



Labour Market Bulletin

Saskatchewan

May 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

There were 579,400 people working in Saskatchewan in May 2019, down 1,000 compared to a month earlier. Gains in part-time employment (+1,800) were overshadowed by considerable losses in full-time employment (-2,700) during this period. Nonetheless, Saskatchewan's labour market is performing significantly better compared to this time last year; there are 15,000 more people employed in the province than in May 2018.

Saskatchewan Monthly Labour Force Statistics

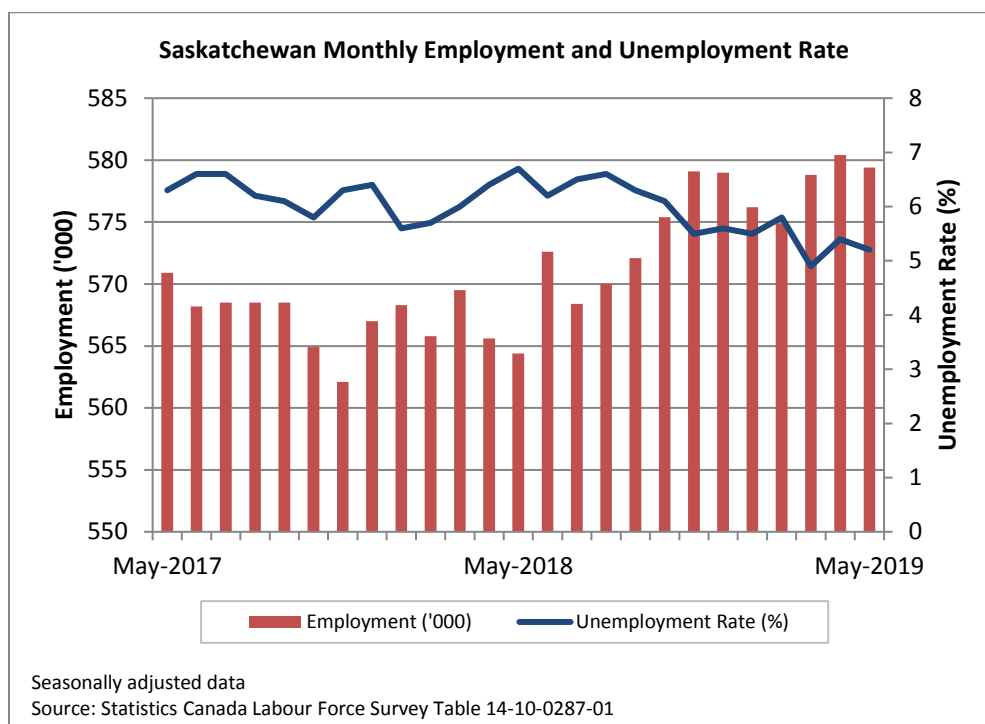
Seasonally Adjusted Monthly Data	May 2019	April 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	888.6	888.4	884.2	0.2	0.0	4.4	0.5
Labour Force ('000)	611.1	613.7	605.2	-2.6	-0.4	5.9	1.0
Employment ('000)	579.4	580.4	564.4	-1.0	-0.2	15.0	2.7
Full-Time ('000)	477.8	480.5	462.2	-2.7	-0.6	15.6	3.4
Part-Time ('000)	101.6	99.8	102.2	1.8	1.8	-0.6	-0.6
Unemployment ('000)	31.8	33.3	40.8	-1.5	-4.5	-9.0	-22.1
Unemployment Rate (%)	5.2	5.4	6.7	-0.2	-	-1.5	-
Participation Rate (%)	68.8	69.1	68.4	-0.3	-	0.4	-
Employment Rate (%)	65.2	65.3	63.8	-0.1	-	1.4	-

Note: Totals may not add due to rounding

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

On a monthly basis, both private sector employment and self-employment decreased – by 3,000 and 300, respectively. Meanwhile, the public sector added 2,300 positions on the month.¹

According to the Conference Board of Canada, Saskatchewan's real GDP is expected to grow 1.3% in 2019, following a 1.5% increase in 2018. The trade industry (wholesale and retail) is anticipated to drive economic activity during this period. Moreover, the provincial unemployment rate is forecast to gradually decline over the medium-term as economic conditions improve, which will lead to an increase in consumer spending.²



The provincial unemployment rate declined 0.2 percentage points in May, following a significant increase in April (+0.5 percentage points). Overall, Saskatchewan's unemployment rate remains below the national average of 5.4%.

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2019	April 2019	May 2018	Monthly Variation	Yearly Variation
	(%)	(%)	(%)	(% points)	(% points)
Total	5.2	5.4	6.7	-0.2	-1.5
25 years and over	4.3	4.6	5.5	-0.3	-1.2
Men - 25 years and over	4.7	5.1	6.0	-0.4	-1.3
Women - 25 years and over	3.8	3.9	5.0	-0.1	-1.2
15 to 24 years	10.8	10.8	14.2	0.0	-3.4
Men - 15 to 24 years	11.8	11.1	17.9	0.7	-6.1
Women - 15 to 24 years	9.8	10.3	9.6	-0.5	0.2

Note: Totals may not add due to rounding

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

Looking at labour force results by demographic groupings, the unemployment rate for men of all ages decreased on a year-over-year basis. The largest decrease during the past year occurred for young men (15 to 24 years),

with their rate falling 6.1 percentage points to 11.8%. In contrast, the rate for young women increased 0.2 percentage points to 9.8% over the same period.

EMPLOYMENT BY INDUSTRY

Saskatchewan's goods-producing sector shed 1,300 positions in May, with losses in three of five industries. Meanwhile, employment was virtually unchanged in the services-producing sector (+300).

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2019	April 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	579.4	580.4	564.4	-1.0	-0.2	15.0	2.7
Goods-producing sector	147.6	148.9	144.6	-1.3	-0.9	3.0	2.1
Agriculture	39.2	40.9	36.9	-1.7	-4.2	2.3	6.2
Forestry, fishing, mining, quarrying, oil and gas	23.7	22.5	24.3	1.2	5.3	-0.6	-2.5
Utilities	7.0	7.2	6.8	-0.2	-2.8	0.2	2.9
Construction	46.9	47.6	48.0	-0.7	-1.5	-1.1	-2.3
Manufacturing	30.9	30.6	28.7	0.3	1.0	2.2	7.7
Services-producing sector	431.8	431.5	419.8	0.3	0.1	12.0	2.9
Trade	87.5	87.0	90.0	0.5	0.6	-2.5	-2.8
Transportation and warehousing	26.2	27.1	28.5	-0.9	-3.3	-2.3	-8.1
Finance, insurance, real estate and leasing	29.5	29.5	28.8	0.0	0.0	0.7	2.4
Professional, scientific and technical services	28.5	27.4	25.8	1.1	4.0	2.7	10.5
Business, building and other support services	16.0	16.8	14.4	-0.8	-4.8	1.6	11.1
Educational services	43.9	44.1	41.2	-0.2	-0.5	2.7	6.6
Health care and social assistance	79.7	80.5	77.5	-0.8	-1.0	2.2	2.8
Information, culture and recreation	21.7	21.2	19.8	0.5	2.4	1.9	9.6
Accommodation and food services	39.3	39.7	36.8	-0.4	-1.0	2.5	6.8
Other services	28.6	27.7	25.6	0.9	3.2	3.0	11.7
Public administration	30.7	30.5	31.4	0.2	0.7	-0.7	-2.2

Note: Totals may not add due to rounding

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

The largest monthly decrease in employment was in the agriculture industry (-1,700). According to the Government of Saskatchewan's latest crop report, spring seeding is nearly complete across the province, with 99% of crops planted. This is slightly ahead of the five-year average of 93% for this time of the year.³ A Lack of moisture is a concern for producers this crop season. Saskatoon and Moose Jaw are experiencing the driest spring on record, while many other areas of southern and central Saskatchewan have had significantly lower than normal precipitation.⁴ As a result, topsoil moisture conditions continue to deteriorate across Saskatchewan. And if there is not substantial rainfall in the coming weeks, yields will be negatively affected.⁵

Meanwhile, trade uncertainties continue to pose challenges for Canadian farmers. In March, Chinese companies stopped buying canola seed from Canadian producers.⁶ China cited insect infestation for revoking the export

permit from Winnipeg-based canola exporter Richardson International on March 6. The export ban was further extended to Regina-based Viterra on March 26.⁷

Employment in the construction industry declined 700 in May. A number of major commercial projects have been completed or are nearing completion across the province. For instance, the new \$407 million Saskatchewan Hospital North Battleford opened its doors this month and work on Jim Pattison Children's Hospital in Saskatoon is complete.⁸ Meanwhile, residential construction activity remains sluggish across the province. According to the Regina and Region Home Builders' Association, housing starts are expected to reach their lowest levels in 11 years in the city. There were 111 residential permits issued in the Regina area during the first quarter of 2019, down 67.4% from the same period a year ago.⁹

Meanwhile, the province's manufacturing industry added 300 positions on a monthly basis. On May 17, Canada reached an agreement with the US to end tariffs on Canadian metal. The 25% tariffs on steel and 10% tariffs on aluminum were introduced by the US almost a year ago under Section 232 of the Trade Expansion Act. In Saskatchewan, the steel tariffs affected EVRAZ Regina. The Regina plant is the longest-running Large Diameter Welded pipe producer in North America, employing approximately 1,000 people.¹⁰

The number of people working in Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) rose 1,200 in May. Exploration activity is ramping up at Star Diamond Corporation's Star-Orion South diamond mine located near Prince Albert. Rio Tinto, which signed an option and joint venture agreement with Star Diamond on this project, recently completed detailed drilling to determine the quality of diamond deposits. The company is now gearing up for a large-scale trench cutting to determine the feasibility of the diamond-mining project. For this part of the project, Rio Tinto has expanded its work camp from 90 to 150 people. If the entire project moves forward, about 66 million carats of diamonds could be recovered from a surface mine over a projected 34-year lifespan. The \$1.87 billion project would employ an average of about 670 workers annually for a five-year construction period and 730 people during full operation.¹¹

On the coal-mining front, the Governments of Canada and Saskatchewan recently signed an Equivalency Agreement that will allow Boundary Dam Units 4 and 5 to operate longer. The Boundary Dam Power Station is the largest coal generated thermal electric power plant in Canada. The plant is capable of producing 516 megawatts of electricity annually and employs 369 workers in southern Saskatchewan. Under the federal government's Climate Action Plan, the units were initially set to close this year. However, with the agreement coming into force on January 1, 2020, Boundary Dam Units 4 and 5 will remain open until 2021 and 2024, respectively.¹²

Turning to the services-producing sector, employment in professional, scientific and technical services increased 1,100 on a monthly basis. In contrast, healthcare and social assistance, and educational services shed 800 and 200 positions, respectively.

Employment in finance, insurance, real estate and leasing was unchanged this month. However, industry employment has trended downwards since 2015 due to changing consumer service preferences and a downturn in the province's resource extraction industry. Conexus Credit Union, for instance, is closing nine branches in eight communities across Saskatchewan, effective October 2, 2019. Branches closing are located in Chamberlain, Cupar, Drake, Middle Lake, Mossbank, Spy Hill, Young, and Regina (Fifth Avenue Branch and Wallace Branch).

The decision to shutter locations is a result of Conexus changing the way it delivers services as customers shift away from visiting actual brick and mortar locations to online banking. Overall, the closures affect 38 employees.¹³

Employment in transportation and warehousing dropped for a second consecutive month in May (-900). Despite this recent decline in employment, some positive developments are on the horizon for this industry. The Canadian National (CN) Railway, for instance, is planning to spend over \$245 million in 2019 to expand and improve its network in Saskatchewan – up \$35 million compared to 2018 levels. As part of their capital-spending program, CN plans to expand about 35 miles of double track and upgrade 66 miles of rail line. Overall, CN Railway has spent about \$700 million on Saskatchewan's railway infrastructure over the last five years. The company employs approximately 1,300 people in the province, and has major terminals in Saskatoon, Regina, and Melville.¹⁴

REGIONAL ANALYSIS

Employment is up in three of Saskatchewan's five economic regions on an annual basis. Meanwhile, the unemployment rate is down in all economic regions, with the exception of Swift Current – Moose Jaw.

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2019 ('000)	May 2018 ('000)	Yearly Variation (%)	May 2019 (%)	May 2018 (%)	Yearly Variation (% points)
Saskatchewan	577.0	564.2	2.3	5.5	6.8	-1.3
Economic Regions						
Regina - Moose Mountain	190.8	185.2	3.0	4.5	6.1	-1.6
Swift Current - Moose Jaw	49.5	49.7	-0.4	5.5	4.6	0.9
Saskatoon - Biggar	201.9	196.0	3.0	6.2	7.0	-0.8
Yorkton - Melville	36.9	34.1	8.2	4.7	10.0	-5.3
Prince Albert and Northern	98.0	99.3	-1.3	6.6	7.6	-1.0

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 is up nearly 6,000 compared to levels a year ago. Significant gains in the services-producing sector (+12,200) overshadowed losses in the region's goods-producing sector (-6,200). Uncertainty in potash and uranium markets has affected Saskatoon-Biggar, which is a hub for mining companies. Saskatoon-based Nutrien, for example, is reducing production at its Vanscoy potash mine located 28kms southwest of the city. The company hopes to reduce costs and plans to shift production to lower-cost mines such as its recently expanded Rocanville mine. Approximately 20 full-time salaried staff and 60 hourly employees are being laid-off at the mine effective in the third quarter of 2019.¹⁵

The number of individuals employed in Regina-Moose Mountain is up 5,600 on a year-over-year basis, led by gains in the agriculture industry (+3,200). Regina-based Protein Industries Canada has released its first call out for proposals and is allocating \$40 million into eligible projects.¹⁶ PIC comprises of a group of businesses, post-

secondary institutions and non-profits that aim to increase the value of key prairie crops in premium markets and to meet increasing demand for plant-based meat alternatives in North America. The supercluster is anticipated to create more than 4,500 jobs across the prairies over a 10-year period.¹⁷

The Yorkton-Melville region added 2,800 positions on the year, due in large part to higher construction employment.¹⁸ Work is currently underway on Grain Millers' oat facility near Yorkton. The expansion will nearly double the company's production capacity, resulting in the need for approximately 30 more staff.¹⁹ The unemployment rate in this region has also improved – falling 5.3 percentage points to 4.7% since May 2018.

Finally, employment in Prince Albert and Northern region fell 1,300 between May 2018 and May 2019. The largest drop in employment was registered in wholesale and retail trade (-2,500), followed by declining employment in the resource extraction industry (-1,300). Weakness in the global uranium market and slow oil and gas activity continues to hamper growth in this region. Nonetheless, there are some positive developments in Prince Albert and Northern region. For example, the federal government is granting \$52.5 million to build the Meadow Lake Tribal Council Bioenergy Centre. The new centre will replace the current beehive burner at the NorSask mill, and is expected to create enough energy to power 5,000 homes.²⁰

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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