



## Highlights

- Ontario's unemployment rate at 10.2 per cent – highest rate since August 2020
- Province lost 153,500 net jobs, mainly in client-facing sectors
- Pandemic deflated export sales by 10.6 per cent in 2020

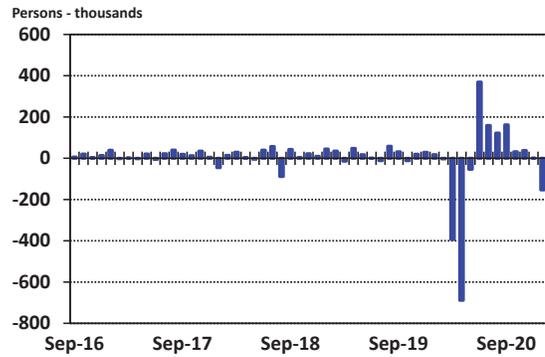
## Ontario suffers deepest job losses since April

According to the latest Labour Force Survey from Statistics Canada, Ontario lost 153,500 net jobs in January – the steepest month job losses since early the pandemic. Moreover, the unemployment rate jumped to 10.2 per cent (up 0.6 percentage points) – the highest since August. The job losses were almost entirely in part-time work (152,700 net job losses), the services-sector (125,200 net job losses) and in the private sector (169,200 net job losses). Job losses in the private sector were partially offset by modest gains to public sector hiring (up 700 net new jobs) and self-employed workers (up 14,900 net new jobs).

Increased public health measures and the lockdown in late December deflated labour market strength over the autumn months. It's worth also noting, the labour force fell by 123,400 net potential workers which is the steepest fall since April. Dim prospects in many sectors due to new restrictions handcuffing economic activity meant many potential workers became discouraged and exited the labour market.

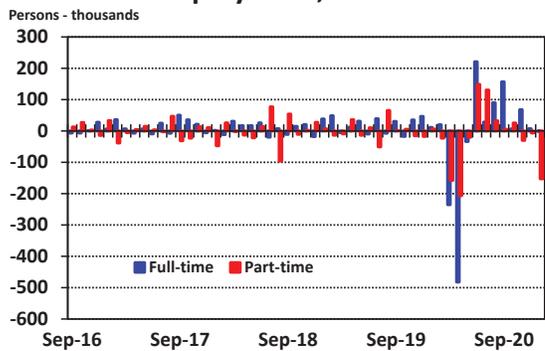
Job losses were severe in the services sector and occurred almost entirely in client facing sectors: trade and accommodation and food services. The goods-sector was relatively unscathed (28,400 net job losses) with most of the dismissals occurring in manufacturing (17,700 net job losses).

## Change in Employment, Ontario



Source: Statistics Canada, Central 1 Credit Union. Latest: Jan.-21. Changes shown here are month to month

## Change in Full-time and Part-time Employment, Ontario



Source: Statistics Canada, Central 1 Credit Union. Latest: Jan.-21. Changes shown here are month to month

As has been the trend during this pandemic, there is high demand for services sector jobs (e.g. health care and social services which were up 17,400 net jobs), or those that can pivot to online such as finance, insurance, and real estate (up 8,700 net jobs) and public administration (up 2,700 net jobs). These sectors have remained largely untouched.

Ontario's February job figures are likely to show further losses as public health restrictions remain largely in place due to the second wave of COVID-19. A less than adequate vaccine roll out will continue to endanger the Ontario jobs market and cause deeper scarring into 2021, slowing down the post-pandemic recovery.

## Exports sales growth modest in December

Ontario exports increased by a very modest 0.4 per cent in December as several large sectors saw export sales volumes fall. This marked two consecutive months of modest month-over-month sales growth. On the other hand, imports rebounded strongly in December, increasing by 2.2 per cent.

Exports with the U.S. increased robustly (up 1.4 per cent) but trade with the rest of the world excluding the U.S. fell by 2.6 per cent, more than offsetting increased trade with Americans.

With December data now available, here are some annual figures:

- Exports fell 10.6 per cent
- Imports fell by 7.4 per cent
- Trade with the U.S. fell 10.6 per cent while trade with the rest of the world excluding the U.S. fell 9.8 per cent

In December seven of the 12 sectors surveyed posted weaker export sales. The following large sectors posted significant fluctuations in sales in December:

- Metal and non-metallic mineral products (down 3.8 per cent)
- Consumer goods (down 3.3 per cent)
- Motor vehicle and parts (up 4.2 per cent)
- Industrial machinery, equipment, and parts (down 2.6 per cent)

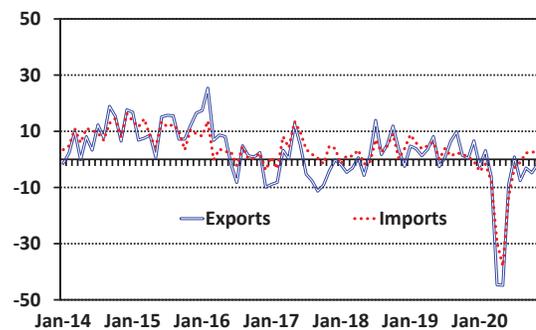
Weaker business investments pulled down industrial machinery, equipment and parts exports as well as metal and non-metallic mineral product exports. Weaker production and demand for new cars and parts drove down motor vehicle and parts exports as well as metal and non-metallic mineral products.

In 2020, of the 12 categories surveyed export sales increased in only three areas:

- Farm, fishing, and intermediate food products (up one per cent)
- Forestry products and building and packaging materials (up 3.2 per cent)
- Consumer goods (up 6.4 per cent)

## International Merchandise Exports, Ontario

Year-over-year per cent growth (%)



Source: Statistics Canada, Central 1 CU.  
Latest: Dec.-20

In 2020, consumers using e-commerce more broadly supported consumer goods sales. Increased new home construction supported lumber and building products exports. Finally, food exports increased as consumers shifted from restaurant purchased food to food purchased from supermarkets.

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