



Highlights

- Business optimism gains traction
- Non-farm payroll hiring continued to increase in B.C.
- Majority of net new hiring occurred in the services sector

B.C. reported gains in both short-term and long-term business optimism indices

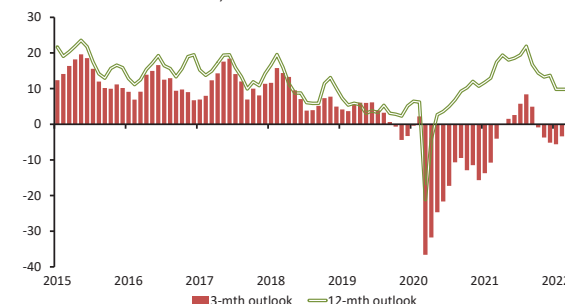
Ivy Ruan, Economic Research Associate

Despite a minor drop in the long-term business outlook index (-0.4 points) nationally, British Columbia (B.C.) business sentiment registered a healthy gain of 4.3 points in April to an index level of 64.1 points. This was the first uptick in longer-term optimism after holding steady for three consecutive months and pointed to upbeat expectations from business owners over the coming 12 months. Despite geo-political uncertainties, short-term optimism (next 3 months) also gained further traction, with a 6.0 point gain to 57.0 points in B.C., posting another record figure since October 2021. Business environment in B.C. remained supportive to boost small business confidence due to resumption of activities in warmer weather and loosening travel restrictions effective April 1.

The index is measured on a scale of zero to 100 and any reading over 50 points means the majority of SMEs are expecting their business' performance to be stronger in the coming year. On a national level, businesses operating in the hospitality sector reported the highest boost of short-term expectation (16 points) in April. Other sectors showing upward trends in optimism were also the ones which have been significantly affected by the pandemic (information and recreation, and personal services). As one of the most popular Canadian travel destinations that relies heavily on its tourism industry, B.C. may see robust activities and strong business performances in the coming months. Nevertheless, inflationary pressures, supply chain disruptions, and a tightening labour market continue to pose challenges to the business outlook.

Small business confidence improved in both short-term and long-term outlooks in B.C.

B.C. CFIB Business Barometer, Deviation from 50



Source: CFIB, Central 1

Latest: Apr.-22

B.C.'s average capacity utilization rates have remained relatively stable since 2021. In April, this rate came in at 74 per cent, 3.0 per cent higher than last month.

B.C. added nearly 20,000 net new employees to its payrolls in February

Edgard Navarrete, Regional Economist

Statistics Canada released February 2022 numbers from its Survey of Employment, Payrolls and Hours (SEPH) this week and the number of employees receiving pay or benefits from an employer rose in B.C. by 0.8 per cent m/m or nearly 20,000 net new employers on payroll.

Hiring in the services sector remained strong as the province created an additional 17,195 net new jobs or nearly 83 per cent of all net new hiring in February with the goods sector accounting for the remainder of new hiring. Service-sector hiring has now been on a nine-month expansion supported by more modest public health orders compared to other regions in Canada and elevated demand from a large inflow of interprovincial residents and rebound in international immigration.

Compared to pre-pandemic times, non-farm payroll hiring is up nearly 57,000 net new workers with hiring in the goods sector and services sector up 19,350 and 37,552 net new workers, respectively.

Year-over-year total non-farm payroll employment remained 8.2 per cent ahead of last year's pace with hiring in services and goods up 8.7 per cent and 4.6 per cent respectively. B.C.'s labour market remained tight with a job vacancy rate of 5.8 per cent which was still highest among all provinces but has eased from recent highs.

Strong inflows of new residents continues to drive hiring in B.C.; job market fully recovered



Among large sectors, hiring increased in manufacturing (up 1.0 per cent m/m), construction (up 0.1 per cent m/m), retail and wholesale trade (up 0.8 per cent m/m), wholesale and retail trade (up 0.6 per cent m/m), professional, scientific and technical services (up 1.0 per cent m/m), education (up 0.9 per cent m/m), health care and social assistance (up 1.4 per cent m/m), and accommodation and food services (up 1.3 per cent m/m). Hiring fell in real estate, rental and leasing (down 1.2 per cent m/m) and management of companies and enterprises (down 0.2 per cent m/m).

Average weekly earnings are up 0.3 per cent m/m in February to \$ 1,113.72. Wages in both services and goods sectors increased by a nearly identical rate moving up 0.2 per cent and 0.1 per cent respectively m/m. Fixed-weight index average weekly earnings decreased 0.6 per cent m/m but increased an additional 3.7 per cent y/y.

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