

Current Statistics ♦ October 1998

- **Exports of BC products were 3.9% higher in August than in the same month last year, marking the first time since last November that exports have risen.** The increase was due to a large jump (+40.5%) in the value of energy products (especially electricity and natural gas) exported from the province. International sales of automotive products (+38.1%) and machinery and equipment (+17.9%) were also sharply higher than a year earlier. Forest product exports (-3.5%) remained weak, but the decline was the smallest this year. Year-to-date, BC's exports were down 9.2%.
- **The strong value of the US dollar may have contributed to the modest growth seen in August.** Contracts for many BC products sold abroad are denominated in US funds, and the weak value of the Canadian dollar has given a much-needed boost to Canadian exporters. A rough adjustment to compensate for the change in the value of the loonie suggests that without the weak dollar, BC's exports would have been down in August, but by less than in previous months.

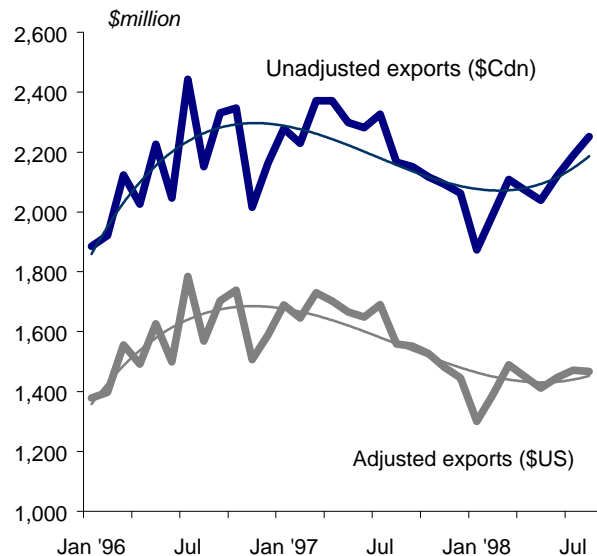
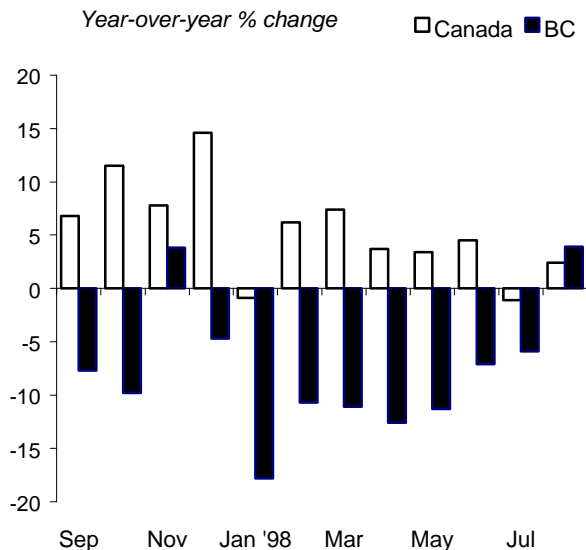
Source: BC STATS

The improvement in exports was partly due to exchange rate changes

Nationally, the value of Canadian exports was 2.4% higher in August than a year earlier. Exports fell in five provinces, with Saskatchewan (-31.2%) and Alberta (-10.9%) recording the largest losses. Newfoundland (+12.0%), Quebec (+9.9%) and Manitoba (+8.8%) experienced the strongest export growth.

Source: Statistics Canada

Exports of BC products increased 3.9% in August



- **Average industrial product prices (IPPI) declined 0.6% between August and September, and were 0.3% lower than in the same month last year.** The most significant price declines were for motor vehicles, pulp, softwood lumber, and pork. Prices rose in the refined petroleum industry.

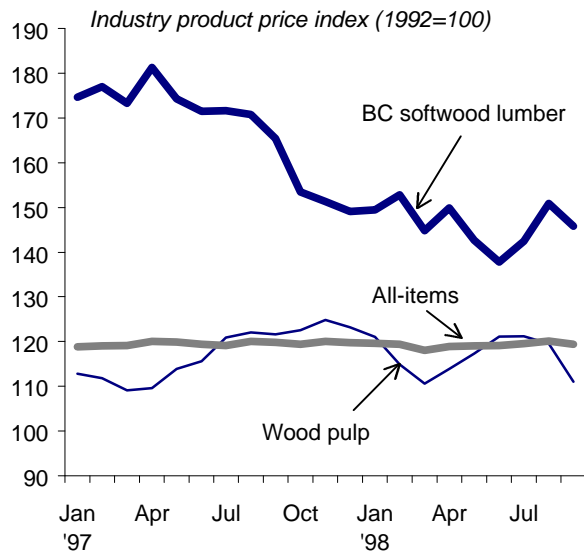
The Canadian dollar strengthened against the US dollar between mid-August and mid-September. Excluding the effect of changes in the value of the Canadian dollar on export

prices quoted in US funds, the all-items IPPI would have edged down only 0.2% between August and September. However, prices would have been 2.4% lower than in September 1997.

Softwood lumber prices fell 3.0% in September after two months of increases. Domestic prices were down 2.5% and export prices decreased 3.4%. August's increase had been mainly the result of concerns over possible events that did not occur (such as a rail strike in BC). A 7.0% drop in prices for BC Western Red Cedar and a 3.3% drop in BC Douglas Fir prices were important factors contributing to the decline.

Source: Statistics Canada

Prices for softwood lumber and wood pulp, BC's major export commodities, fell in September



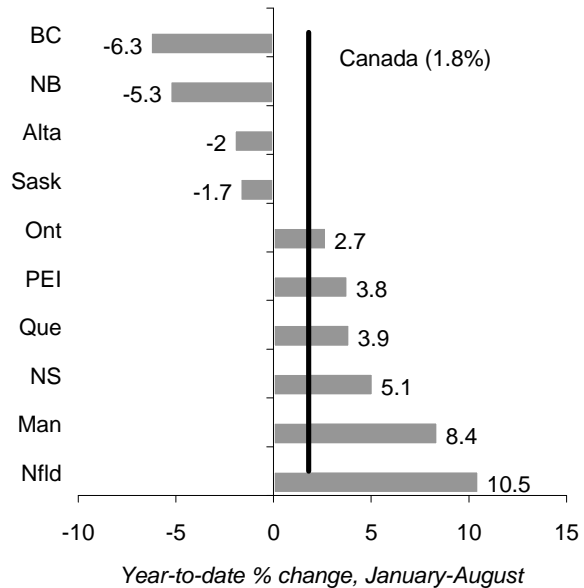
- Shipments of goods manufactured in British Columbia edged up 0.2% (seasonally adjusted) in August, after increasing 0.3% in the previous month. Shipments by the paper and allied products industry were up 5.6%, but wood shipments fell (-2.1%). Nationally, the value of shipments surged ahead 7.6% in August, as Canadian automakers came back on stream in the aftermath of the GM strike in the United States. Ontario, where

most auto manufacturers are located, recorded a 12.3% increase.

Year-to-date, shipments by BC manufacturers were 6.3% lower than in the first eight months of 1997. Nationally, the value of shipments increased 1.8% from the first eight months of last year.

Source: Statistics Canada

Year-to-date, manufacturing shipments in BC have declined 6.3%



- Consumers in British Columbia reduced their spending at retail stores 1.4% (seasonally adjusted) in August, reversing the previous month's increase (+1.1%). Sales were down in eight of Canada's twelve regions, and as a result Canadian sales fell to 0.2% below the July level.

Source: Statistics Canada

- British Columbia's consumer price index (CPI) was unchanged in September from the same month last year, marking the 25th time in the last 27 months that the annual change in BC's overall price level has remained at or below one percent. The province's low inflation rate continues to be largely the result of declining shelter costs, which were down 1.2% from September of 1997.

Source: Statistics Canada