



# Labour Market Bulletin

## Saskatchewan

October 2017



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

There were 4,000 fewer individuals working in Saskatchewan during November 2017, as sharp losses in full-time employment (-4,500) overshadowed minor gains in part-time employment (+400). This was the second largest month-over-month employment drop of the year, after provincial employment fell 5,100 in March 2017. Provincial employment is also down on an annual basis (-2,200), with all losses coming in part-time employment over this period.

### Saskatchewan Monthly Labour Force Statistics

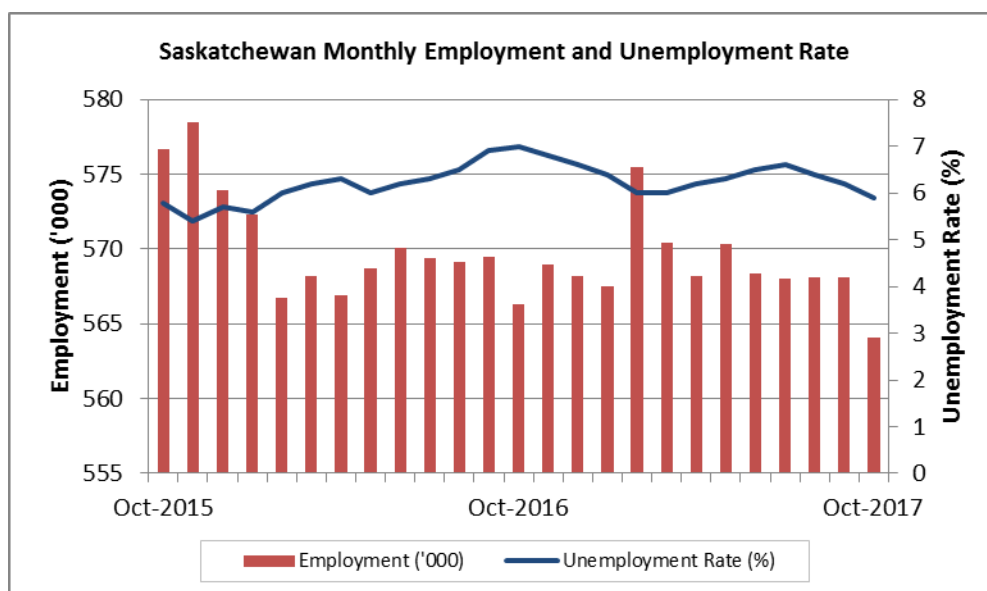
Seasonally Adjusted Monthly Data	October 2017	September 2017	October 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	879.2	878.8	871.4	0.4	0.0	7.8	0.9
<b>Labour Force ('000)</b>	599.3	605.7	608.7	-6.4	-1.1	-9.4	-1.5
<b>Employment ('000)</b>	564.1	568.1	566.3	-4.0	-0.7	-2.2	-0.4
Full-Time ('000)	463.6	468.1	463.1	-4.5	-1.0	0.5	0.1
Part-Time ('000)	100.5	100.1	103.2	0.4	0.4	-2.7	-2.6
<b>Unemployment ('000)</b>	35.1	37.6	42.4	-2.5	-6.6	-7.3	-17.2
<b>Unemployment Rate (%)</b>	5.9	6.2	7.0	-0.3	-	-1.1	-
<b>Participation Rate (%)</b>	68.2	68.9	69.9	-0.7	-	-1.7	-
<b>Employment Rate (%)</b>	64.2	64.6	65.0	-0.4	-	-0.8	-

Note: Totals may not add due to rounding

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

The number of people employed in all three employment sectors declined in October. The public and private sectors shed 400 and 200 positions respectively on the month. Meanwhile, the number of self-employed Saskatchewanians declined 3,400 during the same period.

According to the Canadian Federation of Independent Business' latest Business Barometer Index, small business optimism in Saskatchewan ranked the second lowest in Canada, after only Newfoundland and Labrador. Short-term hiring plans are also weak, with 11% of business owners looking to hire and 19% planning on cutting jobs over the next three to four months.<sup>1</sup>



Despite a steep drop in employment, Saskatchewan's unemployment rate fell 0.3 percentage points in October and now stands at 5.9%. This drop in unemployment can be attributed to a significant decrease in the provincial labour force (-6,400). A similar trend can be observed on an annual basis, as the unemployment rate declined by 1.1 percentage points between October 2016 and October 2017. Consequently, the number of Saskatchewanians seeking employment is down 17.2% from a year ago.

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

Seasonally Adjusted Data	October 2017 (%)	September 2017 (%)	October 2016 (%)	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	5.9	6.2	7.0	-0.3	-1.1
<b>25 years and over</b>	4.7	5.3	6.1	-0.6	-1.4
Men - 25 years and over	5.2	5.5	6.9	-0.3	-1.7
Women - 25 years and over	4.2	5.0	5.0	-0.8	-0.8
<b>15 to 24 years</b>	12.7	11.9	12.2	0.8	0.5
Men - 15 to 24 years	12.4	13.0	15.0	-0.6	-2.6
Women - 15 to 24 years	13.0	11.1	9.0	1.9	4.0

*Note: Totals may not add due to rounding*

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

Looking at labour force results for demographic groupings, the unemployment rate for youth aged 15 to 24 was 12.7%, more than double that of adults aged 25 and over (4.7%). Young women continued to have a far higher unemployment rate than other groups, having risen from 9.0% to 13.0% over the course of the last year. In contrast, women aged 25 and over have seen drop of 0.8 percentage points in their unemployment rate during the same period (5.0% to 4.2%). Meanwhile, the unemployment rates for both younger and older males declined on the year.

## EMPLOYMENT BY INDUSTRY

Saskatchewan's services-producing sector was responsible for the majority of employment losses (-2,100) in October, with the largest losses occurring in information, culture and recreation (-1,500) and other services (-1,000). In addition, employment in the province's goods-producing sector also dropped 1,900 on the month.

**Saskatchewan Monthly Labour Force Statistics, by Industry**

Seasonally Adjusted Data ('000)	October 2017	September 2017	October 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	564.1	568.1	566.3	-4.0	-0.7	-2.2	-0.4
<b>Goods-producing sector</b>	144.9	146.8	144.6	-1.9	-1.3	0.3	0.2
Agriculture	35.3	35.6	38.0	-0.3	-0.8	-2.7	-7.1
Forestry, fishing, mining, quarrying, oil and gas	24.1	24.0	24.5	0.1	0.4	-0.4	-1.6
Utilities	6.9	7.0	6.7	-0.1	-1.4	0.2	3.0
Construction	51.6	52.7	49.4	-1.1	-2.1	2.2	4.5
Manufacturing	27.0	27.5	26.0	-0.5	-1.8	1.0	3.8
<b>Services-producing sector</b>	419.2	421.3	421.7	-2.1	-0.5	-2.5	-0.6
Trade	92.8	92.2	92.2	0.6	0.7	0.6	0.7
Transportation and warehousing	29.8	29.2	28.5	0.6	2.1	1.3	4.6
Finance, insurance, real estate and leasing	27.4	27.8	26.2	-0.4	-1.4	1.2	4.6
Professional, scientific and technical services	29.1	29.6	28.8	-0.5	-1.7	0.3	1.0
Business, building and other support services	13.7	13.9	13.3	-0.2	-1.4	0.4	3.0
Educational services	40.3	40.7	42.3	-0.4	-1.0	-2.0	-4.7
Health care and social assistance	75.3	75.6	79.5	-0.3	-0.4	-4.2	-5.3
Information, culture and recreation	19.3	20.8	20.3	-1.5	-7.2	-1.0	-4.9
Accommodation and food services	35.9	35.7	38.0	0.2	0.6	-2.1	-5.5
Other services	24.9	25.9	22.7	-1.0	-3.9	2.2	9.7
Public administration	30.7	29.8	29.9	0.9	3.0	0.8	2.7

Note: Totals may not add due to rounding

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

Looking at individual goods-producing industries, agricultural employment dropped for a sixth successive month in Saskatchewan. There are 2,700 fewer workers employed in the industry in October compared to a year ago. According to Saskatchewan Agriculture's weekly crop report, harvest is essentially complete in the province with 99% of crops now in the bin. Some producers in the northern parts of Saskatchewan reported higher than average yields, while southern areas are reporting average or below-average yields due to dry and hot conditions during this year's growing season.<sup>2</sup> Wildfires in southwestern Saskatchewan also affected farming operations in October. The fires damaged about 34,000 hectares of land, and left about 750 cattle dead.<sup>3</sup>

On a monthly basis, the number of people employed in construction declined 1,100 in October. The 2017 construction season is now over and public infrastructure projects such as the city of Saskatoon's \$61 million Building Better Roads program have now concluded.<sup>4</sup> In the upcoming year, the provincial government plans to

spend about \$220M on highway construction and improvement projects, after spending \$1.1 billion on highway projects in 2017-18.<sup>5</sup> In addition, the federal government is granting \$896M to the province over the next 11 years for infrastructure improvement projects.<sup>6</sup> Apart from public infrastructure, work on several large-scale commercial projects is currently underway in the province, including \$5.3 billion Enbridge Inc.'s Line 3 Replacement project and SaskPower's \$680 million Chinook power station.<sup>7</sup>

The number of people employed in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) increased by 100 in October. Conditions in the province's mining industry are improving, buoyed by increasing demand for potash and strengthening resource prices in general. PotashCorp's expanded Rocanville mine and K+S Potash's Bethune mine are expected to ramp up production in the coming months, which will increase output in Saskatchewan's non-metal mining industry. In addition, the province's oil industry is benefiting from new cost-effective thermal extraction technology that is anticipated to boost investment over the next few years.<sup>8</sup> According to the Petroleum Services Association of Canada's 2018 Canadian Drilling Activity Forecast, total of 7,900 wells are anticipated to be drilled across Canada next year – up slightly from of the association's previous forecast of 7,550 wells. Of these, 2,931 wells are forecast to be drilled in Saskatchewan, representing a slight increase of 84 wells.<sup>9</sup>

Turning to the services-producing sector, the largest annual decline in employment occurred in Saskatchewan's healthcare and social assistance industry (-4,200). The Province is aiming to reduce its budget shortfall by the end of this fiscal year, and as a result, has undertaken a number of initiatives to reduce service costs. On the healthcare front, the provincial government has amalgamated the province's 12 health regions into one – creating the new Saskatchewan Health Authority. The new health authority will be headquartered in Saskatoon and is expected to save the Province between \$10 and \$20 million by 2018-19.<sup>10</sup>

Employment in education services also fell significantly on the year (-2,000). The 2017-18 school year has commenced, and 20 new schools have opened their doors across the province. Eighteen of the new public-private partnership schools are built on joint-use sites, including four locations in Saskatoon, three in Regina and one each in Martensville and Warman. Most of the teachers and staff at the new schools are existing employees of the public and catholic school divisions.<sup>11</sup>

There are now 35,900 people working in the accommodation and food services industry, down 2,100 compared to the previous year. According to Statistics Canada's latest survey of food services and drinking places, sales at Saskatchewan's services and drinking places totalled just over \$161 million in August 2017, down more than \$4 million compared to the previous year. The report shows that Saskatchewan was the only province to see a decline in receipts from August 2016. This drop on sales has coincided with an increase in provincial sales tax (PST), which took effect in April and added a six percent charge on restaurant meals.<sup>12</sup>

## REGIONAL ANALYSIS

Compared to the same period last year, employment is down in three out of five economic regions in Saskatchewan. Meanwhile, the unemployment rate either decreased or remained constant in all economic regions except Saskatoon-Biggar (+0.1 percentage point).

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2017 ('000)	October 2016 ('000)	Yearly Variation (%)	October 2017 (%)	October 2016 (%)	Yearly Variation (% points)
<b>Saskatchewan</b>	570.2	572.4	-0.4	5.8	6.3	-0.5
<b>Economic Regions</b>						
Regina-Moose Mountain	181.6	184.5	-1.6	4.7	5.0	-0.3
Swift Current-Moose Jaw	49.7	53.6	-7.3	3.9	3.9	0.0
Saskatoon-Biggar	203.6	198.4	2.6	6.8	6.7	0.1
Yorkton-Melville	38.9	37.3	4.3	4.7	6.5	-1.8
Prince Albert and Northern	96.5	98.7	-2.2	6.9	8.9	-2.0

Note: Totals may not add due to rounding

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

The number of people employed in Regina-Moose Mountain fell 2,900 in October 2017. Employment in the goods and services-producing sectors dropped this month, with the largest declines in agriculture (-2,300), healthcare and social assistance (-2,200) and professional, scientific and technical services (-1,100). In contrast, the manufacturing industry has been a bright spot for the region, adding 1,500 positions on the year. A substantial share of the local manufacturing industry provides equipment for Saskatchewan's resource sector and with activity picking up in the resource extraction industry, local manufacturing activity has spurred. Consequently, the Conference Board of Canada anticipates that Regina's manufacturing output will expand by 4.9% in 2017 and by another 1.4% in 2018.

Unlike Regina, employment in Saskatoon-Biggar increased considerably in October compared to the same period in 2016 (+5,200). The services-producing sector led employment gains in this region, adding 4,400 positions on the year. Despite advancing employment, Saskatoon-Biggar's unemployment rate increased slightly over the past year (+0.1 percentage point), as labour force growth outpaced gains in employment.

Meanwhile, employment in Swift Current-Moose Jaw fell 3,900 on the year due to considerably lower employment in agriculture and accommodation and food services. In agriculture, hot and dry weather in the region adversely affected crop yields this year.<sup>13</sup> Nonetheless, the unemployment rate in Swift Current-Moose Jaw remained unchanged on an annual basis (3.9%), due in part to a substantial decrease in the labour force (-4,100).

Compared to a year ago, the number of people employed in Prince Albert and Northern region slumped further. There are now 2,200 fewer people working in the region compared to October 2016. Weakness in the global uranium market and slow oil and gas activity continues to hamper growth in a region that is largely dependent on resource extraction activity. Due to soft economic conditions in the North, SaskPower is

deferring development of its \$630 million Tazi Twé hydroelectric project in Northern Saskatchewan. The electric crown corporation does not plan on proceeding with the project until there is a viable business case for the hydroelectric project, as demand for power has declined in the region. The proposed Tazi Twé project was set to add 50 megawatts of power to the provincial grid and would have been the first new hydro project in the province in more than 30 years.<sup>14</sup>

**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> Canadian Federation of Independent Business (October 25, 2017). Business Barometer: October 2017. Retrieved from: <http://www.cfib-fcei.ca/cfib-documents/Barometer-PROV-201710.pdf>

<sup>2</sup> CBC News (October 26, 2017). Sask. harvest inching closer to completion: crop report. Retrieved from: <http://www.cbc.ca/news/canada/saskatchewan/saskatchewan-crop-report-oct-17-23-1.4373302>

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<sup>4</sup> City of Saskatoon (October 26, 2017). Building Better Roads: 2017 Construction Season Draws to a Close. Retrieved from: <https://www.saskatoon.ca/news-releases/building-better-roads-2017-construction-season-draws-close>

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<sup>6</sup> The Global News (July 7, 2017). Federal government investing \$896M in Saskatchewan infrastructure. Retrieved from: <https://globalnews.ca/news/3582171/federal-government-investing-saskatchewan-infrastructure/>

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<sup>9</sup> Estevan Mercury (October 31, 2017). PSAC releases drilling forecast for 2018. Retrieved from: <http://www.estevanmercury.ca/news/business-energy/psac-releases-drilling-forecast-for-2018-1.23080511>

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<sup>12</sup> Statistics Canada (October 23, 2017). Monthly survey of food services and drinking places, by North American Industry Classification System (NAICS). Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3550006&pattern=&stByVal=1&p1=1&p2=31&tabMode=dataTable&csid=>

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