



Regional Economic Observer



Third Quarter, 2001

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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 November 30, 2001. It has been prepared by Marianne Blais, Stéphane Crépeau, Anik Dufour, Arif Mahmud, and Karen Smith under the direction of Miodrag Jovanovic and Hossein Rostami. All information is taken from public sources, primarily Statistics Canada, the Canada Mortgage and Housing Corporation, and the Canadian Real Estate Association. Please address comments to Miodrag Jovanovic at 613-996-0474 or through the Internet at jovanovic.miodrag@ic.gc.ca.

Highlights: Third Quarter, 2001

British Columbia

A significant reduction in British Columbia's employment pushed the unemployment rate to 7.6% in the third quarter, up from 6.9% in the second quarter. However, increase in the overall labour income due to higher average earnings helped to sustain consumer spending. Industrial activity continued its slowdown with significant reduction in the shipments of paper, computer and electrical, and wood products.

Prairies

Labour markets continued to perform relatively well in Alberta with a slight increase in employment and a rate of unemployment standing at 3 percentage points below the national average. However, manufacturing activity continued to ease and consumer spending started to present signs of weakening. Employment went up in Saskatchewan in the third quarter, contributing to a reduction in the unemployment rate of 0.4 percentage points to 5.6%. Weaknesses in industrial activity and consumer spending were also visible in Saskatchewan. A higher participation rate in Manitoba contributed to increase the unemployment rate to 5.3%, still 1.8 percentage points below the national average. Manufacturing activity fell sharply but consumer spending continued to grow.

Ontario

Losses in employment pushed the unemployment rate in Ontario from 5.9% to 6.5%. Industrial activity fell sharply in the third quarter with lower production in durable goods such as transportation equipment and computer and electronic products. Despite an increase in overall labour income, consumer spending fell significantly as lower sales were reported in the automotive sector.

Quebec

Important employment gains in the manufacturing sector in Quebec contributed to a reduction in the unemployment rate from 8.8% to 8.3% in the third quarter. Despite the fact that manufacturing activity showed signs of recovery after two quarters of major decline and that labour income posted a notable gain, consumer spending weakened in the third quarter.

Atlantic

Industrial activity remained healthy in Newfoundland and Prince Edward Island (P.E.I.) with strong sales of wood, non-metallic mineral, fabricated metal and primary metal products. Labour income and consumer spending also increased in those two provinces only. Employment edged up sharply in Nova Scotia and slightly in P.E.I., but losses were posted in Newfoundland and New Brunswick.



British Columbia



British Columbia

Labour Markets

Employment is falling...

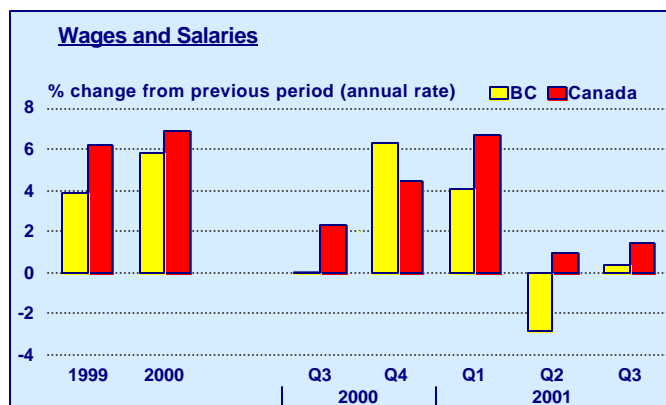
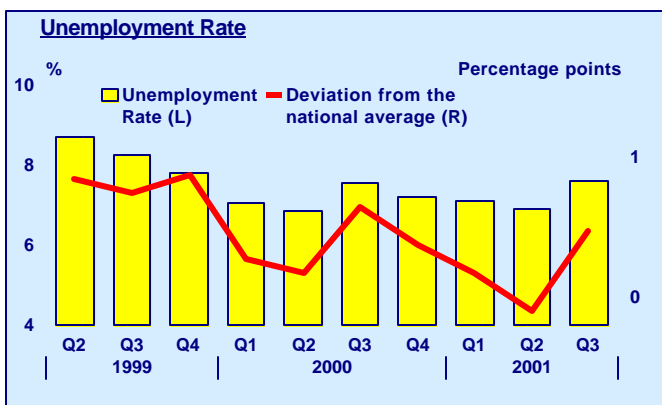
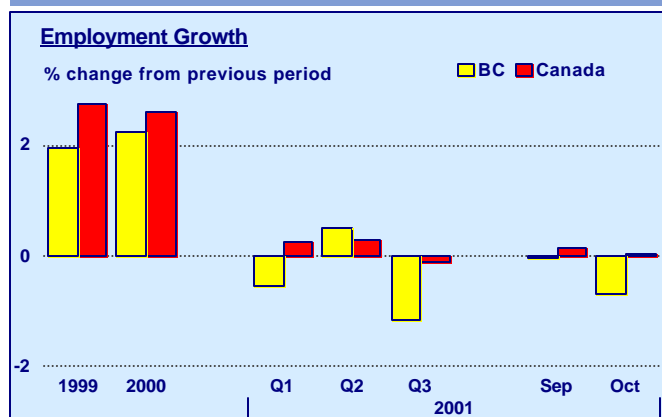
- Employment declined 1.2% in the third quarter, as a result of job losses in both Goods and Services sectors. Job gains were concentrated in the Primary, Trade and Community industries, but sharp drops in Manufacturing, Finance, Insurance & Real Estate (FIRE) and Other Services more than offset these gains.
- Employment fell in September and October, with losses widespread across Goods and Services sectors. Although employment in British Columbia had increased at the beginning of the year, about 52,000 jobs have been lost since the start of 2001.

...pushing the unemployment rate up

- In line with the quarterly decrease in employment, the jobless rate rose to 7.6% in the third quarter, after three consecutive quarterly declines. The province's unemployment rate stood at 0.5 percentage points above the national average.

Labour income edges up

- Based on a separate survey of paid employees, labour income edged up 0.4% in the third quarter, due to an increase in average weekly earnings.





Economic Activity and Prices

Manufacturing shipments continue to decline...

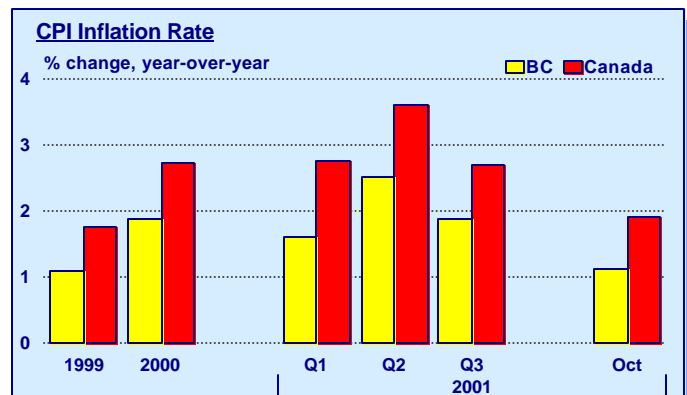
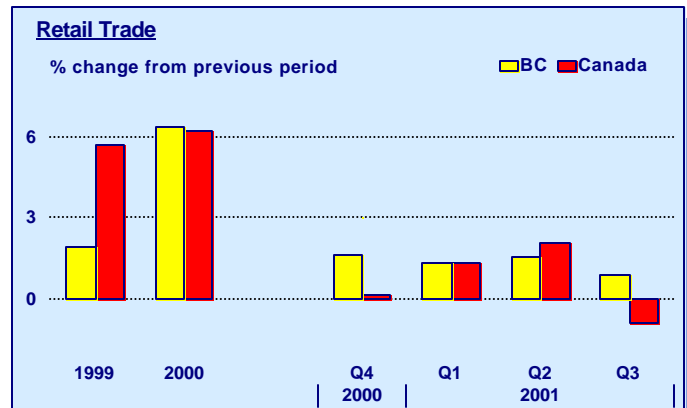
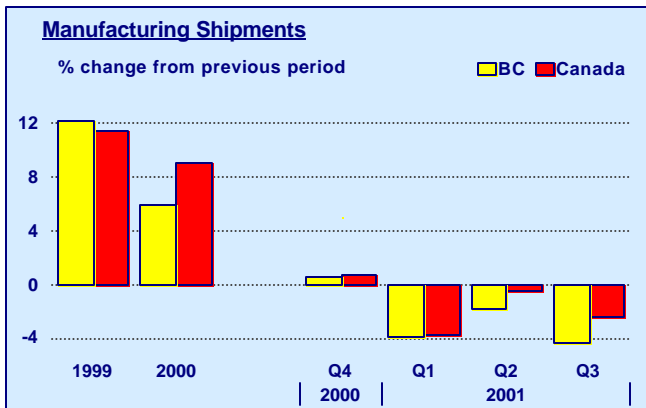
- Manufacturing activity dropped 2.4% in the third quarter. Losses occurred in both durable and non-durable goods and were mostly concentrated in shipments of Paper, Computer & Electrical and Wood Products.

...while consumer spending increases

- Increases in labour income helped retail sales to rise 0.9% in the third quarter. Gains were mainly concentrated in the furniture sector.
- Housing starts eased in the third quarter, ending an upward trend set out in the same period last year, while sales of existing homes reached 17 817 units, the highest level since 1997.

Inflation remains below the Canadian average

- On a year-over-year basis, the CPI rose 1.9% in the third quarter of 2001. The major contributors to the increase were the Food, Alcohol, Shelter and Health Care components. British Columbia's inflation rate was among the lowest in the country, well below the national average of 2.7%.
- In October, inflation fell to 1.1%, still below the Canadian rate. Lower prices for Shelter, Transport and Clothing contributed to reduce the CPI inflation.







Labour Markets

The pace of job creation is slowing...

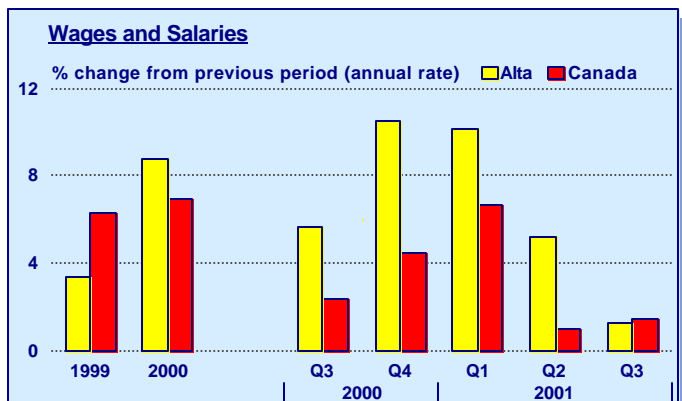
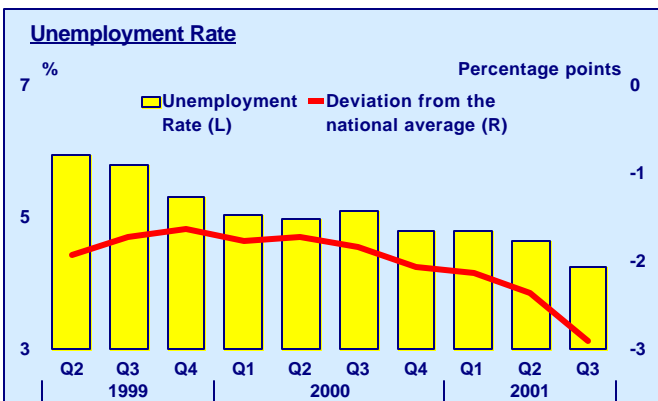
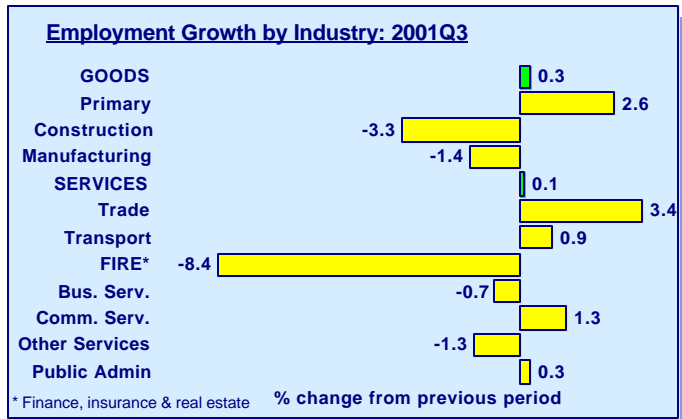
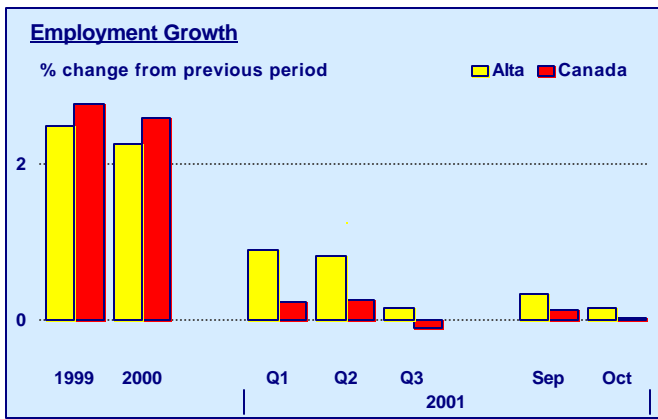
- Employment growth slowed to 0.2% in the third quarter, well below the pace recorded in the previous quarters but still higher than the national average. In the Goods industries, the Primary sector was the main engine of growth, with higher employment in the Oil and Gas sector. Gains in Services were concentrated in the Trade and Community Service industries but were mostly offset by job losses in the Finance, Insurance & Real Estate (FIRE) sector.
- Employment rose slightly in September and October, with gains occurring mainly in Trade and Other Services.

...helping push down the unemployment rate further...

- As a result of employment gains and a slight decrease in the labour force, the jobless rate edged down to 4.2% in the third quarter, Alberta's lowest rate since 1981 and the lowest in Canada.
- Alberta's unemployment rate dropped almost 3 percentage points below the national average, as the unemployment rate in the rest of Canada slightly increased.

...and moderating income growth

- Growth of wages and salaries eased to 1.2% in the third quarter, the slowest growth in more than two years. Increases in average weekly earnings and slight employment gains in the salaried working force contributed to the growth.





Economic Activity and Prices

Shipments of manufacturing products edge down...

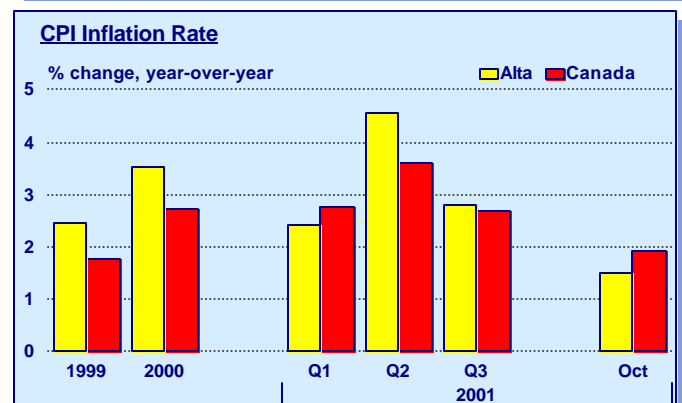
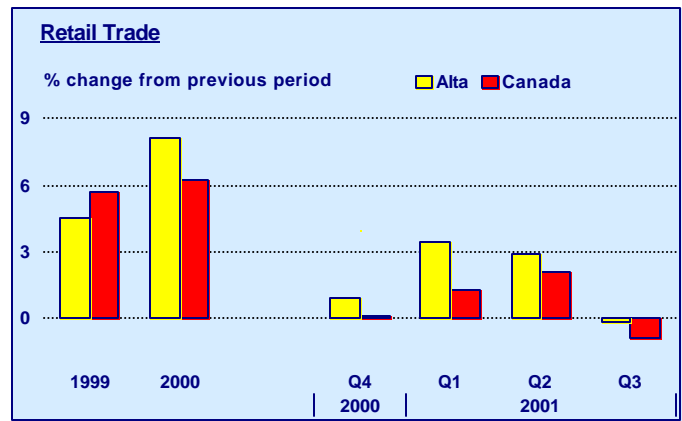
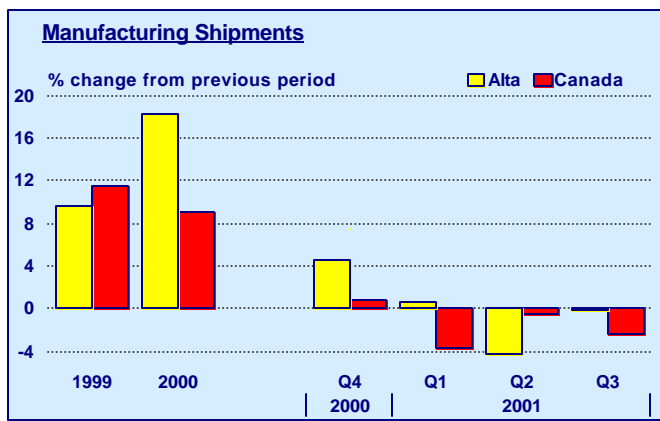
- Manufacturing shipments edged down 0.1% in the third quarter, the second consecutive quarterly decline this year. Higher shipments in non-durable goods industries such as Petroleum and Food products were more than offset by sharp losses in Chemical and Computer & Electronic products.

...while consumer spending is slowing

- In line with dampening income growth, retail sales edged down 0.2%, the largest decline in three years. The decrease was led by the automotive sector.
- Housing starts edged down in the third quarter but were still higher than their 1999 and 2000 levels, while sales of existing homes increased for the fifth straight quarter.

CPI inflation slows

- Alberta's inflation rate slowed to 2.8% in the third quarter, a significant decrease from the 4.6% recorded in the previous quarter. The Shelter, Alcohol and Food components of the CPI inflation were the main contributors to the increase.
- Inflation continued to decrease in October reaching 1.5%. Lower year-over-year price increases for Shelter, Clothing and Transport largely contributed to lower inflation.





Labour Markets

Employment records a modest increase...

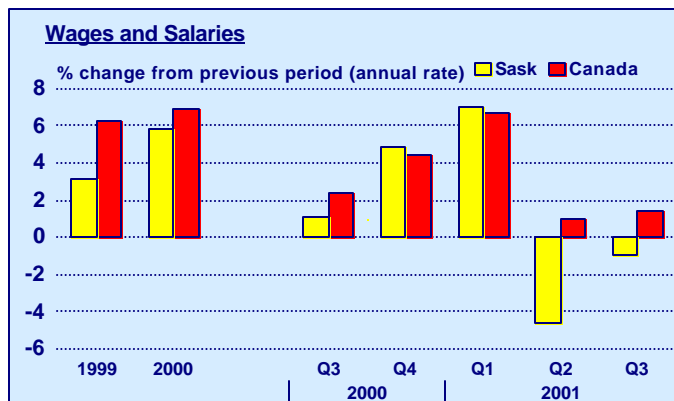
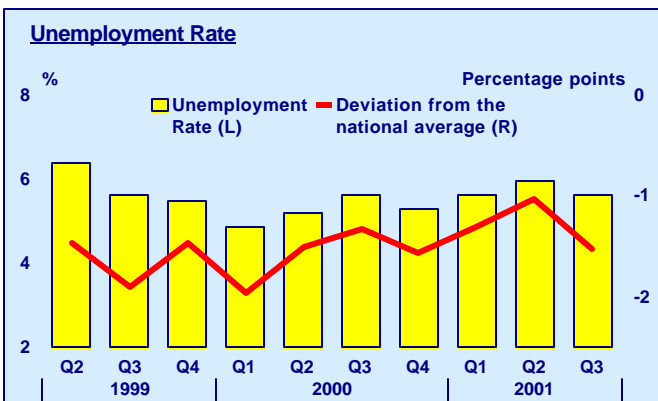
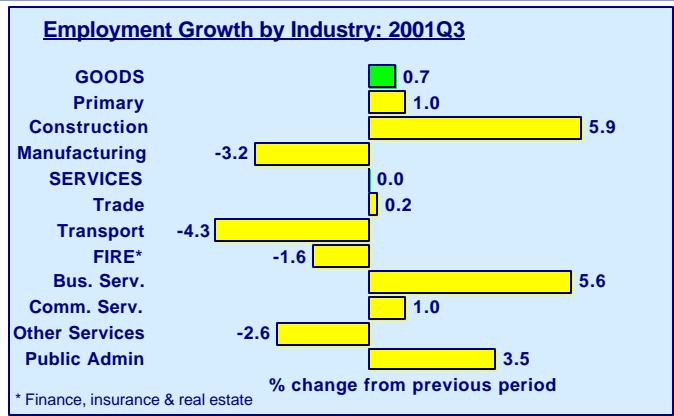
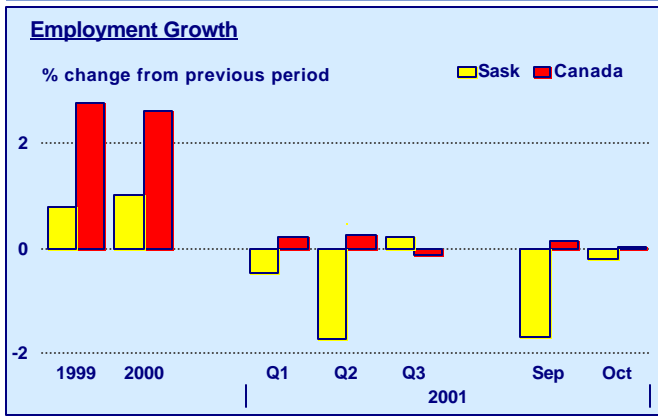
- Employment recorded its first quarterly gain since the beginning of the year, edging up 0.2% in the third quarter. Job creation in Construction, Business Services and Public Administration accounted for the bulk of the overall increase.
- However, employment plummeted in September, and fell further in October, mostly as a result of losses in the Agriculture and Accommodation & Food Services industries.

...reducing the unemployment rate...

- The unemployment rate was down 0.4 percentage points to 5.6% in the third quarter as a result of both job gains and lower labour force. The provincial unemployment rate stood 1.5 percentage points below the national average.

...while wages and salaries fall

- According to the survey on earnings, payrolls and hours (SEPH), labour income recorded a second consecutive decline in the third quarter as the number of salaried employees decreased.
- Between January and September 2001, total farm cash receipts increased 12.7% over the same period last year. This reflects higher livestock and crop receipts, as well as a large increase in program payments. However, final figures for the year 2001 might differ as the impact of the drought conditions in July and early August is not seen yet.





Economic Activity and Prices

Manufacturing shipments continue to recede...

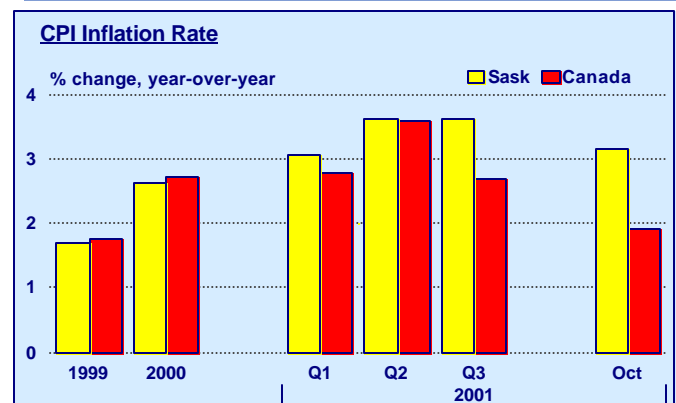
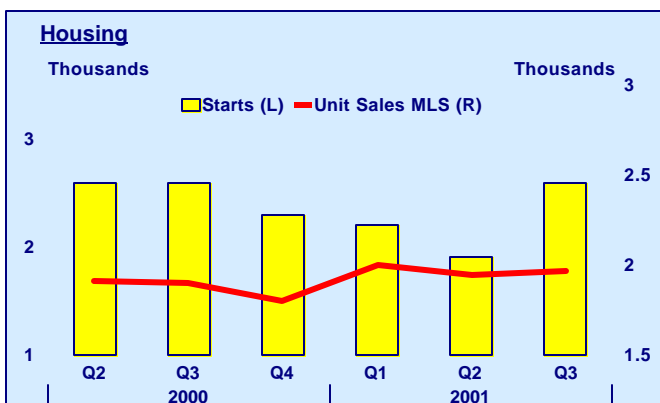
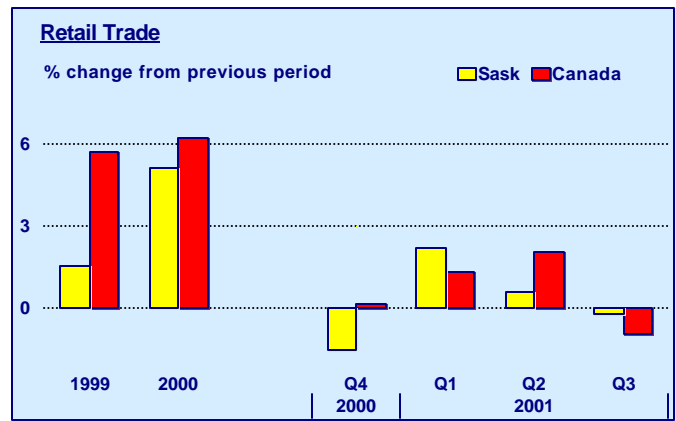
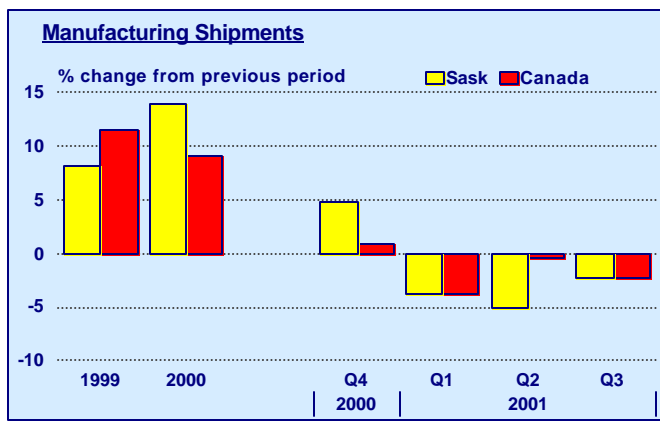
- Industrial activity fell 2.4% in the third quarter. Losses were mostly concentrated in Chemical products and Durable Goods, notably in Electrical and Non-Metallic Mineral Products. Hampered by a plummeting activity in the Electrical industry, manufacturing shipments have fallen by almost 11% so far this year.

...consumer spending is slowing...

- In line with lower consumer confidence, retail sales edged down 0.2% in the quarter. Sales of automobiles recorded the largest decline, but losses were widespread among most major categories.
- Housing starts rebounded in the third quarter, ending a string of three consecutive quarterly declines, while sales of existing homes were unchanged.

...and inflation moderates

- Inflation slowed to 3.6% in the third quarter but remained well above the national average with significant price increases for Shelter, Food and Health Care.
- Inflation remained above the national average in October, standing at 3.1%. Higher costs for Shelter, which advanced more than 8% on a year-over-year basis, contributed largely to the overall price increase.





Labour Markets

Stable overall employment...

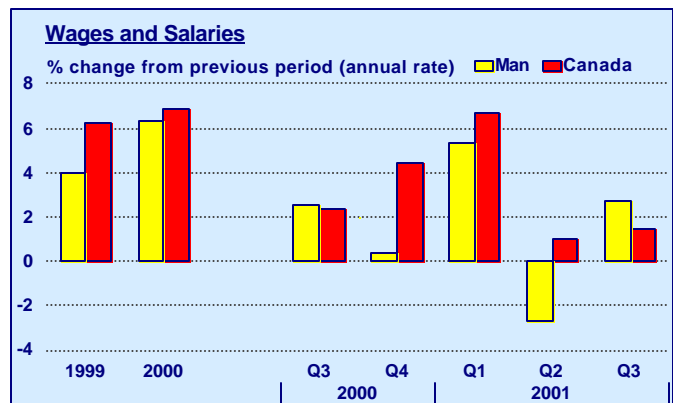
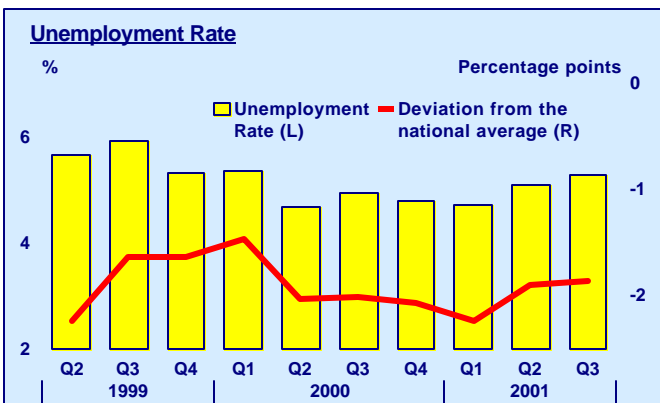
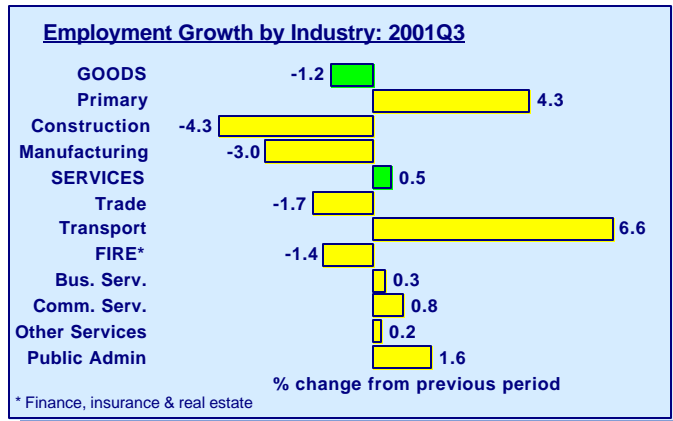
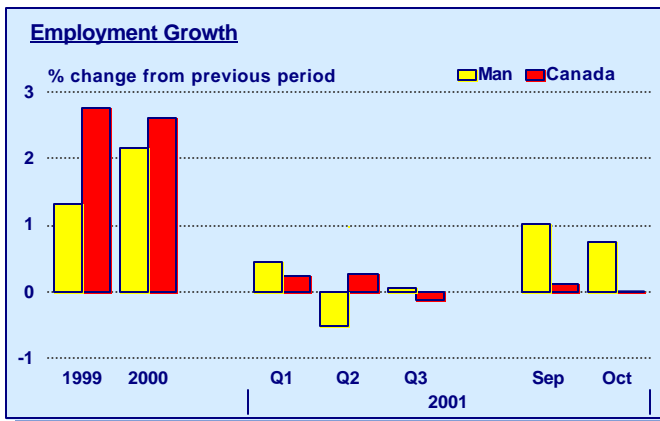
- Employment was virtually unchanged in the third quarter. By industry, notable employment gains in Transportation services and Agriculture early in the summer helped offset job losses concentrated in the Manufacturing and Trade industries. In September, the rise was led by job gains in Trade.
- Widespread employment gains fuelled further growth in October. However, employment growth declined in areas related to Finance and Transportation services.

...but rising labour force pushes up the unemployment rate

- With the combined effect of a stagnant job growth and a rising labour force participation rate in the third quarter, Manitoba's unemployment rate edged up to 5.3%, 1.8 percentage points below the national average.

Meanwhile, income growth resumes

- Labour income climbed back to its first quarter level, with an increase of 2.7% in the third quarter. This progress reflected primarily a strong rise in average earnings.
- While farmers' receipts rose in every province in the first nine months of 2001, the largest percentage gains were in Manitoba. The 17.3% advance reflected higher prices for both livestock and major crops and a surge in government program payments. However, adverse weather conditions over the summer reduced crop yields and production, which is expected to be reflected in the final results for the year.





Economic Activity and Prices

Manufacturing activity falls...

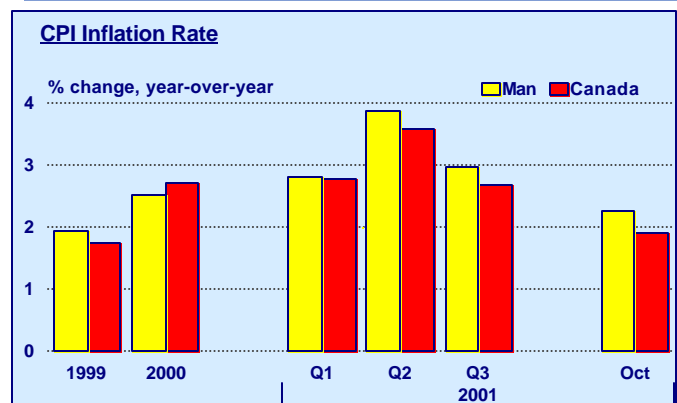
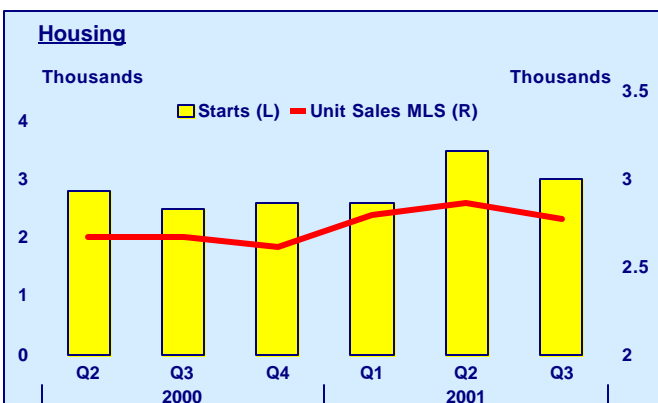
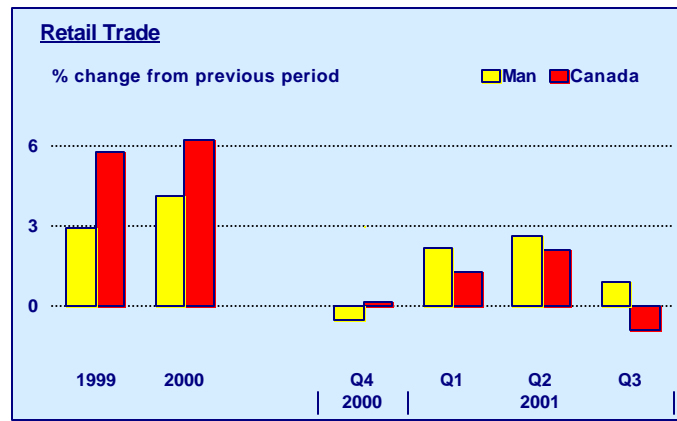
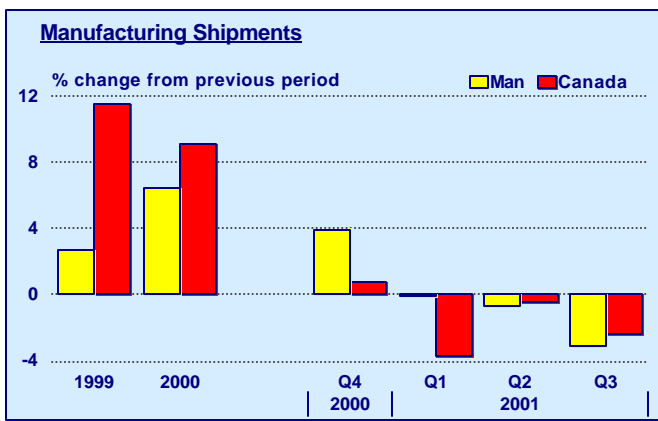
- The downtrend in shipments observed since the start of the year continued, with a reduction of 3.1% in the third quarter. Wood, Food and Transportation related products posted significant declines, while Machinery & Equipment rose strongly after three quarters of declines.

...while retail and housing sales slow...

- Retail sales slowed markedly compared with the first half of this year, growing 0.9% in the third quarter. As employment conditions became more fragile and consumer confidence deteriorated, most retail groups experienced a slowdown.
- The situation in the housing market also weakened in the third quarter, with both housing starts and existing home sales down from the previous quarter.

...helping ease inflation

- Inflation slowed to 3.0% in the third quarter, down from 3.9% in the previous quarter, benefiting in part from slower shelter cost inflation.
- In October, inflation was down to 2.3% as lower energy prices limited the rises in shelter and transportation costs.







Labour Markets

Employment conditions deteriorate further...

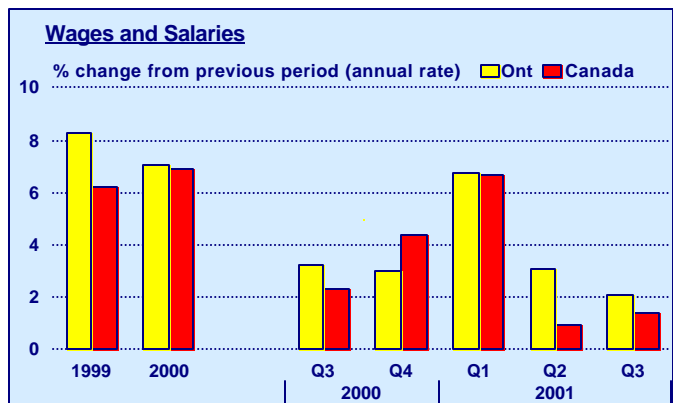
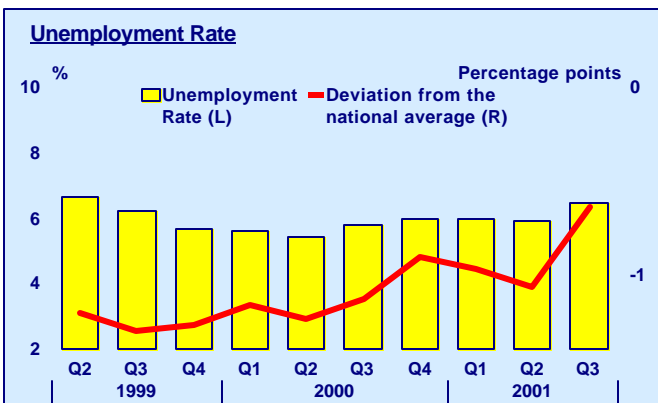
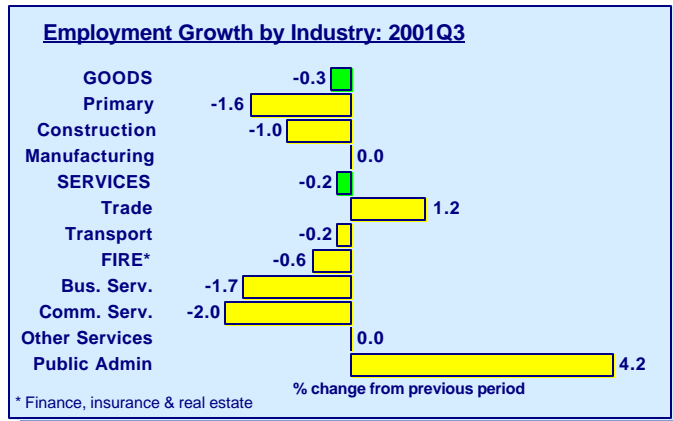
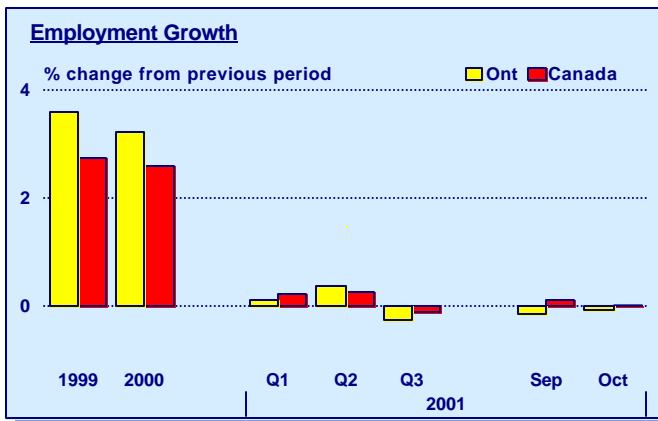
- Job losses in most sectors led to a 0.2% employment decline in the third quarter, partly offsetting the small gains recorded since the beginning of the year. Employment was unchanged in Manufacturing and Other Services, while it recorded gains only in Public Administration and Trade.
- Employment was virtually unchanged in October as losses in Manufacturing were mostly offset by gains in the Service industries.

...pushing the unemployment rate up...

- The unemployment rate increased to 6.5% in the third quarter as a result of job losses, a rate which is still 0.6 percentage points below the national average.

...and slowing income growth

- Wages and salaries advanced 2.1% in the third quarter, contrasting sharply with the solid increases recorded in recent quarters. Even this slower earnings growth was faster than the national average of 1.4%.
- The summer drought has already impacted Ontario where crop production receipts fell more than 6% over the January-September period on a year-over-year basis. Higher revenues from livestock production as well as a 95% increase of government transfer payments have nonetheless led to a 7.6% increase in total farm cash receipts.





Economic Activity and Prices

Manufacturing shipments dip in the third quarter...

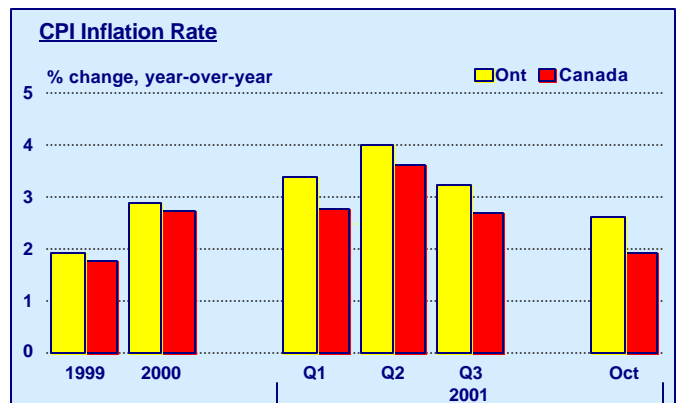
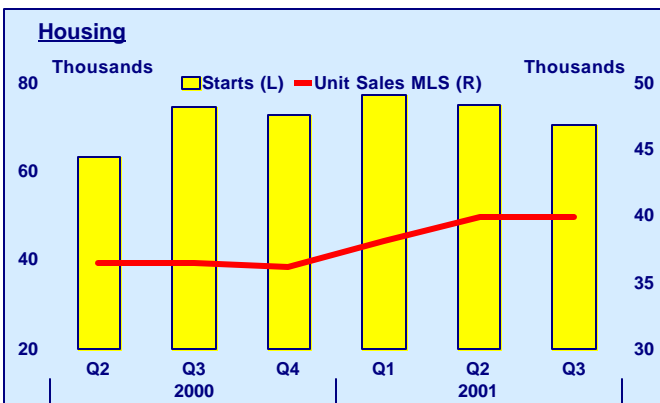
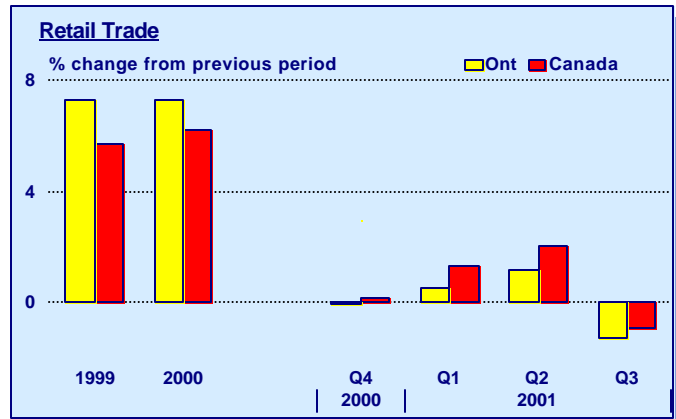
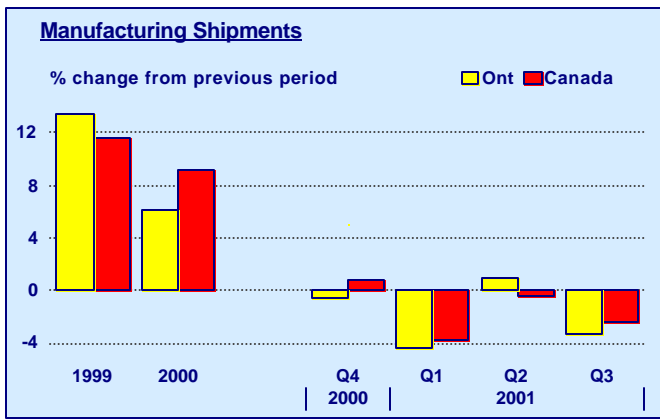
- Industrial activity plunged 3.3% in the quarter, suffering from the September 11 events and a weakening U.S economy. Lower production in the Durable Goods industries, particularly in the Transportation and Computer & Electronic sectors, was the major contributor to this decline.

...and consumer spending weakens...

- Reflecting lower confidence, retail trade fell in the third quarter. Retailing activity was down in most sectors, but lower sales in the automotive sector accounted for the lion's share of the total decline.
- Housing market figures were relatively stable. Housing starts fell slightly for a second consecutive quarter, while home resales remained unchanged.

...while inflation remains above the national average

- Prices rose above the 3% mark in the third quarter, mostly as a result of significant cost increases for Alcohol, Shelter and Food.
- CPI inflation averaged 2.6% in October, a rate still above the national average. Lower costs for Clothing and Transportation, which includes a 10.2% decline on Gasoline prices, were more than offset by price increases in all other categories.



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 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

Gains in manufacturing employment help support the labour market...

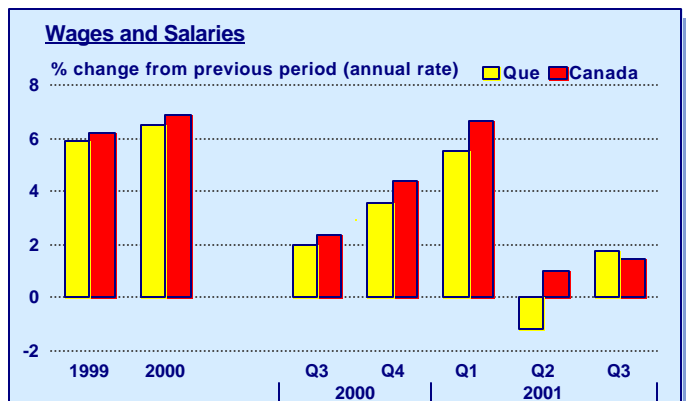
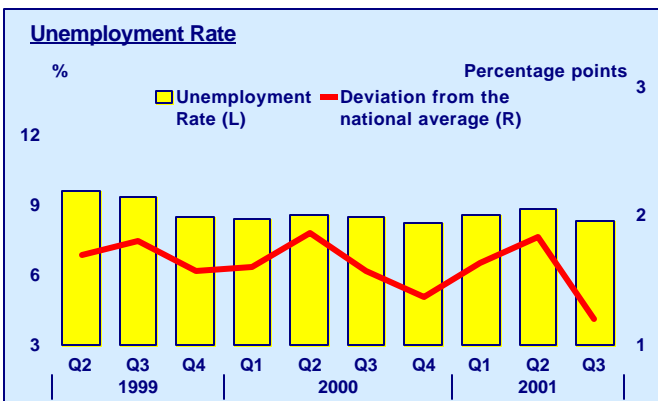
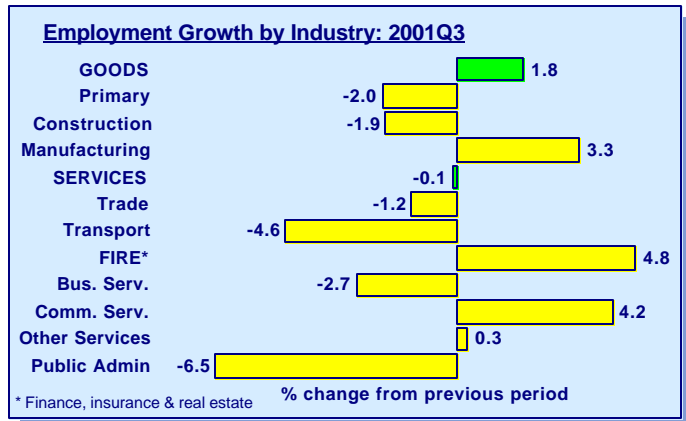
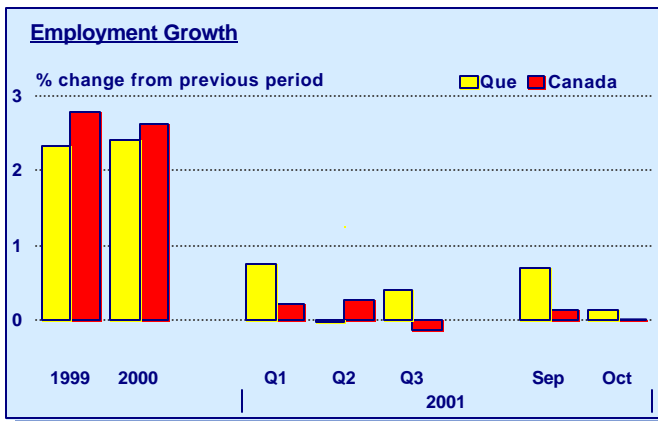
- Employment was up 0.4% in the third quarter, sustained by important job gains in Manufacturing and Education & Health services. Job growth in the Finance industry was also strong. The largest losses were in Public Administration and Professional services. The decline in Transportation service employment occurred mostly in September.
- In October, employment growth was only 0.1%, reflecting large job losses in Finance and Transportation services.

...and reduce the unemployment rate

- The combined effect of a contraction in the labour force and a rise in employment, allowed the unemployment rate to fall by half a percentage point to 8.3%, 1.2 point above the national rate.

Income growth also firms up

- Total wages and salaries rose 1.8% in the third quarter on the strength of rising average earnings.





Economic Activity and Prices

Manufacturing activity shows signs of recovery...

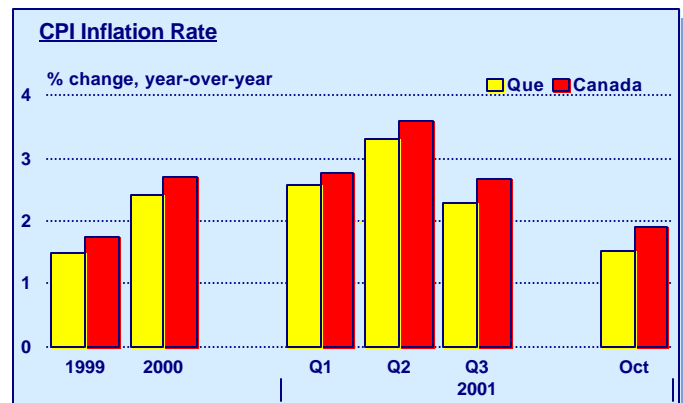
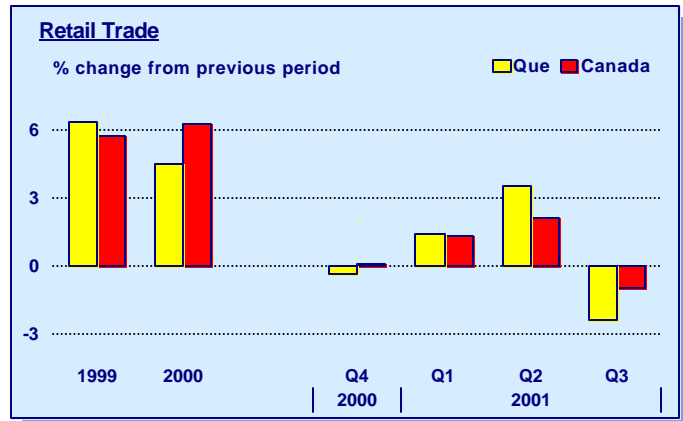
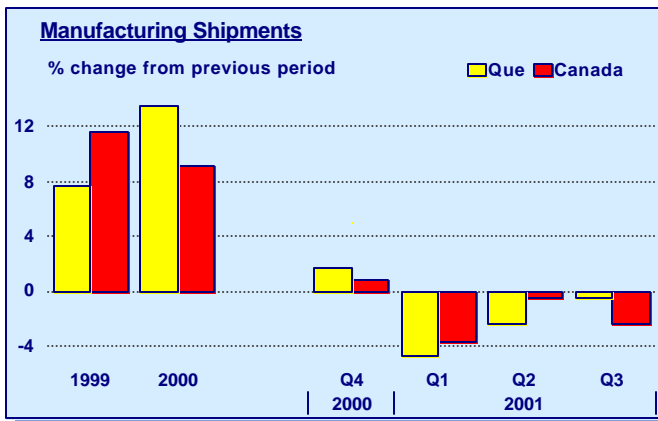
- Manufacturing shipments showed a slight and broadly based decline of 0.5% in the third quarter. Petroleum & Coal and Computer & Electronic Products continued to decline, but these sharp drops were tempered by an important advance in shipments in the Transportation industry.

...while retailing activity deteriorates...

- Growth in retail trade fell 2.4% in the third quarter, with slowing sales recorded across the major retail groups. Compared with particularly strong results in the previous quarter, motor vehicle sales posted a significant decline. Still, quarterly sales were 2.0% higher than in the same period last year.
- In the housing market, the picture was mixed with units for resale rising further but housing starts slightly declining.

...and consumer price inflation moderates

- Inflation slowed to 2.7% in the third quarter, reflecting smaller price increases for all the major items.
- In October, inflation was 1.5% on a year-over-year basis. Lower prices for energy and recreational activities tempered the rise of other consumer prices.



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. The text "Atlantic Canada" is overlaid on the map in a bold, dark blue, italicized font.

Atlantic Canada



Labour Markets

The job market remains weak...

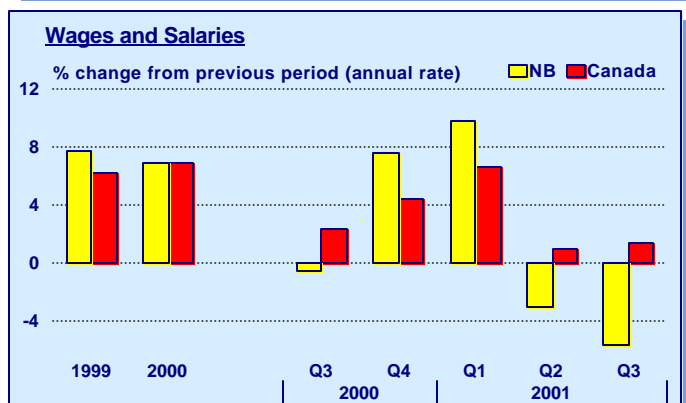
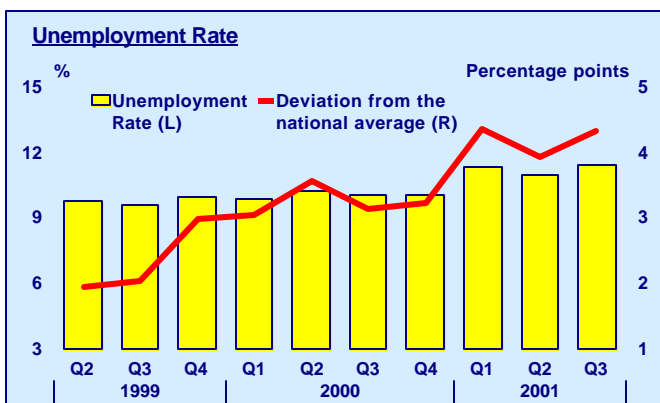
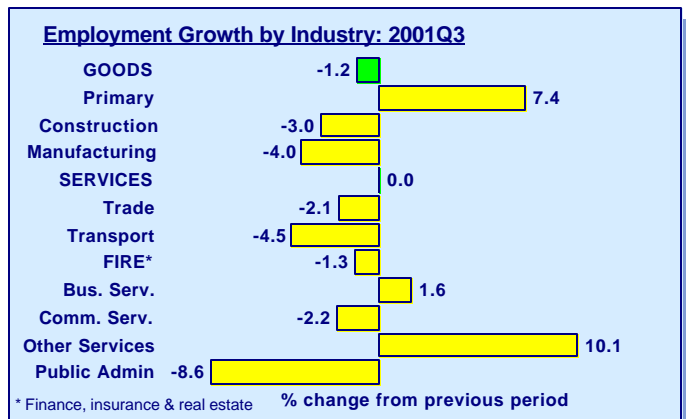
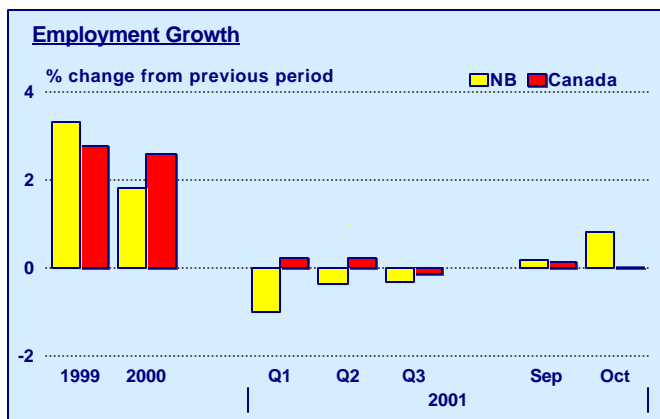
- Employment contracted 0.3% in the third quarter, the third consecutive quarterly decline this year. While many jobs were created in services related to accommodation and culture, the declines were widespread across most industries, with notable job losses in Public Administration and Manufacturing.
- In October, employment was up 0.8% from September. Large job gains were registered in Construction, Information & Culture, Management and Transportation services.

...keeping the unemployment rate well above the national average

- The fall in employment, together with a rise in the labour force participation rate, pushed the unemployment rate to 11.5%, 4.4 points above the national rate.

Labour income declines further

- Average weekly earnings fell in the third quarter, resulting in a 5.7% decline in total wages and salaries.





Economic Activity and Prices

Shipments recede...

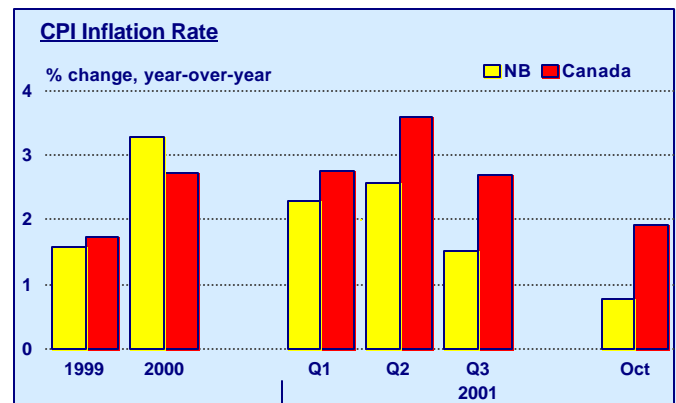
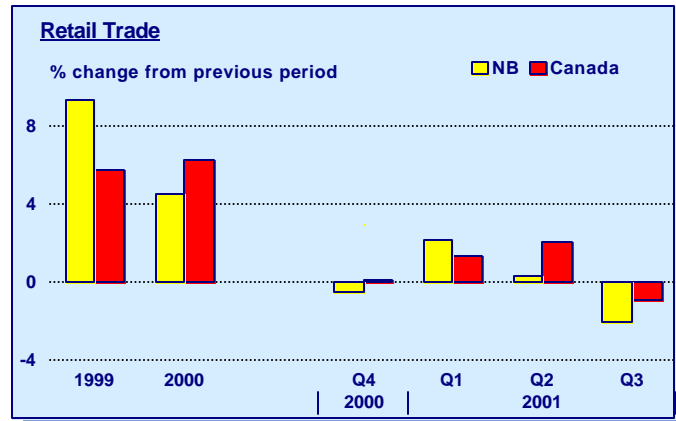
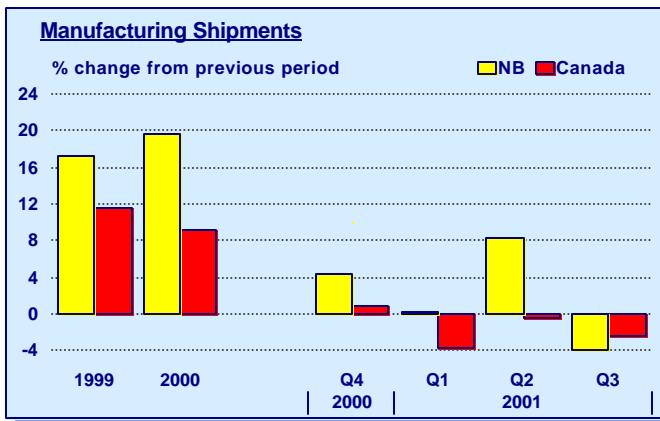
- Manufacturing shipments fell 3.8%, following a sharp rise in the second quarter. The majority of the declines were in non-durables, such as Paper products. Shipments of durables, which account for only one-fifth of total shipments, were also down, led by a fall in Fabricated Metals.

...while consumers reduce their spending...

- Quarterly retail trade fell 2.1% on weaker sales in all the major groups and particularly the Automotive. This brought retail sales close to levels observed in the fourth quarter of 2000.
- Housing activity was stable, with units of housing starts unchanged and resales slightly down.

...contributing to lower inflation

- Inflation fell to 1.5% in the third quarter, more than one full percentage point below the national average. All major component costs rose by less than 2.0%, except Alcohol & Tobacco and Clothing.
- Inflation slowed to 0.8% in October, reflecting the impact of falling energy prices and recreation costs.





Nova Scotia

Labour Markets

Employment is recovering...

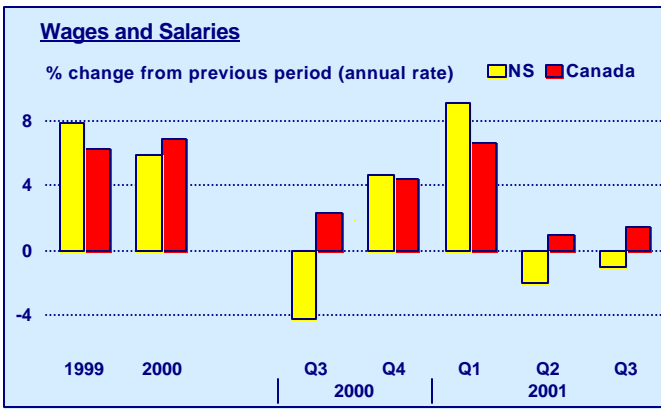
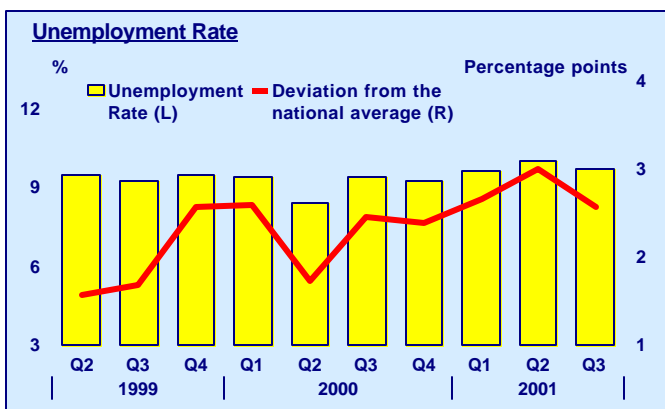
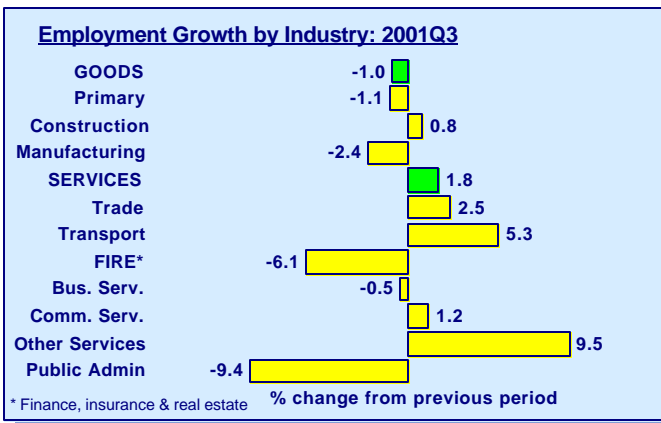
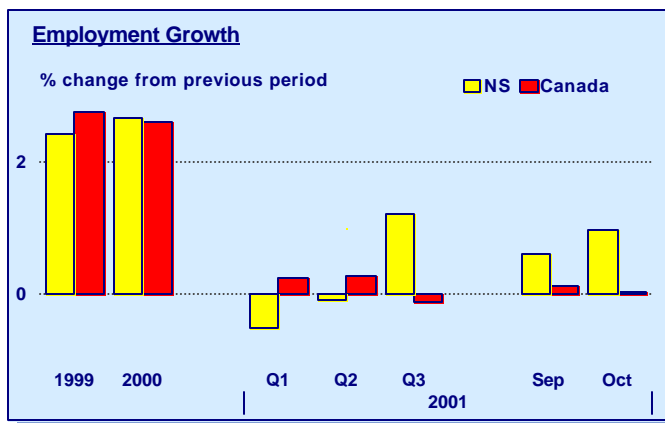
- Employment edged up sharply in the third quarter following two straight quarterly declines. Much of the increase occurred in the Services sector where strong employment growth in Other Services, Transport, and Trade offset losses in Public Administration and FIRE. In the Goods sector, declines in the Primary and Manufacturing industries offset gains in Construction.
- Employment rose further in October following a significant gain in September. The rise was most evident in the Services sector with major gains in Business Services and Public Administration.

...reducing the unemployment rate...

- Higher employment pushed Nova Scotia's unemployment rate down to 9.7% in the third quarter, lowering the gap between the national average to 2.6 percentage points.

...but earnings fall

- Wages and salaries fell 1.0% in the third quarter as a result of a 0.4% decrease in the number of salaried employees. The decrease was partially offset by a 0.4% rise in average weekly earnings.





Economic Activity and Prices

Industrial activity declines...

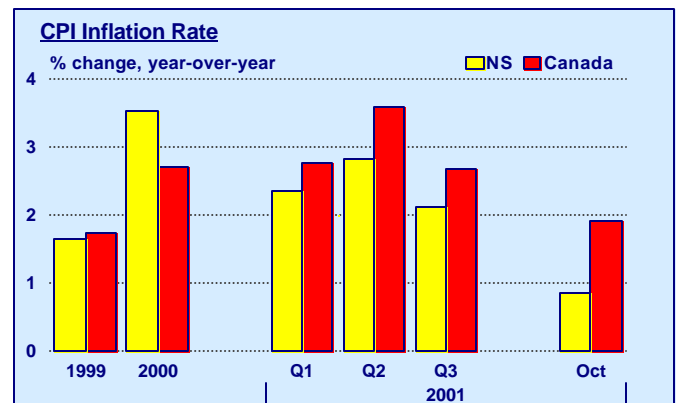
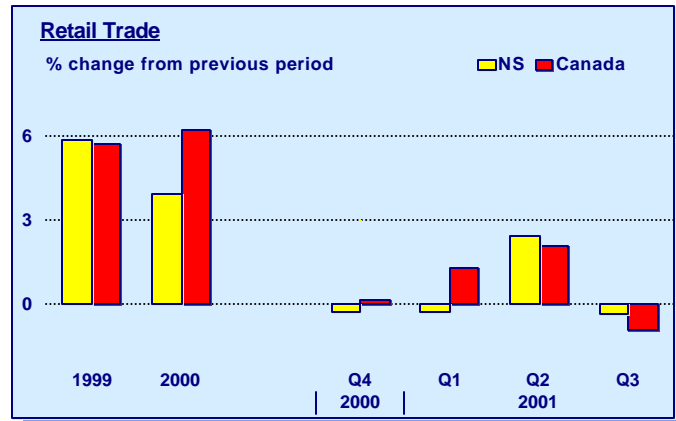
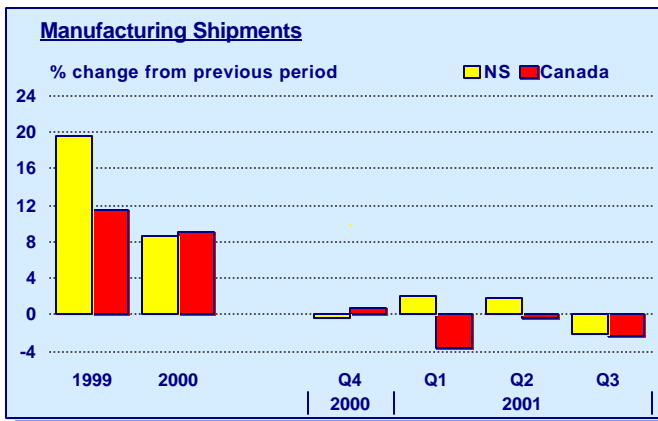
- Manufacturing activity fell 2.1% in the third quarter, following a 1.8% gain in the previous quarter. Lower shipments of Fabricated Metal products, Durables, and Non-Durables offset higher shipments of Transportation, Rubber & Plastics and Non-Metallic Mineral products.

...and consumer spending falls...

- After picking up in the second quarter, retail activity fell 0.4% in the third quarter. The decline was fairly widespread but particularly strong in the General, Drug, and Clothing sectors.
- Despite a rise in housing starts in the third quarter, sales of existing homes were down sharply following four straight quarterly increases.

...while inflation eases

- The CPI inflation rate in Nova Scotia moderated to 2.1% in the third quarter, remaining below the national average. Higher prices were recorded for all major categories, particularly Alcohol, Recreation and Shelter. Inflation eased further to 0.9% in October.





Labour Markets

Employment rises slightly in the third quarter...

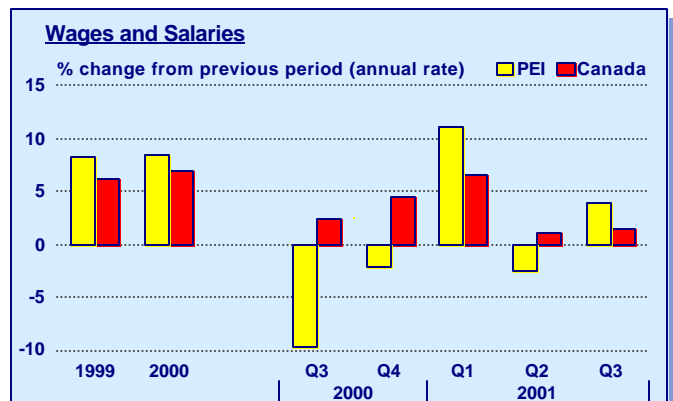
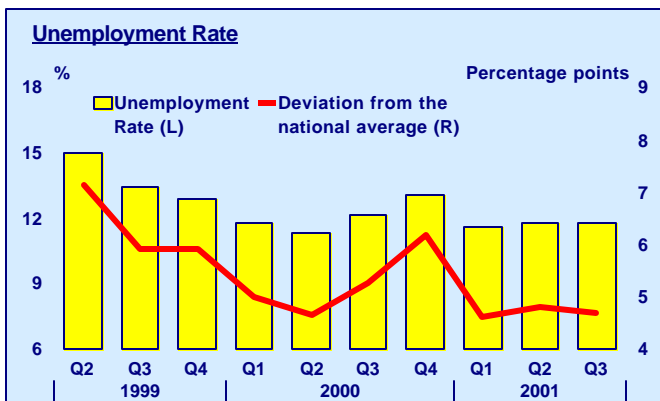
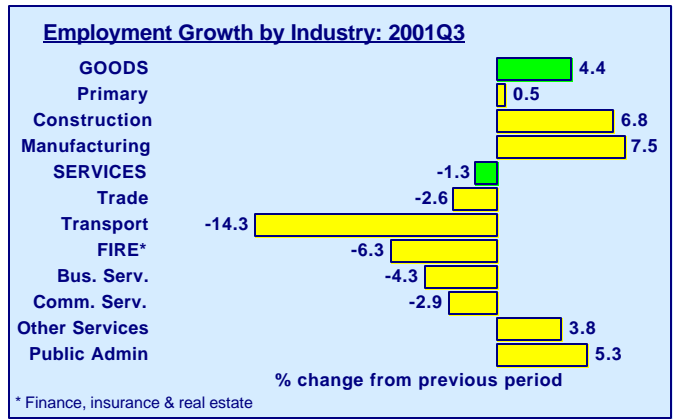
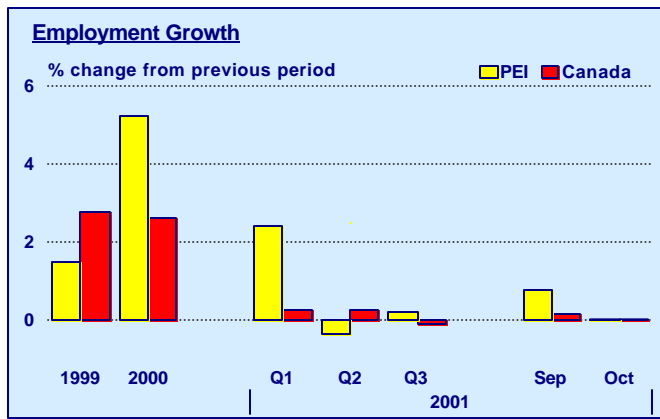
- Employment rose slightly by 0.2% in the third quarter, following a 0.4% decline in the second. The increase was concentrated in the Goods sector, particularly in the Construction and Manufacturing industries. These gains offset losses in the Services sector, notably in Transport and FIRE.
- No employment growth was observed in October as a result of job losses in the Services sector, particularly in Trade and Other Services. In the Goods sector, job gains in the Primary industry more than offset losses in Manufacturing.

...with no change in the unemployment rate...

- Marginal employment growth left the PEI unemployment rate unchanged at 11.8%, 4.7 percentage points above the national average.

...and higher earnings

- Wages and salaries rebounded 3.9% in the third quarter following a 2.6% decline in the previous quarter. An increase in both the number of employees and average weekly earnings contributed to this performance.





Prince Edward Island

Economic Activity and Prices

Industrial activity increases slightly in the third quarter...

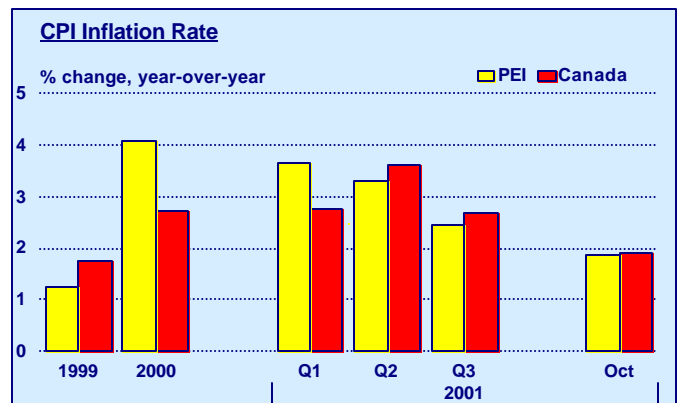
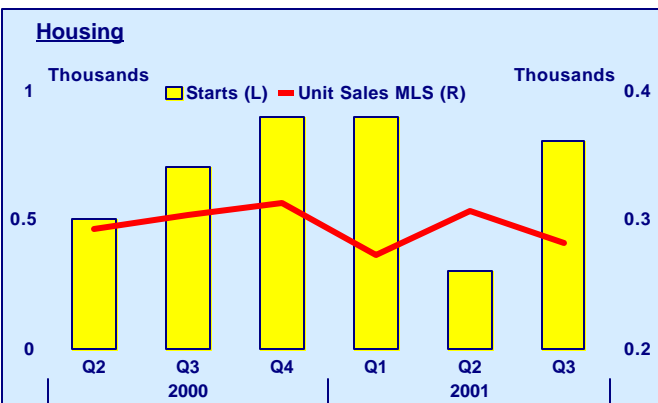
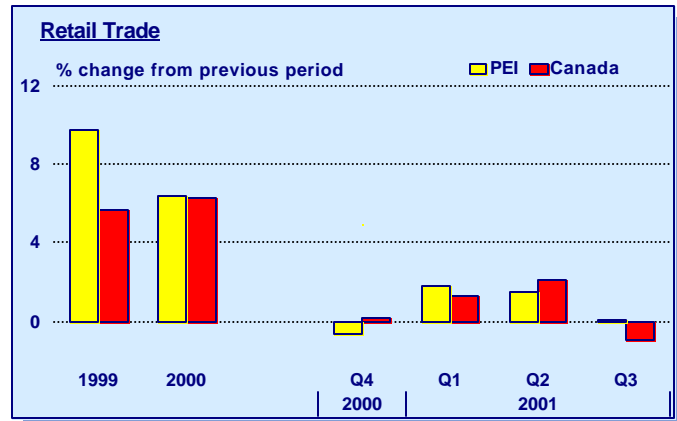
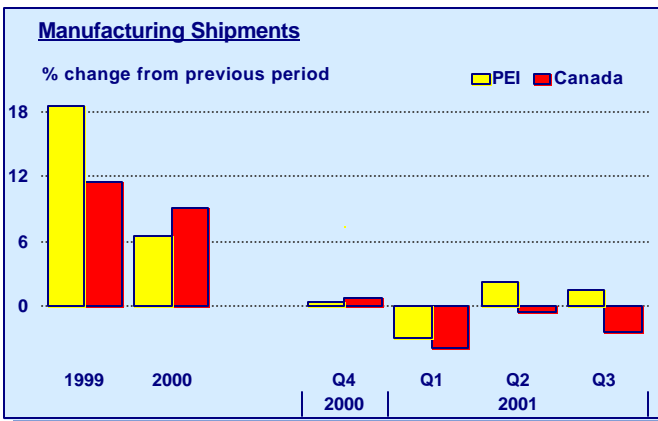
- Manufacturing shipments increased by 1.5% in the third quarter, in contrast with most other provinces where shipments edged lower. Higher shipments of Non-Metallic Mineral and Wood Products offset declining shipments of Textile Mills and Printing Products.

...but consumer spending remains stable

- Retail activity growth slowed to near zero levels, which is still a better performance than the national average.
- The housing market presented mixed signals in the third quarter, as housing starts were up sharply while sales of existing homes fell slightly.

...and inflation continues to decline

- Inflation eased for the third straight quarter to 2.4%, keeping it below the national average for the second consecutive quarter. The decline was attributed to lower increases in costs for Household Operations, Transport, and Health Care. In October, inflation fell to 1.9%.





Labour Markets

Employment falls...

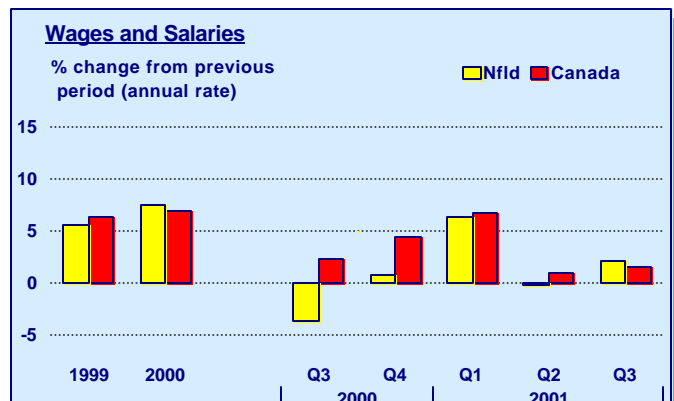
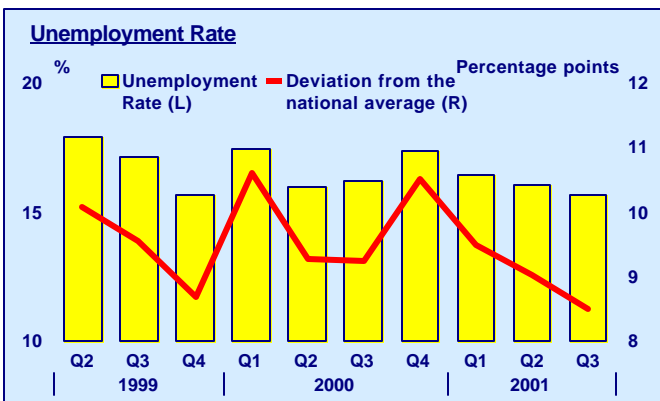
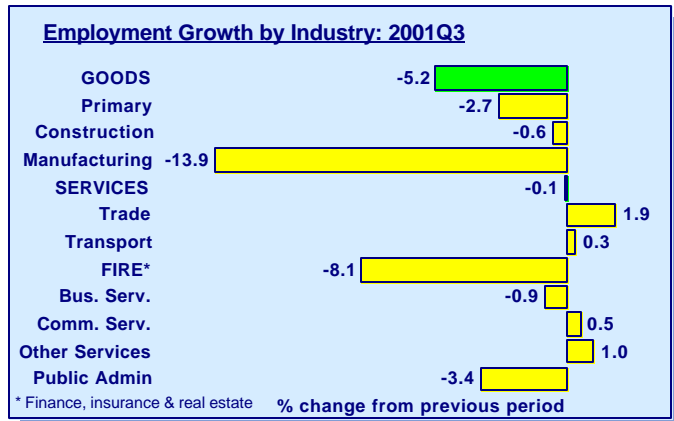
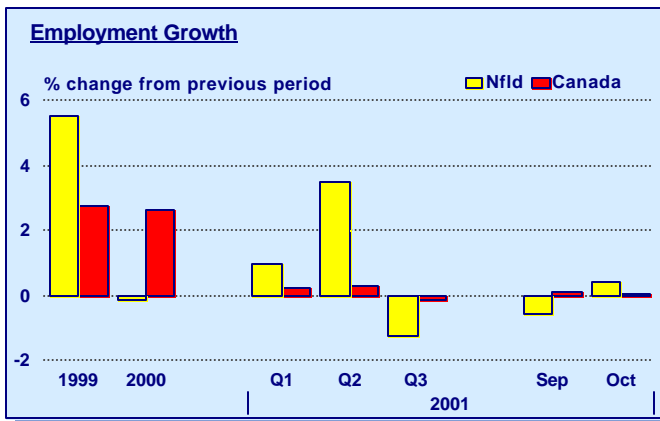
- Employment fell 1.2% in the third quarter, contrasting with the good performance recorded since the beginning of the year. Goods industries, notably Manufacturing, and the FIRE industries recorded the largest losses.
- Employment continued to trend downward in September, but picked up in October with Manufacturing recouping some of its losses.

...but a lower participation pushes the unemployment rate down...

- The unemployment rate declined 0.4 percentage points to 15.6% in the third quarter, pulled down by a lower participation rate. The unemployment rate in the province has been falling since the end of 2000, but remains nonetheless the highest among all provinces.

...while wages and salaries firm

- Despite lower employment, labour income increased 2.1% in the third quarter. Average weekly earnings in the Forestry industry, Public Administration and Manufacturing recorded the largest gains.





Economic Activity and Prices

Industrial activity remains healthy in the third quarter...

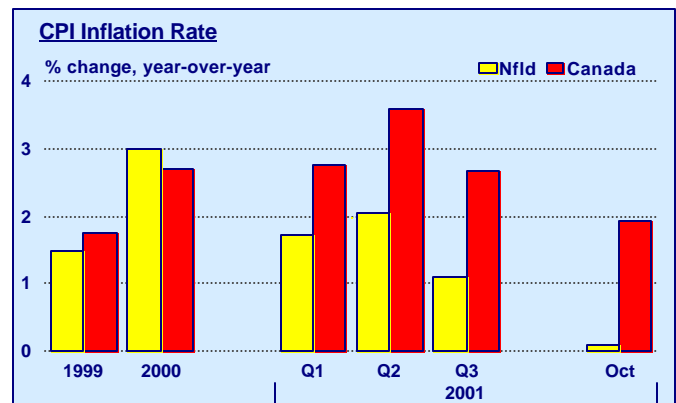
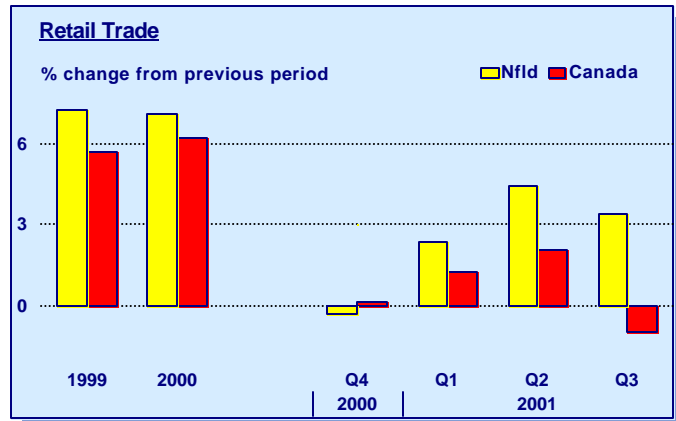
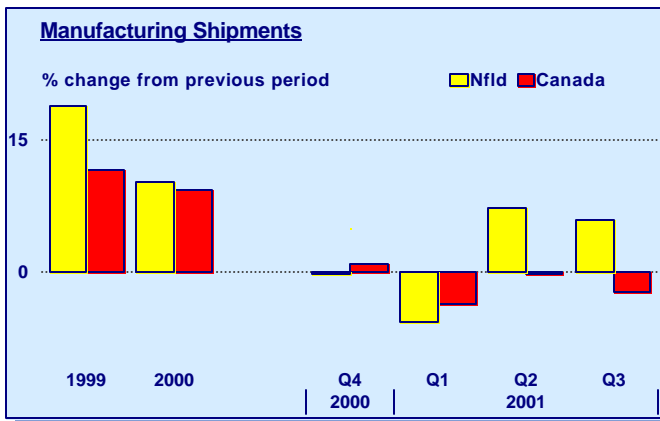
- Manufacturing shipments advanced 5.8% in the third quarter, recording by far the best showing among all provinces. Gains were unevenly spread among major industries. Production of Wood, Fabricated Metal and Primary Metal products all recorded two-digit growth rates, while Computer & Electronic products dropped 28.0%.

...and consumers increase spending...

- Along with higher income and little price increase, retail sales advanced 3.4% in the third quarter, outpacing the national average.
- The housing market improved with both, housing starts and home resales up in the third quarter.

...as inflation remains subdued

- CPI Inflation was 1.1% in the third quarter. Prices for Transportation fell and prices for Alcohol, Food and Shelter increased less than in the rest of Canada.
- Inflation fell further in October as Energy prices retreated by 8.5%.





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...

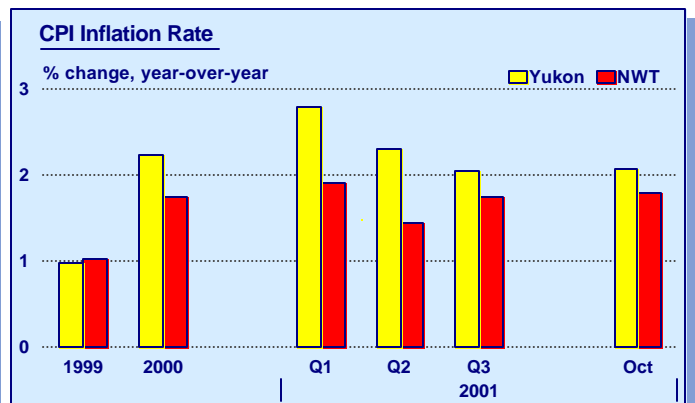
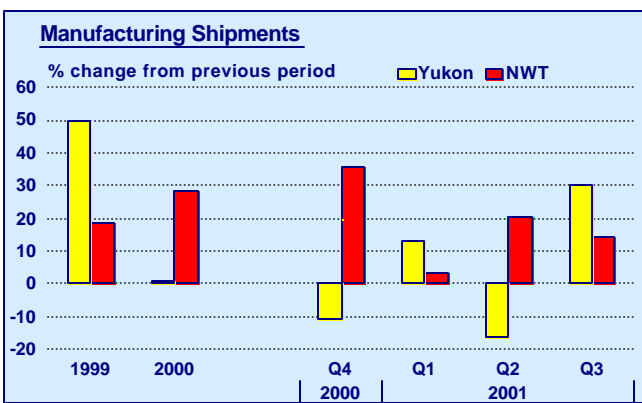
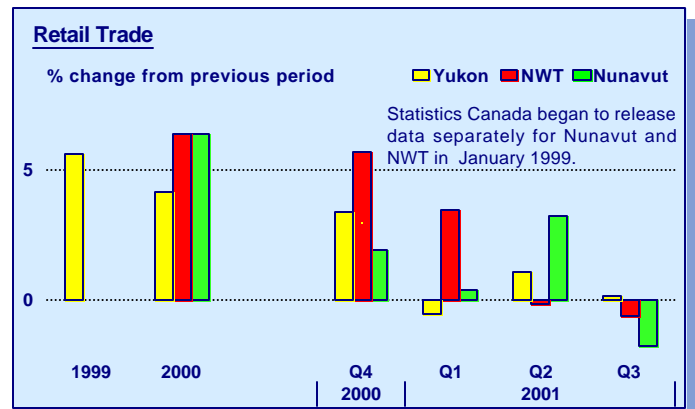
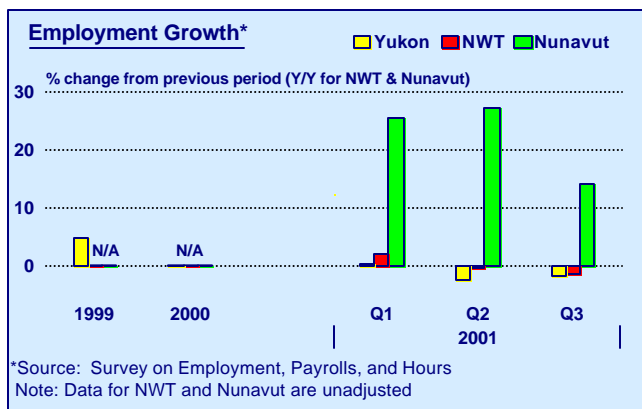
- On a year-over-year basis, employment edged down in the Northwest Territories but soared in Nunavut in the third quarter of 2001 (unadjusted data). In the Northwest Territories, strong gains in Health Care & Social Assistance and Accommodation & Food sectors were more than offset by job losses in Public Administration, Transportation & Warehousing and Trade sectors. Nunavut's 14.2% employment growth was mainly attributable to expanding Public Administration and Health Care & Social Assistance sectors.
- Employment in the Yukon fell 1.9% on a quarterly basis. Employment losses were concentrated in the Public Administration and Transportation & Warehousing sectors.

...while manufacturing shipments rise

- Manufacturing shipments surged in Yukon (+30.3%), after a 16-percent decline in the previous quarter. Shipments increased in the Northwest Territories for the fourth consecutive quarter.
- Retail sales edged up 0.1% in Yukon but fell 0.6% in the Northwest Territories. Retail sales decreased 1.8% in Nunavut, the first decline in two years.

Inflation remains below the national average

- CPI inflation rates for Yukon (+2.0%) and the Northwest Territories (+1.8%) were below the national average (+2.7%). In October, the CPI inflation slightly increased to 2.1% in the Yukon and remained unchanged in the Northwest Territories.

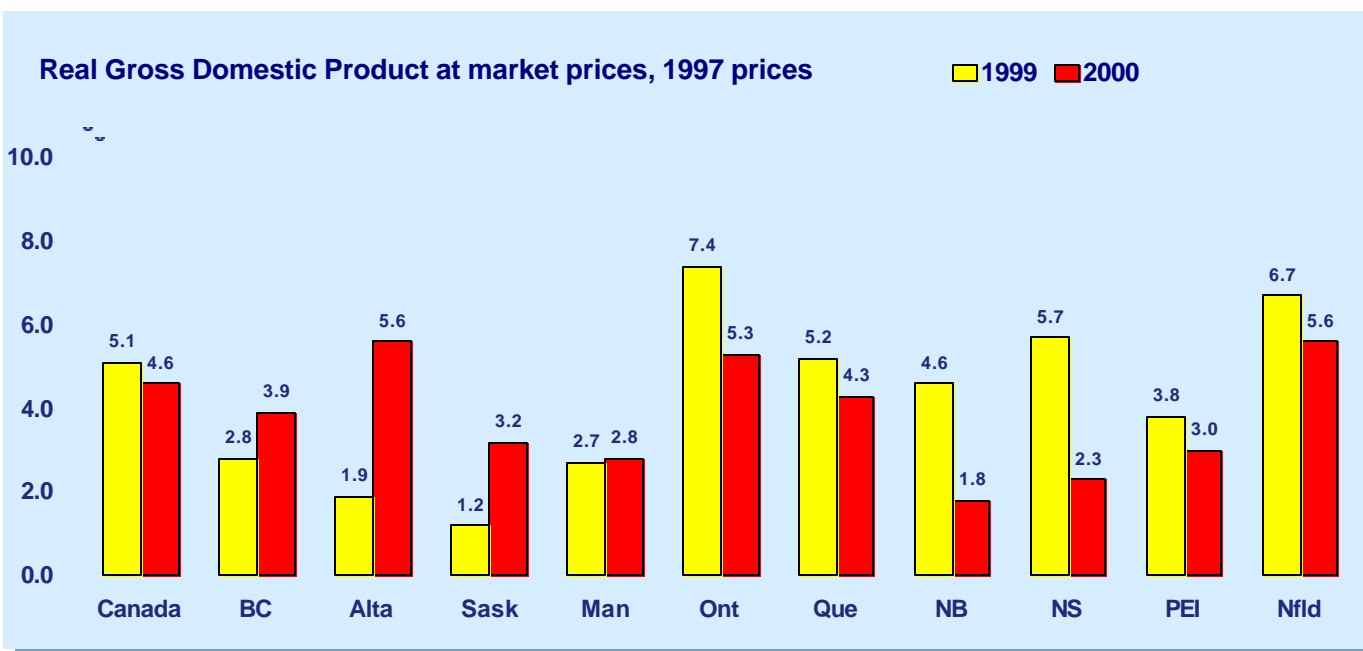




***PROVINCIAL REAL GROSS
DOMESTIC OUTPUT, 2000***

This section presents a brief overview of the 2000 Provincial Economic Accounts released last October by Statistics Canada.

Provincial Real Gross Domestic Output, 2000



GDP increased in all provinces in 2000

- Canada's real GDP grew 4.6% in 2000, compared with 5.1% in 1999. High energy prices, healthy showings in the computer and telecommunications industries and a strong U.S. demand all contributed to overall growth performance. Growth was above national average in Alberta (5.6%), Newfoundland (5.6%) and Ontario (5.6%). New Brunswick (1.8%) and Nova Scotia (2.3%) posted the lowest growth rates among provinces, well below their 1999 performances.

Rising energy prices, higher exports raised momentum in Western Canada

- British Columbia's** real GDP recorded its strongest advance since 1993 (3.9%), with most major industries recording gains. Exports were the main source of growth, pushed by a strong demand for computers and related equipment, lumber and wood pulp, and electricity. Communications equipment, electronic components and computers were important contributors to performance in manufacturing. Significant investment in oil and gas facilities boosted business non-residential construction activities.
- Alberta** benefited from a boom in the energy industry, which spilled over into manufacturing, resulting in a solid 5.6% GDP growth. Non-residential construction investment soared to over 20%, thanks to strong levels of exploration and drilling activities. Machinery and equipment investment posted a similar gain.
- Led by a solid advance of energy exports to the U.S. and gains in manufacturing industries, **Saskatchewan** economic growth rebounded by 3.2% in 2000. Continuing expansion in communication cable and energy wire resulted in significant production gains in manufacturing. However, poor weather conditions and falling commodity prices hit the agriculture sector.

Provincial Real Gross Domestic Output, 2000

- Real GDP grew 2.8% in **Manitoba** as the mining industry recorded solid gains, and capacity expanded in the food processing industry. Business investment in non-residential structures fell 2.1% as several major projects wound up. Output volume grew 4.2% in agriculture but weak commodity prices restrained earnings.

Sustained U.S. demand pushed manufacturing ahead in central Canada

- **Ontario's** real GDP posted a 5.3% gains, thanks to booming activity in the export-focused manufacturing sector. In particular, higher demand for integrated circuits and telecommunications equipment more than compensated for reduced activity in the automotive industry. A healthy final domestic demand also contributed to the overall growth with solid gains in investment and personal expenditure.
- **Quebec's** economy advanced 4.3%, driven by higher exports in the aerospace and telecommunications equipment industries, and increased business investment in plant and equipment. The construction industry benefited from higher capital spending on electric power infrastructure and non-residential buildings.

Economy slowed in Atlantic Canada as major projects came to an end

- **New Brunswick's** economy grew 1.8% in 2000, down from a 4.6% growth in 1999 as several major industrial projects came to an end, causing a sharp decline in non-residential construction. Strength in fish processing, pulp and paperboard products, and smelting and refining contributed to a 2.7% growth in manufacturing.
- **Nova Scotia's** economy grew at a moderate 2.3% rate, following a strong growth of 5.7% in 1999. The completion of a major offshore oil and gas construction project contributed to the decline. An earlier start of Sable Island's natural gas production pushed ahead output and exports.
- **Prince Edward Island's** GDP grew 3.0%, spurred by non-residential infrastructure investment particularly in the tourism industry and a surge in the telecommunications industries, which offset a poor performance in the agriculture sector.
- **Newfoundland's** GDP grew 5.6%, mainly boosted by the oil extraction sector. The mining sector also posted a solid advance, being sustained by higher iron ore production. Business investment in non-residential construction fell sharply as major projects came to an end.



STATISTICAL APPENDIX

Key Provincial Data

	1999	2000	2001Q2	2001Q3	Sept. 2001	Oct. 2001
BRITISH COLUMBIA						
Mfg Shipments (\$M)	35,616.0	37,757.3	8,774.9	8,395.0	2,740.4	N/A
% change (1)	12.1	6.0	-1.9	-4.3	-2.7	N/A
Retail Trade (\$M)	33,684.3	35,820.6	9,437.0	9,520.6	3,165.9	N/A
% change	1.9	6.3	1.5	0.9	-0.3	N/A
Housing Starts (000's)	16.3	14.4	18.0	16.6	17.4	19.3
Labour Force (000's)	2,079.1	2,099.7	2,109.7	2,101.0	2,094.9	2,092.7
% change	1.4	1.0	0.3	-0.4	-0.3	-0.1
Employment (000's)	1,906.4	1,949.1	1,964.2	1,941.5	1,934.1	1,920.6
% change	1.9	2.2	0.5	-1.2	0.0	-0.7
Unemployment Rate (%)	8.3	7.2	6.9	7.6	7.7	8.2
Participation Rate (%)	65.1	64.9	64.4	63.9	63.7	63.5
CPI Inflation	1.1	1.9	2.5	1.9	2.1	1.1
ALBERTA						
Mfg Shipments (\$M)	36,013.7	42,574.7	10,794.5	10,785.7	3,517.0	N/A
% change (1)	9.7	18.2	-4.2	-0.1	-3.6	N/A
Retail Trade (\$M)	29,334.8	31,712.2	8,657.2	8,643.6	2,846.0	N/A
% change	4.5	8.1	2.9	-0.2	-2.0	N/A
Housing Starts (000's)	25.4	26.3	29.7	27.8	29.5	33.3
Labour Force (000's)	1,647.9	1,671.4	1,713.0	1,708.3	1,706.6	1,718.8
% change	2.7	1.4	0.7	-0.3	-0.1	0.7
Employment (000's)	1,553.3	1,588.2	1,633.4	1,635.9	1,638.9	1,641.3
% change	2.5	2.2	0.8	0.2	0.3	0.1
Unemployment Rate (%)	5.7	5.0	4.6	4.2	4.0	4.5
Participation Rate (%)	72.6	72.2	72.6	72.0	71.8	72.1
CPI Inflation	2.4	3.5	4.6	2.8	2.8	1.5
SASKATCHEWAN						
Mfg Shipments (\$M)	6,575.6	7,489.7	1,787.4	1,745.0	578.0	N/A
% change (1)	8.2	13.9	-5.2	-2.4	-0.1	N/A
Retail Trade (\$M)	7,736.9	8,131.7	2,081.0	2,076.1	694.7	N/A
% change	1.5	5.1	0.6	-0.2	0.9	N/A
Housing Starts (000's)	3.1	2.5	1.9	2.6	2.8	4.4
Labour Force (000's)	511.0	511.7	501.8	501.0	497.9	497.7
% change	1.1	0.1	-1.4	-0.2	-1.0	0.0
Employment (000's)	480.1	485.0	471.9	472.9	468.9	468.0
% change	0.8	1.0	-1.7	0.2	-1.7	-0.2
Unemployment Rate (%)	6.1	5.2	6.0	5.6	5.8	5.9
Participation Rate (%)	67.0	67.0	65.8	65.8	65.4	65.4
CPI Inflation	1.7	2.6	3.6	3.6	3.9	3.1
MANITOBA						
Mfg Shipments (\$M)	10,656.3	11,338.7	2,907.2	2,818.2	915.7	N/A
% change (1)	2.7	6.4	-0.7	-3.1	-5.4	N/A
Retail Trade (\$M)	9,026.2	9,396.5	2,477.5	2,499.3	829.4	N/A
% change	2.9	4.1	2.6	0.9	0.3	N/A
Housing Starts (000's)	3.1	2.6	3.5	3.0	2.7	2.8
Labour Force (000's)	574.8	583.2	584.8	586.1	589.8	592.1
% change	1.4	1.5	-0.1	0.2	1.1	0.4
Employment (000's)	542.7	554.4	554.9	555.3	558.7	562.9
% change	1.3	2.2	-0.5	0.1	1.0	0.8
Unemployment Rate (%)	5.6	4.9	5.1	5.3	5.3	4.9
Participation Rate (%)	67.5	67.9	67.8	67.9	68.3	68.6
CPI Inflation	1.9	2.5	3.9	3.0	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	2001Q2	2001Q3	Sept. 2001	Oct. 2001
ONTARIO						
Mfg Shipments (\$M)	270,050.3	286,726.1	69,323.8	67,037.9	22,142.9	N/A
% change (1)	13.3	6.2	0.9	-3.3	-1.4	N/A
Retail Trade (\$M)	99,193.7	106,426.4	27,473.7	27,114.7	8,896.0	N/A
% change	7.3	7.3	1.2	-1.3	-2.4	N/A
Housing Starts (000's)	67.2	71.5	75.1	70.3	67.4	71.8
Labour Force (000's)	6,070.8	6,227.9	6,357.3	6,379.9	6,377.7	6,374.6
% change	2.6	2.6	0.4	0.4	-0.2	0.0
Employment (000's)	5,688.1	5,872.1	5,979.6	5,965.0	5,958.6	5,955.7
% change	3.6	3.2	0.4	-0.2	-0.1	0.0
Unemployment Rate (%)	6.3	5.7	5.9	6.5	6.6	6.6
Participation Rate (%)	66.6	67.2	67.4	67.3	67.2	67.0
CPI Inflation	1.9	2.9	4.0	3.2	3.1	2.6
QUEBEC						
Mfg Shipments (\$M)	112,443.3	127,532.3	30,585.3	30,424.1	9,861.5	N/A
% change (1)	7.6	13.4	-2.4	-0.5	-4.4	N/A
Retail Trade (\$M)	60,778.0	63,480.9	16,835.8	16,433.4	5,408.3	N/A
% change	6.3	4.4	3.5	-2.4	-2.0	N/A
Housing Starts (000's)	25.7	24.7	26.2	25.7	24.4	18.3
Labour Force (000's)	3,701.6	3,753.2	3,800.0	3,794.4	3,817.4	3,825.6
% change	1.1	1.4	0.2	-0.1	0.7	0.2
Employment (000's)	3,357.4	3,437.7	3,464.0	3,477.8	3,497.1	3,501.7
% change	2.3	2.4	0.0	0.4	0.7	0.1
Unemployment Rate (%)	9.3	8.4	8.8	8.3	8.4	8.5
Participation Rate (%)	62.8	63.2	63.5	63.3	63.7	63.8
CPI Inflation	1.5	2.4	3.3	2.3	2.1	1.5
NEW BRUNSWICK						
Mfg Shipments (\$M)	9,540.5	11,414.4	3,267.5	3,142.4	1,051.5	N/A
% change (1)	17.3	19.6	8.3	-3.8	-1.9	N/A
Retail Trade (\$M)	6,609.5	6,904.9	1,771.7	1,734.4	576.3	N/A
% change	9.4	4.5	0.3	-2.1	-0.9	N/A
Housing Starts (000's)	2.8	3.1	3.3	3.3	3.5	6.4
Labour Force (000's)	365.7	371.7	374.8	375.9	376.5	376.4
% change	1.1	1.6	-0.7	0.3	0.4	0.0
Employment (000's)	328.4	334.4	333.8	332.7	333.8	336.6
% change	3.3	1.8	-0.3	-0.3	0.2	0.8
Unemployment Rate (%)	10.2	10.0	10.9	11.5	11.3	10.6
Participation Rate (%)	61.0	61.6	61.9	62.0	62.1	62.1
CPI Inflation	1.6	3.3	2.6	1.5	1.5	0.8
NOVA SCOTIA						
Mfg Shipments (\$M)	7,818.3	8,488.0	2,204.0	2,157.4	732.7	N/A
% change (1)	19.6	8.6	1.8	-2.1	1.5	N/A
Retail Trade (\$M)	8,162.7	8,485.0	2,192.2	2,183.3	726.5	N/A
% change	5.8	3.9	2.4	-0.4	0.3	N/A
Housing Starts (000's)	4.3	4.4	3.8	4.2	3.5	4.2
Labour Force (000's)	452.0	461.6	465.9	469.8	470.6	475.9
% change	1.4	2.1	0.3	0.9	0.4	1.1
Employment (000's)	408.6	419.5	419.3	424.4	425.6	429.7
% change	2.4	2.7	-0.1	1.2	0.6	1.0
Unemployment Rate (%)	9.6	9.1	10.0	9.7	9.6	9.7
Participation Rate (%)	61.0	61.7	62.0	62.5	62.6	63.2
CPI Inflation	1.7	3.5	2.8	2.1	1.9	0.9

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

Key Provincial Data

	1999	2000	2001Q2	2001Q3	Sept. 2001	Oct. 2001
PRINCE EDWARD ISLAND						
Mfg Shipments (\$M)	1,109.0	1,182.0	302.5	306.9	100.6	N/A
% change (1)	18.5	6.6	2.3	1.5	-4.8	N/A
Retail Trade (\$M)	1,156.6	1,230.1	319.1	319.3	103.9	N/A
% change	9.8	6.4	1.5	0.1	-3.5	N/A
Housing Starts (000's)	0.6	0.7	0.3	0.8	0.7	0.7
Labour Force (000's)	71.6	73.3	74.5	74.6	74.8	75.3
% change	2.1	2.4	0.0	0.2	0.3	0.7
Employment (000's)	61.3	64.5	65.6	65.8	66.0	66.0
% change	1.5	5.2	-0.4	0.2	0.8	0.0
Unemployment Rate (%)	14.4	12.0	11.8	11.8	11.8	12.4
Participation Rate (%)	66.4	66.9	67.5	67.4	67.6	67.9
CPI Inflation	1.2	4.1	3.3	2.4	1.6	1.9
NEWFOUNDLAND						
Mfg Shipments (\$M)	2,020.8	2,225.1	554.2	586.4	194.4	N/A
% change (1)	18.8	10.1	7.3	5.8	1.3	N/A
Retail Trade (\$M)	4,222.9	4,522.4	1,217.6	1,259.0	413.5	N/A
% change	7.2	7.1	4.4	3.4	-1.7	N/A
Housing Starts (000's)	1.4	1.5	1.6	1.8	2.1	1.7
Labour Force (000's)	246.7	245.6	255.5	251.0	250.6	252.9
% change	4.1	-0.4	3.1	-1.7	-1.1	0.9
Employment (000's)	204.9	204.6	214.5	211.8	212.0	212.9
% change	5.5	-0.1	3.5	-1.2	-0.6	0.4
Unemployment Rate (%)	16.9	16.7	16.0	15.6	15.4	15.9
Participation Rate (%)	56.3	55.8	58.1	57.2	57.1	57.6
CPI Inflation	1.5	3.0	2.0	1.1	0.9	0.1
CANADA						
Mfg Shipments (\$M)	491,883.2	536,776.9	130,514.7	127,414.9	41,841.0	N/A
% change (1)	11.5	9.1	-0.4	-2.4	-2.5	N/A
Retail Trade (\$M)	260,779.5	277,033.2	72,707.2	72,026.5	23,742.4	N/A
% change	5.7	6.2	2.1	-0.9	-1.7	N/A
Housing Starts (000's)	150.0	151.7	163.4	156.1	154.0	173.4
Labour Force (000's)	15,721.2	15,999.2	16,237.2	16,242.0	16,256.7	16,282.0
% change	2.0	1.8	0.3	0.0	0.1	0.2
Employment (000's)	14,531.2	14,909.7	15,101.1	15,083.1	15,093.6	15,095.4
% change	2.8	2.6	0.3	-0.1	0.1	0.0
Unemployment Rate (%)	7.6	6.8	7.0	7.1	7.2	7.3
Participation Rate (%)	65.6	65.9	66.1	65.8	65.8	65.9
CPI Inflation	1.7	2.7	3.6	2.7	2.6	1.9

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

Provincial Economic Accounts

	1994	1995	1996	1997	1998	1999	2000
Real GDP at Market Prices (\$1997M)							
BC	105,513	107,760	110,784	114,601	116,502	119,821	124,464
% change	3.2	2.1	2.8	3.4	1.7	2.8	3.9
Alberta	94,506	97,321	99,676	107,170	111,983	114,104	120,466
% change	6.1	3.0	2.4	7.5	4.5	1.9	5.6
Sask	26,811	27,185	27,704	29,218	30,077	30,452	31,441
% change	4.3	1.4	1.9	5.5	2.9	1.2	3.2
Manitoba	27,631	27,785	28,609	29,810	31,089	31,937	32,842
% change	3.4	0.6	3.0	4.2	4.3	2.7	2.8
Ontario	327,438	339,498	343,114	359,953	377,397	405,234	426,625
% change	6.0	3.7	1.1	4.9	4.8	7.4	5.3
Quebec	177,434	180,693	183,143	189,523	195,976	205,468	214,027
% change	4.0	1.8	1.4	3.5	3.4	4.8	4.2
New Brunswick	16,068	16,533	16,745	16,888	17,483	18,283	18,606
% change	2.0	2.9	1.3	0.9	3.5	4.6	1.8
Nova Scotia	19,351	19,687	19,753	20,399	21,100	22,298	22,815
% change	0.4	1.7	0.3	3.3	3.4	5.7	2.3
PEI	2,586	2,728	2,817	2,808	2,964	3,078	3,170
% change	5.2	5.5	3.3	-0.3	5.6	3.8	3.0
Nfld	10,683	10,914	10,457	10,575	11,397	12,160	12,835
% change	4.8	2.2	-4.2	1.1	7.8	6.7	5.6
Yukon	930	1,081	1,182	1,109	1,069	1,071	1,079
% change	-1.2	16.2	9.3	-6.2	-3.6	0.2	0.7
NWT (2)	2,525	2,523	2,588	2,694	2,759	2,941	3,162
% change	3.4	-0.1	2.6	4.1	2.4	6.6	7.5
Canada	811,943	834,189	846,928	885,021	920,075	967,155	1,011,858
% change	4.8	2.7	1.5	4.5	4.0	5.1	4.6
Population ('000s)							
BC	3,682	3,784	3,882	3,960	3,998	4,028	4,059
% change	3.1	2.8	2.6	2.0	1.0	0.8	0.8
Alberta	2,705	2,740	2,781	2,837	2,907	2,959	3,009
% change	1.3	1.3	1.5	2.0	2.5	1.8	1.7
Sask	1,010	1,014	1,019	1,022	1,025	1,026	1,022
% change	0.3	0.4	0.5	0.3	0.3	0.0	-0.3
Manitoba	1,124	1,130	1,134	1,137	1,138	1,143	1,146
% change	0.5	0.5	0.4	0.3	0.1	0.4	0.4
Ontario	10,827	10,964	11,101	11,248	11,385	11,517	11,685
% change	1.3	1.3	1.2	1.3	1.2	1.2	1.4
Quebec	7,207	7,241	7,274	7,303	7,324	7,349	7,378
% change	0.6	0.5	0.5	0.4	0.3	0.4	0.4
New Brunswick	751	752	753	754	753	754	755
% change	0.1	0.1	0.1	0.1	-0.1	0.1	0.1
Nova Scotia	926	928	931	935	936	939	941
% change	0.2	0.2	0.3	0.4	0.1	0.4	0.1
PEI	134	135	136	137	137	138	138
% change	1.5	0.7	0.7	0.7	0.0	0.7	0.0
Nfld	575	568	561	554	545	541	537
% change	-0.9	-1.2	-1.2	-1.2	-1.6	-0.7	-0.7
Yukon	30	31	32	32	32	31	31
% change	-3.2	3.3	3.2	0.0	0.0	-3.1	0.0
NWT (2)	65	67	68	68	68	68	68
% change	1.6	3.1	1.5	0.0	0.0	0.0	0.0
Canada	29,036	29,354	29,672	29,987	30,248	30,493	30,770
% change	1.2	1.1	1.1	1.1	0.9	0.8	0.9

(2) 1999 and 2000 data includes NWT and Nunavut.