



Highlights

- Payroll sizes decline again in August
- Both B.C. short- and long-term business confidence index dropped in October following last month's rebound
- U.S. travellers to Canada through B.C. kept driving the tourism recovery

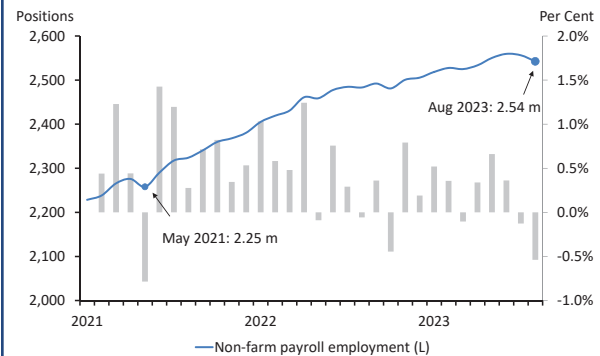
B.C. payroll decreased by 0.5 per cent in August

Alan Chow, Business Economist

B.C. employers saw a decrease in payrolls in August, which is the second consecutive monthly decrease. From the latest Survey of Employers, Payroll and Hours (SEPH), August reported a seasonally adjusted 0.5 per cent (13,745 positions) monthly decrease, bringing the total job count in B.C. down to 2.54 million positions. This points to moderation in hiring and paid employment by firms. The seasonally adjusted job vacancy rate continued to fall in August, coming in at 4.2 per cent. This is the fourth monthly decline in a row and represents 104,745 positions.

August's decrease in positions were broad-based with both service-producing industries (down 0.3 per cent or 6,676 positions), and goods-producing industries (0.5 per cent or 5,168 positions) seeing fewer positions. The decline in positions in the service industry was led by the trades (down 0.5 per cent or 2,126 positions), arts, entertainment and recreation (down 2.2 per cent or 1,151 positions), and accommodations and food services (down 0.5 per cent or 1,072 positions). Only three sectors within the service-producing industries saw a growth in positions in August: the public sector (up 0.8 per cent or 1,292 positions), educational services (up 0.3 per cent or 531 positions), and other services (up 0.1 per cent or 111 positions). Within the goods-producing sectors, the largest declines in positions were seen in construction (down 2.0 per cent or 3,793 positions) and manufacturing (down 0.8 per cent or 1,206 positions).

B.C. sees another decline in non-farm payrolls



Source: Statistics Canada, Central 1

latest: Aug/23

On the wage front, seasonally-adjusted average weekly earnings jumped 4.9 per cent to \$1,229.63 on a year-over-year basis, which is lower than last month's 5.8 per cent increase. Month over month the average weekly earnings were only up marginally at less than 0.1 per cent.

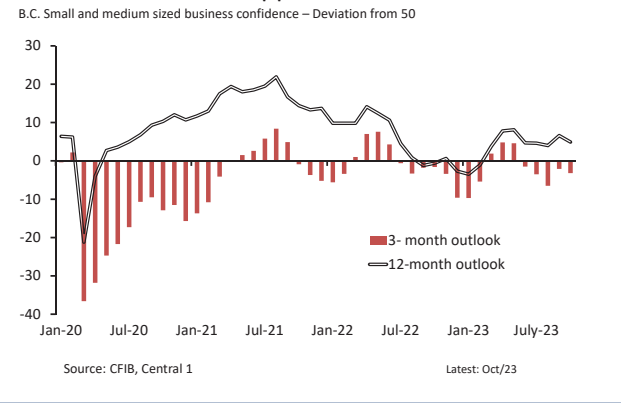
B.C. small business confidence declined in October

Ivy Ruan, Economic Analyst

The Business Barometer survey released this week by the Canadian Federation of Independent Business, showed business confidence declined amongst B.C. small and medium-scale enterprises (SMEs) following the rebound last month. The October long-term index dropped to 54.9 points from the 56.6 points recorded in September, while the short-term three-month index was down to 46.8 points from 47.9 points the previous month, yet still below the index's neutral benchmark of 50 points. Given the monthly decline, B.C. continued to have one of the weakest short-term optimism readings among all provinces.

Regarding general business indicators, small businesses in B.C. reported their major cost constraints to be tax/regulatory costs amongst other expenses. A shortage of skilled labour continued to top the list of limitations on sales or production growth for B.C. small businesses. Meanwhile, 34 per cent of B.C. small businesses regard themselves to be in good business health, while 22 per cent report otherwise. Moving gradually into the fall, 23 per cent of respondents

Both the short- and long-term business confidence index dropped in October



reported plans to expand full-time staff while only 13 per cent of the businesses expected to see lower employment levels in the next three or four months.

On the national scale, long-term optimism dropped to 47.2 points following the large decline last month. It marked the lowest level since the pandemic. Meanwhile, the short-term forecast saw a large decline of 4.6 points to 41.4 points, the lowest reading in 2023. That said, more small businesses reported themselves to be in good situations (32.4 per cent) but fewer in satisfactory (46.4 per cent) business situations in October compared to last month. Amongst business sectors, the hospitality sector reported one of the largest drops in confidence in both short-term (42.3 points) and long-term (39.5 points). The long-term business confidence among owners of finance, insurance, and real estate and professional businesses also reported large declines in October.

Number of travellers entering B.C. continued the growing momentum in August

Ivy Ruan, Economic Analyst

The number of non-resident visitors entering Canada through B.C. increased again in August. On a seasonally adjusted basis, there were 1.7 per cent more non-resident visitors in August than in July at 681,195 people. These recent gains have lifted non-resident visitors to the highest level in 2023. Same-day excursions, which were up 4.4 per cent, while overnight stays, which edged up 0.2 per cent, drove the increase in August.

The number of U.S. residents visiting Canada through B.C. rose 2.2 per cent from July to August while the number of residents from other countries flattened over the same period. This likely reflects robust strength in U.S. consumer demand. Among the U.S. residents, the increase in travelling was seen largely

U.S. travelers to B.C. led the overall growth



Same-day excursions reported more visits to B.C.



in land travel modes. Arrivals via automobiles from U.S. residents were up 1.8 per cent while those that arrived by airplanes rose 1.9 per cent. Other modes of transportation were also up by 3.4 per cent following an increase last month. Residents from other countries arriving by air dropped 1.6 per cent and increased by 5.7 per cent when coming by land or water. A sharp decrease in the number of visitors from China, thanks in large part to the persistently high airfare and cool foreign relations, contributed to the slower recovery of visitors to Canada through B.C.

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