



Highlights

- Increase in positions seen across service-producing industries
- Both short-term and long-term business confidence dropped in Ontario as concerns over insufficient domestic demand mounted
- Number of travellers entering Ontario rose in August

Ontario reported marginally higher payrolls in August

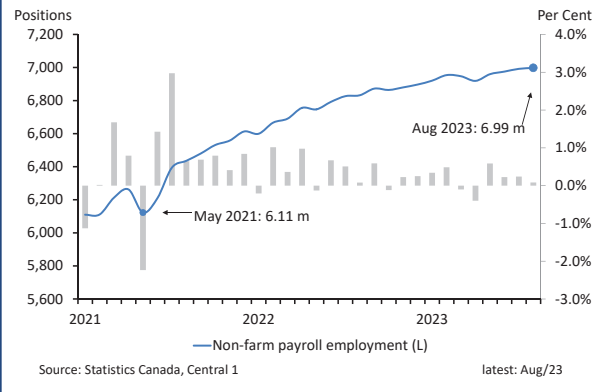
Alan Chow, Business Economist

Ontario employers saw a marginal gain in their payrolls in August, a fourth straight monthly increase. From the latest Survey of Employers, Payroll and Hours (SEPH), August reported a seasonally adjusted 0.1 per cent (5,729 positions) monthly increase, bringing the total employment reading in Ontario up to 6.99 million positions. In Ontario, the seasonally-adjusted job vacancy rate moved up slightly from 3.5 per cent in July to 3.6 per cent in August, ending the over-year-long decline. It represents 246,755 unfilled positions.

August's job increases reported by SEPH were all in the service-producing industries, which was up 0.3 per cent or 18,198 positions. Employment rose in health care and social assistance (4,867 positions), public administration (4,302 positions) and trade (3,814 positions). Service-producing industries that saw fewer positions include educational services (4,066 positions), and information and cultural industries (793 positions). Within goods-producing industries, which was down 0.8 per cent or 9,820 positions, construction saw the largest decrease (8,741 positions) and accounted for the bulk of the industry loss.

On the wage front, seasonally-adjusted average weekly earnings jumped 4.2 per cent to \$1,247.55 on a year-over-year basis, up from last month's revised year-over-year increase of 4.1 per cent. Month-over-month average weekly earnings were also up 0.4 per cent.

Ontario non-farm payrolls up marginally again in August



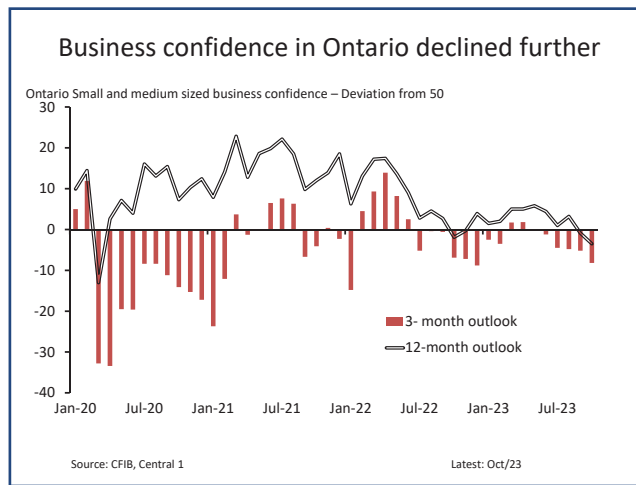
Ontario business confidence fell further in October

Ivy Ruan, Economic Analyst

The Business Barometer survey released this week by the Canadian Federation of Independent Business showed more pessimism among Ontario small and medium-scale enterprises (SMEs). The long-term index fell to 46.5 points from the 49.1 points recorded in September, while the short-term 3-month index was down to 41.8 points from 44.8 points from the previous month. Both short-term and long-term indices were well below the index's neutral benchmark of 50 points, suggesting negative views of SMEs in Ontario toward the future. Ontario continued to be the lowest confidence province in the short-term, forward expectations aside, among provinces.

With regards to general business indicators, small businesses in Ontario reported their major cost constraints to be wage cost among other expenses. Insufficient domestic demand and shortage of skilled workers topped the list of limitations on sales or production growth for Ontario small businesses. Meanwhile, 31 per cent of the province's small businesses regard themselves to be in good business health, while 25 per cent report otherwise. Moving gradually into the fall, 17 per cent of respondents reported plans to expand full-time staff but 19 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.



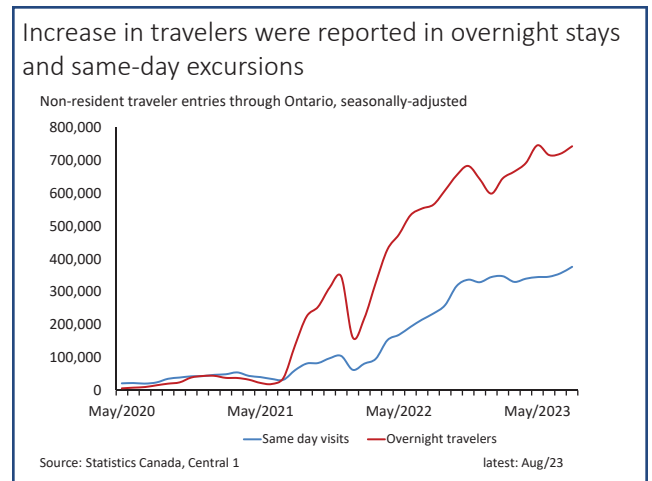
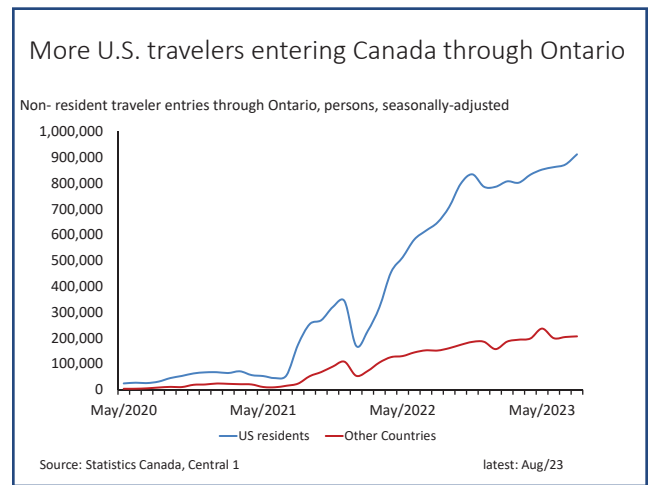
It marked the lowest level since the pandemic. Meanwhile, the short-term forecast saw a large decline of 4.6 points to 41.4 points, the lowest reading in 2023. That said, more small businesses reported themselves to be in good situations (32.4 per cent) but fewer in satisfactory (46.4 per cent) business situations in October compared to last month. Among 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.

U.S. travellers to Canada through Ontario higher in August

Ivy Ruan, Economic Analyst

The number of non-resident visitors entering Canada through Ontario increased again in August. On a seasonally-adjusted basis, there were 3.9 per cent more non-resident visitors in August than in July, reaching 1.119 million people. These recent gains have lifted non-resident visitors to another highest level in 2023. Same-day excursions, which were up 5.5 per cent, and overnight stays, which were up 3.1 per cent, drove the increase in August.

The number of U.S residents visiting Canada through Ontario was up 4.5 per cent from July to August while the number of residents from other countries rose 1.2 per cent over the same period. Among the U.S. residents, the increase in travelling was seen largely in land travel modes. Arrivals via automobiles from U.S. residents were up 5.5 per cent while the number of those who arrived by airplanes was unchanged. Other modes of transportation were also up 8.9 per cent



following an increase last month. Residents from other countries arriving by air decreased by 0.7 per cent and increased by 8.4 per cent when coming by land or water. A sharp decrease in the number of visitors from China, owing in part to high airfare and cool foreign relations, is contributing to the slower recovery of visitors to Canada through Ontario.

For more information, contact economics@central1.com.