

# ECONOMIC NEWS

## Canada: February Saw a Sharp Rise in Hours Worked

### HIGHLIGHTS

- ▶ February ended with 30,300 jobs created, surpassing expectations.
- ▶ Over the last three months, the labour market has benefited from a cumulative gain of 92,100 jobs. This is a rather surprising performance given the slowdown in economic growth seen since last fall.
- ▶ The unemployment rate edged up from 5.5% in January to 5.6% in February, however, due to an increase in the participation rate.
- ▶ The annual variation in the average hourly wage stood at 4.1% in February, compared with 4.2% in January.

### COMMENTS

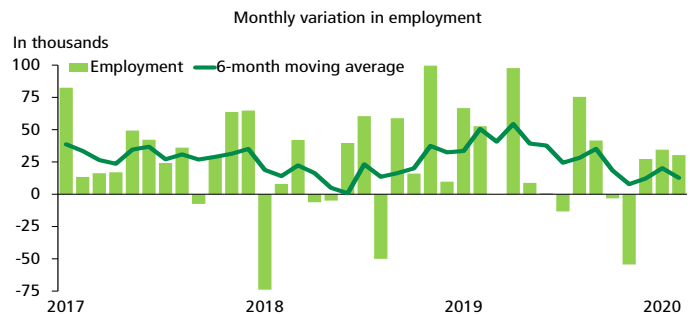
While most forecasters expected job growth to wane, the labour market has maintained a steady pace. The numerous unfilled jobs have likely tempered the immediate effects of more subdued growth in the labour market.

That said, the most striking aspect of today's results is the monthly hike in the number of actual hours worked (+1.2% in February). We have seen a fairly strong historical relationship between the number of hours worked and production. The principle is simple: if Canadians work more, they usually produce more over the course of the month. The 1.2% jump in the number of hours worked suggests that real GDP by industry may have climbed in February.

### IMPLICATIONS

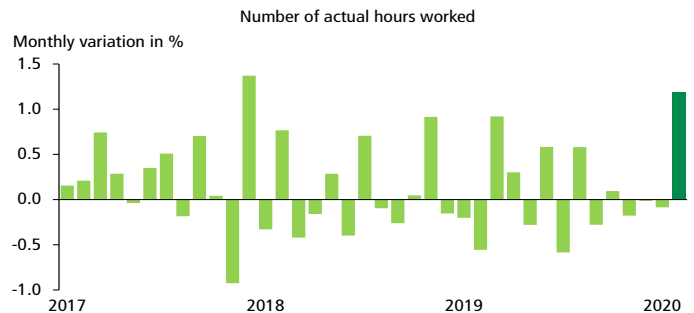
With all of the unrest in February (interruptions in rail transportation and disruptions associated with COVID-19), current forecasts are fairly negative for the month. It remains to be seen how the other economic indicators will fare in February. However, it's clear that the Canadian economy could prove to be more resilient than expected. Stay tuned.

**GRAPH 1**  
Employment trend remains fairly strong



Sources: Statistics Canada and Desjardins, Economic Studies

**GRAPH 2**  
The number of hours worked rose significantly in February



Sources: Statistics Canada and Desjardins, Economic Studies

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NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

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