



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

August 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 in Canada's three territories increased for a fourth consecutive month in August, with the number of employed increasing 200 (+0.4%). Employment levels in Northwest Territories (NWT) and Yukon are higher on the month, while employment in Nunavut fell slightly.

Year-over-year, employment across the Territories is up 0.5%. Both the Northwest Territories (+100) and Yukon (+300) posted employment gains, while Nunavut experienced a slight decrease (-100) over the year.

Unemployment

The unemployment rate for the combined Territories decreased for a second consecutive month, dropping to 7.3% in August. On an annual basis, Nunavut was the only territory to see its unemployment rate fall, down 0.8 percentage points to 14.8%. By contrast, Yukon's unemployment rate increased 0.4 percentage points to 2.7%, while the unemployment rate in Northwest Territories increased 0.8 percentage points to 6.8%.

For the combined Territories, the unemployment rate for youth (15 to 24 years) was 14.1% in August, a decrease of 1.1 percentage points from August 2017. The unemployment rate for young men fell significantly over the year, down 2.7 percentage points to 14.6%. Meanwhile, the unemployment rate for young women increased 0.8 percentage points to 13.6%. Nunavut continues to have the highest youth unemployment rate across the North at nearly 27%.

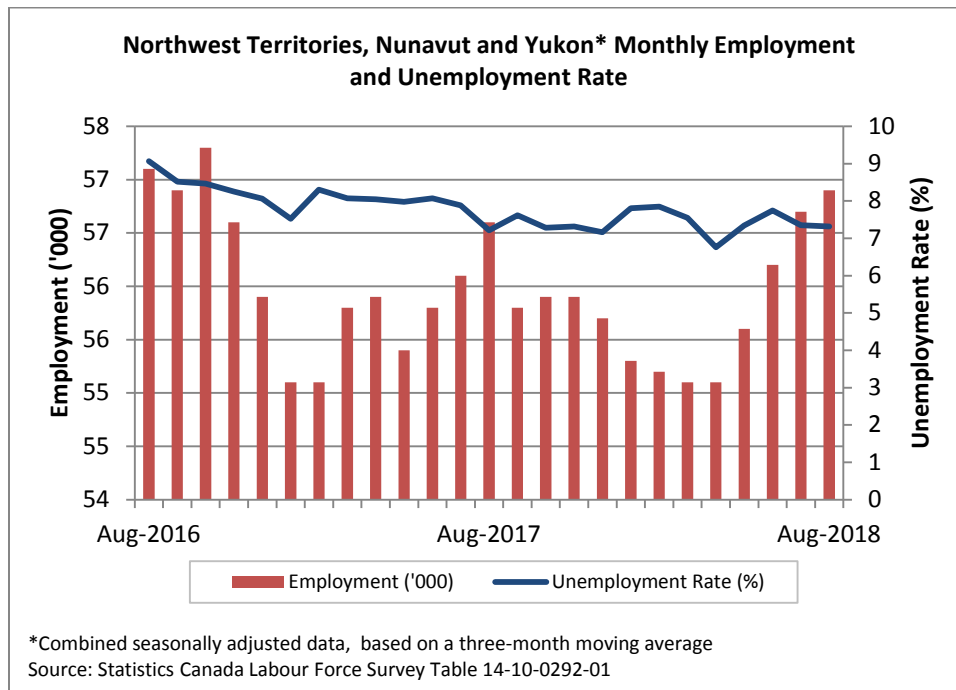
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Adjusted Data	August 2018	July 2018	August 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	87.1	86.9	85.4	0.2	0.2	1.7	2.0
Labour Force ('000)	61.5	61.2	61.0	0.3	0.5	0.5	0.8
Employment ('000)	56.9	56.7	56.6	0.2	0.4	0.3	0.5
Unemployment ('000)	4.5	4.5	4.4	0.0	0.0	0.1	2.3
Unemployment Rate (%)	7.3	7.4	7.2	-0.1	-	0.1	-
Participation Rate (%)	70.6	70.4	71.4	0.2	-	-0.8	-
Employment Rate (%)	65.3	65.2	66.3	0.1	-	-1.0	-

*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	August 2018 (%)	August 2017 (%)	Yearly Variation (% points)
Total	7.2	7.1	0.1
25 years and over	5.8	5.6	0.2
Men - 25 years and over	7.2	6.2	1.0
Women - 25 years and over	4.3	4.9	-0.6
15 to 24 years	14.1	15.2	-1.1
Men - 15 to 24 years	14.6	17.3	-2.7
Women - 15 to 24 years	13.6	12.8	0.8

**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 was up 600 in August, representing an increase of 7.1% from the same time last year. In fact, employment is up across all industries within the sector between August 2017 and August 2018, with mining (+300) and utilities (+500) posting the strongest employment gains. Employment growth in these industries is largely being driven by a number of mining exploration and public infrastructure projects currently underway across the North.

In the short- and medium-term, employment in the goods-producing sector is expected to benefit both from public and private construction projects. For instance, the federal government recently awarded an \$80.1 million contract to California-based Parsons Inc. for the construction of projects involved in the Faro mine remediation process in Yukon over the next two years.¹ The entire remediation project will likely to take 10 to 15 years to complete and require approximately 100 staff to work on the cleanup. The Faro Mine is considered one of the largest contaminated mines in Canada.² Over \$350 million has already been spent maintaining the mine since 1998; it could cost another \$450 million to close the mine completely.³

On an annual basis, employment in the services-producing sector is down 0.6%, meaning 300 fewer people were employed in August compared to the same time last year. Accommodation and food services posted the largest declines (-800), while employment in trade fell 600.

Looking ahead, the outlook for the services-producing sector is optimistic over the medium-term. Public administration, which accounts for a large share of employment in the Territories (27%), should see positive growth over the next few years as the need for government services increases. In fact, the federal government has pledged \$6 million in funding to open three permanent Canada Revenue Agency (CRA) offices in Yellowknife, Whitehorse, and Iqaluit, which aim to help northerners file their taxes correctly and on time. The new tax centres will also allow the expansion of CRA's outreach program, the Community Volunteer Income Tax Program, as well as their liaison officer services for businesses and self-employed people.⁴

The education industry may also see some growth over the short-term, as all the three territorial governments are actively trying to recruit more grade school teachers. The Northwest Territories government, for example, is in the process of recruiting teachers to fill 23 teaching positions that remain vacant across the territory.⁵ Meanwhile, the Nunavut government is desperately looking to hire more teachers. There were 66 vacant teaching positions in August compared to 58 vacancies around the same time in 2017.⁶

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

Seasonally Unadjusted Data	August 2018	August 2017	Yearly Variation	
			Number	%
Total employed, all industries	57.7	57.6	0.1	0.2
Goods-producing sector	9.1	8.5	0.6	7.1
Agriculture	0.0	0.0	0.0	--
Forestry, fishing, mining, quarrying, oil and gas	3.3	3.0	0.3	10.0
Utilities	1.0	0.5	0.5	100.0
Construction	4.4	4.3	0.1	2.3
Manufacturing	0.2	0.0	0.2	--
Services-producing sector	48.7	49.0	-0.3	-0.6
Trade	6.2	6.8	-0.6	-8.8
Transportation and warehousing	3.0	3.3	-0.3	-9.1
Finance, insurance, real estate and leasing	2.2	2.2	0.0	0.0
Professional, scientific and technical services	2.1	2.3	-0.2	-8.7
Business, building and other support services	1.5	1.1	0.4	36.4
Educational services	4.5	4.6	-0.1	-2.2
Health care and social assistance	8.1	7.3	0.8	11.0
Information, culture and recreation	3.2	2.6	0.6	23.1
Accommodation and food services	2.9	3.7	-0.8	-21.6
Other services	1.6	1.9	-0.3	-15.8
Public administration	13.3	13.1	0.2	1.5

*Combined data - three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey - ESDC custom table

REGIONAL ANALYSIS

Yukon

Employment in Yukon was essentially flat on a monthly basis, but is up 300 (+1.4%) over the year. Job gains over the past year are due to growth in the goods-producing sector, with the mining industry seeing the most significant increase.

Positive employment growth in Yukon's goods-producing sector is likely to continue moving forward as large-scale mining developments are expected to support economic and employment growth in the territory. These

mining projects include the \$320 million Coffee Gold Project and Victoria Gold Corp's \$370 million Eagle Gold Project. Combined, these developments are estimated to create a total of 700 jobs for the territory.⁷

In addition, the federal government has provided the first of two \$8.25 million disbursements as part of the federal Gas Tax Fund (GTF) to support local infrastructure projects each year. There are about 18 project categories that are eligible for funding under the GTF program. These projects are expected to help create job opportunities throughout the territory.⁸

Northwest Territories

On a yearly basis, employment in the NWT was relatively flat, up just 0.5% (+100). Employment losses in the goods-producing sector were offset by gains in the services-producing sector.

In the medium-term, the \$280 million Prairie Creek zinc mine development, the \$40 million TerraX Mineral's Yellowknife City Gold exploration project⁹ and construction of a new \$12 million fish processing plant in the town of Hay River should help to support growth in the mining and construction industries.¹⁰

In other developments, Rio Tinto recently opened a fourth diamond pipe at its Diavik Diamond Mine located 300 kilometres northeast of Yellowknife. The new pipe – known as A21 – cost about US\$350 million and took four years to construct. Rio Tinto expects that a number of new jobs will be created at the mine once the pipe is in full production this fall. Although A21 will not extend the Diavik mine's life beyond 2023, it will help sustain production levels until it closes. According to Rio Tinto, Diavik produces close to \$7 million worth of diamonds annually and has created thousands of jobs for NWT residents since it entered production in 2003.¹¹

Nunavut

On a year-over-year basis, employment in the territory is down 0.7% (-100). Employment gains in the territory's goods-producing sector were offset by losses in the services-producing sector.

Nunavut's economic outlook should improve over the short-term though, as major mining and construction projects are slated to begin over the next two years. Projects include the \$10 million National Defence infrastructure upgrades at the Canadian Force Station Alert facility,¹² the \$400 million Back River gold mine development, and the \$1.2 billion Meliadine and Amaruq gold mines in the Kivalliq region.¹³

Meanwhile, the Qikiqtani Inuit Association (QIA) has created an Inuit Labour Pool Database that aims to promote Inuit training and employment opportunities across the Qikiqtani region. The new website, known as Tuttarvik, will automatically link job seekers' resumes to job openings. It will also assist employers in identifying suitable candidates for employment and connect registrants with skills training, including apprenticeships and university programs. Training will focus on the mining and construction industries.¹⁴

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

Seasonally Adjusted Data	Employment			Unemployment Rate		
	August 2018 ('000)	August 2017 ('000)	Yearly Variation (%)	August 2018 (%)	August 2017 (%)	Yearly Variation (% points)
Territories*	56.9	56.6	0.5	7.3	7.2	0.1
Northwest Territories	21.9	21.8	0.5	6.8	6.0	0.8
Nunavut	13.5	13.6	-0.7	14.8	15.6	-0.8
Yukon	21.5	21.2	1.4	2.7	2.3	0.4

*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)

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 Yukon News, Feds award \$80M Faro construction manager contract, August 9, 2018.
<https://www.yukon-news.com/news/feds-award-80m-faro-maintenance-contract/>

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³ Yukon News, What's half a billion more? Federal government readies Faro mine cleanup, June 28, 2017.
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⁷ Conference Board of Canada, Territorial Outlook Economic Forecast, Spring 2018.
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⁸ Government of Canada News Release, Building stronger communities across Yukon with federal Gas Tax Fund, August 10, 2018. <https://www.canada.ca/en/office-infrastructure/news/2018/08/building-stronger-communities-across-yukon-with-federal-gas-tax-fund.html>

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¹⁰ CBC News, Hay River's fish plant in desperate need of repairs, says manager, August 14, 2018.
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¹² CBC News, Northern defence upgrades part of plan to protect Canada's Arctic, Sajjan says, August 20, 2018.
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¹³ Conference Board of Canada, Territorial Outlook Economic Forecast, Summer 2017.
<http://www.conferenceboard.ca/e-library/abstract.aspx?did=8979>

¹⁴ Nunatsiaq, QIA continues tour to help build Inuit labour pool database, August 02, 2018.
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