



# Labour Market Bulletin

British Columbia

August 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 rose to 2.48 million (+0.4%) in August; however, there was virtually no change in employment year over year. Indeed, BC's employment growth is expected to slow in the near-term with 0.5% annual employment growth projected for 2018 — a sharp contrast to 3.7% provincial employment growth in 2017.<sup>1</sup>

According to the Canadian Federation of Independent Businesses, over 68,000 jobs in BC remained unfilled in the first quarter of 2018, amounting to a 3.8% vacancy rate — the highest vacancy rate of any province in Canada.<sup>2</sup> And although BC's unemployment rate edged up 0.3 percentage points in August, the province continues to have the lowest unemployment rate in the country (5.3%).

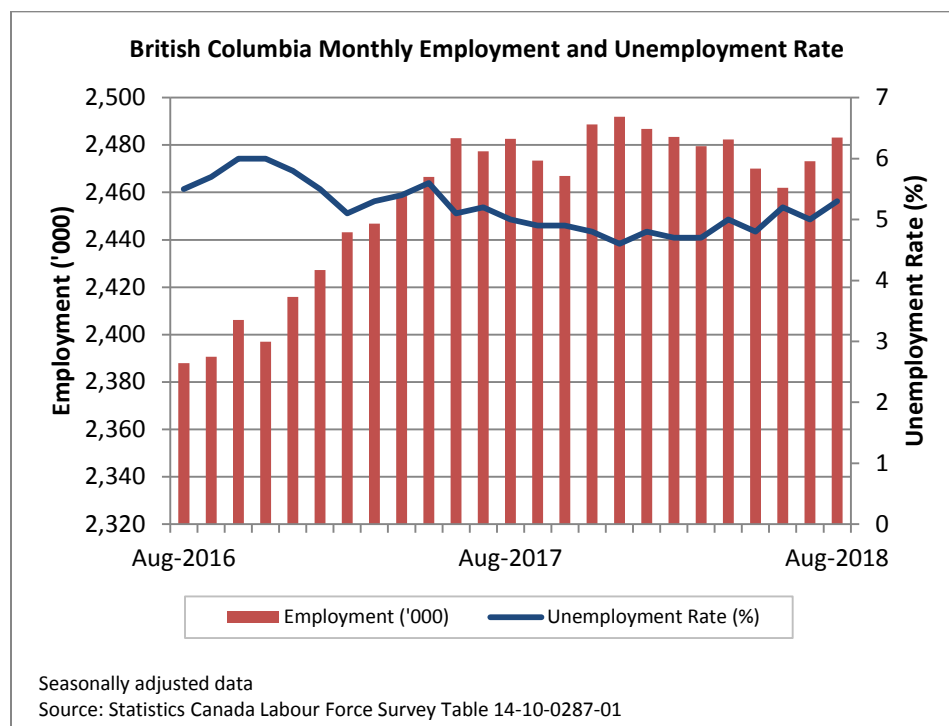
A high job vacancy rate, combined with a low unemployment rate, is an indicator of a tight labour market. In these labour market conditions, employers will often be pushed to increase wages as there are more jobs available than workers. In the 12 months leading to June 2018, BC's average weekly earnings increased 2.0% to \$963.00. Increasing earnings, both in the construction industry and in the health care and social assistance industry, were the greatest contributors to this rise.<sup>3</sup>

## British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	August 2018	July 2018	August 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	4,041.3	4,036.3	3,988.1	5.0	0.1	53.2	1.3
<b>Labour Force ('000)</b>	2,620.8	2,602.7	2,612.7	18.1	0.7	8.1	0.3
<b>Employment ('000)</b>	2,483.1	2,473.2	2,482.6	9.9	0.4	0.5	0.0
Full-Time ('000)	1,966.6	1,960.0	1,933.3	6.6	0.3	33.3	1.7
Part-Time ('000)	516.4	513.2	549.4	3.2	0.6	-33.0	-6.0
<b>Unemployment ('000)</b>	137.8	129.4	130.1	8.4	6.5	7.7	5.9
<b>Unemployment Rate (%)</b>	5.3	5.0	5.0	0.3	-	0.3	-
<b>Participation Rate (%)</b>	64.9	64.5	65.5	0.4	-	-0.6	-
<b>Employment Rate (%)</b>	61.4	61.3	62.3	0.1	-	-0.9	-

Note: Totals may not add due to rounding

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



Looking at labour force results for age and gender groupings, the unemployment rate for youth aged 15 to 24 years rose by 0.3 percentage points to 9.7%. This was due to a rise in unemployment among male youth (+1.2 percentage points to 10.3%). While BC's unemployment rate for men aged 15 and over was the lowest in the country for the month of August at 5.4%, the rate for women aged 15 and over was just the third lowest (5.1%) among provinces, behind Quebec (4.9%) and Manitoba (5.0%). In every grouping, BC's unemployment rate remains well below the national average.

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

Seasonally Adjusted Data	August 2018 (%)	July 2018 (%)	August 2017 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
<b>Total</b>	5.3	5.0	5.0	0.3	0.3
<b>25 years and over</b>	4.5	4.2	4.2	0.3	0.3
Men - 25 years and over	4.6	4.7	4.0	-0.1	0.6
Women - 25 years and over	4.3	3.7	4.4	0.6	-0.1
<b>15 to 24 years</b>	9.7	9.4	9.5	0.3	0.2
Men - 15 to 24 years	10.3	9.1	10.2	1.2	0.1
Women - 15 to 24 years	9.2	9.7	8.7	-0.5	0.5

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

Annual employment gains in the services-producing sector (+13,400) were essentially offset by similar employment losses in the goods-producing sector (-13,000). There were annual employment losses in three out of the five goods-producing industries; manufacturing (-8,500), agriculture (-7,700) and resource extraction (forestry, fishing, mining, quarrying, oil and gas) (-2,000). The combination of record heat waves, scant rainfall and expanding wildfires is creating challenges for BC's resource industries that rely on an accessible and abundant source of water. The province's primary industries such as pulp mills, agriculture, mining and natural gas all use large amounts of water in their operations, and are therefore negatively impacted when water use restrictions are imposed.<sup>4</sup> In late August, the Government of BC reported that every region in the province was at an elevated drought rating.<sup>5</sup> This summer's drought conditions also caused the closure of fisheries in the Horsefly and Kettle Rivers in the Cariboo Region.<sup>6</sup>

The same weather conditions creating the drought are also responsible for severe wildfires.<sup>7</sup> Between August 15 and September 7, the Government of BC declared a state of emergency to support a response to wildfires burning throughout the province.<sup>8</sup> On August 17, Conifex Timber Inc. temporarily suspended operations at their Fort St-James mill site as a precautionary measure due to the expanding Shovel Lake fire in the region.<sup>9</sup> Approximately 1.3 million hectares have burned in BC so far this summer, which compares to 1.2 million hectares burned during last summer's state of emergency in BC.<sup>10,11</sup> The fires are expected to cause a timber supply disruption which could further increase lumber prices.<sup>12</sup>

Meanwhile, employment in BC's construction industry is up 3,500 compared to levels a year ago. However, one of the largest construction projects in BC was recently halted following the Federal Court of Appeal's decision to overturn the federal government's approval of the Trans Mountain pipeline expansion project. Following this decision, the National Energy Board (NEB) ordered all construction on the project to stop.<sup>13</sup>

The court found that the NEB failed to consider the environmental effects of project-related tanker traffic and that there were not adequate consultations with affected Indigenous groups. Although the Province of BC also issued an environmental certificate for the project under British Columbia's Environmental Assessment Act, it

was heavily reliant on the federal NEB process and assessment report.<sup>14</sup> Since BC's environmental certificate was largely based on the rejected NEB report, the provincial certificate may now also be deemed invalid.

BC's current government has voiced concerns over the increased tanker traffic that the pipeline expansion would create, and the damage a diluted bitumen spill would cause to BC's economy and environment. According to the Province, economic activity generated by several industries such as tourism, film production and fisheries could be compromised by spills that damage coastal and inland waters.<sup>15</sup>

Kinder Morgan Canada Limited recently sold the Trans Mountain Pipeline system and the Trans Mountain Expansion Project to the Government of Canada for \$4.5 billion. While over 2,000 people in BC and Alberta had been working on the pipeline, this number was expected to grow to 5,000 by mid-2019.<sup>16</sup> Construction was set to begin in the North Thompson region of BC in late September, while the work at Westridge Marine Terminal in Burnaby had been underway since September 2017.<sup>17</sup>

Turning to the services-producing sector, annual gains were led by increasing employment in the health care and social assistance industry (+17,700). Employment opportunities in this industry are also expected to keep growing. In a recent report released by the Government of BC, the Province forecasts there will be almost 150,000 job openings in BC's health care and social assistance industry over the next ten years. In fact, this industry is forecast to provide the most employment opportunities of any industry in BC over the next decade.<sup>18</sup>

Employment in the finance, insurance, real estate and leasing industry was down 7,200 year over year. Employment in this industry had been trending up in BC since 2015, peaking in June 2017 when it reached 161,200.<sup>19</sup> Since then, BC's housing market has cooled down due to tighter mortgage regulations and taxes on foreign ownership, negatively impacting employment in the industry. Furthermore, housing starts have slowed and are forecast to decline over the near-term.<sup>20</sup>

## British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	August 2018	July 2018	August 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,483.1	2,473.2	2,482.6	9.9	0.4	0.5	0.0
<b>Goods-producing sector</b>	485.0	493.3	498.0	-8.3	-1.7	-13.0	-2.6
Agriculture	19.7	21.2	27.4	-1.5	-7.1	-7.7	-28.1
Forestry, fishing, mining, quarrying, oil and gas	47.9	49.6	49.9	-1.7	-3.4	-2.0	-4.0
Utilities	14.2	13.8	12.6	0.4	2.9	1.6	12.7
Construction	235.0	234.7	231.5	0.3	0.1	3.5	1.5
Manufacturing	168.1	174.0	176.6	-5.9	-3.4	-8.5	-4.8
<b>Services-producing sector</b>	1,998.0	1,979.9	1,984.6	18.1	0.9	13.4	0.7
Trade	365.4	361.9	379.3	3.5	1.0	-13.9	-3.7
Transportation and warehousing	136.9	131.9	139.4	5.0	3.8	-2.5	-1.8
Finance, insurance, real estate and leasing	151.4	148.9	158.6	2.5	1.7	-7.2	-4.5
Professional, scientific and technical services	213.4	209.6	202.5	3.8	1.8	10.9	5.4
Business, building and other support services	100.1	98.2	100.9	1.9	1.9	-0.8	-0.8
Educational services	163.5	168.6	164.2	-5.1	-3.0	-0.7	-0.4
Health care and social assistance	326.1	323.9	308.4	2.2	0.7	17.7	5.7
Information, culture and recreation	128.1	134.8	139.7	-6.7	-5.0	-11.6	-8.3
Accommodation and food services	189.5	184.1	179.5	5.4	2.9	10.0	5.6
Other services	116.9	113.9	113.8	3.0	2.6	3.1	2.7
Public administration	106.8	104.2	98.5	2.6	2.5	8.3	8.4

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 most BC regions. Only Lower Mainland-Southwest and Thompson-Okanagan saw a decrease in employment. The unemployment rate throughout most regions of BC remained below the national average (6.0%) in August. Lower Mainland-Southwest had the lowest unemployment rate in the province at 4.8%, while the Kootenay region had the highest rate (7.3%).

There was strong annual employment growth (4.9%) in the Vancouver Island and Coast economic region. Catalyst Paper Corp., a significant employer in the region, is one of several paper companies located in Canada that was affected by duties imposed on uncoated groundwood paper by the United States Department of Commerce (USDC). Catalyst operates paper mills in Port Alberni, Crofton and Powell River. Catalyst operations generate over \$2 billion in annual economic activity in BC, supporting over 6,500 jobs in the province that are primarily located in Vancouver Island and Coast.<sup>21</sup> Although the USDC made its final determination in the antidumping and countervailing duty investigations of Canadian newsprint imports in early August, the United States International Trade Commission overturned these duties by the end of the month.<sup>22,23</sup> Over 20% combined duties were initially imposed on Catalyst Canadian imports, and the reversal of these duties means Catalyst will have their deposits returned, avoiding future payments.

Turning to one of BC's northern economic regions, year-over-year employment is up significantly in the Northeast (+6.8%). The labour force increased by over 3,000 people and employment expanded 2,600. Indeed, there are a growing number of employment opportunities in this economic region. At last count, there were over 3,000 people working on the \$10.7 billion Site C dam outside Fort St. John. In addition, Louisiana Pacific's Fort St. John facility is expanding to produce house construction siding, which will create 55 new jobs.<sup>24</sup> Elsewhere in the region, Conuma Coal reopened the Willow Creek Mine west of Chetwynd in March 2018, almost five years after being idled.<sup>25</sup> Finally, Encana has increased its investment and grown its natural gas production in the Northeast over the last year with the addition of three new natural gas processing plants.<sup>26,27</sup>

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	August 2018 ('000)	August 2017 ('000)	Yearly Variation (%)	August 2018 (%)	August 2017 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,505.8	2,514.9	-0.4	5.1	5.1	0.0
<b>Economic Regions</b>						
Vancouver Island and Coast	409.3	393.6	4.0	4.9	5.1	-0.2
Lower Mainland - Southwest	1,593.1	1,617.3	-1.5	4.8	4.7	0.1
Thompson - Okanagan	262.5	267.9	-2.0	6.1	6.4	-0.3
Kootenay	73.5	71.9	2.2	7.3	7.7	-0.4
Cariboo	83.4	82.8	0.7	5.0	6.5	-1.5
North Coast and Nechako	43.4	43.2	0.5	5.2	5.5	-0.3
Northeast	40.7	38.1	6.8	6.0	5.2	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> Conference Board of Canada (September 5, 2018). Provincial Outlook Economic Forecast: British Columbia – Summer 2018. Retrieved from: <https://www.conferenceboard.ca/e-library/abstract.aspx?did=9872>

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