



Northwest Ontario Labour Market Monitor

~June 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/Survey

The Northwest Ontario economic region recorded a loss in net employment (-2,900) from June 2008 to June 2009, all in full-time jobs and partially offset by a gain in part-time employment. The number of unemployed grew by 2,500 to 12,400, pushing the unemployment rate up from 8.9% in June 2008 to 11.2% in June 2009, the second highest rate in the province. Over the same period, the provincial unemployment rate increased from 6.5% to 9.4%. The labour market in the Northwest economic region continues to contract as both the labour force and the population declines.

For more information, visit the Statistics Canada website at:

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

Labour Market News by Industry

Construction

Work on the former McKellar Hospital in Thunder Bay is scheduled to begin in July 2009. Habib Architects Incorporated plans to develop office space, as well as a 135 unit senior assisted-living complex on the site. The project is estimated to cost \$12 million and will create about 50 full-time jobs when completed.

Rainy River District Regional Abattoir Incorporated announced the start of construction of its new Emo abattoir in June 2009. The

project is estimated to cost \$2 million. The facility will process beef, pork, bison, elk, sheep and goats. The abattoir will employ four people.

Carillion Limited (Toronto) was awarded a \$20 million contract for improvements to the Thunder Bay Expressway. The project is expected to create about 150 direct and indirect jobs. Construction will begin this summer.

Miller Northwest Limited of Dryden was awarded a \$12 million contract for highway improvements east of Upsala (approximately 150 kilometres northwest of Thunder Bay).

Pioneer Construction of Sudbury was awarded a \$4.8 million contract for highway upgrades east of Fort Frances.

KIA Motors announced a \$1 million expansion at its dealership in Thunder Bay.

The Canada Mortgage and Housing Corporation reported 14 single-detached housing starts in Thunder Bay during the month of May 2009. This is the lowest number recorded for the month since 1998.

Educational Services

The Government of Canada announced \$5.3 million in funding for the Whitefeather Forest Training Initiative at Pikangikum First Nation. The initiative will provide Aboriginal people with the skills and experience required to work in the mining and forestry industries. The funding initiative is part of the federal government's Aboriginal Skills and Employment Partnership Program. It represents a partnership between the Pikangikum First Nation and a number of community, federal and provincial government, academic and industry partners. The goal of the partnership is to provide training for 260 Aboriginal people and secure 180 long-term jobs in the mining and forestry sector. Pikangikum is located approximately 100 kilometres northwest of Red Lake.

Finance, Insurance, Real Estate and Leasing

Desjardins Credit Union in Thunder Bay will close on July 3, 2009. It is one of four branches closing in Ontario. Eight employees will be laid off. The company states the reason for closure is a business decision.

Manufacturing

Two Feathers Forest Products Limited Partnership hosted several community information sessions across the region regarding its proposed value-added wood manufacturing and harvesting project. The partnership plans to construct a value-added lumber facility in both Red Lake and Eagle Lake First Nation. The plants would produce pre-fabricated timber buildings for export to Asian and European markets. The project is subject to several regulatory approvals. No time frames were given. 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/.

Domtar Corporation announced additional downtime at both its pulp mill in Dryden and sawmill in Ear Falls. The Dryden mill will now resume operations at the end of July 2009 and the Ear Falls mill on August 10, 2009. About 120 workers are expected to return to work in Ear Falls and 230 in Dryden. The company cited the need to manage inventory, along with low customer demand as the primary reasons for the extensions. The additional downtime did not affect 200 forestry related workers who returned to work on June 22, 2009.

The City of Toronto and the Government of Ontario have committed \$1.2 billion in funding to build 204 new streetcars for the Toronto Transit Commission. The contract was awarded to Bombardier Canada Incorporated in April 2009. 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 the option to build an additional 400 cars to run on the Toronto's planned Transit City light rail lines.

Mining

North American Palladium Limited announced the discovery of a new underground platinum group minerals zone at its idled Lac des Iles (LDI) mine near Thunder Bay. The discovery could extend the mine's life by 10 years. North American Palladium temporarily placed the LDI mine on a care and maintenance basis in October 2008 due to depressed metal prices. About 400 people were laid off. Exploration work will continue. The mine is expected to remain closed until early next year.

Public Administration

The federal, provincial and municipal governments announced funding for several infrastructure projects throughout Northwestern Ontario. Projects include:

- Thunder Bay, \$29.3 million for its waterfront development project.
- Geraldton, \$1.8 million for sewer upgrades.
- Atikokan, \$2.7 million for its Main Street beautification project.
- Neebing, \$420,000 for road repairs.
- Schreiber, \$864,000 to construct a public works garage.
- Shuniah, \$975,000 for road repairs.
- Sioux Lookout, \$2.6 million for construction of a new Youth-Arts and Cultural Centre.
- Ear Falls, \$5.4 for construction of a new multi-purpose centre.
- Kenora, \$10.5 million for the Norman Park development project, construction of the Lake of the Woods Discovery Centre and water line and road repair.
- Kenora \$2 million for phase two of the waterfront development project.
- The Township of Sioux Narrows-Nestor Falls, \$750,000 for the construction of a harbourfront and interpretive centre.
- Red Rock and Nipigon, \$9 million and \$7 million respectively for upgrades to sewage treatment plants.

Several communities in Northwestern Ontario, including 11 First Nations will receive recreation infrastructure funding. The funding is provided through the Recreational Infrastructure Canada Program and the Ontario Recreation Program. Projects will focus on renewing, upgrading and expanding recreational infrastructure.

Transportation and Warehousing

The Thunder Bay Port Authority reported overall traffic through the port during the first five months of 2009 decreased by 6.0% compared to the same time period in 2008. The decrease is attributed to a reduction in coal shipments. Grain shipments during May 2009 increased by 35% compared to May 2008.

Utilities

The Dryden Development Corporation (DDC) announced that it will proceed with the development of a 10 megawatt solar park in Dryden. The DDC has entered into an agreement with Johnson Controls of Milwaukee, Wisconsin to develop the project. The project is part of the Ontario Power Authority's Renewable Energy Standard Offer Program, which offers incentives to small scale energy producers. The project is expected to begin within 18 to 24 months.

Ginoogaming First Nation proposes to construct five wind turbines on Long Lake, three kilometres north of the reserve. The wind energy project is a partnership between the First Nation and Gelectric Incorporated of Montreal. The project is in the initial stages of development. Ginoogaming First Nation is located 40 kilometres east of Geraldton.

Natural Resources Canada announced that it will invest \$1 billion to support energy efficiency and environmental improvements in the pulp and paper industry. The Green Transformation Program will provide funding of \$0.16 per litre of black liquor, up to a maximum program total of \$1 billion. Black liquor is a liquid by-product of the chemical pulping process used to generate

renewable heat and power. Eligible companies participating in the Green Transformation Program will be required to invest these funds over the next three years in capital expenditures that make improvements to energy efficiency or environmental performance on any pulp and paper mill in Canada, including mechanical mills.

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.