

MINES, METALS & MINERALS

Sector Profile



Sector Facts and Figures, 2016

Total Operating Revenue*	\$75.4 billion
<i>Change since 2007</i>	<i>-\$3.2 billion</i>
Total GDP (2007 \$CAD)	\$30.8 billion
<i>Share of Canadian GDP</i>	<i>1.8%</i>
Exports	\$47 billion
Imports	\$21 billion
Foreign Trade Balance	\$25 billion
<i>Inflation-adjusted change since 2007</i>	<i>-14%</i>
Total Employment	53,000
<i>Change since 2007</i>	<i>-11%</i>
Average Hourly Wage (Excluding overtime)	\$39.00
<i>Inflation-adjusted change since 2007</i>	<i>+22%</i>
Productivity Growth 2007-2016	9%
Average Work Hours/Week (Excluding overtime)	37
Average Overtime Hours/Year	156
Greenhouse Gas Emissions (Kilotons, 2014)	28,000
<i>Share of Canada's total industrial emissions</i>	<i>5%</i>
Union Coverage Rate	45%
Unifor Members in the Industry	9,900
Share of Total Unifor Membership	3%
Number of Unifor Bargaining Units	72
Average Bargaining Unit Size	138

Source: Cansim; Trade Data Online;
Unifor Research Department.

*2015 data.

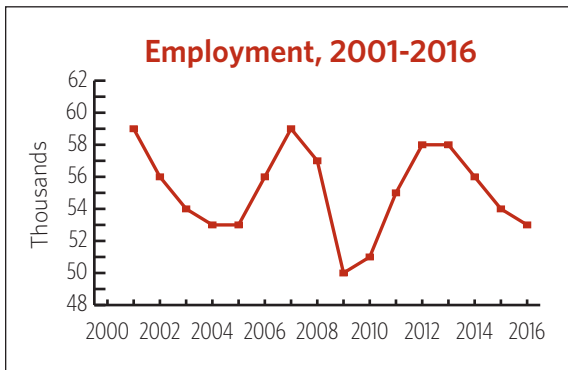


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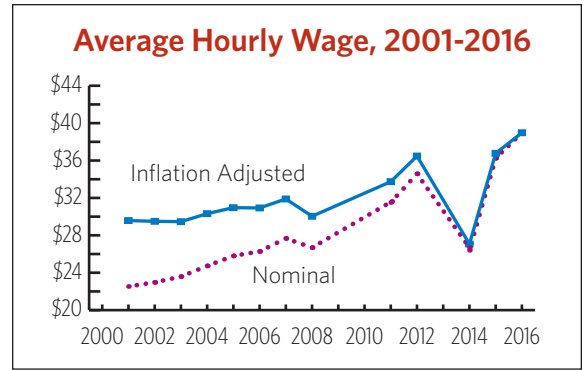
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Current Conditions

Canada is the world's largest potash producer, the second largest producer of uranium and it ranks in the top five globally for nickel, niobium, titanium, aluminium, diamonds, salt and sulfur. When energy products are included, Canada is the eighth largest mining and minerals producer in the world (China occupies the top spot).



The sector rose in strategic significance in tandem with the upswing in the commodity super-cycle, which saw prices nearly quadruple between 2002 and 2014, before losing half their value by 2017. While this roller-coaster ride can look appetizing when prices are climbing, when they plunge (as they inevitably do) things look rather different. Between 2007 and 2009, for example, the industry shed some 10,000 jobs (or one-in-seven). It added nearly all those jobs back by 2013, but with the commodity price slump beginning in 2014, the industry shed some 5,000 positions.



Wages are high in the industry thanks to the unionists who've wrestled a share of the industry's enormous profits for workers. Hourly wages topped \$39 in 2016. This figure was 67 per cent higher than the industrial average and 22 per cent higher than the decade prior (in inflation-adjusted terms).

Annual exports of mining products total \$47 billion, and with \$21 billion in imports this vital sector adds \$25 billion to Canada's balance of payments, helping offset the enormous trade deficit Canada experiences in other sectors. That trade performance would be even stronger, however, if we required more made-in-Canada processing of the resource rather than allowing exports of unprocessed or barely processed products.

Unifor in the Canadian Mining, Metals & Minerals Industry

Unifor's mining sector includes non-petroleum hard-rock mining, aluminum and non-ferrous smelting operations and mineral extraction (potash being the key example). The 10,000 or so workers that Unifor represents make up roughly 20 per cent of its natural resources membership and just over three per cent of Unifor's overall membership.

Select Unifor Employers	Approx. # Members
Rio Tinto-Alcan	1,850
Glencore	900
Mosaic Potash	900
Compass Minerals	500

Roughly 30 per cent of Unifor's mining membership work in Ontario and a further 30 per cent are in Quebec, with 15 per cent in each of Saskatchewan and British Columbia. The remaining 10 per cent are to be found in Alberta, New Brunswick and Nova Scotia.

Union coverage in the industry is high, standing at 45 per cent, which helps give our members bargaining power. More than 40 per cent of sectoral membership work for the four largest Unifor employers, with Rio Tinto-Alcan leading the pack.

Moving Forward: Developing the Mining, Metals & Minerals Industry

Natural resource industries have become far more important in Canada over the past 15 years. Indeed, for a while Canada's whole national economic trajectory appeared to be dominated by growing resource extraction and export. This was especially evident with the petroleum industry (led by bitumen projects in Alberta), but the same trend was clearly visible in other resource sectors too, including mining, metals and minerals.

Like other complex industries, the global mining industry faces both opportunities and challenges. The introduction of new technologies, including machine learning and automation, into the workplace can have both a positive and negative outcome: positive if it leads to an increase in investment, jobs (as new sites become viable) and worker safety, but negative if they lead to a net loss in employment. Managing this new technology is a major challenge for Unifor.

Other challenges include obtaining the "social license" necessary to pursue mega resource developments, such as Ontario's Ring of Fire. In addition to the heavy infrastructure requirements associated with remote resource plays, First Nations peoples have been historically excluded from the review, approval and project-

planning phase of development. Treating First Nations peoples as full and equal partners will not only improve prosperity in Northern communities, but is necessary for Reconciliation between Canada and First Nations peoples.

Likewise, without active policy measures to regulate and shape resource development, the Canadian industry (jobs included) are at the mercy of the global marketplace, which means, in practice, that huge multinationals will oversee development in this sector. Unifor is committed to maximizing the value that Canadians receive from their non-renewable resources, which, after all, belong to Canadians. This means strengthening collective bargaining to win a better share of the profits for workers and communities. And it means a much stronger role for government in overseeing the industry and controlling the actions of foreign corporations. Wherever possible, governments should impose conditions on foreign (and domestic) investment around local hiring, domestic procurement and resource product processing, and therein countering the export of unprocessed or barely processed products.

Major Sector Development Issues

- Manage the adoption of new technologies (automation, machine learning, etc.) to ensure no net loss in employment.
- Build relationships with Indigenous communities to ensure they are full and willing partners in resource development.
- In aluminum smelting, maintain public ownership, use and control over hydro-electric resources with a view to keeping electricity prices low.
- Impose Canadian-content conditions on resource development to ensure companies purchase more Canadian-made equipment and services and meet binding targets for made-in-Canada processing of the resource.