



## Highlights

- B.C. CPI slips to 7.2 per cent year over year
- B.C. retail sales grew in October following September's retrenchment, led by higher sales at food and beverage stores and general merchandise stores
- B.C. employers maintained number of positions for October

## B.C. inflation down in November on lower gasoline and energy

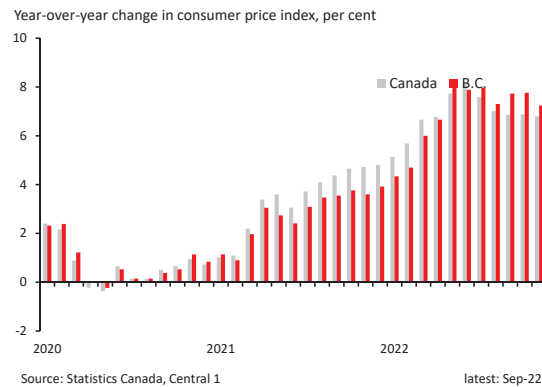
*Alan Chow, Business Economist*

November CPI slipped down to 7.2 per cent year-over-year compared to 7.8 per cent during the previous month. Month-over-month, that figure is down 0.3 per cent. The decrease was greater than the national level, which fell to 6.8 per cent from 6.9 per cent. Core CPI (excluding energy and food) was also slightly down, falling from 6.6 per cent to 6.5 per cent. Price of goods decreased 0.8 per cent over the month while the price of services remained unchanged.

Gasoline prices fell significantly in November. Maintenance work in refineries in Washington State, Edmonton, and California increased the supply of gasoline within the region, resulting in a price drop of about 10.5 per cent for the month. Overall, energy prices were also down 7.2 per cent for the month, representing the lowest price levels seen since the beginning of the year. Lower energy and gasoline cost also led to lower transportation cost, down 2.7 per cent over the previous month. Recreation, education, and reading items were also down 3.0 per cent.

On the other hand, food prices continued to climb, up 0.8 per cent over the month. However, year-over-year figures were down slightly from 9.1 per cent to 9.0 per cent. Shelter costs also increased, up 0.4 per cent for the month and 7.5 per cent for the year. Rental rates continue to increase as well as mortgage insurance cost, which increase as the Bank of Canada increases its policy rate.

## B.C. inflation up slightly to 7.2%



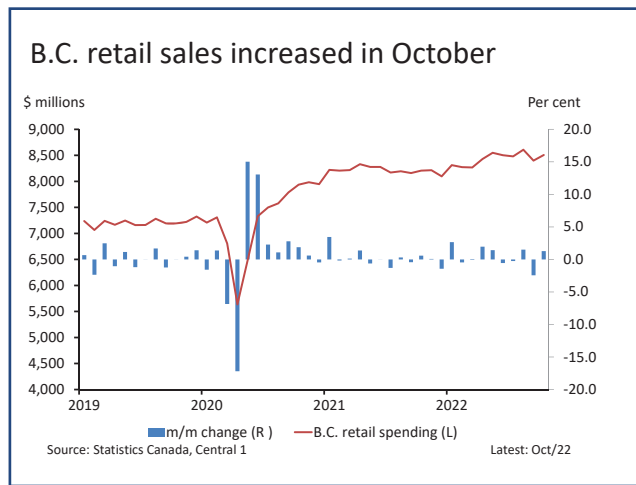
While inflation is moving in the right direction, it is still stubbornly high. This is increasing the likelihood that rate hikes may occur next year, but they would probably not to be the same magnitude as those seen this past year. That said, fears may subside if the slow down becomes greater than anticipated.

## B.C. retail sales increased 1.3 per cent in October

*Ivy Ruan, Economic Analyst*

B.C. retail sales increased in October following the previous month's retrenchment, largely driven by higher sales at food and beverage stores and general merchandise stores. Retail sales rose by 1.3 per cent during the month to a seasonally-adjusted \$8.51 billion. This monthly increase was not large enough to reverse September's decrease yet was in line with the national performance (+1.4 per cent) in October. That said, higher prices continued to lead the increase in total sales. Year-over-year growth was reported at 3.6 per cent, up from the 2.9 per cent seen last month. Given the fast-increasing change in economic conditions, Statistics Canada has given a preliminary estimate pointing to lower retail spending in November.

Within the census metropolitan area (CMA) Vancouver region, retail sales rose 1.3 per cent, with year-over-year growth at 3.1 per cent.



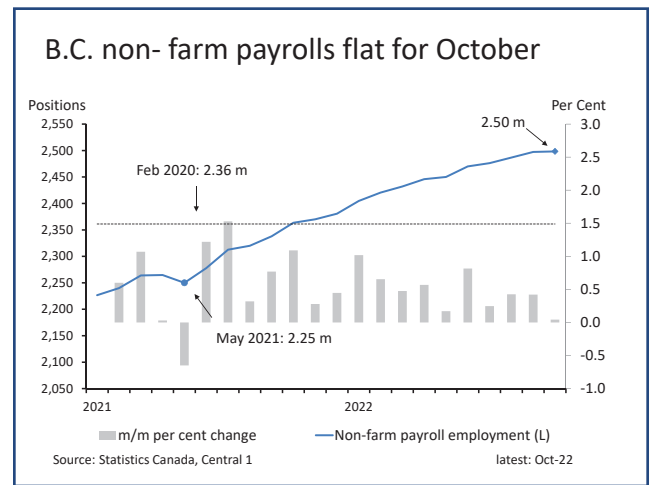
Based on Central 1 calculations on seasonally-unadjusted basis, October's retail sales rebound was concentrated in the food and beverage sector (+3.9 per cent) and general merchandise sector (+6.0 per cent) in B.C., while the national growth was led by higher sales at gasoline stations. The consistent level of sales at gasoline stations could be the result of persistently high gasoline prices in B.C., whereas the rest of provinces experienced an upsurge in oil prices in October following the previous month's decline. Building materials and gardening sales continued to decrease, with 6.4 per cent lower sales than the previous month and 3.4 per cent below the level from last year, pointing to further cooldown in construction activities. Sales remained higher than the same month last year in 6 of the 11 subsectors, and core retail sales (excluding automotive sector) reported 2.7 per cent year-over-year growth in October.

### Employment numbers up in service sector, down in goods producing. Vacancies fell

*Alan Chow, Business Economist*

B.C. employers had essentially a flat month of October for the numbers on payroll. They were up a marginal 0.04 per cent, which equates to an increase of around 1,089 and keeping it at 2.5 million on a seasonally adjusted basis. This increase was similar to what was seen in the labour force survey for the same month. Job vacancies also declined to 5.3 per cent. This is the lowest rate seen since April 2021.

Job counts were seen in service producing industries, which were up 0.2 per cent or 4,209 positions. Six sectors saw increases in positions of over 1,000. Those are:



- Professional, scientific, and technical services (1,557)
- Management of companies and enterprises (1,151)
- Health care and social assistance (1,276)
- Arts, entertainment, and recreation (1,079)
- Accommodations and food services (1,075)
- Public Administration (1,443)

However, gains were not seen in all sectors. Balance out those gains were fewer positions in the educational services industries. They saw 2,288 fewer positions in the month of October

Goods producing industries on the other hand had few positions this month. They were down 1,313 positions or 0.3 per cent. All classification of industries reported few positions with manufacturing ( 0.4 per cent or 554) and construction (0.2 per cent or 318) leading the way.

While payroll counts continue to be strong, its expected to wane in the coming months as interest rate hikes begin to slow spending and decrease investment. Hiring is expected to ease and job vacancies should continue to decrease. Accommodations and food service as well as the arts, entertainment and recreation industries though should continue to recover as their payroll counts remain below pre-pandemic levels

Average weekly wages decreased slightly this month, down 0.2 per cent. They are still up 2.8 per cent from a year ago.

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