



# Labour Market Bulletin

## Northwest Territories, Nunavut and Yukon

March 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 trended downward for a second consecutive quarter. The number of people employed in the Territories fell 0.5% to 55,200 in the first quarter of 2017. This drop can be attributed entirely to a decrease in number of people working full time. Falling employment in the first quarter is not uncommon though, as the northern economy typically contracts during the winter months.

Despite this quarterly decline, employment in the combined Territories is up 1.5% on a year over year basis. However, Yukon is the only territory to have positive employment growth over this period with job gains both in the goods-producing and services-producing sectors. Looking forward, the medium-term employment trend is positive for the Territories, as a number of new mining and public infrastructure projects commence across the North.

#### Unemployment

The unemployment rate for the combined Territories was essentially flat on a quarterly basis, up 0.1 percentage points to 8.2% from the fourth quarter of 2016. Year over year, unemployment rates are down across all three territories. Nunavut posted the most significant decline, with its unemployment rate falling 2.2 percentage points to 15.2%.

The youth (15 to 24 years) unemployment rate for the three territories was 18.3% in the first quarter, representing an increase of 3.3 percentage points from the previous quarter. However, the youth unemployment rate is down slightly on a year over year basis (-0.9 percentage points).

Compared to the first quarter of 2016, the unemployment rate for young women is down 3.1 percentage points to 11.9%, while the unemployment rate for young men increased 0.7 percentage points to 24.4% over the same period. Nunavut continues to have the highest youth unemployment rate in the country, with its unemployment rate for young men sitting at 35.8%.

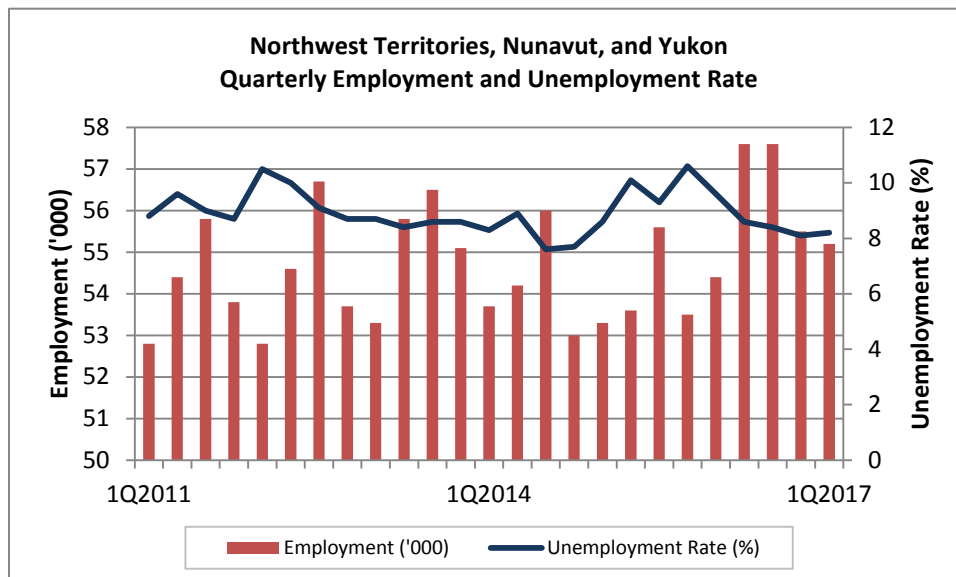
**Northwest Territories, Nunavut, Yukon\* Quarterly Labour Force Statistics**

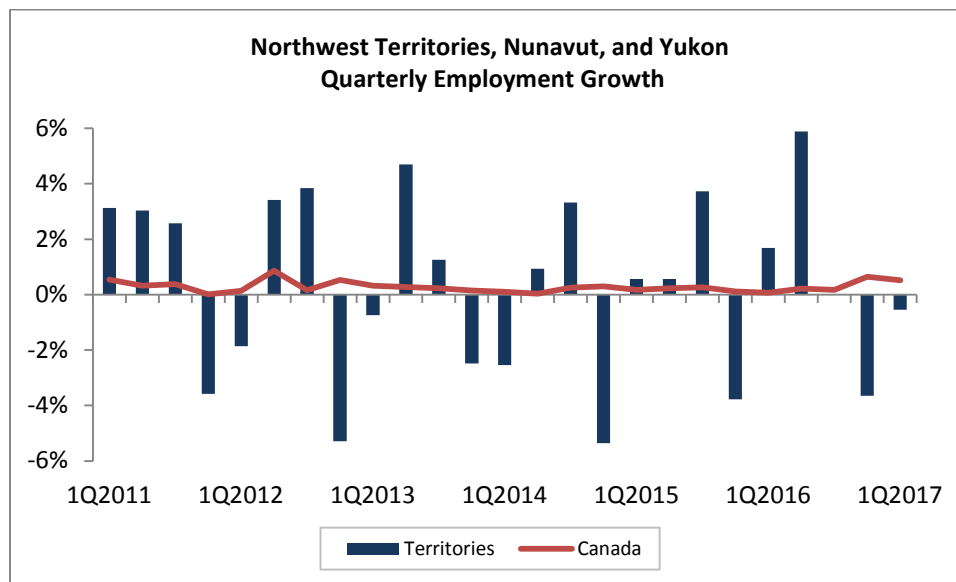
Seasonally unadjusted quarterly data	1st Quarter 2017	4th Quarter 2016	1st Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	85.1	85.0	84.6	0.1	0.1	0.5	0.6
Labour Force ('000)	60.1	60.4	60.2	-0.3	-0.5	-0.1	-0.2
Employment ('000)	55.2	55.5	54.4	-0.3	-0.5	0.8	1.5
Full-Time ('000)	46.4	47.4	47.0	-1.0	-2.1	-0.6	-1.3
Part-Time ('000)	8.8	8.1	7.3	0.7	8.6	1.5	20.5
Unemployment ('000)	4.9	4.9	5.8	0.0	0.0	-0.9	-15.5
Unemployment Rate (%)	8.2	8.1	9.6	0.1	-	-1.4	-
Participation Rate (%)	70.6	71.1	71.2	-0.5	-	-0.6	-
Employment Rate (%)	64.9	65.3	64.3	-0.4	-	0.6	-

\* Combined data — based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey





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

Seasonally unadjusted data	1st	4th	1st	Quarterly	Yearly
	Quarter	Quarter	Quarter	Variation	Variation
	2017 (%)	2016 (%)	2016 (%)	(% points)	(% points)
<b>Total</b>	8.2	8.1	9.6	0.1	-1.4
<b>25 years and over</b>	6.6	7.1	8.4	-0.5	-1.8
Men - 25 years and over	8.2	8.6	11.3	-0.4	-3.1
Women - 25 years and over	4.8	5.1	5.2	-0.3	-0.4
<b>15 to 24 years</b>	18.3	15.0	19.2	3.3	-0.9
Men - 15 to 24 years	24.4	20.0	23.7	4.4	0.7
Women - 15 to 24 years	11.9	10.0	15.0	1.9	-3.1

\*Combined data — based on a three month moving average  
Source: Statistics Canada Labour Force Survey

## EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector fell 5.3% to 7,100 on a quarterly basis. In fact, employment declined across all industries within the sector during the quarter, with the largest decline occurring in construction (-200). However, falling employment in construction during the winter months is not unusual given the seasonal nature of this industry. The employment outlook for the goods sector is expected to improve with the arrival of spring.

On a year over year basis, the number of people working in the goods-producing sector dropped 7.8% (-600). This setback is due to employment losses in forestry, fishing, mining quarrying, oil and gas (-4.2%) and construction (-7.5%). These declines demonstrate the continuing impact that lower commodity prices are having on the Territories' two most important industries within the goods-producing sector.

The goods-producing sector is expected to see growth over the medium-term though, driven by major mining and construction projects scheduled to begin in the next few years. Projects include TMAC Resources Inc.'s Doris North Gold Mine project in Nunavut, TerraX Minerals' Yellowknife City Gold exploration project and the City of Whitehorse operations building project.

Meanwhile, employment in the services-producing sector was relatively flat this quarter (+100), although the number of people employed in the sector increased considerably on a year over year basis (+1,600). Notable employment gains were recorded in trade (+500), transportation and warehousing (+500) and finance, insurance, real estate and leasing (+500).

Positive employment growth in the services-producing sector is likely to continue moving forward as the need for government services, medical care, social assistance and education increases. For example, the federal government plans to provide \$108 million in funding over the next four years into the new Territorial Health Investment Fund (THIF).<sup>1</sup> This investment is in addition to the funding already provided to the three territories through the Canada Health Transfer agreement.

#### Northwest Territories, Nunavut and Yukon\* Quarterly Labour Force Statistics, by Industry

Seasonally Unadjusted Data ('000)	1st Quarter 2017	4th Quarter 2016	1st Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	55.3	55.5	54.4	-0.2	-0.4	0.9	1.7
<b>Goods-producing sector</b>	7.1	7.5	7.7	-0.4	-5.3	-0.6	-7.8
Agriculture	0.0	0.0	0.0	0.0	-	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	2.3	2.4	2.4	-0.1	-4.2	-0.1	-4.2
Utilities	0.5	0.6	0.8	-0.1	-16.7	-0.3	-37.5
Construction	3.7	3.9	4.0	-0.2	-5.1	-0.3	-7.5
Manufacturing	0.2	0.3	0.2	-0.1	-33.3	0.0	0.0
<b>Services-producing sector</b>	48.2	48.1	46.6	0.1	0.2	1.6	3.4
Trade	6.0	5.9	5.5	0.1	1.7	0.5	9.1
Transportation and warehousing	3.6	3.3	3.1	0.3	9.1	0.5	16.1
Finance, insurance, real estate and leasing	2.2	2.5	1.7	-0.3	-12.0	0.5	29.4
Professional, scientific and technical services	2.6	2.6	2.2	0.0	0.0	0.4	18.2
Business, building and other support services	1.1	1.2	1.2	-0.1	-8.3	-0.1	-8.3
Educational services	5.8	5.9	6.1	-0.1	-1.7	-0.3	-4.9
Health care and social assistance	6.9	7.0	7.2	-0.1	-1.4	-0.3	-4.2
Information, culture and recreation	2.2	2.3	2.1	-0.1	-4.3	0.1	4.8
Accommodation and food services	3.6	3.3	3.4	0.3	9.1	0.2	5.9
Other services	1.8	1.9	2.2	-0.1	-5.3	-0.4	-18.2
Public administration	12.2	12.3	12.1	-0.1	-0.8	0.1	0.8

\* Combined data — based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey

## REGIONAL ANALYSIS

### Yukon

The number of people employed in Yukon increased by 3.5% to 20,900 on a quarterly basis. Gains can be attributed entirely to increasing employment in the services-producing sector. Year over year, the number of people employed increased 10.6% (+2,000). Both the goods-producing sector and services-producing sector posted employment increases over the year. The largest employment gains were in trade (+800), information, culture and recreation (+500) and finance, insurance, real estate and leasing (+300).

In the medium-term, projects such as the Whistle Bend affordable housing development, the Robert Campbell Highway and Alaska Highway expansion, and the \$40 million City of Whitehorse operations building project should create plenty of employment opportunities for local residents and companies during construction.

Moreover, BMC Minerals plans to build a new mine located between Watson Lake and Ross River. The Kudz Ze Kayah (KZK) project has the potential to be developed into a full lead-zinc-copper mine. BMC hopes to build the mine in 2020 once it has secured all the necessary permits and finances. If the projects receives approval, the new mine is expected to employ 400 people during two years of construction and up to 400 workers during production.<sup>2</sup>

### Northwest Territories

Employment in Northwest Territories fell 1.8% to 21,400 in the first quarter. This decline is due entirely to employment losses in the services-producing sector (-600). On a yearly basis, employment in the territory decreased 4.5% (-1,000); both the goods-producing and the services-producing sectors posted employment losses over the year, down 17.5% and 1.6% respectively.

Looking forward, the territory's economic outlook should improve in the medium-term, as a number of public and private projects will provide support for construction and related industries. These projects include the Stanton Territorial Hospital renewal project, the \$35 million women's unit at the Fort Smith Correctional Complex and the Mike Zubko Inuvik Airport Terminal replacement project.

In addition, the federal government has pledged \$15 million in funding over the next two years to build 10 new affordable housing units in Inuvialuit communities in NWT.<sup>3</sup> According to the NWT Housing Corporation, there are about 850 households currently on the waitlist for public housing in the territory. It is estimated that it will take over 10 years for housing supply to meet demand.<sup>4</sup>

### Nunavut

The number of people employed in Nunavut decreased for a third consecutive quarter, down 3.7% to 13,000. Both the goods-producing (-20%) and services-producing (-1.7%) sectors posted employment losses on a quarterly basis. Year over year, employment in Nunavut was essentially flat (-100) with gains in the territory's goods-producing sector offsetting losses in the services-producing sector.

Nunavut’s economic performance should remain positive over the next few years as work continues on the \$300 million Iqaluit Airport and the \$142 million Canadian High Arctic Research Station. Moreover, Agnico Eagle Mines Ltd. plans to invest US\$1.2 billion to construct the Meliadine and the Amaruq gold mines in the Kivalliq region.<sup>5</sup> These two projects alone will create 2,000 jobs during construction and operational phases between 2017 and 2030. Apart from job creation, these projects are expected to result in significant economic gains for the territory’s Kivalliq region, including an estimated \$500 million a year of spending on goods and services and \$2.5 million per year in property taxes for the Government of Nunavut.<sup>6</sup>

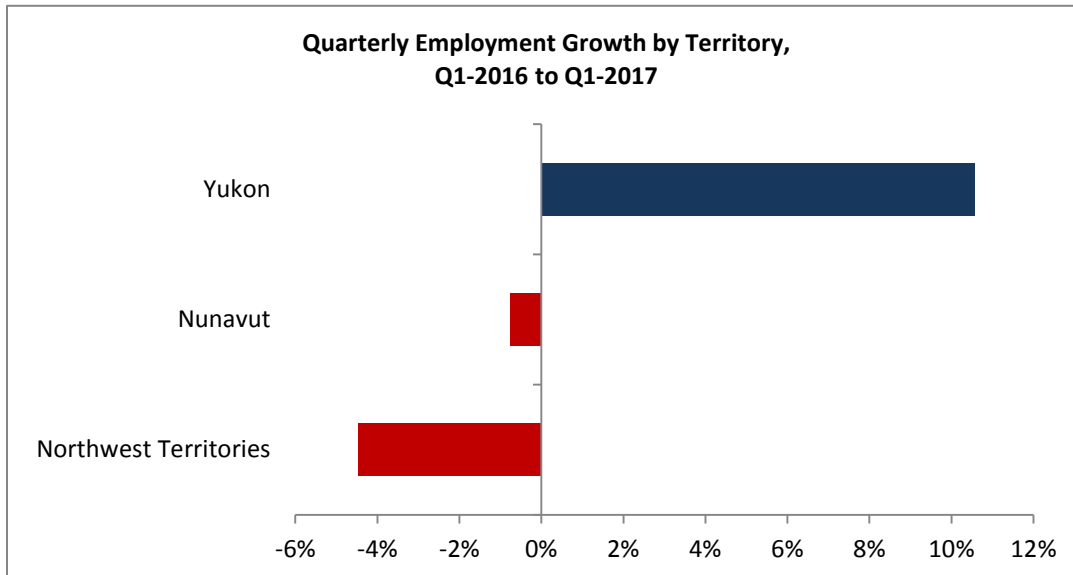
**Quarterly Labour Force Statistics, by Territory**

Seasonally unadjusted data	Employment			Unemployment Rate		
	1st Quarter 2017 ('000)	1st Quarter 2016 ('000)	Yearly Variation (%)	1st Quarter 2017 (%)	1st Quarter 2016 (%)	Yearly Variation (% points)
<b>Total territories*</b>	55.2	54.4	1.5	8.2	9.6	-1.4
Yukon	20.9	18.9	10.6	4.6	6.0	-1.4
Northwest Territories	21.4	22.4	-4.5	7.0	7.4	-0.4
Nunavut	13.0	13.1	-0.8	15.2	17.4	-2.2

\* Combined data — based on a 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](http://www.statcan.gc.ca)

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<sup>1</sup> Government of Canada, Budget 2017 – A strong Canada at Home and in the World, March 22, 2017.  
<http://www.budget.gc.ca/2017/docs/plan/chap-03-en.html>

<sup>2</sup> Whitehorse Daily Star, Mine Would Eventually Employ 400 people, March 29, 2017.  
<http://www.whitehorsestar.com/News/mine-would-eventually-employ-400-people>

<sup>3</sup> Inuvialuit Regional Corporation News Release, Inuvialuit Settlement Region Communities Supported by Economic Development and Improved Housing, February 24, 2017.  
[http://www.irc.inuvialuit.com/sites/default/files/2017-02-Housing%20Agreement%20\(JOINT\)\\_0.pdf](http://www.irc.inuvialuit.com/sites/default/files/2017-02-Housing%20Agreement%20(JOINT)_0.pdf)

<sup>4</sup> CBC News North, N.W.T. Gov't Underestimates Homelessness in Smaller Communities, says Fort Providence group, July 11, 2016.  
<http://www.cbc.ca/news/canada/north/fort-providence-homeless-housing-1.3670616>

<sup>5</sup> Nunatsiaq Online, Agnico Eagle Presses the Start Button on Two New Nunavut Mines, February 16, 2017.  
[http://www.nunatsiaqonline.ca/stories/article/65674agnico\\_eagle\\_presses\\_the\\_start\\_button\\_on\\_two\\_new\\_nunavut\\_mines/](http://www.nunatsiaqonline.ca/stories/article/65674agnico_eagle_presses_the_start_button_on_two_new_nunavut_mines/)

<sup>6</sup> Ibid