



Labour Market Bulletin

Human Resource Centre of Canada

North Bay Region

~ An Analysis of the North Bay Region Labour Market ~ July To September 2004 ~

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The Labour Market Bulletin is an overview of the labour market in the region serviced by the North Bay Human Resources Centre Canada (HRCC): the North Bay HRC area, the Tri-Town HRC area and the West Nipissing HRC area.

OVERVIEW

There are encouraging prospects for the North Bay region entering the second half of 2004. Construction in the city has already surpassed 2003's total, while local businesses have secured multi-million dollar contracts. New stores, restaurants and hotels are providing hundreds of job for area workers. Local lumber producers were pleased as August rolled in with news of a NAFTA panel ruling, which found that the U.S. softwood industry was not threatened by Canadian imports. This ruling required the U.S. to lift the duties it has imposed on Canadian softwood imports.

There were additional positive signs in the area labour market during the quarter. The Employment Insurance claimload in the North Bay region showed a substantial decrease compared to both the previous quarter and the third quarter of 2003.

In addition, Labour Force Survey results from Statistics Canada indicated that Northeastern Ontario experienced improved labour market conditions in the third quarter of 2004.

HIGHLIGHTS

- ▶ **Labour Market News**
 - ▶ North Bay firm lands \$160-M contract.
 - ▶ Mill silent for the first time in 31 years.
 - ▶ Optimism abounds at ONTC.
 - ▶ New OPP facility approved.
 - ▶ New logging school in Burk's Falls.
 - ▶ Local school celebrates 50th year of operation.
 - ▶ Three doctors express interest in Bonfield clinic.
 - ▶ New Mattawa-based magazine.
 - ▶ New \$4-million hotel in West Nipissing.
 - ▶ Nearly 500 students assisted with job hunting.
- ▶ **Conditions continue to improve in Northeast**
- ▶ **Job gains in services offset losses in goods sector**
- ▶ **Decrease in E.I. claimload for the North Bay region**

The North Bay HRCC 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 at:

<http://www.labourmarketinformation.ca>
(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.



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.

Forestry, Fishing, Mining, Oil And Gas

Lumber Decision 'a home run'.

In August, Tembec Inc., one of the biggest players in the Canadian softwood industry welcomed an American decision to lift softwood duties, describing it as "slugging" a home run. The United States has agreed to comply with a North American Free Trade Agreement (NAFTA) panel ruling that the U.S. softwood industry is not threatened by Canadian imports. Because of the ruling, the American government must repay \$3 billion in duties and tariffs collected from the Canadian lumber industry over the course of the long-running trade, said to have been the biggest trade dispute in the world. Tembec's share of the duties is \$200 million. According to the company, the American decision comes at a time when lumber prices are at record levels, and that Tembec's mills are running at full tilt, including those where layoffs had occurred. However, the company warned that Canada may not be out of the woods yet. The U.S. can still mount what is called an "extraordinary challenge" under NAFTA, something they have attempted unsuccessfully in the past.

Construction

Construction rising in North Bay.

The value of construction in the city has surpassed the 2003 total in just six months, with \$35.8 million in development underway and more on the horizon. Several major initiatives could bring the total value close to \$60-million, with the potential of generating more than \$450,000 in building permit fees. The construction hyperactivity, however, is forcing city staff to concentrate on priorities. The large number of permits issued is expected to generate increased demand for inspection services.

Manufacturing

North Bay firm lands \$160-M contract.

Falconbridge Ltd. has awarded a six-year project to Cementation Shanska to design and construct hoisting and ventilation shafts for the Nickel Rim South exploration project near Sudbury. Cementation Shanska recently consolidated its former locations in North Bay, Sudbury and Aurora, Ont., in the former Equisure building at 590 Graham Drive in North Bay. The company's payroll in the city is expected to reach about \$4.5 million.

Mill silent for the first time in 31 years.

Mid-July heavy floods forced Tembec to shut down its five mills in Temiskaming for many days, at a daily cost of \$500,000. The plant's shutdown was also attributed to a lack of labour at the site as many employees could not get to work due to the collapse of some parts of highways 63 (in Ontario) and 101 (in Quebec).

Trade (Retail & Wholesale)

Buck or Two closures in North Bay and Temiskaming Shores.

The closure of two Buck or Two stores will result in the loss of seven full-time and nine part-time jobs between the two cities. As many as 92 stores owned by Dennighouse Inc. are being closed across Canada.

New NO FRILLS in Sturgeon Falls.

The No Frills store and gas bar will create 105 jobs in West Nipissing. The outlet is the first No Frills location to have a pharmacy and photo lab on site.



Transportation And Warehousing

Optimism abounds at ONTC.

While 203 employees at Ontario Northland Transportation Corporation (ONTC) are taking early retirement, almost 130 employees have been hired across the north. The new employees will work on a project to refurbish 121 transit commuter coaches, a contract the 102-year-old ONTC won earlier this year. A \$4-million paint and sandblasting shop – the most modern in all of North America – is currently being built to house the project.

Professional, Scientific And Technical Services

New OPP facility approved.

The Ontario Provincial Police Communication Centre in North Bay has received approval for a new \$3-million facility near its current location. The project is expected to begin in October and will take about one year to complete. The centre acts as a link for 591 OPP officers, 70 First Nations officers and 163 civilian staff across the region.

Business, Building and Other Support Services

North Bay lost 6 provincial jobs.

The province is restructuring its shared services bureau, which is part of the Management Secretariat Board. The bureau will drop from 16 to 6 offices across the province, shuffling 320 jobs, including 80 temporary positions that will not be renewed. Thirty-five jobs will be relocated from North Bay, while 29 new full-time positions that offer similar or lower wages will be coming in to the city. The net loss is 6 jobs. Sudbury gained 122 jobs from the restructuring. The 35 workers whose jobs are being moved to Sudbury, Peterborough or Toronto had one month to decide if they wanted to move or accept a buyout.

Educational Services

New logging school in Burk's Falls.

The new B. Allan Mackie School of Log Building held its second workshop in September. Some clients enrolled with plans to build their own log homes while others were looking to get into the trade. The school is named after its top instructor who, at age 78, still teaches in Japan, Korea and Prince George, B.C. Brian Williamson, the school's owner, also owns Canadian Shield Log Home Craftsmen and hired two students from the May workshop. The business, in operation since 1986, currently has eight employees.

Local school celebrates 50th year of operation.

The Modern Hairstyling and Esthetics School in North Bay celebrated its 50th year in operation. The current owners acquired the business 22 years ago and credit its longevity to a well-established reputation and to the intensive hands-on experience offered to its students. In January, the school formed a partnership with Sault College for a new Ontario Youth Apprenticeship Program, which offers high school students extensive hands-on training in a real salon. During the 1,500 hours of training, some of the students have completed as many as 600 haircuts, compared to 20 in other schools.

Health Care And Social Assistance

Three doctors express interest in Bonfield clinic.

An Ontario Medical Association (OMA) event held in conjunction with an Association of Municipalities of Ontario conference yielded three possible candidates to replace the family physician scheduled to leave Bonfield at the end of October. Unlike most practices, the Bonfield clinic holds regular hours, which affords the physicians more opportunity for a balanced lifestyle.



Information, Culture And Recreation

New Mattawa-based magazine.

A new magazine will be releasing its second edition this month. Mattawa-based *Angus Magazine* employs five people and has a circulation of about 2,500.

Heritage North Bay receives \$86,000 to hire a volunteer co-ordinator.

Heritage North Bay, an umbrella organization recently established in the city, has been awarded a three-year Ontario Trillium Foundation grant. The funds will be used to organize and train nearly 800 volunteers who operate the waterfront's mini-train and carousel, and tend the city's gardens. The umbrella organization encompasses the North Bay Area Museum, Heritage Railway and Carousel, and the Heritage Gardeners.

Accommodation And Food Services

New \$4-million hotel in West Nipissing.

The three-storey, 60-room Comfort Inn hotel is expected to open in the spring. It will be the first branded hotel in that community and will provide an estimated 20 job opportunities for Sturgeon Falls and area residents.

New Mennonite restaurant in Warren.

Kate's Kountry Kitchen is quickly becoming a popular stop for transport drivers and travellers alike. It offers home-style meals and employs seven area residents. The owner is not only one of the youngest entrepreneurs, but is believed to be the first Mennonite to run a business in the area.

Other Services

Blue Sky Economic Growth Corporation undertakes various studies.

The organization's tourism sector will conduct a study into the economic impact of tourism in the Blue Sky Region to help local businesses and industry stakeholders measure changes and develop marketing strategies. After the initial study, numbers will be updated monthly or annually to identify which areas share the \$210-million the tourists spend annually in the region, how many jobs are generated and where.

Another study will be conducted by the organization's building and retirement sector to explore the impact of the baby boomer generation on housing, health care and the economy. A day-long conference will be held in the fall to identify the issues surrounding the boomers, a phenomenon that is expected to last for another 20 years.

Lastly, a Human Resources Gap Analysis study, to be completed by January 2005, will give employers, employees, prospective workers and educators, valuable information about the types of jobs opening up in the next decade as baby boomers leave the workforce.

Public Administration

Almost 1,400 students assisted with job hunting.

The North Bay Human Resource Centre of Canada for Students (HRCC-S) reported another successful summer. The centre's mandate is to match job-seeking students with potential employers. Students in the region's three HRCC-S offices; North Bay, New Liskeard and Sturgeon Falls, assisted 1,392 fellow students with résumé-writing, cover letters, job search techniques and information about different courses, such as apprenticeships programs. As many as 1,486 employers were contacted throughout the summer while 834 students participated in Group Information sessions (GIS).



LABOUR FORCE TRENDS

Produced by the Northern Ontario Area Economist, Economic Analysis and Information Directorate, Ontario Region

Northeastern Ontario

Conditions continue to improve in Northeast

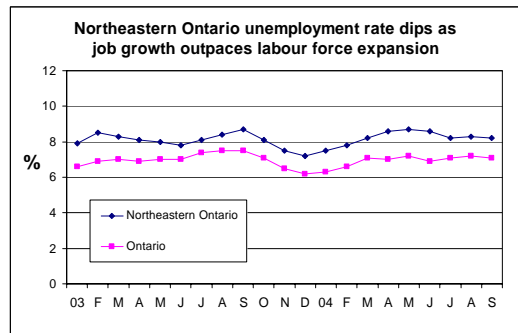
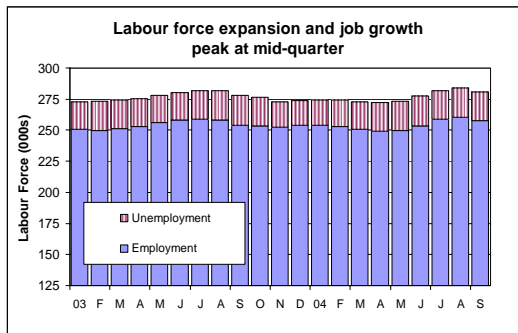
Labour market conditions in Northeastern Ontario continued to improve in the third quarter of 2004. Even with a slight downturn towards the end of the quarter, the labour force expanded (+3,100). This marked the third consecutive quarter of labour force growth in the Region. Coupled with a small decline in the working age population (-1,000), the expansion caused the participation rate to climb from 61.7% in the second quarter to a two-year high of 62.5%. Job growth was slight, although there were notable changes in the composition of employment in the Region. The number of people working full-time employment rose 4% (+8,200). This increase more than compensated for an 8% decline in part-time work (4,000). The resulting net gain of 4,200 jobs pushed the employment rate up from 56.3% in the previous quarter to 57.4%, another two-year high. Moreover, unemployment in the Region decreased because there were more new jobs created during the quarter than there were new or returning job seekers to fill them, unemployment decreased. Consequently, Northeastern Ontario's unemployment rate edged down from 8.6% in the second quarter to 8.2%.

Northeastern Ontario's labour market is also stronger year-over-year. Despite a smaller working age population (-3,700), the labour force expanded year-over-year (+2,600). This growth pushed the participation rate up from 61.4% in the third quarter of 2003 to 62.5%. The Region also experienced job growth (+3,800) over the past year. As a result, the employment rate rose from 56.1% in the third quarter of 2003 to 57.4%. Since this job growth outpaced the labour force expansion, unemployment has decreased over the past four quarters. Consequently, Northeastern Ontario's unemployment rate dropped from 8.7% one year ago to 8.2%.

Northeastern Ontario Labour Force Trends

	July to September 2004	April to June 2004	July to September 2003	Change			
				Quarter/Quarter Absolute	%	Year/Year Absolute	%
Population 15 +	449,200	450,200	452,900	-1,000	-0.2	-3,700	-0.8
Labour Force	280,700	277,600	278,100	3,100	1.1	2,600	0.9
Employed	257,800	253,600	254,000	4,200	1.7	3,800	1.5
Full-time	210,300	202,100	203,800	8,200	4.1	6,500	3.2
Part-time	47,500	51,500	50,200	-4,000	-7.8	-2,700	-5.4
Unemployed	22,900	24,000	24,100	-1,100	-4.6	-1,200	-5.0
Not in Labour Force	168,600	172,500	174,700	-3,900	-2.3	-6,100	-3.5
Participation Rate	62.5%	61.7%	61.4%	0.8		1.1	
Unemployment Rate	8.2%	8.6%	8.7%	-0.4		-0.5	
Employment Rate	57.4%	56.3%	56.1%	1.1		1.3	

Note: Totals may not add due to rounding. Source: Statistics Canada, Labour Force Survey



Employment by Industry

Gains in services offset losses in goods sector

Employment in Northeastern Ontario's goods-producing sector declined during the third quarter (-2,200). These job losses erased all of the gains recorded by goods-producing industries in the second quarter, when the sector expanded to its highest level since the end of 2002. Jobs were lost throughout the sector, with the lone exception of Construction (+2,600). In contrast, the services-producing sector recorded growth of more than 3% (+6,400). Eight of the 11 industries within the sector expanded during the quarter. The strongest growth was recorded in Finance, Insurance, Real Estate and Leasing (+2,600), where employment hit a 7-year high of 11,900.

The same pattern of goods sector losses and services sector gains was seen in the comparison of year-over-year data. Despite the creation of 3,800 jobs in Forestry, Fishing, Mining, Oil and Gas, employment in the goods sector fell more than 3% over the year. The sector's losses were centered in Manufacturing, where employment decreased 22% (-5,800). All of the goods sector losses were offset by gains on the service-producing side of the labour market (+5,800). There were substantial year-over-year gains in Accommodation and Food Services (+4,200) and in Trade (+3,700).

Northeastern Ontario Employment By Industry

Industry	July to September 2004	April to June 2004	July to September 2003	Change			
				Quarter/Quarter		Year/Year	
				Absolute	%	Absolute	%
Total	257,800	253,600	254,000	4,200	1.7	3,800	1.5
Goods-Producing Sector	60,900	63,100	62,900	-2,200	-3.5	-2,000	-3.2
Agriculture	...	3,000	1,900
Forestry, Fishing, Mining, Oil and Gas	18,400	19,300	14,600	-900	-4.7	3,800	26.0
Utilities	3,400	4,200	2,400	-800	-19.0	1,000	41.7
Construction	17,200	14,600	17,600	2,600	17.8	-400	-2.3
Manufacturing	20,500	21,900	26,300	-1,400	-6.4	-5,800	-22.1
Services-Producing Sector	196,900	190,500	191,100	6,400	3.4	5,800	3.0
Trade	42,700	41,900	39,000	800	1.9	3,700	9.5
Transportation and Warehousing	12,200	12,600	12,500	-400	-3.2	-300	-2.4
Finance, Insurance, Real Estate and Leasing	11,900	9,300	11,500	2,600	28.0	400	3.5
Professional, Scientific and Technical Services	9,700	7,700	9,400	2,000	26.0	300	3.2
Business, Building and Other Support Services	8,800	10,200	8,900	-1,400	-13.7	-100	-1.1
Educational Services	16,500	20,100	14,000	-3,600	-17.9	2,500	17.9
Health Care and Social Assistance	37,300	35,100	39,200	2,200	6.3	-1,900	-4.8
Information, Culture and Recreation	10,200	8,700	9,500	1,500	17.2	700	7.4
Accommodation and Food Services	22,700	21,100	18,500	1,600	7.6	4,200	22.7
Other Services	10,100	9,400	11,400	700	7.4	-1,300	-11.4
Public Administration	14,800	14,400	17,100	400	2.8	-2,300	-13.5

Note: "..." indicates that data are too small to be expressed and are not appropriate for release. Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey



LABOUR SUPPLY AND DEMAND

Employment Insurance Claimload

Decrease in E.I claimload for the North Bay Region*

The number of Regular Employment Insurance (EI) claims in the North Bay Region averaged 2,540 in the third Quarter of 2004. This was a decrease of 541 claims compared to this year's second Quarter and a decrease of 237 claims compared to the third Quarter of 2003.

Female claimants represented 49.8% (1,266) of the third Quarter claimload while males represented 50.2% (1,274).

Regular Employment Insurance Claimants - North Bay Region

	July to September 2004 Monthly Average			April to June 2004 Monthly Average			July to September 2003 Monthly Average		
	Total	Female	Male	Total	Female	Male	Total	Female	Male
North Bay Hrcc Region	2,540	1,266	1,274	3,081	980	2,102	2,777	1,198	1,579

Source: HRCC administrative data C-356

**The Labour Market Bulletin is an overview of the labour market in the North Bay Human Resource Centre of Canada (HRCC) Region, which includes the North Bay HRC area (Mattawa to South River to Temagami); the Tri-Town HRC area (New Liskeard and Haileybury, north to Armstrong Township and South to Cobalt and Latchford); and the West Nipissing HRC area (including Dokis).*

Employment Opportunities - North Bay Region

Occupations (NOC)	July to September 2004	April to June 2004	January to March 2004
Total Vacancies	1,275	911	1,143
Management	61	121	68
Business/Administration	166	92	95
Natural & Applied Sciences	87	42	103
Health	50	58	101
Social Science & Education	74	83	60
Culture & Recreation	20	12	20
Sales & Service	434	228	367
Trades & Transport	343	247	266
Primary Industry	13	14	43
Manufacturing & Utilities	27	14	20

Source: Local newspaper ads

FROM THE AUTHOR'S DESK

In the next issue of the North Bay quarterly labour market bulletin, information on vacancies posted to HRSDC's Job Bank for Employers will be included in the analysis of employment opportunities in the North Bay Region. This data will enhance the analysis of labour demand in the area.



Notes to Readers:

1. **Northeastern Ontario (Economic Region 590)** is comprised of eight Census Divisions: the Districts of Nipissing, Parry Sound, Manitoulin, Sudbury, Timiskaming, Cochrane and Algoma. The **North Bay Region** includes the three areas serviced by HRCC North Bay; the **North Bay HRC area** (Mattawa to South River to Temagami), the **Tri-Town HRC area** (New Liskeard and Haileybury, north to Armstrong Township and South to Cobalt and Latchford), and the **West Nipissing HRC area (includes Dokis)**.
2. For the purpose of this publication, the **North Bay HRCC Region** includes all of the above communities, as well as Sudbury East, the French River area and Kilarney.
3. 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 North Bay Nugget, the Mattawa Recorder, the Temiskaming Speaker, La Tribune of/de Sturgeon Falls, the North Bay Nugget's Business Outlook, the Resources North, and the Northern Ontario Business**.
4. **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 are seeking work or are 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>

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