



Highlights

- Ontario's hiring gains were driven almost entirely by full-time employment in January
- Unemployment rate dropped to 5.2 per cent
- Exports climb while imports decline in December

Professional, scientific, and technical services contributed to the large employment gain in Ontario

Alan Chow, Business Economist

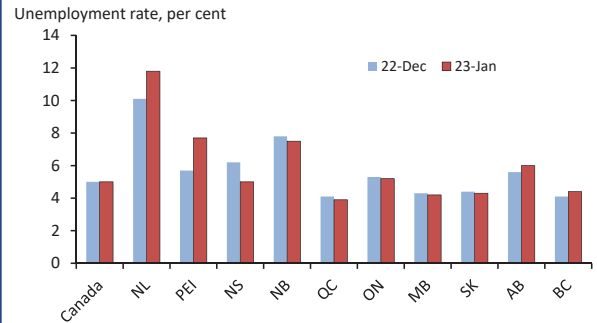
Ontario's labour market led the strong momentum of national hirings in January, with 62,800 more persons (0.8 per cent) in seasonally-adjusted employment and marked the highest employment level in 2022. This latest increase pushed the provincial employment above pre-pandemic in February 2020 by 4.6 per cent. Ontario labour participation rate edged up to 65.5 per cent while the unemployment rate dropped to the lowest level since July 2022 to 5.2 per cent. Nationally, unemployment was at 5.0 per cent in January.

In the Toronto census metropolitan area, employment grew 0.8 per cent in January, but unemployment rate increased to 5.9 per cent from 5.8 per cent because the labour force participation rate increased.

Ontario hiring gains were driven almost entirely by full-time employment of 57,400 persons (0.9 per cent). December marked the fifth consecutive monthly increase for full-time employment, reaching the highest level of 2022. Meanwhile, the provincial part-time employment remained relatively low, suggesting workers' stronger motivation for long-term job security and also employers' focus on long-term hiring plans.

On an industry basis, October gains were led by services-producing sectors. Specifically, health care and social assistance rose by 21,100 persons (2.2 per cent), offsetting the large losses seen in finance, insurance, real estate, rental and leasing (down 13,600 persons or 2.0 per cent). Notable increases were also reported in the information, culture and recreation sector (up 13,700 persons or 4.4 per cent) and other services (except public) (up 14,600 persons or 5.7

Ontario unemployment rate slides in December



Source: Statistics Canada, Central 1

latest: Jan/23

per cent). Goods-producing sector employment rose 1.0 per cent with a lift from manufacturing (up 13,700 persons or 1.7 per cent).

The latest Labour Force Survey figures continue to point to the strength in the labour market despite risks of an economic slowdown, and high inflation and interest environment. Ontario's December unemployment rate (5.3 per cent) slipped further to a level comparable to the pre-pandemic era. Part of this deceleration may reflect job composition. We still expect labour markets to loosen up as the year progresses and the interest rate hikes from 2022 continue to permeate through the economy.

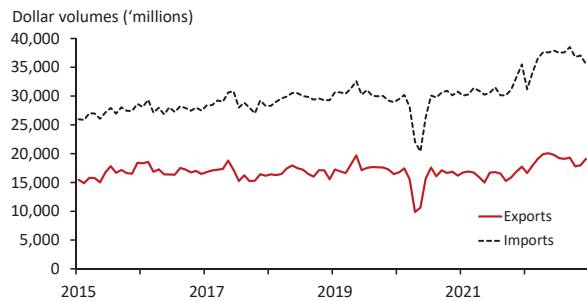
Motor vehicles and consumer goods highlight changes in trade

Alan Chow, Business Economist

Ontario exports rose again for the second consecutive month. On a seasonally-adjusted basis, dollar volume levels were up 6.1 per cent in December over the month of November. On the other hand, dollar volume import levels were down 4.0 per cent over the same period. Finishing off the year, exports were up 14.5 per cent to \$226 billion while imports were up 17.0 per cent to \$439 billion.

Export growth in Ontario for November was largely the result of an increase in motor vehicles and parts, up 26.7 per cent from \$4.2 billion to \$5.3 billion, ending two months of declines and representing the highest levels since May 2022. Consumer goods exports also contributed to the overall increase in exports. They were up \$191 million in December as compared to November. Offsetting these increases was a decrease in the dollar volume of metallic and non-metallic

Exports climb while imports fall in December



Source: Statistics Canada, Central 1

latest: Dec/22

mineral products, down 5.3 per cent in December.

Just as the increase in exports was led by motor vehicles and parts, so was the decline in imports. On a month-over-month basis, the dollar volume of motor vehicle and parts imported was down 11.4 per cent in December. Also contributing to the decline in imports for December was the volume of consumer goods imported. It was down 8.1 per cent, its third straight monthly decline. Basic/industrial chemical/plastic/rubber products was also down 6.6 per cent. Offsetting these lower volumes was higher volumes in the special transactions trade, up 15.3 per cent, followed by an increase in Electronic and electrical equipment and parts, up 2.3 per cent, and metallic and non-metallic mineral products, up 2.0 per cent.

For more information, contact economics@central1.com.