

# Sectoral Outlook

2010-2012



Abitibi-Témiscamingue

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## Summary

This sectoral outlook report provides an overview of demographic, economic and sectoral forecasts for the Abitibi-Témiscamingue region for the 2010-2012 period.

### Demographic outlook

According to the Institut de la statistique du Québec (ISQ), Abitibi-Témiscamingue had a population of 145,886 in 2009, a slight increase from 2005. The demographic numbers are due to limited out-migration and a higher birth rate than the rest of Quebec. The ISQ forecasts that the total population of Abitibi-Témiscamingue will decrease by 0.1% per year over the 2006-2031 period, compared with a 0.6% annual increase in Quebec as a whole. It expects the region to have 141,000 inhabitants in 2031.

### Economic outlook

In the US, the recession of 2008-2009 undermined the confidence of American businesses and households, and the economic recovery appears to lack steam.

Canada's economic growth, which is largely driven by the performance of the Western provinces, is being boosted by the high-flying energy and precious metals sectors. If the prices of those commodities should fall, this would affect the Canadian dollar, which could decline in value. The last recession did affect industries and households in Quebec and the rest of Canada, but much less so than in the US. Since then, investment has resumed in the manufacturing sector and the jobs lost during the recession have been recouped. Consumer confidence in the economy has also returned. The recovery in investment has also led to an increase in the number of construction starts. Many Quebec export industries are trying to adjust to increasingly intense international competition. The trade balance could therefore deteriorate further in 2010. If the forecasts prove accurate, we could see 1.9% growth in Quebec and 2.1% in Canada in 2010, and continued growth of 2.7% in Quebec and 2.6% in Canada in 2011.

### Sectoral outlook

From 2010 to 2012, an average annual growth rate (AAGR) of 0.9% is expected for the Abitibi-Témiscamingue labour market, compared with employment growth of approximately 1.0% in Quebec as a whole.

#### Primary sector

The primary sector employs 9,100 people in Abitibi-Témiscamingue, accounting for 13.6% of all jobs, compared with 2.4% provincially. Agriculture provides 1.3% of jobs in the region, forestry and logging 2.8%, and mining 9.4%. The outlook for 2010-2012 in the

primary sector is mixed. Employment is expected to shrink in the agricultural and forest sectors at an annual rate of -3.9% and -3.6% respectively, and increase at a rate of 1.0% in the mining sector. Overall, -0.4% growth is expected in the primary sector.

#### Secondary sector

The manufacturing sector provides 6,300 jobs, accounting for 9.4% of employment in Abitibi-Témiscamingue, compared with 14.0% in Quebec as a whole. The wood product (3.4%) and paper (2.2%) industries make up the core of the Abitibi-Témiscamingue region's manufacturing base, with 60% of manufacturing jobs. Also in the secondary sector, the construction industry employs 2,700 people, accounting for 4.0% of total employment. Prospects until 2012 are poor in businesses related to the wood product and paper industries, given the difficulties in the forest industry and the slow recovery in home-building in the US. Negative growth is also expected in food and beverages. However, construction activity in the region should increase 2.4% per year between now and 2012 because of work at James Bay and the significant recovery in residential and industrial construction.

#### Tertiary sector

The service sector dominates the economy in Abitibi-Témiscamingue, as in every other region of Quebec. It employs 48,900 people, providing 73% of all jobs in the region, compared with 78% provincially. Among the segments of the tertiary sector, consumer services play a vital role in the regional economy with 28% of employment (18,600 jobs); public and parapublic services are also important with 26% of employment (17,200 jobs); and production services account for 20% of employment in Abitibi-Témiscamingue (13,100 jobs). The service sector is expected to resume its pre-recession growth, with projected average annual increases of 1.3% up to 2012. Consumer services are expected to grow by 0.9%, public and parapublic services by 0.8%, and production services by 2.9%.



## 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. 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

### Estimated employment levels

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 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 which 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

Located in northwestern Quebec, the Abitibi-Témiscamingue region is bounded on the north by the Nord-du-Québec region, the south by the Outaouais region, the west by the Ontario border and the east by the Saguenay--Lac-Saint-Jean region. It covers a 57,669 km<sup>2</sup> area rich in lakes, rivers and green spaces. Many of these natural assets, reserved for recreational and vacationing uses, have attractive potential for recreational tourism development. The Abitibi-Témiscamingue region includes four regional county municipalities: Abitibi, Abitibi-Ouest, Témiscamingue and La Vallée-de-l'Or, as well as the city of Rouyn-Noranda.

According to the Institut de la statistique du Québec (ISQ), Abitibi-Témiscamingue had a population of 145,886 in 2009, for an annual increase of 0.2% since 2005. The demographic numbers are the result of limited net out-migration of 255 in 2008-2009 (interregional -392, interprovincial +132, international +5) combined with a total fertility rate of 2.0 in 2009, compared with the Quebec average of 1.7. The increase in the birth rate partly explains the demographic growth of recent years. The ISQ projects that the total population of Abitibi-Témiscamingue will decrease by 0.1% per year over the 2006-2031 period, compared with a 0.6% annual increase for Quebec as a whole. If the trend holds, the region will have 141,000 inhabitants in 2031. However, this scenario is a projection and actual developments may be quite different.

### Economic environment

A number of factors are affecting the economic picture. In the US, the 2008-2009 recession undermined consumer confidence. Business investment was also severely affected by the housing and financial crises. Some economic uncertainty persists and the credit crunch is hindering recovery in the housing market. The level of general economic activity and the resumption of moderate job growth are restoring confidence among US economic actors. The low US dollar should give American exporters an edge in 2010. The growth of the gross domestic product (GDP), the most comprehensive measure of economic activity, could reach 3.0% in the US in 2010 and 2.8% in 2011, a significant improvement over the -2.4% registered in 2009.

Canada's economic growth, which is largely driven by the performance of the Western provinces, is being boosted by the high-flying energy and precious metals sectors. If the prices of those commodities should fall, this would affect the Canadian dollar, which could decline in value. The last recession did affect industries and households in Quebec and the rest of Canada, but much less so than in the US. Since then, investment has resumed in the manufacturing sector and the jobs lost during the recession have been recouped. Consumer confidence has also returned. The recovery in investment has also led to an increase in the number of construction starts. Many Quebec export industries are trying to adjust to increasingly intense international competition. The trade balance could therefore deteriorate further in 2010. If the forecasts prove accurate, we could see real GDP growth of 1.9% in Quebec and 2.1% in Canada in 2010, and continued growth in 2011.

On the employment front, annual job growth of approximately 1.0% is expected in Quebec during the 2010-2012 period, while the Abitibi-Témiscamingue labour market should post a similar 0.9% growth rate. This moderate overall growth rate conceals significant discrepancies: on the one hand, the forest industry is experiencing structural difficulties, while mining and construction are seeing strong growth. In recent years, some production services have benefited from the boom in mining and construction. The growth in these industries has also been beneficial to local retailers and services.





## Labour market indicators

Between 2007 and 2009, employment in Abitibi-Témiscamingue decreased by 1.05%, a loss of 1,400 jobs. There were significant job losses during the recession of 2008-2009. Over the 2007-2009 period, the employment rate fluctuated widely in Abitibi-Témiscamingue, increasing from 57.9% in 2007 to 59.0% in 2008 and then dropping to 56.3% in 2009, as the record year of 2008 was followed by a recessionary year in 2009.

**Table 1**

Main Labour Market Indicators, 2007–2009				
Abitibi-Témiscamingue Region				
	2007	2008	2009	2007-2009
Population 15+ ('000)	115.6	115.8	116.4	115.9
Labour force ('000)	73.7	73.9	72.4	73.3
Employed ('000)	66.9	68.3	65.5	66.9
Unemployed ('000)	6.8	5.6	6.9	6.4
Participation rate (%)	63.7	63.8	62.3	63.3
Unemployment rate (%)	9.2	7.6	9.5	8.8
Employment rate (%)	57.9	59.0	56.3	57.7

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

The unemployment rate increased from 9.2% in 2007 to 9.5% in 2009. In between, it hit a record low 7.6% in 2008.

The unemployment rate increased from 9.2% in 2007 to 9.5% in 2009. In between, it hit a record low 7.6% in 2008. Unemployment had been trending downward since 2005. However, by 2009 the number of unemployed had actually increased to 6,900, compared with 6,600 in 2005. But despite the recession of 2008-2009, the unemployment rate remained under 10%, which is surprising in a recessionary year.

The participation rate, which measures the proportion of the population that is in the labour market, decreased slightly because the number of elderly workers taking retirement exceeded the number of young people entering the labour market. Between 2007 and 2009, the participation rate fell by 1.4 percentage points, from 63.7% to 62.3%.

Historically, the labour force has grown in tandem with employment and the population not in the labour force has generally been decreasing. In the future, labour force growth will lag behind job creation and the population not in the labour force will increase for the next several decades as the population ages. These changes will reduce the number of unemployed and the unemployment rate.



## Part 2: Sectoral outlook

### Overview

The labour market in Abitibi-Témiscamingue is still heavily dependent on the natural resource sector, specifically mining, forestry and agriculture.

The labour market in Abitibi-Témiscamingue is still heavily dependent on the natural resource sector, specifically mining, forestry and agriculture. During the 2007-2009 period, the primary and secondary sectors provided 27% of jobs in Abitibi-Témiscamingue, compared with 22% provincially. The significant gap reflects the fact that the primary sector makes up 14% of the Abitibi-Témiscamingue labour market because of the large number of people employed in mining: a greater proportion of the workforce is employed in the natural resource sector in Abitibi-Témiscamingue than in any other region of Quebec. Conversely, 73% of jobs in Abitibi-Témiscamingue are in the service sector, below the provincial average of 78%. If the service sector is divided into three segments (consumer services, production services, public and parapublic services) and employment in each is averaged over the last three years to even out cyclical fluctuations, significant inter-segment differences can be detected.

Table 2

Employment Breakdown and Outlook for Selected Industry Groups					
Abitibi-Témiscamingue Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
All Industries	66.9	100.0%	100.0%	0.9%	1.0%
Primary	9.1	13.6%	2.4%	-0.4%	-0.2%
Manufacturing	6.3	9.4%	14.0%	-1.1%	0.4%
Construction	2.7	4.0%	5.4%	2.4%	1.3%
Services	48.9	73.1%	78.2%	1.3%	1.1%
Consumer services	18.6	27.8%	27.6%	0.9%	1.0%
Production services	13.1	19.6%	26.0%	2.5%	1.5%
Public and parapublic services	17.2	25.7%	24.7%	0.8%	0.9%

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

Consumer services are the largest source of employment in Abitibi-Témiscamingue with 18,600 jobs or 27.8% of total employment, compared with 27.6% in Quebec as a whole. Public and parapublic services follow close behind at 17,200 jobs or 25.7% of total employment, compared with 24.7% provincially. Production services employ 13,100 people or 20% of workers in Abitibi-Témiscamingue, less than the Quebec average of 26%. The wider gap in this case is due to the relative concentration of specialty services outside the Abitibi-Témiscamingue region. For the 2010-2012 period, labour market growth of 0.9% is forecast in Abitibi-Témiscamingue. In addition, the US recession is cause for concern to the region's export businesses as they contend with an unfavourable exchange rate which can be expected to limit the pace of job growth. Therefore, at the end of the forecast period, the unemployment rate in Abitibi-Témiscamingue could hold at a level close to 10% because of the scarcity of skilled workers.

## Primary sector

Agriculture and the forest industry are expected to post growth rates of -3.9% and -3.6% respectively, while mining should grow 1.0%.

In the primary sector, negative growth of -0.4% is forecast in Abitibi-Témiscamingue from 2010 to 2012, compared with -0.2% in Quebec as a whole. The overall negative growth rate in Abitibi-Témiscamingue conceals significant differences. Agriculture and the forest industry are expected to post growth rates of -3.9% and -3.6% respectively, while mining is expected to grow 1.0%. This should not obscure the fact that forestry, mining and agriculture are major economic drivers and the main source of jobs in a number of communities.

### Agriculture

The agricultural industry clearly contributes to collective wealth, playing a vital role in land occupancy and maintaining the social fabric. The fertile lands around Lake Timiskaming and the Abitibi Clay Belt are good for growing some crops. The sandier areas are suitable for potatoes and carrots. Cheaper arable land is used for fodder crops (80%) and, to a lesser degree, grains (18%). There is no horticultural tradition in Abitibi-Témiscamingue but horticulture is now developing fast. Finally, soil quality has not been depleted by farming and there is attractive agricultural potential, especially for livestock, in view of the continental climate.

Table 3

Employment Breakdown and Outlook in the Primary Sector					
Abitibi-Témiscamingue Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
Primary sector	9.1	13.6%	2.4%	-0.4%	-0.2%
Agriculture	0.9	1.3%	1.6%	-3.9%	-0.2%
Forestry and logging	1.9	2.8%	0.4%	-3.6%	-2.8%
Fishing, hunting and trapping	0.0	0.0%	0.0%	0.0%	0.0%
Mining	6.3	9.4%	0.4%	1.0%	1.5%

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

A number of factors are threatening farmers and cutting into their profit margins.

Farm employment is concentrated in three parts of the Abitibi-Témiscamingue region: Témiscamingue with 35% of the region's agricultural work force, the Abitibi regional county municipality with 27%, and the Abitibi-Ouest regional county municipality with 26%. Despite a reduction in the number of farms over the years, farm income increased from \$67 million in 1999 to \$119 million in 2008. Over the past few decades, the agricultural sector has seen consolidation of large-scale dairy farms, the development of silage feeding of cattle, and even applied research on growing techniques in a continental climate. At the same time, a number of factors are threatening farmers and cutting into their profit margins: the mad cow crisis, the bird flu scare, the diversion of farmland to wheat for ethanol production, not to mention rising prices for inputs, the unfavourable currency exchange rate, the US recession, spiralling costs for income support programs, and all sorts of restrictions related to the multilateral WTO talks.

In 2008, farm revenues from livestock production amounted to \$90.9 million, or 76% of total agricultural revenues in Abitibi-Témiscamingue. They were generated by, in descending order, beef production (\$41 million), dairy farming (\$39 million), poultry production (\$5 million), sheep farming (\$3 million) and pork production (\$2 million). "Non-mainstream"



animal production activities, such as the breeding of horses, goats and rabbits, bee-keeping, and raising boar, cervids, emus and bison, are also practiced in the region. While these operations are few in number, they do contribute to diversifying agriculture in Abitibi-Témiscamingue. Crop production in Abitibi-Témiscamingue mainly supplies feed for local livestock. Crop revenues in the region totalled \$28.3 million, or 24% of regional farm income. The leading crops, in descending order, are grains (\$11 million), sheltered crops (\$7 million), harvested roughage (\$3 million), idle acreage payments (\$3 million) and fresh vegetables (\$2 million). There are also maple syrup producers and fruit-growing operations, with combined revenues of \$1.3 million. Negative growth of -3.9% is expected in agriculture during the 2010-2012 period as a result of the dire income situation known as the farm crisis, which is affecting farmers in Abitibi-Témiscamingue as elsewhere in Quebec.

### **Forest industry**

The wood product manufacturing industry faces numerous structural and cyclical problems as a result of, among other things, the Canada-US softwood lumber disputes, higher wood fibre costs, aggressive international competition, a near-23% reduction in supply, the US housing crisis and the unfavourable exchange rate.

There are two categories of forest tenure in Quebec, public and private. In public forests, financing of forest management depends in part on harvest volumes. Therefore, the large number of temporary plant closures has reduced forest management budgets in Abitibi-Témiscamingue. There are numerous structural problems affecting the wood product manufacturing industry, and hence the primary forestry and logging industry. The forest industry has been forced to carry out a thorough reorganization as a result of the Canada-US softwood lumber disputes, higher wood fibre costs, high fuel prices, aggressive international competition in pulp and paper, environmental pressures and a near-23% reduction in supply in Abitibi-Témiscamingue. The problems have been compounded by the economic cycle. The drop in residential construction starts and investment in the US has brought down prices for wood materials on North American markets. In addition, the substantial rise in the Canadian dollar is unfavourable to the Canadian forest industry, which is heavily dependent on exports. All these factors are cutting into forest company profit margins in Abitibi-Témiscamingue and Quebec as a whole.

The forest industry is beset by problems: a number of indicators show the extent of its difficulties. Possible scenarios include further integration, buy-outs, mergers, complete reorganizations and temporary or permanent closures. Certainly, these are not good times for the forest industry in Quebec or in Abitibi-Témiscamingue. For the 2010-2012 forecast period, the outlook for the industry is generally negative in Abitibi-Témiscamingue: an average annual growth rate of -3.6% is expected in forestry and logging.

### **Mining**

Abitibi is known worldwide for its numerous polymetallic and precious metal deposits, which have made the area one of Quebec's main mining regions.

The importance of the mining industry to the economy of the Abitibi-Témiscamingue region is clear. The industry constitutes a complete production chain including integrated activities ranging from exploration and extraction to ore concentration and primary processing, as well as numerous analysis laboratories, mining service businesses and research activities. Abitibi-Témiscamingue is known worldwide for its numerous polymetallic and precious metal deposits, which have made the area Quebec's primary mining region for almost a century.

Large-scale exploration in the Nord-du-Quebec region has also resulted in additional work in mining-related industries. The mining camps in the Far North, such as the Raglan project in Nunavik and the Meadowbank project in Nunavut, bring workers, materials and other types of supplies from airports to the south such as Rouyn-Noranda and Val-d'Or.

According to industry experts, the mining industry is currently in good health. The investment climate in Quebec has been favourable over the past five years. In Abitibi-Témiscamingue, spending on exploration and development has grown steadily, increasing from slightly under \$98 million in 2004 to \$164 million in 2009, based on preliminary corporate spending plans. Spending on exploration and development in the Nord-du-Quebec region has followed the same upward trend since 2004 and has been consistently above \$100 million; planned spending for 2009 totalled \$152 million. Exploration and development activities have been directed primarily at precious metals, especially gold, followed by base metals (copper and zinc) and, to a lesser degree, uranium and diamonds.



Fluctuating metal prices are a key factor in calculating the feasibility of mining projects. The rise of the price of gold to nearly US\$1,200 per troy ounce is generating profits for mine operators. Internationally, the falling US dollar has made gold a safe haven.

Fluctuations in base metal prices have not been equally profitable; however, the slow but steady post-recession recovery in international demand means growth for the mining industry. The recovery in investment, job creation and growth in emerging countries that produce durable goods could boost market demand for base metals. The only cloud on the horizon is the uncertainty in Europe. The southern European countries in the euro zone could artificially prolong the period of contraction and stall a recovery in consumption on the continent. In other words, emerging countries' exports could be curbed by limited European imports. The outlook for the mining industry is therefore guarded for the 2010-2012 period, with a forecasted average annual growth rate of 1.0%.

## Manufacturing sector

The manufacturing sector could see problems because of the weak outlook for wood and paper products

During the 2007-2009 period, the manufacturing sector employed an average of 6,300 people, providing 9.4% of jobs in the Abitibi-Témiscamingue region compared with 14.0% provincially. Manufacturing is generally more diversified in Quebec than in the region. During the 2010-2012 forecast period, the manufacturing sector could see -1.1% employment growth in Abitibi-Témiscamingue, compared with 0.4% in Quebec as a whole, owing to the unfavourable outlook in food and beverages (-5.9%), wood products (-4.6%) and paper (-2.3%). However, the outlook is favourable for non-metallic mineral products and machinery manufacturing.

## Consumer-related manufacturing

Consumer-related manufacturing provides 900 jobs, mainly in food and beverages (600 jobs), printing (100), clothing and leather manufacturing (100), and furniture and related products (100). Each of these industries must contend with aggressive competition for products, supplies or manufacturing inputs. Overall, the outlook for consumer-related manufacturing is poor, with an employment growth rate of -3.9% from 2010 to 2012.

The food and beverages industry continues to develop at a moderate pace, although it faces challenges. Underlying trends such as the growing popularity of regional specialties, better marketing of food products and the possible development of agri-food processing industries (a regional slaughterhouse) are major challenges for the industry. On the other hand, a number of companies have seen their gross margins shrink because of the high Canadian dollar, the cost of raw materials (grain, flour, oil) and the price of gas. The food and beverages industry had been relatively stable in recent years. The permanent closing of Dallaire Spécialités accounts for almost the entirety of the drastic reduction in employment in the industry. The growth outlook in food and beverages for 2010-2012 is -5.9% per year, compared with 0.9% for Quebec as a whole.

## Resource-related manufacturing

Resource-related manufacturing is the largest provider of manufacturing employment in the region. It employs 4,500 people, accounting for more than 70% of manufacturing jobs in Abitibi-Témiscamingue. The wood and paper product and primary metal manufacturing industries make up the core of the region's manufacturing base.

A decrease in employment is forecast because of the difficulties in Quebec's forest industry, which is facing numerous problems: the Canadian dollar close to par with the US dollar, US protectionism on softwood lumber, the post-recession economic environment in the US, which is limiting the number of construction starts, increased international competition, competition from B.C. lumber cut after a major insect infestation, causing a softwood glut on US markets, and slumping demand for traditional products such as newsprint. For all these reasons, the job outlook for 2010-2012 is relatively poor in Abitibi-Témiscamingue. The wood products and paper industry is expected to post growth rates between -4.6% and -2.3%.



Table 4

Employment Breakdown and Outlook in the Manufacturing Sector					
Abitibi Témiscamingue Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
Manufacturing sector	6.3	9.4%	14.0%	-1.1%	0.4%
<b>Consumer-related manufacturing</b>	<b>0.9</b>	<b>1.3%</b>	<b>5.2%</b>	<b>-3.9%</b>	<b>-0.1%</b>
Food, beverages and tobacco	0.6	0.9%	2.0%	-5.9%	0.9%
Textile mills and textile product mills	0.0	0.0%	0.3%	0.0%	-1.0%
Leather clothing and products	0.1	0.1%	0.7%	0.0%	-2.5%
Printing and related activities	0.1	0.1%	0.7%	0.0%	-1.6%
Furniture and related goods	0.1	0.1%	0.9%	0.0%	0.1%
Miscellaneous manufacturing	0.0	0.0%	0.6%	0.0%	0.6%
<b>Resource-related manufacturing</b>	<b>4.5</b>	<b>6.7%</b>	<b>3.0%</b>	<b>-2.3%</b>	<b>0.1%</b>
Wood product manufacturing	2.3	3.4%	1.0%	-4.6%	0.4%
Paper manufacturing	1.5	2.2%	0.7%	-2.3%	-1.3%
Petroleum/coal products manufacturing	0.0	0.0%	0.1%	0.0%	-3.0%
Non-metallic mineral product manufacturing	0.1	0.1%	0.4%	26.0%	1.5%
Primary metal manufacturing	0.6	0.9%	0.7%	0.0%	0.8%
<b>Investment-related manufacturing</b>	<b>1.0</b>	<b>1.3%</b>	<b>5.8%</b>	<b>3.2%</b>	<b>1.0%</b>
Chemical products	0.1	0.1%	0.8%	0.0%	0.3%
Plastics and rubber products	0.0	0.0%	0.9%	0.0%	0.4%
Fabricated metal product manufacturing	0.5	0.7%	1.1%	0.0%	1.7%
Machinery manufacturing	0.3	0.4%	0.6%	10.1%	1.0%
Computer and electronic products	0.0	0.0%	0.6%	0.0%	0.7%
Electrical equipment, appliance and component manufacturing	0.0	0.0%	0.4%	0.0%	1.1%
Transportation equipment manufacturing	0.1	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)





Primary metal manufacturing was affected by sagging Chinese and American demand during the last recession in 2008-2009. However, in 2010, consumption is recovering well.

Primary metal manufacturing was affected by sagging Chinese and American demand during the last recession in 2008-2009. However, in 2010, consumption is recovering well, which points to a return to stability with 0.0% annual growth during the 2010-2012 period, compared with 0.8% in Quebec as a whole. The nil growth forecast reflects the flat conditions in the industry and especially the fact that all the jobs lost during the recession have already been recovered. The sectoral outlook for primary metal manufacturing is flat as the industry is dependant on a recovery in consumption in the automotive and construction industries. The near-term outlook for base metals remains uncertain, despite firming up of market prices, as base metals are more closely tied to the economic cycle.

### Investment-related manufacturing

There are few investment-related manufacturing activities in the Abitibi-Témiscamingue region. The segment employs an average of 1,000 people, mostly in fabricated metal product manufacturing (500 jobs) and machinery manufacturing (300 jobs). The widest percentage spread between Quebec and the Abitibi-Témiscamingue region is in investment-related manufacturing (5.8% versus 1.5%). The employment forecast for the 2010-2012 period in this sector is positive with 3.2% growth. The expected increase is indirectly related to mining development and construction megaprojects in the Abitibi-Témiscamingue and Nord-du-Québec regions; the small numbers explain the high percentages. For Quebec, the growth forecast is 1.0%.

### Construction industry

Construction is certain to be an important industry in the Abitibi-Témiscamingue and Nord-du-Québec regions in the years ahead. Total investments of \$1.2 billion and \$5.2 billion are slated for major construction projects in Abitibi-Témiscamingue and Nord-du-Québec respectively during the 2010 to 2012 period. To be sure, the projects started in 2009 will be completed in 2010 or shortly thereafter.

Total investments in the order of \$1.2 billion and \$5.2 billion are slated for major construction projects in Abitibi-Témiscamingue and Nord-du-Québec, respectively, during the 2010 to 2012 period.

The main projects in progress or planned in Abitibi-Témiscamingue for the 2010-2012 period are the Osisko open-pit mine in Malartic (\$1 billion), Iamgold's Westwood project (\$110 million), the University of Quebec in Abitibi Témiscamingue (UQAT) science building (\$27 million), the Sleeping Giant mine (\$12.2 million), renovation of the Dave Keon arena (\$11.2 million), the Canadian Tire store in Val-d'Or (\$10 million), Résidences du Plateau (10 million), the UQAT agri-food research centre (\$8.4 million), Choice Hotels' Quality Inn in Val-d'Or (\$9.5 million), the Belgh Brasse microbrewery (\$5.5 million) and the La Vache cheese factory in Maillotte (\$1 million). During the same period, the main projects in Nord-du-Québec are, first and foremost, completion of the \$5 billion Eastmain 1A-Rupert hydroelectric complex, followed by Xstrata-Dommer Metal's Bracemac-McLeod mine (\$158 million), Aurizon Mines (\$20.7 million) and a long-term care facility in Chibougamau (\$11 million).

The outlook for the construction industry in Abitibi-Témiscamingue is generally positive for 2010-2012, with an average annual growth rate of 2.4%, compared with 1.3% for Quebec as a whole. Construction is experiencing healthy growth in Abitibi-Témiscamingue because of capital investment projects in the region and at James Bay. Low interest rates, mining megaprojects, government infrastructure projects and housing needs in Abitibi-Témiscamingue will contribute to stimulating the industry. This is a promising occupational field for workers in the region. However, the economic spin-off will be limited in view of the labour shortage.

### Service sector

The employment outlook for the entire service sector is fairly bright for 2010-2012.

Over the past three years, there have been an average of close to 48,900 tertiary sector jobs in Abitibi-Témiscamingue, 73% of total employment in the region. Of these, 18,600 have been in consumer services, 17,200 in public and parapublic services, and 13,100 in production services. The employment outlook for the entire service sector is fairly bright, with an annual growth rate of 1.3% in 2010-2012 compared with a provincial average of



1.1%. Naturally, there will be job creation in the post-recession period but the growth will be limited.

## Consumer services

Since 2000, consumer services have been on the rise in Abitibi-Témiscamingue as elsewhere.

Consumer services, the growth of which is largely dependent on individual spending, account for 27.8% of jobs in Abitibi-Témiscamingue, compared with 27.6% in Quebec. A growth rate of 0.9% is forecast for consumer services during the 2010-2012 period, close to the Quebec average of 1.0%.

Since 1990, employment in consumer services has increased at a rate of 0.6% in Abitibi-Témiscamingue, slightly above the 0.5% rate for the labour market as a whole. Since 2000, consumer services have been on the rise in the region as elsewhere because of high employment levels, rising personal disposable income due to low inflation in recent years, and changes in household composition that are influencing the development of new types of consumer services.

### Retail trade

During the 2007-2009 period, retail trade was a leading activity in Abitibi-Témiscamingue, providing 9,100 jobs. Over the past 20 years, this sector has developed as the region's population has grown, with the construction of new shopping malls and the opening of superstores, sometimes at the expense of small shops. Nevertheless, these investments have boosted employment. Downtown revitalization projects have also stimulated this sector and had an impact on the number of jobs. To be sure, the recession has been cause for concern to many households in Abitibi-Témiscamingue, leading them to limit their consumer spending. The outlook for 2010-2012 calls for annual growth of 0.4%; the forecast for Quebec is 0.9%.

Table 5

Employment Breakdown and Outlook in Consumer Services					
Abitibi Témiscamingue Region					
	Average for 2007-2009			2010-2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Quebec	Region	Quebec
Consumer services	18.6	27.8%	27.6%	0.9%	1.0%
Retail trade	9.1	13.6%	12.4%	0.4%	0.9%
Information, culture and recreation	2.1	3.1%	4.5%	3.1%	1.0%
Accommodation and food services	4.2	6.3%	6.2%	0.8%	1.0%
Other services	3.2	4.8%	4.6%	1.0%	1.3%

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

### Information, culture and recreation

The information, culture and recreation group employed 2,100 people during the 2007-2009 period. Over the years, a number of major attractions have been created in the Abitibi-Témiscamingue region, including the Musée minéralogique in Malartic, Cité de l'Or and Village minier de Bourlamaque in Val-d'Or, Maison du frère Moffet and Fort Témiscamingue in Ville-Marie, the Hydro-Québec Training Centre, Maison Dumulon and Russian Orthodox Church in Rouyn-Noranda, the Cathedral and Refuge Pageau in Amos,





Tourism facilities and especially the large number of festivals, events and fairs have infused the Abitibi-Témiscamingue region's culture and recreation industry with new dynamism.

École du rang 2 in Authier, Dispensaire de la garde in Lacorne, the T.E. Draper log-boom tugboat in Angliers, the Première-Chute Generating Station in Notre-Dame-du-Nord and the Musée de la gare in Témiscamingue. There are also many events that draw tourists; the main ones are the Festival du Cinéma international, the Emerging Music Festival, the World Guitar Festival, the Osisko en lumière pyromusical festival, the Festival DocuMenteur in Rouyn-Noranda, the Festival forestier in Senneterre, Aiguebelle en spectacle, the Paradis du nord megaproduction in La Sarre, the Tour de l'Abitibi and the Festival de l'humour in Val-d'Or, the Festival H<sub>2</sub>O in Amos, the Festival du camion in St-Félix, the Foire du camionneur in Barraute, the Truck Rodeo in Notre-Dame du Nord, the Festival western in Guigues and the Foire gourmande in Ville-Marie. The large number of festivals, events and fairs have infused the Abitibi-Témiscamingue region's culture and recreation industry with new life.

Information, culture and recreation services have been bolstered by, among other things, the installation of a broadband network. The 2010-2012 forecast is for 3.1% growth in this sector in Abitibi-Témiscamingue, compared with 1.0% in Quebec as a whole. Layoffs are expected in the media segment while employment should increase in culture and in recreation.

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

2007-2009 were boom years for the accommodation and food services industry in Abitibi-Témiscamingue. It provided jobs for nearly 4,200 people, almost 75% of them in food services. Increased labour market participation by women helped develop the food services industry and – in combination with investments in the tourism industry – the accommodation industry. The 2010-2012 forecast for accommodation and food services is relatively flat at 0.8% growth, close to the 1.0% rate expected for Quebec.

### ***Other services***

During the 2007-2009 period, the other services segment, which includes personal care, repair and maintenance, dry cleaning and funeral services, provided a total of 3,200 jobs. The growth outlook is relatively good at 1.0% in Abitibi-Témiscamingue and 1.3% in Quebec.

## **Production services**

Jobs in production services are generally quite diverse and more highly skilled than in other sectors.

There were approximately 13,100 people employed in production services in 2007-2009, accounting for 20% of total employment in the Abitibi-Témiscamingue region, compared with 26% provincially. This segment includes utilities (1,000 jobs), wholesale trade (2,200), transportation and warehousing (3,200), finance and insurance (2,100), professional services (2,300) and management of companies and enterprises (2,300). Jobs in production services are generally quite diverse and more highly skilled than in other sectors. Over the 19-year period from 1990 to 2007-2009, employment in production services grew by 1.0% per year, faster than the 0.5% rate for the Abitibi-Témiscamingue labour market as a whole but below the provincial average of 2.1% for the segment. The forecast for 2010-2012 calls for fairly healthy growth of 2.5% in production services.

### ***Utilities***

During the 2007-2009 period, utilities accounted for 1,000 jobs in Abitibi-Témiscamingue. In recent years, they have generated a large number of jobs because of the numerous hydroelectric development projects, which required the hiring of project management and supervision personnel, and of staff to operate the generating stations after they were commissioned. During 2010-2012, the sector should grow by 3.2%.



**Table 6**

<b>Employment Breakdown and Outlook in Production Services</b>					
<b>Abitibi Témiscamingue 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>Quebec</b>	<b>Region</b>	<b>Quebec</b>
Production services	13.1	19.6%	26.0%	2.5%	1.5%
Utilities	1.0	1.5%	0.9%	3.2%	1.1%
Wholesale trade	2.2	3.3%	4.0%	1.5%	1.5%
Transportation and warehousing	3.2	4.8%	4.6%	3.0%	1.5%
Finance, insurance, real estate and rental and leasing	2.1	3.1%	5.9%	1.6%	1.4%
Professional, scientific and technical services	2.3	3.4%	6.9%	2.8%	2.0%
Mgmt. of co's & enterprises, admin. and support, and other	2.3	3.4%	3.7%	2.8%	1.2%

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

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

Wholesale trade employed 2,200 people in Abitibi-Témiscamingue during the 2007-2009 period. This sector has yet to recover the jobs lost during the last recession in 2008-2009. It is dependent on manufacturing activity and major construction projects. Wholesale trade is expected to grow 1.5% during the 2010-2012 period because of catch-up increases and expected productivity gains in this field.

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

Transportation and warehousing are dependent on the strength of manufacturing activity and retail trade, and also on Northern development, which creates considerable business volume for transportation companies.

In 2007-2009, there were 3,200 jobs in transportation and warehousing in Abitibi-Témiscamingue, 4.8% of all jobs in the region compared with 4.6% in Quebec overall. Transportation and warehousing is the largest segment of production services. It is dependent on the strength of manufacturing activity and retail trade, and also on Northern development, which creates considerable business volume for transportation companies. The last recession, in 2008-2009, wiped out a large number of jobs. Rising fuel prices have also cut into the profit margins of many independent truckers and transportation company owners. In 2010-2012, growth is expected to reach 3.0% in Abitibi-Témiscamingue, compared with 1.5% in Quebec, and should replace all the lost jobs.

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

In 2007-2009, finance, insurance, real estate and rental and leasing employed 2,100 people in Abitibi-Témiscamingue. The segment lost many jobs during the last recession, in 2008-2009, because of the concentration of services at a few companies and the specialization and computerization of those services. During the 2010-2012 period, growth should be 1.6% in Abitibi-Témiscamingue, compared with 1.4% in Quebec as a whole.



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

During 2007-2009, professional, scientific and technical services provided 2,300 jobs in Abitibi-Témiscamingue. Many jobs have been lost in this sector because of the high concentration of these types of services in other regions. However, since the recovery in the mining industry and the start-up of many construction projects in the Abitibi-Témiscamingue and Nord-du-Québec regions, activity in this sector has experienced a considerable turnaround. During the 2010-2012 period, average annual growth should be 2.8% in Abitibi-Témiscamingue, compared with 1.2% in Québec as a whole.

### ***Management of companies and enterprises, administrative support and other support services***

During the 2007-2009 period, management of companies and enterprises, administrative support and other support services accounted for 2,300 jobs in Abitibi-Témiscamingue. This segment follows the economic cycle closely and has shed many jobs. During the 2010-2012 period, growth is expected to be 2.8% in Abitibi-Témiscamingue and 1.2% in Québec as a whole.

## **Public and parapublic services**

This key sector is the cornerstone of quality of life in Abitibi-Témiscamingue, as it embraces the education, health and social services systems and a wide array of public services at all levels.

Approximately 17,200 people were employed in public and parapublic services in Abitibi-Témiscamingue during the 2007-2009 period, amounting to 25.7% of all jobs in the region, compared with the provincial rate of 24.7%. This important sector is the cornerstone of quality of life in Abitibi-Témiscamingue, as it embraces the education, health and social services systems and a wide array of public services at all levels. Of these services, it is the health care and education sectors that generate the most jobs.

Over the past 19 years, the number of jobs in public and parapublic services has held steady with an average long-term increase of 1.5% per year, outpacing the 0.5% increase in the economy as a whole and close to the Québec increase of 1.3%. Between 2010 and 2012, employment in public and parapublic services is expected to register modest 0.8% growth, the same as the projected rate for Québec overall.

### ***Educational services***

During the 2007-2009 period, educational services employed some 4,200 people, or 6.3% of total employment, slightly less than the Québec average of 6.7%. Employment in the segment has, however, been stable in recent years because of research activities, the influx of foreign students and the large numbers of Aboriginal students studying at University of Québec in Abitibi-Témiscamingue (UQAT) and the Cégep de l'Abitibi-Témiscamingue, making up for lower numbers at primary and secondary levels at Abitibi-Témiscamingue school boards. Growing enrolment in adult general education and vocational training are supporting job growth in these fields. The growth forecast for educational services as a whole between now and 2012 is 0.8% per year in Abitibi-Témiscamingue, compared with 0.3% in Québec.

### ***Ambulatory health care and hospitals***

During the 2007-2009 period, there were 5,200 people employed in ambulatory health care services and hospitals in Abitibi-Témiscamingue or 7.8% of total jobs in the region. For the 2010-2012 period, average annual growth of 1.3% is forecast for the region and 1.4% for Québec as a whole.

Ambulatory health care and hospitals, together with other health care and social assistance, make up the largest segment of the Abitibi-Témiscamingue labour market, providing 9,400 jobs.



**Table 7**

<b>Employment Breakdown and Outlook in Public and Parapublic Services</b>					
<b>Abitibi Témiscamingue 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>Quebec</b>	<b>Region</b>	<b>Quebec</b>
Public and parapublic services	17.2	25.7%	24.7%	0.8%	0.8%
Educational services	4.2	6.3%	6.7%	0.8%	0.3%
Ambulatory health care and hospitals	5.2	7.8%	6.5%	1.3%	1.4%
Other health care and social assistance	4.5	6.7%	5.6%	1.5%	1.8%
Federal public administration	0.3	0.4%	2.1%	0.0%	-0.4%
Provincial and territorial public administration	2.0	3.0%	1.9%	-1.7%	-0.4%
Local, municipal and regional and other public administration	1.0	1.5%	1.8%	0.0%	0.5%

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

#### ***Other health care and social assistance***

During the 2007-2009 period, Abitibi-Témiscamingue had 5,200 people employed in other health care and social assistance, or 6.7% of employment in the region. Ambulatory health care and hospitals, together with other health care and social assistance, make up the largest segment of the labour market, providing 9,400 jobs. The health and social service centres (CSSS) are generally the largest employers in their areas. Between 2010 and 2012, employment in other health care and social assistance is expected to grow at an average annual rate of 1.5% in Abitibi-Témiscamingue, compared with 1.8% in Quebec. Large-scale retirements and a labour shortage, which remain government priorities, partially account for the weak employment growth.

#### ***Public administration***

During the 2007-2009 period, public administration remained a major employer with 3,300 jobs, including 300 in the federal public service, 2,000 in the provincial public service, and 1,000 at the local, municipal and regional levels. Public administration accounts for 5.8% of all jobs in Quebec, compared with 4.9% in Abitibi-Témiscamingue. Projected growth rates for the 2010-2012 period for public administration as a whole are -1.0% in Abitibi-Témiscamingue compared with -0.1% in Quebec.

During the forecast period, the federal administration is expected to have a growth rate of nil in Abitibi-Témiscamingue, compared with -0.4% in Quebec. In the provincial administration, growth is expected to be -1.7% in Abitibi-Témiscamingue and -0.4% in Quebec during the 2010-2012 period because of the Quebec government's announced austerity and rationalization policies. Finally, the job growth forecast for local, municipal and regional administration is 0% in Abitibi-Témiscamingue compared with 0.5% in Quebec. Weak demographic growth in the region is partially responsible for the limited job numbers.