

B.C. unemployment rate jumps to 8.2 per cent, well above national average

Province sheds 9,100 jobs in January as rest of Canada recovers

BY DARAH HANSEN AND DEREK ABMA, VANCOUVER SUN/FINANCIAL POST FEBRUARY 7, 2011



British Columbia's job growth took another painful blow last month, even as the rest of the country showed strong signs towards economy recovery. There were 69,200 more people working in Canada in January, according to Statistics Canada. The following are the rankings for unemployment rates by province in January, from highest to lowest:

Photograph by: Handout, BC Hydro

To see how each province fared in terms of January's jobless rates, [please click here](#).

VANCOUVER — British Columbia's job growth took another painful blow last month, even as the rest of the country showed strong signs of economy recovery.

Statistics Canada on Friday said employment in B.C. fell by 9,100 positions, or four per cent, from December, adding to the 12,800 positions shed in the previous month.

At the same time, provincial unemployment figures jumped to 8.2 per cent, up from 7.6 per cent in December.

Declines were seen in manufacturing, forestry and logging and construction.

The picture was far rosier elsewhere in Canada where there were 69,200 additional people working in January. Economists had been predicting 15,000 job gains that same month.

The national unemployment rate rose in January from 7.6 per cent a month earlier as more people joined the job hunt.

The job-loss story in B.C. took many by surprise.

Ken Peacock, director of economic research with the B.C. Business Council, said the data is inconsistent with other economic indicators which show the provincial economy is picking up.

"We're actually seeing strength in forestry. I hear a lot of stories about mills opening up because of the recovery in the strength of lumber shipment to China," he said.

"I wouldn't read too much into the dip in January and expect a return to job growth later on this quarter," he added.

Sandra Miles, of the Vancouver-based Miles Employment Group, said her company has seen definite uptick in employment opportunities recently, particularly in the finance and mining sectors. Retailers and small to mid-sized businesses are also beginning to hire again.

"We've actually had a very good week in our firm with a lot of different roles coming in," she said.

Data released Friday by the Canadian Federation of Independent Business showed an improvement in small and medium-sized business for the first time in three months. The Business Barometre Index rose to 71.1 points in January from a reading of 67.5 in December (on a scale of 0 to 100), to reach the highest level since June 2010.

Jim Sinclair, president of the BC Federation of Labour, called on the province to invest in a jobs-training strategy so that residents can take better advantage of a predicted skilled-labour shortage over the next five years.

Without it, Sinclair said he worries job creation in B.C. will be in low-wage, low-skill occupations.

"I think you have to have an overall economic strategy to create good jobs and we don't have those. We are shipping them out and not building them," he said.

Elsewhere in Canada, job gains for January mean the labour market has gained back all the positions lost during the recession, and then some. Recent revisions to the data had put the job count down 30,000 from before the downturn, despite previous data showing all recession-related job losses had been recovered.

"Canadian employment came flying out of the chute to start 2011, posting a whopping rise of 69,200 jobs in January, with gains spread evenly across sectors and job types," said Douglas Porter, deputy chief economist with BMO Capital Markets.

Porter said the January jobs report "reinforces the point that the economy regained momentum around the turn of the year."

Full-time workers were up 31,100 in January and part-timers were ahead 38,000.

Private-sector employment grew by 22,700 people, public-sector work was up 26,400 and 20,100 more people were self-employed.

There was, however, a disproportionate number of job gains among women 25 and older, who saw gains of 55,400.

Some of the industries for which employment grew included public administration, agriculture and specialized-service occupations. Declines were seen in transportation and warehousing, and accommodation and food services. Manufacturing job numbers were essentially flat, despite fears it would lose ground after seeing exceptionally high growth of 66,000 in December.

Notable employment gains were seen in Ontario and Alberta. New Brunswick joined British Columbia in recording declines.

Porter noted that a rise of 106,400 in the number of people seeking work — which pushed the unemployment rate higher — was one of the biggest gains on record.

Despite the impressive job numbers for January, some experts pointed out the economy remains challenged.

"The number of full-time jobs continues to sit about 100,000 positions short of its level prior to the downturn, while both the employment-to-population ratio and the labour-force participation rate remain under water by some one to two percentage points," said David Burleton, deputy chief economist with TD Economics. "Lastly, the jobless rate was plumbing the depths at about six per cent as recently as mid-2008."

Burleton said he expects job growth to moderate to a pace of about 15,000 to 20,000 a month for most of 2011, which should be enough to bring the jobless rate down to 7.3 per cent by year's end.

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TABLE

Unemployment rates by province in January:

Newfoundland and Labrador 12.4%

Prince Edward Island 11.3%

Nova Scotia 9.5%

New Brunswick 9.1%

Quebec 7.9%

Ontario 8.1%

Manitoba 5.0%

Saskatchewan 5.4%

Alberta 5.9%

British Columbia 8.2%

Overall 7.8%

Source: Statistics Canada

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