



Labour Market Bulletin

British Columbia

August 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 decreased for the third consecutive month in August (-8,300) with 16,800 jobs lost in the province over the last three months. Full-time employment losses for this three month period (-20,700) have far outpaced part-time employment gains (+3,900).

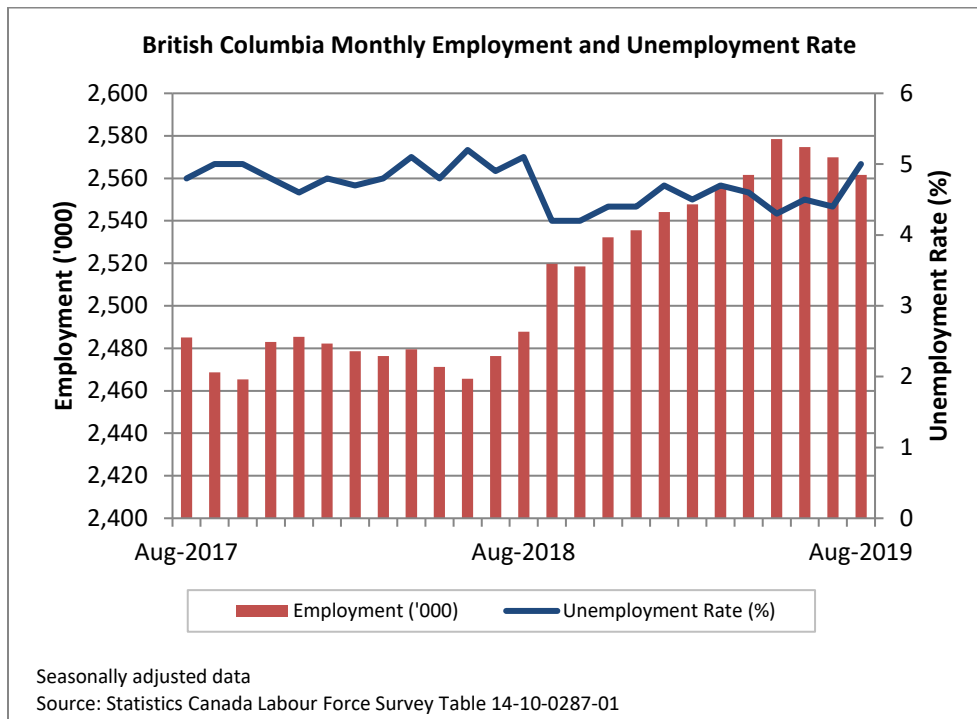
British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	August 2019	July 2019	August 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,107.4	4,100.6	4,041.3	6.8	0.2	66.1	1.6
Labour Force ('000)	2,695.1	2,687.6	2,621.7	7.5	0.3	73.4	2.8
Employment ('000)	2,561.6	2,569.9	2,487.8	-8.3	-0.3	73.8	3.0
Full-Time ('000)	1,997.9	1,999.0	1,967.9	-1.1	-0.1	30.0	1.5
Part-Time ('000)	563.7	570.9	519.9	-7.2	-1.3	43.8	8.4
Unemployment ('000)	133.5	117.6	133.9	15.9	13.5	-0.4	-0.3
Unemployment Rate (%)	5.0	4.4	5.1	0.6	-	-0.1	-
Participation Rate (%)	65.6	65.5	64.9	0.1	-	0.7	-
Employment Rate (%)	62.4	62.7	61.6	-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 increased 0.6 percentage points in August, reaching 5.0%. While BC had maintained the lowest monthly unemployment rate in Canada for the last two years, it now has the second lowest unemployment rate in the country after Quebec (4.7%).



The unemployment rate increased for almost all demographic groupings in BC for the month of August. Only the unemployment rate for young men (15 to 24 years) declined (-0.4 percentage points) month-over-month. Meanwhile, the unemployment rate for men (25 years and over) increased 0.7 percentage points to 4.0% in August. On an annual basis, the unemployment rate for most demographic groups in BC edged downward.

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	August 2019 (%)	July 2019 (%)	August 2018 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	5.0	4.4	5.1	0.6	-0.1
25 years and over	4.2	3.6	4.4	0.6	-0.2
Men - 25 years and over	4.0	3.3	4.4	0.7	-0.4
Women - 25 years and over	4.4	3.8	4.4	0.6	0.0
15 to 24 years	9.4	9.2	9.5	0.2	-0.1
Men - 15 to 24 years	9.9	10.3	10.2	-0.4	-0.3
Women - 15 to 24 years	8.7	8.1	8.8	0.6	-0.1

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** decreased 1,400 in August, while overall employment in the sector is down 5,000 positions year-over-year. There were also 7,000 positions lost in the **services-producing sector** in August; however, employment in this sector is up significantly compared to a year ago (+78,800). Employment in the services-producing sector represents over 80% of all employment in BC.

Monthly employment losses in BC's goods-producing sector were concentrated in **construction** (-4,300) and **manufacturing** (-1,000). On an annual basis, employment losses in this sector were primarily in **resource extraction (forestry, fishing, mining, quarrying, oil and gas)** (-4,700) and **manufacturing** (-5,000).

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 eight permanent mill closures announced.

Most of the permanent mill closures are in BC's Interior region, impacting the communities of Vavenby, Fort St. John, Quesnel, Fort St. James, Mackenzie and 100 Mile House. The last day of work for approximately 160 employees at Norbord's 100 Mile House OSB mill was August 27, 2019.^{1,2}

Developments in the forest sector are also affecting employment in BC's Coastal region. Approximately 3,000 Western Forest Products (WFP) employees and contracted workers have been on strike on Vancouver Island since July 1, 2019. WFP and the United Steelworkers Local 1-1937 expect to begin strike mediation on September 13.³

In the Lower Mainland, Interfor Corporation recently announced the upcoming permanent closure of its Hammond sawmill in Maple Ridge — impacting 147 employees. The closure will occur by the end of 2019 once all remaining logs have been milled and shipped. This decision is part of Interfor's plan to reconfigure its BC Coastal business and reorganize its Coastal forestry and woodlands operations. Log supply constraints and softwood lumber duties imposed by the United States (US) are two of the factors influencing these decisions.⁴

BC is Canada's largest lumber exporter to the US, and as such, has been disproportionately affected by a US Department of Commerce decision to impose duties on Canadian softwood lumber exports, effective April 2017. A NAFTA panel recently ruled that there is no evidence Canada's softwood lumber industry has harmed US softwood producers. Based on this ruling, the US International Trade Commission has 90 days to reconsider its decision. This ruling is considered an important step towards removing duties on Canadian softwood lumber exports.⁵

International trade issues also represent a risk to BC's **agriculture** industry. On September 1, the European Union (EU) halted imports of Canadian cherries, apples, pears, cranberries, blueberries, peppers, potatoes and tomatoes due to new import requirements related to pests.⁶ According to the BC Cherry Association, the EU ban should not affect this year's cherry harvest, which was completed before the end of August.⁷

Canada's ongoing trade issues with China will also affect BC's agriculture industry. On June 25, China suspended all meat exports from Canada due to concerns regarding Canadian pork producers using counterfeit veterinary

certificates.^{8,9} According to the Canadian Food Inspection Agency, BC has six meat plants approved to export meat products to China.¹⁰

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	August 2019	July 2019	August 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,561.6	2,569.9	2,487.8	-8.3	-0.3	73.8	3.0
Goods-producing sector	481.7	483.1	486.7	-1.4	-0.3	-5.0	-1.0
Agriculture	27.1	24.9	20.2	2.2	8.8	6.9	34.2
Forestry, fishing, mining, quarrying, oil and gas	43.6	42.3	48.3	1.3	3.1	-4.7	-9.7
Utilities	12.5	11.4	14.2	1.1	9.6	-1.7	-12.0
Construction	235.0	239.3	235.6	-4.3	-1.8	-0.6	-0.3
Manufacturing	163.5	165.1	168.5	-1.6	-1.0	-5.0	-3.0
Services-producing sector	2,079.9	2,086.9	2,001.1	-7.0	-0.3	78.8	3.9
Trade	393.9	395.0	365.6	-1.1	-0.3	28.3	7.7
Transportation and warehousing	133.6	136.8	137.5	-3.2	-2.3	-3.9	-2.8
Finance, insurance, real estate and leasing	158.2	162.3	151.4	-4.1	-2.5	6.8	4.5
Professional, scientific and technical services	227.1	218.3	213.8	8.8	4.0	13.3	6.2
Business, building and other support services	109.3	114.1	101.0	-4.8	-4.2	8.3	8.2
Educational services	187.5	184.2	163.7	3.3	1.8	23.8	14.5
Health care and social assistance	308.5	317.1	325.7	-8.6	-2.7	-17.2	-5.3
Information, culture and recreation	138.5	137.8	127.8	0.7	0.5	10.7	8.4
Accommodation and food services	185.4	185.4	190.4	0.0	0.0	-5.0	-2.6
Other services	121.5	121.3	117.5	0.2	0.2	4.0	3.4
Public administration	116.5	114.7	106.7	1.8	1.6	9.8	9.2

Note: Totals may not add due to rounding

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

The majority of monthly employment losses in BC's services-producing sector were in **health care and social assistance** (-8,600). Employment was also down in **business, building and other support services** (-4,800), **finance, insurance, real estate and leasing** (-4,100), **transportation and warehousing** (-3,200) and **trade** (-1,100). Year-over-year, the majority of employment losses were in **health care and social assistance** (-17,200).

Changes were recently implemented affecting BC's **transportation** industry. The Passenger Transportation Board (PTB) released a ruling on ride-hailing in BC following their consultations with taxi companies and ride-hailing organizations. The ruling addresses three main concerns; operating borders, fleet size and rates.¹¹ The Vancouver Taxi Associations has expressed concerns that the new parameters put in place for ride-hailing services would devalue the more than 882 traditional taxi licences in the city. The PTB began accepting commercial ride-hailing applications in BC on September 3, 2019.^{12,13} TappCar is one of the companies planning to launch ride-hailing services in BC later this year. The company has applied to operate in parts of the Lower Mainland, Vancouver Island, Thompson-Okanagan, Kootenay, and Cariboo regions.¹⁴

Meanwhile, there were 8,800 more jobs in **professional, scientific and technical services** in BC for the month of August. Employment in this industry continues to increase as the BC tech industry expands and attracts more

internationally renowned companies. Clio, a Vancouver legal software company, recently announced plans to invest \$250 million to expand and hire 300 new employees by the end of 2020. The company currently employs 400 people with offices in Burnaby, Calgary, Toronto, Los Angeles and Dublin.¹⁵

REGIONAL ANALYSIS

Year-over-year employment growth varied across BC, ranging from significant increases in the **Lower Mainland-Southwest** (+84,300) to declining employment on **Vancouver Island and Coast** (-9,100). The unemployment rate decreased on an annual basis in every region of the province except in the Cariboo (+1.2 percentage points to 6.2%).

Employment growth continues in the **Lower Mainland-Southwest** with new projects underway. The Government of Canada is spending \$102 million on five projects to improve efficiency at the Port of Vancouver and support trade-enabling infrastructure.¹⁶ The projects are expected to create around 2,320 jobs in the region during construction. Over \$42 million of this funding will go towards the expansion and optimization of the Port's auto terminals by consolidating the Annacis Auto Terminal and the Richmond Terminal. Funding will also be spent on projects to upgrade road and rail traffic operations, as well as two studies aimed at improving the flow of goods throughout the Lower Mainland.^{17,18}

Employment is down on an annual basis for three of BC's Interior regions (**Kootenay, Cariboo, and Northeast**). The Governments of Canada and BC recently signed a memorandum of understanding to support the electrification of the natural gas sector in BC, a decision that could bring more jobs to BC's Interior regions. As part of this agreement, BC Hydro will implement near-term electrification initiatives valued at \$680 million. One of these initiatives is BC Hydro's proposed Bear Mountain to Dawson Creek Voltage Conversion project in the **Northeast**. Once approved, the various projects will support new jobs and opportunities in rural and Indigenous communities.^{19,20}

Enbridge Frontier Inc. is proposing to construct a \$2.5 billion natural gas liquids (NGL) plant and pipeline in the **Northeast** economic region of the province.²¹ The company plans to build and operate an NGL straddle plant and initiating pump station west of Chetwynd. The Frontier project also includes the installation of up to 170 kilometers of pipeline adjoining the new facility to an area south of Fort St. John near Taylor. The first phase of the front-end engineering design for this project is expected to begin in the third quarter of 2019.²²

This new development is causing concerns for West Coast Olefins who recently announced plans to build a \$5.6 billion petrochemical facility in Prince George — the largest centre in the **Cariboo** region. 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.^{23,24} However, if Enbridge sends NGL to Taylor, the NGL could go directly through adjoining pipelines to Alberta, instead of flowing down to the existing pipeline that runs past Prince George.²⁵

Employment in **North Coast and Nechako** economic region was relatively stable over the last year, while the unemployment rate edged down to 5.0%. This region is currently undergoing a lot of activity with the construction of the \$40 billion LNG Canada liquefied natural gas project in Kitimat. While this project has

increased employment opportunities in the region, the remote location of the project could create barriers to employment. Indeed, lack of mobility can be a significant barrier to employment in rural communities. The Government of BC recently announced it is providing \$360,000 to All Nations Driving Academy in Terrace to help support the delivery of driver training to rural Indigenous communities in the North Coast and Nechako regions.²⁶

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	August 2019 ('000)	August 2018 ('000)	Yearly Variation (%)	August 2019 (%)	August 2018 (%)	Yearly Variation (% points)
British Columbia	2,596.0	2,505.8	3.6	4.7	5.1	-0.4
Economic Regions						
Vancouver Island and Coast	400.2	409.3	-2.2	4.2	4.9	-0.7
Lower Mainland - Southwest	1,677.4	1,593.1	5.3	4.7	4.8	-0.1
Thompson - Okanagan	282.3	262.5	7.5	4.6	6.1	-1.5
Kootenay	70.0	73.5	-4.8	6.0	7.3	-1.3
Cariboo	82.9	83.4	-0.6	6.2	5.0	1.2
North Coast and Nechako	43.5	43.4	0.2	5.0	5.2	-0.2
Northeast	39.6	40.7	-2.7	5.5	6.0	-0.5

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.

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/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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