



Highlights

- B.C. construction intentions slide in April
- B.C. exports and imports were down on a yearly basis in April
- Unemployment rate in B.C. remained flat at 5.0 per cent in May
- B.C. students had a slow start to the summer job season

Building permits retreat in B.C. following March surge

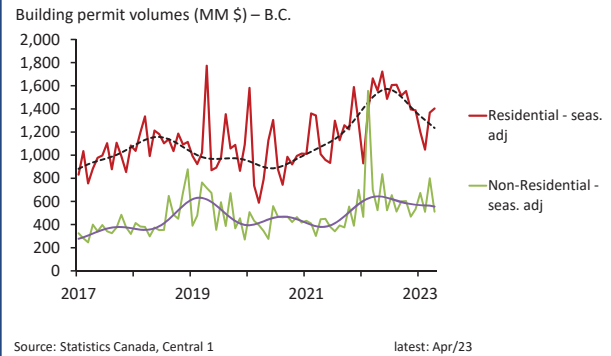
Bryan Yu, Chief Economist

Following a March surge, B.C. building permits backtracked in April as a recoil in non-residential activity more than offset a mild increase in residential permits. Total dollar-volume permits declined 11.7 per cent to a seasonally adjusted \$1.915 billion, with year-over-year levels down 8.7 per cent. While monthly data is noisy building intention trends have tracked lower this year and reflect the drag of higher interest rates and fears of an economic slowdown on both residential demand and business investment.

April's permit volume decline owed to a 36 per cent retreat in non-residential permits to \$512.1 million after a 57 per cent increase the prior month. Commercial permits, which fell back to February levels, led the pullback with a 67 per cent decline. Year-to-date, non-residential permits decline 23 per cent through April.

In contrast, residential permits held steady with an increase of 2.6 per cent to \$1.41 billion. After a February plunge, permit volume has rebounded with the latest increase reflecting an increase in single-family permits (up 15.7 per cent). Despite this increase, residential conditions have eased with higher interest rates impacting both the new home and renovation markets. Year-to-date, residential permits declined 13 per cent through April, led by single-family (-23 per cent) activity, while multi-family activity fell 9.1 per cent.

B.C. construction intentions slide



Among metro areas, permits retreated in both Abbotsford-Mission (-35 per cent) and Vancouver (-19.5 per cent). Both Kelowna (16.6 per cent) and Victoria (11.2 per cent) recorded increases. Excluding the metro areas, permits rose 19 per cent in the latest month. That said, year-to-date patterns are down sharply in all metros outside Victoria.

Going forward, the impact of higher interest rates is expected to slow construction activity and intentions further as developers pause on buildout and businesses become more cautious.

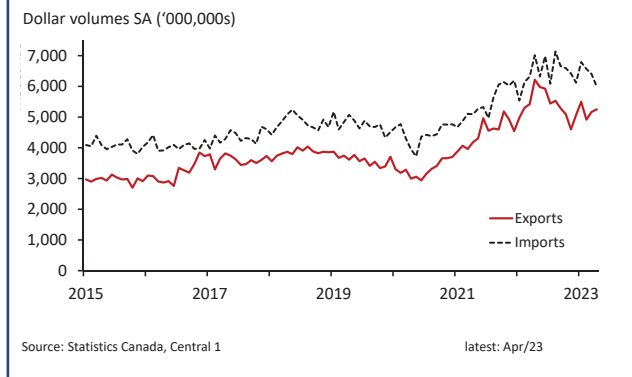
B.C. exports value continues on downward trajectory in April

Eloho Ennah, Economic Analyst

The value of B.C. exports in April fell by 16.0 per cent to \$4.9 billion on a year-over-year basis while imports declined 15.8 per cent to \$5.8 billion compared to the same month in 2022. According to Central 1's seasonally-adjusted numbers, exports rose 1.6 per cent on a monthly basis while imports dropped 6.5 per cent, which was also a further drop from the 2.5 per cent recorded in March.

On the exports side in April, the export value of forestry products, building and packaging material decreased 31.8 per cent on a year-over-year basis to \$1.1 billion. The value of energy exports also saw a reduction of 22.0 per cent to \$1.9 billion during the same period. Aircraft, other transportation equipment

B.C. imports decline further in April



and parts exports value fell by 21.3 per cent to \$28.1 million while the exports value of basic and industrial chemical, plastic and rubber products decreased by 12.6 per cent to \$117.6 million. In addition, electronic, electrical equipment and parts exports value dropped 12.0 per cent to \$236.4 million and that of consumer goods reduced by 2.3 per cent to \$358.8 million. Balancing these declines was an increase in the exports value of metallic and non-metallic mineral products, up by 20.8 per cent to \$460.3 million on a year-over-year basis. The value of farm, fishing and intermediate food exports increased 14.6 per cent to \$244.1 million, while exports value of industrial machinery, equipment and parts rose 12.2 per cent to \$222.5 million during the same period. On a yearly basis, exports value of metal ores and non-metallic minerals also increased 7.4 per cent to \$219.1 million.

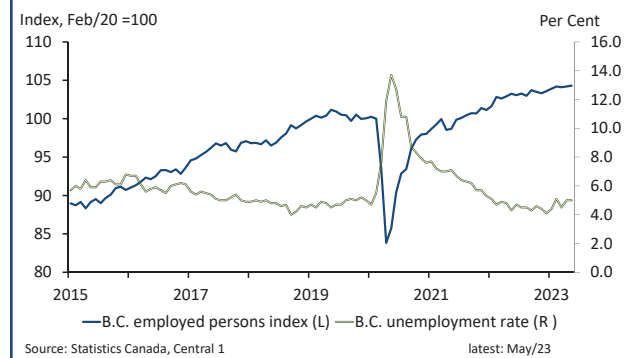
Among the import categories, consumer goods imports value declined by 25.1 per cent to \$1.4 billion on a yearly basis. Metallic, non-metallic mineral products imports and metal ores and non-metallic minerals imports value also dropped 49.5 per cent to \$415.5 million and 42.4 per cent to \$88.6 million respectively. In addition, aircraft, other transportation equipment and parts imports value decreased by 39.2 per cent to \$145.3 million. Forestry products and building and packaging material imports value decreased by 20.6 per cent to \$413.9 million and basic and industrial chemical, plastic and rubber products exports value fell 20.5 per cent to \$278.9 million. The value of farm, fishing and intermediate food imports was \$362.2 million, a fall of 5.6 per cent in comparison to the same month in 2022. Offsetting these reductions was a rise in the imports value of industrial machinery, equipment and parts which rose 5.6 per cent to \$1 billion year-over-year. Motor vehicles and parts recorded higher imports value of \$616.3 million, up 19.6 per cent compared to April 2022. The dollar value of energy imports also rose 23.2 per cent to \$394.7 million during the same period.

B.C. had little change in employment in May

Ivy Ruan, Economic Analyst

B.C.'s labour market was steady in May, with seasonally-adjusted employment inching up by 1,400 more persons (0.05 per cent) from last month. With the latest updates, employment growth trend softened but remained positive. Provincial employment was ahead of a year ago by 1.0 per cent and ahead of pre-pandemic level in February 2020 by 4.3 per cent. The labour participation rate edged down from last month to 65.0 per cent but the unemployment rate was flat at 5.0 per cent again. Labour force expanded modestly, supported by robust population growth and immigration. Nationally, labour market momentum showed signs of wilting, with total employment edging down by 0.1 per cent and unemployment rate rising to 5.2 per cent.

B.C.'s employment performance had little change in May

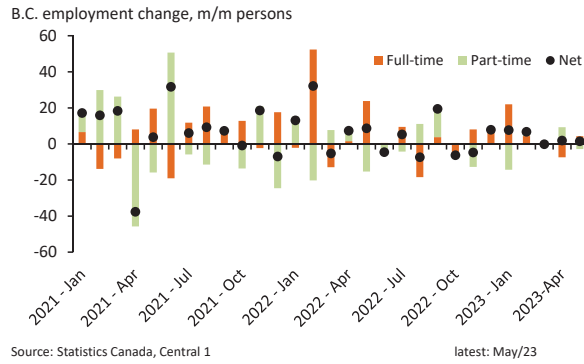


In the Vancouver census metropolitan area, a labour force expansion (0.2 per cent) was also recorded in May. Seasonally-adjusted employment rose (11,000 persons or 0.7 per cent) in May from the previous month and the unemployment rate dropped to a surprising 4.9 per cent from 5.4 per cent. The labour participation rate in the area inched down to 68.0 per cent.

Little change was reported in both full- and part-time employments in May. B.C.'s part-time employment decline of 2,800 persons (-0.5 per cent) was offset by the expansion in full-time employment (4,300 persons or 0.2 per cent) in May.

On an industry level, patterns held steady albeit the goods-producing sectors came in negative following an April contraction. Specifically, sharper declines in construction (-3.6 per cent) and manufacturing (-3.3 per cent) were only partially offset by resources and agriculture. The services-producing sectors'

Full-time employment gain offset loss in part-time hirings



employment gains offset all of the decrease in goods-producing sectors, with 8,600 more net hirings (0.4 per cent) in May. Notable increase was reported in the professional, scientific and technical services (up 4,700 persons or 3.9 per cent). Large contraction in hirings were reported in the business, building and other support services sector, with 7.8 per cent fewer hirings. The accommodation and food services sector also reported 2.6 per cent fewer employments in May.

The latest figures in B.C. remained solid in May with continuous expansion in labour force and a solid participation rate. The unadjusted national average hourly wages rose 5.1 per cent on a year-over-year basis in May, slightly below the 5.2 per cent recorded in April. Wages seem to be running faster in B.C. with average hourly wages up 7 per cent year-over-year, albeit likely impacted by job composition. Consistent with the national trend, B.C. students had a slow start to the summer job season in May. The employment rate for age group 15-24 fell from 61.1 per cent in May 2022 to 57.2 per cent in May 2023. May part-time employment reported a significant monthly decline (-8.6 per cent) among younger workers in B.C.

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