



Labour Market Bulletin

British Columbia

July 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

The Government of BC declared a provincial state of emergency on July 7, 2017 to ensure a co-ordinated response to the wildfire situation and to ensure public safety.¹ Although it is too early to know the extent of the economic impact caused by the wildfires, this year's events have been compared to the wildfires that occurred around Kelowna in 2003. The Government of BC estimates the Kelowna wildfires cost the BC economy \$1.3 billion in direct fire suppression expenditures and indirect economic losses.²

In July's Labour Force Survey, Statistics Canada was unable to collect data from a small number of communities in BC due to the wildfires. The effect of this missing data is minimal on provincial estimates, and negligible on national estimates.³

After seven months of steady increases, BC employment declined slightly in July (-0.2%). However, overall provincial employment is up a healthy 3.6% year over year, which is due entirely to an increase in full-time positions (+99,200).

BC's public sector employment increased 7,400 in July, while private sector employment decreased substantially (-24,500). The number of self-employed workers in the province increased again this month (+12,100), continuing an upward trend that started four months ago.⁴

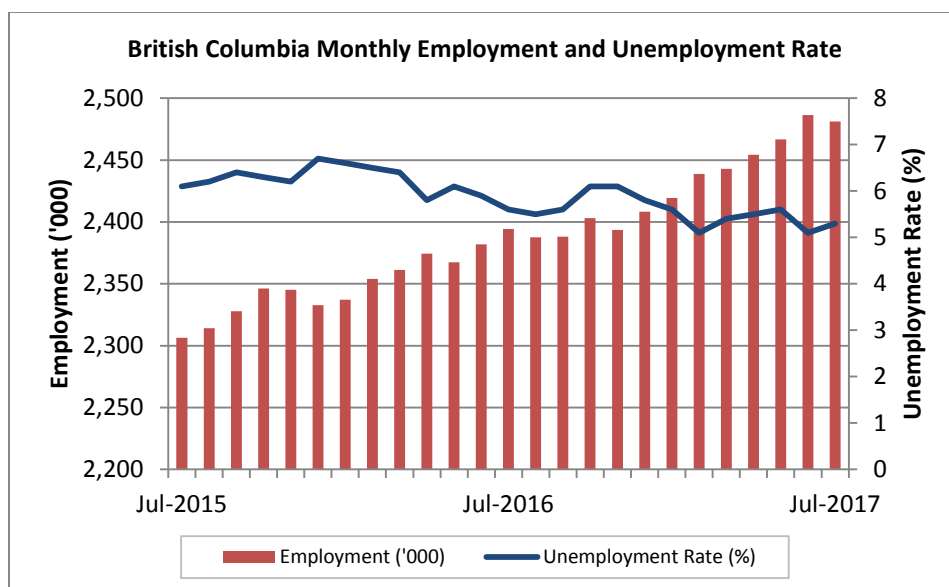
British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2017	June 2017	July 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,983.8	3,979.0	3,934.6	4.8	0.1	49.2	1.3
Labour Force ('000)	2,620.5	2,620.4	2,537.5	0.1	0.0	83.0	3.3
Employment ('000)	2,481.2	2,486.3	2,394.2	-5.1	-0.2	87.0	3.6
Full-Time ('000)	1,958.6	1,951.6	1,859.4	7.0	0.4	99.2	5.3
Part-Time ('000)	522.6	534.7	534.8	-12.1	-2.3	-12.2	-2.3
Unemployment ('000)	139.3	134.1	143.3	5.2	3.9	-4.0	-2.8
Unemployment Rate (%)	5.3	5.1	5.6	0.2	-	-0.3	-
Participation Rate (%)	65.8	65.9	64.5	-0.1	-	1.3	-
Employment Rate (%)	62.3	62.5	60.8	-0.2	-	1.5	-

Note: Totals may not add due to rounding

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

BC’s unemployment rate increased slightly to 5.3% from last month but remains the second lowest in the country and one full percentage point below the national average. The unemployment rate for youth (15 to 24 years) in BC is 8.2%, down 1.5 percentage-points year over year. BC’s youth unemployment rate has remained consistently below the national average for almost two years. The unemployment rate for young women continues to fall, reaching 5.5% in July — an all-time low for this demographic group in BC (since Statistics Canada started collecting Labour Force Survey estimate data in 1976). In contrast, young men continue to have the highest unemployment rate among demographic groupings in BC at 10.9%.



British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2017 (%)	June 2017 (%)	July 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	5.3	5.1	5.6	0.2	-0.3
25 years and over	4.8	4.7	5.0	0.1	-0.2
Men - 25 years and over	4.5	4.6	5.2	-0.1	-0.7
Women - 25 years and over	5.1	4.8	4.7	0.3	0.4
15 to 24 years	8.2	7.6	9.7	0.6	-1.5
Men - 15 to 24 years	10.9	9.4	12.0	1.5	-1.1
Women - 15 to 24 years	5.5	5.8	7.2	-0.3	-1.7

Note: Totals may not add due to rounding

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

EMPLOYMENT BY INDUSTRY

Employment in BC's goods-producing sector decreased in July (-0.5%), as did employment in the services-producing sector (-0.1%). However, employment is up in both sectors on an annual basis with percentage gains in the goods-producing sector (+6.2%) outpacing the services-producing sector (+3.0%).

Within the goods-producing sector, the resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) is one of the industries most affected by this summer's fires. The wildfires have forced several forestry-based employers in BC's interior to suspend operations. The closures are due to evacuation orders, as well as to a shortage of raw materials. The fires have diminished the supply of harvestable timber, burning through trees that had previously been spared by the pine beetle.⁵ For example, Tolko Industries Ltd. reduced operations at their Quest Wood sawmill in Quesnel, effective July 24, due to a shortage of raw materials.⁶

Slowing production is having a direct impact on the price of lumber. Plywood and oriented strand board has increased in price by more than 30% compared to mid-2016 prices.⁷ These materials are the staples of home construction. The Victoria Residential Builders Association recently noted that "the increased cost of wood and the increased cost of hiring has meant the cost of building has jumped to \$230 per square foot from around \$200".⁸ According to industry experts, delays and higher plywood costs due to the closure of mills and supply routes have already caused a slowdown in housing starts in the Lower Mainland.⁹

BC's lumber industry was already facing challenges after the U.S. Department of Commerce announced on June 26 that they are imposing 6.87% average anti-dumping tariffs on Canadian softwood lumber. These fees are in addition to countervailing duties – averaging about 20% – 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%, and Tolko's tariffs will increase to 27.03%.¹⁰

In addition to the forest fires, the resource extraction industry was dealt another blow in July when Petronas, Malaysia's state owned oil-company, cancelled its Pacific NorthWest Liquefied Natural Gas (LNG) project. The project was to be the largest of the proposed BC LNG facilities and would have created approximately 4,500 jobs.¹¹ Woodfibre LNG in Squamish is now the only LNG development that is currently moving forward.¹²

Employment in another goods-producing industry, agriculture, was down 10.3% (-2,800) on a monthly basis. Indeed, BC's agriculture industry has also been negatively impacted by the wildfires. Evacuation orders have meant abandoned crops and livestock. An estimated 20,800 cattle are living on crown land in the fire-affected areas, in addition to approximately 3,000 living on private land.¹³

In the services-producing sector, the greatest year over year employment increases are in the finance, insurance, real estate and leasing industry (+13.7%) and the information, culture and recreation industry (+11.2%). Combined, these two industries added 33,000 positions over the past year.

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	July 2017	June 2017	July 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,481.2	2,486.3	2,394.2	-5.1	-0.2	87.0	3.6
Goods-producing sector	499.5	502.1	470.3	-2.6	-0.5	29.2	6.2
Agriculture	24.5	27.3	25.8	-2.8	-10.3	-1.3	-5.0
Forestry, fishing, mining, quarrying, oil and gas	50.8	51.0	51.4	-0.2	-0.4	-0.6	-1.2
Utilities	12.2	13.0	13.0	-0.8	-6.2	-0.8	-6.2
Construction	232.8	233.0	212.8	-0.2	-0.1	20.0	9.4
Manufacturing	179.2	177.7	167.3	1.5	0.8	11.9	7.1
Services-producing sector	1,981.8	1,984.2	1,923.9	-2.4	-0.1	57.9	3.0
Trade	373.3	371.7	363.7	1.6	0.4	9.6	2.6
Transportation and warehousing	142.9	142.8	138.8	0.1	0.1	4.1	3.0
Finance, insurance, real estate and leasing	156.2	157.5	137.4	-1.3	-0.8	18.8	13.7
Professional, scientific and technical services	199.9	200.1	202.3	-0.2	-0.1	-2.4	-1.2
Business, building and other support services	101.1	103.7	108.1	-2.6	-2.5	-7.0	-6.5
Educational services	162.5	163.6	162.6	-1.1	-0.7	-0.1	-0.1
Health care and social assistance	302.8	300.1	297.1	2.7	0.9	5.7	1.9
Information, culture and recreation	141.5	140.2	127.3	1.3	0.9	14.2	11.2
Accommodation and food services	186.3	185.8	175.8	0.5	0.3	10.5	6.0
Other services	114.9	117.6	105.7	-2.7	-2.3	9.2	8.7
Public administration	100.4	101.1	105.0	-0.7	-0.7	-4.6	-4.4

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

According to the BC Wildfire Service, as of July 27, the Cariboo region was the hardest hit by the wildfires—accounting for 75% of the total 380,739 hectares that have burned in the province this year.¹⁴ All told, the Cariboo region's labour market currently employs approximately 82,400 people, including 4,600 workers in the resource extraction industry.¹⁵ The region's biggest centre, Williams Lake, was under an evacuation order between July 15 and July 27. Approximately 24,000 people were evacuated from the city and surrounding area. West Fraser Timber suspended operations at four of their mills, while Tolko had three operations affected, all

within the Cariboo region.¹⁶ Many of the fires have been located in the southern Cariboo region, which is the epicentre of BC's lumber industry.

As a result of the fires, Statistics Canada did not collect data from a small number of communities in BC for the Labour Force Survey this month. The greatest impact will be seen in the economic region of Cariboo, where approximately 60% of collection was affected.¹⁷

Turning to other parts of the province, the year over year unemployment rate is down in all regions, with the exception of the Kootenay region, which saw an increase of 0.7 percentage points.

BC's most populated economic region, Lower Mainland-Southwest, saw increased employment in the services-producing sector (+2,600) for the sixth consecutive month. There were 6,000 more positions in wholesale and retail trade in the region on a monthly basis. According to Statistics Canada retail data, BC lead the country in retail sales growth for the month of May, reaching over 7 billion dollars in sales for the first time. Purchases in auto sales and building supplies were the key drivers.¹⁸

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2017 ('000)	July 2016 ('000)	Yearly Variation (%)	July 2017 (%)	July 2016 (%)	Yearly Variation (% points)
British Columbia	2,507.2	2,406.7	4.2	5.2	5.8	-0.6
Economic Regions						
Vancouver Island and Coast	390.6	366.1	6.7	4.6	4.9	-0.3
Lower Mainland-Southwest	1,616.2	1,559.6	3.6	5.1	5.5	-0.4
Thompson-Okanagan	265.1	251.3	5.5	5.6	6.9	-1.3
Kootenay	71.9	66.3	8.4	7.5	6.8	0.7
Cariboo	82.4	79.4	3.8	6.6	8.3	-1.7
North Coast and Nechako	42.9	44.5	-3.6	5.5	7.5	-2.0
Northeast	38.0	39.5	-3.8	6.6	8.8	-2.2

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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