

Current Statistics ♦ September 2006

- British Columbia's unemployment rate inched up to 4.8% (*seasonally adjusted*) in August, as a marginal drop in the number of jobs (-0.1%, or -2,200) was accompanied by virtually no change (+0.0%, or +200) in the number of people who were either working or looking for work. BC's unemployment rate remained among the lowest in the country, and was only 0.6 percentage points higher than Alberta's (4.2%). Manitoba (4.5%) had the second-lowest unemployment rate in the country, while BC was ranked third.

Employment in BC's goods sector slipped back 1.0% with the number of jobs declining or stalling in most industries. The number of jobs in construction was virtually unchanged (-0.1%), while employment in utilities dropped (-2.2%) for the first time since April. At the same time, there were fewer jobs in manufacturing (-4.1%) and agriculture (-1.5%). However, these were offset by a 10.9% increase in jobs in the primary industries (forestry, fishing & mining).

The service sector, which employs eight out of every ten workers in the province, recorded a marginal increase in employment (+0.1%) as job growth in some industries was offset by declines in others. Employment in public administration slipped 11.7% and there were fewer jobs in education (-2.9%) and health care & social assistance (-1.3%). However, professional, scientific & technical services (+7.2%) and management & administration (+6.0%) took on significantly more workers.

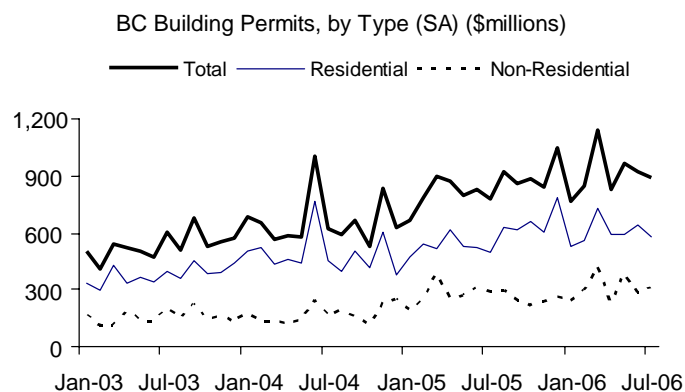
Data Source: Statistics Canada

- The value of building permits issued by BC municipalities slipped 3.3% (*seasonally adjusted*) in July, as an increase in non-residential permits (+11.0%) was unable to

offset a 9.6% decline in planned spending on residential building projects. In Victoria, permits were up 104.0%, the most significant increase in the country. On the other hand, both Abbotsford (-49.8%) and Vancouver (-27.2%) posted substantial decreases.

Year-to-date, BC building permits were 12.4% higher than in the first seven months of 2005. Permits jumped 92.7% in the Northeast region, partly due to a residential building boom (+54.2%), followed by the Vancouver Island/Coast region with a 24.0% increase.

Data Source: Statistics Canada



- The value of BC origin exports continued to seesaw in July, slipping 6.1% (*seasonally adjusted*) following an 8.0% increase in June. Energy exports tumbled 13.9%, reflecting the effect of lower export prices for gasoline. Exports of machinery & transportation equipment (-7.3%), forest products (-5.7%) and industrial & consumer goods (-2.7%) were also down. However, agriculture & fish product exports showed more promise (+3.9%).

Exports to the US were off 1.2%, as shipments of machinery & auto equipment (-7.9%) and energy (-4.2%) both decreased. Increased exports of forestry (+0.2%), agriculture & fish (+3.2%) and industrial &

consumer products (+3.3%) south of the border were unable to offset the declines. Shipments to destinations other than the US plunged 12.8%, largely because of sharp declines in forest (-14.6%) and energy (-25.9%) product exports. However, overseas shipments of agriculture & fish products were up 5.5%. *Data Source: Statistics Canada & BC Stats*

- **Shipments of goods manufactured in the province dropped 3.8% (seasonally adjusted) between June and July.** Producers of durable products (-2.8%) saw shipments fall after having remained flat in June. The value of wood shipments (-4.6%) decreased as producers continued to face low prices for softwood and other wood products. BC producers of primary metals (+3.8%), machinery (-7.9%) and computer & electronic products (-7.4%) also showed notable declines. On the non-durables side, paper (-12.1%) and food (-1.0%) shipments were lower than in June, and shipments by the chemical (-0.8%) and plastics & rubber (-4.2%) industries both fell for the third consecutive month. Overall, non-durables shipments were down 5.0%.

Data Source: Statistics Canada

- **Housing starts in the province fell back 19.4% (seasonally adjusted) in August, following two months of big gains.** Canadian starts were down 9.6%, as most provinces posted declines. BC and Ontario (-18.2%) both recorded double-digit drops, while starts fell a more moderate 8.3% in Alberta. However, starts were up in Quebec (+15.7%), Manitoba (+8.5%) and two of the Atlantic provinces.

Data Source: Statistics Canada

- **British Columbia's year-over-year inflation rate remained at 2.0% in August, as the all-items Consumer Price Index (CPI) was unchanged from July.** Although increases in energy prices have eased in recent months, consumers still paid 7.4% more for energy as prices at the pump (+10.6%) and the cost of fuel oil (+13.8%) continued to be substantially higher. However, piped gas (-1.1%) cost marginally less than in August of

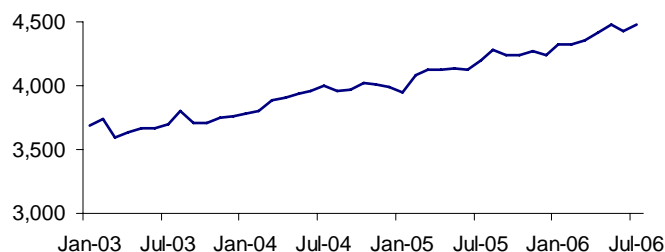
last year. Excluding energy products, BC's inflation rate would have been a more modest 1.5%.

Data Source: Statistics Canada

- **Retailers in the province had a better month in July, as sales rebounded, (+1.2%, seasonally adjusted) after a similar drop (-1.2%) in June.** Canadian sales climbed 1.5%, more than recovering from a dip (-0.4%) in the previous month. Retailers in every province made gains, although the increase in PEI (+0.5%) was modest. In the rest of the country, sales rose at rates ranging from +1.3% in both Ontario and Newfoundland & Labrador to +3.5% in Nova Scotia. All four western provinces also posted solid growth.

Data Source: Statistics Canada

BC Retail Sales (SA) (\$millions)



- **Wholesale sales were off again in July, inching down 0.3%, (seasonally adjusted) following a decrease in June (-0.6%).** Canadian sales were stronger in July (+2.1%) with four provinces recording increases in wholesaling activities. PEI (-5.4%) was the only province where wholesale sales declined by more than 1.0%.

Data Source: Statistics Canada

BC Wholesale Trade (SA) (\$millions)

