



Labour Market Bulletin

Saskatchewan

November 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

Saskatchewan's labour market took another step backward in November after registering significant employment losses in October. Provincial employment fell 600 in November as losses in part-time employment (-1,100) overshadowed minor gains in full-time employment (+500). All told, the number of people employed in Saskatchewan is down 5,500 (-1.0%) on an annual basis, with losses both in part-time and in full-time employment over this period.

Saskatchewan Monthly Labour Force Statistics

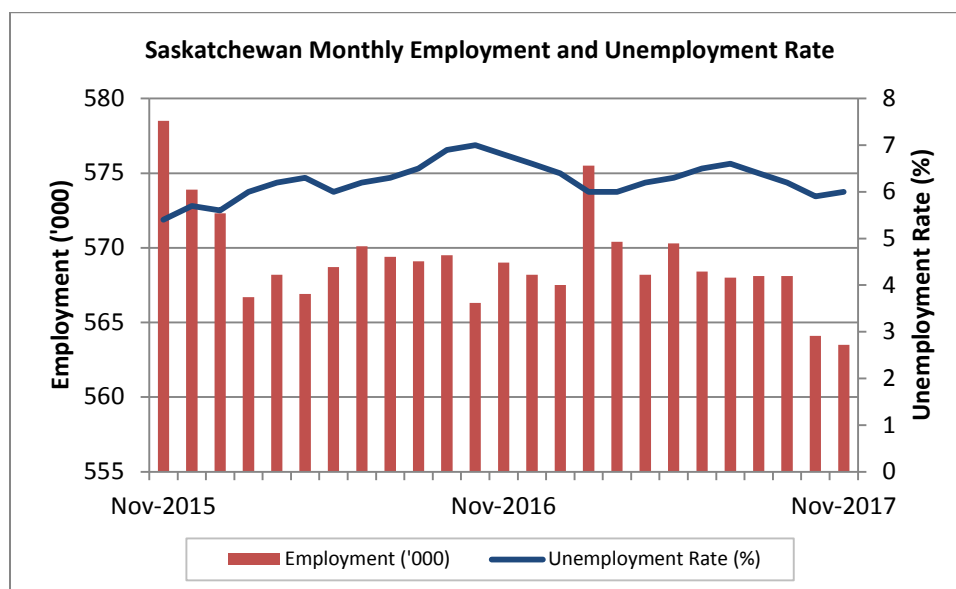
Seasonally Adjusted Monthly Data	November 2017	October 2017	November 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	879.6	879.2	871.9	0.4	0.0	7.7	0.9
Labour Force ('000)	599.1	599.3	610.5	-0.2	0.0	-11.4	-1.9
Employment ('000)	563.5	564.1	569.0	-0.6	-0.1	-5.5	-1.0
Full-Time ('000)	464.1	463.6	469.1	0.5	0.1	-5.0	-1.1
Part-Time ('000)	99.4	100.5	99.9	-1.1	-1.1	-0.5	-0.5
Unemployment ('000)	35.7	35.1	41.5	0.6	1.7	-5.8	-14.0
Unemployment Rate (%)	6.0	5.9	6.8	0.1	-	-0.8	-
Participation Rate (%)	68.1	68.2	70.0	-0.1	-	-1.9	-
Employment Rate (%)	64.1	64.2	65.3	-0.1	-	-1.2	-

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 on the year. The public and private sectors shed 500 and 4,800 positions respectively since November 2016. Meanwhile, the number of self-employed Saskatchewanians declined 200 during the same period.

According to the latest Business Barometer Index by the Canadian Federation of Independent Business, Saskatchewan's small business optimism ranks third lowest in Canada. Short-term hiring plans remain weak in the province, with 23% of business owners planning to lay off employees in the first quarter of 2018. Meanwhile, only 10% of business owners are looking to hire during the same period.¹



The provincial unemployment rate edged up 0.1 percentage points to 6.0% in November as the number of Saskatchewanians seeking employment rose by 600 on the month. The story is much different on an annual basis though, with both the unemployment rate (-0.8 percentage points) and the number of people seeking employment (-5,800 workers) down from November 2016.

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	November 2017 (%)	October 2017 (%)	November 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	6.0	5.9	6.8	0.1	-0.8
25 years and over	5.2	4.7	5.8	0.5	-0.6
Men - 25 years and over	5.6	5.2	6.6	0.4	-1.0
Women - 25 years and over	4.6	4.2	4.9	0.4	-0.3
15 to 24 years	10.8	12.7	12.5	-1.9	-1.7
Men - 15 to 24 years	11.0	12.4	15.7	-1.4	-4.7
Women - 15 to 24 years	10.9	13.0	9.2	-2.1	1.7

Note: Totals may not add due to rounding

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

The unemployment rate for youth (15 to 24 years) was 10.8% in November; more than double the rate for those aged 25 years and over (5.2%). From October to November, the youth unemployment rate fell 1.9 percentage points, while the rate among those aged 25 years and older increased over the same period (+0.5 percentage points).

While overall youth unemployment is down on an annual basis, the unemployment rate among young women actually increased between November 2016 and November 2017 – by 1.7 percentage points to 10.9%. Conversely, the unemployment rate for young men declined considerably during this period (-4.7 percentage points) and now sits at 11.0%.

EMPLOYMENT BY INDUSTRY

The goods-producing sector was responsible for all employment losses (-1,500) in November, while employment in the province's services-producing sector edged up slightly (+800) during the same period. On an annual basis, the number of people employed is down both in the goods- and in the services-producing sector, declining 4,400 and 1,200 respectively.

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	November 2017	October 2017	November 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	563.5	564.1	569.0	-0.6	-0.1	-5.5	-1.0
Goods-producing sector	143.4	144.9	147.8	-1.5	-1.0	-4.4	-3.0
Agriculture	34.8	35.3	39.7	-0.5	-1.4	-4.9	-12.3
Forestry, fishing, mining, quarrying, oil and gas	23.6	24.1	24.8	-0.5	-2.1	-1.2	-4.8
Utilities	6.9	6.9	6.8	0.0	0.0	0.1	1.5
Construction	49.9	51.6	49.9	-1.7	-3.3	0.0	0.0
Manufacturing	28.2	27.0	26.6	1.2	4.4	1.6	6.0
Services-producing sector	420.0	419.2	421.2	0.8	0.2	-1.2	-0.3
Trade	92.6	92.8	90.4	-0.2	-0.2	2.2	2.4
Transportation and warehousing	28.8	29.8	29.0	-1.0	-3.4	-0.2	-0.7
Finance, insurance, real estate and leasing	28.1	27.4	26.9	0.7	2.6	1.2	4.5
Professional, scientific and technical services	27.7	29.1	30.0	-1.4	-4.8	-2.3	-7.7
Business, building and other support services	14.4	13.7	13.2	0.7	5.1	1.2	9.1
Educational services	41.4	40.3	40.9	1.1	2.7	0.5	1.2
Health care and social assistance	76.4	75.3	77.8	1.1	1.5	-1.4	-1.8
Information, culture and recreation	19.6	19.3	20.5	0.3	1.6	-0.9	-4.4
Accommodation and food services	36.3	35.9	38.0	0.4	1.1	-1.7	-4.5
Other services	24.2	24.9	23.9	-0.7	-2.8	0.3	1.3
Public administration	30.7	30.7	30.5	0.0	0.0	0.2	0.7

Note: Totals may not add due to rounding

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

Looking at individual goods-producing industries, provincial agricultural employment dropped for a seventh successive month. There are 500 fewer workers employed in the industry in November compared to a month ago. At the beginning of November, India imposed a 50% import tax on peas due to an oversupplied pulse market. The changes are a result of Indian farmers harvesting a record 22.95 million tonnes of pulses last year, after years of producing 17 to 18 million tonnes annually. The increased taxes are expected to encourage farmers in India and limit reliance on imported products. India's decision to impose a steep tariff on pea

imports is anticipated to have a major impact on Saskatchewan farmers. In 2016, Saskatchewan exported approximately \$1.35 billion worth of peas across the world, including \$560 million worth of exports to India.²

On a monthly basis, the number of people employed in construction declined 1,700 in November. The 2017 construction season is now over, and public infrastructure projects such as the City of Regina's \$88 million infrastructure program as well as the City of Saskatoon's \$61 million Building Better Roads program have now concluded.³ In the upcoming year, the provincial government plans to spend about \$220 million on highway construction and improvement projects, after spending \$1.1 billion on highway projects in 2017-18.⁴ In addition, the federal government is granting \$896 million to the province over the next 11 years for infrastructure improvement projects.⁵ Apart from public infrastructure, work on several large-scale commercial projects is also underway in the province, including Enbridge Inc.'s \$5.3 billion Line 3 Replacement project and SaskPower's \$680 million Chinook power station.⁶

Employment in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) declined 500 in November after remaining fairly stable between July 2017 and October 2017. Conditions in the province's potash market are improving, buoyed by increasing demand for the mineral and strengthening potash prices. Meanwhile, Saskatchewan's oil industry is benefiting from new cost-effective thermal extraction technology that is anticipated to boost investment over the next few years.⁷ In contrast, the global uranium market remains oversupplied and prices are low. Consequently, Cameco Corporation – one of the largest uranium companies in Canada – has been struggling since the Fukushima nuclear disaster in 2011, which severely curbed demand for reactor fuel. In November, Cameco announced that it is halting production at two of its Northern Saskatchewan sites – a move that will put 845 people out of work for about 10 months. The shutdowns are anticipated to come into effect at the end of January 2018, and the company will continue to review market conditions on an ongoing basis.⁸

Meanwhile, there were mixed employment results among Saskatchewan's public sector industries in November. Employment in educational services (+500) and public administration (+200) increased slightly on an annual basis, whereas the number of people employed in the health care and social assistance industry dropped 1,400 over the same period. The provincial government released its 2017-18 budget update in November, which shows that the provincial deficit is projected to decline to \$679 million by the end of the year – \$6 million less than the estimate released in spring 2017. The Government of Saskatchewan is aiming to balance its books by 2019.⁹

There are now 36,300 people working in the province's accommodation and food services industry, down 1,700 compared to a year ago. According to Statistics Canada's latest survey of food services and drinking places, sales at Saskatchewan's services and drinking places totalled just over \$154 million (seasonally adjusted) in September 2017, down nearly \$5 million compared to the same month last year. The report shows that Saskatchewan was the only province, other than Nova Scotia, to see a decline in receipts from September 2016. This drop in 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.¹⁰

After three consecutive monthly increases, employment in transportation and warehousing dropped significantly in November 2017. The industry now employs 28,800 people, down 1,000 compared to October 2017. Despite this drop in employment, the overall outlook for the industry remains positive. Transportation

and warehousing activity is picking up as conditions improve in the potash and oil industries. The Canadian National Railway (CNR), for instance, is recruiting workers across the country, just a few years after a slowdown in demand prompted layoffs. Business in Western Canada is being driven by a surge in the volume of sand being shipped for use in fracking shale rock to produce oil and gas. Increased rail demand is also due to hauling bumper crops and intermodal containers to ports. In Saskatchewan, CNR has posted nearly 100 job opportunities, mainly for operating crew. Of these positions, 40 jobs are in Melville, with another 30 in Saskatoon, 14 in Humboldt, six in North Battleford and one in Canora. Overall, the Conference Board of Canada expects Saskatchewan's transportation and warehousing industry to grow 4.0% this year, followed by 2.2% growth in 2018.¹¹

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 declined across the province during this period.

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	November 2017 ('000)	November 2016 ('000)	Yearly Variation (%)	November 2017 (%)	November 2016 (%)	Yearly Variation (% points)
Saskatchewan	566.4	570.1	-0.6	5.4	6.1	-0.7
Economic Regions						
Regina-Moose Mountain	182.0	183.1	-0.6	4.3	4.8	-0.5
Swift Current-Moose Jaw	50.1	53.5	-6.4	3.3	3.4	-0.1
Saskatoon-Biggar	199.7	198.0	0.9	6.6	6.7	-0.1
Yorkton-Melville	37.9	37.6	0.8	4.1	6.3	-2.2
Prince Albert and Northern	96.7	98.0	-1.3	6.3	8.8	-2.5

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 1,100 between November 2016 and November 2017. The goods-producing sector was responsible for the majority of these losses, with the largest decline in agriculture (-2,000). In contrast, the manufacturing industry has been a bright spot for the region, adding 700 positions on the year. A substantial share of Regina's manufacturing industry provides equipment for the resource sector, and with conditions improving in the oil and potash markets, manufacturing activity is picking up. Consequently, the Conference Board of Canada anticipates that Regina's manufacturing output will expand by 4.9% in 2017 and by 1.4% in 2018. Overall, labour market conditions in Regina are anticipated to remain tight, with employment forecast to rise by about one percent in 2018.¹²

Unlike Regina, employment in Saskatoon-Biggar was up considerably in November compared to the same period in 2016 (+1,700). The services-producing sector led employment gains in this region, adding 2,500 positions on the year. Prospects for Saskatchewan's largest region are bright as services-sector activity picks up. The Conference Board of Canada expects that growth in the sector will be led by wholesale and retail trade, as well as the business services sector in 2018.¹³

Meanwhile, the number of people employed in Prince Albert and Northern region slumped further (-1,300) in November. 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 to proceed with the project as demand for power has declined in the region.¹⁴

Despite these soft economic conditions, there is some positive news for the Prince Albert and Northern region. At the beginning of November, Ile-a-la Crosse Fish Company's new fish-processing facility opened its doors in the village of Île-à-la-Crosse. The new plant will employ 18 full-time workers and about 12 casuals in the community of approximately 1,300 people. Construction of the 6,000-square-foot, \$2.2-million federally-certified fish processing plant began in 2016, and was funded by the village and by investment from the Sakitawak Development Corporation. The plant is anticipated to help strengthen economic opportunities for Indigenous people in the area, as well as create local opportunities for young people in the community.¹⁵

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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