



Northwest Ontario Labour Market Monitor

~August 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

The Northwest Ontario economic region recorded a loss in net employment (-2,400) from August 2008 to August 2009, all in full-time jobs (-4,700) partially offset by a gain in part-time employment (+2,200). The labour market in the Northwest economic region continues to contract as both the labour force and the population declines. The number of unemployed grew by 400 pushing the unemployment rate up from 8.3% in August 2008 to 8.9% in August 2009. Over the same period, the provincial unemployment rate increased from 6.9% to 9.9%.

For more information, visit the Statistics Canada website at:

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

Labour Market News by Industry

Arts, Entertainment and Recreation

Thunder Bay continues to be a popular destination for cruise ships. The **Clelia II** has visited the city five times this year as part of its cruises on the Great Lakes. The city is expanding its cruise business and has booked another ten stops for the 2010 season. It is also looking into improving the current cruise ship docking area.

Construction

The Canada Mortgage and Housing Corporation (CMHC) reported that the Thunder Bay area had 37 single-detached housing starts in July. Warren Philp, Northern Ontario Market Analyst with CMHC, said that, as of July, single-detached starts are up 42 percent compared to the same time last year.

Manufacturing

AbitibiBowater is shutting down two paper machines at its Thunder Bay plant as of August 21st. The shutdown will result in 360 workers being laid off indefinitely. The company said that poor market conditions and high operating costs at the Thunder Bay facility led to the shutdown. The mill will continue with its kraft, sawmill and woodland operations. In addition, woodlands workers were also advised that there would be indefinite layoffs as the company stopped local harvesting operations. At this time, it is not known how many of the 400 woodlands workers will be laid off. Contractors to the mill could also be impacted.

The company, which is under bankruptcy protection, is in the process of developing a viable operating platform that will allow it to get labour, supply and energy costs in order. As part of that process, an agreement was reached with the Communications and Paperworkers Union and talks continue with the United Steelworkers. In addition, the company began talks with the Ontario Power Authority about its proposed co-generation plant.

Domtar will suspend operations at its Ear Falls Sawmill indefinitely in mid-October. The closure will impact 130 employees. The mill restarted in August after a four-month shutdown. Company officials say the shutdown is due to weak customer demand for softwood lumber, the high Canadian dollar and high operating costs.

Kenora Forest Products and CEP Local 324 finalized a settlement that will see 35 laid off

workers paid severance and termination pay. About 110 workers were laid off in February 2008 when the mill was shut down indefinitely. At that time, the union agreed to delay payments, however, with no plans to restart the mill in the near future, the union initiated actions to get funds for its members. The remaining workers will retain their recall rights until June 2010. Union officials are still hoping that the mill will be restarted and the workers will be recalled in the spring.

Public Administration

Canada Border Services reports that traffic at the Pigeon River border crossing dropped by 22 percent compared to June 2008. Reasons for the decline include the need for a passport to get into the U.S. and the economic downturn. Numbers are also down at the Fort Frances and Rainy River border crossings. However, Thunder Bay Tourism Manager Paul Pepe says that local businesses are reporting numbers similar to last year despite the drop in U.S. visitors.

The federal government has given \$2.3 million to develop the Nungesser Industrial Park in Red Lake. The federal money will be used to extend water, sewer, hydro and telephone service to a number of the proposed lots in the development. City officials hope the Park will create new economic opportunities.

FedNor has given \$2 million for improvements to Kenora's downtown area. It was also announced that the Lake of the Woods Business Incentive Corporation would receive funding for another year and that the Webiquie First Nation would receive money to allow it to potentially take advantage of mining opportunities in the area.

Dryden City Council has agreed to extend the contract for the Dryden Labour Adjustment Group to the end of March 2010. The group provides assistance to laid-off workers. It has also received provincial funding for its services and has seen nearly 600 people since the start of April.

Terrace Bay received funding from Ontario's Northern Communities Investment Readiness Initiative to produce aerial photographs of the town and area. The photos will be used to

market the town to potential investors. The photos will be posted on the Ontario Investment and Trade Services website.

www.investinontario.com

The North Superior Workforce Planning Board (formerly the North Superior Training Board) released its Labour Market Action Plan entitled *Building a Superior Workforce: 2009-2012 Labour Market Action Plan*. The Plan recognizes a shift from the region's traditional economic base to a value-added and knowledge economy. It also calls for changes in training and skills development to meet the needs of the new labour market.

www.nswpb.ca

Transportation and Recreation

The Port of Thunder Bay has been one of the busiest in North America this year according to the Port Authority. While other ports have been reporting a drop in traffic, Thunder Bay has seen an increase of 25 percent compared to 2008. In addition to grain and steel cargo, the port has become a major staging centre for shipments related to wind energy and oil-sands development.

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.