



Labour Market Bulletin

Kingston/Pembroke Area

Service Canada Centre

~ An Analysis of the Kingston/Pembroke Area Labour Market ~ January to March, 2006 ~

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IN THIS ISSUE:

HIGHLIGHTS..... 1

LABOUR MARKET NEWS..... 2

 Manufacturing..... 2

 Trade..... 2

 Transportation and Warehousing..... 2

 Business, Building and Other Support Services... 3

 Educational Services..... 3

 Health Care and Social Services..... 3

LABOUR FORCE TRENDS..... 4

LABOUR SUPPLY AND DEMAND..... 6

 Employment Insurance Claimload..... 6

 Employment Opportunities..... 7

An overview of the Kingston/Pembroke Area, including Arnprior, Brockville, Carleton Place, Gananoque, Kingston, Pembroke, Perth, Prescott, Renfrew and Smiths Falls.

In the Kingston-Quinte-Pembroke Region, labour market conditions were slightly weaker in the first quarter of 2006 than in the previous quarter. Employment and the labour force also contracted, allowing unemployment to increase. Conditions were also considerably weaker than those recorded in the first quarter of 2005, with a net job loss of roughly three percent.

Although labour market estimates for the Kingston CMA were generally stable in the first quarter of 2006, small changes combined to cause a sharp increase in the unemployment rate from last quarter. Compared to the first quarter of 2005, however, conditions were stronger with the labour force expanding and unemployment declining.

Labour market conditions in the Cornwall-Brockville-Smiths Falls area weakened in the first quarter of 2006, with employment falling and the unemployment rate jumping from 5.9% in the fourth quarter of 2005 to 7.8%. Year over year, however, the unemployment rate fell from 8.4%.

The Kingston/Pembroke SCC Labour Market Bulletin is a quarterly report produced by the area Labour Market Information Analyst. This bulletin and other LMI products may also be found on our website. (aussi disponible en français)

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HIGHLIGHTS

- ▶ Bell Canada laid off 256 people when Kingston call centre closed
- ▶ NuComm in Brockville announced 200 call centre positions
- ▶ Procter and Gamble in Brockville announced 80 new jobs
- ▶ Hart, a new retail outlet in Arnprior, hired 40 people
- ▶ Forty-five people were laid off from Hershey in Smiths Falls

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. Readers are encouraged to also 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.*



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LABOUR MARKET NEWS

Highlights on industry activities that have an impact on the local labour market, this information is derived from several sources including local newspapers, newsletters and various publications. Please refer to "Notes to Readers" for additional information.

Manufacturing

Brockville's Shell Lubricating Plant is expanding. The company will add a new packaging line as well as additional storage tanks at the facility. Five new employees have been hired, as well as 15 contract workers.

Forty-five people were permanently laid off from Hershey Canada in Smiths Falls in early January. The layoffs were due to Hershey selling its Mr. Freeze product line. A company official stated that ten of the laid off workers might be offered positions elsewhere in the plant.

Action centres to help laid off employees have been set up in two communities. As a result of a partnership between the provincial and federal governments, as well as the town of Gananoque, an action centre has been formed for former Mahle employees, who can look into training opportunities and job information. Another action centre has been set up in Prescott for workers laid off from Hathaway in January. That centre is also funded provincially and federally. In-kind support came from the Behar Hathaway Company, which is providing office furniture and computers.

Ninety former Mahle employees have learnt that they will not receive severance or pension payments as the company has declared bankruptcy. The employees are considered as unsecured creditors. Currently, retirees are still receiving their pensions but those pensions will be reduced by mid-2006.

Procter and Gamble's Brockville plant advertised for 80 new workers in January to manufacture a new stain removal pen. There will be employment for permanent, temporary and contract workers.

Braman Furniture International opened its manufacturing facility in Renfrew in January. The company manufactures furniture for the hospitality and health care industries. Located in Renfrew's Industrial Mall, the plant employs about 20 people and plans to expand at the end of the year.

Early in February, Collins and Aikman Plastics in Gananoque laid off 30 employees due to the consolidation of manufacturing in the plant. These layoffs left 123 people working at the facility, which supplies General Motors, Ford and Daimler Chrysler with engine covers.

A towel making factory in Iroquois, St Lawrence Corporation, declared bankruptcy and closed in February, laying off 75 people, many of whom live in the Prescott area.

Trade

A&P Canada is closing some Ontario Super-C grocery stores and is converting others to its Food Basics format. The Super C store in Pembroke closed in February, affecting 46 employees. The store in Kingston will become a Food Basics. An unspecified number of employees at Kingston's Super C will be laid off but some may be re-hired as staff for Food Basics.

Arnprior's newest retail outlet, Hart, opened in March. The store sells a variety of dry goods, including clothing and some non-perishable food items. The store will employ approximately 40 people in full- and part-time positions.

Home Depot held a job fair for its new Laurentian Valley store in February. Company officials interviewed potential management personnel and customer service representatives to staff the store which was to open in April.

Shoppers Drug Mart in downtown Kingston is expanding into premises formerly occupied by Zellers, doubling the size of the drug store. Work on the expanded store will be completed by October.

Pembroke's Smitty's Home Hardware has opened a new, expanded store. Fifteen people have been hired, increasing the staff complement to 50.

The new Shopper's Drug Mart in Pembroke celebrated its official opening on March 4. The store hired five full-time and twenty part-time employees.

Transportation and Warehousing

Flex-Mor Industries Ltd opened its Brockville office in mid-January. The trucking and logistics company employs ten drivers and office staff and plans to expand to 30 employees during 2006. The company provides transportation services in Canada and the U.S.



Business, Building and Other Support Services

On March 2, Bell employees at the call centre in Kingston arrived at work to be told that the call centre was closing that day. 256 employees were affected by the closure. The company cited increased competition from cable companies and calls being routed over the internet as factors contributing to the closure. About 70 Bell technical workers, engineers and sales employees will continue to work out of facilities on Princess Street and Fortune Crescent.

NuComm in Brockville is looking for up to 200 people for its call centre in Brockville. The additional work is due to increased business from a U.S. cable company. With this additional staff, NuComm will employ approximately 500 people.

Educational Services

Late in March the strike by Ontario's Community College teachers ended with arbitration set for the 9,100 teachers and a return to class for the students. The strike was in its third week and affected local colleges in Kingston, Brockville, Perth and Pembroke. Information distributed by the picketers indicated that the strike was primarily over workload, class size and salaries. The colleges remained open to students.

Health Care and Social Services

Brockville General Hospital is facing program cuts which may force it to cut jobs, beds and services. Hospital officials stated that cuts would be seen in radiology as well as food services, housekeeping and maintenance. Nine beds may be cut. The number of affected staff is not yet known.



LABOUR FORCE TRENDS

Economic Region 515 Kingston-Quinte-Pembroke Labour Force Trends

Conditions in the labour market of the Kingston-Quinte-Pembroke Region were slightly weaker in the first quarter of 2006. Employment decreased nearly two percent (-3,500), pushing the employment rate down from 56.2% to 55.2%. All of the jobs lost in the quarter were part-time. The labour force also contracted (-1,800), causing the participation rate to edge down from 59.3% in the fourth quarter of 2005 to 58.7%. Since the labour force contraction amounted to just half of the employment decline, unemployment increased. As a result, the unemployment rate in the Kingston-Quinte-Pembroke Region rose from 5.3% in the fourth quarter of 2005 to 6.1%.

These conditions are considerably weaker than those recorded in the Kingston-Quinte-Pembroke Region in the first quarter of 2005. Despite a one-percent increase in the working age population, the labour force contracted more than four percent (-9,400) year over year. And, while 4,000 full-time jobs were created, the number of people working in part-time employment plummeted, falling 20 percent (-10,000). The net job loss of roughly three percent (-5,800) caused the employment rate to fall from 57.3% to 55.2%. However, because the labour force contraction outpaced the employment decline, the unemployment rate fell from 7.4% in the first quarter of 2005 to 6.1%.

	January to	October to	January to	Quarter/Quarter		Year/Year	
	March	December	March	Absolute	%	Absolute	%
	2006	2005	2005				
Population 15 + ('000)	356,900	356,600	353,600	300	0.1	3,300	0.9
Labour Force ('000)	209,600	211,400	219,000	-1,800	-0.9	-9,400	-4.3
Employed ('000)	196,900	200,400	202,700	-3,500	-1.7	-5,800	-2.9
Full Time	156,900	156,500	152,900	400	0.3	4,000	2.6
Part Time	39,900	43,900	49,900	-4,000	-9.1	-10,000	-20.0
Unemployed ('000)	12,800	11,100	16,300	1,700	15.3	-3,500	-21.5
Not in Labour Force ('000)	147,300	145,100	134,600	2,200	1.5	12,700	9.4
Participation Rate (%)	58.7%	59.3%	61.9%	-0.6		-3.2	
Unemployment Rate (%)	6.1%	5.3%	7.4%	0.8		-1.3	
Employment Rate (%)	55.2%	56.2%	57.3%	-1.0		-2.1	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.

Kingston Census Metropolitan Area Labour Force Trends

Labour market estimates for the Kingston CMA were generally stable in the first quarter of 2006. However, relatively small changes in a couple of the estimates combined to cause a sharp increase in the unemployment rate. While employment was slightly lower, the labour force expanded by slightly more than one percent (+1,000). The combination of fewer jobs and more new or returning job seekers resulted in an increase in the number of people unemployed and looking for work. As a result, Kingston's unemployment rate rose from 4.4% in the fourth quarter of 2005 to 6.2%.

These conditions are significantly stronger than those posted for Kingston in the first quarter of 2005. The labour force expanded by more than four percent (+3,400). This caused the participation rate to climb from 61.9% to 63.9%. Employment growth was even stronger, topping five percent year over year (+3,800). All of the new jobs were full-time, compensating for losses in part-time work. Since there were slightly more new jobs than new or returning job seekers, unemployment declined. As a result, Kingston's unemployment rate fell from 7.0% in the first quarter of 2005 to 6.2%.



	January to March 2006	October to December 2006	January to March 2006	Quarter/Quarter Change		Year/Year Change	
				Absolute	%	Absolute	%
Population 15 + ('000)	125,400	125,500	124,000	-100	-0.1	1,400	1.1
Labour Force ('000)	80,100	79,100	76,700	1,000	1.3	3,400	4.4
Employed ('000)	75,100	75,500	71,300	-400	-0.5	3,800	5.3
Full Time	57,000	57,200	50,900	-200	-0.3	6,100	12.0
Part Time	18,000	18,300	20,400	-300	-1.6	-2,400	-11.8
Unemployed ('000)	5,000	3,500	5,400	1,500	42.9	-400	-7.4
Not in Labour Force ('000)	45,300	46,400	47,400	-1,100	-2.4	-2,100	-4.4
Participation Rate (%)	63.9%	63.0%	61.9%	0.9		2.0	
Unemployment Rate (%)	6.2%	4.4%	7.0%	1.8		-0.8	
Employment Rate (%)	59.9%	60.2%	57.5%	-0.3		2.4	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.

Economic Region 510 less Ottawa: Cornwall-Brockville-Smiths Falls Area Labour Force Trends

Labour market conditions in the Cornwall-Brockville-Smith Falls area weakened in the first quarter of 2006. The labour force contracted almost five percent (-8,200), which caused the participation rate to fall to a five-quarter low of 61.7%. At the same time, employment fell by an even larger amount (-10,700). Three-quarters of the jobs lost were full-time. This decline pushed the area's employment rate down to a five-year low of 57.0%. And, because this job loss outpaced the labour force contraction, unemployment increased. As a result, the unemployment rate jumped from 5.9% in the fourth quarter of 2005 to 7.8%.

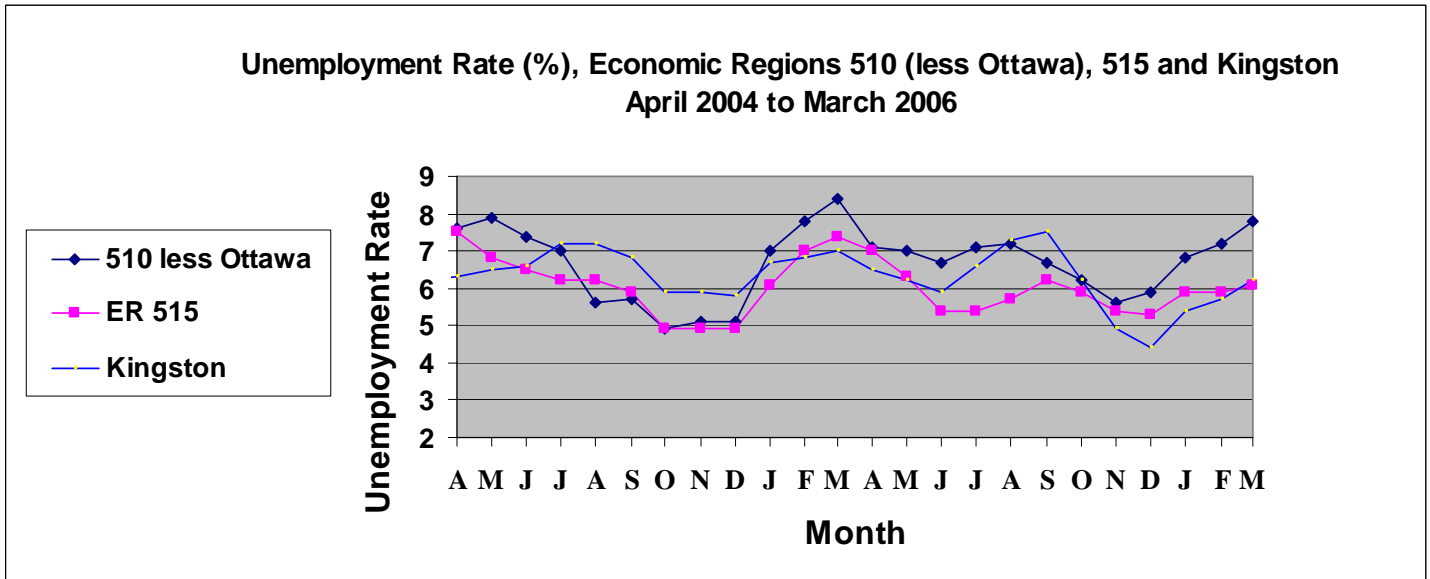
Even with the first quarter declines, these conditions are similar to those seen in the Cornwall-Brockville-Smith Falls area in the first quarter of 2005, with small changes in the estimates resulting in a lower unemployment rate. There was a very small labour force contraction year over year. At the same time, employment was almost unchanged. Because the net result of these two changes was a reduction in unemployment, the area's unemployment rate fell from 8.4% in the first quarter of 2005 to 7.8%.

	January to March 2006	October to December 2005	January to March 2005	Quarter/Quarter Change		Year/Year Change	
				Absolute	%	Absolute	%
Population 15 + ('000)	269,800	269,200	266,200	600	0.2	3,600	1.4
Labour Force ('000)	166,600	174,800	167,300	-8,200	-4.7	-700	-0.4
Employed ('000)	153,700	164,400	153,500	-10,700	-6.5	200	0.1
Full Time	124,600	132,800	121,800	-8,200	-6.2	2,800	2.3
Part Time	29,100	31,800	31,700	-2,700	-8.5	-2,600	-8.2
Unemployed ('000)	13,000	10,400	14,000	2,600	25.0	-1,000	-7.1
Not in Labour Force ('000)	103,100	94,400	98,800	8,700	9.2	4,300	4.4
Participation Rate (%)	61.7%	64.9%	62.8%	-3.2		-1.1	
Unemployment Rate (%)	7.8%	5.9%	8.4%	1.9		-0.6	
Employment Rate (%)	57.0%	61.1%	57.7%	-4.1		-0.7	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.



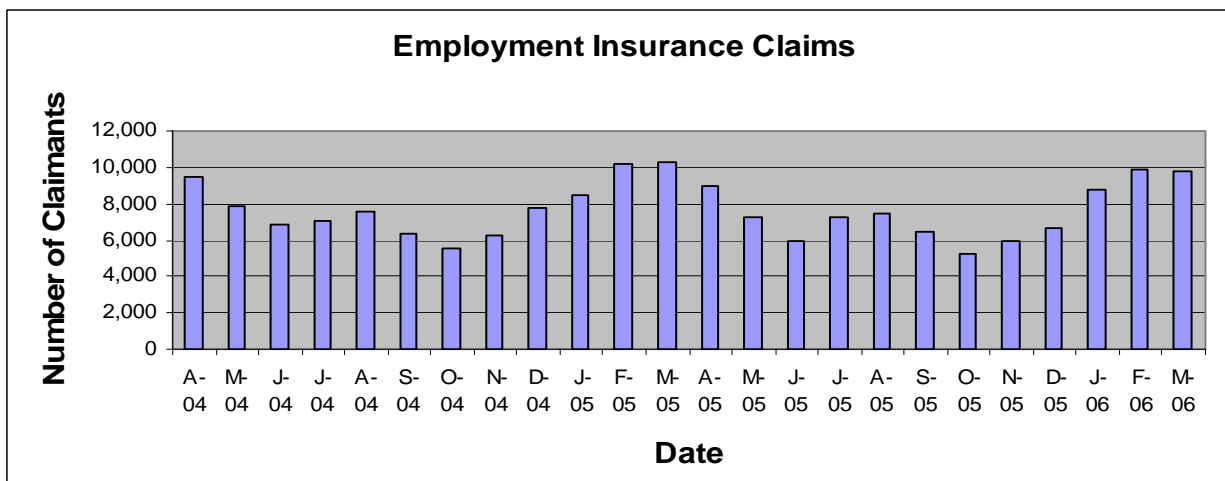


LABOUR SUPPLY AND DEMAND

Employment Insurance Claimload

As is normal during the winter months, there was an increase in the number of Employment Insurance claims throughout the Kingston Pembroke area, peaking in February. With 9,782 claimants, there were fewer people on claim than during the same period in 2005 when there were 10,319 people. The following chart shows the number of people claiming regular Employment Insurance benefits from April 2004 to March 2006. People on regular claims are unemployed and seeking work.

Regular Employment Insurance Claimants – Kingston/Pembroke Area



Employment Opportunities

Bucking the normal winter trend, the first quarter of 2006 showed an increase in vacancies over the fourth quarter of 2005 in most of the Kingston/Pembroke area. Only Pembroke and Renfrew saw a decrease in employment in the first quarter, with both offices posting a slight increase in job opportunities. Communities with tourism oriented economies such as Gananoque saw the beginning of the strong seasonal hiring in accommodation and food services.

Employment Opportunities – Kingston/Pembroke Area

Office	Vacancies	
	January-March 2006	October to December 2005
Arnprior	151	121
Brockville	1100	836
Carleton Place	226	200
Gananoque	380	92
Kingston	2989	2986
Pembroke	669	872
Perth	171	102
Prescott	128	84
Renfrew	303	397
Smiths Falls	430	422
Total Vacancies	6,547	6,112



Notes to Readers:

1. The **Cornwall-Brockville-Smiths Falls (Economic Region 510 less Ottawa)** area is comprised of the Counties of Prescott-Russell, Stormont-Dundas-Glengary, Leeds-Grenville, and Lanark. Normally Economic Region 510 includes the City of Ottawa, but we have factored out this area to make the data more representative of local trends. **The Kingston-Quinte-Pembroke (Economic Region 515)** area includes the Counties of Frontenac, Lennox & Addington, Hastings, Prince Edward, and Renfrew. The Kingston CMA (Census Metropolitan Area) includes the City of Kingston, Frontenac Islands, Loyalist Township and South Frontenac Township.
2. For the purpose of this publication, the **Kingston/Pembroke area** includes Arnprior, Brockville, Carleton Place, Gananoque, Kingston, Pembroke, Perth, Prescott, Renfrew and Smiths Falls.
3. The information contained in the Labour Market News section is gathered using a variety of internal and external sources. The primary sources of information include **The Arnprior Chronicle Guide; Brockville Recorder & Times; Carleton Place Canadian; Gananoque Reporter; Kingston Whig Standard; Pembroke Daily Observer; North Renfrew Times; Perth Courier; Prescott Journal; Renfrew Mercury; Eganville Leader; and, Smiths Falls Record News (EMC).**
4. **Definitions – Labour Force Survey data**
Population 15+ (the working age population) consists of all persons 15 years of age and over residing in Canada with the exception of residents of the Territories, persons living on Indian Reserves, inmates of institutions and full-time members of the Canadian Armed forces. The **Labour Force** consists of people employed or unemployed and searching for work. Those who are neither employed nor unemployed and are not willing or able to supply labour services are considered **Not in the Labour Force**. The **Participation Rate** is the percentage of the working age population (15+) who are seeking work or are employed. The **Unemployment Rate** is the number of people who are unemployed and looking for work as a percentage of the number of people in the Labour Force. The **Employment Rate** is the number of people employed as a percentage of the working age population.
5. **Definitions – Service Canada Centre Corporate Data**
Employment Insurance claim load: The number of individuals with an active claim for regular Employment Insurance benefits. Data on Employment Insurance claimants is not an accurate measure of the absolute level of unemployment. The data does not include unemployed individuals who: 1/ have not met the program's eligibility requirements or 2/ have exhausted their benefit entitlement.
Employment Opportunities: Advertised employment opportunities are comprised of vacancies notified to the SCC offices in our area and newspaper want ads. This data is not a count of all labour market activity; in practical terms, such a count is not feasible. This data is useful to track short and long-term changes in the demand for individual occupations. The total number of opportunities is equal to full-time plus part-time and casual.
6. This review uses data from **Statistics Canada's Labour Force Survey (LFS)**. In any survey there is a chance of variation due to sampling size. **Three-month moving averages** are used for selected labour force characteristics in an attempt to improve the reliability of this data. For further information on the Labour Force Survey, visit Statistics Canada's website at: <http://www.statcan.ca/english/sdds/3701.htm>
7. For more information on Industrial and Occupational categories used in this review, visit **Statistics Canada's website** at: <http://www.statcan.ca/english/concepts/index.htm>

