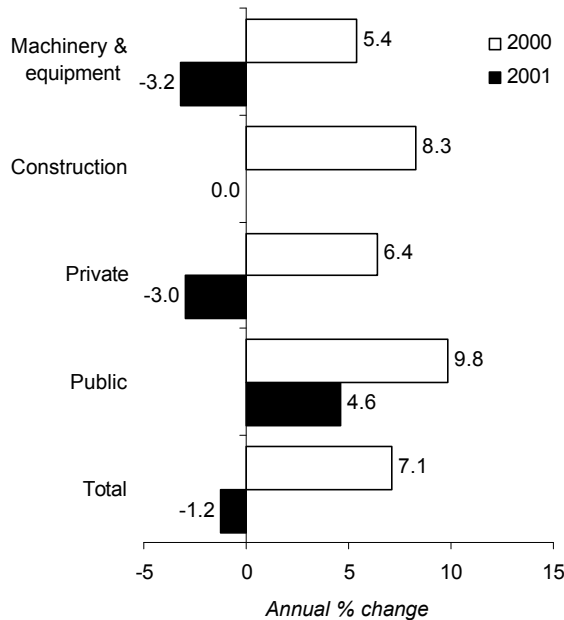


## Current Statistics ♦ February 2002

### Public and Private Sector Investment in the province is expected to fall in 2002



- Public and private sector investment in BC is forecast to fall 1.2% during 2002.** The drop in planned investment is largely due to a predicted 3.0% decline in spending by the private sector, reflecting lower planned investment in both machinery and equipment (-4.6%) and construction (-1.8%). However, public sector spending is expected to rise 4.6%, with spending on both infrastructure (+5.4%) and machinery & equipment (+3.0%) increasing over the 2001 level. Federal, provincial and local governments account for about half of all public sector investment, with the remainder coming from health, education and other industries. The federal government intends to increase its investment in structures and equipment 30.7%, enough to offset a sharp decline (-22.7%) in planned investment by the provincial government. It is anticipated that local government investment will rise 4.5% this year. Among industries, the biggest declines are expected to be in primary industries (-19.7%) and manufacturing (-10.6%). Spending on residential projects (+6.6%) is

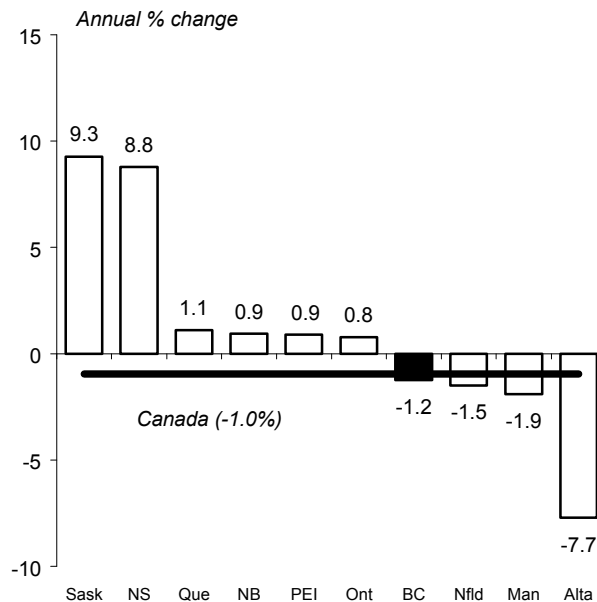
forecast to pick up substantially.

*Source: Statistics Canada*

- Overall, private and public sector investment in Canada is forecast to be relatively weak during 2002, falling 1.0%.** A 7.7% drop in planned spending in Alberta, together with decreases in Manitoba (-1.9%), Newfoundland (-1.5%) and BC (-1.2%) is expected to offset growth in the rest of the country, led by Saskatchewan (+9.3%) and Nova Scotia (+8.8%).

*Source: Statistics Canada*

### Investment declines in Alberta, Manitoba, Newfoundland and BC are expected to offset increases in other provinces.



- BC's year-over-year inflation rate was 0.8% in January.** Energy prices continued to slump, falling 11.3% from the same month of last year. Excluding energy, the CPI would have been up 1.9%. Food prices were 4.4% higher and household operations and furnishings grew 3.7%. The cost of shelter (-0.8%) and transportation (-2.3%) slipped.

*Source: Statistics Canada*

- **Housing starts in BC climbed 29.8% (seasonally adjusted) in January.** Canadian starts were up 17.3%. *Source: CMHC*

- **Exports of BC products fell 3.4% (seasonally adjusted) in December despite a slight improvement (+1.5%) in the value of shipments to the United States.** Exports to the rest of the world were off 13.3%. Overall, exports of energy products were down substantially (-18.2%), while international shipments of machinery and equipment fell 8.1% from the November level. Exporters of industrial and consumer goods (-4.5%) also shipped less to the US and overseas. However, forest sector exports picked up (+2.7%) in December. *Source: BC STATS*

- **Shipments of goods manufactured in BC continued to decline in December, decreasing 1.5% (seasonally adjusted).** The latest drop in shipments was the seventh in as many months. Canadian shipments were down 1.8%. *Source: Statistics Canada*

- **BC retailers increased their sales 2.1% (seasonally adjusted) in December, more than in any other province except Quebec (+3.0%).** Canadian sales rose 1.6%. *Source: Statistics Canada*

- **Wholesale sales in the province were unchanged in December (-0.2%, seasonally adjusted).** Sales were also relatively flat at the national level (+0.3%), despite strong gains in some provinces. *Source: Statistics Canada*

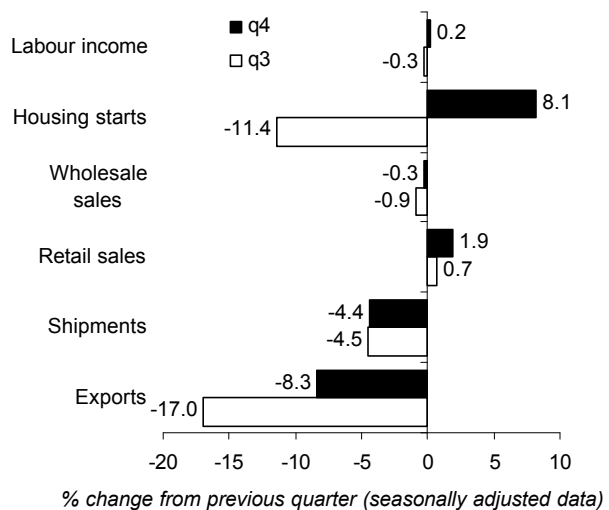
- **The number of new motor vehicles sold in the province (including the territories) dropped 6.8% (seasonally adjusted) in December.** This was the largest decline in the country. Canada-wide, there was a 0.9% increase. *Source: Statistics Canada*

- **The value of building permits issued by BC municipalities increased 17.9% (seasonally adjusted) in December.** The increase was largely due to a surge (+32.5%) in permits for residential construction projects. Permits for non-residential construction were down 9.7% from the November level. Vancouver (+23.7%) and Victoria (+63.0%), which together account

for more than two-thirds of the provincial total, posted healthy gains *Source: Statistics Canada*

- **The number of business bankruptcies in the province jumped 77.8% in December, compared to the same month of 2000.** Consumer bankruptcies rose 6.9% to reach 621 up from 581 a year earlier. Retail trade industries saw the largest number of bankruptcies with 21 businesses declaring bankruptcy. Nine manufacturing firms in the province went bankrupt. *Source: Industry Canada*

**Exports shipments, and wholesale sales declined in the fourth quarter, but consumer spending and housing starts provided a boost to the economy.**



- **Labour income in the province edged up 0.2% (seasonally adjusted) at the end of the year, picking up steam after being stuck in the doldrums during the second (-0.5%) and third (-0.3%) quarters.** However, the increase in BC was modest compared to other regions. Canadian wages and salaries expanded 0.8% in the fourth quarter. *Source: Statistics Canada*

- **Cash receipts from farming operations in BC were up 11.1% in the fourth quarter, relative to the same period last year.** Both crop (+12.6%) and livestock 5.3% receipts increased. *Source: Statistics Canada*