



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

July 2017



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 of Northwest Territories (NWT), Nunavut and Yukon trended upward for a second consecutive month in July. The number of people employed in the Territories increased 900 to 57,200 on a month-over-month basis, which can be attributed entirely to a gain in full-time positions.

Year-over-year, employment across the Territories fell 1.2% (-700), with declines both in full-time and in part-time employment. The number of people employed decreased in Northwest Territories (-6.9%) and in Nunavut (-1.4%). These declines demonstrate the impact that lower commodity prices continue to have on both territories' labour markets. Meanwhile, Yukon was the only territory to see an increase in employment levels over the past year, with the number of people working increasing by 5.2%.

Unemployment

The unemployment rate for the combined Territories dropped 0.4 percentage points to 7.6% in July. On an annual basis, the unemployment decreased both in Northwest Territories and Yukon, falling to 6.5% and 3.5% respectively. Meanwhile, Nunavut's unemployment rate increased 0.2 percentage points to 15.3%.

The youth (15 to 24 years) unemployment rate for the combined Territories was 14.7% in July, a decrease of 0.9 percentage points from June. Year-over-year, the unemployment rate for this age group is down 3.4 percentage points. The unemployment rate for young men fell 5.2 percentage points to 17% between July 2016 and July 2017, while the unemployment rate for young women decreased 1.0 percentage points to 12.5% over

the same period. Nunavut continues to have the highest youth unemployment rate in the country, with its unemployment rate for young men currently sitting at 27%.

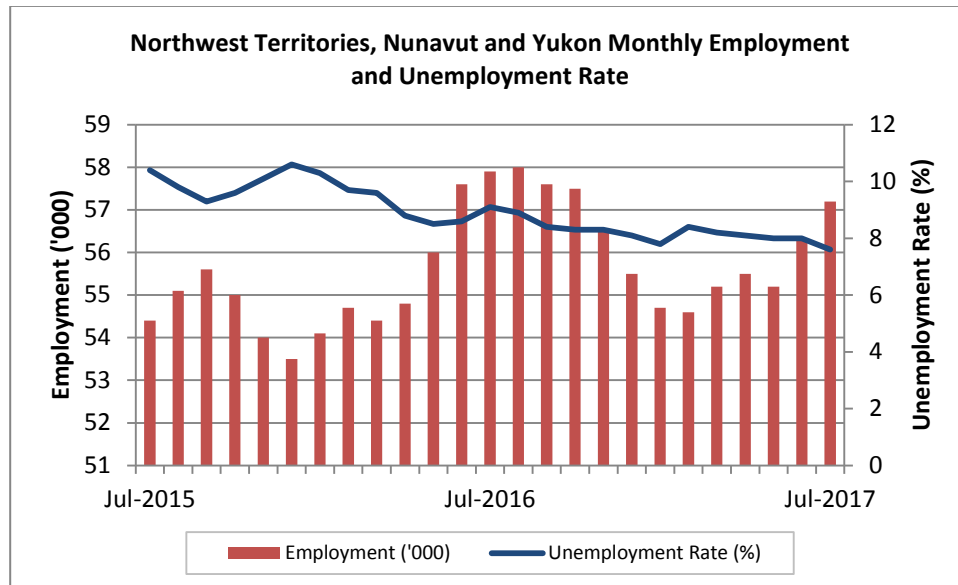
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Unadjusted Data	July 2017	June 2017	July 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	85.4	85.3	85.2	0.1	0.1	0.2	0.2
Labour Force ('000)	61.9	61.2	63.7	0.7	1.1	-1.8	-2.8
Employment ('000)	57.2	56.3	57.9	0.9	1.6	-0.7	-1.2
Full-Time ('000)	49.6	48.6	50.2	1.0	2.1	-0.6	-1.2
Part-Time ('000)	7.6	7.6	7.7	0.0	0.0	-0.1	-1.3
Unemployment ('000)	4.7	4.9	5.8	-0.2	-4.1	-1.1	-19.0
Unemployment Rate (%)	7.6	8.0	9.1	-0.4	-	-1.5	-
Participation Rate (%)	72.5	71.7	74.8	0.8	-	-2.3	-
Employment Rate (%)	67.0	66.0	68.0	1.0	-	-1.0	-

*Combined data - three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey



Northwest Territories, Nunavut and Yukon* Monthly Unemployment Rates, by Gender and Age

Seasonally Unadjusted Data	July 2017 (%)	June 2017 (%)	July 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	7.6	8.0	9.1	-0.4	-1.5
25 years and over	6.3	6.7	7.3	-0.4	-1.0
Men - 25 years and over	7.7	8.8	9.6	-1.1	-1.9
Women - 25 years and over	4.8	4.4	4.8	0.4	0.0
15 to 24 years	14.7	15.6	18.1	-0.9	-3.4
Men - 15 to 24 years	17.0	20.5	22.2	-3.5	-5.2
Women - 15 to 24 years	12.5	10.9	13.5	1.6	-1.0

*Combined data - three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey

EMPLOYMENT BY INDUSTRY

In July, employment in the goods-producing sector increased 300 to reach 8,100. The largest employment gains were in mining and construction, up 8.0% and 5.0% respectively. Employment growth in both industries is being driven by several mining exploration and public infrastructure projects that got underway this summer across the Territories.

On a year-over-year basis, employment in the goods-producing sector is down 2.4% (-200). Employment is higher both in mining and in construction, but gains in these industries were offset by losses in the agriculture and utilities industries.

The goods-producing sector is expected to see some growth over the medium-term as a number of mining and construction projects are scheduled to begin in the North over the next few years. Moreover, funding from all levels of government for infrastructure projects such as roads, hospitals, schools and airports will also help to support growth in the construction industry.

Meanwhile, employment climbed higher in the services-producing sector in July – increasing 700 to 49,000 on a monthly basis. Employment growth in the services-sector was driven by gains in several large industry groups including public administration (+400), trade (+400) and health care and social assistance (+300).

On a yearly basis, employment in the services-sector is down 1.0%, meaning 500 fewer people were employed in July compared to the same time last year. The largest declines were in finance, insurance, real estate and leasing (-400), and professional, scientific and technical services (-400).

Despite these losses, the outlook for the services-sector is positive over the short-term. With major infrastructure projects underway across the North, the transportation and warehousing, as well as the trade industry, are expected to see some growth over the next two years. Several upcoming projects, including the redevelopment of Nunavut's \$81 million Kugaardjuq School, construction of Northwest Territories' all-season

road from Norman Wells to Canyon Creek and the Whitehorse General Hospital expansion are anticipated to create a significant number of job opportunities for the North.

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

Seasonally Unadjusted Data	July 2017	June 2017	July 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	57.2	56.3	57.9	0.9	1.6	-0.7	-1.2
Goods-producing sector	8.1	7.8	8.3	0.3	3.8	-0.2	-2.4
Agriculture	0.0	0.0	0.3	0.0	-	-0.3	-100.0
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.5	2.5	0.2	8.0	0.2	8.0
Utilities	0.5	0.7	1.0	-0.2	-28.6	-0.5	-50.0
Construction	4.2	4.0	4.0	0.2	5.0	0.2	5.0
Manufacturing	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Services-producing sector	49.0	48.3	49.5	0.7	1.4	-0.5	-1.0
Trade	7.0	6.6	6.6	0.4	6.1	0.4	6.1
Transportation and warehousing	3.2	3.3	3.4	-0.1	-3.0	-0.2	-5.9
Finance, insurance, real estate and leasing	2.2	2.3	2.6	-0.1	-4.3	-0.4	-15.4
Professional, scientific and technical services	2.4	2.3	2.8	0.1	4.3	-0.4	-14.3
Business, building and other support services	1.0	1.0	1.2	0.0	0.0	-0.2	-16.7
Educational services	5.0	5.6	5.4	-0.6	-10.7	-0.4	-7.4
Health care and social assistance	7.2	6.9	6.7	0.3	4.3	0.5	7.5
Information, culture and recreation	2.6	2.6	2.2	0.0	0.0	0.4	18.2
Accommodation and food services	3.7	3.7	3.6	0.0	0.0	0.1	2.8
Other services	1.8	1.7	2.2	0.1	5.9	-0.4	-18.2
Public administration	12.8	12.4	13.0	0.4	3.2	-0.2	-1.5

*Combined data - 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 grew by 600 in July, reaching 22,100. In fact, both the goods-producing (+3.6%) and services-producing (+2.1%) sectors saw monthly employment increases.

On an annual basis, employment in Yukon increased 5.2% (+1,100), while the unemployment rate dropped 0.5 percentage point to 3.5%. Job gains over the past year are due entirely to growth in the services-producing sector (+5.5%), with health and social assistance; trade; and information, culture and recreation seeing the largest increases.

Moving forward, territorial employment is expected to advance over the short-term as major infrastructure projects are slated to begin across the Yukon. These projects include the construction of a \$45 million

municipal operations building in Whitehorse, the Haeckel Hill wind turbine redevelopment project and construction of a new French First Language high school on the Riverdale Education Reserve.

In addition, the Government of Yukon has pledged 14% more incentive funding this year to support 59 mineral exploration projects in the territory.¹ These projects are expected to create more job opportunities in mining-related industries. According to the Natural Resources Canada, Yukon exploration spending is forecast to increase by just over 7% in 2017 compared to last year.²

Northwest Territories

The number of people employed in Northwest Territories increased for the second consecutive month in July, up 200 to 21,500. On a yearly basis, the number of people employed in the territory is down 6.9% (-1,600). Job losses over the past year are due entirely to falling employment in the services-producing sector, with public administration (-800) and transportation and warehousing (-400) seeing the largest declines.

Despite these recent job losses, the outlook for Northwest Territories' economy is positive as the world's largest diamond mine – the Gahcho Kue mine – comes into full production this year. Moreover, major construction projects such as the \$154 million Pine Point zinc mine redevelopment, the \$35M expansion at the Fort Smith Correctional Complex and the \$12.8 million Allain St-Cyr School expansion project in Yellowknife should provide support for construction-related industries.

Industries such as health care and social services should also see some growth in the short-term. The federal and territorial governments have earmarked a total of \$24.9 million to improve NWT's health care system over the next few years.³

Nunavut

Nunavut employment rose slightly (+100) to 13,600 in July. In contrast, year-over-year employment in the territory decreased 1.4% (-200) as gains in the territory's services-producing sector were not enough to offset losses in the goods-producing sector.

Nunavut's economic outlook is optimistic for the medium-term, as large-scale development projects and public infrastructures projects will help to generate new employment opportunities. These projects include construction of the \$130 million Nanisivik Naval Facility, the \$76 million Qikigtani Correctional Healing Centre and TMAC Resources Inc.'s Doris North Gold Mine project.

Furthermore, Agnico Eagle Mines Ltd. plans to invest US\$1.2 billion to construct the Meliadine and Amaruq gold mines in the Kivalliq region.⁴ These two projects alone will bring significant economic gains to the territory, including \$500 million a year of spending on goods and services and \$2.5 million per year in property taxes for the Government of Nunavut. Both mines are also anticipated to create up to 2,000 construction and operational jobs between 2017 and 2030.⁵

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

Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2017 ('000)	July 2016 ('000)	Yearly Variation (%)	July 2017 (%)	July 2016 (%)	Yearly Variation (% points)
Territories*	57.2	57.9	-1.2	7.6	9.1	-1.5
Northwest Territories	21.5	23.1	-6.9	6.5	8.4	-1.9
Nunavut	13.6	13.8	-1.4	15.3	15.1	0.2
Yukon	22.1	21.0	5.2	3.5	5.8	-2.3

*Combined data - three month moving average

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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¹ Government of Yukon, Funding for mineral exploration projects, May 18, 2017.
<http://www.gov.yk.ca/news/17-107.html>

² Natural Resources Canada, Exploration Plus Deposit Appraisal Expenditures, 2017.
<http://sead.nrcan.gc.ca/expl-expl/ExploTable.aspx?FileT=02&Lang=en>

³ Government of Northwest Territories, Government of Canada and NWT Announce Significant Investments to Improve Health Care for Patients in the Northwest Territories, July 19, 2017
<http://www.gov.nt.ca/newsroom/news/government-canada-and-northwest-territories-announce-significant-investments-improve>

⁴ Nunatsiaq Online, Agnico Eagle Presses the Start Button on Two New Nunavut Mines, February 16, 2017.
http://www.nunatsiaqonline.ca/stories/article/65674agnico_eagle_presses_the_start_button_on_two_new_nunavut_mines/

⁵ Ibid