



Labour Market Bulletin

British Columbia

November 2018



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of British Columbia (BC), including the regions of Northern BC, Vancouver Island and Coast, Lower Mainland, Thompson–Okanagan and the Kootenays.

OVERVIEW

Employment in BC increased 15,900 (+0.6%) in November and is up 42,500 (+1.7%) year-over-year. BC's unemployment rate increased 0.3 percentage points to 4.4% in November; however, it remains the lowest of any province in Canada and is significantly below the national average of 5.6%.

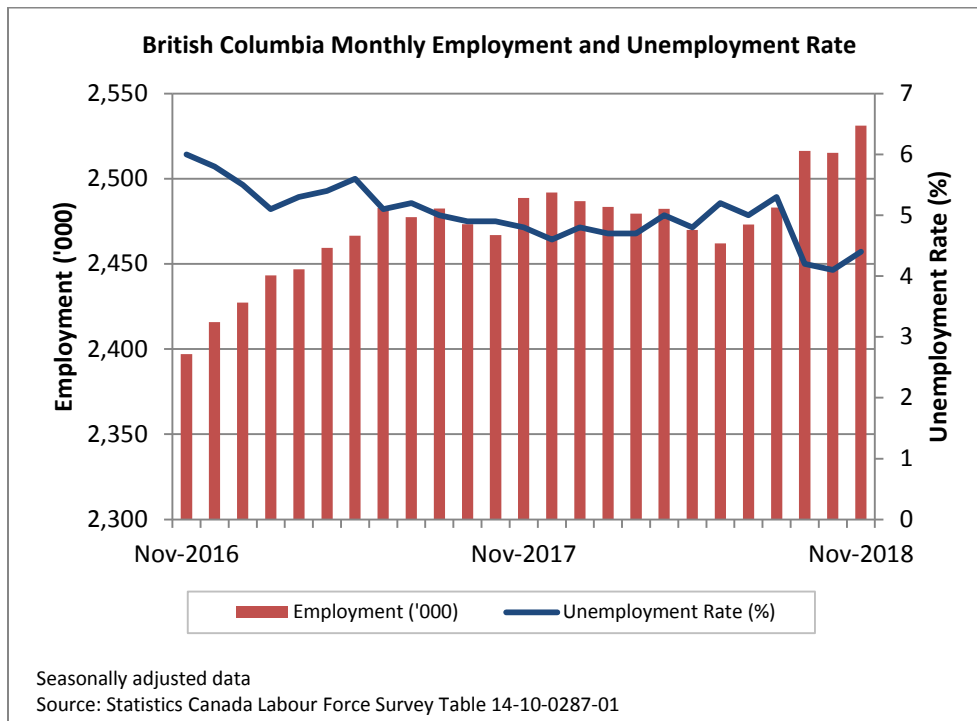
BC's economy is doing better than expected in 2018. In fact, the Government of BC recently released the Provincial Second Quarterly Report in which the Province is now projecting a \$1.35 billion surplus for the 2018-19 fiscal year — up from the previously anticipated \$219 million surplus. This increasing surplus projection is due to an additional \$1.7 billion in personal and corporate income tax revenues than previously expected.¹

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	November 2018	October 2018	November 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,054.6	4,050.2	3,997.6	4.4	0.1	57.0	1.4
Labour Force ('000)	2,648.1	2,623.6	2,614.8	24.5	0.9	33.3	1.3
Employment ('000)	2,531.2	2,515.3	2,488.7	15.9	0.6	42.5	1.7
Full-Time ('000)	1,961.6	1,979.1	1,952.6	-17.5	-0.9	9.0	0.5
Part-Time ('000)	569.6	536.2	536.1	33.4	6.2	33.5	6.2
Unemployment ('000)	116.8	108.3	126.1	8.5	7.8	-9.3	-7.4
Unemployment Rate (%)	4.4	4.1	4.8	0.3	-	-0.4	-
Participation Rate (%)	65.3	64.8	65.4	0.5	-	-0.1	-
Employment Rate (%)	62.4	62.1	62.3	0.3	-	0.1	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087



On an annual basis, the number of unemployed people in BC was down 7.4% in November. BC has maintained the lowest unemployment rate of any province in Canada for the last 15 months. Moreover, according to Statistics Canada’s most recent data, the number of people receiving Employment Insurance (EI) benefits in BC decreased 21.0% in the 12 months leading to September 2018. In fact, the number of EI recipients in BC has trended downward since the end of 2016.²

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	November 2018 (%)	October 2018 (%)	November 2017 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	4.4	4.1	4.8	0.3	-0.4
25 years and over	3.9	3.7	4.3	0.2	-0.4
Men - 25 years and over	3.4	3.1	4.4	0.3	-1.0
Women - 25 years and over	4.5	4.4	4.1	0.1	0.4
15 to 24 years	7.3	6.7	7.9	0.6	-0.6
Men - 15 to 24 years	7.9	8.4	9.5	-0.5	-1.6
Women - 15 to 24 years	6.8	5.0	6.2	1.8	0.6

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

The unemployment rate for BC youth (15 to 24 years) fell 0.6 percentage points to 7.3% over the last year. Meanwhile, the unemployment rate for those aged 25 years and over was down 0.4 percentage points to 3.9% year-over-year. The unemployment rate for men fell 1.0 percentage points to 3.4% year-over-year, while women saw a slight increase during the same time frame (+0.4 percentage points to 4.5%).

EMPLOYMENT BY INDUSTRY

Employment gains in BC's services-producing sector (+10,100) outpaced advances in the province's goods-producing sector (+5,800) in November. On an annual basis, employment is up in both sectors, with a far greater uptick in employment in services-producing industries (+41,700) than in goods-producing industries (+800).

Many industries in BC will be positively impacted by new federal funding under the Innovation Superclusters Initiative. On November 27, the Government of Canada announced it is spending up to \$153M to match private sector investments in the BC-based Digital Technology Supercluster. This supercluster will “work to unlock the potential of data using augmented reality, cloud computing and other cutting-edge technologies to improve service delivery and efficiency in the natural resource, precision health and manufacturing sectors”³. The supercluster is expected to create more than 13,500 jobs over 10 years.⁴

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	November 2018	October 2018	November 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,531.2	2,515.3	2,488.7	15.9	0.6	42.5	1.7
Goods-producing sector	503.8	498.0	503.0	5.8	1.2	0.8	0.2
Agriculture	26.5	23.2	26.3	3.3	14.2	0.2	0.8
Forestry, fishing, mining, quarrying, oil and gas	50.1	51.0	48.6	-0.9	-1.8	1.5	3.1
Utilities	14.8	14.2	13.9	0.6	4.2	0.9	6.5
Construction	242.4	237.4	238.1	5.0	2.1	4.3	1.8
Manufacturing	169.9	172.2	176.1	-2.3	-1.3	-6.2	-3.5
Services-producing sector	2,027.4	2,017.3	1,985.7	10.1	0.5	41.7	2.1
Trade	372.8	369.8	380.1	3.0	0.8	-7.3	-1.9
Transportation and warehousing	141.9	141.7	134.7	0.2	0.1	7.2	5.3
Finance, insurance, real estate and leasing	153.5	152.9	160.3	0.6	0.4	-6.8	-4.2
Professional, scientific and technical services	212.2	215.8	201.3	-3.6	-1.7	10.9	5.4
Business, building and other support services	105.7	98.5	97.1	7.2	7.3	8.6	8.9
Educational services	168.2	172.0	168.4	-3.8	-2.2	-0.2	-0.1
Health care and social assistance	327.7	324.3	314.9	3.4	1.0	12.8	4.1
Information, culture and recreation	130.1	126.2	135.0	3.9	3.1	-4.9	-3.6
Accommodation and food services	191.5	190.5	179.0	1.0	0.5	12.5	7.0
Other services	119.6	121.9	117.6	-2.3	-1.9	2.0	1.7
Public administration	104.3	103.7	97.4	0.6	0.6	6.9	7.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

Employment was up in three of BC's goods-producing industries in November; construction, agriculture and utilities. BC's construction industry added 5,000 positions in November — leading the country in monthly employment gains for this industry. Construction activity in BC is being fuelled by large projects such as the construction of the Site C Dam near Fort St. John and the new LNG Canada liquefied natural gas (LNG)

processing terminal in Kitimat with adjoining pipeline. According to most recent employment data, the total workforce for the Site C Dam reached 3,746 people in September, while construction of the LNG Canada terminal and pipeline will create approximately 10,000 jobs.^{5,6}

In addition to these large projects, the Province has made several announcements this year related to the comprehensive housing plan it outlined in Budget 2018. In November, the Government of BC announced it is spending \$231 million to build 1,143 new homes for Indigenous peoples in communities across the province through the Building BC: Indigenous Housing Fund. These new homes are part of a 10-year, \$550 million plan to build 1,750 new units of social housing for Indigenous peoples in BC.⁷ Moreover, under the Building BC: Community Housing fund, the Province will spend \$1.9 billion over 10 years to build 14,350 units of mixed income and affordable housing.⁸

In other goods-producing industries, month-over-month employment was down in BC's manufacturing industry (-2,300) and in its resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) (-900). Increasing log costs and declining lumber prices have led to recent production cuts throughout BC's forestry industry. West Fraser Timber Co. recently announced it is permanently curtailing lumber production at their Fraser Lake and Quesnel sawmills by eliminating a third shift at both mills affecting a total of 135 employees; 60 workers in Fraser Lake and 75 in Quesnel.⁹ Meanwhile, Interfor Corporation temporarily reduced operating days at their three BC Interior sawmills. Conifex Timber Inc. and Tolko Industries also announced temporary curtailments in mid-October affecting up to 200 workers in Fort St. James and over 100 employees in Quesnel.¹⁰

On November 30, both West Fraser and Conifex Timber Inc. announced further reduction in lumber production for more BC sawmills. West Fraser will temporarily reduce production at their Chasm, 100 Mile House, Williams Lake and Chetwynd sawmills over the holiday period.¹¹ Meanwhile, Conifex will reduce production to a single line at its Fort St. James sawmill beginning January 1, 2019. This curtailment is expected to affect approximately 70 employees and last until about mid-2019.¹²

Employment advanced in most services-producing industries in November, led by gains in business, building and other support services (+7,200), information, culture and recreation (+3,900) and health care and social assistance (+3,400). And although there were small monthly gains in the finance, insurance, real estate and leasing industry (+600), year-over-year employment in this industry is down nearly 7,000.

Higher mortgage rates, slowing economic growth, as well as housing related policy changes led to a 21% decline in BC MLS Sales in the first eight months of 2018 compared to the same period in 2017.¹³ A decline in housing sales has also impacted the provincial budget, causing a \$150 million decrease in anticipated property transfer tax revenues for the Province.¹⁴

In contrast to the overall provincial picture, real estate in Kitimat is booming after LNG Canada announced it was going ahead with the construction of a \$40 billion LNG processing facility. Construction of the facility will require up to 7,500 workers at its peak while Kitimat only has a population of 8,300 people. Although Civeo and Horizon North are building some housing for the workers, there has been considerable real estate activity in the region.¹⁵

REGIONAL ANALYSIS

On an annual basis, the unemployment rate is down in every economic region in BC for the month of November. The most significant annual variation occurred in the Kootenay region (-3.4 percentage points to 4.1%), where employment increased 8.5% (+5,900).

Employment growth in the Kootenay region is likely to continue now that the cannabis industry has begun to take shape in Canada. Indeed, the cannabis industry is not new to the Kootenays; however, under current Cannabis Act regulations, cannabis cultivators can now apply for micro-cultivator and micro-processor licences. Licenced cannabis producers will increase employment numbers for the Kootenay region as black market activities morph into legal and quantifiable jobs.

The Craft Cannabis Association of BC, based out of Nelson, is now assisting small growers to understand new cannabis regulations and how to navigate distribution deals with larger companies. For instance, Canmart, owned by the international cannabis company Namaste Technologies, sells cannabis grown by craft cultivators in Nelson.¹⁶

In addition to the larger distribution deals, local cultivators will have the choice to join a producer co-operative. The Kootenay Outdoor Producer Co-op plans to begin operating their cannabis production co-operative in 2019. The co-op has a conditional agreement in place to lease a 5,000 square foot building in Salmo that will serve as a nursery. In the short run, the co-op expects to have 60 farms running in 2019, and long-term, the group hopes to see 200 to 300 farms operating within five years. The co-op's workforce will primarily consist of seasonal, part-time positions; hiring up to 200 growers and up to 400 trimmers in the first year of operation.¹⁷

The cannabis industry is also impacting the Thompson-Okanagan region where Emerald Plants Health Source Inc. (EPHS) has purchased a 56 acre site in Merritt with the intention to build a large scale cannabis growing facility. EPHS expects to begin construction of a 30,000 square foot facility in early 2019 with plans to eventually expand the facility to 1.2 million square feet. The operations will include laboratory and extraction buildings, a research and development building, and individual hydroponic and organic flower production facilities, employing over 200 people in a wide range of occupations.¹⁸

These new jobs are welcome news for a community where approximately 200 people were laid off following the closure of the Tolko Industries Nicola Valley sawmill in 2016.¹⁹ And BC's forestry industry continues to struggle. In fact, the Aspen Planers mill in Merritt recently scheduled temporary closures throughout the late fall and winter as a result of reduced log supply and low lumber prices.²⁰

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	November 2018 ('000)	November 2017 ('000)	Yearly Variation (%)	November 2018 (%)	November 2017 (%)	Yearly Variation (% points)
British Columbia	2,527.6	2,477.2	2.0	4.0	4.7	-0.7
Economic Regions						
Vancouver Island and Coast	396.2	386.8	2.4	3.7	4.4	-0.7
Lower Mainland - Southwest	1,639.0	1,594.4	2.8	3.9	4.1	-0.2
Thompson - Okanagan	258.8	262.9	-1.6	4.9	7.6	-2.7
Kootenay	75.3	69.4	8.5	4.1	7.5	-3.4
Cariboo	75.9	82.0	-7.4	4.9	5.9	-1.0
North Coast and Nechako	42.7	44.1	-3.2	4.0	5.0	-1.0
Northeast	39.9	37.7	5.8	4.3	5.3	-1.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 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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For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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