

## New Brunswick

August 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 sharp 4,500 month-over-month increase in New Brunswick's labour force in August recovered around three quarters of the decline in July. The increase helped lift the unemployment rate by 1.3 percentage points in August. Both the level of employment and the size of the working age population were little changed. The participation rate, however, rebounded sharply in August, almost fully reversing the sharp decline a month earlier.

**New Brunswick Monthly Labour Force Statistics**

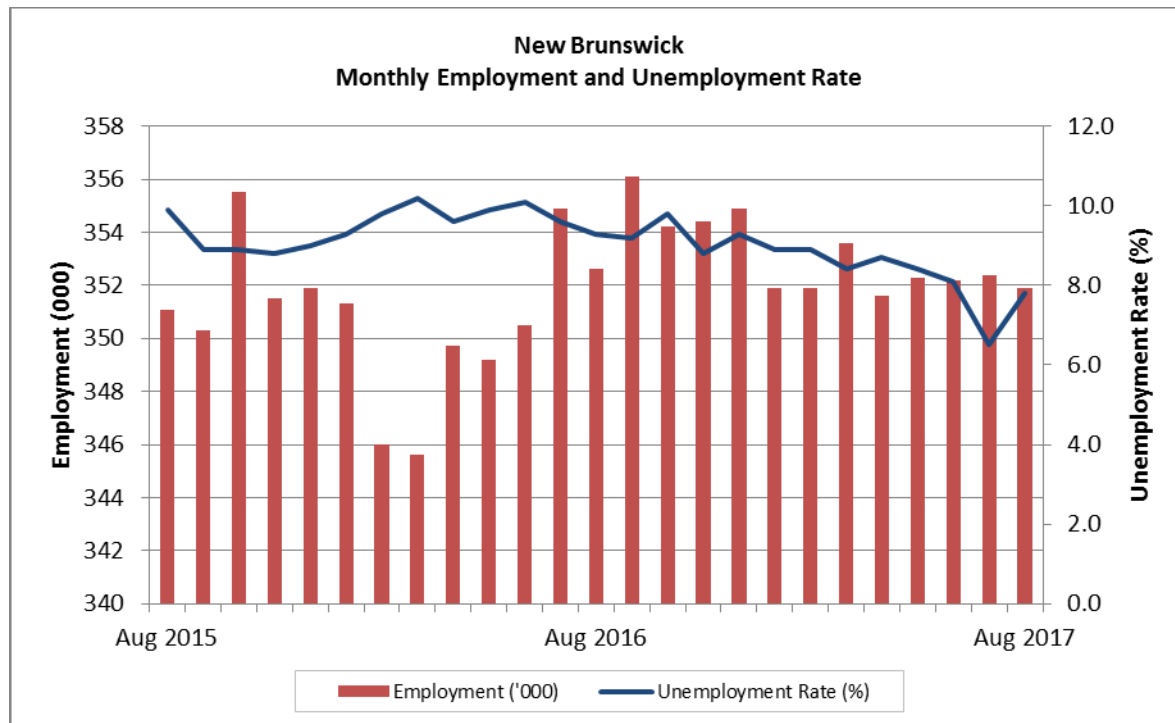
Seasonally Adjusted Monthly Data	Aug	July	Aug	Monthly		Yearly Variation	
	2017	2017	2016	Number	%	Number	%
<b>Population 15 + ('000)</b>	625.0	624.8	623.6	0.2	0.0	1.4	0.2
<b>Labour Force ('000)</b>	381.6	377.1	388.9	4.5	1.2	-7.3	-1.9
<b>Employment ('000)</b>	351.9	352.4	352.6	-0.5	-0.1	-0.7	-0.2
Full-Time ('000)	298.9	300.6	295.0	-1.7	-0.6	3.9	1.3
Part-Time ('000)	53.0	51.8	57.5	1.2	2.3	-4.5	-7.8
<b>Unemployment ('000)</b>	29.7	24.7	36.3	5.0	20.2	-6.6	-18.2
<b>Unemployment Rate (%)</b>	7.8	6.5	9.3	1.3	-	-1.5	-
<b>Participation Rate (%)</b>	61.1	60.4	62.4	0.7	-	-1.3	-
<b>Employment Rate (%)</b>	56.3	56.4	56.5	-0.1	-	-0.2	-

Note: Totals may not add due to rounding

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

On a year-over-year basis, there were 700 fewer jobs in August compared to the same month last year, as a rise in the number of full-time positions (+3,900) was met with an even bigger decline in part-time work (-4,500). The decline in the unemployment rate to 7.8% in August, from 9.3% twelve months earlier, reflects a sharp 7,300

decline in the labour force. A modest increase in the working age population was met with a 1.3 percentage point decline in the participation rate.



The month-over-month decline in employment was concentrated entirely among people aged the prime working age (25 to 54 years, where employment fell by 2,800). Gains were registered in the youth (15 to 24 years) and senior (55 years and over) cohorts, where employment grew by 400 and 1,800, respectively. More than half of the month-over-month increase in the labour force was attributed to the youth population, which experienced a 4.5 percentage point increase in the unemployment rate as a result. On a year-over-year basis, employment gains were limited to the older cohort (+6,100). Offsetting these gains were declines among youth (-2,800) and people aged 25 to 54 years prime aged (-4,000). While employment among older workers expanded by 6,100, both the youth (-2,800) and the 25 to 54 years (-4,000) working age groups shed jobs. With regards to the youth age group, a relatively strong increase in the participation rate helped lift the unemployment rate by 1.7 percentage points over the same period.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Aug 2017	July 2017	Aug 2016	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	7.8	6.5	9.3	1.3	-1.5
<b>25 years and over</b>	7.0	6.3	9.1	0.7	-2.1
Men - 25 years and over	9.2	8.3	11.4	0.9	-2.2
Women - 25 years and over	4.7	4.1	6.5	0.6	-1.8
<b>15 to 24 years</b>	12.7	8.2	11.0	4.5	1.7
Men - 15 to 24 years	17.0	9.4	14.8	7.6	2.2
Women - 15 to 24 years	8.6	6.9	7.1	1.7	1.5

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

## EMPLOYMENT BY INDUSTRY

A significant month-over-month rebound in **Services-producing sector** employment (+4,400) in August was not sufficient to offset an even sharper reduction in the **Good-producing sector** (-4,900). Nonetheless, the rebound in the service sector in August is encouraging since it follows several months of limited job gains. Services-related gains were attributable to growth in **Education services** (+1,600), **Business, building and other support services** (+1,400) and **Public administration** (+1,100). By comparison, employment losses in the Goods-producing sector were concentrated largely in **Manufacturing** (-2,200), **Construction** (-1,000) and **Forestry, fishing, mining, quarrying, oil and gas** (-900).

As a result of the sharp rebound in the **Services-producing sector** in August, employment stood 2,400 higher than it was during the same period last year. A break down by sector indicates that labour market developments within the broader service industry were mixed over the past year. Strong employment gains were registered in **Health care and social assistance** (+7,200) and, to a lesser extent, **Accommodation and food services** (+1,800) and **Business, building and other support services** (+1,600). At the same time, significant job losses were evident in **Trade** (-3,500) and **Transportation and warehousing** (-2,300). Generally speaking, it is possible that the uncertainty surrounding the NAFTA negotiations could be having an effect on some domestic exporters who trade heavily with the United States.

After strengthening for much of the year, labour market conditions in the **Good-producing sector** have deteriorated somewhat in recent months, as illustrated by the near-5000 decline in employment over the period. While job losses occurred across the board, they were most pronounced in **Forestry, fishing, mining, quarrying, oil and gas** (-1,600), **Agriculture** (-700) and **Utilities** (-500). Declines in **Construction** and **Manufacturing**, by comparison, were very modest. Looking at Agriculture, the decline in employment has been significant over the past six months. After reaching a peak of 6,300 jobs in March of this year, employment in Agriculture has fallen by 1,600 (or 25%). The opening of a new production line at McCain foods in the next few weeks should help increase demand for local potatoes in the near future. Increased allocation of crown land for blueberry production and public funding to support the establishment of new maple syrup operations should provide some support to the sector in the near future. Generally speaking, however, there could be some uncertainty surrounding the possibility of new provisions for milk, dairy and poultry being discussed in the NAFTA negotiations, which could be impacting some production or investment decisions in some agricultural sectors.

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Aug 2017	July 2017	Aug 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	351.9	352.4	352.6	-0.5	-0.1	-0.7	-0.2
<b>Goods-producing sector</b>	70.5	75.4	73.6	-4.9	-6.5	-3.1	-4.2
Agriculture	4.7	5.2	5.4	-0.5	-9.6	-0.7	-13.0
Forestry, fishing, mining, quarrying, oil and gas	7.5	8.4	9.1	-0.9	-10.7	-1.6	-17.6
Utilities	3.3	3.7	3.8	-0.4	-10.8	-0.5	-13.2
Construction	24.5	25.5	24.6	-1.0	-3.9	-0.1	-0.4
Manufacturing	30.4	32.6	30.6	-2.2	-6.7	-0.2	-0.7
<b>Services-producing sector</b>	281.4	277.0	279.0	4.4	1.6	2.4	0.9
Trade	56.2	56.1	59.7	0.1	0.2	-3.5	-5.9
Transportation and warehousing	17.1	16.2	19.4	0.9	5.6	-2.3	-11.9
Finance, insurance, real estate and leasing	16.4	16.9	17.4	-0.5	-3.0	-1.0	-5.7
Professional, scientific and technical services	15.8	15.5	14.8	0.3	1.9	1.0	6.8
Business, building and other support services	18.0	16.6	16.4	1.4	8.4	1.6	9.8
Educational services	26.0	24.4	26.7	1.6	6.6	-0.7	-2.6
Health care and social assistance	58.7	57.7	51.5	1.0	1.7	7.2	14.0
Information, culture and recreation	10.8	11.3	11.5	-0.5	-4.4	-0.7	-6.1
Accommodation and food services	23.5	23.3	21.7	0.2	0.9	1.8	8.3
Other services	15.0	16.1	16.4	-1.1	-6.8	-1.4	-8.5
Public administration	23.9	22.8	23.6	1.1	4.8	0.3	1.3

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

The **Campbelton-Miramichi** economic region was one of only two regions in the province to register employment gains over the past year. Compared to twelve months prior, employment in the region was 8.0% higher in August. This helped generate a significant decline in the unemployment rate, which, for all intents and purposes, still remains the highest in the province at 10.7%.

Although the level of employment declined in the **Moncton-Richibucto** economic region, the unemployment rate fell by 2.1 percentage points to 6.0% over the same period, due to a sharp decline in the rate of participation among the working age population. More generally, a number of investment projects are anticipated to provide support to the region's labour market in the near future. 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.

The **Saint John-St. Stephen** economic region registered a 1.6% increase in employment over the past year. However, in contrast to other regions, the participation rate increased over this time period, which helped moderate the decline in the unemployment rate, which settled at 6.8%. The presence of several investment projects in the region, including the revitalization of the Port of 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.

At 5.3%, the unemployment rate in the **Fredericton-Oromocto** economic region has fallen by 2.3 percentage points over the past year. The catalyst behind the decline was a sharp decline in the rate of participation among the working age population. The level of employment actually declined by 6.5% over the same period. 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. Construction of a new \$20 million Hilton Garden Inn hotel is also well underway in downtown Fredericton, with completion anticipated by early next year.

The level of employment in the **Edmundston-Woodstock** economic region declined by 2.1 over the past twelve months. An even sharper drop in the labour force (-2.4%) helped lower the unemployment rate by 0.3 percentage points to 6.3% in August. 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.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Aug 2017 ('000)	Aug 2016 ('000)	Yearly Variation (%)	Aug 2017 (%)	Aug 2016 (%)	Yearly Variation (% points)
<b>New Brunswick</b>	365.4	366.3	-0.2	7.0	9.0	-2.0
<b>Economic Regions</b>						
Campbellton-Miramichi	65.9	61.0	8.0	10.7	14.6	-3.9
Moncton-Richibucto	108.8	112.1	-2.9	6.0	8.1	-2.1
Saint John-St. Stephen	87.3	84.6	3.2	6.8	8.2	-1.4
Fredericton-Oromocto	65.8	70.4	-6.5	5.3	7.6	-2.3
Edmundston-Woodstock	37.5	38.3	-2.1	6.3	6.6	-0.3

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.

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