



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

February 2016



This Labour Market Bulletin provides an analysis of Labour Force Survey results for all three of Canada's territories, including the Northwest Territories, Nunavut and Yukon.

OVERVIEW

Employment

Employment in Canada's three territories increased for a second consecutive month in February, with the number of employed rising by 600 (1.1%). This upward trend is expected to continue as construction resumes going into the spring. Full-time employment growth continued to be healthy in the territories, while the number of part-time positions remained unchanged in February compared to the previous month.

On a year-over-year basis, employment levels in Yukon remained unchanged this month, while Nunavut and Northwest Territories experienced increases of 5.6% and 2.3% respectively. Overall, between February 2015 and February 2016, employment in the territories increased 2.2%, meaning 1,200 more people were employed in February 2016 than one year earlier.

Unemployment

The unemployment rate for the combined territories dropped 0.6 percentage points to 9.7% in February 2016. Year-over-year, Yukon was the only territory to record a decrease in its unemployment rate, down 0.1 percentage points to 6.8%. By contrast, both Nunavut and Northwest Territories recorded higher unemployment rates, which reached 15.1% and 8.6% respectively.

The unemployment rate for youth (aged 15-24 years) in the territories increased 0.6 percentage points to 18.5% on the month. On a year-over-year basis, the unemployment rate for this age group also increased 2 percentage points. In fact, the unemployment rate for young men reached 25.6%, 7.2 percentage points higher than one year earlier. Meanwhile, the unemployment rate for young women fell 2.1 percentage points to 12.2%. At 23.2% this month, Nunavut's unemployment rate for youth remains the highest among all three territories.

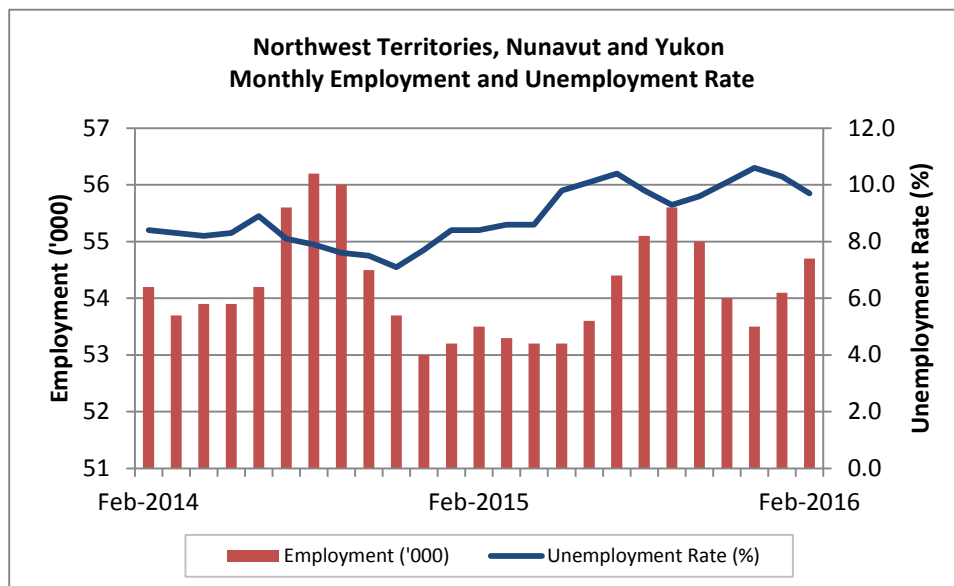
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Unadjusted Data	February 2016	January 2016	February 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15+ ('000)	84.4	84.3	83.5	0.1	0.1	0.9	1.1
Labour Force ('000)	60.6	60.3	58.3	0.3	0.5	2.3	3.9
Employment ('000)	54.7	54.1	53.5	0.6	1.1	1.2	2.2
Full-Time ('000)	47.0	46.4	47.2	0.6	1.3	-0.2	-0.4
Part-Time ('000)	7.7	7.7	6.2	0.0	0.0	1.5	24.2
Unemployment ('000)	5.9	6.2	4.9	-0.3	-4.8	1.0	20.4
Unemployment Rate (%)	9.7	10.3	8.4	-0.6	-	1.3	-
Participation Rate (%)	71.8	71.5	69.8	0.3	-	2.0	-
Employment Rate (%)	64.8	64.2	64.1	0.6	-	0.7	-

* Combined data - three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey



Northwest Territories, Nunavut and Yukon* Monthly Unemployment Rates, by Gender and Age

Seasonally Unadjusted Data	February 2016 %	January 2016 %	February 2015 %	Monthly Variation (% points)	Yearly Variation (% points)
Total	9.7	10.3	8.4	-0.6	1.3
25 years and over	8.4	9.1	7.1	-0.7	1.3
Men - 25 years and over	11.4	12.3	8.8	-0.9	2.6
Women - 25 years and over	5.2	5.6	5.4	-0.4	-0.2
15 to 24 years	18.5	17.9	16.5	0.6	2.0
Men - 15 to 24 years	25.6	21.4	18.4	4.2	7.2
Women - 15 to 24 years	12.2	14.3	14.3	-2.1	-2.1

* Combined data - three month moving average

Source: Statistics Canada Labour Force Survey

EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector fell for a four-consecutive month in February, decreasing by 2.5% month-over-month. This setback is due to employment losses in manufacturing (-200) and forestry, fishing, mining, quarrying, oil and gas (-300). Year-over-year, good-producing employment rose 4.1%, representing an increase of 300. Both construction and manufacturing sectors posted employment losses, but these were offset by gains in the mining industry, which increased 13.6% on a yearly basis.

Moving forward, the long-term outlook for the goods-producing sector is optimistic, as a number of major construction projects and mineral developments are slated to begin the next few years. Indeed BuildForce Canada indicates that six major construction projects are either underway or scheduled to start this summer. All of these projects are mining related, except for the Inuvik to Tuktoyaktuk Highway project. These projects will require approximately 1,200 new tradespersons across the Territories.¹

Focusing on the services-producing sector, employment increased 1.5% or 700 positions between January and February. The largest employment gains were in health care and social assistance (+11.7%), educational services (+8.6%) and public administration (+2.6%). Public administration, which accounts for a large share of employment in the territories, will likely continue to trend upward as the need for government services increases.

Year-over-year, services-producing employment also rose 2.2%, representing an increase of 1,000 positions. Nearly all industries within the sector gained jobs in February compared to a year prior, except finance, insurance, real estate and leasing, professional, scientific and technical services, and information, culture and recreation. Accommodation and food services was the largest contributor to year-over-year growth in the sector, which grew by 32% overall.

Looking to the future, the outlook for the sector remains positive. With exploration and mining construction projects underway, transportation and warehousing, as well as trade are expected to see increased growth over the next two years.

Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics, by Industry

Seasonally Unadjusted Data	February 2016	January 2016	February 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	54.6	54.0	53.4	0.6	1.1	1.2	2.2
Goods-producing sector	7.7	7.9	7.4	-0.2	-2.5	0.3	4.1
Agriculture	0.0	0.0	0.0	0.0	-	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	2.5	2.8	2.2	-0.3	-10.7	0.3	13.6
Utilities	0.8	0.8	0.8	0.0	0.0	0.0	0.0
Construction	4.0	3.8	4.1	0.2	5.3	-0.1	-2.4
Manufacturing	0.0	0.2	0.2	-0.2	-100.0	-0.2	-100.0
Services-producing sector	46.9	46.2	45.9	0.7	1.5	1.0	2.2
Trade	5.9	6.0	5.8	-0.1	-1.7	0.1	1.7
Transportation and warehousing	2.8	2.8	2.6	0.0	0.0	0.2	7.7
Finance, insurance, real estate and leasing	1.8	1.9	2.4	-0.1	-5.3	-0.6	-25.0
Professional, scientific and technical services	2.6	2.7	2.7	-0.1	-3.7	-0.1	-3.7
Business, building and other support services	1.5	1.5	1.5	0.0	0.0	0.0	0.0
Educational services	6.3	5.8	5.7	0.5	8.6	0.6	10.5
Health care and social assistance	6.7	6.0	6.6	0.7	11.7	0.1	1.5
Information, culture and recreation	2.0	2.4	2.8	-0.4	-16.7	-0.8	-28.6
Accommodation and food services	3.3	3.4	2.5	-0.1	-2.9	0.8	32.0
Other services	2.0	2.2	1.8	-0.2	-9.1	0.2	11.1
Public administration	11.8	11.5	11.7	0.3	2.6	0.1	0.9

* Combined data — three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey

REGIONAL ANALYSIS

Yukon

On a monthly basis, Yukon employment rose 1.1% to 19,100 in February, while the unemployment rate decreased a marginal 0.1 percentage points to 6.8%. The territory continues to have one of the lowest unemployment rates in Canada, almost 0.5 percentage points lower than the national average (7.3%), as of February 2016.

On a year-over-year basis, the number of people employed in the territory remained unchanged, which is not entirely surprising as Yukon's economy was stagnant in 2015. The limited growth last year is largely attributed to ongoing difficulty in the territory's mining industry, which saw production and employment cutbacks at the Capstone Mining's Minto copper mine and the shutdown of Yukon Zinc's Wolverine Mine in 2015.

Looking forward, the territory should experience some growth in construction and service-based industries in the medium-term. Projects such as the recently approved Faro Mine remediation project, the Victoria Gold's Eagle Gold Project, the Coffee Gold exploration project and the Whitehorse General Hospital project should create plenty of employment opportunities for the territory over the next few years.

Northwest Territories

The number of employed in Northwest Territories increased for the third consecutive month in February, up 0.9% to 22,300 month-over-month. Job growth is entirely due to gains in the services-producing sector - up 1.1% or 200. On a yearly basis, employment in the territory increased 2.3% (+500). In fact, both goods-producing and services-producing sectors posted increases in employment over the year, up 11.1% and 0.5% respectively.

However, the outlook for Northwest Territories' economy is forecasted to be weak in the short-term, as both Cantung Mine and Snap Lake diamond mine were shut down last year. These closures are expected to have a noticeable impact on employment prospects for those in mining-related industries. According to the Conference Board of Canada, the territory's gross domestic product (GDP) will increase by a mere 0.7% in 2016 – the lowest growth forecast among all three territories.²

Nunavut

The number of people employed in Nunavut increased 1.5% to 13,200 from January. Indeed, both goods-producing sector (+100) and services-producing sector (+100) saw employment increases this month compared to the previous month.

On a year-over-year basis, the number of workers employed also increased 5.6% (+700) between February 2015 and February 2016. Employment gains were mainly concentrated in the services-producing sector, with employment in business, building and other support services and accommodation and food services increasing significantly over the year, up 66.7% and 33.3% respectively.

The territory's performance is expected to remain positive this year, as the Iqaluit Airport, the Meliadine gold mine development, the Canadian High Arctic Research Station project and the Aston Bay Holdings' Storm Copper Project get underway. The Conference Board forecasts that the territory's GDP will rise by 1.2% in 2016.³

Northwest Territories, Nunavut and Yukon Monthly Labour Force Statistics, by Economic Region

Seasonally Unadjusted Data	Employment			Unemployment Rate		
	February 2016 ('000)	February 2015 ('000)	Yearly Variation (%)	February 2016 (%)	February 2015 (%)	Yearly Variation (% points)
Territories*	54.7	53.5	2.2	9.7	8.4	1.3
Northwest Territories	22.3	21.8	2.3	8.6	7.6	1.0
Nunavut	13.2	12.5	5.6	15.1	12.3	2.8
Yukon	19.1	19.1	0.0	6.8	6.9	-0.1

* Combined data — three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey

Note: In preparing this document, the authors have taken care to provide clients with labour market information 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 this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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¹ BuildForce Canada, Construction trades outlook for major projects in Canada's territories, 2016-2025.

² Conference Board of Canada (CBOC) Territorial Outlook: Economic Forecast Winter 2016.

³ Ibid.