

The FORD(Q) Economic Update

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INDUSTRY, SCIENCE AND
TECHNOLOGY CANADA
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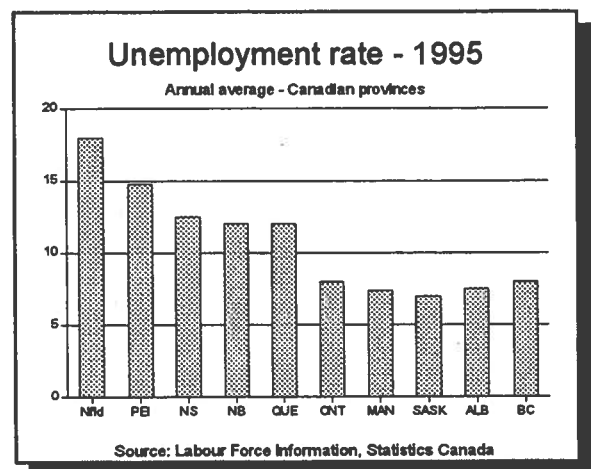
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INDUSTRIE, SCIENCE ET
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● Strong unemployment performance by Quebec and Canada in 1995

The Quebec unemployment rate for 1995 was 11.3%, placing Quebec 6th among Canadian provinces. In Canada as a whole, unemployment was 9.5%, and unemployment figures dropped in every province, falling by 0.9% in Quebec. The sharpest decline was in Prince Edward Island, where unemployment fell by 2.4% in 1995. Newfoundland and Manitoba also recorded remarkable unemployment downturns of 2.1% and 1.7% respectively. The lowest rate of unemployment, however, was in Saskatchewan (6.9%), followed by Manitoba and Alberta.



● Quebec's GDP posts modest growth in 1995

According to forecasts by the Quebec Department of Industry, Trade, Science and Technology (MICSTQ), Quebec's gross domestic product grew by no more than 1.8% last year.

(La Presse, 23/12/95)



Federal Office of
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Canada

The FORD-Q ECONOMIC UPDATE is a monthly publication whose purpose is to inform readers about the most recent economic developments affecting Quebec and its regions.

The information in this monthly report is taken from dailies and weeklies, magazines and other publications on the Quebec economy. Most of the statistical data come from Statistics Canada.

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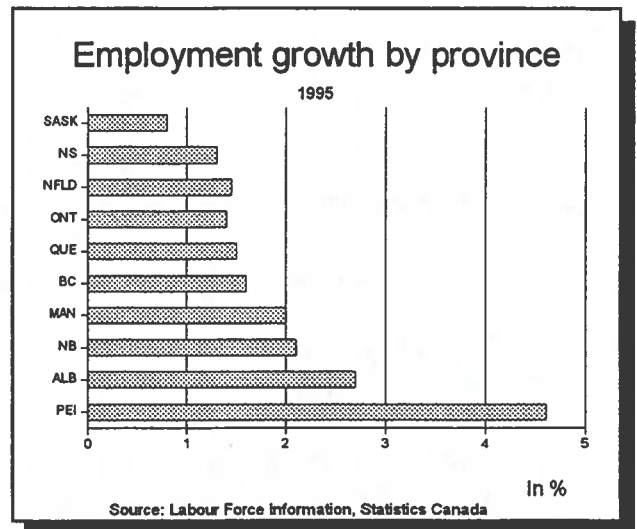
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The editor is:

Léonel Plasse

● **48,000 new jobs in Quebec in 1995**

In 1995, 214,000 jobs were created in Canada, 48,000 of them, or 22%, in Quebec alone. Prince Edward Island ranked first among the provinces in terms of increasing employment, with a rate of 4.7%, followed by Alberta with 2.7%, while Quebec and Ontario recorded rates of 1.5% and 1.4% respectively, placing them 6th and 7th among the provinces.



● **1996: fairly optimistic forecast**

Interest rates in 1996 should follow the downward trend begun in 1995. In the opinion of François Dupuis, an economist with the Mouvement Desjardins, the Bank of Canada rate should decline until August 1996 before rising slightly in the fall. Rates should drop to 5.60% in August and rise to 6.60% in December 1996. Still according to Mr Dupuis, mortgage rates should follow a similar trend. Mortgage rates for April, May and June will be about 6.75% for one year, 7.62% for three years and 8.12% for five years. For the months of October and November, however, these rates should be 7.5% for one year, 8.5% for three years and 9% for five years.

Moreover, Gilles Soucy, the chief economist with the Mouvement Desjardins, predicts a slim 1.9% rate of increase in the Quebec gross domestic product. The Organization for Economic Co-operation and Development (OECD) predicts a much more pronounced rate of growth at the national level - 3% in 1996 and 4% in 1997. The OECD is also predicting a moderate rise of 3% in the level of consumption and an inflation rate of 2% in 1996.

In terms of unemployment in Quebec, the Mouvement Desjardins is predicting a level of 11% in 1996, which would represent a decline from 1995. However, the unemployment rate would still be above the Canadian average.
 (Le Devoir, 22/12/95, 20/12/95)
 (The Globe and Mail, 27/12/95)

● **Domestic production falls off in October**

According to data provided by Statistics Canada, the gross domestic product (GDP) fell by 0.3% in the month of October 1995 alone. With the exception of the drop of 0.5% in the GDP in March 1995, this was the worst domestic production performance since February 1992. In addition, economic activity slipped by 0.3% between January and October 1995. Among the factors which explain this situation are declines in the fields of transportation, storage and mining production. Taken together, these factors are responsible for 45% of the downturn in economic activity. Wholesale and retail trade are also showing signs of falling off. Lastly, we would note the stagnation in the manufacturing sector and the drop in construction.
 (La Presse, 23/12/95)
 (The Globe and Mail, 23/12/95)
 (Statistics Canada Daily, 22/12/95)

● **Serious downturn in residential construction**

In Quebec, residential construction in 1995 fell by 12,000 housing starts. The decline in Canada as a whole was nearly 45,000. Quebec was thus responsible for more than one quarter of the drop.
(CMHC)

● **Canadian exports down in October**

According to Statistics Canada, Canadian exports fell by 2.5% in October 1995, mainly as a result of declines in the machinery, forestry and energy sectors. Imports also dropped (1.9%), but to a lesser extent than exports. These two declines combined caused a drop in the Canadian balance of trade, from \$2.9 billion to \$2.7 billion.
(Le Devoir, 21/12/95)

● **CPI up slightly in November**

The Consumer Price Index (CPI) rose by 2.1% between November 1994 and November 1995, according to recent data provided by Statistics Canada. On a monthly basis, the CPI rose by 0.2% in November. In Quebec, the Consumer Price Index rose by 0.2% between October and November 1995 and by 1.9% from November 1994 to November 1995.
(Statistics Canada Daily, 14/12/95)

● **Number of bankruptcies up considerably in October**

The number of bankruptcies in both Quebec and Canada as a whole rose considerably in October 1995, according to an Industry Canada survey. In Quebec, over 2,600 bankruptcies were registered, bringing the combined total to 21,422 for 1995. This was an increase of nearly 400 bankruptcies over September of the same year. Country-wide, there were nearly 7,600 bankruptcies, for a combined total of 65,088 for the first nine months of the year, an increase of 5,000 compared to the same period the previous year.
(Bankruptcy statistics, Industry Canada, October 1995)

● **Second consecutive rise in the composite index**

The composite leading indicator in Canada increased by 0.3% in November 1995, following a 0.2% increase the previous month. This is the second consecutive increase after repeated declines from May to September 1995.
(Statistics Canada Daily, 13/12/95)

● **Substantial drop in Quebec public service**

Over the past two years, the number of regular and casual employees in the Quebec public service has fallen by 7.8%, from 75,530 in 1992-1993 to 69,625 in 1995. Since the late 1970s, the total government work force has never fallen below 70,000 employees.
(Le Soleil, 10/1/96)

● **Something new for the FTQ**

The Quebec Solidarity Fund (FTQ) posted the second highest rate of return in its history (11.6%) in 1995 and its highest ever net earnings, \$122.2 million, an increase of \$100 million over 1994.

(Le Devoir, 4/1/96)

● **\$300 million investment in personal communications services**

Microcell Telecommunications, headquartered in Montreal, has just received one of four licences granted by the federal government for new personal communications services. The firm will invest \$300 million the first year, followed by an additional investment of \$900 million over the next four years. Microcell Telecommunications, which already has 125 employees, should create 1,275 jobs in the next five years. In addition, Mobility Canada, another firm specializing in telecommunications and which has also received a licence from the federal government, plans to invest \$1 billion within the next five years.

(Le Journal de Montréal, 20/12/95)

● **Ottawa to invest \$6 million to bring the electronic highway to isolated regions**

The federal Department of Industry has just earmarked \$6 million to enable rural and isolated regions to have free access to the electronic highway.

(The Globe and Mail, 20/12/95)

● **Quebec partners launch an electronic trade network**

On December 18, an agreement was reached between the Commission sur la santé et la sécurité au travail (CSST) and a consortium made up of the Mouvement des caisses Desjardins, the National Bank, Bell Canada, and the MLLA and associates, CGI, LGS and DMR groups, to create a real Quebec electronic trade network. The agreement could result in considerable financial spinoff. The National Bank has agreed to create 9,100 jobs in Quebec and will invest over \$15 million over the next five years. The Mouvement des caisses Desjardins will inject \$5 million in staff training over a five-year period. Bell Canada will create 3,000 new jobs and invest \$2.1 billion over a ten-year period.

(Le Devoir, 19/12/95)

● **63 new jobs for SSQ life insurance corporation**

SSQ société d'assurance-vie has decided to invest \$6 million and create 63 jobs, bringing the firm's work force to nearly 700 individuals. Of the \$6 million invested, \$4 million will go toward improving the computer system, while the other \$2 million will be used to renovate the building.

(Le Soleil, 19/12/95)

REGIONAL REVIEW

1. METROPOLITAN MONTREAL

● Creation of 21,000 jobs in 1995

In 1995, 21,000 jobs were created in the Metropolitan Montreal region. This is an increase of 1.4% over 1994. In addition, the unemployment rate for the same period fell by 1.3% to 11.3%, bringing it into line with the provincial average.

● Disastrous year for construction in Montreal

Construction starts on the Island of Montreal declined by 45% in 1995. The entire greater Montreal region (including Laval/North Shore and the South Shore) recorded an eighth successive loss of 43% this year. This is the worst performance for the Montreal region since 1960. (La Presse, 10/1/96)

ISLAND OF MONTREAL

● Upswing in unemployment in December

Despite an increase of 4,000 jobs in December, the unemployment rate rose from 12.2% to 12.9%. For 1995 as a whole, the Island of Montreal administrative region posted an unemployment rate of 13.3%, a decline of 0.4 percentage points over 1994. This level of unemployment places the region two points higher than the provincial average. In addition, there were 23,000 fewer jobs in 1995 than in 1994.

● AMF Technotransport: agreement reached at the last minute

An agreement was finally reached between CN and the Canadian Auto Workers (CAW), which represents the 1,300 employees of the AMF Technotransport rail shops in Pointe St Charles, a few hours before the ultimatum set for midnight on January 31. The AMF shops will pass into the hands of the Franco-British company GEC-Alsthom. A five-year collective agreement has been signed by CAW and the new owners.

(Journal de Montréal, 22/12/95)

(The Gazette, 22/12/95)

(La Presse, 29/1/96, 1/2/96)

● \$112.5 million for Dorval Airport

Montreal-based Air Canada is on the point of injecting \$112.5 million into its maintenance centre at the Dorval airport. The money will be used mainly to purchase new technological equipment.

(La Presse 21/12/95)

● **Bio-technology firm sets up shop in Montreal**

A new firm specializing in biotechnology will begin operations during the first quarter of 1996 in St Laurent. The new firm results from an investment of \$8.5 million by four investors, three of them from Quebec. The Quebec Solidarity Fund (\$4 million), Innovatech Grand Montreal (\$3 million), BioCapital (\$500,000) and Hybridon of Worcester, Massachusetts (\$1 million) helped to fund the initiative. Hybridon also has considerable expertise in the field of biotechnology. The funding partnership is part of the increasingly close relationship between Quebec firms and businesses in Massachusetts in the field of biotechnology. (Le Devoir, 13/12/95, 20/12/95)

● **Two new pharmaceutical plants established in Montreal**

The French corporation Galderma, a subsidiary of L'Oréal and Nestle, is seriously considering setting up a new pharmaceutical plant in Montreal, and could invest \$40 million in laboratories and production equipment. In addition, an investment of \$30 million could be created if the Seragen company moves to Montreal. Construction of the new plant could begin this year.

(Constructo, 13/12/95, 20/12/95)

● **Residential construction projects in Côte des Neiges and Notre Dame de Grâce**

Construction could begin in the spring of 1996 on a huge residential construction project, known as the Jardin du Monastère. The project would be built in the triangle formed by Décarie Boulevard, Côte St Luc Road and Monkland Boulevard, and would call for an investment of \$14.5 million.

(Constructo, 5/1/96)

LAVAL

● **Good performance in 1995**

Overall for 1995, employment increase by a spectacular 10.8%, while the unemployment rate declined from 12.1% in 1994 to 9.9% in 1995. In addition, unemployment in the Laval region dropped from 8% to 7.7% from November to December 1995, the best performance in Quebec. However, employment in December was down by 3%.

● **Survival of the Laval Cosmodome threatened**

The City of Laval has submitted a bailout plan to the provincial and federal governments in order to avoid closing of the Cosmodome Space Camp. The City is asking for a contribution in the order of \$13 million from the two levels of government. (La Presse, 16/12/95, 19/12/95)

2. CENTRAL REGIONS

CHAUDIÈRE-APPALACHIANS

● **An encouraging year**

Despite the loss of 3,000 jobs and a 1% increase in unemployment in December, the region showed encouraging results, taken on an annual basis. In 1995, 4,000 jobs were created and the unemployment rate fell from 8.4% in 1994 to 7.1% in 1995. The Chaudière-Appalachian region posted the lowest unemployment rate of all Quebec administrative regions.

● **MIL Davie sold to Dominion Bridge**

Dominion Bridge of Montreal recently became the owner of the MIL Davie shipyard in Lévis. Verrault Navigation of Méchins in the Gaspé was also very interested in MIL Davie, which sustained an annual loss of \$15 million, currently absorbed by the Quebec government. (Le Soleil, 18/12/95)
(Le Journal de Québec, 21/12/95)

● **\$2 million investment at Olimag Sand**

Olimag Sand has announced the construction of a second plant in the Amiante region, at a cost of \$2 million. The new plant will specialize in the manufacture of synthetic olivine, made from asbestos residues, while the current plant, in Thetford Mines, will focus on the production of calcium aluminate. This project follows the recent signing of a new collective agreement between management and labour. The new plant will hire 20 employees in the first year. (Le Soleil, 18/12/95)

● **Meeting of business leaders from Maine and the Chaudière Appalachian region**

To follow up on the Co-entreprise 1995 meeting, held last spring in Lewistown, Maine, a second event of the same type will be held in Quebec City from April 24 to 26, 1996 in order to bring business leaders from Maine and the Chaudière-Appalachian region together. Trade between these two regions is far from negligible. More than 100 Chaudière-Appalachian firms export to the United States and these meetings could encourage other companies to take the plunge. (Le Soleil, 19/12/95)

● **St Pamphile plant may trade with Japan**

Matériaux Blanchet's St Pamphile plant has just obtained JAS (Japanese agricultural standard) accreditation, which will enable it to sell its products in Japan. The firm is the first in Eastern Canada to obtain this accreditation. (Le Soleil, 4/1/96)

ESTRIE

● **Weak results in Sherbrooke and the Estrie administrative region**

The closing month of the year was marked in the Estrie region by the loss of 1,000 jobs and a 0.8% increase in the unemployment rate. In 1995, despite a 4.4% increase in employment, the number of unemployed grew by 16%, the highest increase in Quebec. In addition, the Estrie, where unemployment rose by 10.3% for 1995 as a whole, is the only Quebec administrative region to have posted an annual increase in unemployment. Statistics for the metropolitan Sherbrooke region were no better, with the unemployment rate increasing by 1.9% and employment dropping by 2.6%, the worst performance of all Quebec's metropolitan regions.

LANAUDIÈRE

● **Unemployment up for 5th consecutive time in December**

In December, employment levels fell by 2,000 while unemployment increased by 0.4%, from 10.3% to 10.7%. For 1995 as a whole, however, statistics show a decline of 1.9% in the unemployment rate (10.5% in 1995) and a 6.8% increase in employment.

● **Strike at Bridge-Firestone affects local economy**

A strike by the 734 employees of the Bridge-Firestone plant in Joliette seems to have affected sales for a number of merchants in the region during the Holiday period, normally the most lucrative of the year. The employees, accustomed to an average salary of over \$700 a week, are now receiving strike pay in the order of \$220 a week from their union. (La Presse, 19/12/95)

● **\$2.6 million in Joliette**

A \$2.6 million contract has been awarded to a firm in Trois Rivières West to build a residential building in Joliette for women serving federal prison sentences. The contract was awarded following a call for tenders issued by Public Works and Government Services Canada. (Constructo, 13/12/95)

● **New high school in St Gérard Majella**

Construction should begin this year on a new high school, to open in September 1997. The school will accommodate 500 students and calls for an investment of over \$700 million. (Constructo, 20/12/95)

LAURENTIANS

● **Sharp drop in unemployment in 1995**

The unemployment rate fell by 2.2% in 1995, from 13.5% to 11.3%. The region is now tied with Laval for the lowest unemployment rate among Quebec administrative regions. In December, 1,000 jobs were created and the unemployment rate rose by 0.8%.

MAURICIE/BOIS FRANCS

● 6,000 jobs lost in December

December results in the region were very disappointing, with 6,000 jobs being lost and the unemployment rate increasing by 0.5%. In addition, the 50.9% employment/population ratio placed the region no higher than 13th among Quebec administrative regions. In 1995, the unemployment rate stood at 10.1%, a drop of 1.1% over the previous year. Still in 1995, 300 new jobs were created in the Mauricie and Bois Francs regions.

● \$400 million for repairs to La Tuque hydro-electric station

Hydro Quebec will invest \$400 million to repair its La Tuque hydro-electric power station. The first phase of this project, which will include construction of a new distribution substation and repairs to the three groups of alternating current turbo generators, will cost \$171 million. (Le Nouvelliste, 22/12/95)
(L'écho de La Tuque, 24/12/95)

● Possible recall of 225 employees

The 225 workers at Jeanneau's Grand-Mère plant, laid off in the wake of the bankruptcy of the Paris parent company, could soon return to work if negotiations between the plant vice-president and Jeanneau's union in France go as hoped. (Le Nouvelliste, 11/1/96)

● New plant in Shawinigan

A plant for the treatment of particulate matter from steel mills, to cost an estimated \$15 million, could be set up this year in Shawinigan. About 20 skilled workers would have to be hired. (Le Nouvelliste, 11/1/96)

● Museum of Quebec Folk Art and Traditions to open June 26

All signs point to a June 26, 1996 opening for the Museum of Quebec Folk Art and Traditions in Trois Rivières. The project is the result of a \$15.6 million investment. (Le Nouvelliste, 13/12/95)

● Major investment at Panneaux Maski in Louiseville

Panneaux Maski of Louiseville, a manufacturer of high quality wood panels, has just invested \$3 million in the purchase of timber rights in New York State. The firm will save 10 to 15% on the price of its raw materials. (Le Nouvelliste, 15/12/95)

MONTÉRÉGIE

● 6,000 jobs lost in December

In December, the number of jobs in the region dropped by 6,000, compared to November's levels. However, jobs in the region totalled 619,000 in December, 32,000 more than during the same period in 1994. From November to December 1995, the Montérégie experienced its 5th consecutive increase in unemployment, which rose from 9.2% to 9.4%. On an annual basis, the Montérégie posted a good performance. Employment increased by 3.4% and unemployment fell by 0.8% compared to 1994, to 9.4%.

● 43 positions abolished at McMasterville plant

ICI Explosives will be undertaking a major restructuring project at its McMasterville plant, resulting in the abolition of 43 jobs, including 15 administrative and managerial positions. This will bring the number of workers at the plant to 190. (Le Soleil, 11/1/96)

● Redevelopment of Léry power grid

An estimated \$40 million will be allocated by Hydro-Quebec to work on its Léry power grid in order to reduce the number of outages. Lines will be added or rebuilt and a number of circuit breakers will be installed between Hemmingford and Napierville and between St Louis and Ormstown. Work will be spread out over three years, starting this year. (Constructo, 20/12/95)

● New program at Fort St Jean

A new integrated multi-disciplinary degree program in social and natural sciences will be offered by the University of Sherbrooke at its Fort St Jean campus in September 1996. The new program could result in the creation of 114 jobs and involve about 100 students. (Le Soleil, 17/12/95)

● Infrastructure work at Longueuil

The City of Longueuil will be calling for tenders for repairs to two major boulevards, a number of streets and two public buildings. The investment will total \$35 million and is part of the Canada-Quebec Infrastructure Works Program. Constructo, 13/12/95)

OUTAOUAIS

● Unemployment up by 1%

The Outaouais lost 1,000 jobs in December 1995 compared to November levels and 6,000 compared to December 1994. During the same period, unemployment rose sharply, from 9.7% to 10.7%. For 1995 as a whole, employment was up 0.5% and unemployment down 0.3%, standing at 10.8%. Lastly, the Outaouais had the highest employment/population ratio of all Quebec administrative regions (60.5% compared to a provincial average of 54.9%).

● **Investment to develop Coulonges Falls for tourism**

The Federal Office of Regional Development - Quebec, the Hydro-Pontiac MRC, the ORDC and Projet Relance are partners in a \$400,000 investment in phase 1 of a project to develop Coulonges Falls as a tourist site. Work should be completed in time for the 1996 tourist season.

(Le Journal de Pontiac, 19/12/95)

● **Work to begin in Aylmer**

Construction should begin in September 1996 on a science and administration centre for the Canadian Museum of Nature in Aylmer. The building will be used for handling the collection, which could be dangerous in a location not designed for this purpose.

(Constructo, 5/1/96)

QUEBEC CITY

● **Employment down in 1995**

Together with the Montreal and Gaspé/Magdalen Islands regions, Quebec City, with a drop of 2.8%, was the only Quebec region where employment declined in 1995. However, the unemployment rate fell by 0.4%, from 12.1% in 1994 to 11.8% in 1995. In December, the unemployment level remained stable compared to November, while the unemployment rate rose by 0.7%. The metropolitan Quebec City region, however, performed better. In December 1995, its employment level rose by 3.9% and unemployment fell by 1.4%.

● **Donohue acquires Quono**

Donohue, located in Quebec City and owned by Québecor, recently acquired the Ontario firm Quono Corp. The transaction involved some \$1.1 billion. According to Donohue analysts, the transaction could raise the value of its shares from \$3.05 to \$4.13. In addition, Donohue plans to increase the share of Quono's production intended for export from 10 to 30%. The firm also believes that the market for newspapers will grow more rapidly outside North America in the coming years, and the purchase was planned with this in mind. With this transaction, Donohue becomes the third largest producer of newsprint in North America

(The Financial Post, 28/12/95, 4/1/96)

(Le Soleil, 24/12/96)

(The Globe and Mail, 27/12/96)

● **Quebec City to build fair centre**

Quebec City is to have a fair centre built on the provincial exhibition grounds. The project includes construction of a warehouse-type building and the purchase of equipment. The project will cost a total of \$26.1 million and work should begin in August 1996.

(Constructo, 13/12/95)

● **Huge publicity campaign to promote tourism in Quebec City**

The Quebec City Region Tourism and Convention Bureau is involved in a huge charm offensive aimed at convincing clientele in the rest of Quebec and elsewhere that Quebec City is the ideal destination for pleasure and business trips. The investment, which totals nearly half a million dollars, emphasizes Quebec City's various tourist attractions.

(Le Soleil, 16/12/95)

● **40 new jobs for Exfo in Vanier**

A rapidly expanding firm specializing in fibre optics measuring devices, Exfo Ingénierie Électro-optique, has purchased a warehouse in the industrial park in Vanier, near Quebec City. As a result, about 40 new jobs should be created. (Le Journal de Québec, 20/12/95)

● **Metropolitan Quebec City technology park in good shape**

The metropolitan Quebec City technology park, despite its funding problems, has been a great success. A number of projects are currently under way, and no land in the park is vacant. Construction of the IAF Biovac vaccine plant should help to maintain or create over 200 jobs. An investment in the order of \$4 million will extend Boulevard Technologique by 1.3 kilometres. The federal government, the cities of Quebec and St Foy and other partners are providing funding for the technology park.

(Le Journal économique de Québec, December 1995, January 1996)

● **\$20 million for the militia training centre in St Gabriel de Valcartier**

The Department of National Defence will inject \$20 million into construction of two buildings for the new Militia Training Centre in St Gabriel de Valcartier. Work should begin during 1996. In addition, \$4.5 million worth of work will be carried out to expand the mechanical workshop at the military base.

(Constructo, 5/1/96)

● **Parking at the Hôtel Dieu de Québec**

Work was completed in December on a parking lot to accommodate over 500 vehicles at the Hôtel Dieu de Québec. The Société immobilière du Québec (SIQ) contributed \$12.9 million and the City of Quebec provided funding of \$2.2 million, for a total investment of \$15.1 million.

(Constructo, 13/12/95)

3. RESOURCE REGIONS

ABITIBI-TEMISCAMINGUE

● **Unemployment down in December**

Employment in the Abitibi-Témiscamingue region rose by 4.8% and unemployment fell by 2.5% in December, compared to the same period in 1994. In addition, Abitibi/Témiscamingue, with Laval, was the only region where unemployment declined from November to December. A decrease of 0.2% lowered the rate from 9.5% to 9.3%. For 1995 as a whole, employment in the region rose by a remarkable 6% and unemployment fell from 12.8% to 11.3%. This decline brings the region into line with the Quebec average in terms of unemployment.

● **Convention centre in Rouyn-Noranda**

Plans to create a convention centre in Rouyn-Noranda will create investment of \$4 million. The new Centre will be able to accommodate over 600 persons and will be located at the Hôtel-Motel Noranda. Work is to begin this spring.

(Constructo, 20/12/95)

● **Co-generation plant at Val d'Or**

Construction could begin this spring on a new co-generation plant in the Val d'Or industrial park. The Quebec Co-generation Corporation, in co-operation with Domtar, is currently looking into the possibility. If the project is carried out, it could result in tens of millions of dollars in investment.
(L'écho de Val d'Or, 11/1/96)

● **\$2 million for education**

An investment of over \$2 million should result, in November 1996, in the opening of new premises for the Abitibi-Témiscamingue CEGEP and the University of Quebec at Abitibi-Témiscamingue (UQAT). Work should begin this summer.
(Constructo, 13/12/95)

● **\$200,000 for industrial environment research**

The Val d'Or Industrial and Commercial Development Corporation recently granted financial assistance in the order of \$200,000 for an industrial environment research project. The Norbec mine tailing treatment laboratories, which initiated the project, will contribute \$90,000 to round out the funding.
(L'écho Abitibien, 27/12/95)

LOWER ST LAWRENCE

● **Marked improvement in employment and unemployment levels in 1995**

In 1995, unemployment in the Lower St Lawrence region fell by 2% compared to 1994 levels, to an annual average of 13.1%. Even at this level, however, unemployment in the region is 2% above the provincial average. In addition, 4,000 jobs were created over the past year, an increase of 4.8% over 1994. Besides this positive annual showing, employment rose by 5.2% and unemployment fell by 1.5% in December 1995, compared to the same month in 1994.

● **\$1.2 billion in foreign tourism spinoff for the Gaspé/Lower St Lawrence region**

\$1.8 million injected six years ago into tourism in the Lower St Lawrence/Gaspé region has engendered an estimated \$1.2 billion in spinoff from abroad. The Federal Office of Regional Development - Quebec has, in addition, decided to invest over \$300,000 between now and 1998 to promote tourism in the two regions.
(Le Soleil, 16/12/95)

● **Promising year for Lower St Lawrence wood producers**

All signs indicate that private forest cutting in the Lower St Lawrence should increase from 530 000 m³ in 1995 to over one million m³ in 1996. According to the Lower St Lawrence Wood Producers' Syndicate (SPBBSL), this increase is the result of a number of major contracts that have been awarded or renewed.
(Le Soleil, 18/12/95)

● **Major investment in Amqui**

A silica mineral plant could open this spring in Amqui. The \$70 million project is the result of an association between the Spanish corporation Etchevaria and the Montreal firm SGA International. The new plant could create 20 jobs. (Transcription Verbatim, 28/12/95)

● **Second production unit added at Cascades plant in Cabano**

The Cascades corrugated cardboard plant in Cabano is to add a second production unit in 1996, which will call for an investment of \$9 million. The new facilities will include a new pulpmill to meet expected larger demand for pulp and paper in 1996, particularly from the United States. (Le Soleil, 5/1/96)

● **Expansion of Rivière du Loup Shopping Centre**

The Rivière du Loup Shopping Centre will invest \$5 to \$7 million in expansion in 1996. This will bring total investment in the western Rivière du Loup commercial sector to \$12 million in 1995 et 1996. (Le Soleil, 10/1/96)

● **New section of highway at Rimouski**

Two sections of highway have been opened in the Rimouski region, one on Highway 20 and the other on Montée Industrielle. The first segment was built under the supervision of the Quebec Department of Transport and required an investmet of \$12.1 million. The second section was the result of an investment of \$5.6 million and the project leader was the City of Rimouski and its many partners. (Constructo, 20/12/95)

● **Slaughterhouse co-operative in Amqui**

Construction is about to begin on a slaughterhouse co-operative in Amqui. The \$1,369,000 project will require the financial involvement of a number of organizations. The Matapedia Meat Animal Producers, the Industrial Development Corporation, the Amqui Caisse Populaire and five other local organizations will share in the funding. Once funding has been arranged, all that remains before the slaughterhouse is officially launched is the approval of environmental authorities. (Le Soleil, 16/12/95)

● **\$4 million investment in Dégelis**

The GDS Group will go ahead with the opening of a sawmill this spring. This major investment will involve two phases, each calling for an investment of \$2 million, and the project should create some 20 jobs. (Le Soleil, 23/12/95)

● **Greater power in forest management for Matapedia and Matane MRCs**

Over the next three years, the Matapedia and Matane MRCs will each receive \$150,000 in assistance from the Quebec Department of Natural Resources to give these regions more authority in the management of private and public forests. (Le Soleil, 19/12/95)

NORTH SHORE/NORTHERN QUEBEC

● **Exceptional performance in December**

Of all Quebec administrative regions, the North Shore/Northern Quebec region posted the sharpest increase in employment and the steepest decline in unemployment in December 1995, compared to the same month of 1994. During this period, some 8,000 jobs were created, an increase of 15.4%, and the unemployment rate fell from 18.1% to 13.8%. Annual figures for the region show a 4.1% increase in the number of workers and a 10.3% decrease in the number of unemployed compared to 1994. The unemployment rate dropped from an annual average of 15.5% in 1994 to 13.2 in 1995.

● **\$113 million contract awarded by Hydro Quebec**

Hydro Quebec recently awarded a \$113 million contract to the EBC-Spie Corporation, made up of Entreprises du Bon Conseil Ltd and Spie Batigonales Quebec Ltd, for the construction of a rockfill dam for the future St Marguerite 3 hydro-electric complex on the North Shore. Work is scheduled to begin in the spring of 1996 and last until 1999. At the height of construction, the project should employ up to 300 workers. (Constructo, 13/12/95)

● **Raid des Braves contributes to the economic growth of Northern Quebec region**

The Raid des Braves snowmobile event is much more than a simple sports challenge for the Northern Québec region. It is undeniably an important promotion and economic development tool, with the course passing through a number of towns in the Radisson and Abitibi-Témiscamingue regions. Hydro Quebec, the James Bay Development Corporation and the Federal Office of Regional Development - Quebec, as well as a number of local municipalities are working in partnership to ensure the success of the event, which will take place in February. (La Sentinelle, 12/12/95)

● **Expansion of the Sept Iles municipal library**

The City of Sept Iles is to invest \$4 million to expand the municipal library. Work will begin in 1997 and will include construction of an addition and renovation of the existing building. (Constructo, 5/1/96)

● **Construction of new building at the Baie Comeau regional hospital**

Construction of the new Le Royer building at the Baie Comeau regional hospital will call for an investment of \$21 million. Work will include expansion, retrofitting and renovation. (Constructo, 20/12/95)

GASPÉ/MAGDALEN ISLANDS

● **Job and unemployment situation critical**

Despite a 0.9% drop in unemployment in 1995, unemployment in the region stood at 20.4%, the highest in Quebec. During this same period, there was almost no change in employment levels. One encouraging sign, however, was that there were 1,000 more jobs in December 1995 and the unemployment level was 0.6% lower than for the same period in 1994.

● **St Denis-Riverain MRC to have its own SOLIDE**

A local investment and economic development corporation (SOLIDE) will be established in the St Denis-Riverain MRC, at St Anne des Monts. The project is the result of a half-million-dollar investment, \$50,000 of it from the Council of Local Mayors. (Le Soleil, 4/1/96)

SAGUENAY/LAC ST JEAN

● **Unemployment up in December for 5th consecutive time**

The last month of 1995 was marked by the loss of 1,000 jobs and an employment rate that rose from 14.3% to 15.5%. Astonishingly, on a yearly basis, the region posted the second largest increase in employment levels (7.4%) of all Quebec administrative regions in 1995, and the smallest drop in unemployment, from 14.8% in 1994 to 14.7% in 1995.

● **Technoceram project forges ahead**

A fine porcelain plant is to open in the spring of 1997 in Chicoutimi. The Technoceram project calls for an investment of \$13 to \$15 million and will create 63 jobs at start-up and 91 more jobs a year later. Discussions are already under way among several groups of investors interested in the project. (Le Progrès dimanche, 16/12/95)

Employment and unemployment in Quebec 1995

Administrative regions	1994 jobs in thousands	1995 jobs in thousands	Var (%)	Unemployment rate 1994 (%)	Unemployment rate 1995 (%)	Var
Gaspé/Magdalen Islands	31.0	31.0	-0.8	21.3	20.4	-0.9
Lower St Lawrence	78.0	82.0	4.8	15.1	13.1	-2.0
Saguenay/Lac Saint Jean	104.0	112.0	7.4	14.8	14.7	-0.1
Quebec City	291.0	282.0	-2.8	12.1	11.8	-0.4
Chaudière-Appalachiens	174.0	178.0	2.3	8.4	7.1	-1.3
Mauricie/Bois Français	206.0	209.0	1.2	11.2	10.1	-1.1
Estrie	119.0	124.0	4.4	9.6	10.3	0.7
Montréal	596.0	616.0	3.4	10.2	9.4	-0.8
Montreal	788.0	765.0	-2.9	13.7	13.3	-0.4
Laval	149.0	165.0	10.8	12.1	9.9	-2.2
Laurentians	196.0	199.0	1.8	13.5	11.3	-2.2
Lanaudière	158.0	169.0	6.8	12.4	10.5	-1.9
Outaouais	149.0	149.0	0.5	11.1	10.8	-0.3
Abitibi/Témiscamingue	63.0	66.0	6.0	12.8	11.3	-1.5
North Shore/Northern Quebec	55.0	58.0	4.1	15.2	13.2	-2.1
QUEBEC AS A WHOLE	3,156.0	3,204.0	1.5	12.2	11.3	-0.9

Source: Société québécoise de développement de la main-d'oeuvre (SQDM)

A D V I S O R S

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