

ECONOMIC NEWS

Labour Market in May: Employment Drops in Ontario but Holds Steady in Quebec

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HIGHLIGHTS

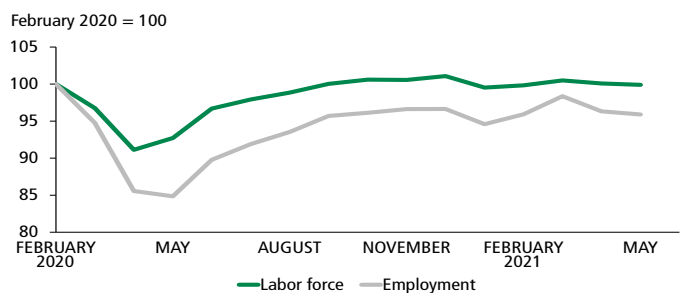
- ▶ Ontario lost an estimated 31,600 jobs in May. This decline brings the number of jobs lost over the past two months to 184,300 as a result of measures taken to fight the third wave of COVID-19.
- ▶ The unemployment rate rose from 9.0% in April to 9.3% last month, as the decline in the labour force was smaller than the decline in employment (-15,400).
- ▶ In Quebec, 8,000 jobs were lost, which is within the standard error calculated by Statistics Canada (21,200). For April and May, the total decline recorded is 21,300.
- ▶ Quebec's unemployment rate remains at 6.6%.

COMMENTS

Strict lockdown measures remained in place last month in Ontario, with the wholesale and retail trade (-26,000), information, culture and recreation (-21,100),

GRAPH 2

Ontario: In May 2021, employment reached 95.9% of the February 2020 level



Sources: Statistics Canada and Desjardins, Economic Studies

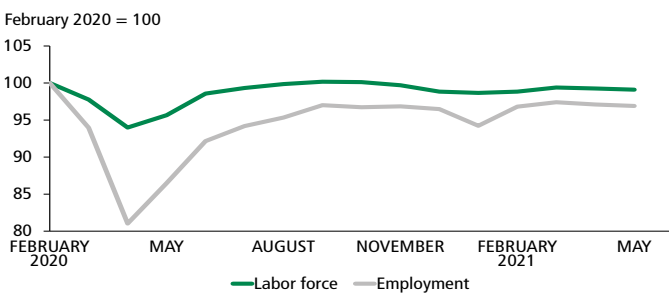
manufacturing (-14,300) and construction (-13,600) sectors suffering the most. In Quebec, declines were mainly observed in accommodation and food services (-16,400) and manufacturing (-13,600). For the month of May, employment in Quebec and Ontario stands at 96.9% and 95.9%, respectively, from the level recorded in February 2020.

IMPLICATIONS

In the current dynamic of lockdowns and their successive lifting, all eyes are on the next few weeks rather than the results of the past few months. June is expected to be positive for employment growth in Quebec, with the easing of public health measures and the opening of terraces and restaurants, under certain conditions. The prognosis is also positive in Ontario with the implementation of the first step of the Roadmap to Reopen, set to begin on June 14. However, this step will not be confirmed until a few days before the deadline. Clearly, the labour market continues to keep all observers on their toes.

GRAPH 1

Quebec: In May 2021, employment reached 96.9% of the February 2020 level



Sources: Statistics Canada and Desjardins, Economic Studies

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