



# Northwest Ontario Labour Market Monitor

~May 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](mailto:carol.brown@servicecanada.gc.ca)

## Labour Force Trends/Survey

The Northwest Ontario economic region recorded a loss in net employment (-4,900) from May 2008 to May 2009 mostly in full-time jobs. The labour force contracted keeping the participation rate unchanged at 63.5%. The employment rate declined by 2.1 percentage points to 55.6%. The number of unemployed grew by 3,500 to 13,500 pushing the unemployment rate up from 9% in May 2008 to 12.3% in May 2009, the second highest rate in the province. Over the same period, the provincial unemployment rate increased from 6.6% to 9.4%. 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

Half-Way Motors Nissan Limited in Thunder Bay announced plans for expansion. The expansion includes a new showroom and a larger service centre. Construction is expected to be completed in the fall of 2009. Two new jobs are expected to be created with the expansion. The company currently employs 39 people.

The Province of Ontario and Government of Canada announced funding to upgrade a ten kilometre stretch of highway near the Ontario-Manitoba border. The \$100 million project is scheduled to begin in 2010. The project is

expected to create up to 700 direct and indirect jobs.

Hydro One and the City of Thunder Bay announced plans to construct an Interpretive Lookout above the Current River. Hydro One will cover the capital costs of the construction, estimated at \$250,000. The City of Thunder Bay will assume responsibility for trail maintenance. Tenders for the project are to be released this summer.

### Educational Services

Confederation College in Thunder Bay will receive \$20 million in federal/provincial funding for infrastructure projects and campus upgrades. Construction of a new Regional Education Alliance for Community Health Centre is expected to begin in August 2009 with a completion date of 2011. The facility will house the college's health sector programs and accommodate up to 400 students. The project is expected to create about 200 construction-related jobs and 20 new faculty jobs.

Lakehead University in Thunder Bay will receive \$14 million in infrastructure funding. The funding will be used to upgrade classrooms and research labs, as well as increase technology in the classrooms.

### Manufacturing

AbitibiBowater announced an additional two weeks of downtime at its Thunder Bay newsprint mill starting May 16, 2009. The mill was also shutdown for two weeks in April 2009. The company's kraft mill will continue to operate. It is not known how many of the mill's 800 employees will be affected. The shutdown is attributed to market conditions.

Domtar Corporation announced additional downtime at its sawmill in Ear Falls. The mill was originally to be closed for seven weeks beginning April 10, 2009. The mill is now scheduled to resume operations on July 6, 2009. The company cited low customer demand as the



Service  
Canada

Canada

primary reason for the extension. About 80 employees are affected. The announcement did not affect Domtar's pulp mill in Dryden which was idled on April 25, 2009 for ten weeks. The Dryden mill employs about 400 people.

## **Mining**

Premier Gold Mines released results from a Phase I drill program on its PQ-North Project north of Pickle Lake, Ontario. The program resulted in the discovery of two potentially significant gold-bearing zones. Phase II drilling to evaluate the extent of these discoveries will begin this summer. The PQ-North Project is located within Goldcorp's Musselwhite Property holdings. In 2008 Musselwhite produced about 210,500 ounces of gold.

Premier Gold Mines announced that drilling at its Hardrock Project in Geraldton continues to produce high-grade gold results. Mineralization at the site supports the potential for developing both open-pit and underground resources. Mineralization within the Hardrock Project compares to grades and widths similar to many of Ontario's major gold mines. The Hardrock Project is host to several past-producing mines that yielded more than two million ounces of gold from 1938-1968. The Hardrock Project is operated under a joint venture with Roxmark Mines Limited.

Premier Gold Mines has also initiated a summer drill program at its Rahill-Bonanza property located in Red Lake. The project is a joint venture with Red Lake Gold Mines.

PC Gold and Mishkeegogamang Ojibway First Nation have signed an Exploration Memorandum of Understanding (MOU) with respect to exploration activities at the company's Pickle Crow gold mine property near Pickle Lake. The MOU includes provisions for training, employment, communication and financial benefits to the community. The Pickle Crow gold mine is located on the traditional lands of the First Nation. The mine operated from 1935 to 1966.

Goldcorp Incorporated released its first quarter results for 2009. Net earnings during the quarter increased by 27% and gold production by 18% compared to the same time period in 2008. Production at Goldcorp's Red Lake Mine and Musselwhite Mine in Pickle Lake increased by

21% and 41% respectively. The company also announced plans to develop its Cochenour gold project in Red Lake. Shaft construction is expected to begin in 2010. The Cochenour project includes the historic Cochenour mine, as well as the Bruce Channel gold discovery acquired from Gold Eagle Mines in September 2008. Goldcorp Red Lake Mine is Canada's largest gold mine producing 629,000 ounces of gold in 2008.

Activation Laboratories (Actlabs) announced plans to open a metal assay office in Geraldton. The field office is expected to employ about 15 people when fully operational. Actlabs provides contract analytical services covering all aspects of analysis from academic research applications, exploration, environmental baseline studies through mine development and production to analysis of refined metals. The company also has an office in Thunder Bay which employs 70 people.

## **Public Administration**

The Ministry of Community Safety and Correctional Services announced plans to hire forty new First Nations police constables in Northwestern Ontario. Eleven officers will be hired by the Nishnawbe-Aski First Nation Police Service, eight by the Anishinabek Police Service, seven by Treaty Three Police and one by the Lac Seul Police Service. The remainder will be hired by the Ontario Provincial Police to provide policing services to area First Nation communities.

## **Trade, Wholesale and Retail**

Wal-Mart in Thunder Bay announced plans to expand its current store into a Wal-Mart Supercentre. The Supercentre will offer full grocery services. The project is expected to create about 200 temporary construction jobs and another 200 retail jobs. Construction is scheduled to begin in 2010.

## **Transportation and Warehousing**

The Thunder Bay Port Authority reported the volume of goods passing through the port during April 2009 decreased significantly compared to the same time period last year. Port officials attribute the decrease to a reduction in coal shipments. The slowdown in the auto sector has led to a reduced demand for steel and

subsequent decrease in coal consumption.

The Thunder Bay International Airport Authority will conduct an architectural and engineering study aimed at expanding and/or creating new business at its industrial complex. The study will focus on the cost and infrastructure requirements needed to accommodate additional aerospace industries. A \$16 million runway expansion project is also proposed.

### Utilities

Ontario Power Generation Incorporated (OPG) plans to develop two hydroelectric generating stations on the Little Jackfish River, north of Lake Nipigon. In the fall of 2008, OPG and six Lake Nipigon First Nations signed a protocol agreement related to the project. The First Nations include Animbiigoo Zaagi'igan Anishinaabek (Lake Nipigon), Bingwi Neyaashi Anishinaabek (Sand Point), Biinjitiwaabik Zaaging Anishinaabek (Rocky Bay), Kiashke Zaaging Anishinaabek (Gull Bay), Red Rock Indian Band and Whitesand First Nation. The project is in the environmental assessment and consultation stage.

*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.*