



Labour Market Bulletin

British Columbia

December 2018



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of British Columbia (BC), including the regions of Northern BC, Vancouver Island and Coast, Lower Mainland, Thompson–Okanagan and the Kootenays.

OVERVIEW

There were over 2,527,400 people employed in BC in the fourth quarter of 2018, up 1.8% from the same period in 2017. The majority of employment gains in the fourth quarter were in part-time employment (+34,500), with weaker growth in full-time employment (+2,000). On an annual basis, there were more gains in full-time employment (+27,500) than in part-time employment (+17,400).

Both private sector employment (+31,730) and self-employment (+7,600) increased in the fourth quarter, while the number of people employed in the public sector contracted (-2,870). Year-over-year, BC's private sector was responsible for all employment gains (+50,333).¹

The unemployment rate in BC fell for the second consecutive quarter reaching 4.3%; the lowest rate among all provinces and well below the national average of 5.7%. According to the Conference Board of Canada, BC currently has the tightest labour market in the country.² In addition, the number of Regular Employment Insurance beneficiaries in BC decreased significantly over the last year – dropping 21.5% between October 2017 and October 2018.³

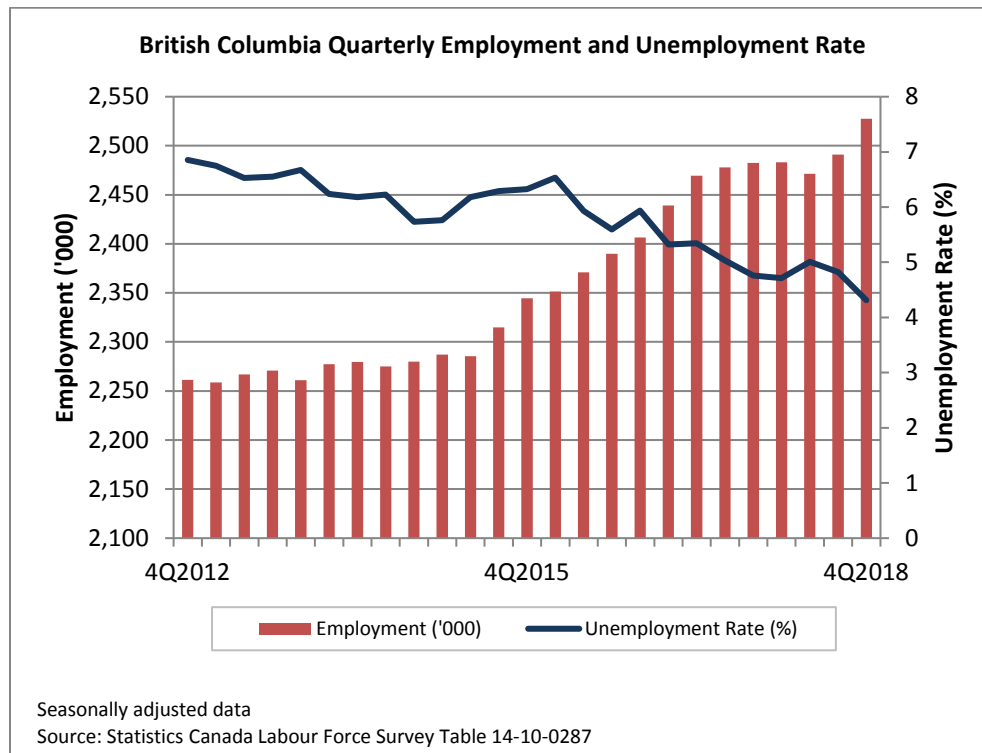
The unemployment rate is down across all demographic groups on a quarterly basis in BC with the exception of women 25 years and over (+0.4 percentage points to 4.4%). On an annual basis, the unemployment rate for all women in BC's labour force increased, while the unemployment rate for men continued to decline.

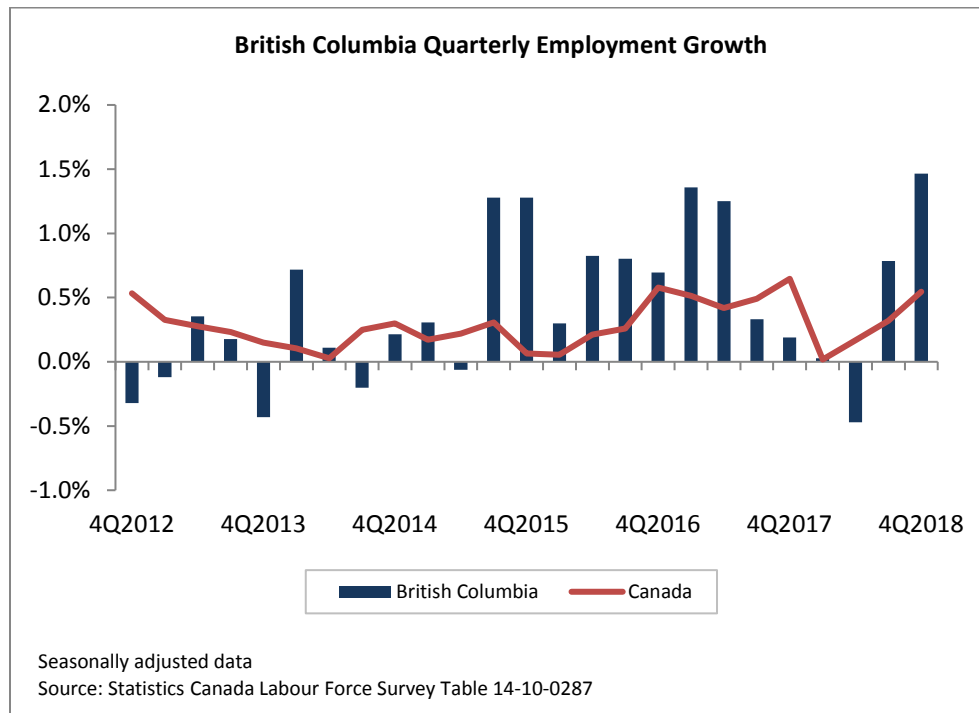
British Columbia Quarterly Labour Force Statistics

Seasonally adjusted data	4th Quarter 2018	3rd Quarter 2018	4th Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,054.4	4,041.2	3,997.7	13.2	0.3	56.7	1.4
Labour Force ('000)	2,641.3	2,617.1	2,606.5	24.2	0.9	34.8	1.3
Employment ('000)	2,527.4	2,490.9	2,482.5	36.5	1.5	44.9	1.8
Full-Time ('000)	1,975.0	1,973.0	1,947.5	2.0	0.1	27.5	1.4
Part-Time ('000)	552.4	517.9	535.0	34.5	6.7	17.4	3.3
Unemployment ('000)	113.9	126.2	124.0	-12.3	-9.7	-10.1	-8.1
Unemployment Rate (%)	4.3	4.8	4.8	-0.5	-	-0.5	-
Participation Rate (%)	65.1	64.8	65.2	0.3	-	-0.1	-
Employment Rate (%)	62.3	61.6	62.1	0.7	-	0.2	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087





British Columbia Quarterly Unemployment Rates, by Gender and Age

Seasonally adjusted data	4th Quarter 2018 (%)	3rd Quarter 2018 (%)	4th Quarter 2017 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	4.3	4.8	4.8	-0.5	-0.5
25 years and over	3.7	4.2	4.3	-0.5	-0.6
Men - 25 years and over	3.1	4.3	4.4	-1.2	-1.3
Women - 25 years and over	4.4	4.0	4.1	0.4	0.3
15 to 24 years	7.8	8.7	7.6	-0.9	0.2
Men - 15 to 24 years	8.6	9.3	9.5	-0.7	-0.9
Women - 15 to 24 years	7.0	8.0	5.7	-1.0	1.3

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

Labour Market Indicators for Indigenous People

In the fourth quarter of 2018, the total population aged 15 and over in BC was about 4.0 million. The Indigenous population living off-reserve accounted for 4.3% of that, or 174,200 people. Employment among the Indigenous population in BC was 104,700, an increase of 1,900 jobs or 1.8% from a year earlier in the fourth quarter of 2017. The increase was driven by a rise in full-time positions (+4,800 or +6.0%), outpacing a decline in part-time positions (-2,800 or 12.7%).

The unemployment rate among Indigenous people was 8.2% in the fourth quarter of 2018, a decrease of 2.6 percentage points from the previous year. The unemployment rate among the non-Indigenous population was 4.0%, a slight decline of 0.3% from the past year (fourth quarter 2017). Between the fourth quarter of 2017 and

the fourth quarter of 2018, the participation rate of Indigenous people fell to 65.5% (-3.5 percentage points). Among non-Indigenous, the participation rate increased slightly to 65.0% (+0.2 percentage points). The employment rate for Indigenous people declined year-over-year to 60.1% (-1.4 percentage points) while the non-Indigenous population experienced a small increase to 62.4% (+0.4 percentage points).

British Columbia - Labour market indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q4 2018	Q4 2017	number	%	Q4 2018	Q4 2017	number	%
Population 15 + ('000)	174.2	167.0	7.2	4.3	3,880.1	3,830.7	49.4	1.3
Labour Force ('000)	114.1	115.2	-1.1	-1.0	2,521.6	2,480.8	40.8	1.6
Employment ('000)	104.7	102.8	1.9	1.8	2,421.3	2,373.7	47.6	2.0
Full-Time ('000)	85.4	80.6	4.8	6.0	1,873.6	1,851.3	22.3	1.2
Part-Time ('000)	19.3	22.1	-2.8	-12.7	547.7	522.4	25.3	4.8
Unemployment ('000)	9.4	12.5	-3.1	-24.8	100.4	107.1	-6.7	-6.3
Unemployment Rate (%)	8.2	10.8	-2.6	-	4.0	4.3	-0.3	-
Participation Rate (%)	65.5	69.0	-3.5	-	65.0	64.8	0.2	-
Employment Rate (%)	60.1	61.5	-1.4	-	62.4	62.0	0.4	-

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey – ESDC custom table

EMPLOYMENT BY INDUSTRY

BC employment grew 1.8% in the fourth quarter of 2018 with gains both in the services-producing sector (+25,800) and in the goods-producing sector (+10,600). Year-over-year, employment gains in the services producing sector (+41,000) far outpaced gains in the goods-producing sector (+3,800).

BC's resource extraction industry (forestry, fishing, mining, quarrying and oil and gas) gained approximately 2,100 positions (+4.3%) since the fourth quarter of 2017. BC's forestry industry has been negatively affected by supply constraints and low market prices in the second half of 2018, leading to production cuts at sawmills throughout the province. BC's timber supply has diminished in recent years by the negative effects of the mountain pine beetle and two consecutive years of severe wildfire activity in the province. Moreover, while lumber prices rose to record highs during the first part of 2018, a substantial price decrease occurred in the second half of the year.

In November, West Fraser Timber Co. announced that they are permanently curtailing lumber production at their Fraser Lake and Quesnel sawmills, affecting a total of 135 employees.⁴ The company later announced additional temporary curtailments at their Chasm, 100 Mile House, Williams Lake and Chetwynd sawmills over

the holiday period.⁵ Conifex is also reducing production for the first half of 2019 at their Fort St. James sawmill, impacting approximately 70 employees.⁶

While lumber prices fell in the last part of 2018, natural gas prices in Canada have been trending down since 2008.⁷ Ten years ago, natural gas prices were around \$10 per gigajoule, but as new drilling technologies were adopted, an oversupply of natural gas led to a significant decline in prices. In 2018, the price of natural gas in Western Canada remained below \$2 per gigajoule for most of the year.^{8,9}

Although construction of the new LNG Canada \$40 billion liquefied natural gas (LNG) export facility in Kitimat promises to open trade with Asia, the facility is not expected to be operational for another five years. In the meantime, Shell Canada is cutting costs in BC's northeast. Shell announced that it will not be drilling any new wells in the region over the next two years, dropping their production by about 15%.¹⁰ Petronas has also reduced natural gas production in northeastern BC and plans to shut down wells and scale back on their exploration program.¹¹

Employment in BC's manufacturing industry decreased both on a quarterly (-1,100) and annual basis (-4,800). A notable exception was employment in the transportation equipment manufacturing sub-industry, which expanded in every quarter of 2018.¹² In 2011, Seaspan secured a winning bid for the National Shipbuilding Strategy which was estimated to create over 5,600 direct jobs, positively impacting BC's shipbuilding industry for several years.¹³ Recently, BC Ferries announced it is spending \$57 million between September 2018 and March 2019 on the repair and maintenance of 17 vessels. The work will be done through contracts with a variety of BC-based marine services including Vancouver Drydock, Esquimalt Drydock and Victoria's Point Hope Shipyard, as well as their own Fleet Maintenance Unit.¹⁴

British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally adjusted data ('000)	4th Quarter 2018	3rd Quarter 2018	4th Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,527.4	2,490.9	2,482.5	36.5	1.5	44.9	1.8
Goods-producing sector	503.2	492.6	499.4	10.6	2.2	3.8	0.8
Agriculture	24.9	21.7	25.5	3.2	14.7	-0.6	-2.4
Forestry, fishing, mining, quarrying, oil and gas	50.9	48.9	48.8	2.0	4.1	2.1	4.3
Utilities	13.7	14.0	13.4	-0.3	-2.1	0.3	2.2
Construction	242.6	235.8	235.8	6.8	2.9	6.8	2.9
Manufacturing	171.1	172.2	175.9	-1.1	-0.6	-4.8	-2.7
Services-producing sector	2,024.1	1,998.3	1,983.1	25.8	1.3	41.0	2.1
Trade	370.4	364.1	377.9	6.3	1.7	-7.5	-2.0
Transportation and warehousing	141.1	136.4	135.2	4.7	3.4	5.9	4.4
Finance, insurance, real estate and leasing	152.6	150.4	160.2	2.2	1.5	-7.6	-4.7
Professional, scientific and technical services	216.4	212.2	201.7	4.2	2.0	14.7	7.3
Business, building and other support services	105.0	98.3	98.9	6.7	6.8	6.1	6.2
Educational services	169.0	166.3	167.2	2.7	1.6	1.8	1.1
Health care and social assistance	324.5	327.0	314.9	-2.5	-0.8	9.6	3.0
Information, culture and recreation	128.1	130.0	133.9	-1.9	-1.5	-5.8	-4.3
Accommodation and food services	191.5	189.7	180.1	1.8	0.9	11.4	6.3
Other services	120.9	117.7	114.0	3.2	2.7	6.9	6.1
Public administration	104.7	106.4	99.1	-1.7	-1.6	5.6	5.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

Meanwhile, the downturn in BC's housing market is reflected in annual employment losses for the finance, insurance, real estate and leasing industry in the fourth quarter of 2018 (-4.7%). Higher mortgage rates and housing policy changes at the provincial and federal level have led to a slowdown in BC home sales for 2018.¹⁵ In fact, Vancouver home sales dropped 31.6% in 2018 compared to 2017.¹⁶ According to the Canada Housing and Mortgage Corporation (CMHC), rising interest rates are more likely to affect BC's larger urban centres where prices have increased significantly over the last two years.¹⁷

On an annual basis, employment in BC's health care and social assistance industry was up 3.0% in the fourth quarter of 2018 (+9,600). The Province's new primary health-care strategy promises to recruit 200 family doctors, 200 nurse practitioners and 50 clinical pharmacists, while creating urgent primary care centres, community health centres and primary care networks throughout BC.^{18,19} In addition, the Government of BC is spending \$48 million in 2018-19 to fund over one million more hours of direct care for seniors. Over \$6.4 million of this funding is being spent on Vancouver Island to increase staffing levels in residential care homes — adding approximately 50,000 more direct care hours for the region this fiscal year.²⁰

REGIONAL ANALYSIS

Employment increased in four of BC's seven economic regions over the past year. While the Kootenay region led the province in employment growth on a percentage basis (+8.7%), the greatest number of jobs gained by a region on an annual basis was in the Lower Mainland-Southwest (+ 38,700).

The unemployment rate fell in all but two of BC's economic regions, with the most significant decrease in the Kootenays (-4.4 percentage points to 3.1%). The Government of BC recently announced \$2.9M in grants for small businesses in the Kootenay region that were impacted by the spring flooding. The Red Cross will distribute the funds and focus on housing, business and economic recovery, and social support projects.²¹ In addition, the Province fast-tracked construction of two new housing projects in Grand Forks through the Building BC: Community Housing Fund, with construction expected to be complete by fall 2019.²²

On an annual basis, employment was up 1.6% in the Vancouver Island and Coast economic region in the fourth quarter of 2018. While employment trended up in this region over the past year, one of the largest employers on northern Vancouver Island, Mowi Canada West (formerly Marine Harvest Canada), recently announced they will be closing up to 12 fish farms located in the region.²³

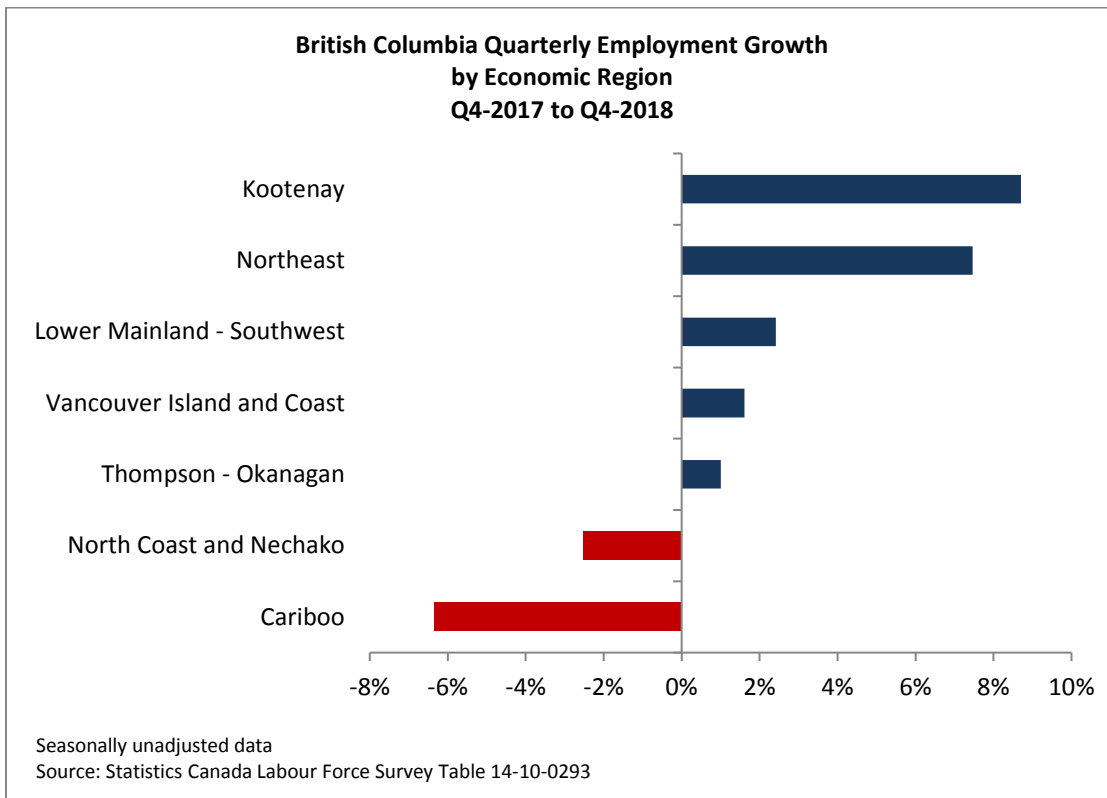
The Government of BC, First Nations and private sector industry have agreed to implement recommendations recently put forward by a joint steering committee to decommission up to 17 existing fish farms located in the Vancouver Island and Coast economic region. Based on the recommendations, Mowi Canada West and Cermaq Canada will shut down ten fish farms located in the region by 2022, but do not have plans to change their staffing levels in the short term.²⁴ The remaining seven farms will close in 2023 unless an agreement has been reached with local First Nations and a federal fisheries licence has been renewed.²⁵

British Columbia Quarterly Labour Force Statistics, by Economic Region

Seasonally unadjusted data	Employment			Unemployment Rate		
	4th Quarter 2018 ('000)	4th Quarter 2017 ('000)	Yearly Variation (%)	4th Quarter 2018 (%)	4th Quarter 2017 (%)	Yearly Variation (% points)
British Columbia	2,527.6	2,477.3	2.0	4.1	4.6	-0.5
Economic Regions						
Vancouver Island and Coast	390.8	384.6	1.6	3.6	4.8	-1.2
Lower Mainland - Southwest	1,641.6	1,602.9	2.4	4.2	3.8	0.4
Thompson - Okanagan	260.9	258.3	1.0	4.7	7.3	-2.6
Kootenay	76.2	70.1	8.7	3.1	7.5	-4.4
Cariboo	75.1	80.2	-6.4	5.3	6.3	-1.0
North Coast and Nechako	42.6	43.7	-2.5	3.8	5.2	-1.4
Northeast	40.3	37.5	7.5	4.7	4.6	0.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 282-0122



Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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For further information, please contact the LMI team at: http://www.esdc.gc.ca/cqi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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