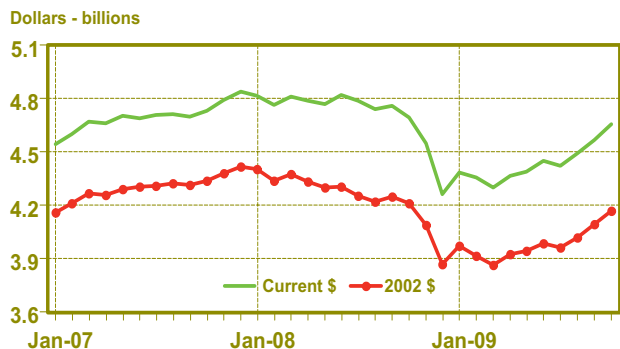
This is the last weekly report for 2009 and we wish you happy holidays and a prosperous 2010.

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**Graphs on page 2**

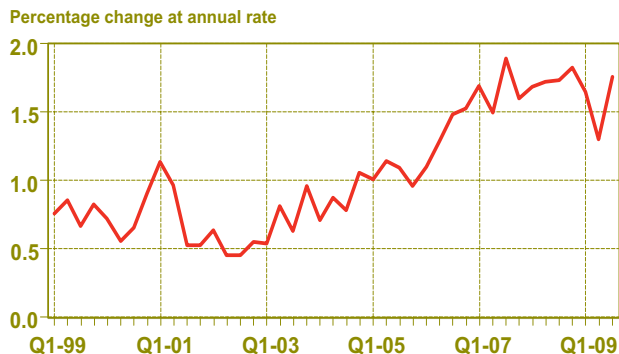


### Retail Sales, Monthly, British Columbia



Source: Statistics Canada, C1CU. Note: Seasonally adjusted. Latest: Oct-09

### Population Growth, Quarterly, British Columbia



Source: Statistics Canada, C1CU. Note: Based on seasonally adjusted data. Latest: Q3-09

### Net International and Interprovincial Migration, Quarterly, British Columbia



Source: Statistics Canada, C1CU. Note: Seasonally adjusted Latest: Q3-09