

# Canada's jobless rate hits four-decade low as hiring surges

By Andy Blatchford

January 5, 2018 – *The Globe and Mail / The Canadian Press*

The unemployment rate fell to its lowest level in more than 40 years as Canada closed out a calendar year that saw it produce jobs at a pace not seen since 2002.

Statistics Canada reported Friday that the unemployment rate dropped to 5.7 per cent in December, down from 5.9 per cent the month before, to reach its lowest mark since comparable data became available in 1976.

“The books closed on a phenomenal year for Canadian employment with another spectacular result for December,” CIBC economist Nick Exarhos wrote in a brief report.

“In our judgement, that should be enough to see the Bank of Canada hike rates later this month, with the employment figures more than enough to offset recent disappointments on GDP.”

In December 2016, the unemployment rate was 6.9 per cent, the report said. The last time the jobless rate was 5.8 per cent was October 2007.

The unemployment reading fell last month as the economy generated 78,600 net new positions, including 23,700 full-time jobs.

By region, Quebec and Alberta saw the biggest increases last month with each province adding more than 26,000 new jobs. Quebec's unemployment rate fell 0.5 percentage points to

4.9 per cent, while Alberta's dropped 0.4 percentage points to 6.9 per cent.

The December reading marked the 13th-straight month of job gains, however, about half of those positive numbers were within the survey's margin of error.

For 2017, the agency's labour force survey said employment rose 2.3 per cent for its fastest growth rate in 15 years. The economy added 422,500 jobs last year with the gains driven by 394,200 new full-time positions.

By industry, factories saw employment increase 3.5 per cent in 2017, while the services sector experienced a boost of two per cent.

The survey also found that over the last year the number of employed people aged 55 and over rose 5.3 per cent. This exceeded the 2.9 per cent rate of population growth for the age group.

Among core-aged workers, those between the ages of 25 and 54, employment increased 1.6 per cent last year.

In a separate report Friday, Statistics Canada says the country's merchandise trade deficit widened to \$2.5-billion in November, compared to a \$1.6-billion deficit the month before, as imports outgrew exports.