

Current Statistics ♦ June 2005

- **British Columbia's unemployment rate fell 0.4 percentage points to 5.7% (*seasonally adjusted*) in May, reaching the lowest level since January 1981.** The improvement in the unemployment rate was due to strong job growth (+0.8%, or a net gain of 17,700 jobs). Employment in BC has been increasing for six consecutive months since December 2004. The labour force (+0.5%) grew at a slower pace than employment for the third month in a row.

The Canadian unemployment rate was unchanged at 6.8%, as the number of jobs (+0.2%) grew on par with the size of the labour force (+0.2%). Jobless rates in the rest of the country ranged from 3.5% in Alberta to 15.2% in Newfoundland & Labrador.

Data Source: Statistics Canada

- **The province's service sector took on more workers in May (+1.5%), while employment in the goods sector contracted 1.6%.** Job losses were localized in the agriculture (-8.9%) and construction (-4.0%) industries. Manufacturing, the biggest employer, also experienced a marginal job loss (-0.3%).

Employment expansions in the service industries were widespread except health care & social assistance (-2.5%), and information, culture & recreation (-2.7%). Public administration (+9.0%) and transportation & warehousing (+6.1%) were the leading industries in May. Wholesale and retail trade (+2.0%), the biggest employer in the service sector, also hired more workers.

Data Source: Statistics Canada

- **BC origin exports (*seasonally adjusted*) climbed 2.2% in April, mostly on the strength of a 9.6% rise in the value of energy exports.** Soaring shipments of coal and natural gas have been mainly responsible for the growth. While the jump in coal exports has been due to a combination of both higher prices and increased demand, the value of natural gas

shipments has increased solely due to price inflation as quantities shipped have fallen. Elsewhere, forest sector exports dipped (-0.9%) for the second month in a row, but there was strong growth in shipments of machinery, equipment and automobiles (+4.2%).

Exports to the United States rebounded (+1.2%) to recover ground lost in March. Energy (+3.3%), forest products (+1.6%) and machinery, equipment & automobiles (+5.0%) all had strong growth in exports; however, shipments of industrial & consumer products fell significantly (-4.7%).

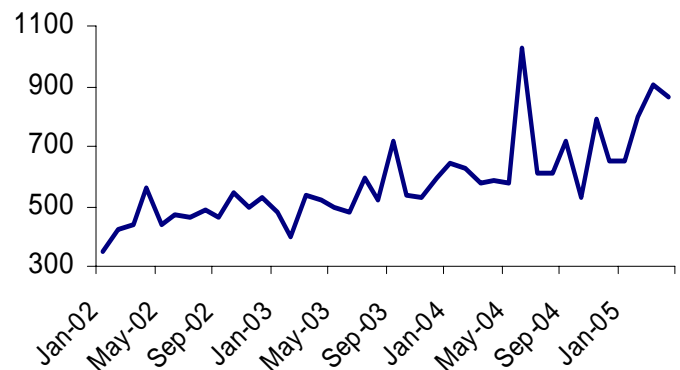
Data Source: Statistics Canada

- **The value of building permits issued by BC municipalities fell 4.6% (*seasonally adjusted*) in April, the first decline in 2005, as a plunge in the value of permits for non-residential construction (-28.6%) offset a gain in the residential sector (+13.0%).** Institutional projects (-62.1%) posted the steepest drop. The value of building permits in Vancouver (-4.3%), Victoria (-2.0%) and Abbotsford (-55.6%) all declined.

Nationally, building permits were down 2.6%, with rates ranging from a decrease of 39.7% in Newfoundland & Labrador to an increase of 36.0% in Prince Edward Island.

Data Source: Statistics Canada

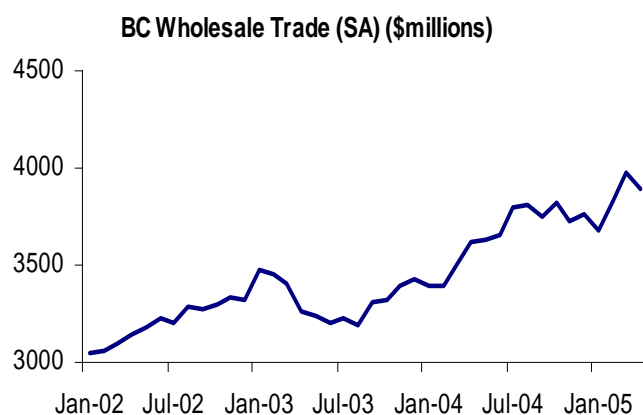
BC Building Permits (SA) (\$millions)



• **Shipments of goods by BC manufacturers slipped (-1.4%, *seasonally adjusted*) in April, posting the second consecutive monthly loss.** Durable manufacturers saw declines (-1.3%) in the value of shipments, mostly due to weakness in the wood industry (-2.5%). Exceptions were primary metals (+2.0%), fabricated metals (+1.6%), furniture & related (+1.7%) and miscellaneous (+2.5%) shipments. Shipments of non-durables also fell (-1.5%), with both paper (-4.5%) and food (-0.2%) posting decreases.

Across the nation, manufacturing shipments inched up (+0.9% to \$50.2 billion) for the first time since January, partly due to an increase in the transportation equipment sector (+5.2%), which boosted the shipments of durable goods (+1.9%). Shipments of non-durable goods slipped (-0.3%) in April. Six of the 12 regions posted lower shipments, with Newfoundland (-16.7%), New Brunswick (-11.9%) and Saskatchewan (-3.3%) reporting the biggest declines. Prince Edward Island (+4.9%) and Nova Scotia (+4.0%) showed the strongest growth. *Data Source: Statistics Canada*

• **BC wholesale sales were down (-2.2%, *seasonally adjusted*) in April.** Nationally, wholesale sales edged up (+0.9%), largely due to the increases in Ontario (+1.6%) and Manitoba (+10.9%). Four out of seven wholesale trade sectors recorded growth in April, with significant gains in the “other products” (+6.8%) and automotive products (+3.5%) categories. *Data Source: Statistics Canada*



• **Retail sales growth in BC slowed down in April, increasing 0.1% (*seasonally adjusted*) from March.** Overall Canadian sales (+1.5%) rebounded substantially, due to a strong recovery in Ontario's retail market (+1.9%). New Brunswick (-0.3%) and BC were the only provinces where sales were weak in April. Prince Edward Island (+2.9%) and Alberta (+2.7%) led the rest of the provinces with significant sales gains. *Data Source: Statistics Canada*

• **British Columbia's year-over-year inflation rate eased in May, dropping to 1.5%—the first time since last September that the overall price level has risen less than two percent.** Energy costs, which have been fuelling inflation, were 1.8% higher than in May 2004. Prices at the pump were up 2.5%, while fuel oil prices increased 18.7%.

Although the cost of energy rose more than prices for other goods and services (+1.4%) in May, consumers faced the lowest year-over-year increase in energy costs since early 2004.

BC consumers faced higher prices for most types of goods and services except clothing and footwear (-1.2%) in May. Transportation (+2.1%), health and personal care services (+1.9%), food (+1.8%) and shelter (+1.8%) costs all rose about two percent. Energy prices played a role in the increases for shelter and food costs and have likely indirectly affected prices for food and similar items, but other factors have also influenced the overall increase. Homeowner's insurance costs continued to rise (+5.2%), and water charges (+6.9%) and property taxes (3.7%) took a bigger bite out of household budgets than they did in May 2004. Property tax rates are set annually, so the year-over-year increase in May reflects both property values and tax rates established by municipalities in 2004. Auto insurance costs were up 7.5%, and tuition fees were 13.0% higher than in May 2004. *Data Source: Statistics Canada*