



Highlights

- Motor vehicles and parts' trade volumes even stronger in November
- Construction wanes in Ontario; non-residential sector sees strong drop in permits issued in November

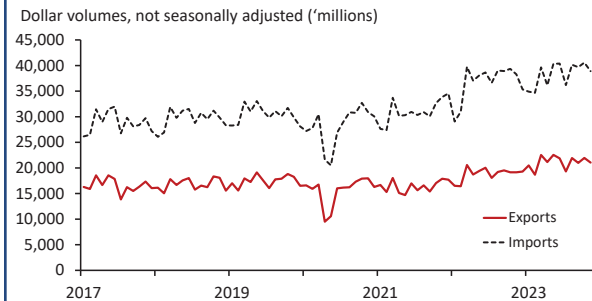
Imports and export volumes continue to grow

Alan Chow, Business Economist

In October, the value of Ontario exports rose by 9.9 per cent to \$21.0 billion on a year-over-year basis while imports were up 1.7 per cent to \$38.9 billion compared to same month in 2022. While recent patterns have shown some deterioration, exports, on the whole, have generally outperformed on a year-over-year basis. A number of import categories have shown fluctuations in the past months. Year-to-date, exports are up 12.4 per cent while imports are up 3.9 per cent.

Of the primary categories, 9 out of the 12 categories reported year-over-year export growth. Leading the way was motor vehicle and parts, which was up 52.7 per cent. Volumes in this sector continue to grow as the supply chain issues seen during the pandemic are fixed. As a result, inventory levels have gone up, prompting some places to consider production cuts. This may result in lower trade in this category soon. Also seeing higher exports was industrial machinery, equipment and parts, which was up 6.2 per cent and electronic and electrical equipment and parts, up 11.0 per cent. On the downside, metal and non-metallic minerals saw a year-over-year decline of 23.4 per cent. Year-to-date, motor vehicles and parts were up 34.5 per cent followed by industrial machinery, equipment and parts, up 13.1 per cent, and consumer goods, up 5.3 per cent. Categories that saw a decline in exports were energy products, down 35.1 per cent, and basic and industrial chemical, plastic and rubber products, down 6.9 per cent.

Ontario exports and imports remain elevated



Source: Statistics Canada, Central 1

latest: Nov/23

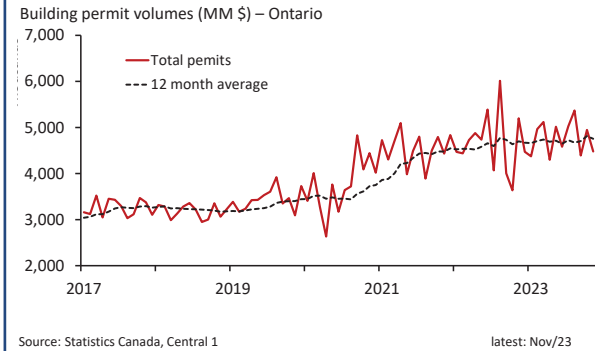
On the imports side, most categories saw a year-over-year decline. However, the significant contribution of motor vehicle and parts to the overall trade volume enabled it to achieve growth. Motor vehicle and parts import volume was up 7.5 per cent or \$666 million, greater than the overall import volume increase of \$632 million. Categories that experienced the most significant declines were energy products, down 36.1 per cent, consumer goods, down 4.0 per cent, and basic and industrial chemical, plastic and rubber products, down 8.7 per cent.

Ontario building intentions slide in November as permit issuances withdraw

Eloho Ennah, Economic Analyst

Ontario building permits decreased in November, following October's gain. The total dollar volume of building permits fell 9.4 per cent to reach a seasonally-adjusted \$4.5 billion, after rising 12.6 per cent in the prior month. The month-over-month decline was induced by tapering non-residential construction, with permits issued in the sector declining by 26.8 per cent to \$1.4 billion. Residential building permits were up by 2.1 per cent to \$3.0 billion during the month. Year-to-date, the total dollar-volume of permits has risen 2.0 per cent compared to the same period last year. Although monthly data can be noisy, the overall trend suggests a decline in construction intentions due to unfavorable borrowing conditions and a stagnant economic environment.

Building permits slip in Ontario in November



The gains in the residential sector were driven by an increase in permits for multi-family units, rising 6.8 per cent during the month. However, this growth was not as much as the 16.1 per cent gain in October. Single family dwelling permits slipped 4.9 per cent and eroded the 3.3 per cent increase in the prior month. The non-residential sector declined during the month as a result of lower permits values for all sub-categories. Government permits fell 40.1 per cent while commercial building permits declined by 22.8 per cent. Commercial building permits were also down 14.3 per cent in November.

Most of Ontario's census metropolitan areas reported lower permit values in November. The total value of building permits in Toronto witnessed a decline of 13.9 per cent in October. This reduction was predominantly driven by a sharp 38.4 per cent dip in permit values within the non-residential sector. In contrast, residential permit values increased by 7.2 per cent. The figure in November was also 37.0 per cent lower than that of the month one year ago. Permits in Ottawa also experienced a significant decline, plummeting by 59.2 per cent, while in Hamilton, they pulled back by 18.4 per cent. In London, the monthly dollar-volume of permits declined 32.5 per cent while they fell in Guelph by 27.8 per cent. In contrast, the Kitchener-Cambridge-Waterloo region saw a 23.8 per cent uptick in permits, while permits rose 18.3 per cent in Kingston. Windsor permits also increased 19.0 per cent during the same period.

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