



Environmental Scan

Ontario

Spring 2016



Once a year, the Service Canada Ontario Region Labour Market and Socio-economic Information Directorate develops an Economic/Environmental Scan (E-Scan), a report that provides a general overview of the demographic, economic and labour market conditions and trends for the province of Ontario. E-Scans are intended to support regional Service Canada operations by identifying potential pressures on service and program delivery. However, they may also be of interest to those who seek to know more about the state of a provincial or regional economy and labour market. Facts and statistics presented in this document reflect information available as of March 2016.

KEY POINTS

General Overview/Economic Context

- Global economic growth remained uneven and uncertain throughout 2015. Growth estimates have been cut across the board and risks appear to be more prominent
- Strength in the United States (U.S.) and United Kingdom (U.K.) economies contrast worries in Asia focused on China, troubled emerging markets, and a stagnant Eurozone dealing with increasing economic and political risks
- The U.S.—Ontario's largest external trading partner—is expected to have grown by 2.4% in 2015, and is projected to increase by 2.2% in 2016, leading advanced economies globally despite signs that these strong expectations could be wavering
- The Canadian economy only grew by an estimated 1.2% in 2015, having briefly slipped into recession. Growth for 2016 stood at only 1.4% as of March 2016, as oil and commodity prices remain low and weakness risks spreading into other unrelated sectors
- A weak Canadian dollar (CAD) implies manufacturing should remain solid into 2016, alongside increasing exports; however, it also suggests trade could be impacted by increasing import prices and falling imports
- Ontario's economy is expected to continue to improve with growth rates of 2.5% in 2015 and 2.4% in 2016 as exports, particularly manufacturing-related, receive a boost

Provincial and Local Labour Market Conditions

- Employment rose by 45,300 (+0.7%) in Ontario in 2015, marking the province's sixth consecutive yearly increase
- The provincial unemployment rate fell by 0.5 percentage points to 6.8%, decreasing for the third consecutive year and reaching its lowest level since 2008
- For 2016, employment is projected to increase by about 1.0% in Ontario, while the provincial unemployment rate is expected to fall slightly to approximately 6.6%
- Employment grew in both the services-producing sector (+25,800) and the goods-producing sector (+19,400), with particularly sharp growth in the finance, insurance, real estate and leasing industry, as well as in construction and educational services
- The Toronto economic region had the largest increase (+2.4%) in employment, although employment declined in seven out of 11 economic regions

INTRODUCTION

The purpose of the Environmental Scan is to outline the major trends and issues facing Canada and the **Ontario Region** that will influence the economic and social environment in current and future years. The document provides timely, evidence-based information which supports the business planning process and it is divided into two main parts. Section 1 includes a general overview of the Canadian and Ontario economic context with employment outlook information. Section 2 provides perspective on the provincial and local labour markets.

SECTION 1: GENERAL OVERVIEW / ECONOMIC CONTEXT

Global economic growth remained uneven and uncertain throughout 2015. Despite differences in country-specific outlooks, projections have been cut across the board as the year went by. Risks appear to be more prominent, and the International Monetary Fund (I.M.F.) has repeatedly cut global growth expectations throughout the year from 3.5% to 3.1%.¹ Slowdowns in emerging markets such as China have continued and have become more pronounced while Russia and Brazil have slipped into recessions. Also, growth in the Eurozone continues to be marginal at best, and Japan has not seen much improvement. Meanwhile, the U.S. has seen continuing signs of a strengthening economy culminating in an interest rate increase, yet some doubts remain given sluggish manufacturing numbers. The apparent strength in the U.S. is still expected to be beneficial to Canadian exports, and especially for Ontario's manufacturing industry. However, these benefits have not fully materialized as desired and are long-awaited.

China and the risk of Asian regional contagion

Asian economies have remained uncertain in 2015. While the focus was on the slowing Chinese economy and the Chinese stock markets, Japan remained fairly stagnant and continues to flirt with recession. The rest of the

¹ International Monetary Fund (IMF). (2015, October). [World Economic Outlook](http://www.imf.org/external/pubs/ft/weo/2015/02/). IMF. Retrieved from: <http://www.imf.org/external/pubs/ft/weo/2015/02/>

Asia-Pacific region remains mostly positive led again by the ASEAN² economies and South Korea, but also an Indian economy showing some potential. However, the issues with China have the potential to impact the other Asian economies. China's growth was 6.9% in 2015 and is projected to be 6.5% in 2016,³ lower than past annual growth rates of 9% or higher. China's industrial production remains slow and the Caixin Manufacturing PMI has been in contraction for almost all of 2015.⁴ This is a good indicator of demand for energy and metal commodities as it coincides with reduced demand for Ontario's commodities and has kept the province's commodity inventories elevated.

With the goal of strengthening ties to Asian markets, Canada's recent trade deals provide opportunities to various industries going forward. Between the South Korean trade deal and the Trans-Pacific Partnership (TPP), if ratified, Canadian and Ontario businesses will have multiple entry points into the Asian markets. Additionally, the newly created Yuan currency-trading hub in Toronto provides a convenience which could entice Chinese business in Ontario and vice versa. Despite this, the risks posed by the Chinese slowdown include lower demand for commodities and raw materials as well as certain manufactured intermediate goods impacting industries important to various regions within Ontario.

Europe - All this risk for not enough return

In the Eurozone, economic conditions have shown only modest improvements but remain a concern given the numerous stimulus measures (such as negative interest rates and quantitative easing monetary policy) implemented by the European Central Bank. Political risks continued through 2015 with Greece nearly exiting the Union and numerous Eurosceptic political parties rising in popularity in many other countries. The influx of refugees have been putting a strain on many European Union (E.U.) nations and creating political tensions with border closures. Finally, the threat of terrorism has made the economic and political situation more fragile.

While 2015 saw an expansion of monetary stimulus to drive the economy and stop disinflation, this investment has not yielded significant enough returns and risks continue to mount. The growth outlook moved to an adequate yet improved 1.5% in 2015 and 1.6% in 2016.⁵ Inflation is still not expected to meet the 2% target but there is promise for the Eurozone as domestic demand and private consumption are trending up. The issue for Europe is that the risks are greater as deflationary pressures, sovereign debt issues, and lower foreign demand threatens any economic recovery. Also, geopolitical risks remain with terrorist threats, the refugee crisis, rising anti-EU sentiment and the Russian-Ukrainian situation.

The U.K. economy is performing well with estimated growth at 2.2% in both 2015 and 2016.⁶ The strength in the U.K. benefits Ontario's economy as the U.K. is the second largest export destination for Ontario-produced goods. Ontario exports to the U.K. include precious metals and minerals, as well as aerospace parts and products. As the U.K. begins to tighten monetary policy, the concern is whether or not the steady economic performance can be sustained.

The trade agreement between Canada and the E.U. that had seemed finalized has recently stalled. Parts of the agreement are facing opposition from some E.U. member nations and the decision was made that the final

² Association of South-East Asian Nations (includes Indonesia, Philippines, Malaysia, Singapore, Thailand, Cambodia, Vietnam, Laos, Myanmar and Brunei)

³ Consensus Economics. (2016, February). [Consensus Forecasts - China](#)

⁴ Trading Economics. [China Caixin PMI](#). *Trading Economics*. Retrieved from: <http://www.tradingeconomics.com/china/manufacturing-pmi>

⁵ Consensus Economics. (2016, February). [Consensus Forecasts - Eurozone](#)

⁶ Consensus Economics. (2016, February). [Consensus Forecasts - United Kingdom](#)

stages including ratifications would be dealt with after the Canadian elections in October.⁷ The deal would eliminate many tariffs between the two markets and drive additional exchange of goods, services, and labour. This would imply positive medium to long-term impacts for Ontario's aerospace, automotive, and mining industries. Regardless of the outcome of the deal, should the Eurozone remain sluggish, Ontario will feel the effects of lower E.U. demand for commodities and certain manufactured parts or products.

United States hopeful of sustained economic momentum

In the U.S., Ontario's largest external trading partner, 2015 was yet again a volatile year with a poor first quarter but recovery thereafter. The U.S. is expected to grow by 2.4% in 2015, and 2.2% in 2016,⁸ leading advanced economies globally. The U.S. economy created over 2.7M jobs in 2015 and the labour market seems to be at relatively strong levels. Weekly claims for unemployment benefits and short-term unemployment have remained at lower levels, while long-term unemployment and the number of involuntarily part-time workers have edged down through the year. The only caveat is that the labour force participation rate remains low.

Overall, the U.S. has seen sufficient enough strength in the labour market to lead the Federal Reserve to move interest rates up. Despite the bright spots in the U.S. economy, some weakness in industrial production and both national and regional manufacturing indices towards the latter part of 2015 raise concerns going forward. Domestic demand could slow down, the high U.S. Dollar (USD) could impact trade and the 2016 labour market could soften given the strength of 2015. Average wage growth, although improved, remains weaker than expected, limiting potential consumer spending. Lower gasoline prices could continue to provide a boost for consumers as oil prices are expected to remain low well into 2016.

Despite recent weak signals in U.S. manufacturing, the automotive subsector has continued to impress as growth in lending has led to record sales in 2015.⁹ Low energy costs are a key driver, and the industry continues its move towards more automated manufacturing processes and less labour intensity. Historically, Ontario has moved closely with the U.S. in terms of growth and this is not expected to change in the near future. The Ontario automotive sector, particularly auto parts, will benefit from the U.S. strength and lower Canadian dollar (CAD) driving exports. There is a cautious optimism for the Ontario economy as it relates to the U.S. economy, yet optimism nonetheless.

Canada's negatives could be overtaking the positives

In Canada, the economy is expected to have grown by an estimated 1.2% in 2015.¹⁰ After slipping into recession in the first two quarters, growth rebounded in the third quarter with stronger summer months, resulting mainly from a brief upswing in oil prices and export strength. The economy has since cooled off with considerable downside risk which could manifest in another negative quarter. Looking forward, the expectation for growth in 2016 currently stands at only 1.4%,¹¹ yet this projection could also be revised downwards. Recent data suggests that while net trade should grow as expected, the fall in imports has outpaced the growth in

⁷ Mazereeuw, P. (2015, June 25). [CETA stalled until after election](http://www.embassynews.ca/news/2015/06/15/ceta-stalled-till-after-election-eu-trade-chair/47252). *Embassy News*. Retrieved from: <http://www.embassynews.ca/news/2015/06/15/ceta-stalled-till-after-election-eu-trade-chair/47252>

⁸ Consensus Economics. (2016, February). [Consensus Forecasts – United States](#)

⁹ Spector, M. (2016, January 5). [U.S. auto sales set records in 2015](#). *Wall Street Journal*. Retrieved from: <http://www.wsj.com/articles/u-s-car-sales-poised-for-their-best-month-ever-1451999939>

¹⁰ TD Economics. (2015, December 17). [Quarterly Economic Forecast](#). *TD Economics*. Retrieved from https://www.td.com/document/PDF/economics/gef/gefmar2016_canada.pdf

¹¹ Consensus Economics. (2016, February). [Consensus Forecasts - Canada](#)

exports which does not bode well for domestic demand since most consumer goods are imported. In the medium to long term, however, this could lead to increased domestic demand for Canadian produced goods.

The multi-year lows in oil and gas prices have benefited consumers and businesses, outside of the oil sector, through lower energy and transportation costs. However, it is a negative overall as the oil and gas sectors account for about 25% of all business investment in Canada and are vital to the Western provinces. Canadian business sentiment fell in the fourth quarter of 2015 but for those not directly linked to commodities, the benefits of a stronger U.S. economy and a weak CAD are more pronounced and this is expected to continue.

The Bank of Canada surprised many by cutting interest rates twice to deal with slower growth in the first half of 2015. The Bank of Canada has stated they would not exclude the possibility of further cuts and have hinted at negative rates as a policy option, if needed. Additional cuts are likely should the Canadian economic issues continue despite a clear divergence of monetary policy with the U.S. Federal Reserve.

The fourth quarter aside, 2015 has been a robust year for Canada's manufacturing and trade industries. Manufacturing should remain solid into 2016, alongside increasing exports, while trade could be impacted by falling imports. The CAD has continued its depreciation relative to the USD. Although consumer spending should still see growth, it will be limited by higher costs of imports and all-time high debt levels.¹² Despite the strength in manufacturing, Canadian manufacturing employment growth has not picked up as much as expected through 2015. As Canada moves to more export-led growth, employment will not rise proportionately since exporters are less labour intensive per unit produced relative to many service sectors;¹³ for example, the manufacturing industry is less labour intensive than in the past as it employs more automated processes. The impact of increased exports will therefore not achieve the same level of job gains in manufacturing as it did in the past.

The Bank of Canada continues to voice concerns over an overvalued housing market in Canada, particularly in big city centres such as Toronto, Vancouver and Montreal.¹⁴ As long as the low interest rate environment persists, there should not be much change in the sector. While the impact of low oil prices on the Western provincial economies have put downward pressure on the housing markets in cities like Calgary and Edmonton, prices and sales have continued to rise in several areas, notably Toronto.¹⁵ Going forward non-residential construction could be buoyed by large infrastructure investments planned by the federal government.

Ontario's economy contingent on continued U.S. strength

Ontario's GDP accounts for just under 40% of Canada's total GDP therefore the success of Ontario's economy is important to Canada's success. Analysts' consensus is that Ontario should continue to improve with GDP growth rates of 2.5% in 2015 and about 2.4% in 2016. The provincial economy has been supported by domestic demand as household spending and residential investments continued to grow. Exports, particularly manufacturing-related, began to benefit from the weak CAD and positive U.S. economy in the second half of 2015. Although the RBC Manufacturing PMI figures had been on a declining trend for the whole of Canada,

¹² McMahon, T. (2016, January 8). *As Canada's economic engine stalls, can others pick up the slack?*. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/real-estate/the-market/with-a-resource-slump-can-canadas-other-industries-power-the-economy/article28092680/>

¹³ TD Economics. (2015, January 9). *Canadian Employment Data Commentary*. *TD Economics*. Retrieved from http://www.td.com/document/PDF/economics/comment/CanadianEmployment_Dec2014.pdf

¹⁴ Bank of Canada. (2015, January 21). *Monetary Policy Report*. *Bank of Canada*. Retrieved from <http://www.bankofcanada.ca/wp-content/uploads/2014/07/mpr-2015-01-21.pdf>

¹⁵ The Canadian Press. (2016, January 6). *2015 was a record year for housing sales in Toronto area*. *Toronto Star*. Retrieved from <http://www.thestar.com/business/2016/01/06/2015-called-a-record-year-for-housing-sales-in-toronto-area.html>

Ontario's numbers showed some resilience and remain in expansion territory.¹⁶ The auto sector gave an important boost to manufacturing in Ontario as Canada, like the U.S., hit record sales numbers in 2015.¹⁷ Auto sales have been driven by lower interest rates and longer terms which increase affordability for consumers, but could face pressure from consumer over indebtedness. New business investment remains lower than expected and this could lead to capacity constraints. However, if conditions remain favourable to manufacturers, business investment should pick up, increasing plant and assembly activity in Ontario.¹⁸

The real estate market continues to be strong in Ontario but has shown signs of a market peak and is expected to gradually soften. Toronto and Hamilton areas, specifically, remained housing market hotspots through 2015 and this should continue into 2016 with only a gradual cooling off. While commercial real estate seems to be hitting a peak, potential employment increases in some business areas could fill empty commercial spaces maintaining price stability. For example, demand for manufacturing facilities could increase due to stronger exports, and demand for warehousing/distribution space may grow due to retailers pushing into e-commerce.

SECTION 2: REGIONAL, PROVINCIAL, AND LOCAL LABOUR MARKET CONDITIONS

The provincial labour market expanded for the sixth consecutive year in 2015, with strong household consumption and growing exports to the U.S. supporting an improving provincial economy. Employment in Ontario rose by 45,300 (+0.7%), a similar growth compared to the previous year, with strength in full-time work (+78,200) negated somewhat by losses in part-time employment of 32,900, its first decrease in the province since 2006, according to Statistics Canada's Labour Force Survey (LFS).

The unemployment rate in Ontario fell for the third consecutive year, dropping from 7.3% in 2014 to 6.8% in 2015, and reaching its lowest level since 2008 as unemployment fell by 7.0% over the year. However, a large growth in the provincial population led to drops in Ontario's participation and employment rates, despite gains in labour force and employment figures.

Employee payroll figures from Statistics Canada's Survey of Employment, Payrolls and Hours (SEPH) confirm the expansion of the Ontario labour market in 2015. Both surveys point to a slight fall in employment figures in the first quarter of 2015, but followed by successive employment gains in the subsequent three quarters.

Looking forward to 2016, exports and business investment are expected to tick up in Ontario, supported by the expanding American economy and the low Canadian dollar, with the provincial tourism industry having the potential to reap some benefits as well. Forecasters expect employment in Ontario to increase by about 1.0% and the provincial unemployment rate falling slightly to about 6.6%.

¹⁶ RBC. (2016, January 4). [RBC Manufacturing PMI regional data](http://www.rbc.com/newsroom/assets-custom/pdf/20160104-pmi-rqnl.pdf). *RBC Economics*. Retrieved from: <http://www.rbc.com/newsroom/assets-custom/pdf/20160104-pmi-rqnl.pdf>

¹⁷ Posadzki, A. (2016, January 5). [Auto industry sees record high sales in 2015](http://www.southwesternontario.ca/news-story/6218992-auto-industry-sees-record-high-sales-in-2015/). *The Canadian Press*. Retrieved from: <http://www.southwesternontario.ca/news-story/6218992-auto-industry-sees-record-high-sales-in-2015/>

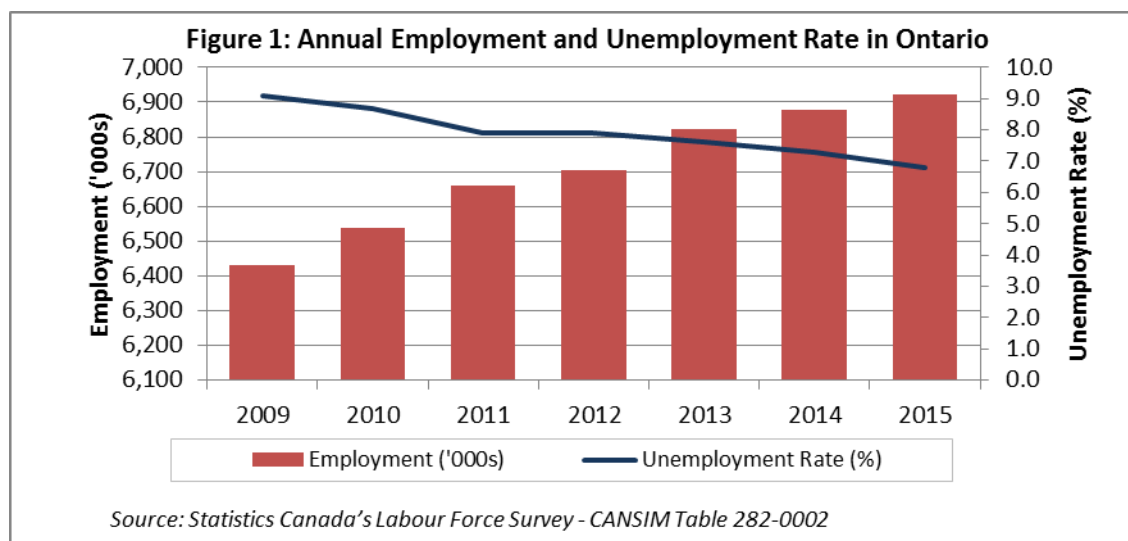
¹⁸ Export Development Canada (EDC). (2014, November). [Surging US Growth will help revive Ontario Exports](http://www.pcb.ca/news.cfm?ID=5042). *Pacific Customs Brokers Ltd.* Retrieved from <http://www.pcb.ca/news.cfm?ID=5042>

Table 1: Annual Labour Force Statistics in Ontario

Seasonally unadjusted Data	Year			2014 to 2015		2013 to 2014	
	2015	2014	2013	Number	%	Number	%
Population 15 + ('000)	11,385.6	11,269.3	11,142.1	116.3	1.0	127.2	1.1
Labour Force ('000)	7,426.1	7,418.6	7,383.8	7.5	0.1	34.8	0.5
Employment ('000)	6,923.2	6,877.9	6,823.4	45.3	0.7	54.5	0.8
Full-Time ('000)	5,618.2	5,540.0	5,489.5	78.2	1.4	50.5	0.9
Part-Time ('000)	1,305.0	1,337.9	1,334.0	-32.9	-2.5	3.9	0.3
Unemployment ('000)	502.9	540.7	560.3	-37.8	-7.0	-19.6	-3.5
Unemployment Rate (%)	6.8	7.3	7.6	-0.5	-	-0.3	-
Participation Rate (%)	65.2	65.8	66.3	-0.6	-	-0.5	-
Employment Rate (%)	60.8	61.0	61.2	-0.2	-	-0.2	-

Note: Totals may not add due to rounding.

Source: Statistics Canada's Labour Force Survey - CANSIM Table 282-0002



Employment by Industry

Industry classification is based on the North American Industry Classification System (NAICS), and refers to the general nature of the business in which workers in Ontario are employed. These industries are divided into two sectors based on primary function: goods-producing and services-producing.

Employment in the services-producing sector grew by 0.5% (+25,800) in 2015, expanding for the sixth consecutive year, with large gains in finance, insurance, real estate and leasing, and educational services. The goods-producing sector reversed some of the losses in employment in the two previous years with an increase of 1.4% (+19,400) in 2015. The construction industry recorded the largest gain within the sector, while the forestry, fishing, mining, quarrying, oil and gas industry had the sharpest increase. However, the provincial manufacturing industry recorded a third consecutive year of employment losses.

Employment in Agriculture slides further

In 2015, the province registered a decrease of 4,900 in agricultural employment, a decline of 6.0% from 2014. This sector continues its trend of lower labour usage and increased mechanization, while farm consolidation has changed the landscape of this industry in recent years. From 1996 to 2011, the number of farms in Ontario decreased by approximately 23%, while the number of farms which employed paid workers decreased by about 42%.¹⁹ Since self-employment is a major component of agriculture, the decline in the number of farms with external employment is expected to continue to negatively affect the employment outlook for the industry. Farm ownership is also becoming less accessible due to the high farm and land prices. From 2010 to 2014, the average value of an acre of farmland in Ontario rose by approximately 80%.²⁰ The combined effect of these long-term trends outweighed the positive effect of the weaker CAD on exports. Despite a 54% increase in domestic exports from 2010 to 2014,²¹ employment in agriculture continued to decline and the situation is unlikely to improve in the near future.

Forestry, Fishing, Mining, Quarrying, and Oil and Gas Extraction industry shows strong recovery

Employment in Ontario's forestry, fishing, mining, quarrying, and oil and gas extraction industry grew in 2015 by 10,100 to 43,300, which is equivalent to a 30.4% increase over 2014.²² Contributing to this recovery are the mining exploration activities in northern Ontario, such as Anconia Resources Corp.'s drill program at Kirkland

¹⁹ Statistics Canada. CANSIM Table 004-0013 - Census of Agriculture, paid agricultural work, Canada and provinces, every 5 years. *Statistics Canada*. Retrieved from

<http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0040013&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

²⁰ Sturgeon, J. (2015, June 04). **Seeds of crisis? Historic boom for farmland raises red flags**. *Global News*. Retrieved from <http://globalnews.ca/news/2025304/seeds-of-crisis-a-historic-boom-for-farmland-raises-red-flags/>

²¹ Innovation, Science and Economic Development Canada. (2016, February). **Trade Data Online**. *Innovation, Science and Economic Development Canada*. Retrieved from: <https://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home>

²² Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820008&pattern=&stByVal=1&p1=1&p2=50&tabMode=dataTable&csid=>

Statistics Canada. CANSIM Table 281-0024 - Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed North American Industry Classification System (NAICS). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2810024&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

Although the Labour Force Survey data indicates significant employment growth in 2015, employment based on the Survey of Employment, Payrolls and Hours shows minimal growth over the same timeframe. Industry trends would further support minimal employment growth over this year.

Lake,²³ and Lake Shore Gold Corp.'s additional \$13M investment in two of its mines in Timmins.²⁴ However, commodity prices have declined further in 2015 in part due to lower demand from China, resulting in a worldwide oversupply for some minerals. For 2016, employment in Ontario's mining, quarrying, and oil and gas extraction sector is expected to go back to the muted growth seen in previous years in light of the falling prices and unstable market demand in the metals market. The size of Ontario's oil and gas extraction industry is small, and the effect of oil prices on provincial employment is minimal. Fishing and hunting's employment impact on this broader industry is also negligible due to its size. Employment in the forestry sector grew by 2,100 in 2015 to 7,500 – an indicator of a sector in recovery. Higher demand from a strong U.S. housing market and a weaker CAD could improve the demand of Ontario's forestry products going forward.

A renewed commitment towards nuclear energy shaping the Utilities industry

Employment in the provincial utilities industry has declined or remained flat for the last seven years in a row, falling by 3.3% in 2015 to 49,400, and reached its lowest level since 2006. Part of this decline can be attributed to the strong effort that the provincial government took to close down several coal stations²⁵ and transition to cleaner sources such as nuclear, hydro, biomass, wind and solar energy, although this has helped lead to some of the highest electricity prices in Canada.²⁶ Despite the fall in the industry, the number of employees and total salaries in electric utility companies both increased in Ontario in 2014.²⁷ Hydro One, which has invested about \$15 billion in its transmission and distribution infrastructure over the past decade, began undergoing a privatization process in November 2015 with the largest Canadian initial public offering since 2000 towards the eventual sale of 60% of the crown corporation.²⁸ The privatization process, as well as the Auditor General of Ontario's warning that the cost of replacing its outdated assets may cost nearly \$4.5 billion,²⁹ may affect the labour market situation at the utility in the medium term.

Nuclear energy is prominent among Ontario's power sources, accounting for over 60% of the province's electricity generation.³⁰ Ontario Power Generation (OPG)'s Darlington Nuclear Generating Station will be undergoing a \$12.8 billion refurbishment of its four reactors over the course of a decade, starting in October 2016 and eventually involving nearly 200 companies and boosting employment by 9,000 per year over the next decade.³¹ In addition, the four-year extension of the life-cycle until 2024 of the OPG Pickering station protects about 4,500 jobs at the plant. However, the Bruce Power Nuclear Generation Station's \$13 billion refurbishment of six of its eight reactors, which had been expected to start in 2016, has been delayed to

²³ Market Wired Staff. (2015, April 08). [Anconia Commences Drilling at Its Grenfell Property, Kirkland Lake Ontario](http://www.marketwired.com/press-release/anconia-commences-drilling-at-its-grenfell-property-kirkland-lake-ontario-tsx-venture-ara-2007623.htm). *Market Wired*. Retrieved from <http://www.marketwired.com/press-release/anconia-commences-drilling-at-its-grenfell-property-kirkland-lake-ontario-tsx-venture-ara-2007623.htm>

²⁴ Northern Ontario Business Staff. (2015, May 05). [Lake Shore Gold expands exploration programs](http://www.northernontariobusiness.com/Industry-News/mining/2015/05/Lake-Shore-Gold-expands-exploration-programs.aspx). *Northern Ontario Business*. Retrieved from www.northernontariobusiness.com/Industry-News/mining/2015/05/Lake-Shore-Gold-expands-exploration-programs.aspx

²⁵ Ontario Power Generation (2014). [Annual Report](http://www.opg.com/news-and-media/pages/reports.aspx). Ontario Power Generation. Retrieved from <http://www.opg.com/news-and-media/pages/reports.aspx>

²⁶ Statistics Canada. CANSIM Table 329-0073 - Electric power selling price indexes (non-residential). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3290073&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

²⁷ Statistics Canada. (2015, August). [Electric Utility Financial Report Survey, 2014](http://www.statcan.gc.ca/daily-quotidien/150824/dq150824c-eng.htm). *Statistics Canada*. Retrieved from <http://www.statcan.gc.ca/daily-quotidien/150824/dq150824c-eng.htm>

²⁸ Financial Post Staff. (2015, November 5). [Hydro One Ltd makes its debut on the Toronto Stock Exchange in biggest IPO in 15 years](http://business.financialpost.com/investing/market-moves/hydro-one-makes-debut-on-the-toronto-stock-exchange-in-biggest-ipo-in-15-years). *Financial Post*. Retrieved from: <http://business.financialpost.com/investing/market-moves/hydro-one-makes-debut-on-the-toronto-stock-exchange-in-biggest-ipo-in-15-years>

²⁹ Lam, E. (2015, December 2). [Hydro One drops on report C\\$44.5 billion in repairs needed](http://www.bloomberg.com/news/articles/2015-12-02/hydro-one-slides-as-report-says-c-4-5-billion-in-repairs-needed). *Bloomberg*. Retrieved from: <http://www.bloomberg.com/news/articles/2015-12-02/hydro-one-slides-as-report-says-c-4-5-billion-in-repairs-needed>

³⁰ Ontario Energy Board. (2015, December). [The Ontario Energy Report provides an up-to-date snapshot of Ontario's energy sector](http://www.ontarioenergyreport.ca/). *Ontario Energy Board*. Retrieved from <http://www.ontarioenergyreport.ca/>

³¹ CBC News Staff. (2016, January 11). [Ontario unveils \\$12.8B Darlington nuclear refurbishment](http://www.cbc.ca/news/canada/toronto/darlington-nuclear-refurbishment-1.3395696). *CBC News*. Retrieved from: <http://www.cbc.ca/news/canada/toronto/darlington-nuclear-refurbishment-1.3395696>

2020.³² Other energy-related construction projects that commenced in 2015 include the hydroelectric OPG Peter Sutherland Sr. Generating Station³³ and the natural gas-fired TransCanada Napanee Generating Station.³⁴ The 2016 Ontario budget also refers to the possible introduction of a cap and trade system for carbon greenhouse gas emissions, which further highlights its commitment in a shift towards cleaner energy. Electricity demand in Ontario is expected to decline over the short term, as the provincial government focuses on conservation programs, although an improving manufacturing industry may lead to increased electricity consumption from the sector.³⁵

Contract work and infrastructure projects leading the way for the Construction industry

A large increase in the number of specialty trade contractors helped push up employment in Ontario's construction industry by 4.3% in 2015 to 487,300.³⁶ The introduction in 2013 of the Ontario College of Trades and a continued expansion of grants and tax credits to support apprenticeship and skilled trades³⁷ are helping contribute to a shift from residential construction employment towards contracting work. Local housing markets in Ontario continued to receive much attention, with prices for detached homes in and around Toronto having surged persistently throughout 2015, owing to its limited supply and low interest rates.³⁸ Due partly to these high prices, as well as the high levels of immigration and inter-provincial migration into the Greater Toronto Area (GTA), housing starts, residential investment and residential building permits in the province have all recovered from their downward trend over the past few years and climbed steadily throughout 2015.^{39,40,41,42}

While the number of those employed in non-residential building construction remained relatively steady in 2015, building permits and investments for non-residential projects have slowly grown the past two years in the industrial and institutional sectors.^{43,44} A solidifying U.S. economy and a low Canadian dollar are pushing

³² Benzie, R. (2015, December 3). **Bruce Power to invest \$13 billion to refurbish nuclear station on Lake Huron**. *Toronto Star*. Retrieved from: <http://www.thestar.com/news/queenspark/2015/12/03/bruce-power-to-invest-13b-in-nuclear-station-creating-23000-jobs.html>

³³ Northern Ontario Business Staff. (2015, August 28). **Construction begins on \$300-million hydro project**. *Northern Ontario Business*. Retrieved from: [http://www.northernontariobusiness.com/Industry-News/aboriginal-businesses/2015/08/Construction-begins-on-\\$300-million-hydro-project.aspx](http://www.northernontariobusiness.com/Industry-News/aboriginal-businesses/2015/08/Construction-begins-on-$300-million-hydro-project.aspx)

³⁴ O'Hagan, D. (2015, October 1). **New Napanee generating plant brings local jobs**. *QNet News*. Retrieved from: <http://www.qnetnews.ca/?p=57587>

³⁵ Independent Electricity System Operator. (2015 December). **18-Month Outlook**. *Independent Electricity System Operator*. Retrieved from http://www.ieso.ca/Documents/marketReports/18MonthOutlook_2015dec.pdf

³⁶ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820008&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁷ Office of the Premier. (2015, April 9). **Ontario Investing \$55 Million to Help More People Enter the Skilled Trades**. *Ontario Newsroom*. Retrieved from <https://news.ontario.ca/opo/en/2015/04/ontario-investing-55-million-to-help-more-people-enter-the-skilled-trades.html>

³⁸ Toronto Real Estate Board. (2015, December 1). **Market Watch**. *Toronto Real Estate Board*. Retrieved from http://www.trebhome.com/market_news/market_watch/2015/mw1512.pdf

³⁹ Canada Mortgage and Housing Corporation. (2015, 4th Quarter). **Housing Market Outlook – Ontario Region Highlights**. *Canada Mortgage and Housing Corporation*. Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/65434/65434_2015_Q04.pdf?fr=1462201043194&sid=8aC9Rp6N6TC

⁴⁰ Statistics Canada. CANSIM Table 026-0003 – Building permits, values by activity sector monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0260003&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

⁴¹ Statistics Canada. CANSIM Table 026-0017- Investment in new housing construction, by type of dwellings, Canada, provinces and territories monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0260017&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

⁴² Statistics Canada. CANSIM Table 026-0013 – Residential values, by type of investment quarterly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0260013&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

⁴³ Statistics Canada. CANSIM Table 026-0003 - Building permits, values by activity sector monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0260003&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

forward demand for manufactured goods from Ontario and necessitating greater commercial warehouse construction, with growth particularly strong in the western part of the GTA.⁴⁵ Institutional investment may also see a rise in coming years, with the 2016 Ontario budget showing a planned expenditure of about \$137 billion in a 10-year infrastructure plan, including schools, hospitals, highways and public transit.⁴⁶ Continued progress on a number of large-scale energy^{47,48} and transit projects^{49,50,51,52} has led to an increase in employment in heavy and civil engineering construction in 2015. Specific details on the refurbishment process at the Darlington OPG and Bruce Power nuclear stations were released in early 2016, with the massive construction work at Darlington set to begin in October 2016.^{53,54}

Manufacturing industry takes the slow and steady route

Employment dipped slightly in the provincial manufacturing industry in 2015. Stronger gains in the last two quarters helped offset weaker growth earlier in the year. Despite soft growth in the job market, other indicators were promising. Manufacturing sales increased and the value of exports jumped over the past year.⁵⁵ In addition, the RBC Canadian Manufacturing Purchasing Managers' Index (PMI)⁵⁶ was in expansion mode averaging above the 50.0 benchmark in Ontario for all of 2015.⁵⁷ The biggest newsmaker was likely the automotive industry. There were several major investment announcements and hiring rounds at assembly plants and parts suppliers in southern Ontario.⁵⁸ Much of this stems from higher motor vehicle sales in North

⁴⁴ Statistics Canada. CANSIM Table 026-0016 – Investment in non-residential building construction, by type of building, province and census metropolitan area (CMA) quarterly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0260016&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

⁴⁵ Commercial Real Estate Services (CBRE) Canada, *Toronto Industrial MarketView*. Commercial Real Estate Services (CBRE) Canada. Retrieved from <http://www.cbre.ca/EN/o/toronto-downtown/Pages/market-reports.aspx>

⁴⁶ Ontario Ministry of Finance. *2016 Ontario Budget – Building Tomorrow's Infrastructure Now*. Ministry of Finance. Retrieved from <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2016/bk2.html>

⁴⁷ Northern Ontario Business Staff. (2015, August 28). *Construction begins on \$300-million hydro project*. Northern Ontario Business. Retrieved from [http://www.northernontariobusiness.com/Industry-News/aboriginal-businesses/2015/08/Construction-begins-on-\\$300-million-hydro-project.aspx](http://www.northernontariobusiness.com/Industry-News/aboriginal-businesses/2015/08/Construction-begins-on-$300-million-hydro-project.aspx)

⁴⁸ O'Hagan, D. (2015, October 1). *New Napanee generating plant brings local jobs*. QNet News. Retrieved from <http://www.qnetnews.ca/?p=57587>

⁴⁹ Ontario Ministry of Transportation. (2015, September 28). *Ontario Making Progress on York Viva Bus Rapid Transit*. Ontario Newsroom. Retrieved from <http://news.ontario.ca/mto/en/2015/09/ontario-making-progress-on-york-viva-bus-rapid-transit.html>

⁵⁰ City of Hamilton. *Light Rail Transit (LRT)*. City of Hamilton. Retrieved from <https://www.hamilton.ca/city-initiatives/priority-projects/light-rail-transit-lrt>

⁵¹ Region of Waterloo. *About the Project*. Region of Waterloo. Retrieved from <http://rapidtransit.regionofwaterloo.ca/en/aboutus/abouttheproject.asp>

⁵² City of Ottawa. *Confederation Line*. City of Ottawa. Retrieved from <http://www.ligneconfederationline.ca/>

⁵³ CBC News Staff. (2016, January 11). *Ontario unveils \$12.8B Darlington nuclear refurbishment*. CBC News. Retrieved from <http://www.cbc.ca/news/canada/toronto/darlington-nuclear-refurbishment-1.3395696>

⁵⁴ Benzie, R. (2015, December 04). *Bruce Power to invest \$13 billion to refurbish nuclear station on Lake Huron*. Toronto Star. Retrieved from <http://www.thestar.com/news/queenspark/2015/12/03/bruce-power-to-invest-13b-in-nuclear-station-creating-23000-jobs.html>

⁵⁵ Statistics Canada. CANSIM Table 304-0015 - Manufacturing sales, by North American Industry Classification System (NAICS) and province, monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=3040015>; Statistics Canada. CANSIM Table 228-0060 - Merchandise imports and domestic exports, customs-based, by North American Product Classification System (NAPCS), Canada, provinces and territories, monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2280060>

⁵⁶ RBC Economics. *RBC Purchasing Managers' Index*. RBC Economics. Retrieved from <http://www.rbc.com/newsroom/reports/rbc-purchasing-managers-index.html>

⁵⁷ RBC Economics. (2015, December). *Summary of RBC Canadian Manufacturing PMI regional data*. Retrieved from <http://www.rbc.com/newsroom/assets-custom/pdf/20150601-pmi-rqnl.pdf>; <http://www.rbc.com/newsroom/assets-custom/pdf/20151102-pmi-rqnl.pdf>; <http://www.rbc.com/newsroom/assets-custom/pdf/20160104-pmi-rqnl.pdf>

⁵⁸ CBC News. (2016, February 11). *Windsor Assembly Plant to hire 1,200 new workers, FCA CEO says*. CBC News. Retrieved from <http://www.cbc.ca/news/canada/windsor/fiat-chrysler-windsor-assembly-plant-1.3444443>

Canadian Press. (2015, February 26). *Ford adding 400 jobs at Oakville to produce new Edge crossover SUV*. Toronto Star. Retrieved from <http://www.thestar.com/business/2015/02/26/ford-adding-400-jobs-at-oakville-to-produce-new-edge-crossover-suv.html>; Chase, S. and Keenan, G. (2015, February 12). *General Motors to invest \$560-million in Ontario's Ingersoll plant*. Globe and Mail. Retrieved from <http://www.theglobeandmail.com/report-on-business/gm-to-invest-450-million-in-ontarios-ingersoll-plant/article22933182/>

Macaluso, G. (2015, August 19). *GM extends Oshawa assembly line to 2017; invests \$12M to boost Equinox production*. Windsor Star. Retrieved from <http://windsorstar.com/business/local-business/gm-investing-12m-to-boost-equinox-production-at-oshawa-plant>

America, which set another record in 2015.⁵⁹ Elsewhere in transportation, employment growth was limited. Bombardier Inc., the country's largest aerospace manufacturer, announced job cuts amid lower demand.⁶⁰ Some of the province's key steelmakers are seeing weaker demand as well as both Essar Steel Algoma Inc. and U.S. Steel Canada scaled back operations.⁶¹ The slowdown in the mining, and oil and gas industries is reducing the number of orders for steelmakers and for firms that supply goods such as conveyor belts and mining equipment.⁶² Although some of the biggest multinationals in food manufacturing announced closures,⁶³ several smaller plants and homegrown establishments expanded across southern Ontario in 2015.⁶⁴ The province also saw a boost to its chemical industry with large investments taking shape, mainly in the Sarnia area.⁶⁵ In northern Ontario, a few wood manufacturers are looking to restart sawmills and ramp up operations in the near term⁶⁶ to keep up with the active housing market in the U.S.

While 2015 certainly had some high and low moments, the industry has yet to see the robust turnaround that many analysts called for. Instead, growth has been much more gradual as manufacturers continue to grapple

- Macaluso, G. (2015, October 26). **FCA to hire 600 workers at Windsor Assembly Plant: Source.** *Windsor Star*. Retrieved from <http://windsorstar.com/business/local-business/fca-to-hire-600-workers-at-windsor-assembly-plant-source>.
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- Macaluso, G. (2015, February 26). **Windsor could get piece of Linamar's \$500M expansion plans.** *Windsor Star*. Retrieved from <http://windsorstar.com/business/windsor-could-get-piece-of-linamar-500m-expansion-plans>.
- ⁵⁹ Keenan, G. (2016, January 5). **Canada and U.S. both set records for auto sales in 2015.** *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/canada-and-us-both-set-records-for-auto-sales-in-2015/article28027802/>.
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- ⁶⁰ CBC News Staff. (2015, May 14). **Bombardier eliminates 1,750 jobs.** *CBC News*. Retrieved from <http://www.cbc.ca/news/business/bombardier-eliminates-1-750-jobs-1.3073881>.
- ⁶¹ Keenan, G. (2015, November 16). **Essar Steel Algoma's debtor financing scrutinized by Ontario judge.** *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/essar-steel-algomas-debtor-financing-scrutinized-by-ontario-judge/article27288874/>.
- ⁶² Tire Review Staff. (2015, November 20). **ContiTech Closing Bowmanville Plant in 2016.** *Tire Review*. Retrieved from <http://www.tirereview.com/contitech-closing-bowmanville-plant-in-2016/>.
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- ⁶³ CBC News Staff. (2015, November 4). **Kraft Heinz plant in St. Marys, Ont., set for closure.** *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/windsor/kraft-heinz-plant-in-st-marys-ont-set-for-closure-1.3304276>.
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- ⁶⁴ Canadian Newswire. (2015, March 26). **Sofina Foods Invests in Ontario Turkey Industry.** *Canadian Newswire*. Retrieved from <http://www.newswire.ca/news-releases/sofina-foods-invests-in-ontario-turkey-industry-517328141.html>.
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- ⁶⁵ Gough, D. (2015, June 18). **CF Industries will boost its urea-based product production.** *Sarnia Observer*. Retrieved from <http://www.theobserver.ca/2015/06/18/cf-industries-will-boost-its-urea-based-product-production>.
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with greater global competition, capacity constraints, and less demand for goods by some end users. Employment growth in the industry is also facing another headwind. To remain efficient, manufacturers are using more machinery reducing the amount of labour needed. This trend will likely continue to weigh down on employment growth in the long term. Looking to 2016, the U.S. economy should keep firming up and the CAD will likely stay below parity, two positive signs for the manufacturing base in Ontario.

Wholesale Trade up again this year but faces challenges

Despite weakness in retail trade in 2015, wholesale trade employment grew again, adding 32,100 positions in 2015.⁶⁷ Gains were strongest amongst food wholesalers and computer and communications equipment suppliers.⁶⁸ Employment at chemical and allied products wholesalers and machinery and equipment wholesalers saw the largest losses.⁶⁹ Significant declines in industrial machinery and equipment investment across the country contributed to lower gross fixed capital formation in both the private and public sectors.⁷⁰ Some of these declines can be attributed to weak global oil and commodity prices in 2015 dampening resource extraction industry activity and investment.⁷¹ Lower crude oil prices are expected to persist through 2017,⁷² climbing gradually thereafter. However, cheap petroleum is boosting wholesale purchase volumes of new plastic products, albeit with some adverse effect on recycled plastics.⁷³ This may negatively affect miscellaneous merchant wholesaler employment as the sub-industry adjusts.

On the household side of the economy, the wholesale trade industry is tied to consumption spending through the retail sector. Higher goods costs, driven by a weaker CAD, are likely to challenge spending growth in 2016 and 2017, particularly as some of the most affected consumer goods are food and groceries.⁷⁴ Higher food costs will force households to tighten their belts in other spending areas, putting pressure on non-food prices and margins. Pressure on margins may also arise as wholesalers try to limit price growth and not pass on all the higher import costs to their customers. More positively for the industry, record auto sales in Canada⁷⁵ and increased auto spending south of the border⁷⁶ should provide some support to auto wholesalers. North

⁶⁷ Statistics Canada. CANSIM Table 282-0007 – Labour Force Survey estimates (LFS) by North American Industry Classification System (NAICS), sex and age group, unadjusted for seasonality, monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820007>

⁶⁸ Statistics Canada. CANSIM Table 281-0023 – Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed North American Industry Classification System (NAICS), unadjusted for seasonality, monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2810023>

⁶⁹ Statistics Canada. CANSIM Table 281-0023 – Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed North American Industry Classification System (NAICS), unadjusted for seasonality, monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2810023>

⁷⁰ Statistics Canada. CANSIM Table 380-0068 – National Gross Domestic Product by Income and Expenditure Accounts: Gross fixed capital formation, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=3800068>

⁷¹ Statistics Canada. CANSIM Table 029-0052 – Capital expenditures, oil and gas extraction industries, Canada, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0290052>

Statistics Canada. CANSIM Table 029-0045 – Capital and repair expenditures, by North American Industry Classification System (NAICS), Canada, provinces and territories, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0290045>

⁷² Consensus Economics. (December 14, 2015). [Energy & Metals Consensus Forecasts](http://www.consensuseconomics.com/download/energy_and_metals_price_forecasts.htm). *Consensus Economics*. Retrieved from http://www.consensuseconomics.com/download/energy_and_metals_price_forecasts.htm

⁷³ Statistics Canada. CANSIM Table 081-0011 - Wholesale trade, sales by the North American Industry Classification System (NAICS), annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0810011>

⁷⁴ Charlebois, S. (December 2015). [Food Price Report 2016](https://www.uoguelph.ca/foodinstitute/system/files/Food%20Price%20Report%202016%20English.pdf). *The Food Institute of the University of Guelph*. Retrieved from <https://www.uoguelph.ca/foodinstitute/system/files/Food%20Price%20Report%202016%20English.pdf>

⁷⁵ CBC News. (2016, January 27). [Canadian automotive sector hollowing out, despite record sales](http://www.cbc.ca/news/business/auto-sector-1.3422051). *CBC News*. Retrieved from <http://www.cbc.ca/news/business/auto-sector-1.3422051>

⁷⁶ CBC News. (2016, March 01). [February auto sales up on demand for pickups](http://www.cbc.ca/news/business/february-auto-sales-1.3471341). *CBC News*. Retrieved from <http://www.cbc.ca/news/business/february-auto-sales-1.3471341>

American car and truck sales volumes are being buoyed by cheaper fuel, low interest rates, and a stronger U.S. economy, stimulating car and truck purchases by consumers and businesses.⁷⁷

Retail employment weakens with no relief from weaker exchange rate

Ontario retail trade lost steam in 2015 and has shed 4.6% of its employed workforce according to the Labour Force Survey,⁷⁸ though the Survey of Employment, Payrolls and Hours point to weak growth.⁷⁹ Declines were largest in food and beverage and general merchandise, which include department and super-stores. Despite higher retail sales in 2015, heightened competition amongst retailers and greater use of online and digital offerings have increased pressure in the mid- and lower- segments of the industry.⁸⁰ As a result, the industry saw large retailers exit the market, cut staff, and consolidate operations over the year. The biggest retail news came from Target Canada Co. when the U.S.-based retailer announced it would close all of its Canadian stores by April 2015, after less than two years in the country.⁸¹ The closure affected thousands of employees at retail stores, distribution centres, and head office functions in Ontario. Other large closures came from Best Buy Canada Ltd.,⁸² Black's Photo Corporation,⁸³ and Mexx Canada, impacting hundreds of workers throughout the province.⁸⁴

Some respite from industry declines may come from the luxury goods market, where e-commerce is less likely to sap in-store sales⁸⁵ and consumer spending is less affected by economic and cost pressures.⁸⁶ While moderation in Canadian economic growth led some up-market internationals to revise their entry plans, several have already forged ahead with expansions, including Saks Fifth Avenue, Nordstrom, and Japanese giant Uniqlo.⁸⁷ Canadian top-tier brands are not standing idly by, either. Home-grown brands such as Harry Rosen and Holt Renfrew are refocusing their physical stores and beefing up their online presence to face the

⁷⁷ Statistics Canada. CANSIM Table 380-0068 – National Gross Domestic Product by Income and Expenditure Accounts: Gross fixed capital formation, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=3800068/>

⁷⁸ Statistics Canada. CANSIM Table 282-0008 – Labour Force Survey estimates (LFS) by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820008>

⁷⁹ Statistics Canada. CANSIM Table 281-0023 – Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed North American Industry Classification System (NAICS), unadjusted for seasonality, monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2810023>

⁸⁰ Statistics Canada. CANSIM Table 080-0020 – Retail trade, sales by the North American Industry Classification System (NAICS), monthly (dollars). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0800020>

⁸¹ CTV News Staff. (2015, April 12). **Target Canada closing, ending 2-year foray**. *CTV News*. Retrieved from <http://www.ctvnews.ca/business/target-canada-closing-ending-2-year-foray-1.2323222>

⁸² Flavelle, D. (2015, April 06). **Future Shop stores re-open under Best Buy name**. *Toronto Star*. Retrieved from <http://www.thestar.com/business/2015/04/06/future-shop-stores-re-open-under-best-buy-name.html>

⁸³ Strauss, M. (2015, June 09). **Blacks Photography falls victim to digital industry**. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/blacks-photography-to-close-all-stores/article24873218/>

⁸⁴ Associated Press Staff. (2015, January 14). **Mexx Canada liquidating stores before closing doors the end of February**. *Toronto Star*. Retrieved from <http://www.thestar.com/business/2015/01/14/mexx-canada-liquidating-stores-before-closing-doors-the-end-of-february.html>

⁸⁵ Shaw, H. (2013, August 01). **Online sales complement brick-and-mortar retail, Harry Rosen CEO says**. *National Post*. Retrieved from <http://business.financialpost.com/news/retail-marketing/online-sales-complement-brick-and-mortar-retail-harry-rosen-ceo-says>

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⁸⁶ Shaw, H. (2014, February 10). **Holt Renfrew CEO dishes on Luxury retailer's first sales website**. *National Post*. Retrieved from <http://business.financialpost.com/news/retail-marketing/holt-renfrew-ceo-dishes-on-new-sales-website>

⁸⁷ Gollom, M. (2016, February 19). **Saks, Nordstrom seek to compete in 'crowded' Canadian luxury market**. *CBC News*. Retrieved from <http://www.cbc.ca/news/business/saks-fifth-avenue-opening-nordstrom-holt-renfrew-1.3453558>

⁸⁷ Kopun, F. (2016, February 12). **Saks Fifth Avenue prepared to open in Toronto**. *Toronto Star*. Retrieved from <http://www.thestar.com/business/2016/02/12/saks-fifth-avenue-prepared-to-open-in-toronto.html>

much larger international challengers.⁸⁸ Even established Quebec retailer La Maison Simons is planning on expanding into Ontario in 2016.⁸⁹

Over 2015, the lower CAD, which is a boon to export-reliant industries, was a drag on import-heavy ones like retail. Exchange rate-related price inflation is expected to continue to have a large impact on consumer necessities such as fresh and processed food in 2016, with forecast price growth of 2–4%.⁹⁰ In addition to impacting profits in these segments directly, higher purchase costs for food will squeeze household budgets, lowering available spending for other retail categories. However, a bright spot may be the partial shift in consumer preferences to higher margin, healthier and fresh alternatives over packaged foods.⁹¹ This has helped pad grocers' bottom lines and gives them more room to absorb price shocks. Moreover, cross-border shopping by Canadians may also be less attractive after factoring in currency effects, a potential boon for domestic retailers across the industry.⁹²

Lower fuel costs and CAD lead to soaring airline profits

Ontario's transportation and warehousing employment shrank by 2.3% in 2015.⁹³ Strength in air transportation and in warehousing was offset by losses in postal service and ground passenger transportation.⁹⁴ The continued rout in global oil prices has bolstered airline profits as jet fuel costs track crude oil prices closely.⁹⁵ Any impacts of the lower CAD on company bottom lines through higher parts and maintenance costs have yet to manifest. At major airlines, the addition of new routes and more frequent scheduling of flights supported air transport employment over 2015.⁹⁶ Demand is expected to persist as airline passenger traffic could more than double in southern Ontario over the next few decades.⁹⁷ There was also positive news for air cargo as the John C. Munro Hamilton International Airport opened a new cargo centre in mid-2015, at a cost of \$12M.⁹⁸

⁸⁸ Stone, F. (2015, September 09). [Consumer Report 2015: How Holt Renfrew is preparing for Nordstrom](http://www.bcbusiness.ca/retail/consumer-report-2015-how-holt-renfrew-is-preparing-for-nordstrom). *BC Business*. Retrieved from <http://www.bcbusiness.ca/retail/consumer-report-2015-how-holt-renfrew-is-preparing-for-nordstrom>

⁸⁹ Stone, F. (2015, September 09). [Consumer Report 2015: How Holt Renfrew is preparing for Nordstrom](http://www.bcbusiness.ca/retail/consumer-report-2015-how-holt-renfrew-is-preparing-for-nordstrom). *BC Business*. Retrieved from <http://www.bcbusiness.ca/retail/consumer-report-2015-how-holt-renfrew-is-preparing-for-nordstrom>

⁹⁰ Charlebois, S. (December 2015). [Food Price Report 2016](https://www.uoguelph.ca/foodinstitute/system/files/Food%20Price%20Report%202016%20English.pdf). *The Food Institute of the University of Guelph*. Retrieved from <https://www.uoguelph.ca/foodinstitute/system/files/Food%20Price%20Report%202016%20English.pdf>

⁹¹ Sturgeon, J. (2015, June 17). [5 reasons why supermarkets want you to eat your fruits and vegetables](http://globalnews.ca/news/2059372/5-reasons-why-supermarkets-want-you-to-eat-your-fruits-and-vegetables/). *Global News*. Retrieved from <http://globalnews.ca/news/2059372/5-reasons-why-supermarkets-want-you-to-eat-your-fruits-and-vegetables/>

Strauss, M. (2015, May 06). [Despite Target's departure, retailers still fighting industry pressure](http://www.theglobeandmail.com/report-on-business/international-business/us-business/loblaw-boosts-dividend-as-quarterly-profit-jumps/article24278035/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/international-business/us-business/loblaw-boosts-dividend-as-quarterly-profit-jumps/article24278035/>

⁹² Corbi, P. (2014, October 08). [Estimates of Cross-border Shopping, 2006 to 2012](http://www.statcan.gc.ca/pub/13-604-m/13-604-m2014076-eng.htm). *Income and Expenditure Accounts Technical Series Statistics Canada*. Retrieved from <http://www.statcan.gc.ca/pub/13-604-m/13-604-m2014076-eng.htm>

⁹³ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820008>

⁹⁴ Statistics Canada. CANSIM Table 281-0023 - Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed North American Industry Classification System (NAICS), unadjusted for seasonality, monthly (persons). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2810023>

⁹⁵ Statistics Canada. CANSIM Table 329-0076 - Industrial product price indexes for selected groups within the North American Product Classification System (NAPCS), by region, monthly. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3290076>

Thomson Reuters. (2016, May). [Cushing OK WTI Spot Price FOB, Annual](http://www.eia.gov/opendata/qb.cfm?sdid=PET.RWTC.A). *U.S. Energy Information Administration*. Retrieved from <http://www.eia.gov/opendata/qb.cfm?sdid=PET.RWTC.A>

⁹⁶ The Canadian Press. (2015, June 25). [Air Canada, WestJet add flights to Gatwick](http://www.cbc.ca/news/business/air-canada-westjet-add-flights-to-gatwick-1.3128102). *CBC News*. Retrieved from <http://www.cbc.ca/news/business/air-canada-westjet-add-flights-to-gatwick-1.3128102>

Keenan, G. (2015, December 27). [Record profits fuel growth plans at Canadian airlines](http://www.theglobeandmail.com/report-on-business/low-fuel-prices-propel-air-canada-westjet-airlines-to-record-profits/article27941337/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/low-fuel-prices-propel-air-canada-westjet-airlines-to-record-profits/article27941337/>

⁹⁷ Keenan, G. (2015, October 8). [Southern Ontario airport capacity to be challenged by surging passenger traffic: report](http://www.theglobeandmail.com/report-on-business/southern-ontario-airports-must-integrate-to-meet-demand-report/article26710785/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/southern-ontario-airports-must-integrate-to-meet-demand-report/article26710785/>

⁹⁸ Werner, K. (2015, July 30). [Hamilton International Airport's \\$12-million facility launches economic benefits](http://www.hamiltonnews.com/news-story/5768485-hamilton-international-airport-s-12-million-facility-launches-economic-benefits/). *Hamilton Community News*. Retrieved from <http://www.hamiltonnews.com/news-story/5768485-hamilton-international-airport-s-12-million-facility-launches-economic-benefits/>

Ground cargo did not fare as well in 2015. Weaker commodity prices affected rail freight volumes at the national carriers, increasing cost pressures and efforts to curb labour spending. CN rail is currently under a hiring freeze, and both it and CP reduced staffing levels in 2015.⁹⁹ While expansions in warehousing were a bright spot,¹⁰⁰ uncertainty at Canada Post Corporation is likely to continue to dampen postal service, courier, and messenger employment. Parts of Canada Post's multi-year restructuring and labour force rationalization¹⁰¹ were put on hold in November 2015 and it remains unclear if they will resume.¹⁰² Marketplace churn is also affecting the transit and ground transportation sub-industry, where taxi and limousine employment declined in 2015.¹⁰³ Strong competition from ride-sharing technology companies has been eating into fares and changing the profile of workers in the car-for-hire segment while government policy adjusts to these new entrants.

Nevertheless, public transit looks primed for growth over the next few years as large infrastructure construction projects were announced in 2015.¹⁰⁴ Further government investment in road infrastructure, coupled with strength in the U.S. economy and a lower CAD should fuel Ontario's exports, boding well for trucking demand and employment.

Finance, Insurance, Real Estate and Leasing industry (FIRE) - A tale of two sub-industries

Employment in Ontario's FIRE industry grew in 2015 by 31,400, a 6.1% increase over 2014.¹⁰⁵ The Canadian FIRE sector is heavily concentrated in Ontario, accounting for almost half the nation's employment within the sector, and about two-thirds of those employed in Ontario are located in the Toronto economic region. This industry has been strong, recovering well after the impacts of the recession. However, as concerns over the impacts of global uncertainties on the Canadian economy grow, industry employment and GDP will likely grow at a slower pace. This industry's profitability is closely tied to interest rates, household and business credit use, returns on investments and overall economic stability. Near all-time low interest rates have led to riskier investments. Households and businesses have continued to take on more debt and a significant enough interest rate increase could decrease disposable incomes and increase default risks.

To understand the FIRE sector of 2015, it is better to look at the sub-industries, i) Finance and Insurance, and ii) Real Estate and Rental and Leasing Services. The Finance and Insurance sectors have somewhat stagnated in 2015. Although near-record profits were reported, most financial institutions had to offset drops in revenue caused by lower investment returns due to lower rates. For example, many banks have each cut positions and restructured divisions citing various factors ranging from losses on international operations to increasing

⁹⁹ Bickis, I. (2015, July 22). [CN Rail, CP Rail Cut Jobs as Shipping Volumes Fall](http://www.huffingtonpost.ca/2015/07/22/canadas-two-largest-rail_n_7839752.html). *Huffington Post*. Retrieved from http://www.huffingtonpost.ca/2015/07/22/canadas-two-largest-rail_n_7839752.html

¹⁰⁰ Canadian Newswire. (2015, May 12). [SCI Logistics opens a new healthcare-dedicated facility in Greater Toronto Area](http://www.newswire.ca/news-releases/sci-logistics-opens-a-new-healthcare-dedicated-facility-in-greater-toronto-area-517709081.html). *Canadian Newswire*. Retrieved from <http://www.newswire.ca/news-releases/sci-logistics-opens-a-new-healthcare-dedicated-facility-in-greater-toronto-area-517709081.html>

Chin, J. (2015, May 21). [IKEA to create 150 new jobs in Mississauga](http://www.mississauga.com/news-story/5638020-ikea-to-create-150-new-jobs-in-mississauga/). *Mississauga News*. Retrieved from <http://www.mississauga.com/news-story/5638020-ikea-to-create-150-new-jobs-in-mississauga/>

¹⁰¹ Canada Post. (2013, December). [Canada Post's Five-point Action Plan](https://www.canadapost.ca/cpo/mc/aboutus/corporate/ap.isf). *Canada Post*. Retrieved from <https://www.canadapost.ca/cpo/mc/aboutus/corporate/ap.isf>

¹⁰² Tait, C. and Perreux, L. (2015, October 26). [Canada Post suspends plans to install community mailboxes](http://www.theglobeandmail.com/news/politics/canada-post-erecting-community-mailboxes-despite-liberal-delivery-pledge/article26981780/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/politics/canada-post-erecting-community-mailboxes-despite-liberal-delivery-pledge/article26981780/>

¹⁰³ Statistics Canada. CANSIM Table 281-0023 - Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed North American Industry Classification System (NAICS), unadjusted for seasonality, monthly (persons). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2810023>

¹⁰⁴ Kalinowski, T. (2015, March 29). [Metrolinx to build 22-train facility in Whitby](http://www.thestar.com/news/cta/transportation/2015/03/29/metrolinx-to-build-22-train-facility-in-whitby.html). *Toronto Star*. Retrieved from <http://www.thestar.com/news/cta/transportation/2015/03/29/metrolinx-to-build-22-train-facility-in-whitby.html>

Ontario Ministry of Transportation. (2015, September 28). [Ontario Making Progress on York Viva Bus Rapid Transit](https://news.ontario.ca/mto/en/2015/09/ontario-making-progress-on-york-viva-bus-rapid-transit.html). *Ontario Newsroom*. Retrieved from <https://news.ontario.ca/mto/en/2015/09/ontario-making-progress-on-york-viva-bus-rapid-transit.html>

¹⁰⁵ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820008>

operational efficiencies. Profits currently remain strong, with both investments and hiring still planned, albeit at more modest levels going forward as profits are expected to slow.¹⁰⁶ Despite these cuts, Ontario's population dynamics still drive greater demand for financial advisory services related to savings and retirement, from the traditional lending and borrowing services. This diversification of supply (offering more financial products and services) may drive employment growth.

Most of the employment gains in the FIRE industry came from greater real estate and leasing activity in the province. Improving economic conditions in Ontario may continue to increase leasing activity for industrial and commercial space, and machinery and equipment. The housing market also remains strong but changes to mortgage regulations may affect sales growth, especially in the Greater Toronto Area, when the new rules take effect in early 2016.¹⁰⁷ Bank of Canada interest rate cuts through 2015 have provided an upward momentum for sales in the Ontario real estate market.¹⁰⁸ Since the cuts, real estate employment in 2015 was fairly solid, increasing almost 20% from 2014. The general consensus is that an increase of interest rates, sufficient enough to put downward pressure on the real estate market, is not expected until 2017.

Professional, Scientific and Technical Services (PSTS) – technology research, infrastructure investment and a need for business services drives employment

Employment in Ontario's PSTS industry jumped in 2015 by 19,700, a 3.5% increase over 2014. Over 60% of Ontario PSTS employees are located in the Toronto economic region, as Toronto has a diverse economy that uses this industry's services. Overall, the PSTS industry's growth is usually strong relative to other industries as increased use of technology spurs computer systems design; solid real estate demand drives architecture, engineering and design; and businesses regularly require legal and accounting services. Additionally, the industry is driven by investments in research and development (R&D), as well as machinery and equipment (M&E). The government also supports sector growth through investments in skills, education and infrastructure while also providing support through grants, tax credits and other funding programs.

In 2015, the PSTS sector was driven by the strengths of professional business services, in particular accounting and tax preparation as well as advertising and public relations, and computer design services. The increased demand for accounting and tax professionals through 2015 is likely due to changes in accounting standards from Canadian Generally Accepted Accounting Principles (CGAAP) to International Financial Reporting Standards (IFRS) which became effective at the start of 2015. Continued strength in this sub-sector is likely to continue as the latest stage in the IFRS change-over became effective as of 2016.¹⁰⁹

Meanwhile, computer design systems firms and employment have benefitted from numerous developments in technological hubs throughout the province. Many organizations are looking to establish a stronger online presence and various technology start-ups companies^{110,111} continue to develop and grow, particularly in the

¹⁰⁶ Kiladze, T. (2014, December 1). [After a record run of profits, Canada's Big Six banks brace for shift](http://www.theglobeandmail.com/report-on-business/after-a-record-run-of-profits-canadas-big-six-banks-brace-for-shift/article21839571/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/after-a-record-run-of-profits-canadas-big-six-banks-brace-for-shift/article21839571/>

¹⁰⁷ Marr, G. (2015, December 15). [CREA worries Ottawa's new mortgage rules will dampen home sales in 2016](http://business.financialpost.com/personal-finance/mortgages-real-estate/even-realtors-caught-off-guard-by-strength-of-canadian-housing-numbers-this-year). *Financial Post*. Retrieved from <http://business.financialpost.com/personal-finance/mortgages-real-estate/even-realtors-caught-off-guard-by-strength-of-canadian-housing-numbers-this-year>

¹⁰⁸ Canadian Real Estate Association. (2016, March 15). [Quarterly Forecasts](http://www.crea.ca/stats/quarterly-forecasts). *Canadian Real Estate Association*. Accessed from <http://www.crea.ca/stats/quarterly-forecasts>

¹⁰⁹ Financial Reporting & Assurance Standards Canada. (2016, January 14). [Effective Dates for New Standards: International Financial Reporting Standards](http://www.frascanada.ca/international-financial-reporting-standards/effective-dates-for-new-standards/ifrss/index.aspx). *FRAS Canada*. Retrieved from <http://www.frascanada.ca/international-financial-reporting-standards/effective-dates-for-new-standards/ifrss/index.aspx>

¹¹⁰ Federal Economic Development Agency for Southern Ontario. (2015, May 19). [Harper Government Announces Funding to Establish the Open Data Exchange](http://news.gc.ca/web/article-en.do?nid=975799). *Government of Canada Newsroom*. Retrieved from <http://news.gc.ca/web/article-en.do?nid=975799>

¹¹¹ Friend, D. (2015, October 1). [Shopify Inc to expand Waterloo presence with bigger office, hire more staff](http://business.financialpost.com/fp-tech-desk/shopify-inc-to-expand-waterloo-presence-with-bigger-office-hire-more-staff). *Financial Post*. Retrieved from <http://business.financialpost.com/fp-tech-desk/shopify-inc-to-expand-waterloo-presence-with-bigger-office-hire-more-staff>

Kitchener-Waterloo and Toronto regions. Finally, the growing research in power generation^{112,113} and infrastructure will continue to support employment in the scientific and technical services sub-sectors.

Cost-cutting measures continue to impact demand for Business, Building and Other Support Services (BBOSS)

Employment in Ontario's BBOSS industry remained flat in 2015 relative to 2014. The BBOSS industry includes business, employment and travelling services; building and security services; and waste management services. The sector is driven by corporate profitability and sustained levels of business activity, as it provides services that support day-to-day operations of other organizations. Cost-cutting measures taken on by business and government could have a negative impact on demand for many of these services in upcoming years. However, expanding real estate developments will drive several services offered such as building support and maintenance. Growing municipalities will increase demand for waste management and remediation solutions, and continued urban business activity will spur demand for administrative and business support services.

Employment in educational services continued to grow despite challenges for new teachers

Employment in Ontario's educational services grew by 20,300 in 2015, for the sixth consecutive year.¹¹⁴ The largest occupational group in this industry is primary and secondary school teachers. Yet despite overall employment growth in the industry, many teachers that graduate cannot find work.^{115,116} In response to the oversupply of teachers in the market, the province changed its academic framework in 2015 to reduce the number of annual graduates by one-half, in an attempt to improve hiring conditions going forward.¹¹⁷

The number of youth aged 15 to 19 is projected to fall in Ontario¹¹⁸ in the coming years, while the number of seniors will continue to grow. As a result, declining enrolment in provincial secondary schools, which started in 2009-2010, may persist.¹¹⁹ This shift may affect the demand for high school educators as school boards hire fewer teachers due to reduced demand. Conversely, the number of children aged 5 to 14 is expected to continue to grow, particularly in some parts of Ontario. As enrolment numbers in publicly funded primary schools increase, this may help lessen some of the oversupply seen in the province.

Another factor that may help ease some of the challenges in the industry is that more teachers are nearing retirement, which could open the door for new teachers. In 2012, regulations were tightened on the number of supply teaching days that retired teachers could work^{120,121} to provide more openings for new teachers to enter

¹¹² Canadian Nuclear Association. (2015, June 1). [CNL Invests in Hydrogen to Power the Future](https://cna.ca/news/cnl-invests-hydrogen-power-future/). *CNA Newsroom*. Retrieved from <https://cna.ca/news/cnl-invests-hydrogen-power-future/>

¹¹³ Craig, A. (2015, September 1). [Queen's University opens unique research facility](http://www.queensu.ca/gazette/stories/queen-s-university-opens-unique-research-facility). *Queen's Gazette*. Retrieved from <http://www.queensu.ca/gazette/stories/queen-s-university-opens-unique-research-facility>

¹¹⁴ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820008>

¹¹⁵ Herhalt, Chris. (2014, December 19). [Cuts needed to correct glut of unemployed teachers, province says](http://www.therecord.com/news-story/5215811-cuts-needed-to-correct-glut-of-unemployed-teachers-province-says/). *The Record*. Retrieved from <http://www.therecord.com/news-story/5215811-cuts-needed-to-correct-glut-of-unemployed-teachers-province-says/>

¹¹⁶ Ontario College of Teachers. [Becoming a Teacher](http://www.oct.ca/becoming-a-teacher). *Ontario College of Teachers*. Retrieved from <http://www.oct.ca/becoming-a-teacher>

¹¹⁷ Alphonso, C, Morrow A. and Bradshaw J. (2013, June 05). [Ontario moves to halve number of teacher-college](http://www.theglobeandmail.com/news/national/ontario-moves-to-halve-number-of-teachers-college-grads/article12357404/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/national/ontario-moves-to-halve-number-of-teachers-college-grads/article12357404/>

¹¹⁸ Statistics Canada. (2015). CANSIM Table 052-0005 - Projected population, by projection scenario, age and sex, as of July 1, Canada, provinces and territories, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=520005>

¹¹⁹ Ontario Ministry of Education. (2015). [Education Facts, 2014-2015](http://www.edu.gov.on.ca/eng/educationfacts.html). *Ontario Ministry of Education*. Retrieved from <http://www.edu.gov.on.ca/eng/educationfacts.html>

¹²⁰ Ontario Teachers' Pension Plan. [Working after retirement](http://www.otpp.com/members/your-retirement/working-in-education-after-retirement/the-limit). *Ontario Teachers' Pension Plan*. Retrieved from <http://www.otpp.com/members/your-retirement/working-in-education-after-retirement/the-limit>

¹²¹ Hammer, K. and Alphonso, C. (2010, May 10) [Ontario to monitor retired teachers' costly supply work](http://www.theglobeandmail.com/news/national/ontario-to-monitor-retired-teachers-costly-supply-work/article1211108/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/national/ontario-to-monitor-retired-teachers-costly-supply-work/article1211108/>

the workforce. However, regulations that promote seniority-based hiring^{122,123} were also made, offsetting some of these opportunities.

Enrolment at Ontario's universities fell for the first time in 15 years in 2014.¹²⁴ While the number of domestic students enrolled decreased, the number of international students rose.¹²⁵ In 2015, the province extended funding for international students in graduate studies¹²⁶ increasing the number of students accepted. This may aid in the recruitment and retention of faculty and somewhat mitigate effects from the decline in domestic student enrolment.

Baby boomers continued to push the demand for health care services in 2015

In 2015, the province saw an increase of 14,300 in health care and social assistance employment.¹²⁷ Employment growth will continue to be driven by Ontario's aging population. The share of seniors aged 65 and over is expected to grow from 16.0% to 16.8% in Ontario between 2015 and 2017.¹²⁸

In response to changing demographics and resulting pressures on the health care system, the Ontario Ministry of Health and Long-Term Care released the Action Plan for Health Care in 2012.¹²⁹ The Plan readjusts investment within the health care industry to increase efficiency and support rising demand.¹³⁰ This has led to a shift in employment¹³¹ from programs and services at acute care settings like hospitals, to community care programs and facilities. In 2015, the Ministry released an update to its Action Plan as it enters its next phase.^{132,133} In a move to realign services, the provincial government announced that it would cut funding for certain physician services and make unilateral cuts to some health care programs starting in October 2015.^{134,135}

¹²² Levy, S. (2015, August 16). [Rules stymies teacher hiring in Ontario](http://www.torontosun.com/2015/08/16/rule-stymies-teacher-hiring-in-ontario). *Toronto Sun*. Retrieved from <http://www.torontosun.com/2015/08/16/rule-stymies-teacher-hiring-in-ontario>

¹²³ Ontario Secondary School Teachers' Federation. (2016). [Regulations](http://www.ossf.on.ca/en-CA/news/regulation-274-information). *Ontario Secondary School Teachers' Federation*. Retrieved from <http://www.ossf.on.ca/en-CA/news/regulation-274-information>

¹²⁴ Brown, L. (2014, September 22). [Ontario university enrolment down for first time in 15 years](http://www.thestar.com/yourtoronto/education/2014/09/22/ontario_university_enrolment_down_for_first_time_in_15_years.html). *Toronto Star*. Retrieved from http://www.thestar.com/yourtoronto/education/2014/09/22/ontario_university_enrolment_down_for_first_time_in_15_years.html

¹²⁵ Ontario Ministry of Training, Colleges and Universities. (2016). [Table 5: International Students: Fall Full time Headcounts by Funding Eligibility, 2005-06 – 2014-15](http://cou.on.ca/wp-content/uploads/2015/08/COU-MultiYearData-Table-5-International-Enrolment-by-Level-summary.pdf). *Ontario Ministry of Training, Colleges and Universities*. Retrieved from <http://cou.on.ca/wp-content/uploads/2015/08/COU-MultiYearData-Table-5-International-Enrolment-by-Level-summary.pdf>

¹²⁶ Chiose, S. (2015, July 9). [International students to receive additional funding from Ontario](http://www.theglobeandmail.com/news/national/international-students-to-receive-additional-funding-from-ontario/article25407883/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/national/international-students-to-receive-additional-funding-from-ontario/article25407883/>

¹²⁷ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820008>

¹²⁸ Statistics Canada. CANSIM Table 052-0005 - Projected population, as of July 1. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=520005>

¹²⁹ Ontario Ministry of Health and Long-Term Care. (2013, October 7). [Results-based Plan Briefing Book 2013-2014](http://www.health.gov.on.ca/en/common/ministry/publications/plans/rbplan13/). *Ontario Ministry of Health and Long-Term Care*. Retrieved from <http://www.health.gov.on.ca/en/common/ministry/publications/plans/rbplan13/>

¹³⁰ Statistics Canada. CANSIM Table 052-0005 - Projected population, as of July 1. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=520005>

¹³¹ Ontario Ministry of Health and Long-Term Care. (2013, October 7). [Results-based Plan Briefing Book 2013-2014](http://www.health.gov.on.ca/en/common/ministry/publications/plans/rbplan13/). *Ontario Ministry of Health and Long-Term Care*. Retrieved from <http://www.health.gov.on.ca/en/common/ministry/publications/plans/rbplan13/>

¹³² Health Quality Ontario. [Health Links- Improving Care for Patients with complex Needs and Circumstances](http://www.hqontario.ca/Quality-Improvement/Health-Links). *Health Quality Ontario*. Retrieved from <http://www.hqontario.ca/Quality-Improvement/Health-Links>

¹³³ Ontario Ministry of Health and Long-Term Care. (2016, March 23). [Patients first: Action Plan for Health Care](http://www.health.gov.on.ca/en/ms/ecfa/healthy_change/). *Ontario Ministry of Health and Long-Term Care*. Retrieved from http://www.health.gov.on.ca/en/ms/ecfa/healthy_change/

¹³⁴ Ontario Medical Association. (2015, September 14). [Government of Ontario threatens patient-focused care by further cutting funding for physician services](https://www.oma.org/Mediroom/PressReleases/Pages/cuttingfundingforphyservices.aspx). *Ontario Medical Association*. Retrieved from <https://www.oma.org/Mediroom/PressReleases/Pages/cuttingfundingforphyservices.aspx>

¹³⁵ Ontario Medical Association. (2015, September 14). [Government of Ontario threatens patient-focused care by further cutting funding for physician services](https://www.oma.org/Mediroom/PressReleases/Pages/cuttingfundingforphyservices.aspx). *Ontario Medical Association*. Retrieved from <https://www.oma.org/Mediroom/PressReleases/Pages/cuttingfundingforphyservices.aspx>

Employment growth at provincial hospitals is expected to be weak compared to other sub-industries because of the shift in funding.¹³⁶ These centres will likely continue to operate on a minimal-growth scenario to align funding with the services and treatments delivered.¹³⁷ As such, many hospitals across the province announced cuts to staff and budget shortfalls in 2015.^{138, 139, 140, 141, 142, 143, 144, 145} Although the structure of funding for the health care system is changing, employment levels within ambulatory health care services should continue to rise as the growing and aging population generates demand for occupations such as dentists, general physicians, chiropractors and optometrists. Meanwhile, the provincial labour market for nurses has been somewhat unstable as of late.¹⁴⁶ In 2013, the Nursing Graduate Guarantee Initiative was extended to help attract individuals to this line of work by connecting recent graduates from nursing programs with full-time employment opportunities. While the Guarantee program is a good indicator that the province will continue to support employment in this field,^{147, 148, 149, 150, 151} many nursing positions at acute care settings¹⁵² were cut in 2015 because of hospital funding stalls and budgetary demands. As funding plans continue to roll out, employment is expected to grow in social assistance community care programs and facilities. Also, visiting homemakers, housekeepers and related occupations may see growth in employment due to the increasing number of seniors who rely on these services; a potential boost for job growth in the industry.¹⁵³

Losses in publishing and broadcasting sub-industries curb employment growth in Information, Culture and Recreation (ICR)

Employment in the ICR industry declined by 7,000 or 2.2% in 2015, after increasing in 2014.¹⁵⁴ This decrease reported by the Labour Force Survey is in contrast to the growth shown using data from the Survey of

¹³⁶ Career Planner. **Job Outlook for: Medical and Health Services Managers.** Career Planner. Retrieved from <http://job-outlook.careerplanner.com/Medical-and-Health-Services-Managers.cfm>

¹³⁷ Ontario Ministry of Finance. (2014, May 01). **2014 Ontario Budget Chapter I: Ontario's Decade — A 10-Year Plan for the Economy.** Ontario Ministry of Finance. Retrieved from <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2014/ch1e.html>

¹³⁸ Coffin, R. (2015, January 9). **75 positions cut with ongoing changes at North Bay.** 100.5 Kiss. Retrieved from <http://www.kissnorthbay.com/2015/01/09/75-positions-cut-with-ongoing-changes-at-north-bay-regional-health-centre/>

¹³⁹ Ogler, J. (2015, January 28). **SAH unions pinpoint who stays and who goes.** Sault Star. Retrieved from <http://www.saultstar.com/2015/01/28/sah-unions-pinpoint-who-stays-and-who-goes>

¹⁴⁰ Paul, G. (2015, April 1). **Grand River Hospital handing out layoff notices to 45 employees.** Waterloo Record. Retrieved from <http://www.therecord.com/news-story/5534695-grand-river-hospital-handing-out-layoff-notices-to-45-employees/>

¹⁴¹ Kitching, S. (2015, March 31). **Cuts Looming at LHSC.** Blackburn News. Retrieved from <http://blackburnnews.com/london/2015/03/31/cuts-looming-at-lhsc/>

¹⁴² Steel, P. (2015, April 16). **Beds closing, staff cuts at Bracebridge hospital.** Bracebridge Examiner. Retrieved from <http://www.muskokaregion.com/news-story/5561594-beds-closing-staff-cuts-at-bracebridge-hospital/>

¹⁴³ Jeffery, J. (2015, May 28). **Job Losses at Bluewater Health.** Blackburn News. Retrieved from <http://blackburnnews.com/sarnia/sarnia-news/2015/05/28/job-losses-at-bluewater-health/>

¹⁴⁴ Dawson, C. (2015, September 16). **Major Cuts announced for Regional Hospital.** Bay Today. Retrieved from <https://www.baytoday.ca/local-news/major-cuts-announced-for-regional-hospital-updated-17308>

¹⁴⁵ Migneault, J. (2015, Nov 21). **Four Layoffs at Sudbury and District Health unit.** Sudbury Northern Life. Retrieved from <http://www.northernlife.ca/news/localNews/2015/11/21-health-unit-cuts.aspx>

¹⁴⁶ Health Force Ontario. (2014, April 1). **Nursing Strategy.** Health Force Ontario. Retrieved from [http://www.healthforceontario.ca/en/Home/Nurses/Training/Practising In Ontario/Nursing Strategy](http://www.healthforceontario.ca/en/Home/Nurses/Training/Practising%20In%20Ontario/Nursing%20Strategy)

¹⁴⁷ Ontario Ministry of Health and Long-Term Care. (2013, October 7). **Results-based Plan Briefing Book 2013-2014.** Ontario Ministry of Health and Long-Term Care. Retrieved from <http://www.health.gov.on.ca/en/common/ministry/publications/plans/rbplan13/>

¹⁴⁸ College of Nurses of Ontario. (2015, February 25). **Membership Statistics Highlights 2014.** College of Nurses of Ontario. Retrieved from http://www.cno.org/Global/docs/general/43069_stats/43069_MembershipStatistics-Highlights.pdf

¹⁴⁹ Health Force Ontario. (2015, November 25) **Nursing Graduate Guarantee for Ontario Employers.** Health Force Ontario. Retrieved from http://www.healthforceontario.ca/en/Home/Employers/Nursing_Graduate_Guarantee

¹⁵⁰ Ontario Ministry of Health and Long-Term Care. (2015, September 24). **75 New Nurse Practitioners to be hired in Long-term Care.** Ontario Newsroom. Retrieved from https://news.ontario.ca/mohltc/en/2015/09/75-new-nurse-practitioners-to-be-hired-in-long-term-care-homes.html?utm_source=digest&utm_medium=email&utm_campaign=p

¹⁵¹ Ontario Ministry of Health and Long-Term Care. (2016, January 8). **Health Workforce Planning and Regulatory Affairs Division.** Ontario Ministry of Health and Long-Term Care. Retrieved from http://www.health.gov.on.ca/en/pro/programs/hhrs/nursing/mid_career.aspx

¹⁵² See footnotes 28, 29, 30, 31, 32, 33, 34 and 35

¹⁵³ Canadian Institute for Health Information. (2011, November 1). **Health Care in Canada, 2011: A focus on Seniors and Aging.** Canadian Institute for Health Information. Retrieved from https://secure.cihi.ca/free_products/HCIC_2011_seniors_report_en.pdf

¹⁵⁴ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada.* Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820008>

Employment Payrolls and Hours. Although other data sources suggest that the industry had a stronger year overall,¹⁵⁵ both seem to point to a difficult period for newspaper, periodical, book and directory publishers and radio and television broadcasters due to technological advancement.

The use of digital media as a source of news, the popularity of social media to share information, and greater online access to books, music, television and movies are putting pressure on publishing companies. Several publication departments closed over the past year, with additional cuts being considered more recently. For example, in January 2016, Torstar Corporation announced that it would shut down its printing press in Toronto¹⁵⁶ affecting over 300 production and editorial jobs. There were also cuts to smaller publications. The Guelph Mercury daily newspaper announced that it would stop publishing its print edition and lay off about 25 staff in early 2016.¹⁵⁷ Meanwhile, competition in the broadcasting sub-industry¹⁵⁸ is increasing with greater use of online streaming videos.¹⁵⁹ Employment has been difficult for the industry throughout 2014¹⁶⁰ as advertisement revenues for broadcasters in Ontario have continued to fall.¹⁶¹ This led to many rounds of large-scale layoffs in the past year.¹⁶² In early 2016, Rogers Communications Inc. announced that it would cut 200 jobs in an effort to trim costs.¹⁶³ One bright spot though may be the motion picture and sound recording sub-industry. This area may benefit from the declining CAD as Toronto is sometimes coined 'Hollywood North' because of its popularity among American production companies.¹⁶⁴ These companies may also be able to benefit from provincial tax credits.¹⁶⁵

Business activities in the arts, entertainment and recreation segment of the ICR industry is highly sensitive to the level of consumer spending. In stronger economic times, consumers may spend more on discretionary items and recreational activities, with the opposite being true in slower periods. Although growth in Ontario is expected to remain healthy, spending may be reduced because of higher levels of household debt. The household debt-to-income ratio topped 163.7% in Canada in the third quarter of 2015.^{166,167} As Ontarians start to deleverage, a reduction in recreational spending may occur, constraining employment growth in the ICR industry. Another aspect that can be both a driver and an impediment to employment growth is retirement. As waves of baby boomers retire, this segment of the population will have more time to spend on recreational activities. However, the share of Canadians aged 65 and over that are in debt is growing, so retirees may not be

¹⁵⁵ Statistics Canada. CANSIM Table 281-0023 - Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed North American Industry Classification System (NAICS), unadjusted for seasonality, monthly (persons). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2810023>

¹⁵⁶ Bradshaw, J. (2016, January 15). *Toronto Star closes printing plant, cuts newsroom head count*. *Globe and Mail*. Retrieved at <http://www.theglobeandmail.com/report-on-business/toronto-star-confirms-closure-of-vaughan-plant-285-jobs-affected/article28210116/>

¹⁵⁷ Shufelt, T. and Dobby, C. (2016, January 25). *Guelph Mercury newspaper to close amid financial pressures*. *Globe and Mail*. Retrieved at http://www.theglobeandmail.com/report-on-business/guelph-mercury-to-close-amid-financial-pressure/article28370737/?click=sf_globeftb

¹⁵⁸ CBC News Staff. (2016, January 25). *CRTC hearings on local TV get dire warning that half of all stations could close by 2020*. *CBC News*. Retrieved at <http://www.cbc.ca/news/business/crtc-local-tv-1.3418341>

¹⁵⁹ Szklarski, C. (2015, May 27). *'You Could Call It Desperation': Networks Rehash Old Shows In Battle With Streaming Media*. *Huffington Post*. Retrieved at http://www.huffingtonpost.ca/2015/05/27/tv-networks-face-steep-co_n_7454262.html

¹⁶⁰ Statistics Canada. CANSIM Table 281-0023 - Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed North American Industry Classification System (NAICS), unadjusted for seasonality, monthly (persons). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2810023>

¹⁶¹ Canadian Radio-television and Telecommunications Commission. *Financial Summary (Private television) – Ontario*. *Canadian Radio-television and Telecommunications Commission*. Retrieved at: <http://www.crtc.gc.ca/eng/publications/reports/branalysis/tv2014/4.htm>

¹⁶² CBC News Staff. (2015, November 6). *Bell to lay off 380 people in Toronto, Montreal*. *CBC News*. Retrieved at <http://www.cbc.ca/news/canada/montreal/bell-notice-layoffs-montreal-toronto-1.3307171>

¹⁶³ Dobby, C. (2016, January 25). *Rogers Media to cut 200 jobs across TV, radio, publishing divisions*. *Globe and Mail*. Retrieved at: <http://www.theglobeandmail.com/report-on-business/rogers-media-to-cut-200-jobs-across-tv-radio-publishing-divisions/article28371743/>

¹⁶⁴ Toronto Film Scene. (2014, September 23). *Made in Canada – How Hollywood North became a production hot spot*. *Toronto Film Scene*. Retrieved from <http://thetfs.ca/article/made-in-canada-how-hollywood-north-became-a-production-hot-spot/>

¹⁶⁵ Including Ontario Film & Television Tax Credit and Ontario Production Services Tax Credit

¹⁶⁶ Statistics Canada. CANSIM Table 378-0123 - National Balance Sheet Accounts, financial indicators, households and non-profit institutions serving households quarterly. Credit market debt to disposable income ratio. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3780123>

¹⁶⁷ Schnurr, L. (2015, December 14). *Canadian household debt-to-income ratio hits record high in Q3*. *CNBC*. Retrieved from <http://www.cnbc.com/2015/12/14/reuters-america-wrapup-1-canadian-household-debt-to-income-ratio-hits-record-high-in-q3.html>

able to spend as much.¹⁶⁸ Therefore, the baby boomer retirement may have mixed effects on employment growth in the ICR industry in the near term. The amusement, gambling, and recreation sub-industries may attract a higher share of youth due to the nature of the activities and the relatively low educational requirements.

Accommodation and Food Services will benefit from an uptick in tourism

Employment fell by 6,000 (-1.3%) in the accommodation and food services industry in 2015,¹⁶⁹ according to the Labour Force Survey. However, the Survey of Employment Payrolls and Hours reported fairly strong job gains in the sector over the past year.¹⁷⁰ In relation to accommodation services, there have been some positive developments, including increases in hotel occupancy rates in the province over the last few years.¹⁷¹ Looking ahead, hotel developments proposed across various areas of Ontario,¹⁷² as well as the planned opening of a 404-room hotel in downtown Toronto in 2016¹⁷³ should add to the employment levels in the sector.

In food services, high operating costs have been the biggest hurdles reported by restaurant operators in the last quarter of 2015.¹⁷⁴ In particular, increased prices for imported vegetables and fresh fruit due to the weaker CAD pose significant challenges for restaurants according to Restaurants Canada's Restaurant Outlook Survey.¹⁷⁵ As well, Ontario's minimum wage increases¹⁷⁶ implemented in June 2014 and October 2015 may have limited the number of workers restaurants could employ. The landscape of Ontario's restaurant industry is also continuing to shift with limit-service eating places accounting for an increasing share of sales¹⁷⁷ due to changing consumer preferences. Tourism is another main factor behind the performance of this industry. The strong performance of the U.S. economy, the reduction of the price of fuel and the devaluation of the CAD should boost tourism in 2016.

Other Services employment declines

Employment in other services decreased in 2015 by 10,500, equivalent to a 3.7% decline. Other services is a diverse industrial group that includes repair and maintenance; personal and laundry services; religious, grant-making, civic, and professional and similar organizations; and private households. The demand for other services is driven by many factors. Aging population demographics affect demand for services such as the funeral homes sub-industry, which is expected to grow over the coming years. Meanwhile, increasing expenditures in fields such as automotive repair and maintenance could also sustain employment in the other

¹⁶⁸ Statistics Canada. CANSIM Table 205-0002 - Survey of Financial Security (SFS), composition of assets (including Employer Pension Plans valued on a termination basis) and debts held by all family units, by age group, Canada and provinces. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2050002>

¹⁶⁹ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820008>

¹⁷⁰ Statistics Canada. CANSIM Table 281-0023 - Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed North American Industry Classification System (NAICS), unadjusted for seasonality, monthly (persons). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2810023>

¹⁷¹ Ontario Ministry of Tourism, Culture and Sport. (2016). *Historical Statistics, Accommodation Summary Data*. Ontario Ministry of Tourism, Culture and Sport. Retrieved at: http://www.mtc.gov.on.ca/en/research/historicalstats/historical_statistics_tables.shtml

¹⁷² Local 793 International Union of Operating Engineers. *Top Construction Projects in Ontario*. Local 793 International Union of Operating Engineers. Retrieved at: <https://www.iuoeocal793.org/top-construction-projects-in-ontario>

¹⁷³ Library Hotel Collection Staff. (2016). *Hotel Toronto X- Fact Sheet*. Library Hotel Collection Staff. Retrieved at: <http://www.libraryhotelcollection.com/blog/hotel-x-toronto-fact-sheet>

¹⁷⁴ Elliott, C. (2016, January 18). *Restaurant Outlook Survey*. Restaurants Canada. Retrieved from <https://www.restaurantscanada.org/Portals/0/Documents/ROS%20Q4-topline.pdf>

¹⁷⁵ Elliott, C. (2016, January 18). *Restaurant Outlook Survey*. Restaurants Canada. Retrieved from <https://www.restaurantscanada.org/Portals/0/Documents/ROS%20Q4-topline.pdf>

¹⁷⁶ Government of Canada. (2016). *Minimum Wage Database - Hourly Minimum Wages in Canada for Adult Workers*. Government of Canada. Retrieved from <http://srv116.services.gc.ca/rpt2.aspx?lang=eng&dec=6>

¹⁷⁷ Statistics Canada. CANSIM Table 355-0006 - Monthly survey of food services and drinking places, by North American Industry Classification System (NAICS), annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3550006>

services industry. However in light of the growing cost of household operations in Ontario,¹⁷⁸ there is the potential for waning expenditures on some services, such as beauty salons.

Employment in public administration continued to weaken in 2015

Employment in public administration dropped in Ontario in 2015 by 22,800, a 6.2% decrease from 2014.¹⁷⁹ The industry saw the largest decline in employment among all industries in Ontario. This was also the second annual decline in public administration. Despite weak conditions, the federal election in October 2015 provided a short-term boost in employment.¹⁸⁰ But since most of these jobs were temporary in nature,¹⁸¹ many of them were eliminated by the end of the year. Heading into 2016, the industry may receive another short-term lift as Statistics Canada is set to hire over 35,000 temporary staff across the country for the upcoming Census collection.¹⁸²

Table 2: Annual Labour Force Statistics in Ontario, Employment by Industry

Employment ('000) Seasonally Unadjusted Data	Year			2014 to 2015		2013 to 2014	
	2015	2014	2013	Number	%	Number	%
Total employed, all industries	6,923.2	6,877.9	6,823.4	45.3	0.7	54.5	0.8
Goods-producing sector	1,401.4	1,382.0	1,397.5	19.4	1.4	-15.5	-1.1
Agriculture	76.9	81.8	83.8	-4.9	-6.0	-2.0	-2.4
Forestry, fishing, mining, quarrying, oil and gas	43.3	33.2	35.9	10.1	30.4	-2.7	-7.5
Utilities	49.4	51.1	51.8	-1.7	-3.3	-0.7	-1.4
Construction	487.3	467.3	459.1	20.0	4.3	8.2	1.8
Manufacturing	744.6	748.6	767.0	-4.0	-0.5	-18.4	-2.4
Services-producing sector	5,521.7	5,495.9	5,425.9	25.8	0.5	70.0	1.3
Trade	1,042.3	1,047.0	1,019.0	-4.7	-0.4	28.0	2.7
Transportation and warehousing	321.3	329.0	336.3	-7.7	-2.3	-7.3	-2.2
Finance, insurance, real estate and leasing	543.5	512.1	510.3	31.4	6.1	1.8	0.4
Professional, scientific and technical services	579.6	559.9	542.7	19.7	3.5	17.2	3.2
Business, building and other support services	333.4	334.7	327.7	-1.3	-0.4	7.0	2.1
Educational services	514.9	494.6	483.3	20.3	4.1	11.3	2.3
Health care and social assistance	812.5	798.2	790.8	14.3	1.8	7.4	0.9
Information, culture and recreation	309.5	316.5	311.5	-7.0	-2.2	5.0	1.6
Accommodation and food services	444.3	450.3	440.6	-6.0	-1.3	9.7	2.2
Other services	276.3	286.8	291.9	-10.5	-3.7	-5.1	-1.7
Public administration	344.0	366.8	371.6	-22.8	-6.2	-4.8	-1.3

Note: Totals may not add due to rounding.

Source: Statistics Canada's Labour Force Survey - CANSIM Table 282-0008

¹⁷⁸ Statistics Canada. CANSIM Table 326-0021 - Consumer Price Index, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3260021>

¹⁷⁹ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820008>

¹⁸⁰ Isfeld, G. (2015, November 6). *Canada's jobs growth smashes expectations — and it wasn't all the election*. *Financial Post*. Retrieved from <http://business.financialpost.com/news/economy/canadas-jobs-growth-smashes-expectations-and-it-wasnt-all-the-election?Isa=83ffa87b>

¹⁸¹ Canadian Press. (November 6, 2015). *Labour force likely rides wave of temporary election work, gains 44,400 jobs*. *City News*. Retrieved from <http://www.citynews.ca/2015/11/06/labour-force-likely-rides-wave-temporary-election-work-gains-44400-jobs/>

¹⁸² Tencer, D. (January 4, 2016). *Statistics Canada Hiring 35,000 For 2016 Census That Will Replace Harper's Voluntary Survey*. *Huffington Post Canada*. Retrieved from http://www.huffingtonpost.ca/2016/01/04/statscan-hiring-census-2016_n_8913136.html

Employment by Age and Sex

Employment grew fastest among older workers in 2015

Older workers aged 55 years and over experienced the largest employment growth among workers in Ontario, with gains of 42,800 (+3.1%) in 2015. In contrast, there were losses of 8,100 (-0.9%) among youths aged 15 to 24 years, while core-aged workers aged 25 to 54 years observed small gains of 10,400 (+0.2%).

Due mainly to the ongoing transition of the baby-boom generation into the older workers segment, workers aged 55 years and over have had the fastest employment growth every year since 2000. Older workers comprised 20.4% of the employed workforce in 2015, with the proportion having increased uninterrupted for over a decade, whereas youths accounted for 13.5% and core-aged workers 66.1% of the employed workforce.

The youth unemployment rate decreased by 1.0 percentage point to 14.7% in 2015, reaching its lowest level since 2008. While youth unemployment fell by 13,900 in 2015, some of this was attributable to the decrease of 22,000 in the youth labour force, with the youth participation rate falling by 0.8 percentage points to 61.1%. The unemployment rate for older workers was 4.9% in 2015, while core-aged workers observed an unemployment rate of 5.6%, with the unemployment rate for all age groups reaching its lowest level since 2008.

Employment grew sharper for men (+1.1%) compared to for women (+0.2%) in 2015, with men constituting 52.1% of the employed workforce in Ontario.

Annual Unemployment Rates, by Gender and Age, for Ontario

Seasonally Adjusted Data	2015	2014	2013	2014 to 2015	2013 to 2014
	%	%	%	(% points)	(% points)
Total	6.8	7.3	7.6	-0.5	-0.3
25 years and over	5.4	5.8	6.1	-0.4	-0.3
Men - 25 years and over	5.5	5.9	6.3	-0.4	-0.4
Women - 25 years and over	5.3	5.6	5.8	-0.3	-0.2
15 to 24 years	14.7	15.7	16.2	-1.0	-0.5
Men - 15 to 24 years	16.3	16.7	17.3	-0.4	-0.6
Women - 15 to 24 years	13.1	14.7	15.0	-1.6	-0.3

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0002

Local Labour Market Conditions

The province of Ontario is divided into eleven economic regions. These areas were created by an agreement between Statistics Canada and the province of Ontario and are used for both the Labour Force Survey and the Census. In contrast to 2014 in which all but two economic regions in Ontario recorded employment gains, only four regions saw positive job creation in 2015. The **Toronto** region accounted for a large majority of employment growth, followed by the **Hamilton–Niagara Peninsula**, **Kitchener–Waterloo–Barrie**, and **London** economic regions. Elsewhere in the province, difficult labour market conditions were concentrated in Northern Ontario and areas east of the Toronto region, particularly in **Muskoka–Kawartha**.

Employment slowed in the Ottawa economic region in 2015

The Ottawa economic region posted an employment decline of 9,600 in 2015.¹⁸³ This drop was largely due to the decline in federal public administration seen across the province. Public administration is Ottawa's largest industry, employing over 16.0% of all workers in the region in 2015.¹⁸⁴ Weaker labour market conditions have pushed rental housing vacancy in the City of Ottawa to an 11-year high, rising from 2.6% in 2014 to 3.4% in 2015.¹⁸⁵

There were also a few layoff announcements and closures outside of public administration throughout the region in 2015. Plasco Energy Group Inc. laid off 80 staff in Ottawa after filing for creditor protection,¹⁸⁶ and Eastway911 Emergency Vehicles Ltd. closed its doors in Carleton Place affecting about 24 employees.¹⁸⁷ In the professional, scientific and technical services industry, DragonWave Inc. cut one-quarter of its workforce, including a dozen jobs at its Ottawa headquarters,¹⁸⁸ and Ottawa-based WiLAN restructured operations affecting about 30 percent of its workforce.¹⁸⁹ Despite these announcements, one area that saw some positive developments was the local construction industry. In 2015, work started on Hydro Ottawa's 29-megawatt hydroelectric station at Chaudière Falls,¹⁹⁰ and Carleton University broke ground on a \$52M Health Sciences Building.¹⁹¹ There was also a boost to support defence and security industries. Thales Canada Inc. opened an experience centre in Ottawa¹⁹² and Lockheed Martin Canada opened its missions systems and training division headquarters in Kanata.¹⁹³ Another area that may provide a lift to the region is the growing clean technology industry. In May 2015, three Ottawa businesses—Grafoid Inc., Ranovus Inc., and GaN Systems Inc.—received grants to support research and innovation in sustainable energy development.¹⁹⁴

Employment losses registered in Kingston–Pembroke's goods-producing sector

Employment declined in the Kingston–Pembroke economic region by 9,100 to 201,000 – its lowest level in 12 years. In response to the weaker labour market conditions, a number of people left the labour force over the

¹⁸³ Statistics Canada. CANSIM Table 282-0123 - Labour force survey estimates (LFS), by provinces, territories and economic regions based on 2011 Census boundaries, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820123>

¹⁸⁴ Statistics Canada. CANSIM Table 282-0125 - Labour force survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System (NAICS), annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820125>

¹⁸⁵ CBC News Staff. (2015, December 16). **Vacancy rate, rents rise in Ottawa**. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/ottawa-rents-2015-1.3368368>

¹⁸⁶ CBC News Staff. (2015, February 10). **Plasco obtains creditor protection, 80 jobs terminated**. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/ottawa/plasco-obtains-creditor-protection-80-jobs-terminated-1.2951751>

¹⁸⁷ CBC News Staff. (2015, November 11). **Eastway911 shuts down suddenly, leaving employees 'blindsided'**. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/ottawa/carleton-place-company-shuts-down-suddenly-1.3314864>

¹⁸⁸ Pechloff, T. (2015, October 16). **DragonWave cuts 25 per cent of workforce, 6 per cent of Ottawa staff, in 'difficult' quarter**. *Ottawa Business Journal*. Retrieved from <http://www.obj.ca/Technology/2015-10-16/article-4312302/DragonWave-cuts-25-per-cent-of-workforce%2C-6-per-cent-of-Ottawa-staff%2C-in-difficult-quarter/1>

¹⁸⁹ Canadian Press. (2015, November 05). **Wi-LAN to restructure, spin off R&D, slash dividend**. *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/wi-lan-to-restructure-spin-off-rd-slash-dividend/article27095432/>

¹⁹⁰ Porter, K. (2015, November 16). **Hydro Ottawa's new power plant to open view of Chaudière Falls**. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/ottawa/hydro-chaudiere-falls-1.3321424>

¹⁹¹ Fenn, K. (2015, December 15). **Carleton Breaks Ground on Health Sciences Building**. *Carleton University*. Retrieved from <http://carleton.ca/our-stories/story/health-labs-of-the-future/>

¹⁹² Pechloff, T. (2015, October 16). **Thales Canada opens new experience centre, looking for collaborators**. *Ottawa Business Journal*. Retrieved from <http://www.obj.ca/Technology/2015-10-16/article-4312317/Thales-Canada-opens-new-experience-centre-looking-for-collaborators/1>

¹⁹³ Pechloff, T. (2015, March 13). **Lockheed Martin unveils new Kanata facility**. *Ottawa Business Journal*. Retrieved from <http://www.obj.ca/Local/Defence-and-security/2015-03-13/article-4075788/Lockheed-Martin-unveils-new-Kanata-facility/1>

¹⁹⁴ Sustainable Development Technology Canada. (2015, February 20). **Harper Government Announces Significant Investments in Jobs and Clean Technologies in Ontario**. *Sustainable Development Technology Canada Newsroom*. Retrieved from <http://www.sdtc.ca/en/media-release/harper-government-announces-significant-investments-jobs-and-clean-technologies>

year, dropping the participation rate to 57.5%. Employment losses were entirely registered in the goods-producing sector, specifically in manufacturing and construction.

The announced closure of Vétoquinol Canada Inc.'s Belleville plant¹⁹⁵ is an indication of the region's manufacturing troubles in 2015. However, the scheduled openings of manufacturing plants from Kellogg Company,¹⁹⁶ Green Terra Homes,¹⁹⁷ Hanon Systems,¹⁹⁸ Frulact Canada,¹⁹⁹ and Astoria Organic Matters Canada LP²⁰⁰ give hope to the industry for 2016. The start of construction on the Napanee Generating Station also remains a bright spot, anticipated to generate up to 750 jobs.²⁰¹ On the services-producing side, the health care and social assistance industry registered the largest year-over-year employment growth in the region. Demand for health care services is partly sustained by the older age profile of the region. To support this growing sector, construction of a new 80,000-sq.ft. medical campus is scheduled to begin in early 2016.²⁰²

The aging population in Muskoka–Kawarthas played a part in employment declines

In 2015, the Muskoka–Kawarthas economic region's employment losses more than offset gains registered in 2014. Over the year, employment fell by 18,500 (-9.9%) and the unemployment rate rose from 6.3% to 7.8%. Participation in the labour market dropped to a rate of 55.8, the lowest participation rate in the province. The older age profile of the region is a large factor, as the median age of the population was 47.7 years during the 2011 Census, compared with the Ontario average of 40.4 years.²⁰³ More recently, approximately 70% of all migrants from other areas of Ontario to the region were 45 years of age or older for the period of July 2013 to June 2014. Muskoka–Kawarthas is frequently known as "Cottage Country" in southern Ontario, and it serves as a popular retirement destination due to its close proximity to the Toronto economic region.

Perhaps another sign of the region's aging population is the declining school enrollment, which has caused Kawartha Pine Ridge District School Board to lay off 118 contract secondary teachers,²⁰⁴ and Nipissing

¹⁹⁵ Hendry, L. (2015, April 17). [More than 40 jobs lost in city](http://www.intelligencer.ca/2015/04/17/more-than-40-jobs-lost-in-city). *Belleville Intelligencer*. Retrieved from www.intelligencer.ca/2015/04/17/more-than-40-jobs-lost-in-city

¹⁹⁶ Belleville Intelligencer Staff. (2015, April 28). [Kellogg to expand Belleville plant](http://www.intelligencer.ca/2015/04/28/kellogg-to-expand-belleville-plant). *Belleville Intelligencer*. Retrieved from <http://www.intelligencer.ca/2015/04/28/kellogg-to-expand-belleville-plant>

¹⁹⁷ Kuglin, E. (2015, June 23). [Manufacturer to create 140 new jobs](http://www.intelligencer.ca/2015/06/22/manufacture-to-create-140-new-jobs). *Belleville Intelligencer*. Retrieved from <http://www.intelligencer.ca/2015/06/22/manufacture-to-create-140-new-jobs>

¹⁹⁸ Federal Economic Development Agency for Southern Ontario (FedDev Ontario). (2015, July 27). [Harper Government Helps Boost Productivity for Automotive Parts Manufacturer in Belleville](http://news.gc.ca/web/article-en.do?nid=1007269). *Government of Canada Newsroom*. Retrieved from <http://news.gc.ca/web/article-en.do?nid=1007269>

Reed, S. (2015, August 21). [Funding to create 70 new jobs](http://www.communitypress.ca/2015/08/21/funding-to-create-70-new-jobs). *Community Press*. Retrieved from <http://www.communitypress.ca/2015/08/21/funding-to-create-70-new-jobs>

¹⁹⁹ Kingston Economic Development Staff. (2015, August 21). [Kingston Selected As Canadian Base For Food Processor Frulact](http://business.kingstoncanada.com/en/news/index.aspx?feedId=456f8170-ac11-452b-b316-900b99addc37&newsId=7994f4e1-8e2e-48a1-b9cf-e63bd047c810). *Kingston Economic Development*. Retrieved from <http://business.kingstoncanada.com/en/news/index.aspx?feedId=456f8170-ac11-452b-b316-900b99addc37&newsId=7994f4e1-8e2e-48a1-b9cf-e63bd047c810>

²⁰⁰ Thomas, M. (2015, December 01). [Astoria Organics getting ready to build](http://www.quintenews.com/2015/12/astoria-organics-getting-ready-to-build/102321/). *Quinte Broadcasting*. Retrieved from <http://www.quintenews.com/2015/12/astoria-organics-getting-ready-to-build/102321/>

²⁰¹ TransCanada. (2014, January 10). [Benefits of the Napanee Generating Station](http://www.napaneeegs.com/jobs-benefits/benefits/). *TransCanada*. Retrieved from: <http://www.napaneeegs.com/jobs-benefits/benefits/>

²⁰² MacAlpine, I. (2015, July 21). [Clermont Group to build sprawling medical campus](http://www.thewhig.com/2015/07/21/clermont-group-to-build-sprawling-medical-campus). *Kingston Whig-Standard*. Retrieved from <http://www.thewhig.com/2015/07/21/clermont-group-to-build-sprawling-medical-campus>

²⁰³ Statistics Canada. (October 24, 2012). Census Profile. 2011 Census. *Statistics Canada*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=ER&Code1=3520&Geo2=PR&Code2=35&Data=Count&SearchText=3520&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=3>

²⁰⁴ Gordon, K. (2015, April 7). [Public board lays off 118 secondary school teachers](http://www.thepeterboroughexaminer.com/2015/04/07/public-board-lays-off-118-secondary-school-teachers). *Peterborough Examiner*. Retrieved from <http://www.thepeterboroughexaminer.com/2015/04/07/public-board-lays-off-118-secondary-school-teachers>

University to close its Muskoka Campus in Bracebridge.²⁰⁵ However, the Northumberland YMCA opened three new childcare centres for before- and after-school childcare in September 2015.²⁰⁶

Toronto employment growth driven by science and tech sector

After stagnating in 2014, employment in the Toronto economic region regained its momentum from previous years, rising by 79,300 in 2015. Gains in full-time employment more than offset losses in part-time work, driving the region's unemployment rate lower; from 8.1% to 7.1%.

Gains in the professional, scientific and technical services sector continued to cement Toronto's reputation as a research and technology powerhouse.²⁰⁷ Baycrest Health Sciences' brain aging research centre opened in 2015, helped by \$65.5M in government funding.²⁰⁸ Meanwhile, The Bank of Nova Scotia is expanding its technological services to clients and will open a 'digital factory' in 2016.²⁰⁹ This was particularly encouraging in light of announced layoffs in the finance sector in 2015 at British HSBC Holdings PLC²¹⁰ and at some of the big Canadian banks.²¹¹ Good news also came from transportation and warehousing in Toronto. Despite challenges at the national rail carriers,²¹² expansions in warehousing at SCI Logistics Ltd.²¹³ and IKEA Canada²¹⁴ helped grow industry employment. The region's transit and ground transportation sub-industry looks primed for growth over the next few years as large infrastructure construction projects were announced in 2015. These included the Highway 407 East extension, a contract to build and operate the GO Transit East Rail Maintenance Facility in Whitby,²¹⁵ and the start in 2016 of the next phase of the York Viva Bus Rapid Transit rapidway.²¹⁶ On the residential front, construction permits surged to match the non-residential segment over the year.²¹⁷ The Daniels Corporation plans to build a mixed residential/commercial complex on Toronto's waterfront,²¹⁸ and

²⁰⁵ Hartill, M. (2015, June 5). [Muskoka Nipissing Campus closing its doors](http://www.muskokaregion.com/news-story/5663543-muskoka-nipissing-campus-closing-its-doors/). *Muskoka Region*. Retrieved from <http://www.muskokaregion.com/news-story/5663543-muskoka-nipissing-campus-closing-its-doors/>

²⁰⁶ Northumberland News Staff. (2015, September 01). [Three new Northumberland YMCA childcare centres opening this September](http://www.northumberlandnews.com/news-story/5822007-three-new-northumberland-ymca-childcare-centres-opening-this-september/). *Northumberland News*. Retrieved from <http://www.northumberlandnews.com/news-story/5822007-three-new-northumberland-ymca-childcare-centres-opening-this-september/>

²⁰⁷ Statistics Canada. CANSIM Table 282-0125 – Labour force survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System (NAICS). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820125>

²⁰⁸ Canadian Press (2015, May 22). [Brain aging research centre to open in Toronto this fall](http://www.theglobeandmail.com/news/toronto/brain-aging-research-centre-to-open-in-toronto-this-fall/article24572128/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/toronto/brain-aging-research-centre-to-open-in-toronto-this-fall/article24572128/>

²⁰⁹ Posadzki, A. (2015, October 16). [Scotiabank launches 'digital factory' that will house 350 tech jobs](http://www.theglobeandmail.com/report-on-business/scotiabank-launches-digital-factory-that-will-house-350-tech-jobs/article26843317/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/scotiabank-launches-digital-factory-that-will-house-350-tech-jobs/article26843317/>

²¹⁰ Pylas, P. (2015, September 6). [HSBC Layoffs To Hit 25,000 As Bank Aims To Save \\$5 Billion](http://www.huffingtonpost.ca/2015/06/09/hsbc-cutting-staff-by-up-n_7541420.html). *Huffington Post*. Retrieved from http://www.huffingtonpost.ca/2015/06/09/hsbc-cutting-staff-by-up-n_7541420.html

²¹¹ Canadian Press. (2015, October 19). [TD Bank Lays Off Canada. U.S. Staff After Review: Sources](http://www.huffingtonpost.ca/2015/10/19/td-bank-lays-off-canada-u-s-staff-after-review-sources/). *Huffington Post*. Retrieved from <http://www.huffingtonpost.ca/2015/10/19/td-bank-lays-off-canada-u-s-staff-after-review-sources/>

²¹² Bickis, I. (2015, July 21) [CN Rail, CP Rail Cut Jobs As Shipping Volumes Fall](http://www.huffingtonpost.ca/2015/07/22/canadas-two-largest-rail-n_7839752.html). *Huffington Post*. Retrieved from http://www.huffingtonpost.ca/2015/07/22/canadas-two-largest-rail-n_7839752.html

²¹³ SCI Logistics Staff. (2015, May 12). [SCI Logistics opens a new healthcare-dedicated facility in Greater Toronto Area](http://www.newswire.ca/news-releases/sci-logistics-opens-a-new-healthcare-dedicated-facility-in-greater-toronto-area-517709081.html). *Canadian Newswire*. Retrieved from <http://www.newswire.ca/news-releases/sci-logistics-opens-a-new-healthcare-dedicated-facility-in-greater-toronto-area-517709081.html>

²¹⁴ Chin, J. (2015, May 21). [IKEA to create 150 new jobs in Mississauga](http://www.mississauga.com/news-story/5638020-ikea-to-create-150-new-jobs-in-mississauga/). *Mississauga News*. Retrieved from <http://www.mississauga.com/news-story/5638020-ikea-to-create-150-new-jobs-in-mississauga/>

²¹⁵ Kalinowski, T. (2015, March 29). [Metrolinx to build 22-train facility in Whitby](http://www.thestar.com/news/gta/transportation/2015/03/29/metrolinx-to-build-22-train-facility-in-whitby.html). *Toronto Star*. Retrieved from <http://www.thestar.com/news/gta/transportation/2015/03/29/metrolinx-to-build-22-train-facility-in-whitby.html>

²¹⁶ Ontario Ministry of Transportation. (2015, September 28). [Ontario Making Progress on York Viva Bus Rapid Transit](https://news.ontario.ca/mto/en/2015/09/ontario-making-progress-on-york-viva-bus-rapid-transit.html). *Ontario Newsroom*. Retrieved from <https://news.ontario.ca/mto/en/2015/09/ontario-making-progress-on-york-viva-bus-rapid-transit.html>

²¹⁷ Percentage increase in residential and non-residential building permit values was similar. Statistics Canada. CANSIM Table 026-0006 - Building permits, by type of structure and area. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=0260006>

²¹⁸ Shum, D. (2015, March 26). [Daniels Corporation unveils waterfront mixed-use condo project](http://globalnews.ca/news/1904704/daniels-corporation-to-unveil-waterfront-mixed-use-condo-project/). *Global News*. Retrieved from <http://globalnews.ca/news/1904704/daniels-corporation-to-unveil-waterfront-mixed-use-condo-project/>

further uptown, the Gupta Group/Easton's Group of Hotels announced it would begin construction on a mixed-use development at the corner of Yonge St. and York Mills Rd. in 2016.²¹⁹

Manufacturing and construction buoyed employment in Kitchener–Waterloo–Barrie

While Kitchener–Waterloo–Barrie's employment growth was moderate, all gains were in full-time work. The participation rate declined but is still the highest in the province at 69.7% and the unemployment rate is the lowest, at 5.4%.²²⁰ The economic region's professional, scientific and technical services industry ceded some employment ground in 2015,²²¹ but is still vital, particularly around the southwestern Waterloo technology hub. Communitech Corporation's Open Data Exchange (ODX) is expected to create 370 direct and indirect jobs in Waterloo,²²² and expansions by e-commerce software provider Shopify Inc.²²³ and TD Bank Group's new technology centre are also expected to create opportunities there in 2016.²²⁴

The region's manufacturing industry reversed employment declines over the last two years, fuelled by government support for the key auto-sector and soaring North American car and truck sales.²²⁵ Federal and provincial support helped Toyota Motor Manufacturing Canada to expand in Cambridge and Woodstock, sustaining 8,000 jobs,²²⁶ and Linamar Corporation to create 1,200 new jobs in Guelph and its surroundings over 10 years, on top of 1,500 existing ones.²²⁷ Provincial funding also supported Toyota Boshoku Canada Inc.'s expansion in Elmira.²²⁸ However, cheaper production costs in Mexico continue to draw away auto-manufacturing investment as Lear Corporation announced it was moving there from Kitchener in 2016.²²⁹ Outside of auto manufacturing, provincial funding helped Grand River Foods²³⁰ and PepsiCo Foods Canada expand and modernize their Cambridge plants.²³¹ In Barrie, federal support will help Wolf Steel Ltd. add up to

²¹⁹ Pigg, S. (2015, January 14). [York Mills TTC parking lot slated for hotel, office complex](http://www.thestar.com/business/2015/01/14/york-mills-ttc-parking-lot-slated-for-hotel-office-complex.html). *Toronto Star*. Retrieved from <http://www.thestar.com/business/2015/01/14/york-mills-ttc-parking-lot-slated-for-hotel-office-complex.html>

²²⁰ Statistics Canada. CANSIM Table 282-0123 - Labour Force Survey estimates (LFS), by provinces, territories and economic regions based on 2011 Census boundaries, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820123>

²²¹ Statistics Canada. CANSIM Table 282-0125 - Labour force survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System (NAICS). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820125>

²²² Government of Canada. (2015, May 19). [Harper Government Announces Funding to Establish the Open Data Exchange](http://news.gc.ca/web/article-en.do?nid=975799). *Government of Canada Newsroom*. Retrieved from <http://news.gc.ca/web/article-en.do?nid=975799>

²²³ Bellemare, A. (2015, October 1). [Shopify expands Waterloo office to 300 people](http://www.cbc.ca/news/canada/kitchener-waterloo/shopify-expands-waterloo-office-to-300-people-1.3250334). *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/kitchener-waterloo/shopify-expands-waterloo-office-to-300-people-1.3250334>

²²⁴ Davis, B. (2015, October 1). [TD Bank technology centre to employ 120 in Waterloo](http://www.therecord.com/news-story/5939945-td-bank-technology-centre-to-employ-120-in-waterloo/). *Waterloo Region Record*. Retrieved from <http://www.therecord.com/news-story/5939945-td-bank-technology-centre-to-employ-120-in-waterloo/>

²²⁵ CBC News Staff. (2016, March 1). [February auto sales up on demand for pickups](http://www.cbc.ca/news/business/february-auto-sales-1.3471341). *CBC News*. Retrieved from <http://www.cbc.ca/news/business/february-auto-sales-1.3471341>

²²⁶ Canadian Press. (2015, July 31). [Ontario and Ottawa putting up \\$100M for Toyota expansion in Cambridge, Woodstock](http://kitchener.ctvnews.ca/ontario-and-ottawa-putting-up-100m-for-toyota-expansion-in-cambridge-woodstock-1.2497273). *CTV News Kitchener*. Retrieved from <http://kitchener.ctvnews.ca/ontario-and-ottawa-putting-up-100m-for-toyota-expansion-in-cambridge-woodstock-1.2497273>

²²⁷ Keenan, G. (2015, January 12). [Linamar to add 1,200 jobs in Guelph, Ont., in boost for auto sector](http://www.theglobeandmail.com/report-on-business/linamar-to-add-1200-jobs-with-federal-stimulus/article22406241/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/linamar-to-add-1200-jobs-with-federal-stimulus/article22406241/>

²²⁸ Ontario Ministry of Economic Development, Employment and Infrastructure. (2015, March 2). [Ontario Partnering with Toyota Boshoku to Create 73 New Jobs in Elmira](http://news.ontario.ca/medt/en/2015/03/ontario-partnering-with-toyota-boshoku-to-create-73-new-jobs-in-elmira.html). *Ontario Newsroom*. Retrieved from <http://news.ontario.ca/medt/en/2015/03/ontario-partnering-with-toyota-boshoku-to-create-73-new-jobs-in-elmira.html>

²²⁹ CTV News Staff. (2015, May 5). [Lear to shut down Kitchener plant; 150 jobs affected](http://kitchener.ctvnews.ca/lear-to-shut-down-kitchener-plant-150-jobs-affected-1.2360342). *CTV News*. Retrieved from <http://kitchener.ctvnews.ca/lear-to-shut-down-kitchener-plant-150-jobs-affected-1.2360342>

²³⁰ Ontario Ministry of Economic Development, Employment and Infrastructure. (2015, November 27). [Ontario Partnering with Grand River Foods to Create Jobs in Cambridge](https://news.ontario.ca/medt/en/2015/11/ontario-partnering-with-grand-river-foods-to-create-jobs-in-cambridge.html). *Ontario Newsroom*. Retrieved from <https://news.ontario.ca/medt/en/2015/11/ontario-partnering-with-grand-river-foods-to-create-jobs-in-cambridge.html>

²³¹ Ontario Office of the Premier. (2015, June 16). [Ontario Government Investing \\$3 Million in PepsiCo Foods Canada Plant](http://www.news.ontario.ca/opo/en/2015/06/ontario-government-investing-3-million-in-pepsico-foods-canada-plant.html). *Ontario Newsroom*. Retrieved from <http://www.news.ontario.ca/opo/en/2015/06/ontario-government-investing-3-million-in-pepsico-foods-canada-plant.html>

176 full-time jobs by 2017.²³² Less encouraging were the closures of the Kraft Heinz Company's 214-person facility in St. Mary's²³³ and of Nestle Canada's plant in Barrie by mid-2016.²³⁴

The region's high tech concentration is appealing to advanced manufacturers. Huawei Technologies Co. Ltd opened a research and development office in Waterloo Region, following a commitment to invest \$210M and create 325 jobs in Ontario over 2015-2019.²³⁵ In aerospace, Waterloo-based commercial drone maker Aeryon Labs Inc. expects to double its workforce after securing venture capital²³⁶ and Heroux-Devtek Inc. announced the construction of a new plant in Cambridge.²³⁷ In defence-related manufacturing, new positions are expected from armoured car maker Streit Manufacturing Inc.'s new facility in Barrie²³⁸ and a subcontract award to Elora-based Troy Life & Fire Safety from Irving Shipbuilding Inc.²³⁹ Spurred on by the energy sector, BWXT Canada Ltd. signed two major contracts with a Chinese nuclear plant²⁴⁰ and a memorandum of understanding with Bruce Power for refurbishments at Kincardine,²⁴¹ boosting recruitment at BWXT's Cambridge plant in 2016.

Construction employment strengthened in Kitchener–Waterloo–Barrie in 2015 for the third year-running. Building permit values peaked in mid-2014 supporting activity in 2015 and strength will likely persist as permit values rose again in late-2015. Builder Fusion Homes Inc. began a \$300M mixed-use housing development in Guelph in September.²⁴² In commercial development, the City of Cambridge approved phase 1 of the Creekside Corporate Campus business park, due to commence later in the year.²⁴³ Regional transportation infrastructure projects are also moving forward, as the Dufferin Construction Company received \$112.8M from the Government of Ontario to widen a 4.2-km stretch of Highway 401 in Waterloo Region, set for completion in the summer of 2019.²⁴⁴ In public transit, work began in November on a \$16M GO Transit train and bus layover facility in Kitchener²⁴⁵ and construction on the Waterloo region ION light rail transit project is set to boost employment over 2015 and 2016.²⁴⁶

²³² Browne, C. (2015, January 13). **Feds announce \$4.2M boost for Wolf Steel**. *Barrie Examiner*. Retrieved from <http://www.thebarrieexaminer.com/2015/01/13/feds-announce-42m-for-wolf-steel>

²³³ St. Marys Independent Staff. (2015, November 6). **Heinz to close plant – Loss of 214 jobs**. *St. Marys Independent*. Retrieved from <http://stmarysindependent.com/heinz-to-close-plant-loss-of-214-jobs/>

²³⁴ Colby, K. (2015, October 23). **Barrie Nestle plant to close in 2016**. *CTV News*. Retrieved from <http://barrie.ctvnews.ca/mobile/barrie-nestle-plant-to-close-in-2016-1.2624445>

²³⁵ Pender, T. (2016, January 28). **Huawei looking at opening office in Waterloo Region**. *Waterloo Region Record*. Retrieved from <http://www.therecord.com/news-story/6380966-huawei-to-hire-50-for-waterloo-office/>

Pender, T. (2016, March 8). **Huawei to hire 50 for Waterloo office**. *Waterloo Region Record*. Retrieved from <http://www.therecord.com/news-story/5290739-huawei-looking-at-opening-office-in-waterloo-region/>

²³⁶ Rocha, E. (2015, October 23). **Canada drone maker Aeryon Labs secures C\$60 million financing**. Retrieved from <https://ca.finance.yahoo.com/news/canada-drone-maker-aeryon-labs-secures-c-60-130224068--sector.html>

²³⁷ Canadian Press. (2015, February 26). **Heroux-Devtek building \$54M Cambridge, Ont. Plant**. *Canadian Manufacturing*. Retrieved from <http://www.canadianmanufacturing.com/manufacturing/heroux-devtek-building-54m-cambridge-ont-plant-145871/>

²³⁸ McInroy, I. (2015, January 28). **Streit Manufacturing — which produces armoured vehicles — to construct new facility in Barrie's south end**. *Barrie Examiner*. Retrieved from <http://www.thebarrieexaminer.com/2015/01/28/streit-manufacturing-which-produces-armoured-vehicles--to-construct-new-facility-in-barries-south-end>

²³⁹ Robinson, M. (2015, July 31). **Local company awarded \$5.7-million subcontract to supply fixed firefighting systems for Arctic patrol ships**. *Wellington Advertiser*. Retrieved from <http://www.wellingtonadvertiser.com/comments/index.cfm?articleID=27224>

²⁴⁰ Martin, R. (2015, August 19). **BWXT Canada procures contracts**. *Cambridge Times*. Retrieved from <http://www.cambridgetimes.ca/news-story/5805283-bwxt-canada-procures-contracts/>

²⁴¹ Canadian Manufacturing Staff. (2015, December 14). **BWXT Canada to build Bruce Power's new steam generators; contract worth as much as \$500M**. *Canadian Manufacturing*. Retrieved from <http://www.canadianmanufacturing.com/manufacturing/bwxt-canada-to-build-bruce-powers-new-steam-generators-contract-worth-as-much-as-500m-158661/>

²⁴² City of Guelph. (2015, September 3). **Construction begins on Fusion Homes' Metalworks**. *City of Guelph Economic Development*. Retrieved from <http://guelph.ca/2015/09/construction-begins-fusion-homes-metalworks/>

²⁴³ Jackson, B. (2015, May 12). **'Prestige' business park moves closer to fruition**. *Cambridge Times*. Retrieved from <http://www.cambridgetimes.ca/news-story/5614434-prestige-business-park-moves-closer-to-fruition/>

²⁴⁴ Waterloo Region Record Staff. (2015, June 5). **Highway 401 widening work starts Monday in Cambridge**. *Waterloo Region Record*. Retrieved from <http://www.therecord.com/news-story/5664230-highway-401-widening-work-starts-monday-in-cambridge/>

²⁴⁵ Exchange Magazine Staff. (2015, November 17). **Construction Underway on New Kitchener GO Train Layover Facility**. *Exchange Magazine*. Retrieved from <http://www.exchangemagazine.com/morningpost/2015/week46/Tuesday/15111715.htm>

²⁴⁶ Desmond, P. (2015, July 26). **LRT construction helps local economic outlook: report**. *Waterloo Region Record*. Retrieved from <http://www.therecord.com/news-story/5751976-lrt-construction-helps-local-economic-outlook-report/>

Retail trade did not fare well in 2015, affected by several province-wide retail closures. The largest was Target Canada and its impact on Kitchener–Waterloo–Barrie was magnified by a concentration of Target stores in the area. Other closures included several locations for womenswear retailer Laura Canada,²⁴⁷ North by Northwest's two clothing stores in Guelph and in Waterloo,²⁴⁸ and Budd Stores Co. Ltd.'s three clothing locations in Guelph, Kitchener, and Simcoe.²⁴⁹ There were a few positive developments, as Designer Shoe Warehouse opened a Town Shoes location in Barrie in September.²⁵⁰ New retail construction, of a new No Frills grocery store in Cambridge in 2015²⁵¹ and a Costco Wholesale Canada Ltd. retail warehouse in Orillia in 2016, is expected to create some retail positions in the region.²⁵²

Hamilton–Niagara Peninsula labour market strengthens again and manufacturing to improve in 2016

Employment also grew in the Hamilton–Niagara Peninsula economic region in 2015, increasing by 12,700 over 2014. All gains were in full-time work, pushing the unemployment rate lower even as the number of job seekers increased by 1.2%. The unemployment rate in the region has fallen or held steady for six straight years. Infrastructure spending across the province will benefit the economic region as well. The City of Hamilton will receive up to \$1B from the Government of Ontario for a cross-town Light Rail Transit line, scheduled for construction in 2019.²⁵³

The region's manufacturing sector saw mixed news over 2015 but 2016 holds some promise of recovery. PowerBlades Inc. closed its turbine blade plant in Welland, affecting 136 employees, after opening only two years ago,²⁵⁴ and National Steel Car Limited in Hamilton temporarily laid off 500 workers in December until early 2016 due to slumping demand for rail tanker cars.²⁵⁵ Later in 2016, PaperWorks Industries Inc. will be relocating its Hamilton folding carton plant by July. While the move will lead to the loss of 180 jobs, the company hopes to rehire more than half of these in Kitchener where it will be consolidating its production.²⁵⁶ More encouragingly, St. Catharines saw an additional 200 jobs in pre-cast concrete manufacturing through early 2016, producing parts for Niagara Region Wind Corp.'s wind-turbine towers.²⁵⁷ Also supporting the utilities industry, Fibracast Inc. is expected to employ about 100 once it completes its new water treatment

²⁴⁷ CTV News Staff. (2015, August 4). [Canadian clothing retailer Laura files for creditor protection](http://www.ctvnews.ca/business/canadian-clothing-retailer-laura-files-for-creditor-protection-1.2502077). CTV News. Retrieved from <http://www.ctvnews.ca/business/canadian-clothing-retailer-laura-files-for-creditor-protection-1.2502077>

²⁴⁸ Davis, B. (2015, December 3). [North by Northwest clothing chain bankrupt](http://www.therecord.com/news-story/6158521-north-by-northwest-clothing-chain-bankrupt/). Waterloo Region Record. Retrieved from <http://www.therecord.com/news-story/6158521-north-by-northwest-clothing-chain-bankrupt/>

²⁴⁹ Guelph Mercury News Services. (2015, October 15). [Budd Stores closing after 89 years in business](http://www.guelphmercury.com/news-story/5961575-budd-stores-closing-after-89-years-in-business/). Guelph Mercury. Retrieved from <http://www.guelphmercury.com/news-story/5961575-budd-stores-closing-after-89-years-in-business/>

²⁵⁰ Barrie Examiner Staff. (2015, September 18). [DSW opens at Park Place](http://www.thebarrieexaminer.com/2015/09/17/dsw-opens-at-park-place). Barrie Examiner. Retrieved from <http://www.thebarrieexaminer.com/2015/09/17/dsw-opens-at-park-place>

²⁵¹ Jackson, B. (2015, January 24). [No Frills to fill former Metro store on Franklin Blvd](http://www.cambridgetimes.ca/news-story/5273787-no-frills-to-fill-former-metro-store-on-franklin-blvd/). Cambridge Times. Retrieved from <http://www.cambridgetimes.ca/news-story/5273787-no-frills-to-fill-former-metro-store-on-franklin-blvd/>

²⁵² City of Orillia. (2015, December 8). [Costco Orillia on track to open in late 2016](http://www.orillia.ca/en/news/index.aspx?newsId=1719ca87-55d3-40f0-9d0f-62c357f669c4). City of Orillia News Releases. Retrieved from <http://www.orillia.ca/en/news/index.aspx?newsId=1719ca87-55d3-40f0-9d0f-62c357f669c4>

²⁵³ Morrow, A. (2015, May 26). [Ontario pledges up to \\$1-billion for Hamilton LRT, work to start in 2019](http://www.theglobeandmail.com/news/national/hamiltons-lrt-construction-to-begin-in-2019/article24613385/). Globe and Mail. Retrieved from <http://www.theglobeandmail.com/news/national/hamiltons-lrt-construction-to-begin-in-2019/article24613385/>

²⁵⁴ Ikeman, F. (2015, November 16). [PowerBlades closes, 136 jobs lost](http://www.wellandtribune.ca/2015/11/16/powerblades-closes-136-jobs-lost). Welland Tribune. Retrieved from <http://www.wellandtribune.ca/2015/11/16/powerblades-closes-136-jobs-lost>

²⁵⁵ Arnold, S. (2015, December 4). [National Steel Car to lay off 500 before Christmas](http://www.thespec.com/news-story/6157921-national-steel-car-to-lay-off-500-before-christmas/). Hamilton Spectator. Retrieved from <http://www.thespec.com/news-story/6157921-national-steel-car-to-lay-off-500-before-christmas/>

²⁵⁶ Arnold, S. (2015, October 23). [180 jobs lost as Hamilton box factory closes its doors](http://www.thespec.com/news-story/5974053-180-jobs-lost-as-hamilton-box-factory-closes-its-doors/). Hamilton Spectator. Retrieved from <http://www.thespec.com/news-story/5974053-180-jobs-lost-as-hamilton-box-factory-closes-its-doors/>

²⁵⁷ Fraser, D. (2015, August 4). [Turbine plant to create up to 200 positions](http://www.stcatharinesstandard.ca/2015/08/04/wind-turbine-parts-plant-to-create-up-to-200-jobs). St. Catharines Standard. Retrieved from <http://www.stcatharinesstandard.ca/2015/08/04/wind-turbine-parts-plant-to-create-up-to-200-jobs>

membrane factory in Stoney Creek.²⁵⁸ Another 50 high tech manufacturing jobs will be added by Mitsui High-tec Inc.'s new precision machine tools facility in Brantford, set to break ground in the first quarter of 2016.²⁵⁹

London economic region breaks out of its slump with a solid year in 2015

The London economic region had a breakout year in 2015 as employment reached its highest level since 2007. The employment rate edged up for the first time in four years as more people secured work. The number of unemployed residents also fell pushing the unemployment rate down to one of the lowest among Ontario's economic regions.

The key driver for this spark was the local manufacturing industry, which recorded one of its largest gains in recent time. The automotive industry had a big year in London. General Motors of Canada Company (GM) announced that it would invest \$560M in its CAMI Automotive plant in Ingersoll to support production of the Chevrolet Equinox and GMC Terrain.²⁶⁰ Production at the plant grew by 10.8% between 2014 and 2015 to keep up with growing demand for both models.²⁶¹ On top of this, GM is looking to hire at least 200 workers at its CAMI site to support future production needs.²⁶² There was also good news at the Toyota Motor Manufacturing Canada Inc. West Plant in Woodstock. The automaker announced that it would invest \$421M in its Woodstock and Cambridge sites to upgrade both facilities.²⁶³ Production increased at Toyota's West Plant by 6.4% in 2015 as the demand for the RAV4 model remains strong.²⁶⁴ Higher motor vehicle sales in North America have spurred greater production and investments from local parts suppliers such as Brose Canada Inc., Starlim North America Corporation, and Artisan Metal Finishing.²⁶⁵

London is expanding its research and development capacity in manufacturing as well. Construction started on the Canadian Centre for Production Validation at Fanshawe College at a cost of \$16.2M.²⁶⁶ The Centre will be the first testing facility of its kind in Canada and will open in the spring of 2016. Outside of manufacturing, another area that had a solid year in London was the growing technology base. Local start-up Dily has become one of the most popular social content platforms in the world.²⁶⁷ The company added 100 staff to its London operation in 2015.²⁶⁸ Other technology firms that expanded their footprint in the region over the past year

²⁵⁸ MacLeod, M. (2015, July 17). [New water facility will bring 100 jobs to Hamilton](http://www.thespec.com/news-story/5738935-new-water-facility-will-bring-100-jobs-to-hamilton/). *Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/5738935-new-water-facility-will-bring-100-jobs-to-hamilton/>

²⁵⁹ Ruby, M. (2015, December 12). [Brantford to be home to Mitsui High-tech, a parts manufacturer for eco-friendly vehicles](http://www.brantfordexpositor.ca/2015/12/11/brantford-to-be-home-to-mitsui-high-tech-a-parts-manufacturer-for-eco-friendly-vehicles-2). *Brantford Expositor*. Retrieved from <http://www.brantfordexpositor.ca/2015/12/11/brantford-to-be-home-to-mitsui-high-tech-a-parts-manufacturer-for-eco-friendly-vehicles-2>

²⁶⁰ Chase, S. and Keenan, G. (2015, February 12). [General Motors to invest \\$560-million in Ontario's Ingersoll plant](http://www.theglobeandmail.com/report-on-business/gm-to-invest-450-million-in-ontarios-ingersoll-plant/article22933182/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/gm-to-invest-450-million-in-ontarios-ingersoll-plant/article22933182/>

²⁶¹ DesRosiers Automotive Consultants Staff. (2016, January 31). *DesRosiers Automotive Reports*, Volume 30, Issue 2.

²⁶² Dolynny, T. (2015, October 14). [Help Wanted Sign Goes up at CAMI Ingersoll](http://www.am980.ca/2015/10/14/help-wanted-sign-goes-up-at-cami-ingersoll/). *AM 980 News*. Retrieved from <http://www.am980.ca/2015/10/14/help-wanted-sign-goes-up-at-cami-ingersoll/>

²⁶³ McCarthy, M. (2015, July 31). [Toyota's \\$421-million investment bodes well for future of local plants](http://www.thespec.com/news-story/5769249-toyota-s-421-million-investment-bodes-well-for-future-of-local-plants/). *Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/5769249-toyota-s-421-million-investment-bodes-well-for-future-of-local-plants/>

²⁶⁴ DesRosiers Automotive Consultants Staff. (2016, January 31). *DesRosiers Automotive Reports*, Volume 30, Issue 2. *DesRosiers Automotive Consultants Staff*

²⁶⁵ DeBono, N. (2015, September 13). [Auto-supplier Brose leads way in London](http://www.lfpress.com/2015/09/13/auto-supplier-brose-leads-way-in-london/). *London Free Press*. Retrieved from <http://www.lfpress.com/2015/09/13/auto-supplier-brose-leads-way-in-london/>

DeBono, N. (2015, April 24). [Federal loan will help the London plant double in size and hire more workers](http://www.lfpress.com/2015/04/24/investments-in-smart-technology-give-london-a-leading-edge-in-a-global-market/). *London Free Press*. Retrieved from <http://www.lfpress.com/2015/04/24/investments-in-smart-technology-give-london-a-leading-edge-in-a-global-market/>

DeBono, N. (2015, July 9). [Federal loan will help the London plant double in size and hire more workers](http://www.lfpress.com/2015/07/09/federal-loan-will-help-the-london-plant-double-in-size-and-hire-more-workers/). *London Free Press*. Retrieved from http://www.lfpress.com/2015/07/09/federal-loan-will-help-the-london-plant-double-in-size-and-hire-more-workers

²⁶⁶ CTV News Staff. (2015, March 6). [Feds announce \\$8M for new product testing facility at Fanshawe](http://london.ctvnews.ca/feds-announce-8m-for-new-product-testing-facility-at-fanshawe-1.2267667). *CTV News London*. Retrieved from <http://london.ctvnews.ca/feds-announce-8m-for-new-product-testing-facility-at-fanshawe-1.2267667>

²⁶⁷ Yu, R. (2015, November 26). [Dily to invest more in 'value-added' content as traffic surges](http://www.usatoday.com/story/money/2015/11/26/dily-invest-more-value-added-content-traffic-surges/76283452/). *USA Today*. Retrieved from <http://www.usatoday.com/story/money/2015/11/26/dily-invest-more-value-added-content-traffic-surges/76283452/>

²⁶⁸ DeBono, N. (2015, January 16). [London's economy faces comeback challenge](http://www.lfpress.com/2016/01/15/the-comeback-challenge/). *London Free Press*. Retrieved from <http://www.lfpress.com/2016/01/15/the-comeback-challenge/>

included Big Viking Games and Digital Extremes Ltd.²⁶⁹ Going forward, labour market conditions in the London economic region may continue to improve as the CAD will likely stay below parity and the U.S. economy builds more momentum in 2016.

Several key developments took shape in Windsor–Sarnia despite weaker employment growth

Labour market conditions in the Windsor–Sarnia economic region lost some ground after a strong year in 2014. Total employment in the region fell slightly pushing the employment rate down in 2015. The region's unemployment rate also increased as the number of unemployed residents grew. However, there appeared to be some disparity between the larger urban centres of the region. Employment in the Windsor Census Metropolitan Area (CMA) increased and more residents were active in the job market. In contrast, employment growth declined or was flat in the Chatham-Kent, Leamington, and Sarnia Census Agglomerations suggesting that conditions were weakest outside of the Windsor core.

One of the biggest news stories for the region took place in Windsor's automotive hub. FCA Canada Inc. undertook one of its largest retooling efforts in recent time in the early part of 2015. The automaker upgraded its Windsor Assembly Plant for its next generation of minivans at a cost of more than \$2B²⁷⁰ and is planning to add 1,200 workers in one of its largest hiring sprees.²⁷¹ Stronger motor vehicle sales in North America²⁷² along with retooling efforts by FCA has caused many local parts suppliers and tool and die makers to ramp up production efforts.²⁷³ Another area that saw some large developments over the past year was Sarnia's chemical hub. BioAmber Inc. opened the world's largest succinic acid plant at a cost of \$135M and CF Industries Holdings Inc. announced a major expansion of its Nitrogen Complex valued at \$105M. However, Shell Canada Limited cut operations at its Corunna refinery as the producer copes with lower oil prices.²⁷⁴ The region's agricultural industry also saw growth over the past year²⁷⁵ and has some renewed optimism heading into 2016. The French's Food Company recently announced that it would only use tomatoes grown in southwestern Ontario for its ketchup products.²⁷⁶ Further, Highbury Canco Corporation will process the crop at its Leamington plant.²⁷⁷ This will be a significant boost for tomato growers in Chatham-Kent and Essex since many lost out when H.J. Heinz Company ended operations in Leamington in 2014.²⁷⁸ A few construction milestones occurred in the area as well in 2015. After four years of construction, the Rt. Hon. Herb Gray

²⁶⁹ Montanini, C. (2015, March 11). [London tech companies among Canada's best employers](http://www.thelondoner.ca/2015/03/11/london-tech-companies-among-canadas-best-employers). *Londoner*. Retrieved from <http://www.thelondoner.ca/2015/03/11/london-tech-companies-among-canadas-best-employers>

²⁷⁰ CTV News Staff. (2015, January 12). [2 billion invested in Windsor Assembly Plant retooling and next minivan: CEO](http://www.ctvnews.ca/2-billion-invested-in-windsor-assembly-plant-retooling-and-next-minivan-ceo-1.2184954). *CTV News*. Retrieved from <http://www.ctvnews.ca/2-billion-invested-in-windsor-assembly-plant-retooling-and-next-minivan-ceo-1.2184954>

²⁷¹ CBC News Staff. (2016, February 11). [Windsor Assembly Plant to hire 1,200 new workers, FCA CEO says](http://www.cbc.ca/news/canada/windsor/flat-chrysler-windsor-assembly-plant-1.3444443). *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/windsor/flat-chrysler-windsor-assembly-plant-1.3444443>

²⁷² Keenan, G. (2016, January 5). [Canada and U.S. both set records for auto sales in 2015](http://www.theglobeandmail.com/report-on-business/canada-and-us-both-set-records-for-auto-sales-in-2015/article28027802/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/canada-and-us-both-set-records-for-auto-sales-in-2015/article28027802/>

²⁷³ Macaluso, G. (2015, January 19). [Nemak to add 80 jobs, boost production with \\$1.5M from province](http://windsorstar.com/business/nemak-to-add-80-jobs-boost-production-with-1-5m-from-province?_lsa=d5e1-d53d). *Windsor Star*. Retrieved from http://windsorstar.com/business/nemak-to-add-80-jobs-boost-production-with-1-5m-from-province?_lsa=d5e1-d53d

Windsor Essex Economic Development Corporation Staff. (2015, April). [Monthly Economic Monitor – April 2015](http://www.choosewindsor-essex.com/sites/default/files/files/Economic%20Monitor%20-%20Apr%202015.pdf). *Windsor Essex Economic Development Corporation*. Retrieved from <http://www.choosewindsor-essex.com/sites/default/files/files/Economic%20Monitor%20-%20Apr%202015.pdf>

Stang, R. (2015, March 1). [Major expansion for minivan plant supplier](http://www.windsorbusiness.net/flip-books/2015-03-01/html5/). *Windsor Business News*. Retrieved from <http://www.windsorbusiness.net/flip-books/2015-03-01/html5/>

²⁷⁴ Morden, P. (2015, December 10). [Shell not disclosing number of jobs being lost at refinery](http://www.theobserver.ca/2015/12/10/shell-not-disclosing-number-of-jobs-being-lost-at-refinery). *Sarnia Observer*. Retrieved from <http://www.theobserver.ca/2015/12/10/shell-not-disclosing-number-of-jobs-being-lost-at-refinery>

²⁷⁵ Shreve, E. (2015, August 24). [C & L Seed Production Group Inc. builds state-of-the-art dryer](http://www.chathamdailynews.ca/2015/08/24/c-l-seed-production-group-inc-builds-state-of-the-art-dryer). *Chatham Daily News*. Retrieved from <http://www.chathamdailynews.ca/2015/08/24/c-l-seed-production-group-inc-builds-state-of-the-art-dryer>

Robinet, D. (2015, October 15). [Expansion plans on schedule for Truly Green](http://www.chathamthisweek.com/2015/10/15/expansion-plans-on-schedule-for-truly-green). *Chatham This Week*. Retrieved from <http://www.chathamthisweek.com/2015/10/15/expansion-plans-on-schedule-for-truly-green>

²⁷⁶ CBC News Staff. (2016, January 14). [French's using Leamington tomatoes in all its ketchup](http://www.cbc.ca/news/canada/windsor/french-s-using-leamington-tomatoes-in-its-ketchup-1.3404110). *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/windsor/french-s-using-leamington-tomatoes-in-its-ketchup-1.3404110>

²⁷⁷ Schmidt, D. (2016, January 15). [Leamington's Highbury Canco, expanding again, seeks 85 new workers](http://windsorstar.com/news/local-news/leamingtons-highbury-canco-expanding-again-seeks-85-new-workers). *Windsor Star*. Retrieved from <http://windsorstar.com/news/local-news/leamingtons-highbury-canco-expanding-again-seeks-85-new-workers>

²⁷⁸ Terfloth, T. (2016, January 15). [Tomato paste will be made at Highbury Canco in Leamington](http://www.chathamdailynews.ca/2016/01/15/tomato-paste-will-be-made-at-highbury-canco-in-leamington). *Chatham Daily News*. Retrieved from <http://www.chathamdailynews.ca/2016/01/15/tomato-paste-will-be-made-at-highbury-canco-in-leamington>

Parkway opened in late fall at a cost of \$1.4B²⁷⁹ and the first major contract for the future Gordie Howe International Bridge was awarded at a cost of \$59M.²⁸⁰ Building permits were up in both residential and non-residential construction²⁸¹ and the housing market should remain healthy in the Windsor CMA.²⁸² Going forward, labour market conditions in the region may pick up as the CAD will likely stay below parity and the U.S. economy builds more strength in 2016.

Labour market conditions in the Stratford–Bruce Peninsula weaken in 2015

Employment fell in the Stratford–Bruce Peninsula economic region in 2015. Employment hit its lowest level on record since 2001. The unemployment rate also increased as more residents were out of work. Some of the weakening labour market conditions are likely because of the region's older population. The participation rate sank to its lowest figure in over a decade as fewer residents were active in the job market. There has been a trend of youth and younger workers leaving the region for other areas likely for better educational or employment opportunities.²⁸³ In contrast, the region seems to be attracting more middle-aged residents that might be in the latter parts of their careers or in early retirement.

Despite softer employment, the utilities industry saw lots of activity in 2015. Bruce Power, one of the region's largest employers, announced a \$13B refurbishment plan for its Tiverton site starting in 2020. The upgrade will support thousands of jobs in the province and will be one of the largest infrastructure projects in Ontario's history.²⁸⁴ Elsewhere in the industry, construction wrapped up on two large wind farms in Huron County²⁸⁵ with another one in the works.²⁸⁶ Non-residential construction slowed over the past year but the region's housing market was strong with residential building permits up 25.6% in 2015.²⁸⁷ Work started on several new residential towers including units catered to senior living.²⁸⁸ Looking ahead, the construction industry may benefit from a \$15.6M investment in Bruce Peninsula National Park and Fathom Five National Marine Park.²⁸⁹

²⁷⁹ Battagello, D. (2015, November 20). [Herb Gray Parkway completed, final stretch to open Saturday](http://windsorstar.com/news/local-news/parkway-complete). *Windsor Star*. Retrieved from <http://windsorstar.com/news/local-news/parkway-complete>

²⁸⁰ CTV News Windsor staff. (2015, September, 10). [Local company gets \\$59M construction contract for Gordie Howe international Bridge](http://windsor.ctvnews.ca/local-company-gets-59m-construction-contract-for-gordie-howe-international-bridge-1.2557035). *CTV News Windsor*. Retrieved from <http://windsor.ctvnews.ca/local-company-gets-59m-construction-contract-for-gordie-howe-international-bridge-1.2557035>

²⁸¹ Statistics Canada. CANSIM Table 026-0006 - Building permits, by type of structure and area. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=0260006>

²⁸² Market Wired Staff. (2015, October 26). [Demand for Housing in Windsor to Increase in 2016](http://www.marketwired.com/press-release/demand-for-housing-in-windsor-to-increase-in-2016-2066978.htm). *Market Wired*. Retrieved from <http://www.marketwired.com/press-release/demand-for-housing-in-windsor-to-increase-in-2016-2066978.htm>

²⁸³ Statistics Canada. CANSIM Table 051-0060 - Components of population growth by economic region, sex and age group for the period from July 1 to June 30, based on the Standard Geographical Classification (SGC) 2011, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=0510060>

²⁸⁴ Ontario Newsroom Staff. (2015, December 3). [Ontario Commits to Future in Nuclear Energy](https://news.ontario.ca/mei/en/2015/12/ontario-commits-to-future-in-nuclear-energy.html). *Ontario Newsroom*. Retrieved from <https://news.ontario.ca/mei/en/2015/12/ontario-commits-to-future-in-nuclear-energy.html>

²⁸⁵ Pattern Energy Staff. (2015, September 3). [Grand Opening of 270 MW K2 Wind Power Project, One of Canada's Largest Wind Facilities](http://patternenergy.com/en/media/releases/grand-opening-270-mw-k2-wind-power-project-one-canadas-large/). *Pattern Energy*. Retrieved from <http://patternenergy.com/en/media/releases/grand-opening-270-mw-k2-wind-power-project-one-canadas-large/>

²⁸⁶ North American Windpower Staff. (2015, February 23). [NextEra's Goshen Wind Farm Goes Live in Ontario](http://nawindpower.com/nexteras-goshen-wind-farm-goes-live-in-ontario). *North American Windpower*. Retrieved from <http://nawindpower.com/nexteras-goshen-wind-farm-goes-live-in-ontario>

²⁸⁷ Cleantech Canada staff. (2016, February 2). [Construction of Ontario's 50 MW Southgate Solar project to begin shortly](http://www.canadianmanufacturing.com/sustainability/construction-of-ontarios-50-mw-southgate-solar-project-to-begin-shortly-161658/). *Cleantech Canada*. Retrieved from <http://www.canadianmanufacturing.com/sustainability/construction-of-ontarios-50-mw-southgate-solar-project-to-begin-shortly-161658/>

²⁸⁸ Statistics Canada. CANSIM Table 026-0007 - Building permits, dwelling units by type of structure and value by activity sector, economic regions, annual, *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=0260007>

²⁸⁹ Gowan, R. (2015, May, 12). [Pottawatomie Gardens construction starts](http://www.owensoundsuntimes.com/2015/05/12/pottawatomie-gardens-construction-starts). *Owen Sound Sun Times*. Retrieved from <http://www.owensoundsuntimes.com/2015/05/12/pottawatomie-gardens-construction-starts>

Wishart, S. (2015, February 26). [Downtown livery stable built in 1865 being meticulously refurbished to see new life as condominium residences in city core](http://www.stratfordbeaconherald.com/2015/02/26/downtown-livery-stable-built-in-1865-being-meticulously-refurbished-to-see-new-life-as-condominium-residences-in-city-core). *Stratford Beacon Herald*. Retrieved from <http://www.stratfordbeaconherald.com/2015/02/26/downtown-livery-stable-built-in-1865-being-meticulously-refurbished-to-see-new-life-as-condominium-residences-in-city-core>

McCormack, C. (2015, June 11). [New Apartments in Kincardine](http://www.bayshorebroadcasting.ca/news_item.php?NewsID=75619). *Bayshore Broadcasting*. Retrieved from http://www.bayshorebroadcasting.ca/news_item.php?NewsID=75619

²⁸⁹ Thompson, M. (2015, July 17). [\\$15.6M Invested Into National Parks Infrastructure On Bruce Peninsula](http://blackburnnews.com/midwestern-ontario/midwestern-ontario-news/2015/07/17/15-6-million-invested-into-national-parks-infrastructure-on-bruce-peninsula/). *Blackburn News*. Retrieved from <http://blackburnnews.com/midwestern-ontario/midwestern-ontario-news/2015/07/17/15-6-million-invested-into-national-parks-infrastructure-on-bruce-peninsula/>

The local manufacturing industry saw a few big developments as well. Similar to 2014, the region continues to grow its medicinal marijuana industry with new plants in the works for the coming year.²⁹⁰ Green Arc Tire Manufacturing Inc. is preparing to open its eco-tire factory in St. Marys. And Sofina Foods Inc. started work on a new turkey processing plant in Mitchell, the largest investment in the Canadian turkey industry in 25 years.²⁹¹ Like other automotive hubs, the region got a boost with a \$12.5M investment from Hayashi Canada Inc. in 2015.²⁹² However, it was not all positive news for the local manufacturing industry. The largest notice came from The Kraft Heinz Company, which will close its St. Marys plant by 2017, affecting more than 200 workers.²⁹³ The communities of Walkerton and Hanover also received disappointing news when Energizer Holdings Inc. revealed that it would close plants in both localities in 2016.²⁹⁴ Lastly, Baldor Electric Company will cease all operations at its Stratford facility in 2016.²⁹⁵ The loss of these four long-standing plants will likely weigh down on labour market conditions in the Stratford–Bruce Peninsula economic region over the next two years.

Lower commodity prices weighed down on employment growth in the Northeast economic region in 2015

Employment in the Northeast economic region fell by 8,700 in 2015, the largest decrease in six years.²⁹⁶ Both the population and participation rate dropped as residents left the region to find work elsewhere or exited the local labour market.²⁹⁷ Lower demand for commodities has dampened employment growth in the Northeast. In 2015, several mining and mining support companies halted production, implemented hiring freezes, and cut staff in an effort to reduce costs.^{298, 299, 300, 301, 302} Mining activities in northern Ontario have been affected by an industry-wide downturn as companies cope with a slump in base metal prices. But despite the weak conditions, there were a few positive developments in mining exploration activities,^{303, 304, 305, 306} which helped provide some optimism for the industry moving forward.

²⁹⁰ Umholtz, L. (2015, January 23). [Medical marijuana company OrganaGreen hopes to move in down the road from AMMCan](http://www.kincardineneews.com/2015/01/23/medical-marijuana-company-organagreen-hopes-to-move-in-down-the-road-from-ammcan). Kincardine News. Retrieved from <http://www.kincardineneews.com/2015/01/23/medical-marijuana-company-organagreen-hopes-to-move-in-down-the-road-from-ammcan>.

Langlois, D. (2015, April 1). [Medical marijuana production facility to cost \\$14M](http://www.owensoundsuntimes.com/2015/04/01/medical-marijuana-production-facility-to-cost-14m). Owen Sound Sun Times. Retrieved from <http://www.owensoundsuntimes.com/2015/04/01/medical-marijuana-production-facility-to-cost-14m>

²⁹¹ Canada Newswire Staff. (2015, March 26). [Sofina Foods Invests in Ontario Turkey Industry](http://www.newswire.ca/news-releases/sofina-foods-invests-in-ontario-turkey-industry-517328141.html). Canada Newswire. Retrieved from <http://www.newswire.ca/news-releases/sofina-foods-invests-in-ontario-turkey-industry-517328141.html>

²⁹² Rice, S. (2015, November 18). [More auto manufacturing jobs on the way to Stratford](http://www.stratfordbeaconherald.com/2015/11/17/more-auto-manufacturing-jobs-on-the-way-to-stratford). Stratford Beacon Herald. Retrieved from <http://www.stratfordbeaconherald.com/2015/11/17/more-auto-manufacturing-jobs-on-the-way-to-stratford>

²⁹³ Macaluso, G. (2015, November 6). [Leamington mayor reaches out to St. Marys over Heinz closure](http://windsorstar.com/business/local-business/leamington-mayor-reaches-out-to-st-marys-over-heinz-closure). Windsor Star. Retrieved from <http://windsorstar.com/business/local-business/leamington-mayor-reaches-out-to-st-marys-over-heinz-closure>

²⁹⁴ Zettel, J. (2015, September 17). [Powering down: Walkerton Energizer plant to close in April](http://www.southwesternontario.ca/news-story/5990438-powering-down-walkerton-energizer-plant-to-close-in-april/). Walkerton Herald-Times. Retrieved from <http://www.southwesternontario.ca/news-story/5990438-powering-down-walkerton-energizer-plant-to-close-in-april/>

²⁹⁵ Rice, S. (2015, July 8). [65 employees affected by manufacturing plant's planned closure](http://www.stratfordbeaconherald.com/2015/07/08/65-employees-affected-by-manufacturing-plants-planned-closure). Stratford Beacon Herald. Retrieved from <http://www.stratfordbeaconherald.com/2015/07/08/65-employees-affected-by-manufacturing-plants-planned-closure>

²⁹⁶ Statistics Canada. CANSIM Table 282-0123 - Labour force survey estimates (LFS), by provinces, territories and economic regions based on 2011 Census boundaries, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2820123>

²⁹⁷ Statistics Canada. CANSIM Table 282-0123 - Labour force survey estimates (LFS), by provinces, territories and economic regions based on 2011 Census boundaries, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2820123>

²⁹⁸ CBC News Staff. (2015, January 13). [First Nickel reduces workforce by 45% at Sudbury mine](http://www.cbc.ca/news/canada/sudbury/first-nickel-reduces-workforce-by-45-at-sudbury-mine-1.2899522). CBC News. Retrieved from <http://www.cbc.ca/news/canada/sudbury/first-nickel-reduces-workforce-by-45-at-sudbury-mine-1.2899522>

²⁹⁹ Migneault, J. (2015, September 6). [First Nickel could shutter Lockerby Mine within months](http://www.northernontariobusiness.com/Industry-News/mining/2015/06/First-Nickel-could-shutter-Lockerby-Mine-within-months.aspx). Northern Ontario Business. Retrieved from <http://www.northernontariobusiness.com/Industry-News/mining/2015/06/First-Nickel-could-shutter-Lockerby-Mine-within-months.aspx>

³⁰⁰ Gillis, L. (2015, August 22). [IAMGOLD confirms shutdown in Gogama](http://www.timminspress.com/2015/08/22/iamgold-confirms-shutdown-in-gogama). Timmins Press. Retrieved from <http://www.timminspress.com/2015/08/22/iamgold-confirms-shutdown-in-gogama>

³⁰¹ Migneault, J. (2015, August 20). [First Nickel goes into receivership](http://www.northernontariobusiness.com/Industry-News/mining/2015/08/First-Nickel-goes-into-receivership.aspx). Northern Ontario Business. Retrieved from <http://www.northernontariobusiness.com/Industry-News/mining/2015/08/First-Nickel-goes-into-receivership.aspx>

³⁰² CBC News Staff. (2015, September 21). [Sudbury's McCreedy West mine slated for shutdown](http://www.cbc.ca/news/canada/sudbury/sudbury-s-mccreedy-west-mine-slated-for-shutdown-union-1.3236797). CBC News. Retrieved from <http://www.cbc.ca/news/canada/sudbury/sudbury-s-mccreedy-west-mine-slated-for-shutdown-union-1.3236797>

³⁰³ Northern Ontario Business Staff. (2015, January 21). [Richmont Mines increases financing for mine expansion](http://www.northernontariobusiness.com/Industry-News/mining/2015/01/Richmont-Mines-increases-financing-for-mine-expansion.aspx). Northern Ontario Business. Retrieved from <http://www.northernontariobusiness.com/Industry-News/mining/2015/01/Richmont-Mines-increases-financing-for-mine-expansion.aspx>

Employment in most of the industries in the services-producing sector fell in the Northeast over the year. One of the most notable declines was in health care and social assistance.³⁰⁷ Although the region has a higher share of seniors, increasing the demand for health care services, many hospitals and clinics in the North have felt the pinch in hospital budgets and have cut jobs to stay on track.^{308, 309, 310, 311, 312}

The film and television industry is gaining traction in larger urban hubs such as North Bay and Greater Sudbury. The Government of Ontario announced that it would invest over \$15M in broadcasting projects, which is expected to create production jobs in the region.^{313, 314} Growth in the local industry has picked up making it difficult for some employers to find qualified workers.³¹⁵ Going forward, the lower CAD will likely continue to draw investment,^{316, 317} boosting employment in the industry in 2016.

Employment fell in the Northwest region but traction in the forestry industry looks promising

In 2015, employment in the Northwest economic region fell by 2,400. Both the population and participation rates declined as the region saw weaker growth over the past year.³¹⁸ The Northwest region felt the effects of lower commodity prices as North American Palladium Ltd. cut staff at its Lac Des Iles mine near Thunder Bay.³¹⁹ Another miner, Rubicon Minerals Corporation, suspended activities at its Phoenix Gold Project as the site is more complex than anticipated, leading to 330 temporary layoffs in Red Lake.³²⁰ But there was some good

³⁰⁴ Northern Ontario Business Staff. (2015, January 21). **Montoro selects driller for Serpent River program**. *Northern Ontario Business*. Retrieved from <http://www.northernontariobusiness.com/Industry-News/mining/2015/01/Montoro-select-driller-for-Serpent-River-program.aspx>

³⁰⁵ Anconia Resources Corp. (2015, April 8). **Anconia Commences Drilling at its Grenfell Property, Kirkland Lake Ontario**. *Market Wired*. Retrieved from <http://www.marketwired.com/press-release/anconia-commences-drilling-at-its-grenfell-property-kirkland-lake-ontario-tsx-venture-ara-2007623.htm>

³⁰⁶ Northern Ontario Business Staff. (2015, May 5). **Lake Shore Gold expands exploration programs**. *Northern Ontario Business*. Retrieved from <http://www.northernontariobusiness.com/Industry-News/mining/2015/05/Lake-Shore-Gold-expands-exploration-programs.aspx>

³⁰⁷ Statistics Canada. CANSIM Table 282-0125 - Labour force survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System (NAICS), annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2820125>

³⁰⁸ Canadian Union of Public Employees. (2015, September 16). **New hospital cuts in North Bay, including 140 full-time staff, are the deepest in Ontario and the Liberal government must step in with funding**. *Canadian Union of Public Employees*. Retrieved from <http://cupe.ca/new-hospital-cuts-north-bay-including-140-full-time-staff-are-deepest-ontario-and-liberal-government>

³⁰⁹ Boyle, T. (2015, October 22). **Nursing cuts hurting hospital care in Ontario, union says**. *Toronto Star*. Retrieved from <http://www.thestar.com/news/queenspark/2015/10/22/nursing-cuts-hurting-hospital-care-in-ontario-union-says.html>

³¹⁰ Coffin, R. (2015, January 9). **75 positions cut with ongoing changes at North Bay Regional Health Centre**. *Rogers Media*. Retrieved from <http://www.kissnorthbay.com/2015/01/09/75-positions-cut-with-ongoing-changes-at-north-bay-regional-health-centre/>

³¹¹ Ougler, J. (2015, January 28). **SAH unions pinpoint who stays and who goes**. *Sault Star*. Retrieved from <http://www.saultstar.com/2015/01/28/sah-unions-pinpoint-who-stays-and-who-goes>

³¹² Migneault, J. (2015, November 21). **Four layoffs at Sudbury and District Health Unit**. *Sudbury Northern Life*. Retrieved from <http://www.northernlife.ca/news/localNews/2015/11/21-health-unit-cuts.aspx>

³¹³ Ontario Ministry of Northern Development and Mines. (2015, October 22). **Ontario Investing \$3.4 Million in North Bay Film and Television Industry**. *Ontario Newsroom*. Retrieved from <http://news.ontario.ca/mndmf/en/2015/10/ontario-investing-34-million-in-north-bay-film-and-television-industry.html>

³¹⁴ Ontario Ministry of Northern Development and Mines. (2015, November 6). **Ontario Investing \$12.8 Million in Northern Film and Television Productions**. *Ontario Newsroom*. Retrieved from https://news.ontario.ca/mndmf/en/2015/11/ontario-investing-128-million-in-northern-film-and-television-productions.html?_ga=1.177857058.620574188.1444049847

³¹⁵ CBC News Staff. (2015, June 22). **Sudbury film industry needs northern workers – stat!** *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/sudbury/sudbury-film-industry-needs-northern-workers-stat-1.3123122>

³¹⁶ Broadcaster Magazine Staff. (2016, February 11). **CTV and Super Écran Partner on New Serialized Drama**. *Broadcaster Magazine*. Retrieved from <http://www.broadcastermagazine.com/news/ctv-and-super-ecran-partner-on-new-serialized-drama/1004021569/?&er=NA>

³¹⁷ David, G. (2016, February 11). **Hard Rock Medical Moves to North Bay for Season 3**. *TV, eh?* Retrieved from <http://www.tv-eh.com/2016/02/11/hard-rock-medical-moves-to-north-bay-for-season-3/>

³¹⁸ Statistics Canada. Table 282-0123 - Labour force survey estimates (LFS), by provinces, territories and economic regions based on 2011 Census boundaries, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820123>

³¹⁹ Walters, J. (2015, September 30). **North American Palladium lays off 44 employees at Lac Des Iles mine**. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/thunder-bay/north-american-palladium-lays-off-44-employees-at-lac-des-iles-mine-1.3251046>

³²⁰ CBC News Staff. (2015, November 3). **Rubicon Minerals lays off 330 as Phoenix Gold Project in Red Lake, Ontario halted**. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/thunder-bay/rubicon-minerals-phoenix-gold-project-1.3301827>

news as New Gold Inc. moved forward on its open-pit mine in Rainy River.³²¹ Elsewhere in the resources sector, the picture is much brighter. The local forestry industry picked up as the American housing market remained strong. Positive news came from lumber mills and local wood manufacturers such as Resolute Forest Products, Weyerhaeuser Company Limited, and Prendiville Industries Ltd.^{322, 323, 324, 325, 326, 327, 328} Forestry support activity is resurfacing as a key economic driver and source of employment in the region.³²⁹ Northern Ontario houses a growing expertise in biomass renewable fuels that has created long-term contracts with the Ontario Power Generation (OPG).^{330, 331, 332, 333, 334, 335, 336, 337, 338} Despite solid employment gains in the local manufacturing industry, one of the region's largest manufacturers was met with some headwinds. Bombardier Inc. faced supply chain difficulties³³⁹ and contract woes^{340, 341} at its Thunder Bay operation in 2015 leading to some uncertainty. Going forward, the region should benefit from a few developments in the construction industry. Work is underway to refurbish the canal and dam sluice gates on the International Dam at Fort Frances.³⁴² The Government of Ontario announced that it would invest nearly \$120M to widen stretches of Highway 11/17

³²¹ Northern Ontario Business Staff. (2015, June 15). [New Gold, Rainy River Gold Mine](http://www.northernontariobusiness.com/featured-profiles/2014/12/New-Gold,-Rainy-River-Gold-Mine.aspx). *Northern Ontario Business*. Retrieved from <http://www.northernontariobusiness.com/featured-profiles/2014/12/New-Gold,-Rainy-River-Gold-Mine.aspx>

³²² CKDR Staff. (2015, September 22). [Forestry Rebound In Kenora](http://www.ckdr.net/news/1263686411/forestry-rebound-kenora). *CKDR*. Retrieved from <http://www.ckdr.net/news/1263686411/forestry-rebound-kenora>

³²³ Ross, I. (2016, February 2). [First Nation forestry venture rolls out new equipment, supply contracts](http://www.northernontariobusiness.com/Industry-News/forestry/2016/02/First-Nation-forestry-venture-rolls-out-new-equipment,-supply-contracts.aspx). *Northern Ontario Business*. Retrieved from <http://www.northernontariobusiness.com/Industry-News/forestry/2016/02/First-Nation-forestry-venture-rolls-out-new-equipment,-supply-contracts.aspx>

³²⁴ Atikokan Progress Staff. (2014, December 30). [Canada's Newest Sawmill on Schedule for May](http://atikokanprogress.ca/2014/12/30/canadas-newest-sawmill-on-schedule-for-may/). *Atikokan Progress*. Retrieved from <http://atikokanprogress.ca/2014/12/30/canadas-newest-sawmill-on-schedule-for-may/>

³²⁵ Atikokan Progress Staff. (2015, February 18). [First Lumber for Resolute's Kilns at Sapawe](http://atikokanprogress.ca/2015/02/18/first-lumber-for-resolutes-kilns-at-sapawe/). *Atikokan Progress*. Retrieved from <http://atikokanprogress.ca/2015/02/18/first-lumber-for-resolutes-kilns-at-sapawe/>

³²⁶ Kenora Online Staff. (2015, March 5). [Weyerhaeuser's cautious recovery continues](http://www.kenoraonline.com/index.php?option=com_content&view=article&id=12058%3Aweyerhaeusers-cautious-recovery-continues&Itemid=99). *Kenora Online*. Retrieved from http://www.kenoraonline.com/index.php?option=com_content&view=article&id=12058%3Aweyerhaeusers-cautious-recovery-continues&Itemid=99

³²⁷ Prendiville Industries Staff. Retrieved from <https://prendivilleindustries-public.sharepoint.com/kenora-forest-products>

³²⁸ Wood Business Staff. (2015, June 29). [Feds invest \\$2M to support Domtar](http://www.woodbusiness.ca/industry-news/news/feds-invest-$2m-to-support-domtar). *Wood Business*. Retrieved from [http://www.woodbusiness.ca/industry-news/news/feds-invest-\\$2m-to-support-domtar-2631](http://www.woodbusiness.ca/industry-news/news/feds-invest-$2m-to-support-domtar-2631)

³²⁹ Silverwood, A. (2014, February 11). [Localized biomass power sets Atikokan buzzing](http://www.canadianbiomassmagazine.ca/news/localized-biomass-power-sets-atikokan-buzzing-4456). *Canadian Biomass*. Retrieved from <http://www.canadianbiomassmagazine.ca/news/localized-biomass-power-sets-atikokan-buzzing-4456>

³³⁰ Thayer, B. (2003). [Building an Economic Niche in Health and Wellness](http://magazine.lakeheadu.ca/pre2004/2003/summer/buildingniche.htm). *Lakehead University Magazine*. Retrieved from <http://magazine.lakeheadu.ca/pre2004/2003/summer/buildingniche.htm>

³³¹ Gallo, F. [What's Happening Up North? An Overview of Northern Ontario Biomass Projects](http://www.biomassinnovation.ca/pdf/BioeconomyWeek/Francis_pres.pdf). *Biomass Innovation*. Retrieved from http://www.biomassinnovation.ca/pdf/BioeconomyWeek/Francis_pres.pdf

³³² Thimmanagari, M. (2015, November 6). [Biomass Fuel Pellets Suppliers](http://www.omafr.gov.on.ca/english/crops/resource/biomass-fuel.htm). *Ontario Ministry of Agriculture, Food, and Rural Affairs*. Retrieved from <http://www.omafr.gov.on.ca/english/crops/resource/biomass-fuel.htm>

³³³ Silverwood, A. (2014, February 11). [Localized biomass power sets Atikokan buzzing](http://www.canadianbiomassmagazine.ca/news/localized-biomass-power-sets-atikokan-buzzing-4456). *Canadian Biomass*. Retrieved from <http://www.canadianbiomassmagazine.ca/news/localized-biomass-power-sets-atikokan-buzzing-4456>

³³⁴ CKDR staff. (2013, May 3). [Rentech Purchases Atikokan Renewable Fuels](http://ckdr.net/news/2136078640/rentech-purchases-atikokan-renewable-fuels). *CKDR*. Retrieved from <http://ckdr.net/news/2136078640/rentech-purchases-atikokan-renewable-fuels>

³³⁵ Lundmark, J. (2012, November 23). [Fuel supplied: Resolute, Atikokan Renewable Fuels awarded biomass contracts](http://www.tbnewsWatch.com/News/249612/Fuel-supplied:-Resolute,-Atikokan-Renewable-Fuels-awarded-biomass-contracts). *TB News Watch*. Retrieved from <http://www.tbnewsWatch.com/News/249612/Fuel-supplied:-Resolute,-Atikokan-Renewable-Fuels-awarded-biomass-contracts>

³³⁶ CBC News Staff. (2013, November 15). [Thunder Bay generating station to burn biomass](http://www.cbc.ca/news/canada/thunder-bay/thunder-bay-generating-station-to-burn-biomass-1.2428035). *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/thunder-bay/thunder-bay-generating-station-to-burn-biomass-1.2428035>

³³⁷ Rentech Staff. (2016). [Wood Pellets](http://www.rentechinc.com/wood-pellets.php). *Rentech*. Retrieved from <http://www.rentechinc.com/wood-pellets.php>

³³⁸ Stewart, B. (2012, June 12). [Fuel from the forest](http://www.kenoradailyminerandnews.com/2012/06/12/fuel-from-the-forest). *Kenora Daily Miner and News*. Retrieved from <http://www.kenoradailyminerandnews.com/2012/06/12/fuel-from-the-forest>

³³⁹ Kuitenbrouwer, P. (2015, January 5). [Bombardier's Thunder Bay plant hit with supply chain woes](http://business.financialpost.com/news/transportation/bombardiers-thunder-bay-plant-hit-with-supply-chain-woes). *Financial Post*. Retrieved from <http://business.financialpost.com/news/transportation/bombardiers-thunder-bay-plant-hit-with-supply-chain-woes>

³⁴⁰ TB News Watch Staff. (2015, October 20). [Bombardier extends hours after TTC legal threat](http://www.tbnewsWatch.com/News/376475/Bombardier-extends-hours-after-TTC-legal-threat). *TB News Watch*. Retrieved from <http://www.tbnewsWatch.com/News/376475/Bombardier-extends-hours-after-TTC-legal-threat>

³⁴¹ CBC News Staff. (2015, June 25). [TTC streetcar production woes may affect Bombardier's future contracts: analyst](http://www.cbc.ca/news/canada/thunder-bay/ttc-streetcar-production-woes-may-affect-bombardier-s-future-contracts-analyst-1.3127363). *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/thunder-bay/ttc-streetcar-production-woes-may-affect-bombardier-s-future-contracts-analyst-1.3127363>

³⁴² Jutila, S. and De Wolfe, M. (2015, May 25). [Fort Frances Canal and Dam Gate Refurbishment Project](http://ijc.org/files/tiny_mce/uploaded/RLWWB/2015May29%20Water%20Levels%20Committee%20Press%20Release%20.pdf). *International Joint Commission*. Retrieved from http://ijc.org/files/tiny_mce/uploaded/RLWWB/2015May29%20Water%20Levels%20Committee%20Press%20Release%20.pdf

from Thunder Bay to Nipigon.³⁴³ And Bondfield Construction Company Limited has been awarded a \$52M contract to start construction on the East Wing of St. Joseph's Hospital in Thunder Bay.³⁴⁴

Table 4: Annual Labour Force Statistics in Ontario, Employment by Economic Region

Employment ('000) Seasonally Unadjusted Data	Year			2014 to 2015		2013 to 2014	
	2015	2014	2013	Number	%	Number	%
Ontario	6,923.2	6,877.9	6,823.4	45.3	0.7	54.5	0.8
Economic Regions							
Ottawa	688.2	697.8	684.5	-9.6	-1.4	13.3	1.9
Kingston - Pembroke	201.0	210.1	213.9	-9.1	-4.3	-3.8	-1.8
Muskoka - Kawarthas	167.8	186.3	168.5	-18.5	-9.9	17.8	10.6
Toronto	3,320.4	3,241.1	3,240.2	79.3	2.4	0.9	0.0
Kitchener - Waterloo - Barrie	710.6	704.5	693.5	6.1	0.9	11.0	1.6
Hamilton - Niagara Peninsula	719.1	706.4	697.5	12.7	1.8	8.9	1.3
London	330.4	324.8	323.7	5.6	1.7	1.1	0.3
Windsor - Sarnia	295.1	299.1	295.1	-4.0	-1.3	4.0	1.4
Stratford - Bruce Peninsula	145.0	151.1	150.6	-6.1	-4.0	0.5	0.3
Northeast	248.1	256.8	253.7	-8.7	-3.4	3.1	1.2
Northwest	97.4	99.8	102.2	-2.4	-2.4	-2.4	-2.3

Note: Totals may not add due to rounding.

Source: Statistics Canada's Labour Force Survey - CANSIM Table 282-0123

Ontario's Interprovincial Migration

Ontario's interprovincial loss narrowed considerably in 2015. Over the year, Ontario lost approximately 3,000 net residents to other provinces, compared with 14,700 net residents lost in 2014. Ontario has recorded negative net interprovincial migration numbers since 2003, as the difficulties of Ontario's manufacturing industry limited opportunities in the province. However, due to the sustained weakness in oil prices, the number of job vacancies in Alberta and Saskatchewan thinned in 2015 and migration patterns changed as a result.³⁴⁵ As the year went on, more people chose to migrate out of Alberta as it became increasingly clear that the price of oil is unlikely to climb back to high levels seen in previous years. This trend is expected to continue into 2016 as a recovery in energy exports is expected to be slow while Ontario is projected to be one of the country's economic engines.

³⁴³ Paradis, S. (2015, June 10). [Contracts worth \\$120M for highway four-laning awarded](http://www.tbnewswatch.com/News/372158/Contracts_worth_$120M_for_highway_four-laning_awarded). *TB News Watch*. Retrieved from [http://www.tbnewswatch.com/News/372158/Contracts_worth_\\$120M_for_highway_four-laning_awarded](http://www.tbnewswatch.com/News/372158/Contracts_worth_$120M_for_highway_four-laning_awarded)

³⁴⁴ Smith, J. (2015, April 28). [St. Joseph's Care Group gets approval for new hospital east wing](http://www.tbnewswatch.com/News/370544/St._Joseph%E2%80%99s_Care_Group_gets_approval_for_new_hospital_east_wing_%28UPD_ATE%29). *TB News Watch*. Retrieved from http://www.tbnewswatch.com/News/370544/St._Joseph%E2%80%99s_Care_Group_gets_approval_for_new_hospital_east_wing_%28UPD_ATE%29

³⁴⁵ Younglai, R. (2016, January 20). [Oil price plunge flipping migration patterns with people leaving Alberta](http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/oil-price-plunge-flipping-migration-patterns-with-people-leaving-alberta/article28297733/). *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/oil-price-plunge-flipping-migration-patterns-with-people-leaving-alberta/article28297733/>

Labour Market Outcomes for Client Segments

Employment increased for Indigenous Peoples in Ontario

According to the 2011 National Household Survey, Ontario was home to 301,430 Indigenous³⁴⁶ peoples, accounting for the largest proportion of the self-identified group in Canada.³⁴⁷ The Indigenous community was a small (2.4%) but growing share of Ontario's total population. Within Ontario, the Toronto area had the greatest number of Indigenous peoples with nearly 37,000 individuals, followed by the Ottawa and Greater Sudbury areas at 19,205 and 13,405, respectively. About 84.0% of Indigenous peoples lived off-reserve, with the remainder living on-reserve.³⁴⁸

The Indigenous population has a younger age profile compared with the non-Indigenous population in Ontario. In 2011, the median age of the Indigenous population was 31 years old, substantially lower than the median age of 40 years old for the total population of Ontario. This is partially because of higher birth rates among the Indigenous population.

According to Statistics Canada's Labour Force Survey (which excludes Indigenous peoples living on-reserve), the Indigenous population tends to have a higher unemployment rate than the working-age population in Ontario.³⁴⁹ The unemployment rate for Indigenous peoples in Ontario was 11.9% in 2015, well above the rate of 6.8% for the total working-age population. The unemployment rate for the Indigenous population grew by 1.2 percentage points over 2014. Further, the participation rate for this client group fell in 2015.

Ontario may see more newcomers as the economy picks up

Immigrants remain an important source of population and labour force growth in the province. Ontario continues to attract the largest proportion of immigrants arriving to Canada.³⁵⁰ In 2014/2015, nearly 40.0% of all new immigrants chose Ontario as their new home,³⁵¹ with the majority settling within the Toronto economic region.³⁵² However, over the past few years, the number of immigrants arriving to Ontario has been declining in favour of western Canada where economic prospects were better.³⁵³ But the recent decline in oil prices has allowed manufacturing-centric Ontario to overtake the oil-driven western provinces in terms of GDP growth in

³⁴⁶ Refers to whether the person reported being an Aboriginal person, that is, First Nations (North American Indian), Métis or Inuk (Inuit) and/or being a Registered or Treaty Indian, (that is, registered under the Indian Act of Canada) and/or being a member of a First Nation or Indian band. Aboriginal peoples of Canada are defined in the Constitution Act, 1982, section 35 (2) as including the Indian, Inuit and Métis peoples of Canada.

³⁴⁷ Statistics Canada. (2011). Aboriginal Population Profile. 2011 National Household Survey. *Statistics Canada*. Retrieved from: <https://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/aprof/index.cfm?Lang=E>

³⁴⁸ Statistics Canada. (2011). Aboriginal Population Profile. 2011 National Household Survey. *Statistics Canada*. Retrieved from: <https://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/aprof/index.cfm?Lang=E>

³⁴⁹ Statistics Canada. CANSIM Table 282-0226 - Labour force survey estimates (LFS), by Aboriginal group, sex and age group, Canada, selected provinces and regions, annual. *Statistics Canada*. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820226>

³⁵⁰ Statistics Canada. CANSIM Table 051-0037 - International migration components, Canada, provinces and territories, quarterly (persons). *Statistics Canada*. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0510037&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁵¹ Statistics Canada. CANSIM Table 051-0004 - Components of population growth, Canada, provinces and territories, annual (persons). *Statistics Canada*. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0510004&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁵² Statistics Canada. CANSIM Table 282-0102 - Labour force survey estimates (LFS), by immigrant status, age group, Canada, regions, provinces and Montreal, Toronto, Vancouver census metropolitan areas, annual. *Statistics Canada*. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820102&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁵³ Statistics Canada. CANSIM Table 051-0004 - Components of population growth, Canada, provinces and territories, annual. *Statistics Canada*. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0510004&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

2015. This will likely attract a higher share of immigrants to Ontario in the coming year as the Ontario economy continues to outperform its western counterparts.

Traditionally, new immigrants to Ontario that arrived within the past five years had higher unemployment rates compared with the overall working-age population in Ontario. In 2015, the unemployment rate for new immigrants was 11.6% compared with 6.7% for Ontarians born in Canada.³⁵⁴ However, between 2014 and 2015 this rate decreased substantially by 3.2 percentage points. Immigrants that have been established in the province for more than 10 years had an unemployment rate 1.0 percentage point lower than Canadian-born Ontarians,³⁵⁵ suggesting improved labour market outcomes for immigrants over time.

Youth (aged 15-29) labour market participation weakens but out-migration expected to slow

Labour market conditions did not change much for youth in 2015. The number of youth in the Ontario labour force declined to 1.89 million, and as a result, the participation rate for youth decreased to 69.2% in 2015 from 69.6% in 2014. However, youth employment increased, particularly in full-time work, while their unemployment rate fell to 11.7% in 2015 from 12.6% in 2014.³⁵⁶

Historically, the younger age cohorts tend to have higher unemployment rates than the 25-29 age group, which trends closer to the overall unemployment rate in Ontario.³⁵⁷ The unemployment rate for youth aged 15 to 19 averaged 20.4% in 2015, a 0.7 percentage point decrease compared with 2014. In comparison, in 2015 the average unemployment rate for the other two youth cohorts, aged 20 to 24 and 25 to 29, were 11.6% and 7.6% respectively. Labour market participation also increases with age for youth.³⁵⁸ These improved labour market outcomes likely reflect gains in education and experience.

Ontario has had the highest net youth interprovincial migration deficit in the country over the last four years. Over 5,000 more youth left the province than arrived in 2014/2015.³⁵⁹ This suggests a weaker labour market relative to other provinces and continues a trend of negative net migration since 2003/2004 for youth. Lower oil prices are likely to impact the labour market prospects in western Canada and enable Ontario to retain young workers. Labour market indicators for younger workers may have been affected by weakness in industries where they are concentrated, such as retail and information, culture, and recreation.³⁶⁰ Going

³⁵⁴ Statistics Canada. CANSIM Table 282-0102 - Labour force survey estimates (LFS), by immigrant status, age group, Canada, regions, provinces and Montreal, Toronto, Vancouver census metropolitan areas, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820102&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁵⁵ Statistics Canada. CANSIM Table 051-0004 - Components of population growth, Canada, provinces and territories, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0510004&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁵⁶ Statistics Canada. CANSIM Table 282-0002 - Labour Force Survey estimates (LFS) by sex and detailed age group annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820002&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁵⁷ Statistics Canada. CANSIM Table 282-0002 - Labour Force Survey estimates (LFS) by sex and detailed age group annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820002&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁵⁸ Statistics Canada. CANSIM Table 282-0002 - Labour Force Survey estimates (LFS) by sex and detailed age group annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820002&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁵⁹ Statistics Canada. CANSIM Table 051-0012 - Interprovincial migrants, by age group and sex, Canada, provinces and territories, annual (persons). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0510012&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

³⁶⁰ Statistics Canada. CANSIM Table 282-0008 - Labour Force Survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820008&pattern=&stByVal=1&p1=1&p2=50&tabMode=dataTable&csid=>

forward, since youth are overrepresented in accommodation and food services, they may benefit from an increase in tourism resulting from a lower CAD.³⁶¹

Older Workers (aged 55 to 64) increased their presence in the labour market in 2015

In Ontario, older workers aged 55 to 64 have been a growing segment of the labour force as their population increases. In 2015, this age group represented 15.9% of workers and job seekers, up from 15.5% a year earlier.³⁶² The effect of the baby boom surge on the 55 to 64 year-old population is expected to peak over the next five to six years, when their labour force share will likely reach its maximum.³⁶³ While workforce participation continues to be higher among males, there has been a noticeable increase in the participation rate of females, from 55.4% in 2006 to 60.0% in 2015.³⁶⁴ Over the past decade, the employment rate for older workers has also risen.

These trends in workforce participation coincide with an increase in the median age of retirement in Ontario for both males and females. Both the average and median retirement age in the province are at 30-year highs. This upward change was more evident following the 2008/2009 recession. The median age of retirement in the province increased significantly from 61.3 years in 2009 to 64.8 years in 2015. Older workers are delaying their departure from the workforce due to a number of potential reasons, including: better health outcomes and longer life spans; the less physically demanding nature of today's workplace; the need to address their economic situation, including debt; and the need for employers to retain skilled and experienced workers.

Compared to younger age groups, older workers make up a larger proportion of those unemployed for a long period of time.³⁶⁵ This is possibly due to, among other factors, relatively lower levels of educational attainment and age discrimination. These factors may end up reducing re-employment opportunities for unemployed older workers. It is also possible that older workers are more selective in their job search than the younger age groups. Older workers may have more savings, as well as more hours accumulated for Employment Insurance (EI) benefits, allowing them to stay unemployed for a longer period.

Seniors (aged 65 and over) continued to stay in the labour force in Ontario

In Ontario, it is projected that the current population of 2.2M seniors will reach 4.1M by 2038.³⁶⁶ The proportion of seniors will therefore increase from its current 16.0% to 24.7% of the total population between

³⁶¹ Statistics Canada. CANSIM Table 282-0008 - Labour Force Survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820008&pattern=&stByVal=1&p1=1&p2=50&tabMode=dataTable&csid=>

³⁶² Statistics Canada. CANSIM Table 282-0002 - Labour force survey estimates (LFS), by sex and detailed age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820002>

³⁶³ Statistics Canada. CANSIM Table 282-0002 - Labour force survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820002>. Custom tabulations based on historical analysis of baby boom cohort.

³⁶⁴ Statistics Canada. CANSIM Table 282-0002 - Labour force survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820002>. Men: 67.7% in 2006 to 70.7% in 2014.

³⁶⁵ Statistics Canada. CANSIM Table 282-0048 - Labour force survey estimates (LFS), duration of unemployment by sex and age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820048>

³⁶⁶ Statistics Canada. CANSIM Table 052-0005 - Projected population, by projection scenario, age and sex, as of July 1, Canada, provinces and territories, annual, medium-growth scenario. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=520005>

2015 and 2038. Current estimates of population already show that there are more seniors than children in the Canadian population.³⁶⁷

Along with this population increase, a growing number of seniors are participating in the Ontario workforce and are employed. The participation rate of seniors increased to 14.6% in 2015 compared to 14.4% a year earlier.³⁶⁸ These rates have risen steadily over the last 15 years and have more than doubled since 2001. While the employment rate for workers in this age group remained at 14.0% since last year, more seniors worked full-time. The rate of full-time employment rose to 59.4% in 2015.³⁶⁹

A greater share of seniors work in agriculture compared to the general population. Their higher concentration in agriculture may be due to mechanization lowering the physical demands of farming, the high rate of owner-operators amongst farmers, as well as the existence of structural barriers to the flow of young people into the industry. Seniors were less likely to work in utilities or in accommodation and food services.

Lower participation rate among the Francophone population in Ontario

Outside of Quebec, Ontario is home to the largest number of Francophones³⁷⁰ in Canada, with large Francophone communities in Ottawa, Toronto, and Northern Ontario.³⁷¹ The Francophone community represented 4.3% of the total population in Ontario in 2011.³⁷²

In 2011, Francophones in Ontario had a lower participation rate (63.5%) than non-Francophones (65.6%). This was partially due to the older age profile of Francophones; 17.1% of Francophones were 65 years and over, compared with 13.9% of non-Francophones. The participation rate for those under the age of 45 was higher for than non-Francophones. Francophones in Ontario also had a lower unemployment rate at 6.8% versus 8.3% for non-Francophones, which can partly be attributed to the larger proportion of Francophones with postsecondary education.³⁷³

CONCLUSION

In 2016, Ontario's large population and well-diversified economy are expected to help the province lead the country's economic growth. The economy is forecast to strengthen as the U.S. economy continues to improve. The manufacturing industry is expected to benefit from the improvements south of the border, a weaker CAD, and depressed oil prices. Investments in infrastructure are also expected to have a positive influence on

³⁶⁷ Statistics Canada. CANSIM Table 052-0005 - Projected population, by projection scenario, age and sex, as of July 1, Canada, provinces and territories, annual, medium-growth scenario. *Statistics Canada*. Retrieved from

<http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=520005>

³⁶⁸ Statistics Canada. CANSIM Table 282-0002 - Labour Force Survey estimates (LFS) by sex and detailed age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820002>

³⁶⁹ Statistics Canada. CANSIM Table 282-0002 - Labour Force Survey estimates (LFS) by sex and detailed age group, annual. *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820002>

³⁷⁰ All individuals with French as a first official language spoken and half of those with both English and French

³⁷¹ Statistics Canada. 2011 Census of Population. Catalogue no. 98-314-XCB2011058. *Statistics Canada*. Retrieved from

<https://www12.statcan.gc.ca/census-recensement/2011/dp-pd/tbt-tt/Rp-eng.cfm?LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GID=0&GK=0&GRP=1&PID=107988&PRID=0&PTYPE=101955&S=0&SHOWALL=0&SUB=0&Temporal=2011&THEME=90&VID=0&VNAMEE=&VNAMEF=>

³⁷² Statistics Canada. 2011 Census of Population. Catalogue no. 98-314-XCB2011058. *Statistics Canada*. Retrieved from

<https://www12.statcan.gc.ca/census-recensement/2011/dp-pd/tbt-tt/Rp-eng.cfm?LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GID=0&GK=0&GRP=1&PID=107988&PRID=0&PTYPE=101955&S=0&SHOWALL=0&SUB=0&Temporal=2011&THEME=90&VID=0&VNAMEE=&VNAMEF=>

³⁷³ Statistics Canada. 2011 Census of Population - Catalogue no. 98-314-XCB2011037. *Statistics Canada*. Retrieved from

<http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/tbt-tt/Rp-eng.cfm?TABID=2&LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GK=0&GRP=1&PID=103025&PRID=0&PTYPE=101955&S=0&SHOWALL=0&SUB=0&Temporal=2011&THEME=90&VID=0&VNAMEE=&VNAMEF=>

Ontario's economy and labour market. However, the health of the real estate market and level of consumer confidence continue to be risks to the 2016 outlook, as well as, fears that the U.S. economy will not decouple from global economic weakness. That being said, the outlook remains cautiously optimistic as improving economic growth should create more opportunities in Ontario's labour market going forward.

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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