



CANADA

Employment lost ground in December

HIGHLIGHTS

- The labour market shed 45,900 jobs in December, putting an end to four consecutive months of gains.
- However, only 3,400 jobs per month were added on average in the last six months, signalling a fairly weak trend in the labour market.
- Just over half of the activity sectors lost jobs in December.
- Employment contracted in six provinces (Alberta, Manitoba, Ontario, Quebec, Nova Scotia and Prince Edward Island). Ontario was the hardest hit, with a loss of 0.6% (-39,300 jobs).
- In Canada, the unemployment rate ticked up from 6.9% to 7.2%.

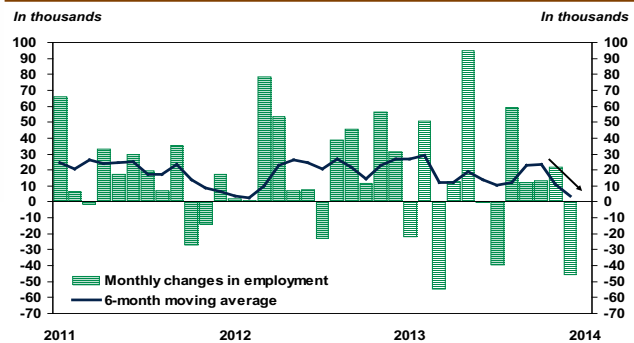
COMMENTS

Statistics Canada's Labour Force Survey ended 2013 on a sour note as all forecasters surveyed by Bloomberg expected employment to go up in December. The last few months have seen the trend (calculated using a 6-month moving average) dip to its lowest level since February 2012. Worries about the health of the labour market will be ignited if employment does not rebound next month (as is often the case following underperformance). This isn't yet the case, but the situation should be watched closely.

The outcome for 2013 is fairly mixed. Similar to the 2012 increase (+1.2%), employment rose 1.3% (+221,700 jobs) on average, which is in line with an economy that is growing at a moderate pace. We must be cautious when comparing year ends, as the drop in employment in December 2013 and the significant gain recorded in December 2012 cast a shadow over 2013's results. As such, employment posted an increase of just 0.6% (+102,000 jobs) between the end of 2012 and 2013. The unemployment rate averaged 7.1% in 2013 as opposed to 7.2% in 2012.

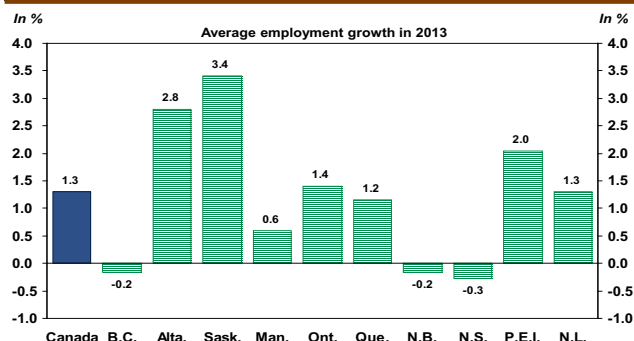
Implications: The employment situation should be watched closely in the coming months. However, everything suggests that the gradual improvement of global economic

Signs point to a flagging labour market trend



Sources: Statistics Canada and Desjardins, Economic Studies

Most provinces enjoyed higher employment in 2013



Sources: Statistics Canada and Desjardins, Economic Studies

conditions will allow the Canadian labour market to continue to improve in 2014.

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