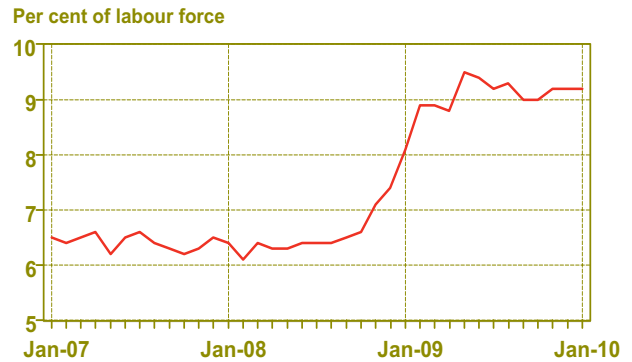


**Employment, Ontario**



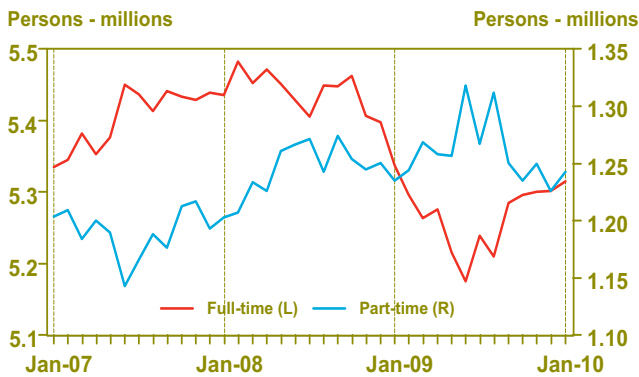
Source: Statistics Canada. Note: Seasonally adjusted.

**Unemployment Rate, Ontario**



Source: Statistics Canada. Note: Seasonally adjusted.

**Full-time and Part-time Employment, Ontario**



Source: Statistics Canada. Note: Seasonally adjusted.

Employment edged up during January, but mainly in the part-time segment and among younger workers. The retail and wholesale trade industry saw a large increase in the month. It's uncertain whether these developments are related, but the trade sector definitely employs a considerable part-time labour force. The unemployment rate was unchanged from December at 9.2%.

Stepping back from some of the monthly swings in the LFS sample, which is too small in our opinion, the underlying trend is toward labour demand growth in the context of considerable supply or underutilized labour resources. Since the worst of the labour market in the second quarter last year, labour demand is up between 1% and 2% depending on the measure used – employment or total hours worked. The labour force participation rate is potentially nearing a bottom at 67%, down from above 68% in a better economy, and will rise when job opportunities are more plentiful. The unemployment rate looks likely to remain elevated for this reason and with economic recovery expected to be moderate in 2010.

Toronto's economy continues to generate more job opportunities than the rest of the province, and January

Today's **Labour Force Survey (LFS) release** reflects a sporadic improvement in the labour market and, by implication, Ontario's economy. Private investment in commercial buildings shot up in the final month of an otherwise down year in 2009. The latest regional population estimates revealed a substantial disparity in growth performances.



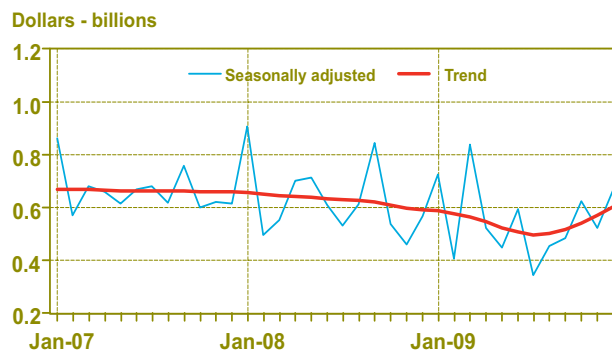
was no different. Toronto's employment was up 0.8% from December, while the rest of Ontario saw job gains of just 0.2%. Last year, employment in Toronto declined 1.1%, but a 3.4% drop was seen in the rest of the province. Toronto's unemployment rate is higher at 9.3% this January versus 9.1% in the other regions, while last year these figures averaged 9.5% and 8.7%, respectively. Toronto's higher unemployment rate reflects its greater attraction to the unemployed on account of its more diversified economic base and more plentiful job prospects.

**Building permits** issued during December benefited from a 55% surge in commercial buildings, while public permits activity fell back 24%. However, the residential sector continues to show the best trend performance and, with the housing market's resurgence, looks to hold up for several more months. Private sector investment will not be surging very soon, since those market conditions are weak.

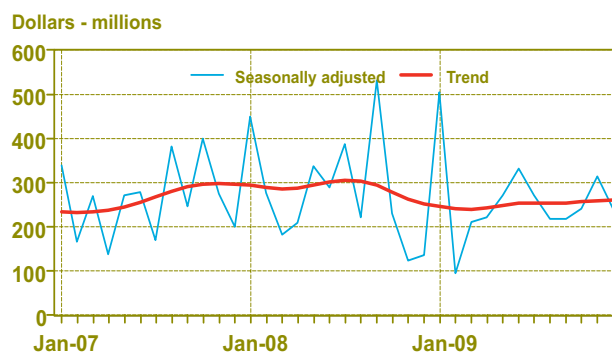
Statistics Canada released its **annual population estimates** for the sub-provincial areas and the results for Ontario are quite diverse, but not unexpected. The fastest growing economic region is Toronto at 1.7% in the year ending June 30, while the Northwest region saw a 0.6% contraction. Population growth rates below zero are associated with a net out-migration and four regions of Ontario experienced a loss in population during 2008/09. In some cases, these losses extend into prior years and are likely correlated with a weak labour market performance.

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### Private Non-residential Building Permits Issued, Ontario



### Public Non-residential Building Permits Issued, Ontario



### Population Growth by Economic Region, Ontario

Economic Region	2005	2006	2007	2008	2009
Ontario	1.1	1.1	1.0	1.1	1.0
Ottawa	0.5	0.7	0.8	1.1	1.1
Kingston-Pembroke	0.3	0.3	0.2	0.3	0.3
Muskoka-Kawarthas	1.0	0.6	0.0	0.3	0.2
Toronto	1.6	1.7	1.8	1.8	1.7
Kitchener-Waterloo-Barrie	1.8	1.4	1.1	1.2	1.1
Hamilton-Niagara Peninsula	0.9	0.7	0.4	0.6	0.5
London	0.8	0.8	0.6	0.7	0.7
Windsor-Sarnia	0.5	0.2	-0.4	-0.4	-0.5
Stratford-Bruce Peninsula	-0.1	0.1	0.0	0.0	-0.1
Northeast	0.1	0.1	-0.3	-0.2	-0.3
Northwest	-0.2	-0.5	-1.0	-0.4	-0.6

Source: Statistics Canada. Note: Population as of July 1.