

Canadian economy adds 15,400 jobs in February, unemployment rate dips

March 9, 2018 – *The Globe and Mail / The Canadian Press*

The economy added 15,400 net new jobs last month and the unemployment rate edged down to 5.8 per cent – but the gains were due to a surge in part-time work that offset a heavy decline in full-time positions.

Statistics Canada's latest labour force survey, released Friday, also found that the job gains in February were driven by an increase of 50,300 in public-sector jobs.

The country lost 39,300 full-time jobs and generated 54,700 part-time positions last month, the report said.

Looking back, the Canadian job market delivered a strong performance over a 12-month period by adding 282,500 positions for a 1.5 per cent expansion.

All of that year-over-year growth came from full-time work.

For February, the report also found that average hourly wage growth, which is under close watch by the Bank of Canada ahead of interest-rate decisions, stayed solid at 3.1 per cent. In January, wage growth hit 3.3 per cent following a steady flow of monthly increases after the indicator bottomed out at 0.5 per cent last April.

Last month's overall job growth, while small enough to be statistically insignificant, represents an improvement over the January report that showed a drop of 88,000 positions for the labour force's steepest one-month drop in nine years.

The February numbers nudged the national unemployment rate down to 5.8 per cent from 5.9 per cent in January.

By industry, the goods-producing sector shed 10,400 positions last month, led by a decline of 16,500 jobs in manufacturing, while the services industries added 25,900 jobs.

The survey also said the number of more-desirable paid employee jobs increased last month by 58,800 positions, compared to a decrease in self-employed positions of 43,300.

By region, there were very few changes in most provinces. New Brunswick saw the biggest increase – a boost of 1.5 per cent – as it gained 5,100 jobs.

Earlier this week, the central bank highlighted wage growth as one of the key data points that it will scrutinize ahead of future rate decisions.

The Bank of Canada kept its trend-setting rate at 1.25 per cent on Wednesday after introducing three hikes since last summer.

The central bank said more interest rate hikes will likely be necessary over time despite mounting protectionist and competitiveness uncertainties that have clouded the economic outlook.

It said it will proceed cautiously and continue to be guided by incoming data, such as the economy's sensitivity to higher rates, the evolution of economic capacity and changes to wage growth and inflation.