

 **CANADA**

## The labour market took a break in November

### HIGHLIGHTS

- The labour market suffered the loss of 10,700 jobs in November.
- The goods sectors posted a gain of 17,300 jobs, mainly thanks to the natural resources and agriculture sectors. Construction and manufacturing reported slight job losses.
- Employment in the service sectors declined by 28,000 jobs due to significant pullbacks in trade (-41,600), professional services (-32,900) and transportation and warehousing (-14,300).
- The unemployment rate ticked up from 6.5% to 6.6%.

### COMMENTS

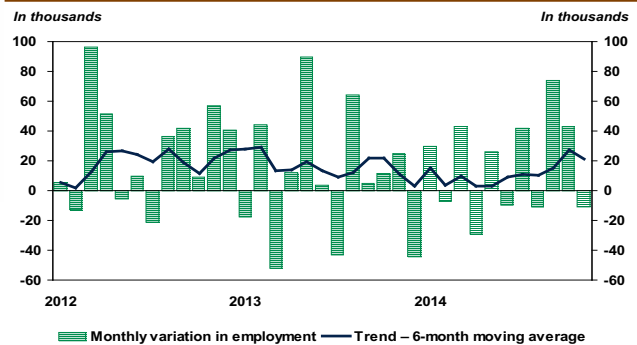
After the strong employment growth recorded in September and October, it is quite normal for the labour market to have run out of steam in November. Nevertheless, the employment trend is still very favourable, since the 6-month moving average is showing an average monthly gain of 21,300 jobs.

This paints quite a bright picture of the labour market, one that is consistent with economic growth between 2.3% and 2.7%. According to the economic account numbers for the third quarter, the annual change in real GDP was 2.6%, and our projections indicate that it could stay around 2.5% in the upcoming quarters.

The unemployment rate did indeed go up slightly in November, but it is still well below the level observed a few months ago; it stood at 7.1% in June. If we add in discouraged job-seekers, those waiting for jobs to start and those working part-time involuntarily, this alternative measurement of the unemployment rate reached 9.6% in November (seasonally adjusted), compared with 10.2% last June. This improvement bears witness to greater use of the labour force in this country, another sign that the Canadian economy has nearly reached its full production potential.

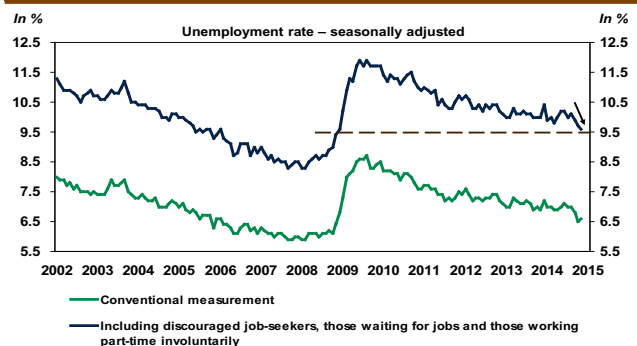
**Implications:** Despite the pause in November, the labour market's growth is quite good. The Bank of Canada will no

### The employment trend is still positive



Sources: Statistics Canada and Desjardins, Economic Studies

### Alternative measurements of the unemployment rate are also improving



Sources: Statistics Canada and Desjardins, Economic Studies

doubt take note of this, given that last Tuesday it mentioned that “the labour market continues to indicate significant slack in the economy.”

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