

ECONOMIC NEWS

Employment Drops in December in Quebec and Ontario

HIGHLIGHTS

- ▶ Statistics Canada is reporting a loss of 16,800 jobs in December in Quebec, the second decrease in three months. It is distributed nearly evenly between full- and part-time work.
- ▶ The substantial decrease in the labour force (workers and job seekers), at 40,700, took the unemployment rate from 7.2% in November to 6.7% in December.
- ▶ Ontario saw a decline of 11,900 jobs, the first since June, just when Ontario's employment market had started to recoup the jobs lost during last spring's lockdown. The bulk of the losses are in part-time employment.
- ▶ In contrast with Quebec, the labour force expanded in December (+16,900), which took the unemployment rate from 9.1% to 9.5% in a month.

COMMENTS

In both Ontario and Quebec, employment mainly declined in services in December. A look at the year shows that, over one year, employment fell by 88,500 jobs in Quebec and 250,500 in Ontario. The hardest hit sector is accommodation and food services; it declined 36.5% in Quebec and 26.4% in Ontario from where it was 12 months ago. The onset of the second wave of COVID-19 meant stricter measures had to be imposed in the fourth quarter; this affected the employment market, with jobs contracting in October and December in Quebec, and in December in Ontario.

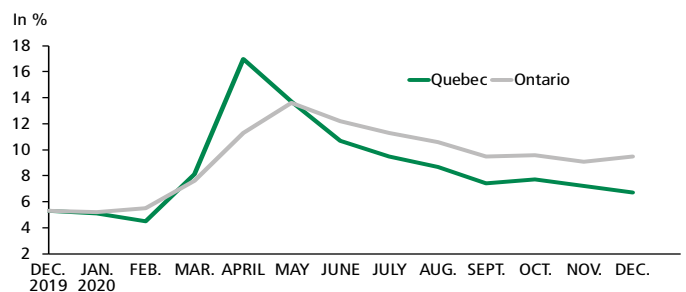
TABLE Employment growth

IN NUMBER	LAST 3 MONTHS	LAST 6 MONTHS	LAST 12 MONTHS
Quebec	-14,000	214,500	-88,500
Ontario	55,300	515,400	-250,500

Sources: Statistics Canada and Desjardins, Economic Studies

GRAPH

In December, the unemployment rate fell in Quebec and rose in Ontario



Sources: Statistics Canada and Desjardins, Economic Studies

IMPLICATIONS

To no one's surprise, 2020 ended on a more negative note with public health instructions being tightened. The even more restrictive measures ordered by the Quebec and Ontario governments to combat the spread of COVID-19, and effective in January, will trigger another temporary pullback in employment and, apparently, a rise by the unemployment rate in early 2021. At this point, it is hard to anticipate how big the job losses will be and draw comparisons with the spring of 2020. We will have to see how the new measures are applied, particularly in manufacturing, construction and retailing.

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