BRITISH COLUMBIA

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highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **Department store sales in BC and the Territories dropped 4.7% (seasonally adjusted) between August and September, posting the biggest monthly decline seen since late 1999.** Sales were down in every region, falling 4.5% at the national level. While the terrorist attack on September 11 almost certainly contributed to the decline, it was not the only reason for the weak sales. Spending at department stores had already begun to drop off in August, falling 2.9% in that month. However, department store sales remain well above 2000 levels.

  Source: BC STATS & Statistics Canada

- **Retail sales in the province were unchanged in August, staying fixed at $3.2 billion after falling 0.7% in the previous month.** Sales have been on a general upward trend during the last two years, but it appears that they may be starting to level off. Retail sales were weak in most parts of the country in August, declining or remaining unchanged in seven regions. The biggest decrease was in Manitoba (-1.4%). Canadian sales rose 0.3%, largely because of strength in Ontario (+0.7%). Retailers in Alberta (+0.3%), Quebec (+0.3%) and New Brunswick (+1.0%) also increased the value of their sales in the summer months. *Source: Statistics Canada*

- **Exports of BC products fell 2.8% (seasonally adjusted) between July and August, marking the sixth time since the beginning of the year that the value of exports has declined.** US-bound exports were off 2.5%, while international shipments to other parts of the world fell 3.5%. Natural resource products–forestry (-2.1%) and mining (-18.3%)–were responsible for most of the decline. Exports of agriculture and fish (+1.5%) and other (+5.0%) goods increased in August. A sharp increase in natural gas sales to the US early in the year had boosted the value of exports, but international shipments of mineral products are returning to more normal levels.

  Source: BC STATS

EI and Income Support

- **The number of British Columbians receiving regular Employment Insurance (EI) benefits fell 1.0% (seasonally adjusted) between July and August.** There were fewer EI beneficiaries in most parts of the country, with declines seen in nine regions. Saskatchewan (+1.0%) and Alberta (+1.9%) were the only exceptions. Nationally, the number of EI beneficiaries was down 1.4%.

  Source: Statistics Canada

- **The number of income support beneficiaries in the province has declined 2.5% since August 2000.** There were 249,599 beneficiaries, representing 6% of the population, receiving income support in August.

  Source: Ministry of Human Resources Data

E-Commerce

- **Consumer spending on the Internet passed the $1 billion mark last year, when 1.5 million Canadian households placed 9.1 million orders online.** Total spending was estimated at $1.1 billion, nearly triple the $417 million of orders placed during 1999. Consumers have become less leery about buying goods and services online. In 1999, email “window shoppers” outnumbered those actually making a purchase; last year, the situation was reversed.

  While e-commerce has been growing by leaps and bounds, it still represents just a fraction of total spending in Canada. Retailers sold $277 billion worth of goods in 2000, and total personal

Report **The BC Labour Market: Third Quarter 2001**

Did you know...
Last year, British Columbians checked out an average of 12 items per person from public libraries in the province. Residents of West Vancouver were the most voracious library users, borrowing an average of 20 items.

expenditures on goods and services were estimated at $591 billion. *Source: SC, The Daily*

TV Viewing

- **British Columbians surveyed in the fall of 2000 said they spent an average of 20.6 hours each week in front of the television.** This was virtually unchanged from 20.7 hours in the previous year. Women (aged 18+) were more addicted to TV than men, spending nearly a full day (23.5 hours, compared to 20.6 hours for men) in front of the tube each week. Teens (14.2 hours) and children (15.2 hours) were the least likely to be couch potatoes, while the older generation (those aged 60 and over) spent nearly a day and a half in front of the tube: 32.4 hours if they were women, and 31.8 hours if they were men.

  Western Canadians, and residents of Ontario typically spend less time watching TV than those living in Atlantic Canada and Quebec. Average viewing times in the west and Ontario ranged from a low of 19.7 hours per week in Alberta to 20.9 hours in Saskatchewan. In eastern Canada, viewing times varied from 21.1 hours a week in PEI to 24.1 hours in Newfoundland. Newfoundland and Quebec (24.0 hours) were the only provinces where residents spent a full day out of every week watching TV.

  Source: SC, Catalogue 87F0006XPE

- **Foreign programs are much more popular with British Columbians than is Canadian content.** BC viewers spent 69% of their time watching foreign programs on TV, compared to 31% for Canadian programming. When they were watching Canadian productions, British Columbians were most likely to be tuned in to news and public affairs or sports programs. Together these accounted for about a quarter (23%) of total viewing time in the province. However, foreign productions dominated with virtually every other type of programming. British Columbians were tuned in to US stations for one of every three hours (32%) they spent in front of the TV last fall.

  Canadians as a whole were more likely to watch homegrown productions (39%), largely because most French-language programming is produced in Canada. When francophones, who watch Canadian TV shows 66% of the time, are excluded viewing patterns are more similar to those in BC. English-speaking Canadians spent 62% of their TV-viewing time watching foreign programs. One in four (27%) viewing hours was spent tuned in to US or other foreign stations.

  Source: SC, Catalogue 87F0006XPE

- **Drama (24%) and news and public affairs programs (23%) were the most popular programs in British Columbia.** Sports, comedy, and variety and game shows each accounted for 11% of total viewing time. Other types of programs, such as music and dance (1%), social/recreational (1%) and academic (2%) programming had a relatively limited audience.

  Source: SC, Catalogue 87F0006XPE

The Nation

- **Canada's composite leading indicator edged up 0.1% in September.** The indicator has been creeping up since the summer, after spending the latter part of 2000 and the first half of this year in the doldrums. September's modest rise, though well below the gains seen in 1999 and 2000, was the third in the last four months. Continued strength in the housing market (+0.2%) boosted the indicator's performance in September, as did consumer demand for furniture and appliances (+0.5%) and other durables (+0.4%). On the opposite side of the coin, the TSE 300 index was down 2.9% in September as stock markets reacted to the terrorist attacks in New York and Washington. Job losses in the business and personal services sector (-0.4%) also dampened the economy in September.

  Recent events suggest that the rebound may be short-lived. The retail trade component of the leading indicator is based on sales data for the summer months and does not yet reflect slower sales in the autumn. Sales data for September will not be released until next month. At the same time, new orders for durable goods are declining (-1.1%), suggesting that demand for these products is likely to drop off.

  Source: Statistics Canada & BC STATS

highlights, Issue 01-43
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Contact: Youth and Labour Market Services Branch, Ministry of Advanced Education (250) 952-6776
Originally published in Labour Force Statistics, Sept. 2001. Annual subscription $60 plus GST

The B.C. Labour Market: Third Quarter 2001

Summary . . . Seasonally adjusted employment in British Columbia fell in the third quarter of 2001 by 1.1 per cent from the second quarter of 2001. Full-time employment has fallen in each of the past three quarters.

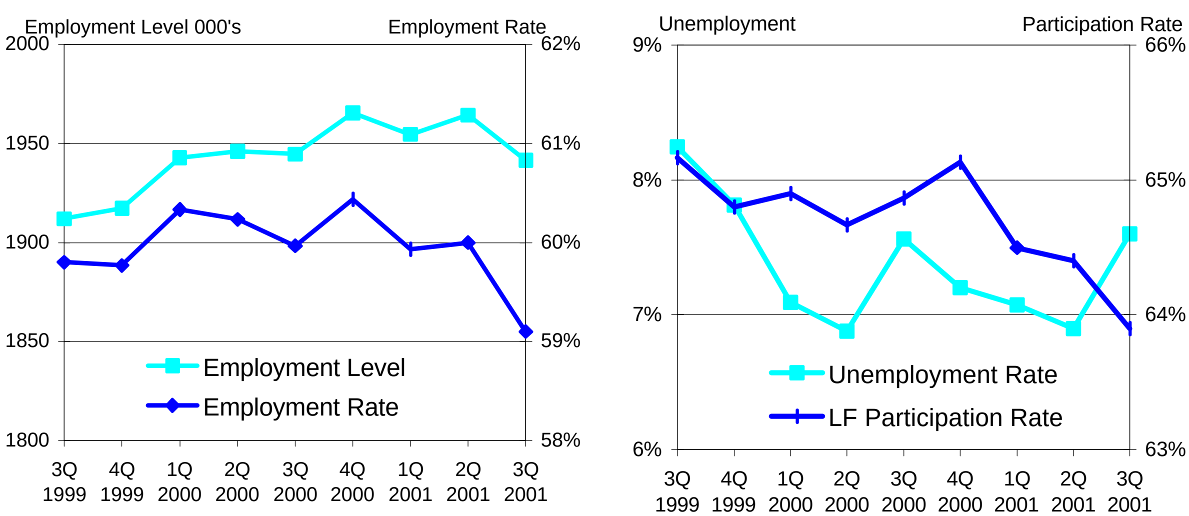
The drop in employment triggered an increase in the unemployment rate, which rose to 7.6 per cent from 6.9 per cent in the second quarter of 2001. This marked only the second rise in the B.C. unemployment rate over the past nine quarters.

Goods sector employment decreased in the last quarter (its fourth consecutive quarterly drop), and is down 5.4 per cent from the third quarter of 2000. Services employment was also down in the latest quarter, but is up 1.3 per cent over the same quarter a year ago. Regionally, actual data for the first three quarters of 2001 compared to the same period in 2000 shows labour market improvement in the Thompson-Okanagan, Lower Mainland/Southwest and Northeast regions, but generally weaker labour market conditions for the Vancouver/Island Coast region.

Employment and Employment Rates . . . The left hand graph in Figure 1 notes employment has decreased in the third quarter back to levels seen in early 2000 after three consecutive quarters of the highest employment levels in B.C. history. Employment by men accounted for over half of the decrease in employment in the latest quarter (down 12,800) while employment for women decreased by 9,900. The proportion of persons aged 15 and older who were employed (employment rate) dropped to 59.1 per cent from 60.0 per cent in the second quarter of 2001. This brings the employment rate back to the rate seen in early 1998. The employment rate peaked at 60.4 per cent in the fourth quarter of 2000.

Unemployment and Labour Force Participation . . . The number of unemployed persons rose to 159,500 in the third quarter from 145,600 in the second quarter of 2001. As seen in the right-hand graph in Figure 1, the labour force participation rate declined to 63.9 per cent from 64.4 per cent in the second quarter. This measure has fallen by 1.3 percentage points from the third quarter of 1999. The increase in the overall B.C.

Figure 1: Employment Levels and Rate and Unemployment Rate and LF Part. Rate, B.C.
Third Quarter 1999 to Third Quarter 2001 (seasonally adjusted)



unemployment rate in the latest quarter to 7.6 per cent from 6.9 per cent in the second quarter was caused by a combination of employment declines and increases in unemployed persons. The unemployment rate in the third quarter of 2001 was 8.1 per cent for men and 7.0 per cent for women.

each of the last four quarters. The Other Primary sub-sector (logging, fishing, mining, oil and gas) and Agriculture were the only sectors that showed a net increase in employment in goods in the third quarter. These were more than offset by declines in Manufacturing and Construction in the third quarter.

On a year-over-year basis, employment in the goods sector was down by 5.4 per cent from the third quarter 2000, which in net terms represented an employment decrease of 22,600. Within goods, only Construction employment increased over the last year.

The services sector also lost employment in the third quarter, down 14,200 from the second quarter of 2001. Gains in Trade, Transportation and Health failed to offset losses in all other service sector industries.

Over the last year, from third quarter 2000 to third quarter 2001, net employment in the services sector overall grew by 1.3 per cent or 19,500. Most of this gain was seen in the fourth quarter of 2000. Information, Culture & Recreation, Professional, Scientific & Technical Services, Accommodation & Food, and Health & Social Assistance sectors have seen the strongest growth amongst services over the last year. By contrast, Finance, Insurance & Real Estate is down nearly seven per cent from the third quarter of 2000.

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

		Net Change from previous quarter				
	Employment Level 3Q01 (000's)	*4Q00*	*1Q01*	*2Q01*	*3Q01*	*Per Cent Change 3Q00 to 3Q01*
Total	**1,941.5**	**29,700**	**-10,700**	**9,600**	**-22,700**	**-0.2**
Goods Sector	**394.2**	**-10,800**	**-600**	**-2,700**	**-8,500**	**-5.4**
Agriculture	25.6	-4,500	400	-2,500	300	-19.6
Other Primary	44.6	-1,900	-6,200	-5,200	3,100	-18.6
Utilities	12.5	-2,700	600	2,600	-500	-0.3
Construction	117.4	-8,200	3,200	10,000	-2,200	2.4
Manufacturing	193.2	6,500	1,500	-7,600	-10,200	-4.8
Service Sector	**1,547.2**	**31,500**	**-10,100**	**12,300**	**-14,200**	**1.3**
Retail & Wholesale Trade	309.3	-2,900	1,700	800	3,700	1.1
Transportation & Warehousing	107.3	-4,200	2,500	-2,100	400	-3.0
Finance, Insur. & Real Estate	114.9	-1,400	-800	-1,400	-5,100	-6.9
Prof. Scientific & Technical	143.0	-5,400	-2,500	7,100	-2,600	5.5
Management of Companies	74.5	700	-4,700	5,000	-900	0.3
Education Services	133.3	9,700	-5,700	-400	-400	2.6
Health & Social Assistance	208.5	-3,000	-2,400	10,700	2,000	3.6
Information, Culture & rec.	103.6	12,800	1,200	-3,800	-3,600	6.7
Accommodation & Food	166.6	12,600	3,500	-5,800	-4,700	3.5
Other Services	96.9	-700	1,000	-2,600	-300	-2.7
Public Administration	89.1	2,700	-4,200	4,800	-2,700	1.6

Full and Part-time Employment . . . Figure 3 shows that seasonally adjusted full-time employment declined for the third consecutive quarter, partly offsetting substantial increases going back to the third quarter of 1999. Comparing the third quarter to the second quarter of 2001, women accounted for over 75 per cent of the full-time employment losses, resulting in a net decrease in overall full-time employment of 15,400.

Overall part-time employment decreased by 7,300 in the third quarter of 2001 following a major upswing in the second quarter. Men were responsible for all of the part-time employment losses in the third quarter while women experienced a slight increase in part-time employment (-9,200 and 1,900 respectively).

Over the past year, when comparing the latest quarter to the third quarter of 2000, full-time employment in B.C. was down by 13,200 (-0.9 per cent) and part-time employment was up 10,200 (2.5 per cent). On this same year-over-year basis, men accounted for 83 per cent of the full-time employment losses, while women accounted for almost three-quarters of the part-time employment gains.

Youth and Adult Unemployment and Labour Force Participation . . . The seasonally adjusted unemployment rate for adults aged 25+ (see Figure 4 left-hand graph) rose to 6.5 per cent after remaining relatively flat for the past six quarters averaging just under 6.0 per cent. The youth unemployment rate in B.C. rose to 13.5 per cent in the third quarter 2001 reversing a downward trend seen in the last three consecutive quarters. It remains much improved from the 17.7 per cent seen in the second quarter of 1998.

Over the past two years the adult labour force participation rate has declined by about 1.2 percentage points, to 64.7 per cent in the latest quarter (see Figure 4 right-hand graph). The drop in youth labour force participation in the latest quarter to 60.3 per cent is the third consecutive quarterly decline and has erased all of the gains seen during the year 2000.

Rises in the unemployment rate and a fall in labour force participation rates for both youth and adults in the third quarter suggest labour market conditions have weakened considerably from the start of the year.

Figure 3: B.C. Quarterly Full-time and Part-time Employment Levels
Third Quarter 1999 to Third Quarter 2001 (seasonally adjusted)

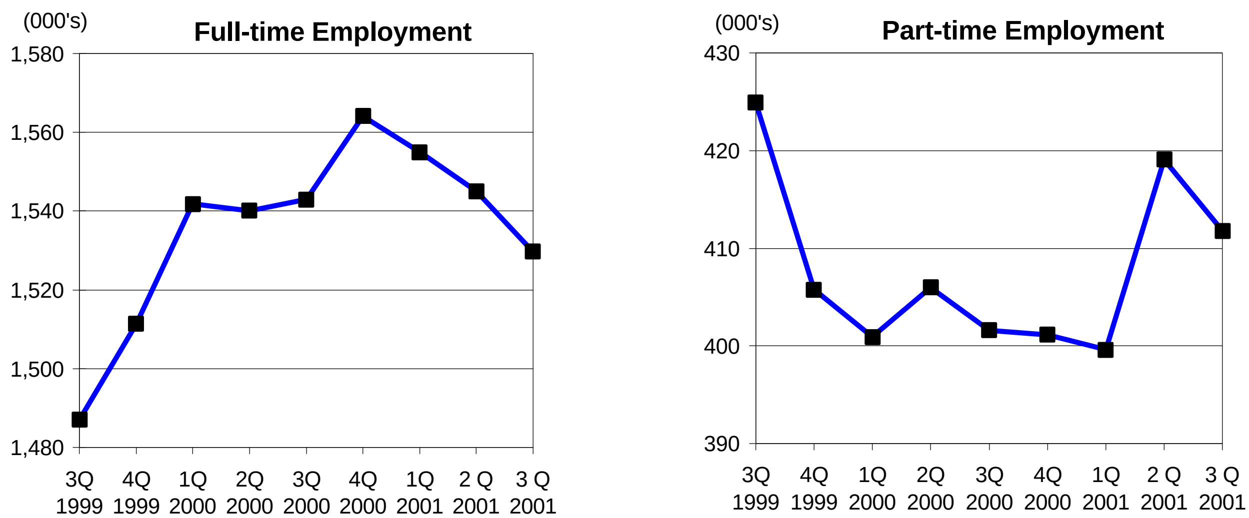
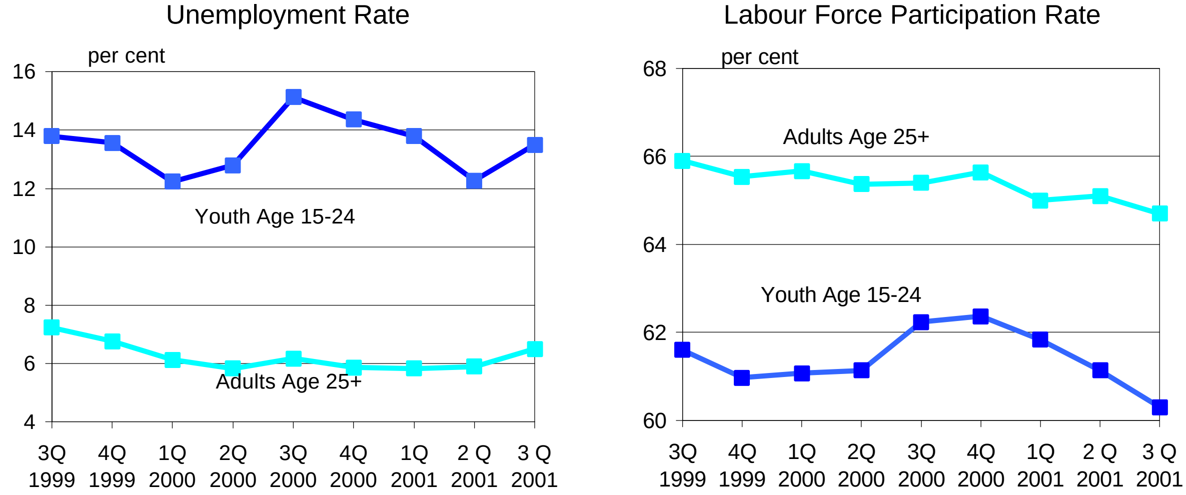


Figure 4: B.C. Youth and Adult Unemployment Rates and Labour Force Participation Rates
Third Quarter 1999 to Third Quarter 2001 (seasonally adjusted)



Regional . . . Actual estimates for labour market levels and changes by development region are noted in Figure 5 which compares the first three quarters of 2001 to the same period in 2000. Seasonally adjusted data is not available on a regional basis from Statistics Canada. Provincial employment change has varied on a regional basis over the past year.

Above average actual employment growth for the first three quarters of 2001 from the same period in 2000 was seen in five of the seven reported regions of B.C. Decreases in employment in the Vancouver Island/Coast and Kootenay regions offset much of the increases in other regions resulting in provincial employment growth of 0.4 per cent over this time period. The Lower Mainland/Southwest region appears to be benefiting from ongoing gains in business, technical and administrative services, a diverse economic base and strengthened international in-migration of population in 2001, with employment up by 24,400 for the first three quarters of 2001 from the same period a year ago. By contrast, the Vancouver Island/Coast region saw a decrease of 26,000 in employment over the same period. Almost three-quarters of this decrease has been felt outside the Victoria Metro area.

Actual average unemployment rates for the first three quarters of this year compared to the same period in 2000 fell in all regions except Vancouver Island/Coast and North Coast/Nechako. The increased unemployment in these two regions offset declines in the other 5 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 was the Vancouver Island/Coast region with notable drops in the proportion of the working age population who were employed, a fall in employment level, and a higher unemployment rate. Weakness in goods sector employment as well as ancillary service sectors dependent on the goods sectors appears to have negatively impacted labour market conditions in the Kootenay region and much of the Vancouver Island/Coast region.

Figure 5: Regional Labour Market Changes

Average First Three Quarters of 2000 vs. First Three Quarters of 2001 (actual data)

Development Regions	*Employment (000's)*			*Unemployment Rate*			*Employment/Pop. Ratio*		
	1st Three Quarters 2000	*1st Three Quarters 2001*	*% Change*	*1st Three Quarters 2000*	*1st Three Quarters 2001*	*Absolute Change*	*1st Three Quarters 2000*	*1st Three Quarters 2001*	*Absolute Change*
Vancouver Island/Coast	330.9	304.9	-7.8%	7.7%	8.9%	1.3%	58.9%	54.5%	-4.4%
Lower Mainland/S.W.	1169.7	1194.1	2.1%	6.4%	6.2%	-0.2%	61.2%	61.6%	0.4%
Thompson/Okanagan	212.3	216.9	2.2%	9.6%	9.4%	-0.2%	55.9%	56.4%	0.5%
Kootenay	72.0	72.0	-0.1%	9.8%	9.1%	-0.7%	58.5%	57.4%	-1.1%
Cariboo	81.0	82.7	2.1%	10.0%	9.7%	-0.4%	60.4%	61.8%	1.3%
North Coast & Nechako	46.6	48.0	3.1%	9.6%	10.5%	0.9%	62.4%	64.5%	2.0%
Northeast	32.6	33.6	3.0%	6.0%	5.8%	-0.3%	68.1%	69.9%	1.8%
B.C. Total	**1945.1**	**1952.2**	**0.4%**	**7.3%**	**7.4%**	**0.1%**	**60.2%**	**59.6%**	**-0.6%**

Infoline

October 26, 2001

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BC at a glance . . .

POPULATION (thousands)	Jul 1/01	% change on one year ago
BC	4,095.9	0.9
Canada	31,081.9	1.0
GDP and INCOME		% change on
(BC - at market prices)	1999	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.) Aug	2,833	-7.5
Merchandise Exports (raw) Aug	2,532	-10.6
Retail Sales (seasonally adjusted) Aug	3,182	5.5
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Sep '01	one year ago
BC	116.7	2.1
Canada	117.4	2.6
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Sep '01	one year ago
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
INTEREST RATES (percent)	Oct 24/01	Oct 25/00
Prime Business Rate	4.50	7.50
Conventional Mortgages - 1 year	4.90	7.90
- 5 year	6.90	8.25
US/CANADA EXCHANGE RATE	Oct 24/01	Oct 25/00
(avg. noon spot rate) Cdn $	1.5745	1.5154
US $ *(reciprocal of the closing rate)*	0.6355	0.6589
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Sep '01	one year ago
BC	645.68	-0.4
Canada	639.50	2.5

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.bankofcanada.ca

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

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

Next week

- No subscription releases

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