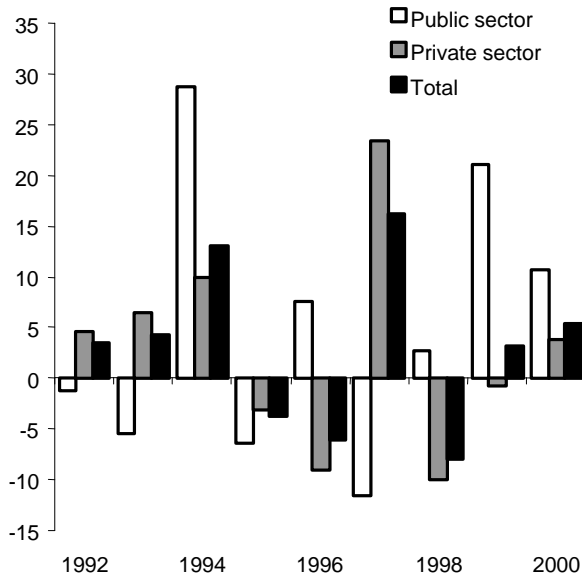


## Current Statistics ♦ July 2000

**Private and Public Sector Investment in the province is expected to increase 5.3% this year**



- **Private and public sector organizations surveyed in the second quarter were somewhat more optimistic about their investment intentions than at the beginning of the year.** Planned investment in the province is expected to be up 5.3% this year, compared to a projected increase of 2.6% reported in February. The rosier outlook was almost entirely due to investment plans of the public sector, which were revised sharply upward to +10.7%. When they were surveyed in late 1999/early 2000, public sector organizations in the province had indicated that they expected their investment to fall 1.5% during 2000. Private sector organizations have made little change to their investment plans for the year, with total spending on machinery, equipment and structures expected to rise 3.9%, revised only marginally from the anticipated 3.7% increase reported in February.  
*Source: SC, Catalogue 61-206-XIB*

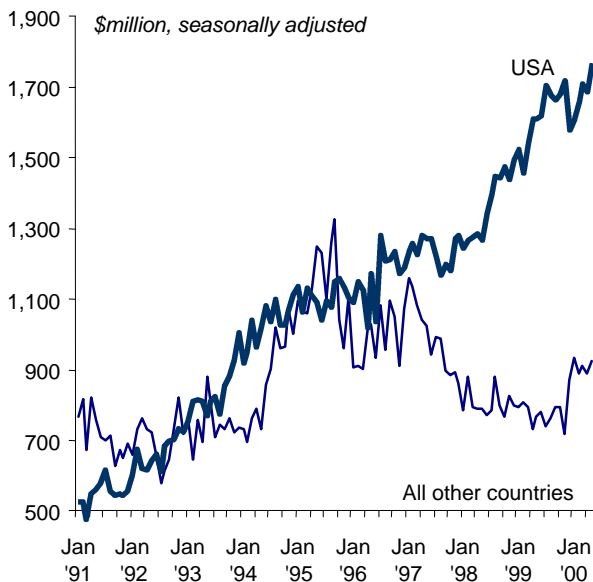
- **Public sector spending on machinery and equipment is expected to rise 17.4% during**

**2000, while investment in structures is anticipated to be 8.4% higher than last year.** In the private sector, purchases of machinery and equipment are forecast to decline 5.9% during 2000. However, planned spending on structures is expected to be 10.6% higher during the year as residential construction activity in the province begins to pick up. Investment in housing is forecast to increase 2.6% this year, following two years of decline.

*Source: SC, Catalogue 61-206-XIB*

- **Among the regions, the northern territories of Nunavut (+20.7%) and NWT (+14.6%) are expected to experience the strongest investment growth this year, largely due to spending in the mining sector.** Alberta (+8.4%), Yukon (+8.3%) and Ontario (+7.5%) are all expected to see investment increase at rates well above the national average of 5.3%. BC was ranked eighth among the 13 provinces and territories in terms of anticipated investment growth.*Source: SC, Catalogue 61-206-XIB*
- **During the first five months of the year, BC's exports to the US (+8.9%) and Japan (+4.3%), which together account for about 80% of the total, have not grown as much as exports to other markets.** In particular, exports to Western Europe have increased by a third (+33.8%) and significant gains have been made in the value of goods shipped to other parts of Asia, most notably South Korea (+34.1%) and China (+38.1%).*Source: BC STATS*
- **Exports of BC products increased 4.6% (seasonally adjusted) between April and May.** Shipments to both the US (+4.7%) and other countries (+4.4%) increased at similar rates. Forest product exports were 2.7% higher than in April. At the same time, international shipments of mining (+18.6%) and other manufactured goods (+5.1%) increased. However, exports of agriculture, food and fish products were down for the second month in a row, falling 13.4%.  
*Source: BC STATS*

**Exports to countries other than the US have begun to increase, regaining some of the ground lost since 1995**



- **Shipments of goods manufactured in the province recovered in May, increasing 1.1% (seasonally adjusted) after falling 4.2% in the previous month.** The improvement was largely due to strength in the durables sector, where shipments rose 2.0% despite a downturn (-0.5%) in the dominant wood manufacturing industry. Manufacturers of transportation equipment (+21.4%), machinery and equipment (+8.4%) and fabricated metals (+2.9%) all posted strong gains as they recovered from April's slowdown. Producers of non-durables (-0.1%) did not fare as well. Manufacturers of petroleum and coal products (+8.7%), clothing (+6.6%) and paper and related products (+1.7%) were the only major industries in the sector to see shipments increase in May.

Source: Statistics Canada

- **Retail sales in the province weakened in May, falling 1.2% (seasonally adjusted).** Sales by BC retailers have been sluggish during the first five months of 2000, increasing only once in this period. However, year-to-date sales were up 4.8% from the first five months of 1999. Retail sales were down in seven of the country's 13 regions in May. Canadian sales rose a modest 0.4%.

Source: Statistics Canada

- **Sales by BC wholesalers fell 0.5% (seasonally adjusted) in May.** Wholesale sales in the province have been seesawing during most of the last year. Canadian sales were up 1.3%, reflecting improvements in most sectors. Sales of lumber (+4.8%) and other metals, hardware, plumbing and heating equipment (+3.9%) bounced back from a poor showing in April. However, BC lumber wholesalers did not benefit as much from the recovery as those in other parts of the country.

Source: Statistics Canada

- **Housing starts in the province remained weak in June, falling 8.3% (seasonally adjusted) after dropping 4.6% between April and May.** Starts in the province have been volatile during the last year and half. A two-year long decline in starts came to a halt in 1999, but the market for new housing in the province has not been strong enough to sustain steady growth and starts in the province remain at their lowest level in a decade. The volatility has largely originated in multiple starts, which were down 19.7% between May and June. The number of single family dwellings started in urban areas of the province rose 5.3%.

Source: Canada Mortgage & Housing Corporation

**Despite their volatility, housing starts in the province remain at about the same level as in 1999**

