

# Sectoral Outlook

2010-2012



Montréal

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## Summary

The economic slowdown has had a major impact on the labour market in the Montérégie region. Many companies reduced work hours or resorted to layoffs in response to drops in demand. The goods production sector, more oriented towards export markets, was the most affected by the worldwide economic recession. 2009 was marked by weak growth in employment and a rise in unemployment. The emerging economic recovery should improve the labour market indicators in the next few years.

In 2006, the population of the Montérégie region was 1,357,720, which represents 18% of the total population of Quebec. The number of people in the region rose by 6.4% from 2001, which is higher than the province-wide increase of 4.3%. According to the Institut de la statistique du Québec (ISQ), the population of the Montérégie region is expected to increase by 21.5% between 2006 and 2031, a higher growth rate than that projected for Quebec as a whole (15.8%).

Historically, Montérégie has had a higher employment rate and a lower unemployment rate than in Quebec overall. For the period of 2010-2012, annual average job growth of 1.2% is forecast (1.0% in Quebec), and the unemployment rate is expected to remain below the provincial rate. The Montérégie region's economy is closely linked to that of the Island of Montreal, as indicated by the commuting rate, which stands at about 28%.<sup>1</sup>

In the Montérégie region, the distribution of employed persons by major industrial sector is quite similar to that observed province wide. However, the manufacturing sector accounts for a slightly higher proportion of the workforce than in Quebec, whereas the opposite holds true for the service sector.

Employment in the primary sector is expected to continue its slow decline over the next three years. Agriculture accounts for the majority of primary sector jobs. Provincially, the region is a key player in the agriculture industry, accounting for 30% of jobs. In terms of livestock production, the main activities include dairy, pig and poultry farming. Field crops include grains, oilseeds and vegetables.

The manufacturing sector, one of the areas most affected by the worldwide economic downturn, is expected to grow slowly, at 0.6%, compared to a growth of 0.4% province wide. Some industries, such as food manufacturing, transportation equipment, fabricated metal products, electrical products and non-metallic mineral products, will experience job growth. The downward trend will continue in other industries, such as textiles, clothing, primary metal and furniture.

Over the next three years, growth in the construction industry is expected to continue at a healthy rate of 1.6% per year, which is higher than the projected province-wide growth rate of 1.3%. The region's advantageous demographic growth and its numerous infrastructure projects will help to stimulate both residential and non-residential construction.

The service sector is less affected by fluctuating economic conditions and, as a result, there will be stronger job growth in this sector. We anticipate annual growth of 1.4%, compared with 1.1% in the province overall. The most positive outlooks are in professional, scientific and technical services, and the health care industry.

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<sup>1</sup> Percentage of the Montérégie labour force working on the Island of Montreal in 2006.



## Introduction

Each year, Service Canada issues medium-term employment forecasts both by industry and by occupation for Quebec as a whole and for each of its economic regions. The results of these analyses are published in the form of a series of studies intended to provide a comprehensive overview of recent labour market developments and outlooks in Quebec and its various regions.

We hope this series of documents will interest people who are seeking labour market guidance, as well as those who help them, including parents, educational staff and employment assistance services workers. It should also interest businesses and employer associations that want to identify human resource management issues in their industries.

This document is made up of two sections. The first part provides a synopsis of the labour market in the region, including an overview of economic developments and key labour market indicators. The second part presents sectoral outlooks by industrial groups catalogued according to the North American Industry Classification System (NAICS).



## Notes on Methodology

### Employment estimates

The employment estimates by industry are based on Statistics Canada's Labour Force Survey (LFS), as this tool is the only reliable source that follows employment developments in both Quebec and the regions. Since the employment level in some industries is very low in a number of economic regions, other sources of data—mainly of an administrative nature—have sometimes been used because LFS figures in these industries are unreliable. In addition, three-year (2007-2008-2009) averages are included in the statistical tables to provide a more reliable indication of employment levels.

The employment outlooks have been established for a three-year period, from 2010 to 2012. They were developed in spring 2009-2010 in co-operation with Service Canada economists working in Quebec's regions. We also wish to thank the Canadian Occupational Projection System (COPS) team, without which we would not have had access to many of the analysis and forecasting tools that were used to conduct this study.

### Industrial groups

The industrial analysis presented in this study is based on an aggregation using the North American Industry Classification System (NAICS). Here, we provide a brief overview of the composition of each of these groups. Precise definitions of the industries are available in the NAICS published by Statistics Canada.

#### Primary sector

- 11 Agriculture, Forestry, Fishing and Hunting
- 21 Mining and Oil and Gas Extraction

#### Manufacturing sector

- 31-33 Manufacturing

When relevant, the following groups are also presented.

#### Consumer-related manufacturing

- 311 Food Manufacturing
- 312 Beverage and Tobacco Product Manufacturing
- 313 Textile Mills
- 314 Textile Product Mills
- 315 Clothing Manufacturing
- 316 Leather and Allied Product Manufacturing
- 323 Printing and Related Support Activities
- 337 Furniture and Related Product Manufacturing
- 339 Miscellaneous Manufacturing

#### Resource-related manufacturing

- 321 Wood Product Manufacturing
- 322 Paper Manufacturing
- 324 Petroleum and Coal Products Manufacturing
- 327 Non-Metallic Mineral Product Manufacturing
- 331 Primary Metal Manufacturing

#### Investment-related manufacturing

- 325 Chemical Manufacturing
- 326 Plastics and Rubber Products Manufacturing
- 332 Fabricated Metal Product Manufacturing
- 333 Machinery Manufacturing
- 334 Computer and Electronic Product Manufacturing
- 335 Electrical Equipment, Appliance and Component Manufacturing
- 336 Transportation Equipment Manufacturing

#### Construction

- 23 Construction

#### Consumer services

- 44-45 Retail Trade
- 51 Information and Cultural Industries



- 71 Arts, Entertainment and Recreation
- 72 Accommodation and Food Services
- 81 Other Services (except Public Administration)
- Production services
  - 22 Utilities
  - 41 Wholesale Trade
  - 48-49 Transportation and Warehousing
  - 52 Finance and Insurance
  - 53 Real Estate and Rental and Leasing
  - 54 Professional, Scientific and Technical Services
  - 55 Management of Companies and Enterprises
  - 56 Administrative, Support, Waste Management and Remediation Services
- Public and parapublic services
  - 61 Educational Services
  - 62 Health Care and Social Assistance
  - 91 Public Administration



## Part 1 – Overview

### Description of the area

The Montréal region is bordered by the St. Lawrence River to the north, the states of New York and Vermont to the south, Estrie and Centre-du-Québec to the east, and Ontario to the west. It can be divided into three sections. The first is the large suburban sector of Montreal that includes all or part of the Lajemmerais, Roussillon, La Vallée-du-Richelieu and Vaudreuil-Soulanges regional county municipalities and the equivalent territory (TE) of Longueuil. This urban area is characterized by intense service sector activity, with a high proportion of residents working in Montreal. The second section comprises six regional county municipalities, each of which includes an urban centre. These cities—Cowansville, Granby, Saint-Hyacinthe, Saint-Jean-sur-Richelieu, Salaberry-de-Valleyfield and Sorel-Tracy—play a major role in the regional manufacturing sector and some of them serve vast farming regions. Finally, the Montréal region has an area that is primarily rural and which encompasses the Acton, Le Haut-Saint-Laurent, Les Jardins-de-Napierville and Rouville regional county municipalities.

### Economic environment

The recession that ended in mid-2009 is now behind us and economic recovery is well under way. In Canada, consumer and government spending jumped in the fourth quarter of 2009. According to the latest Conference Board projections, high energy costs and sales tax increases will prompt the Bank of Canada to raise interest rates towards the middle of this year. The Canadian dollar could exceed parity with the greenback in 2011. Consumer spending in the United States would need to rebound considerably in order for the economic recovery to continue at a healthy pace in 2011. Solid growth in government spending during the recession generated major deficits and it will take years to return to a balanced budget.

According to Conference Board forecasts, Canada's real GDP (gross domestic product) is expected to increase by 3.2% in 2010 after declining by 2.6% in 2009. Every province will see growth in its GDP and outlooks are more promising for Western Canada. For the first time in 10 years, Ontario is expected to post a better performance than the average for Canada overall. The recovery will be more moderate in Quebec and real GDP growth of 2.6% is expected in 2010 and 2.3% in 2011. The province is recovering from the recession fairly quickly, but housing starts will weaken despite the improved economic situation. It is expected that mining projects will help to boost private investment. Otherwise, adjustments in public finances will be a deterrent to growth as households deal with new tax hikes.

### Labour market indicators

The Montréal economic region has the second largest employed population in Quebec, right behind the Montreal region.

The population of the Montréal region in 2006 was 1,357,700, the second highest behind the Montreal region. From 2001 to 2006, the region's population grew by 6.4%. This rate of growth is stronger than for Quebec overall (4.3%). Based on the latest demographic forecast from the Institut de la statistique du Québec (ISQ), the population of the Montréal region will increase by 21.5% between 2006 and 2031, which is higher than the increase for Quebec overall (+15.8%). Internal migration will be the main source of population growth. The Montréal region is also one of five regions in Quebec where the number of births will exceed the number of deaths for the entire forecast period.

Montréal's demographic advantage is reflected in labour market indicators; it has the second highest number of employed persons in the province, right behind the Montreal region. Job growth in the Montréal region depends both on local jobs and the vast Montreal labour market. The region's industrial base is highly diversified, which works in favour of regional labour market indicators as compared with provincial indicators.





The emerging economic recovery will improve labour market conditions.

The average number of people employed in the Montérégie region from 2007 to 2009 was 716,700, which represents almost one fifth of overall employment in Quebec. At 6.8%, the unemployment rate is lower than the provincial rate, whereas the employment rate (62.7%) exceeds the Quebec rate by 2.2 percentage points.

Nevertheless, Montérégie is not immune to the ups and downs of the economy. After two years of strong job growth, the economic slowdown cast a shadow on future prospects, and job growth waned in 2008 and 2009. The recession has had a negative impact on the labour market. While the rate of employment growth slowed in 2009, the unemployment rate increased from 6.6% in 2008 to 7.6% in 2009. We can expect to see economic recovery in 2010 and, accordingly, labour market indicators are also expected to improve and, indeed, remain stronger than those for the province overall during the 2010-2012 forecast period.

**Table 1**

Main Labour Market Indicators, 2007-2009				
Montérégie Region				
	2007	2008	2009	2007-2009
Population 15+ ('000)	1,124.9	1,142.7	1,161.7	1,143.1
Labour force ('000)	755.5	768.6	782.3	768.8
Employed ('000)	709.4	717.9	722.7	716.7
Unemployed ('000)	46.0	50.8	59.6	52.1
Unemployment rate	6.1	6.6	7.6	6.8
Participation rate	67.2	67.3	67.3	67.3
Employment rate	63.1	62.8	62.2	62.7

Source: Statistics Canada, Labour Force Survey  
Data compiled by Service Canada



## Part 2 – Sectoral Outlook

### Overview

In the Montréal region, the distribution of employed persons among the four major sectors is more or less the same as in Quebec.

In the Montréal region, the distribution of employed persons among the four major sectors is more or less the same as in Quebec. Similar rates are observed in the primary and construction sectors, whereas the proportion of persons employed in manufacturing is almost four percentage points higher in Montréal than in Quebec; in the service sector, this ratio is reversed.

Roughly 28% of persons employed in the Montréal region work in Montreal. The primary sector accounts for only 1% of Montréal residents employed in Montreal; however, the percentages are significantly higher in the manufacturing, construction and service sectors, which account for 22%, 16% and 31%, respectively.

Table 2

Employment Breakdown and Outlook for Selected Industry Groups					
Montréal Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Province	Region	Province
All Industries	716.7	100.0%	100.0%	1.2%	1.0%
Primary	18.4	2.6%	2.4%	-0.3%	0.3%
Manufacturing	127.3	17.8%	14.0%	0.6%	0.4%
Construction	43.5	6.1%	5.4%	1.6%	1.3%
Services	527.4	73.6%	78.2%	1.4%	1.1%
Consumer services	190.8	26.6%	27.6%	1.2%	1.0%
Production services	188.4	26.3%	26.0%	1.7%	1.6%
Public and parapublic services	148.2	20.7%	24.7%	1.3%	0.8%

Source: Service Canada, Quebec Region

Historical estimates based on Statistics Canada's Labour Force Survey (see Notes on Methodology)

### Primary sector

A total of 18,400 people work in the primary sector in the Montréal region. This represents 2.6% of total employment, which is comparable to the provincial rate. Agriculture dominates the primary sector, accounting for 16,600 jobs. According to data from the 2006 Census, the Montréal region has the highest number of farms of all Quebec agricultural regions (almost 7,120, or 23% of all Quebec farms). The value of farm assets in the region was almost \$9 billion in 2006, which represents over one third of total provincial farm assets.

In terms of livestock production, the main activities are dairy, pig and poultry farming. Field crops include grains, oilseeds and vegetables. The region accounts for approximately 19% of the province's cattle production and 35% of hog production. In terms of crops, the Montréal region accounts for 46% of the total hectares of field crops grown in Quebec and three quarters of vegetable crop area.



**Table 3**

<b>Employment Breakdown and Outlook in the Primary Sector</b>					
<b>Montérégie Region</b>					
	<b>Average for 2007-2009</b>			<b>2010-2012</b>	
	<b>Level ('000)</b>	<b>Share of Employment</b>		<b>Average Annual Growth</b>	
	<b>Region</b>	<b>Region</b>	<b>Province</b>	<b>Region</b>	<b>Province</b>
Whole primary sector	18.4	2.6%	2.4%	-0.3%	0.3%
Agriculture	16.6	2.3%	1.6%	-0.4%	-0.3%
Forestry and logging	0.2	0.0%	0.3%	-2.6%	0.0%
Fishing, hunting and trapping	0.0	0.0%	0.0%	0.0%	1.9%
Mining	1.5	0.2%	0.4%	1.0%	2.5%

Source: Service Canada, Quebec Region

Historical estimates based on Statistics Canada's Labour Force Survey (see Notes on Methodology)

Employment in agriculture, the main primary industry in the region, is expected to continue its gradual decline over the coming years.

Intensive farming has an impact on the environment and a number of Montérégie municipalities are faced with high levels of agricultural pollution, which limits development opportunities. The number of farms in the Montérégie region is on the decline, as it is province wide. Between 2001 and 2006, the region lost over 430 farms, a drop of 6%, which is similar to the provincial rate (5%). It should be noted, however, that this decline is half the rate reported for the 1996–2001 intercensal period. Despite these declining numbers, the average size of farming operations is increasing. Technological advances, farm consolidation and increased productivity are all factors that have contributed to shrinking workforce requirements in this sector.

According to Agriculture and Agri-food Canada's most recent forecasts, after seeing an increase in 2007 and 2008, farm cash receipts (including program payments) in Quebec are expected to decrease and operating expenses to increase in 2009 and 2010, which would decrease net revenue by 25% in 2009 and by 16% in 2010. Across Canada, net revenue is expected to fall by 3% in 2009 and by 32% in 2010.

The Canadian agricultural sector has also felt the effects of the worldwide economic crisis, which has resulted in decreased consumer demand, particularly for red meat. Given the exceptional performance of grains and oilseeds, the overall industry outlook for 2009 remains favourable. However, following excellent returns in 2008 and 2009, a slowdown is expected in 2010 of average net farm income for grain and oilseed producers, which will have a negative impact on the overall forecast for Canadian agricultural revenue.

Farm cash receipts in the crop production sector are expected to drop in 2009 and 2010, but are expected to remain considerably higher than the average of 2004 to 2008. However, crop producers' operating expenses (fuel, fertilizer) are expected to remain high.

The revenue of cattle and hog farmers is expected to continue to deteriorate in 2009 and 2010 as producers reduce their herds or abandon the field altogether as a result of poor market conditions. Livestock production has faced numerous challenges in recent years owing to upheaval in international trade combined with the high cost of animal feed, US Country-of-Origin Labelling (COOL) regulations and the increased value of the Canadian dollar. Better protected from market fluctuations, products under supply management (poultry, eggs, dairy) will be more successful but must also contend with the high price of animal feed.

For the 2010-2012 period, a slight decrease of 0.4% per year in agricultural employment is expected.



## Manufacturing sector

Employment in the goods manufacturing sector will experience weak growth in the coming years.

The manufacturing sector employs 127,300 people in the Montréal region, which is 17.8% of total employment, in contrast with 14.0% province wide. Almost a quarter of people employed in this sector work in Montreal. The goods manufacturing sector will continue to restructure, leading to weak growth in employment by 2012. In the last few years, manufacturers have had to adjust to a difficult situation created by the rise in the loonie, competition from emerging economies, and the surge in energy costs. More recently, they have had to contend with plummeting world demand for their products, brought on by the economic slowdown.

Despite the improved economic situation in 2010, development prospects remain modest during the forecast period. The slow economic recovery in the US and the strength of the Canadian dollar, which may even surpass the US dollar in 2011, will stall exports. However, the return to fairly healthy growth in Canada, and particularly in the West, will provide interesting opportunities for Quebec manufacturers.

For the 2010-2012 period, employment is expected grow by 0.6% annually, compared with 0.4% province wide.

### *Food and beverages*

The food and beverage manufacturing industry is by far the largest employer in the Montréal region, and job growth should continue over the next three years despite the challenges facing food processors.

The food and beverage industry, which alone accounts for 22,000 jobs, is by far the largest employer in the manufacturing sector. A total of 31% of jobs in food manufacturing are in meat products, 17% in dairy products, 16% in bakeries and 12% in fruit and vegetable preserving.

There are numerous large companies in the Montréal region that have experienced considerable growth in their activities. In addition, several small businesses are developing by focusing on products with considerable added value. By the same token, the presence of several agri-food institutions in the region promotes the start-up of new food processing companies.

Companies in this sector are faced with growing competition in both domestic and export markets. Food manufacturers must adapt to Canadian safety, hygiene and consumer information standards. Furthermore, smaller companies are concerned about the concentration of distribution among large food chains. The high cost of food products subject to the supply management system (milk, eggs and poultry) means that some products produced in Canada are not competitive on foreign markets. It is for this reason that some companies are expanding outside of Quebec, in places such as the US and Mexico, which limits job growth in the region.

By its very nature, the food industry is less cyclical than other sectors and so it has survived the economic recession relatively unscathed. All the same, some manufacturers have had to restructure, and layoffs were announced in the region. Olymel eliminated more than 180 jobs in its poultry processing plant in Saint-Jean-sur-Richelieu and transferred the work to other locations in Quebec and Ontario, leading to a net loss of 150 jobs in the region. Weston announced its intention to close its Longueuil factory by the end of 2010 at the latest, which will put 180 people out of work.

Despite the challenges that food manufacturers are facing, employment is expected to increase by 1.2% annually during the 2010-2012 forecast period.

### *Transportation equipment manufacturing*

As recovery is slow in the aerospace industry, job growth will be moderate in 2010 and will then strengthen

The transportation equipment industry employs 16,200 persons, which makes it the second largest manufacturing group in terms of employment, just after food manufacturing. In the Montréal region, transportation equipment manufacturing is dominated by aerospace product and parts manufacturing, which accounts for 65% of all jobs in this sector. Motor vehicle parts manufacturing accounts for 13% of employment.

After experiencing solid growth from 2004 to 2008, the region's aerospace industry has been affected by the recession in the form of dampened prospects for growth, and layoffs have been announced in the Montreal area. The cancellation of business aircraft orders, continued lowered prospects for airlines and global passenger traffic, along with the high Canadian dollar, are all factors that will influence manufacturing revenue. The military market, which is relatively sheltered from abruptly fluctuating market conditions, helped offset the loss of employment.

Airlines have been affected by high fuel costs and a drop in demand. However, air traffic should regain buoyancy in 2010. In this regard, the International Air Transport Association (IATA) has cut its loss forecast in half to US\$2.8 billion. This improvement is explained by a greater than expected increase in demand, particularly in emerging markets. IATA is forecasting growth of 5.5% in passenger traffic in 2010, compared to a drop of 2.9% in 2009. In the cargo sector, demand is expected to increase by 12% in 2010 after suffering a decline of 11.1% in 2009. For its part, the Conference Board is expecting Canadian aviation industry revenues and profits to continue dropping in 2010 and the recovery to begin in 2011.

The aerospace product industry is dominated by a key player, aircraft engine manufacturer Pratt & Whitney of Longueuil, which employs 5,100 people.

The aerospace product industry is dominated by a key player, aircraft engine manufacturer Pratt & Whitney Canada (P&WC), which currently employs 5,100 people at its Longueuil facility. P&WC experienced significant growth in its research and development and manufacturing activities from 2004 to 2008. However, that changed in 2009 with the weakness of the global aerospace market. In 2009 the company announced that it would be laying off 1,400 people, including 860 at its Longueuil, Quebec, facility. Aircraft engine deliveries had been on the decline throughout 2009 and the company did not expect to see any improvement in 2010.

More sheltered from the economic situation, the military market provides good growth opportunities. However, the magnitude of the budget deficits of several countries may lead them to restrict their military spending in the coming years. Nevertheless, Héroux-Devtek, a landing gear manufacturer in Longueuil, can count on military orders from the US and Canadian armed forces. Héroux-Devtek is also increasingly taking advantage of the growth in the wind energy market to diversify its revenue.

Despite the sluggishness of the industry, two large-scale projects have been announced in the region. GE Canada has announced an investment of \$63.5 million to diversify its range of products at its Bromont plant. The company makes civil and military aircraft engine components. This investment will be spread over six years and will create 80 jobs and consolidate the 550 already existing jobs. In addition, Dornier Seaplane Company will hire 250 people in Saint-Jean-sur-Richelieu over the next five years for the final assembly of the Seastar seaplane, a 12-seat craft made entirely of composite materials. The total investment is \$71.5 million, including \$35 million in government subsidies.

The situation has been particularly difficult for auto parts manufacturers in the last few years with the structural issues in the automotive industry. Some manufacturers had to shut down altogether while others weathered the storm by reducing work hours. The recovery of the automotive sector observed over the last few months is expected to fill manufacturers' order books again and stimulate employment.

For the 2010-2012 forecast period, average annual growth in employment of 1.5% is expected. As the recovery is delayed in the aerospace industry, growth will be more moderate in 2010 and will accelerate after that.

### ***Fabricated metal product manufacturing***

Fabricated metal product manufacturing accounts for approximately 10,600 jobs, making it the third largest manufacturing industry. More than 56% of jobs in this industry are in two segments: architectural product and structural metals manufacturing, which has strong ties with the construction industry; and machine shops, turned product, and screw, nut and bolt manufacturing, whose clients come from a wide range of industries.



Table 4

Employment Breakdown and Outlook in the Manufacturing Sector					
Montréal Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Manufacturing sector	127.3	17.8%	14.0%	0.6%	0.4%
<b>Consumer-related manufacturing</b>	<b>45.8</b>	<b>6.4%</b>	<b>5.2%</b>	<b>0.4%</b>	<b>-0.1%</b>
Food, beverages and tobacco	22.0	3.1%	2.0%	1.2%	0.9%
Textile mills and textile product mills	3.1	0.4%	0.3%	-1.5%	-1.0%
Leather clothing and products	3.6	0.5%	0.7%	-1.0%	-2.5%
Printing and related activities	6.8	1.0%	0.7%	-0.7%	-1.6%
Furniture and related products	6.2	0.9%	0.9%	-0.2%	0.1%
Miscellaneous manufacturing	4.0	0.6%	0.6%	0.4%	0.6%
<b>Resource-related manufacturing</b>	<b>17.9</b>	<b>2.5%</b>	<b>3.0%</b>	<b>-0.4%</b>	<b>0.1%</b>
Wood product manufacturing	4.2	0.6%	1.0%	0.0%	0.4%
Paper manufacturing	2.7	0.4%	0.7%	0.0%	-1.3%
Petroleum/coal products manufacturing	1.7	0.2%	0.1%	-4.0%	-3.0%
Non-metallic mineral product manufacturing	3.1	0.4%	0.4%	1.5%	1.5%
Primary metal manufacturing	6.3	0.9%	0.7%	-0.3%	0.8%
<b>Investment-related manufacturing</b>	<b>63.6</b>	<b>8.9%</b>	<b>5.8%</b>	<b>0.9%</b>	<b>1.0%</b>
Chemicals	10.1	1.4%	0.8%	0.3%	0.3%
Plastics and rubber products	8.9	1.2%	0.9%	0.5%	0.4%
Fabricated metal product manufacturing	10.6	1.5%	1.1%	1.2%	1.7%
Machinery manufacturing	5.1	0.7%	0.6%	0.7%	1.0%
Computer and electronic products	7.0	1.0%	0.6%	0.5%	0.7%
Electrical equipment, appliance and component manufacturing	5.7	0.8%	0.4%	1.6%	1.1%
Transportation equipment manufacturing	16.2	2.3%	1.4%	1.5%	1.1%

Source: Service Canada, Quebec Region  
Historical estimates based on Statistics Canada's Labour Force Survey (see Notes on Methodology)



The fabricated metal product manufacturing industry has been hard hit by the current economic slowdown and many companies have had to resort to layoffs or reduced work hours. In addition, the slowdown in aerospace product manufacturing has led to a decrease in the activities of several metal production subcontractors. Asian competition is fierce and high-volume small parts manufacturers, whose products have no competitive advantage over emerging economies, are having difficulties. Manufacturers of large metal parts or low-volume custom pieces are more sheltered from competition mainly because of the higher cost of transportation.

Nevertheless, the fabricated metal product industry is present in a wide range of sectors, including construction, which is experiencing growth in Quebec with numerous infrastructure projects in progress. One of these projects, the completion of Highway 30, allowed Groupe AGF of Longueuil to land a major contract valued at \$100 million to provide and install reinforcing steel for the bridges, overpasses and interchanges that will be built for this project. With this contract, the company expects to create 150 jobs over the next four years.

In addition, Fabspec, a manufacturer of large metal pieces in Sorel-Tracy, has seen an increase in its activities after redirecting its production towards more promising markets such as mines and hydroelectricity.

For the 2010-2012 forecast period employment is expected to grow by 1.2% annually.

### **Chemicals**

Approximately 10,100 people in the Montréal region work in chemical manufacturing. Of these, almost 35% are employed in pharmaceutical and medicine manufacturing, many in Montreal, followed by basic chemical product manufacturing (18%), soap, cleaning compound and toilet preparation manufacturing (16%) and other chemical product manufacturing.

The petrochemical industry was considerably shaken by the closures of the Basell and Petromont plants in April 2008, which resulted in the loss of over 400 jobs in Varennes. The rising Canadian dollar, increasing oil prices, and the plants' low production capacity severely affected their competitiveness.

The economic slowdown has put a further damper on the growth outlook in the chemical industry. Some companies have resorted to temporary layoffs or reductions in work hours to adjust to the slowdown in demand. The situation seems to be improving, and few layoffs have been announced recently.

In pharmaceutical manufacturing, the industry is facing higher costs for research and development, the difficulty of launching new products, the competitiveness of emerging economies, and the expiry of major patents. These many challenges may lead to a period of intense mergers or acquisitions among innovative drug companies. It should be noted that a large number of the people in the Montréal region who work in this field have jobs in Montreal, where many large pharmaceutical companies are located.

In addition, the recent decision by the Government of Ontario to reduce the price of generic medications by half (from 50% to 25% of the original brand-name version) will have an impact by lowering the price of generic medications in Quebec. This situation worries generic medication manufacturers and pharmacists, as it will translate to a reduction in revenues.

Few events have been noted recently, aside from the opening of Sandoz Canada's headquarters in Boucherville at a cost of \$12 million. The generic medication manufacturer invested \$80 million in 2007 to build a new plant and modernize its existing facilities. Sandoz Canada employs over 700 workers in Boucherville.



While modest in terms of job creation, green projects seem to be on the rise, whether in recycling or biofuel production. The project to build a plant in Valleyfield to process used oil and produce biodiesel, announced several times since 2007, should finally come to fruition. Chandni Oil will invest \$32 million for this project that will create 70 jobs. Construction is expected to begin in summer 2010 and the plant should be in operation in 2011. In addition, Solutions Développement Durable (SDD) has obtained funding to operate a waste processing plant in Sorel-Tracy that will require an investment of \$18 million and create around 40 jobs. Finally, the ethanol plant in Varennes, which belongs to Greenfield, will receive a subsidy of nearly \$80 million over seven years from the federal government as part of a program to support the biofuel industry.

For the 2010-2012 forecast period, the industry should experience a 0.3% increase in job growth annually.

#### ***Plastics and rubber products***

The rubber and plastic products industry accounts for approximately 8,900 jobs in the Montréal region, 78% of which are in the plastics industry.

A significant number of jobs have been lost in the rubber industry, notably when Salaberry-de-Valleyfield tire manufacturer Goodyear laid off 800 workers in 2007 and transferred production to countries where labour costs are low. A number of firms reduced work hours in 2009 because of the economic slowdown.

The plastics industry has been affected by the weakness of the US economy, particularly in the construction and automotive industries. The industry must also deal with strong competition from Chinese companies. A number of firms have had to resort to temporary layoffs or reductions in work hours. The situation seems to have improved with the economic recovery. Some companies increased their productivity to get through the recession, and investment projects were announced recently, which bodes well.

With the increase in economic activity, employment is expected to increase slightly by about 0.5% annually for the 2010-2012 forecast period.

#### ***Computer and electronic products***

Approximately 7,000 people are employed in this industry. Almost 63% of these jobs are in semi-conductor and other electric component manufacturing, while another third of the jobs are divided equally between communications equipment manufacturing and navigational, measuring, medical and control instruments manufacturing.

There have been numerous layoffs in the computer and electronic product manufacturing industry over the past decade, particularly among companies that manufacture large volumes of products for the telecommunications industry. In addition, the recession has forced some companies to resort to layoffs or reducing the number of hours worked. The Montréal microelectronic components industry, however, is doing fairly well. The Bromont Technopark, which specializes in microelectronics, provides over 3,500 jobs in this field, and these jobs have remained stable in recent years.

In addition, a \$218 million investment project will be carried out in Bromont over the coming years. The two levels of government, as well as two private partners—IBM and Dalsa—announced the construction of a research centre in the electronic microchips and microelectromechanical systems assembly field, which will bring together a team of 250 researchers. Construction is set to begin in 2010 and the centre is scheduled to open in March 2011.

For the 2010-2012 forecast period, employment is expected to grow slightly by 0.5% annually.





### ***Printing***

The printing industry accounts for 6,800 jobs in the Montréal region. Employment in this sector has been relatively stable over the last few years. Major investments have been made in some plants in the region, without necessarily leading to an increase in staff.

The recession led to a major reduction in printers' revenues, notably in advertising. To deal with the drop in demand and decrease their production costs, several companies opted to reduce the number of hours worked, while others resorted to layoffs.

A major player in the region, Transcontinental Printing, has facilities in Boucherville, Longueuil and Saint-Hyacinthe, and employs nearly 800 people. Transcontinental expects very weak growth in the printing sector in 2010, and is not ruling out more layoffs. The company specifies that the job losses would take effect in the less modern plants. However, the scope of the layoffs would be much lower than in 2009 when the company laid off 2,000 of its employees, half of which were in the United States.

A decline in employment of 0.7% annually is expected for the 2010-2012 forecast period.

### ***Primary metal manufacturing***

The Montréal primary metal manufacturing industry employs approximately 6,300 people. Close to 30% of these jobs are in iron and steel mills; non-ferrous metal (except aluminum) production employs an additional 30% of workers, followed by steel product manufacturing (15%), aluminum processing (12%) and foundries (12%).

Highly dependent on foreign markets, the primary metal manufacturing industry has been affected by the worldwide economic slowdown. This industry provides a significant concentration of jobs in a few large multinational companies. In recent years, the industry has benefited from strong global demand, primarily from emerging countries such as China, which has pushed up metal prices. Although this more favourable economic situation has stimulated business investment, it has not necessarily resulted in strong job creation. Furthermore, in the face of ferocious competition, companies must boost their productivity if they want to maintain their market share. In a study conducted by the Canadian Steel Trade & Employment Congress (CSTEC), a number of businesses indicated that they would be reducing their workforces over the coming years by replacing only half of all retiring workers.

The situation deteriorated in the fall of 2008 with the economic recession, which caused a sharp drop in global demand and metal prices. Given the context, some investment projects were put on hold until the economy turned around. RioTintoAlcan closed its aluminum plant in Beauharnois, laying off 200 workers in spring 2009. A number of companies resorted to massive temporary layoffs in 2009 in order to reduce inventories, while others chose to reduce work hours. Although some companies recently resumed production, others are still not up to speed.

Investment projects are fairly rare, but RioTintoAlcan nevertheless announced at the beginning of the year that it would invest \$10 million in its Beauharnois plant to maintain a casting centre, generating about 40 jobs.

A slight decline in employment of 0.3% annually is expected for the forecast period of 2010-2012.

### ***Furniture industry***

The furniture industry provides approximately 6,200 jobs. Almost 75% of these jobs are in household and institutional furniture manufacturing, whereas 21% are in office furniture manufacturing. There is a high concentration of furniture industry jobs in the small municipality of Saint-Pie, near Saint-Hyacinthe.



Asian competition and the rise in the Canadian dollar have had a major impact on the profitability of furniture manufacturers, whose exports are destined primarily for the US market. Businesses in this industry went through a particularly intense period of restructuring during the first half of the decade.

More recently, the recession in the US housing market has added to the woes experienced by residential furniture manufacturers. In addition, the office furniture market, which had managed to stay on track, has been hard hit by the drop in business investment brought on by the economic crisis. Some manufacturers resorted to temporary layoffs because of the drop in demand from the US, and signs of recovery are very slight in this area.

For the 2010-2012 forecast period, employment is expected to decline slightly by 0.2% annually.

#### **Electrical equipment, appliance and component manufacturing**

A major investment project will be carried out in the next few years in the electrical component sector, creating jobs.

The electrical equipment, appliance and component manufacturing industry generates approximately 5,700 jobs, more than 75% of which are concentrated in electrical equipment and component manufacturing, while 14% are in lighting equipment manufacturing. Only 11% of employees make appliances, and most of them work in Montreal.

Several manufacturers in this sector sell their products in the construction and automotive industries, which have both been greatly affected by the recession. As a result, many manufacturers have had to reduce the number of hours worked or resort to layoffs in the face of dropping demand. While there has been an improvement in the economic situation, those who export their products south of the border must still contend with the slow recovery of the US economy.

On the other hand, the high price of fuel is making the electric vehicle market more attractive. In this regard, a major investment project was announced in fall 2009. French company Bolloré Group will invest \$120 million in the former Avestor plant, which specialized in manufacturing electric car batteries, but was forced into bankruptcy in 2007 by its owners, Hydro-Québec and Anadarko. The Boucherville plant's production capacity, which is currently 5,000 batteries per year, is expected to triple by 2012 and employment should rise from 70 to 320 in the next two years.

For the 2010-2012 forecast period, employment is expected to grow an average of 1.6% annually.

### **Construction industry**

Over the next three years, the construction industry will keep growing at a healthy pace.

The construction industry generates approximately 43,500 jobs in the Montréal region. Approximately 59% of these jobs are with trade contractors, with one quarter of them involving the installation of technical equipment (electricity, plumbing and heating), followed by building finishing and foundation work. The residential building construction sector generates a further 26% of the jobs, and engineering work accounts for 7%.

The construction industry has experienced solid job growth for several years. The region's demographic advantage, boosted in part by migratory movement, has stimulated demand in this industry.

The overall value of building permits issued in 2009 totalled more than \$2.6 billion, down 8% from 2008. This drop is mainly cyclical and was preceded by a year of growth in 2008 (+3%). The residential construction industry was the most active, accounting for 68% of the total value of building permits. Commercial, industrial and institutional construction made up 17%, 6% and 9%, respectively.

The greatest drops in building permit values were in the industrial (-32%) and residential (-11%) sectors, followed by commercial (-3%), while the institutional and governmental



sectors attenuated the effects of the economic slowdown with an increase of 39% over 2008.

As concerns civil engineering, the Montréal region will be receiving \$956.5 million of the \$4.2 billion the Quebec government plans to invest in 2010-2011 to repair the road network. In 2010-2011 alone, the work to be carried out will create or maintain over 13,000 jobs. The largest project, involving the completion of Highway 30, is currently under way and should run until 2012.

In Quebec, 43,400 homes were built, 4,500 fewer than in 2008. According to the Canada Mortgage and Housing Corporation (CMHC) outlook, the economic recovery, favourable borrowing conditions, and major migratory influx will stimulate the housing market in Quebec in the next two years. The CHMC expects the construction of 43,850 homes in 2010 and 41,650 in 2011. In the Montréal region several large-scale residential projects have been announced in the last few months, which will stimulate employment. In addition, the measures promoted by the government during the recession will stimulate construction expenditures. In this regard, several projects (schools, recreation, sports) will be carried out soon in the Montréal region. However, several projects will end in 2011, which may slow employment growth.

Healthy growth is expected to continue in the construction industry for the 2010-2012 forecast period, with a slowdown near the end of the period. Annual employment growth of 1.6% is anticipated.

## Service sector

### Consumer services

Since the population of the Montréal region is growing faster than the provincial average, a corresponding rise in employment in consumer services is to be expected.

In the Montréal region, the consumer services sector accounts for nearly 190,800 jobs, or 27% of total employment. Approximately 48% of these jobs are in retail trade, 20% in accommodation and food services, 18% in other services and 15% in information, culture and recreation. Apart from the information and culture sectors, which have a very high proportion of workers who commute to Montreal, consumer services tend to be proximity services, most of which are located within the region.

Productivity growth in consumer services is relatively weak and so an increase in demand has a positive effect on job creation. Since the population of the Montréal region is growing faster than the provincial average, a corresponding rise in employment is to be expected. From 2010 to 2012, employment in consumer services is expected to increase by 1.2% annually.

#### *Retail Trade*

The retail trade industry is the largest employer in the Montréal region. Job growth will continue over the coming years, but at a more modest rate than in the past.

The retail trade sector generates 90,700 jobs, making it the largest employer in the Montréal region. Food stores employ 26% of these workers, followed by motor vehicle and parts dealers (12%), clothing and clothing accessories stores (11%) and general merchandise stores (10%).

After years of strong growth, commercial activity should be more moderate over the coming years. The biggest commercial project in the Montréal region, Quartier Dix30 in Brossard, opened in 2006 and now boasts approximately 250 businesses. Despite an influx of new businesses, the Dix30 project has attained a certain maturity. Also in Brossard, two other commercial projects are in progress. Groupe Mach will be investing approximately \$25 million in the Faubourg Brossard, while Ivanhoe Cambridge will be injecting \$40 million to improve the Champlain Mall.



Table 5

Employment Breakdown and Outlook in Consumer Services					
Montréal Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Consumer services	190.8	26.6%	27.6%	1.2%	1.0%
Retail trade	90.7	12.7%	12.4%	1.2%	0.9%
Information, culture and recreation	28.6	4.0%	4.5%	1.2%	1.0%
Accommodation and food services	38.4	5.4%	6.2%	1.2%	1.0%
Other services	33.1	4.6%	4.6%	1.4%	1.3%

Source: Service Canada, Quebec Region  
Historical estimates based on Statistics Canada's Labour Force Survey (see Notes on Methodology)

Finally, two other commercial projects were announced in the summer of 2008 in Saint-Hyacinthe. The Galeries de Saint-Hyacinthe, a property owned by Beauward Shopping Centres Ltd., will be investing \$50 million to double its floor space. Construction is under way and the first phase of the project includes adding an office building and a dozen new businesses by spring 2011. The second phase is expected to begin in summer 2011 with the addition of underground parking, a new office building, and more stores. For the other project, Groupe Robin will be investing \$30 million in the first phase of its real estate project along Highway 20. The project is already under way and a 100-room hotel and a Scores restaurant are complete. Some boutiques, a service station and a spa will be added to the project.

The birthrate in Quebec has jumped, stimulating sales for some businesses, such as Clément, which specializes in the sale of children's furniture and clothing. Clément will invest \$10 million on Montreal's South Shore in 2010, specifically in Boucherville, Brossard, Saint-Bruno and Saint-Hyacinthe. Major investments have also been made by sports equipment merchants. Retailer Sail has just opened its fourth boutique in Quartier Dix30, for which they invested \$15 million and hired about a hundred workers.

Toronto-based Canadian Tire chose Coteau-du-Lac, near the Ontario border, to establish a gigantic distribution centre to serve Eastern Canada's 360 stores. The centre opened in 2009 and currently employs 400 people. Genco, which is responsible for the warehouse's logistics, expects to hire more than 200 workers in 2010, for a total of 600 permanent employees.

Job growth will continue over the coming years, but at a more modest rate than in the past. For the 2010-2012 forecast period, annual employment growth of 1.2% is expected.

#### **Accommodation and food services**

Approximately 38,400 people work in accommodation and food services in the Montréal region. Of these jobs, close to 87% are in the food services industry.

The Montréal region's hotel capacity has increased in the last few years with the construction of new hotels and the expansion of existing hotels. According to estimates by the Ministère du Tourisme du Québec for April 2010, the Montréal tourist region had nearly 4,800 units available, fourth only behind Montreal, Quebec City and the Laurentians.



Food services generate the vast majority of jobs in this industry. Since population growth in the region is fairly strong, annual employment is expected to rise at a higher rate than in Quebec as a whole.

For the 2010-2012 forecast period, annual employment growth of 1.2% is expected.

#### ***Information, culture and recreation***

The information, culture and recreation industry employs 28,600 people in the Montréal region. Of these jobs, 58% are in the information and cultural industries, including publishing industries, motion picture and video industries, broadcasting, telecommunications, and information and data processing services. A high proportion of people employed in these industries work in Montreal. Aside from software publishers and video game producers, which are seeing strong growth in employment, job growth in this industry is expected to be moderate in the coming years.

The other jobs in this sector fall under the recreation category, which includes the performing arts, sports and recreational activities, and the gambling and lottery industries. More labour-intensive, this sector has been growing faster than the information and culture sectors. Among the large-scale projects is the construction of the Palais des Sports de la Montréal, a private sports complex in Beloeil that should open its doors in spring 2011. The centre will provide facilities for around 20 sports in addition to a semi-Olympic sized pool, a climbing wall, a sports medicine clinic, and combat sports, aerobics and yoga rooms. The project is an \$18.5 million investment and will create approximately 50 jobs.

For the 2010-2012 forecast period, annual employment growth of 1.2% is anticipated.

#### **Production services**

Production services are associated with the motor tertiary sector because they have a higher growth potential than other types of services.

Production services account for some 188,400 jobs in the Montréal region, representing 26.3% of total employment. These services are associated with the motor tertiary sector because they have a higher growth potential than other types of services. Approximately one quarter of the jobs are in professional, scientific and technical services, 24% are in finance, insurance, real estate and rental and leasing, 19% are in transportation and warehousing, and 16% are in wholesale trade. A high percentage of workers—between 41% and 54%—in all production service industries (except wholesale trade) commute to Montreal.

For the 2010 to 2012 forecast period, employment in production services is expected to grow by 1.7% annually.

#### ***Professional, scientific and technical services***

The professional, scientific and technical services industry employs approximately 47,300 people, a quarter of whom work in computer systems design and related services, followed by architectural and engineering services, accounting services, legal services, and management and scientific consulting services.

Benefiting from an increasingly knowledge-based economy, the professional, scientific and technical services industry has been experiencing strong job growth, which should continue over the coming years.

Benefiting from an increasingly knowledge-based economy, the professional, scientific and technical services industry has been experiencing strong job growth. In addition, there is a growing trend among companies to outsource certain activities to specialized firms, which benefits this industry group. The 2009 recession slowed job growth, but hiring should advance at a faster clip with the recovery of the economy. In addition, the numerous construction projects under way (roads, recreation, schools) should provide jobs for companies offering architecture and engineering services. Job growth of 2.2% is expected for the 201-2012 forecast period.



**Table 6**

<b>Employment Breakdown and Outlook in Production Services</b>					
<b>Montréal Region</b>					
	<b>Average for 2007-2009</b>			<b>2010-2012</b>	
	<b>Level ('000)</b>	<b>Share of Employment</b>		<b>Average Annual Growth</b>	
	<b>Region</b>	<b>Region</b>	<b>Province</b>	<b>Region</b>	<b>Province</b>
Production services	188.4	26.3%	26.0%	1.7%	1.6%
Utilities	7.4	1.0%	0.9%	1.0%	1.2%
Wholesale trade	29.6	4.1%	4.0%	1.7%	1.5%
Transportation and warehousing	36.9	5.1%	4.6%	1.5%	1.5%
Finance, insurance, real estate and rental and leasing	44.3	6.2%	5.9%	1.6%	1.4%
Professional, scientific and technical services	47.3	6.6%	6.9%	2.2%	2.0%
Mgmt. of enterprises, building and support services	23.0	3.2%	3.7%	1.5%	1.2%

Source: Service Canada, Quebec Region

Historical estimates based on Statistics Canada's Labour Force Survey (see Notes on Methodology)

#### ***Finance, insurance, real estate and rental and leasing***

Approximately 44,300 people work in finance, insurance, real estate and rental and leasing. Nearly three quarters of the jobs are in the finance and insurance industry, and 52% of these employees commute to Montreal to work.

This industry has posted good growth since the beginning of the decade. However, the productivity gains resulting from the increased automation of financial services will stifle growth over the coming years. On the other hand, in-person service in bank branches seems to be gaining ground, and several financial institutions are increasing services offered to respond to client concerns, which may have a positive impact on jobs.

For the 2010-2012 forecast period, annual job growth of 1.6% is expected.

#### ***Transportation and warehousing***

Employing 36,900 workers, transportation and warehousing is the third largest industry. Truck transportation alone accounts for one third of all jobs, followed by public transit and ground passenger transportation (19%) and support activities for transportation (14%).

The Montréal region is located in the heart of the Ontario-Quebec corridor and, consequently, the vast majority of Quebec trade with the rest of North America passes through the region. This industry is benefiting from the sharp increase in the volume of transported goods brought on by the globalization of markets and the increase in subcontracting to low-wage countries. The major project currently under way to complete Highway 30 is expected to encourage the construction of new warehouses nearby and attract transportation logistics companies. These transportation companies assume responsibility, on behalf of third parties, for receiving imported goods and shipping them to North American clients.





The decline in merchandise traffic has led to a slowdown in truck transportation. However, this situation is temporary and, as the economic situation improves, trade is expected to pick up. Some trucking companies have recently announced investment projects to increase their capacity, which bodes well.

As concerns rail transportation, Canadian Pacific has purchased land in the municipality of Les Cèdres where it plans to set up a rail-truck intermodal container terminal by 2011. The goal of the project is to be able to handle the increased volume of goods from Asia.

Finally, a \$20 million investment was announced in spring 2009 by Développement Aéroport Saint-Hubert de Longueuil (DASH-L). The project involves the construction of a terminal building at the Saint-Hubert airport, and should be completed by the end of 2010.

For the 2010-2012 forecast period, annual job growth of 1.5% is expected.

#### ***Wholesale trade***

Wholesale trade employs approximately 29,600 people in the Montréal region. Machinery, equipment and supplies wholesaler-distributors account for 21% of jobs in wholesale trade, while building material and supplies wholesaler-distributors account for 17%, personal and household goods 16%, food products 15%, and various other products 15%.

After suffering the effects of the global recession, job growth in the wholesale sector should accelerate as trade increases.

For the 2010-2012 forecast period, wholesale job growth of 1.7% annually is expected.

### **Public and parapublic services**

Approximately 148,200 people work in the Montréal public and parapublic services sub-sector, which accounts for 21% of total employment. Of these jobs, 55% are in health care and social assistance, 25% are in educational services and 19% are in public administration.

Slightly more than 43% of people employed in public administration work in Montreal. In health care and social assistance, the proportion is 26%, whereas in educational services it is 24%. Job growth in these industries is linked to population growth.

#### ***Health care and social assistance***

Health care services, which include hospitals and the ambulatory health care services industries, employ approximately 40,500 people. The nursing and residential care facilities and social assistance industries account for 41,700 jobs. The Montréal health care industry alone generates almost 82,200 jobs in the region.

According to demographic projections from the Institut de la statistique du Québec (ISQ), the number of elderly people in the Montréal region will increase by 244,000 between 2006 and 2031. This increase in the elderly population will put enormous pressure on the Montréal health care network. In light of the region's aging population and relatively positive demographic outlook, employment growth is expected to be higher than in the province as a whole. However, this job growth will be stemmed by labour shortages in the health care industry.

The social assistance industry, which includes daycare services, should benefit from the addition of new daycare spaces over the next few years. The uninterrupted increase in births in Quebec since 2003 is fuelling demand for daycare services.

The number of jobs in ambulatory health care services and hospitals is forecast to rise by 1.8% annually. In other health care services and social assistance, employment growth of 2.2% is forecast annually.

Given the high demand, the health care sector will post the strongest employment growth in the public and parapublic services sub-sector.



Table 7

Employment Breakdown and Outlook in Public and Parapublic Services					
Montréal Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Public and parapublic services	148.2	20.7%	24.7%	1.3%	0.8%
Educational services	37.1	5.2%	6.7%	0.6%	0.3%
Ambulatory health care and hospitals	40.5	5.6%	6.5%	1.8%	1.4%
Other health care and social assistance	41.7	5.8%	5.6%	2.2%	1.8%
Federal public administration	7.6	1.1%	2.1%	-0.4%	-0.4%
Provincial and territorial public administration	8.8	1.2%	1.9%	-0.4%	-0.4%
Local, municipal, regional and other public administration	12.5	1.7%	1.8%	0.6%	0.5%

Source: Service Canada, Quebec Region  
Historical estimates based on Statistics Canada's Labour Force Survey (see Notes on Methodology)

### ***Educational services***

Declining enrolment in the youth sector, brought on by population aging, will limit employment growth in educational services.

Educational services generate 37,100 jobs in the Montréal region, approximately 70% of which are in elementary and secondary schools. CEGEPs and universities each account for 11% of jobs in education.

Employment in educational services is closely linked to demographic changes. Population aging means that there will be fewer and fewer young people in the population. Consequently, enrolment in the youth sector of the public education system (preschool, elementary and secondary levels) is on the decline, both in the Montréal region and province wide. However, the uninterrupted rise in births since 2003, which some are calling a baby boom, is starting to show in preschool and elementary levels, where an increase in clientele has been observed. In addition, the high demand for adult education is increasing the need for instructors.

According to projections by the Ministère de l'Éducation, du Loisir et du Sport du Québec, the Montréal region will add nearly 1,900 students over the next three years at the preschool level (13%) and 2,500 students at the elementary level (3%), while the secondary level will lose approximately 9,900 students (-11.5%). In total, enrolment in full-time education will decrease by 3% (-5,490 students) over the next three years. While some cities are facing school closures due to lack of students, other municipalities, such as Bromont, Granby, Candiac, Saint-Lazare and Vaudreuil-Dorion will be building schools in the next few years to respond to high demographic need. In addition, projections suggest that school enrolment for youth should stop decreasing as of 2013 as the baby boom children enter the school system.

Enrolment in the CEGEP system has been increasing since 2006, both in the Montréal region and province wide. However, according to MEQ projections, this growth will fade little by little and the Montréal clientele will start decreasing by 2012.





Because of its proximity to Montreal, the Montréal region does not have any independent universities. Nevertheless, the universities of Sherbrooke and Montreal, Bishop's University in Lennoxville, Laval University (Quebec City) and UQAM all offer courses in the region. The largest project is the University of Sherbrooke's initiative to construct two buildings next to the Longueuil metro station at a cost of \$120 million. The first of the Longueuil campus towers opened in 2009 and accepted its first students in January 2010. The University of Sherbrooke currently has 10,000 students in the Montréal region. The new building will host approximately one third of these students (3,000) and around 50 professors.

Another major project is being carried out at the faculty of veterinary medicine in Saint-Hyacinthe. The plan is to expand the faculty's facilities and broaden the range of services. Work has begun on a veterinary diagnostic and disease surveillance complex and is expected to continue into 2011.

To summarize, declining enrolment in the youth sector, brought on by population aging, will be a determining factor affecting employment in educational services over the coming years. This is why moderate job growth of 0.6% annually is expected for the 2010-2012 forecast period.