BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **July 1999 department store sales for BC and the territories increased by 7.5% over July 1998.** Although the smallest increase of any region in the country, it is the largest increase shown by this region in year-over-year monthly sales since December 1997.
  Source: Statistics Canada

Immigration

- **Immigrant landings in BC in the second quarter 1999 were down 10% over the second quarter 1998 to 8,661.** At the same time, BC's share of total Canadian immigration dropped from 21.4% to 18.9%.

  New data has examined the movements of immigrants after arriving in Canada during the period 1980 to 1995. Twenty-three percent of immigrants who resided in BC in 1995 had moved here from other provinces, while 9% of immigrants who landed in BC during the period had moved elsewhere in Canada. A slightly higher proportion of those who moved to BC had no English language ability at the time of landing (45.5%) than those who left the province (42.3%). Out-movers from BC had a relatively higher proportion of persons indicating intended occupations in natural sciences, engineering and social sciences, heath and recreation than did in-movers. In-movers had higher representation in sales and service occupations. *Source: BC Stats*

Forestry

- **Lumber production in BC was up 3% in the first half of 1999 over the same period in 1998 to 15.9 million cubic metres.** At 2.9 million cubic metres, July 1999 production was back up to monthly production levels nearing that last achieved in April 1997. BC softwood lumber exports were up 13% by value in the first half of the year. *Source: SC, 35-003-XIB*

- **Construction type plywood production rose 10% in the first 6 months, while inventories at the end of June had fallen 43% compared with the previous June.**
  Source: SC, Catalogue 35-001-XIB

- **Consumption of fibre by pulp mills in BC increased 29% in the first six months of 1999 to almost 19 million cubic metres.** Closing inventories in June 1999 were 3.4 million cubic metres, up 16% from a year earlier.
  Source: SC, Catalogue 25-001-XIB

- **Prices for softwood lumber and softwood veneer and plywood reached a high in July 1999, up 34.1% and 33.4% respectively from a year earlier.** Prices for pulpwood chips fell 1% in the same period. *Source: Statistics Canada*

Consumer Spending

- **The average British Columbia household in 1997 spent $301 on lotteries, casinos, bingos, raffles and other games of chance compared with the Canadian provincial average of $338.** Although they spent less, BC households won $115 on average, while nationally (excluding the territories) average household winnings were only $91. British Columbia households also appear to win more often, with 42.6% reporting winnings compared to Canada overall at 37.2%. Spending on casino gambling, slot machines and video lottery terminals was much less in BC than elsewhere in Canada. Of Canadian households, 20.4% reported spending money on casinos, slot machines and video lottery terminals, whereas only 10.4% of BC households participated in this type of gambling.

Report **What drives economies of rural communities?**

Did you know...
that 86.4% of passengers travelling on Canada's nine largest air carriers took advantage of a ticket discount.

Bingo also was somewhat less in BC with 7.1% of households participating in this gambling opportunity compared with 10.8% nation wide.

British Columbians spent less on gambling, but they put more on average into their security. The average BC household RRSP contribution was $1,709 with 43.2% reporting a contribution; the average for households in all ten provinces was $1,488 with 42.2% contributing. BC households also spent $2,622 on personal insurance premiums and pension contributions (excluding RRSP's), compared with the Canada average of $2,783. However, 77.2% of BC households reported this expenditure, compared with 80.1% of Canadian households. *Source: SC, Catalogue 62-202-XPE*

Labour

- **A study of employed Canadian women who gave birth in 1993 and 1994 reported that 60% of those women had returned to paid work within six months and 93% had returned within 2 years.** One-fifth had, in fact, returned within one month; these early returners to work were more likely to have no maternity benefits (60%), be self-employed (34%) or be working part-time (43%).

  Of the women who returned to work within two years, 83% returned to the same employer and 89% maintained the same work status i.e. full-time or part-time. The average time off was 6.4 months. All women reporting taking a full 6 months off had received Employment Insurance benefits. Only 13% of paid workers did not receive EI, compared with 85% of the self-employed.

  Women who did not return to work within two years were more likely to have been working part-time, less likely to have been unionized and had spent less time at their last job. About 30% of those not returning to work were living without a partner as compared to only 4% of those who did return. *Source: SC, Catalogue 75-001-XPE*

Volunteers

- **A quarter of Canada's seniors 55 and older volunteered time formally through organizations, according to a 1997 survey - an overall rate that has remained virtually unchanged from a decade earlier.** This hides the fact that the rate actually increased slightly for younger seniors (55-64 years), declined in the years 65 to 74 but increased significantly for persons 75 years and older. And, although the rate of volunteering declined with age, the hours committed increased. The likelihood of volunteering tended to be greater among married people, for those living in rural areas, those with higher household incomes, higher education levels and with perceived better health and stronger religious commitment. Surprisingly, those seniors who were employed volunteered at a higher rate (33%) than those not employed (24%).

  BC's seniors volunteered formally at about the same rate as the national average; highest rates were among seniors in the Prairie provinces, Nova Scotia and New Brunswick. Apart from formal volunteer activities, 64% of Canadians 55 and over did volunteer work on an informal basis. *Source: SC, Catalogue 75-001-XPE*

Health

- **Newly diagnosed cases of cancer increased 1.4% nation-wide and 1.0% in BC from 1994 to 1995, the latest year for which complete national data is available.** Prostrate cancer cases increased 13.2% across Canada and 14.1% in BC. Breast cancer diagnoses, on the other hand, declined slightly by 1.5% for Canada and 1.1% for BC. Lung cancer rates for both men and women in BC also declined by 7.0% and 10.4% respectively. Nationally, however, the number of men diagnosed with lung cancer increased by 1.6% while the number of women so diagnosed declined 4.3%.
  Source: Statistics Canada

September 3, 1999

Infoline Report: What drives the economies of B.C.'s rural communities?

Contact: Garry Horne / (250) 387-0364

Originally published in July 1999 issue, *Business Indicators.* Annual subscription: $60 + GST

British Columbia has a long history of economic dependence on the resource sectors. In fact, most communities were initially established in order to extract, process and export the abundant natural resources of the province. However, with the passage of time the economic base of some communities has expanded to include non-resource sectors. A question arises as to the extent to which communities continue to be dependent on resource extraction for their economic well-being.

BC STATS, with funding assistance from the Ministry of Forests and Forest Renewal BC, recently completed a major study using data from the 1996 Census examining the economic dependency of 63 local areas in the province on various "driver" industries such as forestry, mining, fishing, tourism, high technology, etc. The study was intended to provide policy makers with a quantitative understanding of the regional economies and help in the estimation of the economic impacts of changes in those local economies.

The study utilized an "economic base" methodology. The fundamental premise is that the economy of a community can be represented by income flows that can be classified as "basic" or "non-basic", depending on where the income comes from. Basic income is assumed to flow into the community from the outside world, usually in response to goods and services produced in the community and exported from it. On the other hand, non-basic income is paid to individuals in the community for goods and services they provide to other individuals in the community. Aside from 1996 Census data on income by industry, other sources of information used to help make the allocation of community income to the basic/non-basic sectors included the BC Input-Output Model, the Statistics Canada 1996 Family Expenditure Survey, and the 1995/96 BC Visitor Study.

The 11 Basic Driving Sectors

- Forestry, including processing
- Mining, including processing
- Fishing & Trapping, including processing
- Agriculture, including processing
- Tourism
- High Technology Industries
- the Public Sector, including education, health care and other government services
- Construction
- Other non-resource based Manufacturing
- Transfer Payments
- Other Non-employment Income

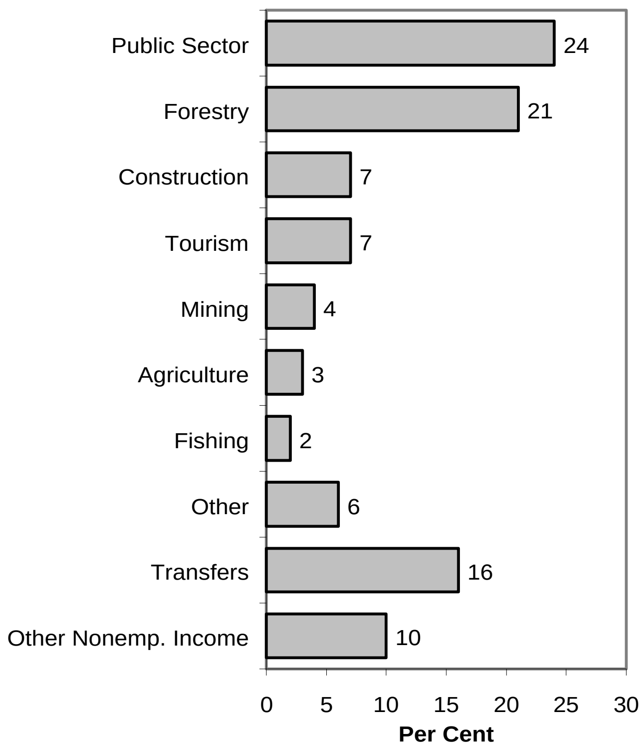
The local areas were selected to cover the entire province with the exception of the Greater Vancouver area. Since there were 63 local areas defined, and 11 sectors, the individual dependencies can be arrayed in a large table having 63 rows and 11 columns. This table appears as an Appendix to this article.

As well as providing useful descriptive information about the various regions of the province in the form of income dependencies, diversity indices, and forest vulnerability indices, the study was also able to develop employment multipliers for examining the local impacts of changes in the basic industries. The complete report, entitled *British Columbia Local Area Dependencies* and *Impact Ratios – 1996*, is available by accessing the <New Release> section of the BC STATS web site at:

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

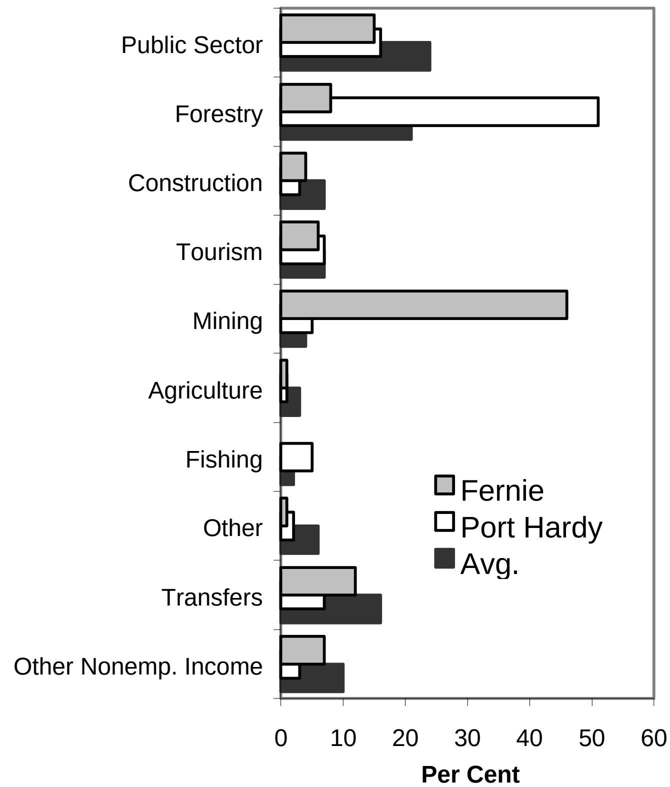
What drives the economy of a typical BC community?

The answer to this question is shown in the following chart.



The percentages in this representation should be treated with some caution. They are the simple average shares of 63 local economies. They are not necessarily the average dependencies for the whole province, or even for the rural parts of the province. Nevertheless they do illustrate how important Forestry, the Public Sector, and Transfer Payments are to most communities in the province. (Note that High Tech industries do not appear in this chart because they comprise less than 1% of the total.)

Communities which are close to the "typical" are Ladysmith, Duncan and Merritt. BC communities which, from this perspective, are quite atypical are Fernie (with a strong Mining dependence) and Port Hardy (very dependent on Forestry).



What happened to Tourism?

Tourism plays a smaller role in the economies of many rural BC communities than many people would think. There are two main reasons for this outcome. One is that Tourism is an industry that does not in general support a lot of local indirect activity - for example, the souvenirs that tourists buy are not usually locally made, or the food which they eat in restaurants is not usually locally grown. The second reason is that some jobs in the Tourism sector are entry-level positions requiring minimal training, and their wages reflect this fact. Thus, its local impact on the non-basic sector can be relatively low.

However, there are communities where tourism is playing an increasingly important role in the local economy. This, in turn, is supporting a transition toward greater diversity in the economic base.

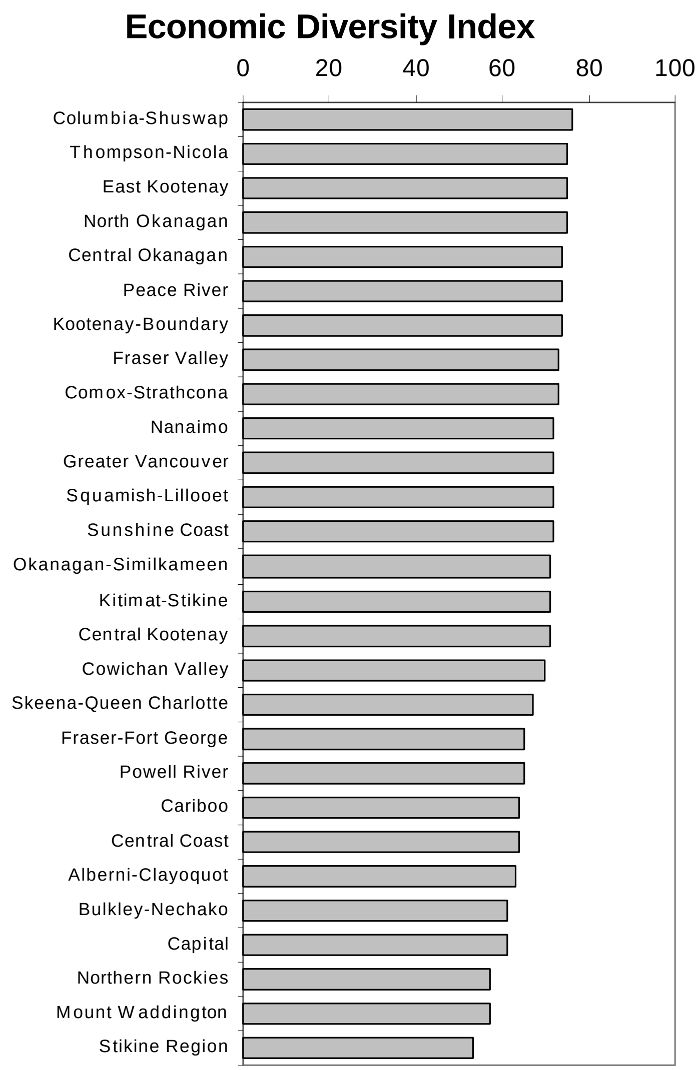
How diverse are the economies of BC's communities?

Though a community with one strong industry may be better off than one with a number of weak ones, there is an intuitive appeal to the notion that a diversified economic base will provide more stability in volatile economic times. The dependencies developed in this study were used to examine the economic diversity of each of the subject communities by creating a diversity index - the higher the value of the index the more diversified the community's economy.

In 1996, the BC communities with the most diverse economies were Ashcroft (Forestry, Mining, Tourism & Agriculture), Bute Inlet (Fishing, Tourism & Forestry), Peachland (Construction, Other Manufacturing, Forestry & Tourism), Spallumcheen (Forestry, Agriculture & Construction), and Fort St. John (Mining, Forestry, Other Manufacturing & Tourism).

At the other end of the diversity spectrum, the local areas with the least diverse economies in 1996 were the Stikine area (Public Sector), and Port Hardy, Hazelton, Vanderhoof, Quesnel and Fort Nelson (all primarily dependent on Forestry).

The same database and methodology can be used to develop estimates of the diversity of the economy of each regional district in the province. This chart shows how those diversities vary, from the most diverse - the Columbia-Shuswap Regional District - to the least diverse - the Stikine Region.

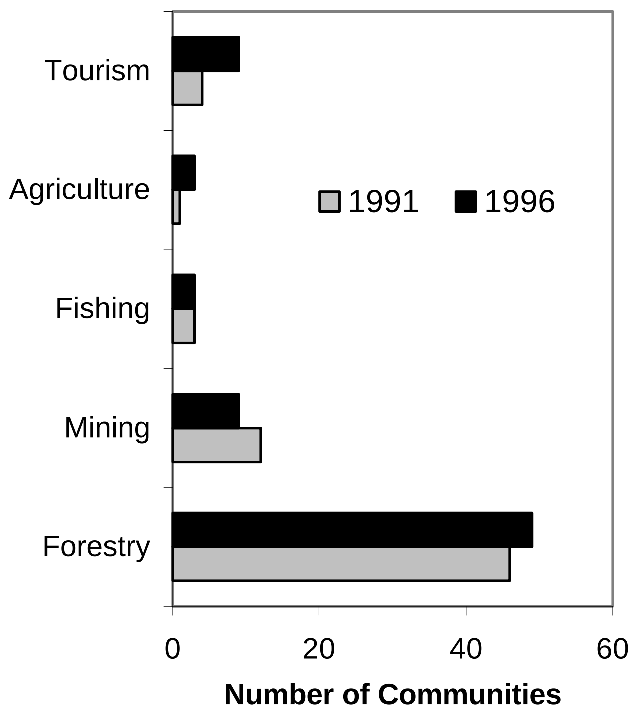


What about changes between 1991 and 1996?

A number of studies to identify the extent of economic dependence on certain driver industries at the community level have been done over the last ten years. Only the two are truly comparable, as both were largely based on Census data. While there were some differences in methodology, these were not significant enough to invalidate comparisons.

However, there are obviously many ways to draw comparisons between two sets of numbers describing 63 different communities. One of these ways is in the chart below. It shows the number of communities with more than 10 per cent dependence on each of the five "resource" sectors (tourism being included as dependent on the resource "natural beauty").

Number of BC Communities With More than 10% Dependence on the Given Resource Sector



This chart reveals a couple of important points. First, it is clear that Forestry was a very important industry in many BC communities in 1991 and that the number of forest-dependent communities has increased slightly in 1996. Secondly, the number of mining-dependent communities has decreased somewhat between 1991 and 1996. Fishing, Agriculture, and Tourism have not been major industries in many BC communities, but both Agriculture and Tourism have become more significant factors in 1996 than they were in 1991.

Summing Up

This study reveals that the traditional industries, and forestry in particular, still play a major role in many of the local economies of rural British Columbia, at least as recently as 1996.

The dependencies presented in the report provide a valuable tool for policy-makers to quantify their understanding of the regional economies of the province. Moreover, the impact ratios developed in conjunction with them can be used to estimate the economic impacts on those communities of changes in the driving industries.

British Columbia Income Dependencies by Region* *(Per Cent)*

	Forestry	Mining	Fishing & Trapping	Agricul-ture	Tourism	High Tech.	Public Sector	Con-struction	Other Basic	Transfer Payments	Other Non-emp.	Total
Vancouver Island/Coast												
Gulf Islands	1	0	2	2	7	0	19	8	9	21	31	100
Victoria	1	0	0	1	7	2	41	6	7	16	19	100
Sooke-Port Renfrew	6	0	1	1	7	1	41	8	7	17	11	100
Duncan	20	1	1	3	3	1	24	8	4	19	16	100
Lake Cowichan	33	0	1	1	4	0	18	7	2	23	11	100
Ladysmith	24	0	1	1	7	1	21	9	4	19	14	100
Nanaimo	13	1	1	1	4	1	26	10	10	20	14	100
Parksville-Qualicum	8	0	2	1	8	0	19	11	4	24	22	100
Alberni	36	0	3	1	7	0	21	5	1	16	9	100
Courtenay-Comox	13	1	3	2	5	0	28	8	4	20	16	100
Campbell River	36	6	3	1	7	0	17	7	2	13	7	100
Bute Inlet	11	0	21	3	14	0	14	8	1	15	12	100
Powell River	34	3	1	1	6	0	20	6	1	17	11	100
Alert Bay	18	0	19	0	3	0	31	5	4	12	8	100
Port Hardy	51	5	5	1	7	0	16	3	2	7	3	100
Ocean Falls	26	0	8	1	10	0	37	5	1	8	4	100
Mainland/Southwest (excluding GVRD)												
Hope-Fraser Canyon	17	1	0	0	16	0	21	6	6	22	10	100
Chilliwack	5	0	0	7	3	1	31	9	9	20	12	100
Kent-Harrison	10	0	0	9	14	0	29	8	0	18	10	100
Matsqui-Abbotsford	6	1	0	10	2	2	25	11	15	18	11	100
Pitt Meadows-Maple Ridge	7	1	1	3	2	2	27	13	21	15	8	100
Mission	12	1	0	5	2	2	26	13	11	19	8	100
Sunshine Coast	20	2	2	1	5	1	19	10	4	19	19	100
Squamish	14	0	0	1	26	0	20	14	8	9	7	100
Lillooet	29	0	0	2	7	0	30	5	7	14	7	100
Thompson-Okanagan												
Princeton	24	14	0	1	8	0	18	5	2	18	11	100
Oliver-Osoyoos	6	1	0	12	7	0	19	4	3	30	18	100
Penticton	5	2	0	4	6	0	25	7	7	25	18	100
Ashcroft	16	10	0	7	8	1	23	4	6	18	8	100
Merritt	27	6	0	6	7	0	22	6	3	18	6	100
Kamloops	11	7	0	2	6	0	27	9	13	16	10	100
North Thompson	36	2	0	3	8	0	16	6	2	17	10	100
Peachland	7	2	0	3	6	1	20	14	17	16	14	100
Kelowna	4	1	0	4	6	1	21	11	15	20	16	100
Vernon	14	1	0	3	5	0	23	8	13	21	13	100
Spallumcheen	14	1	0	13	4	1	18	9	5	23	12	100
Salmon Arm	12	1	0	4	4	3	19	10	4	24	19	100
Golden	27	3	0	1	13	0	20	6	10	13	7	100
Revelstoke	22	4	0	0	10	0	20	5	15	14	9	100
Kootenay												
Fernie	8	46	0	1	6	0	15	4	1	12	7	100
Cranbrook-Kimberley	17	10	0	1	5	0	25	7	6	18	10	100
Invermere	21	2	0	2	19	0	17	9	1	14	13	100
Castlegar-Arrow Lakes	30	3	0	1	5	0	21	8	3	18	10	100
Nelson	13	2	0	1	6	0	31	8	6	20	13	100
Creston	11	1	0	6	5	0	22	6	5	26	18	100
Grand Forks-Greenwood	25	3	0	4	7	1	17	6	3	25	10	100
Trail-Rossland	6	28	0	0	4	0	23	5	4	18	12	100

British Columbia Income Dependencies by Region* *(Per Cent)*

	Forestry	Mining	Fishing & Trapping	Agricul-ture	Tourism	High Tech.	Public Sector	Con-struction	Other Basic	Transfer Payments	Other Non-emp.	Total
Cariboo												
Williams lake	31	3	0	4	7	1	22	7	3	14	8	100
Quesnel	45	1	0	2	5	1	17	6	2	15	6	100
Prince George	33	1	0	1	4	1	24	8	10	12	6	100
McBride-Valemount	39	0	0	4	8	0	18	7	2	16	7	100
North Coast												
Queen Charlotte Islands	35	0	6	0	8	0	32	2	2	9	6	100
Prince Rupert	22	0	15	0	8	0	27	4	4	13	5	100
Kitimat-Terrace	24	17	0	1	5	2	22	8	3	11	5	100
Hazelton	37	2	2	1	7	0	35	3	2	10	3	100
Stewart	25	9	3	0	7	0	35	3	12	5	2	100
Nechako												
Smithers-Houston	36	3	0	3	7	0	22	7	3	12	6	100
Burns Lake	41	1	0	4	4	0	23	3	3	12	7	100
Vanderhoof	46	6	0	5	4	0	19	3	1	12	4	100
Stikine	6	11	0	1	10	0	55	6	0	9	3	100
Northeast												
Dawson Creek	14	25	0	5	6	0	21	7	4	13	5	100
Fort St. John	11	26	0	5	7	1	19	8	10	11	4	100
Fort Nelson	46	4	0	0	9	0	15	9	8	7	2	100

* ***Income dependencies based on after tax incomes. Indian Reserves are included in the data.***

Infoline

September 3, 1999

fax transmission information service from **BC STATS**

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

BC at a glance . . .

POPULATION (thousands)	Apr 1/99	% change on one year ago
BC	4,028.3	0.7
Canada	30,482.9	0.9
GDP and INCOME		
(BC - at market prices)	1997	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	109,347	3.3
GDP *($ 1992 millions)*	98,201	2.2
GDP *($ 1992 per Capita)*	24,775	0.1
Personal Disposable Income *($ 1992 per Capita)*	16,340	-2.3
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jun	3,029	9.6
Merchandise Exports (raw) Jun	2,463	13.7
Retail Sales (seasonally adjusted) Jun	2,769	1.0
CONSUMER PRICE INDEX		
(all items - 1992=100)	Jul '99	% change on one year ago
BC	112.0	1.4
Canada	110.8	1.8
LABOUR FORCE (thousands)		
(seasonally adjusted)	Jul '99	% change on one year ago
Labour Force - BC	2,058	0.9
Employed - BC	1,881	1.2
Unemployed - BC	178	-2.6
		Jul '98
Unemployment Rate - BC *(percent)*	8.6	8.9
Unemployment Rate - Canada *(percent)*	7.7	8.4
INTEREST RATES (percent)	Sep 1/99	Aug 26/98
Prime Business Rate	6.25	7.50
Conventional Mortgages - 1 year	7.05	7.45
- 5 year	7.80	7.55
US/CANADA EXCHANGE RATE	Sep 1/99	Aug 26/98
(avg. noon spot rate) Cdn $	1.4857	1.5370
US $ *(reciprocal of the closing rate)*	0.6712	0.6483
AVERAGE WEEKLY EARNINGS		
(industrial aggregate - dollars)	Jun '99	% change on one year ago
BC	628.54	0.6
Canada	612.62	0.8

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

Socio-Economic Indicators

The August 1999 release of *Socio-Economic Statistical Profiles of BC Regions* provides the most current possible take on a variety of indicators. Each region is covered in a 4-page section. A sample region from the latest release is now up on our Web site. Follow the announcement found on our home page. To order, please contact Kris Ovens at:

Tel: (250) 387-0359
FAX: (250) 387-0380
e-mail: Kris.Ovens@gems7.gov.bc.ca

Our apologies . . .

We have experienced problems with our network and Web server since August 29th. The search engine for our Web site is currently disabled and Web service may be interrupted as we work to restore and upgrade our service.

Released this week by BC STATS

- Exports, June 1999

Next week

- Tourism Room Revenue, May 1999