



Labour Market Bulletin

Newfoundland and Labrador

December 2017



This Labour Market Bulletin is a report providing an analysis of Labour Force Survey results for the province of Newfoundland and Labrador, including the regions of Avalon Peninsula, West Coast—Northern Peninsula—Labrador, Notre Dame—Central Bonavista Bay and South Coast—Burin Peninsula.

OVERVIEW

In the fourth quarter of 2017, the unemployment rate decreased to 14.5% from 15.2% in the previous quarter as a 4,200 increase in employment outpaced a slightly smaller increase in the size of the labour force. Job gains were mainly part-time in nature. However, despite the quarterly gain, employment was down compared to a year ago, due to a decline in part-time employment.

Newfoundland and Labrador Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	4th Quarter 2017	3rd Quarter 2017	4th Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	445.2	445.7	444.9	-0.5	-0.1	0.3	0.1
Labour Force ('000)	262.6	259.5	268.2	3.1	1.2	-5.6	-2.1
Employment ('000)	224.3	220.1	228.0	4.2	1.9	-3.7	-1.6
Full-Time ('000)	190.6	188.9	190.2	1.7	0.9	0.4	0.2
Part-Time ('000)	33.7	31.2	37.8	2.5	8.0	-4.1	-10.8
Unemployment ('000)	38.2	39.4	40.3	-1.2	-3.0	-2.1	-5.2
Unemployment Rate (%)	14.5	15.2	15.0	-0.7	-	-0.5	-
Participation Rate (%)	59.0	58.2	60.3	0.8	-	-1.3	-
Employment Rate (%)	50.4	49.4	51.3	1.0	-	-0.9	-

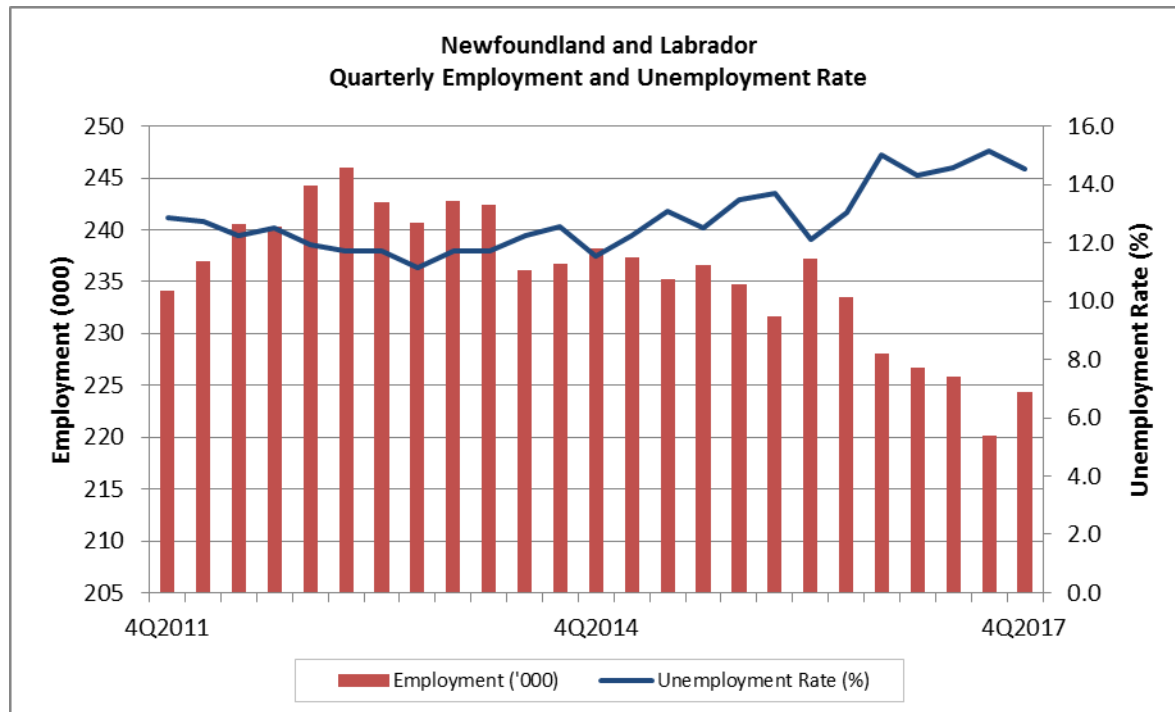
Note: Totals may not add due to rounding

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

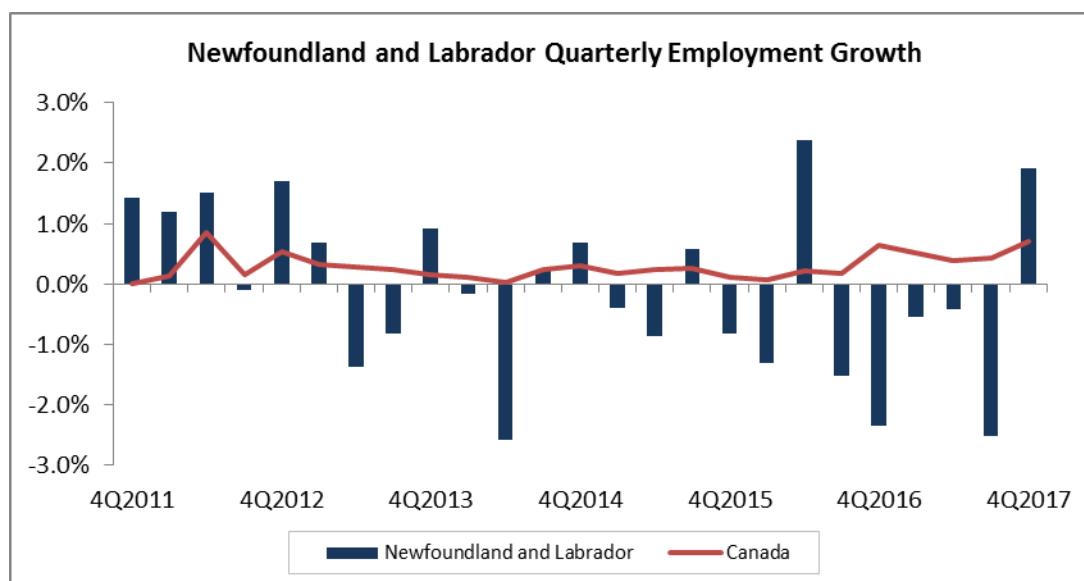
Since reaching a quarterly record high of 246,000 in the first quarter of 2013, employment has generally trended downward in Newfoundland and Labrador. This has been mainly due to job losses in industries such as **Public administration, Educational services, Construction, and Forestry, fishing, mining, quarrying, oil and gas**. While the most recent quarterly rebound is encouraging, it follows a sustained period of decline. Furthermore, as recently as the third quarter of this year, employment stood at its lowest point since 2010.

A broader look at the data shows the province's unemployment rate has been on an upward trend since it reached a quarterly low of 11.1% in the third quarter of 2013. Since then, the labour force declined by 8,300 while employment dropped at twice the rate, with 16,300 fewer jobs. Against this backdrop, the unemployment

rate exceeded 14% for the past five quarters. A generally faster decline in employment was the main factor behind this change. Prior to these recent quarters, the quarterly unemployment rate did not exceed 14% since the third quarter of 2010.



Since Q2 2013 the pace of employment growth in the province has generally lagged behind the rest of the country. While exceptions to this trend have occurred on rare occasions, the province’s employment rate exceeded the national rate in the most recent quarter. Despite the province’s healthy rise in employment in the final quarter of 2017, it was not enough to make up for the loss in the third quarter of the year. In fact, fourteen of the past nineteen quarters had employment declines. Prior to the most recent quarter, Newfoundland and Labrador ranked no better than ninth among all provinces in employment growth for five quarters in a row.



The unemployment rate for those aged 25 years and older decreased from the previous quarter. Employment grew slightly faster than the labour force. The rise in employment, which was the first quarterly increase in more than a year, was closely divided between full-time and part-time employment.

For males 25 years and older, the unemployment rate edged down to 17.8% from the previous quarter. Employment increased slightly while the size of the labour force was relatively unchanged. Despite the overall employment gain, full-time employment had a small decline. Compared to the same period a year earlier, quarterly employment for this age group declined by 4,500 jobs. Virtually all of this loss was in full-time employment.

For females 25 years and older, the unemployment rate decreased by 0.5 percentage points from the previous quarter. Employment increased at a faster rate than the size of the labour force, though both gains were notable. The employment gain was mainly full-time in nature. It was also the strongest increase for this group since the second quarter of 2016. Employment for this group was up slightly from the fourth quarter of 2016. Full-time employment increased considerably from a year ago, more than offsetting the decline in part-time employment. This reduced the overall employment gain. Over the past two years, there was relatively little change in employment for females. This was notably different than the sharp decline experienced by males of this age group.

For youth (aged 15 to 24 years), the unemployment rate was 17.5%, up 0.5 percentage points from the previous quarter. The size of the labour force increased faster than employment, though both gains were small. The unemployment rate was notably lower than a year earlier. However, this was due to a decrease in the number of youth who were active in the labour market, not an employment gain.

Newfoundland and Labrador Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	4th Quarter	3rd Quarter	4th Quarter	Quarterly	Yearly
	2017 (%)	2017 (%)	2016 (%)	Variation (% points)	Variation (% points)
Total	14.5	15.2	15.0	-0.6	-0.5
25 years and over	14.1	14.9	13.9	-0.8	0.2
Men - 25 years and over	17.8	18.6	17.0	-0.8	0.8
Women - 25 years and over	10.4	10.9	10.5	-0.6	-0.1
15 to 24 years	17.5	17.0	21.9	0.5	-4.4
Men - 15 to 24 years	21.0	20.9	27.2	0.1	-6.2
Women - 15 to 24 years	13.7	13.2	16.4	0.4	-2.7

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

Atlantic - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q4 2017	Q4 2016	number	%	Q4 2017	Q4 2016	number	%
Population 15 + ('000)	68.8	66.9	1.9	2.8%	1,921.1	1,914.1	7.0	0.4%
Labour Force ('000)	42.0	39.4	2.6	6.6%	1,172.7	1,175.4	-2.7	-0.2%
Employment ('000)	35.2	33.6	1.6	4.8%	1,068.1	1,066.9	1.2	0.1%
Full-Time ('000)	28.7	26.6	2.1	7.9%	889.4	873.9	15.5	1.8%
Part-Time ('000)	6.4	6.9	-0.5	-7.2%	178.7	193.0	-14.3	-7.4%
Unemployment ('000)	6.8	5.8	1.0	17.2%	104.6	108.6	-4.0	-3.7%
Unemployment Rate (%)	16.2	14.7	1.5	-	8.9	9.2	-0.3	-
Participation Rate (%)	61.0	58.9	2.1	-	61.0	61.4	-0.4	-
Employment Rate (%)	51.1	50.2	0.9	-	55.6	55.7	-0.1	-

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 fourth quarter (Q4) of 2017, the total population aged 15+ in the Atlantic Provinces was around 2 million. The Indigenous population living off-reserve accounted for 3.5% of that, or 68,800 people. Employment among Indigenous people in the Atlantic provinces was 35,200, representing an increase of 1,600 (+4.8%) from a year earlier (Q4 2016). The increase was primarily driven by full-time positions (+2,100 or +7.9%).

The unemployment rate among the Indigenous population was 16.2% in Q4 2017, representing an increase of 1.5 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate decreased of -0.3 percentage points compared to this time last year at 8.9%. Between Q4 2016 and Q4 2017, the participation rate of Indigenous people increased to 61% (+2.1pp) while among non-Indigenous population, it was relatively unchanged at 61% (-0.4pp). The employment rate of Indigenous people increased year-over-year to 51.1% (+0.9pp); for the non-Indigenous population, it was 55.6% (-0.1pp).

EMPLOYMENT BY INDUSTRY

In the fourth quarter of 2017, the **Goods-producing sector** gained 1,800 jobs compared to previous quarter. Most of the sector's job gains were in **Manufacturing** as well as **Agriculture**. **Construction** employment was relatively unchanged over the previous quarter, but the industry has lost 1,200 jobs compared to the same period last year. While **Manufacturing** employment increased, it remains fairly low from a historical standpoint. **Manufacturing** employment reached record lows in both the second and third quarters of 2017. A key factor in that low level of employment was a sharp decline in seafood processing jobs, as quotas for crab and shrimp decreased significantly. Employment in **Forestry, fishing, mining, quarrying, oil and gas**, meanwhile, has not been this low since Q2 1978. Mining and oil and gas extraction have been mainly responsible for the industry's recent decline. **Construction** employment was relatively unchanged from the previous quarter, though it was lower than a year earlier. More generally, as major project investment has declined, quarterly employment has gradually fallen from its record high in the last quarter of 2014.

The **Services-producing sector** experienced a gain of 2,400 jobs since the third quarter of 2017, with results mixed throughout the sector. The quarterly employment gain in this sector was its strongest since the second quarter of 2016. However, from a broader perspective, employment in this sector has been on a declining trend since reaching a peak in the last quarter of 2012. **Public administration** had the strongest quarterly job gains in

this sector, though employment remained lower than it was a year ago. Similarly, **Finance, insurance, real estate and leasing** showed strength in the most recent quarter, but employment was still lower than a year earlier. General weakness in this industry is related to the struggling provincial economy. Even with the recent gain, employment in this industry for the most recent quarter was 2,200 lower than its high in the fourth quarter of 2015. Employment in **Trade** showed a decline from the previous quarter, continuing a longer-term trend. A weaker economy has resulted in lower employment, having been reduced to its lowest level since the third quarter of 2014. **Professional, scientific and technical services** also showed a notable decline over not only the previous quarter, but a year ago as well. Much of the decline has been related to a drop in Architectural, engineering and design services, as major project investment in industries such as oil and gas have declined from peak levels.

Newfoundland and Labrador Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	4th Quarter 2017	3rd Quarter 2017	4th Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	224.3	220.1	228.0	4.2	1.9	-3.7	-1.6
Goods-producing sector	48.1	46.3	48.8	1.8	3.9	-0.7	-1.4
Agriculture	2.4	1.7	1.6	0.7	43.1	0.8	52.1
Forestry, fishing, mining, quarrying, oil and gas	11.7	12.0	13.3	-0.4	-3.0	-1.6	-12.3
Utilities	3.4	3.0	2.9	0.4	13.2	0.5	17.0
Construction	20.8	20.6	22.0	0.2	1.0	-1.2	-5.5
Manufacturing	9.9	9.0	9.0	0.9	9.6	0.9	10.0
Services-producing sector	176.2	173.8	179.2	2.4	1.4	-3.0	-1.7
Trade	39.4	40.6	41.0	-1.3	-3.1	-1.6	-3.9
Transportation and warehousing	11.7	11.3	9.8	0.4	3.5	1.9	19.4
Finance, insurance, real estate and leasing	6.8	5.8	7.4	1.0	16.6	-0.6	-8.1
Professional, scientific and technical services	8.7	9.5	10.6	-0.8	-8.4	-1.9	-17.6
Business, building and other support services	6.8	7.4	6.5	-0.6	-7.7	0.3	5.1
Educational services	16.0	15.5	14.7	0.5	3.2	1.3	9.1
Health care and social assistance	38.3	38.6	39.5	-0.3	-0.8	-1.2	-3.0
Information, culture and recreation	6.4	5.9	7.2	0.5	8.5	-0.9	-12.0
Accommodation and food services	15.3	14.9	15.4	0.4	2.9	0.0	-0.2
Other services	11.5	10.2	11.6	1.2	12.1	-0.2	-1.4
Public administration	15.3	14.0	15.5	1.4	9.8	-0.2	-1.3

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

On the **Avalon Peninsula**, the unemployment rate decreased by 0.3 percentage points from a year prior to 11.4%, as the number of people active in the labour market declined faster than employment. Ten of the past twelve quarters have shown an increase in the unemployment rate. Employment declined by 6,500 jobs from a year ago, mainly in full-time employment. Most of the employment loss was in the **Services-producing sector**, with the largest declines registered in **Trade, Information, culture and recreation**, and **Public administration**. **Finance, Insurance, Real Estate and Leasing** had a small gain after having the sector's largest decline for the two straight quarters. The **Goods-producing sector** lost 500 jobs compared to the same period a year ago. However, this decline was small when compared to much larger losses in the prior three quarters. Otherwise, losses in **Construction** and **Forestry, fishing, mining, quarrying, oil and gas** were nearly offset by gains in **Utilities** and **Manufacturing**.

The **South Coast-Burin Peninsula and Notre Dame-Central-Bonavista Bay** region's unemployment rate was 20.6% in the fourth quarter of 2017, unchanged from twelve months earlier. Employment increased by 2,200 jobs over the same period last year. The size of the labour force also had a notable gain, as more people were either employed or were looking for work. A strong gain in full-time employment was only slightly offset by a loss in part-time employment. This was the first time in the past eight quarters that this economic region had both employment and labour force gains. Employment growth was mainly in the **Services-producing sector**. The

strongest increases were in **Trade** as well as **Transportation and warehousing**. However, **Health care and social assistance** produced a notable employment loss for the fifth straight quarter. The **Goods-producing sector** lost 200 jobs. **Forestry, fishing, mining and oil and gas** had a large loss while **Manufacturing** and **Construction** produced small gains.

In the **West Coast-Northern Peninsula-Labrador** region, the unemployment rate decreased to 14.3% in the fourth quarter of 2017, down 0.6 percentage points from a year earlier. Employment increased slightly faster than the size of the labour force. Gains in full-time employment were partially offset by losses in part-time employment. The increase in employment was mainly in the **Services-producing sector**, but performances through the sector were mixed. **Educational services** had a strong increase for the second straight quarter, while **Trade** had a notable loss. While growth has slowed, **Transportation and warehousing** has not experienced a decline in employment since the third quarter of 2016. The **Goods-producing sector** had a small gain of 400 jobs, as slight increases in **Manufacturing** and **Forestry, fishing, mining and oil and gas** outweighed a small loss in **Construction**.

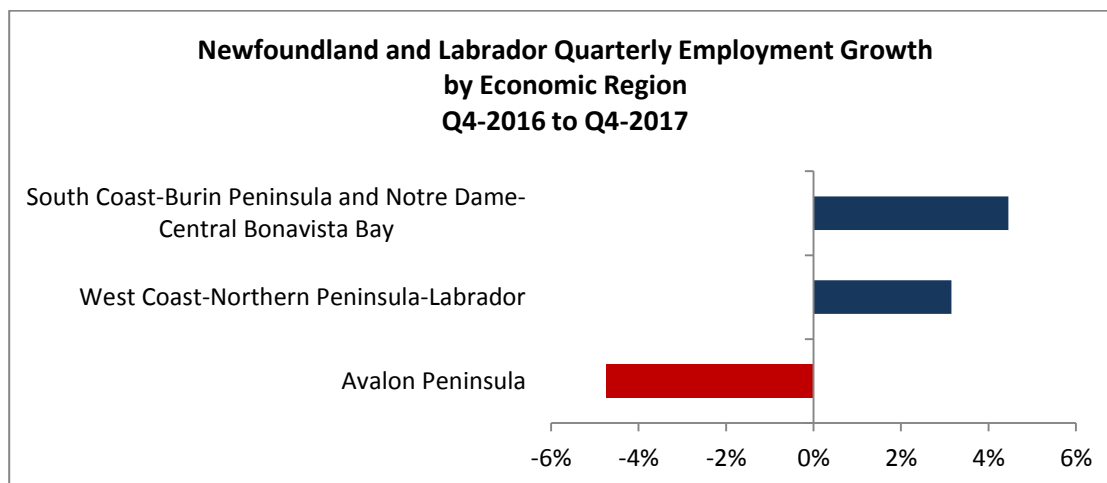
Newfoundland and Labrador Quarterly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	4th Quarter 2017 ('000)	4th Quarter 2016 ('000)	Yearly Variation (%)	4th Quarter 2017 (%)	4th Quarter 2016 (%)	Yearly Variation (% points)
Newfoundland and Labrador	224.5	227.4	-1.3	14.2	14.4	-0.2
Economic Regions						
Avalon Peninsula	130.3	136.8	-4.8	11.4	11.7	-0.3
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	51.6	49.4	4.5	20.6	20.6	0.0
West Coast-Northern Peninsula-Labrador	42.5	41.2	3.2	14.3	14.9	-0.6

Note: Totals may not add due to rounding

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

The **Avalon Peninsula** had the lowest employment growth rate for the second straight quarter. Meanwhile, the **South Coast-Burin Peninsula and Notre Dame-Central-Bonavista Bay** region had the strongest employment growth rate in the province for the first time in two years.



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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http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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