

ECONOMIC NEWS

Pace of hiring slows in Quebec and Ontario in February

HIGHLIGHTS

- ▶ According to the labour force survey, employment in Quebec declined in February (-11,100). This decline puts the brakes on seven consecutive months of growth.
- ▶ The unemployment rate ticked up from 6.2% to 6.4%. Keep in mind that the rate was 7.0% just seven months ago.
- ▶ In Ontario, blistering job growth in January (+28,800 jobs) gave way to a tepid rise in February (+4,600).
- ▶ The unemployment rate in Ontario shaved 0.2 of a percentage point to settle at 6.2%, the rate reached in November 2016.

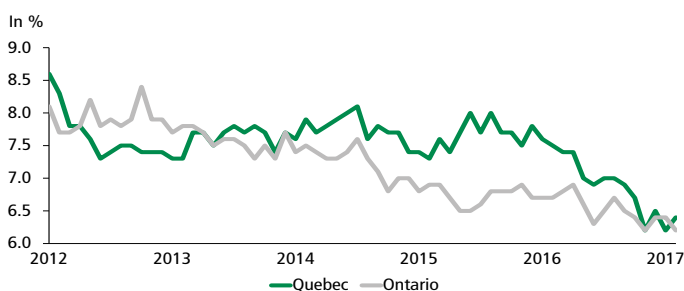
COMMENTS

Unsurprisingly, the labour market lost some of its vigour in February. The substantial gains recorded since last summer gave way to a decline in Quebec and a timid increase in Ontario. The same applies for the employment and participation rates, which showed little movement in both provinces. This lull was expected from month to month after several months of continued growth.

Despite the outcome that breaks with the pace of results recorded since mid-2016, the monthly average number of jobs created in the past six months is still high. Quebec's monthly average is 8,800 and in Ontario the figure is 16,017, or almost double. And while the unemployment rate in Quebec ticked up somewhat in February, unemployment has clearly been trending downward for the past few years (graph). The pace of the decline could fade over time, however. This is likely what we will be seeing in the next few months.

GRAPH

The downtrend in the unemployment rate is noticeable



Sources: Statistics Canada and Desjardins, Economic Studies

IMPLICATIONS

We had to expect a change of pace in the labour market after the consecutive gains recorded in the past few months. The overall environment is still positive despite this setback. The level of business confidence in Quebec and Ontario is still high. There is even a possibility that the Western provinces will firm up their trade with Quebec and Ontario in 2017. The U.S. economy is also performing well, but we will have to see if the fluid trade between both borders will be maintained. Employment gains are expected in the near term, but they could be limited. With unemployment rates hovering at 6% to 6.5%, it is becoming increasingly difficult to meet employers' needs, in addition to the scarcity of skilled.

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Labour market reference tables

TABLE 1
Variation by sector – February 2017

GAINING SECTORS	JOB CREATION SINCE		LOSING SECTORS	JOB CREATION SINCE	
	1 month	12 months		1 month	12 months
Canada					
Wholesale and retail trade	19,100	35,200	Construction	-8,500	-3,900
Public administration	11,900	65,200	Manufacturing	-5,200	-49,600
Transportation and warehousing	8,800	33,900	Accommodation and food services	-5,100	37,400
Health care and social assistance	8,300	44,400	Prof., scientific and technical services	-4,500	19,800
Quebec					
Wholesale and retail trade	11,600	36,300	Information, culture and recreation	-7,800	300
Business services	4,000	5,500	Other services	-7,500	11,900
Construction	2,400	-600	Educational services	-6,800	23,700
Transportation and warehousing	1,900	5,400	Finance, insurance, real estate	-4,300	14,000
Ontario					
Wholesale and retail trade	17,800	3,400	Construction	-23,000	-2,200
Health care and social assistance	12,900	45,600	Manufacturing	-6,800	-11,600
Public administration	5,100	30,400	Business services	-5,000	-18,200
Other services	3,400	19,700	Accommodation and food services	-2,900	14,000

Source: Statistics Canada's "Labour Force Survey"

TABLE 2
By sector

SEASONALLY ADJUSTED DATA	NUMBER OF JOBS	JOB CREATION SINCE				
	February 2017	1 month	3 months	Dec. 2016	12 months	12 months (%)
Total jobs						
Canada	18,288,600	15,300	109,700	63,600	288,100	1.6
Quebec	4,191,500	-11,100	10,600	-7,700	83,000	2.0
Ontario	7,079,800	4,600	39,800	33,400	107,500	1.5
Public sector employees						
Canada	3,674,100	-6,800	25,500	900	77,900	2.2
Quebec	906,800	-18,400	-9,500	-14,700	31,600	3.6
Ontario	1,319,800	-3,700	8,500	-500	10,200	0.8
Private sector employees						
Canada	11,863,000	16,700	86,400	49,100	253,000	2.2
Quebec	2,742,300	3,000	35,000	14,100	64,100	2.4
Ontario	4,677,400	12,300	36,600	33,800	122,300	2.7
Self-employed						
Canada	2,751,500	5,300	-2,200	13,500	-42,800	-1.5
Quebec	542,400	4,300	-14,900	-7,100	-12,700	-2.3
Ontario	1,082,600	-4,000	-5,400	100	-25,100	-2.3

Source: Statistics Canada's "Labour Force Survey"

TABLE 3
Recent trends

SEASONALLY ADJUSTED DATA	EMPLOYMENT Numbers	JOB CREATION SINCE			LABOUR FORCE		RATE (%)		
		1 month	3 months	12 months	Numbers	1 month*	Part.	Empl.	Unempl.
Canada									
Feb. 2016	18,000,500	3,300	18,700	110,900	19,400,200	15,000	65.8	61.1	7.2
March 2016	18,031,600	31,100	35,600	129,000	19,411,600	11,400	65.8	61.1	7.1
April 2016	18,035,500	3,900	38,300	140,200	19,411,600	0	65.8	61.1	7.1
May 2016	18,048,900	13,400	48,400	103,300	19,394,100	-17,500	65.6	61.1	6.9
June 2016	18,060,200	11,300	28,600	109,300	19,384,300	-9,800	65.5	61.1	6.8
July 2016	18,034,300	-25,900	-1,200	65,300	19,382,400	-1,900	65.5	60.9	7.0
Aug. 2016	18,069,800	35,500	20,900	84,300	19,433,300	50,900	65.6	61.0	7.0
Sept. 2016	18,134,400	64,600	74,200	153,100	19,495,200	61,900	65.7	61.1	7.0
Oct. 2016	18,181,300	46,900	147,000	165,000	19,546,300	51,100	65.9	61.3	7.0
Nov. 2016	18,178,900	-2,400	109,100	197,100	19,505,100	-41,200	65.7	61.2	6.8
Dec. 2016	18,225,000	46,100	90,600	229,000	19,566,600	61,500	65.8	61.3	6.9
Jan. 2017	18,273,300	48,300	92,000	276,100	19,597,700	31,100	65.9	61.4	6.8
Feb. 2017	18,288,600	15,300	109,700	288,100	19,574,700	-23,000	65.8	61.4	6.6
Quebec									
Feb. 2016	4,108,500	3,000	15,200	16,400	4,441,300	-1,000	64.7	59.8	7.5
March 2016	4,097,300	-11,200	-11,100	-1,600	4,426,000	-15,300	64.4	59.6	7.4
April 2016	4,102,100	4,800	-3,400	-11,200	4,431,800	5,800	64.4	59.7	7.4
May 2016	4,121,700	19,600	13,200	15,800	4,433,200	1,400	64.4	59.9	7.0
June 2016	4,111,600	-10,100	14,300	33,000	4,418,300	-14,900	64.2	59.7	6.9
July 2016	4,113,700	2,100	11,600	9,600	4,424,100	5,800	64.2	59.7	7.0
Aug. 2016	4,138,700	25,000	17,000	40,000	4,451,700	27,600	64.5	60.0	7.0
Sept. 2016	4,170,900	32,200	59,300	69,800	4,478,200	26,500	64.9	60.4	6.9
Oct. 2016	4,176,300	5,400	62,600	78,500	4,476,700	-1,500	64.9	60.5	6.7
Nov. 2016	4,180,900	4,600	42,200	87,600	4,456,600	-20,100	64.5	60.6	6.2
Dec. 2016	4,199,200	18,300	28,300	90,800	4,493,300	36,700	65.1	60.8	6.5
Jan. 2017	4,202,600	3,400	26,300	97,100	4,482,100	-11,200	64.9	60.8	6.2
Feb. 2017	4,191,500	-11,100	10,600	83,000	4,478,200	-3,900	64.8	60.6	6.4
Ontario									
Feb. 2016	6,972,300	-12,800	39,600	71,000	7,475,700	-13,000	65.2	60.8	6.7
March 2016	6,982,300	10,000	19,500	86,000	7,489,600	13,900	65.3	60.8	6.8
April 2016	6,980,400	-1,900	-4,700	91,000	7,500,300	10,700	65.3	60.8	6.9
May 2016	7,000,900	20,500	28,600	77,300	7,491,800	-8,500	65.1	60.9	6.6
June 2016	7,005,700	4,800	23,400	64,200	7,480,000	-11,800	65.0	60.8	6.3
July 2016	6,968,400	-37,300	-12,000	20,400	7,450,000	-30,000	64.6	60.4	6.5
Aug. 2016	6,983,700	15,300	-17,200	36,500	7,486,000	36,000	64.8	60.5	6.7
Sept. 2016	7,002,600	18,900	-3,100	85,100	7,492,500	6,500	64.8	60.6	6.5
Oct. 2016	7,028,100	25,500	59,700	88,200	7,509,200	16,700	64.9	60.7	6.4
Nov. 2016	7,040,000	11,900	56,300	107,300	7,508,000	-1,200	64.8	60.8	6.2
Dec. 2016	7,046,400	6,400	43,800	83,600	7,525,600	17,600	64.9	60.8	6.4
Jan. 2017	7,075,200	28,800	47,100	90,100	7,559,900	34,300	65.1	61.0	6.4
Feb. 2017	7,079,800	4,600	39,800	107,500	7,549,000	-10,900	65.0	61.0	6.2

Part.: Participation; Empl.: Employment; Unempl.: Unemployment; * Variation over a month.

Source: Statistics Canada's "Labour Force Survey"

TABLE 4
Other labour market indicators

SEASONALLY ADJUSTED DATA	LAST PUBLICATION		PREVIOUS DATA			
	Month	Level	-1 month	-3 months	-6 months	-12 months
Canada						
Average weekly wages (\$)	Dec.	1,105.59	1,091.14	1,089.15	1,097.83	1,105.73
Average hours worked in the manufacturing sector	Dec.	30.2	30.1	30.2	30.6	30.8
Quebec						
Average weekly wages (\$)	Dec.	1,033.09	1,021.69	1,039.81	1,033.81	1,024.05
Average hours worked in the manufacturing sector	Dec.	30.3	30.4	30.2	30.4	30.2
Ontario						
Average weekly wages (\$)	Dec.	1,133.74	1,118.52	1,109.66	1,129.58	1,143.91
Average hours worked in the manufacturing sector	Dec.	30.3	30.0	30.2	30.6	31.0

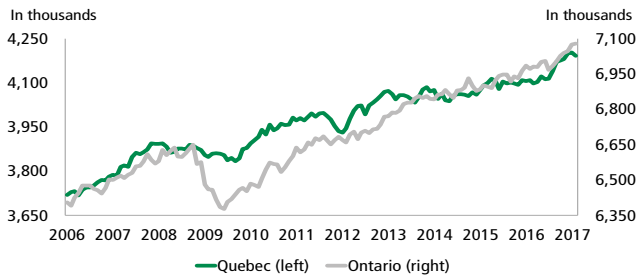
Source: Statistics Canada's "Survey of Employment, Payrolls and Hours"

TABLE 5
Annual data

	ANNUAL AVERAGES					
	2011	2012	2013	2014	2015	2016
Canada						
Total jobs	17,221,000	17,438,000	17,691,100	17,802,200	17,946,600	18,079,900
Job creation	256,700	217,000	253,100	111,100	144,400	133,300
Job growth (%)	1.5	1.3	1.5	0.6	0.8	0.7
Unemployment rate (%)	7.5	7.3	7.1	6.9	6.9	7.0
Quebec						
Total jobs	3,975,600	4,005,900	4,060,800	4,059,700	4,097,000	4,133,100
Job creation	37,700	30,300	54,900	-1,100	37,300	36,100
Job growth (%)	1.0	0.8	1.4	0.0	0.9	0.9
Unemployment rate (%)	7.9	7.7	7.6	7.7	7.6	7.1
Ontario						
Total jobs	6,658,400	6,702,600	6,823,400	6,877,900	6,923,200	6,999,600
Job creation	120,600	44,200	120,800	54,500	45,300	76,400
Job growth (%)	1.8	0.7	1.8	0.8	0.7	1.1
Unemployment rate (%)	7.9	7.9	7.6	7.3	6.8	6.5

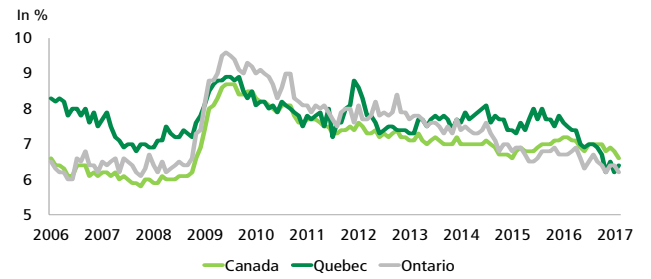
Source: Statistics Canada's "Labour Force Survey"

QUEBEC-ONTARIO
Level of employment



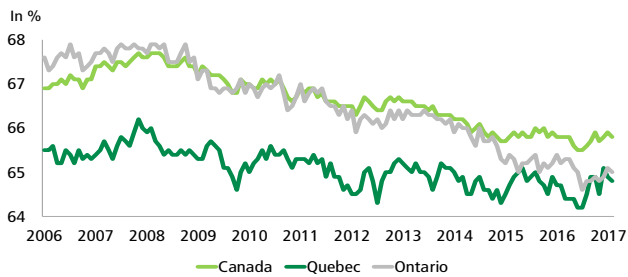
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA-QUEBEC-ONTARIO
Unemployment Rate



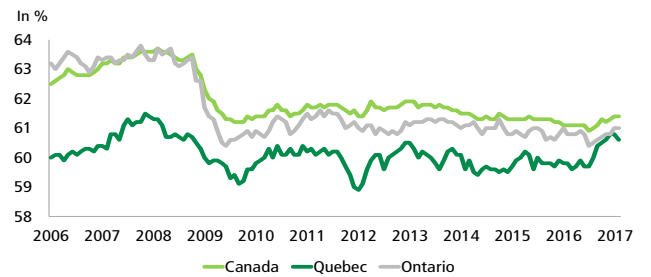
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA-QUEBEC-ONTARIO
Participation Rate



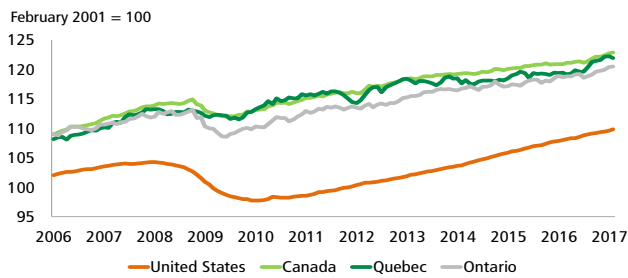
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA-QUEBEC-ONTARIO
Employment Rate



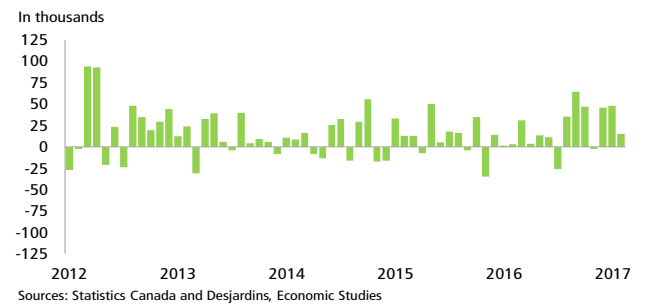
Sources: Statistics Canada and Desjardins, Economic Studies

UNITED STATES-CANADA-QUEBEC-ONTARIO
Employment Index



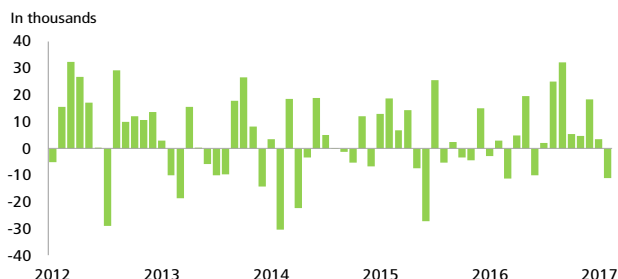
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA
Evolution of employment



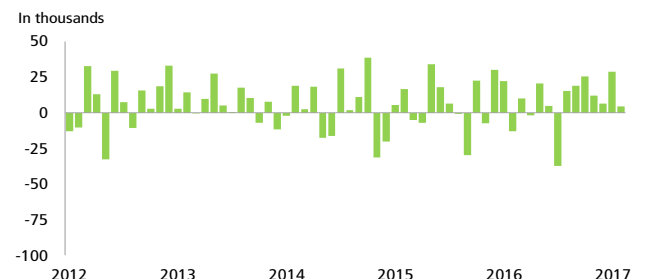
Sources: Statistics Canada and Desjardins, Economic Studies

QUEBEC
Evolution of employment



Sources: Statistics Canada and Desjardins, Economic Studies

ONTARIO
Evolution of employment



Sources: Statistics Canada and Desjardins, Economic Studies

TABLE 6
By province – February 2017

SEASONALLY ADJUSTED DATA	ACTUAL	PREVIOUS MONTHS			MONTHLY AVERAGES			EMPLOYMENT Since 1 year
		Jan. 2017	Dec. 2016	Nov. 2016	3 months	6 months	12 months	
Canada								
Total jobs	18,288,600	18,273,300	18,225,000	18,178,900	18,262,300	18,213,583	18,130,150	18,000,500
Job creation	15,300	48,300	46,100	-2,400	36,567	36,467	24,008	288,100
Unempl. rate (%)	6.6	6.8	6.9	6.8	6.8	6.9	6.9	1.6*
Newfoundland								
Total jobs	225,500	229,300	227,100	228,000	227,300	228,817	231,875	231,900
Job creation	-3,800	2,200	-900	-1,000	-833	-1,600	-533	-6,400
Unempl. rate (%)	14.2	13.8	15.1	14.7	14.4	14.5	13.5	-2.8*
Prince Edward Island								
Total jobs	73,000	72,700	72,100	71,500	72,600	72,033	71,650	71,600
Job creation	300	600	600	100	500	283	117	1,400
Unempl. rate (%)	10.0	9.8	10.5	10.6	10.1	10.5	10.7	2.0*
Nova Scotia								
Total jobs	445,900	452,700	448,500	448,100	449,033	447,400	446,975	444,200
Job creation	-6,800	4,200	400	2,700	-733	133	142	1,700
Unempl. rate (%)	8.1	7.7	8.3	8.0	8.0	8.0	8.2	0.4*
New Brunswick								
Total jobs	351,900	351,900	354,900	354,400	352,900	353,900	352,158	346,000
Job creation	0	-3,000	500	200	-833	-117	492	5,900
Unempl. rate (%)	8.9	8.9	9.3	8.8	9.0	9.2	9.5	1.7*
Quebec								
Total jobs	4,191,500	4,202,600	4,199,200	4,180,900	4,197,767	4,186,900	4,150,542	4,108,500
Job creation	-11,100	3,400	18,300	4,600	3,533	8,800	6,917	83,000
Unempl. rate (%)	6.4	6.2	6.5	6.2	6.4	6.5	6.8	2.0*
Ontario								
Total jobs	7,079,800	7,075,200	7,046,400	7,040,000	7,067,133	7,045,350	7,016,125	6,972,300
Job creation	4,600	28,800	6,400	11,900	13,267	16,017	8,958	107,500
Unempl. rate (%)	6.2	6.4	6.4	6.2	6.3	6.4	6.5	1.5*
Manitoba								
Total jobs	637,700	634,300	633,000	631,900	635,000	633,767	634,375	631,100
Job creation	3,400	1,300	1,100	-1,600	1,933	683	550	6,600
Unempl. rate (%)	5.8	6.1	6.3	6.1	6.1	6.2	6.2	1.0*
Saskatchewan								
Total jobs	575,500	567,500	568,200	569,000	570,400	569,333	569,033	566,700
Job creation	8,000	-700	-800	2,700	2,167	1,067	733	8,800
Unempl. rate (%)	6.0	6.4	6.6	6.8	6.3	6.6	6.4	1.6*
Alberta								
Total jobs	2,268,900	2,267,600	2,267,400	2,261,700	2,267,967	2,267,517	2,264,233	2,274,200
Job creation	1,300	200	5,700	-12,400	2,400	2,650	-442	-5,300
Unempl. rate (%)	8.3	8.8	8.5	9.0	8.5	8.7	8.3	-0.2*
British Columbia								
Total jobs	2,438,800	2,419,400	2,408,200	2,393,400	2,422,133	2,408,500	2,393,150	2,353,900
Job creation	19,400	11,200	14,800	-9,600	15,133	8,517	7,075	84,900
Unempl. rate (%)	5.1	5.6	5.8	6.1	5.5	5.7	5.8	3.6*

Unempl.: Unemployment; * Variation in employment over a year.

Source: Statistics Canada's "Labour Force Survey"