



Labour Market Bulletin

New Brunswick

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

Labour market conditions deteriorated somewhat in 2016. Although employment was broadly unchanged for the year as a whole, full time jobs declined by 1,400 during the year. The unemployment rate fell by 0.3 percentage points to 9.5%, as the number of unemployed declined by 1,300 last year. Unfortunately, the catalyst for that drop was an even bigger 1,600 decline in the number of people looking for work.

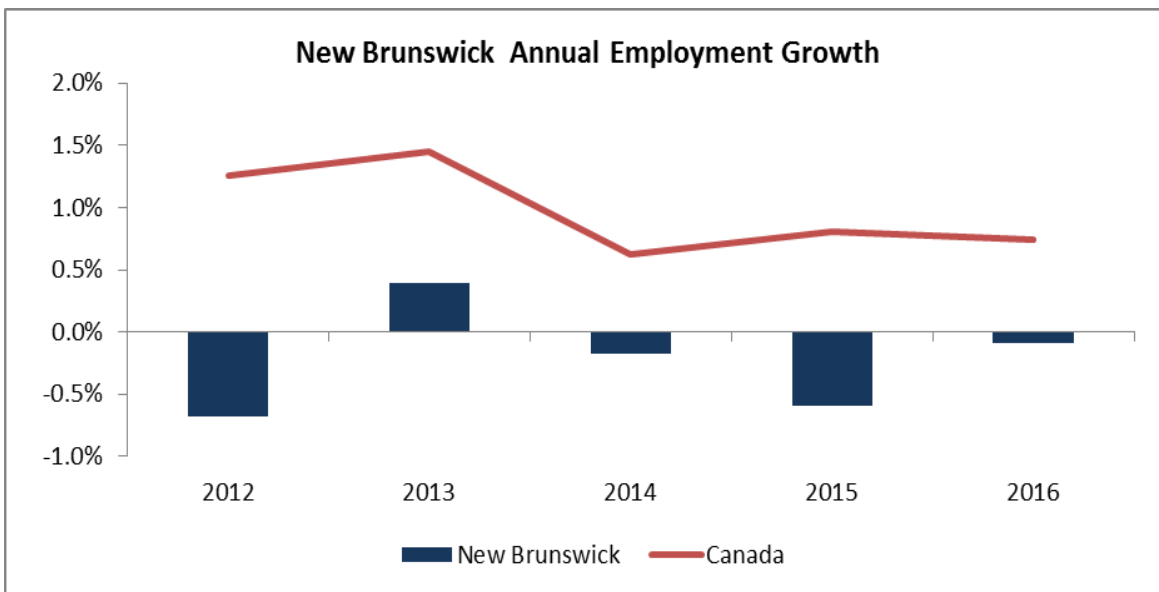
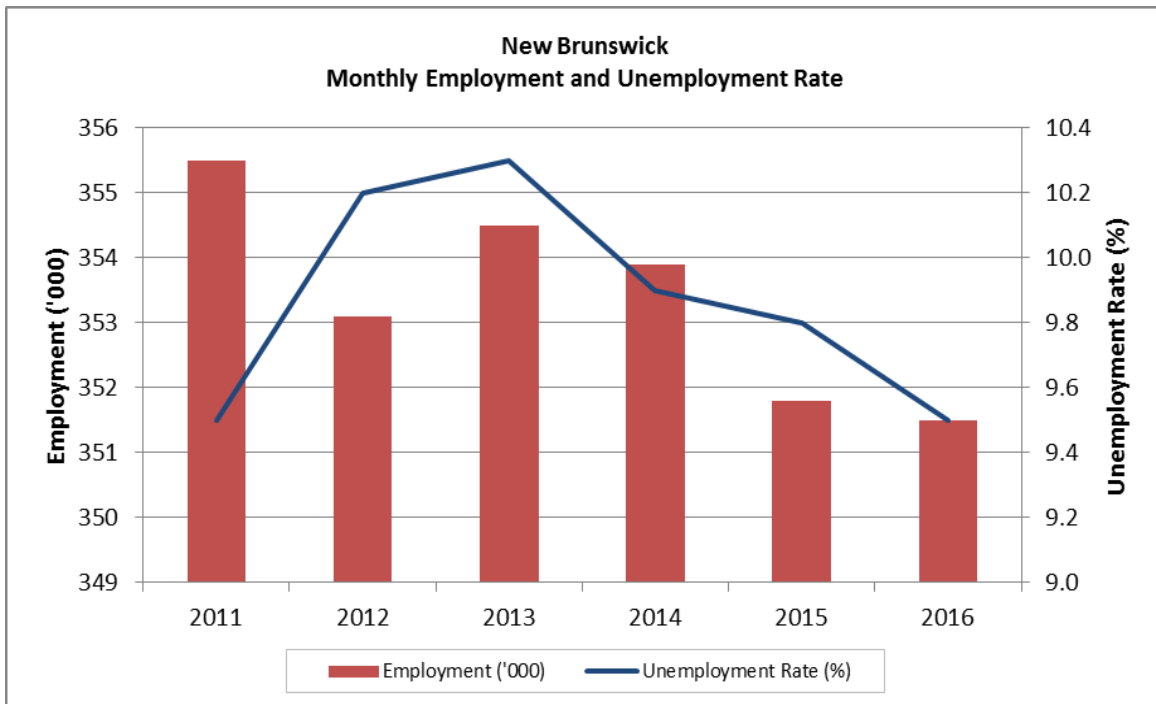
New Brunswick Annual Labour Force Statistics							
Annual Labour Force Survey Estimates	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Population 15+ ('000)	623.4	622	621.7	1.4	0.2%	0.3	0.0%
Labour force ('000)	388.6	390.2	393	-1.6	-0.4%	-2.8	-0.7%
Employment ('000)	351.5	351.8	353.9	-0.3	-0.1%	-2.1	-0.6%
Full-time ('000)	296.5	297.9	297.6	-1.4	-0.5%	0.3	0.1%
Part-time ('000)	55	53.9	56.3	1.1	2.0%	-2.4	-4.3%
Unemployment ('000)	37.1	38.4	39.1	-1.3	-3.4%	-0.7	-1.8%
Unemployment rate (%)	9.5	9.8	9.9	-0.3	-	-0.1	-
Participation rate (%)	62.3	62.7	63.2	-0.4	-	-0.5	-
Employment rate (%)	56.4	56.6	56.9	-0.2	-	-0.3	-

Note: Totals may not add up due to rounding

Source: Statistics Canada Labour Force Survey - Cansim Table 282-0002

Generally speaking, the New Brunswick labour market has been a tale of two halves since the beginning of 2000. The pre-recessionary period between 2000 and 2008 was characterised by average annual employment gains of around 3,600. The 2009 and 2016 period, on the other hand, saw average annual job losses of around 1,100. More recently, employment declines have been even more pronounced, averaging 3,000 per year between 2013 and 2016. Meanwhile, the decline in the unemployment rate to 9.5%, from 10.3% in 2013, was entirely due to a

sharp decline in the number of people searching for work. The steady decline in the size of the labour force owes primarily to a long-term structural decline in the participation rate, triggered by the aging of the workforce.



Looking at 2016, job losses were concentrated entirely in the aged 15-54 cohort, where employment fell by 1,600. After trending downward for a number of years, employment among the aged 15-24 cohort registered a moderate 600 gain, which helped lower the unemployment rate from 17.8% to 15.1% last year. Otherwise, labour market conditions among the aged 55 and over cohort have shown the greatest level of improvement among all age groups in recent years and the minor increase in the unemployment rate for the age group was only because the 600 rise in employment was met with an even bigger increase in the labour force. It is possible that the steady rise in employment among older workers could explain the surge in part-time employment, as older workers and retirees typically work fewer hours.

New Brunswick Annual Unemployment Rates, by Gender and Age					
Annual Labour Force Survey Estimates	2016	2015	2014	2015 to 2016	2014 to 2015
	%	%	%	(% points)	(% points)
Total	9.5	9.8	9.9	-0.3	-0.1
25 years and over	8.7	8.6	8.7	0.1	-0.1
Men - 25 years and over	11.2	10.6	10.3	0.6	0.3
Women - 25 years and over	6	6.4	7	-0.4	-0.6
15 to 24 years	15.1	17.8	17.5	-2.7	0.3
Men - 15 to 24 years	19.2	22.4	22.1	-3.2	0.3
Women - 15 to 24 years	11.2	12.8	12.5	-1.6	0.3

Note: Totals may not add due to rounding

Source: Statistics Canada, Labour Force Survey - CANSIM Table 282-0002

EMPLOYMENT BY INDUSTRY

After registering sizeable job losses declines in 2014 and 2015, employment in the **Goods-producing sector** was broadly unchanged in 2016, which is somewhat encouraging given it has been the primary source of job losses over the prior two years. Although there was little change in employment in the sector as a whole, there was a relatively big divide between the strongest or weakest performers within the sector. The closure of the Potash mine near Sussex at the beginning of the year contributed to the 1,200 job losses in **Forestry, fishing, mining, quarrying, oil and gas**. Trevali Mining Corp., which reached commercial production at its Caribou mine last year, did at least provide some relief to the sector. Although labour market conditions have remained relatively healthy in the forestry sector over the past few years, there is plenty of uncertainty moving forward, particularly if softwood lumber producers are faced with countervailing duties later this year. Job losses were also recorded in **Construction**, but the 500 decline last year was relatively modest in comparison to the 3,600 decline in 2015, when the industry was battered by a sharp decline in new housing activity and a weak investment climate in general. Offsetting these declines were healthy gains in **Agriculture** and **Manufacturing**. Prospects appear particularly encouraging for the food manufacturing sector, where production capacity is set to receive a boost from recent upgrades at the Oxford Frozen Food berry-processing plant in the Acadian peninsula. Similarly, McCain Foods is spending \$65 million towards a new production line at its Florenceville French fry plant, which is expected to be operational by late 2017 or early 2018.

The **Services-producing sector** registered modest job losses in 2016, following some relatively healthy gains in the two years prior. There were, however, several service industries which experienced healthy labour market conditions during the year, including **Finance, insurance, real estate and leasing**, where employment grew by 2,300. Similarly, the 1,900 rebound in **Trade** employment more than made up for the 1,700 decline a year earlier. **Health care and social assistance**, meanwhile, registered a gain of 1,500 during the year. Job losses were concentrated heavily in **Business, building and other support services** (-2,500) as well as **Educational services** and **Accommodation and food services**, which both shed 2,000 jobs in 2016.

New Brunswick Annual Labour Force Statistics, by Industry

Employment ('000)	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Total, all industries	351.5	351.8	353.9	-0.3	-0.1%	-2.1	-0.6%
Goods-producing sector	72.8	72.7	76.2	0.1	0.1%	-3.5	-4.6%
Agriculture	5.2	4.1	4.1	1.1	26.8%	0	0.0%
Forestry, fishing, mining, quarrying, oil and gas	9.5	10.7	12	-1.2	-11.2%	-1.3	-10.8%
Utilities	3.7	3.5	3.9	0.2	5.7%	-0.4	-10.3%
Construction	24.1	24.6	28.2	-0.5	-2.0%	-3.6	-12.8%
Manufacturing	30.4	29.8	28	0.6	2.0%	1.8	6.4%
Services-producing sector	278.6	279.1	277.7	-0.5	-0.2%	1.4	0.5%
Trade	57.4	55.5	57.2	1.9	3.4%	-1.7	-3.0%
Transportation and warehousing	19.1	19.2	16.3	-0.1	-0.5%	2.9	17.8%
Finance, insurance, real estate and leasing	16.9	14.6	14.9	2.3	15.8%	-0.3	-2.0%
Professional, scientific and technical services	15	16.6	17.4	-1.6	-9.6%	-0.8	-4.6%
Business, building and other support services	16.3	18.8	19.6	-2.5	-13.3%	-0.8	-4.1%
Educational services	25.4	27.4	25.6	-2	-7.3%	1.8	7.0%
Health care and social assistance	53.4	51.9	52.1	1.5	2.9%	-0.2	-0.4%
Information, culture and recreation	12.4	11.7	11	0.7	6.0%	0.7	6.4%
Accommodation and food services	22.3	24.3	24.1	-2	-8.2%	0.2	0.8%
Other services	16.5	15.4	16.9	1.1	7.1%	-1.5	-8.9%
Public administration	23.8	23.7	22.5	0.1	0.4%	1.2	5.3%

Note: Totals may not add due to rounding

Source: Statistics Canada, Labour Force Survey - CanSim Table 282-0008

REGIONAL ANALYSIS

After stabilising in 2015, labour market conditions in the **Campbellton-Miramichi** economic region deteriorated again last year, as employment fell by 2,500 (or 4.1%), which was easily the sharpest decline among all regions in the province. Aside from the ramping up of production of the Trevali Caribou Mine, however, there has been little new investment activity to support the local job market.

Employment edged down by 0.4% in the **Moncton-Richibucto** economic region last year, following an even sharper 1.9% decline a year earlier. Despite the deterioration in recent years, the region's labour market still remains among the healthiest in the province. At 9.8% in 2016, the unemployment rate remains roughly in line with the provincial average. Meanwhile, a number of investment projects either already underway or expected in the near future, should continue providing support to the region's labour market. Construction activity is already underway in the development of the \$104 million events center in Moncton. 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. The new facility is expected to create 74 permanent jobs over the next two years.

Labour market conditions were little changed in the **Saint John-St. Stephen** economic region last year. Following a sizeable 2,700 decline in 2015, employment edged up slightly in the region in 2016, which is encouraging considering the massive layoffs associated with the closure of the Potash mine near Sussex at the start of the year. The \$135 million turnaround at the Saint John refinery, which began in the fall, did provide a boost to the region's labour market, with initial estimates suggesting the project would require an additional 2,400 workers over the duration of the project.

The 1,600 job gains in the **Fredericton-Oromocto** economic region led all regions in the province and added to the even more pronounced 2,400 increase in 2015. More generally, labour market conditions in the region are arguably the healthiest in the province and there is little reason to expect any significant deterioration soon. The city of Fredericton is home to several large employers, including many provincial and federal government offices and two major universities. New investment has also continued to support labour market activity in the region over the past year, including the \$17.6 million development of Kingswood Cambria Suites hotel and water park near Fredericton. Upon completion, expected sometime around the fall of 2017, the hotel is anticipated to employ 100 people.

Employment was up slightly for a second consecutive year in the **Edmundston-Woodstock** economic region in 2016. The magnitude of the decline in the unemployment rate is somewhat misleading, however, as it partly reflects a significant decline in the size of the labour force. More generally, the region's labour market is clearly benefiting from the presence of large and successful employers, such as McCain Foods. The region's relatively high dependency on the forest industry does pose a risk moving forward, particularly if softwood lumber producers are faced with countervailing duties.

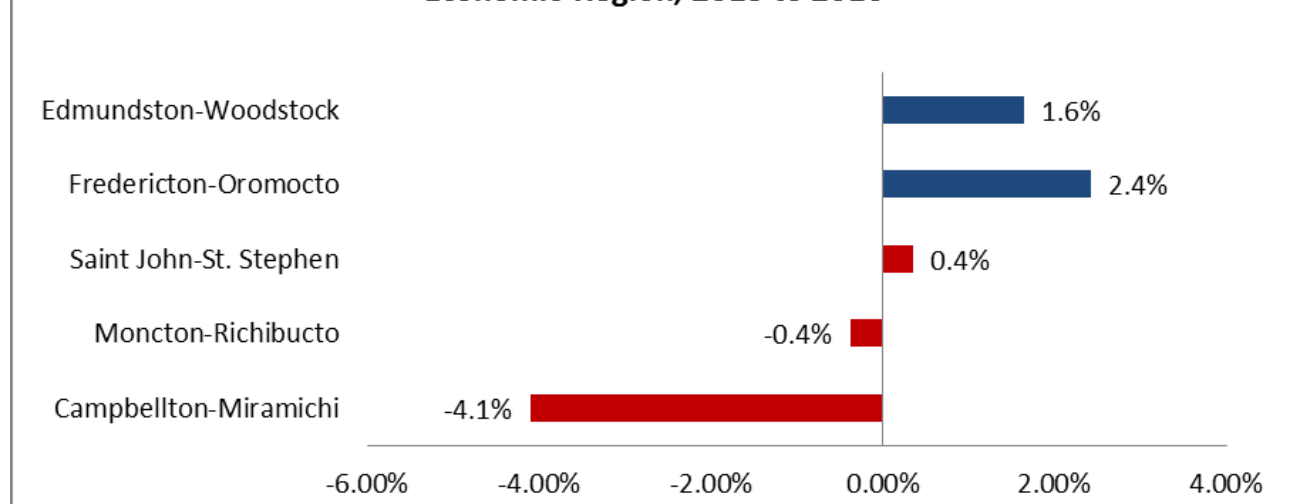
New Brunswick Annual Labour Force Statistics, by Economic Region

Employment ('000)	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
New Brunswick	351.5	351.8	353.9	-0.3	-0.1%	-2.1	-0.6%
Campbellton-Miramichi	58.5	61	61.2	-2.5	-4.1%	-0.2	-0.3%
Moncton-Richibucto	105.3	105.7	107.6	-0.4	-0.4%	-1.9	-1.8%
Saint John-St. Stephen	83	82.7	85.4	0.3	0.4%	-2.7	-3.2%
Fredericton-Oromocto	67.5	65.9	63.5	1.6	2.4%	2.4	3.8%
Edmundston-Woodstock	37.1	36.5	36.2	0.6	1.6%	0.3	0.8%

Note: Totals may not add due to rounding

Source: Statistics Canada, Labour Force Survey - CANSIM Table 282-0123

New Brunswick Annual Employment Growth, by Economic Region, 2015 to 2016



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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