

highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **British Columbia's all-items consumer price index (CPI) jumped 2.3% in April compared to the same month in 2000.** Among the provinces, BC had the second lowest year-over-year inflation rate behind only Newfoundland (+1.2%) and was well below the national average (+3.6%). Ontario recorded the largest increase at 4.3%. *Source: Statistics Canada*
- **Higher energy costs (+11.7%) helped drive inflation.** Natural gas prices experienced the most dramatic movement, rising 54% from April 2000. As a result of the rate freeze implemented by BC Hydro, the price of electricity was only marginally higher (+0.4%) compared to a year ago, which has helped keep energy costs from rising higher. *Source: Statistics Canada*
- **The cost of gasoline continued to rise, jumping 2.3% from March to April.** Prices were 5.5% higher than they were in April 2000, which does not bode well for the summer months when demand is usually higher and prices generally follow suit. The effect of increased energy and fuel costs is being felt in other sectors as well, such as transportation.

All major components of the British Columbia CPI were higher compared to the same month last year. Food posted the largest jump at 3.7%, while the cost of shelter rose 3.3%. Both rented (+0.9%) and owned (1.0%) accommodation costs experienced year-over-year increases. Health and personal care (+3.2%), recreation, education and reading (+2.0%), alcohol and tobacco (+1.7%) and transportation (+1.3%) all experienced price inflation. *Source: Statistics Canada*
- **Manufacturing shipments in BC fell 0.8% between February and March (seasonally adjusted).** The only other areas where shipments

declined were Newfoundland (-0.9%), New Brunswick (-0.7%) and the three Territories (-2.4%). Overall, Canadian manufacturing shipments rebounded 1.7% after falling back 3.9% between January and February.

BC shipments of durable goods fell 4.2% in March. There were declines in all the major groups in this sector with the exception of transportation equipment (+1.8%) and non-metallic mineral products (+1.4%). The largest decreases were in the computer and electronic products (-17.1%) and electronic equipment (-10.6%) industries. Other industries that experienced a significant reduction in shipments included machinery (-6.0%), wood (-3.5%) and furniture (-3.2%).

Source: Statistics Canada

- **After five months of declines shipments of non-durable goods were up 4.0% in March.** The turnaround was largely the result of substantial growth (+9.4%) in the biggest industry in this sector, paper manufacturing. There was also growth in the second largest industry, food (+2.1%). The largest percentage growth was in leather and allied products (+30.3%). These increases more than outweighed the effects of decreased shipments in petroleum and coal (-6.0%), clothing (-5.1%) and chemicals(-2.5%).

Source: Statistics Canada

Motor Vehicles

- **Unit sales of new motor vehicles were up 5.2% (seasonally adjusted) in March for British Columbia and the Territories.** Over 13,500 new vehicles were sold contributing to over 10% of the Canadian total. Canada wide sales grew 0.5%, reaching 126,000 new vehicles. *Source: Statistics Canada*
- **First quarter unit sales of new motor vehicles were down 5.2% (unadjusted for seasonal**

Did you know...

Full professors at UBC were, on average, the highest paid in BC in 1999-2000 at \$99,121 per annum. However, they weren't the highest paid in the country; that honour went to full professors at the University of Toronto with an average annual salary of \$108,777.

variations) compared to the first three months of 2000 for British Columbia and the three Territories (separate data for BC is not available). Trucks and vans recorded the largest decline (-6.3%), but unit sales of new passenger vehicles also slowed (-3.9%). Sales figures dropped across the country (-5.5% for Canada as a whole) with the exception of only Alberta (+4.9%) and Saskatchewan (+1.8%). The increased cost of filling the tank is likely fuelling the falling demand. *Source: SC Catalogue 63-007-XIB*

Visitor Entries

- **Visitor entries to BC from the US and overseas rose 2.2% (seasonally adjusted) between February and March, almost completely rebounding from the decline a month earlier.** The increase was split evenly between the US and overseas with an additional 8,900 visitors from each source. The majority of the increment in American visitors was due to same-day visits (+3.8%), but overnight visits from the US were also higher (+1.1%). Traveller entries from overseas were up significantly (+7.4%) on the strength of solid growth in visits from Asia (+5.4%) and Europe (+2.6%). *Source: BC STATS*
- **Over the first quarter, total visitor entries increased 1.2% compared to the fourth quarter of 2000.** US entries led the way, climbing 1.6%, while overseas entries inched up 0.8% as increased entries from Asia (+2.2%) were largely offset by a decline in entries from Europe (-2.6%). *Source: BC STATS*
- **The number of Canadian travellers returning through British Columbia dropped again (-2.2%), falling to the lowest level since January 2000.** An increase in trips overseas (+1.3%) was not enough to offset less travel within North America. US same-day trips by car were off 2.6% from a month earlier. *Source: BC STATS*

Exports

- **Exports from British Columbia grew 9.5% in March compared to the same month in 2000.** Energy products were the driving force behind the increase, jumping 178%. Exports of machinery and equipment (+16.5%) also saw increases. Automobile product exports had the biggest fall (-36.7%) from their March 2000 levels. Industrial

goods (-16.4%) and forestry products (-12.7%) also declined.

British Columbia's export growth in March (compared to March 2000) ranked fourth across Canada, behind Alberta (+27.8%), New Brunswick (+24.4%), and Nova Scotia (+12.1%). Total Canadian exports rose 1.6%. *Source: Statistics Canada*

- **British Columbia saw large gains in exports in the first quarter of 2001 (+15.2%).** These gains were largely attributed to a huge increase in exports of energy products, up 192% from the first quarter of 2000. Machinery and equipment exports (+17.4%) also climbed. Automotive exports have slumped in the first quarter of 2001, down 33.2% from first quarter 2000 levels. Exports of forestry products (-12.5%), and consumer goods (-6.7%) also declined. *Source: Statistics Canada*

Wholesale Trade

- **Wholesale sales in British Columbia made modest gains (+0.8%) in March, increasing for the third consecutive month.** The automotive sector saw strong growth in wholesale sales, and sales of industrial and other machinery, equipment and supplies, and metals, hardware, plumbing and heating equipment and supplies also performed well.

Canadian wholesale sales rose 1.7% in March. Nunavut boasted the largest gain (+13.9%) whereas the Yukon (-31.0%) and Northwest Territories (-12.9%) reported the biggest decreases.

Source: Statistics Canada

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The British Columbia Labour Market—First Quarter 2001

Summary . . . Seasonally adjusted employment in British Columbia in the first quarter of 2001 declined by 0.5 per cent from the fourth quarter of 2000. This is only the second employment decrease in B.C. over the last eight quarters. A sharp drop in employment in January 2001 pulled down the average employment level for the first quarter.

Despite the drop in employment, the unemployment rate fell to 7.1 per cent in the first quarter of 2001, as some previously-unemployed persons dropped out of the labour force.

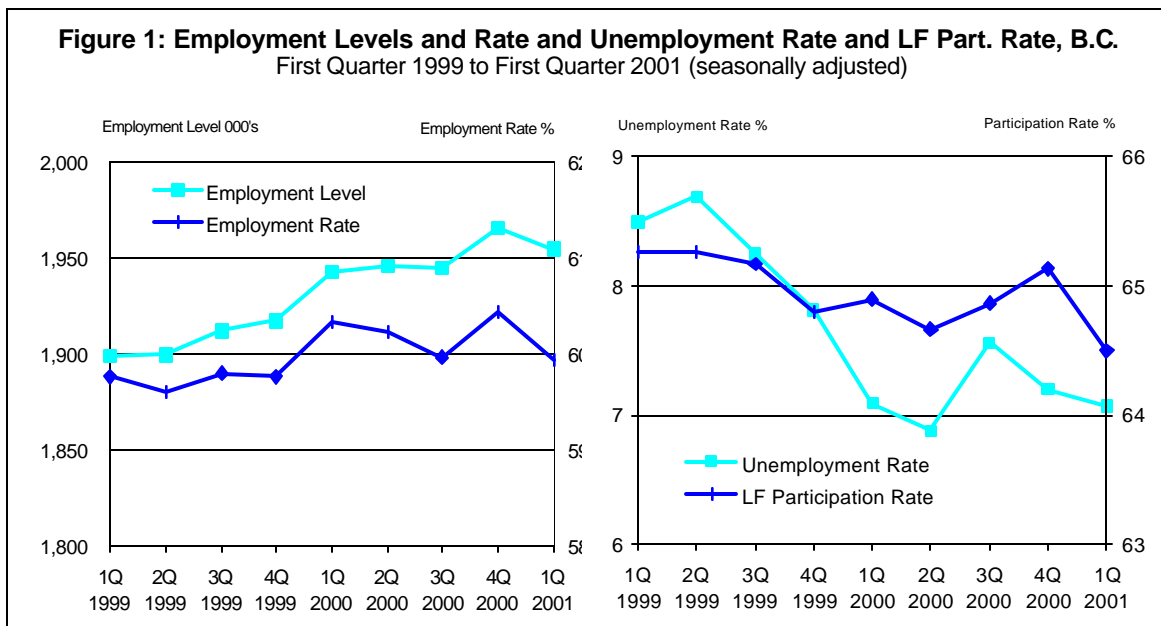
The decline in goods sector employment paused in the last quarter but is down 2.8 per cent from a year ago. Services employment was down in the latest quarter, but remains up by 1.5 per cent over a year ago. Regionally, the first quarter of 2001 compared to the same period in 2000 shows labour market improvement in the Cariboo and Lower Mainland/Southwest.

Employment and Employment Rates . . . The left-hand graph in Figure 1 notes employment dropped in the first quarter, after a dramatic increase in the fourth quarter of 2000. This

leaves employment still well above levels in the third quarter of 2000. The decrease in employment in the latest quarter was primarily sustained by women (down 11,600) while employment for men decreased by 6,500. The proportion of persons aged 15 and older who were employed (employment rate) fell to 59.9 per cent in the first quarter of 2001 from 60.3 per cent in the previous quarter.

Unemployment and Labour Force Participation . . . The number of estimated unemployed persons fell to 148,800 in the first quarter 2001 from 152,500 in the fourth quarter of 2000.

As seen in the right-hand graph in Figure 1, the labour force participation rate fell to 64.5 per cent in the first quarter. This resumes the downward trend seen in previous quarters after being interrupted by the up-ticks in the third and fourth quarters of 2000. With this large drop in persons in the labour force in the latest quarter, the unemployment rate fell slightly to 7.1 per cent from 7.2 per cent. The unemployment rate in the first quarter of 2000 was 7.8 per cent for men and 6.2 per cent for women.



Employment by Industrial Classification . . .

Figure 2 shows quarterly net changes by industry in seasonally adjusted employment over the last four quarters. The final column notes the percentage change seen in average employment levels comparing the first quarter of 2001 to the first quarter of 2000.

Employment in the *goods sector* has weakened over the last three quarters following slight gains in the second quarter of 2000. The other primary sector (forestry, fishing, mining, oil and gas) sustained all of the employment declines for the goods sector in the latest quarter. It is also down notably from a year ago. Construction and manufacturing saw increases in employment in the first quarter, but these only partially offset the decline in the other primary sector. For construction, the gains in the first quarter provide some encouraging news to this sector, which has been challenged over the past several years. Most of the gain in construction employment in the first quarter occurred in March.

Over the last year, employment in the goods sector was down by 2.8 per cent from the first quarter 2000, which in net terms represented an employment decrease of 11,700. Within goods, only manufacturing employment increased over the last year.

The bulk of the employment losses in the first quarter were in the *services sector*, down by 10,100 from the fourth quarter 2000. Gains in accommodation and food services, transportation, retail and wholesale trade, and information, culture & recreation, were more than offset by decreases in education, management of companies, and public administration.

Over the last year, from first quarter 2000 to first quarter 2001, net employment in the services sector overall grew by 1.5 per cent or 23,300. Most of this gain was seen in the fourth quarter of 2000. Accommodation and food services, along with information, culture and recreation have been driving the gains in services for the last four quarters.

Figure 2: B.C. Employment by Industrial Classification
Second Quarter 2000 to First Quarter 2001 (seasonally adjusted)

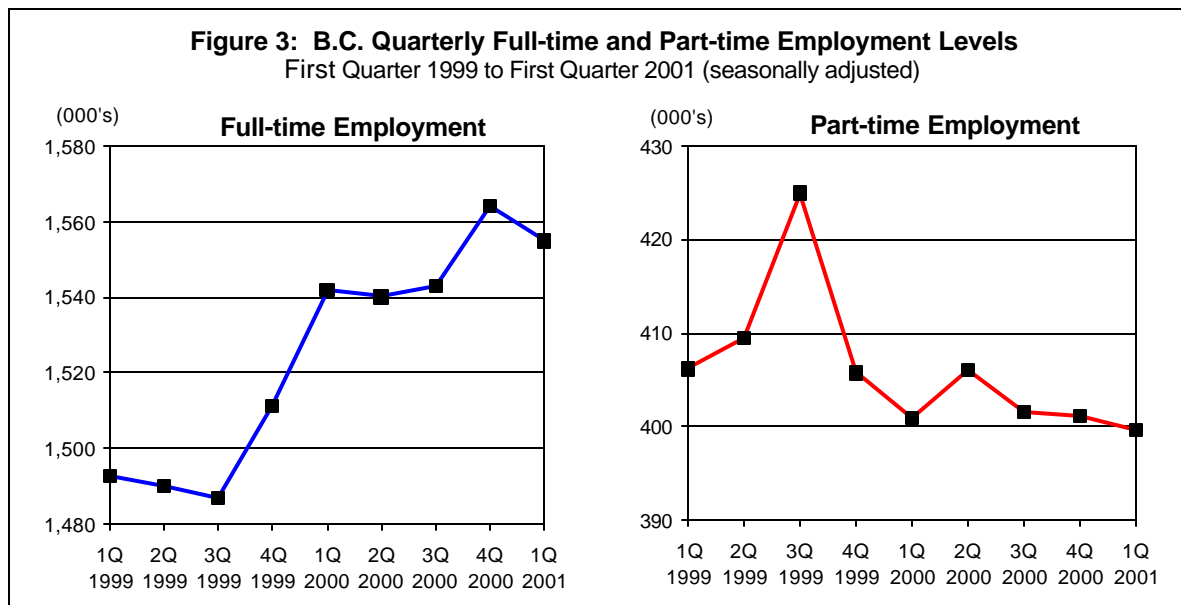
	Employment Level 1Q01	Net Change from previous quarter				Per Cent Change 1Q00 to 1Q01
		2Q00	3Q00	4Q00	1Q01	
Total	1,954,500	3,300	-1,500	20,700	-10,700	0.6%
Goods Sector	405,400	1,300	-1,400	-10,800	-600	-2.8%
Agriculture	27,800	-1,100	2,800	-4,500	400	-8.1%
Other primary	46,700	3,700	-4,000	-1,900	-6,200	-15.3%
Utilities	10,400	400	800	-2,700	600	-8.0%
Construction	109,600	-3,000	1,400	-8,200	3,200	-5.7%
Manufacturing	210,900	1,500	-2,400	6,500	1,500	3.4%
Service Sector	1,549,200	1,900	-100	31,500	-10,100	1.5%
Retail & wholesale trade	304,900	-3,800	5,800	-2,900	1,700	0.3%
Transportation & warehousing	108,900	-700	-9,500	-4,200	2,500	-9.8%
Finance, insur. & real estate	121,400	1,100	6,800	-1,400	-800	5.0%
Prof. Scientific & technical	138,500	4,700	-1,200	5,400	-2,500	4.8%
Management of Companies	70,300	1,200	4,400	700	-4,700	2.5%
Education services	134,000	-4,400	-2,700	9,700	-5,700	-2.2%
Health & social assistance	195,800	2,600	-4,600	-3,000	-2,400	-3.6%
Information, culture & rec.	111,200	1,000	1,700	12,800	1,200	17.6%
Accommodation & food	177,200	7,500	-3,600	12,600	3,500	12.5%
Other services	99,800	-3,400	1,700	-700	1,000	-1.4%
Public administration	87,000	-4,000	900	2,700	-4,200	-5.0%

Full and Part-time Employment . . . Figure 3 shows that seasonally adjusted full-time employment declined in the first quarter of 2001 after substantial increases going back to the third quarter of 1999. Comparing the first quarter of 2001 to the fourth quarter of 2000, both men and women lost full-time employment, resulting in a net decrease in overall full-time employment of 9,200.

Overall part-time employment decreased by 1,500 in the first quarter of 2001 from the previous quarter. Part-time employment levels are well below their peak employment level seen in third quarter 1999. Almost all of the decrease in part-

time work in the first quarter 2001 was sustained by women (-2,400) while part-time work for men increased by 1,000.

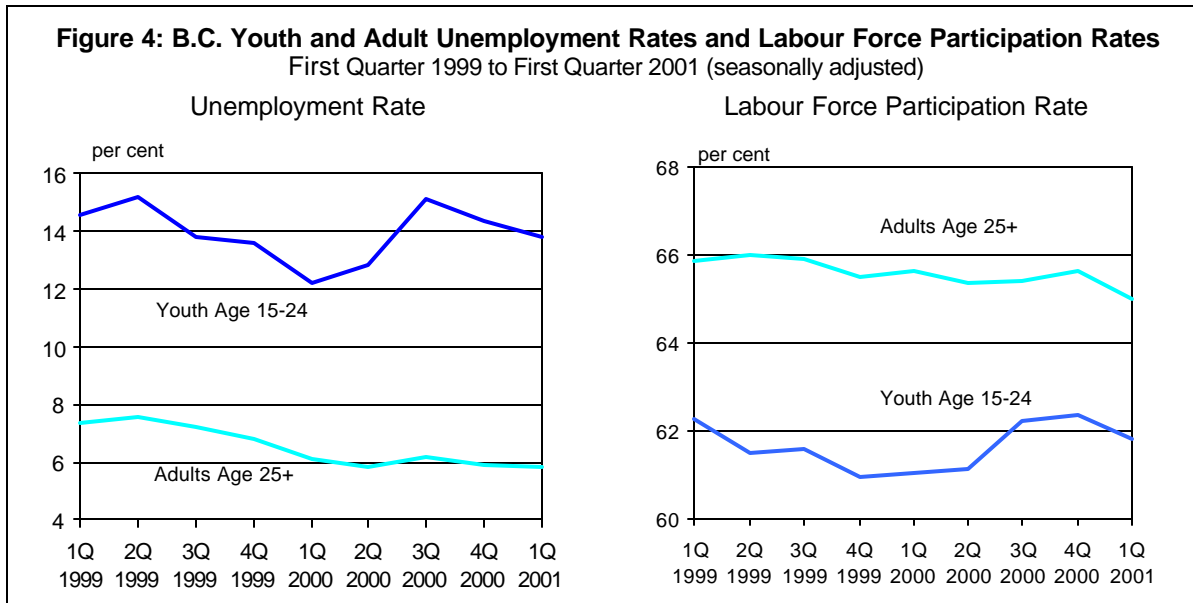
Over the past year, when comparing the latest quarter to the first quarter of 2000, full-time employment in B.C. was up by 13,100 (0.8 per cent) and part-time employment was down by 1,300 (-0.3 per cent). On this same year-over-year basis, full-time work for women grew by 16,200 (2.6 per cent) while full-time employment for men was down 3,100 (-0.3 per cent). The latter reflects employment decreases in the goods sector, which is overly represented by men.



Youth and Adult Unemployment and Labour Force Participation . . . The seasonally adjusted unemployment rate for adults aged 25+ in the first quarter of 2001 declined slightly to 5.8 per cent from 5.9 per cent in the previous quarter (see Figure 4 left-hand graph). Over the last year the adult unemployment rate has remained relatively unchanged as employment and the labour force have grown at nearly the same pace. Over the past two years the adult labour force participation rate has declined by about 1 percentage point to 65.0 per cent (see Figure 4 right-hand graph).

The youth unemployment rate in B.C. fell for the second consecutive quarter, falling to 13.8 per cent in the first quarter 2001 from 14.4 per cent in the fourth quarter of 2000. It remains much improved from the 18.3 per cent peak seen in the first quarter of 1998.

The drop in youth labour force participation in the latest quarter to 61.8 per cent, breaks the pattern of gains seen in each of the past four quarters. Overall, the general upward movement in labour force participation and fall in unemployment rate for youth is encouraging.



Regional . . . Actual estimates for labour market levels and changes by development region are noted in Figure 5 which compares the first quarter of 2001 to the same period in 2000. Provincial employment change has varied on a regional basis over the past year.

Above-average actual employment growth for the first quarter of 2001 from the same period in 2000 was seen in the Cariboo, Thompson/ Okanagan and Lower Mainland regions. The Lower Mainland appears to be benefiting from a diverse economic base and international in-migration, with employment up by 40,000 this quarter from the same period a year ago. By contrast, the Vancouver Island/Coast region saw a decrease of 35,000 in employment over the same period. Most of the

decrease has been felt outside the Victoria/Capital area.

Actual average unemployment rates for the first three months of this year fell in three regions of B.C. (Thompson/Okanagan, Cariboo and Lower Mainland-Southwest) from levels seen in the first quarter of 2000. The unemployment rate rose in the other four regions.

The rise in the unemployment rate for North Coast/Nechako should not be viewed necessarily as a negative sign, as employment and the employment rate were both up. The labour force simply expanded faster than employment. Of more concern were the Kootenay and Vancouver Island/Coast regions with notable drops in the proportion of the population who were employed.

Figure 5: Regional Labour Market Changes
First Quarter of 2000 vs. First Quarter of 2001 (actual data)

Development Regions	Employment (000's)			Unemployment Rate			Employment/Pop. Ratio		
	1st Quarter 2000	1st Quarter 2001	% Change	1st Quarter 2000	1st Quarter 2001	Absolute Change	1st Quarter 2000	1st Quarter 2001	Absolute Change
Vancouver Island/Coast	332.9	297.1	-10.6%	7.9	9.3%	1.4%	59.3%	54.3	-5.0%
Lower Mainland/S.W.	1,143.8	1,183.1	3.5%	6.7	6.2%	-0.5%	60.2%	61.8	1.6%
Thompson/Okanagan	206.0	210.1	2.2%	10.3	9.6%	-0.7%	54.4%	55.1	0.7%
Kootenay	69.6	69.1	0.0%	10.1	11.8%	1.7%	56.6%	54.3	-2.3%
Cariboo	80.1	83.1	3.7%	9.7	9.2%	-0.5%	59.8%	63.3	3.5%
North Coast/Nechako	47.7	48.1	0.6%	7.6	11.4%	3.8%	63.8%	64.1	0.3%
Northeast	33.0	32.1	-1.5%	3.5	4.4%	0.9%	68.9%	68.1	-0.8%
B.C. Total	1,913.1	1,924.1	0.6%	7.6	7.5%	-0.1%	59.4%	58.9	-0.5%

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BC at a glance . . .		
POPULATION (thousands)		% change on one year ago
	Jan 1/01	
BC	4,077.4	0.7
Canada	30,714.7	0.9
GDP and INCOME		% change on one year ago
<i>(BC - at market prices)</i>	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)	n/a	n/a
Retail Sales (seasonally adjusted) Feb	3,113	6.7
CONSUMER PRICE INDEX		% change on one year ago
<i>(all items - 1992=100)</i>	Apr '01	
BC	115.0	2.3
Canada	116.4	3.6
LABOUR FORCE (thousands)		% change on one year ago
<i>(seasonally adjusted)</i>	Apr '01	
Labour Force - BC	2,107	1.2
Employed - BC	1,961	1.2
Unemployed - BC	145	0.5
	Apr '00	
Unemployment Rate - BC (percent)	6.9	6.9
Unemployment Rate - Canada (percent)	7.0	6.8
INTEREST RATES (percent)	May 16/01	May 17/00
Prime Business Rate	6.50	7.50
Conventional Mortgages - 1 year	6.70	7.90
- 5 year	7.50	8.55
US/CANADA EXCHANGE RATE	May 16/01	May 17/00
<i>(avg. noon spot rate)</i> Cdn \$	1.5399	1.4987
US \$ <i>(reciprocal of the closing rate)</i>	0.6504	0.6678
AVERAGE WEEKLY WAGE RATE		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Apr '01	
BC	650.42	2.3
Canada	634.96	3.7
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		

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- Quarterly Regional Statistics, First Quarter 2001
- Consumer Price Index, April 2001
- Small Business Quarterly, Fourth Quarter 2000

Next week

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