



Labour Market Bulletin

British Columbia

January 2020



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of British Columbia (B.C.), including the regions of Northern B.C., Vancouver Island and Coast, Lower Mainland, Thompson–Okanagan and the Kootenays.

OVERVIEW

Employment in British Columbia (B.C.) saw a slight increase (+3,400 or +0.1%) during the month of January, as a small decline in full-time work (-6,100 or -0.3%) was offset by an increase in part-time work (+9,500 or +1.7%).¹ Furthermore, employment increased in the public sector (+6,800 or 1.5%), and in the private sector (+4,800 or +0.3%), while self-employment decreased by around 8,200 to 455,900.² The province's unemployment rate at 4.5% remains the lowest in Canada.³

The top issue in B.C. remains the struggling forestry sector as some mills remain either permanently or indefinitely closed. As of last year, several challenges remain—low prices, declining foreign demand, U.S. softwood lumber tariffs, and a decline in timber supply due to pests and forest fires. Despite attempts by the provincial government to assist affected communities within the Interior, the sector will likely remain weak as the above-mentioned issues persist. However, the industry may see some relief as the U.S. Department of Commerce announced that anti-dumping and countervailing duties could be reduced, with a final determination expected later this summer.⁴

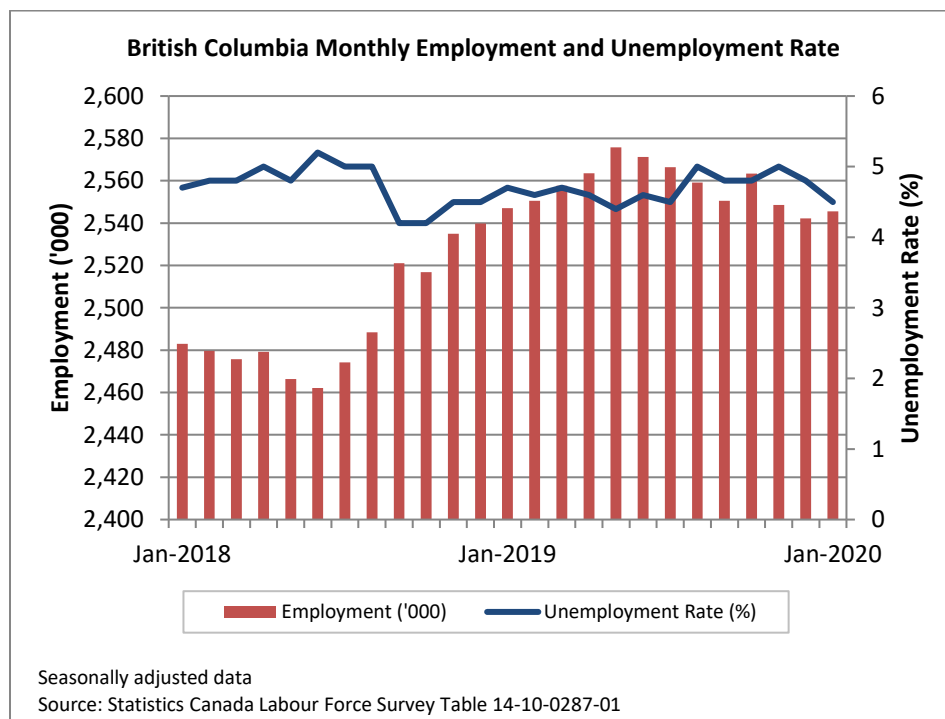
This January saw the emergence of the novel coronavirus pandemic on the global stage. The outbreak could affect B.C.'s economy in the coming months, though at the time of writing this report, there are only four confirmed cases in the province.⁵ Looking forward, fear of the virus may harm the provincial tourism sector, as there are reports of declining foreign travel.⁶ In addition, it is likely that the viral outbreak will disrupt global supply chains as factories in China are closed temporarily, and global commodity prices could decline due in part to a slowing economy in China.⁷

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	January 2020	December 2019	January 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,140.3	4,134.7	4,063.7	5.6	0.1	76.6	1.9
Labour Force ('000)	2,664.5	2,670.2	2,672.5	-5.7	-0.2	-8.0	-0.3
Employment ('000)	2,545.6	2,542.2	2,547.1	3.4	0.1	-1.5	-0.1
Full-Time ('000)	1,991.1	1,997.2	1,972.3	-6.1	-0.3	18.8	1.0
Part-Time ('000)	554.5	545.0	574.8	9.5	1.7	-20.3	-3.5
Unemployment ('000)	118.8	128.0	125.3	-9.2	-7.2	-6.5	-5.2
Unemployment Rate (%)	4.5	4.8	4.7	-0.3	-	-0.2	-
Participation Rate (%)	64.4	64.6	65.8	-0.2	-	-1.4	-
Employment Rate (%)	61.5	61.5	62.7	0.0	-	-1.2	-

Note: Totals may not add due to rounding

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



On a monthly basis, the unemployment rate for British Columbia youth (age 15-24 years) remained relatively flat in January, at 8.6%. In comparison, the unemployment rate of those aged 25 years and older decreased to 3.8%. Year over year, B.C.'s youth unemployment rate fell 0.7 percentage points, whereas the unemployment rate for the 25+ age group edged down by 0.1 percentage points.

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	January 2020 (%)	December 2019 (%)	January 2019 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	4.5	4.8	4.7	-0.3	-0.2
25 years and over	3.8	4.2	3.9	-0.4	-0.1
Men - 25 years and over	3.6	4.1	3.8	-0.5	-0.2
Women - 25 years and over	4.1	4.2	4.0	-0.1	0.1
15 to 24 years	8.6	8.7	9.3	-0.1	-0.7
Men - 15 to 24 years	8.4	9.1	11.4	-0.7	-3.0
Women - 15 to 24 years	8.8	8.4	7.2	0.4	1.6

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 B.C.'s **goods-producing sector** increased by 2,200 or +0.5% between the months of December 2019 and January 2020, increasing to 481,000. Year-over-year the sector is down by 8,300 or -1.7% positions. In the past year, employment losses were predominantly in the **forestry, fishing, mining, quarrying, oil and gas** (-6,700 or -14.3%), **manufacturing** (-4,100 or -2.4%), while **utilities** declined slightly (-400 or -3.2%). Year-over-year, employment increased in **construction** (+2,300 or +1.0%) and in the **agriculture** (+500 or +1.9%) industries.

The sawmill production curtailments and closures of 2019 continue to affect thousands of British Columbians in the **forestry** sector. The sector is still grappling with weaker export demand, lower lumber prices, ongoing U.S. softwood lumber tariffs, and timber supply constraints. As a result, there will be added pressure on rural communities that rely on this industry and lack the economic diversification able to provide alternative employment opportunities. The Government of B.C. continues to provide supports and resources to help affected workers within the interior.⁸

After a year of moderate growth, the province's **construction** industry is likely to grow more so this year. Across Northern B.C., work is expected to ramp up on the Coastal GasLink pipeline, BC Hydro's Site C hydroelectric project, and LNG Canada facility. Further south, the province of B.C. awarded a \$967.5M contract for the Pattullo Bridge replacement project. The total project is nearly \$1.4B, with work expected to begin in a few months.⁹ In addition, the Federal Court of Appeal dismissed a challenge to the Trans Mountain pipeline,¹⁰ but First Nation plaintiffs may seek an appeal with the Supreme Court of Canada. The \$10 billion project is expected to triple pipeline capacity from Alberta's oil sands to Burnaby, B.C..¹¹ Though work continues on a few small sections of the project, it is unclear when the majority of the work will ramp up across the province.

Year-over-year, employment in B.C.'s **services sector** increased to 2,064,600 (+6,800 or +0.3%). Strong employment growth was seen in trade (+18,300 or +4.9%), finance insurance real estate, and leasing (+14,500

or +9.7%), and educational services (+8,200 or +4.8%). Meanwhile employment declined sharply in information, culture and recreation (-14,100 or -10.5%) and business, building and other support services (-10,900 or -9.3%).¹² The information and technology sector is expected to see strong growth, as on-line retail app developer Shopify announced plans to hire 1,000 employees and open its first permanent office in Vancouver near the end of 2020.¹³

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	January 2020	December 2019	January 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,545.6	2,542.2	2,547.1	3.4	0.1	-1.5	-0.1
Goods-producing sector	481.0	478.8	489.3	2.2	0.5	-8.3	-1.7
Agriculture	26.8	26.5	26.3	0.3	1.1	0.5	1.9
Forestry, fishing, mining, quarrying, oil and gas	40.1	41.0	46.8	-0.9	-2.2	-6.7	-14.3
Utilities	12.2	11.8	12.6	0.4	3.4	-0.4	-3.2
Construction	237.9	240.3	235.6	-2.4	-1.0	2.3	1.0
Manufacturing	164.0	159.2	168.1	4.8	3.0	-4.1	-2.4
Services-producing sector	2,064.6	2,063.4	2,057.8	1.2	0.1	6.8	0.3
Trade	394.9	389.7	376.6	5.2	1.3	18.3	4.9
Transportation and warehousing	140.6	137.8	146.0	2.8	2.0	-5.4	-3.7
Finance, insurance, real estate and leasing	164.7	163.0	150.2	1.7	1.0	14.5	9.7
Professional, scientific and technical services	219.7	221.4	223.0	-1.7	-0.8	-3.3	-1.5
Business, building and other support services	106.3	107.6	117.2	-1.3	-1.2	-10.9	-9.3
Educational services	180.6	182.4	172.4	-1.8	-1.0	8.2	4.8
Health care and social assistance	309.7	310.4	315.3	-0.7	-0.2	-5.6	-1.8
Information, culture and recreation	120.5	120.9	134.6	-0.4	-0.3	-14.1	-10.5
Accommodation and food services	195.3	197.3	196.3	-2.0	-1.0	-1.0	-0.5
Other services	117.1	114.0	117.5	3.1	2.7	-0.4	-0.3
Public administration	115.3	118.9	108.6	-3.6	-3.0	6.7	6.2

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Employment growth has varied across B.C. over the last year, ranging from a modest increase in the Lower Mainland-Southwest (+17,200 or +1.0%) to job losses on Vancouver Island and Coast (-9,400 or -2.4%). Over the same period, the unemployment rates grew in four regions, including the Cariboo region, which spiked to 7.5%.

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	January 2020 ('000)	January 2019 ('000)	Yearly Variation (%)	January 2020 (%)	January 2019 (%)	Yearly Variation (% points)
British Columbia	2,527.7	2,522.3	0.2	4.7	4.6	0.1
Economic Regions						
Vancouver Island and Coast	375.3	384.7	-2.4	5.1	3.8	1.3
Lower Mainland - Southwest	1,661.4	1,644.2	1.0	4.4	4.7	-0.3
Thompson - Okanagan	264.2	260.5	1.4	5.5	5.0	0.5
Kootenay	70.3	75.9	-7.4	4.4	3.1	1.3
Cariboo	76.6	75.1	2.0	7.5	5.9	1.6
North Coast and Nechako	41.0	41.9	-2.1	3.5	4.1	-0.6
Northeast	39.0	39.9	-2.3	4.2	5.5	-1.3

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 282-0122

Compared to the same time last year, employment decreased to 375,300 (-9,400 or -2.4%) in **Vancouver Island and Coast**, while the unemployment rate increased from 3.8% to 5.1%.¹⁴ As of mid-February, a tentative agreement was reached between unionized workers and Western Forest Products, affecting around 3,000 workers on Vancouver Island.¹⁵ The strike had just entered into its eighth month, with the province providing \$5-million in loans to forest contractors.¹⁶

Within the past 12 months, employment in **Lower Mainland - Southwest** increased to 1,661,400 (+17,200 or +1.0%)¹⁷, and is expected to continue to expand due to its diversified economy and strong population growth. The outlook for the region's construction sector is looking good as several large projects are anticipated to move forward, including the new Capstan Canada Line station¹⁸, and a five-tower mixed-use development in Surrey.¹⁹ Work has begun on the \$35-million replacement of the Richard McBride Elementary School in New Westminster.²⁰

In addition, Mastercard is investing \$510 million to establish a new global Intelligence and Cyber Centre in Vancouver. The project will support 380 jobs and create 100 new student co-op positions once complete.²¹

In the past year, employment in **Thompson-Okanagan** increased to 264,200 (+3,700), as the unemployment rate increased slightly from 5% to 5.5%.²² In January, Tolko permanently shut down its sawmill in Kelowna due to ongoing challenges, including weak market conditions and log costs.²³ Announced last November, the closure affected around 125 employees.²⁴ Despite the downturn for regional forest product manufacturers, the region's economy remains robust.

Year-over-year, employment in **Cariboo** increased to 76,600 (+1,500 or +2.0%) and the unemployment rate grew by 1.6 percentage points to 7.5%.²⁵ Despite a slight increase in overall employment, the outlook for communities reliant on forest product manufacturing remains poor. This spring, Enbridge will be conducting upgrades and

enhancements to the southern portion of its natural gas transmission system.²⁶ The project runs from Chetwynd all the way to the U.S. border and is expected to create up to 300 jobs.²⁷

Employment in **North Coast and Nechako** economic region declined slightly in the last year (-900 or -2.1%), while the unemployment rate improved from 4.1% to 3.5%.²⁸ The region is currently experiencing 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 labour market has tightened within the area creating a strain for some employers.²⁹

In the past year, workers camps have emerged across the region to house hundreds of people who are now working on the massive construction projects. As construction on the LNG Canada facility and Coastal GasLink pipeline will pickup, more will soon be built to house a growing workforce. For instance, Coastal GasLink received approval to build a new accommodation site to house up to 1,000 people in Vanderhoof. The accommodations will be developed and managed by Nak'asdlı-Summit, an Indigenous joint-venture company. The site is expected to be complete by June 2020.³⁰

Currently discussions between the B.C. government and the Wet'suwet'en hereditary chiefs have broken down, and the RCMP are enforcing a B.C. Supreme Court injunction order to remove protestors from the right of way for the Coastal GasLink pipeline southwest of Houston.³¹ Meanwhile, supporters have staged protests in urban centres across the country, including dozens of people having temporary blocked access to the Port of Vancouver.³² The pipeline has provincial approval, and twenty First Nations have signed agreements in support of the project. However, the Wet'suwet'en hereditary chiefs argue that their band councils are responsible only for the land on reserves, not over that of the Wet'suwet'en's unceded territory. It is unclear at this time when work will resume in the disputed area.

In the **Northeast**, employment decreased to 39,000 (-900 or -2.3%) over the year. Even with the job losses, the regional unemployment rate decreased by 1.3 percentage points, as the labour force also decreased.³³ Work will continue on BC Hydro's Cite C hydroelectric project throughout the year.³⁴ In addition, clearing on the right of way for the Coastal Gaslink pipeline project is ongoing, as construction is expected to begin in the coming months.³⁵

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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