

## COVID-19 Economic Dashboard

*Updated: May 17, 2021*

This resource provides a snapshot of some key economic data that highlights COVID-19's impact on the economy – employment, consumer trends, economic forecasts, and international trade – and will be updated each month.

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### 1. Snapshot

#### *Employment*

After eleven consecutive months of job gains in BC, April marked a set back as both the province and the country as a whole saw total [employment decline](#). In April, the province shed 43,100 jobs leading to an increase in the unemployment rate, up 0.2 percentage points to 7.1%. Meanwhile, Canada's unemployment rate saw a larger increase, up 0.6 percentage points to 8.1%.

The job losses were largely attributed to an increase in business restrictions across the country in late March and early April (including BC's "[circuit breaker](#)") to combat the rising number of cases during the third wave of the COVID-19 pandemic. As a result, the job loss in BC was concentrated in industries directly affected by the new restrictions, such as accommodation and food services (-21,900), entertainment and media (-16,900), and wholesale/retail trade (-4,600). Job losses were concentrated within part-time positions, making up around 87% of the monthly decline.

Despite the recent setback, the provincial workforce still remained near pre-pandemic levels due to its strong overall recovery to date. In contrast, overall employment in Canada remains down by 2.6% in April 2021 compared to February 2020. The expectation is that this was a short-term blip, and as business restrictions ease, employment should rebound.

#### *Retail spending*

After falling to historic lows early in the pandemic, retail spending has seen a strong recovery. In fact, since June 2020, retail spending in both Canada and BC has been at least as strong as pre-pandemic levels. In BC, retail spending was over 10% higher in both January and February of 2021 compared to February 2020. While StatsCan data for March and April 2021 is not yet available, [RBC consumer spending data](#) shows the recent restrictions did have a negative effect on spending, but did not result in a significant decline in spending overall as seen in previous shutdowns.

Throughout the crisis, consumers' basket of goods purchased at retail stores has shifted dramatically. Since late fall, social, business and travel restrictions put significant pressure on industries related to travel, office work, and social interaction. However, as of February 2021, total retail spending in all but two categories had increased compared to January 2020.

As Canadians continue to work from home in greater numbers and minimize social engagement, clothing stores continued to see sales well below pre-pandemic levels, with spending down by nearly a third (31.9%). Spending at gasoline retailers was also down by 10.2% despite recent strength in gas prices. The three retail categories that experienced the largest increases as of February 2021 were building/garden supplies (+26.7%), electronics (+18.5%) and miscellaneous (+17.2%) which includes services such as florists and office supplies.

*International trade:*

Some of the most optimistic data continues to be found in BC's commodity export market. After struggling early on in the crisis, BC's commodity export market has seen a resurgence in recent months. In March 2021, overall exports were up 25.3% compared to March 2020, led by increases in solid wood products (+71.8%), metallic mineral products (+22.7%) and agriculture goods (+3.9%).

The rebound has been driven by burgeoning prices for most of BC's key export commodities. The top performer in terms of key BC commodities has been forestry products, which saw its prices more than double when compared to any period between 2019 and early 2020. Prices of energy, metals/minerals and agriculture products have also experienced gains thus far in 2021, with all three now higher than where they started in 2020. 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:*

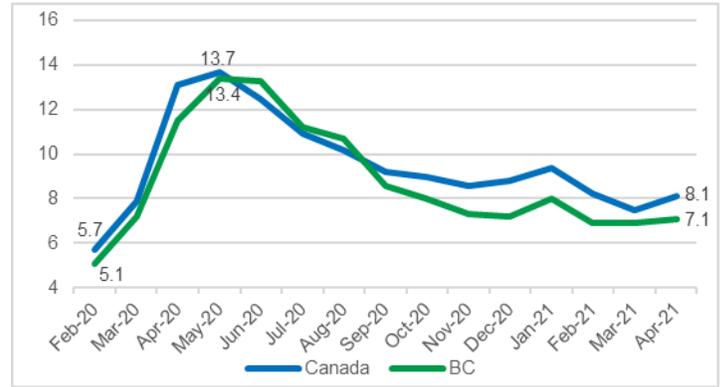
The 2020 recession saw Canadian real GDP fall by 5.4% compared to 2019. While BC's economy fared relatively better, real GDP is still estimated to have fallen around 4.8%. The unemployment rate also spiked, reaching 9.6% for Canada and 8.9% in BC for 2020 as a whole – well above the 4.7% rate seen in BC in 2019.

However, the forecasts expect both the Canadian and BC economy to bounce back in 2021 and into 2022. The economic picture improved considerably over the later half of 2020 and coming into 2021, with many indicators indicating a strong economic recovery is underway. This is expected to result in a strong rebound in 2021, with real GDP forecast to grow 5.9% in BC and 6.1% in Canada. While unemployment is expected to lower, it's still expected to remain above pre-crisis levels. By 2022, GDP is forecast to be above pre-crisis levels in both Canada and BC, while the unemployment rate is expected to return to slightly above pre-crisis levels.

2. **Employment:** BC employment down in April, ending nearly a year of growth

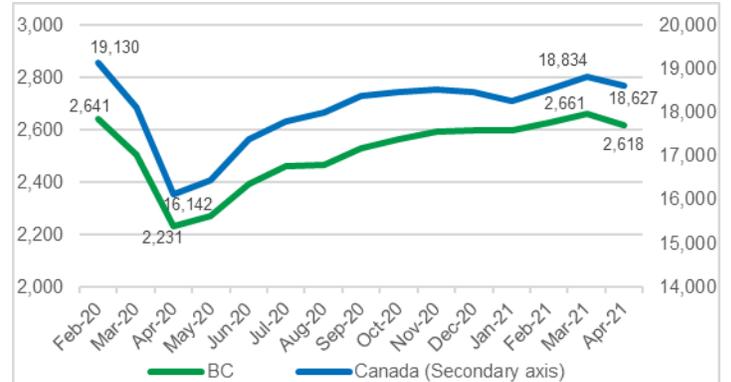
After 11 consecutive months of job gains in BC, April marked a setback as both the province and the country as a whole saw total [employment decline](#). This led to an increase in Canada-wide unemployment rates, up 0.2 percentage points to 7.1% in BC and up 0.6 percentage points to 8.1% in Canada (see *Figure 1*). While the BC unemployment rate is well above the pre-pandemic rate of 5.1% seen in February 2020, it is well below the peak rate set in May 2020.

Figure 1: Unemployment rate as a percentage



Job losses were largely attributed to an increase in business restrictions across the country in late March and early April (including BC’s “[circuit breaker](#)”) to combat the rising number of cases during the third wave of the COVID-19 pandemic. In April, the number of workers across BC was 2.62 million, down by 43,100 compared to March (see *Figure 2*). Despite this decline, the provincial workforce still remains near pre-pandemic levels due to BC’s strong overall recovery. In contrast, overall employment in Canada was down by 2.6% in April 2021 compared to February 2020.

Figure 2: Employment (1,000s)



*Part-time jobs take brunt of damage in April*

As the recent business restrictions targeted industries such as the hospitality sector – which tend to have a disproportionate number of shift workers – job loss was primarily concentrated amongst part-time positions. In fact, part-time positions were down by 37,400 in April compared to March, accounting for around 87% of the total decline (see *Figure 3*).

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

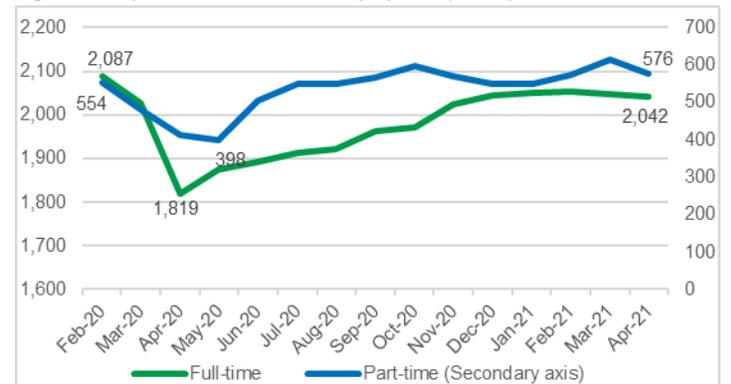


Figure 1-3: Statistics Canada, Table 14-10-0355-01. Seasonally adjusted.

*Goods sector strong in April, while service sector lags due to restrictions*

A gain in goods sector employment helped offset the decline experienced in the service sector (see Figure 4). Service sector employment in April 2021 was 2.12 million, down by 43,000 from March 2021, while the goods sector gained 2,900 jobs.

Job loss in the service sector was concentrated in industries directly affected by the circuit breaker restrictions, such as accommodation and food services (-21,900), entertainment and media (-16,900), and wholesale/retail trade (-4,600).

Figure 4: Employment by sector (1,000s), February 2020-21

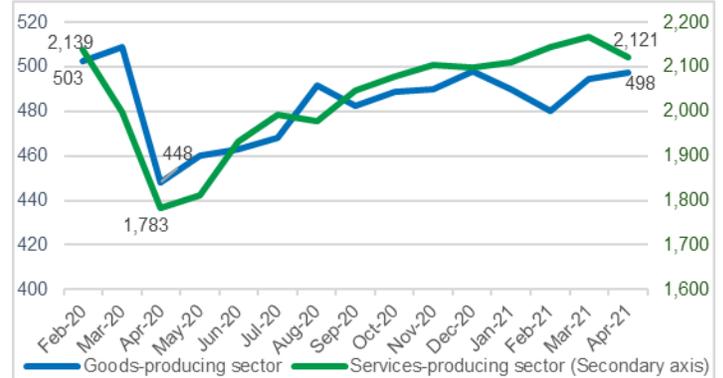


Figure 4 and Table 1 source: Statistics Canada, Table 14-10-0355-01. Seasonally adjusted.

*Public sector jobs have led employment gains, while construction, hospitality remain down*

Despite job loss in April, employment in both the service and goods sector remains near pre-pandemic levels (see Table 1). However, this statistic varies largely by industry. The service sector job gain has been primarily driven by increases in public sector employment and professional, scientific and technical services. Meanwhile, considerable job losses remain within the hospitality industry and other services such as personal and household services.

Within the goods sector, job losses continue to be concentrated in the construction and agriculture industry. Conversely, strength in commodity prices has buoyed the natural resource industry with employment up by 30.0% in April 2021 compared to February 2020. Employment in utilities and manufacturing have also seen significant increases.

Table 1: Employment by subsector, April 2021 compared to Feb 2020

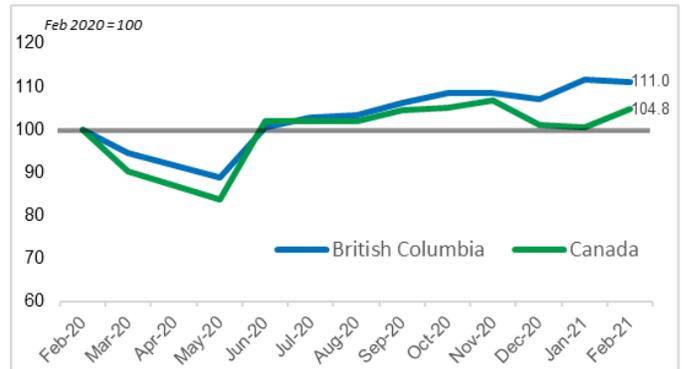
	Net change	% change		Net change	% change
<b>Services-producing sector</b>	<b>-18,300</b>	<b>-0.9%</b>	<b>Goods-producing sector</b>	<b>-5,000</b>	<b>-1.0%</b>
Accommodation and food services	-45,300	-22.5%	Agriculture	-5,800	-20.2%
Other services (except public administration)	-12,600	-10.4%	Construction	-31,300	-12.5%
Information, culture and recreation	-9,700	-7.8%	Manufacturing	14,200	8.5%
Business, building and other support services	-5,200	-4.5%	Forestry, fishing, mining, quarrying, oil and gas	12,700	30.0%
Transportation and warehousing	-6,100	-4.3%	Utilities	5,000	32.5%
rental and leasing	-6,500	-3.7%			
Wholesale and retail trade	-13,400	-3.3%			
Educational services	5,600	3.1%			
Health care and social assistance	20,200	6.1%			
Public administration	16,500	14.4%			
Professional, scientific and technical services	38,200	17.1%			

3. **Retail spending:** continues to exceed pre-crisis levels

Early in the crisis, uncertainty led to historic declines in consumer spending & confidence, while the savings rate hit levels not seen since the 1990s.<sup>1</sup>

However, since June retail spending in both Canada and BC has been at least as strong as pre-pandemic levels (see Figure 5). In fact, in BC retail spending was over 10% higher in January and February 2021 compared to February 2020. While StatsCan data for March and April 2021 is not yet available, [RBC consumer spending data](#) shows the recent restrictions did have a negative effect on spending, but did not result in a significant decline in spending overall as seen in previous shutdowns.

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



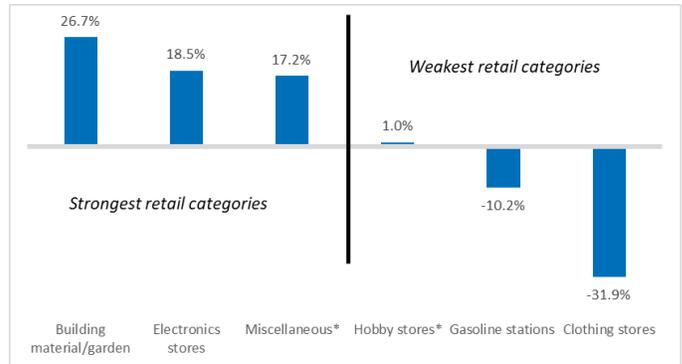
Source: Statistics Canada, Table 20-10-0008-01. Seasonally and inflation adjusted.

*Gasoline and clothing spending remains down considerably*

Throughout the crisis, consumers' basket of goods purchased at retail stores has shifted dramatically. Since late fall, social, business and travel restrictions put significant pressure on industries related to travel, office work, and social interaction. However, as the pandemic has progressed most retail categories have bounced back above pre-pandemic levels.

As of February 2021, total retail spending in all but two categories had increased compared to January 2020. As Canadians continue to work from home in greater numbers and minimize social engagement, clothing stores continue to see sales well below pre-pandemic levels, with spending down by nearly a third (31.9%). Spending at gasoline retailers was also down by 10.2% despite recent strength in gas prices.

Figure 6: Canadian consumer spending % change by category, Jan 2020-Feb 2021



Source: Statistics Canada, Table 20-10-0008-01. Seasonally and inflation adjusted. \*Miscellaneous stores include florists, office supplies, used goods, and other miscellaneous categories. Hobby stores include sporting goods, books, music and other hobby stores.

The three retail categories that experienced the largest increases as of February 2021 were building/garden (+26.7%), electronics (+18.5%) and miscellaneous (+17.2%) which includes services such as florists and office supplies.

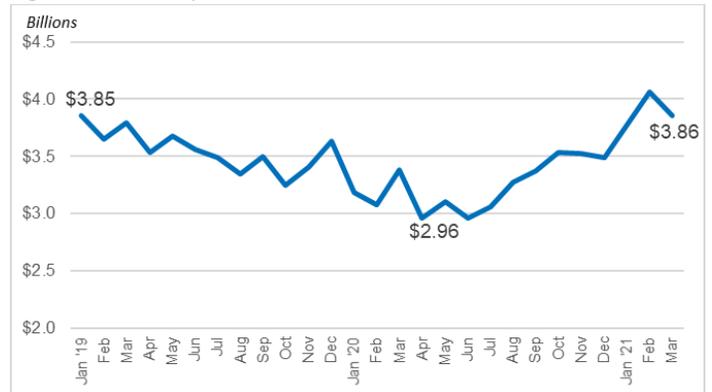
<sup>1</sup> Globe and Mail, "Savers stashed \$127-billion in 2020 – it may just rescue the economy", <https://www.theglobeandmail.com/investing/personal-finance/household-finances/article-savers-stashed-127-billion-in-2020-it-may-just-rescue-the-economy/>

4. **International trade:** BC exports dip in March but remain strong

After struggling early on in the crisis, BC’s export market has seen a renaissance over the past half year. Starting in October, exports edged into positive annual growth territory. While there was a small monthly dip in exports in March 2021, commodity exports were up over a quarter (25.3%) compared to February 2020 (see *Figure 7*).

However, it is important to note that BC’s export market had already been on a downturn trend prior to the pandemic, and the level set in March 2021 is only slightly above early 2019 monthly exports.

**Figure 7: BC total exports**



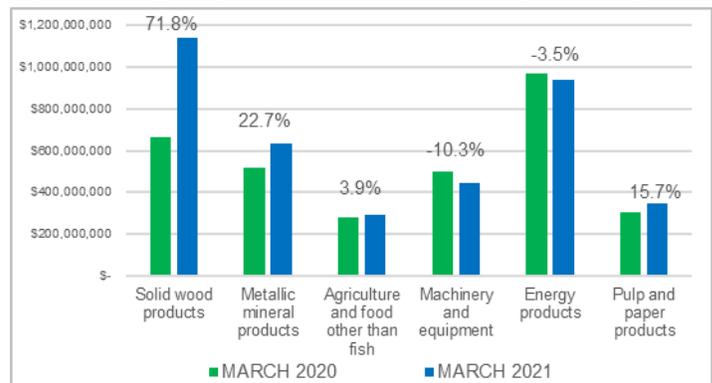
Source: BC Stats, Seasonally Adjusted Data for BC Exports. Adjusted for inflation.

*Strong growth in forestry product exports leading export growth*

In March 2021, exports of solid wood products saw the largest increase, up 71.8% compared to last year (see *Figure 8*). Metallic mineral products continue to perform well, up 22.7% and pulp and paper products were up 11.1%.

While exports of other key commodities like energy are down compared to last year, they’ve recovered from earlier lows. The rebound has been driven by burgeoning prices for most key BC export commodities, which has also helped push the CAD to a multi-year high.

**Figure 8: Six largest export commodities, March 2020-21 percent change**



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

Since June 2020, most commodities have seen significant price increases buoyed by strong international demand. The top performer in terms of key BC commodities has been the price of forestry products, which after taking a small step back in November 2020 have continued to increase and were well over twice as high than at any period between 2019 and early 2020 (see *Figure 9*<sup>2</sup>).

Other commodities have also advanced in recent months. Prices of energy, metals/minerals and agriculture products continued to increase in the first four months of the year, with all three now higher than where they started in 2020. 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. The rate at which the world economy continues to rebound from the pandemic will continue to significantly impact BC’s export market’s performance.

<sup>2</sup> Price indices [Bank of Canada’s Commodity Price Index](#). Components for each can be found online.

Strong commodity prices have also contributed towards the Canadian dollar bouncing back from early March 2020 lows, and as of May 17, 2021 stood at \$0.83 USD per CAD, a level not seen since 2015 (see Figure 10).

Figure 9: Price index by select commodities, Jan 2019 = 100

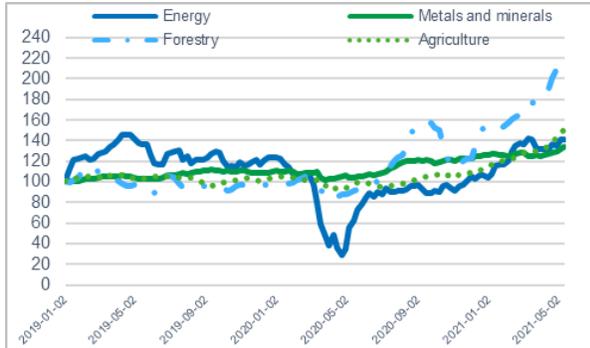


Figure 10: Value of \$1.00 CAD to USD



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

5. **Economic forecasts:** 2020 marks deep recession, but full recovery expected by late 2021/early 2022

Table 2 below tabulates recent economic forecasts from the big five banks and will be updated as new information becomes available.

Table 2: BC and Canadian Economic Forecasts

Forecasts	Real GDP, annual change			Unemployment rate			Reported
	2020e	2021f	2022f	2020e	2021f	2022f	
<b>British Columbia</b>							
<b>Average</b>	<b>-4.8%</b>	<b>5.9%</b>	<b>4.5%</b>	<b>8.9%</b>	<b>6.5%</b>	<b>4.8%</b>	
RBC Economics	-5.0%	5.9%	4.9%	na	na	na	<a href="#">21-Apr</a>
BMO	-3.8%	6.3%	4.6%	na	na	na	<a href="#">14-May</a>
Scotiabank	-4.8%	6.4%	4.4%	8.9%	6.4%	4.8%	<a href="#">22-Apr</a>
TD Economics	-5.0%	6.3%	4.2%	9.0%	6.1%	5.0%	<a href="#">19-Mar</a>
CIBC	-5.6%	4.4%	4.6%	8.9%	6.9%	4.7%	<a href="#">25-Jan</a>
<b>Canada</b>							
<b>Average</b>	<b>-5.4%</b>	<b>6.1%</b>	<b>4.2%</b>	<b>9.6%</b>	<b>7.4%</b>	<b>5.9%</b>	
RBC Economics	-5.4%	6.3%	4.1%	9.6%	7.4%	6.1%	<a href="#">01-May</a>
BMO	-5.4%	6.0%	4.5%	9.6%	7.5%	6.0%	<a href="#">14-May</a>
Scotiabank	-5.4%	6.4%	4.1%	9.6%	7.3%	5.5%	<a href="#">22-Apr</a>
TD Economics	-5.4%	6.0%	3.9%	9.6%	7.2%	6.1%	<a href="#">19-Mar</a>
CIBC	-5.4%	5.7%	4.3%	9.5%	7.7%	5.9%	<a href="#">12-May</a>

The 2020 recession saw Canadian real GDP fall by 5.4% compared to 2019. While BC's economy fared relatively better, real GDP is still estimated to have fallen around 4.8%. The unemployment rate also spiked, reaching 9.6% for Canada and 8.9% in BC for the year as a whole – well above the sub 5% rate seen in BC in 2019.

However, the forecasts expect both the Canadian and BC economy to bounce back in 2021 and into 2022. The economic picture improved considerably over the later half of 2020 and coming into 2021, with many indicators indicating a strong economic recovery is underway. This is expected to result in a strong rebound in 2021, with real GDP forecast to grow 5.9% in BC and 6.1% in Canada. While unemployment is expected to lower, it's still expected to remain above pre-crisis levels. By 2022, GDP is forecast to be above pre-crisis levels in both Canada and BC, while the unemployment rate is expected to return to slightly above pre-crisis levels.

It is important to note forecasts are revised as new events unfold, and additional downside risks are always possible, given the unpredictability of COVID-19 case counts.