

highlights

a weekly digest of recently released British Columbia statistics

Labour Force

- **Employment in British Columbia increased by 16,000 (seasonally adjusted) last month, up 0.8% since June.** The almost 5,000 people who entered the labour force represented an increase of only 0.2%, and a growth in the participation rate of only 0.1 percentage points since last month. The unemployment rate continued to drop in July from 8.7% in June to 8.2%, after it dived from 9.5% in May. However, the current unemployment rate is still 0.8 percentage points higher than in July of 2001.
- The net number of part-time jobs advanced less than that of full-time jobs (6,000 compared to 10,000). Part-time employment was mainly responsible for the increase in female employment, while most of the new jobs for men were full-time. The combined effect was a small increase (from 22.5% to 22.6%) in part-time employment's share of the total. *Source: Statistics Canada*
- Goods producing industries led the growth in employment. The number of jobs rose 2.3% in these industries, compared to only 0.4% in the service sector. Utilities (-7.3%) and agriculture (-1.3%) experienced contractions in employment, while manufacturing employment advanced 2.9%, and construction gained 2.5%. In the service sector, transportation and warehousing (4.7%) and public administration (4.6%) employment grew the most, in sharp contrast to professional, scientific and technical services (-4.4%), education (-1.0%) and accommodation (-0.9%). *Source: Statistics Canada*
- Public employment led employment growth in July, advancing 2.2% since last month, versus an increase of 0.8% for the private sector. This is almost the reverse of last month's situation,

when private sector employment surged ahead by 1.9%, while public sector employment advanced by 0.8%. After small increases in the previous four months, the number of self-employed dropped in BC by 0.5% in July.

Source: Statistics Canada

While BC seasonally adjusted unemployment went down since June (5.9%), the actual number of unemployed grew by 2,700 people.

Employment grew for men of all ages by 20,000, but dropped for women by 8,000 (actual data). Unlike for men, where all age groups experienced job gains, youth is the only age group that saw a hike in employment for women. There are 9,400 more women aged 15-24 working than last month.

- The three-month moving average of the unemployment rate was lower for Victoria (7.0%) and Vancouver (7.9%) than the equivalent figure for BC (8.6%). Vancouver Island/Coast, Mainland/Southwest and Kootenay were the development regions where the three-month moving average unemployment rate was lower than the provincial average. Cariboo had the highest average unemployment rate, at 13.7%. *Source: Statistics Canada*
- Canada's unemployment rate edged up 0.1 percentage points (seasonally adjusted), in spite of employment growth of 23,000 jobs in July. This is due to a swelling of the labour force of 0.2%. Employment growth was strongest in Alberta (1.6%) and British Columbia (0.8%), while the number of people employed dropped in five provinces, with Newfoundland listing the largest decline (0.8%). *Source: Statistics Canada*

Did you know...

Summer job opportunities for students improved in Canada this July, reaching the highest employment rate in ten years.

Help Wanted

- **British Columbia's July 2002 help wanted index increased slightly since June (1.6%), but is still 16.7% lower than in July of 2001 (97.9 compared to 117.5).** Canada's help wanted index is also lower than in July of 2001 (by 13.9%). Relative to the 1996 base year of the index, the July 2002 number of help wanted adds is higher in Canada (128.3), but lower in BC (97.9). However, caution is advised in using the July help wanted index for BC. Due to the recent newspaper strike in Vancouver, the number of help wanted adds was not available. A modeled estimate was used instead.

Source : Statistics Canada

Building Permits

- **The June 2002 seasonally adjusted building permit figures released by Statistics Canada this week show substantial increases since last month for British Columbia building permits, both residential (7.4%) and non-residential (30.9%)** This performance owes to large increases in industrial (50.8%) and commercial (75.5%) values of building permits in areas of British Columbia with population of more than 10,000. June building permits in Vancouver have jumped in value by 28.7% on a monthly basis, while Victoria values have dropped by 8.6%.

This month's growth in the value of BC non-residential building permits can be better thought of as the beginning of a recovery from last year. Compared to the first half of 2001, the 2002 January to June value of non-residential building permits is 28.5% lower. Institutional and governmental permits in BC areas with population of more than 10,000 especially contrast with last year's January to June figures, having registered a decline in value of 43.1%. The industrial and commercial sectors followed suit, sinking by 18.2% and 20.1% respectively compared to the first half of last year.

The May to June increase in non-residential building permits is fueled by low interest rates and better prospects for corporate profits. Low

interest rates have had a much stronger effect on residential housing. Favourable mortgage rates combined with low vacancy rates and strong employment numbers boosted the value of residential building permits 36.5% in the first six months of 2002 compared to the same period of 2001.

- BC indicators matched Canadian trends quite closely. However, relative to the first half of 2001, BC's 2002 half-year decline in non-residential building permits is steeper than the Canadian average (-28.5% compared to -9.4%). Nevertheless, the May to June 2002 increase in the value of non-residential building permits is stronger in BC than in Canada. In terms of residential building permits, Canada registered a small drop for the second consecutive month, whereas BC's performance improved by 7.4%.

Source : Statistics Canada

Housing Starts

- **The number of housing starts in urban BC increased by 27.7%, reaching 1,915 in July.** Rural areas of BC had a higher growth rate (100.5%), while the actual number of starts was only 403. Prince George and Victoria experienced the highest growth (171.4% and 126.2% respectively), while Vancouver housing starts expanded by only 4.5%. Both total BC single detached and multiple starts increased, but single detached starts led the trend, rising in every region, while multiples actually dropped in Prince George and Vancouver over July of last year.
- Year-to-date housing starts increased by 19.7% in urban BC, with a high of 150% in Prince George and a low of 1.7% in Vancouver. This performance is due to a slower than expected increase in mortgage rates. The demand for housing is predicted to show similar robustness until the end of the year.

Source: CMHC

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The B.C. Labour Market—Second Quarter 2002

Summary . . . Seasonally-adjusted employment in British Columbia rose 18,200 in the second quarter of 2002 from the first quarter of 2002. This is the second consecutive quarterly employment increase, reversing the fall in employment seen throughout most of 2001.

The rise in employment was slightly out-paced by labour force growth, which nudged up the unemployment rate to 9.0 per cent for the second quarter of 2002 from 8.9 per cent in the previous quarter. The unemployment rate has risen two percentage points since the first half of 2001.

Goods-sector employment was down 3.3 per cent from the second quarter of 2001. Services-sector employment was up slightly from the same quarter a year ago (up 0.6 per cent).

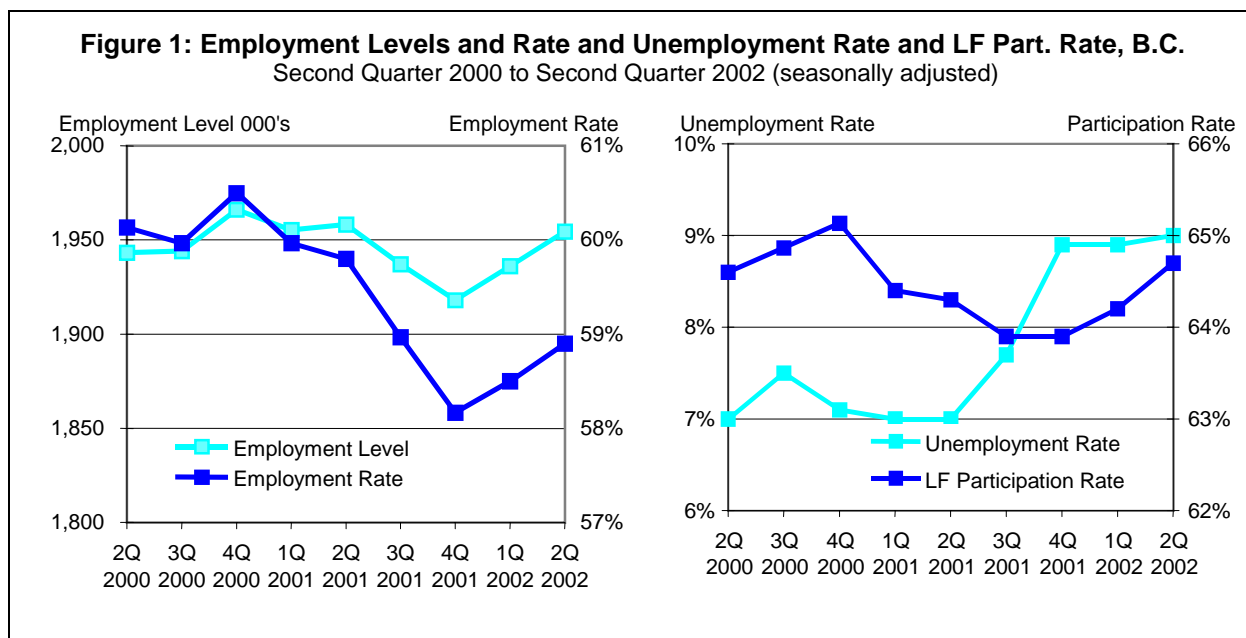
Regionally, actual data for the second quarter of 2002 compared to the same period in 2001 showed some improvement for the Vancouver Island/Coast region but generally weaker labour market conditions for most other regions on this year-over-year basis.

Employment and Employment Rates . . .

The left hand graph in Figure 1 notes employment increased by 18,300 in the second quarter following the 18,200 increase in the first quarter. This brings employment back to near the level seen a year ago. Employment for women increased 10,900 in the latest quarter while employment for men increased by 7,400. The proportion of persons aged 15 and older who were employed (employment rate) rose to 58.9 per cent from 58.5 per cent in the first quarter of 2002, but remains down from 60.5 per cent in the fourth quarter of 2000.

Unemployment and Labour Force Participation

Participation . . . The unemployment rate remained relatively steady at 9.0 per cent in the second quarter of 2002. This represents a pause in the latest three quarters after a jump of two percentage points in mid-2001 (see Figure 1 right-hand graph). The unemployment rate in the second quarter of 2002 was 9.6 per cent for men and 8.3 per cent for women.



The right-hand graph also shows that the labour force participation rate rose to 64.7 per cent in the latest quarter, from 64.2 per cent in the first quarter 2002. The rise in labour force participation along with higher employment and a flattening unemployment rate suggest improving labour market conditions.

Employment by Industrial Classification . . .

Figure 2 shows quarterly net changes by industry in seasonally-adjusted employment over the last four quarters. The final column notes the percentage change in average employment levels comparing the second quarter of 2002 to the second quarter of 2001.

Employment in the *goods sector* continued to have positive growth for the second quarter in a row, reversing the declining trend seen in the previous six quarters. For the latest quarter, employment increases in agriculture, construction and manufacturing more than offset declines in other primary products (which includes the logging, fishing, mining, oil and gas sub-sectors).

On a year-over-year basis, employment in the goods sector was down 3.3 per cent from the second quarter 2001, which in net terms represented an employment decrease of 13,100. Within goods, only agriculture employment increased over the last year.

Employment change in the *services sector* was also positive (up 13,900) in the second quarter 2002 from the first quarter 2002. Retail and wholesale trade recorded the most significant employment increase in the second quarter offsetting a decrease in the previous quarter.

Over the last year, services-sector employment gains in three of the last four quarters resulted in a net four-quarter gain of 9,400. The education and health sectors saw the strongest percentage growth among services over the last year. By contrast, the public administration sector saw the greatest percentage decrease in service sector employment over the last year and is the only services sector industry which sustained an employment loss in each of the last four quarters.

Figure 2: B.C. Employment by Industrial Classification
Second Quarter 2001 to Second Quarter 2002 (seasonally adjusted)

	Employment Level 2Q02 (000's)	Net Change from previous quarter				Per Cent Change 2Q01-Q02
		3Q01	4Q01	1Q02	2Q02	
Total	1,954.4	-21,000	-19,100	18,200	18,300	-0.2%
Goods Sector	386.7	-8,100	-21,300	11,900	4,400	-3.3%
Agriculture	27.8	400	-200	-300	2,700	10.3%
Other Primary	36.2	2,600	-3,400	-1,400	-3,100	-12.9%
Utilities	13.0	-500	-1,600	1,200	1,000	0.0%
Construction	116.2	-2,300	-4,700	2,800	1,500	-2.3%
Manufacturing	193.4	-8,400	-11,300	9,600	2,400	-3.8%
Service Sector	1,567.8	-12,900	2,200	6,300	13,900	0.6%
Retail & Wholesale Trade	318.8	3,700	7,700	-9,500	10,800	4.0%
Transportation & Warehousing	106.2	700	-2,700	1,200	600	-0.2%
Finance, Insur. & Real Estate	112.9	-5,100	-6,300	3,800	400	-5.9%
Prof. Scientific & Technical	136.1	-2,600	-6,000	900	-1,800	-6.5%
Management of Companies	77.3	-2,300	1,100	-500	3,100	1.8%
Education Services	141.2	600	7,900	-4,200	3,500	5.8%
Health & Social Assistance	216.2	2,000	-4,400	8,200	3,900	4.7%
Information, Culture & rec.	102.6	-2,900	500	1,600	-2,800	-3.4%
Accommodation & Food	175.9	-3,900	4,600	6,400	-800	3.7%
Other Services	98.9	-100	1,200	3,100	-2,200	2.0%
Public Administration	81.7	-3,000	-1,300	-4,700	-800	-10.8%

Full and Part-time Employment . . . Figure 3 shows that seasonally-adjusted full-time employment rose in the latest quarter and has stabilized after four consecutive quarterly declines in 2001. *Full-time employment* is down by 48,000 from its peak in the fourth quarter of 2000. Comparing the second quarter to the first quarter of 2002, full-time employment increases of 18,600 were shared by men (up 12,700) and women (up 5,900).

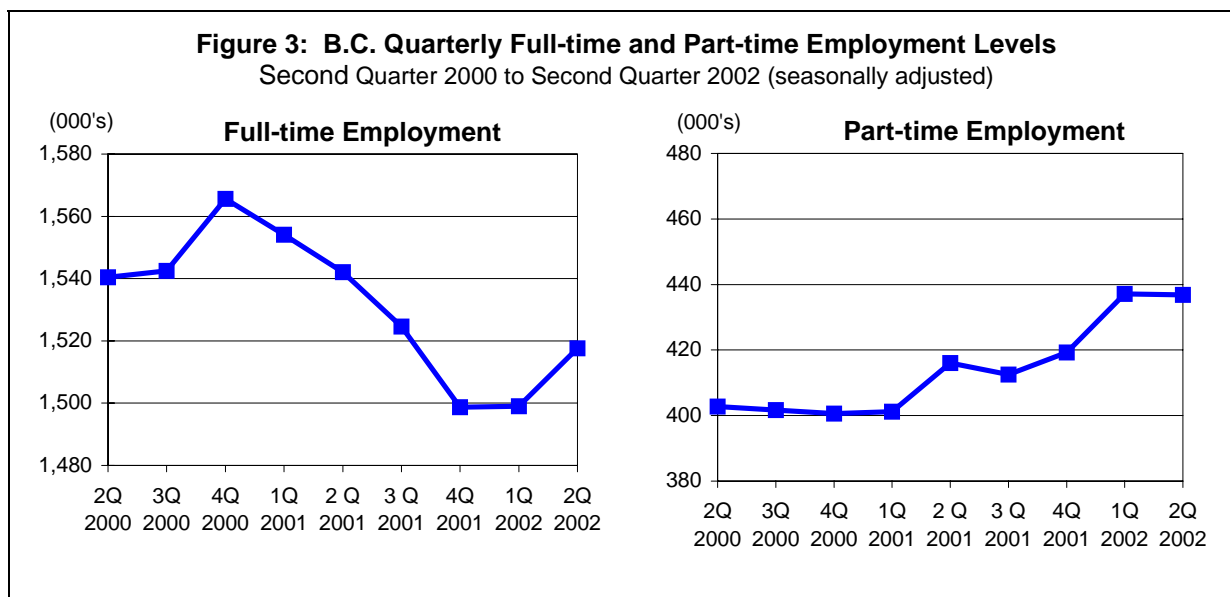
Overall *part-time employment* (those working less than 30 hours per week) was flat in the second quarter of 2002 breaking an upward trend over the last four quarters. Men were responsible for the decrease in part-time employment in the second quarter offsetting an almost equal increase for women.

When comparing the second quarters of 2002 and 2001, full-time employment in B.C. was down by 24,800 (1.6 per cent) while part-time employment was up by 20,800 (5.0 per cent). On this same year-over-year quarterly basis, men accounted for two-thirds of the full-time employment losses, and half 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) remained relatively flat at 7.9 per cent in the second quarter of 2002. Until early 2001, adult unemployment rates had been holding steady at an average of about 6.0 per cent since early 2000. The youth unemployment rate in B.C. has also leveled out in 2002. After a dip in 2001, youth unemployment rates have returned to levels seen in mid-2000.

The adult labour force participation rate has remained relatively level in the past two years (see Figure 4 right-hand graph). The youth labour force participation rate has been rising over the last three quarters but has yet to regain levels seen in mid-2000.

An increase in the labour force participation rate by both youth and adults along with stabilization in unemployment rates over the last two quarters suggest labour market conditions have started to recover following a difficult year in 2001.



Regional . . . Actual estimates for labour market levels and changes by development region are noted in Figure 5 which compares the second quarter of 2002 to the same period in 2001. Seasonally-adjusted data is not available on a regional basis from Statistics Canada.

Positive actual *employment* growth for the second quarter of 2002 from the same period in 2001 was strongest in the Vancouver Island/Coast region of B.C. Employment was also up moderately in the Mainland/Southwest and Cariboo regions. This was offset by decreases in the other four regions, resulting in an actual increase in provincial employment of 0.1 per cent over this time period.

Employment in the Vancouver Island/Coast region for the latest quarter was up by 7,200 from the second quarter in 2001. However, in spite of this recovery, employment in the region is still down by 15,800 from two years ago. Over 73 per cent of this decrease over the last two years was felt outside the Victoria Metro area. Employment in the Mainland/Southwest region is up

by 10,600 (0.8 per cent) since the second quarter of 2001.

Actual average *unemployment rates* for the second quarter of 2002 compared to the same quarter in 2001 rose in all regions of B.C. except Vancouver Island/Coast. Unemployment rates are considerably higher in the northern regions of B.C. and have experienced the most change over the past four quarters.

With the exception of Vancouver Island/Coast, all regions experienced a drop in the proportion of the working age population who were employed (employment/population ratio). The Kootenay region experienced the greatest decline in employment rate with about 53 per cent of the population employed compared to a B.C. average of 59.3 per cent.

While the actual data by region for the latest quarter suggest conditions remain down from the second quarter of 2001, the aggregate data reviewed earlier on a seasonally-adjusted basis suggest a number of regions have likely seen improvements since the fourth quarter of 2001.

Figure 4: B.C. Youth and Adult Unemployment Rates and Labour Force Participation Rates
Second Quarter 2000 to Second Quarter 2002 (seasonally adjusted)

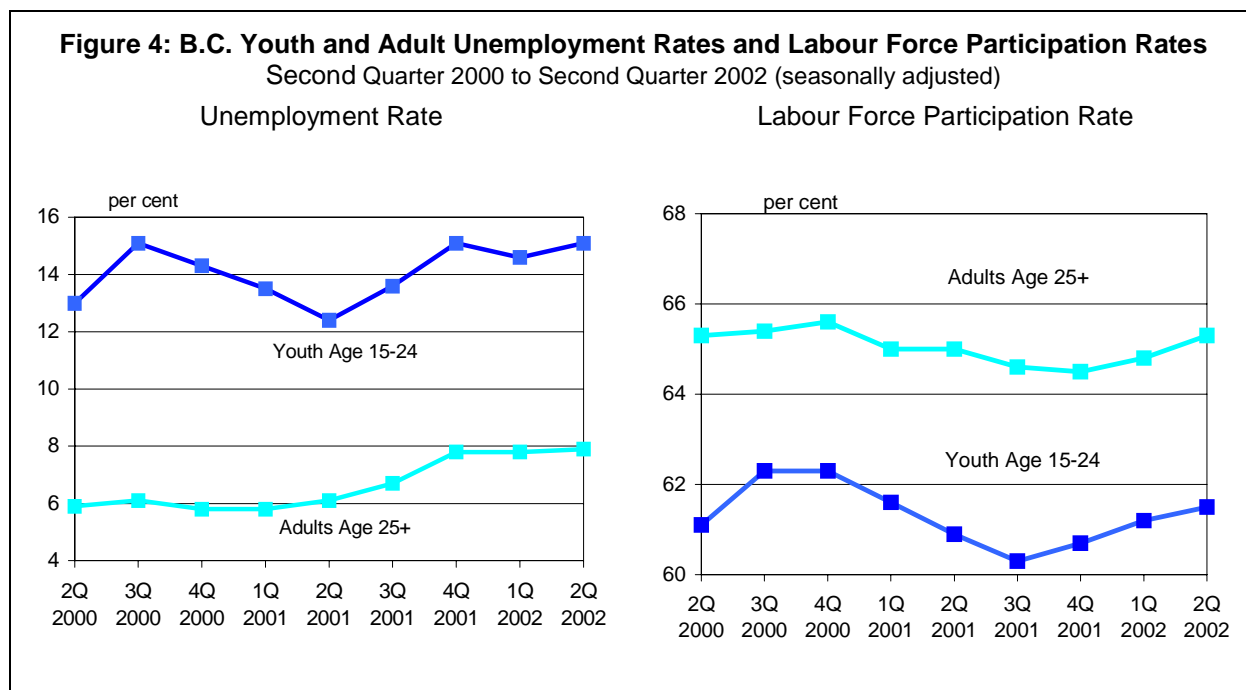


Figure 5 - Regional Labour Market Changes
 Second Quarter 2001 vs. Second Quarter 2001, Actual

Development Regions	Employment (000's)			Unemployment Rate			Employment/Population Ratio		
	2nd	2nd	%	2nd	2nd	Absolute	2nd	2nd	Absolute
Vancouver Island/Coast	309.9	317.1	2.3%	8.5%	8.4%	-0.1%	54.9%	55.7%	0.8%
Mainland/Southwest	1205.2	1214.8	0.8%	5.7%	8.0%	2.3%	62.0%	61.5%	-0.5%
Thompson/Okanagan	218.7	212.8	-2.7%	8.5%	10.1%	1.6%	56.9%	54.4%	-2.5%
Kootenay	72.0	66.5	-7.7%	9.2%	9.9%	0.7%	58.1%	53.0%	-5.1%
Cariboo	80.4	80.8	0.5%	10.5%	13.6%	3.1%	59.6%	59.4%	-0.2%
North Coast/Nechako	48.3	45.4	-6.1%	10.0%	15.1%	5.1%	65.1%	60.8%	-4.3%
Northeast	34.5	32.8	-4.9%	5.7%	11.7%	6.0%	71.7%	68.1%	-3.6%
B.C. Total	1969.1	1970.2	0.1%	6.9%	8.8%	1.9%	60.1%	59.3%	-0.8%

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BC at a glance . . .

POPULATION (thousands)	Apr 1/02	% change on one year ago
BC	4,118.1	0.9
Canada	31,260.4	0.9
GDP and INCOME	2001	% change on one year ago
<i>(BC - at market prices)</i>		
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.) May	2,916	-1.7
Merchandise Exports (raw) May	2,614	-1.8
Retail Sales (seasonally adjusted) May	3,359	6.3
CONSUMER PRICE INDEX	Jun '02	% change on one year ago
<i>(all items - 1992=100)</i>		
BC	118.2	1.6
Canada	119.0	1.3
LABOUR FORCE (thousands)	Jul '02	% change on one year ago
<i>(seasonally adjusted)</i>		
Labour Force - BC	2,162	2.7
Employed - BC	1,985	1.8
Unemployed - BC	178	14.7
		Jul '01
Unemployment Rate - BC (percent)	8.2	7.4
Unemployment Rate - Canada (percent)	7.6	7.1
INTEREST RATES (percent)	Aug 7/02	Aug 8/01
Prime Business Rate	4.50	6.00
Conventional Mortgages - 1 year	5.35	6.45
- 5 year	6.85	7.75
US/CANADA EXCHANGE RATE	Aug 7/02	Aug 8/01
<i>(avg. noon spot rate) Cdn \$</i>	1.5808	1.5334
<i>US \$ (reciprocal of the closing rate)</i>	0.6341	0.6515
AVERAGE WEEKLY WAGE RATE	Jul '02	% change on one year ago
<i>(industrial aggregate - dollars)</i>		
BC	663.53	3.9
Canada	648.92	2.8
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.bankofcanada.ca		

New on our Web Site!

SOCIO-ECONOMIC INDICES

... providing comparisons across regions of the province on indicators of human economic hardship, crime, health problems, education concerns, and for two target groups - children at risk and youth at risk. The indices have been designed to aid analysts in their knowledge and understanding of regional conditions. Regional Districts and Local Health Areas are compared on maps and graphs, with supporting and supplementary data in table format.

Also on our site are Socio-Economic Profiles, each a 9 page presentation in table and graph format of indicators for Regional Districts, Local health Areas and College regions are available.

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Released this week by BC STATS

- Tourism Sector Monitor, July 2002

Next week

- Labour Force Statistics, July 2002