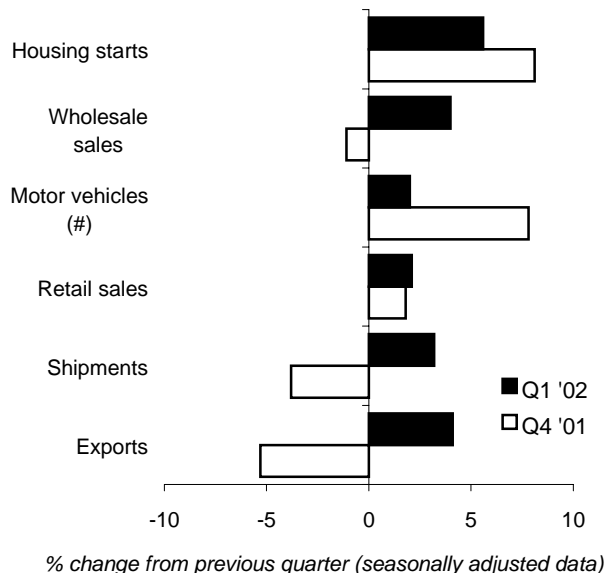


Current Statistics ♦ May 2002

First Quarter in Review—An Improvement, But Will it Last?

BC's economy picked up speed at the beginning of the year, as many of the major economic indicators rebounded in the first quarter after slumping in the latter half of 2001. Exports of BC products were up (+4.1%, seasonally adjusted) for the first time in more than a year, as were total shipments (+3.2%) of goods produced in the province. Farm cash receipts jumped 6.1% in the first quarter, compared to the same period last year.

BC's economy picked up speed in the first quarter



Consumers helped fuel the recovery, with retail sales rising 2.1% (seasonally adjusted) after increasing 1.8% in the fourth quarter of 2001. The number of new vehicles sold was up 2.0%, following even stronger growth (+7.8%) at the end of last year. Sales by wholesalers also improved, rising 4.0%. Wholesale sales in the province had been weak in the last half of 2001.

International tourism continued to rebound from a post-September 11 slump. Visitor entries into BC were up 3.2% as entries from both the US (+2.9%) and overseas (+4.5%) increased. The

number of Canadians re-entering Canada via BC rose 3.5%.

Construction activity in the province remained robust. Housing starts increased 5.6%, improving on an 8.1% gain at the end of last year. At the same time, the value of building permits issued by BC municipalities rose nearly a quarter (+23.3%), as planned spending on both residential (+27.6%) and non-residential (+13.6%) projects increased. The growth in the value of non-residential construction permits was due to a 37.5% rise in planned investment in commercial projects. Permits issued for industrial (-15.9%) and institutional (-17.5%) projects were well below fourth-quarter levels.

Employment was up 0.9%, marking the first significant quarterly increase in the number of jobs since the end of 2000. The job gains were concentrated in the private sector, where employment rose 2.1%, partly offsetting a 2.5% drop in the number of public sector jobs. However, the overall job growth was due to an increase in part-time (+4.2%) employment. The number of full-time jobs was unchanged from the fourth quarter of last year. BC's jobless rate remained unchanged, averaging 8.9% as the labour force grew at about the same rate as the number of jobs.

The consumer price index was 2.2% higher than in the first quarter of last year. Prices for all major commodities except transportation (-0.3%) were well above first quarter 2001 levels. Tobacco taxes and higher prices for food (+4.0%) were important factors in the overall inflation rate. The cost of energy products moderated, and consumers paid 12.1% less for gasoline, 13.1% less for piped gas and 17.8% less for fuel oil than in the first quarter of last year.

Although the first quarter results are generally positive, monthly data for many of these series show slower growth, or declines, at the end of the period. Monthly data tend to be volatile, but the late-period slowdown suggests that the strength in the first quarter may not be sustained.

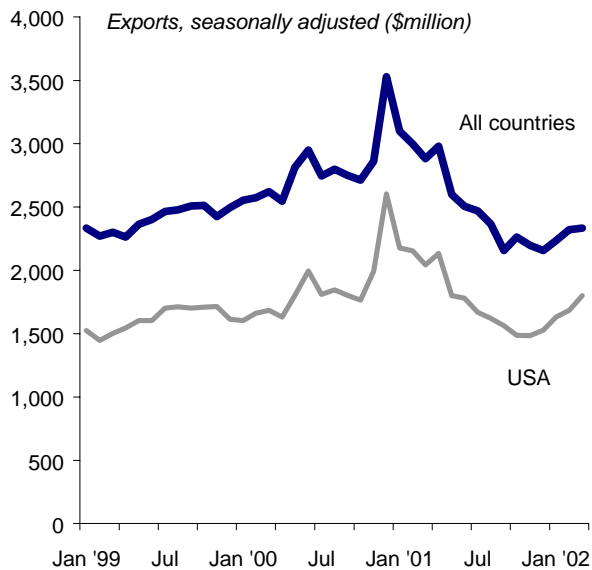
(All data in this section come from Statistics Canada, and except for farm cash receipts and consumer prices, are seasonally adjusted)

Monthly Indicators

- **The consumer price index for BC rose 2.3% in April compared to the same month of last year.** The cost of energy fell 2.2% during the same period. With energy prices excluded, the consumer price index was up 2.7%. The price of cigarettes was 24.1% higher than this time last year due to recent increases in tobacco taxes. Transportation became more expensive, particularly the cost of automotive vehicle insurance (+10.5%) and public transportation (+11.9%). Food prices jumped 3.9% while the cost of shelter dropped 0.6%.

Source: Statistics Canada

Exports of BC product were up for the third consecutive month in March



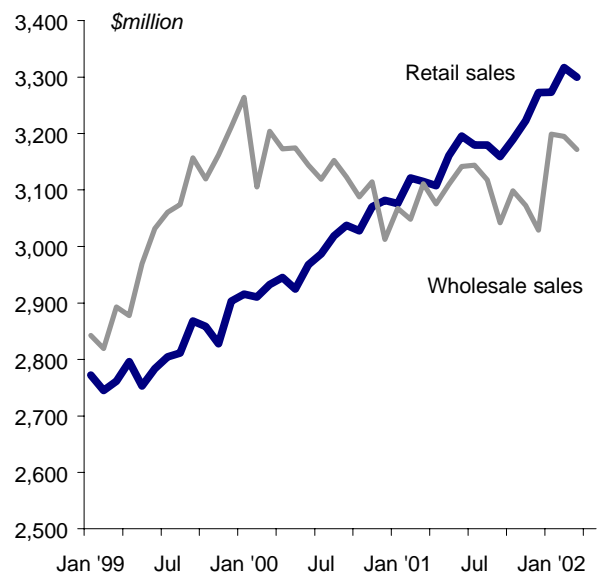
- **The value of exports of BC products rose for the third consecutive month in March (+0.5% seasonally adjusted).** Shipments of forest products were the main contributor to the increase, climbing 4.9% from February to March. Exports of energy jumped 1.7%, while industrial and consumer (-2.1), machinery, equipment and automotive (-5.9%) and agricultural and fishery products (-10.4%) all declined in March.

Exports destined for US markets were up 6.9% in March, marking the first time since mid-1998 that there have been four straight

months of export growth to the US. Exports to countries other than the United States were down in every major category. Overall, exports to the rest of the world fell 16.3%. Source: BC STATS

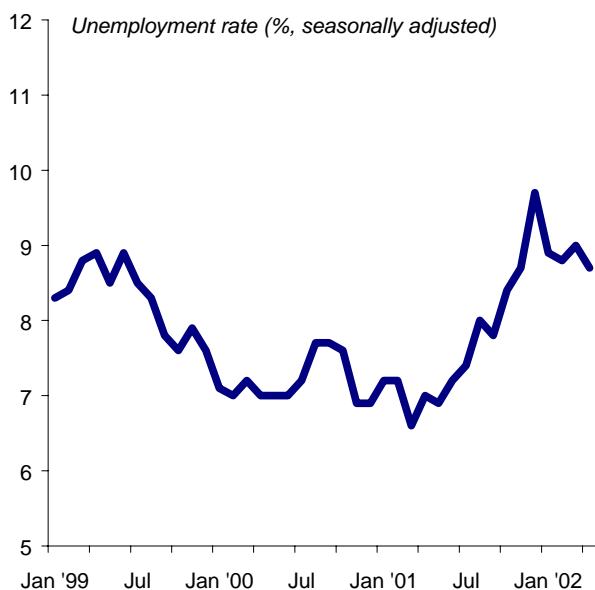
- **For the third consecutive month, manufacturing shipments rose (+2.1%) in March.** Shipments of non-durables (+6.3%) were the driving force behind this increase. Beverage and tobacco manufacturing climbed 8.1% and shipments of petroleum and coal jumped 18.2%. Paper manufacturing gained 13.3%. Shipments of durable products slipped 0.6%. Manufacturing shipments of transportation equipment slumped (-11.3%) and wood shipments dropped 1.4%. Source: Statistics Canada
- **Retail trade in BC fell 0.5% (seasonally adjusted) in March, ending five months of growth.** Nationally, sales were down 0.2%. Source: Statistics Canada
- **Wholesale sales decreased 0.7% (seasonally adjusted) in March.** Canadian sales remained fairly flat (-0.2%). Source: Statistics Canada
- **New motor vehicle sales in BC and the Territories were down 10.5% in March.** Across the country, motor vehicle sales dropped 3.8%. Source: Statistics Canada

Retail sales fell 0.5% in April, while the value of wholesale sales dropped 0.7%



- **Visitor entries into BC dropped 3.5% in March compared to the previous month.** Entries from the US were down 3.8%, as both same-day (-4.1%) and overnight (-3.0%) entries fell. The number of people visiting from overseas fell 2.1%. *Source: BC Stats & Statistics Canada*
- **BC restaurant, caterer and tavern receipts fell 2.4% in March.** This was a result of declines in both drinking (-3.0%) and food service (-2.3%) receipts. Canada-wide, receipts slipped 0.5%. *Source: Statistics Canada*
- **In March, the number of people in BC receiving employment insurance benefits grew 1.5% (seasonally adjusted) to 64,490.** Across the country, the number of benefit recipients fell 0.8% to 548,790. *Source: Statistics Canada*

BC's unemployment rate has been trending down, after peaking at 9.7% in December



- **British Columbia's unemployment rate dropped 0.3 percentage points in April to 8.7% (seasonally adjusted)** The improvement in the jobless rate was the result of an increase in employment (+0.7%) which more than offset growth in the labour force (+0.4%). *Source: Statistics Canada*
- **Full-time employment grew 0.7% (seasonally adjusted) in April and the number of**

people working part-time rose 0.6%. Both men (+0.5%) and women (+0.9%) experienced an increase in employment. For men, the increase was seen in full-time (+1.6%) employment. For women, the gain was made in part-time employment (+4.0%).

Source: Statistics Canada

- **All seven regions of the province experienced an increase in unemployment rates in April (3 month moving average) compared to the same month of 2001.** The biggest jump was in North Coast and Nechako (+4.2 percentage points). The area also posted the highest rate (15.8%). The Northeast (7.7%) posted the lowest unemployment rate in the province. Victoria's unemployment rate rose 2.3 percentage points. *Source: Statistics Canada*
- **Housing starts in the province slumped (-22.1%) in April, after a 12.4% increase in March.** Nationally, housing starts fell 11.3%, more than offsetting a 9.7% rise in March *Source: Canada Mortgage and Housing Corporation*
- **Vancouver's new housing price index grew 3.0% in March compared to March 2001.** For Victoria, the index showed a 0.7% increase in new housing prices. Across the country, the index was up 3.3%. *Source: Statistics Canada*
- **The value of building permits issued in the province slipped 1.0% in March.** Strong growth in non-residential permits (+11.2%) was outweighed by slumping residential permits (-5.0%). In Vancouver, the value of building permits jumped 6.7%, but in Victoria there was a 9.5% decline. *Source: Statistics Canada*
- **The number of consumers in BC who declared bankruptcy in March fell to 861 from 912 in March 2001.** Business bankruptcies increased 11.8% from 93 in March of last year to 104 in March 2002. Eighteen firms in manufacturing industries and 10 from construction industries declared bankruptcy. Total liabilities of firms that filed for bankruptcy were \$21.4 million. *Source: Industry Canada*