



Labour Market Bulletin

New Brunswick

May 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

In New Brunswick, a modest month-over-month increase in employment, combined with a small decline in the size of the labour force helped lower the unemployment rate to a 7-year low of 8.4% in May, from 8.7%. While part-time employment fell slightly during the month, full-time employment actually grew by 700 during the same period.

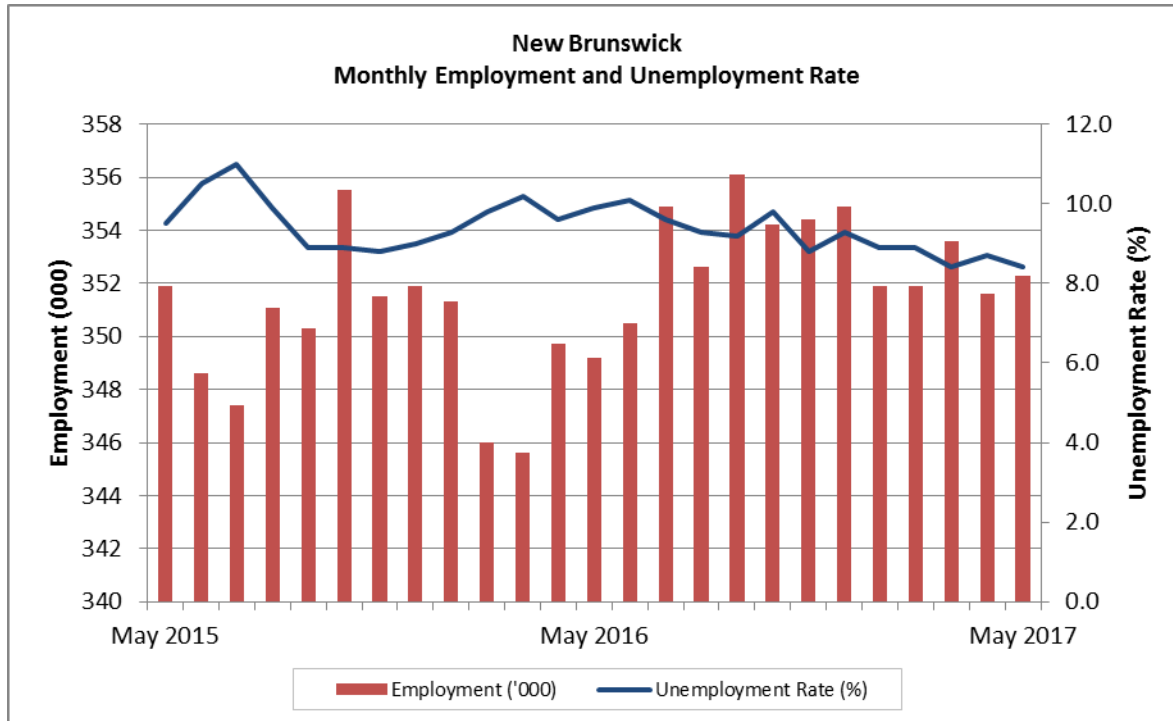
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2017	Apr 2017	May 2016	Monthly		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	624.5	624.2	623.5	0.3	0.0	1.0	0.2
Labour Force ('000)	384.8	385.0	387.7	-0.2	-0.1	-2.9	-0.7
Employment ('000)	352.3	351.6	349.2	0.7	0.2	3.1	0.9
Full-Time ('000)	302.8	302.1	296.0	0.7	0.2	6.8	2.3
Part-Time ('000)	49.6	49.5	53.2	0.1	0.2	-3.6	-6.8
Unemployment ('000)	32.4	33.5	38.5	-1.1	-3.3	-6.1	-15.8
Unemployment Rate (%)	8.4	8.7	9.9	-0.3	-	-1.5	-
Participation Rate (%)	61.6	61.7	62.2	-0.1	-	-0.6	-
Employment Rate (%)	56.4	56.3	56.0	0.1	-	0.4	-

Note: Totals may not add due to rounding

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

The year-over-year developments have been encouraging, as illustrated by the 3,100 increase in the level of employment over the past twelve months. The latter was driven by a 6,800 gain in full-time positions, which easily offset the decline in part-time work. When combined with a shrinking labour force, the year-over-year employment gains helped lower the unemployment rate by a sizeable 1.5 percentage points over the same period.



Labour market conditions were most improved among the aged 15 to 24 cohort. Compared to the previous month, the unemployment rate among youth in the province fell by 2.2 percentage points in May. Compared to twelve months earlier, the unemployment rate has fallen by an even more significant 6.1 percentage points thanks to a rise of more than 3,000 jobs (or 6.6% increase). While the decline in the unemployment rate is encouraging, it was concentrated primarily among men, where the unemployment rate fell by 8.6 percentage points (from 24.7% to 16.1%).

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2017	Apr 2017	May 2016	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	8.4	8.7	9.9	-0.3	-1.5
25 years and over	7.7	7.6	8.5	0.1	-0.8
Men - 25 years and over	9.0	9.5	10.9	-0.5	-1.9
Women - 25 years and over	6.3	5.6	5.9	0.7	0.4
15 to 24 years	13.1	15.3	19.2	-2.2	-6.1
Men - 15 to 24 years	16.1	19.7	24.7	-3.6	-8.6
Women - 15 to 24 years	10.7	11.1	13.1	-0.4	-2.4

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

Despite very little change among the aged 55 and over cohort on a month-over-month basis in May, the level of employment among the group has still managed to rise by a very healthy 2.0% over the past twelve months. That said, an even bigger increase in the number of older workers in the labour force lifted the unemployment rate by 1.3 percentage points, to 11%.

EMPLOYMENT BY INDUSTRY

After falling for most of 2017, employment in the **Services-producing sector** rebounded by 1,300 in May, led primarily by a large gain in **Health care** (+2,100) and, to a lesser extent, **Public administration** (+500) and **professional services** (+500). The May increase brings year-over-year gains up to 3,100, matching the total increase across the province.

Employment in the **Goods-producing sector** fell modestly in May due to declines in **Agriculture** (-800) and **Construction** (-400) and is now unchanged from the same month last year. Over the past twelve months, sharp declines in **Forestry** (-1,100) and **Agriculture** (-800) broadly offset a healthy gain in **Manufacturing** (+1,600). The latter is encouraging, particularly since the boost to domestic manufacturers from the currency depreciation might be fading. And while monthly data from the labour force figures is only available at the 2-digit NAICS, it is unlikely that the wood product manufacturing sector would have registered any significant job gains given that, as of May, softwood lumber producers were faced with countervailing duties on products shipped south of the border. More generally, employment in food manufacturing has trended down gradually over the past two decades, from nearly 12,000 in the late 1990s to around 8,000 today. The good news is that 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.

Following a modest gain in 2016, which was driven in part by a healthy rise in production, employment in Agriculture has been lackluster so far this year, with the sector registering consecutive declines in each of the past two months. There have been several factors boosting production in recent months, including increased allocation of crown land for blueberry production and public funding to support the establishment of new maple syrup operations. Nonetheless, productivity gains and consolidation of operations across the sector as a whole have kept job gains at a minimum.

Nearly all of the recent drag to the goods-producing sector over the past year has originated in **Forestry, fishing, mining, quarrying, oil and gas**, where employment has fallen by 1,100 over the past twelve months. Given that the near 400 layoffs associated with the closure of the Potash mine would have been already captured in the May 2016 labour force figures, it is entirely possible that the recent weakness may have been concentrated in forest and logging. As mentioned, the U.S. Department of Commerce's announced in April the imposition of preliminary countervailing duties of between 3% and 23% for the majority of softwood lumber producers in the province.

The May rebound in the **Services-producing sector** is encouraging, particularly since employment had fallen by more than 2,000 in March and April combined. Despite the weakness to start the year, employment is still up by 3,100 compared to May 2016. In particular, the level of employment in Health-care and social assistance registered a 4,900 year-over-year gain in May, which is likely related to the aging demographics and the associated boost in demand for health care services in the province. During the same period, **Wholesale trade** and **Educational services** registered more modest but nevertheless healthy job gains of 2,100 and 1,600 respectively. In contrast, much of the weakness of the past twelve months has been concentrated in **Information and culture** (-3,700) and **Transportation and warehousing** (-3,600).

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	May 2017	Apr 2017	May 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	352.3	351.6	349.2	0.7	0.2	3.1	0.9
Goods-producing sector	73.3	73.8	73.3	-0.5	-0.7	0.0	0.0
Agriculture	5.2	6.0	5.2	-0.8	-13.3	0.0	0.0
Forestry, fishing, mining, quarrying, oil and gas	8.4	8.3	9.5	0.1	1.2	-1.1	-11.6
Utilities	3.8	4.0	3.7	-0.2	-5.0	0.1	2.7
Construction	24.3	24.7	24.8	-0.4	-1.6	-0.5	-2.0
Manufacturing	31.7	31.0	30.1	0.7	2.3	1.6	5.3
Services-producing sector	279.0	277.7	275.9	1.3	0.5	3.1	1.1
Trade	56.9	57.9	54.8	-1.0	-1.7	2.1	3.8
Transportation and warehousing	17.0	16.9	20.6	0.1	0.6	-3.6	-17.5
Finance, insurance, real estate and leasing	16.5	17.2	16.5	-0.7	-4.1	0.0	0.0
Professional, scientific and technical services	16.2	15.7	15.6	0.5	3.2	0.6	3.8
Business, building and other support services	14.5	14.7	16.4	-0.2	-1.4	-1.9	-11.6
Educational services	26.4	26.7	24.8	-0.3	-1.1	1.6	6.5
Health care and social assistance	58.2	56.1	53.3	2.1	3.7	4.9	9.2
Information, culture and recreation	9.9	10.3	13.6	-0.4	-3.9	-3.7	-27.2
Accommodation and food services	23.3	23.0	21.6	0.3	1.3	1.7	7.9
Other services	15.4	15.1	15.8	0.3	2.0	-0.4	-2.5
Public administration	24.6	24.1	23.1	0.5	2.1	1.5	6.5

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

While only two regions registered any material employment gains in May, all except one registered material declines in their respective unemployment rates, as the combination of a shrinking working population and lower rates of participation lowered the size of the labour force.

After significant deterioration over the past few years, labour market conditions in the **Campbelton-Miramichi** economic region have exhibited some encouraging signs of late. Indeed, compared to a year earlier, employment in the region was 5.5% higher in May. Despite that healthy increase, the unemployment rate has only fallen by a modest 1.2 percentage points over the same twelve-month period. Moreover, at 16.8% in May, the unemployment rate remains elevated and is easily the highest among all regions in the province.

Labour market conditions have exhibited little change 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 1.4 percentage points to 8.1% 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 are providing 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

The 3.1% increase in employment registered across the **Saint John-St. Stephen** economic region ranked second to only the **Campbelton-miramichi** region. When coupled with a similar drop in the size of the labour force, the job gains lowered the unemployment rate by 3.1 percentage points in May to 6.9%, which is the lowest in the province. The presence of several investment projects in the region, including the revitalization of the Port of

¹ Government of New Brunswick; September 2016:

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

Saint John and the various wastewater projects, continue to provide support to the region's job market. Meanwhile, 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 3.3 percentage point decline in the unemployment rate in the **Fredericton-Oromocto** economic region, which brought it to 7.5% in May, was primarily because people in the area stopped searching 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 has fallen by a sharp 4.5% over the past twelve months, which helped lift the unemployment rate by 2.2 percentage points to 9.1% in May. The region's relatively strong reliance on forestry-related employment does leave the job market susceptible to further weakness in the months ahead, as softwood lumber producers increasingly feel the effect of countervailing duties on shipments to the United States. On a more positive note, the region's labour market depends greatly on the presence of large and successful employers, such as McCain Foods, which is encouraging moving forward.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2017 ('000)	May 2016 ('000)	Yearly Variation (%)	May 2017 (%)	May 2016 (%)	Yearly Variation (% points)
New Brunswick	346.4	342.3	1.2	9.3	11.0	-1.7
Economic Regions						
Campbellton-Miramichi	59.4	56.3	5.5	16.8	18.0	-1.2
Moncton-Richibucto	102.5	102.6	-0.1	8.1	9.5	-1.4
Saint John-St. Stephen	83.7	81.2	3.1	6.5	9.6	-3.1
Fredericton-Oromocto	64.9	64.5	0.6	7.5	10.8	-3.3
Edmundston-Woodstock	35.9	37.6	-4.5	9.1	6.9	2.2

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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