



Labour Market Bulletin

British Columbia

January 2019



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 8,700 (+0.3%) in January and is up 61,900 (+2.5%) year over year. All employment gains in January were in part-time employment (+22,600); partially offset by a significant drop in full-time employment (-13,900).

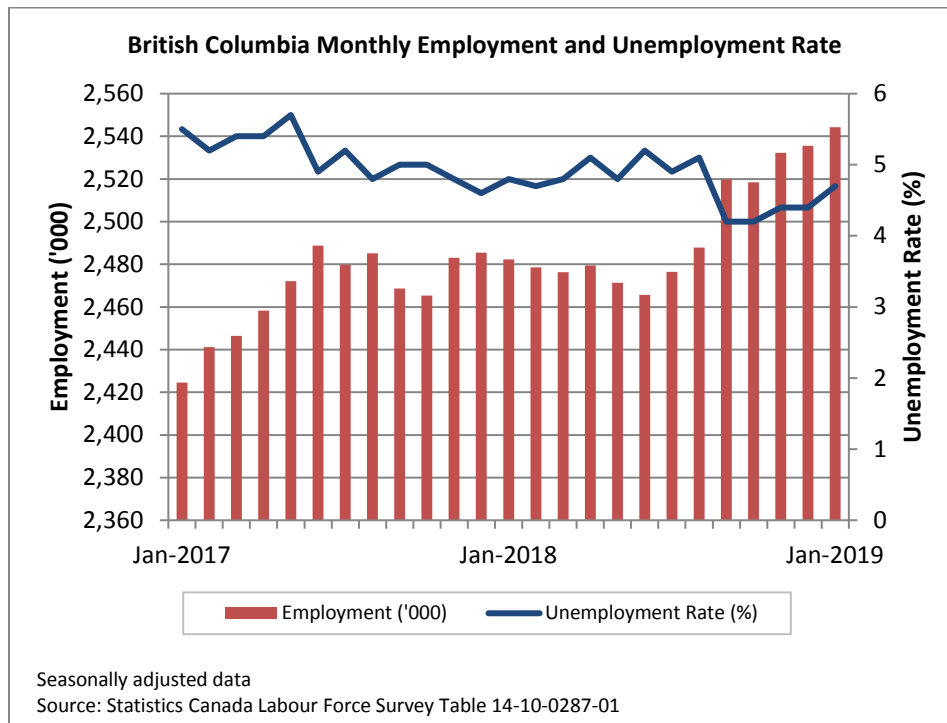
British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	January 2019	December 2018	January 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,063.7	4,058.5	4,003.7	5.2	0.1	60.0	1.5
Labour Force ('000)	2,668.6	2,652.6	2,606.9	16.0	0.6	61.7	2.4
Employment ('000)	2,544.2	2,535.5	2,482.3	8.7	0.3	61.9	2.5
Full-Time ('000)	1,971.0	1,984.9	1,950.2	-13.9	-0.7	20.8	1.1
Part-Time ('000)	573.2	550.6	532.1	22.6	4.1	41.1	7.7
Unemployment ('000)	124.4	117.1	124.6	7.3	6.2	-0.2	-0.2
Unemployment Rate (%)	4.7	4.4	4.8	0.3	-	-0.1	-
Participation Rate (%)	65.7	65.4	65.1	0.3	-	0.6	-
Employment Rate (%)	62.6	62.5	62.0	0.1	-	0.6	-

Note: Totals may not add due to rounding

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

Behind the moderate growth in overall employment, a breakdown of workers by class revealed a shift in the labour market in January. Employment in the private sector increased 16,200 and they were joined by 4,600 new public sector employees. In contrast, the number of self-employed workers fell 12,100.¹ Year-over-year, employment growth was spread over both the public and private sectors, while self-employment was down 5,200.²



BC’s unemployment rate increased 0.3 percentage points to 4.7% in January, but remains below the rate recorded in January 2018 (4.8%). BC’s unemployment rate is still significantly below the national average of 5.8% and remains the lowest rate among all provinces.

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	January 2019 (%)	December 2018 (%)	January 2018 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	4.7	4.4	4.8	0.3	-0.1
25 years and over	3.9	3.6	4.4	0.3	-0.5
Men - 25 years and over	3.9	3.0	4.6	0.9	-0.7
Women - 25 years and over	4.0	4.2	4.2	-0.2	-0.2
15 to 24 years	9.1	9.4	7.1	-0.3	2.0
Men - 15 to 24 years	11.2	9.5	8.1	1.7	3.1
Women - 15 to 24 years	7.0	9.3	6.2	-2.3	0.8

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) in January was 9.1% - two full percentage points higher than what it was one year ago. Meanwhile, the rate for those aged 25 years and over declined 0.5 percentage points to 3.9% over the same time frame. The unemployment rate for women (25 years and over) dipped slightly from December, falling 0.2 percentage points to 4.0%. In contrast, the unemployment rate for men in the same age group rose 0.9 percentage points to 3.9% on a month-over-month basis.

EMPLOYMENT BY INDUSTRY

Employment in BC's goods-producing sector fell sharply in January (-18,000), while employment in the services-producing sector continued to climb higher (+26,700). On an annual basis, employment gains in the services-producing sector (+82,200) far outpaced losses in the goods-producing sector (-20,300).

Declining employment in the goods-producing sector is due largely to losses in the resource extraction (forestry, fishing, mining, quarrying, oil and gas) (-4,800) and manufacturing industries (-3,500).

Declining commodity prices were cited as a factor in Imperial Metals Corporation's recent decision to suspend operations at its Mount Polley copper mine located northeast of Williams Lake. Mining operations were halted in early January, although the company indicated that it plans to mill low grade stockpiles at the mine until May 2019.³ The curtailment does not affect the ongoing environmental monitoring and remediation program implemented after the 2014 collapse of the mine's tailings dam. Imperial plans to resume full operations at Mount Polley once the mine becomes more economically viable. In 2018, the price of copper declined 14.8 per cent; however, prices are forecast to rebound by the end of 2019.⁴ Copper is used in solar cells, electric vehicles, and other emerging and clean technologies. In 2017, BC was responsible for almost 50% of all copper mined in Canada.

The Province has started to address recommendations outlined by the BC Mining Jobs Task Force. The Task Force consulted First Nations, industry stakeholders and communities before identifying 25 actions that the government could take to help strengthen the provincial mining industry. The first action announced by the Government was its intention to make the Mining Flow-Through Share Tax Credit and the BC Mining Exploration Tax Credit incentives permanent. Additionally, the Province is also contributing \$1 million to the development of a mining innovation roadmap, and a further \$1 million to the expansion of the Regional Mining Alliance that promotes mineral exploration, Indigenous partnerships, and mining in BC.⁵

Meanwhile, in the lumber manufacturing industry, a number of factors such as higher log costs and two consecutive years of significant wildfire activity are having an impact. In addition, the framing lumber composite price has fallen from \$564 in June 2018 to \$335 as of February 8, 2019.⁶ As a result, there have been production cutbacks and layoffs in the industry.

Following production curtailments in the fourth quarter of 2018⁷, Canfor Corp. recently implemented additional curtailments at their BC operations. Canfor's Vavenby sawmill cut back production for six weeks beginning February 11, while its Houston and Mackenzie sawmills will be curtailed for one week during the first quarter of 2019.⁸ Meanwhile, Conifex Timber Inc.'s Fort St. James sawmill slowed production for three weeks beginning February 4, building on earlier curtailments announced in January. Conifex estimates a 28 per cent reduction in its BC lumber production for the first half of 2019.

The provincial government recently provided new funding to help BC manufacturers. The Coast Forest Sector Revitalization Initiative was launched to increase the processing of BC logs on the coast and improve wood waste management by redirecting it to pulp and paper mills in BC.⁹ In addition, the Province announced its intention to introduce changes to legislation, regulation, and policy over the next two years. One example includes the

creation of a fibre recovery zone around Vancouver Island and the South Coast to reduce waste fibre, encourage business relationships, and increase fibre access to more manufacturers.

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	January 2019	December 2018	January 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,544.2	2,535.5	2,482.3	8.7	0.3	61.9	2.5
Goods-producing sector	490.0	508.0	510.3	-18.0	-3.5	-20.3	-4.0
Agriculture	26.2	25.1	26.7	1.1	4.4	-0.5	-1.9
Forestry, fishing, mining, quarrying, oil and gas	46.8	51.6	48.0	-4.8	-9.3	-1.2	-2.5
Utilities	12.6	12.1	14.1	0.5	4.1	-1.5	-10.6
Construction	236.7	247.9	243.4	-11.2	-4.5	-6.7	-2.8
Manufacturing	167.7	171.2	178.0	-3.5	-2.0	-10.3	-5.8
Services-producing sector	2,054.2	2,027.5	1,972.0	26.7	1.3	82.2	4.2
Trade	375.4	368.5	386.2	6.9	1.9	-10.8	-2.8
Transportation and warehousing	146.0	139.6	131.8	6.4	4.6	14.2	10.8
Finance, insurance, real estate and leasing	150.2	151.3	153.5	-1.1	-0.7	-3.3	-2.1
Professional, scientific and technical services	222.8	221.0	198.2	1.8	0.8	24.6	12.4
Business, building and other support services	116.2	110.8	96.5	5.4	4.9	19.7	20.4
Educational services	171.5	166.9	163.4	4.6	2.8	8.1	5.0
Health care and social assistance	315.7	321.4	320.2	-5.7	-1.8	-4.5	-1.4
Information, culture and recreation	133.6	128.0	129.7	5.6	4.4	3.9	3.0
Accommodation and food services	198.0	192.4	176.4	5.6	2.9	21.6	12.2
Other services	117.0	121.2	115.2	-4.2	-3.5	1.8	1.6
Public administration	107.9	106.4	100.8	1.5	1.4	7.1	7.0

Note: Totals may not add due to rounding

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

In other goods-producing industries, employment in the construction industry fell sharply in January, dropping 11,200 from December (-4.5%). Despite this recent decline, the medium-term outlook for BC's construction industry is positive. BuildForce Canada expects an additional 14,000 workers will be needed to meet peak labour demands in 2021.¹⁰ The need for construction workers will be greatest in the non-residential sector, where simultaneous major projects such as LNG Canada's liquefied natural gas export facility in Kitimat and BC Hydro's Site C project, along with several public infrastructure initiatives in the Lower Mainland (Pattullo Bridge replacement, Vancouver airport expansion, among others) will require 12,900 workers by 2021. Meanwhile, demand in the residential sector is projected to increase 10% or 1,700 workers by 2021, as the focus shifts from new home construction towards renovations.

In an attempt to attract new entrants to the BC workforce, both the provincial and federal governments are implementing new initiatives to target immigrants and inter-provincial migrants. For example, the Province is expanding its Skills Training for Employment programs to include survivors of violence and abuse, as well as older workers. A total of \$6.4 million will be directed towards these two targeted groups, which will provide support to 300 survivors and 400 older workers.¹¹ The programs will include skills training and supports to aid the two groups in addressing employment barriers. These actions should encourage their participation in the labour

market and expand the pool of skilled workers in BC. For its part, the Government of Canada is funding select organizations to provide pre-arrival settlement services to immigrants in targeted industries such as construction¹² or by country of origin.^{13,14}

Meanwhile, in the services-producing sector, employment advanced in the majority of industries on an annual basis. Challenges in the provincial real estate market, however, are dampening activity in the finance, insurance, real estate and leasing sector (-1,100). Indeed, residential property sales in BC have dropped for two consecutive years, falling from 112,211 in 2016 to 103,758 in 2017 to 78,345 in 2018.¹⁵

REGIONAL ANALYSIS

Year-over-year employment increased in five of BC's economic regions. Only the Cariboo and North Coast and Nechako region saw declining employment. The Kootenay region led the province in employment growth on a percentage basis (12.9%), although the greatest number of jobs gained by a region on an annual basis was in the Lower Mainland-Southwest (+38,300).

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	January 2019 ('000)	January 2018 ('000)	Yearly Variation (%)	January 2019 (%)	January 2018 (%)	Yearly Variation (% points)
British Columbia	2,522.3	2,467.4	2.2	4.6	4.8	-0.2
Economic Regions						
Vancouver Island and Coast	384.7	383.3	0.4	3.8	5.3	-1.5
Lower Mainland - Southwest	1,644.2	1,605.9	2.4	4.7	4.0	0.7
Thompson - Okanagan	260.5	250.8	3.9	5.0	7.2	-2.2
Kootenay	75.9	67.2	12.9	3.1	7.4	-4.3
Cariboo	75.1	79.3	-5.3	5.9	7.3	-1.4
North Coast and Nechako	41.9	43.3	-3.2	4.1	5.7	-1.6
Northeast	39.9	37.7	5.8	5.5	3.8	1.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 282-0122

Overall employment grew 2.4 percentage points in the Lower Mainland – Southwest (+54,900) over the past year. A portion of this growth is in the public administration sector. For example, the federal government is contributing \$7.5 million to the Surrey Anti-Gang Family Empowerment Program. The program seeks to divert teenagers away from gang activity and membership.¹⁶ Nearby, the City of Richmond is providing funding to hire an additional 107 RCMP officers, firefighters and support staff over the next five years.¹⁷

Construction continues to be a consistent source of employment in the region as work is already underway or planned on a number of infrastructure projects in Lower Mainland. For example, Fibreco Export Inc. is expanding its North Vancouver wood biomass terminal facility by adding the infrastructure required to transfer specialty grains from railcars into bulk freighters. The company anticipates completing the expansion by August 2019.¹⁸

Meanwhile, the unemployment rate fell in all but two of BC's economic regions on an annual basis. The most significant decrease was in the Kootenay's, where the unemployment rate dropped 4.3 percentage points to

3.1%. The Government of BC recently announced \$2.9 million in grants for small businesses in the Kootenay region that were impacted by flooding last spring. The Red Cross will distribute funds and focus on housing, business and economic recovery, and social support projects.¹⁹ In addition, the Province has fast-tracked construction of two new housing projects in Grand Forks through the Building BC: Community Housing Fund, with construction expected to be completed by fall 2019.²⁰

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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¹ Statistics Canada. Table 14-10-0288-01 (formerly CANSIM Table 282-0089), Employment by class of worker, monthly, seasonally adjusted and unadjusted, last 5 months, (x1000). Accessed on February 8, 2019. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410028801>

² Ibid.

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