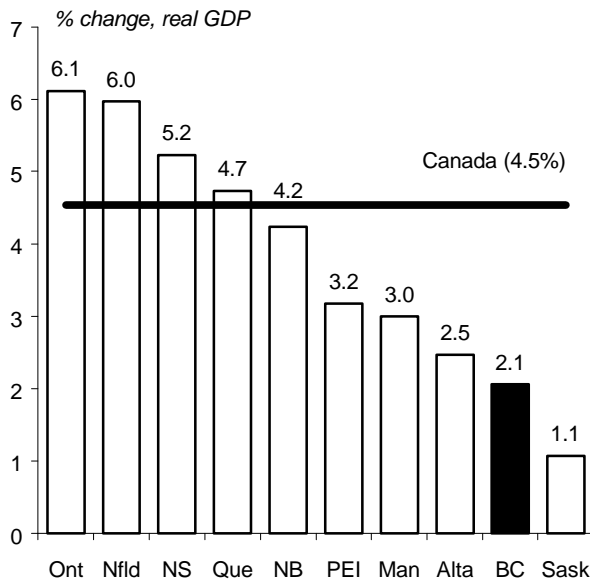


## Current Statistics ♦ November 2000

**BC's economic performance last year was the second weakest in the country.**



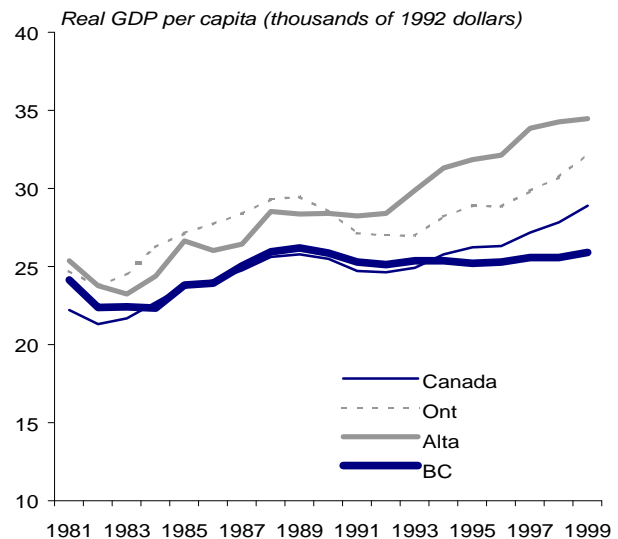
- British Columbia's economy grew by 2.1% in 1999.** While the increase represented an improvement over 1998's sluggish performance (+0.9%), it was less than half the national average (+4.5%), and the second lowest in the country. Ontario (+6.1%) and Newfoundland (+6.0%) continued to be the major engines driving the expansion of the Canadian economy during 1999. In Ontario and points east, every province except PEI (+3.2%) saw real GDP growth of at least four percent. The western provinces, where increases ranged from +1.1% in Saskatchewan to +3.0% in Manitoba, did not fare as well. Yukon (+1.0%) and NWT/Nunavut (+2.3%) also lagged behind eastern Canada. *Source: Statistics Canada*

- A turnaround in domestic demand, combined with higher international exports contributed to the improvement in BC's economy during 1999.** Final domestic demand, a measure of total purchases of goods and services by economic agents within BC, was up 3.6%, after stalling (-0.1%) in 1998.

Consumer (+2.6%) and government (+2.0%) purchases rose moderately, but the main impetus for growth came from capital investment. In 1998, investment by both the government (-7.7%) and business (-5.1%) sectors was weak. Last year, government investment in fixed capital skyrocketed (+27.0%), while businesses increased their spending 5.5%. The residential sector remained in the doldrums (-6.4%), but investment in non-residential structures (+5.7%) and machinery and equipment (+18.6%) rose quite substantially. In addition, international exports of goods and services were up 8.4% while exports to other provinces expanded 2.8%. At the same time, the demand for goods and services produced outside BC jumped 5.4%, dampening the effect of the export growth on total GDP.

*Source: Statistics Canada*

**The province continued to lose ground in terms of real GDP per capita, which has been below the national average since 1994.**



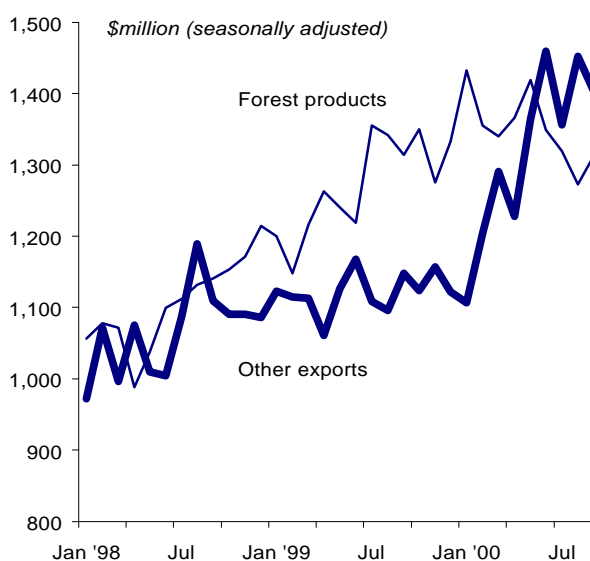
- On a per capita basis, real GDP in the province edged up slightly (+1.3%), increasing to \$25,899 in 1999.** However, the increase was well below the national average (+3.7%, to \$28,867). Last year Alberta

(\$34,458), Ontario (\$32,189) and Quebec (\$26,199) all had a higher per capita GDP than British Columbia. *Source: Statistics Canada*

- **British Columbia's unemployment rate stayed put at 7.7% (seasonally adjusted) in October, as both the number of jobs (+0.3%) and the size of the labour force (+0.2%) grew at similar rates.** A relatively strong increase in the public sector jobs (+1.2%), combined with slower growth (+0.4%) in private sector employment boosted BC's employment figures. *Source: Statistics Canada*
- **BC manufacturers surveyed in October were more pessimistic about business conditions than they have been since the beginning of last year.** Among those surveyed, 29% expected their production to decline in the fourth quarter, compared to 21% who anticipated increases. This put the balance of opinion into the negatives (-8) for the first time since January 1999. Twenty percent of manufacturers expected new orders to decline, while 13% anticipated increases. At the same time, 18% expected their inventories of finished product to be too high, while 8% thought that they would be too low. Three out of four manufacturers did not expect to encounter production difficulties during the rest of the year. *Source: Statistics Canada*
- **British Columbia's year-over-year inflation rate jumped half a percentage point to 2.4% in October.** The increase in the all-items consumer price index was partly due to the effect of higher energy prices (+20.7%), but also reflected upward movement in the cost of other goods and services. Excluding energy, BC's inflation rate would have been 1.1% in October, up from 0.6% in the previous month. Most goods and services cost consumers more than they did a year earlier. The only exception was food prices, which remained below 1999 levels, as they have since the beginning of the year. *Source: Statistics Canada*
- **Exports of BC products dipped slightly (-0.3%, seasonally adjusted) between August and September.** The drop in the value of exports was due to a downturn in

overseas shipments (-2.1%), combined with relatively modest growth (+0.6%) in the value of goods exported to the United States. Exports of forest products to all destinations rose 3.2%, reflecting gains in both US (+4.7%) and overseas (+1.3%) markets. Mineral product exports were also up (+9.6%) in September. At the same time, shipments of agriculture and fish products slipped back 12.2%, while exports of other goods were down 7.0%. *Source: BC STATS*

**Forest product exports were up in September, but shipments of other goods fell**



- **Sales by BC retailers remained well above 1999 levels in the third quarter.** They were up 6.4% overall as most types of retailers saw their figures improve over the third quarter of 1999. Drug stores (+11.1%) posted the biggest gain, followed closely by retailers of automotive products (+10.5%). Furniture (+6.7%), clothing (+5.0%) and food (+4.5%) retailers registered more modest gains. *Source: Statistics Canada*
- **Cash receipts from farming operations in British Columbia totalled \$447 million during the third quarter, an increase of 1.7% over the same period of 1999.** Both crop (+2.2%) and livestock (+2.3%) receipts rose, but subsidies and other payments to producers fell 24.0%. *Source: Statistics Canada*