



Environmental Scan

Manitoba

2015

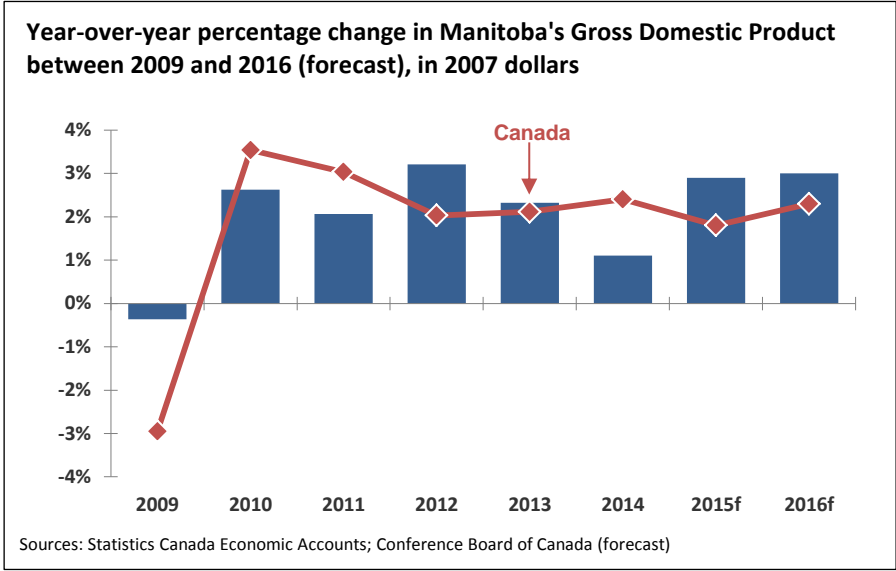


KEY HIGHLIGHTS

- The Conference Board of Canada estimates that real GDP growth in Manitoba will increase to 2.9% and 3.0% in 2015 and 2016, respectively.
- A number of global economic changes over the past year will lead to a strong performance for Manitoba in the short term.
- Construction is expected to be one of the fastest growing industries in the province with GDP increasing by 8.5% and 10.7% in 2015 and 2016, respectively.
- Health care and social assistance has grown to be the largest industry for employment in the province.
- Over the next five years, 61% of all job openings will be in occupations that require a post-secondary education or management experience.
- Manitoba's economy is showing signs of strength going into the next two years, and more Canadians may look to Manitoba for employment opportunities.
- The Southeast region experienced the highest average employment growth, increasing 2.3% annually between 2009 and 2014.

GENERAL OVERVIEW/ECONOMIC CONTEXT

After a positive, but far from ground breaking 2014, economic activity in Manitoba is expected to pick up in 2015 and 2016. Last year, the province’s GDP grew by 2.0%, the second lowest rate among western provinces beating only Saskatchewan which has had exceptional growth in the past few years. The Conference Board of Canada estimates that provincial real GDP will increase by 2.9% and 3.0% in 2015 and 2016 respectively, making Manitoba one of the provincial leaders in GDP growth in the short term.



Manitoba’s diversified economy should promote steady growth in the coming years, while its western neighbors struggle with the downturn in the energy sector. Although Manitoba has seen growth in its oil and gas extraction industry, the province hasn’t experienced the same boom as other provinces. A number of global economic changes over the past year will lead to a strong performance for Manitoba in the short term. Key industries that will see notable growth include transportation and warehousing, and construction.

Manitoba’s transportation and warehousing industry plays a key role in moving goods across the country, as well as to international markets via the United States and the port of Churchill. The industry constitutes 6.5% of the province’s total GDP, and is forecast to perform well through 2015 and 2016 as a number of factors turn in the industries favour. Lower oil and gas prices reduce overhead costs for shipping companies, which should help increase demand. Moreover, a recovering US economy will stimulate the movement of forestry products as building projects increase. A weaker Canadian dollar will help buoy demand for Canadian manufactured goods in the US.

Construction activity in Manitoba slowed in 2014 as some major infrastructure projects reached completion. The industry saw its GDP dip 3.4% and its employment fall from record highs in 2013. Looking ahead, construction is expected to be one of the fastest growing industries in the province with GDP increasing by 8.5% and 10.7% in 2015 and 2016 respectively. A commitment by the provincial government to spend \$5.5 billion between 2014 and 2018 on public infrastructure will go a long way in keeping this industry working. In addition, Manitoba Hydro continues to build major hydroelectric transmission lines, most notably Bipole III, which runs from Keewatinohk converter station (northeast of Gillam) to the Rural Municipality of Springfield for a total length of 1,384 km.

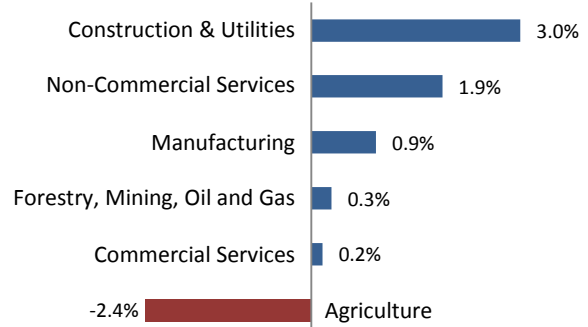
Manitoba's employment growth was essentially flat in 2014, increasing by just 0.1%. In 2015 and 2016, however, employment is projected to increase by 1.7% and 1.8% respectively, or 23,000 jobs over the two year period. The stars seem to be aligning for Manitoba as a lower Canadian dollar ensures continued demand for manufacturing. Low oil prices boost the profitability of transport operators and increasing demand for agricultural products should help boost the province’s balance sheets.

REGIONAL, PROVINCIAL AND LOCAL LABOUR MARKET CONDITIONS

Employment by Sector

Between 2013 and 2014, employment growth across all industries was fairly flat. The province added 1,300 jobs resulting in employment growth of only 0.1%. Over the past five years, utilities have led all industries in employment expansion, posting annual growth of 5.1%. Non-commercial services (education, health care, and public administration) expanded 1.9% over the same period, while employment in forestry, mining, oil and gas increased 0.3%. Jobs in commercial services — which include from trade and food and accommodation — grew slightly at 0.2%.

Average annual compound growth rate of industry employment in Manitoba, between 2009 and 2014



Source: Statistics Canada Labour Force Survey

Between 2009 and 2014, the province’s goods-producing sector was held back from stronger growth due to a stagnant manufacturing industry and a decline in agriculture employment. While forecasts for the manufacturing industry are generally positive, the predicted recovery has not yet materialized. The number of positions in manufacturing grew modestly between 2009 and 2014 as demand in this industry is tied to the United States’ slow economic recovery. Meanwhile, construction employment declined in 2014 (-2.4%) after reaching record high levels in 2013. Agriculture’s significant decline (-2.4%) is symptomatic of a downward trend that has persisted for decades.

The province’s services-producing sector fared poorly over the last five years as employment expanded by a mere 0.8%. Only health care and social assistance saw real positive growth at 3.6%, the second fastest growing industry after utilities. This growth has made health care and social assistance the largest industry for employment in Manitoba. Now nearly 16% of all of those employed in the province work in the healthcare industry. Until 2010, trade had been the largest industry for jobs.

Change in employment by industry in Manitoba between 2009 and 2014

	2014	2009	% Share 2014	Five Year Growth Rate
Total, all industries (000's)	626.5	600.5	100.0%	0.9%
Goods-producing sector	146.9	139.8	23.4%	1.0%
Agriculture	24.1	27.2	3.8%	-2.4%
Forestry, fishing, mining, quarrying, oil and gas	6.9	6.8	1.1%	0.3%
Utilities	8.2	6.4	1.3%	5.1%
Construction	43.9	38.5	7.0%	2.7%
Manufacturing	63.8	60.9	10.2%	0.9%
Services-producing sector	479.5	460.7	76.5%	0.8%
Trade	93.5	87.3	14.9%	1.4%
Transportation and warehousing	37.5	37.1	6.0%	0.2%
Finance, insurance, real estate and leasing	33.8	34.3	5.4%	-0.3%
Professional, scientific and technical services	24.7	24.0	3.9%	0.6%
Business, building and other support services	17.1	21.1	2.7%	-4.1%
Educational services	49.4	47.1	7.9%	1.0%
Health care and social assistance	99.2	83.2	15.8%	3.6%
Information, culture and recreation	21.8	22.8	3.5%	-0.9%
Accommodation and food services	39.5	38.8	6.3%	0.4%
Other services	28.4	28.6	4.5%	-0.1%
Public administration	34.6	36.5	5.5%	-1.1%

Source: Statistics Canada Labour Force Survey annual estimates by North American Industry Classification System

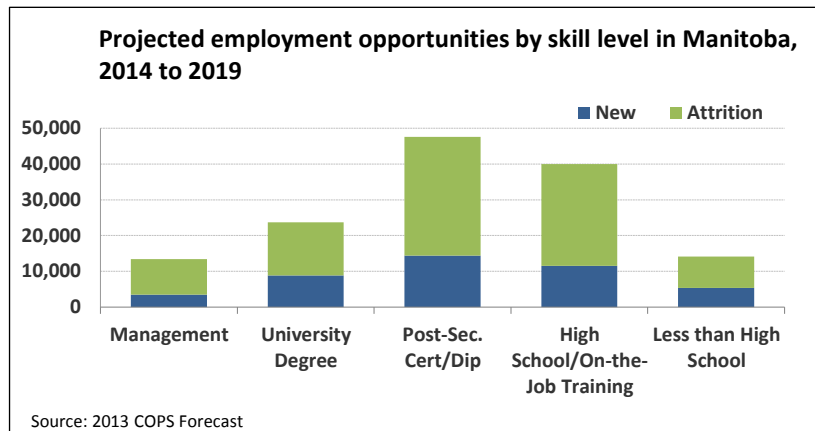
Employment by Age and Gender

Between 2009 and 2014, the strongest employment growth occurred for the 65 to 69 age group, while the weakest occurred for those 15 to 24 years of age. Since 2009, Manitoba's older population has remained in the labour force longer. As a result, the province's youth employment experienced a net loss of 1,100 over the last five years. This trend was reinforced by the 3.1 percentage point increase in the over 55 participation rate since 2009. Participation for the 15-24 year old group dropped 3.6 percentage points while the rate for the 25-54 year old group remained more or less unchanged.

In 2014, just over half (51%) of Manitoba's working age population was female. The participation rate for both males and females declined between 2009 and 2014. The unemployment rate for females climbed 0.4 percentage points for the period resulting in both sexes having the same unemployment rates in 2014.

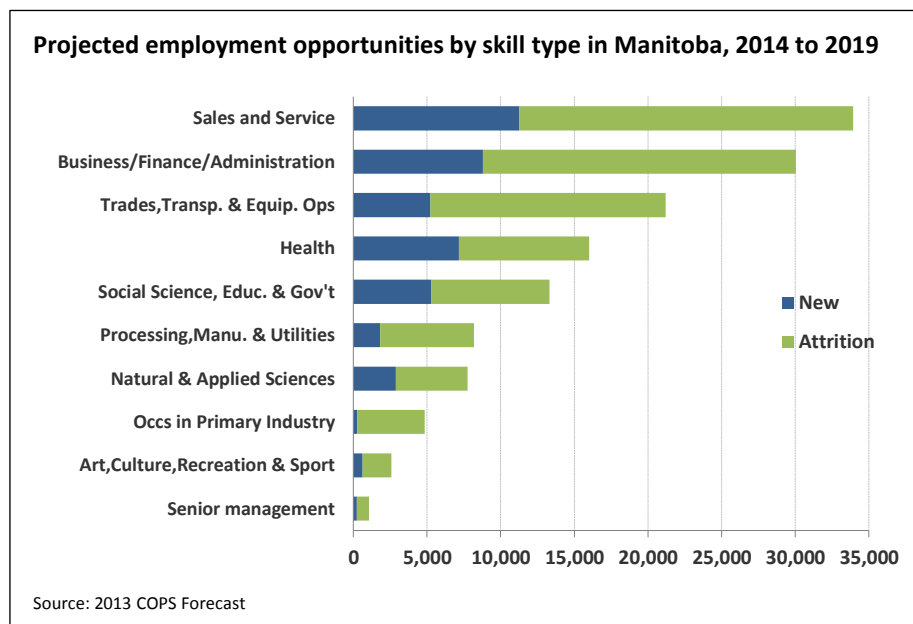
Job Opportunities by Skill Level

Over the next five years, 61% of all job openings will be in occupations requiring a post-secondary education or management experience. Occupations that require a high-school diploma or on the job training will make up nearly 29% of demand. The outlook for those without high-school credentials is less positive. About 10% of opportunities will be for occupations that require less than high school completion. Of all the job openings during the next five years, just over 30% will be from new job creation with the remaining coming from attrition.



Job Opportunities by Skill Type

Over the next five years, employment opportunities in Manitoba will be dominated by three skill types. Sales and service will lead with about 25% of projected openings. Business, finance, and administrative occupations will represent over 20% of opportunities, while trades, transportation and equipment operators will make up over 15%. The smallest growth is expected in senior management positions at under 1%.



While attrition is expected to create the majority of projected employment opportunities in all skill types over the next five years, it will be especially high in primary industry occupations.

Local Labour Market Conditions

Between 2009 and 2014, Manitoba's positive employment trend was mirrored in all but one of its economic regions. Employment increased by close to the provincial average in Winnipeg, while southern economic regions and the Interlake saw the largest gains. The Southeast experienced the highest average employment growth, increasing 2.3% annually

Average annual compound employment growth rate in Manitoba's economic regions, between 2009 and 2014.

	2014	2009	Growth rate*
Manitoba (000's)	626.5	600.5	0.9%
Southeast	57.1	50.9	2.3%
South Central and North Central	55.1	51.3	1.4%
Southwest	57.6	56.3	0.5%
Winnipeg	372.8	359.1	0.8%
Interlake	49.1	45.2	1.7%
Parklands and Northern	34.8	37.8	-1.6%

Source: Statistics Canada Labour Force Survey

between 2009 and 2014. Population growth in the region was nearly double the provincial rate and led by employment gains in construction, education, health care, and finance increased.

The large and sparsely populated Parklands and North economic region shed jobs at an annual rate of 1.6% during the five year period. This region is heavily dependent upon capital projects and mining. As several area mines approach the end of their service lives, the labour force will likely contract even further until numerous northern projects pick up speed. Things may be looking up though as operations have been expanded at both the Lalor Lake and Reed mines. Meanwhile, trades workers will benefit from the upcoming construction of Manitoba Hydro's Bipole III.

Interprovincial Migration

Manitoba typically experiences net out-migration to other parts of the country. Alberta draws the largest number of Manitoba residents, followed by Ontario and BC. Since 2008/2009, the largest change to Manitoba's out-migration has been the number of individuals who have relocated to Saskatchewan. Now 15% of all out-migrants from Manitoba leave for Saskatchewan, compared to 12% in 2008/2009. Manitoba's economy is showing signs of strength going into the next two years, and more people may look to Manitoba for employment opportunities.

LABOUR MARKET OUTCOMES FOR CLIENT SEGMENTS

Immigrants/Newcomers

Landed and non-landed immigrants comprise an increasing share of Manitoba's labour force. Between 2009 and 2014, the province's total immigrant population rose from 15.7% of the total population to just over 20%. In fact, during this time, Manitoba's new immigrant population increased faster than any other demographic group, at nearly 9.1% per year. In 2014, landed immigrants made up nearly 20% of Manitoba's population, up from 2009 when they made up only 16%.

Aboriginal Workers

Aboriginal people made up 16.7% of Manitoba's total population in 2011, up from 15.5% in 2006. Nationally in 2011, Aboriginal people accounted for 4.3% of the total population. Demographic groupings vary within the Manitoba Aboriginal population, with the majority self-identifying as First Nations or Métis.

In 2011, the unemployment rate for Manitoba's Aboriginal population stood at 13.8%, nearly three times that of the non-Aboriginal population (5.2%). However, the unemployment rate among Manitoba's Aboriginal population was lower than the national rate of 15%.

Just like the population as a whole, employment prospects for Manitoba's Aboriginal people improves with higher educational attainment. However, the net benefit of education on employment for Aboriginal people appears significantly greater; bringing Aboriginal people close to the same employment rates as non-Aboriginal people with the same educational attainment. In 2011, the employment rate among Aboriginal people with less than a high school degree was 29.1%, significantly lower than the rate for non-Aboriginal people with the same education level (43%). Once Aboriginal people receive a high school diploma the gap closes significantly, 61.8% for Aboriginal people and 66.8% for non-Aboriginal people. Looking at people with a postsecondary degree the gap is all but eliminated, with employment rates reaching 73.5% among Aboriginal people and 73.9% for non-Aboriginal people.

Youth Labour Force

Manitoba's youth (aged 15 to 24) unemployment rate was unchanged (10.7%) from 2013 to 2014, but still nearly double the provincial average. Since 2009, fewer youth have participated in the labour market, as older workers have chosen to remain in the workforce. Last year marked the fifth year in a row that the participation for youth was below 70%. Before that, the youth participation rate only dipped that low once since 1980. Nearly 45% of youth who are employed worked part-time in 2014.

Older Workers

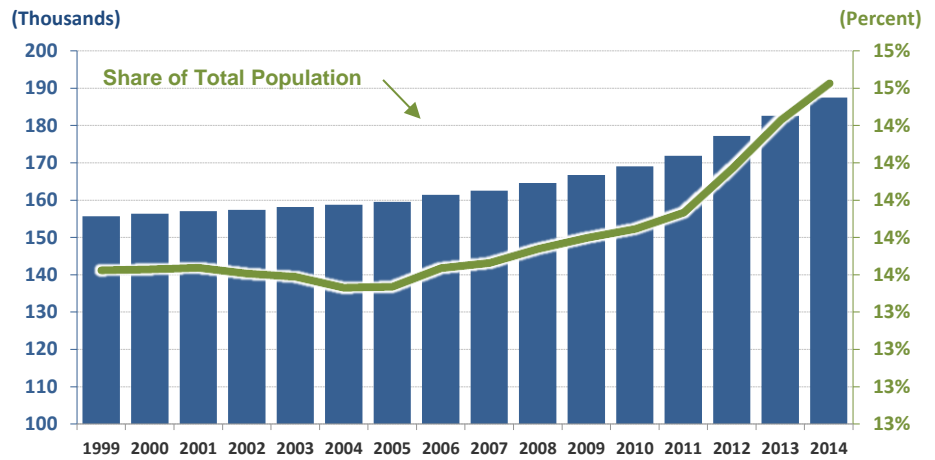
In 2014, workers aged 55 and over made up nearly 20% of Manitoba's labour force, an increase from 18% in 2009. Compared to other age groups, workers 55 and over dominated employment growth and saw average yearly gains three times larger than the provincial average. In fact, employment in this age group grew by nearly 16,000 between 2009 and 2014.

An increasing number of older workers have remained in the workforce due to the 2009 recession as evidenced by their primary sources of income. While government transfers remain a large source of primary income, remaining virtually unchanged over this period, income from employment has increased.

Seniors

Manitoba’s senior population (65+ years) has steadily grown over the past 15 years, increasing from 155,600 in 1999 to 187,500 in 2014. The proportion of the population that was over 65 remained around 13.6% between 1999 and 2008 but now is seeing a steady rise; growing from 13.8% in 2009 to 14.6% in 2014. The segment is expected to continue to take up a growing proportion of the overall population in coming years as more and more baby boomers enter this age category.

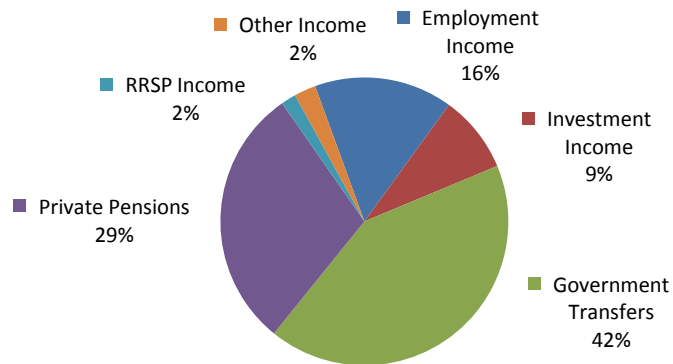
The change in Manitoba's population aged 65 years and over, and change in its share of the total population, between 1999 to 2014.



Source: Statistics Canada, Annual Demographics Estimates

Labour market participation continues to rise in this age group. In 2004, only 8.1% of those over 65 years of age participated in the labour market. Since then, that rate has grown to 13.9% in 2014 and peaked at 15.6% in 2013. Unemployment is low in this age category as government income supports become available at this age.

Primary sources of income among seniors in Manitoba, 2012.



Source: Statistics Canada, CANSIM

Workers with a Disability

Manitoba has the highest rate of disability nation-wide, exceeding the national average by 2 percentage points. In 2012, 15.6% of Manitoba’s population reported having some type of disability compared to 13.7% nationally. Lower rates of disability occur for Alberta (12.5%), Nunavut (6.9%), and Northwest Territories (8.2%).

In 2012, the unemployment rate for disabled people was nearly double the rate for the non-disabled population, 8.6% vs 4.8%. Also, far fewer disabled persons participated in the labour market. In fact, the labour force participation of those with a disability was just 61.7% compared to 81.2% for the non-disabled population.

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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