BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

Labour Force

- **British Columbia's unemployment rate dropped 0.3 percentage points in April to 8.7% (seasonally adjusted)** The improvement in the jobless rate was the result of an increase in employment (+0.7%) which more than offset growth in the labour force (+0.4%). Employment growth in Vancouver (+2.2%) was the driving force behind the employment gains made last month. Vancouver's unemployment rate fell from 8.4% in March to 7.7% in April.

  The Canadian unemployment rate fell 0.1 percentage point to 7.6% in April. Both the labour force and employment grew 0.2%. Alberta (5.3%) and Manitoba (5.5%) had the lowest rates of unemployment in the country even though both provinces saw an increase in the incidence of unemployment. Newfoundland and Labrador (15.3%) continued to have the highest jobless rate, although there was an improvement of 1.3 percentage points from March to April *Source: Statistics Canada*

- **All seven regions in the province experienced an increase in unemployment rates in April (3 month moving average) compared to the same month of 2001.** The biggest jump was in North Coast and Nechako (+4.2 percentage points). The area also posted the highest rate (15.8%). The Northeast (7.7%) posted the lowest unemployment rate in the province. Victoria's unemployment rate rose 2.3 percentage points. *Source: Statistics Canada*

- **Full-time employment grew 0.7% (seasonally adjusted) in April and the number of people working part-time rose 0.6%.** Both men (+0.5%) and women (+0.9%) experienced an increase in employment. For men, the increase was seen in full-time (+1.6%) employment. For women, the gain was made in part-time employment (+4.0%). *Source: Statistics Canada*

- **Both the goods (+0.4%) and service sectors (+0.7%) in BC experienced increases in employment in April.** The growth in the goods sector was driven by gains in construction (+2.1%) and utilities (+3.5%). Agricultural industries saw a 12.8% decline in the number of workers. On the service side, employment in retail and wholesale trade industries was up 2.1% and accommodation and food and beverage industries made a 4.0% gain in employment. Transport and warehousing industries saw a 6.6% decline in employment. *Source: Statistics Canada*

The Economy

- **Housing starts in the province slumped (-22.1%) in April, after a 12.4% increase in March.** Nationally, housing starts fell 11.3%, more than offsetting a 9.7% rise in March. Alberta (-24.8%) and BC (-22.1%) saw the largest declines. Saskatchewan (+77.8%) posted the biggest gain. *Source: Canada Mortgage and Housing Corporation*

- **In Vancouver there was a 32.3% (unadjusted) drop in housing starts in April, compared to April 2001.** Slumping starts on mulitple units (-67.8%) outweighed the jump in single detached units (+91.9%). Housing starts in Victoria were down 32.4%, as multiple unit starts fell 80.0%. Overall, housing starts in urban areas of the province were down 16.0%. *Source: Canada Mortgage and Housing Corporation*

- **Vancouver's new housing price index grew 3.0% in March compared to March 2001.** For Victoria, the index showed a 0.7% increase in

Report **Manufacturers' Expectations**

Did you know...
Between 1990 and 1999, the number of Canadian workers who regularly used a computer on the job doubled from 30% to 60%.

new housing prices. Across the country, the index was up 3.3%. Ottawa-Gatineau had the biggest increase (+6.1%). *Source: Statistics Canada*

- **The value of building permits in the province slipped 1.0% in March.** Strong growth in non-residential permits (+11.2%) was outweighed by slumping residential permits (-5.0%). In Vancouver, the value of building permits jumped 6.7%, but in Victoria there was a 9.5% decline.

  In the first quarter of 2002, the value of building permits climbed 187.2% in Nechako, compared to the first three months of 2001. North Coast also saw large gains (+102.1%). The value of building permits in Mainland/Southwest (+1.1%) and Vancouver Island Coast (+18.2%) was also up. Thompson/Okanagan (-22.0%), Kootenay (-35.5%) and Northeast (-47.3%) saw declines.
  Source: Canada Mortgage and Housing Corporation

Tourism

- **Hotel occupancy rates fell 5.0 percentage points in March compared to March 2001.** The overall rate for the province was 58.9%. Greater Vancouver saw one of the largest declines as occupancy rates fell 9.9 percentage points. Kamloops was one of few cities to experience an increase (+2.9 percentage points). On Vancouver Island the occupancy rate was 64.2%, down from 65.6% a year earlier.
  Source: Pannell Kerr Forester

Life Expectancy

- **Both men and women born in the province in 1999 are expected to live longer than those born in other parts of Canada.** Life expectancy at birth for men in BC reached 77.3 years and for women, 82.6 years. Males born in 1999 saw a 0.4% increase in life expectancy over those born in 1998, and life expectancy for females jumped 0.6%. The Canadian average life expectancy at birth was 76.3 years for men and 81.7 years for women. Both males (67.7 years) and females (70.2) years in Nunavut had the lowest life expectancy rate in the country. The gender gap was the largest in Saskatchewan where women were expected to live 6.4 years longer than men. *Source: Statistics Canada*

Deaths

- **In 1999, 36% of deaths in Canada were caused by diseases of the circulatory system and 28% (61,650) of deaths were due to malignant neoplasms (cancer).** Over half of cancer (51%) deaths were from patients with either lung, colorectal, female breast or prostate cancer. Human immunodeficiency virus (HIV) deaths fell to 11%, the lowest level since 1987. The number of women who died as a result of the disease was down 6%, and the number of men who died from HIV fell 12%. Suicide deaths were up 10%, as both male and female suicide deaths increased. Infant mortality rates remained constant in 1999, at 5.3 deaths for every 1,000 live births. This follows 5 years of declines. *Source: Statistics Canada*

Stillbirths

- **The number of stillbirths (gestational age of 20 weeks or more) per 1,000 total births rose slightly in 1999 from 5.8 to 6.1.** The rate was the highest among teenaged women and women aged 35 and older at 7.3 and 8.3 respectively. Mothers between the ages of 20 to 34 experienced the lowest stillbirth rate at 5.5 per 1,000 births. Infant boys (5.7 deaths per 1,000 live births) had a higher infant mortality rates than their female counter parts (4.8 deaths per 1,000 live births). *Source: Statistics Canada*

Obesity and Physical Activity

- **The number of obese people in the province increased by 33% from 1994/1995 to 2000/01.** At the same time, the number of people who were moderately physically active increased 12%. Overall, 12% of people in BC were obese even though 49% of British Columbians were classified as moderately active or active. Across Canada, 15% of Canadians were obese. The highest rate of obesity occurred in Nunavut (23%). A total of 43% of Canadians were at least moderately active in 2000/01. Yukon had the highest percent of moderately active or active people (58%) *Source: Statistics Canada*

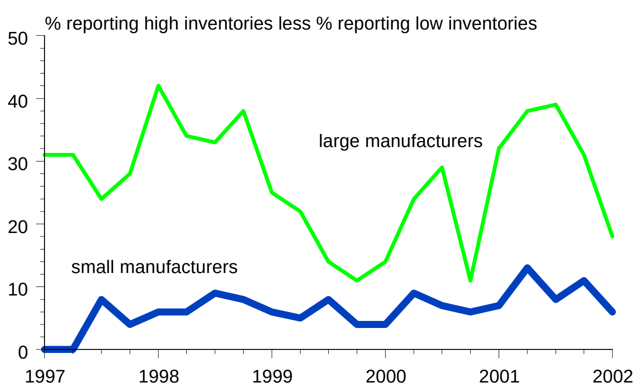
Expectations of Manufacturers Showing Signs of Improvement

At the beginning of every quarter, Statistics Canada surveys Canadian manufacturers for their opinions regarding current business conditions. The results of the most recent *Business Conditions Survey* done in January suggest that manufacturers in British Columbia are somewhat more optimistic compared to the bleak expectations for 2001. However, many manufacturers still report problems.

Inventories

On balance, manufacturers in BC feel that inventories are too high.[1] Although the percentage of producers reporting high inventories has fallen from the 35 to 40 percent range reported during 2001, there are still 24% of manufacturers that feel inventories need to be brought down.

The balance of opinion is that inventories are too high, particularly for large manufacturers

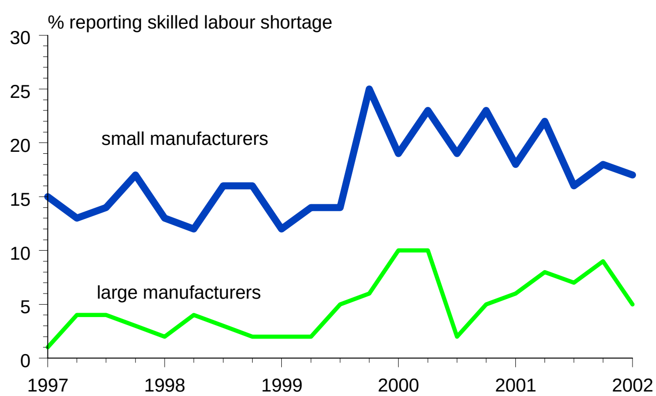


Larger manufacturers (with annual shipments of $10 million or more) are far more likely to carry excess inventories than are smaller producers. Most of the improvement in satisfaction with inventory levels was with the larger manufacturers, with the percentage of those feeling inventories were too high dropping from 41% in the fourth quarter of 2001 to 25% in the first quarter of 2002. The balance of opinion of larger manufacturers (i.e., the percentage point difference between those feeling inventories are too high and those feeling inventories are too low) fell from 31 to 18.

Production difficulties

There was a slight improvement in the incidence of production impediments, with 64% of all BC manufacturers surveyed reporting no production difficulties, up from 62% in the previous quarter. Reported difficulties included working capital shortage (9% of all manufacturers), raw material shortage (9%), labour shortage (6% skilled, 1% unskilled) and other problems (17%). Once again there is a significant difference between the problems experienced by larger and smaller manufacturers. Labour shortages, particularly skilled labour, are more prone to affect smaller producers, with 21% reporting a shortage of labour (17% skilled, 4% unskilled), compared to only 6% of larger manufacturers (5% skilled, 1% unskilled). This is likely due to the fact that the larger producers can afford to pay higher wages and therefore tend to attract a greater portion of the available skilled workers.

Small manufacturers are more likely to experience a shortage of skilled labour



[1] Note that all figures quoted in this article are seasonally adjusted except for sources of production difficulties.

Despite the fact that a significant portion of manufacturers report labour shortages, only 5% of the companies surveyed suggested that they were looking to increase employment, and all of these were firms with less than 300 employees. In fact, the balance of opinion was that employment would contract, with 20% reporting that they were looking to reduce their workforce.

Orders

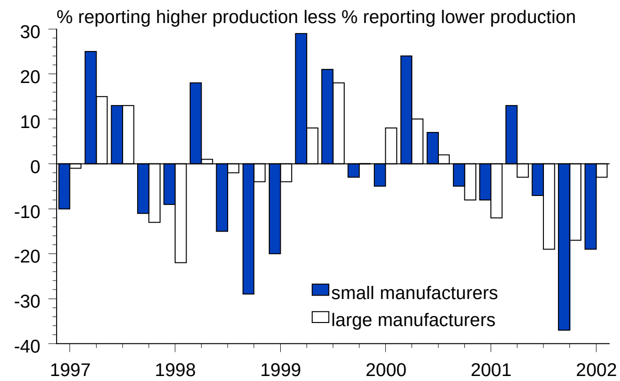
Although on balance more manufacturers expected the number of new orders to fall than to rise, far fewer companies were predicting a decline in new orders compared to the previous quarter and more firms thought orders would increase. In the fourth quarter of 2001, 49% of manufacturers were concerned about falling orders, and 10% believed the number of new orders was rising for a difference of 39 percentage points. In the first quarter of 2002, only 24% reported falling orders and 17% suggested orders were increasing, for a net difference of only 7 percentage points. Most of the improvement occurred for the larger manufacturers whose balance of opinion changed from -39 (percent of orders rising minus falling) to -5. In fact, for smaller manufacturers, the balance of opinion dropped to -30 from -28.

There was also some improvement in the percentage of producers reporting a backlog of unfilled orders. The balance of opinion increased 18 points from -48 to -30.

Production Volume

There were still more manufacturers planning to cut production (20%) than those expecting to increase production (16%), although the balance of opinion (-4) was significantly improved from that in the fourth quarter of 2001 (-19).

The balance of opinion for expected volume of production varies depending on the size of the manufacturer



Smaller producers tended to be more pessimistic on the whole with regard to anticipated production levels. Compared to larger firms where only 18% expected to reduce production, 38% of smaller firms reported that inclination, a difference of 20 percentage points. The balance of opinion varied from -19 for smaller manufacturers to -3 for the larger producers.

Outlook

Although the balance of opinion for manufacturers in British Columbia is that inventories are too high, new orders are declining and production levels will fall, the outlook is far better than it was three months earlier. More producers are reporting a rise in the number of new orders and an anticipation of ramping up production compared to the previous quarter. This may be an indication that the economy is starting to work its way out of a recession and toward recovery.

Infoline

May 10, 2002

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BC at a glance . . .

POPULATION (thousands)	Jan 1/01	% change on one year ago
BC	4,108.0	0.9
Canada	31,185.8	0.9
GDP and INCOME		
(BC - at market prices)	2001	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	130,396	2.2
GDP *($ 1997 millions)*	125,534	0.9
GDP *($ 1997 per Capita)*	30,648	-0.1
Personal Disposable Income *($ 1997 per Capita)*	19,177	0.8
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Feb	2,801	-5.6
Merchandise Exports (raw) Feb	2,145	-23.2
Retail Sales (seasonally adjusted) Feb	3,320	6.4
CONSUMER PRICE INDEX		
(all items - 1992=100)	Mar '02	% change on one year ago
BC	116.6	2.9
Canada	117.7	1.8
LABOUR FORCE (thousands)		
(seasonally adjusted)	Apr '02	% change on one year ago
Labour Force - BC	2,139	1.7
Employed - BC	1,953	-0.2
Unemployed - BC	187	26.7
		Apr '01
Unemployment Rate - BC *(percent)*	8.7	7.0
Unemployment Rate - Canada *(percent)*	7.6	7.0
INTEREST RATES (percent)	May 8/02	May 9/01
Prime Business Rate	4.00	6.50
Conventional Mortgages - 1 year	5.40	6.70
- 5 year	7.45	7.50
US/CANADA EXCHANGE RATE	May 8/02	May 9/01
(avg. noon spot rate) Cdn $	1.5705	1.5404
US $ *(reciprocal of the closing rate)*	0.6364	0.6500
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Apr '02	% change on one year ago
BC	668.06	2.7
Canada	650.90	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

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