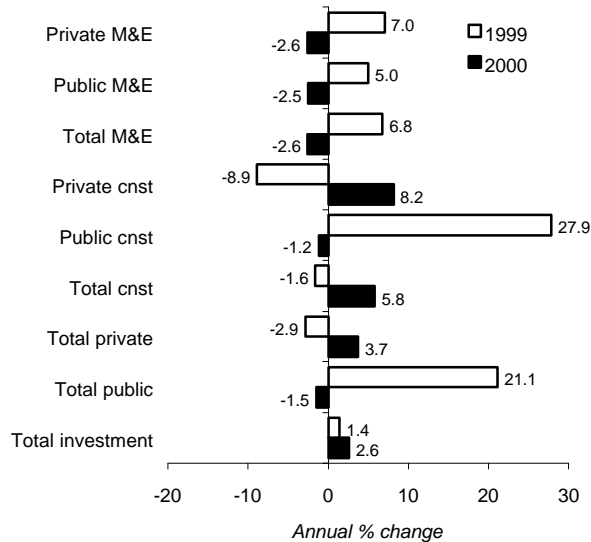


Current Statistics ♦ February 2000

Private and public sector investment in the province is expected to increase 2.6% this year



- **Investment in the province is expected to grow 2.6% this year, as private sector companies add to their stock of plant and equipment.** At the same time, it is anticipated that public sector investment will pull back from the very high increases seen in 1999. Overall, private sector investment is expected to rise 3.7%, while spending by the public sector is forecast to shrink 1.5%.

The increase in investment is expected to result from more spending on structures (+5.8%). Construction by the private sector is forecast to grow 8.2%, while public sector spending on buildings and infrastructure is expected to fall 1.2%. An anticipated turn-around in the housing sector (+1.8%) is one of the main factors contributing to the improvement in the private sector. Residential investment had fallen more than 13% in both 1998 and 1999.

Both private (-2.6%) and public (-2.5%) sector establishments say they will invest less in machinery and equipment this year than in 1999.

Source: Statistics Canada

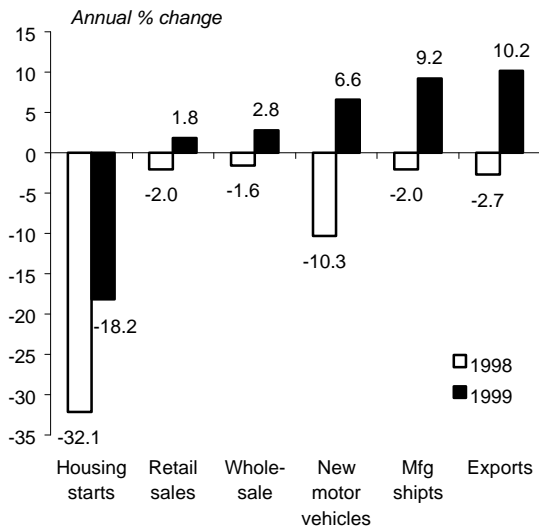
- **After lagging behind most other provinces in 1999, investment in BC (+2.6%) is expected to increase at twice the national rate (+1.3%) this year.** Alberta (+3.6%), Ontario (+3.6%), PEI (+8.0%) and NWT (+10.0%) are forecast to lead the country in terms of investment this year. At the other end of the spectrum, investment is expected to fall in six regions, with Nova Scotia (-21.4%) and Saskatchewan (-9.2%) being hardest hit. Source: Statistics Canada

- **Exports of BC products increased 10.2% to reach a record-high \$28.7 billion in 1999, more than recouping a 2.7% loss in the previous year.** Automotive products (+39.5%) posted the strongest gain, bolstered by increased shipments of trucks and wheels manufactured in the province. These two commodities account for about two-thirds of BC's automotive product exports. BC forest product exports recovered in 1999, increasing 14.8%. International shipments of most other goods made in the province were also well above 1998 levels. The exceptions were industrial goods (-4.6%) and energy (-1.4%). Source: Statistics Canada

- **Forest products fuelled a rebound in BC's manufacturing sector last year, as shipments rose 9.2% after posting declines or marginal gains in the previous three years.** Both wood (+19.3%) and paper (+10.6%) manufacturers had their best year since the early 1990s. However, not all manufacturers fared as well. Food processors' shipments fell (-0.3%) for the third straight year, and shipments by the electrical and electronic equipment industry were down (-10.7%) for the first time since 1991. Source: Statistics Canada

- **Department store sales in BC and the north increased 2.1% during 1999.** Sales were up in all parts of the country, rising 6.3% nationally. Newfoundland/PEI (+12.9%) led the regions, with increases in other provinces ranging from 4.8% in Manitoba to 7.5% in Ontario. Source: Statistics Canada

BC's economy began to improve in 1999, after a rather dismal showing in 1998



- Retail sales in the province increased 1.8% during 1999, following a 2.0% decline in the previous year.** Sales by automotive retailers (-0.1%) were flat, but all other groups saw sales improve last year. Drug and patent medicine stores posted the biggest increase (+6.4%), while sales by general merchandise (+5.2%), clothing (+3.6%) and furniture (+3.1%) retailers also rebounded from a poor showing in 1998. Food (+1.6%) and other merchandise (+1.7%) retailers also increased their sales.

Despite the improvement, BC and Saskatchewan (+1.5%) were the only provinces where retail sales rose only modestly last year. Nationally, they were up 5.8%, reflecting strong gains in Ontario (+7.8%), Quebec (+6.0%) and Atlantic Canada (+7.0%). Sales increased more moderately in Alberta (+4.5%) and Manitoba (+3.0%). *Source: Statistics Canada*

- Wholesalers in the province also made gains during 1999, with sales rising 2.8% after falling 1.6% in the previous year.** However, sales in BC and the prairies were generally weak, compared to other parts of the country. Nationally, sales were up 7.8%, reflecting strong growth in Atlantic Canada (+12.3%), Quebec (+10.6%) and Ontario (+9.9%). The pattern of weaker sales in west-

ern Canada and stronger growth in the rest of the country continues a trend that began in 1998.

Source: Statistics Canada

- New motor vehicle sales in the province rose 6.6% during 1999, as BC consumers began to return to automotive showrooms after staying away in the previous year.** Sales of both cars (+8.5%) and trucks (+5.0%) improved. Canadian sales were up 7.9%. *Source: Statistics Canada*
- During 1999, permits for \$4.7 billion of planned residential (\$2.6 billion) and non-residential (\$2.1 billion) projects were sold in BC.** This was 1.5% less than the total value of permits issued in 1998, marking the fifth time in the last six years that the value of permits has fallen. The ongoing decline is largely due to weakness in the province's housing market. Last year, residential permits were down 5.8% after falling at double-digit rates in the previous two years. The 1999 figures were almost certainly boosted by permits purchased by leaky condo owners planning to make repairs to their buildings. Permits for non-residential projects in the province were up 4.1% last year.

Source: Statistics Canada

- Farmers in the province fared relatively well in 1999, compared to those in other parts of the country.** Farm cash receipts were up 7.4% as both crop (+8.6%) and livestock (+6.1%) sales increased. Producers of berries and grapes (+12.9%) and floriculture and nursery (+9.3%) products did particularly well. However, sales of apples (-7.0%) and other tree fruits (-16.0%) dropped below 1998 levels. Among livestock producers, producers of chickens and hens (+5.2%), cattle (+4.5%) and dairy products (+2.0%) increased their revenues, but receipts from sales of eggs fell 0.2% in 1999. Nationally, farm cash receipts increased only 2.2%, as weak crop sales (-3.9%) offset a 5.4% increase in livestock sales. *Source: Statistics Canada*