

# Canadian Downsizing and Economic Trends

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## Economic Indicators

### National Statistics

The Conference Board of Canada **consumer confidence index** dropped 3.7 percentage points in July, with the decline in optimism felt nationwide. Sentiment toward future employment prospects saw the biggest drop, with only 20.7 percent expecting more jobs in their community six months from now, down 2.4 percentage points from June.

**Consumer prices** rose 1.0 percent in the 12 months to June, following a 1.4 percent increase in May.

The Conference Board of Canada's **help-wanted index** was up 1.6 points during June to 98.2 – up 14 percentage points from its July 2009 level. It was the ninth increase in the last 11 months for the index.

**Real gross domestic product** increased by 0.1 percent in May after being unchanged in April. Goods-producing industries rose 0.6 percent, led by oil and gas extraction. Construction and

utilities fell back while manufacturing activity edged up.

**Retail sales** edged down 0.2 percent in current dollars to \$36.0 billion in May, as lower sales were reported in six of 11 subsectors. Sales in volume terms increased 0.4 percent. Retail sales have been following an upward trend since the beginning of 2009.

**Wholesale sales** edged down 0.1 percent to \$44.1 billion in May. Despite increases in six of the seven subsectors, sales fell because of a sharp decline in the agricultural supplies industry. In volume terms, wholesale sales were down 1.5 percent in May.

## Human Resource & Labour Trends

### Executives' Outlook on the Economy Remains Steady in the Second Quarter

While consumers are less confident in the economy, a study by the Canadian Institute of Chartered Accountants and Royal Bank of Canada found confidence amongst business executives remains largely unchanged from the first quarter.

About six out of 10, or 57 percent, executive level chartered accountants reported being upbeat about the economy over the next 12 months, compared with 61 percent in the first quarter.

Fifty-eight percent are confident about their own business prospects, down from 62 percent in the three months to end-March. The highest levels of business optimism were in Alberta and Quebec, the survey found.

Optimism amongst chartered accountants had been rising sharply over the past few quarters, rebounding from 28 percent in the second quarter last year.

## Downsizing Announcements

**Ford Motor Co.**, Dearborn, MI, is laying off about 400 workers from its engine plant in Windsor, Ontario, as it ends one shift at the plant. The engine plant, which assembles the 5.4- and 6.2-litre Triton engines for F-150 series pickup trucks, is slated for permanent closure in 2014. Spokeswoman Lauren More said about 500 people will be laid off when the shift ends in November. Some 100 of them will be given jobs at the nearby, newly upgraded Essex engine plant.

*The Calgary Herald, July 30, 2010*

**Hycro Ultrametal**, Kitchener, ON, a company that made hydraulic cylinders for road graders and other off-road equipment, has filed for bankruptcy, putting about 50 people out of work. The plant had been on a temporary shutdown since July 19, but some workers were expecting to be called back to work on August 9.

*Waterloo Region Record, July 24, 2010*

**McCain Foods Canada Ltd.**, Florenceville, NB, has confirmed 40 people are losing their jobs next month due to softening sales at the Portage la Prairie plant. McCain told their workers the layoffs were coming on May 4, said Calla Farn, spokesperson for McCain, from their headquarters in New Brunswick. "This is a result of several factors, including the continuing high Canadian dollar, the low cost of

raw potatoes in Europe, and softness in U.S. consumption," said Farn. "People (are) eating out less often because of the recession." Farn said the layoffs will be effective August 16.

*Portage Daily Graphic, July 23, 2010*

**Peterborough Medical Center**, Peterborough, ON, has issued layoff notices to 85 registered nurses. The number of laid-off nurses could be reduced depending on how many nurses accept early retirement packages. The hospital has begun meetings with the four unions representing its workers after the Central East Local Health Integration Network approved the hospital's plan to eliminate its deficit. That plan was initiated in the wake of a peer review earlier this year and calls for the cutting of 182.3 full-time equivalent jobs.

*Peterborough Examiner, July 27, 2010*