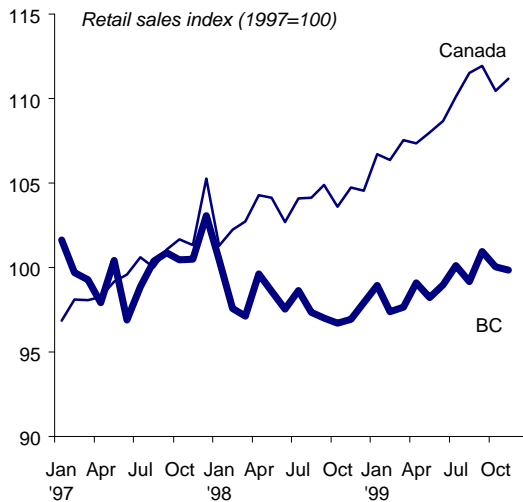


Current Statistics ♦ January 2000

Retail sales have improved since 1998, but remain slow compared to other parts of the country



- Retail sales in the province remained weak in November, dipping to 0.2% (seasonally adjusted) below October's level.** Overall, sales have been improving, but have seesawed up and down during most of the last year. They were up 1.2% year-to-date, suggesting that annual sales figures for 1999 will show a slight improvement over 1998. Still, consumers in the province have kept a relatively firm grip on their purse strings. Canadian retail sales were 5.4% higher than in the first eleven months of 1998, and BC's gain was modest compared to other regions, where sales rose at rates ranging from 2.5% in Manitoba to 9.2% in PEI. Saskatchewan (+0.5%) was the only region where sales growth was weaker than in BC.

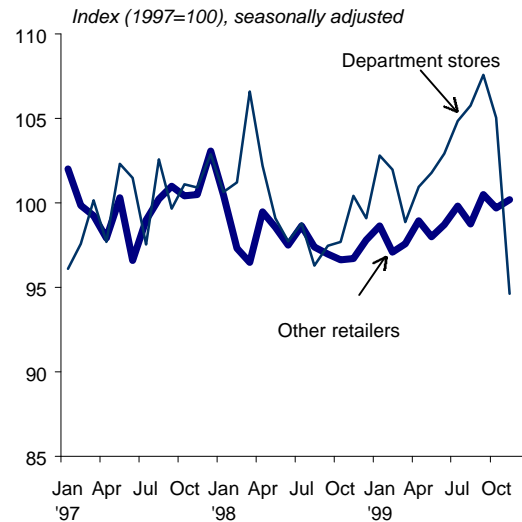
Source: Statistics Canada

- The demise of the Eatons chain helped pull down sales figures across the country in November.** In BC, department store sales plunged 9.9% (seasonally adjusted), posting the largest month-to-month decline since the beginning of the decade. Although department

stores account for only about six percent of total retail sales in the province, the weakness in this sector was one of the main factors contributing to the overall decline in retail sales in November. Sales by other retailers were up 0.5% in that month.

Source: BC STATS

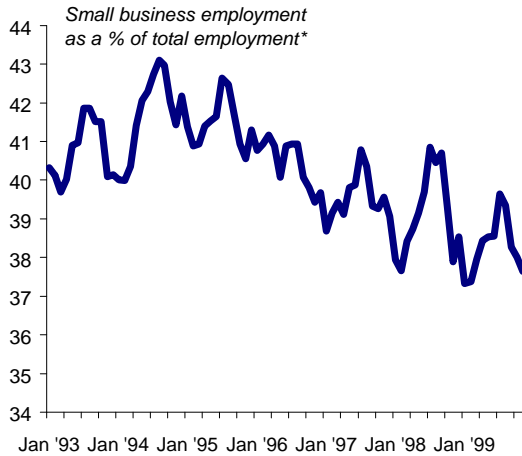
Department store sales plunged in November, as most Eatons stores in the province were closed down



- Sales by wholesalers in the province continued to improve in November.** They rose 1.6% (seasonally adjusted), after increasing in the previous two months. Year-to-date, sales were 2.7% higher than in the first eleven months of 1998. Canadian sales were up 7.7% year-to-date, reflecting double-digit gains in four provinces, including Ontario (+10.0%) and Quebec (+10.5%). Newfoundland (+15.8%) led the country. Saskatchewan (-1.6%) and Alberta (-0.4%) were the only regions where wholesale sales fell below 1998 levels.

Source: Statistics Canada

Small business employment has not grown as fast as the number of jobs in larger businesses



*Data from Survey of Employment, Earnings & Hours (excludes agriculture, fishing & the self-employed)

- **More than half a million (555,000) British Columbians were employees of small businesses (those with fewer than 50 workers) in November.** This was 1.4% more than in the same month of 1998. After rising rapidly at the beginning of the decade, employment in small businesses has not grown as much as the number of jobs in the rest of the economy. About 38% of the workforce (excluding self-employed workers, and those in agriculture and fishing) is employed in small businesses, down from a high of 43% in 1994.

Source: Statistics Canada

- **British Columbia's consumer price index was 1.7% higher in December than in the same month of 1998, giving the province the highest inflation rate it has seen since late 1995.** Burgeoning energy costs (+13.1%) continued to be the main reason for the upward movement in the inflation rate.

Source: Statistics Canada

- **BC manufacturing shipments were flat in November after declining 1.2% (seasonally adjusted) in the previous month.** Both durable and non-durable shipments were at virtually the same level as in October. The wood (-0.6%), paper (-1.4%) and food (-0.8%) industries all posted declines. Shipments by manu-

facturers of higher value-added products, such as electronics (+6.1%), machinery (+4.9%) and transportation equipment (+1.0%) picked up, but the improvement was not strong enough to offset the weakness in BC's three biggest manufacturing industries.

Source: Statistics Canada

- **Exports of BC products fell 3.1% (seasonally adjusted) between October and November, as shipments to countries other than the US decreased 15.0%.** This was more than enough to offset a 2.5% increase in shipments to the US. During the last three years, the value of US-bound exports has risen steadily, helping to cushion the impact of a downturn in overseas markets.

November's 15.0% drop in overseas exports reflected a sharp decline in forest product shipments (-26.1%), combined with lower exports of agriculture and fish products (-13.2%) and other manufactured goods (-18.4%). However, shipments of forest products to the US were up 3.2% and a nine-month long growth spurt in US-bound exports of other manufactured goods (+2.2%) showed no signs of abating.

Source: BC STATS

US markets for BC products continued to expand, while exports to other destinations contracted in November

