



Highlights

- Part-time employment went up in B.C. in January
- Services-producing sector remained steady while goods-producing industries saw hiring declines
- Construction activities slowed down in December, prompted by sharp non-residential permit declines
- Full-year permit values receded in B.C. in 2023
- Trade volumes continue to fall

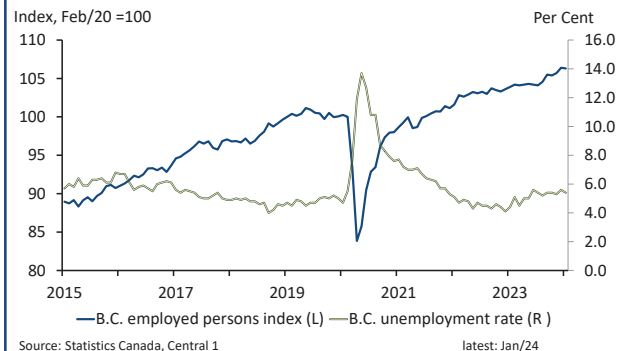
B.C. employment edged down in January

Ivy Ruan, Economic Analyst

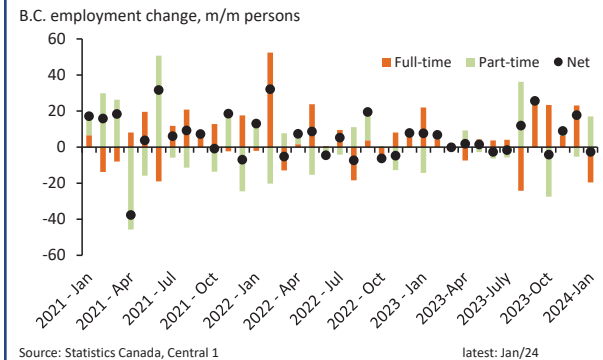
Following a large hiring increase in December, employment in British Columbia saw a mild and insignificant contraction of 2,600 people (0.1 per cent) in January on a seasonally-adjusted basis. On a year-over-year basis, provincial employment increased 2.6 per cent. The labour participation rate dropped to 65.3 per cent from 65.7 per cent last month, while the provincial unemployment rate edged down 0.1 per cent to 5.4 per cent following the large monthly increase in December. B.C.'s labour force contracted by 0.2 per cent during the same period despite a large 0.4 per cent increase in population.

Consistent with the national pattern, part-time employment in the province soared by 3.0 per cent (17,000 people) in January, partially offsetting a decline in full-time employment, which was down 0.9 per cent (19,600 people). The Vancouver Census Metropolitan area recorded a 0.4 per cent decrease in employment from the prior month, while the unemployment rate went down to 5.5 per cent compared with the 6.2 per cent level seen in December as the labour force contracted. While we should be wary of a metro area change of this magnitude, it does suggest a tightening of conditions.

Total employment in B.C. edged down in January



Part-time employment increased in B.C. in January



By sector, the goods producing industries saw employment fall 1.1 per cent following the decrease in December, with the highest sub-sector loss seen in construction (-1.5 per cent or 3,500 persons). The rest of goods-producing sectors — except the utilities industry (17.1 per cent or 2,100 persons) — also posted declines during January. Total employment in the services industries edged up by 0.1 per cent, with notable decrease in wholesale and retail trade (-1.9 per cent or 8,500 persons) offset by hiring growth seen in sectors such as finance, insurance, real estate, rental and leasing (0.6 per cent) and public administration (3.0 per cent).

In December, the labour force performance in B.C. aligned with national trends, which showed surprising resilience despite the domestic challenges facing the economy.

B.C. construction sector experiences stronger retraction in December

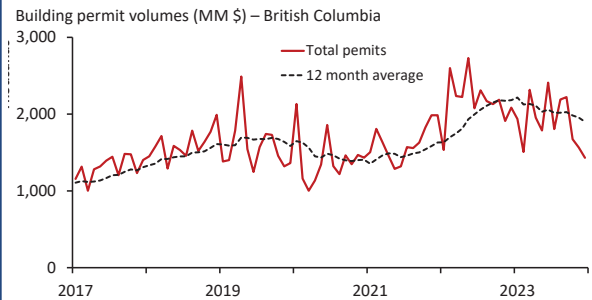
Eloho Ennah, Economic Analyst

B.C. building permits fell for a third consecutive month in December. The total value of permits declined by 8.6 per cent to reach a seasonally-adjusted \$1.4 billion. Although monthly data can fluctuate widely, December posted the smallest value in building permit issuances for 2023. This month's reduction was driven by strong declines in non-residential unit construction, which fell by 15.5 per cent, after jumping by more than 45 per cent in the prior month. Residential permits also declined during the month, down by 4.7 per cent, but not as sharp as the 22.0 per cent contraction in November. The construction trend in the province has been slowing since early 2023, and December's figures contributed to this ongoing trend. This suggests a potential for further declines in construction activity into 2024.

Although there were occasional increases in non-residential construction intentions across B.C., driven by issuances of high-value construction permits for healthcare facilities in Dawson Creek, North Cowichan, Williams Lake and the Greater Vancouver Area, the value of full-year permits fell in 2023. On an annual basis, the total value of building permits in B.C. retracted 12.9 per cent to \$22.8 billion. Higher material and labour costs pumped up the nominal value of building permits. Adjusting for prices, the real-dollar value of building permits fell by 19.1 per cent, with almost equal magnitude declines in both residential permits and non-residential permits, both down by more than 23 per cent. In 2023, construction intentions declined across the province due to factors such as high interest rates and construction costs, which discouraged new construction activity. While home sales dwindled throughout the year, further contributing to a slowdown in construction.

Total residential permit values lessened in December to \$956 million and marked the lowest reading since June 2021. Within the category, single-family dwelling permits fell by 2.3 per cent while multi-family dwelling permits decreased by an even sharper 5.7 per cent. Additionally, in December, the value of non-residential permit values decreased to \$476 million. This decline was primarily driven by an 85.8 per cent plunge in industrial permits and a 21.6 per cent dip in commercial permits. In contrast, there was a notable increase in of 54.0 per cent in government permit issuances during the month.

Building intentions fall further in B.C.



Source: Statistics Canada, Central 1
latest: Dec/23

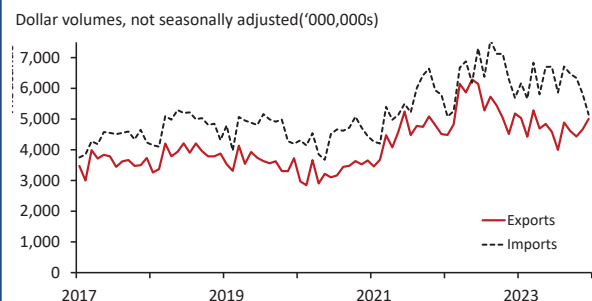
Among B.C.'s census metropolitan areas, Vancouver saw a 17.0 per cent decrease in monthly permits. In Chilliwack, permits issuances pulled back sharply with a decline of 72.9 per cent in December. Kelowna was the third region to record a monthly decline, with permits volumes decreasing by 24.6 per cent. Abbotsford-Mission permits increased by 1.6 per cent while they jumped in Victoria by 28.1 per cent. Permit issuances in Nanaimo and Kamloops were up by 39.0 per cent and 12.0 per cent, respectively.

Forestry and Energy exports down for 2023

Alan Chow, Business Economist

In December, B.C.'s merchandise exports came in at about \$5.0 billion. While this represented a 7.4 per cent increase over the previous month, it marked a 3.4 per cent decrease compared to the same month in the previous year. It capped off a sluggish year where the value of exports was down 13.1 per cent. Imports were also slow. They had a total value of around \$5.1 billion for December, which is down 8.0 per cent over the previous month and down 9.5 per cent compared to the same month last year. For the year, the value of imports was down 4.3 per cent compared to last year.

B.C. trade deficit narrows



Source: Statistics Canada, Central 1

latest: Dec/23

Within the exports category, the monthly year-over-year declines were led by lower exports in metal ores and non-metallic minerals, which were down 22.3 per cent. This is followed by a 3.9 per cent decline in the value of energy products and a 23.2 per cent decline in farm, fishing and intermediate food products. A higher value of exports was seen in forestry products, up 4.2 per cent, and consumer goods, up 5.1 per cent. For the entire year of 2023, the decline was led by energy products, down 17.9 per cent, and forestry products, down 26.4 per cent. Higher exports were seen in electronic and electrical equipment and parts, up 12.0 per cent, and industrial machinery, equipment and parts, up 9.8 per cent.

On the imports side, year-over-year monthly decline was led by energy products, down 62.7 per cent, and industrial machinery, equipment and parts, down 21.4 per cent. Higher import volumes were seen in motor vehicles and parts, up 10.1 per cent, and metal ores and farm, fish, and intermediate food products, up 6.8 per cent. For the year, the overall decline in imports was led by lower consumer goods, down 11.0 per cent, and metal and non-metallic mineral products, down 23.6 per cent. Higher imports though were seen in motor vehicles and parts, up 34.2 per cent, and energy products, up 32.9 per cent.

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