

MONEY



Pointing the way

Improving efficiency is everybody's business, Bank of Canada governor David Dodge said in a speech that seemed to endorse bank mergers.

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GORDON CLARK (EDITOR) • 604-605-2020 • gclark@png.canwest.com | TUESDAY, DECEMBER 12, 2006

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Ottawa offers holiday gift for Bell, Telus

OTTAWA — The minority Conservative government announced plans yesterday to deregulate local phone services, holding out the lure of lower prices for consumers.

But consumer advocates and others warned that bills might actually go up in the long run.

Industry Minister Maxime Bernier told reporters that he intends to remove price caps and ceilings from former phone monopolies such as Bell, Telus and Sasktel.

The so-called incumbents had been prevented by regulation from charging rates below cost in order to encourage new competitors in the market.

But Bernier said it's clear now that there's enough competition for local phone customers, particularly from the cable companies, that such regulations aren't needed any more.

The proposed change would stipulate that as long as one of the big telephone companies, a cable company and a wireless company are competing in a given market, that would be enough to get rid of any regulations.

Bell and Telus applauded the decision, saying they had been handcuffed for too long.

"Today's decision by Minister Bernier is a positive development for Canadian consumers and our industry," said Darren Entwistle, president and CEO of Burnaby-based Telus.

"By giving the market more freedom to determine outcomes, we can begin to unleash the full benefits of competition for our customers, and foster enhanced innovation and investment in the Canadian economy."

Critics slammed the announcement, pointing out that former monopolies control 92 per cent of the local telephone market in Canada — hardly an environment in which new players are likely to thrive.

The move is a reversal of a CRTC decision last spring that dictated that regulations would apply as long as a company controlled more than 75 per cent of the local phone services in any given regional market.

— News Services

BUILDING BOOM GOES SONIC

DEVELOPMENT: If you think B.C.'s construction industry has been busy, you ain't seen nothing yet, Credit Union Central predicts



The budget for the expansion of Vancouver's Convention Centre is \$615 million. — PROVINCE FILE PHOTO

BY PAUL LUKE
BUSINESS REPORTER

B.C.'s non-residential construction sector is surging into a white-hot future, says a new report. The already blistering pace of non-residential building across the province will accelerate as investment pours into transportation, commercial, industrial and institutional projects, Credit Union Central of B.C. said yesterday.

Total provincial spending on non-residential building should bound to \$17.3 billion in 2008 from \$11.4 billion last year, the report said.

That represents average annu-

al growth of 15 per cent, up from 12.6 per cent annually for the period from 2003 to 2005.

"B.C.'s boom in non-residential construction is being driven by many factors, including robust growth in provincial GDP, consumer spending, disposable income and employment," Central economist Dave Hobden said.

"Moderate growth in population, relatively low and stable interest rates and China's surging economy are other significant factors."

Non-residential construction comprises transportation and utility projects, as well as commercial, institutional and industrial buildings.

Growth in real gross domestic product from the non-residential sector should average 8.8 per cent a year through 2008. That's up from 6.3 per cent over the past three years, the Central report said.

Building construction will generate the fastest-growth rate in GDP, followed by repairs and heavy engineering, Central said.

Growth should be spread widely over the province, the report said.

The building binge means the sector will account for more than seven per cent of all growth in B.C.'s real GDP from 2006 to 2008.

Continued on page A29

Where are your tax dollars at work today?

Estimated capital costs for non-residential projects in the B.C. government's Major Projects Inventory total just under \$80 billion, up almost \$23 billion from a year earlier.

Here are 10 major non-residential projects in the Lower Mainland from the inventory:

- **RAV Canada line** — estimated cost: \$1.9 billion
- **Vancouver International Airport expansion** — estimated cost: \$1.78 billion
- **Proposed Port Mann Bridge twinning/Highway 1 widening** — estimated cost: \$1.5 billion
- **Proposed Cogburn magnesium quarry and ore-processing plant in Hope** — estimated cost: \$1.3 billion US
- **Proposed Coquitlam Light Rail Transit Line (Evergreen line)** — estimated cost: \$953 million
- **Proposed South Fraser Perimeter Road in Surrey** — estimated cost: \$800 million
- **Proposed Golden Ears Bridge in Langley** — estimated cost: \$650 million
- **Vancouver Convention Centre expansion** — estimated cost: \$615 million
- **Sea-to-Sky Highway upgrade** — estimated cost: \$600 million
- **GVRD Capilano and Seymour Water Filtration plant** — estimated cost \$600 million



At work in Alberta's oilpatch, Caterpillar's huge 797 haul trucks dwarf mere personal transportation vehicles.

Oilsands mining 'black gold' for big-truck dealer

HEAVY EQUIPMENT: Suncor deal worth \$75 million to Finning

The Canadian division of Finning International Inc. has won new orders for oilsands mining equipment and trucks from North American Energy Partners Inc. and Suncor Energy.

Suncor exercised its option to buy six Caterpillar 797B haul trucks and an associated 10-year product-support service agreement, under a June 2005 contract, Finning said yesterday.

Suncor also bought 14 pieces of mining support equipment this year, bringing the total value of the transactions to about \$75 million.

One truck has been delivered and the remaining vehicles will be delivered by June 2007. Finning sold nine trucks to Suncor in the initial contract, delivered between April and July 2006.

Meanwhile, North American Energy Partners will receive seven 793D and four 785C haul trucks valued at over \$32 million, Finning added. NAEPI has also placed orders for mining equipment valued at \$19 million, including two 793D and nine 777F haul trucks, all of which are expected to be delivered in 2007.

"The rapid growth in our operations in the oilsands continues," said Vancouver-based Finning International CEO Doug Whitehead.

"We are very pleased with the progress we are making in this region. Currently, we are estimating total oilsands related equipment sales of approximately \$280 million for 2007. We are expecting another very strong performance in 2007."

— Canadian Press

Employment to grow too

From Page A27

Surging construction will fuel dramatic employment growth.

The non-residential workforce should jump to more than 119,000 people in 2008 from 89,100 in 2005, the report said.

"Seventy per cent of forecast growth will be in specialized trades working for equipment, foundation, structural, envelope and fin-

ishing contractors," Central said.

"The remaining 30 per cent will be in direct employment with builders and developers."

Self-employed workers will account for more than half of the sector's forecast job growth. Engineering projects account for about two-thirds of total construction investment in non-residential, the report said.

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No rates movement expected from Fed

WASHINGTON — The U.S. economy is in pretty good health despite the ailing housing and auto industries, allowing the Federal Reserve to feel comfortable about leaving interest rates alone.

Fed chairman Ben Bernanke and his central-bank colleagues are expected to keep their finger on the

interest-rate pause button when they meet today, their last such session for the year.

It would mark the fourth meeting in a row in which the Fed left an important rate unchanged at 5.25 per cent.

As a result, commercial banks' prime-interest rate — for certain credit cards, home equity lines of credit and oth-

er loans — would stay at 8.25 per cent, once again giving borrowers some breathing room.

The Fed believes slower economic growth will eventually lessen inflation pressures. It also is fairly confident that the slumping housing and auto sectors won't sink the economy.

To be sure, policy-makers will keep close watch for any danger signs — namely a pickup in inflation or a sharper-than-expected housing swoon that could damage the entire economy and throw it into recession. For now, though, they feel it is appropriate to leave rates where they are. — AP

SURVEY OF MORTGAGE RATES

Source	1st Mortgage Rates (closed)								1st Mtg. (open)	
	6mo	1yr	2yr	3yr	4yr	5yr	7yr	10yr	6mo	1yr
Bank of Montreal	6.35	6.30	6.40	6.40	6.40	6.45	6.85	7.22	8.15	8.45
Canadian Western Bank	6.30	6.40	6.50	6.50	6.50	6.50			8.20	8.55
CIBC	6.40	6.40	6.50	6.50	6.50	6.50	6.90	7.25	8.20	8.55
Coast Capital Savings	5.40	5.40	5.35	5.35	5.30	5.20	5.55	5.75	6.40	6.40
Concentra Financial	6.40	6.40	6.50	6.50	6.50	6.50	6.90	7.25	8.20	8.55
Envision C.U.	6.40	6.40	6.50	6.50	6.50	6.50	6.90	7.25	8.20	8.55
Firstline Mortgages			5.77	5.59	5.61	5.44	5.78	5.99		
First National Financial	5.75	4.99	4.99	5.15	5.15	5.09	5.45	5.60		
G&F Financial Group	6.35	6.30	6.40	6.40	6.40	6.45	6.85		8.15	8.45
HSBC	6.40	6.40	6.50	6.50	6.50	6.50	7.05	7.40	8.20	8.55
Investor Group Trust	6.40	6.40	6.50	6.50	6.50	6.50	6.90	7.25	8.20	8.55
Laurentian Bank	6.30	6.40	6.50	6.50	6.50	6.50	6.85	7.25	8.20	8.55
Maple Trust	6.30	6.45	6.50	6.55	6.55	6.60	6.90			
MCAP	6.30	6.40	6.50	6.50	6.50	6.50	6.90	7.25		8.55
The Mortgage Group	5.40	4.99	4.99	5.05	5.05	4.99	5.30	5.50	8.15	8.40
National Bank		6.40	6.50	6.50	6.50	6.50	6.90	7.25	8.20	8.55
North Shore C.U.	6.40	6.40	6.50	6.50	6.50	6.55	6.90	7.25	8.20	8.55
Prospera C.U.	6.40	6.40	6.50	6.50	6.50	6.50	6.90		8.20	8.55
Royal Bank	6.35	6.30	6.40	6.40	6.40	6.45	6.85	7.20	8.15	8.45
Scotia Bank	6.30	6.45	6.50	6.50	6.50	6.50	6.85	7.60	8.15	8.40
TD Canada Trust	6.20	6.40	6.40	6.40	6.40	6.45	6.80	7.05		8.55
VanCity Savings	6.35	6.40	6.50	6.50	6.50	6.50	6.85	7.20	8.15	8.45

December 11, 2006. Rates are subject to change without notice. Rates are compounded semi-annually.

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