



Northwest Ontario Labour Market Monitor

~November 2009~

The Labour Market Monitor is an overview of labour market information for the **Northwest Ontario Economic Region** which includes the districts of Thunder Bay, Rainy River and Kenora. This monthly report is produced by the local area Labour Market Information Analyst. For further information contact:

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Labour Force Trends/Survey

The Northwest Ontario economic region recorded a loss in net employment (-3,400) from November 2008 to November 2009, the majority in full-time jobs (-2,600) with smaller losses in part-time employment (-800). The employment rate decreased by 1.3 percentage points to 58.6%. The labour market in the Northwest economic region continues to contract along with the working age population. Consequently, the number of unemployed fell slightly (-400) nudging the unemployment rate from 6.6% in November 2008 to 6.5% in November 2009. Over the same period, the provincial unemployment rate increased from 6.2% to 8.4%.

For more information, please visit the Statistics Canada website at:

<http://www40.statcan.gc.ca/l01/cst01/lfs05d-eng.htm>

Labour Market News by Industry

Construction

A recent Canada Mortgage and Housing Corporation report revealed housing starts in Thunder Bay increased nine percent in October 2009 compared to the same time period last year. There were 28 single-family housing starts in October 2009 compared to 17 in October 2008.

Phase one of the Headwaters condominium project in Kenora will begin this winter. Qualico Developments plans to construct a total of 90 condominium units over the next five years. The total project will cost \$40 million. The first building holding 10 units is expected to be completed by the summer of 2010.

Educational Services

The Northern Ontario School of Medicine (NOSM) is adding eight students to its class. The Thunder Bay and Sudbury campuses will absorb four students each. With these additional students, the western campus will have 28 students. It is hoped that higher numbers of students will result in more physicians in the north. The inaugural class of the NOSM graduated in the spring of 2009. Fifty percent of the class chose residencies in the north through the Northern Residency Program.

A group comprised of First Nations, mining and government officials is studying the concept of turning the former Quetico Centre in Atikokan into an Aboriginal training facility for mining and skilled trades. The proposal is in the early stages of development. Quetico Centre operated as a training, conference and outdoor leisure centre for over 50 years until it closed in 2006. The facility was purchased by a Chicago developer and has been vacant for the past three years.

Manufacturing

Terrace Bay Pulp Incorporated will receive a \$25 million loan from the Province of Ontario. The loan will allow the mill to arrange additional financing, pay off creditors and make final plans to restart the mill. The mill has been closed since February 2009. About 350 laid off workers are expected to be recalled when the mill goes back into production in March 2010. The company also received a 90 day extension on its court-ordered protection from creditors.



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A bankruptcy order has been made against Buchanan Forest Products. Documents from the Office of the Superintendent of Bankruptcy Canada show the company carrying total liabilities in excess of \$43 million. Buchanan Forest Products is one of 20 companies in the Buchanan Group of Companies. Buchanan once operated several forest products mills across Northwestern Ontario. The company went into receivership in March 2009.

AbitibiBowater in Fort Frances will continue to run its No. 6 paper machine until mid December 2009. The machine was originally idled in March 2009 and restarted in September 2009 due to a surge of new orders. Approximately 75 workers are expected to be affected by the shutdown.

Mining

The rising price of gold has led to an increase in mining exploration in Northwestern Ontario. New exploration companies are investing millions of dollars in search of new gold properties in the region, particularly in the areas of Red Lake and Greenstone which have been proven gold producers in the past. In addition, established mining companies are continuing to search for additional ore bodies that could lead to extending the life of existing mines, such as the Hemlo camp near Marathon.

The recent purchase of Freewest Resources by Ohio-based Cliffs Natural Resources is creating optimism around potential jobs in Northwestern Ontario. Freewest has one of the largest deposits of chromite in the world, located north of Nakina. Chromite is processed into ferrochrome, which is used to make stainless steel. The purchase is expected to lead to an \$800 million project that would include construction of a railway, a mine, a mill and a smelter, all located along the north shore of Lake Superior. Test drilling is underway, with a feasibility study expected in the next six months. The project could create up to 300 jobs.

MetalCORP announced plans for a winter geophysical program on its Pickle Lake gold property. The property is located 15 kilometres north of the past producing Pickle Crow mine. The company has been working in conjunction with Mishkeegogamang First Nation on the initial phase of the exploration program. MetalCORP is a mineral exploration company based in

Thunder Bay with gold and base metal projects in the Canadian Shield of Northern Ontario.

Goldcorp Incorporated released its third quarter results for 2009 with the company reporting strong production and cash costs. Production at Goldcorp's Red Lake Mine increased by 12% compared to the third quarter of 2008. Dewatering at the company's Cochenour Red Lake project is expected to be completed during the first quarter of 2010. Goldcorp anticipates that the Cochenour mine will become a major player in future mining development in the Red Lake area.

Brett Resources released a preliminary assessment study on its Hammond Reef gold project near Atikokan. The study indicated the proposed open-pit mine could produce an average of 360,000 ounces of gold per year over a projected 14-year mine life. Brett Resources plans to continue exploration drilling, as well as metallurgical, environmental and engineering studies to advance the project to the feasibility and production stage.

Rubicon Minerals Corporation released plans for a major phase two exploration program at its Phoenix Gold Project in Red Lake. It is estimated that the program will cost \$60 million and will take approximately 12 months to complete.

Public Administration

The provincial and federal governments announced a joint investment of \$20 million to improve policing infrastructure in twelve First Nations communities across Ontario. Six communities are located in Northwestern Ontario - Cat Lake, Couchiching, Kasabonika, Pikangikum, Webequie, and Wunnumin Lake. Funding will be provided by Canada's Economic Action Plan and Ontario's Confronting the Challenge: Building Our Economic Future.

Trade, Wholesale and Retail

Preliminary work is being done to prepare for the start of construction on a Leon's Furniture store in Thunder Bay. The store is expected to be completed by the end of 2010 and will employ about 50 people. A Leon's store closed in Thunder Bay in 2002.

Boston Pizza opened a new restaurant and sports bar in Fort Frances. The business is expected to employ about 107 people. Twenty-eight positions will be full-time.

unprofitable. Greyhound recently reached a similar deal with the Province of Manitoba to continue service in that province.

Transportation and Warehousing

Greyhound is continuing talks with the Ontario government as the date for withdrawal of services - December 3, 2009 - approaches. The company indicated that some services may be retained in Northwestern Ontario and is continuing to sell tickets for service after that date. Caribou Coach and North Country Travel of Thunder Bay are both considering taking over the Greyhound service in Northwestern Ontario if the company follows through on its decision to end service. Greyhound is requesting \$15 million in government funding to subsidize routes in Northwestern Ontario which it says are

Note: In preparing this bulletin, Service Canada has taken care to provide clients with labour market information from reliable sources that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since the bulletin was published. Readers are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this bulletin does not necessarily reflect official policies of Service Canada.