



Northwest Ontario Labour Market Monitor

Service Canada

~January 2009~

The Labour Market Monitor is an overview of labour market information for the **Northwest Ontario Economic Region** including 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 population of Northwest Ontario decreased slightly from January 2008 to January 2009. Compared to January 2008 employment declined by 1,300; all were full-time jobs. The number of unemployed has increased by 1,400 raising the unemployment rate to 7.7% from 6.4% in January 2008.

For more information, visit the Statistics Canada website at: <http://www40.statcan.gc.ca/l01/cst01/lfss05d-eng.htm>

Labour Market News by Industry

Construction

Construction of the new Thunder Bay and Region Protective and Emergency Services Training Complex is expected to be completed in the spring of 2009. The facility will deliver fire and emergency response training to fire departments and other industries throughout Northwestern Ontario. The complex will employ 20 people.

Tenders for the construction of the new Fort Frances Public Library and Technology Centre were released in January 2009. Construction is expected to begin in the spring of 2009. The facility will cost about \$4 million.

According to statistics released by the Canada Mortgage and Housing Corporation, the number of new housing starts (single family dwellings) in Thunder Bay during 2008 decreased by about 11 per cent compared to 2007.

A new Ontario Provincial Police station will be built in Nipigon. Construction is expected to begin in the summer of 2010.

Education Services

The Sioux Lookout Area Aboriginal Management Board (SLAAMB) will receive \$1 million from the Northern Ontario Heritage Fund Corporation to develop a trades training facility in Sioux Lookout. The new centre will provide training to members of 30 Aboriginal communities and organizations in Northwestern Ontario. SLAAMB was established in 1991 to address the employment and training needs of Aboriginal communities in the Sioux Lookout area. For a complete list of the communities serviced by SLAAMB visit their website at: www.slaamb.on.ca/

Information and Culture

The Dryden Municipal Telephone Service (DMTS) announced plans for a new cell phone network. DMTS, which operates Dryden Mobility, received approval to operate a GSM (Global System for Mobile communications) throughout a large portion of Northern Ontario. A roaming agreement with Rogers Wireless is expected to create significant revenue for DMTS, based on the volume of traffic passing through Dryden on the Trans-Canada highway. The service will be operational by the end of March 2009.

Manufacturing

Terrace Bay Pulp indefinitely shutdown its number one pulp mill on January 12, 2009. About 50 workers were laid off. The mill's number two pulp mill will continue to operate with 370 workers. The company cited market conditions as the primary reason for the shutdown. Terrace Bay Pulp is a subsidiary of Buchanan Forest Products in Thunder Bay.

AbitibiBowater announced more downtime at its Thunder Bay pulp and paper operations. The shutdown will begin on February 1, 2009 and affect about 1,100 workers. Both the newsprint mill and kraft mill will shut down for four weeks, the sawmill for three weeks and woodlands operations for two weeks. The company attributes poor market conditions and high electricity costs as the main reasons for the downtime.

AbitibiBowater's \$84.3 million biomass boiler project is expected to be completed by early February 2009. The boiler will use renewable, cost effective fuel from wood waste to generate steam and electricity for the mill.

A proposed value-added wood manufacturing and harvesting project to be located in Red Lake and Eagle Lake First Nation will receive \$4.6 million in funding from the Northern Ontario Heritage Fund Corporation. Partners in the project include Two Feathers Forest Products Limited Partnership in Dryden, Whitefeather Forest Management Corporation in Pikangikum, the Municipality of Red Lake and the Wood Tech Group from Finland. For more information on the project visit the Whitefeather Forest Initiative at: www.whitefeatherforest.com/enterprise/two-feathers-forest-products-lp/

Mining

Goldcorp Incorporated announced record quarterly gold production during the fourth quarter of 2008. The company produced 692,000 ounces of gold, bringing the total gold produced in 2008 to over 2.3 million ounces. The company forecasts a 50% growth in gold production over the next five years. Goldcorp plans to focus on near-term growth projects in 2009, such as the underground development program at its Red Lake mine. Long-term growth projects have been temporarily deferred. This includes shaft development at its Cochenour mine near Red Lake.

Based on the identification of higher gold grades, Goldcorp announced plans to increase production at its Musselwhite Mine in 2009. Underground infrastructure upgrades, currently underway are expected to improve the mine's performance in future years. The Musselwhite Mine is located 103 air kilometres north of Pickle Lake.

MetalCORP Limited and Kennecott Canada Exploration Incorporated have signed an option agreement on MetalCORP's GUP (Grassy Ultramafic Pyroclastic) project near Fort Frances. In 2008, MetalCORP announced a significant new diamond discovery on the GUP property. Kennecott is a subsidiary of Rio Tinto, an international mining group headquartered in London, UK. Kennecott provides sample processing services to the Canadian diamond exploration industry. Kennecott and MetalCORP are located in Thunder Bay.

MetalCORP's plan to form a separate company called Preciousmetals Explorations Incorporated has been put on hold. MetalCORP had intended to spin-off several gold properties near Red Lake, Pickle Lake, Fort Hope and Wawa to create the new company. The company cited the volatile state of financial markets and the continuing deterioration in the investment climate for resource companies as the primary reasons for their decision.

Premier Gold Mines announced its 2009 exploration plans for three projects located in Northwestern Ontario. The company will invest \$15 million in major drill programs at its Hardrock

(Geraldton), Rahill-Bonanza (Red Lake), and PQ-North (Pickle Lake) properties.

The Atikokan Mineral Development Initiative (AMDI) announced plans for an airborne mineral survey in the Atikokan area. The data collected will be used to support mineral exploration in the area.

Other Services

Canadian Trade-Ex is planning an industrial trade show in Fort Frances in June 2009. The *Saw Tech Log and Rural Northwest Expo* is open to all industrial sectors and organizations. About 200 exhibitors are expected. A similar trade show was held in Kenora in 2007, attracting over 10,000 people. Canadian Trade-Ex is a company that works with organizations, associations and communities across Canada in the establishment of events, conferences, trade shows and seminars within specific markets.

Trade, Wholesale and Retail

The Blue Heron Gift Shop in Kenora closed at the end of January 2009. The closure is scheduled to last for 10 weeks. The company cited poor market conditions as the reason for closure. About 15 employees were affected.

Tourism

The provincial and federal governments announced \$2.3 million in funding to support a new marketing strategy to help boost tourism in Northern Ontario. The strategy is part of a five-year plan developed in conjunction with more than 500 Northern Ontario tourism industry members.

Utilities

Ontario Power Generation (OPG) has called for expressions of interest to supply biomass fuel (agricultural and forest waste) and transportation services to its power generating plants in Ontario. OPG has confirmed plans to replace coal with biomass at three of its coal-fired plants by 2012, including plants in Thunder Bay and Atikokan. All coal-fired generating plants in Ontario are scheduled to close in 2014. OPG employs about 90 people in Atikokan and 150 in Thunder Bay.

The Ontario Power Authority (OPA) awarded a contract to Renewable Energy Systems Canada for the development of a wind farm in Dorion (70 km northeast of Thunder Bay). The project is expected to create 8 service jobs and 300 construction-related jobs. The wind farm will generate enough electricity to power 26,000 homes.

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.