



Labour Market Bulletin

Saskatchewan

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

Saskatchewan's economy faced significant headwinds in 2016 amid ongoing uncertainty in potash and uranium markets, as well as lingering effects of the oil and gas downturn. There were 568,500 people employed in the province in 2016 – down 5,200 compared to 2015 levels. This is the first time since 2001 that employment has trended down in the province. Declining employment in 2016 was due entirely to the loss of full-time positions (-6,300), while part-time employment in the province moved up slightly (+1,100).

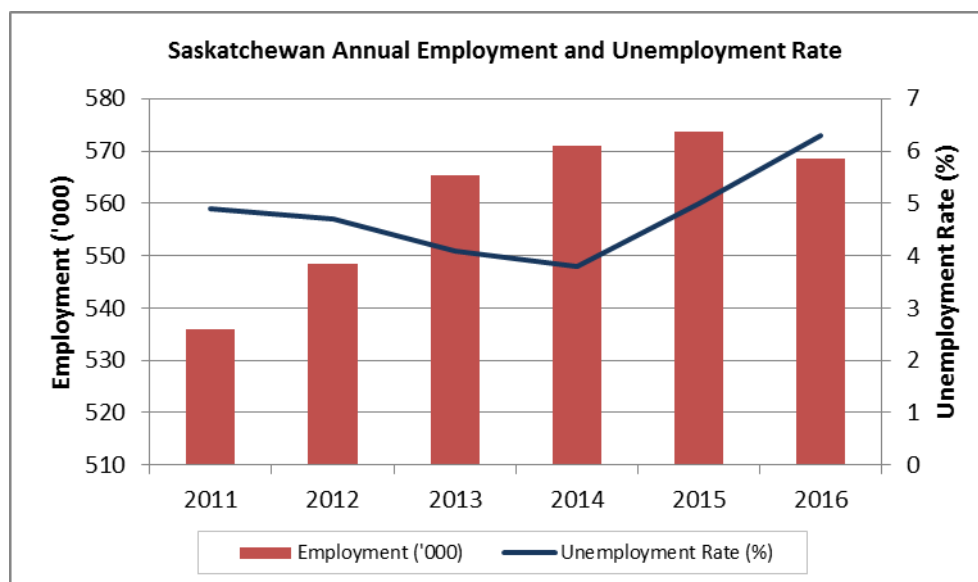
Looking at classes of workers, the number of self-employed Saskatchewanian's increased slightly in 2016 (+300); however, these gains were overshadowed by significantly fewer private sector employees (-5,000), as well as a slight drop in the number of public sector workers (-500).¹

Saskatchewan Annual Labour Force Statistics

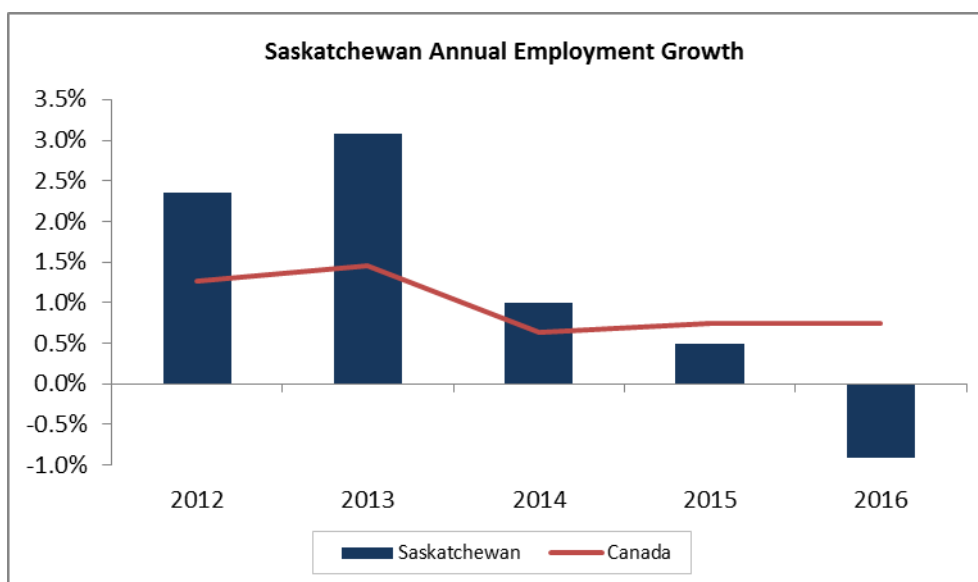
Labour Force Survey Estimates	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Population 15 + ('000)	869.0	861.5	852.2	7.5	0.9	9.3	1.1
Labour Force ('000)	606.8	604.1	593.7	2.7	0.4	10.4	1.8
Employment ('000)	568.5	573.7	570.9	-5.2	-0.9	2.8	0.5
Full-Time ('000)	466.5	472.8	472.7	-6.3	-1.3	0.1	0.0
Part-Time ('000)	102.0	100.9	98.2	1.1	1.1	2.7	2.7
Unemployment ('000)	38.3	30.4	22.8	7.9	26.0	7.6	33.3
Unemployment Rate (%)	6.3	5.0	3.8	1.3	-	1.2	-
Participation Rate (%)	69.8	70.1	69.7	-0.3	-	0.4	-
Employment Rate (%)	65.4	66.6	67.0	-1.2	-	-0.4	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates – CANSIM Table 282-0002



The number of unemployed individuals in the province spiked over the past year, rising 26% compared to 2015 levels. At the same time, the provincial unemployment rate hit 6.3% for the first time in nearly two decades. Despite these challenges, Saskatchewan still has one of the lowest unemployment rates among provinces – 0.7 percentage points lower than the national rate (7.0%). The Conference Board of Canada anticipates a slow turnaround for Saskatchewan's economy as the oil and gas industry stabilizes and services-sector activity picks up over the next few years.²



Turning to labour force results for different age groups, the unemployment rate for youth (15 to 24 years) was 11.7% in 2016, more than double the rate for those aged 25 years and over (5.4%). The youth unemployment rate edged up 1.9 percentage points between 2015 and 2016. Similarly, the unemployment rate for those aged 25 and older increased by 1.2 percentage points over the same period.

While overall youth unemployment is up on an annual basis, the unemployment rate among young women actually decreased between 2015 and 2016 – by 0.9 percentage points to 9.0%. Conversely, the unemployment rate for young men rose considerably during this period (+4.5 percentage points) and now sits at 14.2%.

Saskatchewan Annual Unemployment Rates, by Gender and Age

Labour Force Survey Estimates	2016	2015	2014	2015 to 2016	2014 to 2015
				(% points)	(% points)
Total	6.3	5.0	3.8	1.3	1.2
25 years and over	5.4	4.2	3.2	1.2	1.0
Men - 25 years and over	5.8	4.6	3.2	1.2	1.4
Women - 25 years and over	4.9	3.6	3.1	1.3	0.5
15 to 24 years	11.7	9.8	7.4	1.9	2.4
Men - 15 to 24 years	14.2	9.7	7.8	4.5	1.9
Women - 15 to 24 years	9.0	9.9	7.1	-0.9	2.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates – CANSIM Table 282-0002

EMPLOYMENT BY INDUSTRY

Annual employment losses were concentrated entirely in Saskatchewan's good-producing sector (-6,700), while employment in the services-producing sector increased slightly (+1,500). A difficult crop year, low oil prices and tepid commodity prices in general, negatively impacted the goods-producing sector. The only goods-producing industry with positive year over year employment growth was utilities (+3.0%).

Saskatchewan Annual Labour Force Statistics

Labour Force Survey Employment Estimates ('000)	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Total employment, all industries	568.5	573.7	570.9	-5.2	-0.9	2.8	0.5
Goods-producing sector	150.0	156.7	164.4	-6.7	-4.3	-7.7	-4.7
Agriculture	41.1	41.4	44.2	-0.3	-0.7	-2.8	-6.3
Forestry, fishing, mining, quarrying, oil and gas	25.1	26.2	28.0	-1.1	-4.2	-1.8	-6.4
Utilities	6.9	6.7	6.1	0.2	3.0	0.6	9.8
Construction	51.3	56.2	57.2	-4.9	-8.7	-1.0	-1.7
Manufacturing	25.7	26.2	28.9	-0.5	-1.9	-2.7	-9.3
Services-producing sector	418.5	417.0	406.5	1.5	0.4	10.5	2.6
Wholesale and retail trade	88.3	84.4	83.8	3.9	4.6	0.6	0.7
Transportation and warehousing	27.9	29.5	29.2	-1.6	-5.4	0.3	1.0
Finance, insurance, real estate, rental and leasing	28.6	30.7	30.0	-2.1	-6.8	0.7	2.3
Professional, scientific and technical services	28.1	25.1	26.4	3.0	12.0	-1.3	-4.9
Business, building and other support services	13.0	14.5	12.8	-1.5	-10.3	1.7	13.3
Educational services	40.9	43.5	43.5	-2.6	-6.0	0.0	0.0
Health care and social assistance	78.7	78.0	73.5	0.7	0.9	4.5	6.1
Information, culture and recreation	20.4	18.9	16.5	1.5	7.9	2.4	14.5
Accommodation and food services	38.1	38.0	36.1	0.1	0.3	1.9	5.3
Other services (except public administration)	25.0	25.7	24.8	-0.7	-2.7	0.9	3.6
Public administration	29.4	28.7	30.1	0.7	2.4	-1.4	-4.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates – CANSIM Table 282-0008

The largest employment decline within the goods-producing sector came in construction, as the industry shed 4,900 positions. Weak demand for homes has caused new housing starts in the province to decline. In addition, work on a number of major construction projects, such as K+S's new Legacy mine near Bethune, have either been completed or are nearing completion, which has negatively impacted employment in non-residential construction.

Saskatchewan farmers had a disappointing crop year in 2016 due in large part to unstable weather conditions. Rain and snow delayed harvesting operations in many parts of the province, resulting in damaged crops and reduced yields. On an annual basis, the number of individuals employed in agriculture dropped 300 last year. Despite a lacklustre crop year, farmers in the province are benefiting from favourable prices, as well as steadily declining operational input prices since 2015. The Conference Board of Canada expects output from the industry to return to normal in 2017.³

Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) has had a difficult two years. The industry shed 1,100 positions in 2016, following a drop of 1,800 between 2014 and 2015. In fact, employment in the industry is now at a seven-year low. A number of mining firms have suspended operations, while others have reduced the size of their workforce over the past year. For example, Cameco shuttered its Rabbit lake uranium mine in northern Saskatchewan in April 2016, putting more than 500 people out of work. In addition, following a staffing review, the company reduced 10% of its corporate workforce in Saskatoon in October 2016.⁴ Despite recent challenges for the resource extraction industry, there are signs of optimism. In December, Dominion Energy Processing Group Inc. revealed plans to develop, construct, and operate a \$600-million full-slate oil refinery near the town of Stoughton.⁵

Manufacturing also took a hit in 2016, as employment declined by 500 on a year over year basis. Many of the province's manufacturers produce machinery and equipment for the oil and gas, mining and agriculture industries. Uncertainty in these industries has forced manufacturing companies to scale back operations, decrease spending or postpone major purchases altogether. Evraz, for example, laid-off nearly 200 steelworkers from its Regina plant in May 2016 due to fewer production orders from oil-producing firms.⁶

Turning to services-producing industries, the largest annual employment gains were registered in wholesale and retail trade (+3,900). Numerous retail companies have established operations in Saskatchewan during the last year. For example, Costco recently opened its second location in Saskatoon. The membership-only warehouse club now employs 800 employees in the province, of which about 225 people work at its new Saskatoon facility.⁷

Employment in the professional, scientific and technical services industry fared well over the past year. The industry now employs 3,000 more individuals than it did in 2015. Vendasta, 7Shifts and Solido Design Automation Inc. are some of the companies that have experienced rapid growth in recent years. For instance, Saskatoon-based Vendasta has grown by at least 50% year over year during the last three years, and is on track to reach 300 employees by the end of 2017.⁸

There were mixed results among the province's three public-sector industries. Employment in educational services dropped by 2,600 on a year over year basis, while health and social assistance (+700) and public administration (+700) employed more individuals during the same period. In November, the provincial government released its mid-year budget update for 2016-17 stating that the province's projected budget deficit

has climbed to just over \$800 million. Consequently, the provincial government is implementing restraint and saving measures to start moving the budget back to balance.⁹

Employment growth has deteriorated in Saskatchewan's finance, insurance, real estate, rental and leasing industry. On an annual basis, the industry employed 28,600 workers in 2016 – down 2,100 from 2015. Similarly, transportation and warehousing employment dropped 1,600 in 2016 and the industry now employs 27,900 individuals.

REGIONAL ANALYSIS

Year over year employment declined in four out of five economic regions in Saskatchewan, while unemployment rates are up across all regions with the exception of Swift Current-Moose Jaw.

Saskatchewan Annual Labour Force Statistics, by Economic Region

Labour Force Survey Estimates: Employment ('000)	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Saskatchewan	568.5	573.7	570.9	-5.2	-0.9	2.8	0.5
Economic Regions							
Regina-Moose Mountain	183.7	183.5	181.6	0.2	0.1	1.9	1.0
Swift Current-Moose Jaw	53.1	53.7	52.7	-0.6	-1.1	1.0	1.9
Saskatoon-Biggar	195.6	198.2	197.5	-2.6	-1.3	0.7	0.4
Yorkton-Melville	37.0	38.0	39.5	-1.0	-2.6	-1.5	-3.8
Prince Albert and Northern	99.2	100.3	99.7	-1.1	-1.1	0.6	0.6

Note: Totals may not add due to rounding

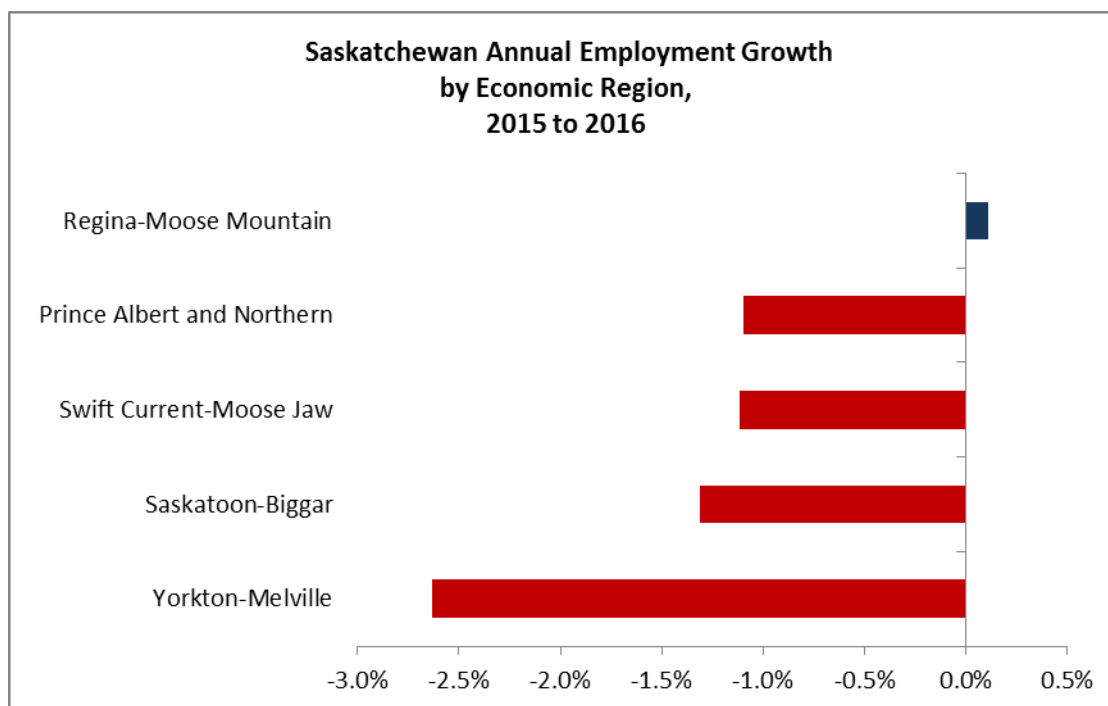
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

Employment was essentially flat in Regina-Moose Mountain region in 2016 (+200). Weak commodity prices are not only having a negative impact on the resource extraction industry, but are also negatively impacting several services-producing industries. As a result, the number of people employed in industries such as transportation and warehousing; finance, insurance, real estate, rental and leasing; and business, building and other support services has declined in the region.¹⁰

The province's most populous region, Saskatoon-Biggar, experienced limited economic growth over the past year. In 2016, the number of people employed in the region dropped 2,600. Employment gains in services-producing industries were overshadowed by falling employment in the goods-sector. For example, Mitsubishi Hitachi Power Systems, a power generation technologies manufacturer, ceased operations at its Saskatoon plant in October 2016 as it restructured and streamlined its operations. The closure left about 150 people out of work.¹¹ The Conference Board of Canada expects the region's labour market to recover modestly in 2017 though, as employment growth is forecast to reach 2.2% this year.¹²

Employment in Swift Current-Moose Jaw and Yorkton-Melville also declined over the past year. There were 600 fewer people employed in Swift Current-Moose Jaw and 1,000 less individuals working in Yorkton-Melville. Not surprisingly then, the unemployment rate in Yorkton-Melville edged up 2.3 percentage points last year. However, due to a drop in labour force participation, the unemployment rate in Swift Current-Moose Jaw remained unchanged at 3.8% in 2016.

The number of people employed in Prince Albert and Northern declined by 1,100 in 2016. Slow activity in the oil and gas industry, as well as soft uranium prices, are negatively impacting the northern economy. Cameco was one of the firms to reduce staffing levels in 2016. After laying-off more than 500 workers from its Rabbit Lake uranium mine in 2016, the company laid-off another 120 employees at its Cigar Lake, McArthur River and Key Lake operations in January 2017.¹³ Not surprisingly, the unemployment rate in Prince Albert and Northern climbed for a second consecutive year and now stands at 8.8% – up 2.1 percentage points compared to 2015.



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 Labour force survey estimates (LFS), employment by class of worker, North American Industry Classification System (NAICS) and sex. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820012&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

² Conference Board of Canada (December 22, 2016). Provincial Outlook Economic Forecast: Saskatchewan—Autumn 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8520>

³ Conference Board of Canada (December 22, 2016). Provincial Outlook Economic Forecast: Saskatchewan, Autumn 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8520>

⁴ CBC News Saskatoon. (April 21, 2016). Cameco cutting 500 jobs at Rabbit Lake uranium mine. Retrieved from: <http://www.cbc.ca/news/canada/saskatoon/cameco-mine-suspension-1.3547816>

Global News (January 17, 2017). Cameco announces job cuts at Cigar Lake, McArthur River and Key Lake operations. Retrieved from: <http://globalnews.ca/news/3187697/cameco-announces-job-cuts-at-cigar-lake-mcarthur-river-and-key-lake-operations/>

⁵ Regina Leader-Post (December 2, 2016). Stoughton touted as site of proposed 40,000 barrel per day refinery project. Retrieved from: <http://leaderpost.com/business/energy/stoughton-touted-as-site-of-proposed-40000-barrel-per-day-refinery-project>

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⁹ The Government of Saskatchewan (November 22, 2016). Falling Tax Revenue Increases Deficit. Retrieved from: <http://www.saskatchewan.ca/government/news-and-media/2016/november/22/mid-year-report>

¹⁰ Statistics Canada (January 5, 2017). Table 282-0125 – Labour force survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System (NAICS), annual (persons), CANSIM (database). Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820125&&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

¹¹ Saskatoon StarPhoenix (July 22, 2016). Mitsubishi Hitachi Power Systems to lay off 150 Saskatoon employees. Retrieved from: <http://thestarphoenix.com/business/local-business/mitsubishi-hitachi-power-systems-to-lay-off-150-saskatoon-employees>

¹² The Conference Board of Canada (November 11, 2016). Saskatoon: Metropolitan Outlook 1, Autumn 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8401>

¹³ Global News (January 17, 2017). Cameco announces job cuts at Cigar Lake, McArthur River and Key Lake operations. Retrieved from: <http://globalnews.ca/news/3187697/cameco-announces-job-cuts-at-cigar-lake-mcarthur-river-and-key-lake-operations/>