

## Current Statistics ♦ January 2005

• **British Columbia's all-items Consumer Price Index (CPI) increased 2.0% in 2004, marginally less than in 2003, when the inflation rate was 2.1%. Energy prices were still a major inflationary factor during 2004. The cost of energy jumped 7.2% last year, its biggest advance since 2000, when energy prices soared (+18.5%). Prices for other goods and services advanced a more modest 1.6%.**

Food prices rose at an average rate of 1.3% in 2004, largely due to increases in the cost of meat (+5.0%), dairy (+1.0%) and coffee & tea (+1.2%) products. However, consumers paid less for fish & other seafood (-2.2%), fresh vegetables (-2.7%), and non-alcoholic beverages (-2.0%).

The cost of shelter jumped 2.1%, partly due to higher insurance premiums (+15.5%) and fuel prices (+12.6%), but also because water (+5.9%), electricity (+5.0%) and property taxes (+4.3%) took a bigger bite out of homeowner budgets in 2004.

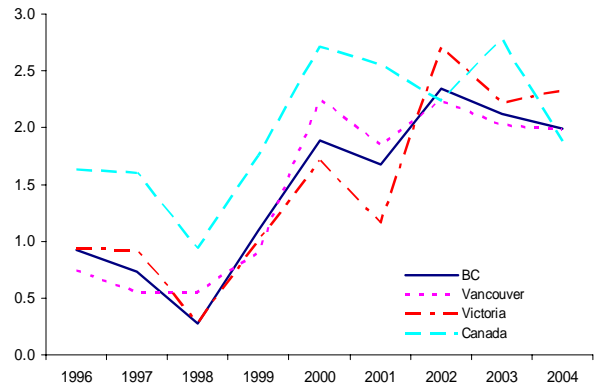
Tuition fees rose 21.1% in 2004, the second consecutive year of double-digit increases. This helped push the overall cost of recreation, education and reading materials up 2.6%.

Consumers paid 2.8% more for transportation, with prices for both public (+1.6%) and private (+3.0%) transportation rising. Gas (+10.6%) costs played a major role in the increase for private transportation, and also affected fare levels set by operators of airlines, bus and other public transit services.

Prices for clothing & footwear were virtually unchanged (+0.5%), but health & personal care goods and services cost consumers 1.8% more than in 2003.

*Data Source: Statistics Canada*

CPI % percent change from previous year



• **BC's inflation rate was slightly above the national average (+1.9%) in 2004. Saskatchewan (+2.2%) and Prince Edward Island (+2.1%) were the only regions where the all-items CPI increased more than in BC during 2004. In the rest of the country, inflation rates ranged from +0.6% in Northwest Territories to +2.0% in Manitoba. Vancouver's inflation rate was +2.0%. In Victoria, the overall price level increased 2.3%.**

*Data Source: Statistics Canada*

• **British Columbia's unemployment rate edged down 0.3 percentage points in December, dropping to 6.2% (seasonally adjusted) the lowest since June 1981. The improvement in the unemployment rate was due to strong job growth (+0.6%, or a net gain of 12,700 jobs) in December. Average annual employment in the province rose by 45,500 (+2.3%) in 2004.**

Jobless rates for December in the rest of the country ranged from 4.4% in Alberta to 14.4% in Newfoundland.

*Data Source: Statistics Canada*

• **Exports of BC products slid again in November, dropping 4.2% (seasonally adjusted).** The decline reflected lower shipments to both US (-4.3%) and overseas (-4.0%) destinations. US-bound forest product exports fell 6.6% between October and November, while exports of manufactured products such as industrial and consumer goods (-7.7%) and machinery and equipment (-0.5%) were also weak. However, the value of energy products shipped to the US advanced (+1.4%) for the third month in a row. Overseas exports slumped in November, primarily because of a drop in the value of forest product shipments (-9.2%). Exports of machinery and equipment to overseas destinations were down 4.7%, but overseas markets for BC's energy (+1.1%) and agriculture and fish (+4.5%) products were stronger.

Canadian exports sagged (-2.9%) in November, as shipments to both the US (-2.1%) and other destinations (-6.2%) fell.

*Data Source: Statistics Canada & BC Stats*

• **Unadjusted figures show that exports remain well above 2003 levels.** In BC, exports were up 13.8% from November 2003, with five other provinces also posting double-digit increases. Alberta (+32.2%) led the provinces, partly due to a 44.3% increase in energy exports. Overall, the value of Canadian exports rose 10.1%.

*Data Source: Statistics Canada*

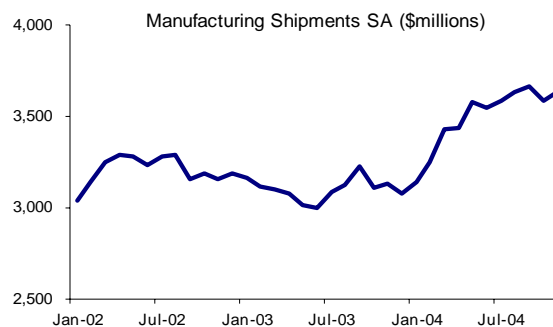
• **Wholesale sales in the province slumped in November, dropping 2.4% (seasonally adjusted) from the October level.** The decrease may be related to lower sales of computers & other electronic equipment and to lumber and millwork, which account for about 20% of wholesale sales in this province. Nationally, wholesale sales inched up 0.5%, largely due to stronger sales of personal and household goods and farm products. Sales in BC fell more than in most other regions. Only Northwest Territories (-5.3%), Nova Scotia

(-0.6%) and Newfoundland (-0.3%) wholesalers saw declines, while sales were up in the rest of the country.

*Data Source: Statistics Canada*

• **Shipments by BC manufacturers rose 1.2% (seasonally adjusted) in November.** There were significant increases in shipments by producers of computer and electronic products (+10.5%). Manufacturers of primary metals (+5.9%) and non-metallic minerals (+5.2%) also boosted their shipments. Wood manufacturers—the largest segment of the industry—saw shipments decline (-1.0%) for the third consecutive month in November. Also restraining the manufacturing sector were the plastics and rubber (-2.5%), transportation equipment (-2.3%) and furniture (-1.7%) producers. Overall, non-durable shipments (+1.6%) have increased more than durable shipments (+1.0%) in November.

*Data Source: Statistics Canada*



• In 2004 BC housing starts were the highest since 1994. CMHC reported that there were nearly 33,000 units started, a 25.8% increase over the previous year.

The highest growth rates among the BC urban areas were in Prince George CA at 89.3% (195 units) and Vancouver CMA at 24.4% (19,435 units).

*Data Source Canada Mortgage & Housing Corporation*