



# Regional Economic Observer

---



---

**Fourth Quarter, 2000**

# Table of Contents

---

	<i>Page</i>
<b>Highlights</b> .....	3
<b>British Columbia</b> .....	4
<b>Prairies</b> .....	7
<i>Alberta</i> .....	8
<i>Saskatchewan</i> .....	10
<i>Manitoba</i> .....	12
<b>Ontario</b> .....	14
<b>Quebec</b> .....	17
<b>Atlantic Canada</b> .....	20
<i>New Brunswick</i> .....	21
<i>Nova Scotia</i> .....	23
<i>Prince Edward Island</i> .....	25
<i>Newfoundland</i> .....	27
<b>Territories</b> .....	29
<b>Statistical Appendix</b> .....	31

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 March 2, 2001. It has been prepared by Eric Chalifoux, Anik Dufour, Arif Mahmud, 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: Fourth Quarter, 2000

---

## **British Columbia**

Economic activity increased in British Columbia in the fourth quarter. Gains in the services-producing industries supported employment growth which, in turn, provided stimulus to housing activity and consumer spending. Manufacturing shipments recovered from losses in the two previous quarters with strong increases in the wood and electrical & electronic product industries. The unemployment rate stood at 7.3%, down from 7.6% in the third quarter.

## **Prairies**

Growth was widespread across Alberta's economy. Manufacturing activity, employment and retail trade were on the rise while sales of existing homes remained strong. In Saskatchewan, growth was concentrated in the manufacturing sector, with a strong increase in employment and shipments, while consumer spending weakened. In Manitoba, manufacturing shipments edged up but employment and retail trade weakened. The unemployment rate fell in all three provinces, more so in Alberta and Saskatchewan.

## **Ontario**

The Ontario economy grew at a more moderate pace in the fourth quarter. Clear signs of a slowdown in the important auto sector dampened growth in manufacturing and retail trade. A strong increase in employment was offset by a larger rise in the labour force, driving the unemployment rate up to 6.0%.

## **Quebec**

Growth also moderated in Quebec. Consumer spending weakened while manufacturing activity rose, supported by higher shipments of fabricated metals, machinery and transportation equipment. Employment was virtually unchanged from the previous quarter but fewer job seekers lowered the unemployment rate to 8.3%.

## **Atlantic**

The Atlantic economy showed mixed signs in the fourth quarter. Consumer confidence was up and manufacturing activity rose in all provinces except Newfoundland, which experienced a sharp drop in manufacturing. Growth appeared to be strongest in New Brunswick and Nova Scotia, where employment also rose and the unemployment rate remained unchanged or edged down. The increase in the unemployment rate exceeded 1 percentage point in Newfoundland to reach 17.3%, while in PEI the unemployment rate stood at 13.0%, up 0.9 percentage points from the previous quarter.

---



***British Columbia***



# British Columbia

## Labour Markets

### Employment rebounds in the fourth quarter...

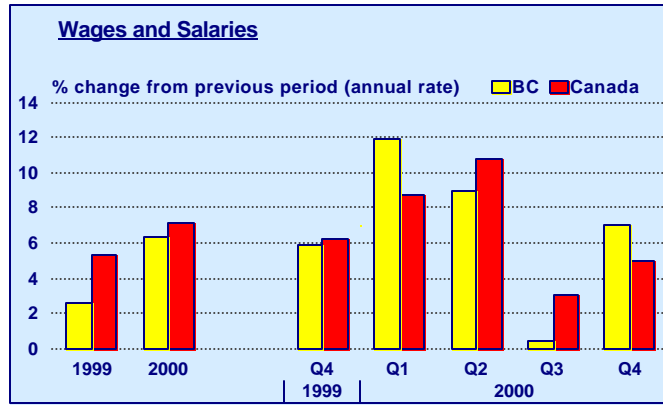
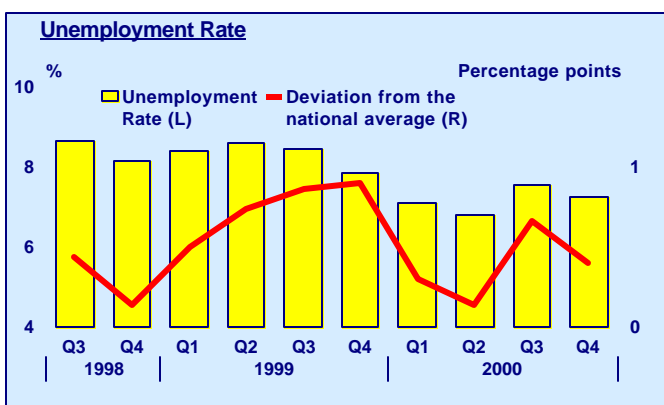
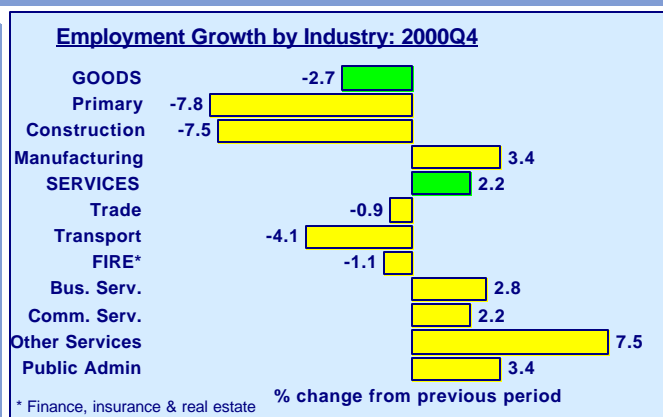
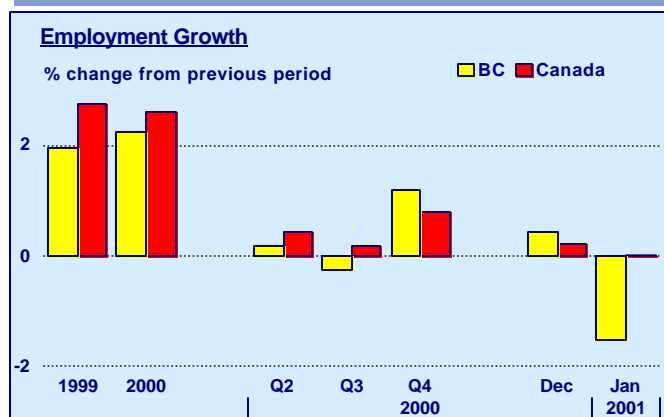
- Employment growth surpassed the national average in the fourth quarter, reaching 1.2%. Job gains were concentrated in the service sector and in particular in the other services category, which includes the information, culture & recreation and accommodation & food services industries. Employment in the goods sector fell as a result of large declines in the primary and construction industries.
- On an annual basis, employment growth was 2.2% in 2000. However, the labour market started the year 2001 on a negative note, with employment falling 1.5% in January.

### ...pushing the unemployment rate down...

- The unemployment rate fell to 7.3% in the fourth quarter after increasing slightly in the previous quarter. B.C.'s unemployment rate stood at 7.2% in 2000, more than a full percentage point below the previous year.
- The B.C. unemployment rate closed the year 0.4 percentage points above the national average.

### ...and raising income growth

- Higher full-time employment contributed largely to the 7.0% (annual rate) income growth in the fourth quarter. In 2000, wages and salaries were up 6.3% as a result of higher full-time employment. As in all other provinces, income growth was boosted by federal pay equity payments in the first half of the year.





## Economic Activity and Prices

### Industrial production intensifies in the fourth quarter...

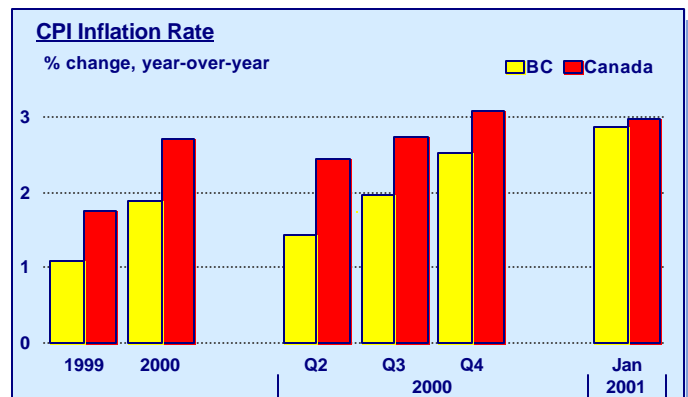
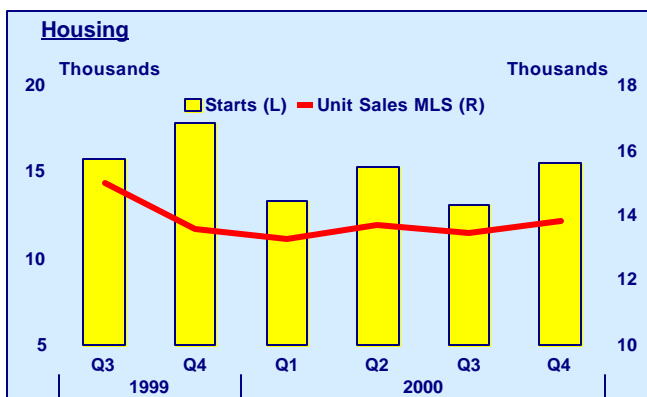
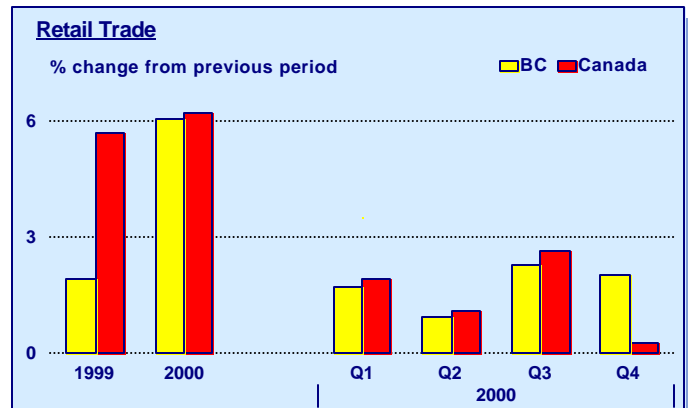
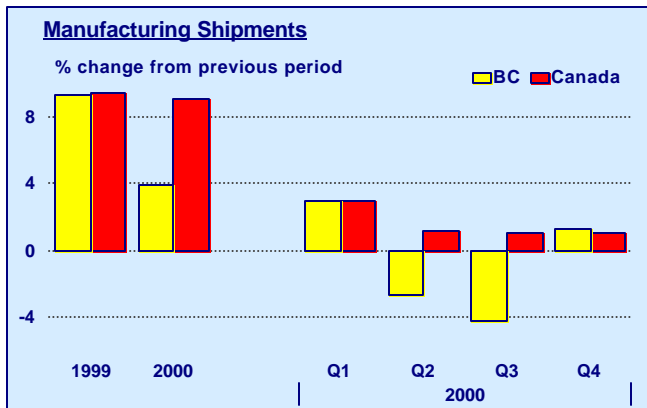
- Higher output in the wood and electrical & electronic products industries were the main contributors to the rise in manufacturing shipments in the fourth quarter.
- Led by the pulp and paper industry, manufacturing shipments rose 3.9% overall in 2000.

### ...and consumer spending improves further

- Retail activity rose 2.0% in the fourth quarter, a rate well above the national average. Demand for durable goods was still strong despite a decline in consumer confidence. Retail sales grew 6.1% in 2000, compared with 1.9% the previous year.
- Strong income growth also provided stimulus for housing starts and home resales in the fourth quarter.

### Inflation still below the national average

- In the fourth quarter, consumer price inflation continued to increase at a slower pace than the national average. Nonetheless, the inflation rate reached 2.5% on a year-over-year basis. Higher prices for transportation and shelter were the main contributors to the increase.
- At 1.9%, B.C.'s inflation rate was the lowest among all provinces in 2000. Lower food prices had a dampening effect on consumer price inflation.







## Labour Markets

### Employment growth surpasses the national average in the fourth quarter...

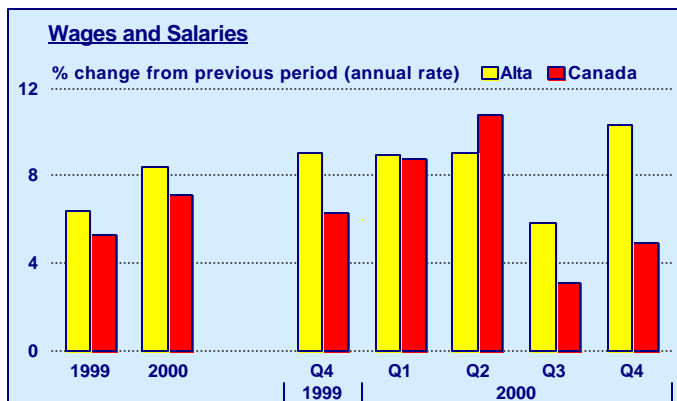
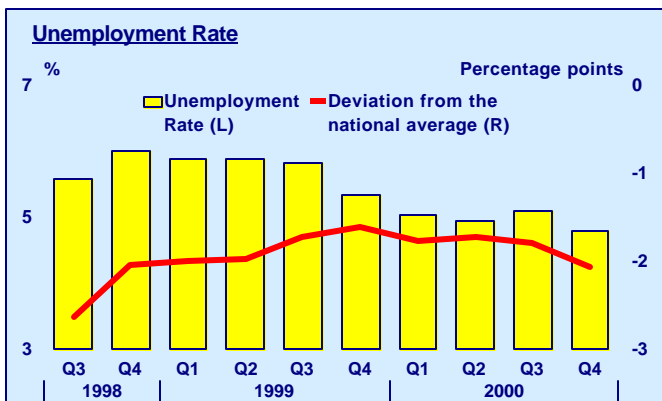
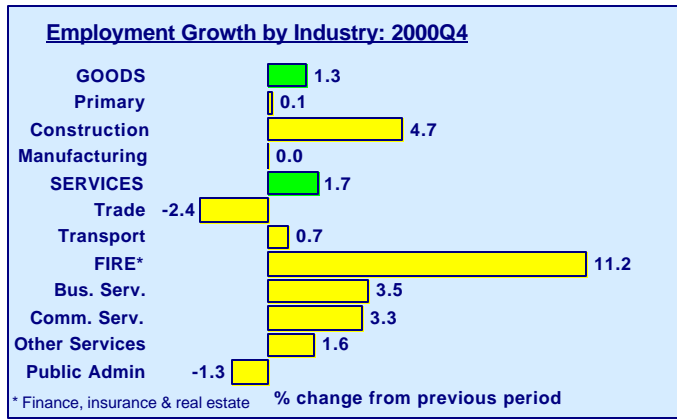
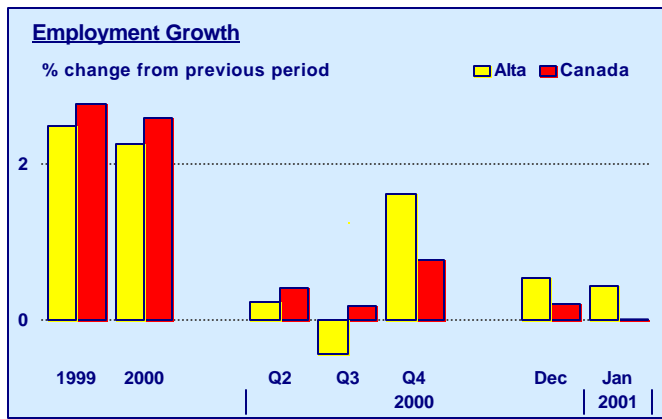
- Employment increased 1.6% in the fourth quarter, mainly on the strength of gains in full-time jobs. While employment rose in both the goods and services-producing industries, growth was led by finance, insurance & real estate, construction, and business services. For the year 2000, employment increased 2.2% with full-time jobs accounting for all of the increase.
- On a monthly basis, employment edged up in December and January with gains occurring largely in business services, primary industries, and construction.

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

- As a result of these employment gains, the unemployment rate fell to 4.8% in the fourth quarter, the lowest rate since 1981.
- Alberta's unemployment rate was 2.1 percentage points below the national rate in the fourth quarter, compared with 1.6 points the year before.

### Income growth increases further

- Wages and salaries recorded double-digit growth in the fourth quarter. Growth was largely attributable to higher full-time employment. Income growth in 2000 reached 8.4%, supported by higher full-time employment and average hourly earnings.







## Economic Activity and Prices

### Manufacturing activity picks up...

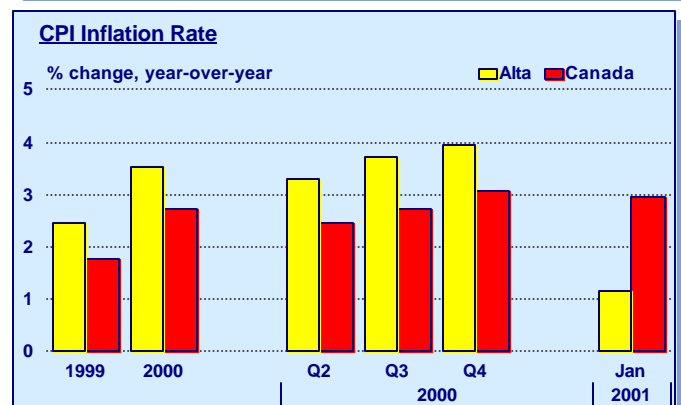
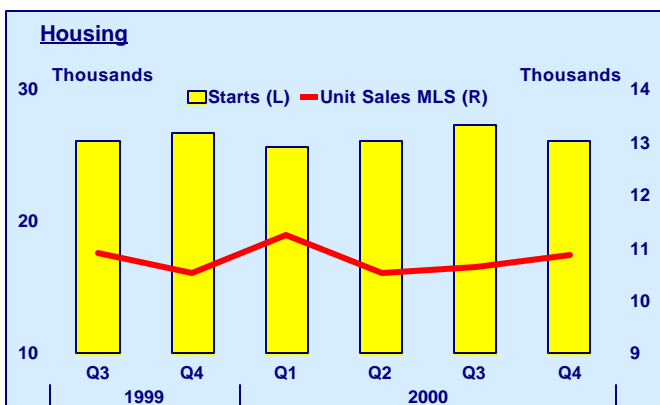
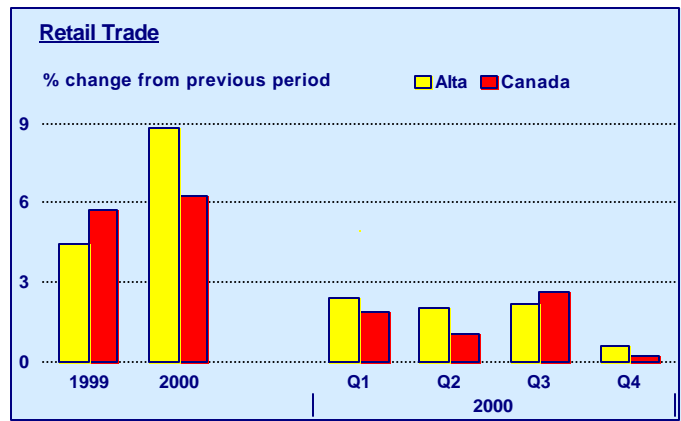
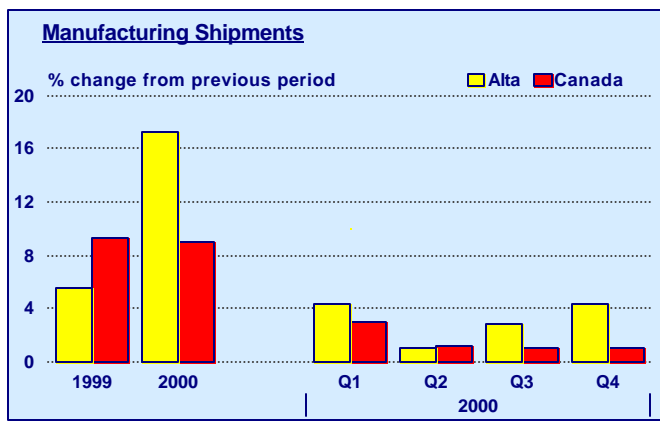
- Industrial production increased 4.4% in the fourth quarter, as shipments of petroleum & chemical products and machinery rose substantially. In 2000, manufacturing shipments increased 17.3%, the second highest provincial growth.

### ...while consumers continue to spend...

- Retail sales rose by 0.6% in the fourth quarter, faster than the national average, but below growth in the previous quarter. The increase was led by the furniture sector and general merchandise stores. At 8.8%, retail sales growth in Alberta was the highest of all provinces in 2000.
- Sales of new and existing homes both remained strong in the fourth quarter.

### ...and inflation rises to 3.9%

- Alberta's inflation rate rose to 3.9% on a year-over-year basis in the fourth quarter. Higher shelter and transportation costs were the main contributors to the increase. In January, the year-over-year inflation rate retreated to 1.1% as shelter cost declined.
- In 2000, the CPI index rose 3.5%, well above the national average and 1.1 percentage points more than the previous year.





## Labour Markets

### Employment recovers in the fourth quarter...

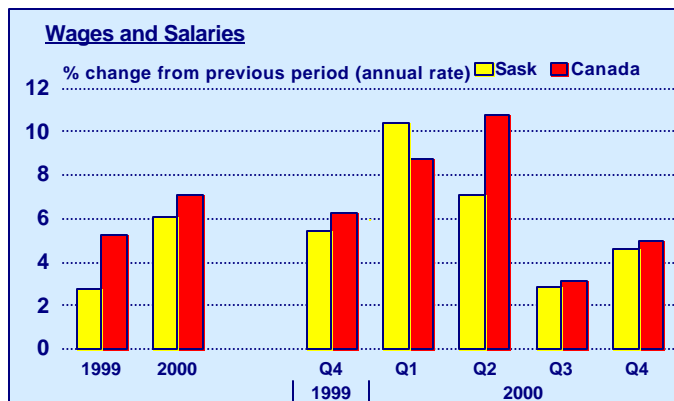
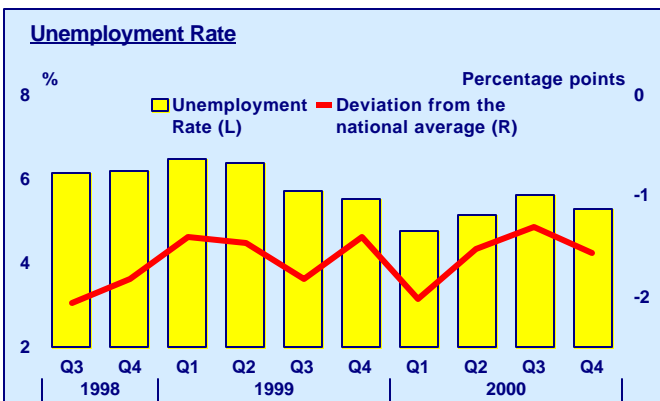
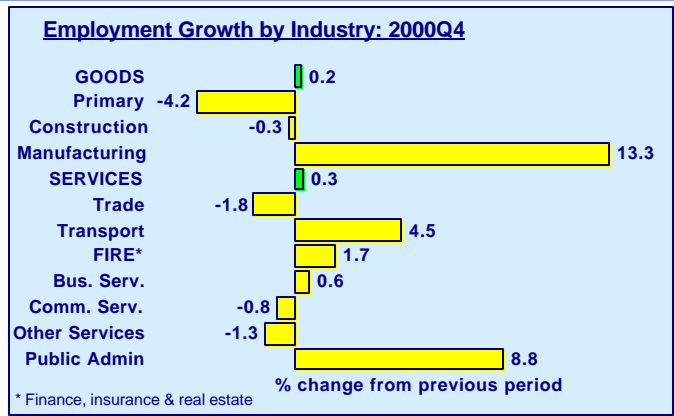
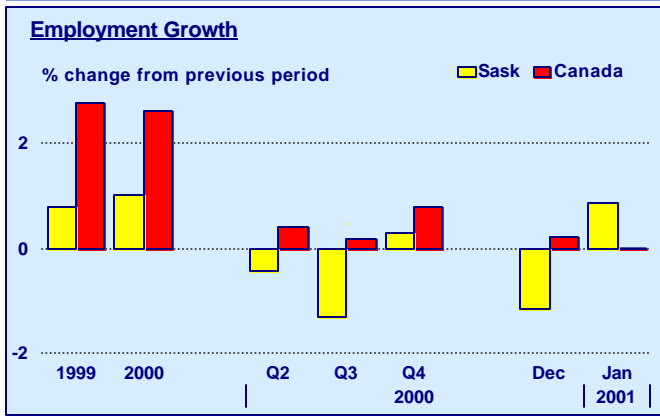
- Employment edged up 0.3% in the fourth quarter, only partly recouping losses in the previous two quarters. Job gains occurred largely in manufacturing, public administration, and transport. For the year as a whole, employment increased 1.0%, well below the national average.
- On a monthly basis, employment increased 0.9% in January with gains concentrated in the goods-producing industries.

### ...nudging down the unemployment rate...

- The unemployment rate fell 0.3 percentage points to 5.3% in the fourth quarter, dropping Saskatchewan's rate 1.6 points below the national average.

### ...and pushing up incomes

- Wage and salary growth rose to 4.6% (annual rate) in the fourth quarter, largely as a result of further increase in full-time employment and average hourly earnings. In 2000, income growth reached 6.1%, more than twice the previous year's rate.
- Farm cash receipts, which are not included in earnings, rose 5.9% in 2000. Most of the increase was due to higher payments under the new Canada-Saskatchewan Adjustment Program, designed to provide assistance to farmers during periods of low prices.





## Economic Activity and Prices

### Manufacturing activity strengthens in the fourth quarter...

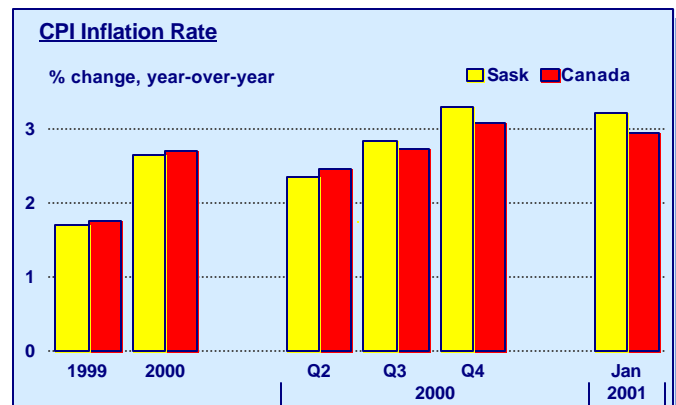
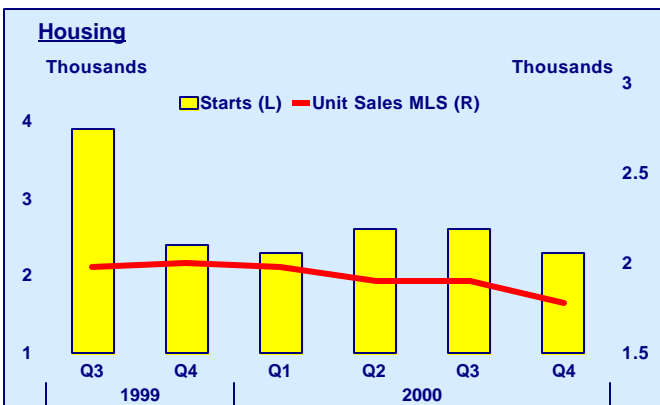
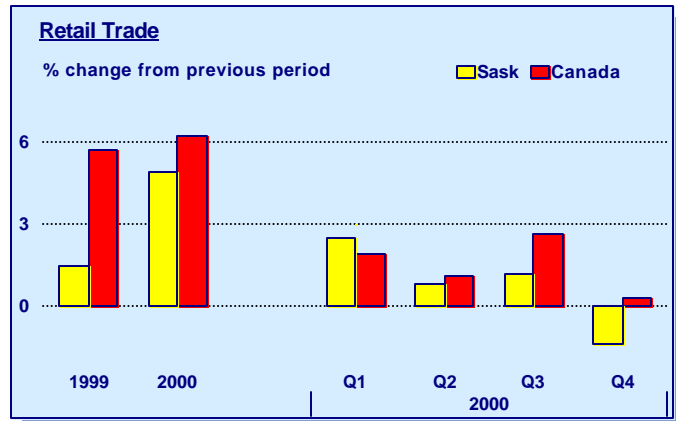
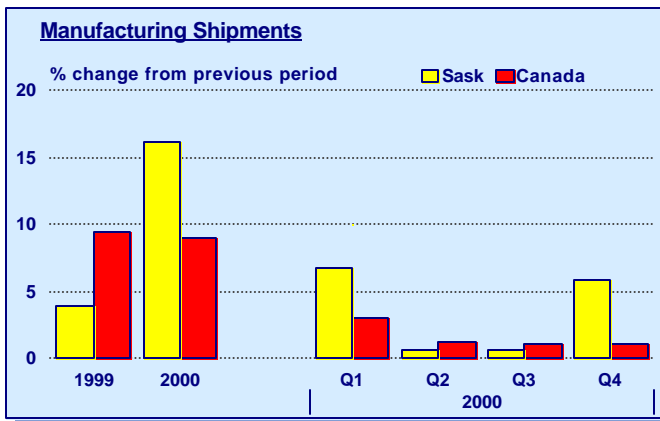
- Higher production of electrical and wood products helped sustain manufacturing activity in the fourth quarter. Led by a surge in electrical & electronic products, shipments increased 16.1% in 2000, 7 percentage points above the national average,

### ...but household expenditures weaken

- Retail activity dropped 1.4% in the fourth quarter with automotive, clothing, and furniture accounting for most of the decline. However, retail sales increased 4.9% in 2000, a significant improvement over recent years.
- Housing starts and home resales decreased in the fourth quarter, in line with lower consumer confidence.

### Shelter and transportation costs boost inflation to 3.3%

- On a year-over-year basis, consumer prices rose to 3.3% in the fourth quarter. Higher prices for shelter and transportation were the main contributors to the increase. In 2000, the CPI inflation rate stood at 2.6%, a rate similar to the national average.
- Higher prices for transportation and food kept inflation close to the 3% mark in January.





## Labour Markets

### Employment growth edges down in the fourth quarter...

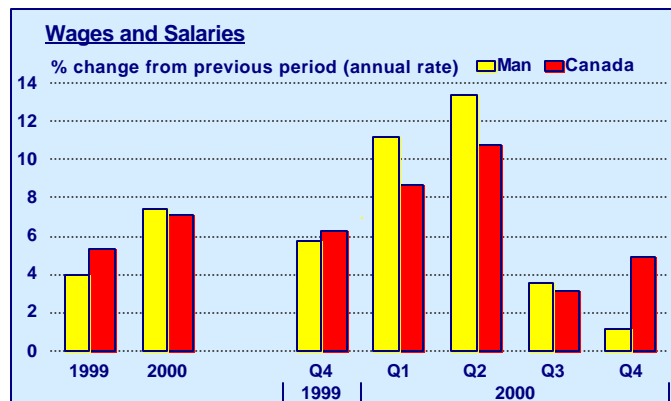
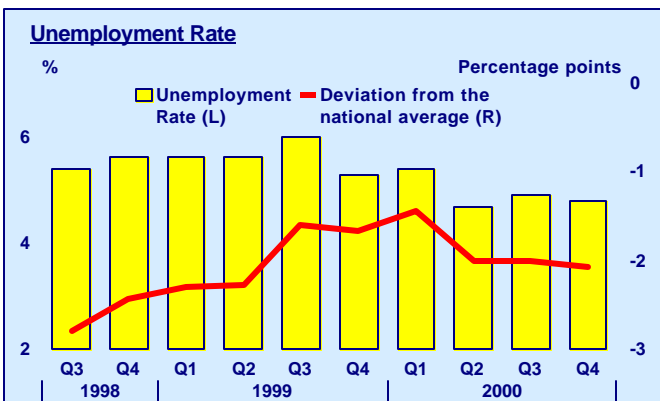
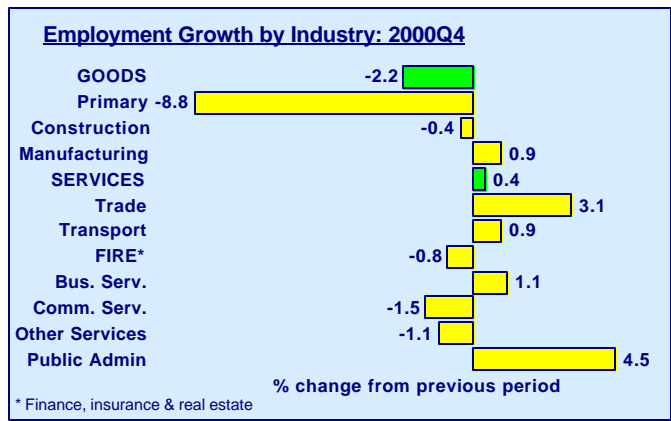
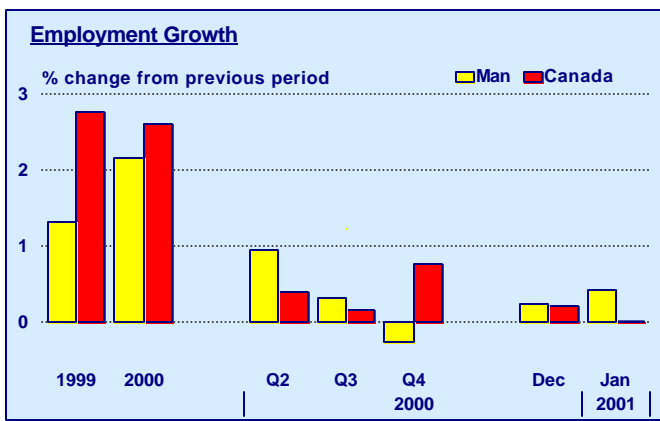
- Employment fell by 0.3% in the fourth quarter, as more job losses were recorded in the ailing agriculture sector. Employment grew 2.2% in 2000, compared with a modest 1.3% in 1999. A significant number of jobs were created in manufacturing and health services, offsetting major losses in the agriculture sector.
- In January, employment grew a further 0.4%, with a strong contribution from the professional and other services categories.

### ...but the unemployment rate remains the lowest in the country

- The unemployment rate edged down to 4.8%, as the number of job seekers declined in the fourth quarter. Along with Alberta, this was the lowest in the country, 2.1 percentage points below the national average.

### Wage and salary growth slows

- Growth in wages and salaries was particularly strong in the first half of the year, owing mainly to the federal pay equity payments. A marked deceleration was observed in the fourth quarter, accentuated in part by the decline in employment.
- Farm cash receipts were up 5.5% in 2000. Livestock receipts for hogs were strong, as prices soared and production expanded further. Most of the increase in program payments came from the Canada-Manitoba adjustment program, which is designed to help farmers adjust to the elimination of transportation subsidies at a time of low prices. In 2000, prices for grain and oilseeds were below their averages for the 1990s.





## Economic Activity and Prices

### Manufacturing activity expands further...

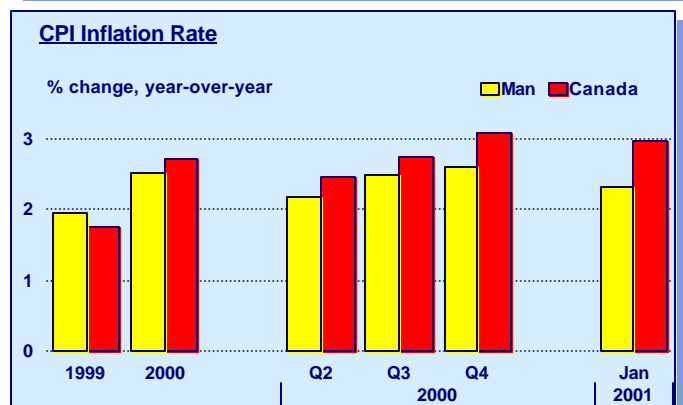
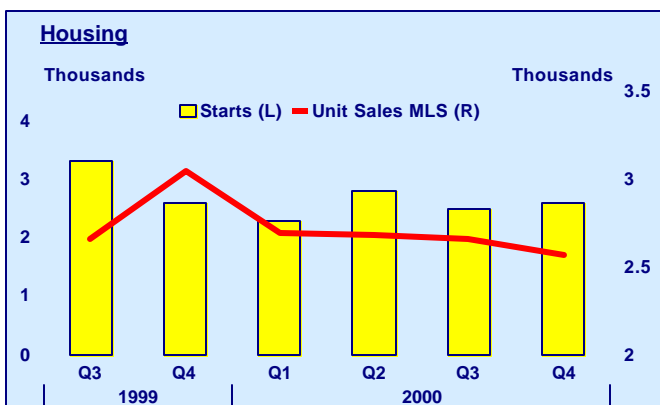
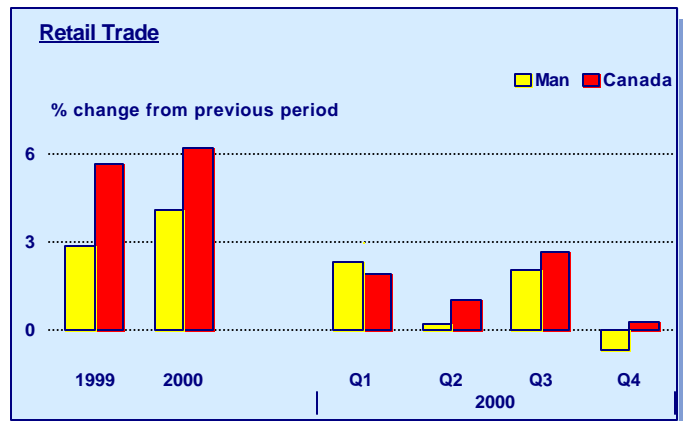
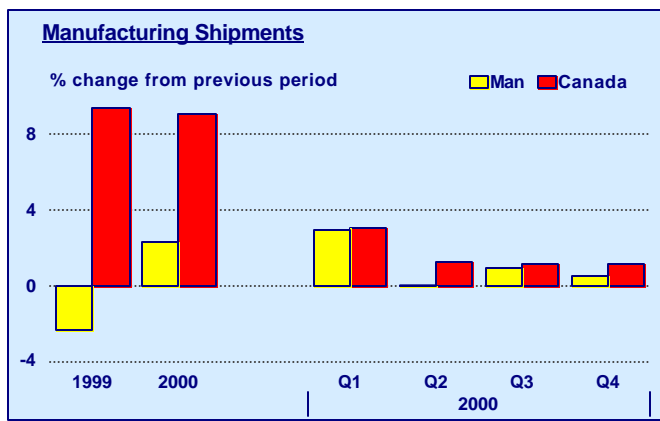
- Higher shipments of durables led gains in the fourth quarter, with the non-metallic minerals and furniture industries posting the sharpest increases.
- However, for 2000 as a whole, the rebound came entirely from non-durable goods industries, led by sharp increases in the value of shipments in the food and paper sectors. The largest declines in durable goods were reported by manufacturers of transportation equipment.

### ...while retailing weakens

- Retail sales were down 1.6% in the last quarter of 2000, owing largely to a decline in the automotive sector. While growth was up compared to 1999, Manitoba nonetheless recorded the slowest growth in retail sales among all provinces.
- Activity in the housing market remained virtually flat throughout 2000.

### Inflation remains below the national average throughout the year

- Consumer prices in 2000 were 2.5% higher, on average, compared with the previous year. In the fourth quarter, CPI inflation edged up to 2.6%, with prices for household operations, food, shelter and health care all up roughly 3.5% compared with the fourth quarter of 1999.
- On a year-over-year basis, the CPI inflation rate was 2.3% in January 2001.







## Labour Markets

### Employment grows steadily in 2000...

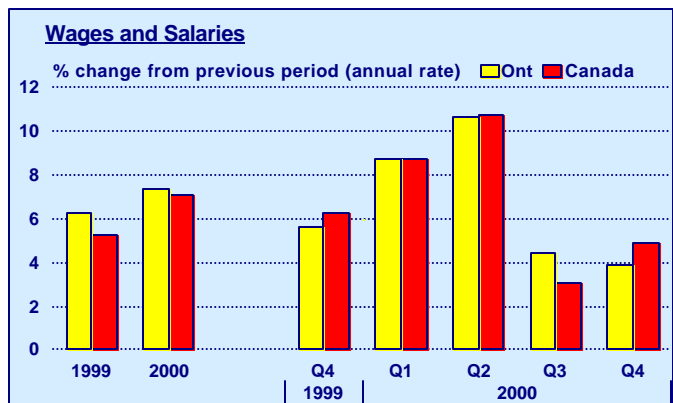
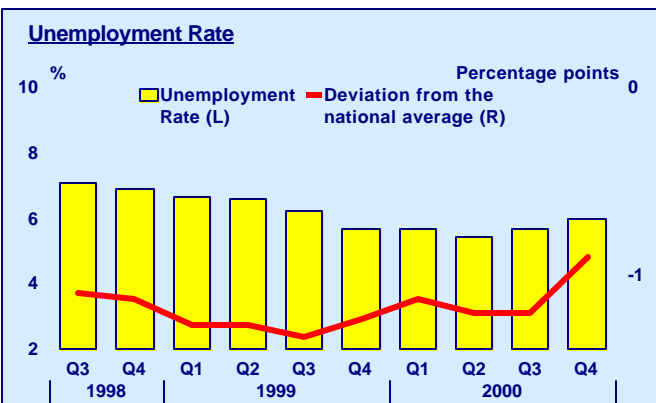
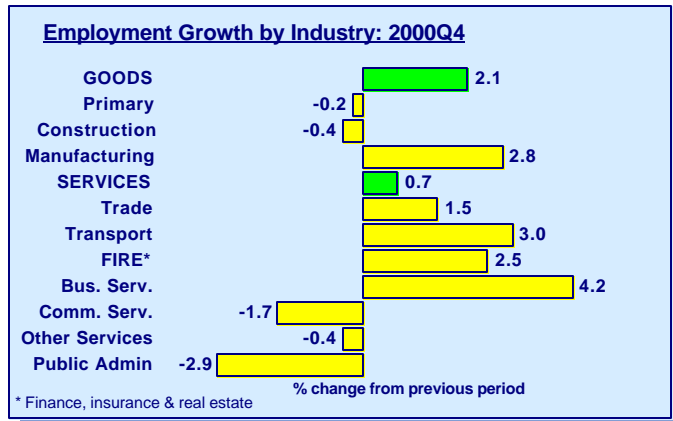
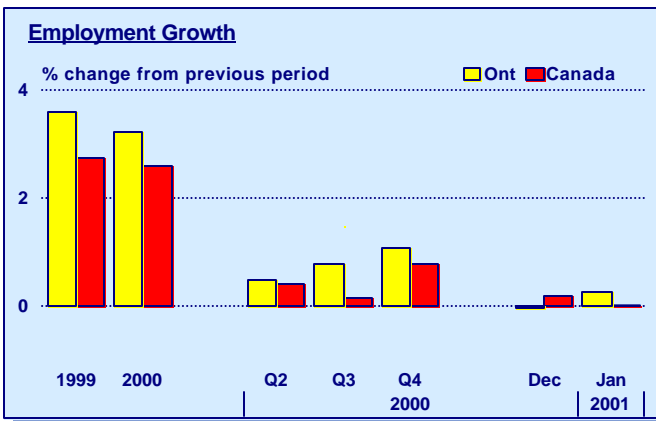
- Strong employment gains in manufacturing as well as in services related to the scientific and management sectors drove employment growth in the fourth quarter of 2000. Employment rose a healthy 3.2% overall in 2000, slightly below 1999's 3.6% gain. Both the goods and services industries contributed to strong employment growth.
- Employment paused in December but recovered in January, benefiting mainly from strength in trade and health care and social assistance. Employment fell in the important manufacturing sector.

### ...but a stronger expansion in the workforce drives unemployment up

- Reflecting strong employment, the labour force expanded more than 1% for the second consecutive quarter. As a result, the unemployment rate kept rising, reaching 6% in the fourth quarter compared with a low of 5.5% in the second quarter.
- With this increase in unemployment, Ontario's unemployment rate gap with the national average was reduced to 0.9 points in the fourth quarter.

### Growth in wages and salaries remains strong

- Income growth slowed in the fourth quarter, but workers still enjoyed a strong 7.4% rise for the year as a whole, on the heels of an equally firm increase in 1999.





## Economic Activity and Prices

### Manufacturing activity weakens...

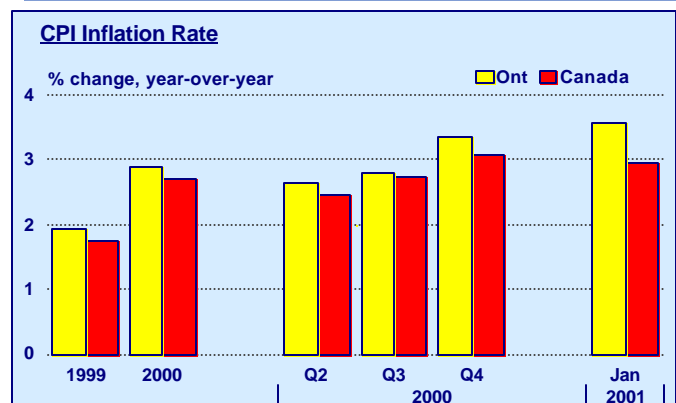
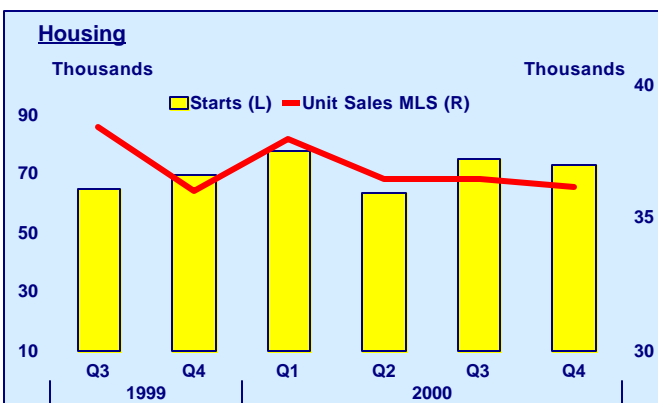
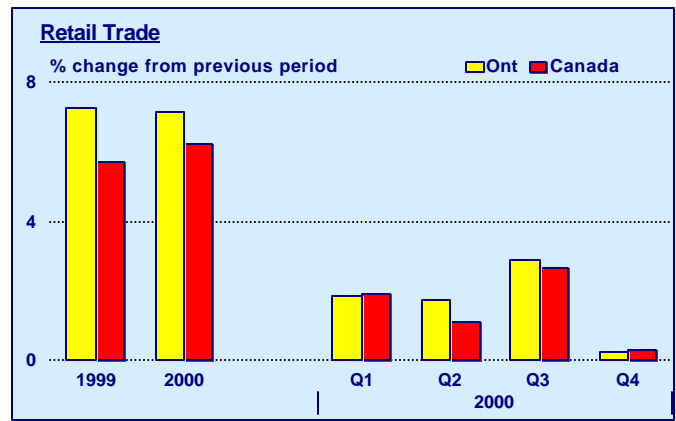
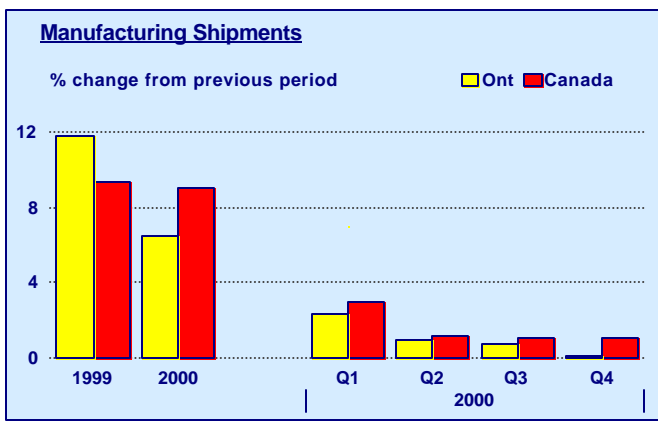
- In the fourth quarter, losses in the transportation equipment sector largely offset gains in shipments of non-durables.
- In 2000, growth in shipments in Ontario was cut almost in half to 6.5%, while manufacturing shipments increased 9% at the national level. This growth took place despite lower shipments of transportation equipment.

### ...and consumer expenditures cool down

- Retail sales maintained their vigorous pace in 2000, with the automotive sector accounting for about half of the 7.2% yearly increase. In the fourth quarter, however, a decline in automotive sales offset increases in other categories and left retail sales essentially unchanged from the previous quarter.
- While new housing increased a robust 6.4% in 2000 from their 1999 level, activity was lower in both the primary and resale markets in the fourth quarter.

### Consumer prices rise alongside the national average

- In the fourth quarter, the CPI inflation stood at 3.4%, spurred mainly by higher shelter costs. Consumer inflation averaged almost 3% in 2000, with transportation prices rising nearly 5%. In January, the cost of shelter surged 5.7% year-over-year, pushing consumer prices 3.6% higher than in January 2000.





---

A light blue map of the province of Quebec, Canada, centered on a light blue background. The map shows the outline of the province, including its northern and eastern borders. The word "Quebec" is written in a bold, dark blue, italicized serif font across the center of the map.

***Quebec***



## Labour Markets

### Employment growth improves in 2000...

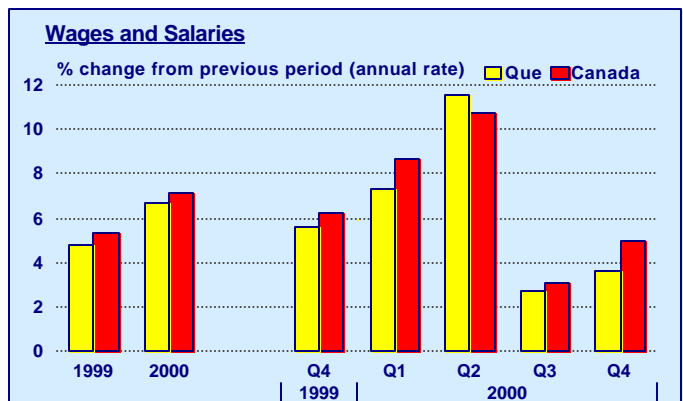
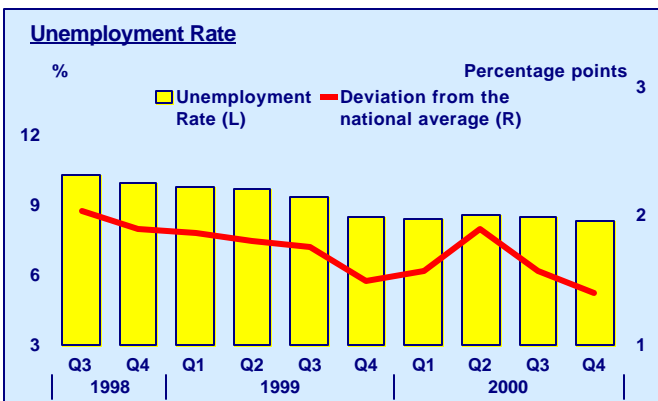
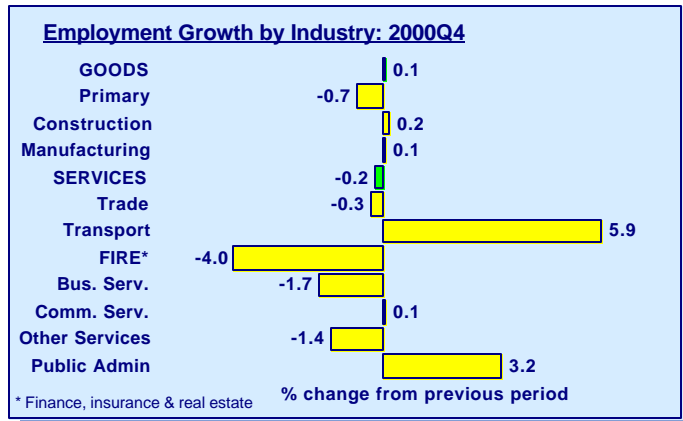
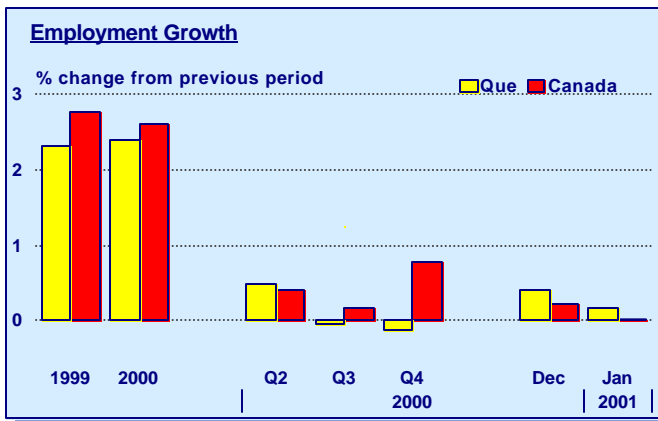
- Job losses in FIRE and management services contributed significantly to a 0.1% decline in employment in the fourth quarter. Despite a weak second half, employment grew 2.4% in 2000. Growth occurred mainly in service-producing industries, particularly in the management and health sectors. Goods-producing industries as a whole did not contribute to the gains, as job losses in manufacturing completely offset gains elsewhere.
- Employment edged up in January, with gains concentrated in education and public administration.

### ...contributing to lower the jobless rate compared with 1999

- The decline in employment was accompanied by a larger fall in the workforce, allowing the unemployment rate to drift down to 8.3% in the fourth quarter, 1.4 percentage points above the national average.
- The unemployment rate averaged 8.4% in 2000, down nearly a full percentage point from 1999.

### Growth in wages and salaries matches the national average

- In the fourth quarter, wages and salaries were 3.6% higher than in the previous quarter on an annual basis, driven by higher average weekly earnings.
- Growth in wages and salaries followed closely the national trend throughout 2000. For the year, wages and salaries grew 6.7%, compared with 4.8% in 1999. The marked increase in the second quarter was attributable to federal pay equity payments.





## Economic Activity and Prices

### Industrial activity soars in 2000...

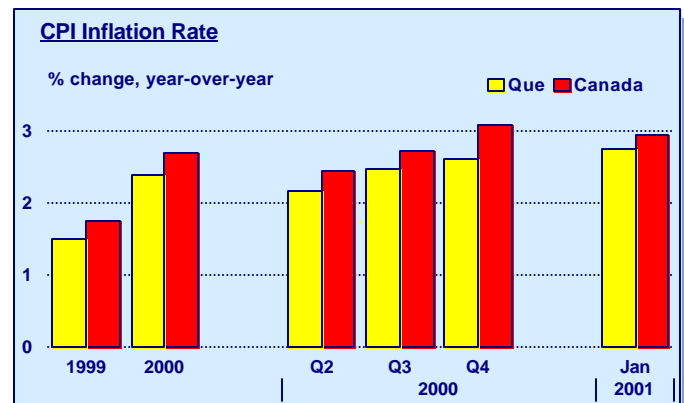
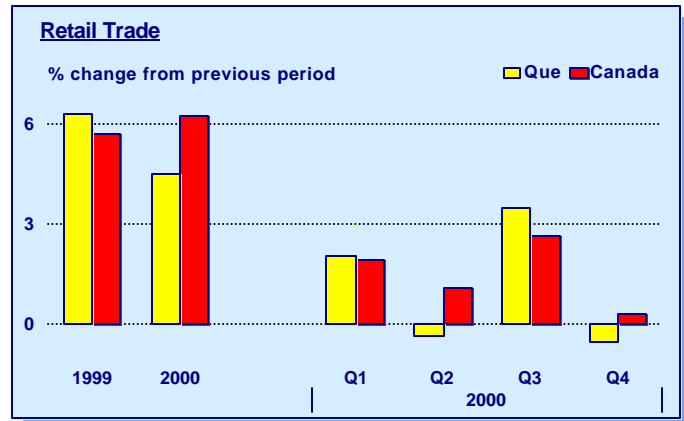
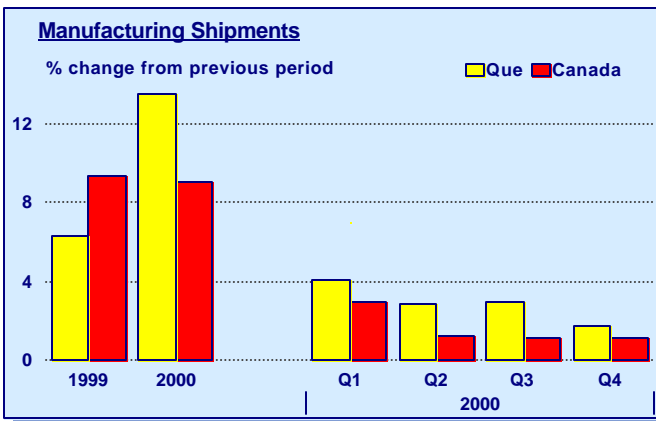
- In the fourth quarter, the paper, wood and primary metals sectors were major contributors to the slowdown in the value of manufacturing shipments.
- Manufacturers' shipments were 13.5% higher in 2000, almost twice the rate observed in 1999. Besides petroleum products, shipments of electrical products and transportation equipment were by far the categories with the largest increases.

### ...while retailing does not keep pace

- Reflecting both lower employment and consumer confidence, retail sales declined 1.3% in the fourth quarter. Sales in the automotive sector fell the most. Although growth was volatile throughout 2000, retail sales were up 4.5% in 2000.
- House resales rose further in the fourth quarter, while new starts leveled off. For the year as a whole, new starts edged down while resale increased by about 8%.

### Consumer inflation remains under control for the year

- Consumer prices were up 2.4% in 2000 compared to their 1999 level. Energy prices were largely responsible for the increase. Prices for clothing and household operations, however, were lower than in the previous year.
- Energy prices pushed inflation even higher in January, to 2.8% on a year-over-year basis.



---

A light blue map of Atlantic Canada, including the provinces of New Brunswick, Nova Scotia, and Prince Edward Island, and the territories of Newfoundland and Labrador. The map is centered on a light blue background.

# ***Atlantic Canada***



## Labour Markets

### Services support employment growth...

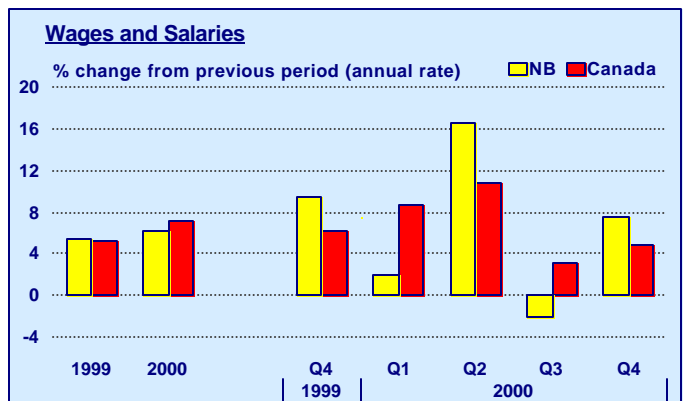
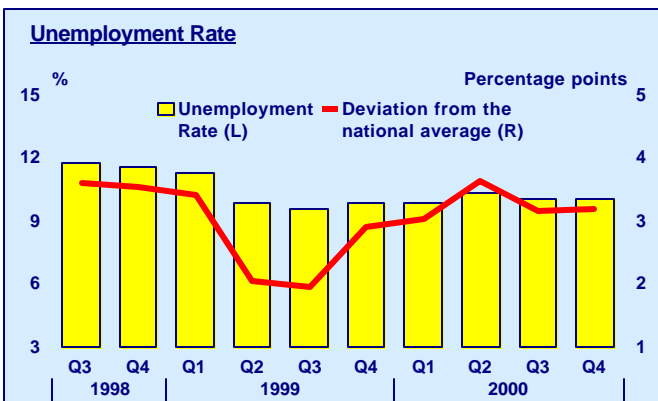
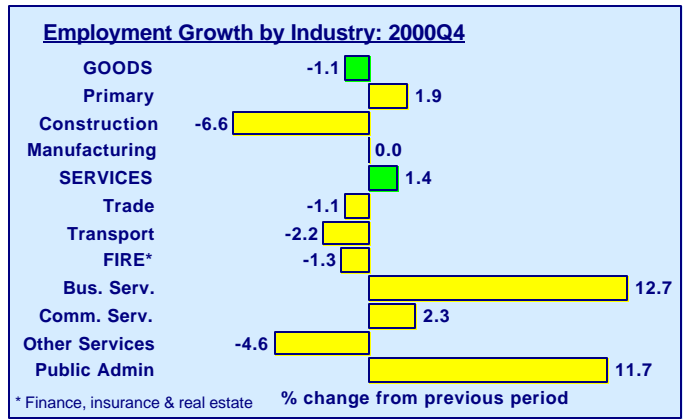
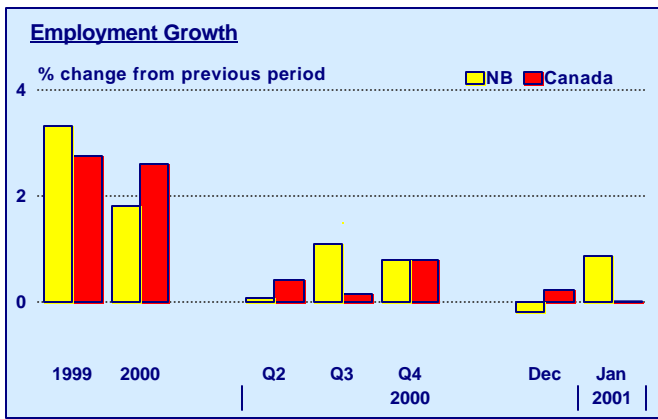
- Employment gains in services related to the management, scientific and public administration sectors explained most of the growth in the fourth quarter. Employment in the goods producing industries fell as a result of a sharp decline in construction.
- Employment grew 1.8% in 2000, a pace slower than in 1999. This slowdown was largely influenced by the weakness recorded in the second quarter. The strength in the second half of the year came largely from the agriculture sector, and management and public administration services.
- Employment rose 0.9% in January of 2001, driven entirely by gains in the service sector.

### ...but the unemployment rate is unchanged

- Employment gains were offset by an increase in the number of people seeking work, leaving the unemployment rate unchanged at 10.1% in the fourth quarter. Since the national unemployment rate was also unchanged, New Brunswick's rate stayed 3.2 percentage points above the national average.

### Income growth recovers

- Growth in employment and average weekly earnings raised wages and salaries in the fourth quarter. Wages and salaries were 6.3% higher in 2000, compared with 5.5% in the previous year. The strong increase observed over the middle of the year reflects the impact of the one-time federal pay equity settlements on income.





## Economic Activity and Prices

### Manufacturing shipments soar in 2000...

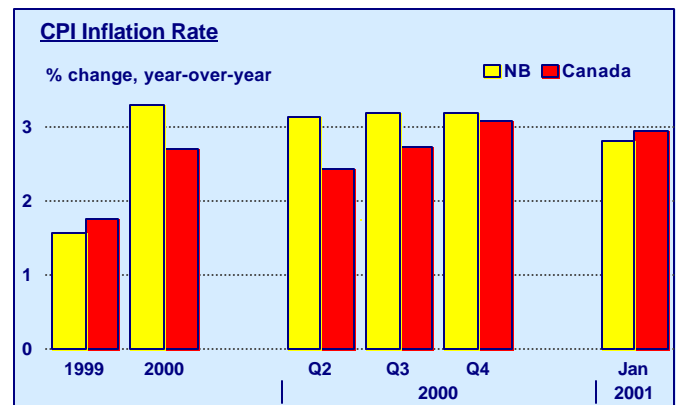
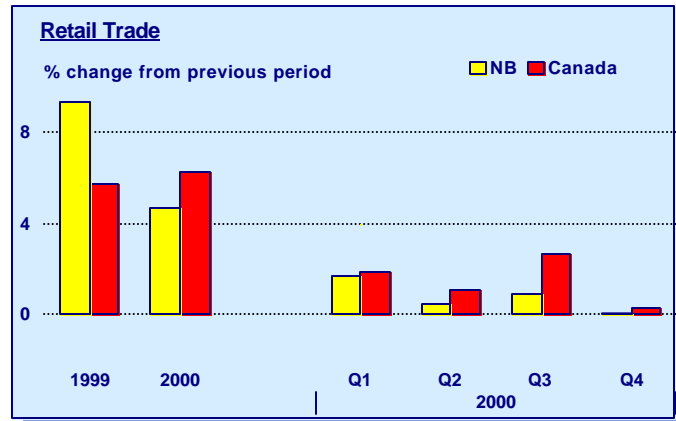
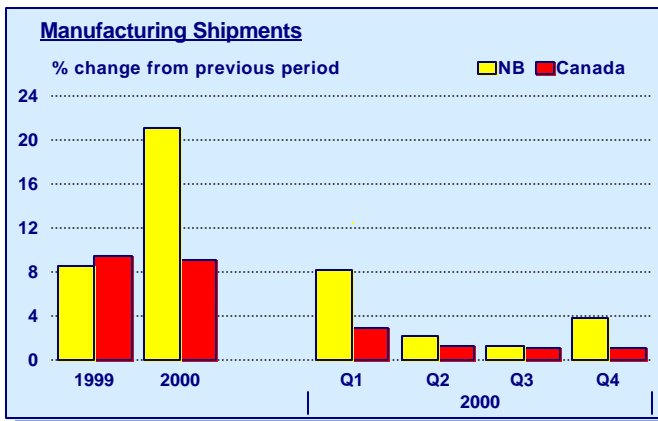
- In the fourth quarter, non-durable goods were the key driver behind the growth in shipments. Significant gains were posted in the printing, chemical and paper industries.
- At 21%, the growth in manufacturing shipments for 2000 was fastest among all provinces and more than double that of the previous year. The surge came from remarkable gains in the paper and printing industries.

### ...while retailing slowed markedly

- Consumer spending was flat in the fourth quarter, despite higher incomes and employment. Only furniture and general merchandise store sales recorded gains during this period.
- Both housing starts and resales fell in the fourth quarter.

### CPI inflation was above 3% for the year

- Consumer prices rose 3.3%, on average, in 2000, about twice the previous yearly increase. The energy-sensitive shelter and transport sectors posted the highest increases. Prices for clothing, however, were slightly below their 1999 level.





# Nova Scotia

## Labour Markets

### Employment rebounds in the fourth quarter...

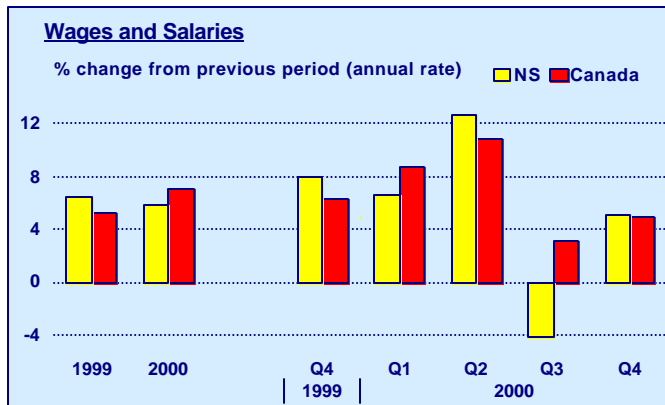
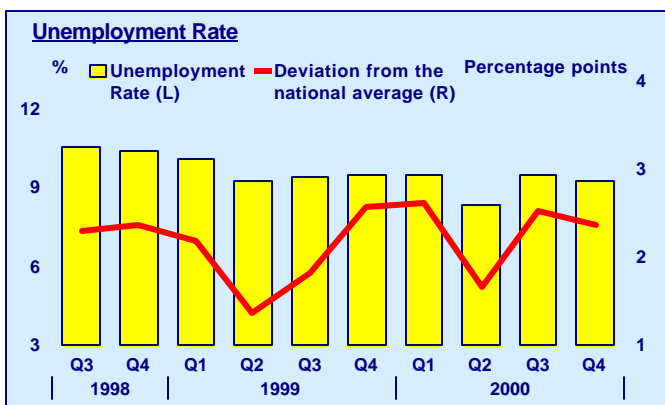
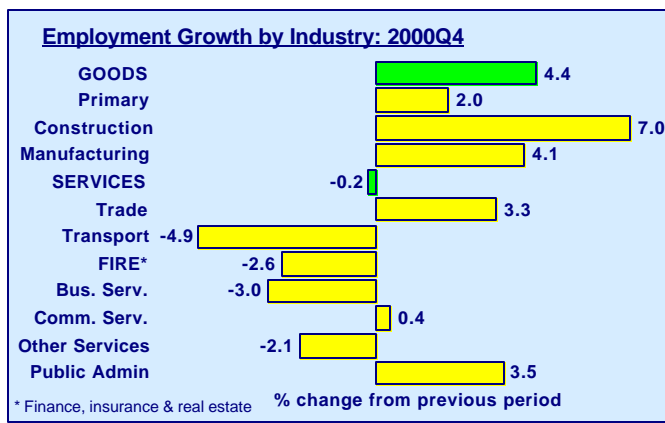
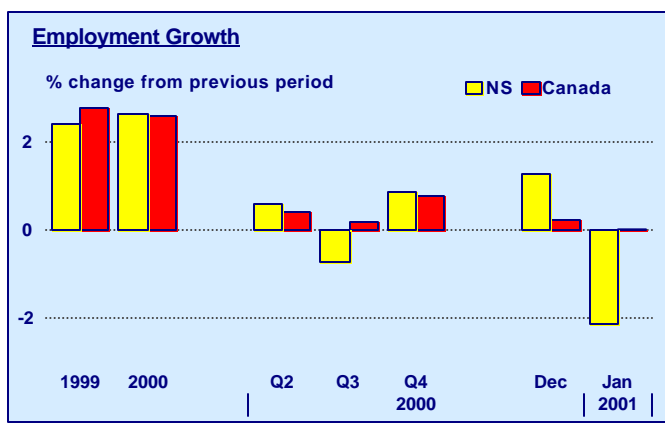
- Employment rose 0.8% in the fourth quarter, due entirely to widespread gains in the goods sector. In the services sector, losses in transport, FIRE, business services and other services offset gains in trade, public administration, and community services.
- In 2000, employment grew 2.7%, with most of the gains in the first half of the year.
- Employment fell sharply in January following a healthy rise in December. The decline was widespread across goods and service industries.

### ...resulting in a lower unemployment rate...

- Higher employment nudged the unemployment rate down to 9.2% in the fourth quarter. Nova Scotia's unemployment rate was 2.4 percentage points above the national average, a slightly smaller gap than in the previous quarter.

### ...and increased earnings

- Wages and salaries rose 5.0% (annual rate) in the fourth quarter, reflecting higher employment growth. Despite a weak third quarter, annual growth nearly matched the national average.





# Nova Scotia

## Economic Activity and Prices

### Industrial activity slows in the fourth quarter...

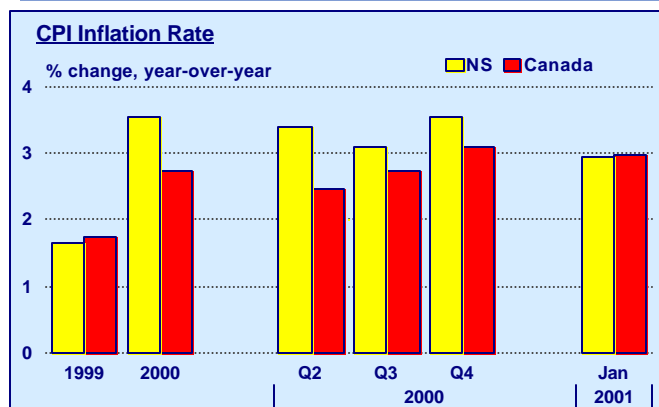
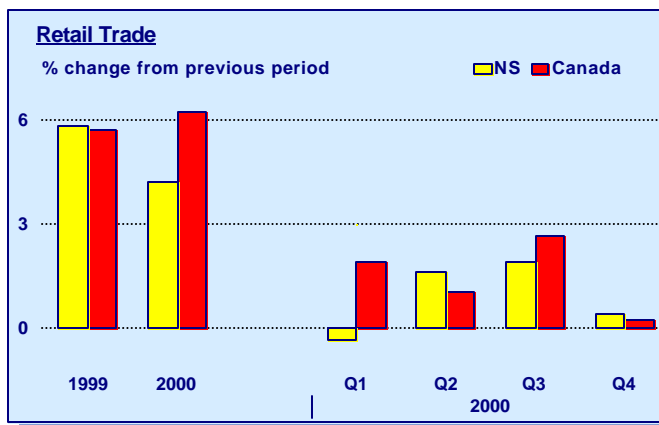
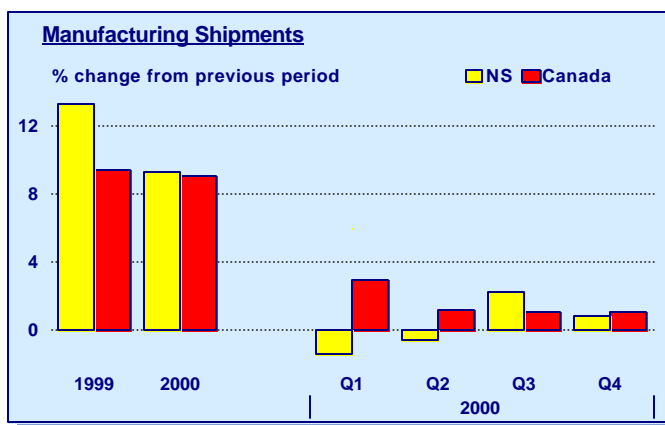
- Growth in manufacturing shipments fell below the national average in the fourth quarter. Lower shipments of non-metallic minerals, wood, and paper products partly offset increased shipments of machinery, transportation equipment, and fabricated metals.

### ...as does consumer spending

- Lower sales of automotive and clothing products dampened retail trade growth in the fourth quarter. Retail sales grew at a slower pace in 2000.
- Housing starts retreated further in the fourth quarter, dropping nearly 40% below the first quarter level. Sales of existing homes, however, continued to recover from their second quarter trough.

### CPI inflation rises further

- The CPI inflation rate in Nova Scotia stood at 3.5% in the fourth quarter. Price increases were widespread across major categories, but transportation and shelter accounted for much of the rise.
- The year-over-year CPI inflation rate edged down to 2.9% in January.







## Labour Markets

### Employment weakens in the fourth quarter...

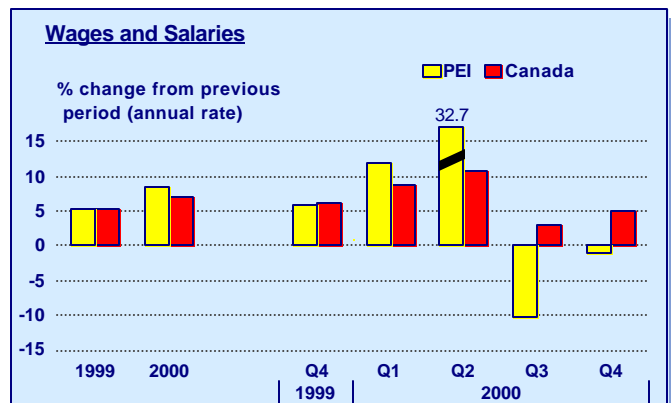
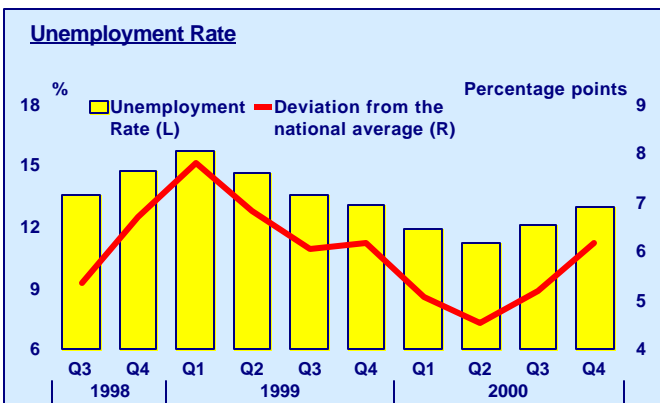
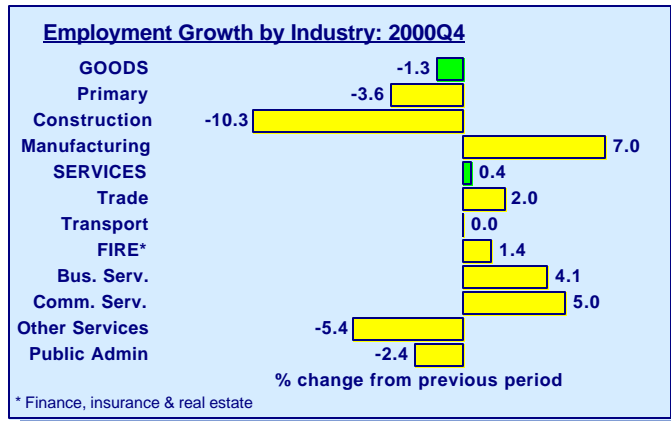
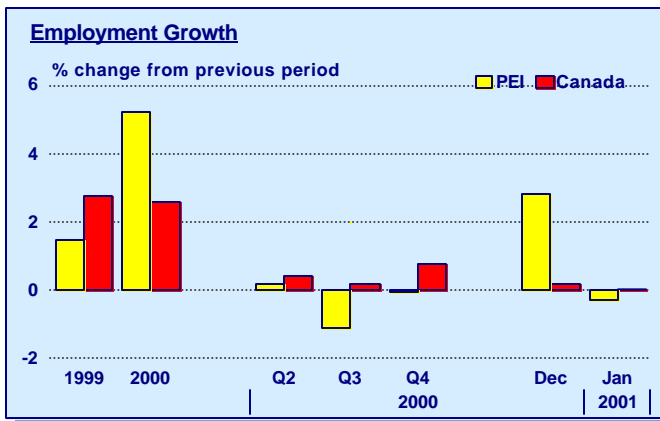
- Employment decreased further in the fourth quarter but to a far lesser degree than in the previous quarter, thanks to a sharp increase in employment growth in December. The overall fourth quarter decline was concentrated in the goods sector where job losses in the construction and primary industries offset gains in manufacturing. In the services sector, job gains in community services, business services, and trade, offset job losses in public administration and other services. Overall employment growth in PEI surged to 5.2% in 2000, twice the rate of the national average.
- Employment edged down in January, with job losses in manufacturing.

### ...driving up the unemployment rate...

- Job losses were accompanied by a rising labour force, raising PEI's unemployment rate to 13.0% in the fourth quarter, up 0.9 percentage points. The PEI rate is 6.1 percentage points above the national average.

### ...and income growth down

- Wages and salaries fell 1.0% (annual rate) in the fourth quarter, in line with the employment decline. Nonetheless, income grew 8.6% in 2000, reflecting in large part the strong impact of the one-time federal pay equity settlement in the second quarter.





## Economic Activity and Prices

### Industrial activity strengthens in the fourth quarter...

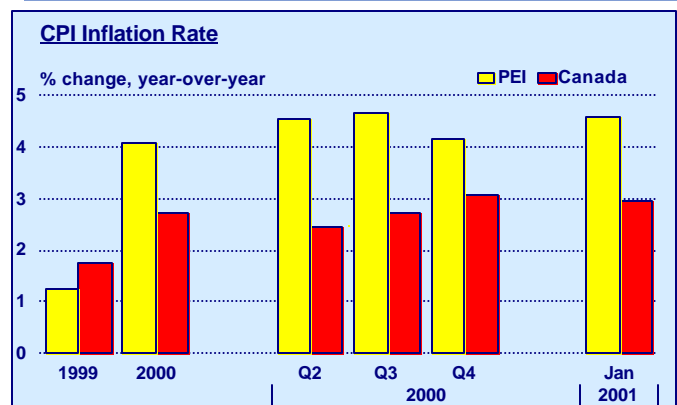
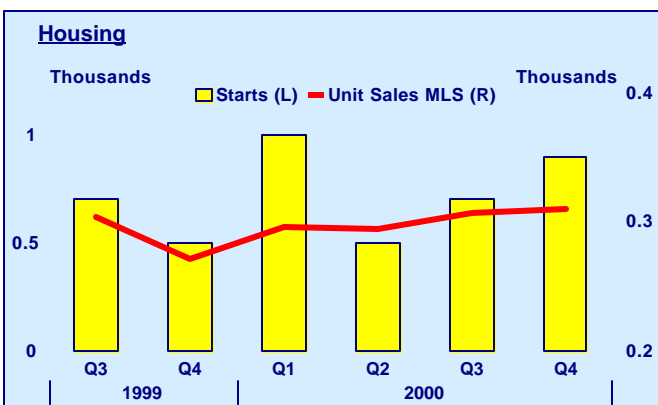
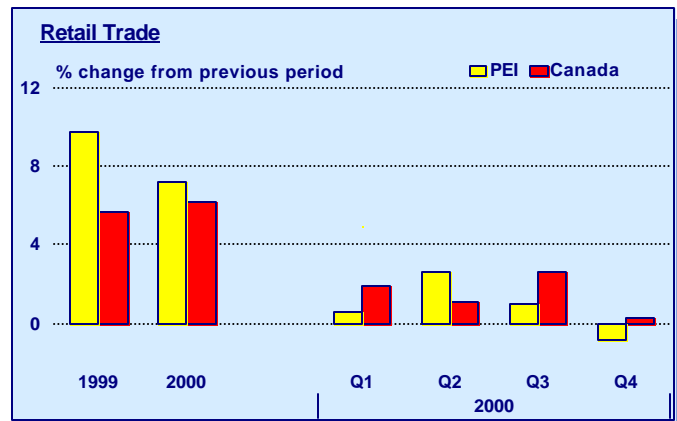
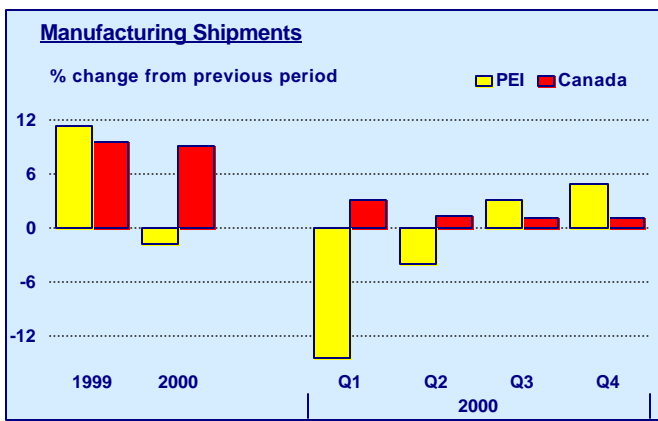
- Manufacturing shipments grew further in the fourth quarter, supported by a large increase in shipments of machinery products and transportation equipment. These gains more than offset lower shipments of paper, wood, and non-metallic minerals. Despite a strong second half, shipments declined slightly overall in 2000.

### ...while consumer spending falls

- Retail activity in PEI dropped in the fourth quarter due largely to losses in the clothing and automotive sectors. In 2000 as a whole, retail trade grew above the national average, reflecting higher income growth.
- The housing market recovered further in the fourth quarter. Housing starts nearly doubled compared with the trough of the second quarter, and sales of existing homes also rose further.

### Inflation remains high

- Although PEI's CPI inflation rate decreased to 4.2% in the fourth quarter, it remained well above the national average for the fifth straight quarter as a result of larger increases in food and shelter prices. Inflation in January rose further to 4.6%.





## Labour Markets

### Employment growth recovers in the fourth quarter...

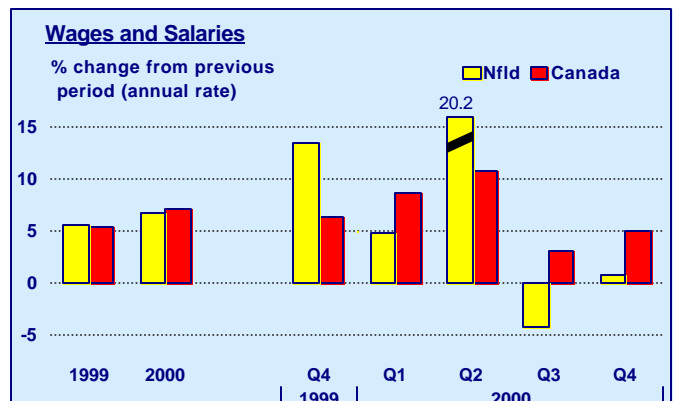
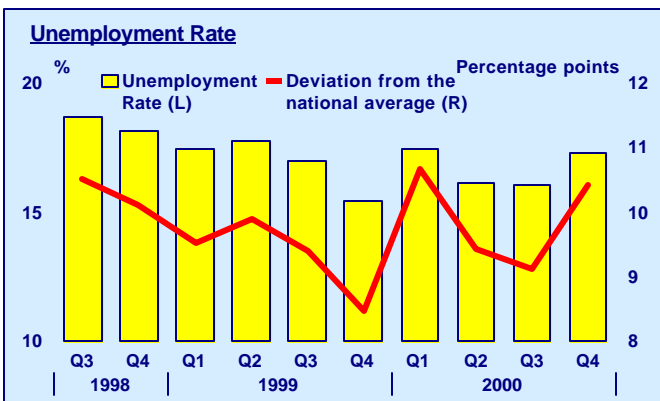
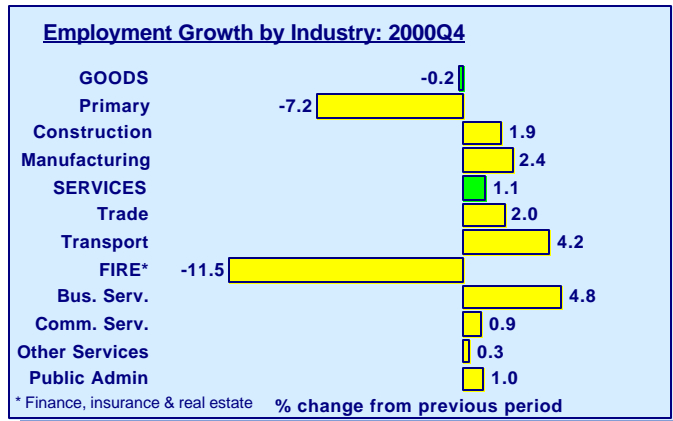
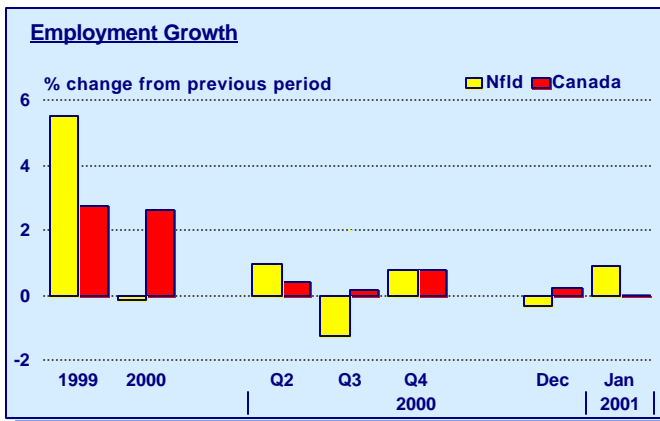
- Newfoundland's employment rose by 2,000 in the fourth quarter, following a loss of 1,000 jobs in the previous quarter. Much of the recovery was concentrated in the services sector, where job losses in FIRE were offset by gains in all other major categories. Employment fell marginally in the goods producing sector as a significant decline in primary industries more than offset increases in construction and manufacturing.
- Employment edged down 0.1% for the year as a whole. This follows three years of solid growth which saw employment rise to near its peak of the early nineties.
- Employment growth resumed in January, following a brief downturn in December.

### ...while the unemployment rate rises...

- The employment rebound was accompanied by a larger increase in the labour force, pushing up the unemployment rate 1.3 percentage points to 17.3%. Newfoundland's unemployment rate was 10.4 points above the national average in the fourth quarter.

### ...and growth in earnings picks up

- Wages and salaries recovered in the fourth quarter as both employment and average hourly earnings rose. For the year as a whole, income grew at a rate near the national average.





## Economic Activity and Prices

### Industrial activity weakens in the fourth quarter...

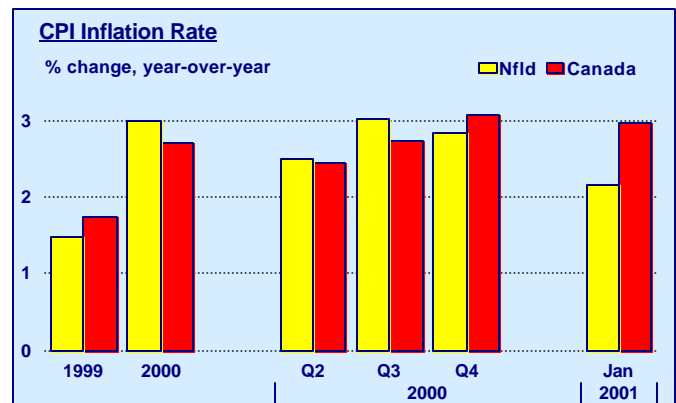
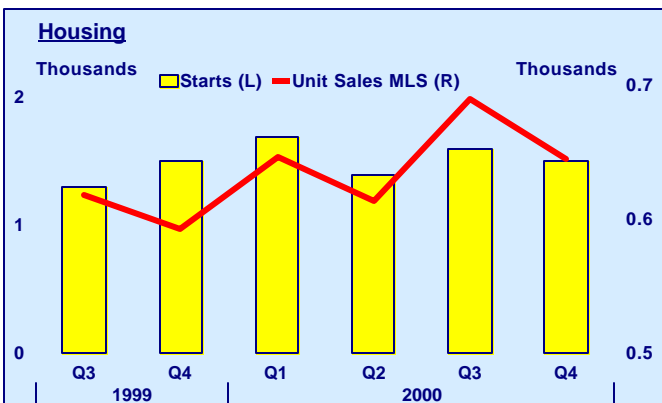
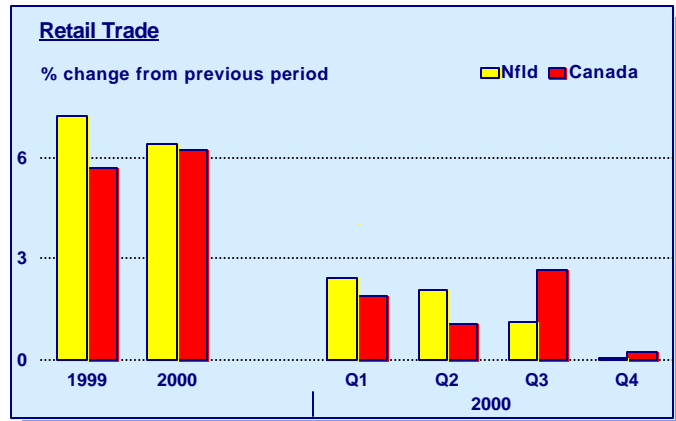
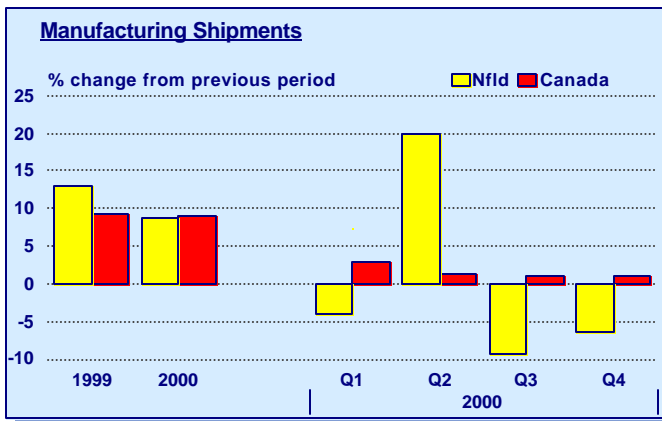
- Manufacturing activity retreated further in the fourth quarter of the year. Shipments of machinery, fabricated metal, and food products accounted for most of the fall. However, shipments grew 8.9% overall in 2000, close to the national average.

### ...accompanied by a slowdown in consumer spending

- Growth in retail sales, which slowed throughout the year, was down to zero in the fourth quarter mostly because of lower sales of automotive products.
- The housing market also weakened in the fourth quarter as both new starts and sales of existing homes fell.

### CPI inflation edges down

- Newfoundland's inflation rate declined to 2.8% in the fourth quarter, somewhat lower than the national average. The drop in inflation was largely the result of lower prices for food and household products. In January, Newfoundland's inflation rate drifted further down to 2.2%.





# ***Territories***

***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

### Strong employment growth...

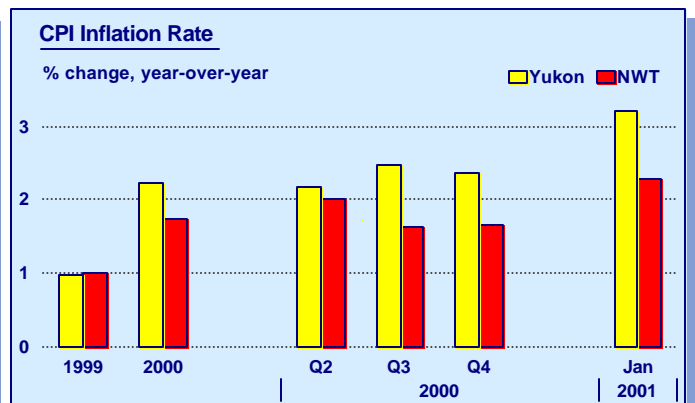
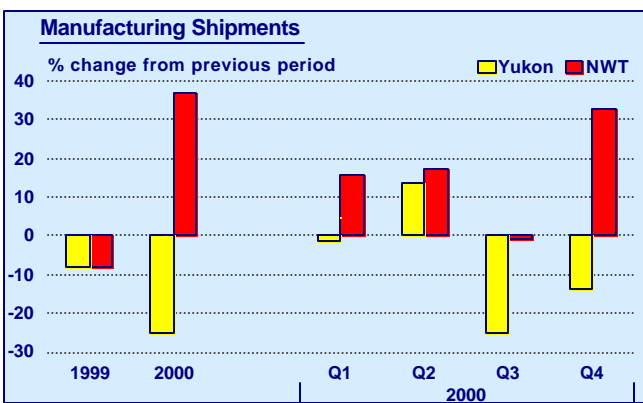
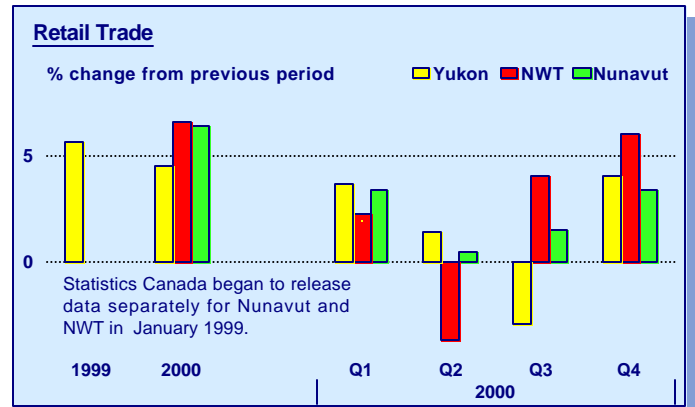
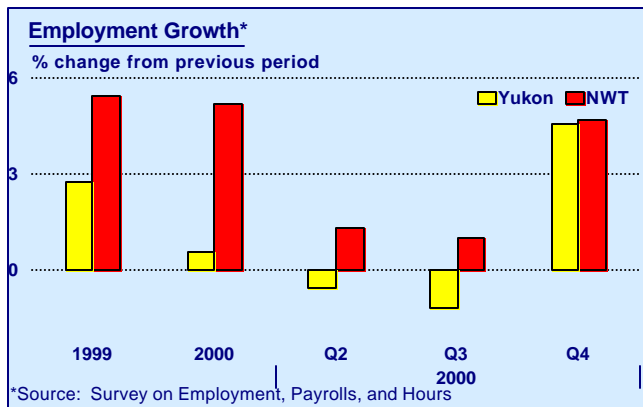
- Employment increased further in the fourth quarter in the Northwest Territories as both goods and services-producing industries recorded gains. In 2000, employment rose as a result of large gains in community, business & personal services.
- Employment recovered in Yukon led by job gains in services-producing industries. For the year as a whole, employment grew marginally in Yukon.

### ...leads to higher household expenditures

- Household expenditures were up 6.0% in the Northwest Territories, 3.4% in Nunavut and 4.1% in Yukon in the fourth quarter.
- Manufacturing shipments recorded double-digit growth in the Northwest Territories in the fourth quarter, while they decreased in Yukon.

### CPI inflation remains well below the national average

- The annual rise in consumer prices remained well below the national average in the fourth quarter for both Yukon (2.4%) and the Northwest Territories (1.7%). In January, the CPI inflation rate reached 3.2% in Yukon and 2.3% in the Northwest Territories.



---



***STATISTICAL APPENDIX***

## Key Provincial Data

	1999	2000	2000Q3	2000Q4	Dec. 2000	Jan. 2001
<b>BRITISH COLUMBIA</b>						
Mfg Shipments (\$M)	37,034.0	38,479.3	9,325.1	9,440.8	3,154.8	N/A
% change (1)	9.3	3.9	-4.1	1.2	-0.5	N/A
Retail Trade (\$M)	33,672.1	35,713.8	9,004.9	9,184.4	3,108.0	N/A
% change	1.9	6.1	2.3	2.0	1.0	N/A
Housing Starts (000's)	16.3	14.4	13.1	15.5	13.1	20.6
Labour Force (000's)	2,079.1	2,099.7	2,101.7	2,118.9	2,122.8	2,097.1
% change	1.4	1.0	0.6	0.8	0.5	-1.2
Employment (000's)	1,906.4	1,949.1	1,942.6	1,965.5	1,972.5	1,942.5
% change	1.9	2.2	-0.3	1.2	0.4	-1.5
Unemployment Rate (%)	8.3	7.2	7.6	7.3	7.1	7.4
Participation Rate (%)	65.1	64.9	64.8	65.1	65.2	64.4
CPI Inflation	1.1	1.9	2.0	2.5	2.4	2.9
<b>ALBERTA</b>						
Mfg Shipments (\$M)	35,273.6	41,362.4	10,400.6	10,853.3	3,622.0	N/A
% change (1)	5.6	17.3	2.9	4.4	0.8	N/A
Retail Trade (\$M)	29,323.9	31,905.4	8,089.2	8,138.5	2,733.9	N/A
% change	4.5	8.8	2.2	0.6	0.4	N/A
Housing Starts (000's)	25.4	26.3	27.4	26.1	26.3	28.9
Labour Force (000's)	1,647.9	1,671.4	1,664.4	1,686.2	1,695.0	1,704.9
% change	2.7	1.4	-0.3	1.3	0.4	0.6
Employment (000's)	1,553.3	1,588.2	1,579.5	1,605.0	1,613.0	1,619.9
% change	2.5	2.2	-0.4	1.6	0.5	0.4
Unemployment Rate (%)	5.7	5.0	5.1	4.8	4.8	5.0
Participation Rate (%)	72.6	72.2	71.7	72.2	72.5	72.8
CPI Inflation	2.4	3.5	3.7	3.9	3.9	1.1
<b>SASKATCHEWAN</b>						
Mfg Shipments (\$M)	6,123.0	7,111.0	1,760.0	1,862.8	618.5	N/A
% change (1)	3.9	16.1	0.6	5.8	-1.3	N/A
Retail Trade (\$M)	7,734.6	8,110.3	2,050.2	2,022.0	674.9	N/A
% change	1.5	4.9	1.1	-1.4	-0.4	N/A
Housing Starts (000's)	3.1	2.5	2.6	2.3	1.6	2.0
Labour Force (000's)	511.0	511.7	509.9	509.7	506.1	512.2
% change	1.1	0.1	-0.8	0.0	-0.9	1.2
Employment (000's)	480.1	485.0	481.4	482.7	479.2	483.4
% change	0.8	1.0	-1.3	0.3	-1.2	0.9
Unemployment Rate (%)	6.1	5.2	5.6	5.3	5.3	5.6
Participation Rate (%)	67.0	67.0	66.8	66.8	66.3	67.1
CPI Inflation	1.7	2.6	2.8	3.3	4.0	3.2
<b>MANITOBA</b>						
Mfg Shipments (\$M)	10,365.4	10,603.9	2,658.9	2,672.6	886.4	N/A
% change (1)	-2.3	2.3	0.9	0.5	-0.1	N/A
Retail Trade (\$M)	9,023.5	9,394.5	2,377.5	2,362.0	790.4	N/A
% change	2.9	4.1	2.1	-0.7	0.3	N/A
Housing Starts (000's)	3.1	2.6	2.5	2.6	2.7	2.7
Labour Force (000's)	574.8	583.2	585.6	583.6	584.8	585.5
% change	1.4	1.5	0.5	-0.3	0.3	0.1
Employment (000's)	542.7	554.4	557.1	555.7	556.3	558.6
% change	1.3	2.2	0.3	-0.3	0.2	0.4
Unemployment Rate (%)	5.6	4.9	4.9	4.8	4.9	4.6
Participation Rate (%)	67.5	67.9	68.1	67.8	68.0	68.0
CPI Inflation	1.9	2.5	2.5	2.6	2.9	2.3

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



## Key Provincial Data

	1999	2000	2000Q3	2000Q4	Dec. 2000	Jan. 2001
<b>ONTARIO</b>						
Mfg Shipments (\$M)	268,447.9	285,845.8	71,892.7	72,012.3	23,817.5	N/A
% change (1)	11.8	6.5	0.8	0.2	-1.2	N/A
Retail Trade (\$M)	99,149.9	106,245.8	27,034.6	27,099.6	9,070.3	N/A
% change	7.3	7.2	2.9	0.2	0.5	N/A
Housing Starts (000's)	67.2	71.5	74.7	72.7	68.9	83.0
Labour Force (000's)	6,070.8	6,227.9	6,241.4	6,326.7	6,342.8	6,337.6
% change	2.6	2.6	1.0	1.4	0.0	-0.1
Employment (000's)	5,688.1	5,872.1	5,885.3	5,949.5	5,960.4	5,976.4
% change	3.6	3.2	0.8	1.1	0.0	0.3
Unemployment Rate (%)	6.3	5.7	5.7	6.0	6.0	5.7
Participation Rate (%)	66.6	67.2	67.1	67.7	67.8	67.6
CPI Inflation	1.9	2.9	2.8	3.4	3.5	3.6
<b>QUEBEC</b>						
Mfg Shipments (\$M)	114,110.1	129,526.7	32,931.0	33,495.2	11,044.5	N/A
% change (1)	6.3	13.5	3.0	1.7	-1.1	N/A
Retail Trade (\$M)	60,766.2	63,486.2	16,147.2	16,061.2	5,401.3	N/A
% change	6.3	4.5	3.5	-0.5	2.1	N/A
Housing Starts (000's)	25.7	24.7	26.0	26.0	23.0	25.7
Labour Force (000's)	3,701.6	3,753.2	3,761.2	3,749.1	3,753.3	3,782.4
% change	1.1	1.4	-0.2	-0.3	0.1	0.8
Employment (000's)	3,357.4	3,437.7	3,443.1	3,439.1	3,451.4	3,457.3
% change	2.3	2.4	0.0	-0.1	0.4	0.2
Unemployment Rate (%)	9.3	8.4	8.5	8.3	8.0	8.6
Participation Rate (%)	62.8	108.0	63.3	63.0	63.0	63.4
CPI Inflation	1.5	1.1	2.5	2.6	2.9	2.8
<b>NEW BRUNSWICK</b>						
Mfg Shipments (\$M)	8,762.1	10,599.4	2,655.0	2,753.9	943.8	N/A
% change (1)	8.5	21.0	1.2	3.7	3.1	N/A
Retail Trade (\$M)	6,607.6	6,917.4	1,739.2	1,738.9	581.9	N/A
% change	9.4	4.7	0.9	0.0	-0.5	N/A
Housing Starts (000's)	2.8	3.1	3.6	2.9	2.2	3.7
Labour Force (000's)	365.7	371.7	373.1	376.0	375.7	379.1
% change	1.1	1.6	0.8	0.8	-0.8	0.9
Employment (000's)	328.4	334.4	335.5	338.2	338.3	341.2
% change	3.3	1.8	1.1	0.8	-0.2	0.9
Unemployment Rate (%)	10.2	10.0	10.1	10.1	10.0	10.0
Participation Rate (%)	61.0	61.6	61.8	62.2	62.1	62.7
CPI Inflation	1.6	3.3	3.2	3.2	2.8	2.8
<b>NOVA SCOTIA</b>						
Mfg Shipments (\$M)	7,732.2	8,446.9	2,127.6	2,145.5	738.8	N/A
% change (1)	13.2	9.2	2.2	0.8	2.0	N/A
Retail Trade (\$M)	8,159.6	8,502.7	2,151.9	2,161.4	735.9	N/A
% change	5.8	4.2	1.9	0.4	2.0	N/A
Housing Starts (000's)	4.3	4.4	4.4	3.7	4.7	5.7
Labour Force (000's)	452.0	461.6	461.3	464.3	467.4	461.4
% change	1.4	2.1	0.4	0.7	0.7	-1.3
Employment (000's)	408.6	419.5	417.9	421.4	425.6	416.4
% change	2.4	2.7	-0.8	0.8	1.3	-2.2
Unemployment Rate (%)	9.6	9.1	9.4	9.2	8.9	9.8
Participation Rate (%)	61.0	61.7	61.6	61.9	62.3	61.5
CPI Inflation	1.7	3.5	3.1	3.5	3.6	2.9

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

## Key Provincial Data

	1999	2000	2000Q3	2000Q4	Dec. 2000	Jan. 2001
<b>PRINCE EDWARD ISLAND</b>						
Mfg Shipments (\$M)	981.0	963.8	239.3	250.8	82.9	N/A
% change (1)	11.2	-1.8	3.1	4.8	-6.1	N/A
Retail Trade (\$M)	1,156.6	1,240.1	314.2	311.7	105.9	N/A
% change	9.8	7.2	1.0	-0.8	2.2	N/A
Housing Starts (000's)	0.6	0.7	0.7	0.9	1.0	0.8
Labour Force (000's)	71.6	73.3	73.2	73.9	74.0	73.7
% change	2.1	2.4	-0.1	1.0	0.4	-0.4
Employment (000's)	61.3	64.5	64.3	64.3	65.3	65.1
% change	1.5	5.2	-1.1	-0.1	2.8	-0.3
Unemployment Rate (%)	14.4	12.0	12.1	13.0	11.8	11.7
Participation Rate (%)	66.4	66.9	66.6	67.2	67.2	66.9
CPI Inflation	1.2	4.1	4.7	4.2	3.7	4.6
<b>NEWFOUNDLAND</b>						
Mfg Shipments (\$M)	1,979.4	2,154.7	544.1	509.2	168.0	N/A
% change (1)	13.1	8.9	-9.4	-6.4	1.9	N/A
Retail Trade (\$M)	4,222.9	4,491.7	1,134.8	1,135.5	377.7	N/A
% change	7.2	6.4	1.1	0.1	-1.1	N/A
Housing Starts (000's)	1.4	1.5	1.6	1.5	1.5	1.1
Labour Force (000's)	246.7	245.6	242.5	248.1	248.6	246.8
% change	4.1	-0.4	-1.4	2.3	-0.2	-0.7
Employment (000's)	204.9	204.6	203.7	205.3	204.7	206.6
% change	5.5	-0.1	-1.3	0.8	-0.3	0.9
Unemployment Rate (%)	16.9	16.7	16.0	17.3	17.7	16.3
Participation Rate (%)	56.3	55.8	55.2	56.4	56.5	56.1
CPI Inflation	1.5	3.0	3.0	2.8	2.6	2.2
<b>CANADA</b>						
Mfg Shipments (\$M)	490,858.3	535,150.8	134,548.6	136,011.8	45,083.0	N/A
% change (1)	9.4	9.0	1.1	1.1	-0.8	N/A
Retail Trade (\$M)	260,690.7	276,931.9	70,272.4	70,454.8	23,662.2	N/A
% change	5.7	6.2	2.6	0.3	0.9	N/A
Housing Starts (000's)	150.0	151.7	156.6	154.2	145.0	174.1
Labour Force (000's)	15,721.2	15,999.2	16,014.3	16,136.5	16,170.4	16,180.6
% change	2.0	1.8	0.4	0.8	0.1	0.1
Employment (000's)	14,531.2	14,909.7	14,910.5	15,026.5	15,066.7	15,067.4
% change	2.8	2.6	0.2	0.8	0.2	0.0
Unemployment Rate (%)	7.6	6.8	6.9	6.9	6.8	6.9
Participation Rate (%)	65.6	65.9	65.8	66.1	66.2	66.1
CPI Inflation	1.7	2.7	2.7	3.1	3.2	3.0

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

# Provincial Economic Accounts

	1993	1994	1995	1996	1997	1998	1999
<b>Real GDP at Market Prices (\$1992M)</b>							
BC	90,543	93,355	95,370	98,052	101,277	102,217	104,323
% change	4.0	3.1	2.2	2.8	3.3	0.9	2.1
Alberta	79,792	84,622	87,161	89,284	95,997	99,504	101,960
% change	6.7	6.1	3.0	2.4	7.5	3.7	2.5
Sask	22,654	23,603	23,934	24,391	25,661	26,267	26,547
% change	7.4	4.2	1.4	1.9	5.2	2.4	1.1
Manitoba	24,468	25,298	25,445	26,205	27,099	27,892	28,729
% change	0.2	3.4	0.6	3.0	3.4	2.9	3.0
Ontario	288,164	305,223	316,581	319,982	335,508	349,364	370,722
% change	1.1	5.9	3.7	1.1	4.9	4.1	6.1
Quebec	160,897	167,241	170,366	172,707	178,460	183,835	192,535
% change	1.6	3.9	1.9	1.4	3.3	3.0	4.7
New Brunswick	14,358	14,643	15,071	15,266	15,331	15,941	16,616
% change	2.3	2.0	2.9	1.3	0.4	4.0	4.2
Nova Scotia	18,193	18,256	18,578	18,641	19,242	19,828	20,865
% change	0.7	0.3	1.8	0.3	3.2	3.0	5.2
PEI	2,370	2,492	2,629	2,714	2,662	2,742	2,829
% change	1.7	5.1	5.5	3.2	-1.9	3.0	3.2
Nfld	9,668	10,126	10,348	9,914	10,028	10,625	11,259
% change	1.2	4.7	2.2	-4.2	1.1	6.0	6.0
Yukon	874	864	1,005	1,097	1,012	987	997
% change	-19.8	-1.1	16.3	9.2	-7.7	-2.5	1.0
NWT (2)	2,242	2,318	2,315	2,374	2,451	2,491	2,549
% change	3.2	3.4	-0.1	2.5	3.2	1.6	2.3
Canada	714,583	748,350	769,082	780,916	815,013	842,002	880,254
% change	2.3	4.7	2.8	1.5	4.4	3.3	4.5
<b>Population ('000s)</b>							
BC	3,572	3,682	3,784	3,882	3,960	3,998	4,028
% change	2.9	3.1	2.8	2.6	2.0	1.0	0.8
Alberta	2,671	2,705	2,740	2,781	2,837	2,907	2,959
% change	1.4	1.3	1.3	1.5	2.0	2.5	1.8
Sask	1,007	1,010	1,014	1,019	1,022	1,025	1,026
% change	0.3	0.3	0.4	0.5	0.3	0.3	0.1
Manitoba	1,118	1,124	1,130	1,134	1,137	1,138	1,143
% change	0.4	0.5	0.5	0.4	0.3	0.1	0.4
Ontario	10,689	10,827	10,964	11,101	11,248	11,385	11,517
% change	1.1	1.3	1.3	1.2	1.3	1.2	1.2
Quebec	7,165	7,207	7,241	7,274	7,303	7,324	7,349
% change	0.7	0.6	0.5	0.5	0.4	0.3	0.3
New Brunswick	750	751	752	753	754	753	754
% change	0.3	0.1	0.1	0.1	0.1	-0.1	0.1
Nova Scotia	924	926	928	931	935	936	939
% change	0.5	0.2	0.2	0.3	0.4	0.1	0.3
PEI	132	134	135	136	137	137	138
% change	0.8	1.5	0.7	0.7	0.7	0.0	0.7
Nfld	580	575	568	561	554	545	541
% change	0.0	-0.9	-1.2	-1.2	-1.2	-1.6	-0.7
Yukon	31	30	31	32	32	32	31
% change	3.3	-3.2	3.3	3.2	0.0	0.0	-3.1
NWT (2)	64	65	67	68	68	68	68
% change	3.2	1.6	3.1	1.5	0.0	0.0	0.0
Canada	28,703	29,036	29,354	29,672	29,987	30,248	30,493
% change	1.1	1.2	1.1	1.1	1.1	0.9	0.8

(2) 1999 data includes NWT and Nunavut.