**NATIONAL HIGHLIGHTS**

**Employment**

In the fourth quarter (Q4) of 2017, Canada’s upstream and midstream oil and gas industry employed 182,300 workers – reflecting a 4% increase (or 5,700) from the third quarter. Although jobs were created across the upstream industry, over 75% of job growth occurred in oil and gas services.

From 2016 to 2017, oil and gas employment decreased 2% (or 4,100), while the overall labour force decreased 7% (or 13,800). This brings total direct job losses from 2014 to 2017 to 45,200 based on Labour Force Survey data. Q4 2017 was similar to Q4 2016 (0% change) and did not show further declines, an indication that things may be improving for the oil and gas labour market.

Job recovery continued to be constrained by cautious investment and efforts to improve profitability, alongside increasing production, busier rig activity, and more favourable oil prices. 2018 capital spending is forecasted to decrease from 2017, with conventional oil and gas companies remaining relatively flat and oil sands companies decreasing spending. As a result, jobs that are being created are mostly for field-based occupations and office-based positions that support production and ongoing operations.

In spite of an upward employment trend in the last two quarters, the 2017 labour force continued to track below 2016 levels. This was likely due to a combination of fewer new entrants as well as some workers who were laid off during the downturn transitioning to other industries, as suggested in PetroLMI’s study *Workforce Insights: Impacts of the Oil and Gas Downturn on the Future and the Attitudes of Workers.*
Unemployment Rates Indicate a Tight Market

The oil and gas industry’s unemployment rate increased from 3.9% in Q3 to 4.7% in Q4 2017. The unemployment rate suggests the labour market remains tight and below a balanced rate of 6%, which could impede potential job growth and overall industry recovery. Companies will likely fill job vacancies with new entrants to the industry or recover workers laid off during the downturn who transitioned to other industries. Better communication of hiring needs and opportunities could help to attract new workers to the industry.

Notes:
1) A 6% unemployment rate is considered to be ideal and suggests a balanced labour market. ([Labour Market Outlook 2017 to 2021 for Canada’s Oil and Gas Industry]

2) In PetroLMI’s study [Workforce Insights: Impacts of the Oil and Gas Downturn on the Future and the Attitudes of Workers], some service companies report that equipment is sitting idle because the skilled and semi-skilled workers who are required to operate it are not available.

PROVINCIAL HIGHLIGHTS

Alberta oil and gas employment increased by almost 2% (or 3,300) from Q3. The labour force increased by 2% (or 3,100) from the previous quarter. For the full year Alberta employment increased by 2,800 (or 2%).

However, the labour pool is shrinking. Alberta’s labour force decreased by 3,200 (or 2%) during the same period.

B.C. oil and gas employment increased by 18% (or 1,600) from Q3. The labour force increased by 35% (or 3,100) from the previous quarter. For the full year B.C. employment decreased by 500 (or 4%). B.C.’s labour force decreased even further by 1,200 (or 9%) during the same period.

Saskatchewan oil and gas employment was little changed from Q3. The labour force increased by 3% (or 300) from the previous quarter. For the full year Saskatchewan employment increased by 340 (or 3%). Saskatchewan’s labour force decreased by 400 (or 3%) during the same period.

Atlantic Canada oil and gas employment decreased by 11% (or 1,100) from the previous quarter. Central Canada (Ontario, Manitoba and Quebec) oil and gas employment increased by 15% (or 1,200) from the previous quarter. For the full year Atlantic Canada employment decreased by 2,600 (or 22%) and Central Canada employment decreased by 4,600 (or 32%). Both regions’ labour forces decreased by 4,100 (or 28%) during the same period.

METHODOLOGY

Except for the two employment projection scenarios for Canada’s oil and gas industry from 2017 to 2021, all other data and figures were sourced from Statistics Canada’s monthly Labour Force Survey for labour force, employment and unemployment within the following subsectors: exploration and production including oil sands, oil and gas services and pipeline transmission. The monthly LFS data are seasonally unadjusted and averaged by quarter or year-to-date (in this fact sheet, YTD is January to June). Since the LFS is a sample survey, all estimates are subject to both sampling and non-sampling errors. As such, data availability and accuracy could be challenging for data subsets (e.g., by subsector and by province). Numbers are rounded to the nearest hundred.

For an overview of labour force survey and definitions please visit: Statistics Canada’s monthly Labour Force Survey

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