



# Labour Market Bulletin

## British Columbia

June 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

Employment in British Columbia (BC) continued to trend upward in the second quarter of 2017, increasing 1.5% from the first quarter of 2017. Provincial employment has climbed higher in each quarter since the fourth quarter of 2014. On a year over year basis, robust employment growth of 4.0% pushed total BC employment to 2,469,100 in the second quarter of 2017. Over 70% of the province's employment gains during the past were in full-time positions (+67,100) with a smaller proportion in part-time employment (+27,300).

The province's overall unemployment rate remained stable for the second consecutive quarter, maintaining a 5.4% rate — over one percentage point lower than the national average. The unemployment rate is down across all demographic groups year over year, with young women (15 to 24 years) having the largest decrease (-2.6 percentage points). Young men (15 to 24 years) continue to have the highest unemployment rate (11.0%) among demographic groups in BC.

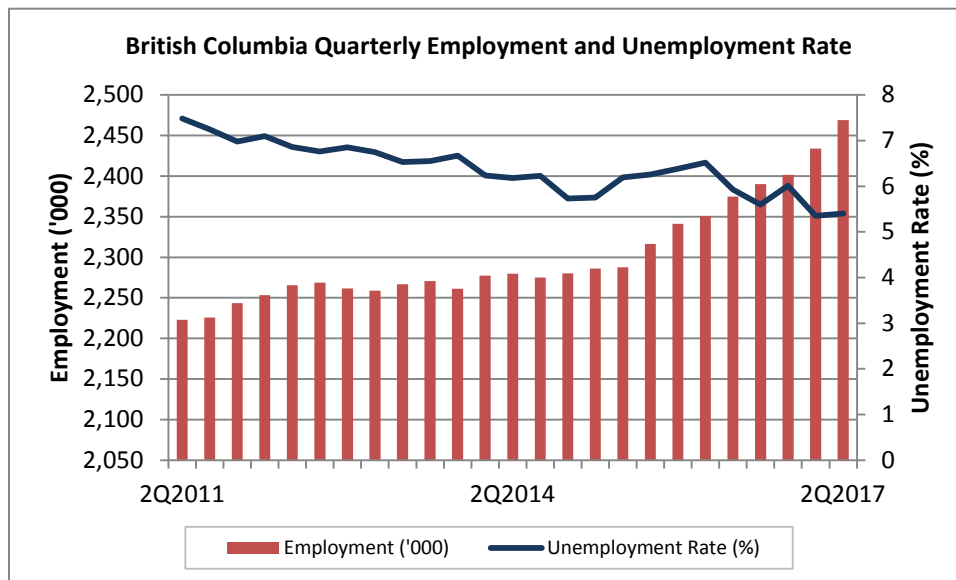
Private-sector employment increased for a third consecutive quarter with robust annual gains of 4.8%. Overall, private-sector employment is up nearly 75,000 year over year, representing approximately 78% of all provincial employment growth during this period. Meanwhile, public-sector employment rebounded in the second quarter and is up 1.4% on an annual basis. And this momentum is expected to continue over the next year as the Province implements its 2017 budget. The Government of BC allocated \$3 billion in social spending over the next three years for education, health care and social assistance.<sup>1</sup> Furthermore, on June 21, 2017 the Province confirmed it is allocating \$355 million to restore class size and composition language under the agreement with the British Columbia Teachers' Federation. The funding will be distributed amongst the province's 60 school districts so they can continue to hire approximately 3,300 new full-time teachers and specialists.<sup>2</sup>

**British Columbia Quarterly Labour Force Statistics**

Seasonally Adjusted Data	2nd Quarter 2017	1st Quarter 2017	2nd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,973.7	3,959.6	3,923.5	14.1	0.4	50.2	1.3
<b>Labour Force ('000)</b>	2,610.0	2,571.3	2,524.3	38.7	1.5	85.7	3.4
<b>Employment ('000)</b>	2,469.1	2,433.7	2,374.6	35.4	1.5	94.5	4.0
Full-Time ('000)	1,936.1	1,914.3	1,869.0	21.8	1.1	67.1	3.6
Part-Time ('000)	532.9	519.4	505.6	13.5	2.6	27.3	5.4
<b>Unemployment ('000)</b>	140.9	137.6	149.7	3.3	2.4	-8.8	-5.9
<b>Unemployment Rate (%)</b>	5.4	5.4	5.9	0.0	-	-0.5	-
<b>Participation Rate (%)</b>	65.7	64.9	64.3	0.8	-	1.4	-
<b>Employment Rate (%)</b>	62.1	61.5	60.5	0.6	-	1.6	-

Note: Totals may not add due to rounding

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



## British Columbia Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	2nd Quarter 2017 (%)	1st Quarter 2017 (%)	2nd Quarter 2016 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
	<b>Total</b>	5.4	5.4	5.9	0.0
<b>25 years and over</b>	4.8	4.6	5.1	0.2	-0.3
Men - 25 years and over	5.1	4.8	5.5	0.3	-0.4
Women - 25 years and over	4.4	4.5	4.7	-0.1	-0.3
<b>15 to 24 years</b>	9.0	9.5	10.7	-0.5	-1.7
Men - 15 to 24 years	11.0	11.2	11.8	-0.2	-0.8
Women - 15 to 24 years	6.9	7.6	9.5	-0.7	-2.6

Note: Totals may not add due to rounding

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

In the second quarter (Q2) of 2017, the total population aged 15+ in British Columbia was around 3.9 million. The Indigenous population living off-reserve accounted for 4.1% of that, or 163,600 people. Employment among the Indigenous population in British Columbia stood at 106,300 representing an increase of 7,500 (+7.6%) from a year earlier (Q2 2016). Most of the increases were in full-time positions (+8,900 or +12.6%), slightly offset by a decrease in part-time positions (-1,400 or -5.0%).

The unemployment rate among Indigenous people was 9.9% in Q2 2017, having decreased by -0.4 percentage points (pp) from the previous year. The unemployment rate among the non-Indigenous population was 4.9% (-0.6pp). Between Q2 2016 and Q2 2017, the participation rate of Indigenous people increased to 72.1% (+2.6pp) while among non-Indigenous population, it was 65.6% (+1.3pp). The employment rate for Indigenous people increased year-over-year to 65.0% (+2.6pp) and the non-Indigenous population also saw an increase to 62.4% (+1.7pp).

## British Columbia - Labour market indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q2 2017	Q2 2016	Number	%	Q2 2017	Q2 2016	Number	%
<b>Population 15 + ('000)</b>	163.6	158.4	5.2	3.3	3,810.2	3,765.0	45.2	1.2
<b>Labour Force ('000)</b>	118.0	110.1	7.9	7.2	2,501.3	2,420.4	80.9	3.3
<b>Employment ('000)</b>	106.3	98.8	7.5	7.6	2,377.8	2,286.8	91.0	4.0
Full-Time ('000)	79.7	70.8	8.9	12.6	1,865.1	1,804.6	60.5	3.4
Part-Time ('000)	26.6	28.0	-1.4	-5.0	512.8	482.2	30.6	6.3
<b>Unemployment ('000)</b>	11.7	11.3	0.4	3.5	123.5	133.6	-10.1	-7.6
<b>Unemployment Rate (%)</b>	9.9	10.3	-0.4	-	4.9	5.5	-0.6	-
<b>Participation Rate (%)</b>	72.1	69.5	2.6	-	65.6	64.3	1.3	-
<b>Employment Rate (%)</b>	65.0	62.4	2.6	-	62.4	60.7	1.7	-

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey – ESDC custom table

## EMPLOYMENT BY INDUSTRY

BC's services-producing sector led employment gains (+25,200) in the second quarter of 2017, while the number of people employed in the goods-producing sector also increased (+10,000). Employment in the services-producing sector is also up significantly on an annual basis (+75,000), led by gains in the finance, insurance, real estate and leasing industry (+26,100). Indeed, the real estate industry has been the engine behind BC's robust economic growth over the last few years. However, according to the Conference Board of Canada, BC's housing market has lost some steam following the introduction of federal and provincial government measures to cool it down. The provincial government imposed a 15% foreign buyer's tax in August 2016. Then in October 2016, the federal government announced new restrictions on when the government will provide insurance for low-ratio mortgages, and new reporting rules for primary residence capital gains exemptions.<sup>3</sup> According to the British Columbia Real Estate Association, 7.9% fewer homes were sold in May 2017 compared to May 2016.<sup>4</sup> Looking forward, the Conference Board of Canada expects slowing activity in the housing market to negatively impact employment, income, and spending in the province.<sup>5</sup> Overall, the Conference Board expects real provincial GDP to advance 2.5% in 2017, down from average growth of 3.0% the past three years.<sup>6</sup>

Employment in BC's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) is down 1.2% this quarter compared to the second quarter in 2016. BC's lumber industry continues to be negatively impacted by the mountain pine beetle, but has also been dealt a blow due to recent U.S. trade action.<sup>7</sup> On June 26, the U.S. Department of Commerce (USDC) announced they are imposing 6.87% preliminary average anti-dumping tariffs on Canadian softwood lumber. These fees are in addition to the average preliminary countervailing duties of 19.88% announced in April. Three major BC-based softwood producers are now facing combined duties in excess of 27%. For West Fraser, the duties will amount up to 30.88%, while Canfor's rate will be 27.98%. Similarly, Tolko's tariffs will rise to 27.03%.<sup>8</sup>

The Conference Board of Canada predicts there will be 2,200 fewer jobs in Canada's wood products industry and about \$700 million less in exports by 2018. The report estimates incoming U.S. trade restrictions on softwood lumber will reduce industry pre-tax profits from \$1.8 billion in 2016 to \$1.4 billion this year and to \$1.1 billion in 2018.<sup>9</sup> BC is Canada's largest lumber exporter to the U.S. — sending \$4.6 billion worth of product in 2016. Forestry is a key employer in BC, providing more than 60,000 direct jobs. Currently, a low Canadian dollar, strong markets in Asia and healthy lumber prices are mitigating the impact of the trade dispute.<sup>10</sup>

The province's prospective liquefied natural gas (LNG) industry is also facing challenges. The industry has been negatively affected by lower global demand, increased competition from new competitors in the U.S. and ongoing weak commodity prices. Shell and Chevron have already cancelled large LNG projects in the northwest region of the province.<sup>11</sup> However, recent announcements could signal positive developments for the industry. Earlier this year, the provincial government signed an agreement with the Lax Kw'alaams and Metlakatla First Nations for their support of the Pacific NorthWest LNG project.<sup>12</sup> On June 5, the federal government approved a 40-year natural gas export licence to Woodfibre Liquid Natural Gas (LNG) Ltd for its proposed facility in Squamish, BC. The \$1.6 billion plant secured federal and First Nations' environmental approval last year.<sup>13</sup> The project will create about 100 full-time jobs at the facility once operational and about 650 jobs each year during an estimated two-year construction period.<sup>14</sup> The Woodfibre LNG facility will allow for the export of up to 2.1

million tonnes of LNG per year, with an additional allowance of 15% annually. The new facility is expected to begin exporting LNG from Northern BC to Asian markets in 2020.

Industry sources note that natural gas production from the Montney, Duvernay and Deep Basin formation have been rising. TransCanada Corp. is planning for a \$2-billion expansion of its NOVA Gas Transmission Ltd. (NGTL) pipeline system that would address some of this region's producer demand for increased pipeline capacity by allowing them to send 400 million cubic feet per day to markets in California, Nevada and the U.S. Pacific Northwest.<sup>15</sup> In addition, Enbridge is also planning a \$1-billion expansion to their natural gas pipeline system in BC to meet increasing demand in Vancouver, Seattle and the soon-to-be Woodfibre LNG export facility.<sup>16</sup>

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

Seasonally Adjusted Data ('000)	2nd Quarter 2017	1st Quarter 2017	2nd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,469.1	2,433.7	2,374.6	35.4	1.5	94.5	4.0
<b>Goods-producing sector</b>	490.6	480.6	471.1	10.0	2.1	19.5	4.1
Agriculture	27.3	27.4	23.6	-0.1	-0.4	3.7	15.7
Forestry, fishing, mining, quarrying, oil and gas	50.8	49.8	51.4	1.0	2.0	-0.6	-1.2
Utilities	12.8	12.8	13.6	0.0	0.0	-0.8	-5.9
Construction	227.6	221.0	214.0	6.6	3.0	13.6	6.4
Manufacturing	172.3	169.6	168.6	2.7	1.6	3.7	2.2
<b>Services-producing sector</b>	1,978.4	1,953.2	1,903.5	25.2	1.3	74.9	3.9
Trade	368.1	371.7	369.5	-3.6	-1.0	-1.4	-0.4
Transportation and warehousing	142.2	143.4	137.8	-1.2	-0.8	4.4	3.2
Finance, insurance, real estate and leasing	158.0	149.1	131.9	8.9	6.0	26.1	19.8
Professional, scientific and technical services	193.7	193.3	197.3	0.4	0.2	-3.6	-1.8
Business, building and other support services	105.9	108.1	104.5	-2.2	-2.0	1.4	1.3
Educational services	165.1	163.7	168.5	1.4	0.9	-3.4	-2.0
Health care and social assistance	302.5	290.5	290.2	12.0	4.1	12.3	4.2
Information, culture and recreation	139.3	132.7	123.4	6.6	5.0	15.9	12.9
Accommodation and food services	182.3	180.9	173.5	1.4	0.8	8.8	5.1
Other services	117.7	115.6	102.7	2.1	1.8	15.0	14.6
Public administration	103.7	104.0	104.2	-0.3	-0.3	-0.5	-0.5

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Most of BC's economic regions had employment growth between the second quarter of 2016 and the second quarter of 2017. The Kootenay region had the strongest gains (+ 8,100). Vancouver Island and Coast had the second strongest employment gains (+7,500) and also has the lowest unemployment rate among all provincial economic regions this quarter (4.3%). Victoria's construction industry is booming, fueled by an unprecedented influx of construction capital and infrastructure spending from all levels of government, as well as in the private sector.<sup>17</sup> In addition, BC Ferries and Point Hope Maritime have signed a five-year servicing deal that could inject an estimated \$40 million into the region's economy and also support shipyard positions in Victoria.<sup>18</sup>

The unemployment rate in BC’s most populated economic region – Lower-Mainland Southwest – fell 0.3 percentage points to 5.0% over the past year, while employment in the region is up 3.6% year over year. Employment in the region’s main center, Vancouver, jumped 4.6% in 2016. However, the Conference Board of Canada expects employment growth in the city to slow to 1.0% this year, due in part to a slowing residential housing market.<sup>19</sup> New housing starts in Vancouver are forecast to drop 12.3% in 2017 and almost 6.0% in 2018.<sup>20</sup>

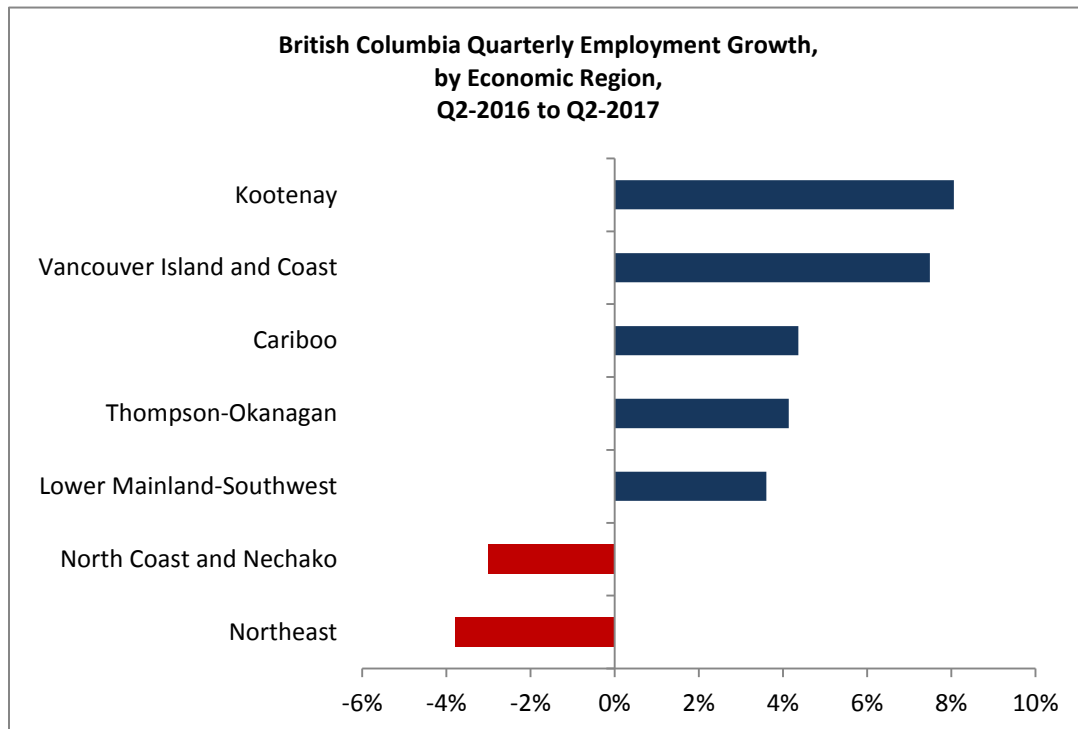
The only economic regions to see a contraction in employment during the past year were North Coast and Nechako (-3,000), as well as Northeast (-3,800).

**British Columbia Quarterly Labour Force Statistics, by Economic Region**

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	2nd Quarter 2017 ('000)	2nd Quarter 2016 ('000)	Yearly Variation (%)	2nd Quarter 2017 (%)	2nd Quarter 2016 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,485.6	2,386.4	4.2	5.1	5.7	-0.6
<b>Economic Regions</b>						
Vancouver Island and Coast	388.9	361.8	7.5	4.3	5.1	-0.8
Lower Mainland-Southwest	1,601.5	1,545.8	3.6	5.0	5.3	-0.3
Thompson-Okanagan	261.7	251.3	4.1	5.7	7.0	-1.3
Kootenay	72.4	67.0	8.1	7.5	7.5	0.0
Cariboo	81.3	77.9	4.4	6.9	7.8	-0.9
North Coast and Nechako	41.8	43.1	-3.0	5.9	8.1	-2.2
Northeast	37.9	39.4	-3.8	7.3	9.2	-1.9

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> CBC News (February 21, 2017). B.C. budget brings nearly \$3 billion in new social spending over the next 3 years. <http://www.cbc.ca/news/canada/british-columbia/b-c-budget-brings-nearly-3-billion-in-new-social-spending-over-the-next-3-years-1.3993131>

<sup>2</sup> BC Gov News (June 21, 2017). Agreement funding allocations confirmed for school districts. <https://news.gov.bc.ca/releases/2017EDUC0093-001249>

<sup>3</sup> The Conference Board of Canada (March 3, 2017). Metropolitan Outlook 1: Vancouver — Winter 2017. <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8590>

<sup>4</sup> Vancouver Sun (June 13, 2017). Housing at a premium in most B.C. regions: real estate association. <http://vancouversun.com/business/real-estate/housing-at-a-premium-in-most-b-c-regions-real-estate-association>

<sup>5</sup> The Conference Board of Canada (July 4, 2017). Provincial Outlook Forecast: British Columbia — Spring 2017. <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8954>

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Government of British Columbia. Softwood Lumber Trade Dispute – Recent Developments. <http://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/softwood-lumber-trade-with-the-u-s> (Accessed on June 30, 2017)

<sup>9</sup> The Conference Board of Canada (May 31, 2017). News Release: Softwood Lumber Duties to Dampen Outlook for Canada's Wood Products Industry. [http://www.conferenceboard.ca/press/newsrelease/17-05-31/softwood\\_lumber\\_duties\\_to\\_dampen\\_outlook\\_for\\_canada\\_s\\_wood\\_products\\_industry.aspx](http://www.conferenceboard.ca/press/newsrelease/17-05-31/softwood_lumber_duties_to_dampen_outlook_for_canada_s_wood_products_industry.aspx)

<sup>10</sup> Global News (June 1, 2017). Feds announce \$867M support plan for softwood lumber industry. <http://globalnews.ca/news/3495549/softwood-lumber-financial-support-plan/>

<sup>11</sup> The Conference Board of Canada (July 4, 2017). Provincial Outlook Forecast: British Columbia — Spring 2017. <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8954>

<sup>12</sup> The Globe and Mail (February 15, 2017). Pacific NorthWest LNG reaches pacts with two First Nations. <https://www.theglobeandmail.com/news/british-columbia/bc-signs-lng-benefits-deals-with-first-nations-on-proposed-petronas-project/article34037316/>

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<sup>13</sup> Woodfibre LNG (June 5, 2017). Government of Canada approves 40 year export licence for Woodfibre LNG project. <https://www.woodfibrelng.ca/government-of-canada-approves-40-year-export-licence-for-woodfibre-lng-project/>

<sup>14</sup> Natural Resources Canada. Investing in Liquefied Natural Gas. <https://www.nrcan.gc.ca/19723> (Accessed on July 10, 2017).

<sup>15</sup> Financial Post (June 14, 2017). Natural gas production boom has pipeline demand exceeding supply. <http://business.financialpost.com/commodities/energy/natural-gas-production-boom-has-pipeline-demand-exceeding-supply/wcm/5b1dfbd5-8cc2-49c3-aac1-4e1577b9e8ca>

<sup>16</sup> Financial Post (June 8, 2017). Enbridge Inc. expands oil and gas pipeline capacity as production surges. <http://business.financialpost.com/news/enbridge-inc-expands-oil-and-gas-pipeline-capacity-as-production-surges/wcm/d3b42634-d87f-4d5f-bb2b-8540e3d96065>

<sup>17</sup> Times Colonist (June 10, 2017). Victoria has lowest unemployment rate in the country. <http://www.timescolonist.com/business/victoria-has-lowest-unemployment-rate-in-country-1.20519180>

<sup>18</sup> Times Colonist (June 1, 2017). Point Hope, B.C. Ferries sign five year vessel servicing deal. <http://www.timescolonist.com/news/local/point-hope-b-c-ferries-sign-five-year-vessel-servicing-deal-1.20338256>

<sup>19</sup> The Conference Board of Canada (May 25, 2017). Metropolitan Outlook 1: Vancouver — Spring 2017. <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8870>

<sup>20</sup> Ibid.