



Highlights

- B.C. non-farm payroll edged up in December
- Long- and short-term small business confidence indexes posted higher results in February

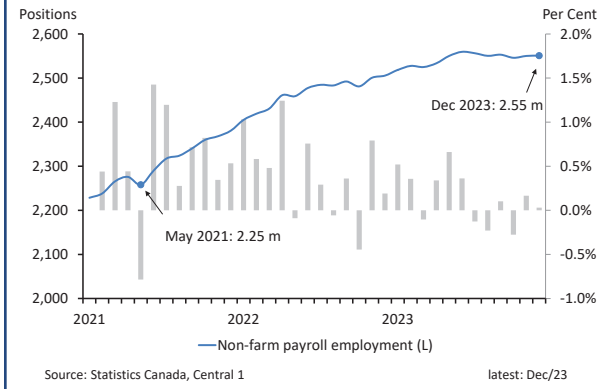
Vacancy rate flattened in December while wage growth paused

Ivy Ruan, Economic Analyst

B.C. employers reported a slight increase in their non-farm payrolls in December. From the latest Survey of Employers, Payroll and Hours (SEPH) reported virtually unchanged results for December. There was a small increase of 678 positions. The total job counts in B.C. remained steady at about 2.55 million positions. Goods producing industries added 0.5 per cent or 1,812 more positions, while service producing industries saw no change, with 824 fewer positions. Despite an increase of 995 more vacancies during the month, the seasonally-adjusted job vacancy rate remained steady at 4.2 per cent, the same as in November. Total vacancies reached 107,120 positions.

Goods producing industry saw broad and modest increases of job count among sectors except manufacturing, which posted a minimum decline in payrolls. December's results continued to indicate the lowest number of payrolls in manufacturing since the end of 2020. The largest increase among goods producing industries was seen in the construction sector, up 0.8 per cent or 1,424 positions. Mixed results were seen in the services producing industries in December. Notable increases were reported in health care and social assistance, with 2,112 positions added (0.6 per cent), and in public administration, with 1,082 positions (0.7 per cent). On the other hand, there was a decrease of 1,279 (0.7 per cent) reported in accommodation and food services.

Non-farm payrolls edged up in B.C.

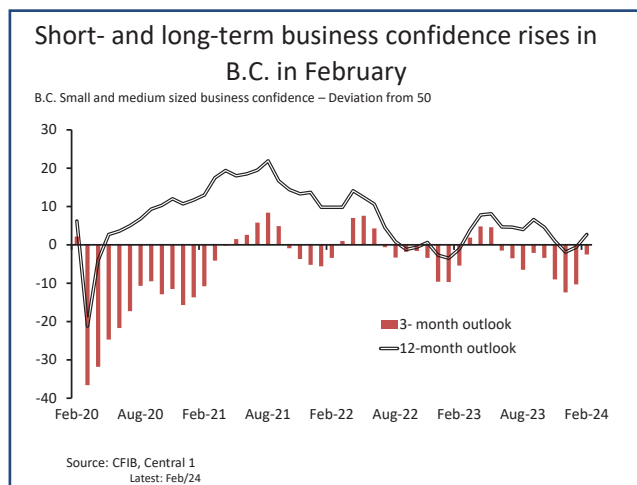


On the wage front, seasonally-adjusted average weekly earnings in B.C. edged down 0.3 per cent to \$1,230 compared to November, when average weekly earnings posted a 7.0 per cent jump. On a year-over-year basis, December's average earnings in B.C. were 6.7 per cent higher than last December.

B.C. small business optimism advanced in February

Eloho Ennah, Economic Analyst

B.C. small and medium scale enterprises (SMEs) showed greater optimism in February according to the latest Canadian Federation of Independent Business Barometer survey for February. The long-term index increased to 52.7 points from the previous month's 49.4 points, now above the index's neutral benchmark of 50 points. The short-term three-month index also increased to 47.5 points from 39.7 points in January and was the highest reading since September 2023. However, both indicators remained at levels consistent with a near recessed economy. In February, expectations among small firm owners in B.C. outperformed those in some provinces in the country. However, business optimism is being dampened by a slowing economy and uncertainty surrounding future economic performance.



According to the survey, fewer small businesses plan to reduce their full-time staff compared to those in January. Additionally, 29 per cent of B.C. SMEs considered themselves in a good state of business health, up from 25 per cent in the prior month. Insufficient demand, shortages of skilled and unskilled labour and limited working capital remain the biggest challenges with expanding production and sales growth. Limited physical space and time constraints were also factors limiting sales and production growth. Tax and wage costs were the major input cost constraints while fuel, insurance and occupancy costs were other cost constraints reported by SMEs.

On the national front, business optimism across SMEs in the country strengthened in February with both short- and long-term indexes rising above the 50-point benchmark. The short-term index rose 8.2 points to 51.1 points, while the long-term index increased by 6.1 points to 54.9 points — the highest readings since May 2023. Although business expectations improved, they are still tempered by concerns about slowing demand and discouraging borrowing conditions. Close to half of SMEs stated insufficient domestic or foreign demand as a main limitation on sales or production growth, a level comparable to that seen at the start of the pandemic. Average price plans were unchanged at 2.8 per cent while average wage plans decelerated from 2.8 per cent to 2.5 per cent.

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