

## ECONOMIC NEWS

# Job Creation Picked Up in Canada in September

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### HIGHLIGHTS

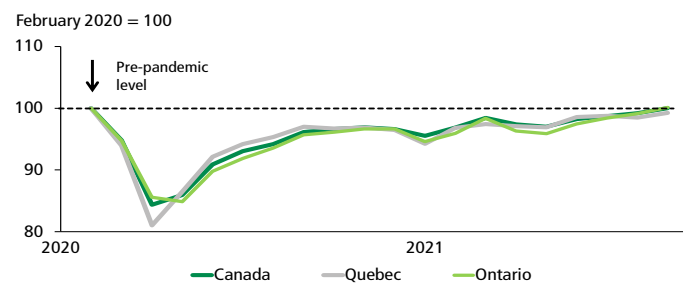
- ▶ Canada gained 157,100 jobs in September. This marks the highest monthly increase since June 2021.
- ▶ The unemployment rate ticked down from 7.1% in August to 6.9% in September, the lowest level since the beginning of the pandemic.
- ▶ Jobs increased in six provinces last month, including Alberta (+19,600), Manitoba (+7,800), New Brunswick (+6,100), Saskatchewan (+5,300), Ontario (+73,600) and Quebec (+31,200).
- ▶ In September, employment in Canada finally reached its pre-pandemic level of February 2020, as did Ontario's. Quebec has almost completely recovered.
- ▶ The unemployment rate dropped to 5.7% in Quebec last month and Ontario's fell to 7.3%. In both cases, this is the lowest level since the beginning of the pandemic.

### COMMENTS

Job growth has significantly outpaced expectations in Canada. The results are positive in several respects: the gains are mainly in full-time positions and in more than half the sectors. Employment in the services industry rose sharply in September. The accommodation and food services sector, which has struggled to recover, nevertheless posted a decline. This industry is especially hard-hit by the labour shortage, which seems to be affecting its recovery.

### GRAPH

**Employment has reached its pre-pandemic level**



Sources: Statistics Canada and Desjardins, Economic Studies

### IMPLICATIONS

After some disappointing numbers recently published for the Canadian economy, including the pullback in real GDP in the second quarter and in July, September's impressive employment gain suggests a more positive fall. At the same time, the drop in the unemployment rate and the increase in vacancies is continuing. This is likely to boost the upward pressure on wages in Canada.

The Bank of Canada, which is already dealing with accelerating inflation, will also have to consider the labour market's full recovery. In addition, the uncertainty related to COVID-19 seems to be fading a bit, as the fourth wave loses steam in most provinces, many of which are requiring proof of vaccination in some places.