

# Mines, Metals and Minerals

## Sector Profile

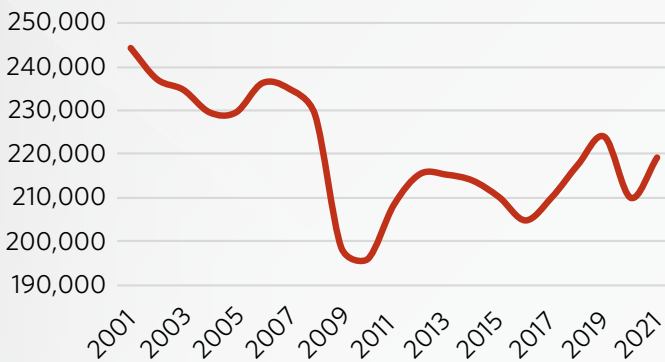
### Sector Facts and Figures

Total GDP <i>Share of Canadian GDP</i>	\$41.4 billion 2.10%
Exports	\$76.2 billion
Imports	\$55.9 billion
Foreign Trade Balance <i>5-year change</i>	+\$20.3 billion +15.6%
Total Employment (2021) <i>Change since 2011</i>	219,200 +5.2%
Real wage growth (2011-2019)	+6.6%
Labour Productivity (2019)	\$135.4/hr
Average Work Hours/Week (2019)	39.2
Greenhouse Gas Emissions (2019) <i>Change since 2009</i> <i>Share of Canadian industry total</i>	29,096kt +10.6% 4.62%
Union Coverage Rate	26%
Unifor Members in the Industry	9,400
Share of Total Unifor Membership	3%
Number of Unifor Bargaining Units	70
Average Bargaining Unit Size	135

## Current Conditions

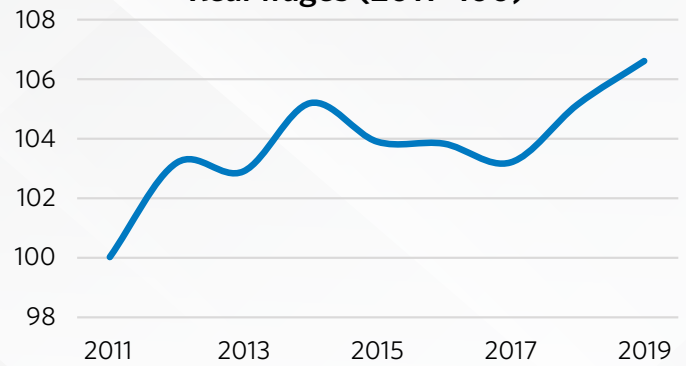
The mines, metals and minerals industry is one of the most important sources of economic growth in the country, with Canada among the leading global producers of potash, uranium, nickel, aluminum, copper, salt and sulfur. The industry accounted for more than \$41 billion of gross domestic product (GDP) in 2021, and exported more than \$76 billion worth of goods, leading to a foreign trade balance of +\$20.3 billion, an increase of 15.6% since 2017. Together with the energy sector, consistently high exports from the mines, metals and minerals industry contributed to Canada's positive trade balance last year, offsetting notable trade deficits in other industries.

**Mines, metals and minerals employment, 2001 - 2021**



Despite these impressive figures, the industry has recently been at the tail end of a commodity super-cycle, which started in 1996 and saw over a decade of surging commodity prices, including metals and minerals. The 2008-9 financial crisis sparked a significant downturn in commodities, which significantly impacted the mines, metals and minerals industry. Employment dropped by 17% from 2007 until 2010, before a brief recovery saw half of

**Mines, metals & minerals: Real wages (2011=100)**



the jobs lost recovered by 2012. Continued declines and stagnation in commodity prices, however, led to a renewed round of layoffs before a sustained recovery started in 2016, which was unfortunately interrupted by the COVID-19 pandemic. Yet, there are signs that we may be at the start of a new commodity super-cycle, driven in part by the return of post-pandemic demand and structural shifts towards renewable technologies and commodity-intensive forms of growth. This is particularly true for the mines, metals and minerals industry which will supply the raw materials for a new generation of zero-emission technologies that are expected to revolutionize energy production and transportation.

Like the energy sector, the mines, metals and minerals industry boasts some of the highest labour productivity in the economy, which is partially accounted for by the capital-intensive nature of production. Productivity peaked during the mid-2010s as employers slowed or deferred their capital investments in response to the decline in commodity prices, but picked up again after 2017. Real hourly wages (adjusted for inflation) tended to track employment demand during the 2010s,

with real wages picking up after 2017 as well. There are indications that the gap between productivity and real wages started to widen again post-2017, and the gap may

increase further if a new commodity super-cycle takes hold in the midst of a period of historically high inflation.

## Unifor in the Mines, Metals and Minerals Industry

Select Unifor Employers	Approx. # Members
Rio Tinto-Alcan	2,400
Glencore	1,000
Mosaic Potash	900
Compass Minerals	500
Gibraltar Mines	500

Unifor’s mining sector includes non-petroleum hard-rock mining, aluminum and non-ferrous smelting operations, and mineral extraction (notably potash). The 9,400 workers that Unifor represents in the mines, metals and minerals industry comprise around one-fifth of Unifor’s natural resources membership and around three percent of Unifor’s overall membership.

The majority of Unifor members in the industry are concentrated in Quebec and Ontario, each accounting for approximately 30% of membership. British Columbia accounts for 18% of the industry’s membership, while Saskatchewan covers approximately 15%. The remaining 8% of members are located in Alberta, New Brunswick and Nova Scotia.

Union coverage in the industry is relatively robust, standing at 26%. Around 56% of the industry’s Unifor members work for the five largest employers, with Rio Tinto-Alcan leading the way.

## Moving Forward: Developing the Mines, Metals and Minerals Industry

With its globally leading mining industry, Canada is well placed to take advantage of the growing demand for critical minerals, which will power the transition to clean energy and new forms of advanced

manufacturing. The federal government has announced that it aims to foster the development of globally competitive supply chains for critical minerals, products and technologies, including a ‘mines to mobility’ strategy for battery manufacturing that will power electric vehicles (EVs) made in Canada and elsewhere.

However, time is of the essence and Canada will need to significantly increase

its investment in upstream production if it is to capitalize on the growing demand for cobalt, lithium, graphite and nickel for battery manufacturing. Investments will also be needed to ensure that Canadian aluminum production – which has the lowest carbon footprint in the world – can take advantage of rising demand for aluminum in automotive and aerospace applications, particularly in the face of fierce competition from low-cost producers in China, India and Russia. The potential for trade tensions with the U.S. may also hinder industry development, with the aluminum and steel tariffs spat during 2018-19 leading to significant revenue volatility, while more recent Buy American initiatives have threatened Canadian salt exports.

The question of how the industry will contribute to meeting Canada's 2030 emissions targets also hangs over the future of mines, metals and minerals development. While the industry has a relatively low carbon footprint compared to its global competitors, emissions continue to trend upwards and account for nearly 5% of total Canadian industry emissions. The challenge of developing future projects in light of Canada's climate commitments is particularly pressing for off-grid mines, which provide a significant proportion of our critical mineral supply,

and which currently rely on fossil fuels to meet their energy demands. Without new electrical infrastructure or rapid advances in delivering high density energy (such as hydrogen) to replace diesel, the feasibility of such projects will be in doubt as carbon pricing and other emissions-related penalties erode their profitability.

## Major Sector Development Issues

- Canada possesses abundant critical mineral resources but will need to act quickly to build competitive supply chains and capitalize on growing global demand for electric vehicle (EV) battery components.
- Jobs growth in the mines, metals and minerals industry is highly cyclical and dependent on new sources of capital investment. While employment in the sector is rebounding, growth could be tempered by automation.
- Off-grid mines, which supply many of our critical minerals, will require significant technological innovations to remain viable in a decarbonized economy.