



Labour Market Bulletin

British Columbia

March 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

Over 2.48 million people were employed in BC in the first quarter of 2018, up 44,100 from the first quarter of 2017. Employment in the province was relatively unchanged on a quarterly basis, with part-time employment gains (+8,500) offsetting losses in full-time employment (-7,800).

Private sector employment was up nearly 10,000 in the first quarter of 2018. All told, private sector employment represents almost 65% of all employment in BC. The number of these workers had steadily increased in the province between the second quarter of 2015 and the second quarter of 2017, before falling in each of the last two quarters of 2017.¹

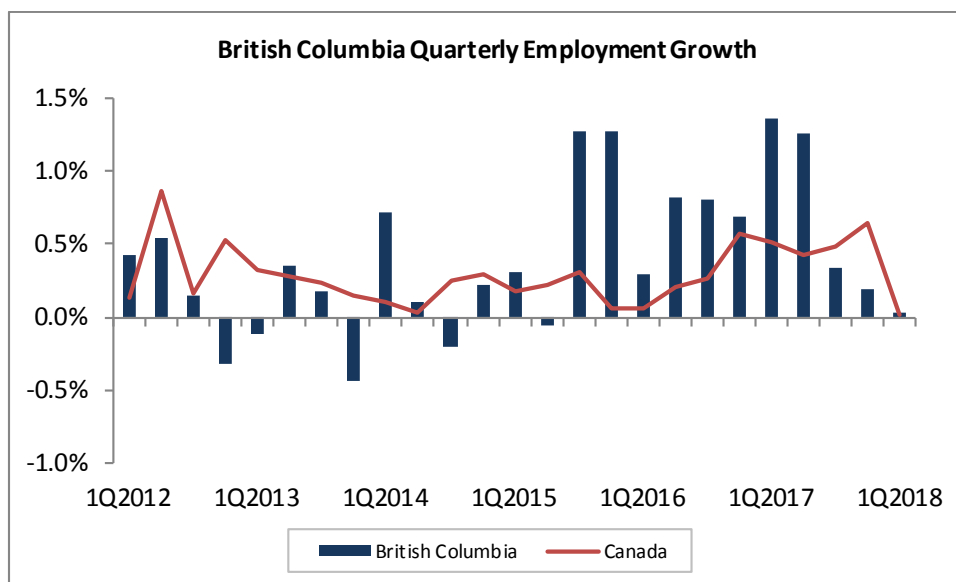
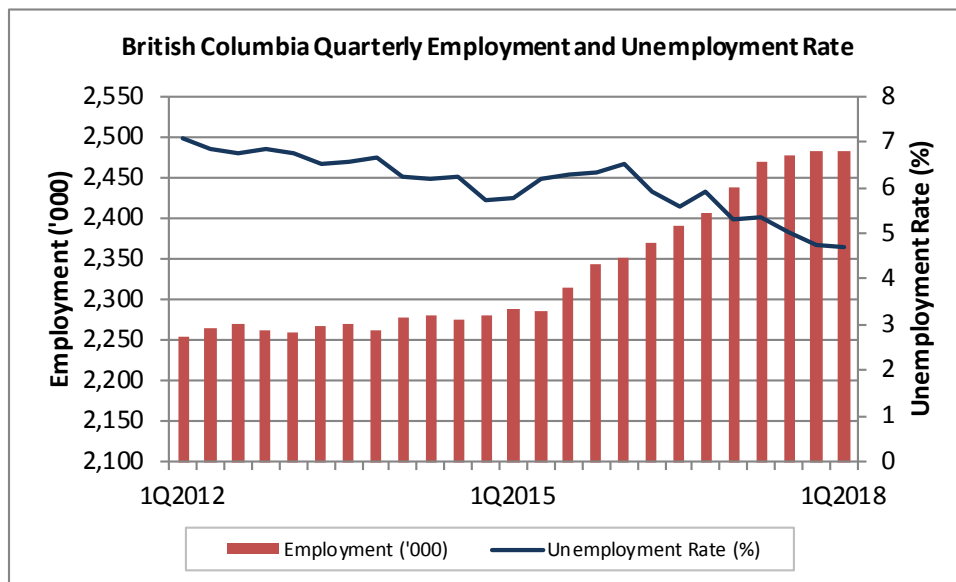
In contrast to the private sector, both public sector employment and self-employment edged down in the first quarter of 2018. Despite recent losses, the number of self-employed people (+6.8%) and public sector employment (+4.1%) are still up considerably on a year-over-year basis.²

British Columbia Quarterly Labour Force Statistics

Seasonally Adjusted Data	1st Quarter 2018	4th Quarter 2017	1st Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,007.9	3,997.7	3,959.6	10.2	0.3	48.3	1.2
Labour Force ('000)	2,606.1	2,606.5	2,576.2	-0.4	0.0	29.9	1.2
Employment ('000)	2,483.2	2,482.5	2,439.1	0.7	0.0	44.1	1.8
Full-Time ('000)	1,939.7	1,947.5	1,918.5	-7.8	-0.4	21.2	1.1
Part-Time ('000)	543.5	535.0	520.6	8.5	1.6	22.9	4.4
Unemployment ('000)	122.8	124.0	137.1	-1.2	-1.0	-14.3	-10.4
Unemployment Rate (%)	4.7	4.8	5.3	-0.1	-	-0.6	-
Participation Rate (%)	65.0	65.2	65.1	-0.2	-	-0.1	-
Employment Rate (%)	62.0	62.1	61.6	-0.1	-	0.4	-

Note: Totals may not add due to rounding

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



The unemployment rate in BC fell for a third consecutive quarter, falling to 4.7% — the lowest unemployment rate in the country. BC's unemployment rate is down across almost every demographic group in the first quarter of 2018. Only women (25 years and over) have a slightly higher unemployment rate, edging up 0.1 percentage points to 4.2%. However, this demographic group has maintained the lowest unemployment rate in BC for most of the last five years.

According to the most recent data available, the number of Employment Insurance (EI) beneficiaries in BC decreased at an average monthly rate of 1.4% between January 2017 and January 2018.³ For the last five years, three in five EI recipients in BC have been male, although men represent only about half of the province's labour force.

British Columbia Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	1st Quarter 2018 (%)	4th Quarter 2017 (%)	1st Quarter 2017 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	4.7	4.8	5.3	-0.1	-0.6
25 years and over	4.3	4.3	4.6	0.0	-0.3
Men - 25 years and over	4.3	4.4	4.8	-0.1	-0.5
Women - 25 years and over	4.2	4.1	4.5	0.1	-0.3
15 to 24 years	7.4	7.6	9.4	-0.2	-2.0
Men - 15 to 24 years	9.2	9.5	11.1	-0.3	-1.9
Women - 15 to 24 years	5.6	5.7	7.5	-0.1	-1.9

Note: Totals may not add due to rounding

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

Labour market indicators for Indigenous people

In the first quarter of 2018, the Indigenous population living off-reserve accounted for 4.2% (168,800) of BC's total population aged 15 and over (4,007,900). Employment among the Indigenous population in BC increased to 100,200 (+5,400 or 5.7%) from the first quarter in 2017. The increase is attributable to full-time positions (+7,600 or 10.6%) which were slightly offset by a decrease in part-time positions (-2,200 or -9.4%).

The unemployment rate among Indigenous people was 11.1% in the first quarter of 2018, having decreased by 2.6 percentage points from the previous year. The unemployment rate among the non-Indigenous population declined year-over-year to 4.8% (-0.6 percentage points). Between the first quarter in 2017 and the first quarter in 2018, the participation rate among the Indigenous population edged down to 66.8% (-1.1 percentage points) and remained unchanged for the non-Indigenous population at 64.2%. The employment rate of Indigenous people increased year-over-year to 59.4% (+0.8 percentage points), while non-Indigenous populations increased to 61.1% (+0.3 percentage points).

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)	
	Q1 2018	Q1 2017	number	%	Q1 2018	Q1 2017	number	%
Population 15 + ('000)	168.8	161.8	7.0	4.3	3,839.1	3,798.0	41.1	1.1
Labour Force ('000)	112.7	109.8	2.9	2.6	2,464.7	2,440.9	23.8	1.0
Employment ('000)	100.2	94.8	5.4	5.7	2,347.3	2,309.6	37.7	1.6
Full-Time ('000)	79.1	71.5	7.6	10.6	1,817.9	1,804.0	13.9	0.8
Part-Time ('000)	21.1	23.3	-2.2	-9.4	529.4	505.6	23.8	4.7
Unemployment ('000)	12.5	15.0	-2.5	-16.7	117.4	131.3	-13.9	-10.6
Unemployment Rate (%)	11.1	13.7	-2.6	-	4.8	5.4	-0.6	-
Participation Rate (%)	66.8	67.9	-1.1	-	64.2	64.3	-0.1	-
Employment Rate (%)	59.4	58.6	0.8	-	61.1	60.8	0.3	-

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 in BC's goods-producing sector increased 1.7% in the first quarter of 2018 and is up over 5.0% on an annual basis. In comparison, employment growth was much more subdued in BC's services-producing sector over the same timeframes; declining 0.4% on a quarterly basis and increasing just 1.0% annually.

The construction industry continues to be the most significant driver for goods-producing employment growth in the province. This industry saw significant employment gains (+19,800) between the first quarter of 2017 and the first quarter of 2018. In fact, almost 80% of annual employment gains in the goods-producing sector were in the construction industry. According to the Conference Board of Canada, large energy initiatives planned or currently under construction in BC will have an important impact on the province's economic growth in 2018.⁴

Meanwhile, final investment decisions are still pending for two major liquefied natural gas (LNG) projects in BC; LNG Canada and Kitimat LNG. LNG Canada proposes to build an LNG processing plant and export terminal in Kitimat, as well as to construct a natural gas pipeline linking northeast BC to the new facility.⁵ The \$40 billion project is expected to create up to 10,000 construction jobs and as many as 950 full time positions in northern BC.⁶ A final investment decision is expected in 2018, and if approved, it would be the largest private-sector investment in BC history.⁷

Despite government incentives, construction costs remain a concern for investors. LNG Canada has asked the federal government for tariff relief on the fabricated industrial steel components it must import from China to

construct LNG facilities in Kitimat. The components are not available in Canada and are currently subject to a 45.8 per cent duty, increasing construction costs for any proposed LNG facility.⁸

In the wake of LNG project cancellations such as Pacific Northwest LNG, Aurora and Woodside, the Government of BC recently announced a new fiscal framework for natural gas development in the province. The latest changes include tax relief meant to increase the competitiveness of BC's LNG industry.⁹

Looking at BC's other goods-producing industries, there were annual employment losses in agriculture and in the resource extraction industry (forestry, fishing, mining, quarrying and oil and gas), while employment in the manufacturing industry increased. BC's manufacturing industry may be affected by recent decisions by the United States Department of Commerce (USDC) to impose preliminary countervailing and antidumping duties on Canadian imports of uncoated groundwood paper (UGW).¹⁰

Catalyst Paper Corp. is one of the country's top three UGW producers and employs over 1500 people in BC.¹¹ The company has three mills in the province located in Crofton, Port Alberni and Powell River, as well as headquarters in Richmond and a distribution centre in Surrey.¹² The USDC previously imposed a countervailing duty rate of 6.09 per cent against Catalyst Paper Corp. and has now added 22.16 per cent in anti-dumping duties — raising the company's combined tariff to 28.25 per cent. Final determination of duties is expected by August 2, 2018.¹³

Turning to the services-producing sector, significant annual employment gains were seen in health care and social assistance (+30,600). Going forward, extensive new provincial healthcare funding will support continued employment growth in this industry. In Budget 2018, the Province committed \$548 million over the next three years to improve healthcare for seniors and \$150 million to help connect British Columbians without a family doctor with team-based primary care.¹⁴ In 2017, the provincial government also announced \$90 million in new funding over three years towards the expansion of team-based care in BC. These changes include establishing nurses and nurse practitioners in primary care practices.¹⁵

Within the services-producing sector, employment in the transportation and warehousing industry has been trending down since the second quarter of 2017. Year-over-year, provincial employment in this industry is down over 13,000. On March 28, the Minister of Jobs, Trade and Technology expressed concerns to the federal government regarding inadequate rail transportation in northern BC. The Province is asking the Government of Canada to ensure a reliable supply of rail cars by working with the BC Chamber of Commerce to develop long-term solutions to Canadian National (CN) Rail's system in the north.¹⁶

CN has committed to adding train crews in Western Canada, including approximately 400 new conductors starting in the first three months of 2018, and an additional 375 from April to June. CN has also promised to increase capacity in the West by leasing 130 locomotives. In 2018, CN plans on spending over \$250 million to build new track and yard capacity in Western Canada, including the addition of a passing track between Prince Rupert and Alberta.¹⁷

Grain producers, as well as lumber mills and other businesses in northern BC, are being negatively impacted by month-long backlogs on rail lines. In turn, wait times at the Port of Prince Rupert have more than doubled recently, impacting trade with Asia and the United States.¹⁸

British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	1st Quarter 2018	4th Quarter 2017	1st Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,483.2	2,482.5	2,439.1	0.7	0.0	44.1	1.8
Goods-producing sector	507.8	499.4	482.5	8.4	1.7	25.3	5.2
Agriculture	25.7	25.5	27.3	0.2	0.8	-1.6	-5.9
Forestry, fishing, mining, quarrying, oil and gas	49.4	48.8	49.5	0.6	1.2	-0.1	-0.2
Utilities	13.6	13.4	13.2	0.2	1.5	0.4	3.0
Construction	242.4	235.8	222.6	6.6	2.8	19.8	8.9
Manufacturing	176.8	175.9	170.0	0.9	0.5	6.8	4.0
Services-producing sector	1,975.4	1,983.1	1,956.6	-7.7	-0.4	18.8	1.0
Trade	379.6	377.9	371.5	1.7	0.4	8.1	2.2
Transportation and warehousing	130.8	135.2	143.9	-4.4	-3.3	-13.1	-9.1
Finance, insurance, real estate and leasing	153.4	160.2	147.8	-6.8	-4.2	5.6	3.8
Professional, scientific and technical services	200.5	201.7	193.6	-1.2	-0.6	6.9	3.6
Business, building and other support services	100.5	98.9	107.6	1.6	1.6	-7.1	-6.6
Educational services	164.5	167.2	164.0	-2.7	-1.6	0.5	0.3
Health care and social assistance	322.8	314.9	292.2	7.9	2.5	30.6	10.5
Information, culture and recreation	127.4	133.9	134.1	-6.5	-4.9	-6.7	-5.0
Accommodation and food services	175.7	180.1	181.6	-4.4	-2.4	-5.9	-3.2
Other services	118.9	114.0	115.9	4.9	4.3	3.0	2.6
Public administration	101.4	99.1	104.5	2.3	2.3	-3.1	-3.0

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Employment increased in four of BC's seven economic regions over the last year while most regions saw their unemployment rate decline. The majority of employment gains over the past year were in the most populated region of BC, the Lower Mainland-Southwest. This region saw 3.8% annual employment growth (+57,900) and has had the lowest unemployment rate in the province for three consecutive quarters – currently at 4.3%.

Despite the high cost of housing, the population of Lower Mainland-Southwest continues to trend upward. In addition to those permanently residing in the region, the number of visitors continues to increase. According to Tourism Vancouver, over 10.3 million people visited the city in 2017, reaching a new record for the fourth consecutive year. The tourism industry contributes an estimated \$4.8 billion to the Metro Vancouver economy and supports over 70,000 full-time positions.¹⁹

Vancouver Island and Coast, Cariboo and North Coast and Nechako economic regions also saw growing employment over the past year, while Thompson-Okanagan, Kootenay, and Northeast economic regions registered employment losses for this period.

In the Kootenay region, employment is down a substantial 15.0% since the first quarter of 2017. The majority of these employment losses were in the goods-producing sector, most notably in manufacturing and construction.²⁰

Meanwhile, annual employment in the Northeast economic region is down 5.9%, with the majority of losses in the resource extraction industry (forestry, fishing, mining, quarrying, oil and gas). According to the recently released 2017 British Columbia Mineral and Coal Exploration Survey, \$246 million was spent on exploration in the province last year, up \$41 million from 2016. Only coal exploration expenditures fell (-20%) in 2017, mostly affecting the Northeast region of the province which saw a 75% drop in exploration spending.²¹

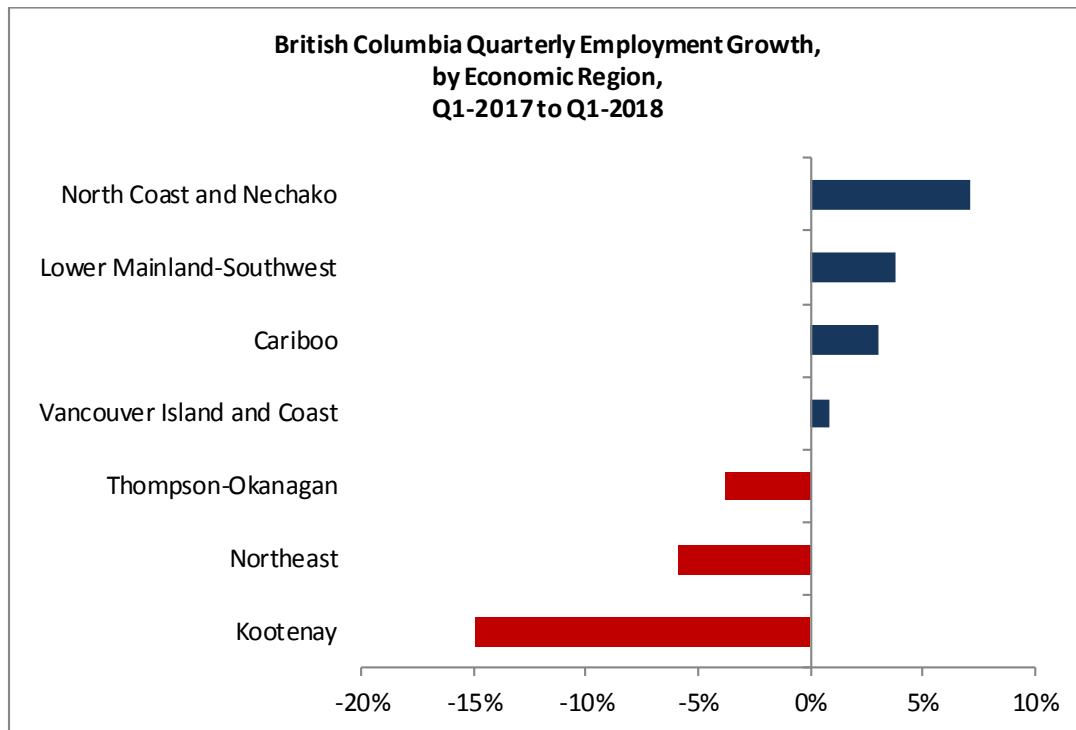
Looking forward, construction of the Site C dam and hydroelectric station should increase employment in the Northeast region. In March, BC Hydro signed a \$1.6 billion contract with Aecon-Flatiron-Dragados-EBC Partnership to build the Site C dam's generation station and spillways. Construction on this portion of the project will begin in the spring and continue for the next five years. It will employ up to 1,600 people and priority will be given to hiring local and Indigenous workers. The labour agreement with BC Building Trades also aims to fill 25% of these positions with apprentices.²²

British Columbia Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	1st Quarter 2018 ('000)	1st Quarter 2017 ('000)	Yearly Variation (%)	1st Quarter 2018 (%)	1st Quarter 2017 (%)	Yearly Variation (% points)
British Columbia	2,449.5	2,406.2	1.8	5.0	5.7	-0.7
Economic Regions						
Vancouver Island and Coast	383.5	380.1	0.9	5.6	5.6	0.0
Lower Mainland-Southwest	1,595.8	1,537.9	3.8	4.3	5.0	-0.7
Thompson-Okanagan	242.9	252.5	-3.8	7.4	8.3	-0.9
Kootenay	63.7	74.9	-15.0	6.3	6.4	-0.1
Cariboo	81.8	79.4	3.0	6.6	10.0	-3.4
North Coast and Nechako	43.6	40.7	7.1	7.6	6.4	1.2
Northeast	38.2	40.6	-5.9	5.7	6.5	-0.8

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 Statistics Canada, CANSIM Table 282-0089; Labour Force Survey estimates (LFS), employment by class of worker and sex, seasonally adjusted and unadjusted quarterly (persons x 1,000); Accessed April 6, 2018

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