



Labour Market Bulletin

New Brunswick

November 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 increased by a modest 500 on a month-over-month basis in New Brunswick during November 2016, driven by a matching rise in full-time employment. Despite the rise in employment, the unemployment rate fell by a sizeable 1.3 percentage points to 8.7%, as 4,700 people left the labour force.

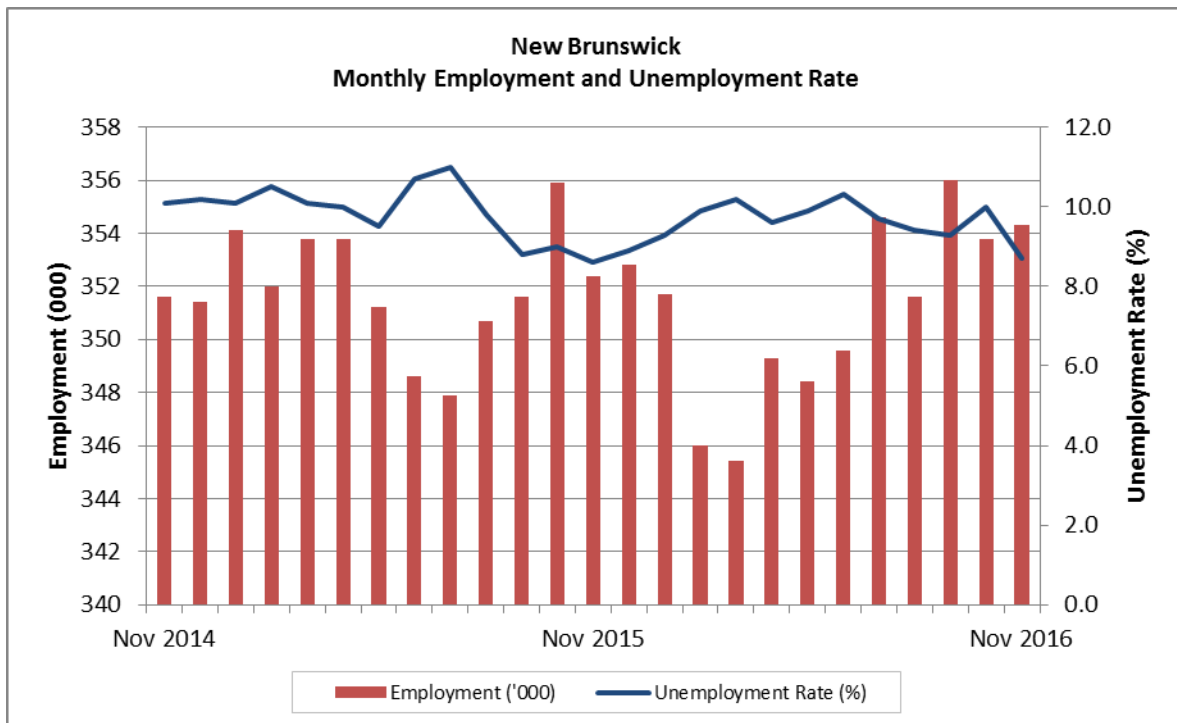
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Nov 2016	Oct 2016	Nov 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15+ ('000)	623.8	623.8	621.8	0.0	0.0	2.0	0.3
Labour Force ('000)	388.2	392.9	385.6	-4.7	-1.2	2.6	0.7
Employment ('000)	354.3	353.8	352.4	0.5	0.1	1.9	0.5
Full-Time ('000)	297.6	297.1	299.9	0.5	0.2	-2.3	-0.8
Part-Time ('000)	56.7	56.7	52.5	0.0	0.0	4.2	8.0
Unemployment ('000)	33.9	39.1	33.2	-5.2	-13.3	0.7	2.1
Unemployment Rate (%)	8.7	10.0	8.6	-1.3	-	0.1	-
Participation Rate (%)	62.2	63.0	62.0	-0.8	-	0.2	-
Employment Rate (%)	56.8	56.7	56.7	0.1	-	0.1	-

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 risen by close to 2,000 since November 2015. That increase was accompanied by an even bigger rise in the labour force, however, which explains the small increase in the unemployment rate over the past year. During the same period, the province's employment rate was little changed, as population growth was roughly in line with growth in employment.



On a month-over-month basis, job gains were concentrated entirely among the aged 25-54 cohort in November 2016. In contrast, employment among the aged 15-24 cohort declined slightly last month. On a year-over-year basis, however, employment within this segment rose by more than 9% compared to November 2015, illustrating a clear departure from its downward long-term trend, which began around the 2008-09 recession. Unfortunately, the youth unemployment rate remains elevated and, at 13.4% in November 2016, was up slightly from a year earlier.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Nov 2016	Oct 2016	Nov 2015	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	8.7	10.0	8.6	-1.3	0.1
25 years and over	8.0	9.4	7.9	-1.4	0.1
Men - 25 years and over	10.8	12.0	9.8	-1.2	1.0
Women - 25 years and over	4.9	6.6	5.9	-1.7	-1.0
15 to 24 years	13.4	13.5	13.3	-0.1	0.1
Men - 15 to 24 years	18.1	17.6	16.1	0.5	2.0
Women - 15 to 24 years	8.5	9.7	10.3	-1.2	-1.8

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

EMPLOYMENT BY INDUSTRY

The **Services-producing sector** was once again responsible for all of the month-over-month job gains in November, continuing a trend which began at the start of the year. On a year-over-year basis, employment across the sector grew by a healthy 4,000 compared to November 2015. The most sizeable gains were concentrated in **Trade and Finance, Insurance, real estate and leasing**. Improved labour market conditions in the Trade sector could be a reflection of the depreciation in the Canadian dollar, which has diminished the

incentive for New Brunswick consumers to purchase goods and services south of the border over the past year, boosting domestic consumption in the process. Nonetheless, the latest retail sales figures suggest that consumption growth has begun to slow following a healthy start to the year. This suggests the positive momentum for employment in the trade industry could fade soon. Elsewhere, year-over-year job losses were greatest in the **Business, building and other support services** industry, **Educational services** and **Transportation and warehousing**.

After an encouraging start to the year, employment in the **Goods-producing sector** fell for the second consecutive month in November 2016. On a year-over-year basis, employment declined by more than 2,000 since November 2015, as gains in **Agriculture, Manufacturing** and **Utilities** were more than offset by sharp declines in **Construction** and **Forestry, fishing, mining, quarrying and oil and gas**. In the latter, employment levels declined by nearly 20% over the same period, partly a reflection of the 420-430 layoffs stemming from the closure of Potash Corp's Picadilly mine earlier this year. Employment prospects are much more encouraging in the forestry sector, with capital investment expected to rise over the next couple of years. The deterioration in labour market conditions across the construction sector underscores the subdued public and private investment climate across the province. Although there remains little reason to expect a pronounced rebound in residential investment, the Federal government's recently announced infrastructure stimulus program, among other factors, should provide some support to non-residential investment over the next few years.

The province's **Agriculture** and **Manufacturing** industries continue to benefit from the low Canadian dollar, which is helping to make New Brunswick-grown foods and products more attractive, particularly south of the border. This can be illustrated by the strong growth in the value of food production exports. Indeed, increased demand for potato products has prompted McCains 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)	Nov 2016	Oct 2016	Nov 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	354.3	353.8	352.4	0.5	0.1	1.9	0.5
Goods-producing sector	72.0	73.2	74.1	-1.2	-1.6	-2.1	-2.8
Agriculture	5.2	5.2	4.0	0.0	0.0	1.2	30.0
Forestry, fishing, mining, quarrying, oil and gas	8.9	9.8	11.2	-0.9	-9.2	-2.3	-20.5
Utilities	4.1	3.8	3.6	0.3	7.9	0.5	13.9
Construction	23.9	23.1	26.2	0.8	3.5	-2.3	-8.8
Manufacturing	29.8	31.3	29.1	-1.5	-4.8	0.7	2.4
Services-producing sector	282.3	280.6	278.3	1.7	0.6	4.0	1.4
Trade	59.2	60.4	55.6	-1.2	-2.0	3.6	6.5
Transportation and warehousing	17.7	17.2	20.7	0.5	2.9	-3.0	-14.5
Finance, insurance, real estate and leasing	17.4	17.2	14.9	0.2	1.2	2.5	16.8
Professional, scientific and technical services	15.3	14.3	15.6	1.0	7.0	-0.3	-1.9
Business, building and other support services	15.2	15.5	18.0	-0.3	-1.9	-2.8	-15.6
Educational services	25.2	25.3	26.2	-0.1	-0.4	-1.0	-3.8
Health care and social assistance	54.5	54.0	53.7	0.5	0.9	0.8	1.5
Information, culture and recreation	12.6	12.6	11.1	0.0	0.0	1.5	13.5
Accommodation and food services	22.8	22.4	23.7	0.4	1.8	-0.9	-3.8
Other services	18.2	17.3	15.8	0.9	5.2	2.4	15.2
Public administration	24.2	24.3	23.0	-0.1	-0.4	1.2	5.2

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

Month-over-month employment gains in the province were heavily concentrated in the **Campbelton-Miramichi** region. This, of course, departs from the region's long-term downward trend. Compared to November 2015, employment fell by more than 5% in the region, lifting the unemployment rate by 2.4 percentage points to 14%, the highest rate in the province. There are some reasons for optimism, however. Cormer Defense, for instance, a Winnipeg-based aerospace and defense firm, is nearing a ramp-up of its Miramichi operation that it expects will eventually create around 80 positions in the area.

Although employment was little changed in the **Moncton-Richibucto** region over the past year, the unemployment rate rose by a sizeable 1.6 percentage points in the same period, as workers re-entered the labour force in droves. At 7.9% in November 2016, the region's unemployment rate stood only slightly below the provincial average. A number of investment projects on the horizon in the region should provide some support to the region's labour market, particularly in construction. Indeed, construction activity already underway 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 preparing for the \$20 million Five Five Queen Street project, which includes construction of condominiums, a boutique hotel and a restaurant. The Richibucto region, meanwhile, is expected to benefit from the construction of a new facility that will process seafood waste into fertilizer. This new facility, owned by Omera Shells Inc., is expected to create 74 permanent jobs over the next two years.²

In the Saint John region, employment rose by 1.7% on a year-over-year basis in November 2016. A similar rise in the region's labour force kept the unemployment rate little changed at 6.7% over the same period. The closure of PotashCorp's Picadilly mine at the beginning of the year was undoubtedly a major blow to the area, but a recent investment announcement by Irving Oil Ltd. suggests there might be some relief on the horizon. Indeed, the \$135 million turnaround at the Saint John refinery began in September and 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** region continues to demonstrate healthy labour market conditions. On a year-over-year basis, employment grew by nearly 5% in November 2016. Meanwhile, at 5.7%, the unemployment rate in the region stood well below the provincial average and down significantly from its level a year earlier. Among the projects which are driving labour market activity in the region are the \$17.6 million development of Kingswood Cambria Suites hotel and water park near Fredericton. The first phase of the project is currently underway, with completion expected around the fall of 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 has reported a noticeable increase in the number of Americans from Maine who are driving to Fredericton to take advantage of cheaper airfares.

Labour market conditions in the **Edmundston-Woodstock** region have improved considerably over the past year. Indeed, employment rose by 3% in on a year-over-year basis in November 2016. This helped lower the unemployment rate by a sizeable 2.5 percentage points to 5.0%, the most significant decline among all regions of the province.

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		
	Nov 2016 ('000)	Nov 2015 ('000)	Yearly Variation (%)	Nov 2016 (%)	Nov 2015 (%)	Yearly Variation (% points)
New Brunswick	357.8	355.8	0.6	8.0	7.7	0.3
Economic Regions						
Campbellton-Miramichi	60.0	63.3	-5.2	14.0	11.6	2.4
Moncton-Richibucto	105.3	105.8	-0.5	7.9	6.5	1.4
Saint John-St. Stephen	84.7	83.3	1.7	6.7	6.6	0.1
Fredericton-Oromocto	69.6	66.4	4.8	5.7	7.1	-1.4
Edmundston-Woodstock	38.1	37.0	3.0	5.0	7.5	-2.5

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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