



Highlights

- Exports and imports started off the year higher
- Hiring increase was driven entirely by full-time employment in February
- Unemployment rate dropped to 5.1 per cent

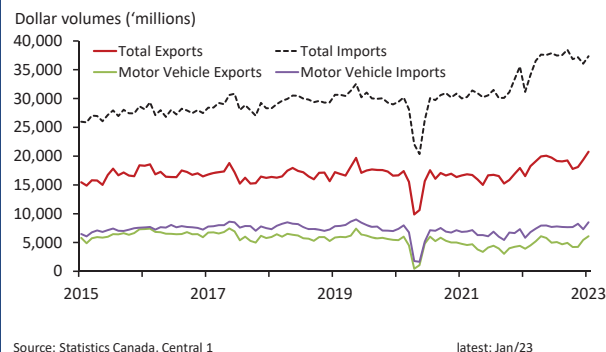
Higher motor vehicles traded led imports and exports

Alan Chow, Business Economist

Trade in and out of Ontario got off to a strong start this year. On a seasonally-adjusted basis, exports in January 2023 rose 7.1 per cent to \$20.7 billion over the previous month. This marks the third consecutive month of higher value of exports and is 10.0 per cent over 2022's average monthly export value of \$18.8 billion. The value of imports in January 2023 was also higher when compared December 2022. It increased 3.5 per cent from \$36.0 billion to \$37.3 billion, which is marginally higher than the 2022 monthly average of \$36.5 billion. When compared to the same month last year, January 2023 unadjusted exports are up 24.7 per cent to \$20.5 billion while the same month unadjusted January 2023 imports are up 19.4 per cent to \$34.6 billion.

Within exports, 7 of the 12 product categories experienced monthly increases. Most notable was motor vehicle and parts, which increased 12.0 per cent in January 2023 over the previous month to \$6.1 billion, the highest level since 2019. This matched the increase in production that occurred in January, which in more recent years was hampered by COVID-19 restrictions. Metallic and non-metallic mineral products also saw a higher value of products exported in January, up 10.3 per cent when compared to December. Consumer goods also saw a monthly increase in value of exports by 4.5 per cent. Products that saw a decline in the value of exports experienced minimal absolute declines. But proportionally, metal ores and non-metallic minerals saw the biggest monthly decline, down 18.1 per cent. That said, the product category makes up less than 1 per cent of the total value of exports during all of 2022.

Value of trade climbs in January



Imports saw more product categories decline despite the overall value increasing with 7 out of the 12 listed experiencing lower value imported in January 2023 compared to December 2022. As with exports, motor vehicle and parts led the way, with a 16.2 per cent increase to \$8.5 billion. Engines and other parts used in the recent increase in production was a major contributor. Consumer goods also saw a 6.1 per cent monthly increase to \$8.0 billion and electronic and electrical equipment and parts saw a 6.6 per cent increase to \$5.2 billion. Offsetting the higher value of imports in those categories was a lower value of imports in industrial chemical, plastic, and rubber products, down 4.5 per cent and special transaction trades, down 23.9 per cent.

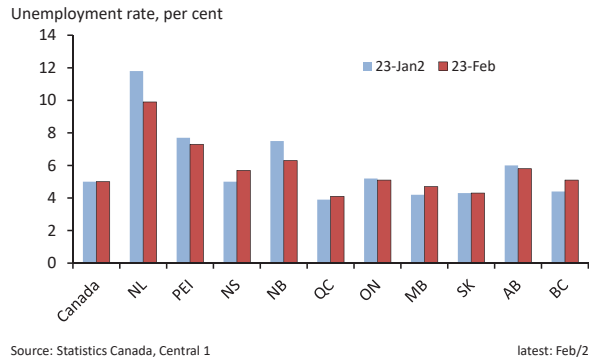
Ontario's employment performance remained steady in February

Ivy Ruan, Economic Analyst

Ontario's labour market held steady in February, following the strong momentum of hirings in January, with 6,600 more persons (0.2 per cent) in seasonally-adjusted employment. This latest increase pushed provincial employment above pre-pandemic levels in February 2020 by 4.8 per cent. The Ontario labour participation rate remained at 65.5 per cent while the unemployment rate dropped to the lowest level since July 2022 to 5.1 per cent. Nationally, unemployment also held at 5.0 per cent in February.

In the Toronto census metropolitan area, employment grew 1.6 per cent in February from the previous month, and the unemployment rate dropped to 5.6 per cent from 5.9 per cent.

Ontario unemployment rate dropped to 5.1 per cent



Ontario hiring gains were driven entirely by full-time employment of 28,900 persons (0.4 per cent). February marked the seventh consecutive monthly increase for full-time employment. Meanwhile, the provincial part-time employment dropped, suggesting workers' stronger motivation for long-term job security and also employers' focus on long-term hiring plans.

On an industry basis, February gains were led by services-producing sectors. Specifically, wholesale and retail trade sector rose by 25,700 persons (2.3 per cent), offsetting the large losses seen in business, building and other support services (down 15,900 persons or 5.3 per cent). Notable increases were also reported in public administration (up 7,600 persons or 1.7 per cent) while other sectors' employment performance was mostly stable. Goods-producing sector employment edged down 0.2 per cent with decreases seen in most subsectors.

The latest Labour Force Survey figures continue to point to the strength in the labour market. Ontario's February unemployment rate (5.1 per cent) slipped further to a level below the pre-pandemic era. The unadjusted national average hourly wage rose 5.4 per cent on a year-over-year basis in February, compared with 4.5% recorded in January.

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