

## Current Statistics ♦ September 2005

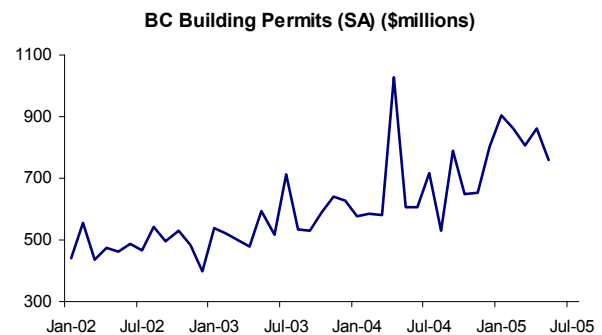
- **British Columbia's unemployment rate dropped back to 5.8% (*seasonally adjusted*) in August, after a brief upturn (to 6.2%) in the previous month.** The improvement in the jobless rate was the result of renewed job growth (+0.4%), combined with a stable labour force (unchanged at 2,265,000 in August).

Employment rose to 2,133,000 in August after stalling in the previous month. In contrast to the situation in July, when many service sector employers pared down the size of their workforce, service sector employment increased (+0.6%) in August. Retail and wholesale trade (+3.8%), health care (+3.3%) and public administration (+3.1%) made particularly strong gains. The management and administration services industry also hired more workers (+3.0%). However, tourism-related industries such as accommodation and food services (-2.9%) and transportation and warehousing (-2.1%) cut back on their staff. *Data Source: Statistics Canada*

- **Housing starts eased back in August, falling 8.7% (*seasonally adjusted*).** Starts have been volatile in recent months, bouncing up and down, but showing little change over the long run. Year-to-date, starts in BC are 1.8% lower than in the first eight months of 2004.

Canadian starts plunged 17.1% in August, the result of downturns in three of the four largest provinces. Ontario (-34.5%) and Quebec (-14.1%) both posted substantial declines. Starts rose slightly in Alberta (+0.6%), and increased solidly in Saskatchewan and the Atlantic provinces, but the combined effect was not enough to offset the downturn in central Canada and BC. *Data Source: Statistics Canada*

- **The value of building permits issued by BC municipalities fell (-11.8%, *seasonally adjusted*) in July, as permits for both residential (-10.6%) and non-residential (-13.8%) projects declined.** Planned investment in new commercial projects was down 30.0%, but intended investment in industrial (+7.7%) projects remained robust. Permits for institutional and government buildings edged up 0.6%. *Data Source: Statistics Canada*



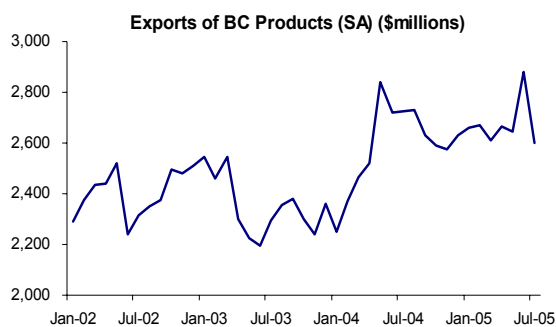
- **Exports of goods manufactured in the province slipped 9.8% (*seasonally adjusted*) in July, dropping to their lowest level so far this year.** Forest product exports tumbled 10.4%, reflecting the effect of lower export prices for softwood lumber, pulp and paper products and logs. Exports of energy products fell 4.9%, and international shipments of agriculture and fish (-18.1%), industrial and consumer goods (-16.0%) and machinery and transportation equipment (-1.1%) were down.

Exports to the US slid 3.6%, while shipments to other destinations plunged 19.9%, largely because of a sharp decline in forest product exports (-30.5%) to overseas destinations.

Canadian exports advanced 2.1% in July, largely because shipments to the US were up 2.4%. Energy products (+8.7%) fuelled the growth. Trade in most other goods, including

machinery (+0.5%) and automotive products (+0.1%), advanced only marginally.

*Data Source: Statistics Canada & BC Stats*



- **Relative to July 2004, (unadjusted) exports were down in five provinces, including BC (-4.4%).** Ontario (-5.3%) and Quebec (-5.6%) both posted year-over-year declines, and exports were down or flat in three of the four Atlantic provinces. Energy exports were responsible for most of the growth in Alberta (+6.5%) and Saskatchewan (+5.8%).

*Data Source: Statistics Canada*

- **Shipments of goods manufactured in the province dropped 5.5% (seasonally adjusted) between June and July.** Shipments were down in most provinces, falling 1.4% nationally. Ontario (-\$525 million, or -2.0%) and Alberta (-\$219 million, or -4.4%) saw the biggest declines in absolute terms. In Ontario, a bigger-than-average seasonal slowdown in the auto sector was a major factor. Alberta, which surpassed BC to become the third-largest manufacturing province in the country in 1997, recorded declines in the petroleum and computer manufacturing industries. BC shipments fell by \$199 million, less in absolute terms than in the other large provinces, but in percentage terms, the decline was bigger than in any other province except PEI (-9.5%) and Nova Scotia (-7.1%).

Lower prices and maintenance shutdowns played a role in the downturn in the manufacturing sector. Producers of softwood lumber, other wood and paper products, primary metals and computers and

peripheral equipment have all seen prices fall in recent months.

*Data Source: Statistics Canada*

- **Overall, shipments by BC producers of non-durable goods dropped 6.5% in July, largely due to weakness in the dominant paper (-16.6%) and food (-0.4%) industries.** On the durables (-4.8%) side, shipments were down across the board. Wood manufacturers saw the value of their shipments slip 5.2%, with declines in other industries ranging from a modest -0.4% in the furniture and fabricated metals industries to -18.5% in the "miscellaneous" category. Other notable declines were observed in the computer and electronics (-16.3%) and transportation equipment (-8.0%) industries.

*Data Source: Statistics Canada*

- **British Columbia's year-over-year inflation rate rose to 2.1% in August, as energy costs continued to drive up the all-items Consumer Price Index (CPI).** Consumers paid 9.0% more for energy as prices at the pump increased 16.2%, while the cost of fuel oil (+18.7%) and piped gas (+5.3%) was up substantially from August 2004 levels. Excluding energy products, BC's inflation rate would have been 1.4%, marginally lower than in July.

Transportation costs rose 4.3%, partly because consumers paid more to fill up their gas tanks, but also because airlines and other businesses in the industry raised their prices or added fuel surcharges. However, car owners paid less for vehicle insurance (-0.9%).

Shelter costs were up 1.8%. Homeowners paid 2.4% more for their accommodation, while renters faced an average increase of 0.3%. Consumers also paid more (+1.9%) for food (especially restaurant meals, +3.7%), alcohol (+1.4%), tobacco (+2.3%) and health and personal care products and services (+2.3%).

*Data Source: Statistics Canada & BC Stats*