

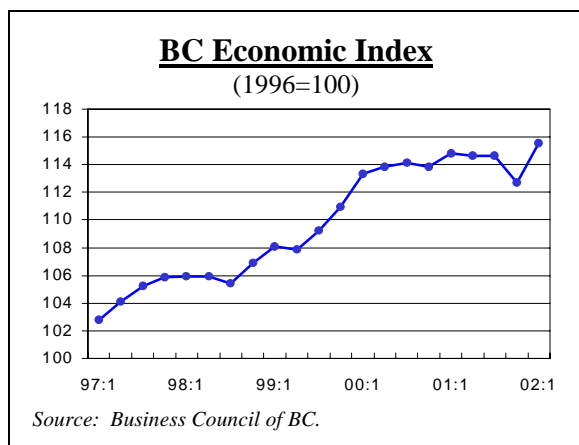


B.C. ECONOMIC INDEX

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BC ECONOMIC INDEX UP SHARPLY IN FIRST QUARTER

The Business Council's BC Economic Index registered a hefty 2.5% increase in the first quarter of 2002 compared to the final quarter of 2001. The gain follows a slight decrease in the first part of 2001 and a sizable 1.7% decrease in the fourth quarter of 2001, and suggests that the provincial economy turned the corner early in 2002.



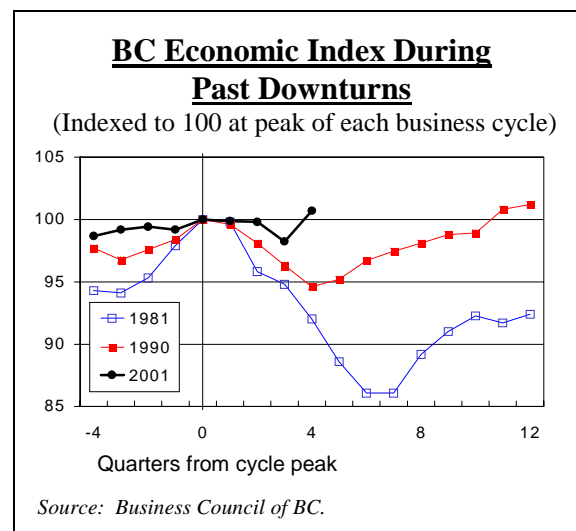
The index moved up to a level of 115.6, from 112.7 in the fourth quarter of 2001, which was sufficient to push it above the pre-downturn level of 114.8 recorded in the first quarter of 2001.

The fact that all the lost ground was regained in a single quarter confirms that the economic downturn in the province was relatively mild and the recovery, so far, has been comparatively strong.

The BC Economic Index is comprised of seven individual series that measure different aspects of the provincial economy. The selected series are well correlated with changes in economic activity and, when combined, closely track real GDP. The methodology used to build the index is the same as the well-known US composite

indexes, originally developed by the Bureau of Economic Analysis and now updated and maintained by the Conference Board. Essentially, percent changes for each of the different series are combined into a single series, which is then converted into an index with a base year of 1996.

Five of the seven components contributed to the recent overall increase in the index. Employment, retail sales, single family housing starts and the Canadian leading indicator have all made strong gains in recent months, and some recovery in international travel has also contributed to the gain. The areas of weakness are non-residential building permits and manufacturing shipments.



Jock Finlayson
Executive Vice President
jockf@bcbc.com

Ken Peacock,
Senior Policy Analyst
kpeacock@bcbc.com