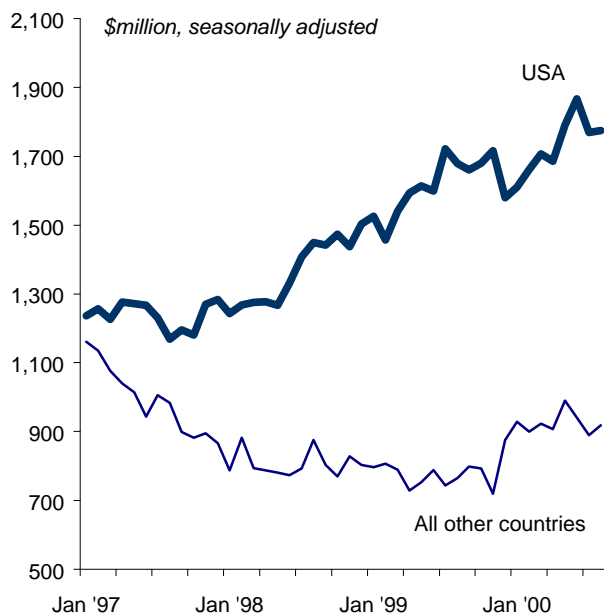


Current Statistics ♦ October 2000

Exports to USA and the rest of the world increased in August



- **Exports of BC products rebounded between July and August.** BC exports rose by 1.3% (seasonally adjusted) between July and August, recovering from a sharp fall of 5.3% in July. The greatest increases were seen in exports of agricultural and fish products (+16.2%) and mineral products (+15.6%) to the rest of the world. Forest product exports were down 4.2% overall, as international shipments to both the US (-2.3%) and overseas (-6.6%) declined.

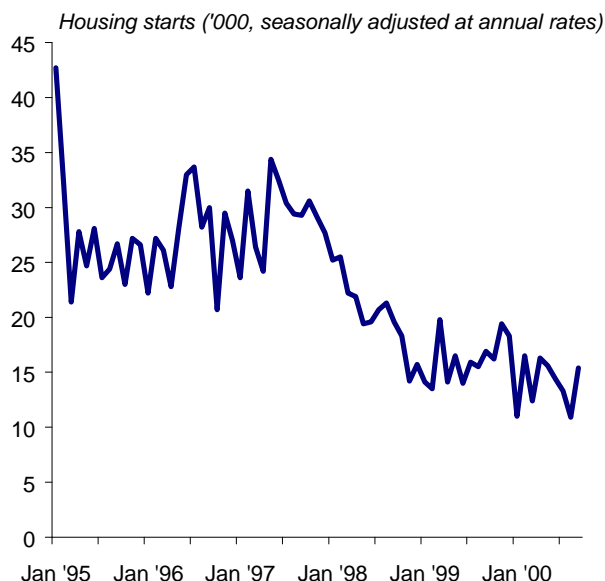
US-bound exports were up slightly in August (+0.3%) despite the drop in the value of forest products shipped to the States. Exports from the agricultural and fisheries sector showed the strongest increase (+17.7%), whilst mining exports were weak (-5.4%). International shipments to countries other than the US increased 3.3% in August after falling in the two previous months. *Source: BC STATS*

- **BC manufacturers' shipments fell again in August, dropping to 0.6% (seasonally adjusted) below July's level.** The drop in ship-

ments was the result of declines in all three of BC's biggest manufacturing industries. Shipments by wood producers were down 5.4%. Paper (-0.9%) and food product (-2.2%) shipments did not fall as much. *Source: Statistics Canada*

- **Housing starts in the province bounced back from a record low level in August, rising 41.3% (seasonally adjusted) in September.** The increase in starts was the first since last April, and was due to more building activity in urban areas of the province. Nearly two-thirds of the new urban starts were in the Vancouver area. *Source: CMHC*
- **CMHC is forecasting that housing starts in BC will total 14,100 this year, down 13.5% from the 1999 level.** A surge in demand for high-end homes (those costing \$500,000 or more) is not expected to be strong enough to offset the effect that higher interest rates and construction and land costs have had on the market for entry-level home buyers. *Source: CMHC*

BC housing starts rise in September



- **The cost of new housing in BC's two biggest urban centres continued to fall in**

August. The new housing price index (NHPI) in Victoria was down 4.4% from a year earlier, while Vancouver's NHPI slipped 1.0%. Since 1992, the cost of new housing in Victoria has fallen 28%, while average prices for new housing in the Vancouver area have dropped 17%. In Vancouver, the rate of decline in new housing prices is slowing but this has not yet occurred in Victoria. Land prices are beginning to stabilize, but the cost of homes built in the city has continued to drop. New housing prices are affected by a combination of factors, including the state of the housing market, the availability of land on which to build, and the type and size of housing that is being constructed. The long-run decline in the NHPI is a reflection of falling prices for both the land and housing components of the index. *Source: Statistics Canada*

- **BC retail sales increased by 0.5% between July and August, continuing a period of overall advances which started in the fall of 1998.** August's increase was mostly due to higher sales in the automotive sector.

Source: Statistics Canada

- **New motor vehicle sales in the province improved again in August, increasing 2.5% (seasonally adjusted) after posting an 8.6% gain in the previous month.** Nationally, vehicle sales rose 5.1% between July and August. Some of the improvement was undoubtedly due to manufacturer's incentives aimed at clearing out inventories in preparation for the introduction of 2001 models this fall.

Source: Statistics Canada

- **British Columbia's unemployment rate fell 0.2 percentage points to 7.7% (seasonally adjusted) between August and September.** The drop in the jobless rate was attributable to employment growth of 0.6%, which was more than enough to absorb a 0.4% expansion in the labour force.

Source: Statistics Canada

- **The number of regular employment insurance (EI) recipients in BC fell by 11.0% between August 1999 and August 2000.** This represents a decrease of 6,301 people, leaving an estimated 50,850 EI benefit recipients in the province in August 2000.

Source: Statistics Canada

- **British Columbia's year-over-year inflation rate was virtually unchanged at 1.9% in September as higher energy prices continued to put upward pressure on the cost of goods and services purchased by consumers.** Overall, energy prices were 18.7% higher than in September 1999. Excluding energy costs, BC's inflation rate would have been just 0.6%.

BC residents fared better than most other Canadians did. Canada's all-items consumer price index (CPI) was up 2.7% in September. Lower food (-0.8%) prices, together with a relatively weak housing market, have provided some relief to consumers in this province. This has not been the case in the rest of Canada. While food prices in BC have been falling, at the national level they have risen by two percent or more during the last three months. Similarly, the Canadian shelter cost index has been climbing in response to rising house prices and mortgage costs. Nationally, the cost of owned accommodation was 2.6% higher last month than in September 1999. In BC, the increase was only 0.2%. *Source: Statistics Canada*

Soaring energy prices have boosted BC's inflation rate

