



# Labour Market Bulletin

## British Columbia

March 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

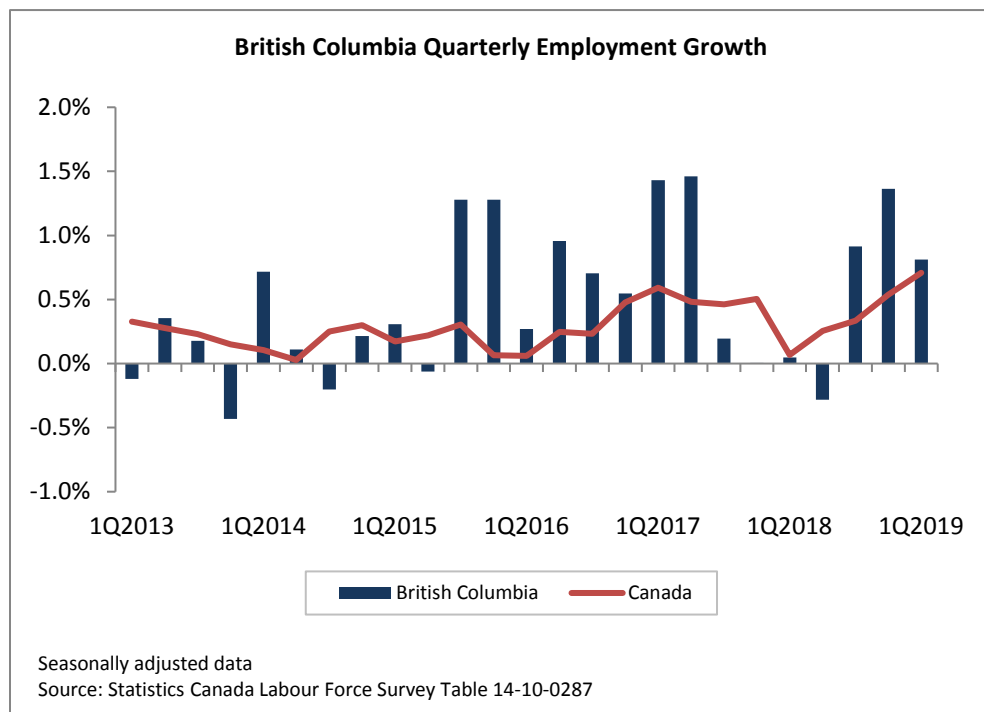
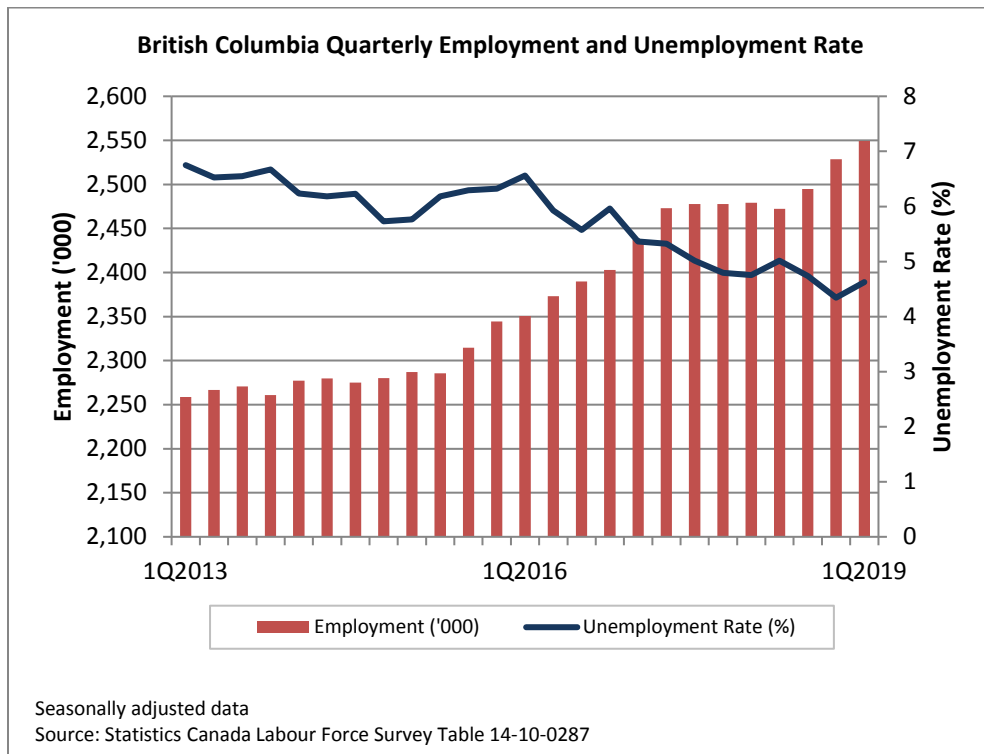
There were 2,549,200 people employed in BC in the first quarter of 2019, up 2.8% from the same period in 2018. All employment gains in the first quarter were in part-time employment (+22,400), while full-time employment was essentially flat (-1,900). On an annual basis, there were gains both in full-time (+33,400) and part-time (+36,700) employment. Quarterly employment advances were led by private sector employment growth (+16,700); outpacing public sector (+2,100) and self-employment (+1,700) growth. In fact, BC's private sector is responsible for the majority of provincial employment gains over the past year (+61,600).<sup>1</sup>

### British Columbia Quarterly Labour Force Statistics

Seasonally adjusted data	1st Quarter 2019	4th Quarter 2018	1st Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	4,067.5	4,054.4	4,007.9	13.1	0.3	59.6	1.5
<b>Labour Force ('000)</b>	2,672.9	2,643.5	2,602.9	29.4	1.1	70.0	2.7
<b>Employment ('000)</b>	2,549.2	2,528.7	2,479.1	20.5	0.8	70.1	2.8
Full-Time ('000)	1,973.5	1,975.4	1,940.1	-1.9	-0.1	33.4	1.7
Part-Time ('000)	575.7	553.3	539.0	22.4	4.0	36.7	6.8
<b>Unemployment ('000)</b>	123.6	114.8	123.8	8.8	7.7	-0.2	-0.2
<b>Unemployment Rate (%)</b>	4.6	4.3	4.8	0.3	-	-0.2	-
<b>Participation Rate (%)</b>	65.7	65.2	64.9	0.5	-	0.8	-
<b>Employment Rate (%)</b>	62.7	62.4	61.9	0.3	-	0.8	-

Note: Totals may not add due to rounding

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



BC's unemployment rate rose 0.3 percentage points to 4.6% in the first quarter of 2019, but remains well below the national average (5.8%) and continues to be the lowest rate in the country. The quarterly unemployment rate is up across most demographic groups, including a 1.5 percentage point increase for young men (10.2%) and a 1.1 percentage point increase for young women (8.4%). Meanwhile, the unemployment rate for British Columbians aged 25 years and over is relatively unchanged at 3.8%.

According to the most recent data available, the number of regular Employment Insurance (EI) beneficiaries in BC increased for the third consecutive month in January 2019. Despite this recent uptick, there were still 14.0% fewer British Columbians receiving regular benefits in January 2019 compared to a year earlier.

**British Columbia Quarterly Unemployment Rates, by Gender and Age**

Seasonally adjusted data	1st Quarter 2019 (%)	4th Quarter 2018 (%)	1st Quarter 2018 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	4.6	4.3	4.8	0.3	-0.2
<b>25 years and over</b>	3.8	3.7	4.3	0.1	-0.5
Men - 25 years and over	3.6	3.2	4.4	0.4	-0.8
Women - 25 years and over	4.1	4.4	4.2	-0.3	-0.1
<b>15 to 24 years</b>	9.3	7.9	7.5	1.4	1.8
Men - 15 to 24 years	10.2	8.7	9.1	1.5	1.1
Women - 15 to 24 years	8.4	7.3	5.9	1.1	2.5

*Note: Totals may not add due to rounding*

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

### Labour Market Indicators for Indigenous People

In the first quarter of 2019, the total population aged 15 and over in BC was 4.1 million. The Indigenous population living off reserve accounted for 4.3% of that, or 176,000 people. Employment among the Indigenous population in BC increased to 103,400 (+3,200 or 3.2%) from a year earlier. The increase is attributable to part-time positions (+4,700 or 22.3%) which was slightly offset by a decrease in full-time positions (-1,500 or -1.9%).

The unemployment rate among Indigenous people was 10.1% in the first quarter of 2019, having decreased by 1.0 percentage point from the previous year. The unemployment rate among the non-Indigenous population declined year-over-year to 4.6% (-0.2 percentage points). Between the first quarter of 2018 and the first quarter of 2019, the participation rate among the Indigenous population edged down to 65.4% (-1.4 percentage points) and increased for the non-Indigenous population to 65.2% (+1.0 percentage points). The employment rate of Indigenous people decreased year-over-year to 58.7% (-0.7 percentage points), while non-Indigenous populations increased to 62.2% (+1.1 percentage points).

## British Columbia - Labour market indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q1 2019	Q1 2018	number	%	Q1 2019	Q1 2018	number	%
<b>Population 15 + ('000)</b>	176.0	168.8	7.2	4.3	3,891.5	3,839.1	52.4	1.4
<b>Labour Force ('000)</b>	115.0	112.7	2.3	2.0	2,536.2	2,464.7	71.5	2.9
<b>Employment ('000)</b>	103.4	100.2	3.2	3.2	2,418.8	2,347.3	71.5	3.0
Full-Time ('000)	77.6	79.1	-1.5	-1.9	1,851.6	1,817.9	33.7	1.9
Part-Time ('000)	25.8	21.1	4.7	22.3	567.2	529.4	37.8	7.1
<b>Unemployment ('000)</b>	11.7	12.5	-0.8	-6.4	117.4	117.4	0.0	0.0
<b>Unemployment Rate (%)</b>	10.1	11.1	-1.0	-	4.6	4.8	-0.2	-
<b>Participation Rate (%)</b>	65.4	66.8	-1.4	-	65.2	64.2	1.0	-
<b>Employment Rate (%)</b>	58.7	59.4	-0.7	-	62.2	61.1	1.1	-

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey – ESDC custom table

## EMPLOYMENT BY INDUSTRY

Employment in BC grew 0.8% in the first quarter of 2019 (+20,500) with gains in the services-producing sector (+37,800) more than doubling losses in the goods-producing sector (-17,200). A similar trend is observed on an annual basis. Year-over-year, employment in the services-producing sector is up nearly 90,000, while employment in the goods-producing sector is down 19,000.

BC's **resource extraction industry** (forestry, fishing, mining, quarrying and oil and gas), which is highly influenced by commodity price fluctuations, lost 3,200 positions in the first quarter of 2019. The Government of BC expects declining revenue from natural resources in the 2019-20 fiscal year due to falling commodity prices.<sup>2</sup>

Imperial Metals Corporation noted in January that the declining price of copper was an important factor in the decision to suspend operations at the Mount Polley Mine located northeast of Williams Lake. Operations at the copper and gold mine will go into care and maintenance mode beginning in May; approximately 250 people are impacted by the decision.<sup>3,4</sup>

BC's forestry industry is also being negatively affected by commodity price fluctuations. Low market prices in the second half of 2018, combined with supply constraints, led to production cuts at sawmills throughout the province. Forestry is an important economic driver in BC. According to a new study conducted by Price Waterhouse Cooper (PwC), there are 60,000 British Columbians directly employed in the forestry industry. The forestry industry also generates a substantial number of indirect and induced jobs due to its interdependence with other industries such as manufacturing, transportation and warehousing. The total number of direct, indirect and induced jobs is estimated to be closer to 140,000.<sup>5</sup>

Employment in BC's **manufacturing industry** also decreased in the first quarter of 2019 (-4,100). In fact, employment in the province's manufacturing industry has declined the last three quarters, led by losses in wood product manufacturing.

Although there have been production curtailments at many sawmills across the province over the last two quarters, some mills are taking steps towards expansion. In the Interior, Kalesnikoff Lumber – located near Castlegar – is planning to expand their current facility to include a \$35 million mass timber manufacturing plant. Mass timber is a replacement for steel in the construction of tall buildings.<sup>6</sup> In March, the Government of BC announced changes to the BC Building Code that will increase the height allowance of wood buildings from six storeys up to twelve storeys. The new height allowance could bring more opportunities for builders and manufacturers of engineered wood products and potentially increase the use of wood products such as mass timber.<sup>7</sup>

Meanwhile, on Vancouver Island, San Group recently began construction on a new \$70 million sawmill and re-manufacturing plant in Port Alberni that will employ 135 people. The new facility will process smaller logs and manufacture high value products for the domestic market.<sup>8,9</sup>

### British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally adjusted data ('000)	1st Quarter 2019	4th Quarter 2018	1st Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,549.2	2,528.7	2,479.1	20.5	0.8	70.1	2.8
<b>Goods-producing sector</b>	486.7	503.9	505.7	-17.2	-3.4	-19.0	-3.8
Agriculture	25.8	25.0	25.1	0.8	3.2	0.7	2.8
Forestry, fishing, mining, quarrying, oil and gas	47.8	51.0	49.2	-3.2	-6.3	-1.4	-2.8
Utilities	12.5	13.7	13.6	-1.2	-8.8	-1.1	-8.1
Construction	233.5	243.1	241.1	-9.6	-3.9	-7.6	-3.2
Manufacturing	167.0	171.1	176.7	-4.1	-2.4	-9.7	-5.5
<b>Services-producing sector</b>	2,062.6	2,024.8	1,973.3	37.8	1.9	89.3	4.5
Trade	379.5	370.0	377.0	9.5	2.6	2.5	0.7
Transportation and warehousing	143.9	140.7	131.1	3.2	2.3	12.8	9.8
Finance, insurance, real estate and leasing	152.0	152.6	153.4	-0.6	-0.4	-1.4	-0.9
Professional, scientific and technical services	222.2	216.9	200.4	5.3	2.4	21.8	10.9
Business, building and other support services	115.8	105.9	99.4	9.9	9.3	16.4	16.5
Educational services	171.5	168.8	164.6	2.7	1.6	6.9	4.2
Health care and social assistance	317.1	324.0	323.5	-6.9	-2.1	-6.4	-2.0
Information, culture and recreation	135.8	128.0	127.2	7.8	6.1	8.6	6.8
Accommodation and food services	196.7	192.2	176.9	4.5	2.3	19.8	11.2
Other services	118.5	120.8	118.4	-2.3	-1.9	0.1	0.1
Public administration	109.5	104.9	101.5	4.6	4.4	8.0	7.9

Note: Totals may not add due to rounding

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

In the services-producing sector, quarterly employment gains were led by employment growth in the **business, building and other support services industry** (+9,900) and the **wholesale and retail trade industry** (+9,500). On an annual basis, employment in the **professional, scientific and technical services industry** outpaced all other industries in the sector (+21,800). According to Trade and Invest BC, there are 10,200 tech companies in BC employing over 114,000 people and generating \$28.9 billion in revenue.<sup>10</sup>

In 2018, the BC-led Digital Technology Supercluster was chosen as one of five recipients for the Government of Canada's Innovation Supercluster Initiative, sharing \$950 million in federal funding.<sup>11</sup> The BC Supercluster recently announced it is launching seven projects using \$15 million in federal funding and over \$25 million from industry, research, and academic partners. The Supercluster expects to spend \$1.4 billion over ten years to support over 100 projects involving more than 1,000 organizations across the country.<sup>12</sup>

## REGIONAL ANALYSIS

Employment is up in three of BC's seven economic regions compared to the first quarter of 2018. The greatest annual employment gains were in the **Lower Mainland-Southwest** (+51,800) and the **Thompson-Okanagan** (+19,200).

In contrast, employment in **Vancouver Island and Coast** economic region is down 2,700 year-over-year. Although it has the lowest quarterly unemployment rate in the province at 3.6%. During the month of March, Western Forest Products (WFP) temporarily shut down two of their five **Vancouver Island** sawmills. The company curtailed operations at the Alberni Pacific Division Sawmill in Port Alberni for one month effective March 18, impacting up to 240 employees.<sup>13</sup> WFP also closed its Cowichan Bay sawmill between March 25 and April 8, affecting approximately 120 employees.<sup>14</sup> The company indicates the closures are due to poor international market conditions and the persistent high cost of logs. WFP is Vancouver Island's largest logging and milling company and produces specialty lumber products often destined for the Japanese market.<sup>15</sup>

**North Coast and Nechako** region saw a small decline in employment (-800) on an annual basis. However, the region's unemployment rate is down 3.8 percentage points to 3.8% over the same period. In fact, the Northwest region of the province is teeming with activity. Between 2014 and 2018, over \$13 billion was spent on major capital projects in the Northwest, and more projects are on the horizon. Last summer there were \$65 billion in major industrial projects proposed for BC's Northwest region, excluding projects associated with the liquefied natural gas industry (LNG).<sup>16</sup>

Construction of the \$40 billion LNG Canada export facility in Kitimat with adjoining pipeline began in the fall of 2018.<sup>17,18</sup> Recently, Chevron Canada and Woodside Energy applied to the National Energy Board to double the licence originally granted for a second LNG project near Kitimat. The company has now applied for a 40-year licence to export up to 18 million tonnes per year of LNG commencing in 2029. While no final investment decision has been made on the proposed Kitimat LNG project, this project would substantially increase activity in the region.<sup>19</sup>

The Government of BC recently announced it is spending \$100 million towards infrastructure needs in BC's Northwest region. The Northern Capital and Planning Grant will be distributed to four regional districts and their

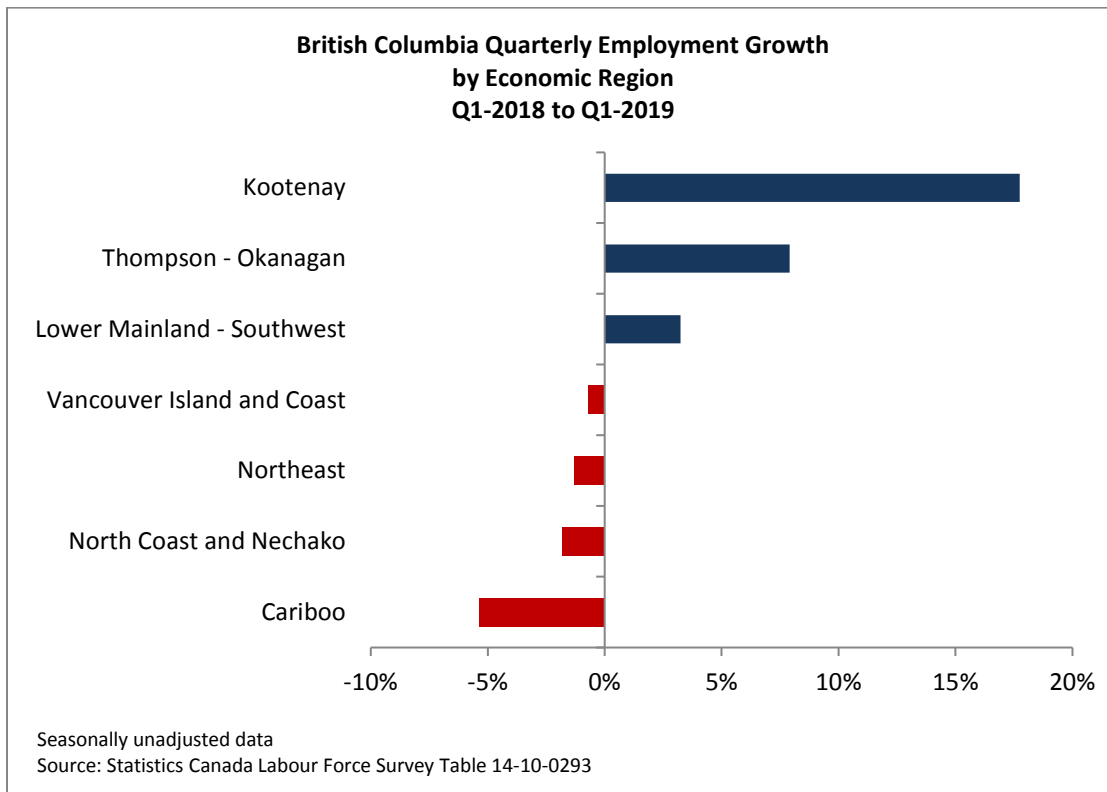
22 municipalities.<sup>20</sup> The estimated cost to replace and repair aging physical and social infrastructure in BC's Northwest region is approximately \$600 million.<sup>21</sup> Many local governments have not been able to meet the expanding infrastructure and service needs associated with the numerous major developments occurring in the region.

### British Columbia Quarterly Labour Force Statistics, by Economic Region

Seasonally unadjusted data	Employment			Unemployment Rate		
	1st Quarter 2019 ('000)	1st Quarter 2018 ('000)	Yearly Variation (%)	1st Quarter 2019 (%)	1st Quarter 2018 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,523.4	2,449.5	3.0	4.8	5.0	-0.2
<b>Economic Regions</b>						
Vancouver Island and Coast	380.8	383.5	-0.7	3.6	5.6	-2.0
Lower Mainland - Southwest	1,647.6	1,595.8	3.2	4.9	4.3	0.6
Thompson - Okanagan	262.1	242.9	7.9	5.3	7.4	-2.1
Kootenay	75.0	63.7	17.7	4.7	6.3	-1.6
Cariboo	77.4	81.8	-5.4	6.4	6.6	-0.2
North Coast and Nechako	42.8	43.6	-1.8	3.8	7.6	-3.8
Northeast	37.7	38.2	-1.3	7.8	5.7	2.1

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](http://www.statcan.gc.ca)

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<sup>10</sup> Trade and Invest BC. Industry Sectors – Technology. Accessed on April 5, 2019:

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