



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

January 2017



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

The combined employment of Northwest Territories (NWT), Nunavut and Yukon continued to trend downwards for a fifth consecutive month in January 2017. Falling employment in January is not uncommon though, as the northern economy typically contracts during the winter months. The number of people employed in the Territories dropped 1.4% to 54,700 on a month over month basis, which can be attributed entirely to a decrease in the number of people working full-time (-1,300).

On a year over year basis, employment in the Territories advanced by 1.1%, meaning 600 more people were employed in January 2017 compared to January 2016. The number of people employed increased on an annual basis both in Nunavut (+3.1%) and in Yukon (+6.9%). Northwest Territories was the only territory to see an employment decline over the past year, with the number of people working falling by 4.5%.

Unemployment

The unemployment rate for the combined Territories dropped 0.3 percentage points to 7.8% in January. Year over year, all three Territories saw their unemployment rate decrease. Nunavut posted the most significant decline, with its unemployment rate falling 3.7 percentage points to 12.5%.

The youth (15 to 24 years) unemployment rate for the three territories was 16.9% in January, representing an increase of 1.9 percentage points from December 2016. However, the youth unemployment rate is down slightly on a year over year basis (-1.0 percentage points).

Compared to January 2016, the unemployment rate for young women was down 1.5 percentage points to 12.8%, while the unemployment rate for young men increased 0.2 percentage points to 21.6% over the year.

Nunavut continues to have the highest youth unemployment rate in the country, with its unemployment rate for young men sitting at 28%.

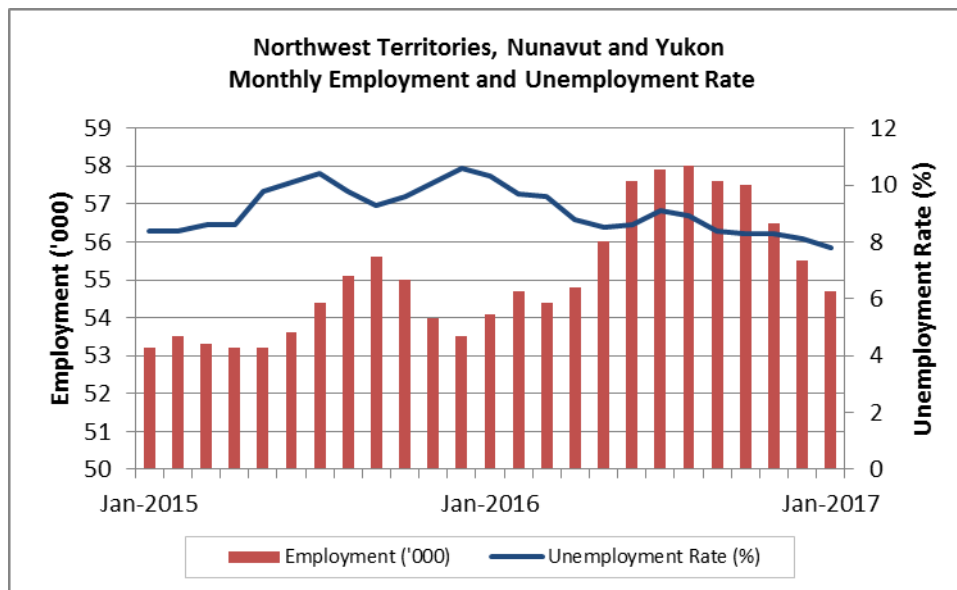
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

| Seasonally Unadjusted Data | January 2017 | December 2016 | January 2016 | Monthly Variation | | Yearly Variation | |
|-------------------------------|--------------|---------------|--------------|-------------------|------|------------------|-------|
| | | | | Number | % | Number | % |
| Population 15 + ('000) | 85.0 | 85.0 | 84.3 | 0.0 | 0.0 | 0.7 | 0.8 |
| Labour Force ('000) | 59.3 | 60.4 | 60.3 | -1.1 | -1.8 | -1.0 | -1.7 |
| Employment ('000) | 54.7 | 55.5 | 54.1 | -0.8 | -1.4 | 0.6 | 1.1 |
| Full-Time ('000) | 46.1 | 47.4 | 46.4 | -1.3 | -2.7 | -0.3 | -0.6 |
| Part-Time ('000) | 8.5 | 8.1 | 7.7 | 0.4 | 4.9 | 0.8 | 10.4 |
| Unemployment ('000) | 4.6 | 4.9 | 6.2 | -0.3 | -6.1 | -1.6 | -25.8 |
| Unemployment Rate (%) | 7.8 | 8.1 | 10.3 | -0.3 | - | -2.5 | - |
| Participation Rate (%) | 69.8 | 71.1 | 71.5 | -1.3 | - | -1.7 | - |
| Employment Rate (%) | 64.4 | 65.3 | 64.2 | -0.9 | - | 0.2 | - |

*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 | January 2017 | December 2016 | January 2016 | Monthly Variation | Yearly Variation |
|----------------------------|--------------|---------------|--------------|-------------------|------------------|
| | (%) | (%) | (%) | (% points) | (% points) |
| Total | 7.8 | 8.1 | 10.3 | -0.3 | -2.5 |
| 25 years and over | 6.4 | 7.1 | 9.1 | -0.7 | -2.7 |
| Men - 25 years and over | 8.3 | 8.6 | 12.3 | -0.3 | -4.0 |
| Women - 25 years and over | 4.4 | 5.1 | 5.6 | -0.7 | -1.2 |
| 15 to 24 years | 16.9 | 15.0 | 17.9 | 1.9 | -1.0 |
| Men - 15 to 24 years | 21.6 | 20.0 | 21.4 | 1.6 | 0.2 |
| Women - 15 to 24 years | 12.8 | 10.0 | 14.3 | 2.8 | -1.5 |

*Combined data - three month moving average

Source: Statistics Canada Labour Force Survey

EMPLOYMENT BY INDUSTRY

In January, there were 500 fewer people working in the Territories' goods-producing sector compared to the previous month. Employment declined in all goods-producing industries, with exception of utilities. Recent monthly declines in the construction and mining industries are consistent with previous years, and related to seasonal contraction during winter months.

On an annual basis, employment in the goods-producing sector is down 11.4%, meaning 900 fewer people were employed in January compared to the same time last year. Job losses in the sector are due almost entirely to falling employment in the forestry, fishing, mining, quarrying, and oil and gas industry (-17.9%). This decline is likely a reflection of sinking commodity prices over the past three years, which have limited employment growth in the Territories' mining industry.

Moving forward, the goods-producing sector should see some growth over the next two years, as large-scale development projects and public infrastructure investments will help to generate new employment opportunities. These projects include the Chidliak diamond mine development in Nunavut, the Don Stewart Recreation Centre redevelopment project in NWT and the Whitehorse General Hospital expansion project.

The services-producing sector also lost ground in January, with employment decreasing 1.0% to 47,600 on a monthly basis. The largest declines were in public administration (-300) and finance, insurance, real estate and leasing (-300).

Despite these monthly declines, employment in the sector is up 3.0% year over year. Notable annual employment gains were recorded in health care and social assistance (+1,000), transportation and warehousing (+500) and public administration (+500).

Positive employment growth in the services-producing sector is likely to continue moving forward as the need for government services, social assistance and medical care increases. The federal government and all three territorial governments recently reached a new healthcare agreement. Under the agreement, the three territories will receive a total of \$36.1 million in funding over 10 years for mental health and home care initiatives, in addition to the existing Canada Health Transfer (CHT) payment.¹

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

| Seasonally Unadjusted Data | January 2017 | December 2016 | January 2016 | Monthly Variation | | Yearly Variation | |
|---|--------------|---------------|--------------|-------------------|-------|------------------|-------|
| | | | | Number | % | Number | % |
| Total employed, all industries | 54.7 | 55.5 | 54.0 | -0.8 | -1.4 | 0.7 | 1.3 |
| Goods-producing sector | 7.0 | 7.5 | 7.9 | -0.5 | -6.7 | -0.9 | -11.4 |
| Agriculture | 0.0 | 0.0 | 0.0 | 0.0 | - | 0.0 | - |
| Forestry, fishing, mining, quarrying, oil and gas | 2.3 | 2.4 | 2.8 | -0.1 | -4.2 | -0.5 | -17.9 |
| Utilities | 0.7 | 0.6 | 0.8 | 0.1 | 16.7 | -0.1 | -12.5 |
| Construction | 3.8 | 3.9 | 3.8 | -0.1 | -2.6 | 0.0 | 0.0 |
| Manufacturing | 0.2 | 0.3 | 0.2 | -0.1 | -33.3 | 0.0 | 0.0 |
| Services-producing sector | 47.6 | 48.1 | 46.2 | -0.5 | -1.0 | 1.4 | 3.0 |
| Trade | 5.8 | 5.9 | 6.0 | -0.1 | -1.7 | -0.2 | -3.3 |
| Transportation and warehousing | 3.3 | 3.3 | 2.8 | 0.0 | 0.0 | 0.5 | 17.9 |
| Finance, insurance, real estate and leasing | 2.2 | 2.5 | 1.9 | -0.3 | -12.0 | 0.3 | 15.8 |
| Professional, scientific and technical services | 2.7 | 2.6 | 2.7 | 0.1 | 3.8 | 0.0 | 0.0 |
| Business, building and other support services | 1.5 | 1.2 | 1.5 | 0.3 | 25.0 | 0.0 | 0.0 |
| Educational services | 5.8 | 5.9 | 5.8 | -0.1 | -1.7 | 0.0 | 0.0 |
| Health care and social assistance | 7.0 | 7.0 | 6.0 | 0.0 | 0.0 | 1.0 | 16.7 |
| Information, culture and recreation | 2.2 | 2.3 | 2.4 | -0.1 | -4.3 | -0.2 | -8.3 |
| Accommodation and food services | 3.4 | 3.3 | 3.4 | 0.1 | 3.0 | 0.0 | 0.0 |
| Other services | 1.9 | 1.9 | 2.2 | 0.0 | 0.0 | -0.3 | -13.6 |
| Public administration | 12.0 | 12.3 | 11.5 | -0.3 | -2.4 | 0.5 | 4.3 |

*Combined data - three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey

REGIONAL ANALYSIS

Yukon

Employment in Yukon was unchanged on a monthly basis, but increased significantly on a yearly basis (+1,300). Job growth is due entirely to gains in the services-producing sector, with employment increasing 7.4% to 17,500 over the year. Employment advanced considerably in several key industries in the services-sector including trade (+27.8%), finance, insurance, real estate and leasing (+40%) and other services (+66.7%).

In the medium-term, Yukon will likely experience some growth in construction and service-based industries. Projects such as the \$40 million City of Whitehorse operations building project, the Whistle Bend affordable housing development, Victoria Gold's \$370 million Eagle Gold project and Kaminak's Coffee Gold project should generate employment opportunities for the territory over the next few years.

Northwest Territories

The number of people employed in the Northwest Territories decreased for the fifth consecutive month in January, with employment falling 3.2% to 21,100. On a yearly basis, employment in the territory decreased 4.5%

(-1,000). Employment losses resulted entirely from a decrease in the goods-producing sector (-27.5%), with significant declines in mining and construction.

Looking forward, the territory's economic outlook should improve in the medium-term, as a number of public and private projects will provide some support for construction and related industries. These projects include the Stanton Territorial Hospital renewal project, the Kò Gocho Centre development project and the recently approved \$20 million all-season road from Norman Wells to Canyon Creek. This road development project alone will offer training opportunities for 12 trainees and 16 heavy equipment operators, and will create about 50 positions during construction.²

Nunavut

On a monthly basis, Nunavut employment dropped a marginal 0.7% to 13,400 in January, entirely due to employment losses in the goods-producing sector (-100). Despite this month over month decline, employment was still up 3.1% (+400) between January 2016 and January 2017. Employment in the territory's services-producing sector increased 1.7%, while employment in the goods-producing sector rose by 16.7%. In fact, all industries within the goods-producing sector saw employment gains over the past year, with notable increases in mining and construction.

Nunavut's short-term economic fortunes are expected to be better than those of its two territorial counterparts. The construction industry is anticipated to remain buoyant thanks to a number of private and public construction projects including the \$76 million Qikiqtani Correctional Healing Centre, a new long-term elder care centre in Iqaluit, the Jericho Mine remediation project and TMAC Resources Inc.'s Doris North Gold Mine project.

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

| Seasonally Unadjusted Data | Employment | | | Unemployment Rate | | |
|----------------------------|---------------------|---------------------|----------------------|-------------------|------------------|-----------------------------|
| | January 2017 ('000) | January 2016 ('000) | Yearly Variation (%) | January 2017 (%) | January 2016 (%) | Yearly Variation (% points) |
| Territories* | 54.7 | 54.1 | 1.1 | 7.8 | 10.3 | -2.5 |
| Northwest Territories | 21.1 | 22.1 | -4.5 | 7.0 | 9.4 | -2.4 |
| Nunavut | 13.4 | 13.0 | 3.1 | 12.5 | 16.2 | -3.7 |
| Yukon | 20.2 | 18.9 | 6.9 | 5.2 | 6.9 | -1.7 |

*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.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, Northwest Territories, Nunavut and Yukon

For further information, please contact the LMI team at: NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

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

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¹ Health Canada, News Release, Canada Reaches Health Funding Agreement with the Northwest Territories, Nunavut and Yukon. January 16, 2017.

http://www.gov.nu.ca/sites/default/files/spb_nr_health_accord-territories_2017-01-16-1624.pdf

² Government of Canada, News Release, Governments of Canada and the Northwest Territories investing in Canyon Creek all-season access road and other road improvements. January 5, 2017.

<http://news.gc.ca/web/article-en.do?nid=1175079>