



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

June 2018



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 Yukon, Northwest Territories (NWT) and Nunavut increased 3.1% (+1,700) in the second quarter of 2018. All employment gains during the quarter were due to an increase in full-time employment (+5.2%). On a year-over-year basis, employment levels in Yukon and Northwest Territories were relatively unchanged, while the number of people working in Nunavut dropped slightly by 1.5% (-200).

Moving forward, the short-term employment trend should be positive for the Territories, as a number of new private and public infrastructure projects are expected to commence across the North. New mineral exploration and extraction projects will also help to boost employment both in the goods-producing and services-producing sectors over the next few years.

Unemployment

The unemployment rate for the combined Territories was largely unchanged on a quarterly basis, up 0.1 percentage points to 7.5% from the first quarter of 2018. Year-over-year, Northwest Territories was the only territory to record an increase in its unemployment rate, up 2.3 percentage points to 8.5%. Meanwhile, both Yukon and Nunavut recorded a decrease in their unemployment rate over the year, which reached 2.3% and 14.1% respectively. Yukon continues to have one of the lowest unemployment rates in the country, well below the national rate of 6.0%.

Compared to the first quarter of this year, the unemployment rate for youth (15 to 24 years) in the Territories decreased 1.5 percentage points to 14.5%. On an annual basis, the unemployment rate for this age group dropped 1.1 percentage points. The unemployment rate for young men decreased a noteworthy 3.4 percentage points to 17.1%, while the unemployment rate for young women increased 1.3 percentage points to 12.2%.

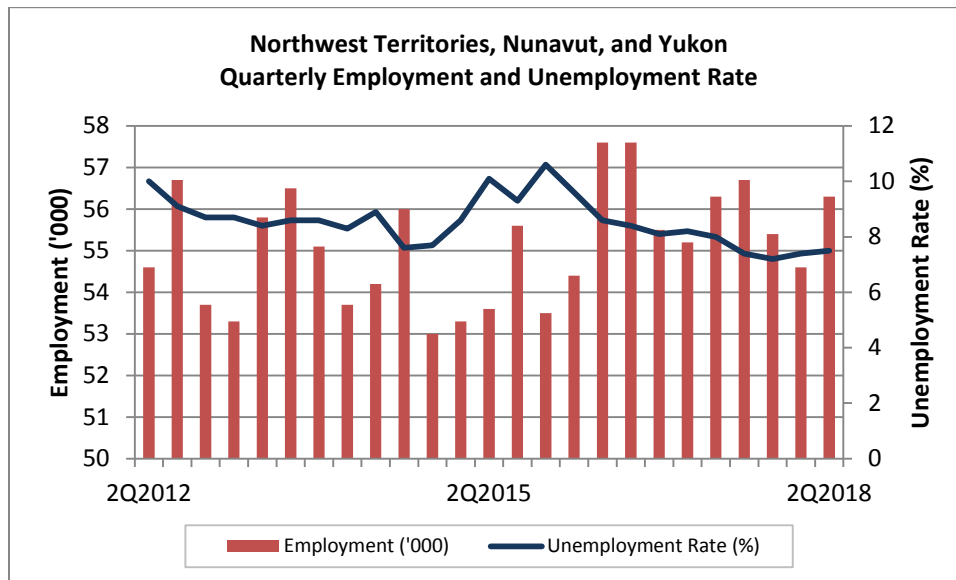
Northwest Territories, Nunavut, Yukon* Quarterly Labour Force Statistics

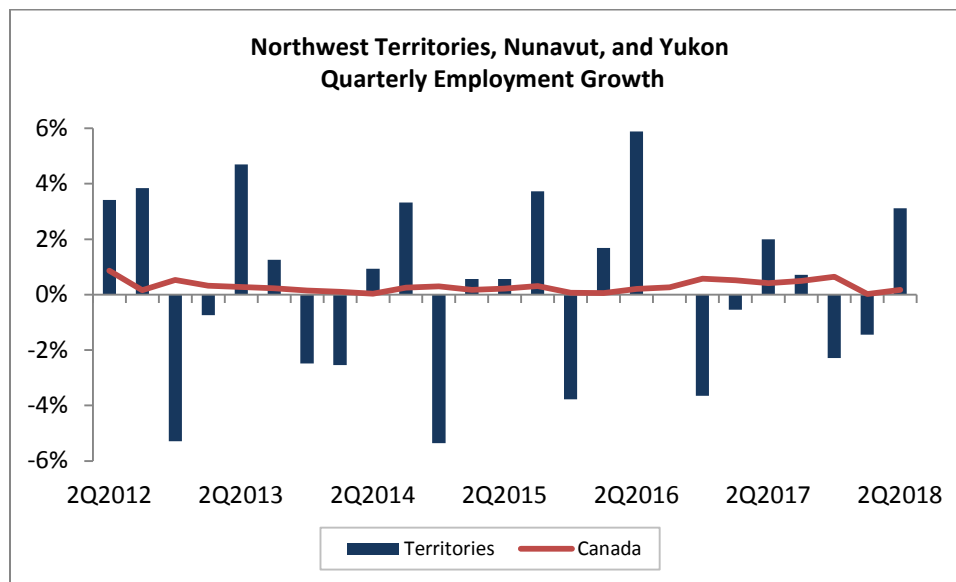
Seasonally unadjusted quarterly data	2nd Quarter 2018	1st Quarter 2018	2nd Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	86.7	86.2	85.3	0.5	0.6	1.4	1.6
Labour Force ('000)	61.0	59.1	61.2	1.9	3.2	-0.2	-0.3
Employment ('000)	56.3	54.6	56.3	1.7	3.1	0.0	0.0
Full-Time ('000)	48.7	46.3	48.6	2.4	5.2	0.1	0.2
Part-Time ('000)	7.6	8.3	7.6	-0.7	-8.4	0.0	0.0
Unemployment ('000)	4.6	4.4	4.9	0.2	4.5	-0.3	-6.1
Unemployment Rate (%)	7.5	7.4	8.0	0.1	-	-0.5	-
Participation Rate (%)	70.4	68.6	71.7	1.8	-	-1.3	-
Employment Rate (%)	64.9	63.3	66.0	1.6	-	-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	2nd Quarter 2018 (%)	1st Quarter 2018 (%)	2nd Quarter 2017 (%)	Quarterly Variation	Yearly Variation
				(% points)	(% points)
Total	7.5	7.4	8.0	0.1	-0.5
25 years and over	6.5	6.2	6.7	0.3	-0.2
Men - 25 years and over	8.4	8.2	8.8	0.2	-0.4
Women - 25 years and over	4.3	4.0	4.4	0.3	-0.1
15 to 24 years	14.5	16.0	15.6	-1.5	-1.1
Men - 15 to 24 years	17.1	18.9	20.5	-1.8	-3.4
Women - 15 to 24 years	12.2	15.8	10.9	-3.6	1.3

*Combined data — based on a three month moving average

Source: Statistics Canada Labour Force Survey

EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector was up 1,000 in the second quarter of 2018, an increase of 14.5% from the previous quarter. In fact, all industries within the sector added jobs during the quarter, with mining and construction posting strong employment gains of 31.8% and 15.6% respectively. On a year-over-year basis, employment in the goods-producing sector rose 1.3% (+100). Employment losses in the construction industry (-300) were offset by gains in the mining industry (+400).

Over the short-term, the construction industry should see some growth, buoyed by increased federal and territorial funding commitments in public infrastructure. The Government of Northwest Territories, for example, has budgeted \$30 million in funding towards the construction of a replacement air terminal building in Inuvik, while the federal government is investing a further \$2.3 million towards airport improvements in Fort Smith and Norman Wells.¹

The services-producing sector also gained ground in the second quarter this year, with employment reaching 48,400, an increase of 1.0% over the previous quarter. The largest employment gains were in trade and health care and social assistance, both increased significantly by 500.

Year-over-year, the number of people employed in the services-producing sector increased slightly, up just 0.2%. Falling employment in accommodation and food services (-900) and educational services (-600) were offset by growing employment in health care and social assistance (+1,400) and information, culture and recreation (+700).

The services-producing sector is expected to see steady growth over the next few years, as new construction and mining projects create employment opportunities in industries such as transportation; trade; and professional, scientific and technical services. Moreover, public administration, which accounts for a significant share of employment in the Territories (26%), should continue to see growth in the medium-term as the need for government services increase.

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

Seasonally Unadjusted Data ('000)	2nd Quarter 2018	1st Quarter 2018	2nd Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	56.2	54.6	56.3	1.6	2.9	-0.1	-0.2
Goods-producing sector	7.9	6.9	7.8	1.0	14.5	0.1	1.3
Agriculture	0.0	0.0	0.0	0.0	-	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	2.9	2.2	2.5	0.7	31.8	0.4	16.0
Utilities	0.9	0.9	0.7	0.0	0.0	0.2	28.6
Construction	3.7	3.2	4.0	0.5	15.6	-0.3	-7.5
Manufacturing	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Services-producing sector	48.4	47.9	48.3	0.5	1.0	0.1	0.2
Trade	6.5	6.0	6.6	0.5	8.3	-0.1	-1.5
Transportation and warehousing	2.9	2.8	3.3	0.1	3.6	-0.4	-12.1
Finance, insurance, real estate and leasing	2.0	2.1	2.3	-0.1	-4.8	-0.3	-13.0
Professional, scientific and technical services	2.1	1.8	2.3	0.3	16.7	-0.2	-8.7
Business, building and other support services	1.4	1.1	1.0	0.3	27.3	0.4	40.0
Educational services	5.0	5.4	5.6	-0.4	-7.4	-0.6	-10.7
Health care and social assistance	8.3	7.8	6.9	0.5	6.4	1.4	20.3
Information, culture and recreation	3.3	3.3	2.6	0.0	0.0	0.7	26.9
Accommodation and food services	2.8	3.6	3.7	-0.8	-22.2	-0.9	-24.3
Other services	1.4	1.6	1.7	-0.2	-12.5	-0.3	-17.6
Public administration	12.5	12.4	12.4	0.1	0.8	0.1	0.8

* 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

Employment in Yukon increased 2.4% to 21,500 on a quarterly basis. Both the goods-producing sector (+400) and services-producing sector (+100) saw employment advance on the quarter. On a yearly basis, the number of people employed in the territory remained unchanged. Employment gains in the goods-producing sector were offset by losses in the services-producing sector (-500).

In the medium-term, significant mining developments are expected to support economic and employment growth in the Yukon. These mining projects include \$320 million Coffee Gold Project and the \$370 million Victoria Gold Corp.'s Eagle Gold Project. Both developments are anticipated to create a total of approximately 700 jobs for the territory.²

Furthermore, the federal government plans to submit its remediation proposal for the abandoned Faro mine to the Yukon Environmental and Socio-Economic Assessment Board (YESAB) by the end of this year. Once approved, remediation work could start in 2022. The entire undertaking is expected to take 10 to 15 years to complete and require approximately 100 staff to work on the cleanup.³ The Faro Mine is considered one of the largest contaminated mines in Canada. Over \$350 million has already been spent maintaining the mine since 1998. It could cost another \$450 million to close the site entirely.⁴

Northwest Territories

In the second quarter, the number of people employed in Northwest Territories increased 700 (+3.4%) on a quarterly basis, reaching 21,400. Indeed, both goods-producing (+300) and services-producing (+400) sectors posted employment increases this quarter compared to the previous quarter. Year-over-year, employment in the Northwest Territories was largely unchanged (+100) with gains in the services-producing sector offsetting losses in the services-producing sector.

Public infrastructure projects such as the \$30 million new wind farm development in Inuvik,⁵ the \$79 million construction of a 777-kilometre fibre optic line from the Dempster Highway that connects Dawson City to Inuvik,⁶ and the Giant Mine cleanup project are expected to generate plenty of employment opportunities for residents.⁷

Additionally, the federal and territorial governments have pledged a total of \$140 million in funding to support several critical phases of the Mackenzie Valley Highway development project. The first phase of the project will include the construction of a new bridge over the Great Bear River as well as a 15-kilometre all-season road from Wrigley to Mount Gaudet. Construction is expected to get underway in 2021 and take two summer seasons to finish. It is estimated this project will create 400 jobs.⁸

Nunavut

On a quarterly basis, employment in Nunavut increased 3.1% to 13,300. Quarterly job growth was due entirely to employment gains in the goods-producing sector (+300).

On an annual basis, employment in the territory is down 1.5% (-200). Employment results were mixed between the two sectors with the goods-producing sector seeing gains, while employment in the services-producing sector declined. Several major industries experienced large swings in employment. For example, employment in health care and social assistance increased 28.6% (+400), while employment in the public administration fell 12.8% (-500).

Nunavut’s economic fortune should improve over the short-term though, as some public and private projects will provide support for the construction and related industries. These projects include the \$89 million small-craft harbour at Pond Inlet,⁹ the \$400 million Sabina’s Back River gold mine, and the \$1.1 billion Meliadine gold mine.¹⁰

The Nunavut Impact Review Board also recommended the federal government approve TMAC Resources Inc.’s plans to develop three new underground gold mines in the Kitikmeot region. If approved, TMAC estimates that about 400 jobs will be created during the construction phase and 800 jobs during operation at the Madrid North, Madrid South and Boston sites, with a lifespan projected to 2032.¹¹

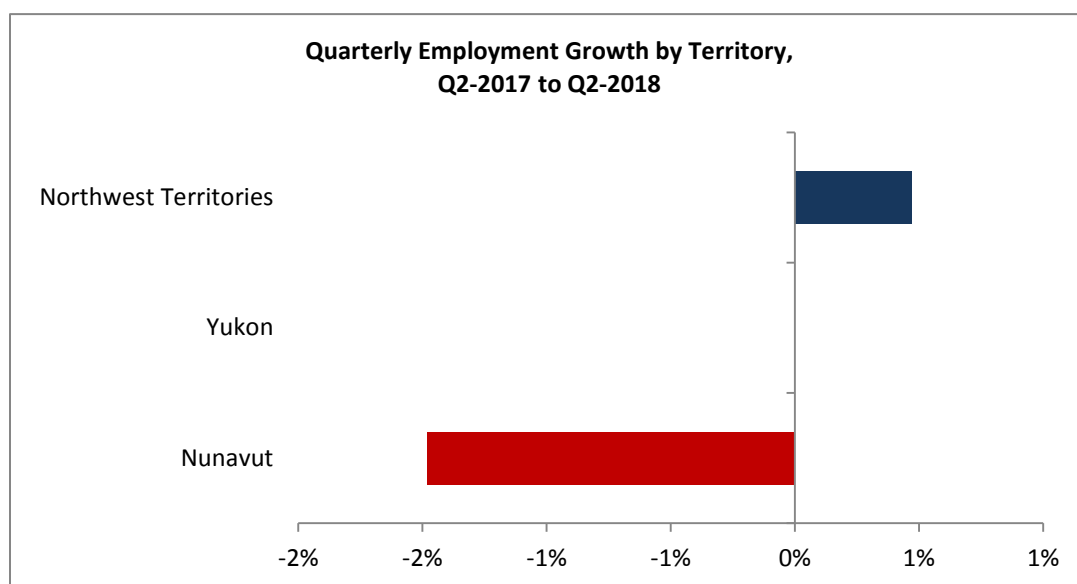
Quarterly Labour Force Statistics, by Territory

Seasonally unadjusted data	Employment			Unemployment Rate		
	2nd Quarter 2018 ('000)	2nd Quarter 2017 ('000)	Yearly Variation (%)	2nd Quarter 2018 (%)	2nd Quarter 2017 (%)	Yearly Variation (% points)
Total territories*	56.3	56.3	0.0	7.5	8.0	-0.5
Yukon	21.5	21.5	0.0	2.3	4.0	-1.7
Northwest Territories	21.4	21.3	0.5	8.5	6.2	2.3
Nunavut	13.3	13.5	-1.5	14.1	16.3	-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



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 Northwest Territories, Wally Schumann: NWT Airport Improvements, May 31, 2018.
<https://www.gov.nt.ca/newsroom/news/wally-schumann-nwt-airport-improvements-0>

² Conference Board of Canada, Territorial Outlook Economic Forecast, Spring 2018.
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³ CBC News, Federal gov't inches forward on Yukon's Faro Mine clean-up project, June 05, 2018.
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⁴ Yukon news, Ottawa takes over care and maintenance at the Faro mine, April 27, 2018.
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⁶ Yukon News, Yukon chooses Dempster fibre line route, June 22, 2018.
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⁷ CBC News, Det'on Cho cleans up contracts for Giant Mine jobs, June 15, 2018.
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⁸ CBC News, Mackenzie Valley Highway project to get \$102M boost from federal government, June 27, 2018.
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⁹ Nunatsiaq News, Tower Arctic wins \$89M contract for Iqaluit, Pond Inlet marine projects, May 25, 2018.
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¹⁰ Conference Board of Canada, Territorial Outlook Economic Forecast, Spring 2018.
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