

## Current Statistics ♦ October 2006

- **The value of building permits issued by BC municipalities was up 5.8% (seasonally adjusted) in August, ending its two-month downturn.** The increase was due to an upsurge in planned activity in the residential sector (+11.4%), which offset a decrease in non-residential permits (-4.1%). Permits for industrial buildings were up substantially (+62.5%), while the value of permits issued for commercial (-12.4%) and institutional and government buildings (-0.2%) projects were down.

Although permits were up in August, the increase was localized to the Vancouver and Abbotsford areas, where building intentions jumped 33.8% and 65.3%, respectively. Victoria (-40.5%) posted a significant decline. Vancouver accounted for nearly two thirds of the total value of building permits issued in August.

Canadian permits were up 8.3%, as declines in Manitoba (-33.9%) and Saskatchewan (-40.1%) were offset by increased activity in all other provinces. The value of permits issued in Canada's non-residential sector jumped 14.2% in August and permits for residential projects were up (+5.0%).

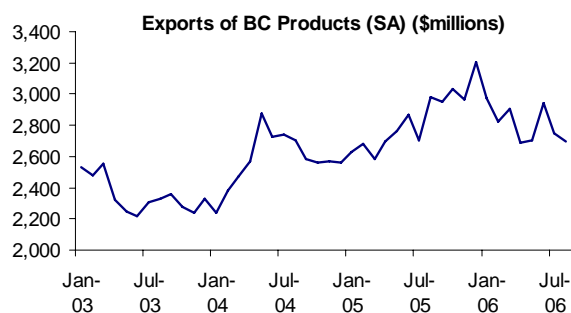
*Data Source: Statistics Canada*

- **Exports of BC products slipped (-1.9%, seasonally adjusted) in August, following a 6.7% decline in July.** A 14.7% slump in exports of industrial and consumer products helped drive overall exports down, and shipments of machinery and auto equipment (-2.0%) and agriculture and fish products (-0.3%) also decreased. Increases in the value of shipments of forest (+2.8%) and energy (+1.0%) products were not able to offset the declines.

Exports to the US were down 1.5% mostly due to a decline in the value of energy

shipments (-5.0%), although industrial and consumer products (-2.5%) and machinery and auto equipment (-1.4%) also dropped. Despite increases in the value of overseas shipments of energy (+11.8%) and forestry (+7.4%) products, exports to destinations other than the US were also lower (-2.5%), reflecting downturns across three other major commodity groups.

At the national level, goods exports inched up 0.3% in August. Energy (-2.2%) and machinery and equipment (-1.2%) were among commodities pulling exports down. However, solid increases in shipments of automotive (+2.6%), industrial (+2.8%) and agriculture and fishing (+3.2%) products were just enough to offset the declines. Canadian exports to the US (-0.8%) decreased slightly in August, but commodities sent to the European Union (+2.1%) and Japan (+13.8%) were up considerably. *Data Source: Statistics Canada & BC Stats*



- **British Columbia's unemployment rate remained at 4.8% (seasonally adjusted) in September, unchanged from August as both the number of jobs and the number of people who were either working or looking for work edged up 0.3%.** BC's unemployment rate remained well below the national average of 6.4%, marginally higher than that of Manitoba (4.4%) and Saskatchewan (4.3%), but

significantly above Alberta's 3.5% jobless rate. The low unemployment rates in the western provinces reflect the shortage of labour in Western Canada, particularly in Alberta.

*Data Source: Statistics Canada*

- **Housing starts in the province showed continued volatility in September, posting a 1.2% increase (seasonally adjusted) following a 19.2% dip in August.** Canadian starts were down 2.4% as new home building activity dropped off in both Quebec (-9.0%) and Ontario (-3.9%). Starts were erratic in the rest of the country, with gains in other provinces ranging from 0.6% in Alberta to 29.0% in Saskatchewan, and significant declines seen in Manitoba (-19.2%) and PEI (-61.5%).

*Data Source: Statistics Canada*

- **British Columbia's year-over-year inflation rate fell to 1.0% in September, as the all-items Consumer Price Index (CPI) dropped half of a per cent from August.** BC's rate was slightly higher than the overall Canadian inflation rate of 0.7%. Alberta was the only province to experience an increase from August to September (+0.2%) and had by far the highest year-over-year rate of inflation at 3.7%.

The higher cost of food (+2.4%) and shelter (+2.7%) are significant contributors to BC's overall inflation rate; however, the cost of energy, which was at one point a main driver of inflation, is now helping moderate the overall rate. Year-over-year energy costs are down 5.8% and the falling price of gasoline (-11.9%) is the main reason why transportation costs have dipped (-0.6%). At 1.7%, the September inflation rate excluding energy products was actually higher than the overall rate.

The inflation rate was 1.4% in Vancouver, while in Victoria, the cost of goods and services climbed only 0.7%.

*Data Source: Statistics Canada*

- **Shipments of goods manufactured in British Columbia rose 4.8% (seasonally adjusted) in August recovering from a 3.9% slip in the previous month.** The increase in the value of shipments was largely due to an upturn in non-durable goods (+7.7%), which was driven by substantial growth in the dominant paper industry (+17.8%). Shipments of food (+2.2%), chemicals (+5.2%) and plastics and rubber products (+7.1%) were also up. On the durables side, a 1.4% decrease in shipments by producers of wood products was offset by increased shipments by the primary metals (+19.8%) and fabricated metals (+3.1%) industries, the second and third largest manufacturers of durable goods in BC. Manufacturers of transportation equipment (+16.6%) also saw their shipments rise but other manufacturers of durable goods, such as machinery (-4.1%) and furniture and related products (-4.3%) did not fare as well. Overall shipments of durables were up 2.6%.

*Data Source: Statistics Canada*



- **Wholesale sales jumped 5.9% (seasonally adjusted) in August, posting the third gain in four months.** Nationally, the value of wholesale sales edged up 0.5%, as gains in a wide range of sectors were able to offset a retraction in the automotive sector (-7.4%). Higher sales in most provinces outweighed weakness in Ontario (-1.7%) and Nova Scotia (-0.3%). Eight provinces saw growth, ranging from 1.0% in Alberta to a solid 11.7% in Saskatchewan.

*Data Source: Statistics Canada*