



Labour Market & Economy Report

Quarter Three 2025

Canadian employment fell by 45,900 jobs in Q3 2025, a sharp reversal from the 99,300 jobs gained in Q2. The information, culture and recreation sector experienced the largest decline, shedding 40,200 jobs, while the accommodation and food services sector saw the strongest growth, adding 23,100 jobs during the quarter. The labour market continued to experience headwinds throughout the third quarter due to factors such as uncertainty regarding international trade policies.

The unemployment rate increased from an average of 6.9% in Q2 2025 to 7.0% in Q3 2025.

Among the industries Actalent supports, Q3 2025 unemployment rates were as follows: healthcare (1.7%), utilities (2.5%), professional, scientific and technical services (3.0%), manufacturing (3.7%), and construction (6.4%).

Year-over-year inflation remained close to the Bank of Canada's (BoC) 2.0% target in July and August but picked up in September, reaching 2.4%. After holding its key interest rate steady in July, the Bank of Canada lowered the policy rate by 25 basis points at its September meeting, citing signs of a weakening economy, softening labour market and reduced inflationary pressures. Despite the higher consumer price index in September, many economists still anticipate another interest rate cut at the next BoC meeting.

The year-over-year average hourly wage rate for all employees increased by 3.3% from Q3 2024 to Q3 2025, unchanged from the annual wage growth observed in Q2. In terms of "real" earnings (adjusted for inflation), wages continue to outpace inflation.



45.9K

Jobs Lost in Q3

Employment in Canada fell by 40,800 jobs in July and 65,500 in August, before increasing by 60,400 in September. This resulted in a net loss of 45,900 jobs in the third quarter of 2025, following growth in the first two quarters of the year.



65.2%

Q3 Labour Force Participation Rate

The labour force participation rate averaged 65.2% during Q3 2025, just slightly below the Q2 average of 65.3%.



7.0%

Unemployment Rate

The unemployment rate averaged 7.0% in Q3. The unemployment rate reached 7.1% in August and September, the highest since May 2016 (excluding the pandemic years of 2020 and 2021). Youth (15-24 years old) saw the sharpest increase, although the rate for core-age adults (25-54) is also elevated.



1.1M

Q3 Monthly Average Job-Leavers

An average of 1.1 million workers left their jobs each month during Q3 2025, unchanged from the Q2 average.

A Note on Comparability

Why Canadian data should not be compared directly to United States data

Canada labour market data is collected and analysed by Statistics Canada. United States data is collected and analysed by the United States Bureau of Labor Statistics. Both agencies use different methods and concepts, so data should not be compared directly.

For example, the US unemployment rate was 3.9% in April 2024 (BLS), and the Canada unemployment rate was 6.1% (StatCan); however, a StatCan report states that, “the unemployment rate, adjusted to US concepts, was 5.1% in Canada in April.” This report provides Canadian statistics without adjustments to US concepts.

Quarter Three Market Trends

A closer look at
unemployment by industry
and labour category



Overall Unemployment Rate

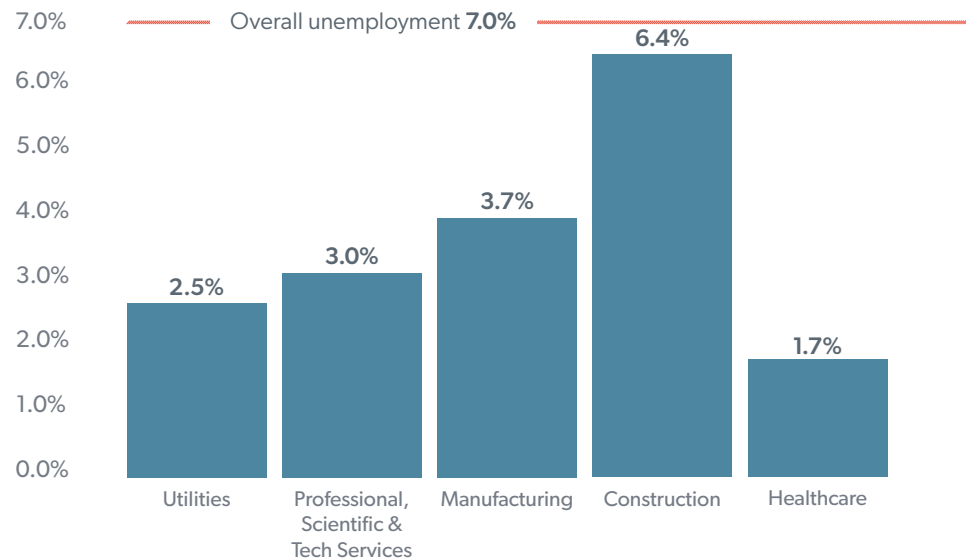


Unemployment Rate for Degreed
Workers (Bachelor's degree or
higher) in 2024

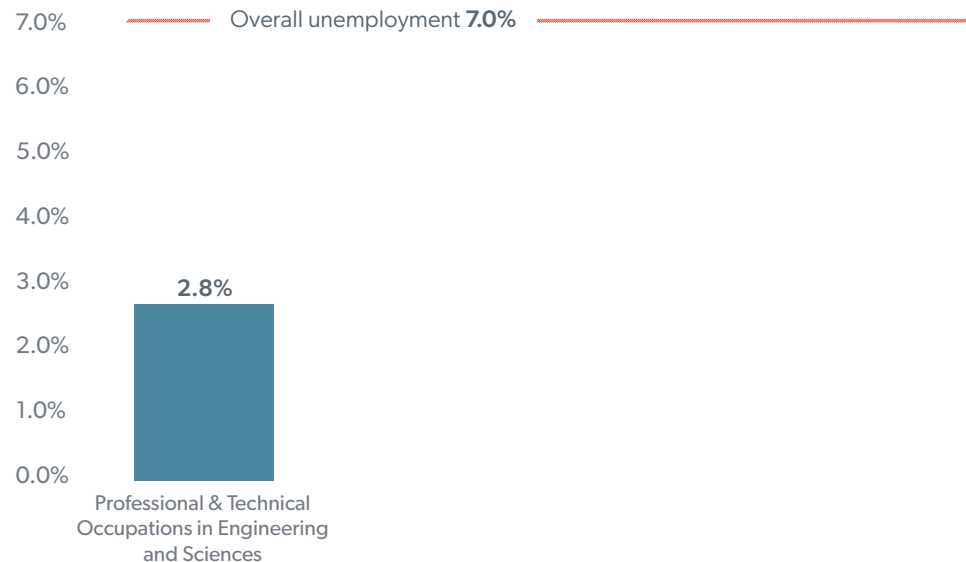


Ratio of Unemployed Workers
(Natural and Applied Sciences
and Related Occupations)
available per job opening
July to September 2025

Unemployment rates by industry



Unemployment rates by labour category



Due to frequent data revisions and statistical noise on a month-to-month basis, Actalent employs a rolling 3-month average to best represent unemployment by labour category or industry.

Industry Trends

OVERALL ECONOMY

In Q3 2025, Canadian employment declined by 45,900 jobs, the labour force participation rate averaged 65.2% and the unemployment rate increased to a three-month average of 7.0%. The unemployment rate in August and September, 7.1%, was the highest since May 2016 (excluding the pandemic years of 2020 and 2021). The net loss of 45,900 jobs marks the weakest quarter since the pandemic. Although employment increased by 60,400 in September, exceeding expectations, it was not enough to fully offset the cumulative loss of 106,300 jobs in July and August. In response to signs of economic weakness, a softening labour market and easing inflationary pressures, the Bank of Canada lowered its policy rate by 25 basis points at its September meeting.



UTILITIES

Investments in Canada's energy supply chain are fueling demand for workers in utilities and supporting industries. GE Vernova is investing \$22.2 million to expand its hydropower and grid equipment facilities in Sorel-Tracy and La Prairie, Quebec. The Sorel-Tracy expansion will maintain 75 jobs and create 28 new positions. Hitachi Energy is investing \$270 million to expand its Varennes, Quebec large power transformer facility, nearly tripling production capacity and creating 500 new jobs. Northern Transformer Corporation has broken ground on a \$207 million large power transformer facility in Innisfil, Ontario, expected to create 151 jobs. Meanwhile, Exxon Mobil plans to cut about 2,000 jobs globally as part of its long-term restructuring plan, impacting an estimated 900 workers at Calgary-based Imperial Oil Ltd.



CONSTRUCTION

Data on the construction industry shows mixed performance. On one hand, investment in building construction grew year-over-year (YoY) by 9.0% in July and 8.7% in August, driven primarily by residential investment, which rose 12.3% YoY in both months. In contrast, non-residential investment saw modest YoY gains of 1.8% in July and 1.1% in August. Meanwhile, building permits, a leading industry indicator, declined YoY by 6.2% in July and 2.4% in August, signaling near-term caution among developers, particularly homebuilders. PowerCo Canada awarded two major contracts for its \$7 billion EV battery gigafactory in St. Thomas, Ontario. Steelcon Group of Companies will provide structural steel work and Magil Construction Canada Inc. will lead foundations work for the project, supporting hundreds of jobs.



HEALTHCARE

Employment in the healthcare and social assistance sector declined by 16,500 jobs in July, before rebounding with gains of 3,300 in August and 13,900 in September. While the reason for July's decline is not fully understood, it likely reflects broader cooling in the labour market. As of September, the sector accounted for 22% of total year-over-year job growth. Job postings for healthcare workers rose 4% in Q3, with notable increases in demand for pharmacy assistants (+10%), pharmacy technicians (+5%) and medical lab techs (+13%).



EoQ = End of Quarter
YoY = Year over Year

Industry Trends, continued

ENGINEERING AND SCIENTIFIC R&D SERVICES

Architecture & Engineering: Job postings in the architectural, engineering and related services industry increased 3% between July and September, with notable increases for civil engineers (1,046 new postings), mechanical engineers (522) and drafters (499). The JGC Fluor Joint Venture was awarded the contract to update the Front End Engineering and Design (FEED) for a proposed Phase 2 expansion of the LNG Canada facility in British Columbia. More than 35,000 workers helped build Phase 1. In Ontario, Stantec was selected by Peel Region to provide engineering services, program management, environmental assessment, design and construction administration for over 100 projects in a water and wastewater infrastructure program, supported by R.V. Anderson Associates Ltd. (RVA) and GEI Canada (GEI).

Scientific R&D: Between July and September, job postings increased 8% in the medical equipment and supplies manufacturing industry but declined in pharmaceutical and medicine manufacturing (-18%), scientific R&D services (-17%) and medical and diagnostic laboratories (-8%). The Ontario government is investing \$5 million to support the outfitting of a new wet lab at the University of Ottawa's Advanced Medical Research Centre (AMRC), expected to create 750+ jobs. CDMO Delpharm received an additional contribution of \$60 million from the Quebec government—bringing total investments to \$220 million—to modernize its Boucherville facility, preserving over 500 specialized jobs.



AEROSPACE & DEFENCE

The Government of Canada has awarded two contracts to MDA Space to equip Halifax-class ships with up to six Uncrewed Aircraft Systems (UAS), supporting an estimated 145 jobs annually over the next 20 years. The RCN will retire eight warships this fall, with plans underway to introduce new, modern warships to its fleet. In July, Bombardier inaugurated its Innovation and Design Centre in Greater Montreal, a facility with specialized equipment and full-scale cabin mockups to support confidential experimentation, development and testing of new aircraft innovations. In September, SEA Canada opened a new manufacturing facility in Ottawa, where it will produce its torpedo launcher system (TLS) and Ancilia trainable decoy launcher, contributing to job creation and strengthening the capital's defence sector.

EMPLOYMENT DATA
NOT AVAILABLE

C&IP

Overall: After recording a net decline of 58,100 jobs between January and August, Canada's manufacturing sector added 27,800 jobs in September. Many economists say the September data suggests some manufacturers are holding up in the near term, but one month's growth is not enough to signal recovery. Amid ongoing uncertainty related to tariffs, trade policy and weak market demand, many firms are operating "lean" by implementing layoffs or not replacing job-leavers. Still, Q3 saw several notable investments: Ranovus will create 125 new jobs through a \$100 million expansion in Ottawa; Chapman's will create 200 new jobs through a \$200 million expansion in Markdale; and ABB will support 600 existing jobs while adding new roles through its \$130 million investment to expand R&D and production capacity in Montreal.

Automotive: The Government of Canada is removing the 2026 target from the Electric Vehicle Availability Standard (EVAS) and has launched a 60-day review to ensure the overall regulation "continues to reflect market realities, remains effective for Canadians, and does not place undue burden on automakers." The Government of Quebec withdrew funding for Northvolt's Canadian EV battery plant, citing unsatisfactory plans with regard to Quebec's interests. Soon after, Northvolt North America was declared insolvent and laid off its workforce. Meanwhile, PowerCo began recruiting for hundreds of roles for its \$7 billion EV battery plant in St. Thomas, Ontario. The facility is expected to create up to 3,000 direct jobs once operational, with current hiring focused on chemists, engineers, data analysts, sustainability experts and IT professionals.



EoQ = End of Quarter
YoY = Year over Year

Wages in Canada

How they've changed.

+2.4%



Consumer Price Index

Year-over-year inflation declined from 1.9% in June to 1.7% in July, returned to 1.9% in August, and increased to 2.4% in September. September's increase was largely affected by a smaller decline in gasoline prices and higher food prices. After holding its key interest rate steady in July, the Bank of Canada lowered the policy rate by 25 basis points at its September meeting. The decision was driven by signs of a weakening economy, softening labour market and reduced inflationary pressures. Despite the higher consumer price index in September, many economists still anticipate another interest rate cut at the next BoC meeting.

+3.3%



Wage Increases

Average hourly earnings for all employees increased 3.3% year-over-year (Q3 2024 to Q3 2025), unchanged from the annual wage growth recorded in Q2 2025. Average hourly wage rates for workers in professional and technical occupations in engineering and sciences increased 5.1% over the same period, outpacing the average for all employees.



"Real" Earnings

In the third quarter of 2025, wage growth continued to outpace inflation, benefiting workers. Although many Canadians still feel the effects of inflation, consumer prices have not significantly eroded average year-over-year wage gains.

References

Read more about trends in Engineering & Sciences

For a labour market snapshot of a specific province or territory, visit [JobBank.gc.ca/trend-analysis](https://jobbank.gc.ca/trend-analysis)

INDUSTRY TRENDS:

Overall: [July 2025](#); [August 2025](#); [September 2025](#); [Canada adds more jobs than expected](#); [Bank of Canada lowers policy rate to 2½%](#)

Utilities: [GE Vernova to invest in Quebec facility expansion...](#); [Hitachi Energy invests an additional \\$270 million CAD...](#); [Ontario Welcomes \\$207 Million Investment...](#); [Northern Transformer Breaks Ground...](#); [Exxon to Cut 2,000 Jobs in Global Restructuring](#)

Construction: [Investment in building construction, July 2025](#); [Investment in building construction, August 2025](#); [Building permits, by type of structure and type of work](#); [Canada Building Permits Fall 1.2% in August](#); [Major Canadian construction contracts awarded...](#)

Healthcare: [Labour Force Survey, July 2025](#); [Labour force characteristics by industry, monthly...](#)

Engineering & Scientific R&D Services

Architecture & Engineering: [Fluor Joint Venture Awarded Front End Engineering and Design...](#); [Fluor Celebrates LNG Canada's First Cargo Export](#); [Stantec to provide program management and engineering services...](#)

Scientific R&D: [Ontario Investing \\$5 Million to Boost Life Sciences in Ottawa](#); [Delpharm Secures Major Québec Government Support...](#)

Aerospace and Defence: [Royal Canadian Navy to Enhance Maritime Operations...](#); [Royal Canadian Navy to Pay Off...](#); [Bombardier Inaugurates the Innovation and Design Centre...](#); [SEA Canada Opens Cutting-Edge...](#)

C&IP: [Unemployment rate held steady at 7.1% in September, StatCan says](#); [July PMI](#); [August PMI](#); [September PMI](#); [Ranovus Scales Manufacturing in Ontario](#); [Chapman's Invests Over \\$200...](#); [ABB to invest more than CA\\$130 million in Canadian R&D and manufacturing](#)

Automotive: [Prime Minister Carney launches new measures to protect, build, and transform...](#); [Quebec Terminates Project With Northvolt](#); [How a Quebec battery plant...](#); [VW unit PowerCo, undeterred by tariffs, launches hiring blitz...](#)

CPI: [Bank of Canada: Consumer Price Index](#); [Canada's inflation rate rises in September...](#); [Bank of Canada Policy Interest Rate](#); [Market Outlook: Bank of Canada expected to stay on track for rate cut...](#)

JOB POSTING DATA FROM [Lightcast](#)

About Actalent

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