Economics | Current Economic Trends

B.C. Economic Briefing

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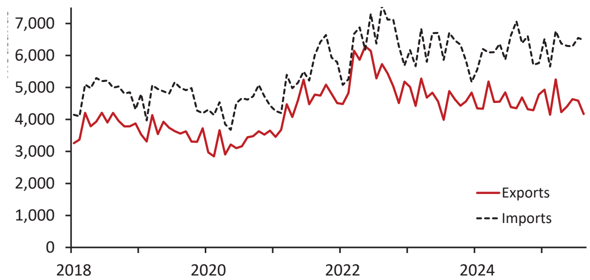
central 1 Economics

Highlights

- Trade volumes decline for B.C.
- B.C. employment rose by 0.3 per cent in September following August's decrease
- The unemployment rate rose to 6.4 per cent

B.C. exports decline more than imports

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



Source: Statistics Canada, Central 1 latest: Aug/25

Forestry exports to the U.S. decline on new tariffs

Alan Chow, Business Economist

Canada's merchandise exports fell by 3.0 per cent in August to a seasonally-adjusted $60.5 billion. This is the second lowest month of the year after April. Imports rose by 0.9 per cent to a seasonally-adjusted $66.9 billion during the month. Consequently, the trade deficit grew to $6.3 billion, up from the a revised $3.8 billion in July.

The overall fall in exports was led by a decline to the U.S., which fell by 3.4 per cent in August. There were also lower exports to European Union (down 4.5 per cent) and China (down 4.3 per cent). In contrast, exports increased to the United Kingdom by 16.4 per cent. Imports from the U.S. declined by 1.4 per cent in the same month. The value was the lowest monthly value since March 2022. The growth in imports was due to a large spike in the value of imports from Switzerland, which increased 148.5 per cent or $1.1 billion. This was due in part to a large volume of precious metals imported.

The average from the last nine months in exports to the U.S. (Nov 2024 – Aug 2025) is now lower than the average of the previous 12 months (Nov 2023 – Oct 2024). Trade volumes may be stabilizing at these lower levels unless they pick up in the coming months to replenish inventory. Other substitutes are likely to have been found by consumers and businesses. If more goods traded with the U.S. become CUSMA compliant the volumes could improve.

Province data though unadjusted for seasonality, showed that B.C. saw lower merchandise exports in August compared to July. With revisions, exports declined 9.1 per cent to just under $4.2 billion. The decline was led by a 21.2 per cent drop in forestry products and a 12.5 per cent decline in energy products. The steep decline in forestry products in August 2025 followed the increase of anti-dumping and countervailing duty rates on Canadian softwood lumber that took effect in the U.S. in late July and early August. Imports also fell 1.0 per cent in August. Consumer goods saw the largest decline, down 7.6 per cent. It was offset by a 173.6 per cent jump in imports of metal ores and non-metallic minerals.

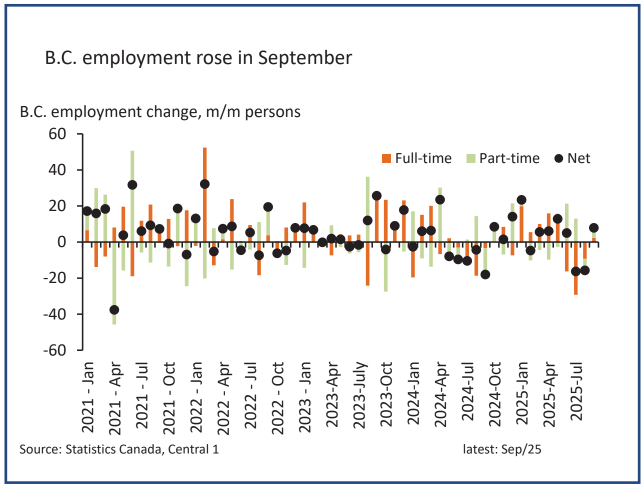
Year-to-date exports are down slightly (-0.1 per cent) with lower energy exports (-6.7 per cent) and lower forestry products and building and packaging materials exports (-6.1 per cent) offset by higher metal and non-metallic minerals (28.9 per cent) and higher electronic and electrical equipment and parts (14.4 per cent). Year to date, imports are up (2.1 per cent) with higher consumer goods (10.1 per cent) and higher electronic and electrical equipment and parts (9.8 per cent) offset by lower energy products (-30.3 per cent) and lower Motor vehicles and parts (-10.3 per cent).

B.C. labour market reported modest gain in September

Ivy Ruan, Senior Analyst

Employment in B.C. reported gain following the decrease seen in August, rising by 0.3 per cent or 7,800 persons in September. Year-over-year employment growth in B.C. was at 1.7 per cent which was well above the national performance of 1.1 per cent. That said, the province's unemployment rate rose to 6.4 per cent from 6.2 per cent in August, which is still below the national average. The provincial labour force expanded 0.5 per cent or 14,200 persons and the participation rate reached 64.9 per cent in September. The working age population growth paused, seeing no change in September. The national labour market performance was largely led by a core-aged employment gain in September, with the largest provincial increases seen in Alberta, New Brunswick, and Manitoba. While the average summer (May to August) youth unemployment rate reached a historical high at 17.9 per cent this year, the September rate also remained elevated at 14.7 per cent, the highest level for a September since 2010 outside the pandemic period.

During the month, both full-time employment and part-time employment in B.C. reported increases. Full-time employment edged up 0.1 per cent (2,200 persons) while part-time employment rose by 0.9 per cent (5,700 person). The Vancouver Census Metropolitan area (CMA) reported a 0.9 per cent (-14,600 persons) decrease in its three-month average employment level, while the unemployment rate rose to 6.3 per cent.



By sector, modest increases were reported in both the services-producing industries (0.2 per cent or 4,600 persons) and the goods-producing sectors (0.6 per cent or 3,200 persons). The manufacturing sector saw the largest gain in employment (1.6 per cent or 3,000 persons) in the goods sector. Growth was also reported in the agriculture sector (18.7 per cent or 2,900 persons). Within the services-producing sectors, wholesale and retail trade fell by 3.7 per cent or 16,700 persons while the accommodation and food services recorded a growth of 6.5 per cent (12,200 persons). Notable gain in employment was also seen in the educational services sector (5.0 per cent or 10,700 persons), reversing the decline in August.

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