



# Labour Market Bulletin

British Columbia

October 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 was down 1.1% in October with full-time employment losses (-13,300) outpacing part-time employment gains (+12,100). Year-over-year, employment in BC grew 2.0% due to gains both in full-time (+36,000) and part-time employment (+12,300).

Employment in the public (-7,400) and private (-200) sectors was down in October, while there was an increase in self-employed workers (+6,500). The majority of BC's employed are in the private sector (64.8%), whereas a smaller percentage work in the public sector (17.5%) or are self-employed (17.7%). A greater proportion of the workforce is self-employed in BC compared to the national average (15.3%).<sup>1</sup>

BC's unemployment rate dropped 0.1 percentage points to 4.1% in October, the lowest rate among provinces and well below the national average (5.8%). Indeed, BC has maintained the lowest unemployment rate of any province in Canada for the last 14 months. Quebec had the second lowest unemployment rate among provinces in October (5.2%) – over a full percentage point higher than BC's rate.

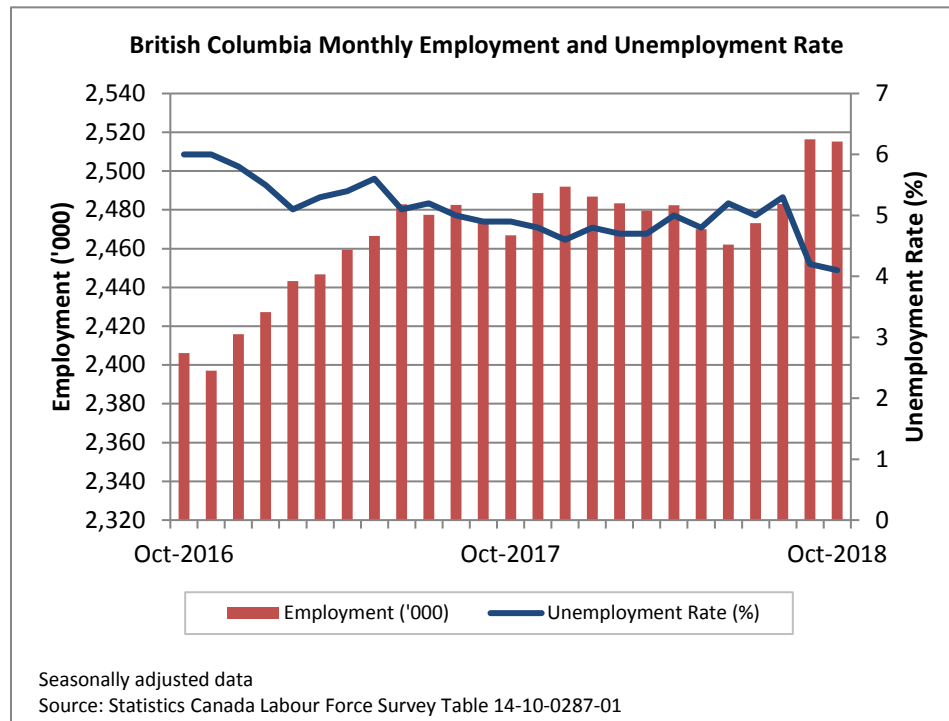
In addition to BC's consistently low unemployment rate, the latest figures indicate BC has the highest job vacancy rate of any province in Canada (2.7% in July 2018).<sup>2</sup> Moreover, BC had the highest annual job vacancy rate of any province in 2016 and 2017.<sup>3</sup> Despite a low unemployment rate and high job vacancy rate, the average weekly wage rate has trended down in BC over the last four months.<sup>4</sup>

## British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	October 2018	September 2018	October 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	4,050.2	4,045.9	3,994.8	4.3	0.1	55.4	1.4
<b>Labour Force ('000)</b>	2,623.6	2,627.7	2,592.7	-4.1	-0.2	30.9	1.2
<b>Employment ('000)</b>	2,515.3	2,516.4	2,466.9	-1.1	0.0	48.4	2.0
Full-Time ('000)	1,979.1	1,992.4	1,943.1	-13.3	-0.7	36.0	1.9
Part-Time ('000)	536.2	524.1	523.9	12.1	2.3	12.3	2.3
<b>Unemployment ('000)</b>	108.3	111.3	125.8	-3.0	-2.7	-17.5	-13.9
<b>Unemployment Rate (%)</b>	4.1	4.2	4.9	-0.1	-	-0.8	-
<b>Participation Rate (%)</b>	64.8	64.9	64.9	-0.1	-	-0.1	-
<b>Employment Rate (%)</b>	62.1	62.2	61.8	-0.1	-	0.3	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087



The unemployment rate for youth aged 15 to 24 years dropped 0.1 percentage points to 6.7% on a monthly basis. The unemployment rate among male youth fell 0.3 percentage points to 8.4%, while the rate for young women remains unchanged (5.0%). BC's unemployment rate for young men is the lowest in Canada for this group. Meanwhile, the unemployment rate for men aged 25 years and over (3.1%) is the lowest of any age and gender grouping in BC and is also substantially below the national average for this group (5.0%).

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

Seasonally Adjusted Data	October 2018	September 2018	October 2017	Monthly Variation	Yearly Variation
	(%)	(%)	(%)	(% points)	(% points)
<b>Total</b>	4.1	4.2	4.9	-0.1	-0.8
<b>25 years and over</b>	3.7	3.8	4.3	-0.1	-0.6
Men - 25 years and over	3.1	3.7	4.3	-0.6	-1.2
Women - 25 years and over	4.4	3.9	4.3	0.5	0.1
<b>15 to 24 years</b>	6.7	6.8	7.9	-0.1	-1.2
Men - 15 to 24 years	8.4	8.7	9.9	-0.3	-1.5
Women - 15 to 24 years	5.0	5.0	6.0	0.0	-1.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

## EMPLOYMENT BY INDUSTRY

Employment in BC's goods-producing sector fell in October (-1,500), while employment in the services-producing sector remained relatively unchanged (+400). On an annual basis, there were employment gains in both sectors with a far greater uptick in employment in services-producing industries (+46,800) than in goods-producing industries (+1,600).

There were employment losses in the majority of BC's goods-producing industries for the month of October. Only the resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) (+1,900 or +3.9%) and the utilities industry (+200 or +1.4%) saw employment rise.

Employment in oil and gas extraction is expected to increase in the province within the next five years once BC's first liquefied natural gas (LNG) facility is constructed. On October 1, LNG Canada announced approval for the construction of an LNG processing terminal in Kitimat, as well as a pipeline linking the terminal to northeast BC.<sup>5</sup> Once operational, the processing facility will generate up to 950 permanent positions. This \$40 billion project represents the largest private sector investment project in Canadian history, and it is expected to generate about \$23 billion in public revenue over 40 years.<sup>6</sup>

LNG Canada has contracted with TransCanada to build, own, and operate the 670 km Coastal GasLink pipeline that will transport natural gas from the Montney basin to the new coastal facility. The natural gas will then be processed and shipped to Asian markets, opening new avenues for international trade.<sup>7</sup>

While these new project developments will increase the capacity to transport natural gas in BC, a rupture that occurred on an Enbridge natural gas pipeline north of Prince George in early October has caused an immediate reduction in natural gas supply for the province.<sup>8</sup> Enbridge has completed repairs on the ruptured pipeline but will be operating at reduced capacity until a regulatory review by the National Energy Board is complete.<sup>9</sup> FortisBC, a private utilities company that supplies natural gas to the Lower Mainland, Vancouver Island, and the southern interior, has indicated this reduced supply means there will not be enough natural gas to support the typical winter natural gas consumption of their entire customer base.<sup>10</sup>

Turning to other BC goods-producing industries, monthly employment in agriculture was down 4.5% (-1,100), while employment in manufacturing contracted 1.3% (-2,300). However, the recent legalization of recreational cannabis could have a significant impact on employment in these two industries. On October 17, the Government of Canada implemented a new legal framework that legalizes, regulates and restricts access to cannabis.<sup>11</sup> Within this framework, each province and territory is responsible for determining how recreational cannabis is distributed and sold in their region. To date, the Province has entered into supply agreements with 38 licenced producers. For instance, Canopy Growth Corp. has a 15-hectare greenhouse in Delta and a 12-hectare greenhouse in Aldergrove. Under its memorandum with the province, Canopy expects to supply 5,719 kilograms of dried cannabis to BC's distribution branch within the first 12 months of legalization.<sup>12</sup>

The cannabis industry is also expected to impact employment in the services-producing sector. Within the public sector, the BC Liquor Distribution Branch (LDB) has been hiring and training a dedicated cannabis operations team in retail, digital, supply-chain, distribution and corporate environments. The Province also manages a 70,000 square foot warehouse and distribution centre located in Richmond, which is expected to employ up to 130 people.<sup>13</sup>

The BC Liquor Distribution Branch (LDB) is the sole wholesale distributor of recreational cannabis in the province, and also operates public retail stores and provides online sales.<sup>14</sup> Only one government-operated BC Cannabis store opened on the first day of legalization and the first legal, private recreational cannabis retail store licence was issued to Tamarack Cannabis Boutique in Kimberley, effective November 1, 2018.<sup>15</sup> As of October 31, 2018 there were 255 cannabis retail store applications received by the BC Liquor and Cannabis Regulation Branch (LCRB) and only the Kimberley location had been issued a licence. The LCRB will not issue a cannabis retail licence without a positive recommendation from the appropriate local government or Indigenous nation.<sup>16</sup>

For the month of October, employment increased in over half of BC's services-producing industries. The greatest monthly increases were in retail and wholesale trade (+4,900) and educational services (+5,100). Employment was also up in the transportation and warehousing industry (+1,400) on a monthly basis. However, this industry was negatively impacted when Greyhound ended all bus transportation routes in Western Canada on October 31, 2018. In BC, Greyhound was losing \$35,000 a day as ridership dropped 30% in the last 5 years.<sup>17</sup> While Greyhound will continue to offer service between Vancouver and Seattle, the BC Transportation Board has been fast-tracking applications from private companies such as Rider Express Transportation, Diversified Transportation (Ebus), Wilson Transportation (Island Connector or B.C. Connector), and Silver City Stagelines to replace bus service across the rest of the province.<sup>18</sup>

According to the Province, 83% of the BC route kilometers previously serviced by Greyhound are already being serviced by new companies. The federal and provincial governments are now considering possible subsidies to support some of the less profitable routes servicing more remote communities in order to entice private companies.<sup>19</sup> The federal government will also provide support for Indigenous-owned transportation companies to provide service for their own affected communities.<sup>20</sup>

The provincial government has already established BC Bus North, an interim measure to meet the needs of remote northern communities.<sup>21</sup> Under Budget 2018, the Government also allocated \$7.3 million over four years towards the Highway 16 Transportation Action Plan.<sup>22</sup>

## British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	October 2018	September 2018	October 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,515.3	2,516.4	2,466.9	-1.1	0.0	48.4	2.0
<b>Goods-producing sector</b>	498.0	499.5	496.4	-1.5	-0.3	1.6	0.3
Agriculture	23.2	24.3	26.5	-1.1	-4.5	-3.3	-12.5
Forestry, fishing, mining, quarrying, oil and gas	51.0	49.1	47.5	1.9	3.9	3.5	7.4
Utilities	14.2	14.0	13.2	0.2	1.4	1.0	7.6
Construction	237.4	237.7	232.0	-0.3	-0.1	5.4	2.3
Manufacturing	172.2	174.5	177.2	-2.3	-1.3	-5.0	-2.8
<b>Services-producing sector</b>	2,017.3	2,016.9	1,970.5	0.4	0.0	46.8	2.4
Trade	369.8	364.9	376.8	4.9	1.3	-7.0	-1.9
Transportation and warehousing	141.7	140.3	135.7	1.4	1.0	6.0	4.4
Finance, insurance, real estate and leasing	152.9	150.9	160.6	2.0	1.3	-7.7	-4.8
Professional, scientific and technical services	215.8	213.7	198.7	2.1	1.0	17.1	8.6
Business, building and other support services	98.5	96.5	99.2	2.0	2.1	-0.7	-0.7
Educational services	172.0	166.9	165.6	5.1	3.1	6.4	3.9
Health care and social assistance	324.3	330.9	310.3	-6.6	-2.0	14.0	4.5
Information, culture and recreation	126.2	127.0	133.7	-0.8	-0.6	-7.5	-5.6
Accommodation and food services	190.5	195.4	180.6	-4.9	-2.5	9.9	5.5
Other services	121.9	122.3	109.9	-0.4	-0.3	12.0	10.9
Public administration	103.7	108.1	99.4	-4.4	-4.1	4.3	4.3

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

## REGIONAL ANALYSIS

Year-over-year employment increased in four out of BC's seven economic regions. Lower Mainland-Southwest has the lowest unemployment rate in the province at 4.2%, while the Kootenay region has the highest rate (6.2%).

The labour force in the Vancouver Census Metropolitan Area (CMA) grew 2.6% (+37,900) between October 2017 and October 2018. Labour force participation in Vancouver CMA increased 0.6 percentage points to 67.2% over the past year. In comparison, participation rates fell to 66.7% in Montréal CMA and 65.7% in Toronto CMA.<sup>23</sup>

The Province forecasts 903,000 job openings in BC over the next ten years with 65% of these job openings in the Lower Mainland-Southwest region and 17% in the Vancouver Island and Coast region. Although the Province expects about 24,000 immigrants from other countries and 8,000 migrants from other provinces to join BC's labour force each year over the next decade, this will not be enough to meet the anticipated needs of the labour market.<sup>24</sup>

The Temporary Foreign Worker Program (TFWP) plays an important role in increasing the availability of skilled workers in BC and the Province recently announced plans to create a registry in order to help protect the rights of Temporary Foreign Workers (TFW) participating in the program. There were 16,865 work permits issued for workers destined for BC through the TFWP in 2017; the second highest number in Canada after Ontario. The majority of BC permit holders reside in the Lower Mainland (83%).<sup>25</sup>

At the recent Vancouver Island Economic Alliance's Economic Summit, BC's premier discussed low unemployment on the Island, as well as unmet high demand for skilled labour in the region.<sup>26</sup> In October, Greater Victoria's unemployment rate was 3.9%, the lowest rate in the province and the second lowest among CMAs in the country after Guelph, Ontario (3.3%).<sup>27</sup>

### British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2018 ('000)	October 2017 ('000)	Yearly Variation (%)	October 2018 (%)	October 2017 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,520.3	2,486.2	1.4	4.5	4.9	-0.4
<b>Economic Regions</b>						
Vancouver Island and Coast	401.1	389.8	2.9	4.5	4.9	-0.4
Lower Mainland - Southwest	1,625.1	1,596.9	1.8	4.2	4.2	0.0
Thompson - Okanagan	258.8	264.6	-2.2	5.5	8.0	-2.5
Kootenay	74.2	69.7	6.5	6.2	7.7	-1.5
Cariboo	78.7	83.1	-5.3	4.7	5.9	-1.2
North Coast and Nechako	42.5	44.3	-4.1	4.7	5.9	-1.2
Northeast	39.8	37.8	5.3	4.3	6.0	-1.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 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, Table 14-10-0288-01 (formerly CANSIM 282-0089); Employment by class of worker, monthly, seasonally adjusted and unadjusted, last 5 months (x1,000). Accessed on November 2, 2018. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410028801#timeframe>

<sup>2</sup> Statistics Canada; Table 14-10-0224-01 (formerly CANSIM 284-0001); Job vacancies, labour demand and job vacancy rate, three-month moving average, unadjusted for seasonality. Accessed on November 2, 2018. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410022401>

<sup>3</sup> Statistics Canada; Table 14-10-0225-01 (formerly CANSIM 284-0002); Job vacancies, labour demand and job vacancy rate, annual. Accessed on November 2, 2018. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410022501>

<sup>4</sup> Statistics Canada; Table 14-10-0063-01 (formerly CANSIM 282-0071); Employee wages by industry, monthly, unadjusted for seasonality. Accessed on November 5, 2018. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410006301#timeframe>

<sup>5</sup> LNG Canada (October 1, 2018). LNG Canada announces a positive final investment decision. Retrieved from: <https://www.lngcanada.ca/latest-news/>

<sup>6</sup> BC Gov News (October 2, 2018). B.C.'s new LNG Framework to deliver record investment, world's cleanest LNG facility. Retrieved from: <https://news.gov.bc.ca/releases/2018PREM0073-001910>

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<sup>8</sup> Statistics Canada. Canadian economic news, October 2018 edition. Accessed on November 2, 2018. Retrieved from: <https://www.statcan.gc.ca/eng/dai/btd/cen/oct2018>

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<sup>10</sup> FortisBC (November 2, 2018). Natural gas supply still limited despite completed Enbridge pipeline repair. Retrieved from: <https://www.fortisbc.com/MediaCentre/NewsReleases/2018/Pages/20181102-Natural-gas-supply-still-limited-despite-completed-Enbridge-pipeline-repair.aspx>

<sup>11</sup> Statistics Canada. Canadian Economic News, October 2018 edition. Accessed on November 1, 2018. Retrieved from: <https://www.statcan.gc.ca/eng/dai/btd/cen/oct2018>

<sup>12</sup> Vancouver Sun (August 14, 2018). Licensed pot producers join forces with Vancouver hothouses to produce megacrops for recreational market. Retrieved from: <https://vancouversun.com/business/local-business/licensed-pot-producers-join-forces-with-vancouver-hothouses-to-produce-megacrops-for-recreational-market>

<sup>13</sup> BC Gov News (June 22, 2018). LDB readies for online sales of non-medical cannabis, secures distribution centre. Retrieved from: <https://news.gov.bc.ca/releases/2018AG0048-001265>

<sup>14</sup> Government of Canada. Cannabis in the provinces and territories. Accessed on November 1, 2018. Retrieved from: <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/laws-regulations/provinces-territories.html>

<sup>15</sup> BC Gov News (October 31, 2018). B.C. issues first licence for private, non-medical cannabis retail store. Retrieved from: <https://news.gov.bc.ca/releases/2018AG0088-002097>

<sup>16</sup> British Columbia. Cannabis licencing, application statistics. Accessed on November 1, 2018. Retrieved from: <https://justice.gov.bc.ca/cannabislicensing/policy-document/application-stats>

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