

## **Canadian economy adds 93,200 jobs in June; loonie jumps after employment report**

By Julian Beltrame, The Canadian Press

OTTAWA - Canada enjoyed another big month for employment in June, churning out a whopping 93,200 new jobs — almost all in Ontario and Quebec and all in the services sector.

The strong performance brings the jobless rate to 7.9 per cent, the first time it has been under eight per cent since the depths of the recession in January 2009.

The Canadian dollar rose sharply after the Statistics Canada report. A few minutes before the release, the loonie was trading overseas just below 96 cents US and jumped more than half a cent after the jobs report came out.

Canada's dollar was at 96.71 cents US shortly before the official open of trading Friday, up about a cent from the previous close of 95.79 cents

With the employment gains in June, the Canadian economy has recouped almost all the jobs that were lost during the economic contraction that began in the fall of 2008.

But Statistics Canada noted that the unemployment rate remains well elevated above the 6.2 per cent that existed in October 2008 because many more Canadians have since joined the labour force.

Still, the quickly improving labour market likely gives the Bank of Canada all the evidence it needs to raise its key interest rates by another quarter-point to 0.75 per cent on July 20 in order to keep inflation in line.

There were a number of surprises in the Statistics Canada report.

Economists had expected a modest pick-up in the range of 15,000 new jobs because several economic indicators, including retail sales, exports and building permits, have been weak since March.

Also, the 109,000 additional jobs created in April suggested a pay-back was in order.

The other surprise was that the jobs were all concentrated in Ontario and Quebec, despite the fact that manufacturing actually shed workers during the month.

Ontario gained 60,300 workers, slicing the province's unemployment rate 0.6 points to 8.3 per cent.

Meanwhile, Quebec gained 30,400 new jobs, bringing its unemployment rate to 7.8 per cent.

This was accomplished without any help from the manufacturing sector, a mainstay in both provinces, as factories actually shed 14,300 jobs overall in June.

All of the new jobs were in the services, including retail and wholesale trade, business building and other support services, health care, social assistance and other services, such as auto repair and personal care.

The agency said the new jobs were split between full-time and part-time, with more than half private sector.

There was also a big increase in student employment — 63,000 more last month than was the case in June last year.

However, there were setbacks. There were 10,200 fewer working in the goods producing industries last month, with losses in the factories sector leading the way.

Regionally, other provinces didn't fare as well as Canada's two most populous, with most recording slight gains and Newfoundland and New Brunswick outright job losses.