



Labour Market Bulletin

Newfoundland and Labrador

2016



This Labour Market Bulletin provides 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 2016, employment in Newfoundland and Labrador decreased for the third straight year after reaching a record high in 2013. Employment declined faster than the size of the labour force, raising the unemployment rate from 12.8% in 2015 to 13.4% in 2016. This was the highest unemployment rate for the province since 2010. Of particular note were losses of 6,800 full-time jobs. These losses were much larger than the gains in part-time employment (+3,200). Since reaching a new high in 2012, full-time employment has declined by 13,200 while part-time employment recorded a new high in 2016.

Overall employment declined by 1.5% or 3,600 jobs in 2016 from the year before. Only Prince Edward Island and Alberta showed deeper job losses on a percentage basis. Nationally, employment increased by 0.7%, with the strongest increases happening in British Columbia, Ontario, and Quebec.

Newfoundland and Labrador Annual Labour Force Statistics							
Annual Labour Force Survey Estimates	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Population 15+ ('000)	444.3	442.9	443.9	1.4	0.3%	-1	-0.2%
Labour force ('000)	268.7	270.8	270.9	-2.1	-0.8%	-0.1	0.0%
Employment ('000)	232.6	236.2	238.6	-3.6	-1.5%	-2.4	-1.0%
Full-time ('000)	194.7	201.5	202.1	-6.8	-3.4%	-0.6	-0.3%
Part-time ('000)	37.9	34.7	36.5	3.2	9.2%	-1.8	-4.9%
Unemployment ('000)	36.1	34.7	32.3	1.4	4.0%	2.4	7.4%
Unemployment rate (%)	13.4	12.8	11.9	0.6	-	0.9	-
Participation rate (%)	60.5	61.1	61	-0.6	-	0.1	-
Employment rate (%)	52.4	53.3	53.8	-0.9	-	-0.5	-

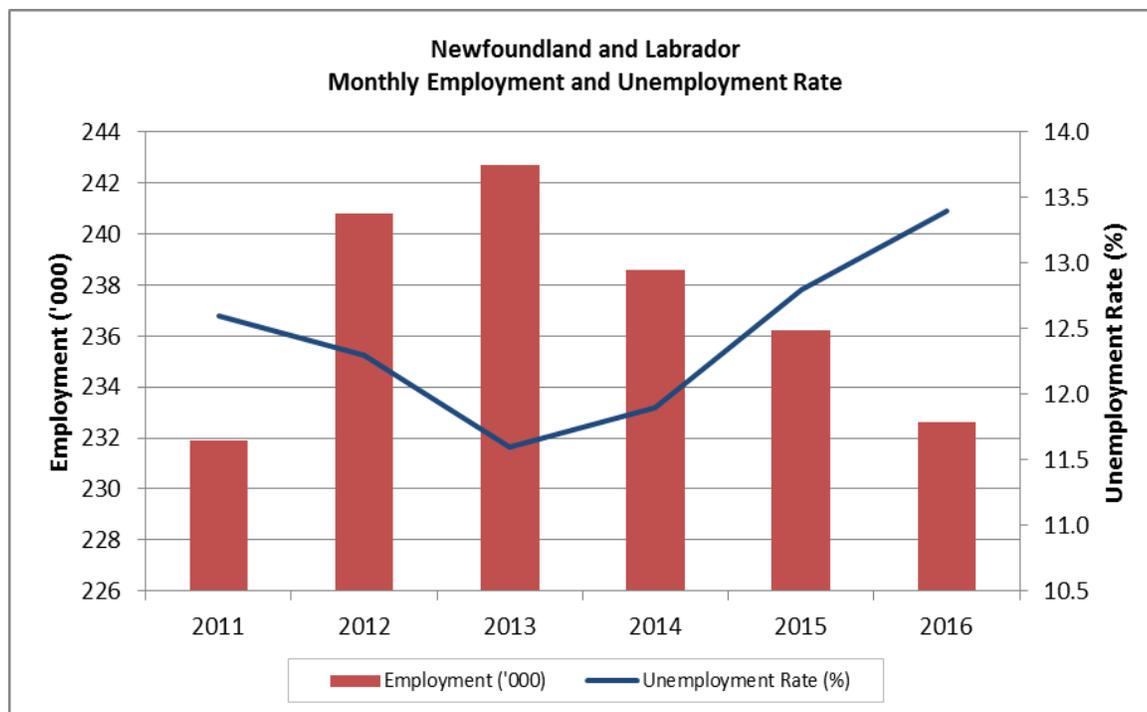
Note: Totals may not add up due to rounding

Source: Statistics Canada Labour Force Survey - Cansim Table 282-0002

The level of employment in the Newfoundland and Labrador has declined by 10,100 jobs from the record high set in 2013. Despite the losses, employment in 2016 was the fifth-highest on record for the province, exceeded only by the previous four years. The size of the labour force has declined at a slower rate than employment. While the unemployment rate has risen, it remains relatively low from a historical standpoint. Despite a slight decrease, participation in the labour force remains relatively strong for the province at 60.5%. This participation rate has been trending downward since reaching a high in 2012, as the working age population continues to increase slowly while the size of the labour force gets smaller.

After six straight years of gains and reaching a new high in 2015, private sector employment lost 4,000 jobs in 2016. Public sector employment was relatively unchanged from 2015, showing stability after losing a total of 10,400 jobs in 2014 and 2015 combined.

The unemployment rate decreased between 2011 and 2013 to reach a new low for the province at 11.6%. However, the unemployment rate has increased since 2013 as employment has declined faster than the size of the labour force.

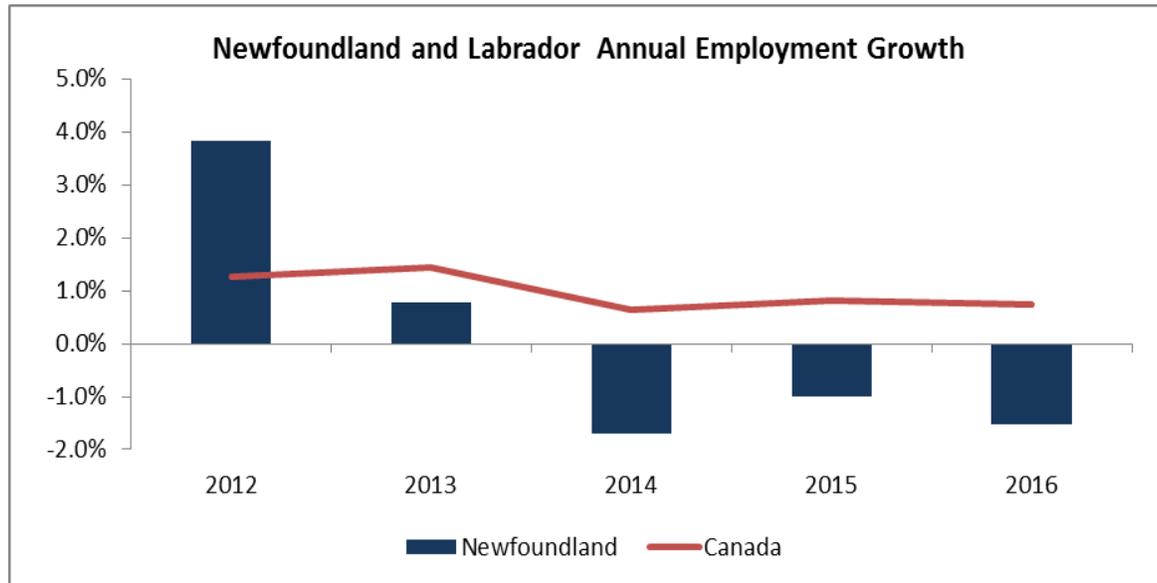


Between 2011 and 2013, employment in Newfoundland and Labrador increased considerably as major construction projects and strong activity in mining and oil & gas helped drive job growth. In more recent years, major project activity has declined after reaching peak employment levels. In addition, global economic growth has slowed, soft commodity prices have negatively affected mining and oil and gas employment, and budgetary restraint measures took place in the public sector.

The unemployment rate fell from 15.5% in 2009 to 11.6% in 2013 as employment growth exceeded labour force growth. Since then, employment levels have fallen faster than the size of labour force. This has caused the provincial unemployment rate to rise but not as high as it was in 2009 or 2010.

The chart below shows that the province had strong employment growth in 2012, followed by a notable slowing in 2013 and declines since then. In 2012, Newfoundland and Labrador led all provinces in employment growth,

exceeding the national rate. However, since 2013 the national growth rate has exceeded the provincial rate. Canada's employment growth remained slow and relatively steady over the past five years while Newfoundland and Labrador showed a small increase in 2013 and decreases since then.



The unemployment rate for youth aged 15-24 years in the province increased to 16.7% after remaining at 16.3% in the previous three years. In 2016, the employment declined slightly faster than the size of the labour force, raising the unemployment rate. Even with the job losses, the employment rate for this group (53.2% in 2016) was the second highest on record. Of note, full-time employment declined while part-time employment had gains. This was consistent with the changes in the overall labour market.

For those aged 25 years and older, the unemployment rate increased to 12.9% in 2016, up from 12.3% a year earlier. This was the third straight year with an increase in the unemployment rate for this group, as employment has declined faster than the labour force. Full-time employment declined by 5,100 in 2016, outweighing gains of 2,700 part-time jobs. At 12.9%, the unemployment rate was the highest for this group since 2010, when it was 13.6%.

For males 25 years and older, the unemployment rate increased to 15.6%, up by a full percentage point. Employment continued to decrease from its record high in 2013. The labour force has also declined, but to a lesser extent than employment. In 2016, full-time employment decreased by 3,000, while part-time employment gained 1,100 jobs.

For females 25 and older, the unemployment rate increased by 0.3 percentage points to 10.0%. Employment showed a slight decline of 300 jobs while the size of the labour force was relatively unchanged. While overall employment levels did not change significantly for this age group, full-time employment decreased by 2,000 while part-time employment increased by 1,600 to reach a new high.

Full-time job losses and gains in part-time employment have been a trend affecting various age groups for both men and women.

Newfoundland and Labrador Annual Unemployment Rates, by Gender and Age					
Annual Labour Force Survey Estimates	2016	2015	2014	2015 to 2016	2014 to 2015
	%	%	%	(% points)	(% points)
Total	13.4	12.8	11.9	0.6	0.9
25 years and over	12.9	12.3	11.3	0.6	1
Men - 25 years and over	15.6	14.6	13.2	1	1.4
Women - 25 years and over	10	9.7	9.2	0.3	0.5
15 to 24 years	16.7	16.3	16.3	0.4	0
Men - 15 to 24 years	20.6	21.7	20.1	-1.1	1.6
Women - 15 to 24 years	12.6	11.5	12.5	1.1	-1
<i>Note: Totals may not add due to rounding</i>					
<i>Source: Statistics Canada, Labour Force Survey - CANSIM Table 282-0002</i>					

EMPLOYMENT BY INDUSTRY

In 2016, employment in the **Goods-producing sector** declined by 3,600 jobs, or 6.7% in Newfoundland and Labrador. The largest losses were in **Forestry, fishing, mining, quarrying, and oil and gas** (-1,800 jobs). Specifically, most of this industry's employment declines were in **Oil and Gas Extraction** as well as **Support activities for mining and oil and gas extraction**. **Manufacturing** also had notable losses of 1,600 jobs, with 1,100 of these coming from non-durable goods manufacturing.

Construction employment went down by 700 jobs in 2016, continuing a slow decline since reaching a high of 22,800 in 2013. Despite the losses, the industry's employment level was the fourth highest on record in the province. Major projects have been a key contributor to strong employment levels in this industry, but these projects have moved past the peak stages of employment.

In the **Services-producing sector**, employment was virtually unchanged (+100 jobs) from the previous year. The sector had three straight years with job losses before the very small positive result recorded in 2016. **Trade** employment increased by 1,500 jobs to reach a new high for the third straight year. **Accommodation and food services** gained 600 jobs to also reach a new high for the second year in a row. **Health care and social assistance** added 1,600 jobs to reach the second highest level on record. In **Professional, scientific and technical services**, employment decreased by 800 jobs from its high in 2015. **Educational services** also declined by 800 jobs, reaching its lowest level since 1977. Employment levels in this industry have decreased for four straight years.

Newfoundland and Labrador Annual Labour Force Statistics, by Industry

Employment ('000)	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Total, all industries	232.6	236.2	238.6	-3.6	-1.5%	-2.4	-1.0%
Goods-producing sector	50.5	54.1	54.7	-3.6	-6.7%	-0.6	-1.1%
Agriculture	1.5	1.3	1.3	0.2	15.4%	0	0.0%
Forestry, fishing, mining, quarrying, oil and gas	14.4	16.2	17.6	-1.8	-11.1%	-1.4	-8.0%
Utilities	2.8	2.5	2.6	0.3	12.0%	-0.1	-3.8%
Construction	21.9	22.6	22.6	-0.7	-3.1%	0	0.0%
Manufacturing	9.8	11.4	10.6	-1.6	-14.0%	0.8	7.5%
Services-producing sector	182.1	182	183.9	0.1	0.1%	-1.9	-1.0%
Trade	43.1	41.6	39.4	1.5	3.6%	2.2	5.6%
Transportation and warehousing	9.7	10	11.7	-0.3	-3.0%	-1.7	-14.5%
Finance, insurance, real estate and leasing	7.9	8.3	8.6	-0.4	-4.8%	-0.3	-3.5%
Professional, scientific and technical services	10.5	11.3	10.6	-0.8	-7.1%	0.7	6.6%
Business, building and other support services	6.9	7.2	6.4	-0.3	-4.2%	0.8	12.5%
Educational services	14.3	15.1	17.6	-0.8	-5.3%	-2.5	-14.2%
Health care and social assistance	39.2	37.6	37.5	1.6	4.3%	0.1	0.3%
Information, culture and recreation	7.1	7.3	7.5	-0.2	-2.7%	-0.2	-2.7%
Accommodation and food services	16	15.4	15.1	0.6	3.9%	0.3	2.0%
Other services	12.2	12.5	12	-0.3	-2.4%	0.5	4.2%
Public administration	15.3	15.7	17.5	-0.4	-2.5%	-1.8	-10.3%

Note: Totals may not add due to rounding

Source: Statistics Canada, Labour Force Survey - CanSim Table 282-0008

REGIONAL ANALYSIS

In the Avalon Peninsula economic region, the size of the labour force increased by 2,100 after three straight years of losses. Employment decreased by 600 jobs in 2016, the fourth straight year with a decline. As a result of these changes, the unemployment rate increased by 1.6 percentage points to 10.5%. Prior to this, the last year the unemployment rate exceeded 10% was in 2010 (10.9%).

Job losses were in full-time employment (-3,000) while part-time employment increased by 2,500 to reach a new high for the region. Employment declined by 1,700 jobs in the **Goods-producing sector**. **Manufacturing** had the largest decline among industries in this sector with 1,000 fewer jobs in 2016. The **Services-producing sector** gained 1,100 jobs from the year before. **Wholesale and retail trade** led the gains in employment in this sector with an increase of 2,100 jobs from 2015, establishing a new high. After notable losses in 2015, **Transportation and warehousing** gained 500 jobs in 2016. A small increase of 300 jobs in **Accommodation and food services** led to a new high for the industry in this region. **Professional, scientific and technical services** lost 800 jobs in response to a slowing economy and reduced activity related to mining and oil and gas.

Newfoundland and Labrador Annual Labour Force Statistics, by Economic Region

Employment ('000)	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Newfoundland and Labrador	232.6	236.2	238.6	-3.6	-1.5%	-2.4	-1.0%
Avalon Peninsula	138.2	138.8	140.1	-0.6	-0.4%	-1.3	-0.9%
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	51.8	55.2	54.1	-3.4	-6.2%	1.1	2.0%
West Coast-Northern Peninsula-Labrador	42.6	42.2	44.4	0.4	0.9%	-2.2	-5.0%

Note: Totals may not add due to rounding

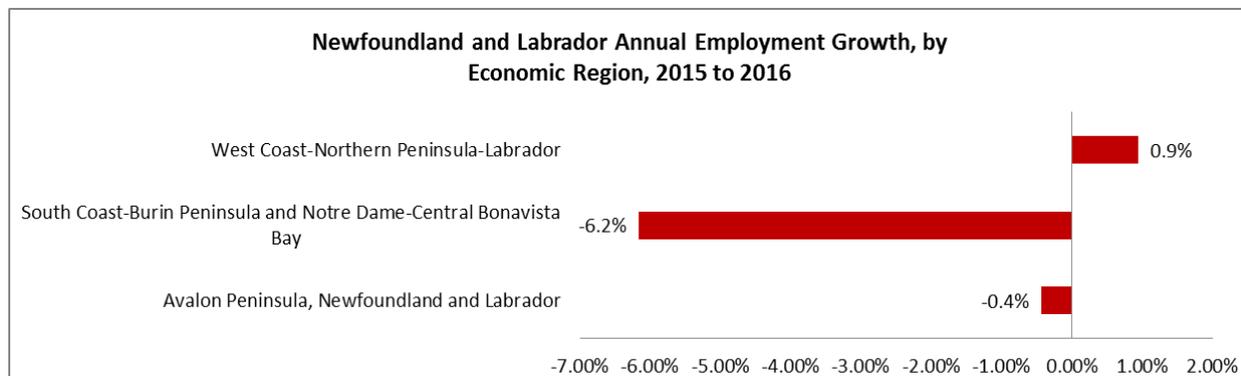
Source: Statistics Canada, Labour Force Survey - CANSIM Table 282-0123

In the South Coast-Burin Peninsula and Notre Dame-Central-Bonavista Bay economic region, employment decreased by 3,400 jobs in 2016, a decline of 6.2% from the year before. The size of the labour force also declined sharply, but at a slower rate than employment. As a result, the unemployment rate increased by 0.6 percentage points to 18.6%. Job losses were mainly full-time in nature. The data available for analysis goes back to 2001. Employment levels in 2016 were the lowest for this region over this period of time. Employment in the **Goods-producing sector** showed losses of 600 jobs, mainly in Manufacturing (-500). The **Services-producing sector** led the region's employment losses for 2016, with 2,700 fewer jobs. Industries with notable losses included **Trade**, and **Transportation and warehousing**. However, **Health care and social assistance** gained 1,400 jobs from 2015 to reach a new high.

In the West Coast-Northern Peninsula-Labrador economic region, the size of the labour force declined by 600 jobs while employment increased by 400. This caused the unemployment rate to lower by 1.6 percentage points to 16.0%. Gains in part-time employment outweighed losses in full-time work. This was the first year with an employment increase since 2013. In addition, this region was the only one in the province with gains in employment in 2016.

The **Services-producing sector** experienced gains of 1,700 jobs while the **Goods-producing sector** lost 1,300 jobs. In the **Services-producing sector**, the largest increases were in **Trade**, **Health care and social assistance**, and **Accommodation and food services**. **Educational services** lost 300 jobs to reach its lowest level since 2001.

In the **Goods-producing sector**, losses were spread among a variety of industries. Despite the 600 job losses in **Construction**, employment in this industry was the second-highest on record. Construction activity related to the Muskrat Falls Hydroelectric Project has been a key factor in this elevated level of employment. However, **Forestry, fishing, mining, quarrying, oil and gas** lost 400 jobs. Mining is important to this economic region and recent years have been challenging for the industry.



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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