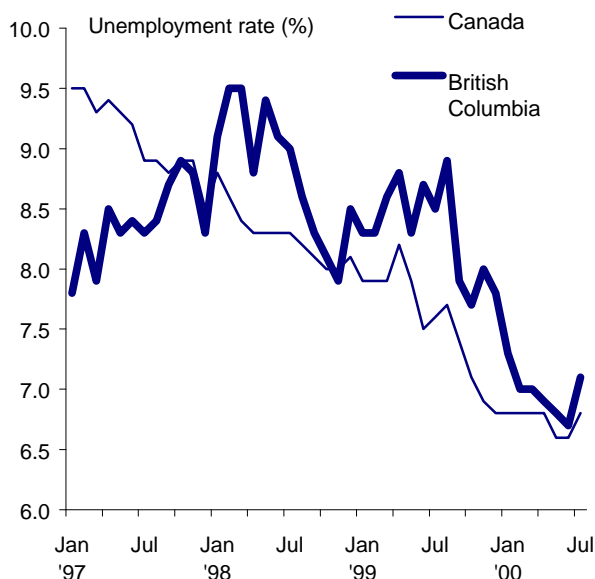


## Current Statistics ♦ August 2000

**BC's unemployment rate spiked in July after declining during most of the last year**



- British Columbia's unemployment rate rose 0.4 percentage points to 7.1% (seasonally adjusted) in July.** The increase in the rate reflected declines in both employment (-1.2%) and the size of the labour force (-0.8%). The number of jobs in the province has fallen in all but one of the last five months. At the same time, the size of the labour force has also been shrinking, mitigating the effect of fewer jobs on the unemployment rate. The province's jobless rate remained just above the Canadian average (6.8%). Over the longer term, unemployment rates have been falling in almost all regions of the country, and were well below July 1999 levels last month. *Source: Statistics Canada*
- Both private (-1.2%) and public (-1.6%) sector employment fell in July.** Self-employment (-0.4%) was down for the fifth straight month.

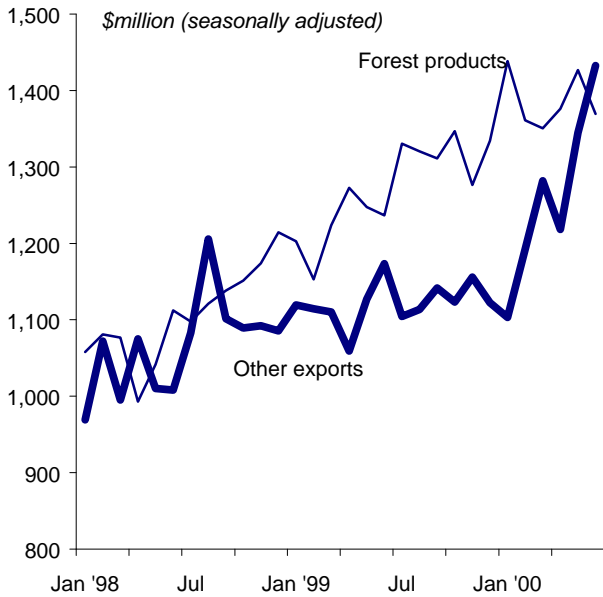
Between June and July, the number of people with part-time jobs fell 4.6%. This compares to a 0.2% decline in the number of full-time employees in BC. *Source: Statistics Canada*

- British Columbia's year-over-year inflation rate was 2.0% in July.** The increase in the all-items consumer price index (CPI) reached the two percent mark for only the second time since late 1995. The CPI has been moving up during the last few months, driven by rising transportation costs (+4.9%) which reflect the persistence of higher prices at the pump. The cost of gasoline in BC was 23.7% higher than in July 1999. However, food prices have been falling since the beginning of the year, providing some relief to the pocketbooks of consumers who have had to fork over more money to fill up their gas tanks. Last month, food prices were 0.4% lower than a year earlier. *Source: Statistics Canada*

- The long decline in the cost of owned accommodation in the province is grinding to a halt.** In July, this component of the CPI rose for the first time since 1995, edging up 0.1%. This marked the third straight month in which the cost of owned accommodation has changed only marginally. Falling shelter costs had been one of the main reasons for BC's low inflation rate during the last few years. *Source: Statistics Canada*

- Shipments of goods manufactured in the province continued to seesaw in June, falling 0.6% (seasonally adjusted) after rising 0.8% in May.** The downturn reflected weakness in all three of BC's biggest manufacturing industries: wood (-3.5%), paper (-0.3%) and food (-2.6%). Overall, shipments of durable goods were down 1.3%, while non-durables shipments increased slightly (+0.3%) between May and June. This was largely due to improvements in the printing and publishing (+9.7%), beverage (+2.3%) and plastics (+3.5%) industries. On the durables side, shipments were up in five of the nine industries, with the strongest gains seen in transportation equipment (+8.0%) and primary metals (+6.8%). *Source: Statistics Canada*

**Goods other than forest products have been responsible for most of BC's export growth during the last six months**



- **Exports of BC products rose 1.1% (seasonally adjusted) between May and June.** The increase in exports occurred despite a 4.0% drop in the value of international forest product shipments. Exports of other goods were up 6.5% overall. This was primarily due to strong growth in exports of non-resource-based manufactured products (+7.4%). In addition, mining and mineral product exports expanded 5.3%.

US demand for BC-made products continued to stimulate export growth in June. Exports destined for the USA were up 5.1%, while shipments going to other parts of the world fell 6.2%. Forest product exports to the States were weak in June (-3.8%). However, US-bound exports of other products increased quite substantially (+12.8%) for the second month in a row.

Source: BC STATS

- **Retail sales in the province strengthened in June, as retailers had their best month since last December.** The jump in sales (+2.1%, seasonally adjusted) was more than enough to regain the ground lost in May, when sales dropped 0.7%. Sales had been flat during the first five months of the year after spiking in December. The improvement in June was

widespread among retail businesses.

Source: Statistics Canada

- **Wholesale sales in the province remained weak in June, falling 1.2% (seasonally adjusted).** This marked the third straight monthly decline. Canadian sales rose only marginally (+0.3%), led by computers and electronic components (+2.5%) and motor vehicles (+2.0%). Other trade groups were volatile, with falling sales turning back the increases seen in May. Nationally, sales by lumber and building material wholesalers were down 0.6%. This decline was almost certainly a factor in BC's weak performance in June. Source: Statistics Canada
- **New motor vehicle sales in the province also continued to be weak in June, falling 9.5% (seasonally adjusted) below the May level.** The drop in sales was the fifth in the last six months. Source: Statistics Canada
- **Housing starts in British Columbia were down again in July (-2.8%, seasonally adjusted).** The drop in starts was the third in as many months. Canadian starts soared (+22.6%) as housing construction picked up speed in both Ontario (+39.3%) and Quebec (+28.3%). Source: CMHC, Housing Facts

**The economy gave mixed signals in the second quarter**

