

## ECONOMIC NEWS

# Unemployment Rate Climbed to 17.0% in Quebec and to 11.3% in Ontario in April

### HIGHLIGHTS

- ▶ Statistics Canada reported this morning that Quebec's unemployment rate rose to 17.0% in April, a record high since the labour force survey was introduced in 1976.
- ▶ Similarly, job losses reached 556,500, an unprecedented figure.
- ▶ The goods sector posted a monthly drop of 25.7%, while services recorded a 10.1% decrease.
- ▶ In Ontario, the unemployment rate spiked to 11.3%, nearing the record high of 12.4% dating back to December 1982.
- ▶ Last month, the province saw 689,200 job losses. The goods sector posted a decrease of 13.3%, and services recorded an 8.7% drop.

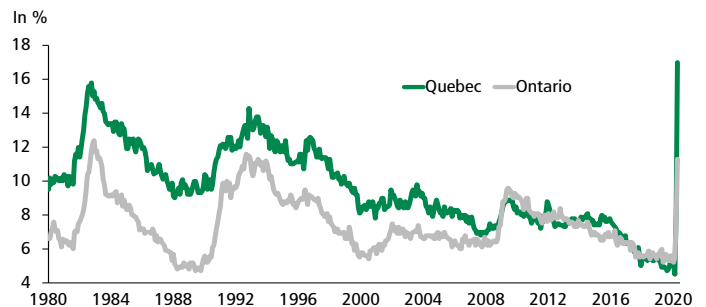
### COMMENTS

These exceptional figures reflect the exceptional times. The data released this morning are a blow, but the economy's gradual reopening has brought people back to work since late April.

The total job losses over the last two months stand at 820,500 in Quebec and 1,092,000 in Ontario. Quebec's most serious declines in April were seen in manufacturing (-113,800), construction (-107,800), wholesaling and retailing (-100,500) and accommodation and food services (-69,000). In Ontario, wholesaling and retailing lost the most jobs (-143,300), followed by manufacturing (-100,900), accommodation and food services (-96,200) and construction (-93,800).

### GRAPH

**Unemployment rates skyrocketed, but will slowly come back down**



Sources: Statistics Canada and Desjardins, Economic Studies

### IMPLICATIONS

Employment numbers were expected to plummet in April. While April's data are certainly dreadful, the situation is temporary. We already know that the labour market picture will be brighter in May for several reasons. First, the partial reopening of the economy, which began in late April in Quebec and, to a certain extent in Ontario, will bring people back to work. In addition, many businesses have taken advantage of the Canada Emergency Wage Subsidy, which covers up to 75% of employees' wages as of late April, allowing them to maintain the employment relationship and helping to reduce the unemployment rate. The situation will gradually turn itself around and, while the unemployment rate has skyrocketed, it will slowly come back down.

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