



# Labour Market Bulletin

## Human Resource Centre of Canada

### Halton, Dufferin and Peel Areas

~ An Analysis of the Halton, Dufferin and Peel Labour Markets ~ October - December 2004 ~

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**HIGHLIGHTS**

- ▶ Nortel manages its internal, financial and administrative problems while securing new business
- ▶ Ford Motor Co. and DaimlerChrysler heading in opposite directions on employment and production success
- ▶ Burlington's waterfront development exceeding budget expectations
- ▶ Hamilton area labour market abruptly slows in fourth quarter
- ▶ 2004 Q4 EI claims for Halton, Dufferin and Peel decline compared to 2003 Q4
- ▶ Toronto CMA labour market contracted in fourth quarter
- ▶ Independent retailers surviving despite 'Big-Box' centres

The Halton, Dufferin and Peel Labour Market Bulletin is a quarterly report produced by the area Labour Market Information Analyst. This bulletin and other LMI products may also be found on our website. (aussi disponible en français)

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**Note:** In preparing this bulletin, HRSDC 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 HRSDC.

*An overview of the Halton, Dufferin and Peel areas*

Manufacturing and trade sectors in the Halton, Dufferin and Peel areas experienced changes in employment, production and developmental.

While Nortel is dealing with legal and financial matters that will not be resolved in the short-term, they have managed to secure major contracts across the globe.

The automotive sector in Halton, Dufferin and Peel has drastic employment changes occurring. Ford Motor Company and DaimlerChrysler have been polar opposites recently as the former continues with layoffs. Poor sales of the Ford Windstar have affected employment at the minivan plant. DaimlerChrysler has experienced increased hiring due to the Brampton built 300 and Magnum's popularity with the public.

Independent retailers are not fairing as poorly as initially expected with the arrival of several big-box centres across the area. Niche markets are allowing the smaller retailers to survive.



LABOUR MARKET NEWS

*Highlights on industry activities that have an impact on the local labour market, this information is derived from several sources including local newspapers, newsletters and various publications. Please refer to "Notes to Readers" for additional information.*

**Construction**

Burlington's waterfront centre is running approximately \$800,000 over budget, causing council to impose required suggestions for savings on project design. The lack of fiscal restraint comes as a surprise since cost consultants were hired to ensure financial expenditures were kept in line. Currently, it does not appear the financial situation will have any noticeable bearing on the project.

Breaking Ground and Changing Places

Construction has started on a high-rise apartment building at the Aldershot Plaza in Burlington. The original plan was for three high-rise and two medium-rise buildings, but various factors have altered the final plans being submitted for approval.

Developers broke ground on the new Hilton Garden Inn hotel in Burlington near Burloak Rd. and the QEW. The hotel is scheduled to open in the spring of 2005 and will feature 120 rooms and suites.

**Manufacturing**

*Ford Motor Co. of Canada is enduring problems while DaimlerChrysler is experiencing dramatic success.*

In what has been a year of highs and lows for Ford Motor Co. of Canada, the company announced it will drastically cut production at its Oakville minivan plant. The reason stated for the cuts is slow sales, which continued the four-month trend of layoffs at the plant. The plant will stop producing the Ford Freestar and the Mercury Monterey. The Toronto Star reports "Ford's minivan deliveries have plunged 32 per cent" this year ([Toronto Star – online edition, December 15, 2004](#)). The Globe and Mail stated that Ford's sales in Canada fell 5%, against the 4% increase in overall Canadian sales compared to this time last year ([Globe and Mail, December 2, 2004](#)). Production cuts in October originally affected approximately 3600 employees, who were required to take turns on the assembly line ([Toronto Star, October 13, 2004](#)). It has been noted that through various supplements, Ford employees who are not working receive approximately 80% of their regular income.

The Globe and Mail reported that DaimlerChrysler received over 6000 applications for the 900 jobs it was offering at its Brampton plant. The applications were received within 48 hours of announcing the new shift, which has been added due to the popularity of Chrysler's new 300 and 300C sedans

along with the Dodge Magnum station wagon. The Williams Parkway plant is bursting with record-breaking demand for orders, which are being met with a three-month production backlog. New job postings and training will be done on a tight schedule because the company wants to get a third shift running. Jobs will be filled by laid off Brampton Assembly workers, preferential hires from other Chrysler facilities and then by new outside hires.

CFM Corp. of Mississauga, a manufacturer of barbecues, had their president and chief operating officer depart, which could endanger a proposed expansion of production to China. CFM Corp. claims it has been negatively affected by the rising dollar and high steel prices (profit has been dwindling and its share price has dropped 38% ([Globe and Mail, November 2, 2004](#))), providing a rationale for their proposed joint-venture agreement with Chiaphua Industries Ltd., based in Hong Kong.

Mississauga's Biovail Corp. has experienced problems with new buying patterns established by drug wholesalers. The change in patterns stems from drug companies no longer providing at least 30 days notice of price changes, which discourages wholesalers from stockpiling items. Biovail Corp. still exceeded last year's profit targets, although they did not reach targets analysts had expected. The inability to reach targets has not severely damaged the company and should have no immediate impact on employee retention.

Construction on a new state-of-the-art aluminum remelt plant has begun in Brampton. Triple M Metal, one of Canada's largest recyclers of ferrous and non-ferrous metals, broke ground on its new \$65 million facility located on Intermodal Drive in November. The 110,000-sq. ft. building will be called Matalco Inc. and will create 50 new jobs in the city when it's fully operational by the end of 2005.

**Trade**

Mississauga based Masonite International Corp. was bought out by Kohlberg Kravis Roberts & Co. (KKR) after a \$3.1-billion cash bid was made, taking the company to private status. Masonite employs 14,000 people worldwide in 75 facilities. It is unclear what impact the takeover will have on workforce organization. According to a story in the Toronto Star ([December 23, 2004](#)), the company is viewed by analysts as well managed, but future growth in its stock is seen as minimal.



NetSuite, a US software company is hiring 162 new employees and leasing a 40,000 sq. ft. workplace in Mississauga, where they currently employ 38 people. The expansion will occur on-site and will take place some time in 2005.

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Nortel

*Nortel is dealing with legal and financial matters that will not be resolved in the short-term; but have managed to secure major contracts across the globe.*

While still embroiled in legal matters, Nortel remains competitive in the communications industry, securing a \$1-billion (US) contract over three years with Sprint Communications Co. According to a report in the Toronto Star, the deal continues expansion of "...third generation wireless infrastructure, providing radio base stations, base-station controllers, switching platforms and other equipment." (Toronto Star, December 8, 2004) Nortel also announced contract extensions with BaykalWestcom, a cell phone operator in Siberia. An agreement between Nortel and O2 was also extended, continuing Nortel's work in Europe.

According to the Globe and Mail, Nortel employs more than 1000 engineers in China, approximately one-fifth of its total in Ottawa (Globe and Mail, December 3, 2004). Nortel's total employee base in China is over 3500 people. The company is hoping to increase sales in the Chinese market as 1.3 billion people are ready to access wireless services.

The good news continued for Nortel, as they announced they would be handing 250 fewer pink slips at the end of the year than first announced. The Brampton head office on Dixie Road will see between 25 and 50 employees let go by the end of the year.

Nortel is attempting to redefine its image by launching a new marketing campaign, its first major advertising project since 2001.

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Opening, Closing & Moving

*This sub-section of the Trade heading concerns businesses that are opening, closing or moving in the Halton, Dufferin & Peel management area. Unless noted, prospective employment numbers or job losses were not available at time of publication.*

Oakville's Krispy Kreme closed in mid-January. According to a press release featured in the December 17<sup>th</sup> edition of the Oakville Beaver, the company states that they believe "...closing this store is a smart business decision that will help enhance productivity and profitability across our entire network of Canadian Krispy Kreme stores."

Starbucks opened a new store in December at Trafalgar and Cornwall in Oakville.

Trafalgar Ales and Meads re-opened at 1156 Speers Road in Oakville. An 'open house' was held, allowing the public to tour the brewery.

International Wallcoverings has closed its Brampton plant. Approximately 147 employees were affected.

Loblaw Companies Ltd., have opened Mississauga's first Canadian Superstore at Argentia Rd. and Winston Churchill Blvd. Three-hundred employees were hired to serve customers in the 120,000 sq. ft. store. The Mississauga superstore is the fifth opened in the GTA and the 12<sup>th</sup> opened in Ontario since last fall.

Canadian Tire recently celebrated the official opening of its new location at Steeles Avenue and James Snow Parkway in Milton. The new store, with 62,000 sq. ft. of retail space, is about five-and-a-half times bigger than the old facility on Market Drive. The new store already has about 125 employees and they are still hiring.

### Health Care and Social Assistance

Credit Valley Hospital (CVH) is laying-off health care staff to help offset a large deficit forecast for this year. CVH has yet to determine exactly where cost savings will be found and what specific jobs will be cut. It may take several weeks before these decisions are made. Hospital officials are considering offering some effected workers other jobs or reduced hours.

### Educational Services

The Halton District School Board will not receive consideration for additional funding just because it's hiring extra special education assistants (EAs), said Education Minister Gerard Kennedy. The Board has approved the hiring of 27 EA's as well as 25 lunchtime supervisors.

### Other Services

The Four Corners Brampton Public Library has established a full-service Employment Resource Centre (ERC) to provide members of the community with information and technology to assist with all aspects of a job search. The centre features employment resource specialists to provide personal assistance with all job search needs. Reference material, business directories and workshops are available to teach the skills that are required for a successful job search. The Four Corners Brampton Public Library is located at 65 Queen Street East. For more information, visit:  
<http://www.fcerc.bramlib.on.ca> or call 905-793-4636.



**Tourism**

Parks under the Conservation Halton banner had lower than expected revenues due to poor weather over the spring and summer. According to statistics published in the Burlington Post (November 12, 2004), Conservation Halton’s revenue was 13% lower than projected for 2004 (excluding Glen Eden). Hopes were raised as an abnormally warm autumn allowed people to continue using the parks for cycling and hiking.

*LABOUR FORCE TRENDS*

Statistics Canada does not gather separate labour force statistics for the Halton, Dufferin and Peel areas. Statistics for, **Mississauga, Brampton, Caledon, Orangeville, Mono, Halton Hills, Milton and Oakville** are included in the Toronto Census Metropolitan (CMA). Statistics for **Burlington** are included in the Hamilton Census Metropolitan area. Following are overviews for the Toronto and Hamilton CMAs.

*LABOUR SUPPLY AND DEMAND*

**Employment Insurance Claimload**

**Regular Employment Insurance Claimants – Halton, Dufferin and Peel Areas**

Area	October - December '04			July - September '04			October - December '03		
	Total	Female	Male	Total	Female	Male	Total	Female	Male
<b>Mississauga West</b>	9485	4042	5443	10095	5134	4962	15105	6557	8548
<b>Brampton</b>	4983	2482	2501	6075	3277	2798	3807	1682	2125
<b>Mississauga East</b>	230	103	127	314	146	168	1345	613	731
<b>Malton</b>	221	99	122	296	133	163	382	166	217
<b>Milton</b>	431	214	217	495	276	219	223	107	116
<b>Oakville</b>	1283	576	707	1410	782	628	747	335	412
<b>Burlington</b>	1449	575	874	1488	828	660	814	335	479
<b>Georgetown</b>	424	201	223	541	310	241	248	88	160
<b>Orangeville</b>	467	226	241	671	414	257	433	162	271
<b>TOTAL Halton/Duff./Peel</b>	18973	8518	10455	21385	11299	10086	23104	10046	13058

Source: HRCC administrative data C-356

**Employment Insurance Claimload Analysis**

The overall claim total declined by over 4000 claims when compared with the same period in 2003, the total claims also declined from the third quarter of 2004, which may be a reflection of the increase in employment in December in the Greater Toronto Region when combined with other factors. One must take into consideration that the population in the Greater Toronto Region is increasing, which will put more pressure on the ability of individuals to find jobs. In the period from December 2003 – December 2004, over 56,000 job seekers were added to the Greater Toronto Area, leading to a 0.4% increase in unemployment.

*(Statistics from Toronto Area Economist, Economic Analysis and Information Directorate, Ontario Region)*

**2004 Fourth Quarter Overview for the Hamilton Census Metropolitan Area**

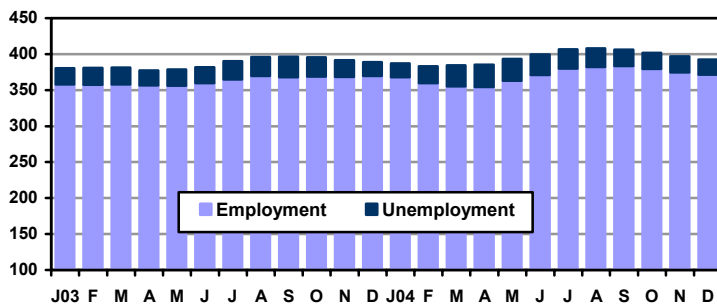


The Hamilton area labour market slowed abruptly in the fourth quarter of 2004. The area experienced its largest fourth quarter contraction since 2001, far exceeding its normal seasonal losses. Employment dropped by 3.1% (12,000), with full-time job losses accounting for the entire decline. This lowered the employment rate by 2.2 percentage points, to its lowest level since the middle of the second quarter. However, a larger withdrawal of people from the labour force (3.3% or 14,000) left fewer people classified as unemployed. Consequently the unemployment rate dropped to 5.3% from 5.6% in the third quarter.

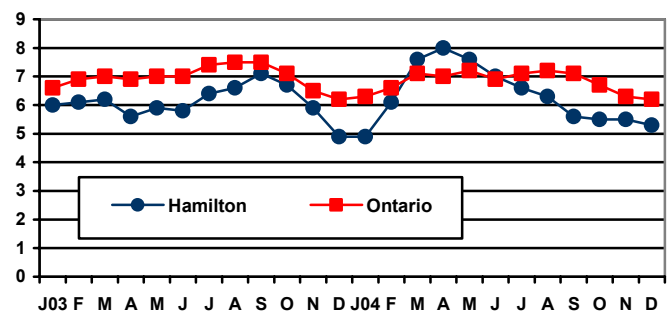
The fourth quarter contraction slowed growth sharply on a year-over-year basis, following an acceleration of growth in the second and third quarters. Employment was up by only 0.5% from its level a year earlier, compared with an average growth rate of 2.2% in the first three quarters of 2004. Ontario's employment level rose by 1.8% in the fourth quarter. Similarly, labour force participation rose by 1.0% year-to-year, compared with an average of 2.6% in the first three quarters of 2004. With labour force participation rising by more than double the increase in employment, the Hamilton area unemployment rate increased from 4.9% a year ago. However, this lower rate was well below the average for 2003 (6.0%).

Courtesy the Ontario Regional Economist – Southern Ontario Office

**Hamilton CMA: Labour Force**  
January 2003 to December 2004



**Hamilton CMA and Ontario:**  
Unemployment Rate, Jan 2003 to Dec 2004



Source: Statistics Canada, Labour Force Survey

For more information on the Hamilton CMA, please click on the following link:  
<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=/en/on/offices/current/hamilton.shtml&hs=on0>

**2004 4<sup>th</sup> Quarter Overview for the Toronto Census Metropolitan Area**

The Toronto CMA labour market contracted in the fourth quarter of 2004. Employment fell by 22,000 jobs compared to the third quarter. As is normal at this time of year, part-time hiring was brisk but was unable to compensate for a larger decrease in full-time jobs. The number of unemployed also fell due to a reduction in the labour force participation rate. The unemployment rate dropped to 7.1% compared to 8.2% in the third quarter. However, the unemployment rate was higher than the 6.9% rate in the fourth quarter of 2003.





The fourth quarter employment loss affected most industries in the Toronto Census Metropolitan Area. Employment fell in export-oriented industries like manufacturing, and transportation and warehousing. The economy may be feeling the effects of a higher Canadian dollar. The Canadian dollar strengthened against the U.S. dollar from an average of 77.6 cents in September to 82 cents in December 2004. In the services-producing sector, employment rose only in retail and wholesale trade and in publicly funded industries like educational services, health care and social services, and public administration. In the goods-producing sector, construction employment had a small gain. Statistics Canada reported that non-residential construction investment rose in the Toronto CMA from the third to fourth quarter of 2004 fuelled by increases in commercial construction.

Employment increased by just over 52,000 jobs from the fourth quarter of 2003 to the fourth quarter of 2004. Since last year there have been significant increases in employment in retail and wholesale trade; professional, scientific and technical services; health care and social assistance; and finance, insurance, real estate and leasing.

*Courtesy the Toronto Labour Market Bulletin – Toronto/York Human Resource Centres of Canada*

### **Toronto CMA: Labour Force Trends**

For more information on the Toronto CMA, please click on the following link:

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=/en/on/offices/current/toronto.shtml&hs=on0>

### ***FROM THE AUTHOR'S DESK***

A study released in the December 14<sup>th</sup> edition of the Globe and Mail suggests Canadian employers have a positive outlook on hiring in the first quarter of 2005. Sixteen percent plan to add staff, 12% plan cuts and the rest expect to remain the same. Mining and finance/insurance/real estate expect high hiring rates, with 44% and 24% respectively, looking to hire.

Statistics Canada reported that building permits were up 1.4% in the Greater Toronto Area compared with last year. The increase in building permits has fueled hiring in the construction sector and serves as a good indicator of construction intentions in the area.

A Decima Research survey for the Canadian Imperial Bank of Commerce published in the Toronto Star shows that while many thought the introduction of big-box shopping centres would eliminate independent retailers, the small businesses are actually surviving on their own. According to the study, only 16% of respondents said their businesses have been hurt by the arrival of big-box centres. One of the ways small businesses have been surviving is finding specific niches the big-box centres are not able to specialize in. The smaller businesses also focus on customer service and adding a personal touch. The same study reported that 5% of small businesses reported the big-box centres are helping their businesses by allowing them to purchase cheaper supplies and sell their services to large retailers.

Former Immigration and Citizenship Minister Judy Sgro stated that new immigrants to Canada need to integrate into the labour market faster, highlighting enhanced language training and recognition of foreign credentials as two important steps that need to be taken. This stance comes just as a report was printed in the Toronto Star that almost half of Canadian employers "...don't bother to check out resumes from immigrant job candidates with overseas education or years of foreign work experience." (Toronto Star, November 4, 2004) While some of this trend can be associated with employers, tending to associate with credentials they are familiar with, the Star points out that this hiring practice encourages systematic discrimination against immigrants.

Halton Region was recently named one of Canada's top 100 employers, earning a spot in a book and a mention in MacLean's magazine. Halton currently has more than 1,700 staff members that range from public health nurses to business development officers.



**Notes to Readers:**

1. The **Halton, Dufferin and Peel areas** are comprised of **Milton, Burlington, Oakville, Georgetown, Mississauga, Brampton, Malton and Orangeville**.
2. The information contained in the Labour Market News section is gathered using a variety of internal and external sources. The primary sources of information include **the Globe and Mail, the Toronto Star, the Oakville Beaver, the Burlington Post, the Brampton Guardian, the Brampton Business Times, the Mississauga News, the Mississauga Business Times, the Orangeville Citizen, the Orangeville Banner and the Milton Champion**.
3. **Definitions – Labour Force Survey data**  
**Population 15+** (the working age population) consists of all persons 15 years of age and over residing in Canada with the exception of residents of the Territories, persons living on Indian Reserves, inmates of institutions and full-time members of the Canadian Armed forces. The **Labour Force** consists of people employed or unemployed and searching for work. Those who are neither employed nor unemployed and are not willing or able to supply labour services are considered **Not in the Labour Force**. The **Participation Rate** is the percentage of the working age population (15+) who is seeking work or is employed. The **Unemployment Rate** is the number of people who are unemployed and looking for work as a percentage of the number of people in the Labour Force. The **Employment Rate** is the number of people employed as a percentage of the working age population.
5. **Definitions - HRSDC Corporate Data**  
**Employment Insurance claim load:** The number of individuals with an active claim for regular Employment Insurance benefits. Data on Employment Insurance claimants is not an accurate measure of the absolute level of unemployment. The data does not include unemployed individuals who: 1/ have not met the program's eligibility requirements or 2/ have exhausted their benefit entitlement.  
**Employment Opportunities:** Advertised employment opportunities are comprised of vacancies notified to the HRCC offices in our area and newspaper want ads. This data is not a count of all labour market activity; in practical terms, such a count is not feasible. This data is useful to track short and long-term changes in the demand for individual occupations. The total number of opportunities is equal to full-time plus part-time and casual.
6. This review uses data from **Statistics Canada's Labour Force Survey (LFS)**. In any survey there is a chance of variation due to sampling size. **Three-month moving averages** are used for selected labour force characteristics in an attempt to improve the reliability of this data. For further information on the Labour Force Survey, visit Statistics Canada's website at:  
<http://www.statcan.ca/english/concepts/labour/index.htm>
7. For more information on Industrial and Occupational categories used in this review, visit **Statistics Canada's website** at:  
<http://www.statcan.ca/english/concepts/index.htm>

