

## highlights

a weekly digest of recently released British Columbia statistics

### Prices

- **British Columbia's year-over-year inflation rate crept up to 2.1% in September, an increase of 0.3 percentage points over the previous month.** Canada's inflation rate was 2.6%. Inflation rates in the rest of the country ranged from 0.9% in Newfoundland to 3.9% in Saskatchewan.

*Source: Statistics Canada*

- **Food prices (+4.3%) continued to push BC's inflation rate up in September, as the cost of fresh fruits (+8.6%) and vegetables (+7.3%), meat (+7.9%) and fish and seafood (+7.9%) products rose substantially.** Coffee and tea lovers, however, paid 4.4% less when stocking up at the grocery store. Prices for restaurant meals were 3.7% higher than a year earlier.

A stronger housing market and increased utility costs (+8.7%) helped drive shelter costs up 2.0%. Energy prices rose 5.0%, mainly due to more expensive piped gas (+22.4%). Fuel oil prices were down (-2.6%) for the first time since March 1999, while prices at the pump moved up 1.7%. Consumers also paid more for alcohol and tobacco (+2.4%), health and personal care products (+2.0%), household operations and furnishings (+1.9%), transportation (+1.7%) and clothing and footwear (+0.6%). The cost of recreation, education and reading materials was 0.2% lower than in September 2000. Travellers paid 11.6% less for accommodation as the cost of lodging fell for the fifth month in a row.

*Source: Statistics Canada*

- **Victoria's inflation rate (1.6%) was the second lowest in the country, after St John's (1.0%).** The inflation rate in Vancouver was 2.1%. Regina (3.9%) was the Canadian city with the highest overall price increase in September.

*Source: Statistics Canada*

### The Economy

- **Shipments of goods manufactured in the province fell 1.0% (seasonally adjusted) in August.** The drop in the value of shipments, which was the third in as many months, came primarily from the durable manufacturing sector (-3.0%), where shipments were down almost across the board. Manufacturers of electrical equipment (+10.8%) were the only producers of durable goods to register substantial gains in August. The forest sector remained depressed. Wood shipments fell 2.3% between July and August, despite higher prices, while paper shipments (part of the non-durables sector) were down 1.1%. Shipments by manufacturers of non-durable goods rose 2.3% overall, largely due to a strong increase in the food (+6.5%) and beverage (+2.7%) industries. This gain, together with a 10.0% increase in the value of goods shipped by manufacturers of chemicals, was big enough to offset the decline in the paper industry.

Nationally, the value of shipments increased for the first time since May, rising 0.7% in August. Ontario (+0.5%) and Quebec (+0.7%), which dominate the Canadian manufacturing scene, both posted modest gains. Shipments were up in most provinces. BC (-1.0%), Saskatchewan (-2.6%) and Newfoundland (-3.8%) were the only exceptions.

*Source: Statistics Canada*

- **Exports of BC products were down for the third straight month in August, falling to 10.6% below the August 2000 level.** The drop in the value of exports was widespread. Energy products (-30.6%), industrial goods (-21.2%) and automotive products (-15.1%) posted the biggest declines, while forest product exports were down 4.2%. Consumer goods (+6.9%) and agri-

**Did you know...**

**The average Canadian consumed 13kg of bananas, 11 kg of apples and 9 kg of oranges in 2000. While bananas are our favourite fruit, the lowly spud tops the list of veggies, at just over 74 kg per person, much of it in the form of french fries.**

culture and fish (+2.3%) products were the only commodities to show an increase.

Exports fell in seven provinces, dropping 6.7% at the national level. Five provinces posted double-digit declines. However, New Brunswick (+22.5%) bucked the trend, as a strong increase in the value of energy product exports (+110.7%) offset weakness in other sectors. Alberta, where gains in the energy sector had boosted export growth to double-digit levels for 24 consecutive months, posted a marginal decline (-0.8%) in August. *Source: Statistics Canada*

- **Year-to-date, BC exports are still well above 2000 levels (+5.9%), but a downturn in export markets continued to chip away at the gains made earlier in the year.** A 79.7% jump in energy exports, largely fuelled by sales of electricity and natural gas to the US early in the year, is the main reason why exports were still higher than in the first eight months of 2000. International shipments of most commodities have fallen below 2000 levels. Forest products, BC's dominant export commodity, were down 9.2%. Exports of automotive products (-24.6%), industrial (-7.4%) and consumer (-0.9%) goods were also lower. Alberta (+28.1%), Nova Scotia (+22.5%) and New Brunswick (+19.4%) were the only other provinces to escape the general downturn, but the combined increase in these provinces, together with BC, was strong enough to counteract a drop in exports from every other region. Canadian exports were up 2.9% year-to-date. *Source: Statistics Canada*
- **Retailers of new motor vehicles moved 0.8% more cars, trucks and vans off their lots in August (seasonally adjusted) than in the previous month.** The increase in sales was relatively weak compared to other parts of the country. Canadian sales were up 1.9%, rising in every region. Newfoundland (+5.9%) and Saskatchewan (+5.9%) posted the strongest gain. Alberta (+0.2%) and Nova Scotia (+0.6%) were the only provinces where sales rose less than in BC. *Source: Statistics Canada*
- **Wholesale sales in the province increased 2.2% (seasonally adjusted) between July and**

**August.** Sales were up 0.8% nationally, rising in all but two provinces. *Source: Statistics Canada*

- **Restaurant, caterer and tavern receipts in BC continued to rise in August, increasing to 8.6% above the August 2000 level.** Food service receipts were up 8.9%, with drinking places seeing a smaller gain (+5.1%). Business at full-service restaurants (+10.8%) in BC has been booming, growing at double-digit rates since early 2000. Limited-service restaurants, such as fast food joints or cafeterias, have had some ups and downs, but posted a 7.3% gain in August. *Source: Statistics Canada*

### **E-commerce**

- **Last year, private sector businesses received \$7.2 billion of orders over the Internet, an increase of 73% over the previous year.** Internet sales accounted for a miniscule, but growing, share of total operating revenues (0.4%, up from 0.2%). However, the percentage of companies that were selling goods and services online declined from 10% in 1999 to 6% last year. The decline was widespread across every industry, suggesting that some consolidation is occurring, and Internet sales are now being made by a smaller number of firms. While virtually every industry makes some use of the Internet to sell its products, e-commerce is significant in just a few: wholesale trade (14%), private sector educational services (16%) and information and cultural services (19%). The percentage of companies in other industries with Internet sales ranged from 0% in mining to 9% in retail trade. E-commerce is more prevalent in the public sector (9%) than in the private sector (6%), and is a widely-used marketing tool in the educational services (28%) and public administration (22%) industries. Businesses are more likely to purchase goods and services than to sell them over the Internet. In 2000, 18% of all private sector businesses made Internet purchases. Sixty-three percent of all private sector businesses, representing 90% of total economic activity, were Internet users. *Source: SC, Catalogue 56F0004MIE*

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## Tourism Special Focus: The Northeast

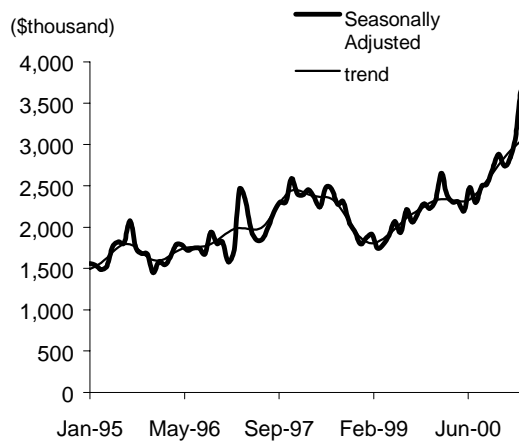
The Northeast development region is located in the upper north-east corner of British Columbia. The region is made up of two regional districts, Peace River and Northern Rockies. Cities in the region include Fort St. John and Dawson Creek.

The Northeast region is best known for its activity in the oil and gas industry. However, there are many reasons why tourists are drawn to the area. The Northeast offers the lure of remote regions and spectacular scenery. Activities such as hiking, white-water rafting and fishing make the region an attractive destination for tourists.

### Room Revenue

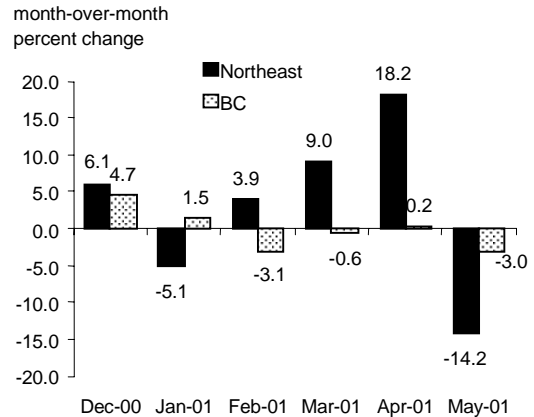
In 2000, revenues in the region climbed 22%, more than any other development region in BC. Revenue growth also outperformed the rest of the province in the first quarter of 2001. First quarter revenues were up 6.8% (seasonally adjusted) from fourth quarter 2000 levels. April was also a particularly strong month for the region, with revenues rising 18.2%, to reach a new record.

#### Room revenues trending up



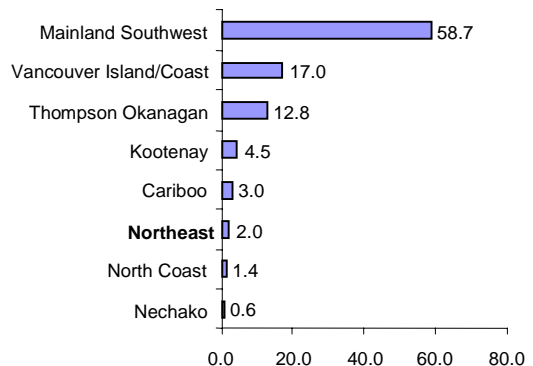
The Northeast region is also faring well against the rest of the province. In four of the past six months, growth in room revenues in the Northeast outpaced BC room revenue growth.

#### Northeast outperforms BC



The Northeast accommodation market made up just 2.0% of total BC room revenues in 2000 making it the third smallest contributor. However, that share increased to 2.2% in the first quarter of 2001.

#### Northeast third smallest contributor in 2000

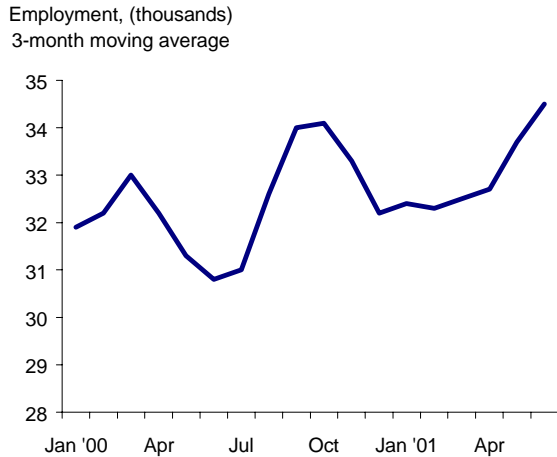


#### The role of the oil and gas industry

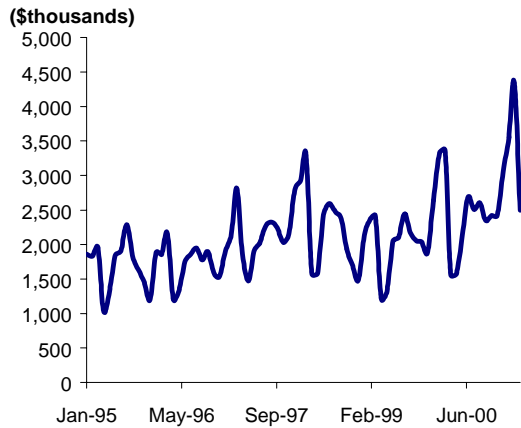
Room revenues in the Northeast are highly dependent on the oil and gas industry and the overall economic outlook of the region. Special camps set up to accommodate workers, many of whom are employed in this industry, made up 17% of room revenue in the region in 2000. In January of this year, over 40% of room revenues in the Northeast were contributed by work camps.

Much of the recent growth in the room revenues may be attributed to similar growth in the economy. Employment in the region rose for five of the first six months of 2001. When employment in the region increases the number of workers requiring temporary accommodation grows and people in the region tend to spend more money on tourist activities.

**Employment on the rise in 2001**



**Seasonality**



**Room Revenues show strong fluctuations**

Room revenues (unadjusted for seasonal variation) in the Northeast have shown high fluctuations. Historically, room revenues have peaked around March of each year, only to then plunge to their lowest point in April or May. For instance, April 2000 saw room revenue drop 53.7% (unadjusted) from March 2000 levels.

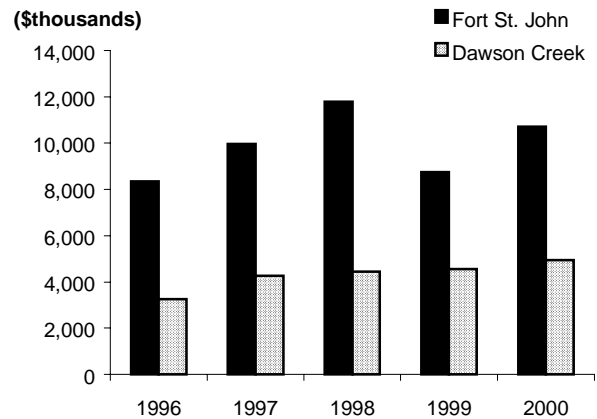
**Urban Centres**

Nearly half of the region's revenues are earned in two urban centres. The city of Fort St. John made up 36.7% of the Northeast's room revenue in 2000. Dawson Creek contributed 16.9%.

So far this year room revenues in Fort St. John have climbed 48.5% (unadjusted for seasonal variation) over the same period last year. The driving force behind this increase was the service camps in the region. In Dawson Creek, year-to-date revenues were unchanged (unadjusted) from the same period last year.


Fort St. John has seen increases in its annual room revenue for four of the past five years, and Dawson Creek has seen growth in each year.

**Room revenue continues to grow in Urban Centres**



**Accommodations**

There were 78 accommodation properties in the Northeast in 2000, down from 82 in 1999. Almost half (46.2%) were motels. The number of properties has remained fairly constant since 1995. Hotels made up 51% of room revenue for the region in 2000, motels contributed 29%. Other properties, including service camps, made up 21% of revenue.

 **fax** transmission information service from **BC STATS**

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 also on the **Internet** at [www.bcstats.gov.bc.ca](http://www.bcstats.gov.bc.ca)

## BC at a glance . . .

<b>POPULATION (thousands)</b>	Jul 1/01	% change on one year ago
BC	4,095.9	0.9
Canada	31,081.9	1.0
<b>GDP and INCOME</b>	1999	% change on one year ago
<i>(BC - at market prices)</i>		
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.) Aug	2,833	-7.5
Merchandise Exports (raw) Aug	2,532	-10.6
Retail Sales (seasonally adjusted) Jul	3,169	5.7
<b>CONSUMER PRICE INDEX</b>	Sep '01	% change on one year ago
<i>(all items - 1992=100)</i>		
BC	116.7	2.1
Canada	117.4	2.6
<b>LABOUR FORCE (thousands)</b>	Sep '01	% change on one year ago
<i>(seasonally adjusted)</i>		
Labour Force - BC	2,095	-1.0
Employed - BC	1,934	-1.1
Unemployed - BC	161	-0.8
		Sep '00
Unemployment Rate - BC (percent)	7.7	7.7
Unemployment Rate - Canada (percent)	7.2	6.9
<b>INTEREST RATES (percent)</b>	Oct 10/01	Oct 11/00
Prime Business Rate	5.25	7.50
Conventional Mortgages - 1 year	5.15	7.90
- 5 year	7.05	8.25
<b>US/CANADA EXCHANGE RATE</b>	Oct 10/01	Oct 11/00
<i>(avg. noon spot rate) Cdn \$</i>	1.5679	1.5042
<i>US \$ (reciprocal of the closing rate)</i>	0.6378	0.6641
<b>AVERAGE WEEKLY WAGE RATE</b>	Sep '01	% change on one year ago
<i>(industrial aggregate - dollars)</i>		
BC	645.68	-0.4
Canada	639.50	2.5
<b>SOURCES:</b>		
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 <a href="http://www.bankofcanada.ca">www.bankofcanada.ca</a>		

## Canadian Importers Database

**what?** The Canadian Importers Database provides lists of companies importing goods into Canada, by product and by city. This new offering from Industry Canada is worth a look. But it is difficult to find so key in the link below and be sure to bookmark it.

**why?** Import substitution occurs when a domestic firm supplies domestic needs that were formerly met by importing products into the country. This creates jobs, investment and profits in the domestic economy.

**opportunity!** The Importers Database is only one side of the equation. BC STATS publishes a directory of BC manufacturers on line at <http://www.made-in-bc.ca>. That's the other side. Given the beleaguered Canadian dollar, costly border delays, and the strong likelihood of lower transportation costs, there may well be opportunities for would-be or existing British Columbia based manufacturing/processing firms. Opportunity also for matchmakers, wholesalers, shippers, and others with a nose for business.

### where?

[http://strategis.ic.gc.ca/sc\\_mrkti/cid/engdoc/index.html](http://strategis.ic.gc.ca/sc_mrkti/cid/engdoc/index.html)

The link above should be enabled in your browser if you are viewing the email or web copy of Infoline. It is repeated on two lines below for fax clients.

[http://strategis.ic.gc.ca/sc\\_mrkti/cid/engdoc/index.html](http://strategis.ic.gc.ca/sc_mrkti/cid/engdoc/index.html)

Good hunting!

### Released this week by BC STATS

- Consumer Price Index, September 2001

### Next week

- Earnings & Employment Trends, Sept. 2001
- Business Indicators, October 2001
- Current Statistics, October 2001