



## B.C. jobs and labour force up

The number of people working in British Columbia increased slightly in February, according to Statistics Canada's latest household survey of the labour market. An estimated 2.1 million people were employed, up by an insignificant 8,100 (+0.4%) from January. The provincial unemployment rate increased to 7% as the labour force showed significant growth.

February's Labour Force Survey (LFS) indicates part-time jobs accounted for the net increase in employment, while full-time jobs edged down. Job growth was significant in business and building support services, professional and technical services, and construction. Jobs declined significantly in accommodation and food services. The LFS suggests payroll employment in the public-sector increased, as did self-employment, while edging down in the private sector.

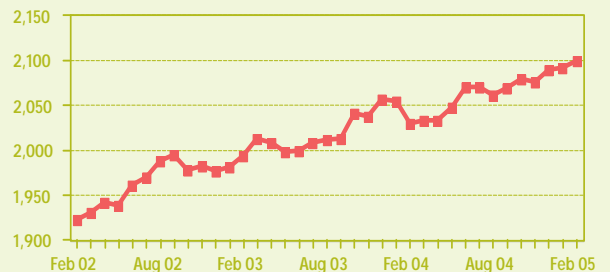
Employment of younger labour market participants and adult women increased in February, but adult men saw a slight drop. The unemployment rate increased for adults, but held steady for younger market participants.

Regionally, the LFS suggests that February's net job gain occurred only in metropolitan Vancouver and the Northeast. Employment inched downward elsewhere in the province. Unemployment rates were below the provincial average in Vancouver, Victoria, and the Northeast, but above average elsewhere, with the North Coast-Nechako seeing the highest rate, at 10.3% of the labour force.

### Employment rises in February with a net gain in part-time jobs

#### B.C. Employment (Seasonally Adjusted)

Employed Persons (1,000's)

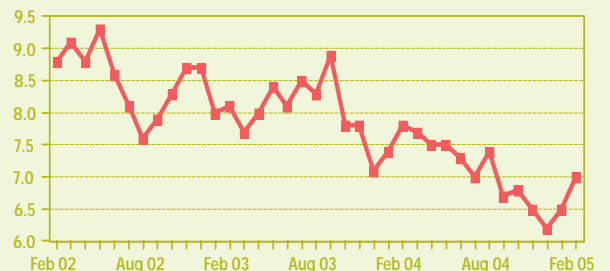


Source: Statistics Canada.

### Unemployment rate rises with significant growth in labour force

#### B.C. Unemployment Rate (Seas. Adj.)

Percent of Labour Force



Source: Statistics Canada.

Nationally, total employment grew moderately while the unemployment rate remained level at 7%. Employment of younger, part-time market participants and full-time adult women increased. Public-sector payroll and self-employment was higher, while private-sector payroll jobs declined. Jobs increased in education, culture, business support and agriculture, but fell in manufacturing and accommodation and food services.

Credit Union Central of B.C. forecasts job growth in this province of 51,000 (+2.5%) this year, following three consecutive years of fairly strong growth. Central forecasts the unemployment rate in B.C. will decline to 6.7% from 7.2% last year.

### B.C.'s export revenues unchanged

Total revenue from international exports of goods originating in B.C. was little changed in January, inching down \$8.3 million (-0.3%) from December to total \$2.45 billion. Revenues from energy exports jumped \$21.5 million (+5.2%) while revenues from industrial goods exports climbed \$18.7 million (+3.9%). Revenues from exports of forest products dropped \$38.3 million (-3.8%) while revenues from exports of all other B.C.-origin goods fell \$10.2 million (-1.9%).

January's export revenues were up sharply from one year earlier, rising \$376 million, due to unusually low revenues in January 2004. By sector, January's year-over-year exports of industrial goods soared \$192 million (+63%) on the strength of demand and prices for mineral products in Asian markets. Energy exports climbed \$97 million (+28%), forest product exports increased \$72 million (+8%) and other goods exports rose \$16 million (+3%).

B.C.'s export revenues reached a three-year high in May 2004, but have since trended down to more a more typical level. This adjustment largely reflects gains in the U.S./Canadian dollar exchange rate.

Credit Union Central of British Columbia forecasts B.C.'s international goods export revenues will increase by a slight 1% in 2005. Continued strength in the U.S./Canadian dollar exchange rate and slightly less robust global economic growth are factors in this forecast. Exports of industrial goods and materials should see continued growth, while forest product exports are expected to decline from the high level reached last year.

### B.C.'s export revenues level in January

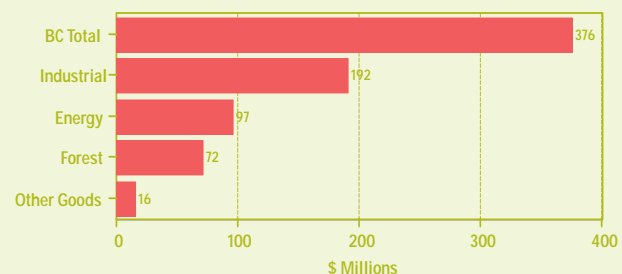
#### B.C. Origin International Exports of Goods



Source: Statistics Canada.

### January 2005 exports up over low levels one year earlier

#### B.C. Origin International Goods Export Revenue January 2005 less January 2004



Source: Statistics Canada.

### Housing starts bounce back

The return of more normal weather in February resulted in more single-detached housing starts, after a dip induced by cold weather in January. Seasonally adjusted single-detached starts bounced back up to recent trend levels of about 1,000 units per month. Multi-unit starts also increased, but it is not clear how much of this was weather-related or caused by underlying market conditions or simply inherent monthly volatility. Multi-unit starts on a trend basis over a period of several months are still rising, though not as sharply as in 2003.

Total housing starts came in at 2,674 units seasonally adjusted or an annual rate of 32,100 units in B.C. urban centres. That 's up from 2,399 in January. The monthly gain came mostly from the Vancouver metro area, which saw seasonally adjusted starts rising to 1,672 units from 1,454 in January on the strength of more multi-unit starts. Single-detached starts generally increased across the province, led by centres of less than 100,000 population.

Year-to-date figures show a small 3% decline compared to one year ago, but this is not expected to prevail by the end of the year. We see B.C. housing starts up this year to 34,600 units from 32,925 last year. With low mortgage rates, rising in-migration, and broadening economic growth, housing sales are forecast to remain at a high level and post a gain this year. Rising construction costs and some tight labour supply issues are negative factors for increased supply, but the resulting higher costs to industry translate into higher prices on the other side of the equation, which will induce more labour supply and more construction materials into the market.

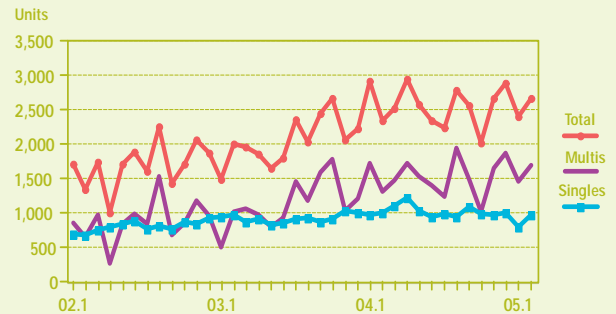
### Non-residential permits off December high

December's jump in non-residential building permits did not carry over into January. Monthly non-residential permit activity is volatile and January's decline came as no surprise. December's strength turned into January's weakness, with a substantial drop in government-institutional permits and a lesser decline in commercial permits. Total non-residential permit values fell to \$164.9 million from \$238.4 million in December.

The underlying trend remains upward despite January's dip. Our forecast calls for a 15% increase in non-residential building permits during 2005, which follows a 10% gain in 2004. The latest Private and Public Investment Intentions survey for B.C. revealed a 10.8% increase in construction spending, excluding housing. However, that estimate includes engineering construction as well as building construction, and will probably turn out to be low.

### January starts affected by weather

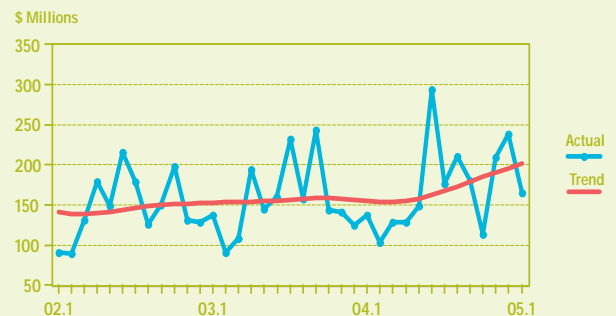
Housing Starts by Dwelling Type, B.C. Urban Centres



Source: CMHC, CUCBC. Note: seasonally adjusted. Latest: February 2005.

### January dips below trend

Non-residential Building Permits, B.C., Monthly



Source: Statistics Canada, CUCBC.

Latest: January 2005.