

ECONOMIC NEWS

Canada: Close to a Million Jobs Created in June

HIGHLIGHTS

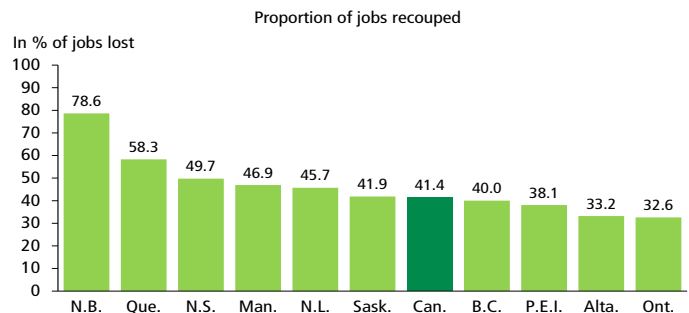
- ▶ June saw 952,900 jobs created in Canada, monthly growth of 5.8%. This gain comes on the heels of 289,600 new hires in May and a total of 3,004,500 layoffs in March and April.
- ▶ A large proportion of jobs created in June are in the services sector (+794,400 workers), including 222,100 in wholesale and retail, 163,700 in accommodation and food services, and 121,100 in healthcare and social assistance.
- ▶ The goods sector created 158,600 jobs, including 83,200 in construction and 81,300 in manufacturing.
- ▶ The unemployment rate fell in June to 12.3% from a peak of 13.7% in May. This decline was slowed by an influx of 786,300 people into the labour force. The participation rate rose from 61.4% to 63.8%.
- ▶ In Quebec, 247,500 jobs were created after a gain of 230,900 workers in May and layoffs totalling 820,500 in March and April. The unemployment rate fell from 17.0% in April to 13.7% in May and then 10.7% in June.
- ▶ Ontario recorded 377,900 new jobs after losing a total of 1,156,000 between March and May. That province's unemployment rate fell from a peak of 13.6% in May to 12.2% in June.

COMMENTS

The economic damage caused by the COVID-19 pandemic and by the measures to fight it is gradually diminishing. The creation of a total of 1,242,500 jobs in Canada in May and June is clearly a major step in this direction. Labour market growth was shared by all the provinces in June (as Ontario was still seeing layoffs in May). That said, there is still a long way to go. Just 41.4% of the jobs lost have come back, with the shortfall between current and February levels sitting at 1,762,000. The gap is even wider for some provinces, particularly Ontario, where just 32.6% of the jobs lost in March, April and May were recovered in June.

GRAPH

Many jobs have yet to come back



Sources: Statistics Canada and Desjardins, Economic Studies

Quebec is doing quite well in that respect, and its unemployment rate has fallen back below the national average.

In terms of sectors of activity, the rebound in employment was particularly strong in sectors that benefited most from the easing of health and containment measures. As a result, 56.5% of jobs in wholesale and retail trade were recouped, a slightly better result than in manufacturing (53.2%) and construction (49.7%). The proportion is just 33.4% in accommodation and food services.

IMPLICATIONS

Today's results are more good news for Canada's economy, which is slowly recovering from the problems caused by the COVID-19 pandemic. The labour market should continue to recover at a fairly good pace in the coming months. However, there is still a great deal of uncertainty as to the pandemic's evolution going forward and its effects on the economy.

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