



Labour Market Bulletin

New Brunswick

December 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 300 on a quarter-over-quarter basis in New Brunswick during the final quarter of 2016. The increase in employment was coupled with a small decline in the size of the labour force, lowering the unemployment rate to 9.4%, from 9.5% in the process. The participation rate, meanwhile, remained unchanged at 62.7% in the fourth quarter, after rising gradually for the better part of the year.

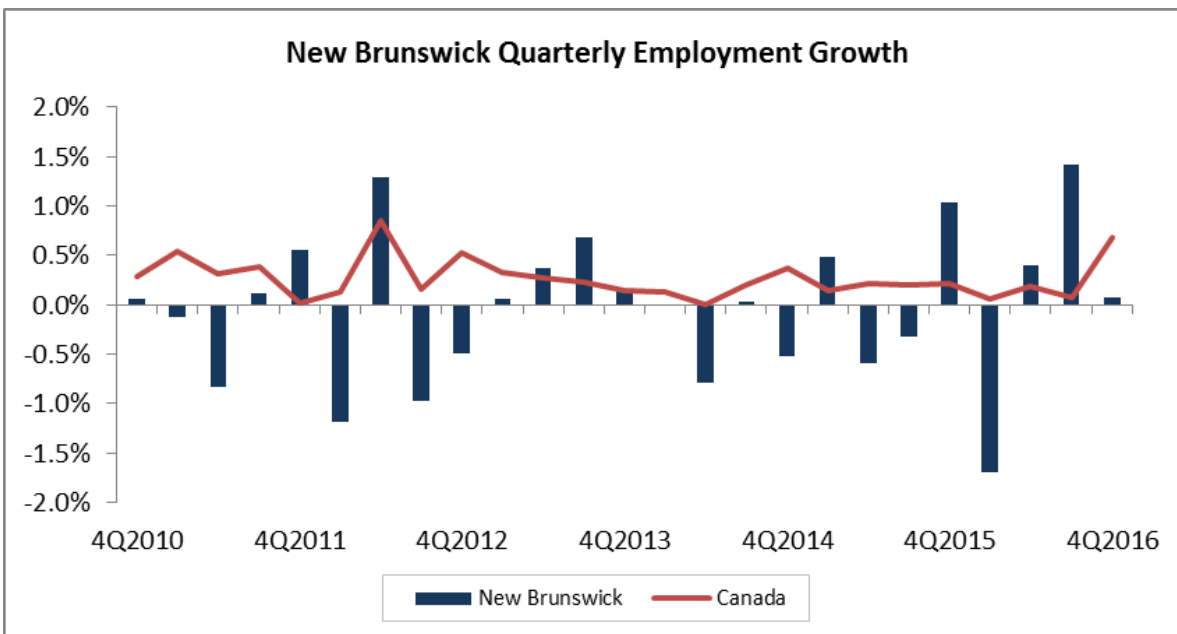
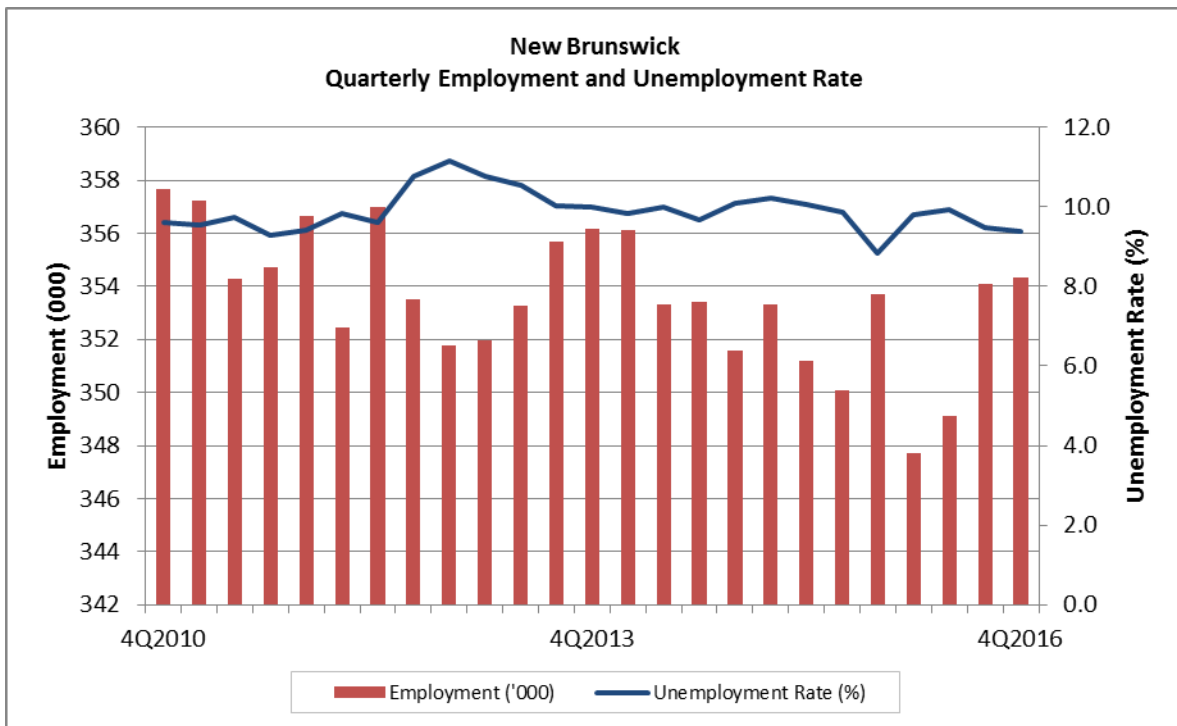
New Brunswick Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	4th Quarter 2016	3rd Quarter 2016	4th Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15+ ('000)	623.8	623.6	621.9	0.2	0.0	2.0	0.3
Labour Force ('000)	390.9	391.1	387.9	-0.2	0.0	3.0	0.8
Employment ('000)	354.3	354.1	353.7	0.3	0.1	0.6	0.2
Full-Time ('000)	297.9	297.7	300.1	0.2	0.1	-2.2	-0.7
Part-Time ('000)	56.5	56.4	53.6	0.1	0.2	2.8	5.3
Unemployment ('000)	36.6	37.0	34.2	-0.4	-1.2	2.3	6.8
Unemployment Rate (%)	9.4	9.5	8.8	-0.1	-	0.5	-
Participation Rate (%)	62.7	62.7	62.4	0.0	-	0.3	-
Employment Rate (%)	56.8	56.8	56.9	0.0	-	-0.1	-

Note: Totals may not add due to rounding

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

More generally, labour market conditions in the province have shown little improvement over the past year. Although year-over-year employment was up by 600 in the final quarter of 2016, the entirety of those gains were in part-time employment. By comparison, full-time employment fell by 2,100 over the same period. Furthermore, despite the modest rise in total employment, the unemployment rate climbed by 0.6 percentage points since the final quarter of 2015, as 3,000 workers re-entered the labour force.



Departing from the recent trend, the quarter-over-quarter gains in employment were concentrated entirely among the aged 55 and over cohort in the fourth quarter of 2016. Over a longer period, healthy gains among the aged 15 to 24 cohort have been the primary driver behind the rise in employment across the province. Despite declining in the final quarter of 2016, youth employment is still up by more than 9% compared to a year earlier. What’s more, the unemployment rate has fallen by 2.1 percentage points, to 13.8% over the same period. In contrast, the number of employed in the aged 25 to 54 cohort has declined by 1.6% over the past year. Finally, employment among the aged 55 and over cohort edged up modestly, which illustrates that older workers are choosing to remain in the labour force a little longer.

New Brunswick Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	4th Quarter	3rd Quarter	4th Quarter	Quarterly Variation	Yearly Variation
	2016 (%)	2016 (%)	2015 (%)	(% points)	(% points)
Total	9.4	9.5	8.8	-0.1	0.5
25 years and over	8.7	9.0	7.7	-0.3	0.9
Men - 25 years and over	11.4	11.4	9.6	-0.1	1.7
Women - 25 years and over	5.7	6.4	5.7	-0.7	0.0
15 to 24 years	13.8	12.4	15.9	1.4	-2.1
Men - 15 to 24 years	17.7	15.9	20.1	1.8	-2.5
Women - 15 to 24 years	9.9	8.7	11.2	1.1	-1.3

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

In the fourth quarter (Q4) of 2016, the total population aged 15+ in the Atlantic Provinces was 1.98 million. The Indigenous population living off-reserve accounted for 3.4% of that, or 66,900 people. Employment among the Indigenous population stood at 36,600 representing a decline of -2,900 (-7.9%) from a year earlier. The declines were all in full-time (-2,900) positions.

The unemployment rate among the Indigenous population was 14.7% in Q4 2016, representing a +0.9 percentage point (pp) increase from the previous year. Among the non-Indigenous population, the unemployment rate edged up slightly to 9.2% in Q4 2016 (+0.2pp year-over-year). Between Q 2015 and Q4 2016, the participation rate among the Indigenous population declined to 58.9% (-5.0pp), and that of the non-Indigenous population edged down to 61.4% (-0.3pp year-over-year). Over the same time period, the employment rate of the Indigenous population declined to 50.2% (-4.9pp), and the employment rate amongst the non-Indigenous population fell slightly to 55.7% (-0.4pp).

Atlantic - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q4 2016	Q4 2015	number	%	Q4 2016	Q4 2015	number	%
Population 15 + ('000)	66.9	66.1	0.8	1.2%	1,913.7	1,906.1	7.6	0.4%
Labour Force ('000)	40.8	41.6	-0.8	-1.9%	1,180.7	1,186.6	-5.9	-0.5%
Employment ('000)	34.2	36.2	-2.0	-5.5%	1,079.2	1,085.5	-6.3	-0.6%
Full-Time ('000)	27.4	29.3	-1.9	-6.5%	891.7	910.4	-18.7	-2.1%
Part-Time ('000)	6.8	6.9	-0.1	-1.4%	187.6	175.1	12.5	7.1%
Unemployment ('000)	6.6	5.4	1.2	22.2%	101.5	101.2	0.3	0.3%
Unemployment Rate (%)	16.2	12.9	3.3	-	8.6	8.5	0.1	-
Participation Rate (%)	60.9	62.9	-2.0	-	61.7	62.3	-0.6	-
Employment Rate (%)	51.1	54.8	-3.7	-	56.4	56.9	-0.5	-

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

The **Service-producing sector** drove the quarter-over-quarter employment gains in the final quarter of 2016. In particular, there was a sizeable 1,900 increase in employment in **Health care and social assistance**. Healthy gains were also recorded in **Accommodation and food services** and **Other services**. Limiting the gains in the service-sector in the fourth quarter were sharp declines in **Transportation and Warehousing** and **Business, building and other support services**.

More generally, labour market conditions have been much healthier among service-producing industries over the past year. Compared to the final quarter of 2015, employment in the sector has risen by 2,500, with the strongest gains recorded in **Trade** and **Finance, insurance, real estate and leasing**. The more favourable labour market conditions within the trade sector aren't entirely surprising, given the advantage many domestic companies enjoy thanks to the weaker Canadian dollar. Similarly, the depreciating currency has lowered the incentive for New Brunswick consumers to purchase goods and services south of the border. Nonetheless, consumer spending appears to have slowed somewhat in the second half of 2016, thanks in part to a rise in the provincial component of the HST on July 1st. Accordingly, the upward momentum in trade employment could begin to fade soon.

After an encouraging start to the year, employment in the **Goods-producing sector** fell by 1,500 in the fourth quarter, following an even sharper 1,800 decline in the previous quarter. On a year-over-year basis, employment in the sector is down 2.5%, due primarily to some steep declines in **Construction** and **Forestry, fishing, mining, quarrying, and oil and gas**, where employment is down 10% and 20%, respectively. The unexpected closure of the Potash mine in the province early last year dealt a major blow to the mining sector. The good news is that the Trevali mine has reached commercial production at its Caribou mine, which should provide some relief to the sector.

Labour market conditions in **Agriculture** and **Manufacturing** have been much more encouraging over the past year, with employment levels up by 1,300 (or 31%) and 1,200 (or 4%) respectively since the final quarter of 2015. The province's Agriculture industry is likely benefiting from the low Canadian dollar, which is helping to make New Brunswick-grown foods more attractive in the global marketplace, particularly south of the border. Production capacity in food manufacturing is also set to receive a boost from recent upgrades at the Oxford Frozen food berry-processing plant in the Acadian peninsula. Similarly, McCain Foods announced in June 2016 plans to spend \$65 million to add a new production line at its Florenceville-based French fry plant.¹ McCain Foods' expansion comes in response to growing consumer demand for a number of potato products. The new production line is expected to be operational by late 2017 or early 2018. Likewise, manufacturers in the province are also advancing from the low value of the loonie and the growing US economy, which is easily New Brunswick's largest trading partner.

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

New Brunswick Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	4th Quarter 2016	3rd Quarter 2016	4th Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	354.3	354.1	353.7	0.3	0.1	0.6	0.2
Goods-producing sector	72.6	74.1	74.4	-1.5	-2.0	-1.9	-2.5
Agriculture	5.5	5.5	4.2	0.0	0.6	1.3	31.0
Forestry, fishing, mining, quarrying, oil and gas	9.2	9.3	11.4	-0.2	-1.8	-2.2	-19.6
Utilities	4.0	3.7	3.6	0.3	8.1	0.4	10.1
Construction	23.2	24.5	25.8	-1.3	-5.2	-2.5	-9.8
Manufacturing	30.6	31.1	29.5	-0.4	-1.4	1.2	4.0
Services-producing sector	281.8	280.0	279.3	1.8	0.6	2.5	0.9
Trade	59.3	58.8	56.1	0.6	1.0	3.2	5.7
Transportation and warehousing	17.5	19.5	20.6	-2.0	-10.3	-3.1	-15.0
Finance, insurance, real estate and leasing	17.4	17.5	15.0	-0.1	-0.4	2.4	16.3
Professional, scientific and technical services	14.8	14.7	15.5	0.0	0.2	-0.8	-4.9
Business, building and other support services	15.2	16.7	17.9	-1.5	-8.8	-2.7	-14.9
Educational services	25.5	26.1	26.5	-0.6	-2.3	-0.9	-3.5
Health care and social assistance	54.6	52.8	53.1	1.9	3.5	1.5	2.9
Information, culture and recreation	12.7	12.1	11.7	0.7	5.5	1.0	8.5
Accommodation and food services	22.8	21.6	23.7	1.2	5.6	-0.9	-3.9
Other services	17.7	16.5	15.6	1.2	7.1	2.1	13.7
Public administration	24.1	23.8	23.6	0.4	1.5	0.5	2.3

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

The **Fredericton-Oromocto** labour market posted employment growth of 3.4% between the fourth quarter of 2015 and the final quarter of 2016. After showing some signs of regression to start the year, the region's labour market continues to outperform the other urban regions in the province. At 5.6% in the final quarter of 2016, the unemployment rate is down sharply from the same period last year and well below the provincial average. Among the projects which are driving labour market activity in the region is the \$17.6 million development of Kingswood Cambria Suites hotel and water park near Fredericton.

The **Saint John-St. Stephen** labour market posted employment growth of 3.0% between the fourth quarter of 2015 and the fourth quarter of 2016. Despite the gain, the unemployment rate rose by 0.3 percentage points to 7.3%, as even more workers re-entered the labour force. More generally, the region has struggled with job creation over the past year. The closure of PotashCorp's Picadilly mine at the beginning of the year was undoubtedly a major blow for the region's labour market. The \$135 million turnaround at the Irving oil refinery in Saint John did provide some relief, however. Initial estimates suggested the project would require as many as 2,400 workers. Looking ahead, work on the Greenfield Safe Clean Drinking water project in Saint John should also provide support to the region's labour market.

Labour market conditions continue to deteriorate in the **Campbelton-Miramichi** region, where year-over-year employment was down 5.3% in the final quarter of 2016. The unemployment rate, meanwhile, rose by 1.6 percentage points, to 13.9% over the same period, easily topping all regions. 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.

Compared to a year earlier, employment was unchanged in the **Moncton-Richibucto** region since the final quarter of 2015. The unemployment rate, however, has risen considerably during this period and, at 8.4%, now matches the provincial average. The latter seems somewhat counterintuitive given the numerous projects

currently in the works in the region, including the \$104 million sports and entertainment centre in downtown Moncton.

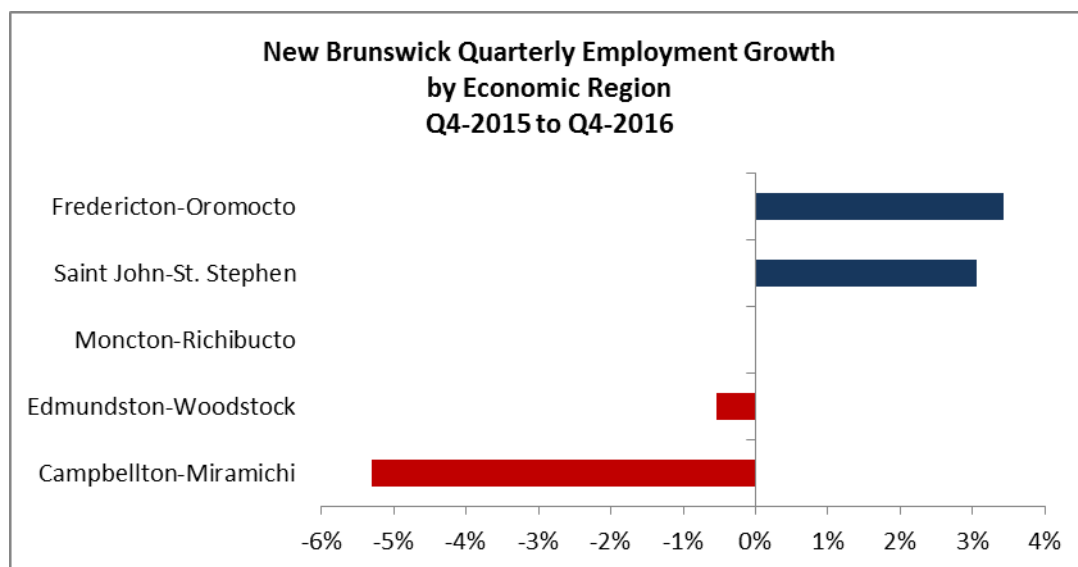
Employment edged down slightly in the **Edmundston-Woodstock** region on a year-over-year basis in the fourth quarter of 2016. The unemployment rate, however, has fallen by a sizeable 2.3 percentage points to 5.2% over the same period, which is easily the lowest among all regions.

New Brunswick Quarterly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	4th Quarter 2016 ('000)	4th Quarter 2015 ('000)	Yearly Variation (%)	4th Quarter 2016 (%)	4th Quarter 2015 (%)	Yearly Variation (% points)
New Brunswick	353.2	352.0	0.3	8.4	8.1	0.3
Economic Regions						
Campbellton-Miramichi	58.9	62.2	-5.3	14.6	13.0	1.6
Moncton-Richibucto	104.0	104.0	0.0	8.4	6.9	1.5
Saint John-St. Stephen	84.5	82.0	3.0	7.3	7.0	0.3
Fredericton-Oromocto	69.3	67.0	3.4	5.6	6.8	-1.2
Edmundston-Woodstock	36.6	36.8	-0.5	5.2	7.5	-2.3

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.

Prepared by: Labour Market Analysis Directorate, Service Canada, Atlantic Region

For further information, please contact the LMI team at:

NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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