

Canada's jobless rate hits lowest since 2008 as hiring spikes

By Josh O'Kane

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Full-time work has driven a year's worth of job gains in Canada, pushing November's unemployment rate to the lowest in nearly a decade.

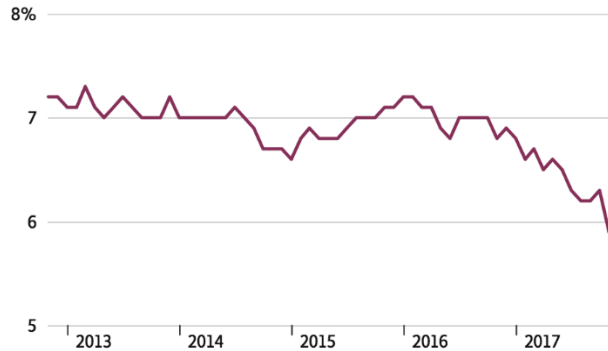
Canada's unemployment rate sank to the 5.9 per cent in November from 6.3 per cent in October, thanks to 79,500 new jobs. That rate is the country's lowest since February 2008, months before the Great Recession took its toll on the economy. While Statistics Canada's month-to-month labour force survey data tends to be volatile, the agency said the country had added 390,000 jobs over the 12 months through November, up 2.1 per cent, entirely attributable to 441,400 new full-time jobs.

Economists were quick to praise the hiring numbers. "It was the largest monthly increase in more than five years, and marked the 12th consecutive gain – an unusual streak that speaks of durability," said Sal Guatieri, senior economist with Bank of Montreal Capital Markets, in a research note.

Royal Bank of Canada economist Josh Nye described the job growth as reaching the stratosphere – but pointed to the average hourly wage growth of 2.7 per cent year-over-year as a sign that might stir Canada's central bank.

"If that trend holds up it will be hard for the Bank of Canada to remain on the sidelines much longer," he wrote in a note. "Our forecast assumes the bank will raise rates again in April when they have more information on NAFTA renegotiation and how households are handling this year's rate hikes. If anything, today's blockbuster employment report raises the risk of an earlier move."

Unemployment rate, Canada



THE GLOBE AND MAIL, SOURCE: STATISTICS CANADA

The demographics that saw the greatest job gains in November were women aged 55 or older, youth aged 15 to 24, and "core-aged" men aged 25 to 54. A number of industries helped drive job growth last month, including wholesale and retail trade, manufacturing, educational services, and construction; agricultural jobs, however, took a hit.

Ontario was Canada's job-gains leader, employing 44,000 more people, boosted largely by manufacturing and wholesale and resale trade; the province's unemployment rate was 5.5 per cent, its lowest since July 2000, Statistics Canada said. In adding 16,000 jobs, primarily in manufacturing and construction, Quebec's unemployment rate fell to 5.4 per cent – the lowest on record since the agency began collecting comparable data in 1976.

British Columbia and Prince Edward Island also saw gains, while other provinces, including Alberta, had little fluctuation. New Brunswick, which has long struggled to keep people working, lost 2,700 jobs last month.