



Tuesday » September
12 » 2006

Labour market expected to cool in fourth quarter

A survey shows 14 per cent of employers plan to cut their work force

Bruce Constantineau

Vancouver Sun

Tuesday, September 12, 2006

Vancouver area job seekers should expect a cooling labour market in the fourth quarter this year, according to the latest Manpower Employment Outlook Survey.

Twenty-nine per cent of local employers plan to hire workers in the quarter while 14 per cent plan to cut their workforce and 54 per cent will maintain current staffing levels, concludes the Manpower Inc. survey.

The net employment outlook -- the difference between the number of employers who plan to hire and the number of employers who plan layoffs -- is 15 per cent in Vancouver. That's down sharply from 43 per cent for the third quarter this year.

The national survey of more than 1,700 Canadian employers revealed a national net employment outlook of 18 per cent -- including 45 per cent in Calgary, 40 per cent in Edmonton and 34 per cent in Victoria.

Manpower Inc. is an international employment placement firm that regularly conducts such surveys.

"The outlook for Vancouver still remains positive because 54 per cent of employers say they will maintain their current staff levels, which includes all the very heavy hiring that went on late last year and early this year," said Don Cormack, a representative of Manpower's Vancouver office.

He said many employers have likely scaled back their hiring intentions due to labour shortages and a lack of qualified people to fill certain jobs.

"You can't hire people if they're not there," Cormack said. "In our business, we just can't find enough people to fill job openings and that even includes unskilled labour."

The survey said the strongest hiring sectors in the Western Canadian market for the fourth quarter include wholesale and retail trade (with a net employment outlook of 45 per cent), construction (42 per cent), education (29 per cent) and finance-insurance-real estate (28 per cent). Transportation and public utilities had the lowest net employment outlook, at three per cent.

Greater Vancouver Home Builders' Association chief executive officer Peter Simpson said the Lower Mainland house construction sector remains as strong as ever so builders are still looking to hire more workers.

"Construction is migratory but we're still seeing a lot of people coming here to work," he said in an interview. "I'm trying to get some things done at my house and I have to line up like everyone else. Guys are cancelling on me left and right because they have bigger jobs to do."

Business Council of B.C. executive vice-president Jock Finlayson said the survey results appear to be consistent with recent unemployment reports that show the pace of job growth in B.C. is declining. B.C. lost 2,000 jobs in August and the provincial unemployment rate rose from 4.7 per cent to 4.8 per cent, which is still extremely low by historical standards.

"The general economic picture in the province remains pretty good but I think the pace of economic growth may be moderating," Finlayson said. "The downturn in the U.S. economy, weaker lumber prices and the sharp runup in the Canadian dollar are all combining to impart a more modest tone to economic expansion."

He agreed with Cormack that the decline in Vancouver's net employment outlook has as much to do with a lack of qualified workers to fill jobs as it has to do with a slowing economy. Finlayson also said it's no surprise that Calgary and Edmonton employers have more aggressive hiring plans than those in Vancouver.

"The Alberta situation is truly unique in Canada and I think we'll see Alberta lead the country on hiring, economic growth, investment growth and everything else for the next few years, unless oil prices really fall dramatically," he said.

bconstantineau@png.canwest.com

- - -

THE HIRING RANGE

As the job market cools, it helps to know which sectors are still warm. These are Canada's top five hiring sectors for the fourth quarter of 2006, by net percentage of business expecting to hire new employees.

1. Education: 35%
2. Wholesale and retail: 30%
3. Finance, insurance and real estate: 20%
4. Construction: 20%
5. Transportation and public utilities: 18%

Ran with fact box "The hiring range", which has been appended to the end of the story.

© The Vancouver Sun 2006

[CLOSE WINDOW](#)

Copyright © 2006 CanWest Interactive, a division of [CanWest MediaWorks Publications, Inc.](#) All rights reserved.