Labour Market Bulletin

Ontario

March 2018


OVERVIEW

Labour Force Trends - Employment dropped in Ontario in the first quarter of 2018

- Employment decreased by 20,500 in the province in the first quarter of 2018
- Job gains were solely in full-time (+16,800) work
- The unemployment rate inched down to 5.5%

Employment dipped by 20,500 in Ontario in the first quarter of 2018. This was the first quarterly loss since Q3 of 2016 and the largest quarterly decline since Q2 of 2009 (on a seasonally adjusted basis). Minor gains in full-time (+16,800) work did not offset losses in part-time (-37,300) employment during this period. Both employment and participation rates slid by -0.6 and -0.5 percentage points respectively, over the term. The youth aged 15 to 24 unemployment rate rose by 0.4 percentage points to 11.5% in the first quarter, although it is down from 11.8% to 11.2% between February 2018 and March 2018.

Employment grew by only 10,300 in Canada in the first quarter of 2018, however, employment in both February (+15,400) and March (+32,300) rose on a month-over-month, seasonally-adjusted basis. Alberta, Quebec and Nova Scotia recorded the largest quarterly increases while Ontario and Manitoba saw the biggest declines. The national unemployment rate remained steady at 5.8% over the quarter as more people left the labour market. The provincial unemployment rate has trended downwards since the fall of 2017.

Total nonfarm payroll employment rose by 103,000 in the United States in March 2018.¹ This was the 90th monthly gain in a row, although at a reduced figure from the larger gains made in February (+326,000). Major contributors to employment growth in March were in the professional and business services (+33,000), manufacturing (+22,000), and health care (+22,000) industries. The unemployment rate held steady at 4.1% for the sixth

straight month. Another bright spot for the American labour market was the uptick in average hourly earnings by 2.7% over the year.

Employment grew by 115,900 in Ontario between the first quarters of 2017 and 2018. All of the job gains were in full-time work. The unemployment rate edged down by 0.8 percentage points however the participation rate inched down slightly over this period despite gains in the labour force. Wages over the year in Ontario also increased by 3.8% compared to the national average of 3.3%, potentially due to the provincial minimum wage increase as of January 1, 2018. Higher wage increases over the year were only seen in British Columbia (+5.6%) and Prince Edward Island (+4.5%), whereas wage declines were actualized in Newfoundland and Labrador (-0.4%) and Manitoba (-0.2%).

### Ontario Quarterly Labour Force Statistics

<table>
<thead>
<tr>
<th>Seasonally Adjusted Quarterly Data</th>
<th>1st Quarter 2018</th>
<th>4th Quarter 2017</th>
<th>1st Quarter 2017</th>
<th>Quarterly Variation Number</th>
<th>%</th>
<th>Yearly Variation Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 15 + ('000)</td>
<td>11,810.3</td>
<td>11,756.7</td>
<td>11,616.0</td>
<td>53.6</td>
<td>0.5</td>
<td>194.3</td>
<td>1.7</td>
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<tr>
<td>Labour Force ('000)</td>
<td>7,605.3</td>
<td>7,637.4</td>
<td>7,548.0</td>
<td>-32.1</td>
<td>-0.4</td>
<td>57.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Employment ('000)</td>
<td>7,186.9</td>
<td>7,207.4</td>
<td>7,071.0</td>
<td>-20.5</td>
<td>-0.3</td>
<td>115.9</td>
<td>1.6</td>
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<tr>
<td>Full-Time ('000)</td>
<td>5,863.7</td>
<td>5,846.9</td>
<td>5,737.5</td>
<td>16.8</td>
<td>0.3</td>
<td>126.2</td>
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<tr>
<td>Part-Time ('000)</td>
<td>1,323.3</td>
<td>1,360.6</td>
<td>1,333.5</td>
<td>-37.3</td>
<td>-2.7</td>
<td>-10.2</td>
<td>-0.8</td>
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<tr>
<td>Unemployment ('000)</td>
<td>418.4</td>
<td>430.0</td>
<td>477.0</td>
<td>-11.6</td>
<td>-2.7</td>
<td>-58.6</td>
<td>-12.3</td>
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<tr>
<td>Unemployment Rate (%)</td>
<td>5.5</td>
<td>5.6</td>
<td>6.3</td>
<td>-0.1</td>
<td>-</td>
<td>-0.8</td>
<td>-</td>
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<tr>
<td>Participation Rate (%)</td>
<td>64.4</td>
<td>65.0</td>
<td>65.0</td>
<td>-0.6</td>
<td>-</td>
<td>-0.6</td>
<td>-</td>
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<tr>
<td>Employment Rate (%)</td>
<td>60.9</td>
<td>61.3</td>
<td>60.9</td>
<td>-0.4</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
</tr>
</tbody>
</table>

*Note: Totals may not add due to rounding*

*Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087*
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Ontario Quarterly Unemployment Rates, by Gender and Age

<table>
<thead>
<tr>
<th>Seasonally Adjusted Data</th>
<th>1st Quarter 2018 (%)</th>
<th>4th Quarter 2017 (%)</th>
<th>1st Quarter 2017 (%)</th>
<th>Quarterly Variation (% points)</th>
<th>Yearly Variation (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5.5</td>
<td>5.6</td>
<td>6.3</td>
<td>-0.1</td>
<td>-0.8</td>
</tr>
<tr>
<td>25 years and over</td>
<td>4.5</td>
<td>4.7</td>
<td>4.9</td>
<td>-0.2</td>
<td>-0.4</td>
</tr>
<tr>
<td>Men - 25 years and over</td>
<td>4.3</td>
<td>5.0</td>
<td>4.8</td>
<td>-0.7</td>
<td>-0.5</td>
</tr>
<tr>
<td>Women - 25 years and over</td>
<td>4.7</td>
<td>4.4</td>
<td>5.1</td>
<td>0.3</td>
<td>-0.4</td>
</tr>
<tr>
<td>15 to 24 years</td>
<td>11.5</td>
<td>11.0</td>
<td>14.5</td>
<td>0.5</td>
<td>-3.0</td>
</tr>
<tr>
<td>Men - 15 to 24 years</td>
<td>12.7</td>
<td>12.6</td>
<td>15.2</td>
<td>0.1</td>
<td>-2.5</td>
</tr>
<tr>
<td>Women - 15 to 24 years</td>
<td>10.2</td>
<td>9.3</td>
<td>13.7</td>
<td>0.9</td>
<td>-3.5</td>
</tr>
</tbody>
</table>

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

A look at labour market conditions for Ontario’s Indigenous People

In the first quarter (Q1) of 2017, the total population aged 15+ in Ontario was 11.6 million. The Indigenous population living off-reserve accounted for 2.1% of that, or 242,400 people. Employment among Indigenous people in Ontario was 124,100, representing an increase of +8,000 (+6.9%) from a year earlier (Q1 2016). All of the increase was in full-time (+8,800 or +10.5%) positions, partially offset by a decrease in part-time positions (-900 or -2.8%).

In Q1 2017, the unemployment rate among the Indigenous population declined -0.2 percentage points from a year earlier, to 11.8%. The unemployment rate amongst the non-Indigenous population decreased to 6.4% (-0.5pp). The participation rate of the Indigenous population increased to 58.0% (+0.6pp) year-over-year, while that of the non-Indigenous population edged down slightly to 64.3%. The employment rate among Indigenous people also increased from the previous year to 51.2% (+0.6pp). For the non-Indigenous population, the employment rate was 60.2%.

There were several positive announcements this quarter targeting Indigenous communities. Much funding in recent months has been directed towards supporting Indigenous economic development. The provincial government will provide $2.5 million to 13 projects in northwestern Ontario to support economic development centres and hubs, provide training and employment opportunities for Indigenous peoples, and support Indigenous
entrepreneurship and business. The provincial government is also investing in Indigenous economic development across the province including $585,891 in the Timmins area, $847,746 in the Thunder Bay area, $442,056 in the Georgian Bay area; $167,265 in the Manitoulin Island area; $400,544 in central and southwestern Ontario; $156.075 in southeastern Ontario; and $100,000 in Fort Albany First Nation. Additionally, the federal government will support training, education, and employment opportunities for Indigenous youth throughout southern Ontario through nearly $9 million in funding for the Niagara Peninsula Aboriginal Area Management Board (NPAAMB).

Several efforts are being undertaken to support Indigenous health and social services. The provincial government is investing $6.1 million over four years to support 10 Indigenous organizations to hire Indigenous System Coordinators, as well as $87 million over four years to fund community-based mental health care services for Indigenous children and youth. Significant investments are also being made to improve access to care for Indigenous peoples and support Indigenous communities to develop and deliver their health services. These investments will focus on home care, primary care, palliative care, mental health and wellness, and healing and treatment

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centres. The provincial government is also investing up to $70 million over two years in culturally relevant child care and family programs for Indigenous children and families living in urban and rural areas.

Investments in infrastructure in Indigenous communities have also emerged as a priority in recent years. The federal and provincial governments announced a $1.6 billion investment in the Wataynikaneyap Power Transmission Line Project which will connect 16 remote First Nations communities in Northwestern Ontario to the provincial power grid. Cultural programming also received a boost with the announced launch of two Indigenous radio stations in Ottawa and Toronto by June 2018 as well as $75,669 in provincial funding to the Ojibwe Cultural Foundation (OCF) to expand its cultural programming for the arts community and tourists.

### Ontario - Labour Market Indicators for Indigenous People

<table>
<thead>
<tr>
<th>3-month moving averages Seasonally unadjusted data</th>
<th>Indigenous</th>
<th>Yearly variation (Indigenous)</th>
<th>Non-Indigenous</th>
<th>Yearly variation (non-Indigenous)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2018</td>
<td>Q1 2017</td>
<td>Q1 2018</td>
<td>Q1 2017</td>
<td>number</td>
</tr>
<tr>
<td>Population 15 + ('000)</td>
<td>251.7</td>
<td>242.4</td>
<td>9.3</td>
<td>3.8%</td>
</tr>
<tr>
<td>Labour Force ('000)</td>
<td>152.3</td>
<td>140.6</td>
<td>11.7</td>
<td>8.3%</td>
</tr>
<tr>
<td>Employment ('000)</td>
<td>139.5</td>
<td>124.1</td>
<td>15.4</td>
<td>12.4%</td>
</tr>
<tr>
<td>Full-Time ('000)</td>
<td>104.3</td>
<td>92.7</td>
<td>11.6</td>
<td>12.5%</td>
</tr>
<tr>
<td>Part-Time ('000)</td>
<td>35.2</td>
<td>31.4</td>
<td>3.8</td>
<td>12.1%</td>
</tr>
<tr>
<td>Unemployment ('000)</td>
<td>12.8</td>
<td>16.5</td>
<td>-3.7</td>
<td>-22.4%</td>
</tr>
<tr>
<td>Unemployment Rate (%)</td>
<td>8.4</td>
<td>11.8</td>
<td>-3.4</td>
<td>-</td>
</tr>
<tr>
<td>Participation Rate (%)</td>
<td>60.5</td>
<td>58.0</td>
<td>2.5</td>
<td>-</td>
</tr>
<tr>
<td>Employment Rate (%)</td>
<td>55.4</td>
<td>51.2</td>
<td>4.2</td>
<td>-</td>
</tr>
</tbody>
</table>

**Notes:** The Labour Force Survey excludes those living on-reserve. Estimates are based on three-month moving averages. Totals may not add due to rounding. Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

**Source:** Statistics Canada Labour Force Survey - ESDC custom table.

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Employment decline in the goods-producing sector mainly attributed to weaker construction estimates

Employment fell in Ontario’s goods-producing sector by 2,300 (-0.2%) in the first quarter of 2018, based on seasonally-adjusted estimates. Three subsectors posted declines with the largest in construction (-4,000). The utilities sector reported the greatest increase (+3,900), while the change in manufacturing employment was tepid (+500).

The utilities industry is in the midst of structural changes. The province continues to move towards cleaner sources of energy,17 and is also embarking on improvements to water and wastewater infrastructure18 and natural gas lines in several communities, which are supporting job growth in this sector.

Overall, employment declined in the primary industries which collectively include agriculture, forestry, fishing, mining, quarrying and oil and gas. Some noteworthy news in the mining segment that will help boost employment numbers includes Premier Gold Mines Limited plan to invest $37.9M to advance development at its Greenstone Gold property near Geraldton in northwestern Ontario.19 Also, Vale Canada Ltd. and Glencore's Sudbury Integrated Nickel Operations are spending more than $1.4B on major mine development projects in the Sudbury Basin.20 The prices of most base and precious metals are continuing to recover from the slump experienced a few years ago, and this should spur further activities in the sector.21 Meanwhile in the agricultural area, more investments flowed into the emerging marijuana industry, with expansion plans at the FV Pharma Inc. facility in Coburg,22 and Aphria Inc. in Leamington. Together these projects are expected to generate over 400 jobs.23

Employment in construction was relatively weak but activities remained robust in many segments. In the residential sector, many projects are underway or announced especially for condominium developments in different areas.24,25 However in the resale market in the Toronto area, the number of homes sold and the average selling

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price declined in March when measured against the high level of activities last year. Factors such as the Non-Resident Speculation Tax/foreign buyer real estate tax, the increase in interest rates, and new mortgage rules for federally regulated financial institutions, are helping to cool the residential real estate market. There are also indications of an increase in borrowing from alternative lenders.

The news was also significant for commercial construction. TCI Titan Group secured a contract to build the customs plaza on the Canadian side of the Ambassador Bridge in Windsor, which will generate between 500-1,000 skilled jobs. Other announcements related to institutional developments include multi-million dollar provincial bids awarded to EllisDon Corporation to build a courthouse in Toronto, renovate and develop a new patient care tower at the Michael Garron Hospital (formerly Toronto East General Hospital), and for the Brockville General Hospital Redevelopment Project.

On the infrastructure front, work began on the $65-million Cherry Street Stormwater and Lakefilling scheme, which is the first phase of the $1.25-billion Port Lands Flood Protection Project in Toronto. Work also started on the Henvey Inlet Wind project off Georgian Bay, the largest on-reserve wind installation development in Canada, which is expected to create 500 jobs during construction.

In manufacturing, the Markit Canada Manufacturing Purchasing Managers’ Index remained above the 50.0 benchmark for the twenty-fifth consecutive month. In March, the index rose to 55.7 on the strength of increased new orders and output, and strong sales both in the domestic and export markets. Employment also rose, while purchases of raw materials were nearly at a seven-year high, attributed both to rising production and the

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maintenance of safe levels of inventories. However, the sector continued to face supply chain pressures and Ontario registered the sharpest rate of factory gate price inflation.37,38

There were new business entrants and intentions in various areas of manufacturing which should add to the sector’s employment growth. These include a new production line at the Bombardier Inc. facility in Kingston,39 and expansions at both the Dr. Oetker Canada Ltd. frozen pizza plant in London40,41 and Linamar Corporation, a motor vehicle parts manufacturer based in Guelph.42 In addition, Xinyi Glass Holdings Limited will invest $450M to build a glass manufacturing plant in Guelph, creating about 400 mostly technical jobs.43 During the quarter, some wood product manufacturers also benefitted from provincially-supported funding announcements.44,45

On the negative side, Campbell Company of Canada will close its Etobicoke plant within the next 18 months, eliminating about 380 positions, due to changing consumer preferences and lower sales. While the company will keep its headquarters and commercial operations in Toronto, retaining nearly 200 of the nearly 600 jobs from this location, the manufacturing operations will be moved to the existing plants in the United States.46,47

On a year-over-year quarterly basis, employment in the goods-producing sector increased by 37,900 (+2.7%). Increases were significant in manufacturing (+25,500) and construction (+15,300). The agriculture sector reported the largest decline (-4,200).

**Five subsectors contributed to the employment decline in the services-producing sector**

Employment decreased in the services-producing sector by 18,100 (-0.3%). The largest contributors were health care and social assistance (-16,900), and professional, scientific and technical services (-16,800). Losses were also reported in wholesale and retail trade (-11,800). Employment increases were more significant in business, building and other support services (+11,700), and transportation and warehousing (+10,200).

Although employment fell in professional, scientific and technical services, many areas of the sector are advancing and should generate a significant number of high-skilled jobs. Notably, Fraunhofer Project Centre for Biomedical Engineering and Advanced Manufacturing opened in Hamilton's McMaster Innovation Park, creating 75 jobs,48 while Miovision Technologies, a traffic solutions company, moved to Catalyst137, a new Internet of Things innovation centre in Kitchener with plans to create 275 jobs over the next few years.49 In addition, the governments of Canada, Ontario and Quebec, in partnership with five major digital technology companies, will invest $400M towards the ENCQOR project to develop a 5G wireless network platform.50

The employment decline in wholesale and retail trade was more likely associated with weaker retail activities. Among the planned retail departures, Reitmans (Canada) Limited will close all 17 Hyba activewear locations across Canada by the end of 2018,51 6 of which are in Ontario.52 However, the sector will benefit from store openings at shopping centres, including at Vaughan Mills53 and Conestoga Mall.54

During the quarter, employment also declined in finance, insurance, real estate, rental and leasing (-3,000) as the sector continued to restructure. Manulife Financial announced cuts to 80 positions across Canada, including 35 jobs in Kitchener-Waterloo as the operations become more digital.55

Employment in transportation and warehousing was at a peak level in March, and significant growth is expected to continue in the sector. As a result of an increase in the number of businesses and the rise in e-commerce, UPS Canada Ltd. plans to make investments towards expanding facilities and improving technologies at locations across Canada, including in the Greater Toronto Area and other parts of Ontario. The investment is expected to create more than 1,000 jobs nationally.56

Although business, building and other support services reported a strong increase in employment, some of the closures planned in call centres will result in setbacks in the sector. These include those by Transcom Canada in Barrie and Brockville,57,58 and Shaw Communications Inc. in Windsor.59 However, some call centres in northern

Ontario are ramping up hiring, including Sutherland Global Services Inc. in Sault Ste. Marie\(^{60}\) and HGS Canada Inc. in North Bay\(^{61}\) and Timmins.\(^{62}\) The strong bilingual presence in the Northeast region is creating business and job growth in this sector.

The **information, culture and recreation services** industry also reported employment growth during the quarter. One positive development in the sector was the announcement that Gateway Casinos & Entertainment Ltd. will establish the gaming house Cascades Casino Chatham. The new location will replace the operation in Dresden. The company is also planning to add game facilities in other areas of Ontario.\(^{63}\)

On a year-over-year quarterly basis, employment in the services-producing sector increased by 78,100 (+1.4%). Large gains were in wholesale and retail trade (+46,800) and transportation and warehousing (+33,900). Employment losses were reported in three sectors, but greatest in health care and social assistance (-22,300).

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**Ontario Quarterly Labour Force Statistics, by Industry**

<table>
<thead>
<tr>
<th>Seasonally Adjusted Data ('000)</th>
<th>1st Quarter 2018</th>
<th>4th Quarter 2017</th>
<th>1st Quarter 2017</th>
<th>Quarterly Variation Number</th>
<th>Quarterly Variation %</th>
<th>Yearly Variation Number</th>
<th>Yearly Variation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employed, all industries</td>
<td>7,186.9</td>
<td>7,207.4</td>
<td>7,071.0</td>
<td>-20.5</td>
<td>-0.3</td>
<td>115.9</td>
<td>1.6</td>
</tr>
<tr>
<td>Goods-producing sector</td>
<td>1,460.5</td>
<td>1,462.8</td>
<td>1,422.6</td>
<td>-2.3</td>
<td>-0.2</td>
<td>37.9</td>
<td>2.7</td>
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<td>Agriculture</td>
<td>66.7</td>
<td>68.4</td>
<td>70.9</td>
<td>-1.7</td>
<td>-2.5</td>
<td>-4.2</td>
<td>-5.9</td>
</tr>
<tr>
<td>Forestry, fishing, mining, quarrying, oil and gas</td>
<td>33.8</td>
<td>34.8</td>
<td>34.3</td>
<td>-1.0</td>
<td>-2.9</td>
<td>-0.5</td>
<td>-1.5</td>
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<tr>
<td>Utilities</td>
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<td>47.3</td>
<td>49.3</td>
<td>3.9</td>
<td>8.2</td>
<td>1.9</td>
<td>3.9</td>
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<td>Construction</td>
<td>524.3</td>
<td>528.3</td>
<td>509.0</td>
<td>-4.0</td>
<td>-0.8</td>
<td>15.3</td>
<td>3.0</td>
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<td>Manufacturing</td>
<td>784.6</td>
<td>784.1</td>
<td>759.1</td>
<td>0.5</td>
<td>0.1</td>
<td>25.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Services-producing sector</td>
<td>5,726.5</td>
<td>5,744.6</td>
<td>5,648.4</td>
<td>-18.1</td>
<td>-0.3</td>
<td>78.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Trade</td>
<td>1,080.9</td>
<td>1,092.7</td>
<td>1,034.1</td>
<td>-11.8</td>
<td>-1.1</td>
<td>46.8</td>
<td>4.5</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>361.0</td>
<td>350.8</td>
<td>327.1</td>
<td>10.2</td>
<td>2.9</td>
<td>33.9</td>
<td>10.4</td>
</tr>
<tr>
<td>Finance, insurance, real estate and leasing</td>
<td>555.0</td>
<td>558.0</td>
<td>570.2</td>
<td>-3.0</td>
<td>-0.5</td>
<td>-15.2</td>
<td>-2.7</td>
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<tr>
<td>Professional, scientific and technical services</td>
<td>624.7</td>
<td>641.5</td>
<td>604.6</td>
<td>-16.8</td>
<td>-2.6</td>
<td>20.1</td>
<td>3.3</td>
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<tr>
<td>Business, building and other support services</td>
<td>315.1</td>
<td>303.4</td>
<td>325.7</td>
<td>11.7</td>
<td>3.9</td>
<td>-10.6</td>
<td>-3.3</td>
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<tr>
<td>Educational services</td>
<td>503.4</td>
<td>501.9</td>
<td>496.4</td>
<td>1.5</td>
<td>0.3</td>
<td>7.0</td>
<td>1.4</td>
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<tr>
<td>Health care and social assistance</td>
<td>844.1</td>
<td>861.0</td>
<td>866.4</td>
<td>-16.9</td>
<td>-2.0</td>
<td>-22.3</td>
<td>-2.6</td>
</tr>
<tr>
<td>Information, culture and recreation</td>
<td>323.5</td>
<td>322.0</td>
<td>312.9</td>
<td>1.5</td>
<td>0.5</td>
<td>10.6</td>
<td>3.4</td>
</tr>
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<td>Accommodation and food services</td>
<td>467.2</td>
<td>463.2</td>
<td>459.7</td>
<td>4.0</td>
<td>0.9</td>
<td>7.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Other services</td>
<td>288.4</td>
<td>281.0</td>
<td>279.1</td>
<td>7.4</td>
<td>2.6</td>
<td>9.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Public administration</td>
<td>363.2</td>
<td>369.2</td>
<td>372.2</td>
<td>-6.0</td>
<td>-1.6</td>
<td>-9.0</td>
<td>-2.4</td>
</tr>
</tbody>
</table>

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

**REGIONAL ANALYSIS**

**Toronto at the helm of employment growth in Ontario in the first quarter of 2018**

Employment grew by 113,700 in the **Toronto** economic region between the first quarters of 2017 and 2018 (measured on a year-over-year, seasonally unadjusted basis). The regional unemployment rate dropped as well to 5.7%. Labour market conditions remain robust in the area with solid gains over the past year. The Bank of Montreal announced that it would open a 350,000-sq.-ft. high-tech urban campus inside of the CF Toronto Eaton Centre. The campus will house 3,500 employees and open in 2021. India-based Tech Mahindra announced that it would invest $100M over five years to establish a centre of excellence in artificial intelligence and blockchain in Toronto. The centre will support greater demand for applications in the fintech industry and in the development of smart cities. On the manufacturing front, Ford Motor Company of Canada Limited announced that it would

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start production of the Ford Edge ST this summer at its Oakville plant.\textsuperscript{66} The company plans to export the model, which will feature various smart technologies, to 100 countries in 2019.

Labour market conditions remained solid in the Hamilton–Niagara Peninsula economic region. Employment increased by 16,300 in the first quarter of 2018 and the regional unemployment rate fell to 5.9%. After a strong showing in 2017, the local construction industry continued its momentum with several new developments in the first three months of the year. Construction moved forward on the Dover Wharf Condominiums in Port Dover, which will take about 15 months to complete.\textsuperscript{67} Construction will start on the Niagara Regional Police detachment in St. Catharines in fall 2018,\textsuperscript{68} and Stubbes Precast Commercial Ltd. plans to build an office complex worth $5.5M in Brant County.\textsuperscript{69} Stronger economic growth has spurred higher shipping activity in the region as well. The volume of cargo handled at the Port of Hamilton increased to more than 9.8M metric tonnes in 2017, with a record volume of agricultural goods\textsuperscript{70} and a rise in steel-related goods.\textsuperscript{71} Hamilton-based Stelco Holdings Inc. experienced its highest shipping volumes since late 2008.\textsuperscript{72} The steel manufacturer expects steady conditions in the near term because of higher steel prices and elevated production efforts.

The Stratford–Bruce Peninsula economic region saw employment gains of 10,600 between the first quarters of 2017 and 2018. The Organization of Canadian Nuclear Industries opened an office in Port Elgin in March 2018 to better support the supply chain for upcoming refurbishment work at the Bruce Power facility.\textsuperscript{73} The office will also include staff from the Indigenous Relations Suppliers’ Network, which aims to raise participation of local Indigenous communities through employment, business partnerships, and procurement, throughout the refurbishment stage.\textsuperscript{74} The entertainment industry will get a boost as well as Gateway Casinos and Entertainment Limited announced that it plans to undertake a multimillion-dollar expansion of its Hanover raceway.\textsuperscript{75} Construction will start in the spring or summer of 2018 and should wrap up in the first half of next year.

Employment rose in the Windsor–Sarnia economic region by 4,300 between the first quarters of 2017 and 2018. The automotive industry received some positive news in early 2018 as Ford Motor Company of Canada Limited


announced that it would assemble a new truck engine at its Windsor Engine plant in 2019. Work is currently underway to retool the facility, which will become the only site to manufacture the 7X engine. Union representatives expect that the new engine program will add 450 to 500 jobs, and will allow the company to recall a large number of laid-off workers. Elsewhere, total light vehicle production increased at FCA Canada Inc.’s Windsor Assembly Plant during the first two months of 2018 compared to the same period last year. All of this came from an increase in production of the Chrysler Pacifica model.

The Ottawa economic region saw employment gains in the first quarter of 2018. Construction will start on a Comfort Inn & Suites in Kemptville in spring 2018. The hotel will employ 20 full-time staff when it opens in March 2019. Serenity Design & Development announced that it would begin construction on a condominium project near to the Kanata North Business Park in early 2018. Work will also start shortly to rehabilitate infrastructure and improve visitor experience at the Fort Wellington National Historic Site in Prescott over the next two years.

Employment increased across Northern Ontario between the first quarters of 2017 and 2018. The unemployment rate fell in the Northeast and the Northwest economic regions as well. There were several positive developments in the Northeast economic region. Voyageur Airways announced that it would expand operations at the North Bay Jack Garland Airport. The company plans to invest in infrastructure at its aircraft engineering, maintenance, and repair and overhaul facility and hire about 40 new staff. Maker North Inc. announced that it would open a location in Sault Ste. Marie in May 2018. The site will feature advanced manufacturing technologies such as 3D printers, laser cutters, and computer numerical controlled machines, to promote the usage of innovative equipment and processes. In addition, four mining supply and services companies will undertake projects to design, build, and test new equipment to serve the mining industry. In the Northwest economic region, there were two large announcements at local mills. FPIInnovations and Resolute Forest Products will invest in a $21M pilot project at Resolute’s Pulp and Paper Mill in Thunder Bay. The pilot will include building a thermal-mechanical-pulp bio-refinery demonstration plant to look into the production and commercialization of biochemicals derived from wood. BioPower Sustainable Energy Corporation also announced that it would expand operations and boost employment at the former Rentech wood pellet mill in Atikokan. The company plans to operate at full capacity to serve the domestic and global markets in the coming years.

Employment growth remained weak in parts of eastern Ontario in the first quarter of 2018

The Kingston–Pembroke economic region saw the largest drop in employment with a loss of 12,200 between the first quarters of 2017 and 2018. The area continues to see weaker labour market conditions with a drop in its participation and employment rates over this period. There were a number of closure announcements this quarter in the region. Sysco Canada announced that it would close its warehouse in Kingston in June 2018 and shift work to other locations. The closure may affect staff in operations, transportation and distribution. The Bank of Montreal will also close its branch in Quinte West in August 2018 because of changing customer needs.

The Muskoka–Kawartha economic region saw a decline in employment of 11,600 between the first quarters of 2017 and 2018. Losses took place in both full-time and part-time employment. In February 2018, the Peterborough Victoria Northumberland and Clarington Catholic District School Board announced that it would close the St. Michael Catholic Elementary School in Cobourg. Moondance will also close its record store in downtown Peterborough at the end of April 2018 after 46 years in operation. Meanwhile, Kimberly-Clark Corporation announced that it would close or sell 10 facilities globally and expand other sites as part of a restructuring plan. There is no update on the status of the Huntsville plant at this time.

Employment fell by 8,900 in the Kitchener–Waterloo–Barrie region between the first quarters of 2017 and 2018. There were a few layoff announcements in the area over this three-month period. The City of Guelph announced that it would lay off 18 staff from its solid waste division. The Municipality stated that it would try to relocate affected employees to other branches. Manulife Financial Corporation cut 35 employees from its Kitchener office because of a change towards digital and customer-centred work. Furthermore, Ten Thousand Villages will close its store in St. Jacobs and Eating Well Organically will close its health food store in Waterloo. Despite these events, there was a fair bit of activity in the local manufacturing base that may help create jobs in the near term. Desch Canada Ltd. announced that it would invest $12.6M to increase floor space and buy new equipment.

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at its Cambridge plant.\textsuperscript{96} Sleeman Breweries Ltd. also announced that it would invest $7.0M to increase capacity at its Guelph plant and bring some production back from the United States.\textsuperscript{96}

Employment decreased by 8,100 in the London region between the first quarters of 2017 and 2018. The unemployment rate rose from 5.4\% to 6.3\% during this period as well. The area saw mixed news this quarter. Siemens Canada Limited officially shut its wind turbine plant in Tillsonburg in early 2018.\textsuperscript{97} Doug Coleman Trucking Ltd. announced that it would lay off 57 employees at its Ingersoll operation.\textsuperscript{98} The trucking company transports motor vehicle parts to the CAMI Assembly Plant operated by General Motors of Canada Company. On the positive side, Nestlé Canada announced that it would invest $51.5M to expand production at its London ice cream plant, which will create 12 jobs.\textsuperscript{99} Construction will also start on an academic pavilion at Brescia University College in London.\textsuperscript{100} The facility is worth $14M and will open in fall 2019.

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*Note: Totals may not add due to rounding*

*Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122*


Ontario Quarterly Employment Growth, by Economic Region
Q1-2017 to Q1-2018

Stratford—Bruce Peninsula
Hamilton—Niagara Peninsula
Windsor—Sarnia
Northwest
Northeast
Ottawa
Kitchener—Waterloo—Barrie
London
Kingston—Pembroke
Muskoka—Kawartha

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.