



Labour Market Bulletin

New Brunswick

April 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

The 2,000 month-over-month decline in employment in April more than reversed what was an otherwise healthy 1,700 gain in March. The April decline was due entirely to a decline in part-time employment, which was only partly offset by a modest increase in full-time work. Since there was little change to either the participation rate or the working age population, the decline in employment helped lift the unemployment rate by 0.3 percentage points to 8.7% in April.

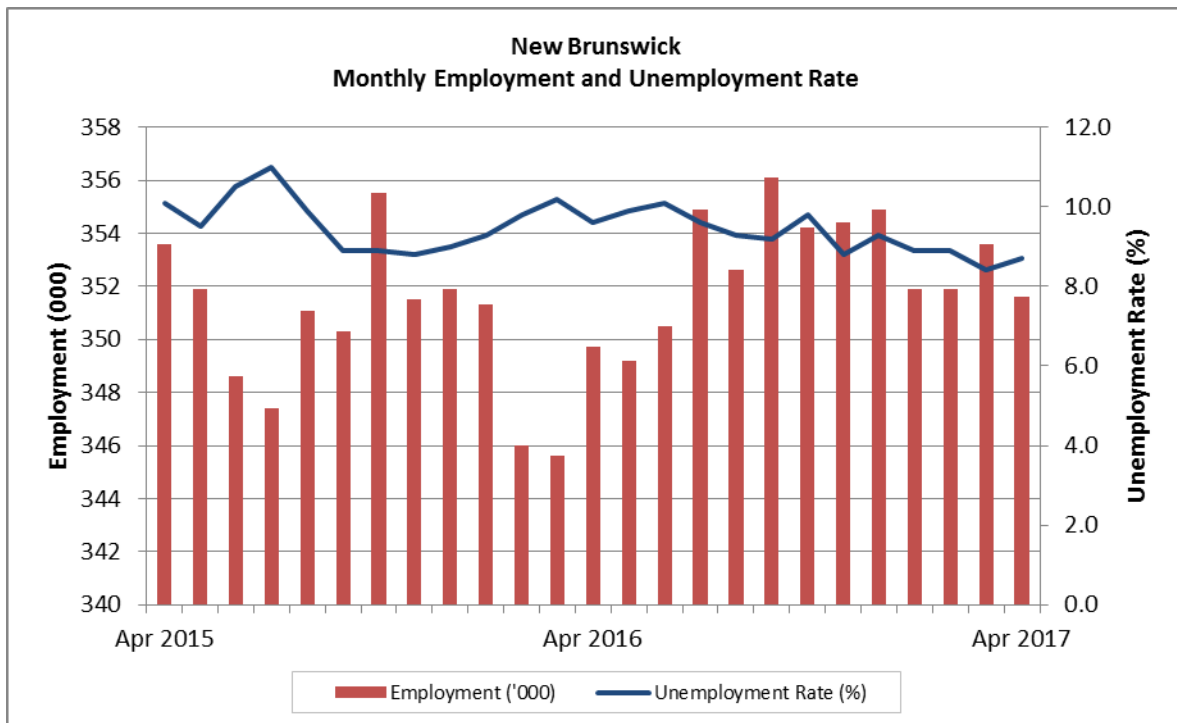
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Apr 2017	Mar 2017	Apr 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15+ ('000)	624.2	624.1	623.4	0.1	0.0	0.8	0.1
Labour Force ('000)	385.0	385.9	386.9	-0.9	-0.2	-1.9	-0.5
Employment ('000)	351.6	353.6	349.7	-2.0	-0.6	1.9	0.5
Full-Time ('000)	302.1	301.4	295.1	0.7	0.2	7.0	2.4
Part-Time ('000)	49.5	52.3	54.5	-2.8	-5.4	-5.0	-9.2
Unemployment ('000)	33.5	32.3	37.3	1.2	3.7	-3.8	-10.2
Unemployment Rate (%)	8.7	8.4	9.6	0.3	-	-0.9	-
Participation Rate (%)	61.7	61.8	62.1	-0.1	-	-0.4	-
Employment Rate (%)	56.3	56.7	56.1	-0.4	-	0.2	-

Note: Totals may not add due to rounding

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

Despite having fallen in April, the level of employment remains nearly 2,000 higher than it was in the same month last year. Even more encouraging is the 7,000 gain in full-time employment over the same period, which is a clear departure from the recent trend. Otherwise, the unemployment rate fell by 0.8 percentage points over the past twelve months, extending the downward trend that began nearly five years ago. A 0.4 percentage point decline in the participation rate, which has also been on a downward trajectory in recent years, helped contribute to the decline in the unemployment rate.



The month-over-month decline in employment was limited to workers in the aged 15 to 24 and 55 and over cohorts. Employment among those aged between 25 and 54 actually rose by 1,700 in April. Year-over-year comparisons, however, reveal a near 2,000 drop in the level of employment among those aged between 15 and 54 years. In contrast, gains were quite pronounced for those in the aged 55 and over cohort (+2,900). Despite the healthy increase, the unemployment rate failed to decline due to a pick up in the participation rate.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Apr 2017	Mar 2017	Apr 2016	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	8.7	8.4	9.6	0.3	-0.9
25 years and over	7.6	7.5	8.6	0.1	-1.0
Men - 25 years and over	9.5	9.0	10.9	0.5	-1.4
Women - 25 years and over	5.6	5.8	6.1	-0.2	-0.5
15 to 24 years	15.3	14.1	16.4	1.2	-1.1
Men - 15 to 24 years	19.7	16.6	20.5	3.1	-0.8
Women - 15 to 24 years	11.1	11.7	12.0	-0.6	-0.9

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

EMPLOYMENT BY INDUSTRY

After posting healthy gains for most of 2016, employment in the **Services-producing sector** has now fallen by more than 1,000 in each of the last two months, erasing all of the earlier gains and bringing the year-over-year change to zero.

Employment in the **Goods-producing sector** fell much more modestly in April, but still remains 1,800 higher than it was in the same month last year. The increase has been primarily driven by healthy gains in **Manufacturing** (+1,300) and **Agriculture** (+1,200). It appears that export-orientated manufacturers might be receiving somewhat of a boost from the most recent currency depreciation. Meanwhile, production capacity in food manufacturing is

set to rise thanks to the recent upgrades at the Oxford Frozen food berry-processing plant in the Acadian peninsula. A new specialty line at the McCain Foods French fry plant in Florenceville is expected to be operational later this year, further supporting labour market activity in the sector. Nearly all of the recent drag to the goods-producing sector over the past year has been in **Forestry, fishing, mining, quarrying, oil and gas**, where the 1,100 month-over-month April decline brought the twelve-month fall to 1,800. It is entirely possible that the U.S. Department of Commerce's announcement of the imposition of preliminary countervailing duties of nearly 20% for the majority of softwood lumber producers in the province is beginning to have an impact on the primary logging industry.

The recent deterioration in the job market in the service-producing sector is a clear departure from the trend exhibited over the past few years, which saw job gains shift increasingly away from the primary and goods sector. Much of the weakness of the past twelve months has been concentrated in **Transportation and warehousing** (-3,100) and **Information and culture** (-2,200). Going in the other direction, the level of employment in **Health-care and social assistance** registered a 2,700 year-over-year gain in April, which is likely related to the aging demographics and the associated boost in demand for health care services in the province. Employment in **Educational services**, meanwhile has risen by 1,500 over the same time period.

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Apr 2017	Mar 2017	Apr 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	351.6	353.6	349.7	-2.0	-0.6	1.9	0.5
Goods-producing sector	73.8	74.7	72.0	-0.9	-1.2	1.8	2.5
Agriculture	6.0	6.3	4.8	-0.3	-4.8	1.2	25.0
Forestry, fishing, mining, quarrying, oil and gas	8.3	9.3	10.1	-1.0	-10.8	-1.8	-17.8
Utilities	4.0	4.0	3.2	0.0	0.0	0.8	25.0
Construction	24.7	24.8	24.1	-0.1	-0.4	0.6	2.5
Manufacturing	31.0	30.2	29.7	0.8	2.6	1.3	4.4
Services-producing sector	277.7	278.9	277.7	-1.2	-0.4	0.0	0.0
Trade	57.9	58.0	56.1	-0.1	-0.2	1.8	3.2
Transportation and warehousing	16.9	16.6	20.0	0.3	1.8	-3.1	-15.5
Finance, insurance, real estate and leasing	17.2	16.8	16.9	0.4	2.4	0.3	1.8
Professional, scientific and technical services	15.7	16.4	15.7	-0.7	-4.3	0.0	0.0
Business, building and other support services	14.7	15.3	15.0	-0.6	-3.9	-0.3	-2.0
Educational services	26.7	26.0	25.2	0.7	2.7	1.5	6.0
Health care and social assistance	56.1	56.9	53.4	-0.8	-1.4	2.7	5.1
Information, culture and recreation	10.3	11.0	12.5	-0.7	-6.4	-2.2	-17.6
Accommodation and food services	23.0	22.9	23.9	0.1	0.4	-0.9	-3.8
Other services	15.1	15.6	15.5	-0.5	-3.2	-0.4	-2.6
Public administration	24.1	23.5	23.5	0.6	2.6	0.6	2.6

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

After having deteriorated significantly over the past few years, labour market conditions in the **Campbelton-Miramichi** economic region have exhibited some encouraging signs more recently. Indeed, compared to April 2016, employment has risen by 2.6% in the region. At the same time, the unemployment rate has fallen by 0.9 percentage points over the past twelve months. Nonetheless, at 18.1%, the unemployment rate remained easily the highest rate among all regions in the province in April.

Labour market conditions have been little changed in the **Moncton-Richibucto** economic region over the past year. Although the level of employment has remained broadly the same, the unemployment rate fell by 0.6 percentage points to 9.1% over the same period, thanks to a modest decline in the rate of participation among the working age population. More generally, a number of 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.¹

The **Saint John economic** region registered the strongest employment gains (+3,600) over the past twelve months. When coupled with a similar drop in the size of the labour force, the rise in employment lowered the unemployment rate by 3.0 percentage points in April. At 6.9%, the latter is now the lowest among all regions in the province. Part of the year-over-year improvements might reflect the fact that 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 presence of several investment projects in the region have definitely provided support to the region's job market. For instance, estimates suggest the \$135 million turnaround at the Saint John refinery, which began last fall, will 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 brought the unemployment rate to 7.8% in April, which leads all other regions in the province except the Saint John-St. Stephen region. Admittedly, employment rose only modestly over the past year and the fall in the unemployment rate was mostly because people stopped looking for work. The city of Fredericton and surrounding region is home to several large employers, including many provincial and federal government offices, as well as two major universities. Recently, projects such as the \$17.6 million development of Kingswood Cambria Suites hotel and water park near Fredericton have provided a boost to the region's labour market. 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.

The level of employment in the **Edmundston-Woodstock** economic region registered a modest decline over the past year, which helped lift the unemployment rate by 0.4 percentage points to 9.0% in April. The region's labour market depends greatly on the presence of large and successful employers, such as McCain Foods. The region also exhibits a relatively high dependency on the forest industry, however, which poses an imminent risk in the near term, given the recent news that softwood producers will be faced with countervailing duties on shipments headed south of the border.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Apr 2017 ('000)	Apr 2016 ('000)	Yearly Variation (%)	Apr 2017 (%)	Apr 2016 (%)	Yearly Variation (% points)
New Brunswick	339.9	334.7	1.6	9.9	11.5	-1.6
Economic Regions						
Campbellton-Miramichi	55.8	54.4	2.6	18.1	19.0	-0.9
Moncton-Richibucto	100.5	100.1	0.4	9.1	9.7	-0.6
Saint John-St. Stephen	83.4	79.8	4.5	6.9	10.0	-3.1
Fredericton-Oromocto	64.8	64.2	0.9	7.8	10.4	-2.6
Edmundston-Woodstock	35.4	36.2	-2.2	9.0	8.6	0.4

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

¹ Government of New Brunswick; September 2016:

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

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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