



Labour Market Bulletin

British Columbia

April 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 was little changed in April (+0.2%), with full-time employment gains (+29,900) outpacing part-time employment losses (-24,000). Year-over-year, employment is up 3.3% due to robust gains in the private sector (+91,200); only modestly offset by losses in the public sector (-4,300) and self-employment (-5,000).¹

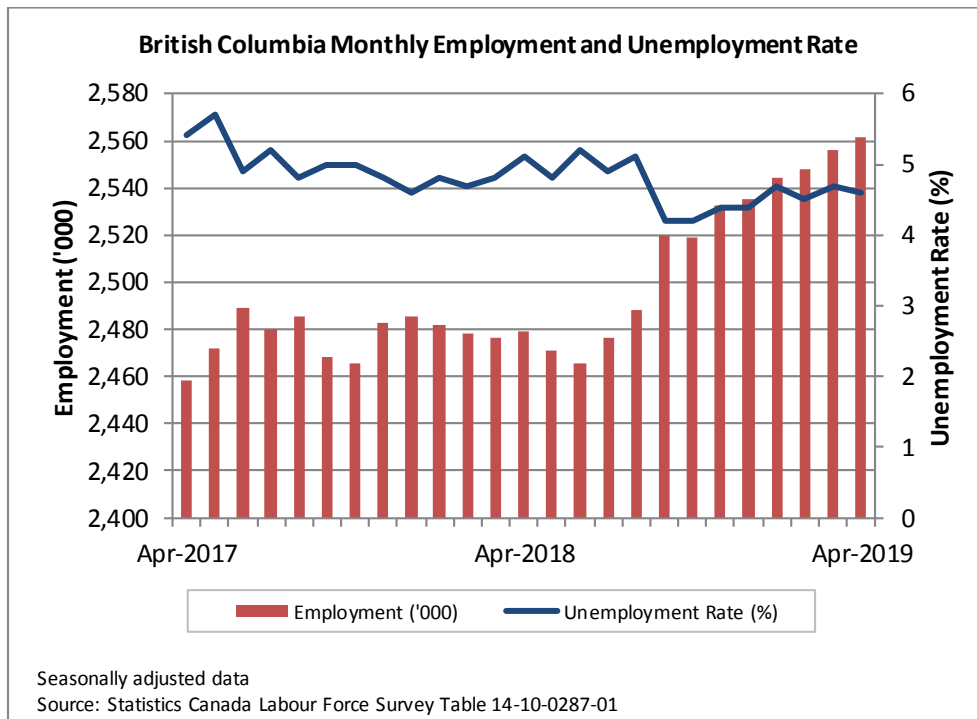
British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	April 2019	March 2019	April 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,077.9	4,071.5	4,018.4	6.4	0.2	59.5	1.5
Labour Force ('000)	2,684.7	2,681.2	2,611.6	3.5	0.1	73.1	2.8
Employment ('000)	2,561.6	2,555.7	2,479.5	5.9	0.2	82.1	3.3
Full-Time ('000)	2,006.2	1,976.3	1,962.2	29.9	1.5	44.0	2.2
Part-Time ('000)	555.4	579.4	517.4	-24.0	-4.1	38.0	7.3
Unemployment ('000)	123.2	125.4	132.1	-2.2	-1.8	-8.9	-6.7
Unemployment Rate (%)	4.6	4.7	5.1	-0.1	-	-0.5	-
Participation Rate (%)	65.8	65.9	65.0	-0.1	-	0.8	-
Employment Rate (%)	62.8	62.8	61.7	0.0	-	1.1	-

Note: Totals may not add due to rounding

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

The provincial unemployment rate (4.5%) remained the lowest in Canada in the month of April. Indeed, BC's unemployment rate is over two percentage points below neighbouring Alberta's rate of 6.8%, and well below the national average (5.9%).



In April, BC’s youth unemployment rate (15 to 24 years) of 9.1% was almost twice as high as the overall provincial average (4.6%). On a monthly basis, the unemployment rate for young men (10.1%) was relatively unchanged, while the rate for young women dropped almost two percentage points to 8.2%. Youth unemployment in BC was the lowest of any western province and below the national average of 10.3% in April.

According to Statistics Canada’s most recent information, the number of Regular Employment Insurance beneficiaries increased for the third consecutive month in February. Despite this trend, the number of beneficiaries was down 9.0% in February 2019 compared to the same period last year.²

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	April 2019 (%)	March 2019 (%)	April 2018 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	4.6	4.7	5.1	-0.1	-0.5
25 years and over	3.8	3.8	4.4	0.0	-0.6
Men - 25 years and over	3.6	3.5	4.6	0.1	-1.0
Women - 25 years and over	4.0	4.1	4.3	-0.1	-0.3
15 to 24 years	9.1	10.0	8.8	-0.9	0.3
Men - 15 to 24 years	10.1	10.0	9.9	0.1	0.2
Women - 15 to 24 years	8.2	10.0	7.7	-1.8	0.5

Note: Totals may not add due to rounding

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

The average weekly earnings for British Columbians were \$969.20 in February (most recent data available). In fact, average weekly earnings in BC fell in each of the four months prior to February, and remain below the national average (\$1,007.40).³

EMPLOYMENT BY INDUSTRY

Employment in BC's goods-producing sector jumped 2.0% in April (+9,900), led by gains in the construction industry (+7,900). Meanwhile, employment in the services-producing sector fell 0.2% (-4,000). On an annual basis there is a sharp contrast, with employment growth in the services-producing sector (+ 90,800) significantly offsetting losses in the goods-producing sector (-8,700).

Employment in BC's construction industry increased 3.4% in April. Construction employs almost half of all those working in BC's goods-producing sector and accounts for 8.7% of the province's gross domestic product. The estimated value of major construction projects underway in the province – excluding the \$40 billion LNG Canada project – is \$76 billion.⁴ Moreover, the value of proposed construction projects in BC is over \$260 billion.⁵

BC's resource extraction industry (forestry, fishing, mining, quarrying, and oil and gas) gained 1,700 positions in April (+3.6%). On an annual basis, employment in BC's oil and gas industry has doubled, reaching 7,400 positions.⁶ The majority of employment in BC's oil and gas industry is located in the province's Northeast region. As of May, there were 16 active drilling rigs in BC's Northeast, compared to 12 that were active the same time last year. All told, 32% of rigs in BC are currently active; this compares to 12% in Alberta and 5% in Saskatchewan.⁷

Employment in the sub-industry of wood product manufacturing has decreased 4,700 since it peaked in August 2018 (28,300).⁸ While the price of lumber reached an all-time high in mid-2018, falling prices in the second half of the year led to production cuts and layoffs in sawmills throughout the province.

Conifex Timber Inc., Canfor Corporation, and Interfor Corporation recently announced production cuts for the second quarter of 2019 due to low lumber prices and high log costs. Conifex is curtailing operations for three weeks at its Mackenzie sawmill and for four weeks at its mill in Fort St. James during the month of May.⁹ Interfor is temporarily curtailing operations for the month of May at three sawmills located in BC's Interior by reducing operating days.¹⁰ Meanwhile, Canfor shut down operations for a week at twelve of its BC mills beginning April 29.¹¹ This trend is likely to continue into the summer with Tolko already announcing the permanent closure of its Quest Wood sawmill in Quesnel effective in August, impacting approximately 150 workers. Tolko is also implementing a shift reduction at its Kelowna sawmill beginning in July that will affect about 90 workers.¹²

Meanwhile, a long-term decline in allowable cuts due to mountain pine beetle infestations continues to reduce log supply in the province.¹³ The Government of BC recently launched an initiative aimed at renewing the Interior forestry industry by finding ways to extract maximum value from a reduced wood fibre supply. In support of this initiative, the Province is making changes to their forest policy and has counselled all ministries and Crown agencies to consider wood as the primary building material for government building projects. In a letter to the BC Interior forest sector, the Government urged industry to establish local coalitions in each timber supply area that include First Nations, labour, and community leaders to develop a plan to keep their forest industry competitive.¹⁴

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	April 2019	March 2019	April 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,561.6	2,555.7	2,479.5	5.9	0.2	82.1	3.3
Goods-producing sector	495.9	486.0	504.6	9.9	2.0	-8.7	-1.7
Agriculture	26.0	26.9	24.3	-0.9	-3.3	1.7	7.0
Forestry, fishing, mining, quarrying, oil and gas	49.1	47.4	49.3	1.7	3.6	-0.2	-0.4
Utilities	12.0	12.4	13.9	-0.4	-3.2	-1.9	-13.7
Construction	241.4	233.5	239.3	7.9	3.4	2.1	0.9
Manufacturing	167.2	165.8	177.8	1.4	0.8	-10.6	-6.0
Services-producing sector	2,065.7	2,069.7	1,974.9	-4.0	-0.2	90.8	4.6
Trade	377.8	381.2	366.8	-3.4	-0.9	11.0	3.0
Transportation and warehousing	140.2	142.1	135.1	-1.9	-1.3	5.1	3.8
Finance, insurance, real estate and leasing	155.9	156.8	147.9	-0.9	-0.6	8.0	5.4
Professional, scientific and technical services	225.7	225.8	207.0	-0.1	0.0	18.7	9.0
Business, building and other support services	117.8	114.3	98.3	3.5	3.1	19.5	19.8
Educational services	170.9	171.4	166.9	-0.5	-0.3	4.0	2.4
Health care and social assistance	309.5	314.8	327.8	-5.3	-1.7	-18.3	-5.6
Information, culture and recreation	136.1	136.2	122.7	-0.1	-0.1	13.4	10.9
Accommodation and food services	195.1	195.1	183.3	0.0	0.0	11.8	6.4
Other services	122.1	119.6	117.1	2.5	2.1	5.0	4.3
Public administration	114.5	112.6	101.9	1.9	1.7	12.6	12.4

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, employment in BC's information, culture and recreation industry was relatively flat in April (-100), but is up substantially on an annual basis (+13,400 or +10.9%). According to a recent report by the Canadian Media Producer's Association, BC had the highest volume of film and television production in Canada in 2017/2018 with a total value of \$3.58 billion — 40% of the value of all Canadian productions. The report indicates film and television production in BC generated 71,140 full-time equivalent positions in the 2017/2018 fiscal year, more than any other province in Canada.¹⁵

REGIONAL ANALYSIS

Employment increased in four of BC's seven economic regions over the past year. Lower Mainland-Southwest is the most populous region in the province and saw the greatest jump in employment (+65,600 or +4.1%). On a percentage basis, the Kootenay region led the province in growth (+9.7%).

Year-over-year employment was down 2.8% in the Northeast economic region and the area's unemployment rate increased 2.7 percentage points to 9.0% — the highest rate in the province. Employment losses in this region were concentrated in the services-producing sector, while employment in resource extraction is on the rise.

A wide variety of employment opportunities are likely to open up in the Northeast during the construction of the \$289 million Peace Region Electricity Supply (PRES) project.¹⁶ This project is expected to support the expanding natural gas industry in BC's Northeast. The project includes the expansion of existing transmission infrastructure and the construction of two parallel 230-kilovolt power lines between the Site C Substation near Fort St. John and the Groundbirch Substation east of Chetwynd.¹⁷ BC Hydro anticipates the project will offer employment opportunities for apprentices, training and employment opportunities for Indigenous groups, and procurement opportunities for small- and medium-sized businesses. Work will begin this summer with an in-service date towards the end of 2021.¹⁸

Meanwhile, the Government of BC is hosting public engagement sessions in April and May to help assess the possible economic impact of new caribou habitat restrictions in BC's Interior. The provincial and federal governments have developed a draft agreement under Section 11 of the Species at Risk Act that contains commitments, measures and strategies that apply to resource development activities affecting the Southern Mountain Caribou. The provincial and federal governments also drafted a partnership agreement with the Saulneau and West Moberly First Nations to protect the Central Mountain Caribou that includes moratoriums on resource development.^{19,20} Implementing these two agreements will affect the forestry, energy and mining industries, as well as tourism and recreation. Forest industry officials estimate up to 500 jobs could be lost in the Chetwynd-Tumbler Ridge region if any increased logging restrictions are implemented.²¹

In the region of North Coast and Nechako, employment increased 1.2% over the last year, while the unemployment rate dropped 4.3 percentage points to 3.8%. This region is buzzing with activity including extensive construction work on new LNG developments that will affect the volume of employment in the region over the next five years. Once operational in 2023, LNG Canada's processing facility near Kitimat will generate up to 950 permanent positions.²² In addition, AltaGas recently completed construction of Canada's first propane export facility near Prince Rupert. The Ridley Island Propane Export Terminal Project cost approximately \$500 million and is designed to ship up to 1.2 million tonnes of propane per year.^{23,24} The facility will employ up to 50 permanent positions.²⁵

A new mine is expected in the Nechako region as well. New Gold Inc. recently received federal environmental approval for the Blackwater Gold Project located about 100 kms southwest of Vanderhoof on the traditional lands of the Ulkatcho First Nation and the Lhoosk'uz Dené Nation. The \$1.8 billion open-pit gold and silver mine is expected to create up to 1,500 jobs during construction and 495 once operational.²⁶ New Gold must now wait to pass a provincial environmental assessment before the project can move ahead.

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	April 2019 ('000)	April 2018 ('000)	Yearly Variation (%)	April 2019 (%)	April 2018 (%)	Yearly Variation (% points)
British Columbia	2,537.8	2,457.0	3.3	4.6	4.9	-0.3
Economic Regions						
Vancouver Island and Coast	383.7	390.3	-1.7	3.7	5.2	-1.5
Lower Mainland - Southwest	1,654.8	1,589.2	4.1	4.5	4.3	0.2
Thompson - Okanagan	265.5	246.0	7.9	5.3	7.1	-1.8
Kootenay	73.2	66.7	9.7	6.4	5.4	1.0
Cariboo	79.8	83.4	-4.3	6.2	5.9	0.3
North Coast and Nechako	43.4	42.9	1.2	3.8	8.1	-4.3
Northeast	37.5	38.6	-2.8	9.0	6.3	2.7

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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