Environmental Scan

British Columbia

2018

Once a year, Service Canada develops Economic/Environmental Scans (E-Scan) that provide a general overview of demographic, economic and labour market conditions and trends. E-scans will be of interest to those who seek to know more about the state of a provincial or regional economy and labour market. Facts and statistics presented in this document reflect information available as of April 2018.

HIGHLIGHTS

- BC's real gross domestic product (GDP) increased an estimated 2.8% in 2017 after three years of record GDP growth remaining above 3.0%. Economic growth in BC is forecast to slow down by 2019 following an expected cooling in BC's housing market caused by tighter mortgage regulations and rising interest rates.[1]
- In 2017, BC had the highest rate of employment growth (+3.7%), lowest unemployment rate (5.1%) and highest job vacancy rate (3.8%) among all the provinces.[2]
- BC's total exports are on the rise, with an annual increase of 12.3% in 2017. Much of these export gains are due to higher commodity prices for coal, metals, lumber and natural gas.[3]
- The Government of BC presented a balanced budget in 2018 and projected a $219 million surplus while focusing spending on childcare, housing and capital investments.[4]
- In 2017, wildfires reduced the supply of harvestable timber in BC while the United States Department of Commerce imposed punitive duties on Canadian softwood lumber imports. The impact of these events on the forestry industry was mitigated by the high price of lumber and the low Canadian dollar.
- While there were some liquefied natural gas (LNG) infrastructure project cancellations in 2017, recent provincial government incentives may increase the competitiveness of BC's LNG industry. Final investment decisions are still pending for two major LNG projects in BC; LNG Canada and Kitimat LNG.[5]
- After much controversy, construction has begun on the Site C hydroelectric dam located near Fort St-John. The project will create approximately 33,000 total person-years of employment through all stages of development and construction.[6]

ECONOMIC CONTEXT

Global Outlook: Good Times for Now

The International Monetary Fund (2018) predicts continued global economic growth (3.9%) over the next two years.[7] Though advanced economies are better positioned to capitalize on the rising tide of global investment and trade, developing countries are expected to grow at an even faster pace (5.0%) this year.[8] The European Union appears to be avoiding the negative economic consequences of the United Kingdom's exit. Nonetheless, high levels of personal and corporate debt, coupled with growing trade protectionism, have reduced prospects for growth across much of Europe.

Despite a slow start in 2018, the US economy is expected to grow with increased consumer spending and reductions to personal and corporate taxes. The Bank of Canada's most recent Monetary Report pegs growth in real GDP in the US to average 2.5% over the 2017-2019 forecast period. However, the current U.S. administration's willingness to explore protectionist trade policies introduces a new level of market uncertainty.

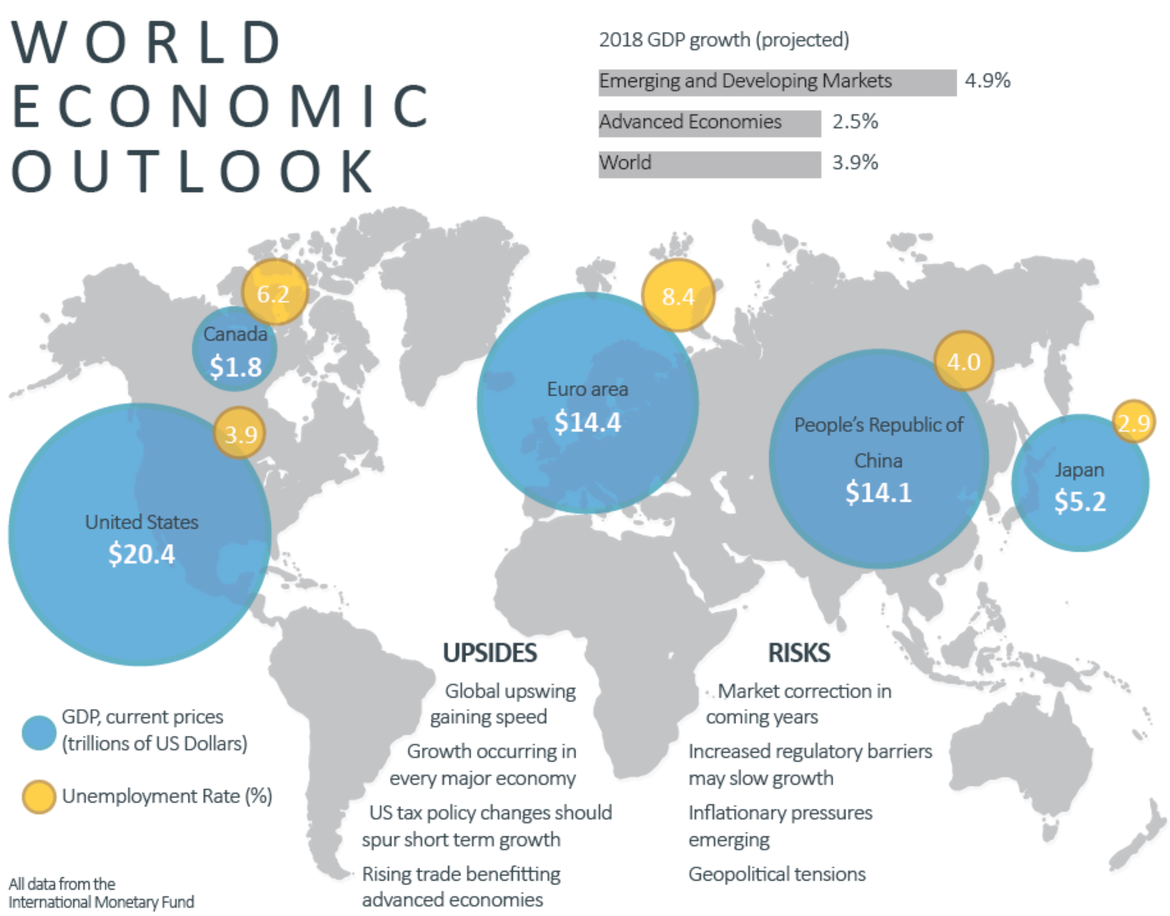


Figure 1
Source: International Monetary Fund, World Economic Outlook Update, April 2018

Canada Struggling to Keep Pace with Strengthening World Economy

Despite challenges in previous years, the economies of the European Union and Latin America are expanding. Further, post-2018, economic growth in Canada is expected to be more moderate. According to the Bank of Canada, Canada's overall GDP growth should decline from 3.0% in 2017 to 2.2% in 2018 and weaken further to 1.6% growth next year.[9]

GDP forecast for provinces and territories, 2018-2020

Three-year average annual growth rates

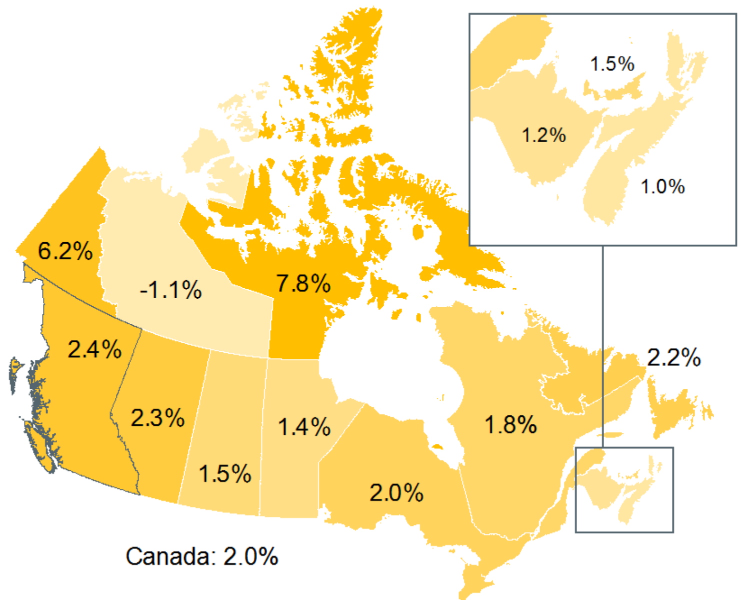


Figure 2
Source: Conference Board of Canada, Provincial Outlook Economic Forecast: Winter 2018

Consumer spending will continue to act as the primary driver of growth in 2018, though at a slower pace compared to the previous year. Job growth will ease as baby boomers continue exiting the workforce, creating a tighter labour market. That tightness will likely drive wages upwards as employers compete for labour; however, increases will not be enough to offset a reduction in spending caused by record high debt levels among Canadian households. Borrowing costs are also expected to increase in the spring of 2018 as the Bank of Canada signals an interest rate increase to keep inflation in check. All told, disposable income growth is expected to drop to 2.4% this year, down from 3.7% in 2017.[10]

Canadian businesses have so far sent mixed signals about their investment intentions in 2018. The Bank of Canada’s business outlook survey shows a significant portion of companies (+24%) planning to expand and update facilities and equipment this year.[11] The Conference Board of Canada’s has a more conservative view. Specifically, the Board notes that Canada will find economic growth more challenging in the future because of trade uncertainty, U.S. corporate tax cuts, and capacity issues within the Canadian economy. Regardless, business investment is unlikely to return to pre-2014 levels in the near term.[12]

Canadian exports continue to underperform in spite of strong demand from the US and a low Canadian dollar. The Conference Board of Canada predicts non-energy exports will remain stagnant over the next two years. Meanwhile, oil exports are hitting a transportation bottleneck as production exceeds current pipeline capacity. Relying on more expensive rail transport to ship excess product has increased costs and negatively impacted producers’ bottom line. And the export outlook could become worse depending on the outcome of NAFTA renegotiations. Though these negotiations appear to be heading in a positive direction for Canada with a resolution expected this summer, the US has signalled its willingness to enact tariffs that may result in trade wars elsewhere. Canada could experience collateral damage from the resulting fallout.

Provincial Overview

BC's expanding economy continues to reflect robust employment growth and increased consumer spending. In 2017, BC's real gross domestic product (GDP) increased an estimated 2.8% after three years of record GDP growth remaining above 3.0%. Provincial GDP is estimated to grow 3.1% in 2018 before diminishing to 1.8% growth in 2019.

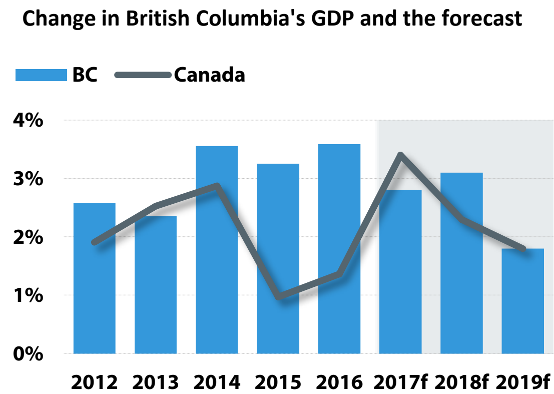


Figure 3
Sources: Statistics Canada CANSIM Tables 379-0030, 379-0031; Conference Board of Canada Economic Forecast

The real estate sector has been responsible for a large part of BC's economic growth. The escalating home prices in BC have created a wealth effect as seen in the province's strong employment growth and robust consumer spending. In fact, between 2010 and 2016 the value of real estate as a share of total household assets increased by 3.7 percentage points in BC compared to a 1.0 percentage point increase in the national average for the same period.[13]

Recent government measures to cool down the real estate market are expected to slow down the provincial economy. In 2018, the federal government implemented tighter mortgage lending regulations while interest rates continue to climb. In BC's Budget 2018, the Province also introduced a new speculation tax and increased the foreign buyer tax to 20%.[14]

The Government of BC presented a balanced budget in 2018 with a projected $219 million surplus. The budget focusses on childcare, housing and capital investments. BC will be spending over $1 billion towards making childcare more affordable and accessible while the provincial housing strategy involves spending $1.6 billion over three years on building and maintaining affordable rental units.[15]

While the provincial government introduces measures to make life more affordable, the Consumer Price Index (CPI) for BC rose 2.1% in 2017 with consumer prices for gasoline up 12.0% and shelter up 2.6%.[16] Although the household debt to disposable income ratio for British Columbians has been trending down since 2012, BC had the second highest debt to income ratio in the country in 2017 (196.9) — 24.3 points above the national average.[17]

Key global trading partners

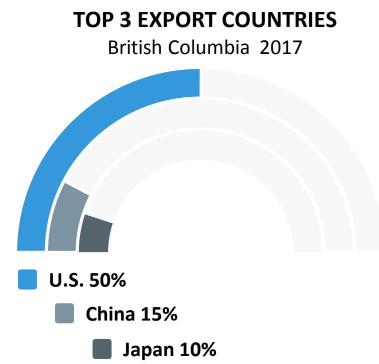
BC's total exports reached almost $45 billion in 2017 — increasing a robust 12.3% compared to 2016. Stronger commodity prices have benefitted BC's exports.[18] For instance, coal is BC's second-leading commodity export, and while the price of coal increased 40% between 2016 and 2017, the value of BC's coal exports increased 57% in the same period reaching over $6.6 billion.[19,20]

Forest products continue to be BC's leading export commodity, comprising over 30% of all provincial exports in 2017 and almost half of BC's forestry exports were shipped to the United States (US).[21] Within the last year, the

United States Department of Commerce (USDC) has imposed punitive duties against Canadian softwood lumber shipments entering the US as well as Canadian imports of uncoated groundwood paper (UGW).[22,23,24]

The US is BC's number one trading partner, and over half of all BC exports are sent south of the border. BC's diversified export market mitigates disruptions to the provincial economy caused by increasing protectionist measures by the US government and uncertainty regarding North American Free Trade Agreement (NAFTA) negotiations. BC's export markets are more diversified than Canada and other provinces due to its location as a trade hub for Asian goods.[25]

China is BC's second-leading trade partner. In 2017, BC's forestry exports to China rose 12.2% and represented 26.7% of all forestry exports for the province.[26] Over half of BC's exports to China are forest products, and as China has the world's second-largest economy after the US, it offers great potential for trade.[27] While China's efforts to switch from coal to natural gas for power generation have increased this country's need to import natural gas, BC's natural gas supply far exceeds domestic consumption.[28,29] Currently, no liquefied natural gas (LNG) export terminals are in place in BC to send the product to Asian markets, however, both LNG Canada and Kitimat LNG are expected to make final investment decisions on proposed LNG terminals by the end of 2018.



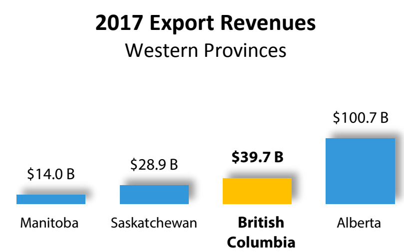


Figure 4
Source: Industry Canada, Trade Data Online, accessed March 2, 2018

In other Asian markets, BC's total exports to Japan increased a significant 20.4% in 2017 reaching $4.5 billion. Japan is BC's top export country for coal and metal ores. Over $1.6 billion worth of coal was sent to Japan from BC in 2017 — a 70% increase compared to 2016. Coal is BC's second leading export commodity, and 25.0% of all BC's coal exports were sent to Japan in 2017. On the other hand, metal ore exports from BC to Japan have been trending down for the last two years, decreasing 12.1% in 2016 and a further 13.0% in 2017.[30]

POPULATION TRENDS

BC's population reached 4,817,160 in July 2017 — an increase of almost 60,000 people year-over-year. In fact, over the last ten years, the average rate of population growth in BC has been 1.2%, only slightly higher than the national average (1.1%).

Immigration and interprovincial migration have played a significant role in BC's population growth. Although over 38,000 immigrants came to live in BC in 2016/17 this number is down over 18% from 2015/16, and for the first time in four years, the number of interprovincial migrants moving to BC decreased as well.[31] Indeed 4,205 fewer people moved to BC from other regions of Canada in 2016/17 compared to 2015/2016. Most interprovincial migrants came from Alberta and Ontario comprising over 70% of all in-migration to BC. For the last five years the number of people migrating to other provinces has been trending down, however, in 2016/17 there were almost 17% more people relocating to other regions of Canada from BC and most chose to go to Alberta and Ontario.

BC inter-provincial migration
2012/13 to 2016/17

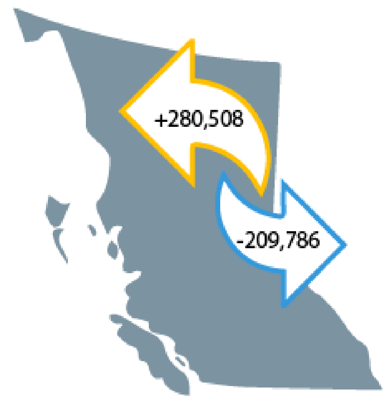


Figure 5
Source: Statistics Canada CANSIM Table 051-0019

Age structure

In 2011 a population shift occurred in BC when, for the first time, the proportion of seniors 65 and over surpassed the proportion of children under the age of 15. In 2017, the percentage of seniors in BC reached 18.3% while children under the age of 15 comprised 14.5% of the provincial population. BC's population is aging, and according to Census 2016, BC is home to seven of the top ten municipalities in Canada with the most significant proportion of people aged 85 and older, four of which are on Vancouver Island.[32]

Demographic shifts in BC: 1997-2037

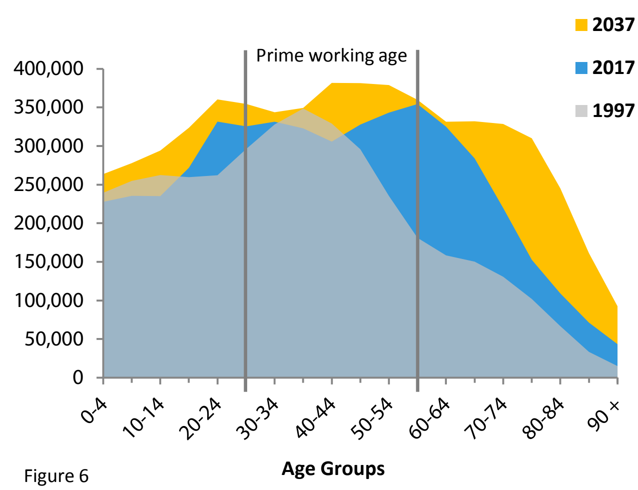


Figure 6
Sources: Statistics Canada
CANSIM Tables 051-0001, 052-0005 (projection scenario M1)

The median age in BC has been steadily rising for the last twenty years going from age 36 in 1997 to age 42.1 in 2017. In fact, the percentage of BC's population in the prime working age group (aged between 25 and 54) has decreased from 46.2% in 1997 to 44.5% in 2017 and is projected to diminish to 40.4% by 2037. Another indicator of this demographic shift is that although there were more births (44,764) than deaths (38,107) in BC in 2016/17, the number of births has remained relatively stable for the last ten years while the number of deaths has been steadily rising.[33]

LABOUR MARKET CONDITIONS

BC's robust labour market supported continued economic growth for the province in 2017. Indeed, employment in BC has been trending upward since 2010, reaching 2,466,800 in 2017. Full-time employment grew consistently in this period and is responsible for the majority of annual employment gains in the province. There were 87,300 new positions in BC in 2017, most of which were in the private sector (+60,100). While employment in the public sector grew by 9,900, the number of self-employed individuals increased by 17,300.[34]

British Columbia

	Population growth	Labour Force growth	Employment rate	Unemployment rate	Participation rate	Average weekly earnings
2017	3,979,700	2,600,700	62.0%	5.1%	65.3%	$943
Change over 2016	1.2% ▲	2.7% ▲	1.5 ▲	-0.9 ▼	0.9 ▲	2.5% ▲

Figure 7
Source: Statistics Canada Labour Force Survey – CANSIM Tables 282-0002, 281-0027

According to Statistics Canada’s Review of the Labour Market 2017, key labour market indicators signal a tightening labour market in BC. In 2017, BC had the highest rate of employment growth (+3.7%) and the lowest unemployment rate among the provinces (5.1%). Also, the job vacancy rate in B.C. (3.8%) was the highest among the provinces.[35]

Although BC’s average weekly earnings rose a healthy 2.5% to $943 a week in 2017, BC’s wages are below the national average ($976).[36] Almost 5% of employees in BC earn the current minimum wage of $11.35 an hour, and over 20% earn less than $15 an hour. In 2018, based on recommendations by the Fair Wages Commission, the Government of BC set out a plan to raise the minimum wage to $15.20 by 2021.[37] Liquor servers, resident caretakers, live-in camp leaders and farm workers in B.C. who are all currently subject to alternate minimum wage rates will also see wage increases.[38]

The number of unemployed individuals in BC decreased substantially in 2017, shrinking over 12% compared to 2016 levels. BC's unemployment rate for 2017 was the lowest in the country for the second consecutive year and 1.2 percentage points below the national average.

The unemployment rate in BC for youth (15 to 24) was 8.6% in 2017, almost twice the rate for those aged 25 and over (4.5%). The youth unemployment rate in BC for both men and women has been trending downward since 2011. At 10.4%, the unemployment rate for young men in BC continues to be the highest of any demographic group in the province but remains lower than for young men in any other province for the second consecutive year.

Employment by Sector

Between 2013 and 2017, average annual employment growth in BC's goods-producing sector (2.1%) has outpaced the services-producing sector (1.6%). Employment in the goods-producing sector has been on an upward trend since 2012 while services-producing employment has seen a steady increase since 2010.

In 2017, there was annual employment growth in both BC's goods-producing sector (+4.6%) and services-producing sector (+3.4%). Although BC's goods-producing sector gained a healthy 21,600 positions, three-quarters of the province's total annual employment gains were in the services-producing sector (+65,700).

The construction industry was the largest employer in BC's goods-producing sector (228,600) in 2017. Indeed, construction has been the third largest employer of any industry in the province since 2008. According to BuildForce Canada's recent construction and maintenance forecast for BC, the need for non-residential construction workers will rise by 20% in the next four years.[39] This trend is being driven by growing demand for residential and commercial real property.[40]

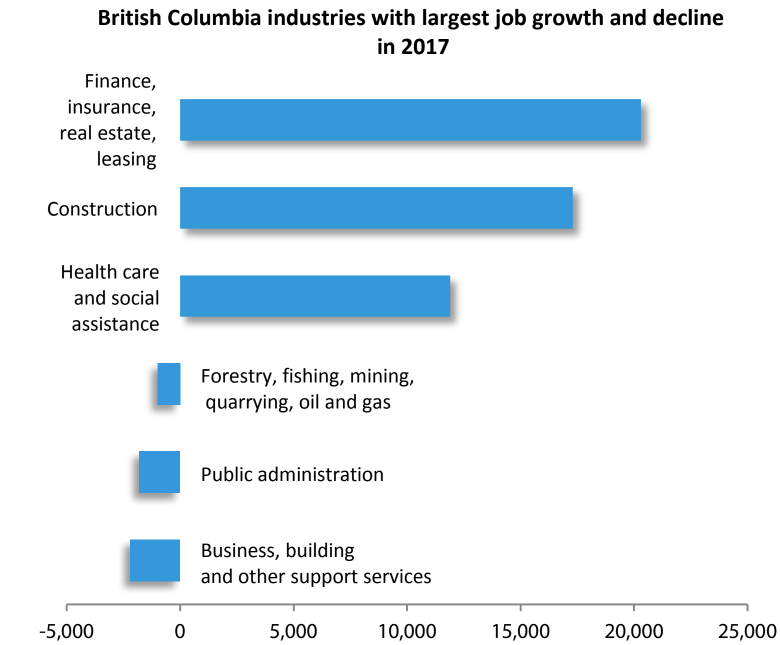


Figure 8
Source: Statistics Canada Labour Force Survey - CANSIM Table 282-0008

BC's resource extraction industry (forestry, fishing, mining, quarrying, and oil and gas) was the only goods-producing industry in BC that shed positions in 2017 (-1,000). Resource extraction which accounts for over 10% of employment in BC's goods-producing sector edged down 2% in 2017. The forestry industry, in particular, was hard hit in 2017, not only by the continued effects of the mountain pine beetle but also with wildfires burning 53 million cubic meters of timber in BC (i.e., the equivalent of an entire year's harvest for the interior).[41] Fortunately, the price of lumber remained high throughout 2017 while the Canadian dollar remained low, mitigating damage to BC's forestry industry.[42,43] In the near term, a reduced supply of harvestable timber is expected to restrict growth in BC's forestry industry to 0.4 percent in 2019.[44]

In other resource extraction industries, weak global commodity prices and an uncertain outlook for natural gas prices over the medium term have led to LNG infrastructure project cancellations in 2017. Following these project cancellations, the Government of BC announced a new fiscal framework for natural gas development in the province with measures meant to increase the competitiveness of BC's LNG industry.[45]

There is also uncertainty regarding pipeline development in BC. In January 2018 the provincial government proposed new legislation to restrict shipments of oil sands crude in pipelines and on railway cars in BC.[46]

Although Kinder Morgan's $7.4 billion Trans Mountain Expansion Project has received federal approval, the Government of BC believes the federal process did not consider BC's interests or the risks to the province.[47] Jurisdictional differences between different levels of government have obstructed the pipeline development. In April 2018, Kinder Morgan made an announcement that they would suspend all non-essential activities related to the project and consult with stakeholders regarding a path forward that would allow for the construction of the pipeline through the province.[48]

The proposed Trans Mountain pipeline would ship oil from Alberta to Burnaby and triple the volume of Alberta crude available for export to Asian markets. The project would also generate an estimated 189,000 person-years of employment in B.C. including 36,000 during project development and 39,000 during operations.[49,50]

Turning to industries within the services-producing sector, employment in the finance, insurance, real estate, rental and leasing industry increased 14.9% in 2017 — up substantially from the 5.7% increase in 2016 and outpacing all other industries. Year over year, this industry had the largest employment growth in BC (+20,300). Most of these employment gains were specifically in real estate and rental and leasing (+12,900) which increased an astounding 28.7% year over year.

The largest employer of any individual industry in BC remains the wholesale and retail trade industry which grew for the second consecutive year. In 2017, over 370,000 people were employed in BC's trade industry and three-quarters of these people worked in retail trade. Retail sales growth in BC is expected to decrease to 5.2% in 2018 compared to the robust 10.0% growth which occurred in 2017.[51]

Employment in educational services edged up in 2017, an increase undoubtedly fueled by the November 2016 Supreme Court ruling to restore class size and composition language under the agreement with the British Columbia Teacher's Federation.[52] As a result of the ruling, the Government of BC allocated $355 million in funding for all 60 school districts in the province. Funding to continue hiring over 3,000 new full-time teachers and specialists was distributed to the districts in the fall of 2017.[53,54]

Despite recruitment efforts, the Province has been unable to hire the required number of teachers resulting in a province-wide teacher shortage — as of November 2017 there were 396 unfilled positions in BC school districts.[55] The Government of BC responded to recommendations by the Minister's Task Force on Immediate Recruitment and Retention Challenges by committing over $570,000 to create over 100 additional spaces in teacher education programs.[56]

Employment in a second public sector industry, health care and social assistance, has been steadily trending upward since 2014 reaching 303,500 in 2017 (+12.5%). Indeed, there were almost 12,000 more positions in this industry in 2017. Going forward, extensive new provincial healthcare funding will support continued employment growth in this industry. In Budget 2018, the Province committed $548 million over the next three years to improve healthcare for seniors and $150 million to help connect British Columbians without a family doctor with team-based primary care.[57] In 2017, the provincial government also announced $90 million in new funding over three years towards the expansion of team-based care in BC including establishing nurses and nurse practitioners in primary care practices.[58] In addition to these changes, in 2017 the Government of BC created the Ministry of Mental Health and Addictions while committing $16 million to increase addictions treatment services in an attempt to address BC's opioid crisis.[59,60]

Labour Market Conditions by Economic Region

Vancouver Island and Coast

	Population growth	Labour Force growth	Employment rate	Unemployment rate	Participation rate
2017	669,000	407,000	57.8%	5.0%	60.8%
Change over 2016	1.1% ▲	4.6% ▲	2.4 ▲	-0.8 ▼	2.0 ▲

Figure 9.1
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

The Vancouver Island and Coast economic region has a high job vacancy rate as well as a low unemployment rate, echoing the province's overall tight market conditions. Employment in the services-producing sector has been trending up in this region for the last three years with a 4.9% annual increase in 2017 (+14,800). Almost a third of the service employment gains were in the health care and social assistance industry (+4,200).[61]

Lower Mainland-Southwest

	Population growth	Labour Force growth	Employment rate	Unemployment rate	Participation rate
2017	2,494,500	1,663,000	63.6%	4.6%	66.7%
Change over 2016	1.4% ▲	2.2% ▲	1.1 ▲	-0.9 ▼	0.5 ▲

Figure 9.2
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

The Lower Mainland-Southwest is the most populated region in BC, home to more than half the province's population. This region had an annual average population growth rate of 1.7% between 2007 and 2017. The region has had a steady population inflow since 1987. According to the Conference Board of Canada, net in-migration to Vancouver CMA is forecast to hit an eight year high in 2018.[62]

In 2017, the majority of annual employment gains in BC were in the Lower Mainland-Southwest economic region. Indeed, there were almost 50,000 new positions added in this economic region alone. Over 80% of all those working in the Lower Mainland-Southwest are employed in the services-producing sector which is supported by a strong tourism industry. In fact, over 10.3 million people visited Metro Vancouver in 2017, reaching a new record for the fourth consecutive year. The tourism industry contributes an estimated $4.8 billion to the Metro Vancouver economy and supports over 70,000 full-time positions.[63]

Thompson-Okanagan

	Population growth	Labour Force growth	Employment rate	Unemployment rate	Participation rate
2017	441,800	279,600	58.8%	7.1%	63.3%
Change over 2016	1.3% ▲	3.8% ▲	1.9 ▲	-0.7 ▼	1.6 ▲

Figure 9.3
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

The Thompson-Okanagan economic region had significant annual employment growth in the construction industry (+16.5%) in 2017. Indeed, employment in the construction industry has been trending up in this region for the last three years.[64]

Kootenay

	Population growth	Labour Force growth	Employment rate	Unemployment rate	Participation rate
2017	**122,900**	**77,600**	**58.5%**	**7.3%**	**63.1%**
Change over 2016	**0.4%** ▲	**5.9%** ▲	**3.4** ▲	**-0.7** ▼	**3.2** ▲

Figure 9.4
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

In 2017, almost 70% of all employment in the Kootenay region was in the services-producing sector and most employment gains in the region were in the wholesale and retail trade industry.

The Kootenay region has a high job vacancy rate as well as a high unemployment rate which both fall above the national average. One possible explanation is that skills sought by employers in this region do not necessarily match current supply in the regional labour market.[65]

Cariboo

	Population growth	Labour Force growth	Employment rate	Unemployment rate	Participation rate
2017	**128,000**	**87,500**	**63.4%**	**7.4%**	**68.4%**
Change over 2016	**0.2%** ▪	**2.9%** ▲	**1.7** ▲	**0.0** ▪	**1.9** ▲

Figure 9.5
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

In the Cariboo economic region, wildfires affected many people's employment in 2017 because of evacuations and road closures. Year over year, the most significant employment losses by industry in the region were in the resource extraction industry where there was a 20% drop in employment (6,600 in 2016 to 5,300 in 2017).[66]

North Coast and Nechako

	Population growth	Labour Force growth	Employment rate	Unemployment rate	Participation rate
2017	**67,100**	**45,100**	**63.3%**	**5.8%**	**67.2%**
Change over 2016	**0.3%** ▲	**-0.9%** ▼	**0.4** ▲	**-1.9** ▼	**-0.8** ▼

Figure 9.6
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

Stalled and cancelled LNG and pipeline projects have negatively impacted property values in the North Coast and Nechako region. The sharpest decrease is in Kitimat where the average assessed value of residential properties dropped 17.9 percent for 2018.[67]

LNG Canada proposes to build an LNG processing plant and export terminal in Kitimat as well as construct a natural gas pipeline linking northeast BC to the new facility. The $40 billion project is expected to create up to 10,000 construction jobs and up to 950 full time positions in northern BC. A final investment decision is expected in 2018 and if approved, the project would be the largest private-sector investment in the history of BC.[68,69]

Northeast

	Population growth	Labour Force growth	Employment rate	Unemployment rate	Participation rate
2017	56,500	41,000	68.1%	5.9%	72.6%
Change over 2016	0.4% ▲	-5.3% ▼	-1.3 ▼	-3.8 ▼	-4.3 ▼

Figure 9.7
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

The Northeast is the only economic region in BC that registered a decline in employment numbers in 2017. Despite these losses, the region's unemployment rate dropped from 9.7% in 2016 to 5.9% in 2017. There are several projects underway that bode well for future employment growth in the region. For instance, in December 2017, the Government of BC announced it will go ahead with plans to complete the construction of the $10.7 billion Site C hydroelectric dam project located near Fort St-John.[70] In 2017, Encana started up three new liquids processing plants in the Montney region.[71] Finally, three metallurgical coal mines re-opened in Tumbler Ridge in 2016 and in 2017, the Murray River Mining project gained federal approval.[72]

LABOUR MARKET OUTCOMES FOR CLIENT SEGMENTS

Indigenous People

According to the Census, there were over 270,000 Indigenous people residing in BC in 2016 — almost a 40.0% increase compared to 2006. The Indigenous population is younger than the non-Indigenous population in BC with an average age of 33 years compared to 42.[73] In fact, although the Indigenous population represents 6.0% of BC's total population, one in ten children aged 14 and under in the province is Indigenous.

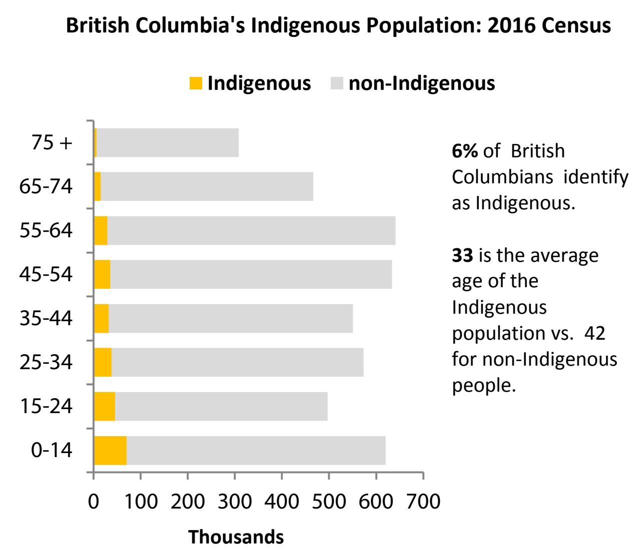


Figure 10
Source: Statistics Canada, 2016 Census

First Nations people account for 64.0% of the Indigenous population in BC followed by the Métis (33.0%) and relatively few Inuit people. Many Indigenous languages are spoken in the province such as the Salish, Tsimshian and Wakashan families of languages as well as the Haida and Kutenai individual languages. However, the number of speakers remains small.[74] BC's Budget 2018 allocated $50 million to support Indigenous communities seeking to revitalize connections to their languages. Within Budget

2018, the Province also included funding towards several key issues affecting Indigenous people such as housing, outreach and mental health and wellness.[75]

In 2017, employment among BC's Indigenous population aged 15 and older working off reserve increased 5.9% compared to 2016. The annual unemployment rate for this group of Indigenous British Columbians remained unchanged at 11.0%, substantially higher than the annual provincial unemployment rate.[76]

Immigrants and Newcomers

In 2017, landed immigrants represented 31.7% of BC's total population. In the Vancouver Census Metropolitan Area (CMA) the proportion of landed immigrants jumped to 45.1%. Recent immigrants (immigrants landed five or less years earlier) now represent a smaller percentage of BC's population, trending down from 19.9% in 2001 to 14.5% in 2016.[77] According to the 2016 Census, the top three regions of origin for BC immigrants were China (15.5%), India (12.6%), and the United Kingdom (9.6%).[78]

Newcomers consistently experience higher unemployment rates compared to the provincial average. However, in 2017, the annual unemployment rate for recent immigrants in BC fell three full percentage points to 7.7%; still 2.6 percentage points higher than the provincial average. Further, the employment rate for recent immigrants jumped almost eight percentage points reaching 65.0% in 2017— three percentage points higher than the provincial average (62.0%).[79]

Youth

BC youth (aged 15 to 24) represented 14.9% of the province's labour force in 2017. While youth employment has continued to rise in the last five years, 47.8% of youth employment in 2017 was part-time compared to only 21.6% of total employment in BC. The youth employment rate also increased substantially between 2012 (52.9%) and 2017 (60.8%).

Conversely, youth unemployment has trended down in the last five years. Although the youth unemployment rate in 2017 (8.6%) was almost twice the rate for those aged 25 years and older (4.5%), the annual youth unemployment rate has been trending down since 2011. For instance, the unemployment rate for young women went from 12.2% in 2011 to 6.8% in 2017. Similarly, the rate for young men decreased from 16.7% in 2011 to 10.4% in 2017. Although the unemployment rate for young men continued to be the highest of any demographic group in BC, it was lower than for young men in any other province for the second consecutive year.

Older Workers

In 2017, British Columbians between the age of 55 and 64 represented 16.7% of the provincial population. As the province's population ages, the proportion of employed older workers has mirrored BC's population growth.

Over the last ten years, there has been a steady increase in the proportion of older workers within the labour force in BC. In 2007, 13.7% of the labour force was between the age of 55 and 64 while this demographic group represented 17.0% of BC's labour force in 2017. There has also been an increase in labour force participation for this age group in BC going from 60.6% participation in 2007 to 66.4% participation in 2017.[80]

Seniors

More British Columbians are prolonging participation in the labour force into their golden years. In fact, over 20% of seniors in BC worked in some capacity in 2015 compared to about 14% in 2005. A greater proportion of male seniors (26.1%) participated in work activities in 2015 than their female counterparts (15.9%). Despite these numbers, there has been an upward shift in work activity for senior females in BC increasing a substantial 6.3 percentage points between 2005 and 2015.

According to 2016 Census, BC is the only region in W-T that had a greater proportion of seniors (18.3%) than children under 15 (14.9%). The senior population is highly concentrated on the West Coast. In fact, almost half of all seniors in the W-T reside in BC. Furthermore, 53.5% of all seniors living in BC are located in the Lower Mainland-Southwest economic region. According to the 2016 Census, there are 454,020 people aged 65 and older in this region — approximately 26% of all seniors in the W-T.

People with Disabilities

The most recent Canadian Survey on Disabilities released in 2012 indicates approximately 14.3% of people in the BC labour force between the age of 15 and 64 reported some type of disability which limits their daily activity. According to this report, labour force participation for the disabled population in BC in 2012 was 54.8% compared to 76.4% for all British Columbians aged 15 to 64. Furthermore, less than half of the disabled people in BC's labour force were employed.[81]

In 2017, approximately 100,000 people in BC were designated Persons with a Disability and received disability assistance from the Province — twice as many as in 2001. The number of disability assistance recipients in BC is increasing at an approximate annual rate of 4.0%. The Province estimates this increase is due to an aging population and a growing awareness of mental illness.[82]

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/edsc-esdc/eng/contact_us.aspx?section=lmi

[1] The Conference Board of Canada (April 6, 2018). Provincial Outlook Economic Forecast: Winter 2018. http://www.conferenceboard.ca/e-library/abstract.aspx?did=9534

[2] Statistics Canada (April 24, 2018). Annual review of the labour market, 2017 http://www.statcan.gc.ca/pub/75-004-m/75-004-m2018001-eng.htm

[3] Business Council of British Columbia (November 15, 2017). BC economy still strong but downshifts in 2018. http://www.bcbc.com/publications/2017/bc-economy-still-strong...but-downshifts-in-2018

[4] BC Budget. Accessed April 24, 2018. http://bcbudget.gov.bc.ca/2018/highlights/2018_Highlights.pdf

[5] BC Gov News (March 22, 2018). New framework for natural gas development puts focus on economic and climate targets. https://news.gov.bc.ca/releases/2018PREM0012-000480

[6] Site C Clean Energy Project. Accessed April 24, 2018 https://www.sitecproject.com/job-opportunities

[7] International Monetary Fund. April 2018. World Economic Outlook (WEO) http://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWORLD

[8] Ibid.

[9] Bank of Canada. January 17, 2018. Monetary Policy Report – January 2018.

[10] The Conference Board of Canada. Canadian Outlook Executive Summary: Spring 2018.

[11] Bank of Canada. April 9, 2018. Business Outlook Survey – Spring 2018.

[12] Conference Board of Canada (2018) Canadian Outlook Long-Term Economic Forecast https://www.conferenceboard.ca/e-library/abstract.aspx?did=9347

[13] Statistics Canada (December 14, 2017). Distribution of household economic accounts for income, consumption, savings and wealth of Canadian households, 2016. http://www.statcan.gc.ca/daily-quotidien/171214/dq171214b-eng.htm

[14] BC Budget. Accessed April 24, 2018. http://bcbudget.gov.bc.ca/2018/highlights/2018_Highlights.pdf

[15] BC Budget. Accessed April 24, 2018. http://bcbudget.gov.bc.ca/2018/newsrelease/2018_News_Release.pdf

[16] Statistics Canada. CANSIM Table 326-0021. Consumer Price Index (CPI). http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3260021&pattern=&csid=

[17] Statistics Canada. CANSIM Table 378-0155. Distributions of household economic accounts, wealth indicators, Canada, regions and provinces annual (percent). http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=3780155

[18] Business Council of British Columbia (November 15, 2017). BC economy still strong but downshifts in 2018. http://www.bcbc.com/publications/2017/bc-economy-still-strong...but-downshifts-in-2018

[19] Energy & Metals Consensus Forecasts (December 11, 2017). (subscription)

[20] Industry Canada. Trade Data Online Accessed: April 17, 2018. http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/Home

[21] Note: Wood products are defined as outputs of: Forestry and Logging (NAIC 113), Wood Product Manufacturing (NAIC 321), and Paper Manufacturing (NAIC 322).

[22] United States Department of Commerce (November 2, 2017). U.S. Department of Commerce Finds Dumping and Subsidization of Imports of Softwood Lumber from Canada. https://www.commerce.gov/news/press-releases/2017/11/us-department-commerce-finds-dumping-and-subsidization-imports-softwood

[23] United States Department of Commerce (March 13, 2018). U.S. Department of Commerce issues affirmative Preliminary antidumping duty determination on uncoated groundwood paper from Canada. https://www.commerce.gov/news/press-releases/2018/03/us-department-commerce-issues-affirmative-preliminary-antidumping-duty

[24] United States Department of Commerce (January 9, 2018). U.S. Department of Commerce issues affirmative preliminary countervailing duty determination on uncoated groundwood paper from Canada. https://www.commerce.gov/news/press-releases/2018/01/us-department-commerce-issues-affirmative-preliminary-countervailing

[25] Moody's Investors Services (January 18, 2018). Province of British Columbia (Canada) Update to credit analysis.

[26] Industry Canada. Trade Data Online. Accessed April 17, 2018. http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/Home

[27]Trade and Invest British Columbia. Accessed April 17, 2018. https://www.britishcolumbia.ca/global/about-trade-and-invest-british-columbia/

[28] Context (February 13, 2018). China is calling for natural gas : can Canada answer? https://context.capp.ca/articles/2018/feature_natural-gas-and-china

[29] British Columbia. Natural gas & oil statistics. Accessed April 17, 2018. https://www2.gov.bc.ca/gov/content/industry/natural-gas-oil/statistics

[30] Industry Canada. Trade Data Online. Accessed April 17, 2018. https://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home

[31] Statistics Canada. CANSIM Table 051-0004 Components of population growth, Canada, provinces and territories. Accessed April 20, 2018. http://www5.statcan.gc.ca/cansim/a47

[32] Statistics Canada (May 3, 2017). A portrait of the population aged 85 and older in 2016 in Canada. http://www12.statcan.gc.ca/census-recensement/2016/as-sa/98-200-x/2016004/98-200-x2016004-eng.cfm

[33] Statistics Canada. CANSIM Table 051-0004 Components of population growth, Canada, provinces and territories. Accessed April 20, 2018. http://www5.statcan.gc.ca/cansim/a47

[34] Statistics Canada, CANSIM Table 282-0012 Labour Force Survey estimates (LFS), employment by class of worker, North American Industry Classification System (NAICS) and sex. Accessed February 13, 2018. http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820012&tabMode=dataTable&p1=1&p2=-1&srchLan=-1&pattern=Labour+Force+Survey+estimates+%28LFS%29%2C+employment+by+class+of+worker%2C+North+American+Industry+Classification+System+%28NAICS%29+and+sex.

[35] Statistics Canada (April 24, 2018). Annual review of the labour market, 2017. http://www.statcan.gc.ca/pub/75-004-m/75-004-m2018001-eng.htm

[36] Ibid.

[37] BC Gov News (February 8, 2018). Help is on the way for B.C.'s lowest paid workers. https://news.gov.bc.ca/releases/2018PREM0017-000178

[38] BC Gov News (April 19, 2018). Raises coming for liquor servers and other alternate minimum wage earners. https://news.gov.bc.ca/releases/2018LBR0011-000674

[39] BuildForce Canada (January 2018). British Columbia – construction and maintenance looking forward. https://www.constructionforecasts.ca/sites/forecast/files/highlights/2018/2018_BC_Constr_Maint_Looking_Forward.pdf

[40] Canada Mortgage and Housing Corporation. Housing Market Indicators, Canada, Provinces, and Metropolitan Areas, 1990-2016. Accessed March 13, 2018.

[41] The Globe and Mail (September 19, 2017). BC's forest industry assesses impact of wildfires. https://beta.theglobeandmail.com/news/british-columbia/bcs-forest-industry-assesses-impact-of-wildfires/article36319384/?ref=http://www.theglobeandmail.com&

[42] Bank of Canada. Accessed March 8, 2018. Exchange rates. https://www.bankofcanada.ca/

[43] Nasdaq. Latest Price & Chart for Lumber. Accessed March 13, 2018. https://www.nasdaq.com/markets/lumber.aspx

[44] The Conference Board of Canada (February 28, 2018). Provincial Outlook Executive Summary: Winter 2018. http://www.conferenceboard.ca/e-Library/abstract.aspx?did=9467

[45] BC Gov News (March 22, 2018). New framework for natural gas development puts focus on economic and climate targets. https://news.gov.bc.ca/releases/2018PREM0012-000480

[46] BC Gov News (January 30, 2018). Additional measures being developed to protect B.C.'s environment from spills. https://news.gov.bc.ca/releases/2018ENV0003-000115

[47] BC Gov News (April 8, 2018). Premier's statement on Kinder Morgan's decision on the Trans Mountain expansion project. https://news.gov.bc.ca/releases/2018PREM0050-000594

[48] The Province (January 30, 2018). B.C. proposes new rules to restrict oilsands exports in fresh setback for Trans Mountain pipeline. http://theprovince.com/commodities/energy/b-c-proposes-new-rules-to-restrict-oilsands-exports-in-fresh-setback-for-trans-mountain-pipeline/wcm/0079d114-7e09-4143-a4ec-4ec3cbb2a0a8

[49] TransMountain. Project Overview. Accessed April 16, 2018. https://www.transmountain.com/project-overview

[50] TransMountain. Benefits. Accessed April 16, 2018. https://www.transmountain.com/benefits

[51] The Conference Board of Canada (April 6, 2018). Provincial Outlook Economic Forecast: Winter 2018. http://www.conferenceboard.ca/e-library/abstract.aspx?did=9534

[52] The Supreme Court of Canada (November 10, 2016). British Columbia Teacher's Federation v. British Columbia. https://scc-csc.lexum.com/scc-csc/scc-csc/en/item/16241/index.do?r=AAAAAQARTm92ZW1iZXIgMTAsIDIwMTYB

[53] BC Gov News (June 21, 2017). Agreement funding allocations confirmed for school districts. https://news.gov.bc.ca/releases/2017EDUC0093-001249#

[54] Times Colonist (January 5, 2017) B.C. public schools to hire 1,100 teachers, counsellors, librarians. http://www.timescolonist.com/news/local/b-c-public-schools-to-hire-1-100-teachers-counsellors-librarians-1.6390471

[55] Vancouver Sun (November 25, 2017). Vancouver struggles to find substitutes when teachers absent. http://vancouversun.com/news/local-news/vancouver-struggles-to-find-substitutes-when-teachers-absent

[56] BC Gov News (February 9, 2018). Students to benefit from funding to support teacher hiring. https://news.gov.bc.ca/releases/2018EDUC0008-000184

[57] Budget 2018 (February 20, 2018). News Release: Budget 2018 puts people first, makes life more affordable for British Columbians. http://bcbudget.gov.bc.ca/2018/newsrelease/2018_News_Release.pdf

[58] BC Gov News (April 3, 2017). New funding to help create team-based primary care services throughout B.C. https://news.gov.bc.ca/releases/2017HLTH0074-001006

[59] British Columbia. Ministry of Mental Health & Addictions. Accessed April 11, 2018. https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/mental-health-addictions

[60] British Columbia. Ministry of Mental Health & Addictions. Accessed April 11, 2018. https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/mental-health-addictions

[61] Statistics Canada. CANSIM Table 282-0125 Labour Force Survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System (NAICS) . http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820125&pattern=&csid=

[62] The Conference Board of Canada (October 17, 2017). Metropolitan Outlook 1: Economic Insights into 13 Canadian Metropolitan Economies — Autumn 2017. http://www.conferenceboard.ca/e-library/abstract.aspx?did=9160

[63] Tourism Vancouver. Vancouver's Tourism Industry Fast Facts. Accessed April 5, 2018. https://www.tourismvancouver.com/media/corporate-communications/vancouvers-tourism-industry-fast-facts/

[64] Ibid.

[65] Statistics Canada (November 1, 2017). Linking labour demand and labour supply: Job vacancies and the unemployed. http://www.statcan.gc.ca/pub/75-006-x/2017001/article/54878-eng.htm

[66] Statistics Canada, CANSIM Table 282-0125; Labour Force Survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System (NAICS) annual. Accessed April 4, 2018. http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820125&pattern=&csid=

[67] The Vancouver Sun (January 4, 2018). B.C.'s LNG region experiences assessment deflation with projects on pause. http://vancouversun.com/news/local-news/b-c-s-lng-region-experiences-assessment-deflation-with-projects-on-pause

[68]LNG Canada. Accessed April 4, 2018. https://www.lngcanada.ca/

[69] LNG in Northern BC (March 15, 2018). LNG Canada aims for construction start this year. http://lnginnorthernbc.ca/index.php/newsroom/lng-canada-aims-for-construction-start-this-year

[70] BC Gov News (December 2017). Government will complete Site C construction, will not burden taxpayers or BC Hydro customers with previous government's debt. https://news.gov.bc.ca/releases/2017PREM0135-002039

[71] Energetic city.ca (January 10, 2018). Encana says core asset production grew more than expected in 2017. https://www.energeticcity.ca/2018/01/encana-says-core-asset-production-grew-expected-2017/

[72] Government of Canada (December 13, 2017). Government of Canada approves the Murray River Mining Project. https://www.canada.ca/en/environmental-assessment-agency/news/2017/12/government_of_canadaapprovesthemurrayrivermininigproject.html

[73] Statistics Canada. Focus on geography series, 2016 Census (Aboriginal peoples). Accessed April 24, 2018. http://www12.statcan.gc.ca/census-recensement/2016/as-sa/fogs-spg/Facts-PR-Eng.cfm?TOPIC=9&LANG=Eng&GK=PR&GC=59

[74] Statistics Canada. Focus on geography series, 2016 Census (population and dwelling counts). Accessed April 24, 2018. http://www12.statcan.gc.ca/census-recensement/2016/as-sa/fogs-spg/Facts-pr-eng.cfm?Lang=Eng&GK=PR&GC=59&TOPIC=1

[75] BC Budget. Accessed April 24, 2018. http://bcbudget.gov.bc.ca/2018/highlights/2018_Highlights.pdf

[76] Statistics Canada Labour Force Survey - ESDC custom table.

[77] Statistics Canada. CANSIM Table 282-0102 Labour Force Survey estimates (LFS), by immigrant status, age group, Canada, regions, provinces and Montreal, Toronto, Vancouver census metropolitan areas. Accessed April 13, 2018. http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820102

[78] Statistics Canada. Immigrant population by place of birth, period of immigration, % distribution 2016, both sexes, age (total), British Columbia, 2016 Census – 25% Sample data. Note: In the table, China excludes Hong Kong and Macao and the United Kingdom includes Scotland, Wales, England and Northern Ireland. Accessed April 13, 2018. http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/hlt-fst/imm/Table.cfm?Lang=E&T=21&Geo=59&SP=1&view=2&age=1&sex=1

[79] Statistics Canada. CANSIM Table 282-0102 Labour Force Survey estimates (LFS), by immigrant status, age group, Canada, regions, provinces and Montreal, Toronto, Vancouver census metropolitan areas annual. Accessed April 13, 2018. http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820102

[80] Statistics Canada. CANSIM 282-0002 Labour Force Survey estimates (LFS), by sex and detailed age group annual (persons x 1,000). Accessed April 13, 2018. http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820002

[81] Statistics Canada. CANSIM Table 115-0006, Labour force status for adults with disabilities, by disability type and global severity, sex and age group, Canada, provinces and territories. Accessed April 10, 2018. http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=1150006&pattern=&csid=

[82] BC Gov News (April 6, 2017). FACTSHEET: Supports for people with disabilities. https://news.gov.bc.ca/factsheets/factsheet-supports-for-people-with-disabilities