



Labour Market Bulletin

British Columbia

January 2022



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

January was a challenging month for employers across the province, as many workers took short-term leave due to infections from COVID-19 Omicron variant, and some businesses experienced supply chain disruptions as a result of worker shortages. However, the province's labour market again proved resilient as employment increased slightly by 0.2% (+4,200 positions) in January. The gains were exclusively in part-time employment (+4.1% or +23,600), increasing enough to offset losses in full time employment (-0.9% or -19,500). The province's unemployment rate was down 0.3 percentage points from December to 5.1%, still well below the national average of 6.5%.¹

Year over year, employment increased by 4.0% (+104,600) across the province, and remained well above (2.4%) the pre-pandemic levels of February 2020. Looking forward, business owners may have grounds for optimism as the provincial government has begun to relax select public health restrictions. Effective January 10, the Government of B.C. permitted the operation of gyms, fitness centres and dance studios in accordance with COVID-19 specific safety guidelines.² Additionally, the province will permit sports tournaments for youth to resume beginning February 1st. At the time of writing, the provincial government had not announced an end to vaccine requirements and mandates, and instead extended the B.C. vaccine card until June 30, 2022.³

The province continued to address shipping and transportation backlogs caused by B.C.'s recent extreme weather events. Extensive highway restoration work remained ongoing as the province looked to recover from November's extreme flooding, which devastated communities and obstructed multiple major highways in the Lower Mainland and Interior regions. After months of significant repair work, the Government of B.C.'s provincial state of emergency expired on January 18th, and signaled the reopening of several affected highways.⁴ However,

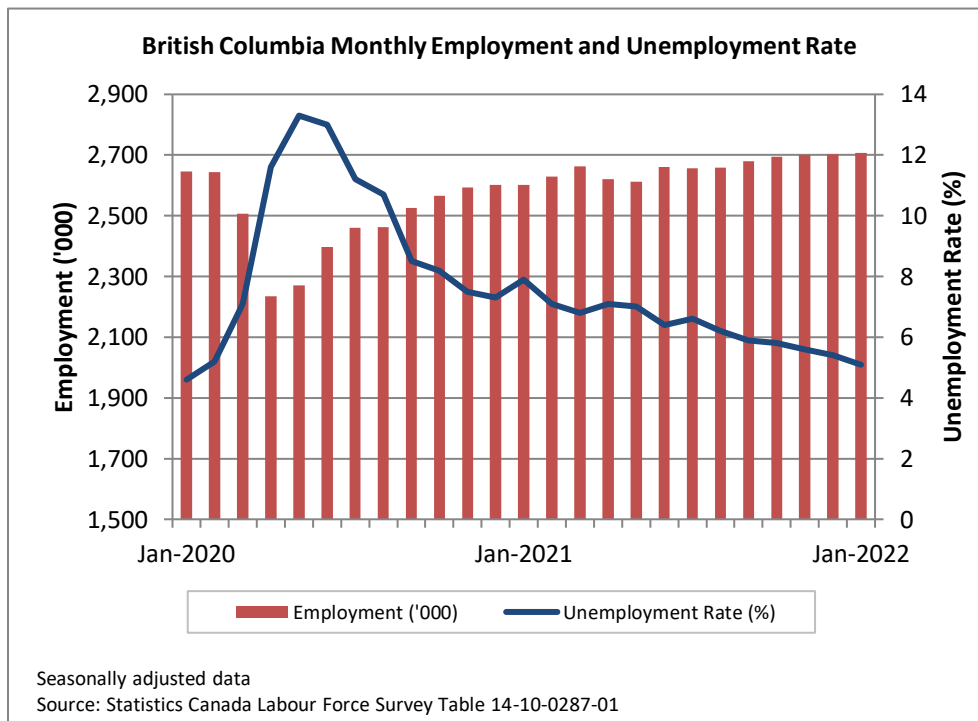
the impact of supply chains disruptions and repair costs caused by the extreme weather event are extensive. The cost of temporary repairs to the region’s highways alone are anticipated at between \$170M and \$220M.⁵

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	January 2022	December 2021	January 2021	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,396.4	4,391.3	4,320.6	5.1	0.1	75.8	1.8
Labour Force ('000)	2,850.6	2,857.0	2,824.9	-6.4	-0.2	25.7	0.9
Employment ('000)	2,706.3	2,702.1	2,601.7	4.2	0.2	104.6	4.0
Full-Time ('000)	2,113.3	2,132.8	2,044.2	-19.5	-0.9	69.1	3.4
Part-Time ('000)	592.9	569.3	557.5	23.6	4.1	35.4	6.3
Unemployment ('000)	144.3	154.9	223.2	-10.6	-6.8	-78.9	-35.3
Unemployment Rate (%)	5.1	5.4	7.9	-0.3	-	-2.8	-
Participation Rate (%)	64.8	65.1	65.4	-0.3	-	-0.6	-
Employment Rate (%)	61.6	61.5	60.2	0.1	-	1.4	-

Note: Totals may not add due to rounding

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



Seasonally adjusted data
Source: Statistics Canada Labour Force Survey Table 14-10-0287-01

The province’s unemployment rate in January declined to its lowest point since the onset of the COVID-19 pandemic, and was tied with Manitoba for the lowest out of the western provinces, ahead of Saskatchewan and Alberta. Unfortunately, the youth (15-24 years) unemployment rate remained roughly unchanged from 11.7% in January, but was still well below the same time last year (16.8%). Over the month, 6,200 youth entered the labour force, while half of that number became unemployed (3,100).⁶

However, employment for youth remained above pre-pandemic levels, up 3.5% (+12,000) from February 2020. Similarly, employment for the 25 and over demographic was also above pre-pandemic levels, up 2.2% (+50,800) since February 2020.⁷

Older workers (55 years and older) saw an improvement to their unemployment rate over the month, declining 1.0 percentage point, to reach 5% in January. This decline marked the group's lowest unemployment rate since the onset of the pandemic. Approximately 5,100 older workers left the labour force over the month, while unemployment declined sharply (-6,500).⁸

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	January 2022 (%)	December 2021 (%)	January 2021 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	5.1	5.4	7.9	-0.3	-2.8
25 years and over	4.0	4.4	6.5	-0.4	-2.5
Men - 25 years and over	4.1	5.0	6.0	-0.9	-1.9
Women - 25 years and over	3.8	3.7	7.0	0.1	-3.2
15 to 24 years	11.7	11.6	16.8	0.1	-5.1
Men - 15 to 24 years	15.8	13.7	13.8	2.1	2.0
Women - 15 to 24 years	7.6	9.4	19.9	-1.8	-12.3

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

Though employment remained virtually unchanged (+0.2%) between December and January, year-over-year employment growth was strong (+4.0%), particularly as employment gains in the **services producing sector** (+5.1%) were able to offset losses in the **goods producing sector** (-0.8%).⁹

Employment in the province's goods producing sector decreased 0.6% between December and January. The **agricultural** industry experienced the greatest decline in jobs (-13.3%) over the month, followed by **construction** (-0.9%) and **manufacturing** (-0.9%). **Forestry, fishing, mining, quarrying, oil and gas** experienced the sector's highest employment increase (9.1%), followed by **utilities** (+6.2%).¹⁰

Employment in **construction** declined slightly (-0.9%) on a monthly basis in January, and remained down in annual terms (-2.0%). A shortage of skilled labour may be a factor behind the industry's decrease in employment. According to the most recent data, the number of job vacancies in these industries increased 30% between the second and third quarter of 2021.¹¹ A survey by the Independent Contractors and Business Association, found three quarters of member construction companies in B.C. have experienced challenges finding enough workers to meet increasing demand.¹² Many companies anticipated difficulties in recruiting workers would persist in the coming year, despite an estimated wage increase of 5.4% to an average of \$32.62 an hour. The worker shortage was most acute on Vancouver Island where 84% of companies were struggling to recruit enough workers to keep up with demand, compared to the Lower Mainland (76%), Interior (72%) and North (71%).¹³

The impact of a labour shortage in the industry may be further exacerbated by an expected surge in construction activity over the coming year. For instance, 96% of business respondents anticipated 2022 to be as busy or busier than 2021.¹⁴ Compared to a year ago, December's new housing starts also increased significantly (30%).¹⁵ The

province's outlook for future demand was also positive, as the total number of building permits rose 10% in December.¹⁶ The value of permits also increased considerably, up 29% over the previous 12 months.¹⁷

Similarly, the province's **manufacturing** industry suffered slight (-0.9%) employment losses over the month. However, employment in the industry remained well above (+7.1%) the same time last year.¹⁸ Mowi Canada West announced that its Surrey fish processing plant would permanently close in March 2022, affecting 80 workers. The move was attributed to the federal government's plan to phase out open-net fish farming near the Discovery Islands by June 2022. According to Mowi, the decision to phase out operations near the Discovery Islands would translate to a 30% decrease in the company's production volumes. To date, one-hundred and forty of Mowi's workers in B.C. had either been laid off, or had their positions left vacant.¹⁹

Forestry remains a key economic driver in many B.C. interior, coastal, and northern communities. The sector experienced the province's largest employment boost (+9.1%) over the month. However, year-over-year employment in the sector remains down 12.0%. Supply chain disruptions and transportation backlogs presented ongoing challenges to forestry operations. For instance, as many as 43 forest service roads in the Chilliwack Resource District were either damaged or lost due to November's heavy rains and flooding.²⁰ The closure of resource roads across the province has created challenges for pulp mills in securing of fiber harvested from the area. Similar challenges in securing logs have forced Western Forest Products to consider the curtailment of its Chemainus sawmill imminently, potentially affecting around 165 workers.²¹

Fortunately, the sector can expect some relief as the United States' Department of Commerce indicated that it would reduce tariffs on Canadian softwood lumber. New countervailing and anti-dumping tariffs will be set at 11.64% for the majority of Canadian producers, down from the current rate of 17.91%. However, the tariff on Vancouver-based West Fraser was expected to increase slightly, from 11.14% to 13.09%. The United States was expected to issue its final assessment in June, with the proposed rates to take effect in fall of 2022.²²

Employment in the province's **services** sector increased +0.3% (+7,000) over the month. The growth was largely attributed to gains in **finance, insurance, real estate and leasing** (+2.4%), **transportation and warehousing** (+1.8%) and **trade** (+1.6%). There were significant employment losses in **business, building and other support services** (-5.4%), and more modest declines in **other services** (-2.7%), **accommodation and foodservices** (-0.4%) and **information and cultural industries** (-0.4%).²³

Employment in **transportation and warehousing** increased slightly in January (+1.8%). Despite the stable employment numbers, the province as a whole was still facing a shortage of transport truck drivers. According to the British Columbia Trucking Association, approximately 10% to 12% of the province's driver positions remained vacant.²⁴ Uncertainty over the ability of the industry's current driver count to address transportation and shipping backlogs was aggravated by the implementation of a vaccine mandate on cross-border truck drivers. Effective January 15, Canadian truckers were required to quarantine if unvaccinated when crossing the border into Canada. Under the mandate, unvaccinated or partially vaccinated drivers from the United States would also be turned away at the border, echoing a similar U.S. vaccine mandate for Canadian truck drivers.²⁵ As such, concerns persisted in many industries over supply chain disruptions.

There were slight employment losses (-0.4%) in **accommodation and food service**. The accommodation and food services industry has been negatively impacted by public health measures in place to limit community

transmission of the COVID-19 virus. For many businesses in the industry, the cumulative pressures of the pandemic have become unsustainable, leading a number to reduce or even end operations. Fortunately, the provincial government created several support programs, including the \$15M Tourism Accommodation and Commercial Recreation Relief Fund to help accommodation providers and tourism operators under financial strain caused by the pandemic. Eligible businesses may receive grants to help with fixed costs, including tenure or park-use permits, and/or property taxes.²⁶

Further, the Province of BC developed the COVID-19 Closure Relief Grant. Businesses that were ordered to close on December 22 (bars, nightclubs, event venues, and fitness facilities) may apply to the program for up to \$10,000.²⁷

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	January 2022	December 2021	January 2021	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,706.3	2,702.1	2,601.7	4.2	0.2	104.6	4.0
Goods-producing sector	486.9	489.7	490.6	-2.8	-0.6	-3.7	-0.8
Agriculture	24.2	27.9	24.9	-3.7	-13.3	-0.7	-2.8
Forestry, fishing, mining, quarrying, oil and gas	45.5	41.7	51.7	3.8	9.1	-6.2	-12.0
Utilities	15.5	14.6	20.4	0.9	6.2	-4.9	-24.0
Construction	213.6	215.6	218.0	-2.0	-0.9	-4.4	-2.0
Manufacturing	188.1	189.8	175.6	-1.7	-0.9	12.5	7.1
Services-producing sector	2,219.4	2,212.4	2,111.1	7.0	0.3	108.3	5.1
Trade	434.1	427.3	385.3	6.8	1.6	48.8	12.7
Transportation and warehousing	144.2	141.6	137.9	2.6	1.8	6.3	4.6
Finance, insurance, real estate and leasing	163.9	160.0	160.9	3.9	2.4	3.0	1.9
Professional, scientific and technical services	243.0	243.3	251.0	-0.3	-0.1	-8.0	-3.2
Business, building and other support services	95.6	101.1	105.9	-5.5	-5.4	-10.3	-9.7
Educational services	197.7	195.4	184.6	2.3	1.2	13.1	7.1
Health care and social assistance	386.8	385.1	341.8	1.7	0.4	45.0	13.2
Information, culture and recreation	133.9	134.5	126.1	-0.6	-0.4	7.8	6.2
Accommodation and food services	172.1	172.8	176.1	-0.7	-0.4	-4.0	-2.3
Other services	105.2	108.1	106.9	-2.9	-2.7	-1.7	-1.6
Public administration	142.7	143.2	134.5	-0.5	-0.3	8.2	6.1

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Compared to December 2021, the unemployment rate declined in all of the province's economic regions, with the largest improvements in the **Cariboo** (-5.6 percentage points) and **Northeast** (-4.1 percentage points) regions. Employment rose across the province, with the exception of the **Northeast** (-7.0%) and **Kootenay** regions (-3.0%).²⁸

Please be aware that the statistics for the economic regions are not seasonally adjusted and should only be compared on a year-over-year basis. Employment is sometimes influenced by seasonal and calendar effects occurring at the same time and with the same magnitude every year, which can bring about changes in the data that make monthly comparisons difficult.

Vancouver Island and Coast's employment increased 7.6%, while the unemployment rate improved (-2.3 percentage points) to 4.8%. In January the B.C. Court of Appeal extended an injunction against members of the anti-logging protest group, Raincoast Flying Squad, and their supporters to September 26, 2022. Since August 2020, the group has been protesting old growth logging in the Fairy Creek area where Teal Cedar Products Ltd. holds logging rights.²⁹ Several of the region's First Nations also reached agreements with forestry companies regarding old growth deferrals. For example, the Nanwakolas Council, representing four Vancouver Island First Nations, reached an agreement with Western Forest Products Inc. to defer old growth logging for two years in a 25 square km section of forest north of Campbell River.³⁰

Meanwhile, the positive outlook for the region's construction industry was supported by the announcement of a large-scale investment in the area. A new \$1.2B development planned for Colwood in the greater Victoria area was expected to create around 10,500 jobs over the next 15 years. Reliance Properties and Seacliff Properties have partnered together to develop the 135 acres into 2,850 houses, condos, and townhomes, starting this spring.³¹

After nearly two years of public health related travel restrictions, tourism in the region may benefit from \$2.3M in provincial spending on tourism infrastructure on Vancouver Island.³² The projects include expansions to parking lots and picnic areas, as well as the addition of new staircases and accessible washrooms at sites.

Employment in the **Lower Mainland – Southwest** region increased (+4.3%), while the unemployment rate fell (-2.1 percentage points) to 5.4%. Metro Vancouver's labour force will benefit in the near term from a multitude of large-scale infrastructure projects in various stages of development. Construction recently began on an expansion of the Lion's Gate Hospital in North Vancouver. The \$310M expansion will include the addition of a new 6-storey patient tower, raising the hospital's current patient capacity by 108 beds. The new tower is slated to be complete by 2024.³³

Meanwhile, affordable housing remains a priority for the region. The Government of B.C. announced \$37.4M in funding to the Chalmers Foundation to finance the purchase and renovation of 138 units of affordable rental housing for seniors in Burnaby.³⁴ The project is part of B.C.'s 10-year, \$7B housing plan, which has already resulted in 1,700 new affordable homes open or underway in Burnaby.³⁵ In the City of Vancouver, Council approved a redevelopment on Southwest Marine Drive that will consist of two mixed-use 28- and 32-storey

towers. The residential component of the project will be entirely rental housing, including some below-market social housing.³⁶

Employment in the **Thompson-Okanagan** region increased by 1.2% over the year, while the unemployment rate fell by 1.5 percentage points. Looking forward, construction activity in the region should be steady based on multiple new affordable housing developments and infrastructure projects. Construction is underway on 122 new affordable rental homes in Kelowna. The new homes will be in the final building of the National Society of Hope's Apple Valley development, and will be ready for tenants in spring 2023.³⁷ In Vernon, a new 35-unit affordable housing development for Indigenous residents is under construction. The building is expected to be ready for occupancy in fall 2023, while nine of the units will be accessible for people with disabilities.³⁸

Employment in the **North Coast and Nechako** region increased by 0.7% while the unemployment rate fell by 2.0 percentage points. The Port of Prince Rupert, the province's third largest port, is expanding to provide additional capacity and resiliency to strained supply chains. The expected completion date for stage one of the Port's Fairview Container Terminal expansion is July 2022, with the second stage set to finish in 2024. The Port expects to create hundreds of jobs during construction and 300 full-time equivalent positions once complete.³⁹

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	January 2022 ('000)	January 2021 ('000)	Yearly Variation (%)	January 2022 (%)	January 2021 (%)	Yearly Variation (% points)
British Columbia	2,682.4	2,579.2	4.0	5.2	7.4	-2.2
Economic Regions						
Vancouver Island and Coast	432.2	401.7	7.6	4.8	7.1	-2.3
Lower Mainland - Southwest	1,714.8	1,644.7	4.3	5.4	7.5	-2.1
Thompson - Okanagan	293.5	289.9	1.2	5.9	7.4	-1.5
Kootenay	73.5	75.8	-3.0	6.4	7.2	-0.8
Cariboo	88.6	84.9	4.4	3.2	8.8	-5.6
North Coast and Nechako	42.4	42.1	0.7	4.3	6.3	-2.0
Northeast	37.3	40.1	-7.0	0.0	4.1	-4.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0387, 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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