



Tracking economic, social, and demographic trends from a Saskatchewan perspective.

A Statistical Summary of Activity in Saskatchewan's Oil and Gas Sector

Presentation to the

SIIT Industry Round Table

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Doug Elliott
Sask Trends Monitor
444 19th Avenue
Regina, Saskatchewan
S4N 1H1
306-522-5515
sasktrends@sasktel.net
www.sasktrends.ca

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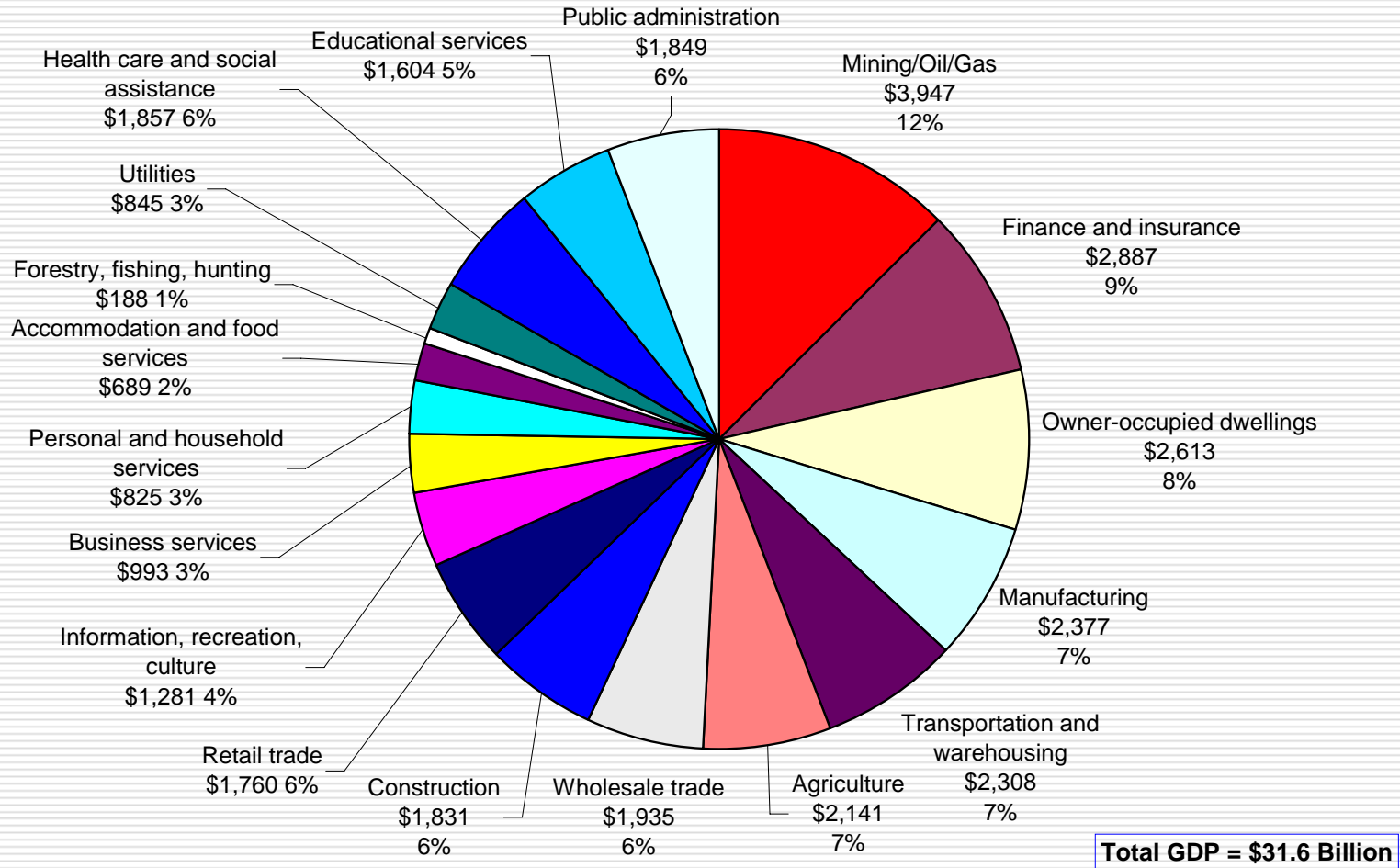
- **Labour Market Activity**
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Data Sources and Definitions

- **Statistics Canada produces the bulk of the data about the sector's economic activities so we will, by necessity, be using their definitions.**
- **In most of the data from Statistics Canada, the oil/gas sector is combined with mining into the "mining and oil/gas" sector and cannot be separated. Depending on the measure, the oil/gas sector is about a third of the total.**
- **Statistics Canada normally includes only what is normally called the "upstream" part of the sector – exploration and development – in the figures.**
- **The downstream side is variously classified as manufacturing (oil refineries), transportation (pipelines), or retail trade (service stations).**

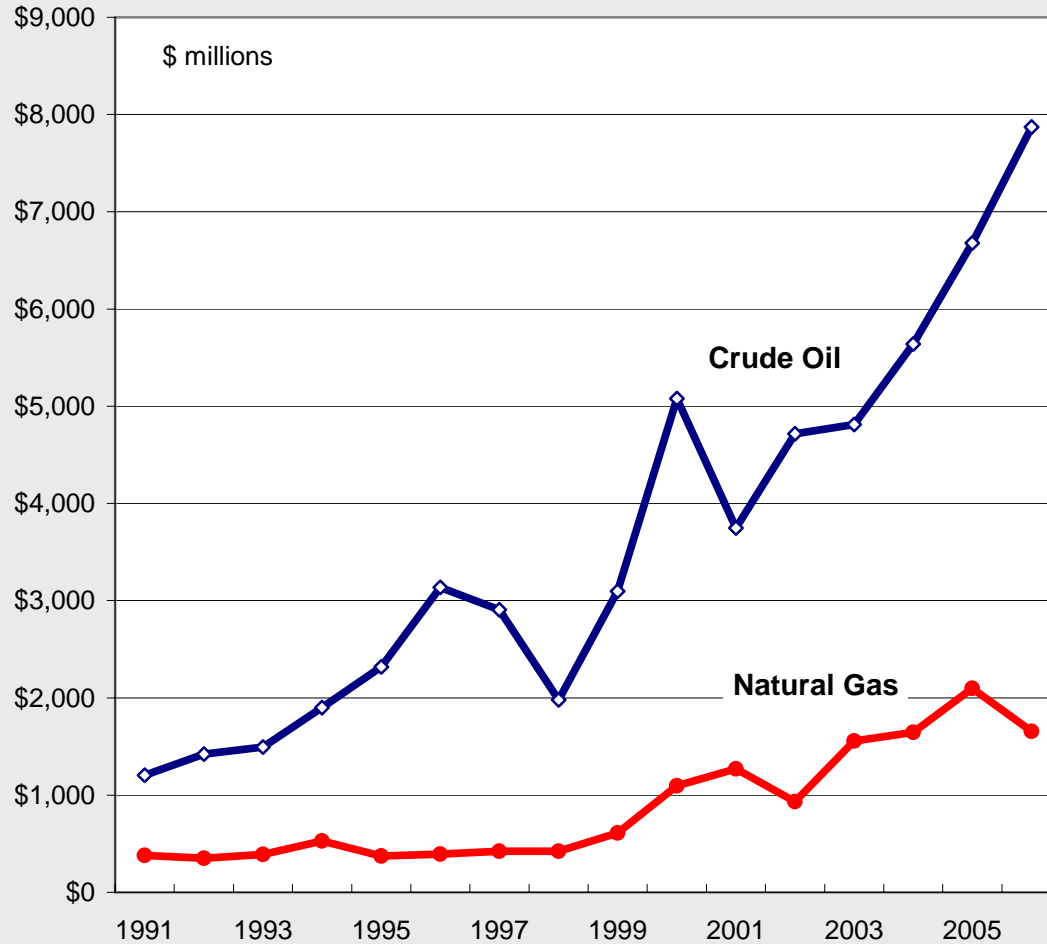
Economic Activity – Contribution to GDP

Shares of Saskatchewan 2006 Gross Domestic Product (measured in millions of constant 1997 dollars)



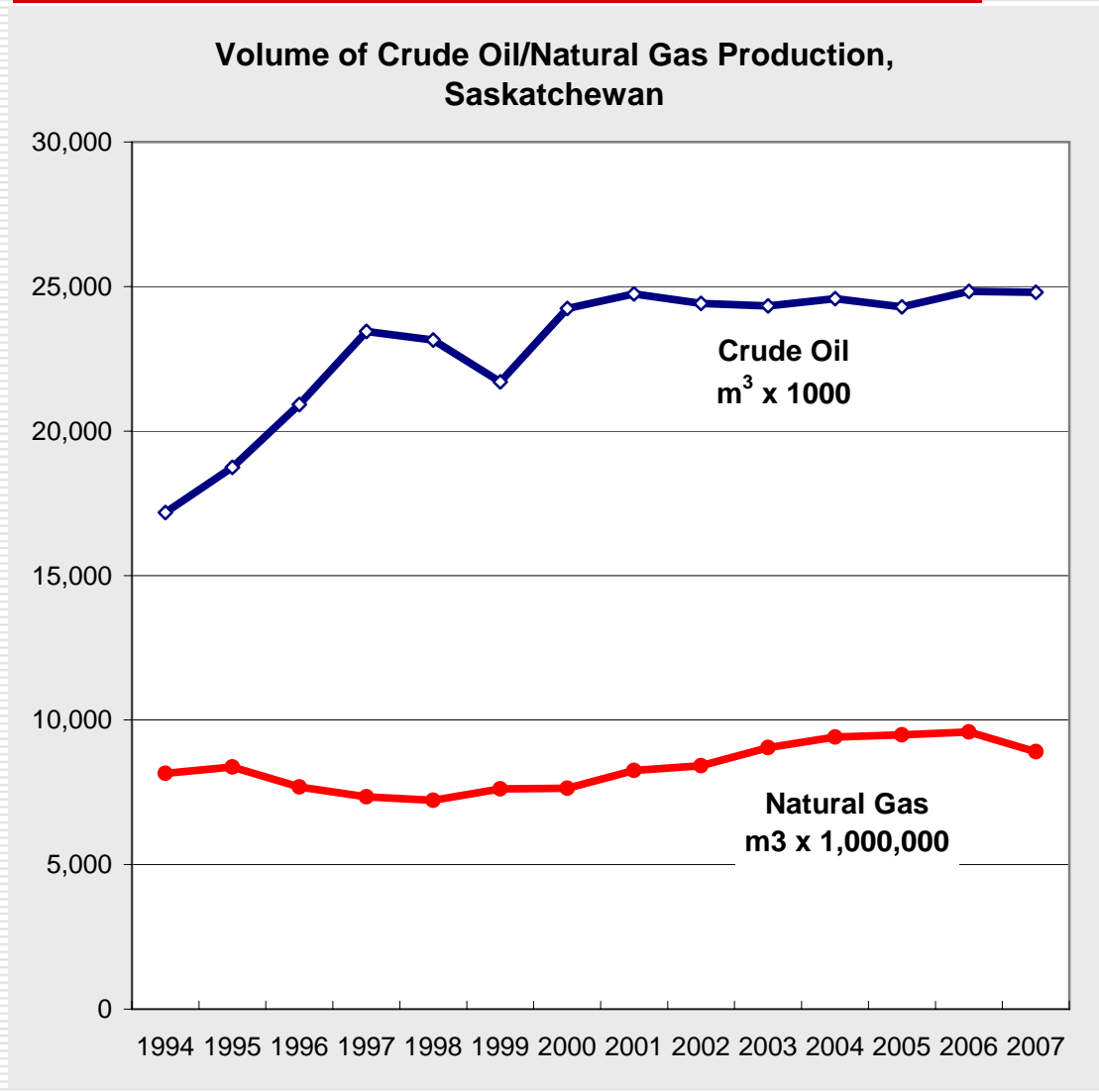
Economic Activity – Value of Production

Value of Crude Oil/Natural Gas Production, Saskatchewan



- A doubling of prices in the last five years has had a major impact on the dollar value of crude oil extracted in Saskatchewan.
- In 2006 the value of production was \$8 billion compared with \$3 billion in 1996. Preliminary estimates suggest that the value of production in 2008 increased by another \$1 billion.
- The value of natural gas production has increased from \$0.4 to \$1.7 billion over the ten years.

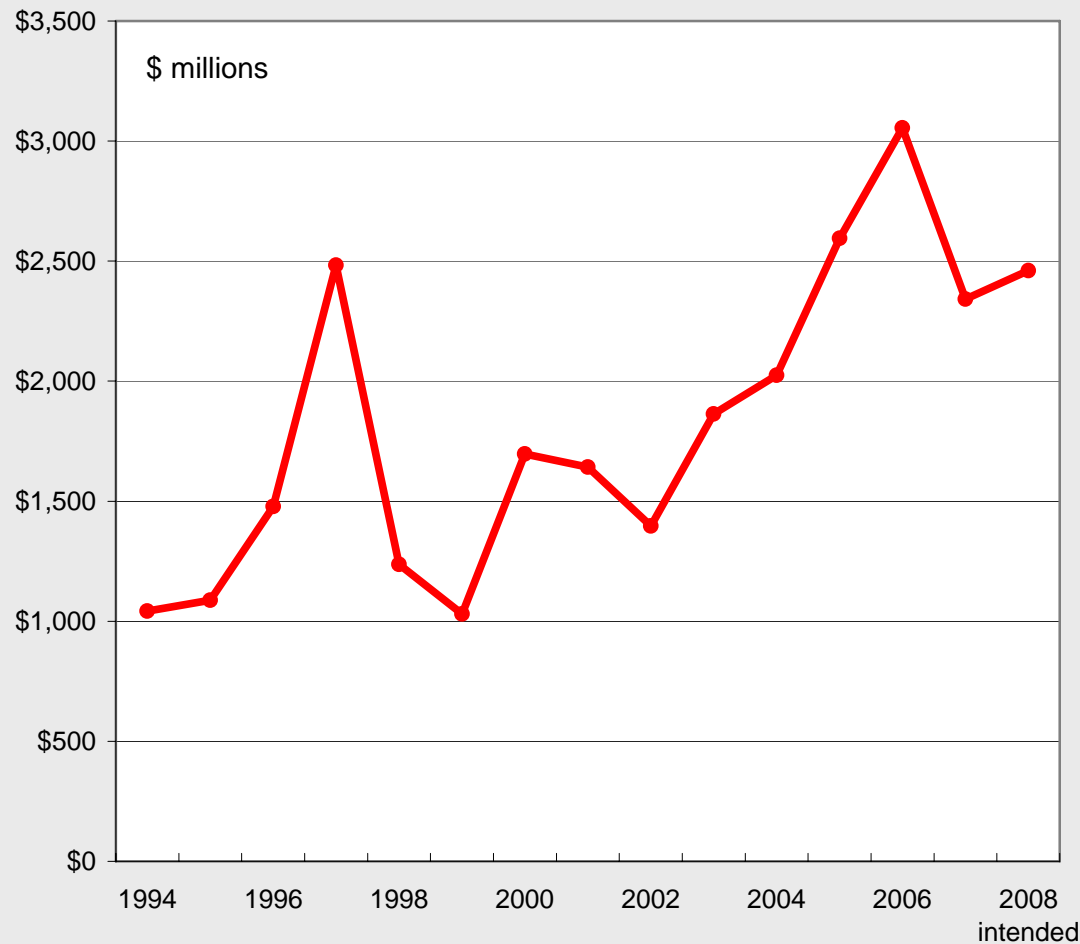
Economic Activity – Volume and Value of Production



- There has been virtually no change, over the past five years, in the volume of crude oil and natural gas extracted.
- In other words the increase in the value of production in the past few years has been purely price related.

Economic Activity – Capital Investment

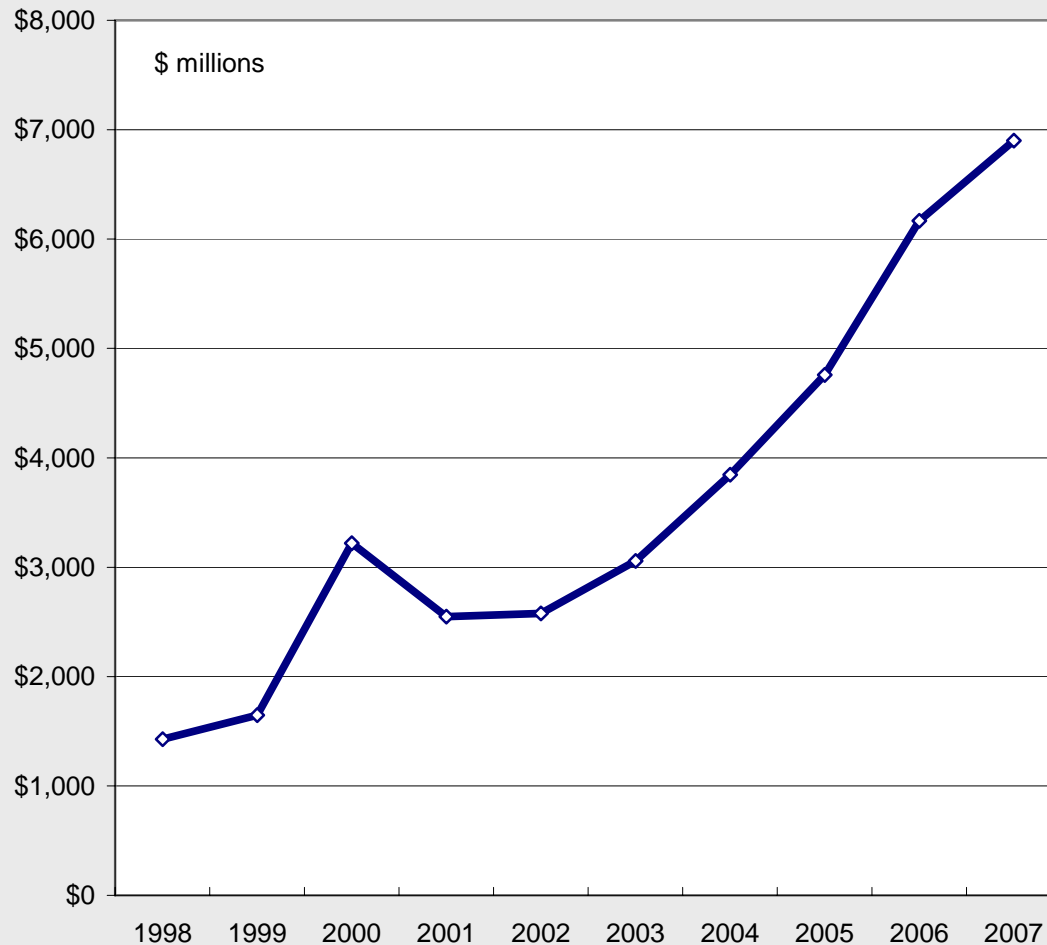
**New Capital Investment, Crude Oil/Natural Gas Sector,
Saskatchewan (includes support activities for mining)**



- The capital investment figures show why production hasn't increased in Saskatchewan yet.
- Although the numbers are very large (\$2.5 billion estimated for 2007), there has been very little change in the past ten years.

Economic Activity – Exports

Value of Crude Oil Exports From Saskatchewan



- Measured in Canadian dollars, the value of crude exported to the USA has more than doubled in the past five years.

Labour Market Information

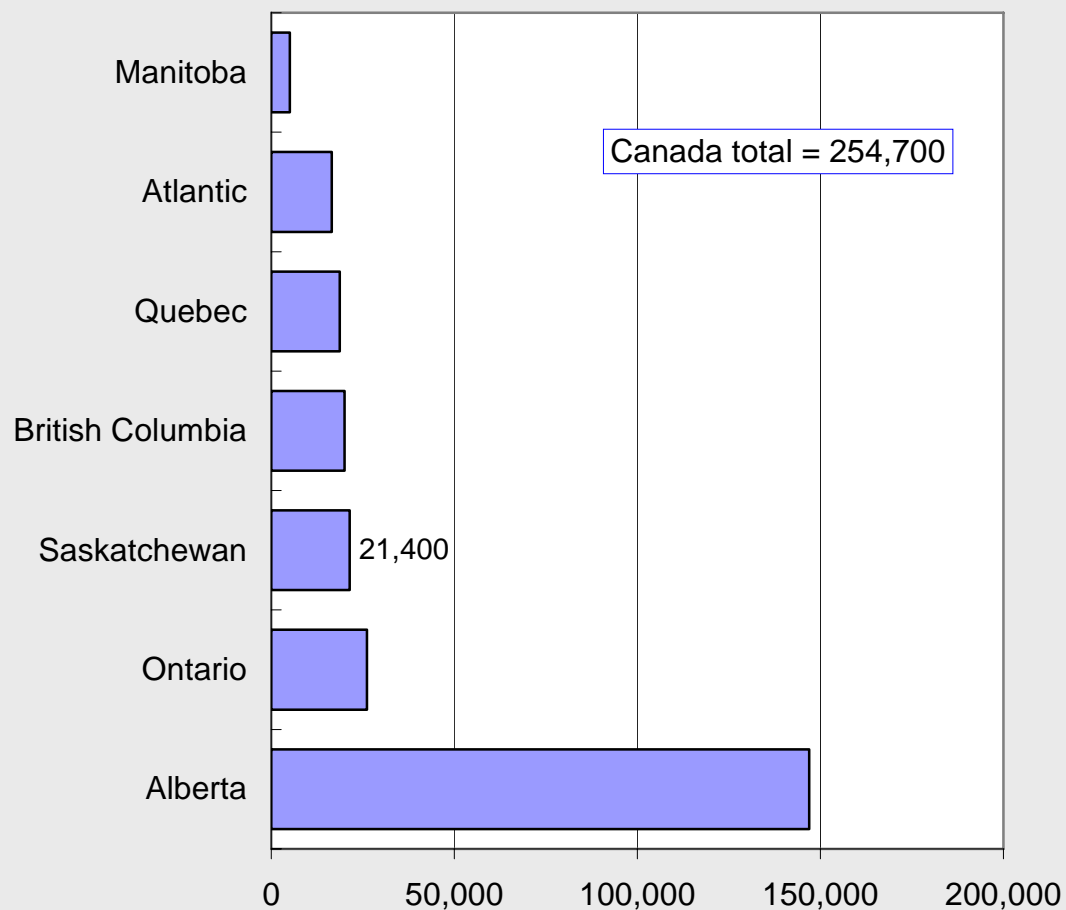
This information is from the Labour Force Survey (LFS)

The LFS excludes the population living on Reserve.

The LFS measures employment according to the residence of the employee, not the location of the job. So those who commute into Fort McMurray, for example, will be included as Saskatchewan employees.

Employment

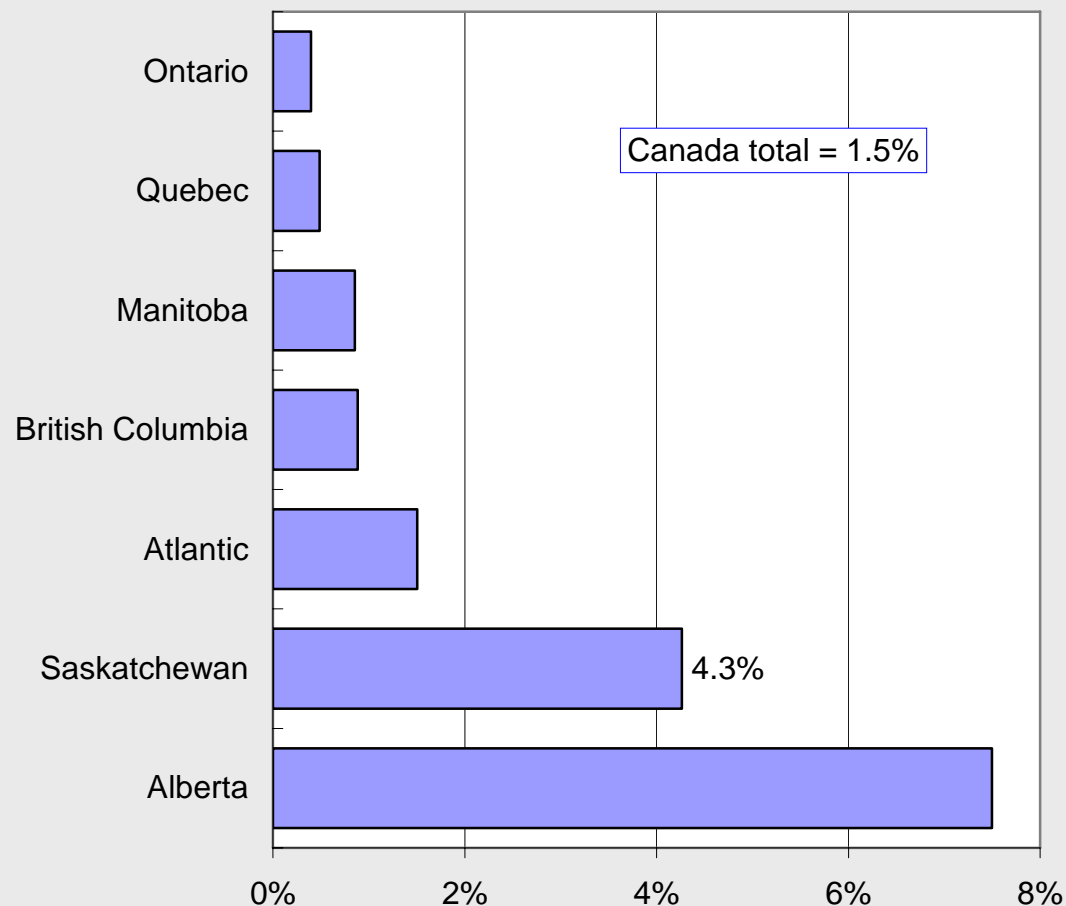
Total Employment in the Mining and Oil/Gas Extraction Sector, 2007 Annual Average



- The oil/gas sector is combined with mining in Statistics Canada's employment data.
- Of the 21,400 Saskatchewan residents who work in the sector,
 - about one third (7,000) are in the mining sector;
 - 3,000 are employed in the oil/gas extraction sector; and
 - the remaining 11,400 work in exploration and support services (either oil/gas or mining).

Share of Total Employment

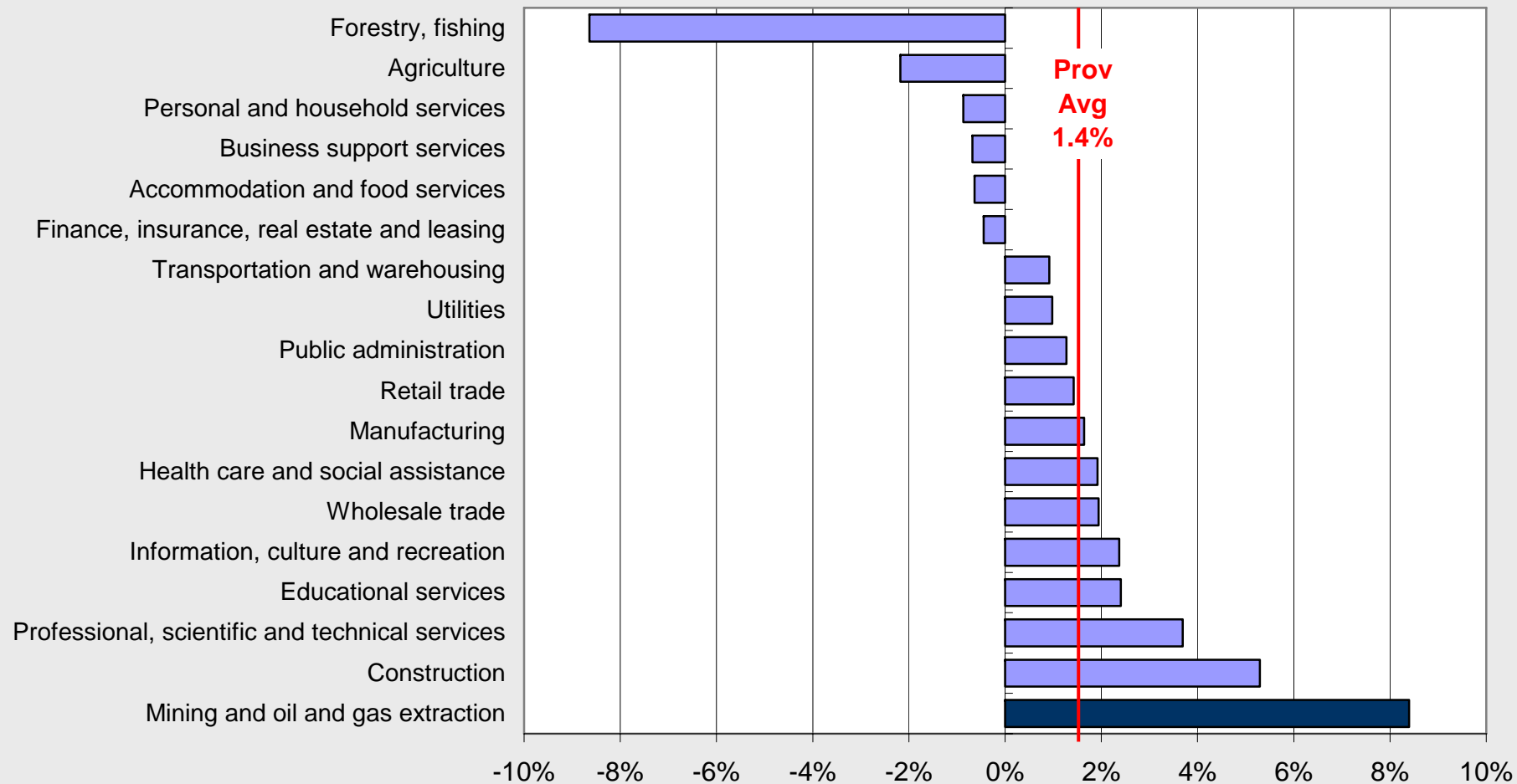
Employment in the Mining and Oil/Gas Extraction as a Percentage of Total Employment, 2007 Annual Average



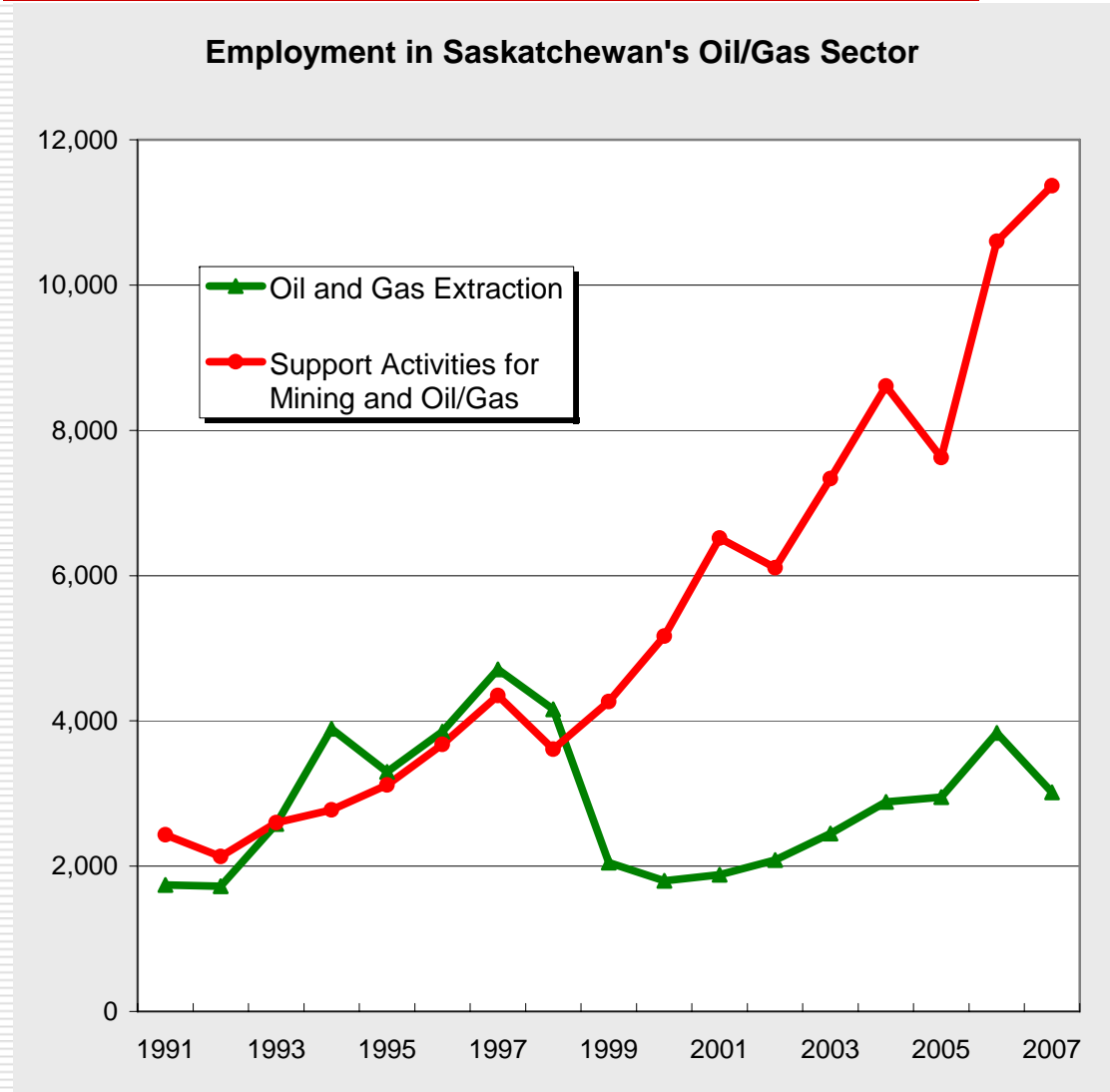
- Employment in the oil/gas sector is a relatively small part (4.3%) of total employment in Saskatchewan.
- Measured as a share of total employment, the importance is second only to Alberta.

Employment Growth by Industry Group

Average Employment Growth, 2002 to 2007 Average



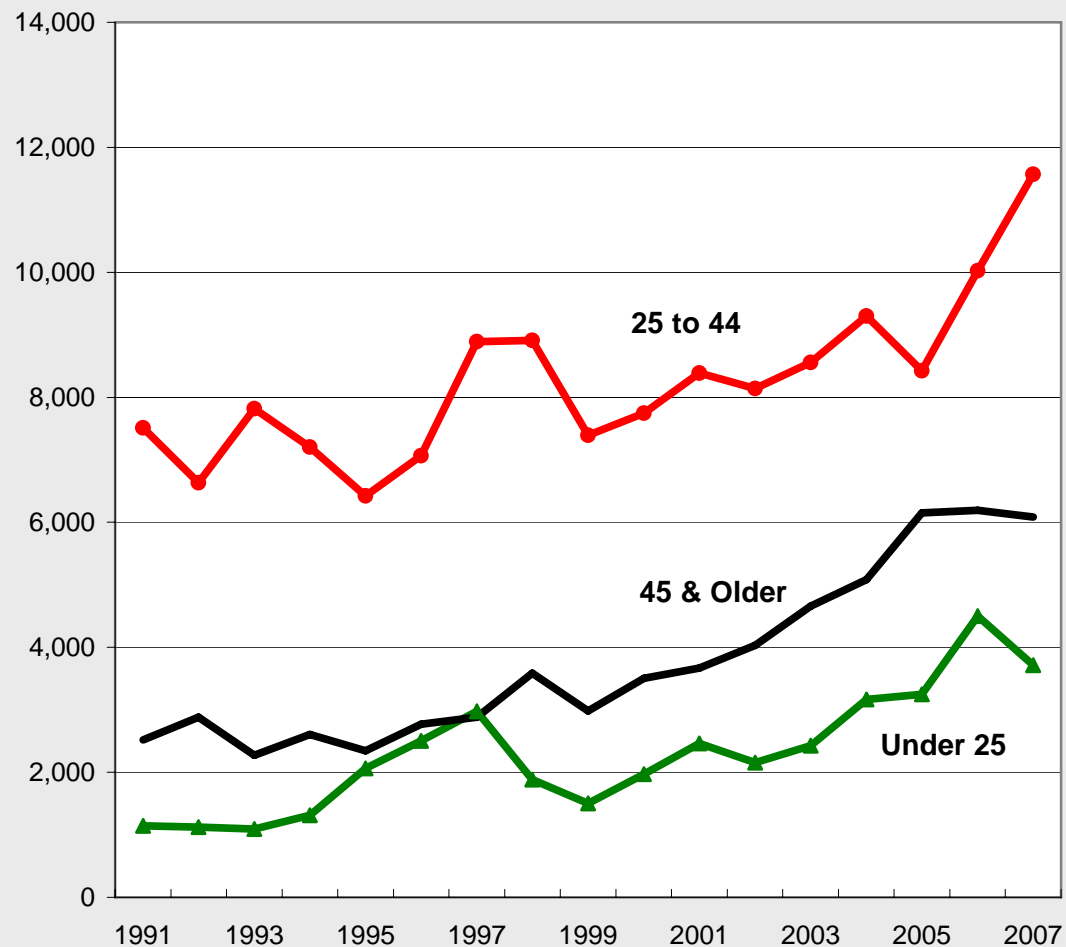
Trends over Time



- All of the employment growth in the past ten years has come in the “support activities” part of the sector.
- Employment has tripled in the past ten years, growing from less than 4,000 in the mid 1990s to almost 12,000 last year.

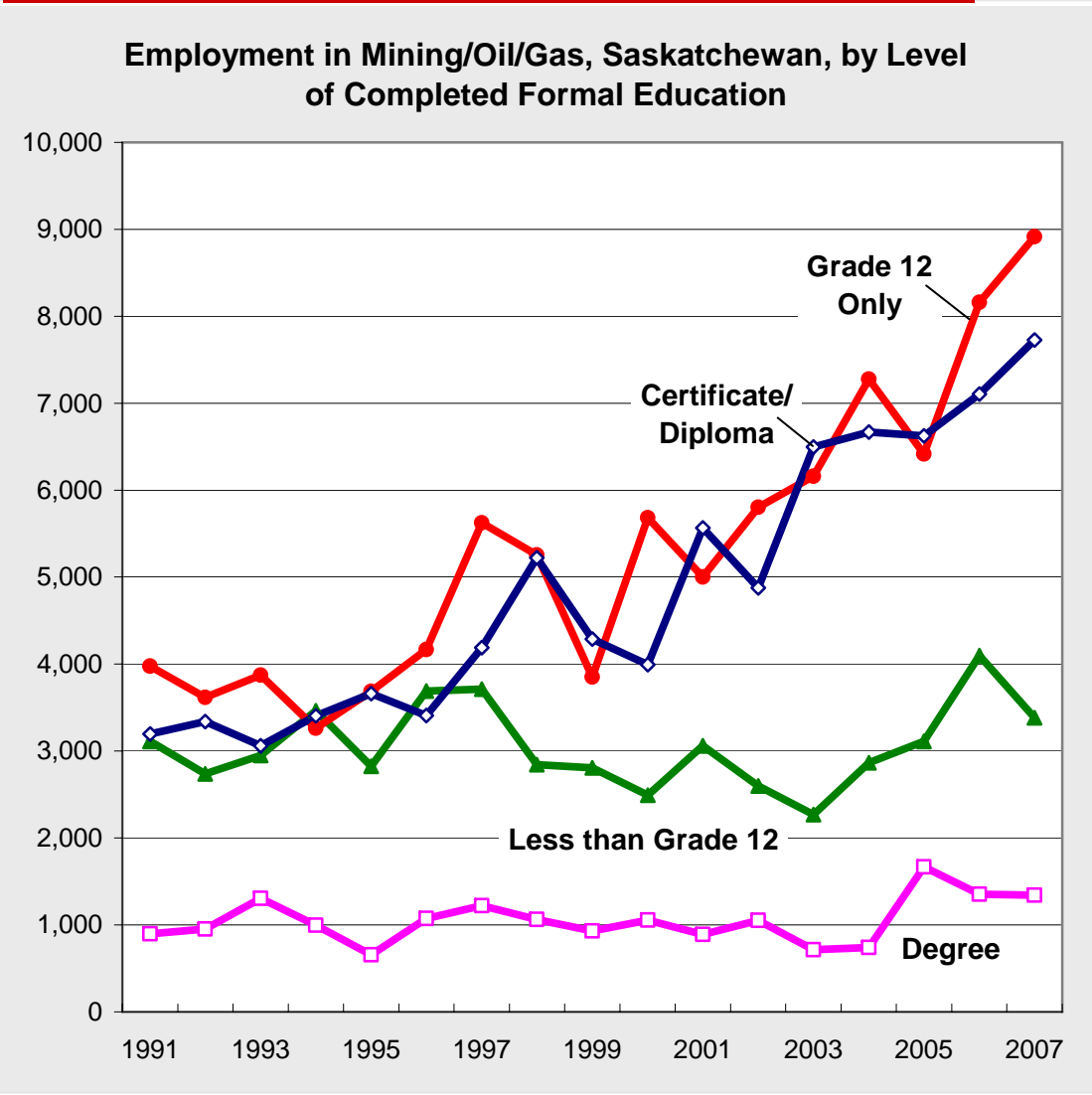
Age and Gender

Employment in Mining/Oil/Gas, Saskatchewan, by Age Group



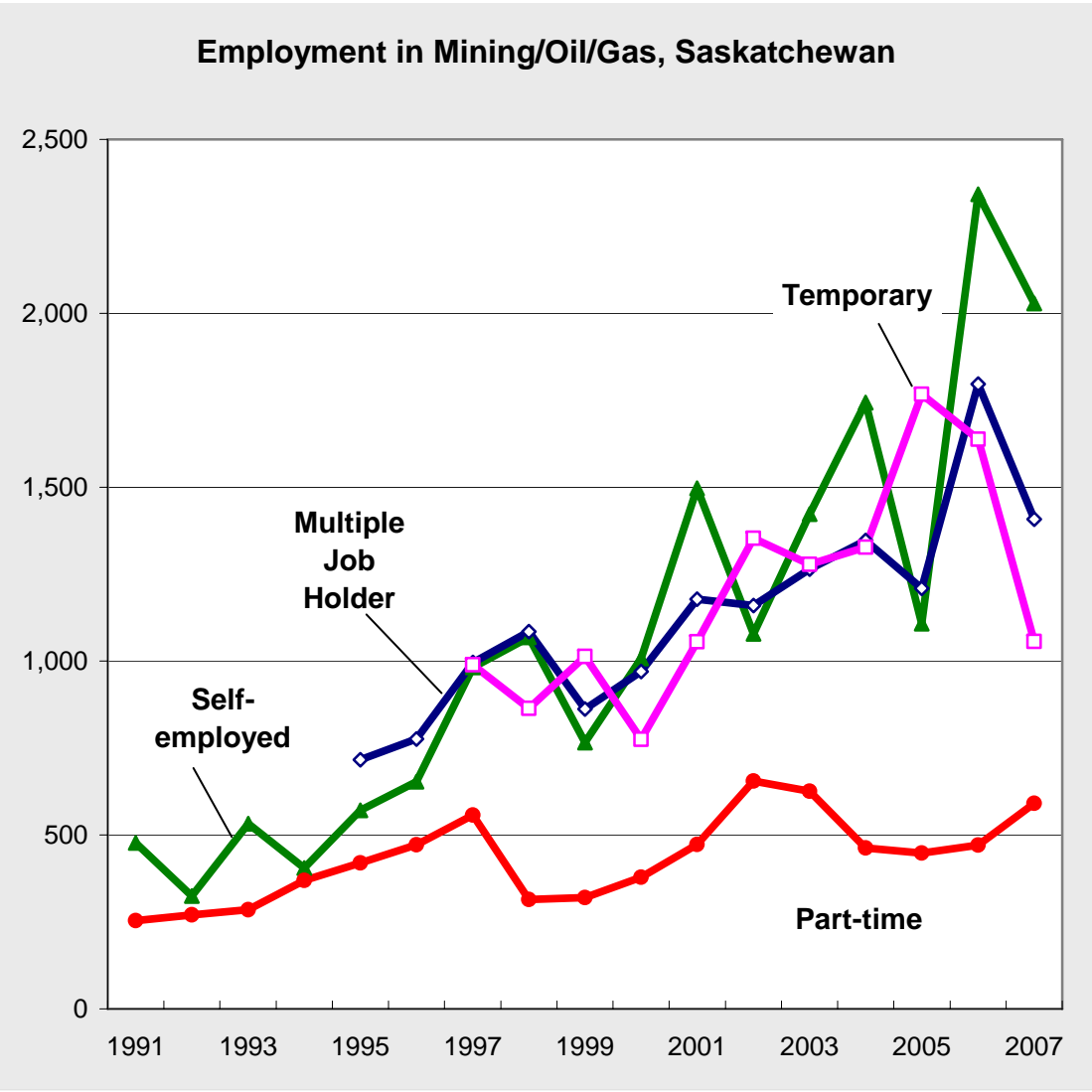
- Virtually all (91% in 2007) of those in the sector are men. Most of the women working in the sector will be in head office jobs.
- Until the last couple of years, the growth in employment has largely been among older and younger workers.

Completed Education Levels



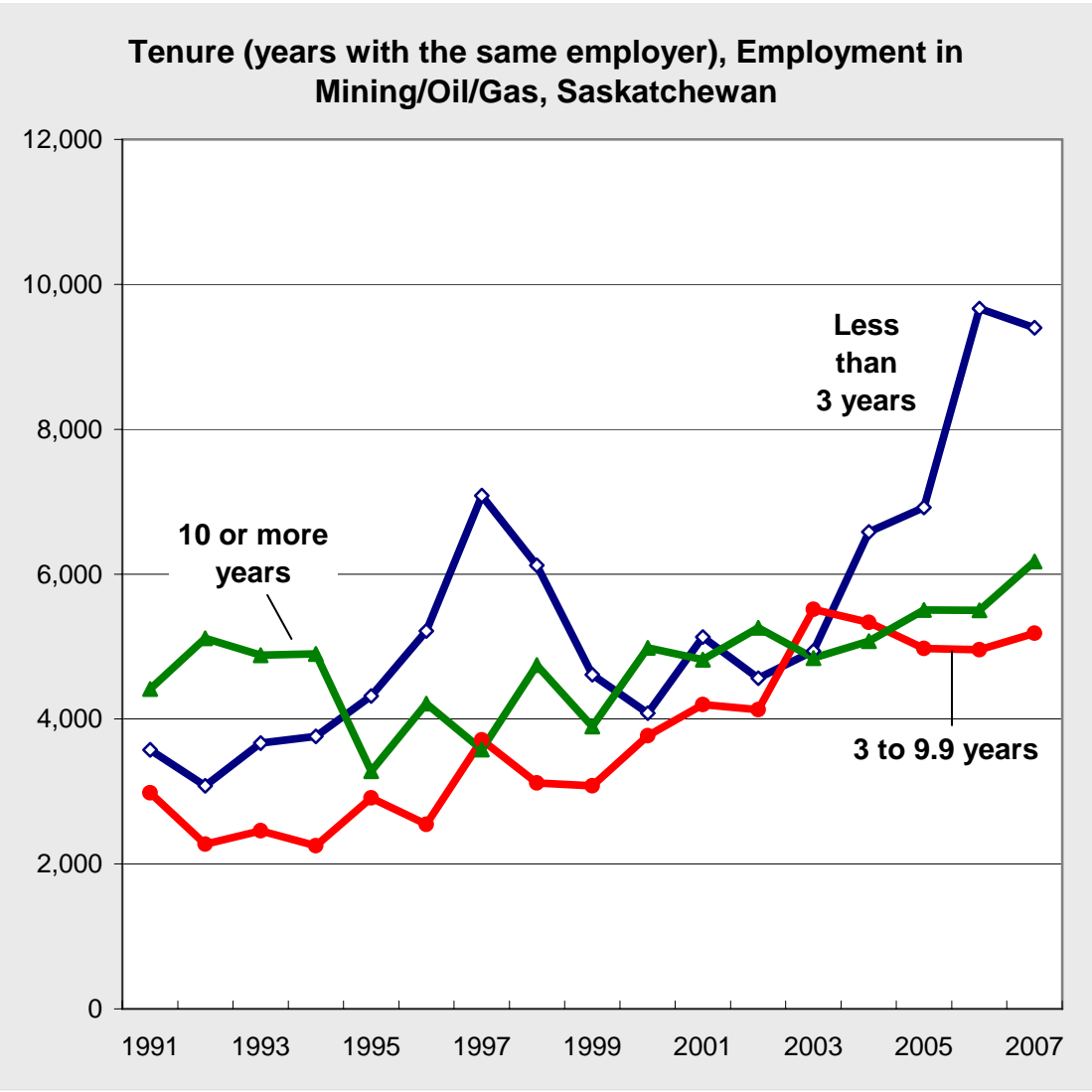
- Relatively few employees are at the extremes - less than grade 12 or a university degree.
- All of the growth in the past ten years has been among those with Grade 12 or a certificate/diploma.

Type of Jobs



- The vast majority of jobs in the sector are full-time permanent positions.
- The figure shows that the number of self-employed individuals is increasing somewhat but still accounts for only 10% of those in the sector.

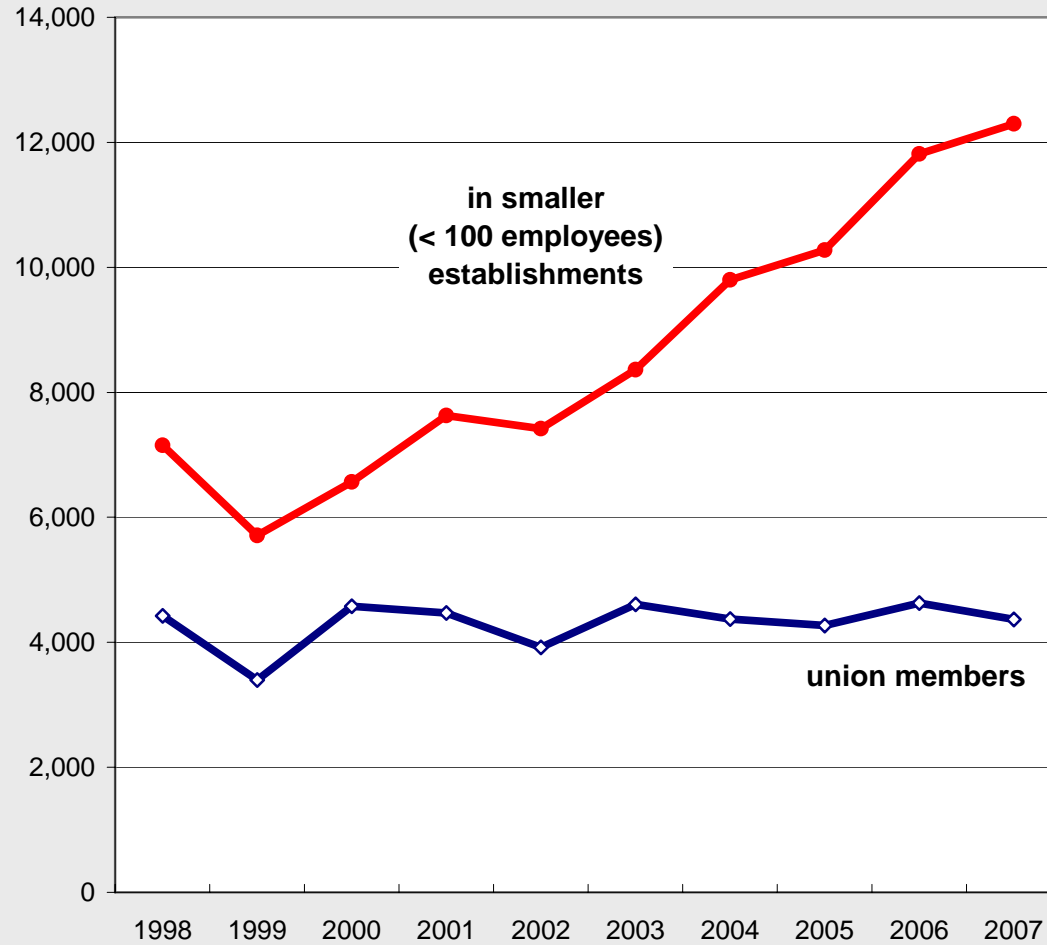
Tenure



- New hiring means that an increasing proportion of employees have not been with their current employer for very many years.
- An aging population, on the other hand, means more employees have longer tenure.

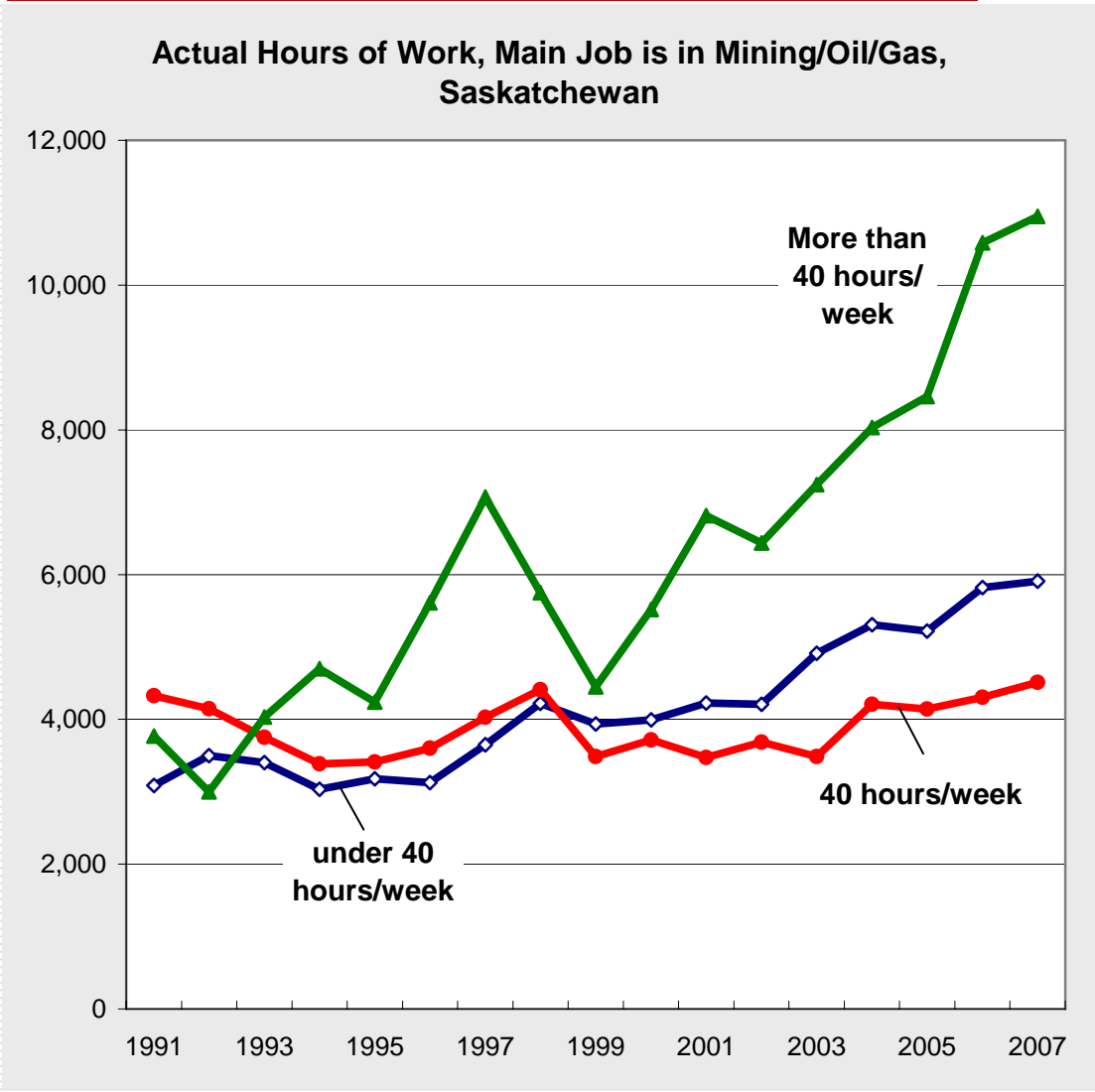
Type of Employers

Employer Characteristics, Saskatchewan, Mining and Oil/Gas Sector Employment



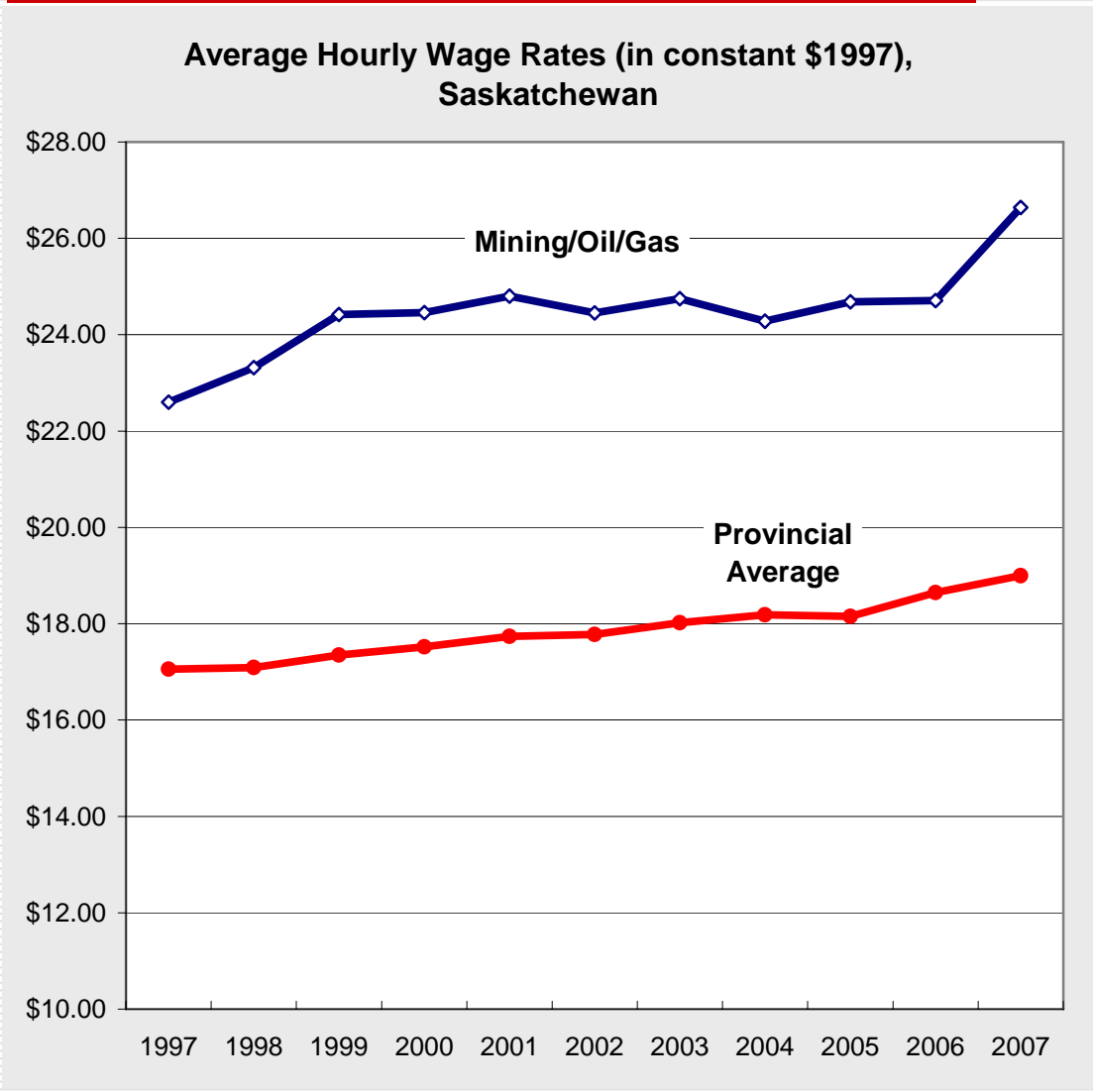
- The growth is more pronounced among smaller employers and those without a union.

Hours of Work



- Average hours worked is increasing dramatically.
- In 2007, 51% of employees reported working more than 40 hours per week.

Hourly Wage Rates



- After virtually no growth for several years, wage rates took a big jump in 2007.
- The gap between the provincial average and the mining/oil/gas sector increased from 33% to 40% last year.

Summary

The key trends in the past five to six years can be summarized as follows.

Employment is growing relatively more quickly:

- among women;
- among older and younger workers;
- among Aboriginal people living off Reserve;
- among lone parents; and
- among those living in East Central Saskatchewan or in Saskatoon.

Employment is growing relatively more quickly:

- in full-time permanent paid positions;
- among those who work longer hours;
- in the private sector (not counting the self-employed);
- in construction and the resource sector;
- among those earning \$30/hour or more.

.... comments or questions?

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