

Highlights

- Wholesale trade posted strong growth in the month
- Tourist visits increased in the first quarter of 2018
- EI regular beneficiary claims dropped in March for second consecutive month

Wholesale trade increased by 2.5 per cent higher than the national rate of 1.1 per cent

Seasonally-adjusted wholesale trade posted the highest month-over-month growth in March since January 2017. Wholesale trade increased in March by 2.5 per cent and a healthy six per cent year-over-year to \$32.8 billion, pointing to momentum in the economy. Wholesale trade in Canada increased by 1.1 per cent, largely due to growth in Ontario and a gain in Saskatchewan. All other regions posted wholesale trade declines in the month.

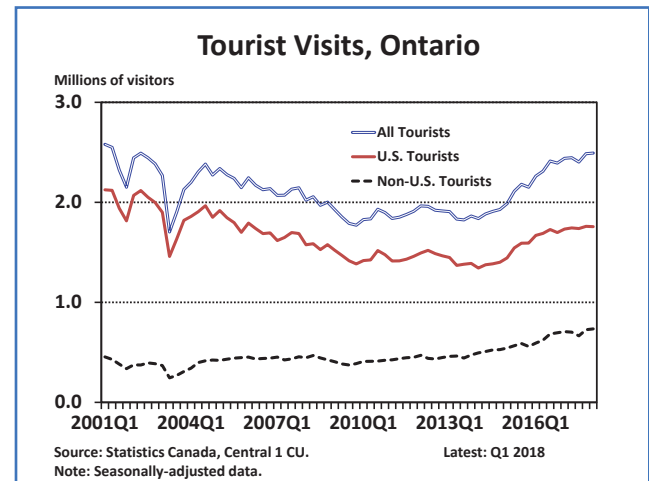
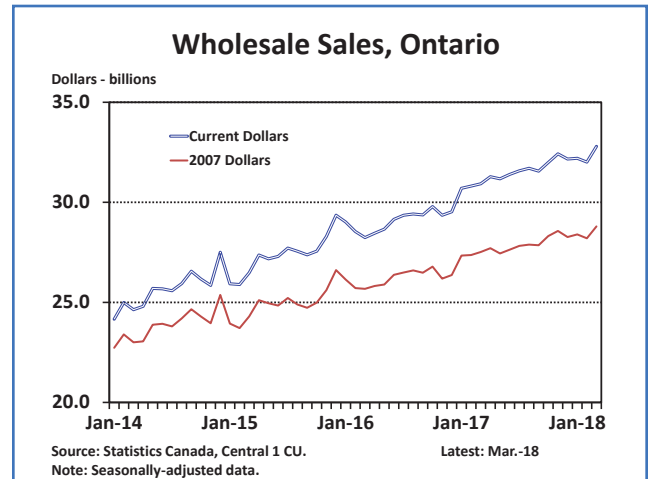
Relative to February, most sectors posted gains except for personal and household goods, machinery equipment and supplies, and miscellaneous. Worth noting, after five months of declines motor vehicle and parts posted very robust 7.7 per cent growth in the month. Also, building materials and supplies increased by eight per cent in the month.

In the first quarter of 2018 wholesale trade increased by 4.9 per cent to \$97 billion compared to the same period last year. Growth increased in almost all sectors except for farm products and motor vehicle and parts.

Building materials growth is due to renovation spending in the existing homes market and growth in non-residential projects. Auto parts growth is due to increased demand for auto repairs.

Fewer non-U.S. visitors in March pulled down tourism stats

New tourism numbers for Ontario show that tourist visits in March declined by 0.7 per cent to 837,733 visitors



from February. The decline in March was caused by a significant 5.4 per cent decline in tourist visits from all countries excluding the U.S. - which increased by 1.3 per cent. By region of the world, March's decline in non-U.S. visitors was due to a large drop in visits from people hailing from Europe, South America, Central America and the Caribbean. Increased visits from people hailing from Africa and Asia could not off-set the decline in visitors from other regions of the world.

With March data now available we can look at quarterly trends. Over the first three months of 2018, total tourist visits to Ontario increased by 0.2 per cent to 2.5 million due to 1.2 per cent gain in non-U.S. visitors, while U.S. visitors declined slightly by 0.1 per cent compared to the fourth quarter of 2017. Year-over-year, tourist visits are up 2.1 per cent due to robust 3.9 per cent gains in non-U.S. visitors complemented by 1.4 per cent gains in U.S. visitors. A strong February, where both U.S. and non-U.S. visitors increased

significantly helped to keep first quarter numbers above fourth quarter 2017 numbers.

According to March data, fewer tourists are coming to Ontario by airplane. In the case of U.S. tourists, given their proximity to Ontario, more of them chose to travel by car (up 2.7 per cent) rather than airplane (down 0.6 per cent). With close to 92 per cent of non-U.S. visitors coming to Ontario by airplane, a 6.6 per cent decline month-over-month was the reason for fewer visits this month from this group.

El claims dropped across most Census Metropolitan Areas

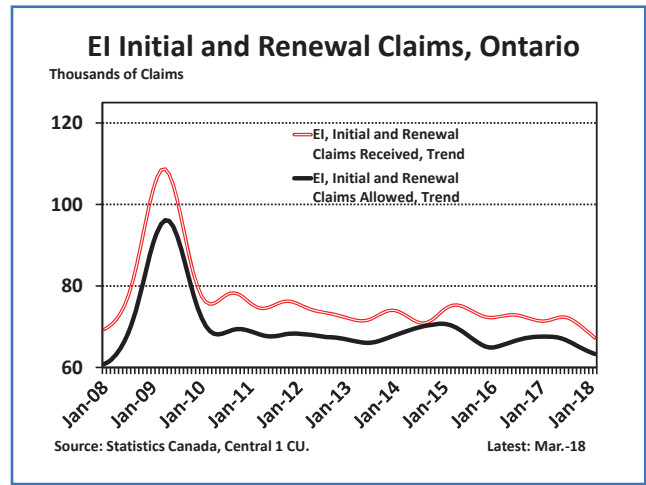
Monthly Employment Insurance (EI) regular beneficiary claims dropped in March for the second consecutive month, similar to February, due to a decline in claims across all age groups. The largest drop occurred for workers 15 to 24 years of age and 25 to 54 years of age; for those workers 55 years of age or older, claims stayed relatively the same only decreasing 0.2 per cent - or 60 claims - in the month.

Seasonally-adjusted initial and renewal received claims increased in March by 3.4 per cent to 71,110 after declining by 9.5 per cent in February. So, some of the decline in claims from February was erased in March but not completely. Claims this month, despite the bump up, remained over two per cent lower than the long-term monthly average.

In Ontario's urban areas, EI claims dropped in March in Census Metropolitan Areas (CMA) and Census Agglomerations (CA). In Ontario's denser CMAs, EI claims dropped for the second consecutive month across almost all areas with a few exceptions. Even though the increased claims were minimal, ranging from ten additional claims to as much as 40 new claims, claims inched up in Brantford, Guelph, Kitchener-Cambridge-Waterloo, and London. On the flipside, significant declines in claims occurred in Greater Sudbury, Kingston, Oshawa, St. Catharines-Niagara, and, Thunder Bay.

Among occupations, large declines in claims occurred in:

- management, natural and applied sciences
- art, culture, recreation and sport
- trades, transport and equipment operators;
- natural resources and agriculture
- manufacturing and utilities



Together these occupations dropped 3,250 claims in the month. The largest drop this month came from trades, transport and equipment operators which dropped 2,010 claims. The largest increase in claims by occupation in March occurred in education, law and social, community and government services-related occupations (up 1,500 claims).

Across many of Ontario's large centres, the need for labour is pulling people from the sidelines and back to work. The jump in claims in education, law and social, community and government services-related occupations may be related to the strike by workers at York University in Toronto that has continued to drag on with no resolution in sight.

Edgard Navarrete

Regional Economist
Central 1 Credit Union
enavarrete@central1.com / P 905 282 8501
www.central1.com