

Sectoral

Outlook

2006-2008

Laurentides



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Sectoral

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2006-2008

Laurentides

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Summary

The population of the Laurentides region was 461,360 in 2001, having grown 6.9% from 1996 (1.4% in Québec). In fact, the Laurentides region recorded the largest population growth in Québec. With the exception of Antoine-Labelle, the population grew in all of the MRCs, especially Mirabel and Thérèse-de-Blainville. The Institut de la statistique du Québec (ISQ) estimates that the population will grow by 3.3% during 2005–2008 (1.3% increase for Québec overall). Over 70% of the region's population growth is the result of net in-migration, which has been among the highest in the province in the last few years.

The working-age population, labour force and employment have all grown steadily. In 2006–2008, employment growth is expected to stay the course, averaging 1.7% annually (1.1% for Québec). As the working-age population keeps pace with employment growth, the unemployment rate should remain below 8%. The economies of the Laurentians, the Island of Montreal and surrounding areas are interdependent. Although the local economy has grown significantly during the last decade, close to half of the population south of St Jerome commutes to Montreal to work.

The service sector employs more than three out of every four inhabitants in the Laurentides region, while 17% work in factories and 5% in construction. The primary sector is not heavily represented in terms of the number of persons employed. This breakdown is similar to that for Québec as a whole.

In the Laurentides region, nearly 4,000 people work in the primary sector, which is quite marginal. Nearly two thirds of the jobs are in agriculture, and are concentrated in the southern part of the region. The forest industry (logging and sawmills, etc) employs the other third of primary sector workers. This sector, which plays a major role in the economy of the northernmost MRCs, is grappling with supply issues (Coulombe report). In general, the primary sector should continue to decline slowly over the next few years, mainly because of expected restructuring in the forest sector.

The region's manufacturing sector has diversified a great deal in recent years. It accounts for more than 17% of regional employment. Until 2008, despite ups and downs, employment growth can be expected to average 1.7% annually (0.9% for Québec). The sub-sectors with the brightest prospects are transportation equipment, food and beverage, machinery, and computer and electronic product manufacturing. Aerospace product and parts manufacturing is emerging from a difficult period, and the indications are pointing to a significant upswing in employment in the Mirabel region. This observation is valid even though plans for one major investment in the region have been dropped.

Wood product manufacturing is the third largest manufacturing industry in terms of jobs in the region. While mills laid off a number of workers as they came to grips with global competition and the spiralling supply costs in 2005, employment should stabilize in the next few years.

The economic context has been favourable for the construction industry in the region in the last three years. Construction employment growth has been fuelled by booming commercial and institutional construction and by strong demand in the residential sector created by the burgeoning population. Also, workers in this sector have access to a larger market, that of Greater Montreal. Job growth should slow considerably until 2008, but continue to outpace the provincial growth rate thanks to major investments in the commercial and tourism sectors. However, a decline in the residential sector is expected to drag growth down, impacting the number of hours worked more than job volumes throughout the construction sector.

Employment changes in the tertiary economy are closely tied to demographics and purchasing power. More than 30% of the jobs in the sector are in consumer services. Population growth will be solid in both the Montréal and Laurentides regions, where personal disposable income grew by 18.8% from 1995 to 2003, ranking the region second provincially, just behind Montérégie. If this favourable situation continues, annual employment growth in the consumer services sector can be expected to average 2.3% until 2008, well above the 1.2% growth forecast for the province.

Production services will not lag behind. There will be more construction projects requiring engineering services in the next three years. Aging highway infrastructure and the expansion of services such as water treatment to keep pace with population and industrial growth will bolster employment growth in professional, scientific and technical services.

This overview of the industrial outlook indicates the thriving sectors where growth can be expected, and which industries will have to scale back their operations and increase productivity, employing fewer people in the short term, in some cases, but achieving long-term gains.

Introduction

Each year, Service Canada develops medium-term employment forecasts both by industry and by occupation for Québec 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 Québec and its various regions.

Contrary to what we did in recent years, we are presenting the results of our analyses in two different, yet complementary, documents. This document deals with sectoral outlooks, whereas the second, to be published at a later date, will provide occupational outlooks.

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 Québec 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 (2003–2004–2005) 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 2006 to 2008. They were developed in winter 2005–2006 in co-operation with Service Canada economists working in all of Québec's regions and with the help of the Canadian Occupational Projection System (COPS), without which we would not have had access to the many 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 Sector

- 31-33 Manufacturing

When relevant, 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

Ressource-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 Industry

- 23 Construction Industry

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

Because of its geographical location and characteristics, the Laurentides region has been able to develop a highly diverse industrial base. The Institut de la statistique du Québec (ISQ) forecasts that the population of the Laurentides region will continue to grow faster than in any other region of the province until 2011. Its growing population will fuel the region's highly significant tertiary sector. The Laurentides economic region comprises eight regional county municipalities (MRCs), and may be divided into three distinct sections.

The southern section is the most urban, and also has diverse agricultural and manufacturing sectors. It has a large, experienced workforce and sophisticated road, rail and air transportation networks, and is near the vast Greater Montreal market. Industries such as transportation equipment manufacturing, chiefly aeronautical, and food processing have grown over the years with the arrival of large firms. This section, which extends from the Mille Îles River to St Jerome, has the fastest growing population in Québec.

A little further north, the industrial base centres on the region's natural attractions. Industries tied to tourism have naturally clustered in this area, with its many beautiful lakes and mountains. The major investment that has been taking place around Mont Tremblant has, of course, had happy consequences in terms of jobs for the community and region.

The northernmost section of the region is far more rural, relying heavily on natural resources, and the forest industry in particular. The population of this section is not growing as quickly as it is in the region as a whole. MRCs located in the southern section draw more inter- and intra-regional migrants.

Economic Environment

The manufacturing sector, employing close to 42,000 workers, has always played a very important role in the Laurentides labour market. In 2003, there were 372 goods-exporting establishments in the Laurentides economic region, down 6.8% year over year¹. These firms represented just 4.5% of Québec exporters. However, they contributed significantly to the value of Québec exports, exporting 68% of their manufacturing shipments in terms of value, compared with a figure of 43% in Québec.

¹ All data on exports is taken from Statistics Canada's Canadian Exporter Registry.
Compilation: Institut de la statistique du Québec, Social and Economic Statistics Directorate.

The manufacturing sector, employing close to 42,000 workers, has always played a very important role in the Laurentides labour market

The strong regional economy and booming population have made for a thriving construction sector

Projected growth in the energy sector has been revving up the economy and creating inflationary pressures across Canada. To control these pressures, the Bank of Canada has had no choice but to implement a restrictive monetary policy by gradually raising interest rates, making the Canadian dollar more attractive to foreigners. The Looney has made substantial gains against the US currency in the past few years. Some provinces, such as Ontario and Québec, have been affected more than others by this trend, which has been dampening the prospects of a manufacturing sector already grappling with the global economy. Laurentides region manufacturers are not immune to this situation. All of the obstacles in the way of the manufacturing sector have therefore significantly slowed economic growth in the region. The softwood lumber dispute with the US, the financial crisis in the air transportation industry and the emergence of greater global competition have also played an important role in shaping the fortunes of this sector. Québec and Laurentides manufacturers have been focussing on cutting production costs, increasing productivity and developing new niches of excellence as they strive to grow and prosper.

The Québec economy suffered a number of blows between 2001 and 2003. Thus, after three consecutive declines in the value of manufacturing shipments, the province of Québec posted a timid 6.8% recovery in 2004. That growth rate, however, was the second lowest in the country; only Prince Edward Island fared worse. In Laurentides, the value of exports increased in 2002 and 2003, despite a significant decline in the number of firms. The region accounted for 5.4% of the value of exports in 2001, 5.9% in 2002 and 6.4% in 2003. It is therefore easier to understand why total employment volume in the manufacturing sector continued to grow in Laurentides (1.8%) in 2003, while it fell 4.1% provincially. Employment in the region's manufacturing sector ebbed in 2005, bringing the number of employed to below 2001 levels.

The strong regional economy and booming population have made for a thriving construction sector. As in Québec, the residential sector is expected to slow somewhat in 2005 and 2006. However, this should not result in fewer jobs in the construction sector as a whole. Major projects are still under way and a number of large institutional and industrial construction sites will take shape in the next three years.

The service sector will continue to be stimulated by growth in consumer spending that has been taking place in the past few years. According to the 2005 report on personal income published by the Institut de la statistique du Québec, the Laurentides region ranked second (18.8%) behind Montérégie (19.7%) in terms of per capita increase in personal income in constant dollars for the 1995–2003 period. Two of the three MRCs posting the highest per capita personal income in Québec in 2003 were in the Laurentides region. The Les Pays-d'en-Hauts MRC came first, with per capita income of \$34,573, and the Thérèse-de-Blainville MRC was third with \$33,576. The Mirabel MRC posted the highest increase in per capita personal income between 2002 and 2003. Rising per capita incomes and strong demographic growth in the region are fuelling demand for services.

This environment can be expected to keep employment growing faster in the region than in the province for 2006–2008. Because the region's tertiary sector is expanding and its manufacturing sector is coming back from a sharp decline in 2005, the Laurentides economy is set to grow.

Labour Market Indicators

Employment growth in the Laurentides region has moved counter-cyclically to the provincial economy in recent years

Strangely enough, employment growth in the Laurentides region has moved counter-cyclically to the provincial economy in recent years. While economic conditions in Québec were exceptionally good in 2002, creating 3.7% employment growth, jobs in Laurentides increased only 0.5%, lagging behind regional population growth. The number of employed grew by over 4% between 2002 and 2003 and by 6.4% between 2003 and 2004, as against only 1.5% and 1.7% respectively in Québec. The region's sudden employment spurt boosted the employment rate 2.3 percentage points to 64.8% in 2004, well above the Québec rate. In addition, employment growth in the region was in full-time jobs (+19,000), while part-time jobs declined (-3,500) during the period. After a record year in 2004, the number of employed in Laurentides dropped by more than 4,000 in 2005, while Québec added nearly 37,000 jobs.

Participation also fell in the Laurentides region, for the first time in five years. The number of labour market participants was off nearly 1.0%, not enough to prevent the unemployment rate from climbing to 7.6% in 2005 from 6.9% in 2004. Nevertheless, the unemployment figures for 2004 were by far the lowest in the past 15 years. The 2005 unemployment rate increase brought it into line with the average rates in the region since 2000.

Table 1
Main Labour Market Indicators - 2003-2005
 Laurentides Region

	2003	2004	2005	2003-2005
Population 15+ ('000)	387.5	397.3	407.7	397.5
Labour force ('000)	261.0	276.4	274.3	270.6
Employed ('000)	242.2	257.6	253.6	251.1
Unemployed ('000)	18.9	18.9	20.7	19.5
Unemployment rate (%)	7.2%	6.8%	7.5%	7.2%
Participation rate (%)	67.4%	69.6%	67.3%	68.1%
Employment rate (%)	62.5%	64.8%	62.2%	63.2%

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

The regional unemployment rate should remain below 8%, approaching 7% by the end of the period

In 2006, employment is expected to grow by 1.6% in Laurentides. The employment growth rate should remain the same in 2007 and go up to 2% in 2008. For the forecast period, the regional unemployment rate should remain below 8%, approaching 7% by the end of the period.

Part 2: Sectoral Outlook

Overview

During 2006 to 2008, we expect close to 1.7% growth for all industries in the Laurentides region, above the Québec rate (1.1%)

In the Laurentides region, services account for a major proportion of all jobs (nearly 76%), similar to the situation elsewhere in the province. The consumer services sub-sector is the largest with close to 29% of all jobs. The sector comprises retail trade, which employed the most people (36,000) in 2005. Manufacturing accounts for 16.7% of jobs, while the primary sector represents only 1.7%. Construction, another significant sector in the region, accounts for nearly 6% of jobs, compared with 4.6% in Québec. Strong population growth in the region had a positive impact on the construction industry, which recorded an 11.1% increase in the most recent three-year period.

Table 2
Breakdown of Employment for Selected Industry Groups
Laurentides Region

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
All Industries	250.8	100.0%	100.0%	1.7%	1.1%
Primary	4.2	1.7%	2.6%	-1.5%	-0.6%
Manufacturing	41.9	16.7%	17.0%	1.7%	0.9%
Construction	14.6	5.8%	4.6%	0.4%	-0.1%
Services	190.1	75.8%	75.9%	1.9%	1.3%
Consumer Services	71.6	28.5%	27.6%	2.3%	1.2%
Production Services	61.4	24.5%	24.0%	2.0%	1.7%
Public and Parapublic Services	57.2	22.8%	24.3%	1.2%	0.8%

Source: Service Canada Québec Region
Historical estimates based on Statistics Canada's Labour Force Survey

During the 2006 to 2008 forecast period, we expect close to 1.7% growth for all industries in the Laurentides region, above the Québec rate (1.1%). All major industry groups are expected to post higher growth rates in the region than they are provincially. The service sector (1.9%), especially consumer services (2.3%), should see strong annual growth. The manufacturing (1.7%) and construction (0.4%) sectors will also record stronger growth in the region than they will in the province as a whole. In fact, the construction sector is forecast to post negative growth in Québec.

Primary Sector

The economy of the Antoine-Labelle MRC relies heavily on forestry and logging

The primary sector accounts for 1.7% of all jobs in the Laurentides region, or approximately 4,000 positions. Agriculture represents the greater proportion, with 61.9% of primary sector jobs in the region, followed closely by forestry with 28.6%. Although these industries account for a small percentage of all jobs, they predominate in a number of MRCs. Such is the case in Mirabel, where 87% of the land is agricultural.

Forests cover 83% of the Laurentides region (most of them in the northern part of the region); 74% are publicly owned according to the Québec Department of Natural Resources, Wildlife and Parks. The economy of the Antoine-Labelle MRC relies heavily on forestry and logging. Wood product manufacturing, with timber largely supplied by the region, is also an important engine of this MRC's economy. According to the latest official figures (2003), the gross market volume in the region's productive forests amounts to 241,717,000 m³.

Table 3
Breakdown and Employment Outlook in the Primary Sector
 Laurentides Region

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Whole Primary Sector	4.2	1.7%	2.6%	-1.5%	-0.6%
Agriculture	2.6	1.0%	1.5%	0.0%	-0.5%
Forestry and Logging	1.2	0.5%	0.6%	-4.7%	-2.4%
Mining	0.4	0.2%	0.4%	0.0%	0.7%

Source: Service Canada Québec Region
 Historical estimates based on Statistics Canada's Labour Force Survey

During the latest three-year period, employment in the primary sector fell sharply. The drop was particularly sharp in the forest industry, where a number of factors came into play. The softwood lumber dispute, which has been ongoing since May 2002, has done its share of damage to businesses in the region (reorganizations, closures, declining output). A ruling in Canada's favour in the dispute with the United States could have a positive impact on the level of employment in the region over the next few years. Investments made by a number of companies in the region in the past few years will improve their market positioning. However, the impact of the province's new law reducing cutting rights under Timber Supply and Forest Management Agreements by 20% on public land may compel firms to continue restructuring and darken forecasts for the sector.

As elsewhere in the province, major organizational changes and increased business productivity have had a negative impact on the employment rate in the region's agricultural sector. Moreover, agricultural land is coming under increasing pressure from the many residential, industrial and commercial projects springing up in the region, and opportunities for agricultural operations to expand are being limited by the proximity of residential developments. Farm financing is also increasingly difficult to obtain, given the significant run-up in the price of farms over the past 15 years. This is making it especially problematic for farmers to find anyone to take over their farms as they retire.

Farm financing is also increasingly difficult to obtain

From 2006 to 2008, we expect employment in the region's primary sector to shrink by 1.5%. Agriculture is expected to remain stable, while the forest industry should continue to reorganize somewhat in the face of a strong Canadian dollar, fewer construction projects getting under way and the need to adjust to the new forest management plan.

Manufacturing Sector

The announcement that the C-series project was being deferred diminished to some extent the outlook for growth in the aeronautics sector in the short term

The manufacturing sector in the Laurentides region is quite diversified and accounts for 16.7% of jobs, almost the same proportion as in the rest of Québec (17.0%). Investment-related manufacturing is the biggest sub-sector, with almost 18,800 jobs or 7.5% of all jobs in the region. The transportation equipment manufacturing sub-sector plays a significant role in the Laurentides labour market. Despite a decrease of 2.6% in the latest three-year period, the sub-sector employed 7,700 people in the region. The share held by the sector in the region is far greater than in Québec as a whole (1.4%). The presence in the region of a number of industry leaders, such as Bell Helicopter, Bombardier Aéronautique, LM-3 communication, Nova Bus and Paccar, confirms the vitality of the sector locally. Bombardier Aéronautique recently announced that the C-series project was being deferred. The announcement diminished to some extent the outlook for growth in the aeronautics sector in the short term. However, because of the strength of the other companies in the sector in the region, the industry will remain strong for the next three years. Also included in the large investment-related manufacturing sector are other sectors that should post excellent results in terms of growth in employment. Computer and electronic product manufacturing, machine manufacturing and metal product manufacturing should experience strong growth during the forecast period. Of course, activity in these sectors is not limited to the Laurentides region. A number of companies in these industries operate on Montreal Island and provide employment opportunities for Laurentides residents.

Food and beverage product manufacturing is expected to grow in the next few years

Consumer-related manufacturing includes the food, beverage and tobacco product manufacturing sub-sector (2.2% of regional employment), which has been recognized by the socio-economic players as a niche of excellence for the region. Food and beverage product manufacturing, already the second-biggest manufacturing sector in the region with nearly 5,500 jobs, is expected to grow in the next few years. The efforts made by all private and public partners in regional economic development to support the development of this niche of excellence ensure conditions conducive to the growth of existing businesses and the establishment of new ones.

The resource-related manufacturing sector in the Laurentides region is represented primarily by the processing industry, which had an average of 4,300 jobs between 2003 and 2005. This local industry increasingly emphasizes secondary and tertiary processing of wood products, producing slightly more than 3% of Québec's softwood lumber. In 2003, it had 75 sawmills, a particleboard plant, a wood turning plant and two hardwood veneer and plywood plants, according to data from the Québec Department of Natural Resources, Wildlife and Parks. However, with the new rules on timber supply, the profile of this industry has changed somewhat in the past year. Our forecasts are for employment in this industry to stabilize, with very weak annual average growth of 0.1% between 2006 and 2008.

The average annual growth rate in the region's manufacturing sector as a whole between 2006 and 2008 is expected to be 1.7%, which is higher than the Québec rate (0.9%). The computer and electronic product, transportation equipment, metal product, machine, and food and beverage sectors should post the highest growth rates during the forecast period.

Table 4

Breakdown and Employment Outlook in the Manufacturing Sector
 Laurentides Region

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Whole Manufacturing Sector	41.9	16.7%	17.0%	1.7%	0.9%
Consumer-Related Manufacturing	13.3	5.3%	6.7%	1.1%	0.4%
Food, Beverages and Tobacco	5.5	2.2%	2.2%	2.2%	1.9%
Textile Mills and Textile Product Mills	0.7	0.3%	0.6%	-2.1%	-2.2%
Leather Clothing and Products	1.2	0.5%	1.2%	-2.9%	-2.7%
Printing and Related Activities	2.1	0.9%	1.0%	1.0%	0.9%
Furniture and Related Products	2.3	0.9%	1.0%	0.3%	-0.2%
Miscellaneous Manufacturing	1.5	0.6%	0.7%	2.1%	2.0%
Resource-Related Manufacturing	9.8	3.9%	4.0%	0.0%	-0.3%
Wood Product Manufacturing	4.3	1.7%	1.6%	0.1%	-1.1%
Paper Manufacturing	2.4	1.0%	1.0%	-0.8%	-1.2%
Petroleum/Coal Products Manufacturing	0.2	0.1%	0.1%	0%	1.3%
Non-Metallic Mineral Product Manufacturing	1.7	0.7%	0.5%	0.6%	0.8%
Primary Metal Manufacturing	1.2	0.5%	0.9%	0.8%	0.9%
Investment-Related Manufacturing	18.8	7.5%	6.3%	2.9%	2.1%
Chemical Products	2.2	0.9%	0.9%	0.7%	0.6%
Plastics and Rubber Prod.	2.1	0.8%	1.0%	1.5%	1.6%
Fabricated Metal Product Manufacturing	2.8	1.1%	1.1%	2.2%	2.2%
Machinery Manufacturing	1.7	0.7%	0.8%	2.6%	2.6%
Computer and Electronic Product Manufacturing	1.4	0.6%	0.7%	3.0%	3.1%
Electrical Equip., Appliance and Component Manufact.	0.8	0.3%	0.3%	1.2%	1.1%
Transportation Equipment Manufacturing	7.7	3.1%	1.4%	4.8%	3.0%

Source: Service Canada Québec Region
 Historical estimates based on Statistics Canada's Labour Force Survey

Construction Industry

This sector should continue to maintain the high levels of employment thanks in part to major projects that are in the northern part of the region, namely in the tourism industry and in accommodation and food services

In the Laurentides region, the construction sector accounted for more than 6% of jobs, more than in Québec as a whole (4.6%). The situation was fuelled in part by the region's population growth in the past few years. In fact, population growth in most MRCs in the region strongly influenced residential construction, which has increased continuously in the last few years. The renovation sector has also benefited from sustained demand in the past few years. Moreover, major investments in tourism and resort developments, particularly in the Laurentides and Pays-d'en-Haut MRCs, have also had a positive impact on employment in both commercial and institutional construction.

The region posted an increase of 11.1% in employment in this sector in the latest three-year period, compared with 5.5% for Québec as a whole. For the period from 2006 to 2008, we expect employment to level off, with slow growth of about 0.4%. The province as a whole is expected to see a decrease of approximately 0.1% during that period.

The high levels of employment recorded in the sector in the past few years should continue, thanks in part to major projects that are ongoing or that have been announced in the northern part of the region (Laurentides and Antoine-Labelle MRCs), namely in the tourism industry and more specifically in accommodation and food services. Commercial construction should also maintain its employment levels, owing to the arrival of major retail trade companies that will soon open their doors in the region. Growth in residential construction should remain strong, but will slow considerably during the forecast period. Low mortgage rates and a relatively low vacancy rate for rental housing units in the region will help keep employment rates at high levels at the start of the forecast period.

Consumer Services

The consumer services sector had the largest proportion of jobs in the Laurentides region (71,600), or almost 30% of the total number of jobs. Half of the jobs in the consumer services sector were in retail trade. That sector accounted for 15% of the total number of jobs, which was higher than the provincial rate (12.8%). Accommodation and food services also had a significant share, especially in the area north of St Jerome, with close to 6% of all jobs.

Table 5
Breakdown and Employment Outlook in Consumer Services
 Laurentides Region

	Average 2003-2005		2006-2008		
	Level ('000)	Share of employment	Average Annual Growth		
	Region	Region	Province	Region	Province
Consumer Services	71.6	28.5%	27.6%	2.3%	1.2%
Retail Trade	35.7	14.2%	12.8%	2.1%	0.9%
Information, Culture and Recreation	10.5	4.2%	4.5%	2.7%	1.7%
Accommodation and Food Services	15.1	6.0%	5.8%	2.8%	1.7%
Other Services	10.3	4.1%	4.5%	1.9%	1.3%

Source: Service Canada Québec Region
 Historical estimates based on Statistics Canada's Labour Force Survey

Laurentides is one of the most affluent regions in the province. It also has a significant rate of population growth and a large number of tourists from outside the region

Overall, the consumer services sector will see average annual growth of more than 2% between 2006 and 2008, which is higher than the rate in Québec as a whole (1.2%) and the rate posted in the latest three-year period. This growth is attributable in part to a steady increase in per capita personal income in the region. As we saw in the section on the economic environment, Laurentides is one of the most affluent regions in the province. It also has a significant rate of population growth and a large number of tourists from outside the region. These factors contribute to the extraordinary growth of the industrial group and are the reason why a number of major projects will be proceeding in the next three years. Examples include the development of Faubourg Boisbriand on the site of the old General Motors plant, continued development of recreation and tourism facilities in the Mont Tremblant area, the Lac Mirabel project and the conversion of the old Mirabel airport terminal into a major recreation and tourism complex.

Retail trade also recorded significant growth during the latest period. That growth will continue through the forecast period at 2.1%, higher than the rate in Québec as a whole, where growth in the industry will be about 0.9%. In addition to this strong performance, growth in consumer services is attributable to the strength of the accommodation and food services sector, which will also post average annual growth higher than in Québec as a whole (1.7%) with 2.8% between now and 2008. Once again, major capital projects, particularly north of St Jerome and at Mirabel, are factors in that growth. The information, culture and recreation industry will also see strong average annual growth during the forecast period.

Production Services

Almost one in four jobs in the Laurentides region is in the production services sector, similar to the proportion in the rest of Québec. Wholesale trade (4.4%) and transportation and warehousing (5.3%) hold a slightly larger share in Laurentides than in Québec as a whole. However, the professional, scientific and technical services industry provides more jobs than any other industry in this sectoral group.

Table 6
Breakdown and Employment Outlook in Production Services
 Laurentides Region

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Production Services	61.4	24.5%	24.0%	2.0%	1.7%
Utilities	1.9	0.8%	0.9%	1.5%	1.3%
Wholesale Trade	12.4	4.9%	3.8%	1.7%	1.1%
Transportation and Warehousing	13.4	5.4%	4.6%	1.6%	1.3%
Finan., Insur., Real Estate and Rental and Leasing	11.1	4.4%	5.4%	1.0%	0.7%
Prof., Scientific and Technical Services	15.3	6.1%	6.0%	3.1%	2.9%
Mgmt of Cies, Enterpr., Admin., Supp. and Other	7.1	2.8%	3.3%	3.0%	2.8%

Source: Service Canada Québec Region
 Historical estimates based on Statistics Canada's Labour Force Survey

The professional, scientific and technical services sector will remain the strongest in the production services sector

During the latest three-year period, production services grew by close to 2%, albeit somewhat irregularly. We expect a slightly lower average annual growth rate during the forecast period (2%), which should be a bit higher than in Québec as a whole.

Fueled by a booming economy, the professional, scientific and technical services sector grew significantly during the latest three-year period, with an average annual rate of 11%. We expect continued growth between now and 2008, but at a slower pace, with an average annual rate of almost 3.1%. This industry will remain the strongest in the production services sector. The demand for civil engineering services in the region is very strong. Highway and utilities infrastructures are being expanded, which is contributing to growth in that sector.

The wholesale trade industry experienced very strong growth during the latest three-year period. Driven by a growing manufacturing sector and record-high construction, wholesalers took advantage of the good economic climate in the region. The next three years are expected to be less prosperous for the industry. The outlook is better in the Laurentides region than in the province as a whole, but it will still be more tentative, with an expected average annual growth rate of 1.7% over the period.

Another industry in this group is very important in the region. The transportation and warehousing industry accounts for more than 5% of local jobs. After several years of struggle following the transfer of airport operations from Mirabel to Dorval, the industry is expected to rebound somewhat according to our forecasts.

Public and Parapublic Services

Public and parapublic services accounted for just over 22% of jobs in the region, slightly below the proportion in Québec as a whole (24.3%). The educational services, ambulatory health care services and hospitals, and nursing and residential care facilities and social assistance sub-sectors were by far the most important, with over 17% of jobs in the region, or a 78.5% share of employment in the public and parapublic sector.

Table 7
Breakdown and Employment Outlook in Public and Parapublic Services
 Laurentides Region

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
		Region	Region	Province	Region
Gov. and Parapublic Serv.	57.2	22.8%	24.3%	1.2%	0.8%
Educational Services	14.9	6.0%	6.6%	0.2%	-0.1%
Ambulatory Health Care and Hospitals	16.8	6.7%	6.3%	1.7%	1.4%
Other Health Care and Social Assistance	14.0	5.6%	5.6%	2.5%	2.1%
Federal Public Admin.	2.7	1.1%	1.9%	-0.4%	-0.2%
Prov. and Territorial Public Administration	2.7	1.1%	2.2%	-0.7%	-0.6%
Local, Municipal, Regional and Other Public Admin.	6.0	2.4%	1.7%	0.4%	0.4%

Source: Service Canada Québec Region
 Historical estimates based on Statistics Canada's Labour Force Survey

During the latest three-year period, the average annual growth rate in public and parapublic services was 4.1%. We anticipate the growth rate during the forecast period to be lower (1.2%), but still slightly above the expected rate in Québec as a whole (0.8%). Growth should mainly occur in ambulatory health care services and hospitals (1.7%) and nursing and residential care facilities and social assistance (2.5%). Population growth, pressure on the health care system from population aging and government priorities will be the main factors behind this growth.

Conclusion

The Laurentides region has experienced strong economic growth over the past five years, particularly between 2001 and 2004. During that period, average annual growth in employment was far greater than in the province as a whole. Although 2005 was a relatively tough year, the conditions that made such results possible should continue to benefit the Laurentides region and lead to significant growth in employment in the next three years.

Some sectors are expected to continue adjusting to less favourable conditions. Among them are forestry, wood product processing and some manufacturing sectors that are sensitive to exchange rates and high energy costs and are faced with growing foreign competition. If they want to be fully competitive, those companies have to reduce their production costs and introduce innovative manufacturing processes by investing in new, more efficient machinery.

The tertiary economy will still be the driving force for economic growth in the region. The professional, scientific and technical services sector and wholesale trade will, thanks to continuing strong demand from the non-residential construction sector, sustain growth in production services. Thanks to the growing population and a tourist industry in the midst of a development boom, the consumer services sector, the regional leader in employment, will ensure very good employment prospects for job seekers in Laurentides. Government services, especially the large health care sector, is also expected to create new jobs between 2006 and 2008.

This overview of the industrial outlook gives a good indication of the hot, thriving sectors and the industries which, because of the economic climate, will have to scale back their operations and increase their productivity by employing fewer people in the short term. However, these actions will put the companies in question in a better position and make them better equipped over the long term. This industrial profile paves the way for the next exercise, namely presenting this scenario in terms of occupational outlooks.