

ECONOMIC NEWS

Quebec and Ontario: Surprisingly Strong Job Gains in January

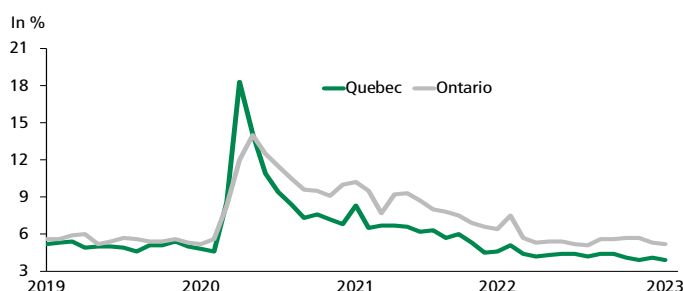
By Florence Jean-Jacobs, Principal Economist

HIGHLIGHTS

- ▶ Quebec added 47,400 jobs in January after a meagre 4,800 increase in December.
- ▶ Ontario added 62,800.
- ▶ The unemployment rate fell in both provinces. Quebec's jobless rate is back to 3.9%, matching the all-time low recorded in November. Ontario's unemployment rate edged down to 5.2%.
- ▶ In Quebec, average hourly wage growth accelerated from 6.7% in December to 6.9% in January on a year-over-year basis. It slowed from 5.1% to 3.6% in Ontario.

GRAPH

Quebec's Unemployment Rate Is Back to Its Historic Low



Sources: Statistics Canada and Desjardins Economic Studies

COMMENTS

Quebec continues to have the lowest unemployment rate in the nation. It reported significant employment gains in wholesale and retail trade (+11,700) and health care and education (+19,800), but a decline of 6,400 in manufacturing. Employment rose in most sectors in Ontario, including health care and education (+26,000), trade (+16,000) and manufacturing (+13,700).

Ontario contributed to the nationwide decline in annual wage growth, while Quebec wage growth accelerated for the second straight month. This is all the more surprising given that January 2022 saw relatively high average wages due to the partial closure of lower-paying businesses during last winter's lockdowns.

IMPLICATIONS

The labour market continues to surprise. While monthly fluctuations should be interpreted with caution, we expected weaker January employment numbers given the declines in other economic indicators. Despite [early signs](#) of a recession in Quebec, the labour market there remains surprisingly resilient for now. The aging workforce and labour shortage seem to be offsetting the effects of the economic slowdown on the job market so far. We'll have to see what happens over the coming months.