Sectoral Outlook

2006-2008

Laval


Service Canada

Canada

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Summary

The Laval Region consists of a single city and is the smallest Québec administrative region in area, though it has the second highest population density. According to data from the last census, Laval had a population of 343,000 in 2001, up 3.8% from 1996 (the increase was 1.4% for all of Québec). The wards of St Dorothée, Auteuil and St Rose posted the largest gains, while Les Iles Laval and St Vincent de Paul registered the biggest losses. The Institut de la statistique du Québec (ISQ) foresees population growth of 9% over the years 2001-2011 (5% province-wide). This projection is borne out by a positive net migration balance.

The working-age population is growing steadily, as are the labour force and employment. The sustained labour market participation has not fuelled unemployment because job creation in the Laval economic region has continued to flourish. In fact, the unemployment rate fell from 8.6% in 2003 to 8.0% in 2005. In this connection, it must be remembered that the Laval and Montreal Island economies are closely interdependent, as can be seen from by the commuter rate of 50%[1]. For 2006-2008, average annual employment growth is expected to be 1.6% for Laval and 1.1% for Québec.

The service sector provides work for nearly 80% of Laval residents, while 16% work in manufacturing and 4% in construction. The primary sector is virtually non-existent, with only 0.6% of the workforce, though Laval is a major player in horticulture.

In Laval, a little over 1,000 people work in the decidedly marginal primary sector. However, the region produces 40% of Québec's ornamental horticulture output. In spite of an economic environment that favours consumer spending, mechanization may cancel out employment growth in this area. The forecast is for slight annual shrinkage of employment at an average rate of 0.5% between now and 2008 for primary industries.

The construction industry has yielded exceptional results for the region in recent years. Following on the 40-year record achieved in 2004, the year 2005 nonetheless performed very well in terms of employment, coming in with figures only a little shy of the 2004 results. For the period from 2006 to 2008, a certain slackening of activity in the residential sector must be expected, but this will be offset by significant investment in commercial, industrial and institutional building projects. We thus expect no impact on employment during the forecast period for the Laval region, but a slight decline of 0.1% is projected for Québec.

For the people of Laval, employment in manufacturing is highly dependent on economic activity in Montreal. Employment growth should average about 1.6% a year between now and 2008, compared with 0.9% province-wide. The subsectors with the best outlook are computer products, transportation equipment, machinery, and food and beverages. A good performance is also to be expected of the pharmaceutical and biochemical industries, both very well established in Laval. On the other hand, clothing and leather products and textiles face a less rosy future, with significant employment shrinkage by 2008.

Employment trends in services generally are closely linked to demographics, and population growth will be solid in Montreal, Laval and the northern tier. This development suggests that the service sector will enjoy average annual employment growth of 1.7% between now and 2008, a more optimistic forecast than for Québec as a whole (1.3%).

[1] Percentage of the Laval labour force working on the Island of Montreal in 2001.

Professional, scientific and technical services and management of companies and administrative and other support will be the best performing sectors in terms of employment growth. These jobs are directly associated with utilities development and the many construction projects in progress or pending. Accommodation and food services, health care and social assistance, information, culture and recreation, and retail trade will also enjoy higher than average growth.

Between 2003 and 2005, high oil prices and the strong Canadian dollar were a drag on the Laval economy, but favourable financial market conditions, particularly low inflation and interest rates, made for good employment growth. Current and planned investment within Laval's boundaries attests to the vigour of the local economy. Some local enterprises are actually already having trouble recruiting qualified labour; the plastics industry is a notable example. The region's economic development will continue to be influenced by various factors, among them domestic and international competition, trends in the US economy, the value of the Canadian dollar, oil price trends, and how businesses adapt to improve their market share.

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
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336 Transportation Equipment Manufacturing

Construction Industry

23 Construction Industry

Consumer Services

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71 Arts, Entertainment and Recreation
72 Accommodation and Food Services
81 Other Services (except Public Administration)

Production Services

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41 Wholesale Trade
48-49 Transportation and Warehousing
52 Finance and Insurance
53 Real Estate and Rental and Leasing
54 Professional, Scientific and Technical Services
55 Management of Companies and Enterprises
56 Administrative and Support, Waste Management and Remediation Services

Public and Parapublic Services

61 Educational Services
62 Health Care and Social Assistance
91 Public Administration

Part 1: Overview

Description of the Area

The Laval Region, located to the north of the Island of Montreal, consists of a single city and a single regional county municipality (MRC). With an area of 245 km^2, it is Québec's smallest administrative region, but has the second highest population density. The Laval Region is delimited on the south by the Rivière des Prairies and on the north by the Rivière des Mille-Îles.

Economic Environment

It is Québec's smallest administrative region, but has the second highest population density

The ongoing development of industrial parks in Laval is certain to encourage new enterprises to establish themselves in the region

The region enjoys a diversified economy. Laval is home to a broad range of jobs because of its location within the Montreal Census Metropolitan Area (CMA). This allows the region to adjust more readily to various disruptive events that may occur and put a brake on economic growth. The region also has the benefit of a greatly improved labour market, sustained by both consumer spending and a population with a healthy growth rate, as well as by significant investment in several industries. Moreover, the ongoing development of industrial parks in Laval is certain to encourage new enterprises to establish themselves in the region.

Certain international developments over the last two years, like the rise in oil prices and the sharp appreciation of the Canadian dollar against the greenback, have tended to sow uncertainty among Laval businesses and have hurt local exporters. Since machinery is often purchased in the United States, however, the strong Canadian dollar has helped hasten plant and equipment modernization efforts which are part of the necessary adjustment of enterprises to tougher business competition. The Laval economy has weathered the pressures occasioned by these developments well and managed a fine performance in 2005, with the unemployment rate dropping below the 8% mark. Notwithstanding some loss of momentum, construction continued again in 2005 to play a major role in sustaining economic activity.

As reported by the Institut de la statistique du Québec (ISQ), Laval was estimated to have 365,623 inhabitants in 2005, or 4.9% of the total population of Québec. According to the ISQ's latest demographic forecasts (2003 edition), Laval's population is set to grow by 6.2% over the next ten years, a rate distinctly higher than for Québec as a whole (4.1%). This growth, however, will not be even from one part of town to another, but will benefit certain fast-growing wards, namely St Dorothée, Auteuil and St Rose.

A positive net migration balance will account for 65% of Laval's demographic growth

Analysis of population trends to 2015 suggests that Laval can count on a positive net migration balance of about 15,000 (both intra-provincial and inter-provincial, as well as international migration), of whom nearly 73% will be immigrants. This considerable movement of people will account for 65% of demographic growth, while natural increase, that is the spread between the number of births and the number of deaths, will contribute 35% of the coming decade's population gain.

Many young families are settling in Laval, enjoying suburban living while maintaining access to the huge labour market of Greater Montreal and its social and cultural amenities. A substantial proportion of these young households have actually moved from the Island of Montreal. However, with a low birth rate and ever increasing life expectancy, the Laval population can be expected to age considerably in the next few years. This projected aging of the population is acquiring particular significance, in Laval as throughout Québec. There may be shortages of labour and skills adjustment requirements in the medium term; some local businesses are already reporting such problems, notably in the plastics industry.

Labour Market Indicators

Labour market indicators for 2003-2005 were slightly better for Laval than for Québec generally, with a lower unemployment rate and higher employment and participation rates.

Indicators show that a little over 50% of Laval workers are employed on the Island of Montreal

From 2003 to 2005, the working-age population grew steadily at a higher rate than for Québec as a whole. Laval's surging residential development, as young households moved in to take advantage of both the benefits of suburban living and proximity to major centres, contributed substantially to this growth. The Laval labour force likewise enjoyed sustained growth from 2003 to 2005, though at a slightly lower rate than Québec. The weaker growth in the participation rate may be due to the fact that the sharp rise in the working-age population is concentrated among the 15-24 year-olds, whose participation rate is lower because many of them are in school. The average regional participation rate for Laval was 66.4%, as opposed to 65.8% for Québec.

Laval residents account for 4.9% of Québec's total employed workforce. Indicators show that a little over 50% of Laval workers are employed on the Island of Montreal. According to the 2001 census, close to 18,000 Montrealers work in Laval, as do nearly 31,000 people from the Laurentides and Lanaudière regions. The island of Laval thus acts as an intermediate hub with respect to the outlying regions of the North Shore.

From 2003 to 2005, there was a slight increase in Laval's working population, more marked among women than among men, but these employment gains were exclusively in the realm of part-time work, with full-time work actually dipping somewhat. This phenomenon is attributable largely to the preponderance in the region's economy of retail trade, which provides mainly part-time jobs, thus favouring the employment of young people and women, who are more numerous in this industry.

Many enterprises have moved here in the last two years and some of them even set up their head offices

From 2003 to 2005, there was an appreciable drop (-1.1%) in the number of unemployed in Laval, a trend seen throughout Québec. The high unemployment rate prevailing in 2003 may have been influenced by the passing problems of the high-technology industries following the collapse of the speculative bubble and, to a lesser extent, the events of September 2001. The situation reverted to normal and companies adjusted, so that the ranks of the unemployed then shrank in 2004 and 2005.

The sustained labour market participation has exerted no pressure on unemployment figures because of the steady progress of employment in the Laval economic region. In fact, the unemployment rate fell from 8.6% in 2003 to 8.0% in 2005.

Overall, the employment situation in the region is very good because of the great diversity of economic activity and the very small share of more vulnerable industries like clothing, textiles and wood products. Also, many enterprises in a variety of industries have moved here in the last two years and even set up their head offices. The City of Laval is also providing ongoing support for a number of successful sectors; among these projects are the Biopôle and the Cité de la Biotechnologie, the Agropôle, the E-pôle and the development of private and public industrial parks, attracting a significant number of manufacturing enterprises.

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

	2003	2004	2005	2003-2005
Population 15+ ('000)	291.2	295.4	299.9	295.5
Labour force ('000	194.7	196.8	197.4	196.3
Employed ('000)	178.4	180.8	181.6	180.3
Unemployed ('000)	16.8	16.2	15.7	16.2
Unemployment rate (%)	8.6%	8.2%	8.0%	8.3%
Participation rate (%)	66.9%	66.6%	65.8%	66.4%
Employment rate (%)	61.3%	61.2%	60.6%	61.0%

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

Part 2: Sectoral Outlook

Overview

The Laval job breakdown among the four main industrial sectors for the 2003-2005 period differs from that for Québec as a whole in certain respects.

The primary sector has only a small share of jobs in the region (0.6%) and employs about 1,100 people. The great majority of these are concentrated in agriculture, specifically in horticulture, a field in which Laval is a major player. We nonetheless anticipate a slight decline in employment in this sector (-0.5%) because of the spreading mechanization of operations.

After setting a record in 2004, the construction industry again obtained very good results in 2005 in terms of investment. The value of new building (all sectors combined) was over $795M in 2005, a 6.1% drop from the previous year, making it the second highest level reached since 1987. Low interest rates, the high cost of renting and a better employment picture yielded another bumper year for residential property.

Construction employs over 7,900 people in Laval. The anticipated decline in the residential sector will be offset by progress on commercial and institutional sites and in civil engineering and road building. Housing starts should remain quite high, but the expected interest rate hike and slackening demand for residential construction may put a brake on growth and stabilize employment in the industry for the next three years.

Laval's manufacturing sector provides employment for nearly a fifth of its work-force, or 28,500 people. It is largely concentrated in transportation equipment, clothing and leather products, food, beverages and tobacco products, chemical products, and computer and electronic products manufacturing. Over half of all Laval manufacturing workers are employed in Montreal.

The whole manufacturing sector has undergone a decline in terms of jobs, both locally and province-wide, especially since 2003, when adjustment to a stronger currency and fiercer international competition forced manufacturers to rationalize and modernize their operations. Low interest rates and a soaring housing sector stimulated sales of furniture and electronic appliances. However, goods exporters were hampered by the steeply rising Canadian dollar (making our exports more expensive) and the stiffening competition from Asia. We therefore foresee an employment growth rate of 1.6% in this sector for 2006 to 2008.

Service industries are developing at a steady pace and play a role in many spheres of activity, including retail and wholesale trade, finance, insurance, real estate and rental and leasing, transportation, and education. Service industries employ by far the largest number of Laval residents, over 79.2% of the city's working population. Consumer and production services account for nearly 44,600 and 50,600 jobs, respectively. Public and parapublic services employ over 47,600 workers. Overall, consumer, production and public services enjoyed sizeable gains in employment from 2003 to 2005. For 2006-2008, average annual growth of 1.7% is predicted, more than for Québec (1.3%).

Table 2
Breakdown of Employment for Selected Industry Groups
Laval Region

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
All Industries	180.3	100.0%	100.0%	1.6%	1.1%
Primary	1.1	0.6%	2.6%	-0.5%	-0.6%
Manufacturing	28.5	15.8%	17.0%	1.6%	0.9%
Construction	7.9	4.4%	4.6%	0.0%	-0.1%
Services	142.7	79.2%	75.9%	1.7%	1.3%
Consumer Services	51.9	28.8%	27.6%	1.8%	1.2%
Production Services	50.6	28.1%	24.0%	2.0%	1.7%
Public and Parapublic Services	40.3	22.3%	24.3%	1.0%	0.8%

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

Primary Sector

The Laval region produces 40% of Québec's entire horticultural output

The primary sector employs about 1,100 people in Laval, accounting for 0.6% of total employment, a ratio much lower than for Québec (2.6%). Primary sector activities are concentrated in crushed stone production and ornamental horticulture; the Laval region produces 40% of Québec's entire horticultural output.

As farms and market gardens are becoming ever larger and more mechanized, demand for labour is falling. Organizational changes and higher productivity may be expected to cut into employment in the agricultural sector in Laval, as elsewhere in the province. These effects are compounded by the sharp rise of the Canadian dollar starting in 2003 and higher energy prices, both key factors in business viability.

Thus, for the forecast period, 2006 to 2008, we anticipate slightly declining employment at an average annual rate of 0.5% in the primary sector in Laval. Throughout Québec over the same time span, the forecast is for a decline of 0.6%.

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

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Whole Primary Sector	1.1	0.6%	2.6%	-0.5%	-0.6%
Agriculture	1.0	0.6%	1.5%	-0.6%	-0.5%
Forestry and Logging	0.1	0.0%	0.6%	0.0%	-2.4%
Fishing, Hunting and Trapping	0.0	0.0%	0.0%	0.0%	1.2%
Mining	0.0	0.0%	0.4%	0.0%	0.7%

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

Manufacturing Sector

Manufacturing enterprises employ nearly 28,500 people in Laval, in a wide range of industries. This represents 15.8% of total employment, compared with 17.0% province-wide. Some 62% of persons employed in this sector work in Montreal; the corresponding figure for all other sectors is 52%.

The last three years have been very hard on manufacturers, who have been badly stung by the resurgence of the Canadian dollar against the US currency, the events of September 11, 2001, and the pressure from Asian competition. The effect of these factors has been to depress exports, especially to the United States, though this has been mitigated by the vigour of the Canadian domestic economy. The rising number of jobs, coupled with low interest rates, has led to increased consumer spending, and the stronger "loony" favours imports, so that enterprises are paying less for their foreign purchases and investment in machinery.

From 2006 to 2008, the manufacturing sector will be heavily dependent on what happens in the US economy. It will still be affected by the strength of the Canadian dollar, a factor that will, however, be conducive to equipment purchases, most of which are made across the border. This new equipment will raise productivity, but it may also slow job creation. Moreover, manufacturers in Western countries are facing ever stiffer competition from Asian countries, where labour is cheap. This growing trend will limit manufacturing employment growth across the board both locally and throughout Québec. Local enterprises must therefore strive for higher productivity to meet the competition from these emerging economies, which are boosting their share of both domestic and international markets, thus impinging upon Canada's export markets.

Transportation Equipment

Laval is counting heavily on developing agri-food industries to promote the region, using the Agropôle

Transportation equipment leads the pack in terms of manufacturing employment in Laval, followed by clothing and leather products, food, beverages and tobacco products, chemical products, and lastly computer and electronic products. Laval is also counting heavily on developing agri-food industries to promote the region, using the Agropôle. This initiative is being developed through a broad business network comprising 1,500 enterprises in the agri-food sector, from farming, through processing and distribution to the consumer.

In the period from 2006 to 2008, we anticipate average annual employment growth throughout the Laval manufacturing sector of 1.6%, a more optimistic outlook than for Québec as a whole (0.9%).

Three quarters of these jobs are in the area of aerospace products and parts, where over 75% of the Laval workforce is employed by Montreal enterprises

Transportation equipment manufacturing employs 4,300 people. Three quarters of these jobs are in the area of aerospace products and parts, where over 75% of the Laval workforce is employed by Montreal enterprises. Following the fallout from the events of September 2001, the transportation equipment industry suffered a series of setbacks. These developments disrupted the airline industry, and the repercussions were quickly felt in aerospace products manufacturing. These adverse factors have now subsided, and airline traffic is recovering, so that local enterprises can again take advantage of growing demand for aeronautical products.

The region is home to a number of enterprises in this sector, and in 2005 they announced investment of over $25 million in research projects in aerospace and a range of contract opportunities for production of aluminum aerospace products, entailing creation of hundreds of jobs in Laval over the next three years.

The renewed employment growth in this subsector over the last three years should continue for the next few, so that from 2006 to 2008 recovery in the order of 3.4% is projected for Laval, while for Québec the forecast is for growth of 3.0%.

Clothing and Leather Products

People working in this industry, nearly 75% of them employed in Montreal

Though this subsector is poorly represented in Laval, clothing and leather products manufacturing is still the second largest in terms of numbers employed. The region has 3,300 people working in this industry, nearly 75% of them employed in Montreal. This industry has been in steady decline for a number of years. Elimination of quotas on imports from China, India and Pakistan on January 1, 2005, has accelerated downsizing among local enterprises. The lively competition from these countries, where labour is cheap, is constantly eating away at the share of Québec producers in the Canadian clothing market. Job losses have been substantial in this industry in recent years, and this downward trend is expected to continue through the forecast period. For the 2006-2008 horizon, average annual shrinkage of 2.9% for Laval and 2.7% for the whole of Québec is projected.

Food and Beverages

The food and beverage sector grew steadily from 2003 to 2005. Over 3,200 Laval workers are employed in this industry. Though commuting to Montreal is a significant factor (57%), Laval has a burgeoning nucleus of enterprises, especially in food processing. For the 2006 to 2008 period, employment growth in this industry should continue at an average annual rate of 2.0% for Laval and 1.9% for Québec.

Chemical Products

The chemical products industry, a significant sector in terms of employment in the Laval region, is concentrated in pharmaceuticals, biochemistry and research centres and is a key factor in local development. There are over 2,500 people employed in this industry. Existing infrastructure, in particular the Cité de la biotechnologie, the Centre québécois d'innovation en biotechnologie (a business incubator), the INRS-Institut Armand-Frappier and a significant presence of pharmaceutical firms make Laval a recognized technology hub in these fields.

Despite the problems (recall of leading products, expiry of patents) afflicting the pharmaceutical industry in the Greater Montreal area in recent years, and the financing difficulties it faces, employment levels in Laval grew slightly from 2003 to 2005. Some local firms did well in 2005 by obtaining a federal government contract to produce vaccines against influenza and bird flu, while others penetrated new foreign markets; a number of companies also invested in expanding their laboratories.

Computer and Electronic Products

A number of factors, including the aging of the population and progress in research, will continue to stimulate demand for this industry's products and its development. As home to several dynamic enterprises, Laval is well placed to take advantage of this growth over the next few years. For the forecast period, we therefore anticipate average annual job creation in chemical products in Laval of 2.0%, a higher rate than for Québec as a whole (0.6%).

Computer and electronics products manufacturing employs 2,500 people in Laval, but this field was badly hit by the stock market crash in communications technology shares. The effects were felt chiefly in 2001. Firms have since adjusted, and production has recovered. Over 70% of the Laval workforce in this industry is employed in Montreal. The 2006-2008 period is expected to see average annual growth of 3.5%, a somewhat higher rate than for Québec (3.1%).

Table 4
Breakdown and Employment Outlook in the Manufacturing Sector
Laval Region

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Whole Manufacturing Sector	28.5	15.8%	17.0%	1.6%	0.9%
Consumer-Related Manufacturing	11.8	6.5%	6.7%	0.2%	0.4%
Food, Beverages and Tobacco	3.2	1.8%	2.2%	2.0%	1.9%
Textile Mills and Textile Product Mills	0.4	0.2%	0.6%	-1.7%	-2.2%
Leather Clothing and Products	3.3	1.8%	1.2%	-2.9%	-2.7%
Printing and Related Activities	2.2	1.2%	1.0%	0.9%	0.9%
Furniture and Related Products	1.6	0.9%	1.0%	-0.2%	-0.2%
Miscellaneous Manufacturing	1.0	0.6%	0.7%	2.0%	2.0%
Resource-Related Manufacturing	2.5	1.4%	4.0%	0.0%	-0.3%
Wood Product Manufacturing	0.9	0.5%	1.6%	-0.8%	-1.1%
Paper Manufacturing	0.5	0.3%	1.0%	-0.4%	-1.2%
Petroleum/Coal Products Manufacturing	0.1	0.1%	0.1%	0.0%	1.3%
Non-Metallic Mineral Product Manufacturing	0.4	0.2%	0.5%	0.0%	0.8%
Primary Metal Manufacturing	0.5	0.3%	0.9%	1.4%	0.9%
Investment-Related Manufacturing	14.2	7.9%	6.3%	2.6%	2.1%
Chemical Products	2.5	1.4%	0.9%	2.0%	0.6%
Plastics and Rubber Prod.	1.5	0.8%	1.0%	1.2%	1.6%
Fabricated Metal Product Manufacturing	1.8	1.0%	1.1%	2.0%	2.2%
Machinery Manufacturing	1.0	0.6%	0.8%	2.6%	2.6%
Computer and Electronic Product Manufacturing	2.5	1.4%	0.7%	3.5%	3.1%
Electrical Equip., Appliance and Component Manufact.	0.6	0.3%	0.3%	1.0%	1.1%
Transportation Equipment Manufacturing	4.3	2.4%	1.4%	3.4%	3.0%

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

Construction Industry

Yet the residential sector alone still accounted for over three quarters of overall regional investment in 2005

The average employment level in the construction industry in Laval stood at 7,900 from 2003 to 2005. This represented 4.4% of total employment, a slightly lower share than for Québec (4.6%). Compared with all other sectors, a larger share of construction industry jobs are located in Laval itself; the proportion of workers commuting to Montreal is 36%, as opposed to 52% for all industries.

The two sectors that have benefited most from the real estate boom in Laval are residential and commercial.

The value of building permits issued in 2005 was almost $800 million, down 6.1% from the previous year. The 2005 gains, though lower than the 2004 record, were nonetheless quite considerable. Québec likewise posted a drop, though smaller - 1.9%.

The number of housing units built in 2005 was 3,239, down marginally by 0.5% from the previous year (in 2004 the region had posted an annual increase of 35%, its best performance since 1987[2]). During this period, Québec likewise recorded a decline, though greater at 6.5%.

The value of residential building permits in Laval slipped somewhat last year, by 4.3%, yet the residential sector alone still accounted for over three quarters of overall regional investment in 2005.

The value in 2005 of building permits in the commercial sector, the next largest, grew by 7.2% from 2004, with total investments of nearly $123 million. This investment spurred construction of a new megacentre (alongside Highway 19) and sustained development along the established commercial axes of Highways 13, 15, and 440, which traverse the region.

[2] According to Statistics Canada's historical data.

A number of major projects are planned between now and 2008, including development of thoroughfares in the vicinity of the Metro stations now being built

The industrial sector accounted for 4.9% of construction investment in Laval in 2005. Up 63% from 2004, industrial construction in 2005 hit a four-year peak after a registering a dip in 2004. Investment in institutional and government construction posted a steep drop in value in 2005, most investments having been made the year before (construction of Metro stations). Investment in 2005 was worth a little over $9 million, the lowest level in the last ten years.

A number of major projects are planned between now and 2008, including development of thoroughfares in the vicinity of the Metro stations now being built. In particular, there are plans for a pedestrian precinct, commercial spaces, condominiums, university extension campuses and a recreational and cultural complex around the Montmorency station, set to become the site for Cité du Savoir (Science City). All this will be amplified by the expansion of the various megacentres established at various strategic locations across the island and the continuing influx of new corporate names. This investment will be topped off by the extension of Highway 25 and construction of a bridge linking Montreal and Laval. Work is expected to start in 2007 and run until 2010.

After considerable ferment in the last few years, the Laval construction industry posted a slight dip in 2005. Growth in other construction sectors should offset the downturn in residential building. Large-scale local commercial and institutional investment projects under way or planned, scheduled over a number of years, will keep labour demand relatively high. For the 2006-2008 horizon, employment in the Laval construction industry looks likely to be stable, a somewhat more optimistic scenario than for Québec generally, where a decline of 0.1% is forecast for the same period.

Consumer Services

Laval's population is growing faster than Québec's, so that we expect employment in consumer services to progress more rapidly

Nearly 52,000 Laval residents work in consumer services. This sector represents 28.8% of total employment, a slightly higher rate than in Québec generally (27.6%). More than half of these jobs are in retail trade.

Laval's population is growing faster than Québec's, so that we expect employment in consumer services to progress more rapidly too. From 2006 to 2008, employment in consumer services should advance at an average annual rate of 1.8% in Laval and 1.2% in Québec.

The proportion of Laval workers in this sector who are employed in Montreal is substantial: 36% for retail trade, rising to 39% for accommodation and food services, 42% for other services, and 41% for information, culture and recreation.

Retail Trade

Retail trade will remain a major driving force in the Laval economy. Retailers will create more jobs than most other sectors of the economy

Advances in retail trade are due to the arrival of big corporate names in groceries and retailing and the megacentres built at various strategic locations in the area. To this must be added the commercial developments along St Martin Boulevard in the Chomedey section, including the expansion of Centropolis. The city centre development project around the Montmorency Metro station will also generate employment in this field. Retail trade will remain a major driving force in the Laval economy. From 2006 to 2008, retailers will create more jobs than most other sectors of the economy. The only cloud on the horizon is the likely rise in interest rates, which may discourage spending by consumers, who are already carrying a heavy debt load. For the period from 2003 to 2005, retail trade provided employment, on average, for 25,700 people, or 14.3% of Laval's workforce. Over the forecast period, employment in retail trade should grow by 1.7% a year in Laval and 0.9% in Québec.

Accommodation and Food Services

As with retail trade, accommodation and food services have enjoyed strong growth in recent years. There are more than 10,800 workers employed in this subsector, nearly 90% of them in food services. The relatively strong demographic and labour market growth in both Laval and the northern tier point to annual employment growth of 2.4% across the sector, a higher rate than the provincial average of 1.7%.

Information, Culture and Recreation

The arts, performance and recreation subsector is the one that has benefited most from employment growth in this industry. Half of the employees work locally, while 40% of them commute to Montreal and a little fewer than 10% work on the North Shore. Employment growth is thus largely dependent on enterprises based in Montreal and Laval, and to a lesser extent the northern tier. Recreation has developed considerably, and, with the announcement of other projects, we can expect average annual employment growth of 1.9%, a rate slightly higher than for Québec (1.7%).

Other Services

Other services provide employment for 7,100 people in Laval and are likewise closely associated with demographic trends. We thus foresee annual employment growth of 1.4%, compared with 1.3% for Québec. Within this sector, employment breaks down as follows: 45% in repairs and maintenance, 32% in personal and laundry services, 13% in religious organizations, foundations and professional and related organizations, and lastly 10% in private households.

Table 5
Breakdown and Employment Outlook in Consumer Services
Laval Region

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Consumer Services	51.9	28.8%	27.6%	1.8%	1.2%
Retail Trade	25.7	14.3%	12.8%	1.7%	0.9%
Information, Culture and Recreation	8.2	4.6%	4.5%	1.9%	1.7%
Accommodation and Food Services	10.8	6.0%	5.8%	2.4%	1.7%
Other Services	7.1	3.9%	4.5%	1.4%	1.3%

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

Production Services

Production services employ 50,600 people in Laval. This sector accounts for 28.1% of total employment locally, as opposed to 24.0% province-wide. Professional, scientific and technical; company management and administrative support; finance and insurance; and real estate and renting and leasing account for 60% of production services employment, followed by wholesale trade and transportation and warehousing at 20% and 17% respectively. Lastly, utilities employ fewer than 4% of the workforce.

For all production services subsectors, except real estate and rental and leasing and utilities, the proportion of those commuting to Montreal is between 54% and 67%. In real estate and rental and leasing, the percentage is only 43%, while in utilities it reaches 78%.

Professional, Scientific and Technical Services

This subsector is the second largest of the service industries. It comprises firms of architects, engineers and other scientific and technical service providers, with over 11,900 professionals. The boom in both residential and non-residential construction of recent years has been very kind to this sector, and engineering may benefit from the revival of investment in hydroelectricity and the fine performance in infrastructure. The sector can also count on the dynamism of computer professionals and those in other technical business services (consultants in physical and environmental sciences, economics, etc). Since there are major investment projects slated for the region, the average annual growth rate between now and 2008 is predicted to be 3.1% (2.9% for Québec).

Wholesale Trade

Wholesale trade employs over 10,200 people and represents 5.6% of total employment in Laval. Over the forecast horizon, activity in wholesale trade in 2006-2008 will benefit from the strong Canadian dollar, which will encourage imports of equipment from the United States, and from the continuing vitality of the construction industry. Since wholesale trade is also closely linked to retailing, it should gain from the projected local growth in that sector. From 2006 to 2008, employment should grow at an average annual rate of 1.5% in Laval and 1.1% in Québec.

Transportation and Warehousing

Public transit, trucking and mail services account for 39%, 27% and 12% respectively of the jobs in this subsector, with a total of 8,500 workers. Air transportation accounts for only 5% of employment in the sector. The commuting rate is high, with over 60% of workers employed in Montreal.

The pending extension of the Metro into the region and the rising demand for pleasure travel ensure a favourable outlook for the industry

In recent years, trucking companies have been hit by a range of factors that adversely affected their operations, including the rising value of the dollar and, more recently, the spike in oil prices. On the other hand, the pending extension of the Metro into the region and the rising demand for pleasure travel ensure a favourable outlook for the industry. Overall, transportation and warehousing should be more vibrant over the next three years and rack up average annual employment growth of 1.4% during 2006-2008.

For production services in general, projected annual growth rates are 2.0% in Laval and 1.7% in Québec.

Table 6
Breakdown and Employment Outlook in Production Services
Laval Region

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Production Services	50.6	28.1%	24.0%	2.0%	1.7%
Utilities	1.7	0.9%	0.9%	1.1%	1.3%
Wholesale Trade	10.2	5.6%	3.8%	1.5%	1.1%
Transportation and Warehousing	8.5	4.7%	4.6%	1.4%	1.3%
Finance, Insur., Real Estate and Rental and Leasing	11.7	6.5%	5.4%	0.9%	0.7%
Prof., Scientific and Technical Services	11.9	6.6%	6.0%	3.1%	2.9%
Mgmt of Cies, Enterpr., Admin. and Sup. and Other	6.7	3.7%	3.3%	3.0%	2.8%

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

Public and Parapublic Services

Nearly 40,300 people work in public and parapublic services. This sector accounts for 22.3% of total employment, compared with 24.3% in Québec. Of these, about 51% are employed in health care and social assistance, 25% in educational services, and 24% in public administration. Over 50% of those in public administration and health care and social assistance work in Montreal. The corresponding proportion for education is 42%.

Construction of a university complex near the Montmorency Metro station during 2007 will entail investment of $200 million

The new jobs created at the college and university levels will offset the expected losses in primary and secondary education

Investment will be needed in this sector to meet the growing needs for home care and accommodation for the frail and elderly. Increasing demand for such services should ensure employment growth for this occupational group from 2006 to 2008. We therefore predict a 2.4% rise in nursing and residential care facilities and social assistance and 1.7% in ambulatory health care services and hospitals.

According to the report by the Québec Department of Education entitled Prévisions de l'effectif scolaire à l'éducation préscolaire, au primaire et au secondaire (Forecast pre-school, primary and secondary enrolments), published in February 2005, Laval's French-language school boards will see their enrolments decrease over the 2006-2008 period, while the English-language boards will enjoy a slight increase at the secondary level. Thus, notwithstanding the projected growth of the general population until 2015, the francophone school-age population will shrink, possibly a casualty of the prevailing low birth rate.

Construction of a university complex near the Montmorency Metro station during 2007 will entail investment of $200 million, and the University of Montreal, the HEC, the École Polytechnique, the University of Québec at Montreal and Concordia University may all sign on to the project. This Cité du Savoir (Science City) will generate many teaching jobs locally, and while we anticipate overall shrinkage in primary and secondary school enrolments, those at the college level and in vocational and adult education will expand.

The new jobs created at the college and university levels will offset the expected losses in primary and secondary education. For 2006 to 2008, annual employment increments in the order of 0.2% are forecast for the whole range of educational services in Laval, as opposed to a 0.1% drop in Québec.

Since employment trends in all public and parapublic services depend partly on demographics, and Laval's population is growing, we can anticipate that for 2006-2008 average annual employment growth, at 1.8%, will be higher than for Québec (1.2%). This figure also takes into account the intent expressed at both provincial and federal levels to limit government presence in the modernization of services.

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

	Average 2003-2005			2006-2008	
	Level ('000)	Share of employment		Average Annual Growth	
	Region	Region	Province	Region	Province
Gov. and Parapublic Services	40.3	22.3%	24.3%	1.0%	0.8%
Educational Services	10.0	5.5%	6.6%	0.2%	-0.1%
Ambulatory Health Care and Hospitals	11.4	6.3%	6.3%	1.7%	1.4%
Other Health Care and Social Assistance	9.1	5.0%	5.6%	2.4%	2.1%
Federal Public Administration	2.3	1.3%	1.9%	0.0%	-0.2%
Prov. and Territorial Public Administration	3.0	1.6%	2.2%	-0.2%	-0.6%
Local, Municipal, Regional and Other Public Administr.	4.5	2.5%	1.7%	0.3%	0.4%

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

Conclusion

The sectoral projections developed in this document are based on a hypothesis of moderate economic growth in the Laval Region during the forecast period. In general, the region should enjoy average annual employment growth of 1.6% from 2006 to 2008, a higher rate than for Québec (1.1%).

Current and planned investment in the commercial, industrial and institutional sectors over the forecast period, offsetting the expected dip in residential building, will provide some stability in the construction industry and is a sign of the region's economic vitality.

Certain factors may upset the local labour market to varying degrees. Among these, the rise in the value of the Canadian dollar and sharper competition from emerging economies, chiefly China's, engender fears for the future of the manufacturing sector, which employs no fewer than 15.8% of Laval's working population. Climbing oil prices and interest rates may also affect the all-important consumer services sector, in particular retail trade, which is more heavily represented in our region than in the Montreal CMA generally or in Québec. To this must be added the financing problems experienced by biotechnology firms and the expiry of drug patents held by pharmaceutical enterprises, two industries with a significant presence in our region, likewise the difficulties of recruiting qualified personnel in certain specialized fields.

Laval's economic development will therefore depend on how these factors evolve and how businesses adapt to improve their market share and their positioning on the local, regional and international stages.