

highlights

a weekly digest of recently released British Columbia statistics

Prices

- **British Columbia's all-items consumer price index (CPI) was 1.5% higher this November than in the same month last year.** The inflation rate began to edge up in the summer, ending a three-year-long period during which it had remained below one percent. Inflation rates moved up across the country, ranging from 1.2% in Yellowknife to 3.1% in Alberta. The national rate was 2.2%. Yellowknife was the only region where the year-over-year increase in the CPI was lower than in BC. Residents of Victoria (+1.4%) and Vancouver (+1.5%) saw prices rise less than in other metropolitan areas.

Source: Statistics Canada

- **Soaring energy costs are the reason for the jump in the overall price level that has occurred in recent months.** Gasoline prices in BC were nearly a fifth (+19.4%) higher than in November 1998, and similarly large price increases have occurred for piped gas (+19.7%) and fuel oil (+14.2%). These price hikes are almost entirely responsible for the upward movement of the overall CPI, as inflation rates for other goods and services have not changed significantly since the beginning of the year. Excluding energy costs, BC's inflation rate would have been 0.6% in November, while the Canadian rate would have stood at 1.5%—about the same level it has been at during most of the last two years.

Source: Statistics Canada

- **Excluding shelter costs (owned and rented accommodation, plus utilities), BC's inflation rate would have been 2.0% in November.** The cost of shelter has begun to

stabilize after several years of decline, but this is due to higher prices for fuel. Excluding water, fuel and electricity, the index for shelter would have been 1.0% lower this November than in the same month last year, reflecting the effect of ongoing declines in the cost of owned accommodation (-1.8%).

Source: BC STATS

Spending by Households

- **The average BC household had a total budget of \$54,249 in 1998.** Food, clothing and shelter, the basic necessities of life, accounted for about a third (35.2%) of their spending. The single biggest expense item was income and other personal taxes (\$11,549). Shelter costs were a close second, at \$11,143. Third on the list was transportation (\$6,665), with the average household spending \$5,849 on private transportation and another \$816 on public services such as buses, planes and taxis. Nearly a quarter (\$1,332) of the average household's food budget (\$5,892) was forked out for restaurant meals.

The typical household spent \$152 on cell phone services, and \$764 for regular telephone service in 1998. Despite the popularity of email, postal and other communication services still made a slightly bigger (\$70) dent in our wallets than internet (\$67) services. British Columbians spent more than ten times as much money on recreation (\$3,209) as on reading materials and printed matter (\$282). Lotteries and other games of chance cost another \$197.

Source: SC, Survey of Household Spending

Did you know...

During the past twelve months, there have been more than 1,000 earthquakes recorded in Western Canada and the border regions of Alaska and Washington. Of these, only 19 were felt, and 2—both of them in the US—were strong enough to do structural damage. Victoria's earthquake on December 11 was the strongest one with a BC epicentre.

The Economy

- **Exports of BC products continued to rise in October, increasing to 9.1% above the October 1998 level.** The recent export growth is largely due to higher forest product exports (+16.8%), which have expanded at double-digit rates during most of the year. In addition, exports of energy products (+4.0%) rose for the first time since June, and international shipments of automotive products (+25.2%) continued to race ahead. Exporters of machinery and equipment (+3.0%) and industrial goods (+1.0%) made only modest gains. International shipments of agriculture and fish products were down 10.0%, and exports of consumer goods slipped back 1.0%.

BC's export growth was above the Canadian average (+6.9%). Ontario (+3.3%) and Quebec (+3.7%) posted only modest gains, but every other province except Manitoba (+8.8%) saw exports increase at double-digit rates. They rose more than a fifth in Alberta (+21.2%), Saskatchewan (+22.3%) and PEI (+31.4%).

Source: Statistics Canada

- **Year-to-date, exports of BC products were 10.3% higher than in the first ten months of 1998.** So far this year, PEI (+18.9%) has seen the strongest export growth in the country, followed by Nova Scotia (+15.0%) and Ontario (+14.7%). Canadian exports were up 10.6% year-to-date.

Source: Statistics Canada

- **Shipments of BC products fell 1.5% (seasonally adjusted) between September and October, ending a three-month-long growth spurt.** The decline in BC shipments came as Canadian manufacturing shipments fell back 0.7%, largely due to production difficulties in the motor vehicle industry. Saskatchewan (+3.4%), Alberta (+1.0%) and Atlantic Canada were the only regions to escape the general malaise.

All three of BC's largest manufacturing industries saw the value of shipments drop in October. The biggest decline was in the food industry (-4.3%). Wood shipments were down

1.3%, while paper producers edged back marginally (-0.1%). Manufacturers of durable goods (-1.5%) were particularly hard hit, as seven of the nine industries in the sector suffered setbacks.

Source: Statistics Canada

- **11,884 new motor vehicles were sold in British Columbia in October, a 5.9% increase over the same month last year.** Motor vehicle sales have picked up after a rather dismal showing in 1998, and year-to-date were 5.3% higher than in the first ten months of last year. Canadian sales were up 6.0%.

Source: Statistics Canada

- **Wholesale sales in the province rose 0.8% (seasonally adjusted) between September and October.** Canadian sales were up 1.8%, boosted by large gains for wholesalers of computers, packaged software and other electronic machinery. Among the provinces, wholesalers in Saskatchewan (+3.4%), Alberta (+2.4%) and Ontario (+2.3%) put in the strongest performances.

Source: Statistics Canada

Justice Spending

- **Three cents of every dollar spent by governments in Canada during the 1996/97 fiscal year were used for policing, courts and correctional services.** Total spending on justice services by all levels of government reached nearly \$10 billion, or \$337 per capita.

Spending by provincial/territorial governments averaged \$243 per capita. Among the provinces, the lowest per capita expenditures were in Newfoundland (\$175) and the highest, in Ontario (\$264). Per capita expenditures were \$238 in BC. The biggest cost was for police services, at \$125 per person. Other expenditures include adult corrections (\$40), the courts (\$34), legal aid (\$25), and prosecutions (\$14).

Source: SC, Juristat, Catalogue 85-002, Vol 19 No 12

Liquor Sales

- **During the 1998/99 fiscal year, the province's Liquor Distribution Branch (LDB) sold \$1.6 billion worth of alcoholic beverages.** Government revenues from LDB activities were just shy of a billion

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dollars. The federal government received \$202 million from the GST and excise taxes, while the provincial government's take was \$709 million, including \$93 million in social service tax revenues and \$616 million in profits remitted by the LDB. Municipal governments received \$4.3 million in property taxes. *Source: LDB Annual Report*

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Infoline Report: The job market in the

major Cities¹ across Canada

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Originally published in October 1999 issue, *Earnings & Employment Trends*. Annual subscription: \$60 + GST

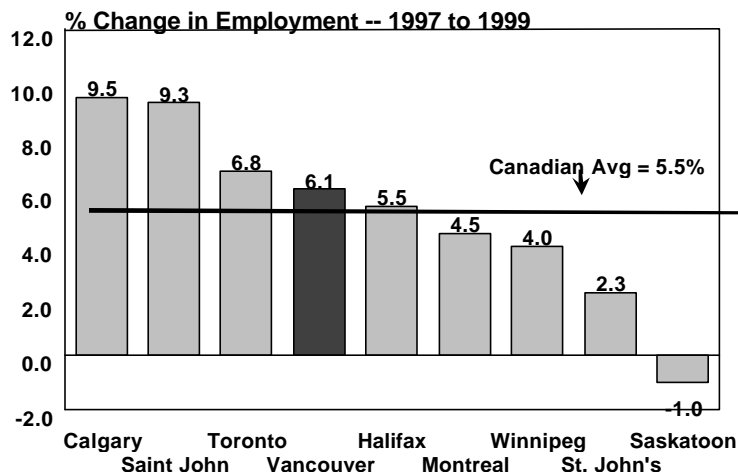
The Canadian economy has seen strong employment growth in the last two years. Both 1998 and 1999² recorded job increases in the 2.8 per cent range. Fortunately, most provinces have participated in the recovery. This year, job growth has exceeded the 2 per cent range right across Canada, with the exception of Saskatchewan and Prince Edward Island.

Of interest is how the major cities have fared in the rebounding Canadian economy. For the purposes of this article, major cities are defined as the city with the largest job market in each province³.

Calgary's growth has been significant not only in the last two years, but since 1995. By 1998, Calgary had surpassed Edmonton as the largest labour market in Alberta. It is now the fifth largest in Canada after Toronto, Montreal, Vancouver and Ottawa/Hull and is quickly gaining ground on fourth place.

In the last two years, Vancouver's job growth has been substantial despite all the bad news regarding the BC economy. In fact, the 1999 growth rate is currently running at 4 per cent -- only twice over the last ten years, in 1994 and 1989, did Vancouver's job market appear so strong.

Calgary has led Canada's employment growth over the last two years



Toronto and the Maritime cities of Saint John (NB) and to a lesser extent Halifax have also seen strong growth. At the other end of the spectrum, Saskatoon appears to have stagnated over the past two years and Winnipeg has not benefited from the recovery to the same extent as most other cities.

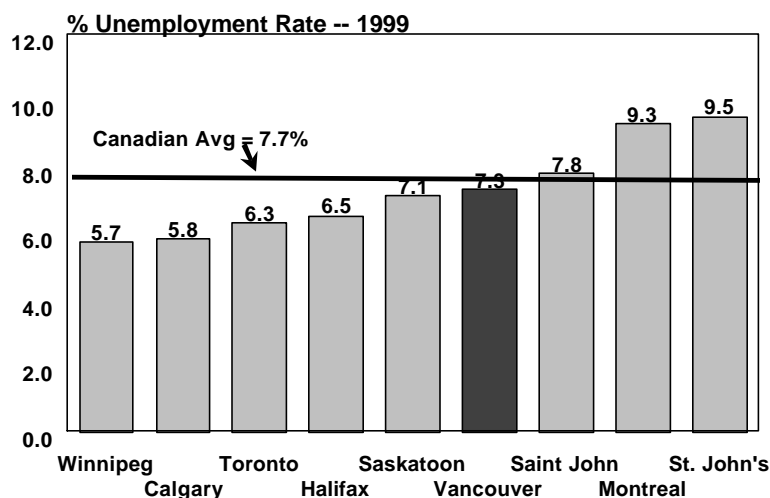
The chart on the next page shows that some of the cities that have had high growth still have high unemployment and vice versa. For example, Winnipeg although its job creation has paled next to many of the other cities, their growth converted directly into a decline in the unemployment rate from 7.4 to 5.7 per cent, currently the lowest unemployment rate among the large cities

¹ Cities are defined as the Census Metropolitan Areas (CMA's) which comprise the main city plus surrounding areas. In the case of the Vancouver CMA, its boundaries are the same as the GVRD.

² All numbers for 1999 are estimates based on 10 months of data.

³ Charlottetown, PEI is not included because it is relatively small.

In general, most large cities have lower unemployment rates than Canada as a whole.



Montreal has a relatively high unemployment rate of 9.3 per cent. However, when compared to the 1997 rate of 10.9% per cent, the job market finally is showing signs of turning around after a decade of stagnation. Similarly, Vancouver with 7.3 per cent unemployed is at its lowest unemployment rate since 1990. But Saint John (NB) stands out the most. The current rate of 7.8 per cent is an undeniable achievement. In the past, the norm for this city has been double digit unemployment rates.

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From all the staff at BC STATS a Merry Christmas and best wishes for the New Year to you and your family.

Infoline

December 17, 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)		% change on one year ago
	Jul 1/99	
BC	4,029.3	0.7
Canada	30,568.0	0.9
GDP and INCOME		% change on one year ago
<i>(BC - at market prices)</i>	1998	
Gross Domestic Product (GDP) (\$ millions)	110,948	-0.2
GDP (\$ 1992 millions)	99,708	0.2
GDP (\$ 1992 per Capita)	24,908	-0.8
Personal Disposable Income (\$ 1992 per Capita)	15,969	-1.6
TRADE (\$ millions)		
Manufacturing Shipments (seas. adj.) Oct	3,159	7.7
Merchandise Exports (raw) Sep	2,483	5.8
Retail Sales (seasonally adjusted) Sep	2,846	4.4
CONSUMER PRICE INDEX		% change on one year ago
<i>(all items - 1992=100)</i>	Nov '99	
BC	111.5	1.5
Canada	111.4	2.2
LABOUR FORCE (thousands)		% change on one year ago
<i>(seasonally adjusted)</i>	Nov '99	
Labour Force - BC	2,075	0.6
Employed - BC	1,910	0.5
Unemployed - BC	165	2.0
	Nov '98	
Unemployment Rate - BC (percent)	8.0	7.8
Unemployment Rate - Canada (percent)	6.9	8.0
INTEREST RATES (percent)	Dec 15/99	Dec 16/98
Prime Business Rate	6.50	6.75
Conventional Mortgages - 1 year	7.35	6.40
- 5 year	8.25	6.80
US/CANADA EXCHANGE RATE	Dec 15/99	Dec 16/98
<i>(avg. noon spot rate)</i> Cdn \$	1.4832	1.5387
US \$ (reciprocal of the closing rate)	0.6743	0.6496
AVERAGE WEEKLY WAGE RATE		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Nov '99	
BC	634.58	0.7
Canada	603.73	3.2
SOURCES:		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate	} 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		

Holiday schedule

Next week's transmission, on or before December 24, will include a shortened **highlights**.

The following week's transmission, on December 30, will be a single page **Index of 1999 Infoline Reports**. The early launch should avoid the Y2K rollover. Highlights will resume on January 7, 2000.



Released this week by BC STATS

- Consumer Price Index, November 1999
- Earnings & Employment Trends, November '99

Next week

- Migration Highlights, Third Quarter, 1999