



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

May 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

The combined employment in Canada's three Territories increased for a second consecutive month in May, with the number of employed increasing 1,100 (+2.0%). Employment levels in Yukon and Nunavut are higher on the month, while employment in Northwest Territories (NWT) fell slightly.

On a year-over-year basis, employment in the Territories is up 3.2%, or 1,800 more workers compared to the previous May. In fact, employment in all three Territories increased over the year. The number of people employed is up considerably in Yukon (+2.8%) and Nunavut (+7.6%), while employment in Northwest Territories advanced more moderately (+1.0%).

Unemployment

The unemployment rate for the combined Territories decreased in May, dropping 0.6 percentage points to 7.6%. On an annual basis, Yukon was the only territory to see an increase in its unemployment rate; rising 1.2 percentage points to 3.9%. Meanwhile, Northwest Territories and Nunavut saw a decrease in their unemployment rate over the year, reaching 7.9% and 12.4% respectively in May.

For the combined Territories, the unemployment rate for youth (15 to 24 years) was 15.2% in May, a decrease of 2.1 percentage points from May 2018. The unemployment rate for young men fell 0.6 percentage points to 22.5% year-over-year, while the unemployment rate for young women decreased 0.8 percentage points to 10.3%.

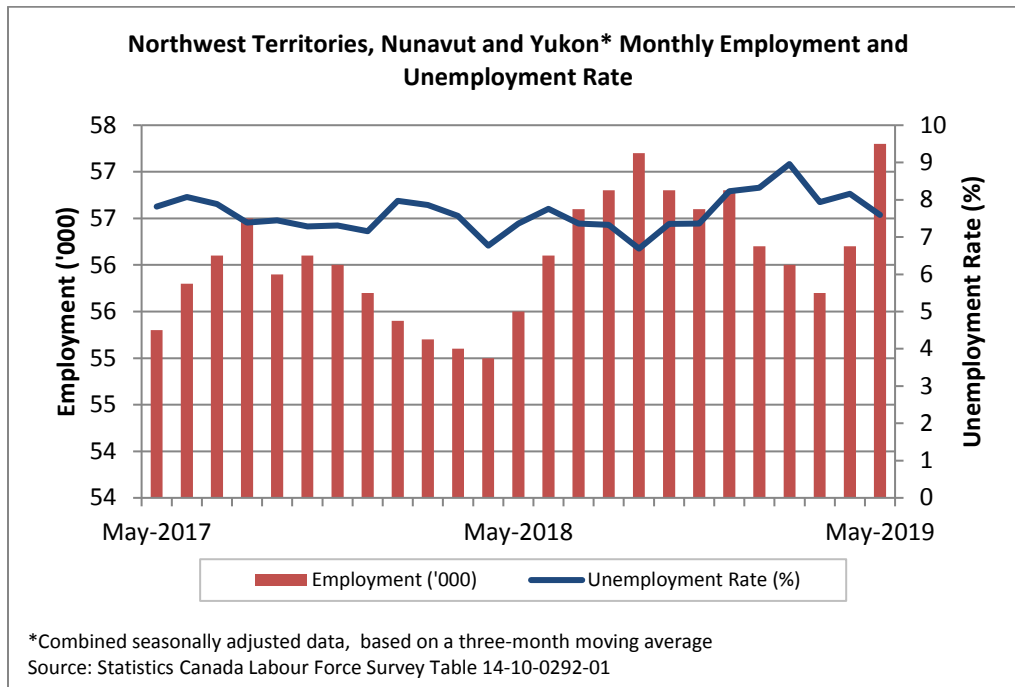
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Adjusted Data	May 2019	April 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	88.0	88.0	86.5	0.0	0.0	1.5	1.7
Labour Force ('000)	61.9	61.3	59.8	0.6	1.0	2.1	3.5
Employment ('000)	57.3	56.2	55.5	1.1	2.0	1.8	3.2
Unemployment ('000)	4.7	5.0	4.4	-0.3	-6.0	0.3	6.8
Unemployment Rate (%)	7.6	8.2	7.4	-0.6	-	0.2	-
Participation Rate (%)	70.3	69.7	69.1	0.6	-	1.2	-
Employment Rate (%)	65.1	63.9	64.2	1.2	-	0.9	-

*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	May 2019 (%)	May 2018 (%)	Yearly Variation (% points)
Total	7.6	7.4	0.2
25 years and over	6.3	6.0	0.3
Men - 25 years and over	7.5	7.4	0.1
Women - 25 years and over	5.1	4.0	1.1
15 to 24 years	15.2	17.3	-2.1
Men - 15 to 24 years	22.5	23.1	-0.6
Women - 15 to 24 years	10.3	11.1	-0.8

**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 increased significantly on a yearly basis, up 16.9% (+1,200). In fact, all industries within the sector added jobs between May 2018 and May 2019, with construction (+600) posting the strongest employment gains. Employment growth in the construction industry was largely due to a number of mining development 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 in the short-term as large-scale mining and construction projects will help generate new employment opportunities. For instance, the Government of Northwest Territories is spending \$75 million to improve public highway systems across the territory over the next two years. The territorial government indicates that there will be construction-related job and training opportunities for local residents. These projects are expected to help deliver essential goods and services to remote communities more efficiently, support tourism, and encourage mining exploration activities in the territory.¹

There were 48,600 people employed in the services-producing sector in May, up 1.5% (+700) compared to a year ago. Employment losses in educational services (-500) and information, culture and recreation (-400) were offset by gains in trade (+800) and transportation and warehousing (+800).

In the near-term, industries such as professional, scientific and technical services and business, building and other support services should see growth, buoyed by increasing federal and territorial funding commitments. For example, the Department of National Defence has signed two contracts worth \$30 million with Raytheon Co., a US-based defence contractor, to operate and maintain the North Warning System (NWS).² The NWS is a joint Canadian and US radar system comprised of 47 unmanned long- and short-range radar stations across the Arctic, including the three Territories. One of the major functions of the radar site is to detect potential threats entering North America's airspace and to transmit data back to military command centres in the south.

In addition, Yukon Supreme Court recently approved the sale of the defunct Mount Nansen gold and silver mine to Alexco and JDS Group. Under the new purchasing agreement, the federal government will pay for cleanup work, while Alexco/JDS will be responsible for remediating the site. The agreement also requires the new owner to provide training and employment for Yukon's Little Salmon/Carmacks First Nation residents.³ The project is expected to enhance business opportunities for local companies specializing in transportation, engineering, and hazardous material handling. According to the federal government, approximately \$40 million has been spent maintaining the site since 1999 and it will cost another \$110 million over 12 years to close the mine completely.⁴

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

Seasonally Unadjusted Data	May 2019	May 2018	Yearly Variation	
			Number	%
Total employed, all industries	57.0	55.1	1.9	3.4
Goods-producing sector	8.3	7.1	1.2	16.9
Agriculture	0.0	0.0	0.0	--
Forestry, fishing, mining, quarrying, oil and gas	2.8	2.6	0.2	7.7
Utilities	1.1	0.9	0.2	22.2
Construction	3.8	3.2	0.6	18.8
Manufacturing	0.4	0.2	0.2	100.0
Services-producing sector	48.6	47.9	0.7	1.5
Trade	7.4	6.6	0.8	12.1
Transportation and warehousing	3.6	2.8	0.8	28.6
Finance, insurance, real estate and leasing	2.5	2.1	0.4	19.0
Professional, scientific and technical services	2.1	2.1	0.0	0.0
Business, building and other support services	1.1	1.1	0.0	0.0
Educational services	4.7	5.2	-0.5	-9.6
Health care and social assistance	8.2	8.3	-0.1	-1.2
Information, culture and recreation	2.8	3.2	-0.4	-12.5
Accommodation and food services	2.7	2.9	-0.2	-6.9
Other services	1.6	1.4	0.2	14.3
Public administration	11.9	12.3	-0.4	-3.3

*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

The number of people employed in Yukon increased 2.8% to 22,000 on a yearly basis. Both the goods-producing and services-producing sectors saw increasing employment over the year, with the trade and professional, scientific and technical services industries posting the most significant gains.

Yukon's economy should see stronger growth than almost any other province or territory in the next few years as three new mines are projected to come online. Victoria's Gold Corp.'s \$370 million Eagle Gold Project, the \$320 million Coffee Gold Project, and the \$2.45 billion Casino gold mine project will provide a boost to employment in mining-related industries.⁵

Moreover, the federal government recently awarded a \$44.4 million contract to Whitehorse-based Pelly Construction Ltd. to remediate the abandoned Faro Mine. The contract involves the construction of the North Fork Rose Creek diversion system that prevents contaminated water seeping from the mine site into the creek. The Faro Mine site, which is one of the largest contaminated mines in Canada, contains 70 million tonnes of tailings and 320 million tonnes of waste rock.⁶ Over \$480 million has already been spent maintaining the mine since 1998 and it is estimated to cost another \$500 million to close the mine completely. The entire project should take 15 to 20 years to complete and require approximately 100 staff to work on the cleanup.⁷

Northwest Territories

The number of people employed in Northwest Territories is up 1.0% (+200) year-over-year. Employment gains over the year were mainly concentrated in the goods-producing sector, with the largest increase occurring in the construction industry.

In the short-term, investments in key public infrastructure projects and low-carbon economy capital initiatives should help to support economic growth in the territory. These construction projects include the recently approved \$14 million community centre in Old Crow,⁸ a new \$9.8 million diesel power plant in Sachs Harbour⁹ and the Taltson hydroelectric plant expansion project near Fort Smith.¹⁰

In addition, the federal government recently pledged \$8 million through its Low Carbon Economy Leadership Fund to the NWT government's Green House Gas Grant Program for Buildings and Industry. The new program is expected to support the territory's industrial and commercial sectors in reducing greenhouse gas emissions from heating, electricity, transportation and industrial processes. It will also help to lower the cost of upgrading energy-efficient systems such as space heating boilers and district heating systems. All told, this initiative is expected to reduce greenhouse gas emissions by about 10,000 tonnes each year in the territory.¹¹

Nunavut

The number of people employed in Nunavut reached 14,100 in May, an increase of 1,000 compared to a year earlier. Both the goods-producing and services-producing sectors posted increases in employment over the year.

Several major mining and construction projects are slated to begin in Nunavut over the next few years. Projects such as the \$540 million Back River gold mine development¹² and TMAC Resources Inc.'s Boston and Madrid gold projects should create many job opportunities both in the goods- and services-producing sectors.¹³

In addition, Cambridge Bay Hamlet Council recently approved 10 building permits valued at \$53 million. Approved projects include new offices for the Kitikmeot Corporation and the Ekaluktutiak Hunters and Trappers Organization, as well as a number of new residential units and a campus building for the Nunavut Arctic College. Construction work on these projects could start as early as this summer.¹⁴

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

Seasonally Adjusted Data	Employment			Unemployment Rate		
	May 2019 ('000)	May 2018 ('000)	Yearly Variation (%)	May 2019 (%)	May 2018 (%)	Yearly Variation (% points)
Territories*	57.3	55.5	3.2	7.6	7.4	0.2
Northwest Territories	21.2	21.0	1.0	7.9	8.3	-0.4
Nunavut	14.1	13.1	7.6	12.4	12.8	-0.4
Yukon	22.0	21.4	2.8	3.9	2.7	1.2

*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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¹ Government of Northwest Territories, Wally Schumann: Summer Highway Construction Season, May 29, 2019. <https://www.gov.nt.ca/en/newsroom/wally-schumann-summer-highway-construction-season>

² Nunatsiaq News, Raytheon wins two Canadian Arctic radar contracts worth \$30M, December 5, 2019 <https://nunatsiaq.com/stories/article/raytheon-wins-two-canadian-arctic-radar-contracts-worth-30m/>

³ CBC News, Sale of abandoned, contaminated mine site in Yukon gets go-ahead, May 07, 2019. <https://www.cbc.ca/news/canada/north/mount-nansen-mine-cleanup-sale-1.5126480>

⁴ Whitehorse Star Daily, Court green-lights plan to remediate mine site, May 8, 2019.

<https://www.whitehorsestar.com/News/court-green-lights-plan-to-remediate-minesite>

⁵ CBC News, 2018 was a promising year for Yukon’s mining sector, January 03, 2019.

<https://www.cbc.ca/news/canada/north/2018-promising-year-yukon-mining-1.4964122>

⁶ Whitehorse Star Daily, Mine remediation contract awarded, May 31, 2019.

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⁷ CBC North, Federal gov’t inches forward on Yukon’s Faro Mine clean-up project, June 5, 2018.

<https://www.cbc.ca/news/canada/north/yukon-faro-mine-cleanup-1.4693169>

⁸ Government of Canada, Residents of Old Crow to benefit from new community centre, May 19, 2019.

<https://www.canada.ca/en/office-infrastructure/news/2019/05/residents-of-old-crow-to-benefit-from-new-community-centre.html>

⁹ Government of Canada, Sachs Harbour residents to benefit from more efficient energy through new, improved power plant, March 4, 2019. <https://www.canada.ca/en/office-infrastructure/news/2019/03/sachs-harbour-residents-to-benefit-from-more-efficient-energy-through-new-improved-power-plant.html>

¹⁰ CBC News, Federal, N.W.T. gov’t investing \$1.2M for proposed Taltson expansion, January 23, 2019.

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¹¹ CBC News, Federal government invests \$8M to help N.W.T. organizations go green, May 10, 2019.

<https://www.cbc.ca/news/canada/north/greenhouse-gas-grant-program-1.5132271>

¹² Nunavut News Online, Sabina delays gold mine by a year due to lack of equity investment, March 21, 2019.

<https://nunavutnews.com/nunavut-news/sabina-delays-gold-mine-by-a-year-due-to-lack-of-equity/>

¹³ Nunatsiaq News, Western Nunavut gold mine turns a small profit, May 3, 2019.

<https://nunatsiaq.com/stories/article/western-nunavut-gold-mine-turns-a-small-profit/>

¹⁴ Nunavut News, Plenty of construction ahead (Page.12), May 13, 2019 <https://nnsi.com/wp-content/uploads/securepdfs/2019/05/nu051319.pdf>