

- Housing starts fall in March.
- Life expectancy in BC once again the highest in the country.
- New housing prices continue to rise.

The Economy

- **Exports of BC products increased 10.6% in February, compared to the same period of 2002.** Energy exports almost doubled (+90.7%) while exports of forestry products declined 9.1%. Industrial goods (+29.2%) and agricultural and fishing products (+13.9%) also made gains. *Source: Statistics Canada*

- **Investment in non-residential building construction fell 1.3% (seasonally adjusted) in the first quarter of 2003 despite increases in both Vancouver (+4.3%) and Victoria (+1.3%).** Nationally, investment grew 1.0% to reach \$6.4 billion. Nunavut (+24.7%) and Manitoba (+14.6%) posted the largest gain (+14.6%) while Prince Edward Island (-18.9%) saw the biggest decline. *Source: Statistics Canada*

- **The value of building permits issued by BC municipalities dropped 27.2% (seasonally adjusted) in February as planned spending on both residential (-17.8%) and non-residential (-44.6%) projects declined.** The value of building permits in both Vancouver (-33.6%) and Victoria (-14.6%) fell. *Source: Statistics Canada*

Housing

- **Housing starts in the province dropped 7.7% in March (seasonally adjusted) after jumping 23.0% in February.** Across the country, housing starts fell 14.5%. Starts in Nova Scotia soared (+231.7%) while starts in Ontario declined 35.5%. *Source: CMHC*
- **The cost of new housing in BC's biggest cities was up in February.** The New Housing Price Index rose 2.7% in Vancouver where housing prices increased (+4.5%) and land prices remained flat (+0.1%). New housing

prices climbed 6.5% in Victoria compared to the same month of 2002. Both housing (7.8%) and land (5.7%) prices were up. Nationally, new housing prices grew 5.1% with Montreal (+10.1%) and Quebec (+9.5%) posting the largest gains. *Source: Statistics Canada*

Government Finance

- **On December 31, 2000, the net surplus of local governments in the province was \$2.4 billion up from \$1.9 billion in 1999.** The financial situation of local governments has improved since the mid-1990s when their total debt was \$2.7 billion. This is mainly due to a change, introduced in 1998/99, in the way borrowing to finance schools and transit systems is recorded. In 1998 and 1999, loans to local government in the province were forgiven which is the main reason for the change. On a per capita basis, the surplus for local governments was \$598. Across the country, the largest per capita surplus was in Yukon (\$700 per capita) while the biggest per capita debt was in Quebec (\$1,994 per capita). *Source: Statistics Canada, Financial Management System data*

Retail Trade

- **Operating revenues of the 25,546 retail stores in BC grew 5.8% to \$45.7 billion in 2001.** Nationally, revenues climbed 7.3% to \$339.0 billion. Independent retail outlets (outlets with less than four locations) accounted for 61% of total Canadian revenues. Pharmacies and personal care stores saw the largest increase in operating revenues (+13.2%). Specialized building material and garden centres (-15.2%), shoe, jewellery and luggage stores (-4.9%) and sporting goods, hobby, book and music stores (-0.7%) saw the only declines. *Source: Statistics Canada*

Did you know...

Half of Canadian manufacturing plants that were operating in 1988 were no longer operating in 1997.

Computer and Telecommunications

- **The information and communication technology sector in Canada accounted for \$58.7 billion of Canadian GDP in 2002.** Employment in the sector made up 3.9% of total Canadian employment, down from 4.2% in the previous year. Since 1990, the number of people working in the information and communication technology sector has grown 66.0%. The number of males working in the sector grew 74.9%, while employment growth for females was 50.8%. Employment in computer systems design and related services climbed 349.2% from 1990-2002.

Source: SC Catalogue 56-F0004-MPE No. 9

Electronic Commerce and Technology

- **Private and public online sales in Canada grew 27.2% in 2002, following a 46.0% gain in the previous year.** The private sector accounted for almost all (97%) of the sales. Within the private sector, internet sales made up 0.6% of total operating revenue. Only 8% of private sector businesses sold goods or services online in 2002, but 32% used the internet to make purchases of goods and services. For the public sector, sales over the internet fell 8%. However, 14% of institutions sold goods or services over the internet, up from 13% in 2001. The proportion of public sector institutions making purchases over the internet rose to 65% in 2002, up from 55% in the previous year.

Source: Statistics Canada

Home Purchases

- **In 2002, 11% of households in Vancouver stated that they intended to purchase a home within the next year.** In Canada's top 5 centres (Vancouver, Calgary, Montreal, Toronto and Halifax), 11% of households surveyed stated their intention to purchase a home. Of these, 32% said that they planned to buy a newly built house. Half (49%) of those intending to purchase a home are under the age of 35. Single person households (19%) and two-person households (29%) made up almost half of potential buyers. In Vancouver and Calgary, 20% of buyers plan to purchase a condominium. Potential buyers

in Vancouver plan to spend an average of \$285,000 on a home, the highest of the five cities surveyed.

Source: CMHC

Housing-Related Exports

- **Canadian exports of housing-related building products rose 1.2% in 2002 to reach \$8.4 billion.** Most of the exports (94%) were headed to the United States. Ontario was the largest source of housing-related building material exports (41%), followed by Quebec (24%) and BC-Yukon (19%).

Source: CMHC

Life Expectancy

- **British Columbia once again had the highest life-expectancy rate for both males and females in 2000.** Men had a life expectancy of 78.2 years, while females could expect to live 82.9 years. Nationally, men born in 2000 had a life expectancy of 76.7 years while women born in the same year could expect to live for 82.0 years. The difference between life expectancy in males and females continued to decline, with the gap at 5.2 years, down from 5.4 in 1999.

Source: Statistics Canada

The Nation

- **Canadian consumers spent 5.0% more at retail outlets in the fourth quarter of 2002 than in the fourth quarter of 2001.** This was the smallest year-over-year quarterly increase since the third quarter of 2001. Spending increased for all major commodity groups. Spending on health and personal care products rose 7.1%, while sales of automotive fuels, oils and additives climbed 21.5%.

Sales at retail outlets rose 6.0% in 2002 to \$307 billion. Spending on health and personal care products saw the biggest increase (+9.2%). Large gains were also made in home furnishings and electronics (+7.5%) and motor vehicles, parts and services (+7.5%). Spending on motor vehicles, parts and services accounted for 30% of total retail spending, while food purchases made up an additional 22% of the total.

Source: Statistics Canada

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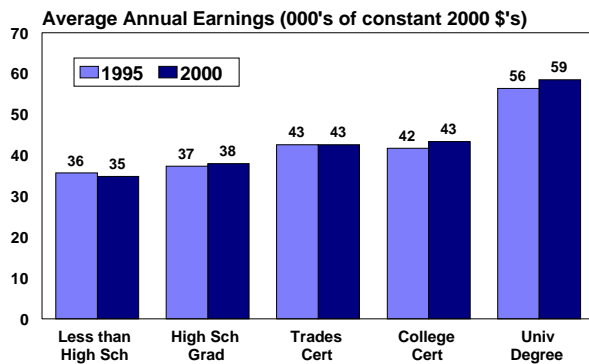
Earnings Trends

The Value of Education

The 2001 Census data on earnings by education show that BC university graduates, who worked full-year/full-time¹ in 2000, earned an average of \$58,545 compared to \$34,857 for those without a high school diploma.

A comparison between the 2000 and 1995 earnings reveals that those without post-secondary credentials are falling farther and farther behind their co-workers. For example, in 1995, university graduates earned 58 per cent more than non-high school graduates. That gap had increased to 68 per cent by 2000.

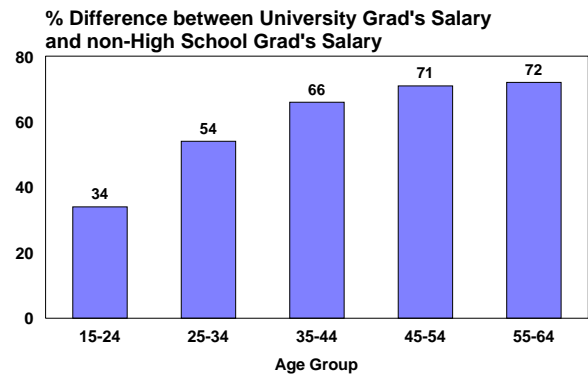
University graduates saw an average increase of more than \$3,000 per year between 1995 and 2000 while those without their high school graduation saw a decline in earnings of \$1,000.



The gap in earnings between the educated and lesser-educated also increases over a working life. In the 15-24 year age group, university grads earn only 34 per cent more than their fellow workers who have not completed high school. But, by the last twenty years of their careers, the gap has increased to 71 per cent

¹ The analysis in this article always refers to full-year/full-time workers.

Over a lifetime career, the University Grad sees regular salary increases while the non-High School Grad's increases are minimal. By the end of their careers, the University Grad is earning 72 per cent more than the non-High School Grad.

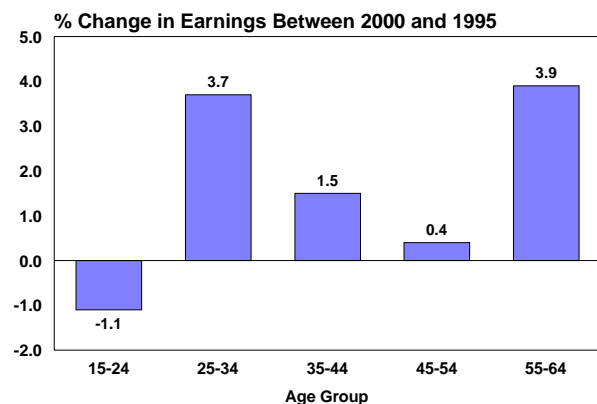


Youth are falling behind

Except among youth, age 15-24, all age groups earned more in 2000 compared to those in the same age group in 1995. Overall, youth's earnings declined by -1.1 per cent.

When the youth data are broken down by education levels, the decline in earnings were experienced only by those with less than high school (-2.5%) and those with high school completion only (-2.7%). Youth with completed post-secondary recorded moderate gains.

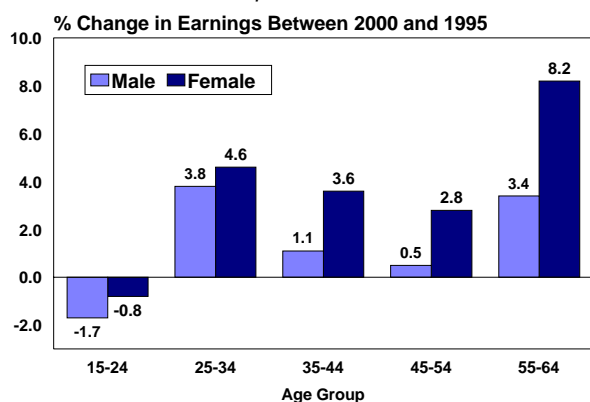
Only the young, age 15-24, saw a decline in earnings between 2000 and 1995.



Women make gains

Between 1995 and 2000, women, in all age groups, fared considerably better than their male counterparts in improving their earning capacity. Overall, women working full-year and full-time saw an increase in earnings of 4.8 per cent compared to a 2.8 per cent increase among men.

Females, working full-year/full-time, increased their earnings between 2000 and 1995 by 4.8% compared to an increase of only 2.8% for their male counterparts.

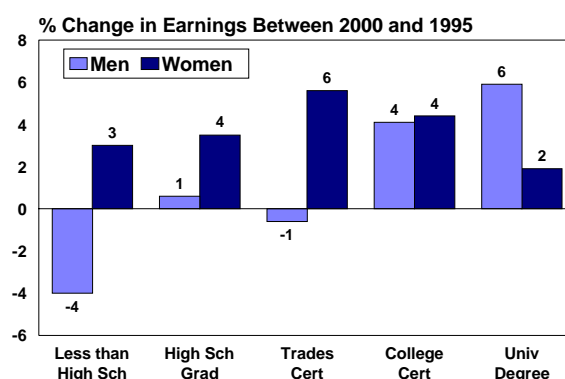


The reason for this can partially be explained by the shift in the types of jobs available in the economy between 1995 and 2000. For example, job-types that are relatively lucrative for men, such as the construction trades and primary industry occupations, were downsized whereas job types that are relatively lucrative for women, such as Health occupations, were expanded.

Another important explanation of why women's earnings increased by so much more than men's, is women bettered their level of education, relative to men, over the five-year period. While there were more post-secondary graduates from both genders in the workforce in 2001, women had increased their number of university graduates by 56,000 compared to an increase of 40,000 for men.

Where men lost in earning power relative to women was among the cohorts without college or university credentials. As was pointed out at the beginning of this article, only non-high school graduates experienced a decline in their earnings. But that was so only at the aggregate level. Women saw gains in earnings no matter what their level of education.

Women made their biggest earnings' gains, relative to men, in jobs that required lesser education.



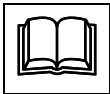
On the other hand, men without high school completion and with trades certificates, saw declines. As well, male high school graduates reported only minimal gains.

Good paying jobs for unskilled males are becoming more difficult to find, as brawn commands less of a salary premium in today's job market. Despite that, women without a high school diploma still earn only 69 per cent of what similarly educated men earn. Source: Statistics Canada, 2001 Census

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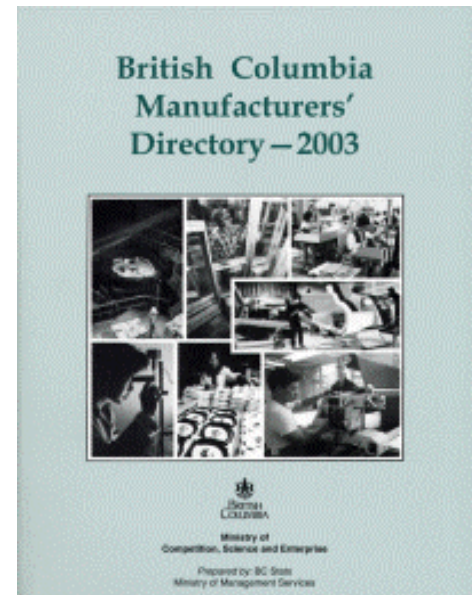
BC at a glance . . .

POPULATION (thousands)	Jan 1/03	% change on one year ago
BC	4,155.8	0.8
Canada	31,499.6	0.8
GDP and INCOME		% change on one year ago
<i>(BC - at market prices)</i>	2001 Revised	
Gross Domestic Product (GDP) (\$ millions)	130,859	1.2
GDP (\$ 1997 millions)	123,912	-0.2
GDP (\$ 1997 per Capita)	30,252	-1.1
Personal Disposable Income (\$ 1997 per Capita)	19,513	1.2
TRADE (\$ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jan	2,878	-0.4
Merchandise Exports - Jan	2,466	0.7
Retail Sales - Jan	3,440	2.1
CONSUMER PRICE INDEX		12-month avg % change
<i>(all items - 1992=100)</i>	Feb '03	
BC	119.6	2.6
Canada	122.3	2.8
LABOUR FORCE (thousands)		% change on prev. month
<i>(seasonally adjusted)</i>	Mar '03	
Labour Force - BC	2,188	0.3
Employed - BC	2,020	0.9
Unemployed - BC	168	-5.7
		Feb '03
Unemployment Rate - BC (percent)	7.7	8.2
Unemployment Rate - Canada (percent)	7.3	7.4
INTEREST RATES (percent)	Apr 2/03	Apr 3/02
Prime Business Rate	4.75	3.75
Conventional Mortgages - 1 year	5.35	5.00
- 5 year	6.85	7.30
US/CANADA EXCHANGE RATE	Apr 2/03	Apr 3/02
<i>(avg. noon spot rate) Cdn \$</i>	1.4761	1.5889
<i>US \$ (reciprocal of the closing rate)</i>	0.6803	0.6289
AVERAGE WEEKLY WAGE RATE		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Mar '03	
BC	682.00	2.8
Canada	658.12	1.6

SOURCES:

Population, Gross Domestic Product, Trade, } Statistics
 Prices, Labour Force, Wage Rate } Canada
 Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics
 For latest Weekly Financial Statistics see www.bankofcanada.ca

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