



Labour Market Bulletin

New Brunswick

January 2017



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 in New Brunswick declined by a sizeable 3,000 on a month-over-month basis in January 2017, as a 1,200 gain in full-time employment was more than offset by a 4,300 drop in part-time work. Although the number of unemployed fell by 2,000 in January, the unemployment rate fell by 0.4 percentage points to 8.9%, as nearly 5,000 people left the labour force. The participation rate fell rather sharply, to 62.0%, from 62.8%.

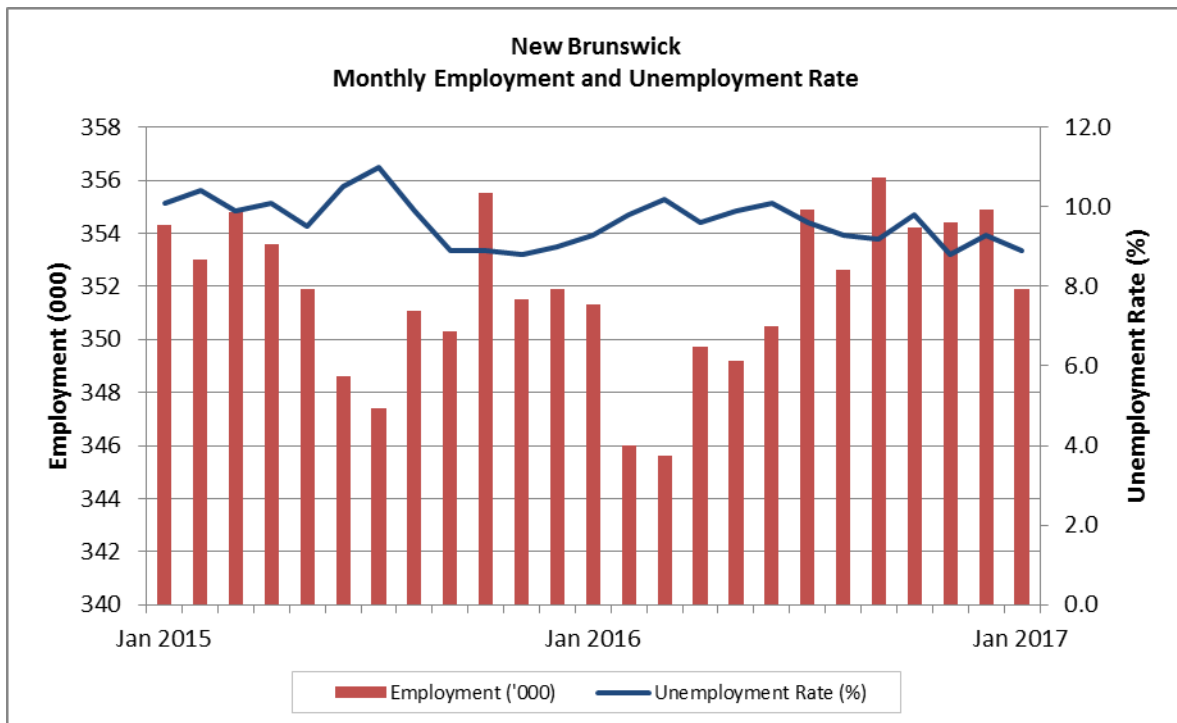
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Jan 2017	Dec 2016	Jan 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	624.0	623.9	622.2	0.1	0.0	1.8	0.3
Labour Force ('000)	386.6	391.5	387.4	-4.9	-1.3	-0.8	-0.2
Employment ('000)	351.9	354.9	351.3	-3.0	-0.8	0.6	0.2
Full-Time ('000)	300.2	299.0	295.9	1.2	0.4	4.3	1.5
Part-Time ('000)	51.7	56.0	55.4	-4.3	-7.7	-3.7	-6.7
Unemployment ('000)	34.6	36.6	36.1	-2.0	-5.5	-1.5	-4.2
Unemployment Rate (%)	8.9	9.3	9.3	-0.4	-	-0.4	-
Participation Rate (%)	62.0	62.8	62.3	-0.8	-	-0.3	-
Employment Rate (%)	56.4	56.9	56.5	-0.5	-	-0.1	-

Note: Totals may not add due to rounding

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

More generally, employment has risen only modestly over the past year. On the bright side, year-over-year declines in part-time work were more than offset by healthy gains in full-time employment. The unemployment rate has edged down slightly over the same period, reflecting a similar decline in the participation rate. The province's employment rate was little changed, as growth in the working age population was roughly in line with growth in employment.



With the exception of the aged 55 and over cohort, where employment grew by 1,000 on a month-over-month basis in January, all other age groups experienced job losses during the month. Labour market conditions among the aged 55 and over cohort have been improving for some time. Indeed, on a year-over-year basis, employment within the age group was up by a healthy 5,600 in January. By comparison, employment among the aged 25-54 cohort has fallen by more than 6,000 over the same period. Employment did rise modestly among the aged 15-24 group, which helps explain the decline in the unemployment rate from 16.6% in January 2016 to 15.8% in January 2017.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Jan 2017	Dec 2016	Jan 2016	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	8.9	9.3	9.3	-0.4	-0.4
25 years and over	7.9	8.5	8.2	-0.6	-0.3
Men - 25 years and over	9.9	11.2	10.6	-1.3	-0.7
Women - 25 years and over	5.7	5.6	5.5	0.1	0.2
15 to 24 years	15.8	14.4	16.6	1.4	-0.8
Men - 15 to 24 years	18.1	17.3	19.3	0.8	-1.2
Women - 15 to 24 years	13.4	11.4	14.1	2.0	-0.7

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

EMPLOYMENT BY INDUSTRY

The **Services-producing sector** was responsible for all of the month-over-month job losses in November, which is a clear departure from the storyline for much of 2016. Job losses in the sector were most pronounced in **Trade, Education** and **Health**. After improving steadily in the first half of last year, labour market conditions in the trade sector have been deteriorating. With the 1,500 month-over-month decline in January, employment is now up only a modest 800 compared to the same month in 2016. It is possible that the favourable impact from the

dollar's earlier depreciation has run its course. More generally, the Service-producing sector has been the primary driver of job gains across the past 12 months across the province, with year-over-year employment gains of 3,000 compared to January 2016. During this period, the most sizeable gains were concentrated in **Finance, Insurance, real estate and leasing** and **Professional, scientific and technical services**.

Employment in the **Goods-producing sector** was broadly unchanged on a month-over-month basis in January, as a 1,400 gain in **Construction** was almost fully offset by a 1,300 decline in **Manufacturing**. Deteriorating labour market conditions in the **Manufacturing** industry also suggests that the favourable impact of the currency's sharp depreciation between mid-2014 and early 2016 has begun to fade. After registering healthy gains in the first half of last year, employment in the sector has been trending downwards, with year-over-year employment down by 700 in January. Employment in **Forestry, fishing, mining, quarrying and oil and gas** is down by 1,500 over the same time period. Indeed, the layoff of 420-430 workers associated with the closure of the Potash Corp's Picadilly mine at the beginning of 2016 dealt a major blow to mining employment. Labour market conditions in mining should gradually improve, however, as the Trevali mine has reached commercial production at its Caribou mine. Otherwise, employment prospects are much more encouraging in the forestry sector, with capital investment expected to rise over the next couple of years. Nonetheless, there remains plenty of uncertainty with regards to the expiry of the Softwood Lumber Agreement and the potential for the implementation of quotas on lumber exports destined for the United States. 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.

Despite losing close to 1,000 jobs on a month-over-month basis, labour market conditions in **Agriculture** have been relatively healthy over the past year, with employment levels up by 1,100 on a year-over-year basis in January. Production capacity in food manufacturing should rise thanks to recent upgrades at the Oxford Frozen food berry-processing plant in the Acadian peninsula. Similarly, new investment at the McCain Foods French fry plant in florenceville should help support labour market activity in the area over the next few years, with the new production line expected to be operational by late 2017.

New Brunswick Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	Jan 2017	Dec 2016	Jan 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	351.9	354.9	351.3	-3.0	-0.8	0.6	0.2
Goods-producing sector	72.7	72.6	75.0	0.1	0.1	-2.3	-3.1
Agriculture	5.3	6.2	4.2	-0.9	-14.5	1.1	26.2
Forestry, fishing, mining, quarrying, oil and gas	9.6	8.7	11.1	0.9	10.3	-1.5	-13.5
Utilities	4.1	4.1	3.3	0.0	0.0	0.8	24.2
Construction	24.1	22.7	26.2	1.4	6.2	-2.1	-8.0
Manufacturing	29.5	30.8	30.2	-1.3	-4.2	-0.7	-2.3
Services-producing sector	279.3	282.4	276.3	-3.1	-1.1	3.0	1.1
Trade	56.9	58.4	56.1	-1.5	-2.6	0.8	1.4
Transportation and warehousing	17.5	17.6	20.2	-0.1	-0.6	-2.7	-13.4
Finance, insurance, real estate and leasing	17.5	17.7	15.6	-0.2	-1.1	1.9	12.2
Professional, scientific and technical services	15.1	14.7	14.3	0.4	2.7	0.8	5.6
Business, building and other support services	15.0	14.9	17.7	0.1	0.7	-2.7	-15.3
Educational services	25.6	26.1	25.1	-0.5	-1.9	0.5	2.0
Health care and social assistance	54.8	55.4	52.7	-0.6	-1.1	2.1	4.0
Information, culture and recreation	12.8	13.0	11.5	-0.2	-1.5	1.3	11.3
Accommodation and food services	23.0	23.2	23.7	-0.2	-0.9	-0.7	-3.0
Other services	17.1	17.6	16.2	-0.5	-2.8	0.9	5.6
Public administration	24.0	23.9	23.2	0.1	0.4	0.8	3.4

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Labour market conditions have deteriorated in the **Campbellton-Miramichi** region over the past year. Compared to January 2016, employment fell by nearly 5% in the region. At the same time, the unemployment rate climbed by 0.5 percentage points to 15.4%, which is easily the highest rate among all regions in the province.

Although employment was broadly unchanged in the **Moncton-Richibucto** region over the past year, a sharp decline in the labour force helped lift the unemployment rate up by 1.4 percentage points, to 8.9% in January. A number of investment projects, either already on the way or on the horizon, should provide some support to the region's labour market. Construction activity is already underway in the development of the \$104 million events centre 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.¹

In the **Saint John** region, employment rose by 5.1% on a year-over-year basis in January 2017. The 5,100 increase in the level of employment in the region might be slightly inflated, however, since the base month used for the annual comparison coincides with the 430 laid off workers following the closure of the Potash mine in Sussex. Nonetheless, the \$135 million turnaround at the Saint John refinery, which began in September, is also providing a boost to the region's labour market. Initial estimates were that the project would require an additional 2,400 workers over the duration of the project.

Labour market conditions remain relatively healthy in the **Fredericton-Oromocto** region, as illustrated by the 2.6% year-over-year increase in employment in January 2016. At 5.7%, the unemployment rate is the lowest among all regions 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.

Labour market conditions in the **Edmundston-Woodstock** region have deteriorated somewhat over the past year. Although the unemployment rate has fallen by a sizeable 2.4 percentage points to 6.1% on a year-over-year basis, the level of employment has actually fallen slightly over the same period.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Jan 2017 ('000)	Jan 2016 ('000)	Yearly Variation (%)	Jan 2017 (%)	Jan 2016 (%)	Yearly Variation (% points)
New Brunswick	347.2	344.7	0.7	8.8	9.1	-0.3
Economic Regions						
Campbellton-Miramichi	57.5	60.4	-4.8	15.4	14.9	0.5
Moncton-Richibucto	101.8	101.9	-0.1	8.9	7.5	1.4
Saint John-St. Stephen	84.6	80.5	5.1	7.4	8.1	-0.7
Fredericton-Oromocto	68.1	66.4	2.6	5.7	7.3	-1.6
Edmundston-Woodstock	35.1	35.6	-1.4	6.1	8.5	-2.4

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

¹ Government of New Brunswick; September 2016:

http://www2.gnb.ca/content/gnb/en/news/news_release.2016.09.0883.html

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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