HIGHLIGHTS

- After losing 54,500 jobs in March, the labour market created 12,500 new jobs in April.
- The public sector reported a gain of 34,200 jobs, while the private sector was down by 20,000 jobs.
- The manufacturing sector stands out with a gain of 20,600 jobs, putting an end to three straight months of decline. However, the service sector lost 12,000 jobs.
- The unemployment rate held steady at 7.2%.

COMMENTS

Although it is consistent with the consensus forecast, we could have wished that April’s rally in employment were more striking. With a gain of just 12,500 jobs, the 6-month moving average, which gives a better picture of labour market trends, has remained at around 12,400 jobs for the second month in a row. This is in stark contrast to the much higher level observed at the end of 2012 and the beginning of 2013. Could this be the beginning of a real slowdown in the labour market?

There are some rather worrying signs in this regard. Private-sector employment has contracted three times since the end of 2012, and the cumulative loss is 95,000 jobs. During the same period, public-sector employment rose by just 8,900 jobs, a moderate figure that is not surprising in light of the tight controls over public spending in this era of fights against budget deficits. As for self-employed workers, nearly 73,000 positions have been created since the end of 2012. Need it be said: the replacement of private-sector jobs with independent work is usually not a sign of a healthy labour market.

Implications: While caution is the order of the day, given the extreme volatility of employment data, the indications are that the Canadian labour market is increasingly affected by the sluggish economic growth that has prevailed in this country for several quarters now. All hopes are now pinned on international merchandise trade, since the Canadian economy should eventually reap the benefits of improvement in global demand. Indeed, the most recent merchandise export numbers are encouraging on this point, thus accounting for April’s rally in manufacturing employment.

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