

## highlights

a weekly digest of recently released British Columbia statistics

### *The Economy*

- **The number of consumer bankruptcies in BC fell slightly in November.** There were 822 consumer bankruptcies reported in the province. This represents a fall of 36 compared to the previous month, but an increase of 82 or 11.1% compared to November 1999. Nationally, the number of bankruptcies increased at a much lower rate (0.7%) between November 1999 and 2000. Only New Brunswick (26.4%), Newfoundland (25.3%) and Nova Scotia (23.9%) reported greater percentage increases than BC.

Of BC's urban centres, Vancouver has the greatest number of consumer bankruptcies in November, with 334 or almost 41% of the total occurring in the city. The next greatest number occurred in Victoria (54) followed by Kelowna (51).

*Source: Industry Canada*

- **Business bankruptcies fell in November by 2.1%, compared to the same month of 1999.** Nationally, the number also declined, but by a smaller amount (-1.8%). Of the 890 businesses that folded in Canada in November, 93 were in BC. The largest number were reported in Ontario (276) and Quebec (256).

*Source: Industry Canada*

- **The value of building permits issued in BC municipalities dropped for the third consecutive month in November, declining by 4.7% (seasonally adjusted).** Permits for residential projects rose by 21.6%, after falling during the previous two months. In the non-residential sector, BC saw the largest monthly drop of all the provinces (-28.1% to \$119 million). This was due entirely to a decline in commercial building projects (-44.7%) which offset increases in industrial (16.6%) and institutional and government sector

projects (6.2%). Nationally, the value of building permits remained almost unchanged in November (0.5%) as increases in Quebec (15.6%), New Brunswick (9.9%) and Ontario (4.2%) offset declines in the other provinces.

*Source: Statistics Canada*

### *Tourism*

- **Despite a decline in travel by foreigners, tourism spending in Canada was up 6.0% in the third quarter of 2000 compared to the same period a year earlier.** Increased spending on transportation, particularly fuel (+17%), was largely responsible for the jump. This more than offset the reduction in foreign travel (-2.4%).

The increased spending was mostly driven by inflation. Spending on tourism remained flat in the third quarter compared to the second quarter of 2000 when adjustments for seasonality and inflation were taken into account. Using the adjusted figures, spending on fuel actually fell (-1.4%) in the third quarter compared to the previous three months.

The drop in foreign travel was due to fewer American tourists (-2.6%) as travel from all other countries was virtually unchanged over the third quarter of 1999.

Tourism expenditures by Canadians in Canada was also up (7.1%) over the same period last year, but again, most of the increase was a result of inflation. Adjusted for seasonality and inflation, domestic spending on tourism increased 0.4% over the second quarter.

*Source: Statistics Canada*

### ***Did you know...***

***BC's shoreline, including all the large and small islands, fjords and bays, measures approximately 27,200km. If it were stretched out it would equal about two-thirds of the earth's circumference at the equator.***

### ***Immigration***

- **Immigrant landings in BC totalled 10,221 persons in the third quarter of 2000.** This was almost equal to the 10,172 persons who landed during the third quarter of the previous year. However, total landings for Canada were 66,007 persons, which represented a significant increase (22.7%) from the same period of 1999. BC's share of the total Canadian immigrant landings fell from 18.9% in the third quarter of 1999 to 15.5% in 2000.

While relatively more immigrants have chosen to settle in Ontario and Quebec recently, BC is still the second most popular destination. During the third quarter of 2000, Ontario received the greatest number of immigrants at 39,736 with Quebec ranked third at 9,070 immigrants.

Asian immigrants represented 75.4% of all landings in BC during the third quarter of 2000. European immigrants, the second most important source, accounted for only 11.8% of all landings to the province. Over this period, the top five source countries were all in Asia. China mainland, India, the Philippines, Taiwan and South Korea have been the top five source countries in each of the last three quarters.

More than three in every four immigrants who landed during this period reported an intended destination within the Greater Vancouver area. A relatively higher proportion of immigrants from non-Asian countries settles outside the Greater Vancouver area.

*Source: BC STATS*

### ***Housing***

- **The number of housing starts in British Columbia fell slightly in December.** A decline of 1.5% (seasonally adjusted) last month followed a much sharper drop (36.6%) in November. Starts for last year as a whole were down by 11.4%, making 2000 the third consecutive year in which BC has seen a decline.

Housing starts in Canada overall rose by 3.1% last year, despite a fall in December of 4.9%. The national increase was driven by a rise in starts in the eastern provinces and Alberta, with the greatest percentage increase being seen in

New Brunswick (25.5%).

*Source: Canada Mortgage & Housing Corporation*

- **The cost of new housing in BC's two biggest cities continued to decline in November.** Vancouver's New Housing Price Index (NHPI) was down 0.5% from the same month last year. In Victoria the cost of a new house declined by 1.8% compared to November 1999. Nationally, however, the NHPI rose by 2.5%. This was the highest annual increase since May 1990 when the index rose by 3.8%. Other than Victoria and Vancouver, only two other urban centres of the 21 surveyed registered decreases: Quebec (-1.6%) and Sudbury-Thunder Bay (-1.4%). Across the country, the largest increase in the NHPI on an annual basis was registered in the census metropolitan area of Ottawa-Hull (11.8%).

*Source: Statistics Canada*

- **Vancouver is the most expensive metropolitan area to rent an apartment outside of Ontario.** Average rent for an apartment (weighted to take account of different types of apartment) in October 2000 was \$740 in Vancouver. The most expensive rents were paid in Toronto, where the average was \$908. Ottawa (\$786) and Oshawa (\$755) were also more expensive than Vancouver.

*Source: Canada Mortgage & Housing Corporation*

### ***Crime***

- **Police reported property crimes in BC decreased by 5% in 1999 compared to 1998.** This was the fourth consecutive year in which there has been a drop in the number of reported offences. The number of property crimes dropped from 287,900 in 1998 to 272,700 in 1999. Property crimes represented 58% of all reported Criminal Code offences in the province last year, with violent crimes accounting for 11% and other crime accounting for 31%.

*Source: Ministry of Attorney General*

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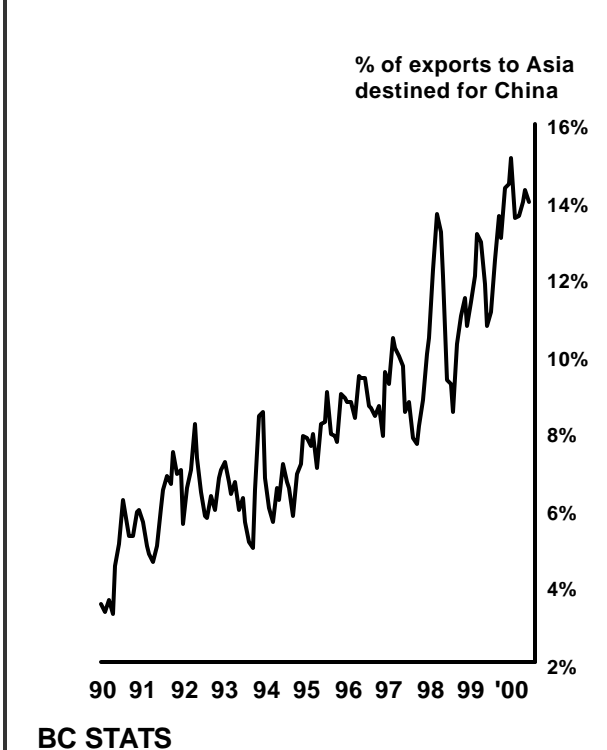
## developing in trade between China and British Columbia

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Originally published in the August 2000 issue, *Exports*. Annual subscription: \$60 + GST

**Note:** All statistics for 'China' include the People's Republic of China and Hong Kong combined.

### Growing Portion of B.C.'s Asian Exports Destined for China



### China Emerging As New Asian Trading Giant

British Columbia's exports to China have climbed rapidly over the 1990's, as fast developing Chinese industrial production has pushed up demand for resource commodities. Imports from China have risen even faster. Canadians have been purchasing record volumes of Chinese made goods of all types, but mainly low technology labour-intensive manufactured items.

The pattern resembles the British Columbia-Japan trading relationship of forty years ago. During the late 1950s and early 1960s, British Columbia resource commodity output was expanded in response to new demand from a burgeoning Japanese economy. The value of Brit-

ish Columbia resource exports to Japan rose steadily up to the end of the 1980s. It fell back sharply with the bursting of the Japanese bubble economy in 1990, recovered up to 1995, but then fell steadily from 1996 through 1999.

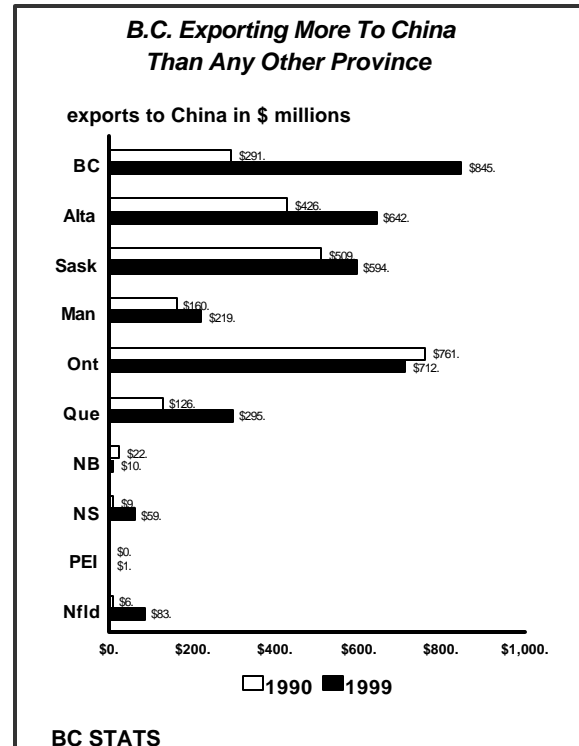
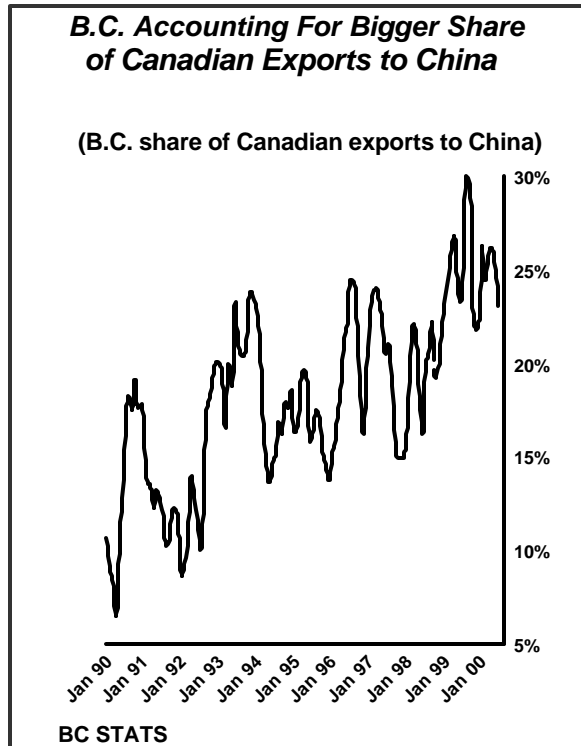
Weak demand has persisted particularly in the Japanese market for mineral ores and coal. This may reflect a long term transfer of Japanese heavy industry offshore, to lower wage Asian countries such as China. The result could include changes in the market for British Columbia resource products.

As China industrialises, the early indications are that British Columbia will once more play an important supporting role in the emergence of an Asian economic giant. This will include more sales of value added consumer products to a growing Chinese middle class. Other possibilities include high technology production machinery needed by Chinese manufacturers. But for the short term at least, most British Columbia exports to China are likely to be raw or semi-processed forest and mineral commodities.

Exports to China have risen faster and more persistently than to any of the province's other major trading partners. China began the 1990s as the eighth ranking destination for British Columbia's exports. By 1999 it had become the third most important country of destination after the United States and Japan. In the present decade China may supplant Japan as British Columbia's second most important market globally, and as its most important market in Asia.

British Columbia has already become the leading exporter to China among Canadian provinces. Its exports to China grew more quickly than other provinces' over the 1990s, climbing 190 per cent between 1999 and 1990. Over the same years exports to China from the rest of Canada as a whole rose 29 per cent.

Equivalent statistics are not available to compare the growth of British Columbia imports from China with those of other provinces. However,



statistics are available for imports from China into Canada as a whole. These indicate 317 per cent growth between 1990 and 1999. During this period China's ranking as a source of Canadian imports rose from fifth to third.

Canada is not the only country to have experienced rapidly growing trade with China. Since it abandoned Chairman Mao's policy of economic self-reliance, China has become a huge, and sometimes formidable presence on the world trading scene. Between 1990 and 1998 (1998 is the latest year for which global trade data are available) China grew from the eighth ranking exporter in the world to the fourth ranking. As an importer, it grew from tenth ranking to third ranking.

There are important implications in this for British Columbia. The province is already well established as a supplier of resource products to industrialising Asian economies. But the potential for greater resource product exports is limited. Global competition for sellers of resource products has increased, squeezing industry margins in British Columbia and discouraging new investment. It is unlikely that rapid industrialisation in China could provide resource indus-

tries with the same sort of boost they experienced during the period of rapid Japanese industrial expansion in the 1960s, 1970s and 1980s.

To fully benefit from trade opportunities in a more industrialised and prosperous Chinese market, British Columbia will need to further diversify its export mix. So far, there has been some moderate success in this line. The range of goods shipped to China has been expanded to include more highly processed resource commodities, value-added food products, and occasional shipments of high technology goods.

### Most Exports To China From Pulp and Paper Industry

In spite of some diversification, British Columbia's exports to China remain heavily concentrated in resource commodities. Most are products of the pulp and paper industry. Of the \$845 million exported from British Columbia to China in 1999, 50 per cent by value were pulp and 8 per cent were paper. This was a somewhat less heavy concentration in pulp and paper products than at the beginning of the last decade. In 1990, 48 per cent of British Columbia's exports

to China were pulp, and 14 per cent were paper products.

Lumber and lumber products accounted for only 3 per cent of exports to China in 1999. This was very small by comparison with the 46 per cent of exports to Japan that are lumber products. It is unlikely that lumber will ever play as important a part in exports to China as it does in exports to Japan. Whereas traditional Japanese houses are built of wood, Chinese houses are built mainly of masonry, and require proportionately less lumber.

High value fish products have been important in British Columbia's progress to date towards diversifying its exports to China. Fresh or frozen fishery products grew from 5 per cent of total British Columbia exports to China in 1990, to 8 per cent in 1999. Geoducks (a large species of clam) accounted for most of this. Of the \$69 million of British Columbia fisheries product shipped to China in 1999, \$43 million were geoducks. Other fish product exports included \$9 million of herring roe and \$3 million of fresh crab.

There were also successes on a smaller scale for exporters of agricultural commodities. In 1999 these included \$26 million of animal fat exported to China, \$22 million of ginseng, and \$6 million of canola.

Manufactured goods under the broad category of machinery and equipment accounted for \$62 million of British Columbia's exports to China in 1999, 7 per cent of the total. This was up slightly from 6 per cent of the total in 1990.

Machinery and equipment exports included a wide variety of different products, including computer equipment, auto parts, medical equipment, and paper making machinery. But most fit under the general heading of electrical or electronic equipment. Exports to China in this category amounted to \$39 million in 1999.

Mineral commodities are not as prominent in exports to China as they are in exports to Japan or South Korea. However, they are significant, and could potentially grow much larger. The province's 1999 exports to China included \$13 mil-

lion of zinc in unwrought form, and \$11 million of coal.

### **China As A Source of Imports**


Over the 1990s China has been hugely successful at exporting low technology, labour intensive products to North America and other wealthy markets. Most are the exports typically expected from countries with disciplined but relatively low paid labour forces – apparel, toys, textiles, and consumer electronics.

Canadian Imports from China amounted to \$10.2 billion in 1999, far greater than the \$3.4 billion worth of goods exported from Canada to China.

Although available statistics do not specify how much of Canada's imports from China were consumed in British Columbia, it is possible to calculate crude estimates of the province's imports from China for some types of products. For example, if it is assumed that British Columbians consume their per capita 13 per cent share of Canadian imports of Chinese made consumer goods, it can be estimated that residents of the province purchased \$290 million of apparel, footwear, and hats from China in 1999, \$153 million of toys and games, and \$76 million of furniture.

A substantial portion of imports from China are destined to be used as inputs by Canadian manufacturers. Unfortunately it is not possible to estimate the British Columbia consumed portion for these types of imports without substantial specialised research. 1999 Canadian imports from China likely intended for industrial use included, for example, \$950 million of parts and components for electrical or electronic equipment; \$137 million of chemicals; and \$206 million in fabrics, threads and yarns.

Canadian manufacturers, including some in British Columbia, depend on these inputs to remain competitive. Much of their output is exported, indirectly linking Canadian export performance in the United States and other markets to fast developing and mutually beneficial trade links with China.

 fax transmission information service from **BC STATS**

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

BC at a glance . . .		
<b>POPULATION (thousands)</b>		% change on one year ago
	Oct 1/00	
BC	4,072.5	0.8
Canada	30,714.7	0.8
<b>GDP and INCOME</b>		% change on one year ago
(BC - at market prices)	1999	
Gross Domestic Product (GDP) (\$ millions)	118,783	4.2
GDP (\$ 1992 millions)	104,323	2.1
GDP (\$ 1992 per Capita)	25,899	1.3
Personal Disposable Income (\$ 1992 per Capita)	16,700	0.0
<b>TRADE (\$ millions)</b>		
Manufacturing Shipments (seas. adj.) Oct	3,108	-2.5
Merchandise Exports (raw) Oct	2,653	4.4
Retail Sales (seasonally adjusted) Oct	2,977	5.4
<b>CONSUMER PRICE INDEX</b>		% change on one year ago
(all items - 1992=100)	Nov '00	
BC	114.5	2.7
Canada	115.0	3.2
<b>LABOUR FORCE (thousands)</b>		% change on one year ago
(seasonally adjusted)	Dec '00	
Labour Force - BC	2,123	1.5
Employed - BC	1,973	2.3
Unemployed - BC	150	-8.0
		Dec '99
Unemployment Rate - BC (percent)	7.1	7.8
Unemployment Rate - Canada (percent)	6.8	6.8
<b>INTEREST RATES (percent)</b>	Jan 10/01	Jan 12/00
Prime Business Rate	7.50	6.50
Conventional Mortgages - 1 year	7.40	7.60
- 5 year	7.75	8.55
<b>US/CANADA EXCHANGE RATE</b>	Jan 10/01	Jan 12/00
(avg. noon spot rate) Cdn \$	1.5001	1.4547
US \$ (reciprocal of the closing rate)	0.6657	0.6879
<b>AVERAGE WEEKLY WAGE RATE</b>		% change on one year ago
(industrial aggregate - dollars)	Dec '00	
BC	638.01	0.8
Canada	621.24	2.9
<b>SOURCES:</b>		
Population, Gross Domestic Product, Trade,	} Statistics	
Prices, Labour Force, Wage Rate		} Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see <a href="http://www.bank-banque-canada.ca/english/wfsgen.htm">www.bank-banque-canada.ca/english/wfsgen.htm</a>		

## Web site improvements

We have made some changes to our site that should help you locate information more efficiently. As always, we welcome your comments.

The **Search** tab on our top-level banner pages takes you to a new page that includes four different approaches to locating files or services:

**A-Z** is our renamed 'Detailed Subjects List', a handy way to find things like *Consumer Price Index*.

**Subjects** is our broad subject approach that partly follows the organizational structure of BC STATS.

**Regions** is a geographic based search that offers up our maps and data that are organized by location. Note that many of our tables available through **A-Z** have a geographic dimension but cannot be reached through **Regions**.

**Off-the-Shelf Reports & Publications** is a new listing of many of our larger, multi-dimensional products. Often clients require only a particular geographic 'slice' of several different products. While we have long provided such a service we have never published a complete description of the possibilities. This is our remedy for that shortcoming.

The **Reports & Publications** tab on our top-level banner pages takes you to a completely revised presentation where, for each listing, descriptions, samples, previous articles, and more are only a click away.

### Released this week by BC STATS

- Labour Force Statistics, December 2000

### Next week

- Consumer Price Index, December 2000