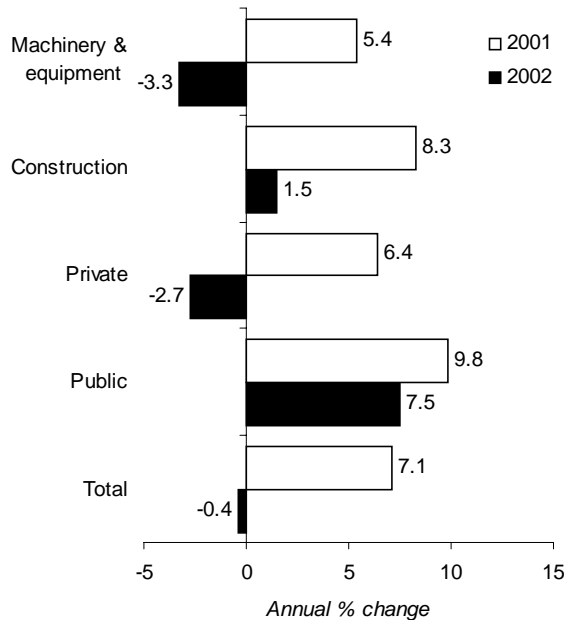


Current Statistics ♦ July 2002

Private and public sector investment in the province is expected to dip 0.4% this year



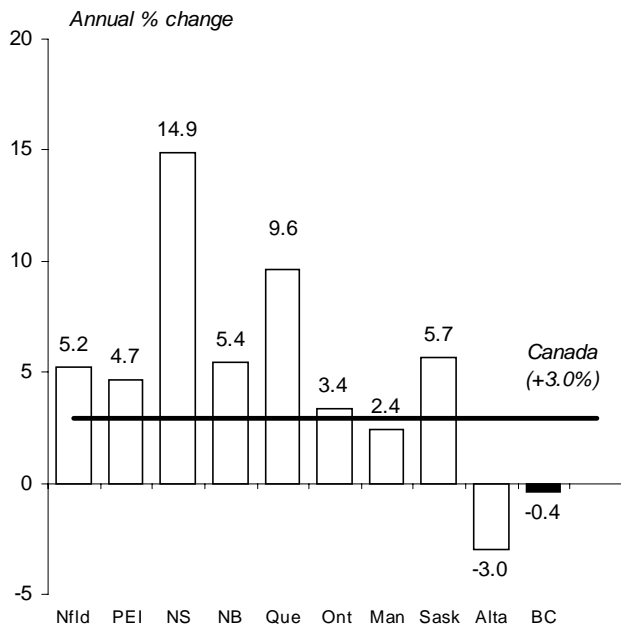
- BC private and public sector organizations surveyed this spring were slightly more optimistic about their investment plans for 2002 than they had been at the end of last year. They expect investment to drop 0.4% during 2002, but had predicted a 1.2% decline the last time they were surveyed. Planned spending on machinery and equipment this year is forecast to fall 3.3%, but a 1.5% increase in construction will help mitigate the decline. BC's hot housing market is expected to boost the total, with spending on residential projects increasing 13.0%. However, planned investment in non-residential structures is forecast to fall 6.5%.

Once again, the public sector is expected to boost overall investment, with anticipated spending growth of 7.5%. investment by federal (+27.4%) and local (+15.6%) government departments is forecast to continue to rise, but planned investment by the provincial government is down 27.5% from last year. In the private sector, spending is forecast to drop off 2.7%, as investment plans are put

on hold in many industries. However, spending in the utilities (+22.0%), wood manufacturing (+15.5%), and accommodation and food services (+14.0%) industries is expected to grow at double-digit rates. *Source: Statistics Canada*

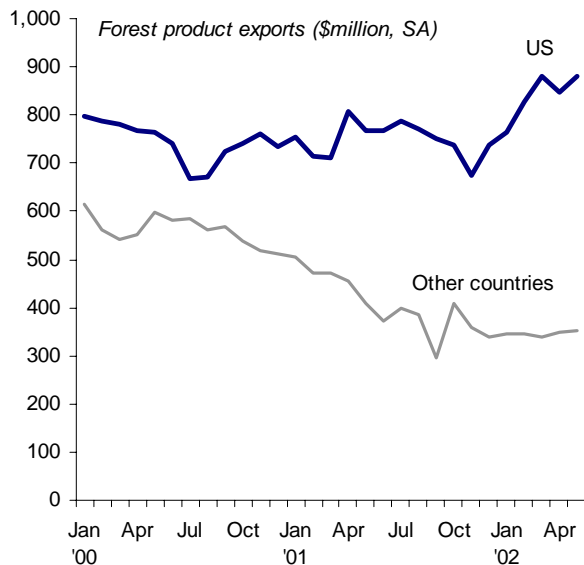
- The Canadian forecast was also more optimistic than it had been at the end of last year. Investment is expected to grow 3.0% during 2002, reversing a 1.0% decline predicted last year. The increase is forecast to come from public sector spending (+16.1%). The level of private sector investment is expected to be flat this year. Planned spending is up in most parts of the country. BC, Alberta (-3.0%) and two of the territories are the only regions where spending is forecast to drop off this year. Both NWT (-11.8%) and Nunavut (-14.1%) are expecting to see substantial declines in investment. Strong gains are anticipated in eastern Canada, led by a 14.9% advance in Nova Scotia. *Source: Statistics Canada*

BC and Alberta are the only provinces where investment is expected to fall this year



- **The number of British Columbians receiving regular employment insurance (EI) benefits was up 0.5% (seasonally adjusted) in May.** BC and PEI (-0.1%) were the only regions where the number of EI recipients did not increase substantially. Nationally, there were 554,190 EI beneficiaries in May, 4.2% more than in the previous month. The biggest increases were in Manitoba (+7.4%) and Saskatchewan (+7.3%). *Source: Statistics Canada*

The value of forest product exports to the US continues to rise despite the effects of the countervailing duty



- **Exports of BC products increased 1.3% (seasonally adjusted) in May, on the strength of a surge (+4.2%) in the value of shipments to the US.** There were widespread gains, led by a 20.9% rise in energy exports to the US. Shipments by the forest sector advanced 4.0% as BC producers took advantage of a brief respite from the countervailing duty on softwood lumber. Producers of agriculture and fish products (+3.8%) and industrial and consumer goods (+0.6%) also increased their exports to the States. However, shipments of machinery, equipment and autos were down 1.8%. The value of goods shipped to overseas destinations fell 5.3% in May, with declines posted in three of five commodity groups. Canadian exports were off 1.9% in

May, largely because of slumping shipments overseas (-3.5%). Total exports to the US rose 4.7% in May. *Source: Statistics Canada & BC STATS*

- **BC sawmills produced 3.1 million cubic metres of lumber and ties in April, an increase of 13.2% over the same month last year.** The volume of lumber shipped was up 6.0%. Some mills upped their production in order to take advantage of a temporary respite from US countervailing duties. Strong demand from new-home builders also boosted production. *Source: Statistics Canada*
- **Shipments of goods manufactured in the province rose 1.0% (seasonally adjusted) between April and May.** Overall, the value of durable goods shipped by BC manufacturers was up 0.7%. In the non-durables sector, shipments were up 1.3%. *Source: Statistics Canada*
- **Retail sales in the province rose 1.0% in May (seasonally adjusted) as retailers in the province posted the second-strongest increase in the country, after Yukon (+6.7%).** However, wholesale sales were flat. *Source: Statistics Canada*
- **New motor vehicle sales in the province advanced 4.5% (seasonally adjusted) in May.** Sales of North American-made cars slipped 1.5%. *Source: Statistics Canada & BC STATS*
- **British Columbia's unemployment rate dropped back to 8.7% (seasonally adjusted) in June, after peaking at 9.5% in the previous month.** Employment growth of 1.4% in June was the main reason for the improvement in the jobless rate. At the same time, the labour force continued to expand, with a net addition of 12,500 (+0.6%) people who were either working or looking for work. *Source: Statistics Canada*
- **Housing starts in the province continued to boom in June, increasing 10.4% (seasonally adjusted) after posting a 35.8% gain in the previous month.** A hot housing market on the west coast helped BC buck a national trend, which saw the number of starts edge down (-0.6%) in June. *Source: CMHC*