

highlights

a weekly digest of recently released British Columbia statistics

Employment in Tourism-Related Industries

- **Employment in BC's tourism-related industries increased 5.2% in 1997, to 235,300.** This was three times the growth in the total number of jobs (+1.8%) in the province. The main factor in the strong job growth was a 7.7% increase in the food and beverage sector, which accounts for about a third of the jobs in tourism-related industries. The tourism-related transportation sector, which employs 47,900 British Columbians, had job growth of 7.6% last year, and the number of jobs in accommodation service industries increased 5.6%. However, there were fewer jobs available at attractions (-1.3%) and in the travel (-25.3%) industry.

It should be noted that employment in tourism-related industries is not a measure of how many jobs are created exclusively by tourism activity. Rather, it is a measure of the total number of workers in industries which are heavily dependent on tourism. For example, in the food and beverage services industries, estimates of tourism's contribution vary between 15 and 25 percent. This suggests that up to three out of every four jobs in this industry may be due to local demand for food and beverage services rather than tourist activity. *Source: BC STATS*

The Economy

- **BC manufacturers surveyed in April were more optimistic about business conditions than they had been at the beginning of the year.** The balance of opinion (the difference between the percentage expecting an improvement in conditions and the percentage

expecting conditions to worsen) for production was 2, up from -20 in the first quarter and -12 at the end of last year. However, manufacturers remained pessimistic about new orders. Twenty-six percent expected new orders to decline, compared to 22% who were anticipating increases. Similarly, 36% said they thought their inventory of finished product would be too high, while just 5% expected inventories to be too low.

Source: Statistics Canada

- **Department store sales in British Columbia and the two territories were 5.5% higher in March than in the same month last year.** The national increase was 9.5%. Three provinces—Saskatchewan (+14.0%), Alberta (+11.9%) and Ontario (+11.4%)—posted double-digit gains. Department store sales were strong in most parts of the country, except in Nova Scotia where sales increased only moderately (+1.0%).

Source: Statistics Canada

- **Most of the 16% decline in BC product exports during the first two months of this year was due to a 42% drop (\$691 million) in the value of British Columbia exports to Asia.** Exports to the US rose 1% (\$21 million), while exports to the European Union were down 2% (\$7 million). British Columbia has suffered far more from Asian economic woes than any other province. The year-to-date drop in BC's exports to Asia was \$16 million greater than the \$675 million drop for all other provinces combined. *Source: BC STATS*

- **Average weekly earnings in British Columbia increased 0.7% (seasonally adjusted) between January and February, rising to \$619.** BC workers continued to have the fourth highest

Did you know...?

In 1995, BC universities granted 11,142 undergraduate degrees, 2,075 master's degrees, and 473 doctorates.

average earnings in the country, but workers in Alberta (where wages increased 0.9%, to \$614 weekly) have been gaining on their neighbours in BC. In February 1997, the average worker in Alberta earned \$592 a week, nineteen dollars less than the average British Columbian (\$611). In February, the highest-paid workers in the country were in NWT (\$732), Yukon (\$687) and Ontario (\$653). Across Canada, workers earned an average wage of \$610 per week.

Source: Statistics Canada

Housing

- **House prices in Greater Vancouver are expected to decrease 3% this year, after falling 2% in 1997.** The average price for a single-family dwelling in the Vancouver area is forecast to fall from \$378,881 to \$367,500 this year. Single-family housing starts in Greater Vancouver are forecast to reach 4,300 units this year, while multiple starts are expected to reach 11,100.

Source: CMHC, Vancouver Housing Market Outlook

Youth Courts

- **In 1996/97, there were 10,642 cases processed in BC youth courts.** This was 5.0% more than in the previous year. About three-quarters of the cases involved young people between the ages of 15 and 17. Just under half (46%) of the charges were for property offences, while about a fifth (22%) related to violent crimes. Seventy percent of the cases tried in youth courts resulted in a guilty verdict.

Nationally, the number of youth court cases was down marginally (-0.9%), to 110,605. Relative to the size of the population, BC had the second lowest youth court rate in the country (353 cases per 10,000 youths). Quebec (195) was the only region where the rate was lower. Nationally, the average was 455, with rates in other provinces ranging from 377 in New Brunswick to 891 in Saskatchewan.

Source: SC, Catalogue 85-522-XPB

Elderly Chinese in BC

- **A University of Victoria study of elderly Chinese living in Vancouver and Victoria found that most of them were born in China but immigrated to BC from Hong Kong.**

Only a fifth (20%) had a good command of the English language, and 43% did not speak English at all. Chinese elders were much more likely than other Canadian seniors to live with their children (28%, compared to less than 10% for all elderly Canadians), and they were most likely to live with their sons.

Source: A Study of the Chinese Elderly in British Columbia, University of Victoria Centre on Aging

Foreign Students

- **One in five (21%) foreign students studying in Canada was enrolled at a BC school, college, or university in 1995/96.** There were more foreign students studying in BC (15,186) than in any other province except Ontario (29,502). Nationally, there were 72,704 students from other countries studying in Canada during 1995/96.

BC's share of the foreign student population has risen steadily since the beginning of the decade. In 1991/92, just 16% of foreign students in Canada were enrolled at institutions in the province. The increase is due to a combination of factors: the number of foreign students enrolled in BC has been rising steadily during a period when enrollment in most other provinces has been on a downturn.

Source: SC, Catalogue 81-229-XPB

- **Most (38%) of the foreign students in BC were attending elementary or secondary schools in the province.** College students made up another 36% of the foreign student population, while 26% were at university. Across Canada, the picture was quite different: 43% of foreign students were studying at Canadian universities, 36% were attending school, and 21% were college students.

Source: SC, Catalogue 81-229-XPB

The Nation

- **Canada's economy grew 0.9% (seasonally adjusted) in February, bringing the nation's GDP back up to pre-ice storm levels.** Total output by the goods-producing industries rose 2.0%, largely due to a rebound in manufacturing (+2.6%) and utilities (+5.0%). Services inched ahead 0.3%.

Source: Statistics Canada

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Infoline Report:

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Originally published in *British Columbia Economic Accounts, 1987-1996*. Price: \$20 + GST

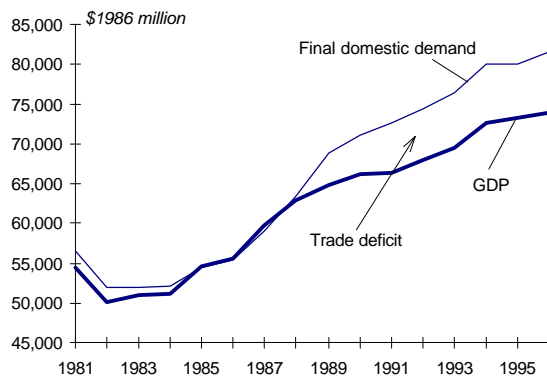
Long-term trends in BC's economy:

Trade with other regions

British Columbia has been in a trade deficit situation, importing more goods and services than it exports to other provinces and countries, since the late 1980s. This has acted as a brake on economic growth in recent years. As a result, British Columbia's GDP growth has been much slower than growth in final domestic demand—total consumer, business and government purchases of goods and services.

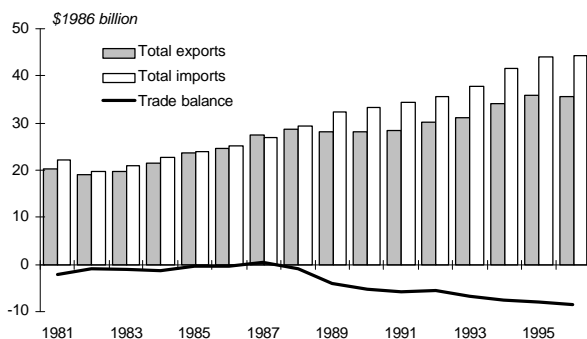
The province's growing trade deficit is the result of very strong increases in the value of imports, especially those from other countries, over time. Between 1981 and 1996, the total value of all goods and services imported into the province doubled. During the same period, exports rose 77%.

BC's trade deficit has pulled down GDP growth in recent years

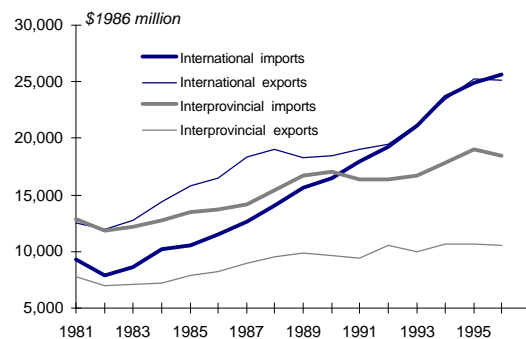


It should be noted that the gap between final domestic demand and GDP also includes the value of inventory changes. However, almost all of the difference between total GDP and final domestic demand is due to the trade deficit.

The trade deficit is the result of rapid import growth. Exports have continued to increase, but at a slower pace.



The increase in the trade deficit is due to a growing appetite for imports, especially from other countries



BC's international imports have increased significantly since the late 1980s. The steady growth of exports to other countries during the same period has not been strong enough to compensate for the upturn in the demand for goods and services produced outside Canada. At the same time, British Columbia's trade deficit with other provinces has become slightly larger, adding to the province's negative trade balance.

Where do all the imports go?

Imports from other provinces or countries are used either to satisfy final demand for goods and services, or as intermediate inputs into the production process. Goods which are used to satisfy final demand would show up as part of personal and government expenditures, or investment in fixed capital. The value of goods which are imported and used as inputs into the production process is reflected in the value of the final products. These final products may be consumed by British Columbians (in which case they would show up as part of final domestic demand) or exported outside the province.

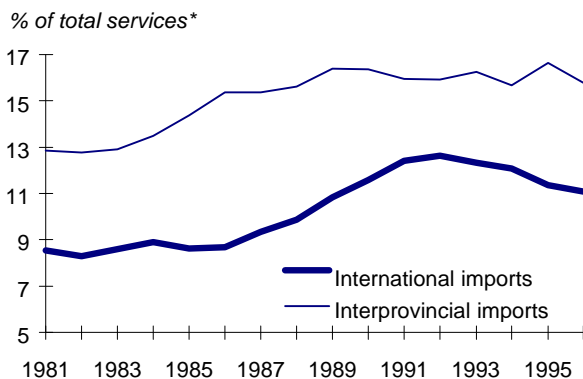
BC's dependency on imports can be quantified if it is assumed that goods imported as inputs into the production process are most often used to produce other goods. The figure above shows that international imports account for a growing percentage of the value of final sales of goods in the province. This suggests that both consumers and producers are becoming more dependent on goods produced outside the country. The importance of interprovincial imports has declined slightly.

Imports from other countries make up a rising share of the goods produced or consumed in BC...



**Goods includes consumer purchases of goods, government and business investment in fixed capital and exports of goods.*

...but the province continues to produce most of its own services*



**Services includes consumer expenditures on services, current government expenditures on goods and services, and service exports*

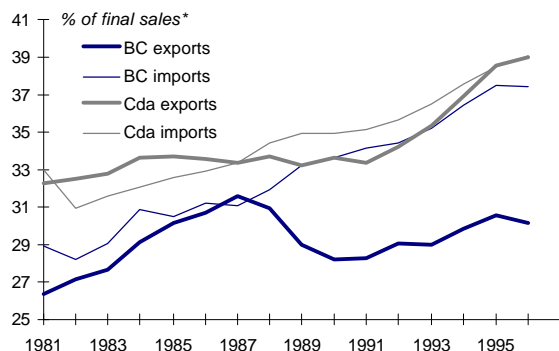
The situation is a little less clear in the case of services, as some service imports (such as transportation and storage costs or wholesale margins) are obviously connected to imports of goods. In addition, service imports may be used to produce goods as well as services. A comparison of service imports and final sales of services over time suggests that most of the services consumed or exported from the province are produced in BC. The trend towards higher international import dependence is much weaker than for goods. However, BC depended more on interprovincial imports in 1996 than it did in 1981.

BC's growing dependence on international markets as a source of final products for consumption and intermediate products for use as inputs into production has increased the province's vulnerability to external market conditions, especially those in other countries. At the same time, it has made possible a greater degree of diversification in the economy. This can be seen in the changing mix of BC's export products. Where BC exports were once almost exclusively natural resource products, the province is now branching out into higher value-added exports, many of which are produced using components or raw materials which have been imported into the province.

How do BC's trade patterns compare with Canada's?

British Columbia's international and interprovincial sales of goods and services account for a smaller percentage of all final sales to individuals, businesses, governments, and non-residents than at the national level. Exports comprised 26% of final sales in 1981. This percentage had increased to 30% by 1996. During the same period, the importance of imports increased from 29% to 37% of final sales.

As a percent of total sales, export growth in BC has not been as strong as at the national level



*final sales include purchases of both domestically produced and imported goods and services



In contrast, the relative importance of exports in the Canadian economy has risen 32% of final sales in 1981 to 39% in 1996, indicating that the demand for Canadian exports increased more rapidly than domestic demand for goods and services during this period. Import growth has also been strong, with imports accounting for 39% of final sales in 1996, up from 33% in 1981. The stronger relative growth and higher degree of export dependency at the national level suggests that increased exports have made a larger contribution to Canadian GDP growth in recent years than in BC.

Add some *depth* to your understanding of the BC economy?


The article above is taken from the *British Columbia Economic Accounts, 1987-1996* which presents important data and interpretations so that you can inform yourself about the economy. The analysis above is excerpted from the analytical notes printed in the *Accounts* publication. The complete text is available on our Internet site (choose the Subject Area ... Business/Economics and you will be directed to them). The print publication costs \$20.

Those wishing to complete their own analysis may purchase the complete data tables going back to 1961 for \$75. Our site is at:

<http://www.bcstats.gov.bc.ca>

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BC at a glance . . .		
POPULATION (thousands)		% change on one year ago
	Jan 1/98	
BC	3,950.7	1.7
Canada	30,425.3	1.0
GROSS DOMESTIC PRODUCT		% change on one year ago
<i>(BC - at market prices - \$ millions)</i>	1996	
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE (\$ millions)		
Manufacturing Shipments (seas. adj.) Feb	2,828	-3.9
Merchandise Exports (raw) Feb	1,905	-14.3
Retail Sales (seasonally adjusted) Feb	2,636	-2.6
CONSUMER PRICE INDEX		% change on one year ago
<i>(all items - 1992=100)</i>	Mar '98	
BC	109.8	0.1
Canada	108.4	0.9
LABOUR FORCE (thousands)		% change on one year ago
<i>(seasonally adjusted)</i>	Mar '98	
Labour Force - BC	2,044	2.7
Employed - BC	1,841	1.0
Unemployed - BC	203	20.4
		Mar '97
Unemployment Rate - BC (percent)	9.9	8.5
Unemployment Rate - Canada (percent)	8.5	9.3
INTEREST RATES (percent)	Apr 29/98	Apr 30/97
Prime Business Rate	6.50	4.75
Conventional Mortgages - 1 year	6.55	5.55
- 5 year	6.95	7.65
US/CANADA EXCHANGE RATE	Apr 29/98	Apr 30/97
<i>(avg. noon spot rate) Cdn \$</i>	1.4376	1.3970
<i>US \$ (reciprocal of above rate)</i>	0.6956	0.7158
AVERAGE WEEKLY EARNINGS		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Feb '98	
BC	614.83	1.2
Canada	608.36	2.3
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	

Improvement to our Internet site

We have sometimes talked clients through our site as they failed to find various bits of information on their own. We have tried to ease that frustration by changing the presentation of available information under the **Data Services** touchbar (replaces **Other Statistics**). When you want anything not directly available through the home page, choose Data Services and you will be rewarded with what we hope is a more logical path to the information.

Subject Areas ⇨ **Data Services**

Note that in the introductory text there is a link to a new paper we have written to assist in organizing the **research of a business plan**. Much of the advice is useful for general data searches.

Please feel free to let us know how all this works for you. Drop us a line at:

BC.Stats@gems8.gov.bc.ca

Released this week by BC STATS

- Business Indicators, April 1998
- Current Statistics, April 1998
- Tourism Room Revenue, December 1997

Next week

- No subscription releases