



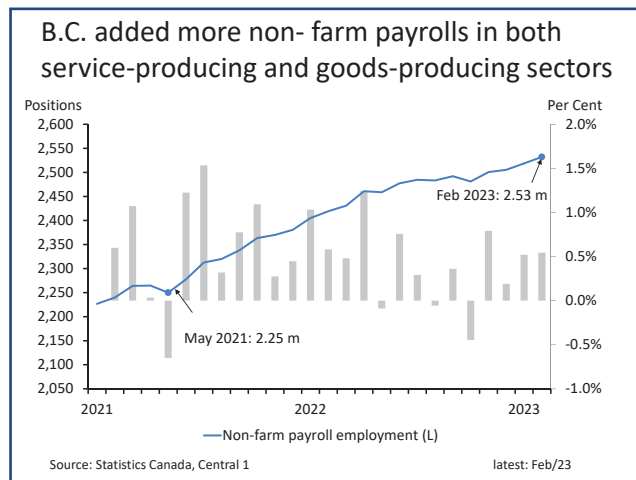
## Highlights

- Gains were seen in both service-producing and goods-producing sectors
- Long- and short-term B.C. business confidence nudged higher in April

### B.C. payroll edged up 0.5 per cent in February

Alan Chow, Business Economist

B.C. employers added to payrolls in February, which is the fourth consecutive month of increases. From the latest Survey of Employers, Payroll and Hours (SEPH), February reported a seasonally-adjusted 0.5 per cent (13,684 persons) monthly growth, pushing the total job count in B.C. to 2.53 million persons. The estimates from the Labour Force Survey (LFS) reported a gain in B.C. employment of 6,700 persons (0.2 per cent) during the same month. Both reflected a steady upward trend and a tight labour market despite predictions for an economic downturn in the future. In B.C., the seasonally adjusted job vacancy rate came in at 5.3 per cent representing 134,935 unfilled positions.



February's job gains were in both the goods-producing sectors and the service-producing sectors with each increasing 0.7 per cent and 0.6 per cent, respectively. Educational services (3,418 persons), together with the trade services sector (3,031 persons), contributed the most to the monthly employment gain and offset the small losses seen by other services, which declined by

413. Employment in goods-producing industries saw gains in construction (2,003 persons) and manufacturing (1,071 persons).

On the wage front, seasonally adjusted average weekly earnings jumped 1.8 per cent to \$1,175.13 on a year-over-year basis, which is lower than last month's 2.1 per cent increase. Month over month the average weekly earnings declined 0.4 per cent in February.

### B.C. business confidence index advances in April as optimism grows stronger

Eloho Ennah, Economic Analyst

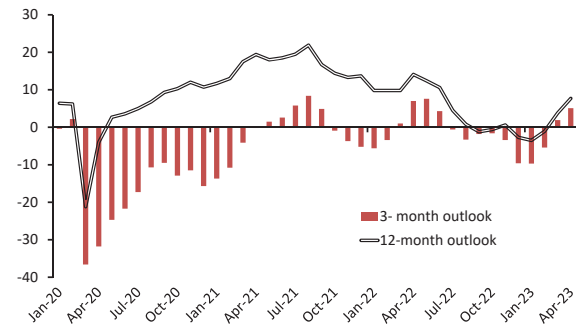
Confidence amongst B.C. small and medium scale enterprises (SME) edged up further in April according to the Business Barometer survey released this week by the Canadian Federation of Independent Business. The long-term index rose to 57.7 points, ahead of the 53.8 points recorded in the previous month and still above the index's neutral benchmark of 50 points. The short-term, three-month- index also increased to 55.1 points from 51.9 points from the previous month. B.C. small businesses are showing mild optimism but are still distressed by economic headwinds in light of higher operating costs and an uncertain economic future.

With regard to general business indicators, a greater number of small businesses plan to expand full-time staff while only 32 per cent of B.C. SMEs considered themselves to be in a good state of business health. The lack of skilled and unskilled labour was the most concerning issue for majority of small businesses. Shortages of working capital, insufficient demand and time constraints were also additional factors limiting sales and production growth. Wage was the greatest input cost constraint amongst SMEs while fuel, tax and insurance costs were also on the growing list of cost constraints.

On the national level, most survey respondents deemed their business' health to be "satisfactory", but the number of respondents who reported their general business situation as "bad" increased from 17.7 per cent to 20.5 per cent during the month. A greater proportion of firm owners expect their businesses to be performing at about the same level or stronger in twelve months compared to their current performance. Small businesses plan on increasing average price charged over the next twelve months by 3.5 per cent,

## B.C. business confidence nudged higher in April

B.C. Small and medium sized business confidence – Deviation from 50



Source: CFIB, Central 1

Latest: Apr/23

while average wage increase plans lagged at 3.3 per cent, reflecting wage stickiness. Price and wage increase plans in 2023 are trending lower than the peak figures seen in the first half of 2022.

Broadly, optimism amongst Canadian small businesses showed slight improvement in April as the long-term index rose 0.4 points to 55.7 points and the short-term index increased from 52.2 points to 53.9 points. Canadian small business expectations are being tempered by greater borrowing costs and elevated expenses amidst a tight labour market.

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