



Labour Market Bulletin

Saskatchewan

February 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

Employment in Saskatchewan decreased 1,300 in February, offsetting employment gains from a month earlier. This monthly decline is due entirely to a drop in full-time positions (-1,500), as part-time employment edged up slightly between January and February (+200). Nevertheless, provincial employment is up 9,100 compared to levels a year ago.

Saskatchewan Monthly Labour Force Statistics

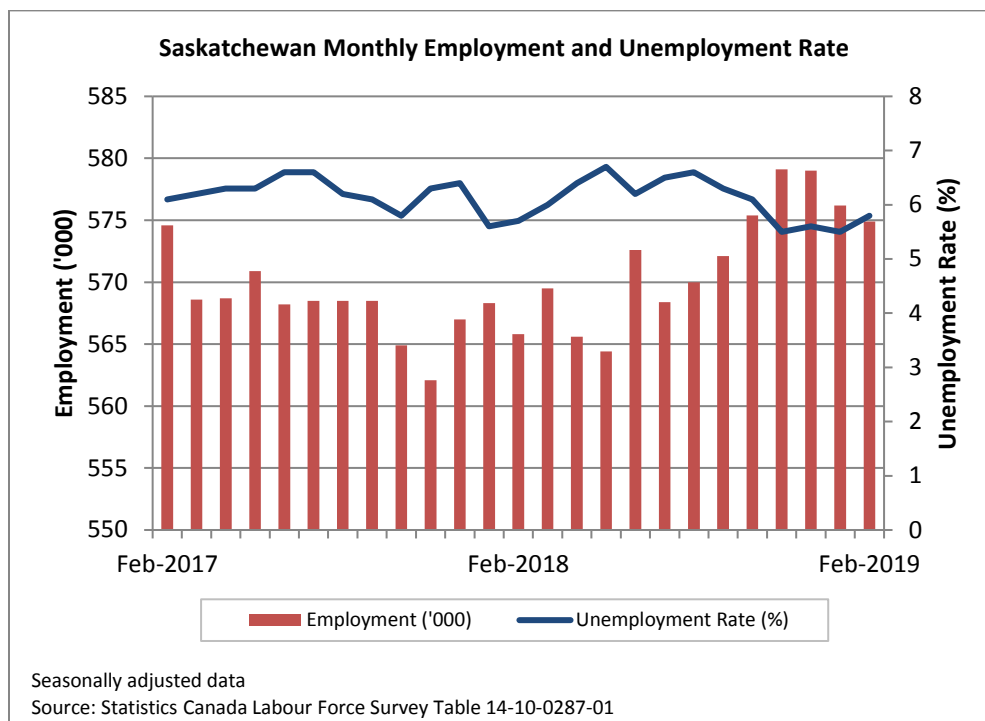
Seasonally Adjusted Monthly Data	February 2019	January 2019	February 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	887.8	887.5	881.6	0.3	0.0	6.2	0.7
Labour Force ('000)	610.0	610.1	600.3	-0.1	0.0	9.7	1.6
Employment ('000)	574.9	576.2	565.8	-1.3	-0.2	9.1	1.6
Full-Time ('000)	470.8	472.3	464.3	-1.5	-0.3	6.5	1.4
Part-Time ('000)	104.1	103.9	101.5	0.2	0.2	2.6	2.6
Unemployment ('000)	35.1	33.8	34.5	1.3	3.8	0.6	1.7
Unemployment Rate (%)	5.8	5.5	5.7	0.3	-	0.1	-
Participation Rate (%)	68.7	68.7	68.1	0.0	-	0.6	-
Employment Rate (%)	64.8	64.9	64.2	-0.1	-	0.6	-

Note: Totals may not add due to rounding

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

Employment in Saskatchewan's private sector increased 14,800 in February 2019 compared to a year ago. Meanwhile, the number of people working in the public sector and self-employed individuals decreased by 1,500 and 4,100 respectively during this period.¹

According to the Canadian Federation of Independent Business' (CFIB) latest monthly Business Barometer, small business confidence in Saskatchewan was unchanged in February from January, sitting at 55.2 – more than four points below the national average of 59.0. Hiring plans remain weak in the province, with only eight percent of small businesses indicating that they will be adding more employees over the next quarter. Meanwhile, 16% of businesses surveyed plan to lay-off workers.²



In February, the provincial unemployment rate edged up 0.3 percentage points to 5.8%. Looking at results by demographic groupings, the unemployment rate for men of all ages increased in February compared to the previous month. The largest increase in unemployment rate occurred for young men during this period (+1.5 percentage points to 10.5%). In contrast, the rate for young women decreased 1.6 percentage points to 9.7% during the same period.

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	February 2019 (%)	January 2019 (%)	February 2018 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	5.8	5.5	5.7	0.3	0.1
25 years and over	5.0	4.8	4.9	0.2	0.1
Men - 25 years and over	5.1	4.7	5.5	0.4	-0.4
Women - 25 years and over	4.9	5.0	4.3	-0.1	0.6
15 to 24 years	10.1	10.0	10.9	0.1	-0.8
Men - 15 to 24 years	10.5	9.0	13.0	1.5	-2.5
Women - 15 to 24 years	9.7	11.3	8.6	-1.6	1.1

Note: Totals may not add due to rounding

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

EMPLOYMENT BY INDUSTRY

Saskatchewan's goods-producing sector shed 600 positions in February, with losses occurring in all but two industries. Meanwhile, employment was also down in the services-sector on a monthly basis (-800).

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	February 2019	January 2019	February 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	574.9	576.2	565.8	-1.3	-0.2	9.1	1.6
Goods-producing sector	146.1	146.7	142.6	-0.6	-0.4	3.5	2.5
Agriculture	39.2	39.3	35.0	-0.1	-0.3	4.2	12.0
Forestry, fishing, mining, quarrying, oil and gas	22.5	21.9	24.4	0.6	2.7	-1.9	-7.8
Utilities	7.2	6.9	6.9	0.3	4.3	0.3	4.3
Construction	47.6	48.9	48.3	-1.3	-2.7	-0.7	-1.4
Manufacturing	29.6	29.7	27.9	-0.1	-0.3	1.7	6.1
Services-producing sector	428.8	429.6	423.2	-0.8	-0.2	5.6	1.3
Trade	84.8	87.0	90.4	-2.2	-2.5	-5.6	-6.2
Transportation and warehousing	26.6	27.3	30.0	-0.7	-2.6	-3.4	-11.3
Finance, insurance, real estate and leasing	30.9	29.9	27.6	1.0	3.3	3.3	12.0
Professional, scientific and technical services	27.3	26.8	26.7	0.5	1.9	0.6	2.2
Business, building and other support services	16.1	16.3	15.6	-0.2	-1.2	0.5	3.2
Educational services	44.2	44.7	42.1	-0.5	-1.1	2.1	5.0
Health care and social assistance	81.0	81.2	76.9	-0.2	-0.2	4.1	5.3
Information, culture and recreation	20.7	19.8	19.9	0.9	4.5	0.8	4.0
Accommodation and food services	39.0	39.6	36.9	-0.6	-1.5	2.1	5.7
Other services	27.5	26.6	25.4	0.9	3.4	2.1	8.3
Public administration	30.5	30.4	31.7	0.1	0.3	-1.2	-3.8

Note: Totals may not add due to rounding

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

Employment in the agriculture industry is up 4,200 on a year-over-year basis. This increase can be partly attributed to the legalization of marijuana, and the future is certainly promising. Several cannabis companies are setting up cultivation facilities across the province including Westleaf Cannabis Inc. and Bold Growth. Westleaf is constructing a new 130,000 sq.-ft. cultivation facility near Battleford. Once completed, the company plans to hire up to 150 employees for operations.³ Similarly, Bold Growth is in the process of building a \$12 million marijuana plant north of Saskatoon.⁴ Both companies will apply for a Health Canada license once construction of their facilities concludes.

The number of people employed in manufacturing was virtually unchanged this month (-100). The steel and aluminum industries are facing uncertain market conditions due to tariffs imposed by the US government. In order to assist steel and aluminum producers across the country, the Government of Canada is granting up to \$250 million through its Strategic Innovation Fund, to help producers become more competitive and better integrate the Canadian supply chain of steel and aluminum.⁵ On March 6, the Government of Canada announced \$40 million in funding for EVRAZ North America to help the company in upgrading its Regina and Red Deer

facilities. The total upgrade costs are expected to be \$112.6 million and will allow the company to create 35 new positions and maintain over 2,100 current jobs in the two cities.⁶

Employment in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) increased 600 this month. 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 is anticipated to begin on a number of mining projects this year, including Gensource Potash Corporation's Vanguard One project. Work on Gensource's mine is anticipated to begin this spring and will create approximately 150 positions. Once completed, Vanguard One mine will employ between 45 and 48 full-time workers.⁷ In addition, construction on Western Potash Corporation's Milestone Project is also expected to begin in 2019.⁸

Meanwhile, 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.⁹

On the uranium front, low demand for the resource and an oversupplied market have adversely affected Cameco Corporation. Since 2011, Cameco has laid-off 810 worker at its mines, including 86 employees in Beauval. Moreover, the company has cut 219 positions at its head office in Saskatoon.¹⁰

The number of people employed in utilities increased for a second consecutive month (+300). 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. The new facility near Grenfell consists of 10 turbines that have the capacity to provide up to 20 megawatts (MW) of energy to SaskPower's grid, which is equivalent to powering 8,000 homes annually. With the addition of this new wind farm, SaskPower's wind energy capacity has increased to 241MW. Moreover, there are two more wind power projects currently under development in the province: Blue Hill Wind Energy Project near Herbert and Golden South Wind Energy Facility near Assiniboia. Both projects are expected to be operational by 2021.¹¹

Turning to the services-producing sector, the largest monthly decline in employment was registered in wholesale and retail trade (-2,200). In contrast, employment in finance, insurance, real estate, rental and leasing rose for a third consecutive month (+1,000), and is up significantly compared to a year ago (+3,300).

Employment in transportation and warehousing dropped 700 in February. Despite this recent decline in employment, there have been some positive developments in the industry. Ridesharing company, Uber, began operations in Saskatoon on February 5, after the city council approved local ridesharing laws in December.¹² Moreover, Regina City Council also passed local by-laws to allow ridesharing companies to operate in the city by the end of February. With bylaws approved in Regina, Uber is planning launch its services in the city in the next few months.¹³

Mixed results were observed in the province's public sector industries in February. Educational services shed 500 positions, while there were 200 fewer individuals working in health care and social assistance. Employment in public administration was virtually unchanged (+100). In the health care industry, the amalgamation of Saskatchewan's twelve health regions – announced in December 2017 – 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		
	February 2019 ('000)	February 2018 ('000)	Yearly Variation (%)	February 2019 (%)	February 2018 (%)	Yearly Variation (% points)
Saskatchewan	568.6	559.4	1.6	5.7	6.1	-0.4
Economic Regions						
Regina - Moose Mountain	186.2	182.1	2.3	4.7	5.4	-0.7
Swift Current - Moose Jaw	50.2	50.0	0.4	4.9	4.2	0.7
Saskatoon - Biggar	201.3	193.5	4.0	5.9	6.7	-0.8
Yorkton - Melville	35.4	34.8	1.7	5.1	7.9	-2.8
Prince Albert and Northern	95.5	99.0	-3.5	7.9	6.3	1.6

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 7,800 in February compared to a year ago. Significant gains in the services-producing sector (+8,800) overshadowed moderate losses in this region's goods-producing industries (-1,000) over the year. The largest gains within the services-sector were recorded in finance, insurance, real estate, rental and leasing (+3,300). According to the Saskatoon Region Association of Realtors, the city's housing market is showing signs of improvement. Housing inventories have declined to their lowest levels since 2013. Meanwhile, home sales have stabilized in the city, while average housing prices in February are up 2.4% compared to the same month last year.¹⁵

The number of individuals employed in Regina-Moose Mountain increased 4,100 on a year-over-year basis. Employment is up both in the goods- and services-producing sectors, led by growth in agriculture (+2,900) and educational services (+2,600). The Conference Board of Canada anticipates Regina CMA's real GDP to rise 2.2% in 2019, after increasing by a projected 1.5% in 2018. The region's construction and manufacturing industries are expected to lead output growth during this period. Overall, employment is estimated to grow 1.8% this year, following a 0.7% growth rate in 2018.¹⁶

In contrast to the other four economic regions in the province, year-over-year employment in Prince Albert and Northern region fell 3,500 due to significant losses in the trade (-2,100) and transportation and warehousing (-1,300) industries. The resource extraction industry also shed 1,000 positions during this period. 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 1.6 percentage points over the year and now stands at 7.9%.

Finally, employment in the Yorkton-Melville region is up 1.7% from levels a year ago. The region's unemployment rate has also improved, falling 2.8 percentage points to 5.1% since February 2018.

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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