



Labour Market Bulletin

Newfoundland and Labrador

January 2021



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

In January, employment in the province decreased by 2,700 jobs compared to the previous month. The size of the labour force also declined by the same amount, resulting in a small rise in the unemployment rate. Despite the monthly job loss, labour market conditions have improved since April, when the economy virtually closed due to the COVID-19 pandemic. In fact, employment and labour force levels since October have been quite similar to what they were in February, before the effects of the pandemic started.

Newfoundland and Labrador Monthly Labour Force Statistics

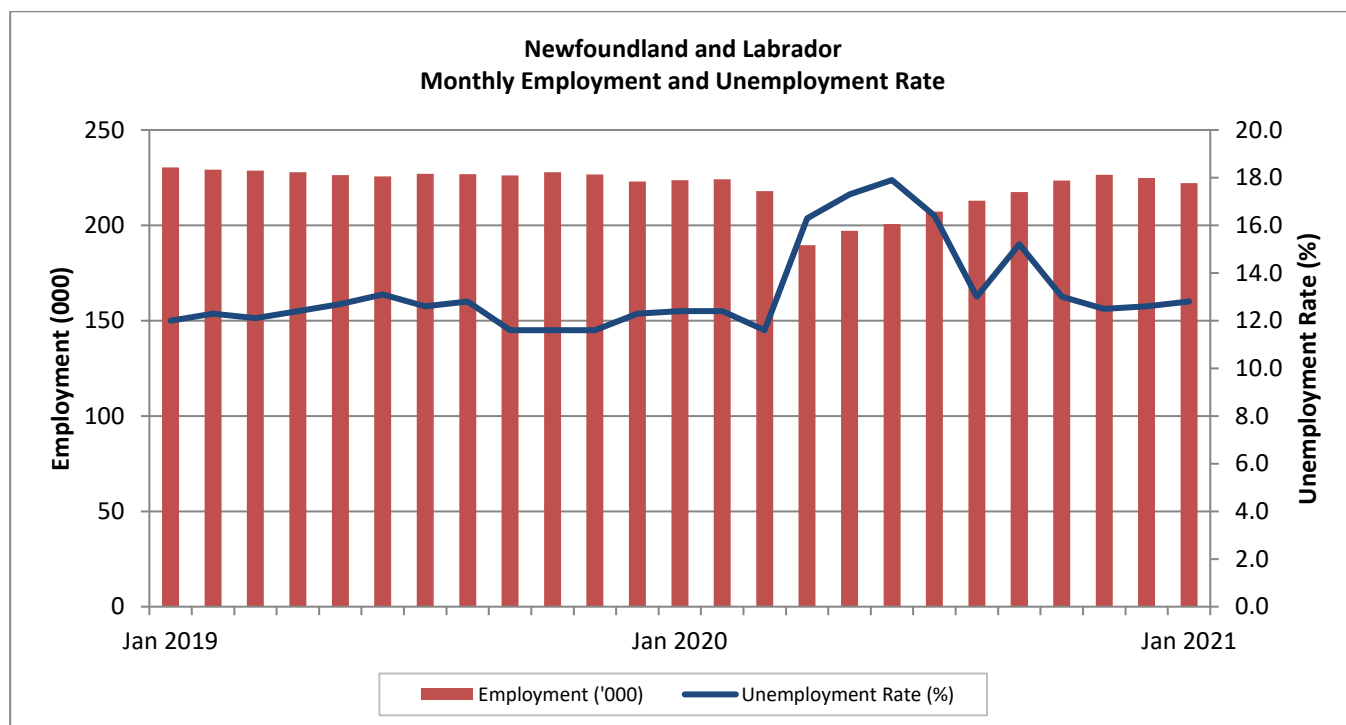
Seasonally Adjusted Monthly Data	Jan 2021	Dec 2020	Jan 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	445.3	445.4	445.7	-0.1	0.0	-0.4	-0.1
Labour Force ('000)	254.5	257.2	255.2	-2.7	-1.0	-0.7	-0.3
Employment ('000)	222.1	224.8	223.6	-2.7	-1.2	-1.5	-0.7
Full-Time ('000)	185.4	188.5	188.8	-3.1	-1.6	-3.4	-1.8
Part-Time ('000)	36.7	36.3	34.8	0.4	1.1	1.9	5.5
Unemployment ('000)	32.5	32.4	31.6	0.1	0.3	0.9	2.8
Unemployment Rate (%)	12.8	12.6	12.4	0.2	-	0.4	-
Participation Rate (%)	57.2	57.7	57.3	-0.5	-	-0.1	-
Employment Rate (%)	49.9	50.5	50.2	-0.6	-	-0.3	-

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 32,600 jobs, rising slightly faster than the labour force. This has brought the unemployment rate below 13% in each of the past three months.



Youth (ages 15 to 24 years) accounted for most of the monthly employment loss. Most of the drop in youth employment was in full-time positions. The employment loss was the key reason why the youth unemployment rate rose by more than five percentage points compared to the month before. Youth employment generally increased each month between May and December. However, January’s loss was one of the largest of the past five years, the only exception being a deeper loss in the first two months of the pandemic (March and April of 2020).

The unemployment rate for males aged 25 years and older fell in January. However, this was mainly due a decline in the size of the labour force. In comparison, the unemployment rate for women of the same age group rose above 10% for the first time since September. This was related mainly to a drop in full-time employment.

Newfoundland and Labrador Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Jan 2021	Dec 2020	Jan 2020	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	12.8	12.6	12.4	0.2	0.4
25 years and over	11.7	12.4	11.4	-0.7	0.3
Men - 25 years and over	13.2	15.5	14.6	-2.3	-1.4
Women - 25 years and over	10.1	9.0	7.9	1.1	2.2
15 to 24 years	19.3	14.2	18.9	5.1	0.4
Men - 15 to 24 years	18.3	15.7	22.3	2.6	-4.0
Women - 15 to 24 years	20.4	12.5	15.4	7.9	5.0

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

EMPLOYMENT BY INDUSTRY

The **goods-producing sector** (+1,600) recovered some of December's loss. **Construction** employment (+900) regained some of the job losses from the previous month. While recent months have shown higher employment than the April to September period, there has not been a return to pre-pandemic levels. **Manufacturing** (+700) added jobs in January, but this gain was not able to offset the large loss the month before (-2,200). In addition, employment in the industry was lower than January of 2020.

The **services-producing sector** (-4,400) had its largest decline since April of 2020, at the start of the pandemic. **Wholesale and retail trade** (-1,100) lost jobs in January but employment in the industry was very similar to a year earlier, before the pandemic started. Other industries showing weakness include **accommodation and food services** as well as **transportation and warehousing**. Hotels, restaurants, and air transportation have been deeply affected by public health restrictions that aim to contain the spread of COVID-19. In contrast, a small gain in **professional, scientific and technical services** resulted in its third-highest employment level on record going back to 1976. While **health care and social assistance** (-700) had a monthly decline, employment was the second-highest on record.

Newfoundland and Labrador Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Jan 2021	Dec 2020	Jan 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	222.1	224.8	223.6	-2.7	-1.2	-1.5	-0.7
Goods-producing sector	43.9	42.3	45.8	1.6	3.8	-1.9	-4.1
Agriculture	1.1	1.3	1.6	-0.2	-15.4	-0.5	-31.3
Forestry, fishing, mining, quarrying, oil and gas	13.7	13.6	13.0	0.1	0.7	0.7	5.4
Utilities	2.9	2.8	2.4	0.1	3.6	0.5	20.8
Construction	17.4	16.5	19.3	0.9	5.5	-1.9	-9.8
Manufacturing	8.9	8.2	9.5	0.7	8.5	-0.6	-6.3
Services-producing sector	178.1	182.5	177.8	-4.4	-2.4	0.3	0.2
Trade	35.9	37.0	36.3	-1.1	-3.0	-0.4	-1.1
Transportation and warehousing	8.1	9.2	10.8	-1.1	-12.0	-2.7	-25.0
Finance, insurance, real estate and leasing	6.5	8.0	6.4	-1.5	-18.8	0.1	1.6
Professional, scientific and technical services	11.3	11.2	8.5	0.1	0.9	2.8	32.9
Business, building and other support services	6.3	6.3	7.3	0.0	0.0	-1.0	-13.7
Educational services	16.6	17.1	17.2	-0.5	-2.9	-0.6	-3.5
Health care and social assistance	44.2	44.9	38.0	-0.7	-1.6	6.2	16.3
Information, culture and recreation	7.0	6.6	6.1	0.4	6.1	0.9	14.8
Accommodation and food services	14.6	16.1	17.4	-1.5	-9.3	-2.8	-16.1
Other services	9.4	7.9	12.2	1.5	19.0	-2.8	-23.0
Public administration	18.2	18.4	17.5	-0.2	-1.1	0.7	4.0

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 on the Avalon Peninsula, but was lower for the West Coast-Northern Peninsula-Labrador region. Employment losses on the Avalon Peninsula were outweighed by gains elsewhere.

The **Avalon Peninsula** economic region had a higher unemployment rate than a year ago. This has been the case since January. Employment was lower (-4,900) than a year earlier, with all of the decline in full-time positions. While the job loss was notable, it has gradually improved since June, when employment was down by 14,600 jobs. Employment in the oil and gas industry and services-producing industries has been lower since the start of the pandemic. Accommodation and food services remained quite weak, due to the pandemic and related restrictions. Losses have also continued in transportation and warehousing, as a struggling economy has weakened activity and travel restrictions have affected the airline industry. However, health care and social assistance produced gains for seven consecutive months.

The unemployment rate was relatively unchanged from twelve months earlier in the **South Coast–Burin Peninsula and Notre Dame-Central-Bonavista Bay** region, as employment and the size of the labour force both

increased around 5% compared to January of 2020. January was the third consecutive month with an employment gain. This has been a considerable improvement from 21 months of losses that preceded it. Most of January's employment gain was part-time in nature, and was in services-producing industries such as education and wholesale and retail trade.

Employment growth in the **West Coast-Northern Peninsula-Labrador** economic region outweighed an increase in labour force size, lowering the unemployment rate. Employment has risen for the past four months, concentrated in full-time work. The goods-producing sector has declined for ten consecutive months, mainly in construction. Employment in the services-producing sector has strengthened for the past five months. While most industries in this sector gained jobs, wholesale and retail trade losses have been deepening for six months.

Newfoundland and Labrador Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Jan 2021 ('000)	Jan 2020 ('000)	Yearly Variation (%)	Jan 2021 (%)	Jan 2020 (%)	Yearly Variation (%)
Newfoundland and Labrador	218.6	218.5	0.0	13.0	12.6	0.4
Economic Regions						
Avalon Peninsula	127.8	132.7	-3.7	10.7	9.9	0.8
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	47.9	45.7	4.8	18.5	18.4	0.1
West Coast-Northern Peninsula-Labrador	42.9	40.1	7.0	13.0	14.3	-1.3

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0387

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.

Prepared by: Labour Market Analysis Directorate, Service Canada, Atlantic Region

For further information, please contact the LMI team at:

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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