

COVID-19 Economic Dashboard

Updated: December 14, 2021

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1. Snapshot

Employment

In November 2021, BC's unemployment rate stood at 5.6%, remaining the same as in October. While BC's unemployment rate remains well above the 4.6% set in January 2020, it has decreased considerably from 8.0% in January 2021, and 13.4% in May 2020, the peak of unemployment during the pandemic. Canada's unemployment has also been steadily declining, reaching 6.0% in November 2021.

Since the start of 2021, BC has seen its employment increase in 9 of 11 months for a total job gain of 100,100 positions. As a result, BC's workforce is now 2.0% larger than in January 2020. Employment across Canada has also increased compared to pre-pandemic levels, but the country's total employment growth remains lower than BC, standing now at 1.0% higher than in January 2020.

While the service sector has led job gains in BC, these gains have been concentrated in the public sector, primarily with the three largest public service employers, where employment was up by 10.8% compared to November 2019. In contrast, employment across the rest of the service sector declined 0.5% over the same period. Employment in some private industries such as professional services and information/culture have fared well, but growth has been dragged down by continued weakness in customer-facing industries such as hospitality, personal services, and building services.

Despite its overall robust employment growth over the past year, goods sector employment in BC is down 1.2% compared to November 2020 and 3.1% in November 2019. The greatest decline is in construction — BC's largest goods industry — where employment is down by nearly 35,000 positions compared to November 2019.

As BC's employment levels recovered, the labour market tightened and many employers have been unable to fill positions. As a result, BC's job vacancy rate has reached record highs. The 5.4% job vacancy rate in Q2 of 2021 represented over 122,000 unfilled positions across the province. Some of the greatest labour scarcity was in the hospitality and construction industries.

Retail spending

In September 2021, BC's monthly retail spending was up 11.5% compared to January 2020. While spending has made a robust recovery from its low point reached in May 2020, it has declined slightly in

BC over the past few months. At the time of this writing, StatsCan data for October and November 2021 is not yet available. However, [RBC consumer spending data](#) shows that despite the rising concern with the Omicron variant, overall spending remained above pre-pandemic levels in November and early December across Canada.

For this holiday season, a recent [PwC Canada report](#) forecasted a significant improvement in holiday spending this year across Canada compared to 2020 (+29%), but forecasted spending to still remain below 2019's amount (-11%).

International trade:

After struggling early in the pandemic, Canada and BC's export market have experienced a renaissance over the past year. Starting in October 2020, BC exports edged into positive annual growth territory and have continued to outperform pre-pandemic levels since. While there was a dip in total exports from the record level set in June 2021, the inflation-adjusted \$4.62 billion of BC exports in October 2021 was 45.2% higher than in January 2020 and 23.4% higher than in January 2021.

The strength of BC exports has been driven by rising prices and growing global demand for key BC commodities. While forestry prices have moderated over the past several months, as of December 8, 2021 prices were up by 68.2% compared to January 2020. Prices of energy products (+23.6%), metals/minerals (+25.9%) and agriculture products (51.5%) were also up over that period. If global demand remains strong and commodity prices continue to perform well, BC's commodity export market will be an increasingly important component of BC's economic recovery.

Economic Forecasts:

The economic picture has improved considerably throughout 2021, with indicators demonstrating that a strong economic recovery is underway. As a result, BC and Canada's economies have returned to growth and are transitioning towards more typical unemployment rates. In 2021, the average of Canada's five big banks forecast real GDP to grow 5.1% in BC and 4.7% in Canada. While unemployment has decreased significantly, the forecasted 6.6% in BC for the year remains well above pre-pandemic rates. However, by the end of 2022 unemployment is anticipated to return to around the same rates set in 2019 for both BC and Canada.

It is important to note forecasts are revised as new events unfold, and downside risks remain to the outlook as the number of COVID-19 cases rise, including the emerging Omicron variant. As seen with our experience with the Delta variant when business restrictions were re-introduced, outcomes in indicators such as employment and some types of consumer spending like travel weakened. Depending on the severity of rising cases and restrictions in both BC and other Canadian jurisdictions, these outlooks may continue to shift.

2. **Employment:** BC above pre-pandemic levels, but employment growth slowing

Despite significant progress, BC unemployment remains above pre-pandemic rates

In November 2021, BC's unemployment rate stood at 5.6%, the same as in October 2021, ending a three month stretch of declines (see *Figure 1*). While BC's unemployment rate remains well above the 4.6% set in January 2020, it has come down considerably from the 8.0% in January 2021 and 13.4% peak in May 2020. Canada's unemployment has also been steadily declining, reaching 6.0% in November 2021.

Canadian and BC employment both exceed pre-pandemic levels

Since the start of the year, BC has seen total employment increase in 9 of 11 months for a total job gain of 100,100 positions (see *Figure 2*). As a result, BC's workforce is now 2.0% larger than in January 2020. Employment across Canada has also increased compared to pre-pandemic levels, but at a slower rate of 1.0% compared to January 2020.

Part-time positions have experienced the strongest growth in BC

Part-time positions initially took the brunt of the job losses from the COVID-19 pandemic as businesses with a higher proportion of part-time work (such as hospitality) shut down. They have since led the job recovery, with part-time positions in BC up by 4.2% compared to January 2020 (see *Figure 3*). In contrast, full-time positions are up by just 1.4% over the same period.

These dynamics highlights that while employment is up, the average hours worked has not recovered as robustly.

Figure 1: Unemployment rate as a percentage, BC and Canada

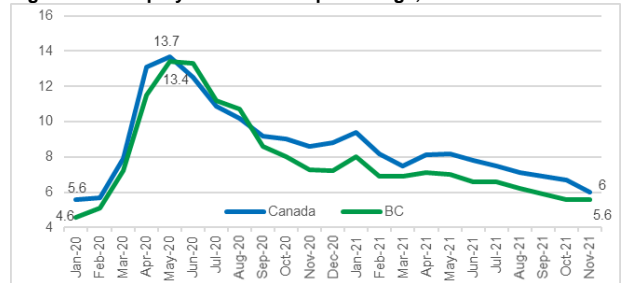


Figure 2: Employment (1,000s), BC and Canada

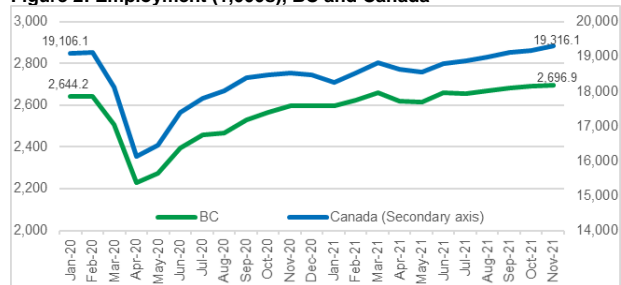


Figure 3: BC part-time and full-time employment (1,000s)

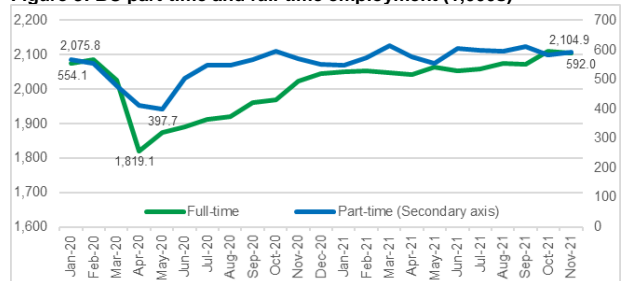


Figure 1-3: Statistics Canada, Table 14-10-0287-01. Seasonally adjusted.

Service sector has led all job growth over past year, but private sector lagging public

As of November 2021, BC service sector employment reached 2.2 million, an increase of 5.1% compared to November 2020 and 2.9% compared to November 2019 (see *Table 1*).

Job gains have been concentrated in the public sector, with employment in the three largest public service industries (public administration, health care, and education) up by 10.8% compared to November 2019. In contrast, employment across the rest of the service sector declined 0.5% over the same period. While employment in some private industries such as professional services and information/culture have fared well, growth has been dragged down by continued weakness in other services such as personal and household services (-12.7%), accommodation/food services (-11.1%) and business/building services (-6.3%). This dynamic highlights an uneven recovery in the service sector.

Goods sector employment remains well below pre-pandemic levels

Employment in BC's goods-producing sector has been far weaker than the service sector. In fact, despite the overall robust employment growth over the past year, goods sector employment was down 1.2% compared to November 2020 with just manufacturing experiencing job growth (see *Table 2*). Construction employment has declined by nearly 35,000 positions compared to November 2019, the largest absolute decline.

BC experiencing record number of unfilled employment opportunities

As BC's employment levels have recovered, the labour market has tightened significantly and many employers have been unable to fill open positions. As a result, BC's job vacancy rate has reached record highs. The 5.4% job vacancy rate in Q2 2021 represented over 122,000 positions employers were unable to find workers to fill across British Columbia. Some of the greatest labour scarcity was in the hospitality and construction industries.

Table 1: BC service sector employment (1,000s)

	Nov-19	Nov-20	Nov-21	Change from 2019	Change from 2020
Services-producing sector	2,151.4	2,105.2	2,212.8	2.9%	5.1%
Public administration	123.4	127.3	140.1	13.5%	10.1%
Information, culture and recreation	125.6	119.7	132.0	5.1%	10.3%
Health care and social assistance	330.1	335.7	377.9	14.5%	12.6%
Wholesale and retail trade	403.0	389.5	419.6	4.1%	7.7%
Other services (except public administration)	120.7	105.6	105.4	-12.7%	-0.2%
Finance, insurance, real estate, rental and leasing	173.7	164.5	167.0	-3.9%	1.5%
Educational services	188.6	189.3	193.2	2.4%	2.1%
Professional, scientific and technical services	230.4	237.2	250.5	8.7%	5.6%
Transportation and warehousing	142.9	138.5	143.4	0.3%	3.5%
Business, building and other support services	110.4	107.7	103.5	-6.3%	-3.9%
Accommodation and food services	202.8	190.4	180.2	-11.1%	-5.4%

Table 2: BC goods sector employment (1,000s)

	Nov-19	Nov-20	Nov-21	Change from 2019	Change from 2020
Goods-producing sector	499.5	490.2	484.1	-3.1%	-1.2%
Manufacturing	167.3	173.2	193.3	15.5%	11.6%
Construction	244.0	214.0	209.1	-14.3%	-2.3%
Forestry, fishing, mining, quarrying, oil and gas	45.1	52.0	46.2	2.4%	-11.2%
Utilities	12.5	18.9	14.2	13.6%	-24.9%
Agriculture	30.5	32.1	21.4	-29.8%	-33.3%

Table 1-2: Statistics Canada, Table 14-10-0355-01. Seasonally adjusted

Figure 4: BC job vacancy rate (%)

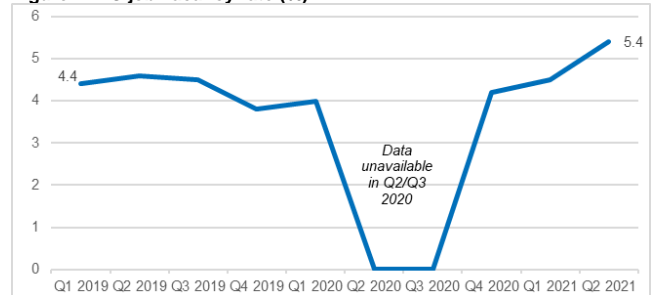


Figure 4: Statistics Canada, Table 14-10-0325-01. Seasonally adjusted

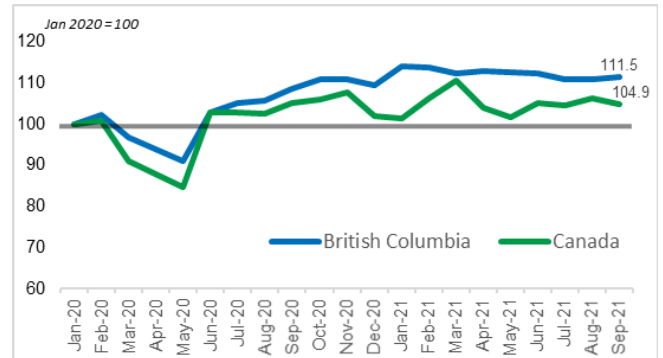
3. **Retail spending:** continues to exceed pre-pandemic levels, but growth stagnant

Retail spending in both Canada and BC continues to remain above pre-pandemic rates (see *Figure 5*). In September 2021, BC monthly retail spending was up 11.5% compared to January 2020, and a more muted 4.9% across Canada. While spending has made a robust recovery from the May 2020 low point, it has declined slightly in BC over the past few months.

At the time of writing, StatsCan data for October and November 2021 is not yet available. However, [RBC consumer spending data](#) shows that despite the rising concern with the Omicron variant, overall spending has remained well above pre-pandemic levels in November and early December.

For this holiday season, a recent [PwC Canada report](#) forecast a significant improvement in holiday spending compared to in 2020 (+29%), but that it will remain below 2019 (-11%).

Figure 5: Retail spending, Canada and BC, indexed for January 2020 = 100



Source: Statistics Canada, Table 20-10-0008-01. Seasonally and inflation adjusted.

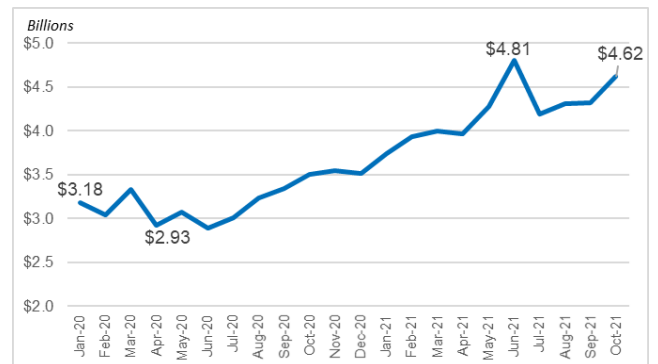
4. **International Trade:** BC reaches record levels of exports on back of strong commodity prices, rising demand

After struggling early on in the crisis, both Canada and BC's export market have experienced a renaissance over the past year. Starting in October 2020, BC exports edged into positive annual growth territory and have continued to outperform pre-pandemic levels since.

While there was a dip in total exports from the record level set in June 2021, the \$4.62 billion of BC exports in October 2021 was 45.2% higher than January 2020 and 23.4% higher than January 2021 (see *Figure 6*).

The strength in BC exports has been driven by rising prices and growing global demand for key BC commodities.

Figure 6: BC total exports (\$ billions)



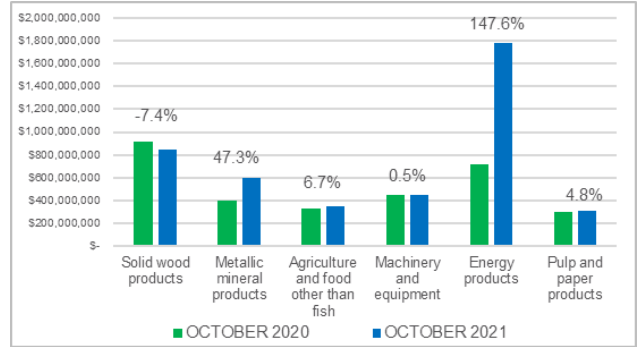
Source: BC Stats, Seasonally Adjusted Data for BC Exports. Adjusted for inflation.

BC energy exports drove export growth, up nearly 150% compared to October 2020

In October 2021, exports of energy products saw the largest increase, up 147.6% compared to last October (see Figure 7). Metallic mineral products continued to perform well, up 47.3% and agriculture goods were up 6.7% over the same period.

While exports of solid wood products were down 7.4% compared to last year, that is more a reflection of the strong demand and prices for lumber witnessed over the past year. While prices have fallen from the record levels witnessed in June 2021, demand remains strong and BC's forestry product market continues to perform well above pre-pandemic levels.

Figure 7: Six largest export commodities, October 2020-21



Source: BC Stats, Monthly Export Data tables

Commodity prices continue upward trajectory, CAD hits five-year high

Since June 2020, BC key export commodities have seen price increases buoyed by strong international demand. While forestry prices have moderated over the past several months, as of December 8, 2021 prices were up by 68.2% compared to January 2020 (see Figure 8).

Prices of other key commodities were also up over that period, with energy products (+23.6%), metals/minerals (+25.9%) and agriculture products (51.5%). If global demand remains strong and commodity prices continue to perform well, BC's commodity export market will be an increasingly important component of BC's economic recovery.

Despite the strong commodity prices, the Canadian dollar has drifted downward over the past several months. As of December 14, 2021 stood at \$0.78 USD per CAD, down considerably from the \$0.83 USD in May and June 2021 (see Figure 9).

Figure 8: Price index by select commodities, Jan 2019 = 100

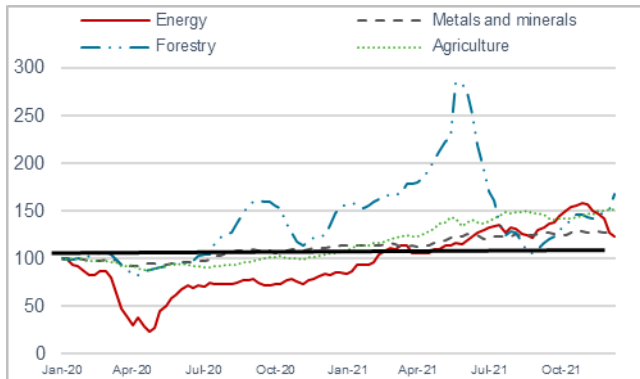
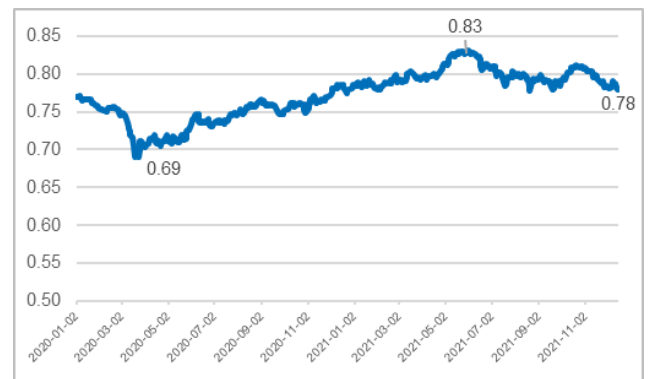


Figure 9: Value of \$1.00 CAD to USD



Source: Bank of Canada Commodity Price Index. CPABC reindexed for Jan 1, 2019 = 100; Daily exchange rates

5. **Economic Forecasts:** after steepest recession in 40 years, outlook bright

Table 2 below tabulates recent economic forecasts from the big five banks and will be updated as forecasts are updated.

Table 3: BC and Canadian Economic Forecasts

Forecasts	Real GDP, annual change				Unemployment rate				Reported
	2020a	2021f	2022f	2023f	2020a	2021f	2022f	2023f	
British Columbia									
Average	-3.8%	5.1%	4.1%	2.7%	8.9%	6.6%	5.0%	4.6%	
RBC Economics		5.6%	4.2%	2.2%	8.9%	6.5%	5.2%	5.0%	02-Dec
BMO		5.3%	4.6%	na	9.0%	6.6%	5.2%	na	10-Sep
Scotiabank		5.2%	3.7%	3.2%	8.9%	6.8%	5.0%	4.3%	14-Sep
TD Economics		5.2%	4.0%	2.5%	8.9%	6.5%	4.7%	4.5%	15-Dec
CIBC		4.2%	3.9%	2.9%	8.9%	na	na	na	01-Dec
Canada									
Average	-5.3%	4.7%	4.2%	2.9%	9.6%	7.5%	6.0%	5.4%	
RBC Economics		4.7%	4.3%	2.6%	9.6%	7.5%	6.1%	5.7%	02-Dec
BMO		5.0%	4.5%	na	9.6%	7.5%	6.0%	na	10-Sep
Scotiabank		4.8%	3.6%	3.0%	9.6%	7.6%	5.8%	5.2%	14-Sep
TD Economics		4.5%	4.4%	3.1%	9.6%	7.3%	5.9%	5.4%	15-Dec
CIBC		4.5%	4.0%	2.8%	9.5%	na	na	na	01-Dec

A = actual, F = forecast

The COVID-19 led recession of 2020 was a deep one, with Canadian real GDP down by 5.4% compared to 2019. While BC's economy fared relatively better, real GDP still declined 3.8%, the worst downturn in 40 years. The unemployment rate also spiked, reaching 9.6% for Canada and 8.9% in BC – well above the sub 5.0% rate seen in BC in 2019.

The economic picture has improved considerably through 2021, with indicators highlighting a strong economic recovery underway. As a result, BC and Canada's economies have returned to growth and are transitioning towards more typical unemployment rates. In 2021, the average of Canada's five big banks forecast real GDP to grow 5.1% in BC and 4.7% in Canada. While unemployment has down significantly, the forecast 6.6% in BC for the year remains well above pre-pandemic rates.

In 2022, real GDP is expected to exceed pre-crisis levels in both Canada and BC, while the unemployment rate is forecast to continue to decline but remain slightly above pre-crisis levels. By 2023, unemployment is anticipated to return to around the same rates set in 2019.

It is important to note forecasts are revised as new events unfold, and downside risks remain to the outlook as the number of cases of COVID-19 rise, including the emerging Omicron variant. As seen with our experience with the Delta variant, when business restrictions were re-introduced, outcomes in indicators such as employment and some types of consumer spending like travel weakened. Depending on the

severity of rising cases and restrictions in both BC and other Canadian jurisdictions, these outlooks may continue to shift.