



Labour Market Bulletin

British Columbia

2015 (Annual Edition)



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

Canada's labour market struggled in 2015, as the national economy faltered and the value of the Canadian dollar plummeted along with the price of oil.

In this context, British Columbia emerged as an economic bright spot, partly due to the beneficial effects of a low Canadian dollar on tourism, film production, and lumber exports, but also because of an unprecedented boom in Vancouver area housing markets.

BC has a well-diversified economy. And while the more rural and remote (resource-based) regions of the province failed to gain traction in 2015, strong growth in the urban centres of the Lower Mainland and southern Vancouver Island propelled the province forward as a whole. As a result, the BC labour market expanded in 2015, with employment increasing by 1.2% (+27,800) on the year. This represents an improvement from 2014, when employment increased by half that (+0.6%). In 2015, a pullback in part-time jobs (-14,400) was more than offset by an increase in full-time employment (+42,100).

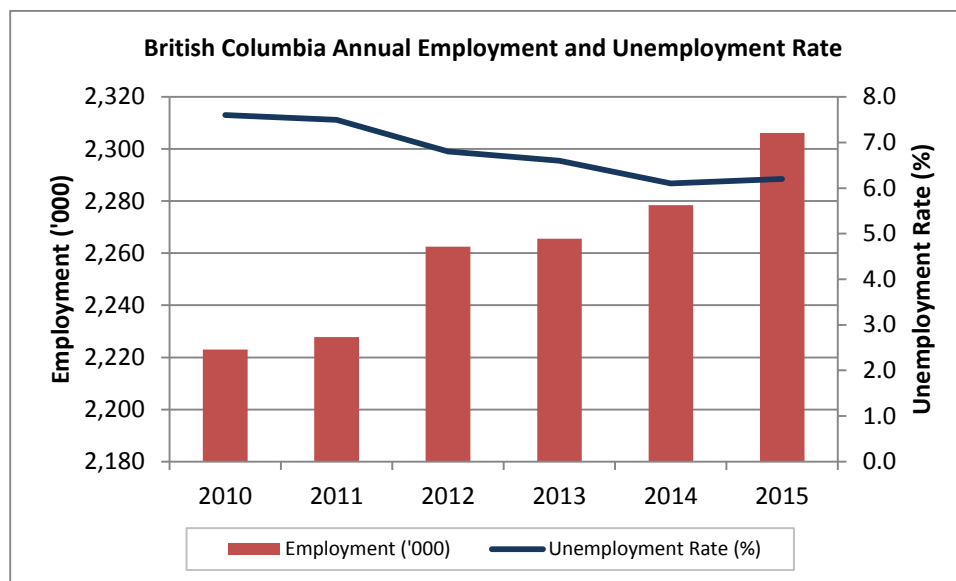
British Columbia Annual Labour Force Statistics

Labour Force Survey Estimates	2015	2014	2013	2014 to 2015		2013 to 2014	
				Number	%	Number	%
Population 15 + ('000)	3,877.1	3,829.6	3,786.8	47.5	1.2	42.8	1.1
Labour Force ('000)	2,457.6	2,425.4	2,425.3	32.2	1.3	0.1	0.0
Employment ('000)	2,306.2	2,278.4	2,265.6	27.8	1.2	12.8	0.6
Full-Time ('000)	1,824.0	1,781.9	1,775.8	42.1	2.4	6.1	0.3
Part-Time ('000)	482.2	496.6	489.8	-14.4	-2.9	6.8	1.4
Unemployment ('000)	151.4	146.9	159.7	4.5	3.1	-12.8	-8.0
Unemployment Rate (%)	6.2	6.1	6.6	0.1	-	-0.5	-
Participation Rate (%)	63.4	63.3	64.0	0.1	-	-0.7	-
Employment Rate (%)	59.5	59.5	59.8	0.0	-	-0.3	-

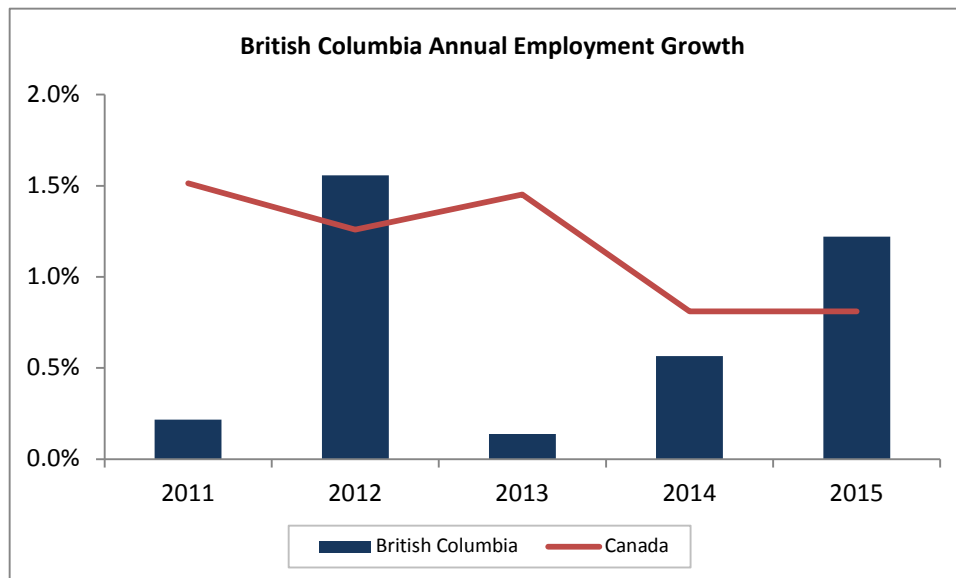
Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates – CANSIM Table 282-0002

BC's employment growth remained slow through the first four months of 2015. But as the year wore on, the economy began to strengthen, bolstered by rising in-migration from Alberta and other provinces. By the 3rd quarter of 2015, BC's job market vacancy rate – which describes job openings relative to job seekers – was the highest in the country (3.4).¹



The pace of employment growth in BC has picked up since 2013, while the province's unemployment rate has ranged between 6% and 6.5% over the last two years.



British Columbia Annual Unemployment Rates, by Gender and Age

Labour Force Survey Estimates	2015	2014	2013	2014 to 2015	2013 to 2014
				(% points)	(% points)
Total	6.2	6.1	6.6	0.1	-0.5
25 years and over	5.2	5.1	5.4	0.1	-0.3
Men - 25 years and over	5.5	5.2	5.4	0.3	-0.2
Women - 25 years and over	4.8	5.0	5.4	-0.2	-0.4
15 to 24 years	11.7	11.5	13.3	0.2	-1.8
Men - 15 to 24 years	13.7	12.8	15.3	0.9	-2.5
Women - 15 to 24 years	9.5	10.3	11.3	-0.8	-1.0

Source: Statistics Canada Labour Force Survey Estimates – CANSIM Table 282-0002

Employment growth among youth (aged 15 to 24) has been tepid in recent years, with 2014 proving an exception (+3.2%). However, in 2015, youth employment growth slowed to 0.5%.

The unemployment rate for youth ticked up to 11.7% in 2015, with the unemployment rate for men in this age group 4.2 percentage points higher than for women.

EMPLOYMENT BY INDUSTRY

In 2015, employment in BC increased both in the goods-producing sector (+2.0%) and in the services-producing sector (+1.0%).

In the goods sector, the largest overall job gain was posted by the manufacturing industry (+11,100), led by hiring in food manufacturing (+22%) and in fabricated metal products (+28%). Employment in wood product manufacturing also increased on the year, as the value of lumber exports to the US surged by 9% to \$3.3 billion.²

Construction employment increased by 0.5% in 2015, as major projects across the north wound down and residential building in the Lower Mainland continued at a faster pace than expected.

On the downside, employment in forestry, fishing, mining, quarrying, oil and gas eased by 1,700, with most of these losses occurring in oil and gas extraction. In 2015, the value of natural gas exports to the US declined by 45% to \$1.4 billion on lower prices and weaker demand.³

Results were varied in the services-producing sector. Wholesale and retail trade – BC's largest industry by workforce size – shed 5,100 jobs in 2015. Losses on the retail side were seen in food and beverage stores. Employment also declined in accommodation & food services (-7,800).

British Columbia Annual Labour Force Statistics, by Industry

Labour Force Survey Employment Estimates ('000)	2015	2014	2013	2014 to 2015		2013 to 2014	
				Number	%	Number	%
Total employment, all industries	2,306.2	2,278.4	2,265.6	27.8	1.2	12.8	0.6
Goods-producing sector	459.1	449.9	442.1	9.2	2.0	7.8	1.8
Agriculture	22.2	24.3	28.0	-2.1	-8.6	-3.7	-13.2
Forestry, fishing, mining, quarrying, oil and gas	48.3	50.0	46.8	-1.7	-3.4	3.2	6.8
Utilities	14.5	13.7	11.2	0.8	5.8	2.5	22.3
Construction	201.5	200.5	204.4	1.0	0.5	-3.9	-1.9
Manufacturing	172.5	161.4	151.7	11.1	6.9	9.7	6.4
Services-producing sector	1,847.2	1,828.5	1,823.5	18.7	1.0	5.0	0.3
Wholesale and retail trade	352.9	358.0	360.5	-5.1	-1.4	-2.5	-0.7
Transportation and warehousing	140.0	133.8	127.3	6.2	4.6	6.5	5.1
Finance, insurance, real estate, rental and leasing	128.6	137.2	139.6	-8.6	-6.3	-2.4	-1.7
Professional, scientific and technical services	188.1	182.3	178.3	5.8	3.2	4.0	2.2
Business, building and other support services	93.5	87.9	98.8	5.6	6.4	-10.9	-11.0
Educational services	163.4	166.3	166.7	-2.9	-1.7	-0.4	-0.2
Health care and social assistance	287.4	269.8	267.2	17.6	6.5	2.6	1.0
Information, culture and recreation	114.5	107.7	107.4	6.8	6.3	0.3	0.3
Accommodation and food services	177.5	185.3	179.5	-7.8	-4.2	5.8	3.2
Other services (except public administration)	105.1	102.4	99.4	2.7	2.6	3.0	3.0
Public administration	96.1	97.9	98.7	-1.8	-1.8	-0.8	-0.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates – CANSIM Table 282-0008

Meanwhile, information, culture and recreation led all service industries in private sector job growth (+6,800), as the BC film industry enjoyed a banner year.⁴

Employment growth was also strong in transportation and warehousing (+6,200), due to increased hiring by scenic and sightseeing tour operators (+22%).⁵

Finally, employment in professional, scientific and technical services (+5,800) and business, building and other support services (+5,600) also expanded on the year.

In the public sector, employment in health care and social assistance increased by 17,600 in 2015, while employment in educational services and in public administration declined by 2,900 and 1,800 respectively.

REGIONAL ANALYSIS

The province posted annual employment gains in six of seven economic regions in 2015.

Employment growth was strongest across northern BC; 7.9% in North Coast and Nechako, and 4.2% in Northeast. These are regions where the development of BC's liquid natural gas (LNG) industry is set to play out. The Northeast includes the BC portion of the Western Sedimentary Basin, the geological feature that is the source of BC's natural gas. To the west, North Coast and Nechako is where most of the 20 proposals for LNG liquefaction and export facilities are located. Both regions saw considerable industrial and LNG-related activity through early 2015, although this slowed markedly during the course of the year.⁶

Pain in the oil and gas industry worldwide, coupled with a glut of new LNG capacity coming on stream in Australia has dimmed BC's LNG prospects.⁷ Nonetheless, some forecasters expect the Pacific Northwest LNG project to get the go ahead – and to begin construction this year. Should that occur, the regional economies of northern BC would receive massive boosts over the next four years.⁸

Cariboo, in the centre of the province, is heavily dependent on the forest industry and is the only region in BC where annual employment declined in 2015. While the forest industry itself prospered during the year, efficiencies and economies of scale in logging and in sawmilling mean that increased production does not necessarily translate into direct employment gains. In fact, as the forest sector supports smaller and smaller workforces, Cariboo's major centres have been experiencing population declines, which in turn have led to reductions in the provision of government services.⁹ Most job losses in 2015 were in the public sector, specifically in healthcare and social assistance and in educational services.

By contrast, employment in the heavily urban Lower Mainland-Southwest increased by 1.5% on an annual basis – but this figure understates the rapid growth seen in the region through the second half of the year. Indeed, year-end employment numbers (December 2015 compared to December 2014) present a different picture of the province and its regional economies carrying forward into 2016.

Year-over-year comparisons show that B.C.'s resource-dependent areas did not experience the same economic growth as the province's metropolitan centres.

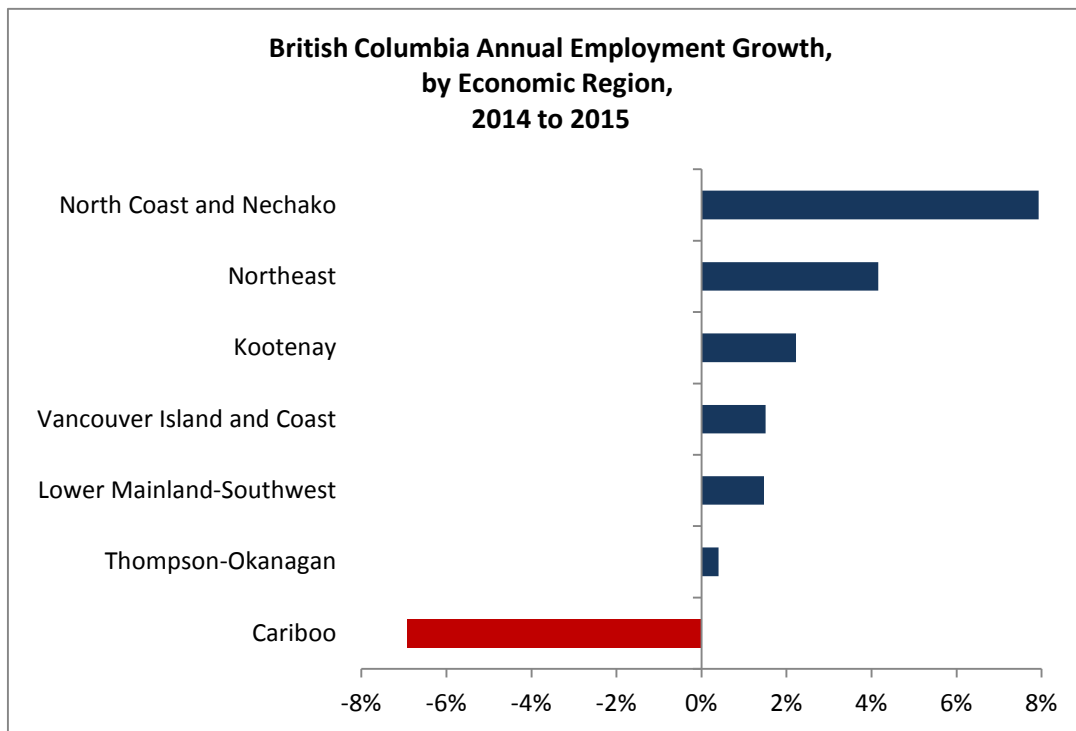
This was also true within Vancouver Island and Coast, where year-over-year employment growth was entirely due to a strong showing by Victoria CMA. Excluding Victoria's gains, employment in Vancouver Island and Coast declined over the course of 2015.

British Columbia Annual Labour Force Statistics, by Economic Region

Labour Force Survey Estimates: Employment ('000)	2015	2014	2013	2014 to 2015		2013 to 2014	
				Number	%	Number	%
British Columbia	2,306.2	2,278.4	2,265.6	27.8	1.2	12.8	0.6
Economic Regions							
Vancouver Island and Coast	357.3	352.0	362.2	5.3	1.5	-10.2	-2.8
Lower Mainland-Southwest	1,468.2	1,446.9	1,418.2	21.3	1.5	28.7	2.0
Thompson-Okanagan	250.0	249.0	246.6	1.0	0.4	2.4	1.0
Kootenay	69.0	67.5	76.5	1.5	2.2	-9.0	-11.8
Cariboo	79.4	85.3	81.6	-5.9	-6.9	3.7	4.5
North Coast and Nechako	42.2	39.1	40.7	3.1	7.9	-1.6	-3.9
Northeast	40.1	38.5	39.8	1.6	4.2	-1.3	-3.3

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123



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

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¹ Job Vacancy and Wage Survey, third quarter 2015; Statistics Canada, February 11, 2016
<http://www.statcan.gc.ca/daily-quotidien/160211/dq160211a-eng.htm>

² Industry Canada Trade Data Online <https://www.ic.gc.ca/app/scr/tdst/tdo/crtr.html>

³ Ibid

⁴ Low Canadian dollar helping film industry, manufacturing in B.C.; CBC News, January 7, 2016
<http://www.cbc.ca/news/canada/british-columbia/canadian-dollar-film-manufacturing-bc-1.3392704>

⁵ Tourism up 7.9 per cent in British Columbia; Kiss FM News, February 24, 2016
<http://cfjctoday.com/article/514107/tourism-79-cent-british-columbia>

⁶ The mining industry, in BC and worldwide, is also dealing with overcapacity. Work halted at northwestern B.C. molybdenum project; The Terrace Standard, August 19, 2015 www.terracestandard.com/news/322283431.html

⁷ AltaGas shelves Douglas Channel LNG project; Business in Vancouver, February 25, 2016
<https://www.biv.com/article/2016/2/altagas-shelves-douglas-channel-lng-project/>>

⁸ Provincial Outlook: British Columbia Economic Forecast; The Conference Board of Canada, January 2016 (subscription required)

⁹ Prince George is shrinking; Prince George Citizen, January 28, 2016
<http://www.princegeorgecitizen.com/news/local-news/prince-george-is-shrinking-1.2161595>