



# Labour Market Bulletin

Ontario



September 2016

The Quarterly Edition of the Labour Market Bulletin is a look back over the past three months, providing an analysis of quarterly Labour Force Survey results for the province of Ontario, including the regions of Hamilton—Niagara Peninsula, Kingston—Pembroke, Kitchener—Waterloo—Barrie, London, Muskoka—Kawarths, Northeast, Northwest, Ottawa, Stratford—Bruce Peninsula, Toronto and Windsor—Sarnia.

## OVERVIEW

### Labour Force Trends – Ontario employment decreased for the first time in six quarters

- Employment fell by 19,300 in the third quarter of 2016, after gains of 15,200 in the second quarter
- Full-time employment (-8,900) and part-time employment (-10,300) both declined over the quarter
- The unemployment rate for the third quarter of 2016 fell to 6.6%, down 0.1 percentage point from the previous quarter, due to a decrease of 8,300 in unemployment

Employment in Ontario fell by 19,300 (-0.3%) from the second quarter to the third quarter (Q3) of 2016, representing the first quarterly decrease since the first quarter of 2015, with decreases in both full-time (-8,900) and part-time employment (-10,300). The provincial unemployment rate also fell, to 6.6% in Q3 2016, down 0.1 percentage point from the second quarter, as unemployment declined by 8,300 over the period. The labour force shrank by 27,500, as the participation rate dropped by 0.5 percentage points to 64.7%.

In Canada, employment expanded by 12,800 (+0.1%) in Q3 2016, as a drop in full-time employment (-35,500) was offset by gains in part-time work (+48,300). The national unemployment rate inched up slightly to 7.0%, however. The health care and social assistance industry reported the largest employment gain from the previous quarter, along with the accommodation and food services industry.

In the United States, total non-farm payroll employment increased by 156,000 in September, as the U.S. has expanded employment by 15 million since its low in February 2010. The federal unemployment rate inched up slightly to 5.0%, while average hourly earnings increased by 2.6% from September 2015 to September 2016. The American election in November and the uncertainty on the U.S. Federal Reserve's benchmark interest rate decision may affect the American labour market over the next quarter.

Between the second quarter of 2015 and 2016, employment in Ontario expanded by 47,700 (+0.7%) year-over-year. The unemployment rate inched down by 0.1 percentage point, as unemployment fell by 10,200 (-2.0%).

The participation rate dropped by 0.5 percentage points, as the growth in population (+1.3%) outpaced the increase in labour force (+0.5%).

The unemployment rate for youth aged 15 to 24 in Ontario rose by 0.3 percentage points to 14.3% in the third quarter of 2016, as unemployment increased by 2,300 (+1.5%). In addition, participation and employment rates both fell from the second quarter, due to falls in youth labour force and employment figures. The provincial youth unemployment rate was higher than the national youth unemployment rate of 13.2% in Q3 2016, despite Ontario's youth unemployment rate falling by 0.2 percentage points from 12 months ago.

### A look at labour market conditions for Ontario's Indigenous People

In the third quarter of 2016, the total population aged 15 and over in Ontario was 11.5 million. The Indigenous population living off-reserve accounted for 2.0% of the population above, or 236,000 people. Employment among the Indigenous population stood at 135,200, representing an increase of 16,200 (+13.6%) from a year earlier. The majority of the increase was in full-time (+13,900; +14.5%) positions, with a smaller increase in part-time positions (+2,400; +10.3%).

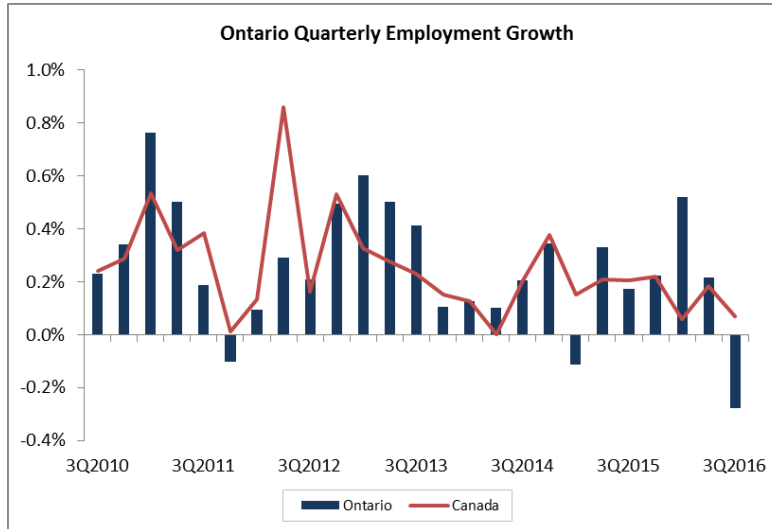
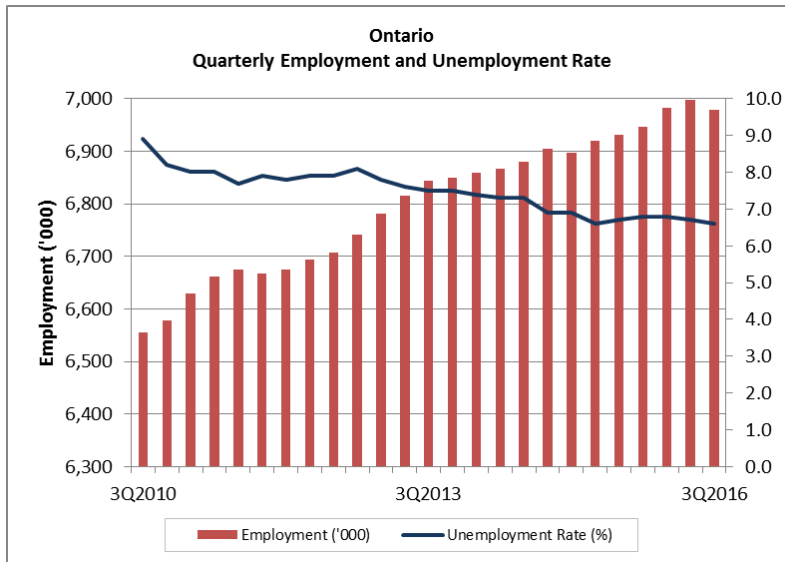
In the third quarter of 2016, the unemployment rate among the Indigenous population declined from a year earlier to 9.7%, representing a 2.5 percentage point (pp) decline, and the unemployment rate amongst the non-Indigenous population edged down slightly to 6.9% over the same time period (-0.1pp). The participation rate of the Indigenous population increased to 63.4% (+3.3pp) year-over-year, while that of the non-Indigenous population edged down slightly to 65.5% (-0.6pp). The employment rate among the Indigenous population also increased from the previous year to 57.3% (+4.5pp), and amongst the non-Indigenous population, the employment rate edged down to 61.0% (-0.5pp).

### Ontario Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	3rd Quarter 2016	2nd Quarter 2016	3rd Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	11,545.1	11,501.7	11,402.1	43.4	0.4	143.0	1.3
<b>Labour Force ('000)</b>	7,469.7	7,497.2	7,432.1	-27.5	-0.4	37.6	0.5
<b>Employment ('000)</b>	6,979.0	6,998.3	6,931.3	-19.3	-0.3	47.7	0.7
Full-Time ('000)	5,667.6	5,676.5	5,643.3	-8.9	-0.2	24.3	0.4
Part-Time ('000)	1,311.4	1,321.7	1,287.9	-10.3	-0.8	23.5	1.8
<b>Unemployment ('000)</b>	490.6	498.9	500.8	-8.3	-1.7	-10.2	-2.0
<b>Unemployment Rate (%)</b>	6.6	6.7	6.7	-0.1	-	-0.1	-
<b>Participation Rate (%)</b>	64.7	65.2	65.2	-0.5	-	-0.5	-
<b>Employment Rate (%)</b>	60.4	60.8	60.8	-0.4	-	-0.4	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087



**Ontario Quarterly Unemployment Rates, by Gender and Age**

Seasonally Adjusted Data	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation (% points)	Yearly Variation (% points)
	2016 (%)	2016 (%)	2015 (%)		
<b>Total</b>	6.6	6.7	6.7	-0.1	-0.1
<b>25 years and over</b>	5.3	5.4	5.4	-0.1	-0.1
Men - 25 years and over	5.4	5.5	5.5	-0.1	-0.1
Women - 25 years and over	5.1	5.3	5.3	-0.2	-0.2
<b>15 to 24 years</b>	14.3	14.0	14.5	0.3	-0.2
Men - 15 to 24 years	16.1	16.1	15.9	0.0	0.2
Women - 15 to 24 years	12.5	11.9	13.0	0.6	-0.5

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

## Ontario - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q3 2016	Q3 2015	Number	%	Q3 2016	Q3 2015	Number	%
Population 15 + ('000)	236.0	225.4	10.6	4.7%	11,309.2	11,176.4	132.8	1.2%
Labour Force ('000)	149.7	135.5	14.2	10.5%	7,407.0	7,390.7	16.3	0.2%
Employment ('000)	135.2	119.0	16.2	13.6%	6,898.4	6,871.0	27.4	0.4%
Full-Time ('000)	109.5	95.6	13.9	14.5%	5,692.1	5,682.7	9.4	0.2%
Part-Time ('000)	25.8	23.4	2.4	10.3%	1,206.2	1,188.3	17.9	1.5%
Unemployment ('000)	14.5	16.5	-2	-12.1%	508.6	519.7	-11.1	-2.1%
Unemployment Rate (%)	9.7	12.2	-2.5	-	6.9	7.0	-0.1	-
Participation Rate (%)	63.4	60.1	3.3	-	65.5	66.1	-0.6	-
Employment Rate (%)	57.3	52.8	4.5	-	61.0	61.5	-0.5	-

*Notes: The Labour Force Survey excludes those living on-reserve.*

*Estimates are based on three-month moving averages.*

*Totals may not add due to rounding.*

*Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.*

*Source: Statistics Canada Labour Force Survey - ESDC custom table.*

## EMPLOYMENT BY INDUSTRY

## Goods-producing sector employment expands in the third quarter

The goods-producing sector employment grew by 3,300 (+0.2%) in the third quarter of 2016 after a decrease of 15,000 in the second quarter. Manufacturing had the largest gains (+5,100) in the sector, followed by construction (+2,700) and utilities (+1,500). The forestry, fishing, mining, quarrying, oil and gas (-3,300) recorded a loss over the quarter, as natural resources continued to be affected by lower commodity prices, while the agriculture industry also recorded a loss (-2,600).

A number of new contracts, factory expansions, and funding announcements for new projects drove employment growth in **manufacturing** (+5,100) in the third quarter. In September, General Motors of Canada Company (GM) reached an agreement with Unifor to extend production at its Oshawa Assembly Plant beyond 2019,<sup>1</sup> as the automaker is also likely to invest \$400M in its Flex Line to handle the final assembly of Chevrolet Silverado pickup and \$120M in its St. Catharines Powertrain facility.<sup>2</sup> In addition, in late August, the Office of the Premier announced GE Canada will receive a \$26.5M conditional grant for its new manufacturing facility in Welland. The plant is expected to begin production in early 2018 and hire 220 workers.<sup>3</sup> Earlier this quarter,

<sup>1</sup> Lu, V. (2016, September 20). **GM deal promises new vehicle for Oshawa plant**. *Toronto Star*. Retrieved from <https://www.thestar.com/business/2016/09/20/gm-and-unifor-reach-tentative-deal-averting-strike.html>

<sup>2</sup> Keenan, G. (2016, September 21). **GM's Oshawa revamp to permit final assembly of pickups**. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/gms-oshawa-revamp-to-permit-final-assembly-of-pickups/article31990153/>

<sup>3</sup> Government of Ontario, Office of the Premier. (2016, August 16). **Ontario Secures Major Investment from GE**. Retrieved from <https://news.ontario.ca/opo/en/2016/08/ontario-secures-major-investment-from-ge.html>

Bioindustrial Innovation Canada (BIC) received a \$12M investment from the Government of Canada to support the clean technologies industrial sector in Sarnia-Lambton, creating an estimated 478 jobs.<sup>4</sup>

However, the challenge of low commodity prices may be having an impact on some segments of the manufacturing industry. National Steel Car Limited in Hamilton and Essar Steel Algoma Inc. in Sault Ste. Marie laid off 300 and 70 employees, respectively,<sup>5,6</sup> with National Steel Car citing less demand for rail tanker cars due to lower oil prices.<sup>7</sup> A number of manufacturing indicators, such as provincial manufacturing sales and the national Markit Manufacturing Purchasing Managers' Index (PMI), have fallen in Ontario in recent months.<sup>8,9</sup> Lower client demand in September resulted in Canada's manufacturers reporting the slowest pace of production growth in seven months, as, for the first time in three years, Ontario recorded a decline in production.<sup>10</sup>

**Construction** employment expanded by 2,700 (+0.5%) over the quarter. There was a number of infrastructure projects announced, which likely drove construction employment growth. Notable funding announcements included \$2.97B from all levels of government to improve public transit across Ontario.<sup>11</sup> The province also announced \$58M in funding over three years to expand infrastructure in Northeastern Ontario and the federal government will provide \$63.7M to Queen's University to build the Canadian Particle Astrophysics Research Centre.<sup>12,13</sup>

Year-over-year, goods sector employment grew by 11,700 (+0.8%) from the third quarter of 2015 to the third quarter of 2016. The increase was led by construction (+13,400) and manufacturing (+10,600), with small gains in agriculture (+1,100). The forestry, fishing, mining, quarrying, oil and gas, however, observed large losses (-13,400; -28.8%) over the year.

<sup>4</sup> Government of Canada, Federal Economic Development Agency for Southern Ontario (FedDev Ontario). (2016, July 25). **Government of Canada Invests \$12M to Support Bio-Based Innovation in Sarnia**. Retrieved from <http://news.gc.ca/web/article-en.do?mthd=advSrch&crtr.mnthndVI=&crtr.mnthStrtVI=&crtr.page=1&nid=1103989&crtr.yrndVI=&crtr.kw=sarnia&crtr.yrStrtVI=&crtr.dyStrtVI=&crtr.dyndVI=>

<sup>5</sup> Arnold, S. (2016, August 30). **Steel Car: Company lays off 300 as orders slump**. *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/6829947-steel-car-company-lays-off-300-as-orders-slump/>

<sup>6</sup> Helwig, D. (2016, September 5). **Layoffs at Essar Steel Algoma. Low plate prices blamed**. *Soo Today.com*. Retrieved from <https://www.sootoday.com/local-news/layoffs-at-essar-steel-algoma-low-plate-prices-blamed-381590>

<sup>7</sup> Arnold, S. (2016, August 30). **Steel Car: Company lays off 300 as orders slump**. *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/6829947-steel-car-company-lays-off-300-as-orders-slump/>

<sup>8</sup> IHS Markit. (2016, October 3). **Markit Canada Manufacturing PMI**. IHS Markit. Retrieved from <https://www.markiteconomics.com/Survey/PressRelease.mvc/dde4b813f7a54b198e5dda422d263d52>

<sup>9</sup> Statistics Canada. Table 304-0015 - Manufacturing sales, by North American Industry Classification System (NAICS) and province, monthly (dollars)

<sup>10</sup> IHS Markit. (2016, October 3). **Markit Canada Manufacturing PMI**. IHS Markit. Retrieved from <https://www.markiteconomics.com/Survey/PressRelease.mvc/dde4b813f7a54b198e5dda422d263d52>

<sup>11</sup> CNW Staff. (2016, August 23). **The Prime Minister of Canada and the Premier of Ontario announce agreement under new federal infrastructure funding program**. *CNW Group*. Retrieved from <http://www.newswire.ca/news-releases/the-prime-minister-of-canada-and-the-premier-of-ontario-announce-agreement-under-new-federal-infrastructure-funding-program-591030371.html>

<sup>12</sup> Government of Ontario, Ministry of Agriculture, Food and Rural Affairs. (2016, August 30). **Ontario Invests \$5.4 Million in North Bay Infrastructure, Additional Funding for Regional Communities**. Retrieved from <https://news.ontario.ca/omafra/en/2016/08/ontario-invests-54-million-in-north-bay-infrastructure-additional-funding-for-regional-communities.html>

<sup>13</sup> Government of Canada, Transport Canada. (2016, July 22). **The Government of Canada and VIA Rail Canada announce funding for infrastructure to improve quality of service for travellers**. Retrieved from <http://news.gc.ca/web/article-en.do?mthd=tp&crtr.page=4&nid=1103299&crtr.tp1D=1>

## Services-producing sector employment fell in third quarter

Employment in the services-producing sector decreased by 22,600 between the second and third quarters of 2016. Losses were mostly driven by the educational services industry, which shrank by 18,900. Professional, scientific, and technical services (-7,200) also posted losses, among other industries, while the information, culture and recreation (+10,900) and health care and social assistance (+9,300) industries had the largest gains over the quarter.

Declining enrollments<sup>14,15</sup> have led to the announcement of multiple school closures over the last six months across the province,<sup>16,17,18,19,20,21,22</sup> challenging **educational services** employment figures (-18,900). News at the post-secondary level was somewhat more favourable, with Laurentian University and Queen's University receiving additional funding and expanding their staff by 220 and 100 positions, respectively.<sup>23,24</sup>

Employment in the **professional scientific and technical services** industry fell by 7,200 over the period. Cisco Systems Inc. announced plans to lay off approximately 5,500 employees worldwide, with the possibility of affecting some of the 1,300 employees who are based in Ontario.<sup>25</sup> On a positive note, a number of expansions were announced in the third quarter, which may enable industry employment growth by the end of the year.

<sup>14</sup> Government of Ontario, Ministry of Education. (2016, February 16). **Education Facts, 2014-2015**. Retrieved from <http://www.edu.gov.on.ca/eng/educationfacts.html>

<sup>15</sup> Brown, L. (2014, September 22). **Ontario university enrolment down for first time in 15 years**. *The Toronto Star*. Retrieved from [http://www.thestar.com/yourtoronto/education/2014/09/22/ontario\\_university\\_enrolment\\_down\\_for\\_first\\_time\\_in\\_15\\_years.html](http://www.thestar.com/yourtoronto/education/2014/09/22/ontario_university_enrolment_down_for_first_time_in_15_years.html)

<sup>16</sup> Giorno, F. (2016, March 24). **Haileybury Public School to close permanently June 30, 2016**. *Timmins Today*. Retrieved from <https://www.timminstoday.com/local-news/haileybury-public-school-to-close-permanently-june-30-2016-269995>

<sup>17</sup> Rushowy, K. (2016, March 9). **TDSB approves cutting teacher jobs as enrolment dips**. *The Toronto Star*. <http://www.thestar.com/yourtoronto/education/2016/03/09/tdsb-approves-cutting-teacher-jobs-as-enrolment-dips.html>

<sup>18</sup> Leitner, R. (2016, April 22). **Declining school enrolment in Hamilton to cost another 70 teacher jobs**. *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/6510620-declining-school-enrolment-in-hamilton-to-cost-another-70-teacher-jobs/>

<sup>19</sup> Kovach, J. (2016, April 14). **Kawartha Pine Ridge District School Board issues layoff notices for 109 public high school teachers in Peterborough area over declining enrolment**. *The Peterborough Examiner*. Retrieved from <http://www.thepeterboroughexaminer.com/2016/04/14/kawartha-pine-ridge-district-school-board-issues-layoff-notice-for-109-public-high-school-teachers-in-peterborough-area-over-declining-enrolment>

<sup>20</sup> Owen Sound Sun Times Staff. (2016, May 1). **Layoff notices for Bluewater ed assistants**. *Owen Sound Sun Times*. Retrieved from <http://www.owensoundsuntimes.com/2016/05/01/layoff-notices-for-bluewater-ed-assistants>

<sup>21</sup> Thomson, R. (2016, April 6). **Catholic board votes to close three schools**. *AM800*. Retrieved from <http://www.am800cklw.com/News/Headlines/Catholic-board-votes-to-close-three-schools>

<sup>22</sup> Waddell, D. (2016, June 20). **Catholic school board issues 70 teacher layoff notices**. *Windsor Star*. Retrieved from <http://windsorstar.com/news/local-news/catholic-school-board-issues-70-teacher-layoff-notices>

<sup>23</sup> Mulligan, C. (2016, September 6). **Record \$114-million day at Laurentian**. *Sudbury Star*. Retrieved from <http://www.thesudburystar.com/2016/09/06/record-114-million-day-at-laurentian>

<sup>24</sup> O'Reilly, M. (2016, September 9). **\$63.7 million government investment announced for astrophysics headquarters at Queen's**. *Queens Journal*. Retrieved from <http://www.queensjournal.ca/story/2016-09-08/news/637-million-government-investment-announced-for-astrophysics-headquarters-at-queens/>

<sup>25</sup> Thomson Reuters Staff. (2016, August 17). **Cisco laying off 5,500 employees amid tech upheaval**. *Thomson Reuters*. Retrieved from <http://www.cbc.ca/news/business/cisco-layoffs-report-1.3724491>

Shopify Plus is adding around 200 employees to its current staff of 110 in Waterloo,<sup>26</sup> while Start.ca in London and Thalmic Labs Inc. in Kitchener<sup>27</sup> will hire a combined 200 staff.<sup>28</sup>

The **wholesale and retail trade** industry also recorded a decrease (-1,700) in employment, as Ben Moss filed for bankruptcy protection in July, which will impact 19 stores across Ontario.<sup>29</sup> Despite the decline in employment, several retail expansions were also announced, including K-Mobile's plan to expand to 250 stores across the Greater Toronto Area and hire 1,000 employees.<sup>30</sup> In September, clothing retailer Roots Canada announced plans to open 14 Canadian locations over the next two years, although the impact on its Ontario operations is unknown.<sup>31</sup>

Although employment in the **information and cultural** industry grew by 10,900 over the quarter, the industry took a blow when Arc Productions Ltd., an animation and visual effects studio in Toronto, filed for bankruptcy, affecting more than 500 employees.<sup>32</sup> Some of these losses were mitigated when Ottawa-based Jam Filled Entertainment announced that it would take over the former Arc studio and open an animation office with about 200 staff.<sup>33</sup> This is the company's first expansion into the Toronto market.

The services-producing sector recorded year-over-year gains in employment, adding 36,000 positions since the third quarter of 2015. Growth was concentrated in health care and social assistance (+31,900), accommodation and food services (+17,200), and information, culture, and recreation (+12,300) industries. Losses were felt most in educational services (-32,400) and business, building and other support services (-8,200).

<sup>26</sup> Vrbancac, B. (2016, September 14). **The wave of the future**. *Waterloo Chronicle*. Retrieved from <http://www.waterloochronicle.ca/news-story/6857276-the-wave-of-the-future/>

<sup>27</sup> DeBono, N. (2016, August 14). **Cable, Internet provider grows again**. *The London Free Press*. Retrieved from <http://www.lfpress.com/2016/08/14/cable-internet-provider-grows-again>

<sup>28</sup> Pender, T. (2016, September 19). **Thalmic Labs raises US\$120 million to advance its vision for wearable technology**. *The Record*. Retrieved from <http://www.therecord.com/news-story/6864639-thalmic-labs-raises-us-120-million-to-advance-its-vision-for-wearable-technology/>

<sup>29</sup> CBC News Staff. (2016, July 31). **Winnipeg-based jewelry chain Ben Moss closing doors across the country**. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/manitoba/winnipeg-based-jewelry-chain-ben-moss-closes-1.3702689?cmp=rss>

<sup>30</sup> Digital Home Staff. (2016, August 8). **K-Mobile Launches With New Smartphone and Opens Flagship Store in Ontario**. *Digital Home*. Retrieved from <http://www.digitalhome.ca/2016/08/k-mobile-launches-with-new-smartphone-and-opening-of-flagship-store-in-ontario/>

<sup>31</sup> Partsinevelos, K. (2016, August 16). **How Roots is expanding when so many other retailers have failed**. *BNN*. Retrieved from <http://www.bnn.ca/how-roots-is-expanding-when-so-many-other-retailers-have-failed-1.548083>

<sup>32</sup> Lewis, M. (2016, August 2). **Toronto's Arc Productions locks out staff after filing for bankruptcy**. *Toronto Star*. Retrieved from <https://www.thestar.com/business/2016/08/02/torontos-arc-productions-locks-out-staff-after-filing-for-bankruptcy.html>

<sup>33</sup> Wolfe, J. (2016, August 22). **Jam Filled Entertainment Acquires Arc Productions**. *Animation World Network*. Retrieved from <http://www.awn.com/news/jam-filled-entertainment-acquires-arc-productions>

## Ontario Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation		Yearly Variation	
	2016	2016	2015	Number	%	Number	%
<b>Total employed, all industries</b>	6,979.0	6,998.3	6,931.3	-19.3	-0.3	47.7	0.7
<b>Goods-producing sector</b>	1,416.5	1,413.2	1,404.8	3.3	0.2	11.7	0.8
Agriculture	76.6	79.2	75.5	-2.6	-3.3	1.1	1.5
Forestry, fishing, mining, quarrying, oil and gas	33.1	36.4	46.5	-3.3	-9.1	-13.4	-28.8
Utilities	50.3	48.8	50.3	1.5	3.1	0.0	0.0
Construction	502.4	499.7	489.1	2.7	0.5	13.3	2.7
Manufacturing	754.1	749.0	743.5	5.1	0.7	10.6	1.4
<b>Services-producing sector</b>	5,562.5	5,585.1	5,526.4	-22.6	-0.4	36.1	0.7
Trade	1,034.3	1,036.1	1,035.3	-1.8	-0.2	-1.0	-0.1
Transportation and warehousing	325.7	328.4	322.3	-2.7	-0.8	3.4	1.1
Finance, insurance, real estate and leasing	551.0	556.9	552.7	-5.9	-1.1	-1.7	-0.3
Professional, scientific and technical services	591.3	598.5	584.4	-7.2	-1.2	6.9	1.2
Business, building and other support services	324.8	323.7	333.0	1.1	0.3	-8.2	-2.5
Educational services	485.8	504.7	518.2	-18.9	-3.7	-32.4	-6.3
Health care and social assistance	843.1	833.8	811.2	9.3	1.1	31.9	3.9
Information, culture and recreation	325.1	314.2	312.8	10.9	3.5	12.3	3.9
Accommodation and food services	456.1	458.7	438.9	-2.6	-0.6	17.2	3.9
Other services	277.2	275.9	279.3	1.3	0.5	-2.1	-0.8
Public administration	347.9	354.1	338.4	-6.2	-1.8	9.5	2.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

## REGIONAL ANALYSIS

## Windsor–Sarnia led employment growth in the third quarter of 2016

Employment increased by 18,400 in the **Windsor–Sarnia** economic region between the third quarters of 2015 and 2016 (measured on a year-over-year, seasonally unadjusted basis). The regional unemployment rate dipped as well to 6.4%, below the provincial figure. Labour market conditions continue to pick up in the area as manufacturing activities strengthen across the province. There were several developments in the local manufacturing industry this quarter including the announcement of a \$10.2M expansion by Dajcor Aluminum Ltd. at its Chatham plant.<sup>34</sup> The automotive industry has also seen stronger results in Windsor. Light vehicle production at FCA Canada Inc.'s motor vehicle assembly plant rose rather sharply in the summer of 2016 compared with the same period last year.<sup>35</sup> In May 2016, the automaker officially launched production of its 2017 Chrysler Pacifica minivan.<sup>36</sup>

<sup>34</sup> CBC News. (2016, September 06). **Dajcor Aluminum Ltd. in Chatham plans \$10M expansion, added 35 jobs**. CBC News. Retrieved from <http://www.cbc.ca/news/canada/windsor/dajcor-aluminum-ltd-in-chatham-plans-10m-expansion-adds-35-jobs-1.3754867>

<sup>35</sup> DesRosiers Automotive Consultants Inc. (2016, July-September). **DesRosiers Automotive Reports**. DesRosiers Automotive Consultants Inc. Retrieved from Volumes 29-31, Issues 14, 16, 18

<sup>36</sup> Canadian Manufacturing Staff. (2016, May 09). **Chrysler launches 2017 Pacifica into production at Windsor, Ont. plant**. Canadian Manufacturing. Retrieved from <http://www.canadianmanufacturing.com/manufacturing/chrysler-launches-2017-pacifica-into-production-at-windsor-ont-plant-167750/>



After starting the year on a slower note, the **Kingston–Pembroke** economic region recorded its second consecutive year-over-year gain at 16,800. The regional unemployment rate fell to 6.0%, one of the lowest in the province. The local construction industry has seen a fair bit of activity as of late. Richardson Stadium officially opened at Queen’s University in September after \$20M worth of renovations.<sup>37</sup> The Government of Canada announced that it would provide \$63.7M to Queen’s University to build the Canadian Particle Astrophysics Research Centre.<sup>38</sup> Further, renovation work is set to begin at the end of November on the Kingston Frontenac Public Library<sup>39</sup> pegged at almost \$14M.<sup>40</sup> With more projects in the pipeline,<sup>41</sup> work in the region’s construction industry should remain steady.

Employment rose in the **Toronto** economic region by just 12,600 in the third quarter of 2016, which is the smallest year-over-year gain seen in the region since Q1 2015. Job growth in Toronto has been cooling off over the last few months. However, a recent announcement in the local automotive industry will certainly help maintain jobs in the years ahead. General Motors of Canada Company (GM) reached an agreement with Unifor to extend production at its Oshawa Assembly Plant beyond 2019.<sup>42</sup> The deal will secure the plant’s future along with about 2,500 jobs that seemed to be in limbo over the past year.<sup>43</sup> The automaker will invest \$400M in its Flex Line to handle the final assembly of Chevrolet Silverado pickup trucks that will come from Indiana, United States.<sup>44</sup> In contrast, the region’s financial industry made headlines with a layoff announcement this quarter. TMX Group Limited, operator of the Toronto Stock Exchange, announced that it would let go 115 staff in an effort to lower costs.<sup>45</sup> The company stated that most of the layoffs would take effect by early 2017.

After several year-over-year employment losses, the **Stratford–Bruce Peninsula** saw one of its largest gains at 9,000. There were a few developments in the local services industry as of late. The Amber Hotel opened in Grand Bend,<sup>46</sup> while 519 Table and Pour opened its Walkerton restaurant, creating 30 to 40 jobs.<sup>47</sup> In the

<sup>37</sup> Graham, D. (2016, September 14). 'A whole new era of football'. *The Kingston Whig-Standard*. Retrieved from <http://www.thewhig.com/2016/09/14/a-whole-new-era-of-football>

<sup>38</sup> Armes, C. (2016, September 06). Large investment in small particles. *Queen’s gazette*. Retrieved from <http://www.queensu.ca/gazette/stories/large-investment-small-particles>

<sup>39</sup> Kingston Whig-Standard. (2016, August 10). Public input sought in library redesign. *The Kingston Whig-Standard*. Retrieved from <http://www.thewhig.com/2016/08/10/public-input-sought-in-library-redesign>

<sup>40</sup> Crosier, S. (2016, July 10). Kingston library relocating during renovations. *The Kingston Whig-Standard*. Retrieved from <http://www.thewhig.com/2016/07/10/kingston-library-relocating-during-renovations>

<sup>41</sup> Ferguson, E. (2016, August 11). Construction fuelling economy. *The Kingston Whig-Standard*. Retrieved from <http://www.thewhig.com/2016/08/11/construction-fuelling-economy>

<sup>42</sup> Lu, V. (2016, September 20). GM deal promises new vehicle for Oshawa plant. *Toronto Star*. Retrieved from <https://www.thestar.com/business/2016/09/20/gm-and-unifor-reach-tentative-deal-averting-strike.html>

<sup>43</sup> Keenan, G. (2016, September 20). GM, Unifor reach tentative deal, averting strike. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/gm-unifor-tentative-deal/article31962008/>

<sup>44</sup> Keenan, G. (2016, September 21). GM’s Oshawa revamp to permit final assembly of pickups. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/gms-oshawa-revamp-to-permit-final-assembly-of-pickups/article31990153/>

<sup>45</sup> McGee, N. (2016, September 21). TMX Group cutting 115 jobs, about 10% of work force, to reduce costs. *Business News Network*. Retrieved from <http://www.bnn.ca/tmx-group-cutting-115-jobs-about-10-of-work-force-to-reduce-costs-1.570808>

<sup>46</sup> Hillam-Rapley, L. (2016, June 27). Amber Hotel offers needed niche for visitors. *Lakeshore Advance*. Retrieved from <http://www.lakeshoreadvance.com/2016/06/27/amber-hotel-offers-needed-niche-for-visitors>

<sup>47</sup> Zettel, J. (2016, July 06). 519 Table and Pour set to open in Walkerton. *southwesternontario.ca*. Retrieved from <http://www.southwesternontario.ca/news-story/6755103-519-table-and-pour-set-to-open-in-walkerton/>

construction industry, work started on the expansion of the Grey County Administration Building in Owen Sound valued at more than \$12M.<sup>48</sup> The project will take 18 months to complete.

There were also sizeable job gains in the **Ottawa** and **Muskoka–Kawartha**s economic regions between the third quarters of 2015 and 2016. Both regions saw investments in its local manufacturing bases. In the Ottawa region, Morbern Inc. announced that it would invest a total of \$15.7M to expand operations in Cornwall, creating 36 local jobs.<sup>49</sup> Similarly, in the Muskoka–Kawartha region, Ventra Plastics invested \$5.5M to add 25 paint robots to its Peterborough plant, leading to 10 jobs.<sup>50</sup>

Over the past year, employment grew slightly in the **Northeast** and **Northwest** regions. Sudbury's mining industry received some positive news this quarter. The provincial government announced that it would invest \$3.5M into six mining equipment and technology companies, creating 28 jobs.<sup>51</sup> In addition, Wallbridge Mining Company Limited will invest nearly \$4M on exploration work at its joint venture projects in the area.<sup>52</sup> There were some developments in the region's steel industry as well. Tenaris Algoma Tubes Inc. will recall 120 to 150 employees as it restarts its seamless tube mill in Sault Ste. Marie in November.<sup>53</sup> Meanwhile, Essar Steel Algoma Inc. issued layoff notices to as many as 80 employees because of lower demand for plate steel.<sup>54</sup> In the Northwest, a couple local airports are entering expansion mode. Construction started on the first phase of the Sioux Lookout Airport valued at \$12.6M<sup>55</sup> and the Government of Canada will invest more than \$2M for a new facility at the Kenora Airport.<sup>56</sup>

### Employment fell in only three economic regions this quarter

The largest year-over-year decline this quarter was in the **Hamilton–Niagara Peninsula** economic region, which saw a drop of 13,500 between the third quarters of 2015 and 2016. The regional unemployment rate rose over the past year to 6.5%. The largest layoff announcement this quarter came from National Steel Car Limited, which issued layoff notices to 300 staff because of lower demand for rail tanker cars from the oil industry.<sup>57</sup> Elsewhere in the region, Joseph Brant Hospital in Burlington cut 14 employees,<sup>58</sup> while the Niagara Catholic

<sup>48</sup> Villeneuve, M. (2016, July 15). **Upgrade at Grey County HQ.** *Bayshore Broadcasting*. Retrieved from [http://www.bayshorebroadcasting.ca/news\\_item.php?NewsID=86129](http://www.bayshorebroadcasting.ca/news_item.php?NewsID=86129)

<sup>49</sup> Peters, B. (2016, August 31). **Province Partnering with Morbern to Expand Manufacturing.** *Morbern*. Retrieved from <http://morbern.com/province-partnering-with-morbern-to-expand-manufacturing/>

<sup>50</sup> Jansen, K. (2016, August 31). **Ventra Plastics expands in Ontario.** *Plastics News*. Retrieved from <http://www.plasticsnews.com/article/20160831/NEWS/160839953/ventra-plastics-expands-in-ontario>

<sup>51</sup> CBC News. (2016, August 26). **Province announces \$3.5M for Sudbury mining technology companies.** *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/sudbury/province-gives-nohfc-grant-to-mining-companies-1.3737017>

<sup>52</sup> Northern Ontario Business Staff. (2016, August 31). **Wallbridge announces \$4 million for Sudbury exploration.** *Northern Ontario Business*. Retrieved from <https://www.northernontariobusiness.com/industry-news/mining/wallbridge-announces-4-million-for-sudbury-exploration-427493>

<sup>53</sup> Tenaris. (2016, September 13). **Tenaris announces recall of employees at AlgomaTubes mill.** *Tenaris*. Retrieved from <http://www.tenaris.com/en/MediaAndPublications/News/2016/September/RecallOfEmployeesAlgomaTubes.aspx>

<sup>54</sup> Sault Star Staff. (2016, September 10). **Temporary layoffs at Essar Steel Algoma.** *Sudbury Star*. Retrieved from <http://www.thesudburystar.com/2016/09/10/temporary-layoffs-at-essar-steel-algoma>

<sup>55</sup> Bradley, S. (2016, September 14). **Airport expansion helps keep Sioux Lookout a hub.** *The Sioux Lookout Bulletin*. Retrieved from <http://www.siouxbulletin.com/airport-expansion-helps-keep-sioux-lookout-a-hub>

<sup>56</sup> Young, R. (2016, September 08). **Kenora Airport receives \$2 million for new facility.** *KenoraOnline*. Retrieved from <https://www.kenoraonline.com/local/kenora-airport-receives-2-million-for-new-facility>

<sup>57</sup> Arnold, S. (2016, August 30). **Steel Car: Company lays off 300 as orders slump.** *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/6829947-steel-car-company-lays-off-300-as-orders-slump/>

<sup>58</sup> Zamperin, Z. (2016, September 13). **14 staff impacted in Joe Brant Hospital restructuring.** *CHML AM900*. Retrieved from <http://www.900chml.com/2016/09/13/83715/>

District School Board laid off 34 educational support staff.<sup>59</sup> There was some welcome news from the automotive industry though. As part of its recent agreement, General Motors of Canada Company (GM) will invest \$120M in its St. Catharines Powertrain facility.<sup>60</sup> The automaker will also shift some work from Mexico to St. Catharines, reversing the trend of production heading south.

The **Kitchener–Waterloo–Barrie** and **London** economic regions saw year-over-year job losses this quarter as well. In Waterloo, BlackBerry Limited announced that it would outsource all hardware development functions as the company continues to restructure and focus on its software and security capabilities.<sup>61</sup> Meanwhile, in the London region, most of the job losses were in part-time work. Despite the decline, London has seen some positive developments, which may help boost employment growth in the coming months. Sodecia North America, Inc. opened a \$15M Global Technology and Automation Centre in July and has a new \$30M automotive parts plant currently in the works.<sup>62</sup> The Centre is expected to double its staff of 26 within a year.

### Ontario Quarterly Labour Force Statistics, by Economic Region

Seasonally Unadjusted Data	Employment			Unemployment Rate		
	3rd Quarter 2016 ('000)	3rd Quarter 2015 ('000)	Yearly Variation (%)	3rd Quarter 2016 (%)	3rd Quarter 2015 (%)	Yearly Variation (% points)
<b>Ontario</b>	7,037.0	6,994.9	0.6	6.9	7.1	-0.2
<b>Economic Regions</b>						
Ottawa	693.5	690.1	0.5	6.6	6.9	-0.3
Kingston--Pembroke	217.8	201.0	8.4	6.0	7.5	-1.5
Muskoka--Kawarthas	164.5	159.8	2.9	7.2	6.6	0.6
Toronto	3,393.4	3,380.8	0.4	7.6	7.6	0.0
Kitchener--Waterloo--Barrie	702.4	710.2	-1.1	5.5	5.7	-0.2
Hamilton--Niagara Peninsula	723.3	736.8	-1.8	6.5	6.1	0.4
London	334.1	340.4	-1.9	6.4	6.7	-0.3
Windsor--Sarnia	307.1	288.7	6.4	6.4	8.5	-2.1
Stratford--Bruce Peninsula	146.3	137.3	6.6	4.4	6.6	-2.2
Northeast	253.7	251.8	0.8	6.5	7.7	-1.2
Northwest	100.9	98.0	3.0	6.2	6.1	0.1

Note: Totals may not add due to rounding

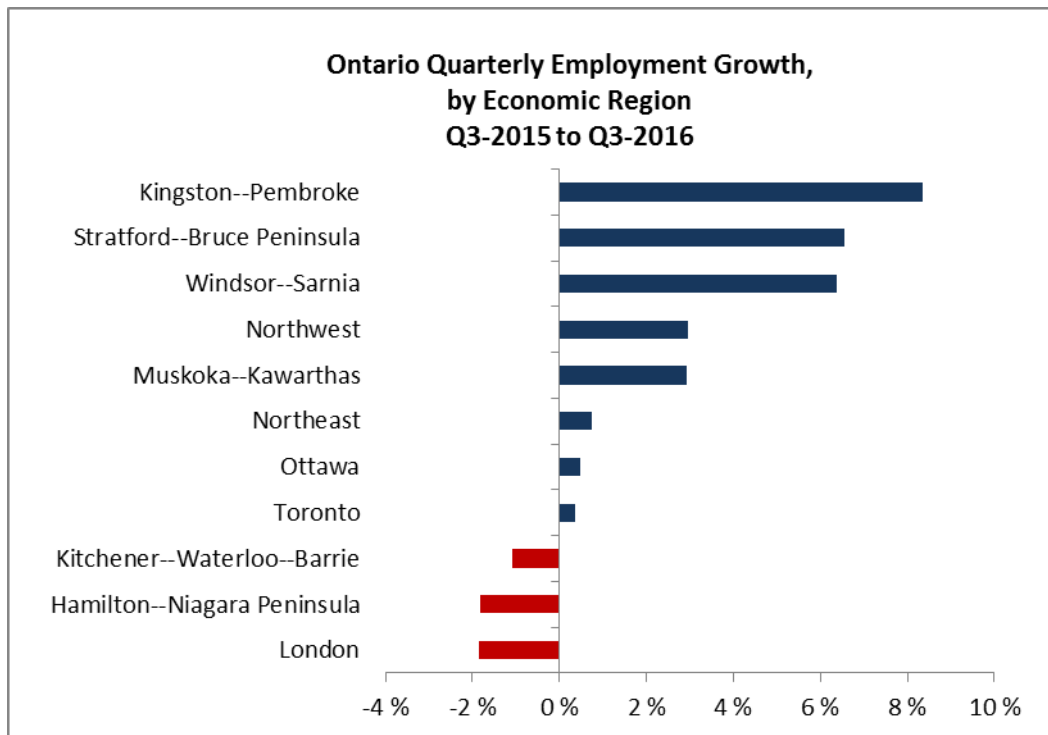
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

<sup>59</sup> Fraser, D. (2016, June 12). **Union says 34 layoff notices at Niagara Catholic**. *St. Catharines Standard*. Retrieved from <http://www.stcatharinesstandard.ca/2015/06/12/union-says-34-layoff-notices-at-niagara-catholic>

<sup>60</sup> Keenan, G. (2016, September 20). **GM, Unifor reach tentative deal, averting strike**. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/gm-unifor-tentative-deal/article31962008/>

<sup>61</sup> Sagan, A. (2016, September 28). **BlackBerry plan to outsource hardware development will lead to 'limited' layoffs: CEO**. *Business News Network*. Retrieved from <http://www.bnn.ca/blackberry-plan-to-outsource-hardware-development-will-lead-to-limited-layoffs-ceo-1.575299>

<sup>62</sup> De Bono, N. (2016, July 25). **Parts giant Sodecia putting \$45M stamp on London**. *The London Free Press*. Retrieved from <http://www.lfpress.com/2016/07/25/parts-giant-sodecia-putting-45m-stamp-on-london>



**Note:** In preparing this document, the authors have taken care to provide clients with labour market information 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 this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

**Prepared by:** Labour Market Information (LMI) Division, Ontario

**For further information,** please contact the LMI team at: [NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca](mailto:NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca)

**For information on the Labour Force Survey,** please visit the Statistics Canada Web site at: [www.statcan.gc.ca](http://www.statcan.gc.ca)

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