



Actalent

# Labour Market & Economy Report

## Quarter Two 2023

Actalent's quarterly Labour Market and Economy Report connects important dots between data and trends in Canada's engineering and sciences employment. Specifically, readers can expect to learn about job growth in engineering and sciences by industry, unemployment trends, labour force participation rates, and other factors that impact the hiring, attraction, and retention of workers.

A few key insights from the Q2 report include:

1. Overall, Canada's economy added 84,000 jobs in quarter two, with June experiencing the highest gain at 59,900. Consumer + Industrial Products added 43,000 jobs between April, May, and June.
2. Several industries continue to have unemployment rates that fall well below the overall unemployment rate of 5.2%: Utilities (1.7%), Professional, Scientific, and Technical Services (2.6%), and Manufacturing (2.9%).
3. In Q2, Canada's inflation declined from 4.4% in April to 2.8% in June. The decrease in June is largely attributed to low energy prices; however, when the more volatile food and energy prices are excluded from the calculation, June's "core" price inflation was 3.5%. Therefore, it's likely the Bank of Canada will continue to raise interest rates until "core" price inflation achieves 2% or below.
4. The average hourly wage rate for all industries increased 4.82% between Q2 2022 and Q2 2023. By industry, average hourly earnings are highest in Utilities, although the Q2 2023 average hourly earnings for Utilities workers (\$48.05) fell about a dollar below the Q1 2023 average (\$49.18). Among Actalent-relevant occupations, 'Professional occupations in engineering' have the highest average hourly wage (\$51.40 in Q2 2023).



84K

### Jobs Gained in Q2

Employment grew by a net-positive 84,000 jobs between March 2023 and June 2023. June had the highest job gains of Q2, with 59,900 added that month.



65.6%

### Labour Force Participation Rate

Labour force participation averaged 65.6% during Q2, very close to Q1's rate of 65.7%. This indicates that the share of the Canadian population either working or actively seeking work was little changed.



5.2%

### Unemployment Rate

The unemployment rate averaged 5.2% during Q2 after not changing from 5.0% throughout the entire first quarter. This indicates that slightly more people were unemployed in Q2, but this rate is still low when compared to historic unemployment in Canada.



1.1M

### Monthly Average Job-Leavers

Job-leavers averaged 1.1M per month during the second quarter, roughly 84K lower than the Q1 monthly average. That is, less people left their jobs in Q2 than Q1 of 2023.

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# A Note on Comparability

## Why Canadian data should not be compared directly to United States data

Canada labour market data is collected and analysed by Statistics Canada. United States data is collected and analysed by the United States Bureau of Labor Statistics. Both agencies use different methods and concepts, so data should not be compared directly.

For example, the US unemployment rate averaged 3.5% in Q1 2023 (BLS), and the Canada unemployment rate averaged 5.0% (StatCan); however, a StatCan report states, “the Canadian unemployment rate adjusted to US concepts was unchanged at 4.0%.” This report provides Canadian statistics without adjustments to US concepts.

# Quarter Two Market Trends

A closer look at  
unemployment by industry  
and labour category



Overall unemployment rate

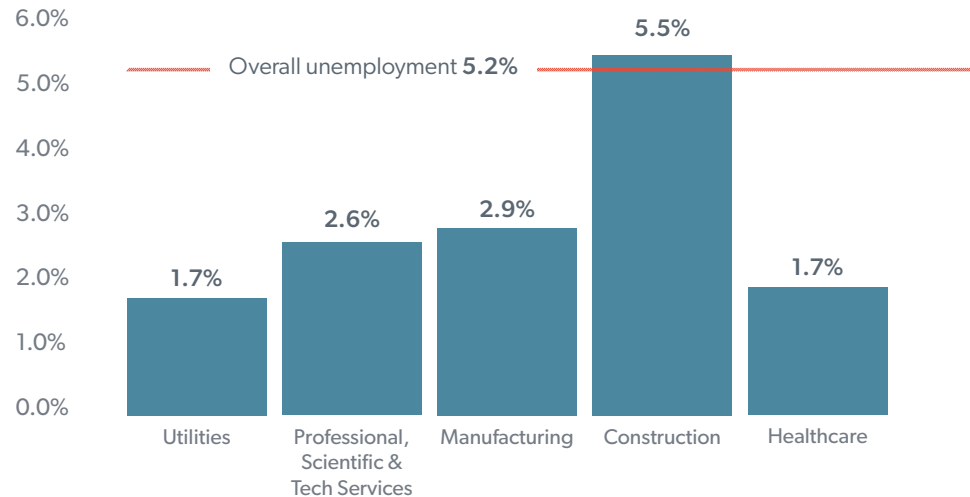


Unemployment rate for degreed  
workers (bachelor's degree or  
higher) in 2022

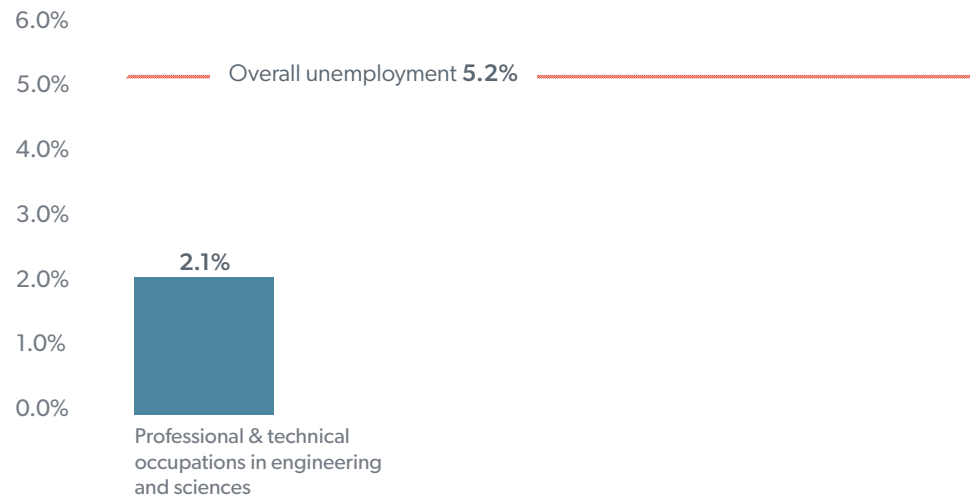


Ratio of unemployed workers  
(Natural and Applied Sciences  
and Related Occupations)  
available per job opening  
April 2023 - June 2023

## Unemployment rates by industry



## Unemployment rates by labour category



Due to frequent data revisions and statistical noise on a month-to-month basis, Actalent employs a rolling 3-month average to best represent unemployment by labour category or industry.

# Industry Trends

## OVERALL ECONOMY

The Canadian labour market added a net-positive 84,000 jobs between April and June 2023. June 2023 alone experienced an employment gain of 59,900, which Global News states was “bolstered by the highest immigration level since 1913.” Job vacancies, adjusted for seasonality, declined for the third month in a row in April (latest data available). Slower overall employment gains in the second quarter, a smaller number of vacancies, the cooling manufacturing sector, and slowing wage growth are positive indicators of a “cooling” economy, making the soft landing that the Bank of Canada would like to achieve more obtainable. On the other hand, some economists believe that at least a mild downturn will be inevitable in late-2023 or 2024 due to high inflation and lagging effects from high interest rates. So far, predictions of a full-blown recession have not materialized, partially due to the unexpectedly strong labour market.



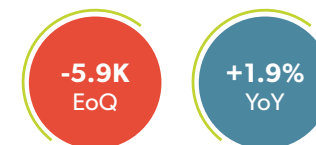
## UTILITIES

Renewables, clean energy, and lower carbon emissions continue to drive utilities activities in Canada. BC Hydro installed its 150th EV charger in the B.C. province last quarter. The president/CEO of BC Hydro stated that, by 2025, their network will have 325 charging units at 145 sites. BC Hydro had the second-most job postings in the utilities industry for engineering and sciences workers (after Enbridge), but those postings declined 36% over the quarter. Enbridge’s latest financial report, released in May, showed strong financials “despite extreme volatility in both financial and commodity markets” as well as an optimistic outlook. Enbridge’s report indicated a strong pipeline of work, as it reported on plans to expand its Houston Oil Terminal capacity, construct a blue ammonia export production facility with Yara International, and develop the future Normandy offshore wind farm.



## CONSTRUCTION

The oil refinery in Come By Chance, Newfoundland and Labrador will be converted into a world-class renewable diesel facility with the help of up to \$86M in federal investments announced in May 2023. The diesel facility project “is expected to sustain 200 full-time jobs while creating 800 jobs during its construction” later this year. Ford announced a \$1.3bn investment to overhaul its Oakville Assembly Complex in Ontario for EV production. Ford will repurpose its existing buildings and build an on-site battery assembly facility, with renovations expected to start Q2 2024. Several infrastructure projects are underway, including continued work on rail lines. The Ontario government will invest \$730M to extend the GO Transit Lakeshore East line to Bowmanville, Ontario, for which Bowmanville Construction Partners has received an early-stage planning contract.



EoQ = End of Quarter  
YoY = Year over Year

## Industry Trends, continued

### ENGINEERING AND SCIENTIFIC R&D SERVICES

**Architecture & Engineering:** Demand for engineering workers within the architectural, engineering, and related services industry declined 26% in Q2 2023. Despite positive financial results so far this year, Stantec, AECOM, SNC-Lavalin, and Tetra Tech each showed a decline in job postings over the quarter, according to Lightcast. Still, strong financial outlooks, combined with high levels of infrastructure spending and recovering home prices, make it seem unlikely that industry demand for workers will be suppressed in the long run.

**Scientific R&D:** TRIUMF Innovations and the Centre for Probe Development and Commercialization will receive up to \$35M in funding over a five-year period for the creation of the new Canadian Medical Isotope Ecosystem (CMIE), which is expected to create over 600 skilled jobs and foster scientific research and development and the production of medical isotopes. The new Calgary Cancer Centre, now named the Arthur J.E. Child Comprehensive Cancer Centre, received a \$50M donation from the Arthur J.E. Child Foundation – the largest donation in the history of Alberta Health Services – which will go toward oncology research and education and cancer care when the centre opens in 2024. The most demand for scientific research workers came from academic institutions in Q2, followed by medical and surgical hospitals.



### HEALTHCARE

June's Labour Force Survey states, "according to the latest results from the Job Vacancy and Wage Survey, job vacancies have remained at or near record highs in healthcare and social assistance in recent months, despite falling in nearly all other sectors." Total hours worked increased 2.3% for the year ended in June for healthcare and social assistance workers. Throughout Q2, job postings in the health care sector increased by over 10% for medical lab techs and medical lab assistants. The health systems with the most job postings in Q2 were the Government of Saskatchewan, Fraser Health, and Alberta Health Services.



### C&IP

**Overall:** The S&P Global manufacturing index indicated contraction in the Canadian manufacturing sector during the last two months of Q2, with all three months' reports attributing slower demand to high interest rates, high inflation, and the uncertain macroeconomic outlook. Manufacturing sales fell 1.6% year-over-year in April 2023 (most recent data available). The most manufacturing sales growth came from the automotive, ship and boat building, and petroleum and coal product industries. Excluding automotive manufacturing, manufacturing sales were down 3.1% over the year. Still, the manufacturing sector added 27,000 jobs in the month of June, the largest monthly gain since September 2020 and outpacing other Canadian industries. Mitsui High-tec (Canada), Inc. will invest \$102.3M to expand its operations in Ontario, which will create 104 jobs.

**Automotive:** Construction of the GM-POSCO Future M cathode active materials (CAM) plant has begun in Bécancour, Quebec, and will be the first battery materials site to open in the city when it begins production in 2025. The city is also the planned location for a BASF CAM plant, a Vale nickel processing plant, and a Nemaska Lithium Inc. lithium hydroxide plant – as each of these projects begin construction and operations, demand for construction and manufacturing workers will increase in Bécancour. Ford plans to lay off at least 1,000 North American workers, primarily engineering jobs in the US and Canada, as part of the Ford+ growth plan and an effort to "exit unprofitable locations and cut headcount."



**EoQ** = End of Quarter  
**YoY** = Year over Year

# Wages in Canada

How they've changed.

+2.8%



## Consumer Price Index

Canada's inflation rate rose from 4.3% to 4.4% in April 2023. It then fell to only 3.4% in May, followed by an even lower 2.8% in June. June's rate of 2.8% is the lowest rate in 27 months, but it was largely brought down thanks to low energy prices. If you exclude the volatile food and energy prices, "core" price inflation was 3.5% in June. As long as these core prices remain above 2%, the Bank of Canada is likely to keep raising interest rates to try to reel in inflation.

+4.82%



## Wage Increases

The average hourly wage rate for all industries increased 4.82% between Q2 2022 and Q2 2023. By industry, average hourly earnings are highest in Utilities, although the Q2 2023 average hourly earnings for Utilities workers (\$48.05) fell about a dollar below the Q1 2023 average (\$49.18). Among Actalent-relevant occupations, 'Professional occupations in engineering' have the highest average hourly wage (\$51.40 in Q2 2023).



## "Real" Earnings

The pace of wage growth now exceeds inflation, which is good news for workers. Still, an article by the Toronto Star explains, "Two years of lagging behind prices reduced real wages by close to 4 per cent. That means wages would have to grow faster than prices by a considerable margin (say, two percentage points a year) for a considerable time (say, two years) just to repair the damage done to purchasing power since early 2021."

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# References

## Read more about trends in Engineering & Sciences

For a labour market snapshot of a specific province or territory, visit [JobBank.gc.ca/trend-analysis](https://www.jobbank.gc.ca/trend-analysis)

### INDUSTRY TRENDS:

**Overall:** [Canada's jobs market shows signs of 'fraying.' What it means for the Bank of Canada; Canadian economy unlikely to dodge a downturn despite early-2023 resilience; Is Canada still heading for a recession in 2023?; Job Vacancies, First Quarter 2023](#)

**Utilities:** [Expansion milestone: BC Hydro installs network's 150th charger in Langley; Enbridge Reports Strong First Quarter 2023 Financial Results and Reaffirms Financial Guidance and Outlook](#)

**Construction:** [Government of Canada Announces Support to Grow the Newfoundland and Labrador Clean Fuels Sector and Create Middle-Class Jobs; Ford to invest \\$1.3B to overhaul Canada manufacturing site for EV production; Ontario government awards contract for eastern GO Transit extension](#)

#### Engineering & Scientific R&D Services

Architecture & Engineering: [Canadian Economy Remains Resilient; Tetra Tech Second Quarter Results; AECOM Second Quarter Results; Canada home prices](#)

Scientific R&D: [Government strengthens Canada's leadership role in medical isotope production; TRIUMF Innovations and the Centre for Probe Development and Commercialization to Receive up to \\$35 Million in Funding for their Canadian Medical Isotope Ecosystem; The Alberta Cancer Foundation, Alberta Health Services and the University of Calgary announce largest donation in Alberta Health Service's history to the new Calgary Cancer Centre](#)

**Healthcare:** [Labour Force Survey, June 2023](#)

**C&IP:** [S&P Global Canada Manufacturing PMI for April; May; June; Manufacturing sales by industry – Seasonally adjusted; Manufacturing: Principal statistics – Seasonally adjusted; Ont. welcomes a \\$102.3M investment from Mitsui High-tec \(Canada\), Inc. to manufacture motor cores](#)

**Automotive:** [GM getting \\$220 million in Canadian government support for EV battery materials plant in Quebec; Ford to cut jobs in the US, Canada to trim costs](#)

**CPI:** [Bank of Canada: Consumer Price Index; Consumer Price Index, June 2023; Canada's inflation falls to 27-month low of 2.8% led by lower energy costs](#)

**Statistics Canada Labour Force Survey:** [April, May, June](#)

**Canada Wage Statistics:** [Employee wages by occupation, monthly, unadjusted for seasonality; Employee wages by industry, monthly, unadjusted for seasonality; Your paycheque has finally closed the gap with inflation — a good thing, despite the Bank of Canada's opinion](#)