

ECONOMIC NEWS

Jobs Fall Slightly in Quebec, but the Unemployment Rate Remains Much Lower than in Ontario

HIGHLIGHTS

- ▶ The number of jobs in Quebec dropped by 12,900 in October, the first decrease since March and April. This followed a strong recovery in employment from May to September.
- ▶ A few sectors in Quebec shed jobs in October, with the biggest losses being felt in accommodation and food services (-41,600), information, culture and recreation (-11,400) and manufacturing (-9,600).
- ▶ The unemployment rate ticked up slightly from 7.4% in September to 7.7% in October.
- ▶ Ontario's unemployment rate stood at 9.6% in October, compared with 9.5% the previous month.
- ▶ Meanwhile, the province added 30,600 jobs in October, a major decrease from its gain of 167,600 jobs in September.

COMMENTS

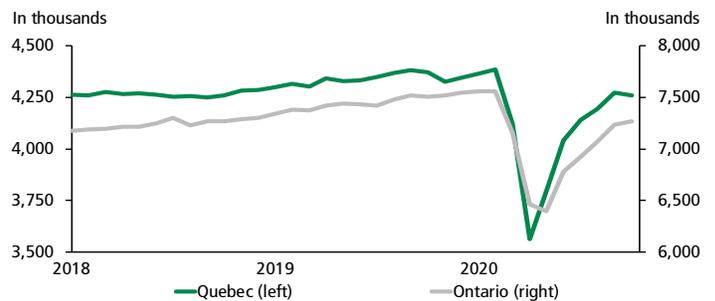
Quebec's job market was expected to deteriorate somewhat in October due to the measures implemented to rein in the impact of the second wave. The slight decrease in jobs and rise in the unemployment rate suggest that the damage was relatively contained compared to the spring, when non-essential activities were shut down.

However, the targeted closures of certain businesses and establishments in areas on maximum alert took another major tool on the accommodation and food services sector as well as the arts, entertainment and recreation industry.

Overall, the deterioration of Quebec's labour market in October was fairly limited. A number of sectors posted significant gains, which partially offset the major losses in certain industries.

GRAPH

Employment falls slightly in Quebec and continues to climb in Ontario



Sources: Statistics Canada and Desjardins, Economic Studies

Employment continued to grow in Ontario despite certain restrictions imposed in October, a strong result in the current climate. However, the province's 9.6% unemployment rate is relatively high compared to its pre-pandemic rate of 5.5% in February 2020.

IMPLICATIONS

October's figures confirm that the measures taken to control the repercussions of the second wave in Quebec will slow down the full recovery for employment, and likely for real GDP as well. However, Quebec has one of the lowest unemployment rates among all Canadian provinces. Its swift post-lockdown recovery put it in a strong economic position, and the temporary rise in the unemployment rate has been very limited so far.

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