

## **Canadian Chamber Economic Update - Employment Report**

This morning's employment report surprised on the upside. Markets had been expecting a loss of 10,000 jobs but exactly the opposite happened -- 9,500 net new jobs were created in Canada in October. Despite the uptick, the unemployment rate edged up to 6.2% from 6.1% in September due to an increase in the number of people looking for work.

The goods-producing sector lost 26,800 jobs with construction, manufacturing, natural resources, utilities and agriculture all posting modest declines. The service sector added 36,300 net new jobs. The primary driver of employment growth in October was the public administration sector and this was largely due to short-term hiring related to the federal election.

On a regional basis, the only province to post a notable gain was Alberta (+14,700). There was little change in employment in the other provinces in either direction. Overall, seven of 10 provinces reported modest gains.

Since the beginning of 2008, 203,000 net new jobs have been created in Canada. In comparison, 338,000 net new jobs were created in 2007 over the same period.

Average hourly wages moderated only slightly to a 4.2% year-over-year increase (down from 4.3% in September) but well above the most recent increase of 3.4% in the Consumer Price Index.

Canada's economy is faring better than the U.S. U.S. payrolls declined by a staggering 240,000 in October, following the downwardly revised 284,000 drop in September. The unemployment rate jumped up to 6.5% from 6.1% in September and now stands at its highest level since March 1994. Average hourly wages rose 3.5% year-over-year from 3.4% in September despite the weak labour market conditions.