



Labour Market Bulletin

Alberta

May 2019



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Alberta, including the regions of Calgary, Edmonton, Central Alberta and Mountain Parks, Southern Alberta, and Northern Alberta.

OVERVIEW

Net employment in Alberta was little changed in May, following a sharp jump in jobs the previous month. At 2.35 million, overall employment declined by a small margin (-0.1%), as a large increase in part-time jobs failed to offset an even larger decline in full-time work.

Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2019	April 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,516.2	3,510.9	3,463.4	5.3	0.2	52.8	1.5
Labour Force ('000)	2,515.1	2,518.3	2,484.3	-3.2	-0.1	30.8	1.2
Employment ('000)	2,347.6	2,349.8	2,327.5	-2.2	-0.1	20.1	0.9
Full-Time ('000)	1,911.8	1,933.1	1,918.1	-21.3	-1.1	-6.3	-0.3
Part-Time ('000)	435.7	416.7	409.4	19.0	4.6	26.3	6.4
Unemployment ('000)	167.5	168.5	156.8	-1.0	-0.6	10.7	6.8
Unemployment Rate (%)	6.7	6.7	6.3	0.0	-	0.4	-
Participation Rate (%)	71.5	71.7	71.7	-0.2	-	-0.2	-
Employment Rate (%)	66.8	66.9	67.2	-0.1	-	-0.4	-

Note: Totals may not add due to rounding

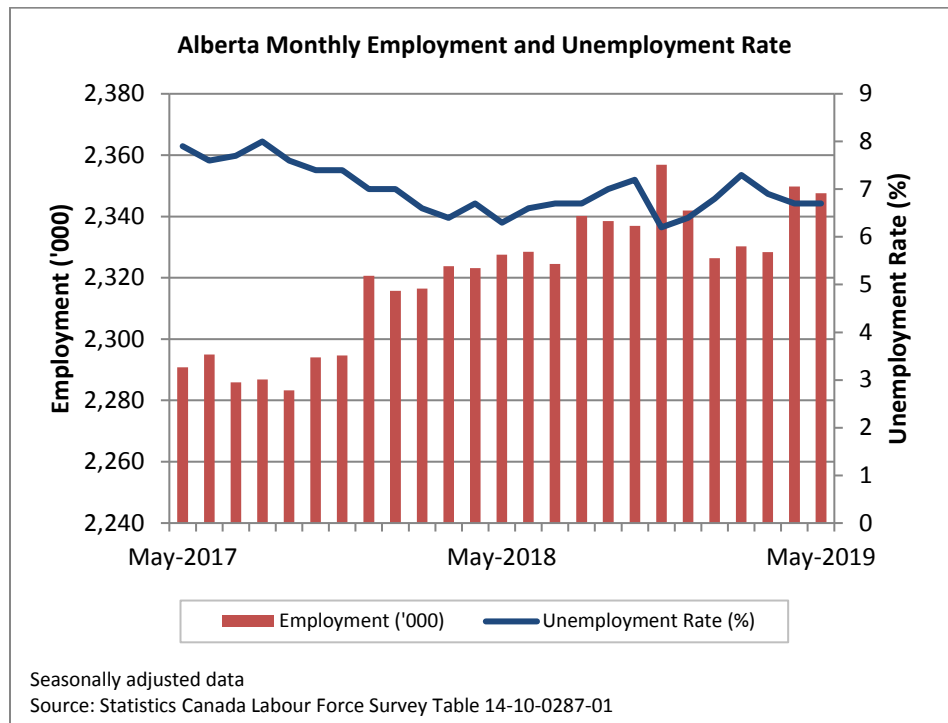
Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

Taking a longer view, overall employment was up 0.9% from May of last year (+20,100). Private-sector employment increased by 4.5% (+65,600) – largely offset by a huge tumble in self-employment (-41,000). At 1.528 million, private-sector employment is still 2% below the all-time high set in January 2015. On an annual basis, public-sector employment declined slightly by 4,500 in May.¹

Hourly-paid Albertans worked 31.1 hours on average in March (the most recent data available). This was third among provinces and higher than the corresponding figure nationwide (30.0 hours). Meanwhile, at \$1,159 per week, average earnings in Alberta remain the highest among provinces, despite having fallen six times over the previous 12 months.²

In March 2019, the number of regular Employment Insurance (EI) beneficiaries edged up to 51,580, the fifth monthly increase in a row. Nonetheless, year over year the number of regular EI recipients in Alberta was 12% lower than in March 2018, a much steeper decline than seen nationwide (-7%).³

The number of unemployed declined for a third consecutive month in May, down 1,000. Still, at 167,500 unemployment in the province was up 10,700 from the same month last year. At 6.7%, the provincial unemployment rate was the highest west of New Brunswick – exceeding the national average by 1.0 percentage points. In May, the average duration of unemployment was 19.4 weeks, well above the national average of 16.3 weeks.⁴



Unemployment by major demographic grouping

Unchanged on the month, at 6.7% Alberta’s overall unemployment rate was up 0.4 percentage points (pp) on the year. Year over year, the rates for those aged 25 and over increased as well, up by 0.6 pp. By contrast, the unemployment rates for those aged 15 to 24 years declined, as a sharp drop in the unemployment rate for young women more than offset a modest increase in the rate for young men. The drop in the unemployment rate for young women had little to do with an improving job market, however. Between May 2018 and May 2019, over 6,000 young women exited the labour force.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2019	April 2019	May 2018	Monthly Variation	Yearly Variation
	(%)	(%)	(%)	(% points)	(% points)
Total	6.7	6.7	6.3	0.0	0.4
25 years and over	6.0	6.2	5.4	-0.2	0.6
Men - 25 years and over	6.4	6.5	5.4	-0.1	1.0
Women - 25 years and over	5.6	5.9	5.4	-0.3	0.2
15 to 24 years	11.0	9.7	12.2	1.3	-1.2
Men - 15 to 24 years	13.6	10.6	11.4	3.0	2.2
Women - 15 to 24 years	8.3	8.8	13.1	-0.5	-4.8

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

Alberta 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	2,347.6	2,349.8	2,327.5	-2.2	-0.1	20.1	0.9
Goods-producing sector	595.5	598.1	607.6	-2.6	-0.4	-12.1	-2.0
Agriculture	48.2	48.6	49.0	-0.4	-0.8	-0.8	-1.6
Forestry, fishing, mining, quarrying, oil and gas	152.4	153.5	155.7	-1.1	-0.7	-3.3	-2.1
Utilities	23.1	23.5	23.8	-0.4	-1.7	-0.7	-2.9
Construction	233.3	234.0	248.5	-0.7	-0.3	-15.2	-6.1
Manufacturing	138.5	138.4	130.6	0.1	0.1	7.9	6.0
Services-producing sector	1,752.1	1,751.7	1,719.9	0.4	0.0	32.2	1.9
Trade	347.4	337.2	332.1	10.2	3.0	15.3	4.6
Transportation and warehousing	140.5	137.3	138.5	3.2	2.3	2.0	1.4
Finance, insurance, real estate and leasing	103.3	104.6	104.7	-1.3	-1.2	-1.4	-1.3
Professional, scientific and technical services	181.7	180.7	181.3	1.0	0.6	0.4	0.2
Business, building and other support services	85.7	91.2	80.8	-5.5	-6.0	4.9	6.1
Educational services	152.1	151.7	163.7	0.4	0.3	-11.6	-7.1
Health care and social assistance	289.3	287.4	275.0	1.9	0.7	14.3	5.2
Information, culture and recreation	74.1	73.1	79.6	1.0	1.4	-5.5	-6.9
Accommodation and food services	140.9	144.5	147.2	-3.6	-2.5	-6.3	-4.3
Other services	119.6	123.9	108.3	-4.3	-3.5	11.3	10.4
Public administration	117.4	120.0	108.7	-2.6	-2.2	8.7	8.0

Note: Totals may not add due to rounding

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

May's job losses occurred in the goods-producing sector, with employment in the sector down both on the month (-2,600) and on the year (-12,100). Typically, Alberta's goods-producing sector represents a far larger

share of the economy than it does in other provinces. This was again true in May, as the sector accounted for more than one-quarter of total employment in the province, almost 4.5 percentage points (pp) above the national average. Employment across the services-producing sector was flat on the month, while up by 32,200 compared to May 2018.

Alberta's resource extraction industries (forestry, fishing, mining, quarrying, and oil and gas) showed modest job losses over the past year (-1.6%). At 152,400, the combined employment in these industries remains well below the 183,000 posted in September 2014.

Oil and gas

Increasingly, Alberta's oil and gas firms struggle to remain competitive with their U.S. counterparts, particularly with respect to attracting investment capital.⁵ The trend was highly apparent during the second half of 2018 and is likely to continue both this year and next. Nonetheless, consolidation in the industry continues, as Canadian Natural Resources Ltd. (CNRL) signed a deal to buy the Canadian operations of Devon Energy Corp. for \$3.8 billion in May. CNRL is expected to retain about 735 new employees from Devon, including both field and head office personnel.

Oil production expanded sharply last year, due in large part to the completion of Suncor Energy's huge new Fort Hills oilsands mine. As a result, 2018 was officially the year in which oil production in Alberta exceeded pipeline take away capacity. While oil is extracted in every corner of the province, the oilsands region produces by far the largest share, 83.4% in April 2019.⁶

By the end of 2018, a perfect storm of pipeline constraints, refinery closures, and falling international oil prices meant a calamitous Q4-2018 for the provincial energy sector. In November, the price of Western Canada Select (WCS), Alberta's benchmark bitumen crude, averaged just \$18 USD per barrel for the month.

In an attempt to limit job losses and bankruptcies, the Government of Alberta placed an overall cap (curtailment) on oil production, effective January 2019. The curtailment has been wildly successful in raising the price of WCS, which averaged \$46.50 USD per barrel through the first five months of the year.

Despite the price hike, the curtailment policy is very unpopular with three of the province's largest oil producers – namely Imperial Oil, Husky Energy, and Suncor. Because integrated firms with their own refinery operations can still make money when crude prices are low, these firms are encouraging Alberta's new provincial government to end curtailment as soon as possible.

Ending curtailment may be easier said than done, however. Industry is pinning its hopes on the completion of any two of the three export pipeline projects currently in advanced stages: Trans Mountain Expansion (TMX); Keystone XL; and the Line 3 replacement project. Of these, Line 3 is still likely to be first, although it may again be delayed due to court challenges in Minnesota.

Other goods-producing industries

Looking at Alberta's other goods-producing industries, **construction** posted a large year over year job loss in May (-6.1%). In April 2019, the total value of building permits issued in the province – including both new product and

renovations – shrank by 5% compared to April of last year.⁷ There have also been troubling signs of residential overbuilding. In April, completed and sold – absorbed – new housing units in Alberta’s two major centres (Calgary and Edmonton) accounted for 24% of all large-city units absorbed nation-wide. At the same time, however, the two cities accounted for more than one-third (37%) of all large-city *unabsorbed* (completed and unsold) units.⁸

Alberta’s **agriculture** industry has already received two shocks in 2019. In January the first ever case of porcine epidemic diarrhea virus (PED) was confirmed in the province. While not communicable to humans, PED is usually fatal for young piglets and is potentially ruinous for affected producers.⁹ The disease has since been found on several other farms. In March, China revoked Winnipeg-based Richardson International’s licence to ship Canadian canola into that country. Richardson is the largest exporter of the valuable Canadian crop.¹⁰ At the time of writing it seemed probable that Canadian agricultural exports to China will remain at risk until political tensions between the two countries subside. On top of all that, dry conditions are prevailing across the province year to date, so dryland crop production may suffer this year, in a repeat of 2018.

While low energy prices are a huge negative for resource extraction firms, they are a significant plus for the province’s booming petrochemical **manufacturing** industry. Inter Pipeline is currently building a \$3.5 billion petrochemical complex in Alberta’s Industrial Heartland, just outside the Edmonton city limits. In early February, Calgary’s Pembina Pipeline Corporation announced that its \$4.5 billion joint venture with Kuwait’s national petrochemical company will be built nearby.

Services-producing industries

Turning to the services-producing sector, at 1.752 million, overall employment was unchanged in May, as the sector held on to the job gains of the previous month. **Wholesale and retail trade**, Alberta’s largest industry as measured by employment base, enjoyed strong job gains on both a monthly and yearly basis.

In March, total retail sales increased for the second consecutive month (+2.4%). The majority of the provincial gain stemmed from higher sales at motor vehicle and parts dealers and at gasoline stations.¹¹

However, wholesale and retail trade has been one of the service industries deeply hurt by the prolonged slump in the provincial energy sector. For example, over the five-year period from March 2014 to March 2019, the total value of retail sales in Alberta increased by just 6% – compared to 23% Canada-wide.¹² Wholesale trade fared even worse, as total sales in March 2019 were 2.5% **below** the level of March 2014.¹³

Health care and social assistance, Alberta’s second largest industry by employee count, also posted job growth in April (+1,900). Health care, along with educational services, and public administration are **public sector** industries. In general, public sector job growth tends to be driven by population increase, somewhat independent of economic conditions. As such, these industries have been less affected by the oil and gas downturn than have private sector industries such as trade.

Employment in public administration pulled back on the month (-2,600) while still up (+8,700) compared to May of last year.

REGIONAL ANALYSIS

Over the past year, employment decreased in five of the province's eight Economic Regions (ERs). Only the major urban regions of Edmonton and Calgary, and to a much lesser extent the Fort McMurray area, saw an increase. On a percentage basis, Edmonton (3.0%) had a slight lead over Calgary (2.8%) in job growth.

Alberta 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)
Alberta	2,339.8	2,320.7	0.8	6.8	6.6	0.2
Economic Regions						
Lethbridge - Medicine Hat	139.0	144.1	-3.5	6.5	5.2	1.3
Camrose - Drumheller	89.1	105.4	-15.5	8.9	4.0	4.9
Calgary	919.9	894.5	2.8	6.8	7.3	-0.5
Banff - Jasper - Rocky Mountain House and Athabasca - Grand Prairie - Peace River	190.4	191.3	-0.5	5.7	6.5	-0.8
Red Deer	109.0	117.2	-7.0	7.5	4.9	2.6
Edmonton	807.4	783.7	3.0	7.0	6.7	0.3
Wood Buffalo - Cold Lake	85.0	84.6	0.5	6.0	6.4	-0.4

Note: Totals may not add due to rounding

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

Compared to May 2018, **Lethbridge-Medicine Hat** saw employment pull back 3.5%. The region's unemployment rate increased to 6.5%, retaining its position as the third lowest in the province. Job prospects in the construction industry are improving despite an overall sluggish goods-producing sector. Looking ahead, plans for two green energy projects were recently announced. TransAlta's \$175 million Windrise project in Fort Macleod will include 43 wind turbines and generate enough capacity to power 88,000 homes. The work is expected to support 300 jobs during construction. Suncor Energy recently received approval from the Alberta Utilities Commission to proceed with its Forty Mile Granlea Wind Project near Bow Island. The project is part of Suncor's plan to erect 115 wind turbines in the area.

Employment fell by 15.5% in **Camrose-Drumheller** year over year, with job losses occurring in both goods-producing and services-producing sectors. The region continued to report the highest unemployment rate in the province at 8.9% in May. On a positive note, a number of upcoming projects may offer opportunities in the construction field. AltaLink has begun a \$41 million project that will include upgrading an electrical substation near Provost and the construction of 32 km of new transmission lines and related infrastructure. The company has identified May 1, 2020 as their in-service target date. Nearby, the Provost Seed Cleaning Plant will use the summer months to undertake a \$41 million expansion and upgrade to their facilities while the Town of Stettler will benefit from G3 Canada Ltd. and Viterra's increases to their grain storage and logistics capacity.

Employment in **Banff-Jasper-Rocky Mountain House** and **Athabasca-Grand Prairie-Peace River** decreased 0.5% in comparison to May 2018. The region continued to enjoy the province's lowest unemployment rate at 5.7%, well below the provincial average. Wildfires broke out throughout the Athabasca-Grand Prairie-Peace River

region, causing significant evacuations and disruptions to local industries in the High Level and Slave Lake areas. While some smaller businesses opted to remain open, larger companies chose a more cautionary approach. Norbord Inc. and Tolko Industries Ltd. each briefly suspended operations at their mills in High Level when an evacuation order was issued for the town. Tolko also suspended operations at the Athabasca OSB Division mill in Slave Lake. Meanwhile, Canadian Natural Resources Ltd. halted production and evacuated workers at its Pelican Lake and Woodenhouse heavy crude oil operations in the Wabasca area. Nearby, Cenovus Energy Inc. shut down five lower producing wells at its Marten Hills site. The impact of shifting winds on the fires also prompted Nisku's Fox Oilfield Services to relocate its firefighter camps near Slave Lake and Manning as a precautionary measure.

To the south, the tourism and hospitality sectors are ramping up their hiring processes. Seasonal job fairs in Banff and Canmore identified more than 400 open positions. The Job Resource Centre in Banff is predicting that labour shortages in the Bow Valley will not be as dire as in previous years. Initiatives to address affordable housing for employees along with Alberta's higher minimum wage have improved the attractiveness of these positions.

Year over year, **Red Deer** continued to see job losses, with employment falling by 7% accompanied by an increase of 2.6 percentage points in the unemployment rate (7.5%). Many of the employment losses occurred in the services-producing sector, particularly in the education, wholesale and retail trade industries. On the goods-producing side, employment gains in construction and manufacturing offset losses in agriculture. Concern continues to exist in the food manufacturing sector due to China's on-going ban on pork imports from Olymel's Red Deer plant. While the federal Minister of Agriculture has indicated that the ban was triggered by incorrect labelling, Canada-China trade tensions remain high. On a positive note, Charis Village has started construction on a \$22 million Chinook Villa seniors housing project in Lacombe. The first phase of the project is expected to be completed in 2020.

The **Wood Buffalo-Cold Lake** region is home to over 80% of all oil production in Alberta with the city of Fort McMurray functioning as the services centre for the oilsands operations. In May, employment in the region stood at 85,000, up on the year. Over the same period, the regional unemployment rate declined 0.4 percentage points to 6.0%. The precariousness of the oil and gas industry coupled with the provincial government's oil production curtailments policies was reflected in Imperial Oil's decision to slow down its development of its Aspen in situ oils sands project. However, Imperial Oil and Suncor Energy will require contract workers to carry out scheduled facility maintenance this spring.

In **Calgary**, the regional labour market added the most jobs (+25,400) of all Alberta regions, up 2.8% on the year. Over the same period, the regional unemployment rate declined 0.5 percentage points to match the provincial rate of 6.8%. Job growth occurred mostly in the services-producing sector as employment in the goods-producing sector saw little overall change.

In major projects news, the City of Calgary is balancing several large construction plans with ongoing site operations in the Stampede Park area over the next five years. A \$503.7M expansion of the BMO Convention and Trade Centre will double the facility's size to almost one million sq. ft. of conference and exhibition space when completed in 2024. Construction has begun to add an additional 100,000 sq. ft. in Hall F to offset spaces impacted during the expansion work. The project is expected to support 1,862 jobs during the construction phase and more than 1,700 full-time jobs once the site is operational. Meanwhile, the Calgary Municipal Land Corp. is

planning to start a three year, \$60M overhaul of the Stampede CTrain station in 2020. The City is also contemplating proceeding on a new arena and events centre during the expansion timeline.

At 7.0%, **Edmonton's** unemployment rate rose slightly compared to May of last year. Overall employment growth (+3.0%) edged passed Calgary, with very strong job gains seen in the region's services-producing sector. A combination of public sector hirings, particularly in the health care and public administration industries, and private sector retail and wholesale hirings added 18,300 jobs since May 2018. Job growth in the resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) led all of the region's goods-producing sector, with only the construction industry retracting. Looking ahead, prospects may improve in the latter with the Canada Kuwait Petrochemical Corporation proceeding with the construction of its \$4.5 billion pellet manufacturing facility north of Edmonton.

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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¹ Statistics Canada, Table 14-10-0288-01 Employment by class of worker, monthly, seasonally adjusted and unadjusted); Accessed June 7, 2019 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028801>

² Statistics Canada, Table 14-10-0222-01 Employment, average hourly and weekly earnings (including overtime), and average weekly hours for the industrial aggregate excluding unclassified businesses, monthly, seasonally adjusted. Accessed June 10, 2019 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410022201>

³ Statistics Canada, Table 14-10-0011-01 Employment insurance beneficiaries (regular benefits) by province and territory, monthly, seasonally adjusted; Accessed June 10, 2019 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410001101>

⁴ Statistics Canada, Table 14-10-0056-01 Duration of unemployment, monthly, unadjusted for seasonality (no top-code); Accessed June 7, 2019 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410005601>

⁵ Arc Energy Research Institute, Issues That Are Weighing on Oil and Gas Investment; March 5, 2019. Accessed June 11, 2019 <https://www.arcenergyinstitute.com/issues-that-are-weighing-on-oil-and-gas-investment/>

⁶ The Government of Alberta's Economic Dashboard, Oil production as of March 2019. Published June 6, 2019. Accessed June 10, 2019. <https://economicdashboard.alberta.ca/OilProduction>

⁷ Statistics Canada, Table 34-10-0175-01 Value of building permits, by province and territory – Seasonally adjusted, April 2019. Accessed June 10, 2019 <https://www150.statcan.gc.ca/n1/daily-quotidien/190610/t002a-eng.htm>

⁸ Statistics Canada, Table 34-10-0149-01 Canada Mortgage and Housing Corporation, absorptions and unabsorbed inventory, newly completed dwellings, by type of dwelling unit in census metropolitan areas; April 2019. Accessed June 10, 2019 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3410014901>

⁹ Edmonton Journal, New case of deadly pig virus confirmed; Alberta pork producers urged to tighten biosecurity; March 4, 2019. Accessed June 11, 2019. <https://edmontonjournal.com/news/local-news/fourth-case-of-deadly-pig-virus-confirmed-alberta-pork-producers-urged-to-tighten-biosecurity/wcm/a3586eb1-ed3e-4cb7-80fc-28aa6046db0f>

¹⁰ Canola Council of Canada, Statement on trade with China; March 6, 2019. Accessed March 11, 2019. <https://www.canolacouncil.org/news/canola-council-of-canada-statement-on-trade-with-china/>

¹¹ Statistics Canada, The Daily, May 22, 2019. Accessed June 11, 2019 <https://www150.statcan.gc.ca/n1/daily-quotidien/190522/dq190522b-eng.htm>

¹² Statistics Canada, Table 20-10-0008-01 Retail trade sales by province and territory (x 1,000) March 2019. Accessed June 6, 2019. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2010000801>

¹³ Statistics Canada, Table 20-10-0074-01 Wholesale trade, sales (x 1,000) March 2019. Accessed June 6, 2019. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2010007401>