Prices continued to climb in Ontario’s metro markets. Overall, Toronto and Ottawa-Gatineau prices increased 1.8 and 1.7 per cent respectively, while Thunder Bay prices increased 1.2 per cent.

Payroll employment declined in December from broad-based job shedding

Ontario payroll employment in December erased November’s gains in hiring. Total employment retracted 0.2 per cent or 12,811 net shed jobs. Both the services and goods-sectors shed jobs, with the goods-sector shedding 2,339 net jobs and services-sector shedding 11,527 net jobs. December’s shedding of jobs in both sectors marked the first time in 2018 that this occurred.

By sector, December’s shedding of jobs was nearly universal with only a few sectors posting month-over-month payroll hiring gains. The larger sectors shedding jobs included:
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• Construction (4,498 net jobs shed)
• Retail and Wholesale Trade (3,563 net jobs shed)
• Real Estate, Rental, and Leasing (1,416 net jobs shed)
• Administrative and support, waste management and remediation services (6,449 net jobs shed)
• Education (2,052 net jobs shed)
• Transportation and warehousing (960 net jobs shed)

Despite some month-over-month fluctuations, payroll hiring in 2018 increased by 2.3 per cent over 2017. The increase is due to 3.0 per cent hiring growth in goods-sector and 2.1 per cent hiring growth in services-sector.

Average weekly earnings remained unchanged in December at $1,034, as a 0.5 per cent increase in earnings in the goods-sector offset a 0.3 per cent decline earnings in the services-sector. Year-over-year, the fixed-weight index increased by 3.6 per cent—a substantial increase from last month’s year-over-year increase of 2.7 per cent.

Small-business confidence continued to move up in February

Ontario’s small-business confidence index continued to move up in February finishing the month at 64.1. The result is a substantial increase from January’s reading of 60.4 points and well above the long-term average for February, which sits at 61.9 points. Year-over-year, Ontario’s small-business confidence in February is up a robust 5.2 points from the same period last year. Small-businesses are starting 2019 on stronger footing expectations-wise compared to 2018, despite some lingering uncertainty in the economy causing households to restrain consumption. The uncertainty relates to how the U.S.-China trade spat will be resolved—a negative resolution could have significant effects for trading partners, including Canada.

Motor vehicle and parts manufacturing fell again in December following November decline

Nationally, the barometer increased slightly to 59 points (increase of three points) but it remains weighed down by sluggish confidence in other provinces like Alberta and Newfoundland and Labrador.

Short-term employment plans improved with 22 per cent of owners looking to hire (up three points from last month) and 8 per cent looking to reduce staffing (down two points from last month). About 46 per cent of respondents said their firms are in good shape (up three points from last month) while 8 per cent said their businesses are in bad shape (down two points from last month).

After a period of volatility between August and October 2018, Canadian industry Gross Domestic Product (GDP) has now posted two consecutive months of month-over-month decline. December’s and November’s readings came in 0.1 per cent lower (all figures in this section are growth rates of seasonally-adjusted at annual rate figures unless otherwise stated). A significant decline of 0.7 per cent in the goods-producing sector in December pulled down overall GDP growth. Despite the services-sector posting 0.2 per cent growth in December—it was not enough to offset the decline in the goods-producing sector.

The manufacturing sector continued to moderate in December posting a 0.7 per cent decline to GDP on
top of last month’s 0.4 per cent decline. Within the manufacturing sector, motor vehicle and parts manufacturing posted a 1.9 per cent drop in activity. The drop can be attributed to a broad-based contraction in motor vehicle manufacturing (down 0.9 per cent), motor vehicle body manufacturing (down 8.4 per cent) and motor vehicle parts manufacturing (down 1.8 per cent).

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

Motor Vehicle and Related GDP, Canada