



Labour Market Bulletin

Saskatchewan

October 2015



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Saskatchewan, including Regina-Moose Mountain, Swift Current-Moose Jaw, Saskatoon-Biggar, Yorkton-Melville and Prince Albert & Northern economic regions.

OVERVIEW

Employment in Saskatchewan grew 1,400 between September and October. Labour force growth was even more rapid, with 5,000 people joining the Saskatchewan labour force last month. This increase accounts for almost half of the province's total labour force growth over the last year (+12,700) and indicates that more people in Saskatchewan are looking for work.

Saskatchewan's recent employment increase comes on the heels of a period of limited growth, and gains in October only partly offset losses over the past year. Last month, employment was down 300 compared to same month last year. Nonetheless, last month's increases come as welcome news given the ongoing impacts of low commodity prices.

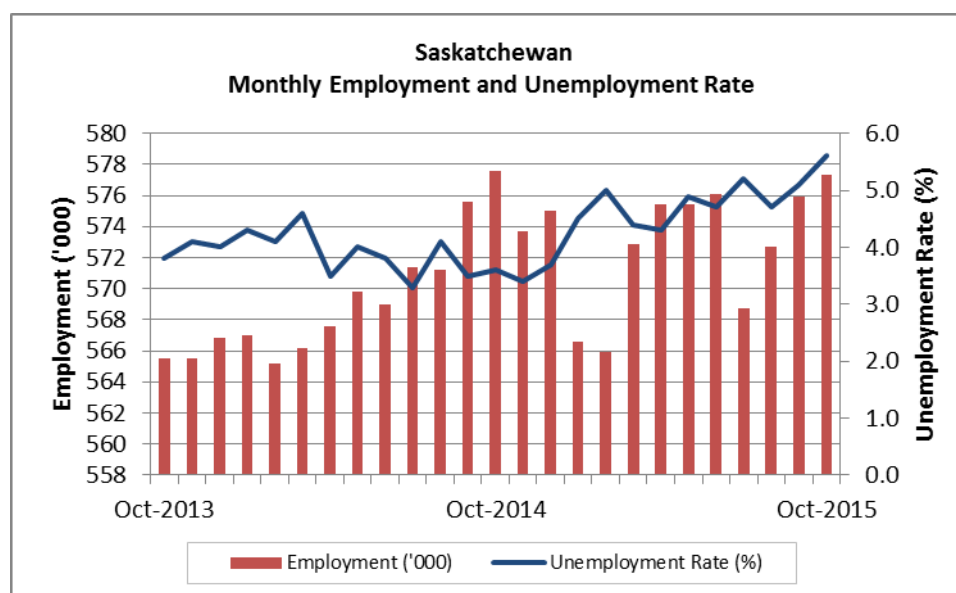
Saskatchewan is expected to have minimal employment growth for the rest of this year, but conditions should increase somewhat next year. Conference Board of Canada expects only 3,000 new positions (+0.5%) to be created this year, but it forecasts that the provincial economy will rebound somewhat in 2016.ⁱ

Saskatchewan Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	October 2015	September 2015	October 2014	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	864.0	863.4	855.5	0.6	0.1	8.5	1.0
Labour Force ('000)	611.9	606.9	599.2	5.0	0.8	12.7	2.1
Employment ('000)	577.3	575.9	577.6	1.4	0.2	-0.3	-0.1
Full-Time ('000)	473.1	469.3	477.9	3.8	0.8	-4.8	-1.0
Part-Time ('000)	104.2	106.6	99.6	-2.4	-2.3	4.6	4.6
Unemployment ('000)	34.5	30.9	21.7	3.6	11.7	12.8	59.0
Unemployment Rate (%)	5.6	5.1	3.6	0.5	-	2.0	-
Participation Rate (%)	70.8	70.3	70.0	0.5	-	0.8	-
Employment Rate (%)	66.8	66.7	67.5	0.1	-	-0.7	-

Note: Totals may not add due to rounding

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



Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	October 2015	September 2015	October 2014	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	5.6	5.1	3.6	0.5	2.0
25 years and over	4.7	4.4	3.1	0.3	1.6
Men - 25 years and over	5.3	5.2	3.2	0.1	2.1
Women - 25 years and over	3.9	3.5	2.9	0.4	1.0
15 to 24 years	11.0	8.7	6.5	2.3	4.5
Men - 15 to 24 years	11.7	8.9	7.6	2.8	4.1
Women - 15 to 24 years	10.1	8.7	5.4	1.4	4.7

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

Despite the increase in employment over the last month, the large influx into the labour force caused the unemployment rate to increase by half a percentage point. The unemployment rate remains high compared to last year; the rate last month (5.6%) was 2 percentage points higher than in October 2014. Saskatchewan no longer has the lowest provincial unemployment rate in the country; Manitoba now has a slightly lower rate at 5.3%. However, Saskatchewan's unemployment rate is still well below the national rate of 7.0%.

Saskatchewan youth saw the largest monthly increase in the unemployment rate in October. Among 15 to 24 year olds, the unemployment rate jumped 2.3% between September to October, compared to a slight 0.3% increase among those aged 25 and older over the same period. Interestingly, the small increase in the 25+ unemployment rate was driven entirely by a large increase in the labour force (+4,300), as employment for this age group rose significantly (+3,000) month over month. Both men and women have seen similar increases in the unemployment rate (+0.5 and +0.6% percentage points, respectively).

EMPLOYMENT BY INDUSTRY

Employment in Saskatchewan's goods-producing sector has been trending in the opposite direction of employment as the services-producing sector. Goods-producing industries grew 4,200 from September to October, but employment in this sector has fallen considerably since October 2014 (-8,400). Meanwhile, Saskatchewan's services-producing sectors fell 2,800 over the last month, but on a year-over-year basis, employment in the sector was up 8,200.

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	October 2015	September 2015	October 2014	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	577.3	575.9	577.6	1.4	0.2	-0.3	-0.1
Goods-producing sector	159.6	155.4	168.0	4.2	2.7	-8.4	-5.0
Agriculture	41.8	40.5	44.7	1.3	3.2	-2.9	-6.5
Forestry, fishing, mining, quarrying, oil and gas	26.6	25.9	28.7	0.7	2.7	-2.1	-7.3
Utilities	6.8	6.8	6.2	0.0	0.0	0.6	9.7
Construction	57.4	56.1	59.4	1.3	2.3	-2.0	-3.4
Manufacturing	26.9	26.1	29.0	0.8	3.1	-2.1	-7.2
Services-producing sector	417.8	420.6	409.6	-2.8	-0.7	8.2	2.0
Trade	85.9	85.4	83.4	0.5	0.6	2.5	3.0
Transportation and warehousing	29.1	29.5	28.4	-0.4	-1.4	0.7	2.5
Finance, insurance, real estate and leasing	30.6	30.2	31.8	0.4	1.3	-1.2	-3.8
Professional, scientific and technical services	25.9	24.8	27.9	1.1	4.4	-2.0	-7.2
Business, building and other support services	14.0	14.3	12.9	-0.3	-2.1	1.1	8.5
Educational services	42.0	41.9	43.3	0.1	0.2	-1.3	-3.0
Health care and social assistance	78.6	80.0	73.4	-1.4	-1.8	5.2	7.1
Information, culture and recreation	21.0	21.4	16.2	-0.4	-1.9	4.8	29.6
Accommodation and food services	38.4	39.2	37.0	-0.8	-2.0	1.4	3.8
Other services	24.7	26.5	25.1	-1.8	-6.8	-0.4	-1.6
Public administration	27.5	27.4	30.4	0.1	0.4	-2.9	-9.5

Note: Totals may not add due to rounding

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

Within the goods-producing sector, Saskatchewan's construction and agriculture industries had the largest employment increases last month, with each gaining 1,300 between September and October. The seasonal rise in agriculture is based largely on the harvest, which turned out better for some producers than previously feared.

Like agriculture, construction in Saskatchewan now employs fewer people now than it did a year ago. Construction's year-over-year loss stems in part from a decline in housing starts throughout Saskatchewan, a trend that is expected to continue for some time. According to the Canada Mortgage and Housing Corporation housing starts in Saskatchewan are expected to continue to decline in 2016, but should stabilize in 2017.ⁱⁱ A number of recently-announced commercial projects, including a \$24M addition to the Prince Albert Correctional Centreⁱⁱⁱ and \$525M upgrades to SaskPower gas turbines at the Queen Elizabeth Power Station near Saskatoon^{iv}, will offset decreased employment demand in the residential construction industry.

Saskatchewan's manufacturing industry is another industry where employment increased last month despite a longer-term downward trend. According to industry representatives, manufacturing sales are down due primarily to the decline in commodities prices, which lowers demand for manufactured goods.^v

REGIONAL ANALYSIS

Over the last year, unemployment rates have risen throughout the province and employment levels have declined or stagnated in most regions.

Both Swift Current–Moose Jaw and Yorkton-Melville have seen their employment levels (-1,100 and -2,800) decline and their unemployment rates increase (+1.7 percentage points each). Slow activity in the oil and gas industry and the resulting decline in goods-producing services are likely still taking their toll in these regions. Husky Energy, which is based in Alberta but has some operations in Saskatchewan, has announced that it has cut 1,400 jobs.^{vi} This is in addition to the numerous oil companies with operations in Saskatchewan who announced large lay-offs in September.^{vii}

Prince Albert & Northern is also seeing falling employment (-1,400) and a rising unemployment rate (+2.2 percentage points). A new freshwater fish processing plant being constructed in Île-à-la-Crosse will have the capacity to double the number of fisherman and helpers in the community to 500, from the 250 employed last winter.^{viii} As well, a new expansion to the Prince Albert Correctional Facility will create 100 new jobs.^{ix}

Saskatchewan's larger urban centres are doing comparatively better. Saskatoon-Biggar has seen strong employment growth (+2,000). Despite this recent growth, the region's unemployment rate has also increased (+1.5 percentage points) due to an even larger growth in the labour force (+7,500). A negative turn for the region occurred this month, when Mosaic announced lay-offs at its potash mine near Colonsay.^x Regina-Moose Mountain has seen minimal, but positive, employment growth (+200), but the region has also seen only minor growth in the unemployment rate (+0.4%).

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2015 ('000)	October 2014 ('000)	Yearly Variation (%)	October 2015 (%)	October 2014 (%)	Yearly Variation (% points)
Saskatchewan	579.4	578.2	0.2	5.1	3.7	1.4
Economic Regions						
Regina-Moose Mountain	185.4	185.0	0.2	3.7	3.3	0.4
Swift Current-Moose Jaw	52.7	53.3	-1.1	3.7	2.0	1.7
Saskatoon-Biggar	202.4	198.4	2.0	5.5	4.0	1.5
Yorkton-Melville	38.3	39.4	-2.8	5.4	3.7	1.7
Prince Albert and Northern	100.7	102.1	-1.4	7.1	4.9	2.2

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.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, Saskatchewan

For further information, please contact the LMI team at: NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2015, all rights reserved

ⁱ Conference Board of Canada. (August 2015). Provincial Outlook Executive Summary: Summer 2015. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=7287> (subscription required for full report)

ⁱⁱ <http://www.leaderpost.com/business/regina+starts+fall+2016+rebound+cmhc/11469586/story.html>

Kerr, Jason (August 12, 2015). Builders slowing down. *Prince Albert Daily Herald*. Retrieved from: <http://www.paherald.sk.ca/News/Local/2015-08-12/article-4242705/Builders-slowing-down/1>

ⁱⁱⁱ <http://www.saskatchewan.ca/government/news-and-media/2015/october/09/pa-correctional-centre-expansion>

^{iv} <http://www.cbc.ca/news/canada/saskatoon/coal-out-as-saskatchewan-s-number-one-source-of-power-1.3284067>

^v Johnstone, Bruce (August 14, 2015). Manufacturing sales slump in June due to commodity price plunge, CME's Lothian says. *Regina Leader-Post*. Retrieved from: <http://www.leaderpost.com/business/Manufacturing+sales+slump+June+commodity+price+plunge+Lothian+says/11291172/story.html>

^{vi} <http://www.cbc.ca/news/canada/calgary/husky-job-cuts-total-1400-in-q3-2015-results-1.3296133>

^{vii} Penn West announced Petroleum announced 400 lay-offs, ConocoPhillips announced 500, and Cenovus announced 540. Most of these cuts will be in Calgary, where the companies' main offices are, but all have offices in Saskatchewan. Regional break-downs of the cuts have not been provided.

The Canadian Press (September 1, 2015). Penn West Petroleum Ltd cuts 400 jobs, mostly in Calgary, suspends dividend, delays projects. *The Financial Post*. Retrieved from: <http://business.financialpost.com/news/energy/penn-west-petroleum-ltd-cuts-400-jobs-mostly-in-calgary-suspends-dividend-delays-projects>

Reuters (September 1, 2015). ConocoPhillips laying off 500 employees and contractors in Canada. *The Globe and Mail*. Retrieved from: <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/conocophillips-laying-off-500-employees-and-contractors-in-canada/article26174779/>

CBC News (September 25, 2015). Cenovus Energy says more layoffs coming in the next few weeks. Retrieved from:
<http://www.cbc.ca/news/canada/calgary/cenovus-energy-cuts-jobs-layoffs-1.3244991>

^{viii} <http://globalnews.ca/news/2138994/new-plant-to-expand-fishing-industry-in-northwest-saskatchewan/>

^{ix} <http://www.saskatchewan.ca/government/news-and-media/2015/october/09/pa-correctional-centre-expansion>

^x <http://globalnews.ca/news/2292423/mosaic-laying-off-staff-at-colonsay-sask-potash-mine/>