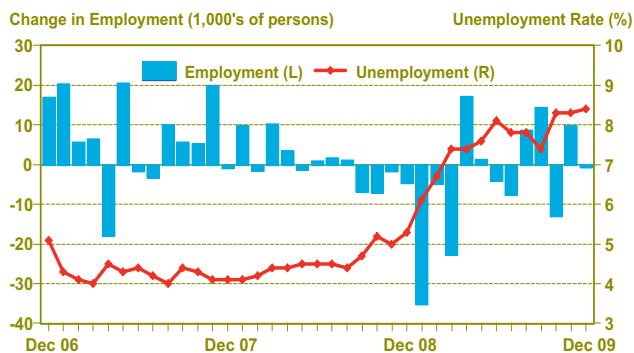


Labour Market, British Columbia Monthly, Seasonally Adjusted



Source: Statistics Canada.

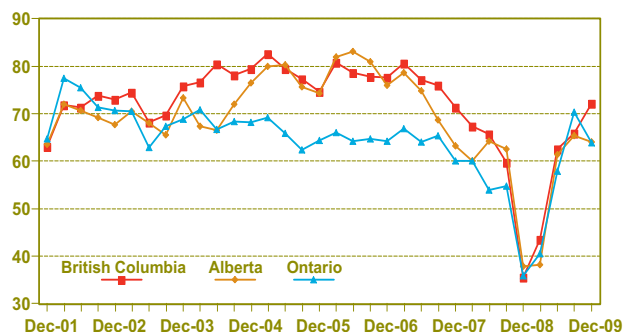
This week's economic indicators suggest current conditions in B.C. are tepid. Overall labour market conditions were much the same in December, while small business confidence increased in the fourth quarter.

B.C.'s overall **labour market** indicators were little changed in December, according to the latest seasonally adjusted estimates from Statistics Canada. Total employment edged down by an insignificant 700 workers, while the unemployment rate inched up from 8.3% to 8.4% of the labour force.

The labour force of younger workers aged 15 to 24 years probably shrank a bit in December. Meanwhile, the labour force and full-time employment among men aged 25 years and over likely increased and unemployment rose among women aged 25 years and over. The public sector had a net gain in employees in December, while employment declined in the private sector.

Industry-wise, the only significant job growth in December was in professional and technical services, while the only significant decline was in miscellaneous services.

Business Barometer Index* Selected Provinces, Quarterly



Source: Canadian Federation of Independent Business.
* Index readings over 65 indicate a growing economy.

Regionally, job growth has lately been concentrated in the Thompson-Okanagan, Kootenay and Vancouver Island regions. In contrast, recent job declines have been concentrated in the Cariboo and North Coast regions.

Central 1 Credit Union expects labour market conditions to improve over the next few years, although short-term declines remain possible. The average level of employment fell 2.4% in 2009, year-over-year, but is forecast to rise 1.8% this year and 2.5% in 2011. Meanwhile, the unemployment rate averaged 7.6% in 2009 and is forecast to average 7.5% this year and 7% in 2011.

Confidence among owners of B.C.'s small and medium businesses increased in the fourth quarter of 2009, according to the latest Business Barometer Index (BBI) from the Canadian Federation of Independent Business (CFIB). The index indicates that B.C.'s economy likely grew in the fourth quarter following six consecutive quarters of stalled or negative growth. Business confidence in B.C. pulled away from other large provincial economies where confidence fell in the fourth quarter, possibly due to the approaching Winter Olympic Games.



Half of B.C.'s small/medium business owners rated fourth quarter conditions as satisfactory, while three in 10 rated conditions good and two in 10 rated conditions bad. The dominant business constraint was insufficient domestic demand. Half of owners are concerned with the costs of taxes, regulations, energy, banking and insurance. Two-thirds of owners plan no change in employment over the next several months, while one in 10 plans to add workers and two in 10 plan to cut employment. Two-thirds of owners have all or most of the business credit they require.

Central 1 Credit Union forecast B.C.'s economy will grow in 2010 and recover to pre-recession levels in 2011. The household sector drives most of the forecast growth, while international trade lags behind recovery under a rising currency. Meanwhile, business investment spending continues to decline in 2010.

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