



# Northwest Ontario Labour Market Monitor

~September 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.

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## Labour Force Trends/Survey

The Northwest Ontario economic region recorded a loss in net employment (-4,300) from September 2008 to September 2009, all in full-time jobs (-5,700) partially offset by a gain in part-time employment (+1,500). The labour market in the Northwest economic region continues to contract as both the labour force and the working age population declines. The number of unemployed grew by 1,100 pushing the unemployment rate up from 7.2% in September 2008 to 8.4% in September 2009. Over the same period, the provincial unemployment rate increased from 6.8% to 9.6%.

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

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

## Labour Market News by Industry

### Construction

Pikangikum First Nation will receive funding from the federal and provincial governments to construct a new educational facility. The centre will employ five people and provide training to Aboriginal workers in forestry, tourism and mining. Pikangikum is located 100 kilometres northwest of Red Lake.

The Township of Ear Falls will receive \$1.7 million from the Northern Ontario Heritage Fund Corporation to construct a multi-use centre. The

centre will accommodate a day care, library, museum, fire hall, tourist information centre and municipal offices. About 120 jobs will be created during the construction phase. A completion date of March 2011 is projected.

Jarnell Contracting of Kenora was awarded the contract to build a new fire hall and emergency services centre in Kenora. The estimated cost of the project is \$6 million. Construction is expected to be completed by September 2010.

The Township of Pickle Lake will receive \$3 million in federal funding to construct a new community multi-use centre. The facility will include a court house, community hall, library and municipal offices.

The federal government will provide \$850,000 to the Experimental Lakes research centre near Kenora to construct a new laboratory. Experimental Lakes is a biological and chemical field research facility whose primary purpose relates to all aspects of freshwater science. It is operated by Fisheries and Oceans Canada (DFO).

Construction began on the new Quality Market, located near the Thunder Bay Regional Health Sciences Centre. The new grocery store, which is expected to be open by spring, will serve the nearby subdivision as well as students at the university and college. The store intends to hire a nutritionist to create carry-out packages for out-patients at the hospital.

Canada Mortgage and Housing Corporation (CMHC) reported that Thunder Bay had 20 single detached home starts in August, a drop from 37 in July. Thunder Bay had 105 single home starts and 14 multi-unit starts for the year to date. While this is an 8.2 percent increase from last year, it is below traditional construction levels.

Infrastructure Ontario and the Attorney General have released a request for proposals for construction of Thunder Bay's consolidated courthouse. The winning bidder will be



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announced in late summer 2010 with construction to start shortly thereafter. The new courthouse will combine provincial and federal operations.

### **Finance, Insurance, Real Estate and Leasing**

A developer who purchased several pieces of property from AbitibiBowater in Kenora envisions turning the land into a variety of tourism and business attractions. Plans include: a five-star resort and conference centre, a theme park, a marina and boutique hotel, a business park, an RV (recreational vehicle) park, lakefront cottage lots and condominiums. The property is subject to due diligence and remediation. The City of Kenora is working with the developer on the project and sees the vision as a ten-year project.

### **Health Care and Social Services**

The Northwestern Ontario Local Health Integration Network (LHIN) released its Regional Emergency Department Study. The report contained a number of high priority recommendations including a call to address the shortage of hospital personnel in the region. Due to the region's geographic challenges, the Northwestern Ontario LHIN has different priorities than Southern Ontario. Staffing and transportation issues are a higher priority in northwestern Ontario while southern Ontario is more concerned with hospital wait times.

### **Manufacturing**

Wauzushk Onigum (Rat Portage) First Nation in Kenora is conducting a feasibility study on the potential of establishing a granite fabrication plant on the reserve. The plant would process natural granite supply blocks from quarries into saleable commodities primarily for the building construction industry. The project has the potential of creating 50 jobs.

Aspenware, a British Columbia manufacturer of wooden disposable cutlery, announced plans to construct a manufacturing facility in Dryden. The company plans to procure hardware fibre from the local area. The plant is expected to be operational within one year and will employ about 100 people.

AbitibiBowater in Fort Frances announced it will indefinitely shut down its No. 6 paper machine at

the end of October 2009. The paper machine was idled in March 2009 and restarted on September 2009 due to a surge of new orders. The company cited poor market conditions and difficult economic realities as the reason for the shutdown. Approximately 75 workers will be affected. The company also confirmed plans to proceed with a \$4.6 million upgrade to its No. 5 paper machine. Work is scheduled to begin during the second quarter of 2010.

AbitibiBowater in Thunder Bay and the United Steel Workers union have reached an agreement intended to help the mill cut costs. The mill's 400 woodlands workers agreed to several concessions including a wage cut of \$1.50 per hour. The mill continues to have talks with the province about its energy costs as it attempts to create a viable operating platform for the Thunder Bay facility.

Global Sticks Incorporated will be opening a mill in Oliver Paipoonge, near Thunder Bay, that will create 70 to 80 full-time jobs, as well as 15 to 20 construction jobs. The mill, which is expected to be completed by January 2010, will use northern white birch to make sticks used for ice cream bars, popsicles, corn dogs and tongue depressors. Previously, the company produced 22% of the North American supply of these sticks in China. The mill will receive funding from the Northern Ontario Heritage Fund and the Forest Sector Prosperity Fund.

Arclin Resins has shut down its Thunder Bay facility, resulting in the indefinite lay off of 28 people. The plant produces resin used in the manufacture of particleboard. The company, which has plants across North America, filed for bankruptcy protection in Canada and the U.S. in July; however, the Thunder Bay operation is the only one to be closed at this time. The company cited the local mill closures and the drop in housing and construction activity as the reason for the shut down.

### **Mining**

Goldcorp Incorporated released its second quarter results for 2009. Production at Goldcorp's Red Lake Mine decreased by 16% compared to the same time period in 2008. Over the past year, the mine has been concentrating on exploration and development work in an attempt to secure greater mining flexibility in future years. Goldcorp's Musselwhite

Mine reported a 44% increase in gold production during the second quarter of 2009 compared to the same quarter in 2008.

Bending Lake Iron Group opened its head office in Thunder Bay as it develops plans for an open pit iron mine south of Ignace. The company intends to produce merchant pig iron. The main industrial site for the mine will be located in Atikokan. Once the site is up and running, they expect to employ 300 full-time employees.  
[www.bendinglakeiron.com](http://www.bendinglakeiron.com)

### Transportation and Warehousing

Greyhound Canada announced that it plans to end bus service in Northwestern Ontario and Manitoba. The company has given notice to the Ontario Highway Transport Board and will be in a position to end service on December 2, 2009. Greyhound has asked the federal and provincial governments to change regulations that it says have caused its financial difficulties. The end of service in northwestern Ontario will impact 30 to 40 drivers in the region. Following a meeting with government officials in Manitoba, Greyhound suggested that it might revisit its decision to eliminate service in that province. The company hopes to have similar talks with the Ontario government.

In the event that Greyhound cancels service for the region, Caribou Coach, a Thunder Bay-based bus company, is exploring the possibility of picking up some of Greyhound's northwestern Ontario routes. The company previously took on Greyhound's Thunder Bay-Fort Frances and Thunder Bay-Hearst routes.

The Port of Thunder Bay has seen lower shipping totals in 2009 compared to last year. Grain totals have increased; however, other cargo areas, particularly coal, have decreased in that same time period.

### Utilities

The Ontario Power Generation (OPG) has confirmed its commitment to convert the Atikokan Generating Station from coal to biomass by 2012. All coal-fired generating plants in Ontario are scheduled to close in 2014. Biomass is plant material from agricultural and forestry sources that can be used to produce energy. Engineering studies are underway and contracts for the sustainable supply of fuel, transportation and plant modifications will be secured as the project progresses. The Atikokan facility employs about 90 people.

Northern Development, Mines and Forestry Minister Michael Gravelle announced \$2.3 billion in projects designed to increase reliability of power transmission in the province. Half of the projects will be located in Northern Ontario. According to Gravelle, these projects will create 6,000 jobs and thousands of megawatts of energy. Developments in the north include a core transmission transfer from Pickle Lake to Nipigon and another between Nipigon and Wawa. Another smaller transmission project will be located near Thunder Bay. The government is in discussion with First Nation communities in the region about job opportunities and improved service that these activities will provide.

*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.*