

April 10, 2015

## CANADA

### Rise by employment beats expectations

#### HIGHLIGHTS

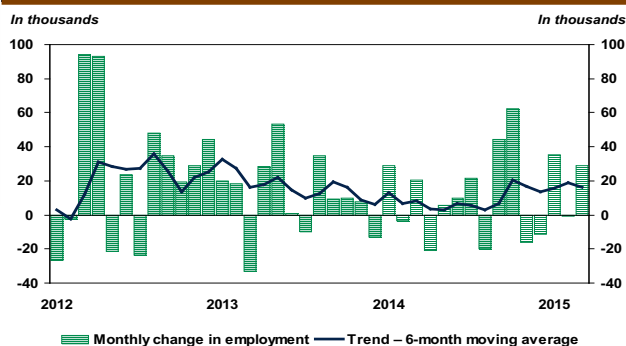
- The labour market created 28,700 jobs in March. However, many of these jobs are part time; the number of full-time jobs retreated by 28,200.
- The ranks of the self-employed contracted by 17,000 in favour of a 45,800 job gain in private and public employment.
- The goods sectors lost 16,500 jobs. The commodity sector was the only sector to advance during the month (+6,300 jobs).
- The service sector added 45,300 jobs.
- The unemployment rate is steady at 6.8%.
- Quebec created 5,300 jobs. The average for the last five months remains fairly high, at +9,100 jobs per month. However, the unemployment rate went from 7.4% in February to 7.5% in March.
- Ontario added 2,000 jobs in March; the unemployment rate there was flat at 6.9%.
- The western provinces created 20,300 jobs on contributions from all provinces.
- The Atlantic Provinces added 1,100 jobs, primarily focused in New Brunswick.

#### COMMENTS

Although we had been fairly upbeat about movement by employment in March, the data released this morning by Statistics Canada outstripped expectations. With March's job creation, the 6-month moving average (which provides an indication of the trend in employment) goes to 16,300 from 18,900 the month before. This level seems a little too high given the Canadian economy's recent growth and the adverse effects of the drop in oil prices.

However, there are some signs of weakness in March's results for the *Labour Force Survey*. For one thing, only half of the major activity sectors created jobs in March. The manufacturing sector, for instance, posted a second straight retreat by employment, which is worrisome given that a lot of hope is resting on manufacturing to support Canada's economy.

#### The trend for employment remains surprisingly good



Sources: Statistics Canada and Desjardins, Economic Studies

For another, although the western provinces posted good job creation, most of the new jobs are part time. This is especially true in Alberta, which added 19,900 part-time jobs and lost 18,400 full-time jobs.

Lastly, the annual change in the number of hours actually worked has been in negative territory for several months, attesting to a loss of vitality in the labour market.

**Implications:** Overall, the results for employment are still fairly good considering the problems affecting Canada's economy. We should start to see some slowing in the job market in the coming months. That being said, the situation in employment does not, for now, call for further action by Canada's monetary authorities.

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