



# London Labour Market Monitor

~October 2009~

The Labour Market Monitor is an overview of the **London Economic Region** including Oxford, Elgin and Middlesex counties. This monthly report is produced by the local area Labour Market Information Analyst. For further information, contact:  
[mary.fox@servicecanada.gc.ca](mailto:mary.fox@servicecanada.gc.ca)

## Labour Force Trends/Survey

From October 2008 to October 2009, net employment in the London economic region fell by 14,600. All job losses came from full-time employment (-21,200) partially offset by part-time employment gains (+6,600). Declining employment caused the employment rate to drop by 3.5 percentage points to 60.7%. The labour force contracted slightly with fewer people working or searching for work. The number of unemployed people increased by 12,200 from October 2008 to October 2009, causing the unemployment rate to rise from 6.5% to 10.0%. Over the same period, the provincial unemployment rate rose from 6.3% to 8.9%. For more information, please visit the Statistics Canada website at:

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

## Labour Market News by Industry

### Arts, Entertainment and Recreation

Body Machine Shop Fitness Centre recently opened in London.

### Business Building and Other Support Services

Stream Global Services in London is hiring 350 new employees, increasing staffing levels to about 1,000. The new hiring is due to increased business in existing contracts. Additional hiring may take place in 2010. The company is moving toward full-time positions rather than part-time. The starting wage of about \$10 an hour is supplemented by commissions and incentives.

Online applications are being accepted at [www.stream.com](http://www.stream.com) or by calling (519) 430-3010.

## Construction

New single home starts in the London-St. Thomas area improved by 33% in September. Construction began on 129 single detached homes during the month compared to 97 in September of 2008. Overall, new housing construction fell by 38% in September compared to a year earlier.

Construction has started on the new francophone school in Woodstock. The \$14-million facility will have room for 600 students from junior kindergarten to Grade 12. It will also include a French-language childcare centre. The building should be ready for high school students in February 2011.

A new \$13.5-million elementary school is being built in London and will accommodate about 600 students. The school is scheduled to open in September 2010.

## Educational Services

The University of Western Ontario is home to the only bird wind tunnel and laboratory in the world. The \$9.2-million Advanced Facility for Avian Research allows researchers to study the aerodynamics, physics and biology of flight. Ecologists, neuroscientists, molecular geneticists and engineers will work at the facility.

A modern \$150,000 recording studio opened in the Fusion Youth Activity and Technology Centre in Ingersoll. The new studio allows youth to gain experience and knowledge in the music and recording industries.

Central Helicopter Training Academy opened at the St. Thomas Municipal Airport. The new flight school is approved to train rotary-wing pilots for personal and commercial licensing. Training takes at least six months and costs \$75,000. About ten students are enrolled in the program.



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## Manufacturing - Automotive

Ford workers in Canada ratified an agreement that will freeze wages into September 2012. The new contract includes cuts in benefits, vacation leave and break times along with higher healthcare costs. The agreement also includes the September 2011 closing of the St. Thomas assembly plant which currently employs about 1,600 workers. St. Thomas workers will be offered a severance package valued at about \$400-million. For more senior, retirement eligible workers, lifelong healthcare benefits and lump sum payments ranging up to \$100,000 will be offered. Likewise, for an extended period of time, laid off workers will also be offered healthcare benefits. A vehicle voucher is also included.

Ford is also investing \$2-billion in its Oakville and Windsor plants. Retirement packages will be offered to workers at these two plants, possibly creating openings for affected St. Thomas workers. The closure will also affect an estimated 6,000 spin-off jobs in the area.

The Accuride plant in London is not affected by the filing for bankruptcy by its American parent. The local company is more concerned about the rising value of the Canadian dollar. A high dollar makes it more difficult to compete in the struggling truck market. Employment at the plant has fallen from about 300 workers in 2006 to about 120. The company successfully negotiated a contract for General Motors (GM) pickup truck wheels. Work will start in 2010 and no new jobs will be created.

A conference focusing on auto parts manufacturing was held in London. Speakers at *Surviving the Global Automotive Supply Chain* suggested new opportunities for local companies. Bill Pochiluk, president of AutomotiveCompass, stated that future growth will come from green initiatives as hybrid and electric technology transform the automotive industry. Presentation slides from the conference can be viewed at [www.lecdc.com](http://www.lecdc.com).

## Manufacturing - General

About 150 workers were recalled at Electro-Motive Canada in London. The company laid off 400 workers earlier this year due to falling demand for locomotives. Close to 100 locomotives have either been ordered or are in

the process of being negotiated. The union is hopeful that employment levels will reach about 500 by the end of 2009.

General Dynamics Land Systems Canada has negotiated a \$647-million contract to build 352 Stryker armoured vehicles for the U.S. army, with the potential for the order to increase. The U.S. army is also waiting budget approval to add two new brigades of Stryker vehicles. If that order is successful, another 660 vehicles would be required and the London plant would supply some of those vehicles. The London plant also has a \$1-billion agreement with the Department of National Defence (DND) to upgrade its LAV III vehicles.

Hobart Brothers of Canada, a welding wire manufacturing company, is closing on April 16, 2010. The Woodstock plant currently employs 35 people, with an additional 55 people currently laid off. Severance packages and job search support will be available to workers.

Flex-O-Lite in St. Thomas announced that the plant will be closing, but details are not currently available. The plant manufactures glass beads used in highway safety and industrial work.

Gorman-Rupp in St. Thomas is moving its machining operation to Ohio. As a result, ten workers will lose their jobs by the end of 2009. Despite the layoffs, the plant is preparing for new production starting at the end of 2010. About 46 people work at the plant making pumping equipment for a variety of markets.

## Professional, Scientific and Technical Services

A survey by IT staffing firm Sapphire Canada and IBM shows future demand for full-time IT professionals, particularly those with business skills. A number of specific IT skills are also expected to be in demand including application development, .net, Java, infrastructure technology, design, desktop support, network administration, IT security, telecommunication support, virtualization and green IT skills. Companies are expected to use IT to explore new markets and customers. The transition to International Financial Reporting Standards by 2011 could also create opportunities for IT professionals. Results from the survey can be read online at [www.sapphireca.com](http://www.sapphireca.com).

Info-Tech Research Group plans to hire 140 new employees. The London company works with businesses and IT professionals to find the best hardware for their needs. The new staff will be hired for its sales and account management department. The company has developed sales in Australia and New Zealand, and plans to expand to other countries. About 80% of the new jobs will be in London. Salespeople can earn between \$70,000 and \$100,000 annually. Information about the company can be found online at [www.infotech.com](http://www.infotech.com).

A new business, Lifelike Bio Tissue Inc., is being created in London. The company will develop synthetic human tissue that can provide surgical students with a lifelike model for training.

The second annual Digital Interactive Gaming (DIG) Conference was held in early November in London. More than 600 Ontario college, university and high school students attended the event. The conference brings together leaders in the digital media and gaming industry. London was recently added to the Ontario Technology Corridor, an area stretching from Ottawa to London. The *Global Entertainment and Media Outlook: 2009-2013* from Pricewaterhouse-Coopers states that the video game market is expected to grow from \$51-billion in 2008 to \$74-billion in 2013. Additional information on the global entertainment and media industry can be found at [www.pwc.com](http://www.pwc.com).

### Public Administration

The Ministry of Transportation office in Lambeth is scheduled to close in March 2010. The office is popular with some local auto dealerships. About seven people work at the centre.

### Utilities

StormFisher Biogas in London has reached an agreement with Loblaw stores across Southwestern Ontario to accept their leftover fruit and vegetables. About 15,000 tonnes of produce will be used to generate methane and carbon dioxide gas. The gas will then be turned into electricity. The new \$20-million facility is expected to open in 2010.

After an 18 week strike, workers at EARTH Corporation ratified a four-year collective agreement. The agreement includes a 3% wage

increase and improved benefits. Due to lost business during the strike, the company is laying off about 12 workers. The workers are expected to return when new contracts are negotiated.

### Wholesale and Retail Trade

Dale Wurfel Chrysler Dodge Jeep Ltd. officially opened in Strathroy. The former General Motors (GM) dealership will offer a full line of Chrysler vehicles. In London, Dale Downie Nissan Inc. has opened. The former GM dealership will continue to service Pontiac vehicles.

### Update on Apprenticeships

The Ontario provincial government announced new assistance for apprentices. The measures include:

- Grants of up to \$2,000 to apprentices and \$1,000 to employers when training is successfully completed.
- Apprentices have the choice to complete more in-school training if work placements are temporarily unavailable.
- Grants of up to \$1,500 per term to help apprentices with the cost of school if they are not eligible for employment insurance.

Additional information can be found online at [www.news.ontario.ca](http://www.news.ontario.ca).

The provincial government also established a new Ontario College of Trades. The College will promote and encourage more people to work in trade careers. It will also regulate its members and give industry a greater role in governance, certification and training. The College will be implemented in phases and become fully operational by 2012. Additional information can be found online at [news.ontario.ca](http://news.ontario.ca).

*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.*