



# Labour Market Bulletin

## Northwest Territories, Nunavut and Yukon

July 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

The COVID-19 pandemic has taken a toll on the Territories' economy, particularly in the tourism and mining industries. In mid-March, all public recreation facilities, schools, and non-essential businesses and services needed to close, forcing many employers to lay off their staff. As a result, employment across the North is down 10.6% (-6,200) year-over-year.

Despite the annual decline in employment, there are signs that the labour market is starting to recover as all three territorial governments approved businesses and services to reopen in June. In fact, employment in the Territories increased 1.4% (+700) in July compared to the previous month.

#### Unemployment

On an annual basis, the Territories' unemployment rate is up 3.6 percentage points to 11.2%. The Yukon posted the most significant increase year-over-year, seeing its unemployment rate increase 4.4 percentage points to 7.5%.

The COVID-19 pandemic is having a significant impact on youth unemployment. Year-over-year, the Territories' youth unemployment rate is up 12.3 percentage points to 26.9%. The unemployment rate for young men increased significantly on a yearly basis, up 13.0 percentage points to 31.0%, while the unemployment rate for young women increased 11.3 percentage points to 22.2%.

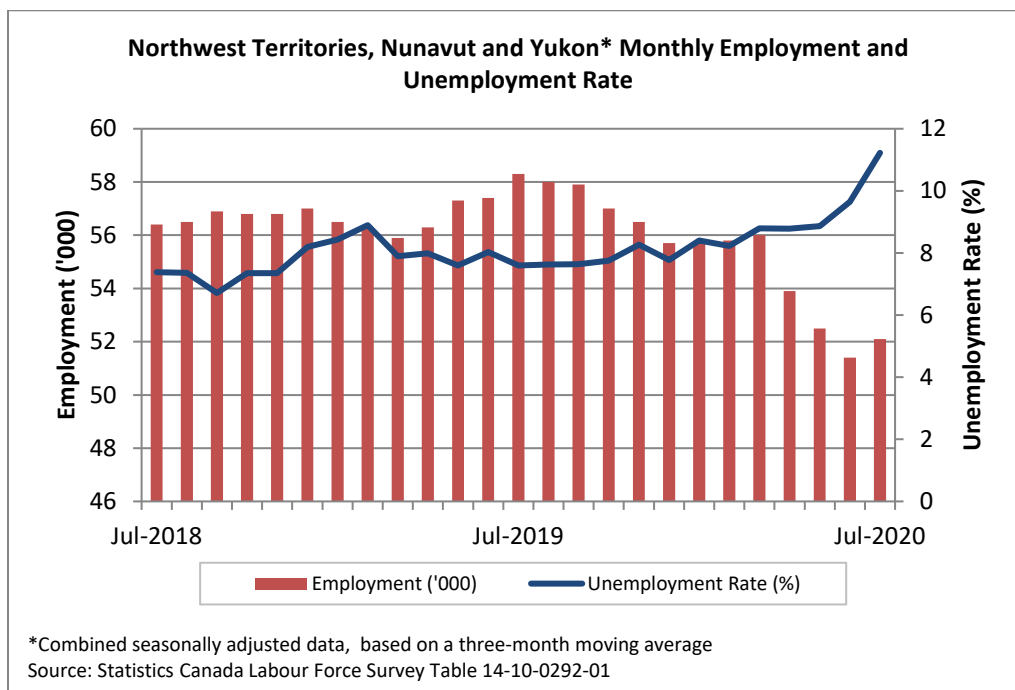
**Northwest Territories, Nunavut and Yukon\* Monthly Labour Force Statistics**

Seasonally Adjusted Data	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	89.4	89.2	88.2	0.2	0.2	1.2	1.4
Labour Force ('000)	58.8	57.0	63.2	1.8	3.2	-4.4	-7.0
Employment ('000)	52.1	51.4	58.3	0.7	1.4	-6.2	-10.6
Unemployment ('000)	6.6	5.5	4.8	1.1	20.0	1.8	37.5
Unemployment Rate (%)	11.2	9.6	7.6	1.6	-	3.6	-
Participation Rate (%)	65.8	63.9	71.7	1.9	-	-5.9	-
Employment Rate (%)	58.3	57.6	66.1	0.7	-	-7.8	-

\*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	July 2020 (%)	July 2019 (%)	Yearly Variation (% points)
<b>Total</b>	11.1	7.3	3.8
<b>25 years and over</b>	8.7	6.0	2.7
Men - 25 years and over	8.3	7.0	1.3
Women - 25 years and over	8.8	5.0	3.8
<b>15 to 24 years</b>	26.9	14.6	12.3
Men - 15 to 24 years	31.0	18.0	13.0
Women - 15 to 24 years	22.2	10.9	11.3

*\*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 20.6% on an annual basis, meaning 2,000 fewer people were employed in this sector in July compared to a year ago. The largest declines were in forestry, fishing, mining, quarrying, oil and gas and construction.

The COVID-19 pandemic has negatively affected the mining industry in the North, forcing many mining companies to scale back their operations since mid-March. While several mining companies have announced plans to restart operations and recall staff, some companies decided not to bring their workers back on-site to prevent the spread of COVID-19 in small communities. For instance, Baffinland Iron Mines Corp. announced in July that about 300 Nunavummiut employees temporarily laid off in mid-March, will not be returning to work at the Mary River mine in the near-term.<sup>1</sup>

Employment in the goods-producing sector could rebound in the short-term as new private and public infrastructure projects get underway across the North. New mineral exploration and extraction projects will also help to boost employment in the sector over the next few years. For example, Gold Terra Resource Corp. recently announced plans to begin a 10,000-metre summer drilling program at its Yellowknife City Gold project. The company plans to invest about \$7.13 million on the exploration.<sup>2</sup>

Meanwhile, Solvest Inc. is planning to build a \$2.1 million solar farm along the North Klondike Highway outside Whitehorse. The new solar farm will connect 4,000 new solar panels to Yukon's grid and provide power for about 150 households per year. Yukon Energy, the territory's power supplier, already pledged to purchase electricity from the farm for 25 years. Construction on the project is expected to begin in August and take about three months to complete.<sup>3</sup>

Employment in the **services-producing sector** fell significantly on an annual basis (-4,700). Employment gains in public administration and professional, scientific and technical services were more than offset by losses in trade, health care and social assistance, and educational services.

Tourism-related industries such as accommodations and food services, transportation, and retail have been hardest hit during the COVID-19 pandemic. These industries are expected to take longer to recover to their pre-pandemic employment levels compared to other industries. Whitehorse-based Air North, for example, has cancelled all of their remaining flights on the Whitehorse – Yellowknife – Ottawa route scheduled for this summer due to reduced travel demand.<sup>4</sup> Meanwhile, Inuit-owned Canadian North airline announced plans to extend staff furlough until February 2021 due to low flight volumes caused by the pandemic.<sup>5</sup>

All levels of government have pledged funding to help businesses to cope with the fallout from COVID-19. For instance, the Yukon government is providing \$1.23 million in funding to go towards the territory's aviation industry to help offset lost revenues as a result of the pandemic.<sup>6</sup> Also, the federal government has committed \$75 million in funding to ensure small airlines can continue to provide essential services and goods to 140 remote communities across Canada over the next six months.<sup>7</sup> Airlines based across the three territories were especially hard hit by the pandemic as they serve a small market in the North. The new federal funding is anticipated to help these northern airlines in the short-term until traffic rebounds.<sup>8</sup>

Furthermore, all three territorial governments are currently promoting staycations to help boost tourism. For example, the Northwest Territories government recently announced plans to create 15 new campsites and a 375-metre loop with an access road in the North Arm Territorial Park. The new campsite is expected to create employment opportunities for Behchokò residents during construction and monitoring work after completion. The entire project is scheduled to be completed by fall.<sup>9</sup>

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

Seasonally Unadjusted Data ('000)	July 2020	July 2019	Yearly Variation	
			Number	%
<b>Total employed, all industries</b>	52.9	59.6	-6.7	-11.2
<b>Goods-producing sector</b>	7.7	9.7	-2.0	-20.6
Agriculture	0.0	0.2	-0.2	-100.0
Forestry, fishing, mining, quarrying, oil and gas	2.1	3.1	-1.0	-32.3
Utilities	0.6	1.0	-0.4	-40.0
Construction	3.9	4.6	-0.7	-15.2
Manufacturing	0.9	0.7	0.2	28.6
<b>Services-producing sector</b>	45.2	49.9	-4.7	-9.4
Trade	6.4	7.8	-1.4	-17.9
Transportation and warehousing	2.9	3.5	-0.6	-17.1
Finance, insurance, real estate and leasing	2.0	2.0	0.0	0.0
Professional, scientific and technical services	2.3	1.8	0.5	27.8
Business, building and other support services	1.0	1.1	-0.1	-9.1
Educational services	4.0	4.8	-0.8	-16.7
Health care and social assistance	7.1	8.5	-1.4	-16.5
Information, culture and recreation	2.0	2.7	-0.7	-25.9
Accommodation and food services	2.1	2.6	-0.5	-19.2
Other services	1.7	1.5	0.2	13.3
Public administration	13.9	13.1	0.8	6.1

\*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, Nunavut’s Baffinland employees won’t return to work anytime soon, July 21, 2020.  
<https://nunatsiaq.com/stories/article/nunavuts-baffinland-employees-wont-return-to-work-anytime-soon/>

<sup>2</sup> CBC News, Gold Terra set to begin summer drilling in Yellowknife, July 21, 2020.  
<https://www.cbc.ca/news/canada/north/gold-terra-summer-drilling-yellowknife-1.5657638>

<sup>3</sup> CBC News, Company promises \$2.1M solar project in Yukon, July 13, 2020.  
<https://www.cbc.ca/news/canada/north/solar-project-yukon-solvest-1.5648144>

<sup>4</sup> My Yellowknife Now, Air North suspends Whitehorse-Yellowknife-Ottawa route for remainder of summer, July 8, 2020.  
<https://www.myyellowknifenow.com/49547/air-north-suspends-whitehorse-yellowknife-ottawa-route-for-remainder-of-summer/>

<sup>5</sup> Nunavut News, Low flight volumes spur Canadian North to extend employee furlough until 2021, July 20, 2020.  
<https://nunavutnews.com/nunavut-news/low-flight-volumes-spur-canadian-north-to-extend-employee-furlough-until-2021/>

<sup>6</sup> Government of Yukon New Releases, Yukon’s aviation industry continues to receive support, July 28, 2020.  
<https://yukon.ca/en/news/yukons-aviation-industry-continues-receive-support>

<sup>7</sup> Cabin Radio News, Ottawa commits \$75M for essential air access to remote communities, August 6, 2020.  
<https://cabinradio.ca/42890/news/ottawa-commits-75m-for-essential-air-access-to-remote-communities/>

<sup>8</sup> CBC News, Feds to help small airlines delivery essential services to remote northern communities, August 6, 2020.  
<https://www.cbc.ca/news/canada/north/federal-government-support-covid-19-small-airlines-1.5676323>

<sup>9</sup> CBC News, It’s long overdue: Campsites to be built at North Arm Territorial Park, July 10, 2020.  
<https://www.cbc.ca/news/canada/north/north-arm-territorial-park-campsites-1.5644297>