



Labour Market Bulletin

British Columbia

November 2017



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

BC employment edged higher in November after four consecutive months of decline. The majority of this month's employment gains were in part-time employment (+14,200), while full-time employment advanced 4,100. Year over year, employment in BC is up 92,000, with almost 90% of these job gains in full-time employment.

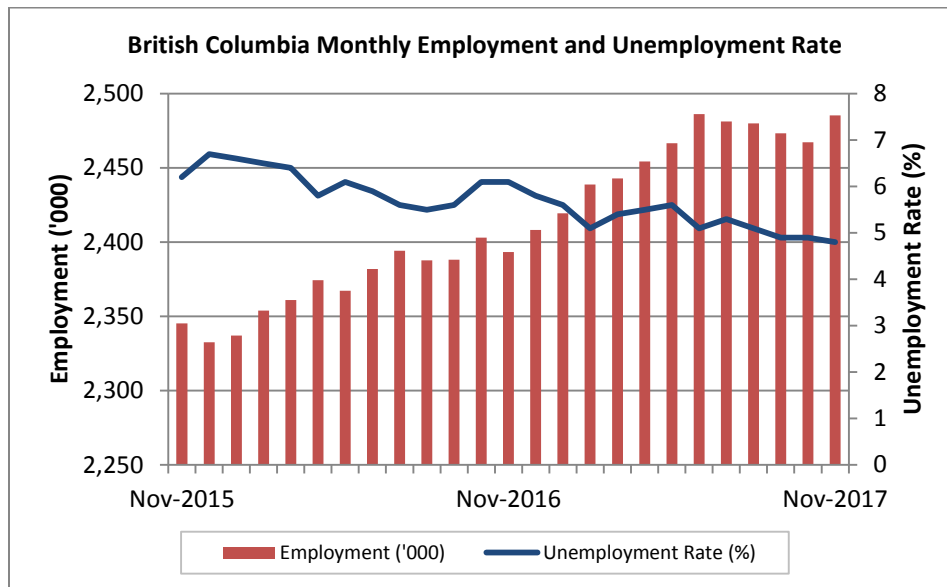
Employment in BC's public sector is up 26,200 (+6.2%) year-over-year. The province's private sector also added 30,000 positions during the same period with relatively lower annual growth (+1.9%). Meanwhile, the number of self-employed British Columbians is up significantly, increasing 8.5% (+36,000) since November 2016.¹

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	November 2017	October 2017	November 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,997.6	3,994.8	3,950.0	2.8	0.1	47.6	1.2
Labour Force ('000)	2,610.7	2,594.2	2,549.2	16.5	0.6	61.5	2.4
Employment ('000)	2,485.4	2,467.2	2,393.4	18.2	0.7	92.0	3.8
Full-Time ('000)	1,950.1	1,946.0	1,868.2	4.1	0.2	81.9	4.4
Part-Time ('000)	535.4	521.2	525.2	14.2	2.7	10.2	1.9
Unemployment ('000)	125.3	127.0	155.8	-1.7	-1.3	-30.5	-
							19.6
Unemployment Rate (%)	4.8	4.9	6.1	-0.1	-	-1.3	-
Participation Rate (%)	65.3	64.9	64.5	0.4	-	0.8	-
Employment Rate (%)	62.2	61.8	60.6	0.4	-	1.6	-

Note: Totals may not add due to rounding

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



There were 19.6% fewer unemployed British Columbians in November 2017 compared to November 2016. At 4.8%, BC’s unemployment rate is little changed from October; however, it is 1.3 percentage points lower compared to November 2016. The province’s unemployment rate is now at its lowest level since before the start of the financial crisis in September 2008. Furthermore, BC’s November unemployment rate is the lowest in the country for the third consecutive month and over one percentage point lower than the national average.

Looking at BC’s major demographic groups, the unemployment rate for women aged 15 to 24 is down significantly year over year (-4.3 percentage points to 6.1%). Young men (15 to 24 years) continue to have the highest unemployment rate among demographic groups in the province at 9.6%. However, this rate remains two percentage points below the national average for their demographic group.

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	November 2017 (%)	October 2017 (%)	November 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	4.8	4.9	6.1	-0.1	-1.3
25 years and over	4.3	4.4	5.4	-0.1	-1.1
Men - 25 years and over	4.4	4.4	5.6	0.0	-1.2
Women - 25 years and over	4.1	4.3	5.1	-0.2	-1.0
15 to 24 years	7.8	8.0	10.5	-0.2	-2.7
Men - 15 to 24 years	9.6	9.7	10.7	-0.1	-1.1
Women - 15 to 24 years	6.1	6.3	10.4	-0.2	-4.3

Note: Totals may not add due to rounding

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

EMPLOYMENT BY INDUSTRY

Employment increased both in BC's goods-producing sector (+7,300) and services-producing sector (+10,900) in November. Employment is also up in both sectors on an annual basis; 5.3% in the goods-producing sector and 3.5% in the services-producing sector.

Looking more closely at the industries within the province's goods-producing sector, employment in BC's resource extraction industry (forestry, fishing, mining, quarrying and oil and gas) inched up 1.5% to 48,000 on a monthly basis. Despite this increase, year-over-year employment in the industry is down 5%, with both the forestry and oil and gas industries facing setbacks this year.

The forestry industry continues to be affected by the ravages of the mountain pine beetle in 2017. American duties on Canadian softwood lumber imports and this summer's wildfires have also had a negative impact on the industry. This month, the United States Department of Commerce issued its final determination for punitive duties against Canadian lumber shipments entering the US. Combined duties of 20.83% will be applied to the majority of Canadian softwood lumber shipments entering the US.² In response to this decision, the Canadian government formally requested World Trade Organization consultations with the US regarding the imposed softwood lumber duties. Canada has also challenged the duties under Chapter 19 of the North American Free Trade Agreement.³

Approximately half of Canada's softwood lumber exports to the US originate from BC, and the US is BC's largest market for softwood lumber products. Between January and August 2017, BC lumber exports to the US dropped 20% compared to the same period last year.⁴

BC's liquefied natural gas (LNG) industry also experienced several set-backs this year. In July, Malaysia's Petronas cancelled its proposed LNG export facility planned for Lelu Island near Prince Rupert.⁵ Then in September, Aurora Liquid Natural Gas (LNG) and its partners, Nexen Energy and INPEX Gas British Columbia, cancelled plans for the proposed Digby Island site.⁶ More recently, Woodfibre Liquid Natural Gas (LNG) Ltd. announced that it is postponing construction of their proposed LNG export terminal located southwest of Squamish until 2018 due to low commodity prices. Construction of the facility was originally scheduled to start this year.⁷ With the supply of natural gas rising and outpacing demand, B.C.'s natural gas industry needs new markets and customers to remain viable.⁸

On a positive note, a relatively small LNG shipment destined for Asia left BC for the first time ever this month. FortisBC shipped the first Canadian export of LNG to China from its Tilbury facility in Delta. The inaugural shipment is part of a pilot project to assess the feasibility of LNG shipments from BC to Asian countries. The company is expected to complete a \$400 million expansion of its Tilbury facility in the first quarter of 2018. Upon completion, the facility is forecast to have enough capacity to supply existing clients, as well as those wanting to ship LNG to Asia.⁹ China is set to become the world's largest LNG importer by 2018 as the Chinese government goes forward with plans to convert millions of homes from coal to natural gas heaters in order to combat air pollution.¹⁰

For the second month in a row, the strongest employment gains in BC's goods-producing sector are in the construction industry. All told, industry employment is up nearly 20,000 year-over-year, accounting for 78% of all employment gains in the province's goods-producing sector during this period. Infrastructure projects funded by all levels of government will undoubtedly continue to fuel employment growth in construction over the near-term.¹¹

Turning to the services-producing sector, employment in the finance, insurance, real estate and leasing industry is up 11.5% year-over-year despite a slight dip in November. According to the Conference Board of Canada, government measures to cool the housing market, Bank of Canada interest rate hikes, and a surge in the price of housing have all contributed to a slow-down in BC's housing market this year. Negligible growth in housing starts is expected for 2018 and a drop of approximately 18% is forecast for 2019.¹²

Although employment in the transportation and warehousing industry has trended downward, recent developments signal a potential turnaround. For example, increasing demand for coal, Canadian grain, containers and frac sand has led CN Rail to announce plans to hire 600 employees in Western Canada. Approximately 100 of these positions will be in BC, located primarily in Smithers, Prince George and Kamloops with additional positions in Prince Rupert. The company is also increasing investment in infrastructure and equipment by \$100 million. In BC, CN is adding more dock rail track at the Fairview Container Terminal in Prince Rupert where 98% of imports and exports leave and come back by rail.¹³

In addition to the Fairview Container Terminal expansion, AltaGas' Ridley Island Propane Export Terminal Project promises to increase demand for rail transport. The facility is currently under construction near Prince Rupert and, once completed, will allow gas producers from BC and Alberta to send their product to the facility using the existing CN rail network. The terminal is expected to be in service by the first quarter of 2019, offloading an estimated 50 to 60 rail cars per day.¹⁴

Other services-producing industries in BC have also had strong annual employment growth. For instance, employment is up significantly in educational services (+10,000), as well as health care and social assistance (+21,600). Last year's Supreme Court of Canada ruling to restore class size and composition in BC schools resulted in a need for up to 3,500 more teachers. Some school districts are still struggling to recruit teachers due to the high cost of living in some regions. The Province has created a \$2 million fund to offer incentives such as moving allowances or housing supports to help recruit teachers in northern and rural communities.¹⁵

Meanwhile, the BC government announced new funding for health care as part of their 2017 Budget Update, including \$322 million allocated to improve mental health and addiction services and \$189 million over three years through a partnership with the federal government to improve home and residential care for seniors.¹⁶ Employment in health care is one of the fastest growing of all industries in BC.¹⁷

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	November 2017	October 2017	November 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,485.4	2,467.2	2,393.4	18.2	0.7	92.0	3.8
Goods-producing sector	502.8	495.5	477.3	7.3	1.5	25.5	5.3
Agriculture	27.2	26.4	26.7	0.8	3.0	0.5	1.9
Forestry, fishing, mining, quarrying, oil and gas	48.0	47.3	50.5	0.7	1.5	-2.5	-5.0
Utilities	13.4	13.1	13.5	0.3	2.3	-0.1	-0.7
Construction	238.1	231.1	218.2	7.0	3.0	19.9	9.1
Manufacturing	176.1	177.6	168.5	-1.5	-0.8	7.6	4.5
Services-producing sector	1,982.6	1,971.7	1,916.1	10.9	0.6	66.5	3.5
Trade	380.6	377.1	367.7	3.5	0.9	12.9	3.5
Transportation and warehousing	135.4	136.1	140.3	-0.7	-0.5	-4.9	-3.5
Finance, insurance, real estate and leasing	160.7	161.4	144.1	-0.7	-0.4	16.6	11.5
Professional, scientific and technical services	198.7	198.1	194.9	0.6	0.3	3.8	1.9
Business, building and other support services	97.1	99.6	105.0	-2.5	-2.5	-7.9	-7.5
Educational services	168.0	165.4	158.0	2.6	1.6	10.0	6.3
Health care and social assistance	313.8	309.9	292.2	3.9	1.3	21.6	7.4
Information, culture and recreation	135.1	134.0	127.0	1.1	0.8	8.1	6.4
Accommodation and food services	178.5	180.9	177.3	-2.4	-1.3	1.2	0.7
Other services	117.5	109.5	106.6	8.0	7.3	10.9	10.2
Public administration	97.2	99.7	102.8	-2.5	-2.5	-5.6	-5.4

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Employment is up in the majority of BC economic regions on a year-over-year basis. The largest annual employment gains were in the Lower Mainland-Southwest (+52,000). Although this region benefits from ample employment opportunities, the cost of housing has become notoriously prohibitive. According to a recent report by CMHC, the average cost of rent for a one bedroom apartment in Vancouver is \$1,223 a month.¹⁸

In an effort to address this issue, the City of Vancouver recently announced a ten-year housing strategy that includes plans for 72,000 new housing units — two-thirds of these will be rental units.¹⁹ More than half of all residents in Vancouver live in rental accommodations, while vacancy rates in the city have consistently remained below one percent.²⁰ This strategy aims to address the need for a greater supply of rental and affordable housing, with implementation beginning in February 2018.

North Coast and Nechako economic region had the strongest year-over-year employment growth (+6.8%) among BC economic regions. On November 29, the region received more positive news when Pembina Pipeline Corporation announced it will go ahead with the development of the proposed Prince Rupert Terminal located on Watson Island. The new liquefied petroleum gas (LPG) export terminal will generate 150 to 200 construction positions and, once operational, will create 20 to 30 full-time positions.²¹

North Coast and Nechako will undoubtedly benefit from the Pembina project, in addition to other developments such as the recent expansion of the Fairview Container Terminal and the AltaGas Ridley Island Propane Export Terminal Project — developments which may have far reaching economic benefits for Northern BC as a whole. A recent study commissioned by the Prince Rupert Port Authority found marine, terminal, rail, truck and logistics activities in Prince Rupert supported employment for over 31,000 people. The associated earnings for these workers are estimated at over \$80,000 a year in average annual wages. In addition, hundreds of workers throughout Northern BC were involved in the movement of over \$35 billion worth of international trade through the Port's rail, trucking and logistics supply chain.²²

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	November 2017 ('000)	November 2016 ('000)	Yearly Variation (%)	November 2017 (%)	November 2016 (%)	Yearly Variation (% points)
British Columbia	2,477.2	2,400.6	3.2	4.7	5.7	-1.0
Economic Regions						
Vancouver Island and Coast	386.8	378.1	2.3	4.4	5.2	-0.8
Lower Mainland-Southwest	1,594.4	1,542.4	3.4	4.1	5.2	-1.1
Thompson-Okanagan	262.9	252.4	4.2	7.6	7.4	0.2
Kootenay	69.4	68.3	1.6	7.5	8.9	-1.4
Cariboo	82.0	79.9	2.6	5.9	7.2	-1.3
North Coast and Nechako	44.1	41.3	6.8	5.0	7.4	-2.4
Northeast	37.7	38.2	-1.3	5.3	10.1	-4.8

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

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¹ Statistics Canada. CANSIM Table 282-0089; Labour force survey estimates (LFS), employment by class of worker and sex, seasonally adjusted and unadjusted. Accessed December 1, 2017. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820089>

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