Industry Canada | Industrie Canada

Regional Economic Observer

Including: A Provincial Short-Term Outlook

Fourth 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 March 8, 2002. It has been prepared by Marianne Blais, Jenness Cawthray, Stéphane Crépeau, Anik Dufour, Arif Mahmud, and Karen Smith under the direction of Miodrag Jovanovic and Hossein Rostami. All information is taken from public sources, primarily Statistics 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 jovanovic.miodrag@ic.gc.ca.

Highlights: Fourth Quarter, 2001

British Columbia

Employment declined further in British Columbia and the unemployment rate temporarily surged to 9.7% in December, before dropping to 8.8% in February. The manufacturing activity continued its decline with lower shipments of Wood, Computer & Electronic and Electrical products. Consumer spending remained strong with retail sales increasing further in the fourth quarter to reach a 5.9% growth in 2001, just slightly below the 2000 growth.

Prairies

Sustained employment growth in Alberta throughout 2001 pushed the unemployment rate down to 4.8% in the fourth quarter, but recent job losses brought it back above 5%. Manufacturing shipments fell sharply in the fourth quarter while consumer spending remained solid throughout the year. In Saskatchewan, the unemployment rate increased moderately as job losses continued in the fourth quarter, bringing annual employment down 2.6% from its 2000 level. Manufacturing activity weakened for a fourth consecutive quarter, but consumer spending strengthened in the fourth quarter. In Manitoba, strong employment growth in the fourth quarter temporarily pushed the unemployment rate down to the lowest level in the country. The rate increased early in 2002 as jobs were lost and more people entered the labour force. Manufacturing shipments decreased for a third quarter in a row but their annual growth remained positive. Consumer spending remained relatively strong through the year.

Ontario

Employment was stable in Ontario in 2001. Still, the average employment level for the year was 1.5% higher than in 2000. The unemployment rate trended upward late in 2001 as weak job gains were accompanied by more people entering the labour force. The rate stood at 6.9% in February, one percentage point below the national average. Manufacturing shipments fell in the fourth quarter, bringing 2001 levels down 6%. Consumer spending strengthened late in the year but annual growth in retail sales remained well below its 2000 growth and the national average.

Quebec

Employment continued to increase in the fourth quarter bringing the 2001 job growth close to the national average. Despite steady job growth, the unemployment rate rose above the 9% mark for the first time in two years as an increasing number of people entered the labour force. Manufacturing shipments retreated further in the fourth quarter, bringing the annual level down 5%. Consumer spending, however, remained solid in 2001, with retail sales growing at the same pace as in the previous year.

Atlantic

Employment increased in all Atlantic provinces in the fourth quarter but only New Brunswick was able to sustain job gains early in 2002. Job losses and increases in the labour force pushed the unemployment rate up in Nova Scotia, Prince Edward Island and Newfoundland. Manufacturing shipments fell in most provinces in the fourth quarter although Newfoundland was the only one to end up with a negative growth in 2001. Consumer spending picked up in New Brunswick in the fourth quarter, and was very strong in Newfoundland in 2001.

British Columbia

British Columbia

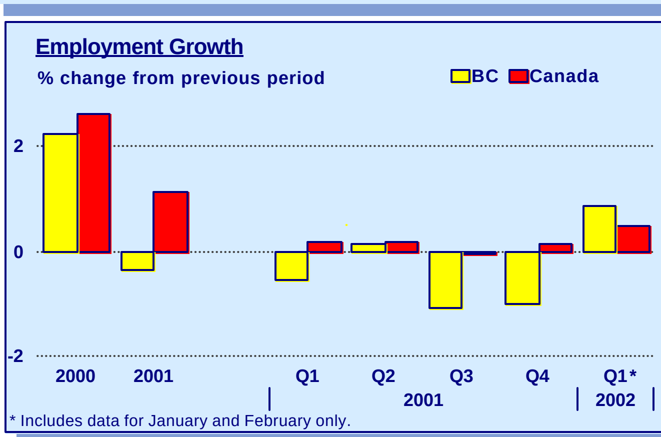
Labour Markets

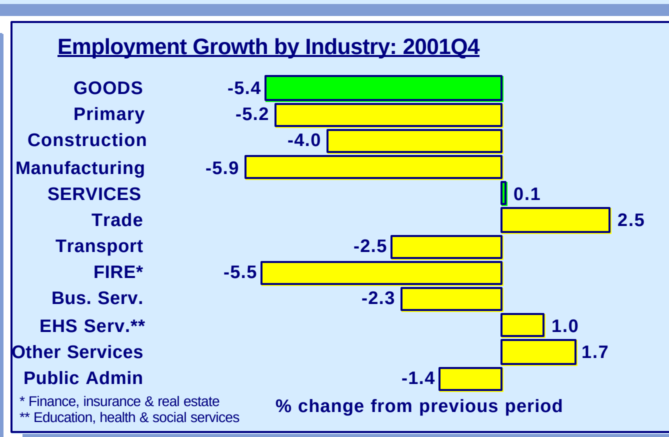
Employment continues to decline in the fourth quarter

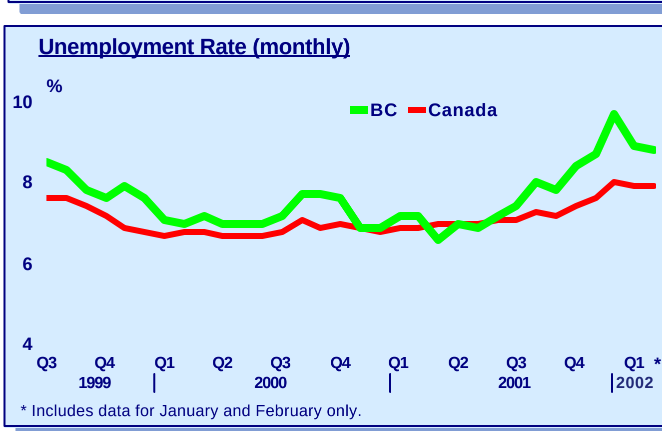
- B.C.'s employment continued to fall in the fourth quarter, extending the steep slide that began last March, and losing 58,000 jobs from a year ago. The Manufacturing sector recorded the largest decline.
- For the year as a whole, losses were mainly in the Primary sector and were largely concentrated in logging, forestry and wood products.
- Employment declined 11,000 in February, following a gain of 27,000 jobs in January.
- Despite the decline in employment, wages & salaries edged up 0.9% (annual rate) in the fourth quarter. In 2001, labour income rose 2.3%, almost 2 percentage points below the Canadian average.

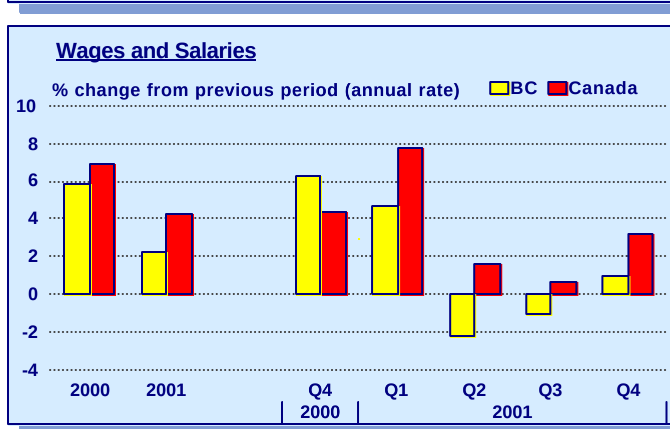
The unemployment rate reaches its highest level in two years

- The unemployment rate surged to 8.9% in the fourth quarter, with the decline in employment being accompanied by a strong increase in the labour force. The jobless rate averaged 7.7% in 2001, 0.5 percentage point higher than the national average.
- In February, the unemployment rate edged down 0.1 percentage point to 8.8% due to a decline in labour force participation.









Economic Activity and Prices

Manufacturing shipments continue to decline

- Manufacturing shipments dropped 4.4% in the fourth quarter, the fourth consecutive decline. Losses were mostly concentrated in Wood products, as well as in Computer & Electronic and Electrical products.

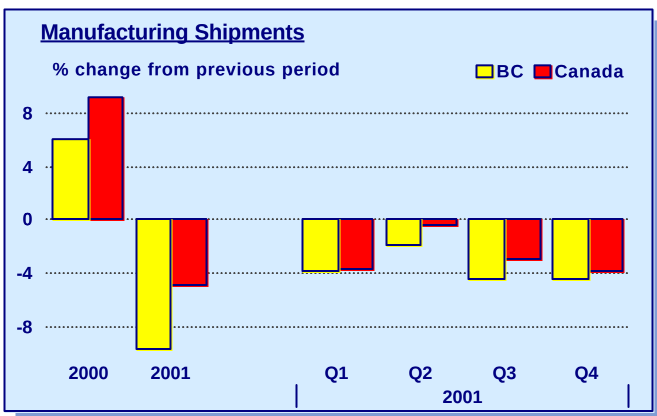
- Shipments dropped 9.6% in 2001, the largest drop among the provinces. Shipments of Paper and Wood products presented the largest declines, the latter being largely related to the softwood lumber trade dispute between Canada and the U.S.

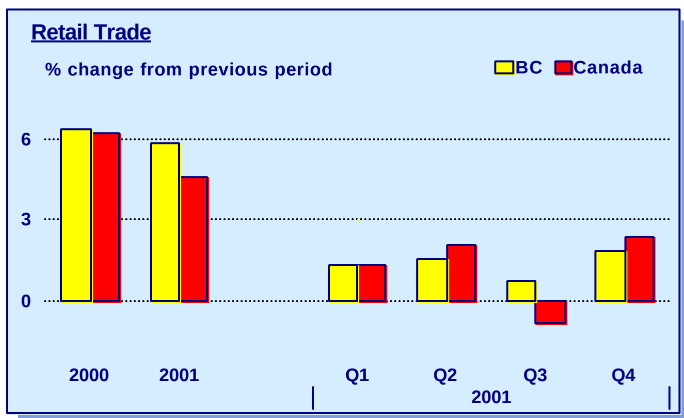
Consumer spending remains strong and inflation stays below the national average

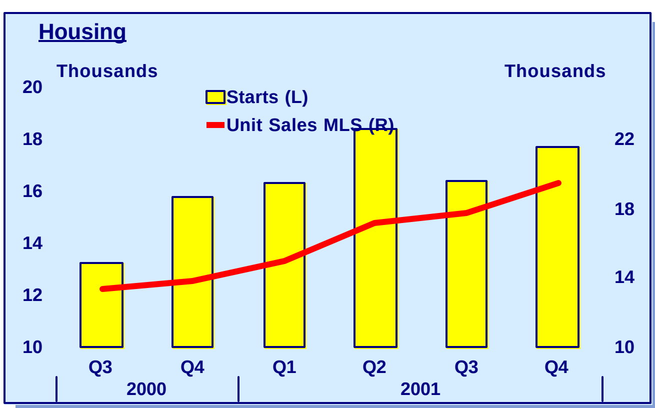
- Retail sales rose 1.9% in the fourth quarter, led by sales of furniture and new motor vehicles. For the year as a whole, retail sales increased at a higher pace than the national level, reaching 5.9%. Again, sales of new motor vehicles led the way as auto producers continued to offer generous financing terms.

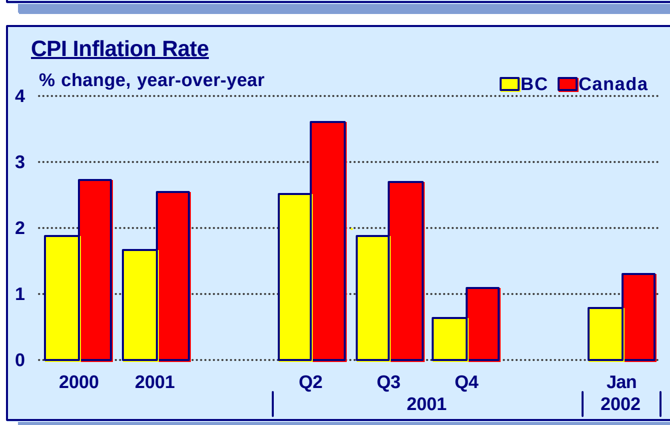
- Both housing starts and sales of existing homes rose in the fourth quarter, as residential housing benefited from low financing rates. In 2001, home resales surged 28.2%, by far the strongest increase in the country.

- Inflation remained below the national average in 2001, with Food, Health Care and Alcohol components of the CPI inflation reporting the highest increases.









Prairies

Alberta

Labour Markets

Employment grows in the fourth quarter to close the year with a solid performance

- Employment growth increased modestly by 0.5% in the fourth quarter, a faster pace than the national average. Services industries, led by trade and health and social services, accounted for most of the gains in employment. In contrast, employment declined in Goods industries.

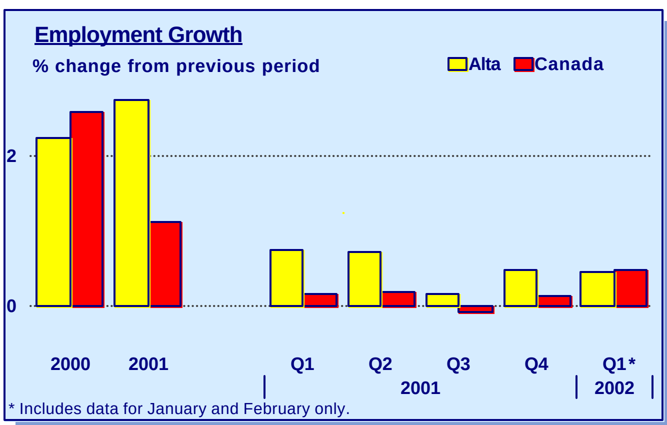
- On an annual basis, employment increased 2.8% in 2001, up from a 2.2% growth last year and more than twice the national average. The gain was concentrated in Goods industries (+4.5%), notably the oil and gas industry.

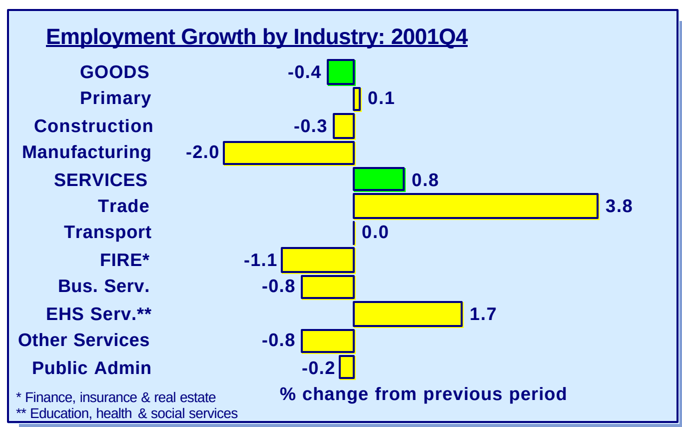
- So far this year, almost no net jobs have been created, a loss of 11,000 jobs in February wiped out strong gains in January. Nonetheless, employment is up 0.5% from the level in the fourth quarter of last year.

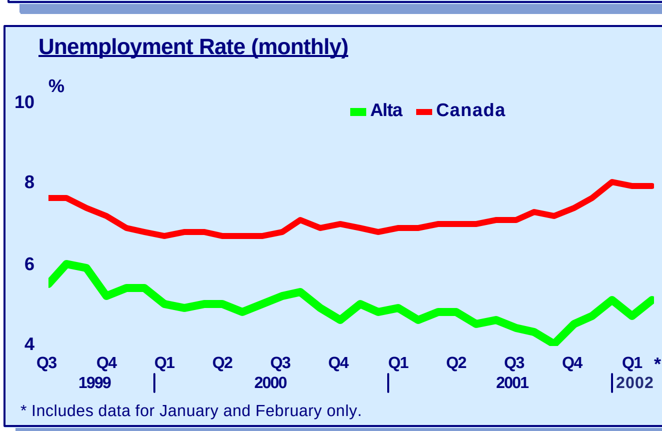
- Growth of wages and salaries increased sharply in the fourth quarter to 6.5%, up from 1.5% in the previous quarter. Earnings advanced at a strong pace of 8% in 2001, down slightly from last year but still the highest among the provinces.

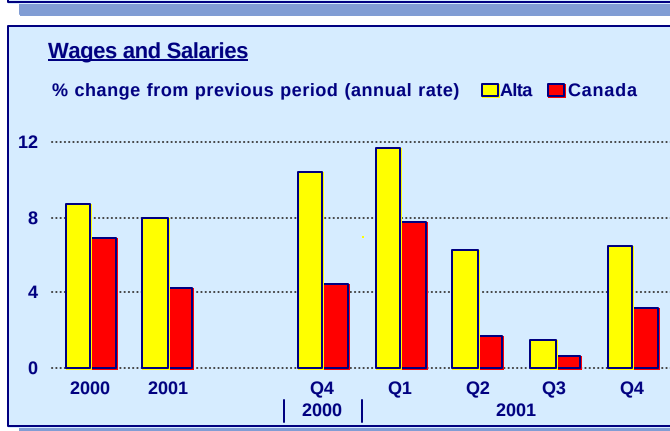
The unemployment rate remains the lowest in the country

- In the fourth quarter, the unemployment rate rose by 0.6 percentage point to 4.8%, still well below the national average. Overall in 2001, strong labour market conditions lowered the unemployment rate to 4.6%. In February, Alberta's unemployment rate stood at 5.1%, the lowest in the country.









Economic Activity and Prices

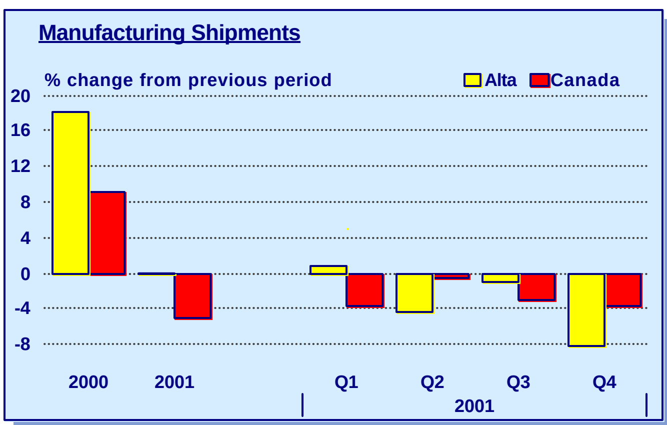
Manufacturing shipments weaken further

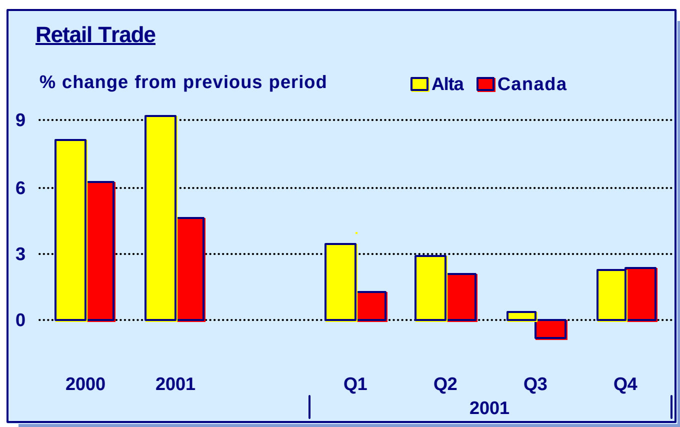
- Manufacturing shipments fell 8.1% in the fourth quarter, the third consecutive quarterly decline. Losses were most evident in Petroleum and Coal and Computer and Electronic industries. In 2001, shipments posted no growth, largely reflecting the sharp drop in energy prices as well as weakness in the U.S. economy.

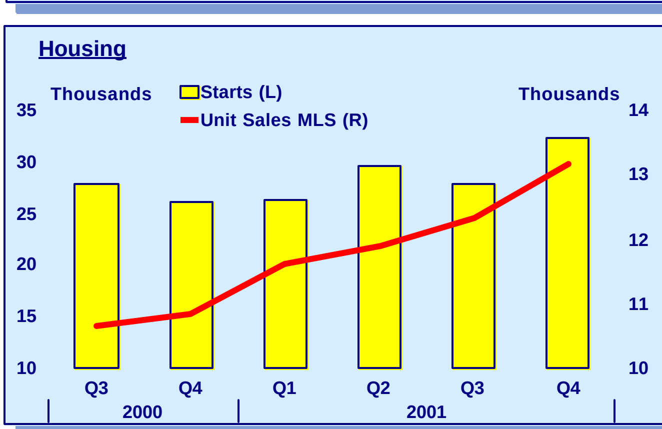
Consumer spending remains strong

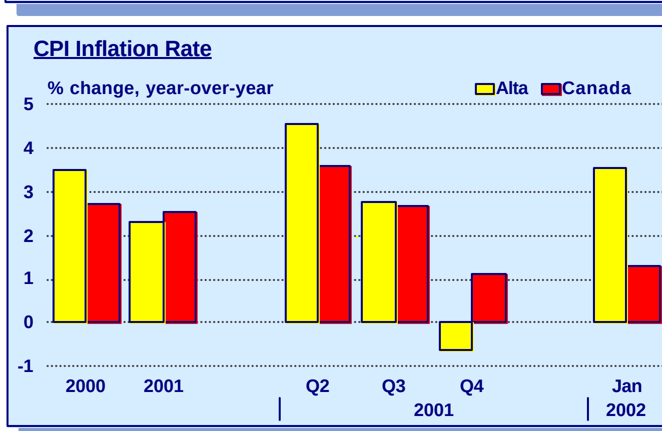
- Consumer spending increased in the fourth quarter, fuelled by strong earnings and low inflation. Retail sales picked up 2.3%, following a growth of 0.3% in the previous quarter. Housing starts continued its upward trend and sales of existing homes increased for the seventh consecutive quarter.

- On an annual basis, new housing demand strengthened in 2001 stimulated by strong employment growth, the sharp drop in mortgage rates and strong immigration from other provinces. Notably, housing starts and sales of existing homes were up by 10.2% and 13.1% respectively in 2001. Retail sales also grew strongly by 9.2% in 2001, up from last year's growth of 8.1% and the best performance among all the provinces.









Saskatchewan

Labour Markets

Employment dips in the fourth quarter, but picks up early in 2002

- Total employment plummeted 1.1% in the fourth quarter, the largest decline among all provinces. The bulk of the losses was concentrated in the Primary sector, with Agriculture and other primary industries losing 3,400 and 1,800 jobs, respectively. Employment conditions have improved so far this year, with employment rising 1.4% over the first two months.

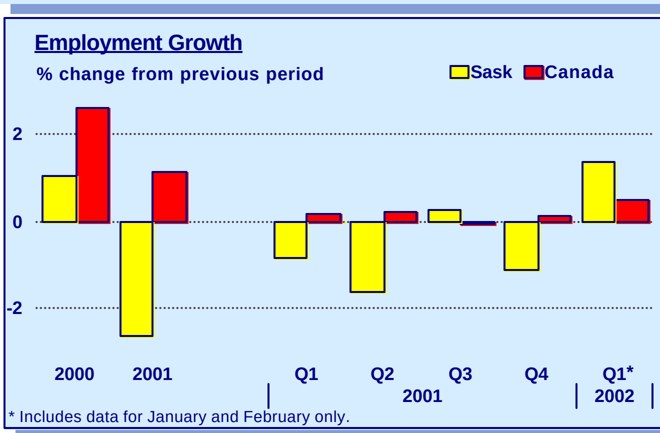
- On an annual basis, employment was down 2.6% in 2001 with losses mostly concentrated in the Primary sector. Employment in the Agriculture industry, which has generally fallen since the beginning of 2000, was cut by a third in the last two years, as production suffered from the severe droughts that hit the Prairies.

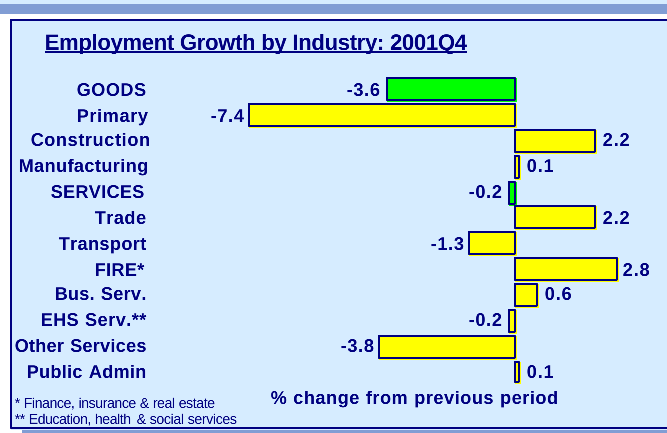
- Despite lower earnings in the Natural Resources sector, overall wages and salaries increased 8.9% (annual rate) in the fourth quarter, driven by solid gains in the Services industries. Earnings advanced at a slower pace in 2001, as growth in most sectors was hampered by losses in Agriculture, Forestry, Fishing & Hunting.

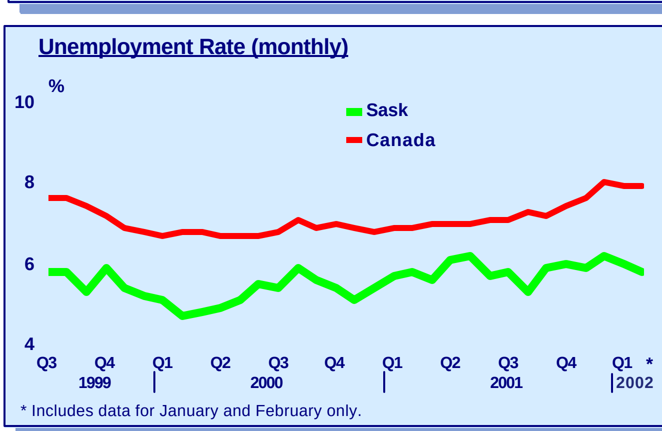
The unemployment rate increases moderately

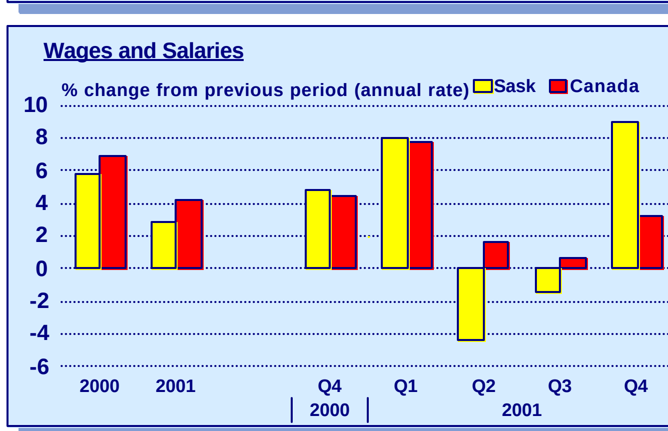
- The unemployment rate edged up 0.3 percentage point from the third quarter to 6.0%.

- However, as a result of stronger job creation, the unemployment rate fell to 5.8% in February. The jobless rate now stands 2.1 percentage points below the national average.









Economic Activity and Prices

Industrial activity continues to follow the national trend

- Manufacturing shipments fell further in the last months of the year although at a smaller pace than in previous quarters. Most of the losses were in the Electrical industry, which recorded its fourth consecutive quarterly decline, and Printing. Increased activity in the Chemical and Machinery industries tempered these losses.

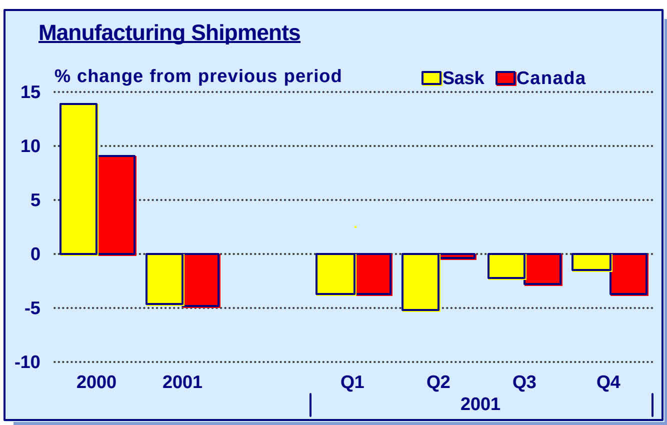
- Industrial activity fell 4.7% in 2001, a rate comparable with the national average. The yearly decline came mostly from the Electrical industry, which recorded a severe 43.7% drop in 2001, following a 54.0% gain the year before. Overall, 6 of the 15 major groups recorded losses.

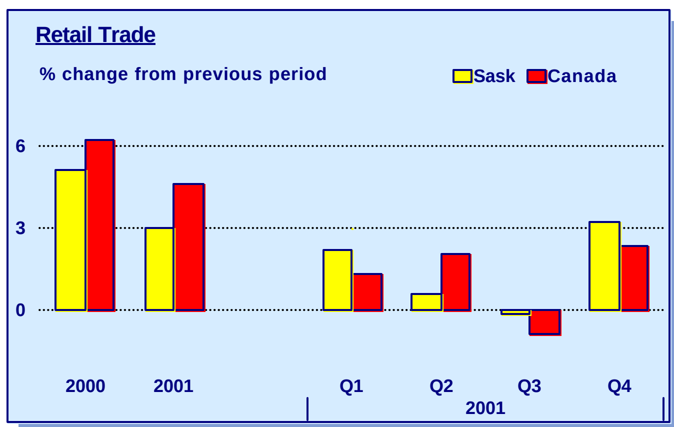
Consumer spending strengthens as inflation decelerates

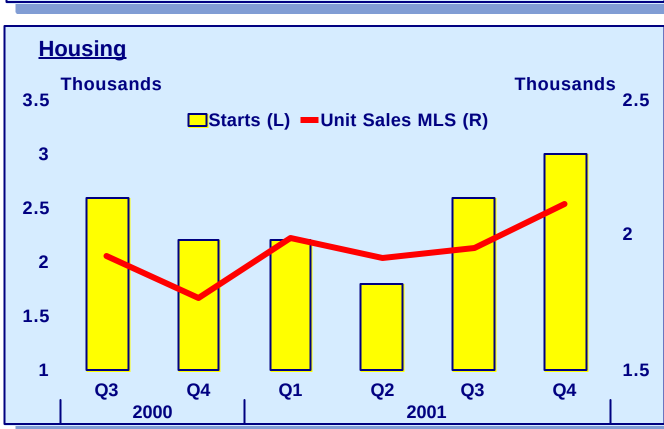
- Households consumption increased in the fourth quarter, sustained by higher earnings and contained inflation. Retail Trade rebounded 3.2% in the fourth quarter. Spending was up in all major groups, with automobile sales recording the largest increase. The housing market also showed continued strength, with both housing starts and sales of existing homes up in the last months of the year. This trend continued so far this year.

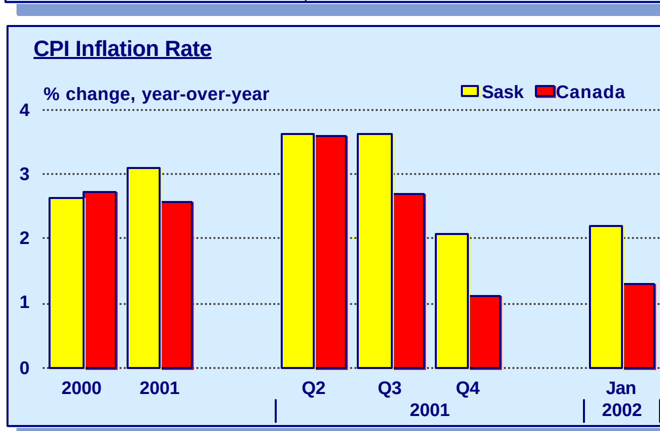
- In line with the slowing of labour income, retail sales growth moderated to 3.0% in 2001, 1.6 percentage points below the national average.

- Inflation fell to 2.1% in the fourth quarter, bringing the annual inflation rate to 3.1% in 2001.









Manitoba

Labour Markets

Employment records the fastest growth among provinces in the fourth quarter

- Employment rebounded in the fourth quarter as major losses in the FIRE sector were offset by strong gains in retail & wholesales trade and in other services, notably those related to the information and hospitality areas. These industries were also the key drivers in 2001, contrasting with 2000 when manufacturing and education & health services posted the largest increases in employment. However, employment fell by almost 6,000 in February, mostly in construction, after gains totalling 12,000 from August to January.

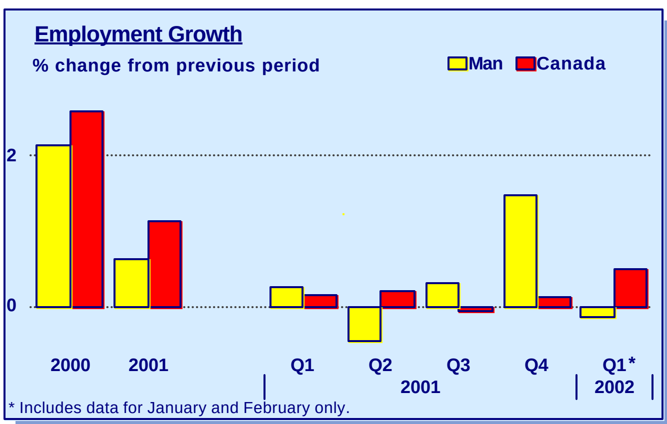
- Supported by those substantial job gains, wages and salaries increased 6.4% (annual rate) in the fourth quarter, bringing the 2001 growth rate to 2.8%.

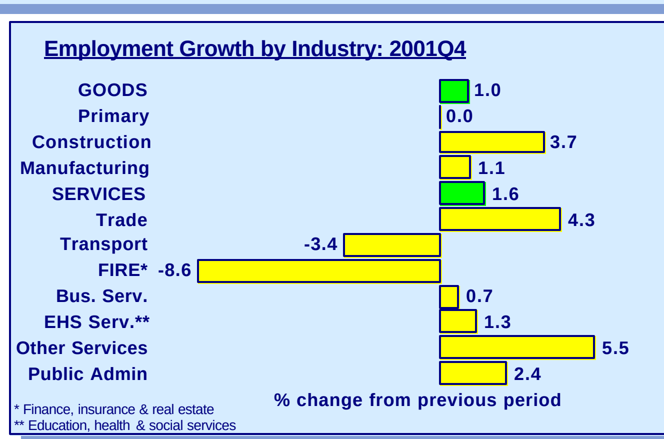
- In addition, farmers' receipts, which rose in every province in 2001, posted the largest gains (+17.2%) in Manitoba. This reflected continued strength in livestock receipts and a rebound in crop receipts from three straight years of declines. Manitoba accounted for one-tenth of total farm cash receipts in 2001.

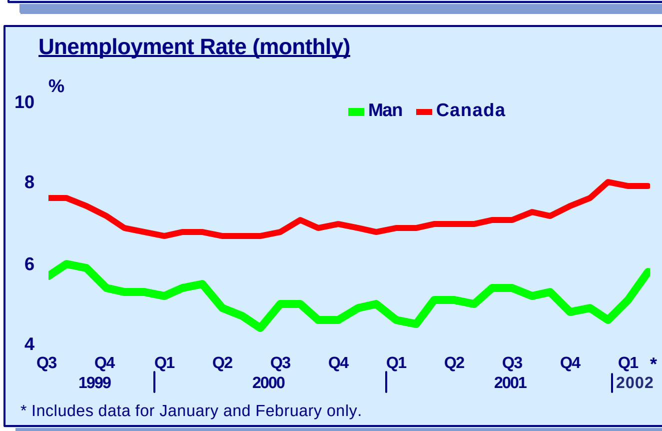
The unemployment rate falls to the lowest level in Canada

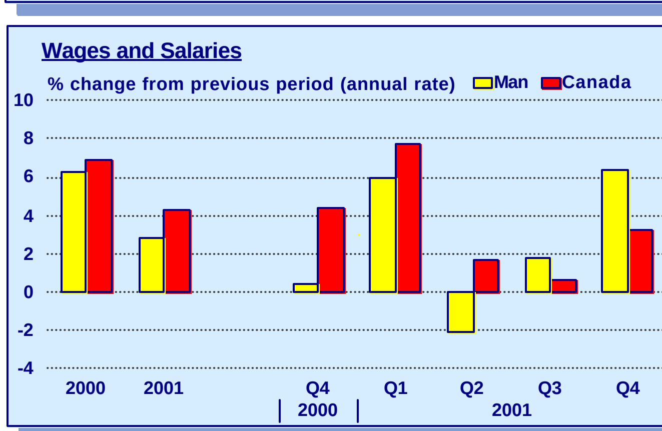
- The unemployment rate declined steadily throughout the fourth quarter to average 4.7%, a rate identical to the one recorded in Alberta and the lowest in Canada. This occurred as sustained job creation firmly outstripped the expansion in the labour force.

- However, in the first two months of 2002, the unemployment rate rose above the 5 percent mark as the participation rate increased further.









Manitoba

Economic Activity and Prices

Weak business demand restrains manufacturing activity

- Manufacturing shipments in Manitoba declined in every quarter of 2001, albeit at a slower pace than the national average. Compared with 2000, shipments were up 1.0%, while they were down 5.0% at the national level. This reflected the continued strength in shipments of non-durables, notably of chemical products.

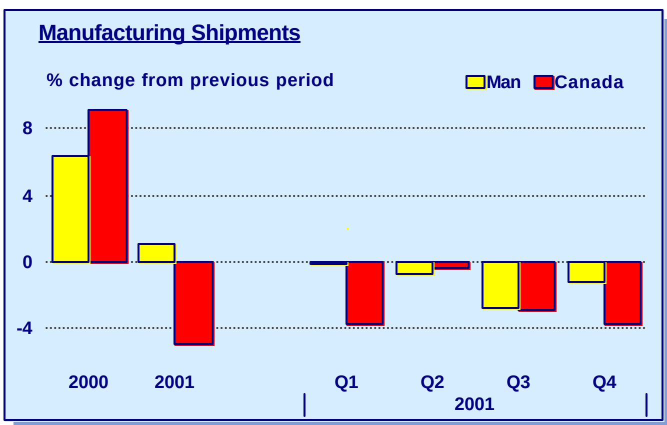
- Compared with the previous quarter, the smaller decline in the fourth quarter was attributable to an increase in shipments of food products which account for one-fourth of overall shipments, and to a smaller decline in wood shipments.

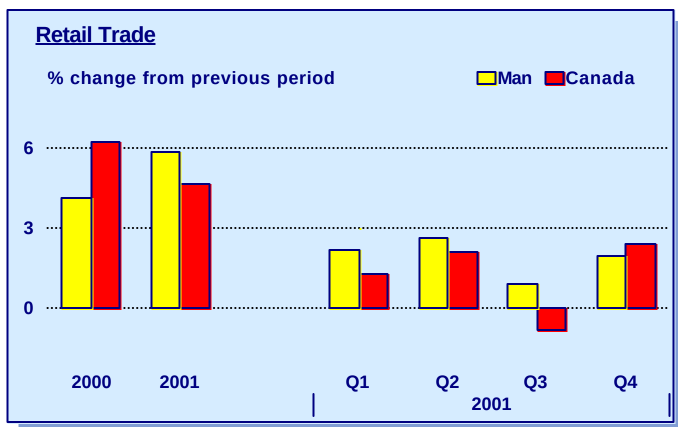
Consumer spending continues to support the economy

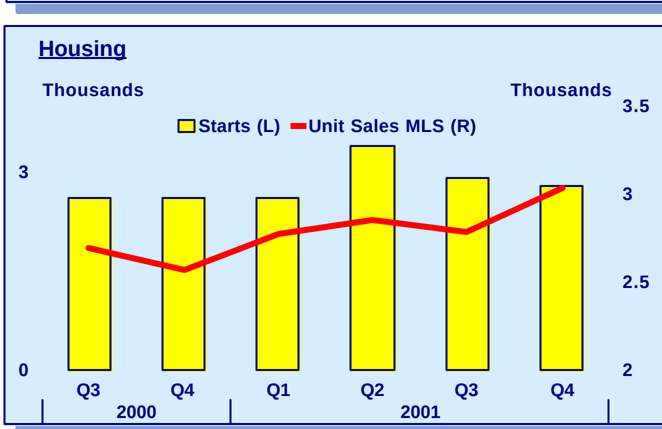
- Retail sales increased 5.8% in 2001, driven mainly by motor vehicle sales. Sales of food products were also strong. In the fourth quarter, the 2.0% gain was again led by automotive and by furniture sales.

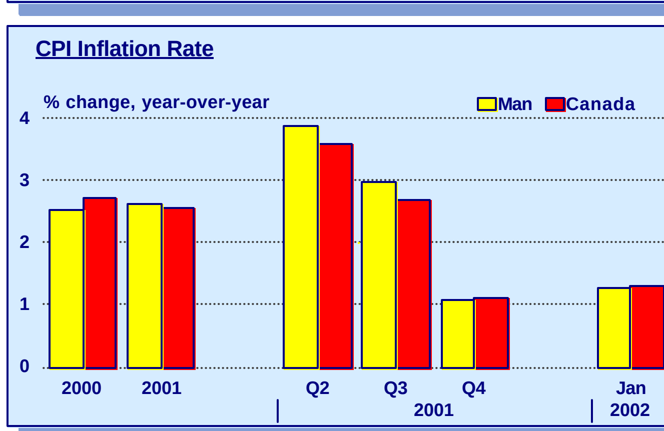
- Activity was robust in the housing market in 2001. Housing starts rose 14.7%, more than twice the pace in Canada, while sales of existing homes rose 7.8%. House prices in Winnipeg, however, increased less than in the previous year.

- The decline in consumer price inflation throughout 2001 was in line with the national average, mainly reflecting the impact of falling energy prices from their last May peak.









Ontario

Ontario

Labour Markets

Employment conditions are improving

- Employment was virtually unchanged in the fourth quarter as gains in the Services industries were mostly offset by losses in the Goods-producing industries, especially in Manufacturing. This sector alone, particularly hit by weakened U.S. and Canadian economies, saw its workforce reduced by about 30,900. This accounts for more than 60% of the job loss in that sector in Canada over the quarter.

- However, job creation resumed in January and February and employment advanced 0.4%.

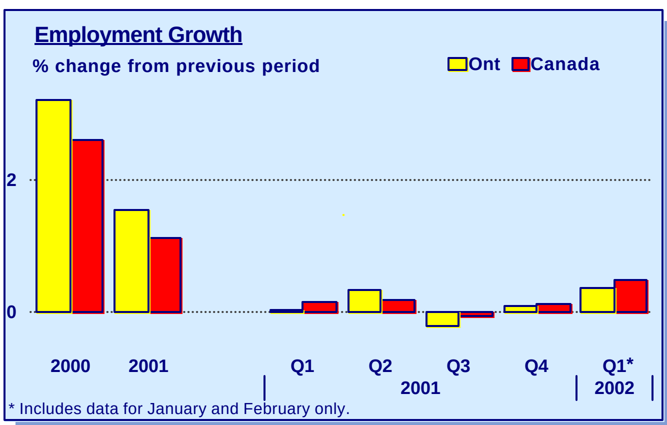
- Job creation totalled 1.5% in 2001, down from 3.2% in 2000, but still 0.4 percentage points above the national average. Gains were mostly concentrated in the Services industries notably in Information, Culture & Recreation and Trade and in Construction. Employment in Agriculture and Manufacturing recorded the largest declines.

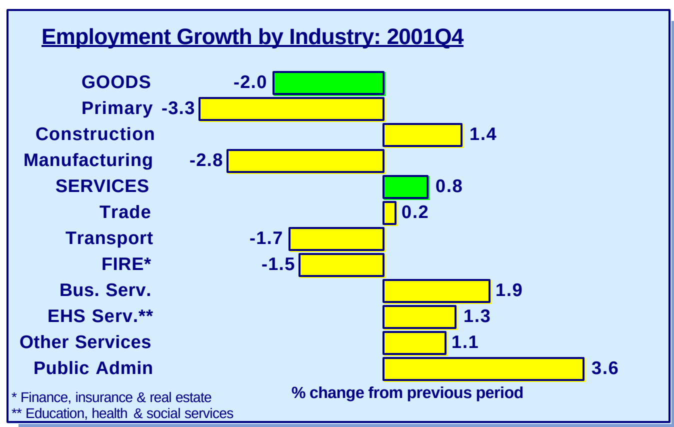
- Earnings posted a modest increase in the fourth quarter, and rose 4.3% in 2001, at par with the national average.

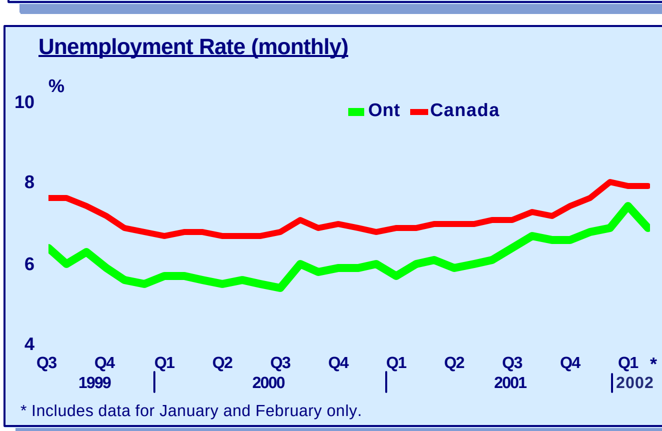
Helping stabilize the unemployment rate

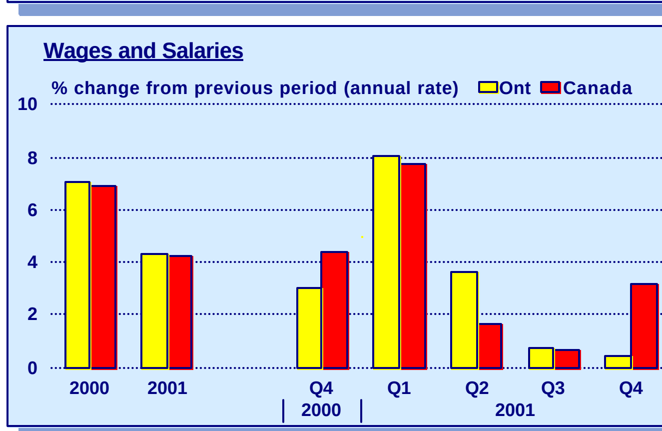
- The unemployment rate trended upward late in 2001, as weak job gain was accompanied by more people entering the work force.

- Employment gains helped drive the unemployment rate down from 7.4% in January to 6.9% in February.









Ontario

Economic Activity and Prices

The decline in Manufacturing shipments moderates in the fourth quarter

- Industrial activity fell for a second consecutive quarter, with shipments of both Durable and Non-Durable goods declining. Transportation, Computer & Electronic and Petroleum & Coal recorded the largest losses, reflecting lower exports.

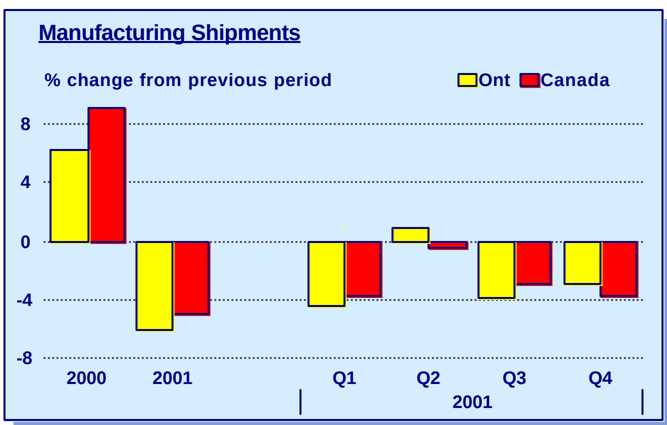
- Shipments in the Durable Goods industries, notably in Transportation, Computer & Electronic and Machinery, plummeted in 2001. Manufacturing shipments consequently retreated 6.0%, offsetting most gains recorded in 2000.

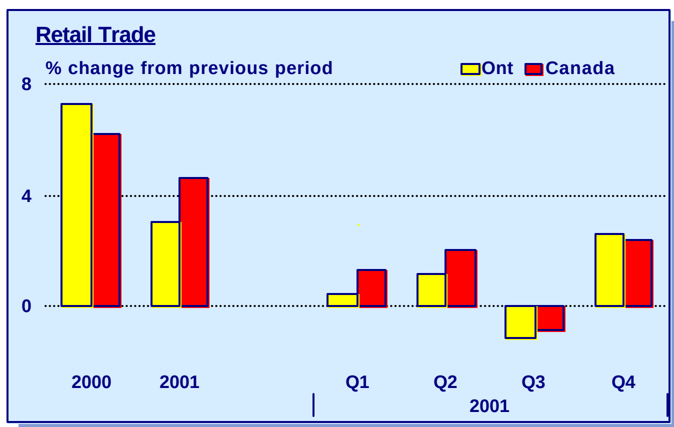
Higher consumer confidence drives spending up

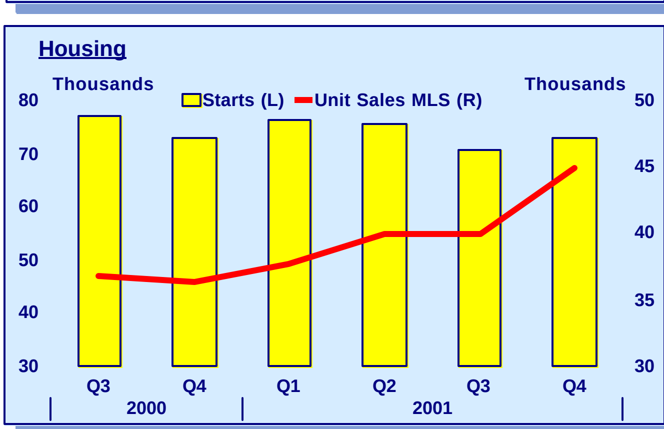
- Retail sales increased 2.6% in the fourth quarter, the largest quarterly gain recorded since mid-1999. Helped by low interest rates and discounts, Automotive and Furniture sales recorded the largest increases, but spending was up in all major categories. Housing starts edged up and sales of existing homes surged 12.4%, reaching its highest quarterly level on record, which goes back to 1988.

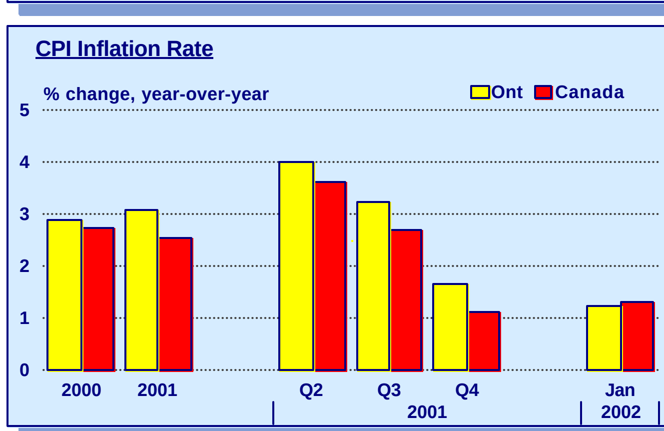
- Retail sales increased 3.0% in 2001, down from 7.3% a year earlier. Spending growth on big ticket items, which was the driving force in 2000, slowed considerably.

- Inflation fell further in the fourth quarter to 1.6%. This brings the annual inflation rate slightly above 3.0% in 2001.









Quebec

Quebec

Labour Markets

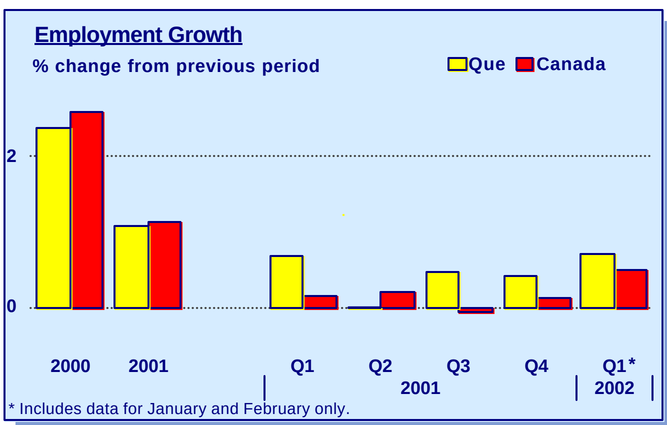
Employment rises further

- Quebec recorded small but steady job gains in most quarters in 2001, resulting in an annual gain of 1.1%, roughly in line with the national average. Most of the annual advance came from the Services Sector with strong demand in information and hospitality services, but manufacturing employment also rose despite a sharp decline in the fourth quarter. However, in the first two months of this year, 22,300 manufacturing jobs were created, leading to an increase in overall employment.

- Steady job gains along with rising average weekly earnings in the second half of the year resulted in an increase of 3.6% in wages & salaries in 2001.

but an increase in the labour force pushes the unemployment rate up

- A stable participation rate together with a moderate growth in employment kept the unemployment rate fairly steady at around 8.6% in the first three quarters of 2001. However, an increase in the labour force in recent months has pushed the unemployment rate up to 9.3% in February.



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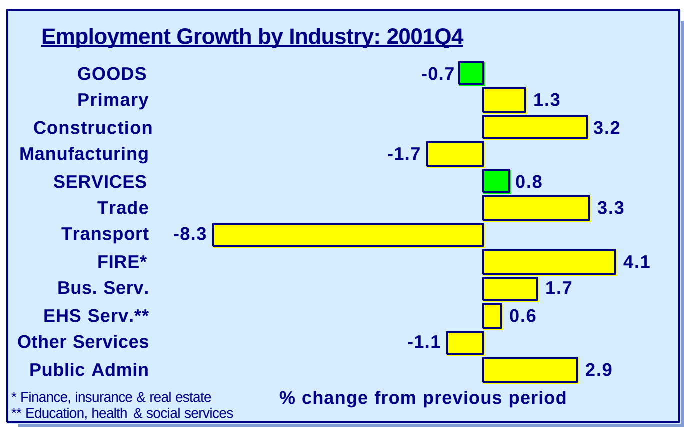

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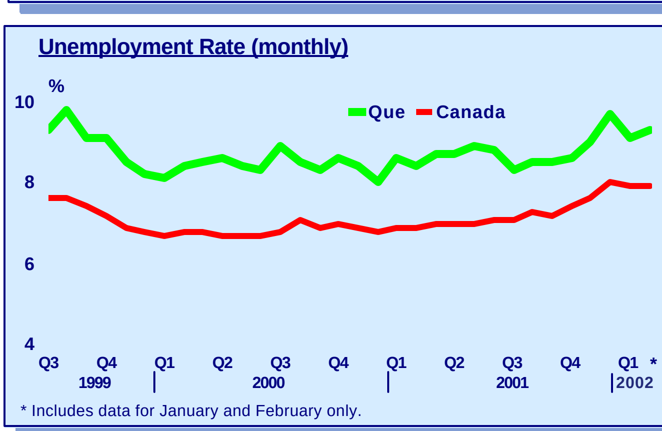

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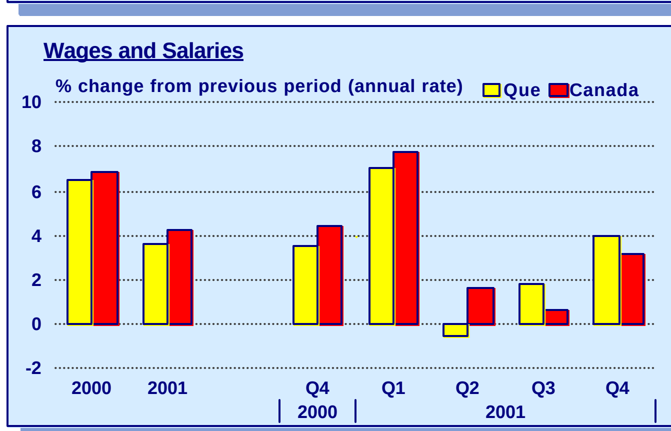


Quebec

Economic Activity and Prices

Manufacturing shipments retreat further

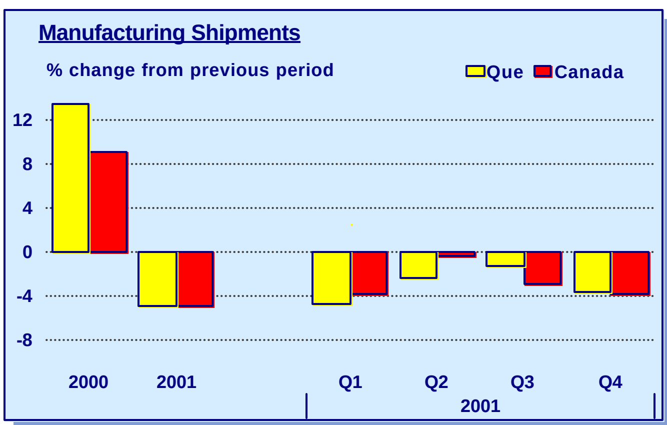
- Manufacturing shipments were down 5.0% in 2001, following a notable 13.4% jump in the previous year. Shipments of computer & electronic and petroleum & rubber products both dropped sharply in 2001, reversing exceptional increases in the previous year. While these two industries also contributed to the 3.6% drop in the fourth quarter, the major source of decline came from the Transportation sector.

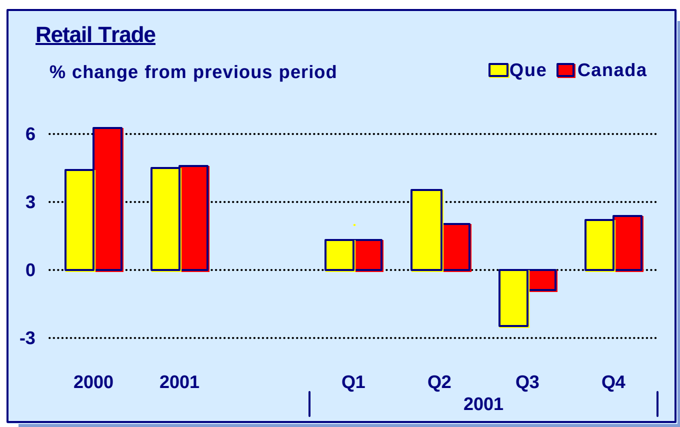
Activity in the retail and the housing sectors remains strong

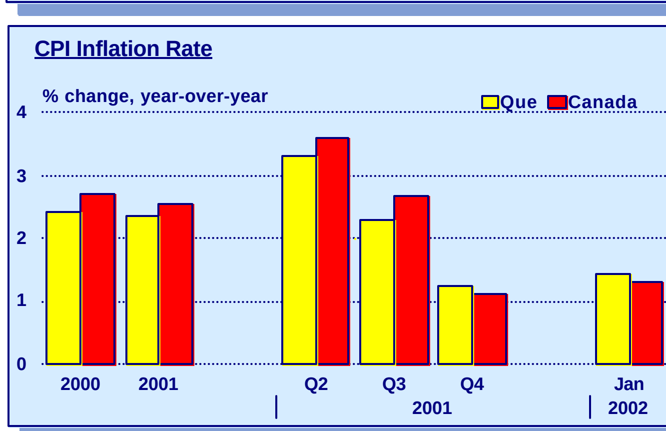
- Retail sales maintained a growth rate of 4.5% in 2001, unchanged from the previous year. While the driving force was clearly in the automotive sector, retailers of food, furniture and products in general merchandise stores all performed fairly well. In the fourth quarter, sales of furniture and products in general merchandise stores continued to be strong despite the softening consumer confidence.

- The housing market was remarkably strong in 2001, as housing starts and sales of existing homes were up more than 10% from the previous year. This fuelled a 5.0% rise in house prices in Montreal, the largest among the major metropolitan areas.

- Consumer price inflation averaged 2.4% in 2001, marginally below 2.5% at the national level. In the fourth quarter, the inflation rate was above the national average, reflecting in part the introduction of a provincial tax increase on cigarettes, as in Newfoundland and Manitoba, on top of the tax rise at the federal level in the same month.







Atlantic Canada

New Brunswick

Labour Markets

Employment rallies in the fourth quarter

- Employment grew 1.2% in the fourth quarter, erasing almost all losses recorded in the previous three quarters. Although most of the sectors contributed to this performance, employment gains in Business services, Transportation, FIRE and Educational services were more pronounced. Partial estimates suggest that employment will continue to grow at about the same pace in the first quarter of 2002.

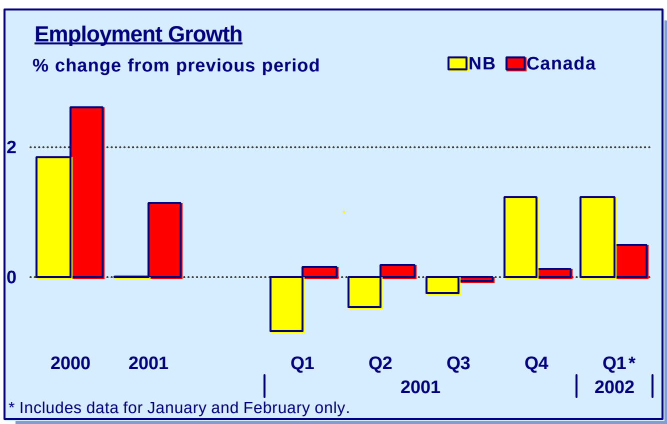
- Consistent with strong employment growth, wages and salaries surged 16.3% (annual basis) in the fourth quarter, bringing the 2001 growth to 4.2%, a pace similar to the national average.

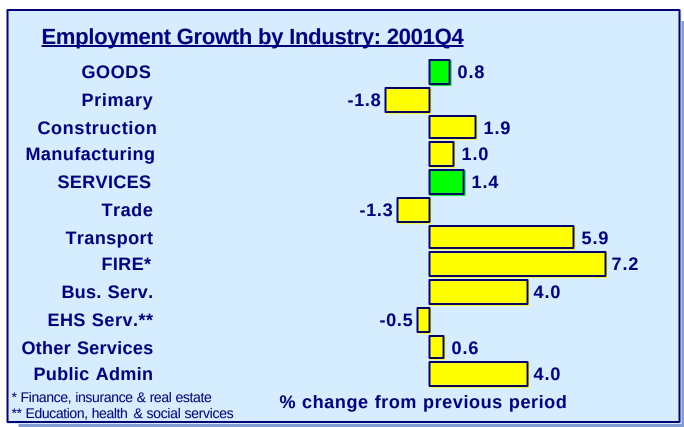
- Despite a strong rebound in the fourth quarter, employment posted no growth for 2001, placing the province last in Atlantic Canada in terms of job creation. A 5.2% reduction in employment in the Manufacturing sector offset a large part of the gains recorded in the Services Sector.

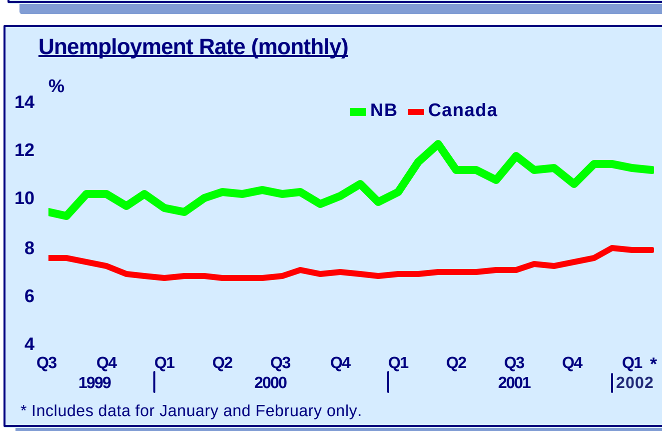
The unemployment rate is relatively stable, but well above the national average

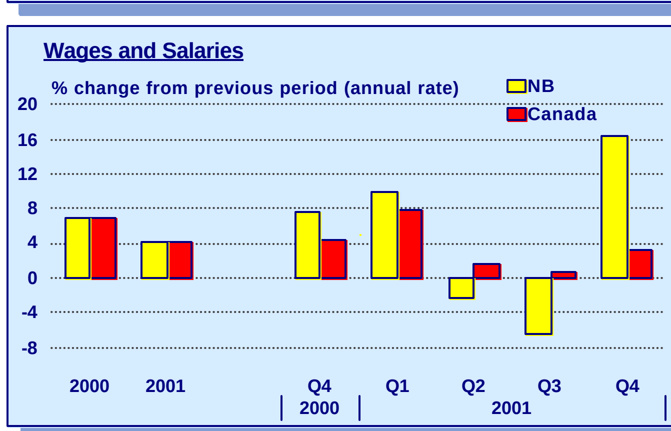
- The unemployment rate decreased from 11.4% to 11.1% in the fourth quarter, slightly below the 2001 average rate of 11.3%.

- The unemployment rate remained stable in the beginning of 2002, standing at 11.2% in February.









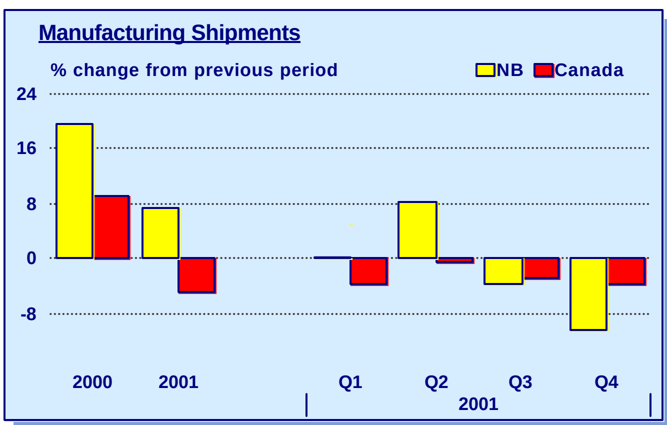
Economic Activity and Prices

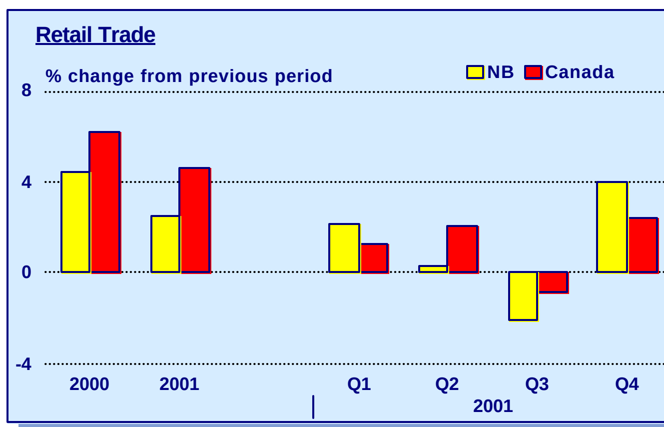
Manufacturing shipments fell sharply in the fourth quarter but still outpaced Canada in 2001

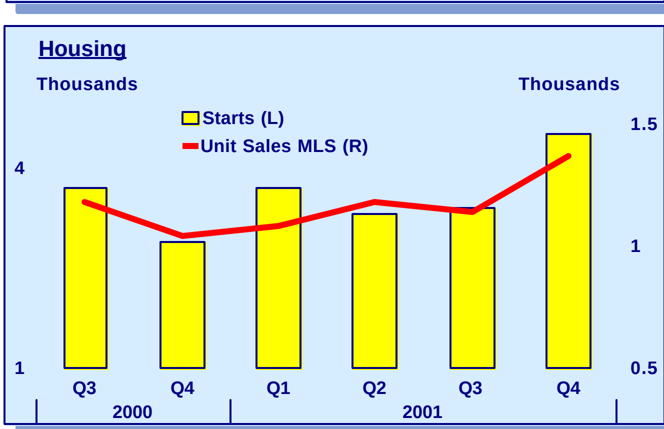
- Manufacturing shipments fell 10.4% in the fourth quarter with most declines being recorded in non-durable goods. Despite reductions in the last two quarters of the year, the average level of shipments in 2001 was still 7.3% higher than in 2000. That good performance is partly explained by the fact that durable goods, those that are more sensitive to U.S. demand, account for only 25% of the province's shipments compared with 57% for Canada on average.

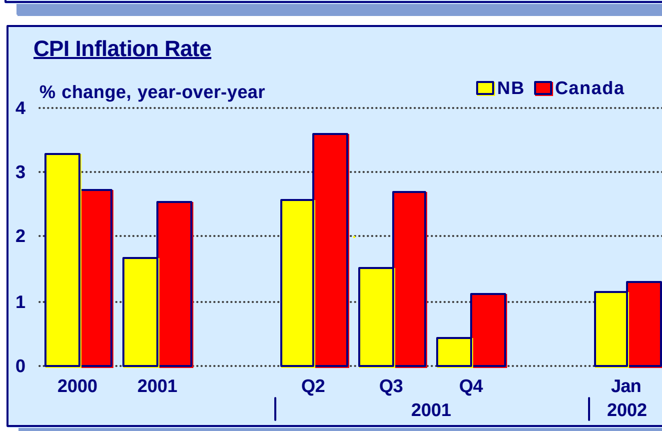
Consumer spending improves as inflation remains low

- Retail trade increased 4.0% in the fourth quarter fuelled by strong sales in automotive products and furniture. This brought the 2001 growth rate in retail trade to 2.5%. This was still 2.1 percentage points below the national average and the smallest growth among provinces.
- Housing activity also increased with both housing starts and sales of existing homes rising to their highest levels recorded over the 1995-2001 period.
- CPI inflation fell further in the fourth quarter, reflecting significant reductions in transportation costs, offsetting price increases on alcohol, household and food products. Inflation rate for 2001 was 1.7%, 0.8 percentage point below the national average.









Nova Scotia

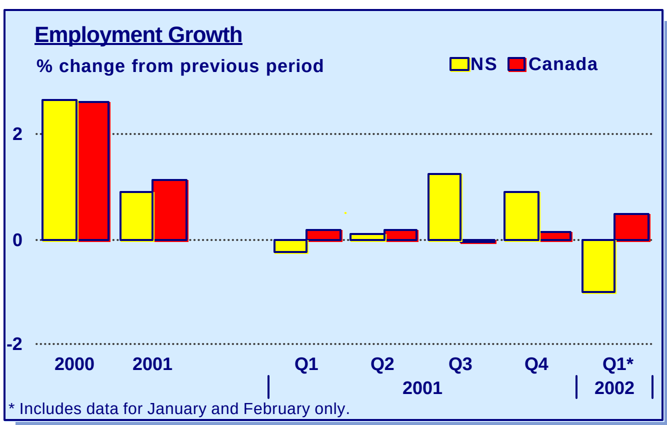
Labour Markets

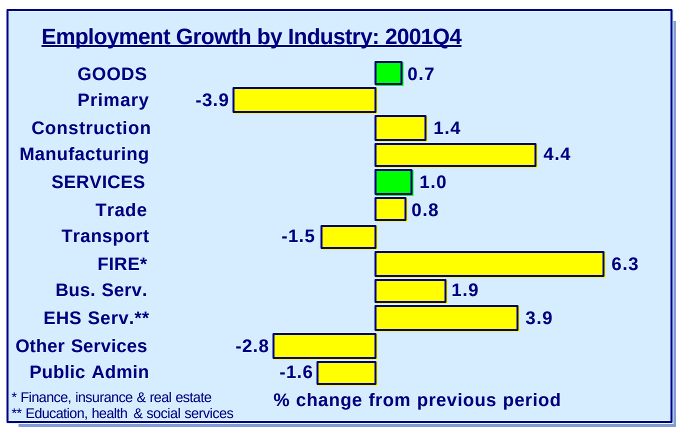
Employment is softening

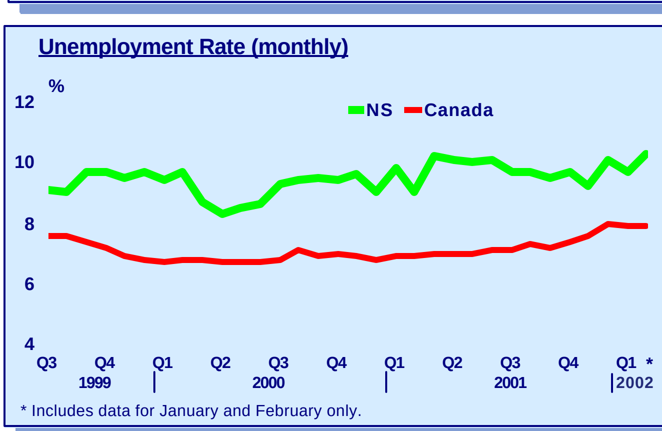
- Employment fell 9 000 in February, bringing losses since last November to 7 000, by and large reversing increases posted in the summer.
- Average employment level in 2001 was 0.9% higher than in the previous year thanks to job gains in the Services sector, particularly in the Business services, Information and Culture, and Accommodation and Food industries.
- A strong 14% increase (annual rate) in wages and salaries in the fourth quarter resulted in the 2001 growth rate of 3.8%, just below the national pace.

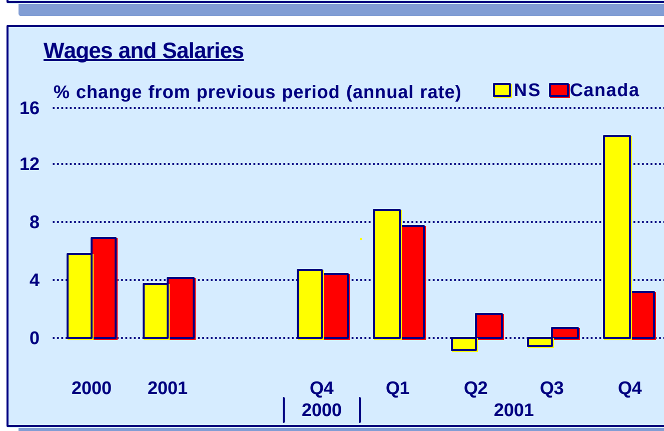
The unemployment rate is increasing

- Falling employment has led to the unemployment rate rising steadily in recent months to 10.3% in February from a low of 9.2% in November.









Economic Activity and Prices

Industrial activity declines further

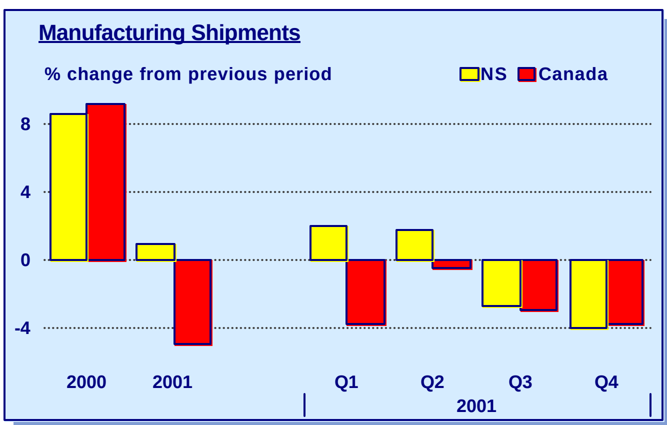
- Manufacturing shipments fell 4.0% in the fourth quarter, the second consecutive quarterly decline. Lower shipments of Transportation, Paper, Plastics and Rubber products explain most of the recent decline in manufacturing activity. Despite the weakness in the latter part of the year, total shipments posted an increase of 1.0% in 2001, following a rise of over 8% in 2000.

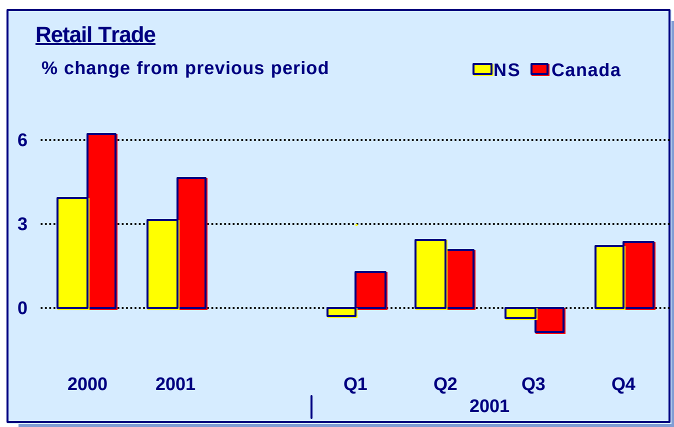
Consumer spending increases while inflation falls sharply

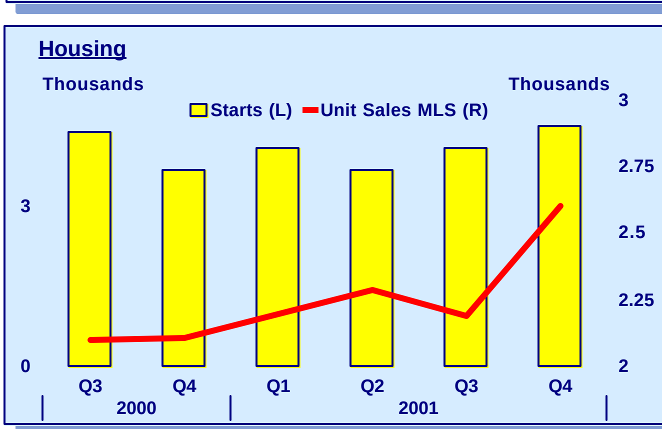
- Retail trade increased 2.2% in the fourth quarter with strong sales in Furniture, Clothing and General products. This brought the 2001 growth rate in retail trade to 3.1%, 1.5 percentage points below the national average.

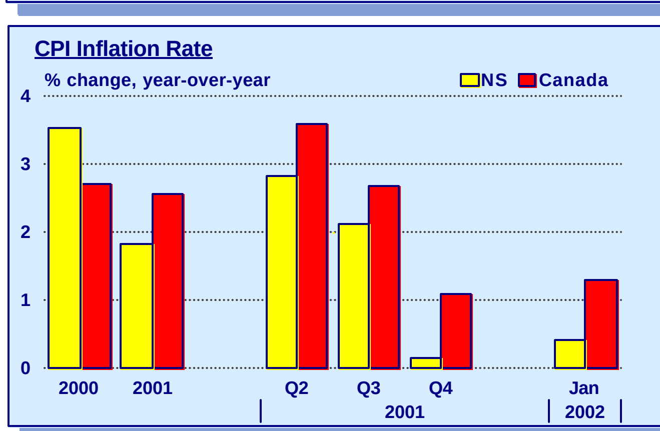
- Both housing starts and sales of existing homes were up in the fourth quarter. For 2001, however, housing starts were down 12% from their 2000 levels, while resales were up 10%.

- CPI inflation fell sharply in the fourth quarter, reflecting reductions in Transportation and Shelter costs which more than offset higher prices for Alcohol and Food products. Annual inflation rate for 2001 was 1.9%, 0.6 percentage point below the national average.









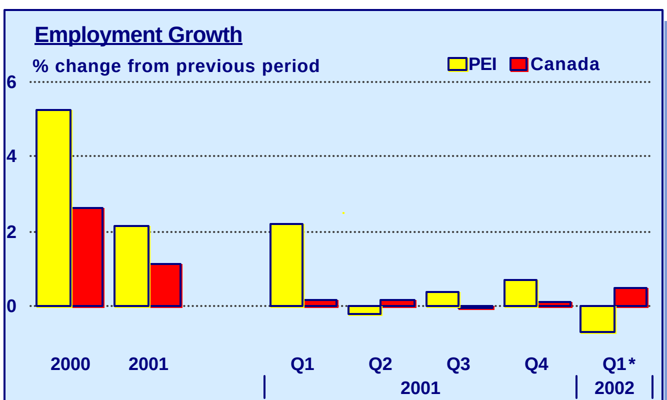
Labour Markets

Employment rises in the fourth quarter but weakens early in 2002

- Employment increased 0.7% in the fourth quarter, following a 0.4% rise in the third. The increase was concentrated largely in the Goods sector, where substantial gains in the Construction and Primary industries, offset a major loss in Manufacturing. The Services sector also contributed to the fourth quarter gain, led by a significant increase in the FIRE sector.
- Employment has softened in recent months (falling sharply in December and January before rebounding partially in February), as a result of job losses in the Goods sector, particularly in the Primary and Manufacturing industries.
- Wages and salaries rose sharply by 23.5% in the fourth quarter, bringing the 2001 growth rate to 4.2%, on par with the Canadian average.

The unemployment rate is pushed up by strong increases in the labour force

- Despite higher employment growth, a rise in the labour force drove the unemployment rate up to 12.3% in the fourth quarter, still 4.7 percentage points above the national average.
- Further increases in the labour force pushed the jobless rate up to 14.3% in February, the highest level since mid-1999.



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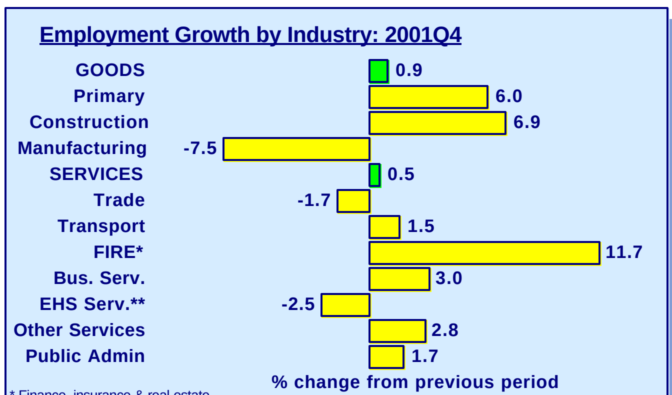

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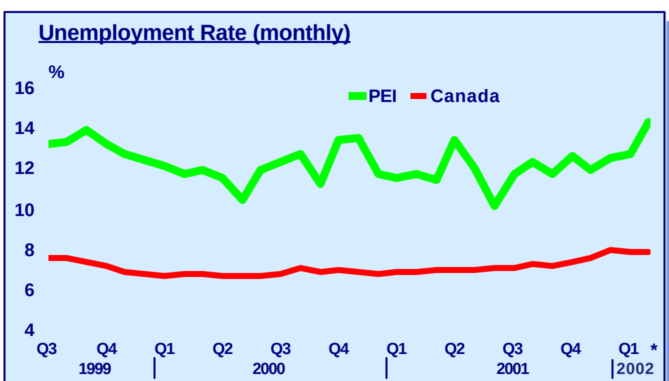

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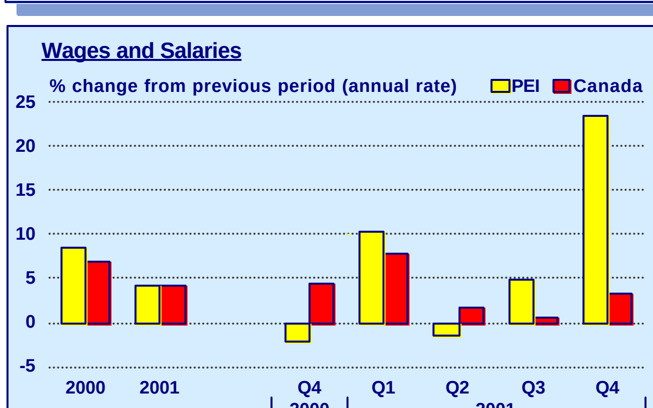


Prince Edward Island

Economic Activity and Prices

Industrial activity remains unchanged

- Manufacturing shipments were unchanged in the fourth quarter, still a better performance than the national average which experienced its second straight quarterly decline. Higher shipments of Non-Metallic Mineral and Fabricated Metal Products offset declining shipments of Machinery and Food products.

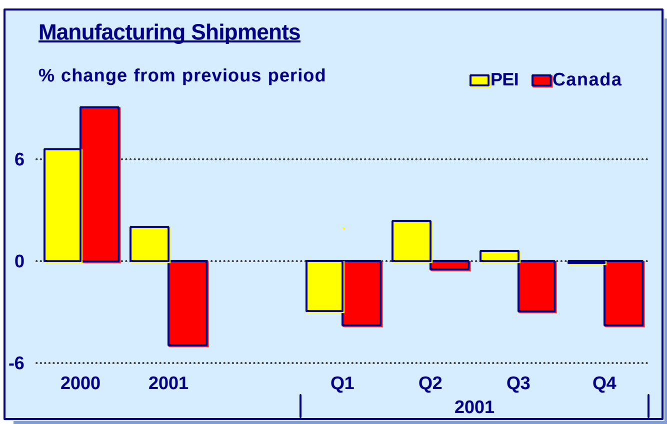
- In 2001, manufacturing shipments increased 2.1% compared to a sharp 4.9% decline in the national average.

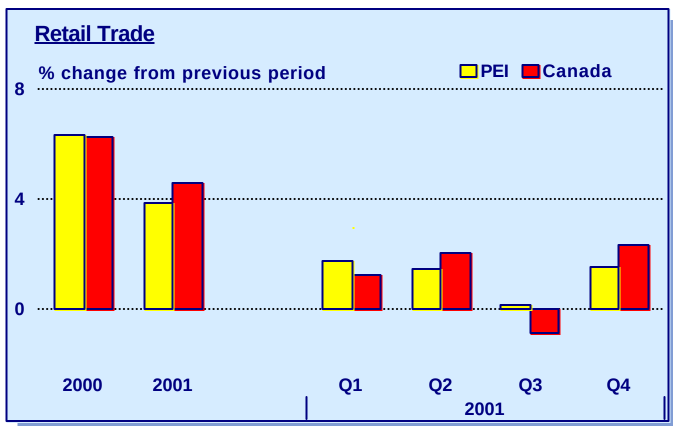
Consumer spending recovers, while inflation moderates further

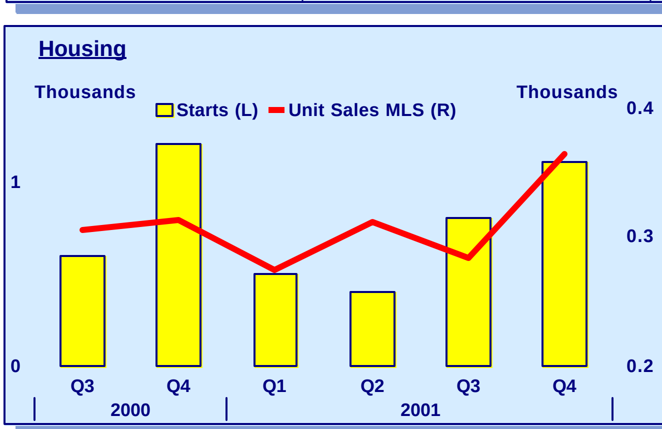
- Retail activity advanced 1.5% in the fourth quarter following a flat showing in the previous quarter. This gain as well as the 2001 growth were somewhat below the national level.

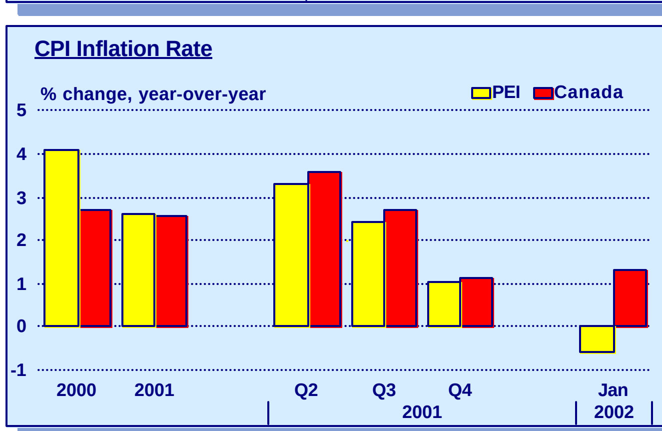
- The housing market strengthened considerably in the fourth quarter, with sharp gains in both housing starts and sales of existing homes.

- Inflation moderated for the fourth straight quarter to 1.0%, just slightly below the national average for the third consecutive quarter. The decline was attributed to decreases in costs for Transport and Shelter.









Labour Markets

Employment conditions have deteriorated in recent months

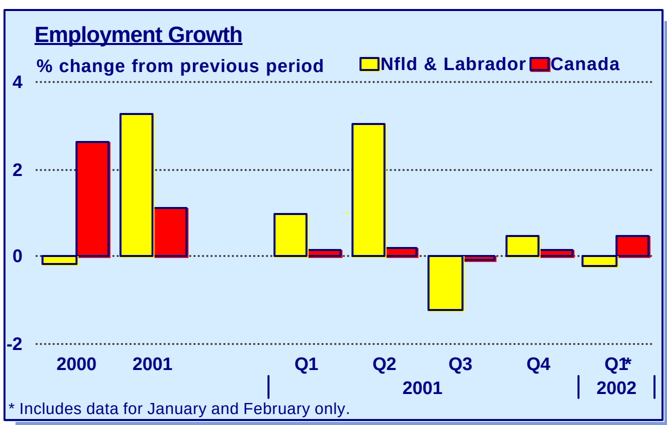
- Employment picked-up 0.5% in the fourth quarter, following a decline of 1.2% in the previous quarter. Gains were entirely in Service industries which increased 1.2%, led by large increases in education, trade and accommodation industries. However, employment fell in January and February, almost wiping out gains posted in the previous month.

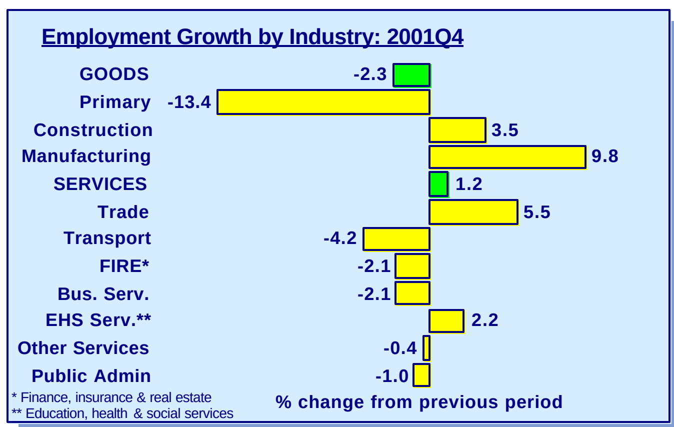
- For 2001, as a whole, the labour market strengthened noticeably. Employment advanced 3.3%, more than double the national average and leading all provinces. While both Goods and Services industries contributed to employment growth, the Service sector (notably management and administration) played a much larger role.

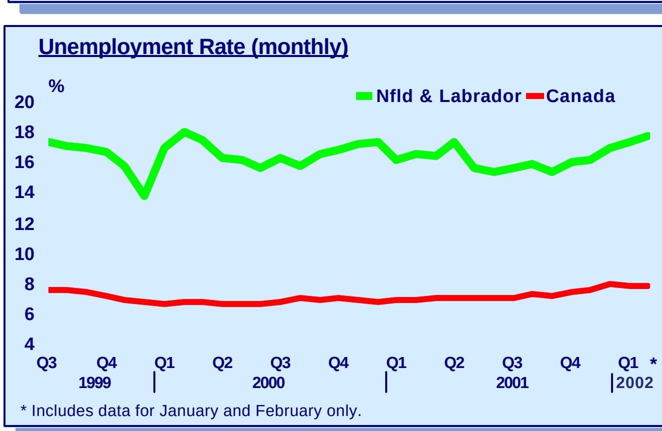
- Wages and salaries rose 9.8% (annual rate) in the fourth quarter. Still, earnings slowed to 3.4% in 2001, 4.1 percentage points lower than in 2000 and slightly below the Canadian average.

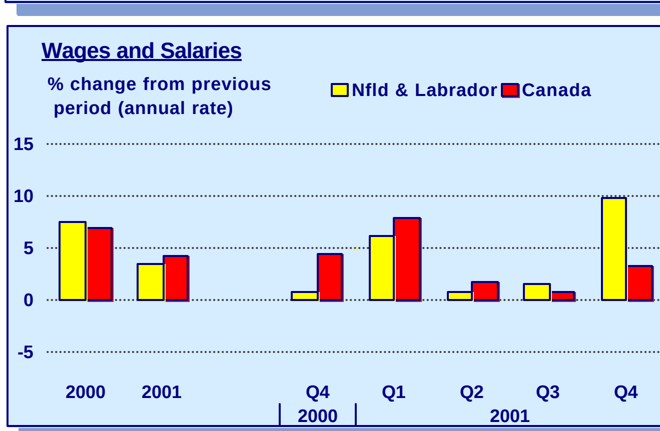
Pushing the unemployment rate up

- The unemployment rate rose 0.7 percentage points to 16.4% in the fourth quarter, reflecting a higher participation rate. In February 2002, the unemployment rate increased further to 17.8%, the highest monthly rate since February 2000. Overall in 2001, the unemployment rate was 16.1%, the lowest since 1989, but still the highest among the provinces.









Economic Activity and Prices

Industrial activity falls sharply

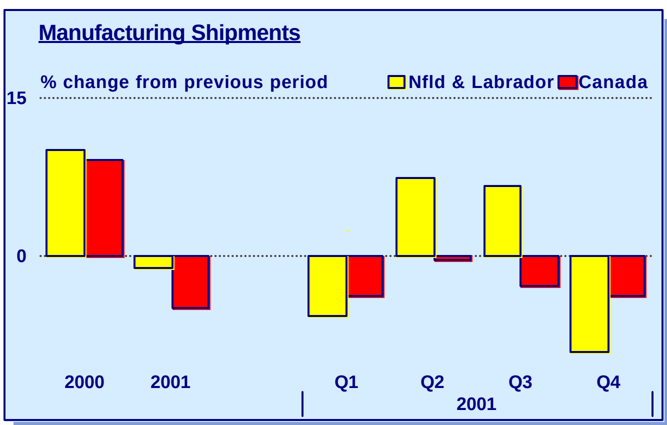
- Manufacturing shipments plunged 9.1% in the fourth quarter, following two quarters of solid growth. Declines were evident in durable and non-durable goods, notably in food, wood, fabricated metal and machinery. A number of factors, such as a slowing of international demand, the 12.6% U.S. anti-dumping duty on softwood lumber, declining commodity prices and lower than expected oil production have dragged down shipments. For 2001, as a whole, shipments fell 1.2% from the previous year.

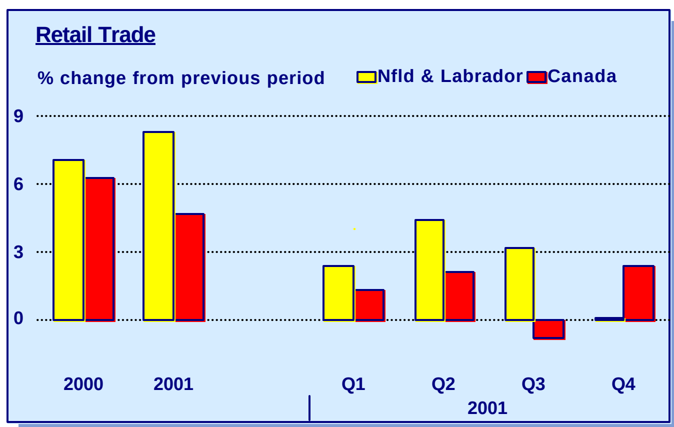
Undeterred consumer confidence fuels consumer spending in 2001

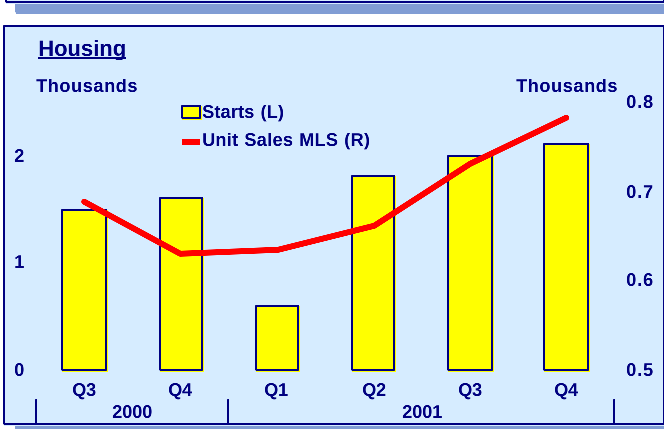
- Retail sales remained relatively unchanged in the fourth quarter, advancing by only 0.1% after solid growth in the first three quarters of 2001. Increases in clothing, drugs, furniture and general sales were largely offset by declines in food and automotive sales. The demand for housing remained strong in the fourth quarter as housing starts and sales of existing homes continued their upward trend.

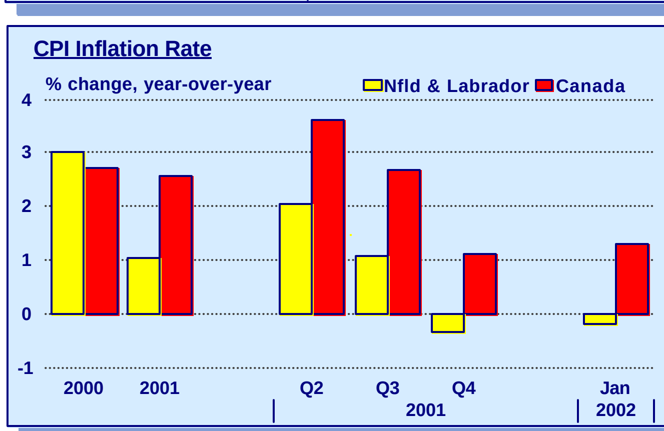
- In 2001, income tax cuts, strong employment growth and solid consumer confidence fuelled retail sales which rose 8.3% for the year as a whole. Moreover, housing starts and sales of existing homes advanced 6.6% and 8.3% respectively in 2001.

- CPI inflation moderated significantly through 2001, falling from a high of 2% in the second quarter to no growth in January.









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

Employment surges in Nunavut and consumer expenditures remain strong in all territories in 2001.

- Employment rose in the Northwest Territories during the fourth quarter of 2001 after two consecutive quarterly declines, bringing the annual growth to 1.0%. Strong gains in Health Care & Social Assistance and the Construction sector over the year more than offset weaknesses in Trade and Transportation & Warehousing.

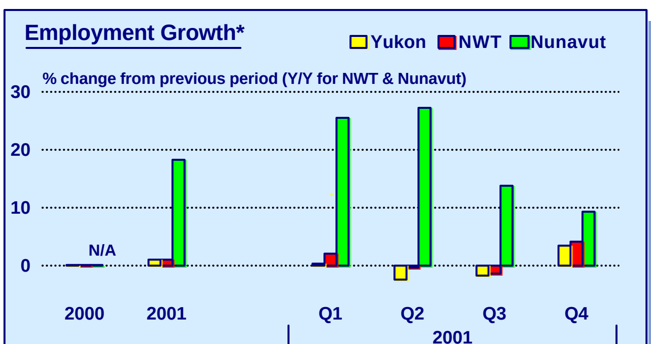
- Nunavut's employment surged 18.4% in 2001 as the Public Administration and Health Care & Social Assistance continued to expand.

- Employment in the Yukon rose 3.4% in the fourth quarter. Gains were concentrated in Services, mainly in the Public Administration and Accommodation & Food. For the year as a whole, Yukon's employment rose 1.1%, driven by those same sectors, as well as Construction.

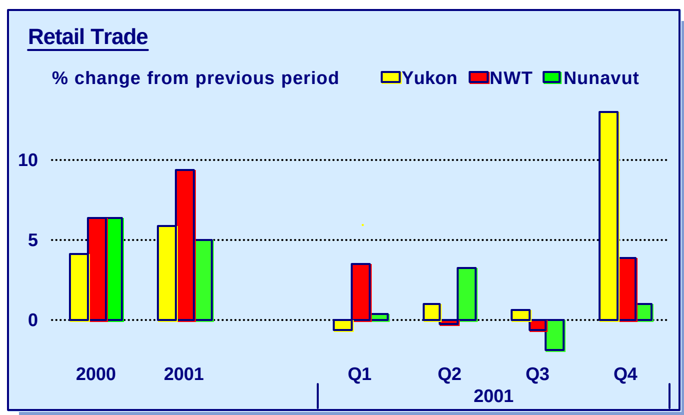
- Manufacturing shipments declined more than 30% in the Northwest Territories and the Yukon in the fourth quarter, offsetting all the gains recorded in the previous quarter. In 2001, shipments in Northwest Territories surged 44.0% while they declined 24.1% in the Yukon.

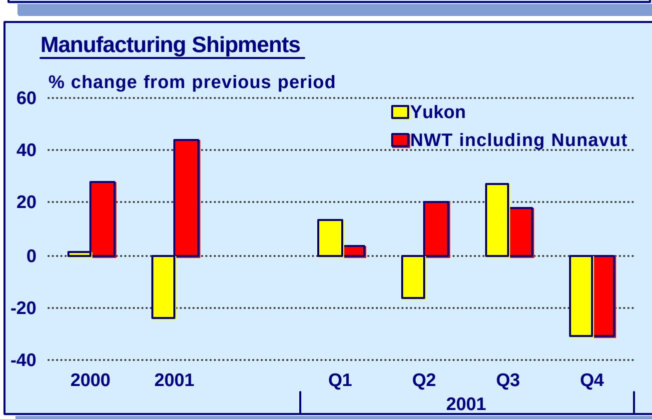
- Retail sales increased in all territories in the fourth quarter, with the Yukon (+13.0%) recording the highest growth. For the year as a whole, retail sales also rose in all territories.

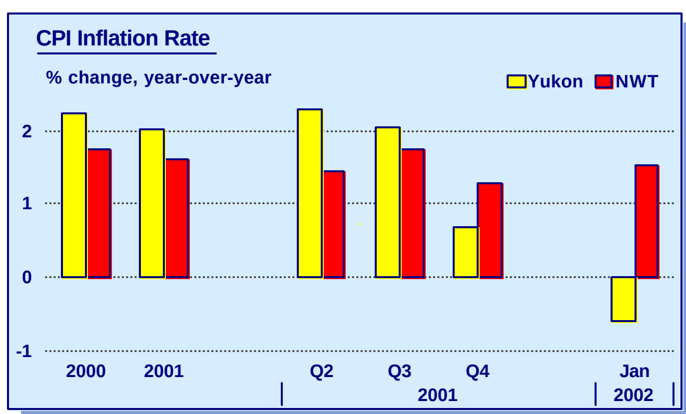
- CPI inflation rates continued to ease in the Yukon (+0.7%) and the Northwest Territories (+1.3%) in the fourth quarter and remained well below the national average in 2001.



*Source: Survey on Employment, Payrolls, and Hours
Note: Data for NWT and Nunavut are unadjusted and calculated on a year-over-year basis.







Provincial Short-Term Outlook

A Survey of Private Forecasters

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Note:

This document provides an overview of economic outlook for provincial economies. This outlook is based on a survey of a number of private forecasters, including the Bank of Montreal, BMO Nesbitt Burns Economics, CIBC, Desjardins, National Bank, Royal Bank, Scotiabank Group, DRI-WEFA, TD Bank and The Conference Board of Canada.

The report uses forecasts available as of January 25, 2002. The survey has been prepared by Stéphane Crépeau of the Micro-Economic Analysis Directorate. Please address comments to Stéphane Crépeau (613) 941-0521 or by email at crepeau.stephane@ic.gc.ca.

Overview 2001-2002

The economy is poised for a recovery this year...

Growth decelerated in all provinces in 2001. Saskatchewan and New Brunswick are the only provinces expected to register growth below 1% while Alberta and Newfoundland & Labrador should lead in terms of real GDP growth.

Weak U.S. demand for Canadian goods, especially for manufacturing products, should continue to dampen exports at the beginning of 2002. However, an expected recovery of the U.S. economy, as well as low interest rates and significant tax cuts in both Canada and the U.S. should help the GDP growth to bounce back substantially in the second half of the year.

Newfoundland & Labrador and Alberta are expected to record the highest real GDP growth in 2002 while New Brunswick, Quebec and Ontario should rank last, these provinces being severely hit by the reduced U.S. demand, particularly in the manufacturing sector.

...but slight increases are expected in jobless rates

All provinces except Saskatchewan and British Columbia are expected to record employment growth in 2002, although at a generally slower pace than in 2001.

When compared to 2001, annual unemployment rates are expected to be higher in all provinces in 2002. Ontario should record the largest jobless rate increase, up 0.9 percentage points. It should rise by only 0.1 percentage point in Newfoundland & Labrador.

However, when compared to December 2001 levels, unemployment rates would stabilize or even decrease in most provinces in 2002 as better economic conditions in the second half of the year should improve job prospects in most provinces.

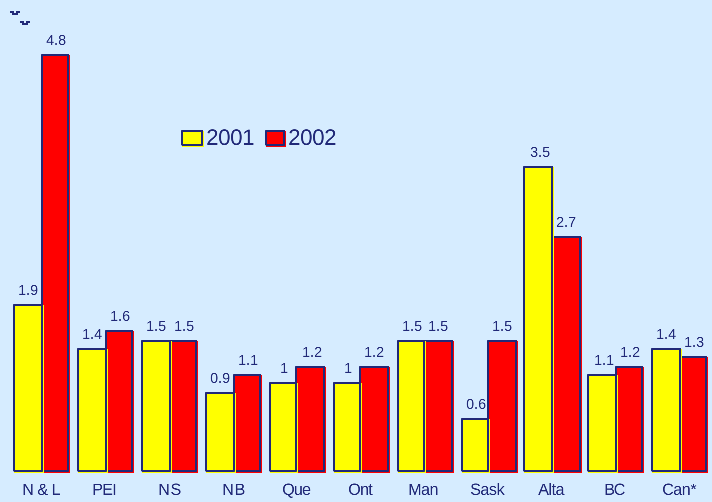
Changes from July's forecast

Since last July, real GDP growth for 2001 has been revised downward in all provinces, reflecting weaker economic conditions and prospects in Canada and the U.S., which were aggravated by the terrorist attacks of September 11.

However, recent economic developments have turned out to be better than expected, leading to upward revisions to growth for this year. Still, the overall story remains unchanged, a pick up of the economy being expected in the latter part of this year.

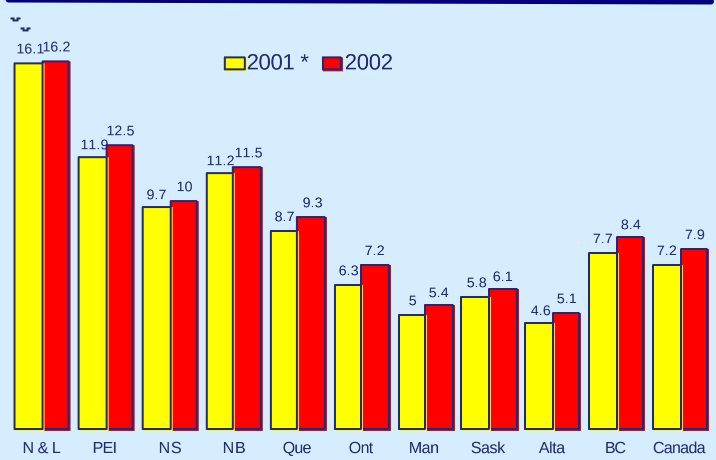
Bad weather conditions affecting the Agriculture sector hampered Saskatchewan's outlook, while lower U.S. demand for manufacturing goods (especially electronic & telecommunication equipment and automotive products) mainly affected Central Canada.

Provincial Real Gross Domestic Product Growth



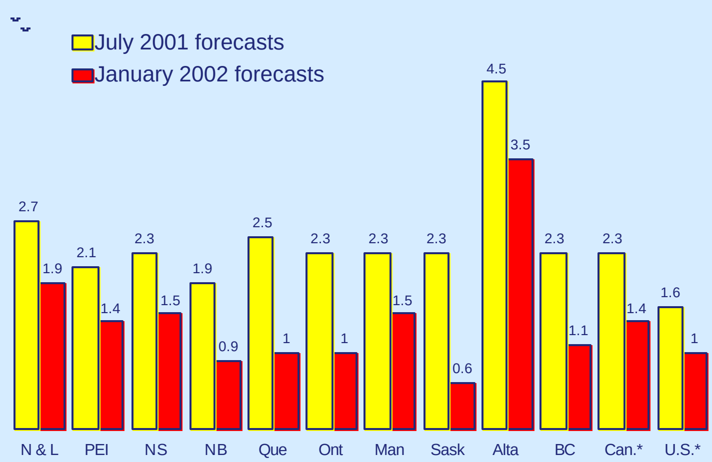
* Source: Consensus Forecasts, A Digest of International Economic Forecasts

Provincial Unemployment Rate



*** Actual Data (Source: Statistics Canada)**

Real GDP Growth expected for 2001



*** Source: Consensus Forecasts, A Digest of International Economic Forecasts**

Atlantic Canada

Newfoundland & Labrador’s economic expansion fuelled by oil production

Newfoundland & Labrador's growth should remain above national average in 2001 and 2002. Unforeseen delays in start-up of Terra Nova’s production should limit growth to 1.9% in 2001. However, growth is expected to get a boost from the energy sector in 2002 as Terra Nova produces for the first full year and Hibernia generates more output. Solid economic growth should continue to sustain the labour market, but at a slower pace than in 2001.

Improvement in exports is key to Prince Edward Island's recovery

PEI’s real GDP growth is estimated at 1.4% in 2001. The ban imposed on potato exports to the U.S. in 2001, lifted in August, had a considerable negative impact on total exports. The uncertainty in the tourism industry related to the September 11 events remains, but general improvement in economic conditions and exports are expected to contribute to a better performance growth in 2002. Modest growth in employment in 2002 should not be sufficient to support increase in the labour force. As a result, the jobless rate should rise to 12.5% in 2002.

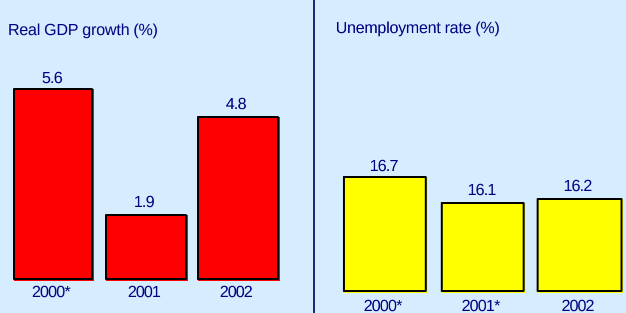
The energy sector should maintain Nova Scotia’s growth

The economic slowdown in North America, combined with the completion of the Sable Island Project, should limit Nova Scotia’s growth to 1.5% in 2001. Most sectors of the province's economy should continue to face difficult conditions in the first half of 2002, but increases in natural gas exports and an improved outlook for manufacturing products should sustain the GDP growth at 1.5%. Employment is expected to grow modestly in 2002, but average jobless rate is expected to rise to 10%.

Real GDP growth expected to remain weak in New Brunswick

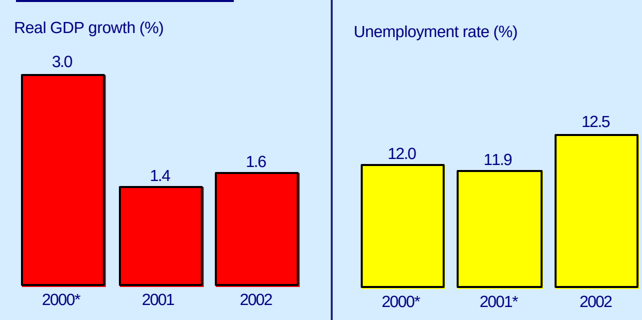
With an estimated growth of 0.9%, New Brunswick would post the weakest economic performance among the Atlantic provinces in 2001. The completion of major public and private sector construction projects, softer non-energy exports, and a generally weaker U.S. demand contributed to the slowdown. Real GDP should grow by 1.1% in 2002 and the unemployment rate is expected to increase slightly to 11.5%.

Newfoundland & Labrador



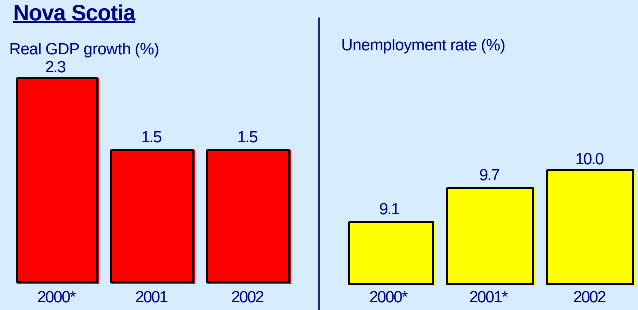
* actual data

Prince Edward Island



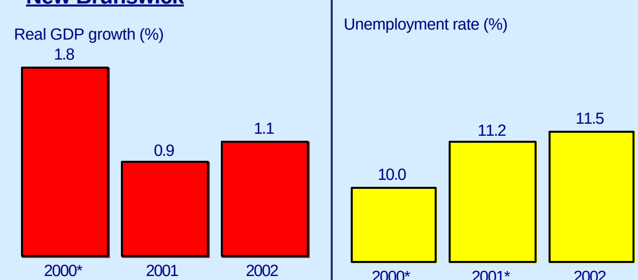
* actual data

Nova Scotia



* actual data

New Brunswick



* actual data

Central Canada

A weak manufacturing sector impairs growth in Quebec...

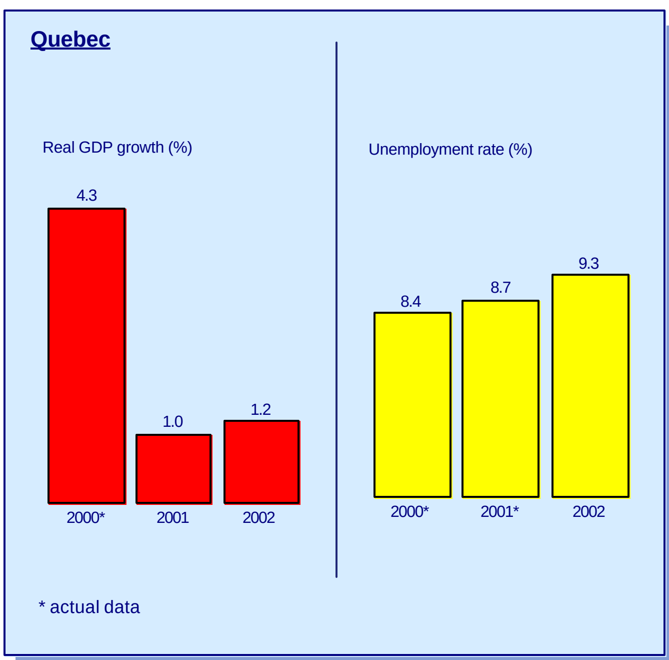
Quebec's economy is estimated to grow at 1.0% in 2001 mainly because of a significant deterioration in merchandise exports to the U.S. (largely exports of textile, clothing, forest products and electronic & telecommunication equipment) and the general economic slowdown in North America. With better economic prospects in the U.S. in the second half of 2002, Quebec's real GDP growth is expected to increase slightly to 1.2% for 2002 as a whole as the manufacturing sector and exports recover, although the closing of the Sainte-Thérèse car plant in September 2002 should reduce exports recovery.

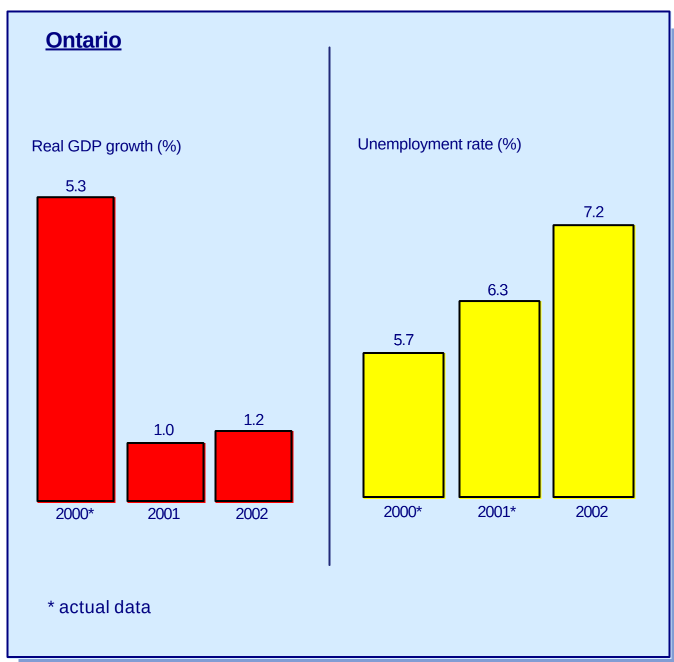
The jobless rate is expected to rise to 9.3% on average in 2002 from 8.7% in 2001 as the labour force should grow faster than employment. However, this average rate expected for 2002 is still lower than the 9.7% recorded last December. Consistent with the economic recovery, Quebec's employment growth should be anemic in the first part of 2002 but should rebound substantially later in the year.

...but the slowdown will be more pronounced in Ontario

In Ontario, real GDP growth is estimated to have declined from 5.3% in 2000 to 1.0% in 2001, the sharpest drop among provinces. The U.S. slowdown, accelerated by the September 11 events, has directly hit the province's merchandise exports, especially in the automotive and telecommunication sectors. Ontario's recovery is expected to be slow in 2002 but expansionary fiscal and monetary policies in both, U.S. and Canada are in place to stimulate the economy with tangible results expected later this year.

Weak employment prospects in the manufacturing sector will slow overall employment growth to an extent that should push the unemployment rate from 6.3% in 2001 to 7.2% in 2002. Still, it is only 0.3 percentage points higher than the December 2001 level.





Western Canada

Manitoba's unemployment rate stays well below the national average

In Manitoba, real GDP growth is estimated at 1.5% in 2001, as the impact of the weakening North American economy is felt primarily in manufacturing. However, this sector did better in this province than in most provinces as declining shipments of electrical and non-electrical machinery were offset by higher shipments of transportation equipment and food products. The economic growth should remain unchanged in 2002 at 1.5%. At 5.4%, the unemployment rate is expected to be well below the national average and one of the lowest among provinces.

Back to normal weather conditions should help Saskatchewan to rebound in 2002

Saskatchewan should record the lowest economic growth among provinces in 2001 at 0.6%. This slowdown largely reflects the severe impact of the drought in the Agriculture sector. The province's output should gradually improve this year as crude oil production remains strong and crop products return to normal levels. The jobless rate is expected to edge up 0.3 percentage points, averaging 6.1% in 2002.

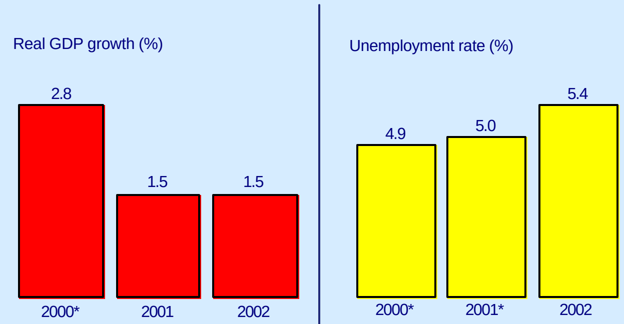
Alberta to record relatively strong performance in 2001 and 2002

In Alberta, economic growth is estimated to have reached 3.5% in 2001, the strongest growth in Canada. This is mainly due to the strength in the oil sector and a strong domestic demand. In 2002, real GDP should ease as the energy sector is adjusting to weaker demand conditions. The labour force is expected to grow faster than the employment in 2002, pushing the jobless rate to 5.1%. Still, Alberta will continue to have the lowest unemployment rate in the country.

British Columbia's economic performance should improve in 2002

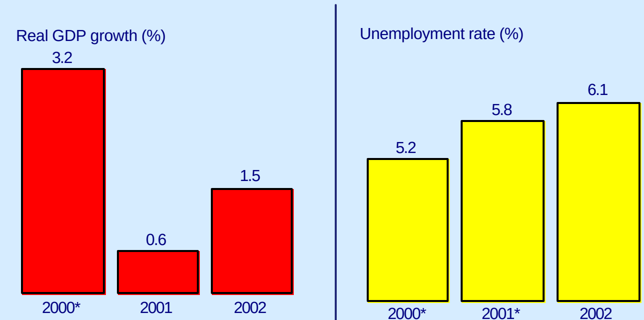
Real GDP growth should be slightly below the national average in British Columbia in 2001, resulting primarily from a weaker U.S. demand for forestry products (largely related to the softwood lumber trade dispute between Canada-U.S.). Better economic conditions later in 2002 and significant income tax cuts by the provincial government should help to keep the average growth above 1%. The unemployment rate is expected to average 8.4% for 2002 as a whole, which is lower than 9.7% reached last December.

Manitoba



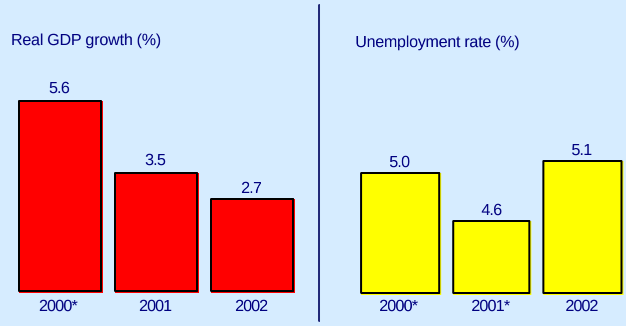
* actual data

Saskatchewan



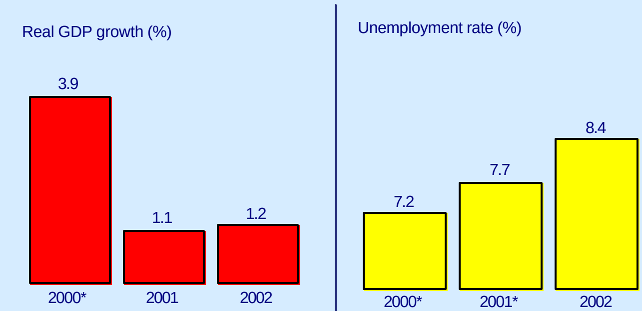
* actual data

Alberta



* actual data

British Columbia



* actual data

Key Economic Indicators

	2000 *	2001 **	2002
		(Percent)	
Newfoundland & Labrador			
Real GDP Growth	5.6	1.9	4.8
Employment Growth	-0.1	3.3	1.2
Unemployment Rate (level)	16.7	16.1	16.2
Prince Edward Island			
Real GDP Growth	3.0	1.4	1.6
Employment Growth	5.2	2.2	0.3
Unemployment Rate (level)	12.0	11.9	12.5
Nova Scotia			
Real GDP Growth	2.3	1.5	1.5
Employment Growth	2.7	0.9	0.6
Unemployment Rate (level)	9.1	9.7	10.0
New Brunswick			
Real GDP Growth	1.8	0.9	1.1
Employment Growth	1.8	0.0	0.2
Unemployment Rate (level)	10.0	11.2	11.5
Quebec			
Real GDP Growth	4.3	1.0	1.2
Employment Growth	2.4	1.1	0.1
Unemployment Rate (level)	8.4	8.7	9.3
Ontario			
Real GDP Growth	5.3	1.0	1.2
Employment Growth	3.2	1.5	0.2
Unemployment Rate (level)	5.7	6.3	7.2
Manitoba			
Real GDP Growth	2.8	1.5	1.5
Employment Growth	2.2	0.6	0.4
Unemployment Rate (level)	4.9	5.0	5.4
Saskatchewan			
Real GDP Growth	3.2	0.6	1.5
Employment Growth	1.0	-2.6	-0.2
Unemployment Rate (level)	5.2	5.8	6.1
Alberta			
Real GDP Growth	5.6	3.5	2.7
Employment Growth	2.2	2.8	1.3
Unemployment Rate (level)	5.0	4.6	5.1
British Columbia			
Real GDP Growth	3.9	1.1	1.2
Employment Growth	2.2	-0.3	-0.2
Unemployment Rate (level)	7.2	7.7	8.4
Canada			
Real GDP Growth ***	4.6	1.4	1.3
Employment Growth	2.6	1.1	0.1
Unemployment Rate (level)	6.8	7.2	7.9

* Actual Data (Source: Statistics Canada)
** Actual Data for Employment Growth and Unemployment Rate (Source: Statistics Canada)
*** Source: Consensus Forecasts, A Digest of International Economic Forecasts for 2001 and 2002

STATISTICAL APPENDIX

Key Provincial Data

	2000	2001	2001Q3	2001Q4	Jan. 2002	Feb. 2002
BRITISH COLUMBIA						
Mfg Shipments ($M)	37,757.3	34,115.2	8,383.2	8,014.3	N/A	N/A
% change (1)	6.0	-9.6	-4.5	-4.4	N/A	N/A
Retail Trade ($M)	35,820.6	37,916.6	9,503.3	9,679.8	N/A	N/A
% change	6.3	5.9	0.7	1.9	N/A	N/A
Housing Starts (000's)	14.4	17.2	16.4	17.7	20.9	17.5
Labour Force (000's)	2,099.7	2,103.5	2,099.6	2,106.8	2,128.9	2,113.9
% change	1.0	0.2	-0.3	0.3	0.4	-0.7
Employment (000's)	1,949.1	1,942.4	1,937.1	1,918.0	1,940.0	1,928.8
% change	2.2	-0.3	-1.1	-1.0	1.4	-0.6
Unemployment Rate (%)	7.2	7.7	7.7	8.9	8.9	8.8
Participation Rate (%)	64.9	64.1	63.9	63.9	64.4	63.9
CPI Inflation	1.9	1.7	1.9	0.6	0.8	N/A
ALBERTA						
Mfg Shipments ($M)	42,574.7	42,589.3	10,692.8	9,828.6	N/A	N/A
% change (1)	18.2	0.0	-0.9	-8.1	N/A	N/A
Retail Trade ($M)	31,712.2	34,639.7	8,684.2	8,883.4	N/A	N/A
% change	8.1	9.2	0.3	2.3	N/A	N/A
Housing Starts (000's)	26.3	29.2	27.9	32.2	33.1	32.5
Labour Force (000's)	1,671.4	1,710.7	1,706.8	1,724.7	1,737.7	1,732.4
% change	1.4	2.4	-0.2	1.0	0.3	-0.3
Employment (000's)	1,588.2	1,632.1	1,634.5	1,642.4	1,655.3	1,644.7
% change	2.2	2.8	0.2	0.5	0.7	-0.6
Unemployment Rate (%)	5.0	4.6	4.2	4.8	4.7	5.1
Participation Rate (%)	72.2	72.3	71.9	72.3	72.5	72.2
CPI Inflation	3.5	2.3	2.8	-0.6	3.5	N/A
SASKATCHEWAN						
Mfg Shipments ($M)	7,489.7	7,140.0	1,746.9	1,720.9	N/A	N/A
% change (1)	13.9	-4.7	-2.3	-1.5	N/A	N/A
Retail Trade ($M)	8,131.7	8,372.4	2,077.7	2,144.6	N/A	N/A
% change	5.1	3.0	-0.2	3.2	N/A	N/A
Housing Starts (000's)	2.5	2.4	2.6	3.0	2.8	2.8
Labour Force (000's)	511.7	501.5	500.6	497.1	500.3	505.3
% change	0.1	-2.0	-0.1	-0.7	0.6	1.0
Employment (000's)	485.0	472.4	472.3	467.0	470.4	476.2
% change	1.0	-2.6	0.3	-1.1	0.9	1.2
Unemployment Rate (%)	5.2	5.8	5.7	6.0	6.0	5.8
Participation Rate (%)	67.0	65.8	65.8	65.4	65.8	66.5
CPI Inflation	2.6	3.1	3.6	2.1	2.2	N/A
MANITOBA						
Mfg Shipments ($M)	11,338.7	11,454.6	2,826.4	2,792.8	N/A	N/A
% change (1)	6.4	1.0	-2.8	-1.2	N/A	N/A
Retail Trade ($M)	9,396.5	9,942.1	2,500.6	2,549.0	N/A	N/A
% change	4.1	5.8	0.9	1.9	N/A	N/A
Housing Starts (000's)	2.6	3.0	2.9	2.8	2.8	3.2
Labour Force (000's)	583.2	587.1	587.2	592.6	596.5	594.9
% change	1.5	0.7	0.5	0.9	0.6	-0.3
Employment (000's)	554.4	557.9	556.0	564.2	566.1	560.6
% change	2.2	0.6	0.3	1.5	0.1	-1.0
Unemployment Rate (%)	4.9	5.0	5.3	4.8	5.1	5.8
Participation Rate (%)	67.9	68.1	68.0	68.6	69.1	68.9
CPI Inflation	2.5	2.6	3.0	1.1	1.3	N/A

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

Key Provincial Data

	2000	2001	2001Q3	2001Q4	Jan. 2002	Feb. 2002
ONTARIO						
Mfg Shipments ($M)	286,726.1	269,393.5	66,657.0	64,719.7	N/A	N/A
% change (1)	6.2	-6.0	-3.8	-2.9	N/A	N/A
Retail Trade ($M)	106,426.4	109,658.9	27,163.9	27,873.3	N/A	N/A
% change	7.3	3.0	-1.1	2.6	N/A	N/A
Housing Starts (000's)	71.5	73.3	70.5	72.7	97.4	77.5
Labour Force (000's)	6,227.9	6,364.4	6,378.9	6,399.2	6,452.9	6,443.4
% change	2.6	2.2	0.4	0.3	0.6	-0.1
Employment (000's)	5,872.1	5,962.7	5,960.1	5,964.7	5,977.0	5,996.8
% change	3.2	1.5	-0.2	0.1	0.1	0.3
Unemployment Rate (%)	5.7	6.3	6.6	6.8	7.4	6.9
Participation Rate (%)	67.2	67.3	67.3	67.2	67.6	67.4
CPI Inflation	2.9	3.1	3.2	1.6	1.2	N/A
QUEBEC						
Mfg Shipments ($M)	127,532.3	121,254.2	30,206.0	29,120.2	N/A	N/A
% change (1)	13.4	-4.9	-1.2	-3.6	N/A	N/A
Retail Trade ($M)	63,480.9	66,310.5	16,422.2	16,790.8	N/A	N/A
% change	4.4	4.5	-2.5	2.2	N/A	N/A
Housing Starts (000's)	24.7	27.7	25.7	31.0	38.2	36.4
Labour Force (000's)	3,753.2	3,806.9	3,799.2	3,843.5	3,866.7	3,884.5
% change	1.4	1.4	0.0	1.2	0.1	0.5
Employment (000's)	3,437.7	3,474.5	3,479.1	3,493.4	3,513.0	3,522.8
% change	2.4	1.1	0.5	0.4	0.8	0.3
Unemployment Rate (%)	8.4	8.7	8.4	9.1	9.1	9.3
Participation Rate (%)	63.2	63.6	63.4	64.0	64.3	64.6
CPI Inflation	2.4	2.4	2.3	1.3	1.4	N/A
NEW BRUNSWICK						
Mfg Shipments ($M)	11,414.4	12,249.1	3,146.1	2,819.6	N/A	N/A
% change (1)	19.6	7.3	-3.7	-10.4	N/A	N/A
Retail Trade ($M)	6,904.9	7,079.5	1,735.3	1,805.3	N/A	N/A
% change	4.5	2.5	-2.1	4.0	N/A	N/A
Housing Starts (000's)	3.1	3.5	3.4	4.5	1.9	2.4
Labour Force (000's)	371.7	376.7	375.7	378.9	383.7	384.9
% change	1.6	1.3	0.2	0.8	0.9	0.3
Employment (000's)	334.4	334.4	332.7	336.8	340.2	341.6
% change	1.8	0.0	-0.2	1.2	0.9	0.4
Unemployment Rate (%)	10.0	11.2	11.4	11.1	11.3	11.2
Participation Rate (%)	61.6	62.2	62.0	62.5	63.2	63.4
CPI Inflation	3.3	1.7	1.5	0.4	1.1	N/A
NOVA SCOTIA						
Mfg Shipments ($M)	8,488.0	8,571.1	2,143.3	2,058.4	N/A	N/A
% change (1)	8.6	1.0	-2.8	-4.0	N/A	N/A
Retail Trade ($M)	8,485.0	8,749.0	2,184.0	2,232.7	N/A	N/A
% change	3.9	3.1	-0.4	2.2	N/A	N/A
Housing Starts (000's)	4.4	4.1	4.1	4.5	5.7	4.2
Labour Force (000's)	461.6	468.9	470.4	474.7	472.1	471.2
% change	2.1	1.6	0.8	0.9	-0.7	-0.2
Employment (000's)	419.5	423.3	425.0	428.8	426.2	422.8
% change	2.7	0.9	1.3	0.9	-0.3	-0.8
Unemployment Rate (%)	9.1	9.7	9.6	9.7	9.7	10.3
Participation Rate (%)	61.7	62.4	62.6	63.1	62.6	62.5
CPI Inflation	3.5	1.8	2.1	0.2	0.4	N/A

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

Key Provincial Data

	2000	2001	2001Q3	2001Q4	Jan. 2002	Feb. 2002
PRINCE EDWARD ISLAND						
Mfg Shipments ($M)	1,182.0	1,206.5	304.4	304.1	N/A	N/A
% change (1)	6.6	2.1	0.6	-0.1	N/A	N/A
Retail Trade ($M)	1,230.1	1,277.8	319.6	324.5	N/A	N/A
% change	6.4	3.9	0.1	1.5	N/A	N/A
Housing Starts (000's)	0.7	0.7	0.8	1.1	0.5	0.7
Labour Force (000's)	73.3	74.7	74.8	75.6	75.3	77.0
% change	2.4	1.9	0.5	1.2	-0.7	2.3
Employment (000's)	64.5	65.9	65.8	66.3	65.7	66.0
% change	5.2	2.2	0.4	0.7	-0.9	0.5
Unemployment Rate (%)	12.0	11.9	11.9	12.3	12.7	14.3
Participation Rate (%)	66.9	67.6	67.6	68.1	67.7	69.1
CPI Inflation	4.1	2.6	2.4	1.0	-0.6	N/A
NEWFOUNDLAND						
Mfg Shipments ($M)	2,225.1	2,198.7	590.9	537.1	N/A	N/A
% change (1)	10.1	-1.2	6.6	-9.1	N/A	N/A
Retail Trade ($M)	4,522.4	4,896.4	1,255.9	1,256.9	N/A	N/A
% change	7.1	8.3	3.1	0.1	N/A	N/A
Housing Starts (000's)	1.5	1.8	2.0	2.1	1.9	2.7
Labour Force (000's)	245.6	251.9	251.0	254.2	257.0	257.5
% change	-0.4	2.6	-1.6	1.3	-0.4	0.2
Employment (000's)	204.6	211.3	211.5	212.5	212.3	211.8
% change	-0.1	3.3	-1.2	0.5	-0.9	-0.2
Unemployment Rate (%)	16.7	16.1	15.7	16.4	17.4	17.8
Participation Rate (%)	55.8	57.3	57.2	57.9	58.5	58.6
CPI Inflation	3.0	1.1	1.1	-0.3	-0.2	N/A
CANADA						
Mfg Shipments ($M)	536,776.9	510,225.3	126,713.1	121,926.9	N/A	N/A
% change (1)	9.1	-4.9	-2.9	-3.8	N/A	N/A
Retail Trade ($M)	277,033.2	289,831.7	72,089.9	73,799.6	N/A	N/A
% change	6.2	4.6	-0.8	2.4	N/A	N/A
Housing Starts (000's)	151.7	162.7	156.3	171.6	205.1	179.8
Labour Force (000's)	15,999.2	16,246.3	16,244.3	16,347.3	16,471.1	16,465.1
% change	1.8	1.5	0.1	0.6	0.4	0.0
Employment (000's)	14,909.7	15,076.8	15,074.2	15,094.2	15,166.1	15,172.0
% change	2.6	1.1	-0.1	0.1	0.5	0.0
Unemployment Rate (%)	6.8	7.2	7.2	7.7	7.9	7.9
Participation Rate (%)	65.9	66.0	65.9	66.1	66.4	66.4
CPI Inflation	2.7	2.6	2.7	1.1	1.3	N/A

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

Provincial Economic Accounts

Real GDP at Market Prices ($1997M)

	1994	1995	1996	1997	1998	1999	2000
BC	105,513	107,760	110,784	114,601	116,502	119,821	124,464
% change	3.2	2.1	2.8	3.4	1.7	2.8	3.9
Alberta	94,506	97,321	99,676	107,170	111,983	114,104	120,466
% change	6.1	3.0	2.4	7.5	4.5	1.9	5.6
Sask	26,811	27,185	27,704	29,218	30,077	30,452	31,441
% change	4.3	1.4	1.9	5.5	2.9	1.2	3.2
Manitoba	27,631	27,785	28,609	29,810	31,089	31,937	32,842
% change	3.4	0.6	3.0	4.2	4.3	2.7	2.8
Ontario	327,438	339,498	343,114	359,953	377,397	405,234	426,625
% change	6.0	3.7	1.1	4.9	4.8	7.4	5.3
Quebec	177,434	180,693	183,143	189,523	195,976	205,468	214,027
% change	4.0	1.8	1.4	3.5	3.4	4.8	4.2
New Brunswick	16,068	16,533	16,745	16,888	17,483	18,283	18,606
% change	2.0	2.9	1.3	0.9	3.5	4.6	1.8
Nova Scotia	19,351	19,687	19,753	20,399	21,100	22,298	22,815
% change	0.4	1.7	0.3	3.3	3.4	5.7	2.3
PEI	2,586	2,728	2,817	2,808	2,964	3,078	3,170
% change	5.2	5.5	3.3	-0.3	5.6	3.8	3.0
Nfld	10,683	10,914	10,457	10,575	11,397	12,160	12,835
% change	4.8	2.2	-4.2	1.1	7.8	6.7	5.6
Yukon	930	1,081	1,182	1,109	1,069	1,071	1,079
% change	-1.2	16.2	9.3	-6.2	-3.6	0.2	0.7
NWT (2)	2,525	2,523	2,588	2,694	2,759	2,941	3,162
% change	3.4	-0.1	2.6	4.1	2.4	6.6	7.5
Canada	811,943	834,189	846,928	885,021	920,075	967,155	1,011,858
% change	4.8	2.7	1.5	4.5	4.0	5.1	4.6

Population ('000s)

	1994	1995	1996	1997	1998	1999	2000
BC	3,682	3,784	3,882	3,960	3,998	4,028	4,059
% change	3.1	2.8	2.6	2.0	1.0	0.8	0.8
Alberta	2,705	2,740	2,781	2,837	2,907	2,959	3,009
% change	1.3	1.3	1.5	2.0	2.5	1.8	1.7
Sask	1,010	1,014	1,019	1,022	1,025	1,026	1,022
% change	0.3	0.4	0.5	0.3	0.3	0.0	-0.3
Manitoba	1,124	1,130	1,134	1,137	1,138	1,143	1,146
% change	0.5	0.5	0.4	0.3	0.1	0.4	0.4
Ontario	10,827	10,964	11,101	11,248	11,385	11,517	11,685
% change	1.3	1.3	1.2	1.3	1.2	1.2	1.4
Quebec	7,207	7,241	7,274	7,303	7,324	7,349	7,378
% change	0.6	0.5	0.5	0.4	0.3	0.4	0.4
New Brunswick	751	752	753	754	753	754	755
% change	0.1	0.1	0.1	0.1	-0.1	0.1	0.1
Nova Scotia	926	928	931	935	936	939	941
% change	0.2	0.2	0.3	0.4	0.1	0.4	0.1
PEI	134	135	136	137	137	138	138
% change	1.5	0.7	0.7	0.7	0.0	0.7	0.0
Nfld	575	568	561	554	545	541	537
% change	-0.9	-1.2	-1.2	-1.2	-1.6	-0.7	-0.7
Yukon	30	31	32	32	32	31	31
% change	-3.2	3.3	3.2	0.0	0.0	-3.1	0.0
NWT (2)	65	67	68	68	68	68	68
% change	1.6	3.1	1.5	0.0	0.0	0.0	0.0
Canada	29,036	29,354	29,672	29,987	30,248	30,493	30,770
% change	1.2	1.1	1.1	1.1	0.9	0.8	0.9

(2) 1999 and 2000 data includes NWT and Nunavut.