



Labour Market Bulletin

British Columbia



April 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

The Canadian labour market fell flat in April, but BC continued to outperform all other provinces. Employment in BC expanded for a fourth consecutive month, and there were 13,000 more people working in the province compared to the same month last year. Moreover, all employment gains occurred in full-time work (+21,400), as part-time employment receded (-8,400). Meanwhile, the unemployment rate dropped 0.7 percentage points to 5.8% -- its lowest level since January 2015. In fact, BC now boasts the lowest unemployment rate nationwide, a first for the province since 1976.

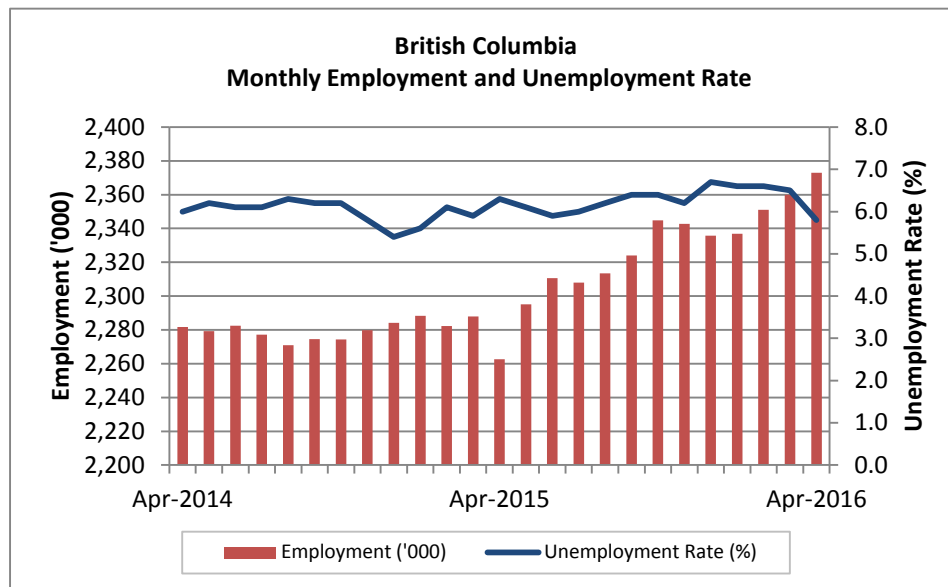
On a year-over-year basis, employment in BC expanded by an impressive 4.9% (+110,400), solidly outpacing national growth. BC's economy is certainly emerging as a national growth leader, so much so, that the next closest province with respect to employment growth was Ontario, registering a comparatively tepid 1.4% gain.

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	April 2016	March 2016	April 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,917.9	3,913.9	3,863.9	4.0	0.1	54.0	1.4
Labour Force ('000)	2,519.6	2,524.1	2,414.9	-4.5	-0.2	104.7	4.3
Employment ('000)	2,373.0	2,360.0	2,262.6	13.0	0.6	110.4	4.9
Full-Time ('000)	1,863.5	1,842.1	1,789.5	21.4	1.2	74.0	4.1
Part-Time ('000)	509.5	517.9	473.1	-8.4	-1.6	36.4	7.7
Unemployment ('000)	146.7	164.1	152.3	-17.4	-10.6	-5.6	-3.7
Unemployment Rate (%)	5.8	6.5	6.3	-0.7	-	-0.5	-
Participation Rate (%)	64.3	64.5	62.5	-0.2	-	1.8	-
Employment Rate (%)	60.6	60.3	58.6	0.3	-	2.0	-

Note: Totals may not add due to rounding

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



The number of unemployed people in BC dropped more than 10% in April (-17,400), mostly due to job seekers successfully obtaining gainful employment. And although the number of people in the labour force also declined (-4,500), a higher participation rate indicates that discouraged job seekers re-engaged in their search for employment.

Among youth (aged 15 to 24 years), the unemployment rate dropped more than 2 full percentage points between March and April 2016. Young men performed significantly better than women, as the unemployment rate for this group declined 3.1 percentage points. That said, young men in BC still face a significantly higher unemployment rate than young women (12.0% vs. 8.9%). Moreover, the youth unemployment rate remains more than twice that of workers aged 25 and older.

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	April 2016	March 2016	April 2015	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	5.8	6.5	6.3	-0.7	-0.5
25 years and over	5.0	5.4	5.4	-0.4	-0.4
Men - 25 years and over	5.8	6.0	5.9	-0.2	-0.1
Women - 25 years and over	4.2	4.8	4.8	-0.6	-0.6
15 to 24 years	10.5	12.7	11.6	-2.2	-1.1
Men - 15 to 24 years	12.0	15.1	14.5	-3.1	-2.5
Women - 15 to 24 years	8.9	10.2	8.5	-1.3	0.4

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

EMPLOYMENT BY INDUSTRY

April's data shows that employment increases in the province were the result of advances both in the goods-producing and the services-producing sectors. Overall, there were 6,000 more people employed in the goods-producing industries in April, led by increases in construction (+12,800). The sector's monthly advances were partially offset by month-over-month declines in resource extraction (forestry, fishing, mining, quarrying, oil and gas) (-3,300) and agriculture (-3,000). On a year-over-year basis, the goods-producing sector employed 21,000 more workers, with the largest gains occurring in construction (+15,300).

Employment in the construction industry increased by 7.6% on the year, amid a slowdown in building intentions. According to Statistics Canada's most recent release, the total value of residential and non-residential building permits in the province reached \$1.1 billion in March, down 5.0% from February totals, and 8.2% from a year ago. This decline represents the first year-over-year drop in building intentions since October 2015.¹ That said, demand for construction labour in BC is expected to remain strong, as nearly 40,000 baby boomers retire from the industry in the next 10 years, and new infrastructure projects ramp up.²

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	April 2016	March 2016	April 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,373.0	2,360.0	2,262.6	13.0	0.6	110.4	4.9
Goods-producing sector	478.0	472.0	457.0	6.0	1.3	21.0	4.6
Agriculture	22.3	25.3	24.0	-3.0	-11.9	-1.7	-7.1
Forestry, fishing, mining, quarrying, oil and gas	49.7	53.0	47.2	-3.3	-6.2	2.5	5.3
Utilities	14.2	14.1	12.9	0.1	0.7	1.3	10.1
Construction	217.7	204.9	202.4	12.8	6.2	15.3	7.6
Manufacturing	174.1	174.6	170.5	-0.5	-0.3	3.6	2.1
Services-producing sector	1,895.0	1,888.0	1,805.6	7.0	0.4	89.4	5.0
Trade	379.8	377.3	347.3	2.5	0.7	32.5	9.4
Transportation and warehousing	137.2	140.2	138.5	-3.0	-2.1	-1.3	-0.9
Finance, insurance, real estate and leasing	128.6	131.2	132.8	-2.6	-2.0	-4.2	-3.2
Professional, scientific and technical services	193.3	194.0	184.3	-0.7	-0.4	9.0	4.9
Business, building and other support services	100.3	96.5	86.4	3.8	3.9	13.9	16.1
Educational services	168.4	166.2	159.8	2.2	1.3	8.6	5.4
Health care and social assistance	293.4	295.5	271.3	-2.1	-0.7	22.1	8.1
Information, culture and recreation	122.9	120.8	109.1	2.1	1.7	13.8	12.6
Accommodation and food services	171.3	166.5	176.9	4.8	2.9	-5.6	-3.2
Other services	99.5	100.5	104.8	-1.0	-1.0	-5.3	-5.1
Public administration	100.4	99.4	94.7	1.0	1.0	5.7	6.0

Note: Totals may not add due to rounding

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

Within the service-producing sector, there were 7,000 more people employed in April compared to a month earlier. Employment gains were led by advances in accommodation and food services (+4,800), and business, building, and other support services (+3,800). Meanwhile, employment declines occurred in transportation and warehousing (-3,000), and finance, insurance, real estate and leasing (-2,600). On a yearly basis, employment in the sector is up 89,400, primarily the result of strong hiring in trade and healthcare and social assistance.

A favourable exchange rate and a strengthening US economy are buoying trade activity in the province. Employment in trade advanced a robust 32,500 on the year, as international demand for BC products continues to rise. Through the first three months of 2016, BC exports reached \$9.1 billion, representing an increase of 2.9% over the same period last year. The largest year-over-year gain was recorded in the sale of food products, forestry products, and raw materials and minerals.³ Exports to Asia have waned as a result of a slowdown in the economies of China and Japan, but on the bright side, exports to the US have picked up the pace.

A low Canadian dollar is also boosting tourism activity, which in turn benefits accommodation and food services in the province. Employment in the latter expanded 2.9% in April in contrast to the 5,600 lost compared to year-over-year. This is despite the fact that restaurant receipts increased by 7.2% in 2015.⁴ Looking ahead, accommodation and food services is expected to continue to benefit from a strengthening tourism industry. In 2015, BC welcomed a record 11.7 million international visitors, 6.4% above year-ago levels.⁵

Similarly, film production has expanded briskly in BC over the last few years. According to the City of Vancouver, there were 353 productions shot in the city in 2015, up 50% from a year earlier. To put this into context, just one feature, 20th Century Fox's *Deadpool*, employed over 2,000 local cast and crew and paid \$19 million in wages last year.⁶ Looking ahead, 2016 is also shaping up well, with film permits up 30% in January compared to a year ago. In fact with Vancouver cementing its reputation as Hollywood North, the provincial government announced last week it is lowering subsidies available to the industry from 33% to 28%, effective October 2017.⁷ It is unclear what effects, if any, this may have on film production activity in BC. An estimated 20,000 people are employed in the province's film and television industry, which now boasts eight major studios.⁸

According to the Conference Board of Canada, both the goods-producing and services-producing sectors in BC are expected to realize healthy gains over the near-term, as employment advances an estimated 2.2% in 2016 and 2.4% in 2017.⁹ Economic woes in Alberta, combined with healthy economic growth in BC, may also encourage a growing number of Canadians to move to the province in search of job opportunities.

REGIONAL ANALYSIS

Although BC's labour market has posted some strong numbers in April, employment growth appears to be concentrated in the southern-most region of the province. On a year-over-year basis, employment is down in five of the province's seven sub-regions.

Lower Mainland-Southwest had by far the strongest economic growth. Year-over-year, there were 90,800 more people working in the region (6.4%), representing nearly all of BC's employment growth during the past year. The region's unemployment rate dropped 0.2 percentage points, as employment growth outpaced labour force expansion. Notable employment increases occurred in wholesale and retail trade (18.0%), and healthcare and social assistance (15.3%).

Elsewhere in the province, year-over-year employment figures have either remained flat or contracted. In Vancouver Island and Coast, employment advanced a subdued 0.8% in April compared to a year earlier, as full-time employment squeezed ahead of part-time employment. Yearly gains in the Victoria Census Metropolitan Area (2.2%) offset employment declines elsewhere across the economic region.

Meanwhile, North Coast and Nechako experienced the largest year-over-year employment decline, as employment slid back 5.1%. In summary, there were 2,200 fewer people employed in North Coast and Nechako in April 2016, compared to the same month last year. The region's labour force also contracted, as more job seekers ended their search for employment prematurely. Employment losses can largely be attributed to declines in the goods-producing sector, with construction being the hardest hit (-52.7%). The North Coast and Nechako region, which continues to depend on industries such as mining and transportation and warehousing, will continue to experience challenges, due to ongoing volatility in the commodity markets.

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	April 2016 ('000)	April 2015 ('000)	Yearly Variation (%)	April 2016 (%)	April 2015 (%)	Yearly Variation (% points)
British Columbia	2,336.9	2,248.4	3.9	6.5	6.4	0.1
Economic Regions						
Vancouver Island and Coast	356.1	353.4	0.8	6.6	6.4	0.2
Lower Mainland-Southwest	1,513.7	1,422.9	6.4	6.0	6.2	-0.2
Thompson-Okanagan	242.3	242.8	-0.2	8.6	7.4	1.2
Kootenay	66.9	67.4	-0.7	7.6	7.5	0.1
Cariboo	77.6	78.0	-0.5	5.6	6.7	-1.1
North Coast and Nechako	41.1	43.3	-5.1	7.8	6.1	1.7
Northeast	39.3	40.4	-2.7	9.4	4.7	4.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 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.

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

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¹ Statistics Canada. CANSIM Table 026-0006: Building permits, by type of structure and area, seasonally adjusted.

² BuildForce Canada. 2016–2025 *Construction and Maintenance Looking Forward* forecast. Retrieved from https://www.constructionforecasts.ca/en/media/press-releases?field_press_release_date_value%5Bvalue%5D%5Byear%5D=2016&=Apply

³ Industry Canada. Trade Data Online. Retrieved from www.ic.gc.ca

⁴ Destination BC. Provincial Tourism Indicators: 2015 Year-in-Review. Retrieved from http://www.destinationbc.ca/getattachment/Research/Industry-Performance/Tourism-Indicators/Tourism-Indicators-2015-Year-in-Review/Provincial-Tourism-Indicators_Year-In-Review-2015.pdf.aspx

⁵ *Ibid*

⁶ City of Vancouver (February 19, 2016). 2015 a record year for television and film in Vancouver. Retrieved from <http://vancouver.ca/news-calendar/2015-a-record-year-for-television-and-film-in-vancouver.aspx>

⁷ CBC News (May 2, 2016). BC lowers tax credit available to film industry. Retrieved from <http://www.cbc.ca/news/canada/british-columbia/b-c-lowers-tax-credit-available-to-film-industry-1.3562849>

⁸ The Globe and Mail (February 16, 2016). B.C. expected to lead provinces in growth as it leans on non-resource industries. Retrieved from <http://www.theglobeandmail.com/report-on-business/economy/bc-forecasts-24-growth-in-2016-as-it-leans-on-non-resource-industries/article28775073/>

⁹ The Conference Board of Canada. Provincial Outlook, Winter 2016. (Subscription required).