

January 8, 2016

CANADA

2015 ends with 22,800 new jobs

HIGHLIGHTS

- The labour market added 22,800 jobs in December, slightly exceeding expectations.
- The six-month moving average, which gives a good indication of the trend, went from 5,500 to 10,400 jobs per month.
- The unemployment rate held steady at 7.1% in December.
- The results for 2015 are fairly modest. On average, employment rose 0.8% during the year, adding 144,400 jobs more than in 2014. A comparison between December 2014 and December 2015, which demonstrated greater volatility, shows 158,100 new jobs, or a 0.9% increase.
- The average unemployment rate for 2015 was identical to that of 2014, i.e. 6.9%.

COMMENTS

Employment's 2015 performance clearly illustrates the regional disparities observed in economic growth, particularly if you focus on the changes for the two year ends. On one hand, provinces that are more oriented toward manufacturing (Quebec, Ontario, British Columbia and New Brunswick) saw significant growth in employment in 2015. On the other, provinces that rely on natural resources (mainly Alberta, Saskatchewan and Newfoundland and Labrador) either lost jobs or showed weak labour market growth. The unemployment rate therefore rose in these provinces in 2015.

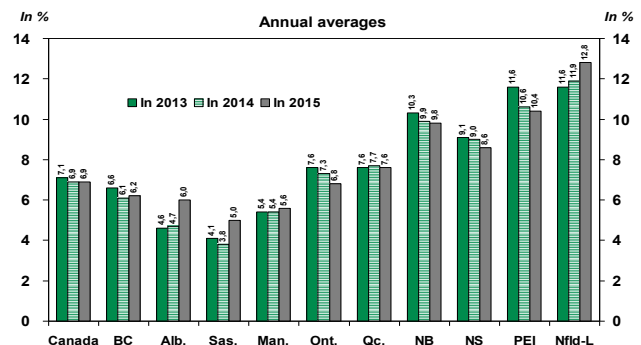
In terms of results for December 2015, acceleration of the trend calculated using the six-month moving average is reassuring. Its slowing in recent months gave rise to fears about the labour market weakening too much. With December's job creation, the labour market trend has returned to a level compatible with the modest advance in real GDP in recent months.

Employment's performance in 2015

	Annual average	December 2014 vs December 2015 Comparative
CANADA	+ 144,400 (0.8%)	+ 158,100 (0.9%)
Quebec	+ 37,300 (0.9%)	+ 48,300 (1.2%)
Ontario	+ 45,300 (0.7%)	+ 80,700 (1.2%)
British Columbia	+ 27,800 (1.2%)	+ 51,600 (2.3%)
Alberta	+ 26,500 (1.2%)	- 14,600 (-0.6%)
Saskatchewan	+ 2,800 (0.5%)	+ 100 (0.0%)
Manitoba	+ 9,700 (1.5%)	+ 200 (0.0%)
New Brunswick	- 2,100 (-0.6%)	+ 1,600 (0.5%)
Nova Scotia	+ 500 (0.1%)	- 5,200 (-1.2%)
Prince Edward Island	- 800 (-1.1%)	- 200 (-0.3%)
Newfoundland and Labrador	- 2,400 (-1.0%)	- 4,300 (-1.8%)

Sources: Statistics Canada and Desjardins, Economic Studies

The unemployment rate's annual performance



Sources: Statistics Canada and Desjardins, Economic Studies

Implications: In general, movement in employment is fairly consistent with expectations. There is nothing specific in December's results to worry monetary authorities or influence the Bank of Canada's next decision. The status quo for interest rates therefore seems likely, especially in light of Stephen Poloz's speech yesterday.

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