



Great Ikea idea

Mark Malkoff, 31, eats his dinner while living inside an Ikea store in Paramus, N.J. When furniture retailer Ikea promoted its latest U.S. sale by asking customers on its website if they are 'ready to take advantage of us,' one cash-strapped customer took them up on the offer in a novel way. Malkoff moved into the Ikea store in Paramus for a week while his New York City apartment is fumigated. Ikea is now promoting its 'house guest' as further evidence of the practicality of its furnishings.

LUCAS JACKSON/REUTERS

THE VANCOUVER SUN

SECTION C

BUSINESS BC

MALCOLM PARRY'S TRADE TALK | C3

A DO-IT-ALL PORTABLE MEDIA DEVICE | C4

EDITOR HUGH DAWSON 604-605-2520

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E-mail sunbusiness@png.canwest.com

ONLINE TODAY go to www.vancouversun.com/news/business for a look ahead to the prime minister's meeting with provincial leaders.

TALK TO THE REAL BOSS
Crucial decisions about who gets into the C suite are often made not in the boardroom but over the kitchen table, according to a survey by Accountemps. That's because one of the most crucial decisions is whether to apply for the job, and nearly half (46 per cent) of executives polled said they turn first to spouses or significant others when evaluating a job change. That tops the number of respondents (41 per cent) who said they would consult their mentors first. Co-workers, of course, would be among the last to know if you're jockeying for position — they came in at 13 per cent.

DUBAI IN THE SKY
Dubai's major air carrier, Emirates Airlines, is now the world's fastest-growing carrier and hopes to be the world's largest airline by 2015. "It's only a matter of time," says Sheik Ahmed bin Saeed al Maktoum, the chairman and chief executive of Emirates and the uncle of the ruler of Dubai, part of the United Arab Emirates. Started in 1985 with two leased planes, Emirates now operates a fleet of 112 long-haul, wide-body jets. It gets a new plane — typically costing \$200 million to \$300 million each — about every two weeks and has placed orders for 245 planes worth \$60 billion US.



BUSINESS BC FRIDAY

SMART MONEY: Business BC's weekly guide to personal finance.

B.C. SNAPSHOT
Coast hurt the most

Lumber production on B.C.'s Coast took the biggest hit in a bad year. A coastal forest industry strike didn't help matters. In the Central Interior, production increased in pine-beetle infested areas, but moving that lumber was another matter as shipments there dropped, just like everywhere else in B.C.

Lumber production, % change Jan. - Oct. 2006 vs. same period 2007	
Coast	-51.0
Northern Interior	-8.3
Central Interior	+11.0
Southern Interior	-26.7
Total for Interior	-11.0
Total for B.C.	-16.0

Source: Statistics Canada

VANCOUVER SUN

Writers' strike starves Hollywood North

ENTERTAINMENT | Film work is taking up some of the slack, but there are few big productions

BY MARKE ANDREWS
VANCOUVER SUN

The two-month-old U.S. writers strike has crippled British Columbia's television industry, but film work will pick up some of the slack, at least until June.

A number of big American movies are currently shooting or will begin to shoot in the province in late winter and early spring. Latest to be confirmed is the Fox Atomic comedy-horror film *Jennifer's Body*, starring Megan Fox, which begins shooting in March.

Jennifer's Body reunites the *Juno* team of writer Diablo Cody and Jason Reitman, although *Juno* director Reitman will co-produce with his Hard C production company partner Dan Dubiecki and with Mason Novick. Karyn Kusama (*Girlfight*, *Aeon Flux*) will direct, her second B.C. stint after directing an episode of TV series *The L Word* here.

Shooting begins in April at Burnaby's Mammoth Studios on the big-budget *Night at the Museum 2: Escape from the Smithsonian*. Ben Stiller returns in the lead role, as does Dick Van Dyke. Ricky Gervais will almost certainly return, and Reese Witherspoon is rumoured to join the cast.

Currently in the middle of production in the Lower Mainland are: *The Watchmen*, a big-budget, effects-laden adventure film star-

See **ACTORS', DIRECTORS'** C2



PHOTO COLLAGE/VANCOUVER SUN

Clockwise from top: Night watchman Larry Daley (Ben Stiller) is chased by a T. Rex in *Night at the Museum*. David Duchovny and Gillian Anderson in *The X-Files*; Michelle Pfeiffer as Velma von Tussle in *Hairspray*, Ashton Kutcher and Megan Fox.

Taylor to look again at B.C. tax credits to keep up with the competition

BY MARKE ANDREWS
VANCOUVER SUN

British Columbia Finance Minister Carole Taylor said Wednesday she will once again look at the labour tax credits offered to foreign and domestic producers after Ontario and Quebec increased their tax credits.

"Our folks in the finance department are

looking at what Ontario has done," said Taylor. "The models are slightly different. Ontario tends to support the domestic [productions] stronger than the foreign."

"We're looking at it, analysing it and we'll talk to our film people in the industry," said Taylor. "It comes at a very difficult time for

See **ONTARIO, QUEBEC** C2

New detached houses become scarcer

BY DERRICK PENNER
VANCOUVER SUN

REAL ESTATE | The new detached house became a rarer commodity in 2007 than ever in Metro Vancouver.

Multi-family units accounted for 80 per cent of all new homes started during the year, according to Canada Mortgage and Housing Corp.

New-home starts in Metro Vancouver increased by 11 per cent — to 20,736 units in 2007, the highest since 1993.

However, detached houses accounted for only 4,211 of those, the lowest proportion since 1961, according to available Canada Mortgage and Housing records.

The last time houses made up 50 per cent or more of new housing starts was 1988, when 9,287 detached homes accounted for 52 per cent of new homes.

In 2007, apartment condominiums made up more than half the 16,525 multi-family homes started, according to Canada Mortgage and Housing analyst Richard Sam.

"The No. 1 reason we're seeing a lot of apartments is price," Sam said in an interview.

Sam added that with the average price for a Metro Vancouver detached house topping \$800,000, "buyers have shifted their expectations towards more affordable, higher density style housing."

Helmut Pastrick, chief economist for Credit Union Central B.C., said in an interview that residential construction defied almost all forecasts in 2007, which called for an easing of new-home building.

Pastrick was not surprised by the continuing trend away from detached homes, which are becoming "more of the exclusive domain of only the wealthy."

"When it comes to the middle-income buyer, they're more likely to be purchasing a new townhouse or other form of multi-family," Pastrick added. "They won't be able to afford single-family [houses]."

Peter Simpson, CEO of the Greater Vancouver Home Builders' Association, added that the pressure on builders' costs alone will ensure that prices continue rising in 2008.

"We've got land, labour and municipal [development] cost charges, all three of which are rising," he added.

See **HOUSING** C4

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BUSINESS
BRIEF

BOARD GAME SUIT SETTLED

SYDNEY, N.S. — The Supreme Court of Nova Scotia has awarded costs of \$1 million to the defendants who won a 13-year lawsuit launched by David Wall, a Cape Breton man who claimed to be the inventor of the Trivial Pursuit board game. Justice David MacAdam awarded costs of \$1.25 million, less 20 per cent, to defendants Christopher and John Haney, Charles Scott Abbott and Edward Martin Werner and the corporation Horn Abbott Ltd. MacAdam reduced the award by 20 per cent to reflect the court's disapproval of lawsuits filed by the defendants against two of the potential witnesses for Wall during the trial. In court documents, Wall claimed that he shared his idea for the game with Chris Haney in November 1979 after Haney picked him up while hitchhiking with a friend. Lawyers for *Trivial Pursuit* dismissed the allegations, saying Haney and his friend, Abbott, both journalists, came up with the idea for the game in Montreal in December 1979, after arguing over a *Scrabble* match. Haney's brother, John, and Werner, a lawyer, helped the two launch the game in 1982 to worldwide acclaim.

QUEBECOR WORLD DROPS

MONTREAL — Shares of Quebecor World Inc. plunged below \$1 Wednesday, as fears mounted that the struggling printer won't pony up the \$125 million it owes by its Tuesday deadline. The stock shed 19 cents, or 17.27 per cent, to close at 91 cents. The closing price gives Quebecor World a market value of \$120 million. The company is under the gun to raise more than that in five days to repay its lenders as a condition to the bank waivers it received last month. To avoid bankruptcy, the company would need a large cash infusion from parent company Quebecor Inc. or sell itself to a competitor.

RONA BUYS PLUMBER

MONTREAL — Home-renovation giant Rona Inc. said Wednesday it will buy Best-Mar Plumbing & Heating Supplies Inc. to bolster its position in Ontario's institutional, commercial and industrial markets. Best-Mar has annual revenue of about \$20 million and serves contractors from three Ontario locations in Ottawa, Cornwall and Brockville. Financial terms of the transaction weren't released. Boucherville, Que.-based Rona is facing increased competition as Home Depot Inc. and Lowe's Cos. expand in Canada.

AIRCRAFT FIRM SIGNS WITH GE

MONTREAL — Montreal-based ACTS, Canada's biggest civil aircraft maintenance, overhaul and repair company, said Wednesday it has signed 10-year partnership agreements with GE Aviation, a unit of General Electric Co., and CFM International, a joint-venture of GE and Europe's Snecma. The agreements, worth a combined \$2.5 billion, are for the supply of parts and materials used in servicing CF34- and CFM-56-series engines.

CANADA SEEKS MONGOLIA LINK

OTTAWA — Canada said it agreed to start talks with Mongolia on an investment agreement as it tries to boost trade ties in Asia. The federal government said Canada is the second-largest investor in Mongolia, with about \$400-million worth of assets in the country. The so-called Foreign Investment Promotion and Protection Agreement would give investors from either country "legally binding rights" in the other. "Our desire to put in place an investment agreement with Mongolia is a clear expression of Canada's commitment to building a strong long-term partnership," Trade Minister David Emerson said in the statement. Emerson was in Mongolia Wednesday.

BMW SALES SURGE IN 2007

FRANKFURT — BMW kept its title as the world's largest premium-car maker in 2007 as sporty models like the 3 Series Cabrio and X5 off-roader and the stylish new Mini Clubman lifted group sales by 9.2 per cent. The 1.5 million vehicles delivered to its customers surpassed Mercedes-Benz Cars for the fourth-straight year, which reported a two per cent increase in sales.

Indonesian bid starts pulp mill auction

FORESTRY | Asia Pulp & Paper subsidiary makes a move to buy three mills in B.C.

BY GORDON HAMILTON
VANCOUVER SUN

An Indonesian paper company with a controversial history has placed a \$105-million bid on three pulp mills — two of them in B.C. — for sale by insolvent U.S. forest company Pope & Talbot. Documents filed Wednesday in U.S. bankruptcy court show PT Pindo Deli Pulp & Paper Mills placed a \$105.3-million US bid for Pope & Talbot's Mackenzie pulp mill, its Harmac mill near Nanaimo, and its Halsey mill in

Oregon. Portland-based Pope & Talbot agreed to the bid Jan. 8, according to the documents.

The agreement is intended as a "stalking horse" bid in the expectation it could attract higher offers, leading to an auction of the pulp mills. The court has set Feb. 5 as the auction date if other bidders surface.

PT Pindo Deli is a subsidiary of Asia Pulp & Paper, an Indonesian forest products giant that is best known in North America for defaulting on \$14 billion US worth of debt in 2001 — the

largest default in Asian history. Its U.S. creditors agreed to a debt-revamp plan.

APP's default was a consequence of the 1997 Asian financial meltdown. Its sales were in the Indonesian rupiah, which collapsed in the crisis, but its debt was in U.S. dollars, making it impossible to repay debt from cash flow.

APP's name also keeps appearing in news articles about illegal logging, allegations its executives deny.

Industry analyst Kevin Mason of Equity Research Associates said the bid marks the first time a major Indonesian forest company has ventured into the B.C. industry. But it's not a Canadian

first. Singapore-based Sinar Mas, APP's controlling shareholder, bought bankrupt Meadow Lakes pulp mill from the Saskatchewan government in 2006.

Mason said the stalking-horse bid does not guarantee APP will acquire the mills.

"What they have done is set the floor for bidding. Now it's off to the races. The games are on," he said.

If the APP subsidiary is outbid, it receives a \$3.8-million US break-up fee.

Mason said the \$105-million bid fits well with the values of the three pulp mills arrived at by industry analysts, about \$40 million for the Mackenzie mill, \$50 million for the U.S. mill, and \$10

million for Harmac, which Mason believes has a short life ahead of it.

He said if APP is successful, it will likely use its new source of North American fibre for its paper operations in Asia. He said it should help the Indonesian company verify chain of custody for its products if it has a North American supply of pulp.

"They have some fibre issues — there is the illegal logging issue," he said. "This is the first time we have had a major company from Indonesia [investing in the B.C. industry]. But they do have chain-of-custody issues and this could resolve it in some sense."

ghamilton@png.canwest.com

Hand-held media devices stars of electronics show

BY VITO PILIECI

LAS VEGAS
Giant TVs and wafer-thin displays may have stolen the attention at this year's Consumer Electronic Show, but the real star of the event is the emergence of do-it-all Swiss Army knife-like portable media devices.

The industry has been promising hand-held devices that allow people to make phone calls, surf the Internet, listen to music and send e-mails for years.

Some devices have turned up on the market over the past few months. But the wide range of devices on show at this year's CES suggests 2008 will be the breakthrough year for hand-held media players.

"Apple really blazed a path in this market," said Jason Reindrop, marketing director for Microsoft Corp.'s Zune media player. "It's just the beginning ... You are going to see this market move forward much faster now."

It seemed as if every major manufacturer at the show was displaying some sort of all-in-one iPhone or iPod competitor. Microsoft had its Zune, Creative Labs was showing off new versions of its Zen device, Motorola was flogging its sleek Moto Rokr E8, Sandisk had new versions of the Sansa player and Samsung was showing off its widescreen P2.

"This is the emergence of the second digital decade," Microsoft co-founder Bill Gates said during his keynote speech Sunday evening. "We have made a lot of progress. People are very interested. All of these things are coming together."

All of the industry leaders who spoke at the show were bullish regarding the future of portable media.

Intel chief executive Paul Otellini was one of the most optimistic.

Intel has embarked on a \$2.5-billion US campaign to refocus its efforts on making smaller, faster and more powerful computer chips to be used in new hand-held devices. The company has added 20,000 employees over the past year and announced plans for a new manufacturing facility in China.



STEVE MAKRIS/CNS

Couch potato alert: Mathieu Michael, president of Toronto-based Interactive Toy Concepts, shows the Turbo Remote Control Cooler, \$59, out this spring. It is self-powered and can be guided to your chair with its remote control.

Intel was showcasing numerous hand-held prototype products at the show, including a book-sized tablet that has the ability to translate Mandarin text and verbal conversations into English in real time.

CES is the world's largest trade show dedicated to showcasing the latest in consumer electronics technologies. The show annually attracts more than 150,000 people.

CanWest News Service

Housing construction expected to decline in 2008

From CI

Simpson noted that multi-family housing dominated starts even in the more spacious suburbs such as the District of Langley, where the total was 626 multi-family starts versus 583 detached homes, and Maple Ridge, where 400 multi-family homes were started against 345 detached homes.

Surrey had the most housing starts in all the Lower Mainland with 4,862. Multi-family units

were 2,349 of those compared with 1,560 single-family homes.

"Among this generation of first-time home buyers," Simpson said, "there are those who will live their entire lives in some form of multi-family housing."

The trend away from single-family housing was a province-wide phenomenon. In 2007, CMHC counted 33,364 new starts across B.C.'s urban centres, a 5.5-per-cent increase. Of those starts, 10,536 were detached houses, a 13.7-per-cent decrease from 2006.

Pastrick said he expects housing construction to decline in 2008 as rising prices and mortgage rates, which eased during the latter half of 2007, squeeze more buyers out of the market.

"At the margins, I see demand growing at a slower pace and supply growing at a faster pace," Pastrick said.

However, with most development now contingent on the pre-sales of significant numbers of units, Pastrick said "the kind of oversupply one would expect in

this process would not be considerable."

He expects "a fairly normal to mild adjustment" in Metro Vancouver real estate markets in the next two to four years.

depennner@png.canwest.com

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