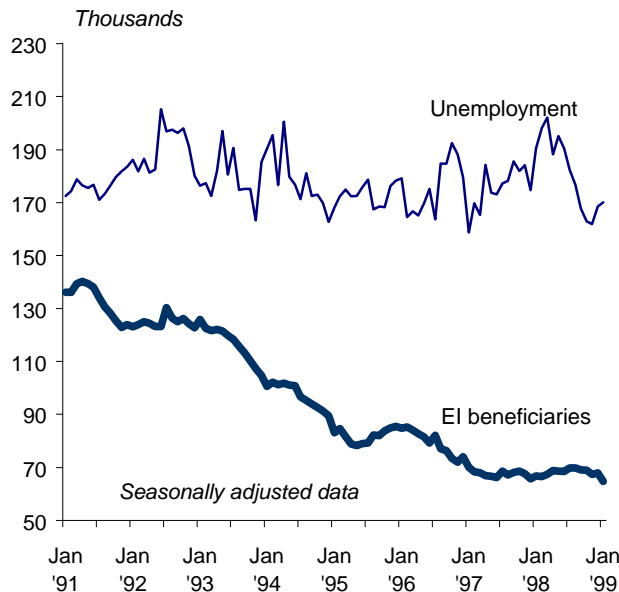


Current Statistics ♦ March 1999

The number of EI beneficiaries in BC has fallen to half of the 1991 level, but unemployment has changed only moderately.



- **The number of British Columbians receiving regular employment insurance (EI) benefits declined 4.6%, to 64,770 (seasonally adjusted) between December and January.** The decrease in EI recipients was the fifth during the last half-year. Nationally, the number of EI recipients fell 3.0% (to 519,980), as the number of recipients declined in 10 of the 12 regions. Alberta (+1.3%) was the only region where the number rose. In Nova Scotia, it was unchanged from the previous month. Yukon (-8.0%) and NWT (-5.1%) recorded the sharpest declines.

The steady downward trend in the number of EI recipients at both the national and provincial levels is largely due to changes to the EI program. More stringent eligibility requirements have made it harder for some workers, such as those employed in seasonal and part-time jobs, to obtain EI benefits. Less than half of the people who were unemployed last year received EI. This compares to about 90% of un-

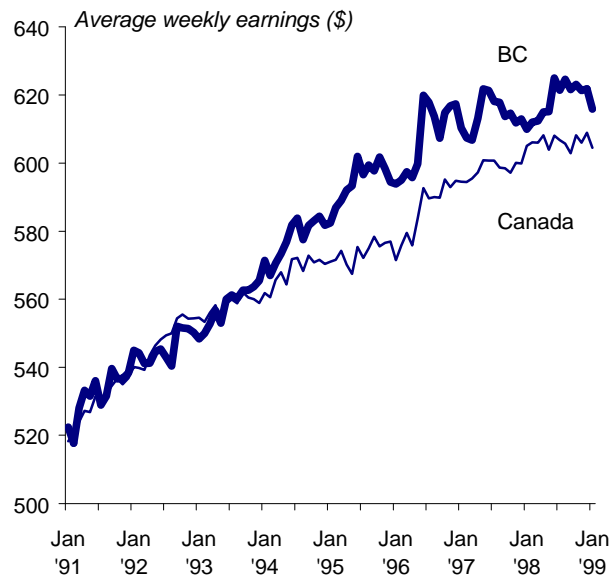
employed workers at the beginning of the decade. It should be noted that unemployment figures are based on a survey of households, while data on EI beneficiaries come from administrative sources.

Source: Statistics Canada & BC STATS

- **Average weekly earnings in British Columbia declined 3marginally (-0.1%, seasonally adjusted) between December and January, falling to \$621.** Weekly earnings were down in every region except Saskatchewan, where they moved up 0.5% to \$550. The Canadian average was \$605, or 0.6% less than in December. Workers in NWT (\$710) had the highest average earnings, followed by Ontario (\$645). Yukon (\$635) slipped back to third place, as average weekly earnings fell to 4.7% below the December level. BC (\$621) and Alberta (\$620) were the only other regions where weekly earnings were above the national average.

Source: Statistics Canada

Workers in BC earn more, on average, than other Canadians. However, the size of the gap has narrowed since the mid-1990s.



- **Retail sales in British Columbia rose 0.7% (seasonally adjusted) between December and January.** This marked the third straight month in which sales by retailers have improved. Canadian sales were up 1.7%, as all regions except Yukon (-0.7%) posted increases. The four Atlantic provinces recorded the strongest growth, ranging from +3.3% in Nova Scotia to +4.3% in PEI.

Source: Statistics Canada

- **Lumber shipments from BC sawmills and planing mills declined 5.2%, to 30.0 million cubic metres (mcm), in 1998.** The decline was part of a nationwide-trend which saw lumber shipments fall for the first time in seven years. Canadian shipments dropped 2.0%, to 64.5 mcm. BC-Canada's largest lumber producer—and the Prairies (-5.4%, to 6.4 mcm) were hardest hit. Factors contributing to the downturn include a decline in Canadian housing starts, weak lumber prices, export restrictions resulting from the Canada-US Softwood Lumber Agreement, and a deterioration in Asian demand for Canadian lumber products.

Source: SC, The Daily

- **Exports of BC products were 11.9% higher in January than a year earlier, increasing for the sixth time in as many months.** BC's forest product exports were sharply higher, increasing to 14.9% above the January 1998 level. International sales of automotive products (+65.6%), consumer goods (+27.7%) and machinery and equipment (+18.8%) advanced significantly, with more moderate growth in the value of agriculture and fish (+9.5%) and energy product (+4.0%) exports. However, exports of industrial goods were down 14.6%.

Source: Statistics Canada

- **Shipments of goods produced by British Columbia manufacturers fell 1.5% (seasonally adjusted) in January.** The downturn was largely due to weakness in the non-durables (-4.6%) sector. Shipments by manufacturers of durable goods rose to 0.9% above December levels. Wood manufacturers staged a comeback, with shipments increasing for the second straight month (+3.0%).

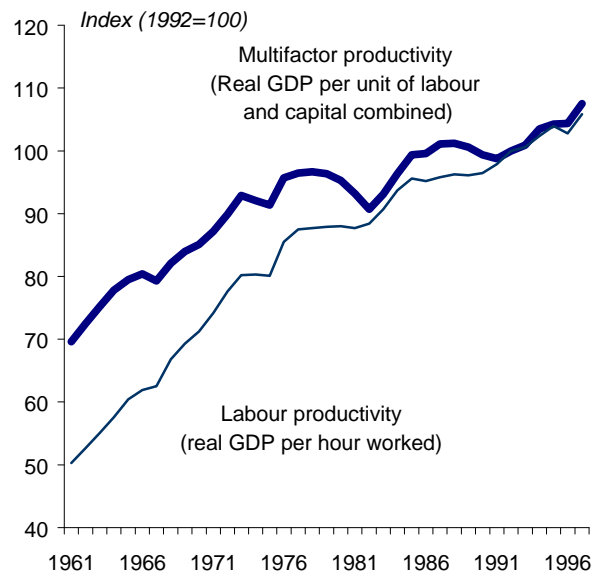
Source: Statistics Canada

- **Multifactor productivity growth in Canada's business sector averaged about 0.7% annually during the last ten years.** This compares to an average annual growth rate of 0.5% during the period from 1979 to 1988, and 0.6% between 1973 and 1979. Productivity growth has slowed considerably since the late sixties. For the period from 1966 to 1973, the average annual increase in multifactor productivity was 2.1%.

Labour productivity growth has also been slower during the last 20 years. It increased at an average annual rate of 1.1% between 1988 and 1997. This was a slight improvement over the average of 1.0% for the period from 1979-88, but well below the 3.8% annual average seen between 1966 and 1973.

Source: Statistics Canada

Labour and multifactor productivity have shown similar trends during the 1990s



Note to Readers

Multifactor productivity is a measure of technical efficiency which is calculated as the difference between real GDP growth and the increase in the amount of labour and capital used in production. It is a more accurate measure of technical change than labour productivity, which does not distinguish between the contribution to GDP growth made by increased use of capital, and improvements arising from more efficient use of both labour and capital inputs.