

Canadian hiring rebounds; ‘economic lethargy’ still a concern

By Rachelle Younglai

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Canada’s economy reversed July losses and added 26,000 jobs in August, thanks to huge gains in the public sector and new positions in Quebec.

The unemployment rate rose as expected to 7 per cent from 6.9 per cent in July, according to Statistics Canada’s monthly labour force survey released on Friday.

The stronger-than-expected job numbers follow a month where the economy shed 31,200 positions, with big losses in full-time employment.

“It was encouraging to see a modest rebound in hiring,” said Brian DePratto, economist with Toronto-Dominion Bank.

Full-time work rebounded in August with 52,200 new jobs. Part-time employment declined by 26,000.

The public sector added 57,000 jobs, with 16,000 new public administration positions. Those new jobs were created despite a decline among interviewers and statistical clerks that were hired to conduct the 2016 Census.

The private sector added 8,000 jobs. Self-employment declined by 39,000 positions.

But despite the positive jobs report, Mr. DePratto said the country’s labour market remained “consistent with the economic lethargy that has characterized the first half of this year.”

Weak oil prices and wildfires in Alberta have underpinned Canada’s sluggish economy. The country’s gross domestic product shrank 1.6 per cent in the second quarter, its worst performance since the Great Recession.