



# Labour Market Bulletin

## Sudbury

### Service Canada Centre

~ An Analysis of the Sudbury Area Labour Market ~ July – September 2005 ~

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*An overview of the Sudbury area, which includes The City of Greater Sudbury (formerly The City of Sudbury, Nickel Centre, Onaping Falls, Rayside Balfour, Valley East, Walden, and Capreol), Sudbury East and the Espanola, Manitoulin Island areas.*

Labour market conditions in the Sudbury area were mixed in the third quarter of 2005. The job market showed signs of strength as the number of advertised job opportunities were significantly higher year over year. In addition, while the Employment Insurance (EI) claim load increased slightly compared to the third quarter of 2004, it was lower than in the second quarter of this year.

The provincial government announced a \$150 million funding package for the forestry sector. The sector has been plagued with rising costs associated to energy and has been forced to cut jobs and close plants in Northern Ontario. The area has also seen a loss of jobs in most of the services-producing sectors with the exception of the retail trade, where there has been significant growth in the last year. The mining industry has been the silver lining for area employment as job creation remains strong on a quarterly and annual basis.

Statistics Canada Labour Force Survey (LFS) reported the loss of 1,900 jobs in the quarter, which brought the total employment decline in 2005 to 3,900 or 5%.

**HIGHLIGHTS**

- ▶ First Nickel buys Lockerby Mine - expected to hire 110 employees
- ▶ Swiss Mining Group Xstrata acquired 19.9% of Falconbridge for \$2 billion
- ▶ Mixed reaction to \$150 million provincial forestry aid package
- ▶ \$31.1 million South End rock tunnel project finally underway
- ▶ Marriott Fairfield Inn & Suites developing \$7 million hotel
- ▶ Northern Ontario School of Medicine holds grand opening ceremonies in Sudbury and Thunder Bay
- ▶ \$1.6 million state-of-the-art theatre center project is now underway in Manitowaning
- ▶ Greater Sudbury Police Service to hire a total of 15 employees by 2007

The Sudbury 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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**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.*

### Agriculture

Manitoulin Co-operative was pleased with the \$1.3 million in sales at this year’s cattle sale. A total of 1,506 cattle were registered, 827 steers and 679 heifers. Prices were up an average of 30 % from last year.

### Forestry, Fishing, Mining, Oil & Gas

Inco finalized an agreement with former Noranda Inc., now merged with Falconbridge Limited, to sell its Ontario copper in anode form. Nickel or platinum recovered from the anodes will be returned to Inco with a treatment fee. Noranda will in turn pay Inco for any gold or silver it extracts. Inco estimates Noranda will purchase 230 to 270 million pounds of copper annually. The announcement followed the news in May that Inco would be closing their Sudbury copper refinery. The 10-year deal is subject to extensions.

First Nickel Inc. joined the big leagues with its acquisition of Lockerby Mine from Falconbridge Limited in June. The purchase has propelled the junior company into a favorable position. The move followed that of FNX, who acquired several Sudbury Basin properties from Inco in 2001. Former Lockerby miners have been relocated to other Falconbridge operations. An entirely new workforce is being recruited under contract with Alex MacIntyre and Associates, with whom First Nickel will share employer responsibilities. An expected 110 positions will need to be filled to operate the site. The company plans to produce 250,000 tonnes a year. The feed will be processed and marketed by Falconbridge.

A study entitled “Prospecting the Future – Meeting Human Resources Challenges” released by the Mining Industry Training and Adjustment Council (MITAC) found that the Canadian mining industry will need up to 81,000 people to meet current and future needs, and to fill vacancies created by retirement. Paul Hebert, executive director of MITAC, and a Sudbury native said that because of the importance of mining to Sudbury, this will be a key issue for Inco, Falconbridge, FNX, Dynatec and others. According to company representative Cory McPhee, Inco Ltd. has hired 1,500 employees in Sudbury since 2000, just to keep up with attrition. McPhee and Hebert agreed that the mining industry is challenged by an outdated perception of the industry. According to Hebert, it will take employers, education institutions, unions and government to ensure the mining sector doesn’t suffer. At Laurentian University’s school of engineering, enrollment has dropped by more than 50 % since

the late 1990’s. The school is reaching out to recruit more female and aboriginal students, who are underrepresented in the industry. Cambrian College and College Boréal have also launched programs to address projected shortages in skilled trades.

Swiss Mining Group Xstrata acquired 19.9% of Falconbridge for \$2 billion from Brascan in mid-August. Brascan, who owned a stake in Noranda, which in turn controlled Falconbridge, reorganized the companies’ ownership structure in the second quarter to make them easier to sell. The Noranda-Falconbridge merger left Brascan with the 19.9% stake in the new company, which took the name Falconbridge. Xstrata strongly suggested that it may buy up the rest of Falconbridge.

FNX Mining Company Inc.’s stock rose 10 % to \$13.62 per share in late-August after they announced the discovery of additional high-grade mineral deposits in their footwall project located at the company’s 75% owned Levack Mine property. Shares in Dynatec, the owner of the other 25% of the property, rose nearly 7% based on the news. The joint venture currently has four surface and two underground rigs exploring the Levack Footwall Deposit. The geology, mineralogy and grade of the announced drill intersections are similar to those encountered in four previously announced discovery boreholes.

FNX Mining Company Inc. reported continued strength and improvement in the financial and operating results for the three months ending September 30<sup>th</sup>. FNX mined 111,795 tons of ore in the third quarter, of which it sold 108,900 tons. Operating revenues were reported to be \$21.1 million, 31% higher than in the same time last year. For the nine month period ending September 30, 2005, operating revenues totaled \$58.1 million, approximately 48% higher than the same period in 2004. The company reported adjusted net earnings of \$2.3 million or four cents per share for the third quarter, up from \$1.6 million or three cents per share in 2004.

Inco reported adjusted net earnings of \$157 million, or \$0.83 per share for the third quarter of 2005, compared to \$209 million or \$1.11 per share in 2004. Earnings were less than expected because of a slower than planned ramp-up in operations after their scheduled maintenance shutdown. The company stated that they remain on course to meet their 2005 target of 215 to 220 million pounds of nickel at their Ontario operations.



Falconbridge Limited reported a net income of \$214 million or 57 cents per share for the third quarter of 2005, compared to \$118 million for the same period in 2004. The posted results represented the consolidated results of Noranda Inc., which was renamed Falconbridge Limited after the amalgamation on June 30, 2005.

Reaction to the provincial government's long-anticipated forestry aid package was mixed. A representative of the Communications, Energy and Paper workers Union of Ontario (CEP) said the package does nothing for the communities that are threatened by the crisis in the forestry industry. According to Natural Resources Minister David Ramsay, the \$150 million, 3-year package to encourage expansion and modernization could lever up to \$1.2 billion in new investment. Premier Dalton McGuinty said the package will not prevent more closures but is designed to help companies be more competitive. The Ontario Forest Industries Association and the Northwestern Ontario Municipal Association echoed the CEP reaction. According to an industry advisory council, energy and fibre costs were the two main contributing factors to the crisis. However, critics of the package said the government did nothing on energy costs and barely made a dent in the cost of fibre. Mayor Bernie Gagnon of Espanola said the aid package only partially addresses the crisis. His town and about 40 others across Ontario, mostly in the North, depend on forestry for their economic survival. The government has offered to take over the cost of maintenance on primary forest access roads. The industry council however, had recommended that because the public and other industries use the roads, that the government should cover 100 % of building and maintaining primary roads and 50 % on secondary access roads. Many industry leaders were also calling for a reduction in fuel tax, maintaining that it is unfair that the industry must pay the provincial fuel tax - essentially a road construction tax that provides funds to government to maintain highways - when it is being paid on fuel they burn while they're hauling wood on roads they build at their own expense. The package is expected to be delivered later in the year.

### **Construction**

The South End rock tunnel project was approved by council in June and finally broke ground September 22. The long-awaited South End rock tunnel is a \$31.1 million infrastructure expansion that will provide additional capacity for the future growth of commercial and residential developments in the area. The project was tendered to Hamilton's McNally Construction, a leading Canadian tunneling contractor. The project is expected to create many local subcontracting and supply opportunities. The 6.5-kilometer tunnel is slated for completion in November, 2008.

### **Trade**

Hart has opened two more department stores in the Sudbury Region. The Espanola location opened its doors at the beginning of August in the Espanola Mall with 25 full- and part-time employees. The 30,000-square foot retail location filled a significant portion of the space vacated by the SAAN, which closed in January 2005. The company also opened its Northern Ontario flagship store in Sudbury's Rainbow Centre. The 45,000-square foot store, one of the largest in the chain, is expected to employ at least 30 people.

Wal-Mart reopened in a new 133,000-square foot location at the New Sudbury Shopping Center on August 4<sup>th</sup>. The new location is approximately 30% larger and offers new services on site, such as a vision care centre, a portrait studio and a hair salon. Product selection has also been increased in several departments. The larger store, with additional services, is expected to create several employment opportunities. At the time of the stores grand opening, Wal-Mart employed 300 staff. The previous Wal-Mart location, formally a Woolco store, will be demolished to increase mall parking capacity.

Zellers opened its new, larger South Ridge Mall location to eager shoppers Saturday, August 6<sup>th</sup>. The new 94,000-square foot store is twice the size of its previous location at the mall. The store will now be selling big ticket items such as appliances and furniture and will also include a new food department. Services such as a hair salon, watch repair and Telus Mobility location have also been added. The south end Zellers has grown its staff from 85 to 160.

### **Transportation and Warehousing**

Sudbury's local taxi committee says taxi drivers are being driven out of the industry by an overly bureaucratic system and punitive bylaws implemented by the city. According to the city's statistics, there has been a 37% decrease in the number of people who have applied for taxi licenses in Greater Sudbury. One of their major issues is a driver training course requirement. The four-day or eight-evening course costs \$176.41 and must be renewed annually with an eight-hour, two-day refresher course at a cost of \$91.85. The committee would like to see the course offered over the internet similar to online testing like the Workplace Hazardous Materials Information Systems (WHMIS) course.

The Downtown Village Development Corporation (DVDC) and city officials have initiated preliminary discussions with the Canadian Pacific Railway to resurrect the idea of relocating CPR's downtown rail yards. An initiative to relocate the yard, lead by former mayor Joe Fabro, was voted down by city council in the 1960s. Those plans are being looked at again as part of the preliminary discussions.



According to a CPR representative, the Sudbury rail yards are a vital link to all CPR traffic in central Canada. An exhaustive feasibility study would be required; however such relocations have been successfully completed in other cities.

Efforts by the Sudbury Airport Community Development Corporation to develop the facility into a significant economic engine appear to be paying off. The \$6.4 million terminal expansion in 2003 is one of the significant improvements in recent years. Air Canada Jazz and Bearskin Airlines offer daily flights from the facility. The airport is also home to the Ministry of Natural Resources fire suppression unit and the Ministry of Health’s medivac services, which include hospital helicopter and several planes. Beginning December 21st, the airport will offer weekly, international flights, to Veradero, Cuba through a partnership with Sunwing Vacations. The international flights will expand the airport’s catchments area to include most of Northern Ontario. Sudbury will receive direct economic benefit in the accommodations, food services and entertainment industries as Northerners head south. The Airport hopes avionics firms, medovac services, small charter companies and others will be established in an airport industrial park. Transport Canada’s Airport Capital Assistance Program is contributing \$3.4 million in financial assistance to build another runway. The airport supports a workforce of more than 250 people.

As fuel prices soared in September, representatives of the area trucking industry warned consumers that a fuel surcharge would likely be required to offset the impact of rising fuel costs. Companies are also examining ways to cut down on fuel consumption, including governors (speed limiters), aerodynamic trailers, super single tires and auxiliary heating and cooling systems.

**Finance, Insurance, Real Estate and Leasing**

Marriott Fairfield Inn & Suites is developing a new three-floor, 81-unit hotel in Sudbury. The \$7 million brick and stucco exterior hotel is being built by Robert Higgins Construction Ltd. of Sault Ste. Marie. The property owners decided to invest in Sudbury because of high nickel prices, a booming mining industry, and the city hosting major hockey tournaments, summer festivals and high hotel occupancy rates. The hotel will be well situated in the vicinity of the Rio-Can centre and the New Sudbury shopping mall. The hotel is expected to employ 25 staff, mostly full-time.

According to Warren Philp, Canadian Mortgage and Housing Corporation Northern Ontario Market Analyst, low mortgage rates, demand in move-up home-buying ranges, and thin resale supply continue to spur North-eastern Ontario housing starts. In particular, baby-boomers wanting a certain type of home not available on the resale market are bolstering the

Greater Sudbury new home market. If the trend continues, CMHC’s Greater Sudbury forecast of 440 starts will be well within reach in 2005. Of this total, 390 will be single-detached starts. Philp stated that slightly weaker demand brought on by flattening employment and modest interest rate hikes will cause a slight dip in housing starts in 2006. Greater Sudbury had 130 single-detached unit starts in the third quarter, three units higher than last year and nearly 40 % more than the average for the third quarter over the last five years.

SUDBURY URBAN HOUSING STARTS

SEPTEMBER								
Single Family			Others			Total		
'04	'05	% chg	'04	'05	% chg	'04	'05	% chg
32	43	34.4	2	4	100.0	34	47	38.2

YEAR-TO-DATE: JANUARY 1<sup>ST</sup> TO SEPTEMBER 30TH

Single Family			Others			Total		
'04	'05	% chg	'04	'05	% chg	'04	'05	% chg
269	282	5.0	8	12	50.0	277	294	6.0

In terms of re-sales, Sudbury was declared a sellers’ market for homes in the third quarter. Some sellers have sold their homes for their asking price on the same day it was listed. The number of new listings has decreased in recent years from around 6,700 in 1996 to 3,670 in 2003. The reduced supply in the market has sent prices rising. According to Philp, the majority of home-buying activity is taking place in move-up home buying, which in Sudbury translates to homes in the \$120,000 to \$200,000 range. These buyers are generally people who are secure in their jobs and are looking to buy their second, third or fourth homes. However, Philp noted that the low-end of the Sudbury market is weak, as first time buyers are inactive or not present.

**Professional, Scientific and Technical Services**

A small local technology company has gone public with shares available on the U.S. stock exchange. The founders of Pink sheets discovered a gap in flexible and affordable call centre technology after operating Transcending Boundaries in Sudbury. The company is making waves in the industry, providing software solutions, low long distance rates and ways of managing data for small and medium-sized companies. Plans to do business in American and Indian markets are already underway.



## Educational Services

The Summer Company awards ceremony was held in early-August 4. Awards were presented to seven young Sudbury and area entrepreneurs. The Summer Company program offers students up to \$3000 in grants to grow their summer business. Students are partnered with local business to help them with challenges that may arise.

The Ontario government has launched a new job and career skills development program through the Northern Ontario Heritage Fund Corporation (NOHFC). NOHFC is investing \$2.2 million in the Northern Ontario Youth Internship and Co-Op Program to pay for 135 internships and work placements. Under the program, Northern Ontario employers can offer work placements or internships to young northerners seeking to launch and build their careers in the north. The co-op funding is a wage subsidy for employers who hire Northern Ontario secondary school graduates, 29 years old or under, who currently attend an accredited college or university. The internship program funding is a wage subsidy for employers who hire Northern Ontario secondary school graduates 29 years and under who have recently graduated from college or university.

College Boréal opened their first student residence at the beginning of September. The college received a \$500,000 donation from Inco Ltd. towards the \$4 million construction cost of the 34-unit facility, which is named “Residence Inco” in recognition of the major donation. The residence is expected to attract out-of-town students to Sudbury.

In September, the Northern Ontario School of Medicine held grand opening ceremonies in Sudbury and Thunder Bay connected via video link. Most of the 56 charter class members are from the north. The NOSM has already injected millions of dollars into the local economy and is expected to be an engine of economic growth for years to come. The school was initially given \$95.3 million from the province to get the school started. \$32.9 million was spent in construction costs for both sites. Sudbury’s campus was designed by a local firm. The school will have annual funding of \$21 million, in addition to funds from research and other initiatives. The school has also received \$6 million in federal funding for research equipment. As of August 1<sup>st</sup> the school employed nearly 100 academic and administrative full-time staff, a number expected to grow. The school, in full operation, is expected to employ 500 or more.

## Health Care and Social Assistance

The Provincial government introduced a new program to reduce the pressure of a chronic nursing shortage in Ontario. The province has committed \$28 million this year for nurses

55 years and over to spend 20% of their time performing less demanding roles, such as mentoring young nurses, offering clinical advice and patient and family education. While as many as 1,700 nurses are expected to postpone retirement as a result of the funding announcement, it is estimated that an additional 5,000 nurses must be hired over the next several years to eliminate shortage concerns.

Community Living Espanola unionized workers ended their nine-week strike in July. Workers voted 75% in favour of the deal. Both full- and part-time workers will receive a 4% increase in wages over the next two years.

A report released in August by the Canadian Institute for Health Information (CIHI) indicated the number of physicians leaving the country decreased 38% to 262 in 2004 compared to 420 in 2000. This is a significant decrease from the peak of 771 physicians who left the country in 1994. The report also found that 317 physicians returned to Canada in 2004, a net gain of 55. Steve Slade, a CIHI consultant, says the data reflects a continuation in the trend since the mid-1990s of decreasing numbers of physicians leaving Canada for opportunities in other countries. He notes that the number of total doctors has kept pace with population growth since the late 1990s.

## Information, Culture and Recreation

The first phase of a \$1.6 million state-of-the-art theatre center project is now underway in Manitowaning. FedNor is contributing \$410,000 to convert the historic Mastin building into the performance and training facility. The center will be home to the 20-year-old De-ba-jeh-mu-jig Theatre Group based in Wikwemikong. Since being founded by M’Chigeeng artist/film-maker Shirley Cheechoo, the group’s reputation has grown internationally. Joe Osawabine, De-ba-jeh-mu-jig’s artistic director, says they are currently renting nine different spaces for storage, rehearsal, production, and administration offices. He says they are looking forward to being all together in one space and having a place to call home.

Near the end of the quarter, Teletech Holdings Inc. announced it had started the hiring process to fill 350 new permanent positions at its Sudbury call centre. The new hires will bring the company’s Sudbury workforce to over 1,000 employees. David Armstrong, human resources manager at Teletech’s Sudbury operations said they recently contracted four new pieces of business for in-bound customer service work. Armstrong noted that although the company has operations in six other Canadian cities, Sudbury has been targeted in part due to the good track record with the local workforce. The hiring is good news for existing employees as well, as it will create opportunities for promotion to supervisory and training roles.



Oasis Fitness and Wellness Centre closed in August, reportedly leaving behind outstanding bills and unpaid employees. Bodyworks Fitness and Wellness Centre announced at the end of September that it had made arrangements to move into the former Oasis location and would officially open at the beginning of October. The new fitness club has offered to honour outstanding Oasis memberships with the purchase of a special three-month membership at the new club. Bodyworks have also offered employment to some former Oasis employees. The new club will have approximately 30 employees, including fitness instructors.

### **Accommodation and Food Services**

Boston Pizza opened a new location in Sudbury at the beginning of August. The 6,000-square foot restaurant is divided into a sports bar section, a dining area, and an outdoor patio area. Located in the new section of Rio-Can development near Second Avenue, the restaurant now employs 120 staff.

### **Other Services**

Sudbury's economic boom, largely in the mining industry, has provided economic spin-offs in many sectors. The local Molly Maid franchise says that more families are working and don't have time to clean their homes. The company has experienced great success, attributing recent growth to increased economic prosperity in the city. The company now has 19 employees, four of whom are recent hires, and planned to add to that number by the end of the summer.

More than 50 CBC employees were on the picket line in August and September as a result of a lockout imposed by the national broadcaster. CBC locked out 5,500 employees represented by the Canadian Media Guild after 15 months of bargaining. The August 15<sup>th</sup> lockout was a result of a failure to agree on key issues, one being the broadcaster's desire to use more contract employees.

Sudbury is home to a new film and television production company. Lady of the Lake owner Andrea Zizman is convinced there is great potential for her business in the area. Zizman, who has a background in sales and marketing, said technology, makes it possible to locate her business here.

### **Public Administration**

City council approved the plans of the Greater Sudbury Police Service to hire a total of 15 new recruits by 2007. The announcement came after provincial funds aimed to help

municipalities hire more officers became available in September. The four stages of hiring planned by the Police Service will see two hired January 1, 2006, four hired in April, four more next September and five hired in January 2007. That will bring the GSPS to 256 officers from the current 241. The provincial funding is expected to fully cover the cost of the new officers until 2008.

### **Tourism**

Ted Smith, owner of Gypsy Family Farm Petting Zoo was forced to close his doors to the public, blaming skyrocketing insurance costs. The picturesque Manitoulin family farm was steadily gaining in popularity; however, Mr. Smith says the decision to close was made for him when his insurance company reassessed his policy.

The Ojibway Cultural Foundation (OCF) in M'Chigeeng received \$189,230 from the Northern Ontario Heritage Fund Corporation in August to upgrade its cultural centre. The upgrades include an outdoor performance arbour, a cultural arts theatre, and an Anishinaabek artisans' market. The venues are expected to create four new full-time jobs in the community's growing tourism industry. The OCF was recently in a publication of the National Museum of the American Indian, an offshoot of the Smithsonian. The attention came after a couple of directors from the Smithsonian board visited as part of a cruise ship tour. The OCF received 1,400 visitors from cruise ship stops alone last year.

The Town of Gore Bay has unveiled its plans for a major harbour improvement project. The marina at Gore Bay is a popular tourist attraction that is important to the local economy. In August, the town held an open house to allow taxpayers to view maps and learn more of the proposed two-phase project to improve the marina. The Town has applied for \$1.7 million for the first phase of the project, which will see the number of slips increase from 130 to 196. Phase one also includes a welcome centre, change rooms and washrooms, and boat launch improvements. FedNor announced it was contributing \$152,130 towards phase one in April of this year. Phase two, which must be approved under the Canadian Environmental Assessment, will include improved parking areas, a boardwalk, enhanced parkland, and a breakwater system with pedestrian access, and will further increase the number of slips to 300. The Phase two slips will allow for boats up to 60 feet in length. The plans carry a total cost of \$6.1 million and could be completed in two to five years depending on how the project is funded.



LABOUR FORCE TRENDS

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

# GREATER SUDBURY CENSUS METROPOLITAN AREA QUARTERLY LABOUR FORCE TRENDS:

### Continuing weakness in Greater Sudbury

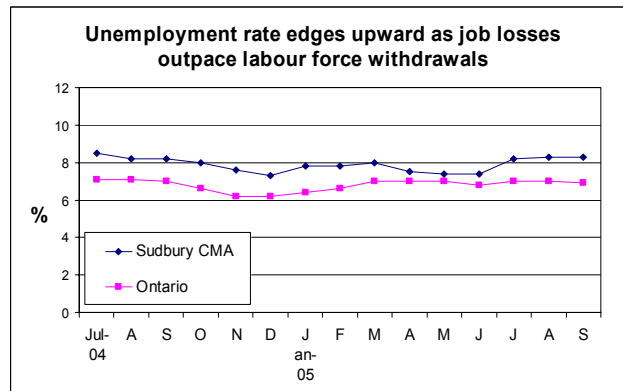
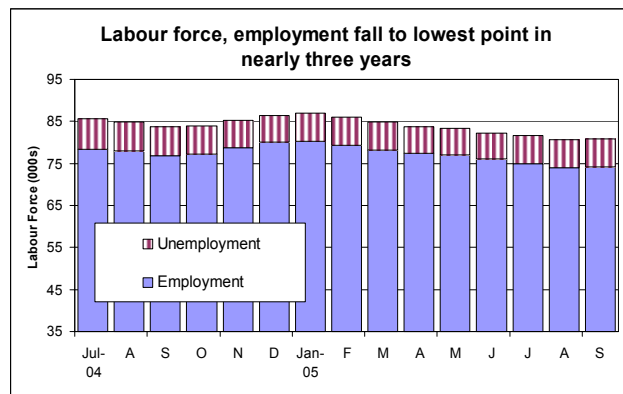
Unemployment rate at four-quarter high

### Service sector continues to decline

Employment at lowest level in two years

Conditions in the labour market of Greater Sudbury weakened in the third quarter of 2005, marking the third consecutive quarter of labour market declines in the CMA. The loss of 1,900 jobs brought the total employment decline in 2005 to 3,900 – a decline of 5% from the end of 2004. Through the middle of 2005, the decline in Sudbury's labour force kept pace with Sudbury's employment losses. However, this trend shifted in the third quarter when the job loss surpassed the labour force contraction. As a result, Sudbury's unemployment rate jumped from 7.4% in the second quarter to 8.3%. This was the highest rate posted in the CMA since the third quarter of 2004.

These conditions are weaker than those in the third quarter of 2004. The labour force contracted over the past four quarters, pushing the participation rate down from 64.2% in the third quarter of 2004 to the current 61.6%. Because employment fell by a similar amount, there was no change to the level of unemployment in the CMA. Therefore, Sudbury's current unemployment rate was on par with the rate of 8.2% in the third quarter of 2004.



The **Greater Sudbury CMA** is comprised of the City of Sudbury, and the Townships of Nickel Centre, Onaping Falls, Rayside-Balfour, Valley East and Walden. The Whitefish Lake 6 Reserve is excluded from this definition because Statistics Canada does not include residents of Reserves in the Labour Force Survey.

### Greater Sudbury Census Metropolitan Area labour force trends

	July to September 2005	April to June 2005	July to September 2004	Change			
				Quarter/Quarter Absolute	%	Year/Year Absolute	%
Population 15 +	131,400	130,800	130,600	600	0.5	800	0.6
Labour force	80,900	82,200	83,800	-1,300	-1.6	-2,900	-3.5
Employed	74,200	76,100	76,900	-1,900	-2.5	-2,700	-3.5
Full-time	61,800	61,300	62,300	500	0.8	-500	-0.8
Part-time	12,400	14,800	14,600	-2,400	-16.2	-2,200	-15.1
Unemployed	6,700	6,100	6,900	600	9.8	-200	-2.9
Not in labour force	50,500	48,600	46,800	1,900	3.9	3,700	7.9
Participation rate	61.6%	62.8%	64.2%	-1.2		-2.6	
Unemployment rate	8.3%	7.4%	8.2%	0.9		0.1	
Employment rate	56.5%	58.2%	58.9%	-1.7		-2.4	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey



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### Service sector continues to decline

Sudbury's services-producing sector continued to decline in the third quarter of 2005. With the loss of 3,600 jobs, employment in the sector fell to a two-year low of 56,600. Public administration posted the largest loss during the quarter.

A portion of these losses was offset by a 10-% increase in goods-sector employment.

This pattern held true in the comparison of year over year data. The goods-producing sector grew nearly 13% since the third quarter of 2004, with gains centred in Forestry, fishing, mining, oil and gas. In contrast, employment in the services sector fell 8% year over year (-4,800).

#### Greater Sudbury Census Metropolitan Area employment by industry

Industry	July to September 2005	April to June 2005	July to September 2004	Change			
				Quarter/Quarter Absolute	%	Year/Year Absolute	%
<b>Total</b>	<b>74,200</b>	76,100	76,900	-1,900	-2.5	-2,700	-3.5
<i>Goods-producing sector</i>	<b>17,600</b>	15,900	15,600	1,700	10.7	2,000	12.8
Agriculture	...	...	...	...	...	...	...
Forestry, fishing, mining, oil and gas	<b>8,200</b>	6,400	6,200	1,800	28.1	2,000	32.3
Utilities	...	...	...	...	...	...	...
Construction	<b>4,000</b>	4,400	4,700	-400	-9.1	-700	-14.9
Manufacturing	<b>4,800</b>	4,400	3,900	400	9.1	900	23.1
<i>Services-producing sector</i>	<b>56,600</b>	60,200	61,400	-3,600	-6.0	-4,800	-7.8
Trade	<b>13,700</b>	13,300	11,200	400	3.0	2,500	22.3
Transportation and warehousing	<b>3,200</b>	3,500	3,100	-300	-8.6	100	3.2
Finance, insurance, real estate and leasing	<b>3,700</b>	3,800	3,700	-100	-2.6	0	0.0
Professional, scientific and technical services	<b>2,600</b>	3,000	3,400	-400	-13.3	-800	-23.5
Business, building and other support services	<b>2,400</b>	2,400	4,200	0	0.0	-1,800	-42.9
Educational services	<b>5,800</b>	6,700	6,900	-900	-13.4	-1,100	-15.9
Health care and social assistance	<b>10,300</b>	10,400	10,900	-100	-1.0	-600	-5.5
Information, culture and recreation	<b>2,100</b>	2,600	3,500	-500	-19.2	-1,400	-40.0
Accommodation and food services	<b>4,900</b>	5,500	6,500	-600	-10.9	-1,600	-24.6
Other services	<b>3,400</b>	3,400	2,800	0	0.0	600	21.4
Public administration	<b>4,300</b>	5,500	5,200	-1,200	-21.8	-900	-17.3

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





# NORTHEASTERN ONTARIO (ECONOMIC REGION 590)

## QUARTERLY LABOUR MARKET TRENDS:

### Weakness in third quarter

Declines in employment and the labour force this quarter

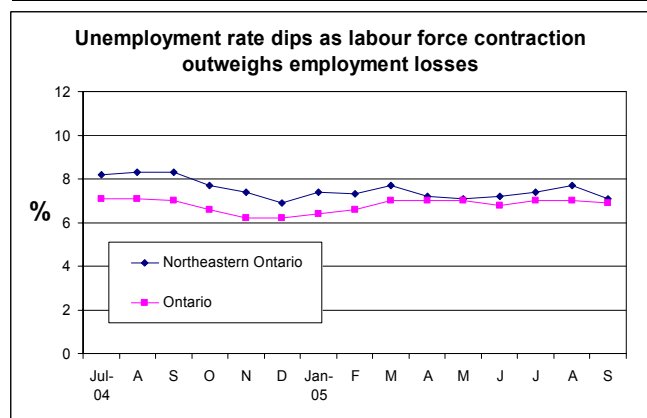
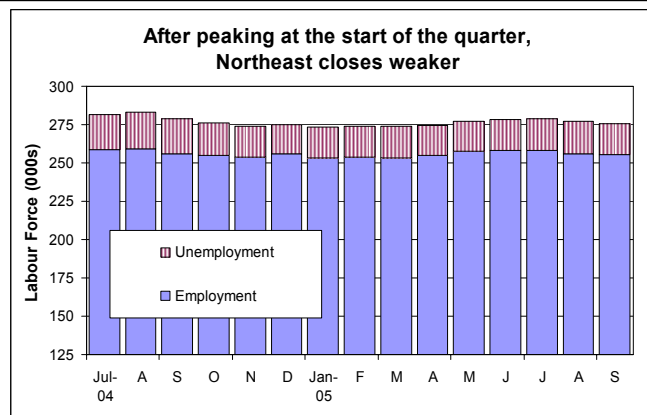
### Goods-producing sector continues to grow

Led by Manufacturing

The Northeastern Ontario labour market weakened in the third quarter of 2005, losing all of the strength regained in the second quarter of the year. Both employment and the labour force decreased by 1%. In absolute terms, the labour force decline was slightly greater than the loss of employment. As a result, unemployment edged down slightly, leaving the unemployment rate at 7.1%, compared to 7.2% in the second quarter of the year.

Combined with the second quarter's decline, the Northeastern Ontario labour force has decreased by slightly more than 1% year over year. This has caused the participation rate to fall to 61.1%, down from 62.1% in the third quarter of 2004.

Because there are fewer job seekers, the unemployment rate has also fallen, from 8.3% one year ago to 7.1%.



**Northeastern Ontario** (Economic Region 590) is comprised of eight Census Divisions: the Districts of Nipissing, Parry Sound, Manitoulin, Sudbury, Timiskaming, Cochrane and Algoma, and the Greater Sudbury Division.

### Northeastern Ontario labour force trends

	July to September 2005	April to June 2005	July to September 2004	Change Quarter/Quarter Absolute	Change %	Change Year/Year Absolute	Change %
Population 15 +	450,300	448,700	448,900	1,600	0.4	1,400	0.3
Labour force	275,200	278,100	278,900	-2,900	-1.0	-3,700	-1.3
Employed	255,700	258,200	255,900	-2,500	-1.0	-200	-0.1
Full-time	209,400	204,900	208,200	4,500	2.2	1,200	0.6
Part-time	46,200	53,300	47,700	-7,100	-13.3	-1,500	-3.1
Unemployed	19,600	19,900	23,100	-300	-1.5	-3,500	-15.2
Not in labour force	175,000	170,700	170,000	4,300	2.5	5,000	2.9
Participation rate	61.1%	62.0%	62.1%	-0.9		-1.0	
Unemployment rate	7.1%	7.2%	8.3%	-0.1		-1.2	
Employment rate	56.8%	57.5%	57.0%	-0.7		-0.2	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey



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### Goods-producing sector continues to grow

Northeastern Ontario's goods-producing sector continued to expand in the third quarter of 2005. The addition of 5,100 jobs brought total employment in the goods industries up to a three-year high of 64,100. While Manufacturing added the most jobs in real terms (+3,000), Forestry, fishing, mining, oil and gas grew at the quickest pace, approaching 14% compared to the second quarter of the year. On the down side, all of this goods growth was offset by a 4-% decline in the services-producing sector. Despite the addition of 4,300 jobs in the Trade industry, total employment in the sector fell 4% from the second quarter of the year.

All of the goods-producing sector's third-quarter strength is reflected in the comparison of the year over year data. Employment in the sector is more than 8% higher year over year (+5,000), coinciding with the sector's third-quarter gains. Employment in Manufacturing was more than 36% higher than in the third quarter of 2004. Even with the third quarter gains, employment in Forestry, fishing, mining, oil and gas remains lower year over year. On the services side of the labour market, employment was more than 2% lower than in the third quarter of 2004. The largest year-over-year decline was posted in Accommodation and food services (-6,300).

### Northeastern Ontario employment by industry

Industry	July to September 2005	April to June 2005	July to September 2004	Change			
				Quarter/Quarter Absolute	%	Year/Year Absolute	%
<b>Total</b>	<b>255,700</b>	258,200	255,900	-2,500	-1.0	-200	-0.1
<i>Goods-producing sector</i>	<b>64,100</b>	59,000	59,100	5,100	8.6	5,000	8.5
Agriculture	<b>3,000</b>	2,900	1,500	100	3.4	1,500	100.0
Forestry, fishing, mining, oil and gas	<b>15,700</b>	13,800	16,300	1,900	13.8	-600	-3.7
Utilities	<b>1,700</b>	1,800	4,000	-100	-5.6	-2,300	-57.5
Construction	<b>15,300</b>	15,200	16,600	100	0.7	-1,300	-7.8
Manufacturing	<b>28,400</b>	25,400	20,800	3,000	11.8	7,600	36.5
<i>Services-producing sector</i>	<b>191,600</b>	199,100	196,700	-7,500	-3.8	-5,100	-2.6
Trade	<b>43,000</b>	38,700	42,700	4,300	11.1	300	0.7
Transportation and warehousing	<b>11,700</b>	12,700	12,000	-1,000	-7.9	-300	-2.5
Finance, insurance, real estate and leasing	<b>11,300</b>	13,300	11,400	-2,000	-15.0	-100	-0.9
Professional, scientific and technical services	<b>7,200</b>	8,000	9,500	-800	-10.0	-2,300	-24.2
Business, building and other support services	<b>10,200</b>	12,000	9,600	-1,800	-15.0	600	6.3
Educational services	<b>17,000</b>	22,200	15,800	-5,200	-23.4	1,200	7.6
Health care and social assistance	<b>37,300</b>	37,300	37,700	0	0.0	-400	-1.1
Information, culture and recreation	<b>11,300</b>	10,000	10,400	1,300	13.0	900	8.7
Accommodation and food services	<b>16,100</b>	14,200	22,400	1,900	13.4	-6,300	-28.1
Other services	<b>11,700</b>	14,200	10,600	-2,500	-17.6	1,100	10.4
Public administration	<b>14,800</b>	16,600	14,600	-1,800	-10.8	200	1.4

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**

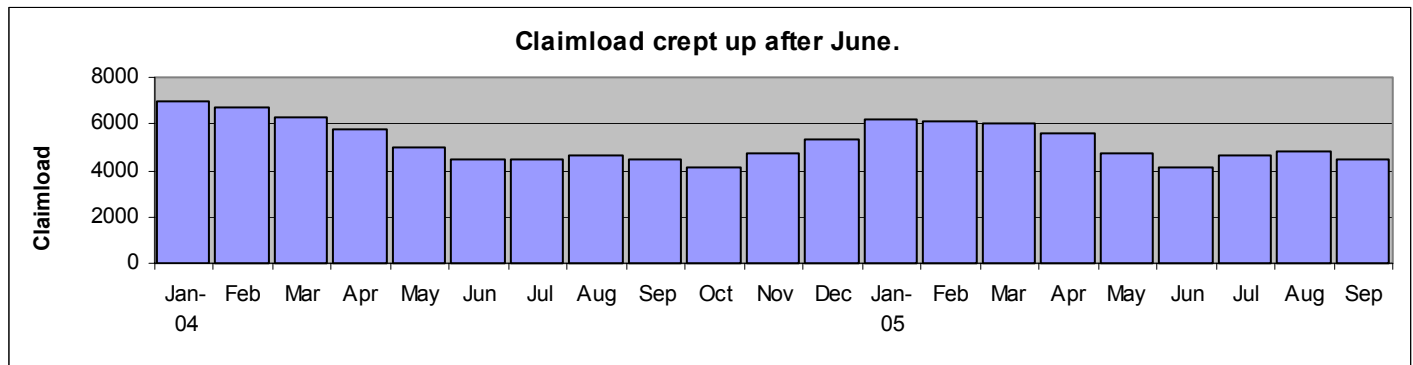
The average number of regular active Employment Insurance (EI) claims in the Sudbury Area fell slightly in the third quarter to 4,637 from 4,785 in the previous quarter. Monthly claims crept up over the June loads but the quarterly claim load was still down 3%.

The Sudbury Area claim load climbed 2% year over year, an increase of 102 claims.

**Regular Employment Insurance Claimants – Sudbury Area**

	July - September '05			April - June '05			July - September '04		
	Total	Female	Male	Total	Female	Male	Total	Female	Male
<b>Sudbury and Espanola SCCs</b>	4,637	2,413	2,224	4,785	1,848	2,938	4,535	2,450	2,085

Source: SCC administrative data C-356



### Employment Opportunities

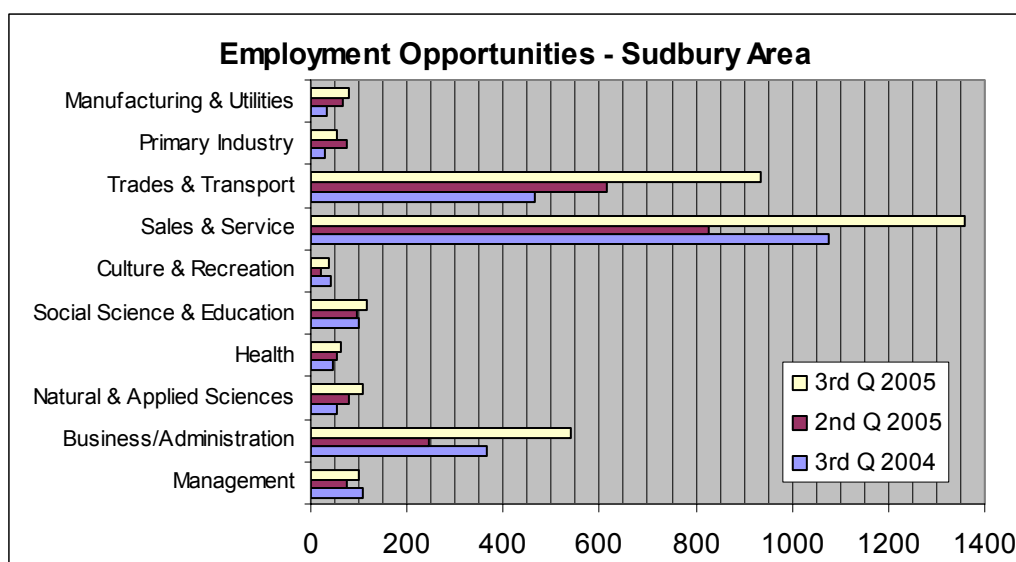
Advertised employment opportunities in the third quarter increased 58% to 3,391, from 2,147 in the previous quarter. The Sales and service occupation group accounted for 531 additional opportunities, an increase of 64% from the second quarter. Occupations in Trades and transport and in Business/administration experienced increases of 322 and 291 openings respectively. Demand in the Sales and service group can be attributed to recent retail and food service openings.

Year-to-year there was an increase of 1,071 total advertised vacancies. The largest absolute growth occurred in the Trades and transport group. There were 936 opportunities advertised in the third quarter of 2005, a 100.4 % gain from the 467 openings in the third quarter of 2004. The Manufacturing and utilities group of occupations experienced phenomenal growth, increasing 145% to 81 opportunities compared with only 33 recorded in the third quarter of 2004. Vacancies also more than doubled in occupations in Natural and applied sciences, rising from 53 last year to 107.

#### Employment Opportunities – Sudbury Area

Occupations (NOC)	July - Sept '05	April - June '05	July - Sept '04	Change			
				Absolute	%	Absolute	%
<b>Total Vacancies</b>	<b>3,391</b>	2,147	2,320	1,244	57.9	1,071	46.2
Management	100	75	109	25	33.3	-9	-8.3
Business/administration	538	247	366	291	117.8	172	47.0
Natural and applied sciences	107	78	53	29	37.2	54	101.9
Health	64	52	44	12	23.1	20	45.5
Social science and education	116	94	99	22	23.4	17	17.2
Culture and recreation	39	20	40	19	95.0	-1	-2.5
Sales and service	1,357	826	1,078	531	64.3	279	25.9
Trades and transport	936	614	467	322	52.4	469	100.4
Primary industry	53	73	31	-20	-27.4	22	71.0
Manufacturing and utilities	81	68	33	13	19.1	48	145.5

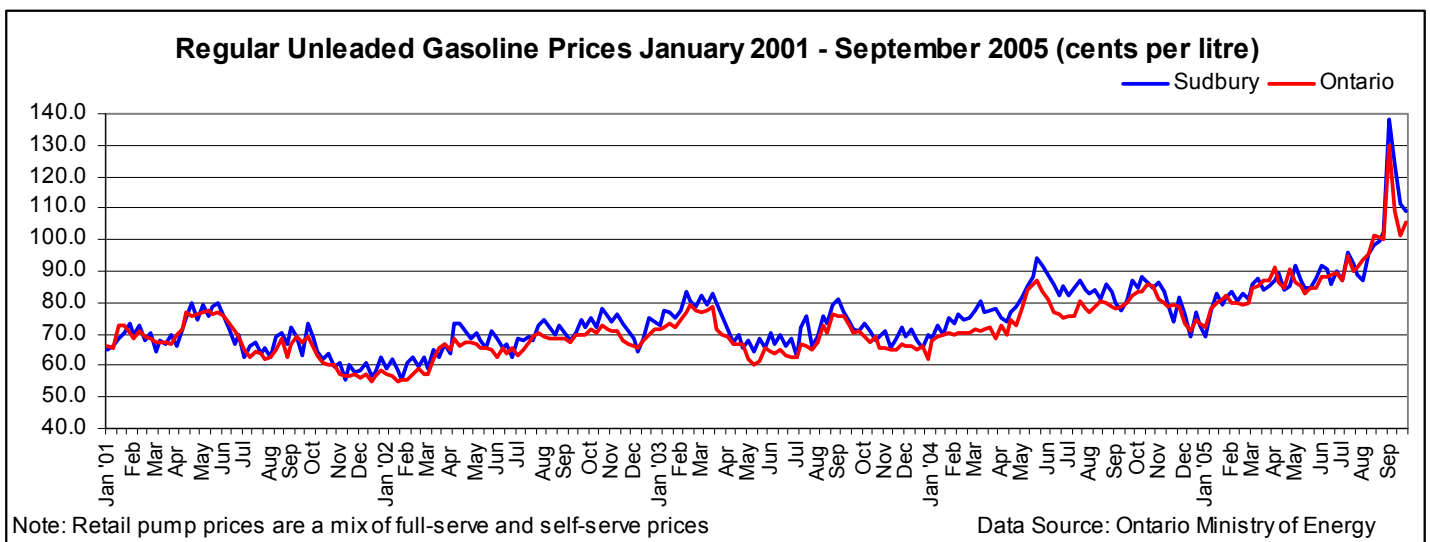
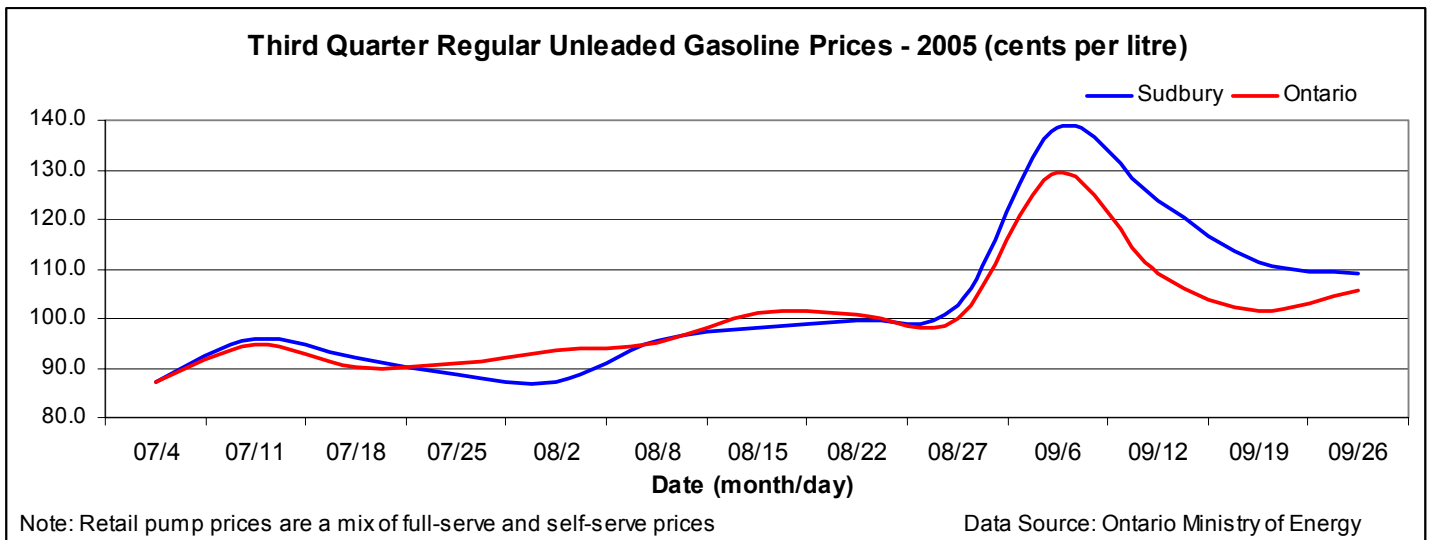
Source: SCC vacancies



FROM THE AUTHOR'S DESK

Energy prices made headlines throughout the third quarter of 2005. Statistics Canada noted that higher crude oil prices, strong demand and uncertainty over future supply in the aftermath of hurricane Katrina pushed up prices at the pump. The agency also reported that surging gasoline prices pushed the annual inflation rate in September up to 3.4 %. This was much higher than the 2.6 % annual rate reported in August and it was the highest rate reported in 30 months. In the 12 months following September 2004, gasoline prices have risen 34.7 %. Statistics Canada says that increase accounts for 1.5 % of the 3.4 % inflation rate. Energy prices are not yet spilling into other costs as the core inflation rate, which excludes eight volatile items, remained at 1.7 %, although it may only be a matter of time if prices do not subside.

Motorists were taking a hit but they were not the only ones feeling the pinch over fuel prices. In a survey by the Canadian Federation of Independent Business (CFIB) published in their September 2005 Quarterly Business Barometer, 88 % of independent business owners said energy prices were their top concern. Catherine Swift, President of CFIB, noted that her members could tough it out for a little while, but it's getting to that point that it's really factoring into people's medium to long term plans. She says this will affect other Canadians because owners will need to scale back their job-creation and investment plans. The CFIB stated in a letter to the Prime Minister that soaring gas prices are having a major negative impact on the Canadian economy. They urged the federal and provincial governments to act quickly to alleviate the impact of soaring energy prices on small and medium-sized businesses and consumers.



**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 **Sudbury Census Metropolitan Area (CMA)** is comprised of the City of Greater Sudbury (Nickel Centre, Onaping Falls, Rayside Balfour, Valley East, and Walden) and the Whitefish Reserve. The Whitefish Lake 6 Reserve is excluded from this definition because Statistics Canada does not include residents of Reserves in the Labour Force Survey. Statistics Canada will incorporate the new **City of Greater Sudbury** boundaries into a future revision of the Survey.
2. The **Sudbury Area** is comprised of The City of Greater Sudbury (formerly The City of Sudbury, Nickel Centre, Onaping Falls, Rayside Balfour, Valley East, Walden, and Capreol), Sudbury East and the Espanola, Manitoulin Island areas.
3. For the purpose of this publication, the **Sudbury Area** includes all of the above communities as well as Sudbury East, the French River area and Kilarney.
4. 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 Globe and Mail, The Sudbury Star, The Northern Life, Le Voyageur, Northern Ontario Business, The Mid-North Monitor and The Manitoulin Expositor**
5. **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>

