

Highlights

- Payroll employment numbers continued to trend up in March
- A decline to auto parts pulled down motor vehicle and parts manufacturing

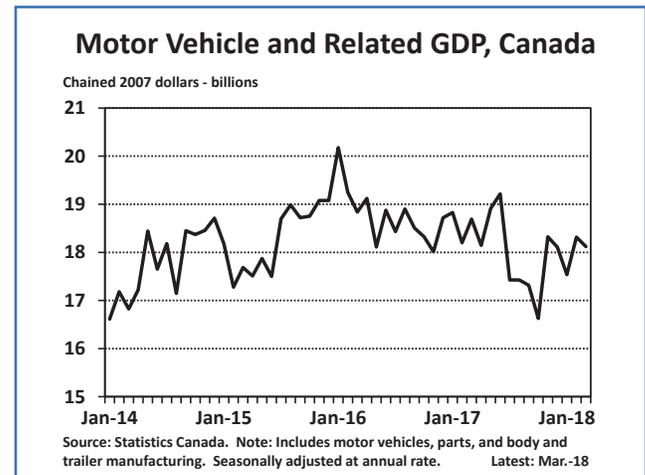
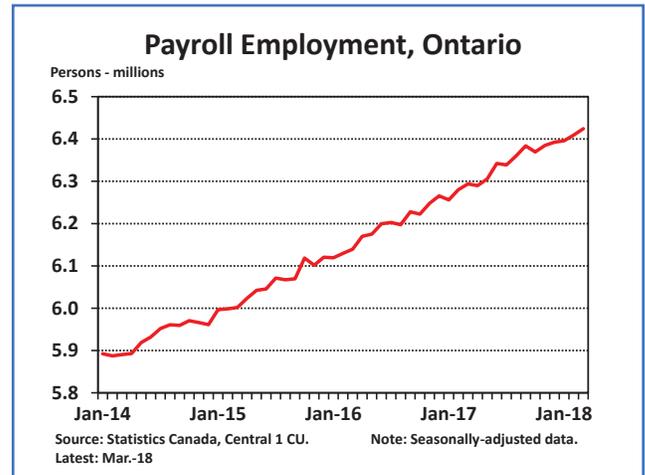
Over 15,000 workers brought onto Ontario payrolls in March

Payroll employment continued to trend up in March. This marks several months that employers have brought more workers onto their payrolls. In the month, employers brought on an additional 15,070 workers (0.24 per cent growth from February) due to robust hiring in both the goods and services producing sectors.

March was another strong month for construction hiring, building on the gains from February. During March, over 2,200 workers were brought in to fill construction jobs. While manufacturing hiring remained relatively unchanged, declining by only 68 workers, the brunt of the gains in the goods-sector were due to construction. The services-sector trade (retail and wholesale) hired an additional 6,752 workers with a majority of those coming from the retail trade sector. Other sectors that contributed to hiring growth included:

- Professional, scientific and technical (4,677 new hires);
- Administrative and support, waste management and remediation (1,820 new hires);
- Health care and social assistance (1,995 new hires); and,
- Public administration (2,168 new hires).

Even though hiring was robust in March, wages growth declined in both the services and goods-producing sector which pulled overall wages down by 0.22 per cent. This followed growth in wages in February of 0.46 per cent. By sector, the goods-sector suffered a stronger moderation in wages relative to the decline to jobs in the services-sector. Year-over-year, the fixed



weight index increased by 1.93 per cent, slightly lower than February's year-over-year growth of 3.03 per cent. Nonetheless, this marked seven consecutive months that the year-over-year index has grown.

Retail sales remain strong in Ontario, particularly in Toronto, which has supported hiring in the trade sector. Furthermore, with a growing tech sector in Ontario, many companies are hiring skilled workers in professional, scientific and technical-related jobs. Finally, as many Ontarians age and get into retirement, the need to provide services to these people has intensified, hence stronger hiring in health care and social assistance-related jobs.

Motor vehicle parts and manufacturing Gross Domestic Product declined

March's industry Gross Domestic Product (GDP) continued to increase for the second consecutive month due to continued growth in the goods and services

producing sectors. However, not all sectors did as well in March. Motor vehicle parts and manufacturing, which accounts for ten per cent of all manufacturing activity in Canada, declined by 1.1 per cent at seasonally-adjusted annual rate (SAAR) on the heels of strong growth in February of 4.4 per cent. While motor vehicle manufacturing remained unchanged and motor vehicle body and trailer manufacturing increased by an impressive 9.7 per cent SAAR, the drop this month was due to a contraction in motor vehicle parts manufacturing of three per cent SAAR.

With sales of new vehicles, particularly trucks, continuing to trend up, the need for repairs has diminished resulting in decreased activity in motor vehicle parts and manufacturing.

Edgard Navarrete

Regional Economist

Central 1 Credit Union

enavarrete@central1.com / P 905 282 8501

www.central1.com