



Labour Market Bulletin

Saskatchewan

October 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 and Northern economic regions.

OVERVIEW

Over 566,000 individuals were working in Saskatchewan in October 2016. Month over month, employment is down 2,400 in the province, with monthly losses exclusively in full-time employment (-2,800). Overall, provincial employment is down significantly (-10,600) from October 2015 — demonstrating the negative impact that low oil and resource prices are having on Saskatchewan's labour market.

The number of jobs available in Saskatchewan and the provincial job vacancy rate have edged downwards, signifying a lower demand for workers. According to Statistics Canada's latest Survey of Employment, Payrolls and Hours, there were 6,000 vacant positions in the province in July 2016 – down 7.7% compared to the same month last year. Moreover, the province's job vacancy rate dropped from 1.4% in July 2015 to 1.3% in July 2016.¹

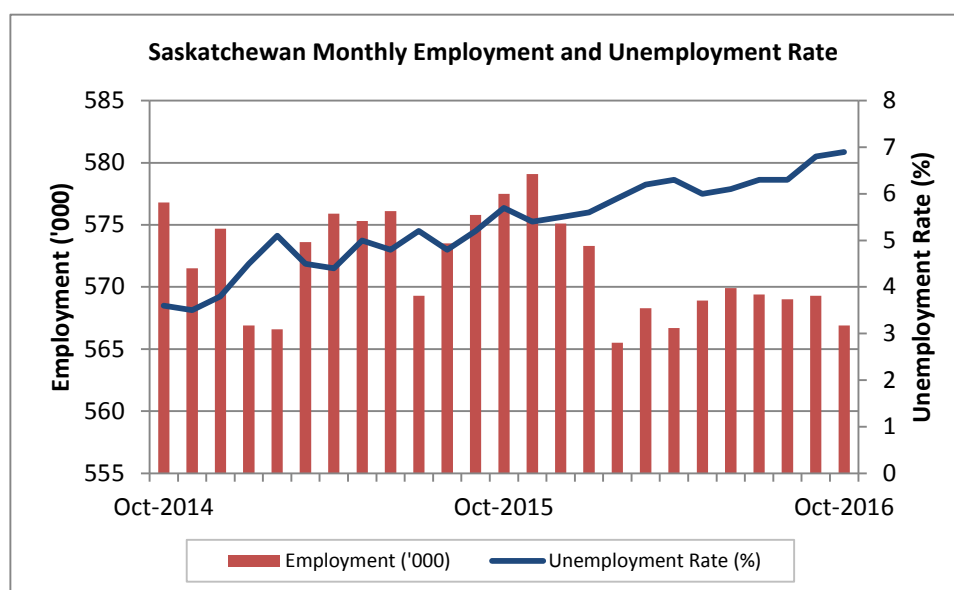
Looking at classes of workers, employment in Saskatchewan's public sector is up 6,500 (+4.8%) year over year. In contrast, the province's private sector shed 3,900 positions in October, bringing total annual losses in the sector to just over 11,000. Meanwhile, the number of self-employed Saskatchewanians was up slightly from September (+400).

Saskatchewan Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	October 2016	September 2016	October 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	871.4	871.0	864.0	0.4	0.0	7.4	0.9
Labour Force ('000)	609.2	611.0	612.7	-1.8	-0.3	-3.5	-0.6
Employment ('000)	566.9	569.3	577.5	-2.4	-0.4	-10.6	-1.8
Full-Time ('000)	463.6	466.4	474.2	-2.8	-0.6	-10.6	-2.2
Part-Time ('000)	103.3	102.9	103.3	0.4	0.4	0.0	0.0
Unemployment ('000)	42.3	41.7	35.1	0.6	1.4	7.2	20.5
Unemployment Rate (%)	6.9	6.8	5.7	0.1	-	1.2	-
Participation Rate (%)	69.9	70.1	70.9	-0.2	-	-1.0	-
Employment Rate (%)	65.1	65.4	66.8	-0.3	-	-1.7	-

Note: Totals may not add due to rounding

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



Saskatchewan's unemployment rate stood at 6.9% in October — virtually unchanged from the previous month, but substantially higher than October 2015 (5.7%). While Saskatchewan's unemployment rate is still below the national average of 7.0%, it is now at its highest level in more than two decades. There are currently more than 42,000 Saskatchewan residents actively seeking employment in the province, up 20.5% from a year ago.

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	October 2016 (%)	September 2016 (%)	October 2015 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	6.9	6.8	5.7	0.1	1.2
25 years and over	6.0	5.7	4.7	0.3	1.3
Men - 25 years and over	6.8	6.0	5.4	0.8	1.4
Women - 25 years and over	5.1	5.4	3.9	-0.3	1.2
15 to 24 years	12.3	13.0	11.3	-0.7	1.0
Men - 15 to 24 years	15.0	15.8	11.5	-0.8	3.5
Women - 15 to 24 years	9.2	9.9	11.2	-0.7	-2.0

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

Turning to results for demographic groupings, the unemployment rate for youth (15 to 24 years) was 12.3% in October, more than double the rate for adults aged 25 and over (6.0%). Young men continue to have a much higher unemployment rate than other groups. The unemployment rate for young men has risen from 11.5% to 15.0% over the course of last year. In contrast, the unemployment rate for young women declined over the same period, falling from 11.2% in October 2015 to 9.2% this month.

EMPLOYMENT BY INDUSTRY

Saskatchewan's goods-producing sector shed 6,400 positions between September and October, with losses occurring in all industries. Meanwhile, the province's services-producing sector employed 4,000 more people this month. A similar trend is observed year-over-year, as an uptick in services-sector employment (+4,200) helped to partially offset significant declines in the goods-sector (-14,800).

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	October 2016	September 2016	October 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	566.9	569.3	577.5	-2.4	-0.4	-10.6	-1.8
Goods-producing sector	144.2	150.6	159.0	-6.4	-4.2	-14.8	-9.3
Agriculture	37.9	40.8	41.9	-2.9	-7.1	-4.0	-9.5
Forestry, fishing, mining, quarrying, oil and gas	24.4	24.6	26.5	-0.2	-0.8	-2.1	-7.9
Utilities	6.7	6.8	6.9	-0.1	-1.5	-0.2	-2.9
Construction	49.4	51.7	56.8	-2.3	-4.4	-7.4	-13.0
Manufacturing	25.9	26.8	26.9	-0.9	-3.4	-1.0	-3.7
Services-producing sector	422.7	418.7	418.5	4.0	1.0	4.2	1.0
Trade	92.4	88.4	86.0	4.0	4.5	6.4	7.4
Transportation and warehousing	28.5	28.0	29.1	0.5	1.8	-0.6	-2.1
Finance, insurance, real estate and leasing	26.2	27.3	30.7	-1.1	-4.0	-4.5	-14.7
Professional, scientific and technical services	28.5	28.6	26.0	-0.1	-0.3	2.5	9.6
Business, building and other support services	13.3	12.8	14.0	0.5	3.9	-0.7	-5.0
Educational services	42.7	41.0	42.1	1.7	4.1	0.6	1.4
Health care and social assistance	80.1	79.8	78.8	0.3	0.4	1.3	1.6
Information, culture and recreation	20.3	20.0	21.0	0.3	1.5	-0.7	-3.3
Accommodation and food services	38.1	38.5	38.6	-0.4	-1.0	-0.5	-1.3
Other services	22.7	24.2	24.7	-1.5	-6.2	-2.0	-8.1
Public administration	29.9	30.3	27.5	-0.4	-1.3	2.4	8.7

Note: Totals may not add due to rounding

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

Within the goods-producing sector, the largest drop in employment over the past year is in construction (-7,400). Work on a number of major projects has wrapped up in the province, including construction of Regina's new \$278-million football stadium.² In addition, residential construction activity is down in Saskatchewan, due in part to lower demand for housing and higher housing inventories. However, with new construction projects such as \$300-million River Landing condominium project in Saskatoon and a \$100-million protein-processing plant in Moose Jaw on the horizon, the provincial construction industry is expected to fare better in 2017.³

In agriculture, employment is down on a monthly basis (-2,900), as well as over the year (-4,000). According to the provincial government's most recent weekly crop report, continued wet weather has resulted in very little harvest progress since the beginning of October. Moreover, recent rain and snow has caused further damage to crops, lowering crop quality and yields across the province.⁴

Employment in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) declined for the second consecutive month in October. The industry continues to deal with volatile market conditions resulting from persistently low commodity prices and depressed global demand for resources. In October, Cameco Corp. eliminated up to 10% of its corporate workforce in Saskatoon. These layoffs come after the company launched a corporate headquarter staffing review in April, at which time they shuttered their Rabbit Lake uranium mine resulting in nearly 600 job losses.

Turning to the services-producing sector, wholesale and retail trade had the largest jump in employment this month, with employment up 4,000 from September. In contrast, soft economic conditions are negatively impacting employment in finance, insurance, real estate and leasing. As a result, there were 1,100 fewer individuals employed in this industry during the month of October compared to a month earlier. Nonetheless, Saskatchewan's services-producing sector is expected to be a bright spot for the province over the next two years. According to Conference Board of Canada, some service-based industries will experience an increase in output by two percent or more.⁵

Mixed results were seen among Saskatchewan's three public-sector industries in October: educational services added 1,700 positions; health care and social assistance added 300; while employment in public administration fell by 400. All three public-sector industries employ more individuals on an annual basis.

REGIONAL ANALYSIS

Mixed labour market results were observed across Saskatchewan, with moderate to significant annual employment losses occurring in four out of the province's five economic regions. Meanwhile, unemployment rates are up across all regions in the province.

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2016 ('000)	October 2015 ('000)	Yearly Variation (%)	October 2016 (%)	October 2015 (%)	Yearly Variation (% points)
Saskatchewan	572.4	579.4	-1.2	6.3	5.1	1.2
Economic Regions						
Regina-Moose Mountain	184.5	185.4	-0.5	5.0	3.7	1.3
Swift Current-Moose Jaw	53.6	52.7	1.7	3.9	3.7	0.2
Saskatoon-Biggar	198.4	202.4	-2.0	6.7	5.5	1.2
Yorkton-Melville	37.3	38.3	-2.6	6.5	5.4	1.1
Prince Albert and Northern	98.7	100.7	-2.0	8.9	7.1	1.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

Swift Current-Moose Jaw was the only region in Saskatchewan to see an increase in year-over-year employment (+900). However, labour force expansion outpaced employment growth in the region over the past year, meaning that the unemployment rate for this region is up slightly – from 3.7% in October 2015 to 3.9% in October 2016.

Focusing on the provinces larger centres, there were 4,000 (-2.0%) fewer individuals working in Saskatoon-Biggar than a year earlier. Moderate employment gains in the region's services-producing sector have not kept pace with losses in the agriculture, construction and manufacturing industries. For example, three months after announcing plans to shutter its manufacturing plant and handing out layoff notices to 150 workers, Mitsubishi Hitachi Power Systems Canada Ltd. ended operations in Saskatoon on October 15.⁶ Meanwhile, in Regina-Moose Mountain, year-over-year employment is down 0.5% (-900). Moreover, the region's unemployment rate now stands at 5.0% – up 1.3 percentage points from October 2015.

The Prince Albert and Northern region continues to be negatively impacted by the downturn in the resource extraction industry. Spending cuts and reduced investment in resource extraction, including oil and uranium, are having a direct impact on other industries such as construction and manufacturing. As a result, the unemployment rate in Prince Albert and Northern region has increased by nearly two full percentage points over the past year.

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 Statistics Canada (October 26, 2016). Survey of Employment, Payrolls and Hours (SEPH), job vacancy statistics, labour demand and job vacancy rate by North American Industry Classification System (NAICS), 3-month moving average, unadjusted for seasonality. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2840001&pattern=&stByVal=1&p1=1&p2=31&tabMode=dataTable&csid=>

² CBC news (August 31, 2016). New Mosaic Stadium 'substantially complete'. Retrieved from: <http://www.cbc.ca/news/canada/saskatchewan/new-mosaic-stadium-substantially-complete-1.3742827>

³ Conference Board of Canada: Economic Insights Into 13 Canadian Metropolitan Economies, Spring 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8034>

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⁴ Government of Saskatchewan. (October 27, 2016). Crop Report for the period October 18 to 24, 2016. Retrieved from: <http://publications.gov.sk.ca/documents/20/95420-Crop%20Report%20for%20the%20Period%20October%2018%20to%2024%202016%20-%20Printer%20Friendly.pdf>

⁵ Conference Board of Canada (August 30, 2016). Provincial Outlook Economic Forecast for Saskatchewan, Summer 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8264>

⁶ Saskatoon StarPhoenix (October 17, 2016). 'A terrible loss of jobs': Mitsubishi Hitachi manufacturing division shuts down, plant for sale. Retrieved from: <http://thestarphoenix.com/business/local-business/a-terrible-loss-of-jobs-mitsubishi-hitachi-manufacturing-division-shuts-down-plant-for-sale>