



Labour Market Bulletin

British Columbia

April 2013
(Quarterly Edition)



The Quarterly Edition of the Labour Market Bulletin is a look back over the past three months, providing an analysis of quarterly Labour Force Survey results for the province of British Columbia (BC), including the regions of Northern BC, Vancouver Island and Coast, Lower Mainland, Thompson–Okanagan and the Kootenays.

OVERVIEW

Employment

Job creation has been tepid in British Columbia over the past year. Compared to the first quarter of 2012, employment grew by only 0.3% within the province. This represents the smallest first quarter employment increase, on a year-over-year basis, since the economic downturn in 2008 to 2009. Following growth of 1.3% in the first half of last year, employment has since steadily declined.

Unemployment

Unemployment dropped slightly in BC between the fourth quarter of 2012 and the first quarter of 2013. However, the labour force declined by nearly 10,000 people over the same period, despite an overall population increase. This may indicate that some of BC's unemployed population simply withdrew from the labour force after unsuccessful attempts to procure employment. As of March 2013, BC's unemployment rate was 7%, close to the national average, but the highest among western provinces.

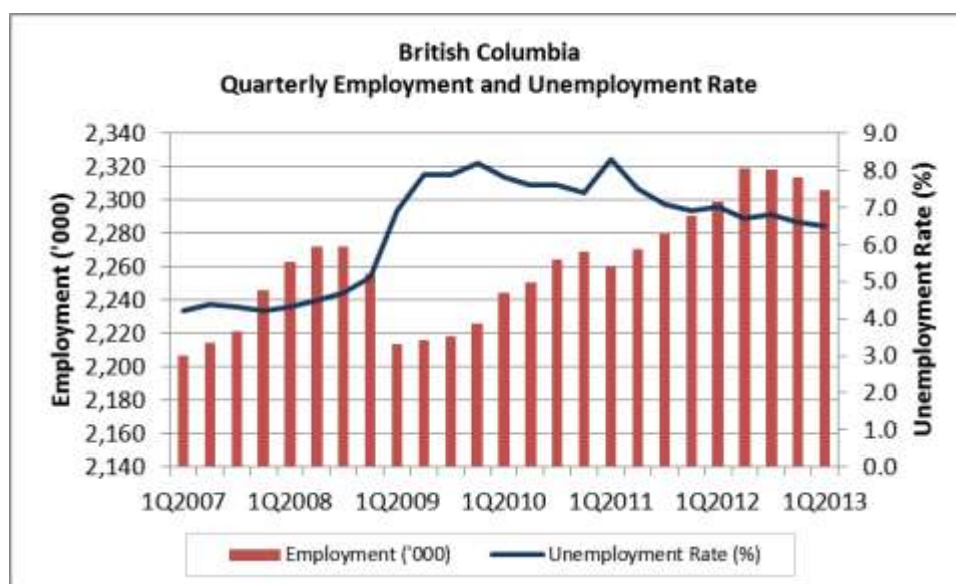
Youth faced particular challenges in the labour market during the first quarter. In fact, this segment has struggled with employment since the economic downturn in 2008. While employment among people 25 years of age and older recovered to pre-recession levels by 2010, employment for BC's younger workers has yet to rebound. During the first quarter of 2013, the unemployment rate for youth stood at 15.4%, a slight increase from the rate one year earlier.

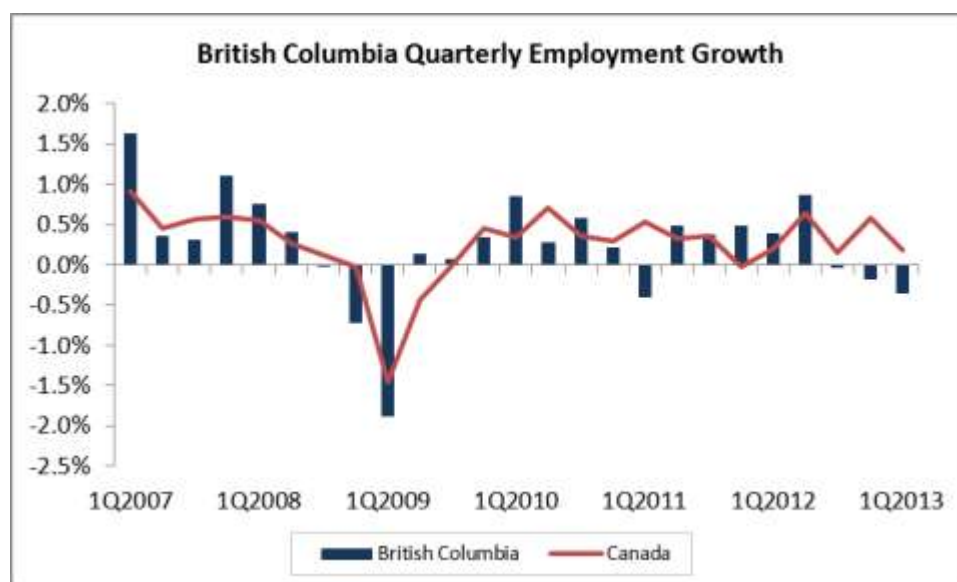
British Columbia Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	1 st Quarter 2013	4 th Quarter 2012	1 st Quarter 2012	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,837.2	3,827.6	3,800.6	9.6	0.3	36.6	1.0
Labour Force ('000)	2,466.6	2,476.5	2,471.7	-9.9	-0.4	-5.1	-0.2
Employment ('000)	2,305.9	2,314.0	2,299.2	-8.2	-0.4	6.7	0.3
Full-Time ('000)	1,812.8	1,815.2	1,791.2	-2.4	-0.1	21.6	1.2
Part-Time ('000)	493.1	498.8	507.9	-5.8	-1.2	-14.9	-2.9
Unemployment ('000)	160.7	162.5	172.5	-1.7	-1.1	-11.7	-6.8
Unemployment Rate (%)	6.5	6.6	7.0	-0.1	-	-0.5	-
Participation Rate (%)	64.3	64.7	65.0	-0.4	-	-0.7	-
Employment Rate (%)	60.1	60.5	60.5	-0.4	-	-0.4	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087





British Columbia Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	1 st Quarter 2013 (%)	4 th Quarter 2012 (%)	1 st Quarter 2012 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	6.5	6.6	7.0	0.0	-0.5
25 years and over	5.3	5.4	5.8	-0.1	-0.5
Men - 25 years and over	5.0	5.3	6.0	-0.3	-1.0
Women - 25 years and over	5.6	5.5	5.5	0.1	0.1
15 to 24 years	13.7	13.4	13.9	0.3	-0.3
Men - 15 to 24 years	15.3	15.4	15.4	-0.1	-0.1
Women - 15 to 24 years	12.1	11.4	12.5	0.8	-0.4

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

EMPLOYMENT BY INDUSTRY

A weak real-estate market, sluggish population growth, and a reduction in merchandise exports, all contributed to the feeble job creation over the past year in BC. This is particularly evident in the goods-producing sector, where job losses over the past year (-8,500 jobs) have been offset by the gains in the services-producing sector (+15,200 jobs). Based on capital investment trends across the province, there has been an expectation that job creation would increase in the goods-producing industries. However, this has not yet been the case. Nevertheless, potential for employment growth within this sector remains high, as Seaspan Marine Corps is scheduled to begin work on their national shipbuilding contract this year. The liquid natural gas (LNG) industry, another popular investment target in BC, will take longer to develop. Developers plan to open BC's first LNG terminal, located on the north coast, by 2016.

Despite high expectations for the manufacturing industry, employment was down over the past year. Indeed, year over year, manufacturing jobs have declined by 9%. This is the largest decline observed within the goods-producing sector. Construction-related work remained relatively flat over the past year, a trend that is closely related to the condition of the real-estate market. The utilities industry also posted a sharp decline compared

to last year (-6.7%). It is worth noting that utilities, much like the agriculture industry, account for only a small portion of the province's workforce; therefore, changes to employment levels within these industries generally have little impact on the overall labour market. Aside from agriculture, employment gains were greatest in the forestry, mining, oil and gas industry. This industry has benefited from the effects of increased capital investment towards BC's natural resource commodities, specifically mining and oil and gas exploration.

Within the services-producing sector, the largest year-over-year job losses were in health care and social assistance, which lost 21,800 positions. This industry has experienced a lot of turmoil within its workforce over the past year, as funding cut backs and labour strikes occurred at a number of healthcare institutions. In some cases, services are being streamlined or outsourced, which has led to the reduction in work. Nevertheless, skilled workers remain in high demand within this industry over the long-term as an aging population will put pressure on the healthcare system.

Retail spending remained fairly consistent over the past year. However, the trade industry posted the largest year-over-year employment gains, adding 16,500 positions.

British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	1 st Quarter 2013	4 th Quarter 2012	1 st Quarter 2012	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,305.9	2,314.0	2,299.2	-8.2	-0.4	6.7	0.3
Goods-producing sector	448.8	459.8	457.3	-11.1	-2.4	-8.5	-1.9
Agriculture	28.9	28.3	24.0	0.6	2.0	4.8	20.1
Forestry, fishing, mining, quarrying, oil and gas	46.2	49.3	42.0	-3.1	-6.3	4.2	9.9
Utilities	12.9	17.0	13.9	-4.0	-23.8	-0.9	-6.7
Construction	196.8	197.1	197.2	-0.3	-0.2	-0.4	-0.2
Manufacturing	164.0	168.1	180.1	-4.1	-2.5	-16.1	-9.0
Services-producing sector	1,857.1	1,854.2	1,841.9	2.9	0.2	15.2	0.8
Trade	369.3	358.2	352.8	11.1	3.1	16.5	4.7
Transportation and warehousing	119.6	127.2	128.5	-7.6	-6.0	-8.9	-6.9
Finance, insurance, real estate and leasing	140.5	140.2	142.4	0.3	0.2	-1.9	-1.4
Professional, scientific and technical services	180.8	175.2	172.9	5.6	3.2	7.9	4.6
Business, building and other support services	97.9	97.9	94.7	-0.1	-0.1	3.1	3.3
Educational services	177.8	178.6	171.7	-0.8	-0.5	6.0	3.5
Health care and social assistance	252.4	265.8	274.2	-13.4	-5.0	-21.8	-7.9
Information, culture and recreation	120.2	120.0	116.0	0.1	0.1	4.1	3.6
Accommodation and food services	180.0	175.2	172.7	4.8	2.7	7.3	4.2
Other services	103.4	108.3	117.9	-4.9	-4.6	-14.5	-12.3
Public administration	115.3	107.6	97.9	7.7	7.2	17.4	17.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

REGIONAL ANALYSIS

From a geographic standpoint, the first quarter job gains were concentrated in the **Lower Mainland** and **Kootenay** regions. Compared to the first quarter of 2012, the Kootenay region observed 6.1% growth in employment. The Lower Mainland also posted positive gains; however, the region's 1.2% employment increase is lackluster. This region was especially impacted by a below average real estate market, which affected employment in a number of industries.

Although employment fell in six of BC's eight regions over the past year, the provincial unemployment rate remained relatively stable at 7% for the quarter. The unemployment rate increased in only two regions, **Vancouver Island** and the **Northeast**. Despite these increases, both regions have a distinctive labour market and each holds promise for skilled job seekers. For example, the City of Victoria is gaining a positive reputation in the high-tech sector, and jobs are available for people who have the necessary skills. Over the past year, the Victoria Advanced Technology Council job board has averaged between 60 and 100 active job advertisements.

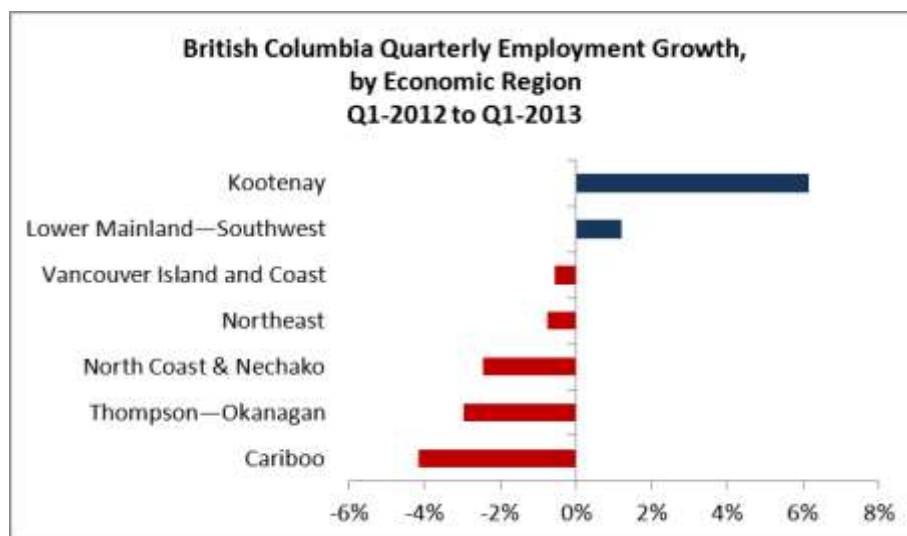
The **Northeast** region is a hub for oil and gas-related employment. As such, companies are constantly recruiting trades workers with the skill set to match the industry's requirements. As the oil and gas industry continues to evolve and expand in BC, the Northeast region will offer many opportunities for high-paying jobs in the trades sector.

British Columbia Quarterly Labour Force Statistics, by Economic Region

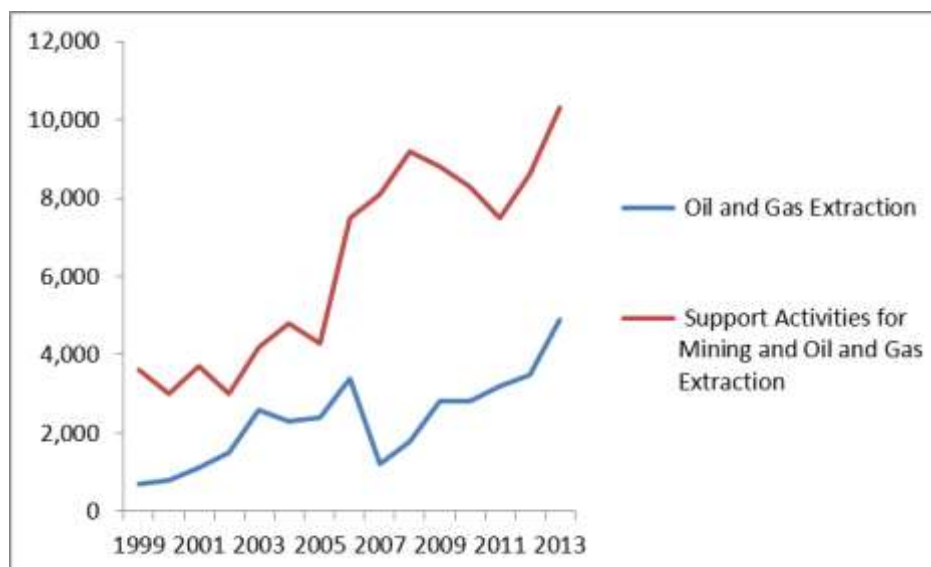
Seasonally Unadjusted Data	Employment			Unemployment Rate		
	1 st Quarter 2013 ('000)	1 st Quarter 2012 ('000)	Yearly Variation (%)	1 st Quarter 2013 (%)	1 st Quarter 2012 (%)	Yearly Variation (% points)
British Columbia	2,274.4	2,267.0	0.3	7.0	7.3	-0.3
Economic Regions						
Vancouver Island and Coast	367.9	370.0	-0.6	6.9	6.5	0.4
Lower Mainland—Southwest	1,427.1	1,410.0	1.2	7.1	7.1	0.0
Thompson—Okanagan	242.6	250.0	-3.0	7.1	9.5	-2.4
Kootenay	79.5	74.9	6.1	5.5	6.5	-1.0
Cariboo	78.5	81.9	-4.2	6.7	7.5	-0.8
North Coast & Nechako	39.5	40.5	-2.5	8.2	11.8	-3.6
Northeast	39.4	39.7	-0.8	4.6	3.6	1.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0054

**FEATURE ARTICLE:*****Employment Potential within the LNG Industry in BC***

Since 1999, British Columbia's natural gas sector has thrived, providing a wealth of employment opportunities around the province. During this time, investment in oil and gas extraction has grown substantially. This, in turn, has sparked improvements to infrastructure and roadways and prompted advancements in technology, which have led to the impressive growth of this industry. Along the way, employment in oil and gas extraction has grown by over 400%, and jobs in support activities have grown by over 130% (from 1999 to 2012). In the medium and long term, this industry stands to grow even larger due to the impact of the developing liquid natural gas (LNG) industry.

Oil and gas-related employment in BC

Source: Statistics Canada Labour Force Survey

The process of developing and exporting LNG creates a variety of employment opportunities. LNG is natural gas that has been cooled from its gaseous state into a liquid. By cooling the gas into liquid form, the volume is reduced by 600 times, making it easier to store and transport. Once an LNG shipment arrives at its destination, it is then heated back to its original gas form and used for energy. This progression requires considerable resources and creates jobs in a number of industries, including oil and gas extraction, manufacturing, and construction. Spin-off employment is also significant. As LNG exports begin, employment could spike across BC's transporting and warehouse industry. Overall, growth in the LNG industry is expected to create thousands of jobs over the next 20 years.

While this growth will benefit the provincial labour force, employers may face challenges meeting labour demands. The Petroleum Human Resources Council of Canada notes that competition for natural resource workers is global. BC's workforce is aging, and retirements could soon outpace new entrants to the workforce. This will add considerable strain to employers, many of whom are already struggling to recruit skilled workers.

While the potential of LNG seems endless, optimism is somewhat tempered by reality. Canada currently does not export any of this product. Nevertheless, the impact of the investment dollars towards this industry is undeniable in BC. Indeed, the Conference Board of Canada predicts that BC will lead the country in LNG investment with over \$180B expected in the next two decades. Currently, there are at least five projects proposed to build five different LNG terminals on the north coast, with new pipelines feeding the facilities from the northeast. The North Coast region of BC has been targeted by developers as a hub for the industry's operations, due to its proximity to Asian markets. The plan is to transport gas from the northeast to a terminal in Kitimat, then ship the product by tanker across the Pacific Ocean to Asia. This close proximity to Asian-Pacific markets gives BC a geographical advantage over its competition. LNG would also be used domestically as an energy source; however, it is the emerging Asian markets that are driving this industry's development. Natural gas prices in China, for example, are considerably higher than they are in North America.

It is unlikely all of these projects will come to fruition; however, even one major development would create thousands of construction jobs and hundreds of permanent positions. The project most likely to be constructed is the Kitimat LNG project, which has already proceeded through the regulatory stages and received the necessary permits. The Conference Board of Canada predicts the first shipment from this plant will be sent by 2017. From an employment perspective, this is positive news for the province as a whole, but it is particularly encouraging for the North Coast region, where the unemployment rate sits at 7.2%. Virtually, all of the companies with planned LNG projects are committed to hiring locally and working with the region's First Nation bands.

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 Human Resources and Skills 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