



Labour Market Bulletin

British Columbia

September 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

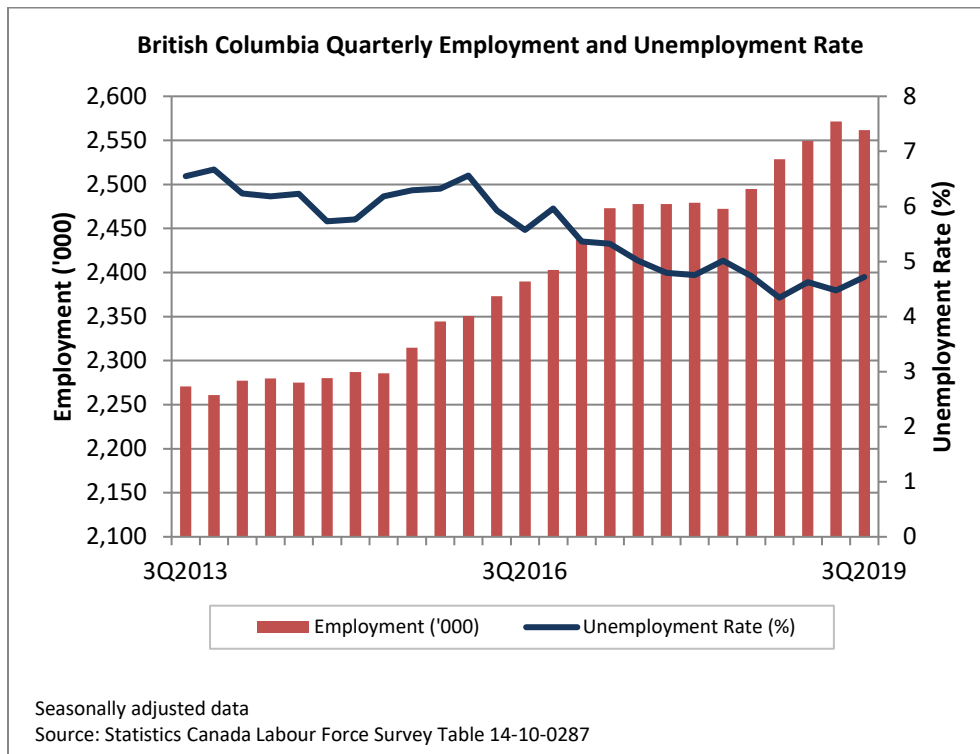
There were over 2.5 million people employed in BC in the second quarter of 2019 — almost 70 thousand more than the same period last year. Despite this annual growth, employment in BC has steadily decreased over the last four months, leading to a drop in quarterly employment (-10,000). Employment losses in the third quarter of 2019 were primarily in full-time positions (-11,000), only partially offset by some part-time gains (+1,100).

British Columbia Quarterly Labour Force Statistics

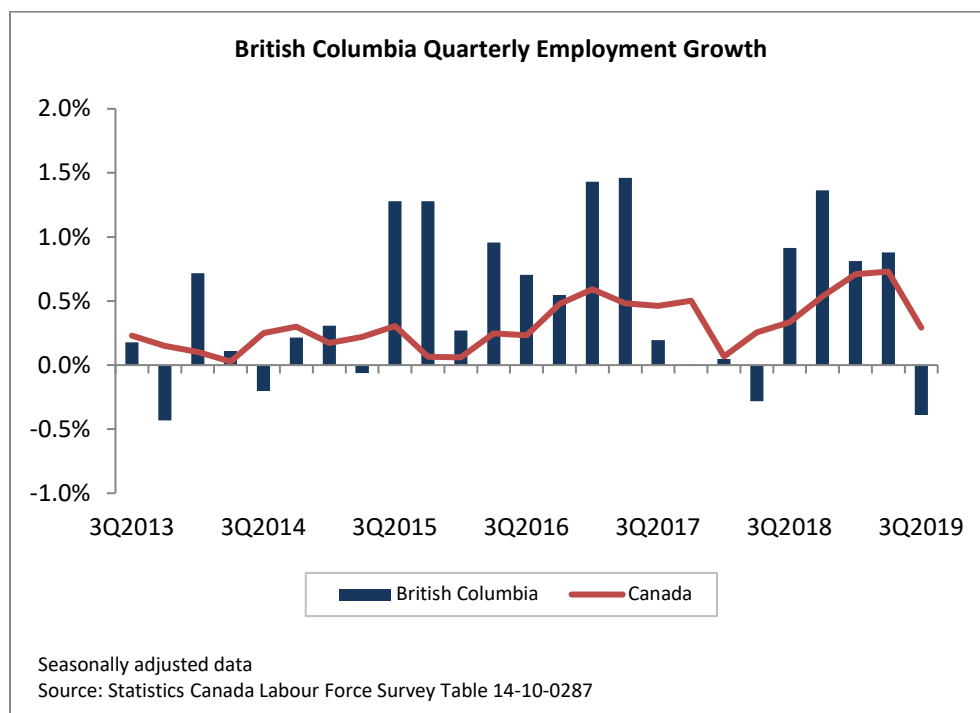
Seasonally adjusted data	3rd Quarter 2019	2nd Quarter 2019	3rd Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,108.1	4,084.5	4,041.2	23.6	0.6	66.9	1.7
Labour Force ('000)	2,688.3	2,691.9	2,618.7	-3.6	-0.1	69.6	2.7
Employment ('000)	2,561.6	2,571.6	2,494.7	-10.0	-0.4	66.9	2.7
Full-Time ('000)	2,001.2	2,012.2	1,973.5	-11.0	-0.5	27.7	1.4
Part-Time ('000)	560.4	559.3	521.2	1.1	0.2	39.2	7.5
Unemployment ('000)	126.8	120.4	124.0	6.4	5.3	2.8	2.3
Unemployment Rate (%)	4.7	4.5	4.7	0.2	-	0.0	-
Participation Rate (%)	65.4	65.9	64.8	-0.5	-	0.6	-
Employment Rate (%)	62.4	63.0	61.7	-0.6	-	0.7	-

Note: Totals may not add due to rounding

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



While both public sector employment (+15,600) and self-employment (+4,000) increased in BC during the third quarter of 2019, private sector employment decreased significantly (-29,500).¹ Although BC’s unemployment rate increased 0.2 percentage points to reach 4.7% in the third quarter, it remains the lowest of any province in Canada and is well below the national average (5.6%).



British Columbia Quarterly Unemployment Rates, by Gender and Age

Seasonally adjusted data	3rd Quarter 2019 (%)	2nd Quarter 2019 (%)	3rd Quarter 2018 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	4.7	4.5	4.7	0.2	0.0
25 years and over	4.0	3.7	4.1	0.3	-0.1
Men - 25 years and over	3.7	3.5	4.2	0.2	-0.5
Women - 25 years and over	4.3	3.8	4.0	0.5	0.3
15 to 24 years	9.2	9.1	8.5	0.1	0.7
Men - 15 to 24 years	10.7	10.1	9.3	0.6	1.4
Women - 15 to 24 years	7.7	8.0	7.7	-0.3	0.0

Note: Totals may not add due to rounding

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

In the third quarter of 2019, the unemployment rate increased for all demographic groups in BC with the exception of young women (15 to 24 years). In fact, the unemployment rate for young women in BC has decreased for two consecutive quarters. Meanwhile, the unemployment rate for women 25 years and over is up both on a quarterly basis (+0.5 percentage points) and on an annual basis (+0.3 percentage points).

Employment for women 25 years and over decreased significantly this quarter (-6,390), while unemployment for this group has increased (+300). For men 25 years and over, both employment (+2,100) and unemployment (+1,900) increased on a quarterly basis.

Labour Market Indicators for Indigenous Peoples

In the third 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 179,500 people. Employment among the Indigenous population in BC increased significantly to 113,400 (+10,200 or 9.9%) from a year earlier (third quarter of 2018). The increase is attributable to a growth in full-time positions (+6,800 or +8.2%) and part-time positions (+3,400 or +16.8%).

The unemployment rate among Indigenous people was 7.0% in the third quarter of 2019, having decreased by 3.4 percentage points from the previous year. The unemployment rate among the non-Indigenous population increased slightly year-over-year to 4.8% (+0.3 percentage points). Between the third quarter of 2018 and the third quarter of 2019, the participation rate among the Indigenous population grew to 67.9% (+1.1 percentage points) and increased for the non-Indigenous population to 65.8% (+0.6 percentage points). The employment rate of Indigenous people increased significantly year-over-year to 63.1% (+3.2 percentage points), while among the non-Indigenous population it increased to 62.7% (+0.4 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)	
	Q3 2019	Q3 2018	number	%	Q3 2019	Q3 2018	number	%
Population 15 + ('000)	179.5	172.4	7.1	4.1	3,928.6	3,868.8	59.8	1.5
Labour Force ('000)	121.9	115.2	6.7	5.8	2,586.3	2,523.0	63.3	2.5
Employment ('000)	113.4	103.2	10.2	9.9	2,463.3	2,408.3	55.0	2.3
Full-Time ('000)	89.8	83.0	6.8	8.2	1,957.5	1,936.2	21.3	1.1
Part-Time ('000)	23.6	20.2	3.4	16.8	505.8	472.2	33.6	7.1
Unemployment ('000)	8.6	12.0	-3.4	-28.3	123.0	114.6	8.4	7.3
Unemployment Rate (%)	7.0	10.4	-3.4	-	4.8	4.5	0.3	-
Participation Rate (%)	67.9	66.8	1.1	-	65.8	65.2	0.6	-
Employment Rate (%)	63.1	59.9	3.2	-	62.7	62.3	0.4	-

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 services-producing sector is up both on a quarterly (+6,300) and annual (+79,000) basis. In sharp contrast, there were 16,300 fewer positions in the goods-producing sector this quarter. In fact, employment was down in all five of BC's goods-producing industries for the third quarter of 2019.

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. Gross profit margins for sawmills in BC are down to their lowest level since the global financial crisis a decade ago. In fact, margins for BC mills in the second quarter of 2019 were less than half of the ten-year average.² These weak market conditions have already forced over 54 mills in BC to curtail production in 2019, with at least nine permanent mill closures announced.

The forest industry in BC was dealt another blow in September when Interfor Corporation announced the upcoming permanent closure of its Hammond sawmill in Maple Ridge — impacting 147 employees. Log supply constraints and softwood lumber duties imposed by the United States (US) are two of the factors influencing the decision.³

Teal-Jones also anticipates eventual curtailments at their two mills in Surrey that employ nearly 500 workers. On September 10, the company halted all harvesting operations on Vancouver Island and in the Fraser Valley, effectively cutting the supply of fibre to its two mills. The company cites weak lumber prices, high stumpage rates and higher harvesting costs as the reason for the operational changes.⁴

Conifex Timber Inc. is another wood product manufacturer that has been affected by the downturn in the forest industry. The company was recently advised by its senior lenders to provide an asset divestment and restructuring plan that is acceptable by November 25, 2019.⁵ Conifex sold its Fort St. James sawmill complex and associated forest licence this summer and curtailed operations at its Mackenzie Sawmill on two separate occasions since May. Meanwhile, the company announced an indefinite curtailment at its El Dorado sawmill in the US. Conifex's headquarters are in Vancouver, although the company now only has one operational mill in BC – the Mackenzie Sawmill.

In light of these emerging issues in the forest industry, the Government of BC announced a new \$69 million funding package on September 17. The funds are meant to help workers and communities located in the Interior impacted by mill closures and shift reductions. Measures include \$40 million for an early retirement bridging program, \$15 million for a short-term forest employment program, \$12 million towards skills training, and \$2 million for a new job placement co-ordination office. In addition, Interior communities affected by a permanent mill closure can apply for \$100,000 in support grants, while those facing an indefinite mill curtailment could receive \$75,000.⁶

British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally adjusted data ('000)	3rd Quarter 2019	2nd Quarter 2019	3rd Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,561.6	2,571.6	2,494.7	-10.0	-0.4	66.9	2.7
Goods-producing sector	481.1	497.4	493.2	-16.3	-3.3	-12.1	-2.5
Agriculture	26.3	26.5	22.1	-0.2	-0.8	4.2	19.0
Forestry, fishing, mining, quarrying, oil and gas	42.4	46.8	49.0	-4.4	-9.4	-6.6	-13.5
Utilities	11.8	12.9	14.0	-1.1	-8.5	-2.2	-15.7
Construction	236.0	240.5	236.3	-4.5	-1.9	-0.3	-0.1
Manufacturing	164.7	170.6	171.8	-5.9	-3.5	-7.1	-4.1
Services-producing sector	2,080.4	2,074.1	2,001.4	6.3	0.3	79.0	3.9
Trade	393.8	387.3	364.4	6.5	1.7	29.4	8.1
Transportation and warehousing	136.7	141.4	137.0	-4.7	-3.3	-0.3	-0.2
Finance, insurance, real estate and leasing	160.6	157.4	150.4	3.2	2.0	10.2	6.8
Professional, scientific and technical services	223.4	223.9	212.8	-0.5	-0.2	10.6	5.0
Business, building and other support services	111.5	116.5	99.5	-5.0	-4.3	12.0	12.1
Educational services	186.8	173.0	166.2	13.8	8.0	20.6	12.4
Health care and social assistance	312.2	313.7	326.4	-1.5	-0.5	-14.2	-4.4
Information, culture and recreation	133.3	138.0	129.6	-4.7	-3.4	3.7	2.9
Accommodation and food services	186.4	187.2	190.7	-0.8	-0.4	-4.3	-2.3
Other services	119.8	120.7	118.2	-0.9	-0.7	1.6	1.4
Public administration	116.1	115.0	106.3	1.1	1.0	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

In other goods-producing industries, there were 4,500 positions lost in **construction** this quarter and another 4,400 lost in the **resource extraction industry (forestry, fishing, mining, quarrying, oil and gas)**. In the fishing industry, the United Fisherman and Allied Workers Union reports that at least 2,500 people have been affected by reduced salmon catches this year.⁷ In fact, the province's coastal salmon fishery has seen a significant decline in 2019, which has affected employment for both commercial fisherman and shore workers.⁸ Earlier this year, Fisheries and Oceans Canada reduced its estimate of returning Fraser River sockeye to approximately 600,000 from an earlier forecast of around 5 million.⁹ According to the Pacific Salmon Commission, this is the lowest run size estimate on record.¹⁰ Climate change, habitat destruction and overfishing are all contributing factors in the salmon population decline.

The most significant employment gains in the services-producing sector this quarter were in **educational services** (+13,800) and **wholesale and retail trade** (+6,500). Wholesale and retail trade is BC's largest industry by employment and continues to expand. There are almost 30,000 more positions in this industry year-over-year.

On an annual basis, employment in the **professional, scientific and technical services** industry is up 10,600. While the technology sector has grown rapidly in BC, the demand for talent exceeds supply. The Province has been working towards implementing its Technology and Innovation Policy Framework aimed at growing technology and innovation in BC, which includes a push to expand the talent pool.¹¹

As part of this ongoing effort, the Government of BC has committed \$17 million towards the creation of the Quantum Algorithms Institute at Simon Fraser University's Surrey campus. The institute will create a new graduate degree program in quantum computing and focus on building software and algorithms.¹² Vancouver's quantum computing firm IQ Information Technologies Inc. has already stated it will be working with the new institute to help train students.¹³

REGIONAL ANALYSIS

Compared to the third quarter of 2018, employment is up in four of BC's seven economic regions. The most significant employment gains were in Lower Mainland-Southwest (+55,000) and Thompson-Okanagan (+23,800). Annual job losses were primarily in Vancouver Island and Coast (-9,800) and Kootenay (-4,900) economic regions.

Lower Mainland-Southwest is BC's most populous economic region and employs over 60% of all British Columbians working in accommodation and food services. The hospitality industry is an important part of this region's economy, with tourism being a significant source of revenue. In September, over 1,100 hospitality workers began strike action in Vancouver. Approximately 950 members of Unite Here Local 40 commenced indefinite strike action at the Hyatt Regency, Westin Bayshore and Pinnacle Hotel Harbourfront on Thursday September 19.¹⁴ Two days later, over 200 unionized hospitality workers at the Hotel Georgia walked off the job.¹⁵ These four high-end hotels are members of the Greater Vancouver Hotel Employers' Association. According to union representatives, workers are seeking better wages, reliable hours and a working environment free of sexual harassment. Room attendants, chefs, front desk agents and other staff of these hotels have been without a contract since June 2018.^{16,17}

On an annual basis, the unemployment rate decreased in three of BC's economic regions. The most significant decrease was in **Thompson-Okanagan**, where the unemployment rate dropped 1.4 percentage points to 4.5%. This economic region also saw a 9.1% increase in employment year-over-year.

More jobs are on the horizon for the Okanagan region with Rogers Communications Inc. announcing plans to open a new customer solution centre in Kelowna by next summer. The company will initially hire 350 employees and expects to employ another 150 workers over time. Hiring through internal recruitment will begin in the first quarter of 2020 and expand to external hiring in the spring. Rogers has leased a 32,000 square foot facility in Kelowna's Landmark District to house the new centre. Renovations to upgrade the facility will begin in early 2020.^{18,19}

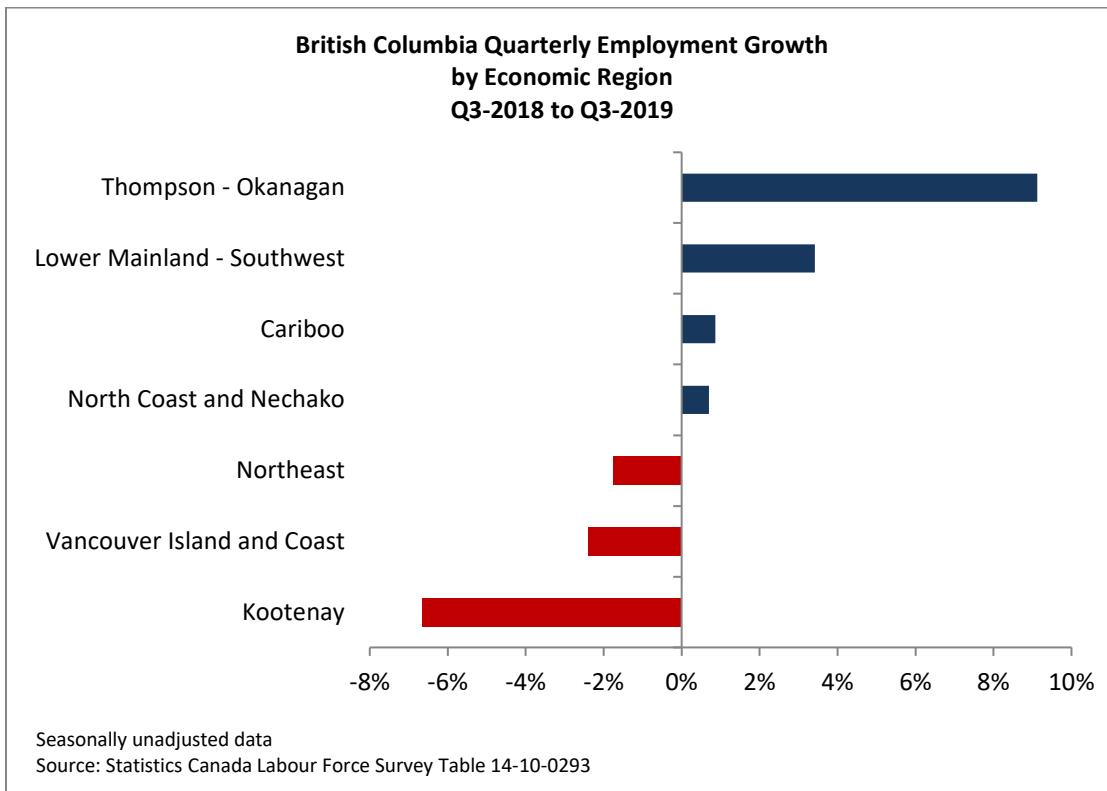
Although the **Kootenay** unemployment rate has edged down over the last year (-0.6 percentage points to 6.6%), it is still well above the provincial average of 4.8%. The Kootenay regional economy is closely tied to the resource extraction industry, which employs almost 12% of the region's workforce. Teck Resources operates four metallurgical coal mines in the Kootenay economic region, and in a recent letter to its employees, the company announced plans to save money through the implementation of a salary and hiring freeze, reduced and deferred training, and job cuts. The cost saving measures were implemented following a significant drop in the price of metallurgical coal during the month of September — decreasing from about \$210 per tonne to approximately \$130 per tonne.²⁰ Long-term forecasts indicate an ongoing decrease in the price of this commodity over the next five years.²¹

British Columbia Quarterly Labour Force Statistics, by Economic Region

Seasonally unadjusted data	Employment			Unemployment Rate		
	3rd Quarter 2019 ('000)	3rd Quarter 2018 ('000)	Yearly Variation (%)	3rd Quarter 2019 (%)	3rd Quarter 2018 (%)	Yearly Variation (% points)
British Columbia	2,578.0	2,513.5	2.6	4.8	4.8	0.0
Economic Regions						
Vancouver Island and Coast	396.7	406.5	-2.4	4.1	4.6	-0.5
Lower Mainland - Southwest	1,663.4	1,608.4	3.4	4.9	4.5	0.4
Thompson - Okanagan	284.6	260.8	9.1	4.5	5.9	-1.4
Kootenay	68.8	73.7	-6.6	6.6	7.2	-0.6
Cariboo	82.0	81.3	0.9	6.8	5.0	1.8
North Coast and Nechako	43.1	42.8	0.7	4.9	4.7	0.2
Northeast	39.4	40.1	-1.7	6.2	5.6	0.6

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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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 October 11, 2019: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410028801>

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³ Interfor Corporation (September 3, 2019). Interfor announces plan to reconfigure its B.C. coastal business. Retrieved from: <http://www.interfor.com/sites/default/files/docs/reports/interfor-announces-plan-to-reconfigure-its-b.c.-coastal-business.pdf>

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(Subscription required)