



Labour Market Bulletin

British Columbia

October 2019



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

OVERVIEW

During the month of October, employment in British Columbia (B.C.) grew to 2,568,500 (+15,300). The job growth is a welcome sign of a resurging job market, as employment declined between June and September. Overall employment growth in October was generated by full-time employment gains (+12,700), which overshadowed gains in part-time employment (+2,600).¹ Month-over-month employment increased in the public sector (+7,500), and in the private sector (+20,900). Self-employment declined by 13,000 to 452,500.²

B.C.'s forest products sector decline slowed in October. However, there is a possibility of further sawmill production curtailments as several forest product manufacturers reported declines in their third quarter earnings. The provincial economy will continue to face headwinds as lower demand and prices, coupled with higher costs, continue to weaken forest product exports.

According to most recent data, the number of regular Employment Insurance (EI) beneficiaries edged down to 42,300 between the months of July and August 2019. Year over year, the number of regular EI recipients in B.C. was 1.5% higher than in August 2018, contrary to what occurred nationwide (-2.2%).³

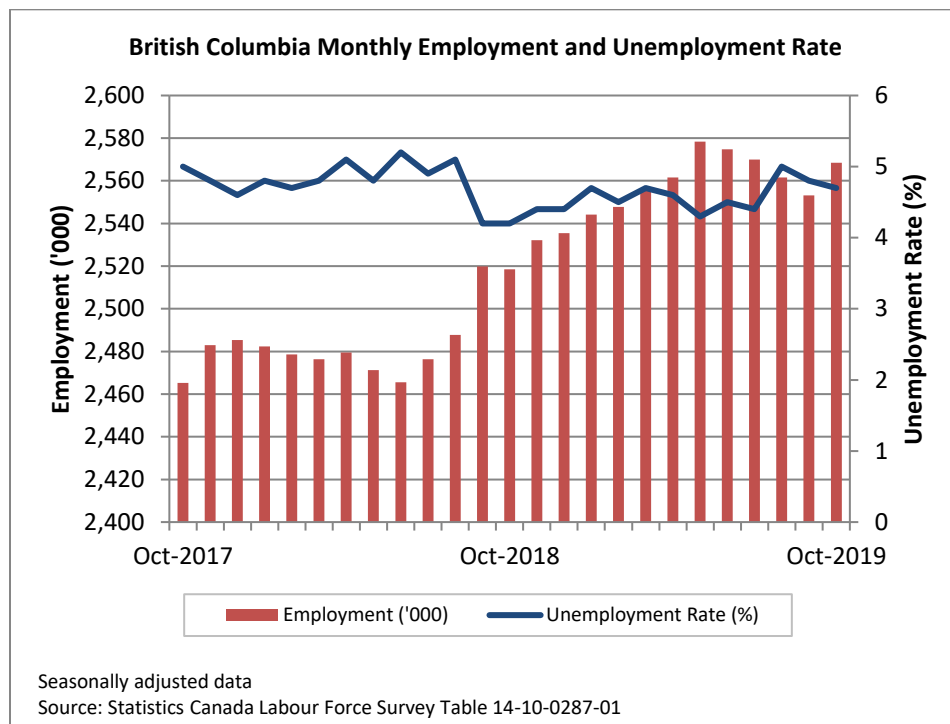
Month-over-month, British Columbia's unemployment rate remained relatively unchanged at 4.7%, the lowest rate among all the provinces.⁴

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	October 2019	September 2019	October 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,123.0	4,116.3	4,050.2	6.7	0.2	72.8	1.8
Labour Force ('000)	2,696.3	2,682.3	2,628.0	14.0	0.5	68.3	2.6
Employment ('000)	2,568.5	2,553.2	2,518.5	15.3	0.6	50.0	2.0
Full-Time ('000)	2,019.4	2,006.7	1,978.2	12.7	0.6	41.2	2.1
Part-Time ('000)	549.1	546.5	540.3	2.6	0.5	8.8	1.6
Unemployment ('000)	127.8	129.2	109.5	-1.4	-1.1	18.3	16.7
Unemployment Rate (%)	4.7	4.8	4.2	-0.1	-	0.5	-
Participation Rate (%)	65.4	65.2	64.9	0.2	-	0.5	-
Employment Rate (%)	62.3	62.0	62.2	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 a monthly basis, the unemployment rate for British Columbia youth (age 15-24 years) remained steady in October, up 0.1 percentage points to 9.1%. In comparison, the unemployment rate of those aged 25 years and older also remained relatively unchanged at 4.0%. Year over year, B.C.'s youth unemployment rate grew 2.2 percentage points, whereas the unemployment rate for the 25+ age group edged up by 0.3 percentage points.

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	October 2019	September 2019	October 2018	Monthly Variation	Yearly Variation
	(%)	(%)	(%)	(% points)	(% points)
Total	4.7	4.8	4.2	-0.1	0.5
25 years and over	4.0	4.1	3.7	-0.1	0.3
Men - 25 years and over	3.9	3.8	3.1	0.1	0.8
Women - 25 years and over	4.1	4.5	4.4	-0.4	-0.3
15 to 24 years	9.1	9.0	6.9	0.1	2.2
Men - 15 to 24 years	12.1	11.8	8.5	0.3	3.6
Women - 15 to 24 years	5.9	6.3	5.4	-0.4	0.5

Note: Totals may not add due to rounding

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

EMPLOYMENT BY INDUSTRY

Employment in B.C.'s **goods-producing sector** remained relatively unchanged between the months of September and October at 477,900. However, overall employment in the sector is down 21,400 year-over-year.

In October, employment in B.C.'s goods-producing industries held steady with few changes; however, compared to the same time last year, all but the agriculture industry (+4,300) experienced moderate to significant job losses. Employment losses were predominantly in the **forestry, fishing, mining, quarrying, oil and gas** (-9,800) and **manufacturing** (-8,300).

In 2019, sawmill production curtailments and closures across the province impacted thousands of British Columbians in the **forest** sector. The sector is grappling with weaker export demand, lower lumber prices, ongoing U.S. softwood lumber tariffs, and timber supply constraints. As economic conditions for the sector show few signs of improving, the impacts from the job losses could likely last for years to come. This will put pressure on rural communities that rely on this industrial tax base, because they lack the economic diversification to provide alternative employment opportunities. At this time, the Government of B.C. is providing supports and resources to help affected workers.^{5 6}

The province's **construction** industry remains robust, as residential construction is anticipated to pick up in the Greater Vancouver Area.⁷ In addition, the provincial government continues to pursue its \$7 billion goal of 114,000 new affordable homes over the coming decade. The new homes will support affordable rental housing, co-op housing, low-income housing, Indigenous housing, and transition housing for women fleeing violence. Recently the provincial government announced several new housing initiatives, including 39 new rental homes for Indigenous peoples in Cranbrook, and an additional 369 student residences at Simon Fraser University. The multi-million dollar projects are expected to be complete in fall of 2020, and fall 2022, respectively.^{8,9}

In October, the provincial government announced several roadway **construction** projects, including \$104.6 million to build a new two-lane highway and bridge crossing Halfway River as part of the BC Hydro's Site C hydroelectric project¹⁰

Year-over-year, employment in B.C.'s **services sector** increased to 2,090,600 (+71,400). Notable employment growth was seen in trade (+29,000), public administration (+20,200), and educational services (+15,300). Alternatively, employment declined sharply in health care and social assistance (-15,200) and other services (-7,100).¹¹ Looking ahead, the sector has potential for further growth. This October, the Vancouver Economic Commission and Greater Seattle Partners announced a new agreement to promote the economy throughout the Cascadia Innovation Corridor. Under the agreement, participating cities will continue to collaborate on developing and supporting common economic goals for the benefit of local businesses and residents.¹²

In light of a modest decline in **health care and social assistance** in October (-2,300), the Government of British Columbia announced that it would provide approximately \$3.64 million over the next two years to create 418 new health care assistant seats at 14 post-secondary institutions. The additional funding is to help ensure that an aging population will continue to receive supports with long-term care.¹³

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	October 2019	September 2019	October 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,568.5	2,553.2	2,518.5	15.3	0.6	50.0	2.0
Goods-producing sector	477.9	478.6	499.3	-0.7	-0.1	-21.4	-4.3
Agriculture	27.8	27.0	23.5	0.8	3.0	4.3	18.3
Forestry, fishing, mining, quarrying, oil and gas	41.3	41.2	51.1	0.1	0.2	-9.8	-19.2
Utilities	11.0	11.5	14.2	-0.5	-4.3	-3.2	-22.5
Construction	234.1	233.6	238.5	0.5	0.2	-4.4	-1.8
Manufacturing	163.7	165.4	172.0	-1.7	-1.0	-8.3	-4.8
Services-producing sector	2,090.6	2,074.5	2,019.2	16.1	0.8	71.4	3.5
Trade	398.7	392.5	369.7	6.2	1.6	29.0	7.8
Transportation and warehousing	141.3	139.7	141.3	1.6	1.1	0.0	0.0
Finance, insurance, real estate and leasing	163.6	161.3	152.9	2.3	1.4	10.7	7.0
Professional, scientific and technical services	223.7	224.8	216.3	-1.1	-0.5	7.4	3.4
Business, building and other support services	105.2	111.0	100.2	-5.8	-5.2	5.0	5.0
Educational services	186.8	188.8	171.5	-2.0	-1.1	15.3	8.9
Health care and social assistance	308.6	310.9	323.8	-2.3	-0.7	-15.2	-4.7
Information, culture and recreation	123.7	123.5	126.5	0.2	0.2	-2.8	-2.2
Accommodation and food services	200.3	188.5	191.7	11.8	6.3	8.6	4.5
Other services	114.6	116.6	121.7	-2.0	-1.7	-7.1	-5.8
Public administration	124.0	117.0	103.8	7.0	6.0	20.2	19.5

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Within the past year, employment growth varied across B.C., ranging from a modest increase in the Lower Mainland-Southwest (+39,200) to job losses on Vancouver Island and Coast (-9,300). Over the same period, the unemployment rates grew in Lower Mainland – Southwest, Cariboo, and Northeast.

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2019 ('000)	October 2018 ('000)	Yearly Variation (%)	October 2019 (%)	October 2018 (%)	Yearly Variation (% points)
British Columbia	2,570.8	2,520.3	2.0	4.9	4.5	0.4
Economic Regions						
Vancouver Island and Coast	391.8	401.1	-2.3	4.3	4.5	-0.2
Lower Mainland - Southwest	1,664.3	1,625.1	2.4	5.0	4.2	0.8
Thompson - Okanagan	281.9	258.8	8.9	4.6	5.5	-0.9
Kootenay	69.5	74.2	-6.3	5.6	6.2	-0.6
Cariboo	81.0	78.7	2.9	6.9	4.7	2.2
North Coast and Nechako	42.9	42.5	0.9	4.4	4.7	-0.3
Northeast	39.2	39.8	-1.5	6.2	4.3	1.9

Note: Totals may not add due to rounding

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

Within the past 12 months, employment in **Lower Mainland - Southwest** increased to 1,664,300 (+39,200), and is expected continue to grow due to its diversified economy.¹⁴ Particularly, the region's **construction** sector is performing well with a variety of ongoing projects, including a new affordable rental homes complex for seniors in Mission.¹⁵ Looking forward, other projects are ready to start; for instance, Vancouver Coastal Health awarded a \$50.7M contract to the Lark Group to design and build the new Dogwood Lodge long-term seniors care home. Construction on the 150-bed facility is expected to begin in spring 2020, pending municipal approval.¹⁶

Year-over-year, employment declined by 6.3% in **Kootenay**. Over the same period, the unemployment rate declined by 0.6 percentage points to 5.6%.¹⁷ In the past month, the mining industry in the region has been facing uncertainty as Teck Resources announced in September plans to save money through the implementation of a salary and hiring freeze, reducing and deferring training, and cutting jobs at its four metallurgical coal mines.¹⁸ There is potential for future growth in the industry as Ximen Mining obtained an exploration permit for its Providence claim near Greenwood, allowing Ximen Mining to carry out further exploratory work on the site, including rock sampling, trenching, and diamond drilling.¹⁹

In the **Northeast**, employment remained relatively unchanged at 39,200 over the year. Despite the slight job losses, the regional unemployment rate increased by 1.9 percentage points, as labour force growth remained stagnant.²⁰ Such a slowdown may be short lived, as the prospect for further development in the liquid natural gas and pipeline sectors are expected to ramp up in the coming months. For instance, Tourmaline Oil announced plans to spend \$1.7B on gas exploration and development in the region over the next five years.²¹

As employment in **Cariboo** increased to 81,000 (+2,300), the unemployment rate grew by 2.2 percentage points to 6.9% in the past year.²² By next spring, Enbridge plans to start work to replace its compressor station at 150 Mile House, as preparatory work is expected to begin in mid-November.²³ The project is part of the company's T-South Reliability and Expansion program.²⁴

Compared to the same time last year, employment decreased to 391,800 (-9,300) in **Vancouver Island and Coast**, while the unemployment rate remained relatively unchanged at 4.3%.²⁵ The presence of the legal cannabis sector is becoming more prominent across the region as several legal retail locations either have or will soon be opening. In October, Clearly Cannabis opened a store in Langford and Costa Canna opened a store in Duncan.²⁶ In addition, Health Canada issued a cultivation license to Harvest One Cannabis Inc. for Phase 1 of its Mission Road facility in Duncan.²⁷ Looking forward, the B.C. Liquor Distribution Branch plans to open a B.C. Cannabis Store in Nanaimo early next year, and a Costa Canna intends to open another location in the Municipality of North Cowichan.^{28,29}

In the past year, employment in **Thompson-Okanagan** increased to 281,900 (+23,100), as the unemployment rate shrank by nearly a full percentage point to 4.6%.³⁰ Despite the downturn for regional forest product manufacturers, the region's economy remains robust. Looking forward, the M'akola Housing Society received \$4.6 million in provincial funding towards the construction of 46 affordable rental homes in Oliver. Pending municipal approval, construction is expected to begin in spring 2020.³¹

Employment in **North Coast and Nechako** economic region was relatively stable over the last year, while the unemployment rate edged down to 4.4%. The region is currently undergoing a lot of activity with the construction of the \$40 billion LNG Canada liquefied natural gas project in Kitimat.³² While this project has increased employment opportunities in the region, there is the potential for further growth should the proposed Kitimat LNG Expansion Project and Cedar LNG Project receive approval.^{33,34} In addition, preparations for the construction of TC Energy's Coastal GasLink liquefied natural gas pipeline are picking up near Burns Lake.³⁵

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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