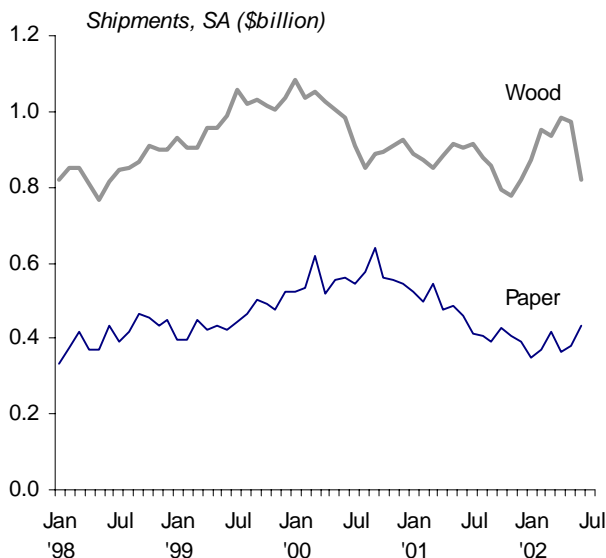


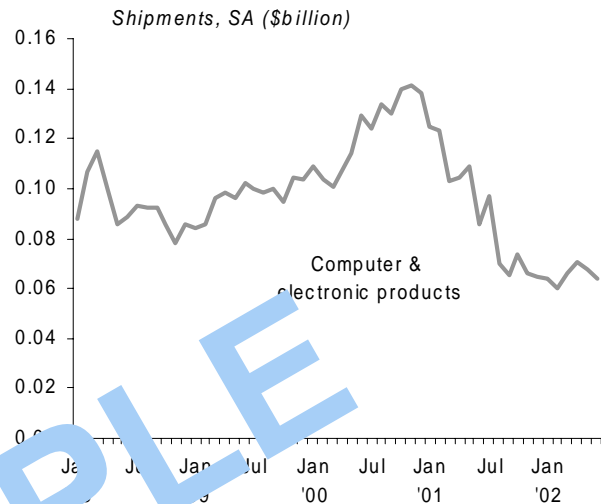
Current Statistics ♦ August 2002

- **Shipments of goods manufactured in British Columbia were down 3.6% (seasonally adjusted) in June from the previous month as the manufacturing sector posted mixed results.** Overall, the non-durables sector expanded a healthy 5.6%, while non-durables shipments fell 9.3%, reflecting weakness in most major industries. Paper shipments in BC registered a large monthly increase (+14.3%), recovering from values that had been much lower than in the first half of 2001. Manufacturers of most other non-durable products posted smaller gains, but food producers saw shipments fall 0.5%. On the durables side, wood products plunged 15.6%, after a good performance at the beginning of the year when producers were taking advantage of a brief respite from US duties on softwood lumber imports. Manufacturers of metal products also saw shipments drop. The computer and electronic products industry remained weak, with shipments falling 5.5%. *Source: Statistics Canada*

Shipments of wood products have slumped following the reinstatement of softwood lumber duties in May



The computer & electronics industry remains weak



Eighty-two percent of BC manufacturers expect production to increase or change little in the next three months. Manufacturers have somewhat tempered their optimism since April, when 86% expected stable or increasing production. Compared to July of 2001, manufacturers' prospects improved considerably in July of this year. Only 18% of them expect a decrease in production for the third quarter of 2002, while in the same period last year 37% expected production to drop.

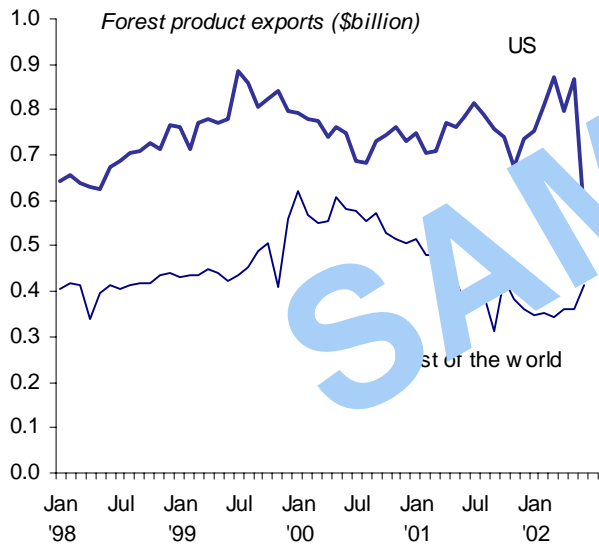
Source: Statistics Canada

- **News on the level of new orders is even more optimistic relative to July 2001.** Twenty-two percent of BC manufacturers reported an increase in new orders, compared to a corresponding 11% last year. The share of companies reporting a rising level of orders is also substantially higher than the matching percentage of last quarter (13%). However, not all firms that saw an improvement in orders are planning to increase production accordingly. Some will fill the new orders by reducing their inventories, which are reported as too high by 30% of manufacturers in July, versus 20% three months earlier.

Source: Statistics Canada

- **British Columbia's exports to the US dropped 15.6% (seasonally adjusted) in June from May.** Up to May 23, Canadian forestry companies were able to take advantage of a short reprieve from US countervailing and anti-dumping duties on Canadian lumber. In June, forestry exports to the US fell 34.7%, but the impact of the decline on total BC exports to the US was softened by a surge (+12.5%) in energy exports. At the same time, BC exports to other countries displayed an almost reversed pattern. Exports of forestry products rose (+15.7%), while energy exports dropped (-3.0%), contributing to a total increase in BC exports to other countries of 4.0%. *Source: Statistics Canada & BC Stats*

Forest product exports to the US plunged in June



- **The number of containers shipped through the Port of Vancouver jumped 17% during the first half of the year, reaching a mid-year record high.** Higher imports from Asian countries are mainly responsible for this record. Increases were also reported for cruise passengers (4%), potash (14%) and wood pulp shipments (24%). However, the most important commodity shipped through Vancouver, coal, saw a decline of 18% due to the slowdown of the global economy, difficulties in contract negotiations between Canadian sup-

pliers and the Japanese steel industry, and an increase in land shipments of coal. Shipments of grains and canola also declined, leading to an overall drop in tonnage of 13%

Source: Vancouver Port Authority

- **New motor vehicle sales in British Columbia were unchanged in June, with 16,625 vehicles (seasonally adjusted) driven off car lots in that month.** Most other provinces registered decreases in motor vehicle sales in June. Canadian sales were down 2.0%.

Source: Statistics Canada

- **The number of business bankruptcies in BC fell 5.7% in June to 83.** This is the lowest number of business failures since December 2001. Retail trade industries (10) and construction industries (10) were the most common businesses to declare bankruptcy in BC during June. Insolvent firms in the province had total liabilities of \$21.1 million in June.

Source: Statistics Canada

- **Employment in British Columbia increased by 1,000 (seasonally adjusted) in July, up 0.2% from June.** The almost 5,000 people who entered the labour force represented an increase of only 0.2%. The unemployment rate continued to drop, falling from 8.7% in June to 8.2% in July. It had reached 9.5% in May. However, the current unemployment rate is still 0.8 percentage points higher than in July of 2001. The net number of part-time jobs advanced less than that of full-time jobs (6,000 compared to 10,000). Part-time employment was mainly responsible for the increase in female employment, while most of the new jobs for men were full-time.

Source: Statistics Canada

- **Wages, salaries and benefits earned by BC workers rose modestly (+0.2%, seasonally adjusted) in the second quarter.** Nationally, labour income was up 1.2%, led by strong gains in Alberta (+1.7%), Ontario (+1.5%) and Quebec (+1.2%).

Source: Statistics Canada

MONTHLY STATISTICS

	UNITS	REFERENCE PERIOD	CURRENT			MONTHLY AVERAGE YEAR-TO-DATE	
			LATEST MONTH	% CHANGE FROM		AMOUNT	% CHANGE FROM YEAR AGO
				LAST MONTH	YEAR AGO		
PRICES							
Consumer Price Index-BC	1992=100	Jul '02	118.5	0.3	1.9	117.2	2.1
Consumer Price Index-Vancouver	1992=100	Jul '02	119.2	0.2	1.9	118.0	2.1
Consumer Price Index-Victoria	1992=100	Jul '02	118.1	0.3	2.3	116.7	2.5
Consumer Price Index-Canada	1992=100	Jul '02	119.6	0.5	2.1	118.1	1.5
Consumer Price Index-USA	1982-84=100	Jul '02	180.1	0.1	1.5	179.0	1.3
Industry Price Index-Canada	1997=100	Jul '02	106.9	0.2	-0.3	107.0	-1.1
LABOUR							
Unemployment Rate (SA)*-BC	Percent	Jul '02	8.2	(8.7)	(7.4)	8.8	(7.1)
Unemployment Rate (SA)-Canada	Percent	Jul '02	7.6	(7.5)	(7.1)	7.7	(7.0)
Unemployment Rate (SA)-USA	Percent	Jul '02	5.9	(5.9)	(4.6)	5.8	(4.4)
Unemployed (SA)-BC	Thousand	Jul '02	177.5	-5.9	14.7	188.7	26.9
Employed (SA)-BC	Thousand	Jul '02	1,984.8	0.8	1.8	1,950.9	-0.2
Labour Force (SA)-BC	Thousand	Jul '02	2,162.3	-	2.7	2,139.7	1.7
Participation Rate (SA)-BC	Percent	Jul '02	65.0	(4.9)	(64.1)	64.5	(64.3)
Employment Insurance Benefits Paid-BC	\$Million	Jun '02	126.5	-	15.7	166.2	23.0
Average Weekly Wage Rate-BC	Dollars	Jul '02	63.0	0.8	3.9	663.73	2.7
Wages and Salaries-BC (SA)	\$Million	Mar '02	5,151.0	-0.5	-0.1	5,169.0	0.0
Fixed-Weighted Earnings Index-BC	1996=100	Jul '02	107.4	0.6	2.0	106.8	2.3
PRODUCTION-B.C.							
Lumber-Cubic Metres	Thousand	Jun '02	2,794.9	-1.5	2.4	2,833.2	2.2
Market Pulp Shipments-Tonnes	Thousand	Jun '02	430.0	21.1	4.6	376.0	-8.4
Newsprint Shipments-Tonnes	Thousand	Jun '02	112	19.1	13.1	92	-17.9
Other Paper Shipments-Tonnes	Thousand	Jun '02	148	3.5	11.3	137	2.5
Coal-Tonnes	Thousand	Mar '02	2,090.9	-1.0	-11.9	2,147.2	-5.7
Oil-Cubic Metres	Thousand	Mar '02	216.2	17.7	3.1	197.3	-0.6
Natural Gas-Cubic Metres	Million	Mar '02	2,425.0	1.2	10.2	2,466.2	15.6
Electric Power Generated	GW.h	May '02	4,103.6	-13.8	-6.9	5,064.7	2.7
Manufacturing Shipments (SA)	\$Million	Jun '02	2,781.3	-3.6	-3.4	2,810.7	-4.8
GENERAL							
Housing Starts-All Areas BC(SAAR)**	Thousand	Jul '02	20.6	-9.3	18.4	19.4	11.7
Housing Starts-USA (SAAR)	Thousand	Jul '02	1,649.0	-2.7	-0.9	1,690.0	4.0
Building Permits-BC	\$Million	Jun '02	561.4	11.3	6.8	447.1	3.3
Retail Sales (SA)-BC	\$Million	Jun '02	3,401.4	1.0	6.4	3,331.3	6.5
Tourism Room Revenues (SA)-BC	\$Thousand	Apr '02	126,826.0	-1.6	0.9	127,582.0	0.5
Business Bankruptcies-BC	Number	Jun '02	83	-14.4	-5.7	104	15.1
Consumer Bankruptcies-BC	Number	Jun '02	809	-1.0	-4.5	824	-0.9
Incorporations-BC	Number	Jul '02	2,034	25.2	28.3	1,784	5.7
Exports Originating in BC (SA)	\$Million	Jun '02	2,249.9	-9.9	-10.5	2,350.1	-17.2

September 26, 2002

*SA indicates seasonal adjustment.

**SAAR indicates seasonally adjusted at annual rates.

Brackets () indicate that rates are shown instead of percentage changes.

ANNUAL STATISTICS

	UNITS	YEAR			PERCENT CHANGE	
		2001	2000	1999	2000-2001	1999-2000
PRICES						
Consumer Price Index-BC	1992=100	115.2	113.3	111.2	1.7	1.9
Consumer Price Index-Vancouver	1992=100	116.0	113.9	111.4	1.8	2.2
Consumer Price Index-Victoria	1992=100	114.3	113.0	111.1	1.2	1.7
Consumer Price Index-Canada	1992=100	116.4	113.5	110.5	2.6	2.7
Consumer Price Index-USA*	1982-84=100	177.1	172.2	166.6	2.8	3.4
Industry Price Index-Canada*	1997=100	107.6	106.5	102.2	1.0	4.2
LABOUR						
Unemployment Rate-BC	Percent	7.2	7.2	8.3		
Unemployment Rate-Canada	Percent	7.7	6.8	7.6		
Unemployment Rate-USA*	Percent	4.8	4.0	4.2		
Unemployed-BC	Thousand	161.1	150.6	172.8	7.0	-12.8
Employed-BC	Thousand	1,942.4	1,949.1	1,906.4	-0.3	2.2
Labour Force-BC	Thousand	2,103.5	2,099.7	2,079.1	0.2	1.0
Participation Rate-BC	Percent	64.1	64.9	65.1		
Employment Insurance Benefits Paid-BC*	\$Million	1,598.1	1,364.1	1,520.9	17.1	-10.3
Average Weekly Wage Rate-BC	Dollars	645.70	637.07	655.22	1.4	1.9
Wages and Salaries-BC*	\$Million	61,657.0	60,270.2	56,264.0	2.3	7.1
Fixed-Weighted Earnings Index-BC*	1996=100	105.1	102.1	101.0	1.5	2.5
PRODUCTION-B.C.						
Lumber-Cubic Metres*	Thousand	30,181.1	32,352.4	32,397.1	-6.7	-0.1
Market Pulp Shipments-Tonnes*	Thousand	4,710	5,152	4,995	-8.6	3.1
Newsprint Shipments-Tonnes*	Thousand	1,268	1,452	1,380	-12.7	5.2
Other Paper Shipments-Tonnes*	Thousand	1,611	1,674	1,636	-3.8	2.3
Coal-Tonnes	Thousand	26,482.1	26,151.6	24,810.1	1.3	5.4
Oil-Cubic Metres*	Thousand	2,495.6	2,552.3	2,347.6	-2.2	8.7
Natural Gas-Cubic Metres*	Million	28,789.4	25,163.5	24,635.1	14.4	2.1
Electric Power Generated*	GW.h	57,357.1	68,239.5	68,044.9	-15.9	0.3
Solid Mineral Production	\$Million	2,995.4	2,879.1	2,565.0	4.0	12.2
Farm Cash Receipts**	\$Million	2,213.9	2,079.0	1,935.5	6.5	7.4
Manufacturing Shipments*	\$Million	34,106.1	37,767.5	35,616.0	-9.7	6.0
GENERAL						
Housing Starts-All Areas BC**	Thousand	17.2	14.4	16.3	19.5	-11.6
Housing Starts-USA	Thousand	1,603.1	1,568.7	1,666.5	2.2	-5.9
Building Permits-BC*	\$Million	4,954.8	4,492.0	4,695.5	10.3	-4.3
Retail Sales-BC*	\$Million	37,979.1	35,820.6	33,684.3	6.0	6.3
Tourism Room Revenues-BC*	\$Thousand	1,473.4	1,441.6	1,329.3	2.2	8.4
Business Bankruptcies-BC	Number	1,101	980	1,077	12.3	-9.0
Consumer Bankruptcies-BC	Number	9,476	9,184	8,181	3.2	12.3
Incorporations-BC*	Number	19,749	21,515	21,009	-8.2	2.4
Exports Originating in BC*	\$Million	30,814.8	33,439.3	28,811.9	-7.8	16.1
Capital Expenditures-BC	\$Million	22,525.4	21,025.4	20,651.6	7.1	1.8
Population-BC (as of July 1)	Thousand	4,095.9	4,058.8	4,028.1	0.9	0.8

September 26, 2002

* derived from monthly figures

** derived from quarterly figures

ECONOMIC PERFORMANCE

GROSS DOMESTIC PRODUCT (\$ MILLIONS)

	YEAR				PERCENT CHANGE		
	2001	2000	1999	1998	00-01	99-00	98-99
BRITISH COLUMBIA							
Gross Domestic Product at Market Prices	130,396	127,564	120,608	115,604	2.2	5.8	4.3
Real GDP at Market Prices (constant 1997 \$)	125,534	124,464	119,821	116,502	0.9	3.9	2.8
CANADA							
Gross Domestic Product at Market Prices	1,085,141	1,056,910	975,913	915,865	2.7	8.3	6.6
Real GDP at Market Prices (chained 1997 \$)	1,024,931	1,012,809	967,820	920,075	1.2	4.6	5.2
UNITED STATES (Billions \$US) **							
Gross Domestic Product at Market Prices	10,082.2	9,824.6	9,274.3	8,781.5	2.6	5.9	5.6
Real GDP at Market Prices (chained 1996 \$US)	9,214.5	9,191.4	8,859.0	8,508.9	0.3	3.8	4.1

** US Department of Commerce (actual)

INTEREST AND EXCHANGE RATES

(Source: Bank of Canada Weekly Financial Statistics)

CANADA

Prime Business Rate	4.50	4.50	4.50	5.75
Bank Rate	3.00	3.00	3.00	4.25
Long-Term Government Bond Rate (over 10 yrs)	5.51	5.51	5.70	5.72
Conventional Mortgages-1 Year	6.35	6.35	5.35	6.20
-5 Years	6.80	6.80	7.05	7.60

UNITED STATES

Prime Rate	4.75	4.75	4.75	6.50
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EXCHANGE RATES

	Aug. 28/02	Aug. 21/02	July 31/02	Aug. 29/01
	PERCENT PER ANNUM			
	4.50	4.50	4.50	5.75
	3.00	3.00	3.00	4.25
	5.51	5.51	5.70	5.72
	6.35	6.35	5.35	6.20
	6.80	6.80	7.05	7.60
	CANADIAN \$			
	1.5597	1.5639	1.5777	1.5423
	0.0132	0.0132	0.0133	0.0128
	2.3962	2.3953	2.4715	2.2326
	1.5317	1.5328	1.5570	1.4063

FORECASTS

BRITISH COLUMBIA

B.C. Government (September, 2002)	1.4	8.7	2.1	2.7	8.3	2.0
TD Bank (July 4, 2002)	2.2	8.9	2.3	3.2	8.2	2.0
WEFA Group (April 2002)	1.4	9.2	1.1	2.7	8.8	1.2

CANADA

TD Bank (June 13, 2002)	3.5	7.6	2.0	3.6	6.9	2.1
WEFA Group (April 2002)	1.8	8.1	1.2	3.9	7.7	1.5

UNITED STATES

TD Bank (June 13, 2002)	2.5	5.8	2.0	3.4	5.6	3.1
WEFA Group (April 2002)	2.3	5.70	1.9	3.8	5.5	2.7

2002			2003		
REAL GDP	UNEMP RATE	CPI	REAL GDP	U RATE	CPI
% CHG	%	% CHG	% CHG	%	% CHG
1.4	8.7	2.1	2.7	8.3	2.0
2.2	8.9	2.3	3.2	8.2	2.0
1.4	9.2	1.1	2.7	8.8	1.2
3.5	7.6	2.0	3.6	6.9	2.1
1.8	8.1	1.2	3.9	7.7	1.5
2.5	5.8	2.0	3.4	5.6	3.1
2.3	5.70	1.9	3.8	5.5	2.7