



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon



September 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 Northwest Territories, Nunavut and Yukon continued to trend upward for a second consecutive quarter. The number of people employed in the Territories increased 1.8% to 57,200 in the third quarter of 2018. Employment levels in Nunavut and Northwest Territories are higher on a quarterly basis, while employment in Yukon dropped slightly.

On a year-over-year basis, employment in the Territories advanced 2.5%, meaning that 1,400 more people were employed. In fact, employment in all three territories increased over the year. The number of people employed increased considerably both in Northwest Territories (+3.2%) and in Nunavut (+3.0%), while employment in Yukon advanced more moderately (+1.4%).

Unemployment

On a quarterly basis, the unemployment rate for the combined Territories dropped 1.0 percentage points to 6.7% — the lowest it has been since the second quarter of 2009. Year-over-year, the unemployment rate is down across all three territories. The Northwest Territories posted the most significant decline, with its unemployment rate falling 2.2 percentage points to 4.7%. Meanwhile, Yukon continues to have one of the lowest unemployment rates (3.2%) in the country, well below the national rate of 5.9%.

Compared to the third quarter of 2017, the unemployment rate for youth (15 to 24 years) in the Territories decreased 0.6 percentage points to 13.8%. The unemployment rate for young women fell 2.1 percentage points to 12.5%, while the unemployment rate for young men increased 3.4 percentage points to 17.4%.

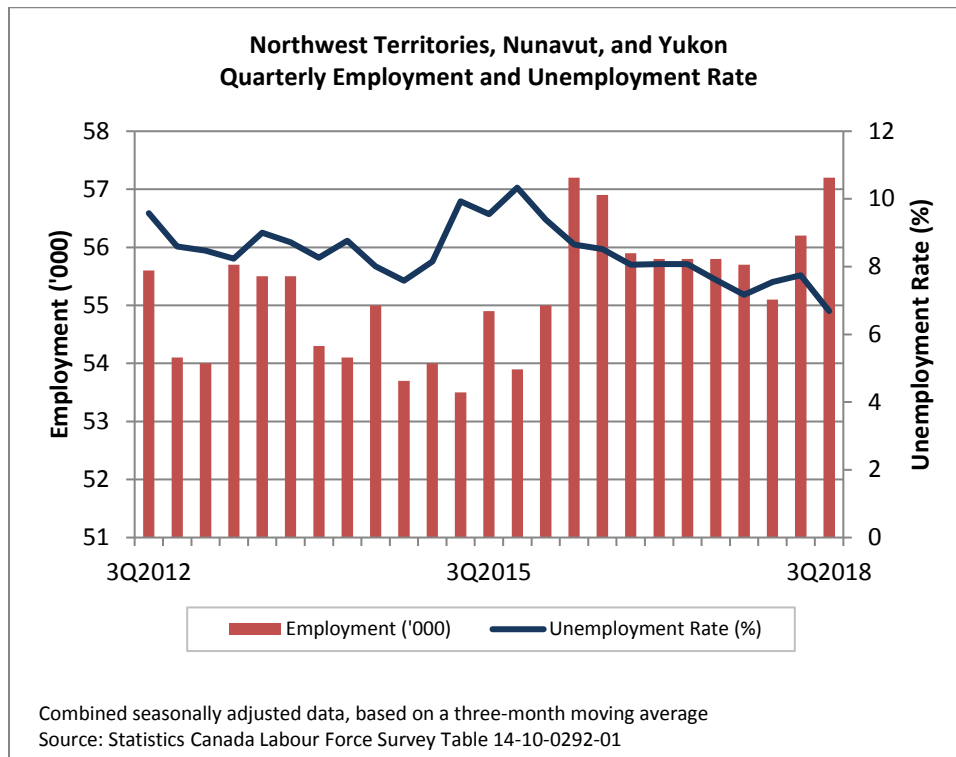
Northwest Territories, Nunavut, Yukon* Quarterly Labour Force Statistics

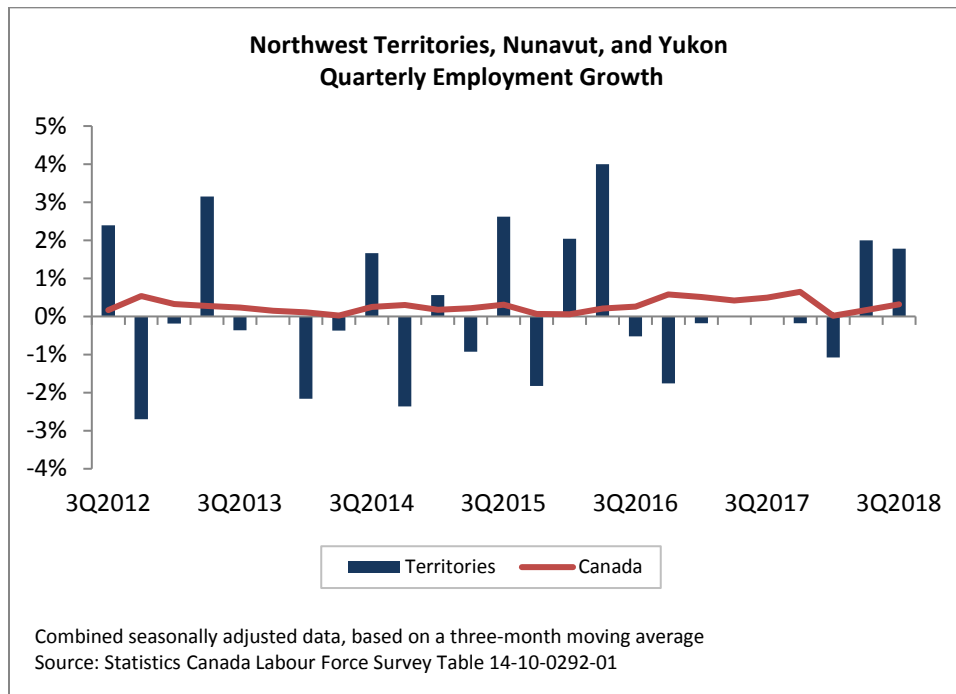
Seasonally adjusted data	3rd Quarter 2018	2nd Quarter 2018	3rd Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	87.2	86.7	85.5	0.5	0.6	1.7	2.0
Labour Force ('000)	61.3	60.7	60.4	0.6	1.0	0.9	1.5
Employment ('000)	57.2	56.2	55.8	1.0	1.8	1.4	2.5
Unemployment ('000)	4.1	4.7	4.6	-0.6	-12.8	-0.5	-10.9
Unemployment Rate (%)	6.7	7.7	7.6	-1.0	-	-0.9	-
Participation Rate (%)	70.3	70.0	70.6	0.3	-	-0.3	-
Employment Rate (%)	65.6	64.8	65.3	0.8	-	0.3	-

* Combined data based on monthly three-month moving averages

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Table 14-10-0292-01 (formerly CANSIM 282-0100)





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

Seasonally unadjusted data	3rd Quarter 2018 (%)	3rd Quarter 2017 (%)	Yearly Variation
			(% points)
Total	6.6	7.4	-0.8
25 years and over	5.5	6.1	-0.6
Men - 25 years and over	6.8	7.2	-0.4
Women - 25 years and over	4.0	4.9	-0.9
15 to 24 years	13.8	14.4	-0.6
Men - 15 to 24 years	17.4	14.0	3.4
Women - 15 to 24 years	12.5	14.6	-2.1

*Combined data based on a three month moving average
Source: Statistics Canada Labour Force Survey – ESDC custom table

EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector was up 1,400 in the third quarter of 2018, an increase of 17.9% from the same quarter last year. In fact, all industries within the sector posted employment gains on the year, with mining (+400) and construction (+500) seeing the largest increases. Employment growth in both industries is being driven by several mining development and public infrastructure projects currently underway across the three territories.

Positive employment growth in the goods-producing sector is likely to continue moving forward as major mining and construction projects are scheduled to begin in the North over the next few years. Moreover, funding from all levels of government for infrastructure projects such as roads, water and sewer facilities, hospitals and marine facilities will also help to support growth in the construction industry. For instance, the federal and Yukon governments recently pledged over \$16.5 million through the Small Communities Fund to upgrade water treatment plants and install a solar power system across the territory.¹

Meanwhile, the number of people working in the services-producing sector fell 1.0% (-500) over the year. Employment gains in health care and social assistance (+1,100) and information, culture and recreation (+500) were offset by losses in accommodation and food services (-700); trade (-700); and professional, scientific and technical services (-400).

Labour market conditions in the services-producing sector are expected to improve over the medium-term though. For instance, the tourism industry is anticipated to create more employment opportunities for the Territories over the next few years. Indeed, all three territorial governments report substantial growth in visitation and tourist expenditures. The Northwest Territories, for example, had a record-breaking year in 2017, with over 100,000 visitors travelling to the territory. Visitor spending in the territory has also increased significantly, up 21% to \$201.4 million in 2016-17 compared to a year ago.²

Also, the Northwest Territories government and the Canadian Executive Service Organization recently renewed an agreement to support the Tourism Business Mentorship Program in the territory. The program provides employment and training opportunities for local tourism operators and employees in order to enhance their skills in business planning, technology and marketing. This is the fourth consecutive year for this initiative.³

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

Seasonally Unadjusted Data ('000)	3rd Quarter 2018	3rd Quarter 2017	Yearly Variation	
			Number	%
Total employed, all industries	57.8	56.7	1.1	1.9
Goods-producing sector	9.2	7.8	1.4	17.9
Agriculture	0.0	0.0	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	3.1	2.7	0.4	14.8
Utilities	0.9	0.6	0.3	50.0
Construction	4.4	3.9	0.5	12.8
Manufacturing	0.4	0.0	0.4	-
Services-producing sector	48.5	49.0	-0.5	-1.0
Trade	6.3	7.0	-0.7	-10.0
Transportation and warehousing	3.2	3.3	-0.1	-3.0
Finance, insurance, real estate and leasing	2.2	2.2	0.0	0.0
Professional, scientific and technical services	1.8	2.2	-0.4	-18.2
Business, building and other support services	1.4	1.2	0.2	16.7
Educational services	4.6	4.5	0.1	2.2
Health care and social assistance	8.3	7.2	1.1	15.3
Information, culture and recreation	3.2	2.7	0.5	18.5
Accommodation and food services	3.0	3.7	-0.7	-18.9
Other services	1.8	1.9	-0.1	-5.3
Public administration	12.9	13.1	-0.2	-1.5

* Combined data based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – ESDC custom table

REGIONAL ANALYSIS**Yukon**

The number of people employed in Yukon increased 1.4% to 21,100 on a yearly basis. Employment losses in the services-producing sector were more than offset by gains in the goods-producing sector.

Looking ahead, the goods-producing should continue to see growth in the short-term. Projects such as the Victoria Gold Corp's \$370 million Eagle Gold development,⁴ construction projects involved in the Faro mine remediation process,⁵ and a new \$16.55 million arena in Carmacks⁶ should help to support growth in the construction industry.

Moreover, Goldcorp Inc. recently announced that it has cleared several stages set by the Yukon Environmental Socio-economic Assessment Board to develop the Coffee Gold Project. The company expects the proposed mine, located 130km south of Dawson City, to produce about \$2.4 billion worth of gold over a 12-year lifespan. If approved, the \$320 million project would create about 650 jobs during construction and an additional 350 direct

full-time positions once the facility is operational by 2021.⁷ In April, Goldcorp signed a collaboration agreement with Tr'ondek Hwech'in First Nation to help increase training, employment, and business opportunities for First Nation residents.

Northwest Territories

On an annual basis, employment in the NWT was up 3.2% (+700). Employment gains resulted entirely from an uptick in the services-producing sector, with public administration and information, culture and recreation seeing the largest increases.

In the medium-term, the \$280 million Prairie Creek zinc mine development,⁸ the \$140 million Mackenzie Valley Highway development project⁹ and construction of a \$12 million fish processing plant in the town of Hay River¹⁰ are expected to create plenty of job opportunities for local residents.

Meanwhile, Enbridge Inc. recently re-opened Line 21, an 869km pipeline that runs from Norman Wells to northern Alberta. The company originally shut the pipeline down in 2016 after concerns arose over slope instability near a crossing of the Mackenzie River. The closure of the pipeline also led Imperial Oil to shut down production at its Norman Wells operation in February 2017, where 60 workers were directly employed and about 50 others held contract work. The re-opening of Line 21 allows Imperial Oil to resume oil production at Norman Wells.¹¹

Nunavut

The number of people employed in Nunavut reached 13,800 in the third quarter, an increase of 400 compared to the same quarter in 2017. Job gains over the past year are due to growth in the goods-producing sector, with the mining and utilities industries seeing the most significant increases.

Nunavut's economic performance is expected to remain positive as public and private construction projects are scheduled to begin over the next two years. These construction projects include the new \$86 million deep-sea port project in Iqaluit,¹² the Qikiqtaaluk Corporation's \$50 million hotel in Iqaluit¹³ and the \$400 million Back River gold mine development.¹⁴

Nunavut's services-producing sector should also see some growth in the short-term. The North West Company is opening five new convenience stores throughout the territory in October and November of this year. The new QuickStop convenience stores are expected to employ six to ten full-and part-time employees per location. Moreover, the North West Company has acquired the Kitnuna Pharmacy in Cambridge Bay and is planning to expand its professional services such as diabetes and smoking cessation treatments in a new location. The North West Company employs about 800 workers across Nunavut and is currently one of the largest private employers in the territory.¹⁵

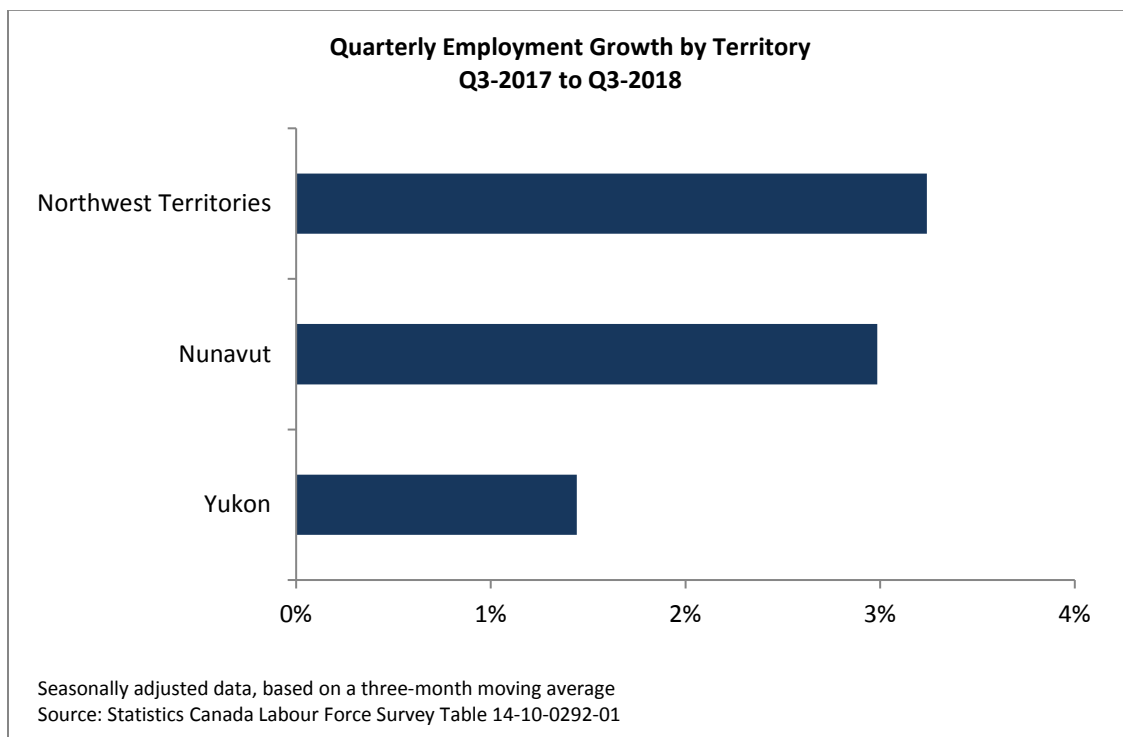
Quarterly Labour Force Statistics by Territory

Seasonally adjusted data	Employment			Unemployment Rate		
	3rd Quarter 2018 ('000)	3rd Quarter 2017 ('000)	Yearly Variation (%)	3rd Quarter 2018 (%)	3rd Quarter 2017 (%)	Yearly Variation (% points)
Total territories*	57.2	55.8	2.5	6.7	7.6	-0.9
Yukon	21.1	20.8	1.4	3.2	3.3	-0.1
Northwest Territories	22.3	21.6	3.2	4.7	6.9	-2.2
Nunavut	13.8	13.4	3.0	14.5	14.9	-0.4

* Combined data based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Table 14-10-0292-01 (formerly CANSIM 282-0100)



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 Whitehorse Daily Star, Governments announce infrastructure funding, September 10, 2018.

<https://www.whitehorsestar.com/News/governments-announce-infrastructure-funding>

² Government of the Northwest Territories, Tourism Business Mentorship Agreement Renewed, September 18, 2018.

<https://www.iti.gov.nt.ca/en/newsroom/tourism-business-mentorship-agreement-renewed>

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⁴ Conference Board of Canada, Territorial Outlook Economic Forecast, Spring 2018.

<http://www.conferenceboard.ca/e-library/abstract.aspx?did=9566>

⁵ Yukon News, Feds award \$80M Faro construction manager contract, August 9, 2018.

<https://www.yukon-news.com/news/feds-award-80m-faro-maintenance-contract/>

⁶ Government of Canada, The governments of Canada and Yukon invest in new Arena in Carmacks, September 7, 2018.

<https://www.canada.ca/en/office-infrastructure/news/2018/09/the-governments-of-canada-and-yukon-invest-in-new-arena-in-carmacks.html>

⁷ CBC News, Coffee Gold project prepares for 2021, with support of Tr'ondek Hwech'in, September 13, 2018.

<https://www.cbc.ca/news/canada/north/coffee-gold-mine-trondek-hwechin-1.4822191>

⁸ Ibid

⁹ CBC News, Mackenzie Valley Highway project to get \$102M boost from federal gov't, June 27, 2018.

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¹⁰ CBC News, Hay River's fish plant in desperate need of repairs, says manager, August 14, 2018.

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¹¹ CBC News, Norman Wells oil production to resume after Line 21 pipeline approved to re-open, September 25, 2018.

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¹² Nunatsiaq News, Construction on Iqaluit's small-craft harbor, deep-sea ports starts in July, June 25, 2018.

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¹³ CBC News, New hotel in Iqaluit to break ground this month, May 7, 2018.

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¹⁴ Conference Board of Canada, Territorial Outlook Economic Forecast, Spring 2018.

<http://www.conferenceboard.ca/e-library/abstract.aspx?did=9566>

¹⁵ Nunavut News, North West Company adds five convenience stores in Nunavut; purchases pharmacy, October 1, 2018.

<https://nunavutnews.com/nunavut-news/north-west-company-adds-five-convenience-stores-in-nunavut-purchases-pharmacy/>