



Windsor-Sarnia Labour Market Monitor

~January 2010~

An overview of the Economic Region 570, ranging from Windsor to Sarnia, includes the census division of Chatham-Kent, and the counties of Essex and Lambton. The Labour Market Monitor is a monthly report focusing on labour market information produced by local Labour Market Information Analysts. For further information, contact: mary.toffanello@servicecanada.gc.ca

Labour Force Trends/Survey

Employment in the Windsor-Sarnia economic region declined by 11,800 from January 2009 to January 2010. Job losses came from full-time employment (-5,600) and the rest from part-time employment (-6,300). The labour force fell by 9,300 due to fewer people working or searching for work. The participation rate fell by 1.8 percentage points to 62.3%. Declining employment caused the employment rate to drop by 2.4 percentage points to 55.5%. The number of unemployed people increased by 2,500 from January 2009 to January 2010, and because the size of the labour force had decreased as well, the unemployment rate rose from 9.8% to 10.8%. This is the highest unemployment rate among all eleven economic regions in Ontario. Over the same period, the provincial unemployment rate rose from 7.2% to 8.7%.

For more information, visit the Statistics Canada website at:

<http://www40.statcan.gc.ca/l01/cst01/lfs05d-eng.htm>

Labour Market News by Industry

Accommodation and Food Services

Windsor area members of the Ontario Restaurant Hotel and Motel Association are concerned about the minimum wage increase in March 2010 and its effects on their sector. Many of its 200 members have had to work longer hours to keep their businesses viable.

The recession saw the closure of some restaurants in the area, especially in fine dining. The survivors are coping with higher operating costs and reduced liquor sales.

Construction

In 2009, the value of building permits in the City of Windsor more than doubled over 2008, largely due to an increase in government and institutional construction. The 2009 total of \$235.2 million was the third lowest value in the past 14 years.

Lambton County Council gave approval to the Lambton Gallery project, an \$8.5 million investment in downtown Sarnia. PCR Contractors Inc. will begin work shortly at the site in the former Sak's building and second floor of the neighbouring bank. Lambton County has \$2.4 million set aside for the gallery project and an additional \$3 million in federal infrastructure funding that must be spent by March 2010.

A \$60-million sewer project got underway in Windsor this month. The retention treatment basin and combined sewer overflow project will greatly reduce the amount of storm-related pollution entering the Detroit River. The project, which received federal and provincial government infrastructure funding, is targeted for completion by March 2011.

In Amherstburg, DeAngelis Construction was awarded a \$795,000 contract to construct gateway features, kiosks and landscaping at the north and south gateways of the town. It is part of an \$11-million urban renewal project, federally funded under the Community Adjustment Fund (CAF). DeAngelis Construction, in partnership with Spriet Associates and Norlon Builders, are also working on the new \$23-million multi-use recreation complex at Larry Bauer Park.

Pacitti Contracting Company Inc. is building a new 4,000 square-foot commercial building on Middle Side Road in Amherstburg. Potential tenants include a convenience store and a pizzeria.

In Leamington, the second phase of a major shopping development, Seaciff Centre, is proceeding. The \$24-million project includes three stand-alone stores and a plaza. A Shoeless Joe's restaurant and an auto service depot, Great Canadian Oil Change, are confirmed tenants.

Educational Services

St. Clair College was approved to deliver a wind turbine technician course, starting later this year. The college intends to use German technician certification, given that Germany is a world leader for turbine technology. Course applicants will be tested on their ability to work at high heights.

School Boards in the Windsor-Sarnia region have begun plans for the implementation of full day kindergarten. Thirty-six schools in Essex, Lambton and Kent counties will carry the new program in the next school year as part of the first phase of the \$1.5-billion program announced by the Ontario government. It should be fully implemented by 2015-2016.

The University of Windsor has partnered with Lambton College to meet the projected demand for early learning teachers as a result of the province's announcement. The university will deliver a new two-year diploma and degree program beginning next fall, in conjunction with Lambton College, to prepare teachers for the coming jobs.

Some daycare operators are voicing concerns about their viability given the announcement of full-day kindergarten. This month, the City of Windsor announced it may consider closing most of its daycare centres due to an anticipated reduction in enrolments. They are already running at less than half their capacity, attributed in part to the poor economy and the 2009 strike by the City's inside workers.

Health Care and Social Assistance

Amica Mature Lifestyles is opening an 11-storey, 181-suite residence for seniors on Riverside Drive East in Windsor this spring. Mady Development Corporation is completing the construction. The high-rise will be marketed to seniors who are able to live independently but would like the option to use dining, housekeeping and security services. The complex is hoping to benefit from the 100-Mile

Peninsula campaign to lure retirees to the region.

River City Vineyard, a homeless shelter in central Sarnia, will stay open for at least another 18 months. Sarnia City Council voted to extend the rezoning permit for the shelter temporarily. Another homeless shelter, The Good Shepherd's Lodge, will open this May and officials will assess whether it is meeting local needs.

Manufacturing

Ford of Canada's sales rose by 25.5% in December 2009, with an increase in both car and truck sales compared to December 2008. The company recorded market share gains in both the United States and Canada. December also marked the 14th consecutive month of market share increases at Ford of Canada. Ford was the only Detroit automaker to gain North American market share last year.

The Ford Motor Company will shed about 250 net jobs in September 2010. The elimination of the second shift at the Windsor Engine plant will mean 400 jobs lost. However, the Essex Engine plant will require an additional 150 workers as it adds a shift. The downsizing at the Windsor Engine plant, which makes the Ford F-150 truck engine, is related to falling demand for trucks. Jobs will be filled on a company-wide seniority basis.

Johnson Controls Inc. will close its Lakeshore plant by late March 2010. The plant, which supplies headliners for the Chrysler minivans assembled in Windsor, lost the contract. There are currently 90 workers at the plant and another 30 on layoff. The union, CAW 444, is expecting that the Chrysler plant will absorb some of the workers as per an agreement reached with Chrysler during its last contract talks.

FedDev Ontario announced almost \$6.6 million in loans to a number of small and medium-sized businesses in Windsor and Essex County. These investments will help a number of tool and die companies and moldmakers improve their technology, develop new markets or to expand.

- Liqui-Force received \$1.35 million to improve its trenchless technology to repair pipes and sewers without digging. Ten full-time and five part-time jobs will be created.

- Platinum Tool Technologies Inc. of Oldcastle, which makes plastic moulds for headlights and taillights, will use \$1.25 million to expand its facility. The company wants to diversify into other plastic parts, including aerospace parts. It has hired 13 workers since September and expects to hire 10 more.
- Also receiving FedDev funding for new equipment or expansion were: CenterLine (Windsor) Ltd., Confidence Tool & Mould Design Inc., EnerQuest Services Inc., Integrity Tool & Mold Inc., J&C Tool & Die Ltd., Jahn Engineering Ltd., Midwest Precision Mould Ltd., Omega Tool Corporation, Pattern Equipment and Prototype Corporation, and Southwestern Manufacturing Inc.

Precismeca Ltd. will bring 64 jobs to Wallaceburg this summer when it moves its conveyor systems manufacturing business from Alberta. Work has already begun to renovate the Waltec building in the town for the company. Jobs created will include CNC operators, fabrication workers, welders and other trades.

Entropex, a plastic recycling facility in Sarnia, expects to create 60 new jobs over the next two years. It received federal funding from Sustainable Development Technology Canada (SDTC) for a demonstration project to look at ways to recycle plastics, including those such as clamshell packages. Entropex is the project's lead organization, part of a consortium which includes Procter and Gamble, Klockner-Pentaplast of Canada, Ideal Pipe Partnership, Stewardship Ontario, the City of Guelph and the University of Western Ontario.

Public Administration

The Windsor Census Metropolitan Area (CMA) economy will grow by 2.6% this year according to The Conference Board of Canada's latest outlook. Unemployment rates are forecasted to remain fairly high, edging down from 14% in 2009 to 11% in 2010, and 8% by 2014. The population forecast shows growth after 2011.

Retail and Wholesale Trade

Downtown Kingsville continues to see slow, incremental retail sector growth. The local Downtown Business Improvement Area (BIA) reports few store-front vacancies. Traux Rona Lumber underwent an expansion in the recent past while the Home Hardware expanded at the cost of \$1.2 million to a new site. There is also a new Shoppers Drug Mart in town.

Transportation and Warehousing

Windsor International Airport received \$300,000 in provincial and municipal funding for a follow-up study of its air cargo potential. Lufthansa Consulting, a Germany company, is completing the second-phase study of the facilities needed to support a cargo hub. The first phase found that the Windsor airport was in a good location for shipping companies and had the potential to handle up to 90,000 tonnes of commercial air freight within 25 years.

Utilities

International Power Canada began to hoist the first of 24 wind turbines this month, as part of its \$110-million project in Harrow. This project, along with other wind projects in the region, could have up to 100 turbines operational by the year's end. The Harrow project should be generating power by June. At the same time as this new capacity comes online, Hydro One is completing a \$4-million upgrade of the network of power lines in the area.

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.