



# Labour Market Bulletin

## Newfoundland and Labrador

March 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

A large spike in COVID-19 infections in February resulted in a widespread shutdown for businesses. This contributed to a decline of 8,300 jobs from the previous quarter, raising the unemployment rate to 13.5%.

Newfoundland and Labrador Quarterly Labour Force Statistics

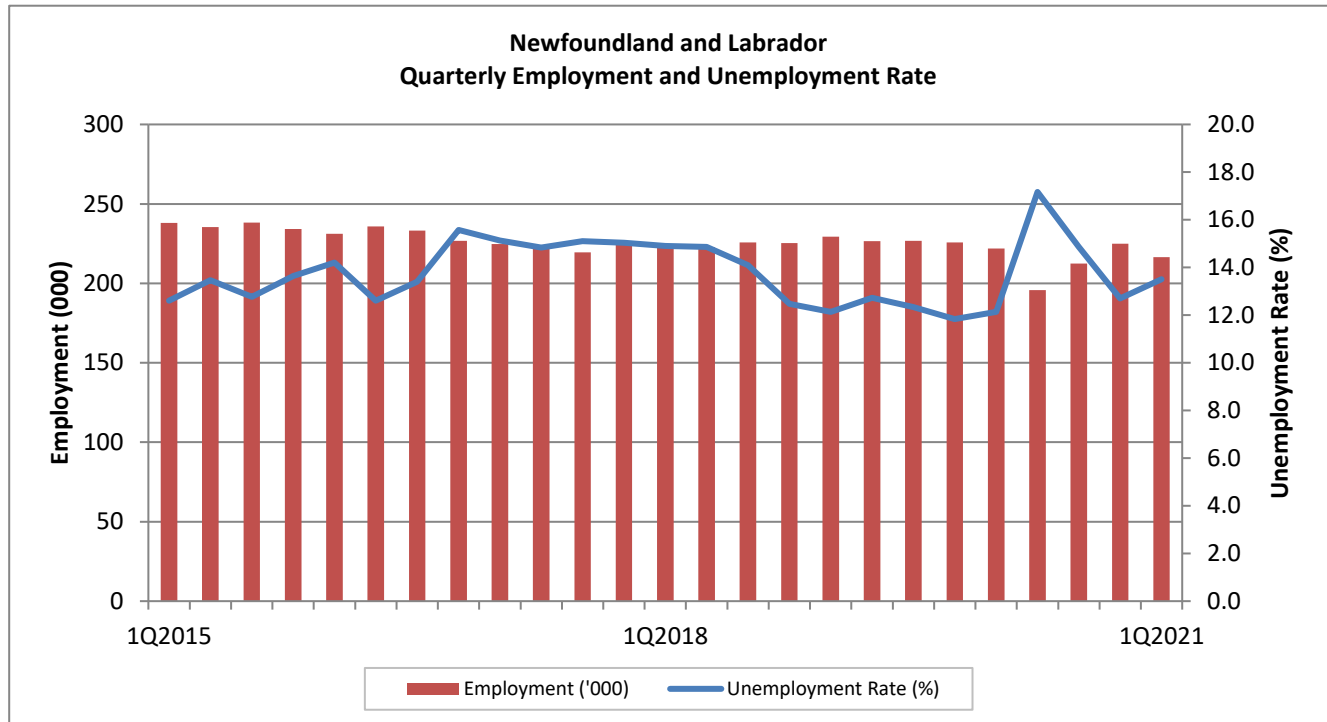
Seasonally Adjusted Monthly Data	1st Quarter 2021	4th Quarter 2020	1st Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	445.2	445.4	445.7	-0.2	0.0	-0.5	-0.1
<b>Labour Force ('000)</b>	250.2	257.6	252.6	-7.4	-2.9	-2.4	-1.0
<b>Employment ('000)</b>	216.6	224.9	221.9	-8.3	-3.7	-5.3	-2.4
Full-Time ('000)	182.2	187.9	188.2	-5.7	-3.0	-6.0	-3.2
Part-Time ('000)	34.4	37.0	33.7	-2.6	-7.0	0.7	2.1
<b>Unemployment ('000)</b>	33.7	32.7	30.6	1.0	3.1	3.1	10.1
<b>Unemployment Rate (%)</b>	13.5	12.7	12.1	0.8	-	1.4	-
<b>Participation Rate (%)</b>	56.2	57.8	56.7	-1.6	-	-0.5	-
<b>Employment Rate (%)</b>	48.6	50.5	49.8	-1.9	-	-1.2	-

Note: Totals may not add due to rounding

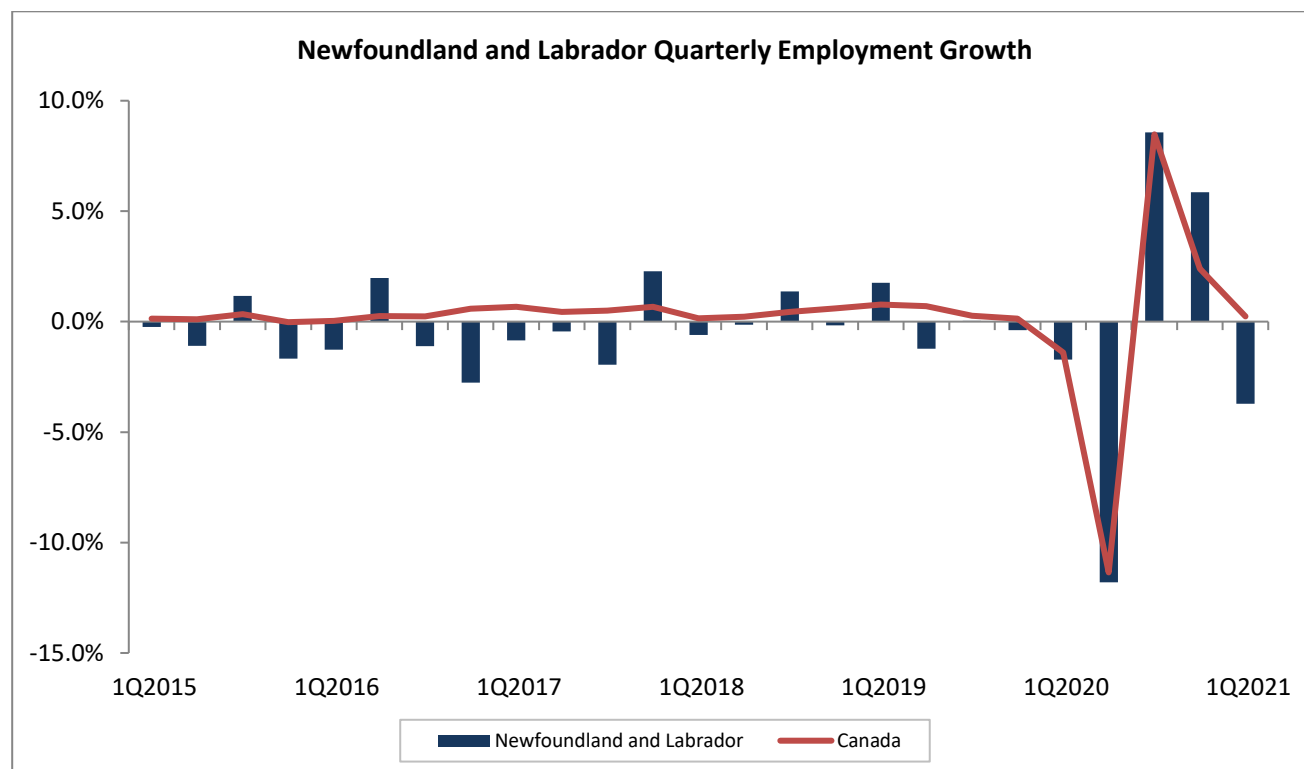
Source: Statistics Canada Labour Force Survey – Table 14-10-0287

Historically, a fall in major project spending contributed to a sustained reduction in employment beginning in 2013. This raised the quarterly unemployment rate to a six-year high of 15.6% in the fourth quarter of 2016. This rate remained near 15% over the next six quarters as employment and labour force levels remained steady. In the second half of 2018, a decline in labour force size reduced the unemployment rate, where it remained steady until

pandemic-related job losses elevated the rate through most of 2020. While labour market conditions improved in Q4 of 2020, a spike in COVID-19 infections raised the unemployment rate in the most recent quarter.



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 in the second quarter of 2020. While the two quarters that followed brought employment gains at both levels, Newfoundland and Labrador has had the sharpest employment loss among provinces in the most recent quarter due to a rise in COVID-19 infections.



The youth (aged 15 to 24 years) unemployment rate increased (+5.3) from the previous quarter, as employment declined (-2,700), mainly in part-time positions. This reversed the group's employment gains in the last quarter of 2020.

For those 25 years and older, females had a larger change from the previous quarter. The unemployment rate rose above ten percent for the group, due to fewer jobs (-4,500). Compared to a year ago, their unemployment rate was notably higher in the most recent quarter. In comparison, the unemployment rate for males was quite similar to a year ago; with employment and labour force size both dropping by approximately 3,000 over that time.

**Newfoundland and Labrador Quarterly Unemployment Rates, by Gender and Age**

Seasonally Adjusted Data	1st Quarter 2021 %	4th Quarter 2020 %	1st Quarter 2020 %	Quarterly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	13.5	12.7	12.1	0.8	1.4
<b>25 years and over</b>	12.6	12.5	11.3	0.1	1.3
Men - 25 years and over	14.9	15.6	14.6	-0.7	0.3
Women - 25 years and over	10.1	9.2	7.7	0.9	2.4
<b>15 to 24 years</b>	19.1	13.8	17.7	5.3	1.4
Men - 15 to 24 years	17.5	13.3	22.5	4.2	-5.0
Women - 15 to 24 years	20.9	14.1	13.0	6.8	7.9

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

## EMPLOYMENT BY INDUSTRY

Employment in the **goods-producing sector** declined from the previous quarter. This was mainly due to a loss in **manufacturing**. Most of the sector's employment drop from a year ago was in **construction**, as the industry has not fully recouped the loss it experienced in the initial pandemic-related shutdown. 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** lost (-7,100) the employment gain it made in the previous quarter. More than half of the sector's decline was in **accommodation and food services**. A clampdown on business activity in the industry due to COVID-19 swiftly translated into job losses. Compared to a year ago, employment in that industry was down by nearly 30 percent. **Transportation and warehousing** also had a notable loss in the most recent quarter, as a general decline in the economy translated into fewer jobs for that industry. In contrast, **health care and social assistance** reached a record high for the third consecutive quarter, resulting in more jobs (+6,000) in the industry compared to a year earlier.

Newfoundland and Labrador Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	1st Quarter 2021	4th Quarter 2020	1st Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	216.6	224.9	221.9	-8.3	-3.7	-5.3	-2.4
<b>Goods-producing sector</b>	42.4	43.7	45.9	-1.3	-3.0	-3.5	-7.6
Agriculture	1.0	1.1	1.8	-0.1	-9.1	-0.8	-44.4
Forestry, fishing, mining, quarrying, oil and gas	12.9	13.0	13.4	-0.1	-0.8	-0.5	-3.7
Utilities	2.8	2.8	2.4	0.0	0.0	0.4	16.7
Construction	16.7	17.1	19.0	-0.4	-2.3	-2.3	-12.1
Manufacturing	8.9	9.7	9.3	-0.8	-8.2	-0.4	-4.3
<b>Services-producing sector</b>	174.1	181.2	176.1	-7.1	-3.9	-2.0	-1.1
Trade	35.8	36.9	35.9	-1.1	-3.0	-0.1	-0.3
Transportation and warehousing	8.4	9.8	11.1	-1.4	-14.3	-2.7	-24.3
Finance, insurance, real estate and leasing	7.0	7.9	6.7	-0.9	-11.4	0.3	4.5
Professional, scientific and technical services	10.4	10.6	8.6	-0.2	-1.9	1.8	20.9
Business, building and other support services	6.9	5.9	7.3	1.0	16.9	-0.4	-5.5
Educational services	15.7	16.8	16.9	-1.1	-6.5	-1.2	-7.1
Health care and social assistance	44.4	43.6	38.4	0.8	1.8	6.0	15.6
Information, culture and recreation	6.4	6.5	5.6	-0.1	-1.5	0.8	14.3
Accommodation and food services	12.2	16.0	16.9	-3.8	-23.8	-4.7	-27.8
Other services	8.1	8.7	12.0	-0.6	-6.9	-3.9	-32.5
Public administration	18.7	18.6	16.6	0.1	0.5	2.1	12.7

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 lower than it was a year ago, mainly due to considerable job losses on the Avalon Peninsula. Most of the decline was in full-time work.

Employment on the **Avalon Peninsula** dropped (-7,000) compared to a year earlier, as full-time employment has continued to show sharp losses since the middle of 2020. The labour force was also smaller than a year ago, but not as deep as the drop in employment, resulting in a higher unemployment rate. In the goods-producing sector, most of the employment loss was in construction as well as forestry, fishing, mining, quarrying, and oil and gas. Challenges in the oil industry were a key factor behind the decline. In the services-producing sector, an increase in public administration could not match the losses in educational services, accommodation and food services, and transportation and warehousing.

Employment fell (-1,100) in the **South Coast–Burin Peninsula and Notre Dame-Central-Bonavista Bay** compared to twelve months earlier, as full-time jobs dropped sharply. The services-producing sector had most of the decline, with mixed results throughout the sector. The loss in accommodation and food services was notably large compared to recent trends in the industry.

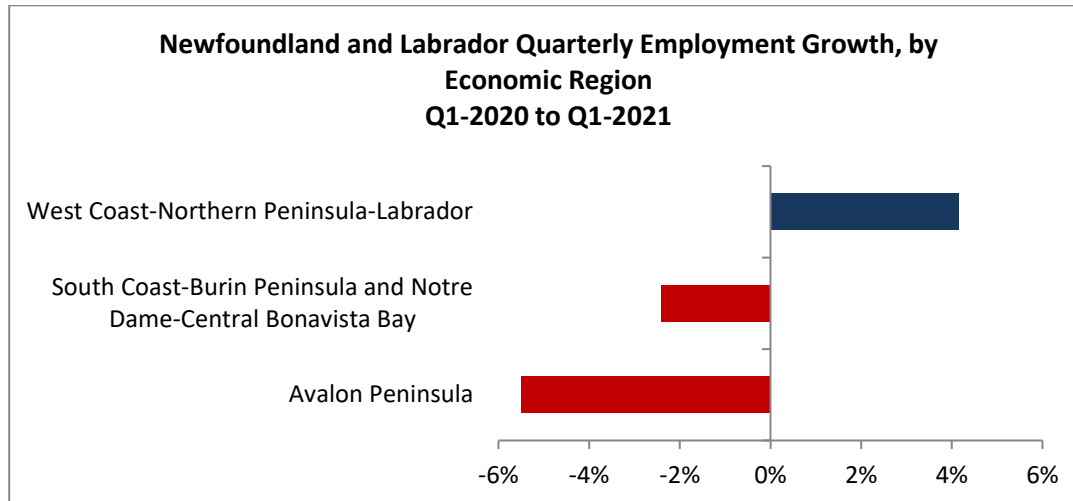
The **West Coast–Northern Peninsula–Labrador** region showed an employment gain (+1,600). This was the second consecutive quarter with a rise in employment. While there were more jobs, the unemployment rate rose as the size of the labour force grew at a faster rate. Most of the employment gain was in full-time positions. The services-producing sector had most of the increase, led by health care and social assistance. However, there were fewer jobs in wholesale and retail trade, as well as accommodation and food services. In the goods-producing sector, an increase in forestry, fishing, mining, and oil and gas was slightly outweighed by the combined losses elsewhere in the sector.

**Newfoundland and Labrador Quarterly Labour Force Statistics, by Economic Region**

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	1st Quarter 2021 (‘000)	1st Quarter 2020 (‘000)	Yearly Variation (%)	1st Quarter 2021 (%)	1st Quarter 2020 (%)	Yearly Variation (%)
<b>Newfoundland and Labrador</b>	204.9	211.5	-3.1	15.4	13.8	1.6
<b>Economic Regions</b>						
Avalon Peninsula	120.4	127.4	-5.5	12.9	11.2	1.7
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	44.4	45.5	-2.4	20.1	18.5	1.6
West Coast-Northern Peninsula-Labrador	40.2	38.6	4.1	17.1	16.3	0.8

*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:

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