BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **Exports of BC products rose 5.0% in July, relative to the same month last year.** This was the first time in the last six months that exports have not increased at double-digit rates. Shipments of industrial goods continued to boom and were 20.3% higher than in July 1999. Machinery and equipment (+3.4%) exports were also up, as were consumer goods (+17.5%) and energy product (+54.6%) exports. However, this was offset by a decline in the forest sector, where exports fell (-6.5%) for the first time in nearly two years. The downturn in the forest sector came as the value of wood product exports continued to slump, affected by falling prices and lower US housing starts. Higher international prices for paper, which boosted the value of paper exports, only partly offset this effect. Exports of automotive products remained weak, falling (-13.2%) for the sixth time since the beginning of the year. *Source: Statistics Canada*

- **Ontario (+3.3%) and BC (+5.0%) were the only provinces where the value of exports this July was not significantly higher than in the same month of 1999.** Ontario's relatively lacklustre performance was largely due to a 7.0% drop in automotive exports, which account for about a third of that province's total international shipments. Canadian exports increased 12.8% overall, with all other provinces posting substantial gains–five of them in the 23-48% range. *Source: Statistics Canada*

- **While high energy prices are hurting consumers and transportation companies, they've provided a boost to the economies of energy-exporting provinces.** New Brunswick (28%), Saskatchewan (34%), Newfoundland (35%) and Alberta (60%) all derived a significant share of their export earnings in July from energy sales. The very strong export growth seen in these provinces (ranging from +23.1% in Newfoundland to +47.8% in Alberta) was largely, but not completely, due to high oil and gas prices. Except in Saskatchewan, exports of products other than energy also grew at double-digit rates in July. In BC, a 54.6% increase in international shipments of energy products helped offset a downturn in the forest sector. *Source: Statistics Canada*
Seasonally adjusted export data for BC will be released next week

- **Shipments of goods manufactured in British Columbia fell (-4.4%, seasonally adjusted) in July.** The decline, the third in the last four months, reflected lower values across the board, especially in the durables sector (-9.0%) where shipments were down in all but one industry. Wood shipments dropped 9.9%. This was partly due to a labour dispute, but was also caused by falling prices and lower demand for wood products in the US. Shipments by manufacturers of transportation equipment (-27.4%) and furniture (-21.3%) decreased substantially in July.

  Producers of non-durable products fared better, with shipments rising 1.6% as both the paper (+3.0%) and food products (+2.7%) industries made gains. Beverage (+5.1%) and clothing (+2.3%) manufacturers also posted increases, but shipments by other industries in the sector were weak. *Source: Statistics Canada*

- **Canadian shipments were also down in July, dropping 1.3% (SA) as shipments fell in most parts of the country.** Manitoba (+3.1%) and New Brunswick (+1.8%) were the only provinces where they increased significantly in July. Newfoundland (-14.1%), PEI (-4.4%) and BC were most affected by the downturn. *Source: Statistics Canada*

Report **Good news in BC unemployment rates**

Did you know...
In 1996/97, 43% of Canadian women said they were regular drinkers (consuming at least one alcoholic drink per month). Nearly two-thirds (63%) of men were in this category. Fifteen percent of women, and 9% of men, were abstainers.

- **British Columbia retail sales were unchanged in July, following a relatively strong increase of 2.3% (seasonally adjusted) in the previous month.** With some interruptions, retail sales in the province have been trending up since late 1998. Despite stalling in July, they appear to be continuing their upward climb.

  Canadian sales rose for the third month in a row, increasing 1.3% in July. BC, New Brunswick (+0.1%) and Newfoundland (+0.2%) were the only provinces where retailers did not make substantial gains. *Source: Statistics Canada*

- **Wholesalers in the province saw sales improve for the first time in four months (+0.3%, seasonally adjusted) in July.** The improvement occurred despite generalized weakness in the lumber and building materials sector, where sales fell 1.4% at the national level. Canadian sales were up 0.6%, as strong gains in Alberta (+4.1%), Quebec (+2.1%) and Atlantic Canada (+1.2%) only partly offset a weak performance in Ontario (-0.6%), where wholesalers were affected by a 3.3% drop in the motor vehicles, parts and accessories sector. *Source: Statistics Canada*

- **44,280 British Columbians received regular Employment Insurance (EI) benefits in July, 18.2% less than in the same month last year.** Nationally, the number of EI recipients fell 11.8%, to 397,820. *Source: Statistics Canada*

Public Sector Employment

- **There were 352,450 public sector employees in the province in the second quarter, an increase of 1.0% relative to the same quarter last year.** The number of general government jobs at both the federal (+0.8%) and provincial (+3.7%) level was higher than a year earlier. General government includes people who are directly employed by government ministries, as well as those who work for agencies that are controlled or funded by government. BC's 3.7% increase in provincial general government employment was driven by the latter. Employment in provincial government administration fell 2.3% (to 19,640) in the second quarter of this year.

  The number of people on the payroll of universities and colleges (+1.9%), health and social service institutions (+1.1%) and school boards (+0.4%) increased in the second quarter. Employment in crown corporations (-0.7%) and local government (-0.4%) was down.

  Public sector employment rose in most parts of the country, increasing 0.7% overall. Quebec (-0.6%) and Atlantic Canada (where employment fell in all provinces except PEI) were the only regions where there were fewer public sector employees this year than there had been in the second quarter of 1999. Manitoba (+2.1%) and Alberta (+1.9%) saw the biggest expansion in the public sector workforce.

  Source: Statistics Canada, Public Institutions Division

- **There were 87 public sector employees for every 1,000 people living in BC in the second quarter, less than in any other province except Ontario, where the public sector employment rate was 84.** Alberta (89) was the only other province where the employment rate was below the national average of 93 per 1,000 population. BC's rate was unchanged from the second quarter of 1999.

  Source: Statistics Canada, Public Institutions Division & BC STATS

Mother tongue

- **Only five of the ten most common languages spoken as a mother tongue (the language first learned at home and still understood) in 1941 were still in the top ten list when the Census was taken in 1996.** Sixty years ago, the five most common foreign languages spoken by Canadians were German, Ukrainian, Yiddish, Polish and Italian. Chinese (ranked 10th) was the only non-European language in the top ten. By 1996, it was in first place, with nearly three-quarters of a million Canadians identifying it as their mother tongue. Italian (514,000), German (471,000), Spanish (229,000) and Portuguese (223,000) were the next most common. In BC, the top five mother tongues were Chinese, Punjabi, German, Dutch and Italian. *Source: 1996 Census of Canada*

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Infoline Report:

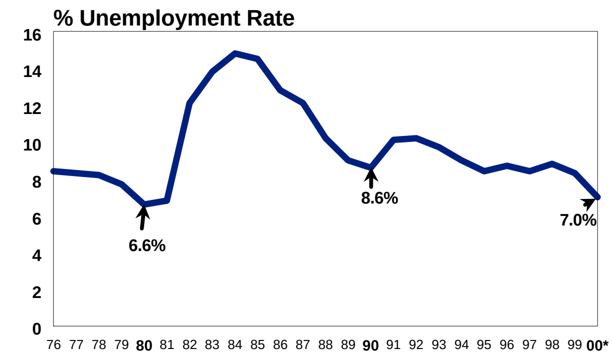
Good news in BC unemployment rates

Contact: Anne Kittredge / (250) 387-0374

Originally published in June 2000 issue, *Earnings & Employment Trends.* Annual subscription: $60 + GST

In the first 6 months of 2000, BC experienced its lowest unemployment rate (7%) in many years. The last time BC saw an annual unemployment rate below the 8 per cent level was back in 1981. Since then, there were many years when double-digit rates were the norm and for much of the remainder, the rate hovered around the 9 per cent level. It appeared as though an unemployment rate below 8 per cent was no longer attainable.

BC's Labour Market Appears to be on a 10 Year Cycle



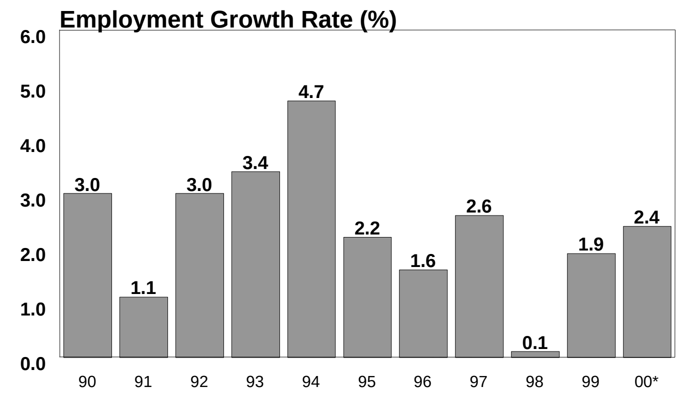
**Based on 1st six months of seasonally adjusted data.*

Then starting in September 1999, the unemployment rate began to consistently break the 8 per cent barrier and by June 2000 it was at 6.7 per cent. To most analysts, this very low rate has been unexpected and difficult to explain given the mediocre performance of many of the other economic indicators for the province.

Why are the current unemployment levels so low?

The most obvious explanation for a low unemployment rate would be a vibrant job market with strong employment growth.

From an historical perspective, recent employment Growth rates in BC have not been dramatic enough to explain thecurrent low unemployment rate.



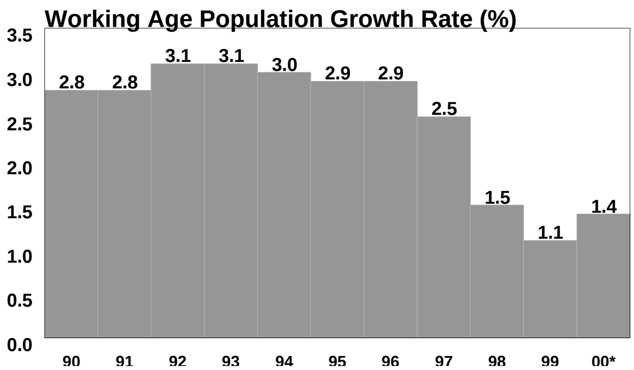
**Based on 1st six months of seasonally adjusted data.*

The employment growth rate in the last couple of years in BC has been running in the 2 per cent range. In contrast, employment grew at twice that level (4%) in 1993/94 and yet at that time the unemployment rate remained at close to 9 per cent. It is difficult to reconcile why, when recent employment growth has only been moderate, the unemployment rate has been falling so significantly.

Another possible factor that could explain our declining unemployment would be an increase in the number of the "hidden unemployed". The hidden unemployed are those who want work but become "discouraged" about their chances of finding a job so give up looking for work and drop off the unemployment rolls. However, there is no statistical evidence that this is going on as the number of "discouraged workers" in BC are at very low levels and have been declining for the last three years.

Another factor which would affect the unemployment rate is population growth. If new jobs being created are outnumbered by people moving into the area who want work, the unemployment rate will rise. The next chart shows that low population growth could be a contributing factor to our low unemployment levels today.

In the early 90's, most of the high growth rates in employment were offset by large influxes of migrants from the rest of Canada and other countries.



In the three year time period between 1992 and 1994 when employment growth rates were so high, the working age population growth rates were correspondingly running at very high levels, averaging 3.7 per cent per year. This is in contrast to the last 3 years when it has been averaging 1.3 per cent, about one-third the growth rate.

This incredible difference in population growth now compared to the earlier part of the 90's can be explained by the differential economic circumstances between BC and the rest of Canada. When BC was growing so rapidly in 1992-94, other provinces had relatively weaker employment prospects. As a result, Canadians were flocking to BC, never giving the unemployment rate the chance to decline. Now our employment growth pales compared to our two main migrant source/destination provinces, Ontario and Alberta, explaining why our population growth is so low despite respectable job growth.

The bottom line is that our unemployment rates are low, not because our economy is particularly strong but more because of better job prospects in other parts of the country than at home. This has had the effect of keeping our population, and hence our labour force growth at lower levels than our job growth, allowing the unemployment rate to fall.

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fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Apr 1/00	% change on one year ago
BC	4,052.4	0.9
Canada	30,666.9	0.9
GDP and INCOME		
(BC - at market prices)	1998	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	110,948	-0.2
GDP *($ 1992 millions)*	99,708	0.2
GDP *($ 1992 per Capita)*	24,908	-0.8
Personal Disposable Income *($ 1992 per Capita)*	15,969	-1.6
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jul	3,107	-0.3
Merchandise Exports (raw) Jul	2,662	5.0
Retail Sales (seasonally adjusted) Jul	2,968	5.3
CONSUMER PRICE INDEX		
(all items - 1992=100)	Aug '00	% change on one year ago
BC	114.1	2.1
Canada	113.9	2.5
LABOUR FORCE (thousands)		
(seasonally adjusted)	Aug '00	% change on one year ago
Labour Force - BC	2,110	0.9
Employed - BC	1,944	2.0
Unemployed - BC	166	-10.3
		Aug '99
Unemployment Rate - BC *(percent)*	7.9	8.9
Unemployment Rate - Canada *(percent)*	7.1	7.7
INTEREST RATES (percent)	Sept 20/00	Sept 22/99
Prime Business Rate	7.50	6.25
Conventional Mortgages - 1 year	7.90	7.05
- 5 year	8.25	7.80
US/CANADA EXCHANGE RATE	Sept 20/00	Sept 22/99
(avg. noon spot rate) Cdn $	1.4830	1.4682
US $ *(reciprocal of the closing rate)*	0.6740	0.6801
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Aug '00	% change on one year ago
BC	642.75	2.0
Canada	619.49	3.0

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

Released this week by BC STATS

- Earnings and Employment Trends, August 2000

Next week

- Business Indicators, September 2000
- Current Statistics, September 2000
- Migration Highlights, Second Quarter 2000
- Immigration Highlights, Second Quarter 2000

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