

# ECONOMIC NEWS

## Canada: A Disappointing Employment Hike in July

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### HIGHLIGHTS

- ▶ The Canadian labour market saw 94,000 jobs created in July.
- ▶ The unemployment rate dropped from 7.8% to 7.5%.
- ▶ Quebec added 7,500 jobs in July, and unemployment rate fell from 6.3% to 6.1%. This puts Quebec in a tie with Manitoba for the lowest unemployment rate among the provinces.
- ▶ Ontario created 72,400 new jobs in July, and its unemployment rate dropped to 8.0% from 8.4% the month before.

### COMMENTS

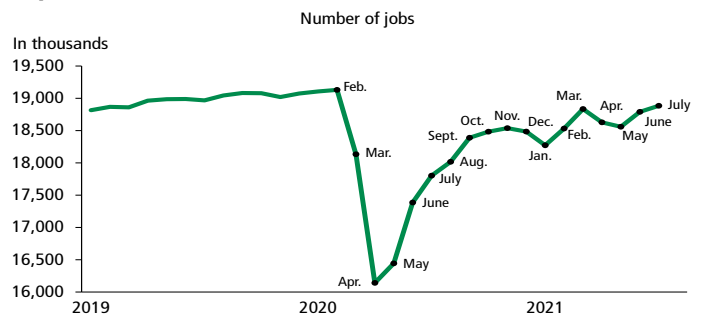
Even though Canada did relatively well on the employment front in July, forecasters expected it to do a lot better. July's gains certainly made up for the jobs lost during third-wave confinement in April and May, but not much more. There is room for improvement, and employment should stay robust in August.

However, there may also be a weaker growth in employment as the labour market recovers more slowly. There are many obstacles on the track. The federal government has just announced that some support measures for workers will be extended, which could prompt some of them to stay on the sidelines a bit longer. Many sectors are also reporting labour shortages, leading to imbalances and no doubt curbing hiring and the creation of new jobs.

### IMPLICATIONS

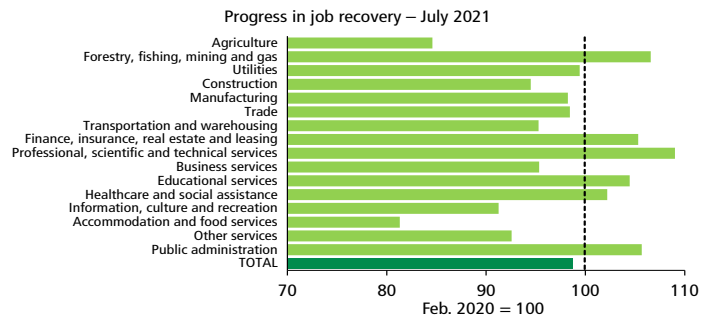
We will have to keep a close eye on the next few months' results to get answers to our questions. The impact of the recent new surge in COVID-19 cases is also uncertain. For the moment, however, there is no need to worry.

**GRAPH 1**  
The jobs losses caused by the third wave have now been wiped out



Sources: Statistics Canada and Desjardins, Economic Studies

**GRAPH 2**  
The recovery varies by economic sector



Sources: Statistics Canada and Desjardins, Economic Studies