



Highlights

- B.C. non-farm payroll rose in May
- Long- and short-term small business optimism grows in B.C. in July
- More non-residents entering Canada via B.C.

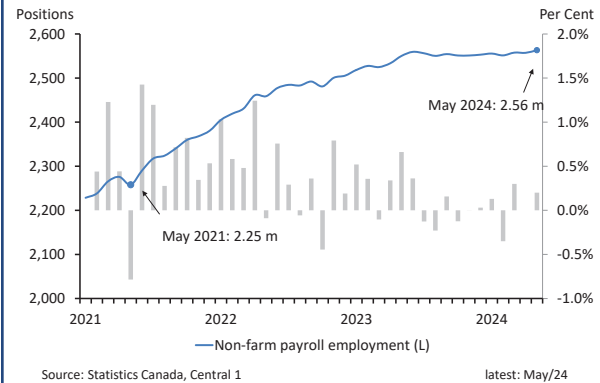
B.C. non-farm payroll rose due to more positions in services producing sectors

Ivy Ruan, Economic Analyst

B.C. employers reported an increase in May hiring following the revised flat result seen in April. From the latest Survey of Employers, Payroll and Hours (SEPH), May's result saw a modest increase of 5,921 positions (0.2 per cent) pushing up total payrolls to 2.56 million positions. Goods producing industries reported only 218 more positions while service producing industry payrolls led overall growth, with 4,570 more positions (0.2 per cent). The job vacancy rate edged down to 3.8 per cent in May and 3,905 fewer vacancies were reported during the month, with total vacancies dropping to 96,650 positions. The job vacancy rate has remained low since the later half of 2023, staying close to the lower end of pre-pandemic levels from 2015 to 2017. SEPH numbers contrasted with a drop in employment observed in the Labour Force Survey (LFS). Over longer periods, employment trends generally align between the SEPH and LFS results. However, it's important to note that while multiple job holders are counted once in the LFS, they appear as multiple entries in payroll records.

The goods producing industry saw broad and minimum changes of job count among sectors. This month's result maintained the lowest level of payrolls in the manufacturing sector since the end of 2020. Broad growths in the number of payrolls were seen among services producing industries in May, except in professional, scientific and technical services sectors, with around 991 fewer payrolls. A notable increase was reported in health care and social assistance sectors (3,074 fewer positions or 0.9 per cent).

Non-farm payrolls rose in B.C.



On the wage front, seasonally adjusted average weekly earnings in B.C. went up 0.8 per cent to \$1,265.71, compared to a 0.2 per cent wage increase in April. On a year-over-year basis, May's average earnings in B.C. were 4.7 per cent higher than last May, remaining elevated.

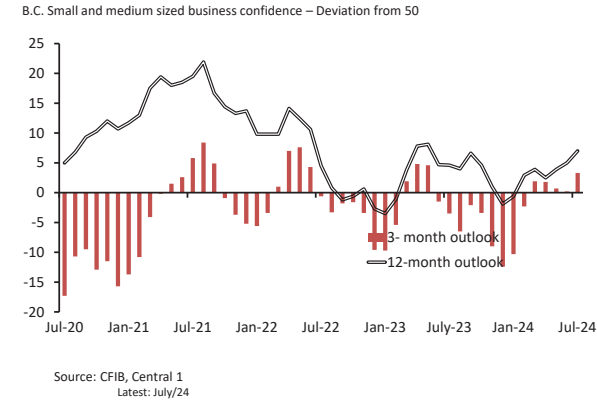
Small business optimism improves in B.C.

Eloho Ennah, Economic Analyst

The Canadian Federation of Independent Business Barometer Survey showed a more positive change in small business optimism in B.C. in July. The long-term 12-month index rose from 55.0 points to 57.0 points, while the short-term, three-month index increased by 3.3 points to 53.3 points. Both figures are now above the index's neutral benchmark of 50 points and around the province's historical averages. B.C. small business sentiment came in higher than overall nationwide optimism during the month and was one of four provinces leading with optimism gains.

Slightly fewer businesses expect to increase full-time staff compared to June while 33 per cent of B.C. SMEs considered themselves to be in a good state of business health, up 27 per cent from the prior month. Insufficient demand, shortages of skilled and unskilled labour, and limited working capital remained the greatest limitations to expanding production and sales growth. Additionally, limited physical space and product distribution constraints were also factors. Tax/regulatory costs, insurance, and wage costs were the top input cost constraints, with fuel, occupancy and borrowing costs also on this list.

Long- and short-term business confidence up in B.C.



More broadly, Canada-wide sentiment waned in July as more businesses anticipated performance to be worse in the coming months, with fewer businesses reporting good business health. The long-term index was stable at 55.4 points, but the short-term index receded by 4.1 points to 47.0 points, now below the neutral benchmark since April. Optimism in the information, arts and recreation sector was the highest in Canada, with the long-term index up 8.3 points to 71.8 points and the short-term index hovering above 62 points. The agriculture sector had the lowest optimism nationwide. The average price increase indicator went up by 0.1 points to 2.6 per cent, just below Canada's inflation value in June (2.7 per cent), while average wage increase plans remained at 2.5 per cent.

Increase seen in travels from both U.S. and elsewhere

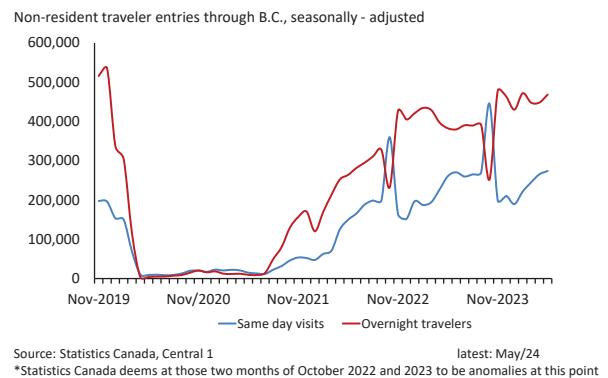
Alan Chow, Business Economist

The number of non-resident travelers entering Canada via British Columbia increased in May 2024 to a seasonally adjusted 742,288, representing 4.0 per cent more visitors in May 2024 than in April 2024, and the second monthly increase in a row. International tourism to B.C. has largely recovered to pre-pandemic levels, particularly U.S. based entries. This is the highest monthly number since the pandemic and is above the monthly average of 717,388 seen in 2019. While same day excursions are above the 2019 average of 187,227 with 273,967, overnight visits are still lower than the 530,161 monthly averages seen in 2019 at 468,320. The number of same-day excursions in May increased 3.2 per cent over April, while the number of overnight tourists decreased by 4.5 per cent monthly.

Traveler's arrivals up in May



Both same day and overnight travelers increase in May



The number of U.S. residents entering Canada via B.C. increased 14.0 per cent in May to a seasonally adjusted 575,564 persons. Arrivals of U.S. residents by air travel increased by 14.0 per cent, while other modes of transportation saw an increase of 5.1 per cent. Arrivals by automobile from U.S. residents declined 1.8 per cent, marking the third consecutive monthly decline. The number of residents from other countries (other than the U.S.) was also up by 6.8 per cent to 166,724 with air arrivals up 8.8 per cent, and land or water arrivals up 1.0 per cent.

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