

Current Statistics ♦ March 2007

- **British Columbia's unemployment rate dropped to a new low of 4.0% in February.** This was the first time since 1976 (the first year for which provincial labour force data are available) that the province's jobless rate has been this low. The record-low unemployment rate was reached despite slower job growth in February. The number of people with jobs in BC inched up just 0.1% following strong growth (+1.4%) in January. At the same time, there were fewer people who were either working or looking for work (-0.2%). Last month's decline in the size of the labour force was the first since June 2006.

The slow job growth was largely due to a slump in the goods sector, where employment fell back 1.9%, offsetting most of the gains made in the previous month. In particular, construction (-3.3%) and forestry, fishing & mining (-8.0%) saw drops back to December 2006 levels after surging ahead in January. Manufacturing employment stalled (-0.1%). However, the utilities industry posted strong job growth in February (+17.7%), which offset similarly large declines in the previous month.

The service sector continued to take on more workers (+0.7%). Employment was up in most service industries, with a few notable exceptions. There were 3.7% fewer jobs in accommodation & food services and employment was also down in public administration (-4.8%) and management & administrative services (-13.0%).

Data Source: Statistics Canada

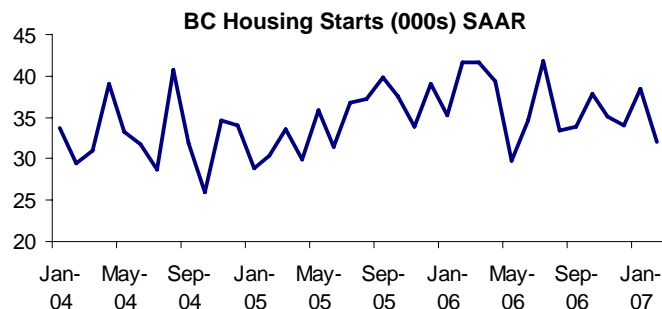
- **Exports of BC products edged down 0.4% (seasonally adjusted) in January as international shipments of manufactured goods such as industrial & consumer products (-8.7%) and machinery, equipment & automobiles (-2.8%) declined.** At the same time, exports of forest (+4.5%) and energy (+2.6%) products increased for a second straight month, and agriculture exports advanced 0.6%.

Shipments to the US, the province's biggest export market, were up 2.3% in January, largely due to higher exports of resource-based products. However, international shipments to other destinations, accounting for about 39% of total exports in January, were off 4.3%.

Data Source: Statistics Canada & BC Stats

- **The number of housing starts in the province continued to seesaw, falling 16.7% in February, after climbing (+12.6%) in the previous month.** Canadian starts were off 21.0%, as most provinces posted declines that were well into the double digits. Inclement weather may have been a factor in the downturn.

Data Source: CMHC



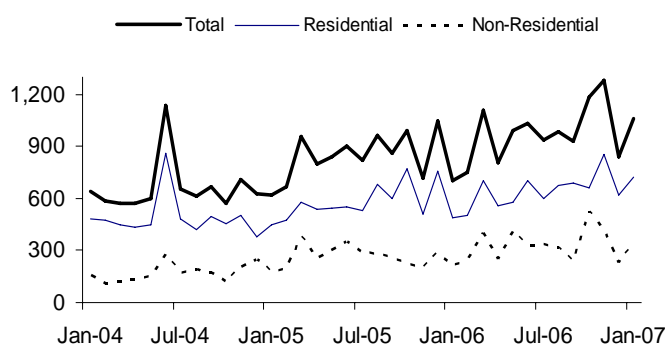
- **Shipments by BC manufacturers slipped (-0.4%, seasonally adjusted) in January as a slight increase in shipments by producers of non-durable goods (+0.5%) was offset by a slump in the durables sector (-1.1%).** The decline in the durable goods sector was driven by a decrease in the wood industry (-1.5%). Shipments of transportation equipment (+21.1%) continued to see-saw while producers of non-metallic mineral products (+1.1%), computer & electronic goods (+4.0%), and machinery (+5.8%) made notable gains. However, these were offset by weakness in the primary (-1.9%) and fabricated (-3.1%) metals industries.

Among producers of non-durables, manufacturers of chemicals (+7.3%) and paper

products (+1.0%) recorded sizeable increases, but this was tempered by a slowdown in the food industry (-0.4%). *Data Source: Statistics Canada*

- **The value of building permits issued by BC municipalities jumped (+26.1%, seasonally adjusted) in January, as permits for both residential (+16.7%) and non-residential (+51.7%) projects surged.** Investment intentions soared in Abbotsford (+299.9%) and Victoria (+102.2%), while permits in the Vancouver area, where most of the province's planned activity occurs, were also significantly higher (+41.7%) than in December. *Data Source: Statistics Canada*

BC Building Permits, by Type (SA) (\$millions)



- **Sales by retailers in the province climbed 1.5% (seasonally adjusted) in January.** Retailers of furniture, household furnishings & electronics led the growth, as sales bounced back after two months of decline. In the automotive sector, gas stations and new and used car dealers posted solid gains. Clothing and general merchandise stores also had a good month in January, but other retailers did not fare as well.

Despite widespread gains in most sectors, national sales were down 0.2% largely because automotive retailers saw sales slow down, particularly in Ontario where total retail sales were off 2.1%. Cash registers in New Brunswick rang in 1.1% less than in January, but in the rest of the country, sales increased at rates ranging from 0.2% in Newfoundland & Labrador to 1.7% in Saskatchewan.

Data Source: Statistics Canada & BC Stats

- **Wholesale sales in BC rose 2.0% (seasonally adjusted) in January, on the heels of a similar increase in December (+1.8%).** Wholesalers of building supplies posted their first increase since September, and business was brisk for wholesalers of clothing, home & personal products and motor vehicle parts & accessories. *Data Source: Statistics Canada & BC Stats*

- **British Columbia's year-over-year inflation rate was 2.2% in February, unchanged from the 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 near the end of last year, faced a relatively big jump (+4.0%) in the cost of oil, gas and other energy products for the third month in a row. The cost of food jumped 3.7% in February, as January's cooler temperatures affected February harvests on the American West Coast and pushed up prices for fresh fruit (+13.4%) and vegetables (+15.4%).

Energy prices helped drive transportation costs up 3.0%, as owners paid more to operate their vehicles (+5.6%), largely because it cost them 7.4% more to fill up their tanks. Parts and maintenance costs (+3.9%), and insurance premiums (+5.0%) also helped drive up the cost of operating a vehicle.

Although fuel oil (+6.1%) took a bigger bite out of the household budget, the cost of piped gas continued to decline (-8.2%). Homeowners paid 2.8% more for accommodation, partly due to higher insurance premiums (+6.2%), while renters faced a much smaller increase (+0.7%).

BC residents paid more for clothing (+3.0%) and education services (+2.1%) and the cost of health & personal care (+2.3%) was also slightly higher than in February 2006. In general, consumers paid more for non-durable goods (+3.5%) and services (+2.6%), while prices for durables (-1.1%) dropped.

Data Source: Statistics Canada