



# Labour Market Bulletin

## New Brunswick

March 2017



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of New Brunswick, including the regions of Campbellton—Miramichi, Edmundston—Woodstock, Fredericton—Oromocto, Moncton—Richibucto and Saint John—St. Stephen.

### OVERVIEW

Employment in New Brunswick declined by 2,000 on a quarter-over-quarter basis in the first quarter of 2017, as a sizeable decline in part-time employment masked what was otherwise a healthy gain in full-time work. The unemployment rate fell by 0.6 percentage points to a 7-year low of 8.7%, however, as 4,600 people left the labour force. The shrinking of the labour force reflected a 0.6 percentage point decline in the participation rate. At 56.5% in the first quarter, is down nearly a full percentage point from the same time in 2016.

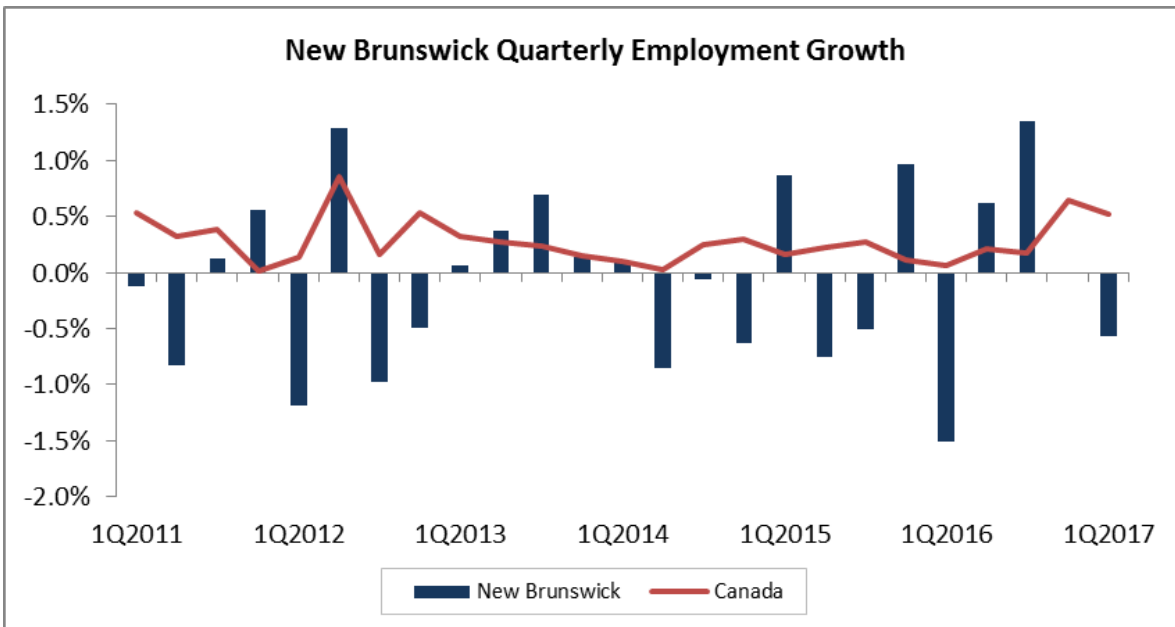
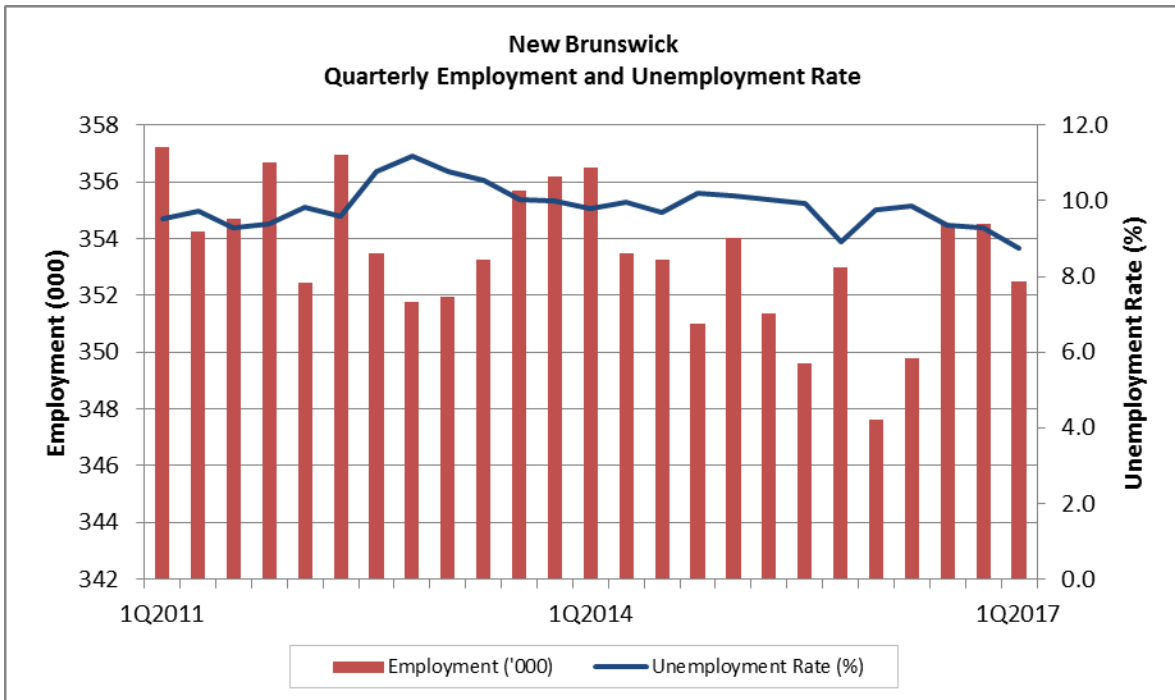
New Brunswick Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	1st Quarter 2017	4th Quarter 2016	1st Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15+ ('000)</b>	624.0	623.8	622.6	0.2	0.0	1.4	0.2
<b>Labour Force ('000)</b>	386.3	390.9	385.3	-4.6	-1.2	1.0	0.3
<b>Employment ('000)</b>	352.5	354.5	347.6	-2.0	-0.6	4.8	1.4
Full-Time ('000)	301.0	298.1	293.9	2.8	1.0	7.0	2.4
Part-Time ('000)	51.5	56.4	53.7	-4.8	-8.6	-2.2	-4.0
<b>Unemployment ('000)</b>	33.8	36.4	37.6	-2.6	-7.1	-3.8	-10.2
<b>Unemployment Rate (%)</b>	8.7	9.3	9.8	-0.6	-	-1.0	-
<b>Participation Rate (%)</b>	61.9	62.7	61.9	-0.8	-	0.0	-
<b>Employment Rate (%)</b>	56.5	56.8	55.9	-0.3	-	0.6	-

Note: Totals may not add due to rounding

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

More generally, year-over-year developments in the labour market have been a little more encouraging, as illustrated by the 4,900 rise in employment. Even more impressive was the healthy 7,100 gain in full-time employment. Although the participation rate remained unchanged during the same period, the labour force shrank by around 1,000, limiting the unemployment rate's decline to 1.1 percentage points.



The quarter-over-quarter gains in employment were concentrated almost entirely among the aged 55 and over cohort in the first quarter of 2017, which has been a recurring theme recently. By comparison, the number of employed within the 15 to 24 cohort declined by 2,700 over the same period. Nonetheless, over the past year, youth employment has still risen by 2,800 (or 6.7%), lowering the unemployment rate to 15.0%, from 17.3%. Employment among the aged 55 and over cohort also grew over the past year by 6.7%, which translated into a 5,200 gain due to the much higher employment base.

## New Brunswick Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	1st Quarter	4th Quarter	1st Quarter	Quarterly Variation	Yearly Variation
	2017 (%)	2016 (%)	2016 (%)	(% points)	(% points)
<b>Total</b>	8.7	9.3	9.8	-0.6	-1.0
<b>25 years and over</b>	7.8	8.6	8.6	-0.8	-0.8
Men - 25 years and over	9.7	11.3	11.2	-1.6	-1.5
Women - 25 years and over	5.7	5.6	5.9	0.1	-0.2
<b>15 to 24 years</b>	15.0	13.8	17.3	1.2	-2.3
Men - 15 to 24 years	17.6	17.8	20.7	-0.2	-3.2
Women - 15 to 24 years	12.3	9.6	13.7	2.7	-1.4

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

In the first quarter of 2017, the total population aged 15+ in the Atlantic Provinces was 1.98 million. The Indigenous population living off-reserve accounted for 3.4% of that, or 67,300 people. Employment among Indigenous people in the Atlantic Provinces stood at 32,800, representing an increase of 1,100 (+3.5%) from a year earlier. The increase was all in full-time positions (+1,400 or +5.5%), partially offset by a decline in part-time positions (-300 or -4.8%).

The unemployment rate among the Indigenous population was 13.8% in the first quarter of 2017, representing a decrease of -10.1 percentage points from the previous year. For the non-Indigenous population, the unemployment rate was 11.2% (-0.3 percentage points). Year-over-year, the participation rate among Indigenous people declined to 56.5% (-6.0 percentage points); whereas, the participation rate for the non-Indigenous population stood at 60.2% (-0.2 percentage points). The employment rate of the Indigenous population increased year-over-year to 48.7% (+1.1 percentage points), and the employment rate amongst the non-Indigenous population remained unchanged at 53.5%, compared to a year earlier.

## Atlantic - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q1 2017	Q1 2016	number	%	Q1 2017	Q1 2016	number	%
<b>Population 15 + ('000)</b>	67.3	66.5	0.8	1.2%	1,915.2	1,908.3	6.9	0.4%
<b>Labour Force ('000)</b>	38.1	41.6	-3.5	-8.4%	1,153.8	1,152.8	1.0	0.1%
<b>Employment ('000)</b>	32.8	31.7	1.1	3.5%	1,024.9	1,020.1	4.8	0.5%
<b>Full-Time ('000)</b>	26.8	25.4	1.4	5.5%	838.4	837.5	0.9	0.1%
<b>Part-Time ('000)</b>	6.0	6.3	-0.3	-4.8%	186.5	182.6	3.9	2.1%
<b>Unemployment ('000)</b>	5.3	9.9	-4.6	-46.5%	128.9	132.7	-3.8	-2.9%
<b>Unemployment Rate (%)</b>	13.8	23.9	-10.1	-	11.2	11.5	-0.3	-
<b>Participation Rate (%)</b>	56.5	62.5	-6.0	-	60.2	60.4	-0.2	-
<b>Employment Rate (%)</b>	48.7	47.6	1.1	-	53.5	53.5	0.0	-

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey - ESDC custom table.

## EMPLOYMENT BY INDUSTRY

The **Service-producing sector** was entirely responsible for the year-over-year employment decline in the first quarter of 2017, with job losses spread across **Other services** (-2,500), **Trade** (-1,900), **Information, culture and recreation** (-900) and **Transportation and warehousing** (-600). Limiting the overall decline was healthy gains in **Health care and social assistance** (+1,200) and **Professional, scientific and technical services** (+1,100). Elsewhere, minor employment gains in the **Goods-producing sector** were supported by a healthy 1,000 rise in **Construction**, as **Manufacturing** employment fell by a comparable 900 over the same period.

More generally, labour market conditions have been much healthier among service-producing industries over the past year, as illustrated by the 4,800 increase in employment since the first quarter of 2016, which accounted for all the job gains in the economy as a whole. More than two thirds of these job gains were in **Health care and social assistance**. Healthy gains were also recorded in **Trade** (+2,000) and **Finance, insurance, real estate and leasing** (+1,900) over the same period. The spike in Health care and social assistance mirrors the demographic-driven rise in demand for health care services. In its recently released budget, the New Brunswick government announced that the Department of Health will see a 3.3% rise in its budget this year. The upward trend in trade employment is encouraging, particularly as households have had to adjust their spending to the rise in the HST last year. At the same time, with the currency no longer depreciating, there is less diss-incentive for cross border shopping than there was in early 2016, when the dollar's value was down nearly 30% relative to the U.S. currency.

Employment in the **Goods-producing sector** was broadly unchanged on a year-over-year basis in the fourth quarter, basically a continuation of the longer-term trend. Labour market conditions were easily the healthiest in **Agriculture**, where employment rose by a very impressive 31.3% (+1,400) over the prior twelve months. Employment in the **Utilities** sector grew by 18.4% (+600) during the same period. Going in the other direction, steep declines were recorded in **Forestry, fishing, mining, quarrying, and oil and gas** and **Construction**, where employment is down 11% (-1,200) and 4% (-1,000), respectively. The sharp decline in the former is disappointing, given the level of employment in the first quarter of 2016 was already unusually low following the unexpected closure of the major Potash Mine. Trevali Mining Corp., has been ramping up production at its Caribou mine, providing some relief to the sector. Up until now, labour market conditions have remained healthy in the forestry and logging sector, but there is some uncertainty surrounding the current softwood lumber dispute between Canada and the United States.

## New Brunswick Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	1st Quarter 2017	4th Quarter 2016	1st Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	352.5	354.5	347.6	-2.0	-0.6	4.8	1.4
<b>Goods-producing sector</b>	73.1	72.6	73.0	0.5	0.6	0.1	0.1
Agriculture	5.7	5.6	4.4	0.1	1.8	1.4	31.3
Forestry, fishing, mining, quarrying, oil and gas	9.4	9.1	10.6	0.2	2.6	-1.2	-11.4
Utilities	4.1	4.0	3.4	0.0	0.8	0.6	18.4
Construction	24.2	23.2	25.2	1.0	4.3	-1.0	-4.0
Manufacturing	29.7	30.6	29.4	-0.9	-3.0	0.3	0.9
<b>Services-producing sector</b>	279.4	281.9	274.6	-2.5	-0.9	4.8	1.7
Trade	57.3	59.2	55.3	-1.9	-3.2	2.0	3.6
Transportation and warehousing	16.9	17.5	19.7	-0.6	-3.2	-2.8	-14.2
Finance, insurance, real estate and leasing	17.5	17.5	15.6	0.0	-0.2	1.9	12.2
Professional, scientific and technical services	15.8	14.8	15.2	1.1	7.2	0.7	4.4
Business, building and other support services	15.1	15.1	17.1	-0.1	-0.4	-2.1	-12.1
Educational services	25.8	25.6	25.1	0.3	1.0	0.7	2.9
Health care and social assistance	56.0	54.8	52.7	1.2	2.3	3.3	6.3
Information, culture and recreation	11.9	12.8	11.6	-0.9	-7.0	0.3	2.3
Accommodation and food services	23.1	22.8	22.9	0.3	1.2	0.2	0.9
Other services	16.0	17.7	16.0	-1.6	-9.2	0.0	0.0
Public administration	23.9	24.1	23.3	-0.2	-1.0	0.6	2.4

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Following several years of deterioration, labour market conditions have stabilized somewhat in the **Campbelton-Miramichi** economic region. On a year-over-year basis, employment was broadly unchanged in the first quarter. While the unemployment rate fell by 1.4 percentage points over that time, it remains elevated at 17.2%, which is easily the highest in the province. What's more, the recent decline was not for the right reasons; it was because people stopped looking for work. Indeed, it was the Campbelton-Miramichi region that drove much of the decline in the labour force across the province as a whole over the past year. On the bright side, Corner Defense, a Winnipeg-based aerospace and defense firm, is nearing a ramp-up of its Miramichi operation nearly three years after landing a lucrative military contract. The company expects to create 80 jobs to retrofit military vehicles.

**Moncton-Richibucto** was the only economic region to register job losses over the past year. The unemployment rate, meanwhile, remained on its upward trajectory, climbing 0.7 percentage points and reaching 9.8% in the quarter. More generally, there are no real factors to suggest any serious deterioration in the region's labour market anytime soon, with numerous investment projects currently in the works, including the \$104 million sports and entertainment center in downtown Moncton.

Over the past year, labour market conditions were most improved in the **Saint John-St. Stephen** economic region in the first quarter. The 6.2% rise in employment over the past year easily led all regions. It is important to consider that the reference point - the first quarter of 2016 - coincided with the unexpected closure of the Potash mine in Sussex and the associated layoffs. Otherwise, the \$135 million turnaround at the Saint John refinery, which began last fall, did provide a boost to the regional labour market, with initial estimates suggesting the project would require an additional 2,400 workers over the duration of the project. Other major investment initiatives, such as the Saint John water treatment project, are also supporting labour market conditions in the region.

The 2.7% rise in employment in the **Fredericton-Oromocto** economic region is encouraging and adds to the otherwise healthy job gains over the past two years in the region, which exhibits the healthiest labour market in

the province. The city of Fredericton is home to several large employers, including many provincial and federal government offices and two major universities. Meanwhile, new investment has also supported the local job market, including the \$17.6 million development of Kingswood Cambria Suites hotel and water park near Fredericton. Upon completion, expected sometime around the fall of this year, the hotel is anticipated to employ 100 people.

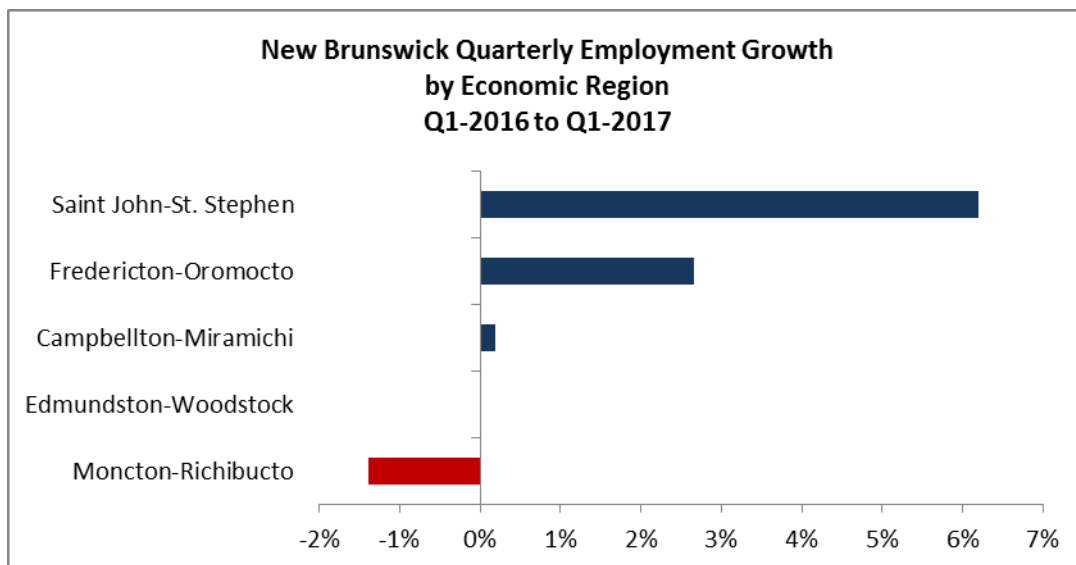
Finally, employment was unchanged in the **Edmundston-Woodstock** region on a year-over-year basis in the first quarter. The unemployment rate, which has been gradually declining for some time, fell by 1.1 percentage points to 8.4% in the first quarter. The decline in the unemployment rate over the past few years has been driven primarily by a shrinking labour force. While other economic regions in the province have experienced, for the most part, modest labour force growth over the past decade, the Edmundston-Woodstock has seen a steady decline. Otherwise, there remain several large and successful employers in the area that are supporting the labour market, such as McCain Foods. The region’s relatively high dependency on the forest industry does pose an imminent risk, however, particularly if softwood lumber producers are faced with countervailing duties.

**New Brunswick Quarterly Labour Force Statistics, by Economic Region**

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	1st Quarter 2017 ('000)	1st Quarter 2016 ('000)	Yearly Variation (%)	1st Quarter 2017 (%)	1st Quarter 2016 (%)	Yearly Variation (% points)
<b>New Brunswick</b>	339.3	333.9	1.6	9.8	11.3	-1.5
<b>Economic Regions</b>						
Campbellton-Miramichi	55.4	55.3	0.2	17.2	18.6	-1.4
Moncton-Richibucto	99.0	100.4	-1.4	9.8	9.1	0.7
Saint John-St. Stephen	84.0	79.1	6.2	7.1	10.1	-3.0
Fredericton-Oromocto	65.8	64.1	2.7	6.9	10.1	-3.2
Edmundston-Woodstock	35.1	35.1	0.0	8.4	9.5	-1.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 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](http://www.statcan.gc.ca)

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