



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

September 2015 (Quarterly Edition)



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 territories' combined economies continued to perform well through the third quarter of 2015. Employment increased for a third consecutive quarter, with the number employed rising 2,000 (+3.7%) between June and September, driven by gains both in full-time and in part-time employment.

Year-over-year, Nunavut is the only territory to see increases in employment due to job gains in the goods-producing sector. By contrast, the number of people working decreased in both Northwest Territories (NWT) and Yukon, down 1.3% and 1.4% respectively.

These declines reflect the continued impact that lower commodity prices are having both on the economy and on employment levels in Yukon and Northwest Territories over the past three years. Unfortunately, this slow economic growth may continue for some time. The Conference Board of Canada forecasts gross domestic product (GDP) in the North will grow by a tepid 0.9% this year.¹

Unemployment

On a quarterly basis, the unemployment rate for the territories dropped to 9.3%, down 0.8 percentage points from the second quarter this year. However, all three territories saw an increase year-over-year in the unemployment rate. Nunavut continues to have one of the highest unemployment rates throughout the North (17.2%), well above the national rate of 7.1%.

The unemployment rate in the territories for youth (aged 15-24 years) was 19% in the third quarter, a decrease of 4.3 percentage points over the second quarter. On a year-over-year basis, the unemployment rate for this age

¹ Conference Board of Canada (CBOC) Territorial Outlook: Economic Forecast Summer 2015

group increased 3.9 percentage points. In fact, the unemployment rate for young women reached 20.8%, 9.7 percentage points higher than one year prior. By comparison, the unemployment rate for young men also increased 1.5 percentage points to 17.3%.

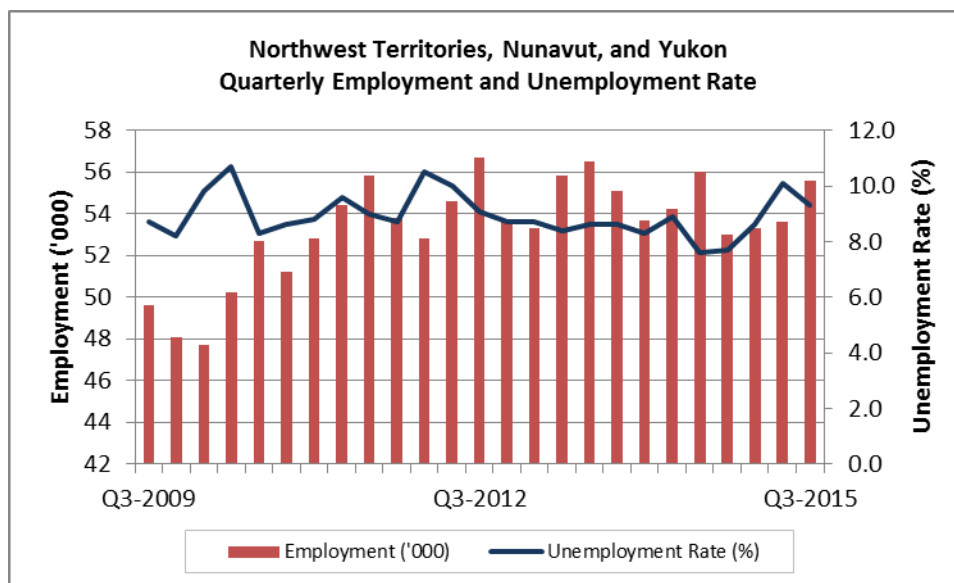
Northwest Territories, Nunavut, Yukon* Quarterly Labour Force Statistics

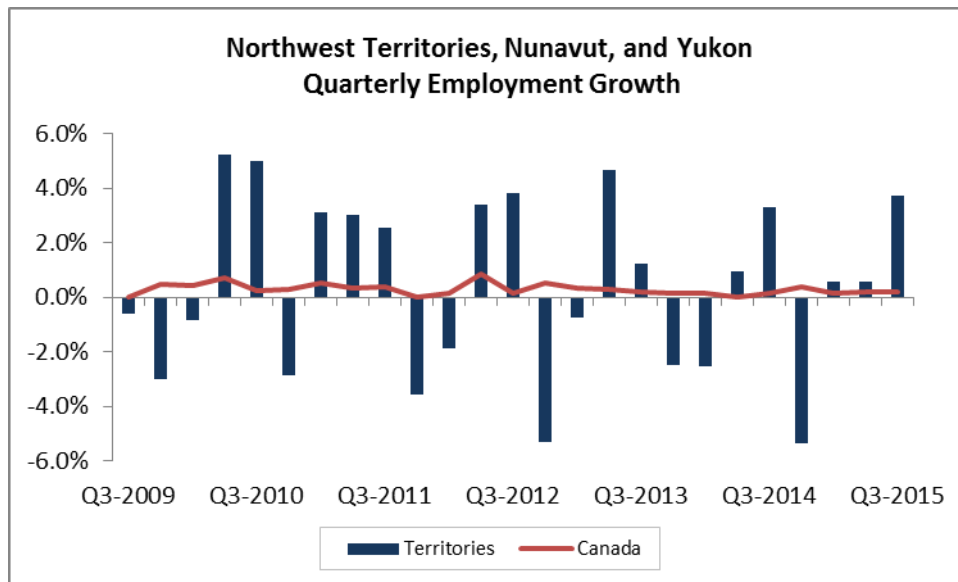
Seasonally Unadjusted Quarterly Data	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation		Yearly Variation	
	2015	2015	2014	Number	%	Number	%
Population 15 + ('000)	84.2	83.6	83.5	0.6	0.7	0.7	0.8
Labour Force ('000)	61.3	59.5	60.6	1.8	3.0	0.7	1.2
Employment ('000)	55.6	53.6	56.0	2.0	3.7	-0.4	-0.7
Full-Time ('000)	49.0	47.1	50.0	1.9	4.0	-1.0	-2.0
Part-Time ('000)	6.6	6.5	6.0	0.1	1.5	0.6	10.0
Unemployment ('000)	5.7	6.0	4.6	-0.3	-5.0	1.1	23.9
Unemployment Rate (%)	9.3	10.1	7.6	-0.8	-	1.7	-
Participation Rate (%)	72.8	71.2	72.6	1.6	-	0.2	-
Employment Rate (%)	66.0	64.1	67.1	1.9	-	-1.1	-

* Combined data — based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey





Northwest Territories, Nunavut and Yukon Quarterly Unemployment Rates, by Gender and Age,

Seasonally Unadjusted Data	3rd Quarter 2015	2nd Quarter 2015	2nd Quarter 2014	Quarterly Variation (% points)	Yearly Variation (% points)
	Total	9.3	10.1	7.6	-0.8
25 years and over	7.2	7.7	6.2	-0.5	1.0
Men - 25 years and over	7.5	10.2	7.4	-2.7	0.1
Women - 25 years and over	6.9	5.0	5.0	1.9	1.9
15 to 24 years	19.0	23.3	15.1	-4.3	3.9
Men - 15 to 24 years	17.3	26.7	18.8	-9.4	-1.5
Women - 15 to 24 years	20.8	19.6	11.1	1.2	9.7

*Combined data — based on a three month moving average
 Source: Statistics Canada Labour Force Survey

EMPLOYMENT BY INDUSTRY

In the third quarter of 2015, there were 1,200 more people working in the territories’ **goods-producing sector** compared to the previous quarter. In fact, mining and construction, the territories’ two major industries, posted notable employment gains of 34.8% and 17.5% respectively. Employment gains in the construction industry were largely driven by a number of new private and public infrastructure projects, which got underway this summer across the North.

On a year-over-year basis, employment in the goods-producing sector rose 8.2% (+700) this quarter compared to a year earlier. Employment losses in the manufacturing and utilities industries were offset by gains in the mining and construction industries. Going forward, the sector is expected to see some growth in the medium-term, driven by major mining and construction projects scheduled to begin in the next two years. These projects include Nunavut's Mary River iron ore mine, NWT's Gahcho Kue diamond mine, and transmission infrastructure development in central Yukon between Steward Crossing and Keno City.

The **services-producing sector** also gained ground in the third quarter, with employment reaching 46,300, an increase of 1.8% over the previous quarter. Nearly all industries within the sector gained jobs this quarter, except for finance, insurance, real estate and leasing, public administration and educational services.

Year-over-year the number of workers in the services-producing sector dropped considerably, down 2.7%. Public administration showed the largest declines, with the number employed decreasing by 1,300 (-10.1%), while employment in business, building and other support services also dropped 300 (-16.7%).

Despite these declines, the outlook for this sector should improve in the next few years as new construction and mining projects create employment opportunities for the transportation and warehousing, and professional, scientific and technical services industries.

In addition, the North West Company also plans to spend about \$150 million over the next three years to expand its existing stores in the North. These projects are expected to create more employment opportunities in the retail, trade and construction industries across the three territories.

Northwest Territories, Nunavut and Yukon* Quarterly Labour Force Statistics

Seasonally Unadjusted Data ('000)	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation		Yearly Variation	
	2015	2015	2014	Number	%	Number	%
Total employed, all industries	55.6	53.6	56.0	2.0	3.7	-0.4	-0.7
Goods-producing sector	9.2	8.0	8.5	1.2	15.0	0.7	8.2
Agriculture	0.2	0.3	0.0	-0.1	-33.3	0.2	-
Forestry, fishing, mining, quarrying, oil and gas	3.1	2.3	2.6	0.8	34.8	0.5	19.2
Utilities	0.7	0.6	0.8	0.1	16.7	-0.1	-12.5
Construction	4.7	4.0	4.6	0.7	17.5	0.1	2.2
Manufacturing	0.2	0.5	0.3	-0.3	-60.0	-0.1	-33.3
Services-producing sector	46.3	45.5	47.6	0.8	1.8	-1.3	-2.7
Trade	5.8	5.4	6.0	0.4	7.4	-0.2	-3.3
Transportation and warehousing	3.1	2.8	2.6	0.3	10.7	0.5	19.2
Finance, insurance, real estate and leasing	2.4	2.5	2.7	-0.1	-4.0	-0.3	-11.1
Professional, scientific and technical services	2.9	2.9	3.2	0.0	0.0	-0.3	-9.4
Business, building and other support services	1.5	1.4	1.8	0.1	7.1	-0.3	-16.7
Educational services	4.8	5.4	4.8	-0.6	-11.1	0.0	0.0
Health care and social assistance	6.6	5.9	6.4	0.7	11.9	0.2	3.1
Information, culture and recreation	2.7	2.4	2.7	0.3	12.5	0.0	0.0
Accommodation and food services	3.0	2.7	2.8	0.3	11.1	0.2	7.1
Other services	2.0	1.6	1.8	0.4	25.0	0.2	11.1
Public administration	11.6	12.4	12.9	-0.8	-6.5	-1.3	-10.1

* Combined data — based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey

REGIONAL ANALYSIS

Yukon

The number of people employed in Yukon increased by 7.3% to 20,500 in the third quarter of 2015, while the unemployment rate dropped a notable 4.4 percentage points to 4.2%. Year-over-year, the territory's unemployment rate increased 1.4 percentage points, while employment decreased 1.4%.

These declines are largely due to ongoing challenges in the territory's mining industry over the past year, including production and employment cutbacks at the Wolverine zinc mine and the shutdown of the North American Tungsten's Cantung Mine. Until commodity prices recover, growth in mineral production and exploration is expected to remain minimal.

Nevertheless, projects such as the new Salvation Army Centre of Hope, the \$21 million detox centre in Whitehorse, the City of Whitehorse municipal building and the new Whitehorse General Hospital expansion project should create employment opportunities in the territory over the next two years.

Northwest Territories

Employment in Northwest Territories remained unchanged in the third quarter of 2015 compared to the third quarter of 2014. However, employment in the territory decreased 1.3% (-300) year-over-year. Employment losses were due to drops in the services-producing sector (-3.8%), with professional, scientific and technical services and business, building and other support services seeing the largest declines, down 30.8% and 25% respectively.

Moving forward, the economic growth for Northwest Territories is the weakest of all three territories, with GDP growth forecast to decrease by 2% this year.² Nonetheless, a number of new developments such as the new female correctional facility in Fort Smith, the new Explorer Hotel and the \$300 million Stanton Territorial Hospital renewal project should provide some support for construction and related industries. These projects are expected to help advance the territory's GDP to 1.7% in 2016.³

Nunavut

In the third quarter this year, the number of workers employed in Nunavut increased 600 on a quarterly basis, reaching 12,900. In fact, both the goods-producing sector (+14.3%) and the services producing sector (+3.7%) posted employment increases this quarter compared to the previous quarter.

Year-over-year, Nunavut was the only territory to see annual employment gains this quarter, with the number employed increasing by 200. Employment gains were mainly concentrated in the goods-producing sector, with employment in the mining industry increasing 33.3% over the year.

Looking to the future, Nunavut's outlook is expected to be more promising than that of its two territorial counterparts in the short-term. Indeed, the construction industry will be busy thanks to a number of private and public construction projects, including the expansion of Iqaluit International Airport, the Canadian High Arctic Research Station project and the Nanisivik Naval Facility near Arctic Bay.

Furthermore, the North West Company recently announced that the expansion of three of its stores in Nunavut has been completed creating a total of 94 new retail jobs. Each expansion will also have a space for on-site staff training as part of the company's initiative to employ local residents.

² Ibid

³ Ibid

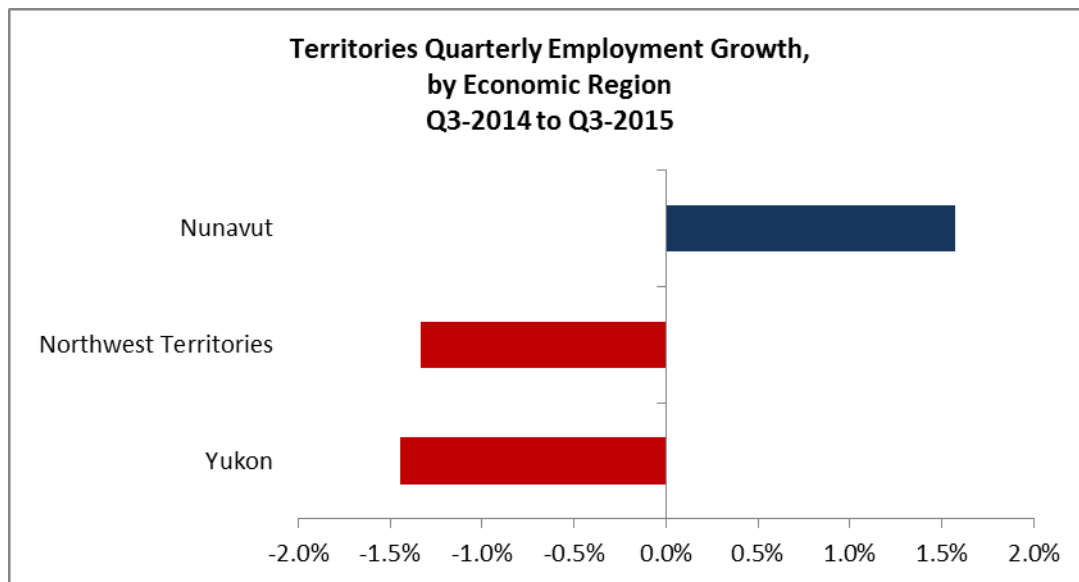
Territories Quarterly Labour Force Statistics

Seasonally Unadjusted Data	Employment			Unemployment Rate		
	3rd Quarter 2015 ('000)	3rd Quarter 2014 ('000)	Yearly Variation (%)	3rd Quarter 2015 (%)	3rd Quarter 2014 (%)	Yearly Variation (% points)
Total territories*	55.6	56.0	-0.7	9.3	7.6	1.7
Yukon	20.5	20.8	-1.4	4.2	2.8	1.4
Northwest Territories	22.2	22.5	-1.3	8.6	7.4	1.2
Nunavut	12.9	12.7	1.6	17.2	14.7	2.5

* Combined data – 3 month moving average seasonally unadjusted data

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey



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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