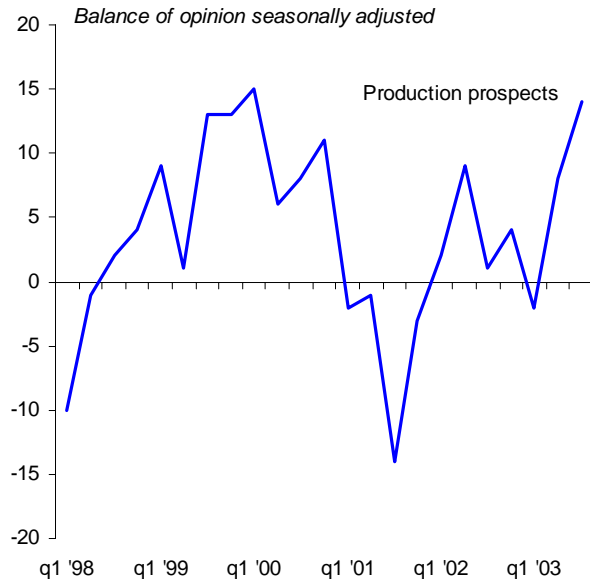


Current Statistics ♦ August 2003

BC manufacturers are more optimistic about the future



- **BC manufacturers surveyed in July were more optimistic about the future than they had been earlier in the year.** Thirty-three percent anticipated production increases, while 19% said production would be lower in the coming months. However, the balance of opinion on new orders was negative (-7), with more manufacturers anticipating declines (23%) than increases (16%). Expectations about inventory levels were also somewhat pessimistic: 22% thought their finished product inventory to be too high, while 7% said it would be too low. Opinion was divided on employment prospects, with 16% thinking they would improve, while 17% said there would be fewer jobs.

Source: Statistics Canada

- **Manufacturing shipments in BC fell 1.5% (seasonally adjusted) in June, the sixth consecutive month of decline.** Non-durable goods (-3.4%) led the fall in shipments, particularly paper (-6.9%) and chemicals (-9.6%). The value of durable goods shipped by BC manufacturers

was unchanged in June, despite downturns in several industries including wood manufacturing (-0.8%) and computer and electronic products (-6.7%). The transportation equipment industry recorded a solid gain (+12.9%) in June

Source: Statistics Canada

- **Exports of BC products were flat (+0.1%, seasonally adjusted) in June.** Energy products (+7.1%) continued to boost the overall total, but exports of forest products fell back 0.8%, and other commodity exports were also weak. Overall, US-bound exports rose 2.8% as BC sent more energy (+8.5%) and forest (+3.9%) products south of the border. However, shipments to overseas destinations were off 6.5%.

Source: BC Stats

- **Production at BC sawmills during the first five months of the year was 6.7% higher than in the same period last year.** Coastal sawmills increased their output by nearly a quarter (+24.3%), while shipments were up 14.9%. Mills in the interior, particularly in the northern regions of the province, were not as busy. Production rose a modest 2.6%, while shipments fell 1.0% in the first five months of the year. About three-quarters of BC's lumber production comes from the Interior, where forest fires have already destroyed one mill.

Source: Statistics Canada

- **BC softwood lumber prices remained depressed in June, at 16.2% below the June 2002 level.** Canadian wood pulp (-0.7%) and newsprint export (-7.0%) prices were also down.

Source: Statistics Canada

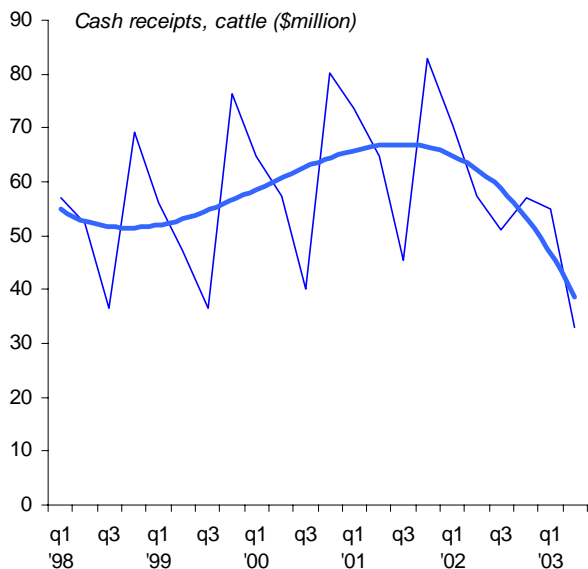
- **Sales by retailers in the province improved slightly (+0.2%, seasonally adjusted) in June, regaining some of the ground lost in the previous month.** Wholesale sales remained depressed in June, falling (-1.2%) for the fifth month in a row.

Source: Statistics Canada

- **New motor vehicle sales dropped 7.6% (seasonally adjusted) in June.** For the first six

months of 2003, this is the fourth month of declining sales. Across Canada, new motor vehicle sales fell 10.2%. *Source: Statistics Canada*

The mad cow crisis took a toll on BC farmers in the second quarter.



• **Farm cash receipts slipped 2.0% in the second quarter (relative to the same period last year) due to a sharp decline in cattle sales.** Cattle receipts recorded the biggest year-over-year decline in 33 years, plunging 42.2% to their lowest level since 1996. Total livestock receipts were down 5.9%. Crop producers saw sales edge up only marginally (+0.6%) largely because floriculture and nursery receipts were flat (+1.3%). *Source: Statistics Canada*

• **The value of building permits issued by BC municipalities edged up 0.2% (seasonally adjusted) in June, as a drop in residential permits (-2.3%) was offset by a 6.9% increase in the value of permits issued for industrial, commercial and institutional projects.** Planned construction activity in Abbotsford (+1.8%) and Vancouver (+1.1%) increased, but permits were down 2.9% in the Victoria area. *Source: Statistics Canada*

• **Housing starts in BC jumped 35.7% (seasonally adjusted) in July.** *Source: CMHC*

• **The number of British Columbians receiving regular employment insurance (EI) benefits**

rose 2.2% (seasonally adjusted), to 66,220, between May and June. *Source: Statistics Canada*

• **British Columbia's unemployment rate rose 0.3 percentage points in July, climbing to 8.6% (seasonally adjusted).** The increase in the jobless rate occurred despite relatively strong employment growth (+0.5%), as the size of the labour force expanded 0.8%. Both goods (+0.4%) and service (+0.5%) industries took on more workers. *Source: Statistics Canada*

• **British Columbia's inflation rate remained moderate in July, with the overall price level increasing 1.7% over the same month last year.** Along with the rest of the country, BC residents saw the inflation rate climb during the fall and winter months, largely because of soaring energy prices. Energy prices are still forty percent higher than they were five years ago, but the rate of increase has been slowing. In July, the cost of energy was up 2.8% from July 2002. Excluding energy, the province's inflation rate would have been 1.6% in July. *Source: Statistics Canada*

• **In July, the price of unleaded gas at self-serve stations averaged 73.4 cents per litre in Vancouver and 79.9 cents in Victoria, where gas prices were the highest in southern Canada.** *Source: Statistics Canada*

Residents of Victoria continue to pay premium prices for gas

