

Sectoral Outlook

2010-2012



Outaouais

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Summary

This document presents the demographic, economic and sectoral outlook for the Outaouais region for the 2010-2012 period.

Demographic outlook

According to Institut de la statistique du Québec (ISQ) forecasts, the Outaouais region's population will grow by 23.7% between 2006 and 2031, compared with a 15.8% increase in the provincial population.

According to the 2006 census, the Outaouais region had a population of 341,100, an increase of 25,550 or 8.1% over the previous census. The urban periphery (Gatineau and Collines-de-l'Outaouais) accounted for 87% of the growth. The region's population will continue to grow in the years and even decades to come. According to forecasts by the Institut de la statistique du Québec (ISQ), the regional population is expected to grow by 23.7% between 2006 and 2031, compared with 15.8% for Quebec as a whole. If the trend holds, the Outaouais region's population will be 427,000 in 2031, mainly as a result of in-migration.

Economic outlook

The Outaouais region has always capitalized on its proximity to Ontario to support its economic development. The region's economy will continue expanding but the growth rate will be low compared with the levels recorded in recent years. This downturn stems from the severe financial crisis that devastated the global economy, resulting in massive layoffs and business closures. The fledgling recovery that began in early 2010 will be fragile and rather modest, according to OECD forecasts. The 2008-2009 recession was the most severe since the 1930s.

For the Ottawa–Gatineau Census Metropolitan Area (CMA), where the majority of the population lives, the Conference Board forecasts a gross domestic product (GDP) growth rate of 2.8% in 2010 but barely 2.2% on average in the following two years.¹ Growth will therefore be gradual and moderate compared with the post-recession surges often seen in the past. In fact, for the 2011-2014 forecast period, the Conference Board does not have the Ottawa-Gatineau region among the ten leading Census Metropolitan Areas (CMA) in the country when it comes to GDP growth.

As for job growth in the CMA, the Conference Board's latest Metropolitan Outlook² forecasts an average annual growth rate of 1.0% for 2010-2012. For our part, we anticipate that the Outaouais economic region will average 1.1% annual growth through 2012 for its

¹ Conference Board of Canada, Metropolitan Outlook – Spring 2010.

² Ibid.

industries as a whole. The trade, construction, transportation and professional, scientific and technical services sectors will drive the recovery.

Sectoral outlook

Primary sector

The primary sector is not highly developed in the Outaouais region, accounting for only 1.1% of total employment. The approximately 2,100 people employed in this sector essentially work in either agriculture or logging. The latter industry has been shedding jobs in recent years and the future outlook is rather bleak. Agricultural employment is expected to be relatively stable on an annual basis, although it may be affected by seasonal contractions. Job levels in the primary sector as a whole are not expected to change. There are no strategic development projects on the horizon for the immediate or even more distant future that could significantly increase job levels in this sector.

Secondary sector

The secondary sector includes the manufacturing and construction industries. This sector as a whole accounts for slightly less than 13% of employment in the Outaouais region. Manufacturing has been hard hit at both the provincial and regional levels in recent years. In addition to the known reasons for the decline (strong Canadian dollar, high production and energy costs, and increasingly stiff foreign competition, particularly from emerging economies such as Brazil and China), the recent recession has had an impact that is just now beginning to abate.

In the Outaouais region, the wood product manufacturing and pulp and paper industries will face a continuing down cycle against the backdrop of the U.S. housing crisis and the strong Canadian dollar. Industrial consolidation depends above all on an upsurge in US demand, continuing efforts at restructuring the industry and newfound productivity gains. The outlook for these resource processing-related industries is fairly gloomy at this time. No growth is expected.

Consumer-related manufacturing is expected to grow at a moderate pace of about 1.0% from now until 2012. Furniture and related products, such as doors and windows, and miscellaneous manufacturing will initially fuel this modest recovery. In industries that are mainly dependent on investment in machinery and tooling, the outlook is better. Average annual growth may reach 1.6% during the 2010–2012 period, largely because of the R&D-intensive computer and electronic product manufacturing industry.

Depending on the strength of the economic recovery, the Outaouais region's manufacturing sector may post overall job growth of 0.7% annually during the forecast period. In addition, other manufacturing activities, such



as food and beverages, metal products and even non-metallic mineral products, may improve, particularly starting in late 2010. These industries and others could benefit from economic factors favourable to the Outaouais region, such as an increase in the number of households, the thriving construction industry and the massive public and parapublic sector, which provides large numbers of well-paying jobs.

Job numbers are expected to grow in the construction industry, particularly starting in 2011. Before then, contractors will need to dispose of the surplus homes that have accumulated on the market in recent years and have yet to find buyers. An average annual rate of 1.2% is forecast for the 2010–2012 period. The Commission de la construction du Québec (CCQ) forecasts a 5% increase in hours worked in the Outaouais region in 2010.³

Tertiary sector

The tertiary sector occupies a dominant position in the Outaouais economy. It is the driving force behind the region's economic development and will continue to be so in the years to come. Since 2000, the tertiary sector has posted average annual growth of 2.8%. Tertiary-sector businesses will account for a large percentage of the jobs created between now and 2012. Average annual employment growth of 1.2% is forecast for the sector as a whole in the coming period.

Within the tertiary sector, the production services segment will experience the strongest growth, with an average annual rate of 2.1% between now and 2012. Transportation, professional, scientific and technical services and wholesale trade, among other industries, will create most of the new jobs.

The two other service industry groups, consumer services and public and parapublic services, will post average annual growth rates of 1.7% and 0.5% respectively. The retail trade and accommodation and food services industries will drive consumer services, while in the public and parapublic services group, most of the job growth will come from the health care and social assistance industry.

³ CCQ website. 2010 construction industry forecast.



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 and 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 resources 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 estimated job numbers in each industry are based on Statistics Canada's Labour Force Survey (LFS), which was chosen because it is the only reliable and ongoing source of data on changes in employment both in Quebec as a whole and in 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 winter 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 whom we would not have had access to many of the analysis and forecasting tools that were used to carry out 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

- 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 and 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 Outaouais region is located in southwestern Quebec between the Abitibi-Témiscamingue region to the northwest, the Laurentides region to the east and Ontario to the south. The Ottawa River forms a natural boundary between Outaouais and Ontario. The region covers a 30,761-km² area rich in lakes, rivers and forests. Many of these natural assets, suitable for recreational and vacationing uses, remain untapped and have attractive potential for recreational tourism development. The Outaouais region consists of the four regional county municipalities of Pontiac, Vallée-de-la-Gatineau, Papineau and Collines-de-l'Outaouais, as well as the city of Gatineau.

The region's economic prosperity is reflected in its population growth. In recent years the number of inhabitants has grown considerably. Outaouais had a total population of 341,100 in 2006, up 8.1% from the 2001 census. Over the same period, the population of Quebec increased at slightly more than half that rate, by only 4.3%. The Outaouais region now accounts for 4.5% of Quebec's total population.

Economic environment

The Outaouais region and particularly its urban component are part of a large regional economy that includes the Greater Ottawa area. Both its labour market and its economic activities are integrated with the broader Ottawa market. Nearly 38% of Outaouais residents cross over to the Ontario side to work each day.

The Outaouais region's economy is primarily tertiary in all respects. The predominant economic activity in terms of employment remains public administration. Another characteristic of the region is that, practically speaking, it consists of two distinct parts, in terms of both population profile and the type of economic activities carried out.

The urban part has a more diversified economy based on the service sector; public administration, construction, trade, health care and social assistance predominate. The economy of the rural periphery is based mainly on natural resource extraction and processing, particularly forestry and also agriculture. These differences have a significant impact on labour market indicators and on income levels in the two geographic areas.

Beyond regional indicators, the economic vulnerability of the Papineau, Pontiac and Vallée-de-la-Gatineau regional county municipalities must be borne in mind. The economy of the rural periphery has more insecure employment than the urban parts of the region, a heavily seasonal economy and lower employment income, and there is a significant level of dependence on transfer payments among residents. Although labour market indicators showed some improvement between 2001 and 2006, much remains to be done to achieve the level of performance of the urban areas, particularly in the case of Pontiac.

Nevertheless, the outlook for development is positive for the Outaouais region overall, especially starting in 2011. In the next few years, the region will continue to grow, but at a slower pace because of the serious global financial and economic crisis of 2008–2009, the negative effects of which continue to be felt. Construction, finance, insurance and real estate and rental, professional, scientific and technical services, health care and trade will be key areas of employment growth.

However, the Outaouais region will have to work to diversify its economy further and focus its development efforts on the industries of the future, such as tourism, high tech, higher education and health. Business opportunities abound, but enterprising spirit and ability are sometimes lacking, which prevents the Outaouais region from realizing its full development potential. The region also needs to find better ways to let all residents, urban and rural, share in its relative prosperity.



Labour market indicators

For a number of years, the Outaouais region has enjoyed a high labour market participation rate. The labour force numbered 206,300 people last year and has grown on average by 2.3% per year since 2000, despite the recent global economic recession that began in late 2007. One sign of the region's sustained vitality and power of attraction is that its working-age population also is posting steady and significant growth. It was an estimated 299,300 in 2009, a year-over-year increase of 1.6%. This increase in the working-age population has a direct impact on the Outaouais region's labour market participation rate, which remains one of the highest in Quebec.

Despite a 2.6% decline from 2008, the Outaouais region posted a participation rate of 68.9% in 2009, the highest of any Quebec region.

The Outaouais economy's consistent performance, particularly in sectors such as construction, public administration, research and innovation, as well as tourism-related activities, has had a positive impact on the expectations and participation of Outaouais residents and has attracted newcomers to the region. The Outaouais region is considered a desirable location: between 2001 and 2006, nearly 15,000 people moved to the region from other provinces, the majority from Ontario. The region boasts appealing assets, such as more affordable housing, lower-cost social services (daycare, no-fault car insurance, university tuition, etc.), proximity to nature, popular recreational tourism facilities and attractions, and quite simply a good quality of life.

Table 1

Main Labour Market Indicators, 2007–2009				
Outaouais Region				
	2007	2008	2009	2007-2009
Population 15+ ('000)	290.0	294.8	299.3	294.7
Labour force ('000)	200.2	210.8	206.3	205.8
Employed ('000)	187.5	199.4	193.2	193.4
Unemployed ('000)	12.7	11.4	13.0	12.4
Unemployment rate (%)	6.4	5.4	6.3	6.0
Participation rate (%)	69.0	71.5	68.9	69.8
Employment rate (%)	64.6	67.6	64.5	65.6

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

The strength of the Outaouais economy, all industries combined, will lead to average annual employment growth of 1.1% between 2010 and 2012.

The number of jobs has grown steadily in the region since 1998. The trend ended in 2009 as a result of the global economic downturn. However, it should be noted that the average employment rate from 2007 to 2009 was 8.2% higher than in 2004–2006 and nearly 15,000 new jobs were added. In 2009, some 193,200 people were employed in the Outaouais region, and 84.6% worked full time.

Public administration, professional, scientific and technical services, transportation and warehousing, personal services and educational services drove the rise in the number of jobs. By 2009, the effects of the recession were being felt and job levels decreased slightly, by 0.2%, compared with 2008. During the same period, Quebec reported a 1.0% decline. The economic recovery is expected to truly pick up momentum in the third quarter of 2010.

The employment rate, which measures the ability of a country or region to create jobs and thus generate income for its citizens, was 64.5% in 2009, making Outaouais the top-performing region in Quebec. Over the last three years, the average employment rate in the Outaouais region was 65.6%. The employment rate has been rising since 2000, reflecting the strong position of the Outaouais job market among Quebec's administrative regions. Forecasts indicate that the number of jobs will grow at 1.1% per year during the 2010–2012 period.



The unemployment rate climbed nearly one percentage point in 2009 to 6.3%. Only the Capitale-Nationale region (5.3%) and the Chaudières–Appalaches region (5.9%) fared better in that regard. Unemployment continued to rise into early 2010, hitting 7.8% in the first quarter. This increase is expected to be merely cyclical; once the economic recovery is in full swing, the unemployment rate should gradually decline. Despite the depth of the recent recession, there is no reason to expect the unemployment rate to hold high at levels similar to those seen during the recessions of the early 1980s and 1990s, when major, prolonged job losses occurred. In 1990–1991, for instance, the average unemployment rate in the Outaouais region was 9.1%. Nonetheless, the unemployment rate is not expected to fall below the 7% threshold again until at least 2011 or even 2012, as the pace of job creation will not pick up in the region until then.



Part 2: Sectoral outlook

Overview

Industrial structure

In the Outaouais region, approximately 26,000 people work in the goods-producing sector, which consists mainly of primary activities such as agriculture, forestry, fishing and mining, as well as utilities, construction and manufacturing. These industries account for more than 13% of all employment in the region, compared with 22% in Quebec overall. The vast majority of jobs in the goods-producing sector (over 90%) are concentrated in manufacturing and construction.

Table 2

Employment Breakdown and Outlook for Selected Industry Groups					
Outaouais Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
All industries	193.4	100.0%	100.0%	1.1%	1.0%
Primary	2.1	1.1%	2.4%	0.0%	0.3%
Manufacturing	9.9	5.1%	14.0%	0.7%	0.4%
Construction	13.9	7.2%	5.4%	1.2%	1.3%
Services	167.3	86.5%	78.2%	1.2%	1.1%
Consumer services	48.4	25.0%	27.6%	1.7%	1.0%
Production services	38.6	20.0%	26.0%	2.1%	1.6%
Public and parapublic services	80.2	41.5%	24.7%	0.5%	0.8%

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

Unlike the Quebec economy, which is much more diversified, the Outaouais region relies mainly on service industries for its growth.⁴ Services account for 167,300 jobs, or 86.5% of all employment, in the region, compared with 78.2% in Quebec overall, a fairly significant eight-percentage point difference. Consumer services are the largest provider of employment with 48,400 jobs, or 25% of all jobs in the region, compared with 27.6% in Quebec overall. Production services account for 20% of all jobs in the Outaouais region, compared with 26% in Quebec overall. It is only in public services that the Outaouais region far outstrips Quebec: the sector provides 41.5% of the region's jobs compared with 24.7% for Quebec as a whole, a nearly 17-percentage point difference.

Outlook

The Outaouais economy, which is fairly dynamic and well positioned in the Ottawa–Gatineau region, has always rebounded following recessions and will do so this time as well, but the pace of the recovery will be slower. After shedding 6,200 jobs last year, the region will see average annual job increases of 1.1% over the next three years, adding 6,700 jobs and recouping all the job losses suffered during the recession.

⁴ The service sector comprises trade, transportation and warehousing, finance, insurance, real estate and rental, professional, scientific and technical services, management of companies and administrative support, educational services, health care and social assistance, information, culture and recreation, accommodation and food services, other services and public administration.



During the 2010-2012 period, most of the job creation will come from the service industries.

This relatively cautious growth forecast may be revised upward if the United States economy, particularly the real estate, finance and consumer spending sectors, grows at a faster pace than expected. For Quebec overall, average annual employment growth of 1.0% is expected during the three-year period ending in 2012. This is expected to result in the creation of 119,900 jobs.

For the 2010–2012 forecast period, job numbers will remain stable throughout the primary sector. Manufacturing will grow at a relatively modest 0.7% annually, primarily owing to growth in investment-related manufacturing. The construction industry is expected to generate jobs at an average annual rate of 1.2%. However, most of the job creation will come from consolidation in the service industries, particularly those related to production services. An average growth rate of 1.2% is expected from now until 2012.

Primary sector

In the primary sector, the number of jobs in resource extraction–related activities is small and fluctuating. The approximately 2,100 reported jobs account for only 1.1% of total employment, compared with 2.4% in Quebec overall. The jobs are found essentially in agriculture, logging and mining. Although it accounts for a low percentage of total employment, the primary sector is nonetheless significant in a number of communities in the region, particularly the Pontiac, Papineau and La Vallée-de-la-Gatineau regional county municipalities.

Table 3

Employment Breakdown and Outlook in the Primary Sector					
Outaouais Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
Primary sector	2.1	1.1%	2.4%	0.0%	0.3%
Agriculture	1.1	0.6%	1.6%	0.0%	-0.3%
Forestry and logging	0.8	0.4%	0.4%	0.0%	0.0%
Fishing, hunting and trapping	0.0	0.0%	0.0%	0.0%	1.9%
Mining	0.3	0.1%	0.4%	0.0%	2.5%

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

The primary sector is weak in Outaouais, and the level of employment will remain negligible in the coming years.

Agriculture has been undergoing profound change in the region as it has across Quebec. The number of farms has dwindled, the work force has aged and few young people are entering the field. Dairy farms, which had dominated the industry, are now outranked by beef farms, which have become the leading type of agricultural activity in terms of both number of farms and revenues.

According to recent figures from the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec (MAPAQ), livestock production generated revenues of \$37.5 million, compared with \$24.5 million for dairy production.⁵ In recent years, new breeders have entered the industry as part-time farmers, while keeping their day jobs, often in public administration. For them, beef farming is only a source of extra income. Farm income is highest in the Papineau regional county municipalities.

⁵ L'industrie agricole et agroalimentaire du secteur de l'Outaouais. Portrait sommaire – Janvier 2008.



Today, less than 1% of workers in Outaouais are employed in agriculture. There are approximately 1,000 farms in the region. The agricultural work force is mainly made up of the farm operators themselves and often family members. Agricultural employment levels vary little on a full-year basis and there is no reason to expect any major change in this respect in the near future.

The **forestry** industry in Outaouais has seen difficult times in recent years. Several hundred jobs have been lost and many communities, particularly in the Pontiac and La Vallée-de-la-Gatineau regional county municipalities, have languished as a result of company closures. The closures have affected not only employees but also many self-employed workers engaged in harvesting and transporting timber under contract with the major logging companies and pulp and paper producers.

Although the Canada-US softwood lumber dispute is a thing of the past, other issues are clouding the horizon for the forestry industry in Outaouais. These include high stumpage rates, supply problems and a 21.3% reduction by Quebec's Chief Forester in the allowable cut for the 2008–2013 period for the commercial species in highest demand (fir, spruce, jack pine and larch). Logging will remain depressed as long as demand in the US construction and renovation industries is soft. For the 2010–2012 forecast period, the best that can be expected is that forest activities will be flat and current employment levels will be maintained.

The **mining** sector accounts for barely 0.1% of total employment in Outaouais. Yet, at the turn of the 20th century and in the first half of the century, a number of mines (iron, zinc, nickel and copper) were in operation. Today, mining is quite insignificant and is largely limited to sand, gravel, limestone, sandstone, granite and marble. The region has about 50 quarries and 60 sand and gravel pits, a good number of which are not in operation. Employment in the mining industry will be flat.

Manufacturing sector

The Outaouais region has been able to maintain relatively stable participation and employment levels since the year 2000. The job count during 2000-2002 was nearly 10,500, but the recent economic downturn saw this figure drop to 10,000. More traditional, resource-based industries experienced serious problems, leading to temporary and permanent plant closures. The wood and paper industries in particular grappled with serious structural difficulties and tough economic conditions, and it seems that this situation will continue a few more years, especially for the pulp and paper industry.

Sensitive to economic conditions and left fragile by the recent recession, the manufacturing sector will see minimal growth over the course of the forecast period.

On the other hand, the Outaouais region enjoys some significant advantages, such as a growing population and hence a thriving construction industry. These two factors could potentially have a positive impact on other manufacturing industries, such as metal products, non-metallic mineral products and even furniture and related products (kitchen cabinets, stairs, etc.). The dynamic activity in certain investment-related manufacturing subsectors will enable the manufacturing sector as a whole to inch forward again. However, in view of the rather tentative and uncertain nature of the recovery at this time, uneven performances can be expected in the various components of the manufacturing sector. In the 2010-2012 forecast period, total manufacturing employment will increase by an average of 0.7% per year in the best-case scenario.

Consumer-related manufacturing

Consumer-related manufacturing accounts for 40% of the Outaouais region's manufacturing base and 2.1% of total employment. The group as a whole will grow by approximately 0.9% per year between now and 2012. The main industries in this segment are food and beverages, printing and related support activities, and furniture and related products.

Food, beverage and tobacco product manufacturing provides approximately 1,300 jobs, largely in bakeries and prepared food plants. A new business, la Laiterie de l'Outaouais, will be opening soon. Meanwhile, other investment projects in such segments as craft



beers and chocolate could also be announced soon. The development of this segment is often linked to population growth, disposable income and consumer habits.

In Outaouais, the population is growing quite quickly, and ISQ forecasts in this regard are very optimistic. The latest census data on average and median incomes shows that the Outaouais region is better off than Quebec as a whole, and the Quebec section of the Ottawa-Gatineau census metropolitan area (CMA) even more so. Population factors and a bright economic outlook will have a positive impact on the food and beverage industry in the coming years, once the economic recovery is in full swing.

The **printing and related support activities** industry remains a fairly stable manufacturing sector in Outaouais. Employment levels have remained unchanged between the early 2000s and today. On average, just under 1,000 people work in the printing industry. The printing industry, including related support activities, appears largely dependent on public administrations, particularly the federal administration, which remains a major source of activity for the region's printing industry. However, in the absence of new development projects launched by the private sector, there is every reason to believe that the level of employment will show little or no change during the 2010-2012 forecast period.

The furniture and related-product manufacturing industry in Outaouais has trended upward in recent years. Between the 2000-2002 and 2007-2009 periods, employment in the industry increased by an average of 45%. This industry has a somewhat different profile in Outaouais than in other Quebec regions, which have seen company closures, relocations and major job losses in recent years. First, in Outaouais the industry is made up of many small businesses with fairly limited staff. Of approximately 40 companies, only 2 have 20 employees or more.⁶ As well, very few of these companies derive their revenues from foreign markets and more than 60% make wooden kitchen cabinets and counters. The few companies in the home furnishings sub-sector are mostly cabinetmakers and joinery shops that make woodwork and other worked wood products to order.

Therefore, the furniture and related products industry in Outaouais does not have to contend with aggressive competition from emerging Asian markets to the same extent as other regions. The Outaouais firms mainly serve the local market, which is being strongly stimulated by the vigorous construction and real estate industry. And while employment did decline during the economic downturn, it did not collapse. In the short term, the furniture manufacturing and related products industry will recover the jobs it lost, at an average annual rate of 7.7% during the 2010-2012 forecast period.

Resource-related manufacturing

The resource-related manufacturing industry accounts for 41% of all manufacturing jobs and 2.1% of total employment. In terms of job numbers, this sub-sector is dominated by the wood and paper industries, which account for 36.3% of manufacturing jobs. The slowdown affecting this manufacturing sub-sector is expected to continue during 2010-2012, in view of the difficult economic situation in the United States, where many of these products end up. At best, employment will hold steady.

The **wood** product manufacturing industry in the Outaouais region has been in a steady decline for years. At the beginning of the millennium, there were an average of 2,500 workers employed in wood product manufacturing; by the 2007-2009 period, the number had dropped to 1,500. Plants and sawmills, all located in outlying parts of Outaouais, have shut down one after the other, some temporarily and others permanently.

⁶ Service Canada. National Labour Market Information System (NLMIS).



Table 4

Employment Breakdown and Outlook in the Manufacturing Sector					
Outaouais Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
Manufacturing sector	9.9	5.1%	14.0%	0.7%	0.4%
Consumer-related manufacturing	4.0	2.1%	5.2%	0.9%	-0.1%
Food, beverages and tobacco products	1.3	0.7%	2.0%	0.0%	0.9%
Textile mills and textile product mills	0.3	0.1%	0.3%	0.0%	-1.0%
Clothing and leather products	0.2	0.1%	0.7%	-20.6%	-2.5%
Printing and related activities	0.9	0.5%	0.7%	0.0%	-1.6%
Furniture and related products	0.5	0.3%	0.9%	7.7%	0.1%
Miscellaneous	0.8	0.4%	0.6%	3.6%	0.6%
Resource-related manufacturing	4.0	2.1%	3.0%	0.0%	0.1%
Wood products	1.4	0.7%	1.0%	2.9%	0.4%
Paper	2.2	1.1%	0.7%	0.0%	-1.3%
Petroleum and coal products	0.0	0.0%	0.1%	0.0%	-3.0%
Non-metallic mineral products	0.4	0.2%	0.4%	0.0%	1.5%
Primary metal	0.1	0.1%	0.7%	-20.6%	0.8%
Investment-related manufacturing	1.9	1.0%	5.8%	1.6%	1.0%
Chemical manufacturing	0.2	0.1%	0.8%	0.0%	0.3%
Plastic and rubber products	0.1	0.1%	0.9%	0.0%	0.4%
Fabricated metal products	0.4	0.2%	1.1%	0.0%	1.7%
Machinery	0.1	0.1%	0.6%	0.0%	1.0%
Computer and electronic products	0.9	0.5%	0.6%	3.6%	0.7%
Electrical equipment, appliances and components	0.1	0.0%	0.4%	0.0%	1.1%
Transportation equipment	0.2	0.1%	1.4%	0.0%	1.1%

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

This industry must overcome numerous obstacles before it can become profitable, including the growing distance from timber supply sites, company cost structures, the strong Canadian dollar, soft US demand, and finally limits set by Quebec's Chief Forester on the harvesting of high-demand species such as fir, spruce, jack pine and larch. Nevertheless, the industry will slowly emerge from its doldrums and post renewed growth near the end of the forecast period. The strength of domestic demand, coupled with a rebound in Quebec lumber exports to the US and possibly other foreign markets that have recently experienced various climate-related disruptions, are some of the factors explaining the wood product manufacturing industry's anticipated turnaround. Already, an infrastructure project valued at \$19 million has been announced by the firm Trebio, which plans to build a plant to produce energy pellets from roundwood. The facility, located on the site of the former Smurfit-Stone plant in Portage-du-Fort, will create 60 direct jobs and nearly a hundred others via subcontracting. For the 2010–2012 forecast period, employment in the wood product manufacturing industry is expected to grow by just under 3% a year.

Hit hard by structural and cyclical factors for a number of years, the pulp and paper industry will not experience renewed growth between now and 2012.

With five plants and 2,200 employees, **pulp and paper** is the leading manufacturing industry in the Outaouais region. Its market share has eroded steadily over the years. Although major technological changes have been introduced to enhance productivity, reduce unit costs and comply with new Quebec environmental standards, and in spite of corporate downsizing and mergers, the outlook for this industry remains poor, and it must also contend with intense competition from countries such as Brazil and China.

The pulp and paper companies' traditional clients are themselves seeing a long-term slide in sales. For example, many major US newspapers are losing sales because of the advent of electronic media and the Internet. This is corroborated by the Audit Bureau of Circulations, which measures US dailies' weekly sales. The medium-term prospects for pulp and paper do not appear bright. The Outaouais region has had its share of difficulties, with two plant closings (Domtar in 2007 and Smurfit Stone in 2008) having led to losses of over 400 jobs. Other paper mills, including AbitibiBowater and White Birch, had to suspend production in 2009, and the problems are continuing in 2010. In fact, both firms have been placed under bankruptcy protection in order to refinance their debts. The Fraser papermill in Thurso, after sitting idle since May 2009, was sold in March 2010 to Fortress Speciality Cellulose, which produces the rayon pulp that goes into the manufacture of garments. This BC company plans to invest \$153 million to convert the mill's facilities to the production of cellulose pulp. The sale of the mill will save the jobs of the 290 workers who were laid off. During 2008–2010, employment levels in this industry should remain stable, in the best-case scenario. We cannot guarantee, however, that other businesses will not suspend their operations – either temporarily or permanently – in the coming years.

Non-metallic mineral product manufacturing usually follows the pace set by the construction industry. The favourable economic outlook for the Outaouais region and population growth will ultimately have a positive impact on this industry, and on construction. The industry emerged from the recession relatively unscathed, but employment will remain static during the forecast period until such time as the economic recovery really takes hold.

Investment-related manufacturing

Manufacturing employment, in high value-added sectors like computer and electronic products, will experience higher and more sustained growth in both the short and longer terms.

Investment-related manufacturing is not, in absolute terms, the largest group in Outaouais. During the 2007-2009 period, it employed approximately 1,900 people, accounting for 19% of manufacturing jobs and 1.0% of all jobs. But employment jumped during the past two years, reaching 2,200 jobs – the most since 2001. Of the three major components of the manufacturing sector, investment-related manufacturing has the strongest potential for growth. Employment gains of 1.6% per year are expected between 2010 and 2012.

Growth in the **fabricated metal product manufacturing** industry is heavily dependent on construction, particularly the civil engineering, institutional and commercial segments. A number of projects are nearing completion and other major projects are in preparation, which could be favourable for companies that make joists and metal-based structural forms, and firms engaged in other related activities.



Employment growth in this industry could be higher or lower than expected, as the forecast is based on a small number of jobs. However, despite the current economic climate, there is reason for optimism about the future of this industry, especially starting in 2012 if, as expected, construction holds firm.

Computer and electronic product manufacturing has been growing fairly steadily in Outaouais since 2006. Fewer than 1,000 people work in this industry at present. In particular, the region has a sizable telephone and communications equipment manufacturing industry. For a number of years, Outaouais has been working to capitalize on its proximity to the Ottawa-Carleton metropolitan area to garner a share of the economic benefits from innovative and high-tech industries. Various tax incentives, among other benefits, are available to Ontario firms if they set up shop in Outaouais.

According to the latest report from the Ottawa Centre for Research and Innovation (OCRI), published on its website in February 2010, there were 78,067 people employed in research and knowledge-based industries in Ottawa, and there were 1,857 companies in the segment, a 0.4% increase from 2008. OCRI also reported in its annual survey that small and medium-sized businesses are now responsible for the growth in high tech: 85% of the companies in the industry have fewer than 50 employees. The two largest are Bell Canada (3,781) and IBM (3,500).

Because this sector remains a sure thing for Outaouais, employment growth in the manufacture of computer and electronic products is expected to increase in the coming years. That said, the high value of the Canadian dollar continues to prevent this industry from expanding. Still, in its forecasts for the Ottawa-Gatineau region, the Conference Board⁷ is predicting a 3.5% increase in activity in the high-tech sector and 1.7% in the business services sector. Annual employment is expected to grow an average of 3.6% in 2010-2012 for the Outaouais region as a whole.

Construction industry

Despite the recession, activity in the construction industry remains very solid in Outaouais. The multitude of projects under way or in the works will foster growth during the 2010-2012 period.

The construction industry is booming in Outaouais. During the 2007-2009 period, an average of approximately 13,900 workers, counting all trades and occupations, were employed in the industry. The numbers represent a hefty 29.6% increase from 2000-2002.

After a number of boom years, construction activity can be expected to slow down, particularly in the residential sector. Yet, year after year, new projects have started and employment growth has continued. Although residential construction is still significant, most of the working hours are now generated by institutional and commercial projects, especially civil engineering and roadwork projects. A number of major projects should start up in the next three years, including the building of two 15-storey federal office towers, infrastructure upgrades of all kinds (completion of Highway 50, the Rapibus project, the family health building at the Cégep de l'Outaouais, etc.) and various home-building projects. The Bril group even has an urban village on the drawing board; the project includes 2,500 housing units of different models, offices, shops and green space. It will entail a \$1 billion investment spread over at least 10 years.

According to the Commission de la construction du Québec (CCQ), the number of hours worked in 2010 will grow by 5% in Outaouais. The dynamism of the construction industry was unaffected by the economic downturn, and employment will continue to grow. In view of the favourable economic conditions in the region at this time, employment in the construction industry can be expected to increase at an average rate of 1.2% annually between now and 2012.

⁷ Conference Board of Canada, Metropolitan Outlook – Spring 2010.



Service sector

Consumer services

The retail trade and the food services and accommodation industries will benefit from population growth and a dynamic regional economy.

Consumer services, the growth of which depends in large part on increases in personal disposable income, account for one job in four in the Outaouais region, slightly less than in Quebec overall. With the strong growth of the Outaouais region's population, this sector will continue expanding and creating new jobs. During the 2010–2012 period, consumer services will grow by 1.7% per year, compared with 1.0% provincially. Job growth will be driven by accommodation and food services and retail trade.

Retail trade is the second largest employer in the Outaouais region, after the federal public administration. Growth in this segment has been linked to population growth and rising incomes. Since 2000, the working-age population has grown at an average annual rate of 1.9% in Outaouais compared with 1.0% in Quebec as a whole. Many Ontario residents seeking inexpensive housing have crossed the Ottawa River to rent homes or buy property. This migration, combined with natural growth in Outaouais communities, has resulted in an increase in the population and therefore in demand for the products offered by retailers.

Table 5

Employment Breakdown and Outlook in Consumer Services					
Outaouais Region					
	Average for 2007–2009			2010–2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
Consumer services	48.4	25.0%	27.6%	1.7%	1.0%
Retail trade	20.3	10.5%	12.4%	2.9%	0.9%
Information, culture and recreation	8.9	4.6%	4.5%	0.4%	1.0%
Accommodation and food services	11.1	5.8%	6.2%	1.1%	1.0%
Other services	8.1	4.2%	4.6%	0.8%	1.3%

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

New shopping malls have opened in recent years. Dubbed lifestyle centres, these commercial developments feature a wide range of stores arranged in an integrated space. These investments have resulted in increased employment on the Quebec side of the Ottawa River and in fewer Outaouais residents going to Ontario to shop.

A new shopping mall, *Le Faubourg du Vieux-Port*, was built in 2009, and already a 125,000-sq.-ft. third phase is in the works. The retail trade sector continues to build on its momentum, despite a decline in employment in 2009. There is still room for more retail services, particularly in food, drugs, electronics, clothing and accessories, and specialty products. In view of all these factors, retail trade employment is expected to increase at an annual rate of 2.9% in the Outaouais region between now and 2012.

The **information, culture and recreation** industry has not generated new jobs in recent years. Between the 2000–2002 and 2007–2009 periods, the average employment level remained unchanged. However, the components of the industry did not follow the same trend line. While employment declined in information and culture, it increased in arts, entertainment and recreation.



Employment in the broadcasting, audio-visual production and software publishing segments has fluctuated widely in recent years. Among other things, budget cuts in public television and the decline of the movie industry have contributed to the decrease in activity and employment. In the arts, entertainment and recreation segment, employment numbers increased by 2.5% after the 2000–2002 period. 2008 was a very good year, with employment peaking at 6,300 jobs, but 2009 was marked by a decline. This sector is more sensitive to the vagaries of the economy, climate and fierce competition to attract leisure spending. At the same time, the Outaouais region boasts some major attractions, such as the Museum of Civilization, Casino du Lac-Leamy, Gatineau Park, numerous festivals, and the Hull-Chelsea-Wakefield Steam Train, which resumed service in 2009. With the end of the recession, we can expect the employment level in the information, culture and recreation industry to grow throughout the 2010–2012 period, albeit more slowly in the short term, at an average rate of 0.4% per year.

An average of 11,100 people were employed in the **accommodation and food services** industry in recent years. Of this number, 8,300, or 74%, worked in food services. Over the years, this industry has created high-calibre facilities and infrastructure to cater to Quebec and foreign tourists and serve local customers. The service improvements should translate into increased business and employment.

The accommodation segment has been growing steadily for some years; indeed, it has posted a 30% increase in jobs since the beginning of the new millennium. This positive trend is expected to continue, particularly with the end of the economic slowdown.

Food services have followed a different trend. Employment has gradually declined in recent years: there were only 8,300 employees remaining in the industry recently, compared with an average of 8,900 at mid-decade. This sub-sector also operates in a highly competitive environment where profit margins can be slim.

Food service businesses also face other problems. They are experiencing considerable difficulty recruiting and retaining employees. Some restaurant owners even recruit outside the region to fill positions, often in Montreal or in some cases abroad. Nevertheless, with the end of the economic slowdown, the tourists' return and the staging in Gatineau of the 45^e Finale des Jeux du Québec in the summer of 2010, Outaouais should fare well when it comes to employment and economic activity. For the 2010–2012 period, employment growth for the accommodation and food services industry as a whole is expected to average 1.1% a year, a trend confirmed by Statistics Canada data for the first half of 2010.

Production services

Production services have surged in the Outaouais region since the beginning of the new millennium. During the 2000–2009 period, job numbers increased by 17% to a total of 38,600 persons employed. This segment accounts for 20% of all jobs in the Outaouais region, compared with 26% in Quebec overall. The growth will continue for the next three years at a fairly strong pace of 2.1% per year. Most industries in this group will benefit from the expected growth. For Quebec overall, 1.6% annual growth is forecast.

Wholesale trade employs 3,400 people, or just under 2% of the total workforce in Outaouais. Along with utilities, this industry is one of the least labour-intensive production service sectors. Its relative importance is often defined in connection with manufacturing and export activities, areas in which Outaouais is not prominent. But the retail trade influences trends in wholesale trade and constitutes a significant industrial variable in the Outaouais region.

Employment in wholesale trade has generally trended upward in recent years, following the development of retail trade. A bright, if somewhat dimmed, economic outlook and what is expected to be a strong performance by retail trade could present valuable business opportunities for wholesale distributors and suppliers of goods to businesses. For the 2010–2012 forecast period, employment in wholesale trade should increase at an average annual rate of 2.1%.

Table 6

Employment Breakdown and Outlook in Production Services					
Outaouais Region					
	Average for 2007–2009			2010–2012	
	Level (‘000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
Production services	38.6	20.0%	26.0%	2.1%	1.6%
Utilities	1.6	0.8%	0.9%	1.8%	1.2%
Wholesale trade	3.4	1.8%	4.0%	2.1%	1.5%
Transportation and warehousing	7.0	3.6%	4.6%	5.0%	1.5%
Finance, insurance, real estate and rental and leasing	7.9	4.1%	5.9%	1.7%	1.4%
Professional, scientific and technical services	9.4	4.9%	6.9%	2.1%	2.0%
Mgmt of companies, enterprises, admin. and support and other	9.1	4.7%	3.7%	0.7%	1.2%

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

Over the last three years, average employment in **transportation and warehousing** was 7,000, compared with 5,800 during the 2000–2002 period. The increase was due to the substantial expansion of public transit and tourism, while air and truck transport and courier services declined. In 2009, mass transit alone accounted for 50% of all jobs in transportation and warehousing.

There will be major investment in mass transit and interregional tourism in the coming years, and the effects of these investments will be beneficial from an economic, social and environmental standpoint.

The medium- and long-term outlook is fairly positive for this industry, as soon as the US economy begins to pick up again and manufacturing activities and deliveries recover. Growth will also be generated by the plethora of strategic job-creating projects. The Rapibus project, a rapid transit bus system on bus-only roads, will revolutionize public transit in the urban part of Outaouais and deliver substantial local economic and environmental benefits. The \$220 million-plus regional project will extend over a 15-kilometer route and will be operational in the fall of 2011. The City of Ottawa is also studying a light rail transit project including, eventually, a tunnel to downtown. It would serve the city, its suburbs to points even beyond the green belt and the airport to the south.

The road back for rail transportation and trucking will be longer and more difficult, and will depend on a rebound in exports and in US demand for products manufactured in Outaouais (e.g. lumber). After logging a 6.1% increase in traffic in 2008, Ottawa International Airport saw a decline in 2009 but a rebound is expected as the economic slowdown ends.

Given all of these local and interregional realities, coupled with the end of the recession, it is expected that employment in this industry could recover sufficiently to make up for the losses sustained in 2009. But this recovery will take time and depend on the evolution of extrinsic factors, like exchange rates and the degree of vitality in the American economy, particularly in the construction and real estate sectors.

The **finance, insurance, real estate and rental industry** generates an average of 7,900 jobs in Outaouais, or 4.1% of total employment in all industries. Financial services leads the way, with 4,000 jobs. This group as a whole has grown rapidly in recent years, with a



19% increase in average employment levels since the 2002–2002 period. Of the various segments in this industry, the real estate services sector recorded the largest jump in employment (30.2%), followed closely by financial services (27.7%). This is attributable to a vibrant construction industry and resale market in the Outaouais region. While rental services have grown in recent years, this has not been the case for the insurance sector, which shed scores of jobs during the recession, especially in 2008.

Demand for customized financial and insurance products, particularly for seniors and pensioners, will increase. Population growth in Outaouais will stimulate the development of this industry, translating into additional jobs. The real estate segment will also continue to benefit from the construction boom fuelled by the formation of new households and significant in-migration. During the 2010–2012 forecast period, employment in the finance, insurance, real estate and rental and leasing industry as a whole will increase at an average annual rate of 1.7%, compared with 1.4% for Quebec.

Nearly 9,400 people are employed in the vast, knowledge- and expertise-based field of **professional, scientific and technical services**. This industrial sector employs 4.9% of the workforce in Outaouais and leads the way in the production services sector, accounting for 24.4% of its overall employment. Employment has grown by 21.5% since the beginning of the new millennium, spurred by the dynamism of this industry. Employment growth became more pronounced starting in 2005, peaking at 10,300 workers in 2008. This growth was backstopped by management, scientific and technical consulting services as well as architectural, engineering, surveying and design services. Other professional services, such as translation and writing, also had a hand in this growth.

The professional, scientific and technical services industry will continue to grow, but at a slower, more gradual pace than in the past.

Translation firms and freelancers in Outaouais will still be able to rely on the massive presence of public administrations, high-tech firms and the language studies department of Université du Québec en Outaouais (UQO) to increase their business and create jobs. The translation-writing sector is growing rapidly in Outaouais, and universities are having trouble producing graduates in sufficient number to meet the demand. The operations of engineering and architectural firm should expand owing to the thriving construction industry and strategic environmental, transportation and infrastructure renewal projects. As for high-technology and the design of IT systems and related services, this sector has been in the doldrums in recent years, the victim of some tough economic times that snuffed out several of the industry's leading companies. A return to growth will be slow and gradual, but some noteworthy investments are being made.

For example, Chinese telecommunications giant Huawei has just opened an R&D lab in Ottawa that will focus on a number of technologies, including cable optics and wireless. A total of 70 jobs will be created, and this could rise to 200. Innovation, emerging competition and finding new foreign markets are constant challenges this industry must face in order to secure its development and create jobs.

In addition, the focus on a major high-tech industrial park, mainly on the Ontario side of the Ottawa-Gatineau CMA, is helping create synergy and attracting/stimulating investment, companies and highly skilled individuals in all fields.

Professional, scientific and technical services will continue to enjoy a conducive environment for future growth. For the Outaouais industry as a whole, employment growth should average 2.1% a year in 2010–2012, versus 2.0% for Quebec as a whole.

Employment in management of companies and enterprises and administrative support has grown significantly and steadily since 2004. The number of people in this sector went from 7,300 in the early 2000s to 9 100 in 2007–2009, peaking at 9,600 employed in 2009. This sector, which accounts for 4.7% of total employment and is the second leading production services industry, emerged from the recession in decent shape, thanks to strong growth (24.5% since 2000–2002) in the business management services and other support services segment, which accounts for 81% of all jobs in this industrial group. As for employment and support services for businesses, which comprise a wide range of services available to companies, this segment suffered significant job losses on account of the economic slowdown in 2008–2009.

The main components of the **management of companies and enterprises and administrative support** industry will benefit from a number of positive factors, including the favourable economic environment in Outaouais, which attracts individuals and businesses from elsewhere, and its vigorous labour market, which creates many jobs each year. The numerous placement agencies in the region will benefit from the existing labour shortages and the recruitment difficulties faced by Outaouais businesses. Firms providing building janitorial, cleaning and maintenance services and landscaping companies will be bolstered by the construction and renovation boom in the region. Travel agencies will benefit significantly from the propensity to travel of a growing population with high incomes.

Heightened concern with security and the growing amount of office space (institutional and commercial) to be protected will boost demand for installation of security systems and provision of security guard, patrol and even investigation services. Finally, companies that recover and process recyclable materials or collect, process and dispose of waste will benefit from increasingly stringent environmental requirements that municipalities, individuals and businesses must meet.

Employment in the management of companies and administrative support industry will increase at an accelerated pace throughout much of the industry. The miscellaneous services to businesses segment should recover the losses it sustained during the recession. The forecast for the industry as a whole is 0.7% a year for the 2010–2012 period.

Public and parapublic services

Public and parapublic services are the cornerstone of the Outaouais region's economy. This broad sector includes major activities on which the region has built its economy and its relative prosperity. The sector accounts for 48% of service jobs and 41.5% of all jobs in Outaouais, compared with 24.7% in Quebec overall. With 40,400 jobs, the federal public administration segment accounts for half of all employment in public and parapublic services. Educational services lag far behind with 13,700 jobs.

The employment outlook in public and parapublic services overall is fairly positive in the Outaouais region. In fact, the estimates contained in Statistics Canada's Labour Force Survey suggest strong employment growth for this group in the first quarter of 2010, except for health care and social assistance. Under the circumstances, the number of jobs is expected to increase by 0.5% annually during the 2010–2012 forecast period.

Employment in **educational services** has grown steadily since the beginning of the new millennium. This broad segment, the fifth largest in the Outaouais region, employs on average approximately 13,700 people, accounting for 7.1% of total employment. Between 2000–2002 and 2007–2009, average employment in educational services increased by 33% in Outaouais, compared with 13.9% provincially. Rapid population growth in the region has had a significant impact on school enrolment and therefore on employment. However, Ministère de l'Éducation enrolment forecasts for French-language school boards up to 2021–2022 project an average annual decrease of 0.5% in the preschool, primary and high school student population in the Outaouais region. A steeper decline (0.7%) is forecast for Quebec as a whole. The decades-long decline in the birth rate, despite a slight recovery in the last five years, remains an underlying trend across Quebec which, for the time being, will be reflected in enrolment numbers.

Theoretically, the expected decline in enrolment should have a negative effect on school staffing levels (teachers, administrators, support staff and maintenance workers). However, the development of the post-secondary education segment will have a greater impact on total employment in educational services. Overall, enrolment at both the CEGEP and university levels is on the rise, and the outlook for growth in the post-secondary student population is reassuring. The creation of a training program for specialized nurse practitioners at the satellite faculty of medicine at Université du Québec en Outaouais (UQO) should have a positive influence on employment at both UQO and the Cégep de l'Outaouais, which will offer complementary training (respiratory therapy and pre-hospital emergency care programs). Overall yearly employment growth of 0.2% is forecast for



educational services in Outaouais during the 2010–2012 period. The forecast for Quebec as a whole is almost identical.

Table 7

Employment Breakdown and Outlook in Public and Parapublic Services					
Outaouais Region					
	Average for 2007–2009			2010–2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
Public and parapublic services	80.2	41.5%	24.7%	0.5%	0.8%
Educational services	13.7	7.1%	6.7%	0.2%	0.3%
Ambulatory health care and hospitals	10.9	5.7%	6.5%	0.9%	1.4%
Other health care and social assistance	8.6	4.5%	5.6%	2.5%	1.8%
Federal public administration	40.4	20.9%	2.1%	0.2%	-0.4%
Provincial and territorial public administration	1.9	1.0%	1.9%	-2.9%	-0.4%
Local, municipal, regional and other public administration	4.6	2.4%	1.8%	0.7%	0.5%

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

In Outaouais, the demand for skilled workers is very high. All the medical professions are having to contend with a labour shortage, and the Quebec government has conferred special status on the region to mitigate the effects.

Health care and social services employ 19,500 people in Outaouais, up 3,600 from the 2000–2002 period. Employment growth has been stronger in hospitals and outpatient services than in health care and social assistance institutions. The shortage of medical staff in Outaouais has been a major problem for a number of years. It is particularly evident in the recruitment and retention of general practitioners and specialists, registered nurses and nurse practitioners, and other health care professionals, such as respiratory therapists and medical technologists.

The region also faces stiff competition for qualified personnel from Ontario and other Quebec regions. According to 2006 census figures on commuting, nearly 23% of people employed in health care and social assistance work outside the Outaouais region, mostly in the Ottawa metropolitan area and some in Renfrew, Ontario and environs.

Because of the special set of circumstances, the Government of Quebec has conferred special status on the Outaouais region. The Agence de la santé et des services sociaux de l'Outaouais can now offer graduates from outside the region, including Ottawa, hiring bonuses as an incentive to work at a health care facility in Outaouais. The agency has targeted a dozen medical occupations. Other initiatives to train, attract and keep qualified health care professionals in the region in order to meet the needs of a growing and aging population include the creation of a satellite medical faculty at UQO with the involvement of the Cégep de l'Outaouais, which will offer new health care-related training.

Major investments have also been made to increase the supply of health care services for the Outaouais population. Thus, early in 2010 the Hôpital de Hull received a new emergency room (a \$22 million project), and just recently the Hôpital de Gatineau built a cancer centre at a cost of \$31 million. For 2010, the region received authorization from the Ministère de la Santé et des Services sociaux du Québec, as part of its regional medical staffing plans, to hire 20 new general practitioners. But the region is having difficulty



attracting new physicians. After the first quarter of 2010, only 50% of the target had been met, which places the region in 15th place (out of 18) in Quebec as a whole.

Employment in outpatient and inpatient services is projected to grow at an average annual rate of 0.9% between now and 2012. For nursing and residential care facilities and social assistance, the forecast is 2.5% per year. The forecast could be much higher in view of the tremendous need, but it is dampened by the labour supply's limited (if any) capacity to meet this need.

The federal public administration is the main employer in Outaouais, employing more than one in five residents.

Among public and parapublic services, **public administrations** provide the largest number of jobs for Outaouais residents. They employ 47,000 people, accounting for 58.5% of public and parapublic services and 24.3% of total employment. This sector has continued to grow over the years, despite measures taken by the various levels of government to modernize the government apparatus. Between the 2000–2002 and 2007–2009 periods, the average number of employees in this sector grew by 39.1%, compared with 22.6% average growth in all industries.

The **federal public administration** constitutes a vast pool of 40,400 jobs. Nearly nine in ten jobs in the public administration are provided by the federal public service. It is by far the largest employer among the 39 components of the Outaouais region's industrial structure. Of the 80,700 federal administration jobs in Quebec, half are located in the Outaouais region, underscoring the sector's importance to the region's economy.

The size of the public service in the National Capital Region (NCR) was relatively stable in the 1980s. It declined in the mid-1990s following the program review.⁸ Subsequently, program spending began rising again and employment grew by 25% between 1999 and 2007. At present, 40.3% of federal employees work in the NCR.⁹ In the first quarter of 2010, 6 200 jobs were added to the rolls of the various public administrations, including 4,800 in the federal administration.

However, within the current context of a return to balanced budgets announced in the latest budget, we expect job growth to be more modest in the federal public administration than in previous years. Average growth of 0.2% per year is forecast in this sector for the next three years. In addition, there will be many openings in all spheres of government owing to retirements.

Despite the recent economic slowdown, this sector has posted job growth.

The **provincial public administration** has an average of 1,900 employees, accounting for only 4.0% of public administration jobs and only 1.0% of total employment in Outaouais. Employment in the provincial public administration has declined steadily in Outaouais in recent years.

At the beginning of the new millennium, the work force was 2,600. The numbers have dropped since then as a result of the operational review of departments and agencies, and public service downsizing.

The public service component of the Quebec government's 2004–2007 Modernization Plan called for the number of government employees to be reduced by 20% through attrition between now and 2014. Outside of health and education, only one regular employee out of two will be replaced upon retirement. Therefore, there is every reason to believe that the provincial public administration workforce in Outaouais will continue shrinking. We expect the number of jobs to decline by an average 2.9% per year during the 2010–2012 forecast period.

Just over 11% of public administration jobs come from **local, municipal or regional administrations**. There has been employment growth in this sector for some 10 years, from an average of 3,600 jobs during 2000–2002 to 4,600 today, an increase of 31.1%. Locally, the City of Gatineau recently undertook a round of hiring. Despite growing financial

⁸ Kevin G. Lynch, Fifteenth Annual Report to the Prime Minister on the Public Service of Canada.

⁹ Wayne G. Wouters, Seventeenth Annual Report to the Prime Minister on the Public Service of Canada. For the year ending March 31, 2010



difficulties experienced by Outaouais municipalities, spending is not expected to come down drastically. The next three years should see mild job growth of 0.7%, on average.