

QUÉBEC-ONTARIO

Québec is hard hit: approximately 20,000 jobs lost in April Gain of 12,200 jobs in Ontario

HIGHLIGHTS

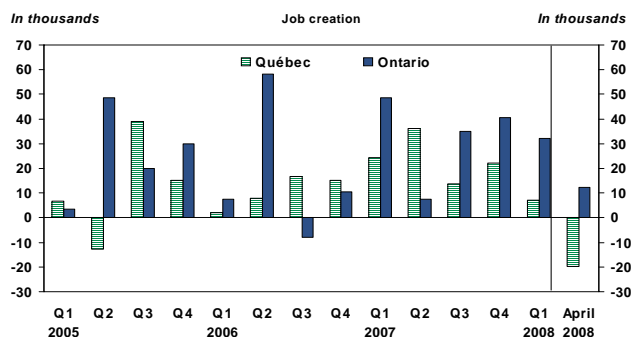
- Québec suffered one of its most severe job losses since January 1991, losing 19,800 jobs in April, divided equally between full-time and part-time positions.
- The unemployment rate rose from 7.3% in March to 7.6% in April, its highest level since January 2007.
- In Ontario, the number of workers grew by 12,200 in April, most of these being full-time positions. Thanks to this gain, the unemployment rate dipped slightly from 6.4% in March to 6.3% in April.

COMMENTS

April's decline in employment comes as quite a shock, given that, until now, the various economic indicators had been pointing towards a fair amount of resistance in the economy, particularly with respect to consumption. Should we be alarmed? Although the results of the Statistics Canada survey are quite volatile from month to month, this drop in employment cannot be ignored. We would point out, however, that job creation has remained strong until just lately, giving some comfort in this period of turmoil in the North American economy. We will have to wait and see what the next few months have in store, before throwing in the towel for Québec.

April's job massacre mainly affects the services sector (-21,500), with more than half of the fields of activity reporting a decline. The fields suffering the most are professional and scientific services (-9,200), other services (-8,400) and healthcare (-8,000). Given that in the past several months, the services sector has been the engine driving the economy, this turnaround is particularly surprising and at odds with strong domestic demand. On the other side of the picture, the manufacturing sector gained 3,900 jobs in April, which is not enough to reverse the downward trend that has prevailed since 2003.

Second quarter off to a bad start for Québec, but good for Ontario



Sources: Statistics Canada and Desjardins, Economic Studies

In Ontario, a correction was expected after the gains reported in the first quarter and in light of the weakness in the most recent economic indicators. April's job growth is thus a pleasant surprise and welcome relief for this economy that appears to be on the verge of recession. Contrary to Québec, the number of workers in the services sector climbed (+15,800) while the manufacturing sector reported losses (-14,900).

Remember that Ontario is the province most deeply affected by the deterioration of the American economy. The problems in the automobile industry, especially those of the three North American carmakers, point towards announcements of layoffs. Despite the job growth observed in April, Ontario is not out of the woods yet.

Implications: The scope of the job losses in Québec and of the gains in Ontario in April are contrary to our expectations, which called for a fairly resistant Québec economy and a slight recession in Ontario in the first half of 2008. However, one month's figures do not constitute a new trend, and future job market statistics should show the pendulum swinging back.

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REFERENCE TABLES OF LABOUR MARKET

May 9, 2008

Monthly variation by sector - April 2008

	GAINING Sectors	Balance		LOSING Sectors	Balance	
		In April	1 month		1 year	In April
CANADA	Accommodation and food services	22,200	5,200	Manufacturing	-14,900	-111,500
	Construction	16,200	113,000	Bus., build. and other supp. serv.	-11,700	20,600
	Educational services	13,800	25,700	Others services	-9,100	21,400
	Information, culture and recrea.	7,100	-12,500	Transportation and warehousing	-5,800	30,900
QUÉBEC	Transportation and warehousing	6,200	21,500	Prof. and scient. services	-9,200	18,200
	Construction	5,100	20,600	Others services	-8,400	1,600
	Publics administration	5,000	13,700	Health care	-8,000	-1,700
	Manufacturing	3,900	-12,500	Agriculture	-6,200	7,600
ONTARIO	Prof. and scient. services	11,400	30,500	Manufacturing	-14,900	-49,800
	Health care	10,400	37,900	Trade	-10,800	-14,500
	Construction	9,700	33,500	Transportation and warehousing	-7,900	3,100
	Accommodation and food services	9,600	-16,000	Others services	-4,800	8,900

Source: LFS, Statistics Canada

Labour Market

April 2008	NUMBER OF EMPLOYEES	JOB CREATION in numbers					
		April 2008	Last month	Last 3 months	Since december	Last year	Last year in %
TOTAL JOBS	Canada	17,136,000	19,200	77,100	123,500	347,800	2.1%
	Québec	3,867,500	-19,800	-24,000	-16,800	27,100	0.7%
	Ontario	6,700,400	12,200	56,600	69,500	145,600	2.2%
PUBLIC SECTOR EMPLOYEES	Canada	3,420,800	9,100	24,100	20,300	190,400	5.9%
	Québec	794,600	-12,000	-18,700	-18,300	12,800	1.6%
	Ontario	1,290,700	2,300	24,900	13,000	126,500	10.9%
PRIVATE SECTOR EMPLOYEES	Canada	11,088,700	-8,300	42,800	119,400	123,100	1.1%
	Québec	2,516,100	-19,100	-10,700	7,300	-3,600	-0.1%
	Ontario	4,409,100	7,700	29,300	63,200	7,300	0.2%
SELF-EMPLOYED	Canada	2,626,500	18,300	10,200	-16,200	34,400	1.3%
	Québec	556,900	11,400	5,500	-5,600	18,100	3.4%
	Ontario	1,000,500	2,100	2,200	-6,900	11,700	1.2%

Source: Statistics Canada, Labour Force Survey

Labour Market - Recent trends Seasonally adjusted data

	Employment in numbers	Job creation in last:			Labour Force Numbers	Variation over 1 month	Participation rate	Employment rate	Unemploy- ment rate
		1 month	3 months	12 months					
Canada									
2007.04	16,788,200	-3,600	65,800	365,400	17,889,700	600	67.6%	63.4%	6.2%
2007.05	16,805,900	17,700	64,700	289,400	17,884,000	-5,700	67.5%	63.4%	6.0%
2007.06	16,849,400	43,500	57,600	340,600	17,934,700	50,700	67.6%	63.5%	6.1%
2007.07	16,857,000	7,600	68,800	347,200	17,940,200	5,500	67.5%	63.4%	6.0%
2007.08	16,875,200	18,200	69,300	372,600	17,956,800	16,600	67.5%	63.4%	6.0%
2007.09	16,929,500	54,300	80,100	405,000	17,993,000	36,200	67.6%	63.6%	5.9%
2007.10	16,992,500	63,000	135,500	428,200	18,044,900	51,900	67.7%	63.7%	5.8%
2007.11	17,015,400	22,900	140,200	433,000	18,090,800	45,900	67.8%	63.7%	5.9%
2007.12	17,012,500	-2,900	83,000	358,100	18,090,200	-600	67.7%	63.7%	6.0%
2008.01	17,058,900	46,400	66,400	336,500	18,109,500	19,300	67.7%	63.8%	5.8%
2008.02	17,102,200	43,300	86,800	361,000	18,158,900	49,400	67.8%	63.9%	5.8%
2008.03	17,116,800	14,600	104,300	325,000	18,216,000	57,100	68.0%	63.9%	6.0%
2008.04	17,136,000	19,200	77,100	347,800	18,239,800	23,800	68.0%	63.8%	6.1%
Québec									
2007.04	3,840,400	10,800	36,100	109,400	4,140,300	-1,500	65.7%	60.9%	7.2%
2007.05	3,840,500	100	38,000	74,300	4,135,300	-5,000	65.6%	60.9%	7.1%
2007.06	3,864,100	23,600	34,500	94,800	4,149,000	13,700	65.7%	61.2%	6.9%
2007.07	3,860,600	-3,500	20,200	88,800	4,151,100	2,100	65.7%	61.1%	7.0%
2007.08	3,860,300	-300	19,800	92,300	4,157,700	6,600	65.8%	61.1%	7.2%
2007.09	3,865,400	5,100	1,300	88,700	4,152,600	-5,100	65.6%	61.1%	6.9%
2007.10	3,877,800	12,400	17,200	89,200	4,169,100	16,500	65.9%	61.3%	7.0%
2007.11	3,890,300	12,500	30,000	109,200	4,183,200	14,100	66.0%	61.4%	7.0%
2007.12	3,884,300	-6,000	18,900	91,300	4,174,800	-8,400	65.8%	61.3%	7.0%
2008.01	3,891,500	7,200	13,700	87,200	4,176,200	1,400	65.8%	61.3%	6.8%
2008.02	3,894,800	3,300	4,500	92,300	4,186,200	10,000	65.9%	61.3%	7.0%
2008.03	3,887,300	-7,500	3,000	57,700	4,191,400	5,200	66.0%	61.2%	7.3%
2008.04	3,867,500	-19,800	-24,000	27,100	4,183,500	-7,900	65.8%	60.8%	7.6%
Ontario									
2007.04	6,554,800	-14,200	6,200	64,900	7,020,400	-9,800	68.0%	63.4%	6.6%
2007.05	6,568,800	14,000	9,600	50,400	7,008,600	-11,800	67.8%	63.5%	6.3%
2007.06	6,575,800	7,000	6,800	60,000	7,037,100	28,500	68.0%	63.5%	6.6%
2007.07	6,588,200	12,400	33,400	74,600	7,050,200	13,100	68.0%	63.6%	6.6%
2007.08	6,594,300	6,100	25,500	96,900	7,044,200	-6,000	67.9%	63.5%	6.4%
2007.09	6,621,900	27,600	46,100	133,000	7,061,300	17,100	68.0%	63.7%	6.2%
2007.10	6,655,600	33,700	67,400	176,400	7,087,600	26,300	68.1%	64.0%	6.1%
2007.11	6,639,300	-16,300	45,000	136,700	7,090,600	3,000	68.1%	63.7%	6.4%
2007.12	6,630,900	-8,400	9,000	81,500	7,095,200	4,600	68.1%	63.6%	6.5%
2008.01	6,643,800	12,900	-11,800	95,200	7,092,900	-2,300	67.9%	63.6%	6.3%
2008.02	6,690,000	46,200	50,700	130,800	7,124,400	31,500	68.2%	64.0%	6.1%
2008.03	6,688,200	-1,800	57,300	119,200	7,146,300	21,900	68.3%	63.9%	6.4%
2008.04	6,700,400	12,200	56,600	145,600	7,153,200	6,900	68.3%	64.0%	6.3%

Source: Statistics Canada, Labour Force Survey

Other Labour Market Indicators

SEASONALLY ADJUSTED DATA	Last publication		-1 MONTH	-3 MONTHS	-6 MONTHS	Same month -1 YEAR
	Month	Level				
CANADA						
Average weekly wages (\$)	February	786.80	782.09	783.80	770.73	762.86
Average hours worked in the manufacturing sector	February	38.1	38.1	38.4	38.4	38.4
QUÉBEC						
Average weekly wages (\$)	February	728.59	736.17	736.13	727.34	716.69
Average hours worked in the manufacturing sector ²	February	37.5	37.8	38.3	37.9	38.2
ONTARIO						
Average weekly wages (\$)	February	820.67	812.68	814.49	804.24	797.29
Average hours worked in the manufacturing sector ²	February	38.6	38.5	38.9	38.9	38.7

Source: Statistics Canada, Labour Force Survey

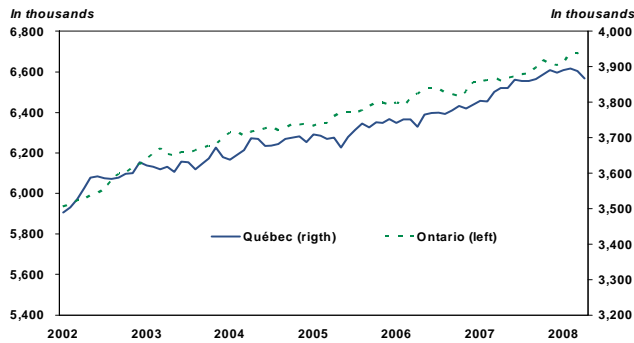
²: unadjusted data

Annual Data

Annual average	2002	2003	2004	2005	2006	2007
CANADA TOTAL JOBS	15,310,420	15,672,280	15,946,980	16,169,720	16,484,330	16,866,420
JOB CREATION	364,260	361,860	274,700	222,740	314,610	382,090
Job growth (%)	2.4%	2.4%	1.8%	1.4%	1.9%	2.3%
Unemployment rate	7.7%	7.6%	7.2%	6.8%	6.3%	6.0%
QUÉBEC TOTAL JOBS	3,569,870	3,628,830	3,680,470	3,717,280	3,765,460	3,851,710
JOB CREATION	129,690	58,960	51,640	36,810	48,180	86,250
Job growth (%)	3.8%	1.7%	1.4%	1.0%	1.3%	2.3%
Unemployment rate	8.7%	9.1%	8.5%	8.3%	8.0%	7.2%
ONTARIO TOTAL JOBS	6,031,380	6,213,160	6,316,510	6,397,750	6,492,710	6,593,780
JOB CREATION	105,180	181,780	103,350	81,240	94,960	101,070
Job growth (%)	1.8%	3.0%	1.7%	1.3%	1.5%	1.6%
Unemployment rate	7.1%	6.9%	6.8%	6.6%	6.3%	6.4%

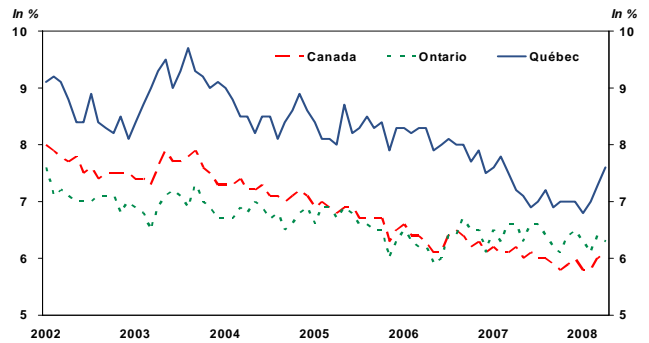
Source: Statistics Canada, Labour Force Survey

QUÉBEC / ONTARIO – Level of employment



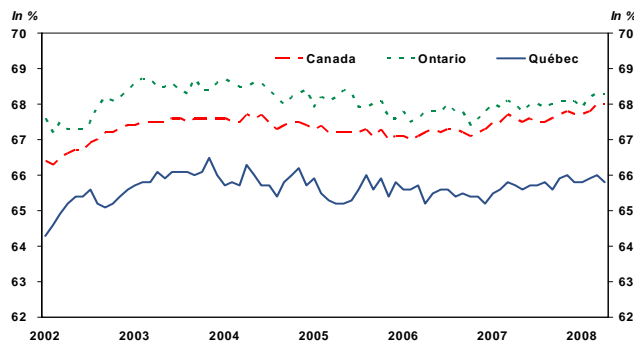
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA / QUÉBEC / ONTARIO – Unemployment Rate



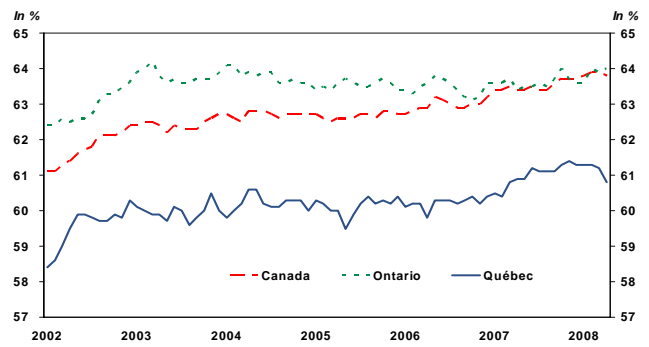
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA / QUÉBEC / ONTARIO – Participation Rate



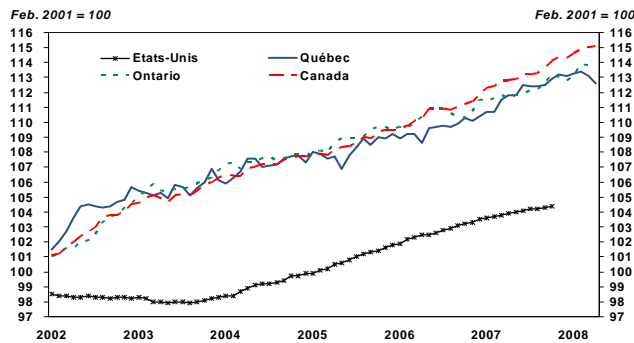
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA / QUÉBEC / ONTARIO – Employment Rate



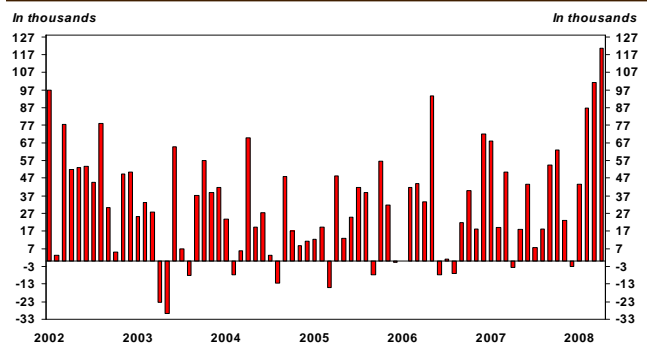
Sources: Statistics Canada and Desjardins, Economic Studies

ÉTATS-UNIS / CANADA / QUÉBEC / ONTARIO – Employment Index



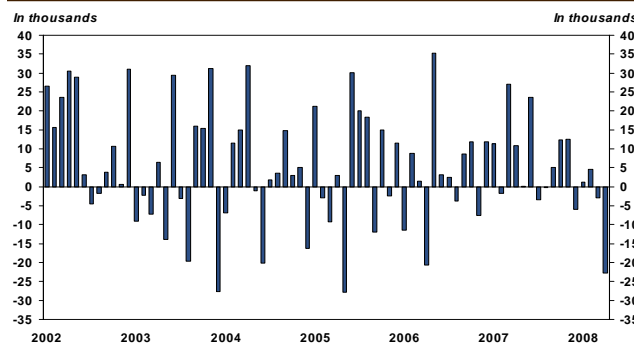
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA – Evolution of employment



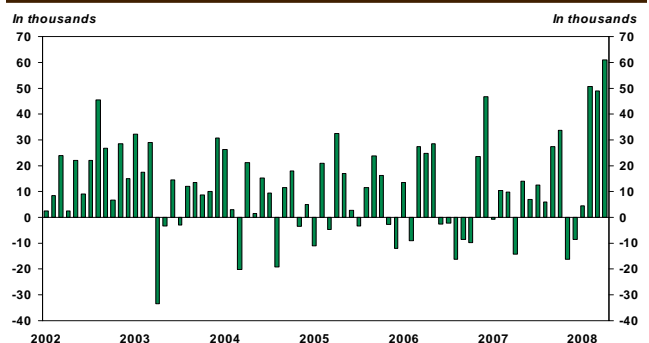
Sources: Statistics Canada and Desjardins, Economic Studies

QUÉBEC – Evolution of employment



Sources: Statistics Canada and Desjardins, Economic Studies

ONTARIO – Evolution of employment



Sources: Statistics Canada and Desjardins, Economic Studies

LABOUR MARKET BY PROVINCE

SEASONALLY ADJUSTED DATA		April 2008	PREVIOUS MONTHS					Monthly averages			Employment in the last year
			2008.03	2008.02	2008.01	2007.12	3 months	6 months	12 months		
CANADA	JOBS	17,136,000	17,116,800	17,102,200	17,058,900	17,012,500	17,118,333	17,073,633	16,979,275	16,788,200	
	CREATION	19,200	14,600	43,300	46,400	(2,900)	25,700	23,917	28,983	347,800	
	Unemployment rate	6.1%	6.0%	5.8%	5.8%	6.0%	6.0%	5.9%	6.0%	2.1%*	
Newfoundland	JOBS	223,700	221,300	222,200	223,100	218,800	222,400	221,000	218,775	218,600	
	CREATION	2,400	(900)	-900	4,300	1,900	200	1,167	425	5,100	
	Unemployment rate	13.2%	12.6%	13.1%	12.2%	12.5%	13.0%	12.8%	13.1%	2.3%*	
Prince Edward Island	JOBS	70,400	71,000	70,600	70,100	69,200	70,667	69,917	69,558	70,000	
	CREATION	-600	400	500	900	1,000	100	50	33	400	
	Unemployment rate	11.2%	10.4%	10.0%	10.6%	10.7%	10.5%	10.7%	10.4%	0.6%*	
Nova Scotia	JOBS	452,400	449,500	448,400	452,200	452,300	450,100	450,750	448,325	449,500	
	CREATION	2,900	1,100	-3,800	-100	2,600	67	250	242	2,900	
	Unemployment rate	7.8%	7.9%	7.7%	7.4%	7.8%	7.8%	7.8%	8.0%	0.6%*	
New Brunswick	JOBS	367,300	366,300	367,800	365,100	366,600	367,133	367,017	365,150	362,700	
	CREATION	1,000	-1,500	2,700	-1,500	-2,400	733	533	383	4,600	
	Unemployment rate	8.3%	8.5%	8.1%	8.2%	7.8%	8.3%	8.0%	7.8%	1.3%*	
Québec	JOBS	3,867,500	3,887,300	3,894,800	3,891,500	3,884,300	3,883,200	3,885,950	3,873,700	3,840,400	
	CREATION	-19,800	-7,500	3,300	7,200	-6,000	-8,000	-1,717	2,258	27,100	
	Unemployment rate	7.6%	7.3%	7.0%	6.8%	7.0%	7.3%	7.1%	7.1%	0.7%*	
Ontario	JOBS	6,700,400	6,688,200	6,690,000	6,643,800	6,630,900	6,692,867	6,665,433	6,633,100	6,554,800	
	CREATION	12,200	-1,800	46,200	12,900	-8,400	18,867	7,467	12,133	145,600	
	Unemployment rate	6.3%	6.4%	6.1%	6.3%	6.5%	6.3%	6.3%	6.4%	2.2%*	
Manitoba	JOBS	611,700	602,700	601,400	602,300	599,100	605,267	603,650	600,583	593,200	
	CREATION	9,000	1,300	-900	3,200	-5,600	3,133	1,650	1,542	18,500	
	Unemployment rate	3.8%	4.3%	4.2%	3.8%	4.2%	4.1%	4.1%	4.2%	3.1%*	
Saskatchewan	JOBS	510,100	508,200	509,000	505,700	504,700	509,100	507,383	503,617	501,900	
	CREATION	1,900	-800	3,300	1,000	-1,900	1,467	1,167	683	8,200	
	Unemployment rate	4.3%	4.1%	4.1%	3.9%	4.0%	4.2%	4.1%	4.3%	1.6%*	
Alberta	JOBS	2,008,100	2,004,500	1,994,900	1,999,900	1,993,800	2,002,500	1,995,500	1,980,083	1,950,200	
	CREATION	3,600	9,600	-5,000	6,100	22,000	2,733	5,200	4,825	57,900	
	Unemployment rate	3.3%	3.4%	3.5%	3.2%	3.2%	3.4%	3.4%	3.5%	3.0%*	
British Columbia	JOBS	2,324,300	2,317,900	2,303,200	2,305,200	2,292,900	2,315,133	2,307,050	2,286,375	2,247,100	
	CREATION	6,400	14,700	-2,000	12,300	-5,900	6,367	8,133	6,433	77,200	
	Unemployment rate	4.3%	4.3%	4.1%	4.1%	4.2%	4.2%	4.2%	4.2%	3.4%*	

Source: Statistics Canada, Labour force Survey * Change in employment in the last year