



Labour Market Bulletin

British Columbia

May 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 grew 0.7% in May, with increases both in full-time (+12,400) and part-time employment (+4,400). Year-over-year, employment is up 4.3% due to robust gains in the private sector (+75,500) and more modest advances in self-employment (+29,200) and the public sector (+2,300).¹

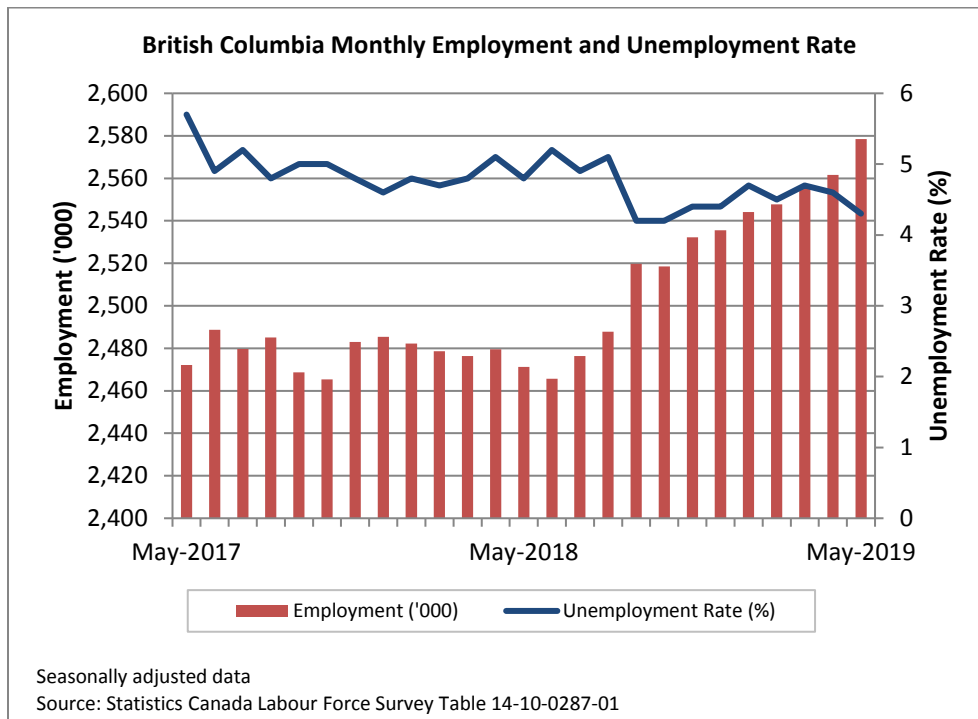
British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2019	April 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,084.0	4,077.9	4,023.6	6.1	0.1	60.4	1.5
Labour Force ('000)	2,694.9	2,684.7	2,597.0	10.2	0.4	97.9	3.8
Employment ('000)	2,578.4	2,561.6	2,471.3	16.8	0.7	107.1	4.3
Full-Time ('000)	2,018.6	2,006.2	1,948.7	12.4	0.6	69.9	3.6
Part-Time ('000)	559.8	555.4	522.6	4.4	0.8	37.2	7.1
Unemployment ('000)	116.6	123.2	125.6	-6.6	-5.4	-9.0	-7.2
Unemployment Rate (%)	4.3	4.6	4.8	-0.3	-	-0.5	-
Participation Rate (%)	66.0	65.8	64.5	0.2	-	1.5	-
Employment Rate (%)	63.1	62.8	61.4	0.3	-	1.7	-

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 of 4.3% in May remains the lowest in Canada. Indeed, BC's unemployment rate is over two percentage points below neighbouring Alberta's rate of 6.7% and well below the national average (5.4%).



In May, BC’s youth (15 to 24 years) unemployment rate of 8.6% was twice as high as the overall provincial average. On a monthly basis, the unemployment rate for young men (9.0%) dropped 1.1 percentage points, while the rate for young women was unchanged (8.2%). Youth unemployment in BC is the second lowest among provinces and below the national average of 10.0%.

BC’s young workers are the demographic group most impacted by a recent change in the provincial general minimum wage. The rate increased from \$12.65 to \$13.85 an hour on June 1.² The majority of minimum wage workers in Canada are under the age of 25 and work part-time jobs.³ However, according to Statistics Canada, as minimum wages rose in recent years, the proportion of older minimum wage workers (35 to 64 years) in Canada has also increased – from 25% in the first quarter of 2017 to 31% in the first quarter of 2018.⁴

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2019	April 2019	May 2018	Monthly Variation	Yearly Variation
	(%)	(%)	(%)	(% points)	(% points)
Total	4.3	4.6	4.8	-0.3	-0.5
25 years and over	3.6	3.8	4.4	-0.2	-0.8
Men - 25 years and over	3.4	3.6	4.8	-0.2	-1.4
Women - 25 years and over	3.8	4.0	3.9	-0.2	-0.1
15 to 24 years	8.6	9.1	7.7	-0.5	0.9
Men - 15 to 24 years	9.0	10.1	7.9	-1.1	1.1
Women - 15 to 24 years	8.2	8.2	7.6	0.0	0.6

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 BC's goods-producing sector jumped 2.1% in May (+10,400), led by gains in manufacturing (+8,100) and agriculture (+3,000). Employment in the services-producing sector increased by a more subdued 0.3% (+6,400), with gains in retail and wholesale trade (+9,500) outpacing losses in accommodation and food services (-8,700). Meanwhile, annual employment growth in the services-producing sector (5.0%) far outpaced growth in the goods-producing sector (1.6%).

Manufacturing

Employment in BC's manufacturing industry increased 5.2% in May, led by gains in the **beverage and tobacco product manufacturing** sub-industry (+3,800).⁵ There are an increasing number of craft beer manufacturers in the province. In fact, the number of craft breweries in BC grew from 54 in 2010 to 135 in 2017.⁶ In 2019, an estimated 30 new craft breweries are expected to open throughout the province.⁷

Labour force figures associated with tobacco manufacturing now include cannabis processing. Statistics Canada began including cannabis processing under tobacco manufacturing last year in preparation for the legalization of recreational cannabis.⁸ BC now has several cannabis manufacturing plants throughout the province, including HollyWeed North in Victoria that signed a two-year agreement with Canopy Growth Corporation to process dried cannabis into oil and resin.⁹ Tilray also recently announced plans to invest \$32.6 million to increase its Canadian cannabis production and manufacturing by expanding three facilities including their Nanaimo location.¹⁰

Meanwhile, there are ongoing challenges in the province's **wood product manufacturing** industry. A long-term decline in allowable cuts due to mountain pine beetle infestations, exacerbated by wildfires, continues to reduce log supply in the province.¹¹ Forest industry analysts estimate approximately 12 additional sawmills will close in BC over the next ten years due to falling timber supply. Diminished harvests in the province could eventually mean up to 2,500 job losses in BC's forestry industry.¹²

Canfor Corporation and Tolko Industries Ltd. both recently announced permanent mill closures in the province due to a lack of log supply combined with low lumber prices. Canfor is permanently closing their Vanvenby sawmill in July 2019. Approximately 172 direct jobs will be lost and a much greater number of local indirect jobs will be affected.^{13,14} Tolko is permanently closing its Quest Wood sawmill in Quesnel in August 2019. Approximately 150 employees are affected by this mill closure.¹⁵ A significant proportion of employment income is derived from wood product manufacturing in both these and their surrounding communities.¹⁶

In addition to these permanent closures, every major wood products manufacturer with mills in BC's Interior has announced production cuts in 2019. Companies either have chosen to reduce the number of operating days, suspended operations for weeks at a time, or eliminated entire shifts.

Resource Extraction

Employment in BC's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) decreased 5.1% in May. However, employment in BC's **mining** sub-industry is on the rise. Over 17,000 people were directly employed in BC's mining industry in 2018, up 2.4% from 2017.¹⁷ According to a recent PwC report, BC's mining

industry also supports about 3,000 businesses located in 125 municipalities and Indigenous communities. These businesses supply \$1.35 billion in material goods and services to 13 operating mines in the province.¹⁸

The report also indicates gross revenues in BC's mining industry increased in each of the last two years due to higher prices for key metals and minerals. BC is Canada's largest exporter of metallurgical coal and one of the country's biggest copper producers. In 2018, the price of metallurgical coal increased 5% on average, while the price of copper was up 6% on average for the year. Overall, gross mining revenue in BC reached \$12.3 billion in 2018, up 5% from 2017.

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2019	April 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,578.4	2,561.6	2,471.3	16.8	0.7	107.1	4.3
Goods-producing sector	506.3	495.9	498.2	10.4	2.1	8.1	1.6
Agriculture	29.0	26.0	23.7	3.0	11.5	5.3	22.4
Forestry, fishing, mining, quarrying, oil and gas	46.6	49.1	48.7	-2.5	-5.1	-2.1	-4.3
Utilities	13.7	12.0	13.5	1.7	14.2	0.2	1.5
Construction	241.7	241.4	235.3	0.3	0.1	6.4	2.7
Manufacturing	175.3	167.2	177.1	8.1	4.8	-1.8	-1.0
Services-producing sector	2,072.1	2,065.7	1,973.1	6.4	0.3	99.0	5.0
Trade	387.3	377.8	367.2	9.5	2.5	20.1	5.5
Transportation and warehousing	142.7	140.2	135.7	2.5	1.8	7.0	5.2
Finance, insurance, real estate and leasing	154.3	155.9	147.1	-1.6	-1.0	7.2	4.9
Professional, scientific and technical services	223.0	225.7	203.3	-2.7	-1.2	19.7	9.7
Business, building and other support services	117.2	117.8	95.8	-0.6	-0.5	21.4	22.3
Educational services	174.9	170.9	168.8	4.0	2.3	6.1	3.6
Health care and social assistance	311.8	309.5	324.6	2.3	0.7	-12.8	-3.9
Information, culture and recreation	137.8	136.1	125.6	1.7	1.2	12.2	9.7
Accommodation and food services	186.4	195.1	189.6	-8.7	-4.5	-3.2	-1.7
Other services	121.8	122.1	114.3	-0.3	-0.2	7.5	6.6
Public administration	114.7	114.5	101.3	0.2	0.2	13.4	13.2

Note: Totals may not add due to rounding

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

Services-producing Industries

In the services-producing sector, employment in BC's **transportation and warehousing** industry rose 1.8% (+2,500) in May and is up 5.2% on an annual basis (+7,000). In 2018, there were approximately 38,000 British Columbians employed in the provincial trucking industry. According to the BC Trucking Association (BCTA), the trucking industry is struggling with a shortage of drivers. Statistics Canada data indicates trucking has the highest vacancy rate of any industry in BC and this rate is the highest in Canada.¹⁹

Employment in BC's **accommodation and food services** industry declined 4.5% in May (-8,700). In fact, BC was responsible for the majority of the 12,000 accommodation and food services jobs lost throughout the country in May. Over the last four months, employment has trended down in this industry, both at the provincial and national level.

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 (+80,400 or +5.1%). On a percentage basis, the Thompson-Okanagan region led the province in employment growth (+7.6%).

Within the **Lower-Mainland-Southwest**, plans are underway to upgrade transit infrastructure for the region. The Government of Canada, the Government of BC and TransLink are contributing a total of \$1.47 billion to improve the Expo and Millennium Line of Metro Vancouver's rapid transit system. The funding will go towards the purchase of 200 new SkyTrain cars, replacing 150 cars and expanding the fleet. The additional cars will increase passenger capacity by 5,000 people during rush hour. Upgrades also include improvements to operating systems along the Expo and Millennium Lines to allow longer and more frequent trains.^{20,21}

Transit ridership continues to grow at record levels in Metro Vancouver. According to TransLink, ridership increased 7.1% in 2018, reaching 435.9 million riders. The Expo and Millennium Line upgrades are part of the second phase of TransLink's 10-Year Vision of transportation improvements for Metro Vancouver. These improvements are expected to substantially increase existing passenger capacity.²²

The second most populated region in BC, **Vancouver Island and Coast**, saw a 2.5% decrease in employment on an annual basis. According to a recent study by PwC, over 21,000 direct, indirect and induced jobs in Vancouver Island and Coast are supported by the forest industry. Forestry is also the largest resource industry on Vancouver Island.²³

On May 31, 2019, the Teal Jones Group forest company temporarily shut down second growth harvesting at its Honeymoon Bay-TFL46 operation on Vancouver Island due to high stumpage rates.²⁴ Businesses pay the provincial government stumpage fees in order to harvest timber on Crown land. The harvesting curtailments will affect approximately 40 contractors or half of all those employed by Teal Jones harvesting operations on the Island. This diminished harvest will also impact up to 400 workers employed at the Teal Jones Port Kells sawmill in Surrey due to lost mill time. Sawmill employees have already lost four weeks of mill run time in 2019 because of log shortages.²⁵

These temporary harvesting curtailments are an interim measure to mitigate company losses until the Province implements changes to stumpage rate calculations through the Coastal Forest Sector Revitalization Initiative.²⁶ The Province plans to begin using the new system of calculating stumpage rates on the Coast by the end of 2019.²⁷

The **Cariboo** region has been significantly impacted by sawmill production cuts in BC's Interior this year. While Quesnel is permanently losing Tolko's Quest Wood mill in August, West Fraser has suspended operations at

their Williams Lake and Soda Creek lumber mills and curtailed production at their 100 Mile House mill.²⁸ Canfor also shut down operations for one week at their Prince George, Bear Lake and Mackenzie sawmills.²⁹

The **Thompson-Okanagan, Kootenay and North Coast and Nechako** regions have not escaped the impacts of decreased mill production either. Interfor, Canfor, West Fraser and Tolko all announced production cuts for mills operating in these regions. All companies cite poor market conditions and a lack of wood fibre as the cause for production cuts.

Curtailements also impacted two Canfor mills in the **Northeast** region this year. However, the oil and gas industry is a more significant employer for this region due to the rich oil and gas deposits found in the Montney geological formation. Tourmaline Oil recently approved a \$150M project to double the capacity of its new Gundy natural gas processing plant by 2021. Construction of phase 1 of the Gundy facility is expected to be complete in June 2019.³⁰

Meanwhile, the developer for the proposed Squamish Woodfibre LNG project recently bought a private Calgary oil and gas company that owns and operates gas processing plants in the Northeast. These plants are ideally located to support natural gas export opportunities. Woodfibre LNG has a 40-year licence to export LNG, but has yet to receive full authorisation to build its proposed export facility.³¹

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2019 ('000)	May 2018 ('000)	Yearly Variation (%)	May 2019 (%)	May 2018 (%)	Yearly Variation (% points)
British Columbia	2,560.4	2,468.0	3.7	4.5	4.9	-0.4
Economic Regions						
Vancouver Island and Coast	390.1	399.9	-2.5	4.0	4.9	-0.9
Lower Mainland - Southwest	1,664.4	1,584.0	5.1	4.3	4.4	-0.1
Thompson - Okanagan	269.1	250.2	7.6	5.4	6.8	-1.4
Kootenay	72.9	68.6	6.3	6.3	5.1	1.2
Cariboo	82.5	84.1	-1.9	5.5	5.6	-0.1
North Coast and Nechako	43.6	42.6	2.3	3.7	8.8	-5.1
Northeast	37.7	38.5	-2.1	8.3	7.9	0.4

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.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, British Columbia

For further information, please contact the LMI team at: http://www.esdc.gc.ca/cgi-bin/contact/esdc-esdc/eng/contact_us.aspx?section=lmi

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2019, all rights reserved

¹ Statistics Canada. Table 14-10-0288-01 (formerly CANSIM 282-0089) Employment by class of worker, monthly, seasonally adjusted and unadjusted, last 5 months (x 1,000). Accessed June 7, 2019: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410028801>

² BC Gov News (May 30, 2019). Minimum wage increases June 1. Retrieved from: <https://news.gov.bc.ca/releases/2019LBR0018-001078>

³ Statistics Canada (June 13, 2018). Recent changes in the composition of minimum wage workers. Retrieved from: <https://www150.statcan.gc.ca/n1/pub/75-006-x/2018001/article/54974-eng.htm>

⁴ Ibid.

⁵ Statistics Canada. Labour Force Survey ESDC custom table.

⁶ Work BC (August 2017). BC food and beverage manufacturing and processing – sector labour market partnership engagement report. Retrieved from: <https://www.workbc.ca/getmedia/7698100c-5b46-4115-946a-900faa7cca59/Agrifoods-BC-Food-and-Beverage-Manufacturing-and-Processing-Sector-Engage-Report-Aug-2017.pdf.aspx>

⁷ Vancouver Sun (May 29, 2019). Why new craft breweries are opening everywhere but in Vancouver. Retrieved from: <https://vancouversun.com/business/commercial-real-estate/why-new-craft-breweries-are-opening-everywhere-but-vancouver>

⁸ Statistics Canada (September 15, 2017). Preparing the statistical system for the legalization of cannabis. Retrieved from: <https://www150.statcan.gc.ca/n1/pub/13-605-x/2017001/article/14840-eng.htm>

⁹ Proactiveinvestors Canada (march 20, 2019). Canopy Growth partners with HollyWeed to extract cannabis oils and resins. Retrieved from: <https://ca.proactiveinvestors.com/companies/news/216855/canopy-growth-partners-with-hollyweed-to-extract-cannabis-oils-and-resins-216855.html>

¹⁰ Financial Post (May 14, 2019). Tilray, Inc. reports first quarter 2019 financial results. Retrieved from: <https://business.financialpost.com/pmn/press-releases-pmn/business-wire-news-releases-pmn/tilray-inc-reports-first-quarter-2019-financial-results>

¹¹ Environmental Reporting BC. Trends in timber harvest in B.C. Accessed on June 6, 2019: <http://www.env.gov.bc.ca/soe/indicators/land/timber-harvest.html>

¹² Vancouver Sun (May 21, 2019). B.C. forest industry can expect the loss of another 12 sawmills over next decade, analyst estimates. Retrieved from: <https://vancouversun.com/business/local-business/b-c-forest-industry-can-expect-the-loss-of-another-12-sawmills-over-next-decade-analyst-estimates>

¹³ Canfor (June 3, 2019). Canfor to permanently close Vavenby sawmill. Retrieved from: <https://www.canfor.com/investor-relations/investor-news-press-releases/news-detail/2019/06/04/canfor-to-permanently-close-vavenby-sawmill>

-
- ¹⁴ CBC News (June 4, 2019). Canfor to permanently close Vavenby sawmill. Retrieved from: <https://www.cbc.ca/news/canada/british-columbia/canfor-vavenby-sawmill-1.5161185>
- ¹⁵ Tolko Industries Ltd. (May 10, 2019). Economic fibre shortage forces permanent closure of Tolko Quesnel and shift reduction at Tolko Kelowna. Retrieved from: https://tolko.com/tolkocpt_news/economic-fibre-shortage-forces-permanent-closure-of-tolko-quesnel-and-shift-reduction-at-tolko-kelowna/
- ¹⁶ Statistics Canada. Census 2016, ESDC custom table.
- ¹⁷ Ibid.
- ¹⁸ PWC. Building mines of tomorrow – the mining industry in British Columbia in 2018. Accessed on June 6, 2019: https://www.pwc.com/ca/en/mining/assets/p558049-bc_mine-2018_final.pdf
- ¹⁹ Truck news.com (June 2, 2019). B.C.'s trucking vacancy rates highest of any sector. Retrieved from: <http://www.trucknews.com/transportation/b-c-s-trucking-vacancy-rates-highest-of-any-sector/1003091511/>
- ²⁰ Government of Canada (May 23, 2019). Major investment to increase capacity and reduce overcrowding across metro Vancouver's Transit System. Retrieved from: <https://www.canada.ca/en/office-infrastructure/news/2019/05/major-investment-to-increase-capacity-and-reduce-overcrowding-across-metro-vancouver-transit-system.html>
- ²¹ BC Gov News (May 23, 2019). Major investment to increase capacity and reduce overcrowding across metro Vancouver's Transit System. Retrieved from: <https://news.gov.bc.ca/stories/major-investment-to-increase-capacity-and-reduce-overcrowding-across-metro-vancouver-transit-system>
- ²² TransLink (June 28, 2018). Phase Two of the 10-year vision – 2018-2027 investment plan. Retrieved from: https://tenyearvision.translink.ca/Documents/10-year_vision_phase_2_investment_plan.pdf
- ²³ PwC (March 2019). British Columbia's forest industry and the regional economies. Accessed June 7, 2019: https://www.cofi.org/wp-content/uploads/FINAL-COFI-Regional-Economic-Impact-Study_Final_March2019-2.pdf
- ²⁴ Teal-Jones Group (May 31, 2019). Teal jones curtails 2nd growth harvesting on Vancouver Island. Retrieved from: <https://tealjones.com/teal-jones-curtails-2nd-growth-harvesting-on-vancouver-island/>
- ²⁵ Vancouver Sun (May 31, 2019). Teal jones to halve logging, lay off workers in Vancouver Island operations. Retrieved from: <https://vancouversun.com/business/local-business/teal-jones-to-halve-logging-lay-off-workers-in-vancouver-island-operations>
- ²⁶ BC Gov News (January 17, 2019). Forest policy reforms to rebuild coastal forest sector. Retrieved from: <https://news.gov.bc.ca/releases/2019PREM0003-000046>
- ²⁷ Government of BC. Rebuilding B.C.'s Coast Forest Sector – keeping wealth in B.C. Accessed June 7, 2019: https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/coast-forest-sector-revitalization/coast_forest_sector_revitalization_web.pdf
- ²⁸ West Fraser. News Releases. Accessed on June 7, 2019: <https://www.westfraser.com/investors/news/news-releases/west-fraser-announces-temporary-production-curtailements-british-columbia-1>
- ²⁹ Canfor. News & Press Releases. Accessed on June 7, 2019: <https://www.canfor.com/investor-relations/investor-news-press-releases>
-

³⁰ JWN (May 31, 2019). Tourmaline proceeding with \$130MM Montney plant expansion. Retrieved from: <https://www.jwnenergy.com/article/2019/5/tourmaline-proceeding-150mm-montney-plant-expansion/>

³¹ CBC News (May 13, 2019). Developer of B.C. Woodfibre LNG project buys Calgary-based natural gas producer. Retrieved from: <https://www.cbc.ca/news/canada/calgary/woodfibre-lng-cambrian-energy-calgary-1.5134624>