

MANITOBA MARKET REPORT



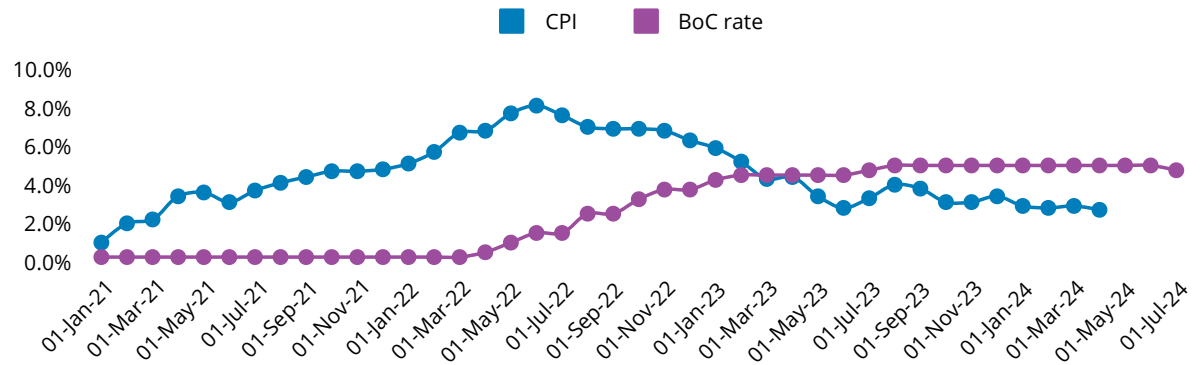
INTEREST RATES CUT

On June 5, 2024, the Bank of Canada (BoC) lowered its key interest rate by 25 basis points, bringing it down to 4.75%. This rate cut marks the first reduction since March 2020. BoC Governor Tiff Macklem explained that the bank's monetary policy no longer needs to be as restrictive due to increased confidence that inflation will move closer to the two per cent target. The move was largely expected, given that the inflation rate has been approaching the bank's goal, reaching 2.7% in April.

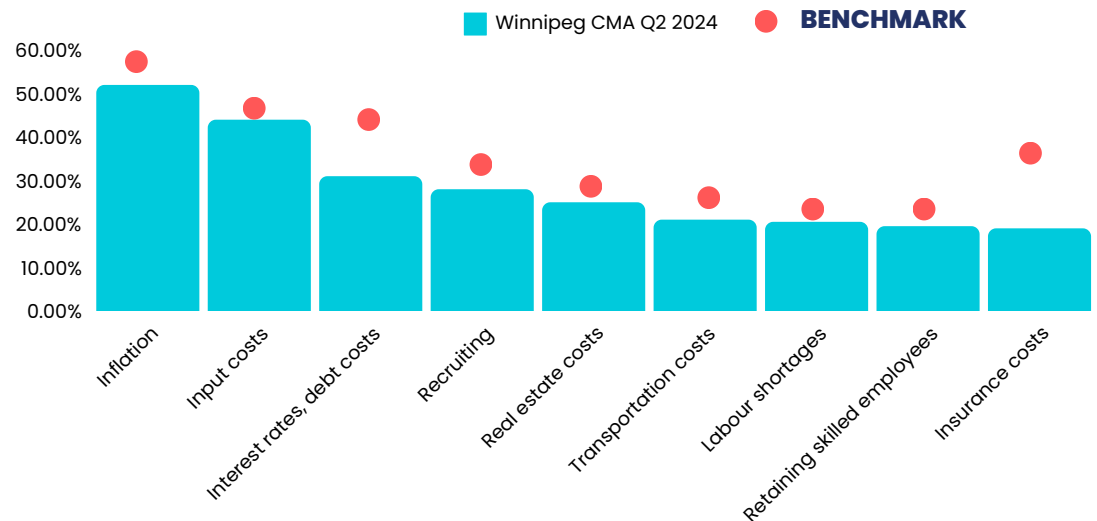
WHAT THIS MEANS FOR YOU

Lower borrowing costs benefit businesses, allowing them to manage debt more effectively, improve cash flow, and invest in growth. Reduced interest rates are expected to boost consumer spending, driving demand for goods and services. The next policy rate announcement is scheduled for July 24, 2024.

Bank of Canada Interest Rate vs Annual Inflation Rate (CPI)



Top Business Obstacles Expected, next 3 months in Winnipeg and Canada, Q2 2024





BUSINESS OPENING AND CLOSING

February 2024

Number of Active Businesses

CANADA	MANITOBA	WINNIPEG
936,012	28,826	19,173

In Manitoba, Educational services recorded the highest increase of active businesses, up by 3.6%. Information & cultural industries recorded the largest decrease, down by 3.1%

CHANGES IN BUSINESS OPENINGS (MB)

YEAR-OVER-YEAR CHANGES (%) BY INDUSTRY

Educational Services

3.6

Real Estate, Rental
& Leasing

0.9

Information & Cultural

-3.1

Other Services

0.8





MANITOBA LABOUR MARKET

May 2024

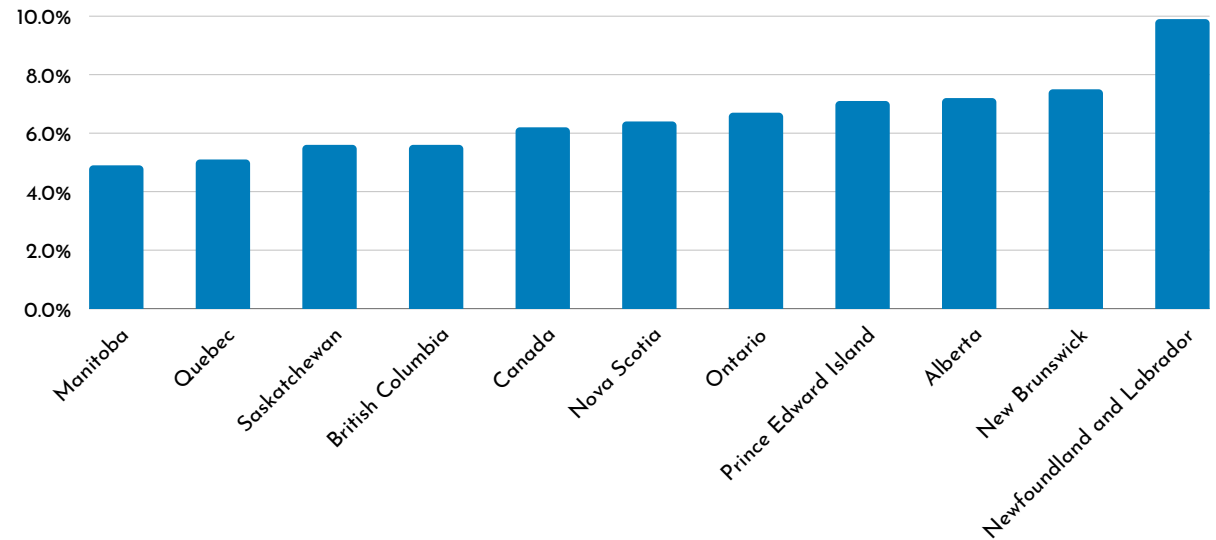
Labour Force
747,900

Employment
711,100

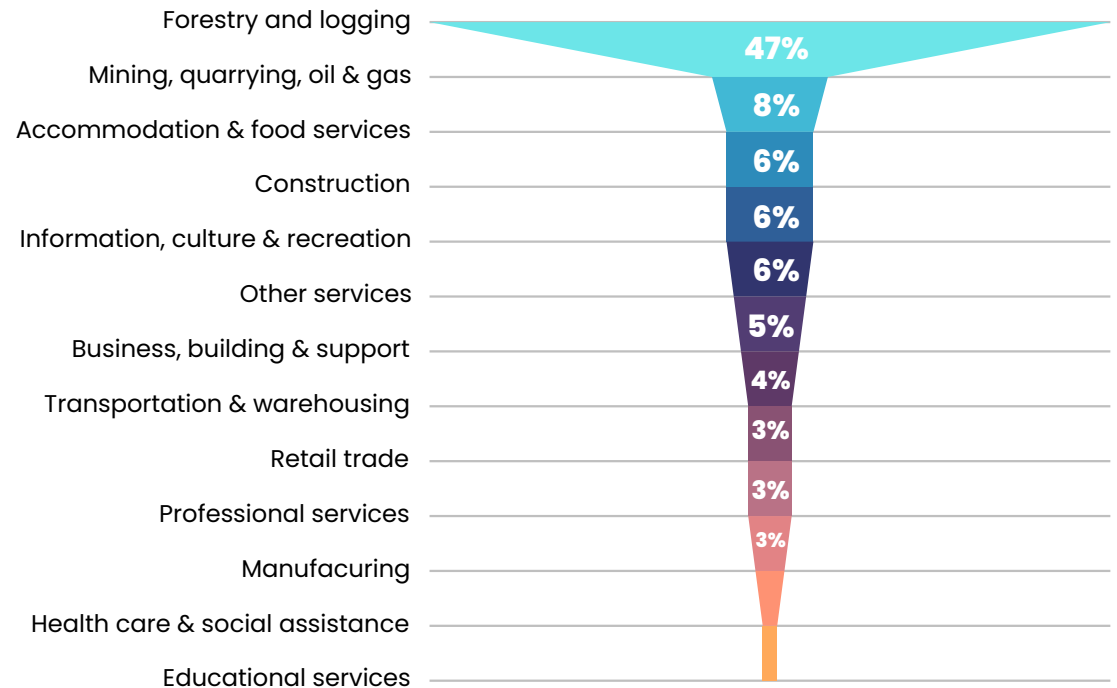
Participation Rate
66.3%

In Q2 2024, the Canadian Survey on Business Conditions revealed that Manitoba's industries experienced a slight improvement in labor force shortages. The difficulty in recruiting skilled employees also showed a positive trend. Meanwhile, the challenge of retaining skilled employees remained consistent. Overall, while labour force shortages and employee retention continue to pose significant challenges, there are encouraging signs of easing difficulties in recruiting skilled workers.

Unemployment Rate by Provinces, May 2024



Unemployment Rate by Industry, May 2024

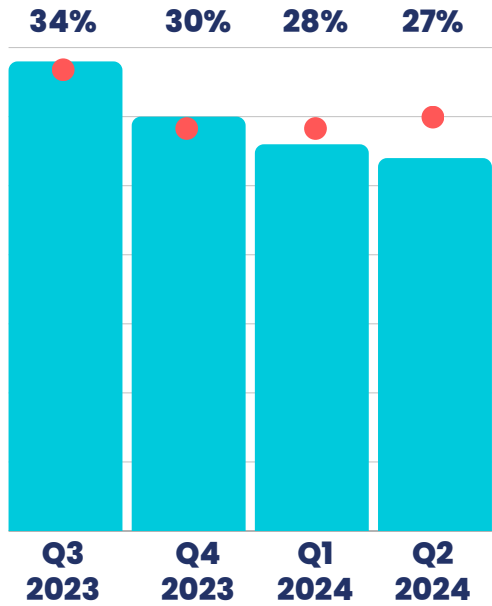




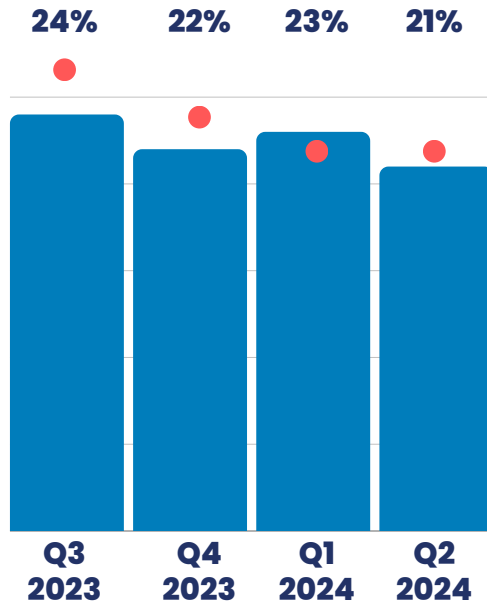
MANITOBA MARKET REPORT: JUNE 2024

Labour obstacles expected, next 3 months Manitoba; all industries

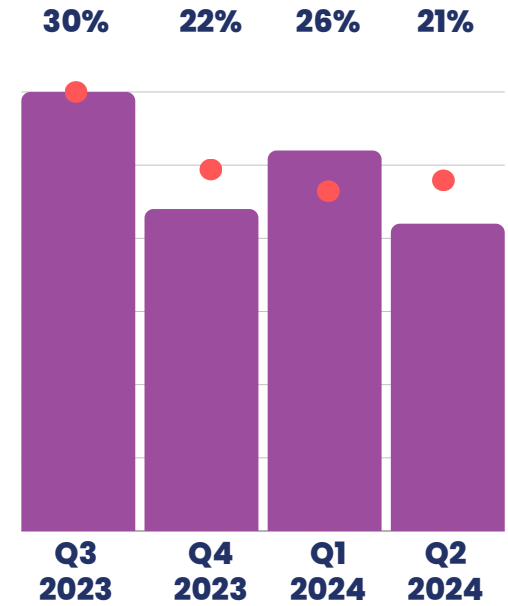
● BENCHMARK



RECRUITING SKILLED EMPLOYEES



RETAINING SKILLED EMPLOYEES



SHORTAGE OF LABOUR FORCE

Sources: Canadian Chamber of Commerce Business Data Lab





ECONOMIC INSIGHTS

Labour Market Notes

According to the Labour Force Survey for May 2024, the labour market in Manitoba experienced positive growth and improvements. Here are the key highlights from the report:

Job Growth:

Manitoba saw an increase in jobs of 7,800 from April to May 2024. This growth rate was higher than Canada's national average of 0.1%.

Labour Force: The number of Manitobans in the labour force also increased by 0.9% from April to May 2024, with an additional 7,000 Manitobans participating in the workforce. This growth rate was slightly higher than the national average of 0.2%.

Unemployment Rate:

Manitoba's unemployment rate stood at 4.9%, which was the lowest among all provinces and below the national average of 6.2%. This indicates a relatively strong labour market in Manitoba compared to the rest of Canada.

Private-Sector Employment:

The private sector in Manitoba experienced positive growth, adding 5,900 jobs (+1.1%) from April to May 2024. This indicates increased economic activity and job opportunities in the private sector.

Public-Sector Employment:

The public sector also saw growth, with an addition of 1,900 jobs (+1.0%) during the same period. This suggests increased employment opportunities in government and public services.

Industry-wise Job Dynamics:

Manitoba's service producing sectors added 10,000 jobs (+1.8%) from April, while goods-producing sectors lost 2,300 jobs (-1.5%). Business, Building & Other Support Services saw the largest monthly gain with 3,000 new jobs (+18.9%), followed by Other Services (+2,200) and Transportation & Warehousing (+2,100). Conversely, Construction faced the largest loss, shedding 2,200 jobs (-3.9%)

Full-Time vs Part-Time Employment:

While full-time employment decreased by 7,600 positions (-1.3%), parttime employment saw a significant increase of 15,200 positions (+12.8%). This indicates a shift towards more part-time employment opportunities in Manitoba.

Average Hourly Wage Growth:

Manitoba's average hourly wages rose by 3.7% on a year-over-year basis, reaching \$30.30. Although this growth rate was lower than the national average of 5.1% for Canada, it still indicates an improvement in wages for Manitoban workers.

Overall, the Labour Market Survey for May 2024 reflects positive growth and improvements in the labour market in Manitoba. The increase in jobs, growth in the labour force, low unemployment rate, and wage growth all indicate a relatively strong and thriving labour market in the province.



ECONOMIC INSIGHTS

Business Data Lab Report

The Canadian Chamber of Commerce's Business Data Lab has released its Q2 2024 Canadian Survey on Business Conditions Report, which has revealed promising signs of emerging business optimism. This positive shift follows the Bank of Canada's first interest rate cut in over a year.

Here are the key takeaways:

Business Expectations:

The BDL's Business Expectation Index moved into positive territory, reaching 101.8, which indicates a brighter outlook for sales and overall business sentiment. Business sentiment in Manitoba is lagging behind other regions in Canada, with a Business Expectations Index of 98.1 in the second quarter of 2024. This indicates a slightly deteriorating sentiment compared to the previous quarter.

Hiring Trends:

Businesses are planning to expand their workforce in the coming quarter, reflecting a balanced labour market.

Regional Insights:

Optimism is particularly strong in Atlantic Canada and Quebec, with Halifax leading the way. Conversely, Central Canada, including cities like Toronto, Regina and Winnipeg shows more challenges.

Industry Outlook:

Sectors such as finance, insurance, and construction are leading in optimism, while agriculture and information and culture face more hurdles.

Business Obstacles:

While cost-related pressures remain, many companies still plan to raise prices, which could influence future interest rate cuts. Rising inflation (52%), input costs (44%), and high interest rates (31%) as top obstacles for Winnipeg businesses according to the Q2 data.

For a comprehensive analysis, you can explore the interactive Survey Insights Generator to customize results by geography, industry, firm size and more:

<https://bdl-lde.ca/survey-insights-generator/>

Check out the full report:

https://bdl-lde.ca/wp-content/uploads/2024/06/2024_Q2_CSBC_Report.pdf

Get assistance navigating government relations and raising a specific issue with politicians and officials at all levels of government. [Fill out our form](#) or contact our Policy and Government Relations Manager, Jamil Ahmed at Jahmed@winnipeg-chamber.com