

ECONOMIC NEWS

Record Unemployment Rate in Quebec in August, with Lively Jobs Growth in Ontario

HIGHLIGHTS

- ▶ According to the *Labour Force Survey*, Quebec's unemployment rate hit 4.7% in August, down 0.2 percentage points from the previous month.
- ▶ This sets a new record, not seen since this survey started compiling data in January 1976. It is also the lowest unemployment rate for the provinces in August.
- ▶ The estimate for Quebec job creation in August is 19,700, while the labour force grew by 10,600.
- ▶ Ontario led Canada on employment growth last month, adding 57,800 jobs. This follows two months of losses (June: -7,000 and July: -10,700).
- ▶ Ontario's unemployment rate went from 5.7% to 5.6% between July and August.
- ▶ Ontario posted interesting growth in employment and participation rates last month: both rates rose 0.4 percentage points, to 61.5% and 65.2% respectively.

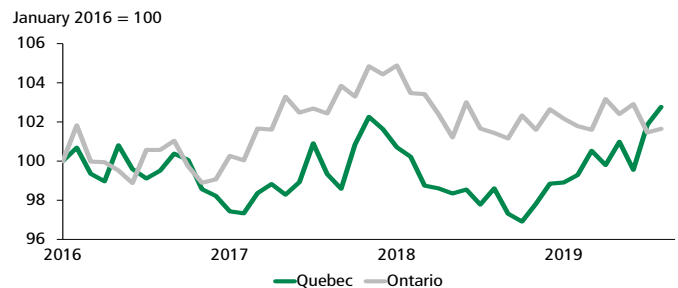
COMMENTS

August was a good month for the labour market. In Quebec, the biggest increases in employment came from finance, insurance and real estate services (+11,600), education (+9,400), and healthcare and social assistance (+7,400). In Ontario, notable increases were posted in wholesale and retail trade (+19,000), healthcare and social assistance (+13,900), and finance, insurance and real estate services (+13 000).

Manufacturing rarely sees spectacular gains but, month after month, the sector continues to hold up and even expand in Quebec. Despite the uncertainties over international trade and the scarcity of specialized workers, there is some resistance

GRAPH

Manufacturing employment is holding up despite the uncertainties, tense trade relations and labour shortage



Sources: Statistics Canada and Desjardins, Economic Studies

that is not being mentioned. We will have to see whether the harder tone in trade relations, increasing automation, the labour shortage and evolving situation alter this trend.

IMPLICATIONS

So far, since the start of 2019, 82 800 jobs have been created in Quebec, and 177 600 in Ontario. The labour market's strength reflects economies that continue to grow despite the prevailing pessimism. However, the pace of the gains recorded to date could flag as the effects of trade tensions materialize.

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