

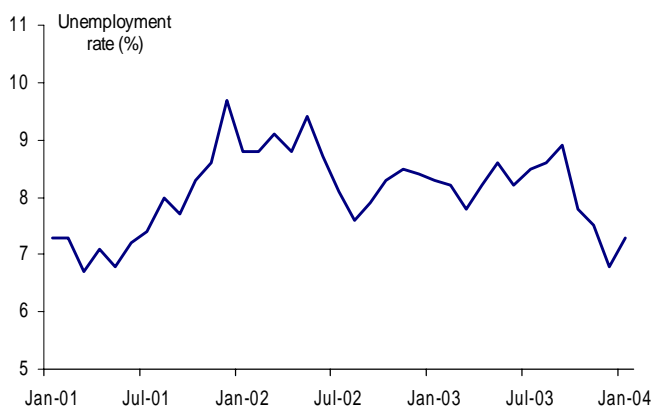
Current Statistics ♦ February 2004

- **British Columbia's job market lost momentum in January.** An influx of job seekers, combined with negligible job growth, pushed the unemployment rate up 0.5 percentage points from December 2003 to 7.3% (seasonally adjusted).

Adult men (aged 25+) accounted for 98% of the increase in the labour force. These were likely "discouraged job seekers" drawn back into the labour force by the impressive job growth seen in the last quarter of 2003. However, employment growth in January – an increase of one-twentieth of one percent – was not enough for the expansion of the labour force (+0.6%). There were 13,000 additional people competing for 1,000 new jobs.

Data Source: Statistics Canada

Unemployment Rate Sees a Slight Increase in January



- **Regionally, unemployment in BC ranged from a high of 13.8% (three month moving average) in the North Coast and Nechako regions to a low of 4.4% in the Northeast.** The Mainland/Southwest region (greater Vancouver and its surrounding communities) had the second lowest unemployment (6.2%).

Data Source: Statistics Canada

- **In December, the value of building permits rose 16.0% (seasonally adjusted) in BC, finishing the year on a note of solid growth.** Nationally, building permits rose 12.8%.

Data Source: Statistics Canada

- **The value of building permits issued in BC amounted to \$6.4 billion in 2003.** This represents an increase of 13.0% – the third consecutive year of double-digit growth.

The residential sector (+16.2%) was the leading factor in the construction boom. Growth in non-residential building permits (+6.0%) was more modest. Commercial building was almost unchanged (+0.8%). The institutional and government sector, however, showed the strongest growth in 2003 (+19.4%), after declining sharply in 2002 (-42.0%).

Construction intentions were spread widely through the regions of BC. Only Nechako (-35.1%) posted a decline in the value of building permits. In both the Kootenay and Cariboo regions, permits rose by nearly 46%. In Victoria (CRD), planned construction projects amounted to more than \$552 million – an increase of 23.7% and the largest dollar value ever recorded. (The previous record for Victoria, from 1993, was \$472 million.) Greater Vancouver, in contrast, saw little expansion (+2.4%).

Data Source: Statistics Canada

- **Housing starts in BC rose 14.6% (seasonally adjusted) in January, following three months of lacklustre performance.** Most provinces in the country saw a downturn in home construction activity. For Canada as a whole, housing starts were down 10.9%. *Data Source: CMHC*
- **Exports of BC products declined 2.5% in December (seasonally adjusted) compared to a month earlier.** Most of the decline was a result of a 21.0% drop in the value of energy exports.

Exports were also down for agricultural and seafood exports (-3.3%) and forest products (-0.7%). After dropping 7.0% in November, BC origin exports of machinery, equipment and automobiles rebounded 7.4% in December to equal October's total. Exports of industrial and consumer goods also increased, rising 3.7% over the value recorded in November.

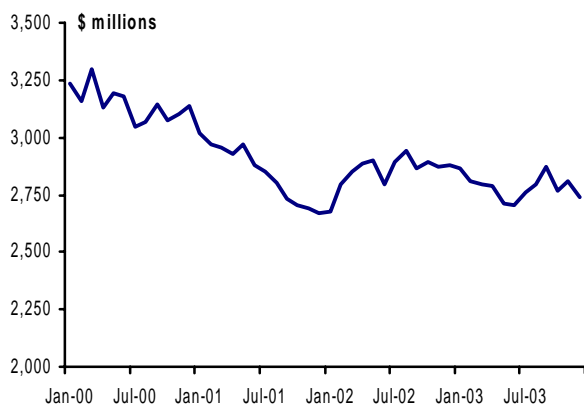
Data Source: Statistics Canada

- **Shipments of goods manufactured in the province fell 2.3% (seasonally adjusted) in December.** The drop in the value of shipments was largely due to a downturn in the wood manufacturing industry (-6.5%). At the same time, shipments of machinery (-12.1%), computer & electronic products (-19.2%) and electrical equipment (-9.2%) were down from November levels. On a more positive note, paper (+2.5%) producers posted a healthy gain for the second month in a row. However, the food processing industry saw shipments slip (-0.2%) for the fourth time in six months.

Canadian shipments strengthened in December (+1.0%) after two months of decline. Shipments rose in three of the four largest provinces, led by Ontario (+1.5%) and Alberta (+1.0%).

Data Source: Statistics Canada

BC Manufacturing Shipments



- **There were 23,243 new business incorporations in BC in 2003, the largest number of incorporations since 1995.** Business incorporations peaked in 1994 (25,774 incorporations).

The slowest year for incorporations was the recession year of 1982 (11,432).

Data Source: BC Ministry of Finance

- **There were 1,002 business bankruptcies in BC in 2003, down 9.3% from the previous year.** The construction industry accounted for the most business bankruptcies last year (19%), followed by retail trade (13%) and manufacturing (10%).

Business bankruptcies dropped in every province except Saskatchewan (+11.8%) and Nova Scotia (unchanged) in 2003. For the country as a whole, bankruptcies were down 6.6%.

There were 9,394 consumer bankruptcies in BC during 2003, inching down 1.4% from the year before.

Data Source: Industry Canada

- **BC's inflation rate in January slipped to its lowest level in exactly two years.** The consumer price index was up by a modest 1.5% in January, compared to the same month in 2003. The 12-month increase in food prices (+1.6%) was modest compared to food price inflation in December (+2.2%). Inflation also moderated in energy prices, shelter costs, transportation, and health and personal care. Prices for clothing and footwear declined in January (-1.0%).

Inflation in Vancouver was 1.3% in January, down 0.5 percentage points from December. In Victoria, inflation was also lower (1.6%, down 0.3 percentage points).

Data Source: Statistics Canada

- Despite the drop in BC's inflation rate, January was the first time in nearly two years that inflation in BC (1.5%) was higher than the national average (1.2%). National inflation dropped sharply in January, down from 2.0% in December. Much of this was due to economic conditions in Ontario, which saw inflation fall from 3.0% in December to 1.5% in January.

Data Source: Statistics Canada