



Labour Market Bulletin

British Columbia



October 2016

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

Employment growth in BC regained momentum in October, with 14,900 more people working in the province compared to a month earlier. Job creation resulted from an increase in both full (+8,800) and part-time employment (+6,200). This is positive news for the province following last month's decline in full-time employment and the overall slowing pace of full-time employment creation over the past few months.

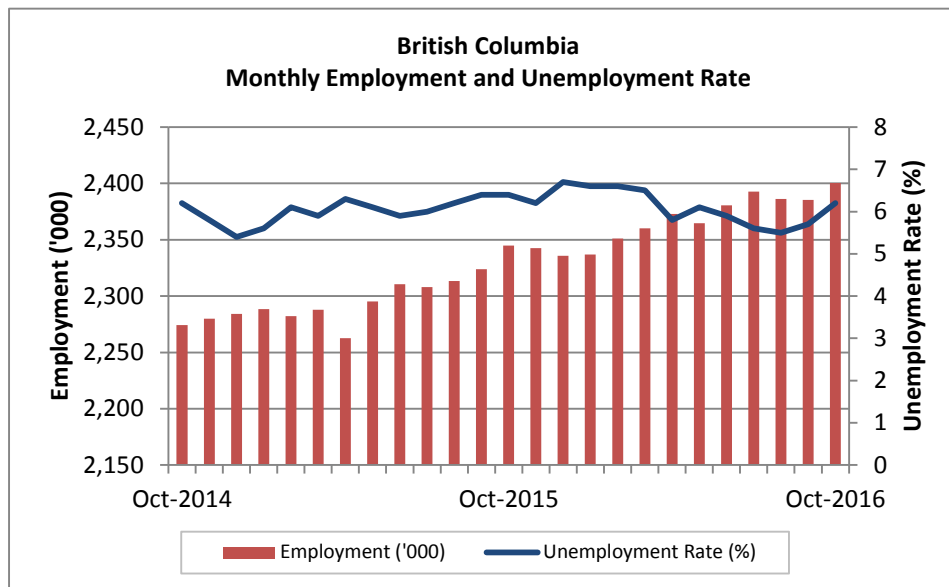
Employment in B.C. advanced 2.4% between October 2015 and October 2016 - the fastest growth rate among provinces. Over the past year, BC has generated nearly 40% of the country's employment growth, despite being home to less than 15% of Canada's jobs. Nationally, October marked the third consecutive month of strong employment gains, with a month-over-month increase of 43,900. The combination of a weaker loonie, lower oil prices and growing US demand, appears to be benefitting the Canadian labour market.

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	October 2016	September 2016	October 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,947.3	3,943.9	3,895.1	3.4	0.1	52.2	1.3
Labour Force ('000)	2,558.2	2,529.4	2,506.1	28.8	1.1	52.1	2.1
Employment ('000)	2,400.4	2,385.5	2,344.8	14.9	0.6	55.6	2.4
Full-Time ('000)	1,871.3	1,862.5	1,857.0	8.8	0.5	14.3	0.8
Part-Time ('000)	529.1	522.9	487.8	6.2	1.2	41.3	8.5
Unemployment ('000)	157.8	143.9	161.4	13.9	9.7	-3.6	-2.2
Unemployment Rate (%)	6.2	5.7	6.4	0.5	-	-0.2	-
Participation Rate (%)	64.8	64.1	64.3	0.7	-	0.5	-
Employment Rate (%)	60.8	60.5	60.2	0.3	-	0.6	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087



BC's unemployment rate climbed 0.5 percentage points from 5.7% to 6.2%, as the number of people searching for jobs in the province increased. Despite the rise, BC's unemployment rate remains the lowest nationwide due in large part to growth in the number of labour force participants. Over the past year, the province's labour force expanded 2.1%, as 52,100 new job seekers searched for employment. BC's solid economic performance is certainly attracting new people to the province. In fact, the second quarter of 2016 is the fifth consecutive quarter in which BC has posted the largest net interprovincial migration gain compared to all other provinces and territories (+8,071).¹

Meanwhile, employment among youth aged 15 to 24 increased by 5,800 in October, bringing total youth employment to 338,800. Gains in youth employment occurred both in full-time work (+2,400) and in part-time work (+3,400). On a year-over-year basis, the province's youth unemployment rate dropped 0.9 percentage points to 10.2%. Although the youth unemployment rate is still well above that of the overall working population, the gap between the two groups has narrowed over the past year.

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	October 2016	September 2016	October 2015	Monthly Variation	Yearly Variation
	(%)	(%)	(%)	(% points)	(% points)
Total	6.2	5.7	6.4	0.5	-0.2
25 years and over	5.5	5.2	5.6	0.3	-0.1
Men - 25 years and over	5.8	5.6	6.1	0.2	-0.3
Women - 25 years and over	5.1	4.6	5.1	0.5	0.0
15 to 24 years	10.2	8.9	11.1	1.3	-0.9
Men - 15 to 24 years	9.4	9.5	12.2	-0.1	-2.8
Women - 15 to 24 years	11.0	8.2	9.9	2.8	1.1

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

EMPLOYMENT BY INDUSTRY

October's employment gains in the province were the result of advances both in the goods-producing and services-producing sectors. Overall, there were 14,900 more people employed in the services-producing sector than in September, representing a growth rate of 0.4%. Sectorial gains were led by increased hiring in transportation and warehousing, which advanced 1.9% on a month-over-month basis. Other note-worthy advances came in healthcare and social assistance (+1.8%), and wholesale and retail trade (+1.6%). Year-over-year, the services-producing sector employed 47,200 more workers, representing growth of 2.5%.

In wholesale and retail trade, 5,700 jobs were added in October, a strong turnaround from the prior two months of employment declines. Retail trade sales advanced 5.1% this August compared to August 2015, thanks to increases in almost every retail sector.² In fact, BC's retail growth rate has been the strongest nationwide, far outstripping the national average of 1.6%. Retail spending strength in B.C. reflects robust employment growth, tourism-related demand and housing and population gains. Events such as the opening of the Tsawwassen Mills mall in October³ and the planned expansion of the Overwaitea food group⁴ are expected to keep retail trade sales solid in the near-term. The most visible downside risk comes in Metro Vancouver's housing market, which has seen slowing activity in the last two months. Vancouver home sales declined 39% in October, weeks after the introduction of a foreign buyer tax last August.⁵

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	October 2016	September 2016	October 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,400.4	2,385.5	2,344.8	14.9	0.6	55.6	2.4
Goods-producing sector	470.2	462.4	461.7	7.8	1.7	8.5	1.8
Agriculture	25.7	24.9	20.6	0.8	3.2	5.1	24.8
Forestry, fishing, mining, quarrying, oil and gas	48.5	49.5	49.6	-1.0	-2.0	-1.1	-2.2
Utilities	13.5	13.6	14.9	-0.1	-0.7	-1.4	-9.4
Construction	214.7	212.4	201.7	2.3	1.1	13.0	6.4
Manufacturing	167.9	162.0	174.9	5.9	3.6	-7.0	-4.0
Services-producing sector	1,930.2	1,923.0	1,883.0	7.2	0.4	47.2	2.5
Trade	366.3	360.6	362.1	5.7	1.6	4.2	1.2
Transportation and warehousing	142.6	139.9	138.7	2.7	1.9	3.9	2.8
Finance, insurance, real estate and leasing	142.5	140.5	127.2	2.0	1.4	15.3	12.0
Professional, scientific and technical services	196.8	196.4	189.6	0.4	0.2	7.2	3.8
Business, building and other support services	108.8	112.7	94.9	-3.9	-3.5	13.9	14.6
Educational services	161.3	163.6	162.6	-2.3	-1.4	-1.3	-0.8
Health care and social assistance	294.0	288.7	300.4	5.3	1.8	-6.4	-2.1
Information, culture and recreation	129.8	133.2	119.4	-3.4	-2.6	10.4	8.7
Accommodation and food services	171.1	173.0	178.5	-1.9	-1.1	-7.4	-4.1
Other services	108.7	107.0	107.4	1.7	1.6	1.3	1.2
Public administration	108.1	107.4	102.2	0.7	0.7	5.9	5.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

On a year-over-year basis, employment declines in BC's services-producing industry occurred mainly in accommodation and food services (-7,400), healthcare and social assistance (-6,400) and educational services (-1,300). However, these losses were entirely offset by annual employment gains in other industries including finance, insurance and real estate (+15,300) and business, building and support services (+13,900).

Within the goods-producing sector, there were 7,800 more workers employed in October compared to September. Monthly gains were led by advances in manufacturing (+5,900) and construction (+2,300). Manufacturing activity in BC has certainly picked up steam, as August sales reached their highest level since February 2006. Manufacturers' shipments totaled \$3.9 billion, up 8% on a year-over-year basis and well ahead of the national decline during the same period. Provincially, the gain is largely attributable to higher sales of wood products, driven by the expiry of the Softwood Lumber Agreement between the US and Canada. Going forward, there is a downside risk for the industry following the end of the softwood lumber agreement's grace period. Without a new deal in place, tariffs are likely to be applied to Canadian lumber, restricting producers' access to US markets. Canadian lumber exports to the US have been increasing in tandem with the recovery in the U.S. housing market. In fact, B.C. lumber producers now account for 22.3% of the dollar value of U.S. lumber consumption, up from 17.2% in 2015 when the Softwood Lumber Agreement was still in effect.

REGIONAL ANALYSIS

Provincial employment growth in October was once again centered in the southern-most region of the province. Year-over-year, employment is down in four of BC's seven sub-regions.

Employment gains continue to be driven by growth in the Lower Mainland and Vancouver Island regions, as the unemployment rate dipped to 5.3% and 5.6% respectively. Both regions continue to benefit from a strong housing market, and increased activity in tourism and other service-oriented industries. The population in both regions continues to rise, stimulating demand for housing and other goods and services.

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2016 ('000)	October 2015 ('000)	Yearly Variation (%)	October 2016 (%)	October 2015 (%)	Yearly Variation (% points)
British Columbia	2,408.5	2,343.8	2.8	5.8	6.2	-0.4
Economic Regions						
Vancouver Island and Coast	373.4	359.6	3.8	5.6	6.4	-0.8
Lower Mainland-Southwest	1,556.4	1,496.4	4.0	5.3	6.1	-0.8
Thompson-Okanagan	253.2	252.8	0.2	6.9	6.3	0.6
Kootenay	66.4	71.9	-7.6	9.2	6.1	3.1
Cariboo	79.4	81.4	-2.5	7.1	7.1	0.0
North Coast and Nechako	41.7	42.1	-1.0	7.7	6.4	1.3
Northeast	38.1	39.4	-3.3	9.7	6.2	3.5

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

In contrast, the labour markets of BC's more remote regions continue to shed jobs. In the Kootenays, employment dropped 7.6 percent in October 2016 compared to a year earlier, as jobs were shed in almost every industry. The largest losses came in construction (-2,800) and accommodation and food services (-1,200). The region's unemployment rate is up 3.1 percentage points on a year-over-year basis (9.2%), reaching levels that have not been seen since 2010.

Likewise, employment continues to decline in BC's Northeast. Compared to the same period last year, there are 1,300 fewer people employed in the economic region, bringing total employment down to 38,100. Employment losses are driven by declines in construction (-3,400) and information, culture and recreation (-1,900). On a more positive note, the region has seen an uptick in employment in the resource extraction industries (forestry, fishing, mining and oil and gas), as well as in professional, scientific and technical services. In October, Conuma Coal Resources Ltd. reopened the Brule mine southwest of Chetwynd and shipped its first trainload of coal used in steel making. Weather-related disruptions in Australia and China squeezed market supplies and contributed to a surge in price. Prices recently hit US\$ 200 a tonne, up from US\$92 in the third quarter and just US\$81 in the first quarter of 2016.⁶ That said, the price surge is expected to be short-lived, as idled mines in other parts of the world are put back into service to capitalize on potential gains.

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.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, British Columbia

For further information, please contact the LMI team at: NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

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

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2016, all rights reserved

¹ Statistics Canada. Canada's Population grows at a fast pace for a second quarter. Retrieved from <http://www.statcan.gc.ca/pub/91-002-x/2016002/part-partie1-eng.htm>

² Statistics Canada. CANSIM Table 080-0020: Retail trade, sales by NORTH American Industry Classification System.

³ Business in Vancouver, August 2016. Tsawwassen Mills' August 18 job fair to hire 3,000 employees. Retrieved from <https://www.biv.com/article/2016/8/tsawwassen-mills-host-august-18-job-fair-hire-3000/>

⁴ Business in Vancouver, August 2016. Profile: Darrell Jones oversees Overwaitea expansion. Retrieved from <https://www.biv.com/article/2016/8/profile-darrell-jones-oversees-overwaitea-expansio/>

⁵ CBC News. Vancouver home sales down 39% in October. Retrieved from <http://www.cbc.ca/news/canada/british-columbia/vancouver-real-estate-down-1.3833789>

⁶ The Vancouver Sun (November 1, 2016). Surge in price of steelmaking coal puts spark of life in northeast B.C. mines. Retrieved from <http://vancouversun.com/business/local-business/surge-in-price-of-steelmaking-coal-puts-spark-of-life-in-northeast-b-c-mines>