BRITISH COLUMBIA

BC STATS **Infoline**

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tel (250) 387-0327
fax (250) 387-0329

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highlights

a weekly digest of recently released British Columbia statistics

Consumer Prices

- **British Columbia's consumer price index (CPI) was 0.6% higher in October than in the same month last year.** The province's inflation rate has remained below one percent in 15 of the last 16 months. It was the lowest in Canada in October, partly due to continued decreases in shelter costs (-1.8%). The province also benefitted from below-average increases in the cost of clothing and footwear, transportation, health and personal care, recreation, education and reading, and alcohol and tobacco. However, food prices increased more than the national average.

  In other provinces, inflation rates ranged from 0.7% in Saskatchewan to 1.9% in Alberta. PEI (0.8%) was the only other province where the inflation rate increased less than one percent. The national inflation rate was 1.5% in October.
  Source: Statistics Canada

The Economy

- **Shipments of goods manufactured in British Columbia declined (-1.2%, seasonally adjusted) for the second consecutive month in September.** The weakness was widespread among manufacturing sectors, and shipments fell in all three of BC's largest manufacturing industries: wood (-1.9%), paper (-0.9%) and food (-3.7%). Wood producers have been affected by a depressed housing market in Japan. Canadian shipments were down marginally (-0.3%) in September, held back by temporary maintenance shutdowns and production difficulties in some industries. Shipments were down in four provinces, with New Brunswick (-2.6%) and Ontario (-1.7%) recording the largest declines. Manufacturing shipments surged ahead in Newfoundland (+7.1%), and were also strong in PEI and the three prairie provinces.
  Source: Statistics Canada

- **Exports of BC products declined for the third consecutive month in September, falling 9.5% relative to the same month last year.** The main reason for the decline was continued weakness in forest product exports, which fell more than ten percent for the third straight month. Resource-based exports were generally weak, with agriculture and fish (-2.2%) and energy (-1.2%) exports continuing to decline.

  Canadian exports remained strong, posting a 4.8% increase over September 1996. Exports rose in eight of the ten provinces, with the strongest gains occurring in Newfoundland (+37.4%) and PEI (+34.7%). BC (-9.5%) and New Brunswick (-7.7%) were the only provinces to record declines. *Source: Statistics Canada*

- **Wholesale sales in British Columbia inched ahead 0.1% in September (seasonally adjusted), following a 0.3% decline in the previous month.** After starting the year strong, wholesale sales in the province have weakened. However, the gains at the beginning of the year were enough to bring year-to-date sales up 6.5% over the first nine months of 1996.

  Nationally, wholesale sales have been on an upswing since the beginning of 1996, and have increased 12.2% during the first nine months of the year. The strength at the national level has been focussed in the prairies and Ontario, where year-to-date growth has ranged from 13.6% in Ontario to 30.6% in Saskatchewan. Growth in the rest of Canada has been more subdued, ranging from a low of 1.2% in Newfoundland to 6.5% in BC. *Source: Statistics Canada*

Report **How important is APEC to BC?**

Did you know...?
About a quarter of the licenced drivers in Canada are between the ages of 25 and 34, but this group accounts for a third of all impaired driving charges.

Savers and Investors

- **Just under 8 million Canadians (39% of all taxfilers) received $28.4 billion in investment income in 1996.** This was 1.2% less than in the previous year, and well below the peak of $42.7 billion in 1990. Most (6 million) of these taxfilers were savers who received interest income only. The remaining 2 million people were investors who reported receiving some dividend income. Canadians aged 55 or over earned two-thirds of the investment income reported in 1996.

  The median income of savers (those with interest income only) in BC was $22,100, compared to a median income of $20,400 for all taxfilers. The income of investors (those with some dividend income) was considerably higher, at $34,700. Although BC's median taxfiler income was above Canada's ($19,600) in 1996, Canadian savers ($22,600) and investors ($35,600) had median incomes which were higher than those in BC. The median is the income which is exceeded by half of all taxfilers.

Source: Statistics Canada

RRSP Contributions

- **British Columbians made a median RRSP contribution (including rollovers) of $2,900 in 1996.** Men ($3,200) reported higher contributions than women ($2,400). The median RRSP contribution in BC was higher than in any other part of the country except Yukon ($3,200) and NWT ($4,100). Ontarians ($2,800) had the second-highest median contribution to RRSPs.

Source: Statistics Canada

Impaired Driving

- **Last year, 8,767 British Columbians were charged with impaired driving.** This was 1.7% less than in 1995. BC's impaired driving rate (number of impaired drivers per 100,000 people aged 16 or more) was the third lowest in the country (287), after Newfoundland (265) and Ontario (279). Saskatchewan led the provinces with a rate of 718, more than double the national average (335). Impaired driving was most prevalent in the two territories, with rates of 766 in NWT and 1,074 in Yukon. Relative to 1995, rates were down in all parts of the country except NWT. Among major centres, the cities with the highest impaired driving rates were Edmonton (421) and Quebec (335). Toronto (133) had the lowest rate. Vancouver's impaired driving rate was 183.

Source: SC, Juristat Vol 17 No 12

Alcohol Sales

- **Alcohol sales from the province's Liquor Distribution Branch (LDB) topped $1.5 billion (or 326 million litres) in 1996/97**. Just over half (56%) of these sales were from the province's 222 liquor store outlets. The LDB had a net income of $587 million in 1996/97. The agency also remitted $287 million in taxes to federal ($195 million), provincial ($88 million) and local ($4 million) governments.

Source: Liquor Distribution Branch Annual Report, 1996/97

Greenhouse Gases

- **In 1995, greenhouse gas emissions in British Columbia totalled 57 megatonnes of carbon dioxide equivalent.** This was 77% more than in 1970. Since 1990, there has been a 15% increase in the province's greenhouse gas emissions. Population increases account for a significant portion of the increase: on a per capita basis, emissions have risen less than 1% since the beginning of this decade. Similarly, BC's population has grown 74% since 1970, just slightly less than the 77% rise in emissions.

Source: Ministry of Environment, Lands & Parks
State of Environment Reporting

The Nation

- **Operating profits of Canadian corporations continued to rise in the third quarter, increasing 2.7% (seasonally adjusted).** Profits improved in 18 of the 30 industry groups. In the wood and paper industry, profits rose from $1.0 billion to $1.2 billion in the third quarter, boosted by growth in the pulp and paper sector, but were 17.3% lower than a year earlier. The wood sector weakened as prices faltered in response to market conditions in the US and Japan.

Source: Statistics Canada

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Infoline Report:

November 21, 1997

APEC:
What does it mean for BC?

Originally published in October 1997 issue of *Business Indicators,* available by annual subscription, $60 + GST

On November 24th and 25th, Prime Minister Jean Chretien will host the fifth annual APEC Economic Leaders' Meeting in Vancouver. The event will be the culmination of a series of APEC meetings hosted by Canada in its role as the 1997 APEC chair, at venues ranging from St John's, Newfoundland to Victoria.

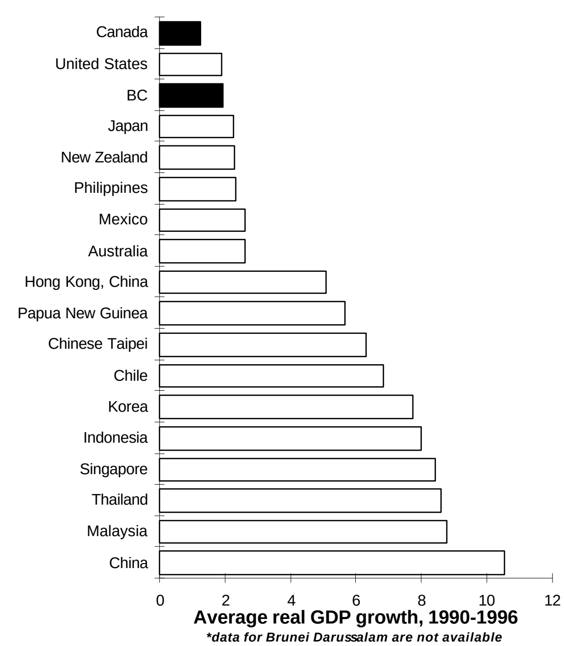
An estimated 8,000 delegates and media will attend the conference in Vancouver. They are expected to include presidents, prime ministers, and other leaders of the member economies which make up APEC: the organization for Asia Pacific Economic Cooperation. APEC is a group of eighteen economies which border on the Pacific Ocean. Its members, who meet on a regular basis to discuss ways to encourage trade and investment, include:

- Australia
- Brunei Darussalam
- Canada
- Chile
- People's Republic of China
- Hong Kong, China
- Indonesia
- Japan
- Republic of Korea
- Malaysia
- Mexico
- New Zealand
- Papua New Guinea
- Republic of Philippines
- Singapore
- Chinese Taipei
- Thailand
- United States

How important is APEC in the world economy?

It is estimated that APEC members produced 60% of global gross domestic product (GDP) in 1995, and they were responsible for about half of the world's merchandise trade. APEC's membership includes economies in a wide range of developmental stages. Some are experiencing rapid growth and development, while others, like the United States, Japan and Canada, are already major industrial countries. Most of the developing economies are located in Asia, and have exhibited strong growth averaging more than five per cent a year since 1990.

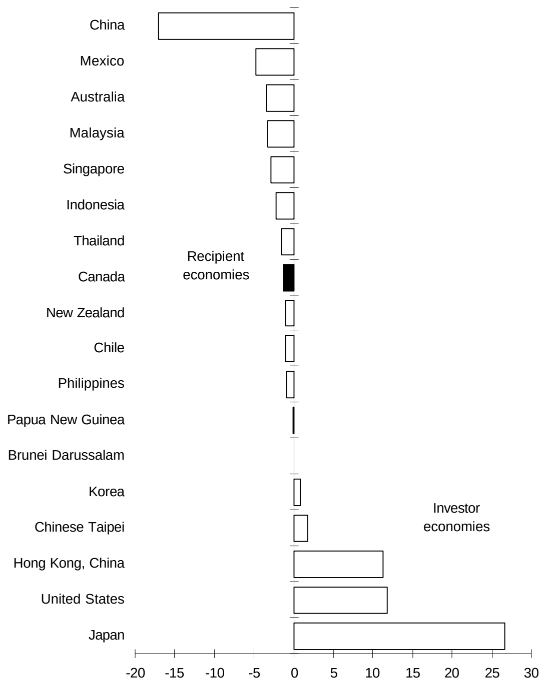
Most of the developing economies have exhibited strong GDP growth during the 1990s



Source: World Economic Outlook, May 1997

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BCSTATS@fincc04.fin.gov.bc.ca

Foreign direct investment provides funding to support economic growth in many APEC economies



Net flows of foreign direct investment, $US billion, Annual average, 1990-1995

These figures include investment flows between member economies and all nations, including those which are not part of APEC

Source: UN World Investment Report, 1996

Foreign investment is an important source of economic growth in developing economies, and many APEC members are net recipients of foreign direct investment from the rest of the world. Between 1990 and 1995, there was a net inflow of foreign direct investment to thirteen of the eighteen APEC members, including Canada. Japan, the United States, Hong Kong, Chinese Taipei and Korea were the only economies where the outflows to other economies exceeded inflows of foreign direct investment from the rest of the world.

About a third of world tourism receipts are earned by APEC economies

APEC economies accounted for an estimated 35% ($130.4 billion in US funds) of world tourism receipts in 1994. About half ($60.4 billion) of these receipts were earned by the United States, with Hong Kong ($8.3 billion) being the next largest earner of international tourism receipts. Canada ($6.3 billion) ranked sixth behind the US, Hong Kong, China, Singapore and Mexico.

APEC economies were also responsible for about a third ($122.9 billion) of world expenditures on tourism in 1994. Outbound tourism expenditures from China, Indonesia, and Thailand, in particular, have increased significantly since 1990.

What is the relationship between BC and APEC economies?

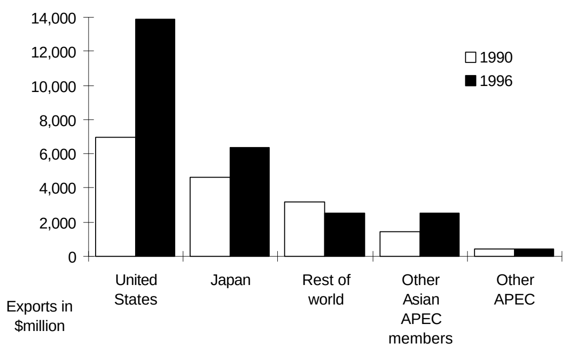
All parts of Canada have strong ties with APEC members like the United States and, to a lesser extent, Mexico. However, BC's position as Canada's gateway to the Pacific leaves the province uniquely reliant on its many links to other APEC economies, especially those located in Asia. As an organization promoting trade and investment with Pacific Asia, APEC is therefore of particular importance to British Columbia.

Together, the Asian APEC economies have already become the province's most important trading market after the United States, and they hold the most promise for expanding trade in the future. APEC economies also provide much of the foreign investment in the province, and are major sources of immigration and tourism to British Columbia.

About 90% of BC's trade is with APEC members

BC's merchandise exports to APEC economies totalled $23.2 billion in 1996, comprising the lion's share (90%) of the province's international exports ($25.7 billion).

BC exported more to Asian APEC members than to any other region except the United States in 1996



Source: BC STATS

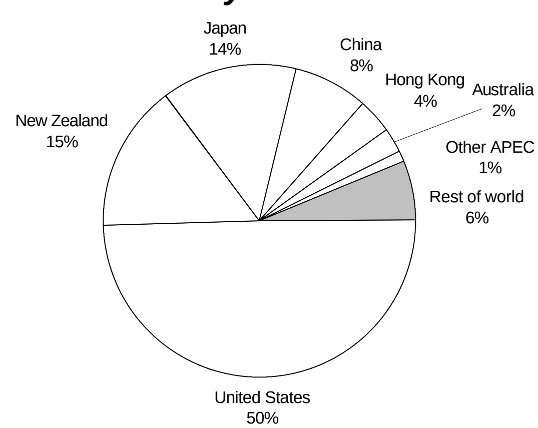
APEC's share of total BC exports has increased, rising from 80% in 1990 to 90% last year. Most of the gain was due to sharp growth in exports to the United States, the province's most important trading partner. More than half (54%) of British Columbia's total exports in 1996 were destined for sale in the United States. However, exports to APEC's Asian economies are becoming increasingly important to BC. Japan is the second largest international market for BC products, and exports to other Asian APEC members have increased more than 75% (from $1.4 to $2.5 billion) since 1990. The United States is the only other major market where BC exports have made stronger gains since the beginning of the decade.

BC trades more with Asian economies than any other province. Forty-two percent of Canadian exports to Asian members of APEC originate in BC

BC produced only 10% of Canadian exports to all APEC members, but it accounted for 41% of Canadian exports to Asian members of APEC in 1996. More than a third (35%) of BC's exports last year were sold to Asian APEC members, with the bulk (25%) going to Japan. The Republic of Korea (3%), China (2%), Chinese Taipei (1%) and Hong Kong (1%) were the other major Asian markets for BC products.

In the rest of Canada, Asian markets account for a much smaller share of total exports. Saskatchewan (22%), Manitoba (14%) and Alberta (11%) are the only other provinces which sell more than 10% of their exports to Asian APEC members. Eighty-one percent of Canadian exports are sold to the United States, with sales to Asian APEC economies accounting for only 9% of the total.

Most of the foreign investment in BC is made by APEC members



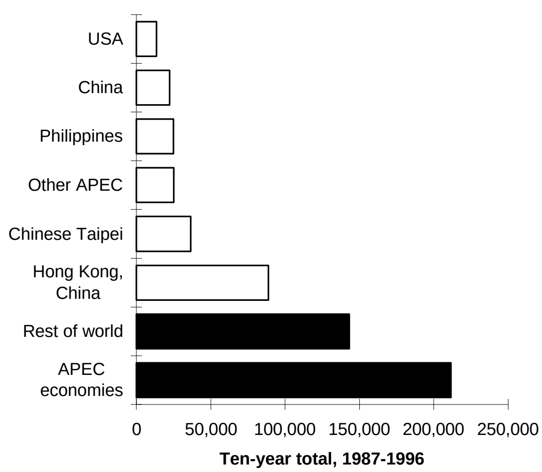
Source: 1994/95 British Columbia Inbound Investment Survey, KPMG

APEC member economies provided $14.2 billion of an estimated $15.2 billion of cumulative foreign direct investment in BC, according to data from a KPMG survey published in 1995. While half of the cumulative capital investment in BC was from the United States, Asian APEC members accounted for more than a quarter (27%) of all foreign direct investment in the province. The United States, New Zealand, Japan and China were the four largest investors. Among non-APEC nations, the United Kingdom had invested the largest total amount ($723 million, or 5% of the total) in British Columbia.

Almost two-thirds of immigrants to British Columbia in 1996 were from APEC economies

It is believed that trade and immigration have a positive influence on each other. Trading and business activities between the province and APEC members increase British Columbia's exposure, especially in Pacific Asia. This in turn tends to promote immigration to the province.

Between 1987 and 1996, BC received 211,495 immigrants from APEC, most of whom were from Asia



Source: BC STATS

British Columbia was the province of destination for 50,473 immigrants from other countries in 1996. Of these, almost two-thirds (32,415) came from APEC member economies. Asian APEC members are the most important source of immigration to British Columbia, with 30,530 new British Columbians coming from the Asia Pacific region in 1996.

BC is the favoured province of destination for immigrants from APEC economies. In 1996, the province's share of total Canadian immigrants from all sources was 23%, but BC attracted a much higher share (37%) of immigrants from APEC members.

Among Asian APEC members, major sources of immigration include Hong Kong (11,921), Chinese Taipei (9,284), China (4,227), and the Philippines (2,988). The United States (1,196) was the fifth most important source of immigration to BC in 1996. These economies, together with the Republic of Korea (999), have consistently been among the top ten sources of immigrants to the province. They accounted for more than 90% of all immigrants from APEC members during the last ten years.

Although Japan is the province's most important export market in Asia, and a leading source of tourism in the province, Japanese immigrants make up a relatively small share of all immigration to British Columbia. In 1996, there were 543 immigrants from Japan, and over the last ten years, a total of 3,117 residents of Japan have moved to British Columbia. This accounts for only one percent of all immigration to BC from APEC economies.

Over the last ten years, a relatively high proportion of immigrants from Chinese Taipei, Republic of Korea, Indonesia and Hong Kong have come to Canada under the Business Immigration Program, which includes entrepreneur, investor and self-employed classes. On the other hand, more than half of the immigrants from China, USA, Mexico, New Zealand and Thailand were family class immigrants. Skilled worker immigrants made up a higher percentage of immigrants from the Philippines, Singapore, Brunei Darussalam, Malaysia and Papua New Guinea.

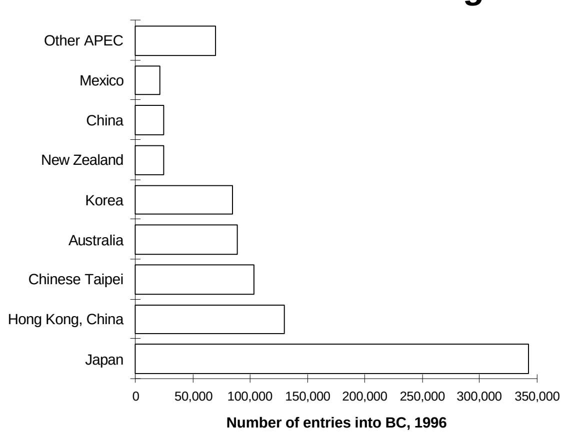
Two out of three overseas visitors to British Columbia are from APEC economies

International tourism in British Columbia is dominated by visitors from the United States, which last year supplied 5.5 million visitors to the province. Eight in ten foreign visitors to BC were from the United States. Tourism from the United States plays an even more significant role nationally (89% of all entries) than it does in British Columbia.

Last year, 1.4 million tourists from countries other than the United States entered Canada via British Columbia. Two out of three (889,994) of these visitors were from APEC economies. This was double the number (428,787) at the beginning of the decade. The strongest increase has been in the number of visits by residents of Korea (rising from 10,148 in 1990 to 84,910 last year). Chinese Taipei (from 20,043 to 103,527) is also becoming a more important source of tourists from APEC economies. Other APEC economies where the number of entries has more than doubled include Chile (from 614 to 1,924), Thailand (from 4,174 to 12,603) and China (from 9,771 to 24,514).

Despite these rapid gains, Japan remains the most important source of overseas tourism in British Columbia. There were 342,105 direct entries to BC from Japan last year, more than double the number from any other APEC region other than the United States. Hong Kong and Chinese Taipei were the second and third most important sources of tourism to British Columbia among APEC members.

After the United States, Japan is by far the most important source of international tourists visiting BC



Source: Statistics Canada

These statistics emphasize the importance of BC's position as Canada's Pacific gateway. At the national level, only about 4% of visitors to Canada came from APEC nations other than the United States. This compares to 13% of all visitors to British Columbia.

What does all this mean for British Columbia?

BC's role as the host province for the APEC Economic Leader's Meeting in November puts it in a unique position to benefit from increased exposure in parts of the world that are becoming more and more important to the province in terms of trade, investment, immigration and tourism. More than any other region of Canada, BC depends on strong ties with its APEC neighbours, especially those in Asia, for its future prosperity.

Where to find out more about BC's relationship with APEC economies

More detailed information and analyses of trade, immigration and tourism with APEC economies is available on request from BC STATS. These analyses have been published in the following BC STATS releases:

- The second quarter 1997 issue of Immigration Highlights;
- The October 1997 release on Exports; and
- A forthcoming special feature article on tourism (Tourism with APEC Economies).

Contact Data Services at 387-0325 to obtain a copy of these feature articles. Or find them on our Website by checking out the New Features touchbar.

Infoline

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fax transmission information service from BC STATS

also on the Internet at http://www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jul 1/97	% change on year ago
BC	3,933.3	2.0
Canada	30,286.6	1.1
GROSS DOMESTIC PRODUCT		% change
(BC - at market prices - $ millions)	1996	on year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Sep	2,824	-2.4
Merchandise Exports (raw) Aug	2,047	-4.8
Retail Sales (seasonally adjusted) Aug	2,756	5.9
CONSUMER PRICE INDEX		% change
(all items - 1986=100)	Oct '97	on year ago
BC	139.5	0.6
Canada	138.2	1.5
LABOUR FORCE (thousands)		% change
(seasonally adjusted)	Oct '97	on year ago
Labour Force - BC	2,020	0.1
Employed - BC	1,840	1.0
Unemployed - BC	181	-7.9
		Oct '96
Unemployment Rate - BC *(percent)*	9.0	9.7
Unemployment Rate - Canada *(percent)*	9.1	10.0
INTEREST RATES (percent)	Nov 19/97	Nov 20/96
Prime Business Rate	5.25	4.75
Conventional Mortgages - 1 year	5.65	5.20
- 5 year	6.70	6.95
US/CANADA EXCHANGE RATE	Nov 19/97	Nov 20/96
(avg. noon spot rate) Cdn $	1.4150	1.3423
US $ *(reciprocal of above rate)*	0.7067	0.7450
AVERAGE WEEKLY EARNINGS		% change
(industrial aggregate - dollars)	Aug '97	on year ago
BC	619.00	0.9
Canada	598.58	1.5

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

New on our Internet site

The most cost-effective and least burdensome sources of current small-area data are from administrative files. These are the data bases used to administer programs such as Employment Insurance, Provincial Sales Tax and Income Tax. They provide information on the location and possibly some characteristics of individuals or businesses and some details about the their relationship to the program (tax paid, for instance). When properly protected for privacy the information can be used to develop a statistical database without the need to further interrogate the clients. This saves the considerable expense of mounting a survey.

The most complete survey of individuals is the Census of Population and Housing and data from the most recent census are now being released. However, administrative files have the ability to provide more frequent snapshots.

We now obtain some data directly from Revenue Canada. Much of it is now on or will soon be added to our Internet site. Check out **Other Statistics** (among the *Subject Areas* grouping of touchbars). Then look at the 1994 Taxation Profiles, 1994 Labour Force Income Profiles and 1994 Economic Dependency Profiles. Look soon for a new demographic profile, including breakouts for urban Forward Sortation Areas (FSA: the first 3 characters of a postal code, ie. V8N)

Released this week by BC STATS
- Consumer Price Index, October 1997

Next week
- Current Statistics, November 1997
- Business Indicators, November 1997
- Tourism Room Revenue, August 1997

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BCSTATS@fincc04.fin.gov.bc.ca