



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon



September 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, Nunavut and Yukon continued to trend upward for a second consecutive quarter. The number of people employed in the Territories increased 0.7% to 56,700 in the third quarter of 2017. All employment gains during the quarter were due to an increase in full-time employment.

On a year-over-year basis, employment in the Territories fell 1.6% (-900). The number of people employed decreased in Northwest Territories (-5.2%) and in Nunavut (-2.2%). Yukon was the only territory to see an increase in employment (+2.9%) due to significant growth in its services-producing sector.

Moving forward, the medium-term employment trend is positive for the Territories, as a number of new mining and public infrastructure projects commence across the North.

Unemployment

The unemployment rate for the combined Territories dropped to 7.4%, down 0.6 percentage points from the second quarter of 2017. Year-over-year, Yukon's unemployment rate is down a notable 3.1 percentage points to 2.7%. Meanwhile, the unemployment rate is up both in Northwest Territories and in Nunavut, reaching 6.9% and 14.9% respectively. Nunavut continues to have one of the highest unemployment rates in Canada – about 8.7 percentage points higher than the national average of 6.2%.

Compared to the second quarter of 2017, the unemployment rate for youth (15 to 24 years) in the Territories decreased 1.2 percentage points to 14.4%. On an annual basis, the unemployment rate for this age group declined 2.4 percentage points. The unemployment rate for young women dropped 1.0 percentage points to 14.6% over the year, while the unemployment rate for young men decreased a noteworthy 4.0 percentage points to 14.0%.

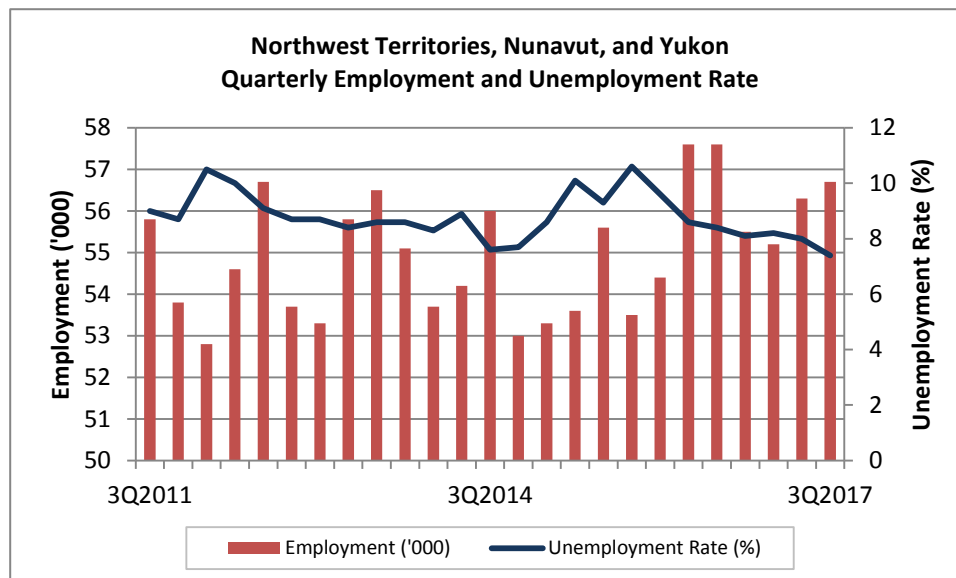
Northwest Territories, Nunavut, Yukon* Quarterly Labour Force Statistics

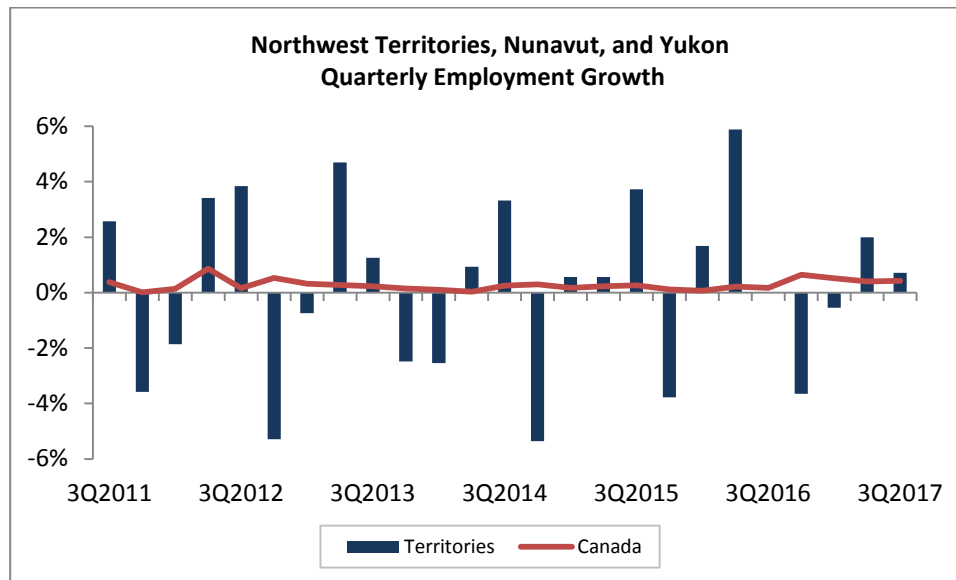
Seasonally unadjusted quarterly data	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	85.6	85.3	85.3	0.3	0.4	0.3	0.4
Labour Force ('000)	61.2	61.2	62.9	0.0	0.0	-1.7	-2.7
Employment ('000)	56.7	56.3	57.6	0.4	0.7	-0.9	-1.6
Full-Time ('000)	49.4	48.6	51.0	0.8	1.6	-1.6	-3.1
Part-Time ('000)	7.3	7.6	6.7	-0.3	-3.9	0.6	9.0
Unemployment ('000)	4.5	4.9	5.3	-0.4	-8.2	-0.8	-15.1
Unemployment Rate (%)	7.4	8.0	8.4	-0.6	-	-1.0	-
Participation Rate (%)	71.5	71.7	73.7	-0.2	-	-2.2	-
Employment Rate (%)	66.2	66.0	67.5	0.2	-	-1.3	-

* 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 2017 (%)	2nd Quarter 2017 (%)	3rd Quarter 2016 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
	Total	7.4	8.0	8.4	-0.6
25 years and over	6.1	6.7	6.7	-0.6	-0.6
Men - 25 years and over	7.2	8.8	8.2	-1.6	-1.0
Women - 25 years and over	4.9	4.4	5.2	0.5	-0.3
15 to 24 years	14.4	15.6	16.8	-1.2	-2.4
Men - 15 to 24 years	14.0	20.5	18.0	-6.5	-4.0
Women - 15 to 24 years	14.6	10.9	15.6	3.7	-1.0

*Combined data — based on a three month moving average

Source: Statistics Canada Labour Force Survey

EMPLOYMENT BY INDUSTRY

The number of people employed in the goods-producing sector was unchanged from the previous quarter as employment losses in the manufacturing industry were offset by gains in the mining industry (+200).

On a yearly basis, employment in the goods-producing sector is down 10.3% (-900). Almost all industries within the sector suffered employment losses over the year, with the construction industry posting the most significant decline (-900).

Looking ahead, the goods-producing sector should see some growth over the medium-term as a number of private and public construction projects are either underway or scheduled to start next year. These projects include the \$220 million Victoria Gold Eagle mine development in Yukon, the \$154 million Pine Point zinc mine redevelopment in Northwest Territories and the \$130 million Nanisivik Naval Facility in Nunavut.

In contrast to the goods-producing sector, employment in the services-producing sector was up 1.4% to 49,000 on a quarterly basis. Employment growth in the services-sector was driven by gains in several large industry groups including public administration (+700); trade (+400); and health care and social assistance (+300).

On a year-over-year basis, employment in the services-producing sector was relatively flat, up just 0.2% (+100). Falling employment in finance, insurance, real estate and leasing (-400); professional, scientific and technical services (-400); and educational services (-400) were offset by growing employment in trade (+900) and accommodation and food services (+400).

Positive employment growth in the services-producing sector is expected to continue moving forward. With major construction and mining exploration projects underway across the three territories, the transportation and warehousing industry, as well as the trade industry, are expected to see growth over the medium-term.

In addition, the Territories' tourism sector is anticipated to remain strong as a low Canadian dollar continues to attract more U.S. and international visitors. All three territorial governments report steady growth in visitation and tourist expenditures over the past few years. Increasing tourism is expected to provide spin-off benefits for the Territories' accommodation, food services and retail industries.

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

Seasonally Unadjusted Data ('000)	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	56.7	56.3	57.6	0.4	0.7	-0.9	-1.6
Goods-producing sector	7.8	7.8	8.7	0.0	0.0	-0.9	-10.3
Agriculture	0.0	0.0	0.0	0.0	-	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.5	2.4	0.2	8.0	0.3	12.5
Utilities	0.6	0.7	0.9	-0.1	-14.3	-0.3	-33.3
Construction	3.9	4.0	4.8	-0.1	-2.5	-0.9	-18.8
Manufacturing	0.0	0.2	0.2	-0.2	-100.0	-0.2	-100.0
Services-producing sector	49.0	48.3	48.9	0.7	1.4	0.1	0.2
Trade	7.0	6.6	6.1	0.4	6.1	0.9	14.8
Transportation and warehousing	3.3	3.3	3.2	0.0	0.0	0.1	3.1
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	2.2	2.3	2.6	-0.1	-4.3	-0.4	-15.4
Business, building and other support services	1.2	1.0	1.0	0.2	20.0	0.2	20.0
Educational services	4.5	5.6	4.9	-1.1	-19.6	-0.4	-8.2
Health care and social assistance	7.2	6.9	7.1	0.3	4.3	0.1	1.4
Information, culture and recreation	2.7	2.6	2.4	0.1	3.8	0.3	12.5
Accommodation and food services	3.7	3.7	3.3	0.0	0.0	0.4	12.1
Other services	1.9	1.7	2.3	0.2	11.8	-0.4	-17.4
Public administration	13.1	12.4	13.4	0.7	5.6	-0.3	-2.2

* 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 0.5% to 21,600 on a quarterly basis. Gains can be attributed entirely to increasing employment in the services-producing sector. The story is very much the same year-over-year, with employment increasing 2.9% (+600). All employment gains over the past year were also due to growth in the services-producing sector (+5.6%).

Looking ahead, both the goods-producing and services-producing sectors should see some growth over the next few years. Construction projects such as the \$45 million municipal operations building in Whitehorse, the \$360 million Yukon Gateway road improvement project and the \$317 million Goldcorp Inc. Coffee Gold mine development, will generate plenty of employment and subcontracting opportunities for local residents and businesses.

Moreover, tourism is also expected to create more job opportunities for the territory. According to the Government of Yukon, the territory has experienced steady growth in visitation over the past five years. The number of international border crossing visitors increased by almost 5% in 2016 compared to 2012.¹ Meanwhile, visitation and tourist expenditures in the territory increased significantly from \$131 million to \$303 million during the same period.² The territorial government forecasts that tourism spending in Yukon will increase to \$321 million this year, up 5.9% from previous year.³

Northwest Territories

Employment in the Northwest Territories increased 400 to 21,700 from the second quarter to the third quarter of 2017. Employment losses in the goods-producing sector were offset by gains in the services-producing sector. However, on an annual basis, employment in the territory is down 5.2% (-1,200). Employment losses resulted entirely from a decrease in the services-producing sector (-6.7%), with public administration (-800) and educational services (-300) seeing the largest declines.

In the medium-term, projects such as the \$300 million Stanton Territorial Hospital renewal project, the \$40 million TerraX Mineral's Yellowknife City Gold exploration project and the \$35 million expansion at the Fort Smith Correctional Complex should provide support for construction-related industries.

Moreover, the outlook for the territory's tourism industry is positive according to the Government of Northwest Territories. Tourist expenditures and visitations reached record highs in the territory in 2016-2017. Visitor spending increased 21% to \$201.4 million in 2016-17 compared to 2015-2016.⁴ Meanwhile, visitations to the territory were up 16% to 108,480 in April 2017 compared to April 2016.⁵ The territorial government expects tourism spending to increase to \$207 million annually by 2021, which should generate more job opportunities for tourism-related industries.⁶

Nunavut

On a quarterly basis, employment in Nunavut fell 0.7% to 13,400, due entirely to losses in the services-producing sector. Year-over-year, employment in the territory is down 2.2% (-300), as employment gains in the services-producing sector were more than offset by losses in the goods-producing sector.

Despite recent job losses, the short-term outlook for Nunavut's economy remains optimistic as work on several major projects progresses. For example, construction has begun on a new high school in Cape Dorset. The new facility will accommodate 264 students once it is fully operational in time for the 2018-19 school year.⁷ The \$34 million project is expected to create employment and business opportunities for local residents in Cape Dorset and surrounding communities.

Moreover, the federal government and a regional internet service provider have pledged a combined total of \$123 million to bring high-speed internet to Nunavut by 2019.⁸ The upgrades are expected to boost internet speeds by three times for residential users and also provide 20 times more broadband capacity for institutions such as governments, schools and health care providers. The project involves the construction of new satellite dishes and ground stations across 25 communities.⁹ Northwestel, the internet service provider for the project, has already started sea-lifting construction supplies to the territory.

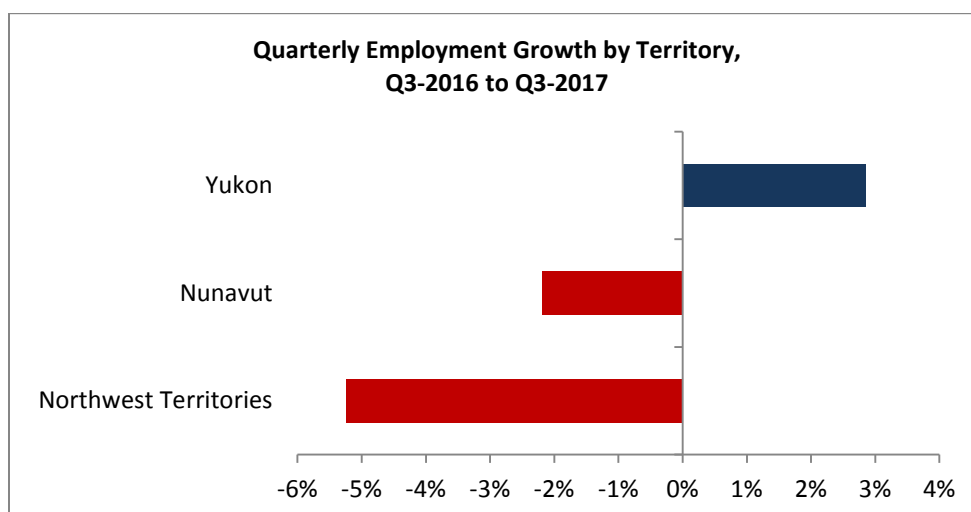
Quarterly Labour Force Statistics, by Territory

Seasonally unadjusted data	Employment			Unemployment Rate		
	3rd Quarter 2017 ('000)	3rd Quarter 2016 ('000)	Yearly Variation (%)	3rd Quarter 2017 (%)	3rd Quarter 2016 (%)	Yearly Variation (% points)
Total territories*	56.7	57.6	-1.6	7.4	8.4	-1.0
Yukon	21.6	21.0	2.9	2.7	5.8	-3.1
Northwest Territories	21.7	22.9	-5.2	6.9	6.5	0.4
Nunavut	13.4	13.7	-2.2	14.9	14.5	0.4

* Combined data — based on a 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.

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

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2017, all rights reserved

¹ Government of Yukon, Tourism Yukon 2016 Year-End Report, 2017.
http://www.tc.gov.yk.ca/pdf/2016_Tourism_Yukon_Year_End_Report.pdf

² Ibid

³ Ibid

⁴ CBC News, Tourism soars in N.W.T, setting new record for visits and spending, Sept. 26, 2017.
<http://www.cbc.ca/news/canada/north/tourism-records-northwest-territories-1.4306572>

⁵ Ibid

⁶ Ibid

⁷ Government of Nunavut, Construction underway for new high school in Cape Dorset, August 15, 2017.
<http://www.gov.nu.ca/education/news/construction-underway-new-high-school-cape-dorset>

⁸ CBC News, Ottawa commits \$50M to get all 25 Nunavut communities faster internet by 2019, Sept. 15, 2017.
<http://www.cbc.ca/news/canada/north/connect-to-innovate-northwestel-internet-nunavut-1.4289747>

⁹ Ibid