



# Labour Market Bulletin

## British Columbia

July 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 is up 3.8% from a year ago, with over 2.5 million people now working in the province. On a monthly basis, employment edged down (-4,800) for the second consecutive month due to full-time employment losses (-12,900) that were partially offset by part-time employment gains (+8,100).

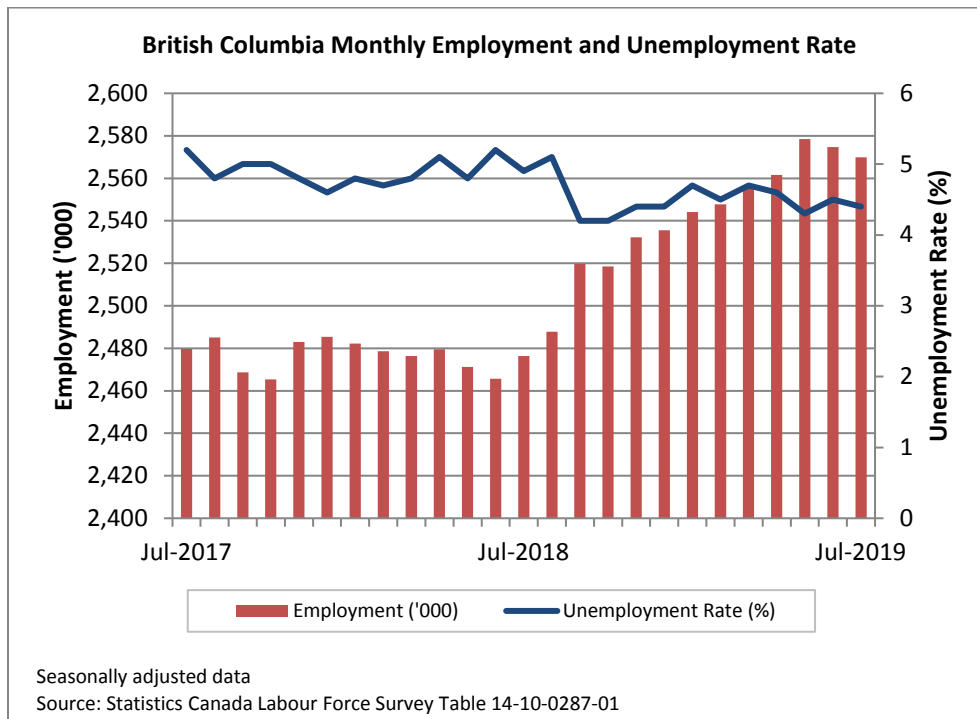
#### British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2019	June 2019	July 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	4,100.6	4,091.6	4,036.3	9.0	0.2	64.3	1.6
<b>Labour Force ('000)</b>	2,687.6	2,696.1	2,604.0	-8.5	-0.3	83.6	3.2
<b>Employment ('000)</b>	2,569.9	2,574.7	2,476.4	-4.8	-0.2	93.5	3.8
Full-Time ('000)	1,999.0	2,011.9	1,961.4	-12.9	-0.6	37.6	1.9
Part-Time ('000)	570.9	562.8	515.0	8.1	1.4	55.9	10.9
<b>Unemployment ('000)</b>	117.6	121.4	127.6	-3.8	-3.1	-10.0	-7.8
<b>Unemployment Rate (%)</b>	4.4	4.5	4.9	-0.1	-	-0.5	-
<b>Participation Rate (%)</b>	65.5	65.9	64.5	-0.4	-	1.0	-
<b>Employment Rate (%)</b>	62.7	62.9	61.4	-0.2	-	1.3	-

Note: Totals may not add due to rounding

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

Employment in the public sector was up 9,200 in July, while the number of private sector positions declined 9,400. Self-employment was also down month-over-month (-4,600).<sup>1</sup> Despite a dip in employment this month, BC's unemployment rate was relatively unchanged and remains the lowest of any province in Canada at 4.4%, and well below the national average of 5.7%.



The unemployment rate for youth (15 to 24 years) was 9.2% — over two and a half times higher than the rate for adults aged 25 and over (3.6%). While adults in BC have the lowest unemployment rate in Canada, BC’s youth unemployment rate is higher than Quebec (8.0%) and Prince Edward Island (8.7%).

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

Seasonally Adjusted Data	July 2019 (%)	June 2019 (%)	July 2018 (%)	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	4.4	4.5	4.9	-0.1	-0.5
<b>25 years and over</b>	3.6	3.7	4.2	-0.1	-0.6
Men - 25 years and over	3.3	3.6	4.5	-0.3	-1.2
Women - 25 years and over	3.8	3.8	3.8	0.0	0.0
<b>15 to 24 years</b>	9.2	9.5	9.2	-0.3	0.0
Men - 15 to 24 years	10.3	11.4	9.1	-1.1	1.2
Women - 15 to 24 years	8.1	7.6	9.4	0.5	-1.3

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**

BC’s **services-producing sector** employed 2,400 more people this month thanks to significant gains in educational services (+10,900) and accommodation and food services (+5,300). Meanwhile, the province’s **goods-producing sector** shed 7,000 positions between June and July, with the majority of losses concentrated in manufacturing (-4,200) and resource extraction (forestry, fishing, mining, quarrying, oil and gas) (-2,500).

## Wood products manufacturing

Reduced log supply has put upward pressure on log prices for BC's wood products **manufacturing** industry, reducing the financial viability of some operations. A shortage of logs has already forced over 40 BC sawmills to curtail production in 2019, with six permanent mill closures or indefinite curtailments announced. In fact, employment in BC's wood product manufacturing industry has decreased over 20% in the past year.<sup>2</sup> This summer, multiple mill closures led 21 mayors in northern BC to send a letter to the federal government urgently requesting support for communities impacted by the curtailments.<sup>3</sup> Some smaller communities in BC's Interior, such as the district municipality of Mackenzie, have been hit particularly hard by the curtailments.

Approximately 3,700 people reside in Mackenzie where almost 32% of all employment is in the manufacturing industry.<sup>4</sup> In July, three sawmills suspended operations in this community, leaving more than 400 people out of work.<sup>5</sup> While Mackenzie's Canfor mill is closing indefinitely, the town's Conifex Timber sawmill is expected to re-open September 3 after a five-week curtailment.<sup>6,7</sup> Following these closures, Mackenzie's Parallel 55 finger joint mill also shut down since it could no longer obtain sufficient material from the local mills.<sup>8</sup>

Job losses may continue as Paper Excellence's Mackenzie Pulp Mill is also dependent on material from the sawmills to operate.<sup>9</sup> Lumber mill curtailments have reduced fibre supply and increased costs for pulp mills throughout the province. This summer, Paper Excellence curtailed operations at their Catalyst Powell River paper mill between July 20 and August 12 while Canfor Pulp products Inc. implemented curtailments at two of their three pulp mills in Prince George.<sup>10,11</sup>

The sawmill curtailments are not only affecting workers in the wood products manufacturing industry, but also forestry contractors. Logging trucks and suppliers work together in the supply chain to support the operations of each sawmill.<sup>12</sup> This month there were 4,500 fewer people employed in **transportation and warehousing** in BC.

## Energy projects

While the forestry industry is struggling, large energy projects are ramping up and supporting employment in the **construction** industry throughout the province. There were 900 more people employed in construction between June and July, and employment in this industry is up 4,700 year-over-year.

The Site C Dam near Fort St. John reached record workforce numbers in June, employing a total of 4,634 people. According to BC Hydro, the project employed 189 apprentices, 361 Indigenous people, and 538 women in June. Various occupations work on the Site C project, including over 700 heavy equipment operators, more than 550 labourers, 350 engineers and 450 carpenters and scaffolders.<sup>13</sup>

Construction of the \$40 billion LNG Canada liquefied natural gas (LNG) export facility in Kitimat is also underway, along with the adjoining Coastal GasLink pipeline. At peak construction, the LNG Canada project is expected to employ 7,500 workers. In order to meet these employment targets, LNG Canada and its main contractor – JGC Fluor – have launched a workforce development program to encourage women to work in the construction trades. *Your Place* is a program aimed at attracting, recruiting, training, supporting and employing women in the construction trades. Those graduating from the program will have access to employment opportunities with JGC Fluor and its subcontractors on the LNG Canada project site.<sup>14</sup>

The BC Oil and Gas Commission recently issued a permit allowing Woodfibre LNG to build and operate an LNG export facility near Squamish. The much smaller \$1.6 billion facility will process natural gas – received by pipeline from Northern BC – into LNG for export to overseas markets.<sup>15</sup> Woodfibre LNG plans to start construction sometime later this year, with the facility expected to be operational by 2023. At peak construction, the project will support around 650 direct jobs in the District of Squamish and surrounding communities. Once operational, the site will sustain around 100 direct jobs, as well as additional office administration positions in Squamish and Vancouver.<sup>16</sup>

In addition, the National Energy Board recently re-validated all previously issued permits for the Trans Mountain pipeline expansion. This project is expected to generate 189,000 person years of employment in BC.<sup>17</sup> The decision allows construction to begin at sites along the route from Alberta to BC, and at the Westridge Marine Terminal in Burnaby.<sup>18</sup> Trans Mountain is now able to build temporary infrastructure sites in Kamloops, Merritt, Hope, Chilliwack, and Abbotsford.<sup>19</sup>

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

Seasonally Adjusted Data ('000)	July 2019	June 2019	July 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,569.9	2,574.7	2,476.4	-4.8	-0.2	93.5	3.8
<b>Goods-producing sector</b>	483.1	490.1	492.0	-7.0	-1.4	-8.9	-1.8
Agriculture	24.9	24.6	21.5	0.3	1.2	3.4	15.8
Forestry, fishing, mining, quarrying, oil and gas	42.3	44.8	49.4	-2.5	-5.6	-7.1	-14.4
Utilities	11.4	13.0	13.8	-1.6	12.3	-2.4	-17.4
Construction	239.3	238.4	234.6	0.9	0.4	4.7	2.0
Manufacturing	165.1	169.3	172.8	-4.2	-2.5	-7.7	-4.5
<b>Services-producing sector</b>	2,086.9	2,084.5	1,984.4	2.4	0.1	102.5	5.2
Trade	395.0	396.9	361.9	-1.9	-0.5	33.1	9.1
Transportation and warehousing	136.8	141.3	133.2	-4.5	-3.2	3.6	2.7
Finance, insurance, real estate and leasing	162.3	162.0	148.9	0.3	0.2	13.4	9.0
Professional, scientific and technical services	218.3	222.9	210.4	-4.6	-2.1	7.9	3.8
Business, building and other support services	114.1	114.5	99.4	-0.4	-0.3	14.7	14.8
Educational services	184.2	173.3	168.0	10.9	6.3	16.2	9.6
Health care and social assistance	317.1	319.9	323.5	-2.8	-0.9	-6.4	-2.0
Information, culture and recreation	137.8	140.0	134.0	-2.2	-1.6	3.8	2.8
Accommodation and food services	185.4	180.1	186.0	5.3	2.9	-0.6	-0.3
Other services	121.3	118.1	114.7	3.2	2.7	6.6	5.8
Public administration	114.7	115.7	104.4	-1.0	-0.9	10.3	9.9

Note: Totals may not add due to rounding

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

## Service-producing industries

In the services-producing sector, employment in **educational services** increased 6.6% in July and is up 9.6% on an annual basis. Increasing employment may be a result of the provincial government's plan to create 5,500 new student spaces and hire over 4,000 new teachers.<sup>20</sup>

Employment in **public administration** dipped in July (-1,000), but increased substantially on an annual basis (+10,300 or + 9.9%). Meanwhile, the number of people working in **health care and social assistance** declined both on a monthly (-2,800) and annual basis (-6,400).

## REGIONAL ANALYSIS

Year-over-year employment growth varied across BC, ranging from significant increases in the **Lower Mainland-Southwest** (+98,000) to declining employment on **Vancouver Island and Coast** (-12,500). The unemployment rate decreased on an annual basis in every region of the province except in the **Cariboo**. While all other economic regions in BC had an unemployment rate below 5%, unemployment in the Cariboo edged up to 5.4%.

Cariboo's economy is largely reliant on the forestry sector. Since the start of 2019, ten sawmills and two pulp mills situated in the Cariboo region have implemented curtailments. Three sawmills – located in Quesnel, 100 Mile House, and Mackenzie – have been curtailed indefinitely. Indeed, the majority of employment losses in the Cariboo region over the last year were in the manufacturing industry.<sup>21</sup>

Prince George, which is the largest centre in the Cariboo region, could become the new home of West Coast Olefins' proposed \$5.6 billion petrochemical complex. If approved, the project will include the construction of a recovery plant, an ethylene plant, and a polyethylene plant in the city's BCR Industrial Area. The majority of materials produced would be exported to Asian markets through the Port of Prince Rupert. West Coast Olefins is targeting a construction start date of spring 2021, with the facility planned to be operational by 2023. The complex would support several thousand jobs during construction, and up to 1,000 permanent, highly-skilled jobs once complete.<sup>22,23</sup>

Further south on Vancouver Island and Coast, the majority of annual employment losses were in wholesale and retail trade. This is in sharp contrast to the rest of the province where most regions saw robust employment gains in this industry.<sup>24</sup> However, Vancouver Island and Coast region's manufacturing industry is strong where shipbuilding continues to thrive. The Government of Canada recently awarded a \$500 million contract to Seaspan Victoria Shipyards Limited for ongoing frigate maintenance work. The contract is expected to sustain up to 400 jobs at the shipyard, plus hundreds more for marine suppliers and subcontractors.<sup>25</sup> Seaspan's Victoria Shipyards are working on federal contracts that are expected to continue until 2023.<sup>26</sup> In 2018, Seaspan Victoria was among three Canadian shipyards awarded a combined total of \$7 billion in contracts for the maintenance and repair of federal navy frigates. The contracts are expected to last another 20 years – providing job security for approximately 400 of Seaspan Victoria's 1,100 employees.<sup>27</sup>

In Lower Mainland-Southwest, BC's most populated economic region, employment grew substantially over the last year with gains in the services-producing sector (+107,700) far outpacing losses in the goods-producing

sector (-13,600).<sup>28</sup> Almost 15% of all employment in the Lower Mainland-Southwest is in wholesale and retail trade, and employment in this industry grew over 27,000 on an annual basis.

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2019 ('000)	July 2018 ('000)	Yearly Variation (%)	July 2019 (%)	July 2018 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,599.4	2,496.4	4.1	4.3	4.8	-0.5
<b>Economic Regions</b>						
Vancouver Island and Coast	399.1	411.6	-3.0	4.1	4.6	-0.5
Lower Mainland - Southwest	1,681.0	1,583.0	6.2	4.3	4.5	-0.2
Thompson - Okanagan	280.2	261.1	7.3	4.4	6.0	-1.6
Kootenay	72.2	72.5	-0.4	4.7	6.0	-1.3
Cariboo	84.3	84.0	0.4	5.4	5.3	0.1
North Coast and Nechako	43.5	43.9	-0.9	4.8	5.8	-1.0
Northeast	39.2	40.3	-2.7	4.9	7.4	-2.5

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>1</sup> 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 August 8, 2019: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410028801>

<sup>2</sup> Statistics Canada. ESDC custom table from the Labour Force Survey.

<sup>3</sup> Cowichan Valley Citizen (August 2, 2019). 21 Northern B.C. mayors urge Ottawa to help struggling forest industry. Retrieved from: <https://www.cowichanvalleycitizen.com/news/21-northern-b-c-mayors-urge-ottawa-to-help-struggling-forest-industry/>

<sup>4</sup> Statistics Canada. Census Profile, 2016 Census, Mackenzie, district municipality, British Columbia. Accessed on August 8, 2019: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=5953033&Geo2=PR&Code2=59&Data=Count&SearchText=Mackenzie&SearchType=Begins&SearchPR=01&TABID=1&B1=All>

<sup>5</sup> CBC News (July 30, 2019). ‘A community in crisis’: 400 workers off the job as 3 mills go down in northern B.C. lumber town. Retrieved from: <https://www.cbc.ca/news/canada/british-columbia/mackenzie-lumber-town-mill-closures-canfor-conifex-parallel-55-400-unemployed-1.5230547>

<sup>6</sup> Canfor Corporation (July 18, 2019). Canfor announces additional capacity reduction in BC. Retrieved from: [https://www.canfor.com/docs/default-source/news-2019/nr20190718\\_capacity\\_reductions\\_in\\_bc.pdf?sfvrsn=42a9ee91\\_2](https://www.canfor.com/docs/default-source/news-2019/nr20190718_capacity_reductions_in_bc.pdf?sfvrsn=42a9ee91_2)

<sup>7</sup> Conifex Timber Inc. (August 7, 2019). Conifex extends temporary curtailment at Mackenzie operations in Q3. Retrieved from: <https://www.conifex.com/main/wp-content/uploads/2019/08/News-release-Mackenzie-Sawmill-Extends-Curtailment-7-8-2019-1.pdf>

<sup>8</sup> CBC News (July 30, 2019). ‘A community in crisis’: 400 workers off the job as 3 mills go down in northern B.C. lumber town. Retrieved from: <https://www.cbc.ca/news/canada/british-columbia/mackenzie-lumber-town-mill-closures-canfor-conifex-parallel-55-400-unemployed-1.5230547>

<sup>9</sup> Ibid.

<sup>10</sup> Powell River Peak (August 2, 2019). Powell River paper mill extends curtailment period. Retrieved from: <https://www.prpeak.com/news/powell-river-paper-mill-extends-curtailment-period-1.23904858>

<sup>11</sup> Canfor Pulp Products Inc. (June 27, 2019). Canfor Pulp temporarily curtailing NBSK production this summer. Retrieved from: [https://www.canfor.com/docs/default-source/news-2019/nr20190627\\_canfor-pg-pulp-mill-curtailments.pdf?sfvrsn=ad86ee91\\_2](https://www.canfor.com/docs/default-source/news-2019/nr20190627_canfor-pg-pulp-mill-curtailments.pdf?sfvrsn=ad86ee91_2)

<sup>12</sup> CBC News (July 23, 2019). “The whole industry is shrinking”: Forestry contractors losing work amid mill closures. Retrieved from: <https://www.cbc.ca/news/canada/british-columbia/forestry-contractors-losing-work-mill-closures-1.5221008>

<sup>13</sup> Alaska Highway News (August 9, 2019). Site C second-straight workforce record in June. Retrieved from: <https://www.alaskahighwaynews.ca/site-c/site-c-sets-second-straight-workforce-record-in-june-1.23910902>

<sup>14</sup> Vancouver Sun (July 16, 2019). LNG Canada launches unique program to double percentage of women in skilled trades. Retrieved from: <https://vancouversun.com/sponsored/news-sponsored/lng-canada-launches-unique-program-to-double-percentage-of-women-working-in-skilled-trades>

<sup>15</sup> CBC News (July 3, 2019). Woodfibre LNG project near Squamish receives permit to build. Retrieved from: <https://www.cbc.ca/news/canada/british-columbia/woodfibre-lng-project-near-squamish-receives-permit-1.5199018>

<sup>16</sup> Woodfibre LNG. Project benefits. Accessed on August 9, 2019: <https://www.woodfibrelng.ca/the-project/about-the-project/project-benefits/>

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- <sup>17</sup> Trans Mountain. Project benefits. Accessed on August 9, 2019: <https://www.transmountain.com/benefits>
- <sup>18</sup> Financial Post (July 19, 2019). Trans Mountain construction work can go ahead as national Energy Board revalidates permits. Retrieved from: <https://business.financialpost.com/commodities/trans-mountain-construction-work-can-go-ahead-as-national-energy-board-re-validates-permits>
- <sup>19</sup> JWN (August 7, 2019). Trans Mountain cleared to resume terminal construction. Retrieved from: <https://www.jwnenergy.com/article/2019/8/trans-mountain-cleared-resume-terminal-construction/>
- <sup>20</sup> BC Gov News (May 30, 2019). Spring session focused on affordability, strengthening economy. Retrieved from: <https://news.gov.bc.ca/releases/2019PREM0079-001110>
- <sup>21</sup> Statistics Canada. ESDC custom table from the Labour Force Survey.
- <sup>22</sup> Prince George Citizen (July 24, 2019). \$5.6 billion petrochemical plant planned for BCR Industrial site. Retrieved from: <https://www.princegeorgecitizen.com/news/local-news/5-6-billion-petrochemical-plant-planned-for-bcr-industrial-site-1.23895486>
- <sup>23</sup> West Coast Olefins Ltd. (July 24, 2019). West Cast Olefins taking first steps towards the construction of a \$5.6 billion petrochemical facility in Prince George. Retrieved from: <https://static1.squarespace.com/static/5bff0d8f506fbc3381f208c2/t/5d389bfdff100700016b7a1a/1563991038310/Press+Release+July+23+2019+%28002%29.pdf>
- <sup>24</sup> Statistics Canada. ESDC custom table from the Labour Force Survey.
- <sup>25</sup> Government of Canada (July 16, 2019). Halifax-class frigates: maintaining Canada's federal fleet of combat vessels. Retrieved from: <https://www.canada.ca/en/public-services-procurement/news/2019/07/halifax-class-frigates-maintaining-canadas-federal-fleet-of-combat-vessels.html>
- <sup>26</sup> Conference Board of Canada (November 20, 2018). Metropolitan Outlook 1: Victoria – Autumn 2018. Retrieved from: <https://www.conferenceboard.ca/e-library/abstract.aspx?did=9947>
- <sup>27</sup> CBC News (November 1, 2018). Victoria shipyard among 3 awarded \$7B in contracts with federal government. Retrieved from: <https://www.cbc.ca/news/canada/british-columbia/victoria-shipyard-among-3-awarded-7b-in-contracts-with-federal-government-1.4887576>
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