

B.C. Economic Forecast 2010 - 2013

Forecast overview

B.C.'s economic growth will slow during 2011 in sync with the global economic slowdown, the winding down of fiscal stimulus, and a weaker comparison to the 2010 Winter Olympic boost. Prospects for 2012 and 2013 are more positive, with resurging private investment and consumer spending growth and the global economy on a stronger footing. Government spending on goods and services slows through to 2013, while infrastructure investment declines in 2012 and 2103. The trade deficit is forecast to widen steadily.

Domestic sectors will remain the growth drivers in the B.C. economy, though some of the forecast private investment resurgence is predicated on improving external markets for energy and mining products. Several major pipeline and mining projects are assumed to begin later in the forecast period.

Industries projected to post the highest growth rates are resource extraction and processing, construction, and

Highlights:

- *B.C.'s economic growth slows to 2.4% in 2011 from 3.1% in 2010*
- *Economy gains momentum in 2012 and 2013, expanding 3.3% and 3.6%, respectively.*
- *Resource sector rebounds from recession lows and benefits from new mining and energy project developments.*
- *Transportation and resource-related projects keep the construction industry busy, along with an upturn in housing and commercial investment.*
- *Consumer spending picks up on income and job gains.*
- *Unemployment stays above 7% in 2011, but drops below 6% by 2013.*

those related to consumer spending. Forestry and wood manufacturing expands from deep recession lows, but remains well below pre-recession levels in 2013. Mining enjoys a revival due to new supply sources. Engineering and industrial construction of major projects and ongoing

Forecast Summary: British Columbia

	2007	2008	2009	2010	2011	2012	2013
Real GDP, % chg.	2.9	0.0	-2.0	3.1	2.4	3.3	3.6
Nominal GDP, % chg.	5.1	3.3	-3.7	6.4	5.6	6.4	6.3
Employment, % chg.	3.2	2.1	-2.4	2.0	2.0	2.1	2.4
Unemployment Rate, %	4.2	4.6	7.6	7.5	7.3	6.8	5.9
Population, % chg.	1.6	1.7	1.6	1.6	1.5	1.5	1.3
Housing Starts, units, 000s	39.2	34.3	16.1	26.0	27.6	31.5	33.5
Retail Sales, % chg.	7.1	1.5	-4.4	4.3	5.3	7.4	6.8
Personal Income, % chg.	5.7	5.1	-0.6	5.1	5.1	5.5	5.1
Corporate Pre-tax profits, % chg.	-2.6	3.6	-25.3	16.7	5.4	10.6	11.4
Consumer Price Index, % chg.	1.7	2.1	0.0	0.9	1.5	1.7	1.9

Forecast commences 2010. Source: Statistics Canada, Central 1 CU



gains in residential activity will keep the construction sector growing.

The aftermath from the financial crisis is a lingering demand constraint on the economies of the U.S. and Europe, with repercussions for economies with close trade linkages such as Canada. B.C. has considerable trade exposure to the U.S. but its expanding export market with the faster-growing Asia-Pacific economies is a positive force.

Economic growth

The forecast sees growth in real Gross Domestic Product (GDP) slowing to 2.4% in 2011 from 3.1% this year. The current slowdown in the U.S. and global economy and the temporary GDP lift from the 2010 Winter Olympic boost leaves a slowing quarterly growth track in B.C. during the second half of this year and into early 2011. However, quarterly growth rates will move higher over the course of 2011 year and continuing into 2012, resulting in 3.3% growth in that year. The economy gains momentum in 2013, culminating in above-trend 3.6% growth, the highest since 2006.

Nominal or current dollar GDP growth rebounds to 6.4% this year after a 3.7% contraction in 2009. During 2011 to 2013, nominal GDP growth ranges from 5.6% to 6.4% annually. Price inflation from domestic sectors is low this year and next, but increases in 2012 and 2013 with higher resource utilization rates. Canadian dollar (CAD) appreciation keeps import prices low, although export prices remain subdued this year and next before rising in 2012 to 2103 with a stronger global economy.

The recent recession was mild in comparison to the 1982 recession, although more severe than in 1991, and it probably ended around mid-2009. B.C.'s recession was essentially export-led, compounded by constraints affecting the availability of consumer and business credit. The timing of the 2010 Winter Olympics was fortuitous for the economy, boosting growth at the early stage of the recovery.

The usual recession-recovery dynamics of the release of pent-up consumer demand and the inventory cycle were aided by some fiscal stimulus measures and very low interest rates. Some of these drivers, such as inventories and fiscal stimulus, are temporary growth sources, leaving growth dependent more on consumer and business investment demand and exports in the middle stages of the recovery.

Labour market

Employment growth of around 2% annually in 2011 and 2012 reflects moderate derived demand growth and productivity enhancing measures by employers. The unemployment rate is forecast to remain relatively high at 7.3% and 6.8% in 2011 and 2012, respectively, compared to the annual average rate of 7.5% this year.

Higher economic growth during 2013 results in only 2.4% job growth, although with labour force growth slowing to 1.5%, the unemployment rate falls to 5.9%. Moderate job growth and an adequate supply of labour will keep annual wage increases in the 2% to 2.5% range.

As well as employment growth, more labour will be utilized through increasing hours worked per week. Actual hours worked per week is forecast to rise each year to an average 33.2 hours in 2013. This involves a mild shift towards full-time employment and away from part-time work, which reached record highs in 2010.

Population

Net interprovincial migration declines through to 2013, pulling down total population growth to 1.3% in 2013 from 1.6% this year. Despite B.C.'s economy growing more than 3% annually in 2012 and 2013, faster growth in Alberta will draw more migrants away from B.C. Net international migration holds at 50,000 to 55,000 persons per year.

Housing market

Residential construction is consistently one of the more important contributors to B.C.'s economic growth. Low mortgage rates propel housing sales higher in 2011, driving up housing starts in the process. Conditions point to annual housing starts rising through 2013, not only due to favourable financing costs, more employment, income, and population, but also to the release of pent-up demand accumulated in 2009 and 2010. Housing starts approach 34,000 units in 2013.

Inflation

Low to moderate inflation lies ahead, owing to excess capacity in product and labour markets along with a higher CAD. The Consumer Price Index (CPI) rises to 1.9% in 2013 from 0.9% this year. Another measure of price

changes, the GDP price index, holds in the 2.5% to 3.5% per year range. Price inflation in the domestic economy remains under 2% annually, though on a rising trend to 2013.

Incomes

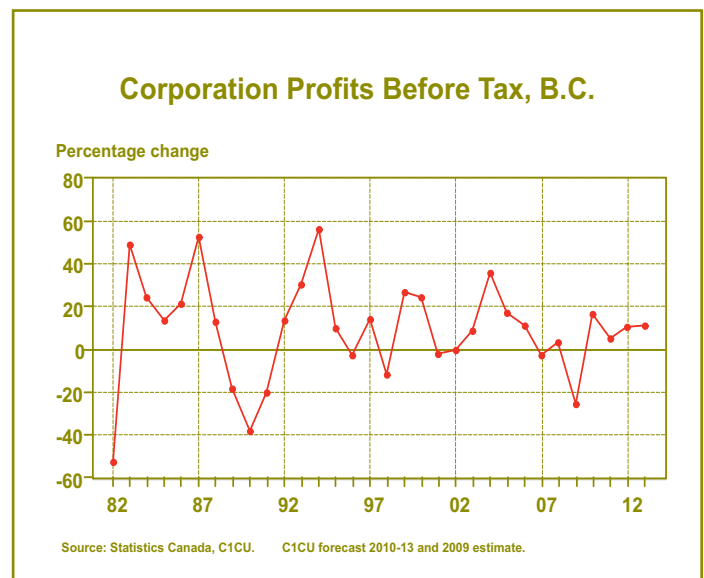
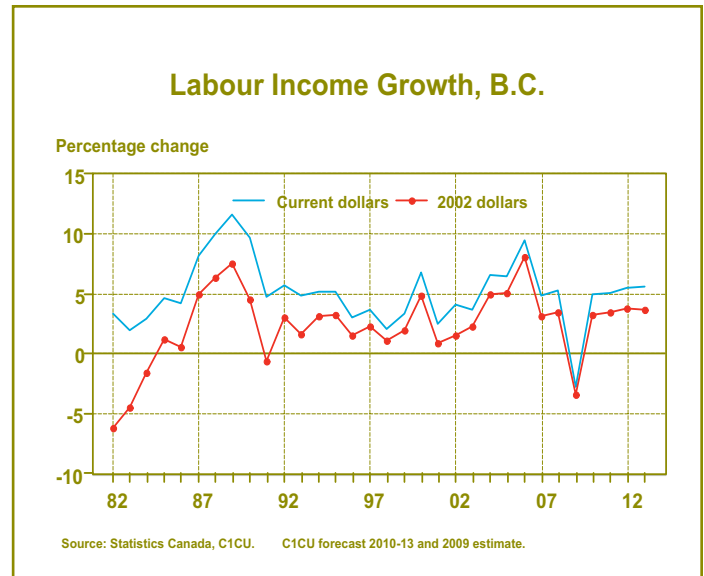
Total income will rebound 6.4% this year, following an estimated 3.7% drop in 2009, which was the first decline on record. However, on an inflation-adjusted basis, the income declines in 1982 and 1983 were larger than last year's. Income growth during 2011 to 2013 averages just above 6% annually.

The improving labour market generates gains in labour income of between 5.0% and 5.6% per year during the forecast. Statistics Canada has not yet released 2009 income data and this estimate has it declining 2.7%. Adjusted for inflation by the personal consumption price index, real labour income increases 3.4% this year, although not fully offsetting the 2009 drop. Next year, real labour income grows 3.5%, pushing it above the pre-recession level, and comparable annual gains are expected in 2012 and 2013.

Personal income (which includes labour income, net earnings of business proprietors, interest, dividends and investment income, and income transfers) is forecast to grow 5.1% in 2010 following last year's estimated 0.6% decline. Income gains in 2011 through 2013 are also above 5% annually. Real personal income is expected to grow about 3.5% annually, which is below the pace set during 2004 to 2007 but well above the 1990s.

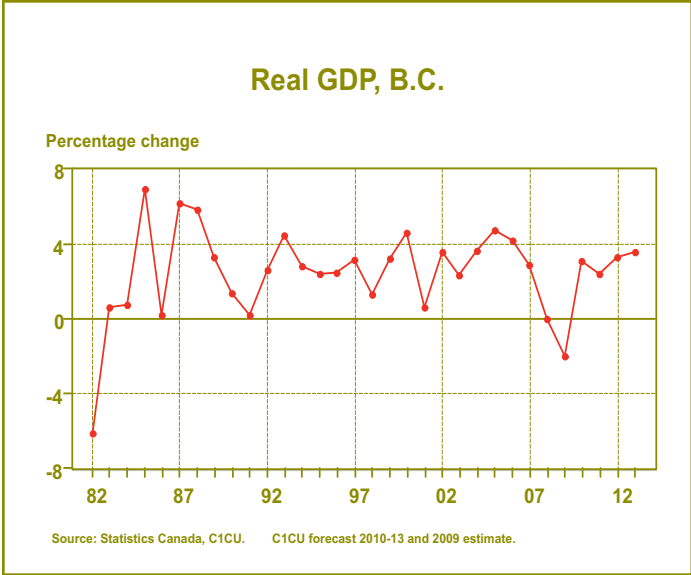
Personal disposable income (income after taxes and other government charges) growth resumes at a normal pace this year, after turning in its weakest performance on record during 2009. After inflation, however, 2009 was better than in the early 1980s and in 1991. Growth in 2010 is forecast at 3.1%, rising to 3.9% in 2012 and 2013, providing a firmer basis for consumer spending.

Corporation profits before taxes will rebound in 2010 by a projected 17% after falling 25% during the recession. Profit growth slips to below 6% in 2011 before expanding at a low double-digit pace in the following two years. Any significant increase in business investment spending must begin with favourable corporate finances.



Expenditures

This year, total spending is expected to rise 6.4% in current dollars and 3.1% in inflation-adjusted dollars, following 3.7% and 2.0% declines in 2009, respectively. The economy expands at a slower pace in 2011, at 2.4% in real terms and 5.6% in current dollars. Real spending will grow by 3.3% and 3.6% in 2012 and 2013. Spending in the domestic sectors is the main growth impetus during the forecast period, with consumer, government, and residential investment spending leading the recovery and continuing in 2011. Business investment spending resurges in 2012 and 2013, while government spending fades. The trade sector is expected to underperform, generating a larger real deficit each year.

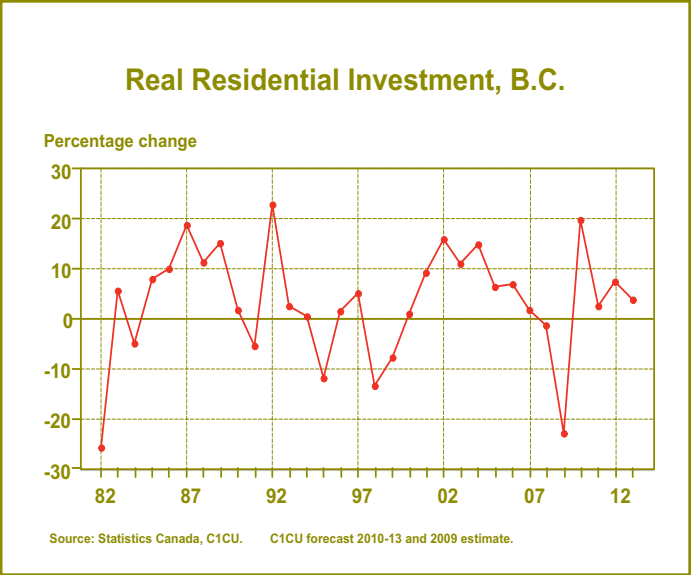


Consumer spending fundamentals are positive for moderate, firmer growth through to 2013. Low interest rates -- combined with job, income, and population growth -- enable households to increase spending. The negative impact of the higher interest rates expected after 2010 will be partly offset by growth in those positive factors.

In some quarters, household debt levels are considered too high and a constraint on future consumer spending. The Bank of Canada identified this as a source of risk to financial stability in the event of a significant economic downturn, as well as a potential drag on consumer spending and the economy. On the positive side, debt servicing costs are low and, while they are expected to rise with interest rates, are not seen rising excessively. The high debt level will likely hold down the future rate of spending rather than causing a downturn, which would probably come from other sources.

Residential investment is one of main contributors to B.C.'s overall economic growth this year, rising 20% in 2002 dollars and 25% in current dollars from 2009. New construction accounts for the entire gain, with renovation activity weaker due to the expiration of the federal Home Renovation Tax Credit early this year. A much lower growth rate is expected during 2011, which is normal in the second year after a housing recession, but thereafter new construction continues to pull up total residential investment based on supportive housing market conditions.

The recession triggered a large drop in business investment in 2009, which spilled over into 2010. However,



excess capacity in plant and equipment shrinks with economic growth, prompting more investment spending in 2011 and thereafter. The pick-up initially occurs with the start of some major projects and then spreads to broader spending on machinery and equipment, followed by more commercial building.

Total plant and equipment business investment spending will advance almost 7% in 2011 from an estimated 4% drop in 2002 dollars during 2010, after plunging 10% in 2009. Investment spending growth accelerates to about 12% annually in the following two years. There is some downside risk to these forecasts if the major projects in mining, energy, and transportation assumed to begin are delayed, postponed or cancelled.

The increase in business inventories makes a notable contribution to overall GDP growth in 2010 and 2011 and to a much lesser extent in the following two years, when production is more closely aligned with demand or sales. During the recession, sales fell unexpectedly, creating excess inventories for producers, retailers and wholesalers, who responded by cutting back on orders and production. This process is reversing during the recovery and economic growth phase.

The recession's end brings a winding down of government spending from 2011 through 2013. Next year, direct spending on public infrastructure declines slightly in 2002 dollars but remains elevated, before it contracts more significantly over the next two years. Spending on current goods and services slows to less than 3% growth in current

dollars in 2011 and to less than 2% annually thereafter. The federal and B.C. governments are embarking on deficit-reduction programs to achieve balanced budgets, which entails less capital spending and spending on other stimulus measures. Higher tax revenue from higher nominal GDP growth will be the main contributor to balanced budgets.

B.C.'s recession was essentially export-led, compounded by constraints affecting the availability of consumer and business credit. Exports dropped by an estimated 9% in 2002 dollar terms during 2009, after a 5% decline in 2008, marking the worst two-year performance on record. Looking ahead, the high and higher CAD, along with a tepid U.S. consumer recovery, will hold down export growth, but there is a bright spot in the expanding trade with the high-growth economies of Asia, particularly China.

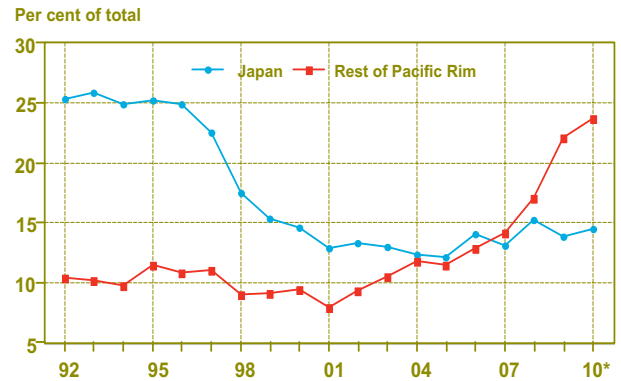
The demand for imports grows at a faster pace than exports leaving a larger trade deficit in 2002 dollars each year to 2013. The high CAD facilitates more imports coming into B.C. and, while this is a money outflow, some imports are necessary inputs into production and some imports enhance the capital stock and improve productivity. Imports plunged last year with the drop in consumer demand and business demand for machinery and equipment. The drop was faster than exports and narrowed the trade deficit in 2009.

Industries

Export-oriented industries will go through a cyclical upturn and post higher growth rates than domestic-oriented industries as a group. Since exports were hard hit during the recession, their rebound is from a low base and is fuelled by the global economic recovery in commodities. In most cases, output levels in 2013 remain below pre-recession levels, with the exception of mining.

High growth rates in the Asian markets and high metals and coal prices will boost mining GDP by double-digit growth rates this year and next. Mining GDP fell 18% in 2009, but will regain all of the lost output in 2011 and expand by a sizable amount in 2013 when new supply comes into production. The first construction phase of the Mount Milligan mine began earlier this year, with completion scheduled for 2013. Prime candidates for construction commencing in the forecast period are the Schaft Creek and Prosperity mines, among others. Environmental reviews

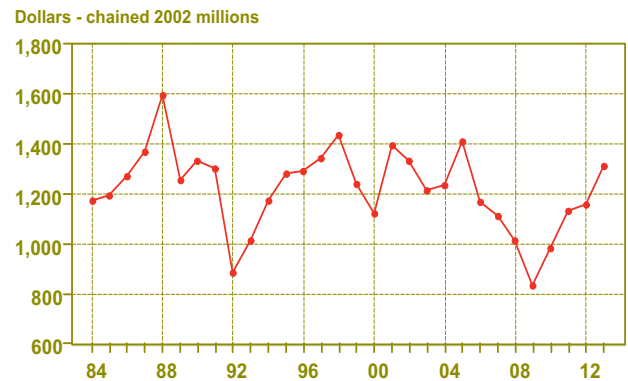
B.C. Merchandise Export Shares to Pacific Rim



Source: Statistics Canada, BC Stats.

*Jan-Aug 2010

Mining Industry GDP*, B.C.



Source: Statistics Canada, C1CU. *Excludes Oil and Gas. C1CU forecast 2010-13.

are potential project-stoppers, as is an unexpected drop in markets.

Wood products manufacturing fell to a very low level in 2009 and will rebound only modestly in 2010 and 2011 with U.S. housing starts still low. A more robust U.S. housing market is expected in 2012 and 2013, though it may well take longer for annual starts to break above one million units since there are many unsold units on the market and in the foreclosure pipeline. An accelerated harvest of pine beetle infested trees is waiting for an improved lumber market or increased demand for other end uses, such as pellets.

Pulp and paper manufacturing is in a modest revival extending into 2012, but faces considerable competition

from offshore producers. The higher CAD is another negative for this sector, as is the secular decline in new or virgin newsprint demand due to recycling and the internet. This sector could see further consolidation or production closures in the future.

Hampered by low prices, natural gas production undergoes a minor cyclical rebound and modest growth in 2011. U.S. consumption is forecast to increase slightly that year, with inventory levels remaining high, keeping price increases fairly well in check. Shale gas is a game-changer and its potential abundance in North America should hold prices to a slight uptrend around seasonal highs and lows. B.C.'s considerable shale-gas reserves are being actively explored and await development to production under the right conditions.

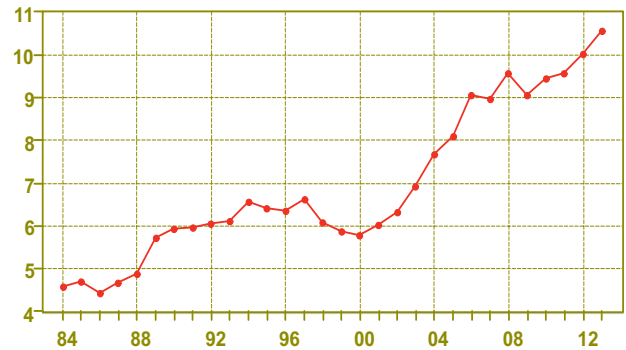
The export intensity of the transportation and storage sector services is growing and, while not larger than domestic demand, its growth more than doubled in the past two decades. Asia-Pacific trade flows with North America are the main driving force behind increases in demand and facilities to accommodate that growth. Further supply capacity expansions are planned and some will materialize in the forecast period. Port expansions in the Vancouver and Prince Rupert areas to handle container traffic are prime examples. Pipelines from Alberta to the north coast are quite likely, albeit later and after further environmental reviews.

Some transportation service exports are related to tourism rather than the movement of goods, and these received a temporary boost from the Winter Olympics. However, the outlook for U.S. tourism into B.C. is not bright as long as U.S. consumers are rebuilding their balance sheets and limiting discretionary spending. The declining USD is another restraint, which leaves B.C.'s tourism industry largely dependent on Asian and domestic growth.

Construction is the fastest growing broadly-classified domestic industry, expanding nearly 18% between 2009 and 2013 compared to about 12% for all domestic sectors and 13% for the overall economy. The housing rebound in 2010 contributes to more than a 4% increase in construction GDP, which tails off in 2011 to below 2% growth. The subsequent two years are expected to see this industry expand by 5% to 6% annually on the strength of private investment spending on some major projects, along with higher housing construction activity.

Construction Industry GDP, B.C.

Dollars - chained 2002 billions



Source: Statistics Canada, C1CU.

C1CU forecast 2010-13.

Other domestic-oriented industries growing at an above-average rate in the forecast period are personal services, retail-wholesale trade, information-professional-business services, and the finance-insurance-real estate sector. Underperforming industries are government and education services, reflecting deficit-cutting moves and demographics, respectively.

External economic forecast

The economic recovery is technically underway in North America, though it is a weaker-than-normal recovery, since U.S. consumer spending is restrained by high unemployment, low income growth, and the need to rebuild balance sheets. The immediate concern is a possible double-dip recession in the U.S., which is not expected in this forecast. Other concerns are a currency feud, another round in the subprime mortgage banking crisis, and a sovereign debt crisis in Europe. The financial crisis of 2008 has left a problematic legacy that will linger for quite some time yet.

The odds of a U.S. double-dip recession are low, though the American economy is in a 'soft growth patch' that lasts until 2011. Beyond that, the U.S. recovery should gain some momentum when household balance sheets are in better shape and pent-up demand for business capital expenditures emerges. The winding-down of fiscal stimulus will be a drag on growth, but necessary to reduce the federal deficit.

Asian economic performance is increasingly important to B.C.'s economy. Growth prospects for China look to remain at between 8% and 10% per year, according to most forecasters. The outlook for Japan, though, is much different, with growth at less than 2% per year from 2011 through 2013.

The Canadian dollar will break through parity with the U.S. dollar and stay above par in 2011, when higher domestic interest rates are engineered by the Bank of Canada and commodity prices rise, in part due to some improved market conditions but also to a weaker USD. Quantitative easing by the U.S. Federal Reserve also drives the USD down. Heightened volatility in foreign exchange markets will remain a strong feature.

Higher commodity prices are expected during the forecast period, driven by demand in the high-growth emerging economies and some demand growth in the U.S. economy. Metals and coal prices largely take their cue from those emerging economies, while natural gas and lumber prices are heavily influenced by U.S. demand.

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Key External Economic Forecasts

	2007	2008	2009	2010	2011	2012	2013
U.S. Real GDP, % chg.	2.1	0.4	-2.4	2.6	2.4	2.5	3.0
Japan Real GDP, % chg.	2.3	-1.2	-5.2	2.8	1.4	1.6	1.7
European Union Real GDP, % chg.	2.8	0.5	-4.0	1.3	1.5	1.5	2.0
China Real GDP, % chg.	13.0	9.6	8.7	10.5	9.4	8.5	8.5
Canada Real GDP, % chg.	2.6	0.3	-2.9	3.0	2.3	2.8	3.1
Canada 3-month T-Bill, %	4.15	2.39	0.35	0.50	1.45	2.35	3.25
Canada 10-year GoC Bond, %	4.33	4.04	3.89	3.20	3.40	4.50	5.25
U.S.-Canada Exchange Rate	93.02	93.78	87.60	97.09	100.00	98.04	100.00
Wood Product Industry Price Index, %chg.	-3.4	-2.3	-0.8	0.9	10.8	14.6	7.9
Pulp and Paper Industry Price Index, %chg.	-1.0	4.4	0.0	-1.9	-5.9	3.1	-0.9
Crude Oil, US\$ per barrel	72	100	62	79	83	84	88
Natural Gas, US\$ per MBTU	6.86	9.04	4.01	4.40	4.70	5.25	6.10
Coal Price per tonne,% chg.	-17.0	51.1	12.8	43.6	13.3	-10.1	-12.6

The data used in these tables are drawn from a number of sources: Statistics Canada, U.S. Bureau of Economic Analysis, International Monetary Fund, B.C. Mines and Energy, Consensus Forecasts; Central 1 Credit Union for all B.C. Forecasts.

Gross Domestic Expenditures (\$ Millions): British Columbia

	2007	2008	2009	2010	2011	2012	2013
Consumer	119,994	125,113	125,908	131,561	138,111	146,092	154,778
% change	7.0	4.3	0.6	4.5	5.0	5.8	5.9
Government Current	33,986	36,352	38,369	39,758	40,922	41,538	42,105
% change	4.9	7.0	5.5	3.6	2.9	1.5	1.4
Government Investment	5,960	6,824	7,650	8,790	9,083	8,718	7,711
% change	5.3	14.5	12.1	14.9	3.3	-4.0	-11.5
Residential Construction	18,905	19,198	15,080	18,756	19,811	21,810	23,424
% change	10.2	1.5	-21.5	24.4	5.6	10.1	7.4
Plant and Equipment	22,118	24,194	22,092	20,583	22,055	24,733	27,792
% change	3.7	9.4	-8.7	-6.8	7.2	12.1	12.4
Machinery & Equipment	10,540	10,969	9,738	8,519	8,601	9,794	10,953
% change	2.7	4.1	-11.2	-12.5	1.0	13.9	11.8
Non-Residential Construction	11,578	13,225	12,354	12,064	13,454	14,939	16,839
% change	4.5	14.2	-6.6	-2.3	11.5	11.0	12.7
Domestic Demand	200,963	211,681	209,099	219,447	229,982	242,890	255,809
% change	6.5	5.3	-1.2	4.9	4.8	5.6	5.3
Exports	79,275	80,251	69,684	73,496	75,526	80,853	85,772
% change	1.6	1.2	-13.2	5.5	2.8	7.1	6.1
Imports	90,176	94,115	87,537	90,506	92,402	97,022	100,873
% change	5.5	4.4	-7.0	3.4	2.1	5.0	4.0
Net Exports	-10,901	-13,864	-17,853	-17,010	-16,876	-16,170	-15,101
Inventory change	1496	241	-596	418	1067	1154	1470
Statistical Discrepancy	-41	128	128	128	128	128	128
GDE	191,598	197,930	190,522	202,726	214,045	227,747	242,049
% change	5.1	3.3	-3.7	6.4	5.6	6.4	6.3

Gross Domestic Expenditures (\$2002 Millions): British Columbia

	2007	2008	2009	2010	2011	2012	2013
Consumer	111,648	114,345	114,227	117,453	121,430	126,376	131422
% change	5.3	2.4	-0.1	2.8	3.4	4.1	4
Government Current	30,421	31,450	32,338	32,946	33,219	33,322	33286
% change	3.6	3.4	2.8	1.9	0.8	0.3	-0.1
Government Investment	5,049	5,397	6,003	6,737	6,635	6,353	5588
% change	0.1	6.9	11.2	12.2	-1.5	-4.2	-12.1
Residential Construction	13,275	13,101	10,089	12,101	12,412	13,354	13881
% change	1.8	-1.3	-23.0	19.9	2.6	7.6	4
Plant and Equipment	21,376	22,411	20,091	19,264	20,598	23,012	25478
% change	2.4	4.8	-10.4	-4.1	6.9	11.7	10.7
Machinery & Equipment	12,707	13,118	11,567	11,062	11,572	13,195	14737
% change	5.7	3.2	-11.8	-4.4	4.6	14.0	11.7
Non-Residential Construction	8,669	9,293	8,524	8,203	9,026	9,816	10741
% change	-2.0	7.2	-8.3	-3.8	10.0	8.8	9.4
Domestic Demand	181,403	186,277	181,743	188,171	193,935	201,744	208522
% change	4.1	2.7	-2.4	3.5	3.1	4.0	3.4
Exports	73,949	70,174	63,706	66,557	68,142	70,669	72973
% change	2.2	-5.1	-9.2	4.5	2.4	3.7	3.3
Imports	93,701	93,312	84,654	89,412	93,336	98,147	101097
% change	5.9	-0.4	-9.3	5.6	4.4	5.2	3
Net Exports	-19,752	-23,138	-20,949	-22,855	-25,194	-27,478	-28123
Inventory change	2055	516	-274	106	587	667	824
Statistical Discrepancy	34	-106	-106	-106	-106	-106	-106
GDE	164,519	164,520	161,296	166,246	170,193	175,848	182168
% change	2.9	0.0	-2.0	3.1	2.4	3.3	3.6

Consumer Expenditures: British Columbia

	2007	2008	2009	2010	2011	2012	2013
\$ Millions							
Consumer Expenditures	119,994	125,113	125,908	131,561	138,111	146,092	154,778
% change	7.0	4.3	0.6	4.5	5.0	5.8	5.9
Durable Goods	14,791	14,040	13,107	13,700	14,854	16,147	17,398
% change	7.6	-5.1	-6.6	4.5	8.4	8.7	7.7
Semi-Durable Goods	8,994	9,016	8,799	8,971	9,298	9,796	10,351
% change	6.3	0.2	-2.4	2.0	3.6	5.3	5.7
Non-Durable Goods	25,633	27,036	26,594	27,341	28,223	29,590	31,105
% change	4.9	5.5	-1.6	2.8	3.2	4.8	5.1
Services	70,576	75,021	77,408	81,548	85,736	90,560	95,924
% change	7.8	6.3	3.2	5.3	5.1	5.6	5.9
Retail Sales	56,930	57,783	55,222	57,590	60,664	65,142	69,564
% change	7.1	1.5	-4.4	4.3	5.3	7.4	6.8
\$ 2002 Millions							
Consumer Expenditures	111,648	114,345	114,227	117,453	121,430	126,376	131,422
% change	5.3	2.4	-0.1	2.8	3.4	4.1	4.0
Durable Goods	15,572	15,478	14,766	15,446	16,727	18,163	19,600
% change	8.8	-0.6	-4.6	4.6	8.3	8.6	7.9
Semi-Durable Goods	9,107	9,239	8,974	9,181	9,492	9,978	10,520
% change	7.4	1.4	-2.9	2.3	3.4	5.1	5.4
Non-Durable Goods	22,413	22,697	22,530	22,645	23,058	23,621	24,179
% change	2.7	1.3	-0.7	0.5	1.8	2.4	2.4
Services	64,796	67,107	67,963	70,260	72,433	75,131	77,896
% change	5.2	3.6	1.3	3.4	3.1	3.7	3.7

Income Components (\$ Millions): British Columbia

	2007	2008	2009	2010	2011	2012	2013
Personal Income	150,794	158,504	157,571	165,552	173,946	183,581	192,884
% change	5.7	5.1	-0.6	5.1	5.1	5.5	5.1
Labour Income	98,573	103,811	100,978	105,984	111,325	117,480	124,063
% change	4.9	5.3	-2.7	5.0	5.0	5.5	5.6
Interest, Dividends, & Investment	19,300	19,758	18,184	19,403	20,679	22,038	22,820
% change	11.4	2.4	-8.0	6.7	6.6	6.6	3.5
Government Transfers	18,962	20,464	22,768	23,590	24,309	25,179	25,930
% change	4.6	7.9	11.3	3.6	3.0	3.6	3.0
Unincorporated Business	14,412	15,018	16,080	17,063	18,170	19,465	20,698
% change	5.7	4.2	7.1	6.1	6.5	7.1	6.3
Other Transfers	646	606	681	690	700	723	750
% change	-1.5	-6.2	12.4	1.2	1.5	3.3	3.8
Disposable Income	116,451	124,361	125,604	131,634	138,415	146,253	153,410
% change	5.2	6.8	1.0	4.8	5.2	5.7	4.9
Taxes & Contributions	34,343	34,143	31,967	33,918	35,531	37,328	39,473
% change	7.6	-0.6	-6.4	6.1	4.8	5.1	5.7
Corporate Profits Before Tax	21,279	22,049	16,463	19,212	20,244	22,398	24,948
% change	-2.6	3.6	-25.3	16.7	5.4	10.6	11.4

Residential Investment: British Columbia

	2007	2008	2009	2010	2011	2012	2013
\$ Millions							
Total Residential Investment	18,905	19,198	15,080	18,756	19,811	21,810	23,424
% change	10.2	1.5	-21.5	24.4	5.6	10.1	7.4
New Dwellings	10,172	10,505	5,019	8,404	9,211	10,755	11,808
% change	0.7	0.5	-79.5	95.3	10.3	23.0	10.6
Renovations	6,539	6,535	7,572	7,738	7,946	8,310	8,778
% change	13.2	-0.1	15.9	2.2	2.7	4.6	5.6
Total Acquisition Costs	2,041	1,971	2,289	2,403	2,431	2,511	2,588
% change	7.5	-3.4	16.1	5.0	1.2	3.3	3.1
Other Residential Construction	153	187	199	211	223	235	250
% change	17.7	22.3	6.4	5.7	5.7	5.6	6.5
\$ 2002 Millions							
Total Residential Investment	13,275	13,101	10,089	12,101	12,412	13,354	13,881
% change	1.8	-1.3	-23.0	19.9	2.6	7.6	4.0
New Dwellings	7,143	7,169	3,358	5,422	5,771	6,585	6,997
% change	0.5	0.4	-53.2	61.5	6.4	14.1	6.3
Renovations	4,591	4,460	5,066	4,992	4,978	5,088	5,202
% change	4.6	-2.9	13.6	-1.5	-0.3	2.2	2.2
Total Acquisition Costs	1,433	1,345	1,531	1,550	1,523	1,537	1,534
% change	-0.7	-6.2	13.8	1.2	-1.7	0.9	-0.2
Other Residential Construction	108	128	133	136	140	144	148
% change	8.7	18.8	4.3	2.0	2.6	3.2	3.0
Housing Starts, Units	39,195	34,321	16,077	25,957	27,625	31,517	33,484
% change	7.6	-12.4	-53.2	61.5	6.4	14.1	6.2

Real Non-residential Construction Investment: British Columbia

	2007	2008	2009	2010	2011	2012	2013
Engineering Construction	7,931	8,786	8,570	8,533	8,830	9,034	9,591
% change	1.9	10.8	-2.5	-0.4	3.5	2.3	6.2
Building Construction	3,811	3,811	3,712	3,960	3,885	4,013	4,366
% change	-13.8	0.0	-2.6	6.7	-1.9	3.3	8.8
Commercial	1,607	1,608	1,414	1,418	1,493	1,666	1,845
% change	4.0	0.1	-12.1	0.3	5.4	11.6	10.7
Industrial	667	663	567	534	618	805	908
% change	-30.3	-0.7	-14.5	-5.9	15.8	30.3	12.7
Institutional-Government	1,536	1,540	1,731	2,009	1,774	1,541	1,613
% change	-19.9	0.3	12.4	16.1	-11.7	-13.1	4.7
Total non-residential Construction	11,742	12,597	12,282	12,493	12,715	13,047	13,957
% change	-3.8	7.3	-2.5	1.7	1.8	2.6	7.0

GDP by Industry (\$2002 Millions): British Columbia

	2007	2008	2009	2010	2011	2012	2013
Total	151,162	151,532	148,101	152,646	156,271	161,463	167,266
% change	2.7	0.2	-2.3	3.1	2.4	3.3	3.6
Agriculture	1,280	1,271	1,227	1,188	1,235	1,274	1,304
% change	5.0	-0.7	-3.4	-3.2	4.0	3.1	2.4
Forestry & Logging	3,161	2,607	2,136	2,234	2,319	2,490	2,685
% change	-8.7	-17.5	-18.1	4.6	3.8	7.4	7.8
Oil & Gas Mining	3,370	3,497	3,335	3,359	3,484	3,609	3,652
% change	-2.3	3.8	-4.6	0.7	3.7	3.6	1.2
Other Mining	1,114	1,013	835	986	1,133	1,159	1,312
% change	-4.7	-9.0	-17.6	18.1	14.9	2.3	13.2
Fish, Hunting & Trapping	162	140	133	146	143	145	149
% change	-0.5	-13.7	-5.1	9.8	-1.9	1.2	2.9
Manufacturing	15,841	14,245	12,183	12,375	12,555	13,285	13,969
% change	-0.1	-10.1	-14.5	1.6	1.5	5.8	5.1
Wood Products	4,651	3,733	3,046	3,130	3,171	3,426	3,713
% change	-8.1	-19.7	-18.4	2.8	1.3	8.0	8.4
Pulp & Paper Products	1,605	1,414	1,186	1,239	1,271	1,311	1,314
% change	-2.6	-11.9	-16.1	4.4	2.6	3.2	0.2
Other Manufacturing	9,510	9,024	7,887	7,941	7,948	8,274	8,557
% change	4.9	-5.1	-12.6	0.7	0.1	4.1	3.4
Utilities	3,125	3,005	2,861	2,920	2,982	3,055	3,133
% change	8.1	-3.9	-4.8	2.0	2.1	2.5	2.5
Construction	8,985	9,559	9,053	9,438	9,574	10,032	10,569
% change	-0.9	6.4	-5.3	4.3	1.4	4.8	5.4
Transportation & Warehousing	9,748	9,749	9,195	9,499	9,829	10,208	10,557
% change	2.3	0.0	-5.7	3.3	3.5	3.9	3.4
Retail & Wholesale Trade	17,658	17,422	16,526	16,922	17,477	18,181	19,049
% change	7.2	-1.3	-5.1	2.4	3.3	4.0	4.8
FIREL*	34,732	35,269	36,484	37,621	38,629	39,848	41,133
% change	4.5	1.5	3.4	3.1	2.7	3.2	3.2
Owner-Occupied Housing	16,392	17,203	18,017	18,598	19,039	19,516	20,083
% change	4.6	4.9	4.7	3.2	2.4	2.5	2.9
Other FIREL	18,340	18,066	18,467	19,023	19,590	20,332	21,050
% change	4.4	-1.5	2.2	3.0	3.0	3.8	3.5
Information, Professional, Scientific, Managerial	16,523	16,923	16,615	17,153	17,653	18,155	18,814
% change	4.5	2.4	-1.8	3.2	2.9	2.8	3.6
Other Services	6,299	6,353	6,384	6,695	6,809	7,042	7,392
% change	3.0	0.9	0.5	4.9	1.7	3.4	5.0
Accommodation & Food Services	4,466	4,523	4,433	4,793	4,706	4,824	5,082
% change	2.2	1.3	-2.0	8.1	-1.8	2.5	5.3
Education Services	7,706	7,953	8,096	8,195	8,293	8,394	8,425
% change	3.9	3.2	1.8	1.2	1.2	1.2	0.4
Health & Social Services	9,597	9,840	10,136	10,476	10,746	11,044	11,287
% change	1.5	2.5	3.0	3.4	2.6	2.8	2.2
Government Services	7,710	7,950	8,156	8,325	8,375	8,378	8,402
% change	3.2	3.1	2.6	2.1	0.6	0.0	0.3

* FIREL - Finance, insurance, real estate and leasing

Employment by Industry (000s): British Columbia

	2007	2008	2009	2010	2011	2012	2013
Total	2,266	2,314	2,259	2,304	2,351	2,400	2,457
% change	3.2	2.1	-2.4	2.0	2.0	2.1	2.4
Agriculture	36	34	34	32	33	33	33
% change	4.3	-6.9	1.8	-8.1	3.6	0.7	0.8
Other Primary	47	45	40	43	44	45	48
% change	8.0	-4.0	-11.2	7.0	2.5	2.8	5.3
Manufacturing	205	187	164	162	160	164	168
% change	3.8	-8.6	-12.6	-1.4	-0.9	2.2	2.8
Utilities	10	14	13	15	15	15	15
% change	19.8	37.9	-10.6	16.7	2.2	0.6	0.5
Construction	197	221	195	196	196	201	211
% change	9.8	12.1	-11.5	0.6	-0.5	3.0	4.8
Transportation & Warehousing	126	128	115	118	123	126	129
% change	5.1	1.9	-10.0	2.9	4.1	2.5	2.0
Trade	365	355	369	375	380	392	401
% change	3.2	-2.8	4.0	1.6	1.4	3.0	2.5
FIREL	145	147	143	147	154	157	159
%change	5.1	1.5	-2.8	3.0	4.3	1.8	1.5
Professional, Scientific, Managerial	326	334	319	320	335	345	353
% change	1.0	2.5	-4.6	0.5	4.7	2.9	2.3
Accommodation & Food Services	173	178	172	173	176	179	184
% change	1.3	3.1	-3.4	0.4	1.7	1.8	3.0
Education Services	156	162	162	169	169	168	168
% change	0.1	3.5	0.4	4.2	-0.1	-0.7	0.3
Health & Welfare Services	240	246	260	272	278	286	292
% change	3.2	2.5	6.0	4.4	2.4	2.6	2.1
Other Services	145	161	166	169	176	180	186
% change	-2.0	10.9	3.3	1.7	4.4	2.5	3.3
Government Services	96	103	106	113	112	109	109
% change	5.0	7.3	3.3	6.6	-1.4	-2.9	0.1

Labour Market Indicators: British Columbia

	2007	2008	2009	2010	2011	2012	2013
Source Population, 000s	3,571	3,642	3,707	3,773	3,836	3,897	3,952
% change	1.7	2.0	1.8	1.8	1.7	1.6	1.4
Participation Rate %	66.3	66.6	66.0	66.1	66.1	66.1	66.1
Labour Force, 000s	2,366	2,426	2,445	2,493	2,536	2,574	2,611
% change	2.7	2.5	0.8	1.9	1.7	1.5	1.4
Employment, 000s	2,266	2,314	2,259	2,304	2,351	2,400	2,458
% change	3.2	2.1	-2.4	2.0	2.0	2.1	2.4
Unemployment,000s	100.1	111.6	185.9	188.1	184.2	174.5	153.9
Unemployment Rate %	4.2	4.6	7.6	7.5	7.3	6.8	5.9
Average Weekly Hours	32.9	32.4	31.4	32.3	32.5	32.9	33.2
% change	1.2	-1.5	-3.1	2.9	0.6	1.1	0.9
Avg. Hr. Wage Rate % chg.	0.4	5.1	2.7	2.6	2.2	2.1	2.1
Unit Labour Costs % change	0.6	-1.6	-2.8	2.2	1.9	2.0	1.6

Population Components: British Columbia

	2007	2008	2009	2010	2011	2012	2013
Population, 000s	4,310	4,384	4,455	4,525	4,593	4,661	4,723
% change	1.6	1.7	1.6	1.6	1.5	1.5	1.3
Births, 000s	42.4	44.1	44.6	44.5	45.6	46.6	47.6
Deaths, 000s	30.9	31.8	31.2	32.3	33.3	34.4	35.4
Natural Increase, 000s	11.5	12.3	13.3	12.3	12.2	12.2	12.1
Net Migration, 000s	54.4	62.1	58	57.3	56.3	55.2	50
Net International, 000s	39.4	47.5	53.3	48.8	50.7	51.7	50.5
Net Interprovincial, 000s	15	14.6	4.7	8.5	5.6	3.6	-0.5

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