

Canada sheds 'woeful' 31,000 jobs; unemployment rate rises

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Canada's economy lost 31,000 jobs in July, due to a big drop in public administration positions as well as declines in Ontario and among younger workers.

Full-time work plunged by 71,000 spots and part time employment rose by 40,000.

The jobless rate rose to 6.9 per cent from 6.8 per cent in June, Statistics Canada said in its monthly labour report released on Friday.

"Another woeful jobs report in Canada for the month of July triggers further pessimism," Sherry Cooper, chief economist with Dominion Lending Centres, said in a research note.

The public sector shed 42,000 positions, with about half due to the decline in public administration employment at the municipality and regional level.

Some economists speculated that the decline was due to the 2016 census, which was conducted earlier this year and boosted hiring.

But Statscan said that was not the case.

"The occupations related to census in federal public admin did not drive the decline in July," said Andrew Fields, labour analyst with Statscan.

Ontario, the country's most populous province, saw 36,100 positions vanish in July with losses in the educational services, public administration, construction, finance, insurance and real estate sectors.

Employment gains in British Columbia and New Brunswick helped mitigate some of the Ontario declines. Alberta, which has suffered from weak oil prices, wildfires and flooding in Fort McMurray, shed 1,400 positions.

Although the monthly loss was relatively small, the western province has seen full time work decline by 5.4 per cent over the year. The unemployment rate shot up to 8.6 per cent, the highest level since September 1994.

Although July marked the third month the government was unable to collect data from oil centric Fort McMurray, StatsCan said this would not have a big impact on employment estimates as the city accounts for 2 per cent of the province's population.

Analysts had expected the country to create 10,000 jobs in July and the jobless rate to increase to 6.9 per cent.