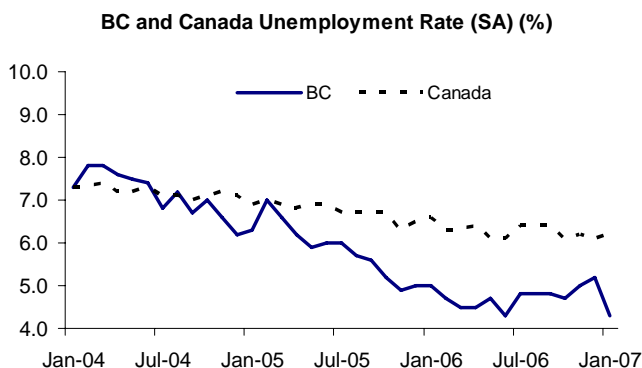


## Current Statistics ♦ February 2007

- **BC's unemployment rate dropped to 4.3% (seasonally adjusted) in January.** Employment increased by 1.4% (+31,700 workers), which was more than enough to absorb the 0.5% increase in the size of the labour force. The participation rate remained relatively stable in January (+0.2 percentage points), with 66.4 % of the working age population (15 and older) in the labour market. British Columbians continue to enjoy one of the best job markets in the country. Together, BC and Alberta (where there were more than 55,000 jobs) accounted for 63% of the increase at the national level.

Among the provinces, British Columbia had the third lowest unemployment rate after Saskatchewan (4.1%) and Alberta (3.3%). The national rate was 6.2%. *Data Source: Statistics Canada*



- **Both the goods and service sectors recorded strong growth in January.** Employment in the goods sector increased by 2.1% (*seasonally adjusted*). Increases were seen in three major industries: forestry, fishing & mining (+8.9%), construction (+3.4%) and manufacturing (+0.8%). Employment was down in utilities (-15.1%) and agriculture (-1.4%).

The service sector recorded a more moderate increase in employment (+1.2%) as job growth in some industries was offset by declines in others.

Employment in information, recreation & culture (+7.6%), and accommodation, food & beverage service (+5.3%) took on a significant number of workers. However, finance, insurance, real estate & leasing slipped 6.8%. *Data Source: Statistics Canada*

- **BC product exports increased 5.6% (seasonally adjusted) in December, as shipments to the US (+3.7%) and overseas (+8.4%) recovered from downturns in November.** Exports of BC energy products overseas were up 22.5%, accounting for much of the increase in shipments to countries other than the US. Forest product exports rose 2.0%, largely because shipments south of the border increased (+6.7%) in December. With the exception of energy (-8.3%), US-bound exports of all other major commodity groups were up from November levels.

Canadian exports surged, rising 3.8% to \$40.4 billion. All sectors recorded increases in December but exports of energy (+5.8%) and automotive (+8.4%) products led the pack. Shipments to the US rose 3.2%, with even stronger growth in exports to Japan (+4.9%). On the other hand, demand from the EU (-4.7%) was down.

*Data Source: Statistics Canada & BC Stats*

- **Housing starts in the province jumped 15.0% (seasonally adjusted) in January, following two months of declines.** With the exception of PEI (-16.7%) and Newfoundland (+0.0%), starts were up in all provinces. Canadian starts climbed 17.3%, with increases ranging from 3.7% in Quebec to a whopping 107.9% in Manitoba. *Data Source: CMHC*
- Following a record month, the value of building permits issued by BC municipalities retreated (-40.2%, *seasonally adjusted*) in December. Declines were recorded in the value of residential permits issued (-30.9%) while drop-offs in the industrial (-64.7%), commercial (-56.5%) and institutional (-51.2%) sectors

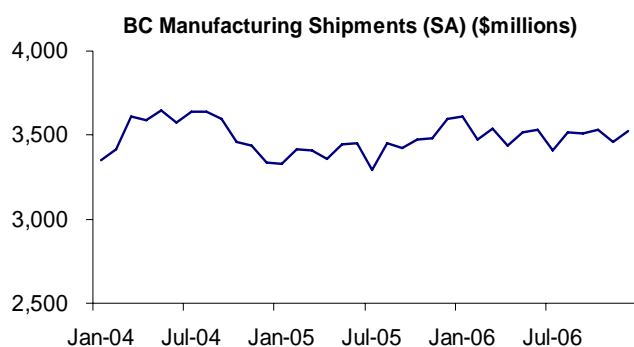
pushed planned spending on non-residential projects down 56.2%. In Victoria, permits slipped 5.0%, while Abbotsford (-70.7%) and Vancouver (-55.1%) experienced more substantial decreases.

Nationally, permits dropped 7.8% with declines ranging from -7.3% in PEI to -60.6% in Newfoundland. Ontario (+0.2%), Alberta (+5.5%), Quebec (+14.2%) and Nova Scotia (+26.3%) were the only provinces to see an increase in the value of building permits in the last month of 2006.

*Data Source: Statistics Canada*

- **Shipments of goods manufactured in British Columbia climbed (+2.1%, seasonally adjusted) in December, recovering from a similar decline in the previous month.** Producers of durable products continued to experience volatility with shipments rising 1.0% following a 1.2% slip in November. The value of wood shipments (+2.0%) increased despite continued low prices for softwood and other wood products. BC producers of fabricated metals (+3.2%) computer & electronic products (+4.7%) and non-metallic minerals (+12.8%) made considerable gains. On the non-durables side, paper (+3.2%) and food (+1.6%) shipments were higher than in November, and the chemical industry began to recover (+1.2%) from a two-month-long slump. Overall, shipments of non-durables rose 3.5%.

*Data Source: Statistics Canada*



- **British Columbia's year-over-year inflation rate remained steady (+2.2%) in January, as the all-items Consumer Price Index (CPI) was relatively unchanged from December (+2.1%).** Consumers paid 4.0% more for energy, as

prices at the pump (+6.4%) and the cost of fuel oil (+9.5%) rose substantially. However, piped gas (-8.2%) cost notably less than in January of last year. Despite the overall increase, energy was less of a contributing factor than it has been in previous months. Excluding energy products, BC's inflation rate would have been just slightly lower (+2.0%).

Transportation costs rose 2.7%, reflecting jumps in the cost of both public (+2.8%) and private (+2.7%) transportation relative to January 2006. British Columbians faced moderately higher prices for most types of goods and services. Shelter costs were up 2.3% as homeowners paid 2.9% more for their accommodation, and renters faced an increase of 0.7%. The cost of operating and furnishing a home increased a modest 0.9%, while household equipment prices were down (-4.3%). Consumers paid more for food (+2.5%), clothing (+4.7%), health & personal care (+2.1%), and education (+2.1%) than in January of 2006.

*Data Source: Statistics Canada*

- **Sales by retailers in the province ended the year on a high note, advancing 2.4% (seasonally adjusted) in December.** Despite December's increase, retail sales in BC have been growing at a slower pace in recent months. The severe wind and snow storms that hit the province in late November may have contributed to the slowdown. Retailers in every province fared well during the Christmas season. Nationally, retail sales were up 2.3% on the strength of solid gains in Ontario (+2.9%), Quebec (+1.8%), Alberta (+2.0%) and parts of Atlantic Canada.

*Data Source: Statistics Canada*

- **Wholesale sales in the province were off again in December, inching down 0.3% (seasonally adjusted).** Canadian sales were stronger (+2.7%) with five provinces recording increases in wholesaling activities. Continued resurgence in the automotive sector significantly boosted Ontario's wholesale sales (+5.3%).

*Data Source: Statistics Canada*