



# Labour Market Bulletin

## Northwest Territories, Nunavut and Yukon

March 2018



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 Yukon, Northwest Territories (NWT) and Nunavut trended downward for a second consecutive quarter. The number of people employed in the Territories dropped 1.4% to 54,600 in the first quarter of 2018. This change reflects a decline in the number of people working full-time (-600) and in the number of people working part-time (-100). Falling employment in the first quarter is not uncommon though, as the northern economy typically contracts during the winter months.

Year-over-year, employment across the North is down 1.1% (-600), with declines occurring in full-time and part-time positions. The number of people employed fell in Northwest Territories (-3.3%) and Nunavut (-0.8%). Yukon was the only territory to see increasing employment over the past year due to job gains in the goods-producing sector.

#### Unemployment

On a quarterly basis, the unemployment rate for the Territories increased 0.2 percentage points to 7.4%. On an annual basis, Northwest Territories is the only territory with a higher unemployment rate; up 1.8 percentage points to 8.8%. By contrast, both Yukon (2.3%) and Nunavut (12.6%) have lower unemployment rates year-over-year. In fact, Yukon continues to have one of the lowest unemployment rates in the country, well below the national rate of 5.8%.

The youth (aged 15 to 24 years) unemployment rate in the Territories was 16.0% in the first quarter, an increase of 1.7 percentage points over the fourth quarter of 2017. Despite this quarterly increase, the unemployment rate for this age group is down 2.3 percentage points on an annual basis. Over the past year, the unemployment rate for young men dropped 5.5 percentage points to 18.9%, while the unemployment rate for young women increased 3.9 percentage points to 15.8%.

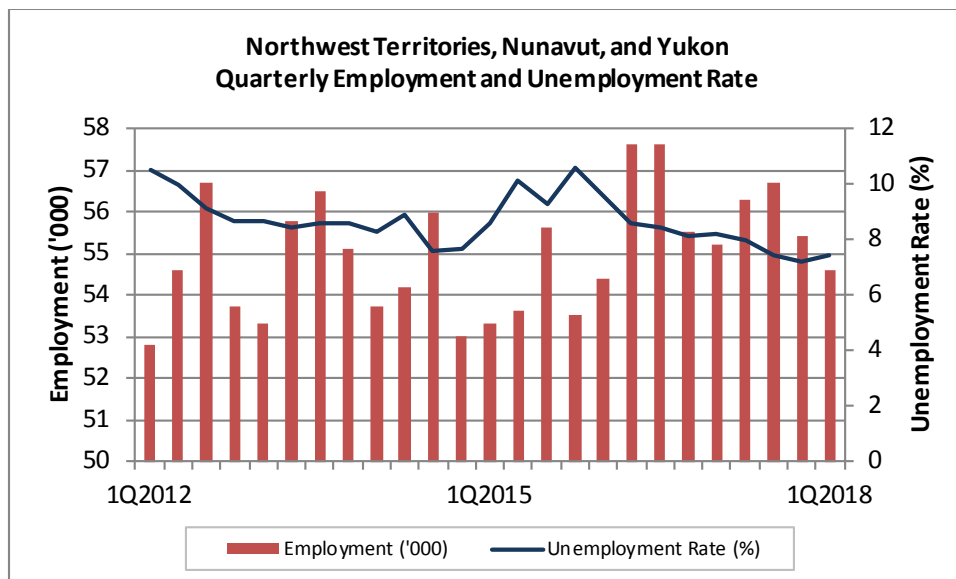
**Northwest Territories, Nunavut, Yukon\* Quarterly Labour Force Statistics**

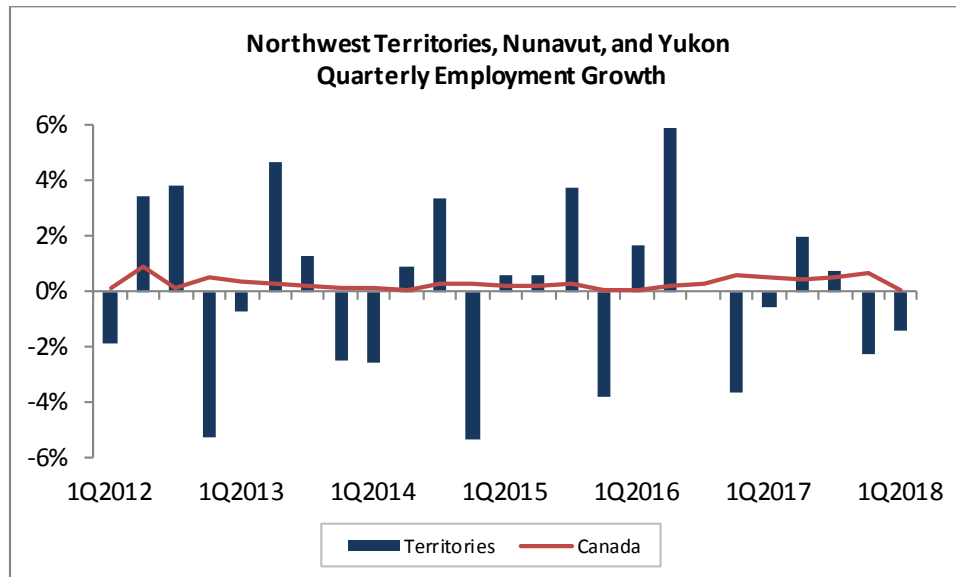
Seasonally unadjusted quarterly data	1st Quarter 2018	4th Quarter 2017	1st Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	86.2	86.0	85.1	0.2	0.2	1.1	1.3
Labour Force ('000)	59.1	59.6	60.1	-0.5	-0.8	-1.0	-1.7
Employment ('000)	54.6	55.4	55.2	-0.8	-1.4	-0.6	-1.1
Full-Time ('000)	46.3	46.9	46.4	-0.6	-1.3	-0.1	-0.2
Part-Time ('000)	8.3	8.4	8.8	-0.1	-1.2	-0.5	-5.7
Unemployment ('000)	4.4	4.3	4.9	0.1	2.3	-0.5	-10.2
Unemployment Rate (%)	7.4	7.2	8.2	0.2	-	-0.8	-
Participation Rate (%)	68.6	69.3	70.6	-0.7	-	-2.0	-
Employment Rate (%)	63.3	64.4	64.9	-1.1	-	-1.6	-

\* 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 Quarter 2018 (%)	4th Quarter 2017 (%)	1st Quarter 2017 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
	<b>Total</b>	7.4	7.2	8.2	0.2
<b>25 years and over</b>	6.2	6.0	6.6	0.2	-0.4
Men - 25 years and over	8.2	7.1	8.2	1.1	0.0
Women - 25 years and over	4.0	4.8	4.8	-0.8	-0.8
<b>15 to 24 years</b>	16.0	14.3	18.3	1.7	-2.3
Men - 15 to 24 years	18.9	17.5	24.4	1.4	-5.5
Women - 15 to 24 years	15.8	13.5	11.9	2.3	3.9

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

Source: Statistics Canada Labour Force Survey

## EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector stood at 6,900 in the first quarter of 2018, down 4.2% compared to the previous quarter. This setback can be mainly attributed to employment losses in the construction industry. On an annual basis, the number of people working in the goods-producing sector dropped 2.8% (-200). Employment gains in the utilities industry were offset by losses in the mining and construction industries over the past year.

Moving forward, the outlook for the goods-producing sector should improve over the short- and medium-term, driven by major mining and construction projects scheduled to begin across the North over the next few years.<sup>1</sup> For instance, the Government of Yukon tendered 37 construction projects worth \$61 million in March for upgrades to buildings, road work, and water and sewer improvements across the territory this year.<sup>2</sup>

In addition, the federal government recently announced that it is providing all three territories with a one-year extension of the Mineral Exploration Tax Credit to encourage more mining exploration activity across the North.<sup>3</sup> The 15% exploration tax credit is expected to help junior mining companies to raise more capital from investors to finance grassroots mineral exploration projects.<sup>4</sup>

Meanwhile, employment was also down in the services-producing sector in the first quarter, falling 200 to 47,900. The largest declines were in trade (-800) and transportation and warehousing (-500).

On a yearly basis, the number of people working in the services-producing sector dropped 0.6% (-300). Employment gains in health care and social assistance (+900) and information, culture and recreation (+1,100) were offset by losses in transportation and warehousing (-800); professional, scientific and technical services (-800); and educational services (-400).

Over the short-term, public sector industries such as education and health care are expected to see some growth, buoyed by increased federal and territorial funding commitments. The Government of Northwest Territories, for example, plans to invest \$7 million over four years towards hiring 42 child and youth care counsellors and 7 clinical supervisors in elementary and high schools across the territory.<sup>5</sup> The funding is expected to help students with mental health challenges.

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

Seasonally Unadjusted Data ('000)	1st Quarter 2018	4th Quarter 2017	1st Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	54.6	55.3	55.3	-0.7	-1.3	-0.7	-1.3
<b>Goods-producing sector</b>	6.9	7.2	7.1	-0.3	-4.2	-0.2	-2.8
Agriculture	0.0	0.0	0.0	0.0	-	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	2.2	2.2	2.3	0.0	0.0	-0.1	-4.3
Utilities	0.9	0.8	0.5	0.1	12.5	0.4	80.0
Construction	3.2	3.6	3.7	-0.4	-11.1	-0.5	-13.5
Manufacturing	0.2	0.0	0.2	0.2	-	0.0	0.0
<b>Services-producing sector</b>	47.9	48.1	48.2	-0.2	-0.4	-0.3	-0.6
Trade	6.0	6.8	6.0	-0.8	-11.8	0.0	0.0
Transportation and warehousing	2.8	3.3	3.6	-0.5	-15.2	-0.8	-22.2
Finance, insurance, real estate and leasing	2.1	2.3	2.2	-0.2	-8.7	-0.1	-4.5
Professional, scientific and technical services	1.8	2.0	2.6	-0.2	-10.0	-0.8	-30.8
Business, building and other support services	1.1	1.3	1.1	-0.2	-15.4	0.0	0.0
Educational services	5.4	5.6	5.8	-0.2	-3.6	-0.4	-6.9
Health care and social assistance	7.8	7.2	6.9	0.6	8.3	0.9	13.0
Information, culture and recreation	3.3	2.7	2.2	0.6	22.2	1.1	50.0
Accommodation and food services	3.6	3.3	3.6	0.3	9.1	0.0	0.0
Other services	1.6	1.7	1.8	-0.1	-5.9	-0.2	-11.1
Public administration	12.4	11.8	12.2	0.6	5.1	0.2	1.6

\* 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 1.4% to 21,000 in the first quarter of 2018. Both the goods-producing (+300) and services-producing (+100) sectors saw rising employment on the quarter.

Looking ahead, the outlook for both the goods-producing and services-producing sectors are bright in the medium-term.<sup>6,7</sup> Construction projects such as the \$317 million Coffee Gold Project,<sup>8</sup> the \$46 million municipal operations building in Whitehorse<sup>9</sup> and the 80-lot Whistle Bend housing development<sup>10</sup> will help to generate plenty of employment and businesses opportunities for the territory.

Moreover, Victoria Gold Corp. recently finalized a construction financing package worth approximately \$505 million that will fully fund the development of its Eagle Gold Project through the mine's estimated 10-year lifespan.<sup>11</sup> The open-pit mine, located 85 kilometres northeast of Mayo, will employ approximately 400 people. Initial production is expected to get underway in late 2019.<sup>12</sup>

### Northwest Territories

Employment in Northwest Territories fell 1.4% to 20,700 in the first quarter. This decline is due entirely to employment losses in the goods-producing sector (-400). Year-over-year, employment in the territory decreased 3.3% (-700); both the goods-producing (-18.2%) and services-producing sectors (-0.6%) posting employment losses over the year.

According to the Conference Board of Canada, economic growth for the Northwest Territories is forecast to be weak in the short-term, as carat production at the Gahcho Kue diamond mine will gradually decline starting this year.<sup>13</sup> With diamond output expected to decline and no new mines coming online over the next three years, growth in the mining sector will be flat until Canadian Zinc's Prairie Creek mine opens in late 2020.<sup>14</sup> The \$280 million zinc mine is expected to have a substantial impact on the territorial economy over the course of its 15-year lifespan.<sup>15</sup> Approximately 200 jobs will be created during construction and an additional 330 direct full-time positions will be required once the facility is fully operational.<sup>16</sup>

Additionally, the federal and territorial governments recently pledged a combined total of \$760 million in funding for infrastructure improvement projects across the territory over the next ten years.<sup>17</sup> Funds will be distributed under four streams: green infrastructure; public transport; community, culture and recreation infrastructure; and rural and northern communities' infrastructure.<sup>18</sup> Some of the projects are expected to begin construction as early as this fiscal year.<sup>19</sup>

### Nunavut

The number of people employed in Nunavut decreased for a third consecutive quarter, down 5.1% to 12,900. Both the goods-producing (-200) and the services-producing (-400) sectors posted employment losses on a quarterly basis.

Nunavut’s economic outlook should improve substantially in the short and medium-term though, as mega mining and construction projects are slated to begin over the next two years. Projects include the \$85 million deep sea port and small-craft harbour project in Iqaluit,<sup>20</sup> Sabina Gold’s \$400 million Back River gold mine,<sup>21</sup> and the \$1.2 billion Meliadine and Amaruq gold mines in the Kivalliq region.<sup>22</sup>

The federal and territorial governments also recently announced funding of \$566 million over the next ten years for public infrastructure projects in Nunavut.<sup>23</sup> This funding will be used to support cleaner air and water initiatives, more reliable road access and improved broadband connectivity for remote communities. These projects are anticipated to create employment and training opportunities for local residents in the long-term.

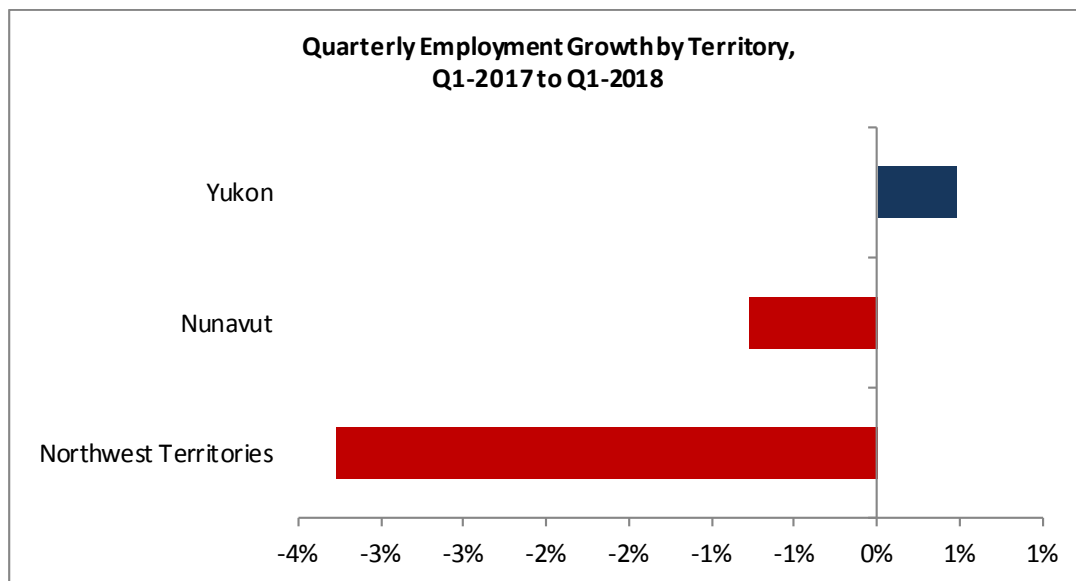
**Quarterly Labour Force Statistics, by Territory**

Seasonally unadjusted data	Employment			Unemployment Rate		
	1st Quarter 2018 ('000)	1st Quarter 2017 ('000)	Yearly Variation (%)	1st Quarter 2018 (%)	1st Quarter 2017 (%)	Yearly Variation (% points)
<b>Total territories*</b>	54.6	55.2	-1.1	7.4	8.2	-0.8
Yukon	21.0	20.9	0.5	2.3	4.6	-2.3
Northwest Territories	20.7	21.4	-3.3	8.8	7.0	1.8
Nunavut	12.9	13.0	-0.8	12.6	15.2	-2.6

\* 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> Conference Board of Canada, Territorial Outlook 2018: Mining Outlook Brightens, 2018.

<http://www.conferenceboard.ca/e-library/abstract.aspx?did=9465>

<sup>2</sup> Government of Yukon, More than \$60 million in construction projects tendered early, March 4, 2018.

<https://yukon.ca/en/more-than-60-million-dollars-in-construction-projects-tendered>

<sup>3</sup> Government of Canada, Budget Plan 2018, February 27, 2018.

<https://www.budget.gc.ca/2018/docs/plan/chap-02-en.html?wbdisable=true>

<sup>4</sup> Ibid

<sup>5</sup> CBC News, N.W.T. government aims to put mental health counsellors in schools, March 12, 2018.

<http://www.cbc.ca/news/canada/north/counsellors-in-nwt-schools-1.4571585>

<sup>6</sup> Conference Board of Canada, Territorial Outlook 2018: Mining Outlook Brightens, 2018.

<http://www.conferenceboard.ca/e-library/abstract.aspx?did=9465>

<sup>7</sup> Conference Board of Canada, e-Data Territorial (GDP) forecast, February 20, 2018

<http://www.conferenceboard.ca/e-data/default.aspx>

<sup>8</sup> BuildForce Canada, Canada's Territories – 2018: Construction trades outlook for major projects, 2018.

<http://www.buildforce.ca/en/products/canadas-territories-2018-construction-trades-outlook-major-projects>

<sup>9</sup> Whitehorse Star, City shift funds from 2017 to 2018, April 4, 2018

<http://www.whitehorsestar.com/News/city-shifts-funds-from-2017-to-2018>

<sup>10</sup> Government of Yukon, New Whistle Bend lots to be available for 2018 building season, March 12, 2018.

<https://yukon.ca/en/new-whistle-bend-lots-available>

<sup>11</sup> CBC News, Victoria Gold gets \$505M in funding for Yukon mine, March 09, 2018.

<http://www.cbc.ca/news/canada/north/victoria-gold-mayo-yukon-mine-gold-1.4569645>

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<sup>12</sup> Ibid

<sup>13</sup> Conference Board of Canada, Territorial Outlook 2018: Mining Outlook Brightens, 2018.  
<http://www.conferenceboard.ca/e-library/abstract.aspx?did=9465>

<sup>14</sup> Ibid

<sup>15</sup> CBC News, Canadian Zinc hopes to start production at Prairie Creek mine in 2020, December 1, 2017  
<http://www.cbc.ca/news/canada/north/canadian-zinc-hopes-to-start-production-at-prairie-creek-mine-in-2020-1.4427635>

<sup>16</sup> Ibid

<sup>17</sup> Government of Northwest Territories, Wally Schumann: Federal Infrastructure Funding, March 7, 2018.  
<http://www.gov.nt.ca/newsroom/news/wally-schumann-federal-infrastructure-funding>

<sup>18</sup> Ibid

<sup>19</sup> Ibid

<sup>20</sup> CBC News, No environmental review needed for Iqaluit port, says Nunavut board, October 3, 2017.  
<http://www.cbc.ca/news/canada/north/iqaluit-port-nirb-screening-review-1.4320269>

<sup>21</sup> CBC News, Back River gold mine could break ground this spring in Kitikmeot, December 7, 2017.  
<http://www.cbc.ca/news/canada/north/sabina-gold-mine-cambridge-bay-back-river-1.4438102>

<sup>22</sup> Conference Board of Canada, Territorial Outlook 2018: Mining Outlook Brightens, 2018.  
<http://www.conferenceboard.ca/e-library/abstract.aspx?did=9465>

<sup>23</sup> CBC News, Feds, Nunavut gov't announce \$566M for territory's infrastructure projects, March 28, 2018.  
<http://www.cbc.ca/news/canada/north/new-infrastructure-money-nunavut-1.4597610>