



## Highlights

- Payroll counts increase by 0.4 per cent in January
- International travelers arriving through Ontario increases in January

### Payroll counts in Ontario rise in January

*Eloho Ennah, Economic Analyst*

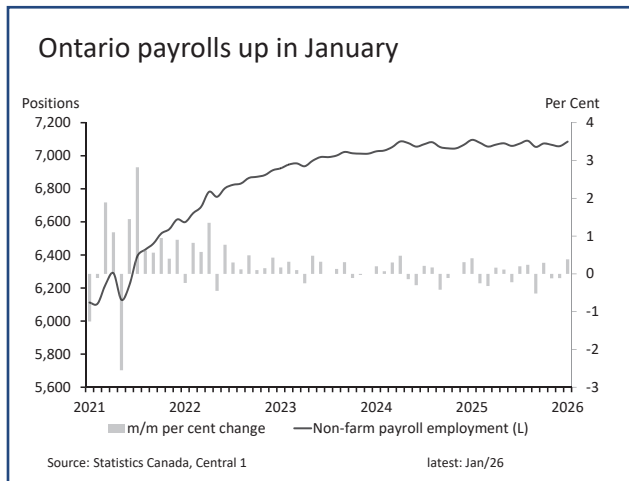
Ontario payroll counts rebounded in January following two monthly declines. Data from the Survey of Employment, Payroll and Hours (SEPH) showed payroll counts (including unclassified businesses) increased by 0.4 per cent in January, following the 0.1 per cent decrease in December. Despite the uptick, Ontario SEPH payroll counts have been rangebound since mid-2023, reflecting subdued hiring from weak business confidence.

Excluding unclassified businesses, payroll counts in both the goods- and services-producing sectors were up by 0.4 per cent.

Payroll counts in the goods-producing sector reversed course in January, with higher payrolls in three out of five subcategories. The majority of gains were in the construction sector, with an increase of 0.8 per cent (+3k positions) from the prior month. Manufacturing positions also increased by 0.2 per cent (+1.0k positions), while they rose in mining, quarrying, and oil and gas extraction by 1.8 per cent (+530 positions). In contrast, payroll figures fell in forestry, logging and support (-2.5 per cent or -108 positions) as well as in utilities (-0.4 per cent or -197 positions).

Services payroll counts were also back on the rise, up by 0.4 per cent during the month. The most prominent increases were in educational services (+1.3 per cent or 7.2k positions) and finance and insurance (+1.2 per cent or 5.2k positions). That said, losses were seen in transportation and warehousing (-0.7 per cent or -2.6k persons) and accommodation and food services (-0.1 per cent or -602 positions).

Average weekly earnings edged up in January by 0.4 per cent to \$1,355.96 month-over-month with the 12-month growth of 1.6 per cent lower than the national increase of 2.0 per cent. Ontario's job vacancy rate



sat at 2.5 per cent and was one of the lowest in the country, reflecting subdued hiring demand.

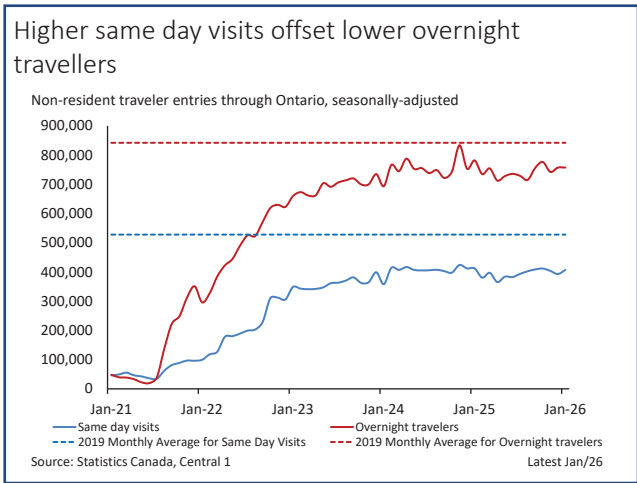
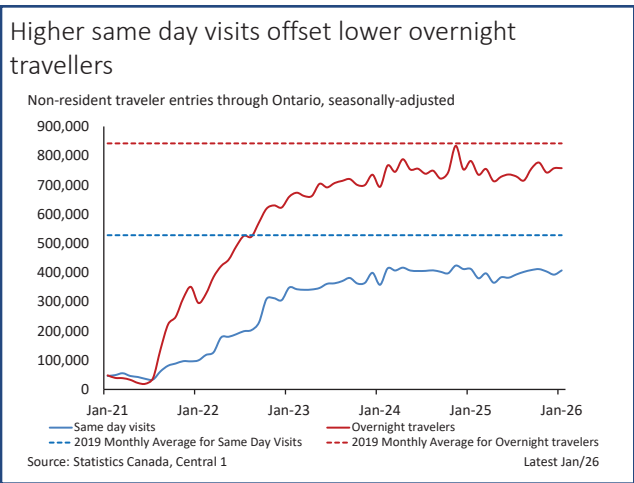
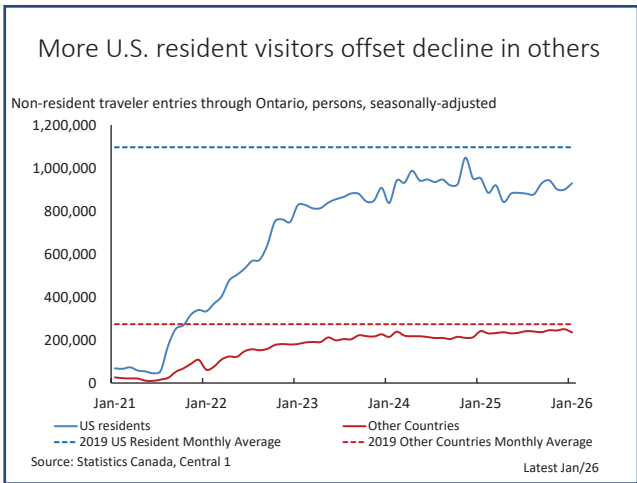
SEPH estimates should be considered along with the Labour Force Survey (LFS) figures, which is more widely watched and timely but based on a household survey rather than administrative data like SEPH. Although these surveys may differ in coverage, including multiple job holders, self-employed individuals and farm workers, employment trends from both surveys have generally aligned historically. Both surveys continue to point to softness in Ontario's labour market as businesses contend with economic uncertainty, fragile trade conditions, and mounting geopolitical tensions.

### Ontario saw more visitors from the U.S. in January

*Alan Chow, Business Economist*

The number of non-residents visiting Ontario rose in January, increasing by 1.3 per cent to a seasonally-adjusted 1,164,582 visitors from December. The increase was driven by same day excursions, which rose by 3.7 per cent to 407,330 while overnight tourist numbers were relatively unchanged at 757,251.

U.S. residents entering Canada via Ontario increased by 3.3 per cent to a seasonally-adjusted 929,211. This is the second highest monthly total over the last 12-months and roughly the same as the monthly average seen in 2024. On the other hand, residents from other countries saw a decline of 5.9 per cent to 235,371, which is roughly in line with the average over the previous 12-months but 9.3 per cent higher than the 2024 monthly average.



Unadjusted, the number of U.S. residents entering Canada via Ontario sat at 516,360 in January, a 2.4 per cent decline from a year ago. Residents of other countries visiting was 117,093, down 2.8 per cent from a year ago. 1,135,591 Canadian residents returned to Canada via Ontario from the U.S., falling by 19.5 per cent from a year ago, while Canadians residents returning from other countries via Ontario was 677,361, rising by 9.7 per cent from a year ago.

Canadian residents returning to Canada via Ontario declined by 3.1 per cent in January to a seasonally-adjusted 1,767,048. This is the lowest figure in the last five months. Those returning from the U.S. declined by 2.9 per cent to 1,195,344, the lowest observed since the end of the pandemic in 2022. Travellers returning from other countries declined by 3.6 per cent to 571,703, off from the recent peak of 592,974 last month. Compared to 2024, the numbers overall are still down 17.2 per cent but this is entirely driven by the decline in travellers returning from the U.S., which is down 27.2 per cent. Canadian residents returning from other countries grew by 16.5 per cent when compared to the 2024 monthly average.

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