



Labour Market Bulletin

Saskatchewan

January 2016



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

Just shy of 575,000 people were working in Saskatchewan in January 2016, as provincial employment fell slightly (-1,800) following two months of growth. Slumping oil prices and flat potash prices continue to challenge Saskatchewan's economy. On a yearly basis, employment in Saskatchewan is up 1.1%, slightly higher than the national rate of 0.8%. All told, 6,400 more individuals were employed in the province in January 2016 compared to the same month last year.

Monthly loses were exclusively in full-time employment (-6,000), as part-time employment grew by 4,200. However, the majority of new positions created over the past year were full-time, while part-time employment has been relatively flat. Compared to last January, the number of people employed part-time is up by just 1,300, while full-time employment is up by 5,100 positions.

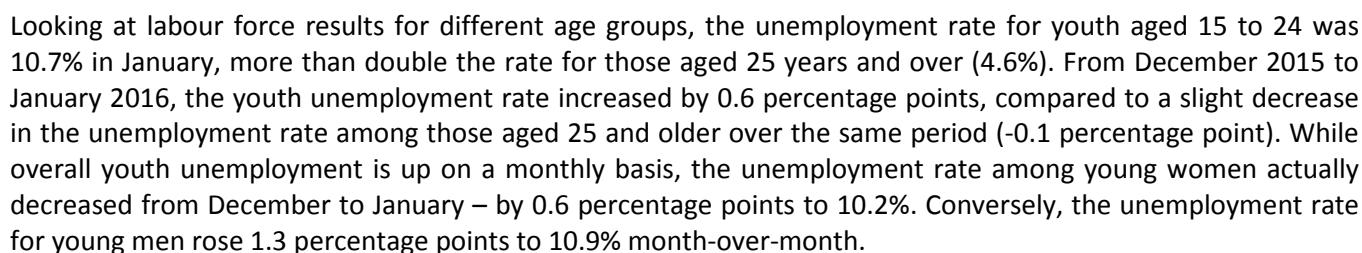
Saskatchewan Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	January 2016	December 2015	January 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	865.2	865.0	857.8	0.2	0.0	7.4	0.9
Labour Force ('000)	607.0	608.6	593.8	-1.6	-0.3	13.2	2.2
Employment ('000)	573.3	575.1	566.9	-1.8	-0.3	6.4	1.1
Full-Time ('000)	472.9	478.9	467.8	-6.0	-1.3	5.1	1.1
Part-Time ('000)	100.4	96.2	99.1	4.2	4.4	1.3	1.3
Unemployment ('000)	33.7	33.6	26.9	0.1	0.3	6.8	25.3
Unemployment Rate (%)	5.6	5.5	4.5	0.1	-	1.1	-
Participation Rate (%)	70.2	70.4	69.2	-0.2	-	1.0	-
Employment Rate (%)	66.3	66.5	66.1	-0.2	-	0.2	-

Note: Totals may not add due to rounding

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

The number of unemployed in Saskatchewan grew for the second month in a row, climbing to the second highest point since 2010. However, the number of unemployed is still well below the near-historic high of 35,100 reached in October. As a result, Saskatchewan's unemployment rate grew slightly to 5.6% in January. Despite the slight increase, Saskatchewan's unemployment rate remains the lowest in Canada and well below the national rate of 7.2%. Still, Saskatchewan's unemployment rate remains elevated compared to a year ago; more than one percentage point higher than the rate of 4.5% in January 2015.



Seasonally Adjusted Data	January 2016 %	December 2015 %	January 2015 %	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	5.6	5.5	4.5	0.1	1.1
25 years and over	4.6	4.7	3.7	-0.1	0.9
Men - 25 years and over	5.0	5.3	3.8	-0.3	1.2
Women - 25 years and over	4.2	4.0	3.6	0.2	0.6
15 to 24 years	10.7	10.1	8.9	0.6	1.8
Men - 15 to 24 years	10.9	9.6	8.9	1.3	2.0
Women - 15 to 24 years	10.2	10.8	8.8	-0.6	1.4

Canada

EMPLOYMENT BY INDUSTRY

Employment in Saskatchewan's goods-producing sector saw a slight decrease in January, with 2,200 fewer people employed than in December 2015. Meanwhile, the province's services-producing sector employed 400 more people this month, rebounding slightly from a 1,600 drop in employment in December. A similar trend can be observed year-over-year; strong services-sector employment (+10,000) outweighing declining employment in the province's goods-producing sector (-3,600).

Within the goods-producing sector, Saskatchewan's utilities industry was the only one to see a monthly increase (+200). Construction employment fell for the second consecutive month, down 1,100 month-over-month. Saskatchewan's resource extraction industry has struggled lately as low oil and potash prices continue to negatively impact Saskatchewan's labour market. PotashCorp recently announced the end of its operations at its Picadilly mine in New Brunswick due to low market rates for potash. The closing resulted in 420 lost jobs in that province; however, 100 open positions in Saskatchewan are likely to be staffed by affected individuals.¹

The Conference Board of Canada anticipates that 2016 will be a year of recovery in Saskatchewan as long as oil markets stabilize and begin to regain some momentum. This outlook assumes that Saskatchewan reached the bottom of their downward cycle at the end of 2015.² In contrast, the Canadian Association of Oilwell Drilling Contractors project that drilling activity in the province's oil and gas industry will decline even further in 2016. An estimated 1,200 wells are expected to be drilled in Saskatchewan next year, dropping below 2015's projected count of approximately 1,400 wells.³

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	January 2016	December 2015	January 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	573.3	575.1	566.9	-1.8	-0.3	6.4	1.1
Goods-producing sector	154.9	157.1	158.5	-2.2	-1.4	-3.6	-2.3
Agriculture	41.5	42.1	41.5	-0.6	-1.4	0.0	0.0
Forestry, fishing, mining, quarrying, oil and gas	25.7	26.3	27.6	-0.6	-2.3	-1.9	-6.9
Utilities	6.5	6.3	6.5	0.2	3.2	0.0	0.0
Construction	54.7	55.8	56.5	-1.1	-2.0	-1.8	-3.2
Manufacturing	26.5	26.6	26.5	-0.1	-0.4	0.0	0.0
Services-producing sector	418.4	418.0	408.4	0.4	0.1	10.0	2.4
Trade	85.2	85.4	81.9	-0.2	-0.2	3.3	4.0
Transportation and warehousing	27.7	30.0	28.0	-2.3	-7.7	-0.3	-1.1
Finance, insurance, real estate and leasing	31.0	31.1	30.8	-0.1	-0.3	0.2	0.6
Professional, scientific and technical services	27.1	26.8	24.9	0.3	1.1	2.2	8.8
Business, building and other support services	14.1	13.9	14.6	0.2	1.4	-0.5	-3.4
Educational services	40.7	41.5	44.8	-0.8	-1.9	-4.1	-9.2
Health care and social assistance	79.6	78.8	74.5	0.8	1.0	5.1	6.8
Information, culture and recreation	21.7	20.6	16.6	1.1	5.3	5.1	30.7
Accommodation and food services	38.3	38.2	36.4	0.1	0.3	1.9	5.2
Other services	25.0	24.0	24.9	1.0	4.2	0.1	0.4
Public administration	28.0	27.5	31.0	0.5	1.8	-3.0	-9.7

Note: Totals may not add due to rounding

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

Meanwhile, the province's manufacturing industry continues to face challenges. Compared to December 2015, employment in the industry is down 0.4%. Saskatchewan manufacturers that access the majority of their inputs from the United States are being negatively impacted by the low Canadian dollar, while others that manufacture products for the oil and gas industry are suffering due to low oil prices. According to Statistics Canada, year-over-year manufacturing sales in the province were down by 11.2% in November.⁴

Turning to services-producing industries, employment in Saskatchewan's health care and social assistance industry increased by 800 in January. There are now over 5,000 more people working in the health care industry compared to this time a year ago. While this is positive, the province's health care industry is not without its own set of challenges in the near term. The Saskatoon Health Region is facing a \$45 million budget shortfall for the 2015-16 fiscal year. Rising expenditures, due in part to strong population growth in recent years, are forcing the province's largest health region to cut costs. The health region is in the process of evaluating its programs and services and is seeking short-term cost savings that do not involve job loss. However, the health region indicates that job losses will be unavoidable in order to help address a structural deficit.⁵

Information, culture and recreation (+1,100) and public administration (+500) are among the other services-producing industries to see notable employment gains in January. Gains in these industries helped to offset declining employment in transportation and warehousing (-2,300), which is seeing declines due to struggles in resource extraction, manufacturing and construction. On a month-over-month basis educational services employment saw a decline of 800 continuing a trend that has the industry down 4,100 jobs since January 2015.

REGIONAL ANALYSIS

Year-over-year employment growth varied across Saskatchewan, with annual employment declining in three out of the five regions, and unemployment rates rising across the province.

Since January 2015, Swift Current-Moose Jaw and Saskatoon-Biggar both faced declining employment year-over-year, down 0.9% and 0.2% respectively. Meanwhile, Yorkton-Melville suffered the largest percentage decrease in employment (-7.2%) coupled with the largest unemployment rate increase (+2.9 percentage points) among Saskatchewan's regions. Falling employment in the region can likely be attributed to reduced drilling activities in the oil and gas industry and to declining construction activity.

On the positive side, Prince Albert and Northern saw employment growth of 3.2% while employment in Regina-Moose Mountain grew by 2.3%. Non-residential construction activity is likely facilitating positive employment growth in the Regina-Moose Mountain and helping to offset the negative impact of lower resource prices. Regina's \$1.9 billion bypass project, which is expected to create 8,200 construction-related jobs,⁶ is adding to the region's strong performance. As Saskatchewan's economy settles into the medium-term reality of low oil prices, non-residential infrastructure projects will likely help carry employment over the next five years.⁷

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	January 2016 ('000)	January 2015 ('000)	Yearly Variation (%)	January 2016 (%)	January 2015 (%)	Yearly Variation (% points)
Saskatchewan	570.7	566.8	0.7	5.4	3.8	1.6
Economic Regions						
Regina-Moose Mountain	185.4	181.2	2.3	4.0	3.4	0.6
Swift Current-Moose Jaw	52.5	53.0	-0.9	3.5	2.2	1.3
Saskatoon-Biggar	196.6	196.9	-0.2	5.8	4.2	1.6
Yorkton-Melville	35.9	38.7	-7.2	6.5	3.5	3.0
Prince Albert and Northern	100.2	97.1	3.2	7.6	4.7	2.9

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

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¹ CBC, PotashCorp suspends Picadilly mine in N.B., cuts 430 jobs

Retrieved from: <http://www.cbc.ca/news/canada/new-brunswick/potash-piccadilly-mine-suspended-1.3409831>

² Conference Board of Canada, Will Alberta and Saskatchewan bounce back in 2016?

Retrieved from: http://www.conferenceboard.ca/press/speech_oped/15-12-16/will_alberta_and_saskatchewan_bounce_back_in_2016.aspx

³ Regina Leader-Post (November 19, 2015). Canadian Association of Oilwell Drilling Contractors forecasts 200 fewer wells in Saskatchewan in 2016.

Retrieved from: <http://leaderpost.com/business/energy/caodc-forecast-200-fewer-wells-in-sask-in-2016>

⁴ Statistics Canada, CANSIM, Tables 304-0014 and 304-0015.

Retrieved from: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ87a-eng.htm>

⁵ The Star Phoenix (January 28, 2016). Saskatoon Health Region seeking approval for its cost-saving measures.

Retrieved from: <http://thestarphoenix.com/health/family-child/shr-budget-update-2>

⁶ CTV News Regina (August 5, 2015). Regina bypass cost rises to \$1.88 billion.

Retrieved from: <http://regina.ctvnews.ca/regina-bypass-cost-rises-to-1-88-billion-1.2503199>

⁷ Regina Leader Post, Non-residential projects to drive construction activity in Saskatchewan over next decade,

Retrieved from: <http://leaderpost.com/business/local-business/non-residential-projects-to-drive-construction-activity-in-next-decade>