



# Labour Market Bulletin

## Saskatchewan

March 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

Employment in Saskatchewan trended down in the first quarter of 2016, reversing all of the employment gains incurred in the previous quarter. There were 8,200 fewer people working in the province compared to the fourth quarter of 2015. This decline is attributed almost entirely to a loss in full-time work (-7,000). Part-time employment also declined, but at a much slower pace (-1,200).

There has been a noticeable inconsistency in the province's overall employment trend over the last year. Quarterly employment gains have been repeatedly followed by declines the next quarter. According to the Conference Board of Canada, modest job creation is expected in 2016, as employment advances by a mere 0.2%, due primarily to the ongoing effects of the downturn in oil and gas. The province is expected to pick up more momentum in 2017 as non-residential construction investment rebounds across the province, and demand for agriculture products and uranium gets a boost.<sup>1</sup>

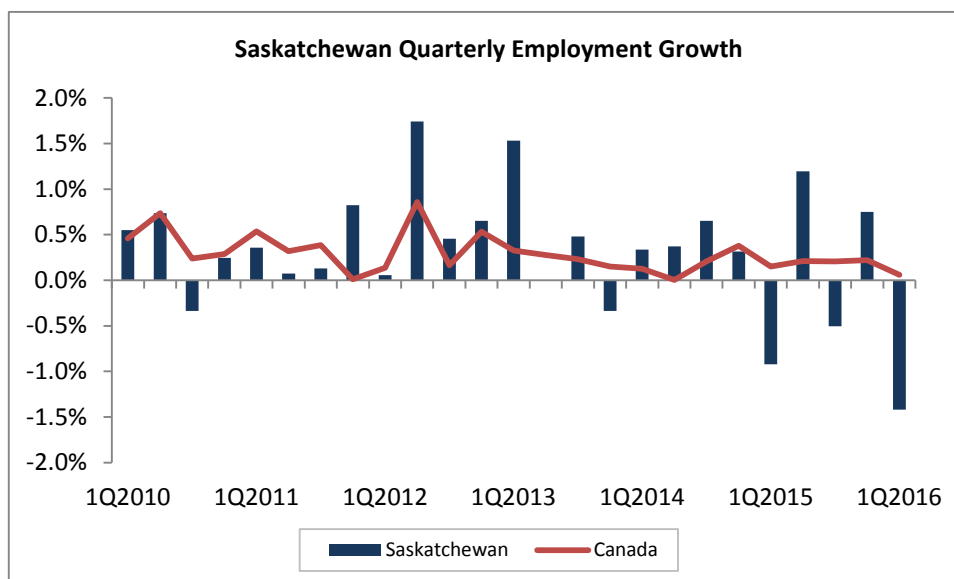
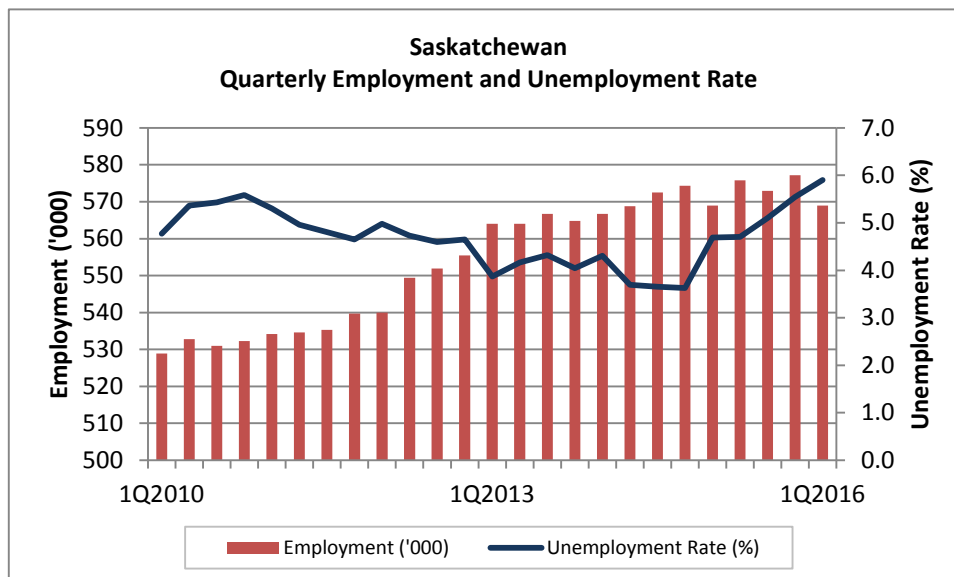
### Saskatchewan Quarterly Labour Force Statistics

Seasonally Adjusted Data	1st Quarter 2016	4th Quarter 2015	1st Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	865.9	864.5	858.4	1.4	0.2	7.5	0.9
<b>Labour Force ('000)</b>	604.7	611.1	597.1	-6.4	-1.0	7.6	1.3
<b>Employment ('000)</b>	569.0	577.2	569.0	-8.2	-1.4	0.0	0.0
Full-Time ('000)	468.9	475.9	471.8	-7.0	-1.5	-2.9	-0.6
Part-Time ('000)	100.1	101.3	97.3	-1.2	-1.2	2.8	2.9
<b>Unemployment ('000)</b>	35.7	33.9	28.0	1.8	5.3	7.7	27.5
<b>Unemployment Rate (%)</b>	5.9	5.5	4.7	0.4	-	1.2	-
<b>Participation Rate (%)</b>	69.8	70.7	69.6	-0.9	-	0.3	-
<b>Employment Rate (%)</b>	65.7	66.8	66.3	-1.1	-	-0.6	-

Note: Totals may not add due to rounding

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

An increase in the number of unemployed people drove Saskatchewan's unemployment rate up in the first quarter of 2016 (+0.4 percentage points to reach 5.9%). Despite this increase, Saskatchewan's unemployment rate remains the lowest in Canada. Meanwhile, the provincial participation rate (69.8%) is also up on a year-over-year basis, but the employment rate is slightly down (65.7%). Overall, both rates remain significantly higher than the national employment (61.2%) and participation (65.9%) rates.



**Saskatchewan Quarterly Unemployment Rates, by Gender and Age**

Seasonally Adjusted Data	1st Quarter 2016 (%)	4th Quarter 2015 (%)	1st Quarter 2015 (%)	Quarterly Variation	Yearly Variation
				(% points)	(% points)
<b>Total</b>	5.9	5.5	4.7	0.4	1.2
<b>25 years and over</b>	4.9	4.7	3.9	0.2	1.1
Men - 25 years and over	5.2	5.3	4.0	-0.1	1.2
Women - 25 years and over	4.6	3.9	3.6	0.7	1.0
<b>15 to 24 years</b>	11.4	10.3	9.2	1.1	2.2
Men - 15 to 24 years	13.0	9.6	9.6	3.5	3.5
Women - 15 to 24 years	9.6	11.2	8.8	-1.6	0.8

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

Saskatchewan youth (aged 15 to 24 years) lost further ground in the first quarter of the year, as the unemployment rate for this age group climbed from 10.3% to 11.4%. On a quarterly basis, young women fared better than their male counterparts. The unemployment rate for young men increased to 13.0%, while the rate for young women rose to 9.6%. These rates are at their highest levels ever for young men in the province, and at the highest level for young women since the first quarter of 2011. Still, youth unemployment rates in Saskatchewan remain well below the Canadian average.

**Saskatchewan - Labour market indicators for Indigenous People**

Not Seasonally Adjusted Data	1st Quarter 2016		1st Quarter 2015	Yearly Variation	
	Indigenous	Non-Indigenous	Indigenous	Number	%
<b>Population 15 + ('000)</b>	79.2	786.7	76.8	2.4	3.1
<b>Labour Force ('000)</b>	51.4	547.3	47.8	3.6	7.5
<b>Employment ('000)</b>	43.7	516.0	43.4	0.3	0.7
Full-Time ('000)	35.2	418.1	34.8	0.4	1.1
Part-Time ('000)	8.4	97.9	8.6	-0.2	-2.3
<b>Unemployment ('000)</b>	7.8	31.4	4.4	3.4	77.3
<b>Unemployment Rate (%)</b>	15.1	5.7	9.2	5.9	-
<b>Participation Rate (%)</b>	65.0	69.6	62.2	2.8	-
<b>Employment Rate (%)</b>	55.2	65.6	56.5	-1.3	-

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey – ESDC custom table

In the first quarter (Q1) of 2016, the total population aged 15+ in Saskatchewan was 865,800. The Indigenous population living off-reserve accounted for 9.1% of that, or 79,200 people. Employment among the Indigenous population stood at 43,700 representing an increase of +300 (+0.7%) from a year earlier. Employment gains in full-time positions accounted for the increase (+400 or +1.1%), which was partially offset by a decline in part-time employment (-200 or -2.3%).

The unemployment rate among the Indigenous population was 15.1% in Q1 2016, an increase of +5.9 percentage points (pp) from the previous year. Among the non-Indigenous population, the unemployment rate also increased year-over-year (+1.0pp), and stood at 5.7% in Q1 2016. Between Q1 2015 and Q1 2016, the participation rate among the Indigenous population increased to 65.0% (+2.8pp), while the employment rate fell to 55.2% (-1.3pp). Smaller changes occurred among the non-Indigenous population whose participation rate increased to 69.6% (+0.2pp), and employment rate decreased to 65.6% (-0.6pp) year-over-year.

## EMPLOYMENT BY INDUSTRY

First quarter employment losses were almost equally dispersed in both the goods-producing and the service-producing sectors. Employment in goods-producing was down by 2.8% in the first quarter of 2016, led by declines in construction (-2,700), resource extraction (forestry, fishing, mining, quarrying, oil and gas) (-1,200) and manufacturing (-1,000). Meanwhile, employment increased slightly in agriculture (+300) and utilities (+200).

The construction industry has had a tough year in 2015. Provincial investment in new housing decreased 30% in January 2016 compared to a year earlier – the second largest drop nationwide. Spending decreased in every dwelling type across the province, led by declines in semi-detached homes (-39%) and row homes (-35%).<sup>2</sup> This weakness was further intensified by a slowdown in non-residential construction activity amid ongoing uncertainty in potash and lingering effects of the downturn in oil and gas. And with over 10% of non-residential construction inputs being imported, a weaker Canadian dollar will boost the cost of construction materials and negatively impact the industry.<sup>3</sup>

## Saskatchewan Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	1st Quarter 2016	4th Quarter 2015	1st Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	569.0	577.2	569.0	-8.2	-1.4	0.0	0.0
<b>Goods-producing sector</b>	154.1	158.6	157.5	-4.5	-2.8	-3.4	-2.2
Agriculture	42.5	42.2	41.6	0.3	0.7	0.9	2.2
Forestry, fishing, mining, quarrying, oil and gas	25.3	26.5	26.8	-1.2	-4.5	-1.5	-5.6
Utilities	6.9	6.7	6.5	0.2	3.0	0.4	6.2
Construction	53.8	56.5	56.8	-2.7	-4.8	-3.0	-5.3
Manufacturing	25.6	26.6	25.9	-1.0	-3.8	-0.3	-1.2
<b>Services-producing sector</b>	414.9	418.7	411.6	-3.8	-0.9	3.3	0.8
Trade	85.0	86.0	83.1	-1.0	-1.2	1.9	2.3
Transportation and warehousing	27.3	29.1	28.4	-1.8	-6.2	-1.1	-3.9
Finance, insurance, real estate and leasing	30.4	30.9	31.0	-0.5	-1.6	-0.6	-1.9
Professional, scientific and technical services	27.0	26.4	24.9	0.6	2.3	2.1	8.4
Business, building and other support services	13.3	13.9	14.8	-0.6	-4.3	-1.5	-10.1
Educational services	40.1	41.8	44.2	-1.7	-4.1	-4.1	-9.3
Health care and social assistance	79.5	79.2	75.2	0.3	0.4	4.3	5.7
Information, culture and recreation	20.9	20.9	17.3	0.0	0.0	3.6	20.8
Accommodation and food services	37.5	38.7	36.6	-1.2	-3.1	0.9	2.5
Other services	25.8	24.5	25.0	1.3	5.3	0.8	3.2
Public administration	28.0	27.3	31.0	0.7	2.6	-3.0	-9.7

Note: Totals may not add due to rounding

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

Despite growth in potash production volumes in 2015, weak demand and low prices added to the mining industry's woes and contributed to a slowdown in mining activity during the year. In fact, several of Saskatchewan's potash companies cut back production in the third and fourth quarters of 2015. Potash prices are currently below US\$300 per tonne, considerably less than their peak of about US\$900 per tonne in 2008.<sup>4</sup>

Globally, mine financing levels have declined an astounding 82% (to \$400 million) in 2015 from the \$2.3 billion raised the previous year.<sup>5</sup> However, recent developments in Saskatchewan appear promising; for instance, last month, Saskatoon-based Karnalyte Resources Inc. signed a US\$700 million agreement with an Indian fertilizer and chemical manufacturer for the construction of a new potash solution mine near Wynyard. Development is scheduled to begin this fall, and this project is expected to create up to 300 temporary construction jobs and 90 permanent jobs.<sup>6</sup> Looking ahead, forecasters expect the demand for potash to pick up, which might help reverse recent trends.

Employment in the province's services-producing sector declined by 3,800 in the first quarter of 2016 in comparison to the previous quarter. Significant declines in transportation and warehousing (-1,800) and educational services (-1,700) for instance, were only partially offset by employment gains in other services

(+1,300) and public administration (+700). Employment in trade has trended down this quarter amid slumping oil prices, contributing to a 22% year-over-year decline in exports to the US. Fortunately, the drop was tempered by an increase in merchandise shipments to China (19%) and India (60%) over the same period.<sup>7</sup> Going forward, modest job creation in 2016 is expected to have a moderating impact on consumer spending.

## REGIONAL ANALYSIS

Year-over-year employment trends varied widely across Saskatchewan's five economic regions. Employment is up in Regina-Moose Mountain, and Prince Albert and Northern. In Regina-Moose Mountain, 2,500 more people held jobs in the first quarter of 2016 compared to one year prior. However, the region's unemployment rate increased 0.6 percentage points over the same time period, partially due to an expansion in the local labour force. Employment prospects for Regina-Moose Mountain are expected to improve as: construction begins on a new fertilizer distribution center in Belle Plaine, a \$41 million in expansion work ramps up on a Weyburn school project, and ground breaks on several major real estate projects.

Turning to Saskatoon—Biggar, employment decreased modestly in that region (-0.6%) on a year-over-year basis amid a slowdown in oil patch activities. Looking forward, the growth expectations for Saskatchewan's larger urban centers (Saskatoon-Biggar and Regina-Moose Mountain) are subdued, as both regions are expected to post lower employment growth and higher unemployment rates this year. Despite the slowdown, labour markets in both regions continue to perform comparatively better than most other large Canadian centers.

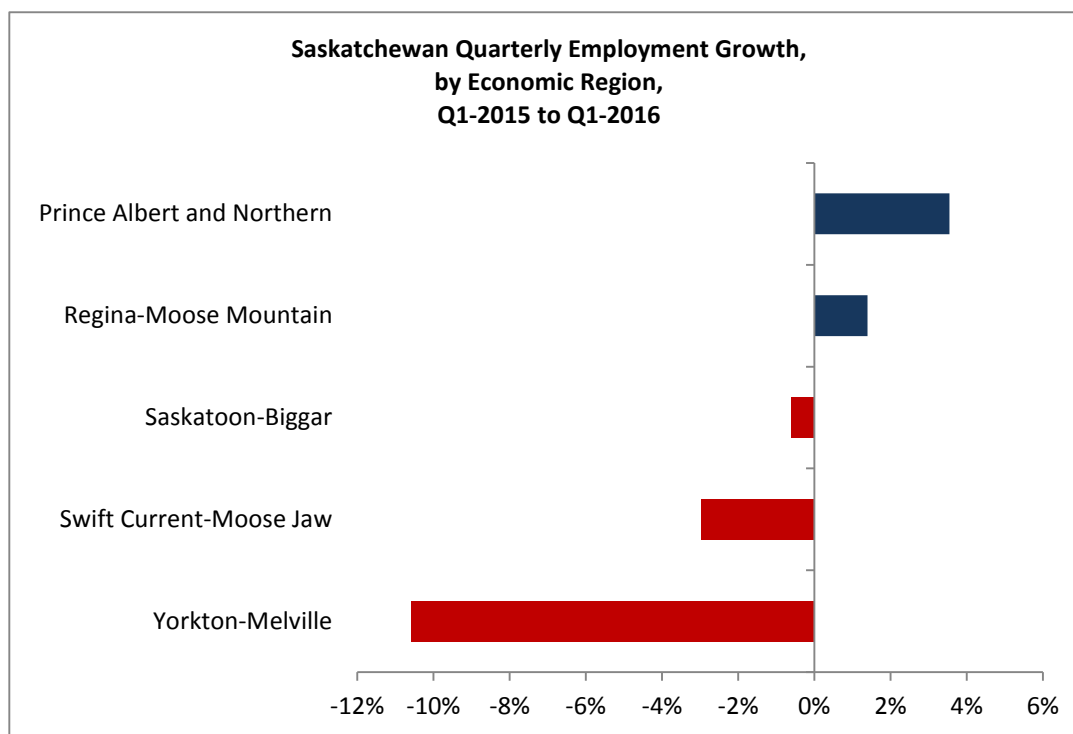
**Saskatchewan Quarterly Labour Force Statistics, by Economic Region**

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	1st Quarter 2016 ('000)	1st Quarter 2015 ('000)	Yearly Variation (%)	1st Quarter 2016 (%)	1st Quarter 2015 (%)	Yearly Variation (% points)
<b>Saskatchewan</b>	559.2	560.3	-0.2	6.6	5.1	1.5
<b>Economic Regions</b>						
Regina-Moose Mountain	181.6	179.1	1.4	5.4	4.8	0.6
Swift Current-Moose Jaw	52.2	53.8	-3.0	4.6	3.8	0.8
Saskatoon-Biggar	191.4	192.6	-0.6	6.7	5.4	1.3
Yorkton-Melville	34.6	38.7	-10.6	8.5	3.3	5.2
Prince Albert and Northern	99.4	96.0	3.5	8.8	6.7	2.1

*Note: Totals may not add due to rounding*

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

Of all of the economic regions in Saskatchewan, the southeastern region of Yorkton-Melville performed the poorest in the first quarter of 2016, with year-over-year employment declining by 10.6%. The region was hit by a number of layoffs over the past year, including the November closure of the Wynyard Shop Easy store. The region's decline in employment came in several services-producing industries, which contributed to a large increase in its unemployment rate (5.2 percentage points). Prospects for the region may improve over the near-term though, as projects such as Karnalyte Resources' new \$700 million potash solution mine near Wynyard ramp up.



**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](http://www.statcan.gc.ca)

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<sup>1</sup> Conference Board of Canada. Provincial Outlook, Winter 2016. (Subscription required).

<sup>2</sup> Statistics Canada (January 2016). Investment in New Housing Construction.  
<http://www.statcan.gc.ca/daily-quotidien/160321/dq160321c-eng.htm>

<sup>3</sup> Conference Board of Canada. Canadian Non-Residential Construction Outlook, Winter 2014. (Subscription required)

<sup>4</sup> Mining.com. A brutal year for mine financing explained in just one chart. November 19, 2015.  
<http://www.mining.com/a-brutal-year-for-mine-financing-in-just-one-chart/>

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<sup>5</sup> InvestmentMine (April 2016). Historical Potash Prices and Price Charts.

<http://www.infomine.com/investment/metal-prices/potash/>

<sup>6</sup> Karnalyte Resources Inc. News Release. March 2016. [http://www.karnalyte.com/resources/news/nr\\_2016\\_03\\_14.pdf](http://www.karnalyte.com/resources/news/nr_2016_03_14.pdf)

<sup>7</sup> Industry Canada's Trade Data. Retrieved from [https://www.ic.gc.ca/eic/site/icgc.nsf/eng/h\\_07052.html#ic-subnav-1-](https://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07052.html#ic-subnav-1-)