



Labour Market Bulletin

British Columbia

June 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

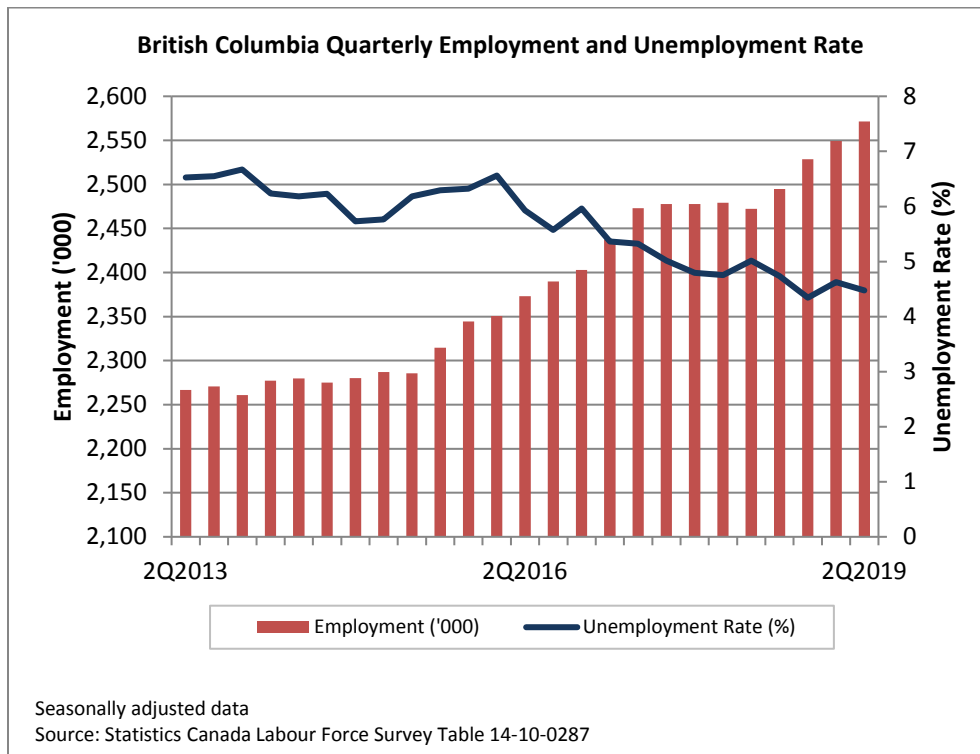
There were over 2.5 million people employed in BC in the second quarter of 2019 — almost 100,000 more than the same period last year. On a percentage basis, BC's year-over-year employment growth of 4.0% is greater than any other province in Canada and well above the national average (2.3%). While the majority of annual provincial employment gains were in full-time employment (+58,100), growth in part-time employment represented over 40% of total gains (+41,300).

British Columbia Quarterly Labour Force Statistics

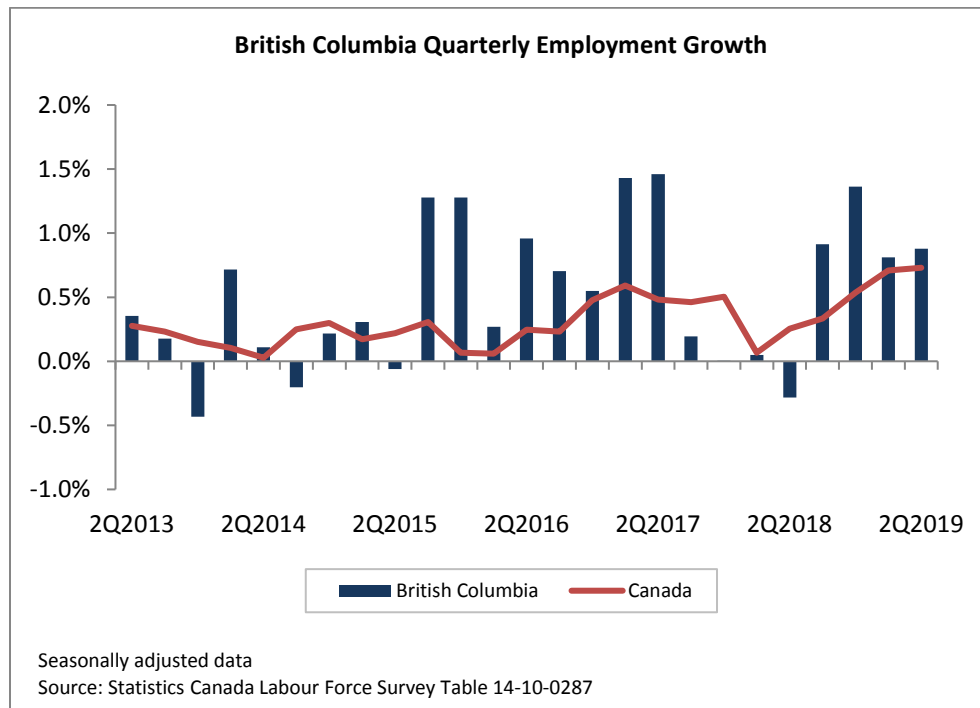
Seasonally adjusted data	2nd Quarter 2019	1st Quarter 2019	2nd Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,084.5	4,067.5	4,023.7	17.0	0.4	60.8	1.5
Labour Force ('000)	2,691.9	2,672.9	2,602.7	19.0	0.7	89.2	3.4
Employment ('000)	2,571.6	2,549.2	2,472.1	22.4	0.9	99.5	4.0
Full-Time ('000)	2,012.2	1,973.5	1,954.1	38.7	2.0	58.1	3.0
Part-Time ('000)	559.3	575.7	518.0	-16.4	-2.8	41.3	8.0
Unemployment ('000)	120.4	123.6	130.6	-3.2	-2.6	-10.2	-7.8
Unemployment Rate (%)	4.5	4.6	5.0	-0.1	-	-0.5	-
Participation Rate (%)	65.9	65.7	64.7	0.2	-	1.2	-
Employment Rate (%)	63.0	62.7	61.4	0.3	-	1.6	-

Note: Totals may not add due to rounding

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



Provincial employment grew 0.9% on a quarterly basis, with full-time employment gains (+38,700) outpacing part-time employment losses (-16,400). Quarterly employment advances were led by private sector employment growth (+13,500), followed by advances in the public sector (+7,500) and self-employment (+1,400).¹ Meanwhile, the provincial unemployment rate continues to trend down after a small uptick in the first quarter of 2019. At 4.5%, BC’s unemployment rate remains the lowest of any province in Canada.



British Columbia Quarterly Unemployment Rates, by Gender and Age

Seasonally adjusted data	2nd Quarter	1st Quarter	2nd Quarter	Quarterly	Yearly
	2019 (%)	2019 (%)	2018 (%)	Variation (% points)	Variation (% points)
Total	4.5	4.6	5.0	-0.1	-0.5
25 years and over	3.7	3.8	4.4	-0.1	-0.7
Men - 25 years and over	3.5	3.6	4.7	-0.1	-1.2
Women - 25 years and over	3.8	4.1	4.1	-0.3	-0.3
15 to 24 years	9.1	9.3	8.6	-0.2	0.5
Men - 15 to 24 years	10.1	10.2	9.1	-0.1	1.0
Women - 15 to 24 years	8.0	8.4	8.1	-0.4	-0.1

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 decreased for all demographic groupings in the second quarter. On an annual basis, only the unemployment rate for young men increased — climbing from 9.1% in the second quarter of 2018 to 10.1% in the second quarter of 2019. In sharp contrast, the unemployment rate for men aged 25 years and over decreased 1.2 percentage points over the same period to reach 3.5% — well below the national average of 5.5% for this demographic grouping.

Labour Market Indicators for Indigenous People

In the second quarter of 2019, the total population aged 15+ in BC was 4.1 million. The Indigenous population living off-reserve accounted for 4.4% of that, or 177,700 people. Employment among the Indigenous population in BC increased significantly to 112,700 (+16,400 or 17.0%) from a year earlier (second quarter, 2018). The increase is attributable to a growth in full-time positions (+11,100 or 14.5%) and part-time positions (+5,400 or +27.3%).

The unemployment rate among Indigenous people was 6.2% in the second quarter of 2019, having decreased by 5.2 percentage points from the previous year. The unemployment rate among the non-Indigenous population declined slightly year-over-year to 4.3% (-0.3 percentage points). Between the second quarter of 2018 and the second quarter of 2019, the participation rate among the Indigenous population grew to 67.7% (+4.0 percentage points) and increased for the non-Indigenous population to 66.1% (+1.2 percentage points). The employment rate of Indigenous people increased significantly year-over-year to 63.4% (+6.9 percentage points), while among the non-Indigenous population it increased to 63.2% (+1.3 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)	
	Q2 2019	Q2 2018	number	%	Q2 2019	Q2 2018	number	%
Population 15 + ('000)	177.7	170.5	7.2	4.2	3,907.0	3,853.2	53.8	1.4
Labour Force ('000)	120.2	108.6	11.6	10.7	2,582.3	2,500.1	82.2	3.3
Employment ('000)	112.7	96.3	16.4	17.0	2,470.8	2,383.9	86.9	3.6
Full-Time ('000)	87.6	76.5	11.1	14.5	1,933.9	1,882.3	51.6	2.7
Part-Time ('000)	25.2	19.8	5.4	27.3	536.8	501.6	35.2	7.0
Unemployment ('000)	7.5	12.4	-4.9	-39.5	111.6	116.2	-4.6	-4.0
Unemployment Rate (%)	6.2	11.4	-5.2	-	4.3	4.6	-0.3	-
Participation Rate (%)	67.7	63.7	4.0	-	66.1	64.9	1.2	-
Employment Rate (%)	63.4	56.5	6.9	-	63.2	61.9	1.3	-

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's goods-producing sector increased 10,700 on the quarter; however, employment in this sector is down 2,600 positions year-over-year. In the services-producing sector, employment is up both on a quarterly (+11,500) and an annual (+101,900) basis. The majority of all jobs in BC are in the services-producing sector – over 80% of employment in the province.

Year-over-year employment losses in BC's goods-producing sector are concentrated in **resource extraction (forestry, fishing, mining, quarrying, oil and gas)** and **manufacturing**. A reduction in log supply has put upward pressure on the price of logs for BC's wood products manufacturing industry, reducing the financial viability of some operations. A shortage of log supply has already forced over 40 sawmills in BC to curtail production in 2019, with five permanent mill closures announced.

Canfor is permanently closing their Vavenby sawmill in July, leading to about 172 direct job losses.^{2,3} In August, Tolko, Louisiana Pacific and Norbord will each close mills— impacting a total of approximately 500 workers. The communities of Quesnel, Fort St. John, and 100 Mile House will be significantly impacted by these closures.^{4,5,6} Finally, West Fraser announced it is permanently closing its Chasm lumber mill in the third quarter of 2019, affecting approximately 176 employees.⁷

Large energy projects in BC's interior could offer respite to some displaced workers. For instance, the Site C Dam near Fort St. John employs approximately 3,800 people and the Coastal GasLink pipeline currently has work camps in place along its route between Kitimat and Chetwynd.^{8,9} In addition, the Government of Canada gave the go ahead on June 18 to re-start work on the controversial Trans Mountain Expansion project.¹⁰ Construction of the project could begin again as soon as September. The Crown Corporation indicates contractors are already

being mobilized, pipe is being stockpiled, and the Burnaby Terminal is preparing for work to begin.¹¹ Large infrastructure projects continue to fuel BC's **construction** industry, contributing to substantial industry employment growth this quarter (+7,000).

British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally adjusted data ('000)	2nd Quarter	1st Quarter	2nd Quarter	Quarterly Variation		Yearly Variation	
	2019	2019	2018	Number	%	Number	%
Total employed, all industries	2,571.6	2,549.2	2,472.1	22.4	0.9	99.5	4.0
Goods-producing sector	497.4	486.7	500.0	10.7	2.2	-2.6	-0.5
Agriculture	26.5	25.8	23.1	0.7	2.7	3.4	14.7
Forestry, fishing, mining, quarrying, oil and gas	46.8	47.8	49.3	-1.0	-2.1	-2.5	-5.1
Utilities	12.9	12.5	14.2	0.4	3.2	-1.3	-9.2
Construction	240.5	233.5	236.3	7.0	3.0	4.2	1.8
Manufacturing	170.6	167.0	177.0	3.6	2.2	-6.4	-3.6
Services-producing sector	2,074.1	2,062.6	1,972.2	11.5	0.6	101.9	5.2
Trade	387.3	379.5	364.7	7.8	2.1	22.6	6.2
Transportation and warehousing	141.4	143.9	136.4	-2.5	-1.7	5.0	3.7
Finance, insurance, real estate and leasing	157.4	152.0	146.7	5.4	3.6	10.7	7.3
Professional, scientific and technical services	223.9	222.2	205.8	1.7	0.8	18.1	8.8
Business, building and other support services	116.5	115.8	97.4	0.7	0.6	19.1	19.6
Educational services	173.0	171.5	167.1	1.5	0.9	5.9	3.5
Health care and social assistance	313.7	317.1	324.7	-3.4	-1.1	-11.0	-3.4
Information, culture and recreation	138.0	135.8	125.0	2.2	1.6	13.0	10.4
Accommodation and food services	187.2	196.7	187.1	-9.5	-4.8	0.1	0.1
Other services	120.7	118.5	115.3	2.2	1.9	5.4	4.7
Public administration	115.0	109.5	102.2	5.5	5.0	12.8	12.5

Note: Totals may not add due to rounding

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

Turning to services-industries, the largest quarterly loss was registered in **accommodation and food services** (-9,500). Employment also decreased in **health care and social assistance** (-3,400) and **transportation and warehousing** (-2,500).

The majority of employment in BC's **transportation and warehousing** industry is located in the Lower Mainland-Southwest and many workers in this industry are employed at the Port of Vancouver container terminals. Recently, approximately 2,000 workers were set to strike at Global Terminals Canada (GTC) Deltaport and GCT Vanterm in Vancouver; however, the labour dispute only lasted four days. International Longshore and Warehouse Union Canada agreed to a new five-year collective agreement with the BC Maritime Employers Association in late May.¹²

Further north along BC's coast is the Port of Prince Rupert, which employs approximately 3,100 people.¹³ Activities at both the Port of Vancouver and the Port of Prince Rupert are closely tied with events influencing the provincial and national economy. For instance, total year-to-date activity at Prince Rupert's Harbour terminal is

down almost 50% due to a drastic decline in log exports (-50%).¹⁴ China's recent decision to restrict imports of Canadian canola has also negatively affected terminal activity.¹⁵ Indeed, the Prince Rupert Port Authority reports year-to-date shipments of canola were down 40% in May 2019.¹⁶

Employment in **finance, insurance, real estate, rental and leasing** was up 5,400 this quarter, reaching 157,400. Employment in this industry appears to be trending up, edging closer to employment figures seen in the second quarter of 2017 (159,200). Despite this positive employment growth, real estate activity in BC continues to lag. Year-to-date residential unit sales were down 20.2% in May with the dollar value of sales down over 25%.¹⁷ According to the BC Real Estate Association, annual residential sales are forecast to drop 9% in 2019, but will bounce back by 14% in 2020.

REGIONAL ANALYSIS

Annual employment growth is up in five of BC's seven economic regions, while the unemployment rate is down in all but one region.

Year-over-year, the **Northeast** economic region saw a 3.5% decrease in employment. Employment in this region could be further impacted by a two-year moratorium on all new resource development in the South Peace region recently imposed by the Province. The moratorium is a temporary measure recommended in the Lekstrom report to protect the habitat of the southern mountain caribou while the Government of BC consults with communities, industries, and First Nations to develop a long-term strategy. Following this spring's public engagement sessions, the new Lekstrom report on caribou recovery outlines 14 recommendations, including suspending all new high-impact forestry and mining projects in the region to allow time to develop a new long-term plan prior to finalizing a Partnership Agreement.^{18,19}

The communities of Mackenzie, Tumbler Ridge and Chetwynd are located in close proximity to the interim moratorium zone. All three communities have economies primarily reliant on the resource extraction industry; Mackenzie and Chetwynd rely on the forestry sector, while Tumbler Ridge is supported by coal mining.²⁰

Meanwhile, although employment in the **Cariboo** economic region remained relatively stable over the last year, several lumber mills in the region have implemented curtailments this year due to the lack of log supply. In turn, lumber mill curtailments have reduced fibre supply and increased costs for pulp mills. Canfor Pulp products Inc. recently announced it is implementing curtailments at two of their three pulp mills in Prince George this summer.²¹ The company states the curtailments will occur at their Intercontinental and Northwood northern bleached softwood kraft (NBSK) pulp mills in phases throughout July and August. The closures are expected to impact approximately 758 employees. Canfor plans to resume full production at both facilities in September.^{22,23,24}

Employment in the **North Coast and Nechako** economic region was also relatively stable over the last year. This region is currently undergoing a lot of activity with the construction of a new liquefied natural gas processing facility in Kitimat. The federal government recently announced it is spending \$220 million towards the purchase of energy-efficient gas turbines for the \$40 billion LNG Canada liquefied natural gas project in Kitimat. The

government will also spend \$55 million to replace the Haisla Bridge in Kitimat to support increased traffic brought on by the project.²⁵

Another big project could be on its way to this region. New Gold Inc. recently received an environmental assessment certificate for their Blackwater Gold Project near Vanderhoof. The company estimates the proposed open-pit gold and silver mine would create 2,436 person years of direct employment in BC during a two-year construction period. The mine is expected to have a 17-year operational life and would support approximately 396 full-time equivalent positions during operations. While the provincial assessment certificate was an important step towards the go-ahead for this project, other federal and provincial permits are still required before construction can begin.²⁶

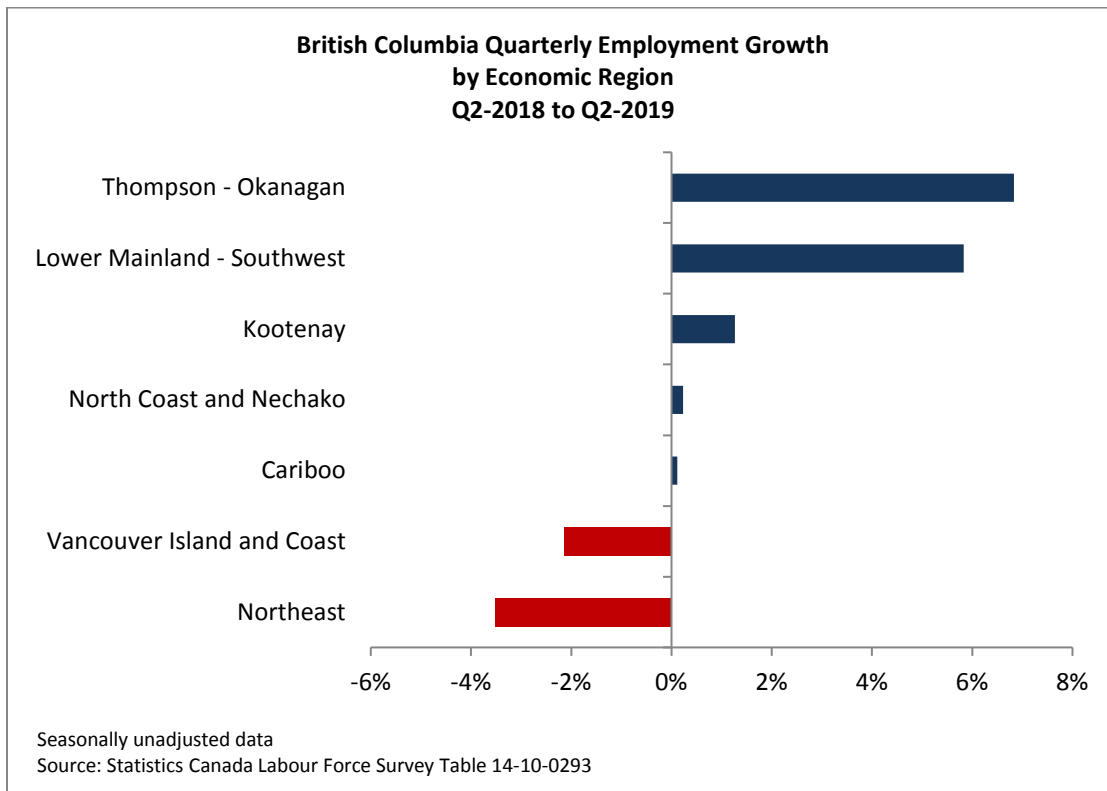
Meanwhile employment in **Vancouver Island and Coast** economic region decreased 2.1% over the last year. According to a recent study by PwC, over 21,000 direct, indirect and induced jobs in Vancouver Island and Coast are supported by the forest industry. Forestry is also the largest resource industry on Vancouver Island.²⁷ On July 1, 2019, members of the United Steelworkers Local 1-1937 (USW) went on a strike. This union represents approximately 1,500 hourly employees working for Western Forest Products and another 1,500 of the company's timberland operators and contractors in BC.²⁸ The strike impacts all USW certified manufacturing and timberlands operations in the province. The union represents workers in the Coast Forest Industry and all affected locations are within the Vancouver Island and Coast economic region.²⁹

British Columbia Quarterly Labour Force Statistics, by Economic Region

Seasonally unadjusted data	Employment			Unemployment Rate		
	2nd Quarter 2019 ('000)	2nd Quarter 2018 ('000)	Yearly Variation (%)	2nd Quarter 2019 (%)	2nd Quarter 2018 (%)	Yearly Variation (% points)
British Columbia	2,584.4	2,483.8	4.1	4.4	4.9	-0.5
Economic Regions						
Vancouver Island and Coast	396.8	405.5	-2.1	4.2	4.9	-0.7
Lower Mainland - Southwest	1,676.0	1,583.7	5.8	4.2	4.4	-0.2
Thompson - Okanagan	273.7	256.2	6.8	4.9	6.6	-1.7
Kootenay	72.1	71.2	1.3	5.8	4.9	0.9
Cariboo	84.3	84.2	0.1	5.4	5.5	-0.1
North Coast and Nechako	43.3	43.2	0.2	4.6	7.3	-2.7
Northeast	38.3	39.7	-3.5	6.6	7.0	-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.

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For further information, please contact the LMI team at: http://www.esdc.gc.ca/cqi-bin/contact/edsc-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

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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 (x1,000). Accessed on July 5, 2019: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410028801>

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