



Windsor-Sarnia Labour Market Monitor Service Canada

~January 2009~

The Labour Market Monitor is an overview of the Windsor-Sarnia Economic Region including the census division of Chatham-Kent, and the counties of Essex and Lambton. This monthly report is produced by the local area Labour Market Information Analysts. For further information contact:

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Labour Force Survey Trends

Employment in the Windsor-Sarnia economic region decreased by 11,800 jobs between January 2008 and January 2009. The economy in Windsor is heavily dependent on the automotive manufacturing sector which has been struggling due to lower sales and the weak economy. With 7,200 more people unemployed in January 2009 – a 25% increase – the unemployment rate rose to 9.8% from 7.6% in January 2008.

For more information, visit the Statistics Canada website at:

<http://www40.statcan.gc.ca/l01/cst01/lfss05d-eng.htm>

Labour Market News by Industry

Accommodation and Food Services

Restaurant sales in the Windsor area are trending downward. Reasons cited are the out-migration of workers and a weakened local economy. Some employers anticipate increased business once work begins on the construction of the new international crossing and its ancillary roads.

The Holiday Inn in Point Edward laid off 12 employees in the last month due to slowing corporate business.

Encore Bar and Nightspot in Chatham-Kent and Spoon Lickins in Sarnia recently opened.

Agriculture

The pickle grading station at Thames Van Farms in Chatham is getting a \$2 million expansion to accommodate increased business. Hartung Brothers Incorporated, a United States-based agri-business, has partnered with Thames Van Farms to receive and grade 30 million pounds of cucumbers. Hartung will contract 300 Ontario farmers to grow the cucumbers. The farmers will need about 1200 workers to harvest the crop.

Southshore Greenhouses in Kingsville is expanding its 30-acre operation in order to accommodate a biomass boiler. This relatively new heating system burns pellets made from manufacturing and solid waste materials. Southshore Greenhouses will be able to realize the \$2 million investment in this alternative energy source within five years.

www.greenhousecanada.com/content/view/1190/38

Business Services

Minacs, in Chatham, is closing, putting 228 employees out of work by May 1, 2009. The work from the local call centre will be distributed to other Minacs call centres located worldwide.

A Michigan-based technology company named Wizie will open a new office at the Windsor Airport in April 2009. Initially, 15 researchers and programmers will be employed with up to 120 support staff if business opportunities are favourable. This company provides data management and ticketing services to all major airlines and has developed Internet booking engines for the travel industry.

www.wizie.com

Construction and Real Estate

The federal budget, delivered at the end of January 2009, included the Infrastructure Stimulus Fund for municipalities to proceed with projects that can start in the 2009 or 2010 construction seasons. These rehabilitative projects include roads, bridges, clean energy, broadband internet access, and electronic health records. www.budget.gc.ca

With other work already approved, Blue Water Bridge Canada will receive an additional \$13.5 million in new infrastructure funding from the federal government that will result in a massive overhaul. The work, which includes a widened approach to the bridge plaza and a ramp specifically for trucks turned back to the U. S., should speed up the flow of traffic.

The 2009 federal budget also named Windsor's VIA Rail station as a key station in need of modernizing. The Windsor Construction Association stated that enough infrastructure construction work could be generated to double the area industry's employment, even before construction on the new international bridge begins.

Declining energy prices during the last half of 2008 have helped construction contractors, building materials suppliers, as well as consumers to trim costs. According to the Greater



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Windsor Home Builders Association newsletter, there is “positive momentum” in renovation work heading into 2009, especially with the newly-announced government tax credit (for more information on the Home Renovation Tax Credit, visit www.fin.gc.ca).

Reid Funeral Home in Essex has undertaken significant renovations to create a multi-functional space to host receptions including a flower room and garage.

Colt WorleyParsons, engineering, procurement construction management (EPCM) firm in Sarnia, will lay off 10% of its workforce--30 to 40 employees--due to economic uncertainty. Cancelled projects in the petrochemical sector have led to a work shortage.

Suncor Energy in Lambton County has stopped work on a \$120 million construction project that would double the size of its St. Clair Ethanol Plant. Economic uncertainty is cited as the reason for this decision which will affect as many as 250 skilled trade and construction workers.

In Chatham-Kent three new wind power projects have received approval from the province. The approval includes phase two of Kruger Energy’s Port Alma Wind Farm which is expected to cost about \$300 million for another 44 wind turbines. The new projects will bring about 550 jobs to the municipality.

Health Care and Social Services

The results of the Small Community Hospital Emergency Department Study contracted by the Erie St. Clair Local Health Integration Network (LHIN) were released. The study recommends that the emergency departments at Charlotte Eleanor Englehart Hospital (Blue Water Health) in Petrolia and the Chatham Kent Health Alliance (CKHA) Sydenham Campus in Wallaceburg cease to operate as full service emergency departments and instead develop strategies to provide urgent care 12 to 16 hours per day seven days per week.

The study also recommends that the emergency department at Leamington District Memorial Hospital continue to operate as a full-service emergency department.

Consultations with stakeholders and the public will be conducted before a final decision is made in June 2009.

www.eriestclairlhin.on.ca

Manufacturing

Just as many consumers have scaled back purchases and personal services (salons for example) from luxury to more modest brands or less frequent visits, so too have automakers begun to “de-content” vehicles. DesRosiers Automotive Consultants explained that automakers have started to take out options and special features in order to match market demand and bring prices down. This will have the unfortunate effect

of requiring less work from parts suppliers who are already been negatively affected by lower vehicle production and sales. www.desrosiers.ca

Machine, tool, die, mould (MTDM) shops regularly shoulder the cost of the work completed for automakers until production begins, sometimes up to two years. Chrysler LLC is scheduled to launch a new sedan in July 2011 and the \$4.5 million die contract is scheduled for delivery this July but the area’s MTDM sector is hesitant to accept work from the domestic automakers because of their fragile financial status.

One of Chatham’s major employers Navistar’s International Truck and Engine Corporation issued additional layoff notices for up to 199 employees --plant and office workers-- to take effect on March 2, 2009. Earlier this year, 452 plant and 17 office employees were laid off. The layoffs are attributed to the worst truck sales in the past 30 years.

NOVA Chemicals Corporation announced it will reduce its North American workforce by 15% or 400 employees by June 2009. In Lambton County some projects were cancelled and contract workers were laid off. NOVA workers at three sites in Lambton County hope earlier efforts to make their plants efficient will protect them from the lay offs which will be announced in February 2009.

Several other companies experienced indefinite and permanent layoffs resulting in a loss of more than 300 manufacturing jobs this month:

- A. P. Plasman Inc. (Windsor)
- Schukra of North America (Windsor)
- Wallaceburg Preferred Partners (Wallaceburg)

In Windsor, Dainty Foods, Division of MRRM (Canada) Inc. expanded its product line and market share into the U.S. and as a result, 12 staff were added to the 80-person workforce. This is the only rice mill in Canada; all of the company’s research, development, and production are done in Windsor. Business plans include new products to be introduced this summer.

Chana Food Products opened a new stone ground flour mill in Tecumseh. Products include whole wheat, corn, and chickpea flour, all without additives or preservatives.

P.M. Plastics qualified for a provincial grant and was awarded a contract to use new technology to produce parts for hybrid vehicle batteries. This will create about 40 jobs and retain 65 positions at this Windsor plant.

International Nutrient Technologies in Windsor took over operations of a pharmaceutical company that closed in August 2008. As many as 50 former employees will be called back to work. Several have already begun to clean and prepare the building for production of soft gelatin capsules.

Ducana Windows and Doors Ltd. is planning to recall up to 20 laid off employees during 2009. Workers agreed to accept wage concessions to their current collective agreement. The recall will be gradual and based on sales. A new showroom in Kitchener and government incentives is expected to increase demand.

Onbelay Automotive Coatings Corporation reopened after going into receivership in December 2008. Tentative arrangements have been made to keep the company open while the business is restructured and sold. About 30 of 112 employees on the seniority list have been recalled.

Closures

Industrial Pallet Ltd. in Wallaceburg closed January 30, 2009 putting its last 12 full-time employees out of work. The demand for wooden pallets has declined in the last couple of years as customers made the move to metal containers. Lay offs and closures at other local factories has also affected the demand for pallets.

UBE Automotive announced it is planning to close its Sarnia wheel plant. While the closure will ultimately affect 255 employees 39 workers from both the plant and office were laid off in early January 2009. The plant will close when current contracts are fulfilled. The facility is up for sale.

Professional, Scientific and Technical

Softech Alliance, based at the University of Windsor, is a network of about 140 researchers and students (at the doctorate and master level) who work together with almost 115 small businesses to help develop and market new software technologies. Almost all of these emerging businesses want to grow but lack trained staff and unfortunately, are not yet able to match the wages of the large computer companies.

www.softechalliance.ca

Retail and Wholesale Trade

The Pontiac Buick GMC Ltd. dealership in Essex will close at the end of January 2009. Some of the 14 affected staff will be integrated into the Windsor location.

Automotive consultant, Dennis DesRosiers, predicts that up to 500 car dealerships will close over the next five years across Canada. At the same time, the auto supply sector is expected to shrink. In the last 10 years, almost 400 dealerships have closed. There are currently about 3,000 new car dealerships in Canada.

Closing

- Bailey Street (Petrolia)
- Pantorama (Chatham)
- Jones of New York (Chatham)
- Bride and Joy (Chatham)

- Three lottery kiosks in Chatham-Kent closed when Infoplac Ticket Centres Limited declared bankruptcy.

Opening

- Scott's Sewing Machine Maintenance (Sarnia)
- Precision Pharmacy Remedy's RX (Chatham)

Transportation and Warehousing

The Port of Windsor saw a small increase in cargo volumes in 2008 compared to the previous year. Although the tonnage of construction materials (stone, steel, etc.) was down, increased shipments of wind turbines and salt made up the difference. This deep-water port forecasts further cargo increases this year as construction of the new international crossing begins.

Note: In preparing this bulletin, Service Canada has taken care to provide clients with labour market information from reliable sources 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 the bulletin was published. Sources used include the following daily newspapers and other resources: The Windsor Star, Essex Free Press, Leamington Post, The Amherstburg Echo, Chatham Daily News, Tilbury Times, The Sarnia Observer, Petrolia Topic, London Free Press, Windsor Business, Trends in Business, data from Statistics Canada's "Labour Force Survey" and the Ministry of Labour, and other local publications. Readers are encouraged to refer to other sources for additional information on the local economy and labour market. Information contained in this bulletin does not necessarily reflect official policies of Service Canada.