



# Labour Market Bulletin

British Columbia

May 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 in BC declined slightly in May, following four consecutive months of solid gains. There were 8,400 fewer people employed in the province compared to a month earlier, representing an employment dip of 0.4%. This month-over-month decrease can be entirely attributed to a loss in part-time employment (-9,100), as gains in full-time work (+700) only partially offset part-time declines. Despite this setback, the provincial labour market has performed quite well on a year-over-year basis. Employment is up 3.0% on the year and 69,500 more people were employed compared to the same month last year. In fact, BC has the highest rate of annual employment growth among provinces, far outpacing national growth of 0.6% during the same period.

The number of people working in the province declined in May, but a corresponding decline in the size of the labour force left the provincial unemployment rate unchanged in May 2016 (6.1%) compared to a year earlier. According to forecasters, BC is expected to post GDP growth of 3.3% this year, more than twice the forecasted national average.<sup>1</sup> Impressively, BC created 70% of Canada's 144,000 new jobs over the past year, and is expected to continue leading the country in economic growth.

**British Columbia Monthly Labour Force Statistics**

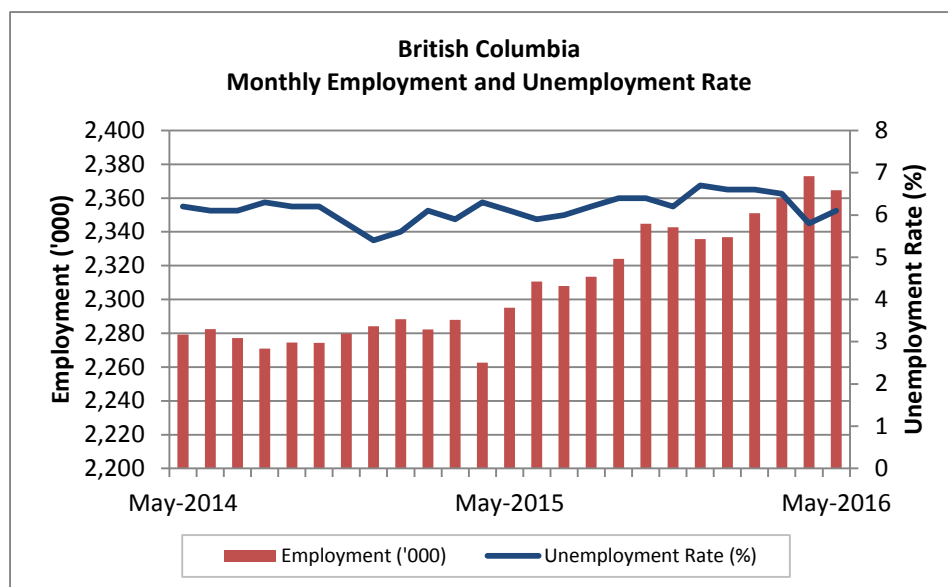
Seasonally Adjusted Monthly Data	May 2016	April 2016	May 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,923.6	3,917.9	3,868.4	5.7	0.1	55.2	1.4
<b>Labour Force ('000)</b>	2,518.5	2,519.6	2,443.8	-1.1	0.0	74.7	3.1
<b>Employment ('000)</b>	2,364.6	2,373.0	2,295.1	-8.4	-0.4	69.5	3.0
Full-Time ('000)	1,864.2	1,863.5	1,800.1	0.7	0.0	64.1	3.6
Part-Time ('000)	500.4	509.5	495.0	-9.1	-1.8	5.4	1.1
<b>Unemployment ('000)</b>	153.9	146.7	148.7	7.2	4.9	5.2	3.5
<b>Unemployment Rate (%)</b>	6.1	5.8	6.1	0.3	-	0.0	-
<b>Participation Rate (%)</b>	64.2	64.3	63.2	-0.1	-	1.0	-
<b>Employment Rate (%)</b>	60.3	60.6	59.3	-0.3	-	1.0	-

Note: Totals may not add due to rounding

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

BC had more private-sector and public-sector employees working in May 2016 compared to May 2015. Employee counts in the private sector rose by 4.6% and in the public sector by 4.7%. These gains were partially offset by a decrease in the number of the self-employed.

The number of unemployed climbed in May, rising both on the month (+7,200) and on the year (+5,200). Higher unemployment in BC could potentially be the result of several factors. The province’s strong economic performance appears to be attracting job seekers from other provinces, in search of employment opportunities. However, some of this incoming migrant population could be adding to the ranks of the unemployed in BC. Additionally, lower commodity prices continue to put downward pressure on resource-dependant industries in BC’s northeast. This has resulted in employment declines in a region that has traditionally been reliant on job opportunities in Alberta’s oil sands.



**British Columbia Monthly Unemployment Rates, by Gender and Age**

Seasonally Adjusted Data	May 2016 (%)	April 2016 (%)	May 2015 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
<b>Total</b>	6.1	5.8	6.1	0.3	0.0
<b>25 years and over</b>	5.3	5.0	5.1	0.3	0.2
Men - 25 years and over	5.5	5.8	5.6	-0.3	-0.1
Women - 25 years and over	5.2	4.2	4.5	1.0	0.7
<b>15 to 24 years</b>	10.7	10.5	12.0	0.2	-1.3
Men - 15 to 24 years	12.7	12.0	13.9	0.7	-1.2
Women - 15 to 24 years	8.5	8.9	9.9	-0.4	-1.4

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

Youth employment was down 1,100 in May, with the number of youth in the labour force also declining. The unemployment rate for youth (aged 15 to 24) climbed 0.2 percentage points to 10.7% on a monthly basis. Year-over-year, the youth unemployment rate has actually dropped by 1.3 percentage points. In fact, there are 8,200 more youth employed over this period, with all of the employment gains occurring in full-time work. Of note, the unemployment rate for female youth was 4.2 percentage points below the rate of their male counterparts, reflecting the ongoing challenges young men, in particular, face in the labour market.

**EMPLOYMENT BY INDUSTRY**

May's employment declines are due entirely to losses in the province's goods-producing sector. There were 8,400 fewer people employed in the sector in May compared to April, representing a decline of 1.8%. The losses were driven by a drop in almost every goods-producing industry. Manufacturing (-9,200), construction (-2,700), and utilities (-900) all employed fewer people on a monthly basis. Despite this month-over-month decrease, employment in the goods-producing sector is still up 3.0% compared to May 2015.

In resource extraction, 2,600 jobs were added on the month, continuing a mixed employment trend for this industry over the past year. Still, year-over-year, resource extraction employed 7,400 more people, representing strong employment growth of 16.5%. This surge in employment comes amid a number of positive developments for BC's energy industry. In May, the Woodfibre LNG project, which has proposed developing a liquefied natural gas plant in Squamish, announced that it had lined up a potential Chinese buyer for the purchase of nearly half of its planned output.<sup>2</sup> Meanwhile, a Calgary-based company is making headlines after extracting 100,000 barrels of light oil from BC's northeastern region. Recent refinements to hydraulic fracturing technology have made it possible to unlock pockets of light oil in the Montney basin, a region which straddles the BC-Alberta border near Fort St. John. The development is significant enough to have pushed crude oil production in BC to a nine-year high, with output expected to steadily increase.<sup>3</sup>

Meanwhile, the outlook for BC's forestry industry appears optimistic. Softwood lumber production increased 2.2% on a year-over-year basis, and 5.9% on a quarterly basis—the highest quarterly production level since 2007. Growth in production is mostly due to strong international demand for BC wood products from the US and Asia. In the US, the expiration of a Softwood Lumber Agreement between Canada and the US has triggered

a one-year grace period for negotiations. This time gap provides Canadian producers with unrestricted free-trade access to the U.S. market until mid-October. Past then, the forecast for forestry remains unclear as the industry may be adversely impacted by the continued absence of an agreement, and by the ongoing mountain pine beetle infestation.<sup>4</sup>

In manufacturing, monthly employment declines were concentrated in wood products (-3,300), and durables (-3,300), as gains in furniture and related products (+2,700), and primary metal manufacturing (+2,300) only partially offset the losses. A number of layoffs have affected the manufacturing industry so far this year. More positively, the federal government is providing \$65.4 million in funds for the building of two non-combat vessels at Seaspan's Vancouver Shipyards<sup>5</sup> and a Chinese waste-management company is opening its North American headquarters in Vancouver later this year.<sup>6</sup> Both events are expected to provide a boost to employment in manufacturing.

Employment in BC's services-producing sector fell flat for a seventh consecutive month. The sector recorded no significant change in the number of workers employed in May compared to April. On a year-over-year basis though, there were still 55,700 more workers employed. Yearly gains have been concentrated in three industries: trade (+21,200), public administration (+13,000) and educational services (+10,800). Conversely, the accommodation and food services industry experienced a significant employment decline in May (-14,500) as did the transportation and warehousing industry (-5,300).

#### British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2016	April 2016	May 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,364.6	2,373.0	2,295.1	-8.4	-0.4	69.5	3.0
<b>Goods-producing sector</b>	469.6	478.0	455.8	-8.4	-1.8	13.8	3.0
Agriculture	24.1	22.3	22.4	1.8	8.1	1.7	7.6
Forestry, fishing, mining, quarrying, oil and gas	52.3	49.7	44.9	2.6	5.2	7.4	16.5
Utilities	13.3	14.2	13.9	-0.9	-6.3	-0.6	-4.3
Construction	215.0	217.7	202.2	-2.7	-1.2	12.8	6.3
Manufacturing	164.9	174.1	172.5	-9.2	-5.3	-7.6	-4.4
<b>Services-producing sector</b>	1,895.0	1,895.0	1,839.3	0.0	0.0	55.7	3.0
Trade	369.9	379.8	348.7	-9.9	-2.6	21.2	6.1
Transportation and warehousing	136.9	137.2	142.2	-0.3	-0.2	-5.3	-3.7
Finance, insurance, real estate and leasing	131.1	128.6	131.0	2.5	1.9	0.1	0.1
Professional, scientific and technical services	195.4	193.3	189.1	2.1	1.1	6.3	3.3
Business, building and other support services	101.5	100.3	92.7	1.2	1.2	8.8	9.5
Educational services	168.7	168.4	157.9	0.3	0.2	10.8	6.8
Health care and social assistance	290.2	293.4	284.3	-3.2	-1.1	5.9	2.1
Information, culture and recreation	123.3	122.9	113.2	0.4	0.3	10.1	8.9
Accommodation and food services	168.7	171.3	183.2	-2.6	-1.5	-14.5	-7.9
Other services	103.3	99.5	104.0	3.8	3.8	-0.7	-0.7
Public administration	106.0	100.4	93.0	5.6	5.6	13.0	14.0

Note: Totals may not add due to rounding

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

Employment increases in the trade industry across BC were concentrated in retail trade (+18,700). Over the past year, employment in retail trade has received a significant boost as a result of retailers such as Nordstrom setting up shop in the province. This growth effectively reverses a downward trend in employment that began in mid-2014, after the exit of Target, Mexx, and Sony. Looking ahead, the Conference Board of Canada is forecasting 3.9% growth in retail trade this year, as BC's strong labour market bolsters disposable household incomes.<sup>7</sup>

## REGIONAL ANALYSIS

Provincial employment growth in May was centered in the southern-most region of the province. Overall, year-over-year, employment is down in five of the province's seven sub-regions.

The Lower Mainland-Southwest region continues to drive most of BC's employment growth. The region employed 91,000 more people in May compared to the same month last year. Meanwhile, the region's unemployment rate dropped 0.5 percentage points to 5.7% on a year-over-year basis. Notable employment increases occurred in information, culture and recreation (19.3%), wholesale and retail trade (15.7%), and healthcare and social assistance (11.3%). The region's robust economic growth has attracted workers in the key 25-45 age demographic, providing a solid tax base for the administration of social services such as healthcare and education.

Year-over-year employment is also up in Vancouver Island and Coast (+5,900), representing a turnaround from the declines posted over the last six months. Growth is particularly evident in the region's trade industry (+5,000) and business, building and other support services (+4,200). The unemployment rate in Vancouver Island and Coast (5.8%) is at its lowest since January 2015. Looking forward, employment growth is expected to continue as work advances on projects such as Langford's \$100 million for a new Shopping Centre<sup>8</sup> and Victoria's \$30 million for replacement of the fire department headquarters.<sup>9</sup>

Meanwhile, the Northeast experienced the largest year-over-year employment decline, as employment slid back 1.7%. There were 700 fewer people employed in Northeast in May 2016 compared to the same month last year. The region's employment losses are largely attributed to declines in wholesale and retail trade (-1,500) and transportation and warehousing (-700). The region's unemployment rate rose 3.7 percentage points on a year-over-year basis (9.6%), reaching levels that have not been seen since 2009.

## British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2016 ('000)	May 2015 ('000)	Yearly Variation (%)	May 2016 (%)	May 2015 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,359.9	2,267.1	4.1	6.1	6.3	-0.2
<b>Economic Regions</b>						
Vancouver Island and Coast	358.6	352.7	1.7	5.8	6.2	-0.4
Lower Mainland-Southwest	1,529.7	1,438.7	6.3	5.7	6.2	-0.5
Thompson-Okanagan	245.1	247.8	-1.1	7.8	5.9	1.9
Kootenay	67.6	67.9	-0.4	7.5	7.2	0.3
Cariboo	77.6	77.7	-0.1	7.0	7.7	-0.7
North Coast and Nechako	41.8	42.2	-0.9	8.5	6.6	1.9
Northeast	39.4	40.1	-1.7	9.6	5.9	3.7

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.

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**For information on the Labour Force Survey,** please visit the Statistics Canada Web site at: [www.statcan.gc.ca](http://www.statcan.gc.ca)

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<sup>1</sup> Royal Bank of Canada. Provincial Outlook, June 2016. Retrieved from <http://www.rbc.com/economics/economic-reports/provincial-economic-forecasts.html>

<sup>2</sup> The Vancouver Sun. (May 9, 2016). Woodfibre LNG lines up Guangzhou Gas to buy LNG in China. Retrieved from [http://vancouversun.com/business/energy/woodfibre-lng-lines-up-guangzhou-gas-to-buy-lng-in-china?\\_lsa=52be-813a](http://vancouversun.com/business/energy/woodfibre-lng-lines-up-guangzhou-gas-to-buy-lng-in-china?_lsa=52be-813a)

<sup>3</sup> The Vancouver Sun. (May 25, 2016). New B.C. oil discovery takes province's crude output to a nine-year high. Retrieved from <http://www.vancouversun.com/business/discovery+takes+provinces+crude+output+nineyear+high/11943743/story.html>

<sup>4</sup> Central 1. BC Economic Briefing. Week of May 30-June 3, 2016. Retrieved from [https://www.central1.com/sites/default/files/uploads/files/analysis\\_report/report\\_file/2222%20BC.pdf](https://www.central1.com/sites/default/files/uploads/files/analysis_report/report_file/2222%20BC.pdf)

<sup>5</sup> CBC News. (March 14, 2016). Seaspan's Vancouver Shipyards gets \$65M to build navy supply and science ships. Retrieved from <http://www.cbc.ca/news/canada/british-columbia/vancouver-shipyards-national-shipbuilding-strategy-1.3490792>

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<sup>6</sup> The Vancouver Sun. (March 31, 2016). Effort to attract head offices to Vancouver starts to pay off. Retrieved from <http://www.vancouversun.com/business/commercial-real-estate/effort+attract+head+offices+vancouver+starts/11824155/story.html>

<sup>7</sup> Conference Board of Canada. Provincial Outlook, Winter 2016. (Subscription required).

<sup>8</sup> Times Colonist. (May 26, 2016). Sobeys closer to starting Belmont shopping centre in Langford. Retrieved from <http://www.timescolonist.com/business/sobeys-closer-to-starting-belmont-shopping-centre-in-langford-1.2263390#sthash.6gMoErge.dpuf>

<sup>9</sup> Times Colonist. (February 4, 2016). Victoria council OKs plan to replace fire department HQ. Retrieved from <http://www.timescolonist.com/news/local/victoria-council-oks-plan-to-replace-fire-department-hq-1.2166136#sthash.cfHiZXap.dpuf>