



# Labour Market Bulletin

## New Brunswick

### February 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 was unchanged on a month-over-month basis in February 2017, as a 1,100 gain in full-time employment was offset by a matching decline in part-time work. Both the number of unemployed and the size of the labour force were little changed last month. Accordingly, the unemployment rate remained unchanged at 8.9%.

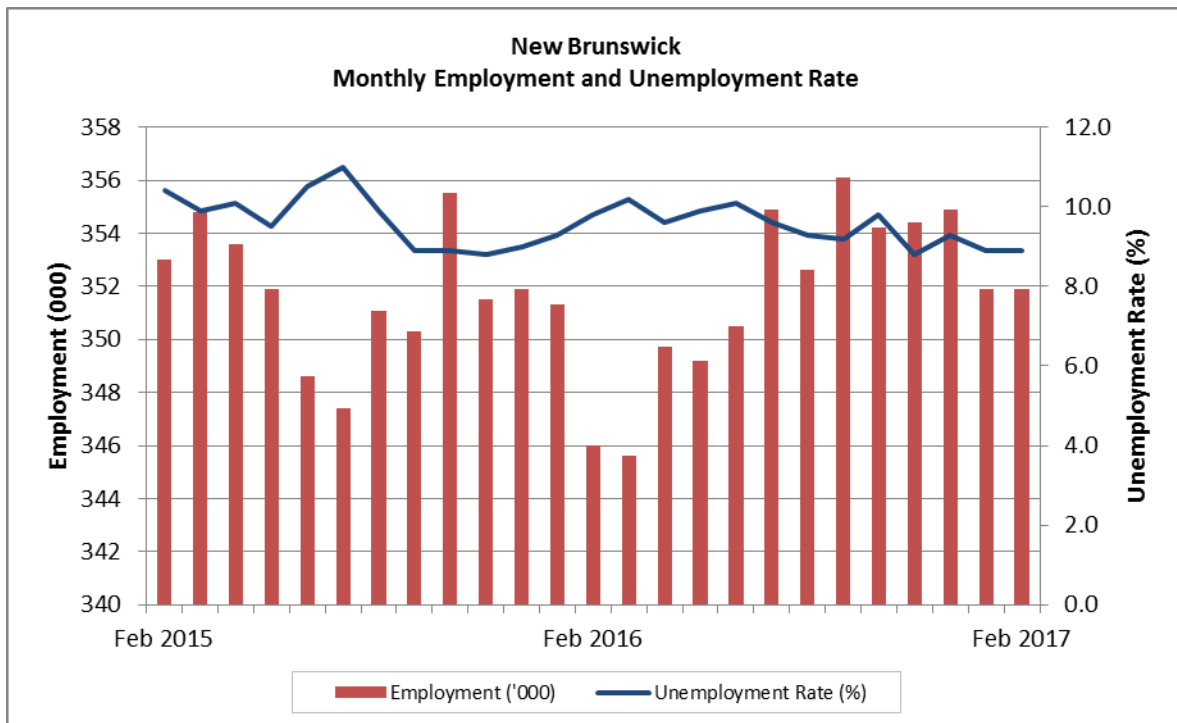
**New Brunswick Monthly Labour Force Statistics**

Seasonally Adjusted Monthly Data	Feb 2017	Jan 2017	Feb 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15+ ('000)	624.0	624.0	622.6	0.0	0.0	1.4	0.2
Labour Force ('000)	386.3	386.6	383.7	-0.3	-0.1	2.6	0.7
Employment ('000)	351.9	351.9	346.0	0.0	0.0	5.9	1.7
Full-Time ('000)	301.3	300.2	292.5	1.1	0.4	8.8	3.0
Part-Time ('000)	50.6	51.7	53.5	-1.1	-2.1	-2.9	-5.4
Unemployment ('000)	34.5	34.6	37.7	-0.1	-0.3	-3.2	-8.5
Unemployment Rate (%)	8.9	8.9	9.8	0.0	-	-0.9	-
Participation Rate (%)	61.9	62.0	61.6	-0.1	-	0.3	-
Employment Rate (%)	56.4	56.4	55.6	0.0	-	0.8	-

Note: Totals may not add due to rounding

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

The year-over-year comparison of these same labour market indicators are more encouraging, however. Over the past 12 months, employment has risen by 5,900, as a sizeable 8,800 increase in full-time work was only partially offset by a 2,900 decline in part-time employment. The unemployment rate, meanwhile, has fallen by 0.9 percentage points to 8.9% over the same period, aided in part by a modest rebound in the participation rate. The minor increase in the employment rate was limited somewhat by growth in the working age population.



While the 0.7 percentage point month-over-month decline in the unemployment rate among the aged 15-24 cohort seems encouraging, it was entirely a reflection of a 1,500 decline in the size of the labour force, as many youth workers stopped searching for work. Indeed, employment actually declined by 900 during the month. The year-over-year trend exhibits a more encouraging pattern, however, as the 1.6 percentage point decline in the unemployment rate reflects a healthy 3,100 gain in employment within the age group. Otherwise, despite the modest month-over-month decline in February, employment rose by a sizeable 4,800 for the aged 55 and over cohort over the past twelve months, lowering the unemployment rate from 11.1% to 9.5%.

#### New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Feb 2017	Jan 2017	Feb 2016	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	8.9	8.9	9.8	0.0	-0.9
<b>25 years and over</b>	8.0	7.9	8.8	0.1	-0.8
Men - 25 years and over	10.1	9.9	11.6	0.2	-1.5
Women - 25 years and over	5.6	5.7	5.8	-0.1	-0.2
<b>15 to 24 years</b>	15.1	15.8	16.7	-0.7	-1.6
Men - 15 to 24 years	18.0	18.1	20.8	-0.1	-2.8
Women - 15 to 24 years	11.8	13.4	12.4	-1.6	-0.6

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

## EMPLOYMENT BY INDUSTRY

The narrative for the New Brunswick labour market in recent years has been one of healthy and steady job gains in the **Services-producing sector** and gradual moderate declines in the **Goods-producing sector**. On a year-over-year basis, the 7,000 rise in employment in the service sector was concentrated primarily among **Health care and social assistance (+4,000)**, **Trade (+2,400)** and **Finance, insurance, real estate and leasing (+2,300)** in February.

Job losses in the sector were most pronounced in **Transportation and warehousing** (-2,300) and **Business, building and other support services** (-2,000).

Employment in the **Goods-producing sector** declined by 1,200 on a year-over-year basis in February, with the **Construction** sector registering the sharpest decline (-2,500) during the period. The deterioration in labour market conditions across the construction sector underscores the subdued public and private investment climate across the province over the past few years. Although there remains little reason to expect a meaningful rebound in residential investment, planned infrastructure stimulus spending on the part of the Federal and Provincial Governments should provide a boost to non-residential investment over the next few years. Employment in **Forestry, fishing, mining, quarrying, oil and gas** fell by 1,300 compared to February 2016, which was right around the time of the Potash mine's closure and the significant associated layoffs. Labour market conditions in the forestry sector have been more encouraging, supported by increased demand for wood products associated with the rebound in U.S. housing starts. While demand south of the border is set to grow further and capital investment expected to rise over the next couple of years, there remains plenty of uncertainty surrounding the expiry of the Softwood Lumber Agreement and the potential for the implementation of quotas on lumber exports destined for the United States.

Reasonably healthy gains were registered in **Agriculture** (+1,100) and **Manufacturing** (+1,000) over the past twelve months. 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)	Feb 2017	Jan 2017	Feb 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	351.9	351.9	346.0	0.0	0.0	5.9	1.7
<b>Goods-producing sector</b>	71.9	72.7	73.1	-0.8	-1.1	-1.2	-1.6
Agriculture	5.6	5.3	4.5	0.3	5.7	1.1	24.4
Forestry, fishing, mining, quarrying, oil and gas	9.2	9.6	10.5	-0.4	-4.2	-1.3	-12.4
Utilities	4.1	4.1	3.5	0.0	0.0	0.6	17.1
Construction	23.7	24.1	26.2	-0.4	-1.7	-2.5	-9.5
Manufacturing	29.4	29.5	28.4	-0.1	-0.3	1.0	3.5
<b>Services-producing sector</b>	279.9	279.3	272.9	0.6	0.2	7.0	2.6
Trade	57.1	56.9	54.7	0.2	0.4	2.4	4.4
Transportation and warehousing	16.7	17.5	19.0	-0.8	-4.6	-2.3	-12.1
Finance, insurance, real estate and leasing	18.1	17.5	15.8	0.6	3.4	2.3	14.6
Professional, scientific and technical services	16.0	15.1	15.3	0.9	6.0	0.7	4.6
Business, building and other support services	14.9	15.0	16.9	-0.1	-0.7	-2.0	-11.8
Educational services	25.9	25.6	24.9	0.3	1.2	1.0	4.0
Health care and social assistance	56.3	54.8	52.3	1.5	2.7	4.0	7.6
Information, culture and recreation	11.8	12.8	11.6	-1.0	-7.8	0.2	1.7
Accommodation and food services	23.4	23.0	22.9	0.4	1.7	0.5	2.2
Other services	15.4	17.1	16.1	-1.7	-9.9	-0.7	-4.3
Public administration	24.2	24.0	23.5	0.2	0.8	0.7	3.0

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Despite showing some tentative signs of improvement over the past few months, labour market conditions have deteriorated in the **Campbelton-Miramichi** economic region over the past year. Compared to February 2016, employment fell by 2.6% in the region. An even bigger increase in the number of people who stopped looking for

work explains why the unemployment rate has fallen only slightly during this period. Nonetheless, at 16.4% in February, the unemployment rate was easily the highest rate among all regions in the province.

The **Moncton-Richibucto** economic region has been the only region in the province to register an increase in the unemployment rate (+1.4 percentage points) over the past twelve month. Since employment levels remained unchanged during this period, the primary catalyst for the rise in the unemployment rate was a surge of new entrants into the labour force, which is encouraging. More generally, a number of new investment projects have been providing support to the region's labour market over the past year. 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.<sup>1</sup>

The **Saint John economic** region registered the strongest employment gains (+5,100) over the past twelve months, which lowered the unemployment rate by 1.2 percentage points to 7.8% in February. The magnitude of the year-over-year employment increase might be somewhat inflated, however, since it was around the same time last year when the closure of the Potash mine resulted in the layoff of 430 workers in the Sussex area. That said, the \$135 million turnaround at the Saint John refinery, which began in September, has provided a boost to the region's labour market, with initial estimates suggesting that the project would require an additional 2,400 workers over the duration of the project.

The 2.6 percentage point decline in the unemployment rate in the **Fredericton-Oromocto** economic region was the sharpest decline in the province and brought the unemployment rate to 6.3% in February, which is the lowest among all regions. Employment rose by 2,600 in February on a year-over-year basis, supported in part by projects such as 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.

Despite a 2,000 year-over-year decline in employment in the **Edmundston-Woodstock** economic region, the unemployment rate fell by 1.6 percentage points in February, as close to 4,000 people stopped searching for work. More generally, the region's labour market continues to benefit from the presence of large and successful employers, such as McCain Foods. The region's relatively elevated dependency on the forest industry does pose a risk moving forward, particularly if softwood producers are faced with countervailing duties on exports headed south of the border.

**New Brunswick Monthly Labour Force Statistics, by Economic Region**

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Feb 2017 ('000)	Feb 2016 ('000)	Yearly Variation (%)	Feb 2017 (%)	Feb 2016 (%)	Yearly Variation (% points)
<b>New Brunswick</b>	342.2	338.6	1.1	9.5	10.1	-0.6
<b>Economic Regions</b>						
Campbellton-Miramichi	56.2	57.7	-2.6	16.4	16.5	-0.1
Moncton-Richibucto	100.4	100.4	0.0	9.5	8.1	1.4
Saint John-St. Stephen	84.1	80.0	5.1	7.8	9.0	-1.2
Fredericton-Oromocto	67.0	65.3	2.6	6.3	8.9	-2.6
Edmundston-Woodstock	34.5	35.2	-2.0	7.7	9.3	-1.6

Note: Totals may not add due to rounding

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

<sup>1</sup> Government of New Brunswick; September 2016:

[http://www2.gnb.ca/content/gnb/en/news/news\\_release.2016.09.0883.html](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](http://www.statcan.gc.ca)

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