



Labour Market Bulletin

Ontario

June 2018



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Ontario, including the regions of Hamilton—Niagara Peninsula, Kingston—Pembroke, Kitchener—Waterloo—Barrie, London, Muskoka—Kawarthas, Northeast, Northwest, Ottawa, Stratford—Bruce Peninsula, Toronto and Windsor—Sarnia.

OVERVIEW

Labour Force Trends - Employment increased in Ontario in second quarter of 2018

- Employment increased by 33,900 in the province in the second quarter of 2018
- Job gains were solely in full-time work (+50,933)
- The unemployment rate edged up to 5.7% during this quarter

Employment increased by 33,900 in Ontario in the second quarter of 2018, more than making up for losses in the first quarter. All of the gains in employment were observed in full-time work (+50,933), offsetting all losses in part-time employment (-17,133) during this three-month period. While the employment rate inched down (-0.1 percentage points) for the second quarter in a row, the participation rate edged up (+0.1 percentage points) over the second quarter. The unemployment rate for youth aged 15 to 24 increased 0.5 percentage points to 12.0% during this period.

Employment grew by 31,166 in Canada in the second quarter of 2018. All of this job growth took place in June as April and May both saw a drop in employment. Ontario recorded the largest quarterly increase in employment, followed by Alberta and Manitoba while British Columbia saw the biggest decline over the same period. The national unemployment rate edged up to 5.9% during this the quarter. The quarterly provincial unemployment rate observed its first increase since the fourth quarter of 2015.

Total nonfarm payroll employment surged by 213,000 in the United States in June 2018,¹ topping the expected gains of 195,000 predicted by many economists.² Job gains averaged 210,000 over this three-month period, after upwards revisions to the April and May numbers. However, the unemployment rate increased to 4.0% in June

¹ Bureau of Labour Statistics. (2018, July 6). The Employment Situation- June 2018. *United States Department of Labor*. Retrieved from <https://www.bls.gov/news.release/pdf/empsit.pdf>

² Cox, J. (2018, July 6). US adds 213,000 jobs in June, better than expected, but wage growth is light. *CNBC*. Retrieved from <https://www.cnn.com/2018/07/06/nonfarm-payrolls-june.html>

owing to an accompanying rise in labor force participation. Professional and business services (+50,000), manufacturing (+36,000), and health care (+25,000) saw major gains in employment while retail trade lost 22,000 jobs.

Employment grew by 138,633 in Ontario between the second quarters of 2017 and 2018. All of the job gains were in full-time work. The unemployment rate inched down 0.5 percentage points with the participation rate showing a slight dip (-0.3 percentage points) despite gains in the labour force over this period.

Throughout the summer months, Statistics Canada collects labour market data on youth aged 15 to 24 who attended school full-time in March and who plan to return to school full time in autumn.³ Between June 2017 and June 2018, student summer employment increased by 44,300 in the province. The provincial unemployment rate for returning students rose by 0.2 percentage points to 16.1% over this period. Across Canada, the student unemployment rate was 13.6% in June 2018.

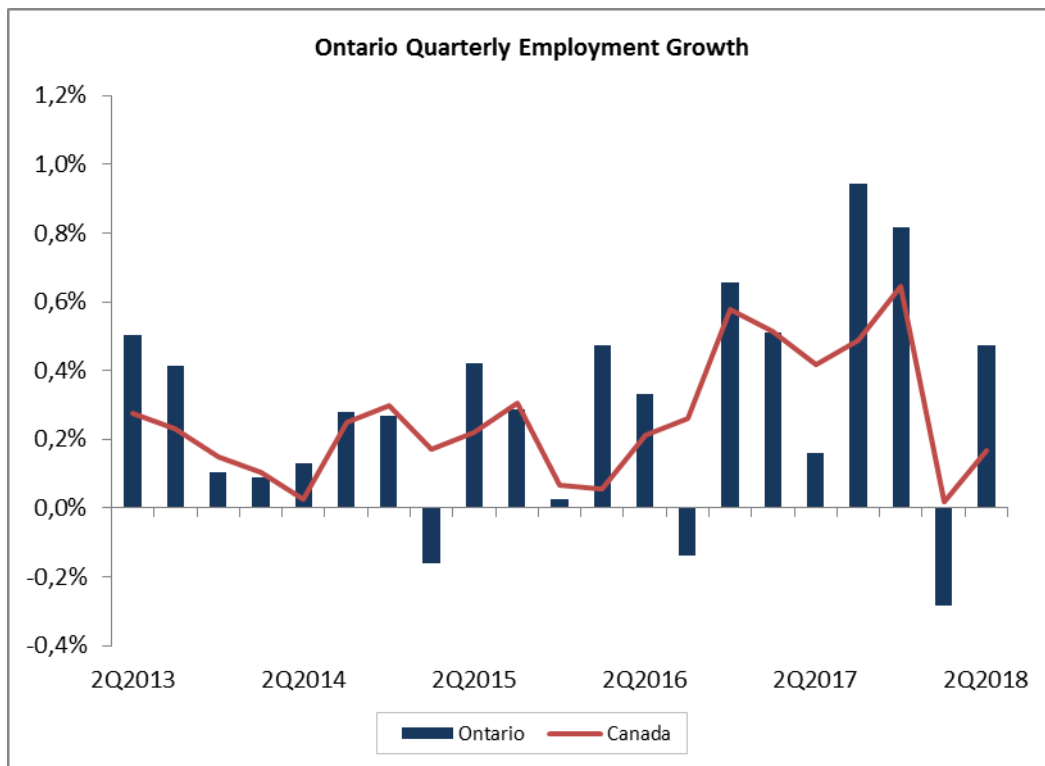
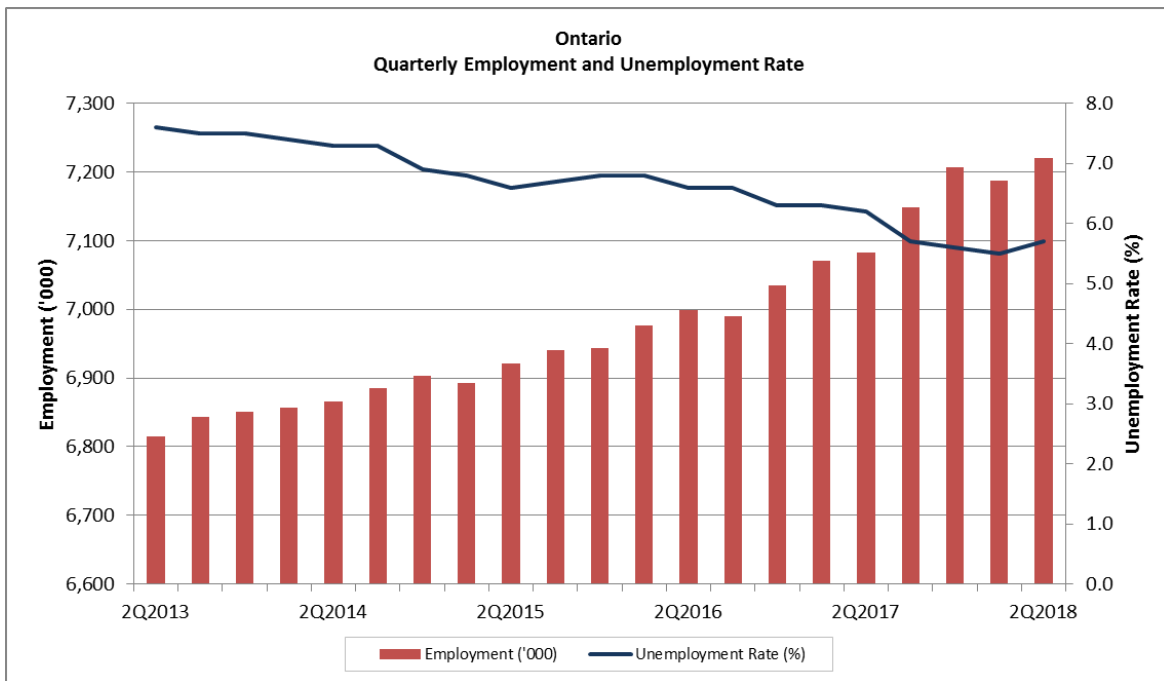
Ontario Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	2nd Quarter 2018	1st Quarter 2018	2nd Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	11,868.7	11,810.3	11,658.1	58.4	0.5	210.6	1.8
Labour Force ('000)	7,660.5	7,605.3	7,554.5	55.2	0.7	106.0	1.4
Employment ('000)	7,220.8	7,186.9	7,082.2	33.9	0.5	138.6	2.0
Full-Time ('000)	5,914.6	5,863.7	5,751.5	50.9	0.9	163.1	2.8
Part-Time ('000)	1,306.1	1,323.3	1,330.7	-17.2	-1.3	-24.6	-1.8
Unemployment ('000)	439.7	418.4	472.3	21.3	5.1	-32.6	-6.9
Unemployment Rate (%)	5.7	5.5	6.2	0.2	-	-0.5	-
Participation Rate (%)	64.5	64.4	64.8	0.1	-	-0.3	-
Employment Rate (%)	60.8	60.9	60.8	-0.1	-	0.0	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

³ Statistics Canada. Table 14-10-0286-01 Unemployment rate and employment rate by type of student during summer months, monthly, unadjusted for seasonality, last 5 months



Ontario Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	2nd Quarter	1st Quarter	2nd Quarter	Quarterly Variation	Yearly Variation
	2018 (%)	2018 (%)	2017 (%)	(% points)	(% points)
Total	5.7	5.5	6.2	0.2	-0.5
25 years and over	4.7	4.5	5.2	0.2	-0.5
Men - 25 years and over	4.5	4.3	5.3	0.2	-0.8
Women - 25 years and over	4.9	4.7	5.1	0.2	-0.2
15 to 24 years	12.0	11.5	12.8	0.5	-0.8
Men - 15 to 24 years	12.7	12.7	14.2	0.0	-1.4
Women - 15 to 24 years	11.2	10.2	11.5	1.1	-0.2

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

A look at labour market conditions for Ontario's Indigenous Peoples

In the second quarter of 2018, the total population aged 15+ in Ontario was 11.8 million. The Indigenous population living off-reserve accounted for 2.0% of the total population, or 253,700 people. Employment among Indigenous people living off-reserve in Ontario was 146,600 in the second quarter of 2018, representing an increase of 15,800 (+12.1%) from the second quarter of 2017. Other indicators pointed to strengthening labour market conditions for Indigenous peoples living off-reserve with an unemployment rate that declined 4.5 percentage points to 6.8% over the year as well as spikes in both the participation rate (+1.7 percentage points) and employment rate (+4.3 percentage points) during this period. Non-Indigenous peoples, on the other hand, registered a slight dip in their unemployment rate (-0.3 percentage points), a negligible slide in their participation rate (-0.2 percentage points) and an unchanged employment rate over this period.

Over the quarter, there were a few positive announcements targeting Indigenous communities. Recent months have seen several agreements between Indigenous communities and public and private entities that will support natural resource-based economic development in the traditional territories of these First Nations. In the mining industry, these include Pic Mobert First Nation's agreement with Harte Gold in relation to the Sugar Zone Mine located in the White River area;⁴ Brunswick House, Chapleau Cree and Chapleau Ojibwe First Nations agreement with Goldcorp in relation to the Borden Gold project near Chapleau;⁵ and Missanabie Cree First Nation and Cementation Canada's announced creation of Missanabie Cementation Inc., a majority First Nations owned partnership concentrating on mining opportunities in Northern Ontario.⁶

Indigenous communities are increasingly taking a leadership role in the forestry sector, most recently with the acquisition of a forest resource licence by the Agoke Development Corporation, a partnership between Eabametoong, Aroland and Marten Falls First Nations, to lead the management of Ogoki forest.⁷

⁴ Northern Ontario Business Staff. (2018, May 2). Harte Gold, Pic Mobert sign sweet deal over Sugar Zone gold property. *Northern Ontario Business*. Retrieved from <https://www.northernontariobusiness.com/industry-news/mining/harte-gold-pic-mobert-sign-sweet-deal-over-sugar-zone-gold-property-912654>

⁵ Northern Ontario Business Staff. (2018, June 6). Goldcorp signs impact and benefit agreement with Indigenous communities. *Northern Ontario Business*. Retrieved from <https://www.northernontariobusiness.com/industry-news/mining/goldcorp-signs-impact-and-benefit-agreement-with-indigenous-communities-946091>

⁶ Northern Ontario Business Staff. (2018, June 10). Northeast Cree team up with international mine builder. *Northern Ontario Business*. Retrieved from <https://www.northernontariobusiness.com/industry-news/mining/northeast-cree-team-up-with-international-mine-builder-950103>

⁷ Kitching, H. (2018, April 3). Northern Ontario First Nations sign Ogoki forest management deal. *CBC News*. Retrieved from <https://www.cbc.ca/news/canada/thunder-bay/first-nations-manage-ogoki-forest-1.4599406>

This quarter also saw significant investments in Indigenous health care and education. In April, the federal and provincial governments announced an investment of \$5 million per annum to support the creation of 19 mental wellness teams in First Nations communities across Ontario.⁸ The provincial government also announced \$1.8 million investment in Shkagamik-Kwe Health Centre in Sudbury to expand culturally grounded mental health and addictions treatment for Indigenous peoples.⁹ Additionally, the education sector received a boost from \$24 million in funding for the Biigtigong Nishnaabeg Education Complex whose construction will begin in August.¹⁰

Ontario - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q2 2018	Q2 2017	number	%	Q2 2018	Q2 2017	number	%
Population 15 + ('000)	253.7	244.8	8.9	3.6%	11,615.0	11,413.6	201.4	1.8%
Labour Force ('000)	157.2	147.5	9.7	6.6%	7,556.7	7,453.0	103.7	1.4%
Employment ('000)	146.6	130.8	15.8	12.1%	7,119.7	6,996.3	123.4	1.8%
Full-Time ('000)	116.6	101.0	15.6	15.4%	5,851.5	5,695.6	155.9	2.7%
Part-Time ('000)	30.0	29.8	0.2	0.7%	1,268.2	1,300.7	-32.5	-2.5%
Unemployment ('000)	10.7	16.6	-5.9	-35.5%	437.1	456.8	-19.7	-4.3%
Unemployment Rate (%)	6.8	11.3	-4.5	-	5.8	6.1	-0.3	-
Participation Rate (%)	62.0	60.3	1.7	-	65.1	65.3	-0.2	-
Employment Rate (%)	57.8	53.5	4.3	-	61.3	61.3	0.0	-

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.

Steel and aluminum tariffs a major concern in second quarter

On June 1, 2018, the U.S. Department of Commerce re-introduced a 25% tariff on Canadian steel under a national security provision (Section 232) and a 10% tariff on aluminum. In response, Canada imposed sur-taxes or similar trade-restrictive countermeasures on July 1st.

The primary metal manufacturing industry continues to be vulnerable to world market fluctuations. Since 2015, the steel industry has been facing an acute challenge of global overcapacity namely due to over-production from China, which has led the industry to restructure and has created difficulties for steelmaking regions around the world, including in Canada.

Three of Ontario's largest players account for approximately 74% of domestic steelmaking capacity: ArcelorMittal Dofasco, in Hamilton; Stelco, in Hamilton and Nanticoke; and Essar Steel Algoma in Sault Ste.

⁸ Indigenous Services Canada. (2018, April 11). Canada, Ontario and First Nations leaders to expand access to mental health services across Ontario. *Government of Canada*. Retrieved from <https://www.canada.ca/en/indigenous-services-canada/news/2018/04/canada-ontario-and-first-nations-leaders-to-expand-access-to-mental-health-services-across-ontario.html>

⁹ CBC News Staff. (2018, April 10). New money for culturally-grounded mental health and addiction programs in the Sudbury region. *CBC News*. Retrieved from <https://www.cbc.ca/news/canada/sudbury/culture-healing-traditional-funding-mental-health-addictions-indigenous-1.4613852>

¹⁰ CBC News Staff. (2018, April 13). Northwestern Ontario First Nation secures \$24 million funding for new education complex. *CBC News*. Retrieved from <https://www.cbc.ca/news/canada/thunder-bay/biigtigong-nishnaabeg-school-funding-1.4619054>

Marie. Furthermore, Ontario has the highest share of steel production workers¹¹ in Canada and is likely to feel the most impact from the tariffs.

Canadian aluminium shipments have stabilized recently, reflecting a rising demand domestically, gains in export markets, and demand from the auto sector. This comes after a period of decline since the 2008-2009 recession when some plants were forced to slow production and several development projects were postponed. A return to growth, albeit at a slow pace, is forecasted for 2018-2020, although the imposition of the 10% tariff on exports to the U.S. may force some industry adjustments.

Canada is the world's fourth largest producer of primary aluminum, and nearly 90% of Canadian aluminum is produced in Québec. Québec also makes up about 71% of the national workforce,¹² followed by Ontario (19% of total employment). While Ontario is not the primary influencer in the aluminium industry, there are still some sizeable employers in the province including Novelis Inc. in Kingston (approx. 400 employees), and others in the Toronto economic region such as Reynolds Consumer Products (approx. 350 employees), Sapa Canada in Mississauga and North York (approx. 600 employees), and Almag Aluminium Inc. in Brampton (approx. 250 employees).

EMPLOYMENT BY INDUSTRY

Employment decline in the goods-producing sector largely from weaker manufacturing estimates

Employment fell in Ontario's goods-producing sector by 6,100 in the second quarter of 2018. The manufacturing industry posted the largest decline (-15,000) and offset gains in other industries such as agriculture (+4,500) and utilities (+4,100). The construction industry saw little change overall.

Employment estimates for the **manufacturing** industry were rather weak this quarter but several other indicators pointed to stronger business conditions. The Canadian Manufacturing Purchasing Managers' Index (PMI) continued to climb on the heels of robust output and new orders.¹³ The PMI hit 57.1 in June 2018 – its highest level since the survey started in October 2010. Provincial manufacturing sales were up in April 2018 for the third month in a row as well.¹⁴

While there were a few closure announcements this quarter from manufacturers such as Hamilton Specialty Bar Inc.,¹⁵ Innovative Steam Technologies,¹⁶ and ZF-TRW,¹⁷ several large investments should help boost the province's industrial base over the coming period. Toyota Motor Manufacturing Canada Inc. announced that it would invest \$1.4 billion to upgrade its facilities in Cambridge and Woodstock to support flexible manufacturing plat-

¹¹ 19,050 employed in North American Industry Classification System (NAICS) 3311 and 3312

¹² Statistics Canada, 2016 Census.

¹³ IHS Markit. (2018, July 03). IHS Markit Canada Manufacturing PMI. *IHS Markit*. Retrieved from <https://www.markiteconomics.com/Survey/PressRelease.mvc/1f0844b2be894d76bb8f114018013b56>

¹⁴ Statistics Canada. Table 16-10-0048-01 Manufacturing sales by industry and province, monthly (dollars unless otherwise noted) (x 1,000)

¹⁵ The Hamilton Spectator. (2018, April 18). End of the road for Hamilton Specialty Bar. The Hamilton Spectator. Retrieved from <https://www.thespec.com/news-story/8401109-end-of-the-road-for-hamilton-specialty-bar/>

¹⁶ Jackson, J. (2018, May 17). Innovative Steam shuts down. Waterloo Region Record. Retrieved from <https://www.therecord.com/news-story/8617005-innovative-steam-shuts-down/>

¹⁷ CBC News. (2018, June 18). Tillsonburg auto parts plant to close by end of year. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/london/zf-trw-plant-tillsonburg-to-close-1.4711528>

forms for the RAV4 sport utility vehicle.¹⁸ The investment will lead to 450 direct jobs, and support hundreds of other positions throughout the motor vehicle parts supply chain. National Steel Car Limited will see more work at its Hamilton plant as well.¹⁹ Canadian National Railway Company placed an order for 350 lumber cars followed by an order for 1,000-grain hoppers, which together will lead to about 550 jobs. Meanwhile, Sanofi Pasteur Limited announced that it would build a vaccine manufacturing facility in Toronto worth \$500M by 2021.²⁰ The facility will produce antigens used in whooping cough, diphtheria and tetanus vaccines. In food manufacturing, Coca-Cola Canada announced that it would invest \$85M to build a dairy plant in Peterborough to produce Fairlife unfiltered milk products.²¹ Bonduelle Canada Inc. will also invest a total of \$79.8M to expand operations at its Tecumseh, Ingersoll, and Strathroy frozen vegetable processing facilities.²²

Employment growth was relatively flat this quarter in the **construction** industry though building activity remained quite strong in certain regions. Despite several condominium projects moving forward this quarter, new housing construction dipped in the province in May 2018 after a stretch of robust activity.²³ Most of the decline came from a drop in starts for multi-unit housing in the Toronto urban area. On the non-residential side, a few large projects advanced. Cadillac Fairview Corporation Limited and Investment Management Corporation of Ontario announced the construction of an \$800M office tower in downtown Toronto.²⁴ Construction started on the Learners' Centre at Health Sciences North in Sudbury valued at \$26M.²⁵ The Centre will feature a simulation lab and will help medical professionals in the region learn the latest industry practices and technology. Gordon Food Service also started construction on a distribution centre in Ajax.²⁶ This will be the company's largest operation in Canada.

The **agricultural** industry saw multiple developments over the past quarter. Sargent Farms and Boire & Frères announced that it would jointly open the Thames River Hatchery in Woodstock.²⁷ The facility will cost \$15M and will be the first independent large-scale chicken hatchery built in the province in over 30 years. Maple Lodge Farms Ltd. announced they would invest \$8M to expand its Curtis Chicks hatchery in Port Hope which will double

¹⁸ CBC News. (2018, May 04). Toyota investing \$1.4B in Ontario manufacturing plants. *CBC News*. Retrieved from <https://www.cbc.ca/news/business/toyota-cambridge-trudeau-wynne-1.4649155>

¹⁹ The Hamilton Spectator. (2018, May 30). CN Rail order creates 300 new full-time jobs at Hamilton's National Steel Car. *The Hamilton Spectator*. Retrieved from <https://www.thespec.com/news-story/8638112-cn-rail-order-creates-300-new-full-time-jobs-at-hamilton-s-national-steel-car/>

²⁰ Canadian Manufacturing.com Staff. (2018, April 12). Pharma firm Sanofi Pasteur to build \$500M vaccine manufacturing plant in Toronto. *Canadian Manufacturing*. Retrieved from <https://www.canadianmanufacturing.com/manufacturing/pharma-firm-sanofi-pasteur-to-build-500m-vaccine-manufacturing-plant-in-toronto-211466/>

²¹ Dyble, J. (2018, June 06). Coca-Cola Canada to launch new \$85mn Fairlife production facility in Ontario. *Business Chief*. Retrieved from <https://canada.businesschief.com/finance/2689/Coca-Cola-Canada-to-launch-new-85mn-Fairlife-production-facility-in-Ontario>

²² Food in Canada. (2018, May 09). Bonduelle to expand three facilities in Ontario. *Food in Canada*. Retrieved from <http://www.foodincanada.com/food-in-canada/bonduelle-to-expand-three-facilities-in-ontario-139651/>

²³ Wong, N. (2018, June 08). Toronto drop drives Canadian housing starts to lowest in a year. *Financial Post*. Retrieved from <https://business.financialpost.com/real-estate/toronto-drop-drives-canadian-housing-starts-to-lowest-in-a-year>

²⁴ Cadillac Fairview Corporation Limited. (2018, June 13). Cadillac Fairview Boosts Investment in Toronto's Downtown with \$800 Million Office Tower. *CNW Group Ltd*. Retrieved from <https://www.newswire.ca/news-releases/cadillac-fairview-boosts-investment-in-torontos-downtown-with-800-million-office-tower-685369421.html>

²⁵ Dempsey, K. (2018, June 19). Sudbury's Simulation Lab under construction. *The Sudbury Star*. Retrieved from <http://www.thesudburystar.com/2018/06/19/sudburys-simulation-lab-under-construction>

²⁶ Verdict Foodservice. (2018, June 21). Construction begins on a Gordon Food Service distribution centre in Canada. *Verdict Media Limited*. Retrieved from <https://www.verdictfoodservice.com/news/construction-gordon-food-service-centre/>

²⁷ Food in Canada. (2018, April 26). A new state-of-the-art hatchery to open in Ontario. *Food in Canada*. Retrieved from <http://www.foodincanada.com/food-in-canada/a-new-state-of-the-art-hatchery-to-open-in-ontario-139552/>

the facility's capacity by early 2019.²⁸ Good4UShrimp also opened a shrimp farm just outside of Sudbury in April 2018.²⁹ This is the first shrimp farm in northern Ontario. To support commercial marijuana farming, Niagara College announced that it would collaborate with Canopy Growth Corporation to provide students with experience-based learning. This is part of the College's new commercial cannabis production program set to launch this fall.³⁰ Students will work at the company's Tweed Farms facility in Niagara-on-the-Lake, which will help provide a steady flow of workers at the greenhouse as well.

Employment in the goods-producing sector grew by 33,400 between the second quarters of 2017 and 2018. The strongest annual quarterly gain was in construction (+19,700), followed by utilities (+9,600). Employment growth in the manufacturing industry was relatively flat during this period (+400).

Services-producing sector grew as employment increased across most industries

Employment increased in the services-producing sector by 39,900 in the second quarter of 2018. The largest gains were in the professional, scientific and technical services (+23,700), the finance, insurance, real estate, rental and leasing (+11,500) and transportation and warehousing (+10,700) industries. Meanwhile, only the wholesale and retail trade (-19,100) and the health care and social assistance (-9,200) industries experienced losses.

The **professional, scientific and technical services** industry continued to help drive employment growth in Ontario. Several companies announced plans to set up operations along the Toronto-Waterloo technology corridor. Samsung Research America announced that it would establish a state-of-the-art artificial intelligence (AI) centre in Toronto.³¹ NVIDIA Corporation opened an AI lab in Toronto in June 2018 with plans to double the size of its operation.³² Furthermore, Interac Corporation announced that it would open an innovation lab in Kitchener to help develop the company's next line of products and features.³³

Employment increased by 9,400 in the **accommodation and food services** industry in Ontario in the second quarter of 2018. There was a lot of activity in the hotel industry over the past few months. Radisson Hotel Group opened a location in Brampton in April 2018.³⁴ The Holiday Inn Express & Suites Brantford opened in May 2018 and is the first new hotel in Brantford in almost a decade.³⁵ Moreover, Hampton Inn & Suites by Hilton started construction on a hotel in Peterborough that will be adjacent to the new casino.³⁶ Following a strong year for

²⁸ Longwell, K. (2018, June 18). Maple Lodge Farms expanding Port Hope hatchery. *Northumberland News*. Retrieved from <https://www.northumberlandnews.com/news-story/8674536-maple-lodge-farms-expanding-port-hope-hatchery/>

²⁹ CBC News. (2018, April 21). Fresh grown shrimp to be produced in northern Ontario. *CBC News*. Retrieved from <https://www.cbc.ca/news/canada/sudbury/estaire-shrimp-farm-1.4628836>

³⁰ Edwards, L. (2018, April 17). Niagara College signs MOU with Tweed Farms. *Niagara-on-the-Lake Advance*. Retrieved from <https://www.niagarathisweek.com/news-story/8400154-niagara-college-signs-mou-with-tweed-farms/>

³¹ EP&T Magazine. (2018, June 14). Samsung Research America to establish AI lab in Toronto. *Electronic Products and Technology*. Retrieved from <https://www.ept.ca/2018/06/samsung-research-america-to-establish-ai-lab-in-toronto/>

³² Silcoff, S. (2018, June 13). NVIDIA is the latest foreign technology giant to open an AI lab in Toronto. *The Globe and Mail*. Retrieved from <https://www.theglobeandmail.com/business/technology/article-nvidia-is-the-latest-foreign-technology-giant-to-open-an-ai-lab-in/>

³³ Wood, E. (2018, June 19). Interac opens innovation lab in Kitchener's Communitech research hub. *ITBusiness.ca*. Retrieved from <https://www.itbusiness.ca/news/interac-opens-innovation-lab-in-kitcheners-communitech-research-hub/102413>

³⁴ Frisque, G. (2018, May 04). NEW BUSINESS: Radisson opens new hotel in Brampton. *Brampton Guardian*. Retrieved from <https://www.bramptonguardian.com/news-story/8581548-new-business-radisson-opens-new-hotel-in-brampton/>

³⁵ Smith, L. (2018, May 07). Brantford Welcomes Opening of First New-Build Hotel in a Decade. *Newcom Media Inc.* Retrieved from <https://www.meetingscanada.com/brantford-ontario-holiday-inn-express-opening/>

³⁶ Bain, J. (2018, May 03). New 100-room hotel opening in Peterborough. *Peterborough This Week*. Retrieved from <https://www.mykawartha.com/news-story/8586524-new-100-room-hotel-opening-in-peterborough/>

tourism in Canada in 2017, conditions are likely to remain favourable going forward given the lower Canadian dollar and additional flight routes.³⁷

The **wholesale and retail trade** industry was the major drag on employment in the services-producing sector. There were several closure announcements across the industry. Rexall Pharmacy Group Ltd. announced that it plans to close 40 stores in Ontario and western Canada.³⁸ Nine West Holdings **Inc.** filed for bankruptcy protection in May 2018. The retailer will close all of its locations in Canada.³⁹ Holt Renfrew Men announced that it would close its store in downtown Toronto,⁴⁰ while Michaels Canada announced plans to close its store in Timmins.⁴¹

Employment in the services-producing sector grew by 105,200 between the second quarters of 2017 and 2018. The strongest annual quarterly gains were in transportation and warehousing (+33,500), accommodation and food services (+31,200), and information, culture and recreation (+28,700). Meanwhile, health care and social assistance was the only industry to experience a large decline (-37,200) during this period.

³⁷ The Conference Board of Canada. (2018, June). Travel Markets Outlook: National Focus-Spring 2018. *The Conference Board of Canada*.

³⁸ Kiladze, T. (2018, April 27). Rexall to shutter some stores as pharmacy market faces pressure. *The Globe and Mail*. Retrieved from <https://www.theglobeandmail.com/business/article-rexall-to-shutter-some-stores-as-pharmacy-market-faces-pressure/>

³⁹ Kary, T. (2018, April 06). Nine West files for bankruptcy. *The Toronto Star*. Retrieved from <https://www.thestar.com/business/2018/04/06/nine-west-files-for-bankruptcy.html>

⁴⁰ Kopun, F. (2018, June 18). Holt Renfrew to shutter store for men on Bloor. *The Toronto Star*. Retrieved from <https://www.thestar.com/business/2018/06/18/holt-renfrew-to-shutter-store-for-men-on-bloor.html>

⁴¹ Hoggett, M. (2018, April 11). Michaels in Timmins closing. *TimminsToday.com*. Retrieved from <https://www.timminstoday.com/local-news/michaels-in-timmins-closing-890623>

Ontario Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	2nd Quarter	1st Quarter	2nd Quarter	Quarterly Varia- tion		Yearly Variation	
	2018	2018	2017	Number	%	Number	%
Total employed, all industries	7220.8	7186.9	7082.2	33.9	0.5	138.6	2.0
Goods-producing sector	1454.4	1460.5	1421.0	-6.1	-0.4	33.4	2.4
Agriculture	71.2	66.7	67.4	4.5	6.7	3.8	5.6
Forestry, fishing, mining, quarrying, oil and gas	35.3	33.8	35.4	1.5	4.4	-0.1	-0.3
Utilities	55.3	51.2	45.7	4.1	8.0	9.6	21.0
Construction	523.1	524.3	503.4	-1.2	-0.2	19.7	3.9
Manufacturing	769.6	784.6	769.2	-15.0	-1.9	0.4	0.1
Services-producing sector	5766.4	5726.5	5661.2	39.9	0.7	105.2	1.9
Trade	1061.8	1080.9	1061.2	-19.1	-1.8	0.6	0.1
Transportation and warehousing	371.7	361.0	338.2	10.7	3.0	33.5	9.9
Finance, insurance, real estate and leasing	566.5	555.0	554.1	11.5	2.1	12.4	2.2
Professional, scientific and technical services	648.4	624.7	630.5	23.7	3.8	17.9	2.8
Business, building and other support services	317.7	315.1	321.1	2.6	0.8	-3.4	-1.1
Educational services	505.9	503.4	499.3	2.5	0.5	6.6	1.3
Health care and social assistance	834.9	844.1	872.1	-9.2	-1.1	-37.2	-4.3
Information, culture and recreation	325.7	323.5	297.0	2.2	0.7	28.7	9.7
Accommodation and food services	476.6	467.2	445.4	9.4	2.0	31.2	7.0
Other services	290.3	288.4	273.8	1.9	0.7	16.5	6.0
Public administration	366.9	363.2	368.6	3.7	1.0	-1.7	-0.5

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

Toronto at the helm of employment growth in Ontario in the second quarter of 2018

Employment grew by 96,200 (+2.8%) in the **Toronto** economic region between the second quarters of 2017 and 2018 (measured on a year-over-year, seasonally unadjusted basis). The regional unemployment rate dropped 0.3 percentage points to 6.4%. Labour market conditions remained robust in the area with solid gains over the past year. Sizeable gains in full-time employment (+139,300) were offset by losses in part-time employment (-43,100).

A number of large-scale construction projects broke ground in the second quarter of 2018, including the \$2.5B Finch West Light Rail Transit project⁴² and the \$616M Highway 427 expansion.⁴³ The condominium market continued to heat up in the region^{44,45,46,47}, and the announcement of a new \$800M office tower⁴⁸ and a mixed-use tower⁴⁹ will add to the Toronto skyline in the coming years. Toronto's information and communication technology (ICT) industry received a boost with the addition of NVIDIA Corporation's AI lab,⁵⁰ as well as the announcements of SOTI's new \$170.8M facility⁵¹ and Samsung Research America's AI centre.⁵²

The **Ottawa** economic region saw employment gains in the second quarter of 2018. Employment increased by 25,600 (+3.7%) in the second quarter of 2018 and the regional unemployment rate fell to 4.6%, a 1.7 percentage point decrease. The emerging recreational cannabis industry provided a lift to the region thanks to Canopy Growth Corporation's hiring spree in Smiths Falls. The company is looking to fill 600 positions ahead of cannabis legalization on October 17, 2018.⁵³ Amazon announced the establishment of a distribution centre in Ottawa in

⁴² Infrastructure Ontario. (2018, May 7). Contract Awarded for Finch West Light Rail Transit Project. *Government of Ontario*. Retrieved from <http://www.infrastructureontario.ca/Financial-Close-Finch-West-Light-Rail-Transit/>

⁴³ Ministry of Transportation. (2018, May 1). Construction Begins On Highway 427 Expansion in Vaughan. *Government of Ontario*. Retrieved from <https://news.ontario.ca/mto/en/2018/05/construction-begins-on-highway-427-expansion-in-vaughan.html>

⁴⁴ Landau, J. (2018, May 29). Construction Imminent for Plaza's Mississauga Square Condos. *Urban Toronto*. Retrieved from <http://urbantoronto.ca/news/2018/05/construction-imminent-plazas-mississauga-square-condos>

⁴⁵ Nickle, D. (2018, May 17). What's going on here? Platform Condos on the Danforth. *Toronto.com*. Retrieved from <https://www.toronto.com/news-story/8560427-what-s-going-on-here-platform-condos-on-the-danforth/>

⁴⁶ Landau, J. (2018, March 29). Marlin Spring Celebrates Ground Breaking for WestBeach Condos. *Urban Toronto*. Retrieved from <http://urbantoronto.ca/news/2018/03/marlin-spring-celebrates-ground-breaking-westbeach-condos>

⁴⁷ Boisvert, N. (2018, May 28). How Mississauga's 10-tower, \$1.5B condo complex could reshape the city's future. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/toronto/m-city-development-1.4631741>

⁴⁸ Cadillac Fairview Corp. (2018, June 13). Cadillac Fairview Boosts Investment in Toronto's Downtown with \$800 Million Office Tower. *Newswire*. Retrieved from <https://www.newswire.ca/news-releases/cadillac-fairview-boosts-investment-in-torontos-downtown-with-800-million-office-tower-685369421.html>

⁴⁹ Del Prete, N. (2018, June 18). Shoring Underway at Tricon's 57 Spadina Avenue Rental Tower. *Urban Toronto*. Retrieved from <http://urbantoronto.ca/news/2018/06/shoring-underway-tricons-57-spadina-avenue-rental-tower>

⁵⁰ Silcoff, S. (2018, June 14). NVIDIA is the latest foreign technology giant to open an AI lab in Toronto. *The Globe and Mail*. Retrieved from <https://www.theglobeandmail.com/business/technology/article-nvidia-is-the-latest-foreign-technology-giant-to-open-an-ai-lab-in/>

⁵¹ Ministry of Economic Development, Job Creation and Trade. (2018, May 7). Ontario Supporting Over 1,100 Jobs in Mississauga. *Government of Ontario*. Retrieved from <https://news.ontario.ca/medg/en/2018/05/ontario-supporting-over-1100-jobs-in-mississauga.html>

⁵² EP&T Magazine. (2018, June 14). Samsung Research America to establish AI lab in Toronto. *Electronic Products and Technology*. Retrieved from <https://www.ept.ca/2018/06/samsung-research-america-to-establish-ai-lab-in-toronto/>

⁵³ Harris, S. (2018, June 24). Pot companies on hiring spree ahead of lucrative legal market. *CBC News*. Retrieved from <http://www.cbc.ca/news/business/pot-cannabis-marijuana-jobs-canopy-growth-medreleaf-1.4718771>

the second quarter, which is expected to create 1,000 jobs over the coming years.⁵⁴ Investments in construction and manufacturing also contributed to the gains in this quarter. Equispheres Inc. will expand its existing workforce over the next few years,⁵⁵ and construction began on a new 35,500-sq.-ft. Foodland grocery store in Greely, which is expected to open this fall.⁵⁶

Labour market conditions remained solid in the **Stratford–Bruce Peninsula** economic region, which saw employment gains of 18,000 (+12.9%) between the second quarters of 2017 and 2018. The unemployment rate dropped to 3.0%, the lowest in Ontario. Both full- and part-time employment increased, with the larger gain being observed in full-time employment (+10,700). The participation rate also increased 6.8 percentage points to 65.5%. In June, Bruce Power Limited Partnership signed a \$475M contract with the Shoreline Power Group to work on a project that will create and sustain an average of 825 jobs annually over the next 15 years.⁵⁷ As well, Kinectrics Inc., a Bruce Power supplier, secured two new locations in Bruce County and plans to create 50 jobs over the next several years.⁵⁸ This region is also benefitting from the impending recreational cannabis legislation with Tiverton-based cannabis producer, 7ACRES, looking to hire 400 new staff.⁵⁹

Employment rose in the **Windsor–Sarnia** economic region by 8,600 (+2.9%) between the second quarters of 2017 and 2018. The manufacturing industry received some positive news in this quarter as Aphria announced it would invest \$55M to build a new cannabis extraction facility in Leamington, creating 50 new jobs.⁶⁰ Reko International Group also announced a new automation facility in Lakeshore, adding 30 jobs.⁶¹ Earlier in the quarter, High Park Farms announced a new cannabis cultivation facility in Enniskillen and expects to expand to 250 workers.⁶²

The **Hamilton–Niagara Peninsula** economic region saw employment gains (4,500; +0.6%) in the second quarter of 2018. Despite concerns in the region regarding tariffs on Canadian steel and aluminum, National Steel Car announced plans to hire workers thanks to lumber and grain hopper car orders from CN Rail.^{63,64} As has been the

⁵⁴ Britneff, B. (2018, May 25). Amazon to open Ottawa-based distribution centre, creating 1,000 jobs: reports. *Global News*. Retrieved from <https://globalnews.ca/news/4230705/amazon-distribution-centre-ottawa/>

⁵⁵ Jones, D. (2018, June 25). Ottawa's Equispheres receives \$5 million investment from Lockheed Martin. *Design Engineering*. Retrieved from <https://www.design-engineering.com/lookheed-martin-investment-1004030286/>

⁵⁶ Kovessy, P. (2018, June 18). Grocery store expected to spark new development in Greely. *Ottawa Business Journal*. Retrieved from <http://www.obj.ca/article/grocery-store-expected-spark-new-development-greely>

⁵⁷ The Post Staff. (2018, June 14). Bruce Power \$475 million contract will sustain over 800 jobs annually over 15 years. *The Post*. Retrieved from <http://www.thepost.on.ca/2018/06/14/bruce-power-475-million-contract-will-sustain-over-800-jobs-annually-over-15-years>

⁵⁸ Wingham Advance Times Staff. (2018, June 1). Kinectrics secures a significant footprint in Bruce County as part of its commitment to Bruce Power. *Southwestern Ontario*. Retrieved from <https://www.southwesternontario.ca/news-story/8644572-kinectrics-secures-a-significant-footprint-in-bruce-county-as-part-of-its-commitment-to-bruce-power/>

⁵⁹ Cornwell, S. (2018, June 21). Tiverton-based 7ACRES celebrates training managers, aims to hire 400 new staff. *Lucknow Sentinel*. Retrieved from <http://www.lucknowsentinel.com/2018/06/21/tiverton-based-7acres-celebrates-training-managers-aims-to-hire-400-new-staff>

⁶⁰ McArthur, D. (2018, June 6). Leamington pot producer Aphria to build \$55M extraction centre, boost production. *Windsor Star*. Retrieved from <http://windsorstar.com/news/local-news/leamington-pot-producer-aphria-to-build-55m-extraction-centre-boost-production>

⁶¹ Molnar, D. (2018, June 4). Reko to employ 30 people after opening new automation facility. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/windsor/reko-lakeshore-robots-tariffs-1.4691145>

⁶² Phair, J. (2018, May 18). On track to be Enniskillen's biggest employer. *The Petrolia Topic*. Retrieved from <http://www.petroliatopic.com/2018/05/18/on-track-to-be-enniskillens-biggest-employer>

⁶³ Marowits, R. (2018, May 2). CN Rail to purchase 350 new lumber cars to service growing U.S. demand. *CTV News*. Retrieved from <https://www.ctvnews.ca/business/cn-rail-to-purchase-350-new-lumber-cars-to-service-growing-u-s-demand-1.3911374>

case in other regions, cannabis-related hiring took place in Niagara region. CannTrust, a cannabis production facility, opened near Fenwick, employing about 200 workers with plans to further expand in 2019.⁶⁵ WestJet Airlines also launched its new discount airline, Swoop, at Hamilton International Airport in an effort to recoup Canadian customers who cross the border to catch cheaper flights.⁶⁶

Employment increased across Northern Ontario between the second quarters of 2017 and 2018. The unemployment rate fell in the **Northeast**, while it marginally increased in the **Northwest** economic region. There were several positive developments in the Northeast economic region. North Bay's Diversity Technologies Corp. (Di-Corp) announced it would double the size of its manufacturing facility by the end of the year.⁶⁷ Construction received a boost with the City of Sudbury announcing it would spend \$90M on road construction in 2018.⁶⁸ Despite employment growth in the region, the Northeast did experience some employment losses due to the steel and aluminum tariffs. Tenaris Algoma Tubes in Sault Ste. Marie announced they would lay off 40 workers as a result of changes in the export market.⁶⁹ In the Northwest economic region, there were several large construction announcements in the quarter. In April, it was announced that Biigtigong Nishnaabeg First Nation, located approximately 350 km northeast of Thunder Bay, would receive \$24M in funding from public and private partners to build an Education Complex.⁷⁰ Other projects included the Dryden Fire Management Centre,⁷¹ Thunder Bay's Salvation Army Journey to Life Centre,⁷² and the Gichi Kendaasiwan Centre at Lakehead University in Thunder Bay.⁷³

Employment also grew slightly in the **London** and **Kingston–Pembroke** economic regions.

Employment growth remained weak in two regions in the second quarter of 2018

Employment fell by 16,000 (-2.2%) in the **Kitchener–Waterloo–Barrie** region between the second quarters of 2017 and 2018. Both full- and part-time employment experienced losses, with the majority of losses taking place

⁶⁴ CN Media. (2018, May 24). CN investing in 1,000 new generation grain hopper cars to renew fleet and meet long-term needs of farmers. *CN News*. Retrieved from <https://www.cn.ca/en/news/2018/05/cn-investing-in-1000-new-generation-grain-hopper-cars-to-renew-f/>

⁶⁵ Nakhovly, M. (2018, June 26). Cannabis production facility celebrates grand opening. *City News*. Retrieved from <http://toronto.citynews.ca/2018/06/26/cannabis-production-facility-grand-opening/>

⁶⁶ The Canadian Press. (2018, June 20). Competition heating up for price-sensitive passengers as Swoop takes flight in Hamilton. *The Hamilton Spectator*. Retrieved from <https://www.thespec.com/news-story/8680818-competition-heating-up-for-price-sensitive-passengers-as-swoop-takes-flight-in-hamilton/>

⁶⁷ Holmes, L. (2018, June 14). Major expansion underway at North Bay manufacturing facility. *Northern Ontario Business*. Retrieved from <https://www.northernontariobusiness.com/regional-news/north-bay/major-expansion-underway-at-north-bay-manufacturing-facility-953514>

⁶⁸ CBC News Staff. (2018, June 1). Road construction season heats up in Sudbury with major projects. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/sudbury/road-construction-major-infrastructure-1.4684788>

⁶⁹ The Canadian Press. (2018, June 30). U.S. steel tariffs result in layoffs in Sault Ste. Marie, Ont. *CBC News*. Retrieved from <http://www.cbc.ca/news/business/steel-tariffs-u-s-layoffs-ontario-1.4729893>

⁷⁰ CBC News Staff. (2018, April 13). Northwestern Ontario First Nation secures \$24 million funding for new education complex. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/thunder-bay/biigtigong-nishnaabeg-school-funding-1.4619054>

⁷¹ Infrastructure Ontario. (2018, May 16). Contract Awarded for Dryden Fire Management Centre Project. *Government of Ontario*. Retrieved from <http://www.infrastructureontario.ca/Financial-Close-Dryden-Fire-Management-Centre/>

⁷² CBC News Staff. (2018, May 16). Salvation Army breaks ground on new Journey to Life Centre. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/thunder-bay/salvation-army-new-building-1.4665710>

⁷³ Ministry of Training, Colleges and Universities. (2018, May 7). Ontario Supporting Indigenous Students at Lakehead University. *Government of Ontario*. Retrieved from <https://news.ontario.ca/maesd/en/2018/05/ontario-supporting-indigenous-students-at-lakehead-university.html>

in full-time employment (-14,500). Notwithstanding this underperformance, the region has the highest participation rate (67.5%) in Ontario and the unemployment rate improved 0.2 percentage points to 5.5%. There were a few layoff announcements in the area over this three-month period. Christie Digital laid off 25 manufacturing technicians in Kitchener due to drop in demand for digital projectors.⁷⁴ Another manufacturer, Innovative Steam Technologies, announced layoffs in the region. The Cambridge-based boiler repair and steam generator manufacturer permanently closed, which affected about 75 employees.⁷⁵ In addition, two Simcoe County TD Canada Trust branches closed in Elmvale and Creemore.⁷⁶

The **Muskoka–Kawarthas** economic region saw a decline in employment of 7,400 (-4.1%) between the second quarters of 2017 and 2018. Losses took place in both full-time and part-time employment. The region's unemployment rate increased to 7.5%, the highest in Ontario. The labour force participation rate (55.9%), which dropped 2.6 percentage points over the year, is the lowest in Ontario. The region has a much older population compared to the province,⁷⁷ and the decrease in the labour force is likely a result of retirements. Despite these losses, the region welcomed positive news in the second quarter with the expansion of CPK Interior Products⁷⁸ and Flying Colours,⁷⁹ creating 89 and 60 new jobs, respectively. The Government of Ontario announced funding for a \$54M arena and aquatics complex at Trent University in Peterborough.⁸⁰ In addition, the Coca-Cola Company announced an \$85M dairy production facility in Peterborough, which will create 35 manufacturing jobs in early 2020.⁸¹

⁷⁴ CTV Kitchener Staff. (2018, April 13). Christie Digital lays off 25 employees in Kitchener. *CTV News*. Retrieved from <https://kitchener.ctvnews.ca/christie-digital-lays-off-25-employees-in-kitchener-1.3883968>

⁷⁵ Jackson, J. (2018, May 17). Innovative Steam shuts down. *Waterloo Region Record*. Retrieved from <https://www.therecord.com/news-story/8617005-innovative-steam-shuts-down/>

⁷⁶ Adams, I. (2017, November 7). TD announces branch closings in Creemore, Elmvale. *Simcoe*. Retrieved from <https://www.simcoe.com/news-story/7847823-td-announces-branch-closings-in-creemore-elmvale/>

⁷⁷ Statistics Canada. 2017. Muskoka–Kawarthas [Economic region], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Retrieved from <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

⁷⁸ Northumberland News. (2018, April 30). Port Hope manufacturer to add 89 new jobs. *Northumberland News*. Retrieved from <https://www.northumberlandnews.com/news-story/8579447-port-hope-manufacturer-to-add-89-new-jobs/>

⁷⁹ Anderson, L. (2018, May 7). Flying Colours to soar even higher with \$30 million investment in Peterborough Airport-based facility. *Peterborough Examiner*. Retrieved from <https://www.thepeterboroughexaminer.com/news-story/8593373-flying-colours-to-soar-even-higher-with-30-million-investment-in-peterborough-airport-based-facility/>

⁸⁰ Tuffin, L. (2018, April 9). Goodbye, Northcrest arena. Hello \$18 million for a new rink, pool and more in Peterborough. *Peterborough This Week*. Retrieved from <https://www.mykawartha.com/sports-story/8383261-goodbye-northcrest-arena-hello-18-million-for-a-new-rink-pool-and-more-in-peterborough/>

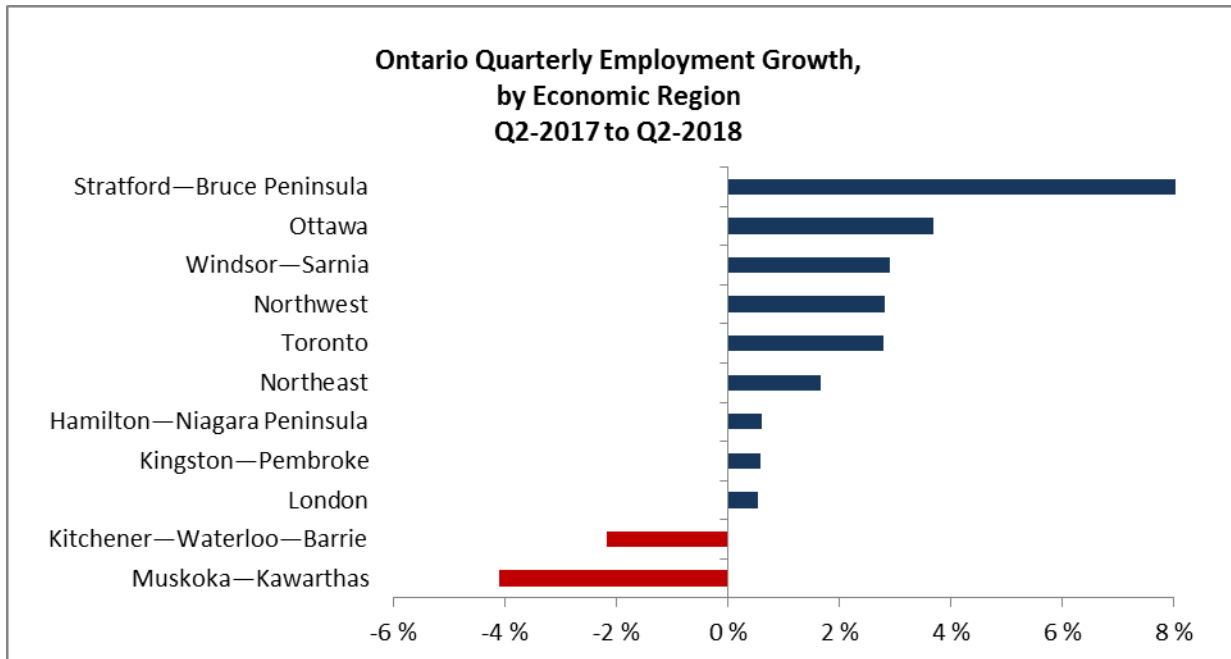
⁸¹ Business Wire. (2018, June 5). Coca-Cola Canada Announces Strategic Investment in New Production Facility to Bring Dairy Innovation to Canada. *The Financial Post*. Retrieved from <http://business.financialpost.com/pmn/press-releases-pmn/business-wire-news-releases-pmn/coca-cola-canada-announces-strategic-investment-in-new-production-facility-to-bring-dairy-innovation-to-canada>

Ontario Quarterly Labour Force Statistics, by Economic Region

Seasonally Unadjusted Data	Employment			Unemployment Rate		
	2nd Quarter 2018 ('000)	2nd Quarter 2017 ('000)	Yearly Variation (%)	2nd Quarter 2018 (%)	2nd Quarter 2017 (%)	Yearly Variation (% points)
Ontario	7269.2	7129.6	2.0	5.8	6.2	-0.4
Economic Regions						
Ottawa	719.1	693.5	3.7	4.6	6.3	-1.7
Kingston—Pembroke	205.3	204.1	0.6	5.3	6.7	-1.4
Muskoka—Kawarthas	172.4	179.8	-4.1	7.5	6.8	0.7
Toronto	3538.8	3442.6	2.8	6.4	6.7	-0.3
Kitchener—Waterloo—Barrie	720.2	736.2	-2.2	5.5	5.3	0.2
Hamilton—Niagara Peninsula	754	749.5	0.6	5	5.4	-0.4
London	339.8	338	0.5	5.6	5.6	0.0
Windsor—Sarnia	303.9	295.3	2.9	5.4	6.3	-0.9
Stratford—Bruce Peninsula	157.6	139.6	12.9	3	3.5	-0.5
Northeast	251.9	247.8	1.7	6.1	6.6	-0.5
Northwest	106.1	103.2	2.8	5.4	5.3	0.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 282-0122



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

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For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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