

The Labour Market Monitor is an overview of labour market information for the **Northwest Ontario Economic Region** which includes the districts of Thunder Bay, Rainy River and Kenora. The Labour Market Monitor is a monthly report focusing on labour market information produced by Ontario Region, Service Canada Labour Market and Socio-Economic Information Directorate. For further information contact us at: lmi-imt@servicecanada.gc.ca

Labour Force Trends

Employment in the Northwest Ontario economic region decreased by 4,400 from August 2009 to August 2010 with job losses in both full-time (-1,200) and part-time employment (-3,100). Fewer people looked for work leading to a decline in the size of the labour force. This, combined with a decrease in the number of unemployed people, caused the unemployment rate to drop by 0.8 percentage points from 8.9% in August 2009 to 8.1% in August 2010. Over the same period, the provincial unemployment rate declined from 9.9% to 9.1%. For more information, please visit the Statistics Canada website at: <http://www40.statcan.gc.ca/l01/cst01/lfss05d-eng.htm>

Labour Market News by Industry

Construction

The city of Kenora awarded several contracts this summer worth \$5.7 million altogether.

- As part of the second phase of downtown revitalization, Jarnel Contracting entered into a \$3.6 million contract with the city to complete the Lake of the Woods Plaza and festival area. The project is partially funded by provincial and federal stimulus grants, including a \$2 million FedNor grant and a \$2 million contribution from the Northern Ontario Heritage Fund Corporation (NOHFC).

- Solid Construction Inc. was awarded a \$2.1 million contract for construction of the Discovery Centre building. The project is supported by a \$2 million grant by the Building Canada Plan through the federal and provincial governments.
- Stantec Consulting was awarded a \$66,000 contract to repair the Winnipeg River West Bridge.

Building permits in Thunder Bay totalled \$20.1 million for June 2010, an increase of 108.1% over June 2009.

The Canada Mortgage and Housing Corporation (CMHC) announced 32 housing starts in Thunder Bay for July 2010 compared to 37 in July 2009. www.cmhc-schl.gc.ca

Health care and social services

The Pic Mobert First Nation, east of Marathon, announced the opening of its health clinic in July. The \$2.2 million facility can accommodate nine staff members and includes a foot care clinic, an exam room, a nurse's station, and an office space for physicians.

SkyCare Air Ambulance Ltd. expanded and moved to a permanent location at the Sioux Lookout Airport in August. The company employs 23 full-time and seven part-time employees.

Manufacturing

Two Feathers Forest Products, LP began clearing the site for a wood processing facility in Red Lake in August. Site development and construction is expected to create about 200 jobs and the possibility of up to another 300 positions at the facility once completed. Construction on the facility is expected to begin in the second quarter of 2011.

The provincial government announced it is investing over \$700,000 towards Wincrief Forestry Products Ltd. through the Forest Sector Prosperity Fund and the NOHFC. The facility, based in Kenora, will also receive a \$500,000 NOHFC loan. The company, which specializes

in the manufacturing of modular homes for First Nations communities, expects to build up to 40 new homes per year and add 20 full-time jobs in the facility.

The provincial government accepted proposals from Bending Lake Iron Ore Group and Brett Resources Inc. to rehabilitate the former Steep Rock Mine in Atikokan. Brett Resources plans to use the site to dispose of tailings from their nearby gold mine. Bending Lake Iron Ore is proposing a processing facility for iron ore, which could create about 700 construction jobs and 300 jobs in the facility. Both companies are currently developing Environmental Assessments for the projects.

Mackenzie Forest Products Inc. shut down its sawmill in Hudson in August citing poor lumber prices. The company had recently restarted the mill in May after being idle for over a year and a half. Approximately 65 employees are affected by the closure.

Ainsworth Lumber Co. Ltd. and members of the Communications, Energy and Paperworkers Union of Canada (CEP), Local 324-99 in Barwick reached a new four-year labour agreement. The union's 135 workers voted 87% in favour of the new contract.

Mining

North American Palladium Ltd. announced it will extend the life of the Offset Zone at the Lac des Iles mine north of Thunder Bay. The area will be transformed into a long life, low cost mine that expects to produce 250,000 ounces of palladium per year. Commercial production is expected to begin during the third quarter of 2012. The company estimates that a workforce of approximately 250 employees will be required to run the mine.

Laurentian Goldfields Ltd. announced favourable test results of gold anomalies during Phase 1 of their exploration program at the company's Goldpines North property outside of Red Lake. The company expects to begin a drilling program during the first quarter of 2011.

Osisko Mining Corp. and Brett Resources Inc. are expanding their drilling campaign at the Hammond Reef Gold Deposit outside of Atikokan due to a discovery of high-grade gold.

The Board of Directors for Rainy River Resources Ltd. approved a \$6.1 million budget increase as a result of favourable gold intercepts from previous drilling campaigns. The additional funds will be allocated to increase drilling and exploration initiatives at the Rainy River Gold - project northwest of Fort Frances.

Public administration

The construction of a new fire and emergency services centre in Kenora continues on schedule. The 1,700 square metre facility will house the city's emergency response communications centre along with two classrooms for emergency services training. The centre, which is supported by a \$1.0-million grant from the NOHFC, is expected to create four new positions when it opens in the fall.

Three job centres in the Thunder Bay area will now collectively expand their services to clients of all ages and skill levels. Lakehead Employment Services, Northwest Employment Works and Youth Employment Services have merged to become Employment Ontario Employment Services Program. The centres will continue to operate in their current locations.

Transportation and warehousing

Delta Air Lines Inc. is cancelling the twice-daily flights from Thunder Bay to Minneapolis in October, citing a shortage of passengers. Bearskin Airlines plans on taking over the route this fall and has begun the licensing process with the Canadian Transport Commission.

Utilities

The province of Ontario announced the Ontario Power Authority will begin negotiating an agreement to buy power from the Atikokan Generation Station. The coal-fired power plant announced earlier this year that it would be switching to a biomass burning facility as part of a province-wide pledge to eliminate coal-fired power generation by 2014. The conversion is expected to take approximately three years and create approximately 200 construction jobs and an additional 20 to 25 positions at a nearby wood pellet plant.

The city of Thunder Bay gave approval to Thunder Bay Hydro to be the exclusive solar photovoltaic developer for the city. The contract for investment in solar energy projects for city-owned buildings is estimated to be worth up to

\$14 million. Initial assessments of potential solar-powered buildings are currently underway.

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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