

Economic and Fiscal Update



Ministry
of Finance

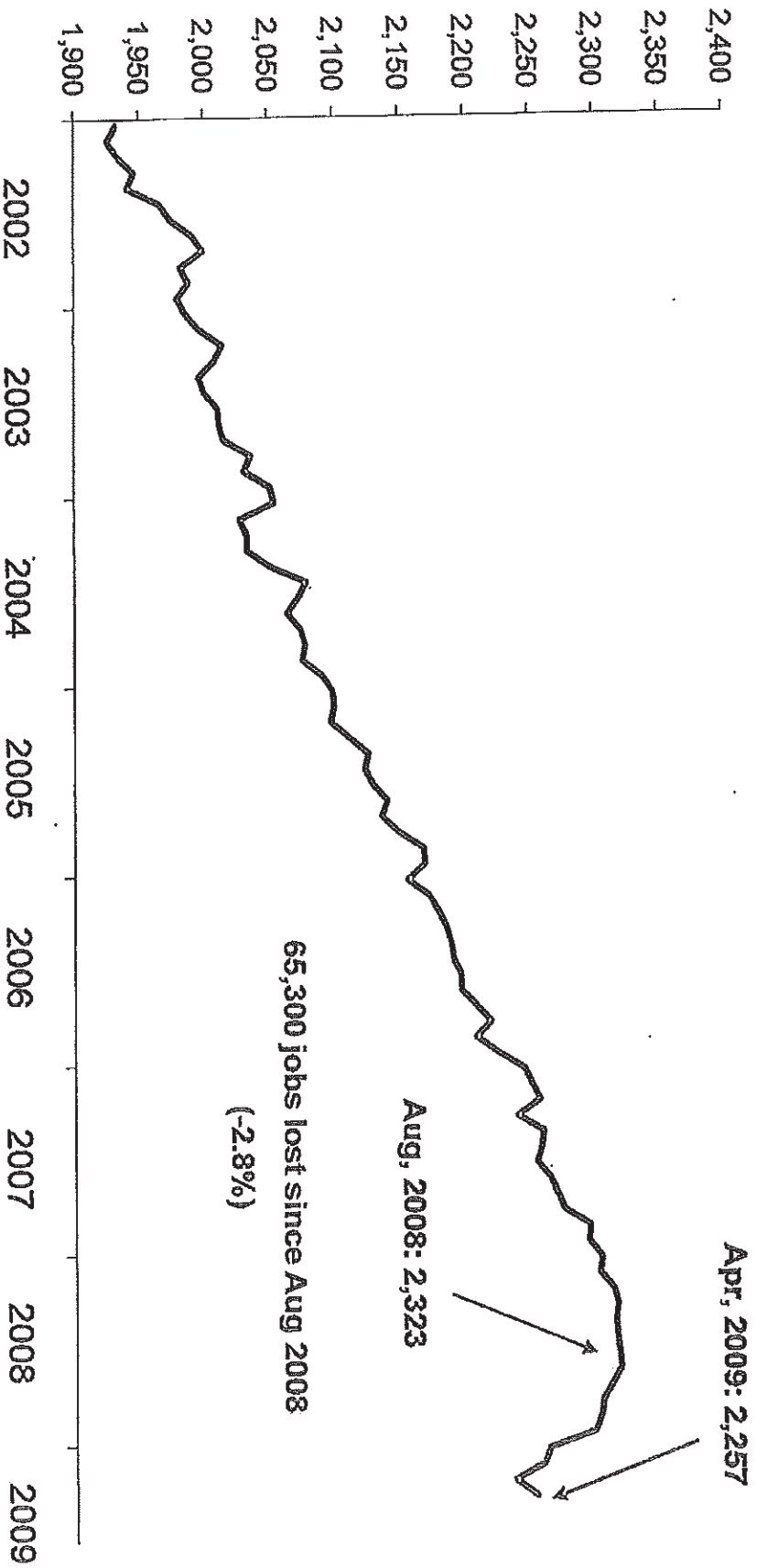
May 12, 2009

Prepared for the advice of Cabinet

Slide 1

BC employment in downturn

British Columbia, Employment (000's, SA)



Source: Statistics Canada

Slide 9

BC shedding jobs rapidly

Month-over-month net change in BC employment, SA



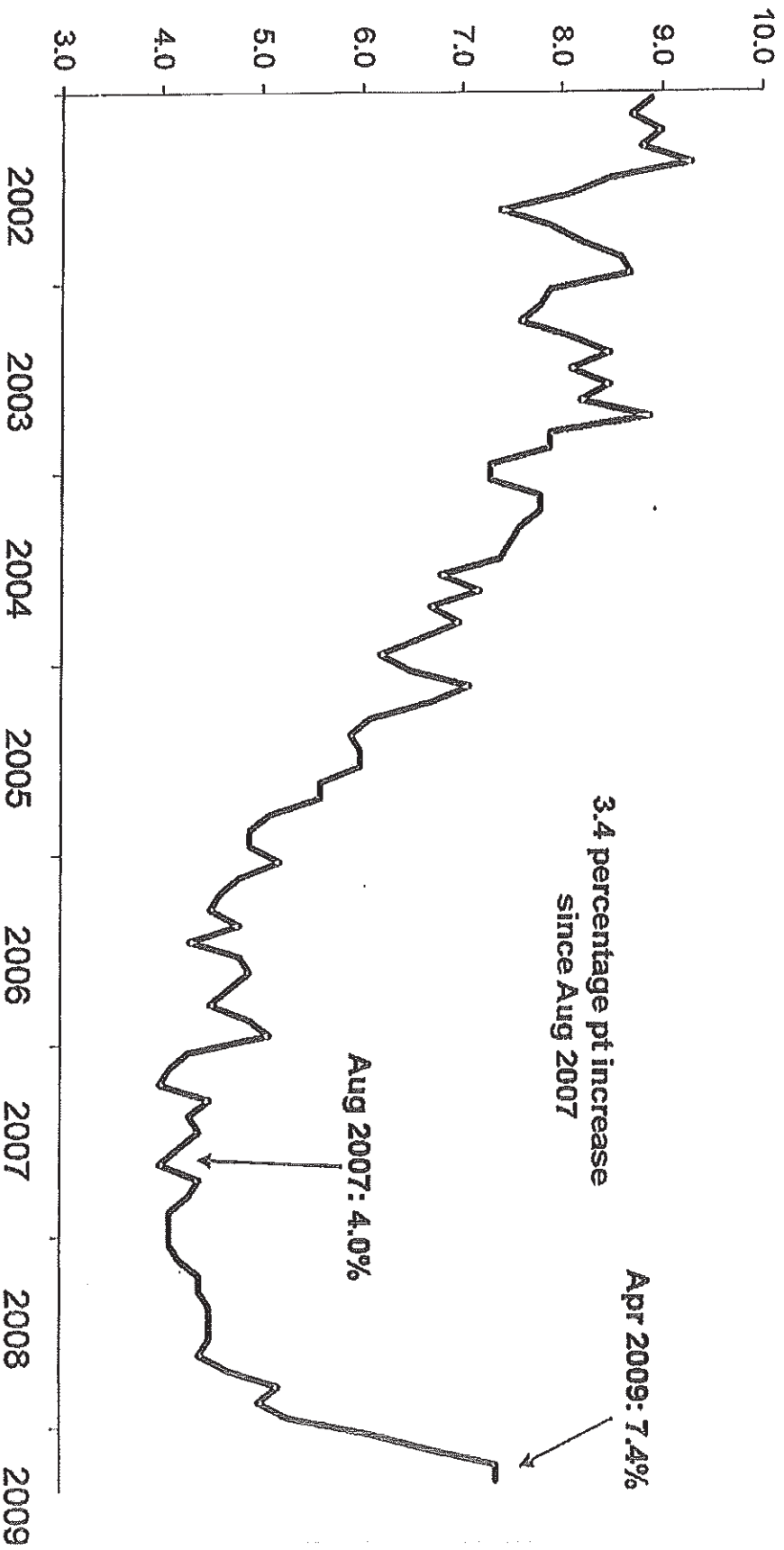
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
2008 2009

Source: Statistics Canada

Slide 10

BC's unemployment rate trending upwards

British Columbia, Unemployment Rate, SA

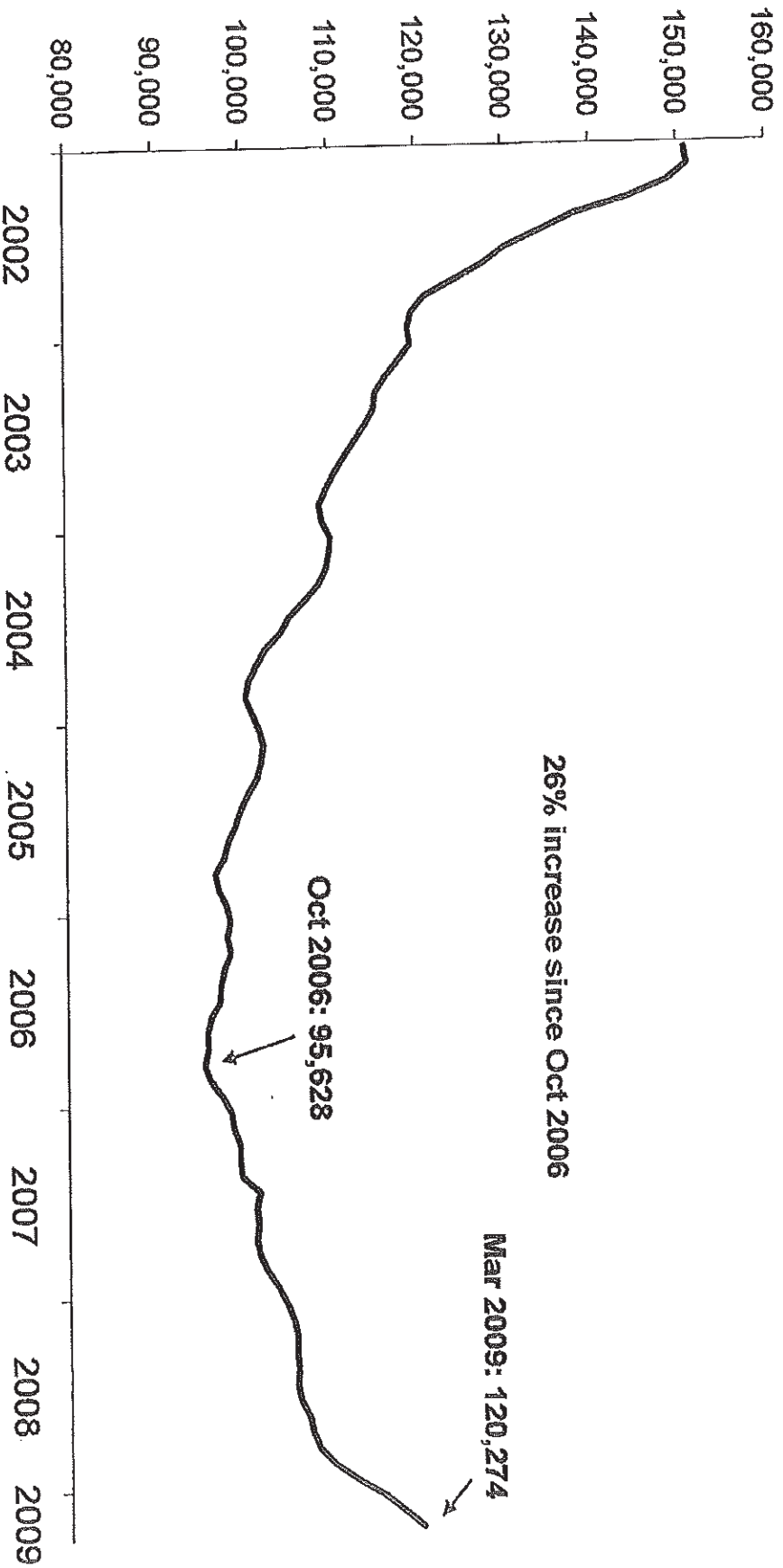


Source: Statistics Canada

Slide 11

BC income assistance caseloads trending up

British Columbia, temporary and disability assistance caseloads

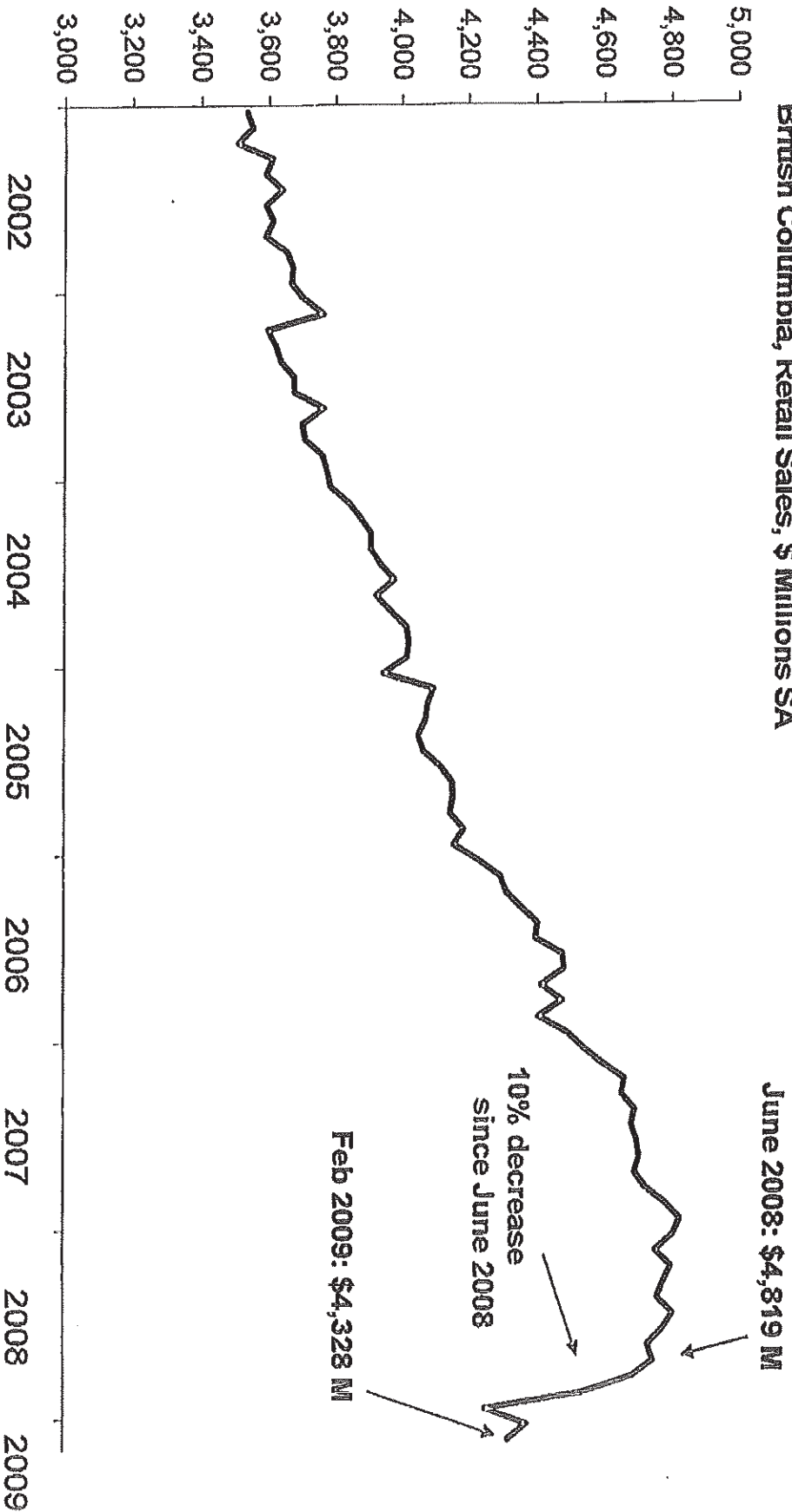


Source: Ministry of Housing and Social Development

Slide 12

BC retail sales fall rapidly in recent months

British Columbia, Retail Sales, \$ Millions SA

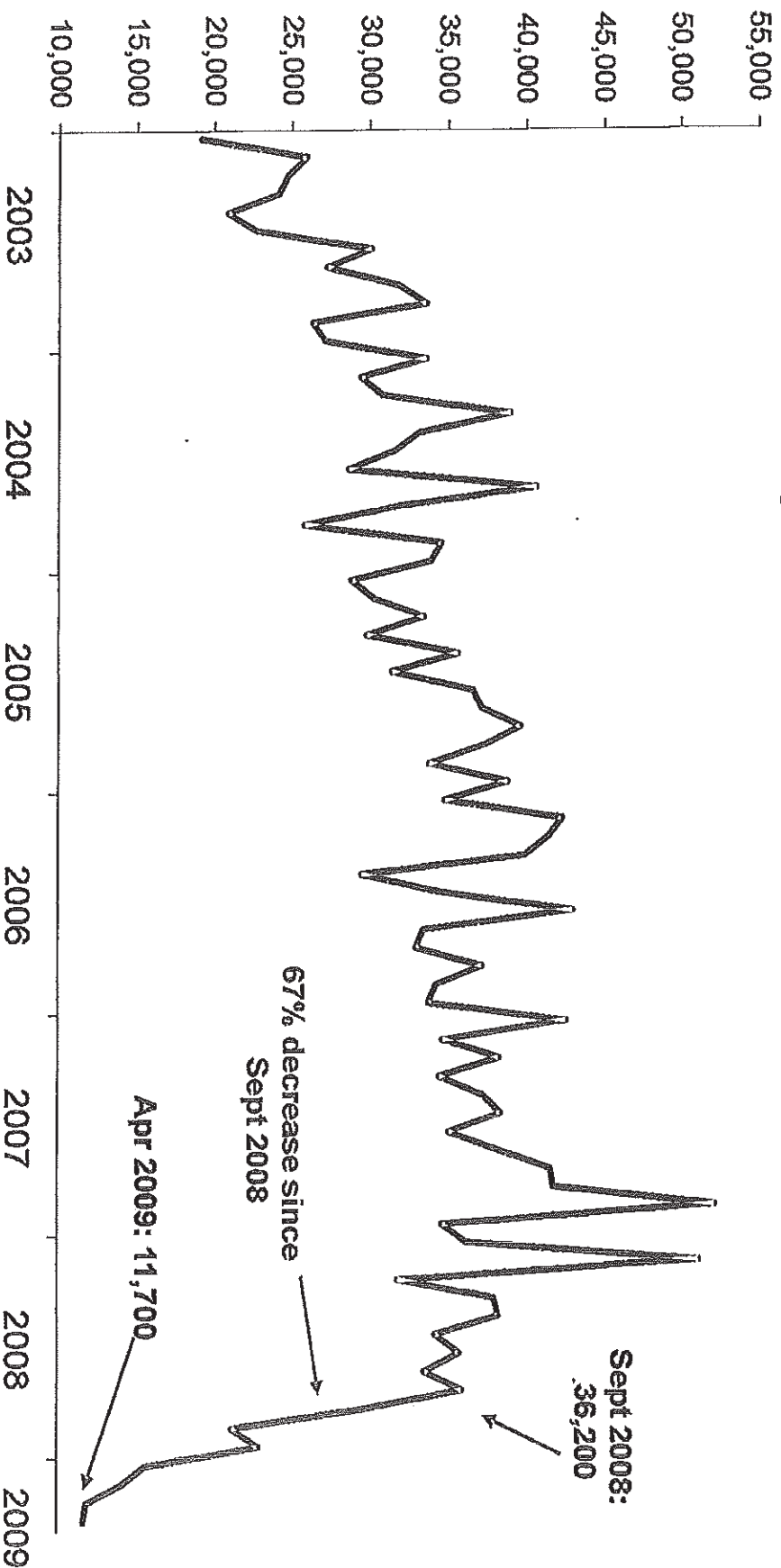


Source: Statistics Canada

Slide 13

BC housing starts fell rapidly

British Columbia, Housing Starts, Units SA

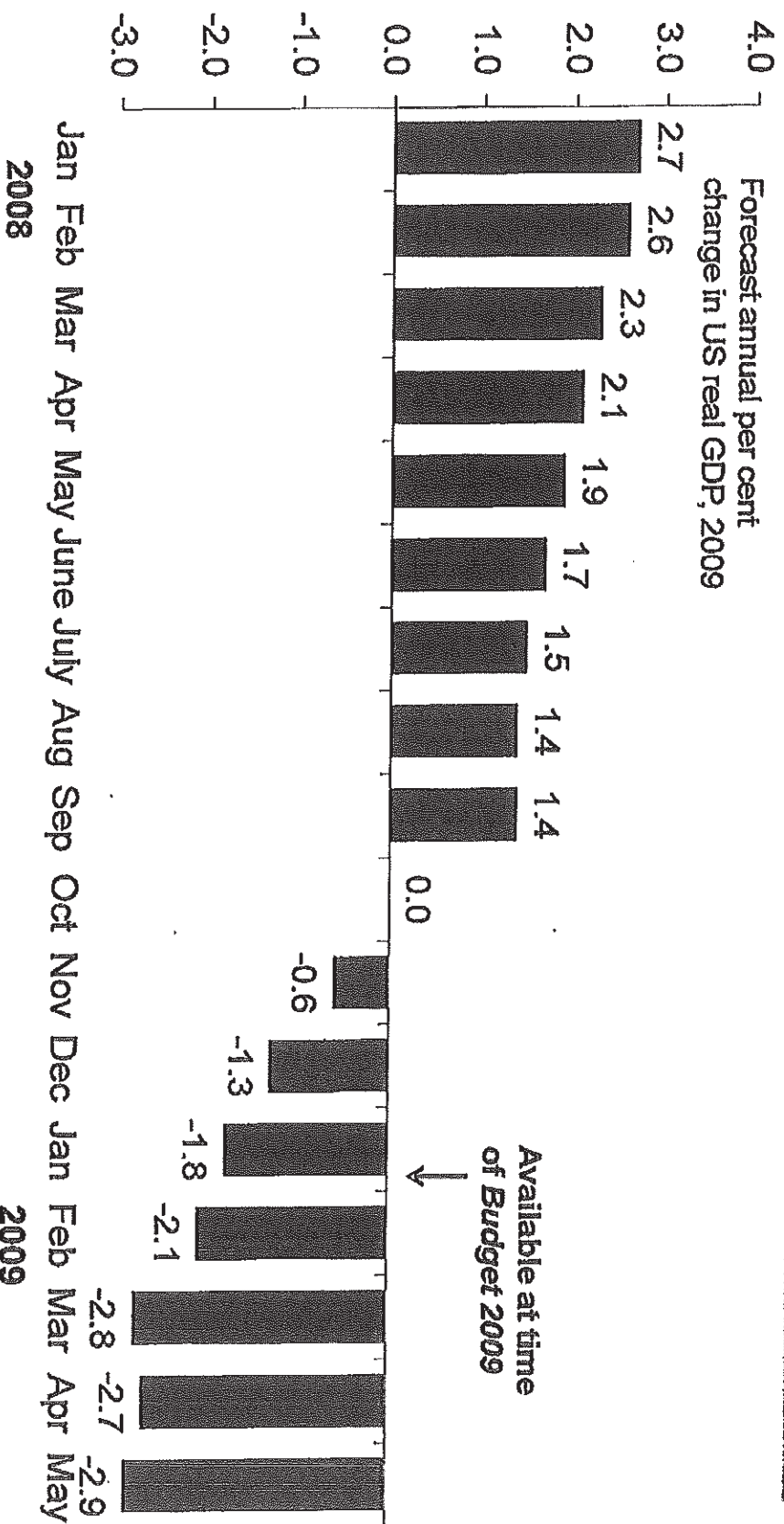


Source: Statistics Canada

Note: Property transfer tax revenues are closely correlated to housing starts.

Slide 14

US Consensus outlook for 2009 has deteriorated 1.1% since January 2009



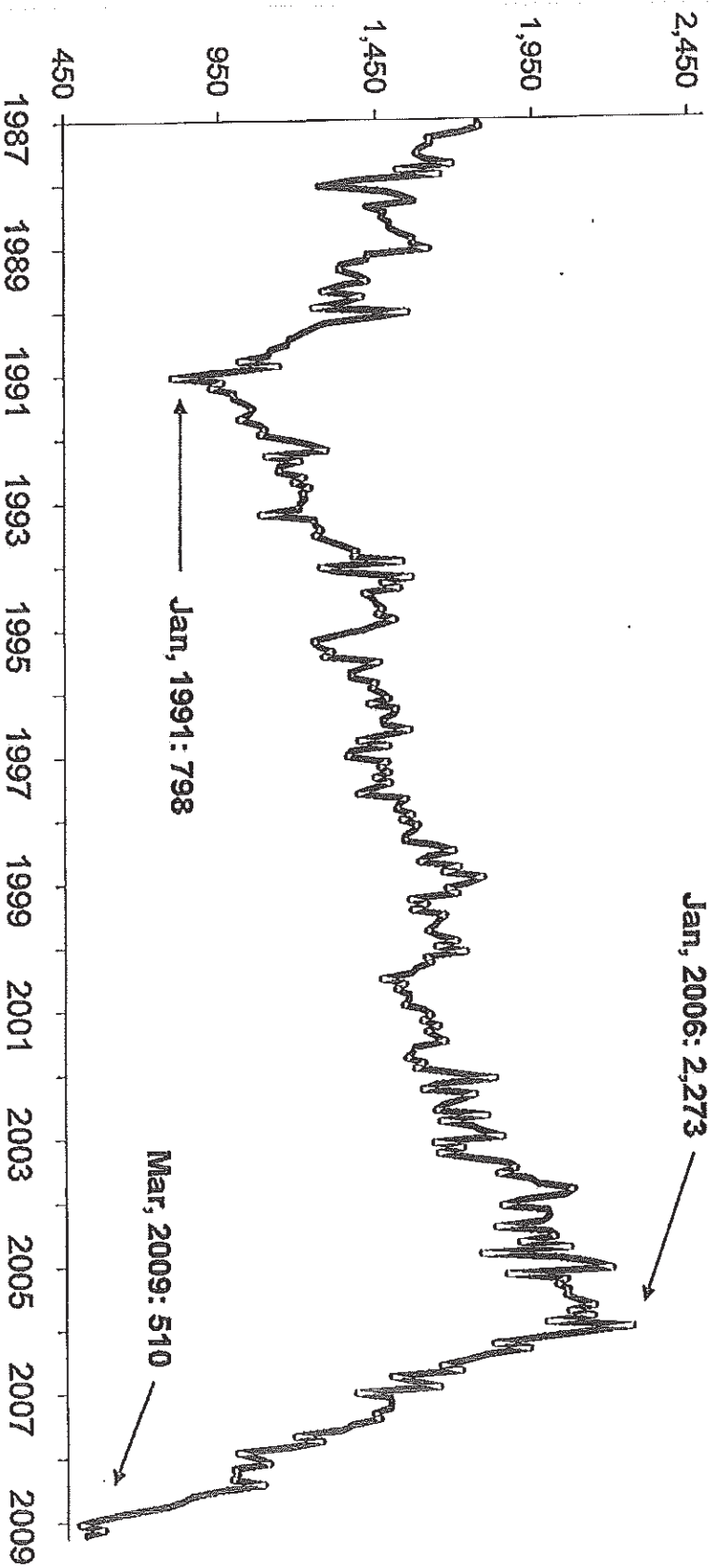
Source: Consensus Economics

The chart above represents forecasts for real GDP growth in 2009 as polled on specific dates. For example, forecasters surveyed on May 11 2009 had an average 2009 US real GDP forecast of -2.9 per cent, while on January 14, 2008 they forecast 2009 US real GDP to grow +2.7 per cent

Slide 15

US housing starts down 78 per cent since Jan 2006

US Housing Starts, \$ Millions SA



Source: US Census Bureau

Slide 16

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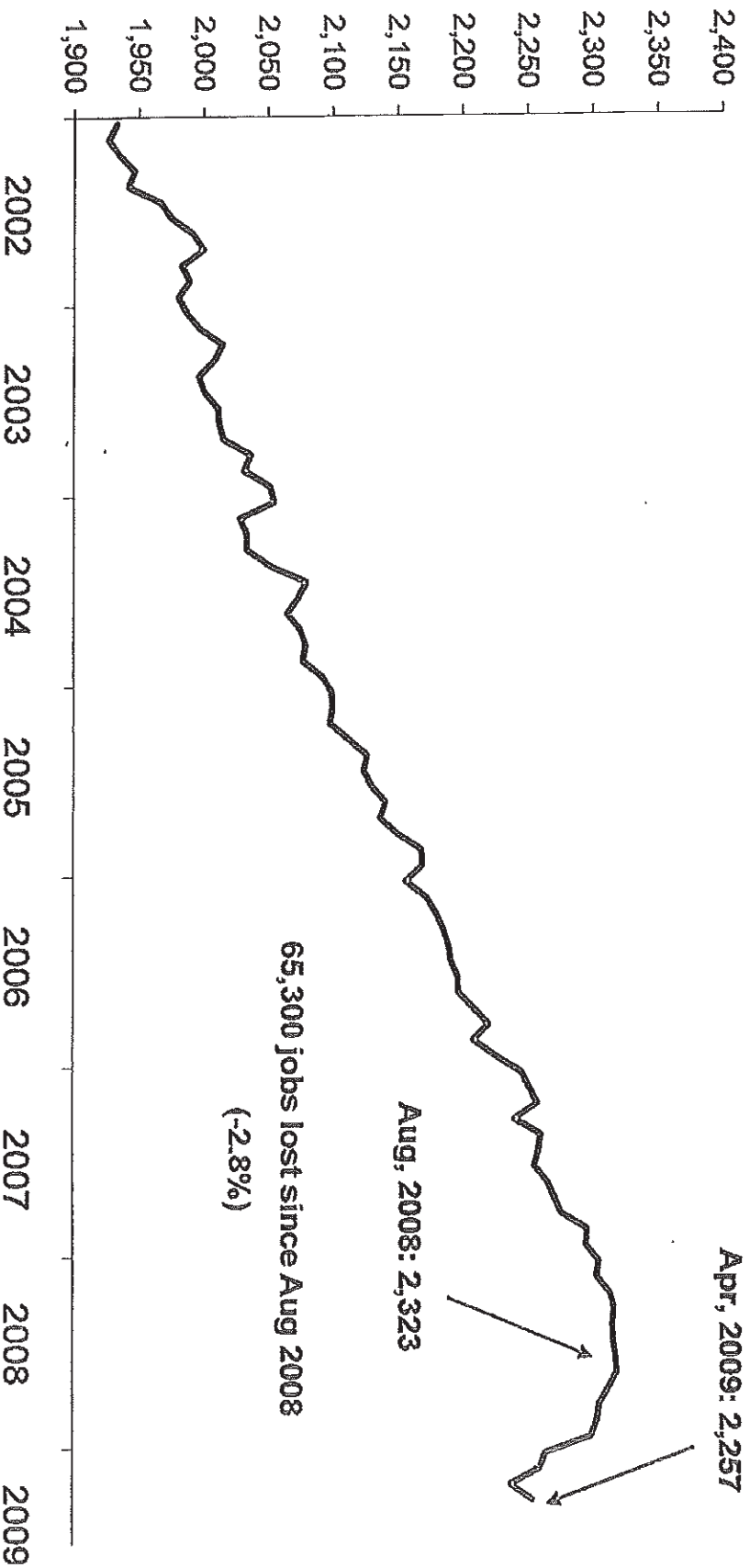
May 12, 2009

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British Columbia, Employment (000's, SA)



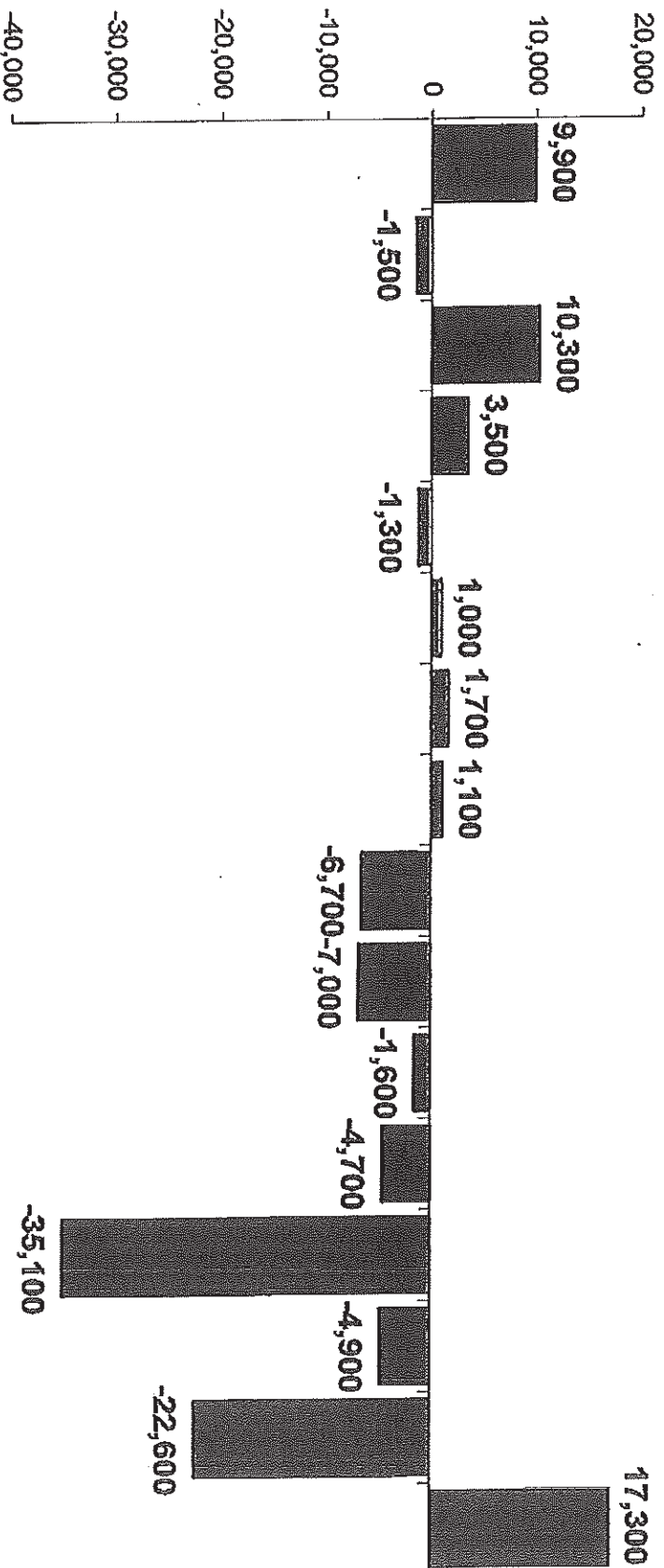
Source: Statistics Canada

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Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
2008 2009

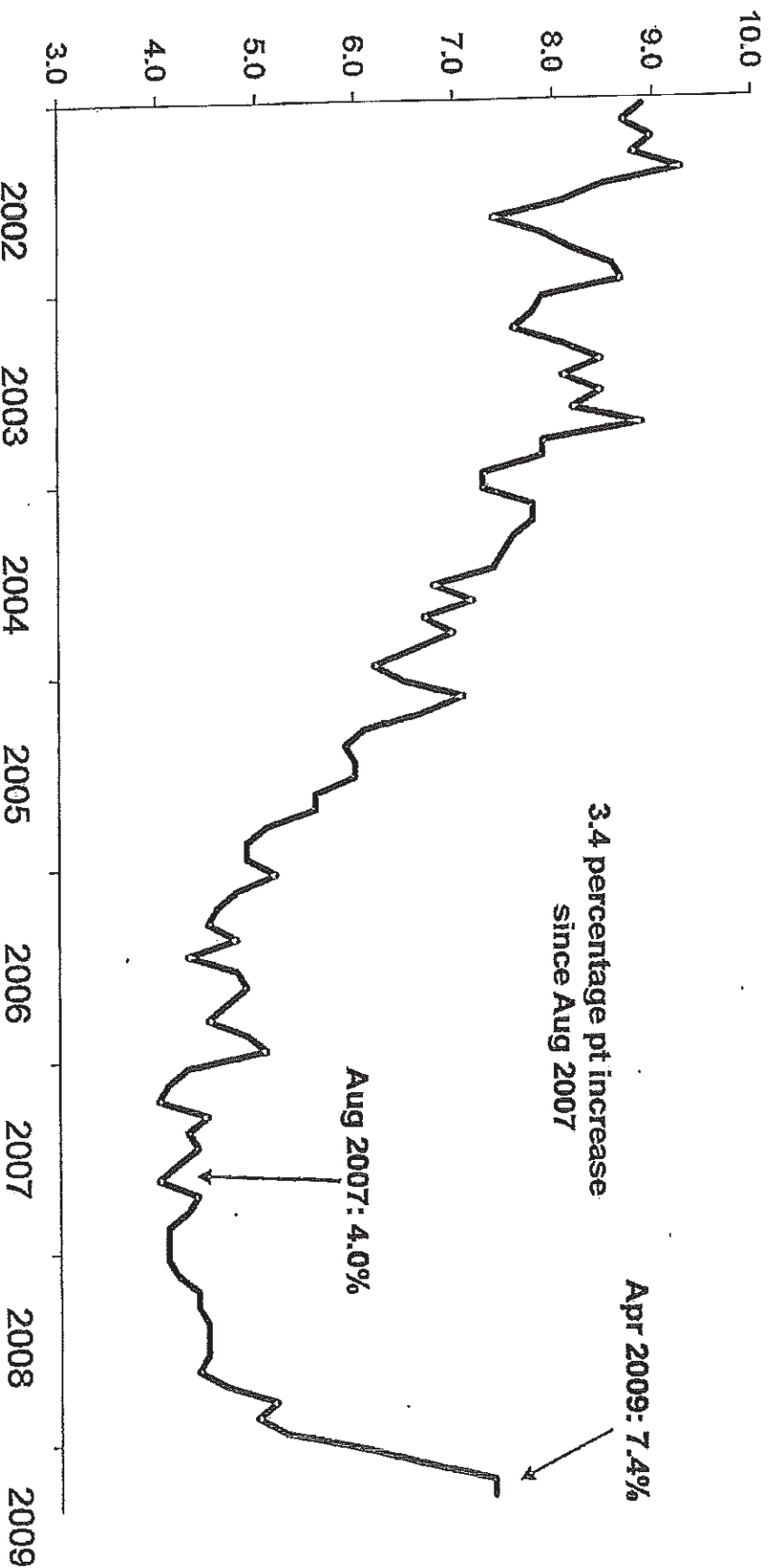
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BC's unemployment rate trending upwards

British Columbia, Unemployment Rate, SA



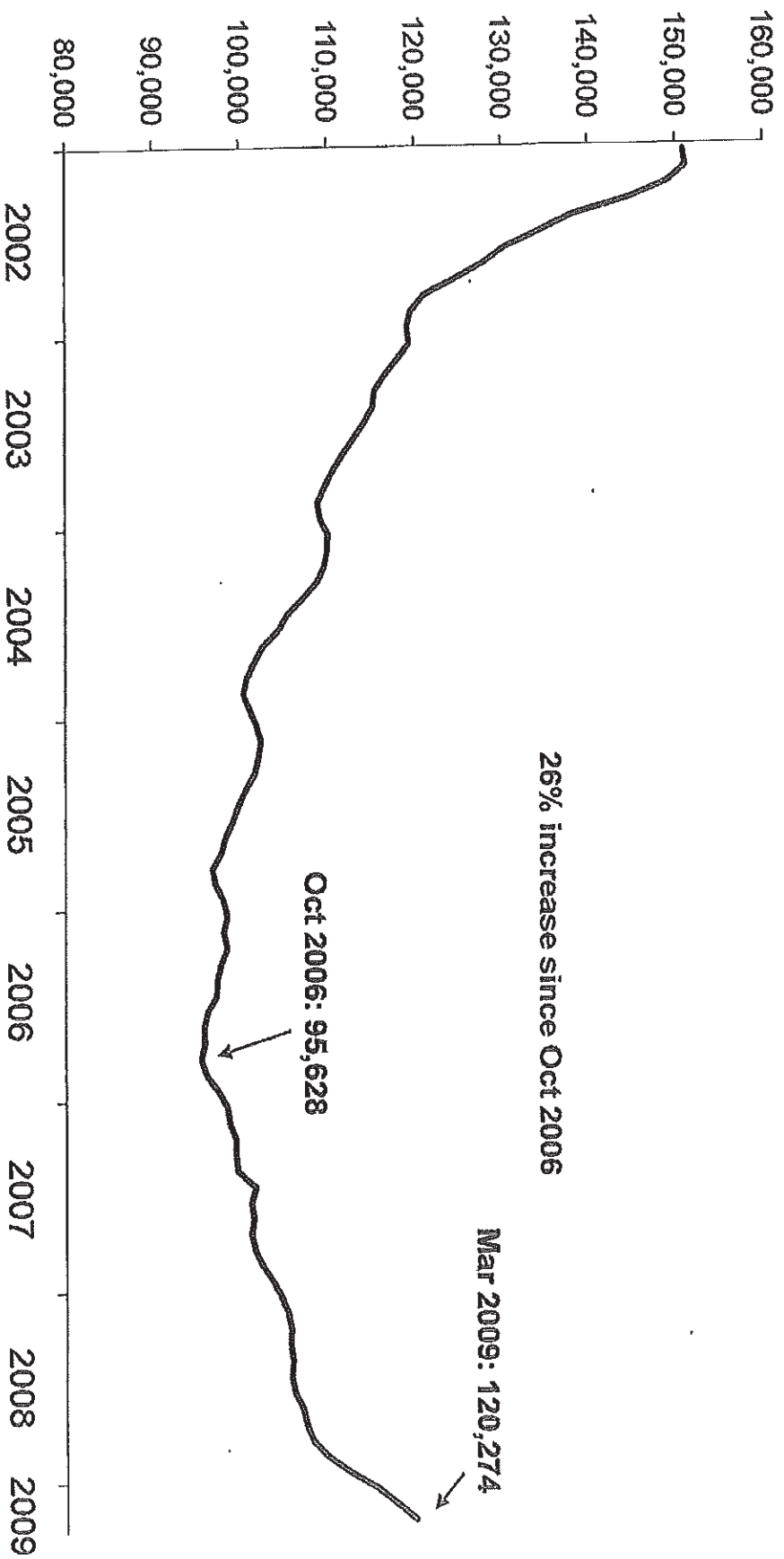
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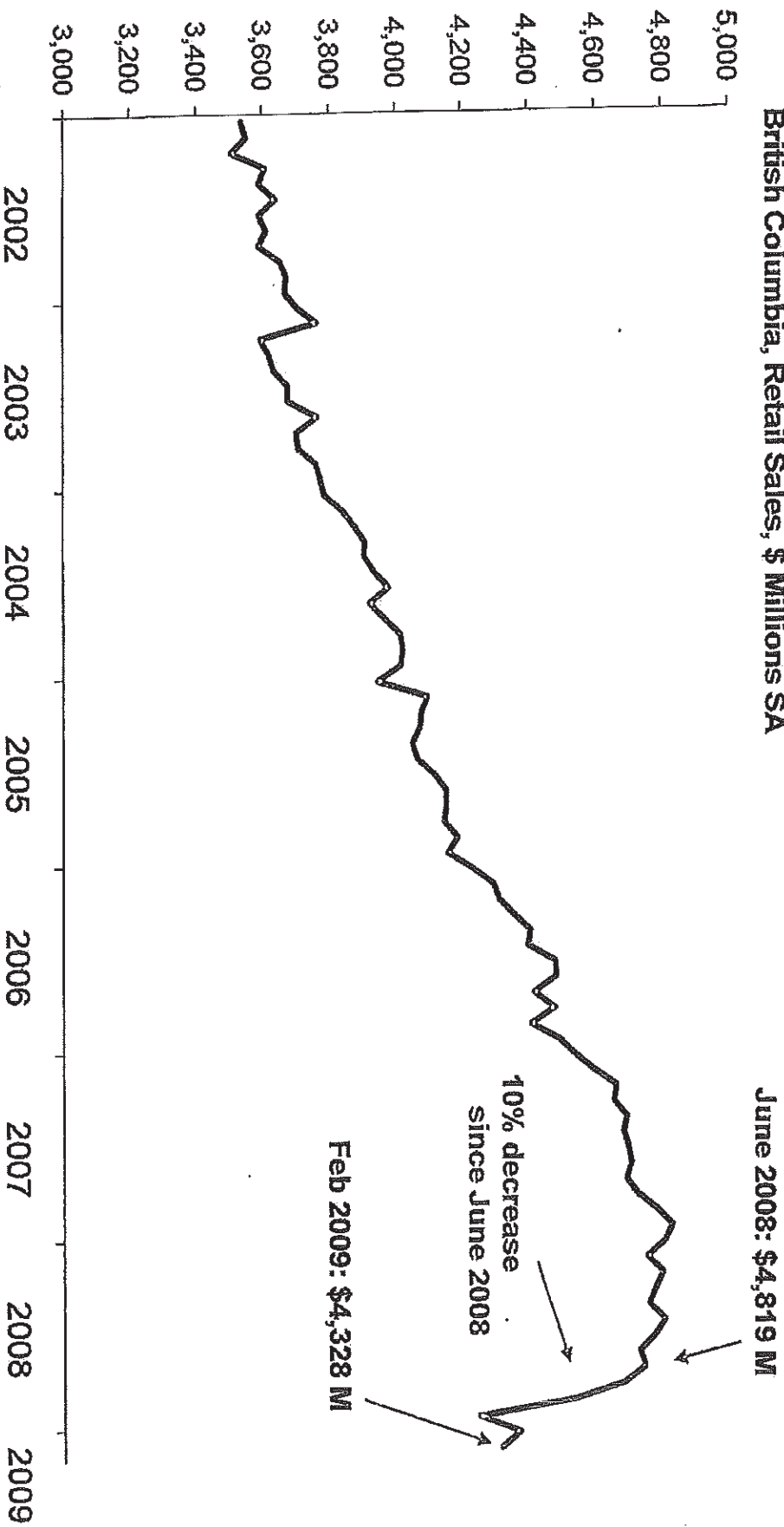
Source: Ministry of Housing and Social Development

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British Columbia, Retail Sales, \$ Millions SA



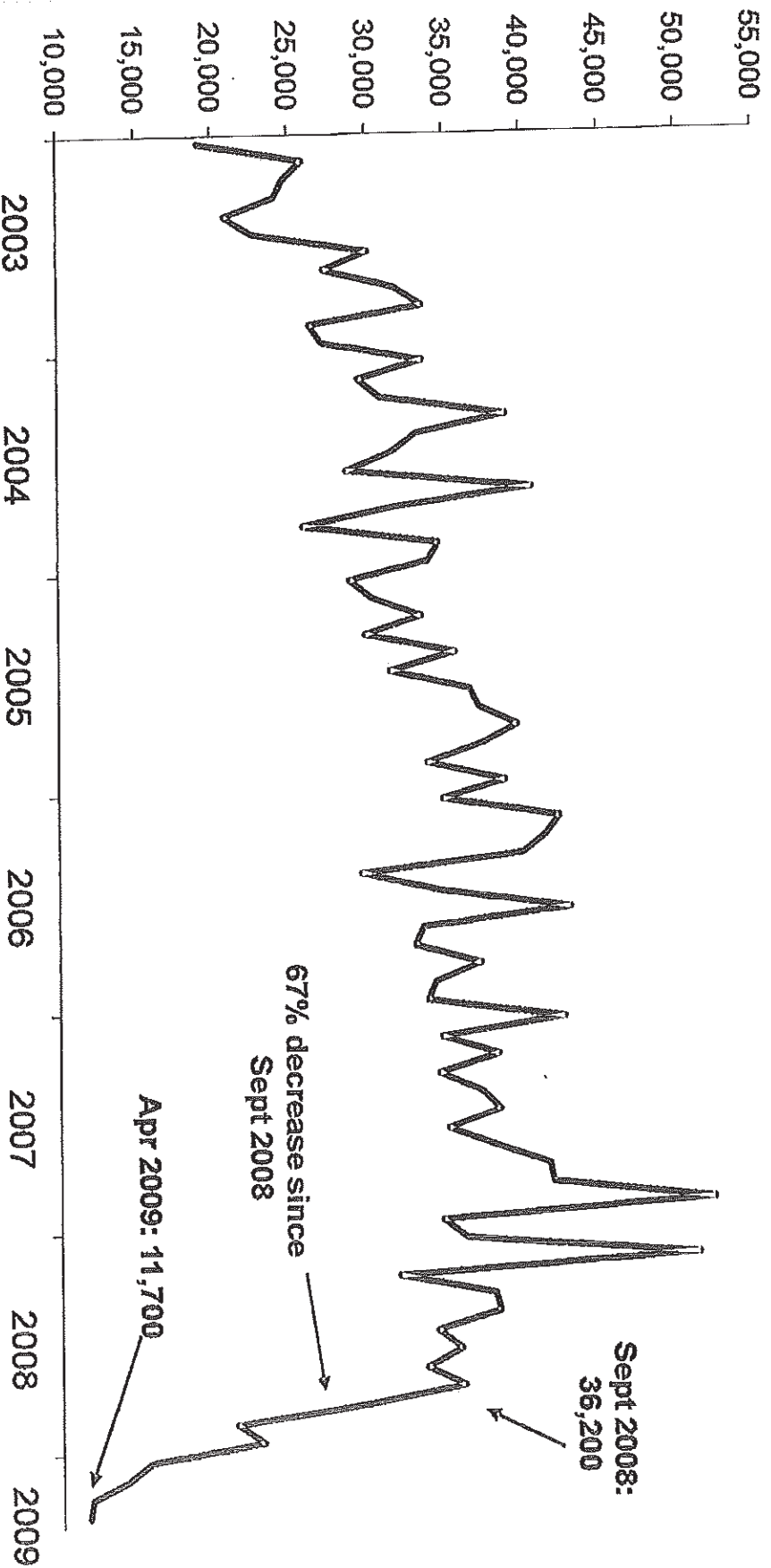
Source: Statistics Canada

Prepared for the advice of the incoming government

Slide 13

BC housing starts falling rapidly

British Columbia, Housing Starts, Units SA



67% decrease since
Sept 2008

Apr 2009: 11,700

Sept 2008:
36,200

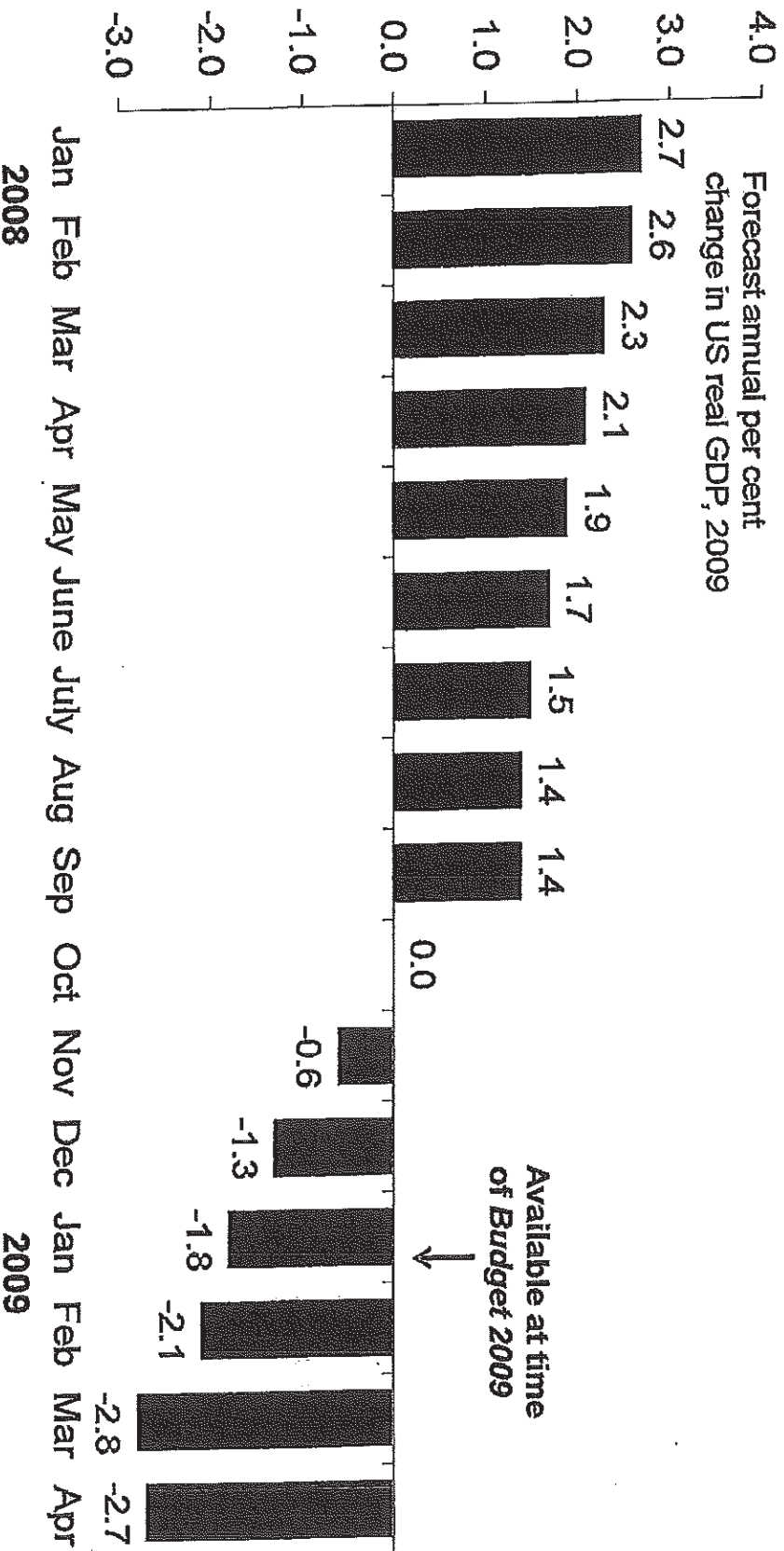
Source: Statistics Canada

Note: Property transfer tax revenues are closely correlated to housing starts.

Prepared for the advice of the incoming government

Slide 14

US Consensus outlook for 2009 has deteriorated 0.9% since January 2009



Source: Consensus Economics

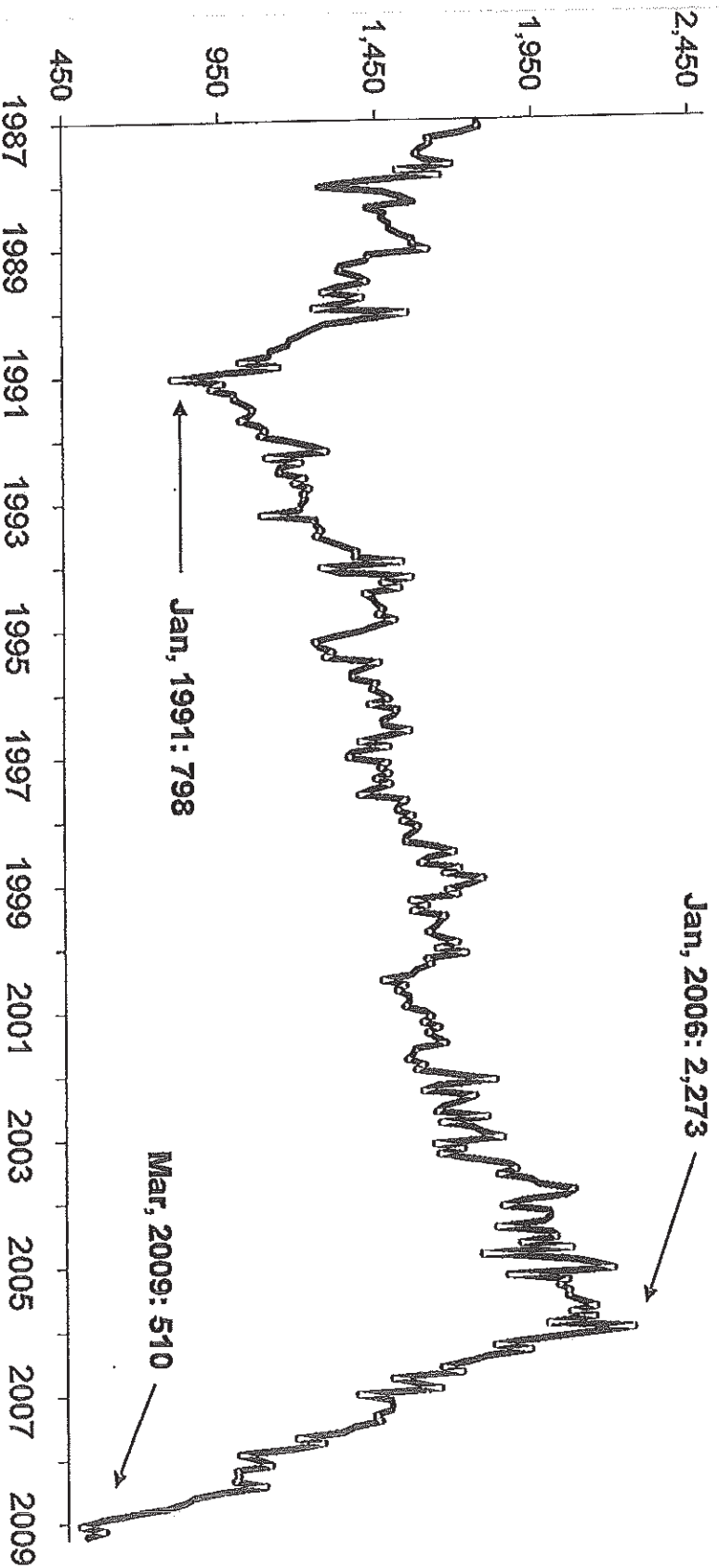
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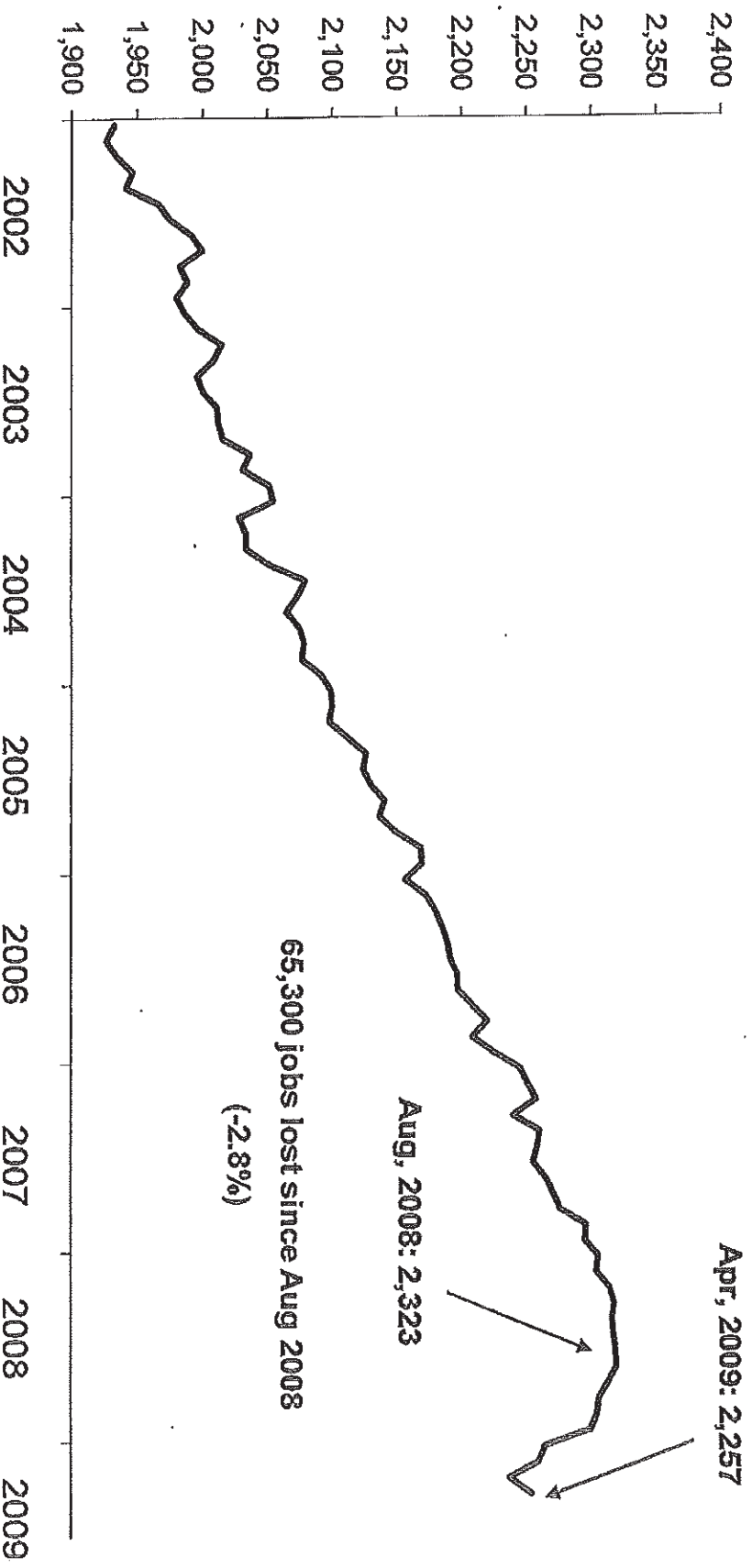
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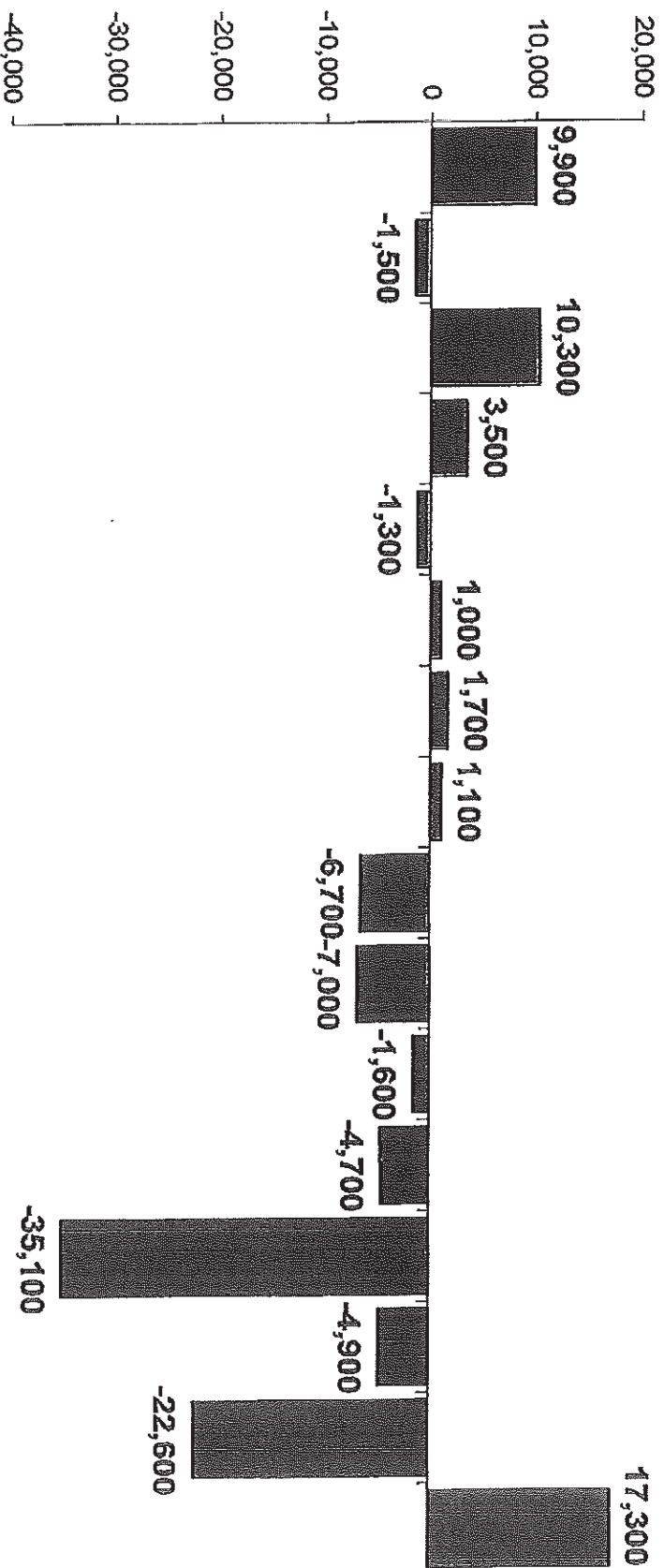
Source: Statistics Canada

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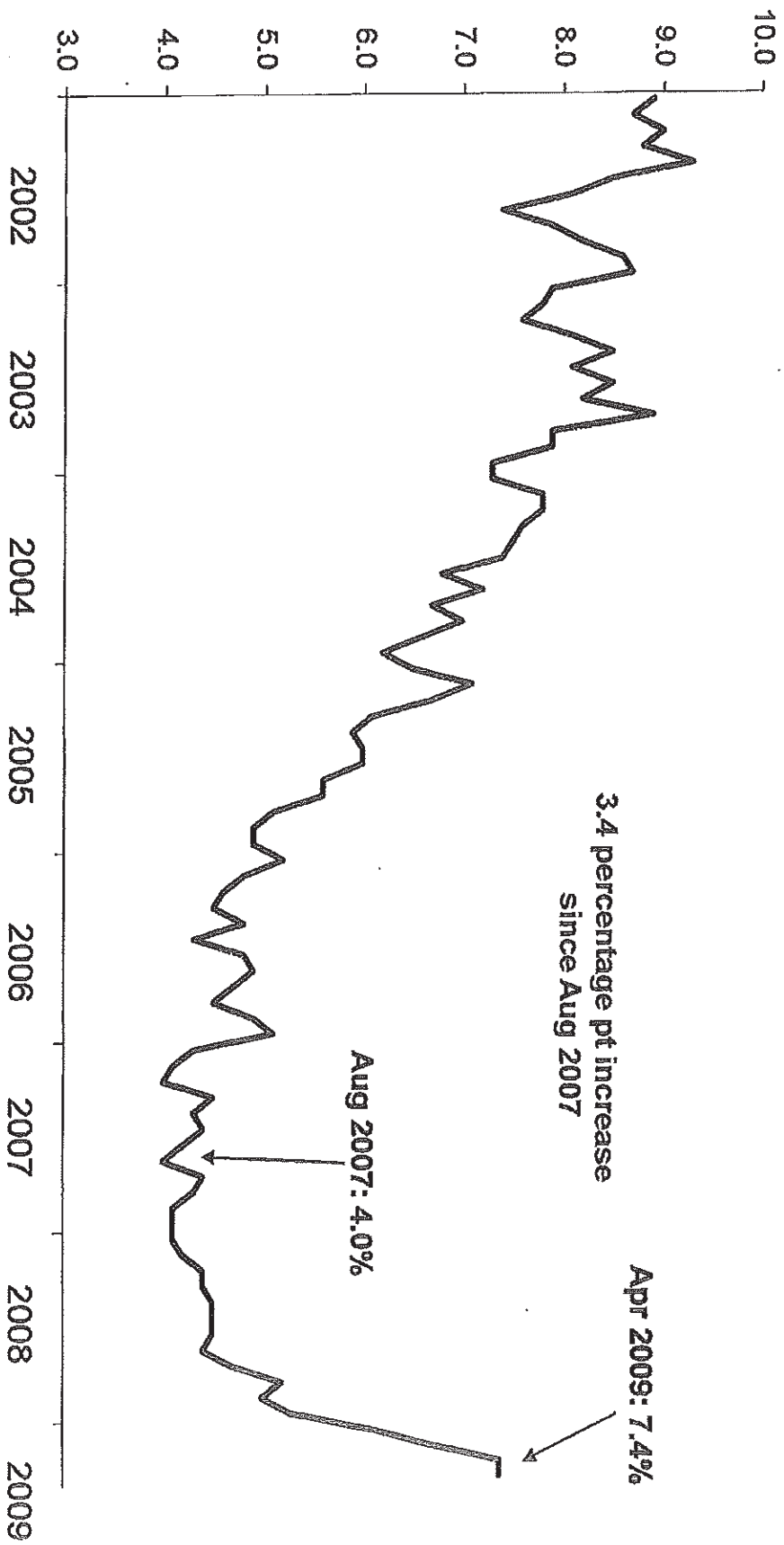
Source: Statistics Canada

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British Columbia, Unemployment Rate, SA



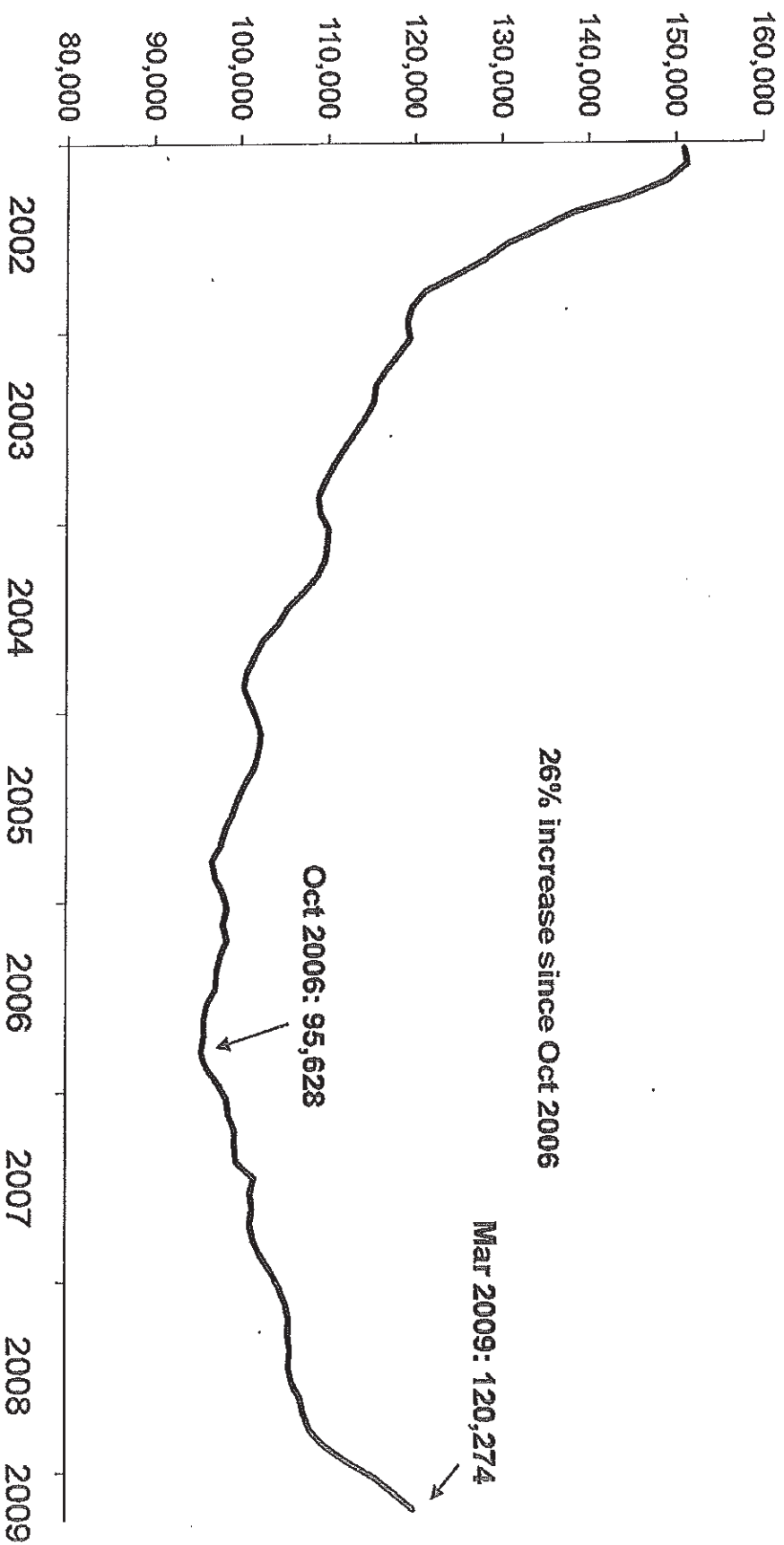
Source: Statistics Canada

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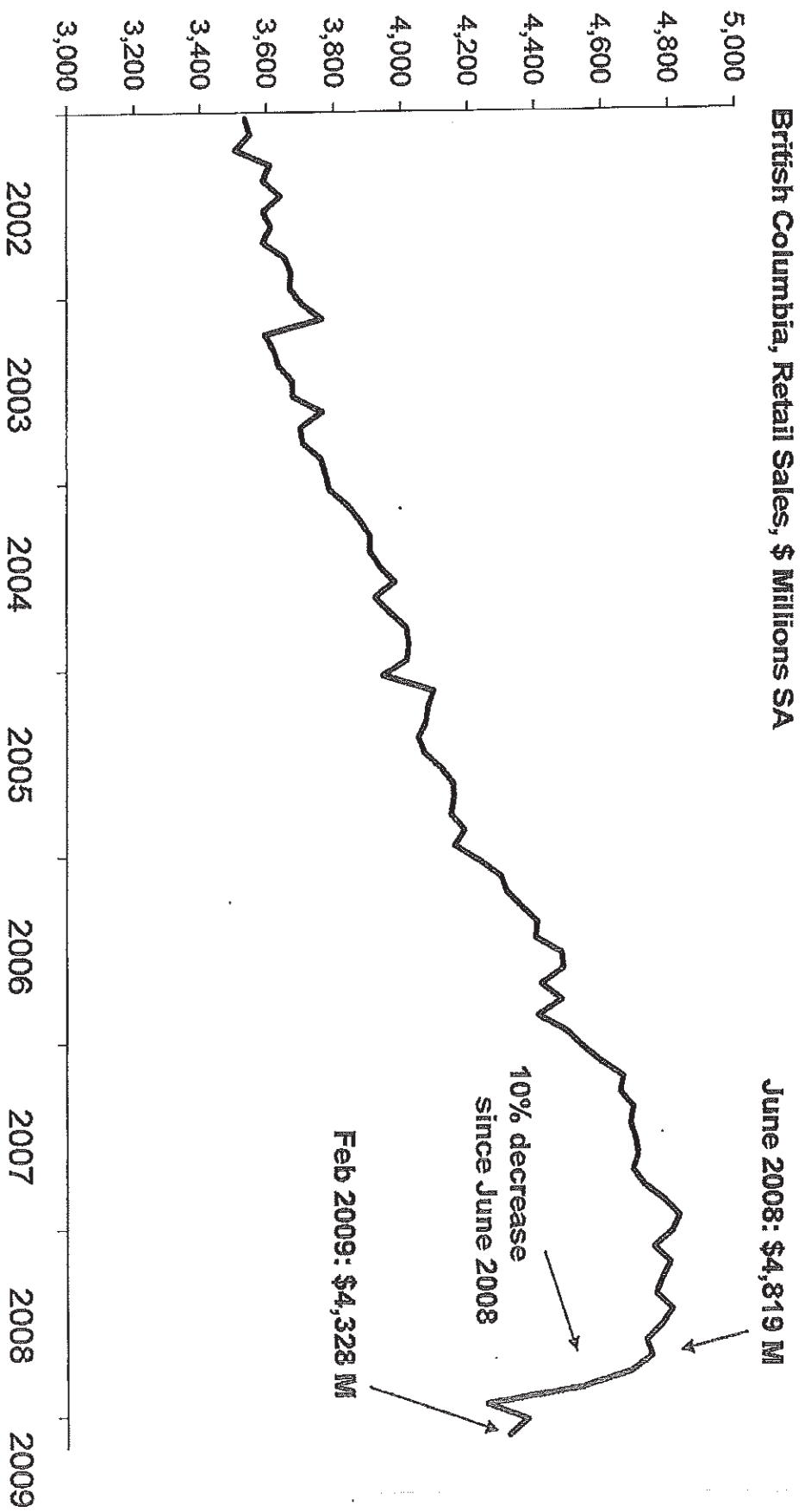


Source: Ministry of Housing and Social Development

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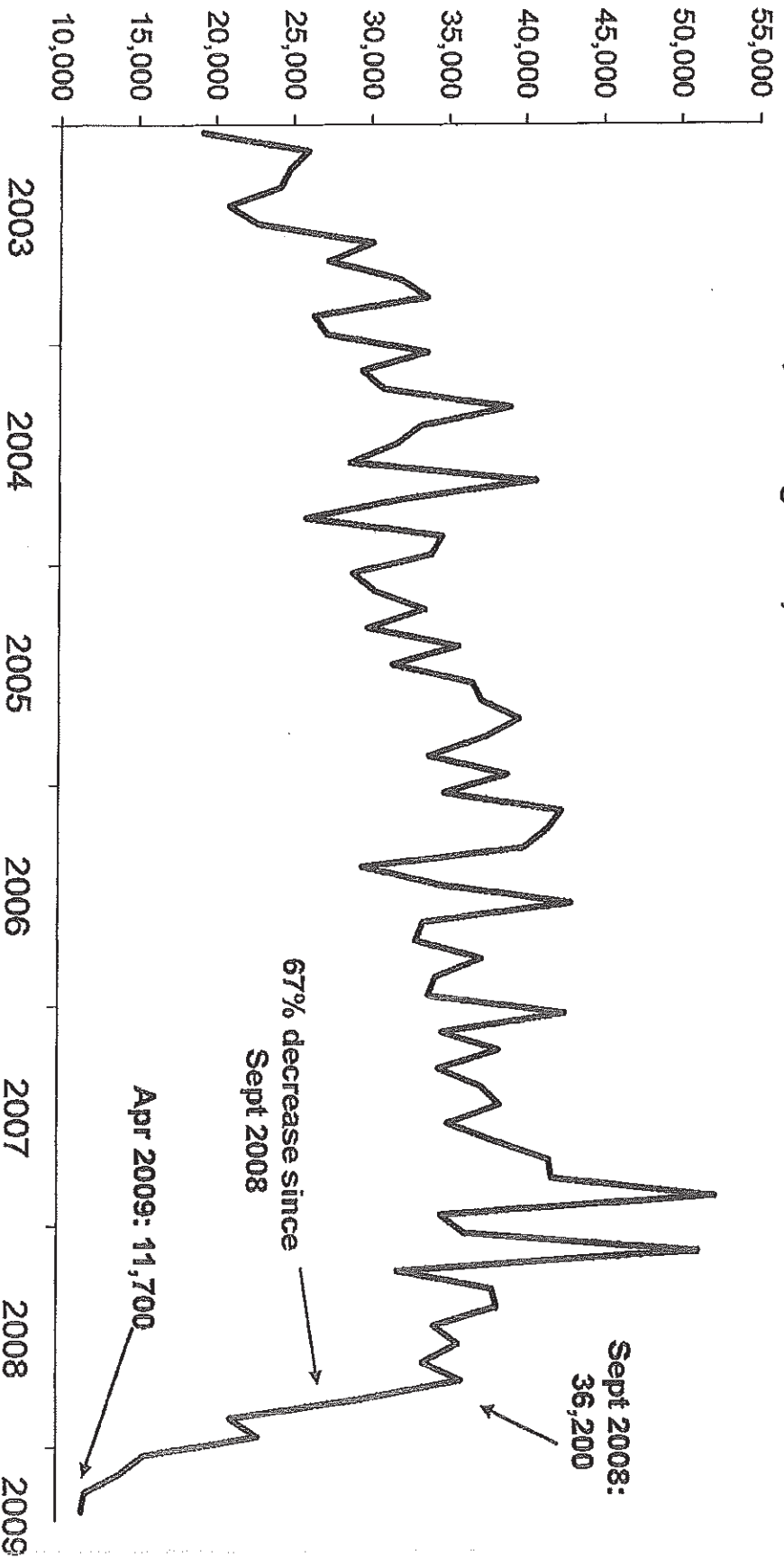
Source: Statistics Canada

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BC housing starts falling rapidly

British Columbia, Housing Starts, Units SA



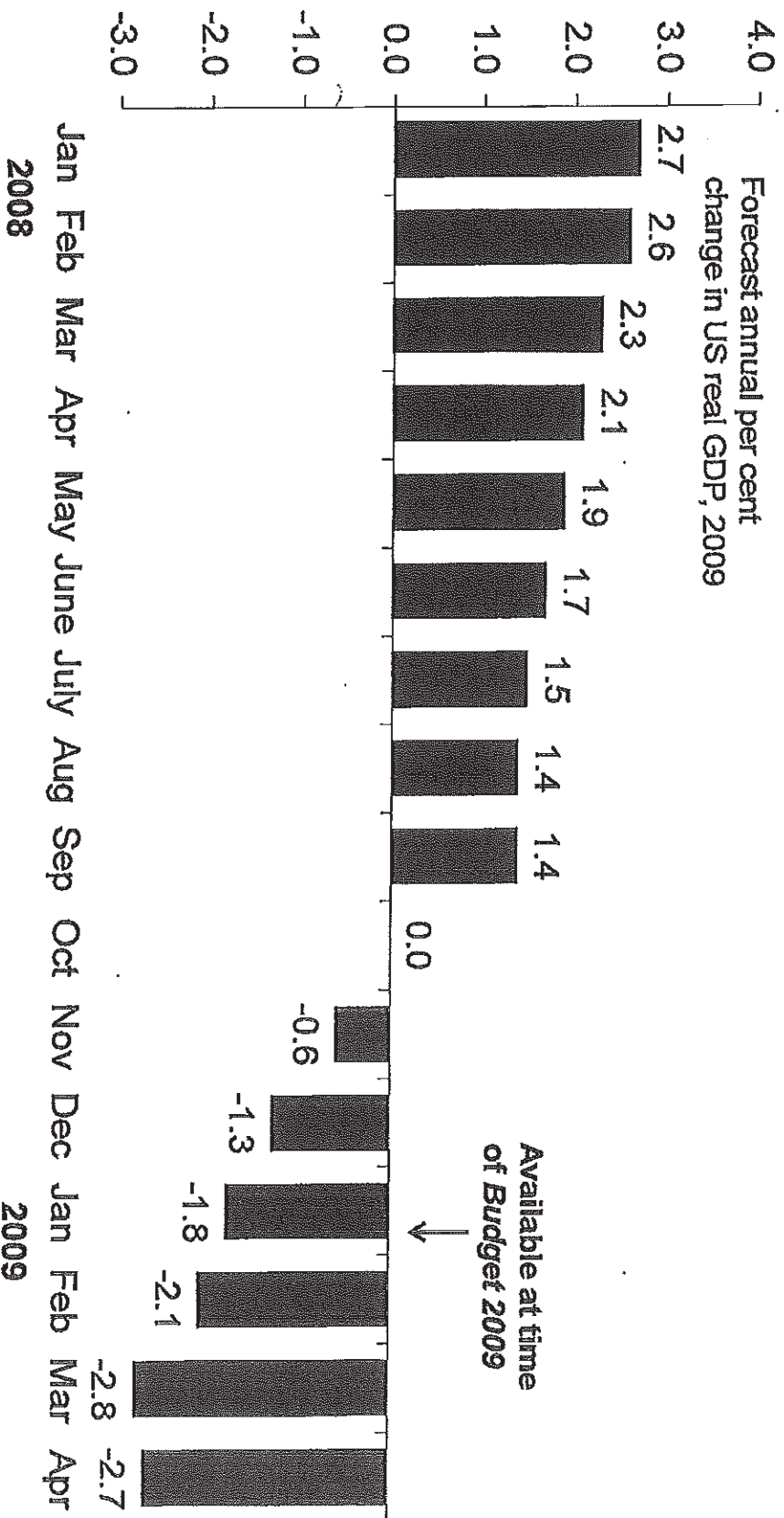
Source: Statistics Canada

Note: Property transfer tax revenues are closely correlated to housing starts.

Prepared for the advice of the incoming government

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Source: Consensus Economics

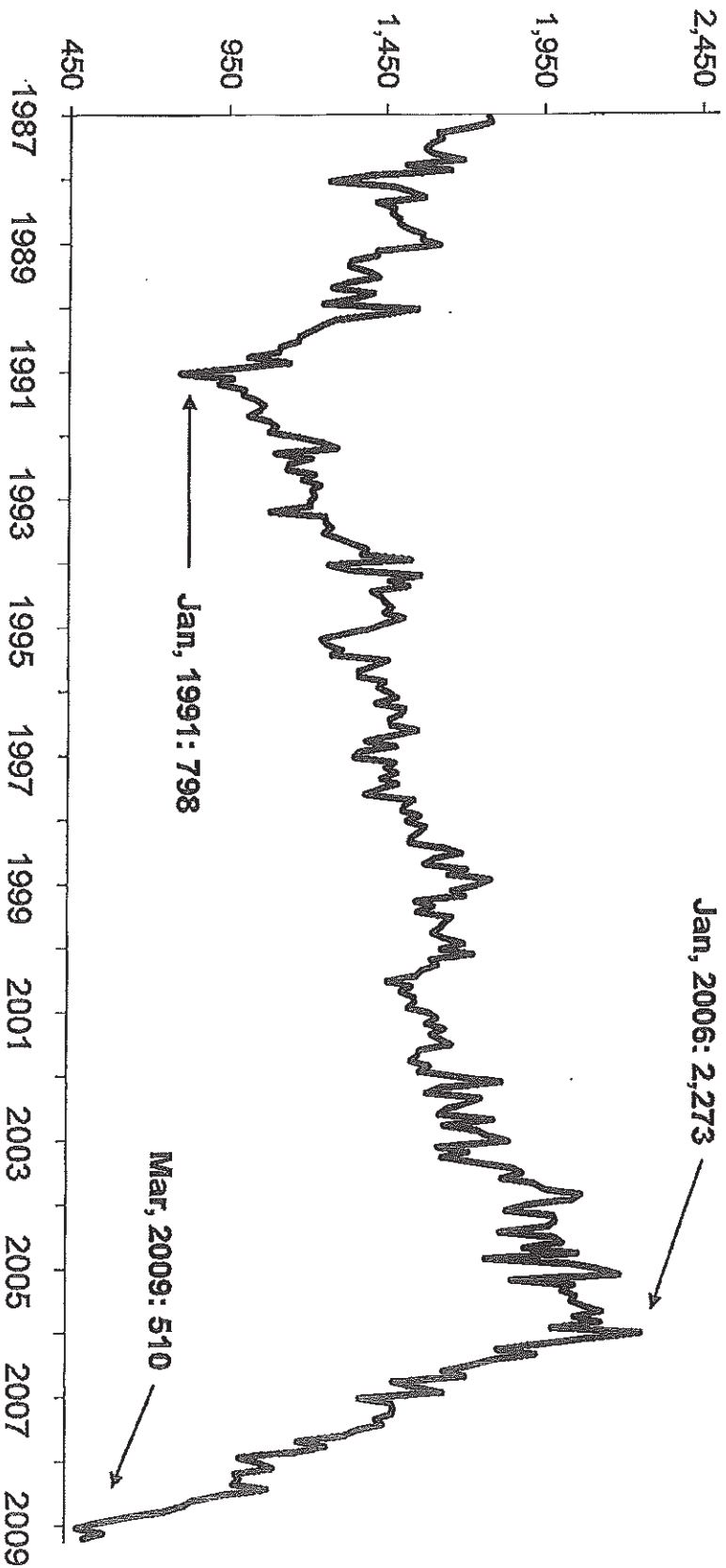
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US Housing Starts, \$ Millions SA



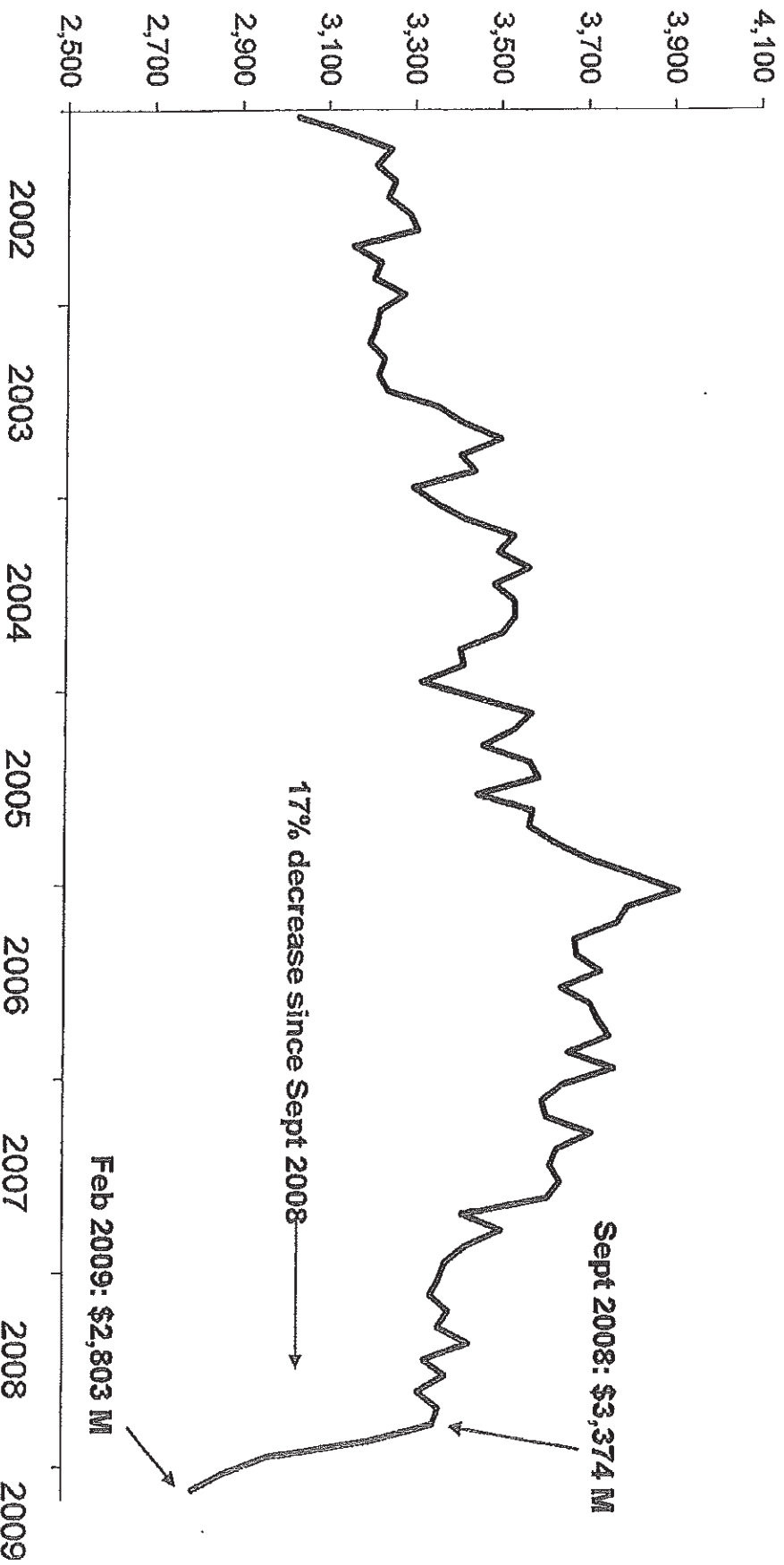
Source: US Census Bureau

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Slide 16

BC manufacturing shipments fell 17% since September

British Columbia, Manufacturing Shipments, \$ Millions SA



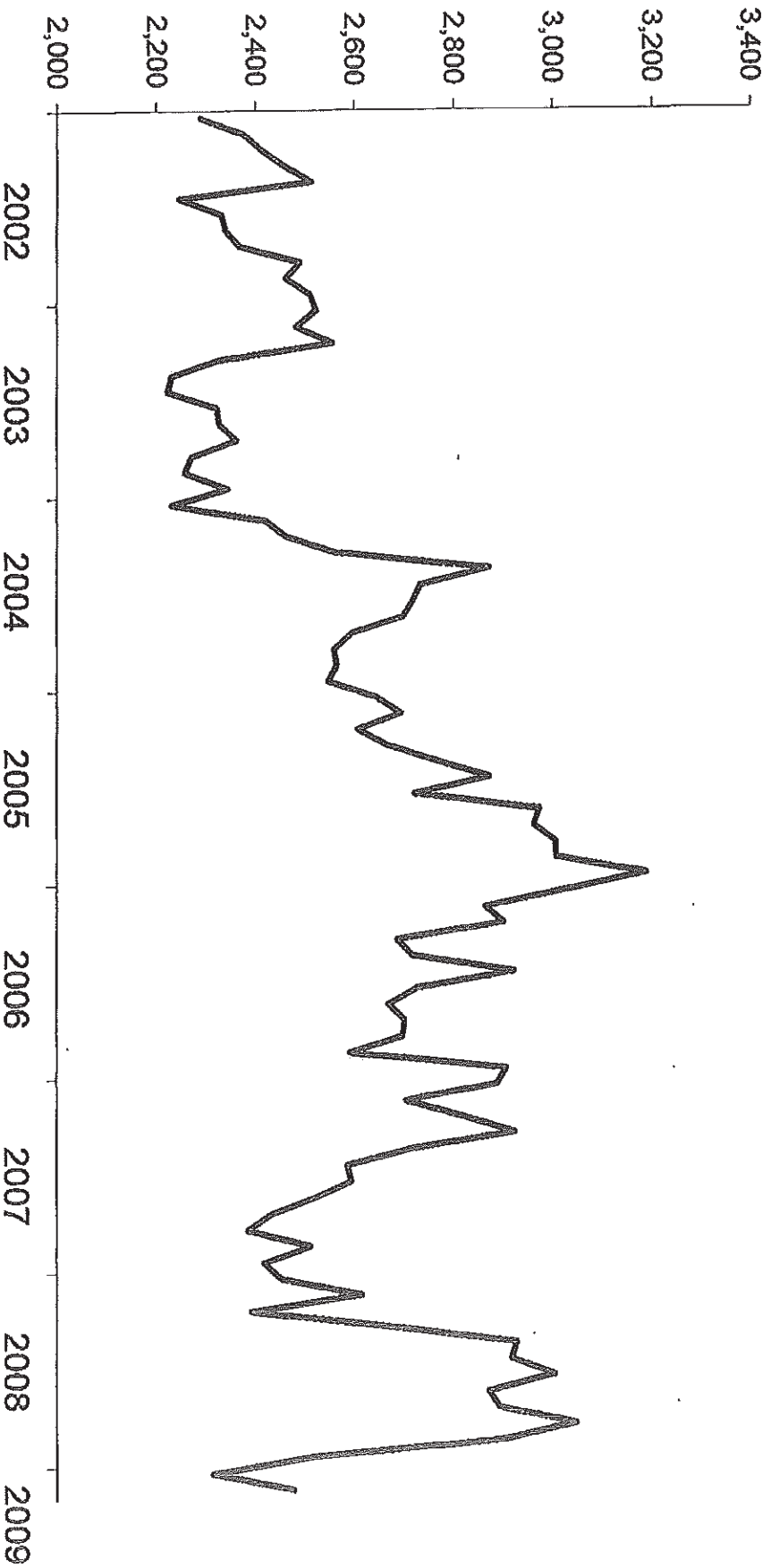
Source: Statistics Canada

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Slide 31

BC exports down in 2009

British Columbia, Exports, \$ Millions SA



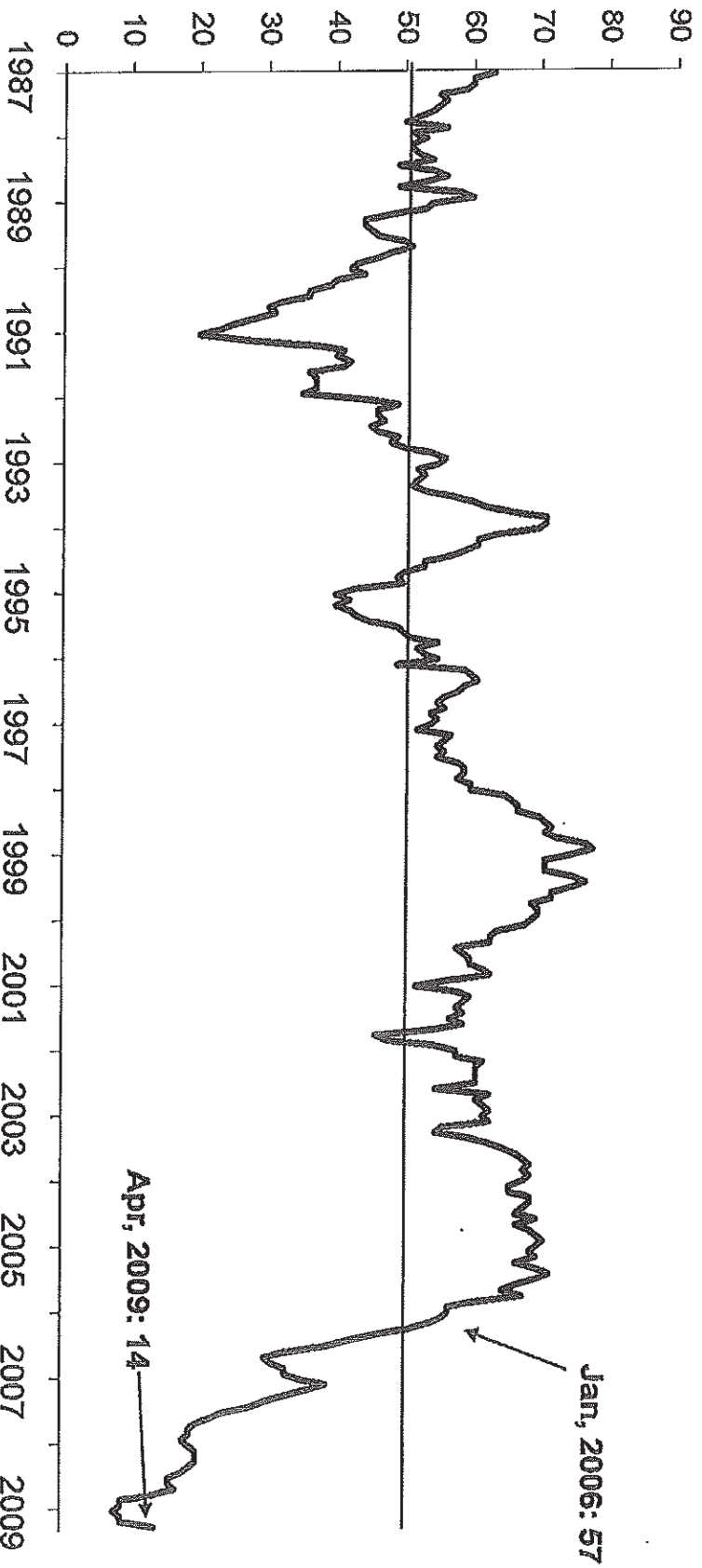
Source: Statistics Canada

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Slide 32

US housing market still falling

NAHB Housing Market Index



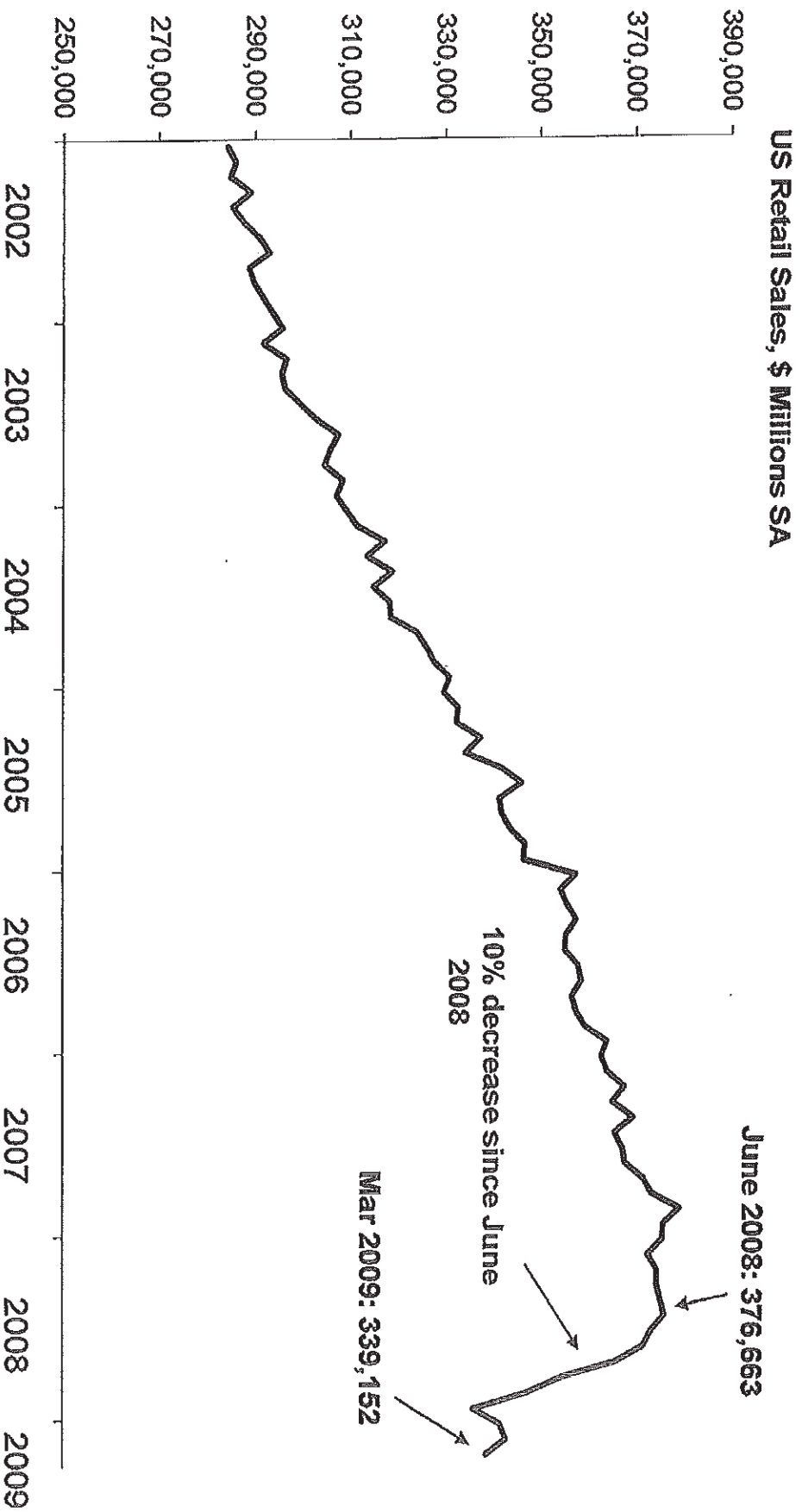
Source: National Association of Homebuilders

Diffusion index: above 50 indicates market is growing
below 50 indicates market is shrinking

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Slide 33

US retail sales decline rapidly in recent months



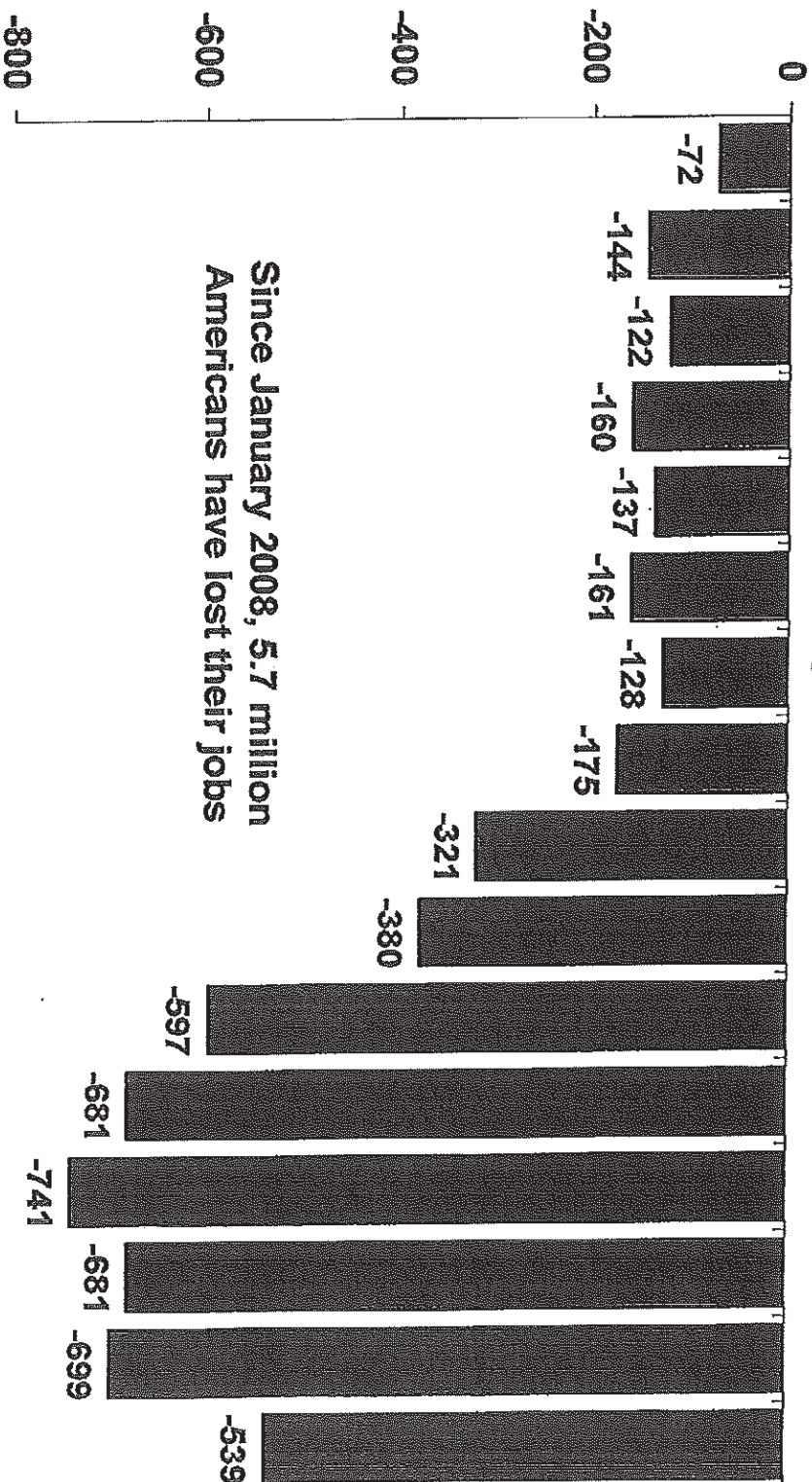
Source: US Census Bureau

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Slide 34

US employment keeps falling in March

US Employment, Millions SA, m/m change



Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
2008 2009

Source: US Bureau of Labour Statistics

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Slide 35

Monthly Finance Meeting

January 14, 2009
Draft #5

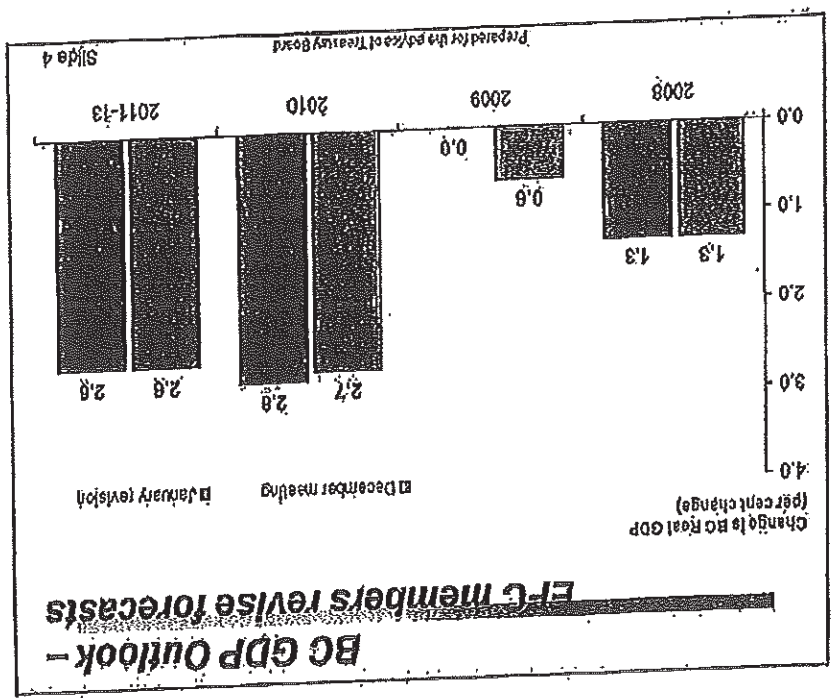
Ministry
of Finance



Prepared for the Board of Treasury Board

Slide 1

BC GDP Outlook - EFC members revise forecasts



There has been a reduction in real GDP in 2009/10 from 0.6 to 0.0

COPY _____ of 20

Treasury Board Budget Review



Ministry
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December 4, 2008

Prepared for the advice of the Treasury Board

Slide 1

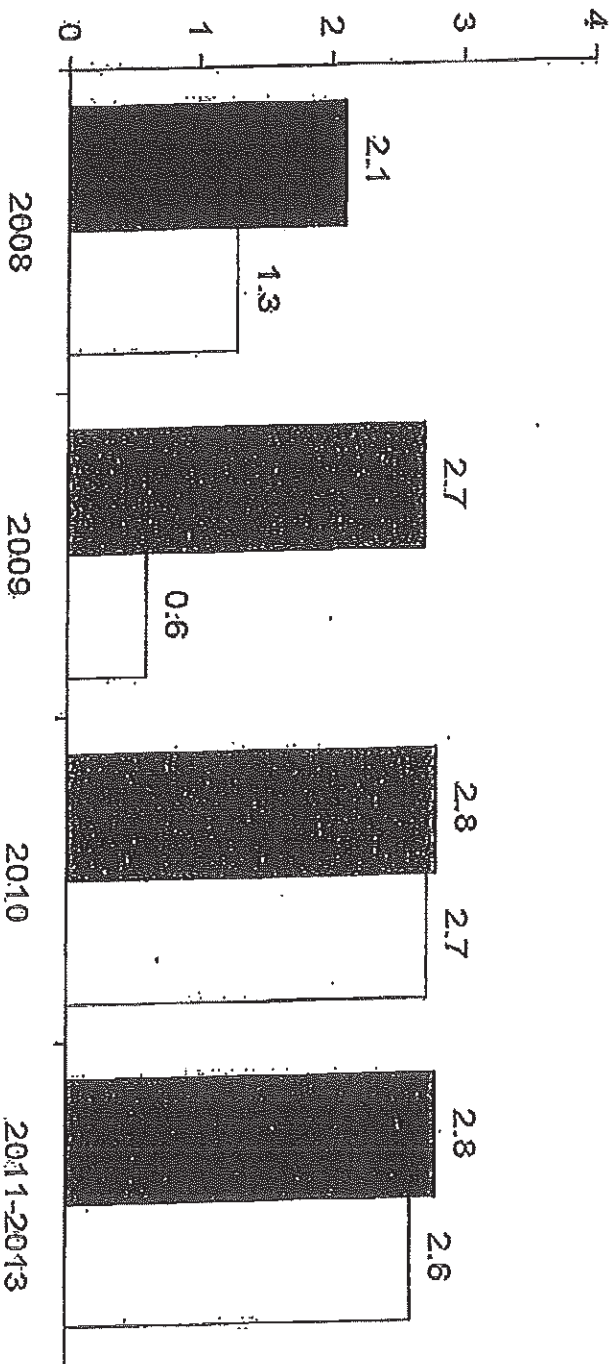
Economic Forecast Council advice

Percent change

REAL GDP

■ July 2008 Survey

□ December 2008 Survey



Source: Average of Economic Forecast Council, November 28, 2008

NOTES: Forecast from July 2008 EFC for 2010 and 2011-2013 is the average growth for the years 2010-2012.

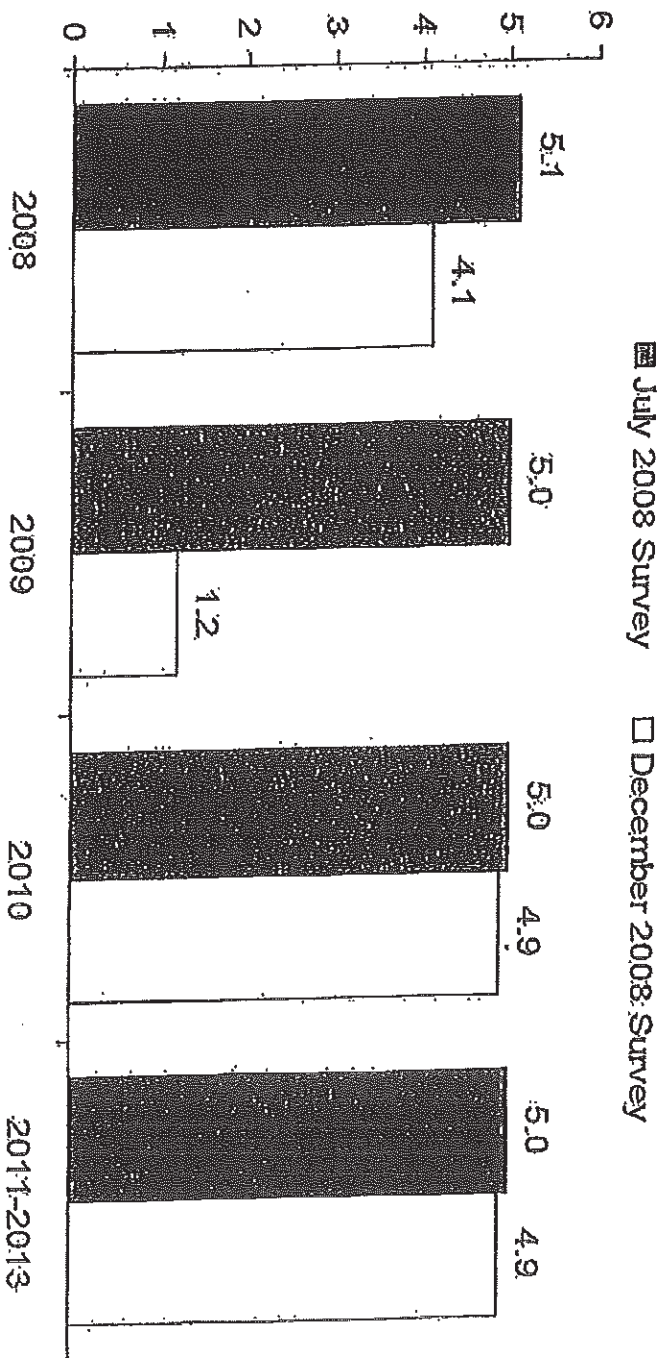
Prepared for the advice of the Treasury Board

Slide 3

Economic Forecast Council advice

Percentage change

NOMINAL GDP



Source: Average of Economic Forecast Council, November 28, 2008

NOTES: Forecast from July 2008 EFC for 2010 and 2011-2013 is the average growth for the years 2010-2012.

Prepared for the advice of the Treasury Board

Slide 4

Several BC economic indicators decelerating

	Apr. to Jun. 2008 change from Jan. to Mar. 2008	Jul. to Sep. 2008 change from Apr. to Jun. 2008
	(Per cent change)	
Employment*	+ 0.5	+ 0.1
Average Hours Worked	+ 1.6	-3.6
Manufacturing shipments*	+ 0.3	- 0.1
Retail Sales*	+ 0.1	0.0
Business bankruptcies	- 11.2	+ 47.4

*Data seasonally adjusted.

Prepared for the advice of the Treasury Board

Slide 5

Monthly Finance Update



Ministry
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November 14, 2008

Prepared for the advice of the Minister of Finance

Slide 1

Second Quarterly Report

- **Will include Economic Update**
 - **Current private sector views for BC in 2008/09 & 2009/10**
 - **Consensus for US and Canada in 2008/09 and 2009/10**
 - **Current indicators for BC**
 - **But no updated economic forecast**

Prepared for the advice of the Minister of Finance

Slide 5

Economic Update

October 22, 2008

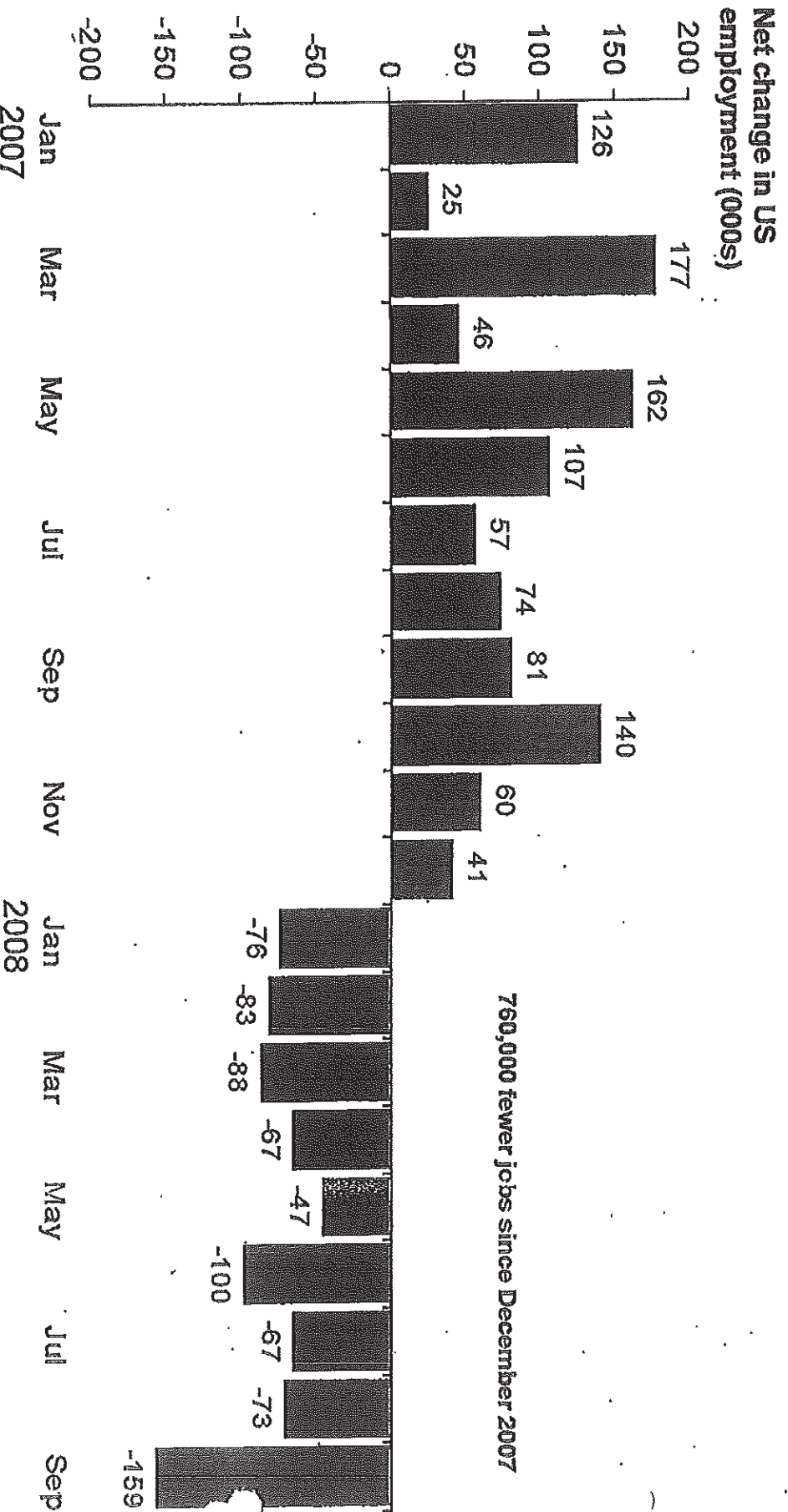


**Ministry
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Prepared for the advice of Treasury Board

Slide 1

US economy continues to shed jobs



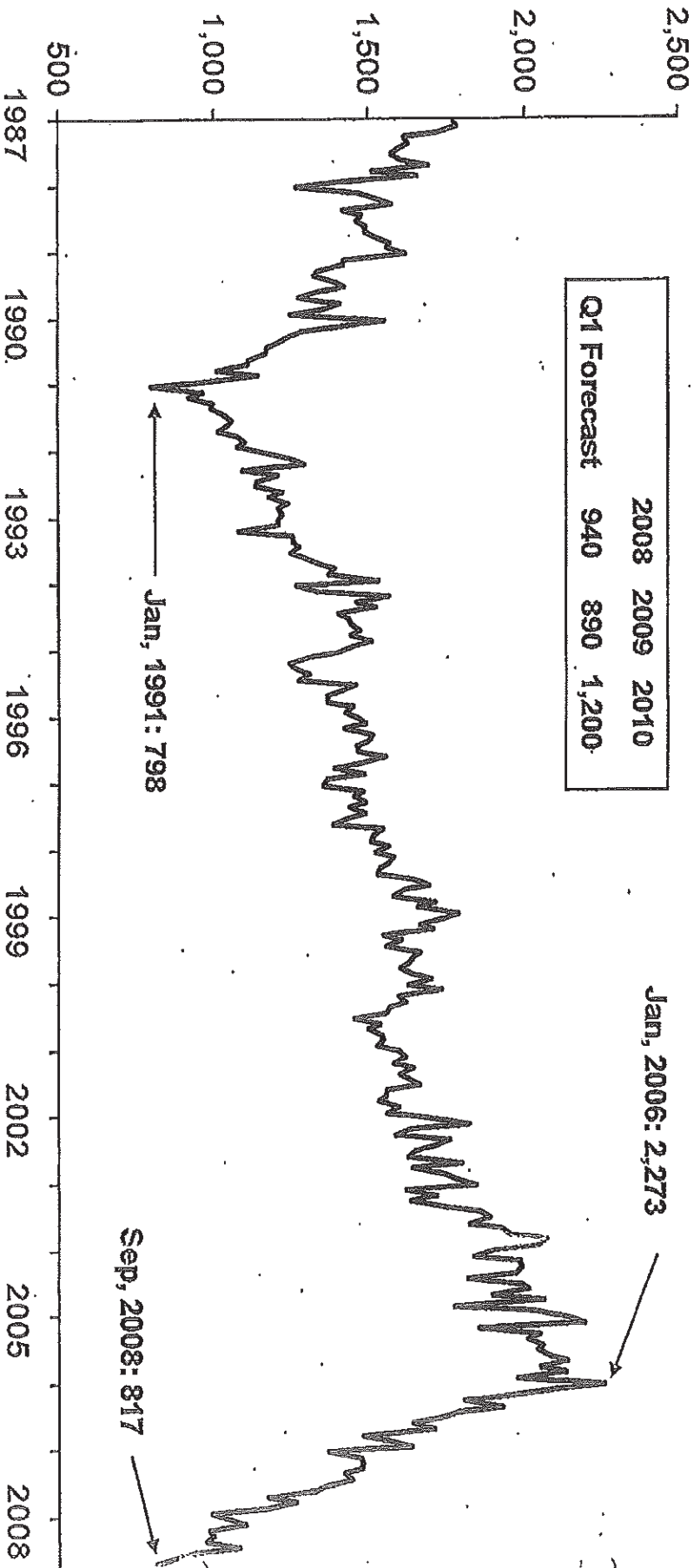
Source: Bureau of Labor Statistics

Prepared for the advice of Treasury Board

Slide 3

Pace of US housing starts still falling

US Housing Starts (000s; saar)

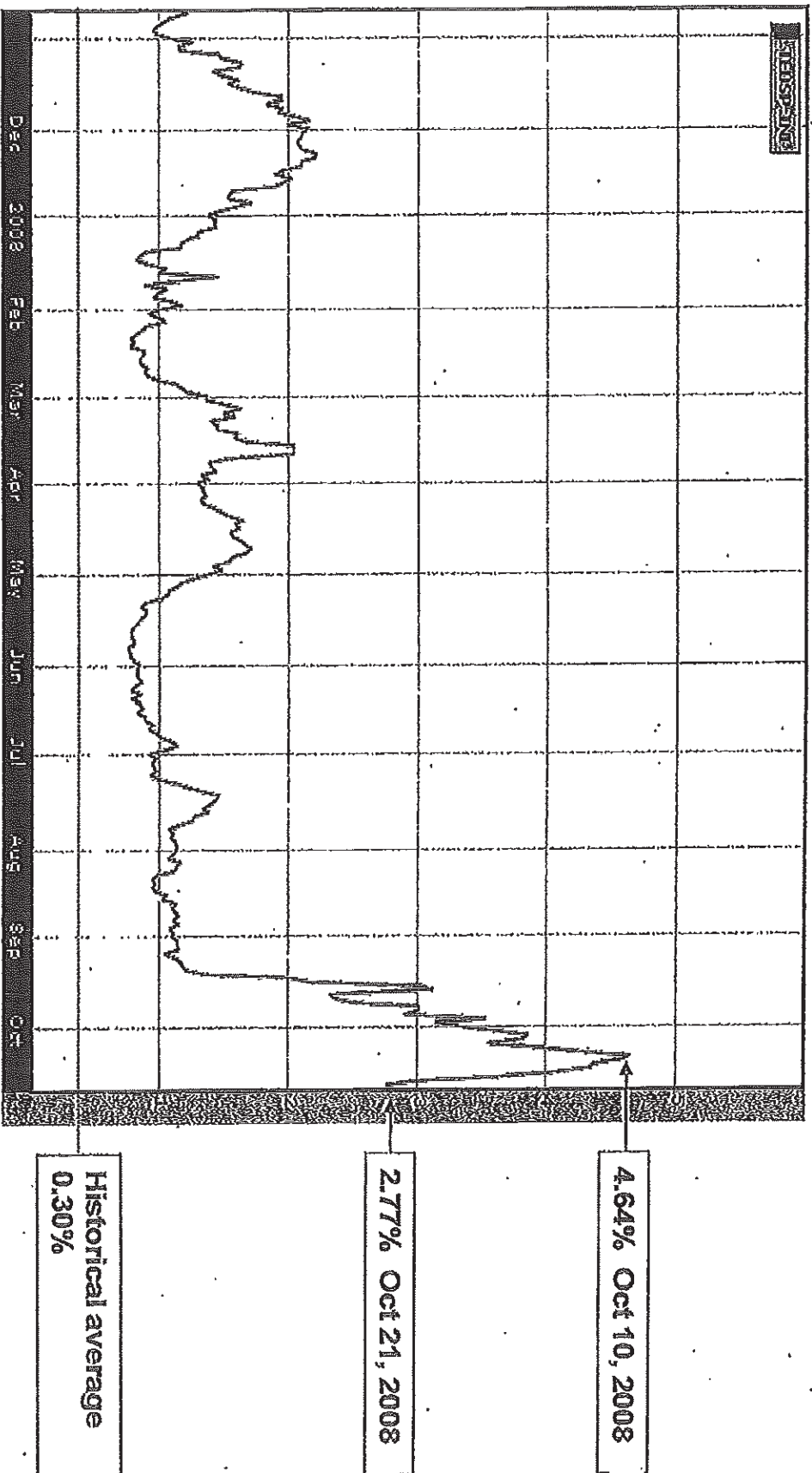


Source: Census Bureau

Prepared for the advice of Treasury Board

Slide 4

TED Spread credit risk recently hit record highs



Source: Bloomberg.

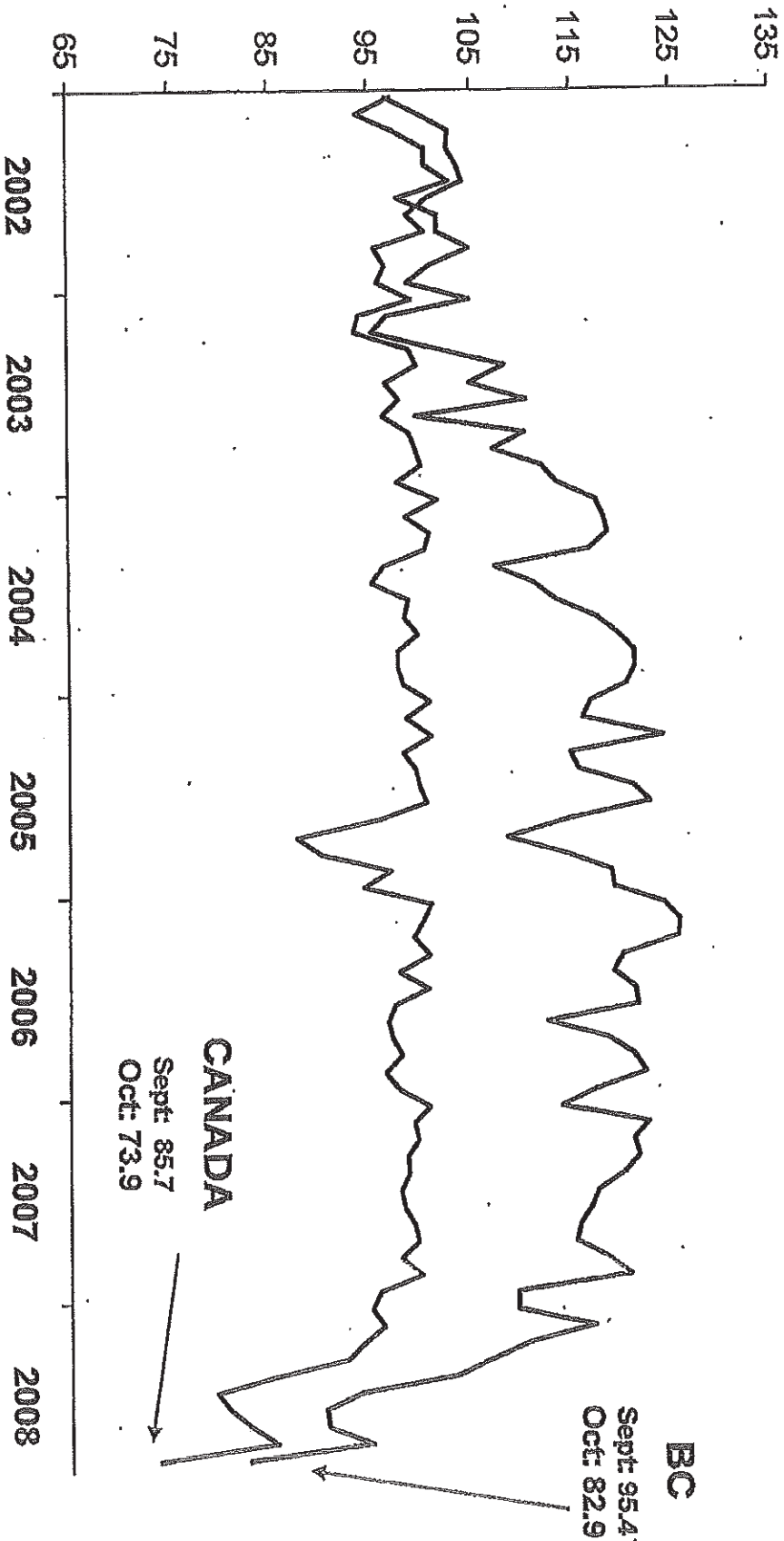
The TED spread is an indicator of perceived credit risk in the general economy. It is defined as the difference between the 3-month LIBOR and 3-month T-bill rate.

Prepared for the advice of Treasury Board

Slide 5

Consumer Confidence declines in BC and Canada

CB Consumer Confidence Index, 2002 = 100



Source: Conference Board of Canada

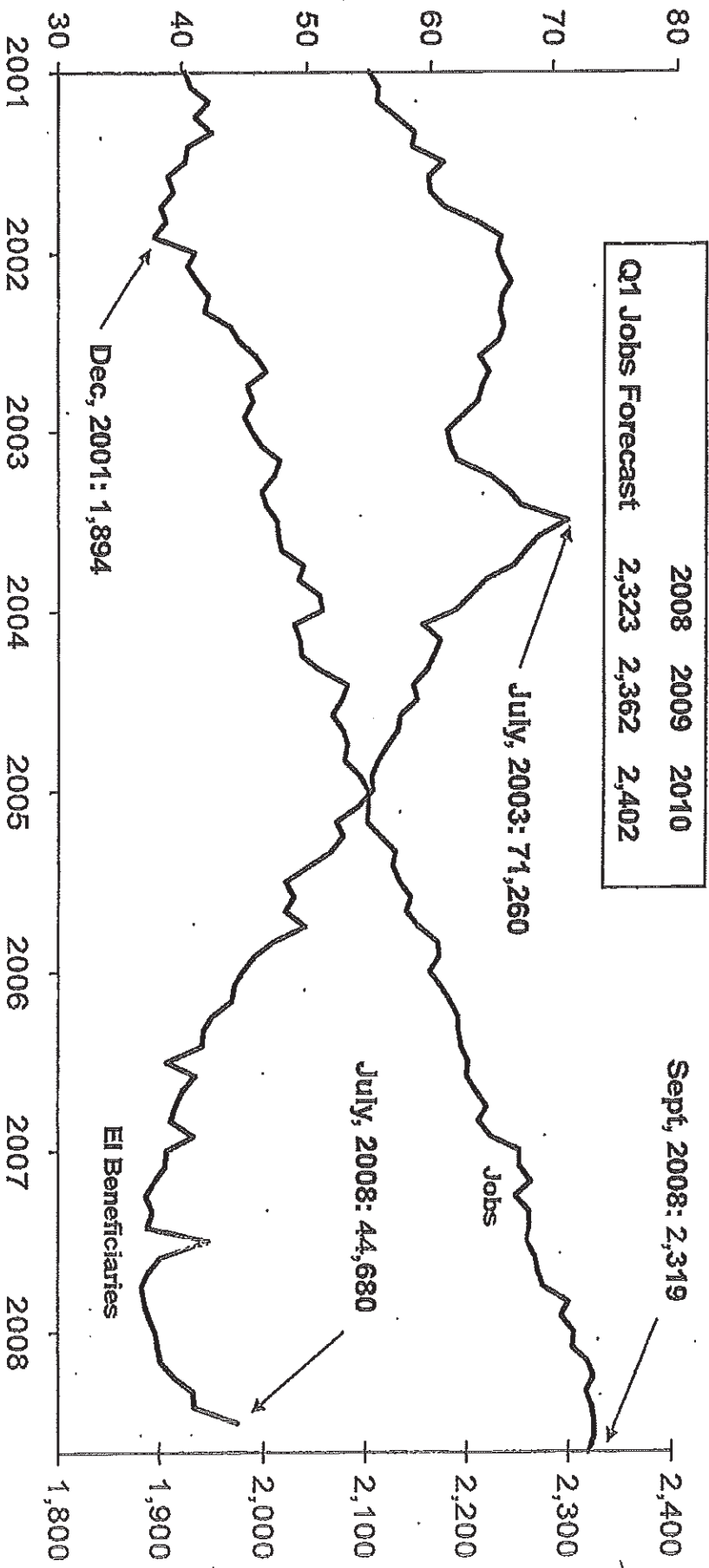
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Slide 6

BC EI beneficiaries starting to increase

Number receiving BC benefits (000s), sa

BC employment (000s), sa

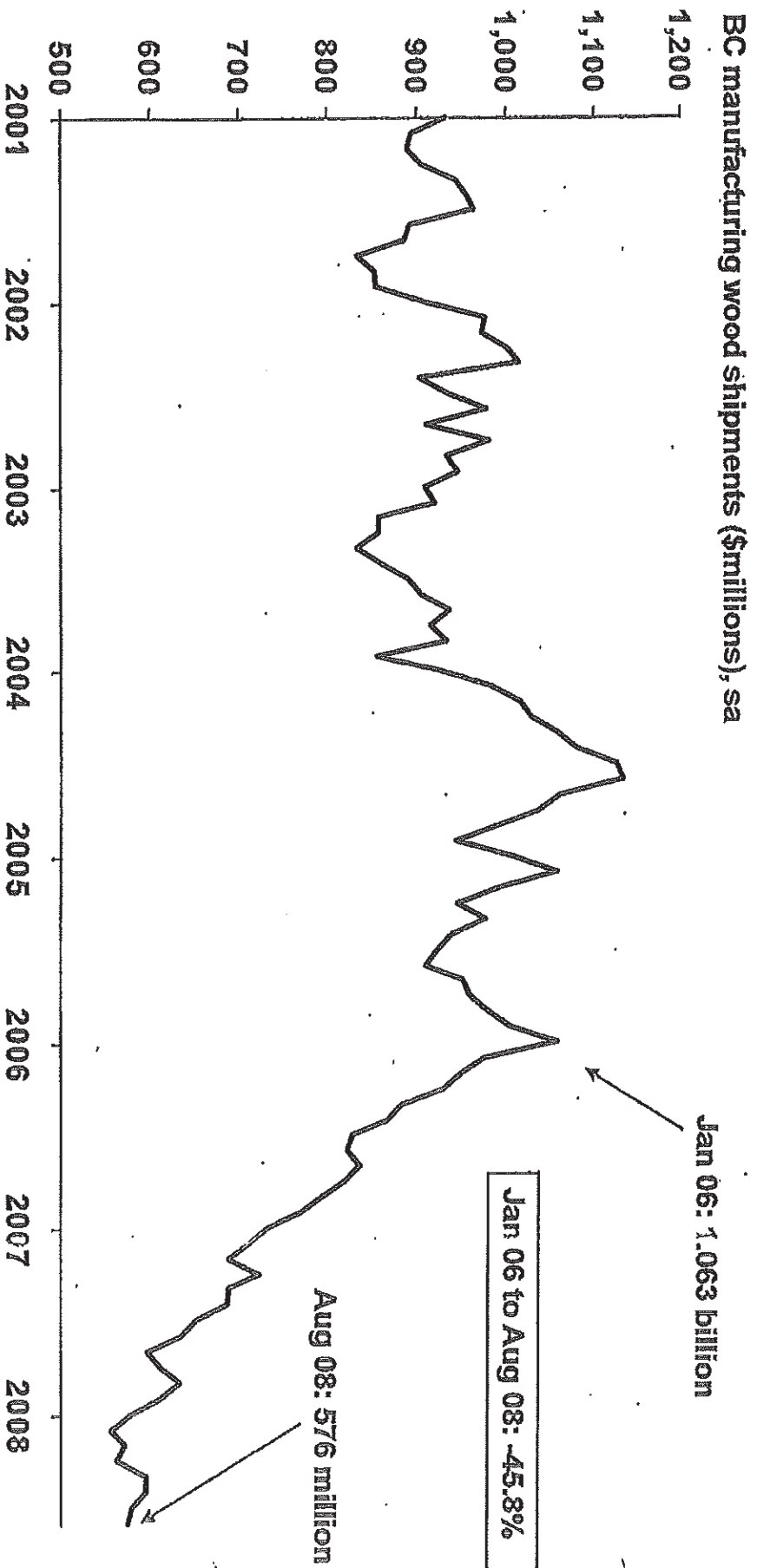


Source: Statistics Canada

Prepared for the advice of Treasury Board

Slide 7

BC wood manufacturing shipments continue downward trend

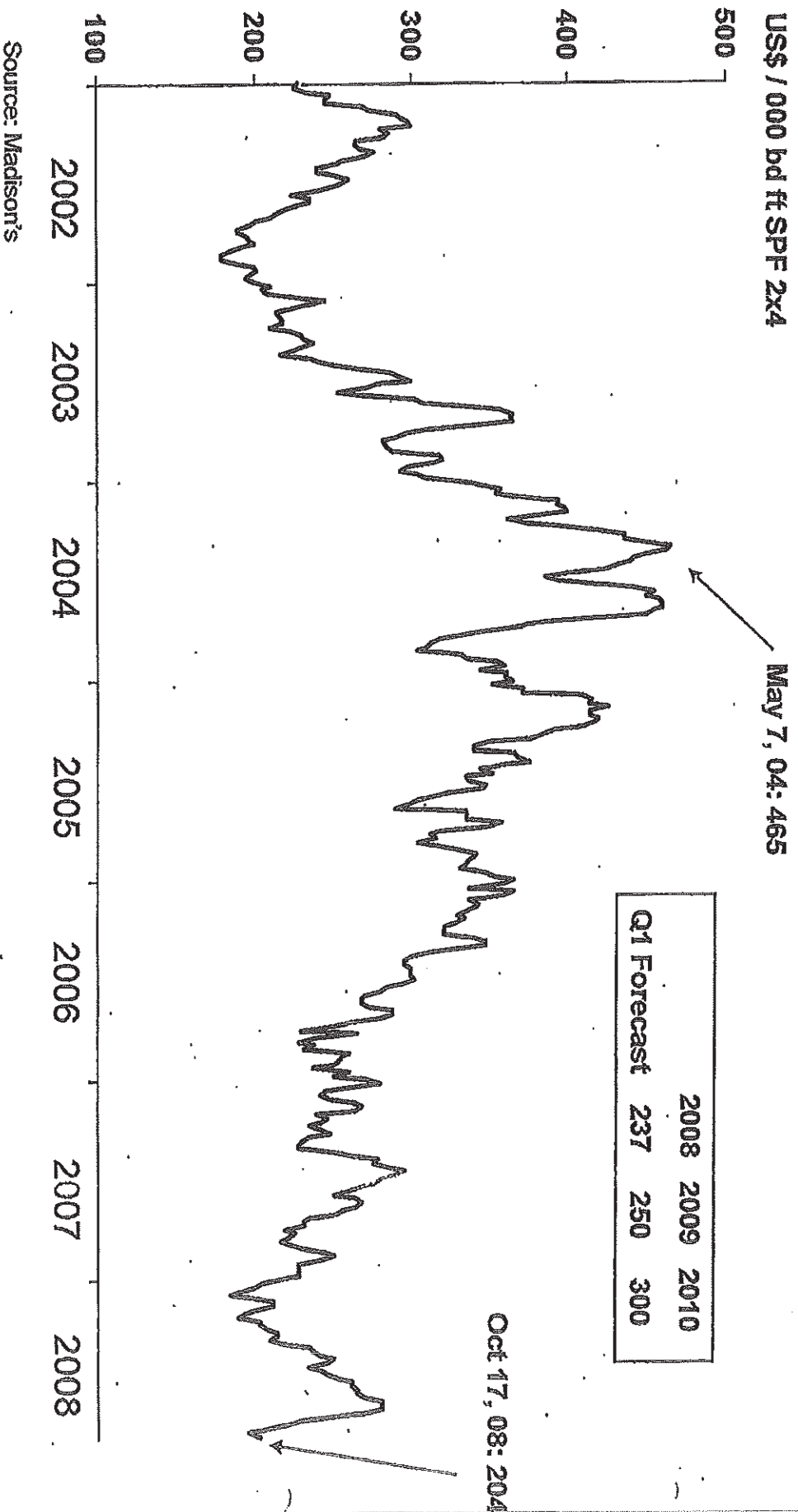


Source: Statistics Canada

Prepared for the advice of Treasury Board

Slide 8

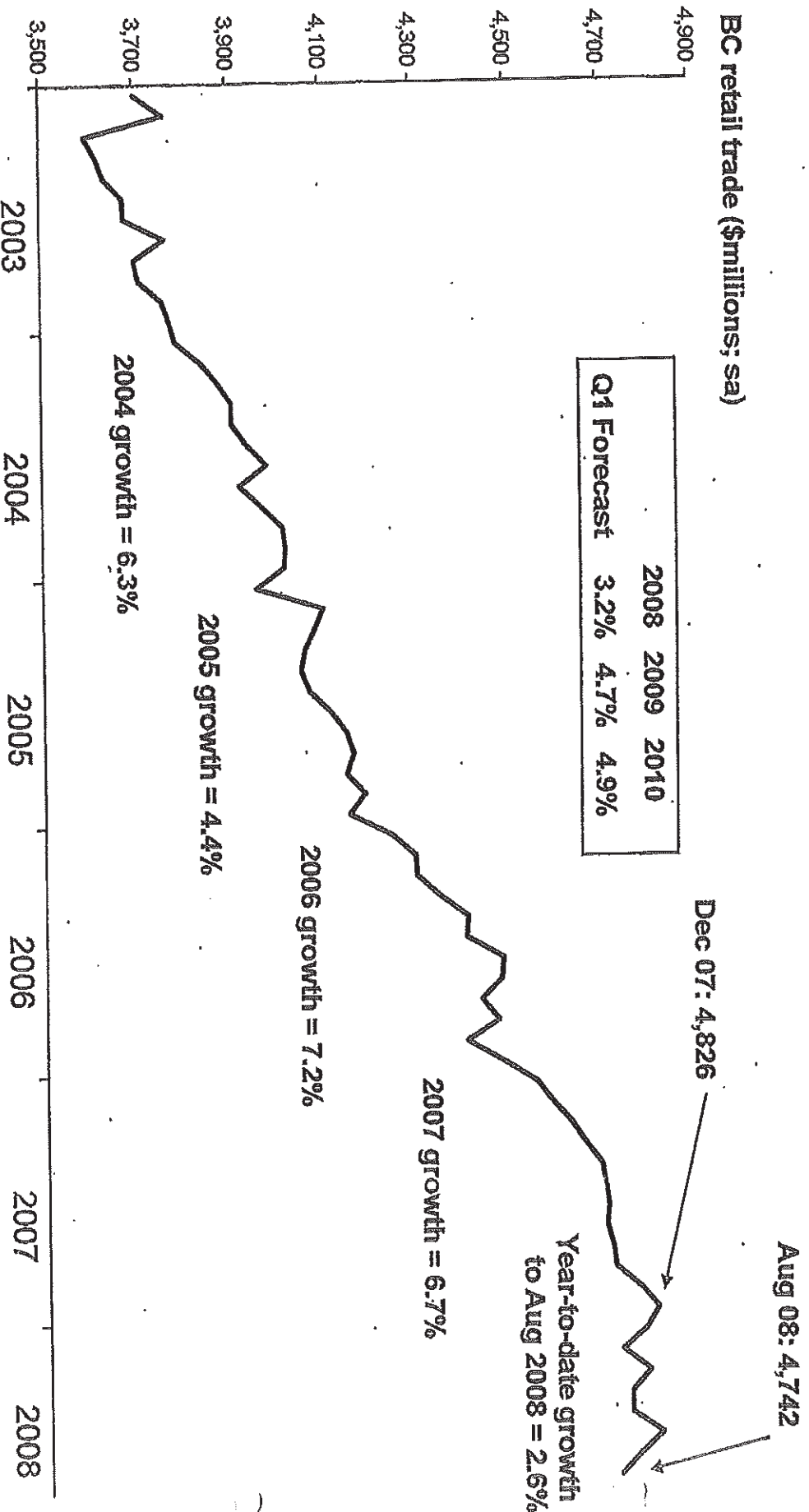
Lumber prices in decline



Slide 9

BC retail sales growth slowing

BC retail trade (\$millions; sa)

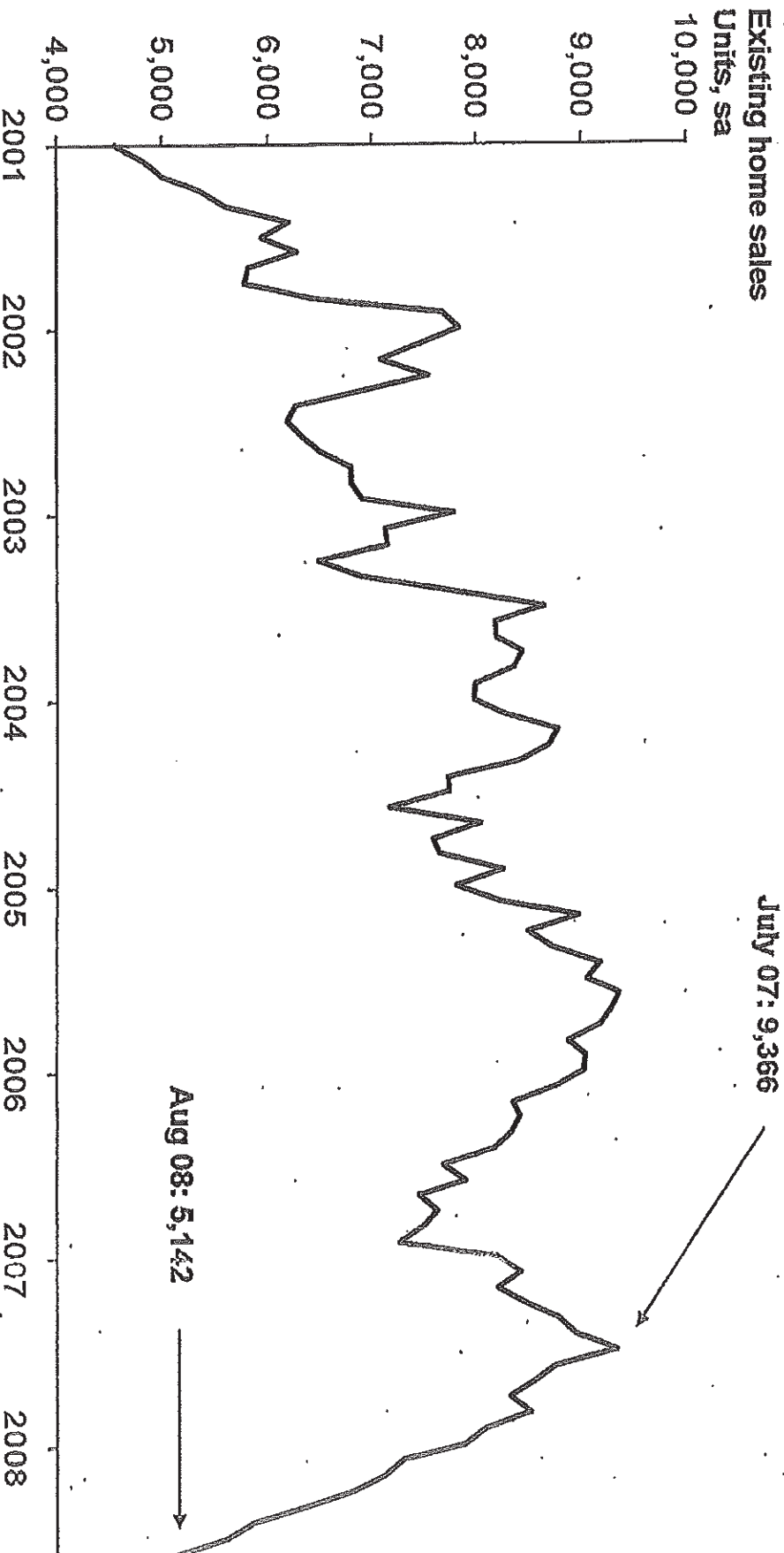


Source: Statistics Canada

Prepared for the advice of Treasury Board

Slide 10

BC housing market – home sales declining



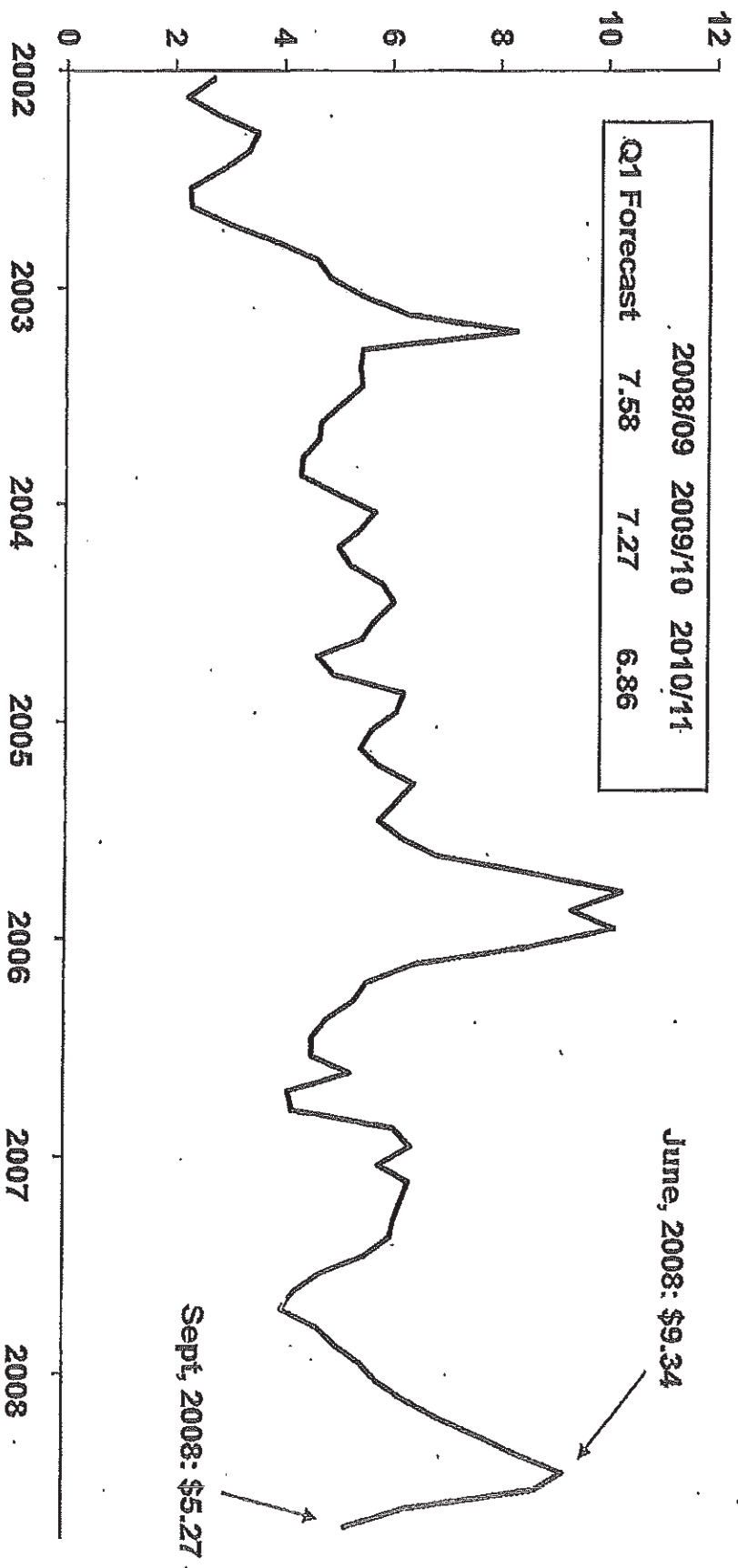
Source: MLS

Prepared for the advice of Treasury Board

Side 11

Natural gas prices falling

C\$/GJ – BC plant Inlet

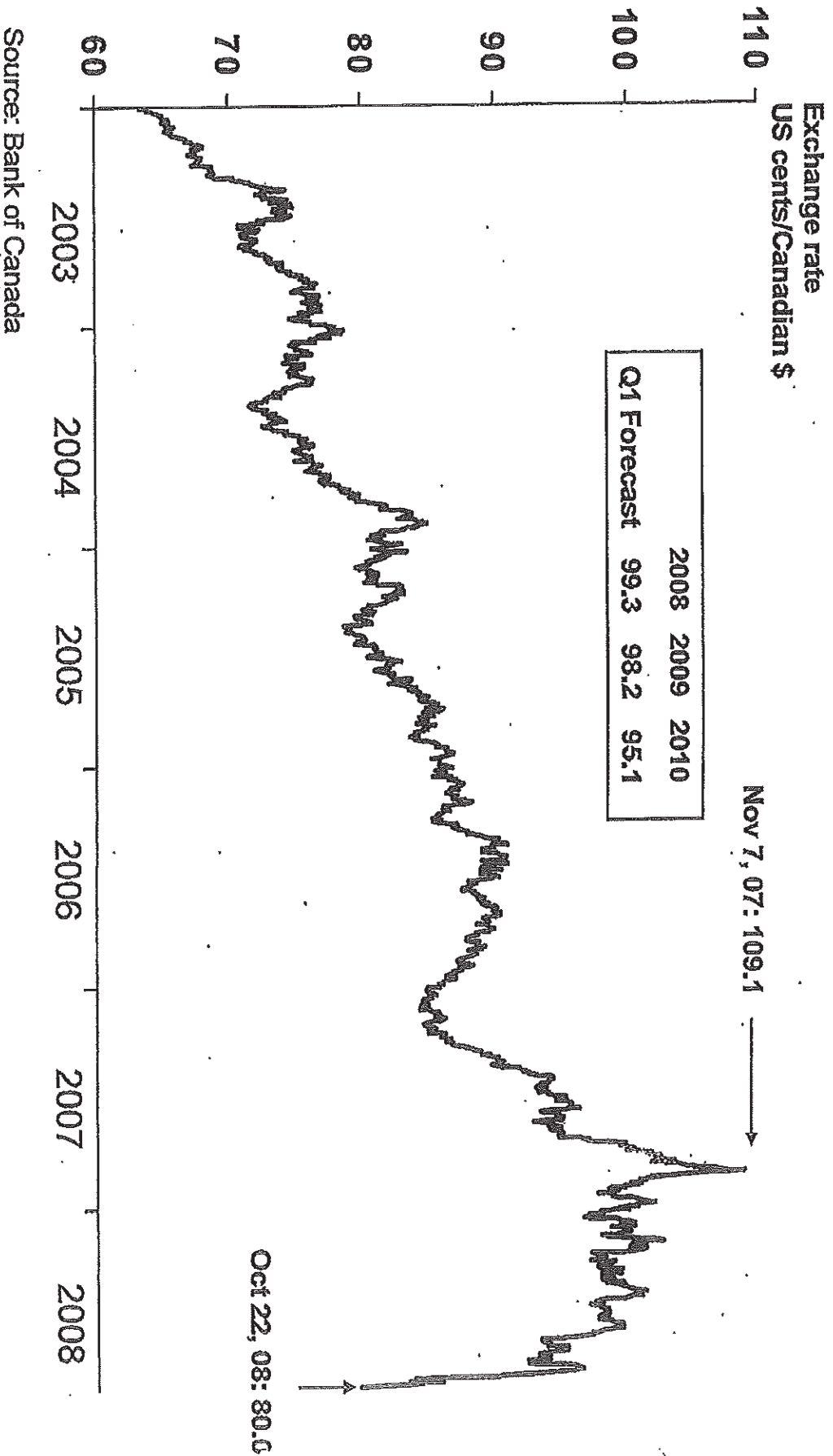


Source: Ministry of Energy, Mines and Petroleum Resources

Prepared for the advice of Treasury Board

Slide 12

Value of Canadian dollar falling



Prepared for the advice of Treasury Board

0/5

Slide 13

Monthly Finance Update

October 17, 2008

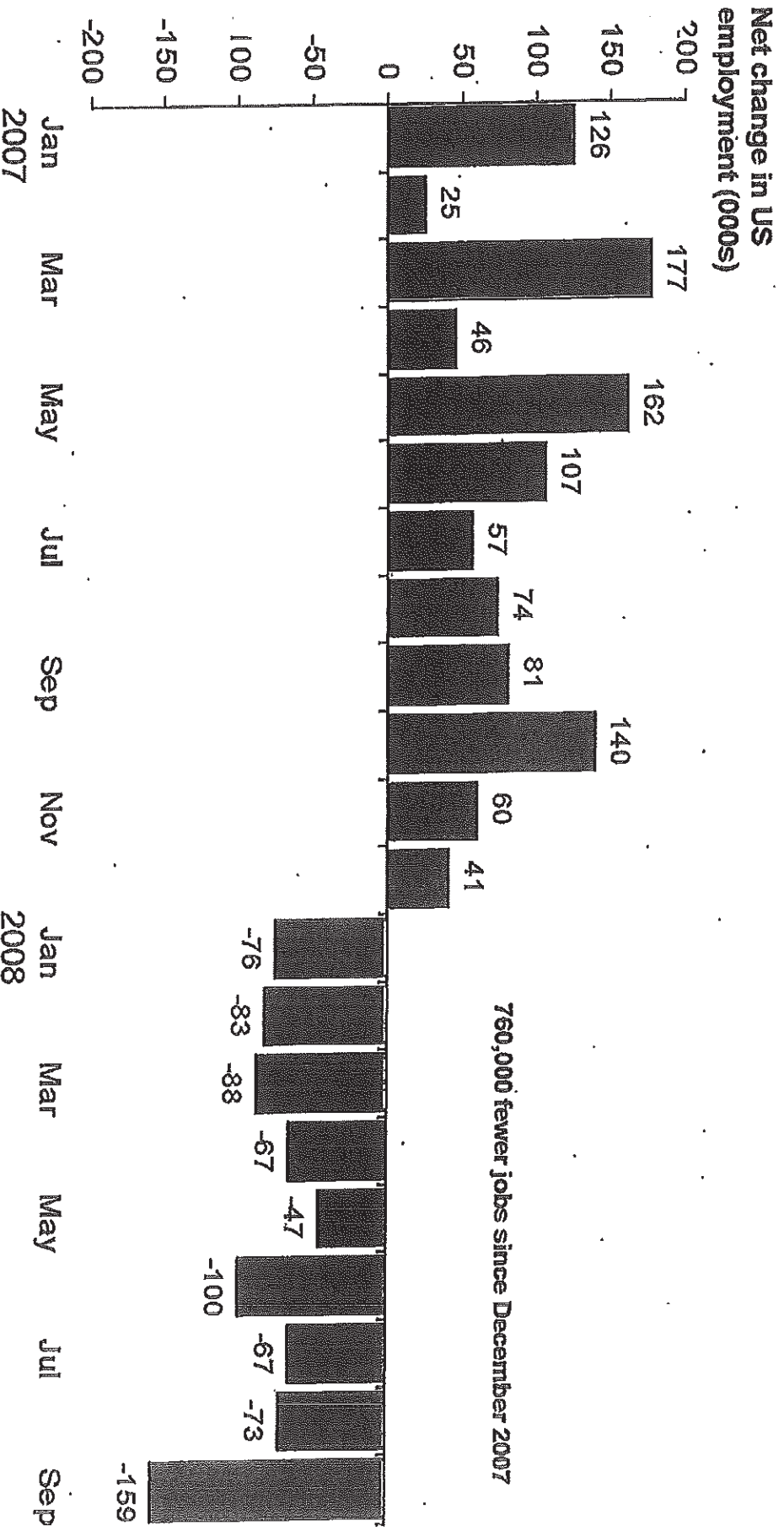


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Slide 1

US economy continues to shed jobs



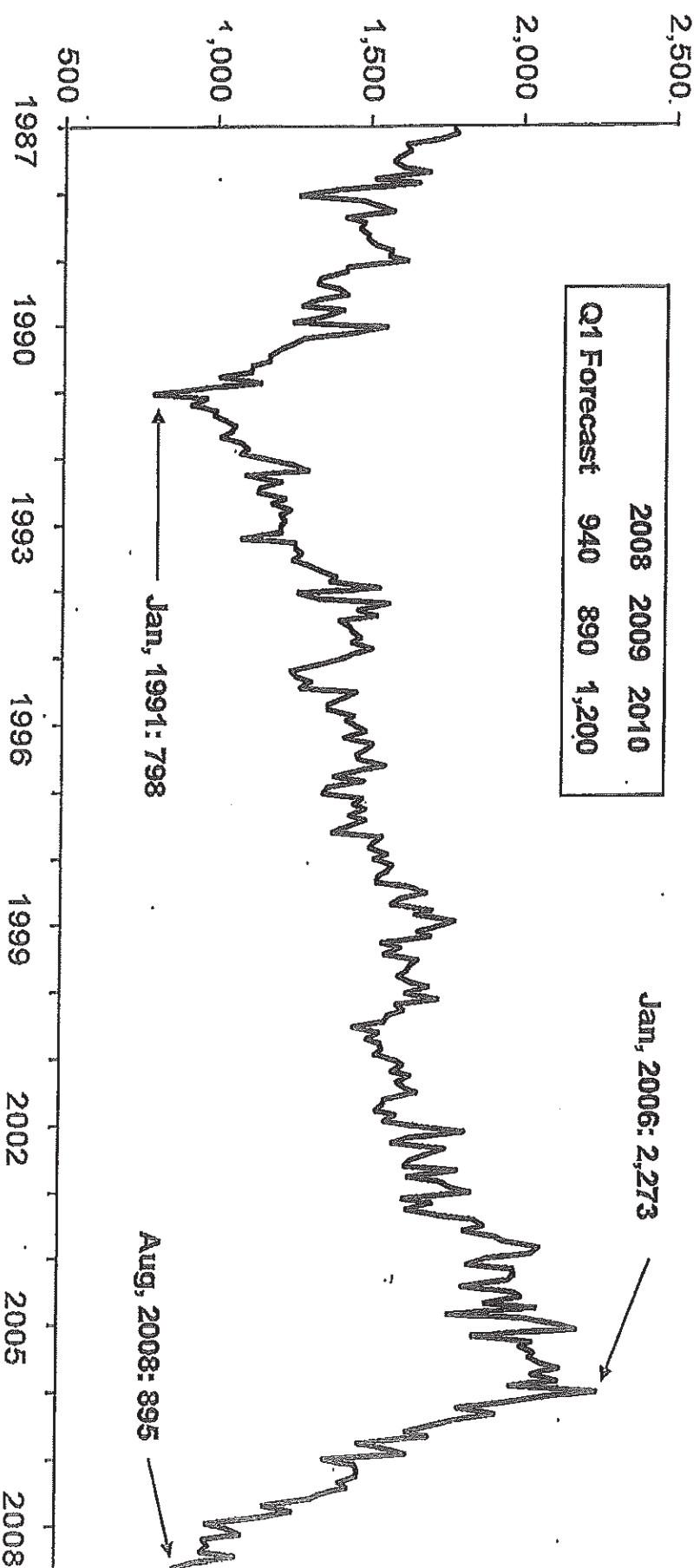
Source: Bureau of Labor Statistics

Prepared for the advice of the Minister of Finance

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US Housing Starts (000s; saar)

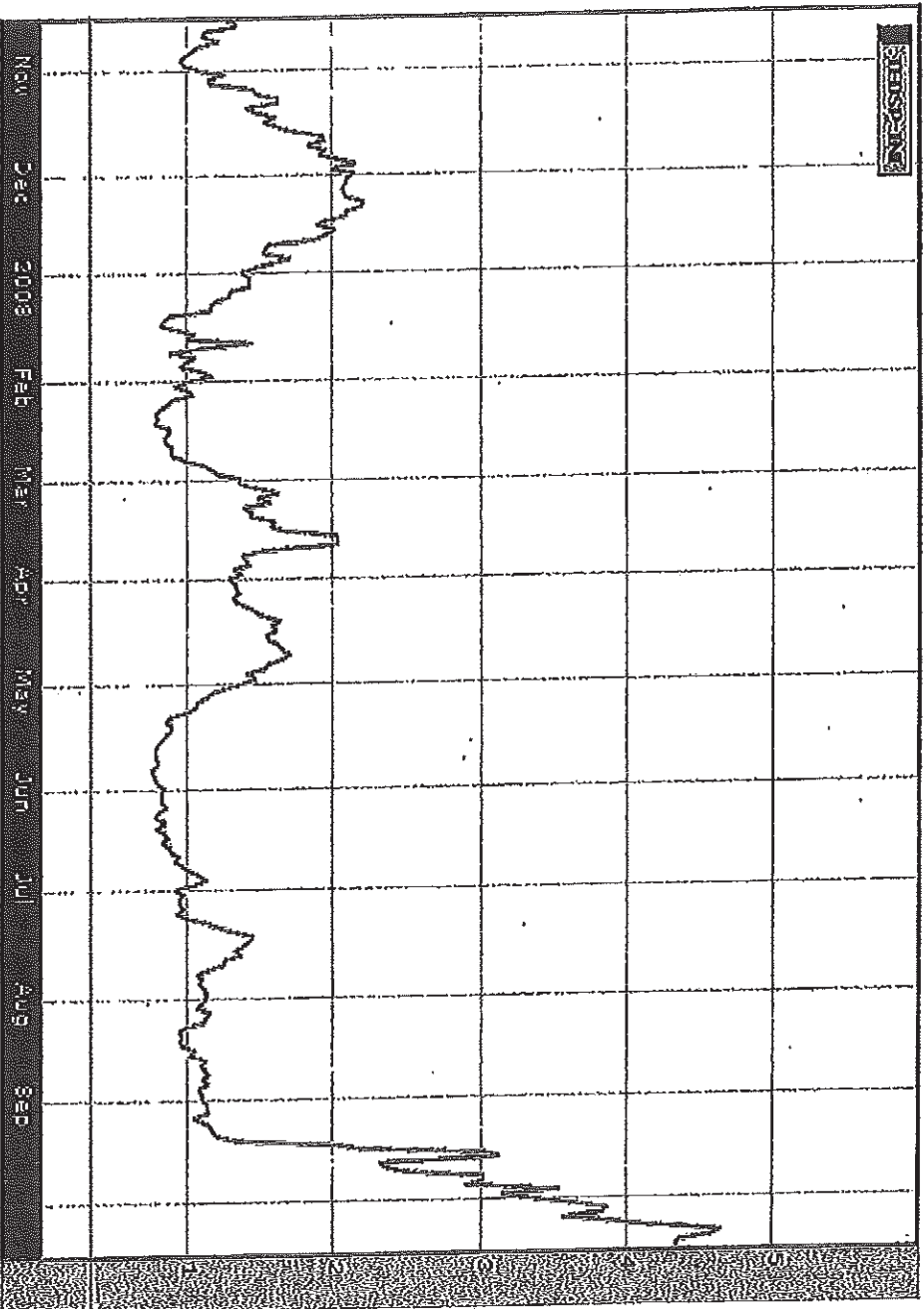


Source: Census Bureau

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Slide 5

TED Spread credit risk at record highs



4.34% Oct 15, 2008

**Historical average
0.30%**

Source: Bloomberg.

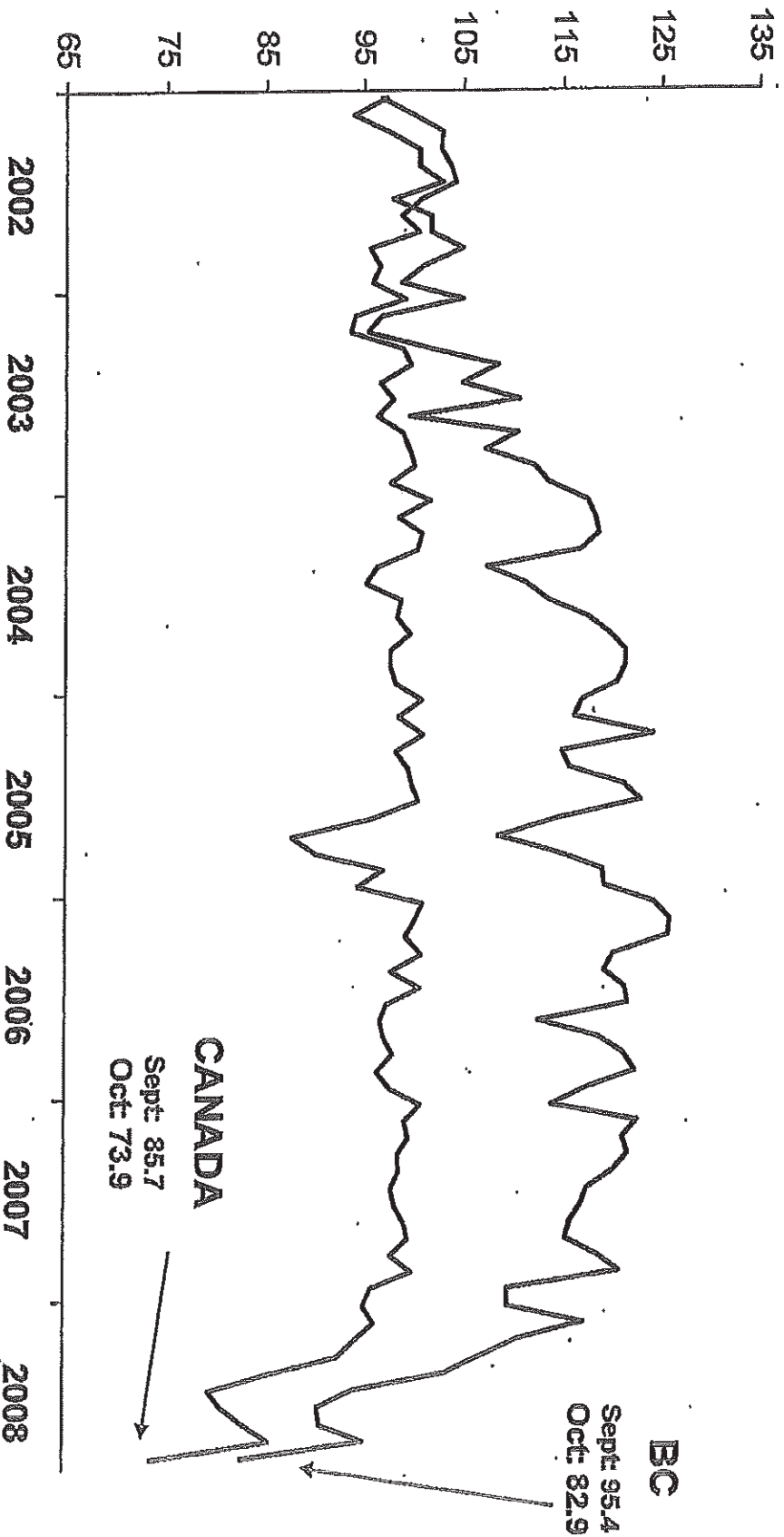
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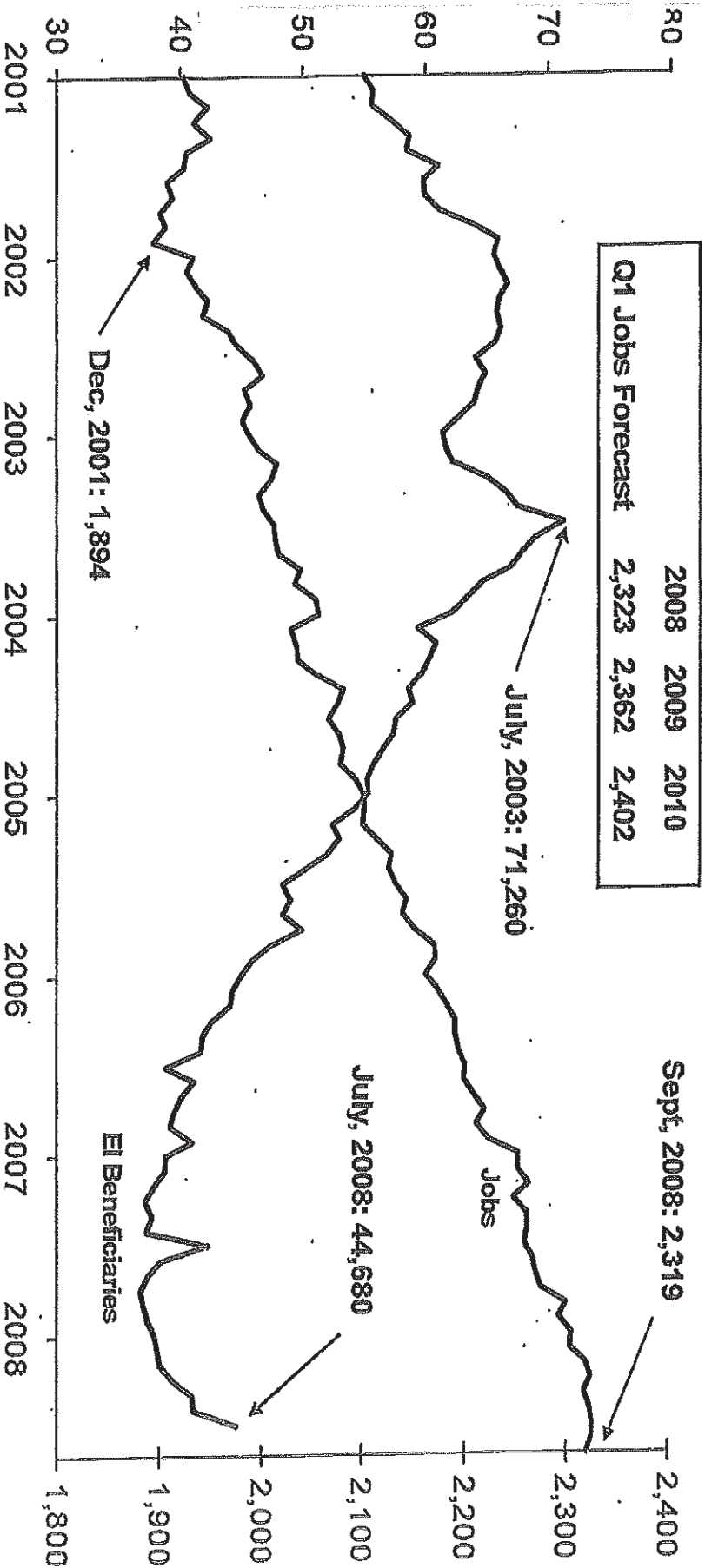
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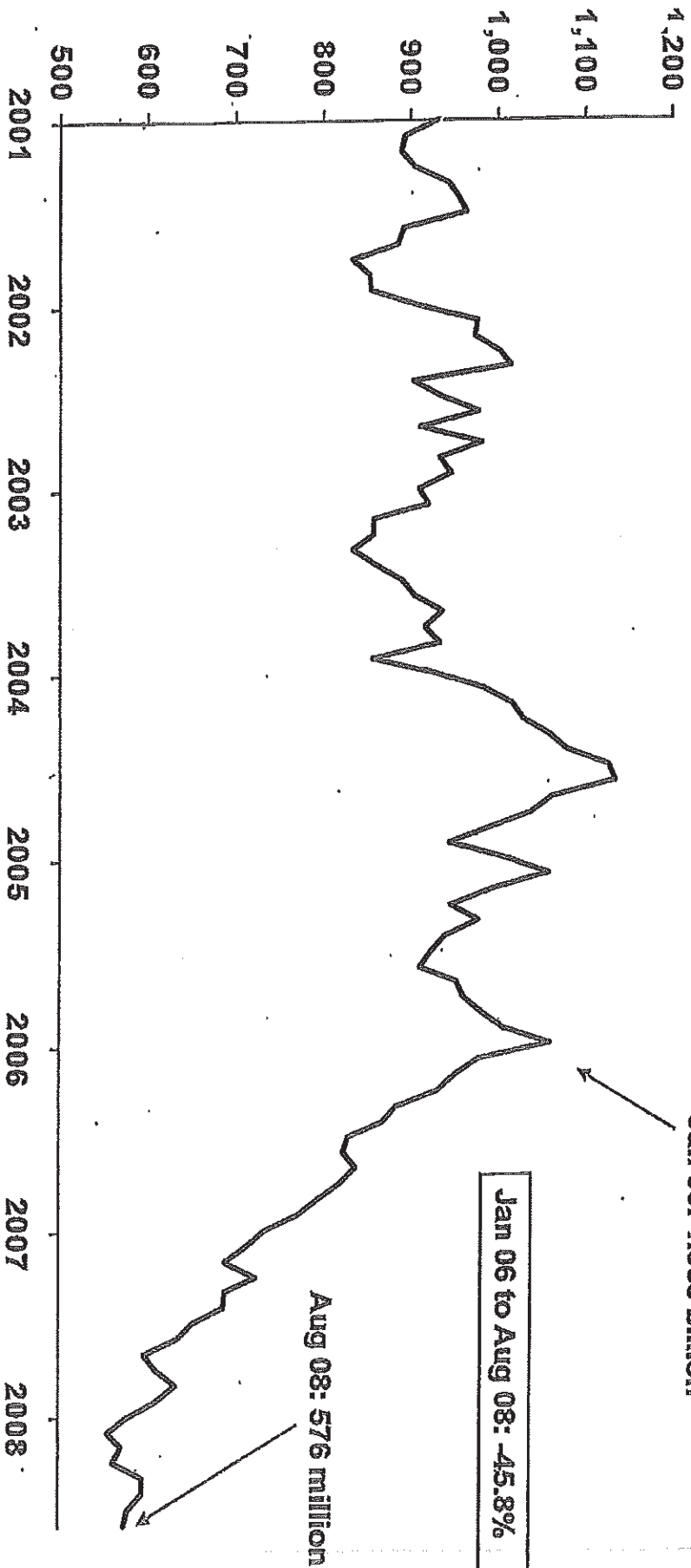
Source: Statistics Canada

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BC manufacturing wood shipments (\$millions), sa

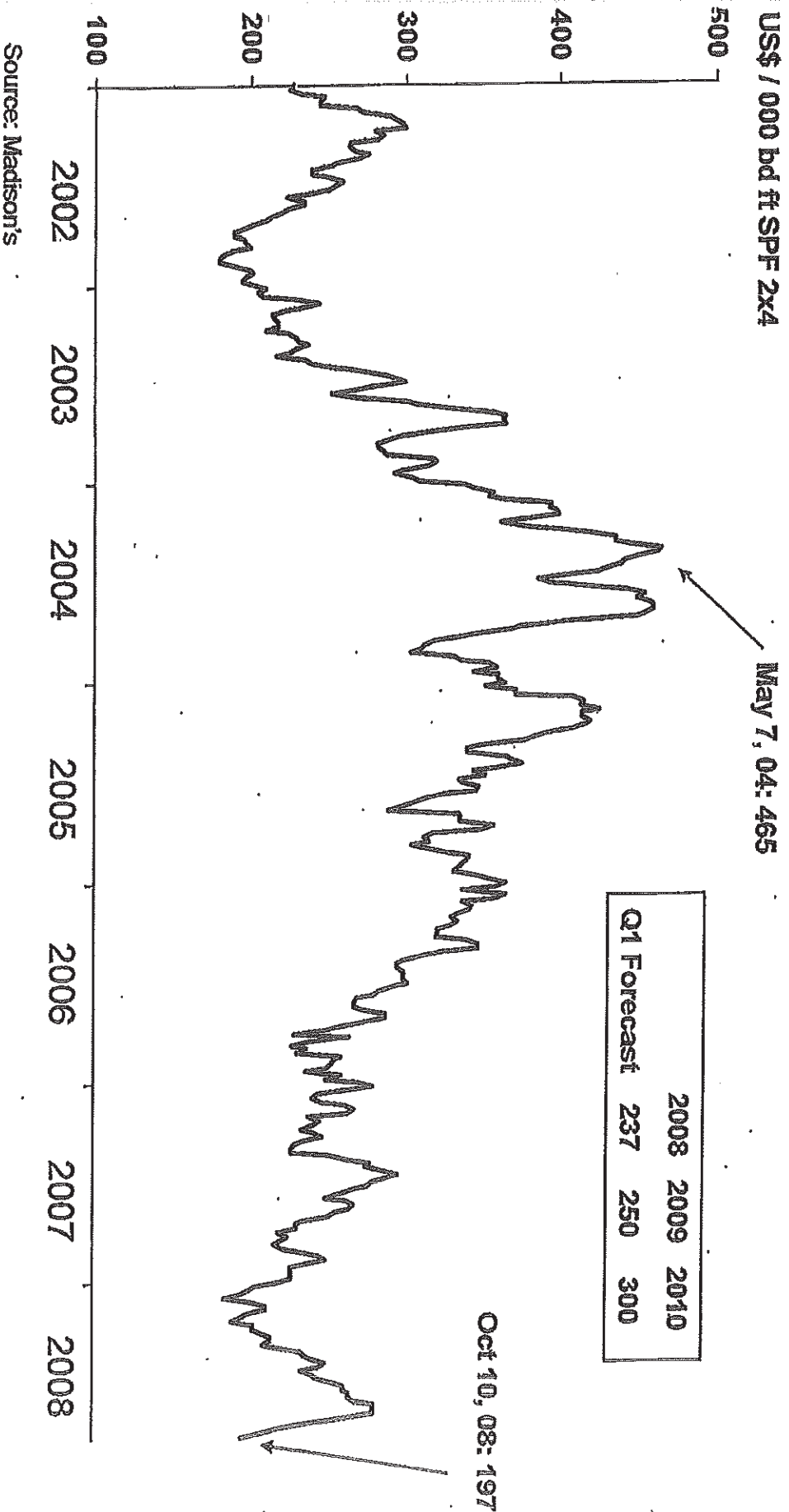


Source: Statistics Canada

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Lumber prices in decline

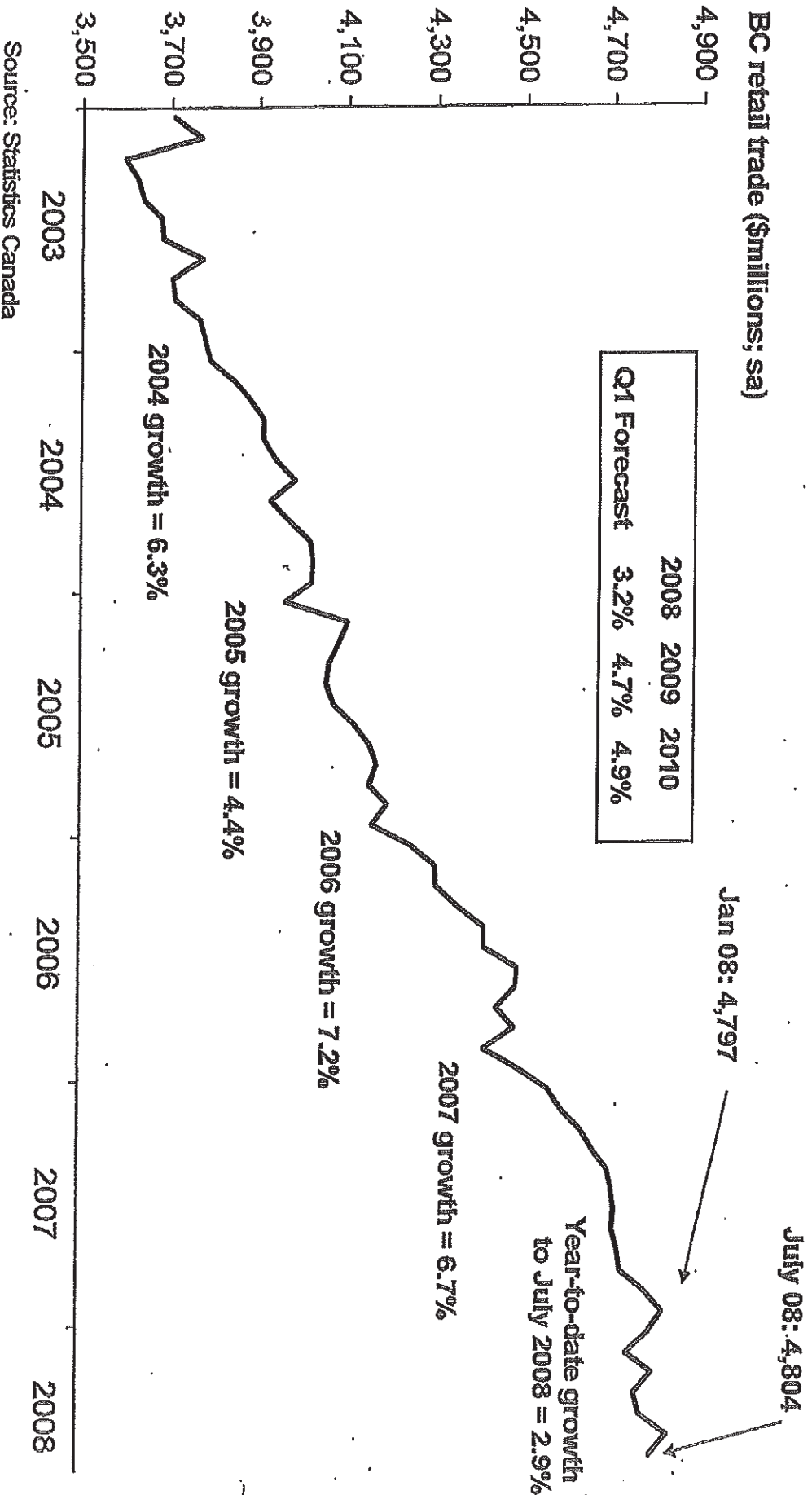


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BC retail sales growth slowing

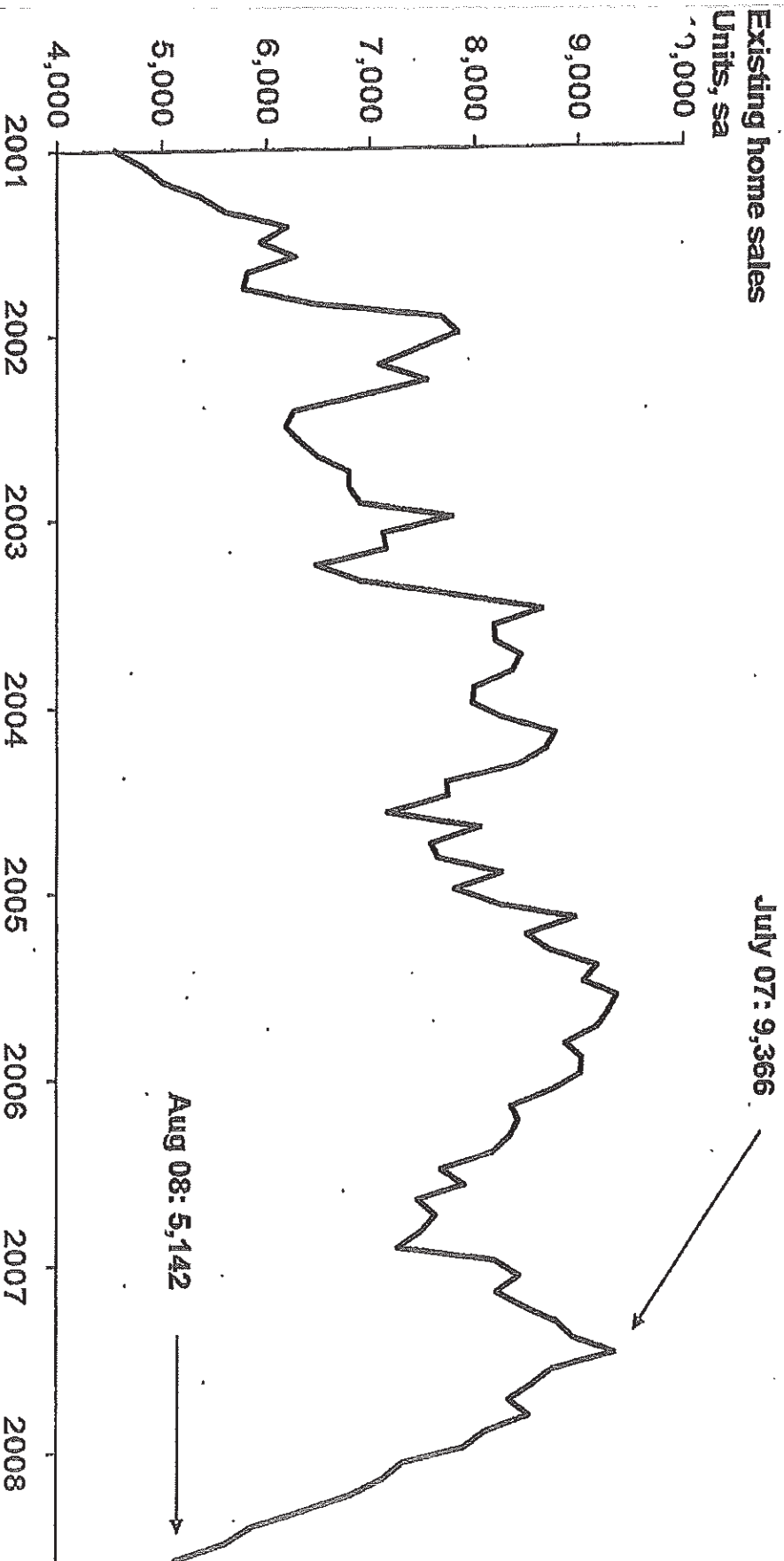
BC retail trade (\$millions; sa)



Prepared for the advice of the Minister of Finance

Slide 11

BC housing market – home sales plummeting



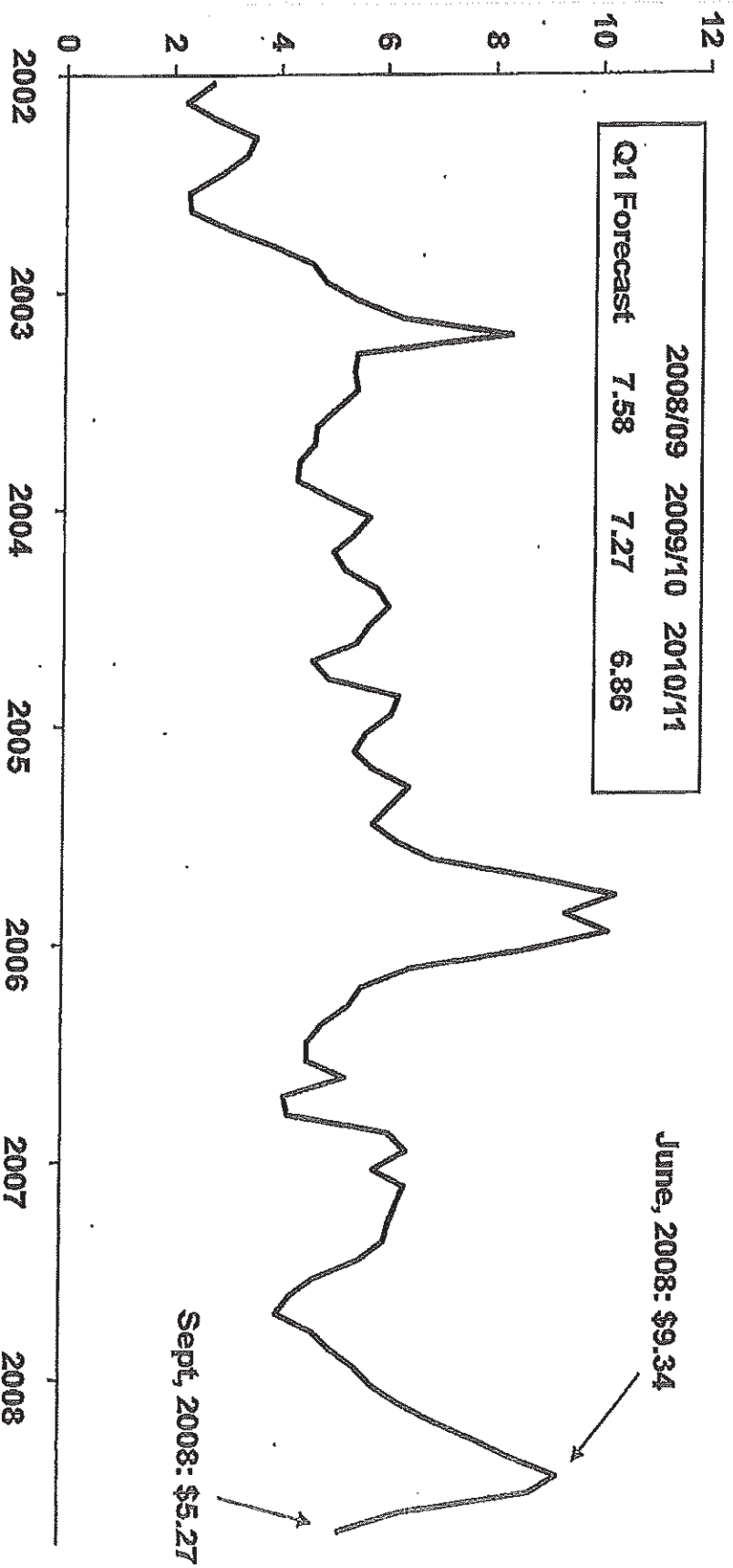
Source: MLS

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Natural gas prices falling

C\$/GJ Inlet to WEI

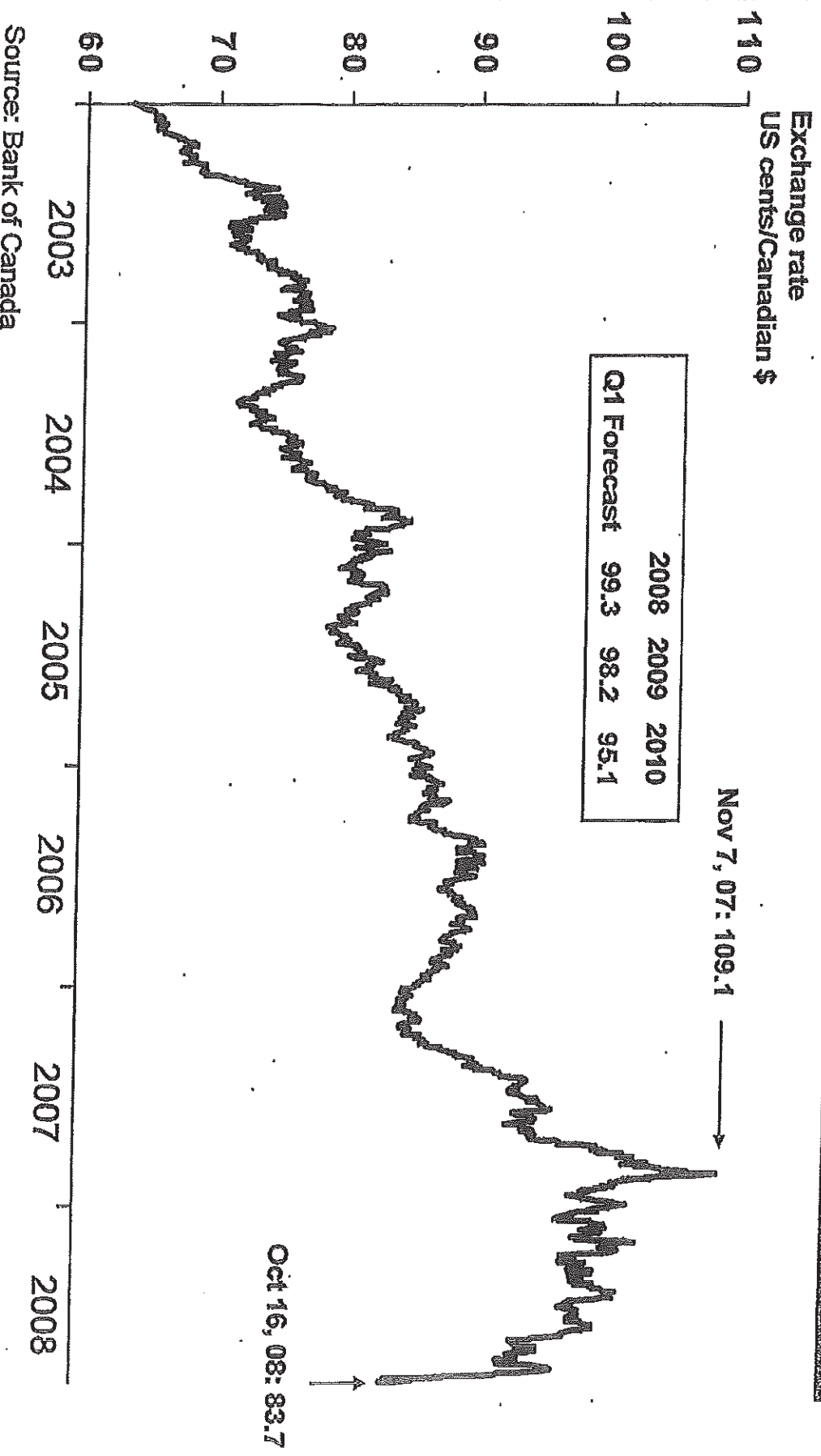


Source: Ministry of Energy, Mines and Petroleum Resources

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Slide 13

Value of Canadian dollar falling



Source: Bank of Canada

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