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This Week...

Employment Insurance Recipients
Commodity Prices
2010 Employment
Crude Oil Production

Employment Insurance Recipients



By Doug Elliott, Editor

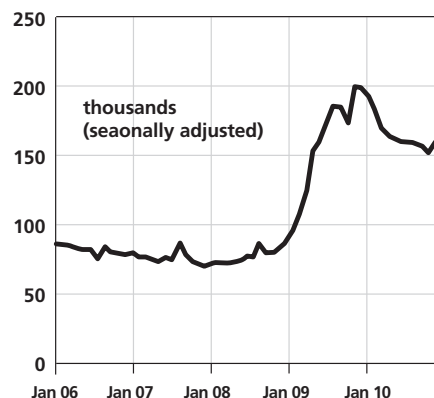
While the western economies weathered the 2009 recession fairly well compared with other parts of Canada, the number of

westerners receiving employment insurance (EI) benefits has increased sharply¹. In spite of the employment growth in 2010, the number has remained stubbornly high.

From 2008 to 2009, the average number of EI recipients in the West more than doubled from approximately 80,000 per month to more than 165,000. The largest increases were in Alberta (211%) and B.C. (98%). The increase was still substantial but noticeably lower in Manitoba (42%) and Saskatchewan (52%). In the first ten months of 2010, slight increases in Manitoba and Saskatchewan were offset by slight declines in Alberta and B.C. As of October, the total number of recipients in the West was effectively the same as in early 2010.

In spite of the employment growth in 2010, the number of EI beneficiaries has remained stubbornly high. Among women and older workers the number is still increasing.

Employment Insurance Recipients (regular benefits), Western Canada

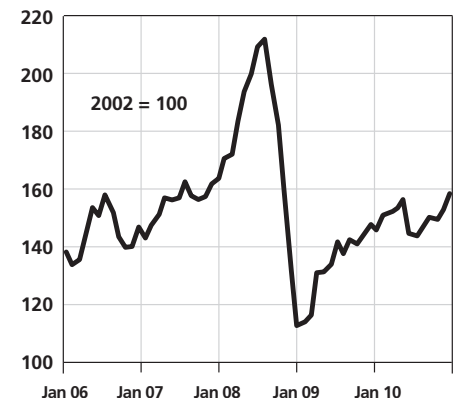


Men were more likely than women to lose their jobs during the slowdown. The number of male EI recipients increased by 136% from 2008 to 2009 compared with 74% among females. The opposite has been true so far in 2010 with increases of 11% in the number of women collecting EI compared with a decline of 9% among men. Among those under 25 years of age, EI recipients grew by 175% in 2009 and then fell back by 15% in 2010. Among those 55 years of age and older, the 2009 increase was “only” 74% but the number was still increasing in 2010.

Commodity Prices

Statistics Canada tracks commodity prices on a monthly basis with the Raw Materials Price Index (RMPI). The index is available only at the

Raw Material Price Index, Canadian Dollars



national level so from a western perspective it is unduly influenced by prices for raw materials from Ontario and Quebec such as iron and nickel ores. In an ideal world, the agency would also publish an RMPI for each province by adjusting the weights to take into account the different mix of raw materials in each province but they do not.

In spite of this shortcoming, it is still an interesting time series for the West because it shows both the steady commodity price increases throughout 2007 and early 2008 and the dramatic crash in the last half of 2008. Commodity prices are now back on an upward trend, growing at an annual rate of approximately 9% and are now near where they were in mid 2007.

¹ These figures count only the 60% of EI recipients with “regular” benefits, that is, those for job loss. They exclude the 40% who receive parental benefits, training benefits, etc.

The increase and subsequent decline were evident in grains and other vegetable products, crude oil and other energy products, and in steel prices. The increases in 2010 are, once again, in vegetable products (+22% in the year to November) and steel prices (+15%) but the prices of non-ferrous metals such as zinc, nickel, and aluminum are also up (+17%). There is still no sign of an increase in forest products and, despite the upward trend in crude oil prices, the overall energy price component of the RMPI is near the level it was in late 2009.

2010 Employment

Every five years, Statistics Canada “rebases” the data from the monthly Labour Force Survey (LFS) to take into account the results of the most recent census. In late January, the figures from 1996 to 2010 will be retroactively revised as a result of this process but overall trends in the labour market are not expected to change.

In 2009, there was employment growth in Saskatchewan, declines in Alberta and B.C. and little change in Manitoba. 2010 has been a better year with increases in all four western provinces. The largest increases are in Manitoba and B.C. with employment growth of 2%. Over the course of the two years from 2009 to 2010, employment in the West has grown the most in Saskatchewan and the least in Alberta.

Among urban areas, the highest 2010 growth rates were as in Regina (+3.7%), Winnipeg (+1.7%), and the lower mainland (Abbotsford and Vancouver at 1.7% each). Employment declined in Saskatoon (-0.6%) and Calgary (-0.7%). Employment was essentially unchanged in Edmonton and Victoria.

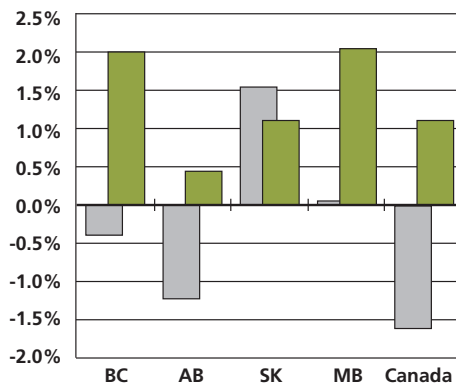
A more extensive analysis of the 2010 labour market will be included in the next edition of the quarterly *Western Policy Analyst*.

Crude Oil Production

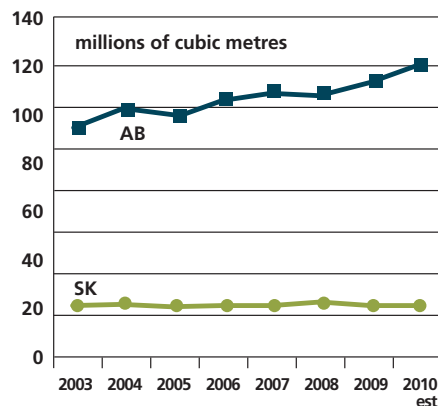
Alberta is, of course, the major producer of crude oil in Canada, accounting for 71% of production in 2009. Saskatchewan is in second place with 16% of production and Newfoundland accounts for a further 10% leaving 3% for other provinces including the 1% from each of Manitoba and B.C.

The spike in prices in the summer of 2008 when crude oil reached \$US130/barrel had the biggest impact in the West in general and Alberta in particular. In spite of all the excitement over prices, however, the figure on the right shows that the production of crude oil has been remarkably stable. Overall production has been increasing slowly but steadily in Alberta; Saskatchewan production has been virtually unchanged.

Annual Growth in Employment, 2009 and 2010



Crude Oil Production, Alberta and Saskatchewan



Upcoming Releases

In the next two weeks Statistics Canada will be releasing data describing:

- the value of manufacturing shipments for November on January 19th;
- employment insurance recipients on January 20th ;
- wholesale and retail trade for November on January 20th and 21st;
- rebased labour force survey estimates on January 28th; and
- November employment earnings on January 28th.

Sources: *The figures are adapted from the following sources:*

Employment Insurance: Statistics Canada CANSIM Table 276-0001

Commodity Prices: Statistics Canada CANSIM Table 330-0007

2010 Employment: Statistics Canada, Labour Force Survey

Energy Production: Statistics Canada, Energy Statistics Handbook 57-601-X

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