

**Highlights**

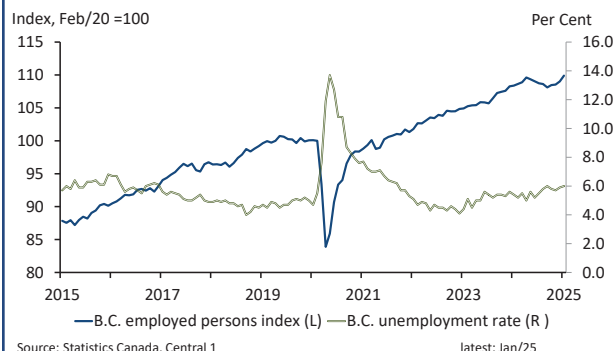
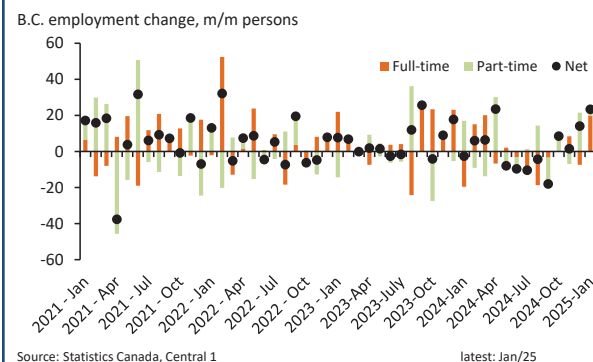
- B.C. labour market reported a 0.8 per cent gain in employment in January
- Unemployment level remained at 6.0 per cent
- Canadian merchandise exports up more than imports in December; first trade surplus noted since February '24
- Canadian merchandise trade surplus with the US lessened in 2024
- B.C. exports grew by 10.7 per cent, imports fall by 1.4 per cent

B.C. employment level kept growing in January*Ivy Ruan, Economic Analyst*

Employment in British Columbia accelerated in January, rising by 0.8 per cent following an increase in December. This translated to 23,400 more people working compared to the previous month. The positive momentum in the provincial labour market brought the year-over-year hiring growth up by 1.4 per cent. That said, pace of year-over-year employment growth in B.C. has trended down since May 2024 and January's increase was still below the national performance of 2.0 per cent. The unemployment rate edged up to 6.0 per cent from the slightly revised 5.9 per cent in November, as labour force growth (0.9 per cent) outpaces employment gains. The labour participation rate rose to 65.2 per cent from 64.7 per cent, along with a 0.2 per cent increase in population.

During the month, both part-time and full-time employment reported monthly increases. Full-time employment grew by 0.9 per cent (19,900 people), while part-time employment rose by 0.6 per cent (3,500 people). The Vancouver Census Metropolitan area (CMA) saw a 1.7 per cent increase in its employment level, while the unemployment rate rose to 6.8 per cent from 6.5 per cent.

By sector, both services-producing and goods-producing industries contributed to the increase in employment in January. The services-producing sector reported a 0.6 per cent increase, while the goods-producing industries grew by 2.0 per cent. Within the former, the

Total employment in B.C. up in January**Both full-time and part-time employment gained in January**

professional, scientific and technical services sector led with a gain of 3.2 per cent (9,800 people) while the transportation and warehousing sector also grew by 3.8 per cent (6,000 people). In the goods sector, employment in the manufacturing category saw a 4.9 per cent gain (8,700 persons) while construction employment also rose by 2.0 per cent (5,200 people). That said, these increments were offset by large declines in agriculture (-20.3 per cent or -2,500 persons), and utilities (-15.7 per cent or -3,300 persons).

Merchandise trade balance positive in Canada in December; B.C. records higher exports*Eloho Ennah, Economic Analyst*

Canada's merchandise trade balance shifted from a deficit to a surplus on a monthly basis in December, the first surplus since February 2024. December's \$708 million surplus followed a \$986 million deficit in the prior month. Merchandise exports rose by 4.9

per cent on a seasonally adjusted basis, marking a third consecutive rise, while imports also increased by 2.3 per cent. It should be noted that Statistics Canada cautions on the use of recent import data as the Canada Border Service Agency Assessment and Revenue Management system transition initiative has delayed the receiving of receipts. Estimate values were used for October to December and future revisions are likely. In addition, since most of the trade is conducted in USD then converted to CAD for reporting purposes, the depreciation of the Canadian dollar against the US dollar translates to a higher monthly trade value. In December, the CAD fell sharply against the USD. In USD, Canadian exports and imports were up by 3.0 per cent and 0.4 per cent, respectively.

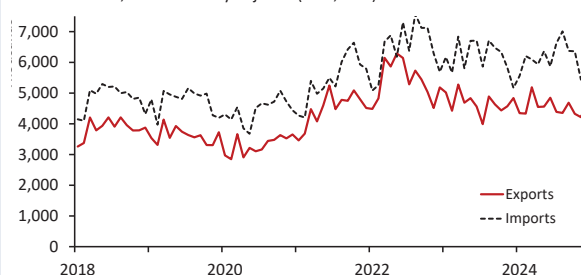
Yearly, total merchandise exports increased by 1.0 per cent following a dip of 1.8 per cent in 2023. This was mostly as a result of higher exports of metal and non-metallic mineral products (up 11.3 per cent) and unwrought gold, silver, and platinum group metals, and their alloys (up 37.5 per cent). Imports also increased by 1.9 per cent given larger imports of consumer goods and farm, fishing, and intermediate food products.

The United States remains Canada's top trading partner, accounting for 75.9 per cent of total Canadian exports in 2024 and serving as the origin of 62.2 per cent of imports. Canada's merchandise trade surplus with the US also shrunk in 2024, moving down from \$108.3 billion to \$102.3 billion, with energy products being a key component of the surplus. That said, Canada typically sees deficits with the US in terms of trade in services. Monthly, merchandise exports to the US increased by 5.0 per cent in December due to higher exports of energy products, while imports declined by 1.5 per cent. The future of Canada-US trade relations appears uncertain as US' 25 per cent tariffs on Canadian products has been suspended for a month. If reimposed, tariffs from a major trading partner would stifle economic momentum, threatening Canadian jobs and businesses in highly exposed sectors and provinces.

Among the provinces, B.C. saw higher merchandise exports in December, up by 10.7 per cent following a 2.5 per cent decline in November. Higher energy product exports contributed to the monthly growth significantly, up by 32.1 per cent (\$344.8 million). Forestry products and building and packaging materials exports also increased by 12.3 per cent (\$110 million), while metal and non-metallic mineral products increased by 7.1 per cent (\$25 million). On the other hand, metal

B.C. exports rise in December while imports fall

Dollar volumes, not seasonally adjusted ('000,000s)

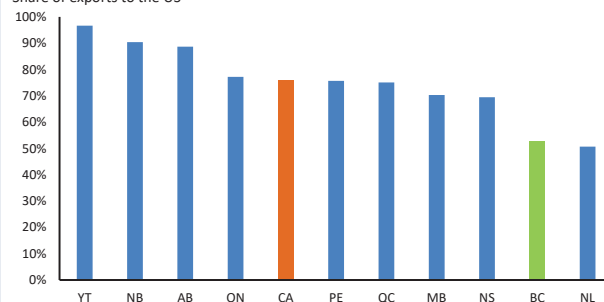


Source: Statistics Canada, Central 1

latest: Dec/24

Share of exports to the US lower in B.C. compared to other provinces

Share of exports to the US



Source: Statistics Canada, Central 1

latest: 2024

ores and non-metallic mineral exports dipped by 13.2 per cent (\$69.6 million). On a 12-month basis, overall merchandise trade came in lower by 3.0 per cent in December.

Imports decreased by 1.4 per cent in December as farm, fishing and intermediate food product imports declined by 9.5 per cent or \$42.8m. Metal ores and non-metallic mineral products decreased by 45.3 per cent or \$84.6m. Metal and non-metallic mineral products fell by 20.0 per cent or \$87.6m. Forestry products and building and packaging materials imports also decreased by 0.5 per cent or \$2.0m

B.C. has strong trade ties to the US, with nearly 50 per cent of total exports in December destined for the US. Major exports to the states include energy, forestry, metals, minerals, food and agriculture products, and consumer goods, whose sectors would be more vulnerable to tariffs. That said, in comparison to other provinces, B.C.'s share of exports to the states is lower than most and below the national average. Also, the province's exposure to tariff threats may be minimized due to more diversification of trading partners.

For more information, contact economics@central1.com.