

- Shipments up 3.1% in December; increase 1.4% during 2005
- Wholesale sales still going strong
- Motor vehicle dealers buck national trend; sales rise 5.4% in December

## The Economy

- **Shipments of goods manufactured in British Columbia increased for a third straight month (+3.1%, seasonally adjusted) in December.** Producers of durable products (+3.5%) saw shipments rise for the fifth month in a row. The value of wood shipments (+4.0%) increased despite continued low prices for softwood and other wood products. BC producers of non-metallic minerals (+3.8%), fabricated metals (+10.9%) and computer & electronic products (+27.7%) also made notable gains. On the non-durables side, paper (+5.2%) and food (+1.5%) shipments were higher than in November, and shipments by the chemical industry recovered (+5.7%) from a two-month-long slump. Overall, non-durables shipments were up 2.6%.

New Brunswick (+4.2%), BC, Alberta (+2.9%) and Ontario (+2.0%) were the only provinces where shipments increased in December. The Canadian total was up 1.4%. Soaring input costs, a strong Canadian dollar and intense global competition have cut into the bottom line of the manufacturing sector, which has seen a gradually decelerating trend in shipments, and the loss of thousands of factory jobs, during the second half of 2005.

*Data Source: Statistics Canada*

- **BC motor vehicle retailers bucked a national trend in December, as sales rose 5.4%, ending a three-month-long decline.** Dealers in Manitoba (+9.1%) and Alberta (+2.4%) also had a good month. Canadian sales were off 0.4%.

*Data Source: Statistics Canada*

- **Sales by wholesalers in the province rose again in December, increasing (+2.9%) for the fourth time in five months.** Manitoba (+4.0%) and BC were the only provinces where sales were significantly higher than in November. Nationally, the value of wholesale sales edged up 0.4%, as higher sales in three of the four largest provinces

offset weakness in most other parts of the country. A rebound in the automotive sector and continued growth in the building materials sector boosted sales.

*Data Source: Statistics Canada*

## 2005 in Review

- **British Columbia manufacturing shipments advanced 1.4% during 2005, despite price-related downturns in two of the three largest manufacturing industries** Although shipments of non-durable products were relatively robust (+4.1%), producers of durable goods (-0.4%), especially wood products (-8.3%) saw shipments fall during the year. The decline in the wood industry was largely price-driven. Prices for BC softwood lumber products plunged 12.4% last year, and plywood prices fell even more. The 8.3% decline in shipments suggests that producers were partly able to compensate for this by boosting production. Paper producers saw shipments drop off 3.5%, also due in large part to lower prices (-3.0%) for BC paper products. On the other hand, prices for BC food products fell (-1.1%) last year, but shipments were up 8.1%.

Canadian shipments rose 3.1% in 2005, on the strength of solid growth in energy producing provinces such as Alberta (+11.9%). Shipments from Quebec were up a substantial 4.5%, but BC and Ontario (+0.8%) posted only modest increases. Soaring industrial prices for petroleum contributed to the increase in Canadian shipments during 2005. Shipments by manufacturers of goods other than petroleum products were up only 1.5%. Chemicals and primary metals advanced significantly, but the auto and food industries saw shipments fall last year. Also hard hit were wood products and the clothing industry, which faced tough competition as quotas on imported textile on clothing products were lifted.

*Data Source: Statistics Canada & BC Stats*

## Did you know...

Canadian cattle & beef exports averaged \$11 million a day in 2002; last year, the average was \$8 million

- **During 2005, the value of wholesale sales in BC rose 8.8% as wholesalers marked a fourth straight year of solid growth.** The increase was above the national average (+5.7%), but well below the double-digit gains seen in the Prairie provinces.

BC wholesalers of metal products, motor vehicles, machinery & equipment and farm products made particularly strong gains (well into the double-digits). Most wholesalers had a good year in 2005. The lone exception was wholesalers of alcohol & tobacco products, who saw sales drop off 6.0% during 2005. *Data Source: Statistics Canada*

- **A total of 186,581 new cars, trucks and vans were driven off BC car lots last year, 2.7% more than in 2004.** (*Data for BC also includes the territories*) Sales of North American-made cars fell (-2.0%) for the third year in a row, but truck sales (+6.0%, including those made in North America as well as overseas) enjoyed a resurgence. Sales of cars manufactured overseas rose (+2.8%) for the second year in a row.

North American-made cars continue to dominate the market, with sales at about twice the level as for cars made outside North America. North American automakers also have a stranglehold on the market for trucks and vans, with 84% of total sales. Despite high gas prices, new trucks and vans (94,116) were more popular with consumers than were cars (92,465) for the first time since 2002.

New vehicle sales rose in most parts of the country, with the strongest gains seen in Alberta (+13.4%) and Newfoundland (+8.7%). Canadian sales were up 3.5%, increasing for the first time in three years. *Data Source: Statistics Canada*

### Agriculture

- **The national cattle herd has declined for the first time in three years following the reopening of the American border to Canadian cattle.** On January 1, the number of cattle on Canadian farms was estimated at 14.8 million, down from the record 15.1 million head a year earlier. In BC, the size of the herd dropped from 710,000 to 660,000 during this period. Alberta (5.9 million), Saskatchewan (3.0 million) and Ontario (2.1 mil-

lion) are the provinces with the biggest cattle herds.

*Data Source: Statistics Canada*

### Food Services and Drinking Places

- **Food services and drinking places in the province recorded a solid 7.9% increase (to \$5.8 billion) in operating revenues during 2004.** Canadian revenues were up 7.0% during the year. BC's share of total revenues in this industry (16%) is higher than its share of the population (13%). Tourism, consumer preferences, and possible differences in prices and types of food purchased may all help explain this disparity.

Sales of food and non-alcoholic beverages represent about 83% of all food service revenue in the province, with alcohol accounting for about 15% of the total. *Data Source: Statistics Canada*

### Trade in Beer

- **Beer guzzlers in the US are drinking more Canadian ale.** Canadian beer is one of the three top-selling beers in the US, after beer from Mexico and the Netherlands. Although Canada's annual beer exports to the US peaked at \$367 million in 2001, the trade surplus in beer stood at \$265 million in 2003, almost \$43 million higher than four years earlier.

Nearly two-thirds of the value of all beer imported into Canada in 2003 was from Mexico (24%), the Netherlands (22%) and the US (17%). These three countries, together with Belgium, Germany, the UK, Ireland, Brazil, Denmark and the Czech Republic accounted for about 98% of the total value of imported beer. Mexico replaced the US as Canada's leading source of imported beer in 2000. *Data Source: Statistics Canada*

### Trucking

- **There were 3,114 Canada-based trucking companies with annual revenues of more than \$1 million operating in 2004, a 7.6% increase from 2003.** In BC, there were 358 companies. Trucking was the dominant mode for transporting goods between Canada and the US. In 2004, about 53% of exports to the US and 78% of imports were moved by truck. *Data Source: Statistics Canada*

*Infoline Issue: 06-07  
February 17, 2006*

Contact: Karen Calderbank (250) 387-0327

Originally published in *Earnings and Employment Trends*. Issue 05-12. Annual Subscription \$60 +GST

---

## The Current Labour Market Boom in BC: Are Aboriginal Peoples Benefiting?

### Background

The labour market in BC has shown strong growth over the last year, so much so that the unemployment rate in the 4th quarter was 5.0 per cent, the lowest it has been for at least the last 30 years. While most industries have benefited from the boom, the drivers appear to be the construction industry (annual employment growth of 19%), the Professional, Scientific and Technical Services Industries, the Education Industry and the Primary Industries, all of which have grown at an annual rate exceeding six per cent in the past year.

As some of this growth is likely attributable to the preparation activities leading up to the 2010 Olympics, the growth is by no means concentrated in the Lower Mainland alone. In fact, while the Lower Mainland grew at a respectable rate of 2.6 per cent in 2005, it was overshadowed by a stellar growth rate of 4.8 per cent in the rest of the province.

The demographic groups who have gained the most from the employment boom are the men, whose unemployment rate in 2005 fell below the rate for women (5.8% vs 5.9%, which reverses the trend of the last decade when the rate for men always exceeded the rate for women) and the young, those aged 15-24. Over the last decade, the annual average unemployment rate for youth has been consistently well above 13 per cent, but in 2005 it dropped to 10.1 per cent. Jobs for that age group grew by close to 8 per cent from the year before.

For Aboriginal peoples, many promises have been made that they too will benefit from the economic spin-offs of the Olympic Games. This article looks at how much Abo-

original people have participated in the labour market good fortune enjoyed by the general population in 2005.

The data used for this analysis is from an expansion of the Labour Force Survey program maintained by Statistics Canada, which has been producing estimates on Aboriginal labour market activity since the 2nd quarter of 2004. The British Columbia Government has provided short-term funding to April 2006 to increase the sample size and improve the quality of the information in BC. Unfortunately, the survey covers only the off-reserve population, and this, alongside the short time-frame, limits the rigor of the analysis. However, the data do give some indication of how Aboriginal people have been faring in the BC workforce in recent months.

### Aboriginal Peoples<sup>1</sup> Employment Gains in 2005<sup>2</sup>

The unemployment rate of off-reserve Aboriginal peoples for the nine-month period from April to December 2005 was 13.7 per cent. While this rate seems very high when compared to the non-Aboriginal rate during the same period (5.2%), improvements have been made. The gap has decreased from 10.1 to 8.5 percentage points in 2005. And at the time of the 2001 Census, the unemployment rate gap for the same cohort was 12.4 percentage points. At that time, only four years ago, the off-reserve Aboriginal population had an unemployment rate of 20.4 per cent.

---

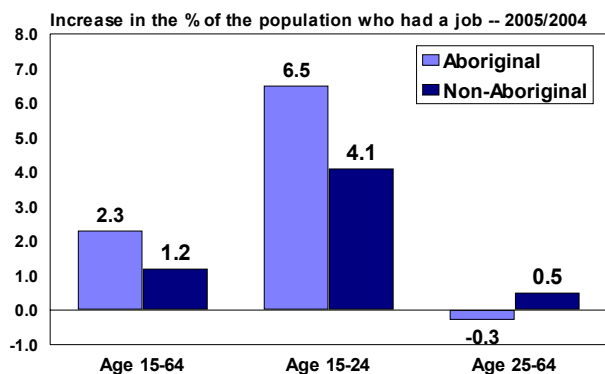
<sup>1</sup> Off-reserve Aboriginal peoples only.

<sup>2</sup> Because the quarterly data commenced in the 2<sup>nd</sup> Q of 2004, the 2005 data includes only the last 3 quarters of 2005 so it is consistent with the comparative 2004 data.

While the unemployment rate reveals one aspect of economic conditions, probably a more telling indicator is the employment rate, which measures the per cent of the population that is working. In the first nine months of 2005, that rate increased by 2.3 percentage points over the same period of 2004, which was twice the rate of improvement enjoyed by the non-Aboriginal population (1.2 percentage points).

The chart below demonstrates the similarity between the Aboriginal and the non-Aboriginal populations, with youth making substantial gains while the adult population shows little change.

*Between 2004 and 2005 employment among the Aboriginal community increased by 2.3 percentage points, compared to only 1.2 percentage points for non-Aboriginal peoples. It appears as though Aboriginal youth (age 15-24), were the principal beneficiaries. An additional 6.5% of their youth found work in 2005.*



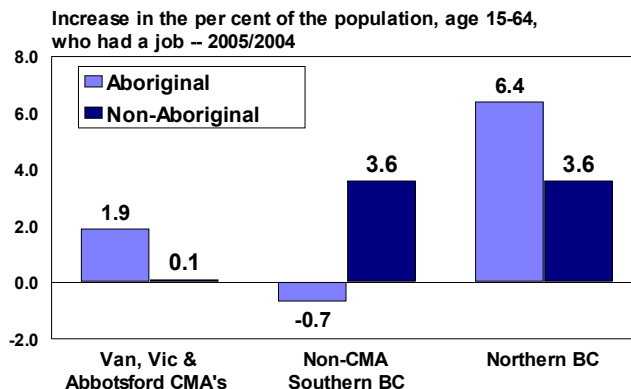
However, the trend has been different between the genders among Aboriginal and non-Aboriginal peoples. Aboriginal women made all the gains in 2005, increasing their employment rate by 5 percentage points, while Aboriginal men did not appear to reap any of the benefits of the 2005 job boom.

The labour market success of Aboriginal peoples has varied in the different regions of British Columbia.

Across the province, Northern BC has shown very strong growth, particularly among Aboriginal peoples. Approximately 6 per cent more of the off-reserve Aboriginal population were employed in the April to December period of 2005 compared to the same period of 2004. Aboriginal youth living in the North did even better than that, increasing their employment rate by approximately 11 percentage points. Unfortunately, the sample size of the Labour Force Survey does not allow for any more in-depth analysis as to why there are such pronounced regional differences in the labour market success of Aboriginal peoples.

While the Labour Force Survey data coverage and quality are limited because of the small sample size, it is the only source of labour market indicators for Aboriginal peoples outside of the Census. Fortunately, the timing of the 2010 games fits in perfectly with the timing of the Census cycle set for 2011, which will provide information on who had a job in 2010. But, between now and then, there will be very little information available on the current labour market status of Aboriginal Peoples in BC after funding for the Labour Force Survey program runs out in April 2006.

*The northern part of the province has benefited most from BC's economic boom of the past year. Off-reserve Aboriginals living in the North showed the most significant increase in their employment rates.*



 **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)

## BC at a glance . . .

<b>POPULATION (thousands)</b>		% change on one year ago
	Oct 1/05	
BC	4,271.2	1.3
Canada	32,378.2	1.0
<b>GDP and INCOME</b>		% change on one year ago
<i>(BC - at market prices)</i>	2004	
Gross Domestic Product (GDP) (\$ millions)	157,241	7.7
GDP (\$ 1997 millions)	139,205	4.0
GDP (\$ 1997 per Capita)	33,129	2.8
Personal Disposable Income (\$ 1997 per Capita)	20,182	1.4
<b>TRADE (\$ millions, seasonally adjusted)</b>		% change on prev. month
Manufacturing Shipments - Dec	3,760	3.1
Merchandise Exports - Dec	3,197	5.9
Retail Sales - Nov	4,288	0.7
<b>CONSUMER PRICE INDEX</b>		12-month avg % change
<i>(all items - 1992=100)</i>	Dec '05	
BC	125.7	2.0
Canada	128.1	2.2
<b>LABOUR FORCE (thousands)</b>		% change on prev. month
<i>(seasonally adjusted)</i>	Jan '06	
Labour Force - BC	2,285	0.1
Employed - BC	2,167	0.0
Unemployed - BC	118	1.6
		Dec '05
Unemployment Rate - BC (percent)	5.1	5.1
Unemployment Rate - Canada (percent)	6.6	6.5
<b>INTEREST RATES (percent)</b>	Feb 15/06	Feb 16/05
Prime Business Rate	5.25	4.25
Conventional Mortgages - 1 year	5.85	4.80
- 5 year	6.45	6.05
<b>US/CANADA EXCHANGE RATE</b>	Feb 15/06	Feb 16/05
<i>(avg. noon spot rate) Cdn \$</i>	1.1541	1.2424
<i>US \$ (reciprocal of the closing rate)</i>	0.8633	0.8083
<b>AVERAGE WEEKLY WAGE RATE</b>		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Jan '06	
BC	720.31	1.7
Canada	718.57	3.5

### 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](http://www.bankofcanada.ca)

## Economic Accounts (GDP)

Statistics Canada now provides free access to a broad range of national and provincial economic accounts (Gross Domestic Product) data.

The **System of National Economic Accounts** module provides an up-to-date portrait of national and provincial economies and their structure, based on an integrated, internationally recognized set of economic accounting concepts.

[Labour force statistics](http://www.statcan.ca/english/nea-cen/index.htm)

<http://www.statcan.ca/english/nea-cen/index.htm>

## LFS revisions 2005

On Wednesday, January 25<sup>th</sup>, Statistics Canada released revisions to the labour force survey data. We are working to update all the LFS files on our site this cannot be completed until after Statistics Canada publishes the annual CD product.

[Labour force statistics](http://www.bcstats.gov.bc.ca/data/lss/labour.asp)

<http://www.bcstats.gov.bc.ca/data/lss/labour.asp>

## Consumer Price Index 2005

With the release of the December 2005 monthly consumer price index came an update of the annual series. BC Stats publishes several documents featuring long time series of the highest level Canada, British Columbia, Vancouver and Victoria data.

[http://www.bcstats.gov.bc.ca/ \[continued\] data/bus\\_stat/econ\\_stat.asp](http://www.bcstats.gov.bc.ca/data/bus_stat/econ_stat.asp)

### Released this week by BC STATS

- Tourism Sector Monitor, January 2006
- Exports, December 2005
- Quarterly Regional Statistics, 4th Quarter 2005

### Next week

- Consumer Price Index, January 2006
- Business Indicators, February 2006
- Current Statistics, February 2006