

ECONOMIC NEWS

July Was a Good Month for Employment in Quebec, but Not Ontario

HIGHLIGHTS

- ▶ According to Statistics Canada, 16,600 jobs were created in Quebec last month.
- ▶ Due to an addition of 15,700 workers to the labour force, the unemployment rate stayed at a record low of 4.9%.
- ▶ Ontario shed 10,700 jobs, although this was below the standard error included in the *Labour Force Survey* ($\pm 20,400$).
- ▶ Ontario's unemployment rate rose from 5.4% in June to 5.7% in July, which was still below its level in April (6.0%).

COMMENTS

Despite July's contrasting results in Quebec and Ontario in terms of employment, in both cases, full-time jobs grew (18,200 and 36,600, respectively) to the detriment of part-time jobs (-1,600 and -47,400, respectively).

The trend over the last three months shows signs that the labour market is waning. Quebec saw a net creation of 6,800 jobs from May to July, compared with 3,200 jobs in Ontario. We will need to keep an eye on this situation.

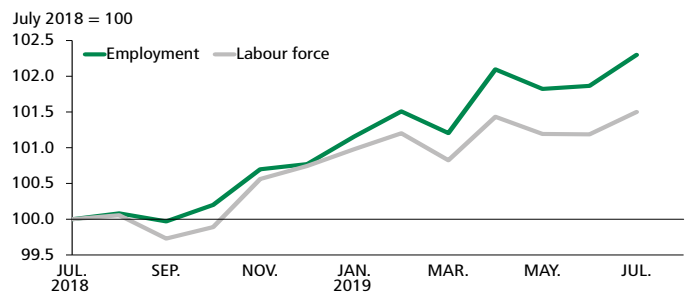
Gains in the last 12 months have been significant: the number of jobs grew by 95,900 in Quebec and by 117,800 in Ontario in the last year. Job growth in Quebec was higher than labour force growth (graph 1), which helped curb the unemployment rate. In Ontario, labour force growth outpaced that of new hires (graph 2), and the unemployment rate is currently higher than in July 2018.

IMPLICATIONS

The third quarter is starting off very differently in Quebec than in Ontario. Recent months have seen less prolific job creation, but

GRAPH 1

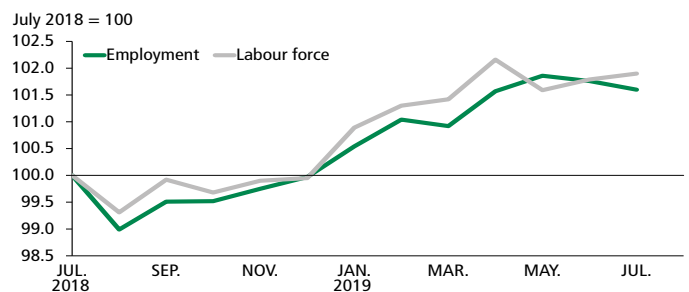
For the past year, job growth has outpaced labour force growth in Quebec



Sources: Statistics Canada and Desjardins, Economic Studies

GRAPH 2

In Ontario, labour force growth has remained higher than job growth for the past year



Sources: Statistics Canada and Desjardins, Economic Studies

it's important to remember that they were preceded by a banner period. It's therefore hardly surprising to see the labour market pause to catch its breath.

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