



Labour Market Bulletin

Kingston/Pembroke Area

Service Canada Centre

~ An Analysis of the Kingston/Pembroke Area Labour Market ~ April to June, 2006 ~

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The Kingston/Pembroke SCC 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)

For further information contact:

Lorie Truemner,
Labour Market Information Analyst

Telephone: 613 545-8942

Email: lorie.truemner@servicecanada.gc.ca

Visit our website at: [Enter website address](#)

Note: *In preparing this bulletin, Service Canada has taken care to provide clients with labour market information from reliable sources that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since the bulletin was published. Readers are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this bulletin does not necessarily reflect official policies of Service Canada.*

An overview of the Kingston/Pembroke Area, including Arnprior, Brockville, Carleton Place, Gananoque, Kingston, Pembroke, Perth, Prescott, Renfrew and Smiths Falls.

In the Kingston-Quinte-Pembroke region (Economic Region 515) labour market conditions were stronger in the second quarter of 2006 than in the previous quarter. The labour force expanded with both full- and part-time employment following suit. With an increase in the number of people unemployed as well, the unemployment rate nudged upward.

The second quarter of 2006 saw an increase in the number of people in the labour force in the Kingston Census Metropolitan Area., with an overall increase in employment. While the number of people in full time work increased, part time employment decreased. The number of people unemployed rose, allowing the unemployment rate to rise to 6.6 percent.

The labour market in the Cornwall-Brockville-Smiths Falls area (Economic Region 510 less Ottawa) strengthened considerably, with a substantial increase in the labour force. Both full and part time employment increased and unemployment dropped. The unemployment rate dropped as well, from 7.8 at the end of March to 5.7 at the end of June.

HIGHLIGHTS

- ▶ Smurfit-MBI in Pembroke will close in July. Approximately 140 employees will be laid off.
- ▶ Construction has begun on a new office supply depot, Lyreco, which will employ up to 100 people in Kingston when it opens in 2007.
- ▶ Home Depot opened a new store in Pembroke, employing 125 people.
- ▶ Thirty-one people were laid off from the Dyno Nobel nitrogen plant in Maitland, west of Prescott.
- ▶ 3M in Brockville is undergoing a \$30,000,000 expansion. Thirty new jobs will be added at the plant.



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LABOUR MARKET NEWS

Highlights are 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.

Agriculture

The Canadian International Trade Tribunal has removed duty on corn imported from the United States. This affects Cardinal's Casco corn processing plant, which was very concerned about these duties as its US parent company was looking at closing Canadian plants if corn became too expensive. There are 250 employees at Casco. Canadian corn farmers are opposed to this ruling, as the price of corn in Canada dropped after the duty was removed to remain competitive. The Ontario Corn Producer's Association is considering an appeal of this ruling.

Construction

Construction began late in June on a new office supply distribution centre, Lyreco, in Kingston. Lyreco's 210,000 square foot warehouse will be built at the St Lawrence Business Park on Highway 15. The company provides same day delivery of office supplies such as furniture, stationery and computer accessories. The facility is targeted to open the end of 2007 and may create up to 100 jobs.

Manufacturing

Employees of Iroquois Enterprises went on strike in Mid-May, citing wage and overtime issues. About 50 members of the United Steelworkers Union were involved in the strike.

Twenty new positions were added at Invista in Kingston in April as a result of increased manufacturing of filament yarn used in automotive air bags. Global demand for the product has risen due to auto manufacturers installing an increased number of airbags in cars. Invista sends the yarn to airbag manufacturers world-wide.

Smurfit-MBI, a manufacturer of corrugated cardboard containers in Pembroke, is scheduled to close in July. This closure will affect about 140 people.

Employees of Kingston's Novelis, formerly Alcan Aluminum, were in a legal strike position effective May 18, when their contract expired. The United Steelworkers members at the plant voted in favour of the strike mandate. Issues include pensions and monetary matters. The company used to be part of Alcan, but it spun off from that company as part of a stock split, although the managers and product lines remained the same. Approximately 200 employees could be affected.

Thirty-one people have been laid off at the Dyno Nobel Nitrogen plant in Maitland, west of Prescott. Formerly known as Nitrochem, the plant was purchased last year by Dyno Nobel Inc of Australia. The cuts followed a review of US plants that indicated that they have fewer staff making the same amount of product. These cuts leave approximately 100 people at the plant.

Former employees of Mahle in Gananoque are using the Olde Forge Action Centre which has assisted them with resume, interview and job search skills. Some have found full-time work, others have found part time employment while two people have become self employed.

3M's masking tape plant in Brockville is undergoing a 30 million expansion and adding 30 new jobs. The plant will hire machine operators, maintenance technologists and engineers. Local contractors are involved in the construction.

Trade

Thirty new jobs have been created at the newly expanded Canadian Tire store in Brockville, with many of the new employees hired through the Job Connect program. The store now sports a new 20,000 square foot warehouse with a new docking facility. As well, the store features an expanded housewares department.

Canada's oldest continuously operating jewellery store, Positive Jewellers, has closed in downtown Brockville. In business since 1860, the store closed due to the owner's poor health. The owner claimed that fewer people now shop in downtown Brockville than did in 1980 when he took over the store.

Sixteen out of nineteen employees of the Sears auto parts and service centre in Kingston have been laid off. This action was part of a nation-wide restructuring which has seen several Sears auto shops closed. Employees affected included technicians, parts people and administrative staff.

A new store, Superpet, has opened at the 1000 Islands Mall in Brockville. It will sell pet food and supplies as well as reptiles, rodents, fish and birds but will not sell dogs and cats.

In April, Home Depot opened a new 125,000 square foot store in Pembroke, employing 125 full- and part-time people. This is the 139th Home Depot store in Canada.



The Brick has become Brockville's latest furniture retail outlet, replacing United Furniture Warehouse on Stewart Street. The store is about 4,000 square feet larger than its predecessor and offers furniture, appliances and electronics. The store employs about 13 people.

The Rob McIntosh store located at the 1000 Islands Mall has closed. However, the Rob McIntosh store on Hill Island east of Gananoque has expanded and carries a full line of china and crystal. Some staff that were working in Brockville are now employed on Hill Island.

Business, Building and Other Support Services

The On-Line Support call centre in Pembroke has planned an expansion to include a day care centre and a medical-dental clinic on-site at its second facility planned for the former Eddy Match building. These facilities are for On-Line Support employees, but may be opened to outside clients in the future.

Educational Services

Boards of Education across Ontario are dealing with declining enrollment. The Limestone Board in Kingston announced in mid-June that it might have to lay off full and part time teachers, depending on the results of budget talks for the next school year.

Late in June, St Lawrence College, along with other Ontario community colleges, reached a four-year agreement with its instructors, who were on strike for a three week period in March. Negotiation of the contract went to a provincial

arbitrator after the strike. Faculty will receive a 15.3 percent salary increase over four years, with no change in class size.

Health Care and Social Services

The previously announced closure of the Brockville Psychiatric Hospital (BPH) is now on hold. There will be no job loss in the immediate future. BPH is to function as a transition site for patients who aren't yet ready to move into the community after receiving care at the Royal Ottawa Hospital, which oversees the Brockville operation.

The Canterbury Mark Perri Clinic planned to open in Prescott after Brockville General Hospital closed its clinic early in the summer. The non profit clinic plans to offer a range of services, including mental health and addiction counselling.

Renfrew County opened a new paramedic base at the former Canadian Tire store in the town of Renfrew. The facility also functions as a back-up centre for the Ministry of Health, ambulance communication centre. That service, also located in Renfrew, serves as the answering point for all requests for an ambulance in Renfrew County.

The Community Resource Centre in Killaloe is opening a new day care centre called the Kidz Kastle Children's Centre. Located in the Killaloe Public School it will be the first licenced child care facility in the community in several years. The centre will be open on weekdays and will accept children aged 30 months to six years. The facility is licenced to care for up to 24 children. Two staff members have already been hired and the centre will hire more staff as dictated by the number of children enrolled.



LABOUR FORCE TRENDS

Kingston-Quinte-Pembroke (Economic Region 515) Area Labour Force Trends

In the second quarter of 2006, the Kingston-Quinte-Pembroke region gained an estimated 10,700 jobs of which 90% were full-time. The labour force expanded by 5.6%. This resulted in the participation rate climbing from 58.7% last quarter to 61.9% this quarter. However, since there were slightly more new and returning job seekers than available jobs, the unemployment rate edged up marginally to 6.2 percent.

Conditions are weaker in the Kingston-Quinte-Pembroke region compared to those recorded in the second quarter of 2005. Modest growth in the labour force accompanied weak employment performance. While an estimated 3,100 full-time positions were created, the region experienced a higher loss of part-time positions, yielding a net job loss. The combination of lackluster employment and a slight labour force expansion resulted in the unemployment rate rising over last year, finally surpassing the Ontario average after moving closer to it in recent quarters.

| | April to June | January to | April to June | Quarter/Quarter | | Year/Year | |
|----------------------------|---------------|------------|---------------|-----------------|------|-----------|------|
| | 2006 | March | 2005 | Absolute | % | Absolute | % |
| Population 15 + ('000) | 357,500 | 356,900 | 354,400 | 600 | 0.2 | 3,100 | 0.9 |
| Labour Force ('000) | 221,400 | 209,600 | 219,600 | 11,800 | 5.6 | 1,800 | 0.8 |
| Employed ('000) | 207,600 | 196,900 | 207,700 | 10,700 | 5.4 | -100 | 0.0 |
| Full time ('000) | 166,400 | 156,900 | 163,300 | 9,500 | 6.1 | 3,100 | 1.9 |
| Part Time ('000) | 41,100 | 39,900 | 44,400 | 1,200 | 3.0 | -3,300 | -7.4 |
| Unemployed ('000) | 13,800 | 12,800 | 11,900 | 1,000 | 7.8 | 1,900 | 16.0 |
| Not in Labour Force ('000) | 136,200 | 147,300 | 134,800 | -11,100 | -7.5 | 1,400 | 1.0 |
| Participation Rate (%) | 61.9% | 58.7% | 62.0% | 3.2 | | -0.1 | |
| Unemployment Rate (%) | 6.2% | 6.1% | 5.4% | 0.1 | | 0.8 | |
| Employment Rate (%) | 58.1% | 55.2% | 58.6% | 2.9 | | -0.5 | |

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.



Kingston Census Metropolitan Area Labour Force Trends

The Kingston CMA gained an estimated 4,800 jobs this quarter, all full-time, which bumped the employment rate up to 63.2%. However, there were more new and returning job seekers than new jobs, resulting in an increase in the number of unemployed. Consequently, the unemployment rate rose +0.4 percentage points to 6.6%, which is higher than the provincial average of 6.0%.

Year over year, employment is up in the Kingston CMA. The labour force expanded by more than four percent. This caused the participation rate to climb from 65.3% a year ago, to 67.7%. The total employment growth was lower than the labour force growth by over a full percentage point (+3.8% vs. +4.7%). As a result, the unemployment rate climbed by 0.7 percentage points since the same period last year, back to the same 6.6% seen in the second quarter of 2004.

| | April to June | January to March | April to June | Quarter/Quarter Change | | Year/Year Change | |
|----------------------------|---------------|------------------|---------------|------------------------|-------|------------------|------|
| | 2006 | 2006 | 2005 | Absolute | % | Absolute | % |
| Population 15 + ('000) | 125,700 | 125,400 | 124,500 | 300 | 0.2 | 1,200 | 1.0 |
| Labour Force ('000) | 85,100 | 80,100 | 81,300 | 5,000 | 6.2 | 3,800 | 4.7 |
| Employed ('000) | 79,400 | 75,100 | 76,500 | 4,300 | 5.7 | 2,900 | 3.8 |
| Full time ('000) | 61,800 | 57,000 | 59,400 | 4,800 | 8.4 | 2,400 | 4.0 |
| Part Time ('000) | 17,700 | 18,000 | 17,100 | -300 | -1.7 | 600 | 3.5 |
| Unemployed ('000) | 5,600 | 5,000 | 4,800 | 600 | 12.0 | 800 | 16.7 |
| Not in Labour Force ('000) | 40,600 | 45,300 | 43,200 | -4,700 | -10.4 | -2,600 | -6.0 |
| Participation Rate (%) | 67.7% | 63.9% | 65.3% | 3.8 | | 2.4 | |
| Unemployment Rate (%) | 6.6% | 6.2% | 5.9% | 0.4 | | 0.7 | |
| Employment Rate (%) | 63.2% | 59.9% | 61.4% | 3.3 | | 1.8 | |

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.

Cornwall-Brockville-Smiths Falls (Economic Region 510 less Ottawa) Area Labour Force Trends

Labour market conditions in the Cornwall-Brockville-Smith Falls improved in the second quarter of 2006. The labour force grew by an estimated 6,800, which caused the participation rate to rebound from a five-quarter low of 61.7% to 64.1%. At the same time, employment grew by an even larger amount (6.4%). Almost 86% of this job growth was in full-time positions. The increase pushed the employment rate up to 60.5%, to recover from a five year low of 57.0%. Since job growth outpaced labour force growth, the unemployment fell to 5.7% which is lower than the Ontario rate.

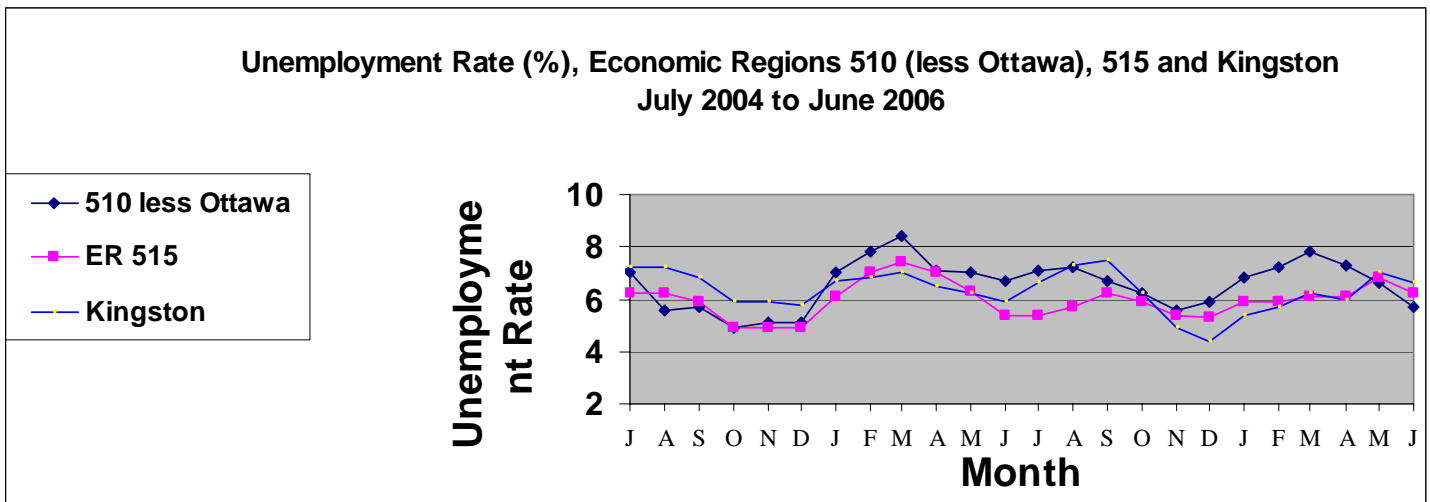
Year over year, labour market conditions continue to improve in the Cornwall-Brockville-Smith Falls area. Compared to the same quarter last year, employment grew by 3.9% while the labour force expanded by 2.6%. Since there were more available jobs than there were job seekers, the unemployment rate fell. The employment rate also increased to 60.5% from last year's 58.9%.



| | April to June | January to | April to June | Quarter/Quarter | | Year/Year | |
|----------------------------|---------------|------------|---------------|-----------------|-------|-----------|-------|
| | 2006 | March | 2005 | Absolute | % | Absolute | % |
| Population 15 + ('000) | 270,400 | 269,800 | 267,300 | 600 | 0.2 | 3,100 | 1.2 |
| Labour Force ('000) | 173,400 | 166,600 | 168,900 | 6,800 | 4.1 | 4,500 | 2.7 |
| Employed ('000) | 163,500 | 153,700 | 157,400 | 9,800 | 6.4 | 6,100 | 3.9 |
| Full time ('000) | 133,100 | 124,600 | 128,400 | 8,500 | 6.8 | 4,700 | 3.7 |
| Part Time ('000) | 30,500 | 29,100 | 29,000 | 1,400 | 4.8 | 1,500 | 5.2 |
| Unemployed ('000) | 9,800 | 13,000 | 11,400 | -3,200 | -24.6 | -1,600 | -14.0 |
| Not in Labour Force ('000) | 96,900 | 103,100 | 98,400 | -6,200 | -6.0 | -1,500 | -1.5 |
| Participation Rate (%) | 64.1% | 61.7% | 63.2% | 2.4 | | 0.9 | |
| Unemployment Rate (%) | 5.7% | 7.8% | 6.7% | -2.2 | | -1.1 | |
| Employment Rate (%) | 60.5% | 57.0% | 58.9% | 3.5 | | 1.6 | |

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.

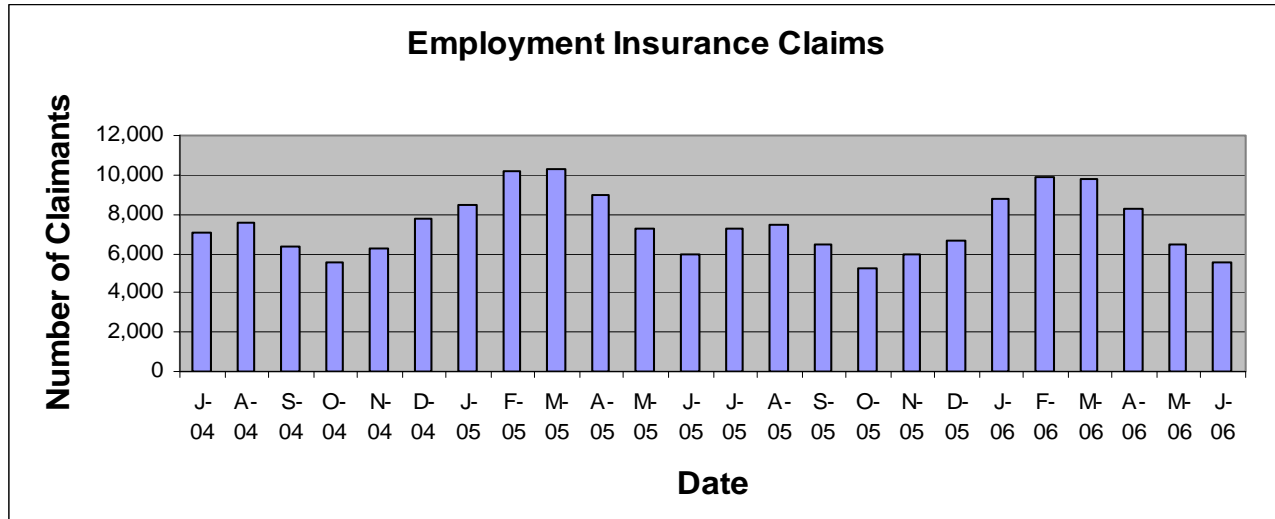


LABOUR SUPPLY AND DEMAND

Employment Insurance Claimload

The number of people on Employment Insurance claims dropped steadily between March and June, as normally occurs in the spring. By the end of June there were 5,568 people on regular claims, compared to 9,782 at the end of March. As well, there were fewer people at the end of June 2006 than at the end of June 2005, when there were 5988 people on regular claims. The following chart shows the number of people claiming regular Employment Insurance benefits from July 2004 to June 2006. People on regular claims are unemployed and seeking work.





Employment Opportunities

Although vacancies were up in the second quarter, some offices showed a decrease in employment. This is largely due to a data-capture issue and not related to the labour market. The figures are artificially low, particularly in Brockville, Gananoque and Perth, which normally experience an increase in employment in the spring.

Employment Opportunities – Kingston/Pembroke area

| | April to June 2006 | January-March 2006 |
|-----------------|--------------------|--------------------|
| Office | | |
| Arnprior | 247 | 151 |
| Brockville | 979 | 1100 |
| Carleton Place | 288 | 226 |
| Gananoque | 291 | 380 |
| Kingston | 3555 | 2,989 |
| Pembroke | 762 | 669 |
| Perth | 149 | 171 |
| Prescott | 100 | 128 |
| Renfrew | 449 | 303 |
| Smiths Falls | 564 | 430 |
| Total Vacancies | 7,384 | 6,547 |



Notes to Readers:

1. The **Cornwall-Brockville-Smiths Falls (Economic Region 510 less Ottawa)** area is comprised of the Counties of Prescott-Russell, Stormont-Dundas-Glengary, Leeds-Grenville, and Lanark. Normally Economic Region 510 includes the City of Ottawa, but we have factored out this area to make the data more representative of local trends. **The Kingston-Quinte-Pembroke (Economic Region 515)** area includes the Counties of Frontenac, Lennox & Addington, Hastings, Prince Edward, and Renfrew. The Kingston CMA (Census Metropolitan Area) includes the City of Kingston, Frontenac Islands, Loyalist Township and South Frontenac Township.
2. For the purpose of this publication, the **Kingston/Pembroke area** includes Arnprior, Brockville, Carleton Place, Gananoque, Kingston, Pembroke, Perth, Prescott, Renfrew and Smiths Falls.
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 Arnprior Chronicle Guide; Brockville Recorder & Times; Carleton Place Canadian; Gananoque Reporter; Kingston Whig Standard; Pembroke Daily Observer; North Renfrew Times; Perth Courier; Prescott Journal; Renfrew Mercury; Eganville Leader; and, Smiths Falls Record News (EMC).**
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 – Service Canada Centre 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 SCC 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/sdds/3701.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>

