



Labour Market Bulletin

Newfoundland and Labrador

July 2020



This Labour Market Bulletin is a report providing an analysis of Labour Force Survey results for the province of Newfoundland and Labrador, including the regions of Avalon Peninsula, West Coast—Northern Peninsula—Labrador, Notre Dame—Central Bonavista Bay and South Coast—Burin Peninsula.

OVERVIEW

Labour market conditions continued to improve from a low in April, when the economy virtually closed due to the COVID-19 pandemic. While a number of restrictions remain in place, employment in most industries has risen since April as the economy has started to reopen. However, labour force and employment levels remain lower than they were prior to the pandemic. The unemployment rate in July was lower than in June, as employment grew faster than the labour force, particularly in full-time positions.

Newfoundland and Labrador Monthly Labour Force Statistics

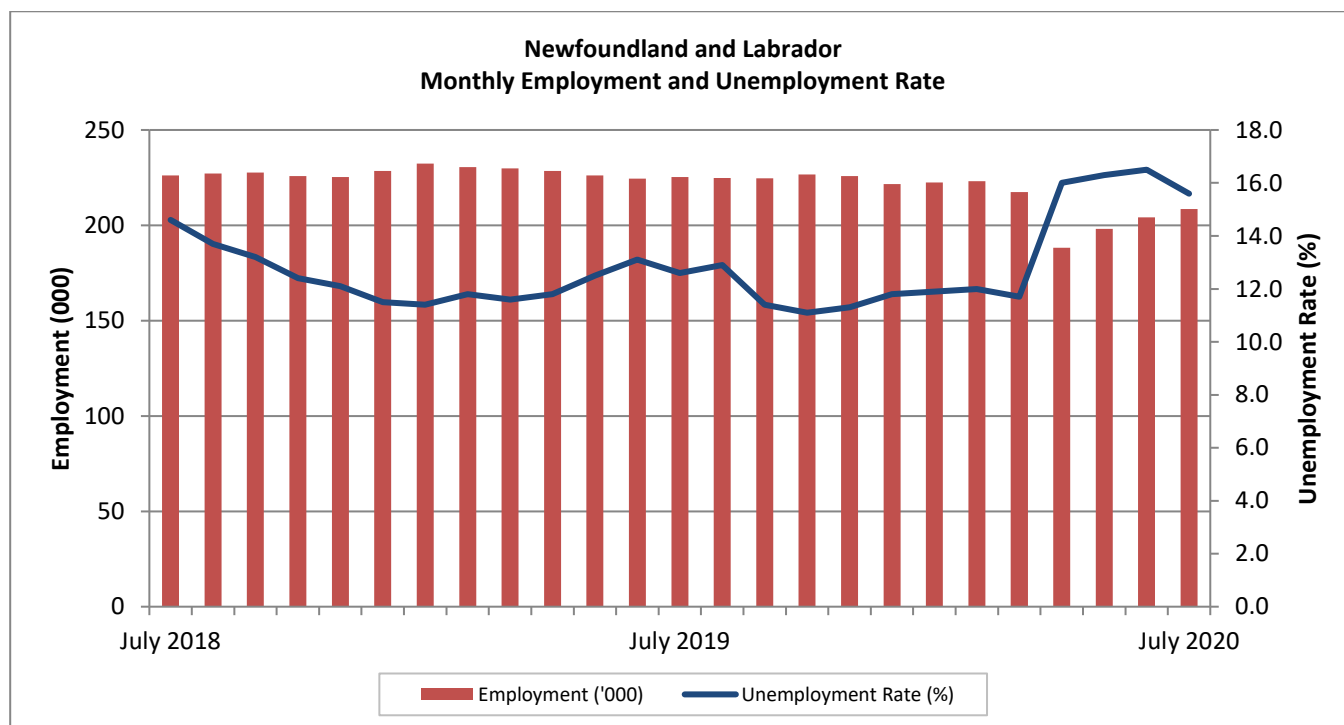
Seasonally Adjusted Monthly Data	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	439.3	439.3	440.1	0.0	0.0	-0.8	-0.2
Labour Force ('000)	247.1	244.3	257.9	2.8	1.1	-10.8	-4.2
Employment ('000)	208.5	204.2	225.3	4.3	2.1	-16.8	-7.5
Full-Time ('000)	173.6	168.5	193.9	5.1	3.0	-20.3	-10.5
Part-Time ('000)	34.9	35.7	31.5	-0.8	-2.2	3.4	10.8
Unemployment ('000)	38.6	40.2	32.6	-1.6	-4.0	6.0	18.4
Unemployment Rate (%)	15.6	16.5	12.6	-0.9	-	3.0	-
Participation Rate (%)	56.2	55.6	58.6	0.6	-	-2.4	-
Employment Rate (%)	47.5	46.5	51.2	1.0	-	-3.7	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

Prior to April, the unemployment rate was generally stable, near 12% since the fall of 2018. This was because the size of the labour force moved in line with changing employment levels over this time. However, employment

declined by nearly 30,000 jobs in April, raising the unemployment rate considerably. While employment has increased by approximately 20,000 jobs in the past three months, labour force growth has also been strong as people return to the labour market. This has kept the unemployment rate relatively high.



The total hours worked per week in July remained lower than a year ago, but were nearly 40% higher than April’s low. While labour market conditions have improved in the past three months, they are yet to fully recover from the effects of the pandemic.

Virtually all of the monthly employment gain for the province was for people ages 25 years and older, led by females. While female employment for this age group rose by 3,100 jobs, the growth in labour force size for that group was even stronger, raising the unemployment rate.

The unemployment rate for youth (ages 15 to 24 years) dropped considerably, despite no overall change in employment. This was because June’s youth unemployment rate was the highest since 1994, due to a record gain of 6,900 people in the labour force that month. The youth labour force declined in July, lowering the unemployment rate. While youth employment showed no overall change, full-time employment for this group declined to its lowest on record, shifting to part-time gains. This translated into fewer hours worked by youth.

Newfoundland and Labrador Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2020	June 2020	July 2019	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	15.6	16.5	12.6	-0.9	3.0
25 years and over	14.3	13.7	11.7	0.6	2.6
Men - 25 years and over	17.2	17.2	13.8	0.0	3.4
Women - 25 years and over	11.2	9.6	9.4	1.6	1.8
15 to 24 years	24.5	33.0	18.8	-8.5	5.7
Men - 15 to 24 years	31.9	38.8	16.3	-6.9	15.6
Women - 15 to 24 years	17.3	27.6	20.9	-10.3	-3.6

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

EMPLOYMENT BY INDUSTRY

The **goods-producing sector** showed little change in employment over the previous month. While **manufacturing** (-1,100) employment fell to its second lowest level on record, **construction** (1,100) increased as projects such as Vale’s underground expansion of its Voisey’s Bay and the Muskrat Falls Hydroelectric Project started to ramp up following a virtual stoppage due to the COVID-19 pandemic. In addition, the industry has benefitted from a residential construction rebate program.

Most of July’s employment growth was in the **services-producing sector** (4,100), but the number of jobs remained below the pre-pandemic level. Nearly every industry in the sector gained jobs. **Health care and social assistance** (1,600), **information, culture and recreation** (1,500), and **transportation and warehousing** (1,400) led the growth. However, **wholesale and retail trade** (2,000) lost jobs after growing in each of the past three months. While **accommodation and food services** has increased since reaching a low in April, there was no employment change from June, leaving the number of jobs considerably lower (-3,000) than February’s record high. Bars and most restaurants were closed due COVID-19, while visits to the province from outside Atlantic Canada remain restricted, affecting hotels, bed and breakfast operations and other operations reliant on this market.

Newfoundland and Labrador Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	208.5	204.2	225.3	4.3	2.1	-16.8	-7.5
Goods-producing sector	37.4	37.2	46.9	0.2	0.5	-9.5	-20.3
Agriculture	1.2	1.7	1.7	-0.5	-29.4	-0.5	-29.4
Forestry, fishing, mining, quarrying, oil and gas	12.8	12.2	13.7	0.6	4.9	-0.9	-6.6
Utilities	2.6	2.6	2.7	0.0	0.0	-0.1	-3.7
Construction	13.2	12.1	19.8	1.1	9.1	-6.6	-33.3
Manufacturing	7.6	8.6	9.0	-1.0	-11.6	-1.4	-15.6
Services-producing sector	171.1	167.0	178.4	4.1	2.5	-7.3	-4.1
Trade	32.0	34.0	34.3	-2.0	-5.9	-2.3	-6.7
Transportation and warehousing	10.5	9.1	11.9	1.4	15.4	-1.4	-11.8
Finance, insurance, real estate and leasing	8.0	7.0	7.1	1.0	14.3	0.9	12.7
Professional, scientific and technical services	9.5	9.6	9.5	-0.1	-1.0	0.0	0.0
Business, building and other support services	7.1	6.9	7.4	0.2	2.9	-0.3	-4.1
Educational services	15.3	15.8	16.0	-0.5	-3.2	-0.7	-4.4
Health care and social assistance	38.6	37.0	38.6	1.6	4.3	0.0	0.0
Information, culture and recreation	6.7	5.2	7.6	1.5	28.8	-0.9	-11.8
Accommodation and food services	14.8	14.8	17.1	0.0	0.0	-2.3	-13.5
Other services	10.8	10.7	10.9	0.1	0.9	-0.1	-0.9
Public administration	17.8	17.0	18.0	0.8	4.7	-0.2	-1.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355

REGIONAL ANALYSIS

Compared to a year ago, the unemployment rate increased for all three economic regions. Throughout the province, employment losses were deeper than the declines in labour force size.

In the **Avalon Peninsula** economic region, the increase in the unemployment rate has been growing since the onset of COVID-19. Employment remained considerably lower (-11,100) than a year earlier. Virtually all of the loss was in full-time employment. The services-producing sector has produced fewer jobs in each month since March. July's losses in the sector were mainly in accommodation and food services and transportation and warehousing. Educational services has not had a loss since the start of 2019, but gains have been getting smaller in recent months to the point that no increase was reported in July. The goods-producing sector also employed fewer people. Oil and gas as well as construction employment have declined due to COVID-19 and weak oil prices. Construction of the West White Rose Project has been suspended until at least 2021.

The unemployment rate increased by nearly two percentage points in the **South Coast–Burin Peninsula and Notre Dame–Central-Bonavista Bay** region. There were large declines in labour force size and employment, with employment dropping slightly deeper. The job losses were in full-time positions. Wholesale and retail trade and construction shared the bulk of the decline. In the **West Coast–Northern Peninsula–Labrador** economic region, the

unemployment rate rose by more than four points from a year ago. Employment declined (-5,700) due to full-time losses. Most of July's losses were in the services-producing sector, led by educational services, and health care and social services. Construction had one of its largest losses on record in this economic region, exceeded by only the two previous months. Staffing levels at the Muskrat Falls Hydroelectric Project have been reduced due to social distancing measures at the site related to preventing the spread of COVID-19.

Newfoundland and Labrador Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2020 ('000)	July 2019 ('000)	Yearly Variation (%)	July 2020 (%)	July 2019 (%)	Yearly Variation (%)
Newfoundland and Labrador	210.7	233.4	-9.7	15.7	12.0	3.7
Economic Regions						
Avalon Peninsula	125.9	137.0	-8.1	13.8	9.6	4.2
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	47.4	53.3	-11.1	18.0	16.1	1.9
West Coast-Northern Peninsula-Labrador	37.4	43.1	-13.2	18.3	14.1	4.2

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293

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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http://www.esdc.gc.ca/cgi-bin/contact/esdc-esdc/eng/contact_us.aspx?section=lmi

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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