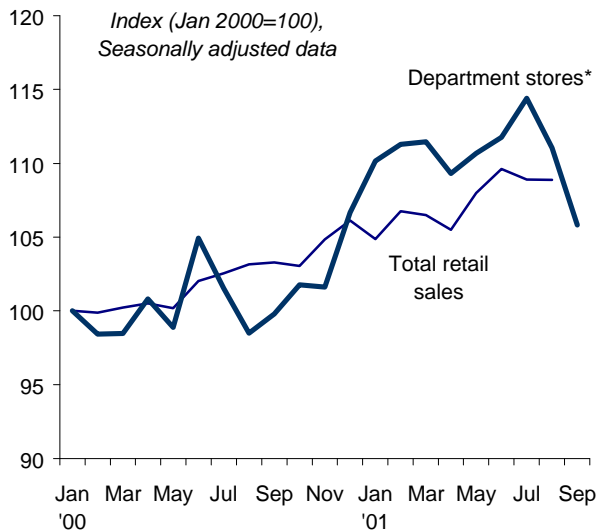


Current Statistics ♦ October 2001

Consumers in the province have begun to tighten their purse strings. Department store sales fell sharply in September.



* includes the Territories

- **Department store sales in BC and the Territories dropped 4.7% (seasonally adjusted) between August and September, posting the biggest monthly decline seen since late 1999.** Sales were down in every region, falling 4.5% at the national level. Department stores account for about 6% of the total value of retail sales.

While the terrorist attack on September 11 almost certainly contributed to the decline, it was not the only reason for the weak sales. Spending at department stores had already begun to drop off in August, falling 2.9% in that month. However, department store sales remain well above 2000 levels.

Source: BC STATS & Statistics Canada

- **Retail sales in the province were unchanged in August, staying fixed at \$3.2 billion after declining 0.7% in the previous month.** Sales have been on a general upward trend during the last two years, but it appears that they may be starting to level off.

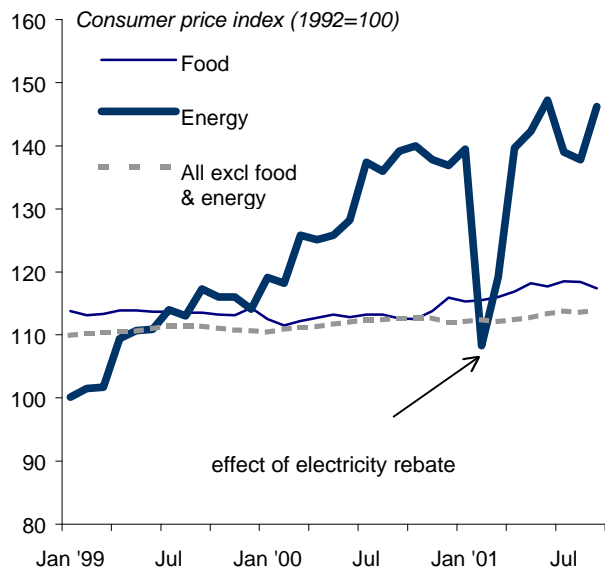
Retail sales were weak in most parts of the country in August, declining or remaining unchanged in seven regions. The largest decrease was in Manitoba (-1.4%). Canadian sales rose 0.3% in August, largely because of strength in Ontario (+0.7%). Retailers in Alberta (+0.3%), Quebec (+0.3%) and New Brunswick (+1.0%) also increased the value of their sales in the summer months.

Source: Statistics Canada

- **Wholesale sales in the province were up 2.2% (seasonally adjusted) between July and August.**
- **Retailers of new motor vehicles moved 0.8% more cars, trucks and vans off their lots in August (seasonally adjusted) than in the previous month.** The increase in sales was relatively weak compared to other parts of the country.

Source: Statistics Canada

Higher prices for food and energy products are driving BC's inflation rate up



effect of electricity rebate

- **British Columbia's year-over-year inflation rate crept up to 2.1% in September, an increase of 0.3 percentage points over the**

previous month. Food prices (+4.3%) continued to push the inflation rate up in September, as the cost of fresh fruits (+8.6%) and vegetables (+7.3%), meat (+7.9%) and fish and seafood (+7.9%) products rose substantially. A stronger housing market and increased utility costs (+8.7%) helped drive shelter costs up 2.0%. Energy prices rose 5.0%, mainly due to more expensive piped gas (+22.4%). Fuel oil prices were down (-2.6%) for the first time since March 1999, while prices at the pump moved up 1.7%. Consumers also paid more for alcohol and tobacco (+2.4%), health and personal care products (+2.0%), household operations and furnishings (+1.9%), transportation (+1.7%) and clothing and footwear (+0.6%). The cost of recreation, education and reading materials was 0.2% lower than in September 2000. Travellers paid 11.6% less for accommodation as the cost of lodging fell for the fifth month in a row. *Source: Statistics Canada*

- **Restaurant, caterer and tavern receipts in BC continued to rise in August, increasing to 8.6% above the August 2000 level.** Food service receipts rose 8.9%, with drinking places seeing a smaller gain (+5.1%). Business at full-service restaurants (+10.8%) in BC has been booming, growing at double-digit rates since early 2000. *Source: Statistics Canada*

- **The number of British Columbians receiving regular Employment Insurance (EI) benefits fell 1.0% (seasonally adjusted) between July and August.** There were fewer EI beneficiaries in most parts of the country, with declines seen in nine regions. Saskatchewan (+1.0%) and Alberta (+1.9%) were the only exceptions. Nationally, the number of EI beneficiaries was down 1.4% in August. *Source: Statistics Canada*

- **Shipments of goods manufactured in the province fell 1.0% (seasonally adjusted) in August.** The drop in the value of shipments, which was the third in as many months, came primarily from the durable manufacturing sector (-3.0%), where shipments were down almost across the board. The forest sector remained depressed. Wood shipments fell 2.3% between July and August, despite higher prices, while paper shipments (part of the non-

durables sector) were down 1.1%. Shipments by manufacturers of non-durable goods rose 2.3% overall, largely due to a strong increase in the food (+6.5%) and beverage (+2.7%) industries. This gain, together with a 10.0% increase in the value of goods shipped by manufacturers of chemicals, was big enough to offset the decline in the paper industry.

Source: Statistics Canada

- **Exports of BC products fell 2.8% (seasonally adjusted) between July and August, marking the sixth time since the beginning of the year that the value of exports has declined.** US-bound exports were off 2.5%, while international shipments to other parts of the world fell 3.5%. Natural resource products—forestry (-2.1%) and mining (-18.3%)—were responsible for most of the decline in international shipments. Exports of agriculture and fish (+1.5%) and other (+5.0%) products increased in August. A sharp increase in natural gas sales to the US early in the year had boosted the value of exports, but international shipments of mineral products are returning to more normal levels. *Source: BC STATS*

The spike in the value of exports seen early in the year was largely due to purchases of natural gas, mainly by the US

