



# Labour Market Bulletin

## Northwest Territories, Nunavut and Yukon



May 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

The COVID-19 pandemic continues to have a significant impact on the Territories' economy, particularly on the tourism and mining industries. Moreover, all public recreation facilities, schools, and non-essential businesses and services have been closed since March, forcing many employers to lay off their staff. As a result, the Territories' unemployment rate is up 1.3 percentage points to 8.9% year-over-year. Nunavut posted the steepest increase, seeing its unemployment rate rise 4.2 percentage points to 16.6%.

Looking ahead, the Northern economy should see signs of recovery, as all three territorial governments are planning to reopen businesses and services in June. Employment in construction-related industries may also see some growth, as public and private construction projects commence across the North with the arrival of summer.

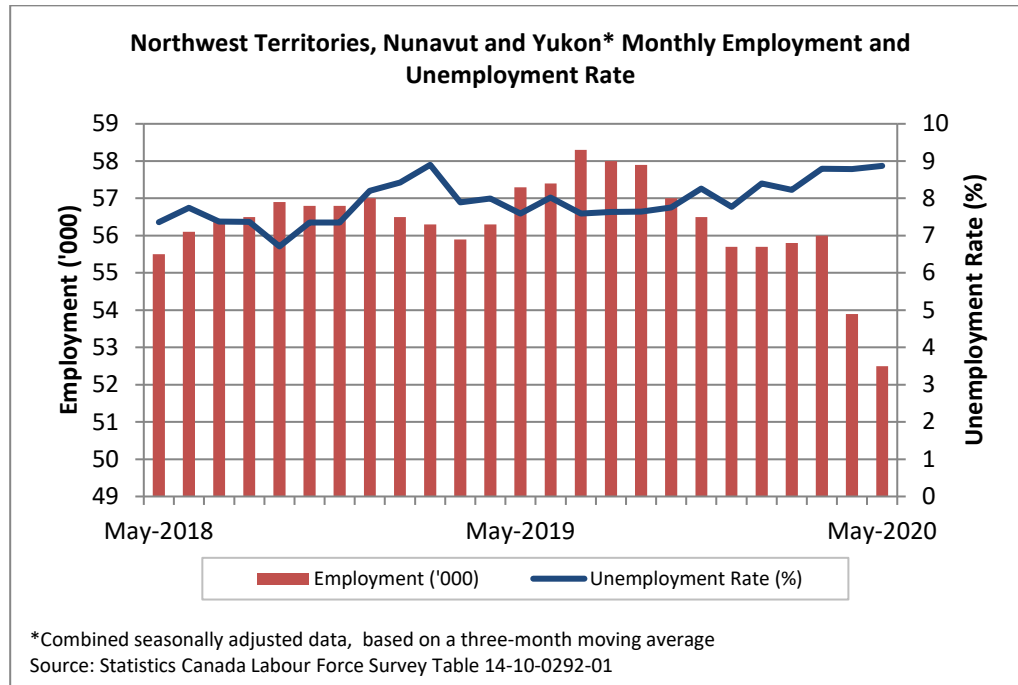
### Northwest Territories, Nunavut and Yukon\* Monthly Labour Force Statistics

Seasonally Adjusted Data	May 2020	April 2020	May 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	89.1	88.9	88.0	0.2	0.2	1.1	1.2
Labour Force ('000)	57.5	59.2	61.9	-1.7	-2.9	-4.4	-7.1
Employment ('000)	52.5	53.9	57.3	-1.4	-2.6	-4.8	-8.4
Unemployment ('000)	5.1	5.2	4.7	-0.1	-1.9	0.4	8.5
Unemployment Rate (%)	8.9	8.8	7.6	0.1	-	1.3	-
Participation Rate (%)	64.5	66.6	70.3	-2.1	-	-5.8	-
Employment Rate (%)	58.9	60.6	65.1	-1.7	-	-6.2	-

\*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)



## EMPLOYMENT BY INDUSTRY

There were 7,300 people employed in the **goods-producing sector** in May, down 12.0% compared to the same time last year. Employment gains in construction and manufacturing were more than offset by losses in forestry, fishing, mining, quarrying, oil and gas and utilities.

The COVID-19 pandemic has negatively affected the mining industry in the North, forcing many mining companies to either suspend their operations or reduce their production activities. Nonetheless, several mining companies have announced that they will restart operations in June and will recall employees as the number of COVID-19 cases remains low throughout the Territories. Agnico Eagle Mines Ltd., for example, plans to resume full operations at both its Meliadine and Meadowbank gold mines in Nunavut in mid-June. In March, the company sent its entire Nunavummiut workforce home due to the pandemic.<sup>1</sup>

The Territories' mining and construction industries should see some improvement in employment over the medium-term as several mining and remediation projects have been given government approval. For instance, the Mackenzie Valley Land and Water Board recently approved a remediation plan for the De Beer's Snap Lake Diamond Mine in the Northwest Territories (NWT).<sup>2</sup> The \$85 million project is expected to take about 15 years to complete.<sup>3</sup>

Funding from all levels of government will also help to support growth in the construction industry, through the targeting of improvements to roads, schools, hospitals and airports. For example, the Government of Nunavut

plans to proceed with 50 capital projects, valued at \$600 million, across 19 communities in the territory during this construction season.<sup>4</sup>

Meanwhile, the Yukon government has awarded a \$16.8 million contract to Wildstone Construction Group for the construction of a mixed-income housing project in Whitehorse.<sup>5</sup> In addition, the City of Whitehorse has also awarded a \$4.8 million construction contract to Sidhu Trucking for the reconstruction of Tlingit Street. The project is expected to be complete by next year.<sup>6</sup>

Employment in the **services-producing sector** fell significantly on an annual basis, down 8.6% (-4,200). In fact, almost all industries within the sector suffered year-over-year employment losses, with the exception of public administration.

In the short-term, tourism-related businesses across the North can expect to face continuing challenges due to COVID-19. Local businesses in hospitality, food distribution, accommodations, tourism operators, and airlines have been the hardest hit over the past few months. The Explorer Hotel in Yellowknife and the Frobisher Inn in Iqaluit, for example, have laid off more than 70 staff each due to operating challenges amid the pandemic. Both hotels report that they have lost about 80-90% of their businesses since March.<sup>7</sup>

All three territorial governments have pledged funding to help businesses cope with the fallout from COVID-19. For instance, the Nunavut government is providing \$24 million in funding to support Canadian North and Calm Air maintain their air services for medical travel and critical workers during the pandemic.<sup>8</sup>

Furthermore, several northern airlines that have already received government subsidies are planning to rehire some staff in June. Fort Smith-based, Northwestern Air Lease has announced that they will gradually increase their flight schedule in June. The company will recall about 30 of the 55 workers that it had laid off in March due to COVID-19.<sup>9</sup>

The Nunavut and Northwest Territories governments are also planning to lift their travel restriction to allow residents to travel between the two territories without self-isolating for 14 days.<sup>10</sup> This travel bubble will help medical travel patients in Nunavut to obtain treatments faster in NWT without the self-isolation period. Moreover, the travel bubble will allow both territories' residents to visit each other, promoting an inter-territorial staycation this summer to help support the tourism industry.<sup>11</sup>

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

Seasonally Unadjusted Data ('000)	May 2020	May 2019	Yearly Variation	
			Number	%
<b>Total employed, all industries</b>	51.7	57.0	-5.3	-9.3
<b>Goods-producing sector</b>	7.3	8.3	-1.0	-12.0
Agriculture	0.0	0.0	0.0	--
Forestry, fishing, mining, quarrying, oil and gas	1.9	2.8	-0.9	-32.1
Utilities	0.6	1.1	-0.5	-45.5
Construction	4.0	3.8	0.2	5.3
Manufacturing	0.7	0.4	0.3	75.0
<b>Services-producing sector</b>	44.4	48.6	-4.2	-8.6
Trade	6.2	7.4	-1.2	-16.2
Transportation and warehousing	2.8	3.6	-0.8	-22.2
Finance, insurance, real estate and leasing	2.1	2.5	-0.4	-16.0
Professional, scientific and technical services	2.1	2.1	0.0	0.0
Business, building and other support services	0.9	1.1	-0.2	-18.2
Educational services	4.2	4.7	-0.5	-10.6
Health care and social assistance	6.8	8.2	-1.4	-17.1
Information, culture and recreation	1.9	2.8	-0.9	-32.1
Accommodation and food services	2.6	2.7	-0.1	-3.7
Other services	1.6	1.6	0.0	0.0
Public administration	13.3	11.9	1.4	11.8

\*Combined data - three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey - ESDC custom table

**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> Nunatsiaq News, Agnico Eagle plans phased return of Nunavut workers to its gold mines, May 26, 2020.  
<https://nunatsiaq.com/stories/article/agnico-eagle-plans-phased-return-of-nunavut-workers-to-its-gold-mines/>

<sup>2</sup> CBC News, De Beers gets licence to close Snap Lake mine, May 22, 2020.  
<https://www.cbc.ca/news/canada/north/debeers-gets-licence-to-close-snap-lake-1.5581757>

<sup>3</sup> Cabin Radio, De Beers submits final plan for Snap Lake mine’s closure, April 15, 2019.  
<https://cabinradio.ca/15188/news/environment/de-beers-submits-final-plan-for-snap-lake-mines-closure/>

<sup>4</sup> Nunavut News, Nunavut’s construction season to proceed despite Covid-19, May 28, 2020.  
<https://nunavutnews.com/nunavut-news/nunavuts-construction-season-to-proceed-despite-covid-19/>

<sup>5</sup> Yukon News, Contract awarded for mixed-income housing project, May 27, 2020.  
<https://www.yukon-news.com/news/contract-awarded-for-mixed-income-housing-project/>

<sup>6</sup> Whitehorse Star, Tlingit Street reconstruction work awarded, May 26, 2020.  
<https://www.whitehorsestar.com/News/tlingit-street-reconstruction-work-awarded>

<sup>7</sup> CBC News, Northern hotels laid off dozens as COVID-19 shutdown squashed business overnight, May 26, 2020.  
<https://www.cbc.ca/news/canada/north/northern-hotel-layoffs-1.5584342>

<sup>8</sup> CBC News, Nunavut government doles out \$24M to airlines for COVID-19 response, June 8, 2020.  
<https://www.cbc.ca/news/canada/north/nunavut-covid-19-update-1.5602843>

<sup>9</sup> NNSL News, Northwestern Air Lease gradually scales up its flight schedule, May 28, 2020.  
<https://nns1.com/yellowknifer/northwestern-air-lease-gradually-scales-up-its-flight-schedule/>

<sup>10</sup> CBC News, Nunavut and Northwest Territories to create travel bubble, June 4, 2020.  
<https://www.cbc.ca/news/canada/north/nunavut-covid-19-1.5597376>

<sup>11</sup> Nunatsiaq News, Nunavut government urges residents to take “staycations” this summer, June 8, 2020.  
<https://nunatsiaq.com/stories/article/nunavut-government-suggests-staycations-this-summer/>