

highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **Exports of BC products ended the year on a high note, increasing 5.2% (seasonally adjusted) between November and December.** This was the second straight month in which exports have jumped.

The strength in BC's exports continued to come from the US market, where growth was fuelled by energy products. Mineral product exports to the US—mostly natural gas—soared (+71.7%) in December. At the same time, power sales to California continued to boost the total (+8.2%) for exports of goods other than forest, mining, agriculture and fish products. Electricity exports typically comprise a relatively small share (less than 10%) of the total for "other products"; in December, the ratio was just over 50%. Forest products, usually the province's biggest export commodity, fell 5.1% in December, and US-bound shipments of agriculture and fish products (excluding processed goods) were down 15.8%.

Exports to the rest of the world decreased 1.5% in December. Forest products, which make up about 60% of BC's overseas exports, fell 2.9%. International shipments of mineral products (+8.6%) rose, as did agriculture and fish products (+10.9%), but exports of other goods were down (-4.1%) in December. *Source: BC STATS*

- **British Columbians earned \$67.5 billion in wages, salaries and benefits last year.** This was 6.4% more than in 1999, representing the strongest growth in labour income seen during the 1990s. However, the increase was below the national average of 7.2%. Six of the provinces outperformed BC last year, led by Alberta (+8.5%) and PEI (+8.4%). Nova Scotia (+5.9%)

posted the smallest increase in labour income during 2000. *Source: Statistics Canada*

- **Investment in residential construction in the province rose 3.3% to \$5.8 billion last year.** The increase in spending was the first since 1997. Residential investment had fallen 9.4% in the previous year.

BC's 3.3% increase was just slightly below the national average of 3.9%. Residential investment was up in all but two provinces, rising modestly in most areas. Ontario's 5.1% increase was the strongest outside Atlantic Canada (+8.4%), where there has been a housing boom. New Brunswick (+12.2%) and Prince Edward Island (+12.0%) both saw investment in housing expand at double-digit rates last year.

The improvement in BC came primarily from increased spending on renovations (+17.7%), which may well have been related to repairs made by leaky condo owners. Of the \$5.3 billion invested in housing last year, \$2.9 billion was spent on alterations and improvements to existing dwellings. Renovations were also a big factor in the increase at the national level. Another \$2.4 billion was invested in new construction in BC, most (\$1.5 billion) of which was single family dwellings. Spending on duplexes (+14.7%) and row housing (+28.4%) rose, but investment in single family dwellings (-2.7%) and apartments (-18.0%) was lower than in 1999. *Source: Statistics Canada*

Prices

- **Manufacturers' prices rose 3.1% during the twelve-month period ending in January.** The increase was largely due to petroleum and coal products. Excluding these commodities, the overall industry product price index (IPPI) would have been up 1.9% over January 2000.

Did you know...

Canadians placed 3.3 million orders—worth \$417 million—for goods and services online in 1999. Books, newspapers and magazines were the most common e-purchases, followed by computer software and music. Just over half of the goods were purchased from Canadian firms.

Industrial prices for petroleum and coal products climbed again in January (+19.8%), expanding on the double-digit increases seen during the last year and a half. Average producer prices for petroleum and coal products have doubled since January 1999.

Softwood lumber prices remained depressed in January. BC producers of softwood lumber received an average of 26.7% less than a year earlier, as prices continued a downturn that began last spring. January's price decline was the 11th in as many months. However, rising paper prices helped lessen the sting for the forest sector as paper prices maintained their upward momentum. Producer prices increased at rates ranging from 13.2% for wood pulp to 21.7% for pulpwood chips, Newsprint (export) prices were 21.3% higher than in January 2000.

Source: Statistics Canada

Corporate Profits

- **Canadian companies saw their operating profits increase 2.2% (seasonally adjusted) in the fourth quarter.** Fourteen of 24 industry groups posted gains, but much of the growth came from the oil and gas sector. Excluding this component, profits would have been up only 0.8% between the third and fourth quarters.

Overall, profit growth has been slowing, but profits still ended the year well above 1999 levels. Canadian corporations earned \$211.2 billion in profits last year—an amount that is about twice the total value of BC's GDP. The increase in corporation profits topped the twenty-percent mark for the second year in a row. Profits were up 21.2% in 2000, down only marginally from a 22.5% advance in the previous year. Most (\$147.5 billion) of the profits earned last year were in the non-financial sector, although the financial sector (where profits totalled \$63.7 billion) recorded the strongest growth. Operating profits for financial industries were up 25.1%, compared to a 19.5% increase in other industries. About a quarter (\$56.3 billion) of the profits originated in the manufacturing sector, where strong demand for automotive and high tech products in Canada and the US was a contributing factor. Companies in oil and gas extraction

increased their profits by 150%, as they jumped to \$18.6 billion last year. *Source: Statistics Canada*

The Nation

- **Canada's economy expanded 0.6% (seasonally adjusted) in the fourth quarter of last year.** This was the smallest advance in real GDP since the second quarter of 1998. The relatively weak growth (the economy had been expanding by at least one percent per quarter during most of the last two years) came as domestic demand stalled, largely due to a 1.8% drop in investment by the business sector. Businesses cut back on their purchases of machinery and equipment (-4.0%) and investment in residential construction (-0.1%). Spending on non-residential structures rose 1.1%, but this was not enough to offset the drop in other types of investment. Consumer spending grew (+0.6%) at half the rate seen earlier in the year, while governments (+0.5%) continued to keep a fairly tight rein on wages, salaries and other current expenditures. Canadian exports were up 0.3%, while imports dropped to 2.5% below the third quarter level. This boosted overall GDP growth as both components contributed to a doubling of the trade surplus (from \$11 billion to \$22 billion, annualized) in the fourth quarter.

Source: Statistics Canada

- **Despite slower growth at the end of the year, Canada's economy put in another strong performance in 2000, with GDP increasing 4.7% during the year.** Domestic demand for goods and services remained strong (+5.2%), but the annual trade surplus weakened as export growth (+9.6%) did not keep pace with imports (+12.0%).

Source: Statistics Canada

- **On the industry side, Canada's economy grew 0.2% (seasonally adjusted) between November and December,** as weakness in goods producing industries (-0.2%) was offset by a stronger performance in the service sector, where GDP rose 0.4%.

Source: Statistics Canada

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Notes on definitions and data:

'Small businesses' as described here are private sector companies with fewer than 20 employees. Each is an independent business, possibly operating at more than one location, but employing less than 20 people at all locations combined.

'Larger businesses' include both medium sized (20 to 49 employees) and large businesses (50 plus employees).

Except where otherwise noted, statistics in this report are based on special tabulations produced from Statistics Canada's Labour Force Survey.

Small businesses have become an increasingly important part of British Columbia's business community. They have created many new jobs in the province in recent years, and will likely create many more in the years to come. In 1999 they provided employment for 362 thousand private sector employees, 31 per cent of the provincial total.

Statistics indicate some important differences in jobs being provided by small businesses, and those provided by larger employers. Employees of small businesses are more likely to be working part-time than are employees of larger businesses, are less likely to be unionised, and that their average wage rates are lower.

These differences reflect the types of industries in which small businesses are concentrated, and the very competitive business climates in which they operate. In effect, the famously nimble operating style of small businesses is reflected in the profile of their employee workforce.

More Likely To Be Working Part-Time

Part-time work is one way in which small businesses achieve operating flexibility

On average, employees in small firms are far more likely to be working part-time (less than 30 hours per week) than those in larger firms. Twenty-seven per cent of British Columbia small business employees worked part-time in 1999, as compared to 18 per cent of employees in larger firms.

Not all employees of small businesses envy large business employees' longer working hours. While some would no doubt prefer full-time work if it were

available, others seek out part-time employment as a means to balance demands of work, family and school.

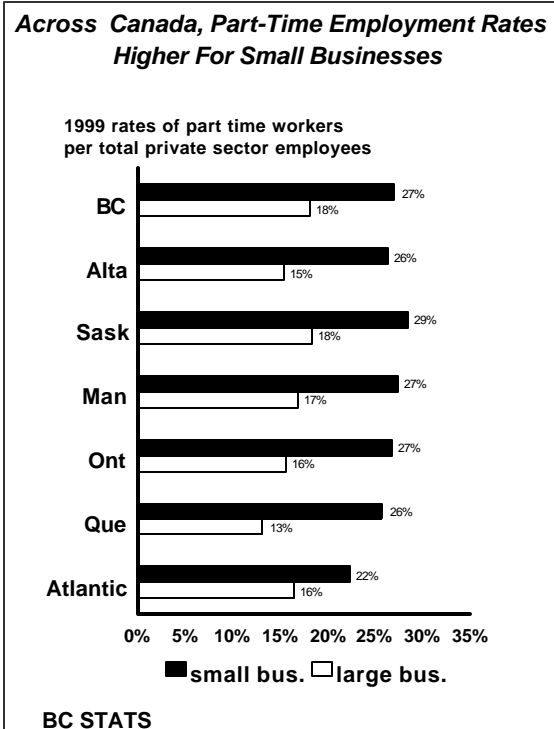
The greater incidence of part-time work and shorter hours for full-time workers (those working 30 hours or more per week) means the average work week for small business employees is shorter than the work week for employees of larger businesses. The difference is significant but not spectacular. In 1999, British Columbia workers employed in small companies averaged one hour per week less than those in larger companies.

The difference between average working hours for small business employees and employees of larger businesses is much greater in some particular industries.

In the important British Columbia wood products manufacturing sector, for example, workers in small businesses worked almost five hours per week less than the 1999 industry average for private sector workers. Management, scientific and technical service workers in small businesses worked 6 hours less than the average in their industry, and workers in the performing arts and spectator sports industries worked 5 hours less. Hotel and motel workers employed in small businesses worked 2 hours less per week than accommodation industry workers employed by larger businesses.

In some industries the pattern is reversed, with workers employed by small businesses average longer working hours than workers in larger businesses. Workers in nursing and residential care facilities, for example, are likely to work almost four more hours per week if they are employed by small businesses. Truck transportation workers in small companies are likely to work three hours more, and employees in the scenic and sightseeing transport industry are likely to be working almost eight hours more if they are employed by small businesses.

For both small firms and large, part-time work is more common in British Columbia than it is in the rest of Canada. In other provinces as a whole, 26 per cent of small firm employees worked part-time in 1999, and 15 per cent of employees in larger firms.



Average Wage Rates Lower

Although British Columbians are more likely to be working part-time than other Canadians, their average hourly wage rates are higher. This applies both for employees in small businesses and those working in larger businesses.

But in British Columbia, as in the rest of Canada, the average wage rate of employees in small businesses is lower than the average wage rate of employees in larger businesses. British Columbia small business employees averaged an hourly wage rate of \$13.90 in 1999, compared to an average rate of \$16.02 for employees working in larger companies. For Canada as a whole, the comparable rates were \$12.29 for employees in small businesses, and \$14.96 for those in larger businesses.

Much of the explanation for the lower average wage rates of small business employees lies in the more competitive operating environments and lower barriers to entry that face small businesses.

Another factor is the industrial profile of the small business sector. To some extent, the lower average wage rates of employees in small businesses reflect the remuneration standards of those industries in which small businesses employees are concen-

trated. Small business employees are more likely than employees of larger businesses to be working in service industries, where wage rates are lower, on average, than in other sectors.

Important though they are, industrial concentrations do not appear to be the principal factor behind lower wage rates earned by small business employees. Small business workers are only slightly more concentrated in service industries than are employees of larger businesses. In British Columbia, 77 per cent of all employees of small businesses worked in the service sector in 1999, as compared to 74 per cent of people working for larger businesses.

Most industries within the service sector show large differentials between the wage rates received by employees of small businesses and the wage rates received by employees of larger businesses. These differentials may indicate that small businesses are filling in the less lucrative corners of local service markets. The average wage rate for employees of small service sector businesses was \$13.32. The wage rate for employees of larger service sector businesses was \$15.02.

The more highly paid goods producing sector employed 23 per cent of all employees of small businesses in the province, and 26 per cent of all employees of larger businesses. Small business employees in this sector earned an average hourly wage rate of \$15.83, while employees of larger firms earned \$18.97.

For a few industries, small business wage rates are roughly comparable to wage rates in larger businesses. For example, British Columbia restaurants and pubs employed 39 thousand small business employees who earned an average of \$9.52 per hour in 1999. This was not much lower than the \$9.63 earned by restaurant and pub employees working for larger firms. There are also some industries in which small business employees average higher hourly wage rates than their large business counterparts. But these are exceptions to the general rule.

Less Likely To Be Unionised

Small business work sites do not generally present attractive conditions for union organisers. The small size of most potential bargaining units can make it

difficult to justify allocating scarce union resources for organising campaigns. In some cases the workers involved may be unlikely union enthusiasts. They might, for example, be primarily young transient workers, lacking long term commitment to their jobs.

Only five per cent of British Columbia small business employees were union members in 1999, compared to 28 per cent of employees of larger companies. The pattern was similar in the rest of Canada, where unions had enrolled 4 per cent of small business employees and 22 per cent of employees of larger companies. This general pattern has changed very little in recent years. Neither in British Columbia nor in the rest of Canada has there been consistent evidence that small businesses have become more or less unionised since 1998, the earliest year for which data are available.

As might be expected, part-time workers were much less likely to be unionised than full-time workers, both in small businesses and large. Less than 3 per cent of part-time employees of small businesses in British Columbia were union members in 1999. The ratio for full-time employees of small businesses was 6 per cent. In larger businesses, the ratios were 22 per cent of part-time workers en-

rolled as union members, and 30 per cent of full-time workers.

Although small business employees are not very likely to be unionised, they are more likely to be union members in British Columbia than in any other province except Quebec. British Columbia employees of larger businesses are also more likely to be union members than are large business employees in most other provinces.

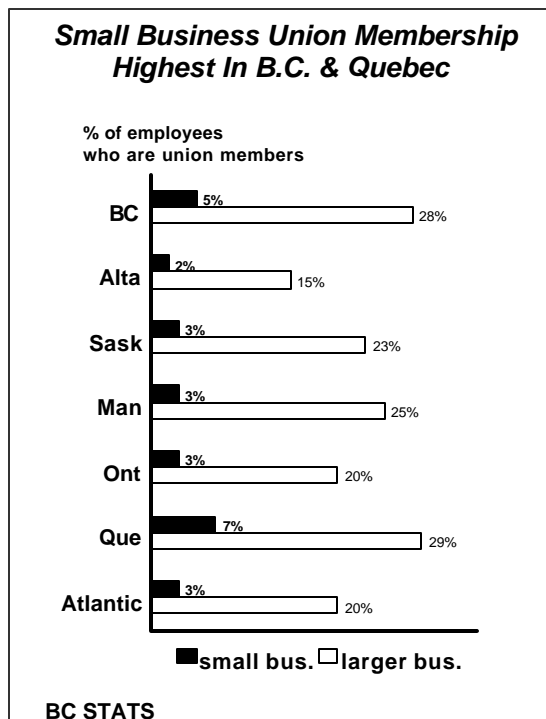
B.C. Has One of The Highest Small Business Employment Ratios In Canada

For a province that does not have a particularly large agricultural sector, British Columbia has a relatively large portion of its workforce working in small businesses.

Across Canada, agriculture is still largely an industry of small businesses. This means that provinces with large agricultural industries are likely to have large portions of their workforces employed in small businesses. It is natural then, that grain farming Saskatchewan should have a higher proportion of private sector employees working in small businesses than any other province.

British Columbia's 31 per cent of private sector employees working in small businesses in 1999 compared with 33 per cent in Saskatchewan. Atlantic Canada also had 33 per cent of private sector employees working in small businesses, although the reasons for this may have more to do with the scarcity of large business alternatives. Elsewhere in Canada the ratio was lower. For Canada as a whole it was 25 per cent.

British Columbia job growth in recent years has been attributable more to the increasing number of employment opportunities in larger firms, than to new jobs being created by small firms. Monthly counts of employees working for large and small firms indicate that many more jobs have been created in larger firms since the first quarter of 2000, than have been created in companies with less than 20 employees. The number of people working for small businesses in British Columbia rose from 359 thousand in the January to August period of 1999, to 365 thousand in the same months of 2000 – an increase of six thousand. The number working for larger businesses rose from 811 thousand to 857 thousand – an increase of 46 thousand.



 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
	Oct 1/00	
BC	4,072.5	0.8
Canada	30,714.7	0.8
GDP and INCOME		% 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
TRADE (\$ millions)		
Manufacturing Shipments (seas. adj.) Dec	3,155	-4.9
Merchandise Exports (raw) Dec	2,888	21.3
Retail Sales (seasonally adjusted) Dec	3,108	6.1
CONSUMER PRICE INDEX		% change on one year ago
(all items - 1992=100)	Jan '01	
BC	114.5	2.9
Canada	114.7	3.0
LABOUR FORCE (thousands)		% change on one year ago
(seasonally adjusted)	Jan '01	
Labour Force - BC	2,097	0.5
Employed - BC	1,943	0.3
Unemployed - BC	155	2.6
		Jan '00
Unemployment Rate - BC (percent)	7.4	7.2
Unemployment Rate - Canada (percent)	6.9	6.8
INTEREST RATES (percent)	Feb 28/01	Mar 1/00
Prime Business Rate	7.25	6.75
Conventional Mortgages - 1 year	7.20	7.60
- 5 year	7.75	8.35
US/CANADA EXCHANGE RATE	Feb 28/01	Mar 1/00
(avg. noon spot rate) Cdn \$	1.5316	1.4473
US \$ (reciprocal of the closing rate)	0.6510	0.6904
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Jan '01	
BC	640.63	2.0
Canada	625.00	3.0
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		

Community Census Profiles

- ◆ 457 different areas within BC
- ◆ 6 pages each
- ◆ free, on our Internet site

Two lookup pages are provided. One features all regions with dropdown boxes that include all available components for a region. The region's profile and link to a map are found just above each drop box. The second lookup option consists of incorporated municipalities listed in alphabetical order. This may be more helpful if you don't know in which region your community is found.

There are several ways to find your community profile. There is a direct link from our home page, under the **News** section in the centre of the page. Alternatively you can drill down through [New Releases](#) in the **Current Releases** block on the left of the page or through [Census](#) under the **Popular Topics** block.

Printed copies are available on a fee basis: \$5 per profile (six pages), \$10 minimum, \$2000 for a complete set (2,742 pages.)

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- Immigration Highlights, Fourth Quarter 2000

Next week

- Quarterly Regional Statistics, 4th Quarter 2000