

## ECONOMIC NEWS

# Employment Dipped in Quebec but Picked Up in Ontario

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### HIGHLIGHTS

- ▶ Employment decreased by 1,600 in Quebec last month, the second straight monthly decline following February's 15,500 drop. After a period of strong job growth, the tide seems to have turned.
- ▶ Ontario has been posting impressive job gains since last fall. It added 20,700 workers in March—still a positive print, but a slower pace than in previous months.
- ▶ Quebec's unemployment rate edged up from 4.1% in February to 4.2% in March, just above the 3.9% all-time low recorded in January.
- ▶ Ontario's jobless rate held steady at 5.1% in March.

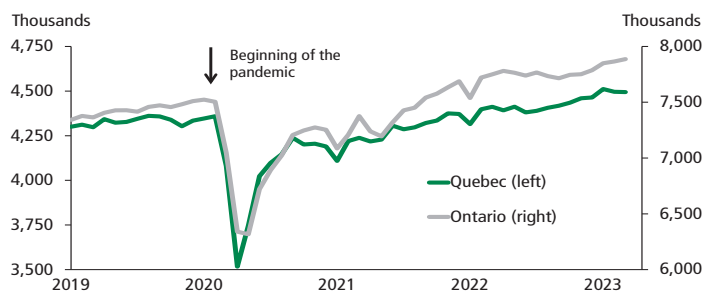
### COMMENTS

We expected Quebec's labour market to soften a bit later this year, but the slowdown may have already begun. Despite a second straight negative jobs report and a slight uptick in the unemployment rate, Quebec's labour market remains very tight. The unemployment rate stands at 4.2%, the lowest of any Canadian province. But while there's still a labour shortage, job vacancies have been on the decline since peaking last summer—one more sign the labour market is losing steam.

Strong hiring in Ontario continues to drive up the national numbers, but gains there have slowed over the past two months. Employment is expected to stabilize soon before starting to fall. So far the economic headwinds aren't showing up in Ontario's jobs data, but they should by summer, leading to slower hiring and a modest uptick in unemployment. As in Quebec, job vacancies have begun to decline. Everything seems to be going great, but cracks are starting to show.

### GRAPH 1

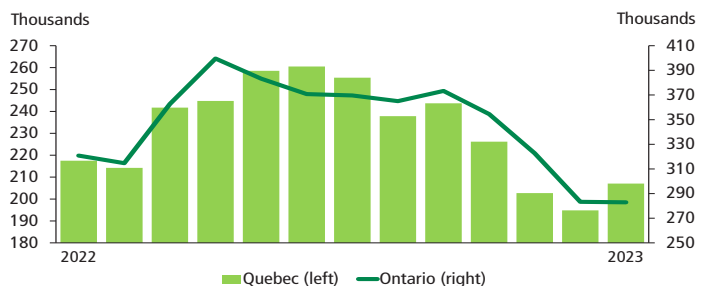
**Employment Continues to Grow in Ontario but Is Declining in Quebec**



Sources: Statistics Canada and Desjardins Economic Studies

### GRAPH 2

**Job Vacancies Are Down from Their 2022 Peak**



Sources: Statistics Canada and Desjardins Economic Studies

### IMPLICATIONS

Although employment has been down for the past two months in Quebec, the labour market is still very tight. Ontario's job market continues to trend higher, but it too is expected to slow in the coming quarters. The labour market typically lags behind the rest of the economy, and this time will be no different. We expect a moderate recession this year in Quebec and Ontario, which will weaken the labour market.