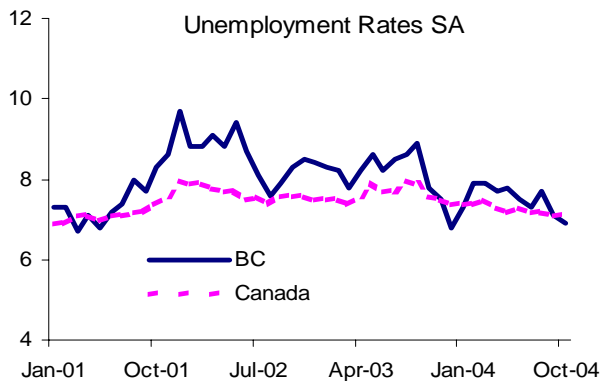


## Current Statistics ♦ November 2004

- **British Columbia's unemployment rate dropped for the second straight month in October, falling 0.2 percentage points to 6.9% (seasonally adjusted).** Strong growth in employment (+0.6%, or 11,800 net new jobs) outpaced the expansion of the labour force (+0.4%, or 9,500 potential/actual employees) to drive down the unemployment rate. Over the first ten months of 2004 BC's unemployment rate has averaged 7.5%, well below an average rate of 8.3% in the January to October period in 2003.



The national jobless rate remained unchanged from September as a rise in employment (+0.2%) was tempered by a corresponding increase in the labour force (+0.3%). Rates ranged from a low of 4.7% in Alberta to a high of 15.8% in Newfoundland and Labrador.

*Data Source: Statistics Canada*

- **Exports of BC products slipped 1.4% (seasonally adjusted) between August and September, as international shipments levelled off after soaring earlier in the year.** Forest product exports, accounting for about 45% of the total, inched up 0.3%, but shipments of energy (-11.7%) and machinery, equipment & automobiles (-4.0%) slumped. Exports to the

US fell 1.0%, largely due to a decline in the value of energy shipments (-9.4%). Shipments to other destinations were down 2.1%, reflecting a 17.0% drop in the value of energy products. In addition, exports of machinery, equipment & automobiles to overseas destinations fell 16.8%. Canadian exports decreased 3.4% in September, and exports to the US were off 2.7%.

*Data Source: Statistics Canada & BC Stats*

- **During the third quarter, the value of BC's exports to the US and other destinations increased 2.5% (seasonally adjusted).** Exports to the US rose 4.6% as shipments of all major commodities were up. High prices continued to boost the value of energy shipments to the US, which advanced 17.7% in the third quarter, following strong gains earlier in the year. At the same time, the forest sector continued to see export growth (+2.9%) but at a substantially lower rate than in the second quarter, when forest product exports to the US increased 20.8%. However, sales to overseas destinations were not as robust, edging down 1.1% in the third quarter after posting strong gains earlier in the year. Forest product exports to overseas destinations fell 9.8%. This was partly offset by strong gains in exports of industrial & consumer products (+10.5%), but weak energy exports (+0.8%) helped keep the lid on overseas export growth.
- Data Source: Statistics Canada & BC Stats*

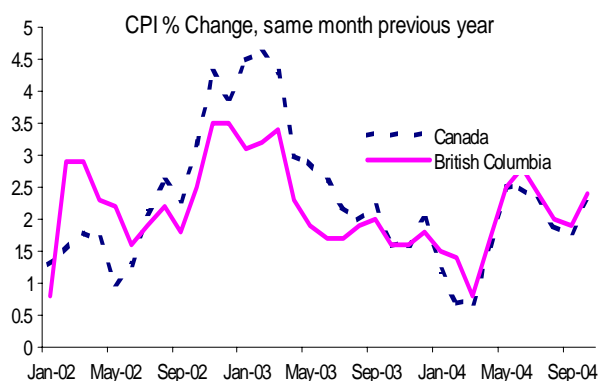
- **Wholesale sales were up 3.8% (seasonally adjusted) in the third quarter.** Wholesalers of metal and lumber products fared particularly well, while sales of computers, office and other machinery continued to pick up. Nationally, wholesale sales increased 1.0% in the third quarter, substantially less than the 5.1% gain posted earlier in the year. Sales were down or flat in five provinces. Saskatchewan (+4.0%) and BC (+3.8%) saw the strongest sales growth.

*Data Source: Statistics Canada & BC Stats*

- **BC consumers paid 2.4% more in October for the goods and services included in the Consumer Price Index basket than they did a year earlier.** Energy prices continue to fuel inflation. Compared to a year ago, BC residents paid significantly more for fuel oil (+30.6%), gasoline (+21.8%), education (+10.1%), meat (+9.8%), electricity (+6.9%), and fresh fruit (+6.0%). Considerable price increases were also recorded for beer (+5.4%) and cigarettes (+5.3%). Offsetting these increases were lower costs for children's clothing (-3.2%), coffee and tea (-1.9%), and household furnishings (-2.8%).

BC's CPI, excluding food and energy, was 1.4% higher than in October 2003. The comparable figure for Canada was 1.0%.

*Data Source: Statistics Canada*



- **Shipments of goods manufactured in the province increased again in September, rising 0.9% (seasonally adjusted) following two months of similarly strong gains.** The steady growth in total shipments occurred despite downturns in two of BC's three biggest manufacturing industries: wood (-0.8%) and food (-0.1%) products. The paper industry (which is ranked second) registered a 0.6% increase.

While softwood lumber prices remain well above 2003 levels, they have been moderating in recent months, and this has

almost certainly contributed to slower growth in the value of wood shipments. Contracts for sales of lumber, metals and other commodities are frequently denominated in US dollars, and the recent appreciation of the Canadian dollar means that domestic producers who are paid in US funds are receiving less for their products.

Overall, shipments of durable products rose 1.0%, boosted by strong gains in mining-related industries such as primary (+8.2%) and fabricated (+6.3%) metals, and non-metallic mineral (+3.3%) products. On the non-durables side, shipments by the chemical industry increased 2.8% and beverage shipments were up 3.5%. Total shipments of non-durable goods advanced 0.7% between August and September.

Nationally, a nine-month-long upturn in the value of shipments came to an end in September, when shipments fell 0.6%. The downturn was widespread, with all but four provinces posting declines. Shipments fell in both Ontario (-0.3%) and Quebec (-1.7%), but BC (+0.9%) and Alberta (+0.8%) escaped the overall decline.

*Data Source: Statistics Canada*

