

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: karen.koczkodaj@servicecanada.gc.ca

Labour Force Trends

Employment in the Northwest Ontario economic region remained fairly unchanged from February 2009 to February 2010. The size of the working age population fell over this period and the labour force contracted. The number of unemployed people decreased by 2,100. This reduced the unemployment rate from 8.5% in February 2009 to 6.7% in February 2010. This rate is considerably lower than the provincial unemployment rate which increased from 7.9% to 8.9% over the same period.

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

<http://www40.statcan.gc.ca/l01/cst01/lfss05d-eng.htm>

Labour Market News by Industry

Agriculture

Construction of the Rainy River District Abattoir in Emo is complete. The provincially-licensed abattoir will operate two days per week as a not-for-profit business. The facility is equipped to handle a variety of livestock including beef, pork, bison, elk, sheep and goats.

Construction

The City of Dryden reported the number of building permits issued during 2009 was at a ten-year low. A total of 62 permits valued at \$1.2 million were issued. This represents about one-tenth of the value recorded in 2000 and an 80% decrease in value compared to 2008.

Manufacturing

Kenora Forest Products will receive \$25,000 from the Northern Ontario Heritage Fund Corporation to explore the possibility of generating its own power from wood waste. The lumber mill shut down in 2008. The shutdown was attributed to decreased demand, high energy costs and a strong Canadian dollar.

Terrace Bay Pulp Incorporated received an additional two-month extension on its court-ordered protection from creditors. The mill which has been closed since February 2009 was scheduled to go back into production in March 2010. The mill is now scheduled to start up in May of this year pending the completion of "due diligence" by an unnamed private investor and the company's ability to stockpile wood and pay off creditors. About 350 laid off workers are expected to be recalled when the mill resumes operations.

Mining

Goldcorp Red Lake will begin Phase III of its Surface Drilling Project in March 2010. Drilling will take place on municipal property sites throughout Balmertown. Geological data gathered will be used to study the potential of open pit mining in the area.

Bending Lake Iron Group Limited announced it has secured a \$335 million loan guarantee to develop an iron ore processing plant near Atikokan. Development is subject to government permits and environmental approvals. The plant will produce merchant pig iron used to make steel. Initially ore would be purchased from the United States pending the development of an iron ore mine at the company's Bending Lake deposit located 80 kilometres north of Atikokan. The Bending Lake area has been worked by a number of companies over the years, including the Jalore Mining Company in 1953-55 and 1963-65, Algoma Steel in 1967 and Steep Rock Iron Ore Mines in 1975-77. The project could create up to 700 construction jobs and 300 mine jobs. The lifespan of the mine is estimated at 35 – 70 years. Construction could begin as early as the fall of 2010.

Brett Resources Incorporated announced it has completed a \$26 million financing deal. The financing will be used for exploration and development work at the company's Hammond Reef gold property near Atikokan.

Premier Gold Mines announced drilling has begun on its two joint-venture projects in the Red Lake Mining District. Both projects are operated by joint-venture partner Goldcorp Red Lake Gold Mines. The 2010 programs will focus on exploration and testing of known gold zones. Drilling and exploration programs will also continue at the company's Premier's Hardrock Gold Project, located in the Beardmore-Geraldton Greenstone Belt and at the PQ North Project located near Goldcorp's Musselwhite Mine north of Pickle Lake.

Public Administration

The Municipality of Red Lake will receive \$500,000 from the Northern Ontario Development Program (FedNor) for its new highway commercial development project. The funding will be used to extend water, sewer and utility services to the site. The Northern Ontario Heritage Fund Corporation has also committed \$1 million towards the project.

The Municipality of Greenstone announced it has entered into an agreement with RaLin Construction of Longlac to construct a new administration building. The municipality will initially lease the building from RaLin and eventually purchase it outright. Construction is expected to begin in the spring of 2010. The total project is estimated to cost \$3.5 million.

Ontario Aboriginal Housing Services announced \$11.7 million in funding for Aboriginal housing. The funding is part of the First Nation, Inuit, Métis Urban and Rural Housing Rental Component Program. Aamikkowiish Non-Profit Housing Incorporated in Kenora will receive \$2.9 million, \$1.0 million will go to Kaabeshiwiin Non-Profit Housing Corporation in Red Lake and Matawa Non-Profit Housing Corporation in Thunder Bay will receive \$3.4 million.

Trade, Wholesale & Retail

McDiarmid Lumber Limited announced it will open a new store in Sioux Lookout. The company will occupy retail space previously owned by First Nations Limited Partnership. An April 2010 opening date is planned.

Utilities

Muskrat Dam First Nation will receive \$100,000 from the Northern Ontario Heritage Fund Corporation to study the potential of developing a hydroelectric generating facility. If the project moves forward, the new facility could create up to ten jobs during the construction phase and two full-time positions once operational.

The Ojibway Power and Energy Group (OPEG) released an environmental report on its proposed hydroelectric project to be located within the traditional territory of Lac La Croix First Nation. The group wants to develop hydroelectric generating stations on the Namakan River southwest of Atikokan. The total project cost is estimated at \$40 million. The stations will provide electrical generation capacity to the Province of Ontario, as well as, provide a long-term sustainable benefit to the First Nation community. The project is subject to various regulatory approvals. OPEG is a partnership between Lac La Croix First Nation (Atikokan) and Chant Construction Limited (Aurora).

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.