

# Sectoral Outlook

2010-2012



Lanaudière

**Author**

Benoit Leduc, Economist  
Lanaudière Region  
Telephone: 450-430-2800, ext. 235  
Service Canada  
Email: [benoit.leduc@servicecanada.gc.ca](mailto:benoit.leduc@servicecanada.gc.ca)

**With the participation of**

Manon Jeanneau, Economist, Laval Region  
Hélène Mercile, Economist, Montérégie Region

**Layout**

Muriel Deslauriers

**Photos**

Modified picture, Denis Chabot, © Le Québec en images, CCDMD  
Modified picture, Gilles M. Deschênes, © Le Québec en images, CCDMD  
Modified picture, Martin Caron, © Le Québec en images, CCDMD

October 2010

*Cette publication est aussi disponible en français.*

The opinions expressed in this document are those of the author and do not necessarily reflect those of Service Canada or the Government of Canada.



## Table of Contents

<b>Summary</b> .....	<b>4</b>
<b>Introduction</b> .....	<b>6</b>
<b>Notes on methodology</b> .....	<b>7</b>
 <b>Part 1: Overview</b> .....	 <b>9</b>
Description of the area.....	9
Economic environment .....	9
Labour market indicators .....	10
 <b>Part 2: Sectoral Outlooks</b> .....	 <b>13</b>
Overview.....	13
Industrial structure .....	13
Primary sector.....	14
Manufacturing sector .....	15
Consumer-related manufacturing.....	15
Resource-related manufacturing.....	17
Investment-related manufacturing.....	17
Construction industry .....	19
Service sector .....	19
Consumer services .....	20
Production services.....	21
Public and parapublic services.....	24

## List of Tables

<b>Table 1</b>	
Main Labour Market Indicators, 2007–2009.....	11
<b>Table 2</b>	
Employment Breakdown and Outlook for Selected Industry Groups .....	13
<b>Table 3</b>	
Employment Breakdown and Outlook in the Primary Sector.....	14
<b>Table 4</b>	
Employment Breakdown and Outlook in the Manufacturing Sector .....	16
<b>Table 5</b>	
Employment Breakdown and Outlook in Consumer Services .....	20
<b>Table 6</b>	
Employment Breakdown and Outlook in Production Services .....	22
<b>Table 7</b>	
Employment Breakdown and Outlook in Public and Parapublic Services .....	24



## Summary

### Economic outlook

The Lanaudière region population was 429,053 in 2006, 10.4% higher than in 2001 (compared with a 4.3% increase in the Quebec population overall). The Lanaudière region, along with the adjacent Laurentide region, posted one of the highest population growth rates in Quebec. Most of the region's population growth is attributable to in-migration from the rest of the province. In the past several years, the region's rate of in-migration has been one of the highest in Quebec.

Despite the aging of its population, the region will continue to have a larger working-age population during the forecast period, even up until 2031. However, this nominal growth will decrease gradually over time, such that the demographic weight of the working-age population will decline significantly, while that of the 65+ population increases. During the 2010–2012 period, employment growth will resume, following the decline posted during the recent recession, to reach an annual average rate of 1.9% (1% for Quebec overall). As a result of this employment growth, as it relates to growth in the size of the working-age population, the unemployment rate should remain relatively low, compared with the provincial unemployment rate. Another possible factor in these growth rates is the Lanaudière economy's interdependence with the economies of the Island of Montreal and adjacent regions.

The Lanaudière region's industrial base has become highly diversified over the years and is considerably different from Quebec's industrial base, although, like Quebec overall, it is dominated by the service sector. The number of workers in the manufacturing industry declined substantially during the 2006–2008 period, primarily in the so-called traditional manufacturing industries. The construction industry continues to be buoyant and the percentage of persons employed in that industry is higher than the percentage of persons employed in construction in Quebec as a whole. The entire secondary sector accounts for 23% of the Lanaudière region labour market, compared with only 19.4% of the Quebec labour market. The primary sector is in last place in terms of its percentage of persons employed: agriculture and resource harvesting each account for 2.4% of the total number of jobs.

Buoyed by a less severe than expected downturn in job growth, the Lanaudière labour market will benefit from the improved economic conditions that will accompany the turnaround in the world economy. The construction industry will be in the lead, posting the highest rates of job growth in the next few years, followed by the service sector and by the production service industries in particular. Overall, the number of persons employed in

the region will increase by an average of 1.9% per year between 2010 and 2012.

### Sectoral outlook

In 2006, there were nearly 1,700 farm enterprises in the region, comprising 6% of all farm enterprises in the province. The decline in the number of farms in the Lanaudière region is part of the same downward trend across Quebec, whereas the average size of farms is increasing. Technological progress, the consolidation of farms and increased productivity are some of the factors underlying reduced labour requirements. Agricultural production in the Lanaudière region primarily serves local markets and is therefore less subject to international trade fluctuations. During the 2010–2012 period, we anticipate a stable employment rate in the Lanaudière agriculture industry, compared with a slight decrease across Quebec.

Several enterprises, particularly those exporting to the United States, have had to contend with a much tougher business environment resulting from increased international competition, a high Canadian dollar and, more recently, the global recession. However, the slowdown in the world economy has had fewer negative effects than forecast. Unlike Quebec overall, employment in the manufacturing sector increased sharply (+19%). Although we must remain cautious owing to statistical variations from one year to the next, the trend continues to be positive. While the more traditional manufacturing industries will continue to decline, others, such as those included in investment-related manufacturing, will benefit from requirements associated with innovation and an expected upturn in demand in the next few years.

The region's manufacturing sector overall is expected to post an average annual employment growth rate of 1.0% during the 2010–2012 period.

Favourable conditions for the construction industry have benefited the region in the past 10 years. Stable, rock-bottom interest rates, hefty increases in home values and several commercial, institutional and tourism-related projects have propelled the region's employment level to unprecedented heights. Also not to be overlooked are the job opportunities to be had in the Greater Montreal area and Northern Quebec. We are forecasting a solid average rate of job growth in the industry of 2.2% per year over the next three years. The forecast job growth rate for the province will be similar, although slightly lower.

In the Lanaudière region, consumer services and production services account for equal shares of employment in the tertiary sector of about 35% each. The third group of service industries, which includes public administration (federal, provincial and municipal) and parapublic services (education and health care), accounts for 30% of tertiary sector employment. Changes in employment in the service industries are



directly related to population changes and residents' purchasing power. However, during a period of renewed growth in the economy, it will be industries in the production services group that will have the best employment growth outlook during the 2010–2012 period.

In the consumer service industries, once recession-related fears have abated, favourable conditions for the development of these industries will return. During the forecast period, these industries are expected to post an average annual employment growth rate of 1.6%.

Lastly, because of job growth in education and health care, the public and parapublic services industry group will post employment growth that is clearly higher than the provincial rate. After spending huge amounts to offset the impact of the recession, governments will have to tighten their budgets and pay down debt. These measures will lead to reductions in the numbers of government workers in the next few years.



## 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 employment estimates by industry are based on Statistics Canada's Labour Force Survey (LFS), because 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 the winter of 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.

### Industry groups

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

#### Primary Sector

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

#### Manufacturing Sector

- 31-33 Manufacturing

Where 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

Plentiful supply of experienced workers, well-developed road network and proximity of thriving Greater Montreal economy

Located between the Laurentian Mountains to the west and north, the La Mauricie region to the east, and the St. Lawrence River to the south, the Lanaudière region covers an area of 12,313 km<sup>2</sup> and is made up of three distinct zones. The northernmost part is a vast, sparsely populated area and consists of several unorganized territories. The central part is more rural, with medium population density and a geography dominated by lakes, rivers and mountains. The southern part of the region is more urban, with a diverse agricultural sector alongside manufacturing companies and a booming commercial sector. It has the advantage of a large and experienced workforce, well-developed transportation networks, as well as the nearby vibrant market of the Montreal Census Metropolitan Area.

The region has a large number of small municipalities scattered throughout the six regional county municipalities of D'Autray, Joliette, L'Assomption, Les Moulins, Matawinie and Montcalm. Over 55% of the region's population lives in L'Assomption and Les Moulins.

According to Statistics Canada's 2006 Census, the population of the Lanaudière region was 429,053, a 10.4% increase over 2001 (compared with a 4.3% increase for the province of Quebec). The most recent demographic scenario published by the Institut de la statistique du Québec indicates that the population will grow by 38% between 2006 and 2031, compared with 16% growth for Quebec overall. Lanaudière thus ranks first in Quebec in terms of population growth. Most of the growth will be due to net in-migration, with newcomers coming primarily from Montreal and Laval.

### Economic environment

The global economic context has changed significantly over the last few years. Structurally speaking, recent changes in the distribution of world output and the new framework of trade rules established by the World Trade Organization (WTO) have had an impact on the markets in which Quebec operates. Recently, our main economic partners have been hard hit by the worldwide economic recession. The crisis resulted in a sharp decline in their demand for raw materials (oil, minerals, wood, paper and semi-manufactured goods), thus affecting our exports. To minimize the impact of the downturn, governments around the world agreed to inject billions of dollars into the economy through a variety of programs. In Canada and Quebec, the money was funnelled into the construction industry through public infrastructure development and renewal initiatives.

Already heavily in debt, the various governments now face the challenge of limiting government spending over the next few years to a pace that will allow the private sector to take up the slack. It is a significant challenge. Some countries already have adopted relatively rapid repayment plans, because of the magnitude of their liabilities and pressure from the financial sector.

Growth in demand within the region has lessened the impact of the recession and will fuel an economic upturn.

Canada's main economic partner was much harder hit by the financial crisis that triggered the recent recession. The United States went into recession in December 2007 and is even now struggling to show signs of a stable recovery. In that context, it is not surprising that the volume of our exports to the south has declined in favour of other markets. The Lanaudière economy appears to be more dependent on the U.S. market than Quebec overall, since in 2007, despite a decrease, 90% of regional exports headed south. Although the U.S. economy halted its downward spiral a number of months ago, concrete signs of a genuine economic recovery remain to be seen. And although U.S. gross domestic product has begun to grow, at the current rate it is difficult to predict an improvement across all economic indicators before mid-2011. The U.S. Federal Reserve is actually forecasting that a full recovery may not come for five or six years.

This scenario forecasts a rebound in export growth starting in 2010. Growth is expected to start slowly and then accelerate in the second half of the forecast period. However, the Canadian dollar is gaining strength against other currencies, which could considerably limit the chances of a more vigorous economic recovery.

GDP data for the Lanaudière region indicate that it is growing at more or less the same pace as that of the province overall. The data, the most recent of which date back to 2008, indicate that Lanaudière GDP has been 3.5% of that of Quebec overall for the last three years. Consumer spending remains a dynamic factor in Quebec's growth. Consumers account for nearly two thirds of GDP, which makes this a very important variable and fortunately, the most stable. However, because of the climate of uncertainty and the increase in various tariffs and public taxes, we anticipate slower growth in consumer spending at the start the forecast period.

Historically, the Lanaudière region's population has posted average annual growth in its per capita personal disposable income similar to that of Quebec. In 2008, however, there was a significant slowing of that growth compared to the province overall. The retreat may be a factor in lower consumer contribution to regional GDP. Despite that, with an average annual growth rate of 3.7% from 2004 to 2008, Lanaudière consumers continue to enjoy very positive conditions.

Forecasts by the Commission de la construction du Québec (CCQ) indicate expected growth of 3% in hours worked in Quebec for 2010. Though it will weaken slightly, the trend should continue until 2012–2013. However, this forecast is based primarily on significant growth in the non-residential market, particularly in the civil engineering and road works segment. In Quebec overall, the CCQ predicts a decline in the number of housing starts owing to a levelling off of household formation. However, the Lanaudière region boasts positive demographic conditions and industry market conditions thus will be better.

In that context, employment growth in the Lanaudière region is expected to be higher than for Quebec overall in the 2010–2012 period. With an expanding tertiary sector, a strong construction sector, and some significant capital expenditure projects resulting in a more robust manufacturing sector after a significant decline in recent years, the Lanaudière region is well positioned to have a somewhat more buoyant economic recovery than the province overall.

## Labour market indicators

Slowdowns in the global, United States and Canadian economies have had a see-saw effect on the Region's labour market.

Over the last few years, the Lanaudière region has had one of the highest, if not the highest, rates of population growth in Quebec. The growth has resulted in an average yearly increase of 2.8% in the 15+ age group for the last three years. In comparison, Quebec's 15+ population increased by an average of 1% per year over the same period. In concrete terms, 30,000 people in the 15+ age group entered the Lanaudière labour market between 2007 and 2009.

However, that statistic alone does not tell the whole story. Indeed, the Lanaudière region population, like that of Quebec, is aging. This means that the working age population, generally referred to as the 15–64 age cohort, is changing much more slowly than in the past and the result is limited growth in labour market participation. The long-term trend indicates that those who retire may be more numerous than those who enter the labour force (young people).

Recently, labour market participation in the Lanaudière region has ebbed and flowed. There have been successive upswings and downswings but, with the exception of 2008, the level of regional participation has been higher than in the province overall. In fact, participation decreased more significantly between the second quarter of 2008 and the first quarter of 2009. As a result of the international financial crisis and its repercussions for the North American economy, job seekers are less confident of finding jobs and labour market activity has become sluggish.

Thus, as we can see, labour market participation is an important indicator of the level of confidence of those in the labour market. It can be influenced by economic conditions on the one hand and the demographic pool characterizing the region on the other. This indicator alone does not tell the whole story. Clearly, all indicators must be examined in order to confirm labour market behaviour.

In comparison, the employment rate is the percentage of the 15+ population that is employed. The indicator can also be referred to as the employment-to-population ratio. It is important to specify that the indicator does not measure the number of jobs in a given area, but rather the number of people in the area who have jobs, regardless of where they work. This labour market indicator suggests that market forces have not had the same impact on the Lanaudière region as on the province overall. Indeed, in 2009, nearly 232,700 Lanaudière residents were employed, a substantial increase of 12,500 people. Over the same period, the province shed 37,500 jobs as a result of the recession. Despite that discrepancy, it would not be accurate to say that the Lanaudière region was spared the effects of the global recession. The industrial structure of this and neighbouring regions is such that many companies chose to streamline their operations rather than close altogether. The recession did have a significant impact in the region, but the impact is reflected less in that particular indicator.

**Table 1**

<b>Main Labour Market Indicators, 2007–2009</b>				
<b>Lanaudière Region</b>				
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2007–2009</b>
Population 15+ ('000)	352,9	363,4	374,0	363,4
Labour force ('000)	236,0	237,4	253,5	242,3
Employed ('000)	219,4	220,3	232,7	224,1
Unemployed ('000)	16,6	17,2	20,8	18,2
Unemployment rate (%)	7.0	7.2	8.2	7.5
Participation rate (%)	66.9	65.3	67.8	66.7
Employment rate (%)	62.2	60.6	62.2	61.7

Source: Statistics Canada, Labour Force Survey  
Compilation by Service Canada

The unemployment rate is the indicator that receives the most media attention. However, changes in the unemployment rate do not explain in themselves how the labour market is behaving, because even in periods of growth, the number of unemployed can increase. Conversely, a region can have a decrease in unemployment during a period of economic contraction. When we look at the previous table, we can see that the number of unemployed and the unemployment rate went up considerably during the time period. The same trend was apparent in the province of Quebec, but to differing degrees. The year 2008 was more difficult for Lanaudière job seekers, though the region had an unemployment rate identical to that of Quebec overall, despite a significant decrease in labour market participation. In the last two decades, the Lanaudière region has only ever had three periods of higher unemployment than the province overall and they occurred in 1994, 1996 and 1998.

In conclusion, the Lanaudière region boasts a vibrant labour market, despite a marked deceleration in 2008. It has one of the highest rates of population growth in Quebec and the downturn in the manufacturing sector in recent years has affected the labour market considerably. In 2009, despite some encouraging signs, the region's unemployment rate ranked just 9th in the province, placing it in the middle of the pack of the 16 Quebec regions. However, this result stems from very strong labour market participation rates, because at the same time the region was tied with two other regions for the third highest employment rate in Quebec.



For the forecast period, we expect a return to job growth of about 2% per year in the region. The job creation rate is expected to increase slowly at first and then accelerate in the second half of the period.



## Part 2: Sectoral Outlooks

### Overview

#### Industrial structure

The industrial structure of the Lanaudière region has become highly diversified over the years. Within the region, however, the breakdown of activities differs considerably: the northern part of the region relies primarily on resource-based industries; in the south, there is a diversified manufacturing sector (although it has recently been affected by the globalization of production) and a buoyant service sector to meet the needs of a booming population.

**Table 2**

<b>Employment Breakdown and Outlook for Selected Industry Groups</b>					
<b>Lanaudière Region</b>					
	<b>Average for 2007–2009</b>			<b>2010–2012</b>	
	<b>Level ('000)</b>	<b>Share of Employment</b>		<b>Average Annual Growth</b>	
	<b>Region</b>	<b>Region</b>	<b>Province</b>	<b>Region</b>	<b>Province</b>
All Industries	224,1	100,0%	100,0%	1.9%	1.0%
Primary	5,3	2.4%	2.4%	0.1%	0.3%
Manufacturing	34,5	15.4%	14.0%	1.0%	0.4%
Construction	19,3	8.6%	5.4%	2.2%	1.3%
Services	165,0	73.6%	78.2%	2.1%	1.1%
Consumer services	57,5	25.6%	27.6%	1.6%	1.0%
Production services	58,2	26.0%	26.0%	2.7%	1.6%
Public and parapublic services	49,3	22.0%	24.7%	1.8%	0.8%

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

Niches of excellence:  
complex structures and  
metal components;  
furniture: secondary and  
tertiary processing;  
agri-food; creation of value  
chains

The Lanaudière industrial structure is markedly different from that of Quebec, although, like Quebec, it is dominated by the service sector, which employs nearly three of every four persons. The number of workers in manufacturing dropped significantly during the 2006–2008 period, primarily in the so-called traditional manufacturing sectors. Other sectors, such as plastics and rubber products and primary metal manufacturing, posted a sharp decline in demand because of difficulties in the automotive industry. However, in 2009, the manufacturing sector as a whole regained a large part of the ground lost in previous years. In addition, owing to demographics, the construction industry remains vibrant and the percentage of those employed in the industry is higher than in the province overall. The secondary sector employs 24.0% of the Lanaudière labour force, compared with a rate of just 19.4% in Quebec. Primary sector employment (agriculture and resource development) brings up the rear, accounting for 2.4% of jobs, identical to the provincial rate.

Local organizations have made efforts to develop new sectors and prosper within niches of excellence. Three niches of excellence were identified in the Lanaudière region under the ACCORD program overseen by the Quebec Department of Economic Development, Innovation and Export Trade: complex structures and metal components; furniture: secondary and tertiary processing; agri-food; creation of value chains, primarily in the pork and vegetable sectors.



Lastly, it should be noted that commuting is a way of life for workers in the region since nearly half of them work outside their area of residence, Montreal being the main destination outside the Lanaudière region.

Because the downturn was less severe than forecast, economic conditions in the Lanaudière labour market will improve as the global economy recovers. The construction industry will perform best over the next three years, followed by services, in particular production services. Overall, the number of people employed in the region will increase by an average of 1.9% per year from 2010 to 2012.

## Primary sector

A total of 5,300 people work in the primary sector, which represents 2.4% of all jobs, the same as the provincial rate. The vast majority of jobs are concentrated in agriculture, which employs 4,800 region residents.

According to 2006 Census data, the region had nearly 1,700 farm enterprises and ranked 6th among Quebec's 14 agricultural regions. Therefore, about 6% of Quebec's farms are located in the Lanaudière region. The value of farm assets in the region was almost \$1.7 billion in 2006, which represents 6% of total provincial farm assets.

**Table 3**

Employment Breakdown and Outlook in the Primary Sector					
Lanaudière Region					
	Average for 2007–2009			2010–2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Overall Primary Sector	5,3	2.4%	2.4%	0.1%	0.3%
Agriculture	4,8	2.1%	1.6%	0.0%	-0.3%
Forestry and logging	0,1	0.0%	0.4%	0.0%	0.0%
Fishing, hunting and trapping	0,0	0.0%	0.0%	0.0%	1.9%
Mining	0,5	0.2%	0.4%	2.2%	2.5%

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

Employment in agriculture, the main industry in the Region's primary sector, should remain stable over the next few years.

About 16% of the region consists of farmland. The region is noteworthy for its production of grain and oilseed crops (grain corn, soybeans, barley, buckwheat and rye) and ranks third in Quebec in terms of hectares planted with these crops. Lanaudière is also known for its vegetable crops, primarily turnips, beets, cabbage and potatoes. The region also has many poultry farms. Nearly 27% of the chickens and 11% of the turkeys in Quebec are produced in Lanaudière. The five biggest agricultural activities in terms of farm receipts are poultry production, dairy farming, feeder pigs, grain and oilseed crops and vegetable growing.

The declining number of farms in Lanaudière mirrors the trend in Quebec overall. Although the number of farms is down, the average size of farm operations is increasing. Technological advances, farm consolidation and increased productivity are all factors that have contributed to shrinking workforce requirements in this sector.

Agricultural production in the Lanaudière region primarily serves local markets and is therefore less subject to the vicissitudes of international trade. The outlook is thus favourable for grain and oilseed producers, who are relatively numerous in the region. For the 2010–2012 period, we anticipate stable job numbers in the Lanaudière agriculture industry, compared with a slight decrease province-wide.





## Manufacturing sector

The more traditional manufacturing industries will continue to decline, while other industries will benefit from an expected increase in demand in the coming years.

In 2007–2009, the manufacturing sector employed an average of 34,500 people in the Lanaudière region, or nearly 15.4% of the employed population. The sector has been very vibrant since the mid-1990s. However, since the mid-2000s, the trend has reversed, with significant job losses in 2006, 2007 and 2008. A number of companies, particularly those that export to the U.S., have had to deal with a much more difficult business environment, particularly as a result of increased international competition, the strong Canadian dollar and, more recently, the global recession.

Over the forecast period, local manufacturers will continue to feel the effects of competition from Asian countries, which have lower labour costs. They will have to increase their productivity to compete with new international players and hold their ground. As for small export businesses, they will also face more foreign competition entering the Quebec market.

Although challenging for manufacturing companies, the strong Canadian dollar actually makes it a good idea for local businesses to make equipment purchases to improve their productivity and competitiveness on the international stage.

The impact of the global economic downturn, which began in the last quarter of 2008 and lasted until mid-2009, was not as negative as expected. Contrary to Quebec overall, employment growth in the manufacturing industry as a whole was very strong (+19%). Although caution must be exercised owing to possible statistical variations from one year to the next, the trend remains positive. While the more traditional manufacturing sectors will continue to decline, others, such as those in investment-related manufacturing, will benefit from the need for innovation and the expected recovery of demand over the next few years.

Overall, the region's manufacturing sector is expected to grow at an average annual rate of 1.0% for the 2010–2012 period, a rate more than twice that expected for the province overall (0.4%).

## Consumer-related manufacturing

Concurrent with poor market conditions, jobs will continue to be lost in the clothing, printing and furniture industries.

The consumer-related manufacturing sector, with an average of nearly 12,900 jobs between 2007 and 2009, accounts for more than one third of manufacturing jobs in the region and nearly 6% of total employment. This industrial group has posted substantial job growth over the last five years. Aided by demographics and a more buoyant labour market, regional growth is expected to continue at an average annual rate of 0.7%, compared with very slight negative growth for Quebec (-0.1%).

In terms of employment, the food, beverages and tobacco industry is the Lanaudière region's biggest industry, employing about 6,200 people and accounting for slightly more than 18% of manufacturing jobs. The food industry benefits from its designation as a niche of excellence by the community. In addition, a large portion of the workers in this industry work in pork and poultry processing plants, which have been set up close to the region's main agricultural production areas. Given the mature and increasingly competitive North American market environment, businesses are seeking to increase their productivity, which may put a slight damper on employment growth. During the forecast period, employment in the food processing industry is expected to increase by an average of 1.6% per year, which is higher than the forecast rate for the province (0.9%).

Approximately 3,000 people work in Lanaudière's furniture manufacturing industry, accounting for 8.7% of manufacturing jobs in the region. Up until the mid-2000s, this industry benefited from a low Canadian dollar and a strong residential construction industry. However, an appreciating dollar and foreign competition are forcing local companies to review their production costs and reduce their workforces, particularly in home and office furniture manufacturing. An upturn in the number of housing starts that began mid-way through the year will help boost employment in kitchen cabinet manufacturing. In overall terms, from now until 2012, an average annual decline of 0.6% in the number of jobs is expected in Lanaudière's furniture manufacturing industry.



Table 4

Employment Breakdown and Outlook in the Manufacturing Sector					
Lanaudière Region					
	Average for 2007–2009			2010–2012	
	Level ('000)	Share of Employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Manufacturing Sector	34,5	15.4%	14.0%	1.0%	0.4%
<b>Consumer-related manufacturing</b>	<b>12,9</b>	<b>5.7%</b>	<b>5.2%</b>	<b>0.7%</b>	<b>-0.1%</b>
Food, beverages and tobacco	6,2	2.8%	2.0%	1.6%	0.9%
Textile mills and textile product mills	0,1	0.1%	0.3%	0.0%	-1.0%
Clothing and leather and allied products	0,6	0.3%	0.7%	-1.7%	-2.5%
Printing and related support activities	1,7	0.7%	0.7%	-1.4%	-1.6%
Furniture and related products	3,0	1.3%	0.9%	-0.6%	0.1%
Miscellaneous manufacturing	1,2	0.6%	0.6%	0.7%	0.6%
<b>Resource-related manufacturing</b>	<b>6,5</b>	<b>2.9%</b>	<b>3.0%</b>	<b>0.4%</b>	<b>0.1%</b>
Wood products	2,2	1.0%	1.0%	1.2%	0.4%
Paper	1,3	0.6%	0.7%	0.7%	-1.3%
Petroleum and coal products	0,8	0.3%	0.1%	-3.9%	-3.0%
Non-metallic mineral products	1,4	0.6%	0.4%	1.0%	1.5%
Primary metal manufacturing	0,8	0.3%	0.7%	0.9%	0.8%
<b>Investment-related manufacturing</b>	<b>15,1</b>	<b>6.7%</b>	<b>5.8%</b>	<b>1.5%</b>	<b>1.0%</b>
Chemical products	1,6	0.7%	0.8%	0.8%	0.3%
Plastics and rubber products	2,9	1.3%	0.9%	0.8%	0.4%
Metal products	3,8	1.7%	1.1%	2.9%	1.7%
Machinery	1,7	0.8%	0.6%	1.9%	1.0%
Computer and electronic products	0,3	0.1%	0.6%	1.6%	0.7%
Electrical equipment, appliances and components	1,9	0.8%	0.4%	0.6%	1.1%
Transportation equipment	2,9	1.3%	1.4%	1.5%	1.1%

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

The printing industry employs 1,700 workers in the Lanaudière region, accounting for 4.8% of the manufacturing jobs. Workers in this industry are very dependent on the neighbouring regions, especially the Island of Montreal, to which slightly more than half of workers commuted at the time of the 2006 Census. Over the past several years, employment has dropped sharply in the printing sector, both in the Lanaudière region and in Quebec overall. The industry is being severely affected by reductions in the numbers of magazines and newspapers printed, a situation that was aggravated during the most recent recession by



falling advertising revenues. The continuing upsurge in Internet use and electronic correspondence suggests that the printing industry's decline will continue. For the forecast period, the prediction is for an annual decrease in employment of about 1.4% in the Lanaudière region, which is similar to the decrease forecast for Quebec overall (-1.6%).

## Resource-related manufacturing

Resource-related manufacturing is the smallest manufacturing sector in the Lanaudière region, accounting for just 19% of manufacturing jobs. Sector companies are primarily involved in wood product, non-metallic mineral product and paper manufacturing.

Although a low growth rate is forecast, it will stay in positive territory.

Of these sub-sectors, wood product manufacturing is the most important in terms of numbers of jobs and employed an average of about 2,200 people from 2007 to 2009, accounting for 6.5% of the region's manufacturing jobs and 1.0% of total employment. The wood product manufacturing industry is closely tied to the construction industry, primarily residential construction, and posted growth up until late 2007, when the United States recession began. Decreased activity in the United States construction industry has severely affected the region's sawmills and plywood manufacturing plants. Despite many problems, the economic recovery that seems to be under way in the United States should contribute to a gradual improvement in the employment rate in this industry.

During the forecast period, wood product manufacturing is expected to benefit from activity in the prefabricated wood building manufacturing sub-sector. These secondary and tertiary processing products should help to maintain activity and associated jobs. Between now and 2012, the wood product industry may post employment growth of close to 1.2%, which is substantially higher than that forecast for all of Quebec (0.4%).

The paper industry, which accounts for 20% of employment in the manufacturing sector, has been affected by problems related to raw material supply costs and decreased world demand for newsprint and cardboard. The outlook for world markets is not much better over the next few years. We expect consolidation and restructuring efforts in this industry to result in the elimination of some additional jobs by 2012. Nevertheless, the Lanaudière region still has a large presence of companies specializing in tissue paper. This specialty area, which includes products such as facial tissue, toilet paper and other products, is less affected by the declining demand for newsprint. Consequently, the region's paper industry will perform better than the paper industry across the province and should even post slight increases in the number of jobs averaging 0.7% per year between 2010 and 2012, compared with a 1.3% decrease in Quebec overall.

Growth forecasts for the entire resource-related manufacturing sub-sector, although weak, remain positive, since the majority of business closures and job losses have already taken place in the last few years. Thus, employment growth of about 0.4% per year is expected from now until 2012 for the entire resource-related manufacturing sub-sector.

## Investment-related manufacturing

After a difficult period, employment growth should pick up in all industries in this group.

The investment-related manufacturing group is the largest manufacturing sector, with nearly 15,100 jobs on average from 2007 to 2009, employing 6.7% of all Lanaudière workers and accounting for nearly 44% of manufacturing jobs in the region. Over the last 10 years, this group has posted the highest job growth in manufacturing (average annual growth of 4.3%). With conditions in North American markets positive, businesses have accelerated their investing and hiring. The last three years were more difficult for sector companies owing to the global economic downturn, which affected export companies in particular.

The metal product manufacturing industry employs more than 3,800 people and accounts for 11% of the region's manufacturing jobs. Over two thirds of employees in this industry work for Lanaudière region companies. The metal product manufacturing industry took advantage of strong demand in the United States and played a key role in developing Lanaudière's manufacturing sector in the past decade. Recently, slumping demand in the United States, the region's main economic partner, reversed the growth trend in this

industry and companies were forced to restructure and scale back their operations. Although the economic turnaround is still fragile, an excellent outlook for investment in non-residential construction along with public infrastructure modernization projects bode well for local businesses. Moreover, the upturn in activity in the automobile and truck industry and expansion projects in the aerospace industry in adjacent regions are expected to encourage metal structure manufacturers to increase employment in the next three years. Thus, for the forecast period, this industry will see employment growth of 2.9%, which is much higher than that forecast for the Lanaudière manufacturing sector as a whole (1.0%).

The plastics and rubber products industry employed an average of 2,900 people in the Lanaudière region from 2007 to 2009, accounting for 8.3% of manufacturing jobs. This industry posted a strong rate of growth in the region from the mid-1990s until the mid-2000s. However, the economic slowdown in the United States that began in 2007 has created hard times for the industry, particularly in automobile manufacturing. Since the end of 2009, the industry has been gradually regaining lost ground because of the turnaround in the automobile industry and a slight increase in exports to the United States. In the region, 40% of jobs in this industry are directly related to the automobile industry and provided by one large company. This firm recently announced a major investment to upgrade its plant and acquire new equipment. Most of the other firms are associated with the plastic products industry and concentrated in the area around the city of Terrebonne. Employment growth prospects in this industry group over the next three years are good. The forecast average annual rate of growth in the region is 0.8%, which is somewhat higher than the growth rate forecast for the entire province (0.4%).

Approximately 1,700 workers are employed in machinery manufacturing in the Lanaudière region, accounting for slightly over 5% of manufacturing jobs. At the time of the 2006 Census, about 60% of these workers had jobs in the Lanaudière region. Economic uncertainty in the past two years and tighter credit conditions have put a damper on several investment and modernization projects. However, given the upturn in activity in the construction industry and the environment of competitiveness and efforts to achieve productivity gains, the industry is expected to benefit from strong growth in investment in modernization projects in the next few years in both domestic and United States markets. During the 2010–2012 period, the average annual employment growth rate in the Lanaudière region is expected to be 1.9%.

The electrical equipment, appliances and components industry employs a total of about 1,900 people and accounts for 5.5% of the region's manufacturing jobs. The region is home to one large company in this industry that manufactures household appliances and accounts for three quarters of the industry's jobs. The household appliance market is highly dependent on consumer spending and household formation. There is also increasingly stiff competition from foreign countries, particularly from emerging countries, which limits the growth opportunities of local manufacturers. The growth outlook will also be limited by the concentration of jobs in the operations of this one manufacturer. Therefore, employment growth during the forecast period is expected to be 0.6%, which is lower than the average forecast for Quebec as a whole (1.1%) and lower than the forecast employment growth rate for the Lanaudière region manufacturing sector (1.0%).

In 2007–2009, about 2,900 Lanaudière residents were employed in the transportation equipment manufacturing industry and accounted for 8.4% of manufacturing jobs. However, according to the 2006 Census, fewer than one out of five worked in the Lanaudière region. More than half worked on the Island of Montreal and in the Laurentians, Laval and Montérégie, where several large-scale employers, mainly manufacturers of aerospace products and parts, have operations.

The Lanaudière region benefited significantly from growth in the Greater Montreal area transportation equipment manufacturing industry during the 1990s. However, since 2005, the closing of the Corbeil Bus Corporation plant in the region and of the GM plant in Boisbriand in the Laurentians region as well as cyclical layoffs in the aerospace industry have reduced the number of jobs considerably. From now until 2012, new plants will be built in Mirabel in the Laurentians to manufacture aircraft and engines. Consequently, we



expect employment in the transportation equipment manufacturing industry to grow by an average of 1.5% per year in the Lanaudière region, a much higher rate than in the manufacturing sector as a whole.

## Construction industry

The region's construction industry employed 19,300 people on average from 2007 to 2009, representing 8.6% of all regional jobs, a markedly higher percentage than in Quebec overall (5.4%).

Residential construction is highly dependent on the requirements arising from demographic changes. The Laurentians and Lanaudière regions have had the highest population growth rates in Quebec for a number of years. The growth is partly a result of an increase in births, but is primarily due to in-migration from other regions of Quebec. This increase in the number of households has a positive impact on residential construction.

In addition, the region has benefited from favourable conditions for the construction industry in the past ten years. Stable, rock-bottom interest rates, hefty increases in home values and several commercial, institutional and tourism-related projects have propelled the region's employment level to unprecedented heights. Also not to be overlooked are the job opportunities to be had in the Greater Montreal area and Northern Quebec. Construction workers are often much more mobile than most other workers and tend to go where the jobs are.

Employment growth will be higher in the region because of a more positive outlook in residential construction.

According to the Commission de la construction du Québec (CCQ), the projected increase in the number of hours worked in Quebec in 2010 will be 3%. Although it will taper off slightly, the trend should continue until 2012–2013. However, this forecast is based mainly on significant growth in the non-residential market, particularly in the civil engineering and road construction segment. In Quebec overall, the CCQ predicts a decrease in the number of housing starts owing to a levelling off of household formation. However, the Lanaudière region will benefit from positive demographic conditions and industry market conditions will therefore improve.

In this context, we predict a solid recovery in the industry in 2010–2012, with average annual growth of 2.2%. The province overall is expected to grow at a similar, but slightly lower, pace because spin-off from infrastructure investment programs will peak and because of hydro-electric development projects in the Quebec north.

## Service sector

The service sector will continue to drive employment growth during the 2010–2012 period.

Employment growth in the service sector is directly related to population growth and residents' purchasing power. Over 40% of Lanaudière residents who work in service-related industries work outside the region, primarily in the Greater Montreal area. The broad service sector group accounts for 73.6% of jobs in the region, a slightly lower rate than for Quebec overall (78.2%). In the Lanaudière region, consumer services and production services account for almost equal numbers of tertiary sector jobs, each employing about 35% of workers. The third group of services includes public administration (federal, provincial and municipal) and parapublic services (education and health care) and accounts for 30% of tertiary sector jobs.

During the 2010–2012 period, the overall Lanaudière service sector will have a positive employment growth outlook, that is, an average annual rate of 2.1%, nearly twice the provincial rate (1.1%).



## Consumer services

Consumer services comprise four industries and employed nearly 57,500 people from 2007 to 2009, accounting for 25.6% of all jobs in the region.

From 1999 to 2008, the number of people employed grew at an average annual rate of 2.9%, slightly faster than in Quebec overall. Population growth and increased wealth in the population are factors in the growth. Despite declining employment in these industries in 2009 owing to the economy, labour market indicators have remained positive overall and job growth is expected over the next three years at a slightly lower rate of about 1.6%. This rate is nonetheless higher than the estimated 1.0% for Quebec overall.

With over 30,300 jobs, retail trade accounts for just over half of the consumer services sector workforce. Employment in retail trade, boosted by population growth well above the Quebec average, rising personal disposable incomes and low interest rates, has been increasing rapidly in the region in recent years. From 1999 to 2008, the number of jobs increased by an average of 3.1% per year. However, retail trade was not spared the effects of the recession and posted a decrease in the number of jobs of nearly 12% in 2009.

**Table 5**

<b>Employment Breakdown and Outlook in Consumer Services</b>					
<b>Lanaudière Region</b>					
	<b>Average for 2007–2009</b>			<b>2010–2012</b>	
	<b>Level ('000)</b>	<b>Share of Employment</b>		<b>Average Annual Growth</b>	
	<b>Region</b>	<b>Region</b>	<b>Province</b>	<b>Region</b>	<b>Province</b>
Consumer services	57,5	25.6%	27.6%	1.6%	1.0%
Retail trade	30,3	13.5%	12.4%	1.5%	0.9%
Information, culture and recreation	6,4	2.9%	4.5%	1.2%	1.0%
Accommodation and food services	10,8	4.8%	6.2%	1.6%	1.0%
Other services	9,9	4.4%	4.6%	1.9%	1.3%

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

All indicators point to renewed consumer confidence, a basic criteria for job growth.

Once recession fears have abated, there will be favourable conditions again for development in consumer services. Several investments have yet to be made in the region, particularly in renovation supply centres, retail furniture stores and a few big-box stores. However, the coming to an end of programs to stimulate the economy and ease credit as well as Quebec Sales Tax increases in 2011 and 2012 may restrict the demand for goods in 2011. Therefore, during the forecast period, Lanaudière's retail trade sector is expected to post annual growth of about 1.5%, which is higher than the growth rate for Quebec (0.9%), but lower than in the past.

Nearly 6,400 Lanaudière region residents work in the information, culture and recreation industry. Lanaudière residents employed in information and culture tend to work in Montreal, whereas those employed in the arts, entertainment and recreation industry work mainly in the region. In the past 20 years, there has been a favourable environment for developing the arts, entertainment and recreation industry in the Lanaudière region, which has a growing population and increasing numbers of tourists and receives a greater share of expenditures allocated to entertainment and recreation. These factors have therefore facilitated numerous investments in the region's culture, sports and recreational tourism infrastructure. Recently announced projects will ensure the vitality of the region's arts,



entertainment and recreation industry in the coming years. Consequently, there is expected to be renewed activity in the information, culture and recreation sub-sector and employment should increase at an average rate of 1.2% per year until 2012, which is fairly comparable to the provincial growth rate.

The accommodation and food services industry employs about 10,800 workers in the region. In the past ten years, this industry has posted a rapid, steady pace of growth in the Lanaudière region (average annual increase of 3.4%). The food services industry sub-group, which accounts for the large majority of jobs in this industry group, has benefited considerably from population growth, rising disposable incomes and people's changing lifestyle habits and is more dependant on local demand than on the travelling public. Nonetheless, tourism has also generated a number of business opportunities in recent years, particularly in the northern part of the region with the ongoing development of resort infrastructure. Moreover, increasing numbers of people are establishing their second residence in this region, and many young retirees hope to establish their principal residence there.

The strong Canadian dollar and poor economic conditions do not seem to have had a serious impact on this industry. There was even a 17% increase in the number of workers in the accommodation and food services industry in 2009. Population levels in the region will continue to rise, but not as dramatically as in recent years; this, in turn, should limit growth in the food services sector. Consequently, there will continue to be rising employment over the next three years at an average annual rate of 1.6%, compared with 1.0% for all of Quebec.

The wide range of services in the other services industry group includes repair and maintenance (including automotive repair and maintenance); personal and laundry services; religious, grant-making, civic and professional and similar organizations; and private households. The industry group provides jobs for over 9,900 workers and accounts for just over 4% of employment in the region's industrial base. In the past five years, this industry group has posted less rapid growth than the region's consumer services industries combined. Rapid population growth has benefited repair and maintenance services as well as personal and laundry services. However, the gradual movement of daycare services to grant-supported organizations has caused a decrease in employment in associations and private households. Over the next three years, this industry group is expected to post growth of about 1.9%, about the same as the average for all industries in the region.

## Production services

Because of the region's proximity to Montreal, its residents benefit from economic opportunities in the Greater Montreal area.

Some 58,200 people are employed in the production services industry group, which accounts for 26% of all jobs in Lanaudière, slightly lower than in the province overall. The professional, scientific and technical services sub-group employs the greatest number of people within this industry group, accounting for nearly one job in four. Most production services firms are located in Montreal, mainly because of the presence there of several head offices and the administrative offices of large companies. In the most recent census, slightly over 40% of Lanaudière residents employed in this sub-sector worked in Montreal. During the 2007–2009 period, employment in production services grew at an average annual rate of 8.1%. We predict a slightly lower average annual growth rate of 2.7% for the forecast period, which is nonetheless higher than the 1.6% predicted for Quebec.

Wholesale trade, which accounted for an average of 11,400 jobs from 2007 to 2009, benefited considerably from strong growth in trade in the 1990s and 2000s. The industry enjoyed growing domestic demand fuelled by low interest rates, rising disposable incomes and a strong labour market. Although the increase in value of the Canadian dollar against the American dollar was a challenge for companies exporting their products to the United States, it worked in favour of Canadian businesses importing foreign products. While the world recession affected several firms in 2008 and 2009, it seems to have had little effect on the sub-sector as a whole because no decreases in employment in the region have been reported for this industry. A turnaround in wholesale trade across the province in the second half of 2009 and the much more sustained resumption of international trade expected during the forecast period should result in an average annual employment growth



rate of 2.7% in the Lanaudière region wholesale trade industry, a much higher rate of growth than that predicted for all of Quebec (1.5%).

**Table 6**

<b>Employment Breakdown and Outlook in Production Services</b>					
<b>Lanaudière Region</b>					
	<b>Average for 2007–2009</b>			<b>2010–2012</b>	
	<b>Level ('000)</b>	<b>Share of Employment</b>		<b>Average Annual Growth</b>	
	<b>Region</b>	<b>Region</b>	<b>Province</b>	<b>Region</b>	<b>Province</b>
Production Services	58,2	26.0%	26.0%	2.7%	1.6%
Public services	2,3	1.0%	0.9%	1.8%	1.2%
Wholesale trade	11,4	5.1%	4.0%	2.7%	1.5%
Transportation and warehousing	11,1	5.0%	4.6%	2.2%	1.5%
Finance, insurance, real estate and rental and leasing	10,9	4.9%	5.9%	1.9%	1.4%
Professional, scientific and technical services	13,3	5.9%	6.9%	3.1%	2.0%
Management of companies, enterprises, administrative and support and other	9,1	4.1%	3.7%	3.4%	1.2%

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

The Lanaudière region's transportation and warehousing industry employed an average of 11,100 people during the 2007–2009 period. About 41% of these jobs were in public transit and tourism-related transportation, 32% in trucking and 5% in air transportation. Postal, courier and messenger services and other transportation and warehousing services accounted for 17% and 5% of jobs in the industry group, respectively. Since the mid-1990s, companies have taken advantage of buoyant manufacturing sector activity and population growth in the Lanaudière region and developed various types of vehicles. After reaching a peak in 2001, employment growth subsequently followed a see-saw pattern with job numbers hovering between 8,000 and 12,000. Environmental requirements, energy costs, insurance and new security measures at United States border crossings have significantly raised the costs of firms and self-employed workers in this industry. In 2009, the recession did not have the same impact on the region: while employers in this industry eliminated over 16,000 jobs in Quebec, the region gained 2,700 jobs. However, all of these gains were generated in the areas of public transit and tourism, while the trucking industry lost 700 jobs during the same period.

The strengthening United States economy and the resumption of logging activities in the northern part of the region will increase the amount of goods transported by truck, which will have a positive effect on employment. In addition, various investments in the region will be beneficial for Lanaudière's public transit sector. The *Train de l'Est* commuter train project will link the northeastern part of the region (Repentigny, Terrebonne and Mascouche) to Laval and Montreal, with the line scheduled to go into service in the summer of 2012. The next three years should see an average annual employment growth rate of about 2.2%, a more sustained increase than for the province overall (1.5%).

Professional, scientific and technical services, which have benefited from the stimulus provided by various government programs and from population growth, employed an average of 13,300 Lanaudière residents from 2007 to 2009. Although a high percentage of



the jobs are outside the region, particularly on the Island of Montreal (36%), close to 50% are in regional firms. During this period, the number of people employed in this industry group increased by an average of 9.5% per year, a much faster pace than employment growth in the labour market as a whole.

Economic development in the Lanaudière region has created a need for these types of services (legal, accounting, management consulting and engineering services). In addition, a high level of activity in both the residential and non-residential construction industry has also contributed significantly to this industry group's development. Current and projected investment in the region as well as in the Greater Montreal area is expected to sustain this industry group's high level of activity. Moreover, obsolescent highway infrastructure and the need to improve public utilities, such as the water supply, will promote employment growth in this industry group. Over the next three years, professional, scientific and technical services will be one of the most thriving industry groups in terms of job creation in Lanaudière and is expected to post growth of 3.1% from 2010 to 2012, one of the highest employment growth rates in the production services sector.

The industry group known as management of companies, enterprises, administration and support and other, which employs about 9,100 workers, has also enjoyed significant growth in the past ten years in the region. The establishment of many call centres, greater use made of specialized services (job placement, security, travel agencies, etc.) and greater awareness of the environment have propelled this growth. The sub-groups contributing the most to employment growth will be job placement services, investigation and security services, and environment and waste management-related services. During our forecast period, Lanaudière recycling plants will invest in facilities in the region to improve the quality of recycled materials. A cogeneration plant will also be built so that gases released from decomposing waste can be burned and transformed into energy. Employment in business management and support services in the region is expected to grow at an average annual rate of 3.4% from now until 2012, a higher rate than for Quebec overall (1.2%).

The finance, insurance, real estate and rental and leasing industry group employed an average of 10,900 people in the region from 2007 to 2009, accounting for 4.9% of total employment. Over half of these people worked outside the region, mainly in Montreal, and to a lesser extent, in Laval. After this industry group posted strong employment growth until the early 2000s, there was a slight decrease in employment resulting, in particular, from the reorganizing of service delivery in banking institutions and the increased use of electronic transactions (automatic teller machines and Internet services) and, more recently, from the financial crisis in the United States and the world recession that followed. Although these events led to job cuts in 2008, a strongly performing real estate market in the Greater Montreal area helped the industry group, particularly the insurance and real estate sub-group, to quickly regain its momentum, leading to a rebound in employment in 2009.

The increasing number of investment products and a significant increase in the number of future retirees will boost the demand for financial planning and pension fund management services. High debt levels also encourage people to consult with experts in order to deal with their financial problems. Lastly, population growth and population aging in the Lanaudière region will continue to create demand in the real estate market and for rental apartments for persons with decreasing independence. All of these factors will help to sustain activity in this industry subgroup and increase employment. The subgroup is therefore expected to post an average annual employment growth rate of 1.9% from now until 2012.



## Public and parapublic services

Public and parapublic services account for 22% of regional employment, slightly less than in Quebec overall (24.7%). Teaching, ambulatory health care and hospitals and nursing and social assistance facilities are by far the largest industries, accounting for over 18% of jobs in the region and nearly 83% of all public and parapublic sector jobs. The other 17% is divided among the three levels of government, with the vast majority of those jobs at the municipal and regional levels.

The Lanaudière region's demographic advantages should stimulate employment growth in education and health care.

First and foremost, population growth means a greater need for health and social assistance services, including child daycare services. With continued government investment in ambulatory health care services, hospitals, nursing and residential care facilities and social assistance services, employment growth in this sector should be fairly high during the 2010–2012 period. The challenge, however, will be availability of labour, which may limit growth because of high demand everywhere in Quebec, since the pool of available workers is quite small, compared to the scale of the need. With the ongoing improvement of services, the recent mini baby boom and the aging population, the regions of Quebec are all in competition when it comes to recruiting employees in the health care field.

**Table 7**

<b>Employment Breakdown and Outlook in Public and Parapublic Services</b>					
<b>Lanaudière Region</b>					
	<b>Average for 2007–2009</b>			<b>2010–2012</b>	
	<b>Level ('000)</b>	<b>Share of Employment</b>		<b>Average Annual Growth</b>	
	<b>Region</b>	<b>Region</b>	<b>Province</b>	<b>Region</b>	<b>Province</b>
Public and Parapublic Services	49,3	22.0%	24.7%	1.8%	0.8%
Educational services	13,8	6.1%	6.7%	1.6%	0.3%
Ambulatory health care and hospitals	13,9	6.2%	6.5%	2.0%	1.4%
Other health care and social assistance	13,2	5.9%	5.6%	2.8%	1.8%
Federal public administration	1,8	0.8%	2.1%	-0.7%	-0.4%
Provincial and territorial public administration	1,8	0.8%	1.9%	-1.1%	-0.4%
Local, municipal, regional and other public administration	4,8	2.2%	1.8%	0.9%	0.5%

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

Educational services generated an average of 13,800 jobs in the Lanaudière region between 2007 and 2009. About 82% of the jobs were in elementary and secondary schools and 7% in college-level educational institutions. Universities and other educational and training institutions each accounted for about 4% of the jobs, respectively. Depending on the type of educational institution concerned, the daily commute times of workers in the region travelling to their workplaces vary considerably. Nearly three quarters of elementary and secondary school teachers work in the Lanaudière region, whereas in proportional terms, a much higher number of college and university-level instructors have jobs in Montreal.

Employment in educational services is closely linked to demographic changes. Despite the region's having the highest population growth rate among Quebec's 17 administrative regions, the region's population is aging, while young people are becoming less numerous.





Consequently, the total number of young people (in kindergarten and elementary and secondary school) in Lanaudière is decreasing, as is the case across Quebec. However, the effects of a steady increase in the number of births in Quebec since 2003, which some are calling a mini baby boom, are beginning to be seen in kindergarten and elementary school classes, which are reporting big increases in the number of pupils. According to Quebec Department of Education, Recreation and Sport projections, Lanaudière will see increases over the next three years of nearly 840 more pupils in kindergarten (+19.5%) and 440 more pupils in elementary school (+1.6%), but is expected to have about 3,550 fewer secondary school students (-12.5%). The total number of young people in school full time is therefore expected to decrease by 3.8% (1,281 fewer students) over the next three years. However, the decrease in the school population may be offset by the Quebec government's decision to reduce the number of students per class, which would increase the demand for teachers. In addition, the projections suggest that the number of young people in school should stop falling in 2013 as the children of the mini baby boom enter the school system.

Since 2006, the number of college-level staff has been increasing both in Lanaudière and in Quebec as a whole. In 2008 alone, the increase in the number of college-level staff was 8%, almost three times higher than the increase in Quebec overall (+3%). However, Education Department projections tell us that these increases will gradually taper off and the number of Lanaudière college-level staff will start decreasing in 2012.

To summarize, the declining number of school-age young people resulting from population aging will be a determining factor affecting employment in educational services over the coming years. Nevertheless, the Lanaudière region's demographic advantages enable us to anticipate an annual increase in employment of 1.6% during the 2010–2012 forecast period.

The number of people working in public administration in the region has decreased in the past ten years. During the most recent recession, governments invested huge sums to offset the negative effects of the economic slowdown and had to hire additional employees to satisfactorily handle increased demand from residents. This government investment achieved expected outcomes in terms of reducing the number of lost jobs, but also had the perverse effect of increasing debt levels.

With the economy in recovery, various levels of government may gradually reduce their expenditures in order to rebalance budgets and pay down accumulated debt. In this context, there is expected to be a downward trend in federal and provincial public service employment over the next three years. Because of population growth in the region, which increases the demand for services provided by local and municipal governments, the number of workers at these administrative levels is expected to increase slightly.

Generally speaking, because of this increase in demand, this industry group will nonetheless see a net increase in employment that is higher than what it will be for this industry group in the province as a whole.