



Labour Market Bulletin

Saskatchewan

September 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 reached just over 569,000 in Saskatchewan during the third quarter of 2016, as the number of people employed in the province increased by 700 on the quarter. Quarterly gains were entirely in part-time employment (+3,800), while the number of full-time positions decreased by 3,100. Overall, compared to the third quarter of 2015, provincial employment is down 3,700 (-0.6%).

Saskatchewan Quarterly Labour Force Statistics

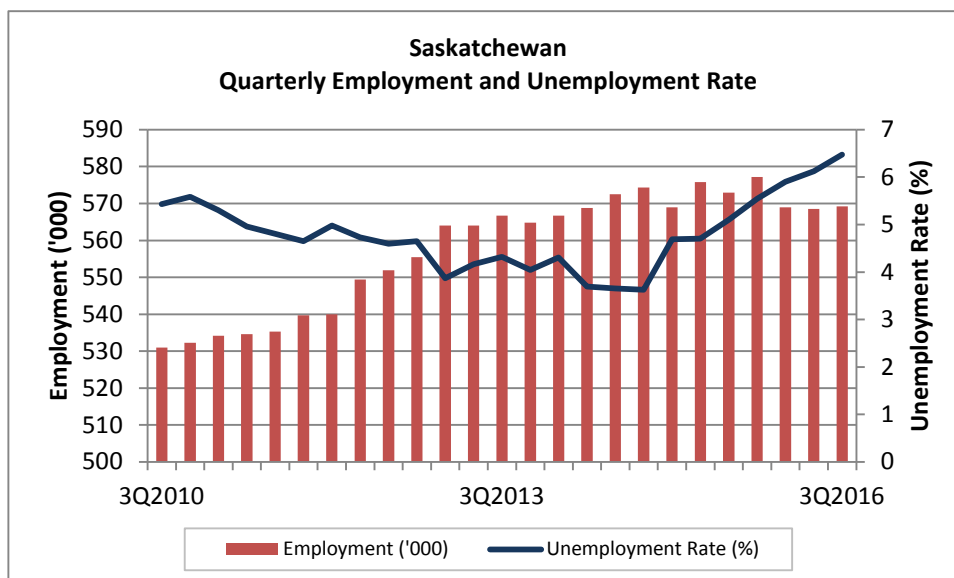
Seasonally Adjusted Data	3rd Quarter 2016	2nd Quarter 2016	3rd Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	870.5	867.7	862.7	2.8	0.3	7.8	0.9
Labour Force ('000)	608.6	605.6	603.7	3.0	0.5	4.9	0.8
Employment ('000)	569.2	568.5	572.9	0.7	0.1	-3.7	-0.6
Full-Time ('000)	464.6	467.7	467.3	-3.1	-0.7	-2.7	-0.6
Part-Time ('000)	104.6	100.8	105.6	3.8	3.8	-1.0	-0.9
Unemployment ('000)	39.4	37.1	30.8	2.3	6.2	8.6	27.9
Unemployment Rate (%)	6.5	6.1	5.1	0.3	-	1.4	-
Participation Rate (%)	69.9	69.8	70.0	0.1	-	-0.1	-
Employment Rate (%)	65.4	65.5	66.4	-0.1	-	-1.0	-

Note: Totals may not add due to rounding

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

Saskatchewan's private sector accounted for all employment gains (+4,200) in the third quarter of 2016, while the number of self-employed Saskatchewanians dropped by 3,500 during the same period. Meanwhile, public sector employment remained unchanged on the quarter. The situation is much different on an annual basis, with public sector employment (+3,100) and self-employment (+300) up, and private sector employment down significantly (-7,100).

Depressed commodity prices are contributing to weak labour market results in Saskatchewan. The provincial unemployment rate has edged up from 5.1% in the third quarter of 2015 to 6.5% in the third quarter of 2016. This is the fifth consecutive quarterly increase in the provincial unemployment rate and Saskatchewan's highest quarterly unemployment rate since the first quarter of 1999.



Saskatchewan Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	3rd Quarter 2016 (%)	2nd Quarter 2016 (%)	3rd Quarter 2015 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	6.5	6.1	5.1	0.3	1.4
25 years and over	5.4	5.2	4.3	0.2	1.1
Men - 25 years and over	5.8	5.2	5.1	0.6	0.7
Women - 25 years and over	4.9	5.1	3.5	-0.2	1.4
15 to 24 years	12.6	11.5	9.4	1.1	3.2
Men - 15 to 24 years	15.1	14.2	10.0	0.9	5.1
Women - 15 to 24 years	9.8	8.5	8.8	1.4	1.1

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

Youth unemployment remains high this quarter, with the unemployment rate for those aged 15 to 24 averaging 12.6%. This is more than double the rate of those aged 25 years and older (5.4%) and 3.2 percentage points higher than the unemployment rate among youth in the third quarter of 2015. The unemployment rates for both young men and young women increased from the third quarter of 2015 to the third quarter of 2016 – by 5.1 and 1.6 percentage points respectively.

In contrast, the unemployment rate for adults (aged 25 and over) remained fairly stable this quarter. Men continue to have a higher unemployment rate than women (5.8% compared to 4.9%). This trend emerged nearly two years ago, as employment began to decline significantly in several male-dominated industries such as resource extraction and manufacturing.

Saskatchewan - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q3 2016	Q3 2015	Number	%	Q3 2016	Q3 2015	Number	%
Population 15 + ('000)	82.5	77.6	4.9	6.3	788.0	785.1	2.9	0.4
Labour Force ('000)	54.6	51.3	3.3	6.4	559.6	559.0	0.6	0.1
Employment ('000)	46.7	44.3	2.4	5.4	528.5	534.2	-5.7	-1.1
Full-Time ('000)	37.9	36.6	1.3	3.6	441.0	445.4	-4.4	-1.0
Part-Time ('000)	8.7	7.7	1.0	13.0	87.6	88.8	-1.2	-1.4
Unemployment ('000)	7.9	7.0	0.9	12.9	31.1	24.8	6.3	25.4
Unemployment Rate (%)	14.5	13.7	0.8	-	5.5	4.4	1.1	-
Participation Rate (%)	66.1	66.2	-0.1	-	71.0	71.2	-0.2	-
Employment Rate (%)	56.5	57.1	-0.6	-	67.1	68.0	-0.9	-

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 third quarter (Q3) of 2016, the total population aged 15+ in Saskatchewan was 870,500. The Indigenous population living off-reserve accounted for 9.5% of this total, or 82,500 people. Employment among the Indigenous population stood at 46,700, representing an increase of 240 (+5.4%) from a year earlier. Full-time positions accounted for 3.6% of the increase (+130), while part-time employment increased by 13.0% (+100).

The unemployment rate among Saskatchewan's Indigenous population was 14.5% in Q3 2016, an increase of +0.8 percentage points (pp) from the previous year. Among the non-Indigenous population, the unemployment rate also increased year-over-year (+1.1pp), and stood at 5.5% in Q3 2016. Between Q3 2015 and Q3 2016, the participation rate among the Indigenous population declined to 66.1% (-0.1pp), and a similar decline occurred amongst the non-Indigenous population, which stood at 71.0% (-0.2pp). The Indigenous population also experienced a decline in the employment rate year-over-year (56.5% or -0.6pp), while the non-Indigenous population experienced slightly larger decline over the same time period (67.1% or -0.9pp).

EMPLOYMENT BY INDUSTRY

Strong quarterly employment gains in Saskatchewan's services-producing sector (+4,300) outweighed declines in the province's goods-producing sector (-3,600). In contrast, on an annual basis, marginal employment gains in the services-sector (+900) were not enough to offset significant losses in the goods-producing sector (-4,600).

Saskatchewan Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter 2016	2nd Quarter 2016	3rd Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	569.2	568.5	572.9	0.7	0.1	-3.7	-0.6
Goods-producing sector	148.9	152.5	153.5	-3.6	-2.4	-4.6	-3.0
Agriculture	41.3	42.4	40.2	-1.1	-2.6	1.1	2.7
Forestry, fishing, mining, quarrying, oil and gas	24.8	26.0	25.5	-1.2	-4.6	-0.7	-2.7
Utilities	6.9	7.3	6.9	-0.4	-5.5	0.0	0.0
Construction	50.6	51.8	54.6	-1.2	-2.3	-4.0	-7.3
Manufacturing	25.3	25.1	26.3	0.2	0.8	-1.0	-3.8
Services-producing sector	420.3	416.0	419.4	4.3	1.0	0.9	0.2
Trade	88.2	87.4	85.1	0.8	0.9	3.1	3.6
Transportation and warehousing	28.2	27.7	30.0	0.5	1.8	-1.8	-6.0
Finance, insurance, real estate and leasing	27.6	29.9	30.4	-2.3	-7.7	-2.8	-9.2
Professional, scientific and technical services	28.0	27.2	24.7	0.8	2.9	3.3	13.4
Business, building and other support services	12.9	12.5	14.3	0.4	3.2	-1.4	-9.8
Educational services	41.9	40.1	43.1	1.8	4.5	-1.2	-2.8
Health care and social assistance	79.5	78.0	79.1	1.5	1.9	0.4	0.5
Information, culture and recreation	20.1	20.2	19.3	-0.1	-0.5	0.8	4.1
Accommodation and food services	38.9	38.5	38.9	0.4	1.0	0.0	0.0
Other services	25.2	25.5	27.1	-0.3	-1.2	-1.9	-7.0
Public administration	29.9	29.0	27.3	0.9	3.1	2.6	9.5

Note: Totals may not add due to rounding

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

Looking at individual industries, employment in resource extraction (forestry, fishing, mining, quarrying, oil and gas) declined 1,200 (-4.6%) in the third quarter of 2016. The industry continues to deal with the repercussions of persistently low commodity prices and depressed global demand for resources. For example, Mosaic Co. temporarily laid-off 368 workers and idled production at its Colonsay mine in July to deal with challenging market conditions.¹ According to Conference Board of Canada's latest provincial outlook, output from the mining industry will fall 2.1% this year before returning to a 2.4% growth in 2017.²

Employment in Saskatchewan's construction industry is down significantly on the year (-4,000). Work on a number of major projects has been completed in the province, including construction of Regina's new \$278-million football stadium.³ In addition, residential construction activity is down in Saskatchewan, due in part to

higher housing inventories in the province because of slowing demand for housing. However, with new construction projects on the horizon, the industry is expected to fare well in 2017. For example, the federal and provincial governments are planning to invest \$236.6 million in transit systems, water and wastewater infrastructure projects across the province. Moreover, construction of new projects such as Saskatoon's \$300-million River Landing condominium and Moose Jaw's \$100-million protein-processing plant are slated to begin soon.⁴

After two consecutive quarters of employment losses, the number of people employed in manufacturing increased slightly in the province (+200). Despite this quarterly gain, year-over-year employment is still down 1,000 (-3.8%) in the industry. A lower Canadian dollar has resulted in higher costs of production for Saskatchewan manufacturers who access their inputs from the United States, while the downturn in the resource extraction industry has negatively impacted demand for manufactured products. For instance, two large manufacturing companies in Saskatchewan issued layoff notices to several hundred employees in July. Mitsubishi Hitachi Power Systems, a power generation technologies manufacturer, ceased operations at its Saskatoon plant and laid-off 150 people. Similarly, Evraz North America recently gave notices to 125 workers in its tubular division in Regina, after laying off approximately 200 employees earlier this year.⁵

In agriculture, year-over-year employment is up 1,100 (+2.7%). However, recent heavy rains and strong winds stalled harvest operations in the province and also lowered crop quality. Even so, yield estimates for most crops remain average to above average.⁶

Turning to services-producing industries, the largest quarterly employment gains were registered in Saskatchewan's public sector industries: Educational services (+1,800); Healthcare and social assistance (+1,500); and Public administration (+900). Focusing on the education industry, a projected increase in student enrollments has resulted in some school divisions hiring additional staff for the upcoming school year. For example, the Saskatoon Public School division announced that it will add 30 full-time teacher positions and 10 full-time support positions for the current school year.⁷

Meanwhile, weakness in the oil, potash and uranium markets have forced mining companies to cut back on production, which has hampered growth in the transportation and warehousing industry. Annual employment is down 1,800 (-6.8%) in the industry. Likewise, soft economic conditions are also negatively affecting employment in finance, insurance, real estate and leasing. There were 2,800 fewer people employed in the industry compared to the third quarter of 2015.

Employment in professional, scientific and technical services increased for a fifth consecutive quarter. On a year-over-year basis, there were 3,300 more people working in the industry compared to a year ago. A number of firms in this industry have been expanding operations and hiring staff in the province. For example, Cargill Inc. recently expanded its canola research facility in Aberdeen. In addition, tech-companies such as 7Shifts, SkipTheDishes and Solido Design Automation are also thriving and hiring additional employees.⁸

Employment in Saskatchewan's wholesale and retail trade industry has fared well over the past year. The industry now employs 3,100 more people than it did in the third quarter of 2015. Many new retail stores have opened in the province over the past year. For example, Nova Scotia-based Sobeys Inc. recently opened a new IGA store in Emerald Park, while BC-based Save-On-Foods is planning a major expansion in Saskatoon and

intends to open three new stores in the next 18 months.⁹ Similarly, Costco recently announced plans to expand its presence across the country and will be opening its second location in Saskatoon in fall 2016.¹⁰

REGIONAL ANALYSIS

Year-over-year employment is down in three of the province's five economic regions. Meanwhile, unemployment rates have increased considerably across the province.

Saskatchewan Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	3rd Quarter 2016 ('000)	3rd Quarter 2015 ('000)	Yearly Variation (%)	3rd Quarter 2016 (%)	3rd Quarter 2015 (%)	Yearly Variation (% points)
Saskatchewan	574.7	577.8	-0.5	6.3	5.3	1.0
Economic Regions						
Regina-Moose Mountain	185.0	184.8	0.1	5.1	4.1	1.0
Swift Current-Moose Jaw	53.3	53.0	0.6	4.1	4.0	0.1
Saskatoon-Biggar	199.4	200.7	-0.6	6.6	5.6	1.0
Yorkton-Melville	37.4	37.5	-0.3	6.7	6.3	0.4
Prince Albert and Northern	99.6	101.8	-2.2	9.1	6.9	2.2

Note: Totals may not add due to rounding

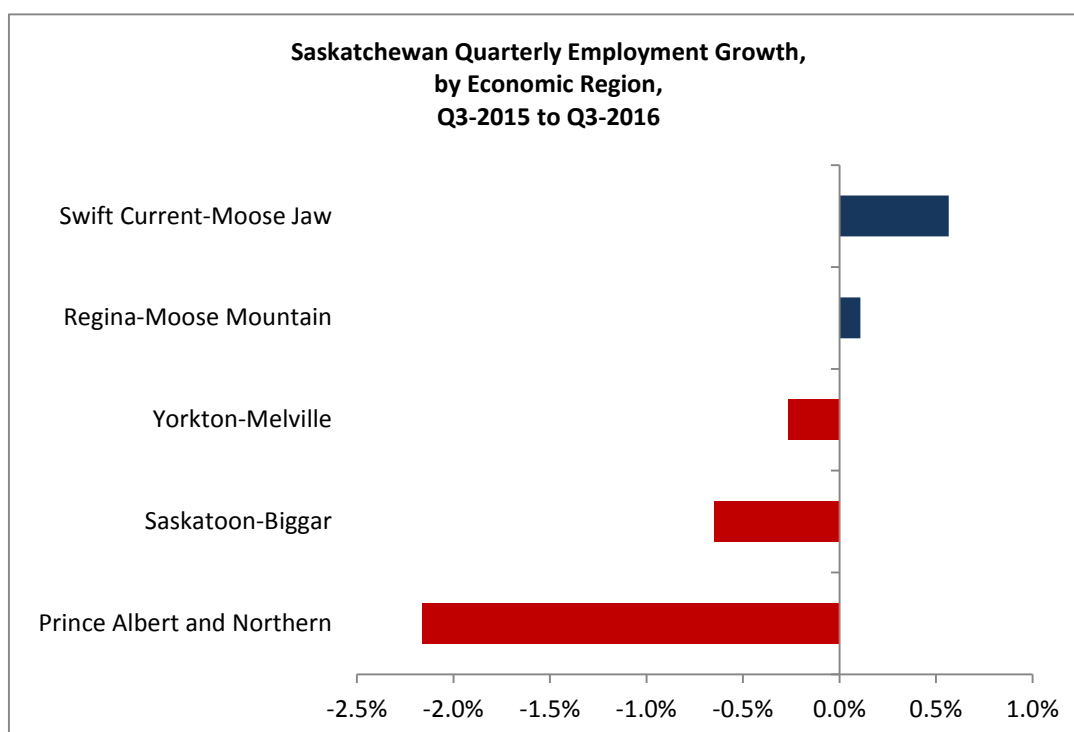
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

Regina-Moose Mountain (+200) and Swift-Current Moose Jaw (+300) were the only regions in the province to see a slight increase in year-over-year employment. However, labour force expansion has outpaced employment growth over the past year, pushing unemployment rates up in Regina-Moose Mountain (5.1%) and Swift Current-Moose Jaw (4.1%).

In Prince Albert and Northern, there were 2,200 (-2.2%) fewer people working during the third quarter of 2016 compared to a year ago. Not surprisingly, the region's unemployment rate climbed to 9.2% in the third quarter – up from 6.9% a year ago. Several industries including resource extraction, construction, healthcare and education continued to shed jobs in the third quarter.

Meanwhile, employment in Saskatoon-Biggar declined by 0.6% in the third quarter. Spending cuts in the resource extraction industry, including oil and gas, are having a negative impact on other industries. Within Saskatoon's goods-producing sector, the construction industry accounted for the largest proportion of employment losses during the past year. Consequently, Saskatoon-Biggar's unemployment rate rose by 1.0 percentage point to reach 6.6% this quarter.

Employment also dropped in Yorkton-Melville (-0.3%) in the third quarter of 2016. Moreover, the region's unemployment rate is up 0.4 percentage points to 6.7% 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 The Globe and Mail (July 13, 2016). Mosaic temporarily cuts about 330 jobs at potash mine in Saskatchewan. Retrieved from: <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/mosaic-temporarily-cuts-about-330-jobs-at-potash-mine-in-saskatchewan/article30902501/>

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