



Labour Market Bulletin

British Columbia

January 2018



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 for the first time in four months in January 2018, with approximately 5,000 fewer people employed compared to December 2017. Year over year, employment in the province increased by almost 60,000; 85% of these gains were in full-time employment.

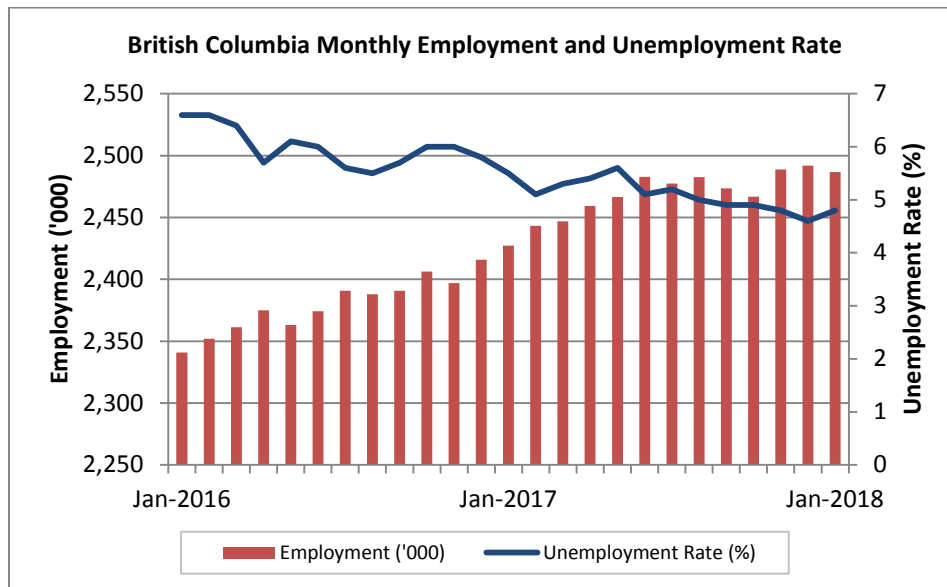
This month there was a decline both in public sector employment (-6,300) and in self-employment (-5,500). These losses were partially offset by an increase in the number of private sector employees (+6,700). The number of self-employed people in the province is up more than 30,000 year over year.

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	January 2018	December 2017	January 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,003.7	4,000.7	3,955.7	3.0	0.1	48.0	1.2
Labour Force ('000)	2,610.9	2,612.0	2,568.9	-1.1	0.0	42.0	1.6
Employment ('000)	2,486.8	2,491.9	2,427.3	-5.1	-0.2	59.5	2.5
Full-Time ('000)	1,950.8	1,946.7	1,900.8	4.1	0.2	50.0	2.6
Part-Time ('000)	535.9	545.1	526.5	-9.2	-1.7	9.4	1.8
Unemployment ('000)	124.1	120.2	141.6	3.9	3.2	-17.5	-12.4
Unemployment Rate (%)	4.8	4.6	5.5	0.2	-	-0.7	-
Participation Rate (%)	65.2	65.3	64.9	-0.1	-	0.3	-
Employment Rate (%)	62.1	62.3	61.4	-0.2	-	0.7	-

Note: Totals may not add due to rounding

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



At 4.8%, BC's unemployment rate remained the lowest in the country for the sixth consecutive month in January, one full percentage point below the national average. The unemployment rate increased slightly for most demographic groups in BC in January. However, the unemployment rate for young men (15 to 24 years) decreased one full percentage point to 8.2% — the lowest rate for this group since August 2016. Year over year, the unemployment rate for young men in BC has fallen over three percentage points.

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	January 2018	December 2017	January 2017	Monthly Variation	Yearly Variation
	(%)	(%)	(%)	(% points)	(% points)
Total	4.8	4.6	5.5	0.2	-0.7
25 years and over	4.4	4.2	4.8	0.2	-0.4
Men - 25 years and over	4.5	4.4	4.8	0.1	-0.3
Women - 25 years and over	4.2	3.9	4.7	0.3	-0.5
15 to 24 years	7.0	7.0	9.8	0.0	-2.8
Men - 15 to 24 years	8.2	9.2	11.8	-1.0	-3.6
Women - 15 to 24 years	5.9	4.9	7.7	1.0	-1.8

Note: Totals may not add due to rounding

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

EMPLOYMENT BY INDUSTRY

BC's services-producing sector shed 19,000 positions in January, partially offset by an increase of 13,900 positions in the goods-producing sector. Both sectors have performed strongly on a year-over-year basis though, with employment gains in the goods-producing sector (+32,600) outpacing the services-producing sector (+26,900).

The strongest monthly employment increase was seen in the construction industry (+7,800). All told, the construction industry is responsible for 42% of all employment gains in the province over the past year.

According to BuildForce Canada's recent construction and maintenance forecast for BC, over \$35 billion in current and proposed new major project investment is expected between 2019 and 2021. The various infrastructure projects slated for construction include major pipeline and Liquefied Natural Gas (LNG) projects, as well as electrical generation and transmission projects that will increase engineering construction requirements. As a result, the need for workers in the non-residential construction industry will rise by 20% over this period.¹

One of BC's major infrastructure projects is the proposed Kinder Morgan Trans Mountain pipeline expansion. The proposed pipeline would move oil from Alberta to Burnaby and triple the volume of Alberta crude available for export to Asian markets.² The \$7.4 billion project was approved by the federal government in 2016, however, the provincial government recently proposed new legislation to restrict shipments of oil sands crude in pipelines and on railway cars in BC. The Province aims to establish an independent scientific advisory panel to make recommendations on the transportation and potential clean-up of heavy oils.³ These protective environmental regulations will have the effect of stalling any pipeline project development within BC. Funding for BC municipalities along the pipeline route would be lost should the project be cancelled.⁴

In other goods-producing industries, employment was also up in manufacturing on a monthly basis (+3,900). Despite these positive employment results for the overall manufacturing industry, the province's newspaper manufacturing industry received a blow in January when the United States Department of Commerce (USDC) announced preliminary duties on newsprint exports from Canada. BC-based Catalyst Paper Corp. is one of several Canadian paper companies affected by the new duties. The company operates paper mills in Port Alberni, Crofton and Powell River and is facing a preliminary duty of 6.1%.⁵ The company says the duty will impact a substantial portion of their overall Canadian production.

Turning to the services-producing sector, employment in the finance, insurance, real estate, rental and leasing industry fell 6,200 in January. Although growth in the industry has slowed recently, employment is still up 20,000 compared to last January. BC's strong real estate market continues to be a major economic driver for the province. B.C. Assessment's recent release of 2018 property assessments reveals most regions in the province experienced a substantial increase in assessed residential property values. Vancouver Island, for instance, has three jurisdictions with over 20% increases in average residential property assessments for 2018. In the Lower Mainland-Southwest, average property assessments increased anywhere from 2.9% for the City of Delta, all the way to an astounding 44.94% for Tsawwassen First Nation.⁶

In contrast, property values have declined in many of BC's northern communities. Stalled and cancelled LNG and pipeline projects have negatively impacted property values in parts of northern BC. The sharpest decrease is in Kitimat where the average assessed value of residential properties is down 17.9% for 2018.⁷ In 2014, Kitimat led the province with 27% assessment increases, largely based on speculation of two major LNG projects in the region.⁸ LNG Canada, the joint venture led by Royal Dutch Shell Plc, is hoping to have a final investment decision on the proposed \$40 billion Kitimat project ready in 2018.⁹ Meanwhile, Chevron Canada and Woodside Canada have yet to announce a final investment decision on their \$3.5 billion Kitimat LNG project.¹⁰

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	January 2018	December 2017	January 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,486.8	2,491.9	2,427.3	-5.1	-0.2	59.5	2.5
Goods-producing sector	512.7	498.8	480.1	13.9	2.8	32.6	6.8
Agriculture	27.4	23.8	27.8	3.6	15.1	-0.4	-1.4
Forestry, fishing, mining, quarrying, oil and gas	47.8	50.3	48.7	-2.5	-5.0	-0.9	-1.8
Utilities	14.1	13.0	13.6	1.1	8.5	0.5	3.7
Construction	245.0	237.2	219.7	7.8	3.3	25.3	11.5
Manufacturing	178.3	174.4	170.4	3.9	2.2	7.9	4.6
Services-producing sector	1,974.1	1,993.1	1,947.2	-19.0	-1.0	26.9	1.4
Trade	389.0	376.8	374.6	12.2	3.2	14.4	3.8
Transportation and warehousing	131.5	135.2	143.8	-3.7	-2.7	-12.3	-8.6
Finance, insurance, real estate and leasing	153.5	159.7	142.7	-6.2	-3.9	10.8	7.6
Professional, scientific and technical services	198.9	205.2	195.4	-6.3	-3.1	3.5	1.8
Business, building and other support services	97.4	100.3	104.8	-2.9	-2.9	-7.4	-7.1
Educational services	163.3	167.7	164.3	-4.4	-2.6	-1.0	-0.6
Health care and social assistance	318.9	319.5	289.2	-0.6	-0.2	29.7	10.3
Information, culture and recreation	130.0	132.9	130.0	-2.9	-2.2	0.0	0.0
Accommodation and food services	176.3	180.6	184.9	-4.3	-2.4	-8.6	-4.7
Other services	114.9	114.6	113.8	0.3	0.3	1.1	1.0
Public administration	100.4	100.4	103.8	0.0	0.0	-3.4	-3.3

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Annual employment is up in four out of BC's seven economic regions. Year over year, the majority of all employment gains in BC were in the Lower Mainland-Southwest economic region. Indeed, there were an astounding 77,400 new positions added in this economic region alone.

The wholesale and retail trade industry in the Lower Mainland-Southwest gained approximately 5,000 new positions over the last year. However, the region faces challenges in the near term due to recent layoff announcements in the grocery industry. Sobeys Inc. announced they will be closing ten Safeway locations in the Lower Mainland this year due to falling sales and changing customer demand. Five of these locations will be permanently closed and the others may reopen as the company's discount grocer FreshCo. According to union representatives, approximately 1,000 employees will be impacted by the closures.¹¹ Amazon.com's increased presence in food retailing, as well as the Province's move to increase minimum wage to \$15.20 per hour by June 2021 are putting pressure on grocery retailers to adopt technology in order to remain competitive.¹² Retail salespeople and cashiers are among the top five jobs most at risk from automation.¹³

Looking to BC's northern and more rural regions, the unemployment rate has decreased substantially in the Cariboo, North Coast and Nechako, and Northeast economic regions over the past year. According to the

recently-released State of the North Report, the economy of Northern BC has stabilized following the 2014 drop in commodity prices. Major energy projects currently underway in the north include the Site C Dam near Fort St. John, the Moose Lake Wind Project near Tumbler Ridge and the Fort St. James Green Energy project. Other infrastructure investments in the region include \$787 million worth of transportation projects, \$74 million in education projects, and \$21 million in recreation.¹⁴

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	January 2018 ('000)	January 2017 ('000)	Yearly Variation (%)	January 2018 (%)	January 2017 (%)	Yearly Variation (% points)
British Columbia	2,467.4	2,393.4	3.1	4.8	5.8	-1.0
Economic Regions						
Vancouver Island and Coast	383.3	380.0	0.9	5.3	5.3	0.0
Lower Mainland-Southwest	1,605.9	1,528.5	5.1	4.0	4.9	-0.9
Thompson-Okanagan	250.8	250.5	0.1	7.2	8.6	-1.4
Kootenay	67.2	73.4	-8.4	7.4	7.7	-0.3
Cariboo	79.3	80.3	-1.2	7.3	8.8	-1.5
North Coast and Nechako	43.3	40.7	6.4	5.7	7.5	-1.8
Northeast	37.7	39.9	-5.5	3.8	10.5	-6.7

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

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¹ BuildForce Canada (January 2018). British Columbia – construction and maintenance looking forward. Retrieved from: https://www.constructionforecasts.ca/sites/forecast/files/highlights/2018/2018_BC_Constr_Maint_Looking_Forward.pdf

² Conference Board of Canada (January 2, 2018). Provincial Outlook Economic Forecast: British Columbia - Autumn 2017. Retrieved from: <http://www.conferenceboard.ca/e-Library/abstract.aspx?did=9376>

³ The Province (January 30, 2018). B.C. proposes new rules to restrict oilsands exports in fresh setback for Trans Mountain pipeline. Retrieved from: <http://theprovince.com/commodities/energy/b-c-proposes-new-rules-to-restrict-oilsands-exports-in-fresh-setback-for-trans-mountain-pipeline/wcm/0079d114-7e09-4143-a4ec-4ec3cbb2a0a8>

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- ⁵ United States Department of Commerce (January 9, 2018). Fact Sheet – Commerce Preliminarily Finds Countervailable Subsidization of Imports of Uncoated Groundwood Paper from Canada. Retrieved from: <https://enforcement.trade.gov/download/factsheets/factsheet-canada-uncoated-groundwood-paper-cvd-prelim-010918.pdf>
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- ⁷ Vancouver Sun (January 4, 2018). B.C.'s LNG region experiences assessment deflation with projects on pause. Retrieved from: <http://vancouversun.com/news/local-news/b-c-s-lng-region-experiences-assessment-deflation-with-projects-on-pause>
- ⁸ CBC News (January 3, 2018). As LNG promise fades, property assessments decline in B.C.'s north. Retrieved from: <http://www.cbc.ca/news/canada/british-columbia/real-estate-prices-north-1.4470455>
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- ¹³ CBC News (October 24, 2017). Retailers embrace self-service technology, at the expense of jobs. Retrieved from: <http://www.cbc.ca/news/business/retail-jobs-cp-1.4369392>
- ¹⁴ Northern Development Initiative Trust (January, 2018). State of the North Report. Retrieved from: <https://www.northerndevelopment.bc.ca/wp-content/uploads/2018/01/NDIT-SoTN-Report-Final.pdf>