



Labour Market Bulletin

Saskatchewan

July 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 backwards in July, as employment fell 400 to 569,400. Part-time employment increased by 2,300 on the month, but this was offset by significant losses in full-time employment (-2,700). All told, the number of people employed in Saskatchewan dropped 1,400 (-0.2%) on an annual basis.

Saskatchewan Monthly Labour Force Statistics

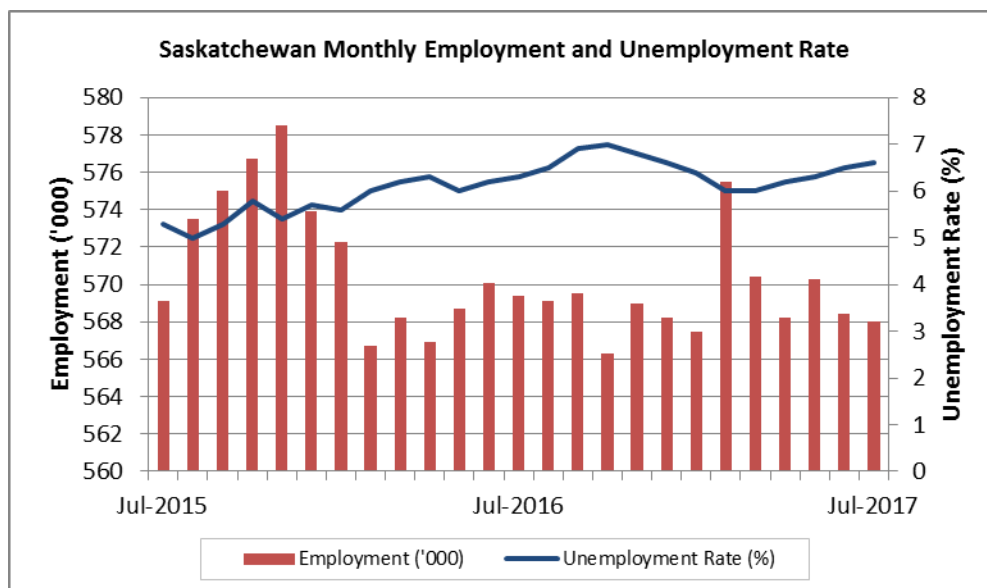
Seasonally Adjusted Monthly Data	July 2017	June 2017	July 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	877.5	876.9	869.7	0.6	0.1	7.8	0.9
Labour Force ('000)	608.2	607.8	607.7	0.4	0.1	0.5	0.1
Employment ('000)	568.0	568.4	569.4	-0.4	-0.1	-1.4	-0.2
Full-Time ('000)	466.0	468.7	464.4	-2.7	-0.6	1.6	0.3
Part-Time ('000)	102.0	99.7	105.0	2.3	2.3	-3.0	-2.9
Unemployment ('000)	40.2	39.4	38.3	0.8	2.0	1.9	5.0
Unemployment Rate (%)	6.6	6.5	6.3	0.1	-	0.3	-
Participation Rate (%)	69.3	69.3	69.9	0.0	-	-0.6	-
Employment Rate (%)	64.7	64.8	65.5	-0.1	-	-0.8	-

Note: Totals may not add due to rounding

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

Looking at categories of workers, both public and private sector employment fell in July, by 1,800 and 2,800 respectively. Meanwhile, the number of self-employed Saskatchewanians increased 4,300 during the same period. Although self-employment numbers are up in the province, Saskatchewan's small business owners are less optimistic and anticipate a slow recovery. According to the Canadian Federation of Independent Business,

optimism among Saskatchewan's small business owners stood at 50.0 points (on a scale of zero to 100) in July – 10.0 points lower than the national average. A level below 50 points means that the number of owners expecting their businesses to perform weaker in the next year outnumber those expecting a stronger performance. Meanwhile, only 31% of the businesses surveyed in the province said their overall state is currently good, while 12% stated it was bad.¹



Saskatchewan's unemployment rate edged up for a fourth consecutive month in July and now stands at 6.6% - up 0.1 percentage point from June. This marks the first time since September 1989 that Saskatchewan's unemployment rate has exceeded the national average (6.3%). There are currently more than 40,200 Saskatchewan residents actively seeking employment in the province, up five percent from a year ago.

Despite rising unemployment over the past several months, the Conference board of Canada forecasts that Saskatchewan's economy will emerge from recession and grow faster than any other province except for Alberta in 2017. Employment conditions are also anticipated to improve over the short-term, with the number of people employed in the province expected to increase by 3,000 positions this year.²

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2017 (%)	June 2017 (%)	July 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	6.6	6.5	6.3	0.1	0.3
25 years and over	5.6	5.5	5.2	0.1	0.4
Men - 25 years and over	6.0	6.2	5.8	-0.2	0.2
Women - 25 years and over	5.1	4.8	4.6	0.3	0.5
15 to 24 years	12.3	12.0	12.5	0.3	-0.2
Men - 15 to 24 years	13.3	13.8	14.7	-0.5	-1.4
Women - 15 to 24 years	11.3	10.0	10.0	1.3	1.3

Note: Totals may not add due to rounding

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

The unemployment rate for adults aged 25 and over increased by 0.1 percentage point to reach 5.6% in July. Similarly, the overall unemployment rate for youth (15 to 24 years) edged up 0.3 percentage points to 12.3% in July.

Looking at results by gender, the unemployment rate for young men fell 0.5 percentage points to 13.3% in July, while the rate for young women rose 1.3 percentage points and now sits at 11.3%.

EMPLOYMENT BY INDUSTRY

On a monthly basis, employment declined both in the goods-producing (-300) and in the services-producing (-100) sectors. However, the story is quite different on an annual basis, as substantial employment losses in the services-sector (-1,900) outweighed subdued growth in the goods-sector (+600).

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	July 2017	June 2017	July 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	568.0	568.4	569.4	-0.4	-0.1	-1.4	-0.2
Goods-producing sector	147.9	148.2	147.3	-0.3	-0.2	0.6	0.4
Agriculture	37.3	37.7	40.7	-0.4	-1.1	-3.4	-8.4
Forestry, fishing, mining, quarrying, oil and gas	24.2	23.2	24.9	1.0	4.3	-0.7	-2.8
Utilities	6.9	7.1	7.0	-0.2	-2.8	-0.1	-1.4
Construction	51.2	52.5	50.0	-1.3	-2.5	1.2	2.4
Manufacturing	28.3	27.9	24.6	0.4	1.4	3.7	15.0
Services-producing sector	420.1	420.2	422.0	-0.1	0.0	-1.9	-0.5
Trade	90.4	91.2	87.6	-0.8	-0.9	2.8	3.2
Transportation and warehousing	29.1	29.2	28.8	-0.1	-0.3	0.3	1.0
Finance, insurance, real estate and leasing	27.8	26.8	28.7	1.0	3.7	-0.9	-3.1
Professional, scientific and technical services	30.4	31.0	26.7	-0.6	-1.9	3.7	13.9
Business, building and other support services	14.5	14.3	13.2	0.2	1.4	1.3	9.8
Educational services	40.0	39.8	43.9	0.2	0.5	-3.9	-8.9
Health care and social assistance	76.5	76.5	78.1	0.0	0.0	-1.6	-2.0
Information, culture and recreation	20.7	20.4	20.3	0.3	1.5	0.4	2.0
Accommodation and food services	36.8	36.6	38.8	0.2	0.5	-2.0	-5.2
Other services	24.9	24.9	25.8	0.0	0.0	-0.9	-3.5
Public administration	29.0	29.4	30.2	-0.4	-1.4	-1.2	-4.0

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 province's manufacturing industry increased by 3,700 on a yearly basis. And this momentum is expected to continue in the near-term. Evraz's steelmaking plant in Regina, for example, is supplying the majority of the steel required for Enbridge's Line 3 replacement project and Kinder Morgan's Trans Mountain Pipeline expansion project.³ 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.⁴

Employment in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) rose for a second consecutive month, as industry employment advanced by 1,000 in July. With global oil prices recovering, there are positive signs of a turnaround for the province's oil industry. In June, the provincial government's sale of petroleum and natural gas land rights generated \$22.8 million in revenue, representing the largest proceeds generated for a single offering since August 2014. As well, the Petroleum Services Association of Canada recently updated its drilling forecast for this year and now expects 2,794 wells to be drilled in the province compared to its original forecast of 1,940 wells. Consequently, oil services companies such as Kana Oilfield Services Ltd., Miller Well Services and Jerry Mainil Ltd. are now struggling to recruit workers in Saskatchewan.⁵

The number of people employed in construction is up 1,200 from a year ago. The summer construction season is well underway, with work on a number of infrastructure projects either starting or resuming. The provincial government, 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 and Warman and Martensville overpasses. Apart from public infrastructure projects, work on several large-scale commercial developments are also in progress including Enbridge Inc.'s \$5.3 billion Line 3 Replacement project, Saskatchewan Indian Gaming Authority's \$100 million casino and SaskPower's \$680 million Chinook Power Station. The Line 3 project is expected to create more than 7,800 direct and indirect jobs in the province, while the casino and natural gas facility are expected to employ 500 workers each during the construction phase.⁶

Agriculture employment dropped for a third successive month in Saskatchewan, with 400 fewer workers employed in the industry in July. Farmers are preparing to harvest their crops, although hot and dry weather conditions in July are expected to negatively impact this year's yields. Meanwhile, a hay shortage in parts of Southern Saskatchewan is causing problems for smaller cattle operators. According to the Agricultural Producers Association of Saskatchewan, if the shortage of water and feed continues, cattle operators will be forced to sell their livestock and shut down operations.⁷

Turning to the services-producing sector, employment in trade (wholesale and retail) declined 800 this month. 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 is closing 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 underdetermined number of positions are being cut in Melville.⁸

Lastly, the largest annual decline in employment occurred in Saskatchewan's public-sector industries. The number of people employed in educational services plummeted by 3,900, while healthcare and social assistance shed 1,600 positions. Similarly, employment in public administration is down 1,200. 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 funding for a number of services. The cuts include a \$54.5M reduction for educational institutions across Saskatchewan.⁹ While 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 2018-19.¹⁰

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 Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2017 ('000)	July 2016 ('000)	Yearly Variation (%)	July 2017 (%)	July 2016 (%)	Yearly Variation (% points)
Saskatchewan	577.7	578.7	-0.2	6.2	5.9	0.3
Economic Regions						
Regina-Moose Mountain	184.6	186.9	-1.2	5.3	5.4	-0.1
Swift Current-Moose Jaw	51.7	53.4	-3.2	4.3	3.4	0.9
Saskatoon-Biggar	202.2	198.3	2.0	7.6	5.5	2.1
Yorkton-Melville	40.4	38.5	4.9	3.3	5.2	-1.9
Prince Albert and Northern	98.9	101.5	-2.6	7.2	8.8	-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 is up significantly, increasing by nearly 4,000 since last July. Employment gains over the past year were led by the trade (+3,500) and construction (+1,800) industries. Retail development has been thriving with new stores popping up around the city. Saskatoon's second Costco opened its doors at the end of last year, while Starbucks and FatBurger just opened new locations in Preston Crossing. Meanwhile, construction employment has been buoyed by major projects including the Jim Pattison Children's Hospital, as well as the City of Saskatoon's \$61 million roads improvement project.¹¹

There were 2,300 fewer individuals employed in Regina-Moose Mountain this month compared to the same period last year. Services-producing industries were responsible for all employment losses in July with the largest declines in healthcare and social assistance (-1,700) and educational services (-1,100). In contrast, the number of people employed in the goods-producing sector edged up slightly, owing to significantly higher manufacturing employment. Looking ahead, the Conference Board of Canada expects Regina's economy to begin recovering this year, forecasting real GDP growth of 1.5% and an employment increase of 1,400 positions.¹²

Meanwhile, employment in Swift Current-Moose Jaw fell 1,700 year over year due to considerably lower employment in agriculture and educational services. Farming operations are struggling in Swift Current and Moose Jaw, as hot, dry weather conditions have damaged this year's crop.¹³ Overall, the unemployment rate in Swift Current-Moose Jaw has risen by 0.9 percentage points to 4.3% on a year over year basis.

Employment continues to slump further in Prince Albert and Northern region, with 2,600 fewer people working in the region compared 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.¹⁴

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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