BRITISH COLUMBIA

BC STATS Infoline

Issue: **00-42** **7** Pages
October 20, 2000

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highlights

a weekly digest of recently released British Columbia statistics

Prices

- **British Columbia's year-over-year inflation rate was virtually unchanged at 1.9% in September as higher energy prices continued to put upward pressure on the cost of goods and services purchased by consumers.** Overall, energy prices were 18.7% higher than in September 1999. Excluding energy costs, BC's inflation rate would have been just 0.6% in September.

  BC residents fared better than most other Canadians did. Canada's all-items consumer price index (CPI) was up 2.7% in September, with inflation rates in the rest of the country ranging from 2.4% in Manitoba to 4.3% in PEI. NWT (+1.5%) was the only region where the year-over-year increase in the CPI was lower than in BC.

  Lower food (-0.8%) prices, together with a relatively weak housing market, have provided some relief to consumers in this province. This has not been the case in the rest of Canada. While food prices in BC have been falling, at the national level they have risen by two percent or more during the last three months. Similarly, the Canadian shelter cost index has been climbing in response to rising house prices and mortgage costs. Nationally, the cost of owned accommodation was 2.6% higher last month than in September 1999. In BC, the increase was only 0.2%. Price increases for health and personal care (+1.5%), household operations (+1.6%) recreation, education and reading materials (+1.6%) and alcoholic beverages and tobacco (+1.6%) were all below two percent. The cost of private and public transportation in BC increased 4.7%, partly as a result of high gasoline prices (+22.1%). *Source: Statistics Canada*

- **Victoria's year-over-year inflation rate was the lowest in the country, at 1.7% in September.** In Vancouver, the all-items CPI was up 2.4%. Inflation rates in other metropolitan areas ranged from 2.2% in Quebec City to 4.1% in Calgary. *Source: Statistics Canada*

The Economy

- **BC manufacturers' shipments fell again in August, dropping to 0.6% (seasonally adjusted) below July's level.** The drop in shipments was the result of declines in all three of BC's biggest manufacturing industries. Shipments by wood producers were down 5.4%. Paper (-0.9%) and food product (-2.2%) shipments did not fall as much. Overall, BC's durable goods manufacturers saw their shipments drop 0.6%, largely due to the decline in the dominant wood industry. In addition, shipments by producers of primary metal products fell 5.3%. Most other producers of durable goods saw their shipments increase in August. The machinery and equipment (+10.4%) and transportation equipment (+22.0%) industries had a particularly good month.

  On the non-durables side, the decline was also mainly restricted to the two largest industries. Shipments by most other industries in the sector were up in August. The exceptions were the plastic (-1.6%) and clothing (-1.8%) industries. *Source: Statistics Canada*

- **Canadian shipments increased 2.0% (seasonally adjusted) between July and August, as the value of goods shipped by manufacturers rose in six provinces.** Nova Scotia (+9.5%) and PEI (+7.1%) posted the strongest increases, while Newfoundland (-13.6%) recorded the biggest drop. *Source: Statistics Canada*

- **Exports of goods produced in British Columbia were 11.2% higher this August than in**

Report **BC employment by industry: a ten year perspective**

Did you know...
Last year, the average Canadian consumed 191 kg of vegetables and just over 124 kg of fruit. That's nearly 700 pounds of fruit and veggies per person. Bananas, apples and oranges are the most popular fruits, while the lowly spud remained the vegetable of choice, with 77 kg consumed per person.

the same month of 1999. The year-over-year increase in the value of exports occurred even though international shipments of forest products were down (-8.5%) for the second month in a row. Exports of automotive products also remained well below 1999 levels (-36.2%), continuing a trend that has persisted since the beginning of the year.

The drop in the value of forest product exports was more than compensated for by increases in exports of most other products. Energy product exports were up 114.9%, while most other commodity exports increased at double-digit rates. Exports of machinery and equipment (+17.6%), consumer (+15.9%) and industrial (+13.8%) goods were all well above 1999 levels. International shipments of agriculture and fish (+6.7%) products rose more moderately.

Canada's energy-producing provinces continued to benefit from higher oil and gas prices. Exports from Alberta were up a substantial 43.2%, almost four times the Canadian average increase (+12.7%). Despite this, Alberta posted its slowest export growth since the beginning of the year in August. Higher energy prices also contributed to growth in the value of exports from Saskatchewan (+41.8%) and Newfoundland (+31.7%). In PEI, agriculture and fish products were responsible for much of the 23.2% increase in the value of exports, while Quebec's 28.3% gain was largely due to machinery and equipment shipments. In the rest of Canada, exports grew at rates ranging from 2.8% in Ontario to 4.4% in Nova Scotia. *Source: Statistics Canada*

Seasonally adjusted export data for BC will be released next week

- **August wholesale sales in BC were unchanged from July, despite an overall drop in Canadian sales (-0.8%, seasonally adjusted).** This is the second consecutive month that wholesale sales for the province have remained unaltered, halting three months of declines. Among the provinces, the strongest gains in sales were made in Manitoba (+4.9%) due in part to an increase in sales of farm machinery, equipment and supplies. Sales declined in all major regions of Canada in August, with the largest falls being seen in Nunavut (-6.3%) and Alberta (-5.4%). *Source: Statistics Canada*

Health Care Expenditures

- **The British Columbia government spent $7.8 billion on health care services in 1998/99.** Of this total, $3.1 billion was allocated to hospitals. Health care expenditures are forecast to increase to $8.8 billion in the 2000/01 fiscal year.

  On a per capita basis, health care spending by the provincial government reached $1,950 in 1998/99, above the Canadian average ($1,819) and more than in most other regions. Only NWT ($4,238), Yukon ($2,430) and Newfoundland ($1,981) had higher health care expenditures. Governments in Ontario and BC spent the most per capita for prescription drugs in 1998/99. Ontario's drug expenditures were $137 per person, while BC's government spent $115. The two provinces also spent more than other regions on physicians' services. Spending in Ontario reached $443 per capita; in British Columbia, it was $425. Nationally, per capita provincial government expenditures on drugs were $116, while physician's services cost an average of $382 per person. *Source: Canadian Institute for Health Information*

Homicides

- **Canada's homicide rate fell to its lowest point in more than three decades last year.** A total of 536 people were murdered in 1999, 22 fewer than in 1998. As a result, the homicide rate dropped to 1.76 per 100,000 population. This was the lowest it has been since 1967. About 90% of the people accused of murder were male, as were two-thirds of their victims. In British Columbia, the number of murders increased, rising from 90 in 1998 to 110 last year. As a result, the province's homicide rate jumped to 2.73 per 100,000 population, giving BC the highest rate among the provinces. Newfoundland (0.37) had the lowest rate in the country. *Source: SC, Juristat, Catalogue 85-002, Vol 20 No 9*

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Infoline Report: BC employment by industry: a ten year perspective

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Originally published in the August 2000 issue, *Labour Force Statistics.* Annual subscription: $60 + GST

Employment by Industry . . . Figure 1 provides a table of industry employment changes between 1989 and 1999 by the main **North American Industrial Classification System (NAICS)** sectors.

Of the two major industrial aggregates, the Services-Producing Sector is the largest. Services represented 79 per cent of total employment in 1999, up from 74 per cent in 1989. Services employment expanded by 35 per cent compared to 2 per cent for Goods between 1989 and 1999.

Within the Goods-Producing Sector, employment decreased in *Agriculture* and in *Forestry, Fishing, Mining, Oil and Gas* between 1989 and 1999. Although there was some growth in both *Construction* and *Manufacturing*, these industries grew at a much slower pace than all sectors within Services.

All industries in the Services Sector grew between 1989 and 1999. *Professional, Scientific and Technical Services* grew by 63 per cent, led by growth in the computer systems design, and scientific & technical services components. The smaller *Management, Administrative and Other Support* industry saw the fastest growth (79 per cent). This industry includes establishments engaged in managing companies and those supportive of day-to-day operations of other organizations.

B.C.'s strong population growth through most of the 1990s contributed to the employment growth in *Health Care* (41 per cent) and *Education* (48 per cent). Employment in *Retail and Wholesale Trade* did not grow as fast as the all-industry average but with the net addition of almost 58,000 workers, it continues to be the largest industry in B.C. Of all the sectors within Services, only *Public Administration* saw employment growth well below the all-industry average, and by 1999 this industry represented less than 5 per cent of all employment in B.C.

Figure 1: B.C. Employment by Industry - Changes from 1989 to 1999

	Employment Level 1999 ('000's)	*Net Change '89-'99 ('000's)*	*% Change '89-'99*	*Distribution 1989*	*Distribution 1999*
All Industries	**1,906.4**	**397.5**	**26.3%**	**100.0%**	**100.0%**
Goods-Producing Sector	**396.5**	**9.2**	**2.4%**	**25.7%**	**20.8%**
Agriculture	28.6	-4.4	-13.3%	2.2%	1.5%
Forestry, Fishing, Mining, Oil and Gas	49.0	-5.5	-10.1%	3.6%	2.6%
Utilities	11.5	0.2	1.8%	0.7%	0.6%
Construction	115.3	4.8	4.3%	7.3%	6.0%
Manufacturing	192.1	14.1	7.9%	11.8%	10.1%
Services-Producing Sector	**1,509.8**	**388.2**	**34.6%**	**74.3%**	**79.2%**
Retail and Wholesale Trade	308.5	57.6	23.0%	16.6%	16.2%
Transportation and Warehousing	117.9	27.0	29.7%	6.0%	6.2%
Finance, Insurance, Real Estate & Leasing	119.9	23.4	24.2%	6.4%	6.3%
Professional, Scientific and Technical Services	136.7	52.7	62.7%	5.6%	7.2%
Management, Administrative and Other Support	64.1	28.3	79.1%	2.4%	3.4%
Educational Services	127.5	41.1	47.6%	5.7%	6.7%
Health Care and Social Assistance	195.3	56.6	40.8%	9.2%	10.2%
Information, Culture and Recreation	91.6	23.2	33.9%	4.5%	4.8%
Accommodation and Food Services	152.7	41.5	37.3%	7.4%	8.0%
Other Services	105.2	28.9	37.9%	5.1%	5.5%
Public Administration	90.4	7.8	9.4%	5.5%	4.7%

Employment by region . . . Figure 2 shows employment changes for the combined census metropolitan areas of Victoria and Vancouver, and compares this to the rest of B.C. from 1989 to 1999. The third column notes the non-metro share of total B.C. employment by industry. Employment grew slightly faster in non-metro B.C. (up 29 per cent) than metro B.C. (25 per cent). Goods sector employment growth was flat in both metro and non-metro areas. All provincial construction employment growth was seen outside the two large metro areas.

Employment by gender . . . Employment for women has continued to rise in B.C. over the past ten years though at a slower pace than took place in the 1970s and 1980s. Women accounted for 47 per cent of all employment in B.C. in 1999, up from 43 per cent in 1989.

While employment growth in the Goods sector was small, all of it was by women, primarily in *manufacturing* and *construction*. Despite this, women continue to be under-represented in the Goods sector, accounting for only 20 per cent of the workers compared to 18 per cent ten years ago.

Over half of all employment in Services is held by women, and the rate of growth in this sector has been faster for women than for men. Men saw the fastest growth in the *Professional, Scientific and Technical Services* (which contains the fast growing computer system design services component). Women saw the fastest employment growth in *Health Care and Social Assistance*. Men saw a decrease in *Public Administration* employment, the only sector in Services where their employment fell.

Figure 2: B.C. Industry Employment Changes by Metro and Non-Metro Regions and by Gender, 1989 to 1999

	% Change Metro	*% Change Non-Metro*	*Non-Metro Share of Total Employment 1999*	*% Change Men*	*% Change Women*	*Women's Share of Total Employment 1999*
Total	**25%**	**29%**	**39%**	**19%**	**36%**	**47%**
Goods-Producing Sector	**4%**	**1%**	**52%**	**0%**	**15%**	**20%**
Agriculture	26%	-21%	76%	-14%	-12%	43%
Forestry, Fishing, Mining, Oil and Gas	-52%	2%	88%	-10%	-10%	11%
Utilities	33%	-22%	43%	-19%	87%	37%
Construction	-4%	17%	44%	1%	38%	12%
Manufacturing	15%	1%	45%	5%	20%	23%
Services-Producing Sector	**30%**	**44%**	**36%**	**30%**	**39%**	**53%**
Trade	15%	38%	38%	20%	26%	48%
Transportation and Warehousing	32%	25%	34%	32%	21%	21%
Finance, Insurance, Real Estate and Leasing	17%	47%	28%	33%	19%	60%
Professional, Scientific and Technical Services	52%	109%	24%	97%	33%	44%
Management, Administrative and Other Support	72%	93%	37%	67%	94%	47%
Educational Services	45%	52%	39%	18%	72%	64%
Health Care and Social Assistance	38%	45%	38%	32%	43%	81%
Information, Culture and Recreation	37%	26%	28%	31%	38%	48%
Accommodation and Food Services	30%	48%	42%	37%	37%	57%
Other Services	38%	38%	42%	18%	59%	56%
Public Administration	4%	21%	38%	-3%	29%	47%

Employment by industry subsectors . . . Figure 3 notes selected subsectors which saw some of the fastest employment growth over the last ten years. Many of these subsectors are within some of the fastest growing aggregate sectors noted in Figure 1, and most are extremely high in terms of skilled professional and technical employment requiring post-secondary education. Overall, the selected 15 subsectors in Table 6 accounted for one-third of the total net gains in employment in B.C. in the last ten years, despite making up only 15 per cent of overall employment by 1999. Employment in these sectors more than doubled, compared to growth of under 20 per cent in all other sectors between 1989 and 1999. These data provide some strong evidence that emergence of the "new economy" has been occurring. Since these 15 subsectors are nearly all in services, their phenomenal growth is not reflected in established economic indicators which most often focus on goods.

Figure 3: B.C. Employment Change in Selected Subsectors, 1989-1999

Selected Subsector	*Employment Level 1999*	*% Change 1989-1999*	*Net Change 1989-1999*
Computer System Design Services	27,700	280%	20,400
Management, Scientific and Technical Services	22,700	137%	13,100
Electronics, Computer and Appliance Stores	11,000	72%	4,600
Computer and Electronic Product Manufacturing	7,800	48%	2,500
Architectural, Engineering and Design Services	30,800	23%	5,800
Travelling Services	8,100	179%	5,200
Scenic & Sightseeing Transp. & Support Activities	18,500	73%	7,800
Air Transportation	19,900	58%	7,300
Motion Picture and Sound Recording Industries	10,800	184%	7,000
Performing Arts, Spectator Sports & Related	19,500	108%	10,100
Building Services	30,600	91%	14,600
Business Support & Manag. of Enterprises Serv.	10,300	51%	3,500
Securities & Invest. Advice and Portfolio Manag.	15,500	121%	8,500
Accounting and Tax Services	21,600	55%	7,700
Other Schools and Educational Support	17,700	190%	11,600
Above subsectors as proportion of all employment	**14%**		**33%**

The subsectors in Figure 3 reflect some key structural economic and societal trends seen in the last decade. The 15 subsectors have been grouped into 5 related segments and these reflect the explosion in knowledge-based professional information technology (IT) and high-tech services, expansion of travel, tourism and air transportation, increases in the North American entertainment and leisure market with motion picture, performing arts and recreation employment gains in B.C., business services expansion, and the ongoing expansion in commercial training institutions and professional development services.

- The computer system design, management, science & technology, and architectural, engineering & design subsectors, reflect the rise in knowledge-intensive services and information technology.
- The travel, sightseeing and air transportation employment growth is directly reflecting the importance of tourism as a source of exports and has been driven in large part by U.S.

and other international visitors to B.C. in the past two years.

- The motion picture and performing arts and spectator sports subsectors reflect employment gains due to growth and expansion in leisure and entertainment by consumers. In the case of the motion picture sector, much of the work involves export services for the province with US productions shot in B.C.
- Business services and support services (the latter which include desktop publishing, telephone call centres, and office support services) are areas which have grown quickly both in providing financial expertise and in serving larger organizations which have tended to focus on their core businesses and contract out ancillary operations.

Other schools and educational support (includes commercial computer and business and professional development training and educational counselling) has grown over three times as fast as overall *Education Services*.

Infoline

October 20, 2000

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BC at a glance . . .

POPULATION (thousands)	Jul 1/00	% change on one year ago
BC	4,063.8	0.9
Canada	30,750.1	0.8
GDP and INCOME		% change on
(BC - at market prices)	1998	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.) Aug	3,077	-1.6
Merchandise Exports (raw) Aug	2,776	11.2
Retail Sales (seasonally adjusted) Jul	2,967	5.3
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Sep '00	one year ago
BC	114.3	1.9
Canada	114.4	2.7
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Sep '00	one year ago
Labour Force - BC	2,118	1.6
Employed - BC	1,955	1.8
Unemployed - BC	164	-1.2
		Sep '99
Unemployment Rate - BC *(percent)*	7.7	7.9
Unemployment Rate - Canada *(percent)*	6.8	7.4
INTEREST RATES (percent)	Oct 18/00	Oct 20/99
Prime Business Rate	7.50	6.25
Conventional Mortgages - 1 year	7.90	7.35
- 5 year	8.25	8.25
US/CANADA EXCHANGE RATE	Oct 18/00	Oct 20/99
(avg. noon spot rate) Cdn $	1.5200	1.4902
US $ *(reciprocal of the closing rate)*	0.6612	0.6729
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Sep '00	one year ago
BC	648.06	3.6
Canada	624.19	3.8

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

- Small Business Quarterly, First Quarter 2000
- Consumer Price Index, September 2000

Next week

- Business Indicators, October 2000
- Current Statistics, October 2000

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