



**Canadian Fluid
Power Association**

**Association canadienne
d'énergie des fluides**

Employment Edges Up in October; Manufacturing Sheds 7,700 Workers

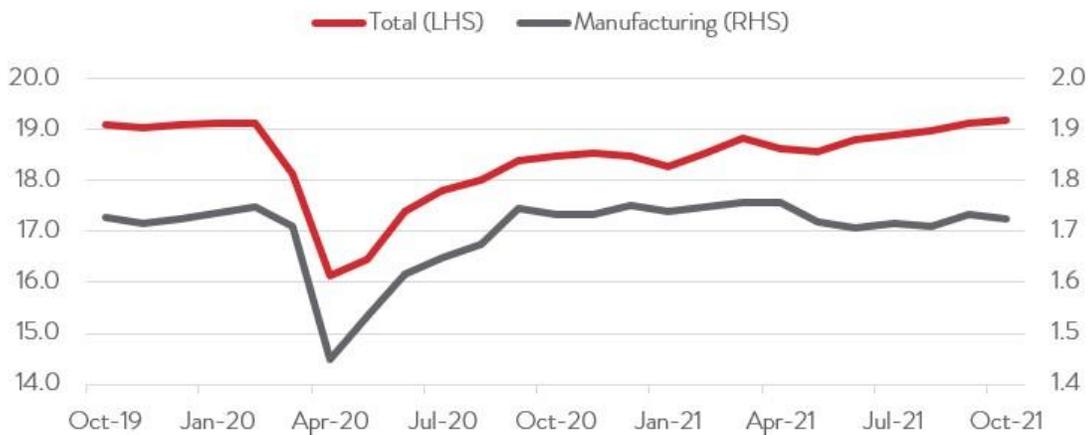
HIGHLIGHTS

- Employment rose by 31,200 (+0.2%) in October, building on the 157,100 gains in September.
- Manufacturing shed 7,700 workers last month, down for the second time in three months.
- The headline unemployment rate decreased from 6.9% in September to 6.7% in October, while the unemployment rate in manufacturing fell from 4.5% to 3.7%.
- Wage growth in manufacturing increased 0.5% month-over month and 1.6% year-over-year.
- Ontario, BC and New Brunswick saw the biggest headline job gains, while Quebec posted the largest decline in manufacturing employment.
- Canada's job market continued to make gains in October, and further advances are expected over the coming months, assuming provinces continue to ease public health restrictions. While this is bullish for job growth in the services sector, hiring activity in manufacturing may continue to be weighed down by ongoing supply chain disruptions.

ECONOMY ADDS 31,200 JOBS IN OCTOBER

Employment rose by 31,200 (+0.2%) in October, building on the 157,100 gains in September. This pushed employment 0.2% above its pre-pandemic level. The services sector accounted for all the job gains, led by wholesale and retail trade (+80,500), other services (+20,600), and information, culture and recreation (+15,100). This was partly offset by losses in accommodation and food services (-27,000), business, building and other support services (-22,800), and professional, scientific and technical services (-21,800).

EMPLOYMENT – CANADA (millions, seasonally adjusted)



Sources: CME; Statistics Canada.

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MANUFACTURING SECTOR LOSES JOBS FOR SECOND TIME IN THREE MONTHS

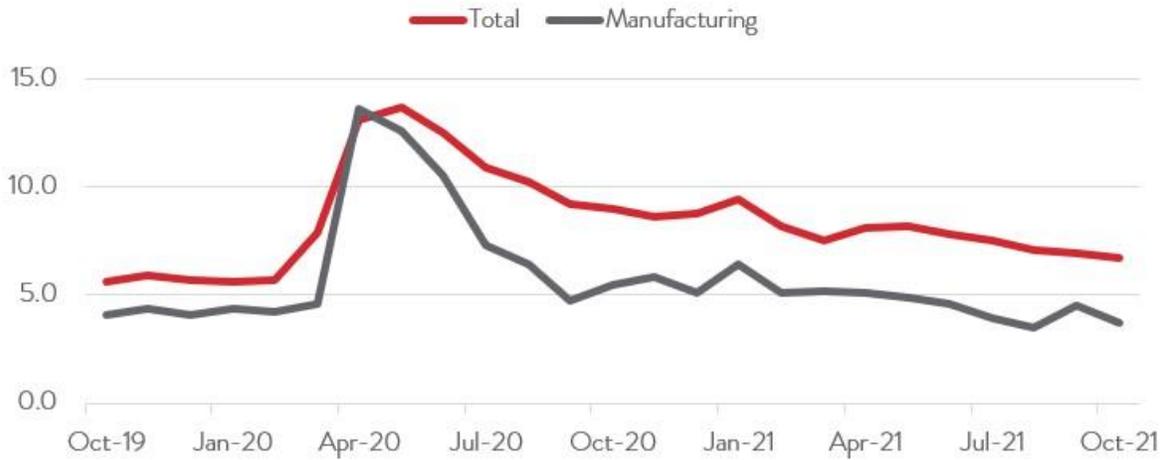
Manufacturing shed 7,700 workers last month, the second decline in three months. This is yet more evidence that the sector's recovery has struggled to gain traction. In fact, the manufacturing sector has lost 25,900 jobs since the start of this year.

UNEMPLOYMENT RATE HITS 20-MONTH LOW

The headline unemployment declined for the fifth straight month, falling from 6.9% in September to 6.7% in October, a 20-month low and within 1.0 percentage points of the rate in February 2020. At the same time, the unemployment rate in manufacturing fell from 4.5% to 3.7%, the biggest one month fall since February 2021.

UNEMPLOYMENT RATE – CANADA

Canada (% , seasonally adjusted)



Sources: CME; Statistics Canada.

MANUFACTURING WAGES CLIMB HIGHER IN OCTOBER

Tight labour markets continued to put upward pressure on wages in the manufacturing sector. The average hourly wage rate in manufacturing increased from \$29.17 in September to \$29.31 in October, up 0.5% month-over-month and 1.6% year-over-year. This is a deceleration from 2.2% year-over-year growth in September.

AVERAGE HOURLY WAGE RATE – CANADA

manufacturing (seasonally adjusted, all employees)



Sources: CME; Statistics Canada.

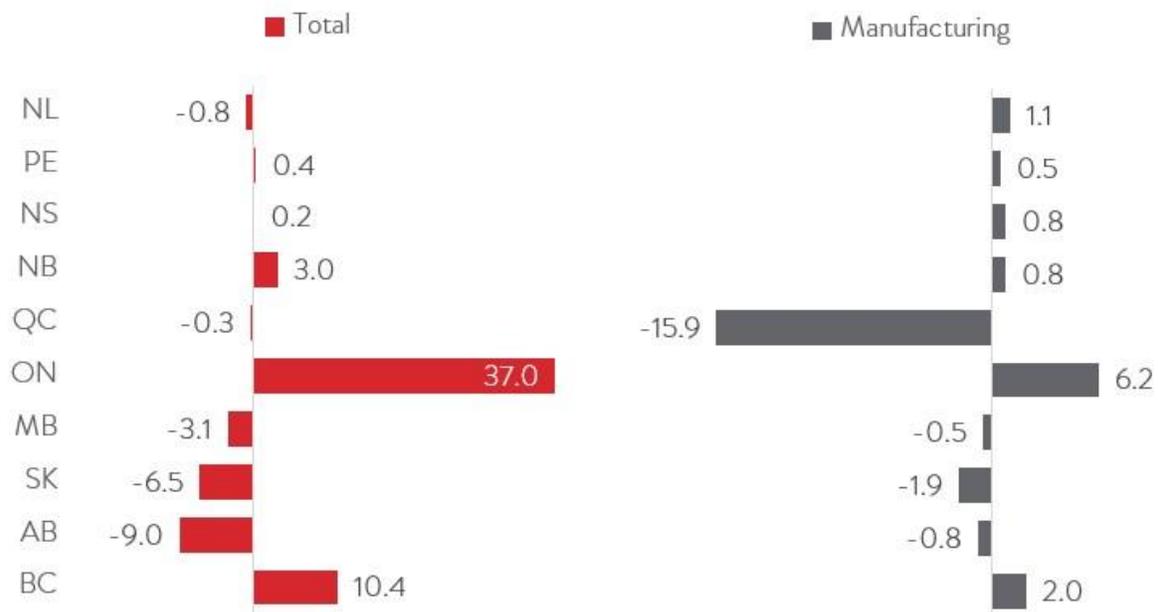
ONTARIO ADDS THE MOST JOBS IN OCTOBER

The job gains spanned 5 of 10 provinces, led by Ontario, BC, and New Brunswick. Employment in Ontario rose for the fifth consecutive month (+37,000), bringing total gains since May 2021 to 353,000. The increases were concentrated in the services-producing industries, particularly in retail trade. BC employers added 10,400 workers to their payrolls in October, with an increase in full-time employment more than offsetting a decline in part-time work. Employment in New Brunswick increased by 3,000 in October, the second consecutive monthly increase. On the negative side, it was a tough month for the prairie provinces, with employment falling in Alberta (-9,000), Saskatchewan (-6,500), and Manitoba (-3,100).

In the manufacturing sector, employment was down in just 4 of 10 provinces. Manufacturing employment in Quebec declined by 15,900, the biggest decrease since April 2020. The losses elsewhere were much more modest, with manufacturing employment down 1,900 in Saskatchewan, 800 in Alberta, and 500 Manitoba. At the other end of the spectrum, manufacturers in Ontario added 6,200 workers to their payrolls, the first increase since July 2021.

EMPLOYMENT BY PROVINCE, OCTOBER 2021

(m/m change in 000s, seasonally adjusted)



Sources: CME; Statistics Canada.