



Labour Market Bulletin

Human Resource Centre of Canada

Chatham-Kent

~ An Analysis of the Chatham-Kent Area Labour Market ~ January to March 2005 ~

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The Chatham-Kent 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 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 Chatham-Kent area.

A drop in full-time workers pushed the unemployment rate up in the Windsor-Sarnia Economic Region (570).

Labour force and employment levels are up sharply from a year ago. In the first quarter, employment in manufacturing and agriculture went up but dropped in most of the other sectors.

HIGHLIGHTS

- ▶ In April 2005 Autoliv Canada in Tilbury presented its new addition to the public. The expansion will allow increased production of inflatable curtain side airbags. More employees are expected to be hired.
- ▶ An unusually warm fall caused tons of sugar beets to rot in the piling yards resulting in local farmers losing millions of dollars.
- ▶ Chatham-Kent, like several areas in Ontario, set home sale and home price records in 2004. Demand has remained strong in early 2005 with first quarter sales up slightly from one year ago.
- ▶ First Pro Shopping Centres is continuing with phase two of a multi-million dollar construction project which began last year. Phase two will include the construction of a 91,000 square-foot Loblaw's Great Canadian Superstore grocery store.
- ▶ Canril Corporation has commenced construction on a 65,000 square-foot Home Depot on 7.5 acres of severed farmland. A job fair is expected to be held this summer to fill retail jobs created by this store.
- ▶ Wheels Inn, Chatham-Kent's full service resort hotel, has been undergoing a major renovation project which will take four years to complete.
- ▶ YA Canada has purchased a new mail processing machine. The year-old plant is celebrating its first anniversary by employing 100 new employees.



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.

Manufacturing

In April 2005, Autoliv Canada in Tilbury presented its new 55,000 square-foot addition to the public. The expansion will allow production of inflatable curtain side airbags to increase from 4.4 million units in 2004 to over six-million units in 2005.

In 1999 Autoliv opened a 100,000 square-foot facility with sixty employees and seven weaving looms. With the completion of the addition there is the capacity to operate one hundred looms, 24 hours per day, seven days per week. The expansion will also accommodate a scouring machine that washes the woven fabric to prepare it for production, previously the fabric was sent to an outside company for preparation.

The addition also houses a training centre which in partnership with the Textiles Human Resource Council of Canada (<http://www.thrc-crhit.org/en/programs/sites-en.asp>) will offer programs for the company and employees.

Currently Autoliv has almost 700 employees, an annual payroll of over \$25-million and is Chatham-Kent's third largest employer.

Autoliv customers include: General Motors, Ford, Daimler Chrysler, Honda and Nissan.

Chatham's year old Dana Canada plant, which produces an innovative five-layer heat shield, has become know as an expert in their field. This expertise allowed the company to make \$18 million in sales in 2004 and they predict sales will increase to about \$29 million in 2006.

Agriculture

The grower-owned Michigan Sugar Beet Company suffered a \$33-million loss this winter. Unusual weather conditions were blamed for tons of sugar beets rotting in the piling yards. This loss translates into \$2.5- million for Chatham-Kent and Lambton County's 100 sugar beet growers. There may be changes in how the beets are piled to prevent this from happening again.

Construction and Real Estate

Chatham-Kent's housing industry has continued to perform well. In the first quarter of 2005 sales of residential housing

topped \$36-million, \$1.1-million more than the same period last year. The cost of houses continued to climb, from an average price of \$118,500 in 2004 to an average of \$124,939 so far this year.

Low interest rates and net affordability for home buying versus renting are among the factors affecting the housing market. Chatham-Kent, like several areas in Ontario, set home sale and home price records in 2004.

First Pro Shopping Centres is continuing with phase two of a construction project which began last year with a new \$6-million 132,000 square-foot Wal-Mart store. Phase two will see the construction of a 91,000 square-foot Loblaw's Great Canadian Superstore grocery store with construction valued at \$8-million. The Zehr's grocery store at this location will be refit for another retail opportunity.

Across the road Canril Corporation has commenced construction on a 65,000 square-foot Home Depot on 7.5 acres of severed farmland. The construction of this project is valued at \$6-million.

Twelve and a half more acres of land has been purchased at this site for other commercial endeavors with Home Depot as the anchor store.

A job fair is expected to be held in the summer of 2005 to fill the one hundred fifty full-and part-time retail jobs created by this store.

The Great Canadian Superstore and Home Depot should be open by the fall of 2005. The combination of construction and retail jobs has created temporary, part-time and full-time employment for hundreds of area residents.

Education

St. Clair College, Thames Campus has once again received a donation from ArvinMeritor--one of Chatham-Kent's major employers. The donation will enable the college to purchase digital oscilloscopes, a safety curtain and mechanical and electrical parts for use by the third year mechatronics students.

Thames campus is the only Ontario college that offers a mechatronics program which is a combination of mechanical and electronics engineering technology.



Mechatronics Technologists are meeting a new industry demand in the area of automation.

Travel and Tourism

The Wheels Inn, a full service resort hotel in Chatham which attracts thousands of tourists from both Canada and the U.S., is undergoing a \$4.6 million upgrade.

Phase one of the four-year project will include a total makeover for 90 guest rooms and technology enhancement such as voice mail in all guest rooms and high speed internet in conference and corporate rooms. A new 125-seat restaurant has already opened.

This 30-year-old, 11-acre indoor and outdoor facility complete with a go-kart track is Ontario's largest resort hotel with 350 rooms and houses Ontario's largest indoor amusement park.

Other

YA Canada in Wallaceburg, a rebate processing facility, is celebrating its first anniversary by hiring 100 additional employees. YA opened in December 2003 with 50 employees

and the number had grown to over 400. With the recent purchase of a new mail sorting machine new hires will bring the payroll over 500 employees.

This facility has been declared the top processing plant in North America having processed 1.6 million units with 98 percent accuracy.

Chatham-Kent has sold its first parcel of land in its municipal owned business park to Gibson Transportation a major logistics firm for the Alliston (ON) Honda plant.

Gibson Transportation is not new to Chatham-Kent; there are currently 38 employees who work in the area. Gibson will move from a leased location to their site where a transportation depot is being built. Up to 50 new jobs are anticipated.

Gibson Transportation has a head office in Alliston Ontario and employs over 500 workers.



LABOUR FORCE TRENDS

Windsor-Sarnia’s labour market experienced a minor contraction in the first quarter of 2005. Employment fell by 2,000, due to a drop in the number of full-time workers. This was partially offset by an increase in part-timers. Employment has shown only modest declines since peaking in the third quarter, while the size of the labour force has remained relatively constant. Consequently, the unemployment rate has been creeping upwards for the past two quarters. It reached 8.4% in the first quarter, its highest level since last summer. Ontario’s unemployment rate was 7.0%.

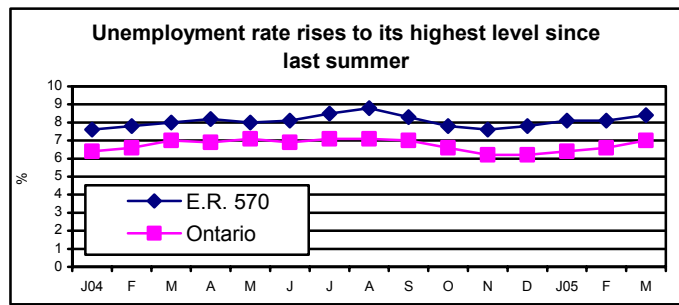
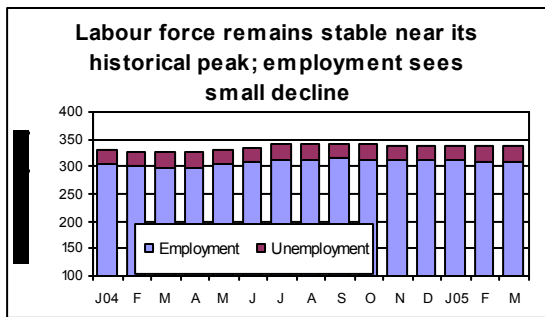
Despite this small contraction, the Windsor-Sarnia labour market continued to gain strength compared with a year earlier. Both labour force and employment growth accelerated in the first quarter, extending an expansion that began last summer. Employment was up by almost 11,000 compared with a year ago, for an increase of 3.5%. This is its largest such increase in two years, and is almost four times the Ontario average of 0.9%. However, for most of the past year people had been entering the labour market faster than new jobs were being created. This pushed the labour force up by 13,000 compared with a year ago, leaving more people unemployed. As a result, the unemployment rate increased from 8.0% in the first quarter of 2004.

Economic Region 570 Windsor Sarnia Area Labour Force Trends

	January to	October to	January to	Quarter/Quarter		Year/Year	
	March	December	March	Absolute	%	Absolute	%
	2005	2004	2004				
Population 15 +	518,600	517,500	513,000	1,100	0.2	5,600	1.1
Labour Force	338,200	338,000	325,100	200	0.1	13,100	4.0
Employed	309,800	311,800	299,300	-2,000	-0.6	10,500	3.5
Unemployed	28,400	26,200	25,900	2,200	8.4	2,500	9.7
Not in Labour Force	180,400	179,500	187,800	900	0.5	-7,400	-3.9
Participation Rate %	65.2	65.3	63.4	-0.1		1.8	
Unemployment Rate (%)	8.4	7.8	8.0	0.6		0.4	
Employment Rate (%)	59.7	60.3	58.3	-0.6		1.4	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.



Employment by Industry

The goods-producing sector showed the largest employment shifts over the quarter. Employment in utilities fell by more than a third, following an unusual and meteoric rise in the second half of 2004 which raised it to a historical high at the end of the year. Along with a seasonal drop in construction workers, this offset increases in agricultural and manufacturing employment. Manufacturing experienced its largest quarterly gain in almost four years. Employment levels dropped across most services-producing industries over the quarter, although the losses were relatively small. The largest came from the professional, scientific and technical services industry, which had seen employment rise to a historical high at the beginning of this year.

Job growth over the past year has come largely from the services-producing sector. It has been concentrated in four industries: transportation and warehousing; health care and social assistance; information, culture and recreation; and accommodation and food services. Most of this growth came in the second half of 2004. Lower employment levels in business, building and other support services, and educational services eroded these gains. In both cases, employment was near its historical high a year ago.

Economic Region 570 Windsor-Sarnia Area Employment by Industry

Industry	January to	October to	January to	Quarter/Quarter		Year/Year Change	
	March 2005	December 2004	March 2004	Absolute	%	Absolute	%
Total	309,800	311,800	299,300	-2,000	-0.6	10,500	3.5
Goods-Producing Sector	104,900	104,300	102,700	600	0.6	2,200	2.1
Agriculture	7,700	6,400	7,100	1,300	20.3	600	8.5
Forestry, fishing, mining, oil and gas
Utilities	3,300	5,300	...	-2,000	-37.7
Construction	15,400	17,800	16,100	-2,400	-13.5	-700	-4.3
Manufacturing	78,000	74,200	77,300	3,800	5.1	700	0.9
Services-Producing Sector	204,900	207,500	196,600	-2,600	-1.3	8,300	4.2
Trade	40,200	41,000	40,000	-800	-2.0	200	0.5
Transportation and warehousing	17,400	17,800	12,600	-400	-2.2	4,800	38.1
Finance, insurance, real estate and leasing	11,500	12,000	12,300	-500	-4.2	-800	-6.5
Professional, scientific and technical services	11,300	12,500	10,300	-1,200	-9.6	1,000	9.7
Business, building and other support services	9,100	10,000	12,800	-900	-9.0	-3,700	-28.9
Educational services	17,300	17,700	20,900	-400	-2.3	-3,600	-17.2
Health care and social assistance	36,100	35,200	33,100	900	2.6	3,000	9.1
Information, culture and recreation	17,300	16,700	13,100	600	3.6	4,200	32.1
Accommodation and food services	23,700	22,800	20,900	900	3.9	2,800	13.4
Other services	10,000	10,700	10,300	-700	-6.5	-300	-2.9
Public administration	11,000	11,100	10,200	-100	-0.9	800	7.8

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



Mechatronics is a three year diploma course in Mechanical Engineering Technology offered at St. Clair College, Thames Campus. According to the college catalogue “mechatronics is the industrial skill required to design, fabricate, assemble, install, commission, troubleshoot and maintain automated equipment and related control and communications systems.”

<http://www.stclairc.on.ca/campus/thames/tech.html>



Notes to Readers:

1. The **Economic Region 570** is comprised of Essex County, Chatham-Kent and Lambton County.
2. For the purpose of this publication, the **Economic Region 570** includes all of the above communities as well as the cities of Windsor and Sarnia.
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 **Statistics Canada Labour Force Survey and media reports from the Chatham Daily News, London Free Press and the Windsor Star.**
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>

