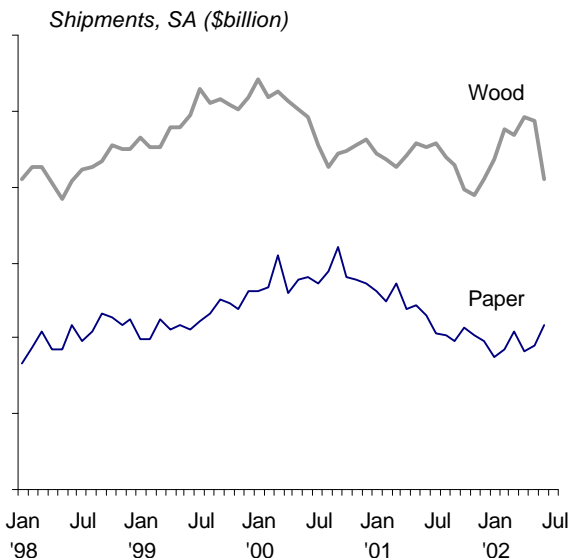


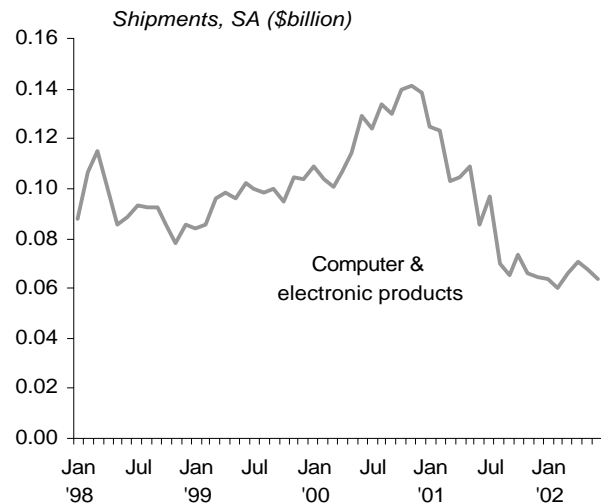
## Current Statistics ♦ August 2002

- Shipments of goods manufactured in British Columbia were down 3.6% (seasonally adjusted) in June from the previous month as the manufacturing sector posted mixed results.** Overall, the non-durables sector expanded a healthy 5.6%, while non-durables shipments fell 9.3%, reflecting weakness in most major industries. Paper shipments in BC registered a large monthly increase (+14.3%), recovering from values that had been much lower than in the first half of 2001. Manufacturers of most other non-durable products posted smaller gains, but food producers saw shipments fall 0.5%. On the durables side, wood products plunged 15.6%, after a good performance at the beginning of the year when producers were taking advantage of a brief respite from US duties on softwood lumber imports. Manufacturers of metal products also saw shipments drop. The computer and electronic products industry remained weak, with shipments falling 5.5%. *Source: Statistics Canada*

***Shipments of wood products have slumped following the reinstatement of softwood lumber duties in May***



### ***The computer & electronics industry remains weak***

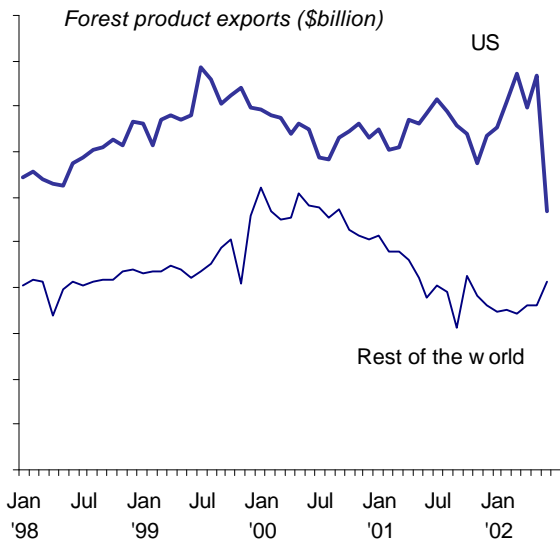


- Eighty-two percent of BC manufacturers expect production to increase or change little in the next three months.** Manufacturers have somewhat tempered their optimism since April, when 86% expected stable or increasing production. Compared to July of 2001, manufacturers' prospects improved considerably in July of this year. Only 18% of them expect a decrease in production for the third quarter of 2002, while in the same period last year 37% expected production to drop. *Source: Statistics Canada*

- News on the level of new orders is even more optimistic relative to July 2001.** Twenty-two percent of BC manufacturers reported an increase in new orders, compared to a corresponding 11% last year. The share of companies reporting a rising level of orders is also substantially higher than the matching percentage of last quarter (13%). However, not all firms that saw an improvement in orders are planning to increase production accordingly. Some will fill the new orders by reducing their inventories, which are reported as too high by 30% of manufacturers in July, versus 20% three months earlier. *Source: Statistics Canada*

- **British Columbia's exports to the US dropped 15.6% (seasonally adjusted) in June from May.** Up to May 23, Canadian forestry companies were able to take advantage of a short reprieve from US countervailing and anti-dumping duties on Canadian lumber. In June, forestry exports to the US fell 34.7%, but the impact of the decline on total BC exports to the US was softened by a surge (+12.5%) in energy exports. At the same time, BC exports to other countries displayed an almost reversed pattern. Exports of forestry products rose (+15.7%), while energy exports dropped (-3.0%), contributing to a total increase in BC exports to other countries of 4.0%.  
*Source: Statistics Canada & BC Stats*

**Forest product exports to the US plunged in June**



- **The number of containers shipped through the Port of Vancouver jumped 17% during the first half of the year, reaching a mid-year record high.** Higher imports from Asian countries are mainly responsible for this record. Increases were also reported for cruise passengers (4%), potash (14%) and wood pulp shipments (24%). However, the most important commodity shipped through Vancouver, coal, saw a decline of 18% due to the slowdown of the global economy, difficulties in

contract negotiations between Canadian suppliers and the Japanese steel industry, and an increase in land shipments of coal. Shipments of grains and canola also declined, leading to an overall drop in tonnage of 13%

*Source: Vancouver Port Authority*

- **New motor vehicle sales in British Columbia were unchanged in June, with 16,625 vehicles (seasonally adjusted) driven off car lots in that month.** Most other provinces registered decreases in motor vehicle sales in June. Canadian sales were down 2.0%.  
*Source: Statistics Canada*
- **The number of business bankruptcies in BC fell 5.7% in June to 83.** This is the lowest number of business failures since December 2001. Retail trade industries (10) and construction industries (10) were the most common businesses to declare bankruptcy in BC during June. Insolvent firms in the province had total liabilities of \$21.1 million in June.  
*Source: Statistics Canada*

- **Employment in British Columbia increased by 16,000 (seasonally adjusted) in July, up 0.8% from June.** The almost 5,000 people who entered the labour force represented an increase of only 0.2%. The unemployment rate continued to drop, falling from 8.7% in June to 8.2% in July. It had reached 9.5% in May. However, the current unemployment rate is still 0.8 percentage points higher than in July of 2001. The net number of part-time jobs advanced less than that of full-time jobs (6,000 compared to 10,000). Part-time employment was mainly responsible for the increase in female employment, while most of the new jobs for men were full-time.  
*Source: Statistics Canada*

- **Wages, salaries and benefits earned by BC workers rose modestly (+0.2%, seasonally adjusted) in the second quarter.** Nationally, labour income was up 1.2%, led by strong gains in Alberta (+1.7%), Ontario (+1.5%) and Quebec (+1.2%).  
*Source: Statistics Canada*