



Labour Market Bulletin

Saskatchewan

September 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

Just over 568,000 people were working in Saskatchewan in the third quarter of 2017, as provincial employment decreased 900 on the quarter. Both full- and part-time employment declined during this period, by 500 and 400 respectively. Provincial employment is also down on an annual basis (-1,200), with all losses coming in part-time employment over this period.

Saskatchewan Quarterly Labour Force Statistics

Seasonally Adjusted Data	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	878.1	876.2	870.5	1.9	0.2	7.6	0.9
Labour Force ('000)	607.0	607.3	609.2	-0.3	0.0	-2.2	-0.4
Employment ('000)	568.1	569.0	569.3	-0.9	-0.2	-1.2	-0.2
Full-Time ('000)	466.3	466.8	464.5	-0.5	-0.1	1.8	0.4
Part-Time ('000)	101.8	102.2	104.8	-0.4	-0.4	-3.0	-2.9
Unemployment ('000)	38.9	38.3	39.9	0.6	1.6	-1.0	-2.5
Unemployment Rate (%)	6.4	6.3	6.5	0.1	-	-0.1	-
Participation Rate (%)	69.1	69.3	70.0	-0.2	-	-0.9	-
Employment Rate (%)	64.7	64.9	65.4	-0.2	-	-0.7	-

Note: Totals may not add due to rounding

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

Employment fell in Saskatchewan's public (-600) and private (-1800) sectors on a quarterly basis. In contrast, the number of self-employed Saskatchewanians rose both on the quarter (+1,500), as well as over the year (+600).



Saskatchewan's unemployment rate increased for a third consecutive quarter and now sits at 6.4% - up 0.1 percentage points from the previous quarter. This marks the first time since the first quarter of 1989 that Saskatchewan's quarterly unemployment rate has exceeded the national average (6.2%). There are currently more than 38,900 Saskatchewan residents actively seeking employment in the province, up 600 from the last quarter.

The Conference Board of Canada anticipates that Saskatchewan's economy will emerge out of a two-year downturn in 2017 and post a real gross domestic product (GDP) growth of 2.7%. Economic growth is expected to be led by the resource extraction, wholesale trade, and transportation and warehousing industries.¹ Consequently, employment conditions are forecast to improve over the short-term, with the number of people employed in the province expected to increase by 4,000 positions in 2018.²

Saskatchewan Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	3rd Quarter 2017 (%)	2nd Quarter 2017 (%)	3rd Quarter 2016 (%)	Quarterly Variation	Yearly Variation
				(% points)	(% points)
Total	6.4	6.3	6.5	0.1	-0.1
25 years and over	5.4	5.5	5.5	-0.1	-0.1
Men - 25 years and over	5.6	6.0	5.9	-0.4	-0.3
Women - 25 years and over	5.2	4.9	4.9	0.3	0.3
15 to 24 years	12.4	11.0	12.7	1.4	-0.3
Men - 15 to 24 years	13.8	12.8	15.3	1.0	-1.5
Women - 15 to 24 years	11.0	9.2	9.6	1.8	1.4

Note: Totals may not add due to rounding

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

Turning to labour force results for different age groups, the unemployment rate for youth (15 to 24 years) was 12.4% in the third quarter of 2017, more than double the rate for those aged 25 years and over (5.4%). From the second quarter to the third quarter of 2017, the youth unemployment rate increased 1.4 percentage points, while the rate for those aged 25 and older fell slightly over the same period (-0.1 percentage points).

Despite a slight drop in the overall youth unemployment rate on an annual basis, the rate for young women actually increased between the third quarter of 2016 and the third quarter of 2017 – by 1.4 percentage points to 11.0%. Conversely, the unemployment rate for young men dropped significantly during this period (-1.5 percentage point) and now sits at 13.8%.

Saskatchewan - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q3 2017	Q3 2016	number	%	Q3 2017	Q3 2016	number	%
Population 15 + ('000)	85.2	82.5	2.7	3.3	792.9	788.0	4.9	0.6
Labour Force ('000)	53.2	54.6	-1.4	-2.6	558.4	559.6	-1.2	-0.2
Employment ('000)	45.9	46.7	-0.8	-1.7	527.4	528.5	-1.1	-0.2
Full-Time ('000)	38.5	37.9	0.6	1.6	440.6	441.0	-0.4	-0.1
Part-Time ('000)	7.4	8.7	-1.3	-14.9	86.8	87.6	-0.8	-0.9
Unemployment ('000)	7.3	7.9	-0.6	-7.6	31.0	31.1	-0.1	-0.3
Unemployment Rate (%)	13.7	14.5	-0.8	-	5.5	5.5	0.0	-
Participation Rate (%)	62.5	66.1	-3.6	-	70.4	71.0	-0.6	-
Employment Rate (%)	53.9	56.5	-2.6	-	66.5	67.1	-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 third quarter (Q3) of 2017, the total population aged 15+ in Saskatchewan was 878,100. The Indigenous population living off-reserve accounted for 9.7% of that, or 85,200 people. Employment among the Indigenous population in Saskatchewan stood at 45,900, representing a decrease of -800 (-1.7%) from a year earlier (Q3

2016). Gains in full-time employment (+600 or +1.6%) were offset by a decrease in part-time positions (-1,300 or -14.9%).

The unemployment rate among the Indigenous population was 13.7% in Q3 2017, a decrease of -0.8 percentage points (pp) from the previous year. Among the non-Indigenous population, the unemployment rate was 5.5%. In Q3 2017, the participation rate of Indigenous people was 62.5% (-3.6pp from Q3 2016) while among non-Indigenous population, it was 70.4% (-0.6pp). The employment rate for Indigenous people was 53.9% (-2.6pp); for the non-Indigenous population, it decreased to 66.5% (-0.6pp).

EMPLOYMENT BY INDUSTRY

Saskatchewan's services-producing sector was responsible for the majority of employment losses (-700) in the third quarter, while employment in the province's goods-producing sector was essentially flat (-100). In contrast, the province's goods-producing industries shed 1,400 positions on an annual basis, while employment in services-producing industries was virtually unchanged (+200).

Saskatchewan Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	568.1	569.0	569.3	-0.9	-0.2	-1.2	-0.2
Goods-producing sector	147.9	148.0	149.3	-0.1	-0.1	-1.4	-0.9
Agriculture	36.6	38.3	41.1	-1.7	-4.4	-4.5	-10.9
Forestry, fishing, mining, quarrying, oil and gas	24.2	23.3	24.8	0.9	3.9	-0.6	-2.4
Utilities	6.9	7.0	6.9	-0.1	-1.4	0.0	0.0
Construction	52.0	51.2	51.0	0.8	1.6	1.0	2.0
Manufacturing	28.1	28.3	25.5	-0.2	-0.7	2.6	10.2
Services-producing sector	420.2	420.9	420.0	-0.7	-0.2	0.2	0.0
Trade	91.5	92.5	88.6	-1.0	-1.1	2.9	3.3
Transportation and warehousing	28.9	27.8	28.2	1.1	4.0	0.7	2.5
Finance, insurance, real estate and leasing	27.8	26.9	27.5	0.9	3.3	0.3	1.1
Professional, scientific and technical services	29.9	31.1	28.2	-1.2	-3.9	1.7	6.0
Business, building and other support services	14.2	13.8	12.9	0.4	2.9	1.3	10.1
Educational services	40.3	40.4	41.3	-0.1	-0.2	-1.0	-2.4
Health care and social assistance	75.6	76.8	79.5	-1.2	-1.6	-3.9	-4.9
Information, culture and recreation	20.9	20.7	20.1	0.2	1.0	0.8	4.0
Accommodation and food services	36.7	36.8	38.7	-0.1	-0.3	-2.0	-5.2
Other services	25.2	24.7	25.2	0.5	2.0	0.0	0.0
Public administration	29.4	29.5	29.9	-0.1	-0.3	-0.5	-1.7

Note: Totals may not add due to rounding

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

Looking at individual goods-producing industries, agricultural employment dropped for a sixth successive quarter in Saskatchewan. There are 1,700 fewer workers employed in the industry this quarter compared to

the second quarter of 2017. According to Saskatchewan Agriculture's weekly crop report, 89% of this year's crop has been harvested – ahead of the five-year average of 82% for this time of year. Warm temperatures and limited rainfall in many parts of the province during the growing season negatively impacted yields. However, heavy rains and snow during the last week of September have slightly improved topsoil moisture conditions.³

The number of people employed in the province's manufacturing industry advanced 2,600 year over year. And this momentum is expected to continue in the near-term as work on major projects move forward. Evraz's steelmaking plant in Regina, for example, is supplying the majority of the steel required for Enbridge's \$5.3 billion Line 3 Replacement project, which transports Western Canadian crude oil to refinery markets in the United States and Canada. The project will replace over 1,600kms of pipeline between Hardisty, Alberta through Saskatchewan and Superior, Wisconsin.⁴ In addition, a few other manufacturing firms are planning to expand and establish their presence in the province, including BASF and Verdient Foods. BASF – an agri-products company – plans to spend \$10 million to expand its inoculant manufacturing facilities in Saskatchewan.⁵ Meanwhile, Verdient Foods is investing in an organic pea-processing plant in Vanscoy to handle 160,000 tonnes of organic pea protein.⁶

Employment in Saskatchewan's construction industry is up 1,000 from a year ago. Work on several large-scale commercial projects is currently underway, including Enbridge Inc.'s 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 construction phases.⁷ In addition, construction is also progressing on public infrastructure projects such as the \$1.9 billion Regina Bypass and the \$60.6 million Warman and Martensville overpasses.⁸ Going forward, the provincial government plans to spend about \$220M on highway construction and improvement projects in 2018-19, after spending \$1.1B on highway projects in 2017-18.⁹ In addition, the federal government is granting \$896M to the province over the next 11 years for infrastructure improvement projects.¹⁰

The number of people employed in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) increased 900 in the third quarter of 2017. Conditions in the province's mining industry are improving, buoyed by increasing demand for potash and strengthening resource prices in general. PotashCorp's expanded Rocanville mine and K+S Potash's Bethune mine are expected to ramp up production in the coming months, which will increase output in Saskatchewan's non-metal mining industry. In addition, the province's oil industry is benefiting from new cost-effective thermal extraction technology that is anticipated to boost investment over the next few years.¹¹

Turning to the services-producing sector, the largest annual decline in employment occurred in Saskatchewan's healthcare and social assistance industry (-3,900). The Province is aiming to reduce its budget shortfall by the end of this fiscal year, and as a result, has undertaken a number of initiatives to reduce service costs. 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 2018-19.¹²

Employment in education services fell slightly on the quarter (-100). The 2017-18 school year has commenced, and 20 new schools have opened their doors across the province. Eighteen of the new public-private

partnership schools are built on joint-use sites, including four locations in Saskatoon, three in Regina and one each in Martensville and Warman. Most of the teachers and staff at the new schools are existing employees of the public and catholic school divisions.¹³

Meanwhile, the professional, scientific and technical services industry added 1,700 positions on a year-over-year 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. For instance, Saskatoon-based 7Shifts Inc. recently received \$4.5million in venture capital funding from Tandem Capital, a US institutional investor and intends to triple its current workforce of about 40 employees this year.¹⁴ Other technology start-ups that are expanding operations in the province include Vendasta, Noodlecake Studios Inc. and Solido Design Automation.¹⁵

REGIONAL ANALYSIS

Compared to the same period last year, employment is down in three out of five economic regions in Saskatchewan. At the same time, the unemployment rate has increased in two of the five regions.

Saskatchewan Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	3rd Quarter 2017 ('000)	3rd Quarter 2016 ('000)	Yearly Variation (%)	3rd Quarter 2017 (%)	3rd Quarter 2016 (%)	Yearly Variation (% points)
Saskatchewan	573.1	574.7	-0.3	6.3	6.3	0.0
Economic Regions						
Regina-Moose Mountain	182.6	185.0	-1.3	5.2	5.1	0.1
Swift Current-Moose Jaw	50.2	53.3	-5.8	3.8	4.1	-0.3
Saskatoon-Biggar	204.3	199.4	2.5	7.3	6.6	0.7
Yorkton-Melville	39.7	37.4	6.1	4.8	6.7	-1.9
Prince Albert and Northern	96.3	99.6	-3.3	7.8	9.1	-1.3

Note: Totals may not add due to rounding

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

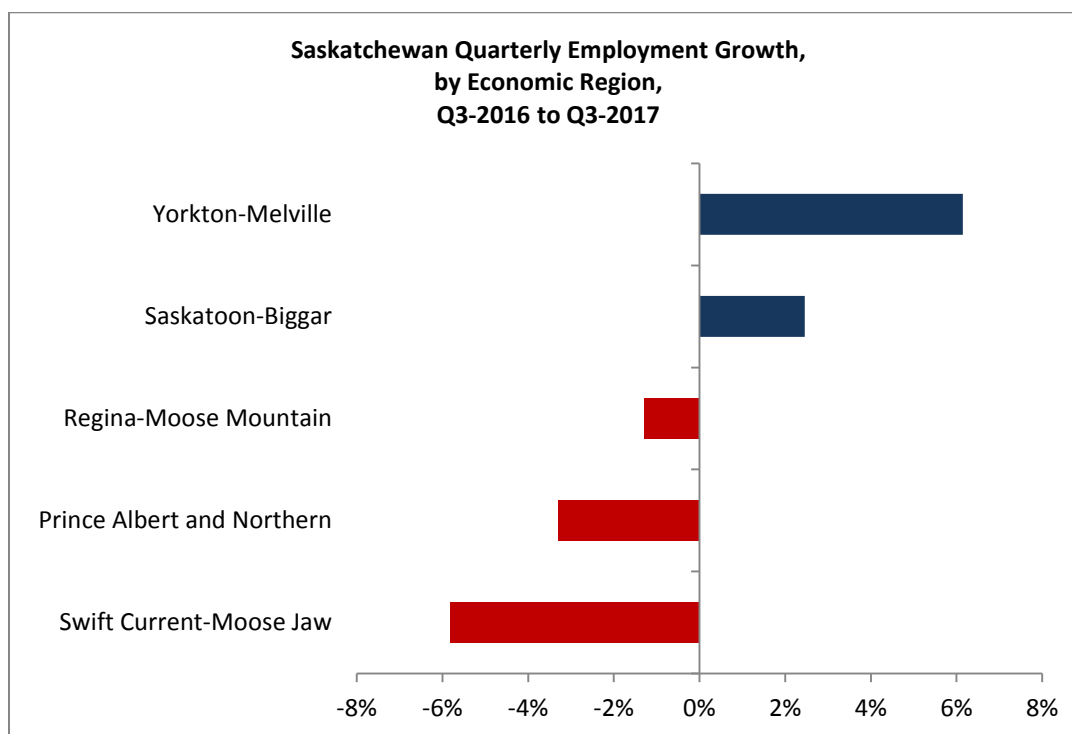
The number of people employed in Regina-Moose Mountain fell 2,400 in the third quarter of 2017. Employment both in the goods and services-producing sectors is down this quarter, with the largest declines in agriculture (-2,100), construction (-1,500) and transportation and warehousing (-1,100). In contrast, the manufacturing industry has been a bright spot for the region, adding 2,700 positions in the third quarter.

Unlike Regina, employment in Saskatoon-Biggar increased considerably in the third quarter of 2017 compared to the same period in 2016 (+4,900). The services-producing sector led employment gains in this region, adding 3,600 positions on the year. Despite advancing employment, Saskatoon-Biggar's unemployment rate increased 0.7 percentage points over the past year, as labour force growth outpaced gains in employment.

Meanwhile, employment in Swift Current-Moose Jaw fell 3,100 on the year due to considerably lower employment in agriculture and accommodation and food services. In agriculture, hot and dry weather in the

region adversely affected crop yields this year.¹⁶ Nonetheless, the unemployment rate in Swift Current-Moose Jaw dropped 0.3 percentage points on an annual basis, due in part to a substantial decrease in the labour force.

Employment continued to slump further in Prince Albert and Northern region, with 3,300 fewer people working in the region compared a year ago. 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 on proceeding with the project until there is a viable business case for the hydroelectric project, as demand for power has declined in the region. The proposed Tazi Twé project was set to add 50 megawatts of power to the provincial grid and would have been the first new hydro project in the province in more than 30 years.¹⁷



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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