



## Highlights

- Canadian retail spending continued declining in February
- B.C. retail sales declined in February following seven months of growth
- B.C. non-farm payrolls down by 0.1 per cent in February; job vacancies remained low

## B.C. retail sales down in February

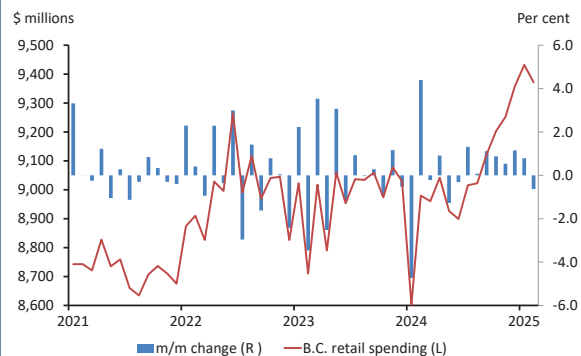
*Eloho Ennah, Economic Analyst*

Canadian retail sales fell by 0.4 per cent on a seasonally adjusted basis to \$69.3 billion in February, largely due to lower sales at motor vehicle and parts dealers, following a 0.6 per cent dip in January. Core retail sales, which exclude gasoline stations and fuel vendors, motor vehicle and parts dealers, increased by 0.5 per cent.

Price-adjusted retail sales decreased by 0.4 per cent during the month. In February, tariff threats and the likelihood of US-Canada trade dispute escalation had raised uncertainty and dampened consumer sentiment. Early March estimates suggest a 0.7 per cent gain in retail sales in the month, likely due to a ramp up in consumer purchases of high-priced goods and essential items in the face of impending tariffs. In addition, price changes from tariff pass-through might be reflected in March data. However, the growth is likely to be temporary as consumer confidence remains significantly subdued in the near term.

B.C. total retail sales decreased by 0.6 per cent to \$9.4 billion in February after seven consecutive monthly increases. Unadjusted retail sales in B.C. were up 1.1 per cent compared to the same month in 2024. Subsector data is unadjusted for seasonality and year-over-year figures pointed to substantially lower sales at furniture, home furnishings, electronics and appliances retailers, down by nearly 17.0 per cent. Building material and garden equipment and supplies dealer sales also decreased by eight per cent, while food and beverage

## B.C. retail sales fall in February



retailers' sales declined by 1.4 per cent year-on-year. On the other hand, motor vehicle and parts dealers' sales rose by 5.6 per cent, while clothing, clothing accessories, shoes, jewelry, luggage and leather goods retailers' sales increased by 1.2 per cent while.

Regionally, the Vancouver area saw seasonally adjusted retail sales fall by 0.9 per cent from January to February. Year-over-year, unadjusted sales increased by 2.3 per cent.

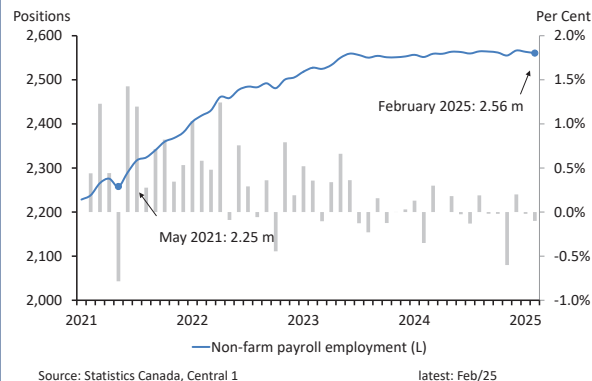
## B.C. non-farm payrolls fell in February

*Ivy Ruan, Senior Economic Analyst*

B.C. job counts fell modestly in February according to Statistics Canada's latest Survey of Employers, Payroll and Hours (SEPH) to 2.56 million positions, down 2,832 positions (-0.1 per cent). Goods producing industries reported 4,014 fewer (-1.0 per cent) positions while service producing industry payrolls saw 1,667 more positions (0.1 per cent). Tariffs were not in effect during the month, although uncertainty undoubtedly weighed on business sentiment.

Lower SEPH employment was aligned with a monthly decrease in Labour Force Survey (LFS) employment of 0.2 per cent (which reversed in March). It is important to note that the LFS counts multiple job holders once while the SEPH records them as multiple entries. That said, trends from both surveys align in the long run.

### Non-farm payrolls fell in B.C.



The job vacancy rate remained at 3.4 per cent in February, with total vacancies falling to 84,665, reaching its lowest level since August 2017. While the job vacancy rate has remained below four per cent since May 2024, this February still marked the lowest level since February 2017. This points to weak hiring sentiment on the part of employers, which has further deteriorated with tariff threats. Surveys from both the Canadian Federation of Independent Business and the Bank of Canada point to persistence of soft hiring environment.

Within the goods producing industries, all sectors reported declines in payroll counts. The construction sector's headcount decrease (-2,268 positions or -1.2 per cent) led the overall decrease. Manufacturing also had 1,243 fewer positions (-0.8 per cent) in February.

The notable increase in payroll counts in the services sector was in the health care and social assistance sector, which reported a gain of 3,543 positions (1.0 per cent). The growth was offset by the declines in educational services sector (-1,925 positions or -1.0 per cent) and accommodation and food services sector (-925 positions or -0.4 per cent). Transportation sector paused the two consecutive monthly growth and had 794 fewer positions (-0.6 per cent).

On the wage front, seasonally adjusted average weekly earnings in B.C. fell 0.2 per cent to \$1,299.96 in February. On a year-over-year basis, February's average weekly earnings in B.C. were 3.7 per cent higher. Going forward, hiring momentum will continue to slow as businesses temper investment and expansion, and remain cautious due to economic uncertainty.

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