

Current Statistics ♦ July 2007

- **Exports of BC products slipped 6.2% (seasonally adjusted) in May, offsetting a similar increase (+6.3%) in April.** Shipments were down across all major commodity groups. Exports of machinery & transportation equipment (-11.4%) saw the most significant drop, but in dollar terms, the biggest decline was in international shipments of forest products (-7.5%), which account for about 37% of the total value of BC product exports.

Exports to the United States fell 5.4%, reflecting declines in every major commodity group. Shipments of industrial & consumer goods south of the border tumbled 8.0%, and energy (-7.5%), forestry products (-4.6%) and machinery, equipment & automobiles (-4.0%) were all lower in May. International exports to countries other than the US were also down (-7.5%) more or less across the board (energy exports overseas, which were up 3.3%, were the lone exception to the general downturn).

Data Sources: BC Stats & Statistics Canada

- **Production at BC sawmills was 7.5% lower in April than in the same month of 2006.** Mills in coastal regions of the province posted a particularly large decline (-17.8%), but production from interior mills (-6.0%) was also down. Canadian production was off 8.0%, as volume decreased in most of the big lumber-producing provinces, including Quebec (-17.0%) and Ontario (-3.2%).

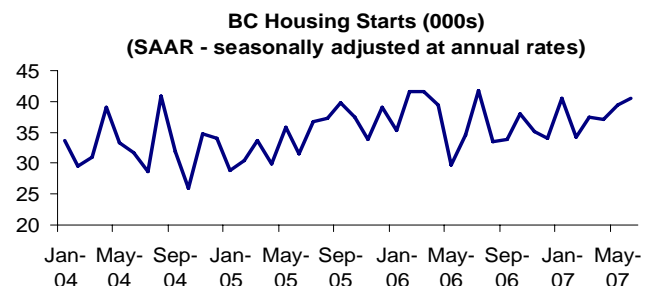
Data Source: Statistics Canada

- **British Columbia's unemployment rate edged up to 4.4% (seasonally adjusted) in June.** The modest increase in the jobless rate came as the number of jobs declined 0.1%, while the size of the labour force expanded at a similar rate (+0.1%). However, the province continued to have the second-lowest unemployment rate in

the country, after Alberta (3.8%). With nearly a third of the Canadian work force located in the west, where labour market conditions have been particularly robust, the national jobless rate (6.1%) has been lower than in Ontario (6.5%), Quebec (6.9%) and all four Atlantic provinces in recent months. Saskatchewan's unemployment rate was also 4.4% in June, while Manitoba recorded a rate of 4.6%. *Data Source: Statistics Canada*

The number of people working in BC's goods-producing industries jumped 0.6% (seasonally adjusted) in June, as employment in manufacturing (+1.7%) picked up after two months of decline. Service sector jobs shrank 0.4%, with most industries employing fewer workers than in May. The exceptions were retail & wholesale trade (+0.5%), accommodation & food services (+3.0%), health care (+3.2%) and public administration (+3.6%). *Data Source: Statistics Canada*

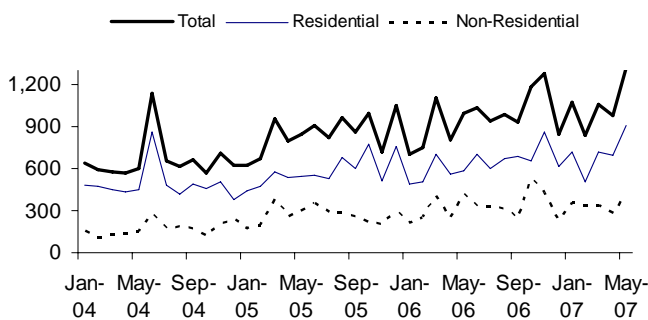
- **Housing starts in the province jumped 8.8% in May, more than recovering from a weak April (-2.7%).** Canadian housing starts showed a similar increase (+8.4%). New home building activity soared in Ontario (+20.3%), while Alberta (-8.7%) posted its second consecutive monthly drop off. Starts were equally volatile in the rest of the country, with big gains, and similarly big declines, seen in parts of Atlantic Canada and Manitoba. *Data Source: CMHC*



- **The value of building permits issued by BC municipalities jumped 34.8% (seasonally adjusted) in May.** The increase was due to planned activity in both the residential (+30.9%) and non-residential (+44.4%) sectors. Permits for institutional & government buildings nearly tripled (+197.0%), with a less substantial increase in the value of permits issued for commercial (+28.0%) projects and a decline in industrial buildings (-18.9%).

Permits were up in each of the province's census metropolitan areas, with a 38.0% surge in the Vancouver area leading the trend. Both Kelowna (+28.7%) and Abbotsford (+22.8%) posted significant increases in planned spending, while the province's capital city (+15.0%) saw a slightly more modest climb. Vancouver accounted for more than sixty percent of the total value of building permits issued in May. *Data Source: Statistics Canada*

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



- **Room revenues climbed 3.1% in March, recovering the ground lost in February (-3.0%) as all regions posted gains.** Northeast (+17.9%) led the province, largely due to an increase in room receipts at work camps that serve seasonal workers in the area. Nechako (+12.2%) and North Coast (+11.0%) also experienced double-digit growth. Mainland/Southwest (+2.3%) saw revenue trend up for the third straight month in March. Room receipts in Vancouver Island/Coast (+3.8%) and Thompson-Okanagan (+2.7%) did not advance enough to bounce back from declines in February. Cariboo (+1.0%) and

Kootenay (+0.1%) also saw revenue increase moderately. *Data Source: BC Stats*

- **British Columbia's year-over-year inflation rate continued to fall in June, dropping 0.2 percentage points to 1.5%.** This was largely due to energy costs, which eased slightly (-0.2%) last month. The inflation rate for goods and services other than energy inched up to 1.7%. *Data Source: Statistics Canada*

- **Shipments of goods manufactured in BC fell (-2.2%, seasonally adjusted) to \$3.5 billion in May after two consecutive months of increases.** Pressures on manufacturers included a rapidly appreciating Canadian dollar, which reached a 30-year high of \$0.9376 US at the end of May. Most manufacturing industries in the province posted declines. Shipments by wood manufacturers dropped sharply (-6.2%), while shipments by paper (-1.7%) and food (-3.8%) manufacturers were also down. Shipments by producers of computers and electronic products plunged 12.6%. Overall, manufacturers of durable goods saw the value of shipments fall back 2.3%, while shipments were down 2.0% in the non-durables sector. *Data Source: Statistics Canada*

- **Wholesale sales in the province continued to see-saw in May, rising 0.9% (seasonally adjusted), following a downturn (-1.9%) in the previous month.** Total Canadian sales rebounded modestly (+0.6%) from the weaker April levels, with much of the increase attributable to sales in the machinery & electronic equipment sector (+2.1%). Although sales were up in Quebec (+1.7%) and Ontario (+0.8%) they fell in most other provinces, with the biggest declines seen in PEI (-5.6%) and Saskatchewan (-2.4%). *Data Source: Statistics Canada*

- **Sales by BC retailers rose 1.7% (seasonally adjusted) in May for the sixth consecutive month.** All provinces experienced gains from last month, ranging from 0.8% in Newfoundland & Labrador to 5.4% in New Brunswick. *Data Source: Statistics Canada*