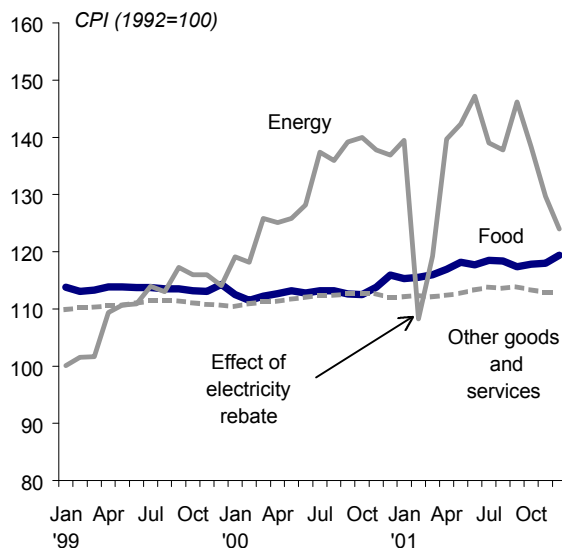


Current Statistics ♦ January 2002

Energy prices moderated in the second half of last year, while food prices started to climb



- **BC's consumer price index (CPI) was 0.4% higher in December than in the same month of the previous year.** Falling energy prices, which were down 9.4% from December 2000, kept the inflation rate low. Excluding the cost of energy, the increase in the overall price level would have been 1.2%. Food prices, which continued to climb, were a key factor pushing the CPI up. Most grocery items cost consumers more than they had a year earlier. Prices for fresh (+11.5%) and other (+7.4%) fruits, as well as meat (+5.9%) remained well above December 2000 levels. Other notable increases included household operations (+3.9%) and alcohol and tobacco products (+3.9%). Lower gas (-19.8%) and insurance (-8.0%) prices kept a lid on the transportation index, which fell 5.3% despite an 8.6% increase in the cost of public transportation. Overall prices rose more in Vancouver (+0.7%) than they did in Victoria (+0.4%).

Source: Statistics Canada

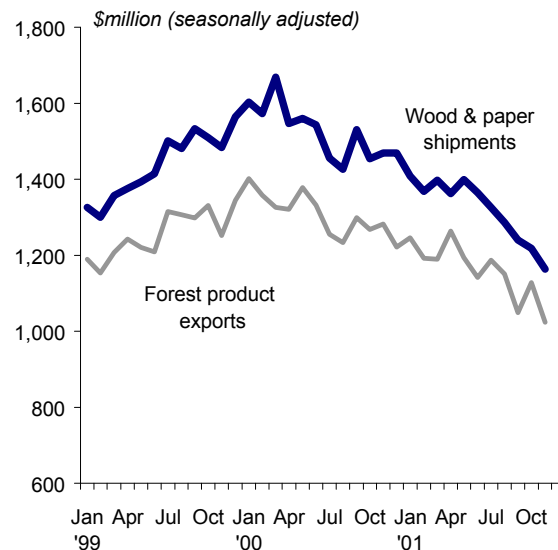
- **The province's annual inflation rate was 1.7% in 2001.** Average prices for all major

commodity groups increased last year, led by a 3.9% jump in the cost of food. Shelter costs rose (+1.6%) for the second year in a row as the province's housing market continued to strengthen. Source: Statistics Canada

- **British Columbia manufacturing shipments dropped 1.1% (seasonally adjusted) in November as shipments by producers of both durable (-0.9%) and non-durable (-1.4%) goods fell.** Declining shipments of wood products (-3.9%) were the major factor behind the decrease in durables. Shipments of computer and electronic products plunged 7.3%. These declines were partially offset by large increases in transportation equipment (+24.5%) and electronic equipment, appliances and components (+12.5%). In the non-durables group, shipments by paper producers fell 5.8% and food shipments were down 0.9%.

Source: Statistics Canada

Shipments and exports of forest products continue to decline



- **Exports of BC products fell 3.0% (seasonally adjusted) in November.** The month-to-month drop in the value of exports was largely due to weakness in the forest sector, where

international shipments were down 9.3%. Exports of all other products increased between October and November. Energy exports were up (+5.2%) for the first time in six months. After skyrocketing in late 2000/early 2001, energy exports have been dropping to more normal levels. US markets for BC products were weak in November, as exports fell 1.3%. Overseas-destined exports were down 6.3%.

Source: BC STATS

- **For the seventh consecutive month, BC softwood lumber prices rose (+5.2%) in November compared to the same month of 2000.** This was a result of higher prices in both the interior (+5.9%) and coastal +(3.5%) regions of the province. The price of BC pulpwood chips declined (-31.4%) for the seventh straight month. Source: Statistics Canada

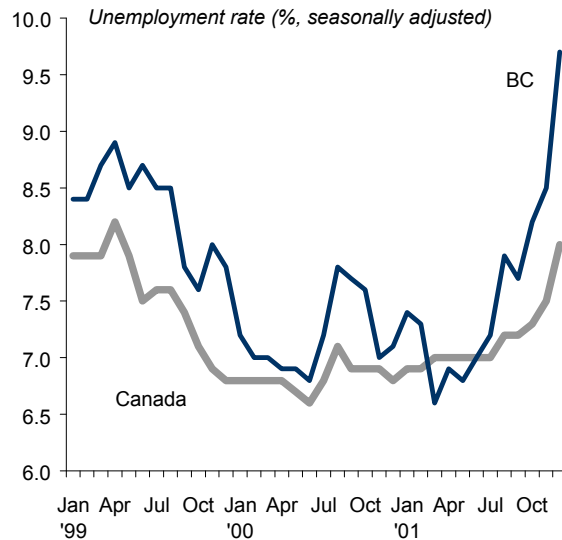
- **Retail sales rose 1.2% (seasonally adjusted) in November.** Canada-wide, sales grew 1.4%. Wholesale sales in the province continued to seesaw, dropping 1.8% in November after posting a 1.4% increase in the previous month. Canadian sales were up 0.4% Source: Statistics Canada

- **New motor vehicle sales in British Columbia recovered in November, increasing 9.8% (seasonally adjusted), to their highest level in four years.** Sales were up across the country, rising 8.5% nationally as consumers in all parts of Canada responded to incentives offered by manufacturers. Source: Statistics Canada

- **Restaurant, caterer and tavern receipts in the province increased 0.6% (seasonally adjusted) between October and November.** The relatively strong gain occurred mainly because spending at taverns and drinking places was up substantially (+2.3%). Restaurants and food service establishments posted a more modest overall increase (+0.5%). Source: Statistics Canada & BC STATS

- **BC housing starts fell 11.8% (seasonally adjusted) between November and December as new housing construction activity slowed in the last two months of the year.** Starts were flat or down throughout western Canada and in Ontario. Source: CMHC

BC's unemployment rate shot up to just under ten percent at the end of 2001



- **British Columbia's unemployment rate shot up to 9.7% (seasonally adjusted) in December.** The 1.2 percentage point increase over the November value represented the biggest one-month jump in the rate since 1982, and brought the unemployment rate to its highest level in five years. A growing labour force, combined with job losses, were the reasons for the rise in the jobless rate. The size of the labour force expanded 0.7%, while employment dropped 0.6% in December. The number of jobs in goods-producing industries continued to fall (-2.7%), as it has throughout most of 2001. Employment was down for the third straight month. Utilities (-5.7%), construction (-5.3%) and logging, fishing and mining (-5.1%) were hardest hit. In the service sector, employment was unchanged from November despite job losses in some industries. The number of people working in transportation and warehousing dropped 7.0%. Other industries with significant job losses include management and administration (-6.0%) and professional, scientific and technical services (-4.9%). Source: Statistics Canada