

Canadian fulltime jobs rise to record levels

By Rachele Younglai

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Canadian employers added 396,800 full-time positions from October of last year, marking the strongest job growth since the turn of the century.

The last time the country saw such gains was in March, 2000, according to Statistics Canada's monthly labour report released on Friday.

The professional, scientific and technical industry helped drive the growth, expanding by 6 per cent or 85,300 positions. The net gains were in full-time work, the majority of which was in computer system design services.

"That is pretty meaningful," said Douglas Porter, chief economist with Bank of Montreal said of the employment gains in the sector.

For the 11th consecutive month, Canada added jobs. In October, 35,000 new positions were created, more than double analyst expectations.

Wages growth also improved. The average hourly wage rose 2.4 per cent to \$26.46 from October of last year, following September's year-over-year growth of 2.2 per cent.

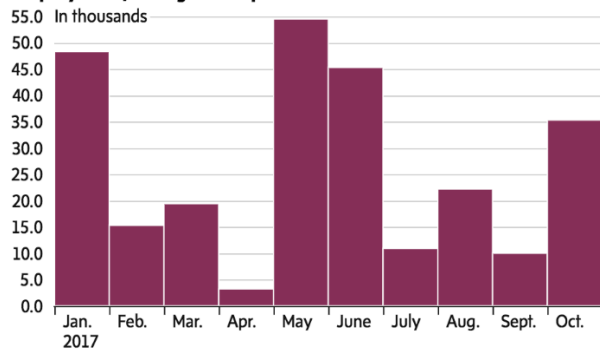
Quebec, Alberta and British Columbia had average hourly earnings rise by more than 3 per cent. Some of wage growth in the two Western provinces can be attributed to the recent mandatory minimum wage hikes. Alberta increased its minimum hourly rate by \$1.40 to \$13.60 an hour in October and B.C. raised its level by 50 cents to \$11.35 mid-September.

But in Ontario, wage growth was almost one percentage point below the national level even though the province also raised its minimum hourly rate and the jobless rate is hovering around multiyear lows.

"They are one of the provinces that has a quite low unemployment rate and strong job growth. Those two things don't seem to jibe all that well," said Josh Nye, an economist with Royal Bank of Canada.

Unemployment rates for other provinces such as Manitoba and British Columbia have been declining.

Employment, change from previous month



THE GLOBE AND MAIL, SOURCE: STATISTICS CANADA

Across the country, the jobless rate rose to 6.3 per cent in October from 6.2 per cent in the previous month as more people entered the labour market in search of employment.

But over all, the unemployment rate has remained close to the level seen before the Great Recession. At that time, wages were increasing around 4 per cent year over year.

It's not just Canada that is grappling with lower-than-expected pay increases. Other advanced economies such as the United States and Britain, are facing sluggish wage growth amid a strengthening jobs market.

"Probably something like 3 per cent or higher would be a bit more consistent with the tight labour market conditions we are seeing," said RBC's Mr. Nye. "It's a bit of a puzzle."

Given the unusually low inflation rate of 1.6 per cent, the recent spurt in wages means that

Canadian paycheques are keeping up with the annual pace of inflation.

The positive jobs report comes as other government data showed the economy contracting and exports declining.

Economists suggested that the weak exports would overshadow the job gains for the Bank of Canada's next interest-rate decision.

Over the summer and early fall, the central bank boosted rates twice, citing the improving economic landscape. At its most recent interest-rate-setting meeting at the end of October, the central bank left the rate unchanged at 1 per cent and said it would be guided by economic data, including the "dynamics of both wage growth and inflation."