

Current Statistics ♦ August 2006

- After dropping to a new low of 4.3% (*seasonally adjusted*) in June, BC's unemployment rate jumped 0.4 percentage points in July, rising to 4.7%. The increase in the jobless rate was the result of strong labour force growth (+0.6%) that significantly outpaced employment gains (+0.2%) in July.

British Columbia's unemployment rate remained well below the national average (6.4%) in July. With jobless rates of 4.7%, residents of BC, Manitoba and Saskatchewan were less likely to be unemployed than Canadians in every other province except Alberta (3.6%). Unemployment rates increased in most parts of the country, rising 0.3 percentage points at the national level. Canada-wide, the labour force grew 0.4%, while the number of people with jobs was unchanged from June.

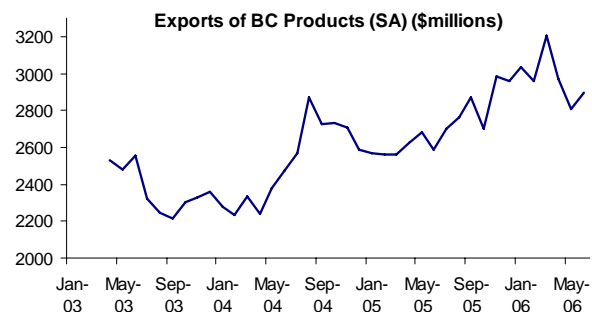
Among BC's regions, jobless rates ranged from 3.8% (*3-month moving average, unadjusted*) in Northeast to 6.8% in Cariboo. Relative to the same month last year, all regions except Northeast and North Coast/Nechako recorded both labour force and employment growth. Kamloops (5.8%), Kelowna (5.6%) and Prince George (5.3%) were the only major urban centres where the unemployment rate was higher than five percent in July.

Victoria's unemployment rate was 3.3% (*seasonally adjusted*), considerably lower than the rate in Vancouver (4.0%) and Abbotsford (4.1%).

Data Source: Statistics Canada & BC Stats

- Sales by wholesalers in the province continued to seesaw in June, dropping off 0.7% (*seasonally adjusted*) after growing 0.8% in the previous month. Canadian sales were off 0.6%, with only Quebec (+1.5%) and Alberta (+2.4%) posting increases. *Data Source: Statistics Canada*

- Exports of BC products expanded 7.7% (*seasonally adjusted*) in June, building on a 1.6% increase in the previous month. The export growth reflected a big jump (+26.2%) in the value of industrial and consumer goods shipped from the province, much of it destined for overseas markets. At the same time, the value of energy (+3.2%) and forest (+2.9%) product exports increased in June, marking the first significant advance since December. Exports of machinery, equipment and automotive products (+6.1%) were also up but the value of agriculture and fish exports fell 4.4%.



US-bound exports were off 1.5%, as shipments of energy (-1.4%) and forest (-6.9%) products south of the border declined. Together, these account for about 60% of the total value of exports to the US. Exporters of agriculture and fish products also saw the value of their US shipments drop off (-1.3%) in June, but exports of industrial and consumer goods (+6.4%) and machinery, equipment and automotive products (+4.3%) were up from May.

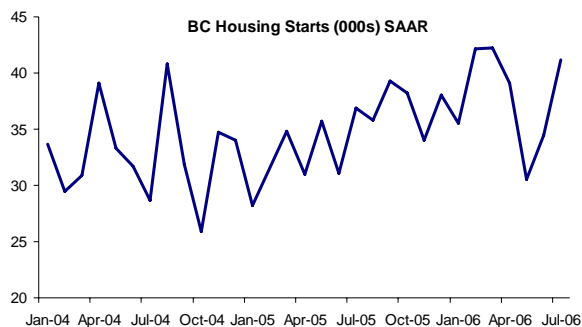
Export growth in June was largely due to gains in overseas markets, with shipments to these destinations rising 23.0%. Exports of most products were up significantly from May levels, increasing at rates ranging from 9.2% for energy products to 44.8% for

industrial and consumer goods. However, overseas exports of agriculture and fish products fell 10.4%.

Data Source: Statistics Canada & BCStats

- **Housing starts in the province continued to rise in July, jumping 19.4% (seasonally adjusted).** This was the third time since the beginning of the year that starts have increased at double-digit rates.

Year-to-date, starts were well above (+15.7%) the levels recorded during the first seven months of 2005. Although the increase so far this year is not quite as strong as what was seen during the early years of the housing boom, if building activity continues at this pace, last year's respite from the frenetic pace of building activity in the province could be short-lived. During the first seven months of 2005, starts were just 1.0% higher than in the same period of 2004. *Data Source: CMHC & BC Stats*



- **The value of building permits issued by BC municipalities dropped 4.9% (seasonally adjusted) in June after rebounding (+17.2%) in the previous month.** Permits for residential projects were up 8.7%, but the value of permits issued for other types of buildings plunged 26.0%. Non-residential permits have been seesawing since March, and the latest decline followed a whopping 62.6% increase in May. Permits issued for industrial projects more than doubled (+104.5%) in June, but planned spending on commercial (-21.6%) and institutional (-53.2%) projects was down from May. *Data Source: Statistics Canada*

- **British Columbia's inflation rate was 2.0% in July, less than the 2.2% increase in the all-items Consumer Price Index (CPI) posted in the previous month.** Consumers, who had enjoyed a brief respite from soaring energy costs early in the year, faced a double-digit increase (+11.1%) in the cost of oil, gas and other energy products for the third month in a row. Excluding energy, prices rose a relatively modest 1.2%.

Despite the reduction in the goods and services tax (GST) that took effect July 1st, the national inflation rate edged down just 0.1 percentage point to 2.4% in July as energy costs (+10.6%) continued to fuel inflation. Among the provinces, inflation rates ranged from 1.9% in Ontario to 4.3% in Alberta. Soaring shelter (+9.8%) costs, together with rising prices for energy (+7.2%) and other goods and services all contributed to Alberta's very high inflation rate.

Data Source: Statistics Canada

- **Retail sales in the province increased 2.4% (seasonally adjusted) during the second quarter, building on a solid first-quarter gain of 2.1%.** BC's hot housing market continued to enhance sales, with retailers of building and outdoor home supplies (+7.0%) and furniture, household furnishings and electronics (+3.4%) posting particularly strong gains. Cash registers at clothing and accessories stores rang up 4.4% more sales than in the first quarter. In the automotive sector, sales advanced 3.5%. Although this was largely due to higher receipts at gas stations (+7.8%), where prices have been climbing, new car dealers saw sales rise (+1.2%) for the first time since last fall. However, sales by general merchandisers edged up just 0.9%, while pharmacies and personal care stores posted a 1.3% decline.

Data Source: Statistics Canada & BC Stats