



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

January 2019



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

There were 56,200 people employed in Northwest Territories (NWT), Nunavut and Yukon as of January 2019, representing a decrease of 1.1% (-600) from December 2018. Employment levels in Nunavut were unchanged this month, while Northwest Territories and Yukon saw decreases of 2.3% and 0.5% respectively.

On a year-over-year basis, employment in the Territories advanced 1.4% (+800), with all gains occurring in the goods-producing sector. The number of people employed is up in Nunavut (+6.0%) and in Yukon (+0.5%), while Northwest Territories was the only territory to see declining employment over the past year (-0.5%).

Unemployment

The unemployment rate for the combined Territories was essentially flat on a monthly basis, up 0.1 percentage points to 8.3% in January. On an annual basis, Northwest Territories was the only territory to see its unemployment rate improve, down 0.3 percentage points to 8.4%. By contrast, Nunavut's unemployment rate increased 0.8 percentage points to 14.6%, while the unemployment rate in Yukon increased 0.4 percentage points to 3.6%.

For the combined Territories, the unemployment rate for youth (15 to 24 years) was 21.8% in January, up 6.0 percentage points from January 2018. The unemployment rate for young men reached 23.7% in January, 4.8 percentage points higher than a year earlier. Meanwhile, the unemployment rate for young women increased significantly over the year, up 7.2 percentage points to 20.0% – the highest rate since November 2015.

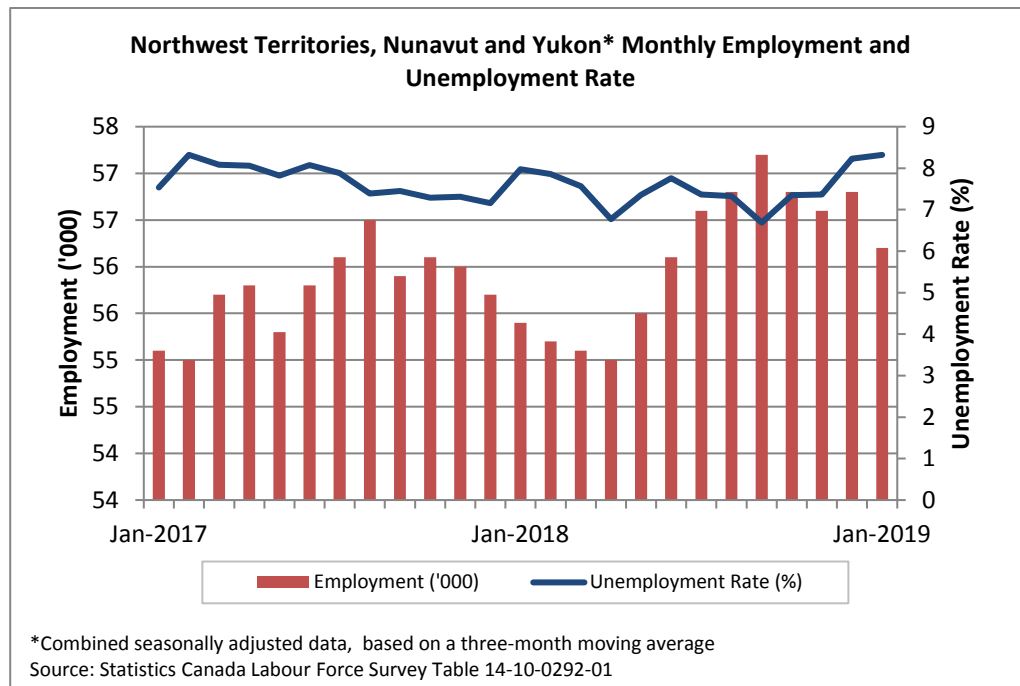
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Adjusted Data	January 2019	December 2018	January 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	87.6	87.4	86.1	0.2	0.2	1.5	1.7
Labour Force ('000)	61.3	62.0	60.2	-0.7	-1.1	1.1	1.8
Employment ('000)	56.2	56.8	55.4	-0.6	-1.1	0.8	1.4
Unemployment ('000)	5.1	5.1	4.8	0.0	0.0	0.3	6.2
Unemployment Rate (%)	8.3	8.2	8.0	0.1	-	0.3	-
Participation Rate (%)	70.0	70.9	69.9	-0.9	-	0.1	-
Employment Rate (%)	64.2	65.0	64.3	-0.8	-	-0.1	-

*Combined data - 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)



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

Seasonally Unadjusted Data	January 2019 (%)	January 2018 (%)	Yearly Variation (% points)
Total	8.4	8.0	0.4
25 years and over	6.6	6.9	-0.3
Men - 25 years and over	7.9	9.3	-1.4
Women - 25 years and over	5.2	4.4	0.8
15 to 24 years	21.8	15.8	6.0
Men - 15 to 24 years	23.7	18.9	4.8
Women - 15 to 24 years	20.0	12.8	7.2

**Combined data - three month moving average*

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – ESDC custom table

EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector was up 1,000 in January, an increase of 13.9% from the same time last year. Mining and construction – the Territories’ two key industries – posted significant year-over year employment growth of 13.0% and 13.9% respectively. Employment growth in these industries is being driven by several mining exploration and public infrastructure projects that got underway across the North over the past year.

Looking ahead, the goods-producing sector should continue to see steady growth over the short- and medium-term as large-scale mining development projects and investment in public infrastructure will help to generate new employment opportunities. BuildForce Canada estimates that the number of tradespeople required in the Territories will exceed 1,000 people over the next five years. Although new workers are expected to be drawn locally, individuals from other regions will be needed due to the small labour pool in the North.¹

On an annual basis, employment in the services-producing sector is down 0.6%, meaning 300 fewer people were employed in this sector in January compared to a year ago. Employment gains in health care and social assistance (+800) and information, culture and recreation (+400) were offset by losses in educational services (-1,000) and accommodation and food services (-700).

Despite recent employment losses, the outlook for the services-producing sector is optimistic over the medium-term. Funding from all levels of government for infrastructure projects such as roads, water treatment facilities and remediation work on several mine sites will help to support employment growth in industries such as trade; transportation and warehousing; and professional, scientific and technical services. For instance, the federal government is expecting to invest about \$600 million in contract work for the NWT’s Giant Mine Remediation Project.² About 80 jobs will be created during the remediation process between 2021 and 2030. The project will also bring business opportunities for local companies specializing in transportation, engineering, and hazardous material handling.³

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

Seasonally Unadjusted Data	January 2019	January 2018	Yearly Variation	
			Number	%
Total employed, all industries	55.6	54.9	0.7	1.3
Goods-producing sector	8.2	7.2	1.0	13.9
Agriculture	0.0	0.0	0.0	--
Forestry, fishing, mining, quarrying, oil and gas	2.6	2.3	0.3	13.0
Utilities	1.0	0.9	0.1	11.1
Construction	4.1	3.6	0.5	13.9
Manufacturing	0.5	0.0	0.5	--
Services-producing sector	47.4	47.7	-0.3	-0.6
Trade	6.7	6.4	0.3	4.7
Transportation and warehousing	3.1	3.3	-0.2	-6.1
Finance, insurance, real estate and leasing	2.2	2.2	0.0	0.0
Professional, scientific and technical services	2.1	2.1	0.0	0.0
Business, building and other support services	1.0	1.2	-0.2	-16.7
Educational services	4.7	5.7	-1.0	-17.5
Health care and social assistance	8.4	7.6	0.8	10.5
Information, culture and recreation	3.0	2.6	0.4	15.4
Accommodation and food services	2.7	3.4	-0.7	-20.6
Other services	1.9	1.7	0.2	11.8
Public administration	11.6	11.8	-0.2	-1.7

*Combined data - three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey - ESDC custom table

REGIONAL ANALYSIS

Yukon

On a year-over-year basis, employment in Yukon was relatively flat, up just 0.5% (+100). Job gains are due entirely to growth in the goods-producing sector, as nearly every industry within the sector saw rising employment over the year.

In the medium-term, major mining development projects are expected to support employment growth in the Yukon. These projects include Victoria Gold Corp's \$370 million Eagle Gold Project and the \$320 million Coffee Gold Project.⁴ Both developments are anticipated to create a total of approximately 700 jobs for the territory.^{5,6}

Moreover, the federal and territorial governments have committed about \$360 million for the Yukon Resource Gateway Project that will see improved road access from the Dawson Range in central Yukon to the Nahanni Range Road in Southeastern Yukon. Engineering and planning work has already begun and construction is anticipated to start in 2024.⁷ Although no specific employment estimates are available, the territorial

government states that there will be plenty of contracting and direct job opportunities for local residents during construction.

Northwest Territories

In January, there were 20,800 people employed in Northwest Territories, slightly fewer (-100) compared to the same time last year. Both goods-producing and services-producing sectors posted declines over the year. Several industries experienced large percentage swings in employment over the year, most notably in educational services.

Nonetheless, the territory's economic fortunes should improve in the medium-term. Mining exploration projects such as the Avalon Advanced Materials Inc.'s rare earth deposit Nechalacho Project at Thor Lake,⁸ Fortune Mineral Limited's NICO gold-copper deposit⁹ and Osisko Metals Inc.'s Pine Point lead-zinc mine¹⁰ are likely to create more mining-related jobs for the territory.

In addition, the federal and territorial governments recently announced a joint funding investment of \$1.2 million for an expansion project at the Taltson hydroelectric facility located 64 kilometres north of Fort Smith. The proposed expansion is expected to triple the power plant's generation capacity from 18 to 60 megawatts, helping to reduce greenhouse gas emissions by 224 kilotonnes in the territory. The territorial government also plans to connect the hydroelectric system to an electrical grid near Great Slave Lake via an underwater cable, with the goal of eventually linking NWT to other Canadian provinces' power grids in a later phase. The expansion project is anticipated to create construction-related jobs for residents in the surrounding communities.¹¹

Nunavut

The number of people employed in Nunavut reached 14,100 in January 2019, an increase of 800 compared to a year earlier. Both the goods- and services-producing sectors posted increases in employment over the year.

Positive employment growth in both sectors is likely to continue moving forward due to large-scale mining and construction projects in the territory. Construction projects include the Meliadine gold mine development,¹² the \$400 million Qikiqtani Inuit Association and Qikiqtaaluk Corp. residential and commercial development in Iqaluit,¹³ and Nunastar Properties Inc.'s Astro Hill Place redevelopment project.¹⁴

Meanwhile, TMAC Resources Inc. has received the approval for two final water licenses to expand their Hope Bay gold project located in the Kitikmeot region. The licenses will allow TMAC to start construction on three new gold deposits at Madrid North, Madrid South and Boston on the Hope Bay goldfield. Construction will begin on a 55-kilometre all-weather road connecting the three new mine sites. The water permits will also allow the company to expand its port infrastructure and build a new wind farm to provide each site with a non-diesel energy source. Approximately 300 jobs will be created during the construction phase and 800 mining positions over its estimated 12-year lifespan. The company has signed a benefits agreement with Kitikmeot Inuit Association, which is expected to increase Inuit training and employment opportunities in the proposed mines.¹⁵

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

Seasonally Adjusted Data	Employment			Unemployment Rate		
	January 2019 ('000)	January 2018 ('000)	Yearly Variation (%)	January 2019 (%)	January 2018 (%)	Yearly Variation (% points)
Territories*	56.2	55.4	1.4	8.3	8.0	0.3
Northwest Territories	20.8	20.9	-0.5	8.4	8.7	-0.3
Nunavut	14.1	13.3	6.0	14.6	13.8	0.8
Yukon	21.3	21.2	0.5	3.6	3.2	0.4

*Combined data - 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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