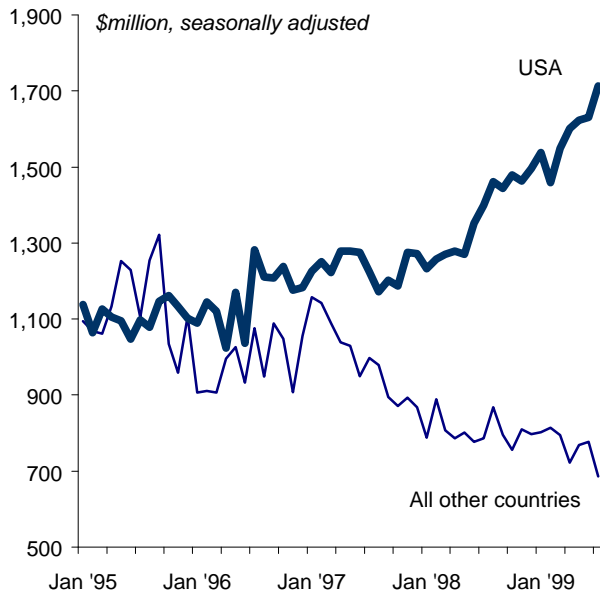


Current Statistics ♦ September 1999

US-bound exports continue to climb, but other export markets remain weak



- **International exports of BC products declined slightly (-0.3%, seasonally adjusted) between June and July.** The modest drop in the value of exports followed two months of expansion. Forest product exports remained strong (+6.9%), offsetting declines in the value of international shipments of agriculture and fish (-13.6%), mining (-10.6%) and other manufactured (-6.6%) products. *Source: BC STATS*
- **Sales to the US continued to bolster BC's export performance in July.** The value of US-bound exports climbed 5.1% (seasonally adjusted) between June and July, posting the sixth increase so far this year. Exports of forest products were up 9.9%, while shipments of mineral products to the US increased 5.1%

Exports to other parts of the world did not fare as well. Overall, they were down 11.6%. Forest product exports edged up 1.2%, expanding for the first time since April. However, exports of agriculture and fish (-30.4%), other manu-

factured (-26.8%) and mining (-23.8%) products plummeted. *Source: BC STATS*

- **British Columbia's inflation rate has begun to creep up after remaining below one percent during most of the last three years.** The consumer price index (CPI) was 1.3% higher this August than in the same month last year. However, the province's inflation rate remains well below the national average (+2.1%). Higher transportation costs are the primary reason for the recent upward movement in the inflation rate. The CPI for transportation rose 4.5% in August, marking the fifth straight month in which it has increased more than three percent. Soaring intercity transportation costs (+7.1%), combined with a 16.4% hike in the cost of gasoline, fuelled the jump.

Shelter costs in the province have been falling since 1995. Excluding shelter costs, BC's inflation rate would have been 1.9% in August. The Canadian rate would have been 2.5%.

Source: Statistics Canada & BC STATS

- **Shipments of goods manufactured in British Columbia increased 1.6% (seasonally adjusted) between June and July.** Wood (+4.6%) shipments were up for the fifth straight month, while shipments by paper manufacturers expanded (+3.7%) for the first time since February. The improvement in the forest sector masked weakness in other industries. Despite an overall increase of 2.2%, shipments declined in six of the nine industries in the durables sector. Shipments by non-durable goods manufacturers rose 0.7%, but food shipments (-1.5%) were down for the sixth time this year. *Source: Statistics Canada*
- **Retail sales in BC rose 1.0% (seasonally adjusted) between June and July.** The increase came on the heels of a 0.6% expansion in the previous month. Despite some setbacks, retail sales in the province have been improving since last November, and have now recovered most of the ground lost during

1998. Canadian sales rose 1.3% in July, led by strong gains in Alberta (+2.0%) and Ontario (+1.8%).

Source: Statistics Canada

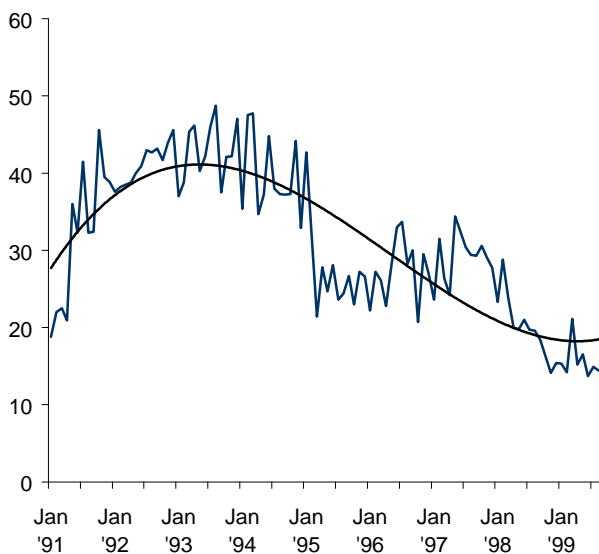
- **Wholesale sales in the province grew 0.5% (seasonally adjusted) between June and July, rising to \$3.3 billion.** BC was one of only three provinces where sales improved in July. Nationally, sales were up 0.4% in July, as strong performances in Ontario (+1.3%) and BC offset declines in other parts of the country.

Source: Statistics Canada

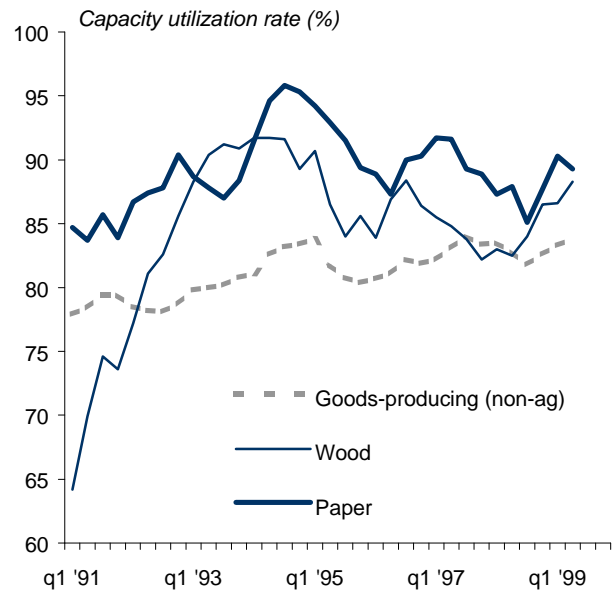
- **BC housing starts dropped 3.4% (seasonally adjusted) between July and August.** The decrease in the number of starts was the fifth since the beginning of the year. Starts of multiple family units in urban areas of the province were down 3.4%, while single-unit starts fell 2.6%. Housing starts in the province are currently at their lowest level since the beginning of the decade. Nationally, the number of starts (all areas) was marginally higher (+0.3%) than in July, reflecting gains in Ontario (+1.1%), Alberta (+16.7%) and PEI (+25.0%) which were offset by declines in all other provinces.

Source: Canada Mortgage & Housing Corporation

Housing starts in the province remain weak



Canada's capacity utilization rate reached its highest level in nearly two years in the second quarter



- **Capacity use by Canadian industries increased for the third time in a row in the second quarter of 1999.** The capacity utilization rate was 83.8%, its highest level in almost two years. Manufacturers were the main contributors to the increase in capacity use, with an overall utilization rate of 86.2%. Producers of vehicles, electronic products, non-metallic minerals, rubber, and petroleum and coal products all operated at more than 90% of their full capacity. The rate of capacity utilization in the paper and allied products industries decreased to 89.3% in the second quarter, but remained high compared to most other industries. In the wood products sector, the utilization rate continued to climb, increasing to 88.3%.

Source: Statistics Canada

- **British Columbia's unemployment rate was unchanged again in August, staying at 8.6% (seasonally adjusted) for the third straight month.** The lack of movement in the jobless rate came as an increase in the size of the labour force (12,300, or +0.6%) was absorbed by a net gain of 12,200 (+0.6%) in the number of people with jobs.

Source: Statistics Canada