



EMPLOYMENT

Employment in mining and mineral processing decreased in 2008, despite record growth in mining and quarrying

In 2008, employment in the Canadian mining and mineral processing industries¹ continued to contribute significantly to Canada's overall employment, accounting for 2.4% of the country's total labour force. However, it was a dramatic year for mining and metal manufacturing, as it was for many industries. Prior to the last quarter of the year, the minerals and metals industries in Canada continued to enjoy the "bull ride" that began in 2003. But they reacted quickly and sharply to the severe global economic recession of 2008-09: exploration and production was reduced, marginal mines were put on care and maintenance, and investments were delayed. As a result, some 15 000 jobs were lost either permanently or temporarily. However, improvements in the commodity prices between April and September of 2009 has led to some 3600 being reinstated or created.

Annual industry fluctuations in employment reflect changes in facility productivity and output, which in turn are driven strongly by commodity price changes on world markets. In the recent economic downturn, reduced global demand for products that use commodities accounted for sharp price drops in these commodities. In particular, North American construction, the manufacturing of autos and parts, and business investment in machinery and equipment – major consumers of mineral commodities – experienced large declines in demand during the recession.

¹The mining and mineral processing industries include those covered by NAICS codes 212 – mining and quarrying (excludes oil and gas), 327 – nonmetallic mineral product manufacturing, 331 – primary metal manufacturing, and 332 – fabricated metal product manufacturing.

²The data reported for each of the natural resource sectors reflect the value of primary industries and related manufacturing industries. Values for Petroleum Product Wholesalers - Distributors (NAICS 412), Gasoline Stations (NAICS 447), and Pipeline Transportation (NAICS 486) are not included.

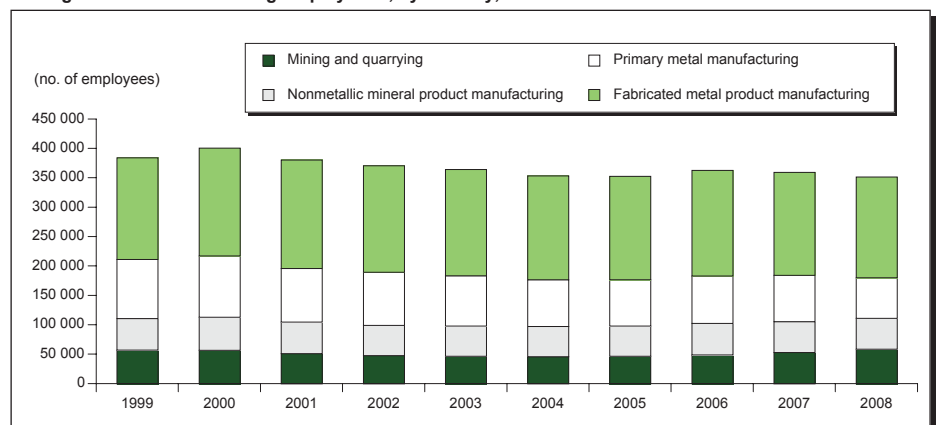
Overall, employment in mining and mineral processing declined 2.3% in 2008 to some 351 000, a figure that still exceeded the total labour force of New Brunswick, the Northwest Territories, and Nunavut combined. Despite important contributions to Canada's labour force, employment in mining and mineral processing has been trending downward, with the exception of a modest increase in 2006. In fact, since 2000, employment has declined by 12.3%. However, the value of industry output between 2000 and 2008 (with inflation removed) increased by 4.6%, implying that the value of output per worker increased by some 19%.

In comparison with other natural resource sectors,² namely forestry and energy, the mining and mineral processing industries accounted for 41.2% of the 854 000 natural resource workers in 2008. Of these three natural resource sectors, mining remains the largest employer, followed by energy and then forestry. In 2008, employment in the energy sector grew 1.1%, the 12th straight year of employment growth. In contrast, employment in forestry decreased by 9.9% in 2008, the 8th consecutive year of decline.

In 2008, employment in the Canadian **mining and quarrying industry** totaled over 58 000 workers, an increase of 10.7%. Employment increased in each of the metals, nonmetals and coal sectors (Table 1). This marked the fourth straight year of growth and the largest annual increase within the last two decades. Following established seasonal trends, mining and quarrying employment in 2008 peaked around mid-year before slowing in the final quarter. This final-quarter slowdown was especially notable in 2008 as the rapidly declining global economy affected the demand for and prices of many commodities.

In 2008, six mines opened and four re-opened. Among the openings were a gold mine in Newfoundland and Labrador, three gold-silver mines in Quebec, a zinc-copper-gold-silver mine in Quebec, and the Victor diamond mine in Ontario. However, eleven mines suspended operations and an additional six closed. Over half of the closings and suspensions occurred in Ontario and Quebec, and the majority of them occurred in the final quarter of the year in response to rapidly declining base-metal prices that resulted from the global economic downturn.

Figure 1
Mining and Mineral Processing Employment, by Industry, 1999-2008



Source: Statistics Canada, Survey of Employment, Payroll and Hours.
Note: Excludes oil and gas, and services incidental to mining.

TABLE 1. CANADIAN MINING AND QUARRYING EMPLOYMENT, 1991-2008

	Metal Mining	Nonmetal Mining	Coal Mining	Total
	(number)			
1991	37 111	19 442	12 879	69 432
1992	35 565	18 766	10 625	64 956
1993	32 911	18 468	9 748	61 127
1994	31 901	19 408	9 850	61 159
1995	32 830	19 544	10 161	62 535
1996	32 904	17 590	10 270	60 764
1997	35 511	19 095	9 730	64 336
1998	32 354	19 431	8 304	60 089
1999	29 555	19 987	7 812	57 354
2000	29 468	20 031	7 199	56 698
2001	25 564	19 524	6 030	51 118
2002	22 585	19 497	5 700	47 782
2003	21 810	20 224	4 841	46 875
2004	21 374	19 907	4 543	45 824
2005	21 196	20 456	5 037	46 689
2006	22 007	21 487	5 336	48 830
2007	23 850	23 183	5 844	52 877
2008	28 074	23 988	6 443	58 505

Source: Statistics Canada, Survey of Employment, Payroll and Hours.
Note: Numbers may not add due to rounding.

TABLE 2. PROVINCIAL AND TERRITORIAL MINING EMPLOYMENT DATA, 2007

	Metal Mining	Nonmetal Mining	Coal Mining	Total
	(number)			
Newfoundland and Labrador	2 490	215	—	2 705
Prince Edward Island	—	x	—	x
Nova Scotia	x	x	—	1 147
New Brunswick	x	x	x	2 026
Quebec	6 474	2 875	—	9 349
Ontario	8 212	4 877	—	13 089
Manitoba	2 222	316	—	2 538
Saskatchewan	x	3 955	x	5 868
Alberta	—	x	x	3 191
British Columbia	3 236	867	2 851	6 954
Yukon	x	x	—	47
Northwest Territories	x	1 242	—	x
Nunavut	—	114	—	114
Total	25 224	18 167	5 105	48 496

Sources: Natural Resources Canada; Statistics Canada.
— Nil; x Confidential.
Note: Numbers may not add due to rounding.

As in previous years, 2008 salaries in the mining and quarrying industry exceeded the national average. Average weekly earnings reached \$1357, an increase of 4.4% over the previous year. This outpaced the national average, which increased by 2.8% to \$810.

The **primary metal manufacturing industry**, comprising establishments primarily engaged in the smelting and refining of ferrous and nonferrous metals, employed 69 000 workers in 2008, a substantial 12.3% drop from 2007. Employment in this industry has been trending downward, falling by almost 25.0% from March 2007 to March 2009. Average weekly earnings also fell by 2.2%, to \$1181, which was still higher than the national average of \$810.

The **nonmetallic mineral product manufacturing industry** employed 53 000 people in 2008, virtually unchanged from the previous year. The industry comprises establishments primarily engaged in the processing of stone, the combining of nonmetallic minerals with additives, and the heat-treating of nonmetallic mineral preparations. Average weekly earnings continued the upward trend of the last few years, rising 4.8% in 2008 to just over \$1000. Looking ahead, first-quarter 2009 employment shows losses of nearly 8.0% over the same quarter in 2008.

The **fabricated metal product manufacturing industry** comprises establishments primarily engaged in forging, stamping, forming, turning, and joining processes to produce ferrous and nonferrous metal products. Employment from 2007 to 2008 declined 2.3% to 171 000 workers; however, this industry accounted for almost half of all mining and mineral processing employment. Employment followed typical seasonal patterns; however, fourth-quarter decreases over the same period in 2007 were among the highest of the past 17 years. Average weekly earnings in this industry remained strong at \$960 in 2008, a 6.3% increase over 2007.

Provincial/Territorial Employment in the Mining and Quarrying Industry in 2007

In 2007, the mining and quarrying industry experienced year-over-year growth in almost all provinces and territories, with Ontario and Quebec accounting for 46.3% of the 48 496 jobs in the Canadian mining and quarrying industry (Table 2).

Owing largely to the opening of the Duck Pond mine, Newfoundland and Labrador experienced substantial employment growth in the metals sector with a 27.8% increase over 2006. In addition, British Columbia saw its employment grow by 12.2%, thanks in large part to

employment increases at two copper mines. Quebec and Ontario continued to account for a large share of metals sector employment with 58.2% occurring in those two provinces. The metals industry was also the principal employer for Newfoundland and Labrador and Manitoba, which accounted for 92.1% and 87.5%, respectively, of the mining and quarrying work force.

In 2007, employment in the nonmetallic mining industry grew to 18 167, a 2.8% increase over 2006. Labour demand in this industry was robust in Saskatchewan, increasing by 10.7% over 2006 and accounting for over two thirds of the total mining employment in that province. Additionally, nonmetal mining was the primary employer in the Northwest Territories and Nunavut as Canada's diamond mines remained strong in 2007. In fact, nonmetals were responsible for most of the mining employment in both of these territories.

In 2007, the number of those employed in Canada's coal mining industry, 5105 workers, was the highest since 2002. The majority of employment in this industry occurred in British Columbia, which accounted for 55.8% of all coal workers. The remainder of the coal production occurred in Alberta, Saskatchewan, and New Brunswick.

More facts on mining can be found at <http://mmsd.mms.nrcan.gc.ca/stat-stat/index-eng.aspx>

