

An overview of the Northeast Ontario Economic Region. It includes the census division of Greater Sudbury and the districts of Nipissing, Parry Sound, Manitoulin, Sudbury, Timiskaming, Cochrane and Algoma. 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:

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Labour Force Trends

Employment in the Northeast Ontario economic region increased by 12,500 from December 2009 to December 2010. All job gains were in full-time employment (+12,400). During this period, the number of unemployed people decreased (-6,900), lowering the unemployment rate by 2.7 percentage points from 9.1% in December 2009 to 6.4% in December 2010. Over the same period, the provincial unemployment rate declined from 8.3% to 7.5%.

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

Accommodation and food services

A new TownePlace Suites by Marriott opened in Sudbury in late December. The 105 unit, all-suites hotel, is located just off the Kingsway, close to the big-box retail outlets. The \$15-million hotel employs a staff of 60.

Arts, entertainment and recreation

The RHP Training Centre, a new Sudbury hockey and athletic training facility, received almost \$600,000 from the Northern Ontario Heritage Fund Corporation (NOHFC). The money will be used to purchase equipment,

upgrade the training areas of the 22,000-square-foot facility and to support the creation of about 13 full- and part-time jobs.

Construction

The Town of Parry Sound received \$692,500 to upgrade the road and waste water system needed to support the construction of Canadore College's new satellite campus. The funding, under NOHFC's Infrastructure and Community Development Program, will create 24 construction jobs.

Construction of an \$11.3-million community centre in Sault Ste. Marie is expected to commence in early 2011. The Province of Ontario contributed \$6.2 million: \$4.7 million through the Ontario Ministry of Infrastructure's Invest in Ontario program and \$1.5 million through the NOHFC, enabling the project to move forward. The West End Community Centre will have two indoor turf fields for soccer, a new library, change and washroom facilities and a new concession area. The construction of the 63,000-square-foot facility will create 117 jobs, with a further 27 positions created once completed in March 2012.

Three Boards of Education in Mattawa received a total investment of \$7 million from the Ministry of Education for the construction and repair of facilities. The Nipissing Parry Sound Catholic District School Board plans to use \$4.3 million for upgrades at its St. Victor School. The Near North School Board has targeted \$1 million for its FJ McElligott School. Conseil scolaire catholique Franco-Nord received \$1.8 million for its elementary school.

The Ontario Provincial Police (OPP) is building a new detachment facility in Kapuskasing on the site of the former Kapuskasing Inn. It is one of 16 new OPP buildings planned in the province. The design was approved last month by Kapuskasing Town Council.

Forestry, mining, oil and gas

Queenston Mining Inc. has the financial resources to move forward to advanced exploration on some of its Kirkland Lake area projects. In the last quarter, Queenston saw a \$35-million cash injection from its partnership with Agnico-Eagle Mines Limited and another \$20 million from a private deal agreement. The company plans to spend \$20 million on exploration and development in 2011, up from about \$18 million this year. In November 2010, 14 drills were working on Queenston's five Kirkland Lake properties.

Detour Gold Corporation awarded ATCO Structures & Logistics Ltd. the contract to build its mining camp north of Cochrane. The Calgary-based company, with a branch office in Timmins, will set up a 1,000 person camp using modular buildings. It expects to complete the project in the first quarter of 2011. In addition, a joint venture headed by Peter Kiewit Infrastructure Co. won the contract to construct a 185-kilometre power transmission line to bring power to the mine site. Partners in the venture include Moose Cree Constructors Inc. (Moose Cree First Nation), New Post Constructors LP (Taykwa Tagamou Nation) and Wahgoshig First Nation. PowerTel Utilities Contractors Ltd. of Sudbury is the transmission line subcontractor. Work should start in January 2011.

The De Beers Canada Victor mine in Attawapiskat has surpassed its 2010 production goals. The company is planning to move forward with an advanced exploration project to extend its resource reserves. With current reserves the mine has a 10-year lifespan.

Probe Mines Limited announced a joint venture with Lake Shore Gold Corporation on its West Timmins property, giving Lake Shore a 55% vested interest in the claims. A drilling program on this property, adjacent to the Lake Shore Timmins Mine, is being planned for January 2011.

Health care and social services

Sault Area Hospital is eliminating 73 positions to help reduce a \$12.9 million deficit. The actual number of layoffs is presently unknown. Thirteen of the positions are currently empty, and it is hoped that attrition will minimize any further layoffs. Some non-clinical jobs were eliminated in December, while the final cuts will begin in April 2011.

Information and culture

More than 40 crew members spent two weeks filming a feature film, titled *Ecstasy*, in Sault Ste. Marie in December 2010. Incentives from the NOHFC's helped encourage the producer to select Sault Ste. Marie.

Manufacturing

St. Marys Paper Corporation started production in December. Closed since March 2010, the Sault Ste. Marie paper producer received an \$8.8 million loan from the Ministry of Northern Development, Mines and Forestry. The company produces supercalendered paper for use in catalogues, magazines and advertising flyers. A company spokesperson stated that up to 200 employees will be recalled.

An unknown number of employees are facing layoff at Essar Steel Algoma Inc. due to poor market conditions. The company originally announced it would be laying off 400 workers. However, increased orders changed those plans. Layoffs are still intended but how many and when is not known. The company is exploring the option of early retirement incentives to lessen the impact.

Tenaris Algoma Tubes announced plans to increase production at its Sault Ste. Marie seamless pipe facility. The company currently employs about 550 people. It is expected it will take two to three years to reach the new production goal.

EACOM Timber Corporation posted a net loss of \$10.5 million in its first quarter since taking over a number of Domtar sawmills in Ontario and Quebec. Low lumber prices, soft lumber demand and a strong Canadian dollar are impacting its bottom line.

Rotacan, a mining equipment manufacturer in North Bay, received \$455,000 in FedNor funding. The company plans to enhance and expand its products, including the development of a new, sealed bearing drill bit. This product has applications in the oil and gas industry, as well as the mining sector.

Heliene Canada Inc., a solar panel manufacturer, held the grand opening of its 18,000-square-foot plant in Sault Ste. Marie in December. Following a soft launch two months earlier, the new company is already seeking additional employees for a fourth shift to bring

staffing levels up to 57. The plant produces 450 solar panels a day, all of which will be sold in the Ontario market.

Professional, scientific and technical services

A shortage of lawyers in some of the rural communities along the Highway 11 corridor from Cochrane to Hearst is becoming a concern to citizens in the area. Similarly, a senior lawyer in another rural town in the Northeast reports some difficulty in handing off his practice at retirement. Graduating lawyers have a tendency to stay in large urban areas close to where they have studied. The six law faculties in Ontario are located in southern Ontario and Ottawa.

Sudbury's Northern Centre for Advanced Technology (NORCAT) is receiving more than \$1.8 million over three years. The Ontario Ministry of Research and Innovation provided the funding to help NORCAT work with knowledge-based entrepreneurs in developing and getting their products to market. NORCAT will serve as the hub for a new "Northern Technology Alliance", working with innovation centres in Sault Ste. Marie, North Bay and Thunder Bay.

Public administration

The Ministry of Northern Development, Mines and Forestry delivered export development seminars to the mining supply and services sector in several northern Ontario cities. The Ministry wants to encourage more mining supply and service companies in the North to consider external markets. Currently only 80 of about 500 businesses in this sector are exporting. A new initiative, the Mining Supply and Services Export Assistance Program, will provide export readiness training and a mentorship program to

provide businesses with contacts and connections.

The Hearst and Area Economic Development Corporation is working on a strategic plan to bring clean forestry technology companies to the town. The centerpiece of the plan is the new Hearst Regional Green Technology Centre, which is currently under construction and expected to be operational by September 2011. Several jobs will be created at the Centre to advance its focus of research and the demonstration of sustainable forestry practices and technologies. The provincial government has already contributed \$2.3 million to the construction of the Centre.

The Timmins region received \$1 million in FedNor funding for a comprehensive Geographic Information System (GIS). The city, along with 17 area communities and a planning board, will use the investment to improve access to and the sharing of municipal information. This would include information such as land data, commercial development areas, recreational locations, tourism attractions and community infrastructure.

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.