

# COVID-19 Economic Dashboard

*Updated: April 14, 2020*

COVID-19 will have profound effects on every sector in our economy. Despite unprecedented levels of financial support from the [B.C.](#) and [Federal](#) governments, the physical distancing measures necessary to contain the growth curve will greatly disrupt economic activity. This resource provides a snapshot on some key economic data that highlight COVID-19's impact on the economy – employment, consumer trends, economic forecasts, international trade, and business sentiment.

The largest effects on the economy began in mid-March as governments across the country activated more strenuous physical distancing measures. For example, the B.C. government declared a [state of emergency](#) on March 18. As such, the Dashboard focuses on indicators with data available for March 2020 onward.

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## 1. Executive Summary

Data is beginning to illustrate the impact containing COVID-19 is having on B.C.'s economy.

After years of a strengthening labour market, the trend is reversing. In March, B.C.'s unemployment rate jumped 2.2 percentage points to 7.2 per cent. The increase in unemployment reflects 132,000 lost jobs across the province, and is expected to worsen over the coming months. This has led to a significant dip in consumer confidence as individuals across the province lose their jobs, see reduced hours, or change spending habits as they self-isolate for an indeterminate time. Retail spending is expected to falter as many reduce discretionary spending and/or await government financial assistance. In this framework, businesses are struggling. In a recent [BC Chamber of Commerce](#) survey, nearly half of the respondents had laid off staff, reduced hours, and/or closed temporarily.

Meanwhile, weakness in global demand and low commodity prices have taken a toll on B.C.'s crucial export industry. Some key commodity exports were down from 11 per cent (mining products) to nearly 40 per cent (energy products) in February compared to the same month last year. The Canadian dollar has also weakened against the USD, pegged at \$0.72 CAD per USD as of April 14, down \$0.05 since the start of the year.

This economic reality has resulted in many organizations downgrading their economic forecasts. Most now expect a marked downturn in Q2/Q3 2020, resulting in negative GDP growth and spikes in unemployment for 2020 as a whole. The silver-lining is the expectation is that pent up consumer demand and government supports will help return the economy to a semblance of normalcy by Q4 and into 2021,

leading to a v-shaped economic recovery. However, the recovery is largely predicated on successful containment of COVID-19.

This resource will be updated as new data is released.

It's important to note the full impact on employment, and on the economy more generally, will not be fully understood until data is available in April, May and onward. This is a result of several reasons, including:

- Some businesses reduced their employment over March and into April as they better understood what the measures meant for their business. This is reflected in the spike in EI claims seen in the latter half of the month – many of these will not be incorporated in the March data:
- Several new government initiatives were announced in the latter half of March and into April, most notable the Canada Emergency Wage Subsidy (CEWS). This subsidy of up to 75 per cent of an employee's salary is retroactive to March 15, and should have a positive effect as some businesses reopen and/or rehire employees originally laid off
- The situation is continuing to evolve, with the scope of measures in some cases becoming more stringent (such as new businesses required to close)
- The length of containment and timeline for when the economy begins to return to some semblance of normality remains unknown

## 2. Employment: Spike in unemployment, service sector hit hard

The Statistic Canada [Labour Force Survey](#), conducted between March 15 and 21, 2020, provides an initial understanding of how physical distancing measures impacted employment. In March, B.C.'s unemployment rate jumped to 7.2%, up 2.2 percentage points from February (see *Figure 1*). The rate is 0.6 percentage points below the national rate (7.8%), which also experienced a jump of 2.2 percentage points. B.C. saw a total job loss of 132,000 in March while Canada lost just over 1,000,000 jobs (*Figure 2*).

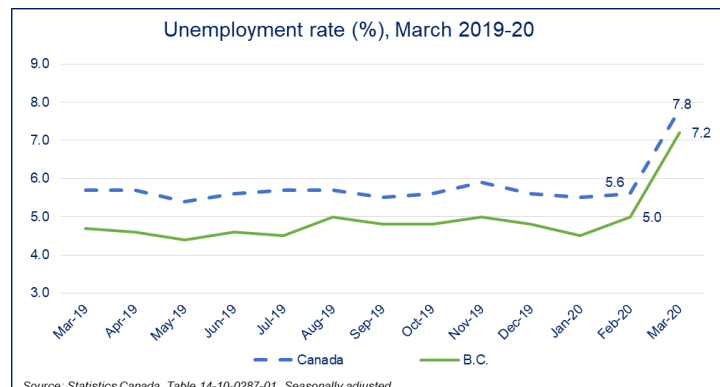


Figure 1: Unemployment rate as a percentage, March 2019-20

The impacts of COVID-19 hit some sectors particularly hard. In B.C., the service sector accounted for the entire loss in employment, as the goods-producing sector saw a modest gain. In terms of sheer employment loss, *Figure 3* shows the five service sub-sectors who experienced the largest percent declines in employment.

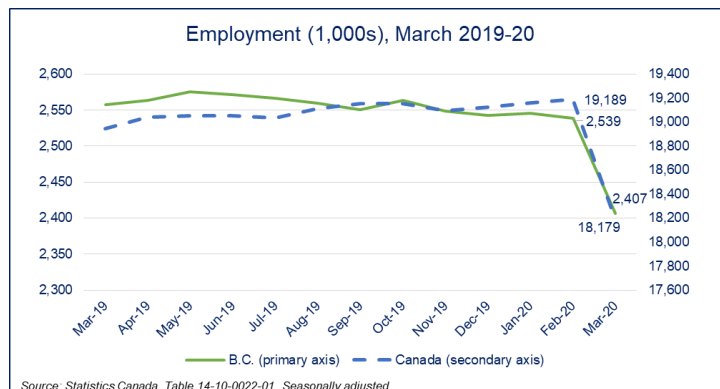


Figure 2: Employment (1,000s), March 2019-20

Despite new programs meant to help keep Canadians employed, the expectation is the labour market will get worse before it gets better. Some silver lining was the March LFS found workers expected to return to their job in the next 6 months. Further, new programs have come in place to help businesses keep staff on, reopen and/or rehire. This reflects the expectation most economic forecasts have of a reduction in the unemployment rate in late Q3 on to Q4, 2020 into 2021. The next Labour Force Survey update for April data is expected to be released May 8.

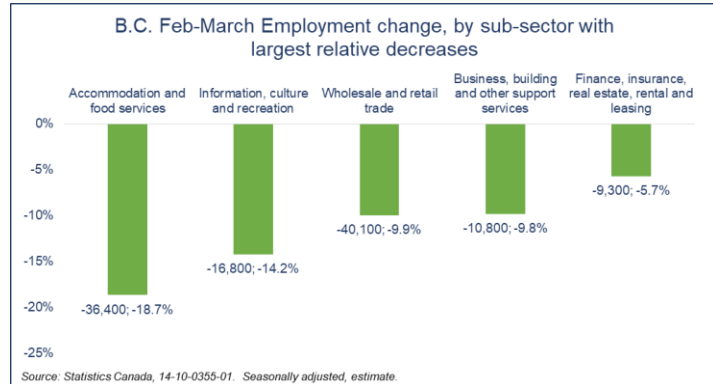


Figure 3: Changes in BC employment by sub-sector, Feb-March 2020

### 3. Consumer Sentiment: Confidence plunges

As consumers began to understand the realities facing them over the foreseeable future, their consumption habits and outlook have changed dramatically. The [Conference Board of Canada's Consumer Confidence](#) index for British Columbia plummeted to 92 points in March, down nearly fifty points (see Figure 4). It maintains a slim margin over the Canadian average, which fell 32 points to 89. This index tracks how consumers are feeling about their financial well-being and consumption outlook.

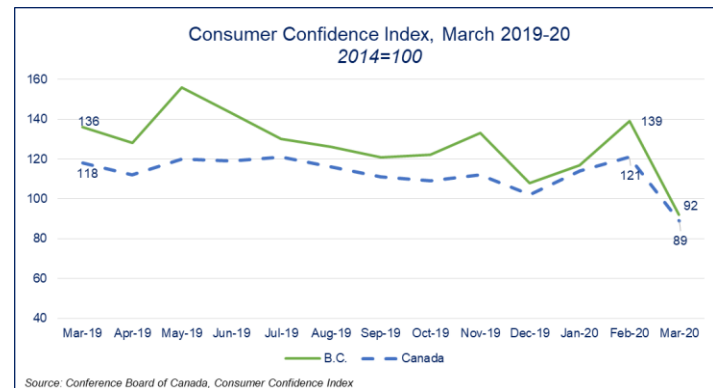


Figure 4: Consumer Confidence Index, March 2019-20

The expectation is this decline in consumer confidence will coincide with declines in discretionary consumer spending. Unfortunately, data on March retail sales will be unavailable until mid-May. The data will be added then to better understand how this translates on the ground.

### 4. International Trade: Commodity exports taking a hit

One area that has already been hit hard by the COVID-19 pandemic and weak commodity prices is B.C.'s crucial export sector. Four of the province's five largest export categories are down significantly in dollar terms over last year, with just machinery and equipment up (see Figure 5).

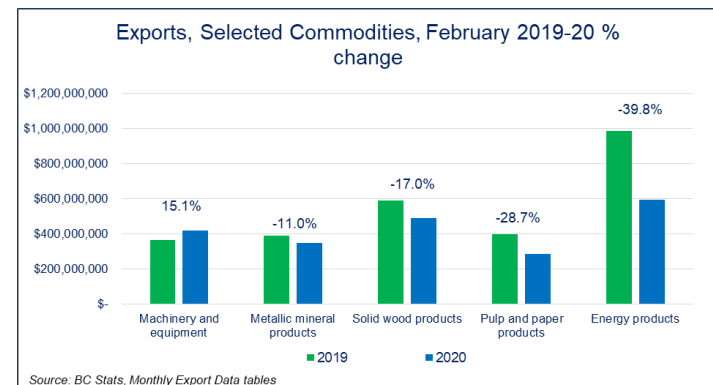


Figure 5: Exports by selected commodities, February 2019-20

Demand shocks, and increased supply resulting from the [political dispute](#) between Russia and Saudi Arabia, have more than halved the price of energy products (coal, oil and natural gas) since the start of March (see *Figure 6*<sup>1</sup>). Lumber prices have seen a 20-point drop since the start of March, while metal and mineral prices have stayed relatively consistent. Recent news indicates the [political dispute may be resolved](#), but the price for oil remains depressed. The Canadian dollar has depreciated considerably, as of April 14 \$0.72 USD per CAD (see *Figure 7*). Export data for March is expected later this month.

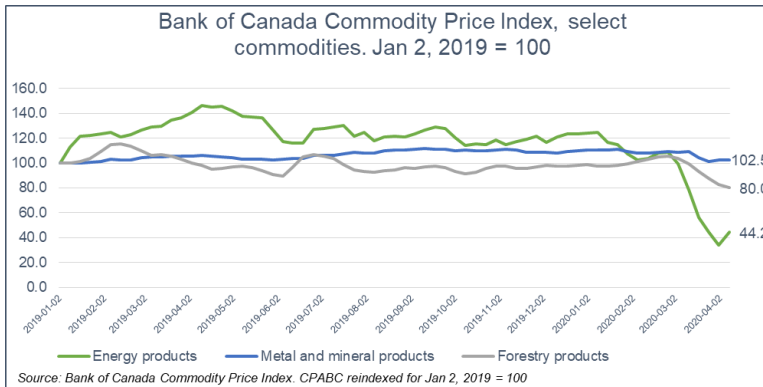


Figure 7: CPI Index by select commodities, January 2019-April 2020

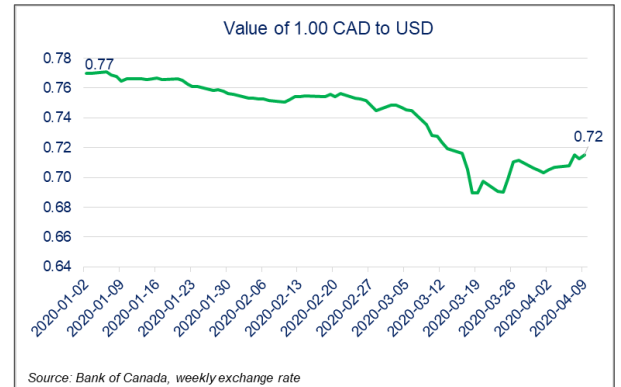


Figure 6: Value of \$1.00 CAD to USD

## 5. Economic Forecasts: Short-term pain, long-term recovery

As we better understand the implications of [COVID-19](#) on our society and the measures required to curb its growth, organizations are updating their economic forecasts in real-time. The table below tabulates some economic forecasts made after March 15 and will be updated as new information becomes available. Each makes different assumptions in terms of the [length of time](#) required to flatten the growth curve of COVID-19, creating significant disparities on the impact the pandemic has on the economy.

The forecasts expect a marked decline in economic activity as a result of the pandemic, with serious negative consequences for GDP growth and employment. The negative economic impact is expected to peak in Q2/Q3 followed by a healthy economic recovery in Q4 and into 2021, as the world returns to a semblance of normalcy.

<sup>1</sup> Price indices [Bank of Canada's Commodity Price Index](#). Components for each can be found online.

Table 1: B.C. and Canadian Economic Forecasts

Forecasts	Scenario	Real GDP, annual change		Unemployment rate			Reported
		2020	2021	2020	Peak unemployment	2021	
<b>British Columbia</b>							
<b>Central 1</b>	<i>Unspecified containment length</i>	-1.4%	4.0%	6.4%	n/a	5.7%	<a href="#">24-Mar</a>
<b>RBC Economics</b>	<i>Unspecified containment length</i>	-4.0%	4.0%	8.5%	n/a	6.4%	<a href="#">14-Apr</a>
<b>TD Economics</b>	<i>Worst effects from containment over by May</i>	-3.6%	3.9%	6.8%	n/a	5.0%	<a href="#">27-Mar</a>
<b>Scotiabank</b>	<i>Economic activity resumes by start of Q3</i>	-1.8%	3.5%	6.5%	n/a	5.5%	<a href="#">25-Mar</a>
<b>CIBC</b>	<i>Curve flattening by July</i>	-3.7%	5.1%	8.8%	n/a	7.6%	<a href="#">03-Apr</a>
<b>BC Business Council</b>	<i>8 week shutdown non-essential, social distancing until summer</i>	-7.3%	n/a	n/a	n/a	n/a	<a href="#">27-Mar</a>
	<i>Extension of shutdown and other measures kept in place beyond summer</i>	-11.4%	n/a	n/a	n/a	n/a	<a href="#">27-Mar</a>
<b>Canada</b>							
<b>Conference Board of Canada</b>	<i>Shorter-term containment (6 weeks)</i>	0.3%	2.5%	5.9%	6% (Q3)	5.8%	<a href="#">16-Mar</a>
	<i>Longer-term containment (24 weeks)</i>	-1.1%	3.3%	6.8%	7.7% (Q3)	5.9%	<a href="#">23-Mar</a>
<b>RBC Economics</b>	<i>Unspecified containment length</i>	-4.9%	3.4%	10.0%	n/a	7.6%	<a href="#">14-Apr</a>
<b>TD Economics</b>	<i>Worst effects from containment end in mid-May</i>	-4.2%	3.6%	7.5%	11.7% (Q2)	5.9%	<a href="#">25-Mar</a>
<b>Scotiabank</b>	<i>Economic activity resumes by start of Q3</i>	-4.1%	5.1%	8.5%	n/a	7.0%	<a href="#">25-Mar</a>
<b>CIBC</b>	<i>Unspecified containment length</i>	-3.9%	4.7%	9.6%	11.7% (Q2)	8.4%	<a href="#">03-Apr</a>
<b>Central 1</b>	<i>Containment through April and possibly to June</i>	-5.4%	4.0%	8.2%	n/a	6.4%	<a href="#">30-Mar</a>
<b>International Monetary Fund (IMF)</b>	<i>Pandemic and containment measures fade in second half of 2020</i>	-6.2%	4.2%	7.5%	n/a	7.2%	<a href="#">14-Apr</a>
<b>Parliamentary Budget Office (PBO)</b>	<i>Containment measures through August and continued weak oil prices</i>	-5.1%	n/a	12.4%	15.0% (Q3)	n/a	<a href="#">09-Apr</a>

To see more indicators updated on a weekly basis, StatsCan also provides an Economic Dashboard on some selected metrics:  
<https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2020009-eng.htm>