



Highlights

- B.C. non-farm payroll continued to rise in January
- Long- and short-term business outlook kept rising in B.C. in March as small business owners' optimism grew

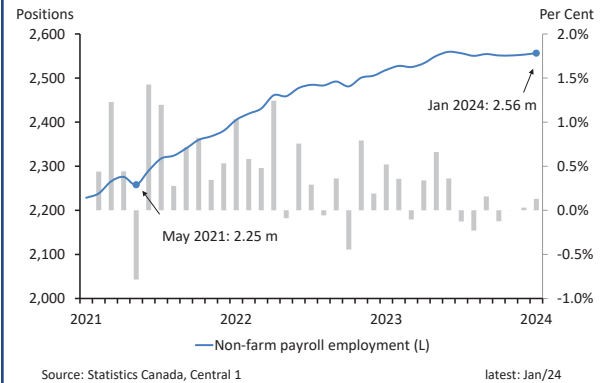
Service producing industries led the growth of non-farm payroll in B.C.

Ivy Ruan, Economic Analyst

B.C. employers continued to see an increase in their non-farm payrolls in January. According to the latest Survey of Employers, Payroll and Hours (SEPH), there was an increase of 3,398 positions in January, bringing the total job count in B.C. to 2.56 million positions. Goods producing industries reported 0.2 per cent or 843 fewer positions while service producing industry payrolls contributed to the overall growth with 0.3 per cent or 5,293 more positions. The seasonally-adjusted job vacancy rate edged down to 4.3 per cent in January compared to December, with 2,220 fewer vacancies reported during the month. Total vacancies reached 109,425 positions.

The goods producing industry saw broad and modest decreases of job count among sectors except the manufacturing sector, which posted a slight increase (1,097 positions) in payrolls. Despite the increase, January's result kept pointing to the lowest number of payrolls in manufacturing since the end of 2020. In January, the construction sector experienced the largest decrease among goods producing industries, with a loss of 1,524 positions or 0.8 per cent, reversing the growth seen in the previous month. Meanwhile, services producing industries showed mixed results. There were notable increases in trade, with 1,916 positions added (0.5 per cent), and in finance and insurance, with 1,694 positions added (1.8 per cent). On the other hand, 4,854 fewer (1.4 per cent) positions were reported in health care and social assistance.

Non-farm payrolls rose in B.C.



On the wage front, seasonally-adjusted average weekly earnings in B.C. rose 1.1 per cent to \$1,248.4 compared to December, when average weekly earnings saw a modest decline. On a year-over-year basis, the average earnings in B.C. for January were 5.7 per cent higher than they were in January of the previous year.

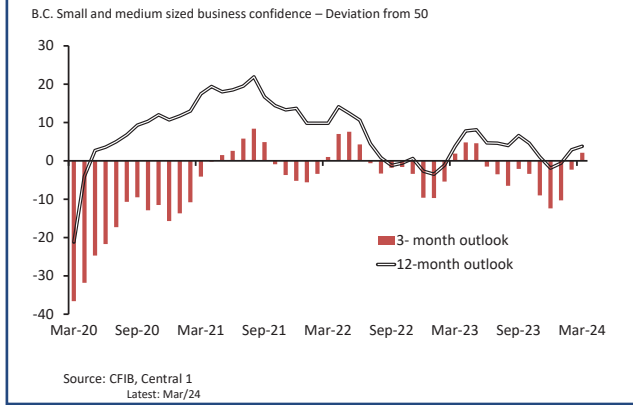
B.C. small business optimism improves in March

Eloho Ennah, Economic Analyst

B.C. small and medium scale enterprises (SMEs) showed modest improvement in optimism according to the latest Canadian Federation of Independent Business Barometer survey for March. The long-term index rose to 53.8 points from 52.9 points the previous month. This was also the third consecutive monthly rise. The short-term three-month index also increased to 52.1 points from 47.7 points and is now above the index's neutral benchmark of 50 points for the first time since May 2023. Although the province's businesses became more hopeful about the business outlook, optimism is still relatively low. That said, slowing economic conditions, high interest rates, uncertainty around future rate cuts and CEBA loan repayments are taking a toll on businesses.

According to the survey, slightly fewer businesses expect to reduce full time staff in comparison to February. Additionally, 31 per cent of B.C. SMEs considered themselves in a good state of business health, up from 29 per cent the prior month. SMEs report insufficient

Short- and long-term business confidence grows in B.C. in March



demand, shortages of skilled and unskilled labour and limited working capital are still the largest limitations to expanding production and sales growth. Limited physical space and distribution constraints were also factors contributing to subdued sales and production growth. Tax, insurance and wage costs were the primary factors constraining input costs, while fuel, occupancy and borrowing costs were also significant constraints.

Short term business optimism among SMEs in Canada grew slightly in March, but the long-term outlook was less optimistic. The short-term index rose 1.4 points to 52.6 points, while the long-term index declined by 2.5 points to 52.7 points. Although the indexes have improved in recent months, both are still below historical averages. The survey found a growing trend among businesses reporting low domestic and foreign demand as major constraint on production and sales growth. Additionally, the number of businesses affected by discouraging borrowing conditions doubled over the twelve-month period. Average wage plans were unchanged at 2.6 per cent while average price increase plans fell to 2.7 per cent.

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