Service Canada

Sectoral Outlook

2007-2009

Laurentides

CLICK servicecanada.ca

CALL 1 800 O-Canada / 1 800 622-6232
ATS 1 800 925-9105

VISIT Service Canada Centres

Sectoral Outlook

2007-2009

Laurentides

Service
Canada

Canada

Author
Benoît Leduc, Economist
Service Canada
Laurentides Region
Telephone: (450) 430-2800 • 1-888-533-2800
E-mail: benoit.leduc@servicecanada.gc.ca

Translation to English
Translation Bureau
Public Works and Government Services Canada
Québec Region

With the Collaboration of
Corporate Communications and Services Branch
Service Canada
Québec Region

Graphic Design
Josée Gaudreault, graphic artist

Pictures
Modified picture, Denis Chabot, © Le Québec en images, CCDMD
Modified picture, Christian Lauzon, © Le Québec en images, CCDMD
Modified picture, Gilles Potvin, © Le Québec en images, CCDMD

March 2007

This publication is also available at the following Internet address: www150.hrdc-drhc.gc.ca/asp/ww-mt/Accueil.asp

Cette publication est aussi disponible en français.

Cat. No.: SG2-1/3-2007E-PDF
ISBN: 978-0-662-45573-8

Table of Contents

List of Tables

Canada

Summary

The population of the Laurentides region was 461,360 in 2001, up 6.9% from 1996 (compared with 1.4% in Quebec). In fact, the Laurentides region recorded one of the highest percentages of population growth in Quebec. With the exception of Antoine-Labelle, the population grew in every MRC, especially Mirabel and Thérèse-de-Blainville. The Institut de la statistique du Québec (ISQ) estimates that the population will grow by 3.3% during 2006–2009 (1.3% increase for Quebec 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 2007–2009, employment growth is expected to stay the course, averaging 1.5% annually (1.0% for Quebec). As the working-age population keeps pace with employment growth, the unemployment rate should remain around 8%. The economies of the Laurentides region, 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 every day to Montreal to work.

The industrial base of the Laurentides region is very similar to that of Quebec, and more than three out of four of its residents work in the services sector, 16% work in manufacturing and 6% in construction. A very small proportion of residents work in the primary sector.

In the Laurentides region, just over 3,500 people work in the primary sector, which is quite marginal. Nearly two jobs out of three are in agriculture, which is concentrated in the southern part of the region. The forestry and logging 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 and profitability issues. In general, the primary sector should continue to decline slowly over the next few years, mainly because of restructuring planned for the forestry sector.

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 very strong demand in the residential sector fuelled by exceptional population growth and the expansion of the commercial and industrial sectors. Also, workers in this sector have access to a larger market, that of Greater Montreal. Job growth should slow considerably until 2009, almost to the point of running out of steam, but will remain positive, unlike the rest of Quebec, thanks to major investments in the commercial and tourism sectors. However, a decline in the residential sector is expected to hold back the growth, impacting the number of hours worked more than the number of jobs throughout the construction sector.

The region's manufacturing sector has diversified a great deal in recent years. It accounts for more than 16% of regional employment. Until 2009, despite ups and downs, employment growth can be expected to average 1.5% annually (0.6% for Quebec). The sub-sectors with the brightest prospects are transportation equipment, machinery, computer and electronic product manufacturing and, finally, fabricated metal product manufacturing. Aerospace product and parts manufacturing is emerging from a difficult period, and heading towards much better times for employment in the Mirabel area.

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, although slowing, will be solid in both the Montréal and Laurentides regions. Year after year, this region enjoys continued growth in per capita personal disposable income. If these favourable conditions persist, annual employment growth in the consumer services sector can be expected to average 1.9% until 2009, well above the 1.1% growth forecast for the province as a whole.

Production-related services are keeping up as well. 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, and which industries will have to scale back their operations or improve their productivity, employing fewer people in the short term, in some cases, but achieving longer term gains.

Introduction

Each year, Service Canada develops 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.

This document deals with sectoral outlooks. A second document, 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 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 (2004-2005-2006) 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 2007 to 2009. They were developed in winter 2006–2007 in co-operation with Service Canada economists working in Quebec'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

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

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 for the next three years. Its growing population will fuel the region's important services sector. The Laurentides economic region comprises eight distinctive regional county municipalities (MRCs), and can be divided into three sections.

The southern section is the most urban, and also has a diversified agricultural sector, manufacturing sectors, and a rapidly expanding commercial sector. It has a large, experienced workforce and well developed land and air transportation networks, and is near the vast Greater Montreal market. Industries such as transportation equipment manufacturing, aerospace and food processing have grown over the years with the arrival of large firms. The municipalities from the Mille Îles River to St Jerome, have the fastest growing populations in the region and in the province.

Development in the heart of the Laurentides region relies on the region's natural attractions. Industries tied to tourism have clustered in this area, with its many beautiful lakes and mountains. The major investments that took place around Mont Tremblant have, of course, had a very positive impact in terms of jobs for the community and region.

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

Les prévisions les plus récentes ont tendance à être plus pessimistes quant à l'évolution à court terme de l'économie canadienne. Le ralentissement prévu est directement lié à l'affaiblissement de l'économie américaine. On s'attend à ce que la balance commerciale demeure négative et continue à éroder la croissance économique, comme c'est le cas depuis 2003. Cette influence négative sur l'économie canadienne devrait toutefois commencer à s'estomper dans la seconde moitié de 2007 à mesure du raffermissement de l'économie américaine.

Economic sectors

The most recent forecasts of the short-term prospects for Canada's economy are somewhat more dim. The projected slowdown is directly tied to the downturn in the American economy. The trade balance is expected to remain negative and continue to erode economic growth, as it has done since 2003. However, this negative impact on Canada's economy should ease up in the second half of 2007 as the American economy gains strength.

Naturally, for Quebec, these outlooks assume that the slowdown will be short-lived and that the province will benefit from the recovery of the North American economy as early as 2008.

This scenario anticipates that exports will pick up faster. An important assumption in this regard is a weaker Canadian dollar. In its fall outlook, the Conference Board forecast that the Canadian dollar would fall from an average slightly above US$0.88 in 2006 to slightly over US$0.84 in 2011. The manufacturing sector in the Laurentides region should benefit from this development. The value of exports has indeed lost a lot of ground in the region since the early 2000s. According to the latest estimates provided by the Institut de la statistique du Québec, the region's exports fell from over 7% of the value for Quebec as a whole in 1998 to no more than approximately 5% in 2004. The change in regional exports is easier to understand when seen from the sectoral perspective. Approximately 80% of the value of exports in the Laurentides region comes from transportation equipment, machinery and computer and electronic product manufacturing.

Consumer spending will remain a driving factor in Quebec's growth, fuelled by an increase in real personal disposable income of close to 2%. However, it will have less of an impact than in the past few years, when spending was sparked by faster growth in disposable income, weak real interest rates and lower savings rates.

The Laurentides region will continue to be stimulated by the growth in consumer spending in the past few years. According to the 2006 report on personal income published by the Institut de la statistique du Québec, the Laurentides region ($30,431) ranked fourth behind Laval, Montérégie and Quebec City in terms of per capita personal income in 2005. Three of the ten MRCs posting the highest per capita personal income in Quebec in 2005 were in the Laurentides region. The Les Pays-d'en-Hauts MRC came second, with per capita income of $37,755, and the Thérèse-de- Blainville MRC was fifth with $36,095. The Mirabel MRC came ninth, with $33,598. The population in the Laurentides region has traditionally enjoyed a stronger increase in disposable income than the rest of province. Interregional migration has benefited this region with an influx of younger families who have come to work, or older people, often more affluent, who have come to retire in a peaceful environment. This pattern will continue to foster the development of the region's tertiary economy over the period under review.

With a growing tertiary sector and a slight recovery in the manufacturing sector, the Laurentides region is well positioned for economic growth

The drop in residential construction in Quebec will be the main source of weakness in the medium term. The decline in housing starts will be more pronounced than that in residential construction, the difference being partly attributed to spending on renovations and higher construction costs. The combination of the economic activity in the Laurentides region and exceptional population growth gave the construction industry a strong boost in the past few years. As with Quebec, the residential sector should see fewer new housing starts in 2007 and 2008. However, this should not mean less employment in the construction industry overall. A number of big projects are still underway, and several major institutional and industrial projects have been announced for the next three years.

Amidst all of this, the Laurentides region should experience stronger employment growth than the province overall from 2007 to 2009. With a growing tertiary sector and a slight recovery in the manufacturing sector, after undergoing some significant setbacks in the past two years, the Laurentides region is well positioned for economic growth.

Labour market indicators

Strangely enough, the key labour market indicators suggest that market forces have not had the same impact on the Laurentides region as on the rest of the province. While employment growth was weak but steady in Quebec over the past three years, the number of people employed in the Laurentides region decreased in 2005 and 2006.

Between 2003 and 2004, the Laurentides region enjoyed exceptional employment growth (close to 6%), far greater than its population growth. This was followed in 2005 by a drop of -1.7% and of –1.4% in 2006, compared to increases of 1% and 1.3%, respectively, for Quebec as a whole. The employment rate fell by 4.8 percentage points in two years as a result of this loss of jobs, reaching 59.9% in 2006. The last time such a low level was recorded was in 1997. In fact, it is now lower than the provincial rate, which is a first in more than 20 years.

The 2005 and 2006 unemployment rate increases brought it into line with the average rates for the region since 2000 (7.6%)

Labour force participation also fell in the Laurentides region, for the first time in five years in 2005, continuing in 2006. The number of labour market participants was off nearly 2.0%, not enough to prevent the unemployment rate from climbing to 7.9% in 2006 and 7.6% in 2005, compared with only 6.9% in 2004. Nevertheless, the unemployment figures for 2004 were by far the lowest in the past 15 years. The 2005 and 2006 unemployment rate increases brought it into line with the average rates for the region since 2000 (7.6%).

Table 1
Main Labour Market Indicators - 2004-2006
Laurentides Region

	2004	2005	2006	2004-2006
Population 15+ ('000)	397.2	406.7	416.0	406.6
Labour force ('000	276.1	273.4	270.5	273.3
Employed ('000)	257.1	252.7	249.2	253.0
Unemployed ('000)	19.0	20.7	21.3	20.3
Unemployment rate (%)	6.9%	7.6%	7.9%	7.4%
Participation rate (%)	69.5%	67.2%	65.0%	67.2%
Employment rate (%)	64.7%	62.1%	59.9%	62.2%

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

In 2007, job creation will pick up and the number of jobs in the Laurentides region should increase by 1.4%. The rate of job creation should rise in 2008 and stabilize in 2009. 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

Industrial structure

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 sector is the largest with close to 29% of all jobs in the region. The sector includes retail trade, which employed the most people (36,000) in 2006. Manufacturing accounts for slightly more than 16% of jobs, while the primary sector represents only 3,500 (1.4%). Construction is also significant in the region, accounting for nearly 7% of jobs, compared with slightly more than 4% in Quebec. Strong population growth in the region had a positive impact on the construction industry, which grew significantly in the most recent three-year period.

Table 2
Breakdown of Employment for Selected Industry Groups
Laurentides Region

	Average 2004-2006			2007-2009	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
All Industries	253.1	100.0%	100.0%	1.5%	1.0%
Primary	3.6	1.4%	2.6%	-1.1%	-0.3%
Manufacturing	40.8	16.1%	16.4%	1.5%	0.6%
Construction	16.7	6.6%	4.7%	0.2%	-0.6%
Services	192.1	75.9%	76.3%	1.7%	1.3%
Consumer Services	72.9	28.8%	27.4%	1.9%	1.1%
Production Services	60.5	23.9%	24.5%	2.1%	1.9%
Public and Parapublic Services	58.6	23.1%	24.4%	1.1%	0.8%

Source: Service Canada Quebec region
Historical estimates based on Statistics Canada's Labour Force Survey

Outlook

We expect average annual growth of 1.5% for all industries in the Laurentides region, which is higher than that for Quebec (1%)

During the 2007–2009 forecast period, we expect average annual growth of 1.5% for all industries in the Laurentides region, which is higher than that for Quebec (1%). Every major industry group is expected to post higher growth rates in the region than provincially, with the exception of the primary sector, which is expected to decline.

The following chapters will show the distribution of this growth in jobs. The large service sector once again appears as the region's growth engine. The manufacturing sector should see a slight recovery, stronger than for the province overall. The only cloud over this picture is the significant slowdown in the construction sector and the difficulties faced by the primary sector.

Primary sector

The primary sector accounts for 1.4% of all jobs in the Laurentides region, or approximately 3,600 positions on average over the past three years. Agriculture, with just over one out of every two jobs (55%), is the biggest employer in this sector, followed by forestry with one-third of the jobs. Mining, mainly in quarries and sand pits, accounts for the rest of the jobs in this sector. Although primary 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 Quebec 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 (September 2004), the gross market volume in the region's productive forests amounts to 241,717,000 m^3, 72% of which are on publicly-owned land.

Table 3

Breakdown and Employment Outlook in the Primary Sector

Laurentides Region

	Average 2004-2006			2007-2009	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Whole Primary Sector	3.6	1.4%	2.6%	-1.1%	-0.3%
Agriculture	2.0	0.8%	1.6%	-0.8%	-0.5%
Forestry and Logging	1.2	0.5%	0.5%	-2.2%	-2.7%
Fishing, Hunting and Trapping	0.0	0.0%	0.1%	0.0%	0.4%
Mining	0.4	0.2%	0.4%	0.0%	2.1%

Source: Service Canada Quebec region
Historical estimates based on Statistics Canada's Labour Force Survey

Since 2003, employment has fallen sharply in the primary sector in the Laurentides region. The drop was particularly sharp in forestry and logging, where a number of factors came into play. The American softwood lumber dispute between 2002 and 2006, did its share of damage to provincial and regional businesses. At the same time, the industry has been the target of pressure from environmental groups to change logging practices, which has led to higher operating costs. Quebec legislation was passed, based on the Coulombe report, imposing new rules on the forestry sector that subject a number of companies to production cutbacks. Since, so often, trouble comes in twos, the price of the raw material also fell during this period, which further reduced companies' profit margins. The major employers reacted to these events through restructurings, closures and production cutbacks, as well as new investments to adjust to the new market conditions. The end of the trade dispute with the United States could help stabilize and improve this sector's prospects. At this time, the American economy is in a downturn, which means lower lumber import requirements. Nonetheless, our neighbours south of the border are expected to recover around 2008-2009, which would boost employment in this sector over the longer term.

Agriculture is also in the picture when it comes to the quest for improved productivity. As with the rest of the province, modernization and mergers have had a negative impact on employment in the region’s farm sector. As well, a number of residential, industrial and commercial projects in the region are increasingly targeting the region’s farmland. These developments put pressure on the available farmland and limit opportunities for new agricultural projects because of the increasing proximity of residents and farmers. Access to funding, without which a farm operation cannot be run or acquired, is increasingly difficult to secure given the large increase in the cost of farms and farm equipment in the past 15 years. This situation is creating tremendous hardship for farmers looking for someone to take over their businesses.

We foresee an average annual drop in employment of -1.1% in the region's large primary sector from 2007 to 2009

Thus, we foresee an average annual drop in employment of -1.1% in the region’s large primary sector from 2007 to 2009. The farm sector should continue to shrink over the period, while the forestry sector should, to some degree, continue its restructuring in 2007 and the early part of 2008 because of the still strong Canadian dollar, fewer housing starts and the implementation of the new forest management plan. However, we believe that investments made in the past few years and a recovery in the American economy expected in the latter part of the forecast period may foster a moderate recovery in employment around 2009.

Manufacturing

The manufacturing sector in the Laurentides region remains quite diversified and accounts for more than 16% of jobs, almost the same proportion as in the rest of Quebec (16.4%). Despite this diversification of the industry, the manufacturing sector in the Laurentides region depends largely on the activity in four industries, which are transportation equipment manufacturing, food and beverages, wood product manufacturing and metal product manufacturing. In fact, close to one out of every two manufacturing jobs is in these industries.

The manufacturing sector in the Laurentides region experienced sustained growth from the mid-1990s to the early part of the new century. After that, employment remained relatively stable, until it started to fall in the past two years. This decrease in employment manifested itself mainly in the consumer- and resource-related manufacturing industries.

Manufacturing companies in the Laurentides region are major exporters. As a result, because of the cutback in imports by our neighbours to the south, their inventories have risen and production has slowed in several segments of the regional economy. This temporary pause should end when activities and employment resume as the American economy improves, as is forecast for the end of this review period.

Table 4

Breakdown and Employment Outlook in the Manufacturing Sector

Laurentides Region

	Average 2004-2006			2007-2009	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Whole Manufacturing Sector	40.8	16.1%	16.4%	1.5%	0.6%
Consumer-Related Manufacturing	12.7	5.0%	6.2%	0.9%	0.0%
Food, Beverages and Tobacco	5.1	2.0%	2.1%	1.8%	0.6%
Textile Mills and Textile Product Mills	0.7	0.3%	0.5%	-1.7%	-1.5%
Leather Clothing and Products	0.9	0.4%	1.0%	-1.9%	-2.0%
Printing and Related Activities	2.1	0.8%	0.9%	0.7%	0.6%
Furniture and Related Products	2.5	1.0%	1.0%	0.4%	-0.4%
Miscellaneous Manufacturing	1.5	0.6%	0.7%	2.3%	1.6%
Resource-Related Manufacturing	9.1	3.6%	3.9%	-0.1%	-0.7%
Wood Product Manufacturing	4.0	1.6%	1.5%	-0.5%	-1.5%
Paper Manufacturing	2.1	0.8%	1.0%	-0.4%	-1.2%
Petroleum/Coal Products Manufacturing	0.2	0.1%	0.1%	0.0%	1.6%
Non-Metallic Mineral Product Manufacturing	1.4	0.6%	0.5%	1.0%	0.4%
Primary Metal Manufacturing	1.5	0.6%	0.9%	0.6%	0.5%
Investment-Related Manufacturing	18.9	7.5%	6.3%	2.6%	1.8%
Chemical Products	2.6	1.0%	0.9%	1.0%	0.8%
Plastics and Rub. Prod.	1.3	0.5%	1.0%	1.6%	0.7%
Fabricated Metal Product Manufacturing	3.1	1.2%	1.1%	2.6%	2.1%
Machinery Manufacturing	1.8	0.7%	0.8%	3.0%	2.1%
Computer and Electronic Product Manufacturing	1.5	0.6%	0.6%	2.7%	2.7%
Electrical Equip., Appliance and Component Manufact.	1.0	0.4%	0.4%	1.2%	1.1%
Transportation Equipment Manufacturing	7.6	3.0%	1.4%	3.6%	2.7%

Source: Service Canada Quebec region
Historical estimates based on Statistics Canada's Labour Force Survey

More than 1,700 residents of this region will enter the labour market by 2009

Hiring in the manufacturing sector overall should resume over the next three years. Our forecasts indicate that more than 1,700 residents of this region will enter the labour market by 2009. This move should proceed at the rate of 1.5% annually on average over this period. We will also get a better idea of which manufacturing industries will benefit from this growth, and which ones will be less fortunate.

Consumer-related manufacturing

With an average of almost 13,000 employees in the Laurentides region between 2004 and 2006, the consumer-related manufacturing sector represents slightly more than 31% of all manufacturing jobs in the region and 5% of all jobs. Overall, this industry should grow by slightly less than 1%, but more than Quebec as a whole.

Overall, this industry should grow by slightly less than 1%, but more than Quebec as a whole

Consumer-related manufacturing includes food manufacturing, beverage and tobacco product manufacturing, furniture and related products manufacturing and printing and related support activities, which stand out because of their relative importance in the region's economy. With 5,100 people employed in the region, food manufacturing is by far the largest in this sector in terms of the number of jobs. It has been acknowledged by the region's socio-economic stakeholders as being a sector of excellence for economic development. This industry is expected to grow by n average of 1.8% annually in the next three years. The efforts made by all private and public partners in regional economic development to support the development of this sector of excellence ensure conditions that are conducive to the growth of existing businesses and the establishment of new ones.

The furniture industry in the Laurentides region has been through some difficult times over the past few years. The region's businesses are basically small to medium-sized. They tend to work in the institutional area more than in the commercial one. Nonetheless, the strength of the dollar and growing competition from Asia have limited their prospects. The expected decrease in housing starts over the forecast period will have more of an impact throughout the province. We foresee an average annual drop of 0.4% for the province as a whole, and slight growth in the region (0.4%) over the same period.

The printing and related support activities industry is relatively stable in the Laurentides region. The newspaper printing sector is facing more and more competition from new media such as the Internet, which limits its prospects for growth. Journal de Montréal will be opening a new printing plant in Mirabel, which will increase employment in the region. However, these are not new jobs because they are being transferred from the Montreal plant. Nonetheless, we foresee a slight increase in employment (less than 1% annually) in the region as well as the province as a whole.

This sector also includes others industries, such as textiles and clothing and leather manufacturing, all three of which have been in the throes of tougher global competition as a result of the phasing out of the multifibre agreements. These industries have a lower relative share of regional employment than the other industries, and are expected to go through yet another period of adjusting to new global conditions. We foresee an average annual decrease of close to 2% over the next three years.

Resource-related manufacturing

> Efforts to increase productivity in this industry and a stronger rebound by the American economy could revive job growth in the next decade

The resource-related manufacturing sector in the Laurentides region had an average of slightly more than 9,000 workers between 2004 and 2006, and represents slightly over 22% of the manufacturing jobs in the region and 3.6% of all jobs. This sector is essentially represented by the wood product manufacturing industry, which, between 2004 and 2006, averaged 4,000 jobs. This industry is focusing more and more on the secondary and tertiary transformation of wood products, generating slightly over 3% of Quebec'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 Quebec 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 few years. Our forecasts call for the restructuring begun two years ago to continue. Efforts to increase productivity in this industry will result in a very slight average annual decrease of -0.5% between 2007 and 2009. Over the longer term, these efforts and a stronger rebound by the American economy could revive job growth in the next decade.

The paper and allied products industry accounts for slightly over 23% of employment in this sector. This industry was also affected by the problems related to the cost of raw supplies. The outlook is not much better for the next few years. We expect consolidation and restructuring efforts in this industry to result in the elimination of an additional 300 jobs by 2009.

Investment-related manufacturing

Despite a decrease of 2.6% in the latest three-year period, the sub-sector still employed an average of 7,700 people in the region

Investment-related manufacturing is the biggest sub-sector, with almost 18,800 employees on average during the period, or 7.5% of all jobs in the Laurentides region, and more than 46% of the region's manufacturing jobs. 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 still employed an average of 7,700 people in the region. The sector's relative share of jobs in the region is more than double that for Quebec 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, lends it a high level of energy and attracts other companies to the region. Some recent developments have diminished the exceptionally strong employment growth in the aeronautics industry. However, in general, 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.

In conclusion, the average annual growth rate in the region's manufacturing sector as a whole between 2007 and 2009 is forecast to be 1.5%, which is higher than the Quebec rate (0.6%).

Construction

In the Laurentides region, the construction sector accounted for more than 6% of jobs, more than in Quebec as a whole (4.7%). 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 grown continuously in the last few years. The renovation sector, boosted by the increase in house values, 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 over 46% in employment in this sector in the latest three-year period, compared with a drop of more than 15% for Quebec as a whole. It should be noted that the conditions in the region were very good over this period. The stability of already low interest rates, exceptional growth in house values, the province's stronger population growth, per capita disposable income above the provincial average and several commercial, tourism and institutional projects propelled employment levels to new heights for the region. It is also important to remember the hiring opportunities provided by the Greater Montreal region. Construction workers are often much more mobile than most workers, and tend to go where the jobs are. There were also some interesting construction projects in the areas around the Laurentides region during this period.

While some of the conditions may remain favourable in the region, the construction industry will not be able to keep up this pace

While some of the conditions may remain favourable in the region, the construction industry will not be able to keep up this pace. Housing starts in the residential sector will slow down over the next few years. The major projects have already started and should continue, but at a much slower pace. This reduction should not have a negative impact on employment over the short-term. However, the number of hours worked may decrease.

From 2007 to 2009, we expect the sector to consolidate, with slight growth in the order of 0.2%. The entire province should face a decrease in the order of -0.6% over this period.

Service sector

Consumer services

Population growth, greater collective wealth and major investments in the offer of tourism services should prevail, so annual growth is expected to average 1.9% over the next three years

The consumer services sector, with an average 72,900 workers, is the one providing the greatest number of jobs in the Laurentides region, representing close to 29% of the total.

Over the past three years, the number of people employed has risen at an average annual rate of 1.9%, which is much faster than for Quebec as a whole. Everything came together in favour of this result. Population growth, greater collective wealth and major investments in the offer of tourism services were all key factors promoting the health of this sector. These conditions should prevail, so annual growth is expected to average 1.9% over the next three years. This growth will remain higher than that for the province as a whole (1.1%).

Table 5
Breakdown and Employment Outlook in Consumer Services
Laurentides Region

	Average 2004-2006			2007-2009	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Consumer Services	72.9	28.8%	27.4%	1.9%	1.1%
Retail Trade	35.4	14.0%	12.8%	2.0%	1.2%
Information, Culture and Recreation	10.3	4.1%	4.4%	1.5%	1.1%
Accommodation and Food Services	16.1	6.4%	5.7%	2.1%	1.0%
Other Services	11.1	4.4%	4.4%	1.5%	1.0%

Source: Service Canada Quebec region
Historical estimates based on Statistics Canada's Labour Force Survey

To get a better idea of the changes in this sector, we will take a look at the main industries in it.

Almost one out of every two jobs in consumer services is in the retail trade industry. This industry represents 14% of employment in the region, which is higher than for Quebec as a whole (12.8%). Retail trade has grown considerably in the recent past, with several big-box stores coming to the region. The food retail sector also faced stiffer competition from the big-box stores. This trend will gradually abate in the food sector, but overall, the retail trade industry still has significant potential for growth in the region, and a few major projects that have been announced should bring average annual growth to 2% over the next three years. This growth will be higher than that for Quebec as a whole, where this industry will grow by approximately 1.2%.

The accommodation and food services industry is in second place in this sector, posting average employment of more than 16,000 between 2004 and 2006. The growth in the tourism offer, dominated by major investments in the Mont Tremblant area, has had a cascade effect, bringing the region's average annual employment growth to 7.3% in this industry over the past three years. The Laurentides region will continue to have higher average annual growth (2.1%) than the province as a whole (1%) until 2009. Once again, this will be supported by several investment projects, particularly north of St Jérôme and in Mirabel.

The arts, entertainment and recreation industry, which employed more than 10,000 people on average over the past three years, represents more than 4% of the region's total employment. Efforts to increase the tourism offer had a big part to play in this. The Laurentides population is aging, as is that of the rest of the province. Most of these people have better financial prospects than 10 or 15 years ago. They are in better health and better educated than their elders. This segment of the population is bound to grow, and could also help boost the demand for entertainment and recreation. The region still has a number of development projects in these industries, and despite some concerns about the number of American visitors, who have been kept away by the new border crossing requirements, until 2009 we expect the number of jobs to increase at an average annual rate of 1.5%.

Production services

The 60,500 or so jobs in the production services sector represent close to 24% of jobs in the Laurentides region, slightly less than for the province as a whole. Only wholesale trade (4.7%) and transportation and warehousing (5.1%) account for a larger share of employment than in Quebec as a whole. However, the professional, scientific and technical services industry provides more jobs than any other industry in this sectoral group.

From 2002 to 2005, employment in this sector had actually grown by an annual average of 6.1%

During the latest three-year period, production services fell by an annual average of 1.4%. This poor showing is the result of a single bad year (2006). From 2002 to 2005, employment in this sector had actually grown by an annual average of 6.1%. We expect a slightly lower average annual growth rate during the forecast period (2.1%), which should be a bit higher than for Quebec as a whole.

Table 6
Breakdown and Employment Outlook in Production Services
Laurentides Region

	Average 2004-2006			2007-2009	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Production Services	60.5	23.9%	24.5%	2.1%	1.9%
Utilities	1.9	0.7%	0.8%	1.6%	1.3%
Wholesale Trade	11.9	4.7%	3.8%	1.5%	1.2%
Transportation and Warehousing	13.0	5.1%	4.6%	1.1%	0.8%
Finance, Insurance, Real Estate and Rental and Leasing	11.2	4.4%	5.6%	1.2%	0.5%
Prof., Scientific and Technical Services	15.0	5.9%	6.2%	3.4%	3.7%
Mgmt of Companies, Enterprises, Admin. and Support and Other	7.7	3.0%	3.5%	3.4%	3.3%

Source: Service Canada Quebec region
Historical estimates based on Statistics Canada's Labour Force Survey

To get a better idea of the changes in this sector, we will take a look at the main industries in it.

Fuelled by a booming economy, the professional, scientific and technical services sector grew significantly during the past few years. This industry is the largest in the production services sector, employing an average 15,000 people between 2004 and 2006. We expect continued growth between now and 2009, but at a slower pace, with an average annual rate of close to 3.4%. 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 infrastructure is being expanded, which is contributing to growth in that sector.

Not counting the results for 2006, the wholesale trade industry also experienced very strong growth (17%) from 2002 to 2005. 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 1.5% over the period.

The transportation and warehousing industry accounts for more than 5% of local jobs, employing an average of 13,000 workers over the past three years. After several years of struggle following the transfer of airport operations from Mirabel to Dorval, the industry recently rebounded somewhat. The slowdown in Quebec's manufacturing sector will restrict the growth in this industry. According to our forecasts for the manufacturing sector, the impact on the transportation industry should not be as significant as for the province as a whole. Thus, employment should grow by an average annual 1.1% until 2009 in the Laurentides region.

Pubic and parapublic services

Public and parapublic services accounted for just over 23% of jobs in the region, slightly below the proportion in Quebec as a whole (24.4%). 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 18% of jobs in the region, or an 80% share of employment in the public and parapublic sector. The remaining 20% were shared among the three levels of government, with more than 55% at the municipal and regional level.

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

	Moyenne 2004-2006			2007-2009	
	Nombre ('000)	Part de l'emploi		Taux de croissance annuel moyen	
	régional	régional	au Québec	régional	au Québec
Gov. and Parapublic Services	58.6	23.1%	24.4%	1.1%	0.8%
Educational Services	16.2	6.4%	6.6%	0.2%	-0.1%
Ambulatory Health Care and Hospitals	17.2	6.8%	6.4%	2.0%	1.3%
Other Health Care and Social Assistance	13.3	5.2%	5.6%	2.7%	2.0%
Federal Public Admin.	2.5	1.0%	1.9%	-0.8%	0.0%
Prov. and Territorial Public Administration	2.9	1.2%	2.1%	-0.4%	-0.4%
Local, Municipal, Regional and Other Public Admin.	6.6	2.6%	1.8%	0.4%	0.4%

Source: Service Canada Quebec region
Historical estimates based on Statistics Canada's Labour Force Survey

Ambulatory health care services and hospitals (2%) and nursing and residential care facilities and social assistance (2.7%) are now the focal points of job creation

During the latest three-year period, the average annual growth rate in public and parapublic services was 2.6%. This strong performance was due to educational services and ambulatory health care services and hospitals. We anticipate the growth rate during the forecast period to be lower (1.1%), but still slightly above the rate expected for Quebec as a whole (0.8%). This forecast is supported by the fact that education services will not grow as much over the next few years. Ambulatory health care services and hospitals (2%) and nursing and residential care facilities and social assistance (2.7%) are now the focal points of job creation. Public administration will suffer further cutbacks at the different levels of government. Cutbacks will remain on the political agendas over the next few years. As well, slower population growth and low fertility rates, pressures on the health care system due to population aging and government priorities will, to some extent, also explain the changes in employment in this sector.