

## highlights

a weekly digest of recently released British Columbia statistics

### *The Economy*

- **The number of business bankruptcies in the province soared in October, rising to its highest level in nearly a decade.** There were 117 business failures registered in the province in October, compared to 85 in the same month last year. Bankruptcies have fallen in five of the last eight months, but October's increase boosted the year-to-date total up to 8.0% above the 2000 level for the same period. Nationally, there were 1,040 business bankruptcies in October, up from 891 in the same month last year.

*Source: Industry Canada*

- **There were 840 consumer bankruptcies registered in BC in October, down from 858 a year earlier.** Year-to-date, the number of consumer bankruptcies in the province was up 3.6%, as a long-term trend of rising consumer bankruptcies continued. At the national level, the number of bankruptcies in Canada increased 16.1%, to 7,612, in October, but the long-term trend for all of Canada has been quite flat.

*Source: Industry Canada*

- **Restaurant, caterer and tavern receipts in the province rose 0.4% (seasonally adjusted) in October as business picked up after two months of decline.** Receipts of food service establishments were up 0.2%, while drinking places saw a 2.7% increase in revenue between September and October. Total Canadian receipts increased 0.2% in October.

*Source: Statistics Canada & BC STATS*

- **New motor vehicle sales recovered from a slump in September, rising 6.6% (seasonally adjusted) in October as BC consumers responded to incentives offered by auto makers.** New vehicle sales were up 2.9% at the national level. Every province except PEI

(-0.8%) and Saskatchewan (-0.1%) posted gains.

Year-to-date, new car sales in the province were 6.3% higher than in the first ten months of 2000, while sales of new trucks were off 3.1%. Truck sales have been fairly stable during 2001, but remain well below last year's levels.

*Source: Statistics Canada*

### *Housing*

- **BC housing starts fell 3.6% (seasonally adjusted) in November.** Starts slipped in five provinces, including BC, Alberta (-2.1%) and Quebec (-3.8%), but rose modestly (+2.9%) in Ontario. Canadian starts were down 2.6%.

Despite the recent weakness, BC is set to end the year on an upturn. During the first eleven months of 2001, the number of housing units started in the province was up 20.2% from the same period of 2000. Canadian starts increased 5.6%. After spending years in the doldrums, BC could show the strongest growth in housing starts in the country this year.

*Source: CMHC & BC STATS*

- **CMHC is predicting that the housing resale market in Victoria will take off next year, leading other metropolitan areas with a gain of about 4.5%.** The rental housing vacancy rate in Victoria is expected to be the lowest in Canada (0.5%).

*Source: CMHC Housing Facts*

- **New housing prices in Vancouver (+1.9%) and Victoria (+1.3%) continued to pick up in October, as the market for new housing, particularly in the Vancouver area, showed signs of strengthening.** While land prices remained depressed (they were flat in Vancouver and down 1.1% in Victoria), the building component of the index in both cities was significantly higher

### **Did you know...**

**In 1999, one in three (32%) first-time mothers and one in two (51%) first-time fathers in Canada were over 30 when their child was born. That's up from 14% and 32% in 1983.**

(+2.8% in Vancouver and +2.3% in Victoria) than in October 2000. Canada's new housing price index also rose (+2.8%). Prices were up in every metropolitan region except Windsor (-0.1%) and Sudbury/Thunder Bay (-0.3%).

*Source: Statistics Canada*

### **Capacity Utilization**

- **Capacity use by Canadian goods-producing industries plunged in the third quarter, falling 2.5 percentage points to 79.4% as industries in every major group cut back their production.** The decline was the biggest single-quarter drop on record, and continued a downward trend that began in the third quarter of 2000. Utilization rates in manufacturing fell to 77.4% as 16 of the 21 major groups pulled in the reins. The slump in the high tech sector is making itself felt in the computer and electronic products industry, where capacity use (60.1%) was down a whopping 39.4 percentage points from the peak rate of 99.5% just a year ago. Capacity use was also lower in the forestry (76.6%), mining (76.4%), electric power (83.8%) and construction (87.4%) industries.

*Source: SC, The Daily*

### **Saving for Retirement**

- **At the end of 1999, four out of every ten (663,537) paid workers in BC were covered by an employer-sponsored Registered Pension Plan (RPP).** Nationally, a similar percentage of workers were covered by pension plans. Rates varied significantly among the provinces, with workers in Alberta (32%) being least likely, and those in Newfoundland (50%) most likely, to have RPP coverage. Of the nearly \$1 trillion saved by Canadians in the three main retirement income programs, two-thirds was in RPPs, 26% in RRSPs and 5% in the CPP/QPP fund.
- **Private pension savings (29%) and owner-occupied real estate (32%) comprised the biggest shares of the total assets of Canadian families in 1999.** Nearly 60% of families had RRSPs or RRIFs in 1999, with a median value of \$20,000. Another 47% had assets in employer pension plans, with a median value of \$49,300. This means that half of the families

*Source: SC, The Daily*

had more, and half had less, money socked away in these plans.

Assuming that two-thirds of pre-retirement income is needed to maintain an unchanged standard of living upon retirement, 41% of families (where the spouse with the highest income was aged 45 to 64) with incomes of \$75,000 or more did not have enough savings. In addition, 33% of those with incomes of \$40,000 to \$75,000, and about a quarter of those with incomes between \$20,000 and \$40,000 were in the same boat. About a third of families with an income of less than \$20,000 were likely to remain in straitened circumstances after retiring. Self-employed (21%) workers were less likely to face possible difficulties on retirement than were paid workers (36%).

*Source: SC, The Daily*

### **Alternative Medicine**

- **Alternative medicine has caught on more in western Canada than in the east.** Between 21% and 25% of the adult population in BC and the prairies sought advice from alternative health care practitioners such as chiropractors, massage therapists, acupuncturists, homeopaths and naturopaths in 1998/99. This compares to just 15% in Ontario and Quebec, and from 3-9% in Atlantic Canada. The Canadian average was 17%. Chronic pain seems to be one of the reasons why people seek non-traditional treatments. One in four Canadians who reported suffering from chronic pain had used the services of an alternative practitioner, compared to 15% of those who had no pain. Back problems and chronic digestive, joint and respiratory diseases were other factors drawing people to the use of alternative medicine. A fifth of those in middle to upper income families, and the same percentage of people with college diplomas or university degrees, used alternative medicine. Alternative health care users were more likely than other Canadians to have a regular doctor, to have consulted a specialist, and to have visited a physician 10 times or more in the past year. They were also more likely to use vitamins and food supplements and to avoid fats, salt, and sugar.

*Source: SC, The Daily*

**highlights**, Issue 01-50  
December 14, 2001

## The impact of September 11<sup>th</sup> and the current economic slowdown on the tourism industry

Recent global events have had a dramatic impact on the tourism industry. Although the size of this impact will not be fully known for months preliminary numbers show an industry that has been hard hit.

### Airports

Due to the temporary closure of North American airspace in September, airport passenger volumes were down. However, as October statistics show, the closure of air space was not the only force pushing the numbers downward. Many airlines have cut back schedules as a result of falling demand. Total air passenger traffic at the Vancouver International Airport dropped 19.2% in September compared to September 2000. In Victoria passenger traffic fell 15.3% from the same month last year. Smaller regional airports also saw declines with Prince George down 16.3% and Kelowna falling 12.6%. Passenger numbers for October were also much lower than October 2000 numbers. The Prince George airport saw a 17.4% drop in passenger numbers. Passenger volume also fell in Victoria (-7.5%) and Kelowna (-6.2%).

% year-over-year

| Airport       | Sept.01 | Oct.01 |
|---------------|---------|--------|
| Vancouver     | -19.2   | n/a    |
| Victoria      | -15.3   | -7.5%  |
| Prince George | -16.3   | -17.4% |
| Kelowna       | -12.6   | -6.2%  |

### Accommodation<sup>1</sup>

Despite a 5.0% fall in hotel room rates across the province, occupancy rates dropped 9.9 percentage points in September to reach 64.6%. Hotels in Greater Victoria were amongst the hardest hit from the slumping industry. In September 2000, occupancy rates were 86.6% in Greater Victoria

but stood at 69.0% in September 2001. Occupancy rates in Greater Vancouver dropped 10.9 percentage points with the largest decline in Downtown Vancouver (-14.9 percentage points). Prince George was the only city in the survey to see an increase in occupancy rates. Rates rose 9.7 percentage points from September 2000. This may be due to the need to provide accommodation to travellers whose planes were diverted to the area. It may also be attributable to the 9.5% reduction in the average daily hotel room rate in the city. Compared to other western provinces occupancy rates show that the tourism industry in BC took the largest plunge. Occupancy rates fell only 6.6 percentage points in Alberta and 7.7 percentage points in Saskatchewan.

### Room Revenues

Prior to September room revenues in the province showed sluggish growth. A 1.8% increase in revenues (seasonally adjusted) in the first quarter of the year was followed by a 3.0% decline in the second quarter. The summer months helped boost the slowing industry with revenues up in June, July and August. However, preliminary numbers for September show that accommodation providers are being hard hit by the uncertainty of travellers and the economic slowdown. Seasonally adjusted numbers for September show a 13.6% decline and unadjusted numbers show room revenues down 12.8% from September 2000.

### Visitor Entries

Visitor entries show that international travel dropped dramatically in September. In September 2000, over 858,000 (unadjusted) visitors entered BC, in September of 2001, that number dropped to 704,800.

Visitor entries were not just down in BC, but fell across the country. Total Canadian entries were down 25.4% (seasonally adjusted).

<sup>1</sup> Pannell Kerr Forster provided all data on occupancy rates and average daily hotel rates.

From all the staff at BC STATS a Merry Christmas and best wishes for the New Year to you and your family.

# Infoline

December 14, 2001

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

**Email** transmission information service from **BC STATS**

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

| <h2>BC at a glance . . .</h2>   |                          |                             |
|---|--------------------------|-----------------------------|
| <b>POPULATION (thousands)</b>   |                          | % change on<br>one year ago |
|   | Jul 1/01                 |                             |
| BC  | 4,095.9                  | 0.9                         |
| Canada  | 31,081.9                 | 1.0                         |
| <b>GDP and INCOME</b>   |                          | % change on                 |
| <i>(BC - at market prices)</i>  | 2000                     | one year ago                |
| Gross Domestic Product (GDP) (\$ millions)  | 127,564                  | 5.8                         |
| GDP (\$ 1997 millions)  | 124,464                  | 3.9                         |
| GDP (\$ 1997 per Capita)  | 30,664                   | 3.1                         |
| Personal Disposable Income (\$ 1997 per Capita)   | 25,195                   | 2.8                         |
| <b>TRADE (\$ millions)</b>  |                          |                             |
| Manufacturing Shipments (seas. adj.) Sep  | 2,740                    | -12.9                       |
| Merchandise Exports (raw) Sep   | 2,221                    | -19.4                       |
| Retail Sales (seasonally adjusted) Sep  | 3,166                    | 4.9                         |
| <b>CONSUMER PRICE INDEX</b>   |                          | % change on                 |
| <i>(all items - 1992=100)</i>   | Oct '01                  | one year ago                |
| BC  | 115.8                    | 1.1                         |
| Canada  | 116.8                    | 1.9                         |
| <b>LABOUR FORCE (thousands)</b>   |                          | % change on                 |
| <i>(seasonally adjusted)</i>  | Nov '01                  | one year ago                |
| Labour Force - BC   | 2,103                    | -0.4                        |
| Employed - BC   | 1,924                    | -2.0                        |
| Unemployed - BC   | 179                      | 22.0                        |
|   |                          | Nov '00                     |
| Unemployment Rate - BC (percent)  | 8.5                      | 7.0                         |
| Unemployment Rate - Canada (percent)  | 7.5                      | 6.9                         |
| <b>INTEREST RATES (percent)</b>   | Dec 12/01                | Dec 13/00                   |
| Prime Business Rate   | 4.00                     | 7.50                        |
| Conventional Mortgages - 1 year   | 4.60                     | 7.70                        |
| - 5 year  | 6.85                     | 7.95                        |
| <b>US/CANADA EXCHANGE RATE</b>  | Dec 12/01                | Dec 13/00                   |
| <i>(avg. noon spot rate)</i> Cdn \$   | 1.5654                   | 1.5207                      |
| US \$ (reciprocal of the closing rate)  | 0.6382                   | 0.6571                      |
| <b>AVERAGE WEEKLY WAGE RATE</b>   |                          | % change on                 |
| <i>(industrial aggregate - dollars)</i>   | Nov '01                  | one year ago                |
| BC  | 650.84                   | 1.2                         |
| Canada  | 638.14                   | 2.5                         |
| <b>SOURCES:</b>   |                          |                             |
| Population, Gross Domestic Product, Trade,<br>Prices, Labour Force, Wage Rate                           | } Statistics<br>} 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> |                          |                             |

### Released this week by BC STATS

- Labour Force Statistics, November 2001
- Immigration Highlights, Third Quarter 2001

### Next week

- Business Indicators, December 2001
- Current Statistics, December 2001
- Migration Highlights, Third Quarter 2001