



Labour Market Bulletin

Nova Scotia

2018



The Annual Edition of the Labour Market Bulletin is a look back over the past year, providing an analysis of annual Labour Force Survey results for the province of Nova Scotia, including the regions of Annapolis Valley, Cape Breton, Southern, Halifax and North Shore.

OVERVIEW

Nova Scotia's labour market was thriving in 2018, as the number of people employed rose by 6,900 (1.5%), the strongest gain in more than a decade. It was also the second year that employment increased following a rise of 2,800 (0.6%) in 2017. Still, Nova Scotia's level of employment remains just below a peak set in 2012.

The rise in employment in 2018 was led by a gain in full-time jobs. More full-time positions (+11,100) were added in 2018 than in any other year in the previous two decades. Nova Scotia's level of full-time employment in 2018 is a record high. The province also experienced an increase in the working-age population and labour force in 2018, supported by higher international immigration.

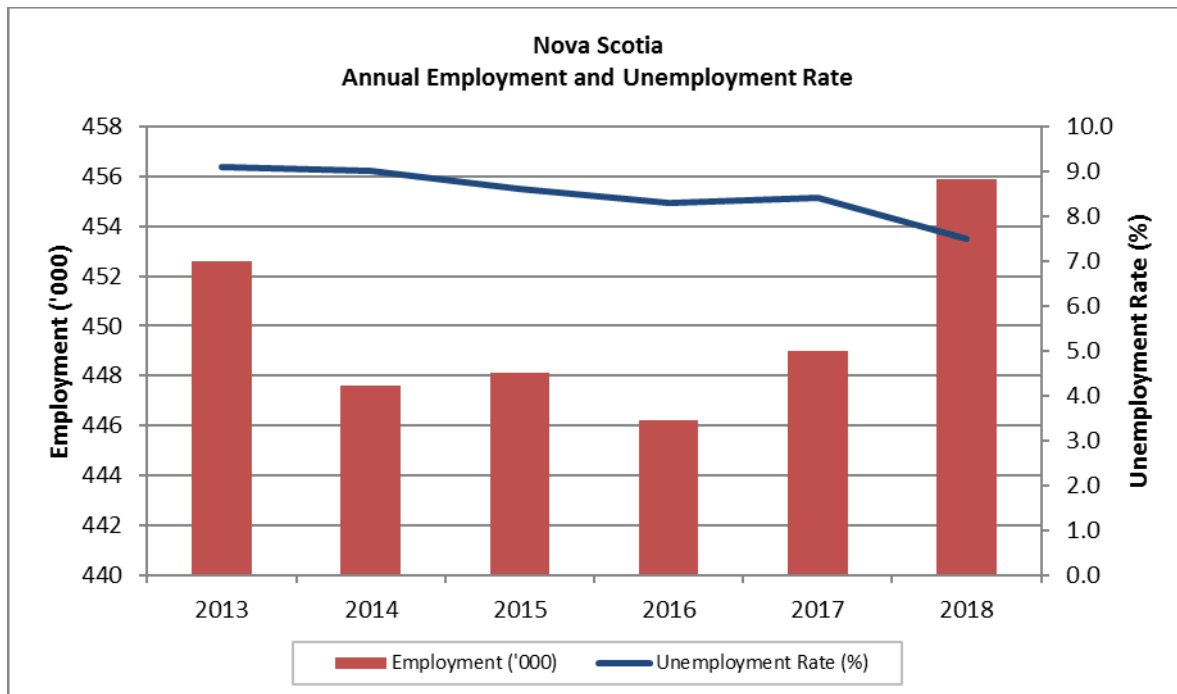
Nova Scotia Annual Labour Force Statistics							
Annual Labour Force Survey Estimates	2018	2017	2016	2017 to 2018		2016 to 2017	
				Number	%	Number	%
Population 15+ ('000)	798.8	792.5	788.7	6.3	0.8%	3.8	0.5%
Labour force ('000)	493.1	490.1	486.6	3	0.6%	3.5	0.7%
Employment ('000)	455.9	449	446.2	6.9	1.5%	2.8	0.6%
Full-time ('000)	375.2	364.1	363.7	11.1	3.0%	0.4	0.1%
Part-time ('000)	80.6	84.9	82.5	-4.3	-5.1%	2.4	2.9%
Unemployment ('000)	37.2	41	40.4	-3.8	-9.3%	0.6	1.5%
Unemployment rate (%)	7.5	8.4	8.3	-0.9	-	0.1	-
Participation rate (%)	61.7	61.8	61.7	-0.1	-	0.1	-
Employment rate (%)	57.1	56.7	56.6	0.4	-	0.1	-

Note: Totals may not add up due to rounding

Source: Statistics Canada Labour Force Survey - Table 14-10-0018-01

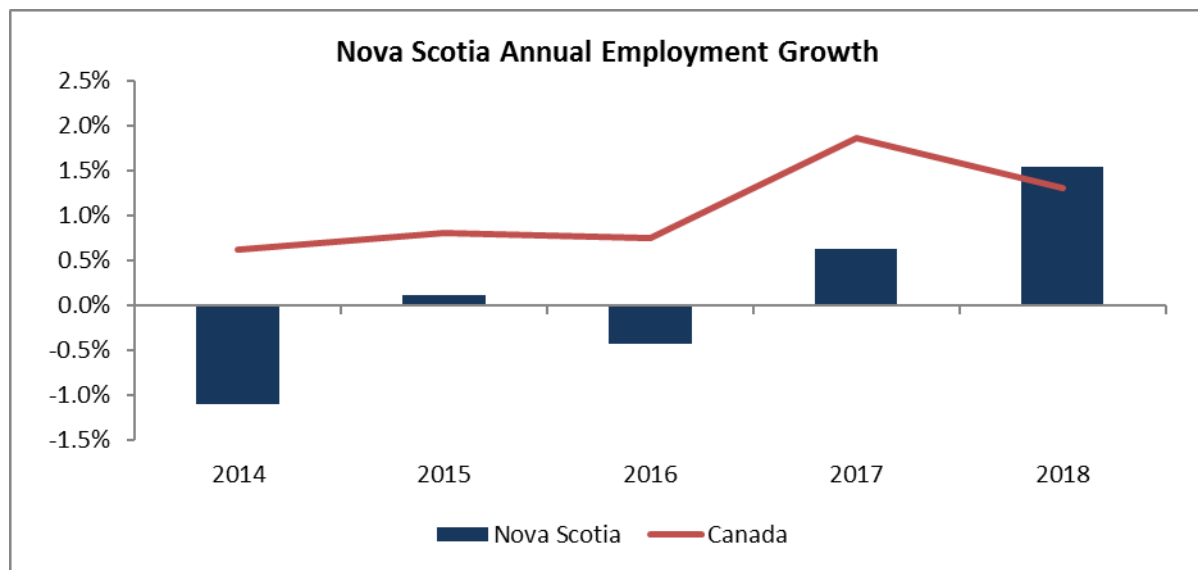
Healthy employment growth pushed the unemployment rate down by almost a full percentage point from 8.4% in 2017 to 7.5% in 2018, the lowest annual rate on record. The unemployment rate has been on a general downward trend since reaching 9.6% in the aftermath of the 2008/09 recession. There has been a similar trend

in both Canada and the United States. Canada's unemployment rate was also its lowest level on record (5.8%) in 2018 while the US unemployment rate, at 3.9% in the same year, is at a level not seen since the 1960s.



The aging of the population has many implications for Nova Scotia's labour force. One is that a much larger share of the workforce are nearing the age of retirement. While ten years ago 16.3% of the labour force was aged 55 years and over, by 2018 that number had risen to 23.1%. In 2018, the participation rate edged down to 61.7%, disguising a differing pattern for older workers (participating less) and younger workers (participating more). Provincial participation rates have been trending lower since 2012, when the rate for those aged 55 years and over reached a peak of 64.4%.

Despite fewer youth in 2018, this age group experienced a number of labour market gains. More youth joined the labour force while 2,700 more found work, all full-time jobs. This resulted in a modest drop in the youth unemployment rate from 16.8% in 2017 to 15.6% in 2018. Still, this was more than double the unemployment rate for older workers aged 25 years or older (6.2%).



Employment for males increased in 2018 and, as a result, the male unemployment rate improved considerably, falling from 10.5% in 2017 to 9.1% in 2018, returning to pre-recession levels. The number of females employed in 2018 declined slightly from the previous year, owing to fewer part-time positions. The female unemployment rate declined to 5.9% in 2018 from a rate of 6.2% in 2017.

Nova Scotia Annual Unemployment Rates, by Gender and Age

Annual Labour Force Survey Estimates	2018	2017	2016	2017 to 2018	2016 to 2017
	%	%	%	(% points)	(% points)
Total	7.5	8.4	8.3	-0.9	0.1
25 years and over	6.2	7	7.2	-0.8	-0.2
Men - 25 years and over	7.5	8.9	9	-1.4	-0.1
Women - 25 years and over	4.7	5	5.3	-0.3	-0.3
15 to 24 years	15.6	16.8	14.9	-1.2	1.9
Men - 15 to 24 years	18.5	20	17.1	-1.5	2.9
Women - 15 to 24 years	13	13.2	12.6	-0.2	0.6

Note: Totals may not add due to rounding

Source: Statistics Canada, Labour Force Survey - Table 14-10-0018-01

Atlantic - Labour Market Indicators for Indigenous People

Annual averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	2018	2017	number	%	2018	2017	number	%
Population 15 + ('000)	70.0	68.1	1.9	2.8%	1,925.4	1,918.4	7.0	0.4%
Labour Force ('000)	46.0	41.8	4.2	10.0%	1,177.3	1,177.3	0.0	0.0%
Employment ('000)	39.6	36.0	3.6	10.0%	1,072.2	1,064.3	7.9	0.7%
Full-Time ('000)	32.6	29.7	2.9	9.8%	898.9	889.7	9.2	1.0%
Part-Time ('000)	7.0	6.3	0.7	11.1%	173.3	174.7	-1.4	-0.8%
Unemployment ('000)	6.4	5.8	0.6	10.3%	105.0	113.0	-8.0	-7.1%
Unemployment Rate (%)	13.9	13.9	0.0	-	8.9	9.6	-0.7	-
Participation Rate (%)	65.8	61.4	4.4	-	61.1	61.4	-0.3	-
Employment Rate (%)	56.6	52.9	3.7	-	55.7	55.5	0.2	-

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on annual averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey - ESDC custom table.

In 2018, the total population aged 15+ in the Atlantic Provinces was approximately 2 million. The Indigenous population living off-reserve accounted for 3.5% of that, or 70,000 people. Employment among Indigenous people in the Atlantic region was 39,600, representing an increase of 3,600 (+10.0%) from 2017. The increase was primarily driven by full-time positions (+2,900 or +9.8%).

The unemployment rate among the Indigenous population was 13.9% in 2018, identical to the previous year. For the non-Indigenous population, the unemployment rate was 8.9%, a decrease of -0.7 percentage points (pp) compared to this time last year. Between 2017 and 2018, the participation rate of Indigenous people increased sharply to 65.8% (+4.4pp) while among non-Indigenous population, it declined slightly to 61.1% (-0.3pp). The employment rate of Indigenous people increased year-over-year to 56.6% (+3.7pp); for the non-Indigenous population, it was 55.7% (+0.2pp).

EMPLOYMENT BY INDUSTRY

Employment advances in 2018 occurred at roughly the same pace in both the **Services-producing** and **Goods-producing** sectors, growing by 1.5% and 1.7%, respectively. The **Services-producing** sector, being larger, added more positions (+5,500), with notable increases in **Accommodation and food services** and **Wholesale and retail trade**. The **Goods-producing** sector added 1,400 positions in 2018, owing mainly to gains in the **Construction, Manufacturing** and **Agriculture** industries.

Employment in the **Agriculture** industry expanded slightly from the previous year, adding 500 jobs. A number of farmers, including fruit and Christmas tree farmers, reported to insurers that they expect crop losses caused by late-spring frosts. This could have resulted in fewer people being hired for the 2018 harvest, but for some operations, impacts could extend to future seasons. On a positive note, the start of legal recreational cannabis sales in October may result in some additional hiring in this industry. There are currently five producers licensed for cannabis cultivation in Nova Scotia.

Employment in the broader **Forestry, fishing, mining, quarrying, oil and gas** industry declined in 2018, owing to mixed results among the various sub-industries. **Forestry and logging and support activities for forestry** rose by

900 (60%), as exports of forest products were higher through 2018. Employment in the **Mining, quarrying, and oil and gas extraction** subsector declined in 2018 owing mainly to the decommissioning of two of the province's natural gas fields. Production at the Donkin coal mine resulted in exports of more than \$33 million through 2018. The mine re-opened in early 2019 with limited operations following a roof collapse in mid-December. Employment in the **Fishing, hunting and trapping** subindustry declined by 1,800 in 2018. The decrease in employment in this sector occurred in spite of higher exports of fish and seafood products. In September of 2018, it was announced that Clearwater will obtain the surf clam quota for the 2018 and 2019 fishing seasons, which may have eased uncertainty in the sector. New trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, could also benefit this sector going forward, given that many fish and seafood products are exported to many of those countries.

Nova Scotia Annual Labour Force Statistics, by Industry

Employment ('000)	2018	2017	2016	2017 to 2018		2016 to 2017	
				Number	%	Number	%
Total, all industries	455.9	449	446.2	6.9	1.5%	2.8	0.6%
Goods-producing sector	82.7	81.3	81.2	1.4	1.7%	0.1	0.1%
Agriculture	5.2	4.7	4.5	0.5	10.6%	0.2	4.4%
Forestry, fishing, mining, quarrying, oil and gas	9	10.1	11.3	-1.1	-10.9%	-1.2	-10.6%
Utilities	3.7	3.9	3.3	-0.2	-5.1%	0.6	18.2%
Construction	33.1	31.6	32.9	1.5	4.7%	-1.3	-4.0%
Manufacturing	31.7	31	29.1	0.7	2.3%	1.9	6.5%
Services-producing sector	373.2	367.7	365	5.5	1.5%	2.7	0.7%
Trade	79	75.8	71.9	3.2	4.2%	3.9	5.4%
Transportation and warehousing	19.4	19.4	20.3	0	0.0%	-0.9	-4.4%
Finance, insurance, real estate and leasing	22.1	22.8	23.6	-0.7	-3.1%	-0.8	-3.4%
Professional, scientific and technical services	27.5	28.4	27.5	-0.9	-3.2%	0.9	3.3%
Business, building and other support services	17.7	18.1	17.5	-0.4	-2.2%	0.6	3.4%
Educational services	37.8	36.4	36.7	1.4	3.8%	-0.3	-0.8%
Health care and social assistance	68.4	72	74.9	-3.6	-5.0%	-2.9	-3.9%
Information, culture and recreation	18.3	16	16.2	2.3	14.4%	-0.2	-1.2%
Accommodation and food services	35.3	30.3	29.5	5	16.5%	0.8	2.7%
Other services	18.7	18.8	19.4	-0.1	-0.5%	-0.6	-3.1%
Public administration	29.1	29.6	27.6	-0.5	-1.7%	2	7.2%

Note: Totals may not add due to rounding

Source: Statistics Canada, Labour Force Survey - Table 14-10-0023-01

Even though a number of major projects have ended in Nova Scotia, the **Construction** industry experienced the largest employment gain in five years, rising by 1,500. Not surprisingly, indicators of residential and non-residential investment remained higher through most of 2018. The Nova Scotia government committed more than \$600 million in capital investments for roads, schools, health care facilities and technology for the 2018-19 fiscal year. Work on the \$2 billion redevelopment of the Queen Elizabeth II health sciences centre in Halifax is expected to continue for several years, as will 13 school construction and renovation projects, and improvements to roads, highways and bridges.

There have been a number of positive developments in the **Manufacturing** sector in 2018. Employment in the **Manufacturing** industry was up slightly by 700 in 2018 (+2.3%). In September 2018, Irving Shipbuilding completed the first Arctic and Offshore Patrol Ship and also began construction of the next two vessels. The shipyard had plans to hire 450 in 2018. A contract for a sixth vessel was awarded to the shipyard in November. More generally, the announcement of the U.S.-Mexico-Canada Agreement (CUSMA) in October may have also

eased some uncertainty in the sector overall. More positive news came in October as one of the province's major employers, Michelin, announced they will be making additional investments in Nova Scotia that will create 150 new positions at the Granton plant in Pictou County. The Port Hawkesbury paper mill should also benefit from a decision in mid-2018 to end tariffs imposed in 2015.

Among **Services-producing industries**, one of the largest employment gains in 2018 was in the **Wholesale and retail trade** industry, which added 3,200 positions. This followed strong growth in 2017. Provincial retail sales figures were strong in both 2016 and 2017 but growth subsided somewhat through 2018.

There were also significant employment gains in the **Accommodation and food services** industry which added 5,000 positions in 2018. This area of the economy has benefitted from higher tourist visitations over the past two years. Between January and November 2018, the province welcomed more than 2.3 million visitors. This was similar to the number of tourists that came to the province in 2017, which was already an exceptional year boosted by Canada 150 celebrations. The number of room nights sold in licensed accommodations has also been higher in 2018. The largest increases in sales were in the Halifax area and the Yarmouth and Acadian Shores. The Halifax Convention Centre had its first full year of operations in 2018. Employment was also higher by 1,400 in **Education** services, possibly owing to hiring of new staff to support the roll out of new pre-primary programs.

Among industry groups, the largest employment decline occurred in the **Health care and social assistance** industry (-3,600). This is a fairly large industry, employing around 1 in every 7 Nova Scotians. Employment has been limited by budget pressures, shortages for some health professionals and a growing number of workers reaching retirement age.

REGIONAL ANALYSIS

Employment increased in two of the five economic regions of Nova Scotia in 2018. The **Halifax** region experienced the largest employment gain, followed by the **Southern** region. The **Cape Breton**, **North Shore**, and **Annapolis Valley** regions experienced employment declines. This reversed the overall employment trends in 2017, when employment gains were concentrated outside of **Halifax**.

Employment ('000)	2018	2017	2016	2017 to 2018		2016 to 2017	
				Number	%	Number	%
Nova Scotia	455.9	449	446.2	6.9	1.5%	2.8	0.6%
Cape Breton	46.8	47.7	48	-0.9	-1.9%	-0.3	-0.6%
North Shore	66.7	69.2	68.6	-2.5	-3.6%	0.6	0.9%
Annapolis Valley	56.4	59.1	55.4	-2.7	-4.6%	3.7	6.7%
Southern	51.7	48.4	48	3.3	6.8%	0.4	0.8%
Halifax	234.2	224.6	226.1	9.6	4.3%	-1.5	-0.7%

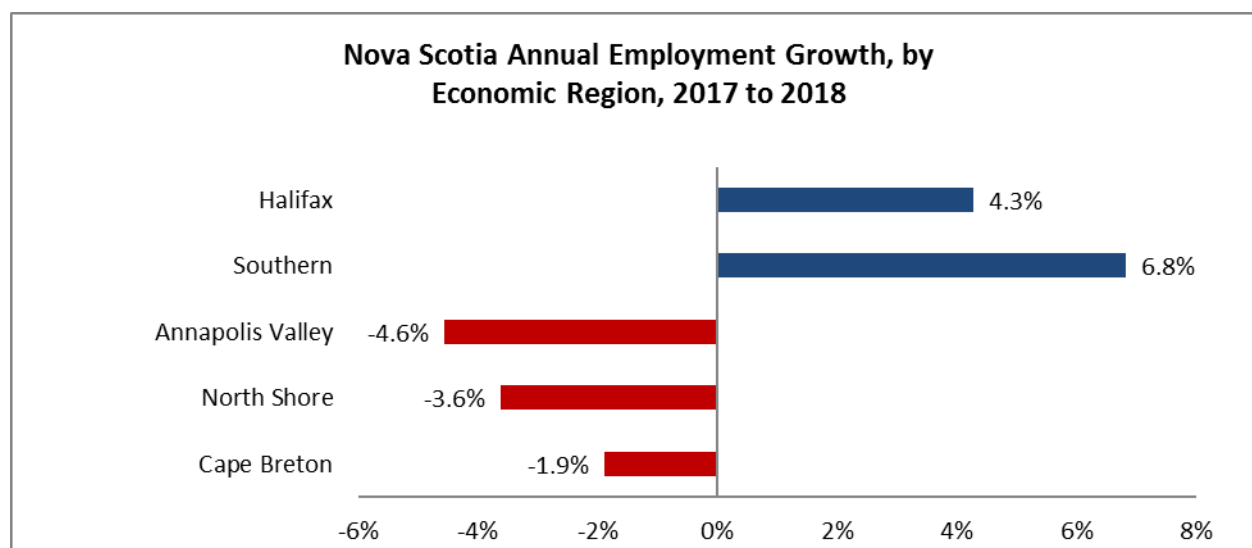
Note: Totals may not add due to rounding

Source: Statistics Canada, Labour Force Survey - Table 14-10-0090-01

Labour market conditions in the **Cape Breton** region weakened to some extent in 2018. The size of the working-age population, labour force and employment all declined from their levels in 2017. There was a decline in both full-time and part-time jobs. The drop in employment resulted in an increase in the region's unemployment rate to 15.1%, up from 14.1% the previous year, the highest rate among regions. The region's participation rate has declined in the past five years. At 52.7%, the Cape Breton region has the lowest participation rate among the economic regions. Among industry groups, the largest employment change in the economic region in 2018 was a decline in employment in the **Health care and social assistance** industry of 1,100.

Employment declined in the **North Shore** region in 2018. The weakening labour market led to fewer job seekers. With fewer persons looking for work, there was a fall in the region's unemployment rate from 8.9% to 8.5%. Employment declined in both the **Goods-producing** and **Services-producing** sectors. Overall, the largest decline in employment was in the **Wholesale and retail trade** industry group.

Following two years of employment growth, the number of jobs fell in the **Annapolis Valley** region in 2018. At the same time, there were a number of persons who left the labour market during the year. With fewer jobseekers, the region's unemployment rate declined modestly from 7.7% in 2017, to 7.1% in 2018. The decline was concentrated in **Services-producing** industries, and, in particular, the **Health care and social assistance** industry. This decline was partly offset by increases in the **Wholesale and retail trade** and **Finance, insurance, real estate, rental and leasing** industries.



Employment in the **Southern** region rebounded in 2018, adding 3,300 jobs, the strongest growth in more than a decade. The region's working-age population was stable but the number of jobseekers increased. Higher employment pushed the unemployment rate sharply lower from 9.7% to 6.5%. There were gains in both the **Goods-producing** and **Services-producing** sectors. The largest gains were in the **Accommodation and Food services** and **Manufacturing** industries.

The **Halifax** region experienced a notable improvement in the labour market in 2018. The region experienced substantial increase in the working-age population and labour force. Employment increased sharply in 2018 following a drop in 2017, with more than 10,000 full-time positions added. The unemployment rate declined to 5.9% from 6.8% in 2017. This was the lowest unemployment rate since the 2008/09 recession, and the lowest rate among the economic regions. Employment rose in both the **Goods-producing** and **Services-producing** sectors. The largest gains were in the **Wholesale and retail trade**, **Accommodation and food services**, and **Information, culture and recreation** industries.

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 further information, please contact the LMI team at:

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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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