BRITISH COLUMBIA

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highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **BC manufacturers surveyed in July were pessimistic about their prospects in the third quarter of 2001.** Of those surveyed 39% expected production would fall, while only 20% predicted a rise, yielding a balance of opinion of –19 percentage points, the lowest value since 1998. The latest figures marked the fourth consecutive quarter in which manufacturers have had a gloomy view of the future. Over half (54%) of manufacturers surveyed expected new orders to decline, compared to 12%, who anticipated an increase, for a balance of opinion of –42. The percentage of manufacturers who expected their inventory of finished products would be too high grew from 40% in April to 46% in July. However, only 8% of those surveyed thought that there would be a shortage of working capital or skilled labour. None predicted a shortage of unskilled labour. Manufacturers in Canada were equally pessimistic about production levels. Thirty-five percent anticipated a decline and 16% expected production to rise, leaving a balance of opinion of –19, equal to that in BC. *Source: Statistics Canada*

Port of Vancouver

- **The amount of cargo handled by the Port of Vancouver dipped 3% to 38.4 million tonnes during the first six months of the year.** Container traffic was off 6%, as both import (-4%) and export (-7%) container traffic handled by the port dropped below last year's levels.

  The volume of bulk commodities handled by the port was also down. Shipments of forest products plunged 16%, falling to 3.6 million tonnes, as the volume of lumber (-13%) and wood pulp (-16%) handled at the port fell. Dry bulk shipments were down 1% (to 28.5 million tonnes), despite a 5% increase (to 15 million tonnes) in the volume of coal, the major commodity handled by the Port. Grain shipments (-13%) were down substantially, but this was partly offset by an 8% increase in liquid bulk products. *Source: Vancouver Port Authority*

- **The number of cruise ship voyages with stops in Vancouver fell slightly (-6%) to 122 sailings during the first four months of the cruising season.** However, this was partly due to increased capacity on newer cruise ships. Year-to-date passenger volumes (392,921) were virtually unchanged from 2000. *Source: Vancouver Port Authority*

Home Sales

- **Sales of homes in Greater Vancouver climbed 58% in July, rising to their highest level (for that month) in ten years.** There were 2,619 sales of detached, attached or apartment properties, up from 1,654 in July 2000.
  Source: Real Estate Board of Greater Vancouver

Universities

- **BC universities collected $1.8 billion in revenues in 1999/2000.** Most (55%) came from government grants and contracts. Government was also the main source of funding (55%) at the national level. BC students contributed less to the cost of their education than those in other parts of the country did. While student fees were the second largest source of revenue (17%) in BC, they represented a smaller share of the total than in every other province except Quebec (12%) and Saskatchewan (16%). The national average was 19%.

  Other sources of income for BC universities included sales of services and products (12%), bequests, donations and non-government grants and contracts (7%), investments (4%) and mis-

Report BC's fisheries and aquaculture sector

Did you know...
One in four UFO sightings in 2000 were starlike objects. The next most frequently reported shapes were a ball and a triangle (21% each).

cellaneous revenues such as facilities rental and library fines (5%). In total, Canadian universities received $14.9 billion in revenue in 1999/2000.

Source: SC, The Daily

High-Speed Internet Access

- **The number of people in BC and the Territories who subscribe to high-speed cable Internet services more than doubled in 2000.** A year ago, 161,200 households, representing 13% of those with Internet access, used cable modems. The comparable figure in 1999 was 71,000.

  Across Canada, cable modems are gaining in popularity. Subscriptions to the service climbed 116% (to 786,300) in 2000. Cable access to the Internet is most popular in the Prairies (14%) and BC (13%). It hasn't caught on to the same extent in other parts of the country. Nationally, 11% of households with Internet access used high-speed cable hookups, with rates in the rest of the country ranging from 6% in Quebec to 11% in Ontario.

  Catalogue 56-001-XIE

Cable Television

- **Cable TV operators in BC lost ground in 2000, as their market share was affected by the growing popularity of wireless communications.** The number of basic cable subscriptions in BC and the Territories slipped -0.6%. Last year, basic and discretionary cable subscriptions fell to their lowest level since 1996. As of August 2000, just under 79% of BC subscribers were paying for higher-tier services, which was well below the peak of 87% reached in 1992. The fall in services helped lower the profit margin (before interest and taxes) for cable companies to 12.3%, the lowest in Canada. The national average was 19.3%.

  Source: SC, Catalogue 56-001-XIE

- **More Canadians are choosing wireless operations as their television providers.** For the first time ever, the number of people in Canada subscribing to cable fell (-0.5%) in 2000. The cable operators' market share of programming services dropped to 89% from 94% in the previous fiscal year. The loss was picked up by wireless operators, who took 11% of the market.

  Source: SC, Catalogue 56-001-XIE

The Nation

- **The Canadian economy posted its strongest growth since last October in May, with real gross domestic product (GDP) increasing 0.3% (seasonally adjusted).** This was due to a 0.4% gain in the service sector, which was buoyed by rises in education (+1.6%) and government services (+1.3%). Activities related to the 2001 Census, as well as an end to public sector strikes in Toronto and Newfoundland, contributed to the growth. Service industries were also helped by improvements in the stock market, which led to a 1.3% gain in finance and insurance. On the negative side however, wholesale (-0.5%), and retail (-0.2%) trade declined, as did business services (-0.1%).

  GDP in Canada's goods producing industries was unchanged in May despite a resurgence in manufacturing activity (+0.9%). Agriculture (+0.3%) and the relatively small fishing and trapping industry (+6.1%) also grew in May. However, this was offset by declines in logging and forestry (-2.0%), mining (-1.9%) and construction (-0.8%). *Source: Statistics Canada*

UFOs

- **It's time dust off your telescopes (or perhaps stay indoors at night).** Late summer and fall are the prime months for UFO sightings. Last year a third (90) of the 263 UFO sightings reported in Canada were in August and October.

  BC (where 102 sightings were reported last year) consistently has the largest number of UFO sightings in the country. Whether this is due to more alien activity in the skies above Lotusland–or simply because the UFO hotline in BC is well publicised–is not clear. No alien abductions or alien contacts were reported by Canadians in 2000, marking the third straight year in which creatures from outer space appear to have shied away from making direct contact with humans. However, there were two incidents where figures or entities were encountered by observers.

  Source: The 2000 Canadian UFO Survey

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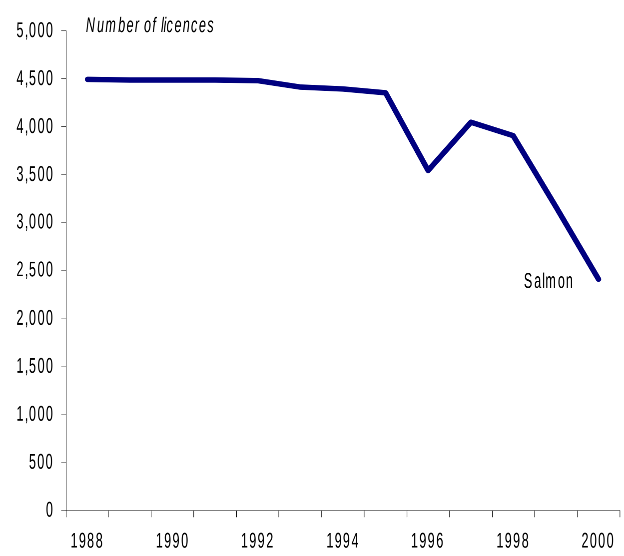
An Overview of the Fisheries and Aquaculture Sector

BC's fisheries and aquaculture sector has evolved considerably since the days when it focussed almost exclusively on the wild salmon catch and associated canning activities. The commercial fishery in BC has been diversifying, placing an increased emphasis on the harvest of species other than salmon. Government initiatives to protect the stock by decreasing the size of the fleet played an important role in the restructuring of the industry. The commercial fishery responded to these initiatives by retiring vessels from the active fleet, focussing on the harvest of species other than salmon, and developing new markets for products already being harvested.

The size of the salmon fleet has been halved since the mid-1990s



Source: Fisheries & Oceans Canada

At the same time, technological advances have led to the development of a growing aquaculture (farmed finfish and shellfish) industry in the province. The landed value of farmed finfish and shellfish produced in BC is now nearly equal to that of the wild catch. Since 1991, the number of aquaculture licences issued in the province has risen from 650 to 724.

Both wild and farm-raised fish and seafood products may be processed by the fish processing industry. In addition, fish caught by foreign vessels may be processed in BC ports or on fish processing vessels. In addition to the goods industries, a variety of businesses catering to recreational anglers operate in British Columbia, and sport fishing activities play an important role not only in fisheries and aquaculture, but also in the province's tourism sector.

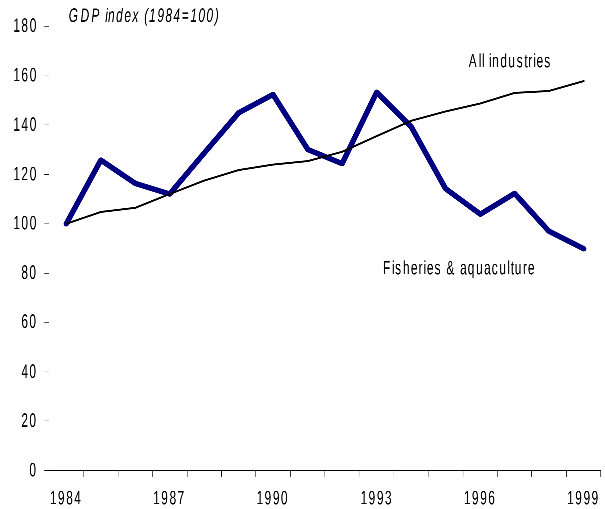
Less than one percent of BC's GDP is generated by the fisheries and aquaculture sector

Real GDP in the fisheries and aquaculture sector (including all four industries) was estimated at $528 million in 1999, accounting for 0.6% of the province's total gross domestic product. The sector is currently about a fourth as big as agriculture and food processing. When sport fishing (a service industry) is excluded from the total, the goods-producing side of the fisheries and aquaculture sector accounts for just 0.3% of BC's total GDP.

The fisheries and aquaculture sector faced significant challenges during the latter half of the 1990s, when real GDP began to decline, largely due to weakness in both the commercial fishery and fish processing sectors. The sector's GDP has fallen nearly 40% since 1993, when GDP peaked at $903 million.

Given the dependence of the commercial fishery and sport fishing on a resource stock that varies from year to year, the fisheries and aquaculture sector displays considerable volatility. At times it has outperformed the provincial average, but in recent years it has slowed significantly, largely due to the decline in the salmon fishery. In addition, uncertainties related to resource management issues in the sport fishing industry have adversely affected the sector's performance.

The fisheries and aquaculture sector is more volatile than other industries



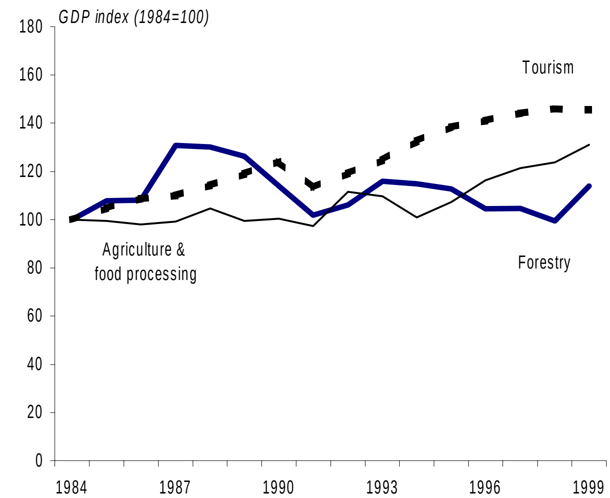
Source: Statistics Canada and BC Stats

Other primary sectors such as agriculture and forestry are also subject to big swings. Fishing, forestry and agriculture have all made only modest gains since 1984, despite very strong performances in some years. Of the three, the fisheries and aquaculture sector displays the most volatility.

Goods-producing industries, especially those that depend on the extraction and processing of renewable resources, have not fared well during the last decade and a half. BC's economy, like many others in the developed world, has been shifting away from a focus on resource extraction to a greater service-sector orientation. Three-quarters of the province's total GDP is currently generated by service industries. Since 1984, goods-producing industries have expanded 30%-half the increase (+58%) for the economy as a whole, and well below the 71% expansion seen in the service industries.

Over the same period, GDP in the fisheries and aquaculture sector has declined 10%, largely due to its performance during the last few years. Over the longer run, agriculture (+31%) and forestry (+14%) have grown at rates well below the provincial average. Together, these three sectors accounted for 12% of total GDP in 1984, but just 9% in 1999. The fisheries and aquaculture sector's share of total GDP has fallen from one percent in 1984 to just over half that figure in 1999.

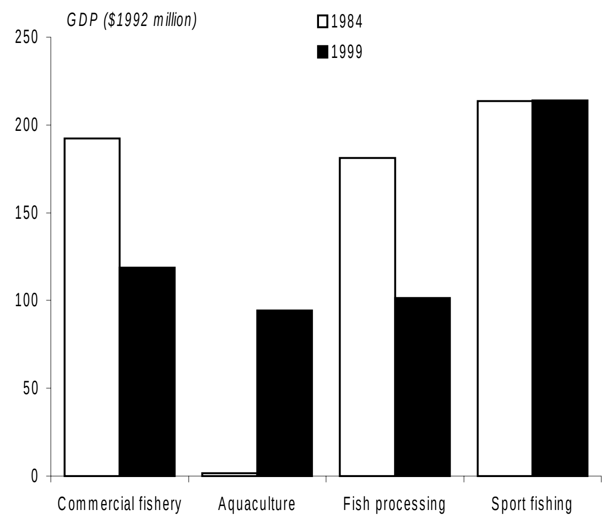
Forestry and agriculture also show more volatility than the economy as a whole, but tourism has shown more steady growth over the longer term



Source: Statistics Canada and BC Stats

Tourism, the sector which is most like the sport fishing industry, has experienced relatively steady growth since 1984, increasing about 46% during that period. Because some recreational anglers in the province are also tourists, there is a certain amount of overlap between the two industries. Some, but not all, of the GDP originating in sport fishing activity is also attributed to tourism.

The aquaculture industry has expanded since 1984, and sport fishing has held its own, but over the long run GDP in both the commercial fishery and fish processing industries has declined



Source: BC Stats

Sport fishing is the largest industry in the sector

Sport fishing is the largest industry within the sector, with a total GDP of $214 million in 1999. The commercial fishery produced $119 million of the province's GDP in that year, just slightly more than the fish processing ($101 million) industry. Another $94 million was generated by finfish and shellfish farming.

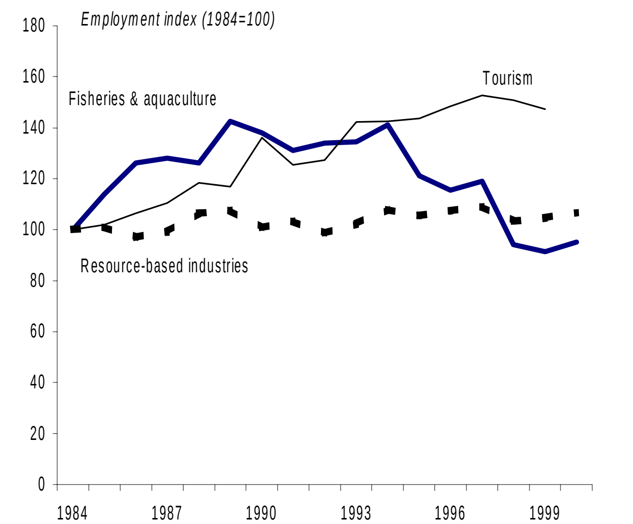
Over the longer term, these industries have experienced different growth patterns. Real GDP in the sport fishing industry was at virtually the same level in 1999 as it had been fifteen years earlier. The commercial fishing (-38%) and fish processing (-44%) industries have both declined during this period, although the downturn is of recent duration. Up to the mid-1990s, both industries were on an upward path, even though overall growth lagged behind the provincial average. Similarly, the sport fishing industry had been growing, but is showing the effects of uncertainty surrounding the salmon stock and resource conservation measures, as salmon fishing has traditionally represented a big part of the industry's total activities.

As has been mentioned previously, the most significant change has been in the aquaculture industry, which is gaining prominence within the sector. Aquaculture's contribution to total GDP in 1999 was nearly as big as that of the fish processing industry.

Employment (including both full-time and part-time jobs) in the fisheries and aquaculture sector was estimated at 15,000 in 2000. This includes 4,600 workers in commercial fishing, 2,200 workers at fish processing plants, 1,800 people who were employed at finfish and shellfish farms, and 6,400 workers in the sport fishing industry-those employed in various industries with a sport fishing component, whose jobs depend on angling activity. Four out of ten jobs are in this industry, which is the biggest employer in the fisheries and aquaculture sector.

Since the early 1980s, employment in the fisheries and aquaculture sector has fallen from 15,700 to 15,100, representing a 5% decline over the longer term, again with much of the decrease occurring during the last few years. However, resource-based industries as a whole have seen only modest employment growth since the mid-1980s. Between 1984 and 2000, the number of jobs in resource-based industries increased just 7%, despite overall employment growth of 56%. In the service sector, the number of jobs has risen 64%, nearly double the 34% increase in all goods-producing industries. The increase in the goods sector was primarily due to job growth in non-resource-based manufacturing, where employment nearly doubled (+96%) and in construction, where the number of jobs was up 76%. The number of jobs in tourism has increased nearly 50% since 1984.

The number of people working in fisheries and aquaculture has fallen since the early 1980s. Resource-based industries as a whole have seen little change in employment during this period



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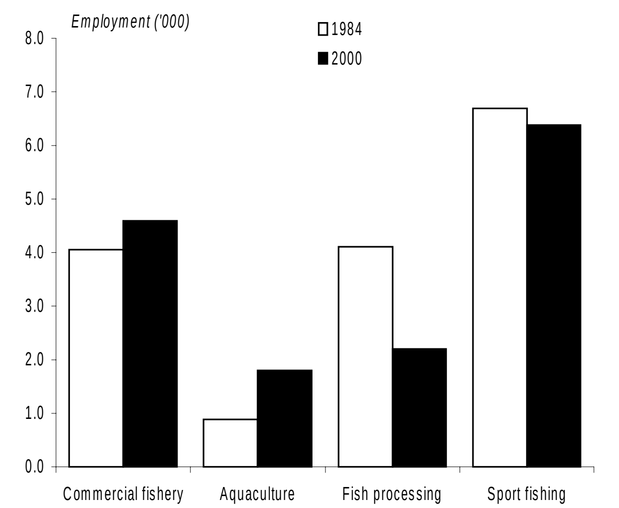
Source: BC Stats

Within the fisheries and aquaculture sector, employment gains have not followed the same pattern as GDP growth. For example, the number of people with jobs in the aquaculture industry has doubled since 1984. While that increase is very strong, and well above the average for all industries, it also falls far short of the sixty-fold increase in GDP seen in aquaculture during this period.

However, it is not necessarily true that GDP and employment should grow in tandem. Changes in the composition of an industry, or in the way goods and services are produced will affect GDP and employment measures differently. In the case of aquaculture, the industry has undergone a restructuring during the last two decades, shifting away from a primary focus on shellfish farming to an emphasis on finfish production. Relative to the value of sales, less labour is required to raise and harvest finfish than shellfish and this is part of the reason for the slower employment growth. In addition, some fish farming operations are now using automated feeding processes rather than manual labour in their grow operations.

The number of jobs in the commercial fishery increased slightly between 1984 and 2000, rising 13%, but employment in fish processing facilities has been halved. In the sport fishing industry, the number of jobs has fallen only marginally, as gains in the freshwater fishing industry have partly offset a decline in the number of jobs that are directly supported by saltwater angling.

Employment in the commercial fishery and aquaculture industries has increased since 1984, but fish processing employment has been halved



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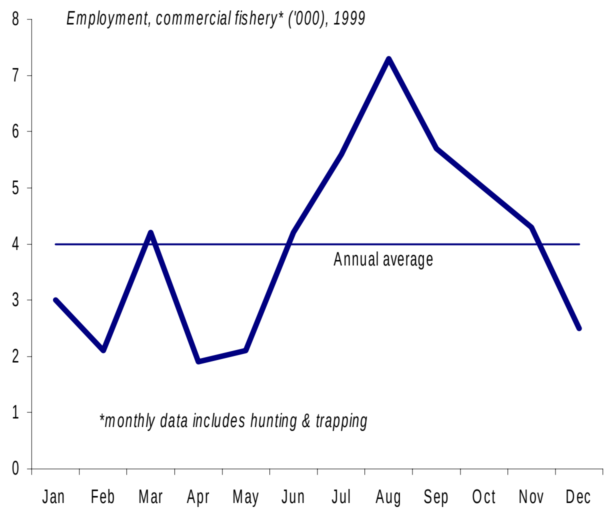
ource: Statistics Canada and BC Stats

Why are the employment figures reported here so much lower than the size of the fleet?

The employment figures reported in this paper are much lower than both the total number of fishing licences issued and the number of vessels that are actively fishing in BC waters. Given that fishing boats typically have a crew of two or more people, this may seem counter-intuitive. However, the difference can be explained by the way in which employment is measured.

Seasonal fluctuations in the commercial fishery are large



Source: Statistics Canada, Labour Force Survey

Annual employment figures are not actual counts of all the people who have worked in an industry in any given year. Instead, they represent the average number of people who worked in the industry over the course of the year. In industries such as fishing, which are highly seasonal in nature, there is considerable variability in the number of people employed from month to month. Figure 10 illustrates this point, using Statistics Canada employment estimates for the commercial fishery in 1999. Although the average annual employment in the commercial fishery for that year was about 4,000, the actual number of people working in the industry peaked at about 7,000 in August of that year, and dipped to less than 3,000 during the winter months.

Workers in the fisheries and aquaculture sector earned more than a quarter of a billion dollars in 2000

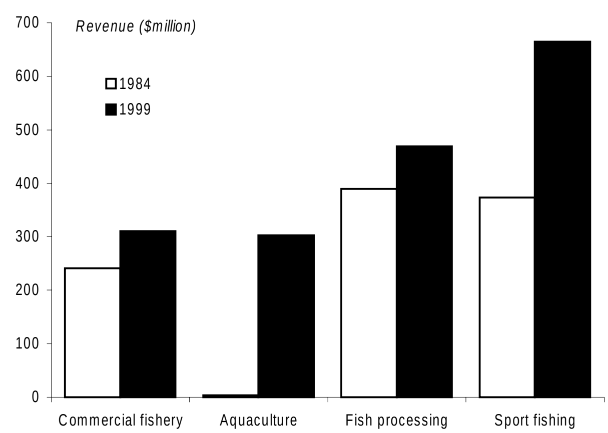
British Columbians employed in the fisheries and aquaculture sector brought home an estimated $279 million in wages and salaries in 2000. This does not include the income of owner-operators of fish boats who are not considered employees. The income of unincorporated businesses in the commercial fishing and aquaculture industry is estimated at about $38 million in 2000.

Revenues reached $1.7 billion in 1999

Revenues in the commercial fishing, aquaculture, and sport fishing industries totalled $1.7 billion[1] in 1999. This compares to revenue of $1.0 billion in 1984.

Among the industries within the sector, sport fishing generated the greatest revenue ($666 million), followed by fish processing ($469), commercial fishing ($311 million) and aquaculture ($303 million). In comparison, total revenue in the agriculture sector (farm cash receipts plus food processing and beverages) was $5.9 billion in 2000.

Revenue in the fisheries and aquaculture sector reached $1.7 billion in 1999



Source: Statistics Canada and BC Stats

[1] All revenue data are in current dollars

Infoline

August 3, 2001

fax transmission information service from **BC STATS**

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BC at a glance . . .

POPULATION (thousands)	Apr 1/01	% change on one year ago
BC	4,087.2	0.8
Canada	30,949.9	0.9
GDP and INCOME		
(BC - at market prices)	1999	% change on one year ago
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.) May	3,043	-4.7
Merchandise Exports (raw) May	3,347	17.8
Retail Sales (seasonally adjusted) May	3,145	7.4
CONSUMER PRICE INDEX		
(all items - 1992=100)	Jun '01	% change on one year ago
BC	116.3	2.7
Canada	117.5	3.3
LABOUR FORCE (thousands)		
(seasonally adjusted)	Jun '01	% change on one year ago
Labour Force - BC	2,105	0.6
Employed - BC	1,957	0.4
Unemployed - BC	148	3.9
		Jun '00
Unemployment Rate - BC *(percent)*	7.0	6.8
Unemployment Rate - Canada *(percent)*	7.0	6.6
INTEREST RATES (percent)	Aug 1/01	Aug 2/00
Prime Business Rate	6.00	7.50
Conventional Mortgages - 1 year	6.45	7.90
- 5 year	7.75	8.25
US/CANADA EXCHANGE RATE	Aug 1/01	Aug 2/00
(avg. noon spot rate) Cdn $	1.5358	1.4888
US $ *(reciprocal of the closing rate)*	0.6505	0.6720
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Jun '01	% change on one year ago
BC	649.40	2.8
Canada	634.36	3.8

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

Socio-Economic Profiles

Free on our website!

The profiles consist of charts and tables for the 27 Regional Districts and 78 Local Health Areas within the Province of British Columbia. Each region contains the following information:

1. Maps
2. Demographic profile
3. Economic hardship
4. Labour market structure
5. Education concerns
6. Crime
7. Health problems
8. Children at risk
9. Youth at risk

Released this week by BC STATS
- Tourism Sector Monitor

Next week
- Labour Force Survey