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### How mining supports the Ontario economy

Mining is big business in Ontario. In 2003, the value of non-fuel minerals produced in the province was over \$5.5 billion. Mining provided high-paying jobs for 16,500 people who earned nearly \$1 billion in wages and salaries. The sector spent over \$1.2 billion on goods and services. These and many other important numbers are detailed in a new report released last fall by the Ontario Mining Association.

The study, titled "The Economic and Fiscal Contribution of the Mining Industry in Ontario", was compiled using survey data collected by the Institute for Policy Analysis at the University of Toronto and Datametrics Consulting. Additional statistics were obtained from the Ontario Ministry of Northern Development and Mines, Statistics Canada, the Mines and Aggregates Safety and Health Association, the Toronto Stock Exchange and Natural Resources Canada. The figures cover employment, workers' compensation, purchasing, taxation, community activities and industry performance. The report is posted on the OMA website, [www.oma.on.ca](http://www.oma.on.ca).

Here are a few of the facts and trends contained in the study:

The number of people directly employed by the Ontario mining industry has fallen almost 25% over the past decade. The 16,545 jobs in the province represent approximately 30% of the total number of Canadian mineral production jobs. Another 50,429 people work in primary metal manufacturing and 26,776 more in the manufacture of non-metal mineral products.

Ontario mine workers are well paid, having average weekly earnings of \$1,092 compared with \$733 for other industries combined. Miners' average annual earnings were a respectable \$57,935. The industry paid over \$920 million in wages and salaries in 2003. In addition to this, Ontario mining industry employees received over \$500 million in taxable and non-taxable benefits, or \$30,930 per employee. Wages and benefits combined yielded an average annual income per employee of \$88,865.

The tax collector took his share of mining revenues, too. A total of \$264 million was paid by mining companies to federal (\$110.8 million), provincial (\$113.7 million) and municipal (\$39.6 million) governments. On top of this is more than \$300 million in personal income tax paid by mine workers.

Health and safety training investments by Ontario mining companies added up to \$28 million, or \$1,870 per employee. Employers are reaping the benefits, too. During the 1990-2003 period, the lost-time injury frequency dropped from 3.1 injuries per 200,000 hours worked to 1.2, giving Ontario miners the best record in the country. Over the last 20 years, the mining sector's safety performance has improved by over 90%. Tougher occupational safety regulations, continued emphasis on training, and a co-operative approach to the problem have also played a large part in the improvement.

In 2003, Ontario's mineral producers bought goods and services worth \$1.21 billion. Of this amount about three-quarters or \$925 million was spent within the province. Of the money spent within Ontario, 45% or \$542.7 million went to businesses within 80 km of operating mines, a welcome boost to local economies.

Non-fuel mineral production in Ontario was valued at \$5.5 billion in 2003. Of the total, metals production accounted for \$3.3 billion, the highest of any one province or territory. Ontario led Canada in the production of gold, nickel, cobalt, platinum group metals, salt and structural materials.

Most of the minerals mined in Ontario are exported to international markets. The international trade in metal ores from this province added more than \$1.9 billion to the balance of trade in 2003, or roughly 50% of Canada's international exports of metals ores. Non-metallic mining and quarrying also added over \$100 million to Ontario's positive trade balance in minerals.

As a yardstick of productivity, the OMA uses the number of employees required to generate \$1-million-worth of metals in a year. That number in 2003 was 2.6, compared with 3.9 employees in 1994. The increase in the mining industry was almost three times the rate of increase in the total manufacturing sector. The increased productivity of Ontario miners is due in large part to the increasingly computerized and automated nature of their jobs, which also contributes to safety.

For every mining employee, almost \$239,000 annually is added in value to the provincial economy. That is more than \$100,000 per employee more than the value added in manufacturing.

Mineral exploration constitutes a large part of research spending by Ontario mineral producers. An estimated \$219 million was spent in 2003 on general and mine site exploration and on deposit appraisals. Compare that to the figure of \$45.6 million spent on scientific research and development. Another \$214 million was spent on mine site development.

Ontario's mining industry spent approximately \$85 million on environmental protection, environmental improvement and pollution prevention in 2003. This is well above the average for the past six years. In the early 1990s, \$1 billion was spent on sulphur dioxide abatement programs in Sudbury alone.

Total capital expenditures in 2003 were \$838.6 million. Almost two-thirds (\$539.4 million) was allocated for construction and about \$300 million for machinery and equipment. The OMA estimates that the industry has spent over \$2 billion on machinery and equipment over the last decade. Mineral producers bought electronics, advanced materials, expert systems and telecommunications gear as well as heavy equipment.

This high level of investment has created a thriving mining-related services and technology industry in the province. Of the 2,300 mining suppliers in Canada, half are based in Ontario.

Mines, smelters and refineries are energy-intensive operations. In 2003, the Ontario mining industry spent an estimated \$256 million for electric power and another \$137 million for natural gas.

The mining industry is a consistent contributor to charitable and philanthropic causes. Donations in 2003 by mining companies in Ontario totalled approximately \$4.8 million. This is in addition to major private donations by selected prominent individuals from the industry.

For all these and more reasons, mining remains a mainstay of the Ontario economy. The OMA is dedicated to ensuring that all Ontarians understand the importance of the industry.