

## ECONOMIC NEWS

# Employment: Catching Up in May in Quebec, But Ontario Continues to Slide

### HIGHLIGHTS

- ▶ After colossal losses of 820,500 jobs in March and April, the labour market won back some of the ground lost in Quebec in May with an increase of 230,900 jobs.
- ▶ The Quebec unemployment rate went from a record 17.0% in April to 13.7% in May.
- ▶ The employment and participation rates also made some gains.
- ▶ Statistics Canada reported a loss of 64,500 jobs in May for Ontario, which brings the losses to 1,156,500 in the past three months.
- ▶ The drop in employment combined with the increase in the labour force pushed the unemployment rate from 11.3% in April to 13.6% in May. Quebec and Ontario are almost at the same level.
- ▶ The employment rate dropped a bit while the participation rate improved somewhat.

### COMMENTS

The gradual lifting of lockdown measures had effects on the labour market in Quebec. May's gain brings the losses to 589,600 jobs since the February peak. As expected, the reopening of construction sites and some factories at the end of April contributed to gains in May of 57,900 jobs in construction and 56,100 in manufacturing. This is in addition to 53,600 workers in retail and 35,200 in education. In Ontario, the lag in the reopening of economic activity does not show any gains for May. The pullback in employment is sharper in business services (-33,200), professional, scientific and technical services (-20,200) and educational services (-16,900).

### GRAPH

**Quebec and Ontario: The five biggest variations in employment between February and May 2020**



Sources: Statistics Canada and Desjardins, Economic Studies

After three months of strict lockdown measures and gradual reopening, we can see that the sectors that suffered the heaviest losses are essentially the same in Quebec and Ontario. Accommodation and food services are in the lead, dropping 52.0% and 45.8% respectively, with other services (-25.6%) in Quebec and information, culture and recreation (-24.8% in Ontario) trailing significantly.

### IMPLICATIONS

This morning's data is already in the past. The data for June will, in all likelihood, be positive for both provinces based on the continued reopening.

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