



Labour Market Bulletin

Saskatchewan

June 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

Saskatchewan's labour market took a step backwards in the second quarter of 2017, as the provincial government began tackling its \$1.3 billion budget deficit and global oil prices declined yet again. Compared to the previous quarter, the number of people employed in the province fell 2,100 to 569,000. Both full- and part-time employment decreased during the second quarter, by 1,300 and 800 respectively. Overall, the number of people employed in Saskatchewan was virtually unchanged on an annual basis (+400).

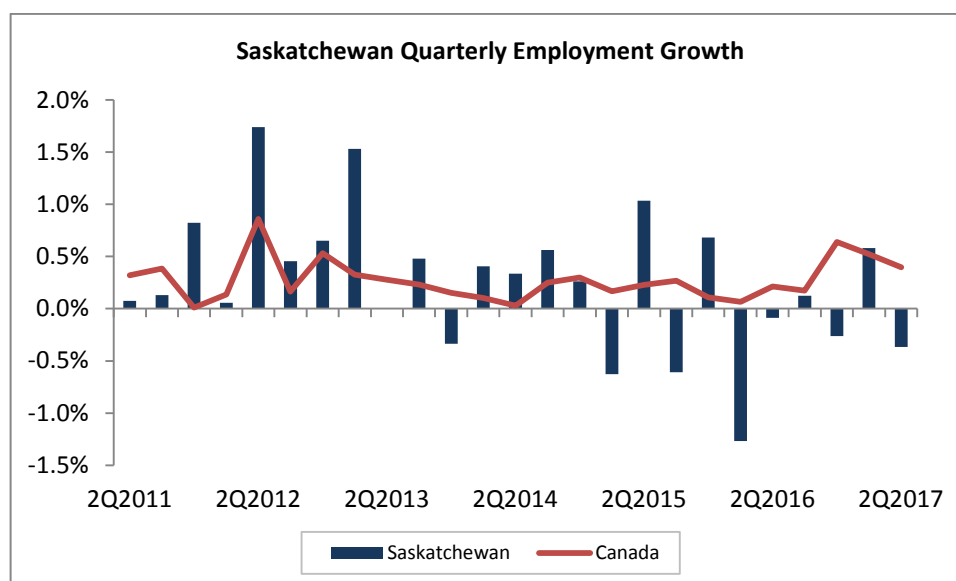
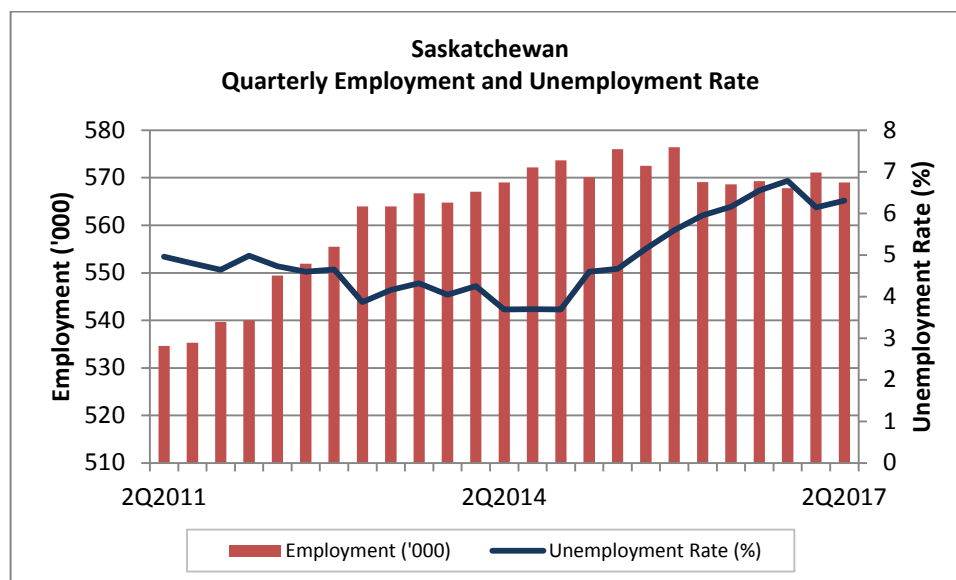
Saskatchewan Quarterly Labour Force Statistics

Seasonally Adjusted Data	2nd Quarter 2017	1st Quarter 2017	2nd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	876.2	873.5	867.7	2.7	0.3	8.5	1.0
Labour Force ('000)	607.3	608.6	605.8	-1.3	-0.2	1.5	0.2
Employment ('000)	569.0	571.1	568.6	-2.1	-0.4	0.4	0.1
Full-Time ('000)	466.8	468.1	466.9	-1.3	-0.3	-0.1	0.0
Part-Time ('000)	102.2	103.0	101.6	-0.8	-0.8	0.6	0.6
Unemployment ('000)	38.3	37.4	37.3	0.9	2.4	1.0	2.7
Unemployment Rate (%)	6.3	6.1	6.2	0.2	-	0.1	-
Participation Rate (%)	69.3	69.7	69.8	-0.4	-	-0.5	-
Employment Rate (%)	64.9	65.4	65.5	-0.5	-	-0.6	-

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 decreased significantly (-1,700) on the quarter, while public-sector employment also dropped (-1,200). Conversely, private sector employment is up 700 over the same period.



Saskatchewan's unemployment rate edged up from 6.1% in the first quarter to 6.3% in the second quarter. Even so, the province's unemployment rate remains below the national average of 6.5% during the same period.

Despite a slight uptick in provincial unemployment this quarter, employment conditions are anticipated to improve over the short-term. According to the Conference Board of Canada's latest provincial outlook, Saskatchewan's economy is expected to emerge from recession and grow faster than any other province except for Alberta in 2017. Also, the number of people employed in the province is forecast to increase by 3,000 positions this year and by another 6,000 in 2018.¹

Saskatchewan Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	2nd Quarter 2017 (%)	1st Quarter 2017 (%)	2nd Quarter 2016 (%)	Quarterly Variation	Yearly Variation
				(% points)	(% points)
Total	6.3	6.1	6.2	0.2	0.1
25 years and over	5.5	5.4	5.2	0.1	0.3
Men - 25 years and over	6.0	5.9	5.3	0.1	0.7
Women - 25 years and over	4.9	4.7	5.1	0.2	-0.2
15 to 24 years	11.0	10.7	11.4	0.3	-0.4
Men - 15 to 24 years	12.8	12.8	13.6	0.0	-0.8
Women - 15 to 24 years	9.2	8.1	8.9	1.1	0.3

Note: Totals may not add due to rounding

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

The provincial youth (15 to 24 years) unemployment rate increased slightly – up 0.3 percentage points from the first quarter of 2017. The unemployment rate for young women rose more than one full percentage point, while the rate for young men was unchanged this quarter. A similar trend is observed for those aged 25 years and over, as their unemployment rate increased by 0.1 percentage point in the second quarter.

Saskatchewan - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q2 2017	Q2 2016	number	%	Q2 2017	Q2 2016	number	%
Population 15 + ('000)	85.1	80.8	4.3	5.3	791.0	786.9	4.1	0.5
Labour Force ('000)	54.4	52.4	2.0	3.8	556.9	558.3	-1.4	-0.3
Employment ('000)	46.8	44.2	2.6	5.9	525.1	529.1	-4.0	-0.8
Full-Time ('000)	37.9	35.9	2.0	5.6	431.6	435.1	-3.5	-0.8
Part-Time ('000)	8.9	8.4	0.5	6.0	93.5	93.9	-0.4	-0.4
Unemployment ('000)	7.7	8.2	-0.5	-6.1	31.8	29.2	2.6	8.9
Unemployment Rate (%)	14.1	15.6	-1.5	-	5.7	5.2	0.5	-
Participation Rate (%)	63.9	64.9	-1.0	-	70.4	71.0	-0.6	-
Employment Rate (%)	54.9	54.7	0.2	-	66.4	67.2	-0.8	-

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 second quarter (Q2) of 2017, the total population aged 15+ in Saskatchewan was 876,200. The Indigenous population living off-reserve accounted for 9.7% of that, or 85,100 people. Employment among the Indigenous population in Saskatchewan stood at 46,800, representing an increase of +2,600 (+5.9%) from a year earlier (Q2 2016). Both full-time (+2,000 or +5.6%) and part-time positions (+500 or +6.0%) contributed to the increase.

The unemployment rate among the Indigenous population was 14.1% in Q2 2017, a decrease of -1.5 percentage points (pp) from the previous year. Among the non-Indigenous population, the unemployment rate was 5.7% (+0.5pp). Between Q2 2016 and Q2 2017, the participation rate of Indigenous people was 63.9% (-1.0pp) while

among non-Indigenous population, it was 70.4% (-0.6pp). The employment rate for Indigenous people was 54.9% (+0.2pp); for the non-Indigenous population, it decreased to 66.4% (-0.8pp).

EMPLOYMENT BY INDUSTRY

Saskatchewan's services-producing sector was responsible for all employment losses (-2,300) in the second quarter of 2017, while the number of people employed in the goods-producing sector remained unchanged. The story is quite different on an annual basis though, as significant gains in services-producing industries (+4,300) outweighed heavy losses in the goods-sector (-3,900).

Saskatchewan Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	2nd Quarter 2017	1st Quarter 2017	2nd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	569.0	571.1	568.6	-2.1	-0.4	0.4	0.1
Goods-producing sector	148.0	148.0	151.9	0.0	0.0	-3.9	-2.6
Agriculture	38.3	39.0	42.3	-0.7	-1.8	-4.0	-9.5
Forestry, fishing, mining, quarrying, oil and gas	23.3	23.8	25.8	-0.5	-2.1	-2.5	-9.7
Utilities	7.0	6.9	7.1	0.1	1.4	-0.1	-1.4
Construction	51.2	50.1	51.5	1.1	2.2	-0.3	-0.6
Manufacturing	28.3	28.2	25.1	0.1	0.4	3.2	12.7
Services-producing sector	420.9	423.2	416.6	-2.3	-0.5	4.3	1.0
Trade	92.5	92.6	87.4	-0.1	-0.1	5.1	5.8
Transportation and warehousing	27.8	28.4	27.7	-0.6	-2.1	0.1	0.4
Finance, insurance, real estate and leasing	26.9	26.9	29.6	0.0	0.0	-2.7	-9.1
Professional, scientific and technical services	31.1	31.8	27.4	-0.7	-2.2	3.7	13.5
Business, building and other support services	13.8	13.1	12.5	0.7	5.3	1.3	10.4
Educational services	40.4	41.9	40.6	-1.5	-3.6	-0.2	-0.5
Health care and social assistance	76.8	77.2	78.1	-0.4	-0.5	-1.3	-1.7
Information, culture and recreation	20.7	21.2	20.0	-0.5	-2.4	0.7	3.5
Accommodation and food services	36.8	36.3	38.5	0.5	1.4	-1.7	-4.4
Other services	24.7	24.1	25.5	0.6	2.5	-0.8	-3.1
Public administration	29.5	29.7	29.2	-0.2	-0.7	0.3	1.0

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 the manufacturing industry increased by 3,200 on a yearly basis. And this momentum is expected to continue in the near-term. Kinder Morgan, for example, is planning to buy more than 75% of the pipe it requires for its Trans Mountain Pipeline expansion from Evraz's steelmaking factory in Regina. Kinder Morgan is currently in the process of raising funds for the \$7.4 billion project, and if it acquires satisfactory financing, work on the project could start as early as September 2017.² In addition, SaskPower – Saskatchewan's principal electric utility – is planning to increase its renewable electricity generation capacity to 50% by 2030. The announcement has encouraged manufacturing

companies in the province to produce renewable power generation equipment. Brandt Group of Companies, for example, acquired Mitsubishi Hitachi Power Systems' shuttered Saskatoon manufacturing plant in April. The company plans to convert the facility into a wind turbine manufacturing factory, and if the project goes ahead, it could employ up to 500 workers.³

Employment in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) declined for a fourth consecutive quarter. There are 500 fewer individuals employed in the industry on a quarterly basis, as weak commodity prices continue to constrain employment growth. After a moderate rebound in prices in early 2017, oil prices dropped to US\$48 per barrel in the second quarter of 2017 – down seven percent from the previous quarter. Despite the Organization of Petroleum Exporting Countries' (OPEC) agreement in late 2016, global supplies and inventories of oil remain high as the U.S. and other non-OPEC countries that are not a part of the agreement, continue to increase production.⁴ Meanwhile, activity in non-metal mining also remains subdued because of oversupply in the global potash and uranium markets.

The number of people employed in construction increased for the second consecutive quarter – reaching 51,200 (+1,100) in the second quarter. The summer construction season is underway in the province, with work on a number of infrastructure projects either starting or resuming. The Government of Saskatchewan, for instance, is planning to spend \$1.1 billion on highway construction projects in 2017-2018. Some of the major projects that the Province is funding 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 moving ahead, including a \$45 million expansion project at Regina's Global Transportation Hub and the Saskatchewan Indian Gaming Authority's \$100 million casino in Lloydminster.⁵

Turning to the services-producing sector, the largest quarterly decrease in employment occurred in Saskatchewan's educational services industry (-1,500). The Province is aiming to reduce its budget shortfall to \$685 million by the end of this fiscal year, and as a result, has reduced \$32.5 million in funding for post-secondary institutions and \$22 million for the 28 school divisions across Saskatchewan. These financial cuts have forced educational institutions to reduce services, as well as staffing levels. Over the past two months, a number of provincial post-secondary institutions have laid-off staff including: Saskatchewan Polytechnic (-23 jobs), the University of Regina (-35 workers), and the University of Saskatchewan (-15 managers). At the same time, school boards such as the Prairie South School Division (-25 employees) and the Saskatoon Public School Division (-23.4 full-time-equivalent staff) have laid-off educational assistants and clerical staff.⁶

After four consecutive quarterly increases, the number of people employed in trade (wholesale and retail) declined by 100. Over the past few years, big-box stores have faced growing competition from online shopping as the retail industry evolves. This has resulted in a drop in revenues for many large retailers. Recently, Sears Canada Inc. announced that it will shutter 59 stores across Canada – including four stores in Saskatchewan – as it restructures operations. Overall, the closures will leave 2,900 people out of work across the country. This includes 179 positions (53 full-time and 126 part-time) in Regina, Moose Jaw and Prince Albert, while an undetermined number of positions are being cut in Melville.⁷

Lastly, there are 3,700 more individuals employed in Saskatchewan's professional, scientific and technical services industry on an annual basis. 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, Solido Design Automation Inc. and 7Shifts Inc.⁸ 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.⁹

REGIONAL ANALYSIS

Mixed employment results were observed across Saskatchewan, with employment advancing in two 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		
	2nd Quarter 2017 ('000)	2nd Quarter 2016 ('000)	Yearly Variation (%)	2nd Quarter 2017 (%)	2nd Quarter 2016 (%)	Yearly Variation (% points)
Saskatchewan	573.0	573.4	-0.1	6.4	6.1	0.3
Economic Regions						
Regina-Moose Mountain	182.9	185.5	-1.4	5.6	5.7	-0.1
Swift Current-Moose Jaw	51.4	53.6	-4.1	4.6	3.4	1.2
Saskatoon-Biggar	198.3	195.0	1.7	7.7	6.0	1.7
Yorkton-Melville	40.4	37.9	6.6	4.0	5.7	-1.7
Prince Albert and Northern	100.0	101.4	-1.4	7.0	8.6	-1.6

Note: Totals may not add due to rounding

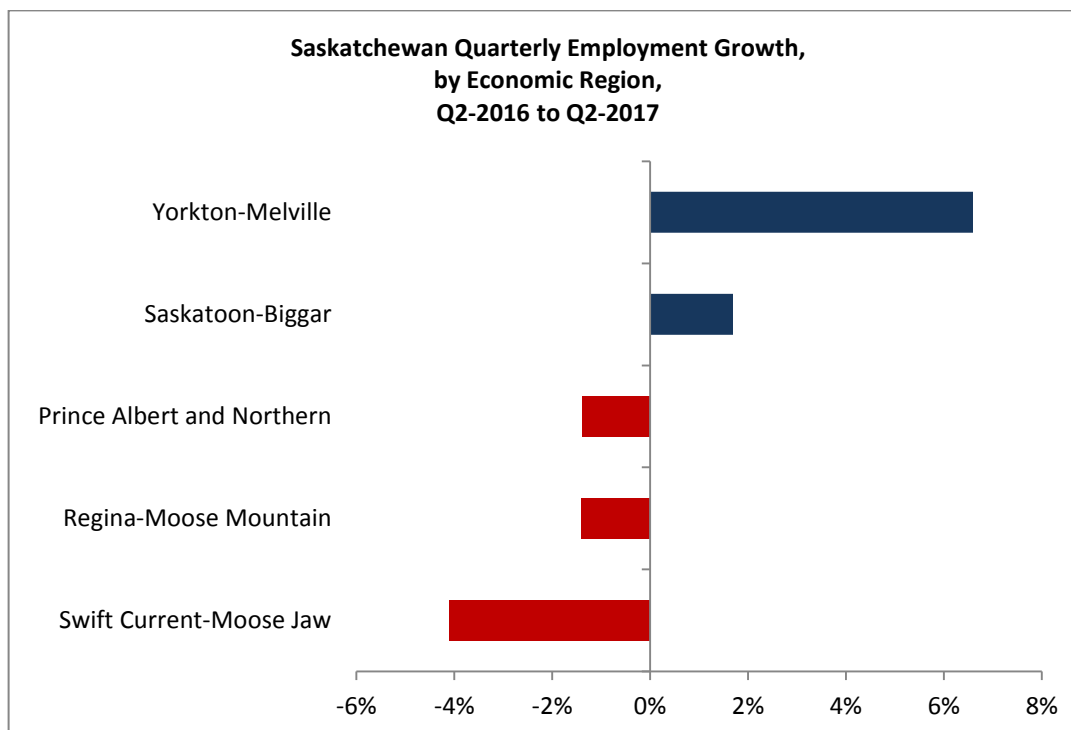
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

Employment in the Saskatoon-Biggar region increased significantly in the second quarter of 2017 – up 3,300 from the same period last year. Labour market conditions are improving in this region 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. Overall, the Conference Board of Canada expects employment in Saskatoon to advance 1.7% in 2017, followed by an increase of 1.1% in 2018.¹⁰

There were 2,600 fewer individuals employed in Regina-Moose Mountain in the second quarter of 2017 compared to the same quarter last year. Employment both in the goods- and services-producing sectors is down this quarter – with the largest declines in construction (-2,000) and educational services (-1,900) and healthcare and social assistance (-1,800). In contrast, the manufacturing and professional, scientific and technical services industries have been the bright spots for the region, adding 3,400 and 3,100 positions in the second quarter.

Employment in Yorkton-Melville surged this quarter (+2,500), led by gains in industries such as agriculture, transportation and warehousing, and construction. Yorkton-Melville is 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.¹¹

In Prince Albert and Northern region, employment is down 1,400 compared to levels a year ago. 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, a potential downturn in the forestry industry could add to Prince Albert and Northern's economic woes over the near-term.¹²



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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