



Regional Economic Observer



Second Quarter, 2001

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The "Regional Economic Observer" (REO) provides a snapshot of provincial economic conditions in a convenient format. The REO does not interpret or evaluate government policies, and every attempt is made to present factual information in an informed and balanced manner consistent with generally accepted economic principles. This report uses data available as of September 11, 2001. It has been prepared by Marianne Blais, Stéphane Crépeau, Anik Dufour, Arif Mahmud, and Karen Smith under the direction of Raynald Létourneau and Shane Williamson. All information is taken from public sources, primarily Statistics Canada, the Bank of Canada, the Canada Mortgage and Housing Corporation, and the Canadian Real Estate Association. Please address comments to Miodrag Jovanovic at 613-996-0474 or through the Internet at miodrag.jovanovic@ic.gc.ca.

Highlights: Second Quarter, 2001

British Columbia

British Columbia's economic performance improved slightly in the second quarter. Employment growth resumed and the unemployment rate was down for a third consecutive quarter, falling to 6.9%. Consumer spending was up, sustained by higher consumer confidence, and demand for housing was particularly strong. However, industrial activity softened due to lower sales of paper products.

Prairies

Household spending remained firm in Alberta, especially on major outlays such as autos and houses, as the labour market continued to outperform the national average. However, lower prices for petroleum products dragged down manufacturing shipments. The economy weakened in Saskatchewan, with higher unemployment weakening consumer spending and industrial activity. Manitoban households continued to increase spending and industrial activity posted a small recovery. Yet, widespread job losses in the province raised the unemployment rate to 5.3%.

Ontario

Ontario's economy regained momentum, fuelled by a small rebound in manufacturing shipments and rising consumer spending. The weaker U.S. economy nonetheless continued to moderate growth in Ontario, resulting in job losses in manufacturing. Still, total employment edged up, leaving the unemployment rate virtually unchanged at 5.9%.

Quebec

Economic activity in Quebec continued to suffer from the U.S. economic slowdown, which took its toll on manufacturing shipments. Total employment was nonetheless virtually unchanged, but a large influx of job seekers drove the unemployment rate up to 8.8%. Higher consumer confidence translated into a solid advance in retail sales but the housing market slowed in the second quarter.

Atlantic

Newfoundland recorded by far the best economic performance of the region, as both manufacturing shipments and consumer spending surged. Consequently, employment boomed in the province, driving the unemployment rate down to 16%. The economy weakened in the other three Atlantic provinces. While industrial activity increased everywhere, supported by stronger demand for wood products, lower earnings dampened consumer spending, and in particular demand for new houses. Job losses were reported in all three provinces.



British Columbia



British Columbia

Labour Markets

Employment rebounds in the second quarter...

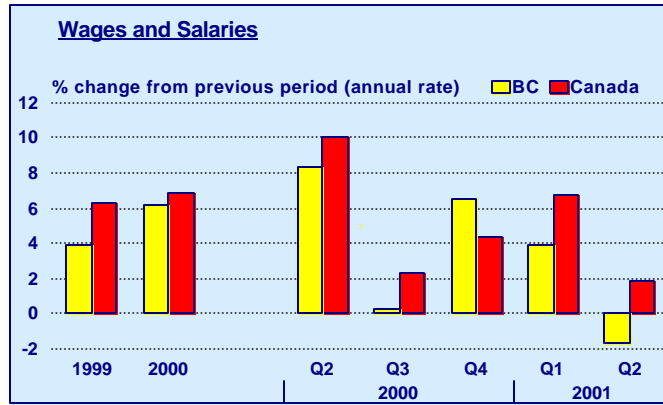
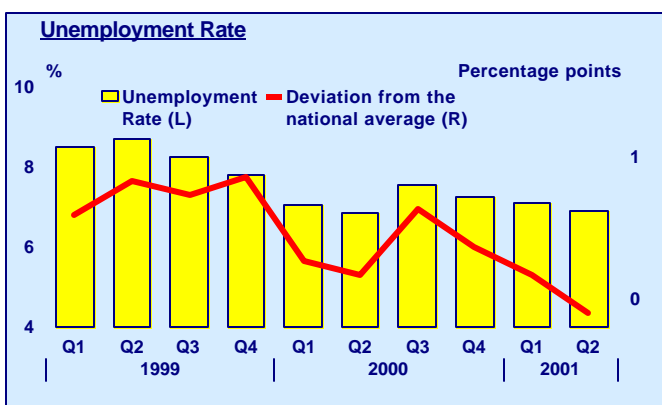
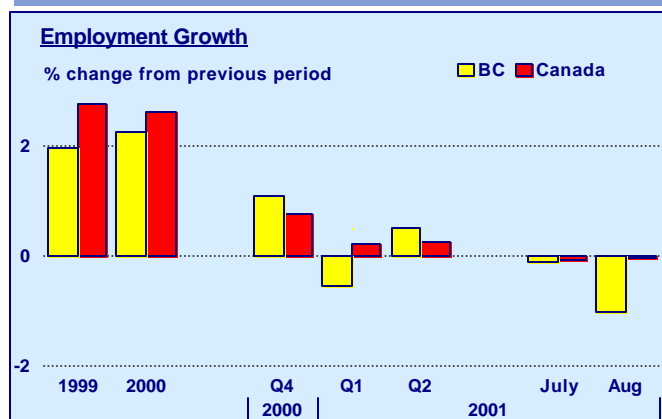
- Employment growth bounced back in the second quarter, surpassing the national average. Job gains were concentrated in Services, mainly in Business and Community Services. Losses were most evident in the Goods Sector, where strong gains in Construction were offset by sharp drops in the Primary and Manufacturing industries.
- Employment fell in July and August, with losses in Business Services and Construction. Although employment in British Columbia had increased at the beginning of the year, nearly 39,000 jobs were lost between June and August.

...driving the unemployment down

- In line with employment growth, the jobless rate fell to 6.9% in the second quarter, only 0.1 percentage points above the national rate. The B.C. unemployment rate has been on a downward trend since the third quarter of 2000.

Labour income falls

- Based on a separate survey of paid employees, labour income fell 1.7% in the second quarter, largely due to a reduction of the number of salaried workers.





Economic Activity and Prices

Manufacturing shipments continue to decline...

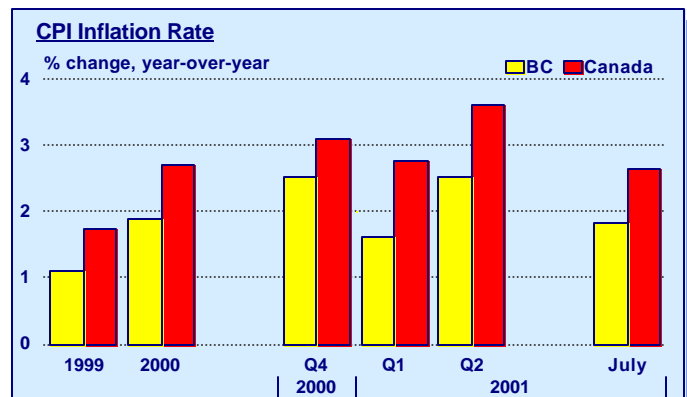
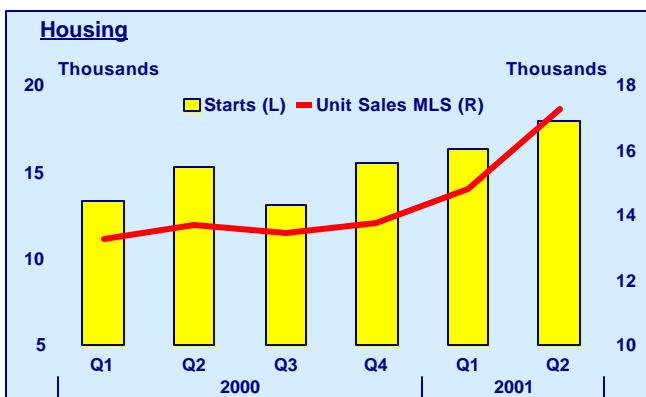
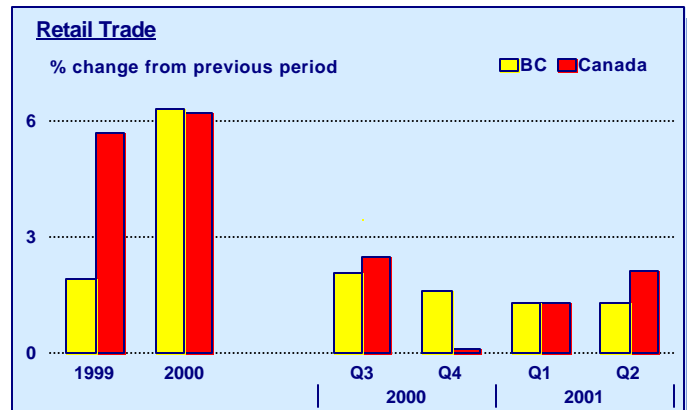
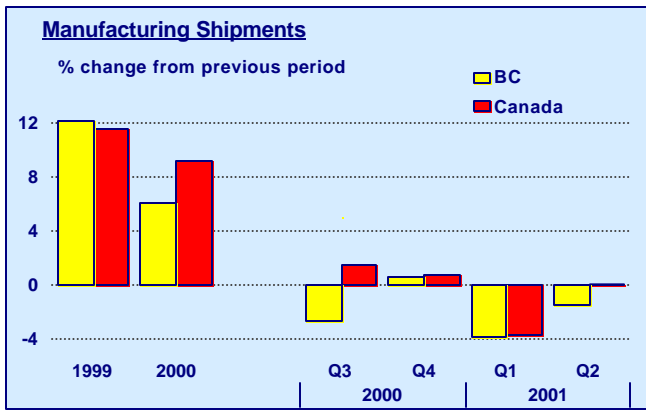
- Manufacturing shipments fell 1.5% in the second quarter, held back by lower output in the Paper, Computer & Electronic and Machinery industries.

...while household spending increases

- Retail sales rose a further 1.3% in the second quarter. The increase was widespread among all major groups, sustained by higher employment and consumer confidence.
- Housing demand strengthened building on an upward trend set out in the third quarter of last year. Home resales and housing starts both recorded strong increases.

Inflation remains below the Canadian average

- On a year-over-year basis, consumers paid 2.5% more for goods and services in the second quarter. Along with Newfoundland, British Columbia had the lowest CPI inflation rate among provinces. Higher Food and Shelter costs were the main contributors to inflation, although the year-over-year increases were much lower than in the rest of Canada.
- Inflation rate was lower still in July, staying well below the national average. Inflation was driven mainly by higher Food and Health Care prices.







Labour Markets

Employment growth still above the national average...

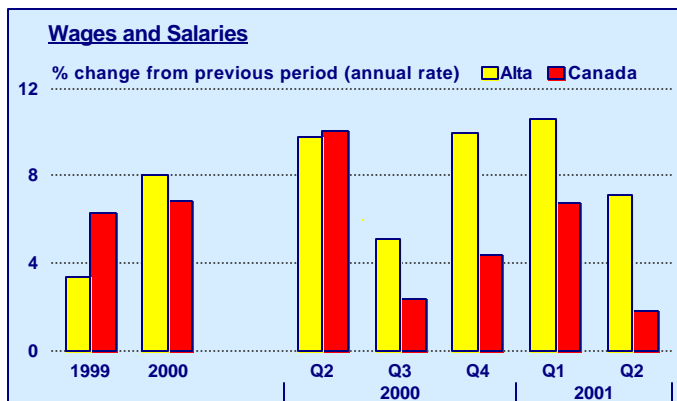
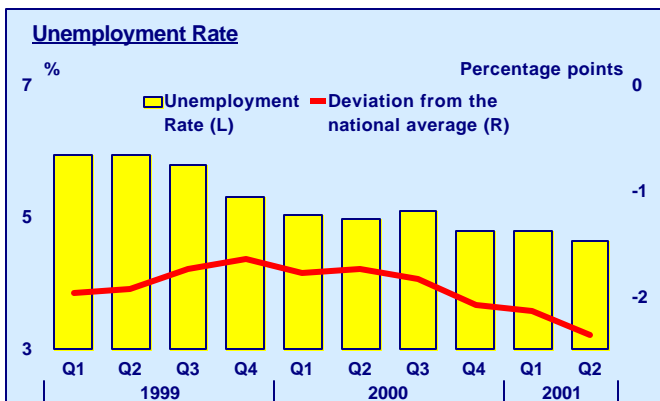
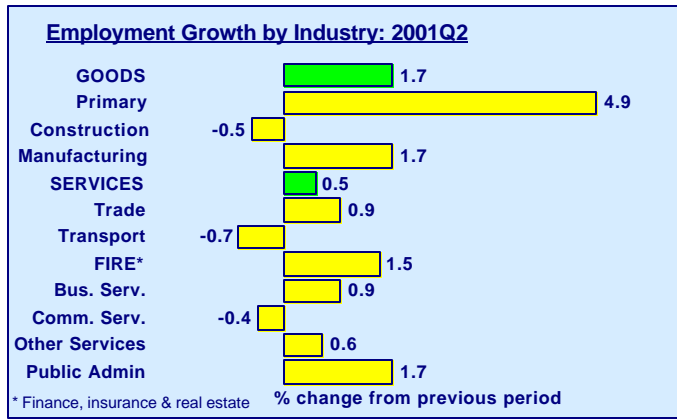
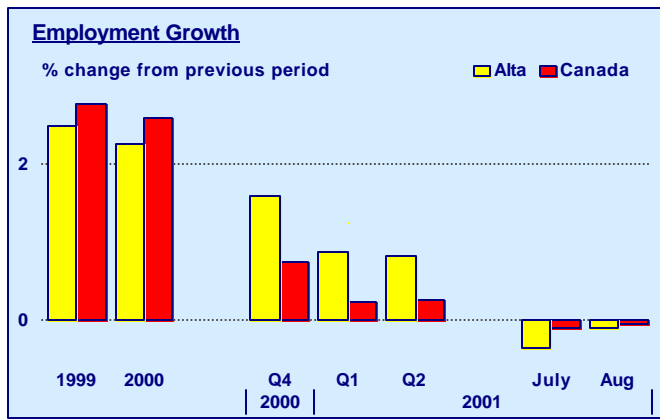
- Employment grew 0.8% in the second quarter, slightly below the pace of last two quarters, but still above the Canadian average. Much of the growth in Goods-producing industries was associated with higher employment in the Oil and Gas sector. Gains in the Services industries were concentrated in Public Administration, Finance, Insurance & Real Estate (FIRE) and Trade industries.
- On a monthly basis, employment fell in July and August, with losses occurring largely in Business Services, FIRE and Other Services.

...resulting in a lower unemployment rate ...

- As a result of employment gains, the jobless rate edged down to 4.6% in the second quarter, the lowest in Canada.
- Coupled with a slight increase in the national unemployment rate, Alberta's rate dropped 2.4 percentage points below the Canadian average.

...but income growth eases

- Wage and salary growth eased to 7.1% (annual rate) in the second quarter, but this was still the highest rate among the provinces. Employment gains by salaried workers and increases in average weekly earnings contributed to this increase.





Economic Activity and Prices

Manufacturing activity falls in the second quarter...

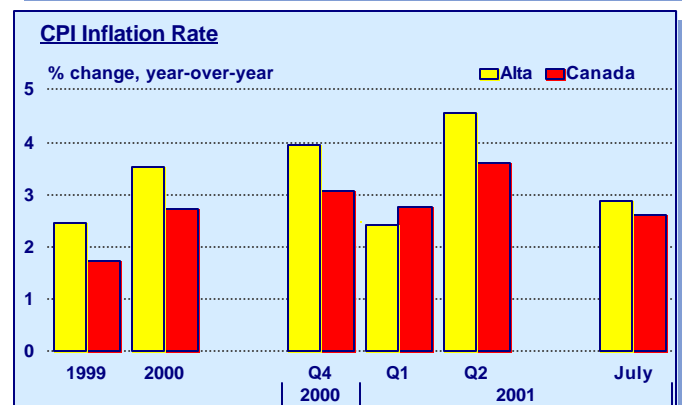
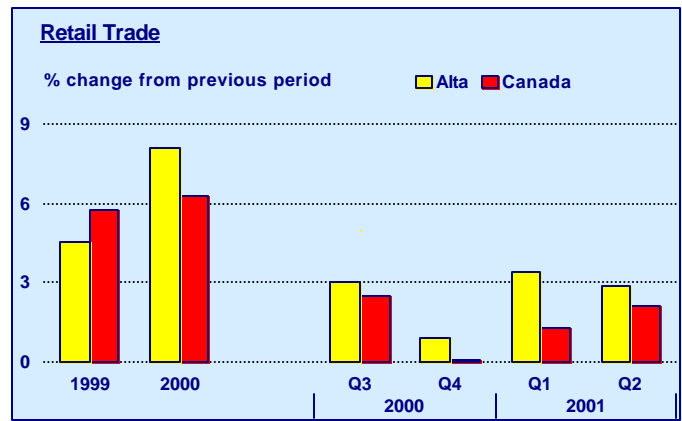
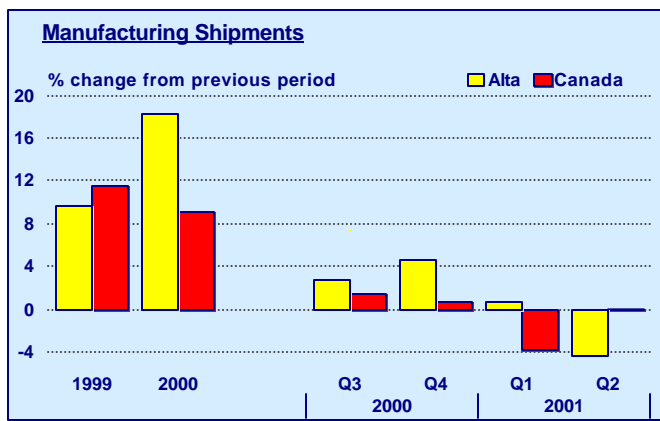
- Industrial production fell by 4.4% in the second quarter, the first quarterly decline since 1998. Lower shipments in non-durable goods such as Petroleum & Coal, Chemical and Paper Products more than offset gains in Wood products.

...but consumer spending picks up

- Retail sales rose 2.9%, remaining above the national average. The increase was led by the Automotive sector.
- Housing starts soared in the second quarter and resales of existing homes also increased, in line with higher consumer confidence.

Inflation gains momentum

- Alberta's inflation rate averaged 4.6% in the second quarter, the highest rate in the country. The Shelter and Food components of the CPI inflation were the main contributors to the increase.
- In July, the year-over-year inflation rate fell to 2.9%, well below the 5.5% reached in June. Lower year-over-year price increases for Shelter and Transport largely contributed to the lower inflation rate.





Labour Markets

Widespread job losses...

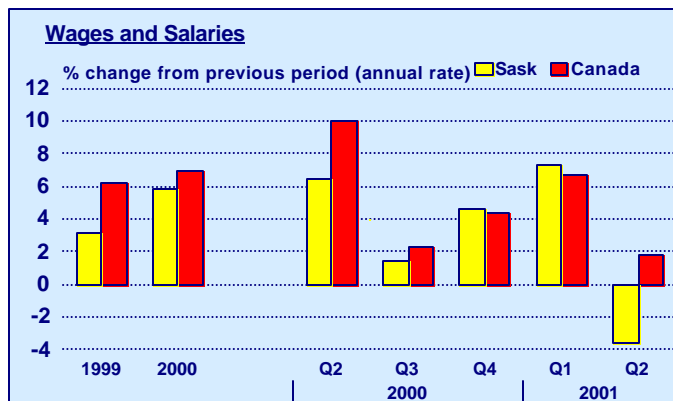
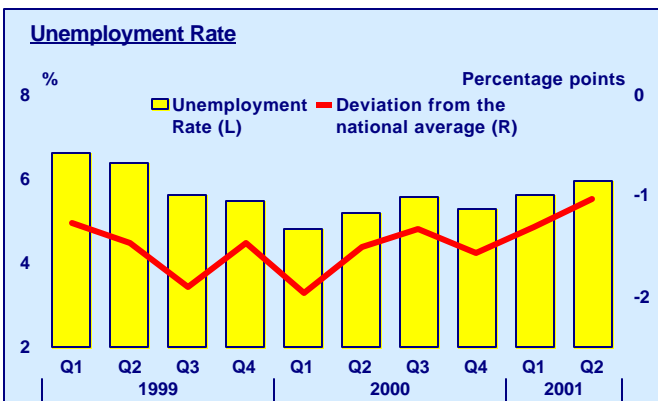
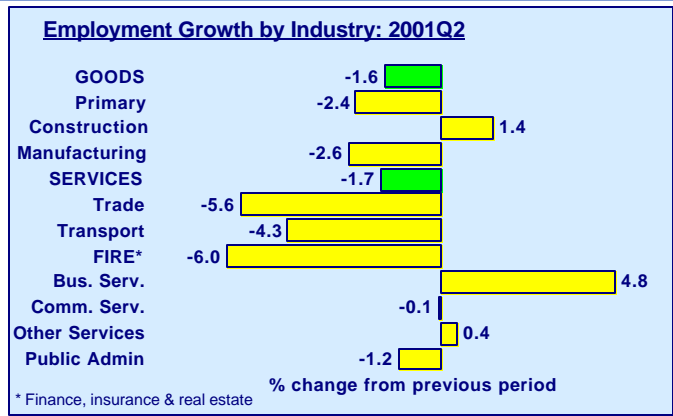
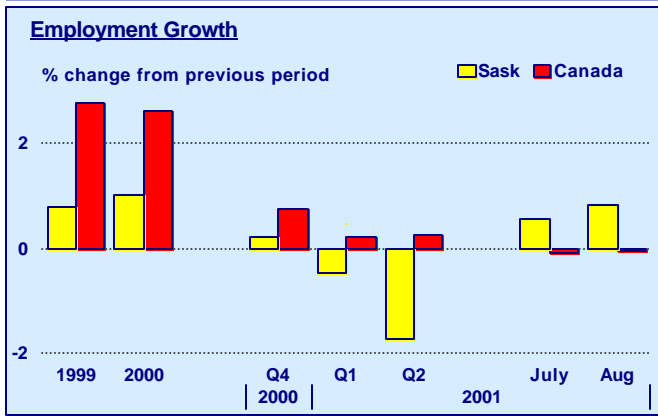
- Employment fell 1.7% in the second quarter as most industries reported losses, with the exception of Business Services, Construction and Other Services. The largest drops were recorded in FIRE, Trade and Transport.
- Employment bounced back in July and August as a result of notable increases in Agriculture and Trade.

...drive the unemployment rate up...

- Following the second quarter job losses, the unemployment rate rose to 6.0%, 1.0 percentage points below the national average.

...and lower wages and salaries

- Wages and salaries fell 3.6% (annual rate) in the second quarter. This results from declines in both the number of employees and average weekly earnings.
- Farm cash receipts jumped 11.5% in the first half of 2001 on a year-over-year basis, reflecting higher program payments and livestock and crop receipts. However, receipts are expected to weaken in the second half of the year as production of major crops declined sharply due to drought conditions in July and early August.





Economic Activity and Prices

Industrial production plummets in the second quarter...

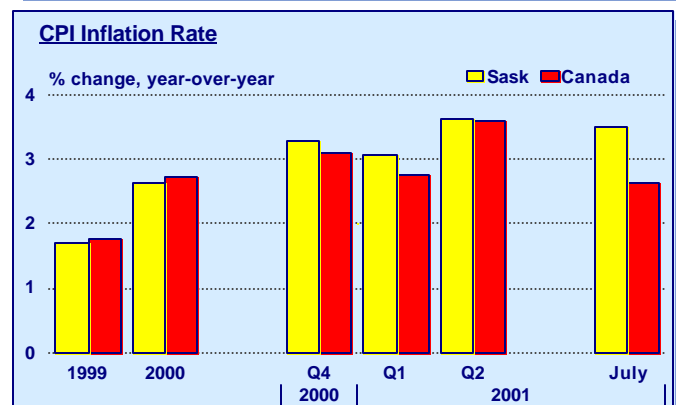
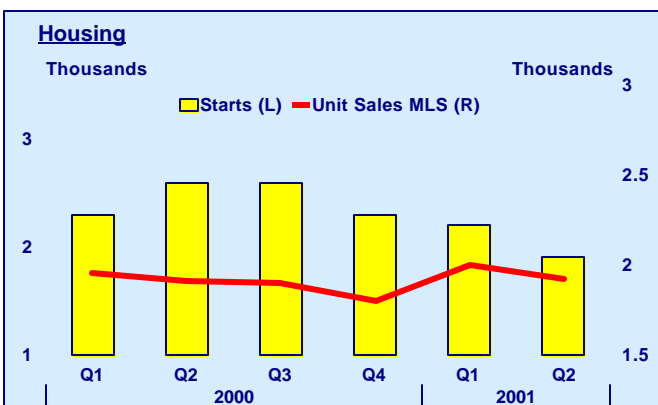
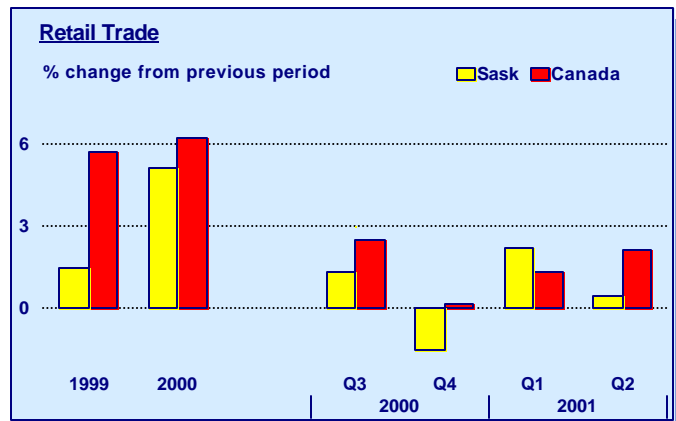
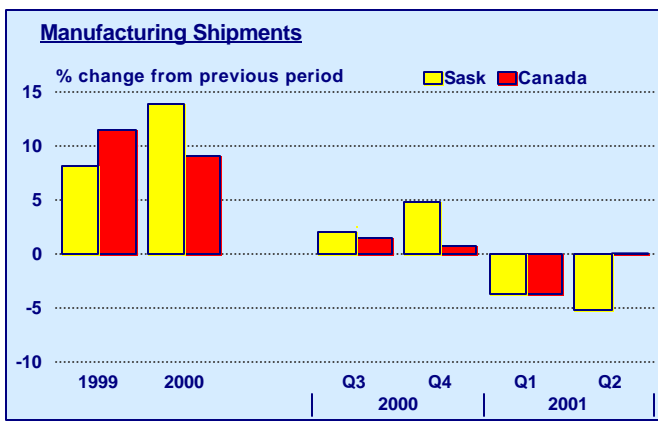
- Manufacturing shipments retreated 5.2%, as production of both durable and non-durable goods fell sharply. Electrical and Chemical Products recorded the largest declines, more than offsetting higher production of Computer & Electronic Equipment and Non-Metallic Mineral Products.

...and household spending slows...

- Reflecting lower earnings, retail sales growth slowed to 0.5% in the second quarter, contrasting with the strong growth recorded earlier in the year. Consumer spending rose in most groups, but lower sales of Furniture and Clothing tempered these gains.
- The housing market was sluggish in the second quarter, with both home resales and housing starts down.

...as CPI inflation rises

- CPI inflation rate was 3.6% in the second quarter, at par with the national average. Prices for Shelter, Health Care and Food recorded the largest increases.
- Inflation remained high in July, with prices up 3.5% on a year-over-year basis. A large increase in Shelter costs accounted for the bulk of July's inflation.





Labour Markets

Declines in employment in the second quarter...

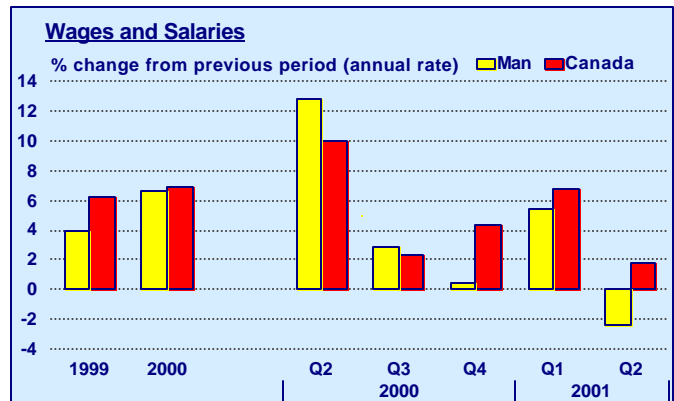
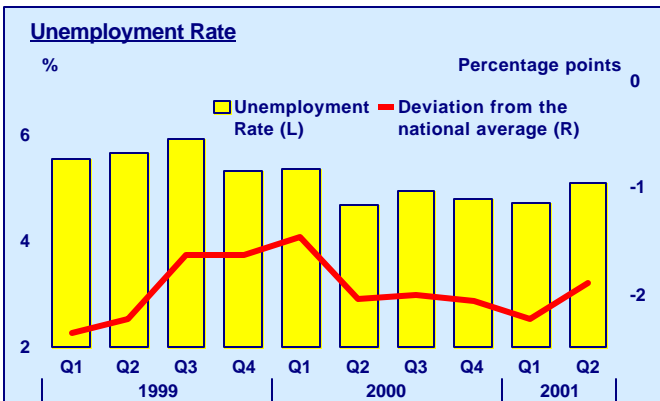
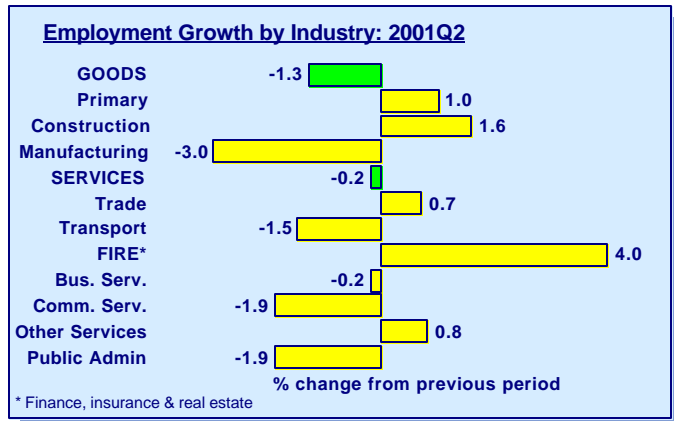
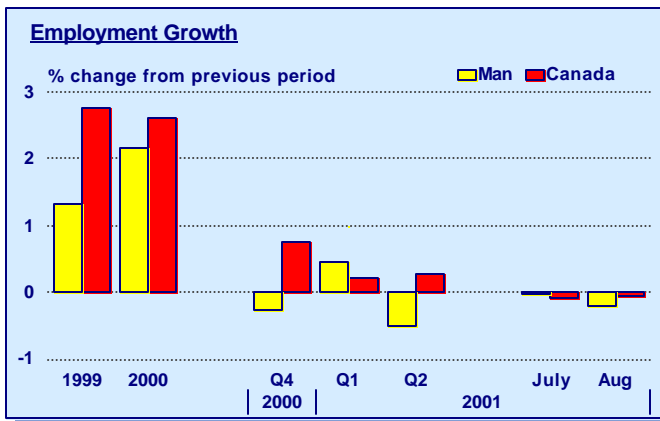
- A sharp fall in Manufacturing employment was the driving force behind the 0.5% drop in overall employment in the second quarter. Among Service industries, Health & Other Community Services faced losses which were somewhat offset by gains in Financial industries.
- Employment edged down further in August, with the largest losses in Trade and Recreation-related services.

...push the unemployment rate above five percent...

- The fall in employment outpaced a parallel drop in the labour force, pushing the unemployment rate up to 5.1% in the second quarter. Consequently, the provincial jobless rate fell to 1.9 points below the national average.

...while income drops

- A decline in average weekly earnings in the second quarter drove wages and salaries down 2.4% on an annualized basis.
- In the first half of 2001, Manitoba recorded the largest gains in farm cash receipts among all provinces, rising 19.6% over the same period last year. As for Canada as a whole, livestock receipts and program payments were markedly higher. Crop receipts were also higher, rebounding from unusually low levels last year and boosted by gains in canola, where price and deliveries were both up.





Economic Activity and Prices

Increased activity in manufacturing...

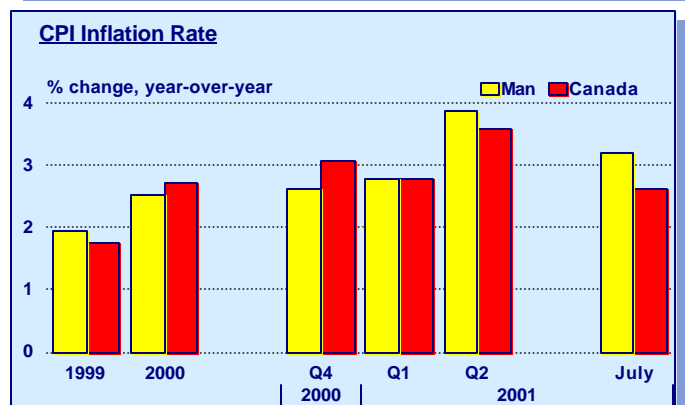
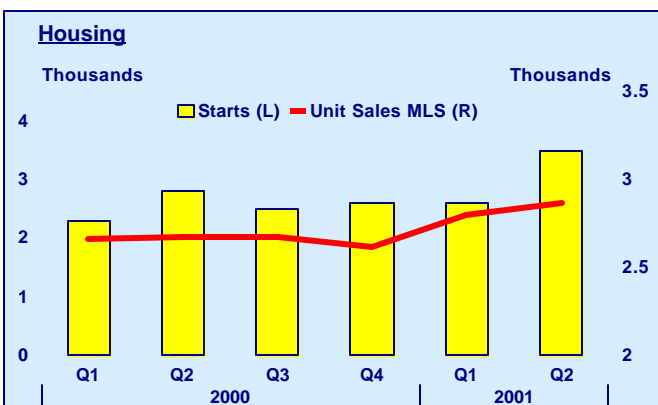
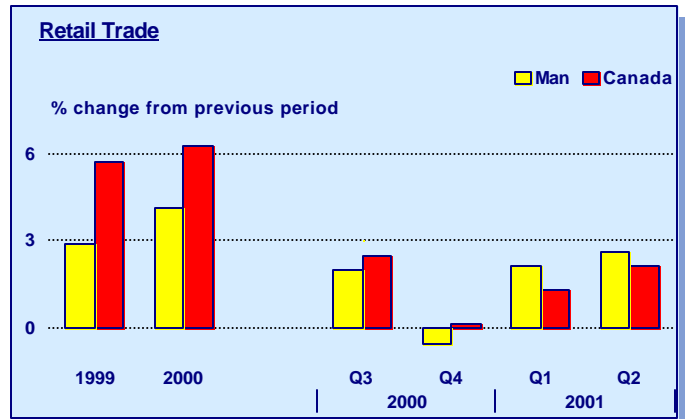
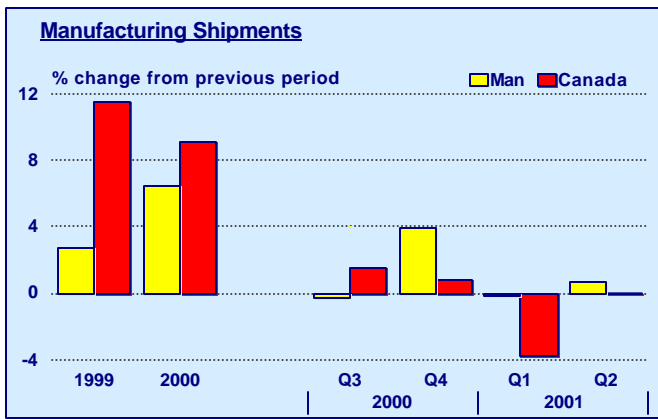
- Manufacturers saw shipments rise in the second quarter after posting little change in the previous quarter. The 0.7% advance came largely from gains in Transportation Equipment. Shipments of Furniture were also up, while Machinery and Chemical Products both posted significant drops.

...along with rising sales in the retail and housing markets...

- Retail sales continued to increase in the second quarter, rising 2.6% from the first quarter. The bulk of the increase came from a marked advance in the Automotive sector.
- Consumers were also active in the housing market, increasing their purchases of existing homes and sparking more construction of new residential units.

...contribute to push inflation up

- Consumer prices were up 3.9% on average in the second quarter, led by sharply higher costs for Shelter, Household Operations and Food.
- In July, a smaller increase in Food prices combined with declines in Clothing and Recreation costs helped lower inflation to 3.2% on a year-over-year basis.







Labour Markets

Employment growth remains weak in the second quarter...

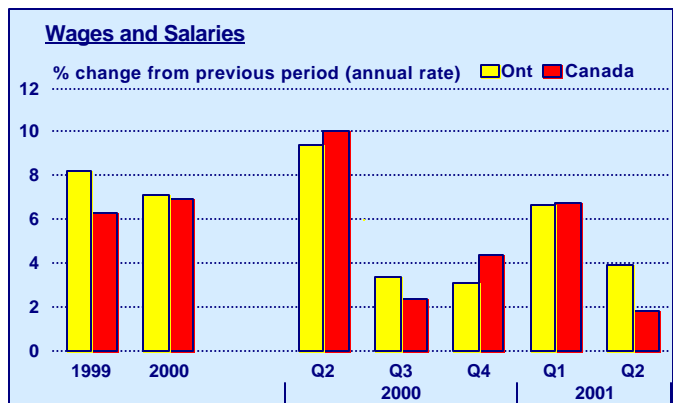
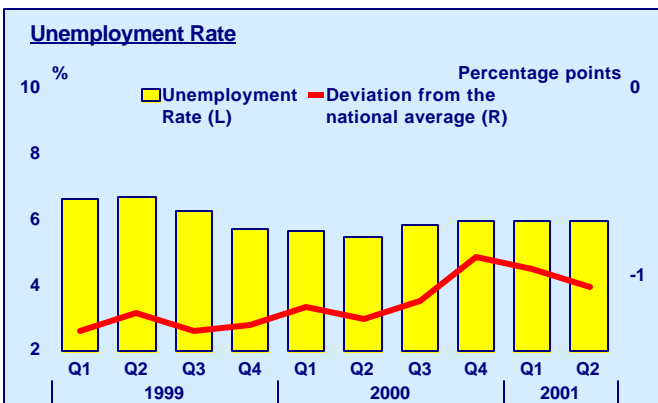
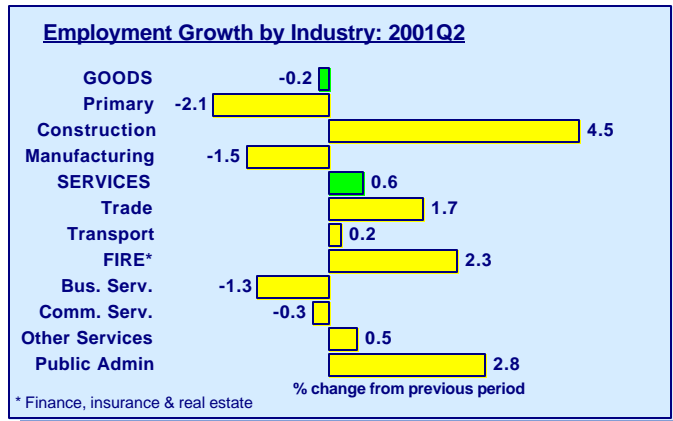
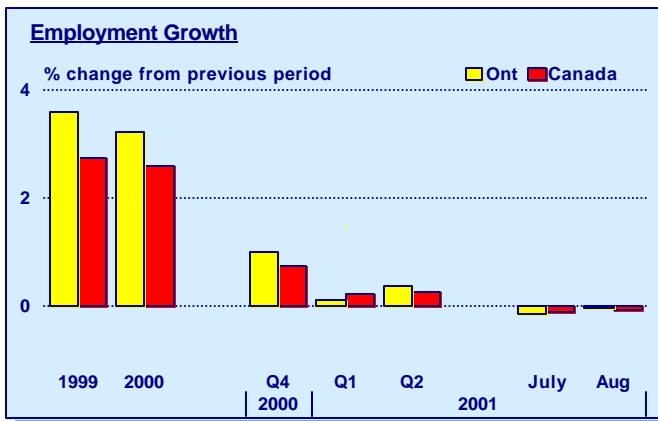
- Job creation was weak again in the second quarter, edging up 0.4%. Employment in the Goods industries was down due to losses in the Primary sector and further cuts in Manufacturing. However, job growth was relatively strong in Services industries and Construction.
- On a monthly basis, job growth was virtually flat in July and August as gains in Public Administration, Transportation and Other Services were matched by losses in other sectors.

...while the unemployment rate is unchanged...

- Modest employment growth was accompanied by a slight increase in the labour force, leaving the unemployment rate little changed. The provincial unemployment rate now stands 1.1 percentage points below the national average.

...and earnings growth slows

- In line with softening employment growth, wages and salaries advanced at a much slower pace in the second quarter, but nonetheless at a pace well above the national average.





Economic Activity and Prices

Industrial activity recovers...

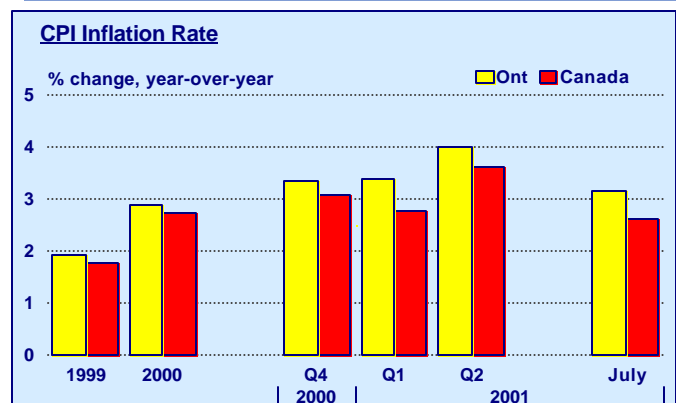
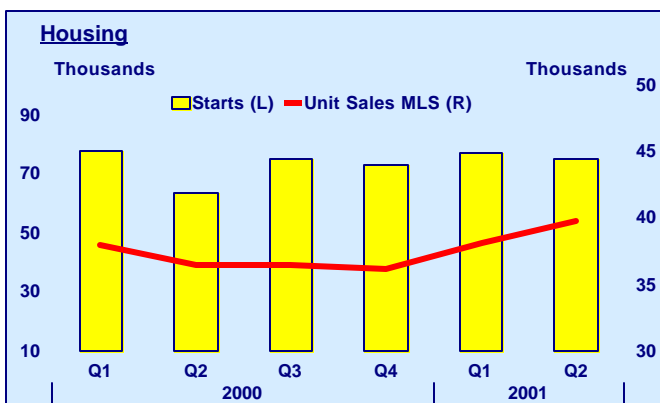
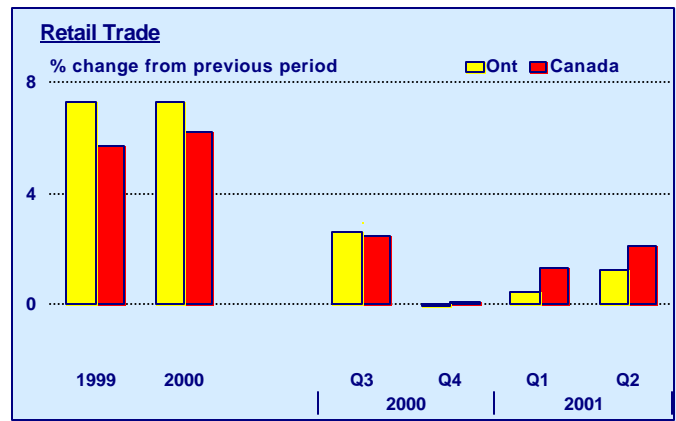
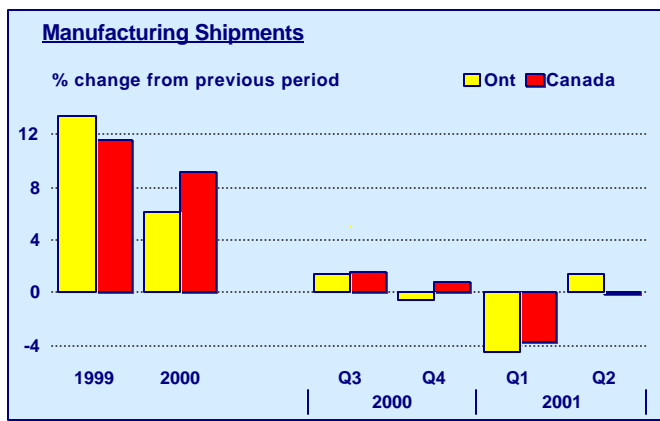
- Manufacturing shipments rebounded in the second quarter, following a sharp drop in the previous period. Gains were widespread but the Transportation and Wood industries recorded the largest advances.

...and household spending increases...

- Retail trade gained momentum in the second quarter, increasing 1.3%. Although sales of all major groups were up, the Automotive sector was the main factor behind this increase.
- The housing market was mixed in the second quarter. While home resales continued to trend upward, reaching their highest level since the last quarter of 1996, housing starts edged down.

...despite higher prices

- Inflation remained above the national average in Ontario, averaging 4.0% in the second quarter. Cost increases for Alcohol, Shelter and Food all exceeded 5% over the period.
- Although Clothing and Transportation costs were down on a year-over-year basis, overall prices were up 3.1% in July.



A light blue map of the province of Quebec, Canada, centered on a light blue background. The map shows the outline of the province, including its northern and eastern borders. The word "Quebec" is written in a bold, dark blue, italicized serif font across the center of the map.

Quebec



Labour Markets

A pause in employment growth...

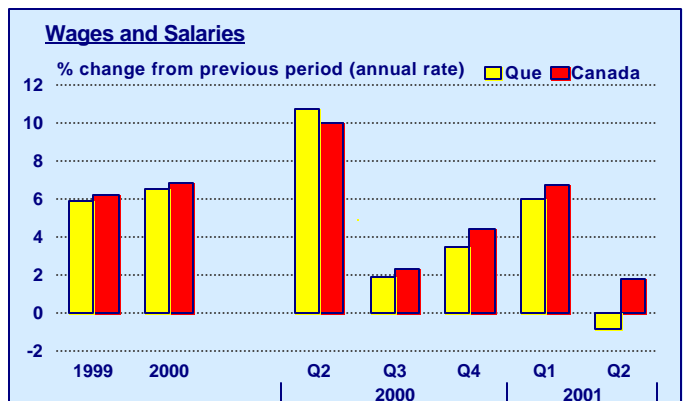
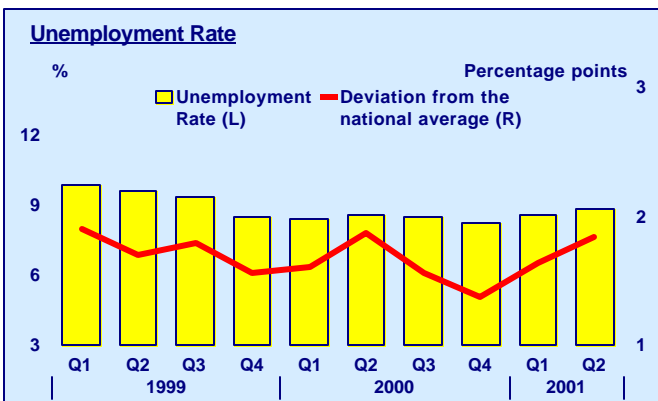
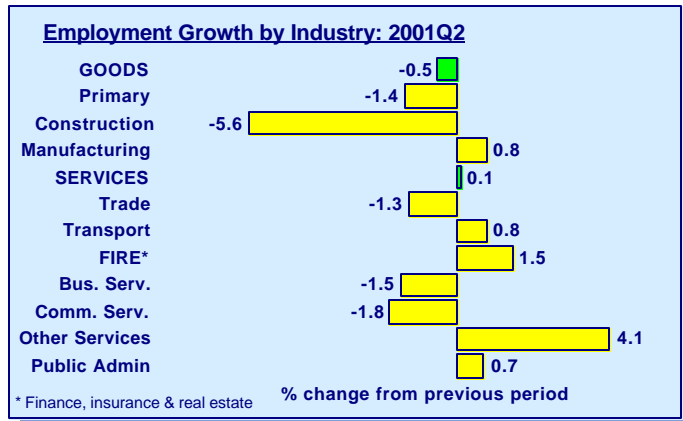
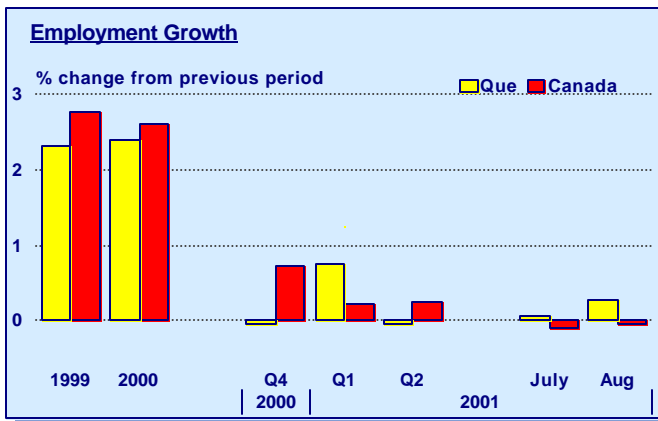
- Employment was virtually unchanged in the second quarter, as gains in part-time employment offset losses in full-time work. In line with declines in the value of building permits, Construction employment fell sharply. The Health sector also had significant job losses, but job gains in services related to Information & Culture and Accommodation offset these declines.
- Gains in August were all in full-time positions and were concentrated in Health and Management.

...pushes the unemployment rate slightly up...

- The pause in employment growth was accompanied by an expansion in the labour force, pushing the unemployment rate up to 8.8% in the second quarter. This is 1.8 points above the national average.

...and contributes to a contraction in income

- Consistent with the softness of the labour market and a decline in average weekly earnings from the first quarter, incomes for salaried and payroll workers in Quebec were down 0.8%.





Economic Activity and Prices

Export-oriented manufacturing continues to struggle...

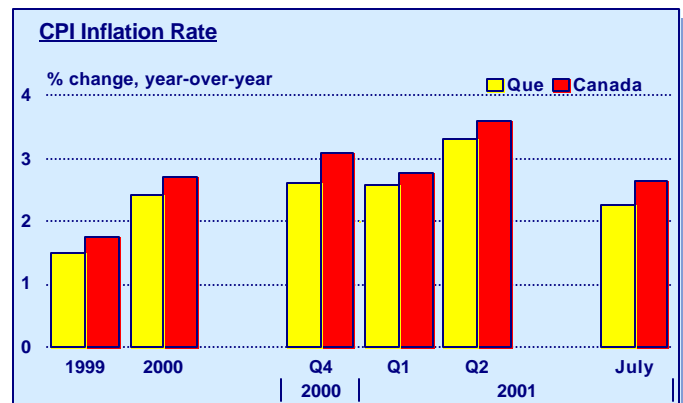
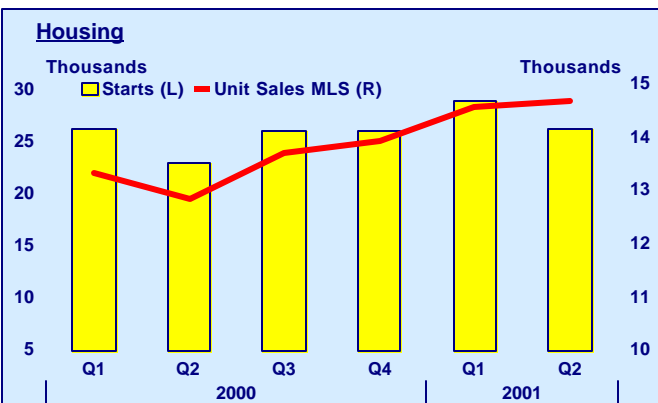
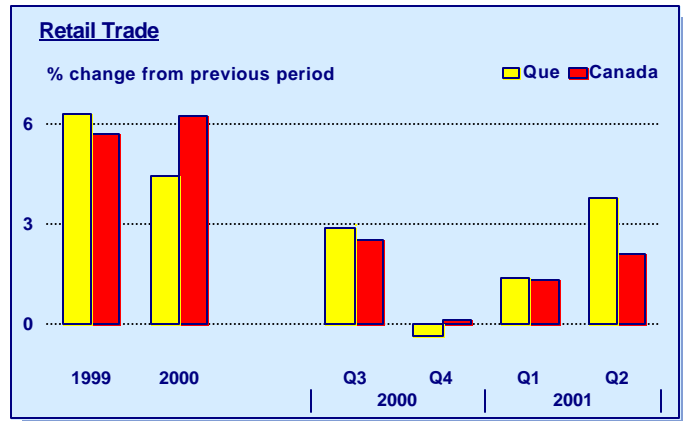
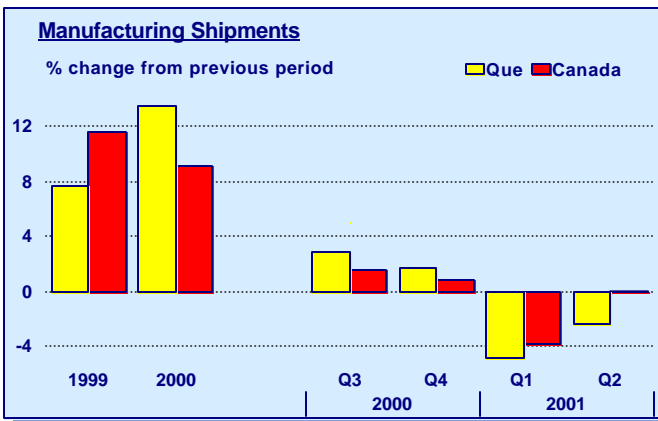
- Manufacturing shipments contracted again in the second quarter, falling by 2.4%. The largest declines by far were in Computer & Electronic Products, a sector plagued by falling demand, and Petroleum & Coal Products. The main offsetting force was a strong recovery in Transportation Equipment.

...while retail and housing markets remain resilient...

- Retail growth more than doubled in the second quarter, reaching 3.8%. The main factor was a solid jump in Automotive sales, boosted by generous dealer incentives. Rising consumer confidence also helped drive this advance.
- In contrast to strong consumer spending, house resales were virtually unchanged from the previous quarter while housing starts retreated.

...amid relatively tame inflation

- As in Ontario and most Atlantic provinces, higher inflation (3.3%) in the second quarter reflected in part higher taxes on cigarettes. Higher Energy and Food prices also contributed significantly to the overall increase in consumer prices.
- In July, inflation fell back to 2.3% with smaller advances in most components and a decline in Transportation costs.



A light blue map of Atlantic Canada, including the provinces of New Brunswick, Nova Scotia, and Prince Edward Island, as well as the Gulf of St. Lawrence and the Bay of Fundy. The map is centered on a light blue background.

Atlantic Canada



Labour Markets

Labour market demand softens further...

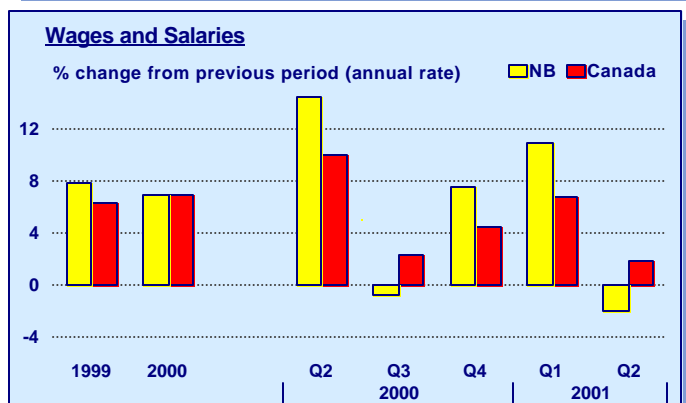
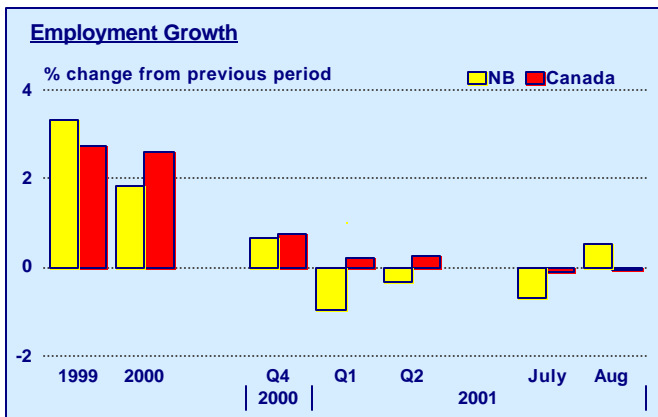
- Employment contracted again in the second quarter, down 0.3% from the first quarter. Large losses in the resource sector, reflecting slower activity in Forestry, Mining and Agriculture, were compounded by losses in Service industries, particularly Health & Other Community Services.
- On a monthly basis, job losses in July -- led by Manufacturing and Educational Services -- were almost entirely reversed in August.

...while the unemployment rate falls

- The labour force contracted slightly more than employment in the second quarter, lowering the unemployment rate 0.4 points to 10.9%.
- This in turn narrowed the unemployment rate gap to 3.9 percentage points above the national average of 7.0%.

Labour income also declines

- Due in part to job losses in the relatively high-paying natural resource industries, a decline in average weekly earnings drove worker income down 2.0% in the second quarter.





Economic Activity and Prices

Manufacturing activity rebounds in the second quarter...

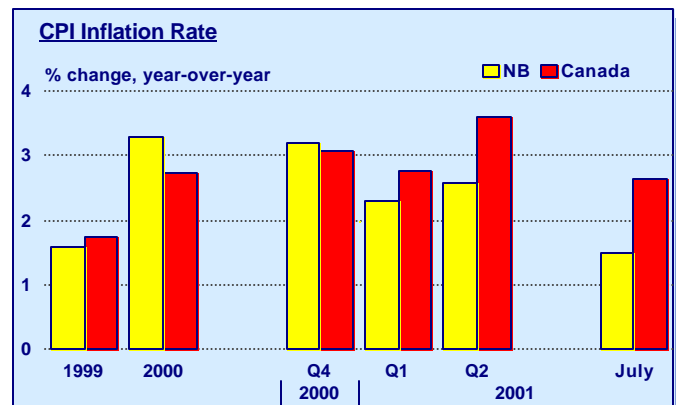
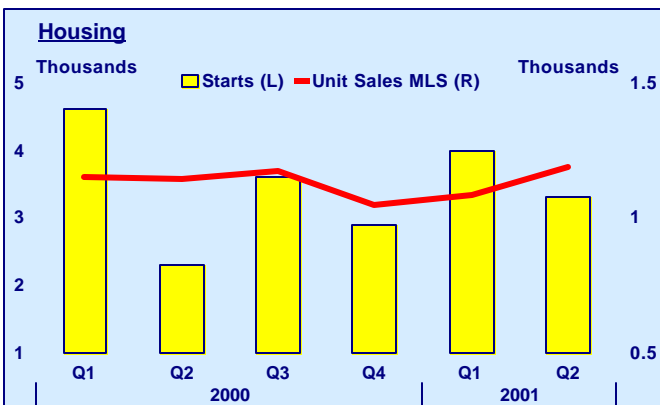
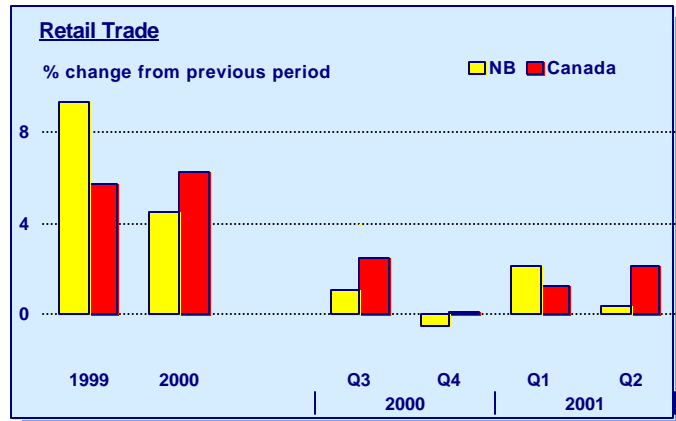
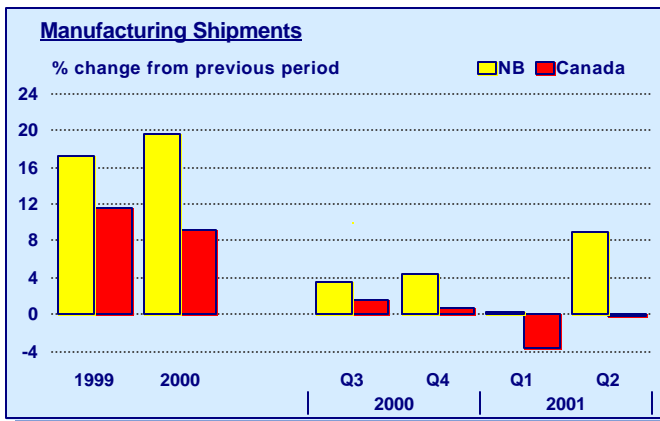
- Shipments bounced back a considerable 9.0% in the second quarter, largely reflecting a recovery in Food and Wood Products (the latter boosted by strong housing starts in the U.S.). This strength could moderate in the near term, given the uncertainty facing the lumber sector over the possible implementation of tariffs by U.S. authorities.

...while consumer spending cools down

- Retail sales growth slowed sharply in the second quarter to 0.4%, the weakest among all provinces. Gains in Automotive sales, driven by generous dealer incentives, were tempered by losses in Furniture.
- New housing starts were down in the second quarter, while sales of existing homes rose above levels observed in the middle of last year.

Consumer inflation is subdued

- Inflation rose to 2.6% in the second quarter, one full percentage point below the national average. Transportation costs, however, increased faster than in most other provinces.
- In July, inflation slowed to 1.5% as Transportation costs fell from their year-ago level. Moreover, food prices had a smaller impact on inflation, benefitting in part from the arrival of local produce.





Nova Scotia

Labour Markets

Employment continues to decline...

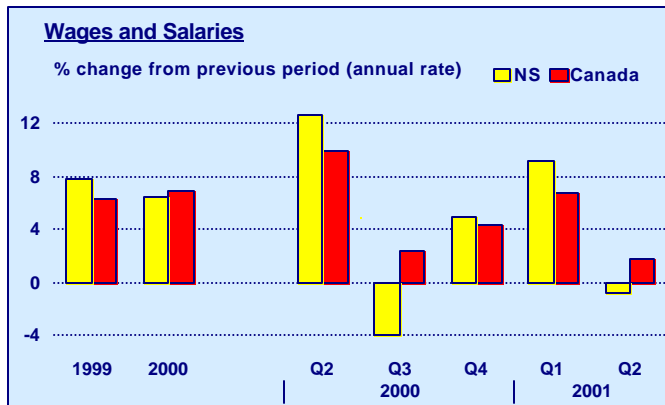
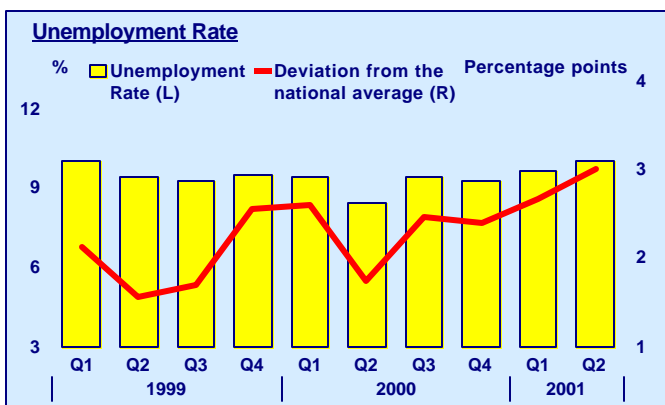
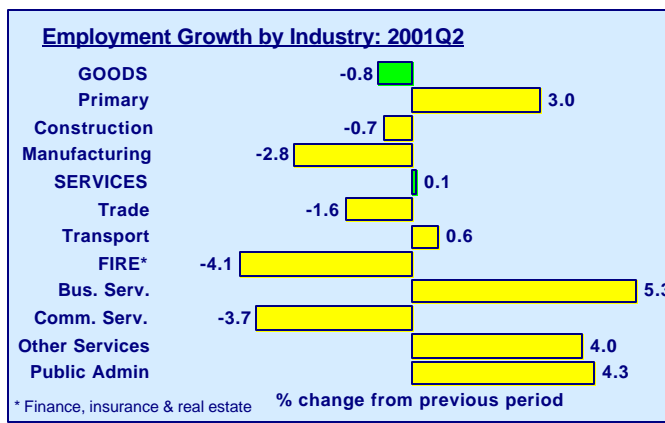
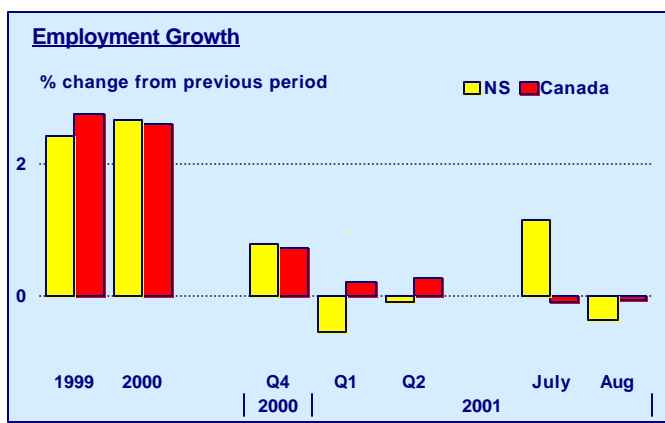
- Employment edged down in the second quarter, the second straight quarterly drop. In the Goods-producing sector, declines in Manufacturing and Construction more than offset a gain in the Primary Industry. Within Services, major gains in Business Services, Public Administration, and Other Services were mostly offset by significant losses in FIRE and Community Services.
- Employment declined in August following a strong gain in July. There were major losses in the Services sector, particularly in Business Services and Other Services.

...further increasing the unemployment rate...

- Lower employment pushed Nova Scotia's unemployment rate up to 10.0% in the second quarter, raising it 3.0 percentage points above the national average.

...and reducing income growth

- Wages and salaries fell 0.8% (annual rate) in the second quarter. The decline, in line with reduced employment, was exacerbated by a drop in average weekly earnings.





Nova Scotia

Economic Activity and Prices

Industrial activity remains strong...

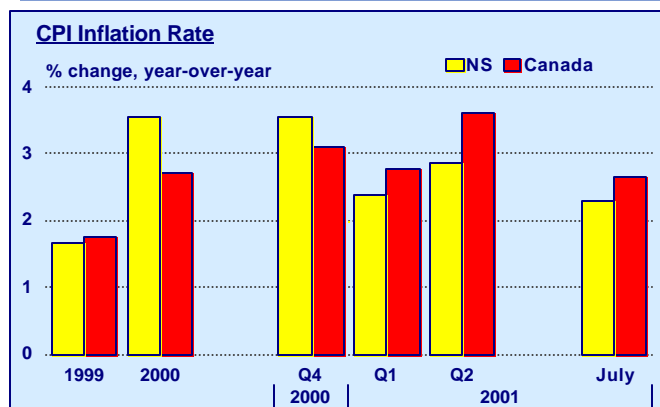
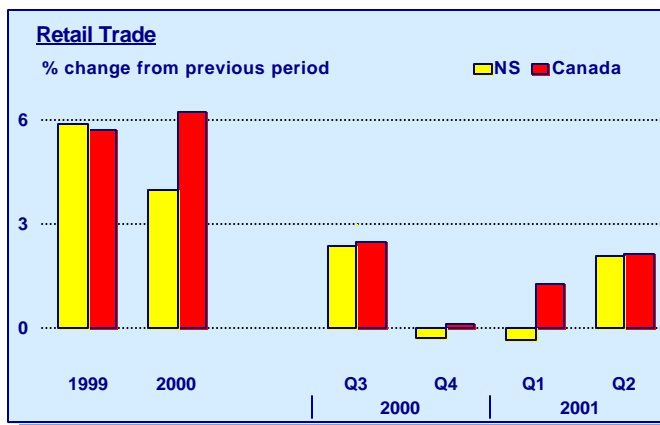
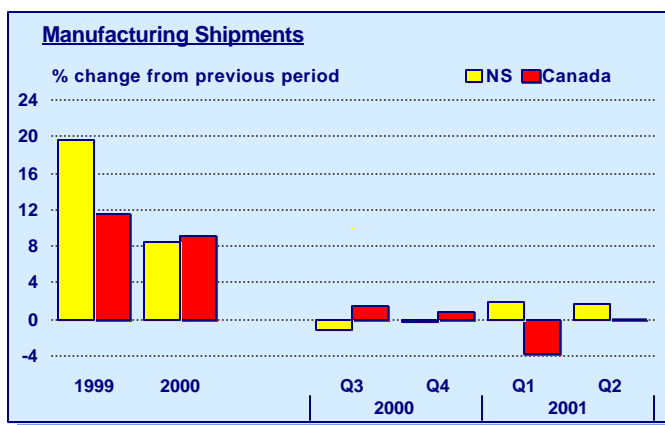
- Manufacturing activity rose 1.6% in the second quarter, adding to the 2.0% gain in the previous quarter. Higher shipments of Wood and Leather products offset declining shipments of Non-Metallic Minerals, Transportation and Fabricated Metal products.

...and consumer spending rebounds...

- Despite a decline in consumer confidence, retail trade grew 2.1% in the second quarter, rebounding from two straight quarterly declines. This increase was fairly widespread but particularly strong in the Automotive and Food sectors.
- Although housing starts fell in the second quarter, sales of existing homes were up for the fourth straight quarter.

...but CPI inflation rises

- The CPI inflation rate in Nova Scotia rose to 2.8% in the second quarter, although this was still below the national average. Higher prices were recorded for all major categories, particularly Alcohol, Food, and Shelter. However, inflation subsequently eased to 2.3% in July.





Prince Edward Island

Labour Markets

Employment declines in the second quarter...

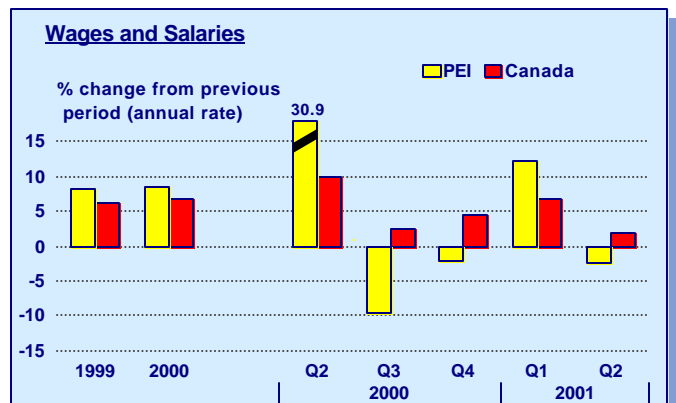
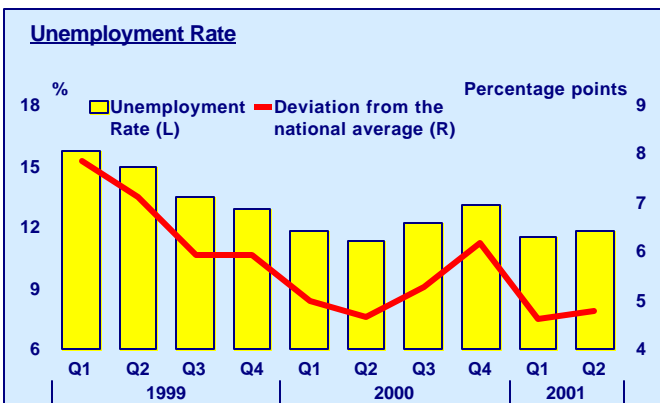
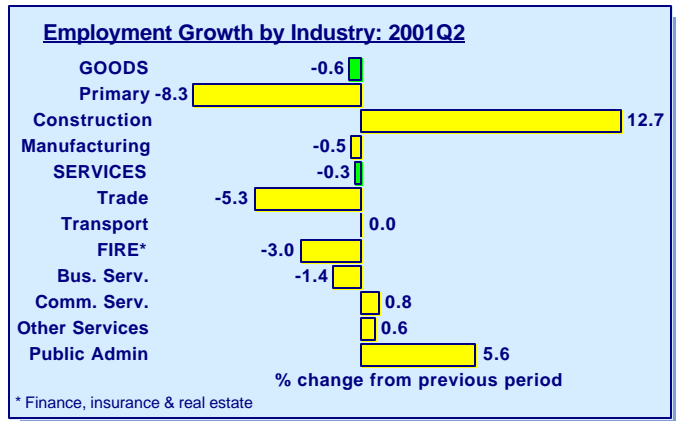
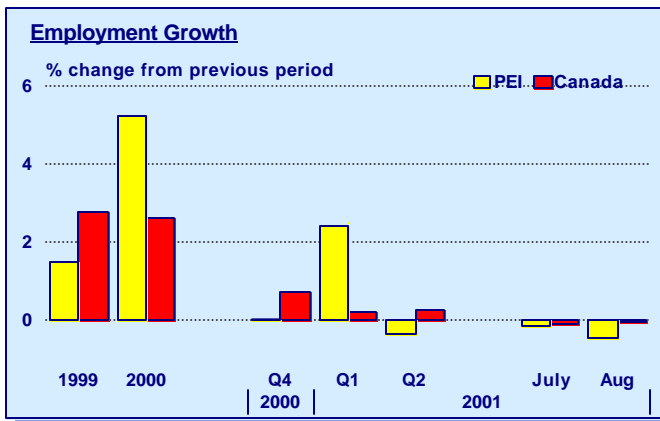
- Employment fell 0.4% in the second quarter, following a 2.4% rise in the previous quarter. The decline was fairly widespread across the economy. In the Goods sector, losses in the Primary and Manufacturing industries offset a strong gain in Construction, while losses in the Services sector were concentrated in Trade, FIRE, and Business Services.
- Employment declined in July and August with most of the job losses in the Goods sector, particularly in the Primary and Manufacturing industries. In the Services sector, job losses in Transportation and Community Services were offset by strong gains in FIRE and Business Services.

...slightly increasing the unemployment rate...

- Declining employment raised the PEI unemployment rate to 11.8%, 4.8 percentage points above the national average.

...and lowering earnings

- Wages and salaries declined 2.5% (annual rate) in the second quarter, in line with slower employment growth.





Economic Activity and Prices

Industrial activity recovers in the second quarter...

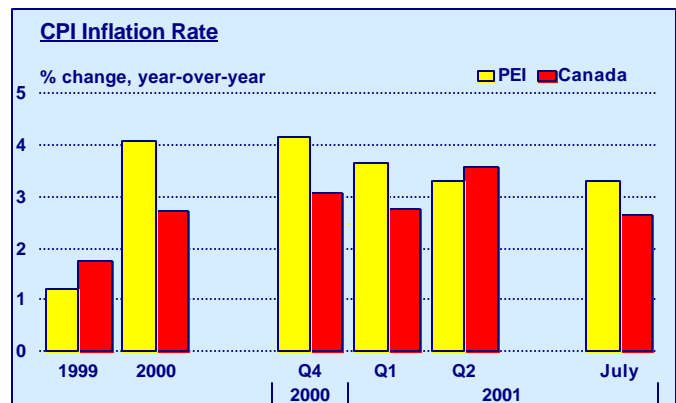
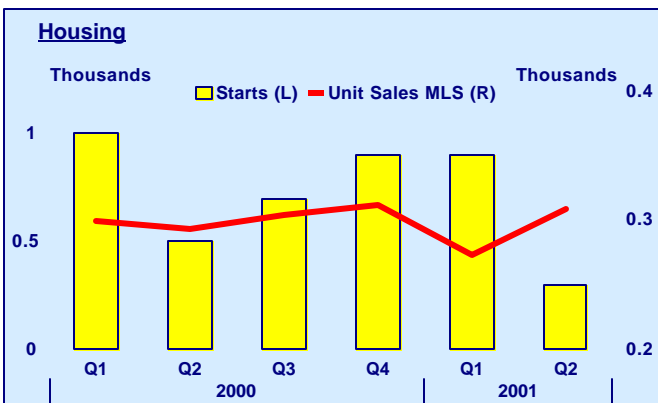
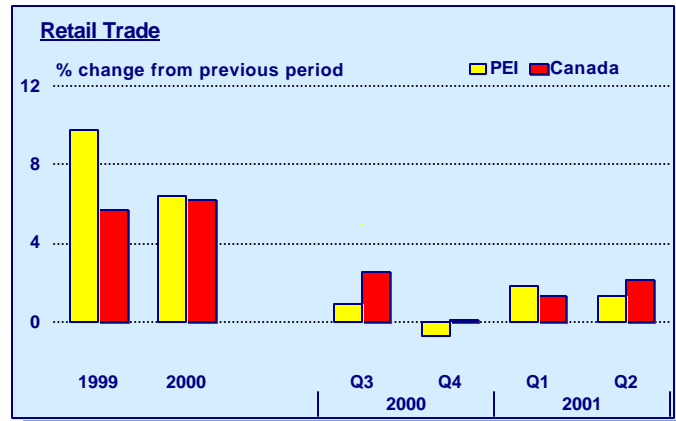
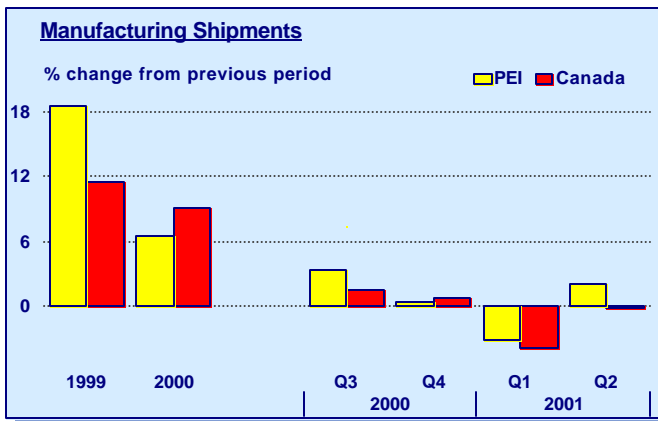
- Manufacturing shipments rose in PEI in the second quarter, in contrast to the national average where shipments edged lower. The increase was largely the result of higher shipments of Fabricated Metal, Wood, and Food Products.

...while consumer spending slows

- After picking up in the first quarter, retail activity slowed slightly in the second quarter, dampened by reduced earnings.
- The housing market was mixed in the second quarter, as sales of existing homes were up while housing starts fell sharply.

...and inflation continues to decline

- Inflation in PEI eased for the second straight quarter to 3.3%, bringing it below the national average for the first time in over a year. The decline was attributed to lower increases in costs for Household Operations, Clothing, and Shelter.





Newfoundland

Labour Markets

Job creation surges in the second quarter...

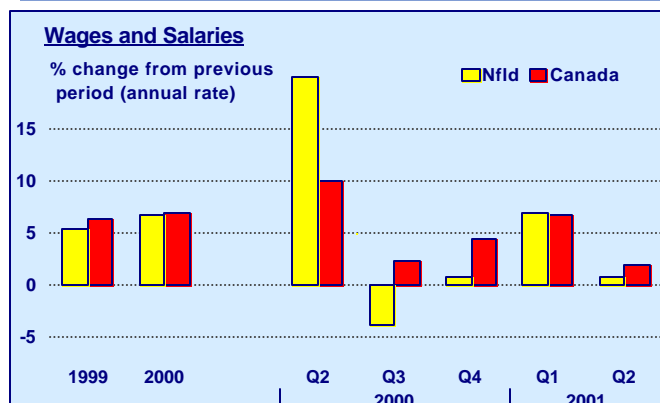
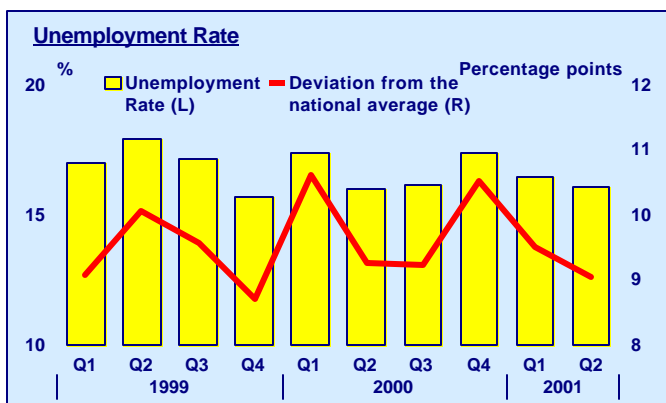
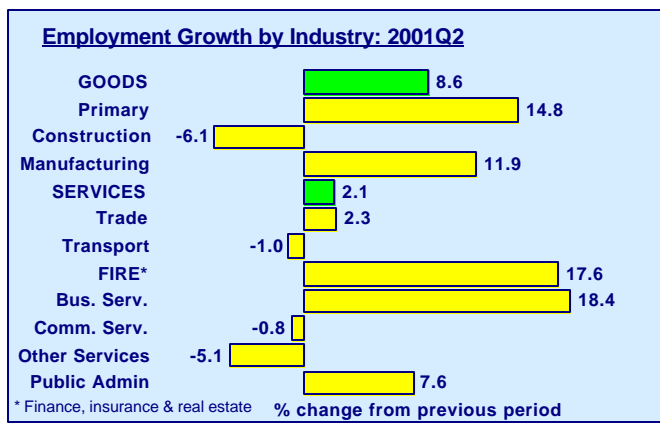
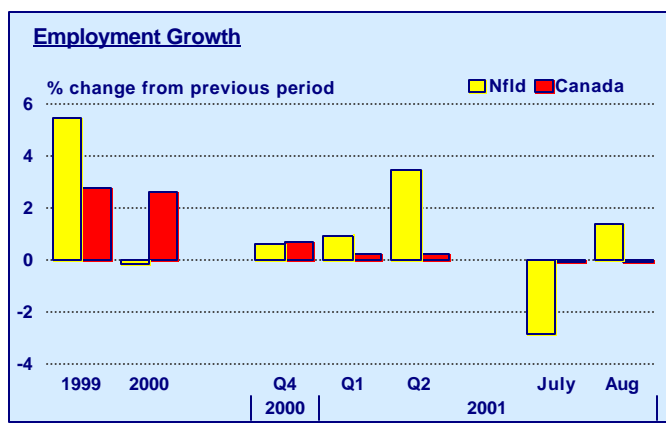
- Employment growth in Newfoundland surged by 3.5% in the second quarter, the strongest advance since the third quarter of 1997. Most gains came from the Goods sector, in particular from the Primary and Manufacturing industries, but the Services sector also contributed to total employment growth.
- Job creation was sluggish in the summer months. After a fall in July, employment recovered somewhat in August, an improvement largely related to gains in Construction.

...leading to a further unemployment rate drop

- Strong job growth in the second quarter drove the unemployment rate down 0.4 percentage points to 16.0%. This remains the highest among all provinces.

Earning growth weakens

- Wages and salaries were up a modest 0.8% (annual rate) in the second quarter, slowing considerably from solid growth in the previous quarter. Lower average weekly earnings explain this weaker showing.





Economic Activity and Prices

Manufacturing shipments bounce back in the second quarter...

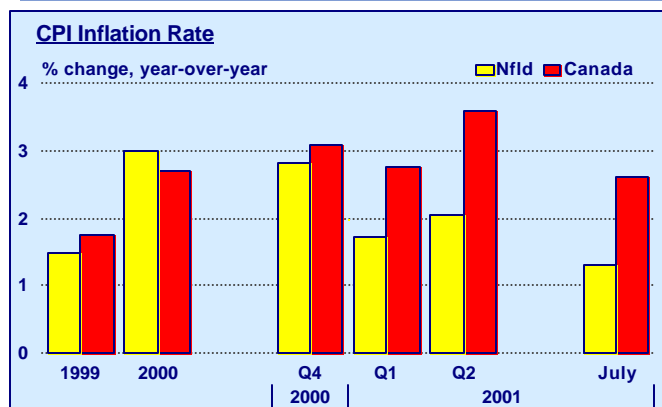
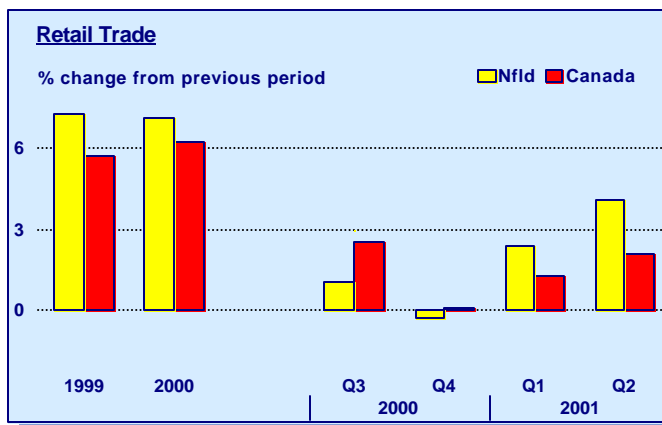
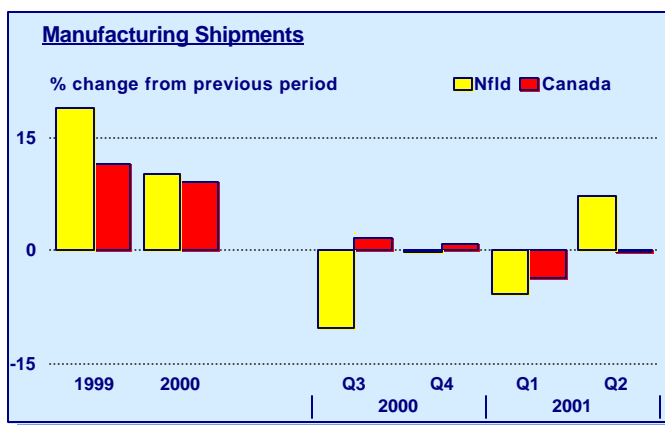
- Industrial activity surged 7.1% in the second quarter, ending a string of three consecutive quarterly declines. Gains were concentrated in three major industries: Fabricated Metals; Food; and Machinery & Equipment.

...and consumer spending increases further...

- Consumer spending strengthened in the second quarter. Retail sales, led by higher sales of motor vehicles, were up a solid 4.1%, the strongest advance since the end of 1996.
- The housing market also revived in the second quarter. The number of housing starts surged and home resales were also up.

...as inflation remains weak

- The CPI inflation rate was 2.0% in Newfoundland, the lowest across Canada in the second quarter. Relatively weak price increases for Transportation and Shelter helped maintain the overall low inflation.
- Prices were up 1.3% in July, still well below the national average. Inflation remained subdued as a result of a 3% drop of Energy prices on a year-over-year basis and lower Transportation costs.





Territories

A word of caution:

Data for the Territories are less reliable than for the Provinces because of the small size of the samples. They are, therefore, subject to large revisions.

Territories

Economic Activity and Prices

Employment conditions are mixed...

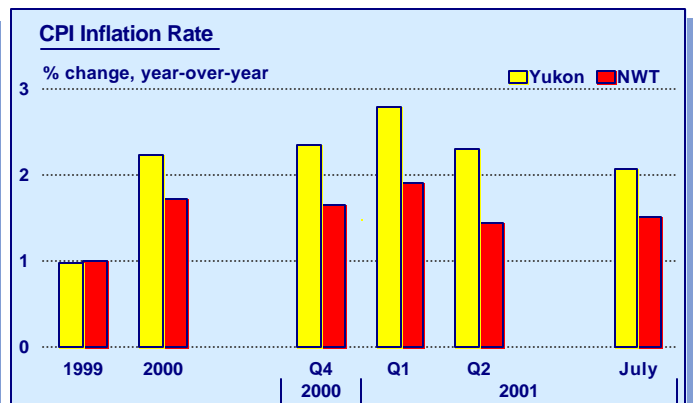
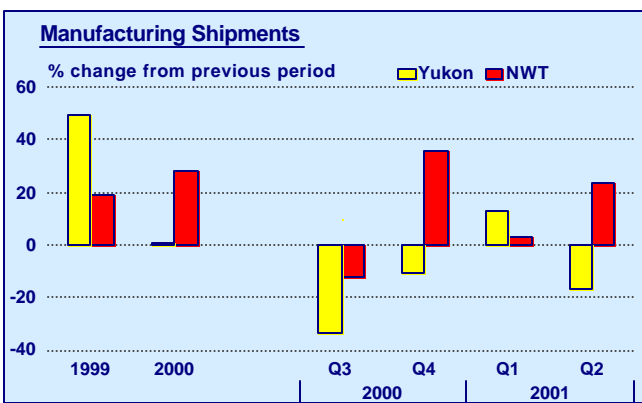
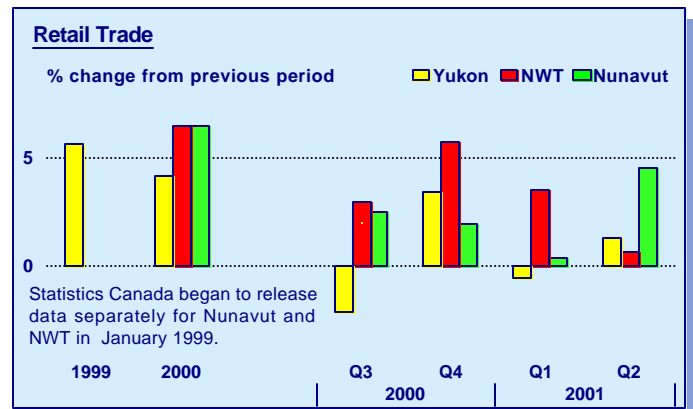
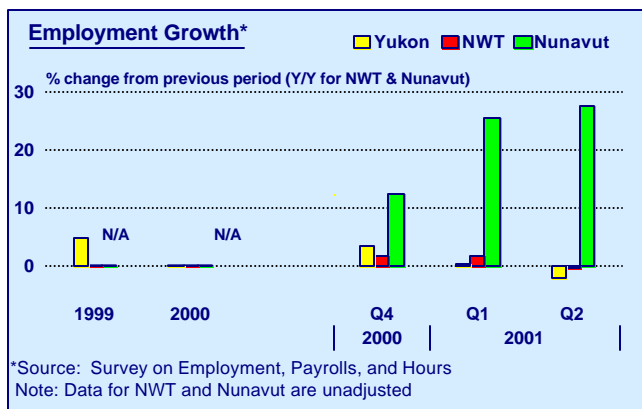
- On a year-over-year basis, employment edged down in the Northwest Territories, but surged in Nunavut in the second quarter of 2001. In the Northwest Territories, losses in the Service sectors were partly offset by gains in the Good industries. Nunavut's 27.5% growth rate was mainly attributed to the expanding Public Administration and Health Care & Social Assistance sectors.
- Employment (seasonally adjusted) in the Yukon fell 2.1% on a quarterly basis. Jobs losses were concentrated in Arts and Accommodation & Food industries.

...while consumer spending rises

- Retail sales kept rising in Nunavut (+4.5%) and Northwest Territories (+0.6%), and recovered from an earlier decline in the Yukon (+1.3%).
- Manufacturing shipments fell sharply in the Yukon (-17.0%), more than offsetting a strong increase (+13.3%) in the first quarter of 2001. Shipments increased in the Northwest Territories for the third consecutive quarter.

Inflation remains below the national average

- In the second quarter, CPI inflation rates for the Yukon (2.3%) and the Northwest Territories (1.4%) were much lower than the 3.6% rate recorded for the country as a whole. In July, the CPI inflation rate slowed to 2.1% in the Yukon and edged up 1.5% in the Northwest Territories.



A light blue map of Canada is centered on the page. The map shows the outlines of the provinces and territories. Overlaid on the map is the text "STATISTICAL APPENDIX" in a bold, dark blue, sans-serif font.

STATISTICAL APPENDIX

Key Provincial Data

	1999	2000	2001Q1	2001Q2	July 2001	Aug 2001
BRITISH COLUMBIA						
Mfg Shipments (\$M)	35,616.0	37,757.3	8,942.8	8,811.4	N/A	N/A
% change (1)	12.1	6.0	-3.9	-1.5	N/A	N/A
Retail Trade (\$M)	33,684.3	35,820.6	9,296.5	9,417.6	N/A	N/A
% change	1.9	6.3	1.3	1.3	N/A	N/A
Housing Starts (000's)	16.3	14.4	16.3	18.0	17.8	14.5
Labour Force (000's)	2,079.1	2,099.7	2,103.3	2,109.7	2,107.7	2,100.4
% change	1.4	1.0	-0.7	0.3	0.1	-0.3
Employment (000's)	1,906.4	1,949.1	1,954.5	1,964.2	1,955.3	1,935.0
% change	1.9	2.2	-0.5	0.5	-0.1	-1.0
Unemployment Rate (%)	8.3	7.2	7.1	6.9	7.2	7.9
Participation Rate (%)	65.1	64.9	64.5	64.4	64.2	63.9
CPI Inflation	1.1	1.9	1.6	2.5	1.8	N/A
ALBERTA						
Mfg Shipments (\$M)	36,013.7	42,574.7	11,273.4	10,773.9	N/A	N/A
% change (1)	9.7	18.2	0.7	-4.4	N/A	N/A
Retail Trade (\$M)	29,334.8	31,712.2	8,414.9	8,660.1	N/A	N/A
% change	4.5	8.1	3.4	2.9	N/A	N/A
Housing Starts (000's)	25.4	26.3	26.0	29.7	27.4	29.0
Labour Force (000's)	1,647.9	1,671.4	1,701.8	1,713.0	1,710.7	1,707.5
% change	2.7	1.4	0.9	0.7	-0.5	-0.2
Employment (000's)	1,553.3	1,588.2	1,620.1	1,633.4	1,635.1	1,633.6
% change	2.5	2.2	0.9	0.8	-0.4	-0.1
Unemployment Rate (%)	5.7	5.0	4.8	4.6	4.4	4.3
Participation Rate (%)	72.6	72.2	72.5	72.6	72.2	72.0
CPI Inflation	2.4	3.5	2.4	4.6	2.9	N/A
SASKATCHEWAN						
Mfg Shipments (\$M)	6,575.6	7,489.7	1,884.7	1,786.9	N/A	N/A
% change (1)	8.2	13.9	-3.8	-5.2	N/A	N/A
Retail Trade (\$M)	7,736.9	8,131.7	2,069.1	2,078.5	N/A	N/A
% change	1.5	5.1	2.2	0.5	N/A	N/A
Housing Starts (000's)	3.1	2.5	2.2	1.9	2.8	1.5
Labour Force (000's)	511.0	511.7	508.8	501.8	502.3	502.9
% change	1.1	0.1	-0.1	-1.4	0.8	0.1
Employment (000's)	480.1	485.0	480.1	471.9	473.0	476.9
% change	0.8	1.0	-0.5	-1.7	0.6	0.8
Unemployment Rate (%)	6.1	5.2	5.6	6.0	5.8	5.2
Participation Rate (%)	67.0	67.0	66.7	65.8	66.0	66.1
CPI Inflation	1.7	2.6	3.1	3.6	3.5	N/A
MANITOBA						
Mfg Shipments (\$M)	10,656.3	11,338.7	2,928.2	2,949.1	N/A	N/A
% change (1)	2.7	6.4	-0.1	0.7	N/A	N/A
Retail Trade (\$M)	9,026.2	9,396.5	2,415.0	2,478.1	N/A	N/A
% change	2.9	4.1	2.1	2.6	N/A	N/A
Housing Starts (000's)	3.1	2.6	2.6	3.5	4.0	3.4
Labour Force (000's)	574.8	583.2	585.2	584.8	585.3	583.3
% change	1.4	1.5	0.3	-0.1	-0.1	-0.3
Employment (000's)	542.7	554.4	557.8	554.9	554.1	553.0
% change	1.3	2.2	0.4	-0.5	0.0	-0.2
Unemployment Rate (%)	5.6	4.9	4.7	5.1	5.3	5.2
Participation Rate (%)	67.5	67.9	68.0	67.8	67.8	67.6
CPI Inflation	1.9	2.5	2.8	3.9	3.2	N/A

(1) % change refers to period-to-period except for CPI inflation which is year-over-year.

Key Provincial Data

	1999	2000	2001Q1	2001Q2	July 2001	Aug 2001
ONTARIO						
Mfg Shipments (\$M)	270,050.3	286,726.1	68,693.1	69,680.3	N/A	N/A
% change (1)	13.3	6.2	-4.4	1.4	N/A	N/A
Retail Trade (\$M)	99,193.7	106,426.4	27,148.1	27,493.6	N/A	N/A
% change	7.3	7.3	0.5	1.3	N/A	N/A
Housing Starts (000's)	67.2	71.5	77.3	75.1	61.5	83.2
Labour Force (000's)	6,070.8	6,227.9	6,334.2	6,357.3	6,373.7	6,388.3
% change	2.6	2.6	0.1	0.4	0.3	0.2
Employment (000's)	5,688.1	5,872.1	5,956.5	5,979.6	5,969.0	5,967.5
% change	3.6	3.2	0.1	0.4	-0.1	0.0
Unemployment Rate (%)	6.3	5.7	6.0	5.9	6.3	6.6
Participation Rate (%)	66.6	67.2	67.5	67.4	67.3	67.4
CPI Inflation	1.9	2.9	3.4	4.0	3.1	N/A
QUEBEC						
Mfg Shipments (\$M)	112,443.3	127,532.3	31,342.7	30,597.6	N/A	N/A
% change (1)	7.6	13.4	-4.7	-2.4	N/A	N/A
Retail Trade (\$M)	60,778.0	63,480.9	16,261.6	16,876.1	N/A	N/A
% change	6.3	4.4	1.4	3.8	N/A	N/A
Housing Starts (000's)	25.7	24.7	28.8	26.2	28.6	18.3
Labour Force (000's)	3,701.6	3,753.2	3,790.7	3,800.0	3,773.4	3,792.4
% change	1.1	1.4	1.1	0.2	-0.6	0.5
Employment (000's)	3,357.4	3,437.7	3,465.0	3,464.0	3,463.2	3,473.2
% change	2.3	2.4	0.7	0.0	0.1	0.3
Unemployment Rate (%)	9.3	8.4	8.6	8.8	8.2	8.4
Participation Rate (%)	62.8	108.0	63.5	63.5	63.0	63.3
CPI Inflation	1.5	1.1	2.6	3.3	2.3	N/A
NEW BRUNSWICK						
Mfg Shipments (\$M)	9,540.5	11,414.4	3,015.8	3,288.6	N/A	N/A
% change (1)	17.3	19.6	0.2	9.0	N/A	N/A
Retail Trade (\$M)	6,609.5	6,904.9	1,767.2	1,774.5	N/A	N/A
% change	9.4	4.5	2.1	0.4	N/A	N/A
Housing Starts (000's)	2.8	3.1	4.0	3.3	2.6	3.1
Labour Force (000's)	365.7	371.7	377.5	374.8	376.0	375.1
% change	1.1	1.6	0.3	-0.7	0.8	-0.2
Employment (000's)	328.4	334.4	334.9	333.8	331.3	333.1
% change	3.3	1.8	-1.0	-0.3	-0.7	0.5
Unemployment Rate (%)	10.2	10.0	11.3	10.9	11.9	11.2
Participation Rate (%)	61.0	61.6	62.4	61.9	62.1	61.9
CPI Inflation	1.6	3.3	2.3	2.6	1.5	N/A
NOVA SCOTIA						
Mfg Shipments (\$M)	7,818.3	8,488.0	2,165.5	2,200.9	N/A	N/A
% change (1)	19.6	8.6	2.0	1.6	N/A	N/A
Retail Trade (\$M)	8,162.7	8,485.0	2,140.2	2,185.2	N/A	N/A
% change	5.8	3.9	-0.3	2.1	N/A	N/A
Housing Starts (000's)	4.3	4.4	4.1	3.8	4.4	4.3
Labour Force (000's)	452.0	461.6	464.3	465.9	470.0	468.9
% change	1.4	2.1	-0.1	0.3	0.8	-0.2
Employment (000's)	408.6	419.5	419.7	419.3	424.5	423.0
% change	2.4	2.7	-0.5	-0.1	1.2	-0.4
Unemployment Rate (%)	9.6	9.1	9.6	10.0	9.7	9.8
Participation Rate (%)	61.0	61.7	61.8	62.0	62.5	62.4
CPI Inflation	1.7	3.5	2.4	2.8	2.3	N/A

(1) % change refers to period-to-period except for CPI inflation which is year-over-year.

Key Provincial Data

	1999	2000	2001Q1	2001Q2	July 2001	Aug 2001
PRINCE EDWARD ISLAND						
Mfg Shipments (\$M)	1,109.0	1,182.0	295.5	302.0	N/A	N/A
% change (1)	18.5	6.6	-3.0	2.2	N/A	N/A
Retail Trade (\$M)	1,156.6	1,230.1	314.5	318.6	N/A	N/A
% change	9.8	6.4	1.8	1.3	N/A	N/A
Housing Starts (000's)	0.6	0.7	0.9	0.3	1.1	0.7
Labour Force (000's)	71.6	73.3	74.4	74.5	74.4	74.6
% change	2.1	2.4	0.6	0.0	1.5	0.3
Employment (000's)	61.3	64.5	65.9	65.6	65.8	65.5
% change	1.5	5.2	2.4	-0.4	-0.2	-0.5
Unemployment Rate (%)	14.4	12.0	11.6	11.8	11.6	12.1
Participation Rate (%)	66.4	66.9	67.6	67.5	67.3	67.4
CPI Inflation	1.2	4.1	3.7	3.3	3.3	N/A
NEWFOUNDLAND						
Mfg Shipments (\$M)	2,020.8	2,225.1	516.5	553.2	N/A	N/A
% change (1)	18.8	10.1	-5.7	7.1	N/A	N/A
Retail Trade (\$M)	4,222.9	4,522.4	1,166.0	1,213.5	N/A	N/A
% change	7.2	7.1	2.4	4.1	N/A	N/A
Housing Starts (000's)	1.4	1.5	0.8	1.6	1.4	1.4
Labour Force (000's)	246.7	245.6	247.9	255.5	249.1	253.4
% change	4.1	-0.4	-0.1	3.1	-2.4	1.7
Employment (000's)	204.9	204.6	207.2	214.5	210.3	213.2
% change	5.5	-0.1	1.0	3.5	-2.8	1.4
Unemployment Rate (%)	16.9	16.7	16.4	16.0	15.6	15.9
Participation Rate (%)	56.3	55.8	56.3	58.1	56.8	57.7
CPI Inflation	1.5	3.0	1.7	2.0	1.3	N/A
CANADA						
Mfg Shipments (\$M)	491,883.2	536,776.9	131,070.6	130,957.6	N/A	N/A
% change (1)	11.5	9.1	-3.7	-0.1	N/A	N/A
Retail Trade (\$M)	260,779.5	277,033.2	71,235.0	72,741.7	N/A	N/A
% change	5.7	6.2	1.3	2.1	N/A	N/A
Housing Starts (000's)	150.0	151.7	163.0	163.4	151.6	169.2
Labour Force (000's)	15,721.2	15,999.2	16,188.0	16,237.2	16,222.4	16,246.8
% change	2.0	1.8	0.3	0.3	0.0	0.2
Employment (000's)	14,531.2	14,909.7	15,061.6	15,101.1	15,081.7	15,074.0
% change	2.8	2.6	0.2	0.3	-0.1	-0.1
Unemployment Rate (%)	7.6	6.8	6.9	7.0	7.0	7.2
Participation Rate (%)	65.6	65.9	66.1	66.1	65.8	65.9
CPI Inflation	1.7	2.7	2.8	3.6	2.6	N/A

(1) % change refers to period-to-period except for CPI inflation which is year-over-year.

Provincial Economic Accounts

	1993	1994	1995	1996	1997	1998	1999
Real GDP at Market Prices (\$1992M)							
BC	90,543	93,355	95,370	98,052	101,277	102,217	104,323
% change	4.0	3.1	2.2	2.8	3.3	0.9	2.1
Alberta	79,792	84,622	87,161	89,284	95,997	99,504	101,960
% change	6.7	6.1	3.0	2.4	7.5	3.7	2.5
Sask	22,654	23,603	23,934	24,391	25,661	26,267	26,547
% change	7.4	4.2	1.4	1.9	5.2	2.4	1.1
Manitoba	24,468	25,298	25,445	26,205	27,099	27,892	28,729
% change	0.2	3.4	0.6	3.0	3.4	2.9	3.0
Ontario	288,164	305,223	316,581	319,982	335,508	349,364	370,722
% change	1.1	5.9	3.7	1.1	4.9	4.1	6.1
Quebec	160,897	167,241	170,366	172,707	178,460	183,835	192,535
% change	1.6	3.9	1.9	1.4	3.3	3.0	4.7
New Brunswick	14,358	14,643	15,071	15,266	15,331	15,941	16,616
% change	2.3	2.0	2.9	1.3	0.4	4.0	4.2
Nova Scotia	18,193	18,256	18,578	18,641	19,242	19,828	20,865
% change	0.7	0.3	1.8	0.3	3.2	3.0	5.2
PEI	2,370	2,492	2,629	2,714	2,662	2,742	2,829
% change	1.7	5.1	5.5	3.2	-1.9	3.0	3.2
Nfld	9,668	10,126	10,348	9,914	10,028	10,625	11,259
% change	1.2	4.7	2.2	-4.2	1.1	6.0	6.0
Yukon	874	864	1,005	1,097	1,012	987	997
% change	-19.8	-1.1	16.3	9.2	-7.7	-2.5	1.0
NWT (2)	2,242	2,318	2,315	2,374	2,451	2,491	2,549
% change	3.2	3.4	-0.1	2.5	3.2	1.6	2.3
Canada	714,583	748,350	769,082	780,916	815,013	842,002	880,254
% change	2.3	4.7	2.8	1.5	4.4	3.3	4.5
Population ('000s)							
BC	3,572	3,682	3,784	3,882	3,960	3,998	4,028
% change	2.9	3.1	2.8	2.6	2.0	1.0	0.8
Alberta	2,671	2,705	2,740	2,781	2,837	2,907	2,959
% change	1.4	1.3	1.3	1.5	2.0	2.5	1.8
Sask	1,007	1,010	1,014	1,019	1,022	1,025	1,026
% change	0.3	0.3	0.4	0.5	0.3	0.3	0.1
Manitoba	1,118	1,124	1,130	1,134	1,137	1,138	1,143
% change	0.4	0.5	0.5	0.4	0.3	0.1	0.4
Ontario	10,689	10,827	10,964	11,101	11,248	11,385	11,517
% change	1.1	1.3	1.3	1.2	1.3	1.2	1.2
Quebec	7,165	7,207	7,241	7,274	7,303	7,324	7,349
% change	0.7	0.6	0.5	0.5	0.4	0.3	0.3
New Brunswick	750	751	752	753	754	753	754
% change	0.3	0.1	0.1	0.1	0.1	-0.1	0.1
Nova Scotia	924	926	928	931	935	936	939
% change	0.5	0.2	0.2	0.3	0.4	0.1	0.3
PEI	132	134	135	136	137	137	138
% change	0.8	1.5	0.7	0.7	0.7	0.0	0.7
Nfld	580	575	568	561	554	545	541
% change	0.0	-0.9	-1.2	-1.2	-1.2	-1.6	-0.7
Yukon	31	30	31	32	32	32	31
% change	3.3	-3.2	3.3	3.2	0.0	0.0	-3.1
NWT (2)	64	65	67	68	68	68	68
% change	3.2	1.6	3.1	1.5	0.0	0.0	0.0
Canada	28,703	29,036	29,354	29,672	29,987	30,248	30,493
% change	1.1	1.2	1.1	1.1	1.1	0.9	0.8

(2) 1999 data includes NWT and Nunavut.