



Actalent

# Labour Market & Economy Report

## Quarter Three 2023

Actalent's quarterly Labour Market and Economy Report connects important dots between data and trends across Canada's engineering and sciences employment landscape. 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 97,300 jobs in quarter three. Engineering and Scientific R&D services gained the most, adding 52,200 jobs between July, August, and September. Demand is still growing for workers in healthcare, infrastructure, and life sciences, but continued inflation and weakened consumer demand are among signs the broader economy is likely to slow down.
2. Looking at unemployment by industry, Utilities unemployment decreased 0.7% compared to Q2, while both Manufacturing and Professional, Scientific & Technical Services unemployment increased 0.7% – yet each remain well below the overall unemployment rate of 5.5%.
3. In Q3, year-over-year inflation increased from 2.8% in June to 3.3% in July. It went up again to 4.0% in August and slightly back down to 3.8% in September. While low energy prices were credited with lowering inflation in June, higher energy prices accounted for the 1.0% increase between June and September.
4. The average hourly wage rate for all industries increased 5.0% between Q3 2022 and Q3 2023 and real wage growth continued to outpace inflation last month, which is good news for workers.



**97.3K**

### Jobs Gained in Q3

Employment slightly declined in July, then grew in both August and September, resulting in a net 97.3K jobs-added in Q3. Construction experienced the biggest loss, while professional, scientific, and technical services saw the biggest gains.



**65.6%**

### Q3 Labour Force Participation Rate

The labour force participation rate was 65.6% as of September 2023, 0.1 percentage points below the LFPR at the end of Q2. The share of the Canadian population either working or actively seeking work was little changed.



**5.5%**

### Unemployment Rate

The unemployment rate increased 0.1 percentage points between June and July, then stayed at 5.5% throughout Q3. The share of workers unemployed and seeking work did not significantly expand.



**1.1M**

### Q3 Monthly Average Job-Leavers

An average of 1.1M workers left their jobs per month during Q3, unchanged from the Q2 average.

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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 Three Market Trends

A closer look at  
unemployment by industry  
and labour category



Overall unemployment rate

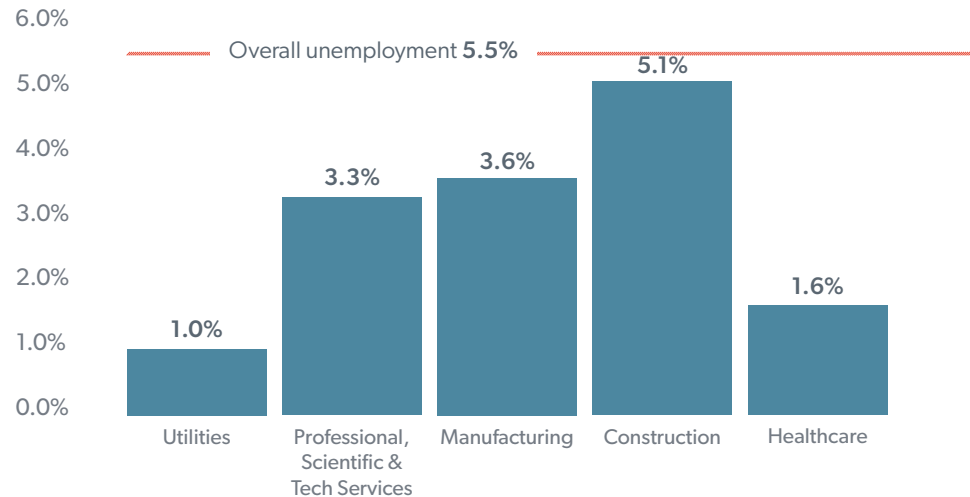


Unemployment rate for degreed  
workers (bachelor's degree or  
higher) in 2022

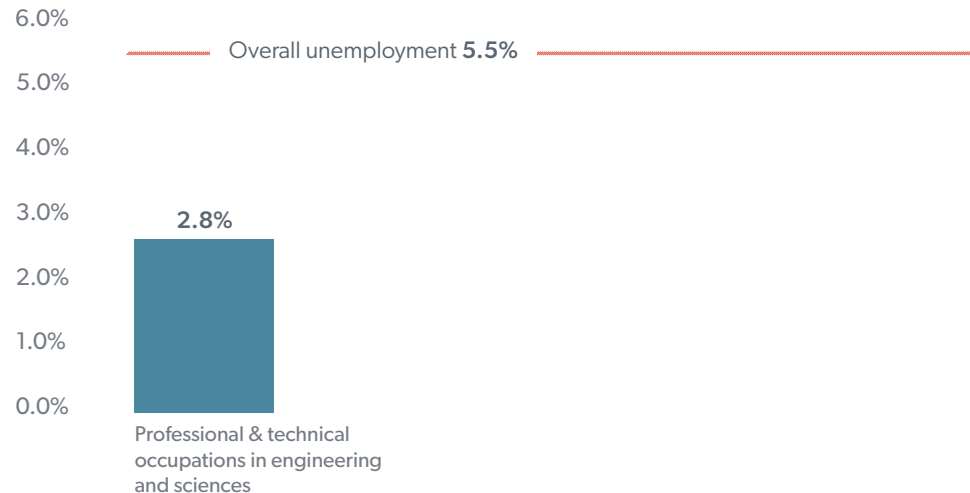


Ratio of unemployed workers  
(Natural and Applied Sciences  
and Related Occupations)  
available per job opening  
July 2023 - September 2023

## 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

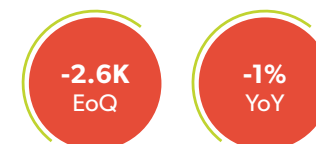
## OVERALL ECONOMY

While demand is still growing for workers in the healthcare, infrastructure, and life sciences industries, there are signs of a slow-down in the broader Canadian economy. Economists anticipate slower GDP growth, inflation is still above the 2% target, and consumers are slowing their spending habits. According to the Bank of Canada Q3 Business Outlook Survey, "In the context of weakening demand, firms are planning to slow hiring, though few intend to lay off workers. Wage growth is still expected to be higher than normal, despite both demand and labour markets softening."



## UTILITIES

Analysts cited by Simply Wall Street forecast the gas utilities industry will grow at an annual earnings growth of 31% over the next 5 years. While the gas utilities industry outlook is more optimistic than other industries within the utilities sector, the anticipated growth of 31% is below its past earnings growth rate of 66% per year. In August, the Alberta Utilities Commission (AUC) announced that they would review policies regarding future renewables projects and asked the government to temporarily pause approvals on renewables project applications. The pause impacts 13 projects and will be lifted in February 2024. The Government of Alberta states, "Construction and development in Alberta's renewables sector, and the resulting jobs, will continue under the pause." On Sept. 15, Hydro One broke ground on its CAD 120M Regional Operations Centre and Provincial Warehouse in Orillia, which, once operational in 2025, will allow for Hydro One field crews to strengthen the local grid and respond to outages.



## CONSTRUCTION

GovWin and Deltek's report, Top Canadian Government Contracting Opportunities in 2024, identified five major themes driving projects in 2024: IT modernization, bolstered military capacity, DEI, environmental concerns, and infrastructure support. The report identified 16 provincial/territorial local infrastructure projects, including the CAD 1.5B Local Government Fiscal Framework (LGFF) allocating funding to Alberta municipalities for "roads, bridges, public transit vehicles or facilities, and more." Also highlighted were 21 municipal EV charging network projects, including Toronto's CAD 70.2M EV Off-Street Projects, which aims to install over 500 off-street EV chargers across Toronto by the end of 2024. These projects are expected to increase demand for AEC skill sets. Still, construction employment has declined in Canada, mostly from a decline in the residential sector, but also partly because of higher interest rates, higher costs for labour and materials, and even some projects being delayed or cancelled due to labour shortages.



## HEALTHCARE

Vacancies within the health care and social assistance sector account for nearly 1 in 5 (19.9%) total vacancies as of July 2023. With an unemployment rate of 1.6% in Q3 2023, there are no indicators of relief for the healthcare worker shortage in Canada. One response to this shortage has been recruitment of international healthcare personnel. In September, Nova Scotia announced that its fast-tracked immigration will now be open to students interested in becoming pharmacy technicians. Nova Scotia's Pharmacy Association estimates about 200 pharmacy technicians could be in demand over the next few years.



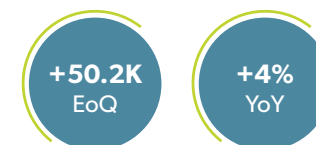
**EoQ** = End of Quarter  
**YoY** = Year over Year

## Industry Trends, continued

### ENGINEERING AND SCIENTIFIC R&D SERVICES

**Architecture & Engineering:** As mentioned in the Construction section of this report, government-funded projects are expected to create higher demand for AEC skill sets, including architects, drafters, and engineers/engineering technicians. Throughout Q3, Stantec, AECOM, SNC-Lavalin, Jacobs Engineering, and WSP increased their job postings for A&E occupations, especially civil, mechanical, and electrical engineers. SNC-Lavalin announced that it is rebranding to AtkinsRéalis. After realigning to focus on high-growth markets, SNC-Lavalin has chosen to rebrand to “maximize [their] ability to work seamlessly and provide one integrated offering for [their] clients and partners.” Stantec has been selected to provide environmental services for the Duparquet Gold Project in Quebec and to design the Centre for Clean Energy and Automotive Innovation at Vancouver Community College.

**Scientific R&D:** Health Canada approved the first RSV vaccine for adults aged 60+, manufactured by GSK. The Government of Canada announced over CAD 20.8M for organizations in Burnaby, B.C. “to expand operations and create jobs.” The Burnaby funding includes \$5M to medtech company ARTMS to “scale-up and expand its production to include three additional medical isotopes” and \$4M to medical supplies manufacturer Vitacore Industries Inc. to scale-up their production of masks and respirators and develop a PPE recycling facility. The Government of Canada is also granting CAD 23M to Edesa Biotech to accelerate their Phase III clinical trials for a potential treatment of acute respiratory distress syndrome (ARDS), creating 34 new jobs and 26 student co-op positions.



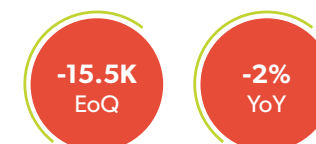
**AEROSPACE & DEFENSE** In June, L3Harris delivered the first fighter aircraft of the Hornet Extension Project (HEP) from its Mirabel facility. The HEP is expected to “help ensure Canada’s CF-188 Hornet fleet is able to meet operational commitments... until the incoming F-35 next-generation fighter aircraft becomes fully operational in 2032.” The Government of Canada will award CAD 2.5M to Laflamme Aero and CAD 10M to the General Dynamics Mission Systems-Canada’s Centre of Excellence; the two will partner to produce and commercialize the first Canadian-made remotely piloted aerial system (RPAS) in its class. GM Defense and NP Aerospace signed an MOU in September that will expand the range of military solutions that GM can deliver to global defence and government customers.

EMPLOYMENT DATA  
NOT AVAILABLE

### C&IP

**Overall:** Total manufacturing sales increased month-over-month in July and August, led by high sales in the petroleum and coal product, food, and machinery sub-sectors. Higher prices led to the increase in demand for petroleum and coal products, while very strong demand for industrial machinery led to higher machinery sales. Unfilled orders (backlogs) were down year-over-year in July and August, indicating smaller workloads compared to a year ago. Rogers Sugar announced a CAD 200M investment for its subsidiary Lantic, which will expand and add equipment to its existing Montreal plant, construct a new bulk rail loading section in Montreal, and expand logistics and storage capacity in the Greater Toronto Area.

**Automotive:** Swedish company Northvolt will build its first North American battery plant in Quebec, a CAD 7B investment estimated to create up to 3,000 jobs. Ford is partnering with EcoPro BM Co. and SK On Co. to build a CAD 1.2B EV battery materials plant in Bécancour, which will begin production by early 2026 and create roughly 345 new jobs. Construction has begun on a new Umicore EV components plant in eastern Ontario, which could create more than 600 jobs. Unifor has ratified a three-year agreement with Ford enhancing union members’ benefits, bonuses, and pension plans and “includes the highest wage increases in the history of Canadian auto bargaining.” Unifor avoided a strike with Ford, and the union will bargain with GM next.



EoQ = End of Quarter  
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# Wages in Canada

How they've changed.

+3.8%



## Consumer Price Index

Year-over-year inflation changed from 2.8% in June to 3.3% in July, 4.0% in August, then 3.8% in September, ending Q3 a whole percentage point above where it was at the end of Q2. High energy prices significantly impacted inflation: gas prices were up 7.5% for the year ended September. Still, 3.8% was lower than expected and was received with optimism.

+5%



## Wage Increases

Average hourly wages for all employees increased 5.0% year-over-year (Q3 2022 to Q3 2023). Despite the central bank's 10 interest rate hikes over the last 18 months, wages continue to experience solid growth, indicating that demand for labour is still strong. High wage growth could make it difficult to curb inflation.



## "Real" Earnings

Wage growth continued to outpace inflation last month, which is good news for workers. While many Canadians may still feel the impacts of inflation, their paychecks aren't taking a significant hit.

# 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://jobbank.gc.ca/trend-analysis)

### INDUSTRY TRENDS:

**Overall:** [Positive outlook for Canada's construction industry; Canada's economic engine is gearing down; Business Outlook Survey—Third Quarter of 2023](#)

**Utilities:** [Simply Wall St. Canadian \(TSX\) Utilities Sector Analysis; Alberta's Renewables Inquiry and the Related Pause; Hydro One breaks ground on \\$120 million investment in Orillia](#)

**Construction:** [GovWin from Deltek – Top Canadian Government Contracting Opportunities for 2024; Bad news for housing: 71,000 construction jobs shed in Canada this year to date; Canada Lost 45K Construction Jobs In July — And Yes, That Spells Grim Things For Housing](#)

#### Engineering & Scientific R&D Services

**Architecture & Engineering:** [SNC-Lavalin changing name to AtkinsRéalis. New name. New era.; Stantec selected to provide environmental services for Duparquet Gold Project in Quebec; Stantec selected to design Centre for Clean Energy and Automotive Innovation at Vancouver Community College](#)

**Scientific R&D:** [Health Canada approves 1st RSV vaccine for older adults; Government of Canada announces over \\$20.8 million for businesses and organizations in Burnaby, B.C. to expand operations and create jobs; Canada to invest \\$23 million in Ontario-based Edesa Biotech, Inc.](#)

**Healthcare:** [Payroll employment, earnings and hours, and job vacancies, July 2023; Patient engagement vital in training health professionals; Nova Scotia expands immigration program in bid to fill pharmacy, paramedic jobs](#)

#### Aerospace & Defence:

[L3HARRIS DELIVERS THE FIRST AIRCRAFT OF THE HEP; Government of Canada invests to strengthen the Canadian aerospace sector; NP Aerospace and GM Defense Sign Cooperation Agreement](#)

**C&IP:** [Monthly Survey of Manufacturing, July 2023; Monthly Survey of Manufacturing, August 2023; Rogers Sugar Announces Sugar Production Capacity Expansion Project for Eastern Canada](#)

**Automotive:** [Northvolt chooses Canada for its first EV battery plant in North America; EV battery giant Northvolt to build multibillion-dollar plant in Quebec; Ford plans \\$890 million EV battery materials plant in Canada; ECOPROBM, SK ON, FORD INVESTING IN QUÉBEC; BUILDING CATHODE PLANT TO SOLIDIFY EV SUPPLY CHAIN IN NORTH AMERICA; New eastern Ontario plant to add hundreds of jobs, create battery components; Unifor members ratify collective agreement with Ford Motor Company; FORD, UNIFOR AGREEMENT RECOGNIZES, REWARDS EMPLOYEES; GM picked as next bargaining target by Unifor in Canada](#)

**CPI:** [Bank of Canada: Consumer Price Index; Consumer Price Index, September 2023; Canada's inflation rate slows slightly, bolsters case for Bank of Canada to hold next week](#)

**Wages:** [Employee wages by industry, monthly, unadjusted for seasonality; Canada jobs, wage gains blow away expectations, up chances for rate hike](#)

**Job Posting Data From:** [Lightcast](#)