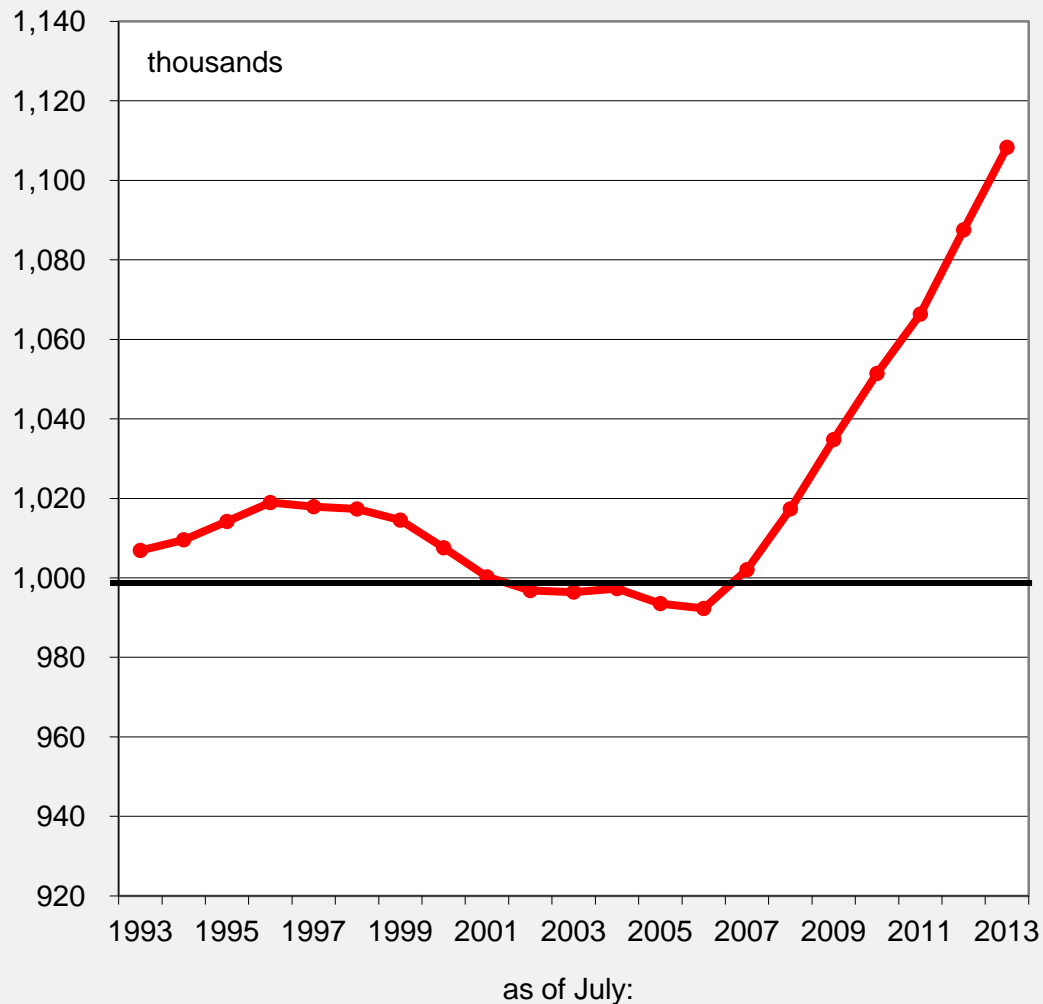


# Population Growth

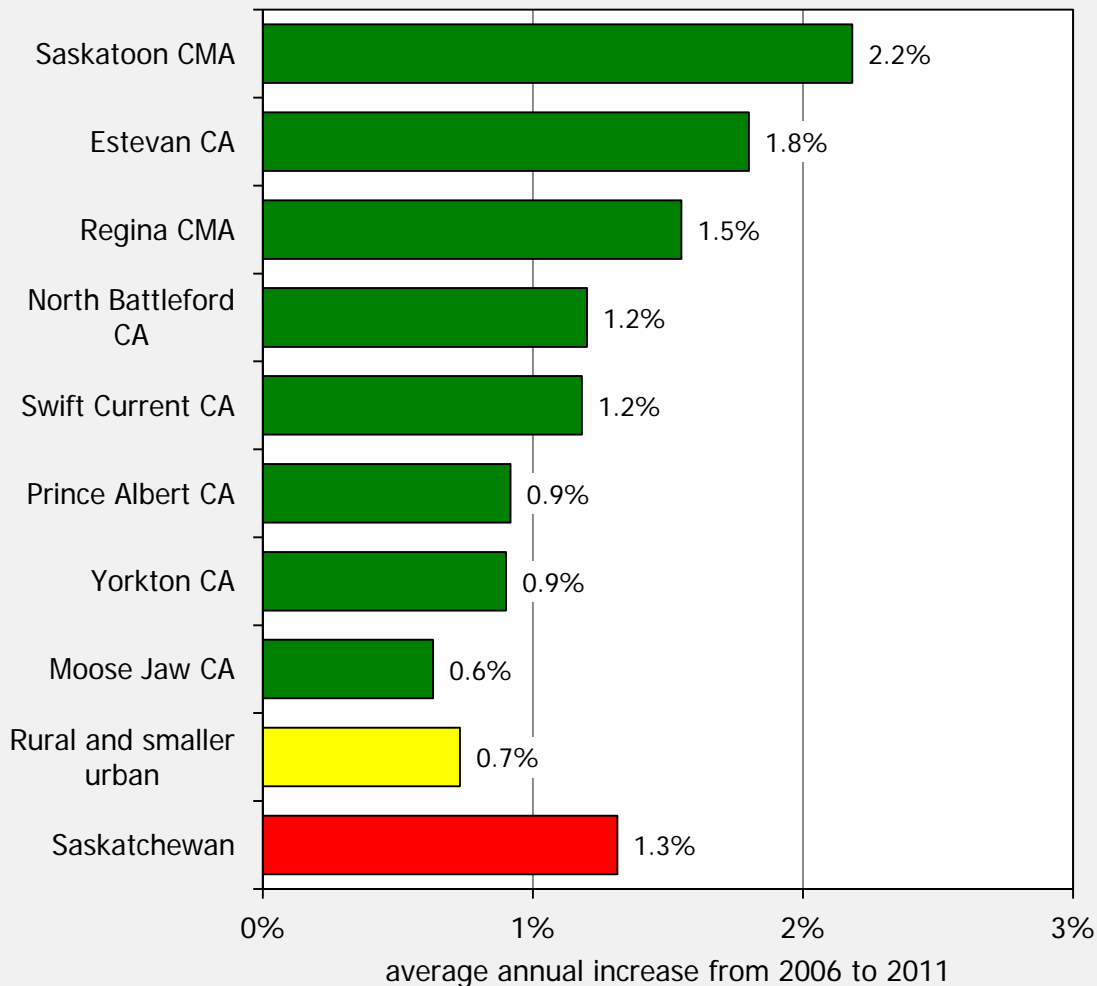
## Total Provincial Population



- n Saskatchewan's population has been growing at a rate not seen since the 1970s.
- n The average annual increase in the population from 2008 to 2013 was 1.3%.

# Population Growth is Concentrated in Urban Areas

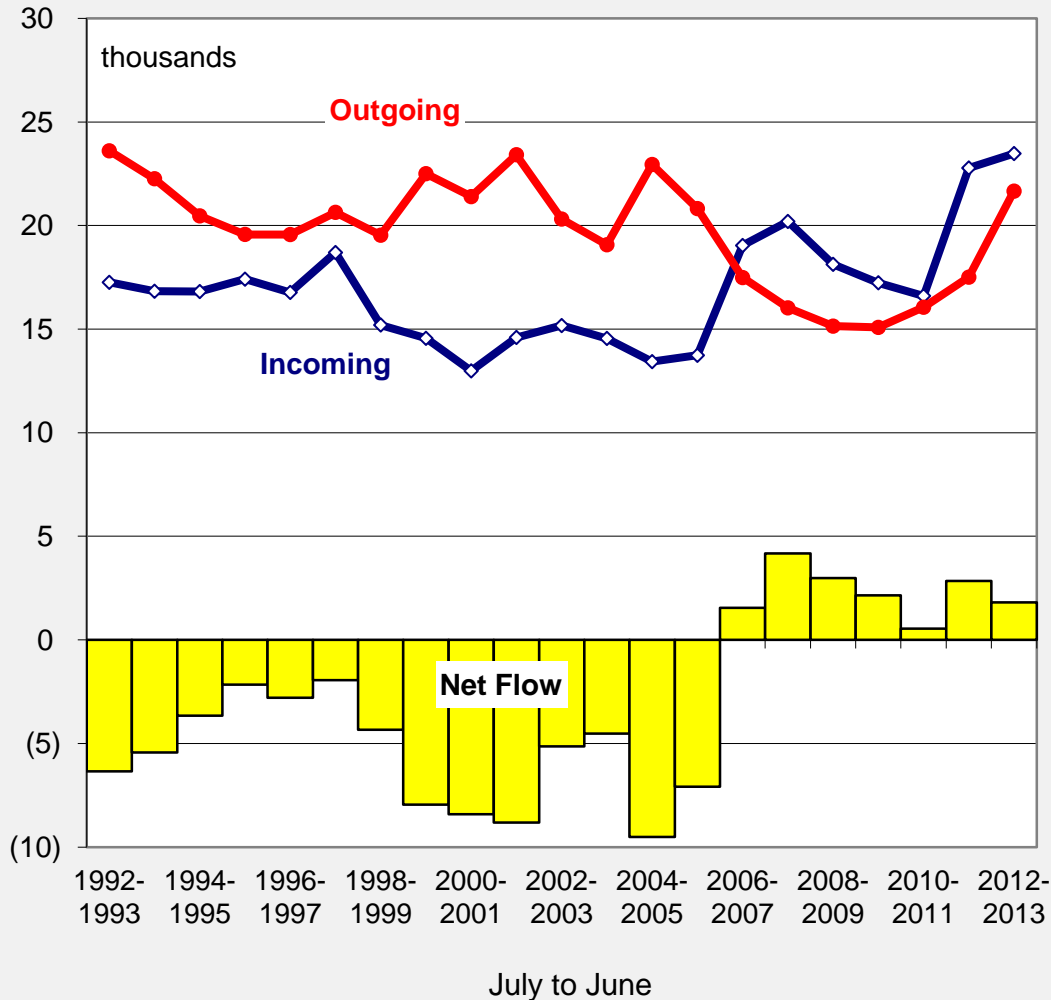
Population Growth for Large Urban Areas, 2006 to 2011



- n Virtually all of the growth is occurring in cities and the surrounding metropolitan areas (called CMAs or CAs).
- n From 2006 to 2011, 77% of the population increase happened in or near these eight large urban centres and 65% was in Regina/Saskatoon.

# Population Outlook

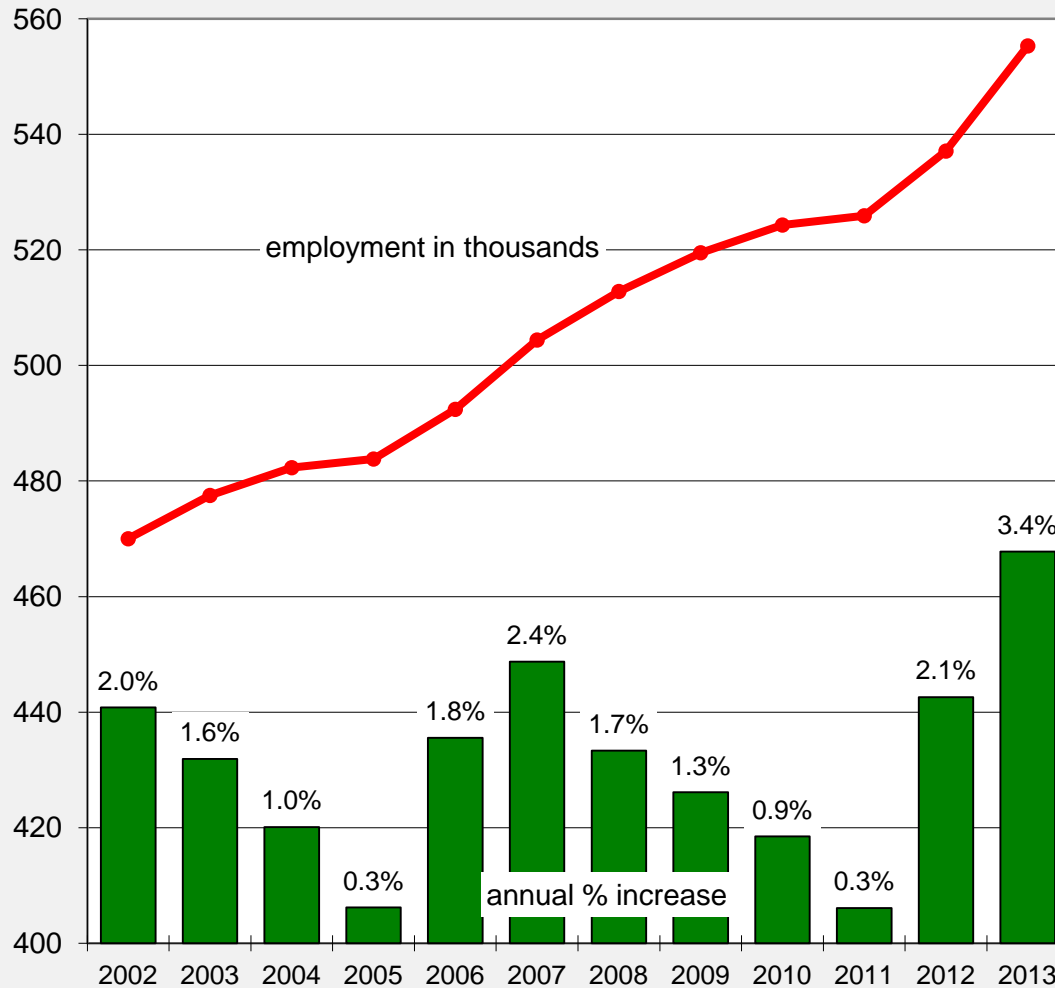
Interprovincial Migration to/from Saskatchewan  
1996-97 to 2012-13 estimate



- n After declining in the late 2000s, interprovincial out-migration is increasing again.
- n This may be a consequence of recent immigrants moving to other provinces.
- n Or it may mean that Alberta has become a popular destination again.
- n In any case, population growth in the coming years will have to come from immigration rather than lower emigration.

# Employment Growth

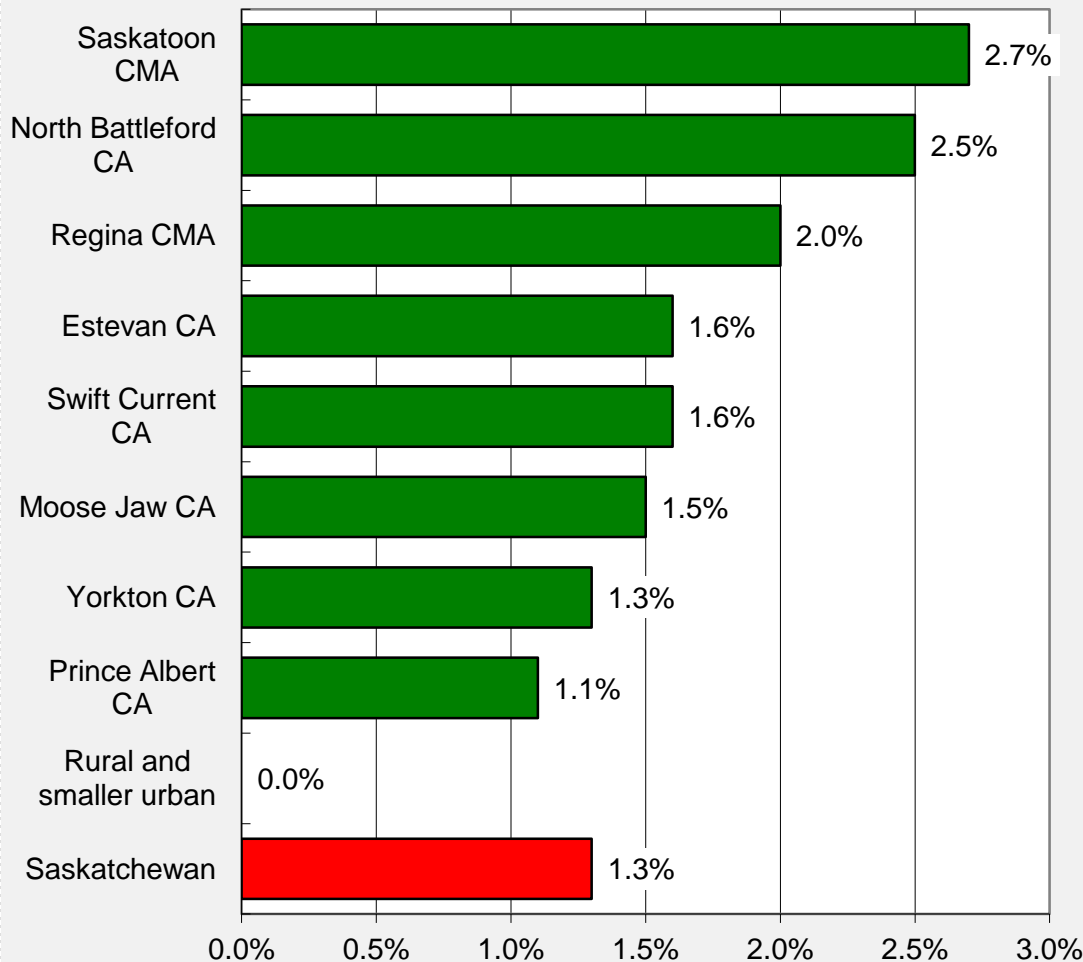
## Employment in Saskatchewan



- Concurrent with the population growth is a rapid increase in employment, particularly in 2012 and 2013.

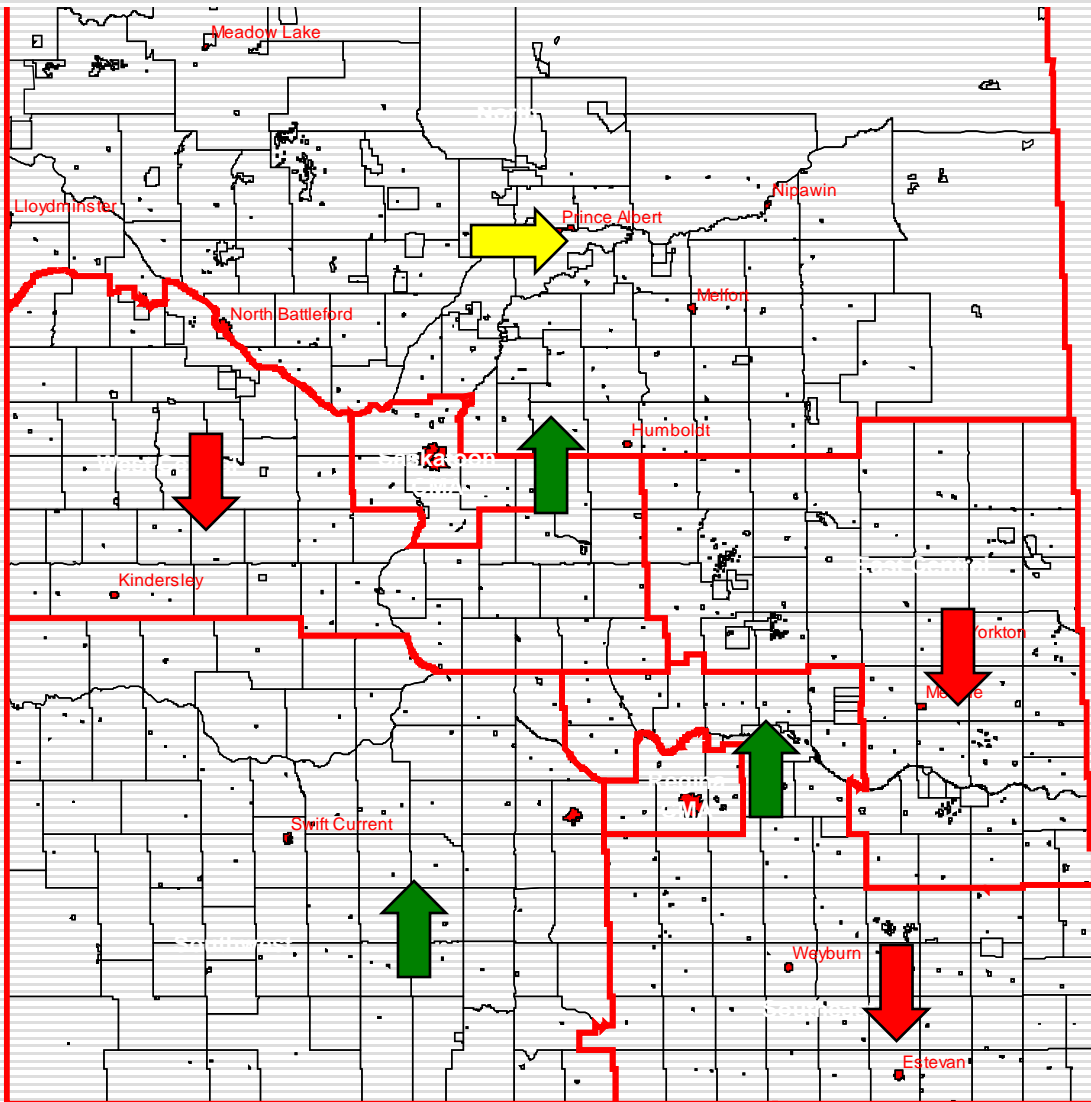
# Employment Growth is Concentrated in Urban Areas

Average Annual Growth in Employment, 2006 to 2011



- n As with the population, the job growth is in urban centres.
- n All of the employment increase from 2006 to 2011 has been among urban residents in general and Regina/Saskatoon in particular.
- n This is because growth has been in sectors that are concentrated in urban centres – the health and education, construction, and business services.

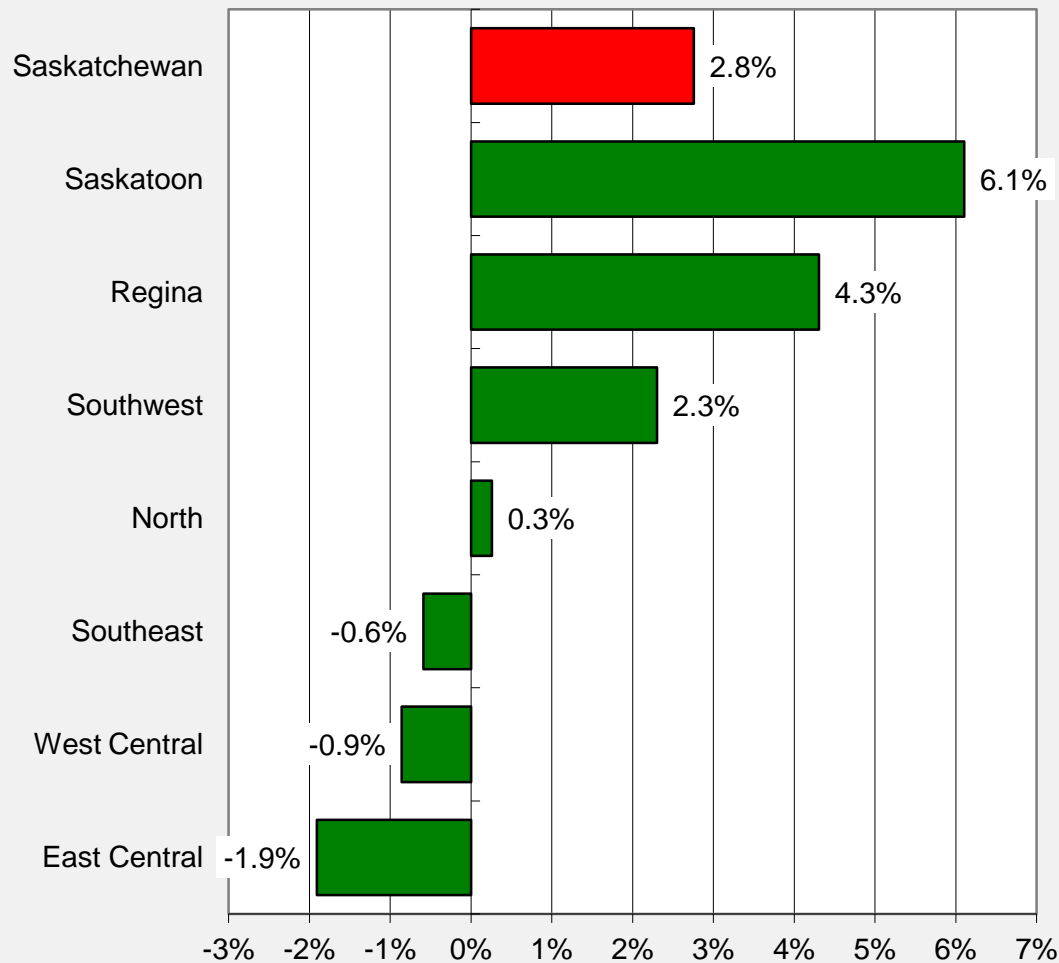
# Employment Growth by Region



- n The Labour Force Survey has employment broken down into seven sub-provincial regions, including the two large urban areas.
- n Employment data from Statistics Canada measures where you live which may not be where you work.

# Employment Growth by Region

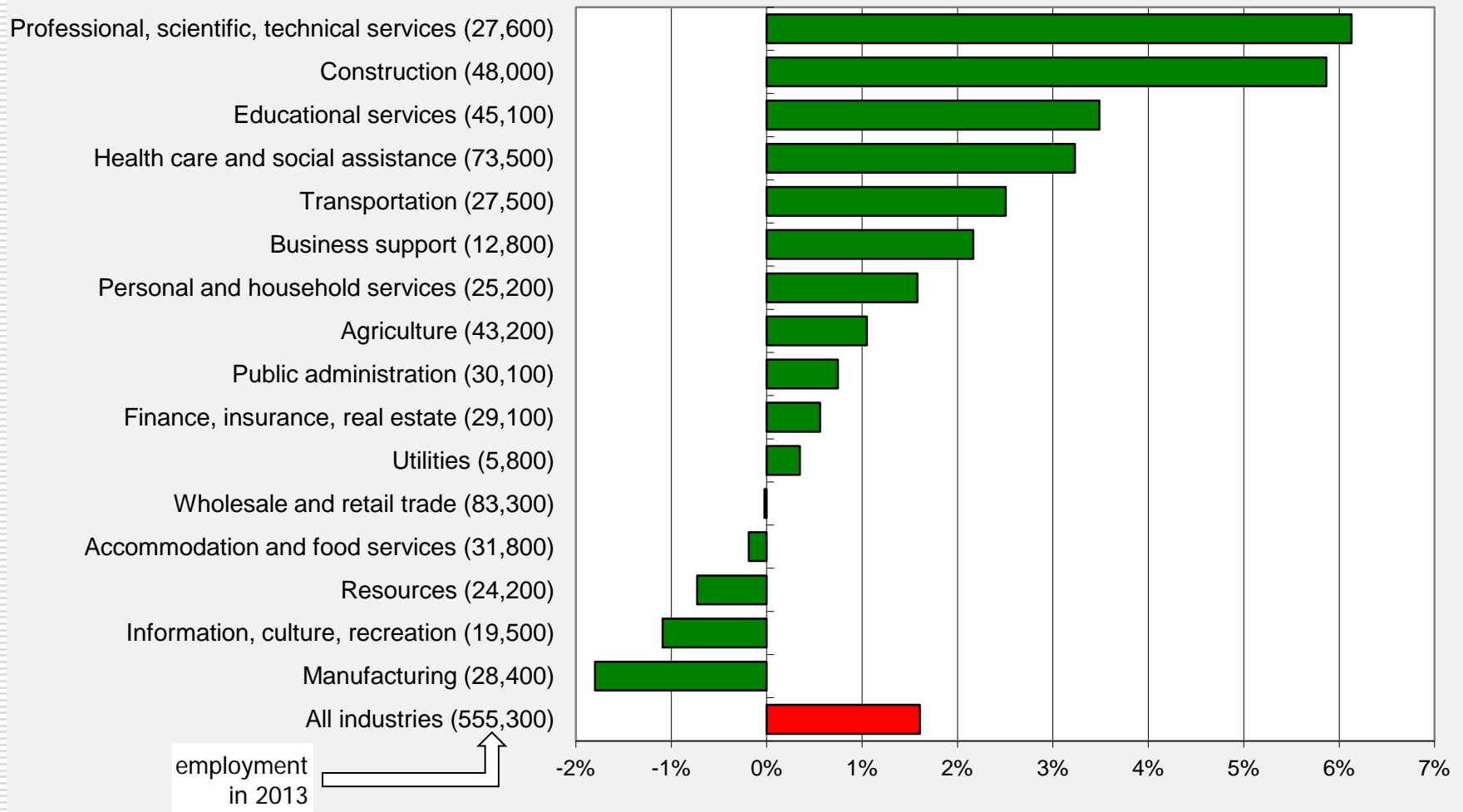
Average Annual Growth in Employment, 2011 to 2013



- n The pattern of strong job growth in Regina and Saskatoon has continued after 2011.
- n One reason is that most residential construction takes place in the major urban centres and construction is one of the fastest growing industry groups.

# Construction and Business Services are the Fastest Growing

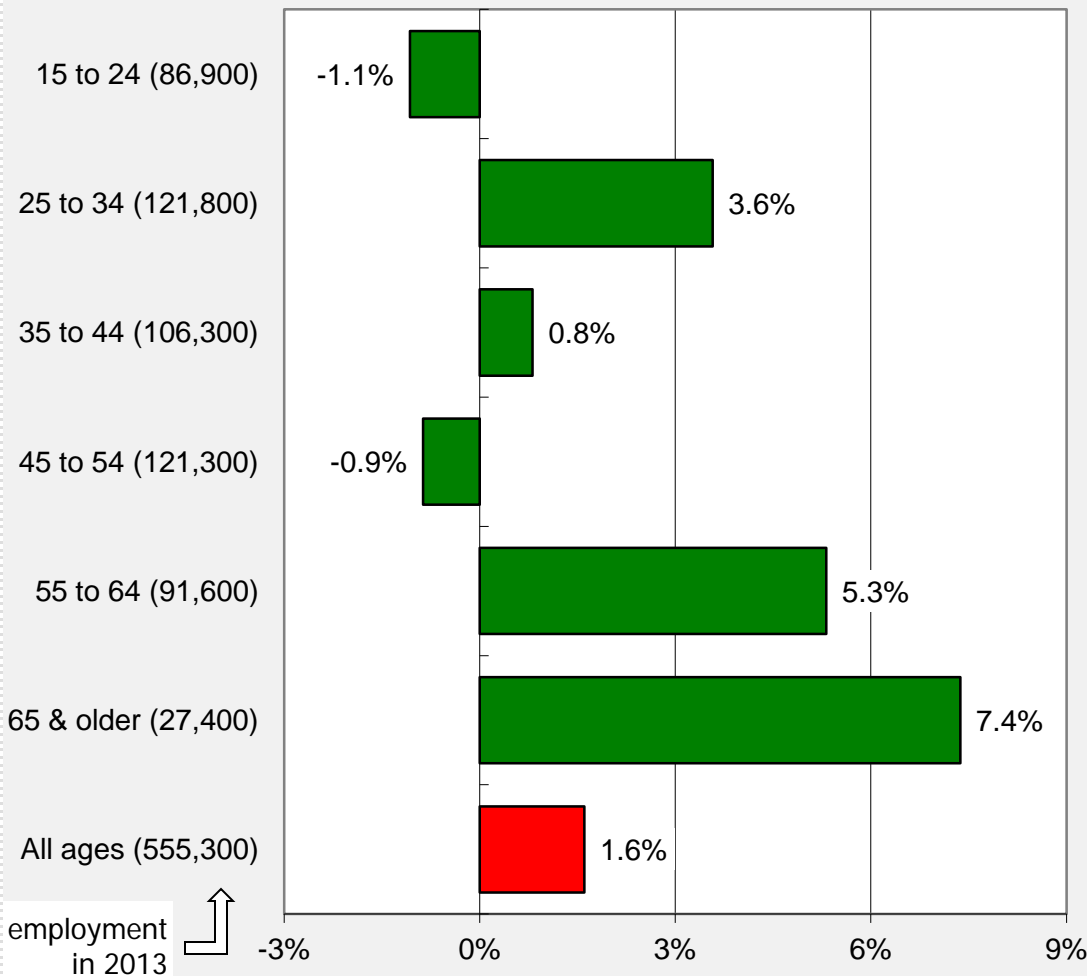
Average Annual Growth in Employment, 2008 to 2013





# Employment Growth for Older Workers

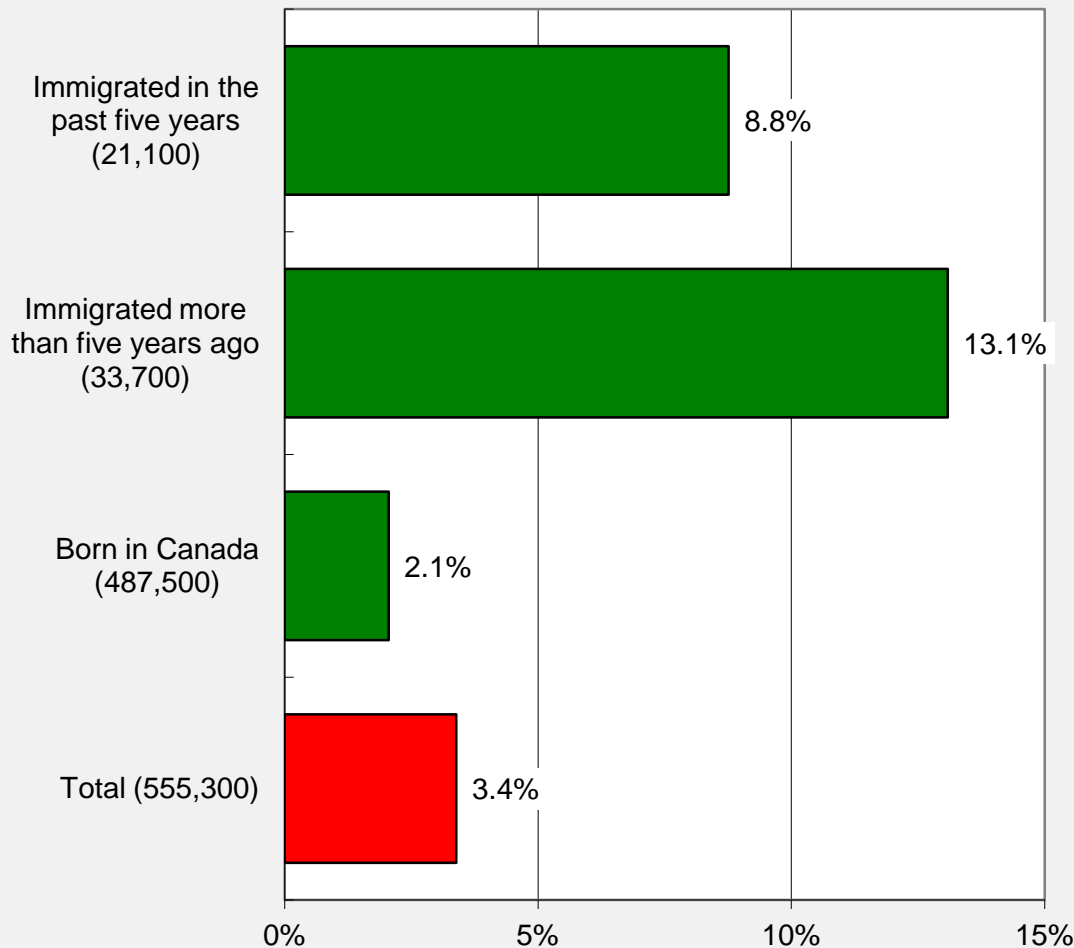
Average Annual Increase in Employment, by Age Group, 2008 to 2013 (showing 2013 employment)



- n Employment among youth is not increasing as quickly as it should and this does **not** seem to be because they are more likely to be in school.
- n The employment rate for those 15 to 24 years of age was 63.6% in 2013 compared with 66.6% in 2008.
- n The employment growth among older workers may be part of the reason.

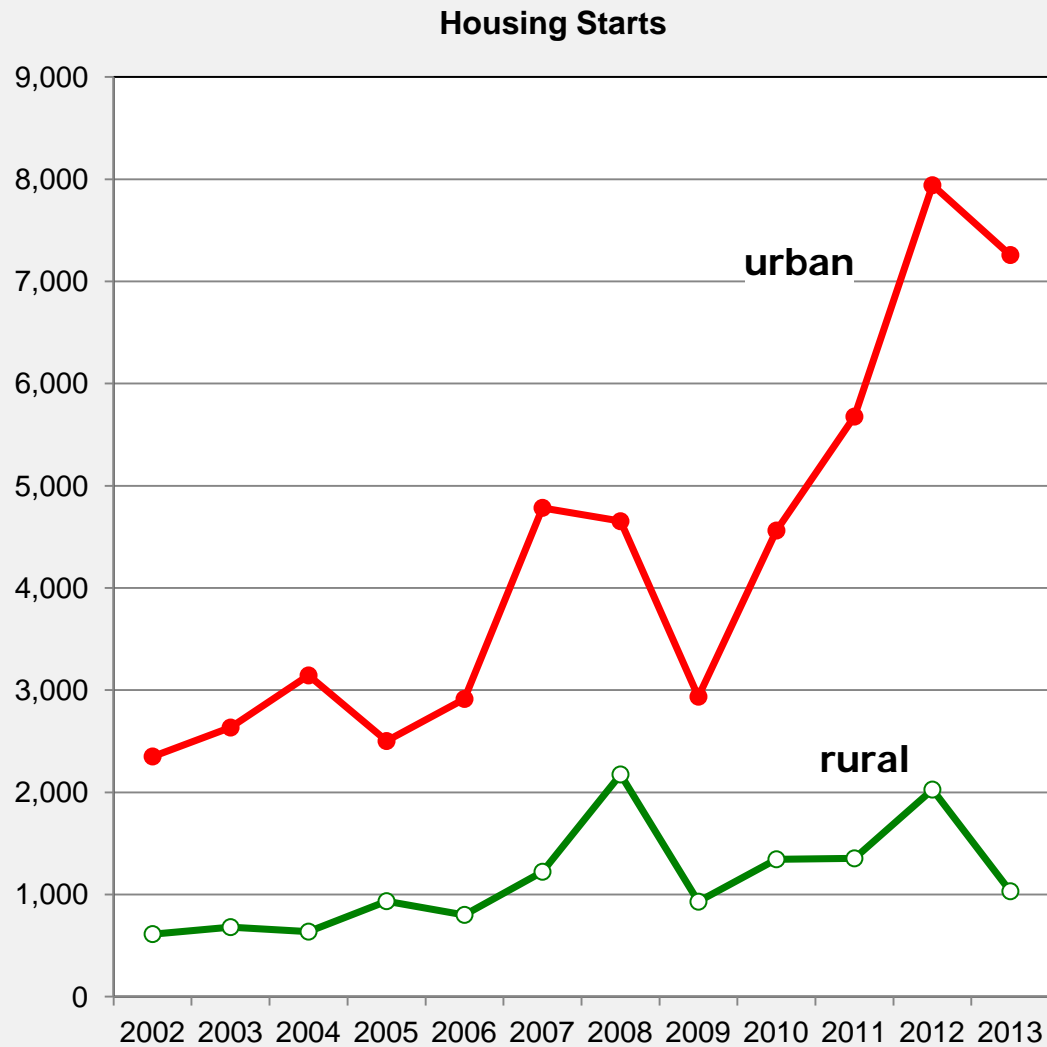
# Recent Immigrants are Filling Many of the New Jobs

Average Annual Growth in Employment by Immigrant Status, 2008 to 2013 (showing 2013 employment)



- n The growth rate for jobs among recent immigrants is a remarkable 8.8% from 2008 to 2013.
- n Looked at another way, two-thirds of the 42,500 jobs created between 2008 and 2013 were among immigrants. One – third by recent immigrants.
- n Note that these figures do not include the approximately 15,000 temporary foreign workers.

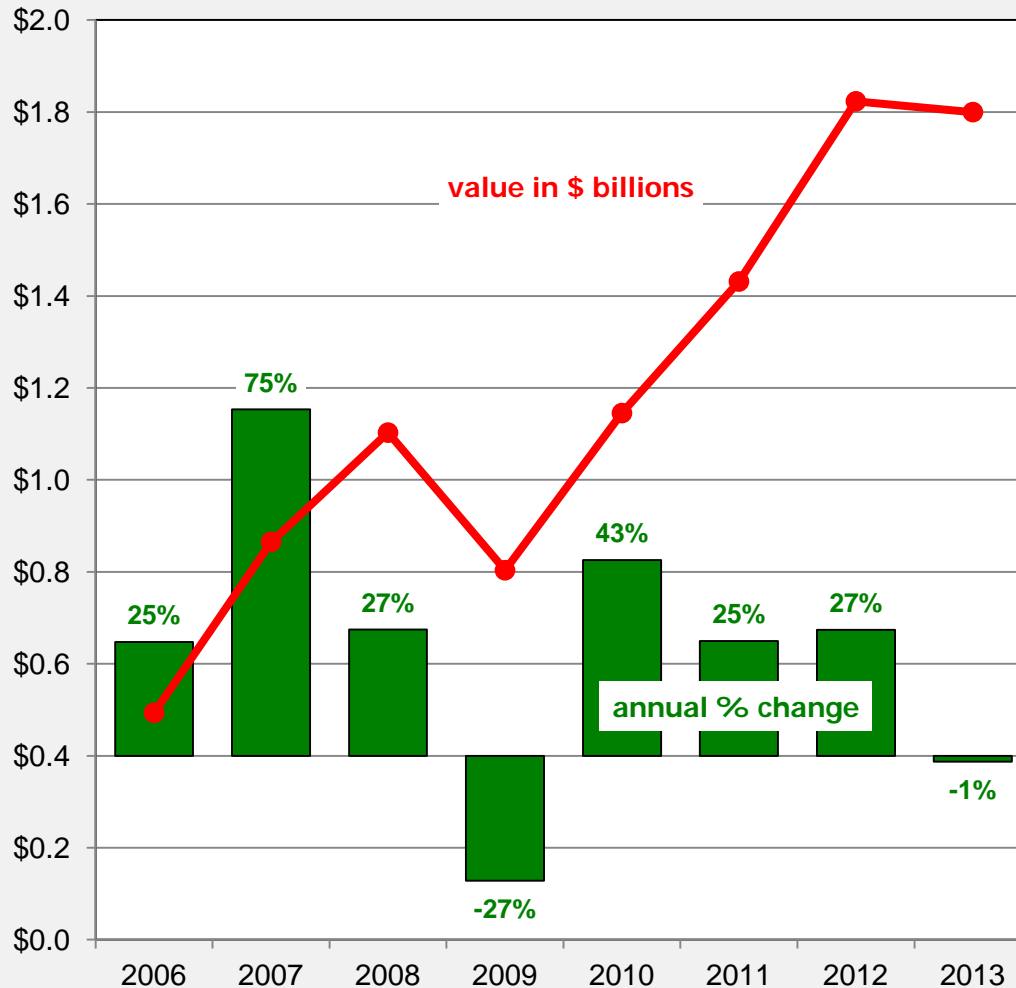
# Housing Starts



- n The construction industry in general and the residential housing market in particular are one of the drivers for the provincial economy.
- n The number of starts fell in 2013 for the first time since 2009. Most observers expect little or no growth in 2014.

# Residential Housing Market

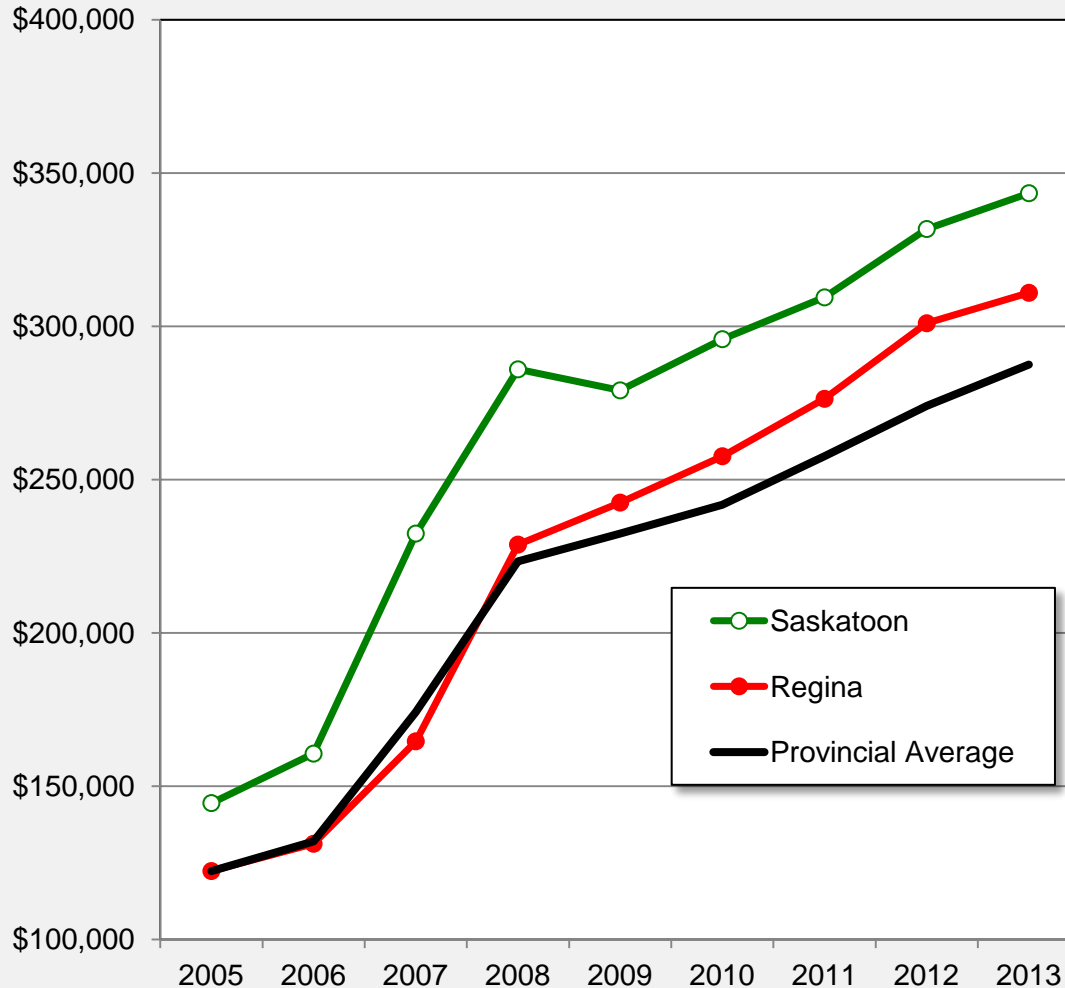
Value of Residential Building Permits, Saskatchewan



- n The building permit data confirm the slowdown in the residential housing market.
- n The non-residential side of the business remains strong so the construction industry will still be busy in 2014 and 2015.

# The Resale Market

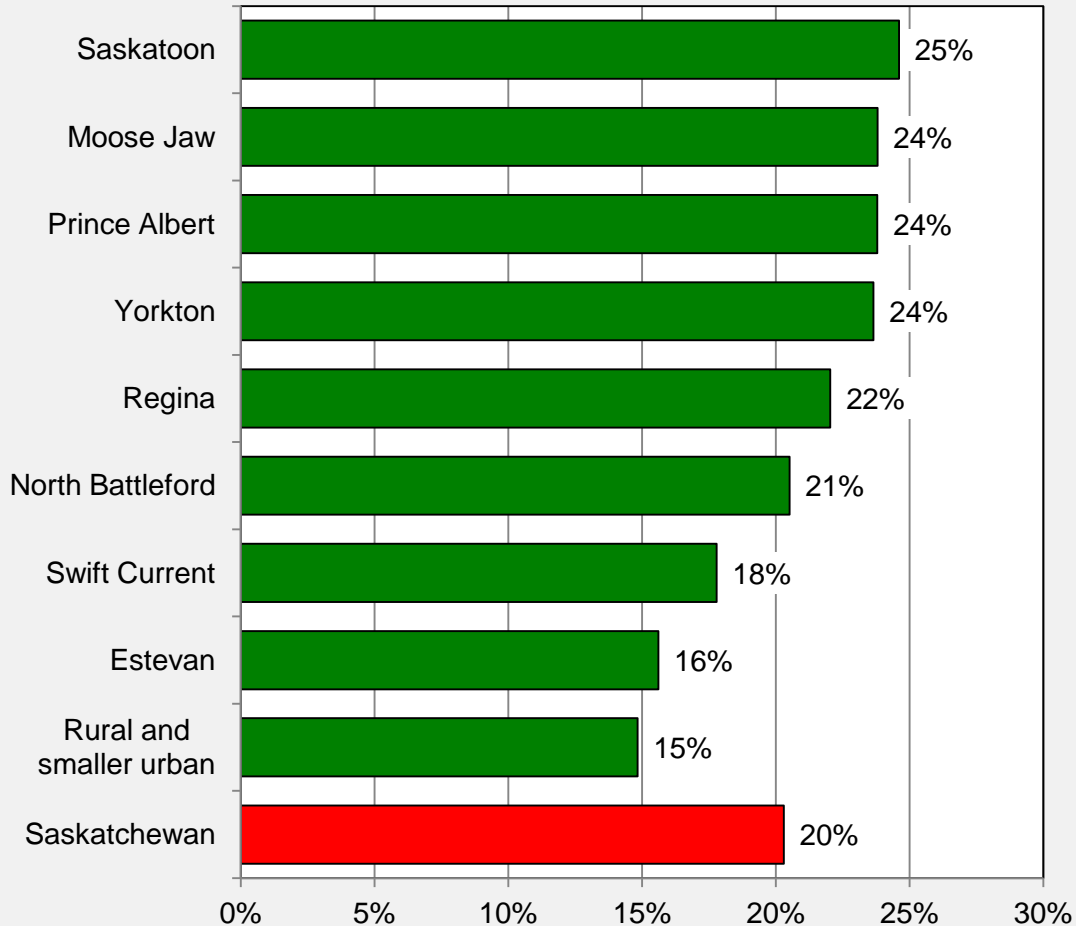
Average Selling Price, MLS Residential Market



- n After the sharp jump in 2007 and 2008, the average price in the resale market has been growing at a more sustainable pace in the last few years.
- n From 2009 to 2013, the average annual increase was:
  - 5.3% in Saskatoon;
  - 6.4% in Regina; and
  - 5.5% in the province as a whole.
- n In spite of some concern about a housing “bubble”, there is no evidence of a downturn in prices.

# Increasing Prices Affect Affordability

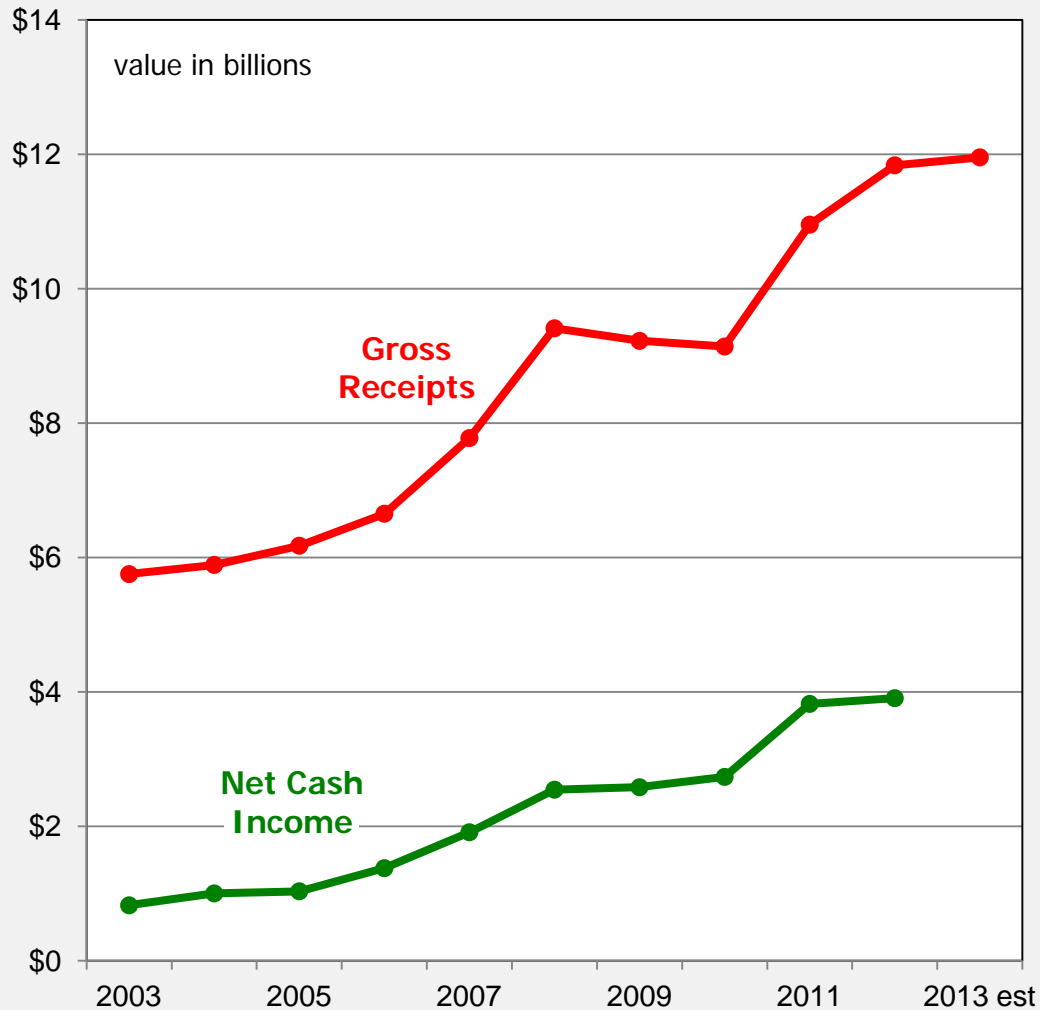
Percentage of Non-Farm, Non-Reserve, Households where Major Payments Exceed 30% of Gross Income, 2011



n Affordability is an increasing problem. One in five households has major payments (e.g. rent, mortgage, utilities) in excess of 30% of gross income.

# Increasing Farm Incomes

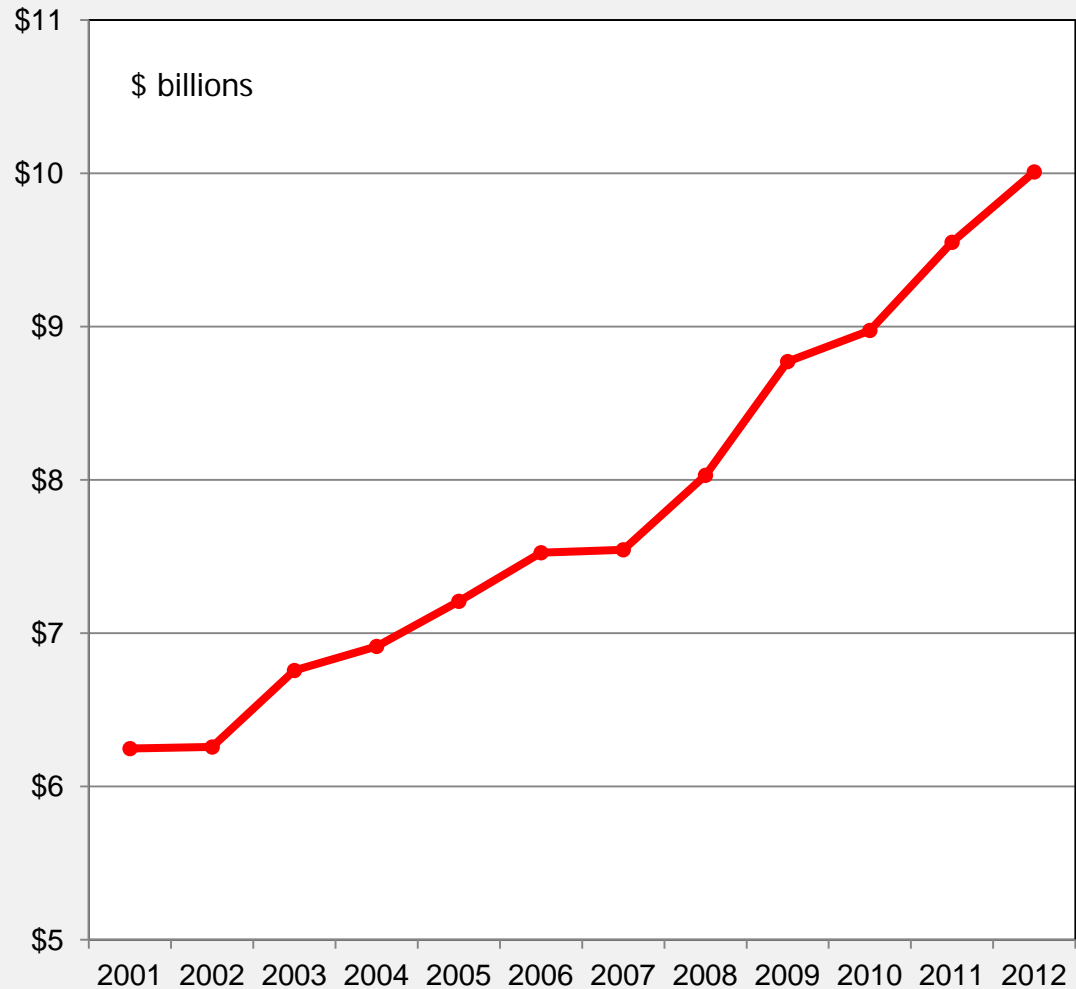
Net Cash Income, Saskatchewan Farmers



- n A good case can be made that agriculture rather than the resource sector is the cause of the recent economic boom.
- n Farming in Saskatchewan has never been as profitable as it has been in the last three years.

# Higher Farm Debt

Total Farm Debt Outstanding, Saskatchewan

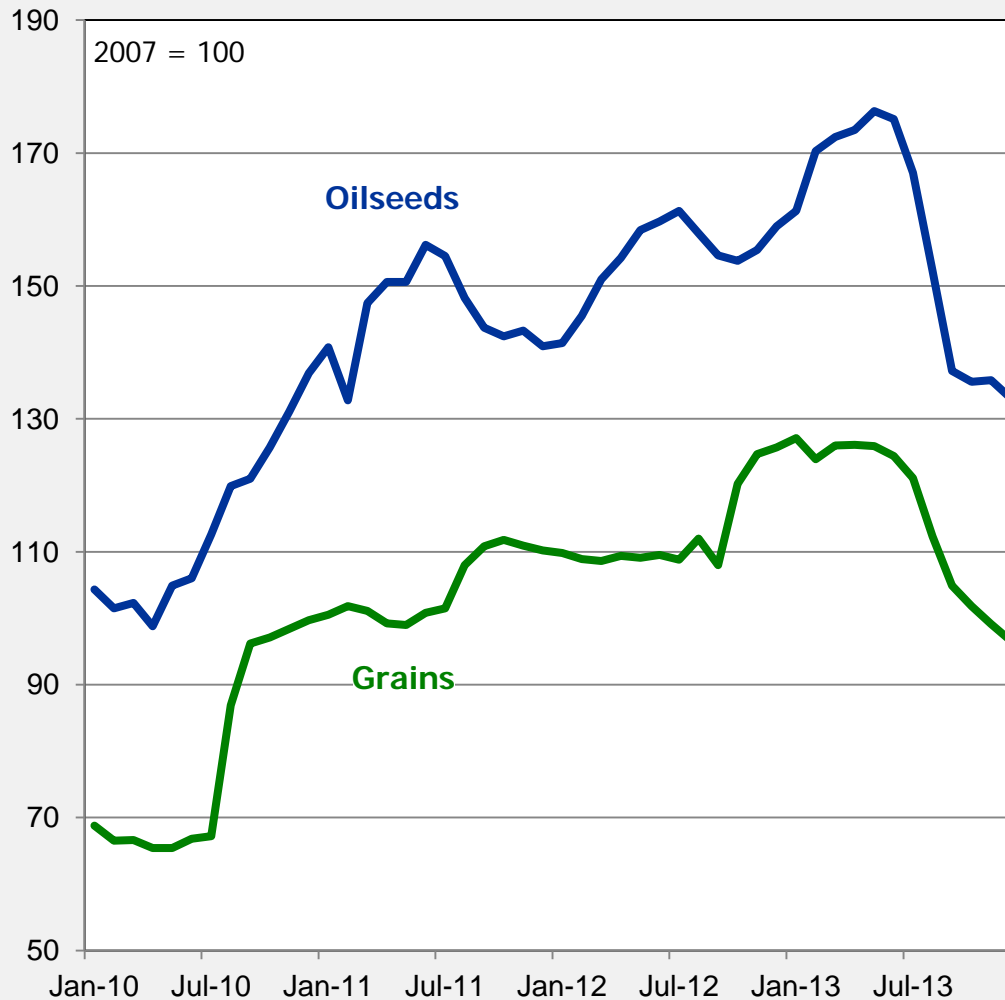


- n Farm debt has also increased dramatically.
- n From 2007 to 2012, the average annual increase was:
  - 8.8% for gross receipts;
  - 15.4% for net cash income; and
  - 5.8% for farm debt.



# Grain Prices

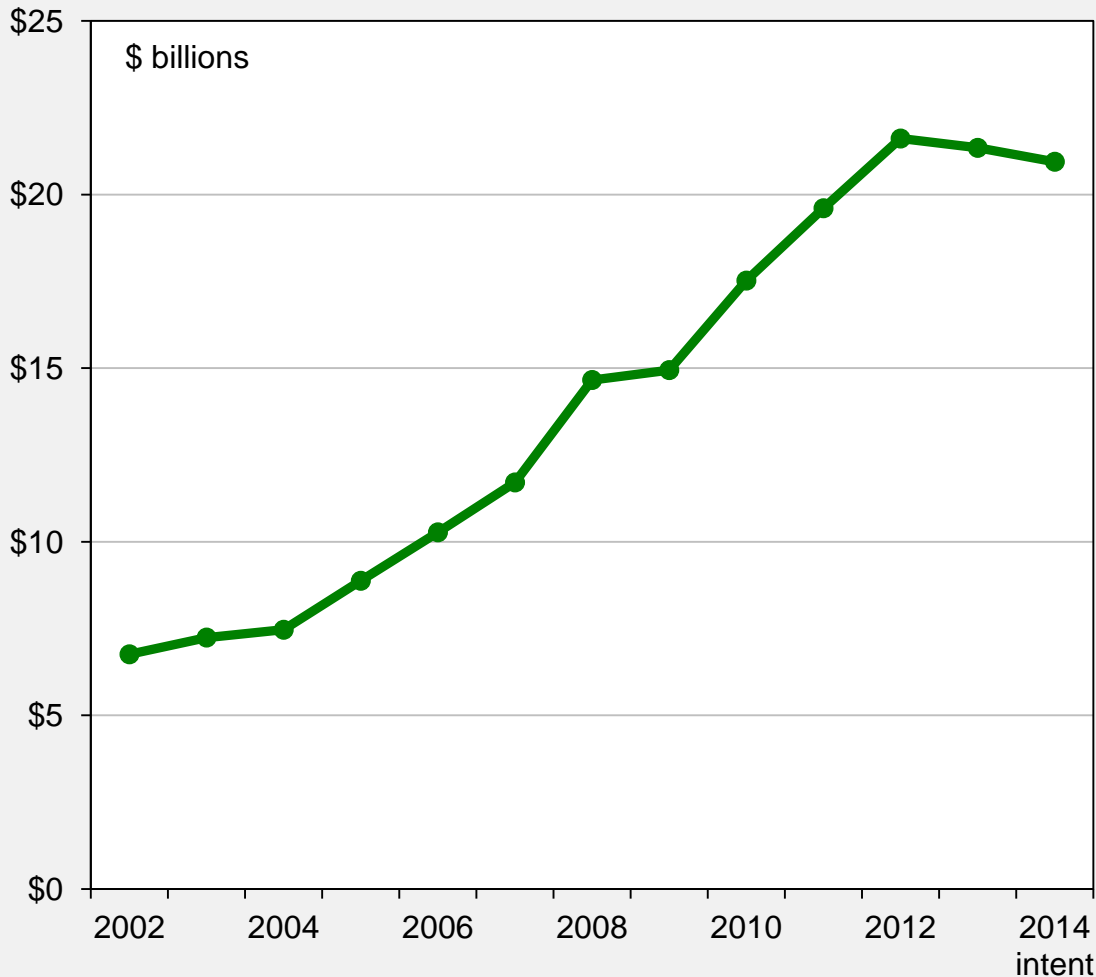
Monthly Farm Gate Prices, Grains and Oilseeds



- n Low prices and grain transportation problems mean that 2014 won't be nearly as good a year.

# Capital Investment, Actual and Intended

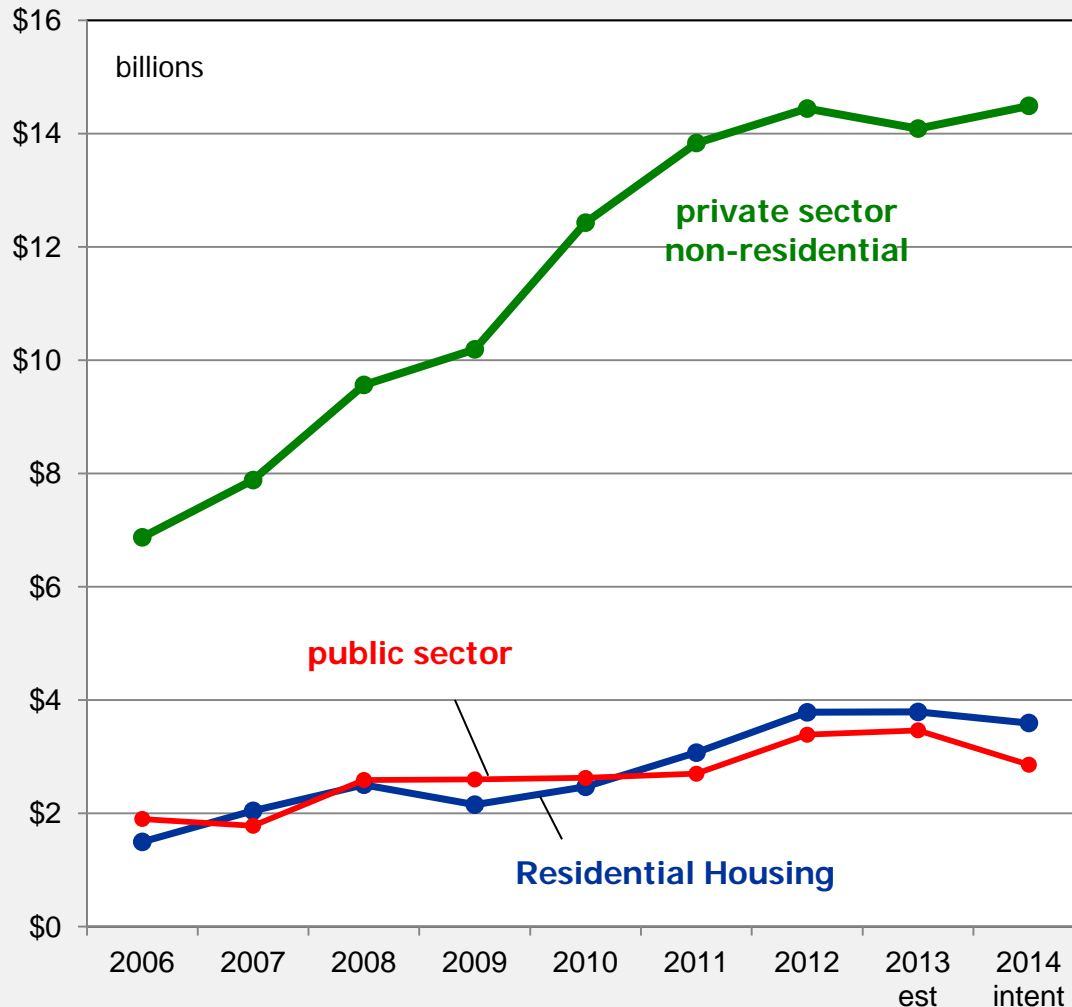
**Capital Investment in New Construction, Machinery, and Equipment, Saskatchewan**



- n These data are based on survey conducted by Statistics Canada in November of every year. The survey measures actual investment in 2013 and intended new investment in 2014.
- n Capital investment has been above \$20 billion for the last two years and is expected to remain there for 2014.

# Capital Investment Intentions

Capital Investment in Saskatchewan, By Sector



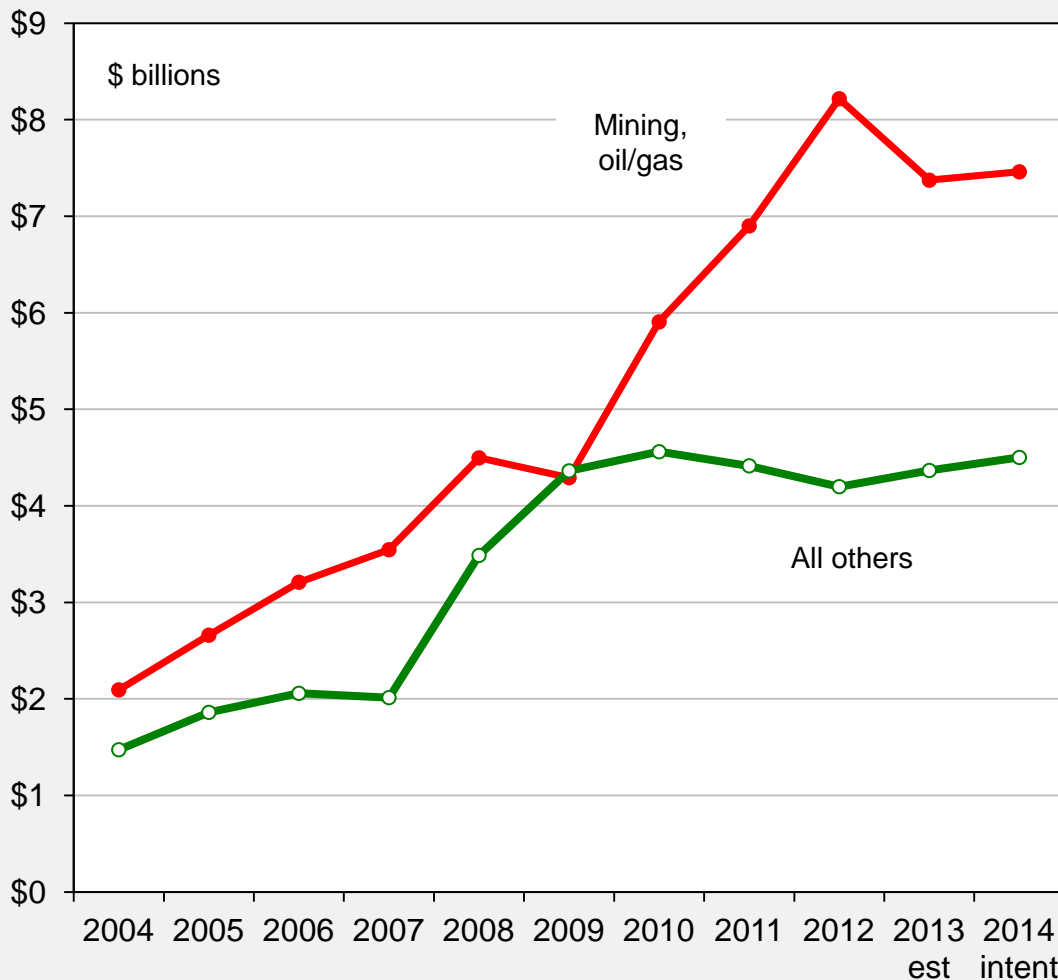
n These data are based on survey conducted by Statistics Canada in November of every year. The survey measures actual investment in 2013 and intended new investment in 2014.

n Intended investment in new construction for 2014 is \$15.6 billion compared with \$10.8 billion in 2009 and \$4.8 billion in 2004.

n The public sector (broadly defined) will account for 14% of the 2014 investment compared with 20% ten years ago.

# New Capital Construction by Sector

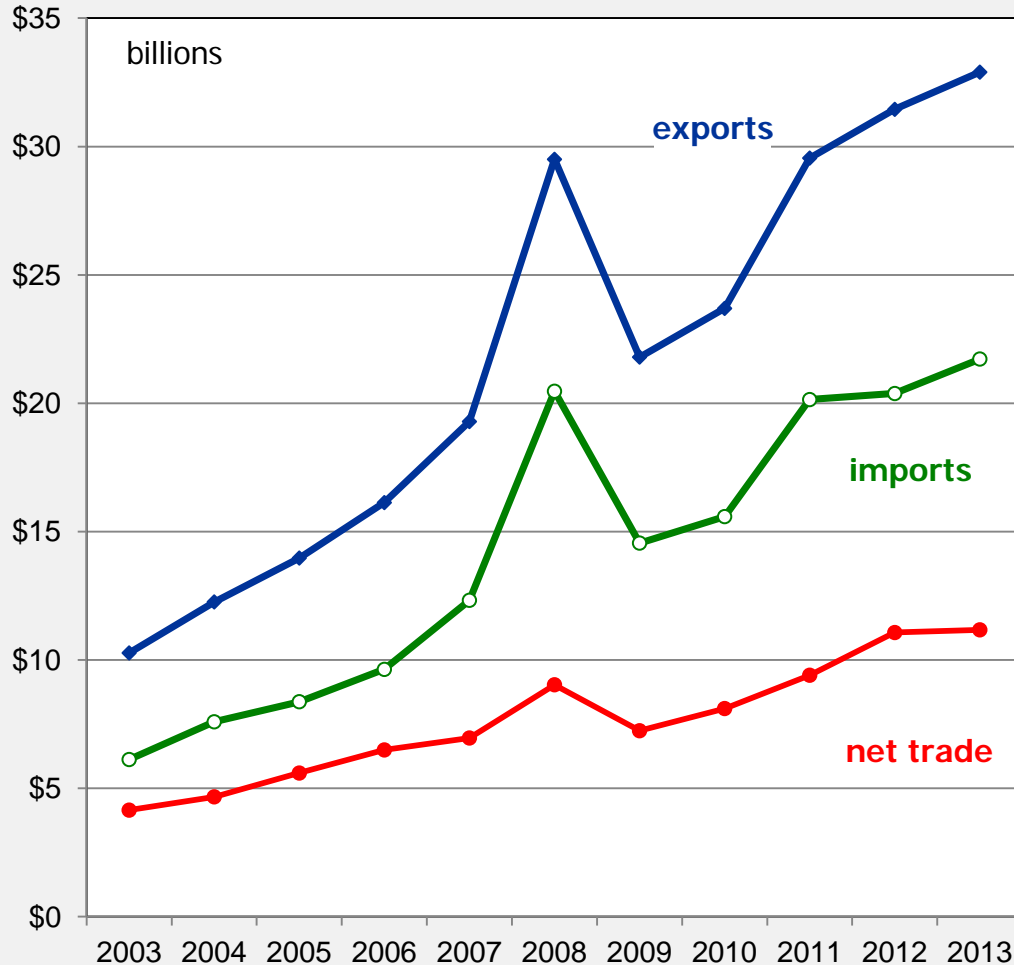
Actual and Intended Investment, Construction Only, Excluding Housing



- n The vast majority of capital investment in Saskatchewan is in the resource sector (mining, oil/gas, forestry, including exploration).
- n The intended investment in the resource sector for 2014 is \$7.5 billion which is 62% of the total.

# International Merchandise Trade

International Merchandise Trade to/from Saskatchewan  
(customs basis)



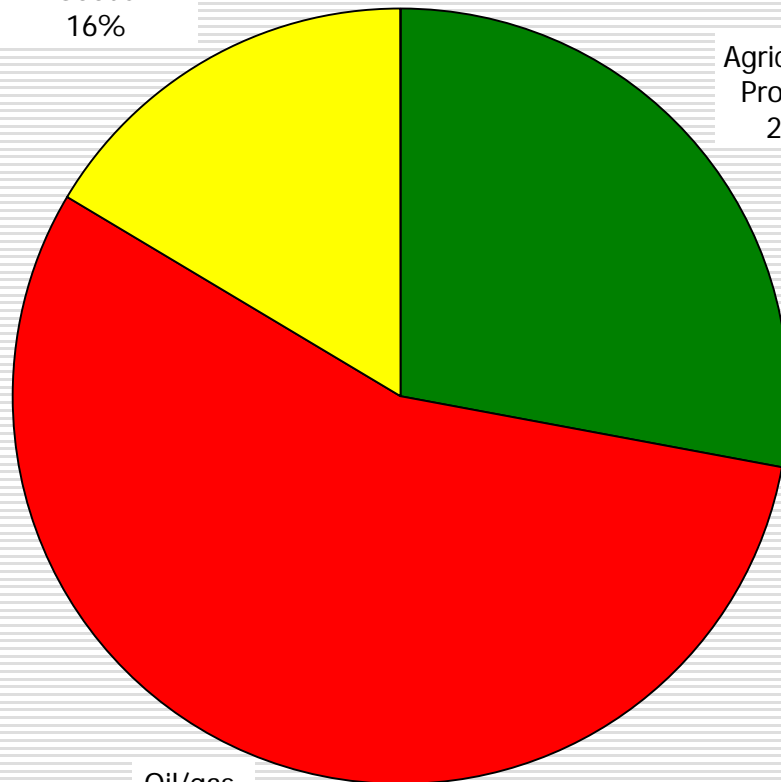
- n The value of exports is setting records.
- n Imports are increasing almost as quickly so net trade is much lower.
- n As well, much of the export growth is price related. Volumes will not have increased as quickly as values.

# Still Dependent on Raw Materials

International Merchandise Exports from Saskatchewan, 2013

Manufactured and Processed Goods  
16%

Agricultural Products  
28%



Oil/gas,  
Minerals  
56%

- n Our exports are still almost exclusively raw materials.
- n The top five products, accounting for 80% of the value of international exports were, in 2013:
  - crude oil;
  - potash;
  - wheat;
  - pulse crops; and
  - canola.

# Summary

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- n The Saskatchewan economy is doing well but the prosperity is concentrated in the larger urban centres.
- n A good deal of the growth has been driven by the construction industry generally and the residential housing market in particular. This is, in turn, dependent on continued population growth.
- n There will be no downturn in the short term because 2014 capital investment intentions are still high.
- n Over the longer term, the economy is still too dependent on the extraction of raw materials and is susceptible to a decline in commodity prices and therefore quite fragile.