

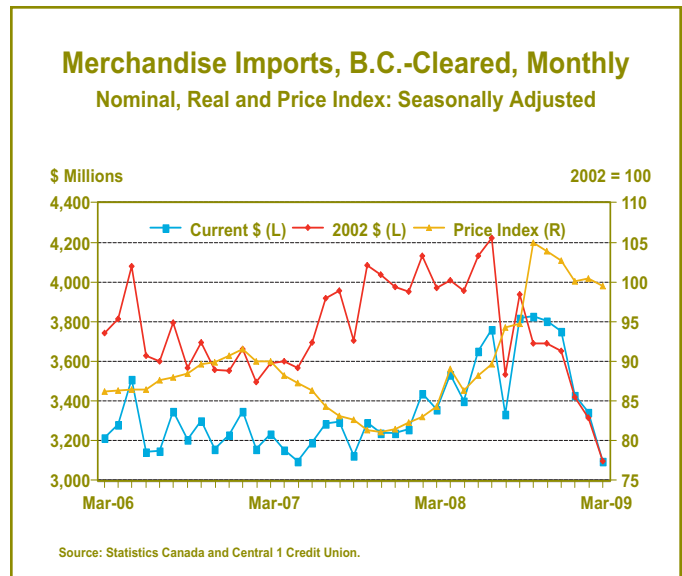
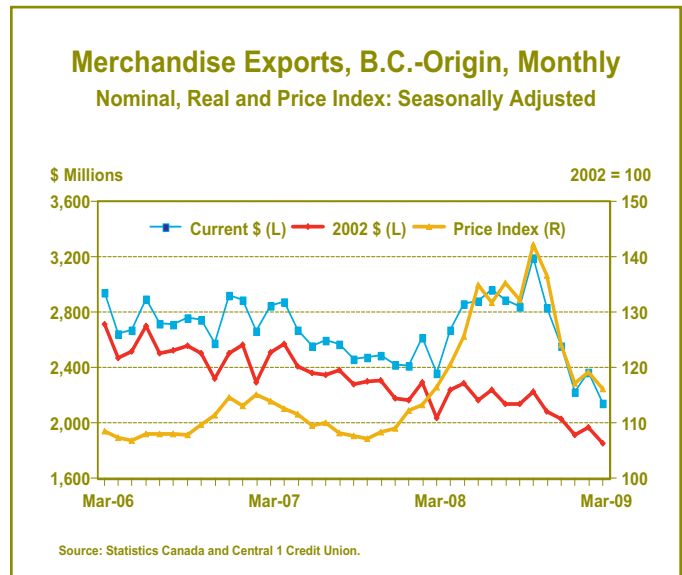
Economic indicators released this past week show the recession continued in March and April. In the United States, retail sales fell 0.4% in April after declining 1.3% in March. Sales are down 16.3% in the past year. Industrial output in the U.S. dropped 0.5% in April after slipping 1.7% in March, and is down 12.5% in the past year. The industrial capacity utilization declined to an all-time low of 69.1% in April. In Canada, the number of new motor vehicles sold rose 6.3% in March, with all provinces seeing an increase.

The global recession continues to materially lower **international merchandise trade** flows with British Columbia. The current dollar value of both imports and exports declined in March, largely due to lower quantities. Imports declined more than exports, narrowing B.C.'s international merchandise trade deficit from \$937 million in February to \$920 million in March, seasonally adjusted.

Exports of B.C.-origin goods fell \$225 million (-9.5%) in March, month-over-month, seasonally adjusted. Energy products led the decline, followed by forest products, non-automotive machinery/equipment and agriculture/food products. Industrial goods/materials and automobile parts/equipment increased. Since peaking in October 2008, monthly exports have fallen more than \$1 billion (33%), largely due to declines in energy, forest, industrial, machinery and equipment products.

Imports of B.C.-destined goods fell \$248 million (7.4%) in March, seasonally adjusted. Energy products led the decline, followed by machinery/equipment and automobiles/parts. Industrial goods/materials and agriculture/food products were up. Since peaking in October 2008, monthly imports have fallen more than \$732 million (19%), largely due to declines in energy, automobile/parts, machinery/equipment and industrial products.

The aggregate price of B.C.'s merchandise exports peaked in October last year and has since fallen by 18.4%, seasonally adjusted. Declines were led by energy



and industrial products. The aggregate price of B.C.'s merchandise imports also peaked in October 2008 and has since declined 5.2%, seasonally adjusted. Declines were largely due to energy prices, which more than offset notable price increases for consumer, machinery/equipment and agriculture/food products. B.C.'s international terms of merchandise trade have declined since peaking in July 2008, as export prices have fallen by more than import prices.



Central 1 Credit Union forecasts that the current dollar value of B.C.-origin exports, including goods, services, international and interprovincial, will decline by about 5% in 2009, year-over-year. Overall imports are forecast to decline by about 2% this year. The net result will be an increase B.C.'s overall trade deficit.

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