



# Labour Market Bulletin

## British Columbia

July 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 increased 11,200 in BC during the month of July — edging closer to 2.5 million employed British Columbians. On an annual basis, employment is down 4,200 with part-time employment losses (-11,300) outpacing full-time employment gains (+7,100).

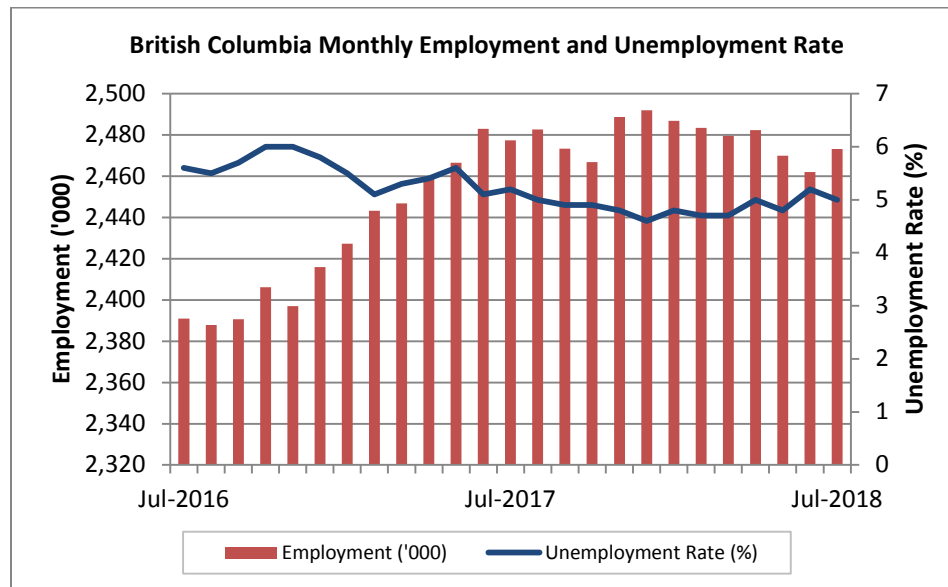
BC's labour force participation rate fell 1.1 percentage points on an annual basis. Overall labour force participation in Canada has been on the decline since 2007 and one reason for this shift is the effect of an aging population.<sup>1</sup> BC, well known as a retirement destination, is particularly susceptible to this change. In fact, according to 2016 Census data, BC is the only region in western Canada that has a more significant proportion of seniors (18.3%) than children under 15 (14.9%).<sup>2</sup>

### British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2018	June 2018	July 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	4,036.3	4,029.1	3,983.8	7.2	0.2	52.5	1.3
<b>Labour Force ('000)</b>	2,602.7	2,597.2	2,614.4	5.5	0.2	-11.7	-0.4
<b>Employment ('000)</b>	2,473.2	2,462.0	2,477.4	11.2	0.5	-4.2	-0.2
Full-Time ('000)	1,960.0	1,950.4	1,952.9	9.6	0.5	7.1	0.4
Part-Time ('000)	513.2	511.6	524.5	1.6	0.3	-11.3	-2.2
<b>Unemployment ('000)</b>	129.4	135.2	137.0	-5.8	-4.3	-7.6	-5.5
<b>Unemployment Rate (%)</b>	5.0	5.2	5.2	-0.2	-	-0.2	-
<b>Participation Rate (%)</b>	64.5	64.5	65.6	0.0	-	-1.1	-
<b>Employment Rate (%)</b>	61.3	61.1	62.2	0.2	-	-0.9	-

Note: Totals may not add due to rounding

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



At 5.0%, BC had the lowest unemployment rate among provinces in July, well below the national average of 5.8%. Year-over-year, the unemployment rate for BC was relatively unchanged (-0.2 percentage points); however, certain demographic groups experienced a significant shift. For instance, the unemployment rate for young women (15 to 24 years) increased 3.8 percentage points to 9.7% on an annual basis, while the unemployment rate for young men decreased 1.5 percentage points to 9.1% over the same period. These changes have resulted in a much more similar unemployment rate for these two demographic groups compared to the 4.7 percentage point gap seen in July 2017.

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

Seasonally Adjusted Data	July 2018 (%)	June 2018 (%)	July 2017 (%)	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	5.0	5.2	5.2	-0.2	-0.2
<b>25 years and over</b>	4.2	4.5	4.7	-0.3	-0.5
Men - 25 years and over	4.7	4.8	4.4	-0.1	0.3
Women - 25 years and over	3.7	4.2	5.0	-0.5	-1.3
<b>15 to 24 years</b>	9.4	9.4	8.3	0.0	1.1
Men - 15 to 24 years	9.1	9.5	10.6	-0.4	-1.5
Women - 15 to 24 years	9.7	9.3	5.9	0.4	3.8

Note: Totals may not add due to rounding

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

According to the Conference Board of Canada, employment growth in BC is expected to weaken in the near term with a greater number of unfilled job vacancies pressuring employers to increase wages.<sup>3</sup> Statistics Canada's latest survey of Employment, Payrolls and Hours reveals that average weekly earnings in BC stood at \$959.86 in May, up 2.1% from a year prior.<sup>4</sup> In comparison, average weekly earnings in Canada rose 2.9% to \$998.37.

## EMPLOYMENT BY INDUSTRY

Employment in BC's goods-producing sector decreased in July (-4,700), while employment in the services-producing sector increased substantially (+15,900). On an annual basis, employment losses in the goods-producing sector (-6,000) outpaced more modest employment gains in the services producing sector (+1,800).

Within the goods-producing sector, employment growth in the construction industry was relatively steady both on a monthly (+500) and on an annual basis (+2,000). After three consecutive years of increasing housing starts fuelled by historically low mortgage rates and strong population growth, housing starts in BC are expected to decline in 2018 and 2019.<sup>5</sup> Although residential construction is expected to wane, the demand for non-residential construction hiring is anticipated to increase by 20% by 2019 and continue to rise until 2021 due to several projects set to start in 2019.<sup>6</sup> For instance, the \$1.4 billion Pattullo Bridge Replacement Project is slated to begin in 2019 with the new bridge expected to open in 2023. Up to 1,400 people are estimated to be hired for this project, including about 350 apprentices.<sup>7,8</sup>

The Pattullo Bridge Replacement is the first project in BC to be delivered under the Province's newly developed Community Benefits Agreement. This agreement establishes a hiring framework for select major public infrastructure projects.<sup>9</sup> According to BuildForce Canada, retirements are expected to exceed new entrants to BC's construction industry within the next ten years.<sup>10</sup> The new Community Benefits Agreement is a measure to expand and diversify BC's construction labour pool by encouraging greater participation of underrepresented workers in the industry such as women and Indigenous peoples, maximizing apprenticeship opportunities and hiring qualified local workers.<sup>11</sup>

While construction industry employment has fared well in BC, other goods-producing sector industries have not experienced the same type of growth. For instance, BC's manufacturing industry employed 3,000 fewer people in July and lost 5,100 positions year over year. Not only has the primary metals manufacturing industry been affected by United States (US) tariffs imposed on Canadian imports of steel and aluminum, the newsprint manufacturing industry is also being impacted by US tariffs imposed on uncoated groundwood paper.

On August 2, the United States Department of Commerce (USDC) made its final determination in the antidumping and countervailing duty investigations of Canadian imports of uncoated groundwood paper.<sup>12</sup> Based on these investigations, the USDC imposed a dumping duty of 16.88% and a countervailing duty of 3.38% for Catalyst newsprint entering the US from Canada.<sup>13</sup> Catalyst operations generate over \$2 billion in annual economic activity in BC, supporting over 6,500 jobs in the province.<sup>14</sup> While the American owners of Catalyst liquidated their US based assets and operations in July, the company still operates paper mills in Port Alberni, Crofton and Powell River. The Government of BC recently enacted preventative measures to secure pension entitlements for Catalyst salaried retirees and workers. These measures were put in place to protect workers in the event Catalyst was to sell or close any of its three BC pulp and paper mills.<sup>15</sup>

Turning to the services-producing sector, the health care and social assistance industry led the way with annual employment gains of 21,300. Employment was also up significantly in professional, scientific and technical services (+10,100) and educational services (+6,200) over the past year. On a monthly basis, employment in the information, culture and recreation industry saw the greatest increase (+8,700).

Employment in BC's retail and wholesale trade industry edged up in July (+2,500); however, there were almost 12,000 fewer jobs in this industry compared to July 2017. Similarly, employment in finance, insurance, real estate and leasing increased on a monthly basis (+3,900), but is down significantly from this time last year (-9,100). Indeed, the housing market in BC has cooled down due to tighter mortgage regulations and taxes on foreign ownership, negatively impacting employment in this industry.<sup>16</sup>

### British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	July 2018	June 2018	July 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,473.2	2,462.0	2,477.4	11.2	0.5	-4.2	-0.2
<b>Goods-producing sector</b>	493.3	498.0	499.3	-4.7	-0.9	-6.0	-1.2
Agriculture	21.2	21.4	24.5	-0.2	-0.9	-3.3	-13.5
Forestry, fishing, mining, quarrying, oil and gas	49.6	50.1	50.9	-0.5	-1.0	-1.3	-2.6
Utilities	13.8	15.3	12.1	-1.5	-9.8	1.7	14.0
Construction	234.7	234.2	232.7	0.5	0.2	2.0	0.9
Manufacturing	174.0	177.0	179.1	-3.0	-1.7	-5.1	-2.8
<b>Services-producing sector</b>	1,979.9	1,964.0	1,978.1	15.9	0.8	1.8	0.1
Trade	361.9	359.4	373.8	2.5	0.7	-11.9	-3.2
Transportation and warehousing	131.9	138.5	141.8	-6.6	-4.8	-9.9	-7.0
Finance, insurance, real estate and leasing	148.9	145.0	158.5	3.9	2.7	-9.6	-6.1
Professional, scientific and technical services	209.6	206.3	199.5	3.3	1.6	10.1	5.1
Business, building and other support services	98.2	97.3	100.4	0.9	0.9	-2.2	-2.2
Educational services	168.6	165.7	162.4	2.9	1.8	6.2	3.8
Health care and social assistance	323.9	321.2	302.6	2.7	0.8	21.3	7.0
Information, culture and recreation	134.8	126.1	140.0	8.7	6.9	-5.2	-3.7
Accommodation and food services	184.1	187.7	184.5	-3.6	-1.9	-0.4	-0.2
Other services	113.9	114.1	114.3	-0.2	-0.2	-0.4	-0.3
Public administration	104.2	102.6	100.1	1.6	1.6	4.1	4.1

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Employment increased in five of BC's seven economic regions on an annual basis. Vancouver Island and Coast had the greatest annual increase in employment (+21,000), while also maintaining one of the lowest unemployment rates in the province (4.6%).

A future project on Vancouver Island could create even more employment in the region. In fact, the Government of BC is contributing \$50,000 towards a \$125,000 market study for a floating dry dock project in Port Alberni. The proposed project would cost approximately \$48 million to build and create about 100 new jobs in Port Alberni's growing shipbuilding and repair industry. Canadian Marine Engineering has committed \$12 million towards construction costs and estimates the dry dock will generate \$37 million in annual revenue

based on projected work contracts. If approved, the Port Alberni dry dock project could be completed by the end of 2019.<sup>17</sup>

In a recent study analyzing employment and income by industry, the shipbuilding and marine industry was identified as one of the six main industries with anticipated growth in Port Alberni.<sup>18</sup> The shipbuilding industry employs almost 4,000 people in BC and is primarily located in two of BC's economic regions: Vancouver Island and Coast and Lower Mainland-Southwest.<sup>19</sup> This industry is expected to grow due in part to the federal government's National Shipbuilding Strategy non-combat vessel package and a major vessel-replacement program underway from BC Ferries.<sup>20</sup>

Employment is also up in all three of BC's northern economic regions. The Northeast economic region saw the most significant gains in the north (+2,300) although it still has the highest unemployment rate of any region in the province (7.4%). Meanwhile, North Coast and Nechako region had more modest employment gains (+1,000) over the past year. However, the region could see more significant employment growth by next year if LNG Canada decides to go ahead with a planned \$40 billion liquefied natural gas plant in Kitimat.

Conditional contracts have already been awarded for a 440 bed permanent facility and a 4,500 bed temporary camp in Kitimat.<sup>21</sup> Meanwhile, a ruling from the Federal Court of Appeal to exclude tariffs on imported fabricated steel modules is expected in September. These tariffs would increase the cost of building the Kitimat plant by an estimated \$1 billion and could affect a decision to give the project the green light. A final investment decision is expected by the end of 2018.<sup>22</sup>

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2018 ('000)	July 2017 ('000)	Yearly Variation (%)	July 2018 (%)	July 2017 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,496.4	2,507.2	-0.4	4.8	5.2	-0.4
<b>Economic Regions</b>						
Vancouver Island and Coast	411.6	390.6	5.4	4.6	4.6	0.0
Lower Mainland - Southwest	1,583.0	1,616.2	-2.1	4.5	5.1	-0.6
Thompson - Okanagan	261.1	265.1	-1.5	6.0	5.6	0.4
Kootenay	72.5	71.9	0.8	6.0	7.5	-1.5
Cariboo	84.0	82.4	1.9	5.3	6.6	-1.3
North Coast and Nechako	43.9	42.9	2.3	5.8	5.5	0.3
Northeast	40.3	38.0	6.1	7.4	6.6	0.8

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 (June 14, 2017). The impact of aging on labour market participation rates. Retrieved from: <https://www150.statcan.gc.ca/n1/pub/75-006-x/2017001/article/14826-eng.htm>

<sup>2</sup> Statistics Canada, 2016 Census; Statistics Canada Catalogue no. 98-316-X2016001. Accessed August 10, 2018. Retrieved from: <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=PR&Code1=59&Geo2=PR&Code2=01&Data=Count&SearchText=british%20colombia&SearchType=Begins&SearchPR=01&B1=All&TABID=1>

<sup>3</sup> Conference Board of Canada (August 3, 2018). Provincial Outlook Executive Summary: Summer 2018. Retrieved from: <https://www.conferenceboard.ca/e-library/abstract.aspx?did=9845>

<sup>4</sup> Statistics Canada, Table 14-10-0223-01; Employment and average weekly earnings (including overtime) for all employees by province and territory, monthly, seasonally adjusted; Accessed on August 9, 2018. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410022301>

<sup>5</sup> Conference Board of Canada (August 3, 2018). Provincial Outlook Executive Summary: Summer 2018. Retrieved from: <https://www.conferenceboard.ca/e-library/abstract.aspx?did=9845>

<sup>6</sup> BuildForce Canada. Construction & maintenance looking forward – British Columbia. Accessed on August 9, 2018. Retrieved from: [http://www.buildforce.ca/en/system/files/products/2017-BC-Constr\\_Maint-Looking-Forward.pdf](http://www.buildforce.ca/en/system/files/products/2017-BC-Constr_Maint-Looking-Forward.pdf)

<sup>7</sup> British Columbia. Pattullo bridge replacement. Accessed on August 9, 2018. Retrieved from: <https://engage.gov.bc.ca/pattullobridge/>

<sup>8</sup> The Star Vancouver (July 16, 2018). New B.C. Crown corporation begins accepting bids for Pattullo Bridge replacement. Retrieved from: <https://www.thestar.com/vancouver/2018/07/16/new-bc-crown-corporation-begins-accepting-bids-for-pattullo-bridge-replacement.html>

<sup>9</sup> BC Gov News (July 16, 2018). New framework ties major projects to benefits for workers and communities. Retrieved from: <https://news.gov.bc.ca/releases/2018PREM0057-001406>

<sup>10</sup> BuildForce Canada. Construction & maintenance looking forward – British Columbia. Accessed on August 9, 2018. Retrieved from: [http://www.buildforce.ca/en/system/files/products/2017-BC-Constr\\_Maint-Looking-Forward.pdf](http://www.buildforce.ca/en/system/files/products/2017-BC-Constr_Maint-Looking-Forward.pdf)

<sup>11</sup> BC Gov News (July 16, 2018). New framework ties major projects to benefits for workers and communities. Retrieved from: <https://news.gov.bc.ca/releases/2018PREM0057-001406>

<sup>12</sup> Uncoated groundwood paper includes but is not limited to standard newsprint, high bright newsprint, book publishing, and printing and writing papers.

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- <sup>13</sup> United States Department of Commerce (August 2, 2018). Commerce Finds Dumping and Subsidization of Imports of Uncoated Groundwood Paper from Canada. Retrieved from: <https://enforcement.trade.gov/download/factsheets/factsheet-canada-uncoated-groundwood-paper-ad-cvd-final-080218.pdf>
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- <sup>15</sup> BC Gov News (July 27, 2018). B.C. government to protect Catalyst pensions and jobs. Retrieved from: <https://news.gov.bc.ca/releases/2018PREM0095-001484>
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- <sup>21</sup> CBC News (July 6, 2018). LNG Canada pipeline picks up steam as work camp contract awarded. Retrieved from: <https://www.cbc.ca/news/canada/british-columbia/lng-canada-pipeline-picks-up-steam-as-work-camp-contract-awarded-1.4737423>
- <sup>22</sup> The Globe and Mail (August 6, 2018). LNG Canada gears up in B.C. as it awaits ruling on tariff relief. Retrieved from: <https://www.theglobeandmail.com/business/article-lng-canada-gears-up-in-bc-as-it-awaits-ruling-on-tariff-relief/>