

Current Statistics ♦ March 2005

- **Private and public sector establishments in the province plan to increase their spending on machinery, equipment and structures 8.2% (to \$31.5 billion) during 2005.** Spending on both structures (+8.5%, to \$21.4 billion) and machinery and equipment (+7.5%, to \$10.1 billion) is expected to rise substantially during the year. However, the housing boom in the province is forecast to slow. It is anticipated that investment in residential housing projects will advance 6.3% this year, about a quarter as much as in 2004. This would mark the first time since 2001 that housing investment has increased less than 18%.

Public sector spending on fixed capital is forecast to rise 12.6%, with private sector establishments projecting a smaller (+7.2%) increase. Private sector investment typically accounts for over 80% of total investment in BC.

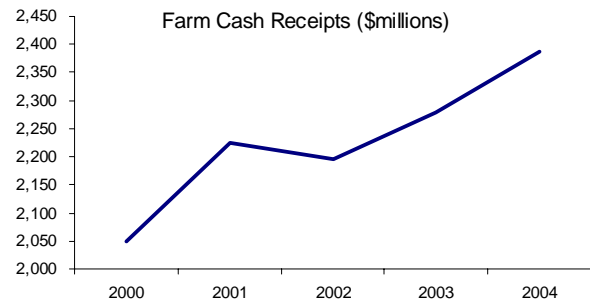
Among industries, wood manufacturers plan to more than double (+121.0%) their capital spending this year, mainly on purchases of machinery & equipment. BC's paper industry expects to invest 29.3% more this year, while food manufacturers anticipate a 32.1% increase.

Data Source: Statistics Canada

- **Farm cash receipts in the province rose 4.7% during 2004.** Despite indications that a slump in the province's cattle industry may be nearing an end (receipts were down just 4.0% last year, compared to declines of 32.2% and 10.8%, respectively, in 2003 and 2002), total livestock sales fell 6.7%. Chicken farmers saw receipts plunge 16.5%, while egg producers recorded a 35.1% decline, following an avian flu outbreak in the Fraser Valley. Crop receipts were up 4.6%. Farmers in the Prairies, who had been hammered by back-to-back droughts in 2001 and 2002, followed by the mad cow issue in

2003, finally had some good news. Receipts were up in all three provinces, with Alberta (+16.0%) posting the biggest increase in the country.

Data Source: Statistics Canada



- **Wages, salaries and benefits of workers in the province rose 1.0% (seasonally adjusted) in the fourth quarter of 2004.** The increase was about the same as the national average (+1.1%). Alberta (+2.1%) posted the strongest growth in the country. In the other provinces, labour income grew at rates ranging from +0.6% in Nova Scotia to +1.3% in both Saskatchewan and Manitoba.

Workers in the province earned \$78.5 billion in wages, salaries and benefits during 2004, an increase of 4.4% over the previous year. This marked the first time since 1996 that labour income in the province has grown faster than the national average (the Canadian increase was +4.1% last year). The long period of below-average growth has taken a toll: last year, for the first time, labour income in neighbouring Alberta was virtually the same (\$78.4 billion) as in BC, despite the fact that there are about a million fewer people living in that province. Labour income accounts for roughly half of total (current dollar) GDP.

Data Source: Statistics Canada

- **There were 922 business bankruptcies in BC in 2004, down 8.0% from the previous year.** The construction industry accounted for the most business bankruptcies in 2004 (167), followed by retail trade (150) and accommodation & food services (95).

Business bankruptcies dropped in every province except Prince Edward Island (+8.3%) in 2004. For the country as a whole, bankruptcies were down 8.1%.

Data Source: Industry Canada

- **British Columbia's unemployment rate jumped 0.5 percentage points, rising to 7.0% (seasonally adjusted), a six-month high, in February.** The increase in the incidence of unemployment was mainly due to a labour force that was growing more rapidly (+0.9%) than the number of jobs (+0.4%) in the province. Between January and February, the number of people who were either working or looking for work expanded by 21,200, nearly triple the increase (8,100) in the number of jobs.

The job growth was concentrated in certain sectors of the economy: women (+0.8%), public sector (+2.7%), part-time (+3.5%) and self-employed (+1.0%) workers made gains in February. However, the number of men with jobs was unchanged for the second month in a row, while private sector (-0.4%) and full-time (-0.4%) employment shrank. The unemployment rate for the population aged 25+ edged up to 5.9% in February from 5.4% in the previous month.

Data Source: Statistics Canada

- **Canada's unemployment rate (7.0%) was stable in February, as both the labour force (+0.2%) and the number of jobs (+0.2%) increased at the same rate.** Alberta (4.2%), Saskatchewan (4.9%) and Manitoba (5.0%) continued to have the lowest jobless rates in the country, while Newfoundland (15.2%) and PEI (10.2%) had the highest incidence of unemployment.

Data Source: Statistics Canada

- **Exports of BC products increased 3.0% (seasonally adjusted) in January.** There was growth in all commodity categories, but energy products stood out with a 9.6% gain. The energy sector was also one of the main drivers of growth in exports to the US. Energy exports to the States climbed 11.4% in January. This, combined with an increase in agriculture and fish (+6.0%) and forest (+2.8%) product exports, helped boost the total value of US-bound exports, which rose 3.3%.

Exports to international destinations other than the US increased 2.6%. Shipments of forest products to countries other than the US were down (-3.5%), as were agriculture and fish products (-4.4%), however exports of other commodities increased significantly in February.

Data Source: Statistics Canada & BC Stats

- **BC's year-over-year inflation rate climbed 2.1% in February.** The high cost of energy products continues to be a major factor in the rise in the Consumer Price Index (CPI). Energy prices were up 7.9% in February, contributing to price jumps for transportation (+4.7%) and shelter (+2.5%). The rapid rise in the price of gasoline (+10.1%) helped fuel the inflation in the transportation sector. The CPI excluding energy increased only 1.6%.

Other than transportation, the commodity group with the next highest price increase was health and personal care (+2.8%), followed by clothing and footwear (+2.7%). Prices of food products (+0.1%) and household operations and furniture (+0.1%) were virtually unchanged from a year earlier. The flat pricing of major commodities such as food helped keep the rise in prices of goods (+1.2%) at a far more modest level than inflation in services (+2.8%).

Vancouver's CPI jumped 2.1% in February, while Victoria experienced slightly higher inflation with 2.4% year-over-year growth in prices.

Data Source: Statistics Canada