

Current Statistics ♦ August 2007

- **The value of building permits issued by BC municipalities retreated (-2.9%, *seasonally adjusted*) in June after surging in the previous month.** Residential permits declined (-12.6%), while increases in the industrial (+93.3%), institutional (+22.2%) and commercial (+12.7%) sectors pushed planned spending on non-residential projects up 18.5%.

In Kelowna, permits soared 32.3%, while Victoria (+7.7%) experienced a more moderate increase. On the other hand, Vancouver (-4.8%) and Abbotsford (-43.8%) saw the value of permits slip. Nationally, permits inched down 0.4%.

Data Source: Statistics Canada

- **British Columbia's unemployment rate fell to 4.1% (*seasonally adjusted*) in July.** The improvement in the jobless rate occurred because the province's labour force shrank 0.4%, more than offsetting the effect of a slight drop (-0.1%) in the number of jobs. Employment growth in the province has stalled in the summer months, with the total number of people working inching down in both June and July.

The province's goods sector employed 2.4% fewer people in July. The manufacturing (-2.0%) and construction (-5.5%) industries both shed jobs. Employment edged down modestly (-0.2%) in forestry, fishing & mining, as a downturn in the resource industries continued.

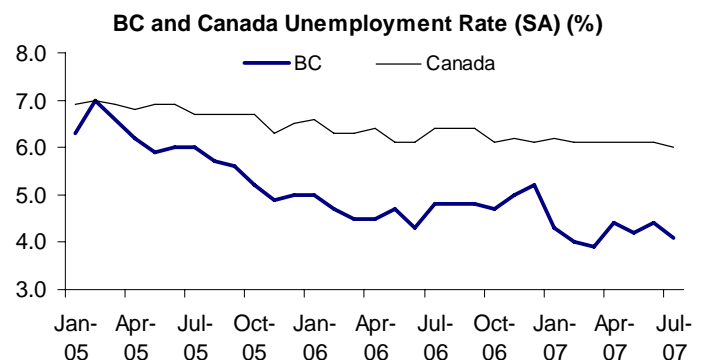
The service sector, which employs eight out of ten workers, boosted employment by 0.5%. Retail & wholesale trade (+3.0%) continued to surge ahead, and there were more job opportunities in industries such as management & administration (+3.4%) and professional, scientific & technical services (+2.7%). Transportation & warehousing (+1.5%), public

administration (+1.5%), and finance, insurance & real estate (+1.4%) also took on more workers.

There were 0.4% fewer jobs in the public sector, as both the education (-6.8%) and health & social service (-1.2%) industries pared down their workforce. Private sector employment inched up 0.2%. Full-time employment increased 1.4%, but there were 5.8% fewer people working in part-time jobs. Self-employment continued to decline, falling 0.8%.

Canada's unemployment rate dropped to 6.0% (*seasonally adjusted*) in July, its lowest point since 1974. Alberta (3.3%) continued to record the lowest jobless rate in the country, while Newfoundland & Labrador (13.6%) and PEI (10.5%) continued to experience double-digit unemployment.

Data Source: Statistics Canada



- **Exports of BC products slipped 3.8% (*seasonally adjusted*) in June following a 5.1% decline in the previous month.** The value of exports fell in all major categories. Energy exports tumbled 13.1% and exports of agriculture & fishing products (-2.7%), industrial & consumer goods (-1.9%) and forest products (-1.5%) were also down. However, international shipments of machinery, equipment & automotive products increased 1.5% in June.

Exports to the United States were virtually unchanged (-0.1%), as a 3.5% jump in forest product exports offset declines in the value of other products shipped south of the border.

International shipments to countries other than the US (-9.1%) were also weak. Energy (-27.7%), forest products (-8.2%) and industrial & consumer goods (-1.8%), which together account for the bulk of overseas exports, all slumped.

Data Source: Statistics Canada & BC Stats

- **BC manufacturing shipments slipped 0.3% (seasonally adjusted) in June, marking the fourth monthly decline since January.** A 2.3% drop in shipments by manufacturers of non-durable goods was largely due to a downturn in the paper industry (-5.0%), where shipments fell for a second straight month. Food manufacturers posted only modest growth (+0.3%), while shipments by producers of plastics & rubber (-2.5%), beverages & tobacco (-1.9%) and chemicals (-1.5%) slumped.

In the durables sector, shipments were up 1.3% as the wood industry bounced back (+2.4%) from a slowdown in May. Manufacturers of computers & electronic products (+3.0%), furniture (+2.2%) and fabricated metals (+1.8%) also posted solid gains. However, shipments by producers of non-metallic minerals fell 2.9%.

Data Source: Statistics Canada

- **New motor vehicle sales fell (-2.0%, seasonally adjusted) for the second straight month in June.** The drop in sales was due to a decline in truck sales which overwhelmed a modest increase in the number of new cars sold in the province.

Data Source: Statistics Canada & BC Stats

- **Wholesale sales in the province increased 4.8% (seasonally adjusted) in June.** Sales by wholesalers of building supplies were flat, and dealers in computers & electronics and office & professional equipment had another slow month, but most other wholesalers posted solid gains.

Data Source: Statistics Canada & BC Stats

- **Total retail sales in BC were virtually unchanged in June, holding firm at \$4.7 billion (seasonally adjusted), as gains made by food retailers (+2.1%) were offset by a drop in sales observed in the automotive sector (-1.5%).** Sales fell sharply at pharmacies (-2.2%) but expanded moderately at building & outdoor home supply stores (+0.4%). Business at general merchandise stores (+0.1%), miscellaneous retailers (+0.1%), furniture, home furnishings and electronics stores (-0.1%), and clothing and accessory stores (-0.1%) was flat in June.

Data Source: Statistics Canada & BC Stats

- **Lumber production at BC's sawmills fell 7.2% through the first six months of 2007 compared to the same period a year earlier.** Shipments of lumber by sawmills were down (-8.6%).

Data Source: Statistics Canada

- **British Columbia's year-over-year inflation rate rose to 1.6% in July, up 0.1 percentage points over the rate recorded in June.** The recent drop in the price of energy (-2.4%) had a dampening effect on the economy's overall inflation rate. Excluding energy, the increase in the Consumer Price Index (CPI) was 2.0%.

The price of food rose 2.6% as both grocery purchases (+1.8%) and restaurant fare (+3.9%) were more costly. Shelter was more expensive (+2.1%) as the price of both rented (+1.1%) and owned (+3.0%) accommodations continued to increase. The price of alcohol & tobacco (+2.9%), recreation, education & reading materials (+2.5%) as well as health & personal care (+2.2%) increased while the price of clothing & footwear was down (-1.5%).

Data Source: Statistics Canada

BC and Canada Inflation Trend
(% change, same month year ago)

