



Highlights

- Inflation rate was 2.5 per cent in March
- Canadian retail sales up, but B.C. retail sales fall
- International visitors to B.C. up 9 per cent y/y in February

B.C. sees energy inflation rise while food inflation slows

Alan Chow, Business Economist

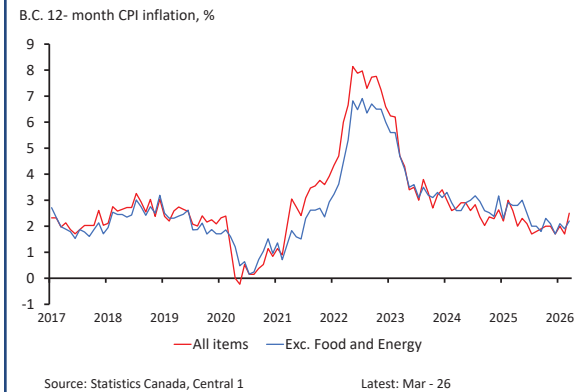
B.C.'s inflation rate rose in March 2026, with year-over-year (y/y) growth in the Consumer Price Index (CPI) coming in at 2.5 per cent, up from 1.7 per cent in February. This marks the first month the figure has been above 2.0 per cent since June 2025. Despite the increase, B.C.'s rate was tied for the fourth lowest among the provinces. As mentioned last month, conflict in the Middle East has contributed to a surge in oil prices, pushing headline inflation higher due to increased gasoline prices. Inflation excluding energy also rose, to 2.5 per cent in March from 2.3 per cent in February, while inflation excluding both food and energy increased to 2.2 per cent from 1.9 per cent. In April, inflation is expected to increase further.

Energy prices rose 3.6 per cent y/y in March, the first y/y increase since the consumer carbon tax was removed. Gasoline prices were up 6.3 per cent, while fuel oil and other fuels rose 11.7 per cent. On a month-over-month (m/m) basis, energy prices rose 11.0 per cent, gasoline increased 17.1 per cent, and fuel oil and other fuels climbed 19.9 per cent.

Food price inflation slowed again in March, with y/y growth easing to 3.6 per cent from 4.5 per cent in February. Food purchased from restaurants saw prices rise 2.6 per cent, down from 5.6 per cent, reflecting the first y/y comparison that excludes last year's GST holiday. Food purchased from stores rose 4.2 per cent, up from 3.8 per cent, with bakery and cereal products accelerating to 4.7 per cent from 1.1 per cent. Vegetable prices also accelerated to 3.2 per cent from a decline of 0.3 per cent. Meat and seafood inflation, however, slowed from 8.0 per cent and 5.0 per cent to 6.7 per cent and 4.2 per cent, respectively.

Shelter costs increased 1.9 per cent y/y, up from the nearly six-year low of 1.5 per cent in February. Rent

B.C. inflation rates accelerate in March



rose 6.4 per cent, up from 4.3 per cent. Owned accommodation continued to cool, rising just 0.3 per cent y/y, with homeowners' replacement cost down 2.4 per cent and home and mortgage insurance down 0.3 per cent. Mortgage interest cost growth also slowed to 0.3 per cent y/y, the slowest pace since the 0.6 per cent y/y decline recorded in June 2022.

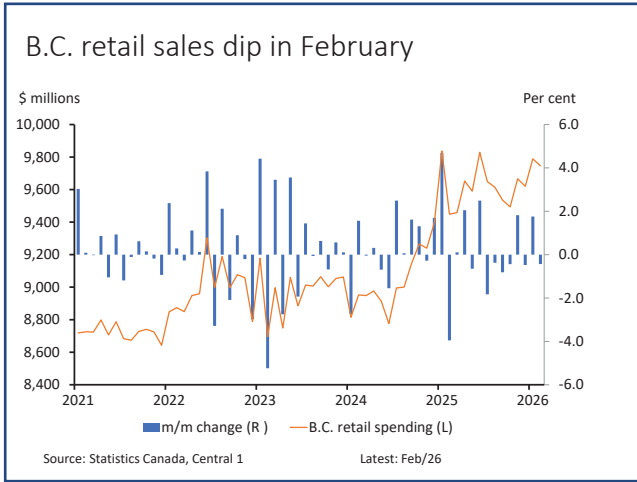
Clothing and footwear prices rose 1.4 per cent, while household operations, furnishings, and equipment inflation decelerated for a third month to 1.3 per cent. Goods inflation rose to 2.3 per cent in March, while services inflation edged up to 2.5 per cent.

Nationally, the y/y inflation rate rose to 2.4 per cent from 1.8 per cent. Inflation excluding food and energy slowed from 2.0 per cent to 1.9 per cent. As noted previously, the conflict involving Iran, the U.S. and Israel will push these figures higher in the coming months.

B.C. sees slower retail sales in February

Alan Chow, Business Economist

Canadian retail sales rose again in February. On a seasonally-adjusted basis, retail sales increased by 0.7 per cent to \$72.0 billion. Core retail sales—which exclude gasoline stations, fuel vendors, and motor vehicle and parts dealers—also grew, but by a slightly smaller 0.6 per cent. By volume (seasonally adjusted and in constant dollars), sales rose 0.3 per cent. Seven of the nine retailer categories saw higher monthly sales in February. Advanced figures for March suggest sales increased again, up 0.6 per cent, although this figure is likely to be revised as more data becomes available.



There was a strong uptick in sales at motor vehicle and parts dealers, which rose 1.0 per cent to a seasonally adjusted \$19.3 billion. This marked the highest monthly sales level since August 2025, when sales reached \$19.4 billion. In contrast, sales at gasoline stations and fuel vendors were unchanged at \$6.4 billion.

Driving the increase in core retail sales was a 1.2 per cent rise at general merchandise retailers, marking a second consecutive monthly gain. Moderate growth was also recorded at food and beverage retailers, up 0.9 per cent for a second month in a row. Partially offsetting this growth were declines of 0.6 per cent at building material and garden equipment dealers, as well as a 0.3 per cent drop at furniture, electronics and appliance retailers.

At the provincial level, B.C.'s seasonally adjusted retail sales fell 0.4 per cent in February, following a revised 1.8 per cent increase in January. Unadjusted retail sales in B.C. for January 2026 increased 3.3 per cent compared to the same month in 2025, while year-to-date sales are up 1.5 per cent.

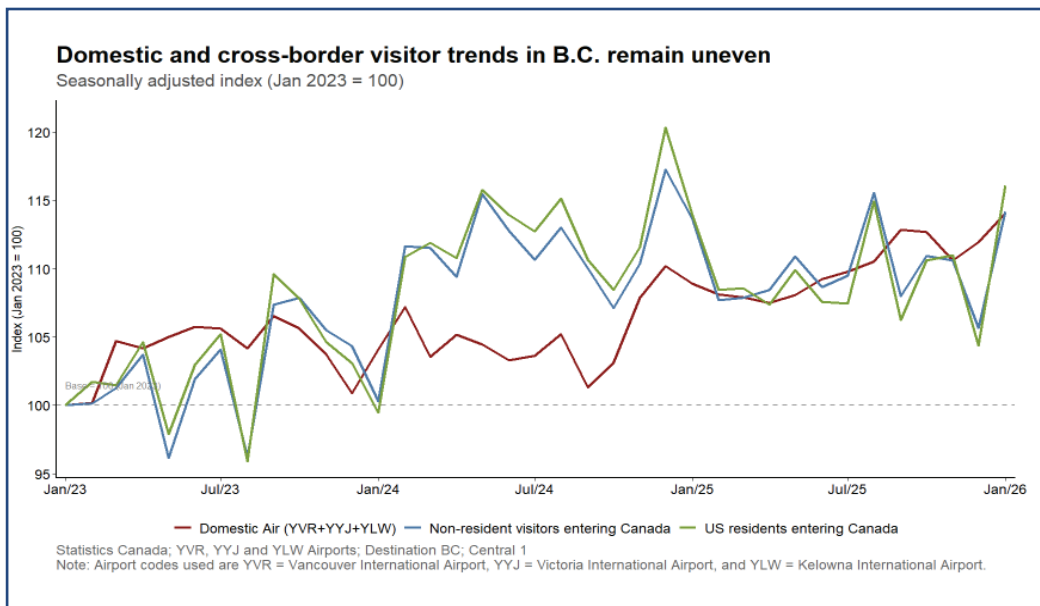
Subsector data are not seasonally adjusted, but y/y figures showed higher sales in six of the nine categories. Sporting goods and hobby retailers posted the strongest growth, up 15.3 per cent to \$726 million, followed by health and personal care retailers, which rose 12.1 per cent to \$788 million. On the downside, lower y/y sales were led by motor vehicle and parts dealers, down 4.5 per cent to \$1.8 billion, and furniture, electronics and appliance retailers, down 3.6 per cent to \$397 million.

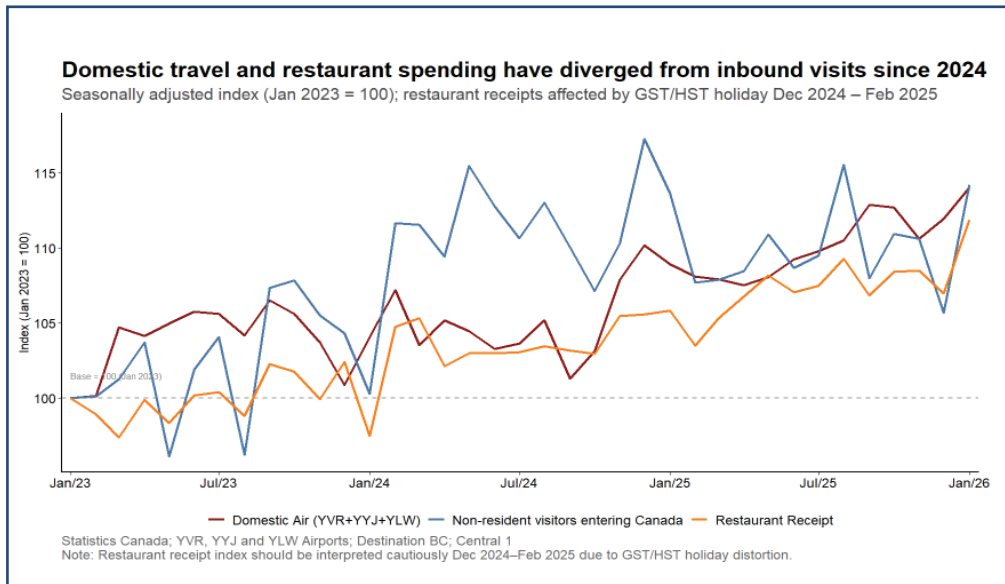
Regionally, the Vancouver metropolitan area reported a 1.2 per cent m/m decline in seasonally adjusted retail sales in February, after four consecutive months of growth.

B.C. tourism outlook firms as inbound travel improves early in 2026

Zoe He, Senior Economic Analyst

The latest travel data for January 2026 points to firm B.C. tourism patterns. Domestic scheduled passengers (enplaned and deplaned) from Vancouver International Airport and Victoria International Airport rose by 5.4 per cent y/y, while international visitors increased by 9.0 per cent y/y and 2.0 per cent m/m as of February. Gains were especially strong from China with 52.0 per cent y/y growth because of the Chinese New Year travel and warming political relations. China had reinstated Canada as an approved destination for group travel in late 2025. U.S. visitors rose by 7.0 per cent, pointing to some growth in inbound demand after a weak end to 2025, although part of the gain may reflect base effects from a softer early-2025 period amid U.S. tariff tensions. Restaurant receipts also rose 6.4 per cent, while the hotel market remained firm, with Average Daily Rate at \$225 in January and \$235 in February, and hotel occupancy at 56.0 per cent and 65.3 per cent, respectively.





This followed relatively soft inbound travel in 2025. International visitor growth was essentially flat on average, while U.S. visitor growth was modestly negative, averaging -1.1 per cent over the year and deteriorated toward year-end, with declines reaching -5.0 per cent in the final quarter. Domestic demand, by contrast, remained the most resilient part of the picture: domestic air passenger volumes rose 4.6 per cent on average in 2025 and were positive in every month, although they capture only part of total travel within B.C. Hospitality spending also held up better than visitor flows, with restaurant receipts up 3.6 per cent on average in

2025, though that series should be interpreted cautiously given tax effects and food service inflation, and the federal GST/HST holiday from December 2024 to February 2025 likely distorting the early-2025 pattern. On balance, the data suggests domestic demand has been carrying B.C.'s visitor economy, while the latest inbound and hotel indicators point to a somewhat better starting point for 2026.

Together, these indicators suggest domestic and local demand continue to anchor activity, while inbound conditions may be improving ahead of the anticipated summer World Cup lift.

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