



BRIEF # 1

The Impact of the Pandemic and the Rebound

The confinement imposed by the Québec government to slow down the pandemic and the deaths caused by COVID 19 led to an 18% decline in employment in March and April 2020 in Greater Montréal – the sharpest drop since the shock of 1929. The number of hours worked likely fell by more than one-third. Employment bounced back strongly between May and October, but the confinement required by the second wave of the pandemic pushed it back down between October and January 2021. In May 2021, after 15 months, net job losses in Greater Montréal were 27,100, or 1.2%.

-1.2%

After an 18% drop, employment rebounded strongly. Net job losses after 15 months of pandemic amount to -1.2%.



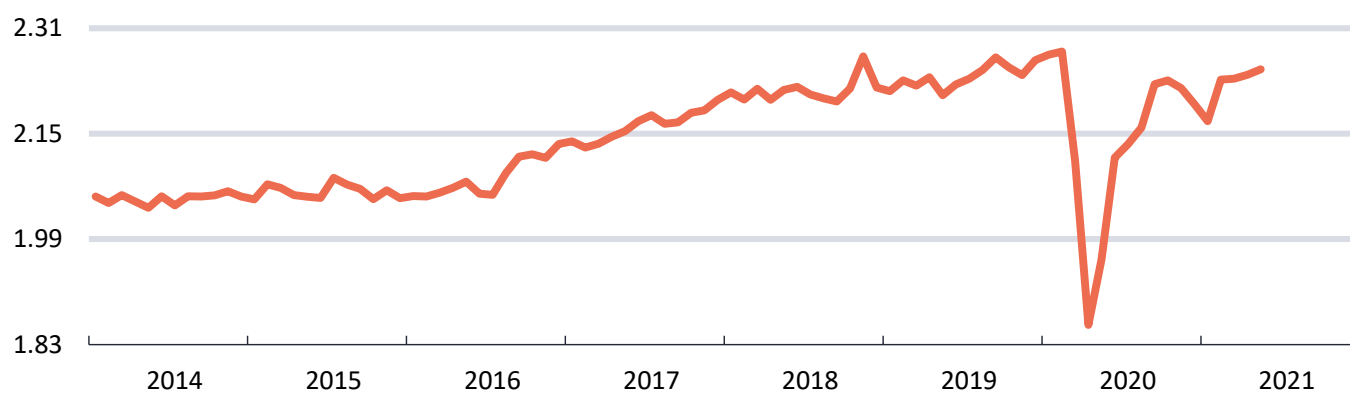
Industries Hit at Various Degrees

The industries hardest hit by the confinement were services provided in person, i.e. accommodation and food services, personal care, arts and entertainment, retail trade and passenger transportation, as well as construction and manufacturing. The blow was lighter in industries characterized mainly by office jobs that lent themselves to remote work, such as professional and financial services. Once the economy gradually opened up again, most industries began hiring, but services that involve extensive personal contact, such as retail and those depending on tourism, have yet to recover.

The manufacturing sector has recovered and manufacturing employment exceeds its pre-pandemic level by more than 5%. Non-durable goods industries rebounded, especially food and clothing, while durable goods still lagged behind. The aerospace industry, Montréal's main exporter, was hard hit by the abrupt decline in air transportation, forcing carriers to ground their fleets and slash their capital investment plans. Moreover, since aircraft manufacturing is a fragmented process spread around the world, the aeronautics industry was crippled as borders slammed shut to contain COVID 19. The industry is unlikely to see a return to pre-pandemic employment levels until 2023 at the earliest.

EMPLOYMENT IN GREATER MONTREAL

Millions, seasonally adjusted



Source: Statistics Canada, *Labour Force Survey*.

Processing: CMM, 2021.

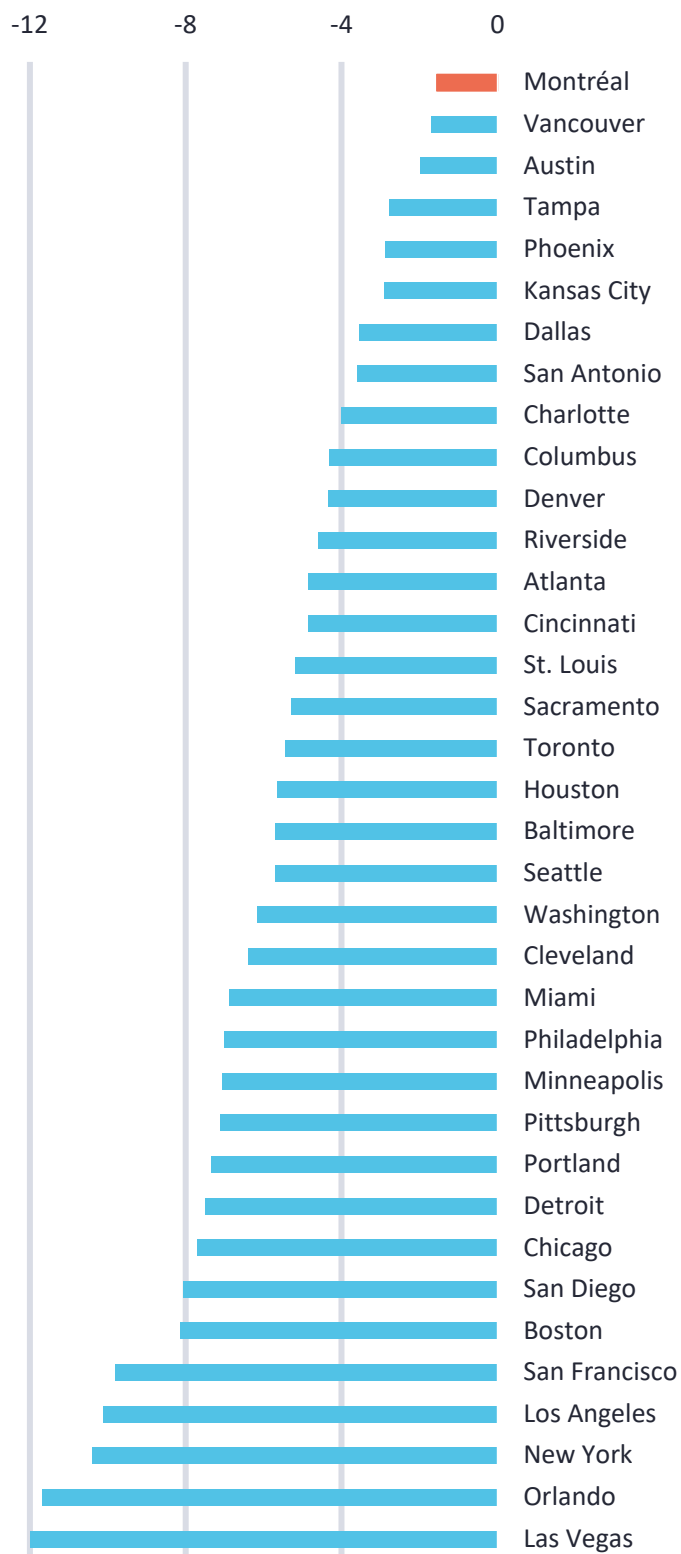
Strong Bouncing Back

The metropolitan economy has bounced back strongly since the end of the first confinement imposed at the start of the pandemic. In April 2021, Montréal posted the lowest job losses (-1.6%) of all metropolitan areas with populations of over 2 million in Canada and United States. In May 2021, with a rate of 61.8%, employment reached 98.8% of its pre-pandemic levels (in Canada and the United States, the averages were 97.0% and 95.5% of their pre-pandemic levels, respectively). Some employees in the hardest-hit industries apparently shifted into growing industries. Aside from the industries mentioned above, business support services and construction have added jobs since the onset of the pandemic.



EMPLOYMENT BY METROPOLITAN AREA

Percentage change from February 2020 to April 2021



Sources: Statistics Canada, *Labour Force Survey*, and US Bureau of Labor Statistics, *State and Area Employment, Hours, and Earnings*
Processing: CMM, 2021

Next: Greater Montréal driving job creation in Québec