



Labour Market Bulletin

Human Resource Centre of Canada

North Bay Region

~ An Analysis of the North Bay Region Labour Market ~ April to June 2005 ~

Volume 4, Issue 2 Second Quarter 2005

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The North Bay Human Resources and Skills Development Canada 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.

The Labour Market Bulletin is an overview of the labour market in the region serviced by the North Bay Human Resources and Skills Development Canada Centre: the North Bay, Tri-Town and West Nipissing Human Resources and Skills Development Canada areas.

OVERVIEW

In the second quarter of 2005, labour market conditions in the North Bay region showed some signs of improvement. Advertised job opportunities increased by almost 6.0% and Employment Insurance (EI) claims dropped by 13% compared to the first quarter of 2005. EI claims were down year-over-year as well. The announcement of a few major projects this quarter bodes well for the construction sector activity in North Bay. The long-awaited health centre project has been given approval to proceed to tender and funding has been secured for the construction of a new water filtration plant. While the manufacturing sector recorded some job losses this quarter, there was also the announcement of an expansion at a facility in Mattawa.

In Northeastern Ontario, the labour market strengthened as well. The employment rate rose to 57.5%. This was the highest quarterly employment rate seen in the region since the fall of 2002.

HIGHLIGHTS

- Labour Market News
 - New health centre project to create 400 construction jobs
 - Water filtration plant construction to begin
 - Gin-Cor Industries partnership creates jobs in Mattawa
- Northeast stronger in the second quarter fuelled by jump in Manufacturing
- Year-over-year decrease in EI claims
- Trades and Transport occupations dominate local job opportunities



LABOUR MARKET NEWS

Highlights on industry activities that have an impact on the local labour market are 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

Higher bids could leave properties scarred, workers unemployed

Scarce wood supply has brought more competition into the region. Because competition for straight, clear products and high quality saw logs is so high, American-based mills have come looking for scarce hardwood. These companies will often offer a higher price, but will not buy low quality logs when they harvest higher quality trees, leaving properties eroded and scarred. According to David Thompson, Economic Development Officer for the Mattawa Bonfield Economic Development Corporation, a lower bid per log may leave a property in better economic shape in the future. At the same time, selling timber to out-of-town companies can have a severe impact on local jobs. Thompson states that each truckload of logs represents a day's work for seven people in local mills. Thompson is encouraging landowners to compare the different harvesting practices and to learn more about the companies making the offer.

Additions to team endorsed by Tembec CEO

Since the softwood lumber dispute is still unresolved, the addition of Paul Tellier and Gordon Ritchie to Canada's soft-wood lumber negotiating team is seen as positive by Tembec CEO and president, Frank Dottori. It is expected that their participation will enhance and strengthen the team. According to Dottori, Tembec is losing \$10 to \$12 million a month because of the dispute.

New Company Agreement Signed

Cementation Canada, an underground mine contracting company, has had a successful first year of operation after the consolidation of head office functions to North Bay last spring. The move was a result of growth within the company and the undertaking of major projects across North America. The company is currently working on approximately 12 projects including a project for Falconbridge in Sudbury worth \$150 million and a \$20 million two-year contract to carry out the underground development of the existing Diavik Diamond Mine in the North West Territories.

This quarter, Cementation Canada signed a shareholder agreement to form a new company, Kitikmeot Cementation Mining and Development, in conjunction with Kitikmeot Corp. in Cambridge Bay, Nunavut. The new company will focus on the growth of the underground mining industry in Nunavut and the Northwest Territories and will have significant Inuit ownership and participation. The company hopes to create opportunities for continuous training and development of the skills of the aboriginal and Northern population in underground mining and safety.

Shortage of Geologists and Prospectors

There are no signs that mineral exploration across the North will slow down this year. And according to Garry Clark, Executive Director of the Ontario Prospectors Association (OPA), the industry is facing a shortage of geologists and prospectors. At the Northeastern Ontario Mines and Minerals Symposium in Timmins, which attracted about 275 registrants, the OPA was promoting a mobile prospector's course offered throughout the North.

Construction

New Health Centre to create jobs

In April, the Ontario Ministry of Health gave approval to proceed with the construction tender for the North Bay Regional Health Centre. This \$218 million project will be the largest construction project ever in the North Bay area. It is estimated that the construction phase will create 400 full-time positions. The new health centre will house both the 275-bed North Bay General Hospital and the 113-bed Northeast Mental Health Centre, with the children's treatment centre to be co-located on site.

Water filtration plant construction to begin

North Bay has secured federal and provincial infrastructure funding from the Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF) and Fednor, to begin construction on a \$45-million water filtration plant. Both levels of government are each contributing almost \$15 million to the water filtration plant, in addition to \$4 million previously announced by the province through its Northern Ontario Heritage Fund.



Manufacturing

Cuts at Tembec affect local workers

In the second phase of a restructuring plan that was announced in January, Tembec will close four paper and lumber mills in Ontario and Quebec, cutting 459 jobs. Among the closures is Tembec's TKL sawmill in Temiscaming which produces pine and hardwood lumber. The closure is scheduled for July 11 and will affect 29 local workers. The mill's chip plant will continue to operate. In May, a small group of mill workers protested at the Ontario Legislature against a new policy that allows lumber to be processed far from where it is felled. The policy allows companies to move their lumber to larger operations rather than process the wood at the small mills near where it originated.

Partnership brings jobs to area

A manufacturing company from the Mattawa-Bonfield area, Gin-Cor Industries, has partnered with International Truck and Engine Corporation, a large multi-national company, to expand their existing facilities. The 2,250 square metre expansion will more than double the size of their business over the next four or five years and will create as many as 18 new administration and skilled trades jobs over the next year. The company, which offers custom products and services to all brands of heavy trucks and installs dump bodies, currently employs 35 full-time and 4 part-time workers.

Midtronics cuts mean loss of over 40 jobs

Employment for more than forty machinists was terminated prematurely on June 15th when Midtronics announced it was closing its manufacturing facility in North Bay. The company was originally scheduled to close on June 30th, following a June 14th Ministry of Labour order to shut down the plant machinery. A snap safety inspection uncovered the company's failure to comply with safety improvement orders dating back to early April. Midtronics' only Canadian location had been manufacturing battery chargers for about five years. Distribution and service will continue to be offered at the North Bay operation.

Elk Lake Planing Mill to rebuild

Two months after it was destroyed by fire, construction began at the Elk Lake Planing Mill in May. The company is planning to purchase "state-of-the-art" equipment that will allow the mill to be more efficient and produce a greater

variety of products such as machine stress-rated lumber and precision end trimmed lumber. As a result, the company will be able to meet the specific demands of the home construction industry. It is hoped that the new planing mill will be in operation by October 2005.

Transportation And Warehousing

Skilled trades at a premium

Canadore College is vying to be the delivery agent for a four-year railway car mechanic apprenticeship program. The need for this program was identified as a result of the inability of Ontario Northland Railway's (ONR) \$1-million Cochrane railway shop to find enough skilled workers in the railway trades. The ONR and other railway companies are lobbying the Ministry of Colleges, Training and Universities to develop curriculum for a four-year railway car mechanic apprenticeship. In the meantime, the company will fill vacancies with other related trades people who will receive in-house certification training for two years.

Educational Services

Welding program in Mattawa

A FedNor grant of almost \$40,000 will be used by Canadore College and F.J. McElligot Secondary School to create a post-secondary welding program in Mattawa. The project will see Canadore, the Near North District School Board, industry and senior levels of government work together to upgrade the school's shop to provide college-level training opportunities to youth, youth at risk and the under-employed. This follows the Gin-Cor Industries expansion announcement.

University has huge economic impact

According to a recent report, Nipissing University injected more than \$92 million into the North Bay economy last year. An economics professor at the university states that the economic impact is more than \$150 million a year when combined with Canadore College. In addition to the benefits to local businesses, the university has more than 1,000 employees, making it the city's fourth largest employer.

Provincial budget good news for education

The announcement of a \$6.2 billion allocation for post-secondary education over five years is very good news for Nipissing University and Canadore College. University and College officials are very pleased that



\$20 million in new funding will be provided by 2007-08 to increase access to community college programs in Northern and rural communities. This recognizes that there are unique needs in the North. It is not yet known exactly how the money will be divided among Ontario's colleges and universities. The allocation also provides relief for struggling students, with more than \$1.5 billion in grants and loans to help them cope with tuition fees that have more than doubled in the past decade. The new grant program, a joint venture with the federal Millennium Foundation, will give 16,000 low income first-year students grants of up to \$3,000. The province will add the lesser of \$3,000 or 50 per cent of tuition for 16,000 second-year students.

Opportunities for elementary school teachers

As part of the agreement reached between the province and the Elementary Teachers' Federation of Ontario ending their work-to-rule campaign, the Minister of Education committed to hire 1,300 teachers who specialize in art, music, physical education, literacy and numeracy. Over the term of the four-year agreement, more than 5,000 new teachers could be hired as the province also moves to reduce class sizes for 850,000 public elementary students.

Health Care And Social Assistance

JobsNow

Nipissing District is part of a pilot project to help long-term welfare recipients find and retain jobs, with expectations that future savings in support costs will be reinvested in local services. The program is called JobsNow. It targets people who have been collecting benefits for more than 12 months, but are not sole support parents. They represent 21 per cent of the district's monthly average case load of 1,745.

Health Council closures result in job losses

Ontario's district health councils closed March 31, 2005. The closure of the Northern Shores District Health Council, which served the Muskoka, Nipissing, Parry Sound and Timiskaming districts, resulted in the loss of 11 jobs.

Information, Culture And Recreation

Local Economy benefits from Voyageur Days

It is estimated that 20,000 people attended the various events at Voyageur Days in Mattawa. According to festival co-chair, the economic benefits were felt by many area businesses, many of them reporting an increase in business over the 4-day event.

Public Administration

Unsafe workplaces to be targeted

Four new health and safety inspectors were hired to target the area's most unsafe workplaces and cut down on claims by injured workers. The region now has 11 inspectors enforcing workplace safety laws. It is believed that this plan will reduce the number of workplace injuries in Ontario each year by 20 percent, or 60,000 accidents. Recruitment will be done next March.

Federal funding for local employment services

Two projects in West Nipissing and one in North Bay received almost \$500,000 in funding from Human Resource and Skills Development Canada (HRSDC). One of the projects is the Employment Resource Centre in West Nipissing, delivered by College Boreal's West Nipissing campus. The Resource Centre provides access to information about resumes, interviewing techniques, job searches and equipment such as faxes, telephones, photocopiers and computers with Internet accessibility. The second project provides defining career and employment goals. For the third project, the Physically Handicapped Adults' Rehabilitation Association in North Bay will use HRSDC funds to help 425 individuals access a barrier-free disability employment resource centre with services in both official languages. Clients will also have access to specialized equipment and software, as well as a fax machine and photocopier. In addition, ten employment-related workshops will be delivered that will include resume writing and job search and interviewing techniques.



LABOUR FORCE TRENDS

Signs of strength in the second quarter

Highest employment rate in almost two years

Goods-sector employment rebounds

Fuelled by jump in Manufacturing

The Northeastern Ontario labour market regained some strength in the second quarter of 2005. Employment rose two percent, and all of these new jobs were full-time. This growth caused the employment rate to climb from 56.4% in the first quarter to 57.5%. This was the highest quarterly employment rate seen in the Region since the fall of 2002. At the same time, the labour force expanded, rising back to the level recorded in the second quarter of last year. Since employment growth exceeded this expansion, unemployment decreased. As a result, Northeastern Ontario's unemployment rate fell from 7.7% in the first quarter to 7.2%.

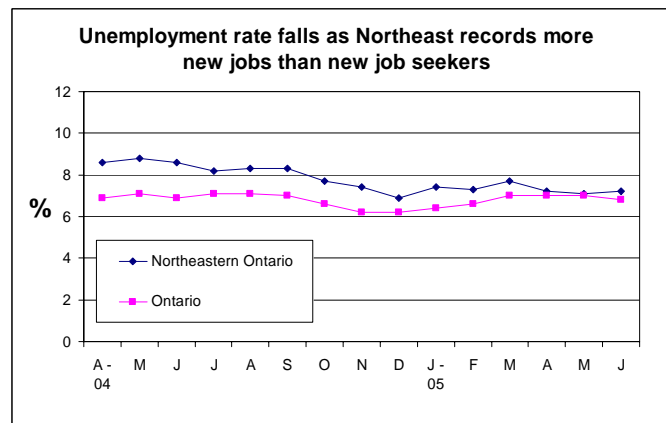
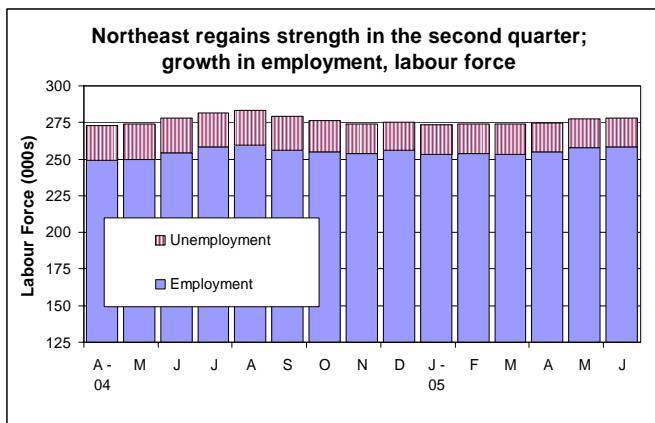
These conditions were a marked improvement over those recorded in the Northeast in the second quarter of 2004. While both the working age population and the labour force were stable year over year, employment rose more than one percent. Because of these new jobs, the unemployment rate fell from 8.6% in the second quarter of 2004 to the current 7.1%.

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

Northeastern Ontario Labour Force Trends

	April to June 2005	January to March 2005	April to June 2004	Change Quarter/Quarter Absolute	Change %	Change Year/Year Absolute	Change %
Population 15 +	448,700	448,600	448,900	100	0.0	-200	0.0
Labour force	278,100	274,100	278,100	4,000	1.5	0	0.0
Employed	258,200	253,000	254,200	5,200	2.1	4,000	1.6
Full-time	204,900	197,100	201,700	7,800	4.0	3,200	1.6
Part-time	53,300	55,900	52,500	-2,600	-4.7	800	1.5
Unemployed	19,900	21,100	23,900	-1,200	-5.7	-4,000	-16.7
Not in labour force	170,700	174,600	170,800	-3,900	-2.2	-100	-0.1
Participation rate	62.0%	61.1%	62.0%	0.9		0.0	
Unemployment rate	7.2%	7.7%	8.6%	-0.5		-1.4	
Employment rate	57.5%	56.4%	56.6%	1.1		0.9	

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



Goods-sector employment rebounds

Northeastern Ontario's second-quarter job gains occurred in the goods-producing sector. After falling to a record low at the beginning of the year, the sector rebounded with job growth approaching 18 percent. The Manufacturing industry was the source of most of this job creation, with a 58 percent increase during the quarter. On the downside, employment in Forestry, fishing, mining, oil and gas continued to decline. With the loss of 3,300 jobs, employment in the industry group fell to a three-year low.

The number of people working in the services-producing sector fell two percent during the quarter. Losses were recorded in all industry groupings with the exception of Finance, insurance, real estate and leasing, and Other services.

Northeastern Ontario's year over year results were the mirror image of the changes seen in the second quarter. Even with the quarter's losses, services sector employment was four percent higher than in the second quarter of 2004. Increases were recorded in most industries, again with two exceptions. Employment in Accommodation and food services plummeted, falling 31 percent year over year, while Trade employment fell 10 percent. In the goods-producing sector, year-over-year growth in Manufacturing was not sufficient to

offset a 25-percent decline in Forestry, fishing, mining, oil and gas. As a result, employment in the sector was 6 percent lower than in the second quarter of 2004.

Definitions:

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** is that portion of the working age population who, during the Labour Force Survey reference week, were either employed or unemployed. The portion of the working age population that is neither employed nor unemployed is *not in the labour force*. The **participation rate** is the percentage of the working age population that is in the labour force. The **unemployment rate** is the percentage of the labour force that is unemployed. The **employment rate** is the percentage of the working age population that is employed.

Statistics Canada's Labour Force Survey (LFS) is the major source of data for this Review. As relatively small sample sizes are utilized in compiling sub-provincial estimates for the survey, there is a chance of variation due to sampling error. Therefore, the reader is cautioned that small changes in some timeseries could be wholly or partially due to these statistical sampling errors, and may not necessarily reflect actual events in the labour force. Data are three-month moving averages.

Northeastern Ontario Employment By Industry

Industry	April to June 2005	January to March 2005	April to June 2004	Change			
				Quarter/Quarter Absolute	%	Year/Year Absolute	%
Total	258,200	253,000	254,200	5,200	2.1	4,000	1.6
Goods-producing sector	59,000	50,100	62,800	8,900	17.8	-3,800	-6.1
Agriculture	2,900	2,200	3,100	700	31.8	-200	-6.5
Forestry, fishing, mining, oil and gas	13,800	17,100	18,500	-3,300	-19.3	-4,700	-25.4
Utilities	1,800	...	5,000
Construction	15,200	13,500	14,100	1,700	12.6	1,100	7.8
Manufacturing	25,400	16,100	22,200	9,300	57.8	3,200	14.4
Services-producing sector	199,100	202,900	191,400	-3,800	-1.9	7,700	4.0
Trade	38,700	39,900	42,900	-1,200	-3.0	-4,200	-9.8
Transportation and warehousing	12,700	13,600	12,800	-900	-6.6	-100	-0.8
Finance, insurance, real estate and leasing	13,300	11,600	9,000	1,700	14.7	4,300	47.8
Professional, scientific and technical services	8,000	8,800	7,500	-800	-9.1	500	6.7
Business, building and other support services	12,000	12,400	10,600	-400	-3.2	1,400	13.2
Educational services	22,200	22,400	19,300	-200	-0.9	2,900	15.0
Health care and social assistance	37,300	37,400	35,800	-100	-0.3	1,500	4.2
Information, culture and recreation	10,000	10,800	8,600	-800	-7.4	1,400	16.3
Accommodation and food services	14,200	14,800	20,500	-600	-4.1	-6,300	-30.7
Other services	14,200	12,600	9,700	1,600	12.7	4,500	46.4
Public administration	16,600	18,500	14,800	-1,900	-10.3	1,800	12.2

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

Year-over-year decline in EI claimload for the North Bay HRCC Region.

The regular Employment Insurance (EI) claimload in the North Bay Region dropped to 2,957 in the second quarter of 2005. This was a decrease of 13% or 442 claims over the previous quarter, and a decrease of more than 3% (110 claims) compared to the second quarter of 2004.

Male claimants represented 67 % of the second quarter claimload, down from just over 66% in the second quarter of 2004.

Regular Employment Insurance Claimants - North Bay Region

	April to June 2005 Average			January to March 2005 Average			April to June 2004 Average		
	Total	Female	Male	Total	Female	Male	Total	Female	Male
North Bay HRCC Region	2,957	960	1,997	3,399	1,087	2,312	3,067	974	2,092

Source: HRCC administrative data C-356

Employment Opportunities

Healthy Labour Demand Market in the HRCC Region.

Job opportunities in the North Bay region in the second quarter of 2005 were slightly higher than those reported in the first quarter of the year. Employment opportunities in sales and service occupations dominated the second quarter listings, comprising nearly one quarter of the job vacancies advertised in local newspapers and in the job bank. The trades and transport grouping posted 424 openings, a considerable increase over the same quarter of 2004.

Advertised Job Opportunities – North Bay Region

Occupations (NOC)	April to June 2005	January to March 2005	April to June 2004
Total Vacancies	1757	1660	1607
Management	111	79	84
Business/Administration	374	488	523
Natural & Applied Sciences	87	38	49
Health	96	106	88
Social Science & Education	118	57	98
Culture & Recreation	25	28	42
Sales & Service	438	487	523
Trades & Transport	424	344	298
Primary Industry	16	11	123
Manufacturing & Utilities	68	22	32

Source: Job Bank and local newspaper ads



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.
2. 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)**.
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 Job Bank, **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 populations (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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