



Labour Market Bulletin

Newfoundland and Labrador

August 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 August declined and was close to the rate in August of 2019.

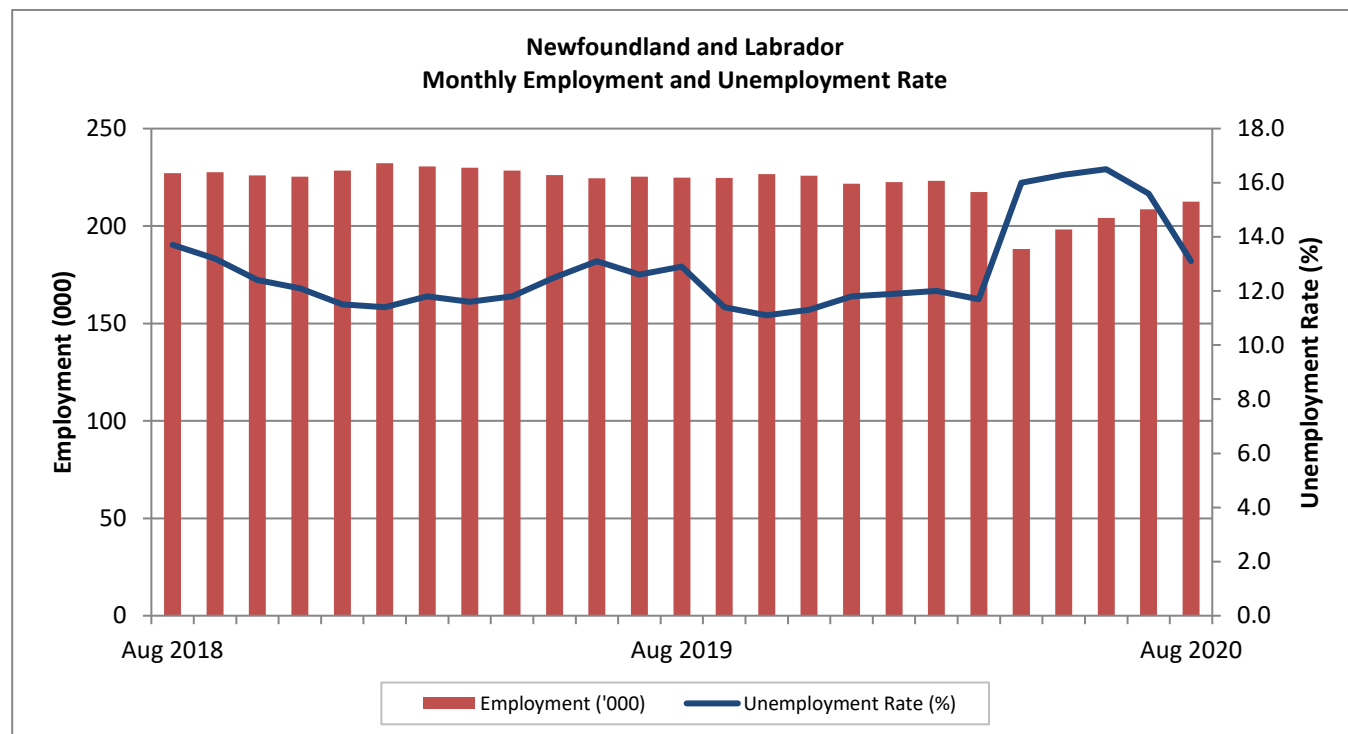
Newfoundland and Labrador Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Aug 2020	July 2020	Aug 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	439.3	439.3	439.9	0.0	0.0	-0.6	-0.1
Labour Force ('000)	244.6	247.1	258.2	-2.5	-1.0	-13.6	-5.3
Employment ('000)	212.5	208.5	224.9	4.0	1.9	-12.4	-5.5
Full-Time ('000)	175.8	173.6	190.1	2.2	1.3	-14.3	-7.5
Part-Time ('000)	36.7	34.9	34.8	1.8	5.2	1.9	5.5
Unemployment ('000)	32.1	38.6	33.3	-6.5	-16.8	-1.2	-3.6
Unemployment Rate (%)	13.1	15.6	12.9	-2.5	-	0.2	-
Participation Rate (%)	55.7	56.2	58.7	-0.5	-	-3.0	-
Employment Rate (%)	48.4	47.5	51.1	0.9	-	-2.7	-

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. Since April, employment has increased by approximately 24,000 jobs rising slightly faster than the labour force. This has lowered the unemployment rate. August’s rate remained higher than in February, but similar to a year ago.



There were 18,400 employed people who did not work any hours during the LFS reference week in August, nearly half of April’s high. In addition, the number of those who were temporarily unemployed or waiting for recall has declined considerably in August to pre-pandemic levels. This has helped lower the underutilization of potential labour to 27.9%, from April’s record high of 41.9%. However, August’s rate remained higher than typically experienced prior to COVID-19.

Females accounted for virtually all of the monthly employment gain for people ages 25 years and older. Female employment for this age group rose by 1,700 jobs, nearly all full-time positions. In addition, the labour force shrunk slightly in August. The two changes lowered the unemployment rate close to pre-pandemic rates.

The unemployment rate for youth (ages 15 to 24 years) dropped considerably, as this group had the strongest employment gain among major age groups. The increase was split between full-time and part-time positions. Employment gains for youth in the past four months have virtually erased the deep losses in March and April.

Newfoundland and Labrador Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Aug 2020 %	July 2020 %	Aug 2019 %	Monthly Variation (% points)	Yearly Variation (% points)
Total	13.1	15.6	12.9	-2.5	0.2
25 years and over	12.4	14.3	11.5	-1.9	0.9
Men - 25 years and over	16.0	17.2	12.7	-1.2	3.3
Women - 25 years and over	8.6	11.2	10.2	-2.6	-1.6
15 to 24 years	17.8	24.5	22.3	-6.7	-4.5
Men - 15 to 24 years	23.1	31.9	21.2	-8.8	1.9
Women - 15 to 24 years	12.3	17.3	23.4	-5.0	-11.1

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** (400) employment increased slightly from its second lowest level on record, **construction** (-1,300) declined to its lowest level since 2006. Construction employment was nearly 40% lower than a year ago. Projects such as Vale's underground expansion of Voisey's Bay and the Muskrat Falls Hydroelectric Project started to ramp up following a virtual stoppage due to the COVID-19 pandemic. However, the number of people working at the sites has been lower due to precautions and restrictions related to COVID-19.

Most of July's employment growth was mainly in the **services-producing sector** (4,400), with the number of jobs nearing pre-pandemic levels. Nearly every industry in the sector gained jobs. **Health care and social assistance** (2,100), **educational services** (1,000), and **wholesale and retail trade** (900) had most of the gain. **Accommodation and food services** recovered some of its pandemic-related losses in June, but employment growth in the industry has been stagnant since then. The number of jobs remained considerably lower (-3,000) than February's record high. Bars and most restaurants were closed due to 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)	Aug 2020	July 2020	Aug 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	212.5	208.5	224.9	4.0	1.9	-12.4	-5.5
Goods-producing sector	37.1	37.4	46.5	-0.3	-0.8	-9.4	-20.2
Agriculture	0.9	1.2	1.1	-0.3	-25.0	-0.2	-18.2
Forestry, fishing, mining, quarrying, oil and gas	13.5	12.8	14.1	0.7	5.5	-0.6	-4.3
Utilities	2.7	2.6	2.8	0.1	3.8	-0.1	-3.6
Construction	11.9	13.2	19.5	-1.3	-9.8	-7.6	-39.0
Manufacturing	8.0	7.6	9.0	0.4	5.3	-1.0	-11.1
Services-producing sector	175.5	171.1	178.3	4.4	2.6	-2.8	-1.6
Trade	32.9	32.0	33.9	0.9	2.8	-1.0	-2.9
Transportation and warehousing	10.0	10.5	12.0	-0.5	-4.8	-2.0	-16.7
Finance, insurance, real estate and leasing	7.4	8.0	6.6	-0.6	-7.5	0.8	12.1
Professional, scientific and technical services	9.7	9.5	9.5	0.2	2.1	0.2	2.1
Business, building and other support services	7.4	7.1	7.3	0.3	4.2	0.1	1.4
Educational services	16.3	15.3	16.2	1.0	6.5	0.1	0.6
Health care and social assistance	40.7	38.6	38.3	2.1	5.4	2.4	6.3
Information, culture and recreation	6.5	6.7	7.9	-0.2	-3.0	-1.4	-17.7
Accommodation and food services	14.8	14.8	16.9	0.0	0.0	-2.1	-12.4
Other services	11.7	10.8	11.3	0.9	8.3	0.4	3.5
Public administration	17.9	17.8	18.5	0.1	0.6	-0.6	-3.2

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.

The **Avalon Peninsula** economic region continued to have increases in the unemployment rate compared to a year ago. This has been the case since the start of the COVID-19 pandemic. Employment was considerably lower (-8,600) than a year earlier, but the loss in August was not as deep as in recent months. There were fewer full-time jobs, but part-time work rose slightly. Job losses were split evenly between the goods-producing and services-producing industries. Oil and gas as well as construction employment have declined due to COVID-19. Construction of the West White Rose Project has been suspended until at least 2021, and housing starts have been quite weak in 2020. Transportation and warehousing has continued to show deep losses over the pandemic period. Air travel has been notably reduced. Accommodation and food services was virtually shut down and has been slow to rebound over the summer, particularly in accommodation services.

The unemployment rate was only slightly higher than a year ago in the **South Coast–Burin Peninsula and Notre Dame–Central-Bonavista Bay** region. There were large declines in labour force size and employment, but the

losses have been getting smaller over the past two months. There have been notably fewer full-time positions with a slight gain in part-time work. The goods-producing sector exhibited most of the loss, led by construction. Wholesale and retail trade led the losses in services-producing industries.

The **West Coast-Northern Peninsula-Labrador** economic region had a smaller employment increase than it experienced in recent months. Employment losses have started to shrink since June. As with other regions, full-time work was lower than a year ago. August's losses were mainly in educational services and construction. 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		
	Aug 2020 ('000)	Aug 2019 ('000)	Yearly Variation (%)	Aug 2020 (%)	Aug 2019 (%)	Yearly Variation (%)
Newfoundland and Labrador	218.3	234.6	-6.9	14.0	12.0	2.0
Economic Regions						
Avalon Peninsula	128.8	137.4	-6.3	13.0	9.9	3.1
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	48.8	53.6	-9.0	16.0	15.6	0.4
West Coast-Northern Peninsula-Labrador	40.7	43.7	-6.9	14.7	13.6	1.1

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

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