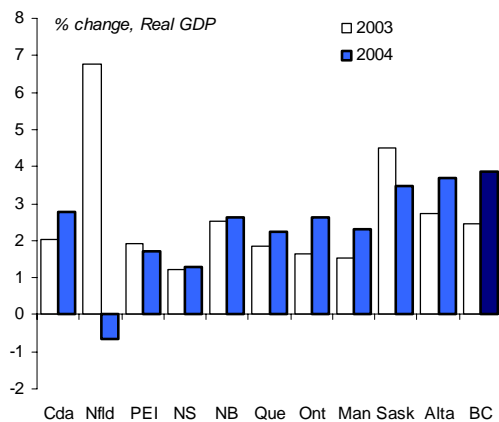


Current Statistics ♦ April 2005

- British Columbia's economy picked up speed in 2004, expanding 3.9% after increasing 2.5% in the previous year.** Although this was the first time since 1987 that BC has outpaced all the other provinces in terms of economic growth, Alberta (+3.7%) and Saskatchewan (+3.5%) were not far behind, as most of western Canada experienced an economic boom. Newfoundland fell back to last place (from first in 2003), as labour disputes and oil production difficulties put the brakes on that economy, which contracted (-0.7%) for the first time since the mid 1990s.

BC leads western Canadian economic boom in 2004



Domestic demand for goods and services (+4.9%), together with robust export growth, (+4.9%) contributed to BC's strong showing last year. Business investment advanced 11.7%, largely because of a flourishing housing market. Spending on residential structures increased 14.8% for the second year in a row. Investment in machinery and equipment rose 20.0%, but spending on non-residential structures slumped (-4.2%). Consumer demand expanded 4.1% in 2004. Strong demand for machinery and consumer goods produced outside the provinces helped boost imports by 6.4%.

- British Columbia's unemployment rate slipped back to 6.5% (seasonally adjusted) in March, reversing an upturn that occurred in February.** Last month's decline brought BC's jobless rate back below the Canadian level, where it has remained in all but one of the last seven months—the first period of consistently below-average unemployment rates for BC since 1997. However, the improvement in the unemployment rate does not necessarily indicate a stronger labour market: employment inched up just 0.1% between February and March, while the labour force shrank 0.4%.

- Canada's unemployment rate slipped 0.1 percentage point, dropping to 6.9% in March.** Nationally, job growth stalled (0.0%) while the labour force shrank slightly (-0.1%). Unemployment rates in the rest of Canada ranged from 3.5% in Alberta to 14.9% in Newfoundland, where jobless rates in recent months have fallen to levels not seen since the late 1980s. BC, Alberta (-0.7 percentage points), Nova Scotia (-1.2 points) and Newfoundland (-0.3 points) were the only provinces where the unemployment rate fell in March.

Data Source: Statistics Canada

- Exports of BC products rose for the second consecutive month in February (+0.7%, seasonally adjusted), boosted by forest (+1.9%) and industrial and consumer (+2.7%) products.** Exports of agriculture and fish (-2.9%) and machinery, equipment and automotive (-3.3%) products slipped in February. Energy products also edged down (-0.5%), following an 11.7% jump in January.

The value of exports destined for US markets increased 3.0% in February, as energy (+6.0%) and forest (+3.5%) products led the growth. With the exception of agriculture and fish products (-1.9%), exports of all other commodities to the US fared well.

International shipments to countries other than the United States declined 3.6%, since exports of all commodities, except industrial and consumer products (+3.5%), dropped.

At the national level, goods exports in February increased 1.4% to over \$36.5 billion, thanks to both higher export volumes (+0.5%) and higher prices (+0.9%). Exports of agricultural and fishing products led the gain by increasing 4.8% in February, while most of the principal commodity groupings were up.

Data Source: Statistics Canada



- **Investment in non-residential building construction rebounded in the first quarter of 2005, rising 1.6% (*seasonally adjusted*) from the fourth quarter of 2004.** Spending on both industrial (+4.9%) and institutional and government (+5.2%) buildings experienced significant gains, while the commercial sector (-0.5%) continued to edge down.

Non-residential building construction activity in Vancouver showed the largest increase among the 28 census metropolitan areas across Canada, rising 7.5% to \$414 million in the first quarter. However, Victoria, where all three non-residential components dropped, experienced the biggest decline of all the CMAs (-33.0% to \$44 million).

Nationally, non-residential construction expenditures rose a moderate 1.3% in the first quarter, with industrial projects leading the growth (+5.2%). All four of the large provinces rebounded (at rates ranging from

+0.4% in Ontario to +5.9% in Alberta) from last quarter's declines. *Data Source: Statistics Canada*

- **Shipments by BC manufacturers bounced back (+0.8%, *seasonally adjusted*) in February, after two consecutive monthly declines.** Both durable (+1.0%) and non-durable (+0.5%) goods manufacturers saw increases in the value of shipments, despite weakness in each of BC's top three manufacturing industries. The wood industry, which accounts for 50% of durable goods, and 30% of total shipments, slipped 0.3% in February. Indeed, this industry has been on a downward trend since September 2004, as prices for softwood lumber have dipped, partly due to the appreciation of the Canadian dollar. Paper (-1.4%), the second biggest manufacturing industry, and food (-0.2%), the third biggest, also posted declines in February.

Except for wood (-0.3%), machinery (-8.4%) and transportation equipment (-9.8%), most manufacturers of durable goods saw shipment growth. Primary metal (+14.1%) had the most notable gain, followed by computer and electronic (+8.7%), miscellaneous (+8.4%) and furniture and related (+4.4%) products.

Shipments of non-durables rose 0.5%, as chemicals (+9.8%), beverages and tobacco (+6.0%), and plastics and rubber (+3.5%) shipments increased enough to offset the decline in food (-0.2%), paper (-1.4%), and printing and related (-1.0%) products.

Across the nation, shipments fell 0.5% to \$51.4 billion in February due to volatility in the transportation equipment sector. Five out of twelve regions posted declines, including Ontario (-1.2%) and Quebec (-0.4%). In the remaining provinces and territories, Alberta (+1.7%) and British Columbia (+0.8%) made gains, as did three of the four Atlantic provinces. *Source: Statistics Canada*