

# Regional Economic Observer

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**Second Quarter, 2000**

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The "Regional Economic Observer" (REO) provides a snapshot of provincial economic conditions in a convenient format. The REO does not interpret or evaluate government policies, and every attempt is made to present factual information in an informed and balanced manner consistent with generally accepted economic principles. This report uses data available as of August 31, 2000. It has been prepared by Eric Chalifoux, Julie Dubois, Arif Mahmud, Alison McDermott and Karen Smith under the direction of Raynald Létourneau and Shane Williamson. All information is taken from public sources, primarily Statistics Canada, the Bank of Canada, the Canada Mortgage and Housing Corporation, and the Canadian Real Estate Association. Please address comments to Raynald Létourneau at 613-996-0474 or through the Internet at [letourneau.raynald@ic.gc.ca](mailto:letourneau.raynald@ic.gc.ca).

# Highlights: Second Quarter, 2000

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## **British Columbia**

The B.C. economy slowed down in the second quarter. Employment growth edged up, posting gains only in May. Nonetheless, the unemployment rate fell to 6.8%, its lowest rate since 1981. Manufacturing activity suffered from weak wood prices but consumer spending kept rising, albeit at a slower pace.

## **Prairies**

The Prairie economy is also showing signs of a slowdown, with weakening industrial and retailing activity spread across the three provinces. This is somewhat attenuated by continuous gains in employment in Manitoba and Alberta, leading to lower unemployment rates in these provinces. However, lower employment in Saskatchewan drove the unemployment rate slightly up.

## **Ontario**

The Ontario economy also softened in the second quarter. Housing starts and retail sales both slowed, but manufacturers of electronic components and aircraft and parts posted strong growth, offsetting a decline in the important auto sector. Job creation was also less vigorous but the unemployment rate, nonetheless, fell to a near 10-year low.

## **Quebec**

Economic growth in Quebec lost some momentum mainly as a result of a slowdown in consumer spending, while manufacturing activity continued to advance, led by electrical and electronic products industries. Employment grew at a rate similar to that of the previous quarter, but the unemployment rate rose slightly from its lowest rate observed since 1976.

## **Atlantic**

The economic situation in the Atlantic region was mixed in the second quarter. Newfoundland and Nova Scotia posted a more robust performance in the second quarter as industrial activity recovered in both provinces and employment gains were above the national average. However, Prince Edward Island and New Brunswick experienced a slowdown in manufacturing, and a sharp contraction of employment growth. Income growth was significantly boosted by federal pay equity payments in all provinces.

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***British Columbia***



## Labour Markets

### Job creation edges up in the second quarter...

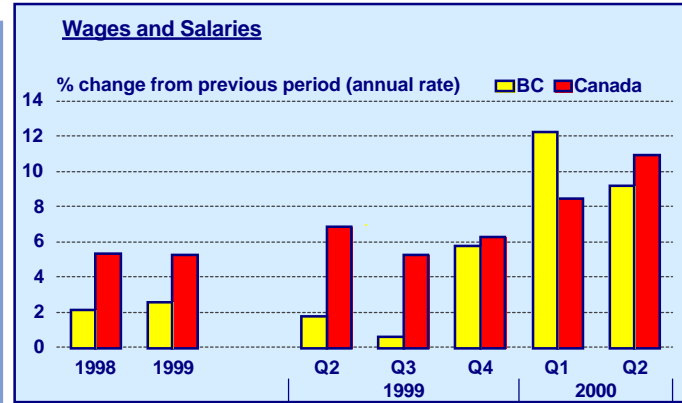
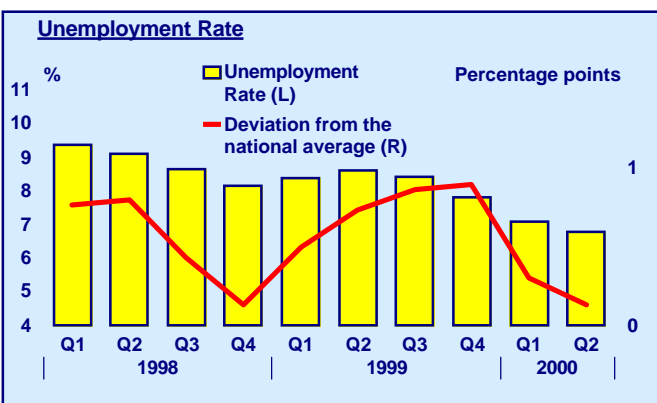
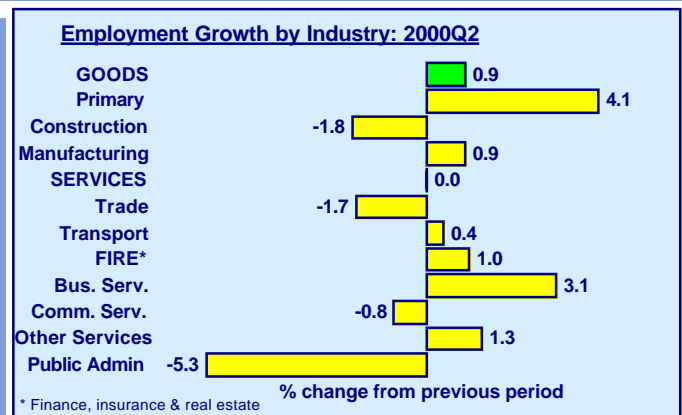
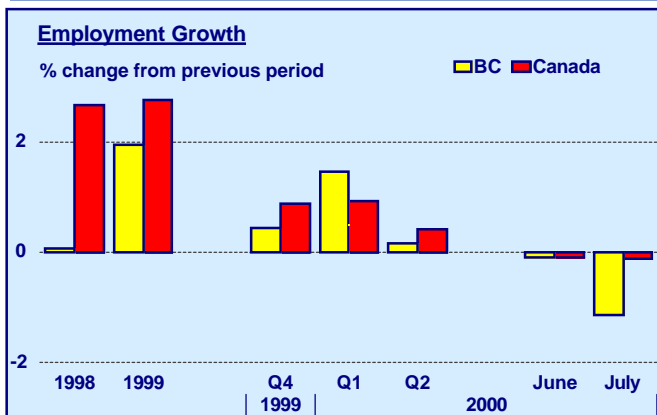
- Employment rose 0.2% in the second quarter building on a strong increase in the previous quarter. Job gains occurred mainly in primary industries and in business services, while losses in public administration, construction and trade somewhat offset these gains.
- In July, employment fell for a second consecutive month. The 0.8% decline was widespread across major industrial sectors.

### ...pushing the unemployment rate down

- The unemployment rate continued on its decreasing trend in the second quarter, edging down to 6.8%, it's lowest rate since 1981.
- The unemployment rate gap with the national average narrowed, with the B.C. rate only 0.1 percentage point above the Canadian rate.

### Labour income growth remains firm

- Wage and salaries recorded a strong advance in the second quarter, increasing 9.2% (annual rate). As in all other provinces, income growth was boosted in the second quarter by federal pay equity payments. Wage and salary growth was, nonetheless, below the national average, reflecting in part lower job gains in the province.





## Economic Activity and Prices

### Manufacturing activity falls in the second quarter...

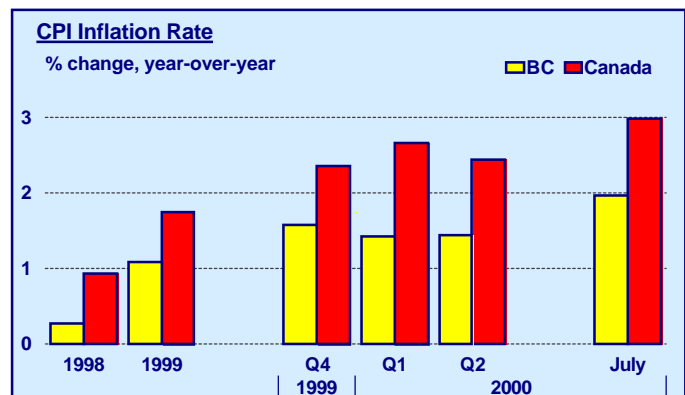
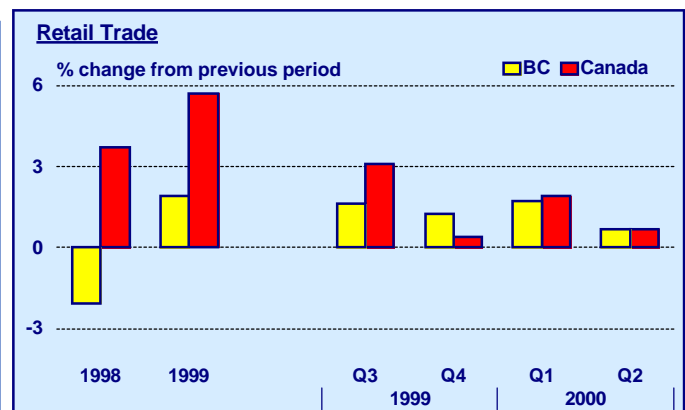
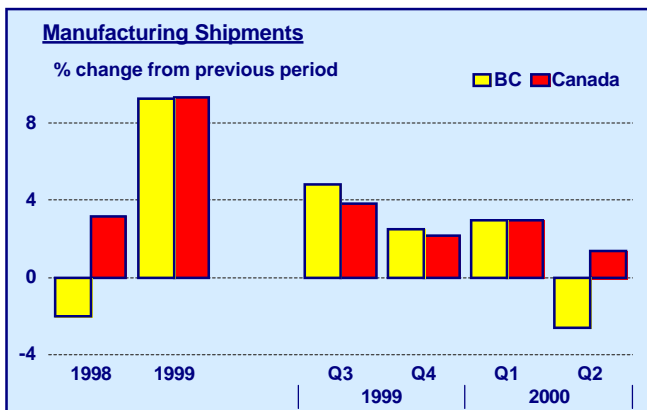
- Manufacturing shipments decreased 2.6% in the second quarter, mainly because of lower production in the wood and paper industry and weaker lumber prices.

### ...and household spending eases

- Retail sales rose further in the second quarter, albeit at a slower pace than at the beginning of the year. This reflects lower employment growth and consumer confidence.
- Housing demand increased, with new starts surging 15% and home resales up 6% in the second quarter.

### Inflation rate remains much lower than the national average

- On a year-over-year basis, consumer prices rose 1.4% in the second quarter, the lowest increase among all provinces. Lower food prices and small increases for shelter, alcohol and household explain in large part the low inflation rate. Inflation remained low in July, as consumer prices advanced 2%, a full percentage point below the national rate.







## Labour Markets

### Gains in goods-producing industries lead to higher employment in the second quarter...

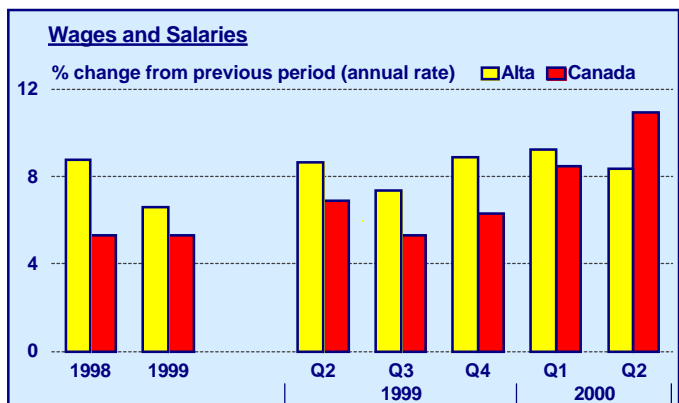
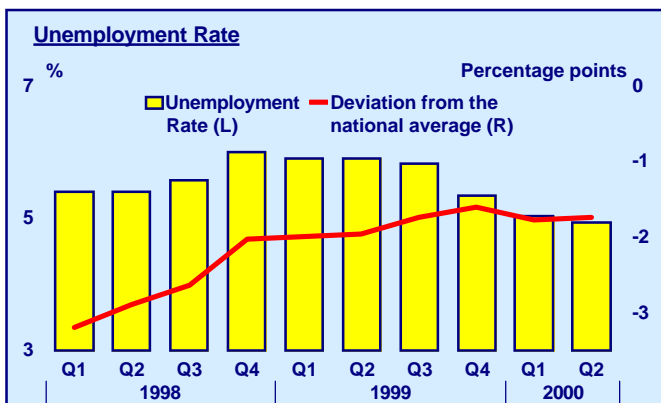
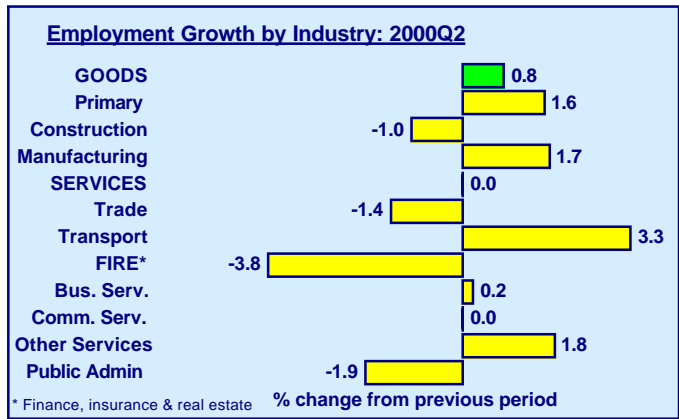
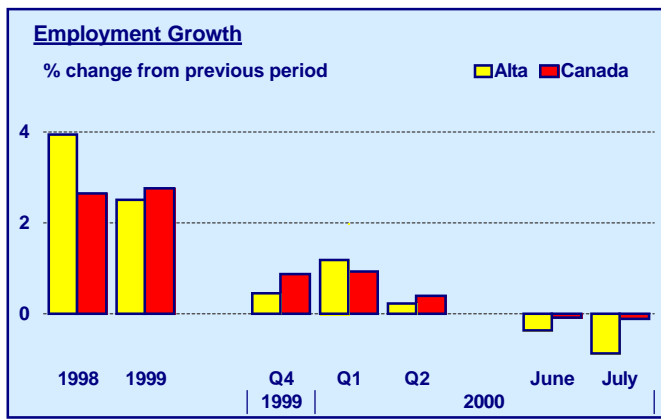
- Employment grew 0.2% in the second quarter. Gains were concentrated in the goods-producing industries, notably in manufacturing and primary industries. Employment in services remained flat as gains in transportation and other services were offset by losses in finance, public administration and trade.
- On a monthly basis, employment decreased further in July, with weakness evident across most industrial sectors.

### ...driving the unemployment rate down

- Modest job gains in the second quarter pushed the unemployment rate down marginally to 4.9%.
- As a result, the provincial unemployment rate remained 1.8 percentage points below the national rate.

### Income growth remains solid

- Wage and salary growth exceeded 8% (annual rate), although this is down slightly from the previous quarter. Income growth was attributable to a higher number of full time workers as well as an increase in weekly hours worked.







## Economic Activity and Prices

### Growth in industrial production slows...

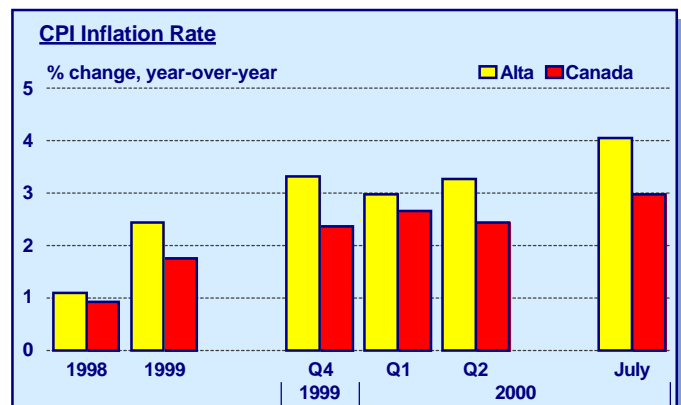
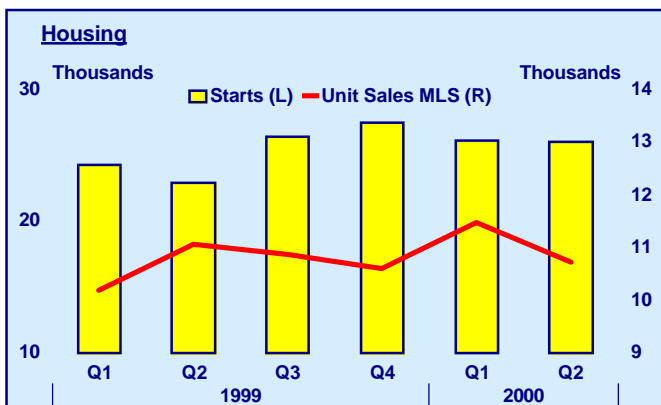
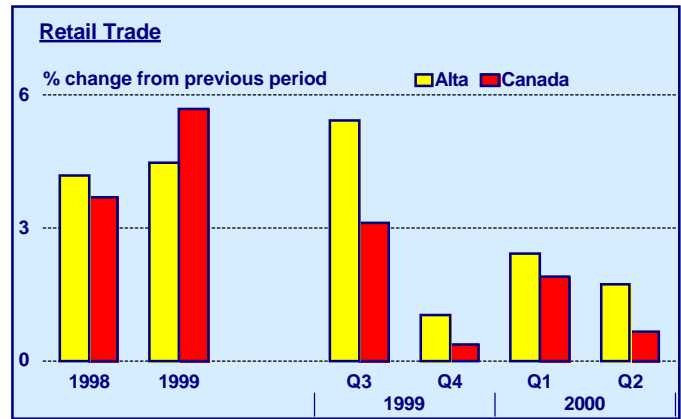
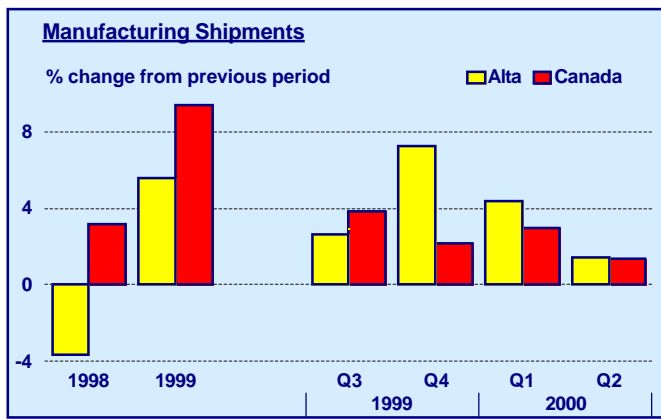
- Manufacturing shipments lost some momentum in the second quarter but were still up 1.5%. Growth was partly dampened by lower shipments of wood and fabricated metal products.

### ...and household spending edges down

- Retail sales rose by 1.7% in the second quarter, slower than in the previous period, but still one percentage point above the national average.
- Home resales were down 6.5% in the second quarter following a large increase in the first quarter. Housing starts were virtually unchanged.

### Transport and shelter boost inflation to 3.3%

- The provincial inflation rate stood at 3.3% in the second quarter, on a year-over-year basis, the second highest in Canada. The increase was largely accounted for by higher prices of transport and shelter. Inflation stood at 4.1% in July, mainly because of higher shelter costs.





## Labour Markets

### Employment falls in the second quarter...

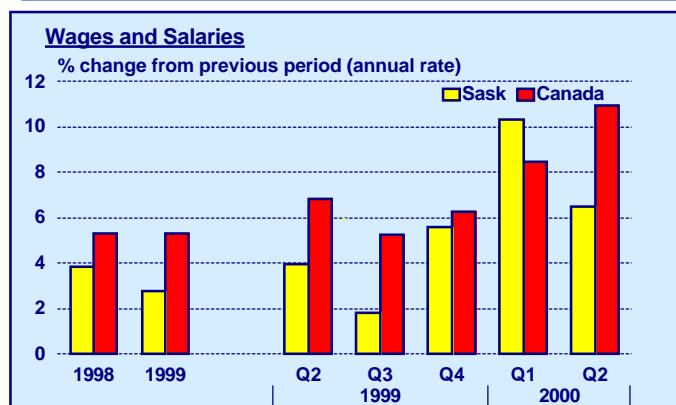
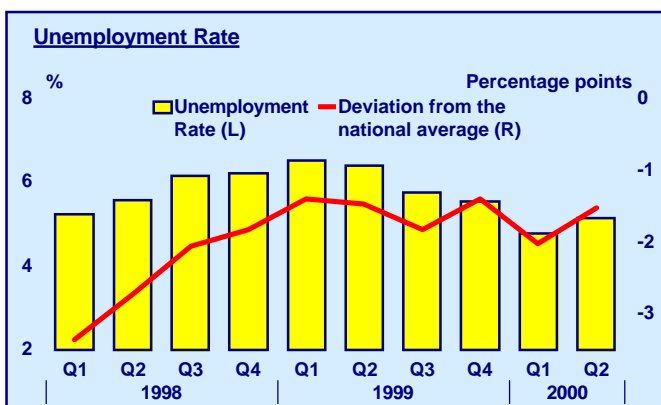
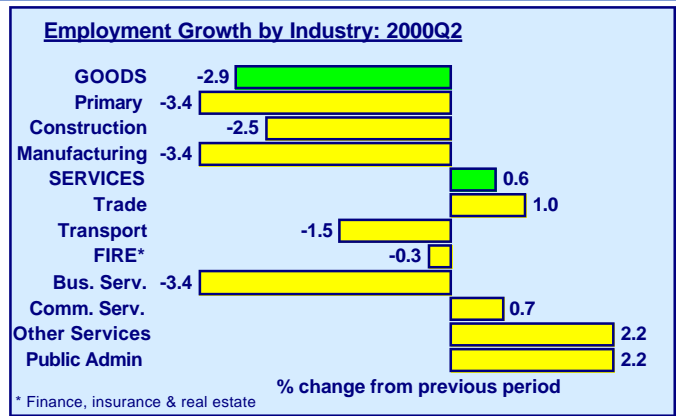
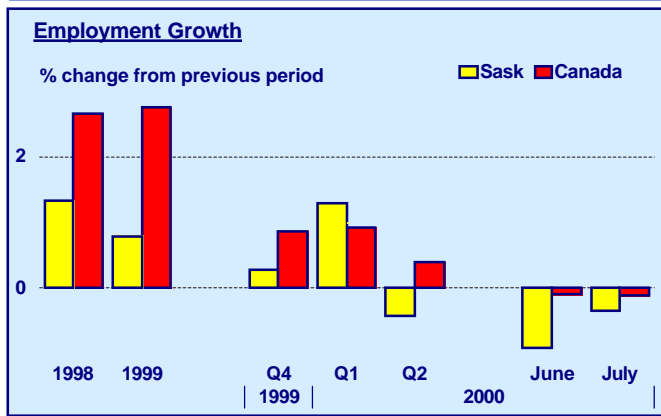
- Employment declined in the second quarter, following solid gains in the previous period. Losses were concentrated in the goods sector where all major industries posted declines. Employment grew slightly in the service sector with gains in other services, public administration and trade more than offsetting losses in transportation and business services.

### ...leading to a higher unemployment rate...

- As a result of lower employment, the unemployment rate increased to 5.1% in the second quarter. Nonetheless, it still remains among the lowest in Canada.
- Saskatchewan's unemployment rate gap was 1.5 percentage points below the national average, compared to a gap of 2 percentage points in the first quarter.

### ...and dampening income growth

- Growth of wages and salaries slowed to 6.5% (annual rate), about 4 percentage points below the national average, largely as a result of falling employment and weaker hourly earning growth.
- However, farm cash receipts, which are not included in earnings, grew strongly in the second quarter on a year-over-year basis (+30%). Higher payments under the new Canada-Saskatchewan Adjustment Program, designed to provide assistance to farmers following the elimination of transportation subsidies during periods of low prices, accounted for most of the increase.





## Economic Activity and Prices

### Manufacturing activity weakens in the second quarter...

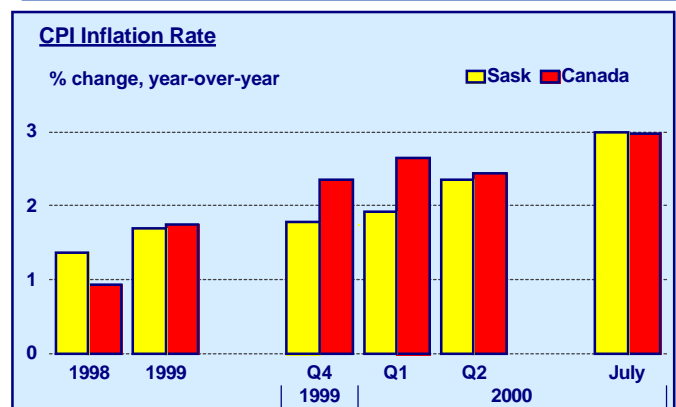
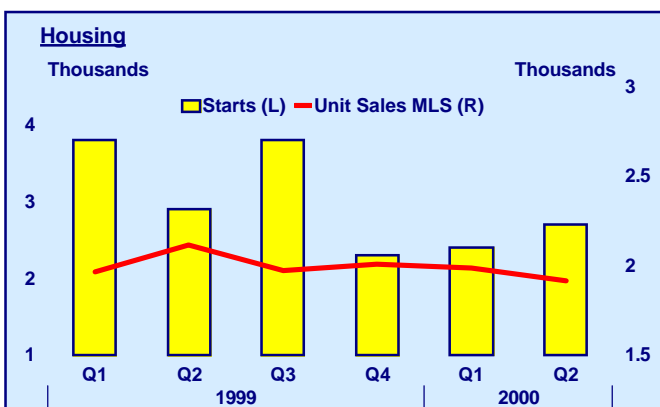
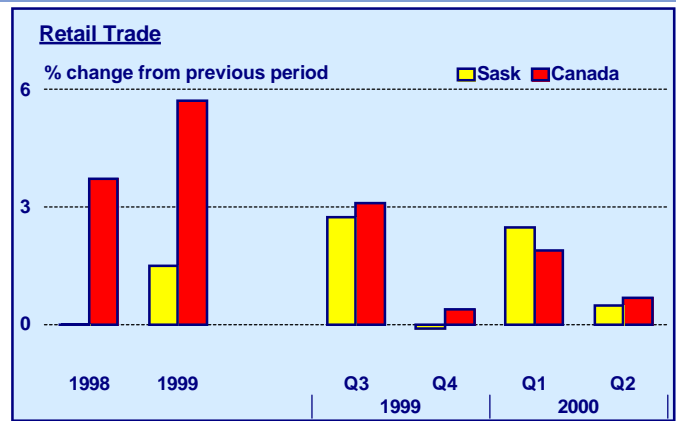
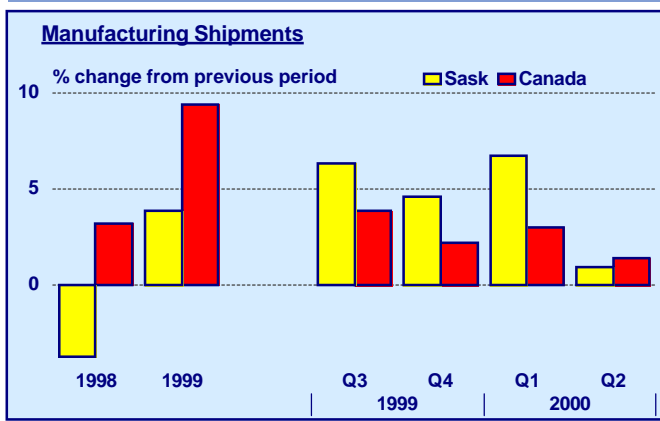
- Manufacturing shipments slowed considerably, increasing by less than 1% in the second quarter. This weak performance was attributable to slower growth in electrical equipment and food industries.

### ...while household spending slows

- Retail activity also cooled down, reflecting in large part somewhat weaker employment conditions in the province.
- Housing starts rose in the second quarter, extending the upward trend initiated at the end of last year. Nonetheless, home resales fell over the quarter.

### Inflation rises slightly to 2.4%

- The CPI index rose 2.4% in the second quarter on a year-over-year basis, narrowing the gap with the national average. The increase was mostly due to higher prices for transportation and shelter.
- Higher prices for health care and transportation were also behind the increase in the CPI inflation rate in July.





## Labour Markets

### Employment growth picks up in the second quarter...

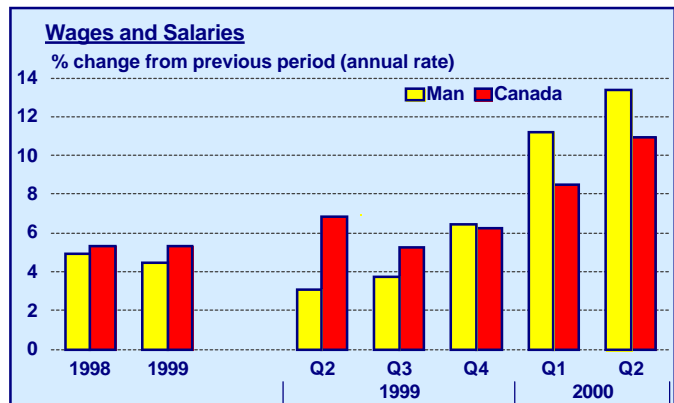
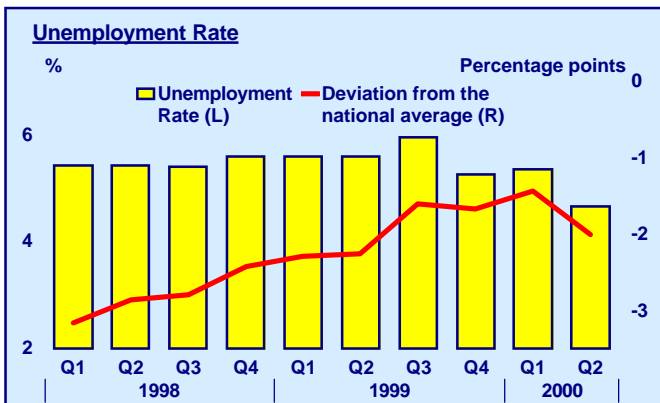
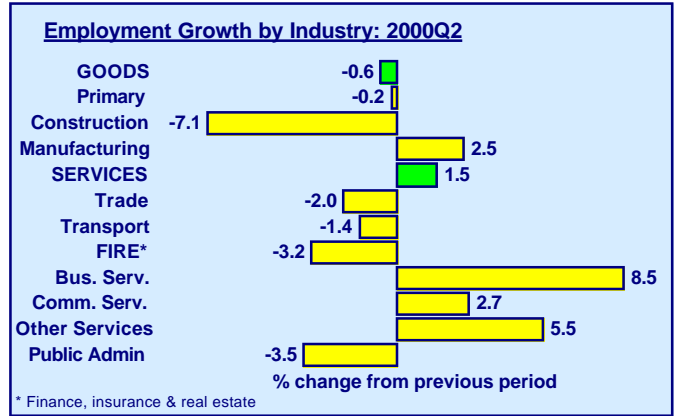
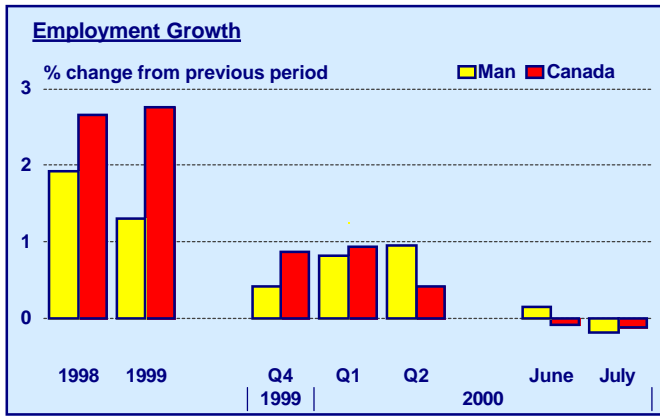
- Employment growth rose for the third consecutive quarter and exceeded the national average for the first time in almost three years. The 0.9% rise in employment was due to part-time job creation and was concentrated in business services, other services, community services, and in manufacturing. All other industries recorded losses.
- On a month-over-month basis, employment fell 0.2% in July with job losses concentrated in service-producing industries.

### ...leading to a lower unemployment rate

- As a result of strong employment growth in the second quarter, the unemployment rate fell 0.7 percentage points to 4.7%, the lowest rate observed since 1976.
- This large decline in Manitoba's unemployment rate widened the gap to 2 percentage points below the national average.

### Wages are up strongly in the second quarter

- Growth in wages and salaries increased for the fifth consecutive period, reaching 13.4% (annual rate) in the second quarter, the highest growth recorded in 19 years. This advance in wages is mostly explained by the federal pay equity payments.
- Farm cash receipts increased by 25% in the second quarter on a year-over-year basis, as livestock receipts reached record levels, driven by high prices in the hog and cattle sectors. Still, this strong advance is largely due to the new one-time Canada-Manitoba Adjustment Program which is designed to help farmers in periods of low grain prices.





## Economic Activity and Prices

### Industrial activity pauses in the second quarter...

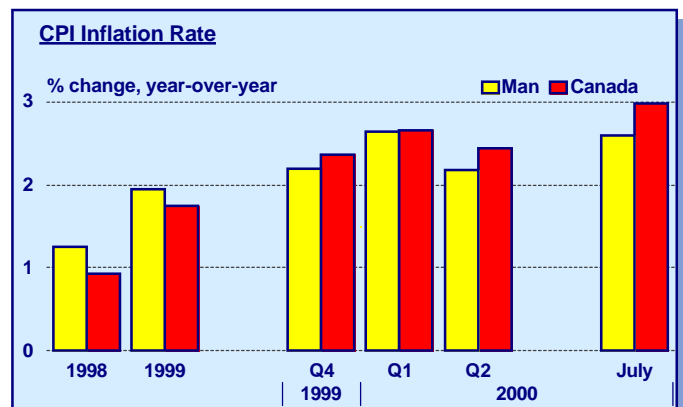
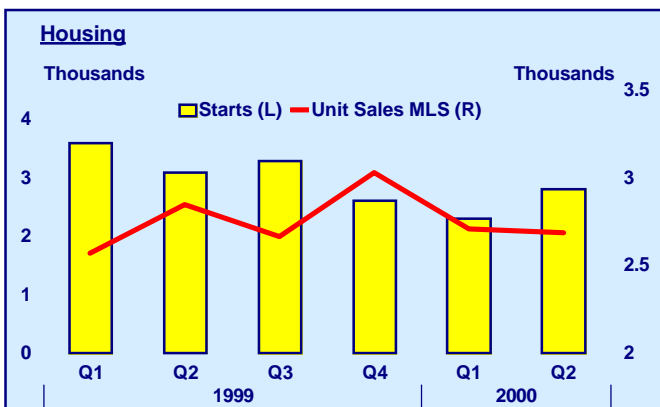
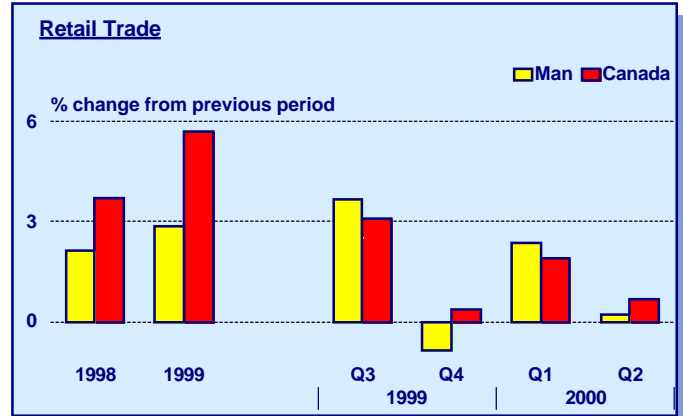
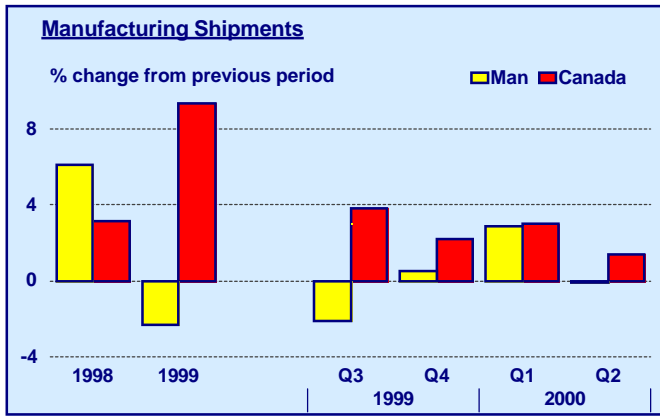
- Manufacturing shipments were practically unchanged in the second quarter as higher production of non-durable goods, such as food, clothing and paper was offset by lower production of durable goods, largely transportation equipment.

### ...as does retailing

- Following a rebound in the first quarter, retail sales increased slightly in the second quarter.
- The housing sector improved somewhat in the second quarter with housing starts increasing by 5,000 units. As for sales of existing homes, they were virtually unchanged in the second quarter.

### Health care costs put pressure on the CPI

- The CPI rose 2.2% in the second quarter, on a year-over-year basis, with higher prices for health care services and transportation accounting for most of the increase. In July, inflation rose to 2.6% on a year-over-year basis, also as a result of higher prices for health care services.







## Labour Markets

### Employment growth eases in the second quarter ...

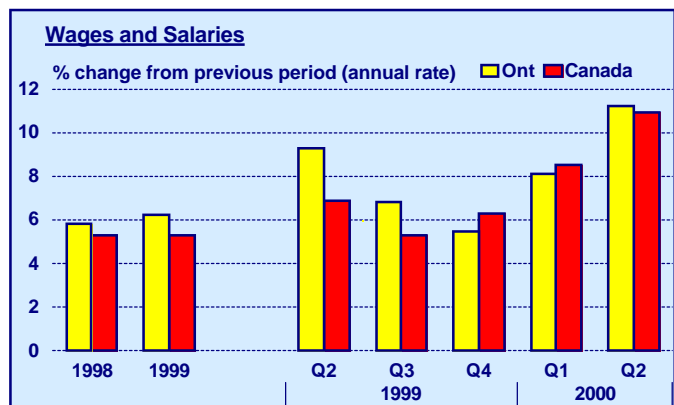
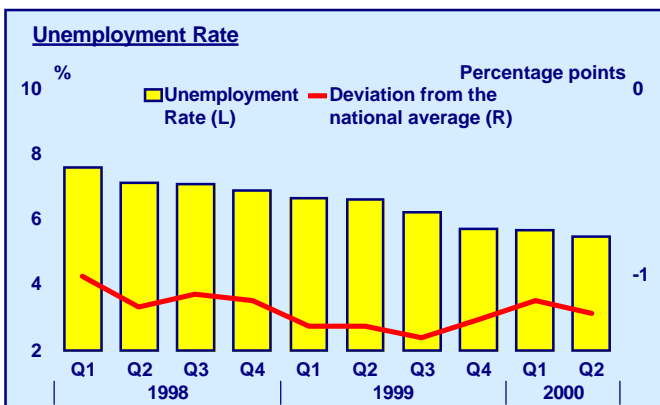
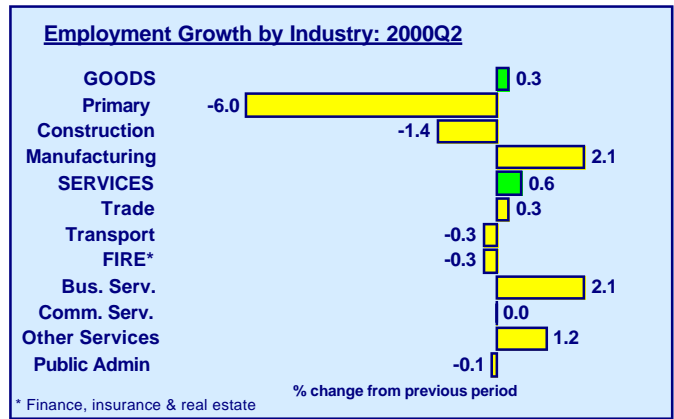
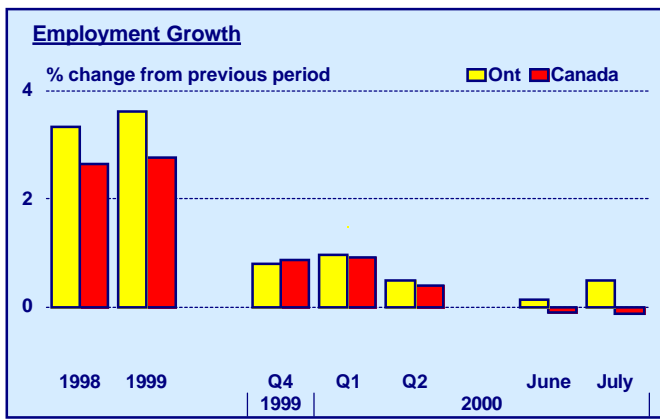
- Employment recorded its smallest increase in more than three years in the second quarter, advancing 0.5%, though this rate is still above the national average. On a monthly basis, employment rose by 29,000 in July, following three months of slow growth.
- In the second quarter, job creation was concentrated in the service sector. Strong gains in business services, led by management and administration, and in other services more than offset losses in transportation, FIRE and public administration. Employment in the goods sector increased only 0.3% as agriculture and the construction industry recorded notable losses.

### ... but, the unemployment rate falls to a near 10-year low

- The unemployment rate, which held steady at 5.7% in the last two quarters, fell 0.2 percentage points to 5.5% in the second quarter, the lowest quarterly rate observed since 1990.
- The Ontario unemployment rate averaged 1.2 percentage points below the national average over this period.

### Growth in wages and salaries is supported by pay equity payments

- Despite easing employment growth, wages and salaries continued to advance at a strong rate similar to the national average in the second quarter, owing largely to federal pay equity settlements.





## Economic Activity and Prices

### Growth in manufacturing activity remains below the national average ...

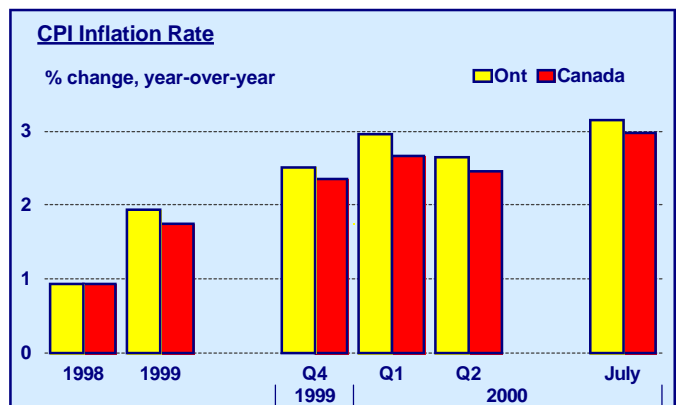
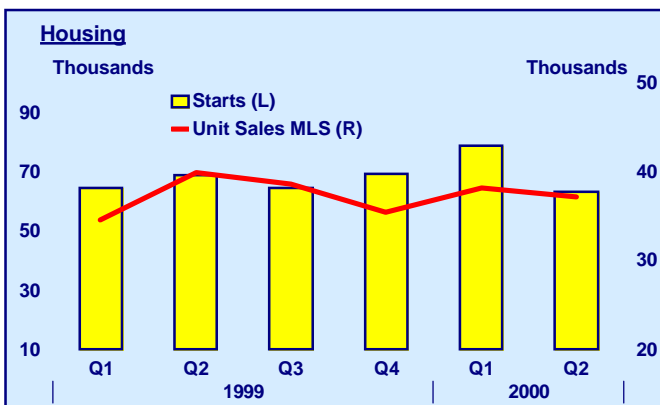
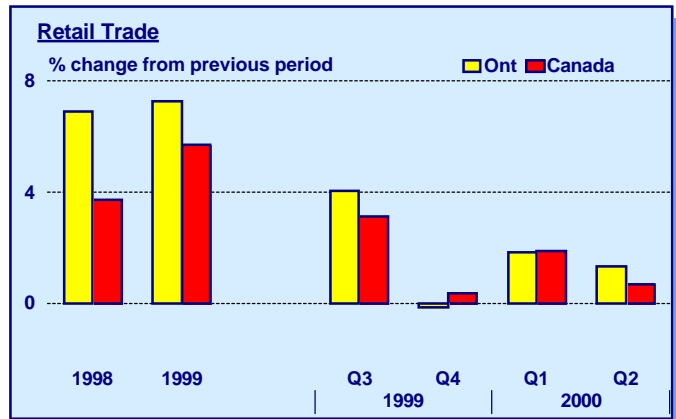
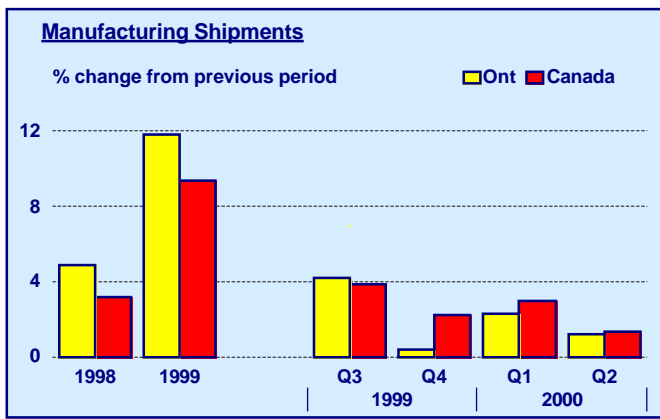
- Manufacturing shipments rose 1.2% in the second quarter as manufacturers of electrical and electronic products, aircraft and aircraft parts, and furniture recorded strong growth. However, shipments of transportation equipment fell as motor vehicle output decreased for a third consecutive quarter.

### ... while retailing and housing activity slows

- Retail sales in Ontario advanced 1.3% in the second quarter, ahead of the national increase but down from the 1.8% gain in the previous quarter. This reflected the slowdown in employment growth.
- The housing sector was also less vigorous in the second quarter. Housing starts fell from the near 10-year-high level recorded in the previous quarter, in large part due to a strike by cement truckers in Southern Ontario. However, home resales also declined slightly to 37 200 units.

### Prices rise at a slower pace in the second quarter

- After reaching the 3% mark in the first quarter, Ontario's CPI inflation averaged 2.6% in the second quarter as prices of major components increased at a slower pace on a year-over-year basis. However, inflation rose to 3.1% in July, spurred by higher gasoline prices.





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A light blue map of the province of Quebec, Canada, centered on a white background. The map shows the province's outline, including the Gulf of St. Lawrence and the Saguenay Fjord. The word "Quebec" is written in a bold, dark blue, italicized serif font across the center of the map.

***Quebec***



## Labour Markets

### Job creation remains subdued in the second quarter...

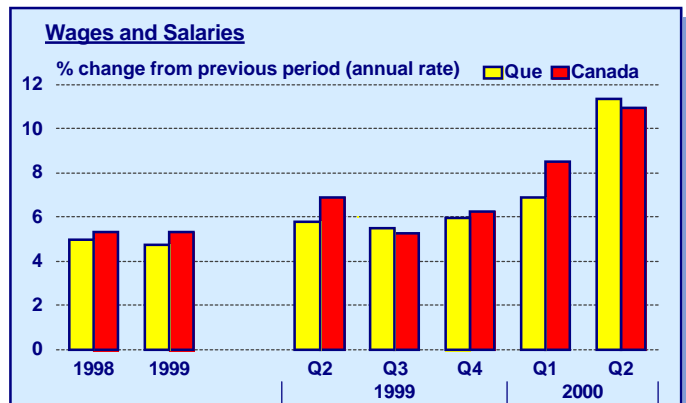
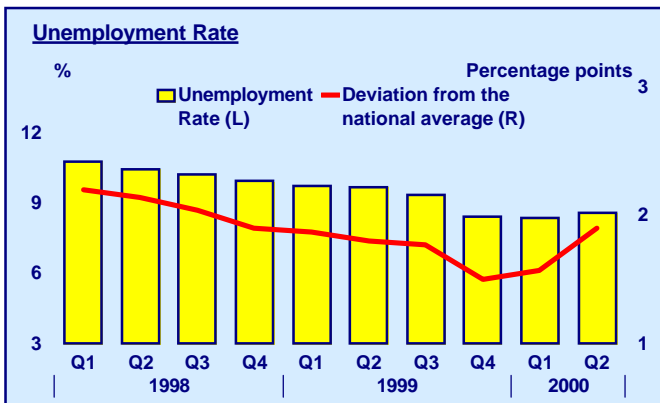
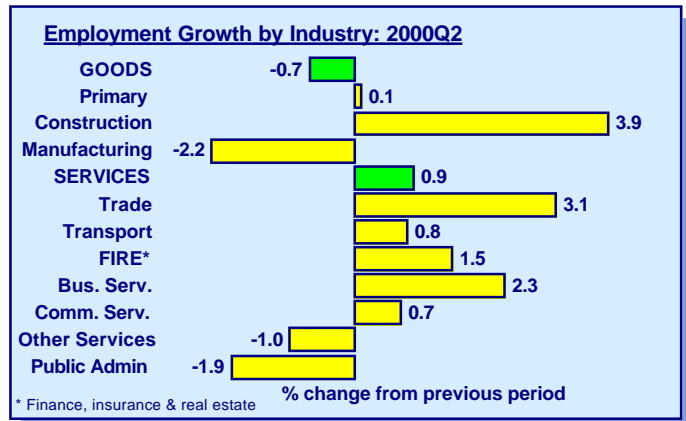
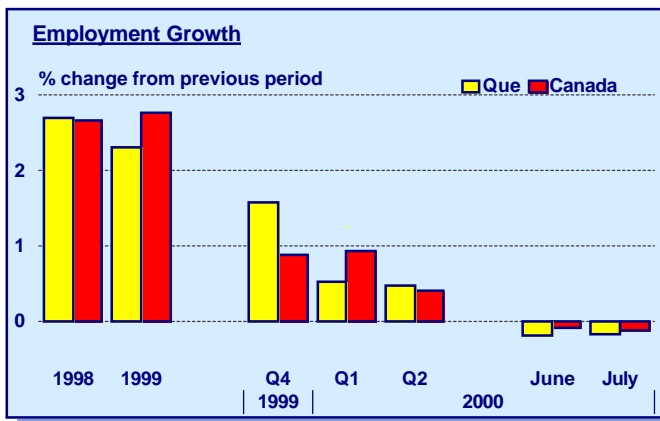
- Employment grew 0.5% in the second quarter, a rate similar to that of the previous quarter. Job creation was concentrated in the service sector where the leading sources of growth were trade, business services, and finance, insurance & real estate. Employment in goods-producing industries fell 0.7%, as gains in construction and primary were more than offset by losses in manufacturing industries.
- Employment declined by 0.2% in July, led by important losses in the manufacturing industry, and the health care and social assistance sector.

### ... leading to a higher unemployment rate

- After falling to the lowest rate observed since 1976 over the two previous quarters, Quebec's unemployment rate increased 0.2 percentage points to 8.6% in the second quarter.
- With the national rate declining slightly, the gap between the national average and Quebec unemployment rate reached nearly 2 percentage points in the second quarter.

### Growth in wages and salaries accelerates

- Growth in wages and salaries accelerated for the third consecutive quarter, reaching 11.4%, the biggest quarterly gain since the late 1980s. Pay equity payments by the federal government largely explain the surge in income in the second quarter.





## Economic Activity and Prices

### Industrial activity continues to advance in the second quarter...

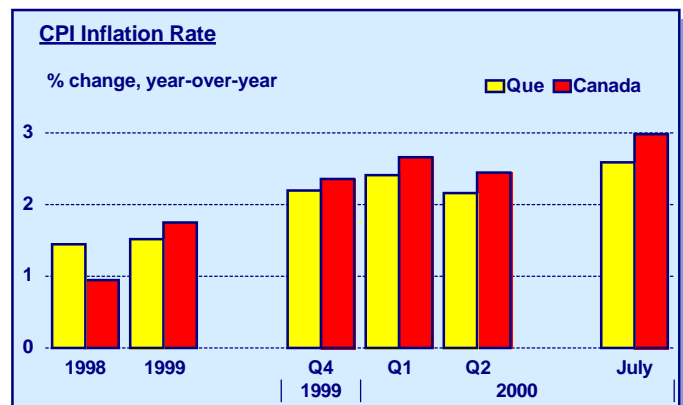
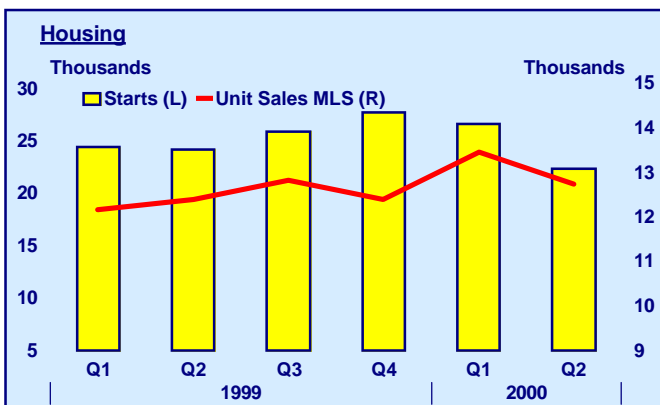
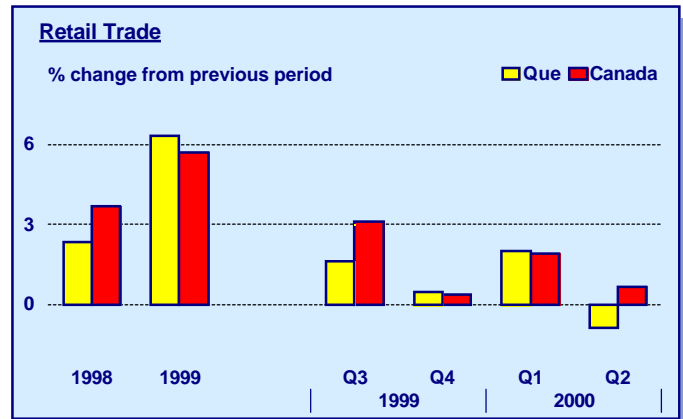
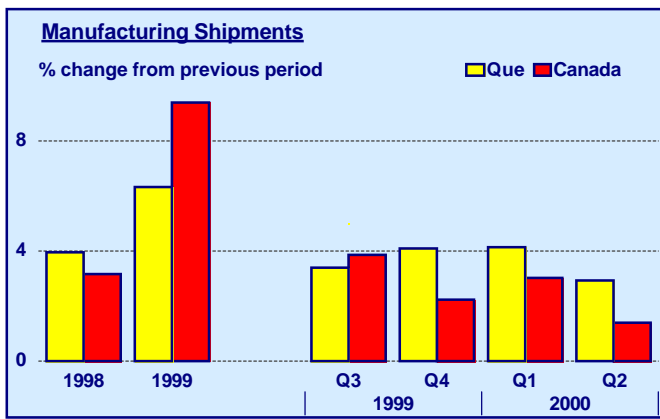
- Manufacturers' shipments increased 2.9% in the second quarter, building on even stronger gains in the three previous quarters. Electrical and electronic products industries were the main contributors to this advance, posting an increase of 17%. Activity was also particularly vigorous in chemical products, refined petroleum and coal products as well as in the printing and publishing industries.

### ...while consumer spending slows ...

- Despite a high level of consumer confidence in the second quarter, retail sales edged down. This was the first decline in four quarters.
- After reaching a record high in the first quarter, home resales declined in the second quarter. Housing starts also lost momentum and fell to their lowest level in six quarters.

### ... and inflation moderates

- Consumer prices were up 2.2% in the second quarter on a year-over-year basis, down from 2.4% in the first quarter. All components of the CPI, except food and alcohol, grew at a slower pace in the second quarter. On a monthly basis, year-over-year inflation rose to 2.6% in July, owing largely to a 17.8% jump in energy prices.



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A light blue map of Atlantic Canada, including the provinces of New Brunswick, Nova Scotia, and Prince Edward Island, as well as the Gulf of St. Lawrence and the Magdalen Islands. The text "Atlantic Canada" is overlaid in a bold, dark blue, italicized font.

***Atlantic Canada***



## Labour Markets

### Job creation eases in the second quarter...

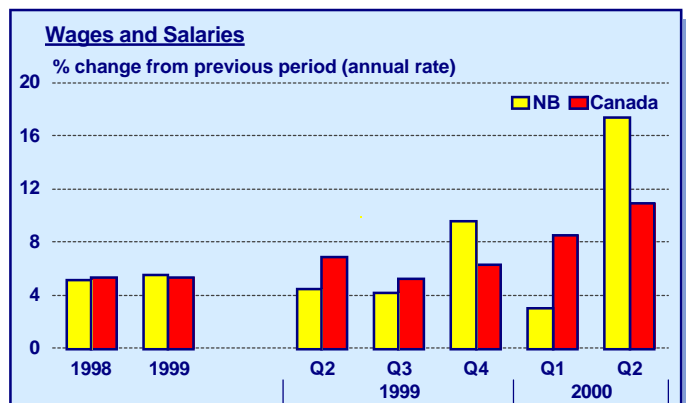
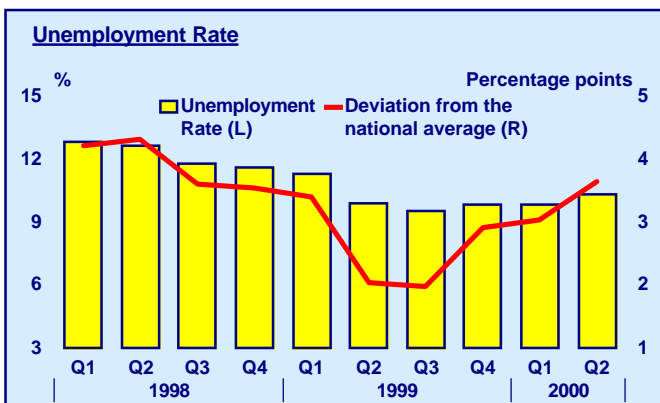
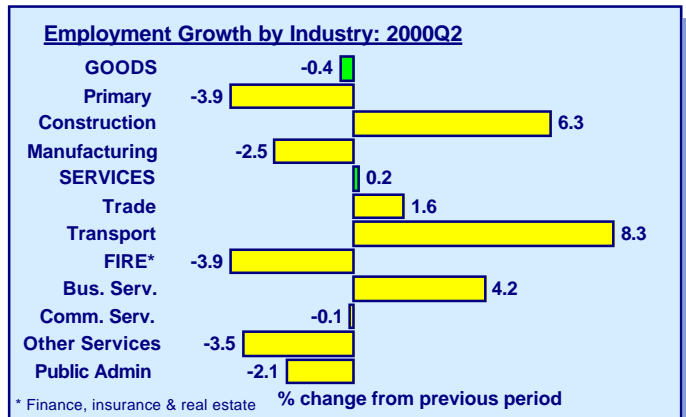
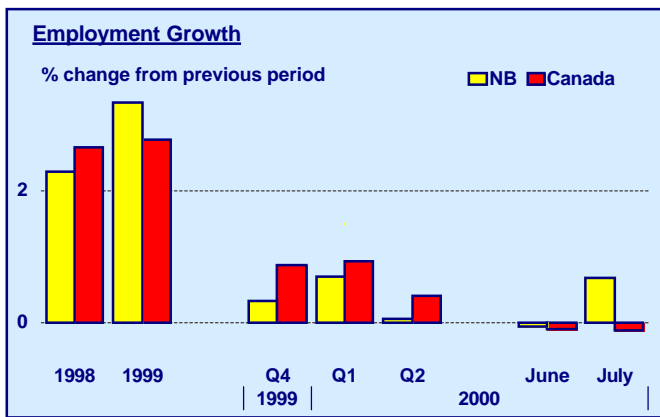
- Employment edged up 0.1% in the second quarter, the smallest increase in a year. Job creation was concentrated in the service sector, driven by large gains in transportation, business services and trade. In the goods-producing sector, strong employment growth in construction was more than offset by losses in primary and manufacturing industries.
- Rebounding from a weak second quarter, New Brunswick recorded the largest employment growth among all provinces in July. All the new jobs created were full-time, while part-time employment declined slightly.

### ...pushing the unemployment rate up

- The unemployment rate increased 0.5 percentage points to 10.3% in the second quarter, as the small employment gains were more than offset by a rising labour force.
- With the national unemployment rate edging down to 6.7% in the second quarter, New Brunswick's unemployment rate rose to 3.6 percentage points above the national average.

### Wages and salaries boosted by federal pay equity payments

- Boosted by pay equity payments, wages and salaries recorded their largest advance in 19 years, increasing 17% in the second quarter, a rate well above the national average.





## Economic Activity and Prices

### Growth of manufacturing activity weakens in the second quarter...

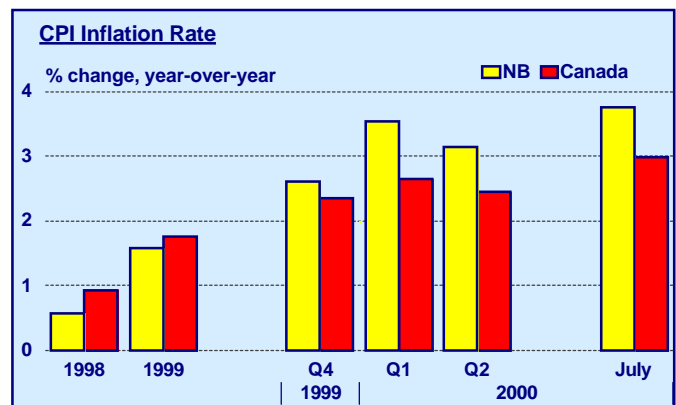
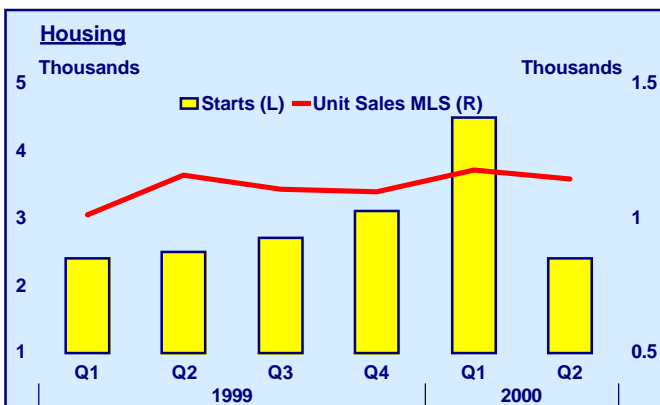
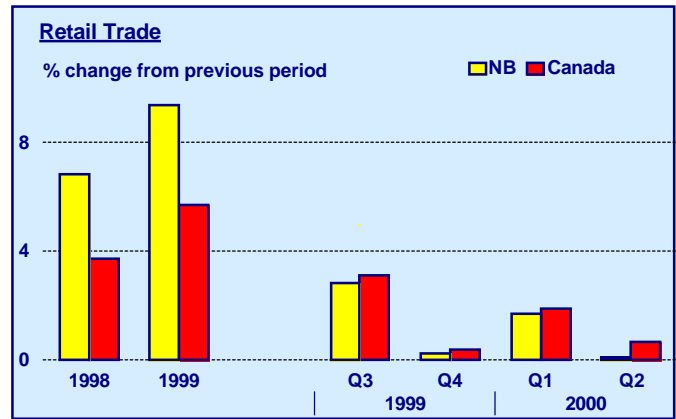
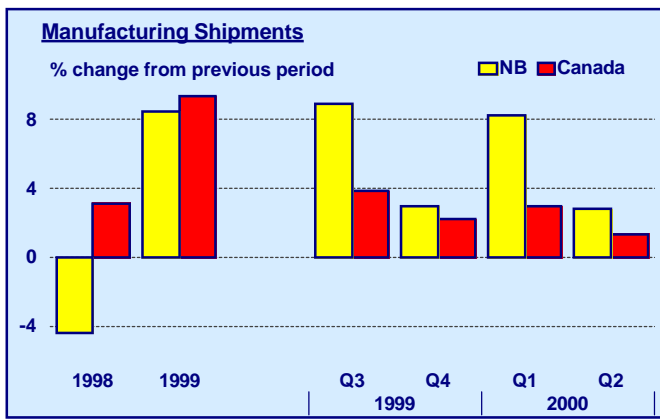
- Manufacturing shipments recorded their fifth consecutive advance in the second quarter of 2000, mostly as a result of higher production of non-durable goods, such as food products, paper, printing and publishing.

### ...while household spending cools down

- Retailers in New Brunswick posted little advance in sales in the second quarter, as a slowdown in employment growth restrained consumer spending.
- Housing demand also eased in the second quarter. Residential construction fell after the level of activity reached a five-year-high in the first quarter, while existing home sales declined slightly.

### Inflation rises above 3% for the second consecutive quarter

- The CPI inflation rate stood at 3.1% in the second quarter. Higher prices for transportation and shelter pushed inflation over the 3% mark for a second consecutive quarter, although the increase was dampened by lower prices for clothing. In July, the year-over-year inflation rate soared to 3.8%, a rate well above the national average, again mostly as a result of higher prices for transportation and shelter.





## Labour Markets

### Employment growth slows in the second quarter...

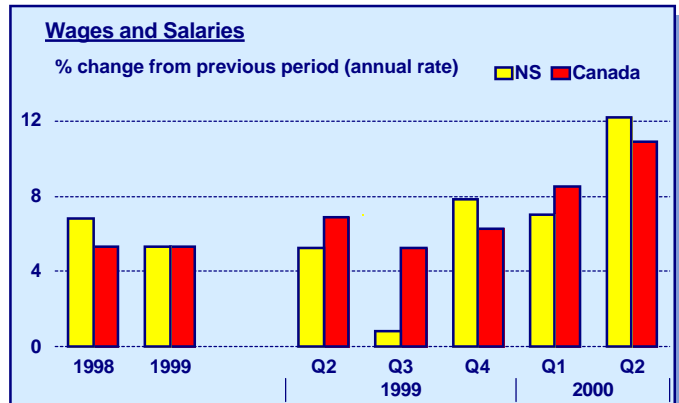
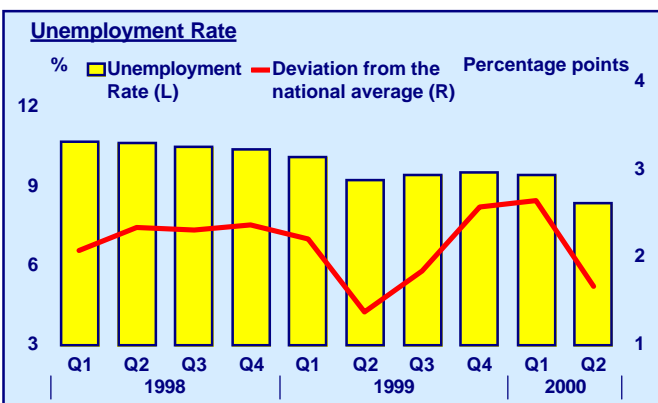
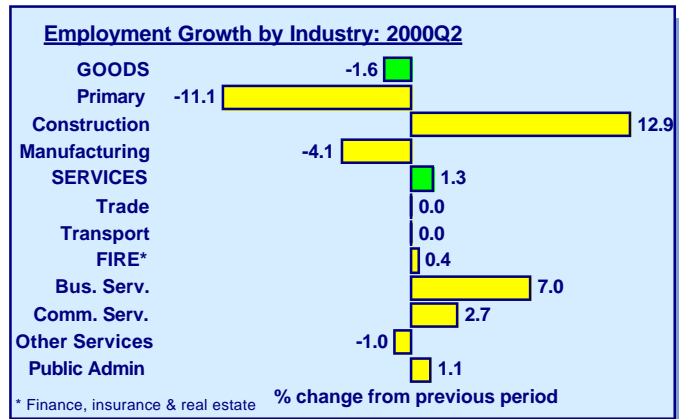
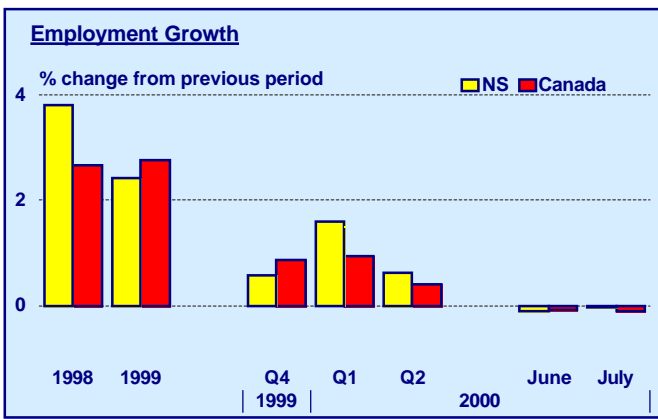
- Employment growth in Nova Scotia slowed in the second quarter, pulled down by job losses in June. Although job creation continues to exceed the national average, employment trends have been less favorable in recent months.
- Employment fell in the goods sector in the second quarter as losses in the primary and manufacturing categories offset strong growth in construction. In the services sector, overall employment growth was modest as strong employment growth in business and community services was countered by near zero growth in trade, transport and finance, insurance & real estate.

### ...but the unemployment rate falls...

- Employment gains accompanied by a decline in the number of people seeking work lowered the unemployment rate to 8.3%. Nova Scotia's unemployment rate was 1.6 percentage points below the national average. This compares to a gap of 2.6 points in the first quarter.
- In July, the unemployment rate in Nova Scotia was back up to 9.2%, in large part due to a rising labour force. Employment was virtually unchanged with gains in goods industries offsetting losses in services.

### ...and earnings soar

- The growth in wages and salaries jumped to 12.1%, outpacing the national average. The granting of federal pay equity payments played a major role in the increase.





# Nova Scotia

## Economic Activity and Prices

### Industrial activity recovers slightly in the second quarter...

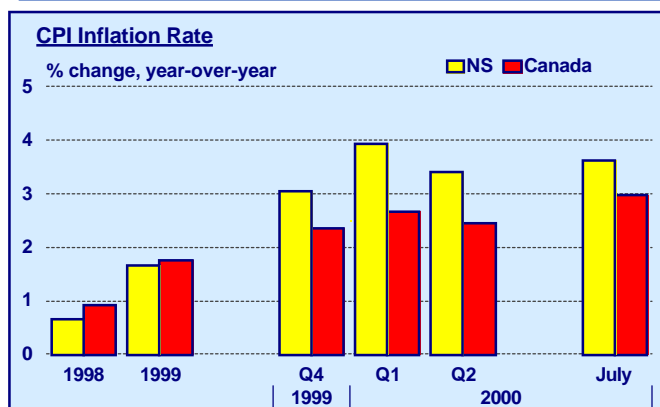
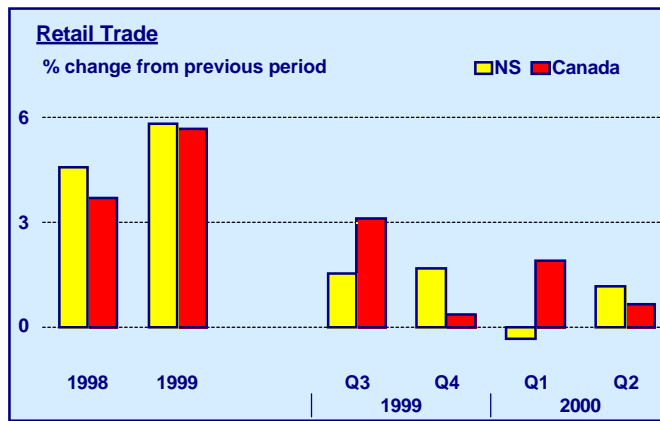
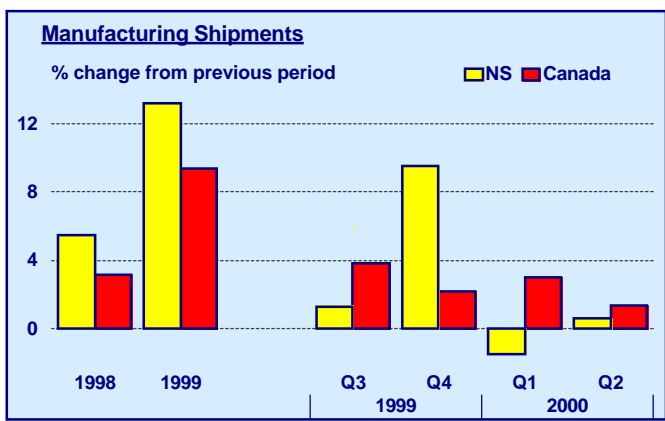
- Manufacturing shipments made a modest recovery due largely to higher shipments of food, chemical, and non-metallic products. These gains offset downward pressure from lower shipments of textiles, transportation equipment, and other durables.

### ...while consumers remain ambivalent...

- Retail trade recovered from an earlier loss in the second quarter, posting growth above the national average.
- The housing sector moved in the opposite direction, however, with both housing starts and sales of existing homes dropping sharply following a strong performance in the first quarter.

### ...and inflation remains high

- The inflation rate in Nova Scotia declined to 3.4%, but remained well above the national rate, as it has for the previous three quarters. With the exception of clothing, all major components recorded price increases on a year-over-year basis. Inflation rose to 3.6% in July.







# Prince Edward Island

## Labour Markets

### Employment growth is down sharply in the second quarter...

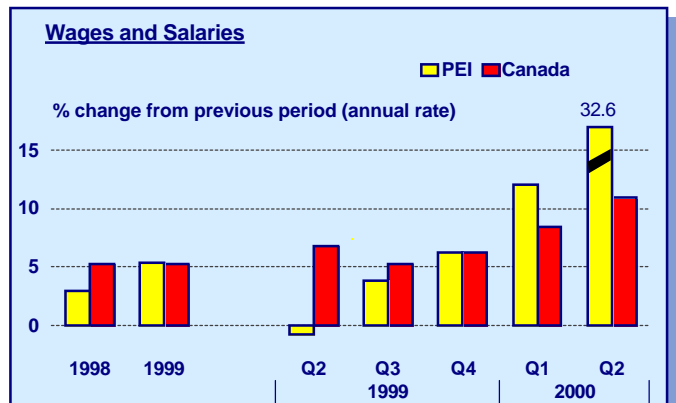
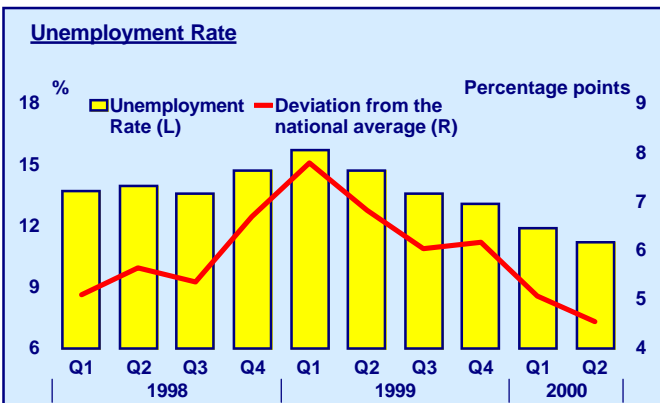
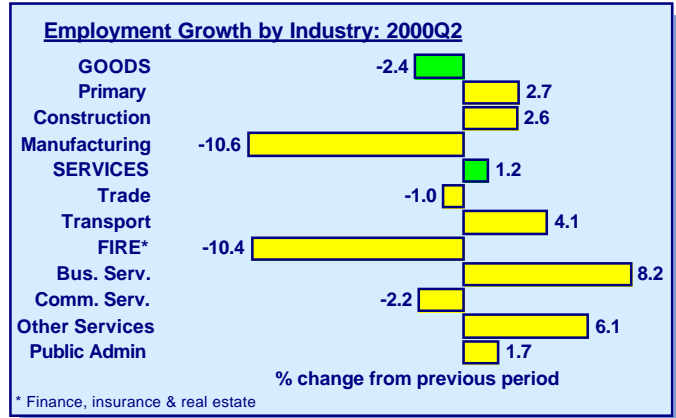
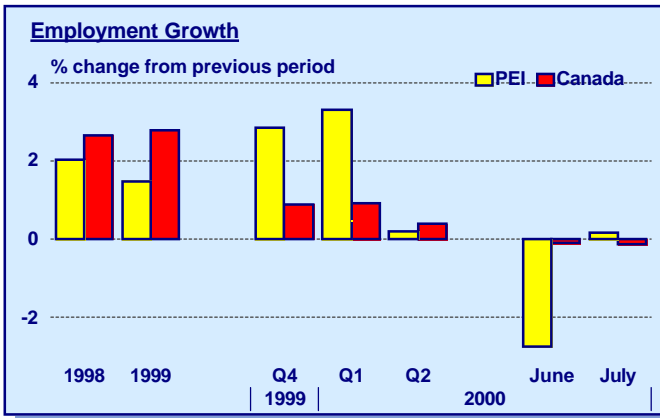
- PEI experienced a sharp drop of employment growth in the second quarter, as significant job losses in June offset gains in April and May. Employment growth resumed in July.
- The second quarter setback originated largely in the goods sector, where important losses in manufacturing more than offset smaller gains in the primary and construction industries. In the service sector, major job losses in finance, insurance & real estate were more than offset by healthy gains in industries such as business, other services, and transportation.

### ...but the unemployment rate continues to fall...

- The slowdown in employment growth was accompanied by a decline of the labour force, which dropped the unemployment rate down to 11.2%, the lowest since 1981.
- This recent drop in PEI's unemployment rate brought it down to 4.5 percentage points above the national average. This is the lowest differential since 1988.

### ...while earning growth surges

- Growth in wages and salaries rose well above the national average in the second quarter, reflecting pay equity payments by the federal government.





# Prince Edward Island

## Economic Activity and Prices

### Industrial growth remains negative in the second quarter...

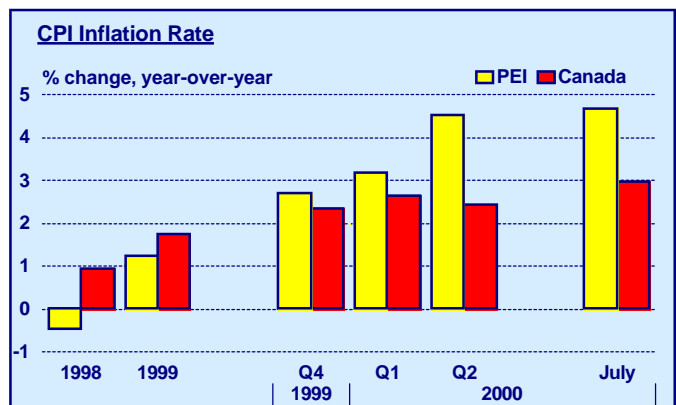
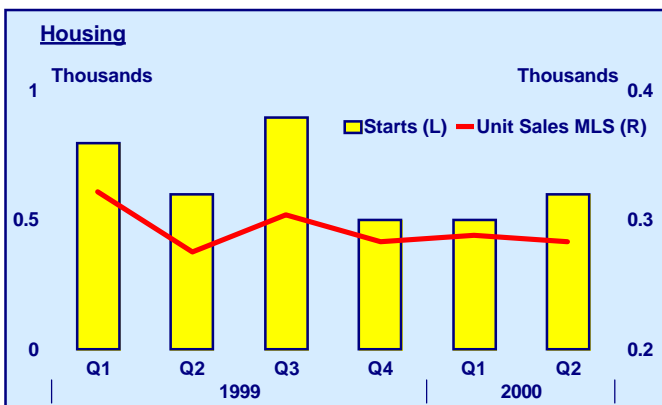
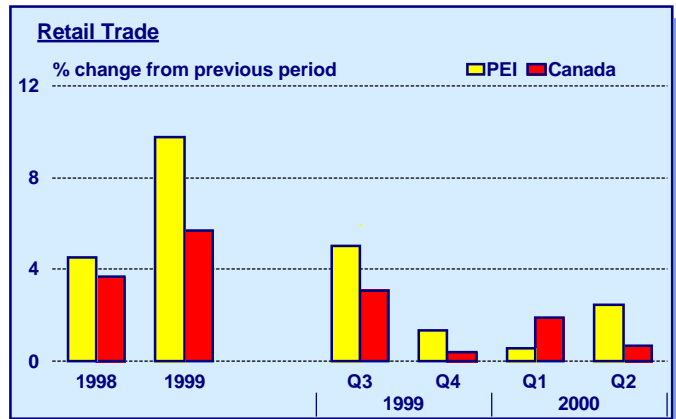
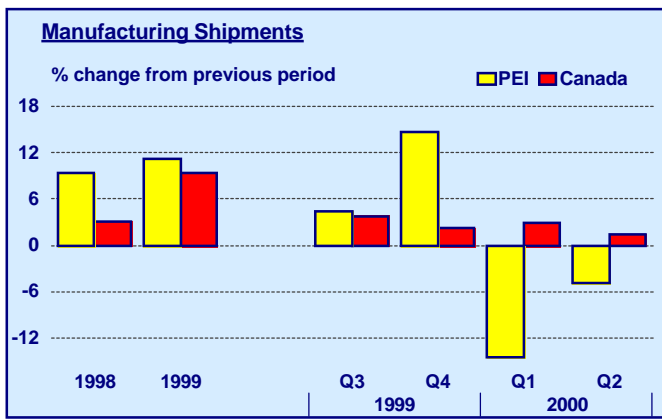
- Growth in manufacturing shipments fell in the second quarter, but to a lesser degree than the previous quarter. The second quarter setback was attributed to losses in several industries - most notably paper, wood, machinery, and transportation equipment.

### ...but consumer spending picks up...

- Consumer spending rose modestly in the second quarter, picking up from a slow first quarter start and outpacing the national average.
- Housing starts rose in the second quarter, while sales of existing homes were virtually unchanged from their previous level.

### ...and inflation soars.

- Inflation increased sharply to 4.5% in the second quarter, significantly above the national average for the third consecutive quarter. Prices increased at a faster pace in all major categories.
- The upward momentum in prices carried over into the next quarter, pushing inflation to 4.7% in July, well above the national average. The differential was caused primarily by increased costs for shelter, which rose almost 6 percentage points faster in PEI than for Canada as a whole.





## Labour Markets

### Employment growth resumes in the second quarter...

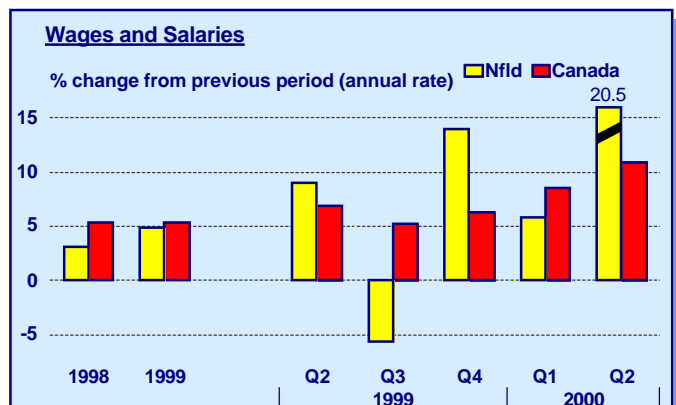
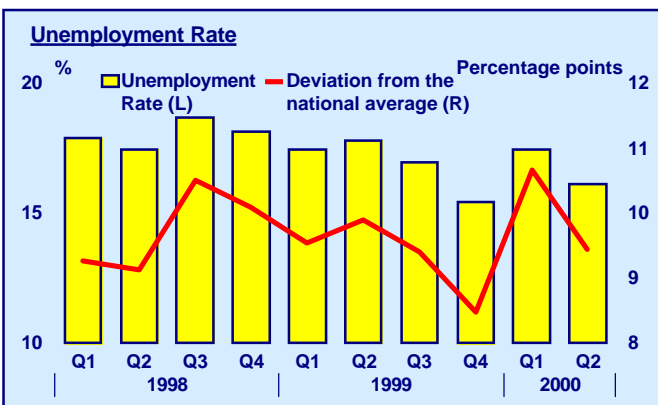
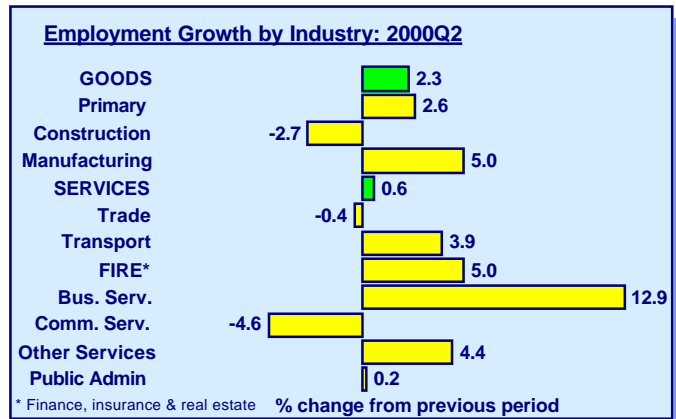
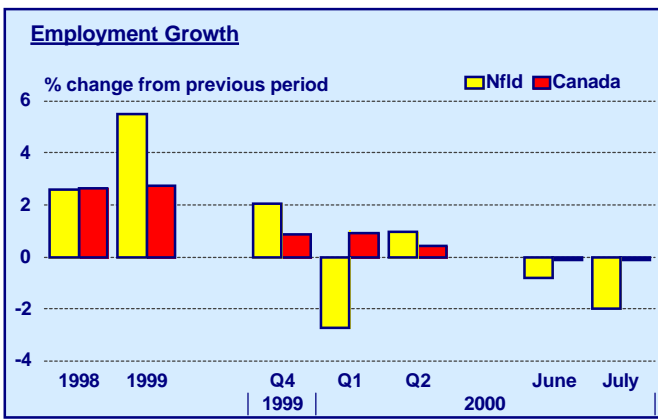
- Employment in Newfoundland increased by 1.0% in the second quarter, only partly reversing a major setback in the previous quarter. The second quarter recovery was evident in the service sector with healthy jobs gains in business services, transportation, other services and finance, insurance & real estate. In the goods sector, strong job gains in the manufacturing and primary industries offset weakness in construction.
- Although there was a slight improvement in the second quarter, employment fell in both June and July.

### ...pushing the unemployment rate down

- The unemployment rate fell to 16.1%, as a result of the recovery in employment and a decline in the labour force. Newfoundland's unemployment rate gap was 9.4 percentage points above the national average, down from 11 points in the first quarter.

### Earnings growth is boosted by federal pay equity payments

- Growth in wages and salaries soared to almost twice the national average in the second quarter. This was the result of the modest rebound in employment coupled with federal pay equity payments. The effects of these payments are felt most strongly in provinces like Newfoundland, where the public service accounts for a larger share of employment.





## Economic Activity and Prices

### Industrial activity increases sharply in the second quarter...

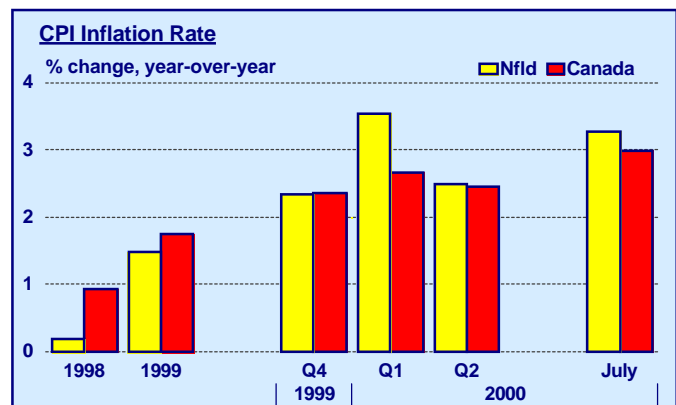
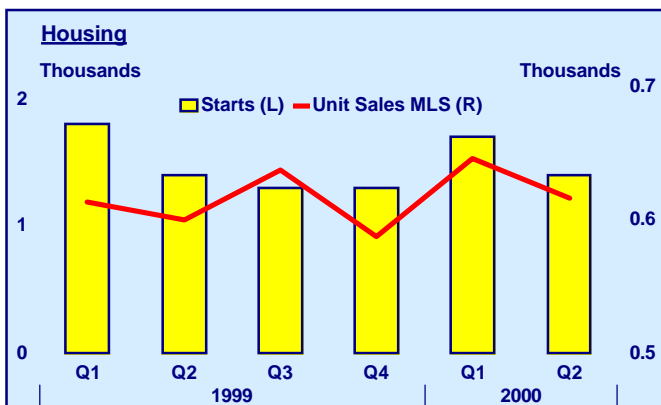
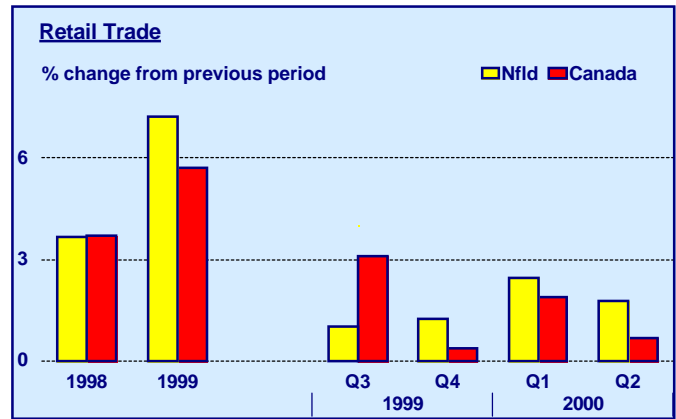
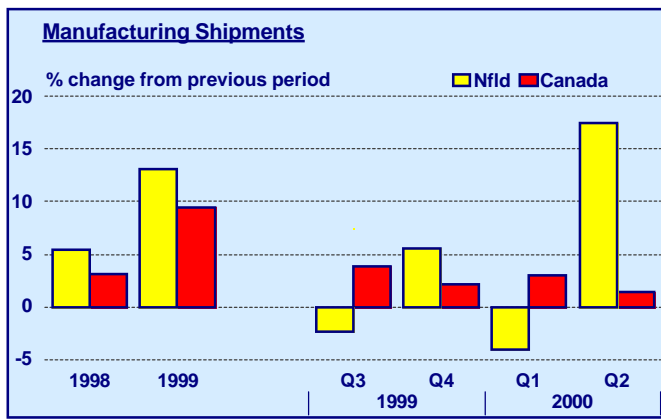
- Manufacturing shipments recorded a strong recovery in the second quarter, boosted by solid increases in the food and machinery industries. Printing and chemical products also posted gains.

### ...while consumer spending slows...

- Retail sales rose 1.8% in the second quarter, down from the 2.5% increase observed in the first quarter. Newfoundland's retail spending continues to outpace the national average, buoyed by strong employment gains during the past year and a half.
- After experiencing a healthy rise in the first quarter, the housing sector retreated in the second quarter as both housing starts and sales of existing homes fell.

### ...along with price inflation

- In spite of surging energy prices, Newfoundland's inflation rate fell to 2.5% in the second quarter, a rate just slightly above the national average. Major contributors to the lower inflation were falling prices for food and clothing. However, recent figures from July point to higher inflation in the next quarter.





***A word of caution:***

***Data for the Territories are less reliable than for the Provinces because of the small size of the samples. They are, therefore, subject to large revisions.***

# Territories

## Economic Activity and Prices

### Employment conditions are mixed...

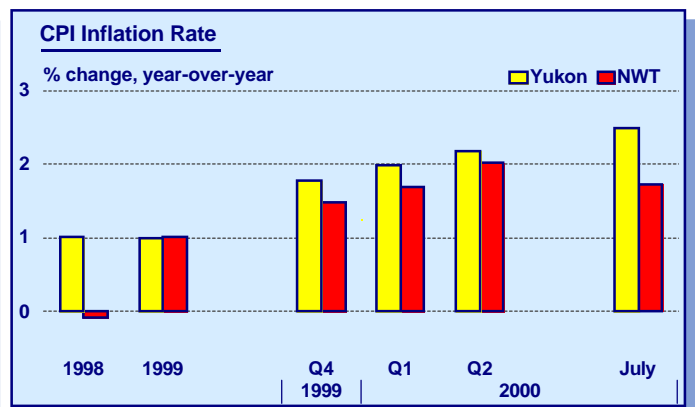
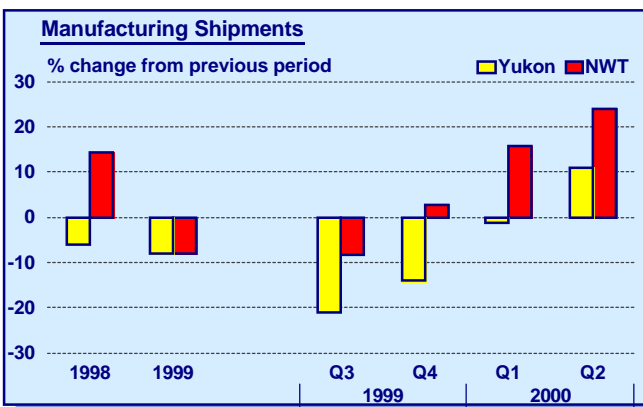
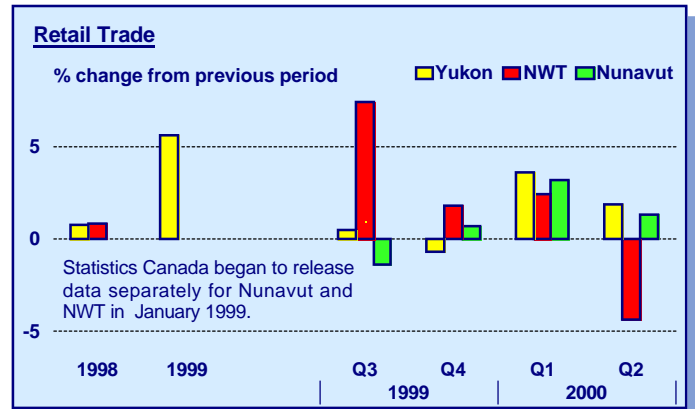
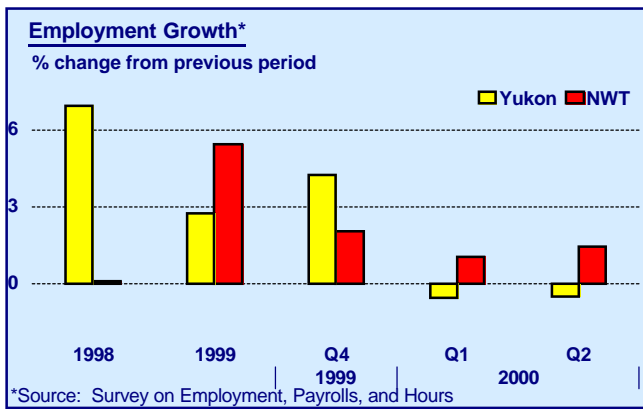
- Employment rose further in the Northwest Territories in the second quarter. Gains were recorded in both goods and services-producing industries.
- However, employment edged down in Yukon for a second consecutive quarter, as gains in services were more than offset by losses in goods-producing industries.

### ...while manufacturing shipments surge

- Industrial activity in the territories surged in the second quarter with the Northwest Territories registering the highest growth.
- Household expenditures were up 1.9% in Yukon and 1.3% in Nunavut in the second quarter, while they fell 4.4% in the Northwest Territories in the second quarter.

### Inflation increases

- Inflation averaged 2% in the second quarter. In July, the CPI inflation rate was 2.5% for Yukon and 1.7% for Northwest Territories.



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***STATISTICAL APPENDIX***

## Key Provincial Data

	1998	1999	2000Q1	2000Q2	June 2000	July 2000
<b>BRITISH COLUMBIA</b>						
Mfg Shipments (\$M)	33,890.2	37,034.0	9,986.6	9,728.2	3,238.2	N/A
% change (1)	-2.0	9.3	3.0	-2.6	-0.6	N/A
Retail Trade (\$M)	33,044.9	33,672.2	8,721.8	8,779.9	2,960.3	N/A
% change	-2.0	1.9	1.7	0.7	2.1	N/A
Housing Starts (000's)	19.9	16.3	13.3	15.3	14.4	14.0
Labour Force (000's)	2,051.2	2,079.1	2,093.3	2,089.4	2,092.4	2,076.5
% change	0.5	1.4	0.7	-0.2	-0.1	-0.8
Employment (000's)	1,870.2	1,906.4	1,944.5	1,947.5	1,951.5	1,929.0
% change	0.1	1.9	1.5	0.2	-0.1	-1.2
Unemployment Rate (%)	8.8	8.3	7.1	6.8	6.7	7.1
Participation Rate (%)	64.9	65.1	65.0	64.7	64.7	64.1
CPI Inflation	0.3	1.1	1.4	1.4	1.5	2.0
<b>ALBERTA</b>						
Mfg Shipments (\$M)	33,409.0	35,273.6	10,000.8	10,146.2	3,468.3	N/A
% change (1)	-3.6	5.6	4.4	1.5	0.0	N/A
Retail Trade (\$M)	28,064.9	29,323.9	7,760.0	7,894.0	2,647.7	N/A
% change	4.2	4.5	2.4	1.7	1.1	N/A
Housing Starts (000's)	27.1	25.4	26.1	26.0	24.3	24.3
Labour Force (000's)	1,605.1	1,647.9	1,666.8	1,669.3	1,668.6	1,657.1
% change	3.7	2.7	0.8	0.1	-0.1	-0.7
Employment (000's)	1,515.4	1,553.3	1,583.2	1,586.7	1,585.3	1,571.4
% change	3.9	2.5	1.2	0.2	-0.4	-0.9
Unemployment Rate (%)	5.6	5.7	5.0	4.9	5.0	5.2
Participation Rate (%)	72.5	72.6	72.6	72.3	72.1	71.5
CPI Inflation	1.1	2.4	3.0	3.3	3.4	4.0
<b>SASKATCHEWAN</b>						
Mfg Shipments (\$M)	5,895.5	6,123.0	1,738.9	1,755.1	590.9	N/A
% change (1)	-3.8	3.9	6.7	0.9	1.2	N/A
Retail Trade (\$M)	7,621.5	7,734.6	2,011.4	2,021.0	679.5	N/A
% change	0.0	1.5	2.5	0.5	0.4	N/A
Housing Starts (000's)	3.0	3.1	2.4	2.7	3.2	2.7
Labour Force (000's)	505.3	511.0	514.5	514.1	514.1	510.9
% change	1.2	1.1	0.5	-0.1	-0.3	-0.6
Employment (000's)	476.3	480.1	489.9	487.8	485.5	483.8
% change	1.3	0.8	1.3	-0.4	-0.9	-0.4
Unemployment Rate (%)	5.7	6.1	4.8	5.1	5.6	5.3
Participation Rate (%)	66.6	67.0	67.4	67.3	67.3	66.9
CPI Inflation	1.4	1.7	1.9	2.3	2.6	3.0
<b>MANITOBA</b>						
Mfg Shipments (\$M)	10,613.2	10,365.4	2,636.0	2,634.0	872.7	N/A
% change (1)	6.1	-2.3	2.9	-0.1	-1.6	N/A
Retail Trade (\$M)	8,771.6	9,023.5	2,325.5	2,330.1	778.2	N/A
% change	2.1	2.9	2.4	0.2	-0.3	N/A
Housing Starts (000's)	2.9	3.1	2.3	2.8	2.8	2.6
Labour Force (000's)	566.8	574.8	581.3	582.5	581.0	583.9
% change	0.9	1.4	0.9	0.2	-0.1	0.5
Employment (000's)	535.7	542.7	550.0	555.2	555.3	554.3
% change	1.9	1.3	0.8	0.9	0.1	-0.2
Unemployment Rate (%)	5.5	5.6	5.4	4.7	4.4	5.1
Participation Rate (%)	67.0	67.5	67.9	67.9	67.7	67.9
CPI Inflation	1.3	1.9	2.6	2.2	2.3	2.6

(1) % change refers to period-to-period except for CPI inflation which is year-over-year.



## Key Provincial Data

	1998	1999	2000Q1	2000Q2	June 2000	July 2000
<b>ONTARIO</b>						
Mfg Shipments (\$M)	240,016.0	268,447.9	70,611.5	71,451.7	24,324.1	N/A
% change (1)	4.8	11.8	2.3	1.2	1.7	N/A
Retail Trade (\$M)	92,411.9	99,149.8	25,830.2	26,168.1	8,783.8	N/A
% change	6.9	7.3	1.8	1.3	0.2	N/A
Housing Starts (000's)	53.8	67.2	78.8	63.6	60.5	84.4
Labour Force (000's)	5,914.3	6,070.8	6,159.0	6,177.0	6,180.9	6,203.5
% change	1.9	2.6	0.9	0.3	0.1	0.4
Employment (000's)	5,490.0	5,688.1	5,810.6	5,840.0	5,846.7	5,876.1
% change	3.3	3.6	1.0	0.5	0.1	0.5
Unemployment Rate (%)	7.2	6.3	5.7	5.5	5.4	5.3
Participation Rate (%)	66.0	66.6	66.9	66.8	66.7	66.8
CPI Inflation	0.9	1.9	3.0	2.6	3.2	3.1
<b>QUEBEC</b>						
Mfg Shipments (\$M)	107,331.7	114,110.1	31,113.7	32,012.3	10,733.1	N/A
% change (1)	3.9	6.3	4.1	2.9	-1.3	N/A
Retail Trade (\$M)	57,157.8	60,766.1	15,669.2	15,527.4	5,206.5	N/A
% change	2.3	6.3	2.0	-0.9	1.1	N/A
Housing Starts (000's)	23.1	25.7	26.7	22.4	21.2	27.2
Labour Force (000's)	3,660.2	3,701.6	3,740.8	3,767.5	3,762.5	3,771.8
% change	1.5	1.1	0.4	0.7	-0.3	0.2
Employment (000's)	3,281.5	3,357.4	3,428.2	3,444.6	3,446.1	3,440.4
% change	2.7	2.3	0.5	0.5	-0.2	-0.2
Unemployment Rate (%)	10.3	9.3	8.4	8.6	8.4	8.8
Participation Rate (%)	62.6	62.8	63.2	63.5	63.4	63.5
CPI Inflation	1.4	1.5	2.4	2.2	2.8	2.6
<b>NEW BRUNSWICK</b>						
Mfg Shipments (\$M)	8,078.6	8,762.1	2,567.8	2,639.4	893.9	N/A
% change (1)	-4.4	8.5	8.2	2.8	5.3	N/A
Retail Trade (\$M)	6,042.5	6,607.6	1,716.1	1,718.3	573.4	N/A
% change	6.8	9.4	1.7	0.1	0.2	N/A
Housing Starts (000's)	2.4	2.8	4.5	2.4	2.2	2.6
Labour Force (000's)	361.9	365.7	367.8	370.1	368.8	371.5
% change	1.7	1.1	0.7	0.6	-0.1	0.7
Employment (000's)	317.8	328.4	331.7	331.9	331.2	333.4
% change	2.3	3.3	0.7	0.1	-0.1	0.7
Unemployment Rate (%)	12.2	10.2	9.8	10.3	10.2	10.3
Participation Rate (%)	60.7	61.0	61.1	61.3	61.1	61.5
CPI Inflation	0.6	1.6	3.5	3.1	3.7	3.8
<b>NOVA SCOTIA</b>						
Mfg Shipments (\$M)	6,829.4	7,732.2	2,092.6	2,105.4	715.1	N/A
% change (1)	5.5	13.2	-1.5	0.6	0.3	N/A
Retail Trade (\$M)	7,710.8	8,159.6	2,078.0	2,102.5	711.2	N/A
% change	4.6	5.8	-0.4	1.2	2.4	N/A
Housing Starts (000's)	3.1	4.3	6.4	4.9	4.6	5.4
Labour Force (000's)	445.9	452.0	462.0	459.4	458.5	462.2
% change	1.9	1.4	1.5	-0.6	0.2	0.8
Employment (000's)	398.9	408.6	418.5	421.0	419.8	419.7
% change	3.8	2.4	1.6	0.6	-0.1	0.0
Unemployment Rate (%)	10.5	9.6	9.4	8.3	8.4	9.2
Participation Rate (%)	60.7	61.0	62.0	61.5	61.3	61.8
CPI Inflation	0.6	1.7	3.9	3.4	3.8	3.6

(1) % change refers to period-to-period except for CPI inflation which is year-over-year.

## Key Provincial Data

	1998	1999	2000Q1	2000Q2	June 2000	July 2000
<b>PRINCE EDWARD ISLAND</b>						
Mfg Shipments (\$M)	882.6	981.0	241.6	229.7	77.7	N/A
% change (1)	9.4	11.2	-14.5	-4.9	3.7	N/A
Retail Trade (\$M)	1,053.7	1,156.9	303.1	310.5	103.1	N/A
% change	4.5	9.8	0.6	2.4	0.2	N/A
Housing Starts (000's)	0.5	0.6	0.5	0.6	0.7	0.6
Labour Force (000's)	70.1	71.6	73.6	73.3	72.2	72.9
% change	0.1	2.1	1.7	-0.5	-1.5	1.0
Employment (000's)	60.4	61.3	64.9	65.0	63.8	63.9
% change	2.0	1.5	3.3	0.2	-2.7	0.2
Unemployment Rate (%)	13.8	14.4	11.9	11.2	11.5	12.3
Participation Rate (%)	65.7	66.4	67.6	67.1	66.0	66.5
CPI Inflation	-0.5	1.2	3.2	4.5	4.8	4.7
<b>NEWFOUNDLAND</b>						
Mfg Shipments (\$M)	1,750.1	1,748.0	500.6	588.2	217.2	N/A
% change (1)	5.4	-0.1	-4.1	17.5	12.2	N/A
Retail Trade (\$M)	3,938.5	3,954.2	1,099.3	1,118.8	374.6	N/A
% change	3.7	0.4	2.5	1.8	1.0	N/A
Housing Starts (000's)	1.5	1.4	1.7	1.4	1.1	1.8
Labour Force (000's)	237.0	246.7	247.6	245.9	243.1	240.2
% change	1.9	4.1	-0.3	-0.7	-1.6	-1.2
Employment (000's)	194.2	204.9	204.3	206.3	205.6	201.5
% change	2.6	5.5	-2.7	1.0	-0.8	-2.0
Unemployment Rate (%)	18.0	16.9	17.5	16.1	15.4	16.1
Participation Rate (%)	53.9	56.3	56.3	55.9	55.3	54.6
CPI Inflation	0.2	1.5	3.5	2.5	2.9	3.3
<b>CANADA</b>						
Mfg Shipments (\$M)	448,749.5	490,858.3	131,502.6	133,305.0	45,136.1	N/A
% change (1)	3.2	9.4	3.0	1.4	0.7	N/A
Retail Trade (\$M)	246,641.0	260,690.8	67,743.4	68,197.1	22,893.3	N/A
% change	3.7	5.7	1.9	0.7	0.8	N/A
Housing Starts (000's)	137.4	150.0	162.7	142.1	135.0	165.6
Labour Force (000's)	15,417.7	15,721.2	15,906.8	15,948.5	15,942.0	15,950.6
% change	1.7	2.0	0.8	0.3	-0.1	0.1
Employment (000's)	14,140.4	14,531.2	14,825.7	14,886.1	14,890.8	14,873.5
% change	2.7	2.8	0.9	0.4	-0.1	-0.1
Unemployment Rate (%)	8.3	7.6	6.8	6.7	6.6	6.8
Participation Rate (%)	65.1	65.6	65.8	65.8	65.7	65.6
CPI Inflation	0.9	1.7	2.7	2.4	2.9	3.0

(1) % change refers to period-to-period except for CPI inflation which is year-over-year.

# Provincial Economic Accounts

	1992	1993	1994	1995	1996	1997	1998
<b>Real GDP at Market Prices (\$1992M)</b>							
BC	87,066	90,543	93,355	95,370	97,788	99,467	99,708
% change		4.0	3.1	2.2	2.5	1.7	0.2
Alberta	74,748	79,792	84,622	87,161	89,040	95,547	98,630
% change		6.7	6.1	3.0	2.2	7.3	3.2
Sask	21,102	22,654	23,603	23,934	24,542	25,782	26,116
% change		7.4	4.2	1.4	2.5	5.1	1.3
Manitoba	24,420	24,468	25,298	25,445	25,990	26,955	27,842
% change		0.2	3.4	0.6	2.1	3.7	3.3
Ontario	285,101	288,164	305,223	316,581	321,562	335,616	350,083
% change		1.1	5.9	3.7	1.6	4.4	4.3
Quebec	158,357	160,897	167,241	170,366	172,826	178,611	183,223
% change		1.6	3.9	1.9	1.4	3.3	2.6
New Brunswick	14,029	14,358	14,643	15,071	15,320	15,427	15,782
% change		2.3	2.0	2.9	1.7	0.7	2.3
Nova Scotia	18,071	18,193	18,256	18,578	18,602	19,124	19,674
% change		0.7	0.3	1.8	0.1	2.8	2.9
PEI	2,331	2,370	2,492	2,629	2,667	2,680	2,706
% change		1.7	5.1	5.5	1.4	0.5	1.0
Nfld	9,550	9,668	10,126	10,348	10,007	10,154	10,785
% change		1.2	4.7	2.2	-3.3	1.5	6.2
Yukon	1,090	874	864	1,005	1,110	989	994
% change		-19.8	-1.1	16.3	10.4	-10.9	0.5
NWT	2,286	2,242	2,318	2,315	2,380	2,426	2,466
% change		-1.9	3.4	-0.1	2.8	1.9	1.6
Canada	698,544	714,583	748,350	769,082	782,130	813,031	838,265
% change		2.3	4.7	2.8	1.7	4.0	3.1

## Population ('000s)

BC	3,470	3,572	3,682	3,784	3,882	3,961	4,003
% change		2.9	3.1	2.8	2.6	2.0	1.1
Alberta	2,634	2,671	2,705	2,740	2,781	2,838	2,910
% change		1.4	1.3	1.3	1.5	2.0	2.5
Sask	1,004	1,007	1,010	1,014	1,019	1,022	1,026
% change		0.3	0.3	0.4	0.5	0.3	0.4
Manitoba	1,113	1,118	1,124	1,130	1,134	1,136	1,138
% change		0.4	0.5	0.5	0.4	0.2	0.2
Ontario	10,572	10,689	10,827	10,964	11,101	11,263	11,413
% change		1.1	1.3	1.3	1.2	1.5	1.3
Quebec	7,114	7,165	7,207	7,241	7,274	7,308	7,335
% change		0.7	0.6	0.5	0.5	0.5	0.4
New Brunswick	748	750	751	752	753	754	753
% change		0.3	0.1	0.1	0.1	0.1	-0.1
Nova Scotia	919	924	926	928	931	935	936
% change		0.5	0.2	0.2	0.3	0.4	0.1
PEI	131	132	134	135	136	137	137
% change		0.8	1.5	0.7	0.7	0.7	0.0
Nfld	580	580	575	568	561	554	546
% change		0.0	-0.9	-1.2	-1.2	-1.2	-1.4
Yukon	30	31	30	31	32	32	32
% change		3.3	-3.2	3.3	3.2	0.0	0.0
NWT	62	64	65	67	68	68	68
% change		3.2	1.6	3.1	1.5	0.0	0.0
Canada	28,377	28,703	29,036	29,354	29,672	30,008	30,297
% change		1.1	1.2	1.1	1.1	1.1	1.0