

**Highlights:**

- Increased activity in large sectors like transportation equipment lifted total manufacturing sales in June
- Tourist visits fell by 1.0 per cent in June due to fewer non-U.S. visitors
- Inflation moved up from 2.0 per cent in June to 2.1 per cent in July
- Retail sales edged up only 0.1 per cent in June to \$19.4 billion
- Employment insurance claims increased by 0.6 per cent in June

**Manufacturing sales up in June entirely due to durables manufacturing**

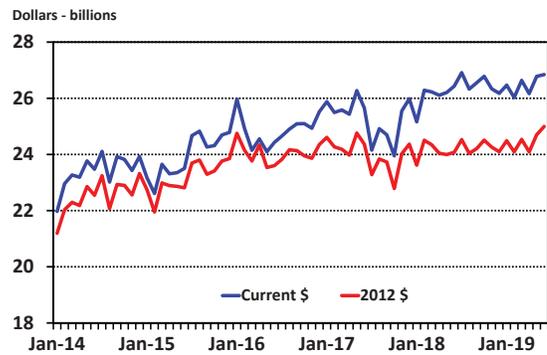
Manufacturing sales increased by 0.2 per cent to \$26.8 billion in June over May in Ontario, which is on the heels of very strong growth in May of 2.3 per cent. Nationally, manufacturing sales declined by 1.2 per cent to \$58.0 billion due to weaker sales in most areas except Ontario and Quebec.

In June, Ontario's growth came entirely from durables which increased by 0.9 per cent to \$16.9 billion. Non-durables declined by 0.8 per cent to \$9.9 billion. The following sectors posted strong activity up or down in June:

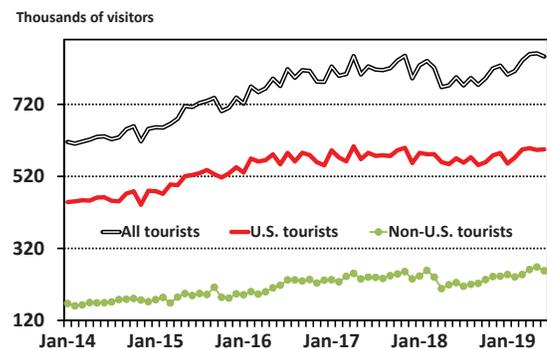
- Food (down 1.8 per cent)
- Petroleum and coal products (up 3.3 per cent)
- Chemicals (up 1.9 per cent)
- Plastics and rubber products (down 4.1 per cent)
- Primary metals (up 13.3 per cent)
- Fabricated metal products (up 0.2 per cent)
- Machinery (down 7.6 per cent)
- Transportation equipment (up 1.3 per cent)

Over the first half of the year, manufacturing sales are up 1.6 per cent to \$158.9 billion entirely due to durables manufacturing which is up 2.9 per cent to \$98.8 billion. Non-durables manufacturing is lagging last year's pace by 0.4 per cent settling at \$60.1 billion.

Food manufacturing sales fell in June due to weaker sales coming from meat products and the grains and

**Manufacturing Sales, Ontario**

Source: Statistics Canada, Central 1 CU. Note: Seasonally adjusted. Latest: Jun.-19

**Tourist Visits, Ontario**

Source: Statistics Canada, Central 1 CU. Note: Seasonally-adjusted data presented. Latest: Jun.-19

oilseed milling industries. Primary metals increased on stronger sales of iron and steel mills, ferro-alloy and non-ferrous metal production and processing industries.

**Fewer visitors from Asia and Europe pulled down tourism numbers in June**

Total tourist visits to Ontario fell in June by 1.0 per cent to 853,076 total tourists after several months of growth. A modest gain in U.S. tourist visits of 0.3 per cent to 595,179 total tourists in June could not offset the 3.9 per cent drop in non-U.S. tourists to 257,897.

The decline in non-U.S. tourists came largely from fewer visits by European and Asian tourists. European and Asian tourists represent 40.8 per cent and 33.2 per cent of non-U.S. visitors respectively, and in June they fell by 3.6 per cent and 7.3 per cent respectively.

Over the first half of the year, tourist visits to Ontario are up by 4.3 per cent with U.S. visits up 2.2 per cent and non-U.S. visits up 9.2 per cent.

The strong recoil in Asian visitors could be a repercussion of the current state of diplomatic relations between Canada and China. Typically, China accounts for a strong share of tourist visits to Ontario given the large diaspora of citizens and descendants in Ontario's large cities like Toronto.

### Prices continued to inch up in July

Headline inflation increased in July coming in at 2.1 per cent up from 2.0 per cent in June due to increased price growth to services and goods, particularly durable goods. Electricity, water and natural gas prices continued to increase. Water and natural gas prices increased at a stronger pace in July compared to June. Gasoline prices continued to decline falling by 5.8 per cent. The following areas posted price growth in July:

- Food (grew by 3.3 per cent)
- Shelter (grew by 3.3 per cent)
- Clothing and footwear (grew by 1.6 per cent)
- Transportation (grew by 1.8 per cent)
- Recreation, education, and, reading (grew by 2.9 per cent)
- Fresh fruits and vegetables (grew by 7.3 per cent)

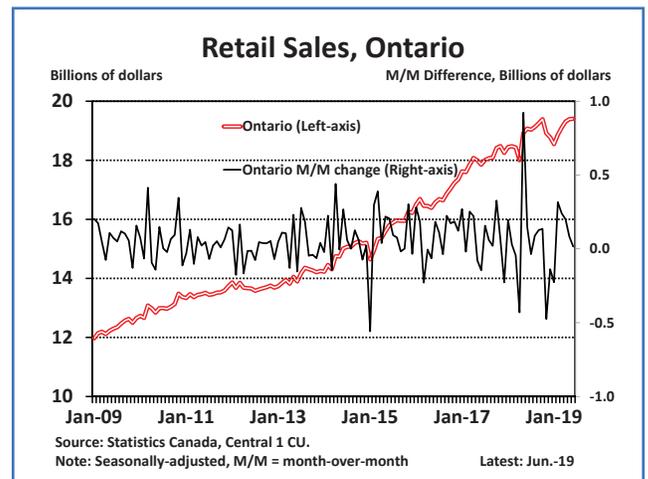
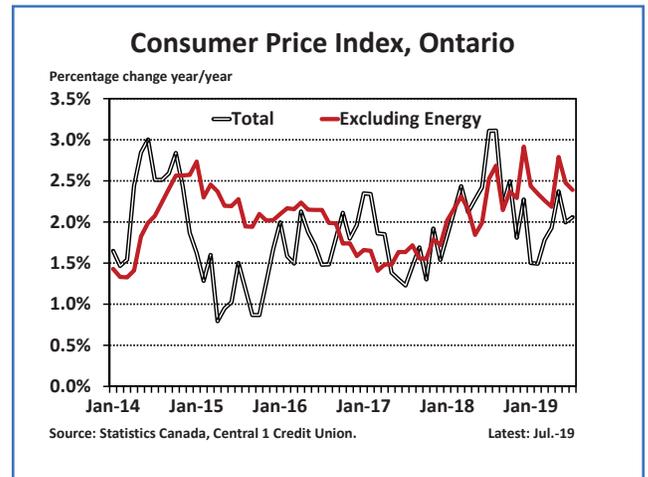
The pace of price growth increased in all three metro areas of Toronto, Thunder Bay and Ottawa-Gatineau. In Toronto prices increased by 2.3 per cent (up from 2.0 per cent in June) while prices in Thunder Bay and Ottawa-Gatineau moved up by 2.0 per cent and 2.1 per cent respectively.

Overall prices are up 1.9 per cent over the first seven months of the year from the same period in 2018. Prices, excluding food and energy, are up 0.8 per cent from the same period last year.

### Areas outside of the Toronto metro area kept retail sales in the black in June

Retail sales in June increased modestly to mark the fifth straight month of growth. Total sales in the province moved up by 0.1 per cent to \$19.4 billion. Toronto retail sales contracted 0.2 per cent to \$8.0 billion. In areas outside of Toronto, retail sales increased by 0.3 per cent to \$11.4 billion helping to lift overall sales in the province slightly. Sales activity by sector was as follows in June:

- Motor vehicle and parts (down by 5.4 per cent)
- Home furniture and furnishings (up by 0.5 per cent)



- Electronics and appliances (down by 2.5 per cent)
- Building materials and gardening (up by 6.5 per cent)
- Food and beverage (down by 2.1 per cent)
- Health-related (down by 1.3 per cent)
- Gasoline stations (down by 4.5 per cent)
- Clothing (up by 2.3 per cent)
- Sporting goods and recreation (up by 2.0 per cent)
- General merchandise (up by 2.1 per cent)
- Miscellaneous (down by 0.4 per cent)

Sales at motor vehicle and parts dealers declined in June primarily due to lower sales at new car dealerships. Moreover, sales at gasoline stations were down (-3.4 per cent) for the first time in five months. Lower gasoline prices lowered volumes.

Great weather for most of the month supported stronger sales of building materials and garden equipment and general merchandise.

Finally, clothing and accessories, sporting goods, hobby, book and music stores reported higher sales in June likely supported by the Toronto Raptors NBA championship drive.

## **Employment insurance beneficiaries continued to edge up in June**

Employment insurance (EI) beneficiaries continued to increase in June over May by 0.6 per cent or 710 net new beneficiaries following the 1.4 per cent growth in the previous month.

EI beneficiaries increased across all areas of Ontario with most of the net gain coming in census metropolitan areas (CMA) where net beneficiaries increased by 490. Beneficiaries increased in the CMAs of Greater Sudbury (up 7.8 per cent), Windsor (up 6.4 per cent) and London (up 2.8 per cent) and declined in Ottawa–Gatineau (down 1.7 per cent). Net beneficiaries increased by 100 in census agglomerations and by 120 in rural areas.

Among age groups, net beneficiaries fell significantly for those 55 years of age or older. This group posted a 0.8 per cent drop or 230 net fewer beneficiaries. Workers between 25 and 54 years of age posted most of the net gain at 2.7 per cent or 670 net increase in beneficiaries. Rounding things out, net beneficiaries for workers between 15 and 24 years of age increased by 0.6 per cent or 260 more.

By occupation, the following areas posted strong numbers up or down in June:

- Business, finance and administration occupations (220 net fewer beneficiaries)
- Natural and applied sciences and related occupations (200 net increase in beneficiaries)
- Occupations in education, law and social, community and government services (720 net increase in beneficiaries)
- Sales and service occupations (420 net fewer beneficiaries)
- Trades, transport and equipment operators and related occupations (710 net increase in beneficiaries)
- Occupations in manufacturing and utilities (190 net fewer beneficiaries)

Seasonally adjusted initial and renewal claims decreased by 3.1 per cent in June to 71,110 total claims. June's total claims were 7.0 per cent fewer than the long-term monthly average.

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