



Environmental Scan

Ontario

Spring 2017



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 2017.

KEY POINTS

General Overview/Economic Context

- While global economic growth remained lacklustre and growth estimates were cut throughout 2016, many regions ended the year with promise despite more uncertainty increasing potential for volatility.
- Uncertainty in the United States (U.S.) and United Kingdom (U.K.) economies lead the increased risks following changing trade policies and 'Brexit'. Worries persist in Asia focused on China's economic transition, and a sluggish Eurozone dealing with increasing economic and political risks.
- The U.S.—Ontario's largest external trading partner—is expected to see GDP growth of 1.6% in 2016, weaker relative to 2015. The new administration's business friendly tone and Federal Reserve's expected rate hikes, signaling confidence, supports the projected 2.3% growth in 2017. However, the protectionist and anti-immigration stance mean the expectation remains uncertain, at best, and one among a wide range of possible scenarios.
- The Canadian economy only grew by an estimated 1.3% in 2016, having started the year with dealing with low oil and commodity prices and Alberta wildfires impacting oil production. Growth for 2017 is expected to be 2.0%, as the oil market stabilizes, exports are expected to firm, and business investment should get a boost.
- The key risk for Canada is how its trade relationship changes with the U.S. and the potential change in trade globally given the increase in more protectionist rhetoric, while Canada pursues pro-trade policies. A weak Canadian dollar (CAD) implies expected boosts for manufacturing and exports in 2017; however, it also suggests trade could be impacted by increasing import prices and falling imports.

- Ontario's economy saw strength relative to other provinces with growth estimated at 2.6% in 2016. Growth is expected to taper slightly as increased business investment and exports take over from overwhelmed consumers as economic drivers, yet remains strong with 2.3% in 2017 and 2.1% in 2018.

Provincial and Local Labour Market Conditions

- Employment rose by 76,400 (+1.1%) in Ontario in 2016, marking the province's seventh consecutive yearly increase since 2009
- The provincial unemployment rate fell by 0.3 percentage points to 6.5%, decreasing for the fourth consecutive year, and, for the first time, reaching below the unemployment rate of 6.6% in 2008, the onset of the recent recession
- For 2017, employment is projected to increase by about 1.2% in Ontario, while the provincial unemployment rate is expected to remain at approximately 6.5%
- Employment grew in both the services-producing sector (+59,700) and the goods-producing sector (+16,700), with particularly strong growth in the construction industry, as well as in health care and social assistance
- Employment increased in nine out of 11 economic regions, with Kitchener-Waterloo-Barrie (-0.6%) and Northeast Ontario (-0.1%) the only two regions to show a decrease

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

Overall, global economic growth remained lacklustre through most of 2016. While the International Monetary Fund (I.M.F.) cut global growth expectations in the first half of 2016 from 3.4% to 3.1%, the second half of 2016 saw some improvements in global economic activity and solidifying of some financial and commodities markets. The current estimate for the 2016 global GDP growth remains steady at 3.1%. Slowdowns early in the year in emerging markets such as China and Russia have quelled and these regions have since seen improvements brought on by economic stimulus and stabilizing commodities markets. Also, growth in the Eurozone continues at a slow and steady pace, and Japan continues to lag. While the U.S. continues to see signs of a strengthening economy which has culminated in another interest rate increase, 2016 did not turn out as initially expected and some doubts remain given increased number of policy risks and volatile manufacturing numbers. That being said, strength in the U.S. is still expected going forward and which should benefit Canadian exports, particularly in Ontario's manufacturing industry. However recent developments with the Softwood Lumber trade dispute and the implementation of duties, the recent push from the U.S. for Canada to reform its dairy industry, and the impetus over the renegotiation of NAFTA has the potential to significantly shift the Canada-U.S. trade relationship.

The costs of change: Asian region dependent on a China in transition

Asian economies have remained divergent and unbalanced through 2016. The regional focus remains on China's structural shift from an export-driven to a consumer-driven economy and the slow-down that accompanies this shift. While Japan remained fairly stagnant, the rest of the Asia-Pacific region remains relatively positive despite downside growth revisions through the year for the ASEAN economies and South Korea. The Indian economy growth estimate was reduced sharply primarily due to the temporary negative consumption shock caused by cash shortages from recent monetary policies.

In the face of slowing growth, Chinese stimulus policies have been implemented to soften any slowdown and smooth the economic transition. This has driven the current 2016 growth estimate up to 6.7% from 6.3% at the beginning of 2016, and the 2017 growth forecast to 6.5% in January 2017 from 6.0% in January 2016 as continued policy support is expected. However, overreliance on stimulus, quick credit growth and unchecked corporate debt, as well as the prospect of trade barriers erected by the U.S., raises the risk of a sharper slowdown or adjustment. China's industrial production and the Caixin Manufacturing PMI recovered in the second half of 2016 following over a year in contraction and the trend is a positive one. This is a good indicator of demand for energy and metal commodities as it coincides with increased demand for Ontario's commodities.

With the goal of strengthening ties to Asian markets, both the Canadian and Ontario government's recent trade deals provide opportunities to various industries going forward. Despite the Trans-Pacific Partnership (TPP) not going through now that the U.S. government has opted out of the agreement, the South Korean trade deal and various trade missions of the Ontario government to India and China will provide businesses with multiple entry points into Asian markets. Additionally, the Yuan currency-trading hub in Toronto continues to provide a convenience which could entice Chinese business in Ontario and vice versa. Despite this, the risks posed by a Chinese slowdown include lower demand for commodities and raw materials as well as certain manufactured intermediate goods impacting industries that are important to various regions within Ontario.

To EU or Not to EU: Brexit? Grexit? Frexit? Italeave?

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 to top the EU's many concerns in 2016. These risks reached a climax in 2016 with the U.K. referendum resulting in a decision to exit the Union, known as the "Brexit". In late 2016, Italy held a constitutional reform referendum which resulted in defeat for the ruling party and the resignation of Prime Minister Matteo Renzi, leaving the Italian government in a state of disarray in the face of an emerging banking crisis. In Spain, after nearly a year without a ruling party, a minority government was formed through a fragile coalition.

These risks have the potential to grow into 2017, with numerous Eurosceptic political parties rising in popularity in many other countries. In France, Marine Le Pen's Front National party continues to gain momentum, in an election year, based on its anti-EU and tough on immigration policies. Even in Germany, there is dissatisfaction with Angela Merkel's handling of the refugee crisis, as she faces an election year. In fact, a key geopolitical risk for Europe remains the refugee crisis as 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 and the uncertainty surrounding the Russian-Ukrainian situation has made the economic and political situation more fragile.

While 2016 saw a continuation of a looser monetary policy meant to drive the economy and stop disinflation, this investment has only yielded modest returns while the risks continue to mount. Eurozone growth is estimated to have been an adequate 1.6% in 2016 and is projected to be 1.4% in 2017. Inflation remained a fairly stagnant 0.2% in 2016. While deflation pressures have not yet diminished, there is promise for the Eurozone going forward given the favorable results in the fourth quarter of 2016 as domestic demand and private consumption have been trending higher. The issue for Europe is that the risks remain elevated and have the potential to increase through 2017.

The U.K. economy performed better than expected in 2016, given the negativity surrounding the Brexit, with estimated growth at 2.0%. It is the future outlook that looks sluggish for the U.K., as the expected impacts of Brexit materialize, with an expected growth of 1.4% in both 2017 and 2018. A strong U.K. economy benefits Ontario's economy as the U.K. is the second largest export destination for Ontario-produced goods at about 6% of exports. Furthermore, almost 10% of Ontario's Finance & Insurance sector GDP is linked to the U.K. Ontario exports to the U.K. also includes precious metals and minerals, as well as aerospace parts and products. Thus, Ontario faces some exposure to any U.K. economic slowdown, which is expected as a result of Brexit.

While any repercussion of Brexit will not be seen until the UK invokes article 50 of the Lisbon Treaty and officially begins negotiating its exit of the EU (which they have 2 years from the vote to do so), there are both national and provincial exposures to the UK from Canada's perspective should Brexit prove to be harmful to the UK. The initial impact of the Brexit vote result was mainly reactionary one in global stock markets going through brief, though significant declines from which markets have since recovered. Other than these reactionary impacts, so far, the expected negative economic impacts have not come through. The National Institute of Economic and Social Research (NIESR) believe that the chances of a technical recession in the UK are 50-50 by the end of 2017.

The trade agreement between Canada and the E.U. has been finalized as opposition within E.U. member nations has been settled. 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.

U.S.: The Only Certainty is Uncertainty

In the U.S., Ontario's largest external trading partner, 2016 was a lacklustre and inconsistent year with a poor first quarter, a spike in the third quarter and then an underwhelming close to the year. The U.S. is estimated to have grown by only 1.6% in 2016, down from initial expectations of 2.2%. Going forward, growth prospects look positive with a projected 2.3% growth in 2017. The U.S. economy created over 2.2M jobs in 2016 (or an average of 187,000 monthly), and while this is lower than the 2.7M (or 228,000 monthly) created in 2015, the labour market is still considered to be at relatively strong levels as wage growth has firmed. 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 by 0.25% in December 2016, following the 0.25% increase in December 2015. Concerns remain about the sustainability of the slight pick up towards the end of 2016, given the weakness in industrial production and both national and regional manufacturing indices throughout most the year.

Manufacturing in the U.S. picked up in the final quarter of 2016 after spending most of the year with some weak and stagnant indicators. The driver, yet again, was the automotive subsector which continued to impress as growth in lending has led to another year of record sales in 2016. Low energy costs and low lending rates are a key driver, as the industry continues its move towards more automated manufacturing processes and less labour intensity.

The overall expectation for 2017 remains uncertain but positive. The expected infrastructure stimulus, personal and corporate tax cuts and business friendly positions could further buoy domestic demand and provide a sorely needed boost to business investment. Coupled with the upward trend in average wage growth and lower gasoline prices, consumers spending could be maintained at solid levels well into 2017. That being said, it is also some of the U.S. administrations' policies that cause this expectation to remain uncertain at best and one among a wide range of possible scenarios. The high U.S. Dollar (USD) could impact trade, as well as policies which increase restrictions on global trade and migration that could hurt productivity and incomes, and take a toll on market sentiment.

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 continued U.S. strength in the sector and lower Canadian dollar (CAD) driving exports. For the time being, there remains a cautious optimism for the Ontario economy as it relates to the U.S. economy, yet optimism nonetheless. That being said, with the recent developments in the Softwood Lumber trade dispute and the implementation of duties, the continued push from the U.S. for Canada to reform its dairy industry, and the impetus over the renegotiation of NAFTA, the potential for a significant shift the Canada-U.S. trade relationship becomes more likely which could cool this optimism.

O, Canada! Trying to adapt to the changes around us

In Canada, the economy is expected to have grown by an estimated 1.3% in 2016. After some weakness in early 2016 due to slumping oil prices and the wildfires in Alberta impacting oil production, growth rebounded in the second half of the year, resulting mainly from the stabilization in oil prices and export strength driven by a favourable Canadian dollar (CAD). Consumer spending has grown in 2016 but become increasingly weighed down by high debt loads and slow wage growth. Business investment, particularly in non-energy related sectors, has been lacking in Canada but has shown potential for an upswing at year end. Looking forward, the expectation for growth in 2017 currently stands at only 2.0%, yet is much improved. Stronger U.S. demand, firmer exports and a seemingly stable oil market are expected to spur business investment and drive growth.

The multi-year lows in oil and gas prices reached in early 2016 have benefited consumers and businesses, outside of the oil sector, through lower energy and transportation costs. However, it has been 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. As business investment is expected to increase in 2017, provinces such as Alberta and Newfoundland & Labrador are expected to recover from their recessions. The approval of two Canadian pipelines and the U.S. government's approval of the Keystone pipeline will further drive these provinces and the oil & gas sector.

The Bank of Canada remains on hold when it comes to interest rates despite two Federal Reserve increases. Weaker growth, higher levels of unemployment and lower inflation levels rule out any increases but positive growth expectation make further cuts unlikely. That being said, in the event of an unexpected downturn, 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. The clear divergence of monetary policy with the U.S. Federal Reserve is

likely to put further downward pressure on the CAD, which could give an additional boost to exports. As such, the economy is expected to be at full employment by mid-2018, at which point rate hikes are likely.

Canada Mortgage and Housing Corp. (CMHC) and the Bank of Canada continue to voice concerns over an overvalued housing market in Canada, particularly in big city centres such as Toronto, Vancouver and Montreal. 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. The Vancouver tax on foreign home buyers has impacted that market as a decline was seen. Similar measures applying to the Greater Toronto Area are aimed to cool housing price growth in 2017 however the magnitude of the impact remains to be seen. Also, going forward non-residential construction will continue to be sustained as further roll out of large infrastructure investments planned by the federal government continue.

While Canada's manufacturing industry was improved in 2016 compared to 2015 (alongside increasing exports), the improvement was not as large as expected. As consumers are expected to take on less of the burden of driving growth in the coming years, Canada will look to more export-led growth by pushing pro-trade policies (e.g. Canada-E.U. trade deal). Therefore, the main concern in coming years will be how the Canada-U.S. trade relationship is impacted by the U.S. administration's more protectionist shift and the potential for an increasingly protectionist tone echoed by other developed nations. The outcome of the Softwood Lumber trade dispute will be of particular importance.

The U.S. trade uncertainty becomes Ontario's uncertainty

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 estimate is that Ontario grew 2.6% in 2016 and is forecast to grow 2.3% in 2017 and 2.1% in 2018. The provincial economy has been supported by domestic demand as household spending and residential investments continued to grow. Exports, particularly manufacturing-related, have benefitted from the weak CAD and positive U.S. economy. Although the RBC Manufacturing PMI figures have been volatile for the whole of Canada, Ontario's numbers remain strong and in expansion territory. The auto sector gave an important boost to manufacturing in Ontario as Canada, like the U.S., hit increasing production numbers and record sales numbers in 2016. Auto sales have been driven by lower interest rates and longer terms which increase affordability for consumers, but could face pressure as consumers become tapped out over indebtedness.

Manufacturing and exports are expected to be key growth contributors in 2017, despite the planned GM closure in Oshawa that will impact Ontario manufacturing, largely due to the deal in 2016 Unifor reached with the big three automakers which included investment commitments going forward. In general, new business investment remained lower than expected in 2016, but they are expected to pick up in 2017 if conditions remain favourable to manufacturers, increasing plant and assembly activity in Ontario. The greater concern for Ontario continues to be a potential change Canada-U.S. trade relationship arising from a shift to a more protectionist tone and policy by the new U.S. administration. The outcome of the Softwood Lumber trade dispute will be of particular importance.

The real estate market continues to be strong in Ontario but continues to show signs of a market peak and is expected to gradually soften. Toronto and Hamilton areas, specifically, remained housing market hotspots through 2016, however growth may be stunted in 2017 given new measures to cool the market. 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

Employment in Ontario expanded in 2016 for the seventh consecutive year, as strong growth in retail sales and household disposable income underpinned continued strength in the Ontario provincial economy. The provincial labour market observed an increase of 76,400 (+1.1%) in 2016, its largest gains in three years, as full-time employment (+54,400; +1.0%) and part-time employment (+22,000; +1.7%) both contributed strongly to the growth, according to Statistics Canada's Labour Force Survey (LFS). Employee payroll figures from Statistics Canada's Survey of Employment, Payrolls and Hours (SEPH) also confirm the growth of the Ontario labour market in 2016.

In conjunction with the growth in employment, provincial unemployment rate has continued to fall, as it dropped to 6.5% in 2016, from 6.8% the previous year. This was the lowest unemployment rate in Ontario since 2007, as the province finally recovered to unemployment figures before the late-2000s recession. However, continuous decreases in Ontario's participation and employment rates were observed even as labour force and employment figures continued to grow in the province.

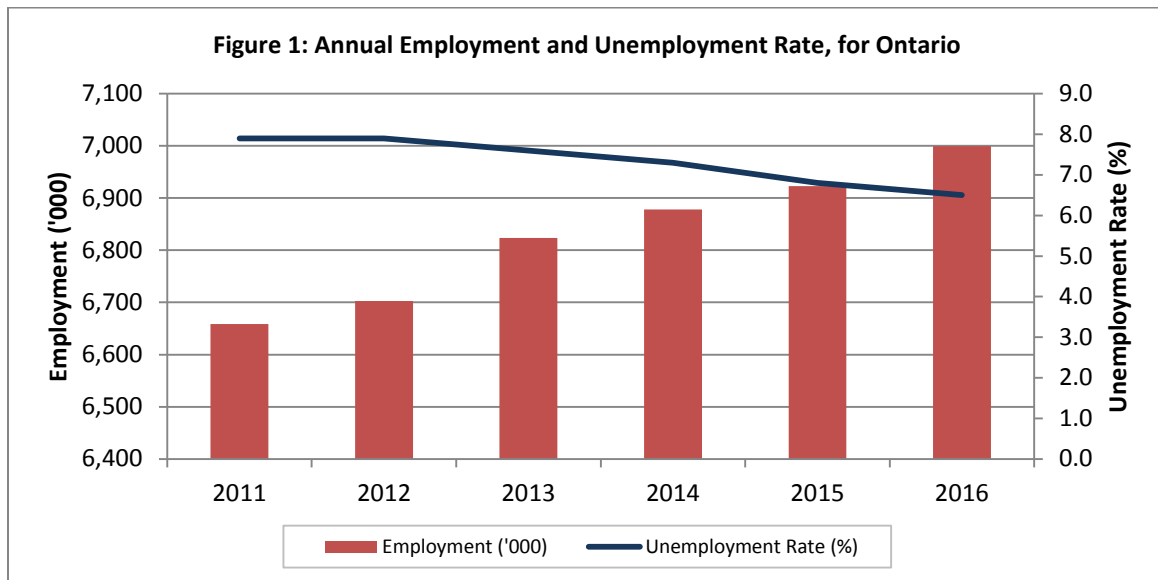
Looking forward to 2017, Ontario consumers are expected to continue to drive the provincial economy, although not as strongly as in previous years. Meanwhile, the low Canadian dollar will help sustain Ontario exports, with the province expected to lead Canada in economic growth. While residential construction has been a key driver of many local economies in Ontario, there will be greater emphasis on heavy engineering infrastructure projects to push forward the provincial construction industry. Forecasters expect employment in Ontario to increase by about 1.2% and the provincial unemployment rate to remain steady at about 6.5%.

Table 1: Annual Labour Force Statistics, for Ontario

Seasonally unadjusted data	Year			2015 to 2016		2014 to 2015	
	2016	2015	2014	Number	%	Number	%
Population 15 + ('000)	11,523.4	11,385.6	11,269.3	137.8	1.2	116.3	1.0
Labour Force ('000)	7,489.5	7,426.1	7,418.6	63.4	0.9	7.5	0.1
Employment ('000)	6,999.6	6,923.2	6,877.9	76.4	1.1	45.3	0.7
Full-Time ('000)	5,672.6	5,618.2	5,540.0	54.4	1.0	78.2	1.4
Part-Time ('000)	1,327.0	1,305.0	1,337.9	22.0	1.7	-32.9	-2.5
Unemployment ('000)	489.9	502.9	540.7	-13.0	-2.6	-37.8	-7.0
Unemployment Rate (%)	6.5	6.8	7.3	-0.3	-	-0.5	-
Participation Rate (%)	65.0	65.2	65.8	-0.2	-	-0.6	-
Employment Rate (%)	60.7	60.8	61.0	-0.1	-	-0.2	-

Note: Totals may not add due to rounding

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



Employment by Industry

The North American Industry Classification System (NAICS) is a hierarchical structure used to classify all of the industries in the Canadian economy. This system groups businesses and organizations by its principle line of work or the type of economic activity undertaken. All industries fall into the goods-producing sector or the services-producing sector based on similarities in the production process. Using this system, we can examine employment conditions across the various industries in the province.

Employment rose in both the goods-producing and services-producing sectors in Ontario between 2015 and 2016. The services-producing sector led the way with a gain of 59,700. Employment has increased each year in the services-producing sector since 2010. The largest gains were in health care and social assistance, professional, scientific and technical services, and accommodation and food services. Meanwhile, employment grew by 16,700 in the goods-producing sector in 2016. Employment in the goods-producing sector reached its highest level since 2008 after sizeable gains over the past two years. The construction industry saw the biggest increase within the sector followed by manufacturing.

Employment in Agriculture held steady

Industry employment inched up by 800 to 77,700 from 2015 to 2016, despite lower prices across several key commodities over the past year. This small employment gain reversed the trend of three consecutive years of declines, though employment remains at its lowest levels since the early 2000's.

The ability of farms to sustain its workforce depends on both the prices of farm products as well as farm inputs. Farm product prices have fallen in the past year for a large portion of Ontario farmers, with the largest price declines in the cattle farming sector, followed by wheat.¹ Lower prices in cattle ranching and farming are especially of concern for the employment outlook, since cattle farming is the largest agricultural employer in

¹ Statistics Canada. Table 002-0043 - Farm product prices, crops and livestock, monthly, CANSIM (database).

Ontario.² The farm inputs side, however, shows that farmers were able to benefit from lower priced inputs in the first three quarters of 2016 compared to the same time period in 2015.³ Both crop and animal production inputs became more affordable, especially for inputs such as fertilizer and livestock purchases.

Exports of Ontario agriculture products continued to increase in 2016. Looking ahead, as the lower Canadian dollar is expected to carry forward into 2017, agricultural exports should maintain its forward momentum. However, any future export growth will not likely translate into significant employment gains.

Forestry, Fishing, Mining, Quarrying, Oil and Gas Extraction industry stumbles

Between 2015 and 2016, employment in the forestry, fishing, mining, quarrying, oil and gas extraction industry fell 17.3% from 43,300 to 35,800 according to the Labour Force Survey. However, the Survey of Employment, Payroll and Hours showed minimal employment growth for 2015, which is a rate of growth that can be more supported by industry trends.

Mining exploration intentions continued to decline in 2016, but optimism stemmed from junior miners who have shown more willingness to invest in exploration compared to 2015.⁴ Over most of the year, metal prices remained depressed, leading to a number of layoffs for production and exploration workers.^{5,6} However, new projects and production expansions throughout 2016 have sustained employment in the industry.^{7,8,9} Moving forward, growth in metal prices (and industry employment as a result) will likely be constrained in 2017 by geo-political and economic uncertainties, as well as concerns about oversupply.¹⁰

Forestry employment in Ontario fell slightly from 7,500 to 6,600 in 2016. Although logging and forestry will continue to be supported by high levels of domestic and U.S. housing construction and renovation going forward, the softwood lumber trade dispute with the U.S. remains a concern and could mitigate lumber exports to the United States.

The size of Ontario's oil and gas extraction industry is small, and the effect of oil prices on provincial direct employment is minimal. Fishing and hunting's employment impact on this broader industry is also negligible due to its size.

Refurbishments and privatizations will continue to shape the Utilities industry

The labour market for the Ontario utilities industry has remain muted for the past decade, and 2016 was no exception, as employment remained essential flat (+0.2%; +100) compared to the previous year. Since the

² Ministry of Agriculture, Food and Rural Affairs. (2016, June 13). Employment, Agri-Food Industries, Ontario, 2007-2015. Retrieved from http://www.omafr.gov.on.ca/english/stats/economy/labour_force.htm

³ Statistics Canada. *Table 328-0015 - Farm input price index, quarterly (index, 2002=100)*, CANSIM (database).

⁴ Natural Resources Canada. (2017, February 9). Federal-Provincial/territorial Survey of Mineral Exploration, Deposit Appraisal and Mine Complex Development Expenditures.

⁵ (2016, February 2). **Layoffs Confirmed at Goldcorp Mine in Red Lake**. CKDR. Retrieved from: <http://www.ckdr.net/news/1697368888/reported-layoffs-goldcorp-mine-red-lake>

⁶ Thompson, J. (2016, December 15). **Greenstone Gold ends exploration, lays off staff**. Northern Ontario Business. Retrieved from <https://www.northernontariobusiness.com/regional-news/thunder-bay/greenstone-gold-ends-exploration-lays-off-staff-490050>

⁷ Kelly, L. (2016, February 1). **Magnesium mine promising jobs in Timmins**. Northern Ontario Business. Retrieved from: <http://www.northernontariobusiness.com/Regional-News/timmins/2016/02/Magnesium-mine-promising-jobs.-diversity-in-Timmins.aspx>

⁸ TimminsToday Staff. (2016, April 21). **Find out who's creating 75 new jobs**. Timmins Today. Retrieved from <https://www.timminstoday.com/local-news/find-out-whos-creating-75-new-jobs-284190>

⁹ CBC News. (2016, November 30). **Goldcorp to open first electric mine near Chapleau next year**. CBC News. Retrieved from <http://www.cbc.ca/news/canada/sudbury/first-electric-mine-goldcorp-chapleau-site-1.3873711>

¹⁰ Consensus Economics Forecasts, January 16, 2017

onset of the recession in 2008, employment figures in the provincial utilities industry has either fallen or remained stable every year, with the industry becoming ever more efficient and less labour-intensive as it transitioned from coal to cleaner energy sources such as nuclear, hydro, biomass, wind and solar energy. The provincial utilities industry was impacted significantly with the privatization of Hydro One, Ontario's largest transmission utility, in November 2015, with the largest Canadian initial public offering since 2000 towards the eventual sale of 60% of the crown corporation,¹¹ while the secondary offering followed in April 2016.¹² The privatization process may affect the labour market situation in the medium term, while other proceedings that may impact the industrial outlook is the scrutiny Toronto Hydro is facing for a future privatization process,¹³ and a proposed merger of several large distribution companies around the Golden Horseshoe.¹⁴

Nuclear energy remains prominent among Ontario's power sources, accounting for over 60% of the province's electricity generation.¹⁵ Ontario Power Generation (OPG)'s Darlington Nuclear Generating Station has begun a refurbishment of all its reactors over the course of a decade, starting in October 2016 and eventually involving about 200 companies and boosting employment by 9,000 per year over the next decade.¹⁶ 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 refurbishment of six of its eight reactors, which had been expected to start in 2016, has been delayed to 2020, although preparation work for the refurbishment is ongoing.¹⁷ Hydroelectricity has also been a key part of the province's energy source, with the Peter Sutherland Sr. Generating Station on the Abitibi River the largest project under construction.¹⁸ The 2016 Ontario budget 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. Also, the 2016 federal budget placed an emphasis on investment in upgrading water treatment infrastructure with the Clean Water and Wastewater Fund, boding well for the sub-industry's medium term outlook.¹⁹

Heavy engineering infrastructure projects to take the mantle for the Construction industry

Heavy engineering infrastructure projects are expected to lead the way for investment and employment growth in construction in Ontario over the medium term. This trend has already begun to show in the labour

¹¹ Financial Post Staff. (2015, November 5). **Hydro One Ltd makes its 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>

¹² Canadian Press. (2016, April 14). **Ontario raises \$1.7B with Hydro One share issue**. *Toronto Star*. Retrieved from: <https://www.thestar.com/business/2016/04/14/ontario-raises-17b-with-new-hydro-one-share-issue.html>

¹³ Powell, B. (2016 September 21). **Tory powering up for fight to privatize Toronto Hydro**. *Toronto Star*. Retrieved from: https://www.thestar.com/news/city_hall/2016/09/21/tory-powering-up-for-fight-to-privatize-toronto-hydro.html

¹⁴ Ontario Ministry of Energy. (2016, March 24). **Ontario Moving Forward, Hydro One Brampton Merger**. *Ontario Newsroom*. Retrieved from: <https://news.ontario.ca/mei/en/2016/03/ontario-moving-forward-with-hydro-one-brampton-merger.html>

¹⁵ (2015, December). **The Ontario Energy Report**. *Ontario Energy Board*. Retrieved from <http://www.ontarioenergyreport.ca/>

¹⁶ 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>

¹⁷ Benzie, R. (2015, December 3). **Bruce Power to invest \$13B 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>

¹⁸ Ontario Power Generation. Hydroelectric projects. Retrieved from: <http://www.opg.com/generating-power/hydro/projects/Pages/projects.aspx>

¹⁹ Hall, C. (2016, March 21). **Can budget 2016 deliver on infrastructure promises?** *CBC News*. Retrieved from: <http://www.cbc.ca/news/politics/trudeau-tracker-infrastructure-chris-hall-1.3498839>

market, as sharp gains in the heavy engineering sub-industry helped push employment up in the Ontario construction industry by 3.4% in 2016,²⁰ the sharpest growth among all industries in Ontario. Continued progress on a number of large-scale energy and transit projects helped contribute to an increase in employment in heavy and civil engineering construction in 2016, with an emphasis on infrastructure improvements through federal²¹ and provincial²² government investments. Specific details on the refurbishment process at the Darlington nuclear station were released in early 2016, with the massive construction work at Darlington having begun in October 2016.^{23,24} Some of the largest construction work in the province over the medium term involves large-scale light-rail transit projects in the Toronto, Ottawa, Hamilton and Kitchener-Cambridge-Waterloo CMAs,²⁵ while planning is underway for the Gordie Howe International Bridge.²⁶

Employment in non-residential building construction also rose sharply in 2016, although building permits and investments for non-residential projects fell slightly over the previous year.^{27,28} Institutional and governmental real estate is expected to see continued employment growth in the medium term due to the influx of investments from the federal and provincial governments, including commitments from the Ontario government on province-wide school repairs²⁹ and to continue to renew health care infrastructure and build new major hospitals.³⁰ Commercial real estate is expected to experience steady employment growth as well, with strong confidence in the sector from contractors across Ontario over the short-term horizon,³¹ as the expansion of the finance industry beyond downtown Toronto into suburban areas is also expected to drive investment in the sector, while demand for commercial office space is expected to remain stable in Ottawa, London and Waterloo.³² Growth in the value of building permits issued in the industrial sector has fluctuated in recent years, but the sector continues to receive significant investment to upgrade major factories in the province, due to a solidifying U.S. economy and a low Canadian dollar pushing forward demand for manufactured goods from Ontario, with the industrial space availability rate in the Greater Toronto Area (GTA)

²⁰ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by NAICS, annual.

²¹ 2016 Federal Budget – Infrastructure. Retrieved from: <http://www.budget.gc.ca/fes-eea/2016/docs/themes/infrastructure-en.html>

²² 2016 Ontario Fiscal Review. Retrieved from: <http://www.fin.gov.on.ca/en/budget/fallstatement/2016/bk-infrastructure.html>

²³ 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>

²⁴ Benzie, R. (2015, December 04). Bruce Power invest to refurbish Lake Huron nuclear station, *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>

²⁵ (2016, August 23). Canada and Ontario sign agreement for public transit infrastructure funding. Retrieved from: <http://pm.gc.ca/eng/news/2016/08/23/canada-and-ontario-sign-agreement-public-transit-infrastructure-funding>

²⁶ Garton, R. (2016, November 10). Gordie Howe Bridge takes huge step forward. *CTV News Windsor*. Retrieved from: <http://windsor.ctvnews.ca/gordie-howe-bridge-takes-huge-step-forward-1.3154140>

²⁷ Statistics Canada. CANSIM Table 026-0003 - Building permits, values by activity sector monthly.

²⁸ Statistics Canada. CANSIM Table 026-0016 – Investment in non-residential building construction, by type of building, province and census metropolitan area (CMA) quarterly.

²⁹ Ministry of Education. (2016, June 27). Ontario Investing \$1.1B to Improve School Buildings. *Ontario Newsroom*. Retrieved from: <https://news.ontario.ca/edu/en/2016/06/ontario-investing-11-billion-to-improve-school-buildings.html>

³⁰ Office of the Premier. (2016, August 4). Ontario Increases Funding for Hospital Repairs/Upgrades. *Ontario Newsroom*. Retrieved from: <https://news.ontario.ca/opo/en/2016/08/ontario-increases-funding-for-hospital-repairs-and-upgrades.html>

³¹ Ontario Construction Secretariat, *Survey of Ontario's ICI Construction Industry*, 2016

³² CBRE, *Canada Office MarketView*, Q3 2016

lower than market expectations recently and pushing developers to more speculative construction activity in suburban areas.^{33,34}

Ontario construction has been propelled by strong growth in residential building construction since the late-2000s recession, but this trend is expected to shift gears towards infrastructure projects, as residential construction starts to soften. Provincial housing starts increased for 2016,³⁵ but are forecast to fall or remain relatively steady in both 2017 and 2018,³⁶ with slowing population growth a main contributor.³⁷ The Ontario government is signalling support for more affordable housing³⁸ and for eligible first-time home buyers through a proposal to double the maximum Land Transfer Tax refund, effective January 2017.³⁹ Multi-family buildings such as condos remain a popular option⁴⁰ in the Greater Toronto Area (GTA) due to ever-surging prices for single-detached homes, which has raised a discussion of a foreign-buyer tax similar to that imposed in Metro Vancouver.⁴¹ While rising home prices continue to dominate the headlines, both new and resale home prices are showing signs of slowing their growth and may continue to do so over the next couple of years,⁴² with tighter mortgage regulations that came into place in February and November 2016 a possible contributor.⁴³

Stronger manufacturing activity helped spark employment growth in the industry

Employment grew by 6,800 in the provincial manufacturing industry in 2016. This was a welcome change since employment has fallen for three consecutive years. Job gains in the first and third quarters offset weaker growth at the end of 2016. Other labour market indicators also point to improved conditions across the manufacturing base in Ontario. Manufacturing sales increased for the third year in a row and the value of exports rose by more than 4.0% in 2016.⁴⁴ Further, the Markit Canada Manufacturing Purchasing Managers' Index (PMI) was in expansion mode for much of the year.⁴⁵

One of the largest gains in employment was in machinery manufacturing. Greater industrial activity in Ontario and the United States helped local companies land contracts for heavy equipment and parts. The automotive industry had a positive year too as motor vehicle sales remained robust. An increase in light vehicle production⁴⁶ fueled expansions and hiring rounds at motor vehicle parts suppliers across southern Ontario. Recent investment announcements from some of the key automakers at the end of 2016 should continue to

³³ CBRE, *Canada Market Outlook*, 2016

³⁴ CBRE, *Toronto Industrial MarketView*, Q3 2016

³⁵ Canadian Mortgage and Housing Corporation, *Preliminary Housing Start Data*, Table 2, December 2016

³⁶ Canadian Mortgage and Housing Corporation, *Housing Market Outlook, Ontario Region Highlights*, Fall 2016

³⁷ Buildforce Canada, *2017-2026 Construction and Maintenance Looking Forward, Ontario*, 2017

³⁸ Ministry of Housing. (2016, December 7). [Ontario to Create More Affordable Housing](https://news.ontario.ca/mho/en/2016/12/ontario-passes-legislation-to-create-more-affordable-housing-for-families.html). *Ontario Newsroom*. Retrieved from: <https://news.ontario.ca/mho/en/2016/12/ontario-passes-legislation-to-create-more-affordable-housing-for-families.html>

³⁹ Ministry of Finance. (2016, November 14). [Ontario Helping First-time Homebuyers](https://news.ontario.ca/mof/en/2016/11/ontario-helping-first-time-homebuyers.html). *Ontario Newsroom*. Retrieved from: <https://news.ontario.ca/mof/en/2016/11/ontario-helping-first-time-homebuyers.html>

⁴⁰ CBRE, *Canadian Multifamily MarketView*, H2 2015

⁴¹ Toronto Real Estate Board, *Market Year in Review & Outlook Report*, 2017

⁴² Canadian Real Estate Association, *Quarterly Forecast*, December 2016

⁴³ <https://www.fin.gc.ca/n16/16-117-eng.asp>

⁴⁴ Statistics Canada. CANSIM Table 304-0015 - Manufacturing sales, by NAICS and province, monthly.

Statistics Canada. CANSIM Table 228-0060 - Merchandise imports and domestic exports, customs-based, by NAPCS, Canada, provinces and territories, monthly.

⁴⁵ Markit Economics. Retrieved from <https://www.markiteconomics.com/> and TRADING ECONOMICS - Canada Manufacturing PMI. Retrieved from <http://www.tradingeconomics.com/canada/manufacturing-pmi>

⁴⁶ DesRosiers Automotive Consultants Inc. Volume 31, Issues 1 and 2

support assembly work in the short run. Another area that performed well was wood product manufacturing where total sales grew by almost 14.0% in 2016. Higher demand from the domestic and American housing markets encouraged companies to restart sawmills particularly in northern Ontario. Furniture manufacturers and some producers of construction-related goods received more work from solid building activity as well. There was good news from several companies that supply the energy sector over the past year. Large nuclear refurbishment projects in the province raised orders for power generation goods and a few manufacturers of solar components boosted capacity. The production of electronic goods and equipment continued to favour high-valued areas such as medical devices, robotics, and network solutions in 2016. This trend will stay with the move towards more advanced manufacturing.

Conditions in food and beverage product manufacturing were rather similar to 2015. New facilities, production lines, and homegrown establishments balanced closures and consolidations from a handful of the big multinational players. Similar to food manufacturing, the aerospace industry saw investments and a couple of sizeable layoffs in 2016. The local industry hopes to see more stability because of a gradual uptick in the business jet market and ongoing work on Bombardier Inc.'s Global aircraft program. Metal producers had a mixed year in the province as well. Several metal fabricators and machine and tool shops increased operations as the demand for industrial metal goods picked up. Meanwhile, the steel industry faced uncertain moments with layoffs and restructuring plans. Some of the major steelmakers have seen a drop in orders because of the slowdown in the oil and gas industries. Weakness in this sector has also taken its toll on railcar manufacturers with less demand for oil tankers.

Stronger economic growth in the United States and a lower CAD should support healthier conditions in the manufacturing industry in the near term. This favourable climate may help producers better contend with global competition, capacity constraints, and the shift towards greater technology and skilled labour. One factor though that will likely be at the forefront going forward will be trade talks. Manufacturers and industry stakeholders will have to stand by for news on potential changes to the North American Free Trade Agreement given its large impact on the automotive industry, and active negotiations on the softwood lumber deal.

Wholesale Trade slips amid mixed signals from the industry

After a few years of strong growth, wholesale trade employment stalled in 2016, shedding 2,000 positions since 2015.⁴⁷ Losses were driven by a decline in full-time work and tempered by gains in part-time. However, the industry still has a much higher full-time employment rate compared to the Ontario industrial average.

Other employment indicators show moderate but positive growth, both in the number of jobs and the total hours worked.⁴⁸ Within the industry, employment gains were driven by the personal and household goods and the food and beverage segments. Both saw strong sales growth in 2016.⁴⁹ Building material and supplies wholesalers also contributed to job growth, despite headwinds from declining sales. And while it represents less than a tenth of the wholesale industry total, employment in the motor vehicle, parts and accessories segment built on its upward momentum since 2014, adding positions mainly at new vehicle wholesalers. Strong auto performance benefitted from record light vehicle sales in Ontario for three years running. Ontario truck sales volumes continue to be buoyed by cheaper fuel, low interest rates, and a stronger U.S. economy,

⁴⁷ Statistics Canada. CANSIM Table 282-0008 – Labour Force Survey estimates (LFS) by NAICS, annual.

⁴⁸ Statistics Canada. CANSIM Table 281-0023 – Survey of Employment, Payrolls and Hours (SEPH), employment by type of employee and detailed NAICS, monthly. (12 month moving average)

⁴⁹ Statistics Canada. CANSIM Table 081-0011 - Wholesale trade, sales by NAICS, monthly.

stimulating purchases by consumers and businesses.⁵⁰ A lower USD/CAD exchange rate is also likely helping drive Ontario auto exports higher, further supporting this wholesale segment.⁵¹

A third of Ontario wholesale workers are employed in this sub-industry. Despite robust growth in Ontario machinery wholesales in 2016,⁵² sales of machinery by manufacturers declined,⁵³ likely affected by softer commodities prices and continued pull-back on machinery and equipment investment nationally.⁵⁴ As such, employment at machinery, equipment and supplies wholesalers fared the worst in the industry, registering the majority of losses between 2015 and 2016. While lower crude oil prices are expected to persist through 2018,⁵⁵ increased hiring and signs of optimism amongst machinery manufacturers may bode well for machinery, equipment and supplies wholesalers going forward.

Competitive churn continues and e-commerce to moderate growth in retail

Ontario's retail trade industry slowed its decline since 2015, shedding 7,100 positions in 2016 (less than 1% of industry employment in 2016).⁵⁶ Payroll data from the Survey of Employment, Payrolls and Hours even suggests weak but positive growth between 2015 and 2016.⁵⁷ Given the size of this industry, even lower growth rates translate into a significant number of jobs.

Losses were highest in the general merchandise subsector, largely at department stores, but employment also declined in electronics and appliance and in food and beverage stores. Two-in-five retail workers were employed in these sub-sectors of retail. The contrast between declines at department stores and growth in clothing and accessories may be an indicator of the continuing shifts in the industry. Other growth sub-sectors in retail included health and personal care, and sporting goods. Ontario's booming new car sales showed some signs of moderating in 2016, somewhat tempering growth in retail auto employment. Also notable, non-store retailer employment continued to grow at a healthy but smaller rate over 2015 to 2016, likely driven by electronic shopping and mail order houses.

Canadian incumbents, typically at a size disadvantage, face a competitive retail environment focused on promotional sales and discounting, particularly in the already competitive grocery and personal items sub-industries.⁵⁸ This has contributed to the polarization of Ontario retail, adversely affecting traditional middle-market stores while boosting the demand for both discount sellers and premium retailers. Sales of luxury goods may be somewhat insulated, as they are less amenable to e-commerce⁵⁹ and buyers are less affected by

⁵⁰ DesRosiers Automotive Consultants Staff. (2017, February 15). *DesRosiers Automotive Reports*, Volume 31, Issue 3.

⁵¹ Innovation, Science and Economic Development Canada. (2017, February). [Trade Data Online](https://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home). *Innovation, Science and Economic Development Canada*. Retrieved from: <https://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home>

⁵² Statistics Canada. CANSIM Table 081-0011 - *Wholesale trade, sales by NAICS, monthly (dollars)*,

⁵³ Statistics Canada. CANSIM Table 304-0015 - *Manufacturing sales, by NAICS and province, annual*.

⁵⁴ Statistics Canada. CANSIM Table 380-0068 - *Gross fixed capital formation, annual*.

⁵⁵ Consensus Economics. (January 16, 2017). [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

⁵⁶ Statistics Canada. CANSIM Table 282-0008 - *Labour Force Survey estimates (LFS) by NAICS*.

⁵⁷ Statistics Canada. CANSIM Table 281-0023 - *Survey of Employment, Payrolls and Hours (SEPH), employment by NAICS*

⁵⁸ Danier cited tough competition and pricing challenges in 2015. Danier Leather Inc., September 18, 2015, *Annual Report 2015*, page 37

⁵⁹ Shaw, H. (2013, August 1). [Online sales complement brick-and-mortar retail](http://business.financialpost.com/news/retail-marketing/online-sales-complement-brick-and-mortar-retail-harry-rosen-ceo-says). *Financial Post*. Retrieved from: <http://business.financialpost.com/news/retail-marketing/online-sales-complement-brick-and-mortar-retail-harry-rosen-ceo-says>

Shaw, H. (2014, February 10). [Holt Renfrew dishes on first sales website](http://business.financialpost.com/news/retail-marketing/holt-renfrew-ceo-dishes-on-new-sales-website). *Financial Post*. Retrieved from: <http://business.financialpost.com/news/retail-marketing/holt-renfrew-ceo-dishes-on-new-sales-website>

economic and cost pressures. Retail spending may also be tempered by some weakness in Ontario consumer confidence as-of-late.⁶⁰ While Ontarians still maintain a relatively sunnier outlook on their financial and economic prospects compared to the rest of Canada, they may be on the lookout for clouds on the horizon.

Lower global oil prices have benefitted consumers at the pump and made transporting goods cheaper but have also weakened the Canadian dollar,⁶¹ raising import prices for retailers. Exchange rate-related price inflation is expected to continue to impact consumer necessities such as fresh and processed food, with forecast price growth of 2–4%.⁶² In addition to impacting profits in these segments directly, higher purchase costs for food may squeeze household budgets, lowering available spending for other retail categories. As a saving grace, Ontario consumers who have long crossed into the US to take advantage of lower prices may travel south less now due to a stronger U.S. Dollar; a potential boon for domestic retailers across the industry.⁶³

E-commerce continues to affect the retail industry and is seen as a threat to retail store profits and employment. This is especially true for Ontario, where domestic online retailers are dwarfed by internationals already serving large neighbouring U.S. population centres. E-commerce remains a fraction of overall retail spending, at nearly 10% of national sales, but is growing faster than sales at ‘brick-and-mortar’ stores. Almost one half of online Canadians in 2016 used the internet to shop,⁶⁴ with clothing, books, electronics, housewares, and entertainment media as the most frequent purchases.⁶⁵ However, the separation between online and physical retail is blurring, as consumers often prefer access to both—even during a single purchase-and-return. Nonetheless, increased online sales are expected to moderate growth in front-line sales staff and support an increase in retail distribution and logistics employment.

Airline profits still riding high as trucking and transit rev up

Transportation and warehousing employment grew by 1.8% between 2015 and 2016.⁶⁶ Gains were concentrated in warehousing and storage, support activities for transportation, air transportation, and truck transportation. Losses on the other hand were marked largely in the couriers and messengers segment.⁶⁷

Air transportation employment continued to benefit from airline profitability in 2016⁶⁸ as depressed oil prices helped lower aviation fuel costs.⁶⁹ Though the lower CAD has yet to result in higher parts and maintenance

⁶⁰ Bloomberg Nanos Canadian Confidence Index. <http://www.nanosresearch.com/>.

⁶¹ Statistics Canada, CANSIM Table 176-0064 - Foreign exchange rates in Canadian dollars, Bank of Canada, monthly. U.S. Energy Information Administration, Cushing OK WTI Spot Price. Retrieved from

<http://www.eia.gov/opendata/qb.php?sdid=PET.RWTC.A>

⁶² Charlebois, S. (December 2015). *Food Price Report 2016*. The Food Institute of the University of Guelph. Retrieved from <https://www.uoguelph.ca/foodinstitute/system/files/Food%20Price%20Report%202016%20English.pdf>

⁶³ Corbi, P. (2014, October 08). *Estimates of Cross-border Shopping, 2006 to 2012*. Income and Expenditure Accounts Technical Series Statistics Canada. Retrieved from <http://www.statcan.gc.ca/pub/13-604-m/13-604-m2014076-eng.htm>

⁶⁴ Canadian Internet Registration Authority. (December 2016). Domain Industry Data and Canadian Internet Trends: CIRA Internet Factbook 2016.

⁶⁵ Canadian Internet Registration Authority. (March 2016). The State of E-Commerce in Canada: CIRA Internet Factbook.

⁶⁶ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by NAICS.

⁶⁷ Statistics Canada. CANSIM Table 281-0023 - Survey of Employment, Payrolls and Hours (SEPH), employment by type and NAICS.

⁶⁸ The Conference Board of Canada. (2017, January 26). *Canada's Air Transportation Industry: Industrial Outlook Winter 2017*. Retrieved from - <http://www.newswire.ca/news-releases/canadian-airline-industry-still-flying-high-613019203.html>

⁶⁹ Statistics Canada. CANSIM Table 329-0076 - Industrial product price indexes within the North American Product Classification System (NAPCS), by region, monthly.

costs, the Loonie is expected to strengthen over 2017–2018 which may dampen future airline profits but not travel volumes.⁷⁰ Demand for air travel is expected to persist as airline passenger traffic is expected to double in southern Ontario over the next few decades.⁷¹

Strong retail⁷² and wholesale⁷³ sales growth in Ontario over the last three years and higher resulting inventory turnover supported growth in warehousing and storage and ground cargo transport. Rising e-commerce sales may also stimulate some growth in international cargo volume as small businesses expand their international reach through the world-wide web.⁷⁴ Outlooks were mixed in rail transport. Weaker commodity prices continued to moderate rail freight volumes at national carriers in 2016, increasing cost pressures and efforts to curb labour spending. However, improved global economic activity and demand for oil in late 2017 is expected to lead to increased oil-by-rail shipments,⁷⁵ bolstering profit margins at major Canadian railways. Record crop yields in Canada over 2016–2017⁷⁶ will also help maintain demand for rail and rail support services.

In the mail and courier segments, ongoing technological shifts from physical letter and business mail to digital modes have been squeezing employment for several years. A saving grace may be increased parcel volume as e-commerce shipping volume rises to meet growing orders.

Marketplace churn is also affecting taxi and limousine segment where employment declined in 2016, in contrast to the rest of the transit and ground transportation sub-industry.⁷⁷ Strong competition from ride-sharing technology companies has eaten into fares and altered the nature of employment in the car-for-hire segment. Uncertainty about the final impacts of these technological disruptions still prevails as local government policies race to adjust.

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

Employment in Ontario's FIRE industry grew in 2016 by over 11,000, a 2.0% increase over 2015. 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

U.S. Energy Information Administration. (2017, February). [Cushing OK WTI Spot Price FOB, Annual](http://www.eia.gov/opendata/qb.cfm?sdid=PET.RWTC.A). Retrieved from <http://www.eia.gov/opendata/qb.cfm?sdid=PET.RWTC.A>

⁷⁰ International Civil Aviation Organization. (2017, January 2). [Traffic growth and airline profitability were highlights of air transport in 2016](http://www.icao.int/Newsroom/Pages/traffic-growth-and-airline-profitability-were-highlights-of-air-transport-in-2016.aspx). Retrieved from - <http://www.icao.int/Newsroom/Pages/traffic-growth-and-airline-profitability-were-highlights-of-air-transport-in-2016.aspx>

⁷¹ 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/>

⁷² Statistics Canada. CANSIM Table 080-0020 - Retail trade, sales by NAICS.

⁷³ Statistics Canada. CANSIM Table 081-0011 - Wholesale trade, sales by NAICS

⁷⁴ Ahmed, U. and Melin, H. (2016, July 26). [Technology-Enabled Small Business Trade in Canada: New Evidence from eBay Marketplaces](http://on-irpp.org/2eLaP69). Institute for Research on Public Policy. *The Art of the State Volume IV*. Retrieved from - <http://on-irpp.org/2eLaP69>

⁷⁵ Morgan, G. (2017, March 10). [Oil pipeline bottlenecks expected as early as this year as Canadian output beats estimates, warns Morgan Stanley](http://business.financialpost.com/news/energy/oil-pipeline-bottlenecks-expected-as-early-this-year-as-canadian-output-beats-estimates-warns-morgan-stanley). *The National Post*. Retrieved from <http://business.financialpost.com/news/energy/oil-pipeline-bottlenecks-expected-as-early-this-year-as-canadian-output-beats-estimates-warns-morgan-stanley>

⁷⁶ Agriculture and Agri-Food Canada. (February 17, 2017). [Canada: Outlook for Principal Field Crops, 2017-02-17](http://www.agr.gc.ca/eng/industry-markets-and-trade/statistics-and-market-information/by-product-sector/crops-industry/outlook-for-principal-field-crops-in-canada/canada-outlook-for-principal-field-crops-2017-02-17/). Retrieved from <http://www.agr.gc.ca/eng/industry-markets-and-trade/statistics-and-market-information/by-product-sector/crops-industry/outlook-for-principal-field-crops-in-canada/canada-outlook-for-principal-field-crops-2017-02-17/>

⁷⁷ Statistics Canada. CANSIM Table 281-0023 - Survey of Employment, Payrolls and Hours (SEPH), employment by type and NAICS.

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, yet equity markets near all-time highs imply solid investments returns. 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 2016, 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 picked up in 2016 as strong profits continued to be reported quarter after quarter. Most financial institutions have benefitted from strengthening equity markets in terms of their own investment returns. Employment in the FIRE sector was led by securities intermediaries and investment agencies which coincide with investment market volatility and changes to regulations surrounding investment vehicles (e.g. Tax Free Savings/Investment Accounts). Also, despite many banks having announced restructuring plans in certain divisions, bank employment edged higher in 2016. Both investments and hiring still planned, albeit at more modest levels going forward as profits are expected to slow. Overall, 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. Many financial institutions have started to move away from traditional channels of products offerings to channels more related to digital economy and Financial Technology (FinTech).

Unlike in 2015, employment in the real estate sub-sector decline in 2016. Despite this decline, the real estate market remained strong with residential markets hitting record highs. The changes to mortgage regulations in early 2016⁷⁸ did not impact growth, particularly in the Greater Toronto and Hamilton Area. Commercial markets continue to show signs of strength and an expected increase in business investment in Ontario should continue to increase leasing activity for industrial and commercial space, and machinery and equipment. The rental and leasing services sub-sector saw a slight employment increase in part due to real estate rentals gaining in popularity as an affordable alternative to home ownership. The Bank of Canada interest rate cuts through 2015 have provided an upward momentum for sales in the Ontario real estate market.⁷⁹ 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 mid-2018.

Professional, Scientific and Technical Services (PSTS) driven by more technology & infrastructure investments

Employment in Ontario's PSTS industry jumped in 2016 by 10,700, a 1.8% increase over 2015. 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

⁷⁸ Dmitrieva, K. (2016, October 5). **Home sales could fall on new mortgage rules.** *Bloomberg News via Financial Post*. Retrieved from: <http://business.financialpost.com/personal-finance/mortgages-real-estate/home-sales-in-canada-could-fall-8-on-new-mortgage-rules-finance-department-projects>

⁷⁹ Canadian Real Estate Association (CREA). **Quarterly Forecasts.** Retrieved from: <http://www.crea.ca/stats/quarterly-forecasts>

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 2016, the PSTS sector was driven by the strengths of architectural, engineering and design services as well as, computer design services. The increased demand for architectural and certain engineering services throughout 2016 is likely a result of yet another record year from residential real estate markets and a solid year for commercial real estate development. Increased infrastructure investments also imply a ramp up for these professionals and 2017 is expected to be no exception as the investments continue to roll out.

Meanwhile, computer design systems firms and employment have benefitted from numerous developments in technological hubs throughout the province. The sub-sector was the most significant contributor to the PSTS sector overall in terms of employment and GDP. As organizations continue to establish a stronger online presence and various technology start-ups companies continue to develop and grow, particularly in the Waterloo and Toronto regions (Digital Corridor), the sub-sector should continue to thrive. Finally, the growing research in power generation^{80,81} and infrastructure should support employment in the scientific and technical services sub-sectors.

Business investment key to demand for Business, Building and Other Support Services (BBOSS)

Employment in Ontario's BBOSS industry declined in 2016 relative to 2015 by 1.9%. 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. 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.

That being said, business investment has been lacking as private sector firms remain cautious on capital expenditure. Although companies are hesitant to make these large scale investments during times of economic uncertainty, key development projects and investments have been moving forward. This is, in part, due to federal government investment spending in areas such as R&D and infrastructure which work to offset the impacts of fiscal limitations at the other levels of government.

Finally, strength in exports is key to many Ontario industries. Factors such as exchange and interest rates currently support an export revival and this should spur further business investment, barring any significant changes to Canada-U.S. trade relationship. Should exports falter, future growth could experience a significant negative impact.

Employment in educational services declines for the first time since 2009

Employment in Ontario's educational services sector declined by 12,100 (-2.3%) in 2016.⁸² The largest occupational group in this industry is primary and secondary school teachers. In late 2014, the province

⁸⁰ CNL Invests in Hydrogen to Power the Future. Canadian Nuclear Association. Retrieved from: <https://cna.ca/news/cnl-invests-hydrogen-power-future/>

⁸¹ Craig, Anne. (2015, September 1). 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>

⁸² Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by NAICS, sex and age group, annual.

acknowledged an oversupply of teachers.⁸³ To address the labour oversupply and improve future hiring conditions, the province changed its academic framework in 2015 with plans to reduce the number of annual teachers college graduates by one-half.⁸⁴ The province also tightened the number of supply teaching days that retired teachers could work to provide more openings for new teachers. However, regulations that promote seniority-based hiring were also made, offsetting some of these opportunities. Nevertheless, improved employment outcomes for first-year teachers were observed in the 2016 Transition to Teaching survey.⁸⁵

Declining enrolments in provincial secondary schools also pose a challenge to future sector employment growth. The number of youth aged 15 to 19 is projected to fall in Ontario⁸⁶ in the coming years. As a result, declining enrolment in provincial secondary schools, which started in 2009-2010, may persist. 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 offer some employment demand.

In terms of post-secondary education, enrolment at Ontario's universities fell for the first time in 15 years in 2014⁸⁷ and has yet to recover.⁸⁸ While the number of domestic students enrolled decreased, the number of international students rose.⁸⁹ In 2015, the province extended funding for international students in graduate studies⁹⁰ 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.

⁸³ Herhalt, Chris. (2014, December 19). **Cuts needed to correct glut of unemployed teachers**. *The Record*. Retrieved from <http://www.therecord.com/news-story/5215811-cuts-needed-to-correct-glut-of-unemployed-teachers-province-says/>

⁸⁴ Alphonso, C, Morrow A. and Bradshaw J. (2013, June 05). **Ontario moves to halve number of teacher-college grads**. *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/national/ontario-moves-to-halve-number-of-teachers-college-grads/article12357404/>

⁸⁵ Ontario College of Teachers. (2016). **Transition to Teaching 2016**. Retrieved from <http://www.oct.ca/-/media/PDF/2016%20Transition%20to%20Teaching%20study/2016t2mainreporten.pdf>

⁸⁶ Statistics Canada. (2015) CANSIM Table 052-0005 - Projected population, by projection scenario, age and sex, as of July 1, Canada, provinces and territories, annual.

⁸⁷ Brown, L. (2014, September 22). **Ontario university enrolment down for first time in 15 years**. *Toronto Star*. Retrieved from http://www.thestar.com/yourtoronto/education/2014/09/22/ontario_university_enrolment_down_for_first_time_in_15_years.html

⁸⁸ Ontario Ministry of Training, Colleges and Universities. (2016). **Table 1: Summary of Enrolments in Ontario Universities, 2006-07 - 2015-16**. *Ontario Ministry of Training, Colleges and Universities*. Retrieved from: <http://cou.on.ca/wp-content/uploads/2016/08/Table-1-Summary-of-Enrolments.pdf>

⁸⁹ Ontario Ministry of Training, Colleges and Universities. (2016). **Table 5: International Students: Fall Full time Headcounts by Funding Eligibility, 2005-06 – 2014-15**. *Ontario Ministry of Training, Colleges and Universities*. Retrieved from <http://cou.on.ca/wp-content/uploads/2016/08/COU-MultiYearData-Table-5-International-Enrolment-by-Level-summary.pdf>

⁹⁰ Chiose, S. (2015, July 9). **International students to receive additional funding from Ontario**. *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/national/international-students-to-receive-additional-funding-from-ontario/article25407883/>

Baby boomers continued to push the demand for health care services in 2016

In 2016, the province saw an increase of 25,900 in health care and social assistance employment.⁹¹ 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 16.4% to 17.2% in Ontario between 2016 and 2018.⁹²

In response to changing demographics and resulting pressures on the health care system, as well as the provincial government's goal to reduce its deficit, the Ontario Ministry of Health and Long-Term Care released the *Action Plan for Health Care* in January 2012, followed by the *Patients First: Action Plan for Health Care* update in 2015.^{93,94,95} The Plan readjusts investment within the health care industry to increase efficiency and support rising demand.⁹⁶ This has led to a shift in employment⁹⁷ from programs and services at acute care settings like hospitals, to community care programs and facilities.

Employment growth at provincial hospitals is expected to be weak compared to other sub-industries because of the shift in funding.⁹⁸ As part of the provincial government's hospital funding reform, hospitals' base budget has grown by 1% over 2016, an increase from 2015's 0% growth scenario.⁹⁹ Many hospitals across the province announced cuts to the staff, budget shortfalls, and restructuring in the first half of 2016.^{100,101,102,103,104} 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 and funding moves towards

⁹¹ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by NAICS, sex and age group, annual.

⁹² Statistics Canada. CANSIM Table 052-0005 - Projected population, as of July 1. *Statistics Canada*.

⁹³ Ontario Ministry of Health and Long-Term Care. (2013, October 7). *Results-based Plan 2013-2014*. Ontario Ministry of Health and Long-Term Care. Retrieved from

<http://www.health.gov.on.ca/en/common/ministry/publications/plans/rbplan13/>

⁹⁴ Health Quality Ontario. *Health Links- Improving Care for Patients with complex Needs and Circumstances*. Health Quality Ontario. Retrieved from <http://www.hqontario.ca/Quality-Improvement/Health-Links>

⁹⁵ Ontario Ministry of Health and Long-Term Care. (2016, March 23). *Patients first: Action Plan for Health Care*. Ontario Ministry of Health and Long-Term Care. Retrieved from http://www.health.gov.on.ca/en/ms/ecfa/healthy_change/

⁹⁶ Statistics Canada. CANSIM Table 052-0005 - Projected population, as of July 1. *Statistics Canada*.

⁹⁷ Ontario Ministry of Health and Long-Term Care. (2013, October 7). *Results-based Plan 2013-2014*. Ontario Ministry of Health and Long-Term Care. Retrieved from

<http://www.health.gov.on.ca/en/common/ministry/publications/plans/rbplan13/>

⁹⁸ 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>

⁹⁹ Ontario Ministry of Health and Long-Term Care. (2016, March 21). *Ontario Investing More Than \$50 Billion in Health Care*. Ontario Newsroom. Retrieved from <https://news.ontario.ca/mohltc/en/2016/03/ontario-investing-more-than-50-billion-in-health-care.html>

¹⁰⁰ CBC News Staff. (2016, January 12). *Windsor Regional Hospital sheds 166 jobs amid \$20M shortfall*. CBC News. Retrieved from <http://www.cbc.ca/news/canada/windsor/windsor-regional-hospital-sheds-166-jobs-1.3400318>

¹⁰¹ Bennett, K. (2016, February 1). *St. Joe's cutting 136 jobs, up to 40 from layoffs*. CBC News. Retrieved from <http://www.cbc.ca/news/canada/hamilton/news/st-joe-s-cutting-136-jobs-up-to-40-from-layoffs-1.3429301>

¹⁰² Frketch, J. (2016, September 15). *Joseph Brant Hospital cuts management jobs to invest in front-line care*. *Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/6858164-joseph-brant-hospital-cuts-management-jobs-to-invest-in-front-line-care/>

¹⁰³ London Health Sciences Centre. (2016, March 31). *LHSC 2016/2017 fiscal plan*. Retrieved from http://www.lhsc.on.ca/About_Us/LHSC/Media_Room/Media_Releases/2016/March31.htm

¹⁰⁴ Sher, J. (2016, March 30). *Budget shortfall comes with cuts, changes to 'care delivery'*. *The London Free Press*. Retrieved from <http://www.lfpress.com/2016/03/30/budget-shortfall-of-6-million-also-comes-with-job-cuts-and-changes-to-care-delivery>

expanding outpatient care and home and community- based care.^{105,106,107} Additionally, investments in mental health services across the province will also create employment opportunities in this sector.^{108,109}

The provincial labour market for nurses remains somewhat unstable especially in the context of job cuts and budgetary shortfalls in acute care settings such as hospitals. However, expansion in community care programs and facilities as well as retirements due to the aging workforce in this occupation may create employment opportunities.¹¹⁰ Additionally, the Nursing Graduate Guarantee Initiative, extended in 2013, will continue to attract individuals to this occupation by connecting recent graduates from nursing programs with full-time employment opportunities.¹¹¹

The Government of Ontario is focusing on Indigenous health care in multiple ways. It recently announced an investment of \$222 million over three years, and more than \$104.5 million in ongoing annual funding for Ontario's First Nations Health Action Plan.¹¹² The plan's focus in increasing Indigenous populations' access to health care, by increasing capacity and providing culturally appropriate services, will likely create employment growth for this sector. For instance, investments in expanding primary care teams, establishing trauma response teams, providing mental health workers in schools, expanding access to telemedicine, funding new attending nurses in long-term care, hiring of Indigenous midwives, and supporting the establishment of several Aboriginal Midwifery programs in the province is likely to create additional jobs for this industry.¹¹³

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.¹¹⁴

¹⁰⁵ Ontario Ministry of Finance. (2016). **2016 Ontario Budget: Transforming Health Care**. Retrieved from <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2016/bk8.pdf>

¹⁰⁶ Ontario Ministry of Health and Long-Term Care. (2016, March). **Patients First: Action Plan for Health Care, Year One Results**. Retrieved from http://www.health.gov.on.ca/en/ms/ecfa/healthy_change/docs/year_one_results_action_plan_en.pdf

¹⁰⁷ Ontario Ministry of Health and Long-Term Care. (2016, July 19). **Ontario Investing an Additional \$100 Million This Year in Home and Community Care**. Ontario Newsroom. Retrieved from <https://news.ontario.ca/mohltc/en/2016/07/ontario-investing-an-additional-100-million-this-year-in-home-and-community-care.html>

¹⁰⁸ Ontario Ministry of Children and Youth Services. **Ontario Hiring More Mental Health Workers for Children and Youth**. Ontario Newsroom. Retrieved from <http://news.ontario.ca/mcys/en/2016/01/ontario-hiring-more-mental-health-workers-for-children-and-youth.html>

¹⁰⁹ Ontario Ministry of Finance. (2016). **2016 Ontario Budget: Transforming Health Care**. Retrieved from <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2016/bk8.pdf>

¹¹⁰ Canadian Institute for Health Information. (2016, May). **Regulated Nurses, 2015**. Ottawa: ON. Retrieved from https://secure.cihi.ca/free_products/Nursing_Report_2015_en.pdf

¹¹¹ Sasvari, T. (2017, January 20). **Nursing graduate program will remain in place, for now**. *The Manitoulin Expositor*. Retrieved from <http://www.manitoulin.ca/2017/01/20/nursing-graduate-program-will-remain-place-now/>

¹¹² Ontario Ministry of Health and Long-Term Care. (2016, May 25). **Ontario Launches \$222 Million First Nations Health Action Plan**. Ontario Newsroom. Retrieved from <https://news.ontario.ca/mohltc/en/2016/05/ontario-launches-222-million-first-nations-health-action-plan.html>

¹¹³ Ontario Ministry of Health and Long-Term Care. (2017, February 9). **Ontario Improving Access to Aboriginal Midwifery Care**. Ontario Newsroom. Retrieved from <https://news.ontario.ca/mohltc/en/2017/2/ontario-improving-access-to-aboriginal-midwifery-care.html>

¹¹⁴ **Health Care in Canada, 2011: A Focus on Seniors and Aging**. (2011, December). *Canadian Institute for Health Information*. Retrieved from https://secure.cihi.ca/free_products/HIC 2011 seniors report_en.pdf

Employment growth in the information, culture and recreation (ICR) sector despite challenges by new technologies

Employment in the ICR sector grew by 8,500 (+2.7%) in 2016, after declining in 2015.¹¹⁵ The proliferation and popularity of digital media is challenging and transforming the publishing, motion picture and sound recording, and broadcasting sub-sectors. For example, the prevalence and popularity of free online news content has negatively affected paid circulation of print materials. In addition, competition in the broadcasting industry is increasing with greater use of online streaming videos.¹¹⁶ The adoption of new technologies by consumers has impacted businesses across the province. Rogers Media, Telus, and Bell Media have all announced employment cuts,^{117,118,119} along with the Canadian Broadcasting Corporation (CBC)¹²⁰ and The Toronto Star and Metro newspapers.¹²¹ On a brighter note, K-Mobile is planning a large expansion across Ontario, opening 250 new locations.¹²² The federal government announced plans to invest \$180M towards faster broadband internet in 300 southwestern Ontario communities, which may also support job growth.¹²³

Regarding the arts, entertainment and recreation sub-sector of the ICR sector, business activities are highly sensitive to the level of consumer spending. In stronger economic times, consumers may spend more on leisure activities, with the opposite being true in slower periods. Although economic growth in Ontario is expected to remain healthy, discretionary spending may be reduced due to higher levels of household debt.¹²⁴ As Ontarians start to deleverage, a reduction in recreational spending may occur, constraining employment growth.¹²⁵

On the other hand, tourism may also support sector demand. The value of the CAD/USD exchange rate and the strength of the economies of other nations - particularly the U.S. due to its proximity to Ontario - drive much of

¹¹⁵ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by NAICS, sex and age group, annual.

¹¹⁶ CBC News Staff. (2016, January 25). **CRTC hearings on local TV get 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>

¹¹⁷ The Canadian Press. (2016, January 25). **Rogers to cut 200 media and admin jobs.** *The Toronto Star*. Retrieved from <http://www.thestar.com/business/2016/01/25/rogers-to-cut-200-media-and-admin-jobs.html>

¹¹⁸ The Canadian Press. (2015, November 5). **Telus to cut 1,500 jobs but hike dividend 5%.** CBC News. Retrieved from <http://www.cbc.ca/news/business/telus-to-cut-1-500-jobs-but-hike-dividend-10-1.3305210>

¹¹⁹ The Canadian Press. (2016, September 26). **Web streaming service Shomi to shut down as of Nov. 30.** CBC News. Retrieved from <http://www.cbc.ca/news/canada/montreal/bell-notice-layoffs-montreal-toronto-1.3307171>

¹²⁰ Houpt, S. (2015, March 26). **CBC cuts 244 jobs as part of plan to eliminate 1,500 positions.** *The Globe and Mail*. Retrieved from <http://www.cbc.ca/news/entertainment/shomi-shut-down-1.3779675>

¹²¹ Bradshaw, J. (2016, August 9). **Torstar cuts 52 jobs, drastically reducing tablet edition staff.** *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/torstar-cuts-52-jobs-drastically-reducing-staff-working-on-tablet-edition/article31334549/>

¹²² Digital Home. (2016, August 8). **K-Mobile Launches New Smartphone and Opens Flagship Store in Ontario.** Retrieved from <http://www.digitalhome.ca/2016/08/k-mobile-launches-with-new-smartphone-and-opening-of-flagship-store-in-ontario/>

¹²³ Government of Ontario, Ministry of Infrastructure. (2016, July 26). **Ultra-High Speed Internet Coming to 300 Communities in Southwestern Ontario.** Retrieved from <http://news.ontarionewsroom.com/moi/en/2016/07/ultra-high-speed-internet-coming-to-300-communities-in-southwestern-ontario.html>

¹²⁴ Statistics Canada. CANSIM Table 378-0123 - National Balance Sheet Accounts, financial indicators, households and non-profit institutions serving households quarterly.

¹²⁵ Statistics Canada. CANSIM Table 378-0122 - National Balance Sheet Accounts, credit market summary table at book value, quarterly (dollars). Statistics Canada.

the growth in tourism in Ontario.¹²⁶ A lower CAD/USD exchange rate provides an incentive for visits to Canada and compels Canadians to take domestic trips.

Accommodation and food services (AFS) may benefit from an uptick in tourism

Employment grew by 12,500 (+2.8%) in the AFS sector in 2016. The AFS sector is highly accessible to younger workers due to low educational and skill requirements and the availability of part-time roles. In 2016, 41.9% of people employed in the AFS sector were between the ages of 15 to 24, versus about 13.6% for all industries.¹²⁷

Growth in the AFS sector is largely dependent on the strength of the economy and disposable income levels. As the economy slows or disposable income drops, Canadians are less likely to conduct leisure activities such as eating and sleeping outside of the home. In Canada, the household debt-to-disposable-income ratio suggests that consumers have high levels of debt relative to their income.¹²⁸ As Ontarians start to deleverage, this could reduce leisure-related spending and constrain employment growth in the industry.

Tourism is another main factor behind the performance of this industry. The strong performance of the U.S. economy, lower fuel prices, and the devaluation of the CAD should boost tourism in 2016.¹²⁹ When the nation's capital celebrates the country's 150th birthday, local tourism is likely to receive a large boost.¹³⁰

In the food services subsector, increased prices for imported vegetables and fresh fruit due to the weaker CAD pose significant challenges for restaurants.¹³¹ As well, Ontario's minimum wage increases,¹³² implemented in October 2015 and October 2016, added to operating costs.

Other Services employment declines

Employment in other services inched down by just 200 in 2016 to 276,100. 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 services industry. However in light of the growing cost of household operations in Ontario,¹³³ there is the potential for waning expenditures on some services, such as beauty salons.

¹²⁶ Statistics Canada. CANSIM Table 427-0005 - Number of international travellers entering or returning to Canada, by province of entry, seasonally adjusted, monthly (persons).

¹²⁷ Statistics Canada. CANSIM Table 282-0008 - Labour force survey estimates (LFS), by NAICS, sex and age, annual.

¹²⁸ Statistics Canada. CANSIM Table 378-0122 - National Balance Sheet Accounts, credit market summary table at book value, quarterly (dollars)

¹²⁹ Statistics Canada. CANSIM Table 427-0005 - Number of international travelers entering or returning to Canada, by province of entry, seasonally adjusted, monthly (persons).

¹³⁰ Scholey, L. (2016, May 31). Tourism summit plans Ottawa's post-2017 'hangover'. *Ottawa Business Journal*. Retrieved from <http://www.obj.ca/Local/Tourism/2016-05-31/article-4545031/Tourism-summit-plans-Ottawas-post-2017-hangover/1>

¹³¹ Elliott, C. (2016, April 27). Restaurant outlook survey – first quarter 2016. *Restaurants Canada*. Retrieved from: <https://www.restaurantscanada.org/Portals/0/Documents/ROS%20Q1-topline.pdf>

¹³² 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>

¹³³ Statistics Canada. CANSIM Table 326-0021 - Consumer Price Index, annual.

The 2016 Census helps lead to gains in public administration

The Ontario public administration industry showed signs of recovery after two consecutive years of declines in employment, as employment figures increased by 9,000 in 2016, a 2.6% gain from the previous year. The industry had one of the sharpest gains among all industries in Ontario, which was in contrast to in 2015, when Ontario public administration had the largest decrease in employment among all industries. One contributor to the growth in employment was the 35,000 temporary staff that Statistics Canada hired nation-wide for the 2016 Census collection.¹³⁴ The federal public service is being positioned for a gradual expansion over the medium-term horizon, after a decade of restraint.¹³⁵ Another significant boost for the public administration industry in Ontario is the provincial government's intentions to hire 2,000 additional correctional officers between 2016 and 2019 for its correctional facilities.¹³⁶

Table 2: Annual Labour Force Statistics, by Industry, for Ontario

Employment ('000)	Year			2015 to 2016		2014 to 2015	
	2016	2015	2014	Number	%	Number	%
Total employed, all industries	6,999.6	6,923.2	6,877.9	76.4	1.1	45.3	0.7
Goods-producing sector	1,418.1	1,401.4	1,382.0	16.7	1.2	19.4	1.4
Agriculture	77.7	76.9	81.8	0.8	1.0	-4.9	-6.0
Forestry, fishing, mining, quarrying, oil and gas	35.8	43.3	33.2	-7.5	-17.3	10.1	30.4
Utilities	49.5	49.4	51.1	0.1	0.2	-1.7	-3.3
Construction	503.7	487.3	467.3	16.4	3.4	20.0	4.3
Manufacturing	751.4	744.6	748.6	6.8	0.9	-4.0	-0.5
Services-producing sector	5,581.4	5,521.7	5,495.9	59.7	1.1	25.8	0.5
Trade	1,033.2	1,042.3	1,047.0	-9.1	-0.9	-4.7	-0.4
Transportation and warehousing	327.2	321.3	329.0	5.9	1.8	-7.7	-2.3
Finance, insurance, real estate and leasing	555.3	543.5	512.1	11.8	2.2	31.4	6.1
Professional, scientific and technical services	594.6	579.6	559.9	15.0	2.6	19.7	3.5
Business, building and other support services	326.1	333.4	334.7	-7.3	-2.2	-1.3	-0.4
Educational services	502.8	514.9	494.6	-12.1	-2.3	20.3	4.1
Health care and social assistance	838.4	812.5	798.2	25.9	3.2	14.3	1.8
Information, culture and recreation	318.0	309.5	316.5	8.5	2.7	-7.0	-2.2
Accommodation and food services	456.8	444.3	450.3	12.5	2.8	-6.0	-1.3
Other services	276.1	276.3	286.8	-0.2	-0.1	-10.5	-3.7
Public administration	353.0	344.0	366.8	9.0	2.6	-22.8	-6.2

Note: Totals may not add due to rounding

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

Employment by Age and Sex

Employment grew fastest among older workers in 2016

¹³⁴ Tencer, D. (January 4, 2016). [Statistics Canada Hiring 35,000 For 2016 Census](http://www.huffingtonpost.ca/2016/01/04/statscan-hiring-census-2016_n_8913136.html). *Huffington Post Canada*. Retrieved from http://www.huffingtonpost.ca/2016/01/04/statscan-hiring-census-2016_n_8913136.html

¹³⁵ May, K. (2016, March 22). [Liberals to grow public service](http://ottawacitizen.com/news/politics/liberals-set-to-grow-public-service). *Ottawa Citizen*. Retrieved from: <http://ottawacitizen.com/news/politics/liberals-set-to-grow-public-service>

¹³⁶ Ministry of Community Safety and Correctional services. (2016, March 21). [Ontario To Hire Correctional Officers](https://news.ontario.ca/mcscs/en/2016/03/ontario-to-hire-2000-new-correctional-officers.html). *Ontario Newsroom*. Retrieved from: <https://news.ontario.ca/mcscs/en/2016/03/ontario-to-hire-2000-new-correctional-officers.html>

Older workers aged 55 years and over experienced the largest employment growth among workers in Ontario, with gains of 61,400 (+4.2%) in 2016. In contrast, there were losses of 10,300 (-1.1%) among youths aged 15 to 24 years, while core-aged workers aged 25 to 54 years observed some gains of 25,300 (+0.6%).¹³⁷

Due mainly to the ongoing transition of the baby-boom generation into the older workers segment, workers aged 55 years and over has had the fastest employment growth every year since 2000. Older workers comprised 21.1% of the employed workforce in 2016, with the proportion having increased uninterrupted for over a decade whereas youth accounted for 13.2%, slightly decreased from 2015. Core-aged workers comprised 65.7% of the employed workforce, with the proportion having decreased steadily over the decade.

The youth unemployment rate decreased to 14.0% in 2016, reaching its lowest level since 2008. While youth unemployment fell by 10,200 in 2016, some of this was attributable to the decrease of 20,500 in the youth labour force, with the youth participation rate falling by 0.8 percentage points to 60.3%. The unemployment rate for older workers was 4.9% in 2016, while core-aged workers observed an unemployment rate of 5.4%, with the unemployment rate for all age groups reaching its lowest level since 2008.

Employment grew sharper for women (+1.4%) compared to for men (+0.8%) in 2016, with women constituting 48.1% of the employed workforce in Ontario.

Table 3: Annual Unemployment Rates, by Gender and Age, for Ontario

Seasonally Adjusted Data	2016	2015	2014	2015 to 2016	2014 to 2015
	%	%	%	(% points)	(% points)
Total	6.5	6.8	7.3	-0.3	-0.5
25 years and over	5.3	5.4	5.8	-0.1	-0.4
Men - 25 years and over	5.4	5.5	5.9	-0.1	-0.4
Women - 25 years and over	5.2	5.3	5.6	-0.1	-0.3
15 to 24 years	14.0	14.7	15.7	-0.7	-1.0
Men - 15 to 24 years	15.5	16.3	16.7	-0.8	-0.4
Women - 15 to 24 years	12.5	13.1	14.7	-0.6	-1.6

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. Employment grew across most economic regions in the province in 2016, supporting a rosier overall job market. By virtue of its size, the **Toronto** economic region saw the largest job gains and employment grew at the fastest rate in **Kingston–Pembroke**. Employment declined only in the economic regions of **Kitchener–Waterloo–Barrie** and the **Northeast** but at a moderate rate.

Part-time employment steadily increasing in the Ottawa economic region

The Ottawa economic region posted modest gains in 2016, adding about 4,200 jobs to the labour market. While the region did manage to recoup some losses following a weak performance in 2015, the increase was limited to part-time employment. The unemployment rate sat firm at 6.5%, where it has been hovering for the last six years. Although Ottawa's participation and employment rates have dropped for two consecutive years

¹³⁷ Statistics Canada. CANSIM Table 282-0002 - Labour force survey estimates (LFS), by sex and detailed age, annual.

now, both rates remain the second highest in Ontario. For that reason, the region retains its favourable position relative to the rest of Ontario, despite mixed economic performance in recent years.¹³⁸

The goods-producing sector lost 8,900 workers, with losses in nearly every industry. While construction bore the brunt of the damage with a loss of 5,100 jobs, the industry is still riding high following a very successful 2015¹³⁹ and continued construction activity through 2016. Several large projects continued through the year, such as the Light Rail Transit expansion, which is expected to create 1,000 full-time jobs.¹⁴⁰ At the same time, several new projects broke ground in the region, including the University of Ottawa's new \$155M Science, Technology, Engineering and Mathematics (STEM) Complex,¹⁴¹ the renovations of the Children's Hospital of Eastern Ontario,¹⁴² and the National Arts Centre.¹⁴³ Employment in the manufacturing industry continued its downward descent, declining almost every year since 2008. Highlighting this trend, Saputo Inc. announced the closing of its Ottawa facility by year-end 2017.¹⁴⁴

The losses in the goods-producing sector were offset by gains in services-producing sector employment, which increased by 13,100. Transportation and warehousing saw the greatest improvement, followed by professional, scientific and technical services, together adding over 10,000 jobs to the region.¹⁴⁵ Owing to Ottawa's strong technology base, several firms announced intentions to hire in 2016, such as SurveyMonkey,¹⁴⁶ Blackberry Ltd.,¹⁴⁷ and You.i TV.¹⁴⁸ This is particularly good news, following two years of employment decline for the professional, scientific and technical services industry.

¹³⁸ Statistics Canada. CANSIM Table 282-0123 - Labour force survey estimates (LFS), by provinces/territories/ERs, annual.

¹³⁹ Statistics Canada. CANSIM Table 282-0125 - Labour force survey estimates (LFS), employment by ER & NAICS, annual.

¹⁴⁰ Office of the Premier. (2016, June 3). **Ontario Committing Over \$1B for LRT in Ottawa**. *Ontario Newsroom*. Retrieved from <https://news.ontario.ca/opo/en/2016/06/ontario-committing-more-than-1-billion-for-light-rail-transit-in-ottawa.html>

¹⁴¹ Ontario Ministry of Advanced Education and Skills Development. (2016, December 13). **Ontario Supporting Modern Science and Technology Facilities for Ottawa Students**. *Ontario Newsroom*. Retrieved from <https://news.ontario.ca/maesd/en/2016/12/ontario-supporting-modern-science-and-technology-facilities-for-ottawa-students.html>

¹⁴² Crawford, B. (2016, January 28). **CHEO's 'Project Stitch' aims to cut wait times, increase number of surgeries**. *Ottawa Citizen*. Retrieved from <http://ottawacitizen.com/health/family-child/embargo-cheos-project-stitch-aims-to-cut-wait-times-increase-number-of-surgeries>

¹⁴³ Woods, M. (2016 February 9). **National Arts Centre officially breaks ground on 'rejuvenation'**. *Metro News*. Retrieved from <http://www.metronews.ca/news/ottawa/2016/02/09/nac-breaks-ground-on-rejuvenation.html>

¹⁴⁴ CBC News Staff. (2016, March 22). **Saputo to close 3 plants with loss of 230 jobs**. *CBC News*. Retrieved from: <http://www.cbc.ca/news/business/saputo-plants-close-1.3502612>

¹⁴⁵ Statistics Canada. CANSIM Table 282-0125 - Labour force survey estimates (LFS), employment by ER & NAICS, annual.

¹⁴⁶ Lord, C. (2016, December 7). **SurveyMonkey planning significant Ottawa expansion: report**. *Ottawa Business Journal*. Retrieved from <http://www.obj.ca/Technology/2016-12-07/article-4700063/SurveyMonkey-planning-significant-Ottawa-expansion%3A-report/1>

¹⁴⁷ BlackBerry Media Relations. (2016, December 19). **BlackBerry Creates Innovation Centre for Connected & Autonomous Vehicles**. *BlackBerry Newsroom*. Retrieved from <http://ca.blackberry.com/company/newsroom/press.html?id=2112415>

¹⁴⁸ Kovessy, P. (2016, September 13). **Update: Time Warner invests \$12M in You.i TV**. *Ottawa Business Journal*. Retrieved from <http://www.obj.ca/Technology/2016-09-13/article-4639723/Update%3A-Time-Warner-invests-%2412M-in-You.i-TV/1>

Large investments pave the way for growth in Kingston–Pembroke

After weak labour market conditions in recent years, the Kingston–Pembroke economic region saw significant improvement in 2016. Employment expanded by 11,500 to 212,500 – an increase of 5.7%, twice that of any economic region in Ontario. The unemployment rate fell 1.2 percentage points to 6.0%, one of its lowest levels in the past 16 years. This recovery can be attributed to greater labour market participation in the region. While the participation rate in Kingston–Pembroke has historically been one of the lowest in Ontario, it showed signs of improvement for the first time since 2011, increasing 2.2 percentage points to 59.7%.¹⁴⁹

The goods-producing sector performed well in 2016, adding 3,500 jobs to the region.¹⁵⁰ The gains were realized mostly in construction, where a number of public and private investments boosted employment in Kingston–Pembroke. Several projects were supported by various levels of government, including the Arnprior downtown revitalization project,¹⁵¹ the \$46M Build Belleville campaign,¹⁵² and an investment for Chalk River's Canadian Nuclear Laboratories.¹⁵³ On the private investment side, construction began on the Riverview Shopping Centre in Kingston,¹⁵⁴ and construction continued on the Shorelines Casino in Belleville,¹⁵⁵ while Feihe International Inc. announced they will expand in Kingston.¹⁵⁶ Manufacturing employment remained relatively stable after losing 6,200 workers in 2015. Several manufacturers announced they would be hiring in the region, such as Strathcona Energy Group,¹⁵⁷ Kruger Products,¹⁵⁸ Pillar5 Pharma,¹⁵⁹ and Cancoil Thermal Corporation.¹⁶⁰

The services-producing sector also did well overall, with an employment increase of 7,900 workers year-over-year. The finance, insurance, real estate and leasing, and educational services industries displayed the strongest performance, adding over 10,000 jobs. This growth was tempered by considerable losses from the transportation and warehousing and other services industries, which lost a combined total of nearly 5,000

¹⁴⁹ Statistics Canada. CANSIM Table 282-0123 - Labour force survey estimates (LFS), by provinces/territories/ERs, annual.

¹⁵⁰ Statistics Canada. CANSIM Table 282-0125 - Labour force survey estimates (LFS), employment by ER and NAICS, annual.

¹⁵¹ Carter, J. (2016, April 14). **Arnprior downtown reconstruction to begin in first week of May**. *Inside Ottawa Valley*. Retrieved from <http://www.insideottawavalley.com/news-story/6495440-arnprior-downtown-reconstruction-to-begin-in-first-week-of-may/>

¹⁵² Mountney-Lessard, E. (2016, January 7). **More than \$46M scheduled in 2016 construction**. *Community Press*. Retrieved from <http://www.communitypress.ca/2016/01/07/more-than-46m-scheduled-in-2016-construction>

¹⁵³ Chase, S. (2016, April 13). **Chalk River's CNL to receive \$800M in new infrastructure money**. *Daily Observer*. Retrieved from <http://www.thedailyobserver.ca/2016/04/13/chalk-rivers-cnl-to-receive-800-million-in-new-infrastructure-money>

¹⁵⁴ Clark, A. (2016, June). **Food Basics set to anchor Riverview shopping centre**. *Kingston East News*. Retrieved from <http://www.kingstoneastnews.ca/wp-content/uploads/2016/07/June-2016-KEN-web-issue.pdf>

¹⁵⁵ Miller, J. (2016, July 7). **Shorelines Casino preparing to fill job positions**. *Belleville Intelligencer*. Retrieved from <http://www.intelligencer.ca/2016/07/07/shorelines-casino-preparing-to-fill-job-positions>

¹⁵⁶ Kingston Whig-Standard Staff. (2016, December 1). **Baby formula company to generate hundreds of jobs**. *Kingston Whig-Standard*. Retrieved from <http://www.thewhig.com/2016/12/01/baby-formula-company-to-generate-hundreds-of-jobs>

¹⁵⁷ Federal Economic Development Agency for Southern Ontario (FedDev Ontario). (2016, July 27). **FedDev Ontario Supports Belleville Clean Tech Manufacturer Expansion**. *Government of Canada Newsroom*. Retrieved from <http://news.gc.ca/web/article-en.do?nid=1104789>

¹⁵⁸ Ontario Ministry of Economic Development and Growth. (2016, August 31). **Ontario Partners With Kruger to Expand Trenton Facilities**. *Ontario Newsroom*. Retrieved from <https://news.ontario.ca/medg/en/2016/08/ontario-partners-with-kruger-to-expand-trenton-facilities.html>

¹⁵⁹ Dunn, D. (2016, June 28). **Arnprior manufacturer to double in size, hire 50 more workers**. *Inside Ottawa Valley*. Retrieved from <http://www.insideottawavalley.com/news-story/6743569-arnprior-manufacturer-to-double-in-size-hire-50-more-workers/>

¹⁶⁰ Ferguson, E. (2016, May 3). **Company to open new facility; could add 100 jobs**. *Kingston Whig-Standard*. Retrieved from <http://www.thewhig.com/2016/05/03/company-to-open-new-facility-could-add-100-jobs>

workers.¹⁶¹ Despite these losses, 2016 was a banner year for the economic region, providing promise for the years ahead.

Muskoka–Kawartha's aging population plays part in sluggish employment growth

In 2016, the Muskoka–Kawartha economic region experienced soft employment growth and recouped some of the losses registered in 2015. Over the year, employment rose by 2,780 (1.63%) and the unemployment rate decreased from 7.7% to 5.7%. The drop of the unemployment rate is likely caused by the regions falling rate of labour market participation. The participation rate in 2016 was 55.1%, registering as a ten-year-low and the lowest in the province.

Muskoka–Kawartha is frequently known as “Cottage Country” in southern Ontario, as it serves as a popular retirement destination due its close proximity to the Toronto economic region. The older age profile of the region is also 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.¹⁶² 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 2014 to June 2015.¹⁶³ Perhaps another sign of the region's aging population is the declining school enrollment, which has caused Kawartha Pine Ridge District School Board to reduce teaching staff.¹⁶⁴ However, the region has seen some investments in construction of additional childcare facilities at the Lakefield Intermediate School site¹⁶⁵, the expansion of the Bata Research and Innovation Cluster at Trent University¹⁶⁶, and the modernization of existing facilities at Sutherland Campus and at the Frost Campus.¹⁶⁷

In the coming year, this region should see a number of large construction projects take shape starting with a new wastewater treatment plant and condominium units in Muskoka¹⁶⁸, and a construction of a new Canadian Canoe Museum in Peterborough.¹⁶⁹ Employment in the retail sector remains rather balanced in this region. Closures slated for March of this year of a Sears store in Cobourg¹⁷⁰, and Bracebridge's Metro grocer¹⁷¹ should

¹⁶¹ Statistics Canada. CANSIM Table 282-0125 - Labour force survey estimates (LFS), employment by ER and NAICS, annual.

¹⁶² Statistics Canada. (October 24, 2012). Census Profile. 2011 Census.

¹⁶³ Statistics Canada. CANSIM Table 051-0060 - Components of population growth by ER, sex and age group for the period from July 1 to June 30, based on the Standard Geographical Classification 2011, annual.

¹⁶⁴ Kovach, J. (2016, April 16). **Kawartha Pine Ridge District School Board issues layoff notices for 109 public high school teachers in Peterborough area over declining enrolment.** *Peterborough Examiner*. Retrieved from <http://www.thepeterboroughexaminer.com/2016/04/14/kawartha-pine-ridge-district-school-board-issues-layoff-notices-for-109-public-high-school-teachers-in-peterborough-area-over-declining-enrolment>

¹⁶⁵ Bain, J. (2016, December 12). **\$2.3M in provincial funding announced to create 49 child care spaces in Lakefield at new elementary school.** *Peterborough Examiner*. Retrieved from <http://www.thepeterboroughexaminer.com/2016/12/12/23m-in-provincial-funding-announced-to-create-49-child-care-spaces-in-lakefield-at-new-elementary-school>

¹⁶⁶ Government of Ontario. (2016, October 12). **Ontario Supporting Innovative Learning for Peterborough Students.** <https://news.ontario.ca/maesd/en/2016/10/ontario-supporting-innovative-learning-for-peterborough-students.html>

¹⁶⁷ Government of Canada. (2016, November 7). **Canada and Ontario invest in post-secondary infrastructure at Sir Sandford Fleming College.** Retrieved from: <http://news.gc.ca/web/article-en.do?mthd=index&ctr.page=1&nid=1149039>

¹⁶⁸ Cooper, B. (2016, November 20). **New waste treatment plant underway.** *Gravenhurst Banner*. Retrieved from: <http://www.muskokaregion.com/news-story/6976391-new-waste-treatment-plant-underway-at-touchstone-resort-lake-muskoka/>

¹⁶⁹ Canadian Canoe Museum. (2016, January 21). **Visionary Design Announced for the New Canadian Canoe Museum.** <http://www.canoemuseum.ca/s/News-ReleaseCanadian-Canoe-Museum2016.pdf>

¹⁷⁰ MacDonald, V. (2016, November 23). **Cobourg Sears store to close in March.** *Peterborough Examiner*. Retrieved from <http://www.thepeterboroughexaminer.com/2016/11/23/cobourg-sears-store-to-close-in-march>

be offset by openings of a new Home Hardware Building Centre in Cobourg¹⁷² and a new Food Basics grocery store in Bracebridge¹⁷³. The region's manufacturing sector has shed a significant number of jobs since 2015.¹⁷⁴ The more recent cutbacks by General Electric Canada¹⁷⁵ in Peterborough further added to manufacturing job losses for the region. Private and public investments made in the manufacturing sector supporting the refurbishment of power plants¹⁷⁶ in the region may offer some future opportunities for those affected, as should investments in the local aerospace industry.¹⁷⁷

Toronto employment growth driven by services-producing sector

Employment in the Toronto economic region continued its upward growth in 2016, adding 52,800 jobs over 2015. Gains were realized in both full-time and part-time employment. The number of unemployed fell by 3,600, driving the region's unemployment rate lower; from 7.1% to 6.9%.¹⁷⁸

The goods-producing sector saw solid employment growth with increases in both the construction and manufacturing sectors. Construction rose for the second consecutive year. Some major construction news in the region include Toronto Community Housing Corporation investing to repair and improve aging buildings;¹⁷⁹ Woodbine Entertainment Group and Trinity Development Group construction of an entertainment venue adjacent to the Woodbine Racetrack;¹⁸⁰ the ongoing construction of the Eglinton Crosstown Light Rail Transit project to be completed in 2021;¹⁸¹ and the construction of Mackenzie Vaughan Hospital to be built by 2020.¹⁸² Manufacturing rebounded in 2016 with gains of 12,400 over 2015, however still well below historic levels. Cyclone Manufacturing Inc., an aircraft parts manufacturer, is expanding its Mississauga and Milton facilities,

¹⁷¹ 411 Staff. (2016, January 7). **Metro in Bracebridge closing, will become Food Basics**. *Muskoka 411*. Retrieved from <http://muskoka411.com/start/metro-in-bracebridge-closing-will-become-food-basics/?ajaxCalendar=1&mo=11&yr=2015>

¹⁷² Northumberland News Staff. (2016, April 5). **Cobourg Home Hardware Building Centre celebrates grand opening Thursday, April 7**. *Northumberland News*. Retrieved from <http://www.northumberlandnews.com/news-story/6441457-cobourg-home-hardware-building-centre-celebrates-grand-opening-thursday-april-7/>

¹⁷³ Hartill, M. (2016, April 20). **Food Basics officially opens its doors in Bracebridge**. *Metroland North Media*. Retrieved from <http://www.muskokaregion.com/news-story/6506816-food-basics-officially-opens-its-doors-in-bracebridge/>

¹⁷⁴ Statistics Canada. CANSIM Table 282-0125 – Labour force survey estimates (LFS), employment by ER and NAICS

¹⁷⁵ Torstar News Service. (2017, January 17). **General Electric Peterborough laying off 150 workers**. *The Toronto Star*. Retrieved from <https://www.thestar.com/news/gta/2017/01/17/general-electric-peterborough-laying-off-150-workers.html>

¹⁷⁶ Cameco Corp. (2016, October 31) **Cameco to provide calandria tubes and annulus spacers for all four Darlington reactor refurbishments**. Retrieved from https://www.cameco.com/fuel_services/news/?id=132

Government of Ontario. (2016, June 28). **Ontario Partnering with Cam Tran to Create Jobs**. <https://news.ontario.ca/medg/en/2016/06/ontario-partnering-with-cam-tran-to-create-jobs.html>

¹⁷⁷ Government of Canada. (2016, April 15). **FedDev Ontario Supports Flying Colours Corp. Expansion**. Retrieved from <http://news.gc.ca/web/article-en.do?mthd=index&ctr.page=1&nid=1052089>

¹⁷⁸ Statistics Canada. CANSIM Table 282-0123 - Labour force survey estimates (LFS), by provinces/territories/ERs, annual.

¹⁷⁹ Daily Commercial News (2015, December 22). **TCHC investing \$250 million for repairs**. Retrieved from <http://dailycommercialnews.com/Projects/News/2015/12/TCHC-investing-250-million-for-repairs-1012322W/>

¹⁸⁰ CityNews (2016, February 16). **Woodbine Racetrack announces \$50 million expansion plan**. Retrieved from <http://www.citynews.ca/2016/02/16/woodbine-racetrack-announces-huge-expansion-plan/>

¹⁸¹ Government of Ontario. (2016, March 10). **Ontario Breaks Ground on First Eglinton Crosstown LRT Station**. *Government of Ontario Newsroom*. Retrieved from <https://news.ontario.ca/opo/en/2016/03/ontario-breaks-ground-on-first-eglinton-crosstown-lrt-station.html>

¹⁸² Mackenzie Health President's Report. (2016, October 25) **Construction Started on the Mackenzie Vaughan Hospital Project**. *Mackenzie Health*. Retrieved from <http://mackenziehealth.ca/report/2016/10/27/construction-started-mackenzie-vaughan-hospital-project/>

creating 135 full-time jobs.¹⁸³ Meanwhile, Torstar Corp. closed its Toronto Star printing plant in Vaughan, affecting about 285 staff.¹⁸⁴

Health care and social assistance and finance, insurance, real estate, rental and leasing buoyed gains in the services-producing sector. Of note, York University and partners, Southlake Regional Health Centre and the University Health Network will receive federal investments to develop new health-care technologies.¹⁸⁵

In other news, the retail landscape in Toronto has forever changed with the closing of Honest Ed's, an iconic low cost department store. The location will be converted into a development of 55 buildings of residences, restaurants and shops.¹⁸⁶ A number of new retailers opened locations in the Toronto area, including La maison Simon,¹⁸⁷ Saks Fifth Avenue,¹⁸⁸ Nordstrom Inc.¹⁸⁹ and Kate Spade.¹⁹⁰ The Toronto film industry received an economic boost. The Canadian Film Centre in Toronto received \$4M from the Government of Canada to advance the development and commercialization of digital media products, creating about 216 jobs.¹⁹¹ The warehousing sector was boosted by Amazon opening an 850,000-sq.-ft. robotic distribution centre in Brampton, creating more than 500 full-time jobs.¹⁹²

Employment in Kitchener–Waterloo–Barrie sustained by manufacturing and construction

Employment in Kitchener–Waterloo–Barrie weakened over the last year, with slight losses in both full-time and part-time work. In spite of the weaker employment, the unemployment rate in the region stayed at 5.4% and the participation rate was the highest in the province at 68.4%.

The region's professional, scientific and technical services industry regained some employment ground in 2016¹⁹³ and remains a vital industry, particularly around the southwestern Waterloo technology hub. This is

¹⁸³ Government of Canada. (2015, December 21) **Federal Government Announces Investment in Aerospace Manufacturing**. <http://news.gc.ca/web/article-en.do?nid=1025469>

¹⁸⁴ Lu, Vanessa. (2016, January 15) **Toronto Star to close Vaughan printing plant**. *Toronto Star*. Retrieved from <https://www.thestar.com/business/2016/01/15/toronto-star-to-close-vaughan-printing-plant.html>

¹⁸⁵ Government of Canada. (2016, July 21) **FedDev Ontario Invests in Healthcare Innovation**. *Government of Canada Newsroom*. Retrieved from: <http://news.gc.ca/web/article-en.do?nid=1102419>

¹⁸⁶ Beaty, Keith. (2016, December 28). **So long to iconic Honest Ed's: Editorial**. *Toronto Star*. Retrieved from <https://www.thestar.com/opinion/editorials/2016/12/28/so-long-to-iconic-honest-eds-editorial.html>

¹⁸⁷ Retail Insider News Staff. (2016, January 16). **Simons Prepares for GTA Debut**. *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2016/1/simons-gta>

¹⁸⁸ Evans, P. (2016, February 18). **Saks opens 1st store in Canada in downtown Toronto**. *CBC News*. Retrieved from <http://www.cbc.ca/news/business/saks-hbc-retail-1.3453327>

¹⁸⁹ Kopun, F. (2016, February 25). **Nordstrom begins hiring for Toronto stores**. *Toronto Star*. Retrieved from <http://www.thestar.com/business/2016/02/25/nordstrom-begins-hiring-for-toronto-stores.html>

¹⁹⁰ Retail Insider News Staff. (2016, March 2). **Kate Spade Continues Canadian Store Expansion**. *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2016/3/kate-spade>

¹⁹¹ Government of Canada. (2016, January 12). **Government of Canada Supports Partnerships and Advancement of Digital Media Technology**. *Government of Canada Newsroom*. Retrieved from <http://news.gc.ca/web/article-en.do?nid=1027319>

¹⁹² Khalil, Nouman. (2016, Sep 7). **Amazon opens new robotic distribution centre in Brampton**. *Brampton Guardian*. Retrieved from <http://www.bramptonguardian.com/news-story/6845339-amazon-opens-new-robotic-distribution-centre-in-brampton/>

¹⁹³ Statistics Canada. CANSIM Table 282-0125 – Labour force survey estimates (LFS), employment by ER and NAICS.

highlights by regional expansion of such firms as Thalmic Labs Inc.,¹⁹⁴ Istuary Innovation Group,¹⁹⁵ and Igloo Software.¹⁹⁶

The region's manufacturing industry embraced positive growth in 2016, fuelled by government support for the key auto-sector and soaring North American car and truck sales.¹⁹⁷ Federal and provincial support helped Honda of Canada to upgrade its Alliston facility.¹⁹⁸ Various other forms of government and private investments towards a range of automotive related manufacturing initiatives have created hundreds of new jobs and continue to support a healthy manufacturing sector in the region.¹⁹⁹ Outside of auto manufacturing, provincial funding helped Garaga Inc. and Jacobs & Thompson Inc.,²⁰⁰ Kromet International Inc.,²⁰¹ and Brotech Precision CNC Inc.²⁰² to expand their manufacturing operations and increase their workforce.

After three years of steady growth, construction employment cooled slightly in Kitchener–Waterloo–Barrie in 2016.²⁰³ Building permit values peaked in mid-2015 supporting activity in 2016 and strength will likely persist as permit values rose again in late-2016. Residential building permit values have been steadily increasing throughout 2016 in the Kitchener-Cambridge-Waterloo Census Metropolitan Area (CMA) and, to a lesser

¹⁹⁴ Pender, T. (2016, September 19). **Thalmic Labs raises US\$120 million to advance its vision for wearable technology.** *The Record*. Retrieved from <http://www.therecord.com/news-story/6864639-thalmic-labs-raises-us-120-million-to-advance-its-vision-for-wearable-technology/>

¹⁹⁵ Urbanac, B. (2016, November 30). **Istuary Innovation Group opens Waterloo office to connect with tech talent pipeline.** *Waterloo Chronicle*. Retrieved from <http://www.waterloochronicle.ca/news-story/6995476-istuary-innovation-group-opens-waterloo-office-to-connect-with-tech-talent-pipeline/>

¹⁹⁶ Johansen, L. (2017, January 13). **Kitchener scale-up Igloo adding 50 jobs, prefers local talent.** *570 News*. Retrieved from <http://www.570news.com/2017/01/13/kitchener-scale-igloo-adding-50-jobs-prefers-local-talent/>

¹⁹⁷ The Canadian Press. (2017, February 6). **Canada auto sales on pace for record 2017.** *Design Engineering*. Retrieved from <http://www.design-engineering.com/canada-auto-2017-1004025745/>

¹⁹⁸ Government of Canada. (2017, January 9) **Government of Canada invests \$41.8M in Honda of Canada; maintain jobs, develop clean technologies.** Retrieved from <http://news.gc.ca/web/article-en.do?mthd=index&crtr.page=4&nid=1177019>

¹⁹⁹ Government of Ontario. (2016, August 30). **Ontario Partnering with Mitchell Plastics to Create Jobs.** <https://news.ontario.ca/medg/en/2016/08/ontario-partnering-with-mitchell-plastics-to-create-jobs.html>

Government of Canada. (2016, March 16). **FedDev Ontario Announces Funding for Innovative Manufacturers in Guelph and New Hamburg.** Retrieved from: <http://news.gc.ca/web/article-en.do?nid=1040199>

Government of Ontario. (2016, June 3) **Ontario Partnering with Teutech Industries to Create Jobs in Guelph.** Retrieved from <https://news.ontario.ca/medg/en/2016/06/ontario-partnering-with-teutech-industries-to-create-jobs-in-guelph.html>

Dingman, S. (2016, October 5). **Clearpath Robotics raises \$30-million to bring drones to factory floors.** *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/technology/clearpath-robotics-raises-30-million-to-bring-drones-to-factory-floors/article32256654/>

CTV Kitchener Staff. (2016, November 28). **Stratford auto parts plant to undergo \$50-million expansion.** *CTV Kitchener*. Retrieved from <http://kitchener.ctvnews.ca/stratford-auto-parts-plant-to-undergo-50-million-expansion-1.3180382>

²⁰⁰ Retrieved from <https://news.ontario.ca/medg/en/2016/08/ontario-investing-over-500000-to-support-jobs-in-barrie.html>

²⁰¹ Government of Ontario. (2016, August 26). **Ontario Investing Over \$500,000 to Support Jobs in Barrie.** Retrieved from <https://news.ontario.ca/medg/en/2016/05/ontario-partnering-with-kromet-international-to-create-jobs-in-cambridge.html>

²⁰² Government of Ontario. (2016, July 5). **Ontario Partnering with Brotech Precision to Create Jobs in Barrie.** Retrieved from <https://news.ontario.ca/medg/en/2016/07/ontario-partnering-with-brotech-precision-to-create-jobs-in-barrie.html>

²⁰³ Statistics Canada. CANSIM Table 282-0125 – Labour force survey estimates (LFS), employment by ER and NAICS.

extent, in the Barrie CMA as well. The spillover effect of the GTA's hot housing market²⁰⁴ continues to drive demand for housing throughout this economic region. Various significant developments in Cambridge²⁰⁵ and downtown Kitchener²⁰⁶ highlight this growth. Regional transportation infrastructure projects are also moving forward with road construction in the Waterloo Region²⁰⁷ and Barrie²⁰⁸. Several public and private investments have been made to construction and expansion of educational institutions such as: \$30M for an Advanced Technology, Innovation and Research Centre at Georgian College in Barrie;²⁰⁹ \$43.5M for an expansion of Conestoga College's North campus in Waterloo;²¹⁰ \$66.6M for six infrastructure improvement projects at Guelph University;²¹¹ and \$88M for a research and engineering building at Wilfrid Laurier in Waterloo.²¹²

After several province-wide retail closures in 2015, the retail trade sector in the region has bounced back in 2016 as several large retailers have created hundreds of jobs in the region. Amongst the largest contributors to job creation were Costco Wholesale Canada Ltd. in Waterloo,²¹³ Walmart Canada in Guelph,²¹⁴ and Canadian Tire Corporation, Ltd. in Alcona.²¹⁵ Additional retail opportunities were created by TJX Companies, Inc. as they opened a Marshalls store in Guelph²¹⁶ and a Winners store in Cambridge²¹⁷.

²⁰⁴ The Canadian Press. (2017, January 24). **Kitchener house prices linked to GTA spillover effect, says CMHC.** *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/kitchener-waterloo/cmhc-2017-gta-spillover-affects-house-price-kitchener-waterloo-cambridge-guelph-1.3950258>

²⁰⁵ Latif, A. (2016, February 17). **City, developers announce long-awaited Hespeler mill revitalization.** *The record*. Retrieved from <http://www.therecord.com/news-story/6311087-city-developers-announce-long-awaited-hespeler-mill-revitalization/>

²⁰⁶ Flanagan, R. (2016, October 31). **One Hundred ground breaking latest sign of downtown Kitchener's boom.** *CTV News Kitchener*. Retrieved from <http://kitchener.ctvnews.ca/one-hundred-groundbreaking-latest-sign-of-downtown-kitchener-s-boom-1.3139918>

²⁰⁷ Government of Ontario. (2016, November 9). **Ontario Improving Traffic Flow, Creating Jobs in Waterloo Region.** Retrieved from <https://news.ontario.ca/mto/en/2016/11/ontario-improving-traffic-flow-creating-jobs-in-kitchener-waterloo.html>

²⁰⁸ Dunning, J. (2016, June 20). **Ontario announces \$26.9M to replace, fix Barrie overpasses.** *Simcoe*. Retrieved from <http://www.simcoe.com/news-story/6731787-ontario-announces-26-9m-to-replace-fix-barrie-overpasses/>

²⁰⁹ Government of Canada. (2017, January 9). **Canada and Ontario invest in infrastructure at Georgian College.** Retrieved from <http://news.gc.ca/web/article-en.do?mthd=index&crtr.page=5&nid=1176589>

²¹⁰ Hicks, J. (2016, December 19). **Conestoga to double size of Waterloo campus.** *The Record*. Retrieved from <http://www.therecord.com/news-story/7027578-conestoga-to-double-size-of-waterloo-campus-with-43-5-million-makeover/>

²¹¹ Exchange Magazine Staff. (2016, September 2). **U of G Gets \$30M for New Spaces, Laboratory Upgrades.** *Exchange Magazine*. Retrieved from <http://www.exchangemagazine.com/morningpost/2016/week35/Friday/16090133.htm#anchor>

²¹² Government of Canada. (2017, January 12). **Government of Canada invests in infrastructure at the University of Waterloo.** Retrieved from <http://news.gc.ca/web/article-en.do?mthd=index&crtr.page=3&nid=1178429>

²¹³ Anderson, E. (2016, October 13). **Costco Waterloo set to open on November 8th.** *570 News*. Retrieved from <http://www.570news.com/2016/10/13/costco-waterloo-set-open-november-8th/>

²¹⁴ Guelph Mercury Staff. (2016, August 3). **Walmart number two set to open in Guelph.** *Guelph Mercury Tribune*. Retrieved from <http://www.guelphmercury.com/news-story/6793792-walmart-number-two-set-to-open-in-guelph/>

²¹⁵ King M. (2016, June 21). **Canadian Tire officially opens in Alcona.** *The Barrie Examiner*. Retrieved from <http://www.thebarrieexaminer.com/2016/06/16/canadian-tire-officially-opens-in-alcona>

²¹⁶ Guelph Mercury Staff. (2016, September 20). **Guelph Marshalls grand opening set for Thursday.** *Guelph Mercury Tribune*. Retrieved from <http://www.guelphmercury.com/news-story/6868160-guelph-marshalls-grand-opening-set-for-thursday/>

²¹⁷ Vivian, R. (2016, March 10). **Winners takes over former Future Shop spot.** *Cambridge Times*. Retrieved from <http://www.cambridgetimes.ca/news-story/6386199-winners-takes-over-former-future-shop-spot/>

Hamilton–Niagara Peninsula labour market grows marginally, led by the services-producing sector

Employment grew in the Hamilton–Niagara Peninsula economic region in 2016, increasing modestly by 2,300 over 2015. All gains were in part-time work. The number of unemployed rose by 3,100, pushing the unemployment rate higher to 6.4%. Infrastructure spending across the province will benefit the economic region. 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 2019.²¹⁸

The goods-producing sector saw a decline in employment of 2,000, led by a significant decline in manufacturing of 5,400 jobs. This loss was partially offset by gains in construction of 2,900 jobs. One of the region's largest layoff included 450 workers at National Steel Car Limited which cited less demand for rail tanker cars because of lower oil prices.²¹⁹ Some positive news on the manufacturing front included GE Canada building a new gas-engine manufacturing facility in Welland,²²⁰ and Precision Record Pressing's new plant in Burlington.²²¹

The services-producing sector recorded an employment increase of 4,300 jobs in 2016, led by notable growth in health care and social assistance (+10,100) and information, culture and recreation (+8,300). This growth was partially offset by declines in educational services (-7,700) and in finance, insurance, real estate, rental and leasing (-6,300). Significant news for this region includes the IBM Canada and Hamilton Health Sciences partnership to establish a new innovation centre in downtown Hamilton.²²² The transportation and warehousing sector saw a notable boost with the opening of the Flamborough GO Transit bus service and storage facility.²²³ The retail landscape experienced a number of closings and openings throughout the economic region. Some of the openings included Saks Fifth Avenue OFF 5th in Niagara-on-the-Lake,²²⁴ Princess Auto Ltd in St. Catharines²²⁵ and DSW Designer Shoe Warehouse in Ancaster and Burlington.²²⁶ Meanwhile,

²¹⁸ Morrow, A. (2015, May 26). Ontario pledges up to \$1B for Hamilton LRT, work to start in 2019. *Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/national/hamiltons-lrt-construction-to-begin-in-2019/article24613385/>

²¹⁹ Arnold, S. (2016, August 30). Steel Car: Company lays off 300 as orders slump. *Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/6829947-steel-car-company-lays-off-300-as-orders-slump/>

²²⁰ Niagara Falls Review Staff. (2016, June 1) New GE plant in Welland means 150 jobs. *Niagara Falls Review*. Retrieved from <http://www.niagarafallsreview.ca/2016/06/01/breaking-ge-picks-welland-for-new-plant>

²²¹ Carter, A. (2016, July 11). New Ontario vinyl plant aims to be 2nd largest in North America. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/hamilton/news/burlington-record-plant-1.3673610>

²²² IBM Media Release. (2016, March 8). IBM and Hamilton Health Sciences Announce Collaborative Research Initiative. *IBM*. Retrieved from <http://www.ibm.com/news/ca/en/2016/03/08/e911106k07830d35.html>

²²³ Jefferies, B. (2016, March 11). Flamborough GO storage and service facility open. *Guelph Mercury Tribune*. Retrieved from <https://www.guelphmercury.com/news-story/6387172-flamborough-go-storage-and-service-facility-open/>

²²⁴ Bourré, T. (2016, March 10). Saks Fifth Avenue OFF 5TH Celebrates Grand Opening of its first Canadian stores on March 17, 2016. *Canadian Newswire*. Retrieved from <http://www.newswire.ca/news-releases/saks-fifth-avenue-off-5th-celebrates-grand-opening-of-its-first-canadian-stores-on-march-17-2016-571687161.html>

²²⁵ Fraser, D. (2016, March 31). Parts retailer expected to add up to 50 jobs. *Niagara Falls Review*. Retrieved from <http://www.niagarafallsreview.ca/2016/03/31/parts-retailer-expected-to-add-up-to-50-jobs>

²²⁶ Retail Insider News Staff. (2016, April 6). DSW Shoes Reveals 6 More Canadian Locations to Open in 2016. *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2016/4/dsw>

some of the larger closures included two grocery stores; Giorgio's No Frills in Hamilton²²⁷ and the Foodland in Niagara Falls.²²⁸

Full-time employment in London experienced growth in 2016

The London economic region had a relatively weak year in 2016, as employment marginally increased from 2015. While full-time employment increased for another year in a row, part-time employment fell and this nudged up the regions unemployment rate up slightly because of more new entrants to the labour force. The participation rate sank to its lowest level in over a decade as fewer residents were active in the job market.²²⁹

The key driver for the local economy was the local manufacturing industry, which recorded additional gains from the previous year.²³⁰ The automotive industry had new investments in London. General Motors of Canada Company (GM) increased its numbers at the CAMI Assembly plant in Ingersoll²³¹ as production increased by 7.6% between 2015 and 2016. Production at Toyota's Woodstock and Cambridge sites also increased and, as such, Hino Motors, part of the Toyota Group, will expand in Woodstock.²³²

There was also good news at auto-parts manufacturers in the region. Formet Industries, a division of Magna Structural Systems Inc.²³³, and ArcelorMittal Tailored Blanks Americas Ltd.²³⁴, are investing into new production technologies at their facilities. Strong motor vehicle sales in North America²³⁵ have spurred greater production and investments²³⁶ from local parts suppliers such as Sodecia North America Inc.,²³⁷ Ramsden Industries²³⁸ and Steel Technologies LLC²³⁹.

²²⁷ Moro, T. (2016, March 4). Giorgio's No Frills closure leaves gap in east-Hamilton grocery landscape. *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/6374557-giorgio-s-no-frills-closure-leaves-gap-in-east-hamilton-grocery-landscape/>

²²⁸ Ricciuto, T. (2016, April 2). Foodland closing in Niagara Falls. *Niagara Falls Review*. Retrieved from <http://www.niagarafallsreview.ca/2016/04/02/foodland-closing-in-niagara-falls>

²²⁹ Statistics Canada. CANSIM Table 282-0123 - Labour Force Survey estimates (LFS), by provinces/territories/ERs, annual.

²³⁰ Statistics Canada. Suppressed Subprovincial LF est. by industry, age and sex, SGEOIND.IVT, annual.

²³¹ Chessell B. (2016, January 24). GM's Ingersoll CAMI plant looking to hire assembly line and skilled trade workers. *Woodstock Sentinel-Review*. Retrieved from <http://www.woodstocksentinelreview.com/2016/01/24/gms-ingersoll-cami-plant-looking-to-hire-assembly-line-and-skilled-trade-workers>

²³² Stacey M. (2016, April 10). Hino Motors Canada celebrates 10 years in Woodstock with huge expansion on the horizon. *Woodstock Sentinel-Review*. Retrieved from <http://www.woodstocksentinelreview.com/2016/04/10/hino-motors-canada-celebrates-10-years-in-woodstock-with-huge-expansion-on-the-horizon>

²³³ De Bono N. (2016, April 7). St. Thomas auto parts maker to add 66 more workers for new bumper production. *London Free Press*. Retrieved from <http://www.lfpress.com/2016/04/07/st-thomas-based-formet-is-investing-23-of-its-own-money>

²³⁴ Chant M. (2016, October 12). \$12.73M For Woodstock Auto-Parts Maker. *Blackburn News*. Retrieved from <http://blackburnnews.com/london/london-news/2016/10/12/12-73m-woodstock-auto-parts-maker/>

²³⁵ Desrosiers Reports, Volume 31, Issue 1, January 15, 2017. Pg. 2, 4, 6-7

²³⁶ Statistics Canada. (2017, March 3). Study: Recent trends in motor vehicle industries, 2015. Pg. 2 Retrieved from <http://www.statcan.gc.ca/daily-quotidien/170303/dq170303a-eng.htm>

²³⁷ De Bono N. (2016, July 25). Parts giant Sodecia putting \$45M stamp on London. *London Free Press*. Retrieved from <http://www.stthomastimesjournal.com/2016/07/25/parts-giant-sodecia-putting-45m-stamp-on-london>

²³⁸ Ontario Newsroom. (2016, July 25). Ontario Partnering With Ramsden Industries to Create Jobs in London. Retrieved from <https://news.ontario.ca/medg/en/2016/07/ontario-partnering-with-ramsden-industries-to-create-jobs-in-london.html>

In construction, Cadillac Fairview Corporation Limited completed a year-long \$77M expansion of Masonville Place in London.²⁴⁰

London has a growing technology sector. Several technology firms that expanded their footprint in the region over the past year included Big Viking Games²⁴¹, Interactive Voices Inc. and Start.ca²⁴². Technology company, Startech doubled the size of its headquarters²⁴³, and high-tech research facilities are being built at Fanshawe College²⁴⁴ and at Western University in London²⁴⁵.

Solid employment growth shaped by several key developments in Windsor–Sarnia

Labour market conditions in the Windsor–Sarnia economic region rebounded after a weak year in 2015. Total employment in the region increased pushing the employment rate up in 2016. The region's unemployment rate also decreased as the number of unemployed workers shrank rapidly. The participation rate sank to its lowest level in over a decade as fewer residents than ever were active in the job market. The region's annual unemployment rate was almost the same as Ontario's rate.²⁴⁶

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.²⁴⁷

The key driver for the local economy was the local manufacturing industry, which recorded additional gains from the previous year.²⁴⁸ Renewed investments were seen in the automotive industry led by FCA Canada Inc. which is expanding production²⁴⁹ following a strong year.

²³⁹ Ontario Newsroom. (2016, March 15). **Ontario Partnering with Steel Technologies to Expand and Create Jobs in Woodstock**. Retrieved from <https://news.ontario.ca/medg/en/2016/03/ontario-partnering-with-steel-technologies-to-expand-and-create-jobs-in-woodstock.html>

²⁴⁰ The Cadillac Fairview Corporation Limited. (2016, November 3). **Cadillac Fairview Unveils \$77M Investment in CF Masonville Place**. Retrieved from https://www.cadillacfairview.com/en_CA/news/Cadillac_Fairview_Unveils_77-Million_Investment_in_CF_Masonville_Place.html

²⁴¹ De Bono N. (2016, November 9). **London-based Big Viking Games wins support from Royal Bank of Canada and Business Development Bank of Canada**. London Free Press, Retrieved from <http://www.lfpress.com/2016/11/08/london-based-big-viking-games-wins-support-from-royal-bank-of-canada-and-business-development-bank-of-canada>

²⁴² De Bono N. (2016, August 14). **Cable, Internet provider grows again**. London Free Press, Retrieved from <http://www.lfpress.com/2016/08/14/cable-internet-provider-grows-again>

²⁴³ De Bono N. (2016, July 4). **London's Startech.com adding floor space, jobs as sales rise in markets from Europe to Japan**. London Free Press, Retrieved from <http://www.lfpress.com/2016/07/04/londons-startechcom-adding-floor-space-jobs-as-sales-rise-in-markets-from-europe-to-japan>

²⁴⁴ Daniszewski H. (2016, October 7). **Fanshawe College: New research centre will work with industry in agri-food, health care, and renewable energy**. London Free Press, Retrieved from <http://www.lfpress.com/2016/10/07/fanshawe-college-setting-up-62-million-biotechnology-centre>

²⁴⁵ Western University. (2016, Sept 30). **Fed investment backs new facilities, collaboration**. Western News. Retrieved from <http://news.westernu.ca/2016/09/feds-back-new-facilities-45-million-investment/>

²⁴⁶ Statistics Canada. CANSIM Table 282-0123 - Labour Force Survey estimates (LFS), by provinces/territories/ERs, annual.

²⁴⁷ Statistics Canada. Suppressed Subprovincial LF est. by detailed age and sex, SGEODEM.IVT, annual

²⁴⁸ Statistics Canada. Suppressed Subprovincial LF est. by industry, age and sex, SGEOIND.IVT, annual.

²⁴⁹ CBC News Staff. (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>

Expansion efforts by FCA have helped boost related manufacturers such as Ingram Seating²⁵⁰, Dakota Integrated Systems²⁵¹ and Cavalier Tool and Manufacturing Ltd.²⁵² Stronger motor vehicle sales in North America²⁵³ have spurred overall greater production investments²⁵⁴ from parts suppliers Dajcor Aluminum Ltd.²⁵⁵ and Active Industrial Solutions²⁵⁶, amongst others in Windsor-Essex.²⁵⁷

Production capacity in other sub-sectors of manufacturing also grew in 2016. Sarnia's chemical hub saw two major developments with NOVA Chemicals Corporation expanding its facilities²⁵⁸, and Bioindustrial Innovation Canada (BIC) receiving an investment to support the small- and medium-sized clean technologies industrial sector in Sarnia-Lambton.²⁵⁹ The region's agricultural industry saw continued optimism heading into 2017 with increasing production at Lakeside Produce Inc.²⁶⁰, as well as, the Highbury Canco Corp. plant in Leamington^{261,262}

There were also some significant building events in the area as well in 2016 with several schools,^{263,264} retail,²⁶⁵ and utilities²⁶⁶ related construction projects in the region. In fact, the value of building permits increased over 60% in 2016 led by non-residential construction.²⁶⁷ Going forward, labour market conditions in the region are

²⁵⁰ Wilhelm, T. (2016, March 3). **Ingram Seating is hiring**. *Windsor Star*. Retrieved from <http://windsorstar.com/news/local-news/ingram-seating-is-hiring>

²⁵¹ Dakota Systems Corporate website: <http://dakkotasystems.com/dakota/get-in-touch/windsor-operation/>

²⁵² Cavalier Tool Corporate website: <http://www.cavaliertool.com/about.html>

²⁵³ Desrosiers Reports, Volume 31, Issue 1, January 15, 2017. Pg. 2, 4, 6-7

²⁵⁴ Statistics Canada. (2017, March 3). Study: Recent trends in motor vehicle industries, 2015. Pg. 2 Retrieved from <http://www.statcan.gc.ca/daily-quotidien/170303/dq170303a-eng.htm>

²⁵⁵ Canada News Releases. (2016, December 19). **FedDev Ontario Helps Chatham Manufacturer Improve Productivity and Diversify Exports**. Retrieved from <http://news.gc.ca/web/article-en.do?mthd=index&crtr.page=2&nid=1170799>

²⁵⁶ CBC News Staff. (2016, May 11). **400 new jobs expected in Active Industrial Solutions acquisition**. Retrieved from <http://www.cbc.ca/news/canada/windsor/400-new-jobs-expected-in-active-industrial-solutions-acquisition-1.3587542>

²⁵⁷ Ontario Newsroom. (2016, May 11). **Ontario Investing Over \$7.8M+ to Support Jobs in Windsor-Essex**. Retrieved from <https://news.ontario.ca/medg/en/2016/05/ontario-investing-over-78-million-to-support-jobs-in-the-windsor-essex-region.html>

²⁵⁸ Michaels, L. (2016, December 21). **Rail Yard Expansion At Nova**. Blackburn News. Retrieved from <http://blackburnnews.com/sarnia/sarnia-news/2015/12/21/rail-yard-expansion-at-nova/>

²⁵⁹ Canada News Releases. (2016, July 25). **Government of Canada Invests \$12M to Support Bio-Based Innovation in Sarnia**. Retrieved from: <http://news.gc.ca/web/article-en.do?nid=1103989>

²⁶⁰ Ontario Newsroom. (2016, February 2). **Ontario Investing in Advanced Manufacturing in Blenheim**. Retrieved from <https://news.ontario.ca/medg/en/2016/02/ontario-partnering-with-lakeside-produce-to-create-jobs.html>

²⁶¹ Schmidt, D. (2016, January 15). **Union Gas cuts ribbon on expansion in greenhouse sector**. Windsor Star. Retrieved from <http://windsorstar.com/news/local-news/leamingtons-highbury-canco-expanding-again-seeks-85-new-workers>

²⁶² Loiselle, A. (2016, July 29). **Highbury Canco Needs Hundreds Of Seasonal Workers**. Blackburn News. Retrieved from <http://blackburnnews.com/windsor/windsor-news/2016/07/29/highbury-canco-needs-hundreds-seasonal-workers/>

²⁶³ Dickinson, K. (2016, October 25). **New Building To Replace Elementary School**. Blackburn News. Retrieved from <http://blackburnnews.com/windsor/windsor-news/2016/10/25/new-building-replace-elementary-school/>

²⁶⁴ Thorne, L. (2016, April 20). **Construction Set to Start On New Leamington High School**. windsoriteDOTca. Retrieved from <http://windsorite.ca/2016/04/construction-set-to-start-on-new-leamington-high-school/>

²⁶⁵ Windsor Star News Staff. (2016, August 16). **Devonshire Mall to undergo \$70M renovation**. Windsor Star. Retrieved from <http://windsorstar.com/storyline/devonshire-mall-to-undergo-70m-renovation>

²⁶⁶ CNW Newswire. (2016, April 7). **Infrastructure Construction commences on Windsor Solar**. CNW. Retrieved from <http://www.newswire.ca/news-releases/samsung-and-connor-clark-lunn-infrastructure-commence-construction-on-windsor-solar-creating-jobs-and-investment-in-ontario-574933201.html>

²⁶⁷ Statistics Canada. CANSIM Table 026-0006 - Building permits, by type of structure and area..

expected to hold onto recent employment gains driven by a favourable currency and a strengthening U.S. economy in 2017.

Labour market conditions in Stratford–Bruce Peninsula show signs of marginal improvements in 2016

Following a year with the lowest employment level on record, the Stratford–Bruce Peninsula economic region's employment inched up in 2016.²⁶⁸ While full-time employment decreased for the third year in a row, part-time employment partly recovered and nudged down the regions unemployment rate. The participation rate sank to its lowest level in over a decade as fewer residents were active in the job market.

Despite softer overall employment, the regions construction industry came ahead in 2016. Non-residential construction, driven mainly by commercial investments, regained some of the lost ground from the previous year. The region's housing market remained strong with residential building permits up 20.5% in 2016.²⁶⁹ Public investments have further contributed to regional employment growth as various projects start taking shape in the region, such as a new school in Meaford,²⁷⁰ and the Goderich Harbour expansion.²⁷¹

The local manufacturing industry saw a few big developments as well. Gay Lea Foods Co-Operative Ltd will expand operations in Teeswater, as will Sofina Foods Inc. in Mitchell.²⁷² Similar to 2015, the region continues to grow its medicinal marijuana industry in Kincardine as Advanced Medical Marihuana Canada plant commenced testing²⁷³ and 7 ACRES collected its first harvest. Further expansions included Guardian Bridge Rapid Construction Inc. opening a facility in St. Mary's,²⁷⁴ and two new microbreweries²⁷⁵. However, it was not all positive news for the local manufacturing industry. Kraft Heinz Company will close its St. Mary's plant in 2017²⁷⁶ as well as Compass Minerals International Inc. cutbacks its rock salt mine in Goderich.

²⁶⁸ Statistics Canada. CANSIM Table 282-0123 - Labour Force Survey estimates (LFS), by provinces/territories/ERs, annual.

²⁶⁹ Statistics Canada. CANSIM Table 026-0007 - Building permits, dwelling units by type and value by sector, ER, annual.

²⁷⁰ Villeneuve M. (2016, April 30). \$24-Million for New Meaford School. *Bayshore News*. Retrieved from http://www.bayshorebroadcasting.ca/news_item.php?NewsID=84134

²⁷¹ Montgomery, B. (2016 June 23). Spring 2017 For Start Of Goderich Harbour Expansion. *Blackburn News*. Retrieved from <http://blackburnnews.com/midwestern-ontario/2016/06/23/spring-2017-start-goderich-harbour-expansion/>

²⁷² Canada Newswire Staff. (2015, March 26). Sofina Foods Invests in Ontario Turkey Industry. *Canada Newswire*. Retrieved from <http://www.newswire.ca/news-releases/sofina-foods-invests-in-ontario-turkey-industry-517328141.html>

²⁷³ Patterson, T. (2016, April 8). Supreme Pharmaceuticals welcomes visitors to Kincardine medical marihuana facility before getting down to growing. *Kincardine News*. Retrieved from <http://www.kincardineneews.com/2016/04/07/supreme-pharmaceuticals-welcomes-visitors-to-kincardine-medical-marihuana-facility-before-getting-down-to-growing>

²⁷⁴ Cudworth, L. (2016, May 13). Guardian Bridge moves out of Stratford, into former Dana plant. *Beacon Herald*. Retrieved from <http://www.stratfordbeaconherald.com/2016/05/13/guardian-bridge-moves-out-of-stratford-and-into-former-dana-plant>

²⁷⁵ Culbert, V. (2016, October 25). Brewery Coming To Goderich. *Bayshore News*. Retrieved from http://www.bayshorebroadcasting.ca/news_item.php?NewsID=88410

Patterson, T. (2016, August 16). Kincardine's new Grey Matter Beer Company will transform downtown location overlooking Lake Huron. *Kincardine News*. Retrieved from <http://www.kincardineneews.com/2016/08/10/kincardines-new-grey-matter-beer-company-will-transform-former-sandys-location-overlooking-lake-huron>

²⁷⁶ Macaluso, G. (2015, November 6). 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>

Lower commodity prices weighed down on employment growth in the Northeast economic region in 2016

Employment in the Northeast economic region fell by 300 in 2016, resulting in a net decrease of 7,500 since its recent peak in 2012. Most of this loss was in part-time employment. Both the population and participation rate dropped as residents left the region to find work elsewhere or exited the local labour market. This is reflected in the unemployment rate which decreased by 0.6 percentage points.²⁷⁷

Employment in most of the industries in the Northeast saw some positive movement in 2016. Transportation and warehousing led with significant employment growth while construction, accommodation and food services and public administration followed.

On the other hand, forestry, fishing, mining, quarrying, oil and gas experienced a sharp decline and which contributed to the provincial decline. The forestry sector, in particular, has been steadily declining and will be the focus going forward given the potential impacts of the softwood lumber trade dispute with the United States. Mining activities in northern Ontario have been affected by an industry-wide downturn as companies cope with a slump in base metal prices. In 2016, despite the weak conditions, there were a few positive developments in mining activities, which helped provide some optimism for the industry moving forward. These included government investments,²⁷⁸ company expansions, such as General Magnesium Corp in Timmins²⁷⁹ and Goldcorp in Chapleau,²⁸⁰ and continued mining exploration projects.²⁸¹

Employment increased in the Northwest region led by construction

In 2016, employment in the Northwest economic region increased by 2,500, regaining losses from 2015. This increase was reflected in full-time employment in the region. Both the population and participation rates also increased as the region experienced some growth over the past year.²⁸²

The growth seen in the Northwest was led by construction and forestry, fishing, mining quarrying, oil and gas. Highway²⁸³ and waterfront infrastructure developments,²⁸⁴ as well as, residential²⁸⁵, commercial and

²⁷⁷ Statistics Canada. CANSIM Table 282-0123 - Labour force survey estimates (LFS), by provinces/territories/ERs, annual.

²⁷⁸ Ministry of Northern Development and Mines. (2016, August 26). [Ontario Invests in Sudbury Mining Sector](https://news.ontario.ca/mndmf/en/2016/08/ontario-invests-in-sudbury-mining-sector.html). *Ontario Newsroom*. Retrieved from: <https://news.ontario.ca/mndmf/en/2016/08/ontario-invests-in-sudbury-mining-sector.html>

²⁷⁹ Kelly, L. (2016, February 1). [Magnesium mine promising jobs, diversity in Timmins](http://www.northernontariobusiness.com/Regional-News/timmins/2016/02/Magnesium-mine-promising-jobs-diversity-in-Timmins.aspx). *Northern Ontario Business*. Retrieved from <http://www.northernontariobusiness.com/Regional-News/timmins/2016/02/Magnesium-mine-promising-jobs-diversity-in-Timmins.aspx>

²⁸⁰ CBC News. (2016, November 30). [Goldcorp to open first electric mine near Chapleau next year](http://www.cbc.ca/news/canada/sudbury/first-electric-mine-goldcorp-chapleau-site-1.3873711). *CBC News* <http://www.cbc.ca/news/canada/sudbury/first-electric-mine-goldcorp-chapleau-site-1.3873711>

²⁸¹ Northern Ontario Business Staff. (2016, August 31). [Wallbridge announces \\$4M for Sudbury exploration](http://www.northernontariobusiness.com/Industry-News/mining/2016/08/Wallbridge-announces-$4-million-for-Sudbury-exploration.aspx). *Northern Ontario Business*. Retrieved from [http://www.northernontariobusiness.com/Industry-News/mining/2016/08/Wallbridge-announces-\\$4-million-for-Sudbury-exploration.aspx](http://www.northernontariobusiness.com/Industry-News/mining/2016/08/Wallbridge-announces-$4-million-for-Sudbury-exploration.aspx)

²⁸² Statistics Canada. Table 282-0123 - Labour force survey estimates (LFS), by provinces and ERs, annual.

²⁸³ Ministry of Northern Development and Mines. (2016, March). [Ontario Investing \\$18.5M in Highways](https://news.ontario.ca/mndmf/en/2016/03/ontario-investing-185-million-in-highways-17-and-595.html). *Ontario Newsroom*. Retrieved from: <https://news.ontario.ca/mndmf/en/2016/03/ontario-investing-185-million-in-highways-17-and-595.html>

²⁸⁴ Government of Canada. (2016, March 01). [Federal Investment Supports Nipigon Waterfront Development](http://news.gc.ca/web/article-en.do?nid=1037029). Retrieved from: <http://news.gc.ca/web/article-en.do?nid=1037029>

²⁸⁵ CKDR Dryden Staff. (2016, August 13). [New homes going up in Kashechewan](http://www.ckdr.net/news/942757043/new-homes-going-kashechewan). Retrieved from <http://www.ckdr.net/news/942757043/new-homes-going-kashechewan>

institutional^{286,287} construction projects, were some of the larger projects that contributed to the growth in the industry. Some projects announced late in 2016 may see the growth in construction continue into 2017.²⁸⁸

Accommodation and food services also showed considerable employment gains with a 13.7% increase. The opening of the five storeys Hampton Inn and Suites Hotel in Thunder Bay²⁸⁹ in Spring 2016 and the opening of several new restaurants contributed to employment gains.

Despite a few layoffs, forestry, mining, quarrying and oil and gas experienced a net increase in employment. New Gold Inc. investment in Rainy River²⁹⁰ and Goldcorp Inc.'s Musselwhite gold mine expansion²⁹¹ contributed to this increase.

Public administration continued its downward trend from 2012 and saw the largest loss for the region. This may receive a boost from Canada Revenue Agency hiring plans for its Sudbury processing centre.²⁹²

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

Employment ('000) Seasonally unadjusted data	Year			2015 to 2016		2014 to 2015	
	2016	2015	2014	Number	%	Number	%
Ontario	6,999.6	6,923.2	6,877.9	76.4	1.1	45.3	0.7
Economic Regions							
Ottawa	692.4	688.2	697.8	4.2	0.6	-9.6	-1.4
Kingston—Pembroke	212.5	201.0	210.1	11.5	5.7	-9.1	-4.3

²⁸⁶ Latter, Heather. (2016, April 13). **Tender for DYS upgrade awarded**. *Fort Francis Times*. Retrieved from <http://www.fftimes.com/news/local/district/tender-dys-upgrade-awarded>

²⁸⁷ (2016, July 14) **Province funds pumping station upgrades in Greenstone**. *TbNewsWatch*. Retrieved from: http://www.tbnewswatch.com/news/391488/Province_provides_funding_for_pumping_station_upgrades_in_Greenstone

²⁸⁸ Young, R. (2016, December 2). **Renovations starting for LOWDH operating rooms**. *KenoraOnline*. Retrieved from: <http://www.kenoraonline.com/local/renovations-starting-for-lowdh-operating-rooms>

²⁸⁹ Li, X. (2016, July 22). **Hampton Inn readies for September opening**. *TbNewsWatch*. Retrieved from: http://www.tbnewswatch.com/news/391743/Following_delays_Hampton_Inn_readies_for_September_opening

²⁹⁰ (2015, December 23). **Mine site work on track**. *Fort Frances Times*. Retrieved from: <http://www.fftimes.com/news/local/news/mine-site-work-track>

²⁹¹ Bradley, S. (2016, July). **Goldcorp to expand materials handling at Musselwhite**. *Sioux lookout Bulletin*. Retrieved from: <http://www.siouxbulletin.com/goldcorp-to-expand-materials-handling-at-musselwhite?id=1620>

²⁹² The Sudbury Star Staff. (2016, November 18). **CRA to add 543 jobs in Sudbury**. Retrieved from <http://www.thesudburystar.com/2016/11/18/cra-to-add-543-in-sudbury>

Muskoka—Kawarthas	170.6	167.8	186.3	2.8	1.7	-18.5	-9.9
Toronto	3,373.2	3,320.4	3,241.1	52.8	1.6	79.3	2.4
Kitchener—Waterloo—Barrie	706.0	710.6	704.5	-4.6	-0.6	6.1	0.9
Hamilton—Niagara Peninsula	721.4	719.1	706.4	2.3	0.3	12.7	1.8
London	330.9	330.4	324.8	0.5	0.2	5.6	1.7
Windsor—Sarnia	299.4	295.1	299.1	4.3	1.5	-4.0	-1.3
Stratford—Bruce Peninsula	145.5	145.0	151.1	0.5	0.3	-6.1	-4.0
Northeast	247.8	248.1	256.8	-0.3	-0.1	-8.7	-3.4
Northwest	99.9	97.4	99.8	2.5	2.6	-2.4	-2.4

Note: Totals may not add due to rounding

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

Ontario's Interprovincial Migration

For the first time since 2002, Ontario welcomed more in-migrants coming from other provinces than out-migrants leaving the province. In the first three quarters of 2016, Ontario gained approximately 15,000 net residents from other provinces, compared to more than 3,000 residents lost in the whole of 2015. This migration pattern largely reflects the trend of diverging economies across Canada, as Ontario was one of the growth leaders in the country in much of 2016. In contrast, the number of job vacancies declined in oil-producing provinces, especially Alberta, due to the sustained weakness in oil prices.²⁹³ This has resulted in an outflow of interprovincial migrants, some of whom have relocated to Ontario. Going into 2017, net interprovincial migration should remain positive thanks to Ontario's position as one of the country's economic engines.

Labour Market Outcomes for Client Segments

Labour market conditions improved for Indigenous Peoples in Ontario in 2016

Indigenous peoples²⁹⁴ represent 2.4% of the total population in Ontario with 301,430 individuals.²⁹⁵ Ontario has the largest Indigenous community in Canada with close to 22.0% of the nation's total Indigenous population. The majority of Indigenous peoples identify as First Nations people in Ontario.

The share of Indigenous peoples that live on reserve or in rural areas has fallen as more individuals move to urban centres. The largest Indigenous populations are in Toronto, the Greater Hamilton Area, and Ottawa. The Indigenous community has a high concentration in northern Ontario as well. Close to 33.0% of Ontario's Indigenous peoples live in the North.

The Indigenous population grew at a much faster rate than the non-Indigenous population mainly because of higher birth rates in the community. Indigenous peoples have a greater share of children, youth, and young working-age adults.

²⁹³ Statistics Canada. Table 284-0001 - Survey of Employment, Payrolls and Hours (SEPH), by NAICS, 3-month moving average, unadjusted for seasonality, monthly (number unless otherwise noted), CANSIM (database).

²⁹⁴ Refers to whether the person reported being an Indigenous 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. Indigenous peoples of Canada are defined in the Constitution Act, 1982, section 35 (2) as including the Indian, Inuit and Métis peoples of Canada.

²⁹⁵ Statistics Canada, 2011 National Household Survey, SC Catalogue Tables no. 99-011-X2011026 to 99-011-201129

Although the labour market for Indigenous peoples is still weaker, conditions improved over the past year. Employment grew by almost 8.0% for Indigenous peoples that live off reserve between 2015 and 2016.²⁹⁶ This was noticeably higher than for the non-Indigenous population. The participation and employment rates for Indigenous peoples increased as well while both rates dipped for the non-Indigenous population. The unemployment rate for Indigenous peoples also fell to 10.0% in 2016. This was the lowest unemployment rate on record for Indigenous peoples in Ontario since 2007.

There were a few large investments to support education and jobs in Indigenous communities in 2016. Lambton College collaborated with the Chippewas of Kettle and Stony Point First Nation to open a satellite location in Sarnia that will promote entrepreneurship among First Nations people.²⁹⁷ Construction started on the Temagami First Nation Multi-Use Facility and Business Centre that will include a job-training site set to open in 2018.²⁹⁸ And the Wasaho Cree Nation School opened in Fort Severn First Nation in October 2016.²⁹⁹

Resource-based industries tend to employ a fair number of Indigenous peoples in the province.³⁰⁰ The slowdown in the mining industry may affect Indigenous communities in northern Ontario, as well as any impacts from the Softwood Lumber trade dispute on local sawmills. To offset some of this weakness, opportunities for Indigenous people could arise, going forward, through new projects in clean energy as well as growth in areas like Indigenous tourism, sustainability, and self-employment.³⁰¹

Ontario welcomes a large number of refugees from the Syrian conflict

Between December 2015 and 2016, Ontario welcomed over 14,000 Syrian refugees through government-assisted and private sponsorship.³⁰² Over half settled in urban cities.³⁰³ In total, Ontario is expected to accept almost 18,000 refugees in 2016. This is four times higher than the average annual arrivals from 2005 to 2014.

²⁹⁶ Note: Statistics Canada's Labour Force Survey excludes Indigenous peoples that live on reserves and other Indigenous settlements in the province

Statistics Canada. *Table 282-0226 - Labour force survey estimates (LFS), by Aboriginal group, sex and age group, Canada, selected provinces and regions, annual (persons unless otherwise noted)*, CANSIM

²⁹⁷ Lambton College. (2016, March 24). *Lambton College partners with Chippewas of Kettle and Stony Point First Nation to launch satellite location of The Cube*. Lambton College. Retrieved from <https://www.lambton.on.ca/custom/Pages/News/Article.aspx?id=2147512573>

²⁹⁸ Ontario Newsroom. (2016, July 09). *Ontario Supports New Community Centre in Temagami First Nation*. Government of Ontario. Retrieved from https://news.ontario.ca/maa/en/2016/07/ontario-supports-new-community-centre-in-temagami-first-nation.html?utm_source=digest&utm_medium=email&utm_campaign=p

²⁹⁹ Rinne, G. (2016, October 04). *Fort Severn celebrates opening of new school*. *TBNewsWatch.com*. Retrieved from <https://www.tbnewsWatch.com/local-news/ontarios-most-northerly-community-dedicates-new-school-430531>

³⁰⁰ Statistics Canada. 2013. *Ontario. National Household Survey (NHS) Aboriginal Population Profile*. 2011 National Household Survey. Statistics Canada Catalogue no. 99-011-X2011007

³⁰¹ Expositor Staff. (2016, August 17). *Aboriginal Tourism Ontario announces inaugural board*. *The Manitoulin Expositor*. Retrieved from <http://www.manitoulin.ca/2016/08/17/aboriginal-tourism-ontario-announces-inaugural-board/>
CBC News. (2016, November 05). *First Nations see economic future in Canada's growing clean energy industry*. *CBC News*. Retrieved from <http://www.cbc.ca/news/indigenous/first-nations-pursue-canada-clean-energy-economy-1.3829405>
Grant, T. (2015, July 12). *Aboriginal women lead the way in Canada's labour market*. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/aboriginal-women-lead-the-way-in-canadas-labour-markets/article25475691/>

³⁰² Government of Ontario, Ministry of Citizenship and Immigration. (2016, December 5). *Ontario Continuing to Welcome and Support Syrian Refugees*. Retrieved from <https://news.ontario.ca/mci/en/2016/12/ontario-continuing-to-welcome-and-support-syrian-refugees.html>

³⁰³ Ibid.

Immigrants remain an important source of population and labour force growth in the province. Ontario continues to attract the largest proportion of newcomers arriving to Canada.³⁰⁴ In 2015/2016, nearly 40.0% of all new immigrants chose Ontario as their new home,³⁰⁵ with the majority settling within the Toronto economic region.³⁰⁶ 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.³⁰⁷

Typically, new immigrants to Ontario (those who arrived within the past five years) have higher unemployment rates compared with the overall working-age population in Ontario. In 2016, the unemployment rate for new immigrants was 11.6% compared with 6.5% for Ontario's working-age population.³⁰⁸ Between 2015 and 2016 the unemployment rate for newcomers rate decreased by 0.2 percentage points, compared with 0.3 percentage points for the working-age population. Immigrants that have been established in the province for more than 10 years had an unemployment rate 0.7 percentage point lower than the working-age population,³⁰⁹ suggesting improved labour market outcomes for immigrants over time.

Youth (aged 15-29) labour market slightly improved; youth coming back to Ontario.

Labour market conditions have not changed much for youth in 2016. The number of youth in the Ontario labour force saw a slight increase to 1.895 million. The participation rate for youth inched lower to 69.1% in 2016 from 69.2% in 2015. Youth employment increased, particularly in full-time work, while their unemployment rate fell to 11.1% in 2016 from 11.7% in 2015.³¹⁰

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.³¹¹ The unemployment rate for youth aged 15 to 19 averaged 18.5% in 2016, a 2.1 percentage point decrease compared with 2015. In comparison, in 2016 the average unemployment rate for the other two youth cohorts, aged 20 to 24 and 25 to 29, were 11.7% and 7.2% respectively. 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 five years. However, this has been shifting back to surplus as 1,400 more youth came into the province than left in 2015/2016.³¹² While this suggests strength in the Ontario labour market relative to other provinces, it is more a result of the oil industry decline arising from lower oil prices impacting Western Canada economies. This reverses a trend of Ontario's negative net migration since 2003/2004 for youth when oil prices and oil production in Western Canada was booming.

The recent stabilization of the oil markets, albeit at lower price levels than the boom period, will likely allow oil production to resume in the western provinces. However, it is unlikely that Ontario will experience a negative

³⁰⁴ Statistics Canada. CANSIM Table 051-0037 - International migration components, Canada, provinces and territories, quarterly (persons).

³⁰⁵ Statistics Canada. CANSIM Table 051-0004 - Components of population growth, Canada, provinces and territories, annual (persons).

³⁰⁶ 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.

³⁰⁷ Statistics Canada. CANSIM Table 051-0004 - Components of population growth, provinces and territories, annual.

³⁰⁸ 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.

³⁰⁹ Statistics Canada. CANSIM Table 051-0004 - Components of population growth, provinces and territories, annual

³¹⁰ Statistics Canada. Table 282-0002: Labour Force Survey estimates (LFS) by sex and detailed age group annual

³¹¹ Ibid.

³¹² Statistics Canada. Table 051-0012 - Interprovincial migrants, by age and sex, provinces and territories, annual (persons)

net migration levels comparable to the last decade as oil prices are expected to see a gradual increase over the next few years. The larger concern is how labour market indicators for younger workers are affected by potential weakness in industries where they are concentrated, such as retail and information, culture, and recreation³¹³, as consumer spending growth is expected to slow in 2017. That being said, since youth are overrepresented in accommodation and food services, they may benefit from an increase in tourism resulting from a lower CAD.³¹⁴

Older Workers (aged 55 to 64) increased their presence in the labour market in 2016

In Ontario, older workers aged 55 to 64 have been a growing segment of the labour force. In 2016, this age group represented 16.5% of workers and job seekers, up from 15.9% a year earlier. 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 may reach its maximum. Older workers aged 55 to 64 years experienced the largest employment growth among workers in Ontario, with gains of 53,600 (+4.6%) in 2016.³¹⁵

Workforce participation continues to increase among older workers with males posting higher rates than women.³¹⁶ However, female labour force participation is increasing at a faster rate than males, with females posting a 5.1 percentage point increase in labour force participation over the last decade compared to the 2.9 percentage point increase among their male counterparts.³¹⁷ These trends in workforce participation coincide with an increase in the median age of retirement in Ontario for both males and females with an upward change becoming more evident following the 2008/2009 recession. In fact, the median age of retirement in the province increased significantly from 61.3 years in 2009 to 64.3 years in 2016.

This increasing workforce participation can be attributed to recent trends of delayed retirement³¹⁸ and re-employment³¹⁹ among older workers which in turn are based on multiple factors. These include: (i) *Labour market factors* such as precarious economic conditions (e.g. lay-offs, cut-backs, job availability, lower wages) and employment in particular regions, occupations, and sectors; (ii) *Changes in legislation* such as recent changes in the CPP, adjustments to rules of the Income Tax Act relating to registered pension plans, and the elimination of mandatory retirement; (iii) *Financial factors* such as financial readiness (e.g. outstanding mortgage, debt, savings) and coverage by a registered pension plan; (iv) *Socio-demographic factors* such as age, sex, education, income, and immigrant status; (v) *Domestic factors* such as presence of a spouse and their earnings, presence of children, and caregiving within and outside the family; (vi) *HR related issues* such as lack of practices supporting older worker retention and retraining options, as well as flexibility in working arrangements; (vii) *Work related issues* such as job stability, job strain, job mobility, physical demands, job satisfaction, and supervisory support; (viii) *Health related factors* such as health status, activity limitations,

³¹³ Statistics Canada. Table 282-0008: Labour Force Survey estimates (LFS) by NAICS, sex and age group, annual

³¹⁴ Statistics Canada. Table 282-0008 - Labour force survey estimates (LFS), by NAICS, sex and age group, annual

³¹⁵ Statistics Canada. CANSIM Table 282-0002 - Labour force survey estimates (LFS), by sex and detailed age group, annual.

³¹⁶ Statistics Canada. CANSIM Table 282-0002 - Labour force survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted). **Men: 67.7% in 2006 to 70.7% in 2014.**

³¹⁷ Statistics Canada. CANSIM Table 282-0002 - Labour force survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted). **Females: 56.5% in 2007 to 61.6% in 2016; Males: 68.7% in 2007 to 71.5% in 2016.**

³¹⁸ Belanger, A, Carriere, Y, and Sabourin, P. (2016, March). **Understanding Employment Participation of Older Workers: The Canadian Perspective.** *Canadian Public Policy*. Retrieved from http://www.finance-montreal.com/sites/default/files/publications/baclanger_et_al_2016_cpp.pdf

³¹⁹ Bonikowska, A. and Schellenberg, G. (2014, January). **Employment Transitions Among Older Workers Leaving Long-term Jobs: Evidence from Administrative Data.** *Statistics Canada*. Retrieved from <http://www.statcan.gc.ca/pub/11f0019m/11f0019m2014355-eng.pdf>

health shocks, and health behaviours (smoking, drinking, obesity); (ix) *Training* including level of participation in training, availability of developmental opportunities, and access to training that suits older workers; and (x) *Motivation related factors* such as opportunities for professional development, satisfaction with work environment, satisfaction with work-life balance and life satisfaction post-retirement.^{320,321,322}

Compared to younger age groups, older workers tend to be unemployed for longer periods of time.³²³ This is possibly due to relatively lower levels of educational attainment,³²⁴ age discrimination,³²⁵ and high unemployment rates in the area. It is also possible that older workers are more selective in their job search than the younger age groups particularly in relation to finding jobs with similar compensation.³²⁶ These factors may reduce re-employment opportunities for unemployed older workers and may even force some into early retirement. Older workers may also have more savings, as well as more hours accumulated for Employment Insurance (EI) benefits, allowing them to stay unemployed for a longer period.

Older workers tend to be over-represented in part-time work, compared to younger age groups, and their share in part-time work has been increasing over time. In 2016, this age group represented 15.3% of those employed part-time, up from 13.7% a year earlier.³²⁷ This growth can be potentially attributed to the relatively limited number of full-time and well-paying jobs available, particularly for older workers,³²⁸ personal preferences related to delayed retirement or re-entry into the workforce post-retirement, and financial insecurity.³²⁹

³²⁰ Belanger, A, Carriere, Y, and Sabourin, P. (2016, March). *Understanding Employment Participation of Older Workers: The Canadian Perspective*. *Canadian Public Policy*. Retrieved from http://www.finance-montreal.com/sites/default/files/publications/baclangier_et_al_2016_cpp.pdf

³²¹ Bonikowska, A. and Schellenberg, G. (2014, January). *Employment Transitions Among Older Workers Leaving Long-term Jobs: Evidence from Administrative Data*. *Statistics Canada*. Retrieved from <http://www.statcan.gc.ca/pub/11f0019m/11f0019m2014355-eng.pdf>

³²² Park, J. (2012). *Job-related training of older workers*. *Statistics Canada*. Retrieved from <http://www.statcan.gc.ca/pub/75-001-x/2012002/article/11652-eng.htm>

³²³ Statistics Canada. CANSIM Table 282-0048 - Labour force survey estimates (LFS), duration of unemployment by sex and age, annual.

³²⁴ Carriere, Y., and Galarneau, D. (2012). *The Impact of Involuntary Breaks in Employment and Level of Education on the Timing of Retirement*. *Statistics Canada*. Retrieved from <http://www.statcan.gc.ca/pub/75-004-m/75-004-m2012001-eng.htm>

³²⁵ Alon-Shenker, P. (2014, February 28). *Nonhiring and Dismissal of Senior Workers: Is It About the Money?* *Comparative Labor Law & Policy Journal* 35(2). Retrieved from <http://www.unifor.org/sites/default/files/brief-statements/alon-shenker.pdf>

³²⁶ Finnie, R., and Gray, D. (2011, February 24). *Labour- Force Participation of Older Displaced Workers in Canada*. *Institute for Public Research and Policy*. Retrieved from <http://irpp.org/research-studies/study-no15/>

³²⁷ Statistics Canada. CANSIM Table 282-0002 - Labour force survey estimates (LFS), by sex and age group, annual.

³²⁸ Marotte, B. (2013, September 5). *Older workers pushing students out of part-time jobs: report*. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/economy/older-workers-pushing-students-out-of-part-time-jobs-report/article14119334/>

³²⁹ Younglai, R. (2017, February 9). *Job shift: How older Canadians are leading a part-time charge*. *The Globe and Mail*. Retrieved from <http://www.pressreader.com/canada/the-globe-and-mail-ottawaquebec-edition/20170209/281818578574909>

Seniors aged 65 and over participating strongly in the labour force

The current population of the 2.3 million seniors aged 65 and over in Ontario, as of 2016, is projected to reach 4.5 million by 2041.³³⁰ Seniors are set to increase its share of the Ontario population from 16.4% to 25.3% of the total population between 2016 and 2041, and will also continue to increase their representation in the workforce, even as the Canada Pension Plan benefits are expanded over the medium term horizon.

The proportion of seniors who are participating in the labour force as part of the workforce or actively seeking jobs has increased significantly over the past decade, strengthened by the impact of the late-2000s recession. In 2016, the labour force participation rate of seniors was 14.4% in Ontario, which was a slight drop from the previous year, but still the second highest rate ever recorded in the Labour Force Survey. The participation rate of 14.4% in Ontario was slightly higher than the national average of 13.7% in Canada, while the provincial senior unemployment rate of 3.3% was one of the lowest across Canada. The participation rate for seniors in Ontario had been growing gradually, but gained greater momentum after 2007, as the rate jumped up by 5 percentage points between 2007 and 2014.

Seniors were far more likely to work part-time compared to the general population, though, as 42.3% of seniors who were employed worked part-time in 2016, compared to 19.0% of the general Ontario workforce. Seniors were strongly over-represented in the agriculture industry, while they were strongly under-represented 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 Francophones³³¹ in Canada, with large Francophone communities in Ottawa, Toronto, and Northern Ontario. The Francophone community represented 4.3% of the total population in Ontario in 2011.³³²

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.³³³

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 looks 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 Ontario's economy and labour market. Finally, the Ontario outlook is dependent on business investment picking up the slack expected from a tapped out consumer. However, the health of the real estate market, potential shifts to

³³⁰ Ontario annual population projections (2016-2041). *Ontario Data Catalogue*. Retrieved from: <https://www.ontario.ca/data/population-projections>

³³¹ All individuals with French as a first official language spoken and half of those with both English and French

³³² Statistics Canada. 2011 Census of Population. Catalogue no. 98-314-XCB2011058.

³³³ Statistics Canada. 2011 Census of Population - Catalogue no. 98-314-XCB2011037

Canada-U.S. trade relationship and global geopolitical climate are risks to the 2017 outlook, amid fears that the positive expectations for the U.S. economy do not materialize. That being said, the outlook remains cautiously optimistic as improving economic growth should create more opportunities in Ontario's labour market.

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.

Prepared by: Labour Market and Socio-Economic Information Directorate, Service Canada, Ontario

For further information, please contact the LMI team at:

NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2016, all rights reserved