

Highlights

- Employers shed 6,445 jobs from their payrolls in April
- Canada's transportation equipment manufacturing GDP growth declined
- Canadian dollar appreciation pulled down tourist visits in April

Payroll employment declined for first time this year

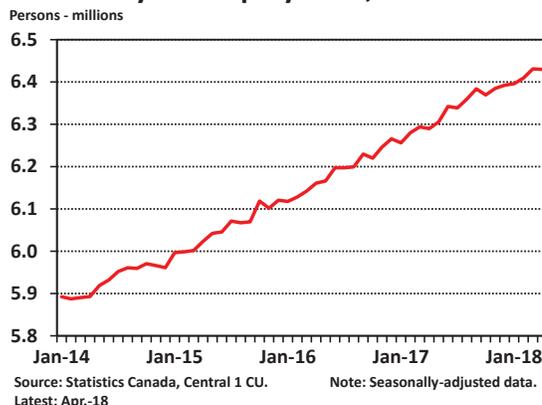
April's payroll employment numbers marked the first time this year that month-over-month employment growth declined by 0.02 per cent, which is nearly no change overall, but performance varied among industries.

In the goods-producing sector, robust job growth in forestry (3.9 per cent month-over-month) and utilities (2.9 per cent month-over-month) was not enough to off-set the shedding of jobs in construction (down 1.7 per cent month-over-month). Were it not for the large recoil in hiring in construction, this sector would have increased by over 2,400 jobs. In the services-producing sector, of the fifteen categories in the survey, nine shed jobs in the month. Significant jobs were lost in:

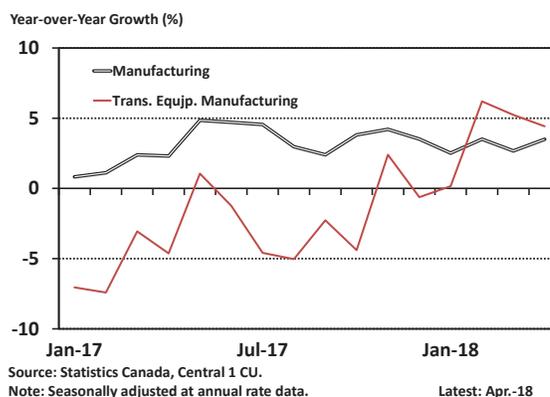
- Trade (5,789 jobs)
- Real estate and rental and leasing (1,343 jobs)
- Administrative and support, waste management and remediation services (2,476 jobs)
- Arts, entertainment and recreation (1,384 jobs)
- Other services (1,154 jobs)

Average weekly earnings declined in April by 0.1 per cent due to a moderation in the earnings of goods-sector jobs. Service-sector jobs' average weekly earnings increased by 0.1 per cent. Year-over-year, the fixed-weight index increased by 2.7 per cent but now tracks closer to the monthly average of 2.6 per cent over the first four months of 2018.

Payroll Employment, Ontario



Gross Domestic Product, Canada



Trade concerns, less demand for housing, increased debt loads, and higher interest rates are all factors that are possibly coming together to dampen employment growth in several sectors. Another factor also affecting some of these sectors, particularly in the services-sector, could be the increased minimum hourly wage hike that took effect at the start of the year. More data would need to be analyzed to see if the decline this month signals a blip or the start of a downward trend.

Canada's transportation equipment manufacturing GDP growth declined

The industry gross domestic product (GDP) Canadian report for manufacturing recorded a 0.8 per cent increase in April on the heels of almost no growth in March. Transportation equipment manufacturing declined by 1.3 per cent while motor vehicle and parts manufacturing - a sub-group of overall transportation equipment manufacturing - posted very modest growth

in the month of 0.3 per cent, due to gains in motor vehicle manufacturing (1.2 per cent) and motor vehicle body and trailer manufacturing (0.3 per cent). This off-set declines in motor vehicle parts manufacturing (down 0.4 per cent).

Year-over-year, transportation equipment manufacturing is up 4.4 per cent which has helped lift manufacturing by 3.5 per cent.

Tourist visits continued to trend down in April

Tourist visits to Ontario continued to trend down by 2.6 per cent for the second straight month in April, due to fewer visits from both U.S. residents and non-U.S. residents. Fewer Americans came over to Ontario by car (down 3.5 per cent) and airplane (down 2.2 per cent); together these two modes of transportation account for over 93 per cent of all visits by transportation type, which pulled this month's numbers down. Non-U.S. visits by land or sea dropped by 26.5 per cent, which anchored non-U.S. visits to Ontario. Moreover, non-U.S. visits declined from all regions of the world with only Europe posting a 0.4 per cent increase in visitors in the month. China - which apart from Europe - accounts for the second largest chunk of visitors to Ontario, declined by 5.1 per cent.

Over the first four months of the year, total tourist visits to Ontario are nearly unchanged decreasing by only 0.1 per cent compared to the same period last year. Non-U.S. visits are up 1.1 per cent and U.S. visits are slightly down by 0.6 per cent.

The Canadian dollar, a factor that influences foreign visits greatly, appreciated in April relative to other currencies helping to keep tourists at home.

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