

ECONOMIC NEWS

As Expected, Employment in Quebec Declined in April, but Not as Much as in Ontario

By Joëlle Noreau, Senior Economist

HIGHLIGHTS

- ▶ Ontario lost 152,700 jobs following the tighter public health measures ordered by government authorities. This pullback almost wipes out the gains posted in March (+182,300).
- ▶ The Ontario unemployment rate jumped 1.5 percentage points to 9.0%, or a little under February's level (9.2%).
- ▶ In Quebec, the drop in employment is estimated at 13,300 in April.
- ▶ The unemployment rate ticked up, going from 6.4% in March to 6.6% in April.

COMMENTS

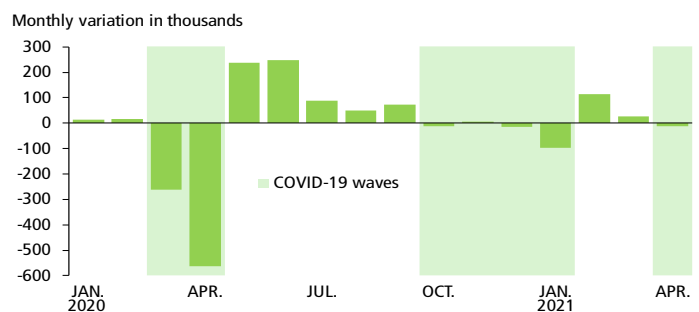
As in previous episodes of tighter public health measures, the retail, accommodation and food services, and information, culture and recreation sectors are bearing the brunt of the measures. It is worth noting that workplaces have learned to deal with the virus, and fewer sectors were shut down as was the case in spring 2020. Graph 1 shows that in Quebec, the extent of job losses decreased from one wave of the virus to another. In Ontario, the severity of the measures (extent and duration) for the third wave could lead to more job losses than in the second wave. May's data will confirm this forecast.

IMPLICATIONS

The job losses in April were expected. This is a temporary decline. It could be longer in Ontario, however, given the maintenance of very strict public health measures, at least until May 19. In Quebec, the easing of certain measures has already been announced, while others will take effect early next week. Quebec could therefore do better than Ontario in terms of jobs in May.

GRAPH 1

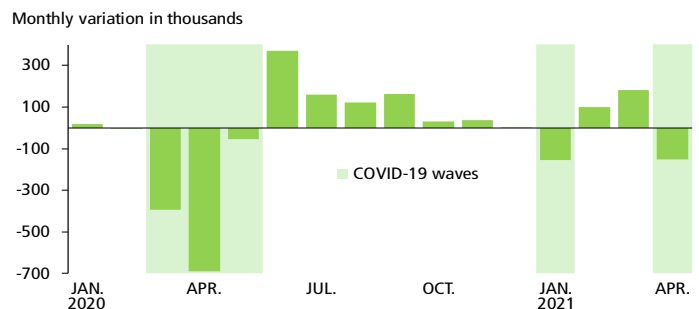
Quebec: Job losses decreased in magnitude from one wave of COVID-19 to the next



Sources: Statistics Canada and Desjardins, Economic Studies

GRAPH 2

Ontario: The third wave is likely to have a greater impact on employment than the second



Sources: Statistics Canada and Desjardins, Economic Studies

The labour market should pick up in early summer insofar as the spread of the virus is controlled and vaccination continues at a good pace.