



Environmental Scan

Saskatchewan

2017



Once a year, Service Canada develops Economic/Environmental Scans (E-Scan) that provide a general overview of demographic, economic and labour market conditions and trends. E-scans will be of interest to those who seek to know more about the state of a provincial or regional economy and labour market. Facts and statistics presented in this document reflect information available as of April 2017.

KEY HIGHLIGHTS

- Saskatchewan's unemployment rate surged from 5.0% in 2015 to 6.3% in 2016 as low commodity prices continued to negatively impact the provincial labour market.
- Employment losses were concentrated in Saskatchewan's goods-producing sector in 2016, while the number of people employed in services-producing industries edged up during this period.
- Employment fell across all Saskatchewan regions in 2016, with the largest decline in Saskatoon-Biggar (-2,600).
- A slow turnaround is anticipated for the Saskatchewan economy as activity picks up in the services-sector and losses begin to subside in the oil and gas industry. After declining by 1.0% in 2016, the province's real gross domestic product (GDP) is expected to rise by 0.9% in 2017, followed by an increase of 1.5% in 2018.
- The age structure of Saskatchewan's population has changed considerably over the past 30 years, and there are many more seniors in the province than there were a few decades ago.
- In 2016, Saskatchewan had the highest employment rate for seniors among provinces at 18.8% – well above the national average of 13.1%.
- The U.S. remains the largest market for Saskatchewan exports. However, provincial exports to China and India have been increasing, accounting for more than 18% in 2016.
- Saskatchewan's population increased 1.6% in 2016, higher than the national average of 1.2%. This increase in population can mainly be attributed to international immigration.

ECONOMIC CONTEXT

Global outlook: A strengthening recovery

The global economy faced significant headwinds in 2016, as geo-political events around the world continued to fuel economic uncertainty. A litany of global risks –the Brexit referendum, a slowing China and a rise in trade protectionism – contributed to subdued growth in the first half of the year. Following a shaky start, trade picked up in the final quarter of 2016, as the long slump in trade appeared to be easing. According to the International Monetary Fund, global growth is expected to rise to 3.4 percent in 2017, and 3.6 percent in 2018.¹ A healthy labour market, tax reforms and fiscal easing in the US will offset the Eurozone’s slower growth pace. Meanwhile, a modest recovery in commodity prices and stronger manufacturing activity will support gains in a number of emerging economies.

Much of the lingering global uncertainty stems from increased potential for shifts in US trade policy and from mixed reaction to Brexit. The British pound fell to 186-year-lows following the referendum last June. However, initial fears in the financial markets appear to have been allayed, if only temporarily.² In Europe, withdrawal negotiations between the United Kingdom and the European Union (EU) have started and will likely remain on the Eurozone’s agenda for the next few years. Elsewhere in Europe, national elections are scheduled in a number of key member countries, where anti-EU parties are growing in popularity. Despite that, economic growth has surpassed expectations. Most currencies - including the Euro, Japanese Yen and Chinese Renminbi - have recovered from their recent lows, helping uplift exports and manufacturing activity. This in turn, has strengthened demand and prices for base metals.³ Oil prices have also firmed up, reflecting reduced US production and an agreement among OPEC producers to trim supply. Downside risks to an improving outlook for crude include OPEC’s inability to adhere to production cuts and rising shale oil production in the US.

In China, an attempt to avoid a deeper economic slowdown has driven policy makers to institute credit controls that discourage the outflow of capital from the country.⁴ So far, these policies have supported consumer confidence and demand, resulting in a stabilizing effect on the economy. However, China’s structural imbalances, stemming from a rapid pace of debt growth, continue to put downward pressure on long-term economic growth. That said, the Chinese economy remains the single largest contributor to world GDP growth.⁵ Meanwhile in India, the sudden demonetisation of 86 percent of the country’s bank notes in November 2016 rattled the economy. Since then, new legislation involving labour market, bankruptcy and tax reforms has succeeded in supporting growth.⁶ India’s economy is expected to be one of the most resilient among BRIC countries (Brazil, Russia, India and China) in 2017.

GDP share of world total (PPP), 1980 to 2015

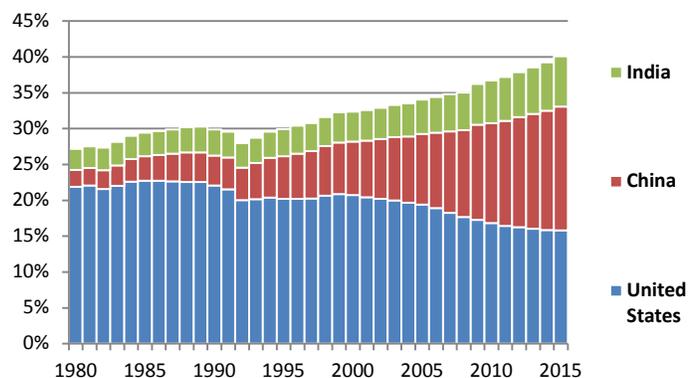


Figure 1
Source: International Monetary Fund (IMF), April 2017
Gross domestic product based on purchasing-power-parity (PPP)

Other emerging markets are also on more solid footing. Brazil and Russia, the third and fourth largest emerging economies, are stabilizing after being mired in recession for a number of years.⁷ In Russia, a stable Ruble, firmer oil prices and easing monetary policies are steadying factors. Downside risks in the form of continued Western sanctions, weak foreign investment and little income growth and consumer spending are likely to have a chilling effect on the economy. In Brazil, hosting of the 2016 summer Olympic Games stimulated the country's economic recovery; if fiscal mismanagement is kept in check, Brazil's economy could be on the right path.

Moving forward, the global economic recovery appears to be gathering pace. Deflationary pressures are subsiding despite inflation rates largely remaining below target. The US Federal Reserve is expected to continue to hike inflation rates this year, which will provide a positive impulse to economic growth.⁸ In the medium term, a looser fiscal policy will outweigh more modest growth in China. The predominant risk threatening to impede global economic growth appears to be political volatility.⁹

National Overview

Canada experienced a sluggish economic year in 2016. Estimated real Gross Domestic Product growth hovered just above 1%.¹⁰ It also followed a subpar 2015, when real GDP grew by less than a percent in Canada.¹¹ Weak private sector investments are the main reason for this lack of growth. It is particularly visible in the oil and gas sectors, where continued low oil prices led to a decrease in investment of almost \$13 billion last year.¹² In the meantime, investments in other sectors of the economy have dropped for a third year in a row.¹³

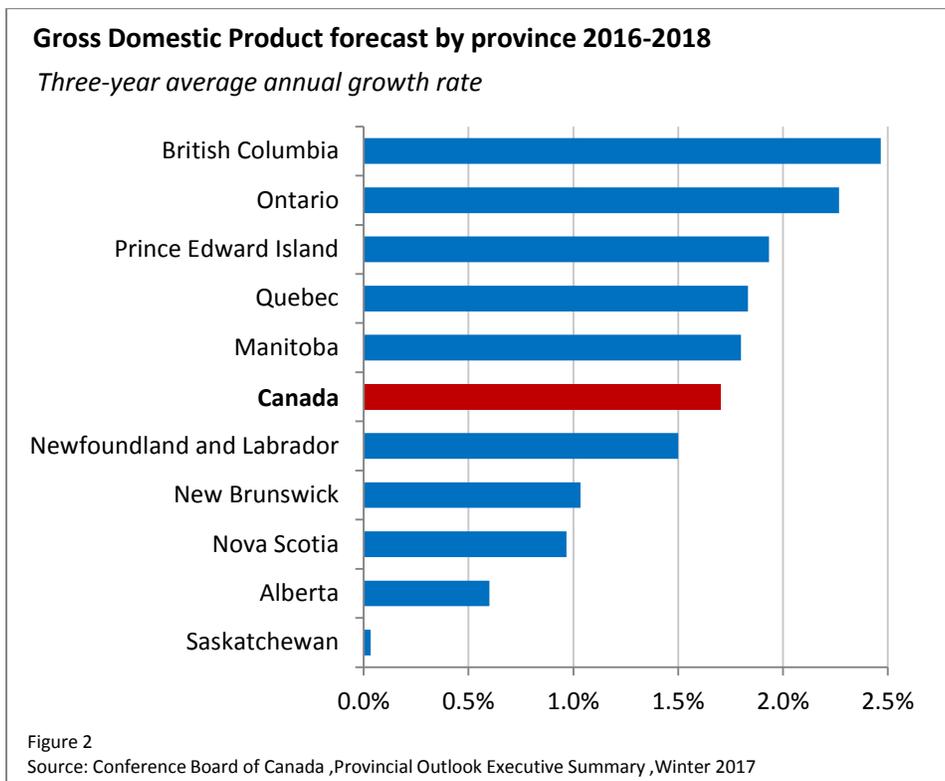
This reality has also been visible at the provincial level. Saskatchewan and Alberta experienced very weak growth in 2016 due to their reliance on the oil and gas sector. TD Economics forecasts that a recovery in Alberta and Saskatchewan would return both provinces to their usual "top of the class" position among provinces by 2018.¹⁴ TD Economics also forecasts a deceleration of the Ontario and British Columbia economies over that same time period. Both provinces have been experiencing above-trend growth.¹⁵

This reversal of provincial fortunes would be linked to, on one hand, an improvement in oil prices and, on the other hand, a slowdown in the real-estate market. Oil prices are expected to grow from US\$50 to about US\$60 by 2018.¹⁶ Real estate markets could slow down due to increased real estate prices and higher interest rates.¹⁷

Additionally, the current lumber dispute with the United States could negatively impact British Columbia's economy. The industry accounts for three per cent of the province GDP, but there could be up to 140 communities that are dependent on the forestry sector within the province.¹⁸

Higher interest rates could also affect household consumption in the medium term. In the past year, real consumer spending grew at a rate above 2% and represented a bright spot in Canada's economy.¹⁹ At the same time, employment grew just 0.7%, and wage growth was slow.²⁰ Part-time employment did trend up throughout 2016, rising by 154,000 or 4.5%, while full-time employment was little changed (+0.4%). During the same period, the number of hours worked was also virtually unchanged.²¹ Almost all of the employment growth in 2016 occurred in the second half of the year - +0.9% from June 2016 to December 2016 compared to +0.3% from December 2015 to May 2016.^{22 23}

As a consequence household debt rose quickly in 2016 reaching more than 160% of average household disposable income.²⁴ Put together, the Conference Board of Canada expects consumer spending to slow down slightly in 2017 due to low wage growth and employment gains.²⁵



Provincial Overview

Saskatchewan's real gross domestic product (GDP) fell 1.0% in 2016 as weakness in commodity markets persisted.²⁶ Nonetheless, the Conference Board of Canada anticipates that the Saskatchewan economy will edge out of recession with modest growth of 0.9% in 2017, followed by an increase of 1.5% in 2018 as activity in the services-sector picks up and losses begin to subside in the oil and gas industry.²⁷

Declining commodity prices led to a sharp drop in business investment in Saskatchewan in 2015 and 2016.²⁸ Despite recent challenges for the resource extraction (forestry, fishing, mining, quarrying, oil and gas) industry, investment conditions seem to be improving. According to Statistics Canada's latest capital expenditure survey, private firms and public-sector organizations intend to boost their capital expenditures by 3.4% in 2017 – indicating that firms are optimistic about Saskatchewan's economic performance in the near-term.

Although the Conference Board of Canada expects that crude oil prices will continue to rise, this will not lead to significant growth in the oil and gas industry over the next few years. Oil and gas output in Saskatchewan fell by 3.3% in 2016, and a decline of 2.4% is expected in 2017.²⁹ In addition, investment in oil and gas is also expected to remain sluggish until 2019.³⁰

Oil and gas was not the only industry that faced challenges in 2016. The non-metallic mineral mining and quarrying industry also suffered a 3.2% drop in output last year. PotashCorp and Mosaic Co., for example, pulled back on production at a series of mines during the year due to low potash prices.³¹ While potash prices are expected to remain stagnant over the short term, total output from the industry is projected to rise as K+S Potash ramps up production at its new Bethune mine. This marks the first new mine in Saskatchewan in more than 40 years.

Annual change in Saskatchewan's Gross Domestic Product between 2011 and 2018 (forecast), in 2007 dollars

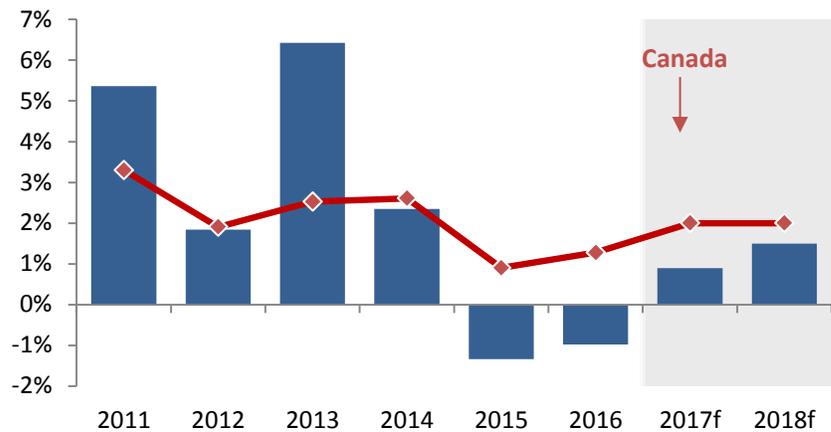


Figure 3
Sources: Statistics Canada CANSIM Tables 379-0030, 379-0031; Conference Board of Canada (forecast)

Last year was also trying for the agriculture industry. After experiencing drought-like conditions in 2015, excessive rain during the 2016 growing season negatively impacted farming operations in Saskatchewan.³² Excess precipitation left some fields waterlogged, damaging increasingly popular dry-field crops such as lentils. Overall, agricultural output improved marginally in 2016 compared to 2015. Moving forward, the Conference Board of Canada anticipates that should normal growing conditions persist in 2017, output from the agriculture industry will improve by 2.0%.³³

Key global trading partners

Saskatchewan has developed trade relations with a diversified group of partners. The three main markets for Saskatchewan’s exports are the U.S., China and India. In 2016, the U.S. accounted for just about half (48.6%) of the province’s total exports.³⁴ By comparison, exports to the U.S. represented more than 75% of Canadian exports as a whole.³⁵

Meanwhile, Saskatchewan’s exports to China and India have been on the rise. In 2016, exports to China accounted for more than 12% - up nearly two percentage points from 2015. Exports

Saskatchewan's top five export countries in 2016

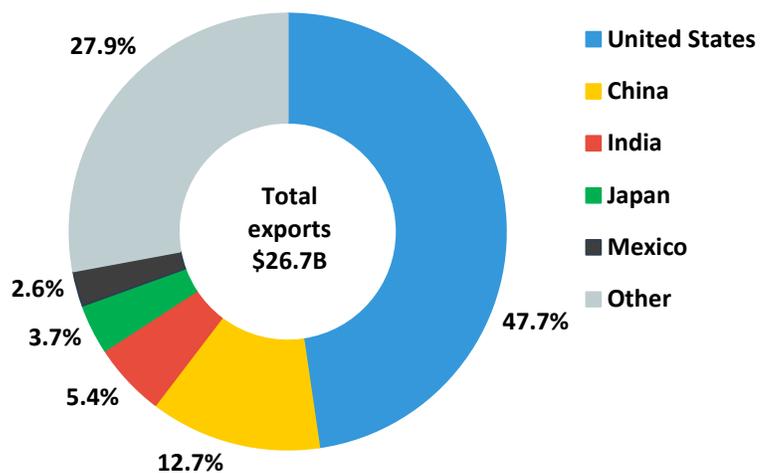


Figure 4
Source: Industry Canada, Trade Data Online as of April 21, 2017

to India also grew at an average annual rate of 9.2% between 2011 and 2016. Historically, potash exports have been a large driver of trade with China and India, but canola and dried legumes are now by far the largest exports to these Asian countries. Dried legumes alone comprised almost 75% of Saskatchewan's exports to India in 2016, while more than 50% of Saskatchewan's exports to China were comprised of canola products or dried legumes.³⁶ Canada is the world's largest exporter of lentils and nearly all of the country's lentils are grown in Saskatchewan.³⁷

One of Saskatchewan's main exports – potash – is used all around the world in crop fertilization. While the U.S. remains the largest importer of Saskatchewan potash, countries such as Brazil, Indonesia or Malaysia are also significant trading partners for the crop nutrient.³⁸ More than half of Saskatchewan's potash production finds its way south of the border.³⁹

The U.S. is also the lone importer of Saskatchewan oil and gas. This specific industry represented \$4.7 billion in trade with the U.S. in 2016, or about a fifth of the province's trade activity.⁴⁰

POPULATION AND AGE

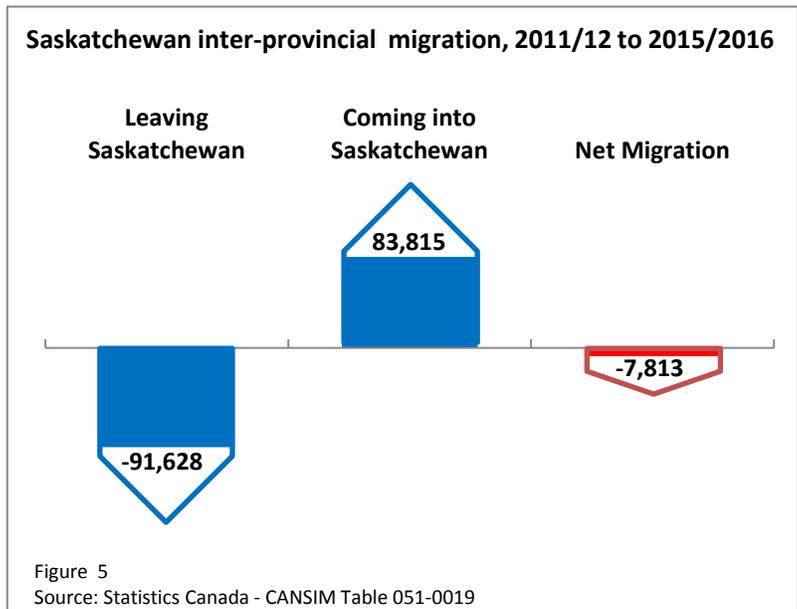
Population

Saskatchewan’s population increased 1.6% in 2016, higher than the national average of 1.2%. The province remains heavily reliant on immigration to grow its population. Saskatchewan’s natural population increase stood at just over 6,000 people in 2015/16, with births adding only 15,969 infants to the population and deaths accounting for 9,577.⁴¹

Saskatchewan welcomed over 15,000 international migrants to the province in 2015/16, with just 859 people emigrating to other countries. Saskatchewan is one of the main users of Canada’s Provincial Nominee Program, attracting nearly 20% of all nominees to the country in 2015.⁴² However, the story is much different when it comes to interprovincial migration. Since 2013/14, Saskatchewan’s net interprovincial migration has been negative, with the majority of the migrants moving to either Alberta or British Columbia.⁴³ Nevertheless, this trend seems to be slowing, as fewer people left Saskatchewan to relocate to Alberta or British Columbia in 2015/16 compared to the previous year. This may be due in part to lower oil prices since late 2014 that are negatively impacting Alberta’s economy.

Age structure

The age structure of Saskatchewan’s population has changed considerably over the past 30 years. There are many more seniors in the province than there were a few decades ago. This is largely due to the baby-boomer cohort (those born between 1946 and 1965). In 1986, baby boomers were young adults between 21 and 40 years of age; and today, they are between the ages of 51 and 70 years. As a result, Saskatchewan’s median age has risen from 30.0 years in 1986 to 36.9 years in 2016.



Saskatchewan net inter-provincial migration detail, 2011/12 to 2015/16

| Region of Origin | Outgoing | Incoming | Net Migration |
|--------------------|----------------|---------------|---------------|
| Atlantic Provinces | -3,004 | 4,288 | 1,284 |
| Quebec | -1,435 | 2,219 | 784 |
| Ontario | -14,046 | 18,967 | 4,921 |
| Manitoba | -8,293 | 10,390 | 2,097 |
| Alberta | -45,485 | 34,106 | -11,379 |
| British Columbia | -18,671 | 12,848 | -5,823 |
| Territories | -694 | 997 | 303 |
| Total | -91,628 | 83,815 | -7,813 |

Notes: Annual period from July 1 to June 30; Data for 2015/16 is preliminary
Source: Statistics Canada - CANSIM Table 051-0019

The proportion of children (under the age of 10) has dropped over the last thirty years, from 16.5% in 1986 to 13.3% in 2016. Similarly, young adults aged 15 to 24 years accounted for 13.0% of the population in 2016 – down 4.0 percentage points from 1986. Meanwhile, the percentage of the population over the age of 55 years increased 6.2 percentage points to 27.6% over the same period.

Saskatchewan population by age group, then and now

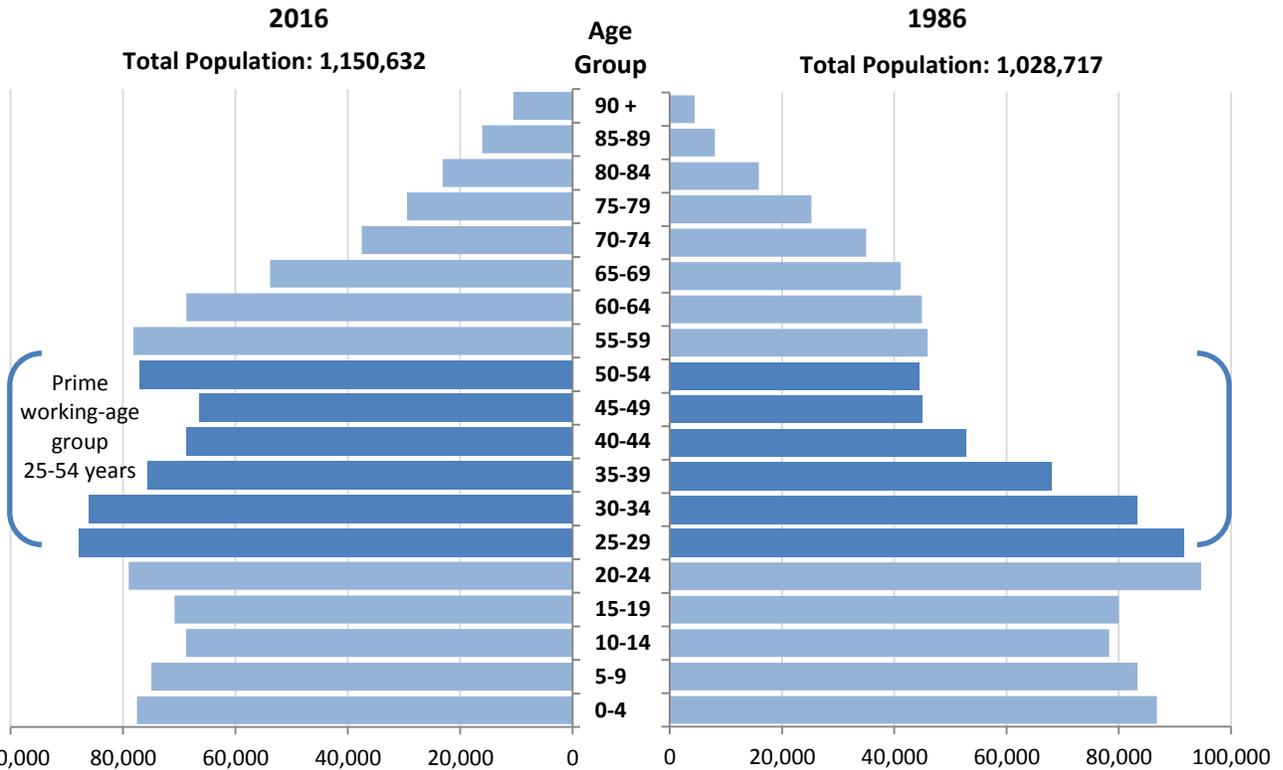


Figure 6
Source: Statistics Canada CANSIM Table 051-0001

LABOUR MARKET CONDITIONS

Saskatchewan’s economy continued to struggle in 2016 due in large part to low commodity prices. And this is having a negative impact on the provincial labour market. Saskatchewan’s unemployment rate surged to 6.3% in 2016 – a considerable upswing from 5.0% in 2015. Still, the province’s unemployment rate remains among the lowest in Canada and is 0.7 percentage points below the national rate of 7.0%.

| Saskatchewan | | | | | | |
|----------------------|-------------------|---------------------|-----------------|-------------------|--------------------|-------------------------|
| | Population growth | Labour Force growth | Employment rate | Unemployment rate | Participation rate | Average Weekly Earnings |
| 2016 | 869,000 | 606,800 | 65.4% | 6.3% | 69.8% | \$988.40 |
| Annual Change | 0.9% ▲ | 0.4% ▲ | -1.2 ▼ | 1.3 ▲ | -0.3 ▼ | 0.8 ▲ |
| 2015 | 861,500 | 604,100 | 66.6% | 5.0% | 70.1% | \$980.97 |

Figure 7
Source: Statistics Canada Labour Force Survey – CANSIM Tables 282-0002, 281-0027

There were 568,500 people employed in the province in 2016 – 5,200 fewer than 2015 employment levels. This marks the first time since 2001 that year-over-year employment trended down in the province. Declining employment in 2016 was due entirely to the loss of full-time positions (-6,300), while part-time employment edged up slightly (+1,100). In fact, the majority new positions created over the past year two years have been in part-time employment, whereas full-time employment trended down for a second consecutive year.

With weak economic conditions persisting in the province, demand for workers has declined, which is putting downward pressure on wages. According to Statistics Canada, average weekly earnings in Saskatchewan advanced just 0.8% in 2016. During the same period, the province’s Consumer Price Index (CPI) rose by 1.4%, meaning reduced purchasing power for Saskatchewan consumers.

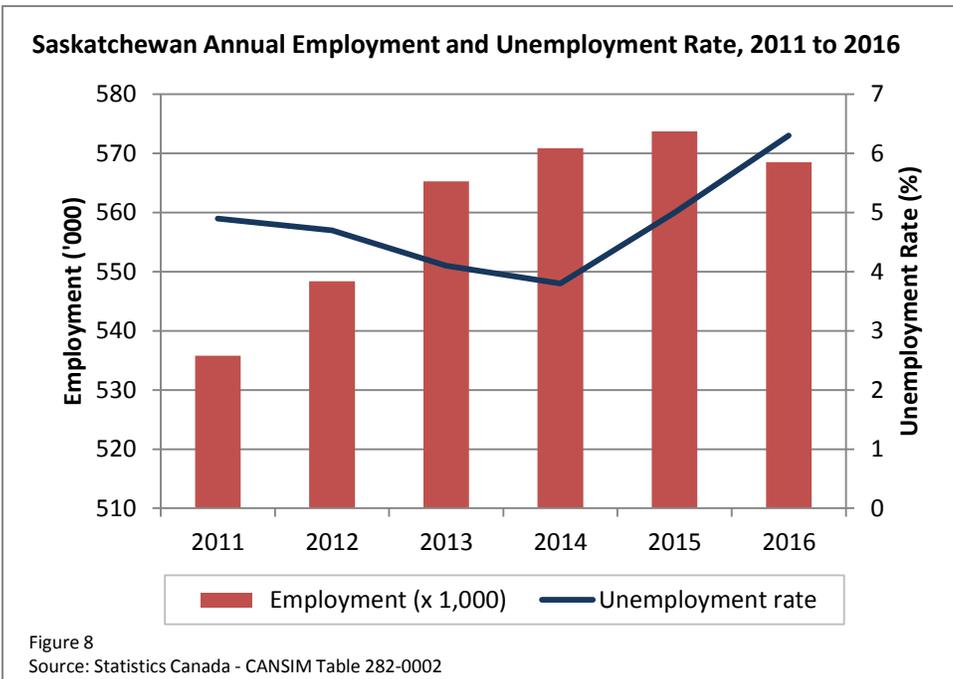


Figure 8
Source: Statistics Canada - CANSIM Table 282-0002

With little job creation expected in 2017, Saskatchewan consumers are likely to limit spending to the necessities.⁴⁴

A slow turnaround for the Saskatchewan economy is expected over the next few years as oil prices improve and services-sector activity picks up. Oil prices have been relatively stable since members of the Organization

of the Petroleum Exporting Countries (OPEC) and some non-OPEC producers signed an agreement in late 2016 to reduce production in an effort to restore balance between supply and demand in the oil market.⁴⁵ However, weak global market conditions for potash and uranium will continue to challenge mining firms in Saskatchewan, which is expected to keep investment in mineral mining low over the medium term. According to the Conference Board of Canada, employment is forecast to grow by just 0.3% in 2017, after falling 0.9% in 2016. Despite this modest projected uptick in employment, the unemployment rate is anticipated to increase to 6.5% in 2017, before declining back to 6.3% in 2018.⁴⁶

Employment by Sector

After increasing by 20,300 between 2011 and 2014, the number of people employed in Saskatchewan's goods-producing sector has declined 14,400 over the last two years. This reversal in employment can be attributed to weakness in the resource extraction industry, which has affected overall economic and employment growth in the province.

The construction industry was responsible for the majority of employment losses in the goods-producing sector in 2016 (-4,900). New investment in major projects has stalled, resulting in lower construction activity in the province. In addition, demand for housing has decreased, which is putting a damper on residential building activity. On an annual basis, provincial housing starts fell 7.2% in 2016 – reaching their lowest levels since 2006.⁴⁷ Consequently, the Conference Board of Canada expects output from the construction industry to decline 3.7% in 2017, followed by a drop of 2.0% in 2018.⁴⁸

Saskatchewan's resource extraction industry has struggled over the last two years. The industry shed 1,800 jobs in 2015, and an additional 1,100 positions in 2016. In fact, employment in the industry is now at a seven-year low. Oversupply in oil, potash and uranium markets has pushed prices for these commodities lower. As a result, a number of mining firms have either suspended operations altogether or reduced the size of their workforces.⁴⁹

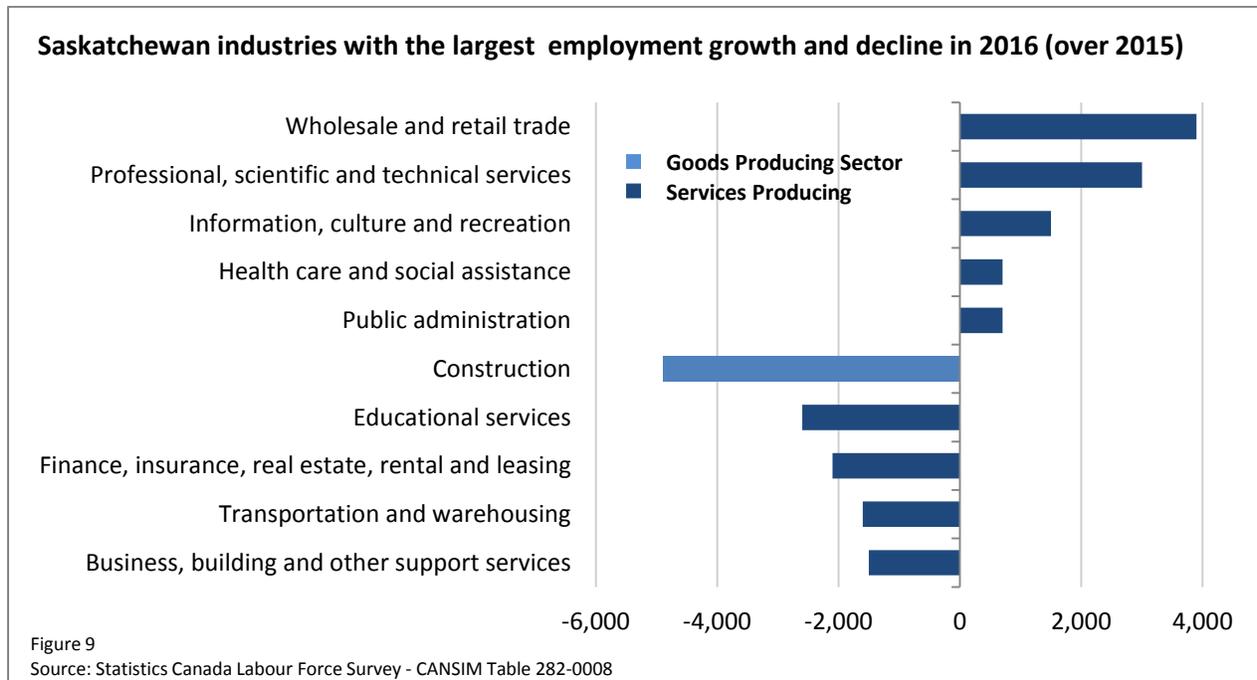
Despite recent challenges for the resource extraction industry, there are signs of optimism. Oil prices started to improve by mid-2016 and neared \$50 per barrel by the end of the year. The Petroleum Services Association of Canada expects that the number of oil wells drilled in Saskatchewan will increase from 1,700 in 2016 to 2,670 wells in 2017.⁵⁰ While on the potash front, the K+S Bethune mine officially began operations on May 2, 2017. The new mine will increase potash output in Saskatchewan, as K+S plans to ramp up production to two million tonnes by the end of 2017. The project has also created 400 permanent jobs in the province.⁵¹

Saskatchewan's manufacturing industry has also been adversely affected by poor commodity prices. Many of the province's manufacturers produce machinery and equipment for the oil and gas, mining and agriculture industries. Instability in these industries has forced manufacturing companies to scale back operations, decrease spending or postpone major purchases altogether. Overall industry employment has trended downward in recent years – at an average of 1.4% annually between 2011 and 2016.

Meanwhile, the number of individuals employed in the province's services-producing sector increased 26,800 positions between 2011 and 2016. Employment growth in the sector was propelled by gains in health care and

social assistance (+10,300), trade (+5,300) and professional, scientific and technical services (+4,300) during this period.

The number of people employed in public administration declined 0.3% on average between 2011 and 2016. A slowing economy has negatively impacted government revenues. The province’s latest budget release shows that its deficit climbed to \$1.3 billion in fiscal 2016-17. As a result, the provincial government is implementing cost-saving measures to bring the budget back to balance over the next three years.⁵² Some of the steps that the province has taken to address the budget shortfall include: wage negotiations with its 64,000 employees; amalgamation of health regions across the province; and spending cuts on services.



Labour Market Conditions by Economic Region

Employment declined across all Saskatchewan regions in 2016, while unemployment rates are up throughout the province with the exception of Swift Current-Moose Jaw.

| Saskatoon-Biggar | | | | | |
|----------------------|-------------------|---------------------|-----------------|-------------------|--------------------|
| | Population growth | Labour Force growth | Employment rate | Unemployment rate | Participation rate |
| 2016 | 300,100 | 209,200 | 65.2% | 6.5% | 69.7% |
| Annual Change | 1.6% ▲ | -0.1% ▬ | -1.9 ▼ | 1.1 ▲ | -1.2 ▼ |
| 2015 | 295,300 | 209,500 | 67.1% | 5.4% | 70.9% |

Figure 10.1
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

Saskatoon-Biggar has one of the most diversified economies in Canada. The province’s mining, energy and agricultural industries support growth in the region’s manufacturing, transportation and service industries.

Saskatoon’s central location also makes it a hub for mining companies – there are six potash mines located within a 140km radius of the city and several resource extraction companies are headquartered in this region. Consequently, Saskatoon-Biggar’s dependence on commodity markets has made it susceptible to the downturn. Overall, the unemployment rate in Saskatoon-Biggar increased 1.1% between 2015 and 2016.

| Regina-Moose Mountain | | | | | |
|------------------------------|-------------------|---------------------|-----------------|-------------------|--------------------|
| | Population growth | Labour Force growth | Employment rate | Unemployment rate | Participation rate |
| 2016 | 266,300 | 193,900 | 69.0% | 5.3% | 72.8% |
| Annual Change | 1.2% ▲ | 1.3% ▲ | -0.7 ▼ | 1.1 ▲ | 0.1 ▬ |
| 2015 | 263,100 | 191,400 | 69.7% | 4.2% | 72.7% |

Figure 10.2

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

Strong economic growth over the past decade has made Regina-Moose Mountain an attractive destination both for interprovincial and for international migrants. The region is a hub for the agriculture and resource extraction industries. A number of major oil and agricultural equipment manufacturers have operations in Regina-Moose Mountain, including: Brandt Agricultural Products, Advance Engineered Products and Evraz Regina Steel. Weakness in the resource extraction industry over the past two years has constrained employment growth in the region’s goods-producing sector. All in all, employment growth in Regina-Moose Mountain was essentially unchanged in 2016 (+0.1%).

| Prince Albert and Northern | | | | | |
|-----------------------------------|-------------------|---------------------|-----------------|-------------------|--------------------|
| | Population growth | Labour Force growth | Employment rate | Unemployment rate | Participation rate |
| 2016 | 158,800 | 108,800 | 62.5% | 8.8% | 68.5% |
| Annual Change | 0.4% ▲ | 1.2% ▲ | -0.9 ▼ | 2.1 ▲ | 0.5 ▲ |
| 2015 | 158,200 | 107,500 | 63.4% | 6.7% | 68.0% |

Figure 10.3

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

Prince Albert and Northern region is home to a number of Saskatchewan uranium mines. Low commodity prices have forced some producers to suspend operations and reduce staffing levels. In addition, weakness in the resource extraction industry is also having a negative impact on other goods-producing industries such as manufacturing and construction. As a result, employment in both of these industries is down significantly on an annual basis. Not surprisingly, the unemployment rate in Prince Albert and Northern climbed to 8.8% in 2016 — up 2.1 percentage points from 2015.

| Swift Current-Moose Jaw | | | | | |
|-------------------------|-------------------|---------------------|-----------------|-------------------|--------------------|
| | Population growth | Labour Force growth | Employment rate | Unemployment rate | Participation rate |
| 2016 | 82,100 | 55,200 | 64.7% | 3.8% | 67.2% |
| Annual Change | -0.5% ▼ | -1.1% ▼ | -0.4 ▼ | 0.0 ▬ | -0.4 ▼ |
| 2015 | 82,500 | 55,800 | 65.1% | 3.8% | 67.6% |

Figure 10.4
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

Key industries in the Swift Current-Moose Jaw region include agriculture, manufacturing, wholesale trade and retail trade. The current downturn in resource prices has negatively affected the local economy, as mining service firms scale back their operations.⁵³ Nonetheless, local conditions are expected to improve in the near-term as work on major projects such as SaskPower’s natural gas electrical generation facility in Swift Current and Canadian Protein Innovation’s pea processing plant in Moose Jaw begin.⁵⁴

| Yorkton-Melville | | | | | |
|----------------------|-------------------|---------------------|-----------------|-------------------|--------------------|
| | Population growth | Labour Force growth | Employment rate | Unemployment rate | Participation rate |
| 2016 | 61,800 | 39,600 | 59.9% | 6.6% | 64.1% |
| Annual Change | -1.1% ▼ | -0.5% ▼ | -0.9 ▼ | 2.3 ▲ | 0.4 ▲ |
| 2015 | 62,500 | 39,800 | 60.8% | 4.3% | 63.7% |

Figure 10.5
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123

Agriculture, healthcare and social assistance, and trade are the strengths of Yorkton-Melville’s economy. In addition, the region is home to some of the world’s largest reserves of potash. The Potash Corp. of Saskatchewan’s Rocanville mine, for example, is one of the largest employers in this area. The mine underwent capital expansions worth \$3 billion between 2005 and 2016 – which has allowed the company to double its mine workforce to 750. However, construction employment declined in the region in 2016 as work on the mine and other major projects ended.⁵⁵ Not surprisingly, Yorkton-Melville’s unemployment rate increased significantly (+2.3 percentage points) on a year over year basis in 2016.

LABOUR MARKET OUTCOMES FOR CLIENT SEGMENTS

Immigrants/Newcomers

Saskatchewan’s immigrant labour force has grown rapidly over the last five years. Between 2011 and 2016, the number of landed immigrants in the provincial labour force expanded by an average annual rate of 13.2%; whereas, the Canadian born labour force remained flat over the same period (+0.1%). Overall, Saskatchewan’s immigrant population is relatively small when compared to other provinces. In 2016, immigrants made up 13.1% of Saskatchewan’s labour force, compared to 29.3% in BC, 23.1% in Alberta, and 20.7% in Manitoba.

The unemployment rate of recent immigrants (landed within the past five years) in Saskatchewan's labour force tends to be higher than the rate for Canadian-born workers. In 2016, the unemployment rate for recent immigrants stood at 8.0% compared to 6.3% for those born in Canada.⁵⁶

Indigenous people

In 2016, the unemployment rate for Saskatchewan's off-reserve Indigenous population stood at 14.9%, nearly three times the rate for the non-Indigenous population (5.5%).⁵⁷ A large portion of Saskatchewan's Indigenous workforce is employed by mining firms in Northern Saskatchewan. Cameco Corp., for example, is one of the largest Indigenous employers in Canada. The company shuttered its Rabbit Lake uranium mine in Northern Saskatchewan in 2016, laying off more than 500 workers in the process – nearly half of whom were Indigenous workers residing in Prince Albert and Northern region.⁵⁸ On a year over year basis, Saskatchewan's off-reserve Indigenous unemployment rate increased by 3.1 percentage points in 2016 – the largest increase among western provinces.

Youth

Labour force participation among Saskatchewan's youth population (15 to 24 years) declined 1.1 percentage points in 2016. This may be due in part to many youth deciding to obtain more education or training during the economic downturn as they face limited or dwindling job prospects. Overall, the youth unemployment rate in Saskatchewan stood at 11.7% in 2016 – up 1.9 percentage points on an annual basis. Still, Saskatchewan has the second lowest youth unemployment rate in the country, behind only British Columbia (10.3%).

Older Workers

An aging population and a growing demand for experienced workers have resulted in older job seekers remaining in the labour force past retirement age. The number of older workers in Saskatchewan (55 years and over) has grown at nearly twice the rate compared to the working age population (25 to 54 years) over the past five years. Between 2011 and 2016, employment in the 55 and over age group advanced by 3.0% on average, far outpacing the 1.2% growth rate for the prime working age group. At the same time, the unemployment rate for older workers averaged 4.8% in 2016 – up 1.3 percentage points from a year earlier, but 0.8 percentage points below the rate for those between the ages of 25 and 54 years.

Seniors

The employment rate for those aged 65 and older increased from 15.6% in 2011 to 18.8% in 2016. In fact, Saskatchewan has the highest employment rate for seniors among provinces, well above the national average of 13.1%. Moreover, the unemployment rate for this age group stood at 4.3% in 2016, significantly lower than the unemployment rate for those between the ages of 25 and 54 years (5.6%).

Today's seniors have a stronger attachment to the labour force than ever before. In 2006, 13.5% of seniors in Saskatchewan actively participated in the labour market. By 2016, the rate of labour force participation had risen to 19.6%. Longer life spans and fallout from the 2009 recession are some of the factors likely contributing to rising participation rates among this age group.

Persons with Disabilities

In 2012, 15.0% of Saskatchewan's population (aged 15 and over) self-identified as having some type of disability. Saskatchewan's disability prevalence rate was the second highest among Western Canadian provinces, behind only Manitoba. Nationally, the overall disability prevalence rate stood at 13.7% during this period.

The labour force participation rate among Saskatchewan's disabled population (between the ages of 15 and 64) was 65.1% in 2012 – considerably higher than the national average of 53.6%. However, participation rates for persons with a disability in Saskatchewan remain well below the rate for those without a disability (83.1%). As well, the unemployment rate for the province's disabled population was much higher than it was for the non-disabled population (6.9% vs. 5.4%).⁵⁹

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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