



Labour Market Bulletin

Saskatchewan

January 2019



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

Approximately 576,000 people were employed in Saskatchewan in January 2019, as employment edged down on the month (-2,800). Month-over-month, both full- and part-time were down, by 2,400 and 400 respectively. Saskatchewan was one of just two provinces to see declining employment on the month, with the other being Alberta.

Saskatchewan Monthly Labour Force Statistics

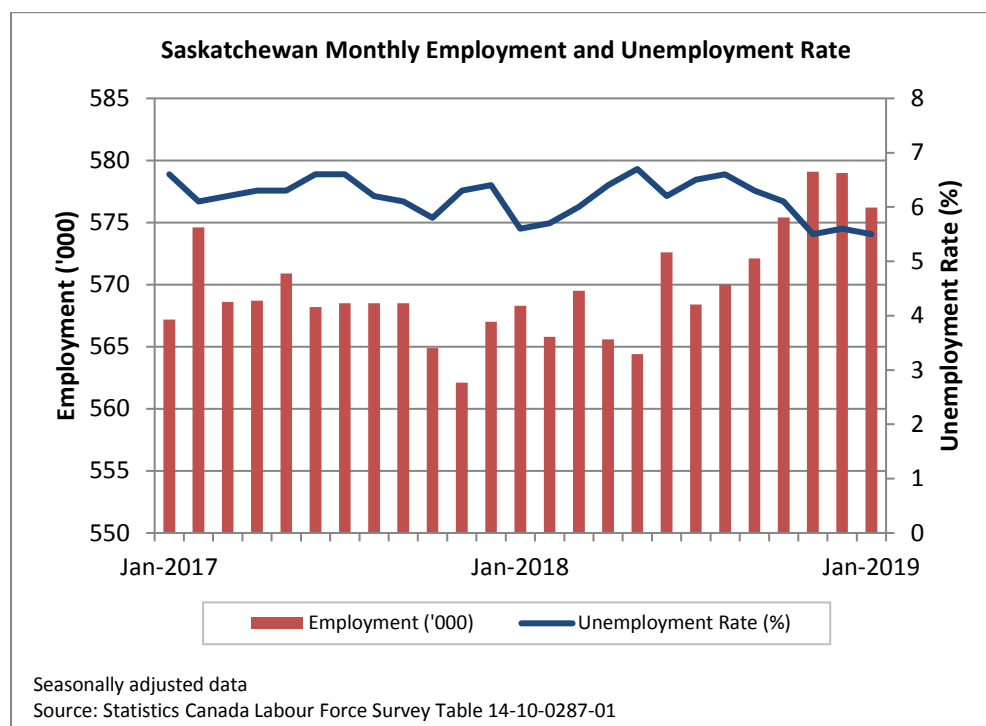
Seasonally Adjusted Monthly Data	January 2019	December 2018	January 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	887.5	887.1	880.9	0.4	0.0	6.6	0.7
Labour Force ('000)	610.1	613.2	601.8	-3.1	-0.5	8.3	1.4
Employment ('000)	576.2	579.0	568.3	-2.8	-0.5	7.9	1.4
Full-Time ('000)	472.3	474.7	467.2	-2.4	-0.5	5.1	1.1
Part-Time ('000)	103.9	104.3	101.1	-0.4	-0.4	2.8	2.8
Unemployment ('000)	33.8	34.1	33.5	-0.3	-0.9	0.3	0.9
Unemployment Rate (%)	5.5	5.6	5.6	-0.1	-	-0.1	-
Participation Rate (%)	68.7	69.1	68.3	-0.4	-	0.4	-
Employment Rate (%)	64.9	65.3	64.5	-0.4	-	0.4	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287-01, formerly CANSIM 282-0087

The majority of employment losses in January were in self-employment (-4,200), while private sector-employment remained flat (-300). Meanwhile, public sector employment edged up 1,400 positions during this period.¹

According to the Business Development Bank of Canada's (BDC) Investment Intentions Outlook for 2019, business confidence in Saskatchewan has plummeted, and now stands at 46% – the second lowest rate in Canada after only Alberta. Higher interest rates, challenges in some resource industries, and trade uncertainties have adversely affected business optimism and investment intentions in the province.²



Despite a significant drop in employment, Saskatchewan's unemployment rate was virtually unchanged in January 2019 (-0.1 percentage points) and now stands at 5.5%. This is largely due to fewer individuals participating in the provincial labour force (-3,100). Overall, Saskatchewan's unemployment rate is lower than the national average of 5.8%.

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	January 2019 (%)	December 2018 (%)	January 2018 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	5.5	5.6	5.6	-0.1	-0.1
25 years and over	4.8	4.9	4.6	-0.1	0.2
Men - 25 years and over	4.7	4.8	5.4	-0.1	-0.7
Women - 25 years and over	5.0	5.0	3.8	0.0	1.2
15 to 24 years	10.0	9.9	11.2	0.1	-1.2
Men - 15 to 24 years	9.0	10.5	14.7	-1.5	-5.7
Women - 15 to 24 years	11.3	9.3	7.3	2.0	4.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

In January, Saskatchewan's youth (15 to 24 years) unemployment rate (10.0%) was more than twice the rate for those aged 25 years and over (4.8%). On a monthly basis, young men fared better than their female counterparts. The rate for young men declined 1.5 percentage points to 9.0%, while the unemployment rate for young women

increased two percentage points to 11.3%. Still, the youth unemployment rate in Saskatchewan remains below the Canadian average (11.2%).

EMPLOYMENT BY INDUSTRY

Saskatchewan's goods-producing sector shed 1,000 positions between December 2018 and January 2019, with losses occurring in two of its five industries. Meanwhile, employment is also down in the services-sector on a monthly basis (-1,700).

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	January 2019	December 2018	January 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	576.2	579.0	568.3	-2.8	-0.5	7.9	1.4
Goods-producing sector	146.7	147.7	143.7	-1.0	-0.7	3.0	2.1
Agriculture	39.3	40.8	35.3	-1.5	-3.7	4.0	11.3
Forestry, fishing, mining, quarrying, oil and gas	21.9	22.4	24.7	-0.5	-2.2	-2.8	-11.3
Utilities	6.9	6.7	6.8	0.2	3.0	0.1	1.5
Construction	48.9	48.8	49.5	0.1	0.2	-0.6	-1.2
Manufacturing	29.7	28.9	27.5	0.8	2.8	2.2	8.0
Services-producing sector	429.6	431.3	424.6	-1.7	-0.4	5.0	1.2
Trade	87.0	87.4	91.3	-0.4	-0.5	-4.3	-4.7
Transportation and warehousing	27.3	28.3	30.0	-1.0	-3.5	-2.7	-9.0
Finance, insurance, real estate and leasing	29.9	29.3	27.3	0.6	2.0	2.6	9.5
Professional, scientific and technical services	26.8	26.4	27.5	0.4	1.5	-0.7	-2.5
Business, building and other support services	16.3	16.5	14.8	-0.2	-1.2	1.5	10.1
Educational services	44.7	45.3	41.4	-0.6	-1.3	3.3	8.0
Health care and social assistance	81.2	81.4	76.8	-0.2	-0.2	4.4	5.7
Information, culture and recreation	19.8	19.4	21.0	0.4	2.1	-1.2	-5.7
Accommodation and food services	39.6	39.2	37.4	0.4	1.0	2.2	5.9
Other services	26.6	27.8	25.8	-1.2	-4.3	0.8	3.1
Public administration	30.4	30.3	31.4	0.1	0.3	-1.0	-3.2

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

Employment in agriculture decreased 1,500 in January. According to the Saskatchewan Water Security Agency's preliminary outlook for 2019, there could be agricultural water supply shortages this year due to dry conditions last fall and below normal precipitation so far this winter. This could also create surface water supply problems for municipalities, as well as farmers, if conditions remain dry into the summer months.³

Nonetheless, there were some positive developments in the agriculture industry in January. The provincial and federal governments are granting \$12 million for 44 crop-related research projects through Saskatchewan's Agriculture Development Fund and the Strategic Research Initiative.⁴ Moreover, another \$5.5 million is being granted by the two governments for 34 livestock and forage-related research projects through Saskatchewan's Agriculture Development Fund and the Strategic Field Program.⁵

Employment in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) declined 500 this month. Conditions in the oil industry remain uncertain. According to the Petroleum Services Association of Canada's (PSAC) revised forecast, an estimated 1,994 wells will be drilled in Saskatchewan in 2019 – down 18% compared to the organization's initial forecast released in November. PSAC cites investor uncertainty as the reason behind the decrease in drilling rigs. Overall, there will be an estimated 5,600 wells drilled across the country this year – this represents a drop of 1,000 wells from PSAC's original 2019 forecast.⁶

On the forestry front, thirteen Indigenous communities – responsible for over half of the provincially allocated and active wood supply in Saskatchewan – partnered to create a new forestry agreement in January. The agreement aims to increase business opportunities in the forestry industry and will enable these Indigenous communities to manage forest lands.⁷ According to provincial government, forestry is Northern Saskatchewan's second largest industry after mining.⁸

Weak demand and excess supply has caused global potash prices to decline; however, the long-term forecast for the mineral remains favourable due to strong population growth in developing countries. Construction continued on Mosaic's K3 mine and BHP Billiton's Jansen mine in 2018. In addition, the provincial Ministry of Environment provided environmental approval to Gensource's Vanguard One project in August 2018.⁹ Meanwhile, construction of Western Potash Corporation's Milestone Project is also expected to begin in 2019. Western Potash awarded the detailed engineering contract for the project to SNC-Lavalin in June 2018, and expects that the project will be ready for final tendering and construction in early 2019.¹⁰

Employment in the utilities industry increased 200 on the month. SaskPower is making progress to reach its 2030 goal of reducing power generation emissions by 40% and generating 50% of the province's energy by using renewable resources. Gaia Power's Western Lily windfarm, for instance, began operations on January 21, 2019. The new facility near Grenfell consists of 10 turbines that will have the capacity to provide up to 20 megawatts (MW) of energy to SaskPower's grid, which is equivalent to powering 8,000 homes yearly. With the addition of this new wind farm, SaskPower's wind energy capacity has increased to 241MW. In addition, there are two more wind power projects currently under development in the province: Blue Hill Wind Energy Project and Golden South Wind Energy Facility. Both projects are anticipated to be operational by 2021.¹¹

Turning to the services-producing sector, the largest monthly declines in employment were in transportation and warehousing (-1,000) and other services (-1,200). In contrast, employment in finance, insurance, real estate, rental and leasing rose for a second consecutive month (+600), and is up significantly compared to a year ago (+2,600).

The number of people employed in Saskatchewan's wholesale and retail trade industry is down significantly year-over-year (-4,300). According to Statistics Canada's latest Retail Trade Survey, sales in Saskatchewan dropped 3.3% between November 2017 and November 2018.¹² After Sears closed its doors in Regina's Cornwall centre at the end of 2017, several other stores have followed suit. Roots Canada shuttered its doors in the Cornwall centre at the end of December, while The Gap and Gap Kids stores closed their doors in mid-January 2019. Similarly, Aldo Canada permanently closed in the mall a few months ago.¹³

Mixed results were observed in the province's public sector industries. Educational services shed 600 positions in January, while there were 200 fewer individuals working in health care and social assistance. Meanwhile,

employment in public administration was virtually unchanged (+100). In the health care industry, the amalgamation of Saskatchewan's twelve health regions resulted in a reduction of senior executives. There are currently 66 senior executive level positions across the province, down nearly 50% compared to December 2017.¹⁴

REGIONAL ANALYSIS

On an annual basis, employment is up in all but one of Saskatchewan's economic regions. Meanwhile, the unemployment rate decreased in three of the province's five economic regions during the same period.

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	January 2019 ('000)	January 2018 ('000)	Yearly Variation (%)	January 2019 (%)	January 2018 (%)	Yearly Variation (% points)
Saskatchewan	572.9	561.3	2.1	5.4	6.0	-0.6
Economic Regions						
Regina - Moose Mountain	185.9	183.0	1.6	4.3	4.8	-0.5
Swift Current - Moose Jaw	50.6	50.3	0.6	4.7	3.6	1.1
Saskatoon - Biggar	203.9	194.1	5.0	5.6	7.0	-1.4
Yorkton - Melville	36.4	35.6	2.2	4.0	7.0	-3.0
Prince Albert and Northern	96.1	98.2	-2.1	7.8	6.7	1.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 282-0122

Employment in Saskatoon-Biggar was up 9,800 in January compared to a year ago. The services-producing sector was responsible for majority of these gains (+9,000), while goods-producing industries also added 800 positions. Major projects underway include construction of the \$285.2 million Jim Pattison Children's Hospital in Saskatoon, which is scheduled for completion by 2019.¹⁵ In addition, Saskatoon's Centre Mall is planning a \$43 million renovation to the mall's interior and exterior this year. These upgrades are set to be completed in 2020.¹⁶ Similarly, improvements on several hotels are also underway in the region, including Delta Hotels Saskatoon Downtown and Delta Bessborough.¹⁷

Meanwhile, employment in Regina-Moose Mountain is up 2,900 year-over-year. Employment is up both in the goods- and services-producing sectors, led by growth in educational services (+3,400) and transportation and warehousing (+2,200). Regina's city council approved local ridesharing laws at the end of January, following Saskatoon's decision to allow companies such as Uber and Lyft to operate in the city. Under the new regulations, drivers hired by rideshare companies will be required to have a Class 5 license, as well as a good driving record. In addition, drivers will need to undergo a criminal record check, and have their vehicles inspected for safety annually.¹⁸

In contrast to the other four economic regions in the province, year-over-year employment in Prince Albert and Northern region is down (-2.1%). The largest declines were registered in the region's resource extraction industry (-1,100). Weakness in the global uranium market and slow oil and gas activity continues to hamper growth in a

region that is largely dependent on resource extraction activity. Overall, the regional unemployment rate increased 1.1 percentage points over the year and now sits at 7.8%.

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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