Labour Market Bulletin

Saskatchewan

January 2018

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

The number of people employed in Saskatchewan increased for a second consecutive month in January (+1,100). Full-time employment increased significantly on a monthly basis (+6,200), while part-time employment declined 5,100. Saskatchewan bucked the national employment trend this month, as the number of people employed across Canada fell 88,000 in January – the steepest monthly drop in nine years.

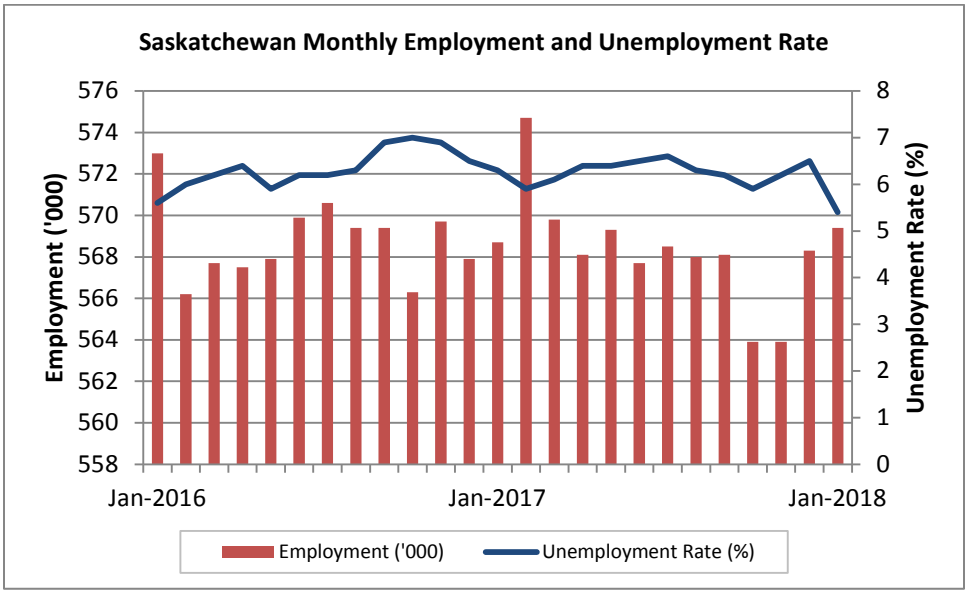
Saskatchewan Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	January 2018	December 2017	January 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	880.9	879.9	872.7	1.0	0.1	8.2	0.9
Labour Force ('000)	602.3	608.1	607.1	-5.8	-1.0	-4.8	-0.8
Employment ('000)	569.4	568.3	568.7	1.1	0.2	0.7	0.1
Full-Time ('000)	468.5	462.3	464.6	6.2	1.3	3.9	0.8
Part-Time ('000)	100.9	106.0	104.1	-5.1	-4.8	-3.2	-3.1
Unemployment ('000)	32.8	39.8	38.4	-7.0	-17.6	-5.6	-14.6
Unemployment Rate (%)	5.4	6.5	6.3	-1.1	-	-0.9	-
Participation Rate (%)	68.4	69.1	69.6	-0.7	-	-1.2	-
Employment Rate (%)	64.6	64.6	65.2	0.0	-	-0.6	-

Note: Totals may not add due to rounding
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

On a monthly basis, the number of people working in all three employment sectors increased. The public and private sector employment increased 100 and 900 respectively during this period. Meanwhile, the number of self-employed Saskatchewanians rose 200 in January.

In addition to stronger employment numbers, Saskatchewan's average weekly earnings increased $24.74 between November 2016 and November 2017 to reach $1014.72. The services-producing sector was responsible for all increases in wages during this period (+$28.77); whereas wages in the goods-producing sector dropped $6.63.[1] Despite improving wages, Saskatchewanians are facing a higher cost of living, as inflation has outpaced wage growth in the province. According to Statistics Canada, the provincial Consumer Price Index (CPI) rose by 4.9% on an annual basis in November – the highest rate of inflation among Canadian provinces. In comparison, the national CPI increased by 2.7%.[2]



The provincial unemployment rate dropped considerably in January, from 6.5% in December 2017 to 5.4% this month. This is significantly lower than the national average of 5.9% and represents second lowest rate among provinces, after only British Columbia. On an annual basis, the province's unemployment rate declined 0.9 percentage points. Consequently, the number of Saskatchewanians seeking employment is down 14.6% from a year ago.

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	January 2018 (%)	December 2017 (%)	January 2017 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	5.4	6.5	6.3	-1.1	-0.9
25 years and over	4.6	5.1	5.5	-0.5	-0.9
Men - 25 years and over	5.4	5.9	6.0	-0.5	-0.6
Women - 25 years and over	3.6	4.2	4.9	-0.6	-1.3
15 to 24 years	11.1	15.2	11.2	-4.1	-0.1
Men - 15 to 24 years	14.5	14.9	14.3	-0.4	0.2
Women - 15 to 24 years	7.0	15.5	7.7	-8.5	-0.7

Note: Totals may not add due to rounding
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

At 11.1%, Saskatchewan's youth unemployment rate was more than twice the overall provincial average. While overall youth unemployment was virtually unchanged on an annual basis, the unemployment rate among young men actually increased between January 2017 and January 2018 – by 0.2 percentage points to 14.5%.

Conversely, the unemployment rate for young women declined 0.7 percentage points to 7.0% during the same period.

EMPLOYMENT BY INDUSTRY

The services-producing sector was responsible for all employment gains (+2,100) in January, while the number of people employed in the goods-producing sector fell 1,000 during the same period. A similar trend is observed on an annual basis; the services-producing sector added 4,900 positions between January 2017 and January 2018, while the number of people employed in the goods-producing sector declined 4,100.

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	January 2018	December 2017	January 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	569.4	568.3	568.7	1.1	0.2	0.7	0.1
Goods-producing sector	143.7	144.7	147.8	-1.0	-0.7	-4.1	-2.8
Agriculture	35.4	35.8	39.2	-0.4	-1.1	-3.8	-9.7
Forestry, fishing, mining, quarrying, oil and gas	24.7	24.1	23.8	0.6	2.5	0.9	3.8
Utilities	6.8	7.0	6.8	-0.2	-2.9	0.0	0.0
Construction	49.5	50.0	50.5	-0.5	-1.0	-1.0	-2.0
Manufacturing	27.4	27.9	27.6	-0.5	-1.8	-0.2	-0.7
Services-producing sector	425.7	423.6	420.8	2.1	0.5	4.9	1.2
Trade	91.4	90.4	92.3	1.0	1.1	-0.9	-1.0
Transportation and warehousing	30.0	29.0	29.0	1.0	3.4	1.0	3.4
Finance, insurance, real estate and leasing	27.2	26.9	26.8	0.3	1.1	0.4	1.5
Professional, scientific and technical services	27.8	28.0	31.7	-0.2	-0.7	-3.9	-12.3
Business, building and other support services	14.8	14.2	13.1	0.6	4.2	1.7	13.0
Educational services	41.5	41.9	41.3	-0.4	-1.0	0.2	0.5
Health care and social assistance	76.8	78.1	76.1	-1.3	-1.7	0.7	0.9
Information, culture and recreation	21.2	21.0	21.1	0.2	1.0	0.1	0.5
Accommodation and food services	37.8	37.0	35.7	0.8	2.2	2.1	5.9
Other services	25.9	25.6	24.5	0.3	1.2	1.4	5.7
Public administration	31.4	31.4	29.4	0.0	0.0	2.0	6.8

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 construction is down 500 on a monthly basis. Public infrastructure projects such as the City of Regina's $88 million infrastructure program and the City of Saskatoon's $61 million Building Better Roads program have concluded.[3] Looking ahead, the federal government is granting $896 million to the province over the next 11 years for infrastructure improvement projects.[4] Meanwhile, work on several large-scale commercial projects is also underway in the province, including SaskPower's $680 million Chinook power station and Husky Energy's new thermal oil recovery plants.[5] In addition, the provincial government plans to spend about $220 million on highway construction and improvement projects this year, after spending $1.1 billion on highway projects in 2017-18.[6]

With provincial public infrastructure spending set to decline this year, the Conference Board of Canada anticipates construction output growth to be relatively flat in 2018.[7]

Employment in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) increased for a second consecutive month in January. The industry now employs 24,700 people, up 600 from December. Saskatchewan's oil industry is benefiting from new cost-effective thermal extraction technology that is anticipated to boost investment over the next few years.[8] For instance, Calgary-based Husky Energy plans to spend between $2.9 billion and $3.1 billion this year in Alberta and Saskatchewan. The spending includes development of two new cost-effective thermal extraction plants in the Prince Albert and Northern Saskatchewan economic region, which will cost $700 million.[9]

Meanwhile, conditions are improving in the province's potash industry, buoyed by increasing demand for the mineral and strengthening potash prices. Two of the largest potash companies in Canada, the Potash Corporation of Saskatchewan and Agrium, officially merged on January 2, 2018, resulting in the creation of Nutrien Ltd. The newly formed company is headquartered in Saskatoon and employs nearly 20,000 employees in 14 countries.[10]

In contrast to oil and potash markets, the global uranium market remains oversupplied and prices are low. Cameco Corporation – one of the largest uranium company's in Canada – has faced challenges since the Fukushima nuclear disaster in 2011, which severely curbed demand for reactor fuel. At the beginning of February, the company temporarily halted production at its McArthur River and Key Lake uranium mines in Northern Saskatchewan. The closures put 845 people out of work for 10 months. [11]

There were mixed employment results among Saskatchewan's public sector industries in January. Employment in public administration remained flat on the month, while the number of people employed in educational services (-400) and in health care and social assistance (-1,300) declined over the same period. On a positive note for the education industry, the provincial government recently announced $7.5 million in immediate funding to school divisions to help ease frontline pressures. These grants will be increased to $30 million in the 2018-19 budget and will be directed towards hiring 400 education professionals.[12]

Employment in transportation and warehousing edged up for a second consecutive month. The industry now employs 30,000 people, up 1,000 compared to December 2017. And with conditions improving in the province's resource extraction industries, the near-term outlook for the transportation and warehousing industry is positive. The Canadian National Railway (CNR), for example, is recruiting workers across the country just a few years after a slowdown in demand prompted layoffs. Rail activity in western Canada is being driven by a surge in the volume of sand being shipped for use in fracking shale rock to produce oil and gas. Increased rail demand is also due to hauling bumper crops and intermodal containers to ports. In Saskatchewan, CNR has posted nearly 100 job opportunities, mainly for operating crew. Of these positions, 40 jobs are in Melville, 30 in Saskatoon, 14 in Humboldt, six in North Battleford and one in Canora. Overall, the Conference Board of Canada expects Saskatchewan's transportation and warehousing industry to grow 2.2% in 2018.[13]

REGIONAL ANALYSIS

Compared to the same period last year, employment is down in three out of five economic regions in Saskatchewan. Meanwhile, the unemployment rate has risen in two out of the five economic regions during this period.

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	January 2018 ('000)	January 2017 ('000)	Yearly Variation (%)	January 2018 (%)	January 2017 (%)	Yearly Variation (% points)
Saskatchewan	561.3	563.1	-0.3	6.0	6.6	-0.6
Economic Regions						
Regina-Moose Mountain	183.0	180.9	1.2	4.8	5.4	-0.6
Swift Current-Moose Jaw	50.3	52.8	-4.7	3.6	3.3	0.3
Saskatoon-Biggar	194.1	195.5	-0.7	7.0	7.2	-0.2
Yorkton-Melville	35.6	38.1	-6.6	7.0	6.6	0.4
Prince Albert and Northern	98.2	95.8	2.5	6.7	9.3	-2.6

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 increased 2,100 between January 2017 and January 2018. Employment is up both in the goods- and in the services-producing sectors over the past year, by 500 and 1,600 respectively. The largest increases in employment were registered in public administration (+1,500), followed by accommodation and food services (+1,400) and information, culture and recreation (+1,300). Prospects for Regina are bright as activity is expected to pick up in the services-sector in the near-term. The Conference Board of Canada anticipates that service-industries will add 1,200 positions in 2018. Meanwhile, the number of people working in the goods-producing sector is anticipated to remain flat this year.[14]

Turning to Saskatchewan's most populous region, employment in Saskatoon-Biggar declined considerably in January compared to the same period in 2017 (-1,400). The goods-producing sector was responsible for all losses during this period (-3,300) due largely to falling construction employment (-2,700). Both residential and commercial construction activity has slumped in the region. On the residential construction front, Canada Mortgage and Housing Corporation states that Saskatoon's housing market is showing slight signs of overvaluation and evidence of overbuilding persists in the city.[15] Meanwhile, vacancy rates remain high in the local commercial real estate market, with Saskatoon's office vacancy rate currently at 16%.[16]

Meanwhile, the number of people employed in Prince Albert and Northern region is up 2,400 on an annual basis. The region received some good news when SSR Mining Inc. announced that it plans to spend $90M on expansion over seven years at its Seabee gold mine located near La Ronge.[17] The expansion project is anticipated to boost production, reduce operating costs and extend the mine's lifespan. In addition, Husky Energy Inc. plans to develop two additional steam-assisted heavy oil extraction plants in Westhazel and Edam. The two proposed facilities will cost $700 million, and are anticipated to create up to 600 constructions jobs and 60 full-time positions once they are operational in 2021.[18]

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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