



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

January 2020



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

Employment in the combined Territories was unchanged in January compared to the previous month. Employment gains in Northwest Territories (NWT) and Yukon were offset by losses in Nunavut.

On an annual basis, employment across the North is down 1.4% (-800). In fact, employment declined across all three territories over the past year. The number of people employed fell considerably both in Northwest Territories (-1.9%) and in Nunavut (-2.1%), while employment in Yukon dropped more moderately (-0.5%).

Unemployment

The unemployment rate for the combined Territories increased in January, up 0.6 percentage points to 8.4% from December 2019. Year-over-year, Nunavut was the only territory to see its unemployment rate improve, falling 1.6 percentage points to 13.0%. By contrast, the Northwest Territories' unemployment rate climbed 0.1 percentage points to 8.4%, while the unemployment rate in Yukon increased 0.9 percentage points to 5.0%.

The youth (15 to 24 years) unemployment rate for the combined Territories was 19.7% in January, a decrease of 2.1 percentage points from the same time last year. The unemployment rate for young men increased 2.6 percentage points to 26.3% over the year, while the unemployment rate for young women decreased significantly on a yearly basis (-7.9 percentage points to 12.1%).

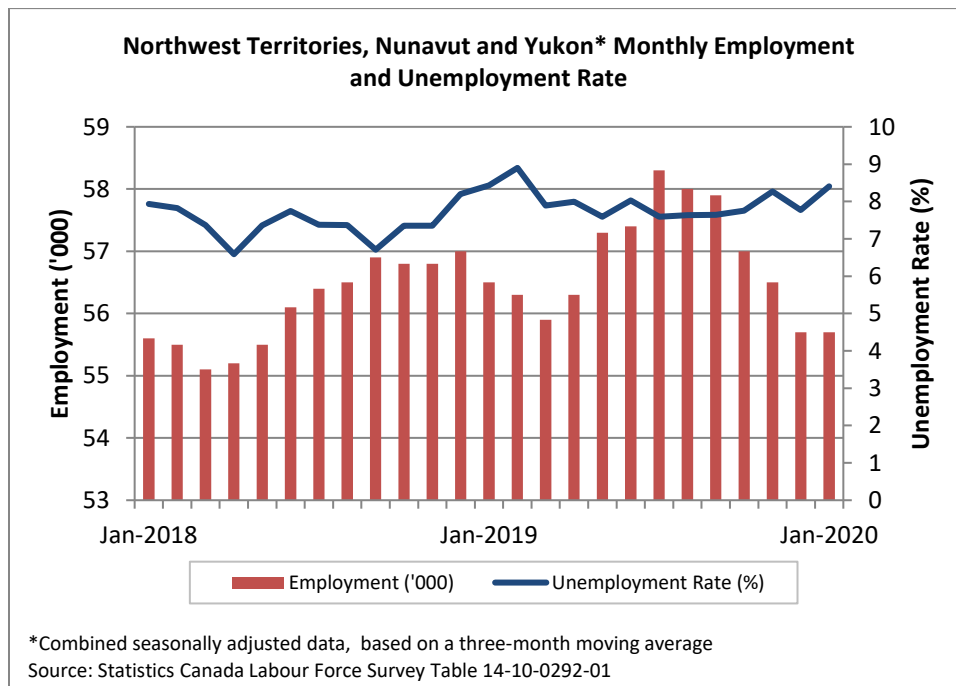
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Adjusted Data	January 2020	December 2019	January 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	88.5	88.5	87.6	0.0	0.0	0.9	1.0
Labour Force ('000)	60.7	60.5	61.7	0.2	0.3	-1.0	-1.6
Employment ('000)	55.7	55.7	56.5	0.0	0.0	-0.8	-1.4
Unemployment ('000)	5.1	4.7	5.2	0.4	8.5	-0.1	-1.9
Unemployment Rate (%)	8.4	7.8	8.4	0.6	-	0.0	-
Participation Rate (%)	68.6	68.4	70.4	0.2	-	-1.8	-
Employment Rate (%)	62.9	62.9	64.5	0.0	-	-1.6	-

*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 2020 (%)	January 2019 (%)	Yearly Variation (% points)
Total	8.3	8.4	-0.1
25 years and over	6.8	6.6	0.2
Men - 25 years and over	7.0	7.9	-0.9
Women - 25 years and over	6.6	5.2	1.4
15 to 24 years	19.7	21.8	-2.1
Men - 15 to 24 years	26.3	23.7	2.6
Women - 15 to 24 years	12.1	20.0	-7.9

*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 is down 3.7% on an annual basis, meaning 300 fewer people were employed in this sector in January compared to a year ago. The largest declines were in forestry, fishing, mining, quarrying, oil and gas and utilities.

Despite these recent employment losses, the outlook for the goods-producing sector should improve over the near term as private and public infrastructure projects will help generate new employment opportunities for the Territories. For instance, the federal government has pledged \$29.9 million to build a new Arctic National Aerial Surveillance Program Complex in Iqaluit.¹ This project is part of the federal government's \$175 million Oceans Protection Plan aimed to help protect Arctic waters and coastal communities. The complex will feature a hangar, accommodations unit, and office space. This funding is expected to enhance ship-monitoring operations, local marine pollution reporting, and search and rescue operations in Canada's Arctic waters.²

In terms of private sector projects, the Soul Foods Group recently announced plans to construct new Kentucky Fried Chicken and Starbucks restaurants in Yellowknife. Construction on the two establishments should begin this summer and be completed by the end of the year. A Yellowknife-based architecture company, Guy Architects is contracted for the design and layout work of the new restaurants.³

There were 47,200 people employed in the services-producing sector in January, down 0.4% (-200) compared to a year ago. Employment gains in public administration and educational services were offset by losses in health care and social assistance, accommodation and food services, and information, culture and recreation.

In the short-term, tourism-related industries such as accommodation and food services, transportation, and retail across the Territories face challenges due to the coronavirus outbreak in China. On January 24, the Chinese government ordered travel agencies to suspend all international group tours to help contain the spread of the

virus. As a result, many hotels, tour operators, and rental car companies have reported that their businesses are being impacted by a number of cancellations from Chinese tourists. For instance, Yellowknife-based tour company, Aurora Holiday, has temporarily laid off some of their staff as the company saw more than 200 people cancel tours in the last four weeks.⁴ In 2018, the number of tourists from China visiting NWT reached 19,500 – the highest number of tourists from one country visiting the territory.⁵ The suspension of Chinese group tours visiting the North is expected to have a significant impact on the Territories' growing tourism industry. This is especially true during the high season of the aurora borealis viewing, which runs from the beginning of October until the end of April.

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

Seasonally Unadjusted Data ('000)	January 2020	January 2019	Yearly Variation	
			Number	%
Total employed, all industries	55.0	55.6	-0.6	-1.1
Goods-producing sector	7.9	8.2	-0.3	-3.7
Agriculture	0.0	0.0	0.0	--
Forestry, fishing, mining, quarrying, oil and gas	2.4	2.6	-0.2	-7.7
Utilities	0.8	1.0	-0.2	-20.0
Construction	4.1	4.1	0.0	0.0
Manufacturing	0.5	0.5	0.0	0.0
Services-producing sector	47.2	47.4	-0.2	-0.4
Trade	6.6	6.7	-0.1	-1.5
Transportation and warehousing	3.4	3.1	0.3	9.7
Finance, insurance, real estate and leasing	2.0	2.2	-0.2	-9.1
Professional, scientific and technical services	2.5	2.1	0.4	19.0
Business, building and other support services	0.9	1.0	-0.1	-10.0
Educational services	5.3	4.7	0.6	12.8
Health care and social assistance	7.3	8.4	-1.1	-13.1
Information, culture and recreation	2.5	3.0	-0.5	-16.7
Accommodation and food services	2.1	2.7	-0.6	-22.2
Other services	1.7	1.9	-0.2	-10.5
Public administration	12.8	11.6	1.2	10.3

*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

Employment in Yukon was relatively flat on a year-over-year basis, down 0.5% (-100). Over the medium-term, Yukon's economy should see stronger growth than its two territorial counterparts due in large part to two significant mining developments – the \$320 million Coffee Gold Project and the \$2.45 billion Casino gold mine project.⁶

In addition, phase one of the Nahanni Range Road portion of the Yukon Resource Gateway Project is proceeding following a signed agreement between the Government of Yukon and Liard First Nation. The \$360 million Resource Gateway Project will see upgrades to over 650 kilometres of road and bridges between Dawson Range in central Yukon to the Nahanni Range Road near the Yukon-Northwest Territories border.⁷ These upgrades will also improve accessibility to potential mining sites and help to reduce exploration and development costs for mining companies. Phase one of the project will cost \$17 million and includes funding to train Liard First Nation's people to work in the areas of construction, vegetation clearing, wildlife monitoring, and road maintenance. Construction work on phase one begins this summer, with the entire project scheduled for completion by 2025.⁸

Northwest Territories

In January, there were 20,700 people employed in the Northwest Territories, down 1.9% (-400) compared to the same time last year. Job losses over the past year are due entirely to falling employment in the services-producing sector.

There are a number of mining and construction projects either underway or scheduled to begin in the Northwest Territories over the next few years. These projects include a \$9.8 million diesel power plant in Sachs harbour, a new \$11.3 million energy efficient diesel power plant in the community of Łutsël K'é, and the \$280 million Prairie Creek Mine development project near Fort Smith.

Cheetah Resources Pty Ltd. recently received land-use permits and a water license for the development of the territory's first rare earth elements mine.⁹ The Nechalacho mine – a three-year small scale open-cast extraction project – is located at Thor Lake, 100 kilometers southeast of Yellowknife.¹⁰ The development is expected to process high demand deposits of rare earth elements – neodymium and praseodymium – essential to the magnets used in electric motors. If the project moves forward, it will create job opportunities in site preparation, building and maintenance of site roads, development of an exploration camp, and fuel storage facilities. Construction on the project could start in early July.

Nunavut

Employment in Nunavut fell 2.1% (-300) to 13,800 on an annual basis, due entirely to losses in the services-producing sector. Over the next few years, several major mining and public infrastructure projects are slated to begin in Nunavut. Projects such as the \$32 million power plant replacement project in Arctic Bay, construction of a \$57.2 million addictions and trauma treatment centre in Iqaluit, and the \$540 million Back River gold mine development project should create employment and training opportunities for residents.

The Government of Nunavut also plans to expand the territory's only French-language school, École des Trois-Soleils, in Iqaluit. The expansion project is estimated to cost \$15 million and will be funded by both the federal and territorial governments. The new addition to the school includes a gymnasium, four classrooms and additional support spaces. The school is anticipated to support approximately 100 students from kindergarten to Grade 12 after completion. Currently, the school has space for just 50 students from kindergarten to Grade 8. If all goes according to plan, the project will be completed in 2023. In Iqaluit, only 400 or 4.8% of its 8,000 residents speak French and the percentage drops even lower – to less than two percent – outside of the city.¹¹

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

Seasonally Adjusted Data	Employment			Unemployment Rate		
	January 2020 ('000)	January 2019 ('000)	Yearly Variation (%)	January 2020 (%)	January 2019 (%)	Yearly Variation (% points)
Territories*	55.7	56.5	-1.4	8.4	8.4	0.0
Northwest Territories	20.7	21.1	-1.9	8.4	8.3	0.1
Nunavut	13.8	14.1	-2.1	13.0	14.6	-1.6
Yukon	21.2	21.3	-0.5	5.0	4.1	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)

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.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, Northwest Territories, Nunavut and Yukon

For further information, please contact the LMI team at: http://www.esdc.gc.ca/cqi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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¹ CNW Group News, Government of Canada is increasing its eyes in the sky with a new aircraft for its marine surveillance program, January 30, 2020 <https://www.newswire.ca/news-releases/government-of-canada-is-increasing-its-eyes-in-the-sky-with-a-new-aircraft-for-its-marine-surveillance-program-881331657.html>

² Maritime Magazine, Transport Canada announces seven measures to protect Arctic water, August 27, 2018. <https://www.maritimemag.com/news/788-transport-canada-announces-seven-measures-to-protect-arctic-waters>

³ NNSL News, KFC and Starbucks to be built by December, February 5, 2020. <https://nnsl.com/yellowknifer/kfc-and-starbucks-to-be-built-by-december/>

⁴ CBC News, Hundreds of Chinese tourists cancel Yellowknife trips amid coronavirus outbreak, January 28, 2020. <https://www.cbc.ca/news/canada/north/coronavirus-yellowknife-chinese-tourism-1.5442537>

⁵ CBC News, Number of Chinese visitors eclipses other international travellers to N.W.T., November 27, 2019. <https://www.cbc.ca/news/canada/north/chinese-tourists-eclipse-nwt-tourism-1.5374732>

⁶ Conference Board of Canada, Territorial Outlook Economic Forecast: Summer 2019 <https://www.conferenceboard.ca/e-library/abstract.aspx?did=10321>

⁷ North of 60 Mining News, Roads to Yukon Resources, January 24, 2018. <https://www.miningnewsnorth.com/story/2017/09/10/news/roads-to-yukon-resources/4390.html>

⁸ Government of Yukon News Release, Second Yukon Resource Gateway Project agreement reached, January 16, 2020. <https://yukon.ca/en/news/second-yukon-resource-gateway-project-agreement-reached>

⁹ NNSL News, GNWT praises Cheetah as lone rare earths project advances, January 10, 2020. <https://nnsl.com/yellowknifer/gnwt-praises-cheetah-as-lone-rare-earths-project-advances/>

¹⁰ Avalon Advanced Materials Inc, Nechalacho REE, 2020. <http://avalonadvancedmaterials.com/nechalacho/>

¹¹ CBC News, Iqaluit's French school looking at \$15M expansion, January 29, 2020. <https://www.cbc.ca/news/canada/north/french-school-igaluit-expansion-1.5444334>