

NEWFOUNDLAND & LABRADOR

COVID-19 extinguished hopes of near-term recovery, but stability lays ahead.

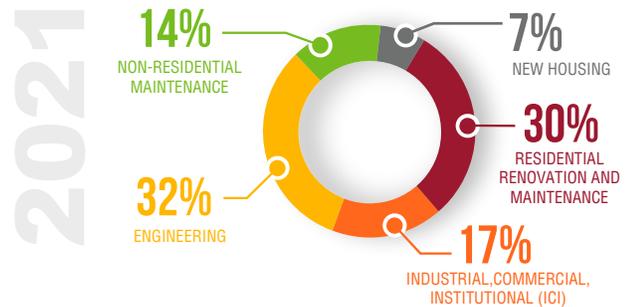
HIGHLIGHTS 2021–2030

The impact of COVID-19 hit Newfoundland and Labrador disproportionately hard in 2020, as instability in the oil market caused many existing and proposed projects to be delayed or cancelled. With the indefinite deferral of the Bay du Nord development, near-term growth is largely dependent on the resumption of the West White Rose Project in 2022 and the recovery of resource-sector exports.

Residential investment was supported in 2020 by an increase in renovation expenditure, while new-housing investment fell to new lows. Although a modest recovery in housing starts is expected to begin in 2021, long-term growth is constrained by aging demographics and declines in the provincial population base.

Following a record 23% decline in 2020, construction employment is anticipated to contract by a further 1,000 jobs (-8%) over the 2021–2030 scenario period. A portion of the decline will likely be absorbed by the expected retirement of 4,600 workers and the potential outflow of close to 900 workers from Newfoundland and Labrador’s construction labour force. This leaves a need for the recruitment and retention of 1,650 young workers into the industry over the decade.

DISTRIBUTION OF CONSTRUCTION EMPLOYMENT IN 2021, NEWFOUNDLAND AND LABRADOR



10-YEAR WORKFORCE OUTLOOK FOR NEWFOUNDLAND AND LABRADOR



AVERAGE UNEMPLOYMENT RATE 24.1%

HIGHLIGHTS

- Construction employment declined by nearly one-quarter (-23%) in 2020 – the largest single-year drop ever.
- Housing starts fell to a record low of 700 units in 2020; a similar level is expected in 2021. By mid-decade, starts are expected to recover, pushing past 1,000 units.
- Non-residential requirements are expected to weaken further in 2021 followed by a recovery in 2022 with the restart of the West White Rose Project. Indefinite deferral of the Bay du Nord development has weakened the outlook considerably.
- Overall, construction employment is forecast to decline by 1,048 workers over the decade, or -8.1% from 2020 levels. Declines are predominately concentrated between 2021 and 2025.

BuildForce’s LMI System

BuildForce Canada uses a scenario-based forecasting system to assess future construction labour requirements in the heavy industrial, residential, and non-residential construction markets. This labour market information (LMI) system tracks 34 trades and occupations. To further improve the robustness of the system, BuildForce consults with industry stakeholders, including owners, contractors, and labour groups, to validate the scenario assumptions and construction project lists, and seeks input from government on related analysis. The information is then distilled into labour market condition rankings to help industry employers with the management of their respective human resources.

NEWFOUNDLAND AND LABRADOR CONSTRUCTION OUTLOOK

The increased uncertainty of global oil prices, brought on by the COVID-19 pandemic, resulted in the largest-ever single-year decline in construction employment, dousing the embers of economic optimism felt in Newfoundland and Labrador at the start of 2020. The sharp decline in the price of oil in early spring 2020 reduced business investment, slashed provincial royalty revenues, and contributed to the delay or indefinite deferral of key major project investments in the province. Reductions in business investment, exports, and consumer spending exacerbated provincial challenges – production declines, such as the shutdown of the Come By Chance refinery and the three-month suspension of operations at the Voisey's Bay mine reduced exports by nearly half, with the remaining reductions in exports coming from declines related to the service sector. The impacts reverberated across all sectors of construction.

Engineering construction activity experienced the sharpest decline in 2020, driven largely by the winding down of the Lower Churchill project and suspension of the West White Rose Project. Following the deferral of the Bay du Nord offshore development early in 2020, engineering activity in the near term will be largely dependent on the resumption of the West White Rose Project in 2022. Without this project, the province is looking at a flatter engineering curve for the first half of the decade. Investment in ICI (industrial, commercial, institutional) building construction also saw a decline in 2020, as government capital spending increases on education and health infrastructure were not enough to offset reductions in commercial and industrial building construction. Elevated levels of institutional spending, alongside a recovery in industrial building construction, are expected to contribute to higher overall ICI employment in 2021. Employment is expected to recede in 2022 and 2023 once education and health-sector projects are completed.

A further decline in oil and gas investment, combined with the wind down in institutional project work, is expected to reduce non-residential construction employment by 2,200 workers (-26%) by 2025.

The downward trend in Newfoundland and Labrador's residential sector continued in 2020 with new-housing starts dipping to record low levels, but employment losses were limited by increases in renovation expenditures through the summer months. A modest recovery in new housing is anticipated to take hold by 2022, driven by the economic recovery and low lending rates. Housing starts and residential investment are expected to recover through 2026 before receding modestly thereafter due to aging demographics and negative population growth. Overall, residential construction employment is expected to rise steadily, adding a net of 350 workers over the scenario period.

The 2021–2030 *Construction and Maintenance Looking Forward* scenario for Newfoundland and Labrador anticipates further employment losses over the near term followed by a period of relative stability. Maintaining stable labour markets will be challenged by continued out-migration and the anticipated exit of 4,600 workers likely to retire over the coming decade. Attracting and training new workers during and following the wind down of major projects may pose a formidable challenge, maintaining a need to continue recruiting and training new workers to sustain labour force capacity over the long term.

SECTOR INSIGHTS

The following sections provide sector-specific insights into the provincial residential and non-residential labour markets.

The BuildForce LMI system tracks supply and accounts for the change in the available labour force, including retirements, new entrants¹, and net mobility².

BuildForce assesses market conditions for 34 construction trades and occupations using a ranking system that combines measures of the change in employment, unemployment, net mobility, and adjustments based on industry input. The rankings reflect residential and non-residential market conditions unique to the province based on current and proposed construction activity. In addition, assumptions on provincial economic and population growth, new entrants to the labour force, and migration patterns (interprovincial and international) are built into the forecast scenario and included in the ranking assessment.

The rankings for some trades are suppressed due to the small size of the workforce (fewer than 100 workers) and limited statistical reliability when assessing labour market conditions at the sector level. Some trades are also excluded because they typically do not work in the sector being assessed (e.g., boilermakers and millwrights in residential construction, and homebuilding and renovation managers in non-residential construction).

For Newfoundland and Labrador, rankings are reported for nine residential and 16 non-residential trades and occupations.

RESIDENTIAL SECTOR

Housing starts reached a bottom of 730 units in 2020, due in part to projected declines in the population – a trend accelerated by lower levels of permanent and non-permanent migration due to COVID-19. Lower levels of net migration contribute negatively to household formations³ in 2021 but are expected to begin rising again by 2022, supporting a modest recovery back to 1,100 units by 2026.

Despite weaker economic conditions, renovation expenditures increased in 2020 through COVID-19 isolation – a 5% increase compared to 2019 levels. The end of the residential rebate program is expected to lead to a reduction in spending in 2021. The buildup of Newfoundland and Labrador's housing stock will add steady demand for renovation work throughout the coming decade.

Total residential employment is expected to rise by 350 workers (+8%) by 2030, with growth concentrated in the latter half of the decade.

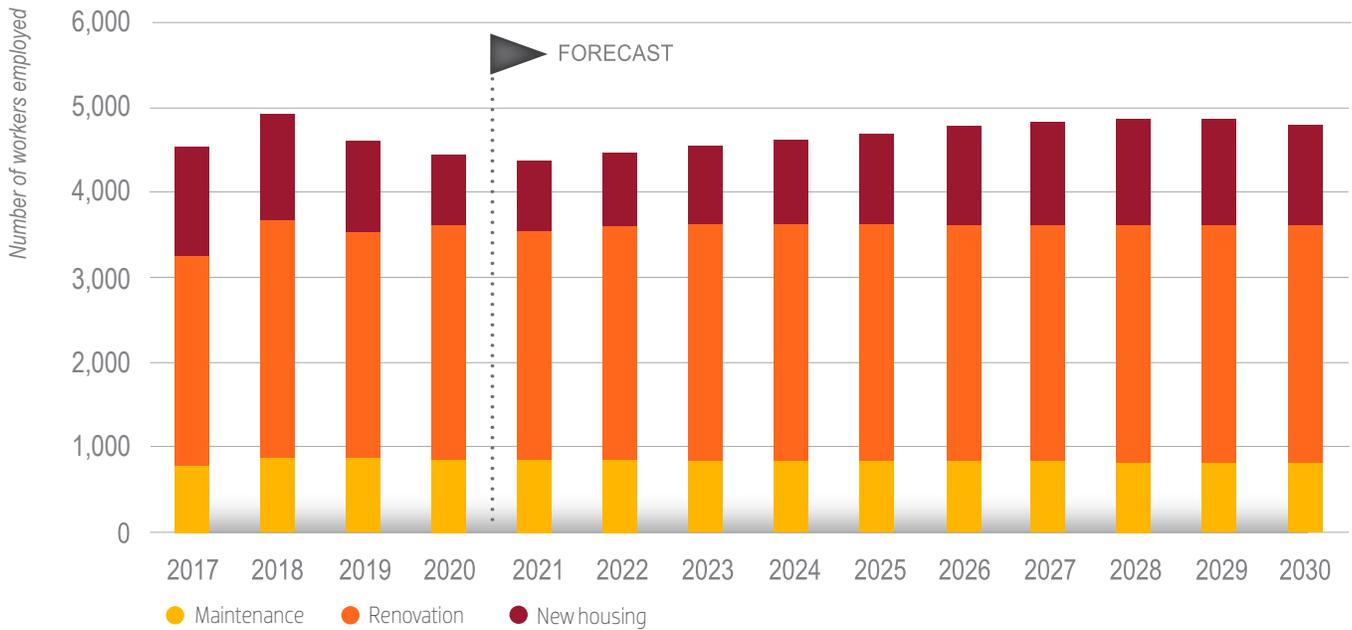
Figure 1 shows the employment trends by sector for residential construction.

¹ **New entrants** are measured by applying the traditional proportion of the provincial labour force that enters the construction industry. The projected estimate across the scenario period assumes that the construction industry can recruit this group in competition with other industries.

² **Net mobility** refers to the movement of labour in and out of the local construction industry labour force. In-mobility captures the movement into the labour force of out-of-province industry workers and/or workers from outside the industry. Many members of this group will move quickly out of the provincial labour force as work declines, referred to as out-mobility.

³ **Household formation** refers to the change in the number of households (persons living under one roof or occupying a separate housing unit) from one year to the next. It is how population growth is transformed into demand for new housing.

Figure 1: Residential construction employment growth outlook, Newfoundland and Labrador



Source: Statistics Canada, BuildForce Canada (2021-2030)

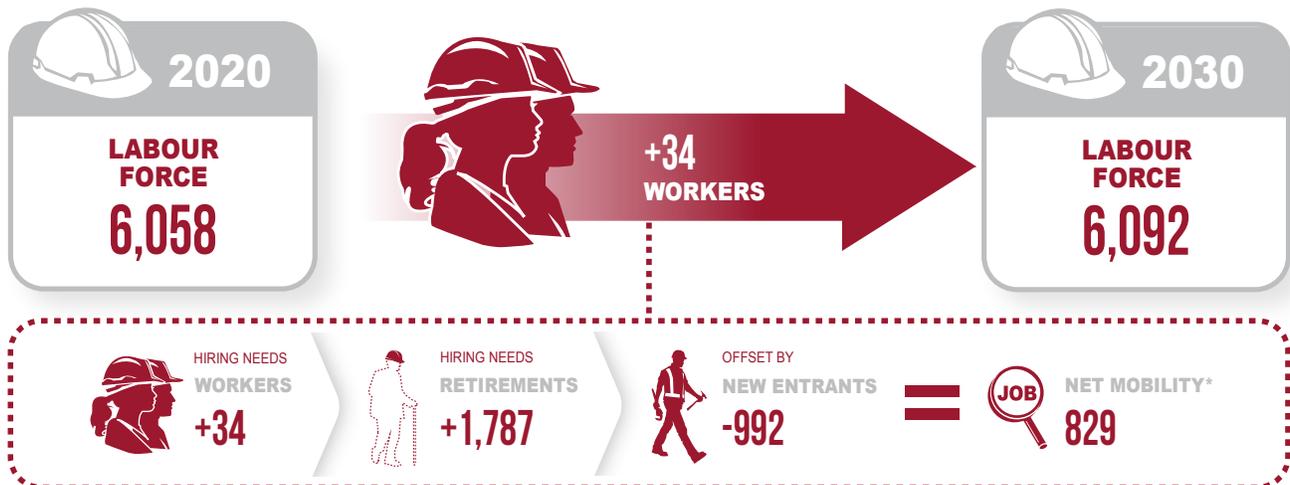
THE AVAILABLE LABOUR FORCE

In addition to rising employment demands and a slight growth in the size of the labour force, industry must still contend with an aging labour force and the anticipated exit of almost 1,800 residential workers over the coming decade due to retirements. To keep pace with the rising levels of employment and retirements, industry will need to recruit 1,821 workers over the next 10 years. Over the

same period, the addition of a potential 992 new-entrant workers under the age of 30 from local recruitment efforts will help to moderate labour force pressures, but unless recruitment is increased, a gap of 829 workers is expected to emerge over the scenario period.

Figure 2 provides a summary of the estimated changes in the residential labour force across the full 2021–2030 scenario period.

Figure 2: Changes in the residential labour force, Newfoundland and Labrador



* Net mobility refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

RESIDENTIAL RANKINGS, RISKS, AND MOBILITY

Table 1 shows balanced residential labour market conditions for many trades in 2020, while those concentrated in new housing are weakened considerably. An anticipated modest recovery in new-housing starts increases related employment and returns market conditions to balance by 2022, except for construction managers, who are expected to see tighter conditions between 2023 and 2026 due to their older age profile.

Across the scenario period, older age demographics and expected retirements contribute to lower natural rates of unemployment⁴ that help to maintain mostly balanced labour market conditions, but at lower levels of employment.

MARKET RANKINGS

1

Workers meeting employer qualifications are available in local markets to meet an increase in demand at the current offered rate of compensation and other current working conditions. Excess supply is apparent and there is a risk of losing workers to other markets.

2

Workers meeting employer qualifications are available in local markets to meet an increase in demand at the current offered rate of compensation and other working conditions.

3

The availability of workers meeting employer qualifications in the local market may be limited by large projects, plant shutdowns or other short-term increases in demand. Employers may need to compete to attract needed workers. Established patterns of recruiting and mobility are sufficient to meet job requirements.

4

Workers meeting employer qualifications are generally not available in local markets to meet any increase. Employers will need to compete to attract additional workers. Recruiting and mobility may extend beyond traditional sources and practices.

5

Needed workers meeting employer qualifications are not available in local markets to meet current demand so that projects or production may be delayed or deferred. There is excess demand, competition is intense and recruiting reaches to remote markets.

⁴ **Normal unemployment** or **natural unemployment** refers to the unemployment that results from workers moving from one job to another. This unemployment rate exists because some workers are in-between jobs, some workers' skills do not align with employers' needs, or because there is a mismatch in the wage expectations between employers and workers. For Newfoundland and Labrador, the natural rate of unemployment had been declining since the late 1980s, but began rising in 2014. It currently stands between 27-30%.

Table 1: Residential market rankings, Newfoundland and Labrador

TRADES AND OCCUPATIONS – RESIDENTIAL	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Carpenters	2	2	3	3	3	3	3	3	3	3	3
Construction managers	2	2	3	4	4	4	4	3	3	3	3
Contractors and supervisors	3	3	3	3	3	3	3	3	3	3	3
Homebuilding and renovation managers	3	2	3	3	3	3	3	3	3	3	3
Painters and decorators	3	3	3	3	3	3	3	3	3	3	3
Plasterers, drywall installers and finishers, and lathers	3	2	3	3	3	3	3	3	3	3	3
Residential and commercial installers and servicers	3	3	3	3	3	3	3	3	3	3	3
Roofers and shinglers	3	3	3	3	3	3	3	3	3	3	3
Trades helpers and labourers	2	2	3	3	3	3	3	3	3	3	3

Source: BuildForce Canada

NON-RESIDENTIAL SECTOR

Non-residential construction activity has been retreating over the last several years, as the major projects responsible for creating record peak employment levels in 2016 have reached completion or are in the process of winding down to completion. In 2020, the pandemic and the oil market instability of the early spring reduced business investment in most segments of non-residential construction, as many existing and proposed projects were delayed, shuttered, or deferred indefinitely, leading to a drop in non-residential construction employment of 3,800 jobs – a 31% decline compared to 2019.

Non-residential employment is forecast to decline by 1,400 workers (-17%) over the coming decade, resulting from declines in demand across all sectors. Declines are concentrated between 2021 and 2025 when employment is expected to fall by 26%. Engineering construction employment is anticipated to experience the largest decline at 839 workers (-18%). The resumption of the White West Rose Project, combined with continued work on the Voisey's Bay underground mine and Marathon Gold's Valentine Lake project, will bolster demand for key trades in 2022 through to 2023.

Figure 3 tracks the distribution of non-residential employment by sector between 2020 and 2030.

Table 2 summarizes the percent change in non-residential employment by sector across two periods: the first to 2025, and the second, across the remainder of the scenario period to 2030.

Figure 4 shows the employment trends by sector for non-residential construction across the scenario period.

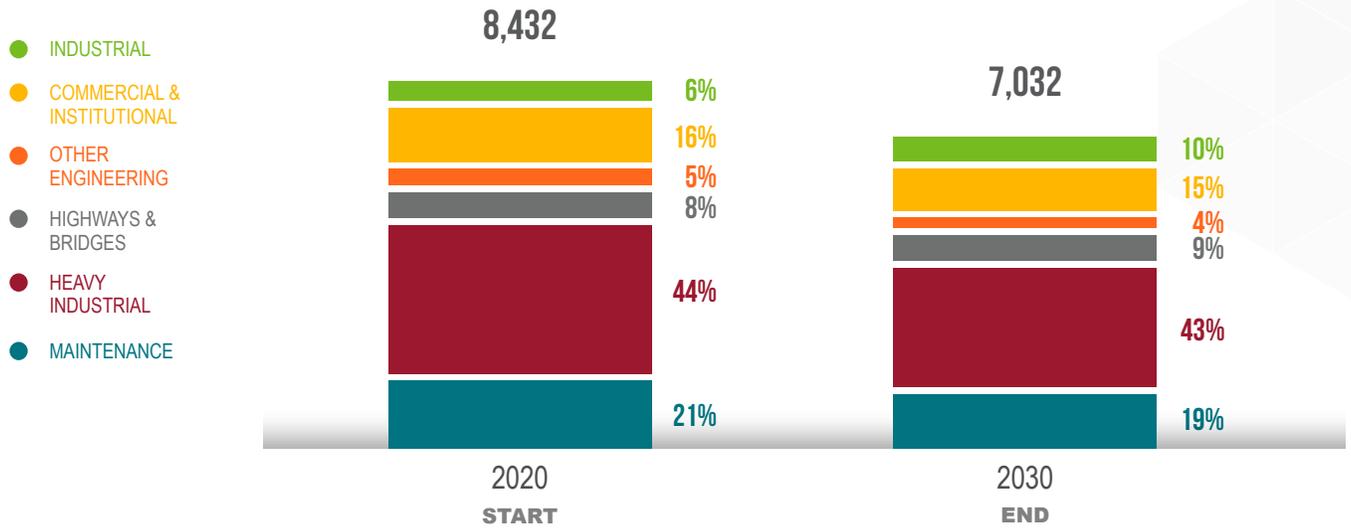
Table 2: Changes in non-residential employment by sector, Newfoundland and Labrador

SECTOR		% CHANGE 2021–2025	% CHANGE 2026–2030
Total non-residential employment		-26%	12%
ICI* buildings	Industrial	25%	6%
	Commercial, institutional and government	-26%	4%
Engineering	Highways and bridges	-6%	5%
	Heavy and other engineering	-38%	30%
Maintenance		-18%	-7%

Source: Statistics Canada, BuildForce Canada (2021-2030)

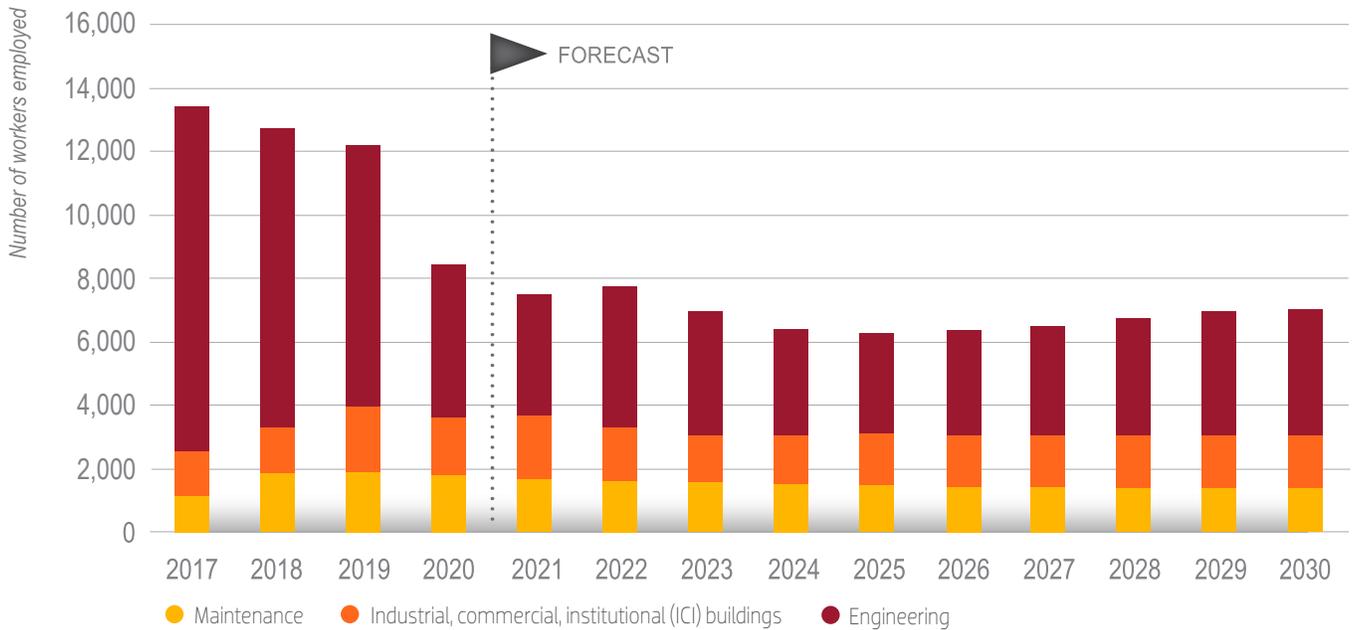
* industrial, commercial, institutional

Figure 3: Non-residential employment distribution by sector, Newfoundland and Labrador, 2020 and 2030



Source: Statistics Canada, BuildForce Canada (2021-2030)

Figure 4: Non-residential construction employment growth outlook, Newfoundland and Labrador



Source: Statistics Canada, BuildForce Canada (2021-2030)

THE AVAILABLE LABOUR FORCE

Under the current outlook scenario, Newfoundland and Labrador’s non-residential construction industry can expect to lose as many as 1,723 workers through out-mobility to other industries or other province’s over the next 10 years. The pace at which workers decide to leave versus remain in the province would have significant implications on unemployment levels.

As the labour force adjusts back to levels more in line with historical demands and a large number of seasoned skilled workers exit the workforce, either due to retirements, to pursue opportunities outside the province, or leave the industry entirely, there is an acute risk that labour markets may become tight should any new or currently deferred projects proceed to construction. Maintaining capacity to meet future needs requires a continued emphasis on recruitment and training, which may prove to be more challenging during an extended period of slower growth as current projects wind down.

Over the coming decade, approximately 2,800 workers are expected to retire from the non-residential labour force, while an estimated 1,550 first-time new entrants under the age of 30 from the local population may be available to join the labour force. While this creates a recruitment gap, the decline in overall employment demand in the province will help to moderate recruitment pressures, causing as many as 1,723 workers to seek employment outside the province or leave the non-residential industry entirely. Given the province’s age demographics and the shrinking share of youth available to enter the labour force, the challenge for the industry will be twofold: 1) convince younger workers to join an industry with declining

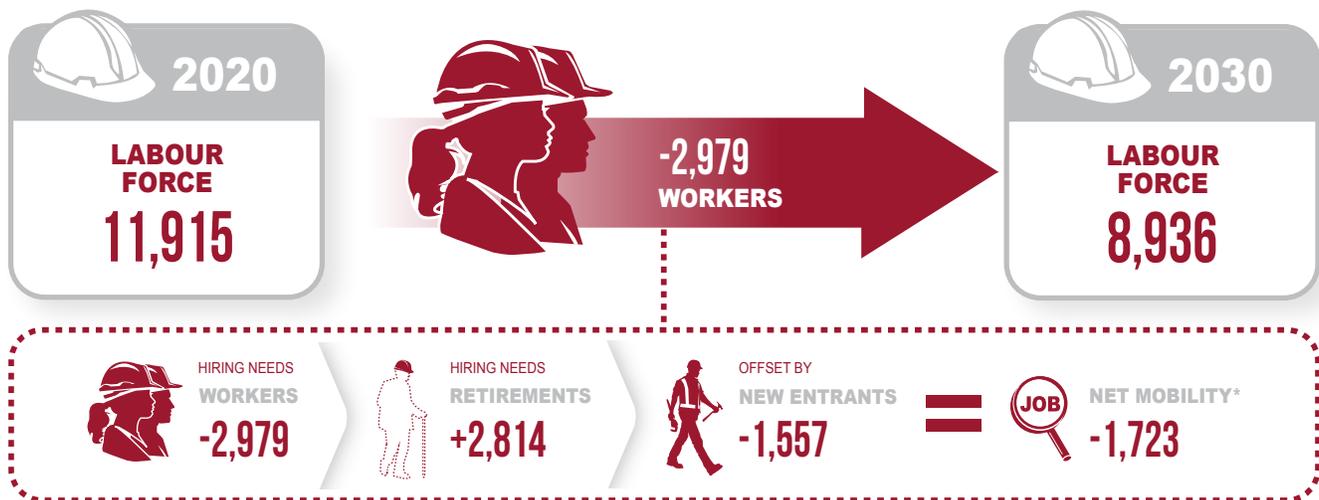
short-term employment opportunities, and 2) as a result of these fewer short-term employment opportunities, find sufficient employment hours to enable younger workers to complete their training.

Figure 5 provides a summary of the estimated changes in the non-residential labour force across the full 2021–2030 scenario period.

NON-RESIDENTIAL RANKINGS, RISKS, AND MOBILITY

In 2020, while institutional projects supported job opportunities for several key trades, market conditions weakened for many trades, as several key projects were delayed or put on hold due to COVID-19, as shown in Table 3. In 2021, stronger ICI building construction is anticipated to increase employment for several trades and continue rising into 2022 with the re-start of the West White Rose Project. The market ranks of “4” in 2022 assume some workers in these trades have left the province in search of work elsewhere, producing tighter labour market conditions for some trades within the province. As provincial demands rise and workers return back to the province, markets return to balance, with a brief period where some trades may be oversupplied. As the province’s labour force has historically travelled outside the province to fill demands elsewhere across the country, both increases in regional as well as national labour demands will be important to maintaining balanced labour markets throughout the scenario period. Any increase in labour demands from neighbouring provinces related to the construction of new major projects could dramatically alter conditions.

Figure 5: Changes in the non-residential labour force, Newfoundland and Labrador



* Net mobility refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

Table 3: Non-residential market rankings, Newfoundland and Labrador

TRADES AND OCCUPATIONS – NON-RESIDENTIAL	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Boilermakers	2	3	4	3	2	3	3	3	3	3	3
Carpenters	2	2	3	2	2	3	3	3	3	3	3
Construction managers	1	2	3	2	2	3	3	3	3	3	3
Contractors and supervisors	1	2	3	2	2	3	3	3	3	3	3
Electricians	2	2	3	2	2	2	3	3	3	3	3
Heavy equipment operators (except crane)	2	2	3	2	2	3	3	3	3	3	3
Heavy-duty equipment mechanics	2	2	3	3	3	3	3	3	3	3	3
Ironworkers and structural metal fabricators	2	2	3	2	2	2	3	3	3	3	3
Painters and decorators	3	3	3	2	2	3	3	3	3	3	3
Plumbers	2	3	4	3	2	3	3	3	3	3	3
Refrigeration and air conditioning mechanics	3	3	3	2	3	3	3	3	3	3	3
Residential and commercial installers and servicers	3	3	3	2	2	3	3	3	3	3	3
Steamfitters, pipefitters, and sprinkler system installers	2	2	3	2	2	2	3	3	3	3	3
Trades helpers and labourers	2	2	4	3	2	3	3	3	3	3	3
Truck drivers	2	2	3	3	3	3	3	3	3	3	3
Welders and related machine operators	1	2	4	2	2	3	3	3	3	3	3

Source: BuildForce Canada

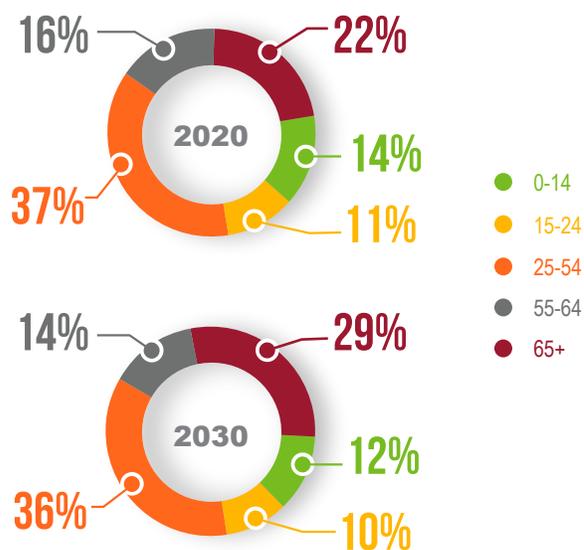
BUILDING A SUSTAINABLE LABOUR FORCE

Even as construction activity in Newfoundland and Labrador comes off peak levels, industry must remain focused on the recruitment of new workers. Home to one of the country’s oldest populations, the provincial construction industry is faced with the retirement of an estimated 4,600 workers over the coming decade, which runs well ahead of the estimated 2,550 first-time new entrants aged 30 and younger from the local population anticipated to join the construction labour force. Mitigating the potential risk of a skills gap will require industry to improve efforts to attract, train, and retain qualified workers.

Replacing retiring workers and engaging new workers may present challenges over the coming decade, as the province’s population is expected to continue aging, and competition for workers among industries will increase. Over the next 10 years, the share of the population in the older age bracket (65 years and over) is expected to increase, and at the same time, the share of the youth population (15-24 years old) is expected to decline (see Figure 6). These demographic shifts have the potential to tighten labour markets, as labour force participation by older workers is much lower than that of their younger counterparts.

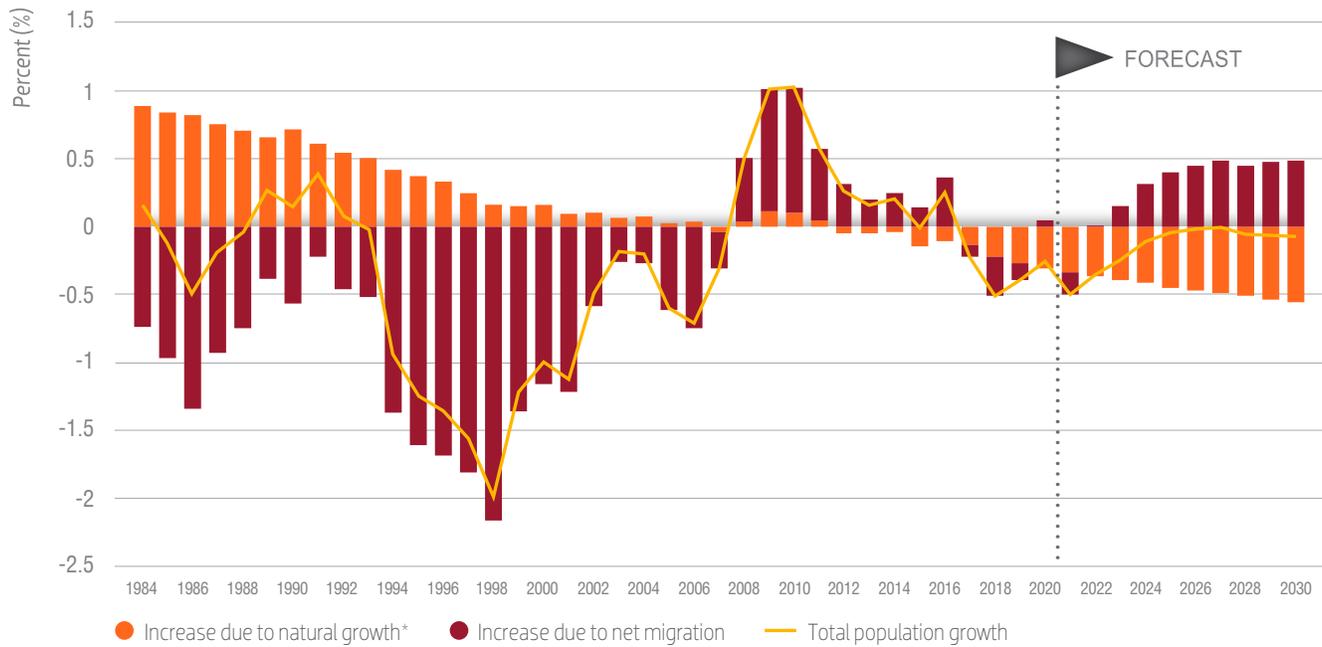
Exacerbating recruitment challenges for Newfoundland and Labrador will be a continued decline in the provincial population for most of the coming decade. In 2019, the province’s population declined by nearly 0.4% – the sharpest decline since 2006 – due to a negative rate of

Figure 6: Population age distribution, Newfoundland and Labrador



Source: BuildForce Canada

Figure 7: Sources of population growth (%), Newfoundland and Labrador



* **Natural rate of population growth** refers to the growth in the population due to the number of births relative to the number of deaths, which leads to a positive or negative natural rate.

Source: Statistics Canada, BuildForce Canada (2021-2030)

population growth⁵ and increased out-migration as residents looked to other provinces in search of work opportunities. Population growth remained negative into 2020, despite lower levels of net out-migration resulting from federal and provincial travel restrictions imposed to contain COVID-19. As these travel restrictions are lifted, out-migration is expected to rise, as is international in-migration, stabilizing the population by 2025 before declining again in the latter half of the decade. Components of population growth for Newfoundland and Labrador are presented in Figure 7.

the number of certified workers completing their program was less than half compared to peak levels reported in 2015. The pool of new certified workers further diminished in 2020 due to the impacts of COVID-19, as apprenticeship training and certification was largely placed on hold.

Newfoundland and Labrador’s construction industry is projected to require just under 550 new certified journeypersons to sustain current workforce levels of certificate of qualification (CoQ) holders and to keep pace with anticipated future demands.

APPRENTICESHIP

Since the collapse of the resource expansion, new registrations in the 13 largest construction trade programs have been falling at an average rate of 14% per year and have resulted in a dramatic decline in the number of newly certified journeypersons in the province. In 2019,

Table 4 provides a provincial overview of the anticipated certification requirements for the 13 largest construction trade programs in all industries and in construction. The table also provides the target number of new entrants required to fulfill demand requirements over the scenario period, taking into account trends in program completion rates.

Table 4: Estimated construction certification demand and projected target of new entrants at 44% assumed rate of program completion, Newfoundland and Labrador, 2021 to 2030

	2021	2022	2023	2024	2025	Total 2021–2025	Total 2026–2030
Total certification demand – all industries	30	310	12	93	168	613	1,129
Total certification demand – construction	19	131	-27	9	46	178	377
Construction certification share (%)	44%	43%	41%	39%	38%	41%	39%
Target new registrants – construction	132	201	254	271	244	1,103	952

Source: BuildForce Canada

⁵ **Natural rate of population growth** refers to the growth in the population due to the number of births relative to the number of deaths, which leads to a positive or negative natural rate.

Table 5 provides a trade-by-trade breakdown of the anticipated certification requirements to meet the construction industry's share of employment and replacement demand over the scenario period and the likely targeted number of new registrants required. Based on projected new registrations, several trades are at risk of undersupplying the number of new journeypersons required by 2030. Trades within this group include Heavy Equipment Operator, Industrial Mechanic (Millwright), Plumber, Steamfitter/Pipefitter, and Welder. Supply risk may be increased over the near term depending on the severity of decline in new registrants caused by the impact of COVID-19. It is important to note that since it is difficult to determine in what sectors apprentices may work after completing their program, the analysis compares only the projected supply of new journeypersons to the certification requirements across all industries. It does not account for existing imbalances at the 2020 starting point.

UNDERREPRESENTED GROUPS OF WORKERS

Building a sustainable and diverse workforce will require the construction and maintenance industry to increase recruitment from groups traditionally underrepresented in the current construction labour force, including women, Indigenous people, and new Canadians.

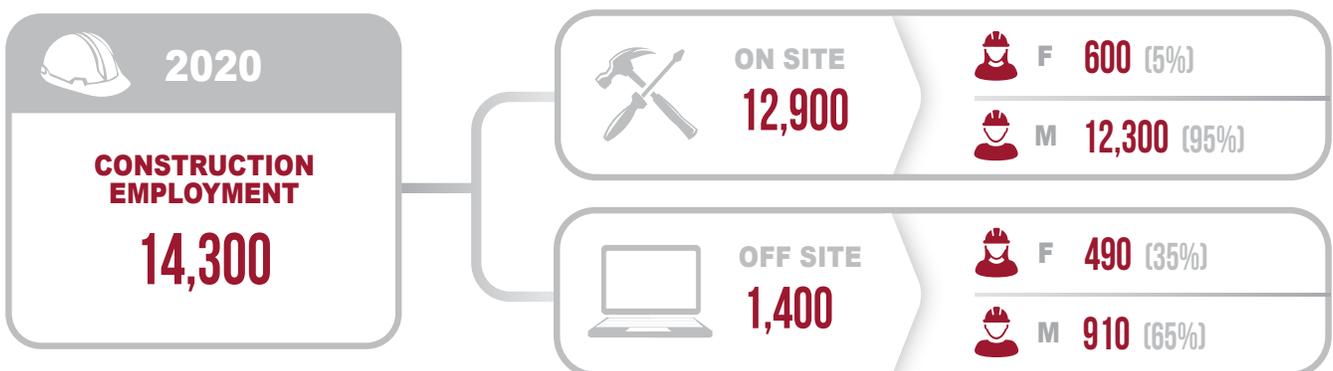
In 2020, there were approximately 1,090 women employed in Newfoundland and Labrador's construction industry, of which 55% worked on site, directly on construction projects, while the remaining 45% worked off site, primarily in administrative and management-related occupations. Of the 12,900 tradespeople employed in the industry, women made up only 5% (see Figure 8).

Table 5: Estimated construction certification demand and projected target of new entrants by trade, Newfoundland and Labrador, 2021 to 2030

Trade	Total certification demand – construction	Target new registrants – construction	Apprentice certification supply risk – all industries
Construction Electrician	96	243	Ample supply
Heavy-Duty Equipment Technician	39	118	Balanced supply
Heavy Equipment Operator	82	598	At-risk supply
Industrial Electrician	62	146	Ample supply
Industrial Instrumentation and Control Technician	1	16	Ample supply
Industrial Mechanic (Millwright)	29	52	At-risk supply
Ironworker (Generalist)	22	207	Balanced supply
Mobile Crane Operator	14	31	Balanced supply
Plumber	84	216	At-risk supply
Powerline Technician	-10	12	Ample supply
Refrigeration and Air Conditioning Mechanic	37	124	Balanced supply
Steamfitter/Pipefitter	47	188	At-risk supply
Welder	52	101	At-risk supply
Total	556	2,055	

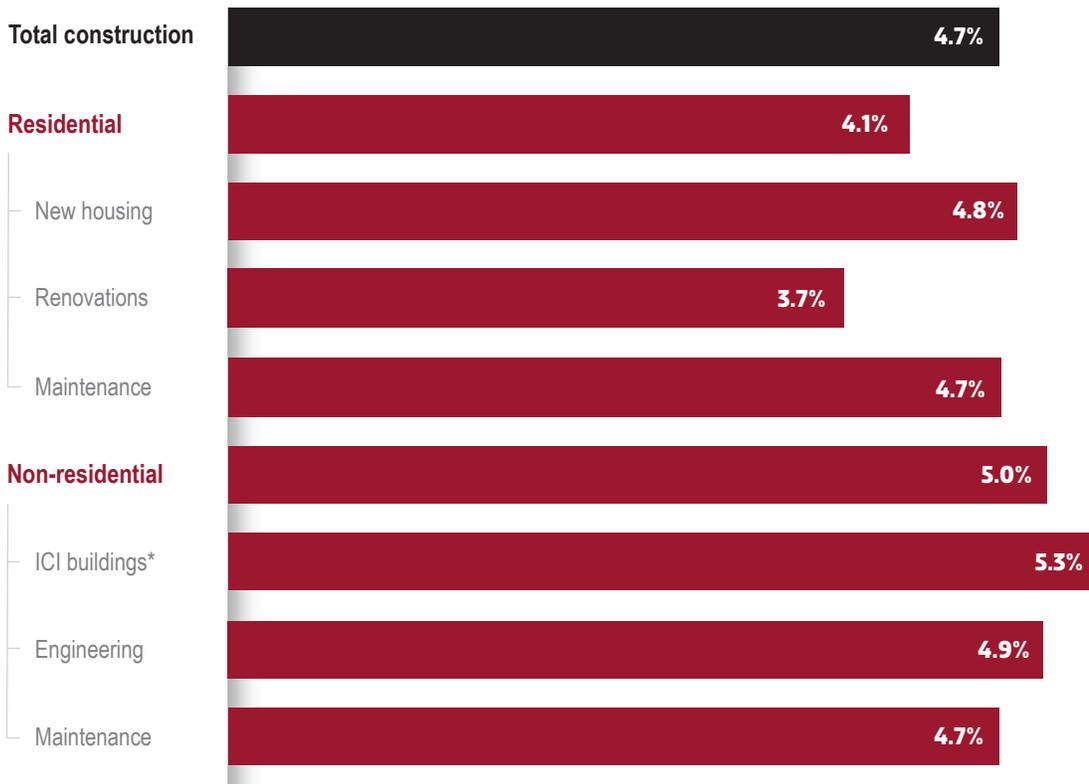
Source: BuildForce Canada

Figure 8: Detailed construction employment by gender, Newfoundland and Labrador, 2020



Source: BuildForce Canada calculations based on Statistics Canada's Labour Force Survey (LFS) and 2016 Census of the Population.

Figure 9: Women's share of total direct trades and occupations (on site), Newfoundland and Labrador



* industrial, commercial, institutional

Source: BuildForce Canada calculations based on Statistics Canada's Labour Force Survey (LFS) and the 2016 Census of the Population.

The estimated 600 tradeswomen in Newfoundland and Labrador are represented across all sectors of construction, but given the nature of construction work in the province, most women tend to be employed in the non-residential sector, as approximately seven in 10 tradeswomen are employed in non-residential construction. ICI building construction has the highest representation of women, accounting for 5.3% of the workforce (see Figure 9). The top five trades and occupations in which women tend to be employed are

trades helpers and labourers (24% of all tradeswomen), electricians (19%), construction managers (8%), painters and decorators (8%), and heavy-duty equipment mechanics (6%).

The Indigenous population is another underrepresented group that presents recruitment opportunities for Newfoundland and Labrador's construction industry. In 2020, Indigenous people accounted for approximately 5% of Atlantic Canada's total working-age population.⁶

⁶ Statistics Canada. Table 14-10-0364-01 Labour force characteristics by province, region, and Aboriginal group (x 1,000)

10-YEAR AVERAGE

-0.2%



POPULATION GROWTH

3,600



BIRTHS

5,900



DEATHS

1,600



NET MIGRATION

BY 2030

45



AVERAGE AGE

26%



PERCENT OF CURRENT LABOUR FORCE LOST TO RETIREMENT

The Indigenous population is the fastest growing in Canada and has a higher propensity to choose the construction industry as a career choice. Based on the 2016 Census, an estimated 7.6% of non-Indigenous Canadians were employed in the construction industry, compared to 9.6% for the Indigenous population.

Approximately 8% of the province's construction labour force is made up of Indigenous people, of which about 76% work directly on construction projects, while the remaining 24% work primarily in administrative and management-related occupations. Given the predisposition of Indigenous workers to consider careers in construction, there may be scope to further increase the recruitment of Indigenous people into the industry.

Newfoundland and Labrador's construction industry may also leverage new Canadians (immigrants) over the coming decade to meet labour requirements. The province is expected to welcome a net of 15,650 new international migrants between 2021 and 2030, making the immigrant population a key source of labour force growth.

Approximately 1% of Newfoundland and Labrador's construction labour force is made up of new Canadians.⁷ Historically, key sources of immigrants to the province were from Europe and the Americas (primarily the United States), whose citizens tend to have a higher propensity to choose the construction industry. A shift is currently underway whereby many new immigrants (55%) are from Asia (primarily China, India, the Philippines, and Syria), whose citizens may have a lower tendency to consider employment in the construction sector. Due to Canadian immigration policies and selection criteria, persuading individuals upon arrival to consider careers in the trades may be challenging, particularly for those with professional training outside the skilled trades that are seeking employment in other sectors of the economy. As immigrants will make up an increasing share of the overall Canadian population over the next few decades, additional

recruitment efforts will be required to ensure the construction industry continues to recruit its share of new Canadians into the labour force.

CONCLUSIONS AND IMPLICATIONS

Over the coming decade, Newfoundland and Labrador's construction activity enters a period of uncertainty, with near-term non-residential construction activity dependent on the resumption of the West White Rose Project in 2022. A lack of new non-residential major projects and declining population levels drive slower growth over the coming decade.

Despite the weaker growth outlook for construction employment in the province, recruiting challenges may emerge from a declining and aging population through rising retirements and increased competition for a shrinking pool of youth, particularly in the residential sector. Engaging new workers in the face of weaker employment opportunities presents its own challenges, while out-mobility usually takes away the youth population. Backfilling the vacant positions left by retiring workers will become a priority for industry to maintain the capacity to meet peak project demands.

The industry scenario-based approach developed by BuildForce Canada to assess future labour market conditions provides a powerful planning tool for industry, government, and other stakeholders to better track labour market conditions and identify potential pressure points. The anticipated labour market conditions reflect the current long-term oil price outlook and industry capital investment assumptions. Any changes to the anticipated timing of current major projects or positive final investment decisions for new resource development projects, both in the province and regionally, present risks and potentially alter anticipated market conditions.

⁷ Statistics Canada, BuildForce Canada (2021-2030)

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Funded by the Government of Canada's Sectoral Initiatives Program

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MARCH 2021