

## Current Statistics ♦ April 2004

- **British Columbia's economy posted steady growth of 2.2% in 2003, as business investment picked up speed while consumer spending remained robust.** Domestic demand for goods and services continued to boost the economy (+3.8%), while a burgeoning trade deficit put the brakes on overall economic growth in 2003.

For the first time since 1996, the province's economy expanded faster than the national average (+1.7%). However, BC was ranked fourth among the provinces in terms of economic growth last year. Newfoundland and Labrador (+6.5%) led the way, followed by Saskatchewan (+4.5%) and New Brunswick (+2.6%). Alberta's economy also grew 2.2% in 2003. In Ontario, the economy slowed, expanding just 1.3% after posting a 3.6% gain in the previous year.

*Data Source: Statistics Canada*

- **British Columbia's unemployment rate held steady in March, at 7.9% (seasonally adjusted).** Underlying this was an increase in employment (+0.3%) effectively matched by an expansion of the labour force (+0.2%). There were 5,100 new jobs in March, just as 4,600 more people started looking for work. Thus, while the labour market posted modest gains last month, these were not reflected in the unemployment rate.

The major industries adding jobs last month were utilities (+12.2%) and construction (4.4%). Partly offsetting this was significant decline in the number of jobs in manufacturing (-3.5%) and forestry, fishing, and mining (-8.4%).

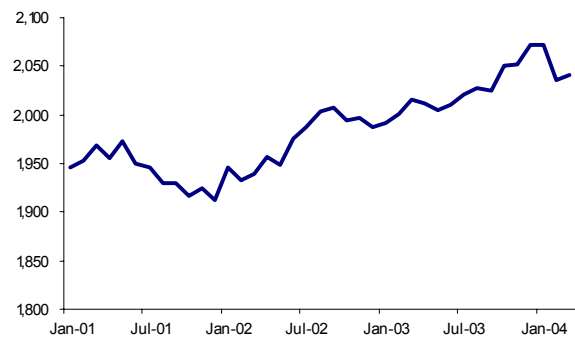
The net employment increases came from outside BC's major metropolitan areas. In both Vancouver (-0.1%) and Victoria (-0.3%) employment was down in March (seasonally adjusted, three month moving average).

There was a substitution away from part-time employment (-3.0%) in favour of full-time jobs (+1.1%) in March. There were also gains in self-employment (+0.8%), which accounted for more than half (60%) of the new jobs.

The overall increase in employment was greater for men (+0.4% seasonally adjusted) than for women (+0.1%). The number of jobs held by young people rose 1.5% in March, after two months of significant decline. As a result, the youth unemployment rate edged down slightly to 14.5%, though it is still more than double the adult rate (6.6%).

*Data Source: Statistics Canada*

Seasonally Adjusted Employment (thousands)



- **Building permits in BC were down 14.4% (seasonally adjusted) in February.** Residential construction permits fell 7.4%, while in the non-residential sector permits dropped 31.8%. This follows on two months of double-digit growth. Nationally, building permits were practically unchanged (+1.6%).

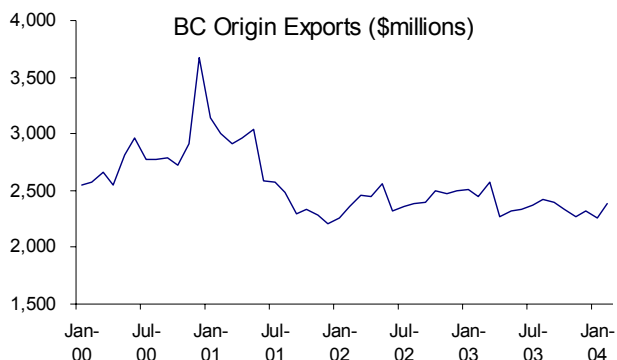
*Data Source: Statistics Canada*

- **The total value of BC exports climbed 5.9% (seasonally adjusted) in February.** This was the largest one-month increase in over three years. Strong growth in the exports of industrial and consumer goods (+14.7%), as well as machinery and equipment (+9.2%) were significant contributors to the expansion of total

exports. Exports of forestry products were up 2.0%, the largest gain in five months.

For Canada as a whole, exports were up 7.0%, led by strong growth in the automotive sector (+11.7%). Forestry products also performed well (+8.1%).

*Data Source: BC Stats and Statistics Canada*



- **Shipments of goods from BC manufacturers rose 1.9% (seasonally adjusted) in February.** There were significant increases in output from paper producers (+6.6%). Manufacturers of computers and electronics (+12.8%) also posted solid growth in shipments. Restraining the manufacturing sector were shipments from food (-1.1%) and transportation equipment (-7.1%) producers. Wood manufacturers—the largest segment of the industry—had little change in shipments in February (+1.1%). Overall, manufacturing shipments have posted growth more or less steadily since the second half of 2003.

*Data Source: Statistics Canada*

- **BC's inflation rate dropped to its lowest level in over two years in March.** Consumer prices were only 0.8% higher than their level in the same month of last year.

A sharp drop in energy prices (-3.3%) was the major factor in the inflation slowdown. However, inflation was also lower for transportation (-2.1%), owned housing (+1.5%), food (+1.0%), and clothing (-0.8%).

Despite the cooling off of consumer prices, BC still had the second highest inflation rate in country. Nationally, inflation held steady at 0.7% in March. Ontario had the highest rate (+1.1%). In contrast, three of the Atlantic provinces posted slight deflation (-0.1% in Newfoundland & Labrador, Nova Scotia, and New Brunswick).

*Data Source: Statistics Canada*

- **There were 9,385 consumer bankruptcies in British Columbia last year, a rate of 23 bankruptcies per 10,000 population.** While the bankruptcy rate has been stable over the last four years, longer-term trends have seen soaring growth.

In the 1976, the bankruptcy rate was only four per 10,000 population (less than one-fifth of the 2003 rate). Over the next decade consumer bankruptcy closely followed trends in unemployment—both unemployment and bankruptcies shot up during the recession of the early 1980s. But while unemployment rates gradually recovered in the late 1980s, bankruptcy rates continued to climb. By 2003, the bankruptcy rate in BC was nearly five times higher than in the mid 1970s.

*Data Source: Industry Canada*

- **Nationally, the growth of consumer bankruptcies follows changes in who is going bankrupt.** Surveys conducted by the federal government have found that, over a twenty-year period, consumer bankruptcies are increasingly comprised of women and those with student loans. In 1997, women made up 41% of bankruptcy claimants, up from 25% in the late 1970s. Further, the share of those with student loans has risen from only 1% in the late 1970s to 25% in 1997.

*Data Source: Industry Canada*