



# Labour Market Bulletin

## Saskatchewan

May 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

Economic and employment conditions are improving in Saskatchewan, although the pace of recovery remains slow. Just over 570,000 people were working in the province in May as provincial employment edged up 2,100 (+0.4%) on the month. This uptick in employment follows two consecutive monthly declines. On an annual basis, employment in the province was up 1,600 in May.

#### Seasonally adjusted Monthly Labour Force Statistics

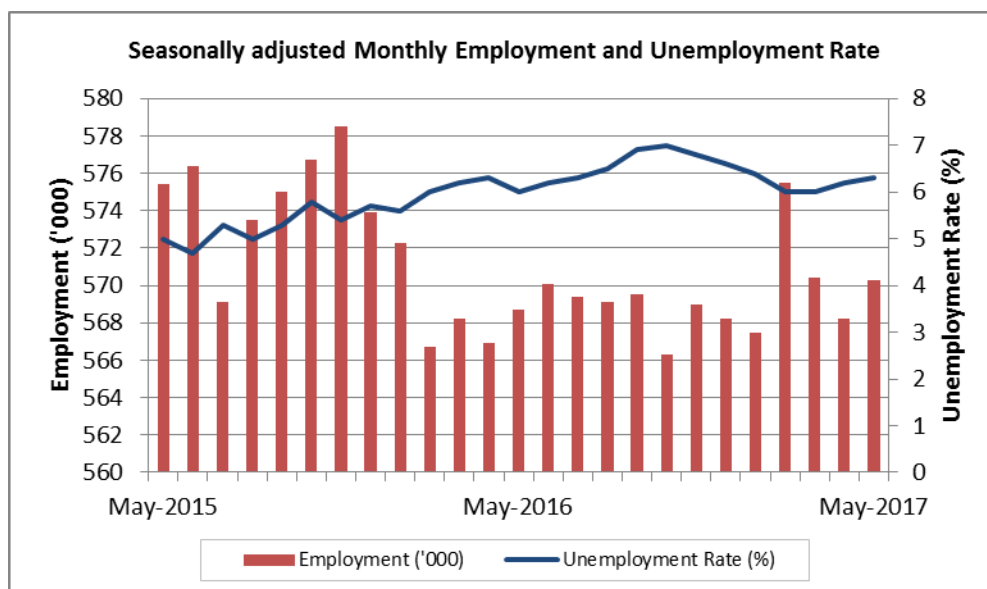
Seasonally Adjusted Monthly Data	May 2017	April 2017	May 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	876.4	875.2	867.7	1.2	0.1	8.7	1.0
<b>Labour Force ('000)</b>	608.6	605.4	604.7	3.2	0.5	3.9	0.6
<b>Employment ('000)</b>	570.3	568.2	568.7	2.1	0.4	1.6	0.3
Full-Time ('000)	467.9	463.7	467.5	4.2	0.9	0.4	0.1
Part-Time ('000)	102.4	104.5	101.2	-2.1	-2.0	1.2	1.2
<b>Unemployment ('000)</b>	38.3	37.3	36.1	1.0	2.7	2.2	6.1
<b>Unemployment Rate (%)</b>	6.3	6.2	6.0	0.1	-	0.3	-
<b>Participation Rate (%)</b>	69.4	69.2	69.7	0.2	-	-0.3	-
<b>Employment Rate (%)</b>	65.1	64.9	65.5	0.2	-	-0.4	-

*Note: Totals may not add due to rounding*

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

Employment gains this month are due entirely to more full-time positions (+4,200), while part-time employment fell significantly (-2,100) during this period.

Looking at classes of workers, both public- and private sector employment increased significantly in May, by 1,500 and 3,900 respectively. Meanwhile, the number of self-employed Saskatchewanians declined 3,400 month over month.



Labour force growth outpaced the province's modest increase in employment over the past month. Consequently, Saskatchewan's unemployment rate rose to 6.3% in May – marking a second consecutive monthly increase in the province's unemployment rate.

Despite a slight uptick in provincial unemployment last month, labour market conditions should improve in the province as activity picks up in the energy sector. According to the Conference Board of Canada's latest outlook, Saskatchewan's economy is expected to emerge from recession and grow faster than any other province except for Alberta in 2017, while provincial employment is forecast to increase by 3,000 positions in 2017 and by another 6,000 in 2018.<sup>1</sup>

#### Seasonally adjusted Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2017 (%)	April 2017 (%)	May 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
<b>Total</b>	6.3	6.2	6.0	0.1	0.3
<b>25 years and over</b>	5.5	5.4	5.0	0.1	0.5
Men - 25 years and over	6.0	5.9	5.2	0.1	0.8
Women - 25 years and over	5.0	4.9	4.8	0.1	0.2
<b>15 to 24 years</b>	10.7	10.4	11.3	0.3	-0.6
Men - 15 to 24 years	13.4	11.1	13.3	2.3	0.1
Women - 15 to 24 years	8.0	9.7	9.1	-1.7	-1.1

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 10.7% in May; nearly double the rate for those aged 25 years and over (5.5%). While overall youth unemployment is up 0.3 percentage points on a monthly basis, the unemployment rate among young women actually decreased significantly this month – by 1.7 percentage points to 8.0%. Conversely, the unemployment rate for young men increased considerably during this period (+2.3 percentage points) and now sits at 13.4%.

## EMPLOYMENT BY INDUSTRY

Saskatchewan's goods-producing sector led employment gains in May, adding 2,900 positions on the month. The number of people employed in the services-producing sector declined 800 during the same period. The story is reversed on an annual basis though. Between May 2016 and May 2017, the goods-sector shed 1,800 positions, whereas the services-sector added 3,500 employees.

Seasonally adjusted Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2017	April 2017	May 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	570.3	568.2	568.7	2.1	0.4	1.6	0.3
<b>Goods-producing sector</b>	149.4	146.5	151.2	2.9	2.0	-1.8	-1.2
Agriculture	38.2	39.0	42.1	-0.8	-2.1	-3.9	-9.3
Forestry, fishing, mining, quarrying, oil and gas	23.1	23.7	25.5	-0.6	-2.5	-2.4	-9.4
Utilities	6.9	6.9	7.2	0.0	0.0	-0.3	-4.2
Construction	52.3	48.8	51.3	3.5	7.2	1.0	1.9
Manufacturing	28.9	28.2	25.2	0.7	2.5	3.7	14.7
<b>Services-producing sector</b>	420.9	421.7	417.4	-0.8	-0.2	3.5	0.8
Trade	93.1	93.2	87.1	-0.1	-0.1	6.0	6.9
Transportation and warehousing	27.9	26.4	27.4	1.5	5.7	0.5	1.8
Finance, insurance, real estate and leasing	26.8	27.1	29.9	-0.3	-1.1	-3.1	-10.4
Professional, scientific and technical services	29.8	32.4	27.4	-2.6	-8.0	2.4	8.8
Business, building and other support services	14.8	12.4	12.1	2.4	19.4	2.7	22.3
Educational services	41.1	40.3	40.5	0.8	2.0	0.6	1.5
Health care and social assistance	76.8	77.0	78.1	-0.2	-0.3	-1.3	-1.7
Information, culture and recreation	19.7	22.0	20.7	-2.3	-10.5	-1.0	-4.8
Accommodation and food services	36.9	36.8	39.4	0.1	0.3	-2.5	-6.3
Other services	24.7	24.4	25.5	0.3	1.2	-0.8	-3.1
Public administration	29.3	29.8	29.2	-0.5	-1.7	0.1	0.3

Note: Totals may not add due to rounding

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

After two consecutive monthly declines, employment in construction increased significantly in May. There are 3,500 more people employed in the industry compared to April 2017. The summer construction season is ramping up in the province, with work on a number of infrastructure projects either starting or resuming. The Government of Saskatchewan, for example, is planning to spend \$1.1 billion on highway construction projects in 2017-2018.<sup>2</sup> Some of the major projects that the Province is funding this year include: the \$1.9 billion Regina

Bypass, Warman and Martensville overpasses, and Highway 7 and 39 twinning. Apart from public infrastructure, work on several commercial projects is also proceeding in the province including a \$45 million expansion project at Regina's Global Transportation Hub and Grain Millers Canada's \$100 oat mill expansion in Yorkton.<sup>3</sup>

Employment in agriculture is down on a monthly basis (-800), as well as on the year (-3,900). Seeding is well underway in Saskatchewan, but wet conditions are hampering seeding operations in many parts of northern Saskatchewan. According to the provincial government's weekly provincial crop report, 81% of the province's 2017 crops have been seeded as of June 1 – in line with the five-year average for this time of year.<sup>4</sup>

Manufacturing registered the largest employment increase in the goods-producing sector on the year (+3,700), meaning overall industry employment up is up 14.7% from May 2016. Many of the provinces manufacturers produce equipment for the agriculture, oil and gas industries, and with conditions in these industries improving, Saskatchewan's manufacturing outlook looks promising. Kinder Morgan, for example, is planning to buy more than 75%, or about 250,000 metric tonnes, of the pipe it requires for its Trans Mountain Pipeline expansion from Evraz's steelmaking factory in Regina. Work on the \$7.4 billion project could start as early as September 2017, pending Kinder Morgan acquiring satisfactory financing through its initial public offering.<sup>5</sup>

Turning to services-producing industries, employment in trade (wholesale and retail) has risen significantly during the past year. There are 6,000 more individuals employed in this industry compared to a year ago. Companies such as Save-on Foods and Loblaw are expanding their presence and plan on opening additional stores in the province. For instance, Save-on Foods' newest store is slated to open in Saskatoon's Kensington neighbourhood this year and the company intends to open another five stores in the city.<sup>6</sup> Similarly, a new Real Canadian Superstore recently opened its doors in Regina's south-end, as Loblaw expands its Saskatchewan operations.<sup>7</sup>

The finance, insurance, real estate and leasing industry suffered the largest year over year decline in employment among services-producing industries (-3,100). A slowdown in consumer borrowing and fewer people visiting bricks and mortar banks, coupled with a cooling real estate market, has negatively impacted employment in this industry. For example, three of the largest financial institutions in Canada, Canadian Imperial Bank of Commerce (CIBC), Royal Bank of Canada (RBC) and Toronto-Dominion (TD) Bank, plan on closing several branches in rural Saskatchewan this year. All three banks report that the closures are a result of more people choosing to bank online rather than visit a physical branch.<sup>8</sup>

Mixed results were observed among Saskatchewan's public-sector industries in May. Employment declined in health care and social assistance (-200) and public administration (-500), while the number of people employed in education services increased during the same period (+800). The provincial government's 2017-18 budget has reduced funding for a number of services as it deals with a \$1.3 billion deficit. The Saskatchewan Transportation Company, for instance, ended services on May 31, 2017 due to the budget cuts – leaving 224 employees out of work. The move is anticipated to save the provincial government \$85 million over the next five years.<sup>9</sup>

## REGIONAL ANALYSIS

Compared to the same month last year, employment is down in three out of five economic regions in Saskatchewan. At the same time, unemployment rates are up in three out of five regions.

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2017 ('000)	May 2016 ('000)	Yearly Variation (%)	May 2017 (%)	May 2016 (%)	Yearly Variation (% points)
<b>Saskatchewan</b>	566.8	565.7	0.2	6.7	6.6	0.1
<b>Economic Regions</b>						
Regina-Moose Mountain	183.7	183.9	-0.1	5.5	5.9	-0.4
Swift Current-Moose Jaw	51.3	53.5	-4.1	4.5	3.8	0.7
Saskatoon-Biggar	193.7	191.6	1.1	8.1	6.7	1.4
Yorkton-Melville	39.5	36.8	7.3	4.8	7.1	-2.3
Prince Albert and Northern	98.6	99.9	-1.3	7.9	8.9	-1.0

*Note: Totals may not add due to rounding*

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

There are significantly more individuals working in Saskatchewan's most populous region – Saskatoon-Biggar (+2,100) – than a year ago. Employment conditions are improving in Saskatoon as activity picks up in construction and services-industries. Work is about to begin on the City of Saskatoon's \$61 million roads improvement project, as well as Canwest Commercial & Land Corporation's \$50 million World Trade Centre development.<sup>10</sup> Overall, the Conference Board of Canada expects employment in Saskatoon to advance 1.7% in 2017, followed by an increase of 1.1% in 2018.<sup>11</sup>

Employment was virtually unchanged in Regina-Moose Mountain on an annual basis (-200). The region's manufacturing industry has performed well and several new manufacturing projects are on the horizon. 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 plan to open their first of seven supercentres, as well as a manufacturing plant, in Belle Plaine.<sup>12</sup> All told, the Conference Board of Canada anticipates Regina's real GDP to increase 1.5% in 2017.<sup>13</sup>

Employment in Yorkton-Melville is up 2,700 compared to the same month last year, led by growth in industries such as agriculture, construction, and transportation and warehousing. Yorkton-Melville has the third largest trading area in Saskatchewan, which makes it attractive for manufacturing firms. Several manufacturers' either plan to set up operations or are expanding their presence in the region. For example, Grain Millers is expanding its oat plant in Yorkton – adding 80,000 tonnes of production capacity to their mill. The \$100 million project will create 25 permanent jobs, along with 110 positions during construction.<sup>14</sup>

On a year over year basis, employment is down 1,300 in Prince Albert and Northern region. Weakness in the global uranium market continues to hamper growth in a region that is home to a number of uranium mines. Besides mining, the region is a hub for Saskatchewan's forestry industry. And with the U.S. imposing new trade

duties on softwood lumber, the forestry industry could add to Prince Albert and Northern's economic woes over the near-term.<sup>15</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> The Conference Board of Canada (May 29, 2017). Provincial Outlook Executive Summary: Spring 2017. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8875>

<sup>2</sup> Government of Saskatchewan (May 18, 2017). 1.1 Billion Dollar Highway Construction Season Ramping Up. Retrieved from: <https://www.saskatchewan.ca/government/news-and-media/2017/may/18/construction-season-ramping-up>

<sup>3</sup> CBC News (May 4, 2017). Sask. developer's \$45M project officially breaks ground at Global Transportation Hub. Retrieved from: <http://www.cbc.ca/news/canada/saskatchewan/45m-project-sask-breaks-ground-gth-1.4100414>

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<sup>4</sup> Global News (June 1, 2017). 81% of 2017 Saskatchewan crop now seeded. Retrieved from: <http://globalnews.ca/news/3495577/saskatchewan-crop-report-agriculture-seeding/>

<sup>5</sup> CBC News (May 2, 2017). 75% of steel for Trans Mountain Pipeline expansion will come from Regina plant. Retrieved from: <http://www.cbc.ca/news/canada/calgary/trans-mountain-pipeline-steel-source-regina-evraz-1.4096173>

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<sup>6</sup> Saskatoon StarPhoenix (July 26, 2016). Save-On-Foods plans three Saskatoon stores, eyes additional opportunities. Retrieved from: <http://thestarphoenix.com/business/local-business/save-on-foods-plans-three-saskatoon-stores-eyes-additional-opportunities>

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<sup>7</sup> Global News (April 28, 2017). Real Canadian Superstore opening a testament to growth in Regina: Mayor Fougere. Retrieved from: <http://globalnews.ca/news/3413466/real-canadian-superstore-opening-a-testament-to-growth-in-regina-mayor-fougere/>

<sup>8</sup> Regina Leader-Post (February 14, 2017). Rural banks closures irk residents. Retrieved from: <http://leaderpost.com/business/money/rural-banks-closures-irk-residents>

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<sup>10</sup> CBC News (March 3, 2017). Work on World Trade Center Saskatoon to start this summer. Retrieved from: <http://www.cbc.ca/news/canada/saskatoon/work-on-world-trade-center-saskatoon-to-start-this-summer-1.4008407>

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<sup>11</sup> The Conference Board of Canada (May 25, 2017). Metropolitan Outlook 1: Saskatoon—Spring 2017. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8867>

<sup>12</sup> The Western Producer (December 22, 2016). Straw processor plans 2017 build; looks to secure farmer contracts. Retrieved from: <http://www.producer.com/2016/12/straw-processor-plans-2017-build-looks-to-secure-farmer-contracts/>

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<sup>13</sup> The Conference Board of Canada (March 3, 2017). Metropolitan Outlook 1: Regina—Spring 2017. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8866>

<sup>14</sup> The Western Producer (March 24, 2017). Grain Millers expands Sask. oat plant. Retrieved from: <http://www.producer.com/daily/grain-millers-expands-sask-oat-plant/>

<sup>15</sup> CBC News (April 26, 2017). Uncertainty in Sask. lumber industry as U.S. tariffs loom. Retrieved from: <http://www.cbc.ca/news/canada/saskatchewan/big-river-lumber-1.4086754>