

## ECONOMIC NEWS

# Canada's Job Market Ends 2021 on a High Note

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### HIGHLIGHTS

- ▶ Canada added 54,700 jobs in December, beating analyst expectations once again.
- ▶ The goods-producing sector posted a gain of 44,200 positions, mostly in construction (+27,100) and manufacturing (+10,500). The services-producing sector saw an increase of 10,600. Educational services added 17,300 jobs.
- ▶ The unemployment rate dipped from 6.0% to 5.9%, just 0.2% shy of its pre-pandemic level. That said, the unemployment rate is already below the pre-pandemic mark in many provinces (Alberta, Saskatchewan, Nova Scotia, Prince Edward Island and Newfoundland and Labrador).
- ▶ For 2021 as a whole, the average unemployment rate came in at 7.5%. The country added 886,000 jobs on the year.

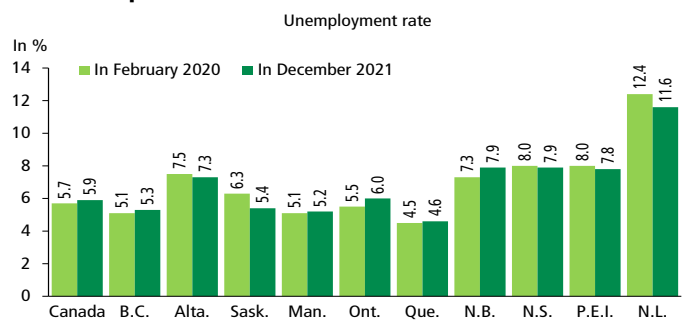
### COMMENTS

Canada's job market continues to surprise. After November's strong report (+153,700), most forecasters expected a modest gain in December, especially given residual supply chain issues stemming from the flooding in British Columbia. Instead, manufacturing added a reassuring 10,500 jobs.

But that doesn't tell the whole story. Total hours worked fell 0.3% in December, signalling slower output on the month. Meanwhile employment declined in a number of services-producing industries in December. The survey was conducted the week of December 5. That means Omicron couldn't be the culprit because new restrictions hadn't been introduced yet. Employment in the services-producing sector had recovered by September, however, which further limits their growth potential.

### GRAPH

**Unemployment is already below pre-pandemic levels in a number of provinces**



Sources: Statistics Canada and Desjardins, Economic Studies

### IMPLICATIONS

Overall, the December jobs report was good. But with the introduction of new public health measures nationwide, the labour market could be in for a bumpy ride early this year. This should prompt the Bank of Canada to leave rates unchanged at its next meeting on January 26. We'll have to wait and see what they say about a possible rate hike this spring.