Canada: Employment Continues to Grow

HIGHLIGHTS
- The labour market saw 33,200 new jobs in March, slightly more than expected.
- Employment was up in Quebec (+0.4%), Ontario (+0.1%) and the Prairies (+0.4%). However, jobs were lost in all Atlantic provinces in March (-0.3%), and there were fewer jobs (-0.2%) in British Columbia for the third month in a row.
- The unemployment rate for Canada as a whole held steady at 5.8%.
- The annual change in average hourly wages went from 3.1% to 3.3% due to a seasonally adjusted gain of 0.2% in March.

COMMENTS
The 6-month moving average for the monthly change in employment rose to 22,200 jobs in March, growth similar to previous months. This leads us to believe that the Canadian economy will continue to do fairly well despite some obstacles in foreign trade and the housing market. Employment in the finance, insurance, real estate and leasing sector was down again in March for the third month in a row. A total of 29,900 jobs have been lost in this sector since the beginning of the year.

The overall progress of the labour market is reflected in wages, which continue to rise faster than inflation. This increase in workers’ purchasing power is good news for domestic demand, especially consumer spending.

IMPLICATIONS
With results following the trend of recent months, employment growth should not worry the Bank of Canada unduly. Key interest rates should therefore remain unchanged in April.