

Sector Profile

Transportation and Warehousing

Atlantic Region

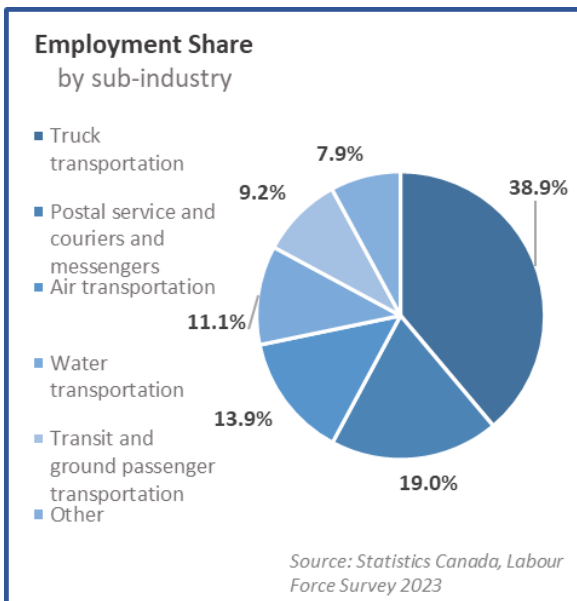
2024



HIGHLIGHTS

- The transportation and warehousing sector contributed almost \$4.0B to Atlantic Canada's GDP in 2023 representing 3.4% of total output in the region.
- The workforce in the transportation and warehousing sector is male-dominated, and relatively older. A high share of jobs in the sector require a post-secondary certificate or diploma.
- Employment in the sector decreased throughout 2022, before rebounding in 2023 and surpassing previous levels. Many of the subsectors, including truck and air transportation, are suffering from a lack of available labour.
- By 2026, employment in the transportation and warehousing industry is expected to grow on average 1.9% per year. Growth will be driven by an increase in demand for goods and services supported by population growth, although constrained by labour supply challenges.

ABOUT THE INDUSTRY



Composition and Importance of the Sector

The transportation and warehousing industry is comprised of businesses and organizations that specialize in the movement of people and goods. Of its 11 subsectors, several are variants of transportation by mode: air, rail, water, truck, transit, pipeline, scenic, postal, couriers, and support activities. The remaining subsector is warehousing and storage.

The transportation and warehousing sector comprised 3.4% of Atlantic Canada's Gross Domestic Product (GDP), at \$4.0B. There were 55,600 workers employed in this sector in 2023. The largest subsector was truck transportation, comprising 39% of the sector's employment. The second largest subsector was postal service, couriers, and messengers, representing 19% of the sector's employment.



Geographic Distribution of Employment

The largest share of workers (39.0%) in the transportation and warehousing sector in Atlantic Canada were employed in Nova Scotia. Transportation and warehousing employed 21,700 workers in Nova Scotia and made up 4.4% of the province’s total employment base. The sector held a slightly larger share of New Brunswick’s total employment (4.9%). There were 18,800 workers employed in New Brunswick. The sector was smaller in Prince Edward Island, where it represented 2.8% of total provincial employment with 2,500 transportation and warehousing workers. There were 12,600 workers in the sector in Newfoundland and Labrador, accounting for 5.3% of employment.

	Employed 2023	Industry Share (%)
Atlantic Canada	55,600	4.6%
Newfoundland and Labrador	12,600	5.3%
Prince Edward Island	2,500	2.8%
Nova Scotia	21,700	4.4%
New Brunswick	18,800	4.9%

Source: Statistics Canada, Labour Force Survey

WORKFORCE

Workforce Characteristics

The workforce in the transportation and warehousing sector in Atlantic Canada was male-dominated and older compared to all industries. The share of male workers in the sector was 76.7%, well above the all-industry average of 50.7%. The share of female workers in the sector was 23.3% while in all industries female workers accounted for 49.3% of total employment. The share of workers 25-54 years of age was 60.1%, which was more in line with the all-industry average of 63.3%. Moreover, workers aged 55 and older accounted for 33.6% of the employment base in transportation and warehousing, compared to 23.4% in all industries.

Most workers in transportation and warehousing were employed full-time (89.4%) in 2023, while a smaller share worked on a part-time basis (10.6%). Only 9.4% of workers were self-employed. The share of workers who were employed in a permanent position was 79.9%, while 10.8% were employed on a temporary basis. Jobs in this sector typically required a post-secondary certificate. The share of workers with a post-secondary certificate or diploma was 49.1%, and those with a university degree represented 11.2% of all workers in the industry.

Main Occupations

Employment in this industry has less seasonal variation than the Atlantic Region’s labour market as a whole. Even so, certain subsectors do experience some seasonality, particularly those associated with tourism, like bus and boat tours.

Transport truck drivers were the largest occupation in transportation and warehousing, employing 10,400 workers in 2023 and representing 18.7% of employment in the sector. There was a 9.0% decline in employment in this occupation since 2013. The second largest occupation was material handlers, accounting for 4.5% of employment in the sector. This occupation has grown by 24% since 2013. An occupation that has experienced considerable growth since 2013 is aircraft mechanics and aircraft inspectors, with a growth rate of 220%.

Top 5 largest occupations	Employed 2023	% Share of Industry
Transport truck drivers	10,400	18.7%
Material handlers	2,500	4.5%
Letter carriers	2,225	4.0%
Bus drivers, subway operators and other transit operators	2,200	3.9%
Delivery service drivers and door-to-door distributors	1,625	2.9%

Source: ESDC/Service Canada



RECENT HISTORY

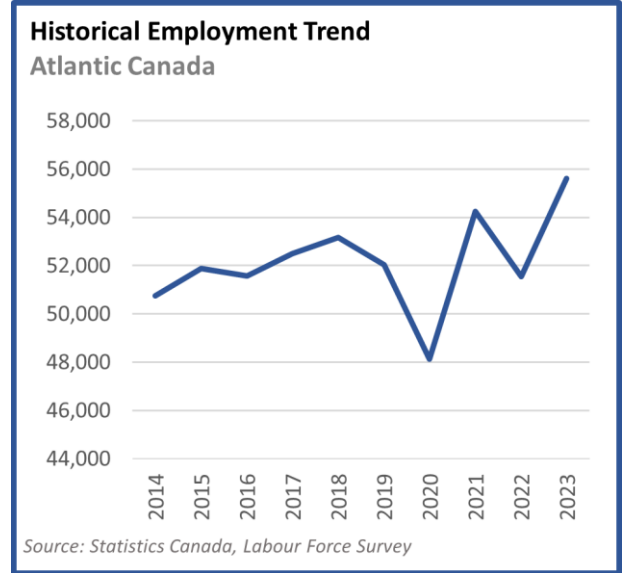
Employment in the transportation and warehousing sector fell by 15% between February and May 2020, as COVID-19 containment measures were imposed and demand for goods and services faltered. Employment in the sector returned to pre-pandemic levels by 2021, reaching a 16-year high in October of that year. Employment sharply decreased throughout 2022, before increasing and surpassing previous levels in 2023.

Air transportation and similar passenger sub-sectors were particularly devastated by the COVID-19 pandemic and have experienced a slower recovery compared to other sub-sectors. The sector suffered disproportionate job losses compared to other sectors during the pandemic. The recovery brought on challenges such as labour shortages and supply chain issues. As reported by industry contacts, positions that are reportedly difficult to staff include pilots, maintenance aircraft mechanics, middle management positions, and experienced workers.

Airports are experiencing an increase in passenger travel, but most have not reached pre-pandemic levels. The Halifax Stanfield International Airport reported 3.6M passengers in 2023, an increase over 2022, but still about 15% lower pre-pandemic level of 4.2M. Passenger numbers between Halifax and the U.S. also dropped 45% between 2019 and 2023. The Charlottetown Airport has been a notable exception, with its best year yet for passenger travel in 2023. The airport broke the 400,000-passenger mark for the first time, with 402,686 passengers, and served five airlines.

The truck transportation subsector in Atlantic Canada has recently been affected by lower freight volumes compared to last year. According to industry consultations, this has meant less business for the sector, but it also means that they can meet the demand for freight with the current number of drivers available. The subsector has been challenged by an aging workforce and a high rate of retirements for the past several years, resulting in a growing number of vacancies and a shortage of drivers.

Industry representatives suggest that if freight volumes increase there would not be enough labour to meet the demand. According to Trucking Human Resources, one in four trucking companies will have to delay their plans to expand its business because they can't hire enough drivers. Occupations that are hard to hire for also include



technicians, mechanics, dispatchers, and qualified people in finance.

The cost of training and high insurance premiums can be barriers for younger individuals who are considering becoming transport truck drivers. Across Atlantic Canada, the training program to become a transport truck driver is 12-13 weeks long and costs \$10,000-12,000. In addition, recent program graduates cannot get insurance unless they have a few years of accumulated experience, but it is hard for them to get job experience without being insured. According to industry, a mandatory training program would help businesses deal with insurance companies for new drivers.

The postal service and couriers and messengers sub-industries became busier over the course of the pandemic. Consumer preferences have since been permanently altered. Even as stores reopen, online shopping remains strong. However, data shows that employment in this subsector decreased in 2023 compared to the previous year. From 2013 to 2023, the number of couriers and messengers in the Atlantic Region grew by 95%; and the number of delivery service drivers increased by 11%.



OUTLOOK

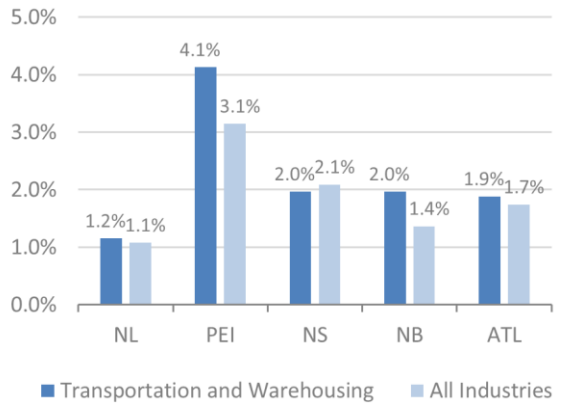
Based on analysis conducted by Service Canada, employment in the transportation and warehousing industry is anticipated to grow at an average annual rate of 1.9% over 2024 to 2026, exceeding the all-industry average of 1.7% per year. Growth is foreseen to be strongest in Prince Edward Island, averaging 4.1% per year. Growth will be slowest in Newfoundland and Labrador, where it will average 1.2% per year.

The air transportation subsector is projected to experience moderate growth in upcoming years, but it will slow towards the end of the period as air travel rebound stabilizes. Broader trends in the economy—including lower interest rates, easing inflation and rapidly rising population growth—should support recovery in the industry. The outlook for the tourism industry is positive, but business travel has been and will continue to be suppressed by the change in preferences toward remote training and meetings. Growth may be further dampened by labour shortages, particularly the low supply of air pilots.

The truck industry is experiencing low freight volumes compared to last year, but activity is expected to rebound in 2025. The industry is forecasted to experience slow to moderate growth through the rest of the forecast period. Population growth and construction activity will support continued growth in domestic demand, but it will be constrained by labour supply challenges. Governments and the industry are actively pursuing various hiring strategies such as using immigration programs to fill in labour gaps and subsidizing training costs.

The postal service, couriers, and messengers subsector is expecting a moderate growth in employment over the

Projected Average Annual Employment Growth Rate (%), Atlantic Provinces, 2024-2026



Source: ESDC/Service Canada

forecast period (2024-26). Ongoing population growth will support demand for goods and services. Additionally, the shift in consumer shopping preferences towards online purchasing means that demand for courier services will continue to increase over the long term. Growth will be tempered by the increased reliance on paperless communication and the development of communal postal boxes, which will decrease activity in postal service transportation.

The transit and ground passenger subsector is expected to experience moderate growth in the forecast period. While growth in public transportation will be driven by population growth, it will be constrained somewhat by remote work, and a shortage of workers.

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

The analysis in this report was finalized as of **September 2024**.

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APPENDIX

Real GDP (2023) and Employment (2023) for Atlantic Canada						
	Transportation and Warehousing			All Industries		
	Number	Share of Total	AAGR*	Number	Share of Total	AAGR*
Real GDP (M\$)	\$3,954.4	100.0%	0.2%	\$114,774.4	100.0%	0.9%
Newfoundland and Labrador	\$854.6	21.6%	-0.4%	\$28,950.2	25.2%	-0.5%
Prince Edward Island	\$184.5	4.7%	-0.4%	\$7,267.1	6.3%	2.5%
Nova Scotia	\$1,363.0	34.5%	0.8%	\$43,765.1	38.1%	1.5%
New Brunswick	\$1,552.3	39.3%	0.0%	\$34,792.0	30.3%	1.1%
Employment (000s)	55.6	100.0%	0.9%	1210.0	100.0%	0.8%
Male	42.7	76.7%	1.0%	613.0	50.7%	0.8%
Female	12.9	23.3%	0.6%	597.0	49.3%	0.8%
15-24 years old	3.5	6.3%	1.3%	161.8	13.4%	0.8%
25-54 years old	33.4	60.1%	0.4%	765.4	63.3%	0.5%
55 years and older	18.7	33.6%	1.9%	282.7	23.4%	1.6%
Worked full-time	49.7	89.4%	1.1%	1015.6	83.9%	0.9%
Worked part-time	5.9	10.6%	-0.4%	194.4	16.1%	0.2%
Self-employed	5.2	9.4%	-1.1%	124.5	10.3%	-0.7%
Employees	50.4	90.6%	1.1%	1085.4	89.7%	1.0%
Permanent job	44.4	79.8%	1.4%	923.3	76.3%	1.4%
Temporary job	6.0	10.8%	-0.4%	162.1	13.4%	-1.1%
Less than high school	5.1	9.1%	-4.0%	92.1	7.6%	-2.6%
High school graduate	17.0	30.5%	1.0%	284.9	23.5%	-0.4%
Postsecondary cert. or diploma	27.3	49.1%	1.7%	465.0	38.4%	0.6%
University degree	6.3	11.2%	2.8%	367.9	30.4%	3.3%
Newfoundland and Labrador	12.6	22.7%	1.0%	236.8	19.6%	-0.1%
Prince Edward Island	2.5	4.5%	-1.2%	89.0	7.4%	2.0%
Nova Scotia	21.7	39.0%	0.7%	497.8	41.1%	1.1%
New Brunswick	18.8	33.8%	1.5%	386.5	31.9%	0.8%

Source: Statistics Canada, Labour Force Survey - Custom Table; Table 36-10-0402-01

*Average annual growth rate for last ten years of available data (GDP 2014-23 and Employment 2014-23)

