



Highlights

- Non-farm payroll posted a slight decline in November
- Long-term and short-term B.C. business confidence nudged higher in January
- Same day excursions decline in B.C.

Vacancy rate edged down in November while wage growth remaining strong

Ivy Ruan, Economic Analyst

B.C. employers reported a slight decline in their non-farm payrolls in November. From the latest Survey of Employers, Payroll and Hours (SEPH), November's was virtually unchanged with a decrease 716 positions, and the total job count in B.C. remained about 2.54 million positions. Goods producing industries reported 0.3 per cent or 1,171 fewer positions while service producing industries reported 0.03 per cent or 663 more positions. The seasonally adjusted job vacancy rate edged down in November to 4.2 per cent from the previous months 4.3 per cent pointing to increased slack in the economy. The vacancy rate represents approximately 105,700 vacant positions.

The largest decline in positions reported in goods producing industries was in manufacturing, which reported 1.1 per cent or 1,615 fewer positions at 147,335. This marked the lowest number of payrolls in manufacturing since the end of 2020. The increase in payrolls of mining, quarry and oil and gas extraction sector (629 positions) offset some of the decline in manufacturing. Broad decreases were reported among services producing industries except educational services (2,680 positions or 1.5 per cent), health care and social assistance (2,207 positions or 0.7 per cent), and public administration (915 positions or 0.6 per cent). On the other hand, 0.9 per cent or 2,038 fewer positions were reported in accommodation and food services.

Non-farm payrolls declined in B.C.



On the wage front, seasonally adjusted average weekly earnings jumped 4.1 per cent to \$1,228 on a year-over-year basis, which is higher than last month's revised 3.9 per cent increase. Month-over-month, the average weekly earnings were up 0.6 per cent with notable increases seen in the finance and insurance (4.2 per cent m/m) and arts, entertainment and recreation (3.4 per cent m/m).

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

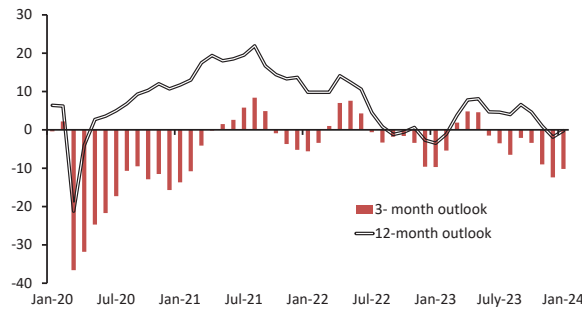
Eloho Ennah, Economic Analyst

Confidence amongst B.C. small and medium scale enterprises (SMEs) grew in January according to the Business Barometer survey released this week by the Canadian Federation of Independent Business. The long-term index rose to 49.8 points, ahead of the 48.1 points recorded in the previous month and only slightly shy of the index's neutral benchmark of 50 points. The short-term 3-month index also increased to 39.8 points from 37.6 points from the previous month. Although an improvement from the prior month, a level of 50 and below still shows very low optimism as the barometer typically reads around 60 points in a normal operating environment. Small firm owners are remaining cautious amidst high interest rates and a slowing economy.

According to the survey, fewer small businesses plan to expand their full-time staff while only 25 per cent of B.C. SMEs considered themselves in a good state

Both the short- and long-term business confidence index improved in January

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



Source: CFIB, Central 1
Latest: Jan/24

of business health. Insufficient demand and skilled and unskilled labour shortage were reported as the greatest impediment to production and sales growth. Working capital shortages, limited physical space and time constraints were also additional factors limiting sales and production growth. Tax and wage costs were the main input cost constraint amongst SMEs while fuel, insurance and borrowing costs were also on the growing list of costs constraints.

At the national level, optimism amongst Canadian small businesses went up in January as the long-term index rose 1.6 points to 49 points and the short-term index increased 3.3 points to 43 points. At this level, firms are still very pessimistic likely due to factors such as high borrowing costs, weaker demand and CEBA loan repayment. More than 33 per cent of survey respondents rated their business' health to be "good", while the respondents who reported their general business situation as "bad" fell from 22 per cent to 20.2 per cent during the month. A greater proportion of firm owners expect stronger business performance in the next twelve months compared to their current performance while SMEs plan to increase the average price in the period by 2.8 per cent. This has been the smallest planned price increase since March 2021.

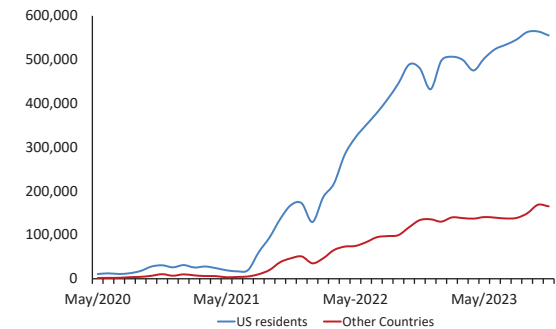
Overnight tourist numbers continue to climb

Alan Chow, Business Economist

The number of non-resident travelers entering Canada via British Columbia declined in November after having peaked in October. On a seasonally adjusted basis, there were 1.7 per cent fewer visitors in November. The number of same day excursions declined 8.0 per cent while the number of overnight tourists increased 1.7 per cent. The number of overnight tourists has been on a steady climb this year but is still only 90 per cent of what was averaged in 2019.

Non-resident travel to B.C. declines in November

Non-resident traveler entries through B.C., persons, seasonally - adjusted

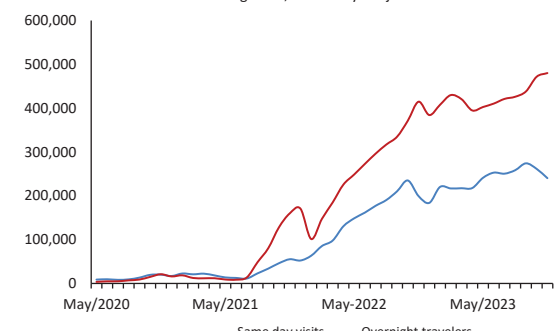


Source: Statistics Canada, Central 1

latest: Nov/23

Overnight tourist number continue to climb

Non-resident traveler entries through B.C., seasonally - adjusted



Source: Statistics Canada, Central 1

latest: Nov/23

The number of U.S. residents entering Canada via B.C. declined 1.6 per cent in November to 555,132 persons. Despite the decline it is still 5.4 per cent above the monthly average seen in 2019. The number of residents from other countries declined 2.2 per cent and is around 86 per cent of the monthly average seen in 2019. The decline in U.S. residents entering was seen in all modes of transportation but was particularly weak in travelers by air, which was down 6.7 per cent. The number of non-residents from countries other than the U.S. also declined 2.1 per cent in November. This was driven by those who came by land or water, which was down 22.2 per cent. The number of non-residents from countries other than the U.S. who came by air increased 5.5 per cent.

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