BRITISH COLUMBIA

BC STATS

Ministry of
Management Services

Infoline

Contact: bcstats.infoline@gems6.gov.bc.ca

Issue: 03-33

August 15, 2003

- **BC merchandise exports up 4.6% in the first six months of 2003**
- **University tuition fees set to rise 30.4% in BC this year**
- **BC births down a negligible 0.2%, suggesting an end to BC's baby bust**

The Economy

- **BC's merchandise exports totalled $15.1 billion in the first six months of 2003, up 4.6% over the same period last year**. Fuelling this gain is a boom in energy exports (+96.2%). Forestry exports, in contrast, were down 13.9%. Nationally, merchandise exports inched downward (-0.5%), mainly due to a slump in Ontario (-5.4%) and Quebec (-5.2%). In central Canada, exports of heavy industry goods have been battered by the rising Canadian dollar. A substantial increase in Alberta's exports (+31.0%)—again driven by the booming energy market—did much to offset declines in Canada's industrial heartland.

  Source: SC, Catalogue no. 65-001-XIB

- **BC's largest export good, forestry products, made up 40% of BC goods exports in the first half of the year**. Ontario's main export good, automotive products, makes up 47% of that provinces exports. In Alberta, energy accounts for a full 73% of their merchandise exports. *Source: SC, Catalogue no. 65-001-XIB*

- **Manufacturing shipments in BC fell 1.5% (seasonally adjusted) in June, the sixth consecutive month of decline**. Non-durable goods (-3.4%) led the fall in shipments, particularly paper (-6.9%) and chemicals (-9.6%). The value of durable goods shipped by BC manufacturers was unchanged in June, despite downturns in several industries including wood manufacturing (-0.8%) and computer and electronic products (-6.7%). The transportation equipment industry recorded a solid gain (+12.9%) in June

  Across Canada, shipments edged downward 0.5%, with three of the four largest provinces recording declines. Manufacturers in Ontario (-1.8%), BC and Alberta (-0.2%) all saw shipments drop in June. Quebec, however, posted a solid 1.7% increase in the value of manufacturing shipments.

  BC accounted for roughly 6% of Canadian manufacturing shipments in June. Ontario, in contrast, made up 53% of national shipments.

  Source: Statistics Canada

- **During the second quarter, manufacturing shipments in the province fell 3.7% (seasonally adjusted)**. The forest products sector continued to struggle, as shipments by wood manufacturers were off 9.4%, marking the fourth consecutive quarterly decline. Paper producers fared better, as the value of their shipments rose 3.4% in the second quarter. Food manufacturing, the third biggest industry in the sector, posted a 2.7% decline. Overall, shipments of non-durable goods edged down 0.2%, while the value of durable goods fell 6.4%. Canadian shipments were also weak in the second quarter, dropping 4.4%. Shipments fell in most provinces. Newfoundland and Labrador (+8.6%) and PEI (+4.5%) were the only regions to post a significant increase.

  Source: Statistics Canada

- **New motor vehicle sales dropped 7.6% (seasonally adjusted) in June**. For the first six months of 2003, this is the fourth month of declining sales. Across Canada, new motor vehicle sales fell 10.2%. *Source: Statistics Canada*

- **There were 1,837 BC business incorporations in July, 9.7% lower than in the same month last year**. *Source: BC Ministry of Finance Data*

- **Housing starts in BC jumped 35.7% (seasonally adjusted) in July**. Quebec (+14.1%) and Alberta (+13.0%) also had posted strong growth in housing starts. Nationally, starts were up 8.5%. *Source: CMHC*

Report Unemployment Experience of Young Immigrants

Did you know...
30% of British Columbians believe in ghosts.

University Tuition

- **Undergraduate tuition fees for university students in BC are set to rise 30.4% this year**. In the 2003/04 school year, average tuition fees are set to be $4,140, up nearly $1,000 over tuition last year ($3,176). This pushes BC tuition slightly above the national average ($4,025).

Tuition increases were more modest in the rest of the country. After BC, Saskatchewan has the largest rise in tuition (+8.3%), followed by Alberta (+7.7%). Average tuition is basically frozen in Manitoba (+0.3%) and Quebec (+0.6%). In Newfoundland and Labrador, tuition fees actually fell (-4.5%). For Canada as a whole, average fees are 7.4% higher this year.

Across Canada, the largest tuition increases are in dentistry (+20.9%), law (+19.4%), medicine (+16.7%), and engineering (+13.1%)—all of which tend to be very high-income occupations. *Source: Statistics Canada*

Baby Bust in BC

- **There were 40,575 babies born in BC in 2001, 97 less than in 2000 (-0.2%)**. This may be the tail end of a considerable "baby bust" that began in the mid-1990s. Between 1994 and 2001, the number of births in BC has fallen 13.7%.

BC's last major baby bust—during 1960 to 1966—saw the number of annual births fall 19.0%. Since then, there have been two other minor "busts", in 1971-73 (-6.8%) and 1985-87 (-4.8%). *Source: Statistics Canada*

Tourism

- **Hotel room occupancy in BC was at 62.6% of capacity in June, 4.6 percentage points lower than during June of last year**. This suggests the aftermath of the SARS scare continues to depress tourism in BC.

Regionally, occupancy rates were highest in Victoria (74.3%), though this is 5.4 percentage points lower than the same time last year. Occupancy was lowest in Whistler (34.3%, down 12.1 percentage points), and Smithers (49.8%, down 10.7pp).

The Nation

- **Canada's merchandise trade balance declined in June, pushed downward by the rising Canadian dollar**. Canada exported $31.6 billion worth of goods, and imported $28.0 billion in merchandise. This left a positive merchandise trade balance of $3.6 billion—down 3.1% from May and the lowest level since 1999. *Source: SC, Catalogue no. 65-001-XIB*

- **Canada's international trade in goods is heavily concentrated in the US**. For the first half of this year, 86.7% of Canadian merchandise exports were bound for the US. Japan—our second largest export market—accounts for only 2.3% of exports. Mexico, despite its NAFTA membership, makes up a mere 0.6% of goods exports (roughly the same amount as France).

Canada's *imports* of merchandise follow a different pattern. The US still dominates—it was the source of 62.1% of goods imports in the first half of the year—but is much less important than for our export market. Mexico provided 3.7% of Canada's imported goods. Indeed, Canada's imports from Mexico ($6.4 billion in the first half of the year) are more than five times greater than our exports to that country ($1.0 billion).

Adding together exports and imports, Canada's five largest trading partners are the US (1), Japan (2), the UK (3), Mexico (4), and Germany (5). *Source: SC, Catalogue no. 65-001-XIB*

Repetitive strain injury

- **Repetitive strain injury (RSI) afflicted 2.3 million adult Canadians in 2001—roughly 10% of the adult population**. Further, the incidence of RSI appears to be increasing. In 1997, 8% adult population reported an RSI. Workplace activities are the principal cause of RSI, accounting for more than half of such injuries. For men, the second major cause is sports or exercise. For women, the second leading cause is unpaid household labour.

Source: Statistics Canada

Infoline *Issue: 03-33*
August 15, 2003

Infoline Report

Issue: 03-33
August 15, 2003

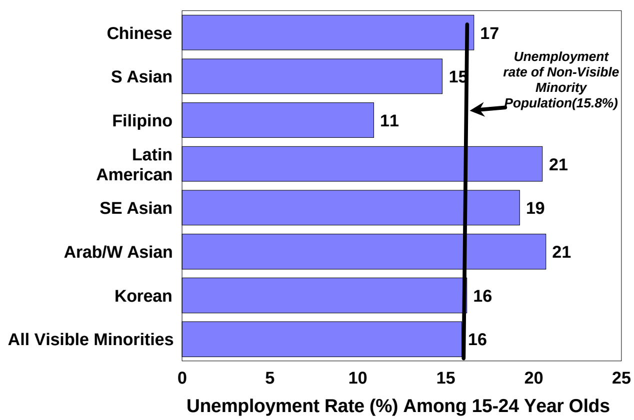
Author: Anne Kittredge, (250) 387-0374
Originally published in *Earnings and Employment Trends*, Issue 03-04. Annual subscription $60 + GST

The Unemployment Experience of Young Immigrants

This article examines the youth unemployment rate at the time of the 2001 Census. Emphasis is on how visible minority youth are faring in the BC workforce, particularly those who were not born in Canada.

In 2001, the youth unemployment rates for both the visible minority population and the non-visible minority population were virtually identical, at 15.8 and 15.9 per cent, respectively.

Based on data from the 2001 Census, there is no evidence that the Visible Minority youth population, overall, has any more trouble finding work than the Non-Visible Minority youth population.



In fact, among Canadian-born youth living in BC, the visible minority population actually had a lower unemployment rate (14.9%) than their non-visible minority counterpart (15.8%).

However, there are some visible minority groups that do appear to have a relatively more difficult time in the labour market. Persons of Arab or West Asian descent had the highest unemployment rate at approximately 21 per cent as did the youth with Latin American heritage. Youth with Southeast Asian heritage (such as Vietnamese, Malaysian, Indonesian, etc.) also had rates well above those of non-visible minority youth.

What are the factors that explain why the young of some ethnic groups find it easier to obtain work than others?

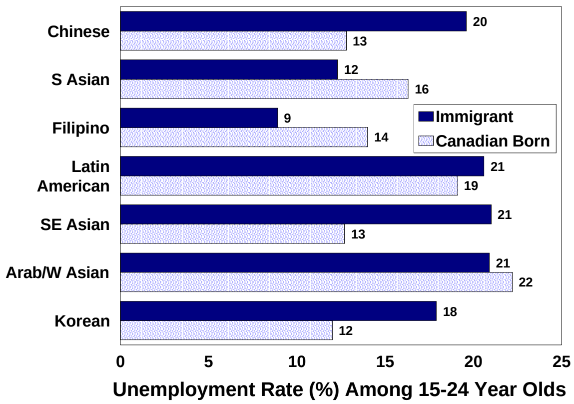
Whether the youth is Canadian-born or an immigrant has a large impact on unemployment rates. Among most immigrants, unemployment rates are considerably higher than their Canadian-born ethnic counterparts, and unemployment improves, the longer they live in Canada.

For example, Chinese youth, who represent approximately one-half the total visible minority youth in BC, had an overall unemployment rate of 16.6 per cent. However, among those born in Canada, the rate was 12.8 per cent, almost 7 percentage points lower than for those who immigrated to Canada (19.6%)1. The longer the immigrant Chinese youth lives in Canada, the lower the unemployment rate, decreasing from the 19 per cent range among those who came to Canada in the previous five years to around 14 per cent for those who were pre-school age when they immigrated.

While the unemployment experience of Chinese youth is similar to that of most immigrants, the chart below shows that some young visible minority immigrant groups do very well in the BC labour market.

[1] As well, the unemployment rate of Canadian-born Chinese youth is 3 percentage points below that of the Canadian-born non-visible minority youth (15.8%).

Among some groups of Visible Minorities, the young Immigrant population fares very well in the BC workforce.



Ethnic groups that stand out in this regard are the South Asians (primarily from India) and the Filipinos. South Asian immigrant youth have a relatively low unemployment rate almost as soon as they settle in Canada, averaging only 12 per cent in the first 5 years. Likewise with Filipino youth, but to add to that, the unemployment rate of those who have been in the country more than 5 years is less than 7 per cent. This is an extremely low rate for that age group.

Why the young members of these two ethnic groups seem to fare so well in the workplace is difficult to determine from the Census tabulations available.2. Perhaps it has something to do with differing English language knowledge upon arrival in Canada or maybe their cultures are more inclined to form family businesses, thus providing employment opportunities for their children. Whatever it is, youth from these two immigrant ethnic groups demonstrate very strong workforce attachment.

On the other hand, two ethnic groups whose youth appear to have difficulty finding work, are the Arab/W.Asian and the Latin Americans. Both the Canadian-born and the immigrant population have problems—their unemployment rates were close to 20 per cent in 2001. Perhaps the explanation for this is, over the past 20 years, a high proportion of immigrants from these parts of the world have been refugees. Canadian immigration laws do not require immigrants with "refugee status" to have the labour market skills demanded of independent immigrants. As a result, the adult population of these ethnic groups show relatively high unemployment rates, so perhaps their offspring as well are disadvantaged in terms of education and job-finding skills.

Southeast Asian immigrants also experience very high unemployment, but the pattern of unemployment by length of time in Canada is opposite to the norm. The new arrivals to Canada experience rates at the relatively low level of 13 per cent but those who have been in the country for over 10 years have rates above 20 per cent. This reflects the refugee inflow from Vietnam and Cambodia in the 1980s, a group who were likely less well educated than the usual immigrant accepted, and hence their offspring might not have had the opportunities to complete their education.

In conclusion, children of immigrants appear to adapt well to the British Columbia labour market. The only possible exception to this are the children of refugees who were welcomed to Canada for humanitarian reasons and who may require more time to "land on their feet".

[2] More comprehensive Census tables on the immigrant population are scheduled for release in October, 2003.

Infoline

August 15, 2003

fax transmission information service from **BC STATS**

Email transmission information service from **BC STATS**

also on the **Internet** at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Apr 1/03	% change on one year ago
BC	4,162.5	0.8
Canada	31,559.2	0.8
GDP and INCOME		% change on
(BC - at market prices)	2002 Prelim.	one year ago
Gross Domestic Product (GDP) *($ millions)*	134,365	2.7
GDP *($ 1997 millions)*	126,141	1.8
GDP *($ 1997 per Capita)*	30,459	0.8
Personal Disposable Income *($ 1997 per Capita)*	19,445	-0.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jun	2,667	-1.5
Merchandise Exports - May	2,494	2.5
Retail Sales - May	3,389	-0.5
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Jun '03	% change
BC	120.2	2.6
Canada	122.1	3.3
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jul '03	prev. month
Labour Force - BC	2,206	0.8
Employed - BC	2,016	0.5
Unemployed - BC	190	4.8
		Jun '03
Unemployment Rate - BC *(percent)*	8.6	8.3
Unemployment Rate - Canada *(percent)*	7.8	7.7
INTEREST RATES (percent)	Aug 6/03	Aug 14/02
Prime Business Rate	4.75	4.50
Conventional Mortgages - 1 year	4.55	5.35
- 5 year	6.35	6.80
US/CANADA EXCHANGE RATE	Aug 13/03	Aug 14/02
(avg. noon spot rate) Cdn $	1.3837	1.5717
US $ *(reciprocal of the closing rate)*	0.7249	0.6396
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jul '03	one year ago
BC	687.34	3.6
Canada	662.42	2.1

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

British Columbia Provincial Economic Multipliers and How to Use Them

Author: Garry Horne, April 2003

37 pages

A clear and concise introduction to the subject . . . strongly recommended.

> *". . . as government requires its programs to become more accountable for results, those programs that claim to produce economic benefits will need to establish them."*

For the first time this report is based on the North American Industry Classification System (NAICS). Available through our WebStore for $75 plus GST.

View the table of contents and introduction at the link below:

www.bcstats.gov.bc.ca/pubs/pr_pem.htm

Released this week by BC STATS

- Labour Force Survey, July 2003

Next week

- Consumer Price Index, July 2003
- Exports, June 2003