



# Labour Market Bulletin

British Columbia

May 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

The impact of the novel coronavirus (COVID-19) outbreak continues to take a toll on the province's economy, though there are now signs that the labour market is starting to recover. In the past month, full-time employment began to rebound (+55,100) even as part-time employment continued to decline (-11,800).<sup>1</sup> Employment gains were predominantly in the private sector (+53,000), and in the public sector (+19,000). In comparison, self-employment decreased (-28,700) in May.<sup>2</sup>

Three months after declaring a provincial state of emergency,<sup>3</sup> the provincial government announced its phased reopening plans, with Phase 2 now in effect. Phase 3 is scheduled for later this summer pending a decline in the number of cases.<sup>4</sup> As British Columbians continue to practice social distancing, the staggering unemployment rate may not fully reflect all those forced from the workforce and into isolation—the participation rate is still down 5.4 percentage points on the year.

To limit the spread of COVID-19, the Government of Canada first implemented a 30-day restriction on all non-essential travel at the Canada-U.S. border on March 21.<sup>5</sup> The two countries have since agreed twice now to extend the closure of the borders, now until June 21.<sup>6</sup> The outbreak continues to affect the provincial economy, particularly the tourism sector,<sup>7,8</sup> as well as the retail, and transportation and warehousing industries.

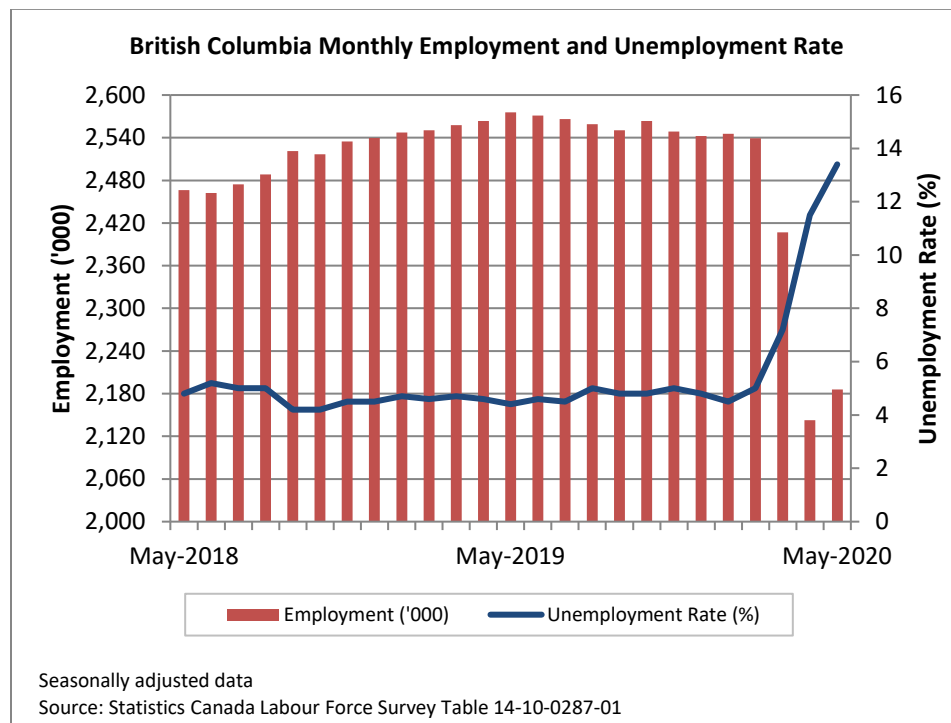
## British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2020	April 2020	May 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	4,162.3	4,158.3	4,084.0	4.0	0.1	78.3	1.9
<b>Labour Force ('000)</b>	2,524.0	2,421.0	2,694.3	103.0	4.3	-170.3	-6.3
<b>Employment ('000)</b>	2,185.9	2,142.6	2,575.8	43.3	2.0	-389.9	-15.1
Full-Time ('000)	1,797.8	1,742.7	2,017.0	55.1	3.2	-219.2	-10.9
Part-Time ('000)	388.1	399.9	558.9	-11.8	-3.0	-170.8	-30.6
<b>Unemployment ('000)</b>	338.1	278.4	118.5	59.7	21.4	219.6	185.3
<b>Unemployment Rate (%)</b>	13.4	11.5	4.4	1.9	-	9.0	-
<b>Participation Rate (%)</b>	60.6	58.2	66.0	2.4	-	-5.4	-
<b>Employment Rate (%)</b>	52.5	51.5	63.1	1.0	-	-10.6	-

Note: Totals may not add due to rounding

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

B.C.'s unemployment rate increased for the fourth month in a row, by 1.9 percentage points in May to 13.4%. The province had the third highest monthly unemployment rate (below Alberta) across provinces in western Canada.<sup>9</sup>



The COVID-19 pandemic largely affects the unemployment rate for B.C. youth (15 to 24 years). The youth unemployment rate increased by 4.7 percentage points in May to 28.9%. Meanwhile, the unemployment rate of those aged 25 years and older increased as well, albeit at a slower rate to 11.2%.

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

Seasonally Adjusted Data	May 2020 (%)	April 2020 (%)	May 2019 (%)	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	13.4	11.5	4.4	1.9	9.0
<b>25 years and over</b>	11.2	9.8	3.7	1.4	7.5
Men - 25 years and over	10.0	9.7	3.5	0.3	6.5
Women - 25 years and over	12.4	9.9	3.9	2.5	8.5
<b>15 to 24 years</b>	28.9	24.2	8.7	4.7	20.2
Men - 15 to 24 years	28.8	20.0	9.3	8.8	19.5
Women - 15 to 24 years	28.9	29.0	8.2	-0.1	20.7

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

Month-over-month, employment in B.C.'s **goods-producing sector** remained relatively unchanged at 436,100, as employment was steady in most industries.<sup>10</sup>

In order to maintain work at major projects, the provincial government identified the **construction** industry as a non-health essential service in April<sup>11</sup>; yet employment in the industry eased downward in May. This occurred even after the province provided guidance to construction sites operating during the pandemic.<sup>12</sup> Fear of COVID-19, and the challenges of the more stringent safety standards, clearly affected most projects.

Though residential construction was showing signs of easing prior to the pandemic, the value of building permits issued by municipalities dropped significantly in March as efforts to fight the outbreak ramped up.<sup>13</sup> That being said, the construction of major utility projects, such as BC Hydro's Site C hydroelectric dam, are expected to ramp up in the coming months.

In support of the **oil and gas** sector, the Government of Canada announced \$120 million for B.C. to support cleaning up oil and gas sites. Pending a final agreement between the Province and the Government of Canada, the Province intends to invest the funding in three new programs to restore more than 2,000 orphan and inactive wells, while supporting approximately 1,200 jobs.<sup>14</sup>

The employment outlook in the **forestry** sector remains poor as some mills extended their curtailments into May in part due to COVID-19<sup>15,16</sup>, with others now scheduled for later this summer.<sup>17,18</sup> In addition, Canfor Corporation announced it would be permanently closing its Isle Pierre sawmill, near Prince George in the third quarter of 2020.<sup>19</sup>

In the past month, employment in B.C.'s **services sector** increased slightly to 1,749,800 (+40,500). Employment gains were predominantly in **accommodation and food services** (+12,400), **educational services** (+11,900), and **trade** (+11,800).<sup>20</sup>

The BC **tourism** sector brought in over \$20B in revenue in 2018, and employed thousands of people across the province.<sup>21</sup> The global pandemic has since decimated the sector—air travel remains relatively non-existent and cruise ships of more than 100 passengers are not allowed in Canadian waters until October 31, 2020.<sup>22</sup> As a result, there is immense pressure on communities that rely on tourism activities. However, the situation should begin to improve as some hotels are now reopening with limited vacancy, along with new preventative guidelines and safety measures.

Meanwhile, some employees in the **food service** industry are finding more work, as restaurants are now able to offer dine-in service with limited seating capacity under Phase 2. However, this created additional challenges for restaurants, and some have since closed permanently due to the financial burdens created by the pandemic.

On a positive note, the outlook for the **telecommunication** sector is looking up as Rogers Communications has begun hiring for its customer solutions centre in Kelowna.<sup>23</sup> In addition, Telus Communications intends to build a regional headquarters and innovation centre in downtown Victoria, which will employ around 250 people once complete.<sup>24</sup>

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

Seasonally Adjusted Data ('000)	May 2020	April 2020	May 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,185.9	2,142.6	2,575.8	43.3	2.0	-389.9	-15.1
<b>Goods-producing sector</b>	436.1	433.2	504.4	2.9	0.7	-68.3	-13.5
Agriculture	26.7	24.6	28.7	2.1	8.5	-2.0	-7.0
Forestry, fishing, mining, quarrying, oil and gas	37.9	37.5	46.0	0.4	1.1	-8.1	-17.6
Utilities	18.4	17.9	13.7	0.5	2.8	4.7	34.3
Construction	198.4	199.8	240.7	-1.4	-0.7	-42.3	-17.6
Manufacturing	154.7	153.5	175.4	1.2	0.8	-20.7	-11.8
<b>Services-producing sector</b>	1,749.8	1,709.3	2,071.4	40.5	2.4	-321.6	-15.5
Trade	339.5	327.7	388.7	11.8	3.6	-49.2	-12.7
Transportation and warehousing	116.0	123.2	142.1	-7.2	-5.8	-26.1	-18.4
Finance, insurance, real estate and leasing	154.2	150.6	154.3	3.6	2.4	-0.1	-0.1
Professional, scientific and technical services	217.7	217.4	222.7	0.3	0.1	-5.0	-2.2
Business, building and other support services	82.4	84.4	116.6	-2.0	-2.4	-34.2	-29.3
Educational services	172.4	160.5	176.1	11.9	7.4	-3.7	-2.1
Health care and social assistance	294.0	286.6	311.1	7.4	2.6	-17.1	-5.5
Information, culture and recreation	87.9	84.0	137.1	3.9	4.6	-49.2	-35.9
Accommodation and food services	95.4	83.0	186.2	12.4	14.9	-90.8	-48.8
Other services	81.1	84.4	121.1	-3.3	-3.9	-40.0	-33.0
Public administration	109.2	107.5	115.3	1.7	1.6	-6.1	-5.3

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

The impact of the Covid-19 pandemic was widespread, as all the regions experienced significant job losses since last year. Despite a portion of the workforce able to either work from home, or on the job under tougher health and safety measures, the regions remain under immense pressure as key industries suffer from closures and layoffs.

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2020 ('000)	May 2019 ('000)	Yearly Variation (%)	May 2020 (%)	May 2019 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,233.9	2,560.4	-12.8	10.7	4.5	6.2
<b>Economic Regions</b>						
Vancouver Island and Coast	347.1	390.1	-11.0	11.0	4.0	7.0
Lower Mainland - Southwest	1,429.6	1,664.4	-14.1	10.6	4.3	6.3
Thompson - Okanagan	249.9	269.1	-7.1	9.5	5.4	4.1
Kootenay	64.7	72.9	-11.2	14.8	6.3	8.5
Cariboo	71.1	82.5	-13.8	10.6	5.5	5.1
North Coast and Nechako	37.1	43.6	-14.9	12.1	3.7	8.4
Northeast	34.3	37.7	-9.0	11.1	8.3	2.8

Note: Totals may not add due to rounding

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

Year-over-year, employment in **Vancouver Island and Coast** decreased to 347,100 (-11,000).<sup>25</sup> The outlook for the region's tourism sector remains grim. As of June 8, the Greater Victoria Harbour Authority is not scheduled to welcome any cruise ships this year.<sup>26</sup> In addition, traffic on all BC Ferries routes are down due to the pandemic. After cutting services on most of its routes for the months of April and May<sup>27</sup>, the company is now restoring some services and routes.<sup>28</sup>

Compared to May 2019, employment in **Lower Mainland – Southwest** has decreased to 1,429,600 (-14,100).<sup>29</sup> The region has experienced significant job losses that will likely take months to recover. The region's food services sector remains poor in the short-term, as restaurants are required to implement social distancing measures for dine-in.<sup>30</sup> In addition, many major retailers are slowly reopening with limited hours; however, some were hit hard and have since closed their stores permanently.

The COVID-19 outbreak has applied financial pressure on municipalities across the region. For instance, the City of Richmond temporarily laid off approximately 900 employees. Most of the layoffs are due to facility closures and the loss of recreational programs.<sup>31</sup>

Compared to the same time last year, employment in **Thompson-Okanagan** is down 7,100 to 249,900 and the unemployment rate increased to 9.5%.<sup>32</sup> On a positive note, construction on the Trans Mountain pipeline is expected to ramp up in the coming months, as a work crew is now preparing the area to install the new

pipeline.<sup>33,34</sup> Once complete, the pipeline will transport around 890,000 barrels of oil a day from Edmonton to Trans Mountain's port in Burnaby.

In the **Northeast**, employment decreased to 34,300 (-9,000) over the year.<sup>35</sup> Construction activities on BC Hydro's Site C hydroelectric project will increase in a phased approach over the coming months, after work was scaled back at the height of the pandemic.<sup>36</sup> In addition, more of Coastal GasLink's pipeline route was cleared, and additional pipe was stockpiled in April. Looking forward, the company will resume development of its Chetwynd accommodation in June, and prepare for installation of the mainline pipe.<sup>37</sup>

**Note:** In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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**For information on the Labour Force Survey**, please visit the Statistics Canada Web site at: [www.statcan.gc.ca](http://www.statcan.gc.ca)

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