



# Labour Market Bulletin

British Columbia

September 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 BC continues to trend upward, reaching 2,478,200 in the third quarter of 2017 — up 3.7% year over year. Both full- and part-time employment are up compared to the third quarter of 2016, with full-time employment comprising 80% of these gains.

The number of self-employed British Columbians continued to climb for the second consecutive quarter (+22,000), far outpacing gains in the public sector. Meanwhile, the number of private sector employees dropped 13,100 in the third quarter of 2017.<sup>1</sup>

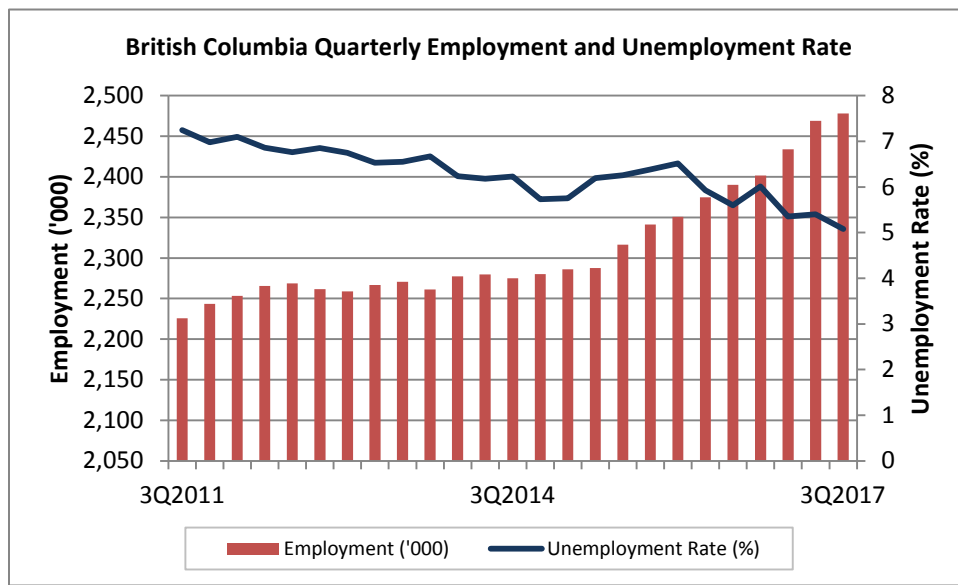
BC's unemployment rate (5.1%) remains significantly lower than the national average (6.2%), tied with Manitoba for the lowest rate in the country. The unemployment rate for youth (15 to 24 years) edged down over half a percentage point to 8.4% in the third quarter, but remains almost three full percentage points higher than the rate for those aged 25 years and older. BC's youth unemployment rate is still well below the national average of 11.0%. Male youth continue to have the highest unemployment rate among demographic groups in BC.

**British Columbia Quarterly Labour Force Statistics**

Seasonally Adjusted Data	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,987.9	3,973.7	3,939.3	14.2	0.4	48.6	1.2
<b>Labour Force ('000)</b>	2,610.8	2,610.0	2,531.8	0.8	0.0	79.0	3.1
<b>Employment ('000)</b>	2,478.2	2,469.1	2,390.0	9.1	0.4	88.2	3.7
Full-Time ('000)	1,941.2	1,936.1	1,868.6	5.1	0.3	72.6	3.9
Part-Time ('000)	537.0	532.9	521.5	4.1	0.8	15.5	3.0
<b>Unemployment ('000)</b>	132.6	140.9	141.7	-8.3	-5.9	-9.1	-6.4
<b>Unemployment Rate (%)</b>	5.1	5.4	5.6	-0.3	-	-0.5	-
<b>Participation Rate (%)</b>	65.5	65.7	64.3	-0.2	-	1.2	-
<b>Employment Rate (%)</b>	62.1	62.1	60.7	0.0	-	1.4	-

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	3rd Quarter 2017 (%)	2nd Quarter 2017 (%)	3rd Quarter 2016 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
	<b>Total</b>	5.1	5.4	5.6	-0.3
<b>25 years and over</b>	4.5	4.8	5.2	-0.3	-0.7
Men - 25 years and over	4.4	5.1	5.5	-0.7	-1.1
Women - 25 years and over	4.6	4.4	4.8	0.2	-0.2
<b>15 to 24 years</b>	8.4	9.0	8.2	-0.6	0.2
Men - 15 to 24 years	9.9	11.0	8.8	-1.1	1.1
Women - 15 to 24 years	6.8	6.9	7.5	-0.1	-0.7

Note: Totals may not add due to rounding

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

In the third quarter (Q3) of 2017, the total population aged 15+ in British Columbia was around 4 million. The Indigenous population living off-reserve accounted for 4.1% of that, or 165,200 people. Employment among the Indigenous population in British Columbia stood at 111,800 representing an increase of 10,500 (+10.4%) from a year earlier (Q3 2016). There were increases in both full-time positions (+8,700 or +11.0%) and part-time positions (+1,800 or +8.2%).

The unemployment rate among Indigenous people was 9.7% in Q3 2017, having decreased by -0.6 percentage points (pp) from the previous year. The unemployment rate among the non-Indigenous population was 5.0% (-0.6 pp). In Q3 2017, the participation rate of Indigenous people increased to 74.9% (+4.1pp from Q3 2016) while among non-Indigenous population, it was 65.7% (+1.0pp). The employment rate for Indigenous people increased year-over-year to 67.7% (+4.2pp) and the non-Indigenous population also saw an increase to 62.4% (+1.3pp).

## 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)	
	Q3 2017	Q3 2016	number	%	Q3 2017	Q3 2016	number	%
<b>Population 15 + ('000)</b>	165.2	159.5	5.7	3.6	3,822.7	3,779.8	42.9	1.1
<b>Labour Force ('000)</b>	123.7	112.9	10.8	9.6	2,511.3	2,444.6	66.7	2.7
<b>Employment ('000)</b>	111.8	101.3	10.5	10.4	2,385.8	2,308.3	77.5	3.4
Full-Time ('000)	88.0	79.3	8.7	11.0	1,894.5	1,834.0	60.5	3.3
Part-Time ('000)	23.8	22.0	1.8	8.2	491.3	474.2	17.1	3.6
<b>Unemployment ('000)</b>	12.0	11.6	0.4	3.4	125.5	136.4	-10.9	-8.0
<b>Unemployment Rate (%)</b>	9.7	10.3	-0.6	-	5.0	5.6	-0.6	-
<b>Participation Rate (%)</b>	74.9	70.8	4.1	-	65.7	64.7	1.0	-
<b>Employment Rate (%)</b>	67.7	63.5	4.2	-	62.4	61.1	1.3	-

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

Employment advanced both in BC's goods-producing sector (+4,800) and services producing sector (+4,400) in the third quarter. On an annual basis, employment gains were much more significant in the province's services-producing sector (+59,900) compared to the goods-producing sector (+28,200).

Employment in the province's resource extraction industry (forestry, fishing, mining, quarrying, and oil and gas), which accounts for approximately 10% of employment in BC's goods-producing sector, edged down 600 in the third quarter.

The forestry industry in particular has been hard hit this year.<sup>2</sup> This year's wildfires have burnt 53 million cubic meters of timber in BC — the equivalent of an entire year's harvest for the interior. It is still unknown how much of this timber is salvageable.<sup>3</sup> The Province is working with the BC forest industry to fast-track new cutting permits and salvage licences so that timber can reach the sawmills who rely on this supply to operate.<sup>4</sup>

On August 28, the United States Department of Commerce (USDC) announced they are postponing the final determination on duties on Canadian softwood exports until no later than November 14. The temporary duties imposed by the US ended on August 26.<sup>5</sup> Canadian lumber producers have paid approximately \$500 million in duties since April.<sup>6</sup>

The high price of lumber and the low Canadian dollar have mitigated damage to BC's forestry industry. In addition, the Conference Board of Canada predicts rebuilding efforts caused by hurricanes Harvey and Irma may support Canadian material exports.<sup>7</sup> The industry should also benefit from the Comprehensive Economic and Trade Agreement (CETA) Canada signed with the European Union this year. Provisional implementation of the agreement began on September 21 and one of the top benefits of the agreement is duty-free access for forestry and wood products.<sup>8</sup>

Meanwhile, the province's oil and gas industry suffered a few set-backs recently. Aurora Liquid Natural Gas (LNG) and its partners, Nexen Energy and INPEX Gas British Columbia, announced on September 14 that they will not be going forward with the proposed Digby Island site. The consortium conducted a feasibility study for the potential construction and operation of a Liquid Natural Gas (LNG) facility and marine terminal on the island west of Prince Rupert.<sup>9</sup> Earlier this year, Malaysia's Petronas cancelled its proposed \$11.4 billion LNG project planned for Lelu Island near Prince Rupert. The company cited economic challenges in the global marketplace as the reason for the cancellation.<sup>10</sup>

According to the Canadian Energy Research Institute, BC's natural gas sector is expected to generate 413 thousand person years of employment between 2017 and 2027.<sup>11</sup> However, since the LNG strategy was released in 2012, none of the 19 proposed LNG projects have started construction.<sup>12</sup> Furthermore, only three have regulatory approval from the federal and provincial government; LNG Canada in Kitimat (\$40B), Kitimat LNG (\$3.5B) and Woodfibre LNG near Squamish (\$1.6B).<sup>13</sup>

Fueled by an unprecedented influx of construction capital and infrastructure spending from all levels of government, there were almost 230,000 British Columbians employed in the construction industry in the third

quarter of 2017, up 8.2% year over year. Indeed, there are approximately \$75 billion dollars in construction projects currently underway in BC.<sup>14</sup>

Turning to the services-producing sector, the largest quarterly employment gains were in the retail and wholesale trade industry (+9,300). Year-over-year, trade industry employment in BC is up 4.0%. Despite these gains, there have been recent announcements involving major retail store closures. On October 10, Sears Canada Inc. announced it is applying for approval to liquidate all of its remaining stores and assets. The company had previously announced the closure of 70 stores affecting approximately 4,100 employees. There are currently 12 Sears Canada Department Stores, 7 Sears Canada Hometown Stores and 30 pick-up locations located throughout BC.<sup>15</sup>

Meanwhile, a continued shift to on-line shopping and reduced sales was cited as one of the deciding factors behind the September 14 announcement by the United Farmers of Alberta Co-operative Ltd. to close all Wholesale Sports locations in Western Canada. The company is closing 12 locations, including five in BC, effective December 28, 2017. A total of 545 employees are impacted by the closures.<sup>16</sup>

Employment in BC's transportation and warehousing industry was relatively unchanged on an annual basis (+0.4%). However, this industry should benefit from projects currently underway to bolster terminal capacity for grain on the West Coast. For the sixth consecutive year, the Vancouver Fraser Port Authority reported an increase in mid-year volumes of bulk grain handled at the port. There were 12.5 million metric tonnes (MMT) of grain handled in mid-2017 — a 12.9% increase compared to mid-2016.<sup>17</sup>

The new Ray-Mont Logistics grain transload facility opened August 29 in Prince Rupert; the only one of its kind on Canada's West Coast.<sup>18</sup> In addition, construction of the new \$500 million G3 Terminal Vancouver in North Vancouver began in March 2017 and is projected for completion in 2020. The export grain shipping terminal is the first new facility of its kind at the Port of Vancouver since the 1960s.

## British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,478.2	2,469.1	2,390.0	9.1	0.4	88.2	3.7
<b>Goods-producing sector</b>	495.4	490.6	467.2	4.8	1.0	28.2	6.0
Agriculture	25.3	27.3	25.2	-2.0	-7.3	0.1	0.4
Forestry, fishing, mining, quarrying, oil and gas	50.2	50.8	50.4	-0.6	-1.2	-0.2	-0.4
Utilities	12.7	12.8	13.2	-0.1	-0.8	-0.5	-3.8
Construction	229.7	227.6	212.3	2.1	0.9	17.4	8.2
Manufacturing	177.4	172.3	166.0	5.1	3.0	11.4	6.9
<b>Services-producing sector</b>	1,982.8	1,978.4	1,922.9	4.4	0.2	59.9	3.1
Trade	377.4	368.1	362.9	9.3	2.5	14.5	4.0
Transportation and warehousing	140.0	142.2	139.5	-2.2	-1.5	0.5	0.4
Finance, insurance, real estate and leasing	157.0	158.0	138.7	-1.0	-0.6	18.3	13.2
Professional, scientific and technical services	202.3	193.7	199.1	8.6	4.4	3.2	1.6
Business, building and other support services	100.5	105.9	110.1	-5.4	-5.1	-9.6	-8.7
Educational services	164.1	165.1	162.2	-1.0	-0.6	1.9	1.2
Health care and social assistance	307.4	302.5	292.0	4.9	1.6	15.4	5.3
Information, culture and recreation	138.2	139.3	130.2	-1.1	-0.8	8.0	6.1
Accommodation and food services	183.0	182.3	176.4	0.7	0.4	6.6	3.7
Other services	113.4	117.7	105.8	-4.3	-3.7	7.6	7.2
Public administration	99.5	103.7	105.8	-4.2	-4.1	-6.3	-6.0

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

The unemployment rate declined in every region of the province year over year. In addition, employment is up across all BC economic regions, except for the Northeast. Despite a slight annual decrease in employment, the Northeast region saw a substantial drop in its unemployment rate; falling from 9.4% in the third quarter of 2016 to 5.2% in the third quarter of 2017.

The Northeast could see a boost to employment in the near future following the construction of three new natural gas processing plants in the region. Encana's newly built \$700 million Tower plant, located north of Dawson Creek, began operations on September 20. The Sunrise plant is expected to start up in mid-October, followed by the Saturn plant before year-end. Once all three are operational, the new facilities will have the capacity to produce 1.5 billion cubic feet of gas per day in the Montney region.<sup>19</sup>

Meanwhile, Peace River Hydro Partners (PRHP), the main civil works contractor for BC Hydro's Site C dam, recently laid-off 200 workers in the Northeast region, announcing it will stop some work during the winter season.<sup>20</sup> There were approximately 2,550 workers employed on the Site C project in July, of which about 80% were BC residents. The project is estimated to cost \$8.8 billion to complete.<sup>21</sup>

The Lower Mainland-Southwest region continues to have the lowest unemployment rate in the province at 4.6%. Construction industry employment has trended upward in 2017. Year-over-year, the number of people

employed in construction in the Lower Mainland-Southwest is up 13,400, second only to increasing employment in manufacturing (+15,000).<sup>22</sup>

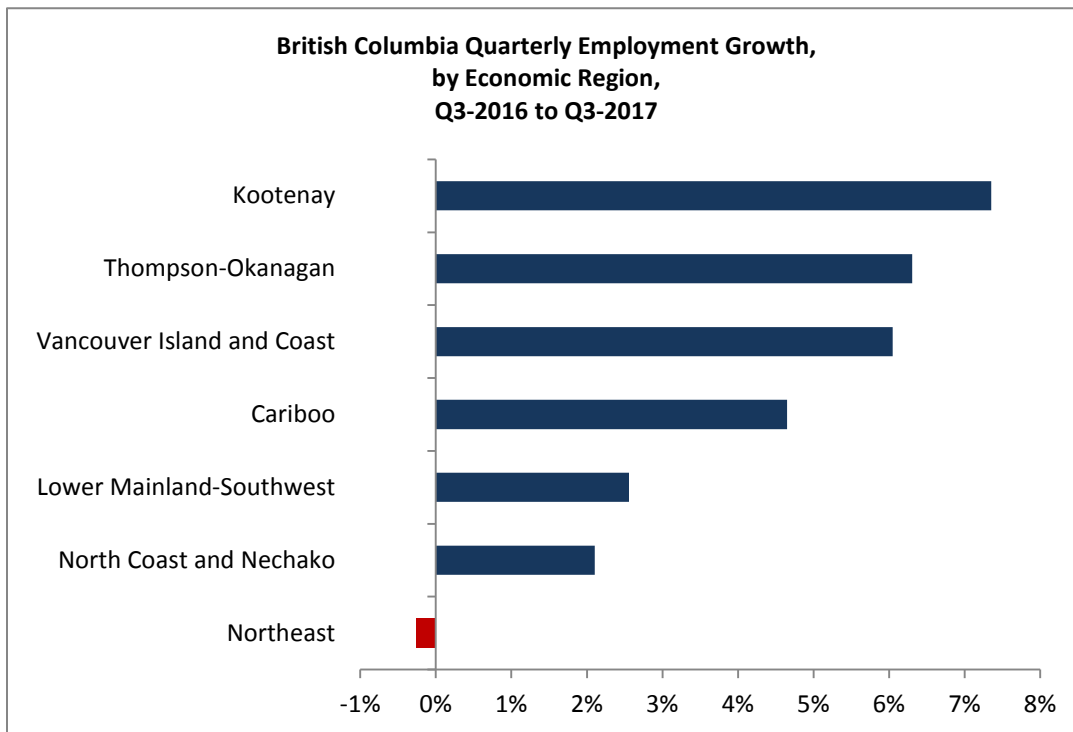
According to the Greater Vancouver Home Builders’ Association, the wage rate for construction workers is rising in Metro Vancouver. This wage increase is being driven by rising competition for workers in the industry. With 30,000 homes being built in the city this year, residential developers are competing for skilled labour.<sup>23</sup>

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

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	3rd Quarter 2017 ('000)	3rd Quarter 2016 ('000)	Yearly Variation (%)	3rd Quarter 2017 (%)	3rd Quarter 2016 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,498.1	2,410.6	3.6	5.2	5.8	-0.6
<b>Economic Regions</b>						
Vancouver Island and Coast	392.8	370.4	6.0	5.2	5.4	-0.2
Lower Mainland-Southwest	1,603.7	1,563.7	2.6	4.6	5.3	-0.7
Thompson-Okanagan	266.3	250.5	6.3	7.1	6.7	0.4
Kootenay	70.1	65.3	7.4	8.1	8.5	-0.4
Cariboo	83.3	79.6	4.6	6.3	7.4	-1.1
North Coast and Nechako	43.7	42.8	2.1	5.6	7.8	-2.2
Northeast	38.2	38.3	-0.3	5.2	9.4	-4.2

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](http://www.statcan.gc.ca)

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<sup>1</sup> Statistics Canada. Labour force survey estimates (LFS), employment by class of worker and sex, seasonally adjusted and unadjusted monthly (persons x 1,000) CANSIM Table 282-0089. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820089&pattern=&csid=> (Accessed on October 6, 2017)

<sup>2</sup> The Conference Board of Canada (September 13, 2017). Provincial Outlook Economic Forecast: Summer 2017. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=9092>

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<sup>4</sup> BC Gov News (September 15, 2017). Province to work with communities on wildfire recovery. Retrieved from: <https://news.gov.bc.ca/releases/2017FLNR0291-001587>

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