

Economic Development Winnipeg

WEEKLY ECONOMIC DIGEST



UNLOCKING MANITOBA'S ECONOMIC GROWTH

HOW A STRONG LABOUR MARKET AND IMMIGRATION IS KEY TO RECOVERY

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Bottom Line

In this issue, we cover the December 2021 Survey of Employment, Payrolls and Hours. We also examine the January 2022 labour force data. While Manitoba's aggregate employment is equal to its level in February 2020, there remains some differences in employment levels by age group, gender, and occupation. There are differences in labour demand and job vacancy rates by industry.

We see changes to in-demand skills in the labour market and expect to see more shifts over time. Most workers (labour supply) in a particular labour market are the same people from one year to the next.¹ Because of this, **upskilling is always an important part of adapting to changes in skills demanded.**

(continued).

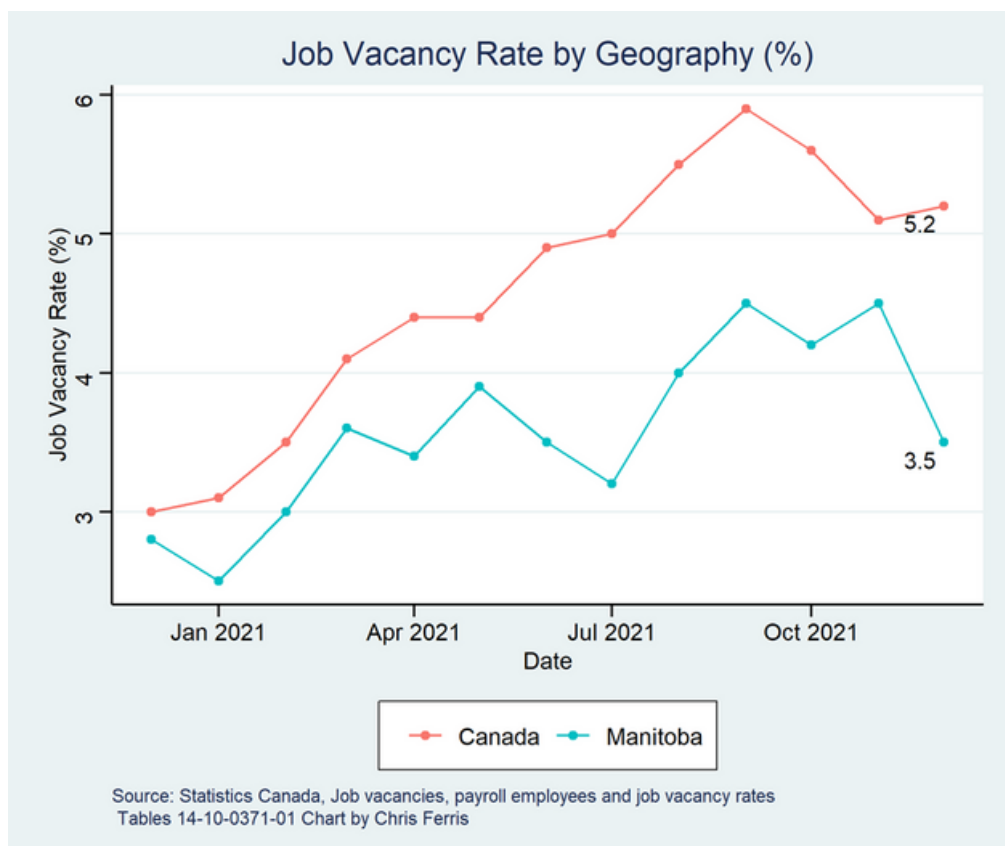
¹ There is some addition to the labour market each year due to people aged 15+ getting their first job, people moving into the province from the rest of Canada, immigration or post-secondary students from other countries. There is some subtraction from the labour market each year due to people retiring, moving to other Canadian provinces, or emigrating.

Bottom Line (Continued)

Immigration in general adds to the labour supply, which helps fill labour market gaps. **Business immigration**, which see immigrants enter with the purpose to start a business in Canada, should boost labour demand by even more than labour supply.

We also look at how the newly announced federal immigration targets will help achieve Manitoba's labour market outlook for 2021 – 2025.

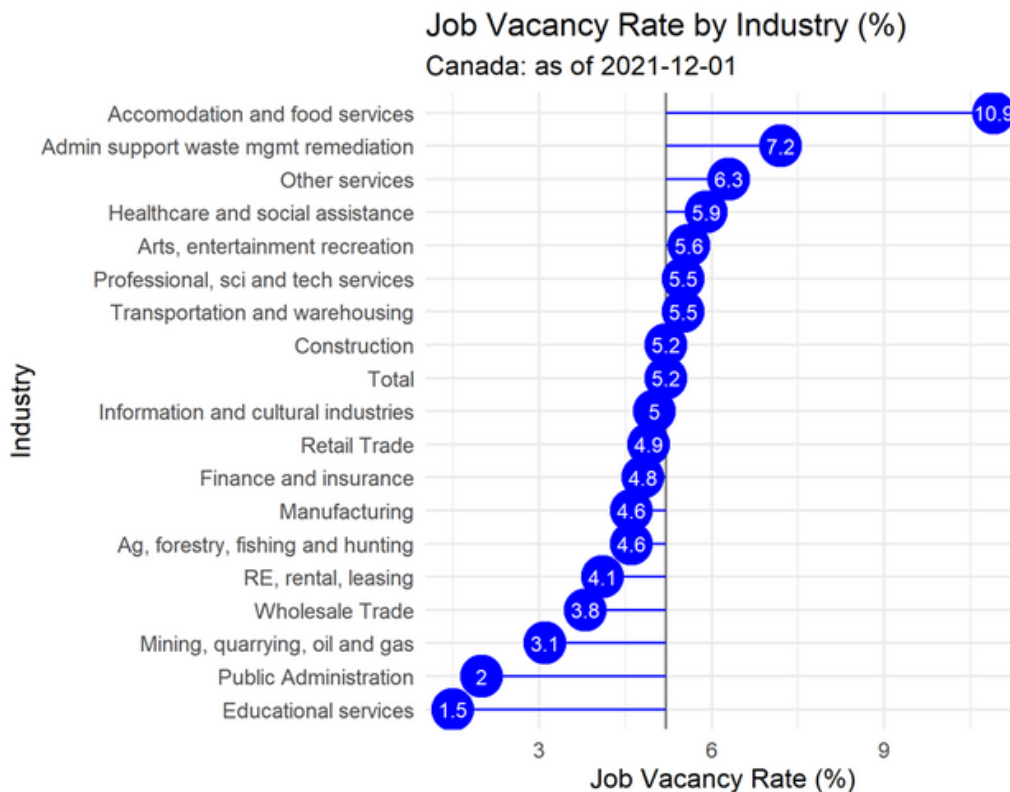
ANALYSIS



Analyzing the Survey of Employment, Payrolls and Hours (SEPH)

The [December 2021](#) SEPH and job vacancies survey was released on February 24, 2022. Canada's average job vacancy rate in November 2021 was 5.2 per cent (896,000), rising slightly month-over-month (m/m). Manitoba's job vacancy rate dropped sharply m/m from 4.5 per cent to 3.5 per cent (21,000).

ANALYSIS



Source: Statistics Canada, Job vacancies, payroll employees and job vacancy rates
Tables 14-10-0372-01 Chart by Chris Ferris

Canadian Job Vacancy by Industry

In December 2021, the two highest job vacancy rates for Canada are:

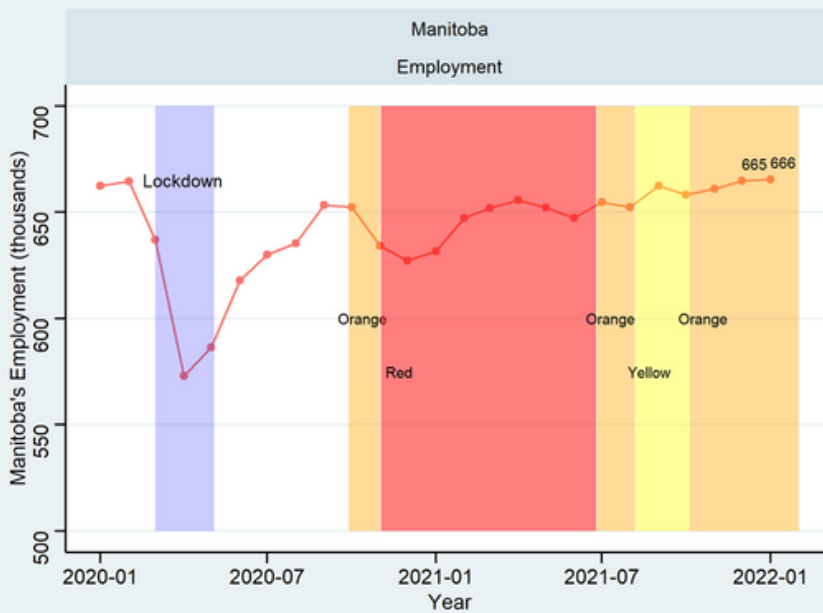
- **Accommodation and food services**, which still had the highest job vacancy rate at 10.9 per cent. This is down from its high in September 2021 of 14.4 per cent.
- **Admin support waste mgmt. and remediation services** comes second at 7.2 per cent.

The two lowest job vacancy rates are:

- **Public admin** at 2 per cent and
- **Educational services** at 1.5 per cent.

ANALYSIS

Manitoba's Employment Levels (thousands)



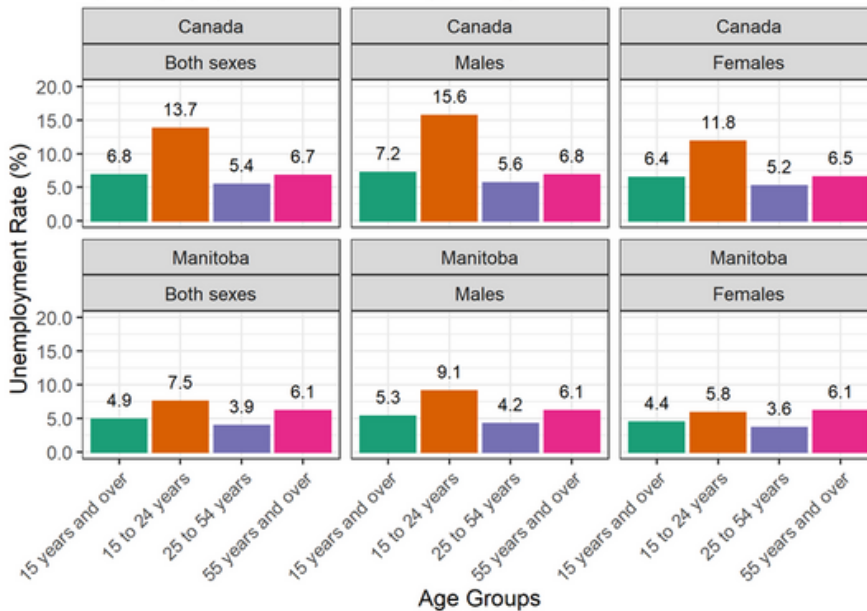
Source: Statistics Canada, LFC, Monthly, Seasonally Adjusted Tables 14-10-0287-01

Labour Force Survey - January 2022

In January 2022, Manitoba's employment level rose by approximately 1,000 people month-over-month to 666,000. This compares favourably to the Canadian average of a decline of 200,000 jobs over the same period to 19.2 million. The biggest difference was COVID-19 restrictions implemented in Ontario and Quebec, but not implemented elsewhere.

We expect to see Manitoba employment continue with its sideways- and up-trend over the coming months. As for Canada, we expect to see the temporary decline to begin reversing with a sideways and up-trend resuming.

2022-01 Unemployment Rate (%)
by Geography, Sex and Age Group; Unadjusted (%)



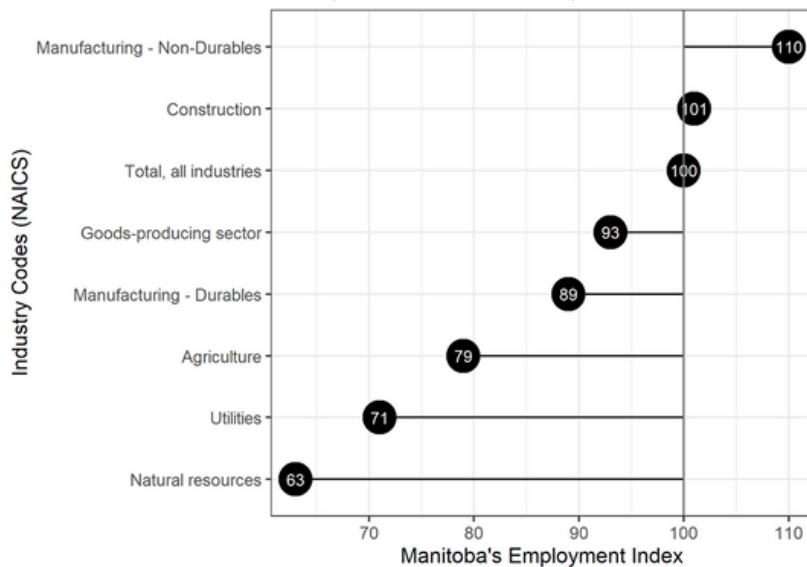
Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

Unemployment by Geography, Sex and Age Group

When we compare unemployment rates by geography, gender, and age groups, we see that in all cases, Manitoba has a lower unemployment rate compared to the Canadian average. Manitoba's overall unemployment rate was 4.9 per cent, while Canada's rose to 6.8 per cent – driven up by COVID-19 restrictions temporarily in place in Quebec and Ontario.

LFS BY INDUSTRY

Manitoba's Goods Industries Employment Index (100 = same as Feb 2020)

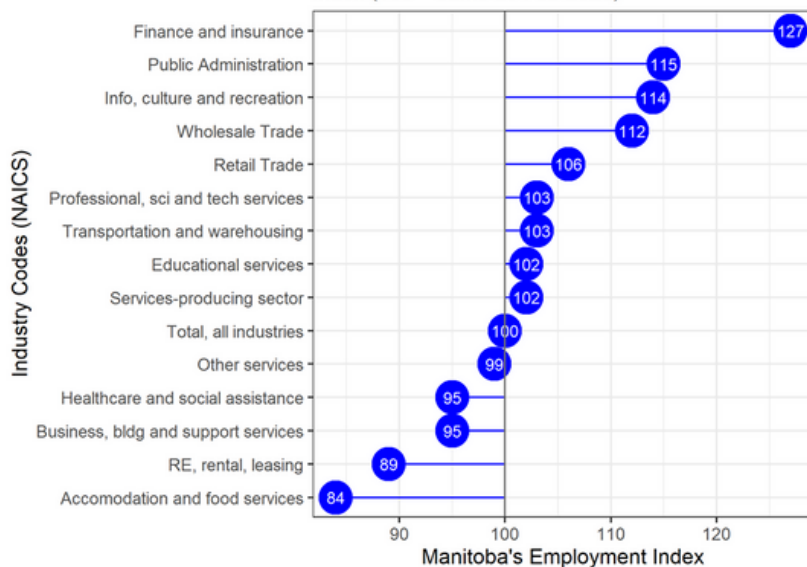


Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

Goods-Producing: Goods employment remains down in Manitoba, except for non-durables manufacturing. **Non-durable goods manufacturing** is up 10 per cent over February 2020, driven in part by food processing expansion.

Agriculture employment is down due to typical seasonal reasons, along with some downward pressure from last year's drought. **Utilities** employment remain down due to restructuring at some utilities in the past.

Manitoba's Service Industries Employment Index (100 = same as Feb 2020)



Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

Natural resources employment remains down due to mines/pumps reaching the end of their lives, or had shut-downs due to low commodity prices previously. As mines/ oil wells get reactivated with the recovery of commodity prices or are newly activated, we expect to see employment begin to bounce back.

Services Producing: Recovery of employment levels in Manitoba's service industries are varied, with some expanding during the pandemic:

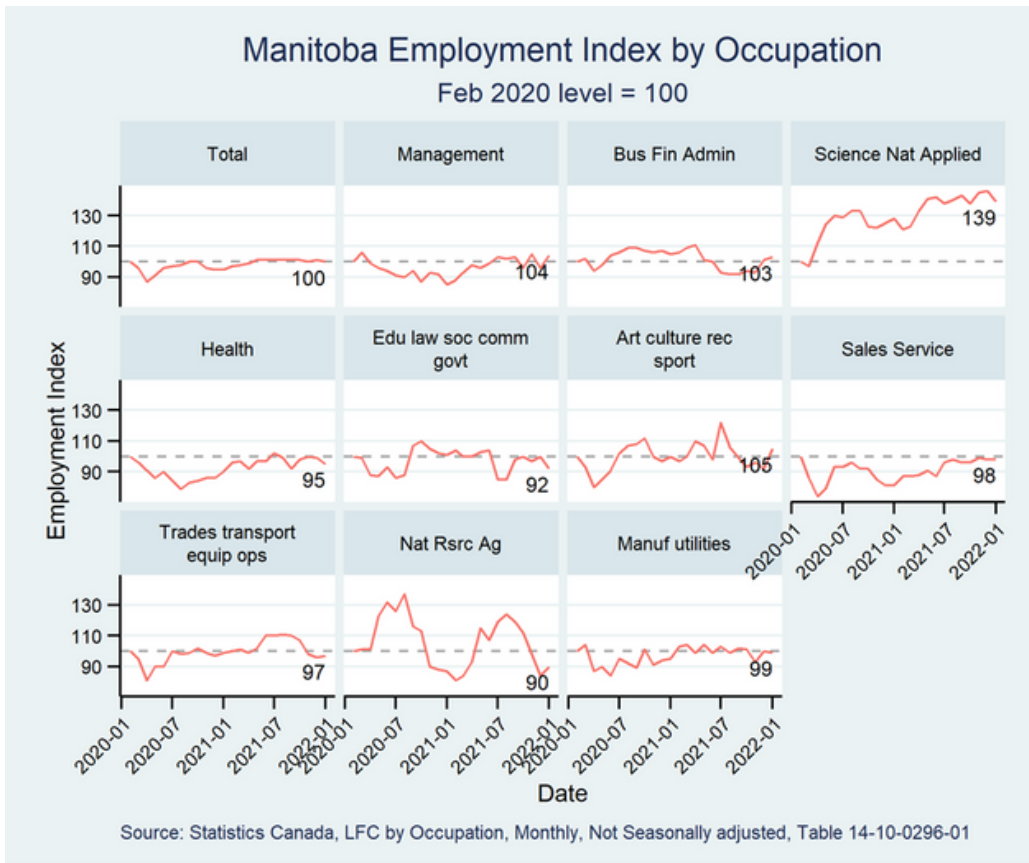
- **Public administration** (+15 per cent) and
- **Info, culture, and recreation** (+14 per cent).

- **Finance and Insurance** (+27 per cent),

Some industry sectors have been suffering due to direct or secondary effects of the COVID-19 pandemic:

- **Real estate, rentals and leasing** employment is down 11 per cent and
- **Accommodation and food services** employment are down 16 per cent.

EMPLOYMENT BY OCCUPATION



Employment by Occupation

The one occupation grouping that is outperforming all others is **Natural/Applied Science** (+39 per cent). This has a long-term secular growth-trend in Manitoba. For Canada overall during this same period, the occupation grouping is only up 14 per cent.

Natural Resource and Ag follow a strongly seasonal trend and the latest numbers are essentially aligned with this trend.

MANITOBA LABOUR MARKET OUTLOOK (2021 - 2025)

Manitoba's **Economic Development, Investment and Trade** department's **Economic and Labour Market Intelligence** unit annually produces a **Labour Market Outlook** (LMO) that covers five years. The **LMO for 2021 - 2025** delves into many aspects of labour demand and supply, but at the highest level we see the following table—2020 and 2021 saw reduced labour demand due to COVID-19 effects. For 2022 – 2025, this effect is projected to have essentially faded out.

In Manitoba, expanding labour supply depends crucially on net immigration.

Variable	2020	2021	2022	2023	2024	2025
Labour force demand	659,900	679,700	706,300	711,300	716,500	721,300
Labour force supply	685,800	693,200	711,700	716,700	721,700	726,500
Excess Supply	-25,900	-13,500	-5,400	-5,400	-5,200	-5,200

Labour Markets and Immigration

For the labour market to function well, there is a need for sufficient labour supply. There are differences in labour supplied in terms of education and training, experience and skill for each occupation type and level. Most of the labour supplied to the labour market from year to year is supplied by the same people as the year before. A few people join each year as they enter the labour market when they reach 15 or older, and a few exiting as they retire. There are also changes to labour supply due to net immigration and inter- and intra- provincial migration. Net immigration is key for Manitoba and Canada in addressing the issue of Baby Boomers retiring from the workforce./2

Reduction of flights due to the pandemic meant a sharp reduction of gross immigration from outside of Canada. Some evidence showed that Canada ended up relying more than usual on issuing invitations to apply for permanent resident status to immigrants who were already living in Canada./3 Thus, on a July/June basis we saw:

- Canada's gross immigration decreased from 284,157 in 2019/20 to 226,203 in 2020/21.
- Manitoba's gross immigration decreased from 14,782 in 2019/20 to 10,194 in 2020/21.

/2 Before the **Manitoba Provincial Nominee Program** (MPNP) was started, the retirement of the Baby Boomers was decades away. For example, in 1991, the Boomers were between 27 and 45 years old. As a response to the demographic issue, the MPNP was launched in 1998. As of 2021, the Baby Boomers cohort is close to retiring, or retired - aged between 57 and 75 years old. See [WED Vol. 2, Issue 36](#) for further discussion, particularly the population pyramids.

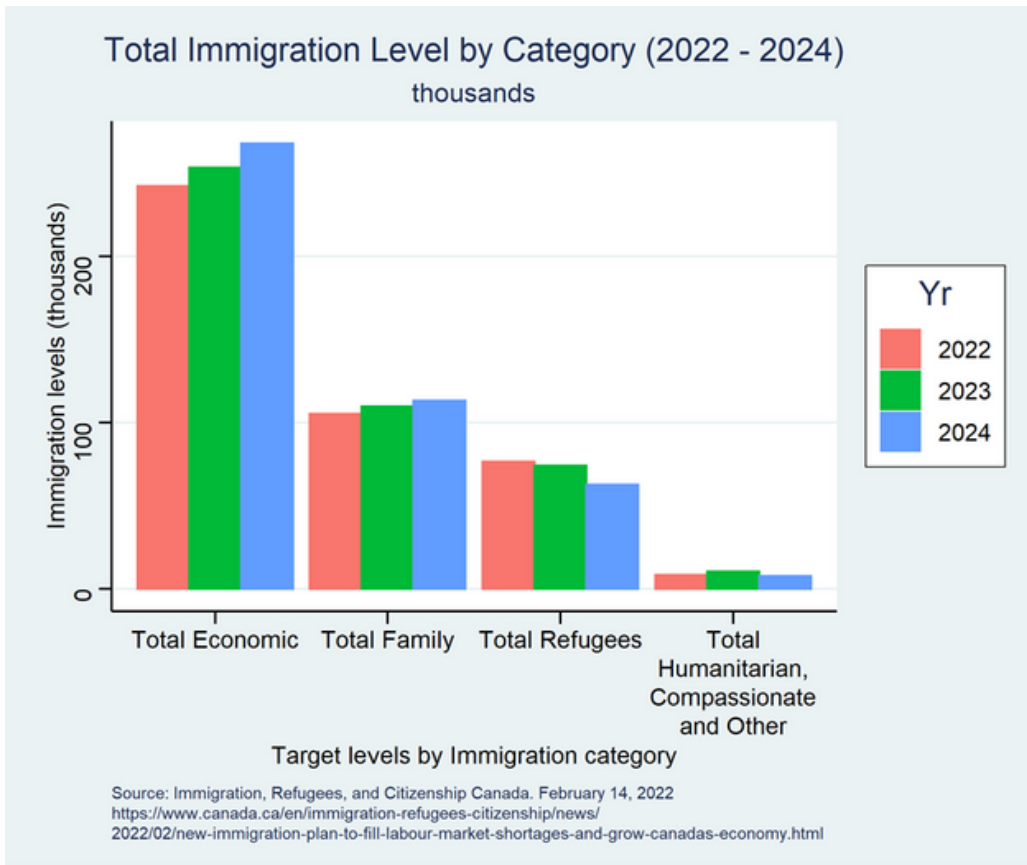
/3 For example, see <https://www.theglobeandmail.com/business/article-ottawa-goes-on-blitz-to-boost-immigration-make-up-for-pandemic-induced/>, also <https://www.ee-stats.com/> see the bump in February 2021.

IMMIGRATION

Immigration to Canada, and immigration targets

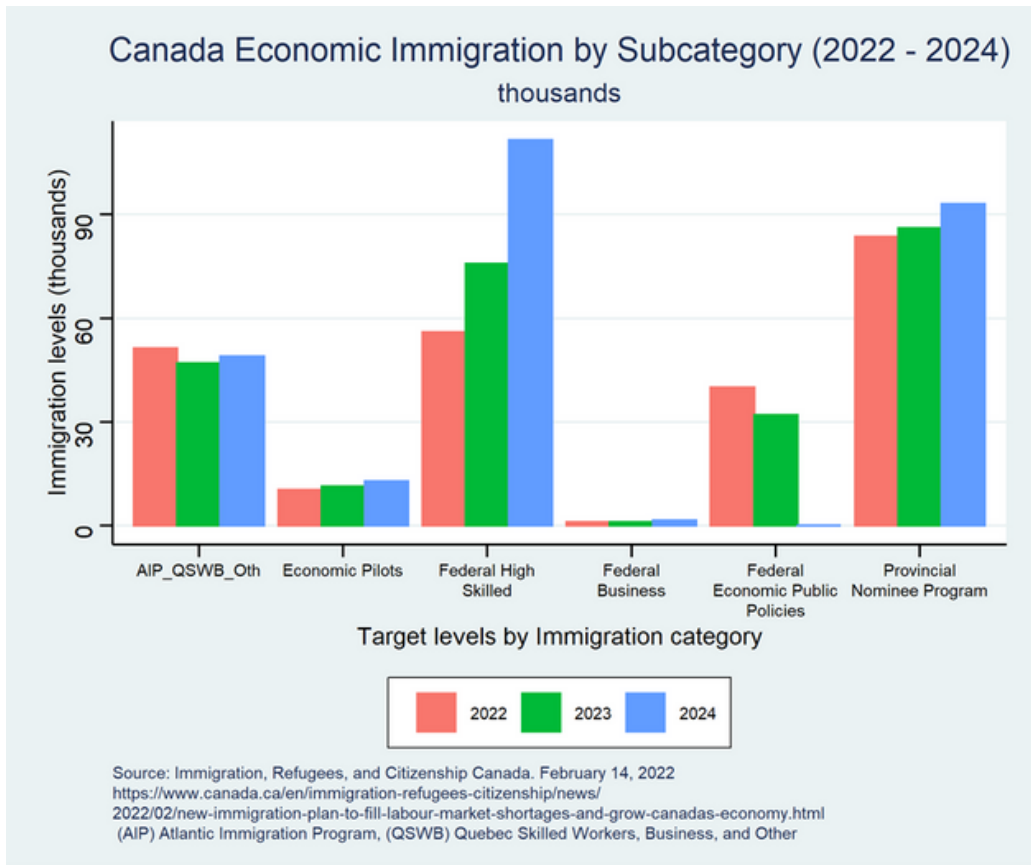
On [February 14, 2022](#), the government of Canada released Canada's permanent resident plan for the next three years. Permanent resident admission targets are aggressive, with targets much closer to the high end of the range.

Canada PR Plan	2022	2023	2024
Low	360,000	380,000	390,000
Target	431,645	447,055	451,000
High	445,000	465,000	475,000



The number of permanent residents under the **Economic** and **Family** categories are both expected to grow.

IMMIGRATION



Economic Subcategories

When we delve into the economic subcategories, we can see that the **Federal High Skilled** category is targeted to rise significantly,^{/4} with some increase in the **Provincial Nominee Program**. **Economic Pilots** are also to rise. ^{/5}

^{/4} Some of this gain is at the expense of the Federal Economic Public Policies subcategory.

^{/5} Economic Pilots include Caregivers, Agri-Food, Rural and Northern, and Economic Mobility Pathways.

The Manitoba government also announced on February 14, 2022 it was launching the **Manitoba Immigration Advisory Council (MIAC)**.

The MIAC aims to:

1. **Attract more immigrants and business investors** to the province.
2. **Streamline the MPNP and other immigration pathways** currently offered, striking the right balance between the province's regional labour market, economic development, and community needs (e.g., family, minority groups, etc.) and,
3. **Enhance Manitoba's settlement, integration, and Foreign Credential Recognition (FCR) programs and services**, for all newcomers to Manitoba, to encourage labour market attachment, improve foreign qualification recognition and bolster immigrant retention.

Looking Forward

Immigration is extremely important for filling labour market gaps and growing our economy. The aggregate demand for skills requires investing in the workforce skills of current and incoming workers.^{/6}

Investing in productivity-enhancing technology is another part of growing and strengthening our economy. The combination of these factors boost productivity, enabling both stronger profit margins and wage growth.

^{/6} This means investing in our primary, secondary and post-secondary education. It also means life-long learning: learning new tools and procedures, to enhance current skills or add new skills. See: <https://lmic-cimt.ca/skills/>

INQUIRIES AND CONTACTS

If you require help accessing government programs, contact our YES! Winnipeg team through the [Help us help you form](#).

General inquires: wpginfo@edwinnipeg.com

Marketing & communications inquiries:

marketingandbranding@edwinnipeg.com