

Spring 2010



2010 Saskatchewan Employment Forecast

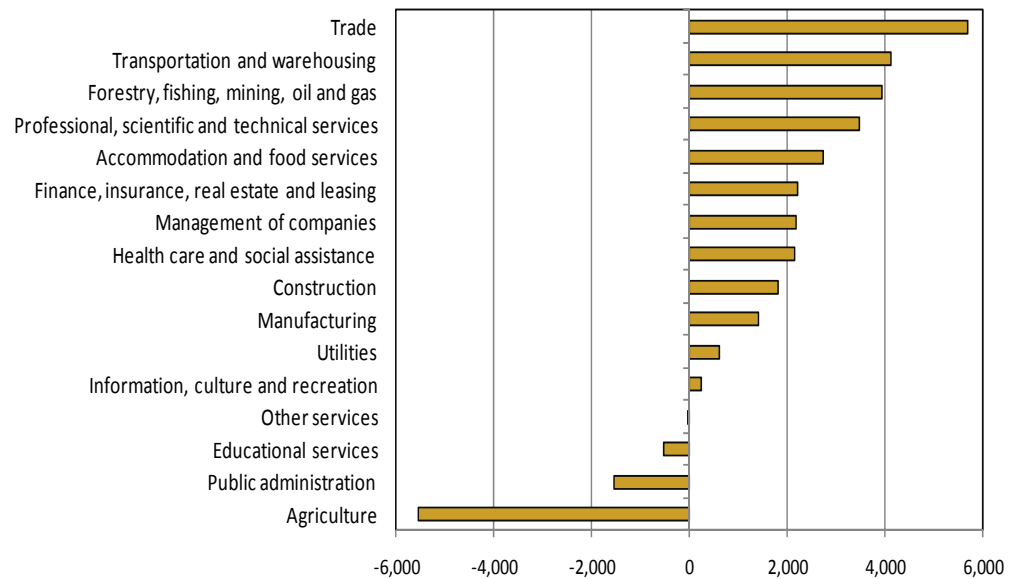
Industrial Employment Outlook, 2009-2014

Continuing and consistent employment growth is forecast for Saskatchewan. A total of 22,800 **new** employment opportunities are expected to be created from economic growth over the five-year period, 2009 to 2014, at an annual average growth rate of 0.9%. Employment growth is expected in most industries, with the largest number of opportunities in Trade; Transportation and Warehousing; Professional, Scientific and Technical Services; and Forestry, Fishing, Mining, Oil and Gas.

This profile provides an overview of employment trends for 16 major industries in Saskatchewan. The Saskatchewan Employment Forecast (SEF) projects employment growth for major industry groups for the 2009 to 2014 period. This forecast is based on Saskatchewan Finance's 2010-11 Budget employment outlook, the Canadian Occupational Projection System (COPS) industrial employment trends, and stakeholder consultations.

The forecast is based on assumptions that reflect current and expected economic conditions at the time of the development of the forecast scenario (Spring 2010). Changes in economic conditions can occur that will impact employment growth, such as unforeseen fluctuations in commodity prices and uncertainty around the recovery of the global economy. Projected industrial employment opportunities are a result of economic growth only. The forecast does not reflect current job vacancies or opportunities due to attrition and it does not distinguish between full-time and part-time jobs. Employees and self-employed persons are included.

Saskatchewan Forecasted Employment Growth (Decline) by Industry, 2009-2014



Source: COPS 2009 CDM, adjusted by SEF Working Group

Major Economic Drivers

The 2010 SEF provides examples of major projects that are under way in the economy in various industrial sectors. These are taken from the 2010 Major Projects Inventory compiled by Enterprise Saskatchewan. The inventory can be found at the following website:

www.enterprisesaskatchewan.ca/Major-Projects-Inventory-2010

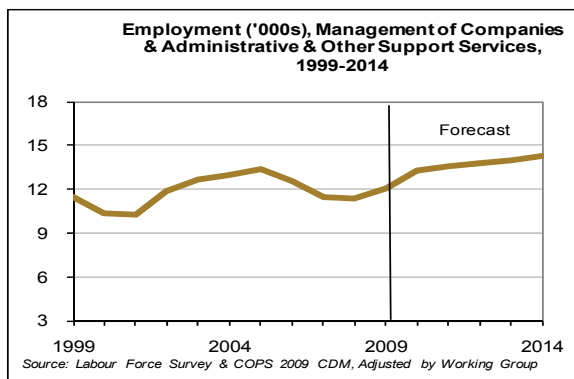


Saskatchewan
Ministry of
Advanced Education,
Employment and
Immigration



Service
Canada

Management of Companies & Administrative & Other Support Services



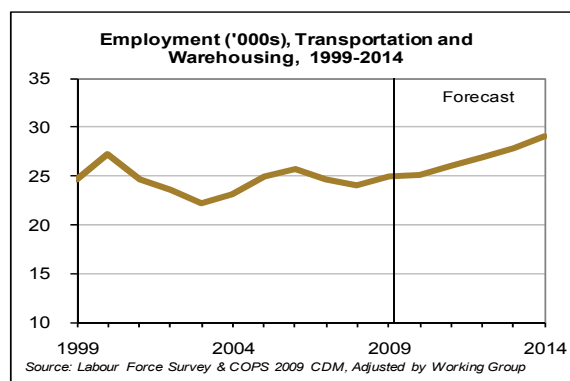
This industry includes companies primarily engaged in managing companies and enterprises and/or holding their securities or financial assets, for the purpose of owning a controlling interest in them and/or influencing their management decisions. It also includes companies that perform routine support activities for the 'day to day' operations of other organizations. Activities may include office administration, hiring and placing of personnel, document preparation, clerical services, solicitation, collection, security and surveillance services, and cleaning and waste disposal services. Travel agencies are also part of this industry.

Industry employment is forecast to increase by 2,200 from 2009 to 2014, with an annual average growth rate of 3.4%, a percentage increase that is expected to lead all sectors over the forecast period.

Transportation and Warehousing

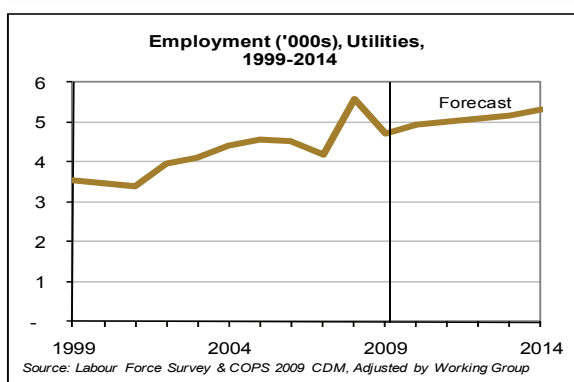
Industry activity includes the transport of passengers and cargo, warehouse and storage of goods, and support activities related to modes of transportation. An additional 4,100 new jobs are expected, averaging 3.1% annually over the forecast period, 2009-2014.

The main drivers of employment growth are increased production of goods and services in industries involved in merchandise export, travel, accommodation and food, wholesale trade and construction. These industries rely on shipping and storage to reach their customers without delays, and to supply the required amounts of goods and services at the right time.



A key investment in the industry is development of a \$350 million warehouse and distribution centre in Regina by Loblaw Companies Inc. Other investments during the forecast period include warehouse renovations at a cost of \$10 million by Paradigm Developments in Saskatoon, and a new warehouse/office/shop development in Regina for \$11 million by Federated Cooperatives Ltd.

Utilities



The Utilities industry consists of businesses that provide electricity, natural gas, steam supply, water supply and sewage removal services. Over the forecast period, employment is projected to remain relatively stable with a slight increase of 600 jobs at an annual average rate of 2.5%.

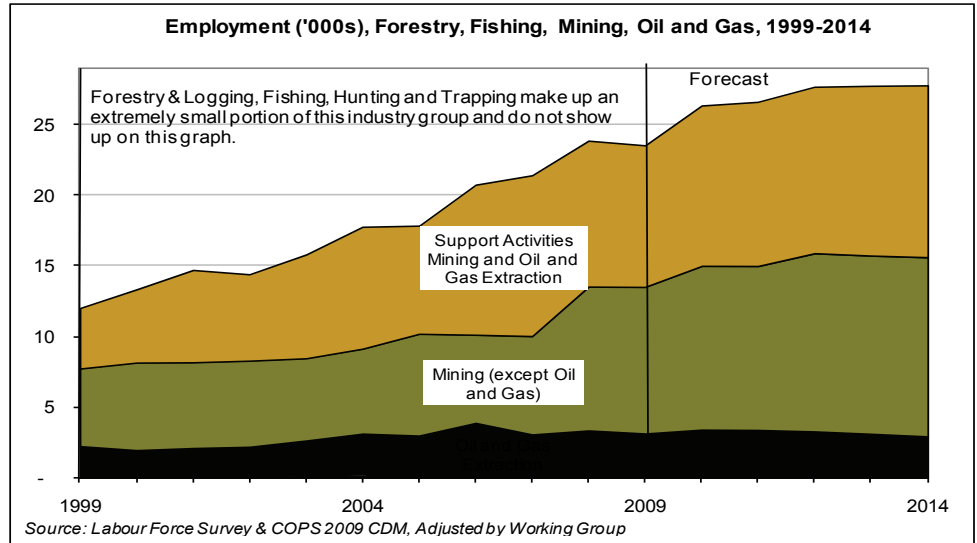
Major investments that are planned or underway in this sector include a \$700 million power plant and a \$250 million gas turbine generating plant in the North Battleford area, a \$145 million natural gas power station in Tantallon, and many SaskPower projects valued at \$593.0 million. Most of the

short- and medium-term employment opportunities related to this development activity are included in the Construction industry forecast.



Forestry, Fishing, Mining, Oil and Gas

The Forestry, Fishing, Mining, Oil and Gas industry group is one of the largest contributors to provincial GDP. The components related to mining, oil and gas account for more than 9 out of every 10 jobs in this industry. Forestry includes timber tract operations, forest nurseries and gathering of forest products, logging, and support activities. Fishing includes fishing, hunting and trapping, and accounts for a very small share of industry employment.



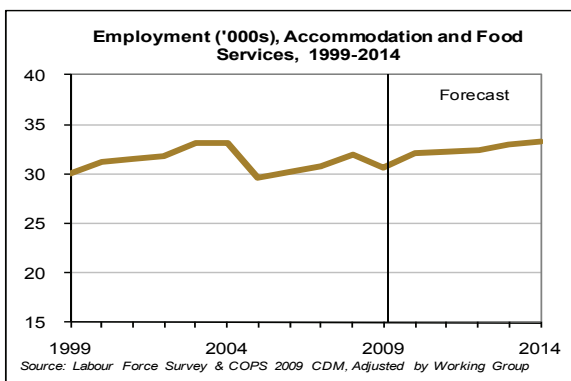
An additional 3,900 jobs are forecast for this industry, averaging 3.0% annually, due to job growth in mineral mining and related support activities. Employment in forestry and fishing will remain relatively constant, and employment in oil and gas extraction is expected to decline slightly over the forecast period as conventional resources become more depleted.

An expected return to higher commodity prices for minerals, crude oil and natural gas after the downturn experienced in the global economy in 2008-09 will increase industry revenues and stimulate investment in new projects. This will have a continuing positive effect on employment, despite the capital-intensive nature of the industry.

Saskatchewan is the world's largest producer of both potash and uranium. Growth in the mining sub-industry will be supported by expanded potash and uranium activity. The support activities for mining, oil and gas extraction sub-industry includes exploration activities for diamonds, uranium, gold, base metals, and industrial minerals including potash, clay, coal, and rare earth minerals.

Major investments in this industry scheduled for completion by 2012 include potash mine expansions and new developments that total \$13.9 billion by the Potash Corporation of Saskatchewan, Mosaic Potash, and BHP Billiton. Uranium mine expansions and developments that are underway in 2010 and will be completed in 2011 total \$1.75 billion. Oil and gas well drilling in the four main regions in the province is expected to total over \$2.0 billion in 2010, with two-thirds of the activity occurring in the Estevan region.

Accommodation and Food Services

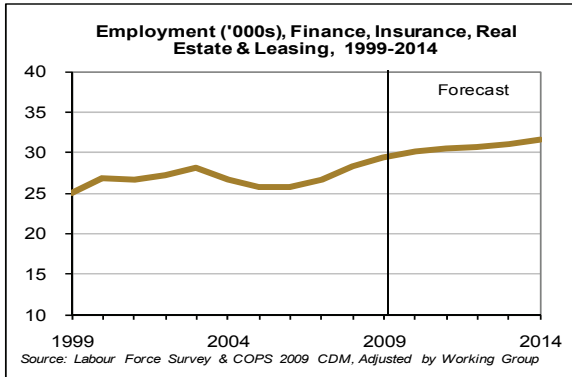


Accommodation and Food Services includes businesses that provide customers with lodging or prepare meals, snacks and beverages for immediate consumption. An additional 2,700 new jobs are expected over the next five years, with an employment growth of 1.7%.

Increases in the population through inter-provincial and international migration, strong consumer spending, and continued economic growth are expected to contribute to employment in this industry over the forecast period.



Finance, Insurance, Real Estate and Leasing



This industry includes businesses primarily engaged in financial transactions that involve the creation, liquidation or change in ownership of financial assets, or in facilitating financial transactions. It also includes businesses that rent, lease or otherwise allow the use of their assets by others. The assets may be tangible (e.g. real estate and equipment) or intangible (e.g. patents and trademarks).

Employment in this industry is expected to add 2,200 jobs over the forecast period with an annual average growth rate of 1.5%.

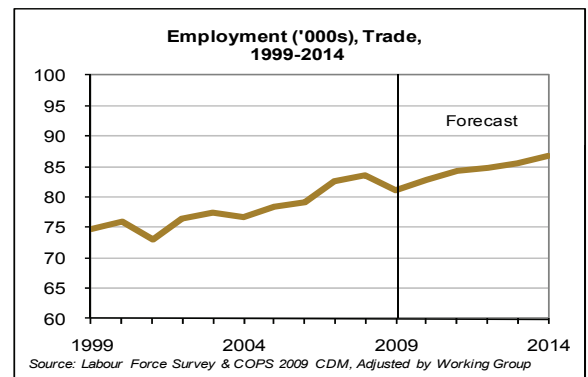
Employment decline is forecast for banking and insurance and employment growth is expected for real estate and finance. Real estate related activity will be supported by a strong housing market, at

least for the first few years of the forecast.

Retail and Wholesale Trade

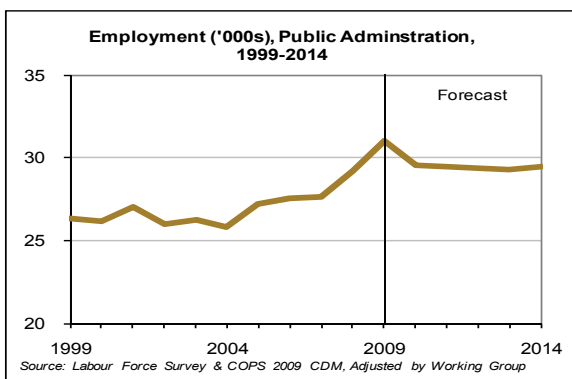
The Trade industry includes wholesale and retail trade. An additional 5,700 jobs are expected at an annual average rate of growth of 1.4% over the forecast period.

A post-downturn return to increasing demand for goods in a growing Saskatchewan economy will produce employment opportunities. Retail trade is linked to housing, wages and employment, and all have been increasing. Wage increases have pushed up real disposable income in Saskatchewan and will have a favorable impact on consumer spending, driving up the consumption of goods and services. Increased housing activity, vehicle sales and general consumer spending all support growth in this industry. Increased employment opportunities in wholesale trade will be restrained by a strong Canadian dollar, possibly limiting export opportunities.



Major projects that are planned or expected to be completed over the forecast period include a \$250 million retail/office/hotel complex and a \$250 million industrial park in Saskatoon, a \$200 million commercial/retail development and a \$20 million Lowe's Canada store in Regina, a \$50 million shopping centre in Melfort and a \$50 million hotel/shopping complex in Moose Jaw.

Public Administration

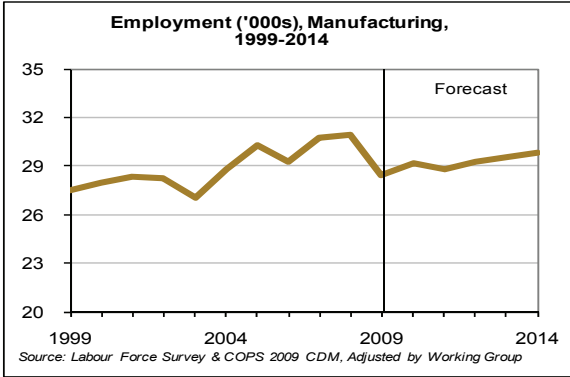


This industry includes federal, provincial and local government agencies that administer, oversee and manage public programs and have executive, legislative or judicial authority over other institutions within a given area. These agencies also set policy, create laws, adjudicate civil and criminal legal cases, and provide for public safety and national defence. This industry typically organizes and finances the production of public goods and services.

Employment is expected to decline by 1,500 over the forecast period, at an annual average rate of -1.0%. The decline results primarily from the announcement in the provincial budget in 2010 to reach a 15 per cent reduction in the size of the public service over four years.



Manufacturing



The Manufacturing industry consists of several sub-industries with businesses engaged in the mechanical, physical or chemical transformation of materials, substances or components into new products. Industry employment is expected to grow slightly faster than the provincial average, with a 1.0% annual average growth rate and 1,400 projected opportunities over the forecast period.

Most of the expected employment gains in this industry are the result of positive growth in metal fabrication and machining, due to strong demand in the resource sector in western Canada. All other sub-industries are expected to have minimal employment growth.

Exporting plays a large role in this industry and the strength of the

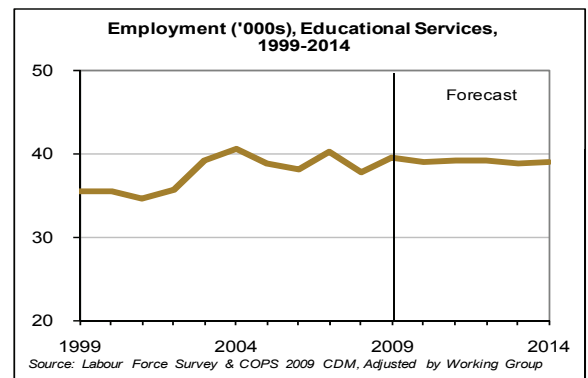
Canadian dollar will continue to make Saskatchewan-made products more expensive to export to foreign countries, particularly the United States.

Major projects that are planned or underway over the forecast period include a \$1.9 billion extraction/treatment facility at Belle Plaine by Potash One Inc., a \$1.9 billion expansion of the oil refinery in Regina by Consumers Cooperative Refineries Ltd., an \$800 million ethanol plant in Prince Albert by Shell/Iogen Corporation, a \$165 million canola crushing plant in Yorkton, and a \$80 million ethanol plant in Nipawin.

Educational Services

This industry includes instruction and training provided in a wide variety of subjects by schools, colleges, universities and training centres. These establishments may be privately or publicly owned. Employment is expected to decline by 500 opportunities, at an annual average rate of -0.3%.

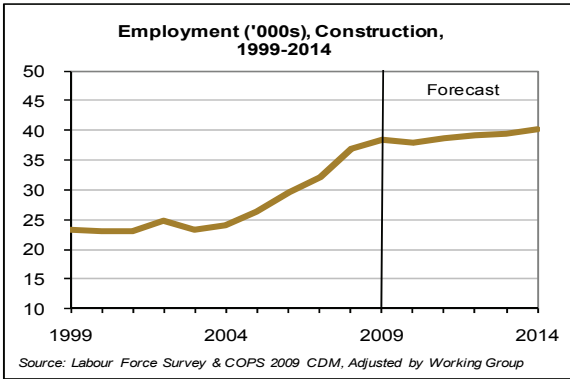
The declining birth rate will continue to lower the number of children attending K-12 schools and decrease the number of elementary and secondary educators that are needed. If the province continues to experience an in-flow of people through migration, this trend could be lessened. Major projects in the education sector include \$55 million by the Public School Division in Regina to build a new high school, and a further \$364 million for publicly funded projects in the elementary and secondary systems.



Employment in post-secondary education is expected to remain constant, with isolated growth in specific areas. Major projects in this sector include \$293 million (a long-term expenditure spread out over the period 2003-2016) of additions to the Academic Health Sciences Building at the University of Saskatchewan in Saskatoon, and a further \$66 million for renovations and upgrades at the University of Saskatchewan and the University of Regina and \$89 million for projects at the public training institutions.



Construction



This industry primarily focuses on constructing industrial, commercial and residential buildings, and engineering projects. Industry activity includes new construction, additions, alterations, maintenance and repairs. Employment in the Construction industry is expected to continue its recent growth, adding 1,800 jobs over the forecast period with an annual average rate of growth of 0.9%.

Investment in the residential sector is expected to be weak for the next several years. Household formation is expected to decline slowly and then recover later this decade, beyond the period covered in this forecast. The decline may be tempered by continued demand for new housing as a result of more people

moving to the province. Expenditures in renovations are expected to continue to grow throughout the forecast period.

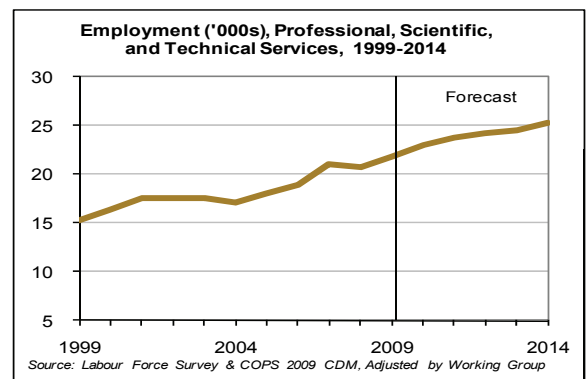
Non-residential construction is expected to continue to increase throughout the forecast period. Major projects play a key role in the economic prosperity of the province and in the demand for labour in the construction sector. Major projects proposed or scheduled for development during the forecast period include: potash, uranium and diamond expansion and exploration projects; meat processing plants; retail trade expansion; ethanol plants; steel manufacturing plant expansions; heavy oil upgrader expansions; and health and education infrastructure projects.

More information on the outlook for the Construction industry in Saskatchewan can be found on the Construction Sector Council website: [CSC Construction Forecasts](#).

Professional, Scientific and Technical Services

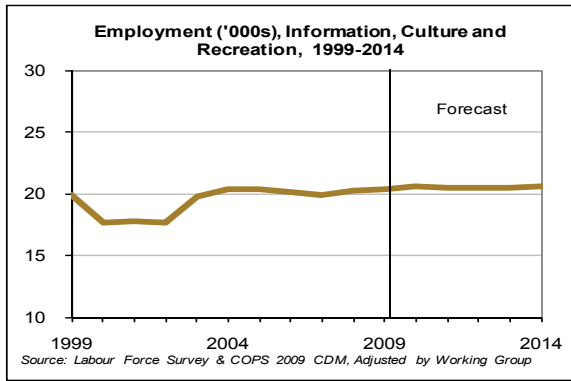
This industry consists of businesses that perform professional, scientific and technical activities for others that generally require a high degree of expertise and training. These services are provided to client businesses in a variety of other industries as well as directly to households. Activities include: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering and specialized design services; computer, consulting and research services; advertising and photographic services; translation and interpretation services; and veterinary services.

Professional, Scientific and Technical Services is one of the fastest growing industries in the province with a 3.0% annual average growth rate and an expected 3,500 new opportunities over the forecast period. This industry is heavily influenced by the knowledge sector and will grow with an increased need for specialized knowledge and skills.



A project impacting on this sector is the \$9.1 million upgrade of the diagnostic area of the College of Veterinary Medicine at the University of Saskatchewan.

Information, Culture and Recreation



The main industry components are publishing, broadcasting, motion picture and sound recording, telecommunications, internet service providers and web search portals, data processing and information services, and recreation. The recreation portion includes a wide range of businesses and organizations that operate facilities or provide services to meet the varied cultural, entertainment and recreational interests of their patrons.

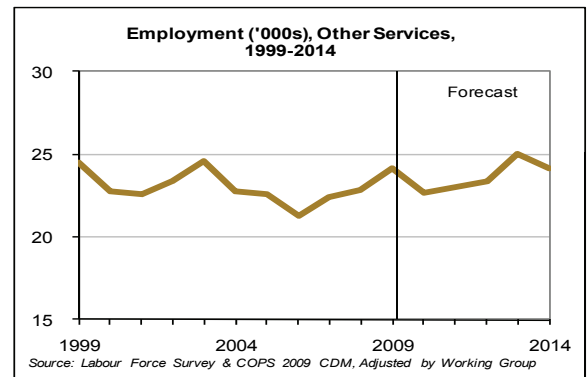
An additional 200 jobs are forecast at an annual average rate of 0.2%. Economic activities that influence this industry are telecommunications maintenance and expansion, casino development and expansion, and movie and television production.

Major projects that are planned or underway in this sector include a \$58 million Art Gallery of Saskatchewan in Saskatoon, and a \$180 million upgrade of EVRAZ Place in Regina.

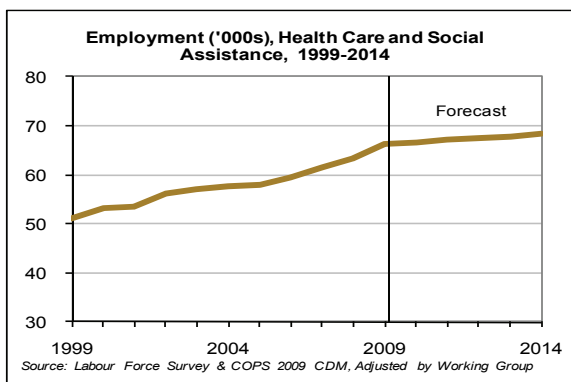
Other Services

This industry includes establishments not classified to any other sector. Activities include: equipment and machinery repair and maintenance; promotion or administration of religious activities; dry-cleaning and laundry services; personal care services; death care services; pet care services; photo finishing services; temporary parking services; and dating services.

Employment is projected to remain relatively stable over the next five years with no growth in job opportunities expected over the forecast period.



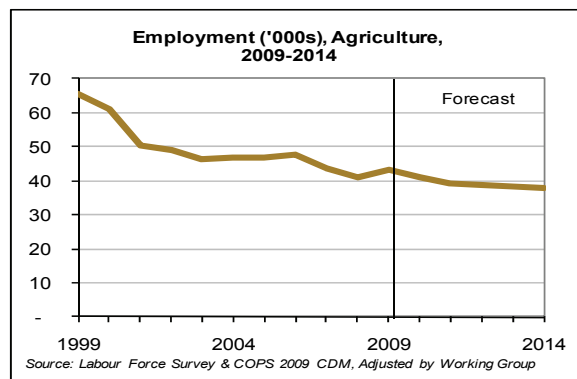
Health Care and Social Assistance



This industry consists of organizations and institutions that primarily provide health care and social assistance services to individuals. An additional 2,100 jobs are forecast at an annual average rate of 0.6%.

Demographics and government policy are the main factors influencing employment in this industry, and aging of the Saskatchewan population and rising health care costs will have an impact. Labour demand is spread across the province and numerous initiatives are in place to encourage the attraction and retention of related professionals. Major projects that will increase capacity in this sector over the forecast period are a \$200 million children's hospital in Saskatoon, and a \$40 million hospital replacement in Humboldt.

Agriculture



The Agriculture industry is primarily involved in crop and livestock production and marketing, including farm and ranch operations and support activities such as soil preparation, planting, harvesting or management.

Over the forecast period, employment is projected to decline by 5,600 jobs at an annual average rate of -2.7%.

There has been a declining trend in the number of farms in the province, impacting the number of people engaged in agriculture-related employment. Consolidations in the agricultural industry are expected to continue in the near future. Those trends coupled with

the purchase of large equipment, will cause less demand for labour in primary production. Current high prices for land may influence older producers to exit farming and recover their land costs in the current real estate market.

Employment Growth by Industry, 2009 to 2014

| Industry | Employment | | | |
|---|--------------|--------------|-------------|-------------|
| | 2009 | 2014 | Gains or | AAGR* |
| | (Actual) | (Forecast) | Losses | |
| Trade | 81.1 | 86.8 | 5.7 | 1.4% |
| Transportation and warehousing | 25.0 | 29.1 | 4.1 | 3.1% |
| Forestry, fishing, mining, oil and gas | 24.4 | 28.3 | 3.9 | 3.0% |
| Professional, scientific and technical services | 21.8 | 25.3 | 3.5 | 3.0% |
| Accommodation and food services | 30.6 | 33.3 | 2.7 | 1.7% |
| Finance, insurance, real estate and leasing | 29.4 | 31.6 | 2.2 | 1.5% |
| Management of Companies | 12.1 | 14.3 | 2.2 | 3.4% |
| Health care and social assistance | 66.3 | 68.4 | 2.1 | 0.6% |
| Construction | 38.5 | 40.3 | 1.8 | 0.9% |
| Manufacturing | 28.4 | 29.8 | 1.4 | 1.0% |
| Utilities | 4.7 | 5.3 | 0.6 | 2.5% |
| Information, culture and recreation | 20.3 | 20.5 | 0.2 | 0.2% |
| Other services | 24.2 | 24.2 | 0.0 | 0.0% |
| Educational services | 39.5 | 39.0 | -0.5 | -0.3% |
| Public administration | 31.0 | 29.5 | -1.5 | -1.0% |
| Agriculture | 43.4 | 37.8 | -5.6 | -2.7% |
| All Industries | 520.7 | 543.6 | 22.8 | 0.9% |

*AAGR - Annual Average Growth Rate for new opportunities. Numbers may not sum to totals due to rounding.

