



Labour Market Bulletin

Newfoundland and Labrador

December 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

The labour market continued its recovery from the widespread shutdown due to the COVID-19 pandemic. A strong employment gain (+10,800) brought the unemployment rate down to 12.4% in the fourth quarter.

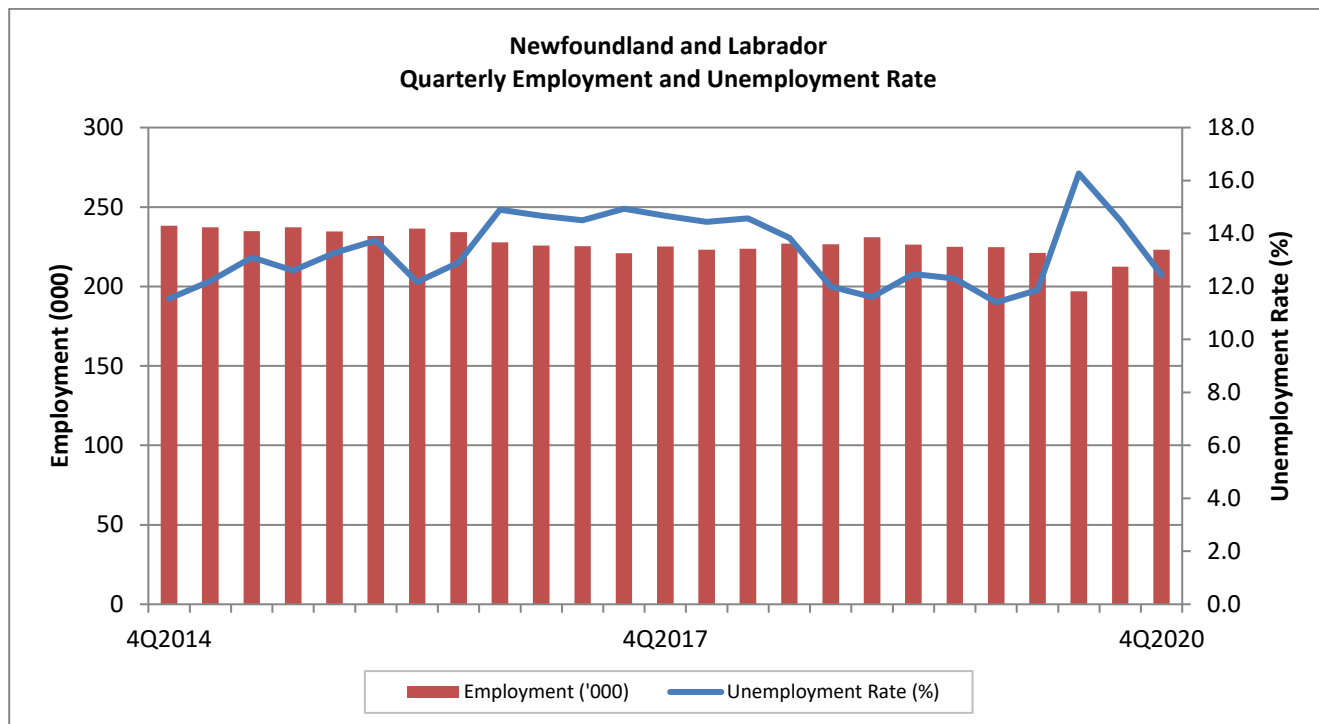
Newfoundland and Labrador Quarterly Labour Force Statistics

Seasonally Adjusted Monthly Data	4th Quarter 2020	3rd Quarter 2020	4th Quarter 2019	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	439.4	439.3	439.9	0.1	0.0	-0.5	-0.1
Labour Force ('000)	254.9	248.5	253.6	6.4	2.6	1.3	0.5
Employment ('000)	223.2	212.4	224.7	10.8	5.1	-1.5	-0.7
Full-Time ('000)	186.0	177.1	188.4	8.9	5.0	-2.4	-1.3
Part-Time ('000)	37.2	35.3	36.3	1.9	5.4	0.9	2.5
Unemployment ('000)	31.8	36.1	28.9	-4.3	-11.9	2.9	10.0
Unemployment Rate (%)	12.4	14.5	11.4	-2.1	-	1.0	-
Participation Rate (%)	58.0	56.6	57.6	1.4	-	0.4	-
Employment Rate (%)	50.8	48.4	51.1	2.4	-	-0.3	-

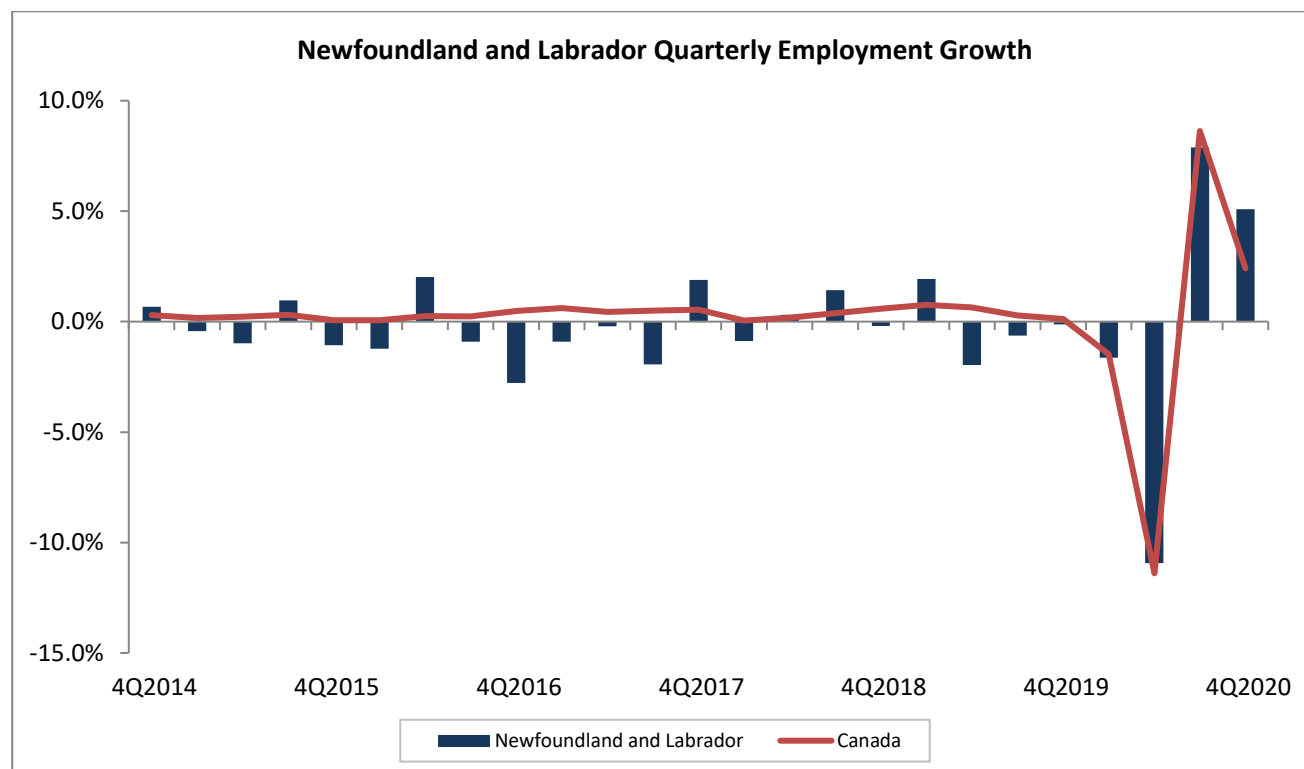
Note: Totals may not add due to rounding

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

Historically, a decline in major project spending contributed to a sustained reduction in employment beginning in 2013. This raised the quarterly unemployment rate to a seven-year high of 15.1% in the third quarter of 2017. This rate remained above 14% over the next four quarters due to slow employment and labour force growth. In the fall of 2019, a decline in labour force size brought the unemployment rate lower, where it remained steady until pandemic-related job losses elevated the rate through most of 2020.



Prior to the COVID-19 pandemic, Canada generally experienced small, consistent employment gains, whereas employment levels in Newfoundland and Labrador were more volatile. The onset of the pandemic caused massive job losses at both the provincial and national levels, particularly in the second quarter. Since then, Newfoundland and Labrador has experienced the strongest employment growth rate among all provinces.



The youth (aged 15 to 24 years) unemployment rate dropped by 6.3 percentage points from the previous quarter, as employment increased by 3,000 jobs, mainly in full-time positions. This was a sharper drop than reported nationally. In addition, the youth unemployment rate was lower than it was a year ago, mainly due to employment growth.

For those 25 years and older, the unemployment rate lowered slightly for males as well as females, driven by employment gains. However, employment for males of this age group was down by 4,200 jobs from a year ago. As a result, the unemployment rate for this group was higher than in Q4 of 2019.

Newfoundland and Labrador Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	4th Quarter 2020 %	3rd Quarter 2020 %	4th Quarter 2019 %	Quarterly Variation (% points)	Yearly Variation (% points)
Total	12.4	14.5	11.4	-2.1	1.0
25 years and over	12.3	13.8	10.8	-1.5	1.5
Men - 25 years and over	15.6	17.2	12.9	-1.6	2.7
Women - 25 years and over	8.7	10.1	8.5	-1.4	0.2
15 to 24 years	13.3	19.6	15.2	-6.3	-1.9
Men - 15 to 24 years	13.4	25.7	18.3	-12.3	-4.9
Women - 15 to 24 years	13.8	13.2	12.4	0.6	1.4

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

EMPLOYMENT BY INDUSTRY

Most of the employment gain in the **goods-producing sector** was in **construction** (+3,500). Despite the strong increase, employment in the industry was lower than it was a year ago. While work has resumed at a number of sites, the number of people working has been limited due to social distancing measures and other precautions resulting from the COVID-19 pandemic. Construction for the West White Rose Project has been put on hold until at least 2022, leaving uncertainty on whether the project will move forward or not.

The **services-producing sector** added 7,100 jobs in Q4. The employment gains in the past two quarters have been the strongest on record for the sector. **Health care and social assistance** (+2,600) reached a record high, adding 5,800 jobs since the second quarter. **Wholesale and retail trade** (+2,600) also had a large increase in employment. **Accommodation and food services** (+800) added jobs for the second consecutive quarter but remained far short of recovering the loss at the start of the pandemic. The industry continues to work and cope with a number of pandemic-related restrictions that affect business activity.

Newfoundland and Labrador Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	4th Quarter 2020	3rd Quarter 2020	4th Quarter 2019	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	223.2	212.4	224.7	10.8	5.1	-1.5	-0.7
Goods-producing sector	41.8	38.1	44.7	3.7	9.7	-2.9	-6.5
Agriculture	1.1	1.0	1.2	0.1	10.0	-0.1	-8.3
Forestry, fishing, mining, quarrying, oil and gas	12.5	12.8	13.3	-0.3	-2.3	-0.8	-6.0
Utilities	2.9	2.7	2.5	0.2	7.4	0.4	16.0
Construction	16.5	13.0	18.5	3.5	26.9	-2.0	-10.8
Manufacturing	8.8	8.6	9.3	0.2	2.3	-0.5	-5.4
Services-producing sector	181.4	174.3	180.0	7.1	4.1	1.4	0.8
Trade	35.6	33.0	35.8	2.6	7.9	-0.2	-0.6
Transportation and warehousing	9.9	10.1	11.1	-0.2	-2.0	-1.2	-10.8
Finance, insurance, real estate and leasing	8.0	7.8	6.4	0.2	2.6	1.6	25.0
Professional, scientific and technical services	10.1	9.7	9.7	0.4	4.1	0.4	4.1
Business, building and other support services	6.0	6.7	7.4	-0.7	-10.4	-1.4	-18.9
Educational services	17.8	16.3	16.3	1.5	9.2	1.5	9.2
Health care and social assistance	43.0	40.4	38.7	2.6	6.4	4.3	11.1
Information, culture and recreation	6.6	6.5	7.1	0.1	1.5	-0.5	-7.0
Accommodation and food services	15.7	14.9	17.0	0.8	5.4	-1.3	-7.6
Other services	9.9	11.0	11.6	-1.1	-10.0	-1.7	-14.7
Public administration	18.7	17.8	19.0	0.9	5.1	-0.3	-1.6

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Employment in the province was the same as it was a year ago, with fewer jobs on the Avalon Peninsula and higher employment elsewhere. A loss in full-time employment in the province was balanced by a gain in part-time work.

Employment on the **Avalon Peninsula** dropped (-4,600) compared to a year earlier, as the loss in full-time employment considerably outweighed a gain in part-time jobs. The labour force was also smaller than a year ago, but not as deep as the drop in employment, which resulted in a higher unemployment rate than a year ago. Losses were mainly in the services-producing sector. While health care and social assistance added 2,300 jobs from a year ago, it could not match the losses in accommodation and food services, and the industry classified as other services, which includes industries such as personal services and repair and maintenance. The goods-producing sector has a smaller loss, with forestry, fishing, mining, quarrying, and oil and gas losing 2,400 jobs, down nearly 40%. This deep loss was mainly due to considerable challenges in the oil and gas industry.

The **South Coast–Burin Peninsula and Notre Dame-Central-Bonavista Bay** region had its first quarterly employment gain in two years. However, the unemployment rate moved higher since more people were in the labour force looking for work. Most of the rise in employment was in the services-producing sector, particularly in wholesale and retail trade, and educational services. The goods-producing sector had little change overall, with construction continuing to decline and a small increase in manufacturing, its first gain in nearly two years.

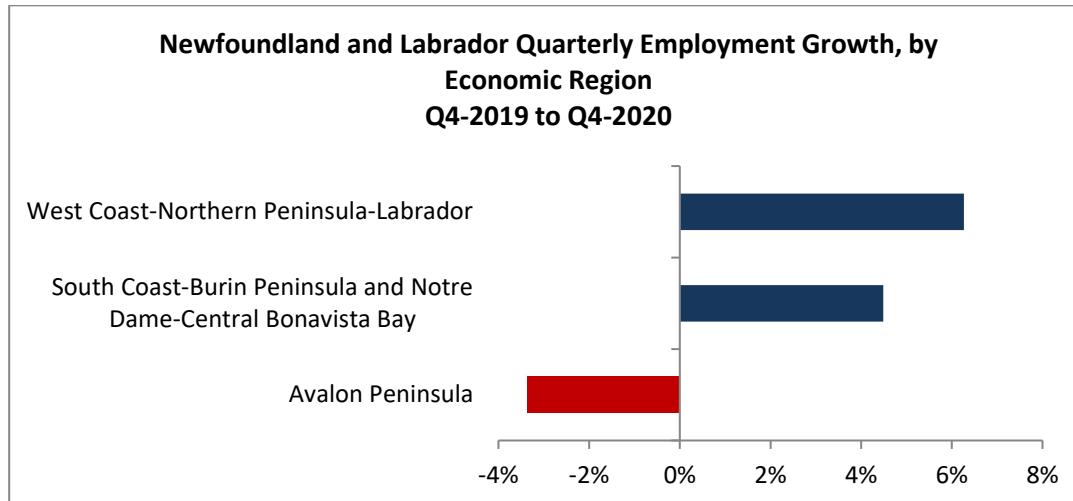
The **West Coast–Northern Peninsula–Labrador** region was the only part of the province to experience a decline in the unemployment rate. Employment growth outpaced an increase in labour force size. Most of the job gains were in full-time positions. The employment increase was mainly in the services-producing sector, where all industries except wholesale and retail trade increased. In the goods-producing sector, a rise in construction employment outweighed job growth in forestry, fishing, mining, and oil and gas.

Newfoundland and Labrador Quarterly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	4th Quarter 2020 (‘000)	4th Quarter 2019 (‘000)	Yearly Variation (%)	4th Quarter 2020 (%)	4th Quarter 2019 (%)	Yearly Variation (%)
Newfoundland and Labrador	223.4	223.4	0.0	11.6	11.0	0.6
Economic Regions						
Avalon Peninsula	132.1	136.7	-3.4	9.0	8.3	0.7
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	48.9	46.8	4.5	18.1	16.3	1.8
West Coast-Northern Peninsula-Labrador	42.4	39.9	6.3	11.1	13.4	-2.3

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/edsc-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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