

Current Statistics ♦ December 2004

- **Farm cash receipts were 10.1% lower in the third quarter of this year than in the same period of 2003.** The decline reflected lower revenues from the sale of both crop (-5.6%) and livestock (-16.2%) products. Cattle (-2.7%) producers continued to see their revenues dwindle—in the third quarter they were at their lowest level since 1978. Other livestock farmers are also feeling the pinch. Revenues from sales of poultry and eggs plunged (-38.7%) for the second quarter in a row. Producers of tree fruits, berries & grapes, and floriculture & nursery products accounted for much of the third quarter decline in crop receipts.

Data Source: Statistics Canada

- **Net cash income of farmers in the province increased to \$312 million in 2003, up from \$296 million in the previous year.** Nationally, net cash income fell from \$7.3 billion to \$4.4 billion (the lowest level in 25 years) during the same period. Farmers in the prairies, who were hard-hit by the effects of a ban on cattle and beef exports to the US following two years of drought, saw a big drop in cash income, which accounted for most of the decline at the national level.

Data Source: Statistics Canada

- **Residential construction investment in British Columbia climbed 25.0% in the third quarter of 2004 compared to the same quarter a year earlier.** This was the 18th consecutive quarterly increase in residential construction investment in the province. Historically low mortgage rates are driving much of the investment, as demand for new housing is strong. As a result, investment in new dwellings has risen 35.7%, and acquisition costs (such as sales tax, service charges and other fees associated with the sale of new dwellings) have increased 11.5%. Investment in renovations (+13.5%) has also experienced strong growth. Across the country, investment was up 14.5% in the third quarter.

Data Source: Statistics Canada

- **British Columbia's unemployment rate fell 0.5 percentage points in November to 6.4% (seasonally adjusted), its lowest point since 1981.** The decline was due to a combination of a slight expansion in employment (+0.1%, or 1,200 net new jobs) and a drop in the number of participants in the labour force (-0.5%, or 10,600 people). The employment increase was a result of a boost in part-time jobs, which offset a fall in full-time positions. Year-to-date to November, BC's unemployment rate has averaged 7.4%, well below an average rate of 8.2% in the first eleven months of 2003.

For Canada as a whole, there was a 0.2 percentage point rise in the unemployment rate to 7.3% as the labour force grew 0.2% while employment remained virtually unchanged. Rates ranged from a low of 4.6% in Alberta to a high of 16.5% in Newfoundland and Labrador.

Data Source: Statistics Canada

- **Despite the recent downturn, the value of international shipments from BC remains well above 2003 levels.** *Unadjusted* data show a 10.6% year-over-year increase in exports from BC. Nationally, exports were up 6.0% from October 2003. Among the provinces, Alberta (+25.2%) posted the strongest growth.

Data Source: Statistics Canada

- **For the fourth time in five months, prices charged by manufacturers in Canada fell as the Industrial Product Price Index (IPPI) slipped 0.5% from September to October.** However, over the 12-month period from October 2003, there has been a 5.4% increase in the IPPI. Petroleum and coal prices have led the way with a 38.6% jump over the last year, including a 5.3% expansion from September to October, the only significant monthly increase among the major

commodity groups. Other substantial increases over the year include a 21.1% climb in prices of primary metal products, likely resulting from heavy demand from China. Metal fabricated products (+12.9%) and miscellaneous non-manufactured products (36.1%) also saw double-digit growth over the 12-month period. Motor vehicles and other transport equipment bucked the inflationary trend, posting a 3.2% decline in prices. The monthly data uncovers an area of concern for BC lumber producers as lumber and other wood products experienced a substantial 7.6% drop in prices from September to October.

Prices for raw materials climbed 3.8% from September to October due mostly to an 8.3% jump in prices for mineral fuels. Excluding mineral fuels, prices for raw materials slipped 0.8%. Over a 12-month period, the overall raw materials price index expanded 28.0%. With mineral fuels excluded, there was still 8.8% growth. *Data Source: Statistics Canada*

- **The value of building permits issued by BC municipalities dropped significantly -15.5%, seasonally adjusted) in October.** The fall was mainly the result of a 46.7% plunge in the value of non-residential permits, although residential permits also declined, slipping 3.5%. Nationally, there was a 2.0% increase in the value of building permits. Both Vancouver (-18.0%) and Victoria (-2.5%) experienced a drop in the value of building permits from September to October, although for Vancouver, over the first ten months of 2004, the value of permits are 34.4% higher than in the same period a year earlier. For BC as a whole, the story is similar, with building permits up 25.8% year-to-date. *Data Source: Statistics Canada*

- **The number of housing starts in BC soared (+29.8%, seasonally adjusted annual rates) to 35,300 in November after falling sharply a month earlier.** Nationally, the number of starts experienced a more modest rise of 5.9%. Starts increased in most parts of the

country, except Ontario (-2.8%) and Atlantic Canada (-7.8%). Saskatchewan (+14.3%) and Quebec (+10.5%) were the only provinces other than BC to experience double-digit increases. *Data Source: CMHC*

- **British Columbia's all-items consumer price index increased 2.4% during the twelve-month period ending in November, leaving the year-over-year inflation rate unchanged from the previous month.** Energy prices continue to play a big role in the upward movement of the overall price level. They were 10.3% higher this November than in the same month last year, largely because the cost of fuel oil (+36.3%) and gasoline (+15.2%) remains high. However, drivers got some relief in November, as gas prices moderated slightly from the October level. Excluding energy, the overall price level was up 1.8% in November.

Shelter prices rose 2.9%, boosted by insurance, tax and utility costs. Transportation prices advanced 4.6%, reflecting the higher cost of gas, insurance, and public (especially inter-city) transportation. Taxes pushed up prices for alcohol and tobacco products (+4.2%), and consumers paid more for clothing & footwear (+3.5%) and food (+1.6%).

BC's inflation rate was the same as the national average (+2.4%). Alberta (+1.9%) and NWT (+1.6%) were the only regions where prices increased less than two percent in November. Prices rose 2.7% in Victoria; in Vancouver, the year-over-year increase was 2.3%. *Data Source: Statistics Canada*