



Labour Market Bulletin

Saskatchewan

March 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 & Northern economic regions.

OVERVIEW

With the price of oil stabilizing, economic conditions are improving in Saskatchewan and optimism is returning to the provincial economy. There were 571,100 people employed in the province during the first quarter of 2017, up 3,300 compared to the previous quarter. Both full- and part-time employment edged up during this period, by 1,800 and 1,400 respectively. Provincial employment is also up on an annual basis (+1,900); however, the majority of new positions created over the past year were in part-time employment.

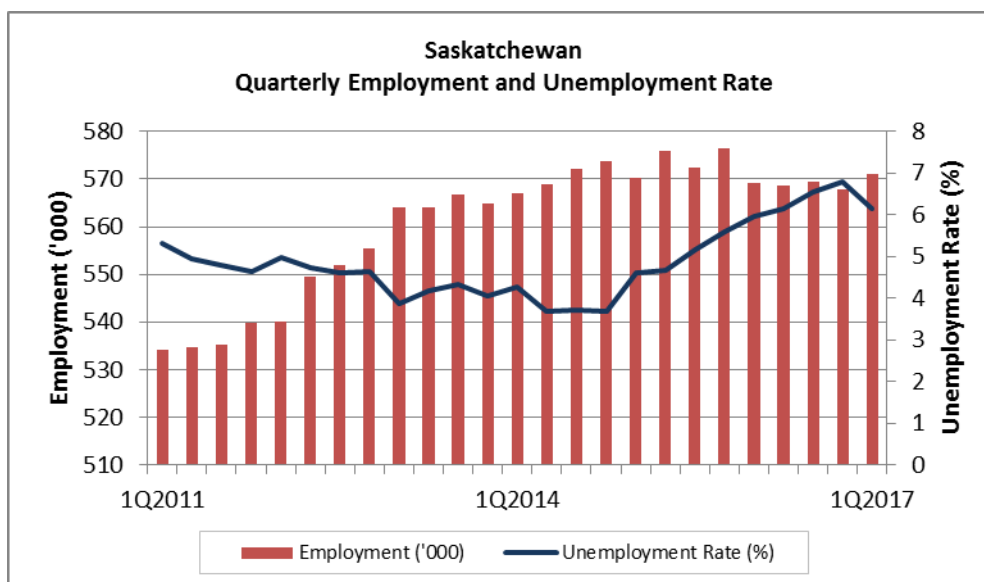
Saskatchewan Quarterly Labour Force Statistics

Seasonally Adjusted Data	1st Quarter 2017	4th Quarter 2016	1st Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	873.5	871.9	865.9	1.6	0.2	7.6	0.9
Labour Force ('000)	608.6	609.1	605.1	-0.5	-0.1	3.5	0.6
Employment ('000)	571.1	567.8	569.1	3.3	0.6	2.0	0.4
Full-Time ('000)	468.1	466.3	468.0	1.8	0.4	0.1	0.0
Part-Time ('000)	103.0	101.6	101.1	1.4	1.4	1.9	1.9
Unemployment ('000)	37.4	41.3	36.0	-3.9	-9.4	1.4	3.9
Unemployment Rate (%)	6.1	6.8	5.9	-0.6	-	0.2	-
Participation Rate (%)	69.7	69.9	69.9	-0.2	-	-0.2	-
Employment Rate (%)	65.4	65.1	65.7	0.3	-	-0.3	-

Note: Totals may not add due to rounding

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

Looking at types of employment, the number of self-employed Saskatchewanians increased significantly (+2,000) on the quarter, while private sector employment also edged up (+1,600). Conversely, public sector employment is down 300 over the same period.



Saskatchewan's unemployment rate dropped from 6.8% in the fourth quarter of 2016 to 6.1% this quarter. This marks the first time since the first quarter of 2015 that the provincial unemployment rate has edged downward. Saskatchewan has the third lowest unemployment rate in the country, behind only British Columbia (5.4%) and Manitoba (5.8%).

Going forward, the Conference Board of Canada expects provincial employment to grow by a marginal 0.7% in 2017, after falling 0.8% in 2016. Despite this modest projected uptick in employment, the unemployment rate is anticipated to hover at 6.2% in 2017, unchanged from 2016. However, the province's unemployment rate is anticipated to fall to 5.9% in 2018.¹

Saskatchewan Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	1st Quarter	4th Quarter	1st Quarter	Quarterly Variation	Yearly Variation
	2017 (%)	2016 (%)	2016 (%)	(% points)	(% points)
Total	6.1	6.8	5.9	-0.6	0.2
25 years and over	5.4	6.0	5.0	-0.6	0.4
Men - 25 years and over	5.9	6.7	5.3	-0.8	0.7
Women - 25 years and over	4.7	5.0	4.7	-0.4	0.0
15 to 24 years	10.7	11.6	11.4	-0.9	-0.7
Men - 15 to 24 years	12.8	14.7	13.0	-1.9	-0.3
Women - 15 to 24 years	8.1	8.2	9.4	-0.1	-1.3

Note: Totals may not add due to rounding

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

The youth (15 to 24 years) unemployment rate is down significantly in Saskatchewan – falling 0.9 percentage points from the fourth quarter of 2016. The unemployment rate for young men fell nearly two full percentage points, while the rate for young women was virtually unchanged on a quarterly basis. A similar trend is observed for those aged 25 years and over; the unemployment rate for men declined by 0.8 percentage points, while the rate for women 25 years and over fell by 0.4 percentage points during the same period.

Saskatchewan - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q1 2017	Q1 2016	Number	%	Q1 2017	Q1 2016	Number	%
Population 15 + ('000)	85.2	79.2	6.0	7.6	788.3	786.7	1.6	0.2
Labour Force ('000)	57.4	51.4	6.0	11.7	543.9	547.3	-3.4	-0.6
Employment ('000)	47.8	43.7	4.1	9.4	512.3	516.0	-3.7	-0.7
Full-Time ('000)	37.3	35.2	2.1	6.0	415.6	418.1	-2.5	-0.6
Part-Time ('000)	10.5	8.4	2.1	25.0	96.7	97.9	-1.2	-1.2
Unemployment ('000)	9.6	7.8	1.8	23.1	31.6	31.4	0.2	0.6
Unemployment Rate (%)	16.7	15.1	1.6	-	5.8	5.7	0.1	-
Participation Rate (%)	67.4	65.0	2.4	-	69.0	69.6	-0.6	-
Employment Rate (%)	56.1	55.2	0.9	-	65.0	65.6	-0.6	-

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 2017, the total population aged 15+ in Saskatchewan was 873,500. The Indigenous population living off-reserve accounted for 9.8% of that, or 85,200 people. Employment among the Indigenous population in Saskatchewan stood at 47,800, representing an increase of +4,100 (+9.4%) from a year earlier (Q1 2016). Both full-time (+2,100 or +6.0%) and part-time positions (+2,100 or +25.0%) contributed to the increase.

The unemployment rate among the Indigenous population was 16.7% in Q1 2017, an increase of +1.6 percentage points (pp) from the previous year. Among the non-Indigenous population, the unemployment rate stood at 5.8%. Between Q1 2016 and Q1 2017, the participation rate among Indigenous people increased to 67.4%

(+2.4pp), while a small decline occurred amongst the non-Indigenous population, at 69.0% (-0.6pp). The Indigenous population also experienced an increase in the employment rate year-over-year to 56.1% (+0.9pp), while the non-Indigenous population experienced a decline over the same time period to 65.0% (-0.6pp).

EMPLOYMENT BY INDUSTRY

Saskatchewan's services-producing sector led employment gains (+2,600) in the first quarter of 2017, while the number of people employed in the goods-producing sector also edged up (+700). On an annual basis, significant gains in services-producing industries (+7,200) outweighed heavy employment losses in the goods sector (-5,400).

Saskatchewan Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	1st Quarter 2017	4th Quarter 2016	1st Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	571.1	567.8	569.1	3.3	0.6	2.0	0.4
Goods-producing sector	148.0	147.3	153.4	0.7	0.5	-5.4	-3.5
Agriculture	39.0	39.2	42.6	-0.2	-0.5	-3.6	-8.5
Forestry, fishing, mining, quarrying, oil and gas	23.8	24.7	25.3	-0.9	-3.6	-1.5	-5.9
Utilities	6.9	6.8	6.9	0.1	1.5	0.0	0.0
Construction	50.1	50.0	53.1	0.1	0.2	-3.0	-5.6
Manufacturing	28.2	26.6	25.6	1.6	6.0	2.6	10.2
Services-producing sector	423.2	420.6	415.7	2.6	0.6	7.5	1.8
Trade	92.6	91.1	85.4	1.5	1.6	7.2	8.4
Transportation and warehousing	28.4	28.6	27.3	-0.2	-0.7	1.1	4.0
Finance, insurance, real estate and leasing	26.9	26.6	30.4	0.3	1.1	-3.5	-11.5
Professional, scientific and technical services	31.8	29.9	27.0	1.9	6.4	4.8	17.8
Business, building and other support services	13.1	13.2	13.2	-0.1	-0.8	-0.1	-0.8
Educational services	41.9	41.4	40.3	0.5	1.2	1.6	4.0
Health care and social assistance	77.2	78.1	79.6	-0.9	-1.2	-2.4	-3.0
Information, culture and recreation	21.2	20.5	20.8	0.7	3.4	0.4	1.9
Accommodation and food services	36.3	37.5	37.7	-1.2	-3.2	-1.4	-3.7
Other services	24.1	23.4	25.8	0.7	3.0	-1.7	-6.6
Public administration	29.7	30.1	28.1	-0.4	-1.3	1.6	5.7

Note: Totals may not add due to rounding

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

Looking at individual goods-producing industries, the number of people employed in Saskatchewan's manufacturing industry increased by 1,600 on a quarterly basis. A lower Canadian dollar, coupled with strengthening US demand, has stimulated demand for manufactured goods and is providing manufacturers in the province with a much needed boost. Saskatchewan manufacturing sales have been on the rise over the past year and stood at nearly \$1.5 billion in January 2017 – up 11.7% compared to the same month last year.² Favourable conditions in the industry are also encouraging existing companies to expand and new companies to

set up operations in the province. For example, Grain Millers Canada Corp. is expanding its oat mill in Yorkton. The \$100M expansion project will add 80,000 metric tonnes of oat product production capacity to the facility and will create 25 permanent jobs.³

Employment in Saskatchewan's resource extraction industry declined for a third consecutive quarter. There are 900 fewer individuals employed in the industry compared to the last quarter. Weak commodity prices have forced firms to reduce staffing levels and limit production over the past two years. For example, Saskatoon-based Cameco Corp., revealed plans in January to lay-off another 120 employees from their Key Lake, Cigar Lake and McArthur River locations. These layoffs are not the first round of cuts for Cameco in recent times – the company closed its Rabbit lake uranium mine in April 2016 and laid-off nearly 600 workers. As well, ongoing weakness in resource prices is limiting investment in the industry. According to the Conference Board of Canada, capital investment in is set to decline for a third consecutive year and will remain sluggish through the end of the decade, as various potash mining projects near completion.⁴

Turning to services-producing industries, the largest quarterly increase in employment occurred in the province's professional, scientific and technical services industry (+1,900). With an increasing number of firms using technology to deliver services to the public and internet-based services rising in general, the tech-industry in Saskatchewan is booming. A number of technology start-ups have set up shop or are expanding operations in the province including: Vendasta, Noodlecake Studios Inc., Solido Design Automation Inc. and 7Shifts Inc.⁵ In addition, the move towards internet-based services has resulted in a growing need for data centres across the province. To cater to this rising demand for data capacity, SaskTel is planning to establish a new \$10.7 million data centre in White City.⁶

The finance, insurance, real estate and leasing industry suffered the largest year over year decline in employment among services-producing industries (-3,500). A slowdown in consumer borrowing and fewer people visiting bricks and mortar banks has negatively impacted employment in this industry. For instance, three of the largest financial institutions in Canada, Canadian Imperial Bank of Commerce (CIBC), Royal Bank of Canada (RBC) and Toronto-Dominion (TD) Bank, recently announced that they will be closing several branches in rural Saskatchewan this year. In February, CIBC revealed plans to close its Stoughton, Hafford, Turtleford, Radville and Norquay locations, while RBC plans to shutter six of its locations in rural areas of the province. Similarly, TD is planning to close its Allan, Kyle and Langenburg branches in 2017. All three banks report that the closures are a result of more people choosing to bank online rather than visit a physical branch.⁷

Mixed results were observed among Saskatchewan's public-sector industries in the first quarter of 2017. Educational services added 500 positions, while employment declined both in health care and social assistance (-900) and in public administration (-400). The Government of Saskatchewan released its 2017-18 budget on March 22, which shows that the province's deficit now stands at near \$1.3 billion - \$855 million higher than the deficit projected in July 2016. To bring the budget back into balance, the Province has reduced funding for a number of services including: a \$32.5 million funding cut for provincial post-secondary institutions and a \$22 million reduction in funding for 28 school divisions. In addition, the province is ending Saskatchewan Transit Company services by May 31, which will put 224 people out of work.⁸

REGIONAL ANALYSIS

Mixed employment results were observed across Saskatchewan, with employment advancing in three out of five economic regions on the year. Meanwhile, unemployment rates have declined in three of the five regions.

Saskatchewan Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	1st Quarter 2017 ('000)	1st Quarter 2016 ('000)	Yearly Variation (%)	1st Quarter 2017 (%)	1st Quarter 2016 (%)	Yearly Variation (% points)
Saskatchewan	561.1	559.2	0.3	6.8	6.6	0.2
Economic Regions						
Regina-Moose Mountain	184.0	181.6	1.3	5.2	5.4	-0.2
Swift Current-Moose Jaw	52.3	52.2	0.2	3.3	4.6	-1.3
Saskatoon-Biggar	191.2	191.4	-0.1	7.8	6.7	1.1
Yorkton-Melville	37.7	34.6	9.0	6.5	8.5	-2.0
Prince Albert and Northern	95.9	99.4	-3.5	9.6	8.8	0.8

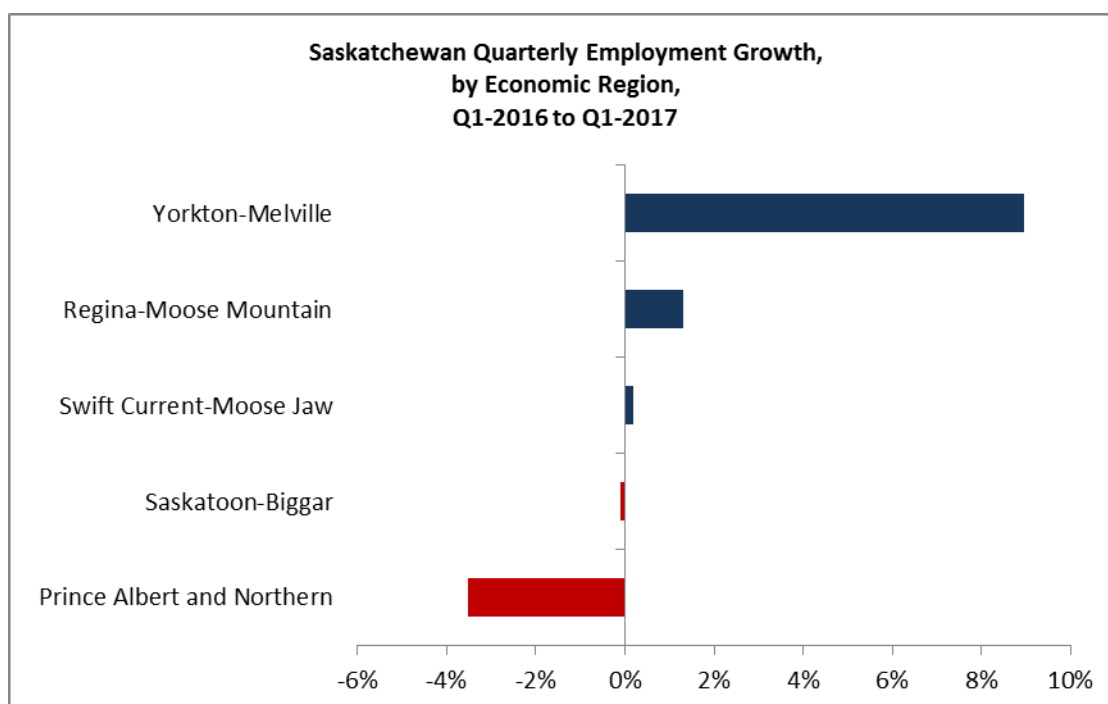
Note: Totals may not add due to rounding

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

Persistently weak resource prices continue to constrain employment growth in Saskatoon-Biggar. Consequently, employment in Saskatchewan's most populous region continued to decline for a sixth consecutive month and now stands at 191,200. A number of resource extraction companies are headquartered in this region and weakness the industry has resulted in job cuts or layoffs. Low commodity prices are also negatively impacting Saskatoon's manufacturing industry as many of these firms supply products to the resource extraction industry. That stated, there are signs of optimism for the manufacturing industry. For example, Brandt Group of Companies recently acquired Mitsubishi Hitachi Power Systems' Saskatoon manufacturing plant, which had ceased operations in 2016. Brandt plans to convert the facility into a wind turbine manufacturing factory. If the project goes ahead, the factory could employ up to 500 workers.⁹

There were 2,400 more individuals employed in Regina-Moose Mountain in the first quarter of 2017 compared to the same period in 2016. With strength in services-producing sector and the manufacturing industry performing well, Regina-Moose Mountain's economic prospects are improving. A number of new manufacturing projects are on the horizon in this region. For instance, Sustaina-Pulp intends to build its first straw-to-pulp mill in Belle Plaine this year, with production beginning at the facility in 2018. In addition, Genesis Grain and Fertilizer plans to open its first of seven supercentres, as well as a manufacturing plant, in Belle Plaine.¹⁰ Looking ahead, the Conference Board of Canada expects employment in Regina-Moose Mountain to advance 1.2% in 2017.¹¹

In Prince Albert and Northern, there were 3,500 fewer people working during the first quarter of 2017 compared to a year ago. This region is home to a number of Saskatchewan uranium mines and weakness in commodities markets has forced some producers to suspend operations and cut staffing levels. In fact, low commodity prices are also having a negative effect on other goods-producing industries such as manufacturing and construction. As a result, employment in both of these industries is down significantly on an annual basis. Predictably, the unemployment rate in Prince Albert and Northern has climbed to 9.6% – up from 8.8% during the same period a year ago.



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.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, Saskatchewan

For further information, please contact the LMI team at: NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

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 Conference Board of Canada (March 3, 2017). Metropolitan Outlook 1: Regina—Winter 2017. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8586>

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