

**Highlights**

- Employment ticks up by modest 5.1k persons led by construction hiring
- Labour market tightens further with unemployment rate lowest since July 2019
- B.C. merchandise imports and exports surge in April, commodity prices provide boost

**B.C. unemployment rate dips to level last seen in 2019***Bryan Yu, Chief Economist*

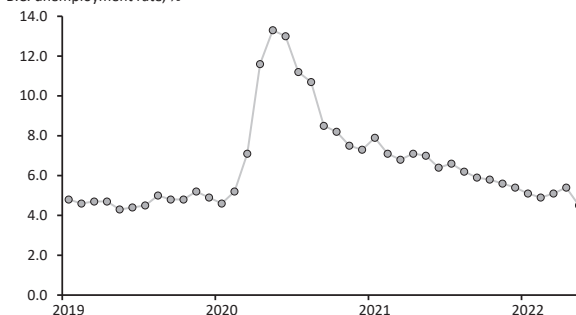
While B.C. employment was little changed in May, the key story was the plunge in the unemployment rate to a level comparable to levels observed in 2019, signaling pressures on an already tight market.

B.C. employment rose by 5.1k persons or 0.2 per cent from April to reach 2.74 million persons, but growth was within the margin of error. Like the national pattern, full-time employment growth far outpaced headline increases with a 26.5k (1.2 per cent) which reversed two months of declines and more than offset a 3.6 per cent drop in part-time employment. Employers are lengthening scheduled hours amidst growing labour shortages and economic growth. Year-over-year growth in hours worked reached 2.3 per cent after an April set back.

Net gains were led by private-sector employers (+8.1k) which partly rebounded after an April pullback, while public-sector employment slipped, and self-employed counts were unchanged. Among industries, the goods sector lifted net growth as construction employment rose 13.1k persons or 6.1 per cent as residential and non-residential permit volumes surged in recent months amidst work on projects such as the Oakridge redevelopment, hospitals and the Broadway subway line. This marked an upturn in trend from a weak pandemic period. In contrast, manufacturing employment dropped sharply (10.1k or 5.8 per cent) aligned with national trend. In the services sector, accommodations/foodservices (+6.8k or 3.9 per cent), information/culture/recreation (+7.4k or 5.5 per cent) growth points to ongoing

**B.C. unemployment rate falls to near three year low**

B.C. unemployment rate, %

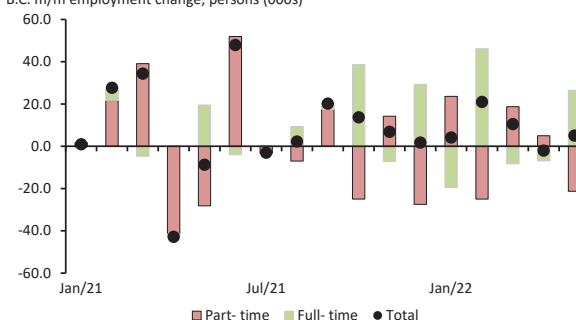


Source: Statistics Canada, Central 1

Latest: May-22

**Full-time job growth gains traction in May**

B.C. m/m employment change, persons (000s)



Source: Statistics Canada, Central 1

Latest: May-22

rotation to services spending, while healthcare/social assistance employment also rose. Weakness came in transportation/warehousing (-14.3k or 9.4 per cent).

Metro Vancouver led the increase with employment growth of 7.1k or 0.5 per cent.

Despite mild growth in net employment, the labour market continues to tighten. The unemployment rate dropped 0.9 points to 4.5 per cent to a level last seen in July 2019. While the latest decline owes mostly to a contraction in labour force as the participation rate fell, levels remain exceptionally tight. The ratio of employed workers to population is back at pre-pandemic levels. The recent Canadian Survey of Business Conditions pointed to difficulties in finding workers and likelihood of wage acceleration. Although data can fluctuate, the trend of low unemployment is likely to persist, even as growth slows amidst higher interest rates.

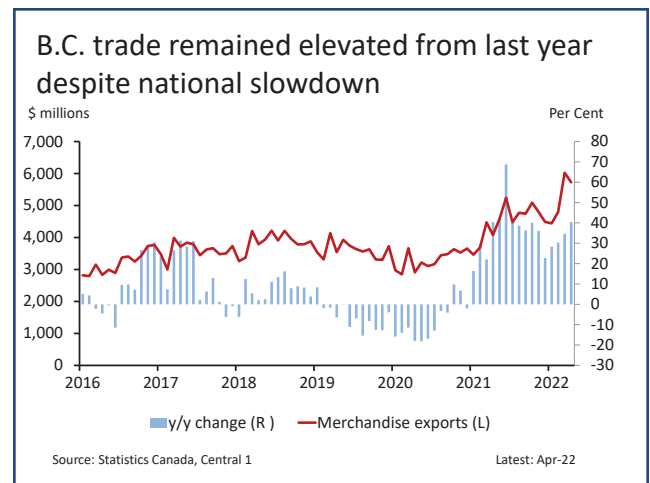
## B.C. trade remained elevated from last year despite national slowdown

Ivy Ruan, Economics Research Associate

B.C. businesses exported goods valued at \$5.72 billion to international markets in April, which was up a stellar 40.4 per cent year-over-year to maintain a record level of activity. This marked the largest 12-month gain since August 2021. On a seasonally-adjusted basis, we calculate a 14.4 per cent month-to-month increase.

Exports of energy products rocketed with 188.4 per cent higher sales than the same month in 2021 to a record \$2.29 billion. The persistent hike in energy prices was the main driver to the gains in energy exports as natural gas prices doubled from a year ago. In addition to energy, metallic and non-metallic mineral products (up 22 per cent y/y), electronic and electrical equipment and parts (69.3 per cent), and basic/industrial chemicals, plastics and other items (up 76 per cent) were key drivers. In contrast, metal ores and non-metallic minerals (-31.7 per cent) and forestry sales (-4.7 per cent) were offsets.

Despite a slowdown in national imports' growth, B.C. continued to report steady import expansion from 2021. April's total imports came in at \$6.86 billion in B.C., up 37.8 per cent compared to last year. Seasonally adjusted, imports rose 10 per cent from March.



Consumer goods continued to lead the growth in imports, reporting a 29.9 per cent year-over-year increase to \$1.87 billion. All industrial sectors imported more in dollar-volume term compared to April 2022 other than special transactions trade. Energy imports rose 86 per cent y/y, reflecting similar price drivers. Motor vehicle ad parts' imports also grew 30 per cent y/y.

Strong import activities offset the gains in export sales in B.C., widening the provincial trade deficit to \$1.13 billion in April, 26.1 per cent higher than April 2021.

For more information, contact [economics@central1.com](mailto:economics@central1.com).