



Labour Market Bulletin

Newfoundland and Labrador

July 2017



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 July, employment had a notable decline from the month before, with the losses being full-time in nature. Over the same period, the size of the labour force also declined but not as deep as the reduction in employment. These changes resulted in an increase in the unemployment rate to 15.7%, from 14.9%.

Employment was down by 12,500 jobs compared to a year earlier. The size of the labour force also decreased during this period, but to a lesser extent. As a result, the unemployment rate rose by 2.8 percentage points during this period. Approximately three-quarters of the job losses over the past year were full-time in nature.

Newfoundland and Labrador Monthly Labour Force Statistics

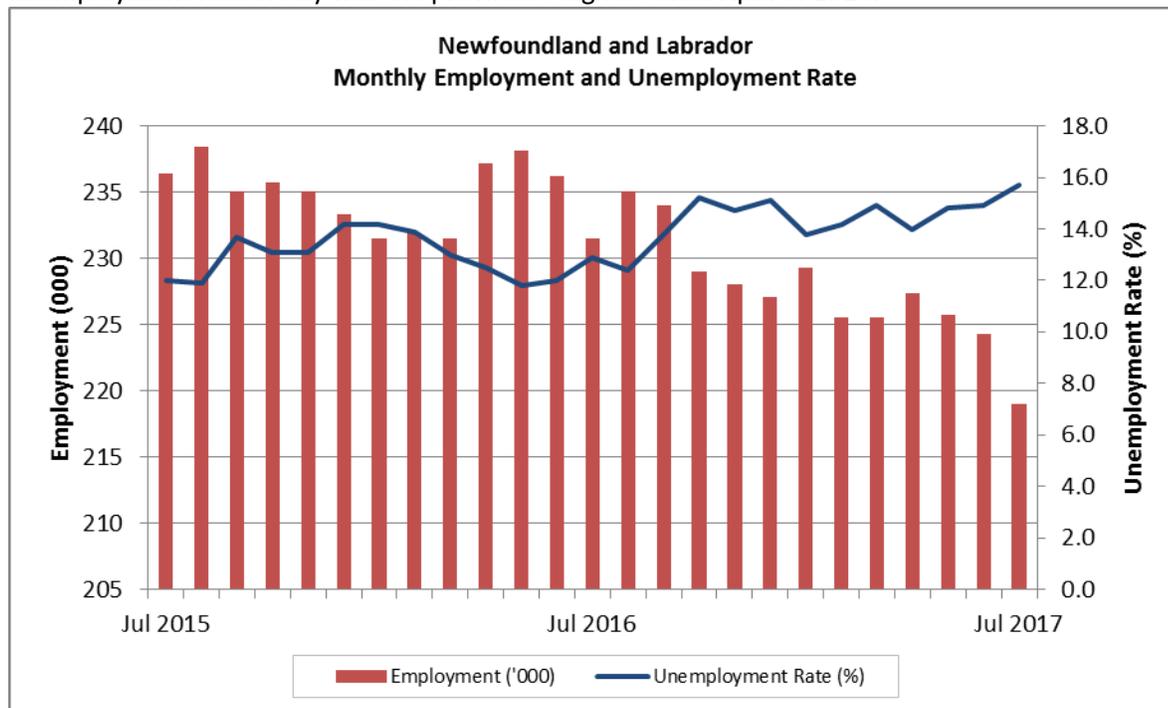
| Seasonally Adjusted Monthly Data | July 2017 | June 2017 | July 2016 | Monthly | | Yearly Variation | |
|-------------------------------------|--------------|--------------|--------------|---------|------|------------------|------|
| | | | | Number | % | Number | % |
| Population 15 + ('000) | 445.8 | 445.8 | 444.6 | 0.0 | 0.0 | 1.2 | 0.3 |
| Labour Force ('000) | 259.7 | 263.5 | 265.7 | -3.8 | -1.4 | -6.0 | -2.3 |
| Employment ('000) | 219.0 | 224.3 | 231.5 | -5.3 | -2.4 | -12.5 | -5.4 |
| Full-Time ('000) | 187.2 | 192.9 | 196.5 | -5.7 | -3.0 | -9.3 | -4.7 |
| Part-Time ('000) | 31.8 | 31.4 | 35.0 | 0.4 | 1.3 | -3.2 | -9.1 |
| Unemployment ('000) | 40.8 | 39.2 | 34.2 | 1.6 | 4.1 | 6.6 | 19.3 |
| Unemployment Rate (%) | 15.7 | 14.9 | 12.9 | 0.8 | - | 2.8 | - |
| Participation Rate (%) | 58.3 | 59.1 | 59.8 | -0.8 | - | -1.5 | - |
| Employment Rate (%) | 49.1 | 50.3 | 52.1 | -1.2 | - | -3.0 | - |

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Since climbing to a record high in January 2013, employment levels have since fallen significantly and returned to what they were in the second quarter of 2010. Over the past two years, with the exception of a few occasional gains, employment levels have generally declined. At 219,000 in July, the level of employment was at its lowest level since April of 2010 and was 27,500 lower from the record high, with nearly the entire decline being in full-

time employment. July's employment decline was the largest monthly decrease since December of 2005. The unemployment rate in July was the province's highest since April of 2010.



The youth (aged 15 to 24 years) unemployment rate increased by 3.2 percentage points in July compared to the previous month. Employment declined faster than the size of the labour force. Most of the employment loss was full-time in nature. Compared to a year ago, full-time employment losses have outweighed gains in part-time employment. The size of the labour force has declined over this period, but not as fast as overall employment. As a result, the unemployment rate has increased.

Newfoundland and Labrador Monthly Unemployment Rates, by Gender and Age

| Seasonally Adjusted Data | July 2017 | June 2017 | July 2016 | Monthly Variation | Yearly Variation |
|---------------------------|-----------|-----------|-----------|-------------------|------------------|
| | % | % | % | (% points) | (% points) |
| Total | 15.7 | 14.9 | 12.9 | 0.8 | 2.8 |
| 25 years and over | 15.4 | 14.9 | 12.6 | 0.5 | 2.8 |
| Men - 25 years and over | 19.7 | 18.7 | 15.1 | 1.0 | 4.6 |
| Women - 25 years and over | 10.6 | 10.7 | 9.7 | -0.1 | 0.9 |
| 15 to 24 years | 18.1 | 14.9 | 15.0 | 3.2 | 3.1 |
| Men - 15 to 24 years | 21.8 | 19.3 | 19.2 | 2.5 | 2.6 |
| Women - 15 to 24 years | 14.5 | 9.3 | 10.7 | 5.2 | 3.8 |

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

The unemployment rate for males aged 25 years and older increased by 1.0 percentage point from the previous month as employment declined faster than the size of the labour force. Full-time employment had a notable drop while part-time employment increased slightly. Employment has declined in nine of the past eleven months and is now 9,000 lower than it was in July of last year. Most of this decline occurred in full-time employment. The unemployment rate was 4.6 percentage points higher than a year ago. The unemployment rate for this group has not been this high since May of 1997.

In contrast, the unemployment rate for females 25 years and older showed little change, decreasing by 0.1 percentage points to 10.6%. Both employment and the size of the labour force registered very small declines. Compared to males in the same age group, labour market conditions among females 25 years and older has been relatively steady.

EMPLOYMENT BY INDUSTRY

In July, most of the job losses over the previous month were in the **Services-producing sector**. This was also the case when compared to twelve months earlier. Employment in the **Goods-producing sector** decreased by 4,000 jobs from a year ago, while the **Services-producing sector** declined by 8,500 jobs.

The largest monthly job losses in the **Services-producing sector** occurred in **Health care and social assistance** and **Public administration**. Both of these industries have experienced employment losses for the third straight month, losing the gains made earlier in 2017. After reaching a record high, employment in **Finance, insurance, real estate and leasing** has been declining for nearly two years. Over the past year, **Information, culture and recreation** increased to 8,000 jobs in January 2017, but has since shown considerable decreases in employment, resulting in fewer jobs than the industry had a year ago. **Accommodation and food services** has experienced gains and losses in recent months, but the longer trend has been one of decline. Since reaching a record high in May of 2016, the industry has shed 3,500 jobs.

The **Goods-producing sector** experienced job losses compared to the previous month. Losses in **Construction** as well as **Forestry, fishing, mining, quarrying and oil and gas** outweighed gains in **Utilities**. **Construction** employment has decreased due to worsening economic conditions and the completion of work related to the Hebron Oil Project. Most of the job losses in **Forestry, fishing, mining, quarrying and oil and gas** have been in mining and oil and gas.

Newfoundland and Labrador Monthly Employed Labour Force, by Industry

| Seasonally Adjusted Data ('000) | July 2017 | June 2017 | July 2016 | Monthly Variation | | Yearly Variation | |
|---|-----------|-----------|-----------|-------------------|-------|------------------|-------|
| | | | | Number | % | Number | % |
| Total employed, all industries | 219.0 | 224.3 | 231.5 | -5.3 | -2.4 | -12.5 | -5.4 |
| Goods-producing sector | 45.5 | 46.8 | 49.5 | -1.3 | -2.8 | -4.0 | -8.1 |
| Agriculture | 1.6 | 1.7 | 1.7 | -0.1 | -5.9 | -0.1 | -5.9 |
| Forestry, fishing, mining, quarrying, oil and gas | 12.4 | 13.3 | 13.7 | -0.9 | -6.8 | -1.3 | -9.5 |
| Utilities | 2.8 | 2.3 | 3.1 | 0.5 | 21.7 | -0.3 | -9.7 |
| Construction | 20.3 | 20.9 | 22.4 | -0.6 | -2.9 | -2.1 | -9.4 |
| Manufacturing | 8.4 | 8.6 | 8.5 | -0.2 | -2.3 | -0.1 | -1.2 |
| Services-producing sector | 173.5 | 177.5 | 182.0 | -4.0 | -2.3 | -8.5 | -4.7 |
| Trade | 40.8 | 41.4 | 44.0 | -0.6 | -1.4 | -3.2 | -7.3 |
| Transportation and warehousing | 11.4 | 11.1 | 9.8 | 0.3 | 2.7 | 1.6 | 16.3 |
| Finance, insurance, real estate and leasing | 5.8 | 6.5 | 7.6 | -0.7 | -10.8 | -1.8 | -23.7 |
| Professional, scientific and technical services | 10.1 | 9.9 | 10.1 | 0.2 | 2.0 | 0.0 | 0.0 |
| Business, building and other support services | 8.2 | 7.0 | 6.6 | 1.2 | 17.1 | 1.6 | 24.2 |
| Educational services | 14.7 | 14.4 | 14.1 | 0.3 | 2.1 | 0.6 | 4.3 |
| Health care and social assistance | 38.7 | 40.1 | 39.1 | -1.4 | -3.5 | -0.4 | -1.0 |
| Information, culture and recreation | 5.5 | 6.3 | 6.8 | -0.8 | -12.7 | -1.3 | -19.1 |
| Accommodation and food services | 14.7 | 15.1 | 16.9 | -0.4 | -2.6 | -2.2 | -13.0 |
| Other services | 9.7 | 10.6 | 11.1 | -0.9 | -8.5 | -1.4 | -12.6 |
| Public administration | 13.8 | 15.2 | 16.0 | -1.4 | -9.2 | -2.2 | -13.8 |

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

REGIONAL ANALYSIS

The unemployment rate increased in all regions in the province, with those outside the Avalon Peninsula rising to a greater extent. The **Avalon Peninsula** was the only economic region to have a drop in labour force size from a year ago. Compared to notable declines in the rest of the province, employment in the **West Coast-Northern Peninsula-Labrador** economic region was relatively stable.

On the **Avalon Peninsula** the unemployment rate increased compared to July of last year. While the size of the labour force declined considerably, employment decreased to a greater extent, increasing the unemployment rate. Full-time and part-time employment both showed considerable declines. The employment decline was mainly in the **Services-producing sector**, with the largest job losses in **Trade**. This was the third straight month with losses in this industry, with the declines becoming deeper each month. **Finance, insurance, real estate and leasing** also had notable losses. Employment in this industry has declined for eleven straight months. **Professional, scientific and technical services** has declined for seventeen straight months, but recent losses have not been as deep as they were a year ago. The **Goods-producing sector** also had a notable decline in employment in July, with the largest losses occurring in **Construction**. After a period of relative stability over the past year, declines have been notable and deeper in each of the past three months. Much of this decline was related to the construction of Hebron Oil Project which was completed in recent months. As there was no other project on the horizon, it left many workers looking for employment.

In the **South Coast – Burin Peninsula and Notre Dame – Central – Bonavista Bay** economic region, the unemployment rate increased by 5.9 percentage points compared to July of last year. Employment levels declined while the size of the labour force showed little change. Nearly all of the job losses were full-time in nature. The employment decline was notable in both the **Goods-producing sector** and the **Services-producing sector**. For the fifth-straight month, **Manufacturing** employment had the largest decline among all industries. A significant cut in shrimp and crab quotas as well as a buildup of heavy ice along the northeast coast of the island resulted in the closure of some fish plants in this region. This has been a key contributor to the decline in **Manufacturing** employment compared to the same period last year. Employment in the **Services-producing sector** has declined in fifteen of the past sixteen months. The main contributors to the sector's job losses in July were **Health care and social assistance** as well as **Accommodation and food services**. On a positive note, employment in **Transportation and warehousing** increased for the sixth month in a row.

The unemployment rate in the **West Coast – Northern Peninsula – Labrador** economic region increased by 3.5 percentage points from a year ago. While employment had a small decline, the size of the labour force showed notable gains from a year ago. This was the third straight month of labour force growth, while employment declined for the twelfth month in a row. Employment losses in the **Goods-producing sector** slightly outweighed gains in the **Service-producing sector**. Most of the employment losses in the **Goods-producing sector** were in **Forestry, fishing, mining, quarrying, and oil and gas**. Employment in this industry has declined for twelve straight months. However, **Construction** recorded gains for the fifth month in a row. The **Services-producing sector** had its first employment gain after eight months of job losses. The gains were driven by increases in **Wholesale and retail trade**, as well as **Professional, scientific, and technical services**. However, **Public administration** had a notable decline, which offset some of the increase recorded by the sector. **Public administration** employment has decreased for seven months in a row. **Health care and social assistance** had a small increase in July. However, it should be noted that the gains from this industry have been getting smaller in recent months.

Newfoundland and Labrador Monthly Labour Force Statistics, by Economic Region

| 3-Month Moving Averages Seasonally Unadjusted Data | Employment | | | Unemployment Rate | | |
|---|---------------------|---------------------|----------------------------|-------------------|------------------|-----------------------------------|
| | July 2017 ('000) | July 2016 ('000) | Yearly Variation (%) | July 2017 (%) | July 2016 (%) | Yearly Variation (% points) |
| Newfoundland and Labrador | 232.4 | 245.9 | -5.5 | 13.6 | 10.8 | 2.8 |
| Economic Regions | | | | | | |
| Avalon Peninsula | 134.3 | 143.7 | -6.5 | 9.8 | 8.9 | 0.9 |
| South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay | 53.2 | 56.9 | -6.5 | 20.2 | 14.3 | 5.9 |
| West Coast-Northern Peninsula-Labrador | 45.0 | 45.3 | -0.7 | 15.7 | 12.2 | 3.5 |

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

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:

NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

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

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2017, all rights reserved