

An overview of the Northeast Ontario Economic Region. It includes the census division of Greater Sudbury and the districts of Parry Sound, Manitoulin, Sudbury, Timiskaming, Cochrane and Algoma. The Labour Market Monitor is a monthly report focusing on labour market information produced by a local Labour Market Information Analyst. For further information contact:
raymond.running@servicecanada.gc.ca

Labour Force Trends

In the Northeast Ontario economic region, employment declined 8,900 from February 2009 to February 2010, with all the job losses occurring in full-time work (-12,900) and partially offset with gains in part time employment (+4,000). Declining employment caused the employment rate to drop by 2.0 percentage points to 53.0%, the lowest rate in Ontario. With labour force participation relatively unchanged, the number of unemployed people rose by 7,700 from February 2009 to February 2010. As a result, the unemployment rate rose almost three full percentage points from 6.7% to 9.6%, one of the highest rates among all economic regions in Ontario. Over this same period, the provincial unemployment rate rose from 7.9% to 8.9%. For more information, please visit the Statistics Canada website at:
<http://www40.statcan.gc.ca/l01/cst01/lfs05d-eng.htm>

Labour Market News by Industry

Accommodation & food services

The Great Northern Resort & Conference Centre in Sault Ste. Marie will become an all-suites hotel. The hotel will be rebranded as the Comfort Suites and Conference Centre. The hotel will be closed from late February 2010 to the end of July 2010. All 35 employees who were laid off are expected to be recalled.

Construction

Construction of a \$12.3-million school will start in Timmins in May 2010. The two-story school will house up to 556 junior kindergarten to grade six French immersion students. The school will be built beside Timmins High and Vocational School on Airport Road. Three other schools will be closed and all students will be transferred to the new school. It is expected that all 30 teachers will keep their jobs.

The Cassellholme Home for the Aged in North Bay is being upgraded and rebuilt. Larger bedrooms and wider doors for increased wheelchair access will be added as well as a fourth floor. The 240-bed home currently has a waiting list of more than 150 people. The redevelopment announcement has secured the long-term future of the home. Final construction costs were not released.

Kirkland Lake received \$32 million in federal and provincial funding for a new wastewater treatment plant. Construction will start in early 2011 once environmental assessments and engineering studies are complete.

The federal government has provided \$2.6 million to repair the Soo Locks. Originally built in 1895, the Sault Ste. Marie National Historic Site was closed for much of the 2009 summer boating season. The funds are intended to fix last year's problems and allow for a successful boating and tourist season.

The federal government has provided \$1.8 million, to go along with \$1 million from the Province of Ontario, to upgrade the Ermatinger Clergue National Historic Site. The "Old Stone House" is the oldest stone building north of Toronto. A 6,500 square-foot "heritage discovery" centre will be built at the downtown Sault Ste. Marie location. It is expected to open in time for the bicentennial of the War of 1812.

A \$10.7-million indoor soccer facility was given the go-ahead by Sault Ste. Marie city council. Two indoor soccer fields along with a 6,000 square foot library will make up the bulk of the

building. Construction will start in September 2010 and will take one year to complete.

Education services

Windsor Park Retirement Residence will be converted to a student residence for Algoma University effective September 2010. The downtown Sault Ste. Marie retirement home is owned by the university and government regulations do not allow the school to indefinitely own and operate a business unrelated to education. Thirty-five full and part-time employees were given layoff notices effective May 31, 2010.

Forestry, mining, oil and gas

URSA Major Minerals Inc. has restarted its Shakespeare Mine, 70 kilometres west of Sudbury. More than 1,000 tonnes of ore per day are being shipped to Xstrata Nickel's Sudbury operations for processing. Close to 30 jobs are expected at the mine.

Columbia Forest Products announced it will be closing its birch veneer mill in Rutherglen. The plant will cease production in late April 2010. Close to 70 employees will be laid off. A company spokesperson stated the closure was due to increased competition from Chinese plants, a strong Canadian dollar, and the economic downturn. There are no plans to reopen the mill unless there is a sudden improvement to the business conditions responsible for the closure.

Xstrata Nickel Sudbury and Mine Mill Local 598/CAW have signed a three-year contract. As part of the agreement, Fraser Mine will re-open in April 2010. This will save 40 jobs which are being cut from the Nickel Rim South Mine. It will also result in the recall of 100 workers who were laid off last year. The company is offering a \$10,000 incentive to those who retire during the life of the contract. It is hoped that this will help in the recall of some of the 500 employees currently laid off. Close to 160 current employees are eligible to retire.

Lakeshore Gold has committed more than \$160 million in exploration and project spending at its Timmins area operations. By late 2010, it will begin commercial production of the Timmins Mine. More than 100,000 ounces of gold per year will be produced. Another area mine, the Bell Creek Complex, is expected to begin production in late 2011 or early 2012.

Kirkland Lake Gold raised over \$32 million in capital funds. They will use this money for additional exploration and development of its Kirkland Lake mineral projects. More than 425 people work at Kirkland Lake Gold.

The labour dispute at Vale Inco continues. More than 3,000 members of USWA Local 6500 have been on strike since July 13, 2009. Close to 1,200 other employees of the company, management staff and members of USWA Local 2020, continue to work. The company has resumed partial production at the Coleman Mine, the Garson Mine and at Clarabelle Mill. Vale Inco has also resumed production at the Copper Cliff Smelter Complex. Only one of the two furnaces at the smelter was started up. The company has indicated it eventually plans to resume full production even without a new collective agreement. The company and union announced they would be holding talks with a mediator commencing the final weekend of February.

The announced May 2010 closure of Xstrata Copper's Kidd Creek Met Site in Timmins is already having an impact on the local economy. Demand for luxury items such as boats, snowmobiles and recreational vehicles has declined. Employment agencies and contractors who work at the Met Site are also indicating a lower demand for workers. Close to 700 direct jobs will be lost when the Met Site closes.

White River Forest Products is moving ahead with a \$90-million project to restart the former Domtar Sawmill. The recently formed company is a three-way partnership between the Town of White River, Pic Mobert First Nation and entrepreneur Jeff Butler. The company is waiting for approval on wood allotment rights for the area. Part of the new operation would see an existing co-generation plant increase from 7.5 megawatts to 20 megawatts. The excess power would be sold to the Ontario power grid. Close to 200 jobs are expected to be created.

Health care & social services

The North Bay and District Health Unit eliminated four senior management positions this February. Another non-senior management position was also cut. A spokesperson stated this was needed in order to correct the unit's corporate structure. Three lower-paying jobs are being created due to the restructuring.

Public administration

A new web portal promoting Northern Ontario business opportunities was unveiled this month. Ontario's North Economic Development Corporation, (ONEDC) is a partnership of municipal economic development organizations in five Northern centres: North Bay, Sault Ste. Marie, Sudbury, Timmins and Thunder Bay. The portal contains information, targeting potential investors, about the ONEDC partner cities as well as details relating to their combined capacity in regards to the primary growth sectors of each. The web portal can be found at: www.investnorthernontario.com

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.

Prepared by: Labour Market and Socio-economic Information Directorate, Ontario Region
