



Labour Market Bulletin

Chatham-Kent

Service Canada Centre

~ An Analysis of the Chatham-Kent Area Labour Market ~ October to December 2005 ~

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An overview of the Chatham-Kent area

- Employment levels show little change in the second half of 2005
- Unemployment rate falls to a three-year low
- Employment is up by 2.6% compared with a year ago, largely in full-time work
- Services-producing sector sees growth this quarter; goods-producing industries bring year over year gains

HIGHLIGHTS

- ▶ General Motors announced its three-year recovery plan which has the potential to impact the Chatham-Kent auto parts sector.
- ▶ Fleetwood Metal Industries (FMI), an automotive parts stamping and welding plant in Tilbury, will close January 13, 2006.
- ▶ Over 500 factory jobs in Tilbury have been lost to the United States (US) and Mexico in the last year.
- ▶ Ontario Engineered Suspensions (OES), which has operated in Blenheim since 1982, will close April 28, 2006.
- ▶ Canada has imposed a temporary anti-dumping and countervailing tariff on corn being imported into Canada from the United States.
- ▶ The duty on corn is causing concern for Commercial Alcohols and local hog and cattle producers.
- ▶ Construction has started on a new two million dollar armoury, located in Chatham.
- ▶ A Canadian Agricultural Skills Service (CASS) program is being offered by Service Canada in five provinces including Ontario.

The Chatham-Kent 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)

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Visit our website at: www.labourmarketinformation.ca

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.*



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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 November 2005 General Motors announced its three-year recovery plan which included closing several plants in Ontario and the US and laying off several thousand workers. These closures and layoffs have the potential to impact several automotive parts plants in Chatham-Kent as well as trucking companies and railway workers.

Fleetwood Metal Industries (FMI), an automotive parts stamping and welding plant, in Tilbury, will close January 13, 2006 putting approximately 120 people out of work. The basic wage rate at the plant was \$18 per hour.

The closure is the result of the Tilbury plant losing a major General Motors contract to FMI's newest plant in Alabama. High transportation costs and a high Canadian to US dollar are blamed for the loss of the contract.

Employees, represented by Canadian Auto Workers Local 1941, voted to accept a severance package from the employer. Employees can also apply for jobs at other FMI operations located in Windsor, Tilsonburg and Otterville.

The company doesn't plan to sell the Tilbury plant, which opened in 1971, and will continue to search for new opportunities for it, however accepting the severance package will void recall rights.

Over 500 factory jobs in Tilbury have been lost to the US and Mexico in the last year. Job losses at ArvinMeritor, Autoliv (Chatham-Kent Labour Market Bulletin, Volume 4 Issue 3) and Fleetwood Metal Industry will affect Chatham-Kent's economy in several areas including the trucking industry and retail.

Ontario Engineered Suspensions (OES), which has operated in Blenheim since 1982, will close April 28, 2006. OES manufactures leaf springs for cars and trucks.

Approximately 140 union and 22 nonunion staff will be affected by this closure. It resulted from the failure of OES and the Canadian Auto Workers Union to ratify a contract by a December 16th deadline.

The basic hourly wage rate at the plant is \$16.34.

Agriculture

On December 15, 2005 Canada imposed a temporary anti-dumping and countervailing tariff on corn being imported into Canada from the United States. A charge of \$1.90 per bushel (Canadian) was imposed after the Canada Border Services Agency made a preliminary ruling that the imported corn was being dumped and subsidized resulting in injury to Canadian farmers.

The duty is causing concern for Commercial Alcohols' plants in Chatham and Tiverton where corn is used to produce ethanol. The increase in corn prices could also affect new plants planned for Windsor and Brantford.

The duty is also affecting hog and cattle producers in Chatham-Kent where increased feed costs will make their livestock less competitive at market.

Within the next three months the Canadian International Trade Tribunal will hold a hearing where interested parties will present their position and the duty could be removed or a permanent duty will be set.

Construction and Real Estate

Construction has started on a new \$2 million armoury located in Chatham. The 12,500-square-foot facility, on 10 acres of land, will accommodate about 100 soldiers. The new facility, which should be completed by July 2006, and modern equipment are part of a strategy to boost enrollment in the reserve forces.

Chatham-Kent Building Activity 2005-2004

	2005	2004
New Residential	\$43,697,482.00	\$30,613,432.00
Commercial	\$23,421,057.00	\$16,470,052.00
Industrial	\$ 6,814,625.00	\$13,477,424.00
Agricultural	\$11,208,666.00	\$ 6,509,441.00

(These values do not include renovations, demolitions or institutional spending.)

A total of 1053 building permits were issued in 2005 compared to 921 in 2004.



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The Chatham-Kent Real Estate Board reported the total value of real estate sales in 2005 equaled \$171,353,839 down slightly from the 2004 total of \$173,084,647. The average

selling price of a home climbed from \$116,856 to \$123,887. Despite the increase in selling prices Chatham-Kent homes are less expensive than the neighbouring communities of Windsor, London or Sarnia.

Education

A Canadian Agricultural Skills Service (CASS) program is being offered by Service Canada in five regions including Ontario to help farm families improve their income options. The CASS program, delivered in partnership with Agriculture and Agri-Food Canada, is designed to help farmers and their spouses acquire skills to survive in an evolving farming environment. The CASS program supports training in three key areas: on-farm skills, training for alternative business opportunities on the farm or training for off-farm employment. For more information visit the Service Canada website.

<http://servicecanada.gc.ca/en/cass/cass.html>

To ensure Ontario has the skilled labour force needed to compete in the global market the Ontario government has announced a \$10 million investment in its apprenticeship program at Ontario colleges for 2006.

Colleges within commuting distance of Chatham-Kent include St. Clair College in Windsor, Lambton College in Sarnia and Fanshawe College in London. These colleges have received over \$651,000 to purchase up-to-date equipment and upgrade facilities to meet the increased demand for a high standard of training.

Some apprenticeship programs at the above colleges that will benefit from the increased funding are: automotive service technician, construction, industrial and maintenance electrician, steamfitter, general carpenter, industrial mechanic millwright and machine tool builder and integrator.

Information on these occupations is available at:

www.labourmarketinformation.ca

Also available to boost the apprenticeship program is an Apprenticeship Training Tax Credit, which is refundable tax credit on a portion of the wages paid to qualified apprentices, to encourage employers to hire apprentices.

The Ontario government has also announced a new apprenticeship training program for truck drivers scheduled to begin in early 2006. The voluntary training program was developed by stake holders in the trucking industry. This training, delivered through mentoring and on-the-job training, will include trip planning, equipment inspection, documentation, safety and other critical skills required by today's truck driver.

An occupational profile for truck drivers (National Occupational Classification (NOC) Code 7411) is available at: <http://www.labourmarketinformation.ca/>



LABOUR FORCE TRENDS

Employment in the Windsor-Sarnia area (ER 570) leveled off in the fourth quarter of 2005. Normally, the number of workers falls off at this time of year, but it has shown little change since the summer. In contrast, the seasonal withdrawal of job seekers lowered the labour force by about 4,000 people. This caused the unemployment rate to fall to a three-year low of 6.3%. The rate has been trending downwards since the first quarter, but remains slightly higher than the provincial average.

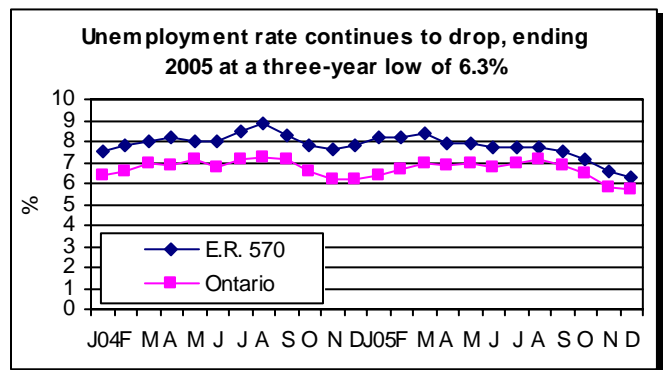
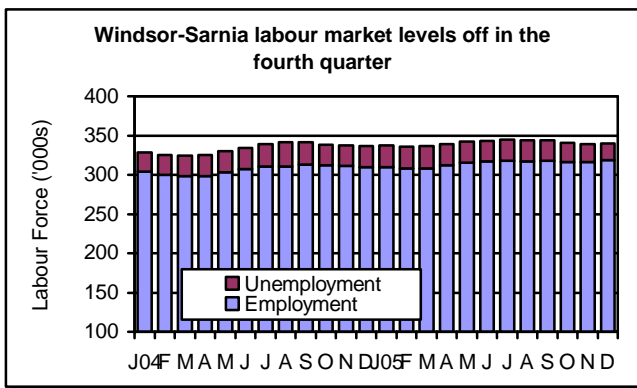
Windsor-Sarnia's employment level was up by 2.6%, or about 8,000 people compared with the fourth quarter of 2004. This is higher than the provincial average of 1.7%. Employment in the area has been growing year over year since the middle of 2004. Most of the increase has come through full-time job growth. Labour force participation was also up, but by less than half the increase for employment. This left fewer people without work, and cut the unemployment rate from 7.8% a year ago.

Windsor-Sarnia Economic Region 570 Labour Force Trends

	October to	July to	October to	Quarter/Quarter		Year/Year	
	December	September	December	Absolute	%	Absolute	%
	2005	2005	2004				
Population 15 + ('000)	521,200	519,800	515,800	1,400	0.3	5,400	1.0
Labour Force ('000)	339,500	343,600	336,300	-4,100	-1.2	3,200	1.0
Employed ('000)	318,300	317,700	310,100	600	0.2	8,200	2.6
Unemployed ('000)	21,300	25,900	26,200	-4,600	-17.8	-4,900	-18.7
Not in Labour Force('000)	181,700	176,200	179,500	5,500	3.1	2,200	1.2
Participation Rate (%)	65.1%	66.1%	65.2%	-1.0		-0.1	
Unemployment Rate (%)	6.3%	7.5%	7.8%	-1.2		-1.5	
Employment Rate (%)	61.1%	61.1%	60.1%	0.0		1.0	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.



Employment by Industry

Job gains in the services-producing sector propped up the employment level in Windsor-Sarnia this quarter. These gains offset a drop in employment within the goods-producing sector, largely due to a seasonal decline in agricultural employment. The goods-producing sector had generated most of the employment growth earlier this year, led by gains within manufacturing. By comparison, employment in the services-producing sector had remained relatively flat through the first three quarters of 2005.

In contrast to the experience this quarter, the increase in employment from a year ago came largely through growth within the goods-producing sector. Its employment level rose steadily through the first half of this year, led by gains within manufacturing. Employment in the services-producing sector showed little change from its fourth quarter 2004 level. The sector did see employment levels shift between industries, but the net impact was relatively small. Educational services showed the largest increase, while accommodation and food services saw the largest decline.

Windsor Sarnia Economic Region 570 Employment by Industry

Industry	October to	July to	October to	Quarter/Quarter		Year/Year Change	
	December 2005	September 2005	December 2004	Absolute	%	Absolute	%
Total	318,300	317,700	310,100	600	0.2	8,200	2.6
Goods-Producing Sector	111,500	115,100	103,600	-3,600	-3.1	7,900	7.6
Agriculture	7,200	11,300	6,400	-4,100	-36.3	800	12.5
Forestry, fishing, mining, oil and gas
Utilities	2,100	1,600	5,300	500	31.3	-3,200	-60.4
Construction	18,800	18,600	17,700	200	1.1	1,100	6.2
Manufacturing	82,300	82,900	73,600	-600	-0.7	8,700	11.8
Services-Producing Sector	206,800	202,600	206,500	4,200	2.1	300	0.1
Trade	45,000	46,100	41,100	-1,100	-2.4	3,900	9.5
Transportation and warehousing	13,500	11,300	17,300	2,200	19.5	-3,800	-22.0
Finance, insurance, real estate and leasing	14,000	14,000	12,000	0	0.0	2,000	16.7
Professional, scientific and technical services	11,100	9,600	12,600	1,500	15.6	-1,500	-11.9
Management, administrative and other support	9,900	10,200	10,000	-300	-2.9	-100	-1.0
Educational services	24,400	22,900	17,600	1,500	6.6	6,800	38.6
Health care and social assistance	34,800	33,900	35,000	900	2.7	-200	-0.6
Information, culture and recreation	12,600	14,200	16,500	-1,600	-11.3	-3,900	-23.6
Accommodation and food services	18,600	19,600	22,800	-1,000	-5.1	-4,200	-18.4
Other services	14,100	10,000	10,500	4,100	41.0	3,600	34.3
Public administration	8,700	10,800	11,100	-2,100	-19.4	-2,400	-21.6

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



FROM THE AUTHOR'S DESK

Dumping is selling a product in the importing country for less than it costs to grow in the exporting country.

Countervailing duty is a duty imposed on an import to offset a subsidy paid in the exporting country.



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>

