



Labour Market Bulletin

New Brunswick



October 2016

This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of New Brunswick, including the regions of Campbellton—Miramichi, Edmundston—Woodstock, Fredericton—Oromocto, Moncton—Richibucto and Saint John—St. Stephen.

OVERVIEW

Employment was down on a month-over-month basis in New Brunswick during October 2016, with the losses nearly evenly split between full-time and part-time work. Labour force growth was essentially flat between September and October, but the unemployed population increased by over 7%. As such, New Brunswick's unemployment rate crept up by 0.7 percentage points on a month-over-month basis, coming in at 10% in October 2016.

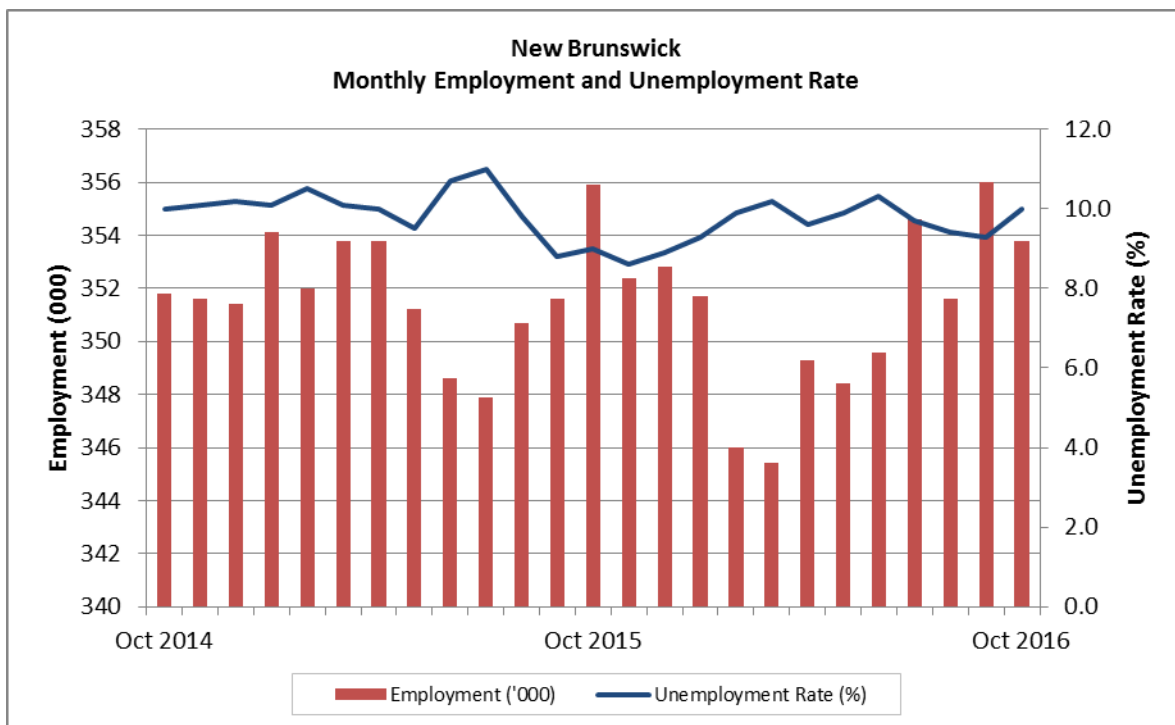
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Oct 2016	Sept 2016	Oct 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15+ ('000)	623.8	623.7	621.9	0.1	0.0	1.9	0.3
Labour Force ('000)	392.9	392.4	390.9	0.5	0.1	2.0	0.5
Employment ('000)	353.8	356.0	355.9	-2.2	-0.6	-2.1	-0.6
Full-Time ('000)	297.1	298.3	299.0	-1.2	-0.4	-1.9	-0.6
Part-Time ('000)	56.7	57.7	56.9	-1.0	-1.7	-0.2	-0.4
Unemployment ('000)	39.1	36.4	35.0	2.7	7.4	4.1	11.7
Unemployment Rate (%)	10.0	9.3	9.0	0.7	-	1.0	-
Participation Rate (%)	63.0	62.9	62.9	0.1	-	0.1	-
Employment Rate (%)	56.7	57.1	57.2	-0.4	-	-0.5	-

Note: Totals may not add due to rounding

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

Examining the year-over-year trend, employment in New Brunswick has declined slightly since October 2015. During this same period the labour force grew slightly, leading to a minor increase to the participation rate. Meanwhile, the province's employment rate has worsened since last year, as population growth outpaced employment growth. With significantly more unemployed people in October 2016 compared to the same period last year, the provincial unemployment rate has climbed by a full percentage point since October 2015.



Employment increases were recorded across the youth segment, while the bulk of the province's year-over-year job losses were concentrated within the 25-54 age group. Since last October employment was up by nearly 9% for the aged 15-24 segment. The positive employment growth among the province's youth cohort departs from a longer term trend, which shows a significant employment decline for this group since the 2008 economic downturn. At 13.5% in October 2016, the youth unemployment rate has fallen by almost four percentage points since last year. For some perspective, the New Brunswick youth unemployment rate was the highest among all Atlantic provinces in October 2015, but is now the lowest in the region as of October 2016.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Oct 2016	Sept 2016	Oct 2015	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	10.0	9.3	9.0	0.7	1.0
25 years and over	9.4	8.9	7.7	0.5	1.7
Men - 25 years and over	12.0	11.0	9.7	1.0	2.3
Women - 25 years and over	6.6	6.6	5.5	0.0	1.1
15 to 24 years	13.5	11.8	17.2	1.7	-3.7
Men - 15 to 24 years	17.6	15.0	22.7	2.6	-5.1
Women - 15 to 24 years	9.7	8.5	11.0	1.2	-1.3

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

EMPLOYMENT BY INDUSTRY

The **Services-producing sector** was responsible for most of the job losses since last year. These year-over-year employment declines occurred mainly in **Transportation and warehousing**, the **Business, building and other support services** industry, as well as in **professional, scientific and technical services**. On the positive side,

employment was up in the **Trade** industry and in **Finance, Insurance, real estate and leasing**. With US buying power remaining strong in Canada, New Brunswick goods and services are becoming more attractive south of the border. While at the same time, it encourages Canadians to do their shopping domestically. Indeed, recent indicators show that retail spending was up by 7% on a year-over-year basis during the first half of 2016, which has likely contributed to the improved employment level to date.

Employment in the **Goods-producing sector** was essentially flat on a year-over-year basis in October. Declines in **Forestry, fishing, mining, quarrying, oil and gas**, and in the **Construction** industry, were mostly offset by employment gains in **Manufacturing** and in **Agriculture**. The **Forestry, fishing, mining, quarrying, oil and gas** industry has undergone a sharp contraction since last year, with employment declining by almost 17%. This is likely tied to Potash Corp's closure of its Picadilly mine near Sussex, which resulted in 420-430 layoffs. Additionally, Potash Corp had previously closed its Penobsquis mine in November of 2015, resulting in 140 layoffs. The slowdown in the **Construction** industry can likely be attributed to a lack of public and private investment, which has hindered the number of major projects in the province. However, prospects in this industry are looking better going forward with the Federal government recently adding an additional \$81 billion over the next 11 years to the federal infrastructure stimulus program. New Brunswick's share of this program's investment is expected to boost major project spending by 4% in the province during 2017.

Meanwhile, the province's **Agriculture** and **Manufacturing** industries have likely benefited from the low Canadian dollar, which is helping to make New Brunswick-grown foods and products more attractive in the global marketplace. So far this year, the province has recorded strong growth in the value of food production exports, which has positively impacted these industries not only in terms of employment, but also by increasing investment. For example, McCain Foods recently announced in June 2016 plans to spend \$65 million to add a new production line at its Florenceville-based French fry plant.¹

New Brunswick Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	Oct 2016	Sept 2016	Oct 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	353.8	356.0	355.9	-2.2	-0.6	-2.1	-0.6
Goods-producing sector	73.2	75.7	73.4	-2.5	-3.3	-0.2	-0.3
Agriculture	5.2	5.9	4.2	-0.7	-11.9	1.0	23.8
Forestry, fishing, mining, quarrying, oil and gas	9.8	9.0	11.8	0.8	8.9	-2.0	-16.9
Utilities	3.8	3.8	3.6	0.0	0.0	0.2	5.6
Construction	23.1	24.3	24.5	-1.2	-4.9	-1.4	-5.7
Manufacturing	31.3	32.8	29.3	-1.5	-4.6	2.0	6.8
Services-producing sector	280.6	280.3	282.5	0.3	0.1	-1.9	-0.7
Trade	60.4	59.7	58.0	0.7	1.2	2.4	4.1
Transportation and warehousing	17.2	19.0	20.6	-1.8	-9.5	-3.4	-16.5
Finance, insurance, real estate and leasing	17.2	16.9	14.6	0.3	1.8	2.6	17.8
Professional, scientific and technical services	14.3	14.4	16.4	-0.1	-0.7	-2.1	-12.8
Business, building and other support services	15.5	15.8	17.8	-0.3	-1.9	-2.3	-12.9
Educational services	25.3	25.6	27.1	-0.3	-1.2	-1.8	-6.6
Health care and social assistance	54.0	53.5	52.9	0.5	0.9	1.1	2.1
Information, culture and recreation	12.6	12.6	12.3	0.0	0.0	0.3	2.4
Accommodation and food services	22.4	21.8	23.5	0.6	2.8	-1.1	-4.7
Other services	17.3	17.3	15.9	0.0	0.0	1.4	8.8
Public administration	24.3	23.5	23.5	0.8	3.4	0.8	3.4

Note: Totals may not add due to rounding

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

¹ <http://www.theglobeandmail.com/report-on-business/mccain-foods-plans-65-million-expansion-of-new-brunswick-french-fry-plant/article30535657/>

REGIONAL ANALYSIS

Employment declined by nearly 5% in **Campbellton-Miramichi** on a year-over-year basis during October. Compared to October 2015 the unemployment rate was up by 2.7 percentage points, making it the highest in the province at 14.2%. On the bright side, Corner Defense, a Winnipeg-based aerospace and defense firm, is nearing a ramp-up of its Miramichi operation nearly three years after landing a lucrative military contract. The company expects to create 80 jobs to retrofit military vehicles.

Employment was up slightly in the **Moncton-Richibucto** region since last year, with the unemployment rate climbing by 0.7 percentage points during this same time. However, at 7.4% in October 2016, the region's unemployment rate was better than the provincial average. Employment appears to be trending up in the short-term with a number of major projects either underway or on the horizon in the region. Recent construction activity in Moncton includes the development of the \$104 million events centre; the Tuttle Brothers building revitalization; the WestJet call centre training facility; and additions to the Organigram medical marijuana facility. The city is also gearing up for the \$20 million Five Five Queen Street project, which includes construction of condominiums, a boutique hotel and a restaurant. Richibucto is also experiencing economic benefits from the construction of a new facility that will turn seafood processing waste into fertilizer, with the waste then being shipped to Asia. This new facility, owned by Omera Shells Inc., is expected to create 74 permanent jobs over the next two years.²

Compared to last year, employment declined marginally in **Saint John-St. Stephen**. During this same period, the unemployment rate fell by a half percentage point to 7.4% in October of 2016. This region has struggled with job creation over the past year. Most notably, the closure of PotashCorp's Picadilly mine at the beginning of the year was a major blow for the area. However, a recent investment announcement by Irving Oil Ltd. suggests that some economic stimulus is on the way. Indeed, Irving started a \$135 million turnaround at its Saint John refinery at the end of September. The refinery will continue to operate during the maintenance period, but at a reduced rate. It is expected that an additional 2,400 workers will be required on site for the duration of this short-term project.

The **Fredericton-Oromocto** labour market posted employment growth of nearly 5% on a year-over-year basis in October. At 6.2% in October 2016, the Fredericton-Oromocto unemployment rate was significantly improved from the same period last year and well below the provincial average. Among the projects which are propelling the region's labour market include the \$17.6 million development of Kingswood Cambria Suites hotel and water park near Fredericton. With phase one of the project currently underway, completion is slated for fall 2017. Once completed, the hotel is expected to employ 100 people. There are also some indications that the region is capitalizing from the lower value of the loonie relative to the US dollar. Specifically, the Fredericton International Airport Authority stated that there is a noticeable increase in the number of Americans from Maine who are driving to Fredericton to take advantage of cheaper airfares.

Employment was also up by nearly 5% in **Edmundston-Woodstock** on a year-over-year basis in October, trailing only the Fredericton-Oromocto region as a leading growth spot for jobs in the province. The unemployment rate was markedly improved compared to last year, declining by 2.4 percentage points to 5.8% in October 2016.

² Government of New Brunswick; September 2016:
http://www2.gnb.ca/content/gnb/en/news/news_release.2016.09.0883.html

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Oct 2016 ('000)	Oct 2015 ('000)	Yearly Variation (%)	Oct 2016 (%)	Oct 2015 (%)	Yearly Variation (% points)
New Brunswick	362.2	360.0	0.6	8.2	8.2	0.0
Economic Regions						
Campbellton-Miramichi	60.8	63.9	-4.9	14.2	11.5	2.7
Moncton-Richibucto	108.7	107.9	0.7	7.4	6.7	0.7
Saint John-St. Stephen	84.5	85.0	-0.6	7.4	7.9	-0.5
Fredericton-Oromocto	69.5	66.4	4.7	6.2	7.9	-1.7
Edmundston-Woodstock	38.7	36.9	4.9	5.8	8.2	-2.4

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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