



Northwest Ontario Labour Market Monitor

Service Canada

~April 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: carol.brown@servicecanada.gc.ca

Labour Force Trends

The Northwest Ontario economic region recorded a loss in net employment (-4,000) from April 2008 to April 2009 all in full-time jobs. The labour force contracted slightly, however, the population contracted more than one percent edging the labour force participation rate up to 63.4%. The employment rate declined 1.6 percentage points to 55.9%. The number of unemployed grew by 3,700 to 13,100 pushing the unemployment rate up from 8.5% in April 2008 to 11.9% in April 2009, the second highest rate in the province. Over the same period, the provincial unemployment rate increased from 6.4% to 9.1%.

For more information, visit the Statistics Canada website at:
<http://www40.statcan.gc.ca/101/cst01/lfs05d-eng.htm>

Labour Market News by Industry

Agriculture

Thunder Bay area cattle farmers plan to market their products under the "Superior Beef" logo starting in the fall of 2009. "Superior Beef" is a marketing project of the Thunder Bay Cattlemen's Association and the Food Security Research Network (FSRN) at Lakehead University. A recent study conducted by the FSRN revealed that only 15% of beef raised in Thunder Bay is sold locally. The project is expected to attract new farmers and increase benefits to regional producers, abattoirs and farm suppliers.

Construction

Wabaseemoong First Nation and North Spirit Lake First Nation will receive funding from the Government of Canada to construct two new schools. The Wabaseemoong school will accommodate 460 students from kindergarten to grade 12. The North Spirit Lake school will accommodate 90 students from kindergarten to grade nine. Construction is expected to begin in 2009. Wabaseemoong (Whitedog) is located 95 kilometres northwest of Kenora. North Spirit Lake is a remote

community located 174 kilometres north of Red Lake. The community is accessible by air and water only.

Muskrat Dam First Nation will receive funding from the Northern Ontario Heritage Fund Corporation to construct a multi-purpose community centre. The centre is expected to create two full-time and three part-time jobs. Seven jobs will be created during the construction period. Muskrat Dam is a remote community located 370 kilometres north of Sioux Lookout.

The Kenora Health Care Centre announced plans to expand the Patterson Medical Clinic. The \$4 million contract was awarded to Jarnel Contracting of Kenora. The project is expected to be completed by the end of 2009.

A new Shopper's Drug Mart and Royal Bank will be built in Thunder Bay. The contract was awarded to Tom Jones Corporation of Thunder Bay. Construction is expected to be completed by the end of 2009.

Health Care and Social Services

The North West Local Health Integration Network announced almost \$3 million in funding for upgrades to thirteen Northwestern Ontario hospitals. The funding is part of the Ontario government's Health Infrastructure Renewal Fund. Hospitals receiving funding include:

- \$181,427 to Atikokan General Hospital
- \$185,956 to Dryden Regional Health Centre
- \$176,371 to Geraldton District Hospital
- \$191,438 to Lake of the Woods District Hospital (Kenora)
- \$173,978 to Manitouwadge General Hospital
- \$174,258 to McCausland Hospital (Terrace Bay)
- \$175,431 to Nipigon District Memorial Hospital
- \$174,790 to Red Lake Margaret Cochenour Memorial Hospital
- \$545,578 to Riverside Health Care Facilities (Fort Frances/Rainy River)
- \$189,861 to St. Joseph's Care Group (Thunder Bay)
- \$353,458 to Sioux Lookout Meno-Ya Win Health Centre
- \$255,790 to Thunder Bay Regional Health Sciences Centre
- \$174,780 to Wilson Memorial General Hospital (Marathon).

Manufacturing

On April 18, 2009 AbitibiBowater Incorporated was granted bankruptcy protection in both Canada and the United States. AbitibiBowater produces a wide range of newsprint,

commercial printing papers, market pulp and wood products. It is the eighth largest publicly-traded pulp and paper manufacturer in the world. AbitibiBowater owns or operates 23 pulp and paper facilities and 30 wood products facilities located in the United States, Canada, United Kingdom and South Korea. It currently employs about 650 people at its pulp and paper mill in Fort Frances and another 1,100 at its newsprint, kraft and sawmills in Thunder Bay.

AbitibiBowater announced an additional two weeks of downtime at its Thunder Bay newsprint mill starting April 15, 2009. About 450 employees were affected. The shutdown was attributed to market conditions. About 1,100 workers at the company's newsprint, kraft and sawmills were also laid off for six weeks during February and March of this year.

AbitibiBowater also extended downtime at its number six paper machine in Fort Frances. The paper machine was originally to be idled for one month beginning March 1, 2009. This was extended to May 3, 2009. The paper machine is now scheduled to resume operation in early June 2009. Paper machines five and seven were also idled for three weeks during March and April of this year. The company cited a poor market for glossy printing grades as the primary reason for the extension. About 650 people are employed at the mill.

Domtar Corporation announced market-related downtime at two of its mills in Northwestern Ontario. The Ear Falls sawmill closed on April 10, 2009 for seven weeks and the Dryden pulp mill on April 25, 2009 for ten weeks. About 500 workers were affected. The company cited overall conditions in the North American lumber market, weak global demand for pulp and the need to manage inventory levels as the primary reasons for the downtime. In February 2009, Domtar eliminated a shift at its Ear Falls sawmill resulting in the layoff of 55 sawmill workers and 58 contract workers.

The Toronto Transit Commission awarded a \$1.2 billion contract to build 204 new streetcars to Bombardier Canada Incorporated. The streetcars will be built at the company's Thunder Bay plant. The contract is expected to secure employment for about 300 Thunder Bay workers for a period of eight years. The contract also includes an option to build an additional 400 cars to run on the Toronto's planned Transit City light rail lines. The project is subject to federal and provincial funding.

In April 2009 Bombardier in Thunder Bay was also awarded a \$60 million contract to manufacture 20 bi-level railcars for Go Transit Services in Toronto. This project is expected to take two years to complete.

The Municipality of Greenstone will receive funding from the Northern Ontario Heritage Fund Corporation to explore potential uses for Longlac Wood Industries (LWI) properties, facilities and fibre supply. LWI permanently closed in January

2009. The funding will go towards a feasibility study that will focus on identifying and prioritizing redevelopment options, developing business cases and identifying potential investors.

Souris River Canoes in Atikokan announced plans for expansion. The company will expand its production facility and introduce green energy technology. The canoe manufacturing plant plans to increase its workforce from seven to ten.

Mining

Rubicon Minerals Corporation announced a \$25 million drill program at its Phoenix Gold Project in Red Lake. Drilling is expected to start in May 2009. Rubicon controls over 65,000 acres of prime exploration ground in the Red Lake gold district.

Professional, Scientific and Technical Services

Lakehead University in Thunder Bay will receive \$2.5 million in funding from the Social Sciences and Humanities Research Council of Canada. The funding will be applied to 20 new research projects involving social, cultural, economic, technological, environment and wellness issues.

Transportation and Warehousing

The former NAC-Air hangar at the Thunder Bay airport was sold to ORNGE (formerly called Air Ambulance Service). ORNGE operates one of the largest programs of transport medicine in North America. Immediate plans for the hangar were not released.

The Thunder Bay Port Authority announced plans for a \$16 million expansion project. The project includes upgrades to the existing terminal and the construction of a new plant at a former grain elevator site. The proposal is in the initial planning stages. Funding is pending.

Utilities

The Lac Seul Generating Station located near Ear Falls officially opened in April 2009. The station operates as a partnership between Ontario Power Generation (OPG) and Lac Seul First Nation. The new station will generate enough electricity to meet the annual needs of 5,000 homes. The plant is located adjacent to the Ear Falls Generating Station, an existing OPG facility.

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. Major daily newspapers were

some of the sources reviewed for local labour market information used in this report. Readers are encouraged to 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.