



Labour Market Bulletin

Newfoundland and Labrador

August 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 August, employment increased from the month before, with all of the gains being full-time in nature. Over the same period, the size of the labour force declined slightly as fewer people were active in the labour market. These changes resulted in a decrease in the unemployment rate to 14.7%, from 15.7%.

Employment was down by 14,700 jobs compared to a year earlier. The size of the labour force also decreased during this period, but to a lesser extent. As a result, the year-over-year unemployment rate rose by 2.3 percentage points. Employment losses were notable for both full-time and part-time work.

Newfoundland and Labrador Monthly Labour Force Statistics

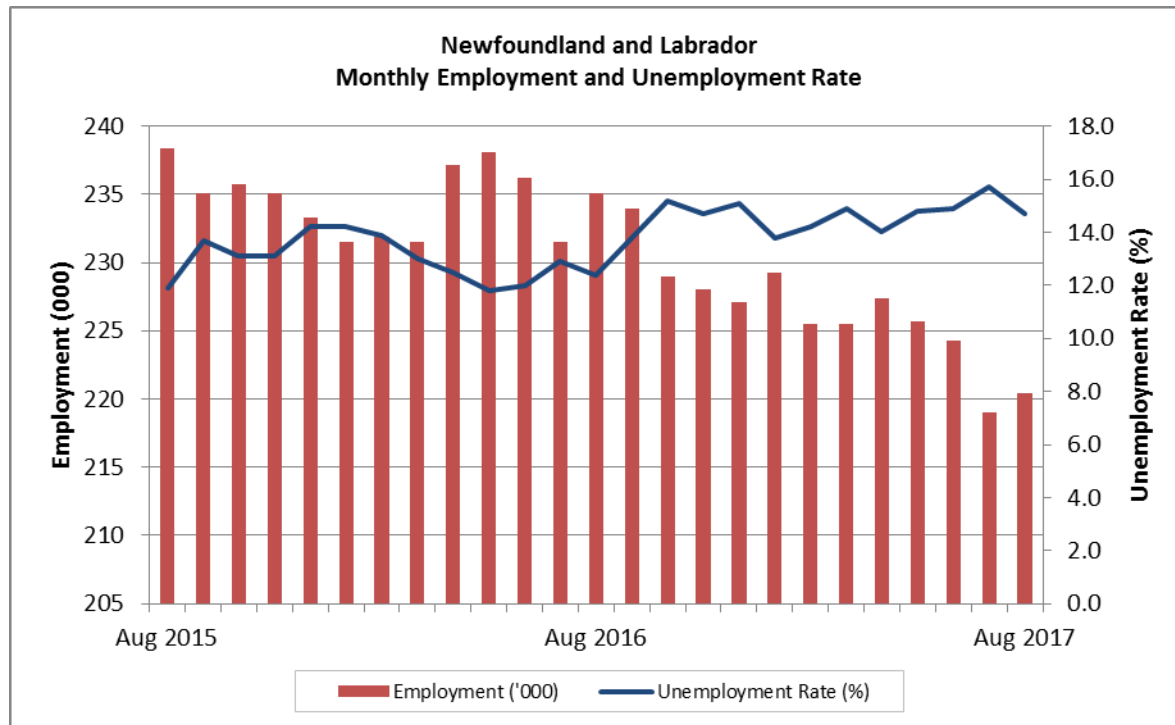
Seasonally Adjusted Monthly Data	Aug 2017	July 2017	Aug 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	445.8	445.8	444.6	0.0	0.0	1.2	0.3
Labour Force ('000)	258.5	259.7	268.5	-1.2	-0.5	-10.0	-3.7
Employment ('000)	220.4	219.0	235.1	1.4	0.6	-14.7	-6.3
Full-Time ('000)	189.9	187.2	196.1	2.7	1.4	-6.2	-3.2
Part-Time ('000)	30.5	31.8	39.0	-1.3	-4.1	-8.5	-21.8
Unemployment ('000)	38.1	40.8	33.4	-2.7	-6.6	4.7	14.1
Unemployment Rate (%)	14.7	15.7	12.4	-1.0	-	2.3	-
Participation Rate (%)	58.0	58.3	60.4	-0.3	-	-2.4	-
Employment Rate (%)	49.4	49.1	52.9	0.3	-	-3.5	-

Note: Totals may not add due to rounding

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

Since climbing to a record high in January 2013, employment levels have since fallen significantly and returned to what they were in the second quarter of 2010. Over the past two years, with the exception of a few occasional gains, employment levels have generally declined, with steeper losses over the past year. At 220,400 in August,

the level of employment was at its lowest level since April of 2010 and was 26,100 lower from the record high, with most of the decline being in full-time employment. The size of the labour force has also decreased in most months over the past two years, but the losses have generally been not as deep as employment. This has created an upward trend in the unemployment rate over this time. The increase in employment in August was the first monthly gain since April, 2017. However, when employment levels are compared to twelve months prior, employment losses have been getting deeper over time.



The youth (aged 15 to 24 years) unemployment rate decreased by 1.8 percentage points in August compared to the previous month. Employment increased slightly while the size of the labour force was unchanged. The employment gain was full-time in nature. Compared to a year ago, employment declined by nearly 10%. Over the same period, the number of youth active in the labour market also decreased but not as much as employment. As a result, the unemployment rate increased. Youth participation in the labour force has been decreasing over the past year. The participation rate has been below 60% for the past two months. The last time it was below this rate for two months in a row was July and August 2014.

Newfoundland and Labrador Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Aug 2017	July 2017	Aug 2016	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	14.7	15.7	12.4	-1.0	2.3
25 years and over	14.5	15.4	12.4	-0.9	2.1
Men - 25 years and over	17.5	19.7	15.4	-2.2	2.1
Women - 25 years and over	11.3	10.6	9.1	0.7	2.2
15 to 24 years	16.3	18.1	13.0	-1.8	3.3
Men - 15 to 24 years	21.6	21.8	16.5	-0.2	5.1
Women - 15 to 24 years	11.0	14.5	9.2	-3.5	1.8

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

The unemployment rate for males aged 25 years and older decreased by 2.2 percentage point from the previous month as employment increased while the size of the labour force shrunk. Employment declined in nine of the past twelve months, with August showing the strongest increase since January. However, employment in August was 8,100 lower than it was in the same month last year since losses have been a regular occurrence over the past year. While the size of the labour force was smaller compared to a year ago, the decline was not as sharp as employment. As a result, the unemployment rate was higher than a year ago.

In contrast, August's unemployment rate for females 25 years and older was the highest for this group since July 2010. Employment for this group has been slowly declining since reaching a high in March 2013. In August, it reached its lowest level since October 2010. Employment losses over the past year have driven up the unemployment rate. However, females 25 years and older had a lower unemployment rate than for males of the same age group, continuing a long-term trend.

EMPLOYMENT BY INDUSTRY

In August, job gains over the previous month were evenly split between the **Goods-producing sector** and the **Services-producing sector**. When compared to twelve months earlier, employment in the **Goods-producing sector** decreased by 5,300 jobs from a year ago, while the **Services-producing sector** declined by 9,400 jobs.

In the **Services-producing sector**, **Educational services** had its largest monthly gain in over four years, while **Public administration** and **Health care and social assistance** were steady after three straight months of losses. After reaching a record high in October 2015, employment in **Finance, insurance, real estate and leasing** has been declining for nearly two years. August's employment for this industry was at its lowest level since July 2006. A slowing economy has been a key factor in this industry's decline. **Professional, scientific and technical services** declined in August, continuing a longer-term trend since reaching a record high in June 2015. Over the past couple of years, most of this industry's losses have been in architectural, engineering and design services.

The employment gain in the **Goods-producing sector** was mainly due to an increase in **Construction**. Since reaching a record high two years ago, employment has been generally declining in this industry, but remains relatively strong from a long-term perspective. The winding down and completion of construction of the Hebron Oil Project was a key factor in the recent decreases. However, the monthly gain in August was the industry's strongest in two years, when construction employment peaked. Work continues on the Muskrat Falls Hydroelectric Project while a recent announcement of construction related to the West White Rose Oil Project has also been positive for the industry. **Forestry, fishing, mining, quarrying and oil and gas** was the only industry in the **Goods-producing sector** to have an employment loss. The decline has been broad within this industry, with fishing, mining and oil and gas experiencing losses over recent months.

Newfoundland and Labrador Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Aug 2017	July 2017	Aug 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	220.4	219.0	235.1	1.4	0.6	-14.7	-6.3
Goods-producing sector	46.2	45.5	51.5	0.7	1.5	-5.3	-10.3
Agriculture	1.8	1.6	1.9	0.2	12.5	-0.1	-5.3
Forestry, fishing, mining, quarrying, oil and gas	11.5	12.4	14.3	-0.9	-7.3	-2.8	-19.6
Utilities	2.9	2.8	3.2	0.1	3.6	-0.3	-9.4
Construction	21.4	20.3	22.1	1.1	5.4	-0.7	-3.2
Manufacturing	8.6	8.4	10.0	0.2	2.4	-1.4	-14.0
Services-producing sector	174.2	173.5	183.6	0.7	0.4	-9.4	-5.1
Trade	40.9	40.8	44.5	0.1	0.2	-3.6	-8.1
Transportation and warehousing	11.8	11.4	9.7	0.4	3.5	2.1	21.6
Finance, insurance, real estate and leasing	5.7	5.8	7.9	-0.1	-1.7	-2.2	-27.8
Professional, scientific and technical services	9.4	10.1	10.3	-0.7	-6.9	-0.9	-8.7
Business, building and other support services	7.6	8.2	6.4	-0.6	-7.3	1.2	18.8
Educational services	15.8	14.7	14.1	1.1	7.5	1.7	12.1
Health care and social assistance	38.8	38.7	39.6	0.1	0.3	-0.8	-2.0
Information, culture and recreation	6.0	5.5	7.4	0.5	9.1	-1.4	-18.9
Accommodation and food services	14.4	14.7	17.0	-0.3	-2.0	-2.6	-15.3
Other services	9.9	9.7	11.8	0.2	2.1	-1.9	-16.1
Public administration	13.9	13.8	15.1	0.1	0.7	-1.2	-7.9

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

The unemployment rate increased in all regions in the province, with the Avalon Peninsula registering the lowest increase. The **Avalon Peninsula** had the largest decline in the labour force size and employment from a year ago. Compared to notable declines in the rest of the province, employment in the **West Coast-Northern Peninsula-Labrador** economic region was relatively stable and this region was the only one in the province to have an increase in labour force size.

On the **Avalon Peninsula** the unemployment rate increased compared to August of last year. While the size of the labour force declined considerably, employment had a slightly larger drop which increased the unemployment rate. These losses have been deepening over the past five months. Full-time and part-time employment showed similar losses in August. The employment decline was mainly in the **Services-producing sector**, with the largest job losses in **Trade**. This was the fifth straight month with a decrease in this industry, with the losses becoming deeper each month. **Finance, insurance, real estate and leasing** also had notable losses. Employment in this industry has declined for twelve straight months. The housing market has slowed as overall employment has declined. **Professional, scientific and technical services** declined for eighteen straight months, but recent losses have not been as deep as they were a year ago. The **Goods-producing sector** also had a notable decline in employment in August, with the largest losses occurring in **Construction**. After a period of relative stability over the past year, declines in this industry have been deeper in the past four months. Much of this decrease was related to the construction of Hebron Oil Project which was completed in recent months. As there was no other project on the horizon, it left many workers looking for employment.

In the **South Coast – Burin Peninsula and Notre Dame – Central – Bonavista Bay** economic region, the unemployment rate increased by 6.1 percentage points compared to August of last year. Employment levels declined while the size of the labour force showed little change. Most of the job losses were full-time in nature. The employment decline was evenly split between the **Goods-producing sector** and the **Services-producing sector**. For the fifth-straight month, **Manufacturing** employment had the largest decline among all industries. A significant cut in shrimp and crab quotas as well as a buildup of heavy ice along the northeast coast of the island resulted in

the closure of some fish plants in this region. This has been a key contributor to the decline in **Manufacturing** employment compared to the same period last year. Employment in the **Services-producing sector** has declined in sixteen of the past seventeen months. For the fifth straight month, **Health care and social assistance** had the largest job losses in this sector. After going without a loss in each month between July 2015 and July 2016, employment in **Accommodation and food services** has declined in every month since then. **Educational services** had little change in the past two months after a sustained period of notable increases. On a positive note, employment in **Transportation and warehousing** increased for the seventh month in a row after a lengthy period of decline.

The unemployment rate in the **West Coast – Northern Peninsula – Labrador** economic region increased by 2.2 percentage points from a year ago. While employment showed little change, the size of the labour force had notable gains from a year ago. This was the fourth straight month of labour force growth. Employment had its first month without a decrease since July 2016. Employment gains in the **Services-producing sector** were slightly larger than losses in the **Goods-producing sector**. Most of the employment losses in the **Goods-producing sector** were in **Forestry, fishing, mining, quarrying, and oil and gas**. Employment in this industry has declined for thirteen straight months. **Construction** had a small gain, the sixth month in a row that this industry has produced an increase. In the past couple of years, this industry has represented a larger portion of employment in this economic region. This has been due to the construction of the Muskrat Falls Hydroelectric Project, which has produced significant employment. The **Services-producing sector** had an employment gain for the second month in a row after eight months of job losses. The gains were driven by increases in **Wholesale and retail trade**, followed by **Transportation and warehousing**. However, **Public administration** had a notable decline, which partially offset some of the increases recorded by the sector. **Public administration** employment has decreased for eight months in a row with these losses getting deeper over this period. **Health care and social assistance** had a small loss in August, its first of 2017. This was only the third month since October 2015 that employment in this industry declined in this economic region.

Newfoundland and Labrador Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Aug 2017 ('000)	Aug 2016 ('000)	Yearly Variation (%)	Aug 2017 (%)	Aug 2016 (%)	Yearly Variation (% points)
Newfoundland and Labrador	232.4	246.8	-5.8	13.4	11.0	2.4
Economic Regions						
Avalon Peninsula	133.1	143.5	-7.2	10.2	9.5	0.7
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	53.6	57.8	-7.3	19.3	13.2	6.1
West Coast-Northern Peninsula-Labrador	45.7	45.6	0.2	14.9	12.7	2.2

Note: Totals may not add due to rounding

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

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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