



# Labour Market Bulletin

## British Columbia

September 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 up over 19,000 in the third quarter of 2018 (Q3 2018). While both full- (+18,700) and part-time (+800) employment are up compared to Q2 2018, full-time employment gains (+33,400) outpaced part-time employment losses (-20,300) on a year over year basis.

#### British Columbia Quarterly Labour Force Statistics

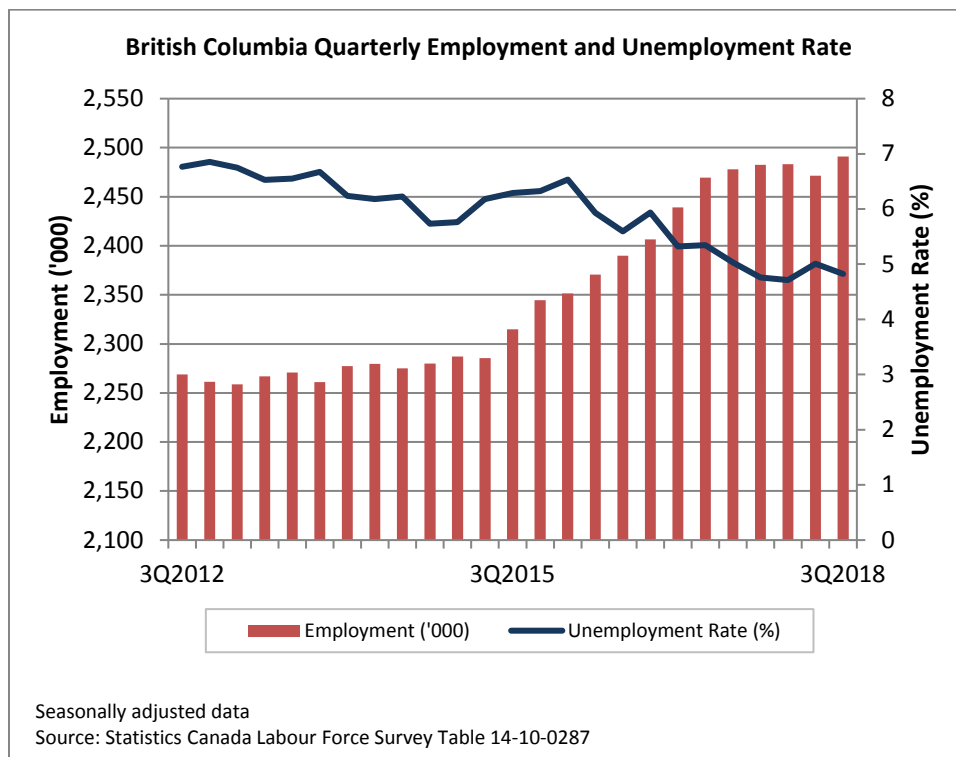
Seasonally adjusted data	3rd Quarter 2018	2nd Quarter 2018	3rd Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	4,041.2	4,023.7	3,987.9	17.5	0.4	53.3	1.3
<b>Labour Force ('000)</b>	2,617.1	2,601.7	2,609.0	15.4	0.6	8.1	0.3
<b>Employment ('000)</b>	2,490.9	2,471.5	2,477.8	19.4	0.8	13.1	0.5
Full-Time ('000)	1,973.0	1,954.3	1,939.6	18.7	1.0	33.4	1.7
Part-Time ('000)	517.9	517.1	538.2	0.8	0.2	-20.3	-3.8
<b>Unemployment ('000)</b>	126.2	130.3	131.3	-4.1	-3.1	-5.1	-3.9
<b>Unemployment Rate (%)</b>	4.8	5.0	5.0	-0.2	-	-0.2	-
<b>Participation Rate (%)</b>	64.8	64.7	65.4	0.1	-	-0.6	-
<b>Employment Rate (%)</b>	61.6	61.4	62.1	0.2	-	-0.5	-

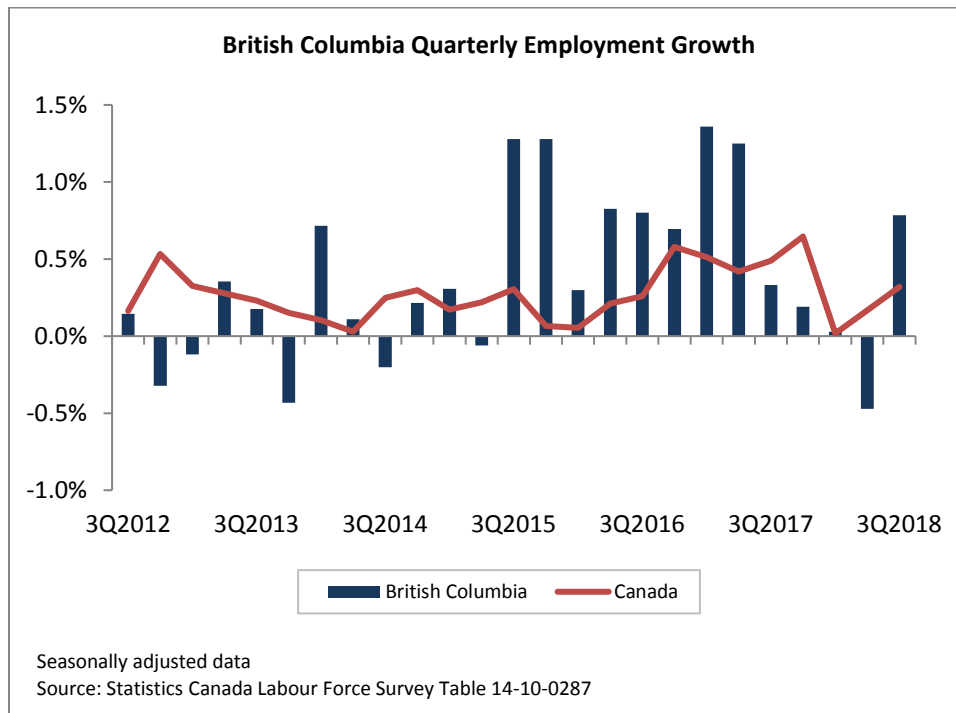
Note: Totals may not add due to rounding

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

BC’s unemployment rate in Q3 2018 (4.8%) was significantly lower than the national average (5.9%) for the same period. In fact, BC’s unemployment rate remained the lowest among all provinces for each quarter over the last year.

A recent report published by the BC Chamber of Commerce refers to the current provincial labour market as one of the tightest labour markets BC has seen in the last 30 years.<sup>1</sup> The report identifies three significant trends: the severity of labour shortages, the significance of skills mismatch and the emphasis on local recruitment. The majority of surveyed businesses had difficulty filling a position in the last year; however, most employers focussed their recruiting efforts locally rather than seeking employees in other regions of BC or Canada. The survey also found that most respondents often hire less-qualified employees and offer on-the-job training to fill the skills gap.<sup>2</sup> According to the Business Development Bank of Canada, BC’s strong economy is leading to a hiring problem for many employers and this labour shortage is expected to last approximately ten years.<sup>3</sup>





BC’s youth (15 to 24 years) unemployment rate is also well below the national average (11.0%) for this age group, and remains the lowest of any other province in Canada. Comparing the unemployment rate among demographic groups within BC, youth unemployment (8.7%) in Q3 2018 is over twice as high as the rate for those aged 25 and over (4.2%). Meanwhile, male youth continue to have the highest unemployment rate among demographic groups in the province at 9.3%.

**British Columbia Quarterly Unemployment Rates, by Gender and Age**

Seasonally adjusted data	3rd Quarter 2018 (%)	2nd Quarter 2018 (%)	3rd Quarter 2017 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	4.8	5.0	5.0	-0.2	-0.2
<b>25 years and over</b>	4.2	4.4	4.4	-0.2	-0.2
Men - 25 years and over	4.3	4.7	4.3	-0.4	0.0
Women - 25 years and over	4.0	4.1	4.6	-0.1	-0.6
<b>15 to 24 years</b>	8.7	8.6	8.4	0.1	0.3
Men - 15 to 24 years	9.3	9.1	9.7	0.2	-0.4
Women - 15 to 24 years	8.0	8.0	7.0	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

## Labour Market Indicators for Indigenous People

In Q3 2018, the total population aged 15+ in BC was approximately 4.0 million. The Indigenous population living off-reserve accounted for 4.3% of that, or 172,400 people. Employment among the Indigenous population in BC stood at 103,200, representing a decrease of 8,600 (-7.7%) from a year earlier (Q3 2017). Most of the decrease was in full-time positions (-5,000 or -5.7%), notwithstanding the number of part-time positions also decreased during the same period (-3,600 or -15.1%).

The unemployment rate among Indigenous people was 10.4% in Q3 2018, having increased by 0.7 percentage points (pp) from the previous year. The unemployment rate among the non-Indigenous population was 4.5% (-0.5 pp). Between Q3 2017 and Q3 2018, the participation rate of Indigenous people decreased significantly to 66.8% (-8.1pp) while among non-Indigenous population, it was 65.2% (-0.5pp). The employment rate for Indigenous people decreased year-over-year to 59.9% (-7.8pp) and the non-Indigenous population also saw a slight decrease to 62.3% (-0.1pp).

### 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)	
	Q3 2018	Q3 2017	number	%	Q3 2018	Q3 2017	number	%
<b>Population 15 + ('000)</b>	172.4	165.2	7.2	4.4	3,868.8	3,822.7	46.1	1.2
<b>Labour Force ('000)</b>	115.2	123.7	-8.5	-6.9	2,523.0	2,511.3	11.7	0.5
<b>Employment ('000)</b>	103.2	111.8	-8.6	-7.7	2,408.3	2,385.8	22.5	0.9
Full-Time ('000)	83.0	88.0	-5.0	-5.7	1,936.2	1,894.5	41.7	2.2
Part-Time ('000)	20.2	23.8	-3.6	-15.1	472.2	491.3	-19.1	-3.9
<b>Unemployment ('000)</b>	12.0	12.0	0.0	0.0	114.6	125.5	-10.9	-8.7
<b>Unemployment Rate (%)</b>	10.4	9.7	0.7	-	4.5	5.0	-0.5	-
<b>Participation Rate (%)</b>	66.8	74.9	-8.1	-	65.2	65.7	-0.5	-
<b>Employment Rate (%)</b>	59.9	67.7	-7.8	-	62.3	62.4	-0.1	-

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

Quarterly employment gains in BC's services-producing sector (+28,400) outpaced employment losses in the province's goods-producing sector (-9,000). This trend is also reflected on an annual basis. There were 16,500 more people employed in BC's services-producing sector between Q3 2017 and Q3 2018, while employment fell 3,400 in goods-producing industries over the same period.

Most employment losses in the goods-producing sector occurred in the manufacturing industry where employment declined 5,600 between Q3 2017 and Q3 2018 (-3.1%). Employment in the province's resource

extraction industry (forestry, fishing, mining, quarrying, and oil and gas), which accounts for approximately 10% of employment in BC's goods-producing sector, has also trended down (-2.6% year-over-year).

Low commodity prices, pipeline project delays and rail traffic bottlenecks have had a negative impact on the resource extraction industry. On October 1, however, LNG Canada announced approval for the construction of a liquefied natural gas (LNG) processing terminal in Kitimat, as well as a pipeline linking the terminal to northeast BC.<sup>4</sup> 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>5</sup>

LNG Canada has contracted with TransCanada to build, own, and operate the 670 km Coastal GasLink pipeline, which 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>6</sup>

This project will also impact employment in the province's construction industry. Slated to begin immediately, construction of the pipeline and terminal will create approximately 10,000 jobs. However, the number of workers required will start small and increase in about 18 months. Once operational, the facility will generate up to 950 permanent positions. LNG Canada is also building a workforce accommodation centre near the Kitimat work site that will house up to 7,500 people.<sup>7</sup>

While LNG Canada's project will allow for more transportation, processing and export of Canadian LNG, Pembina Pipeline Corporation recently announced plans to develop additional pipeline and terminal infrastructure in the Montney region that stretches between northeast BC and northwest Alberta. The Montney Formation spans approximately 130,000 square kilometers and is one of the largest gas resources in the North America.<sup>8</sup> The new NEBC Montney infrastructure will cost approximately \$120 million.<sup>9</sup>

While work is slated to begin on these new projects, construction activity was halted on the \$4.5 billion Trans Mountain pipeline expansion project following the Federal Court of Appeal's decision to overturn the federal government's approval of the project. 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>10</sup> The court observed the National Energy Board (NEB) failed to consider the environmental effects of project-related tanker traffic and that there were not adequate consultations with affected Indigenous groups.<sup>11</sup> The Government of Canada will not appeal the decision but instead will begin a new consultation process with Indigenous people and has directed the NEB to conduct a review that takes into account the impact of additional marine traffic.<sup>12</sup> The new review is expected to be complete by February 2019, possibly allowing for construction on the project to resume by next summer.<sup>13</sup>

Turning to the services-producing sector, the majority of annual employment gains occurred in the health care and social assistance industry where employment increased by 19,700 between Q3 2017 and Q3 2018 (+6.4%). Employment in health care and social assistance currently represents over 16% of all services-producing sector employment in BC. As the Province's health care system expands to meet the growing health care needs of its aging population, so too will the related employment opportunities.

The Government of BC recently released the British Columbia Labour Market Outlook: 2018 Edition. The report forecasts 903,000 job openings in BC over the next ten years and nearly 150,000 of these openings are

expected to be in the health care and social assistance industry. In fact, this industry is expected to provide the most employment opportunities of any industry in BC over the next decade. While 54% of these projected job openings will be due to replacing retiring workers, the remaining portion will be caused by expansion.<sup>14</sup>

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

Seasonally adjusted data ('000)	3rd Quarter 2018	2nd Quarter 2018	3rd Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,490.9	2,471.5	2,477.8	19.4	0.8	13.1	0.5
<b>Goods-producing sector</b>	492.6	501.6	496.0	-9.0	-1.8	-3.4	-0.7
Agriculture	21.7	23.4	25.4	-1.7	-7.3	-3.7	-14.6
Forestry, fishing, mining, quarrying, oil and gas	48.9	49.5	50.2	-0.6	-1.2	-1.3	-2.6
Utilities	14.0	14.2	12.4	-0.2	-1.4	1.6	12.9
Construction	235.8	236.8	230.1	-1.0	-0.4	5.7	2.5
Manufacturing	172.2	177.7	177.8	-5.5	-3.1	-5.6	-3.1
<b>Services-producing sector</b>	1,998.3	1,969.9	1,981.8	28.4	1.4	16.5	0.8
Trade	364.1	365.0	377.8	-0.9	-0.2	-13.7	-3.6
Transportation and warehousing	136.4	136.3	139.5	0.1	0.1	-3.1	-2.2
Finance, insurance, real estate and leasing	150.4	146.7	157.7	3.7	2.5	-7.3	-4.6
Professional, scientific and technical services	212.2	205.4	202.1	6.8	3.3	10.1	5.0
Business, building and other support services	98.3	97.5	100.0	0.8	0.8	-1.7	-1.7
Educational services	166.3	167.2	164.3	-0.9	-0.5	2.0	1.2
Health care and social assistance	327.0	324.7	307.3	2.3	0.7	19.7	6.4
Information, culture and recreation	130.0	124.4	137.9	5.6	4.5	-7.9	-5.7
Accommodation and food services	189.7	185.6	182.3	4.1	2.2	7.4	4.1
Other services	117.7	115.5	113.2	2.2	1.9	4.5	4.0
Public administration	106.4	101.6	99.5	4.8	4.7	6.9	6.9

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 four of BC's seven economic regions over the past year. On a percentage basis, the Kootenay region led the province in employment growth (+5.1%), followed by the Northeast (+5.0%), Vancouver Island and Coast (+3.5%) and the Lower Mainland-Southwest (+0.3%).

Employment in Lower Mainland-Southwest has grown steadily over the last five years with an average annual employment growth of 2.6% between 2013 and 2017.<sup>15</sup> The region continues to attract large employers, and most recently, Amazon announced plans to open a 450,000 square-foot fulfillment centre at the new Delta iPort located on Tsawwassen First Nations land. The facility is expected to create over 700 full-time jobs by December 2019.<sup>16</sup> Earlier this year, Amazon announced plans to open a 416,000 square-foot development centre in Vancouver by 2022, employing 3,000 people in corporate positions primarily specialized in high-tech roles.<sup>17</sup> In addition to these new developments, Amazon employs about 1,000 researchers and engineers at

Vancouver's TELUS Garden location which opened in 2015 and expects to open another downtown site that will employ 1,000 people.<sup>18</sup> All told, Amazon is expected to employ 5,700 people in the Lower Mainland-Southwest by 2022.

Northern economic regions of the province are more dependent on the resource extraction industry. Pembina's expansion in the Montney region, as well as LNG Canada's planned Kitimat LNG facility and connecting pipeline, mean more employment both in the construction industry and in the resource extraction industry. Pembina's expansion will be centred in the Northeast region while LNG Canada's new gas processing facility will impact the town of Kitimat located in North Coast and Nechako. The adjoining Coastal GasLink pipeline will bridge into the Cariboo and Northeast region.

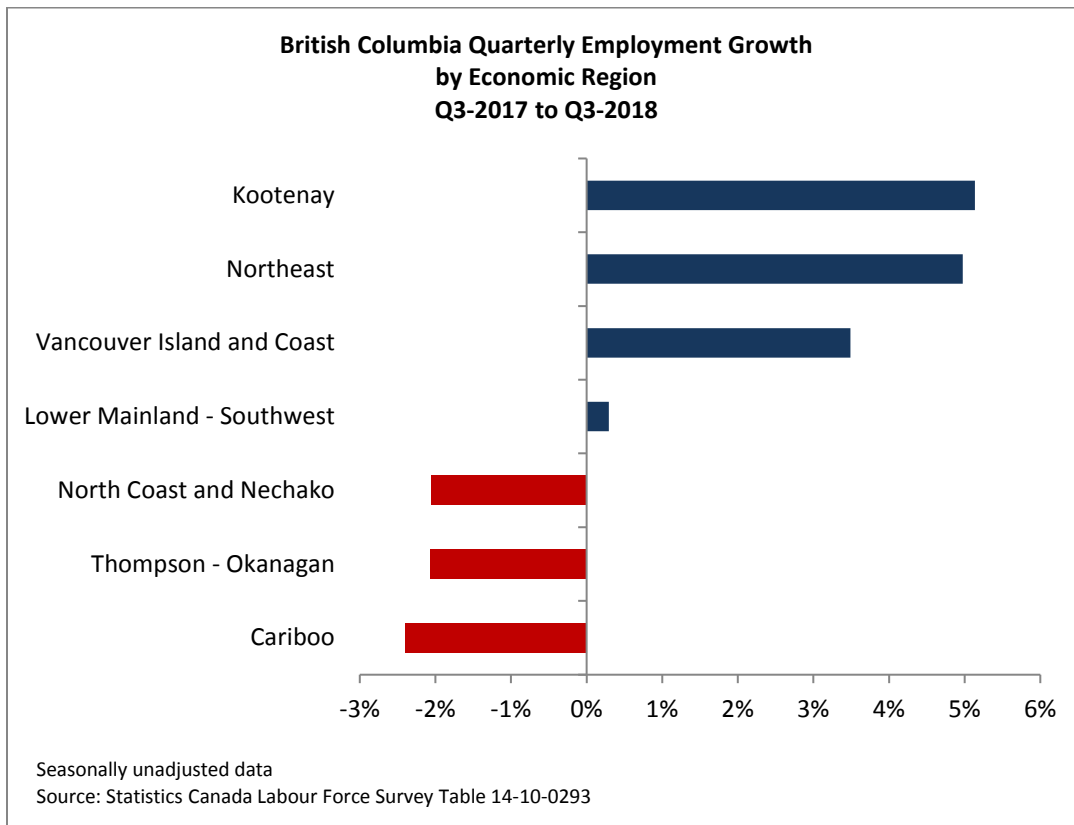
While natural gas projects are ramping up, sawmill workers in northern BC are preparing for strike action. The union representing workers in 13 sawmills located in northern BC entered into a legal strike position on October 6. The United Steelworkers (USW) Local 1-2017 represents approximately 1,600 workers employed in sawmills located in the Cariboo, North Coast and Nechako and Northeast economic regions of BC. Conifer and the USW have not been able to reach an agreement on a new contract. The union has advised workers to cease all overtime as a first step in job action.<sup>19</sup> Similar job actions could be expected in the Southern Interior region of the province if negotiations fail between the USW and the Interior Forest Labour Relations Association.<sup>20</sup>

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

Seasonally unadjusted data	Employment			Unemployment Rate		
	3rd Quarter 2018 ('000)	3rd Quarter 2017 ('000)	Yearly Variation (%)	3rd Quarter 2018 (%)	3rd Quarter 2017 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,513.5	2,498.1	0.6	4.8	5.2	-0.4
<b>Economic Regions</b>						
Vancouver Island and Coast	406.5	392.8	3.5	4.6	5.2	-0.6
Lower Mainland - Southwest	1,608.4	1,603.7	0.3	4.5	4.6	-0.1
Thompson - Okanagan	260.8	266.3	-2.1	5.9	7.1	-1.2
Kootenay	73.7	70.1	5.1	7.2	8.1	-0.9
Cariboo	81.3	83.3	-2.4	5.0	6.3	-1.3
North Coast and Nechako	42.8	43.7	-2.1	4.7	5.6	-0.9
Northeast	40.1	38.2	5.0	5.6	5.2	0.4

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> The Star Vancouver (September 17, 2018). B.C.'s understaffed businesses aren't looking far from home for workers, survey shows. Retrieved from: <https://www.thestar.com/vancouver/2018/09/17/bcs-understaffed-businesses-arent-looking-far-from-home-for-workers-survey-shows.html>

<sup>2</sup> BC Chamber of Commerce (August 31, 2018). BC Chamber of Commerce Mindreader Report. Retrieved from: <http://www.bcchamber.org/advocacy-news/bc-mindreader-labour-study>

<sup>3</sup> Business in Vancouver (September 5, 2018). B.C.'s labour shortages 'not a temporary issue': BDC. Retrieved from: <https://biv.com/article/2018/09/bcs-acute-labour-shortages-not-temporary-issue-bdc>



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- <sup>5</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>11</sup> BC Gov News (August 30, 2018). Premier's statement on Federal Court of Appeal decision. Retrieved from: <https://news.gov.bc.ca/releases/2018PREM0106-001676>
- <sup>12</sup> CBC News (October 3, 2018). Ottawa won't appeal Trans Mountain court decision, appoints former judge for consultations. Retrieved from: <https://www.cbc.ca/news/politics/sohi-trans-mountain-wednesday-1.4848368>
- <sup>13</sup> REUTERS (September 21, 2018). Canada orders new regulatory review of Trans Mountain oil pipeline. Retrieved from: <https://ca.reuters.com/article/domesticNews/idCAKCN1M11QI-OCADN>
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- <sup>15</sup> Statistics Canada. Employment by industry, annual, provinces and economic regions (x1,000). Accessed on October 10, 2018). Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410009201>
- <sup>16</sup> CBC News (September 28, 2018). Amazon to open 10-acre shipping warehouse on Tsawwassen First Nation land. Retrieved from: <https://www.cbc.ca/news/canada/british-columbia/amazon-shipping-warehouse-tsawwassen-bc-1.4842891>
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- <sup>18</sup> BC Gov News (November 3, 2017). Good news for B.C. workers: 1,000 new tech jobs with Amazon. Retrieved from: <https://news.gov.bc.ca/releases/2017PREM0111-001854>
- <sup>19</sup> Alaska Highway News (October 9, 2018). Union issues ban on overtime at Northern B.C. sawmills. Retrieved from: <https://www.alaskahighwaynews.ca/regional-news/union-issues-ban-on-overtime-at-northern-b-c-sawmills-1.23457634>
- <sup>20</sup> Ibid.