



Environmental Scan

Northwest Territories, Nunavut and Yukon

2016



KEY HIGHLIGHTS

- The territories face challenges as a result of falling mineral commodity prices worldwide. Until commodity prices recover, growth in mineral production and exploration is expected to remain minimal in the North over the short-term.
- All three territories are expected to see positive, albeit modest economic growth in 2016. Nevertheless, the territories' economic outlook should improve next year, as global commodity prices are expected to rebound.
- In 2015, the vast majority of territorial residents were employed in the services-producing sector. Most worked in non-commercial services, which is comprised of public administration, health care, and educational services.
- Although it is not a major employer in the territories, the mining industry remains critically important across the North, contributing significantly to territorial gross domestic product (GDP).
- In 2011, more than 50% of Indigenous people living in the territories reported that they did not have a high school diploma. As a result, labour force participation among Indigenous people is considerably lower when compared to non-Indigenous people, while the unemployment rate in the North is substantially higher for Indigenous people.
- Youth account for a larger proportion of the population in the territories, when compared to the Canadian population as a whole. In 2015, nearly 20% of residents employed in the North were youth, while roughly 15% of people employed nationwide were under the age of 25.
- Ageing population is a major challenge facing each territorial labour market. In each of the three territories, the population aged 55 and over is by far the fastest growing segment of the population, while the proportion aged 15 to 24 is in decline – a trend that is projected to continue going forward.
- Despite the fact that the territories face the challenge of an ageing demographic, the proportion of the population aged 65 and over in the North is smaller, when compared to Canada as a whole.

GENERAL OVERVIEW/ECONOMIC CONTEXT

Global Economic Picture

The global economy grew at an annual rate of 3.9% between 2000 and 2014, but slowed considerably in 2015. The International Monetary Fund (IMF) now foresees growth of 3.1% in 2015 and 3.4% in 2016.¹ Emerging markets such as China (6.9% 2015f) and India (7.3% 2015f) continue to show some of the strongest growth, while growth in Indonesia (4.8% 2015f) and Turkey (3.7% 2015f) is also projected to be strong. In the Eurozone core, economic growth is projected to be flat over the next year, while for other major economies such as Russia and Brazil, a significant contraction is anticipated.² Economic expansion is expected to pick up again in 2017 as the Brazilian and Russian economies recover, but this could be tempered by new global economic and/or political instability.

The slowdown in global growth can partly be attributed to China's plan to reduce overcapacity in manufacturing. As the world's second largest economy transitions to higher value-added production and more service-oriented output, the supply chain throughout Asia and South America will continue to be impacted.³ While consumer spending rose in China in 2015, this was offset by lower industry output and a weakening in both imports and exports. Over the next few years, the rapid growth China experienced over the last decade is not expected to be replicated, as the pace of capital investment and labour force growth both gradually diminish.⁴

Since the summer of 2015, oil prices have continued to slide as members of the Organization of the Petroleum Exporting Countries (OPEC) have kept levels of oil production higher than levels of global demand. This has harmed the economies of many net oil exporting countries.⁵ Moreover, many commodity-dependent nations are struggling to adjust to lower baseline energy and metal prices, and this has had a dampening effect on investment and hiring and also contributed to instability in financial markets.⁶

Global macroeconomic policies also started to diverge late in 2015, and this has added to the overall uncertainty of the global economic picture. For instance, deflationary pressures persist in Europe and this has caused some European countries to experiment with negative rates. Similarly, Japan has also embarked on a negative rate policy in an effort to stimulate growth. In this backdrop, the U.S. economy has performed quite well and the Federal Reserve has started to normalize borrowing costs due to low levels of unemployment and burgeoning price pressures. This in turn has buoyed the greenback and has led some major U.S. trading partners (e.g. Mexico) to raise interest rates in an effort to slow capital outflows and stabilize exchange rates.⁷

For the remainder of 2016, U.S. consumers are expected to continue spending, as strong job growth, lower gasoline prices, reduced debt burdens, rising wages, and rising home valuations enhance their purchasing power.⁸ Nevertheless, turmoil in the oil and gas industry continues to weigh down the U.S. energy industry and a strong American dollar is having a moderating effect on manufacturers and exporters.

National Overview

Moderate economic growth of 1.7% is anticipated for 2016 in Canada, following what many analysts considered a subpar performance in 2015 (1.2%). An ambitious spending program that was announced in

Budget 2016 should help support growth and mitigate the downside risks from the collapse in oil and gas prices.⁹ In the short-term, exports are expected to drive national growth, supported by a lower-valued Canadian dollar and also by growing demand for imports in the United States.¹⁰

The devastating wildfire that swept through Fort McMurray in May is expected to materially affect national second quarter GDP. While no major oil sands operations themselves were damaged, about half of total daily oil production went offline due to the blaze. According to recent estimates, foregone oil sands production has already amounted to 14 million barrels worth about \$750 million. National GDP growth for the second quarter is now expected to be as low as -0.5%.¹¹

In 2015 the Canadian labour market added jobs at a moderate pace with weakness in manufacturing and resources (particularly in the Western provinces) offset by strength in construction and services. While GDP growth has been stronger than expected so far this year,¹² employment growth has been mixed, with modest employment declines in January (-2,300) and February (-5,700) followed by an unexpected increase of 40,600 in March.

This employment picture has been coupled with steady levels of consumer spending, which is helping to support growth. At the same time, weak wage growth and elevated levels of household debt will likely reduce consumer confidence and purchasing power for the remainder of 2016.¹³ Pockets of unemployment, especially in parts of Alberta and Saskatchewan, may also weigh down the economies of those provinces. Unemployment in Alberta's Wood Buffalo region may be difficult to measure in the aftermath of the Fort McMurray wildfire. While rebuilding efforts will boost construction employment later in the year, total employment will remain below pre-fire levels for the foreseeable future.

Residential investment Canada-wide is expected to be steady in 2016, following a 4% jump last year. While the housing markets of Alberta and Saskatchewan struggle, this is being offset by exceptional growth in other parts of the country (i.e. Vancouver, Toronto). Overall, business investment will likely see another year of decline due to the downturn in the energy sector. A weak Canadian dollar should also help trade, while the Bank of Canada is expected to hold overnight rates to current levels through to early 2017.

REGIONAL AND LOCAL LABOUR MARKET CONDITIONS

The Territories

Metal extraction (iron, gold, zinc, and copper), diamond mining, and to some extent, oil and gas extraction are major drivers of the territorial economies. However, a slump in commodity prices, which began in mid-2012, has led to slowing production and numerous mine shutdowns.

Mine closures in 2015 are expected to have a significant impact on the territories' economies this year, in the form of lost employment income, a lower tax base, and decreased spending by mining companies and suppliers. Moreover, a number of new major mining exploration projects across the North have been postponed. These delays will also negatively impact mining-related industries such as construction, trade and transportation. As a result, the territories' economic outlook remains tepid for 2016.

Moving forward, the territories should see some improvement in the medium-term, with global demand and prices for metallic and non-metallic resources expected to rebound. In addition, federal transfer payments and new mining royalty agreements should keep territorial government budgets balanced, if not in surplus, while new private-public training agreements will help local residents prepare for the workforce.

Yukon

Yukon's economic performance has been mixed over the past decade. Between 2005 and 2012, GDP grew at an impressive average annual rate of nearly 6%¹⁴, while employment increased steadily. However, in recent years, the economy has struggled amid falling mineral commodity prices, with GDP declining for a third consecutive year in 2015. Indeed, last year was a particularly difficult year for Yukon's mining industry.

Yukon Zinc Corp. shut down its Wolverine Mine located north of Watson Lake at the beginning of 2015 due to low zinc prices. Meanwhile, Capstone Mining announced earlier this year that they will temporarily close their Minto Copper Mine in April 2017 if metal prices do not improve. If the Minto Mine does close, it will leave Yukon with no operating hard rock mines, significantly hampering economic growth in the territory. Moreover, with no new mines expected to go into development over the short-term, growth in many mining-related industries such as construction, trade and transportation will be adversely affected.

Looking forward, strong government funding for public infrastructure projects will help to offset limited growth in the mining industry. Construction projects such as the new Whistle Bend Continuing Care Facility in Whitehorse, the Dempster Highway fibre optic cable installation project, the Whitehorse General Hospital expansion project, and the new detox centre in Whitehorse will create some employment opportunities in the territory over the next few years.

One limiting factor for Yukon is the continual demographic shift towards older workers as a result of an ageing population and high rates of interprovincial out-migration. Utilizing these large-scale projects as a tool to build a young skilled workforce could help offset this trend.

Northwest Territories

Northwest Territories has also experienced mixed economic performance in recent years. GDP and employment increased in the territory between 2012 and 2014, but both have trended downward since 2014.¹⁵ These declines are not surprising as the territory's mining industry suffered serious losses in 2015, with some of its major mines suspending operations in response to low diamond and tungsten prices. In fact, the territory is once again a single-commodity producer, as North American Tungsten Corporation completely shut down its Cantung tungsten mine in October 2015. In addition, De Beers' Canada closed its Snap Lake diamond mine last December, which negatively impacted many local businesses that supply goods and services to the mine and its employees.

In the short-term, growth will be primarily driven by government investments in public infrastructure projects including the construction of Inuvik to Tuktoyaktuk Highway, the Stanton Territorial Hospital renewal project, and the construction of a female correctional facility in Fort Smith. Moreover, De Beers' Gahcho Kue diamond

mine is nearly 90% complete and could begin production later this year.¹⁶ The project is expected to employ 400 people over an estimated 12-year lifespan.¹⁷

In the medium-term, growth in the territory's mining and construction industries are anticipated to improve as metal mineral prices begin to recover and new mining operations are developed. Future mine developments include: Canadian Zinc's Prairie Creek project, Avalon's Nechalacho rare earth elements (REE) project and the Fortune Minerals NICO Gold-Cobalt-Bismuth-Copper Project.

Nunavut

Nunavut's economy has performed well in recent years, posting impressive GDP growth and strong employment gains. Indeed, Nunavut's GDP increased by over 23% between 2010 and 2014, growing at an average annual rate of 4.7%.¹⁸ However, Nunavut's mining industry has also been impacted by declining commodity prices, which led to weaker economic growth in 2015.

Moving forward, Nunavut's economic performance is expected to remain positive in the next two years, as work continues on projects such as the \$300 million Iqaluit Airport and the \$142 million Canadian High Arctic Research Station. Meanwhile, planned projects such as a new \$84 million deepwater port in Iqaluit and the Meliadine gold mine development are expected to create jobs in the medium-term.

Nunavut is projected to see some improvement in mining exploration over the next several years. For instance, BHP Billiton signed a \$40 million joint-venture agreement with a junior exploration company to help develop the Storm Copper mine on Somerset Island over the next nine years.¹⁹ With several exploration projects in the territory advancing to various stages, activities in the mining exploration industry should remain positive.

Employment by Sector

Yukon

The vast majority of Yukon residents work in the services-producing sector, which accounted for about 86% of the territory's total employed in 2015. The largest industries by employment in Yukon are non-commercial services, most notably public administration and health care. In 2015, nearly one-third of the territory's workforce was employed in these industries. Other important industries include trade and construction, which employed about 4,000 Yukon residents in 2015.

Over the past five years, nearly all of Yukon's services-producing industries had positive employment growth, including strong gains in public administration, health care and social assistance and educational services. Overall, the services sector posted a 2.7% (+2,100) increase in employment between 2010 and 2015.

Yukon should experience employment growth both in the goods-producing sector and in the services-producing sector over the medium-term, as major infrastructure projects are slated to begin in the next few years.

Table 1
Change in employment by industry in Yukon between 2010 and 2015.

	2015	2010	% Share 2015	Five Year Growth rate*
Total, all industries (000s)	19.4	17.5	100.0%	2.1%
Goods-producing sector	2.8	3.0	14.4%	-1.4%
Agriculture	-	-	-	-
Forestry, fishing, mining, quarrying, oil and gas	0.5	0.6	2.6%	-3.6%
Utilities	0.2	-	1.0%	-
Construction	1.9	2.0	9.8%	-1.0%
Manufacturing	-	0.2	-	-
Services-producing sector	16.6	14.5	85.6%	2.7%
Trade	2.1	2.0	10.8%	1.0%
Transportation and warehousing	0.8	0.8	4.1%	0.0%
Finance, insurance, real estate and leasing	0.8	0.6	4.1%	5.9%
Professional, scientific and technical services	1.3	0.8	6.7%	10.2%
Business, building and other support services	0.5	0.5	2.6%	0.0%
Educational services	1.7	1.1	8.8%	9.1%
Health care and social assistance	2.7	2.2	13.9%	4.2%
Information, culture and recreation	1.1	1.0	5.7%	1.9%
Accommodation and food services	1.5	1.4	7.7%	1.4%
Other services	0.6	0.6	3.1%	0.0%
Public administration	3.7	3.4	19.1%	1.7%

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates

*Based upon average annual compound growth rate from 2010 to 2015

Northwest Territories

In Northwest Territories, nearly 40% of the population is employed in the public administration, health care and educational services industries. Of this total, 4,700 territorial residents were employed as public servants in 2015. Apart from these industries, trade is also an important contributor toward Northwest Territories' labour market, employing about 2,200 people last year.

Focusing on industrial labour market performance, employment across all industries was fairly flat between 2010 and 2015. The territory added only 400 jobs over this period, representing overall employment growth of just 0.4%. However, the territory's services-producing sector is expected to see some major growth over the next few years.

Tourism, for example, should create plenty of employment opportunities for the territory as a weak Canadian dollar attracts more U.S. and international visitors. Indeed, Crystal Cruises plans to be the first major cruise company to offer Arctic voyages and is scheduling an August 2016 cruise through the Northwest Passage aboard a 1,000 passenger vessel.²⁰ This increase in travelers to the area is anticipated to create more job opportunities in the accommodation and food services, and retail trade industries.

Table 2**Change in employment by industry in the Northwest Territories between 2010 and 2015.**

	2015	2010	% Share 2015	Five Year Growth rate*
Total, all industries (000s)	21.9	21.5	100.0%	0.4%
Goods-producing sector	4.1	3.9	18.7%	1.0%
Agriculture	0.2	-	0.9%	-
Forestry, fishing, mining, quarrying, oil and gas	1.8	1.7	8.2%	1.1%
Utilities	0.3	0.3	1.4%	0.0%
Construction	1.6	1.8	7.3%	-2.3%
Manufacturing	-	0.2	0.9%	0.0%
Services-producing sector	17.8	17.5	81.3%	0.3%
Trade	2.2	2.3	10.0%	-0.9%
Transportation and warehousing	1.4	1.8	6.4%	-4.9%
Finance, insurance, real estate and leasing	1.0	1.2	4.6%	-3.6%
Professional, scientific and technical services	1.0	0.6	4.6%	10.8%
Business, building and other support services	0.7	0.6	3.2%	3.1%
Educational services	1.9	1.6	8.7%	3.5%
Health care and social assistance	2.0	2.5	9.1%	-4.4%
Information, culture and recreation	0.9	0.8	4.1%	2.4%
Accommodation and food services	1.0	0.8	4.6%	4.6%
Other services	1.0	0.7	4.6%	7.4%
Public administration	4.7	4.8	21.5%	-0.4%

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates

*Based upon average annual compound growth rate from 2010 to 2015

Nunavut

As is the case in Yukon and the Northwest Territories, the majority of Nunavut's labour force is employed in non-commercial services, and in particular, public administration – which accounted for nearly 27% of total employment in 2015.

Other important industries include: construction, trade, transportation and warehousing, and mining; the latter of which employs many Nunavut residents, while serving as an extremely important contributor to the territorial economy. Indeed, the mining industry has been the primary catalyst behind Nunavut's strong economic performance, largely supporting key industries such as construction, and transportation and warehousing.

Over the past five years, employment was flat or declined in all industries within Nunavut's goods-producing sector except for construction. By contrast, employment in the territory's services-producing sector increased considerably during the same period. The largest employment gain occurred within the health care and social assistance industry. The territorial government has dedicated over 6% of additional funding each year in support of employment training and job creation initiatives within the health care sector.²¹

Table 3**Change in employment by industry in the Nunavut between 2010 and 2015.**

	2015	2010	% Share 2015	Five Year Growth rate
Total, all industries (000s)	12.7	11.5	100.0%	2.0%
Goods-producing sector	1.4	1.5	11.0%	-1.4%
Agriculture	-	-	-	-
Forestry, fishing, mining, quarrying, oil and gas	0.3	0.4	2.4%	-5.6%
Utilities	0.2	0.3	1.6%	-7.8%
Construction	0.8	0.7	6.3%	2.7%
Manufacturing	-	-	-	-
Services-producing sector	11.2	10.0	88.2%	2.3%
Trade	1.3	1.6	10.2%	-4.1%
Transportation and warehousing	0.6	0.6	4.7%	0.0%
Finance, insurance, real estate and leasing	0.6	0.7	4.7%	-3.0%
Professional, scientific and technical services	0.4	-	3.1%	-
Business, building and other support services	0.3	0.3	2.4%	0.0%
Educational services	1.7	1.3	13.4%	5.5%
Health care and social assistance	1.7	1.3	13.4%	5.5%
Information, culture and recreation	0.5	0.5	3.9%	0.0%
Accommodation and food services	0.4	0.3	3.1%	5.9%
Other services	0.3	0.4	2.4%	-5.6%
Public administration	3.4	2.9	26.8%	3.2%

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates

*Based upon average annual compound growth rate from 2010 to 2015

Interprovincial Migration

A major challenge for the territories is interprovincial migration. Every year, a large proportion of territorial residents opt to pursue opportunities in the South, where employment prospects are often more plentiful.

Yukon

Yukon has struggled with population loss for some time due to interprovincial migration. The number of residents leaving the territory has climbed each year. In 2015, about 1,545 Yukon residents chose to leave the territory compared to 1,093 five years ago, up nearly 42%. This trend is expected to continue, and it is unlikely that the territory will overcome this challenge any time soon, particularly given a modest economic forecast relative to previous years. The vast majority of residents who left Yukon last year chose to settle in British Columbia.

Northwest Territories

Northwest Territories actually faces a more serious challenge of population loss due to interprovincial migration than its two territorial counterparts. Over the past five years, the number of residents leaving the territory has increased at an average annual rate of over 3%. In 2014/15, net interprovincial migration was negative in Northwest Territories, with about 2,500 residents leaving for other parts of the country, and only 2,025 people moving in. The majority of people who left Northwest Territories sought opportunities in Alberta.

Overall, this trend can be largely attributed to weaker economic performance in the wake of a maturing diamond industry and declining mineral commodity prices worldwide. Much like the situation in Yukon, these challenges will not be resolved in the near future. Although economic fortunes for the territory are expected to improve, the draw of neighbouring provinces such as Alberta will likely continue.

Nunavut

Nunavut has lost fewer people to other provinces or territories over the past five years compared to Yukon and Northwest Territories. In fact, Nunavut experienced a net increase of residents in 2014/15, with 1,257 people opting to leave the territory and 1,390 choosing it as their new home. The number of people moving to Nunavut last year was actually the largest annual inflow ever recorded. This is likely a reflection of Nunavut's strong economic performance in recent years. The services-producing sector in particular is doing considerably better, and this positive trend is expected to continue over the next few years.

LABOUR MARKET OUTCOMES FOR CLIENT SEGMENTS

Immigrants/Newcomers

The immigrant population is on the rise in Northwest Territories and Nunavut, growing at an impressive average annual rate of 6.7% and 11.8% respectively between 2010 and 2015. This upward trend will likely continue, especially for Northwest Territories, due in part to plans to fast-track applications from the Northwest Territories Nominee Program (NTNP). The NWT government expects that more than 800 new residents could move to the territory by 2018.

Over the past few years, the number of immigrants arriving to Yukon has been declining. In fact, the number of landed immigrants in Yukon dropped considerably in 2015 compared to the previous year, down 27%. The average annual growth rate of new immigrants moving to the territory was negative (-4.7%) between 2010 and 2015. That being said, Yukon continues to attract the largest proportion of immigrants among the Territories. In 2015, about 56% of all new immigrants moving to the territories chose Yukon as their new home.

Indigenous Workers

Labour force participation among Canada's Indigenous²² population has historically been lower due in large part to poorer levels of educational attainment. This is particularly the case in the three territories, where the majority of Indigenous people have not completed high school. In 2011, more than 50% of Indigenous people

in the territories reported that they did not have a high school diploma, while nationally, some 40% of Indigenous people failed to complete high school.

Relative to the non-Indigenous population living in the territories, the statistics are even more staggering. According to the 2011 Census, only 10% of non-Indigenous territorial residents did not obtain a high school diploma. As a result, the labour force participation rate among Indigenous people is considerably lower than the rate for the non-Indigenous population, while the unemployment rate for the Indigenous population is substantially higher.

Yukon

According to the 2011 National Household Survey, Yukon's Indigenous people were more likely to participate in the labour force relative to their counterparts in the Northwest Territories and Nunavut. In 2011, the territory's Indigenous labour force participation rate stood at 70%, considerably higher than the rates for Northwest Territories and Nunavut.

Not surprisingly, Yukon's Indigenous population was also more likely to have obtained a high school diploma or post-secondary degree when compared to Indigenous people in Northwest Territories and Nunavut. In 2011, the proportion of Yukon Indigenous people with a diploma or degree was nearly double that of Nunavut's Indigenous population – 63% vs 32%.

Despite these positive statistics, Yukon's Indigenous population had a lower participation rate than its non-Indigenous population, 70% compared to 79.2%. Moreover, the territory's Indigenous population had an unemployment rate of 22.8%, compared to 6.7% for its non-Indigenous population, highlighting a challenging reality. Although most Indigenous people in Yukon chose to participate in the labour force in 2011, nearly one-quarter were unable to find work.

Northwest Territories

As mentioned above, labour market outcomes for Indigenous people in Northwest Territories were not as positive as those reported in Yukon. This can likely be attributed to a number of factors, including lower rates of educational attainment. In 2011, approximately 43% of Northwest Territories' Indigenous population had less than a high school education.

The Indigenous population fared even worse when compared to the non-Indigenous population in Northwest Territories. In 2011, the Indigenous labour force participation rate was 63% compared to 86.6% for the non-Indigenous population. Meanwhile, at 22.2%, the unemployment rate for the territory's Indigenous population was nearly five times higher than the non-Indigenous rate.

Nunavut

In 2011, just over half of Nunavut's Indigenous population participated in the labour market, while more than two-thirds had not obtained a high school diploma. Moreover, Nunavut's Indigenous unemployment rate stood at nearly 24% - higher than in Yukon and Northwest Territories.

When comparing to Nunavut's non-Indigenous population, the participation rate for the Indigenous population was considerably lower. Indeed, the non-Indigenous participation rate was 92.5% in 2011 – approximately 35 percentage points higher than the Indigenous rate. Meanwhile, the unemployment rate for the non-Indigenous population was only 2.8%, roughly twenty percentage points less than the Indigenous jobless rate.

Youth

Youth (15 to 24 years) account for a larger proportion of the population in the territories, when compared to the Canadian population as a whole. In 2015, nearly 20% of residents employed in the North were youth, while roughly 15% of people employed nationwide were under the age of 25.

Focusing on each of the territories individually, Nunavut had the largest proportion of young people in 2015, with nearly 25% of all people employed under the age of 25. The territory's unemployment rate for youth remains the highest across the North. In fact, the unemployment rate for young men increased 4.7 percentage points to 39% in 2015 compared to 2014. Meanwhile, the unemployment rate for young women increased 5.3 percentage points to 22.5% over the same period.

The proportion of youth employed in Nunavut is greater than in Yukon or Northwest Territories. Roughly 19% of residents employed in Northwest Territories were youth, while in Yukon, only 16% of people employed were under the age of 25.

The reality of a younger population carries both benefits and challenges. A younger demographic is likely to help the territories alleviate labour market pressures associated with an ageing population. Nevertheless, youth tend to have greater difficulty successfully integrating into the labour market across the North, encountering higher unemployment rates as a result of lower skills and a lack of professional experience. For example, in 2015, the unemployment rate for youth living in Northwest Territories was 20%, considerably higher than the prime working age (25 to 54 years) rate of 6.6%.

Older Workers

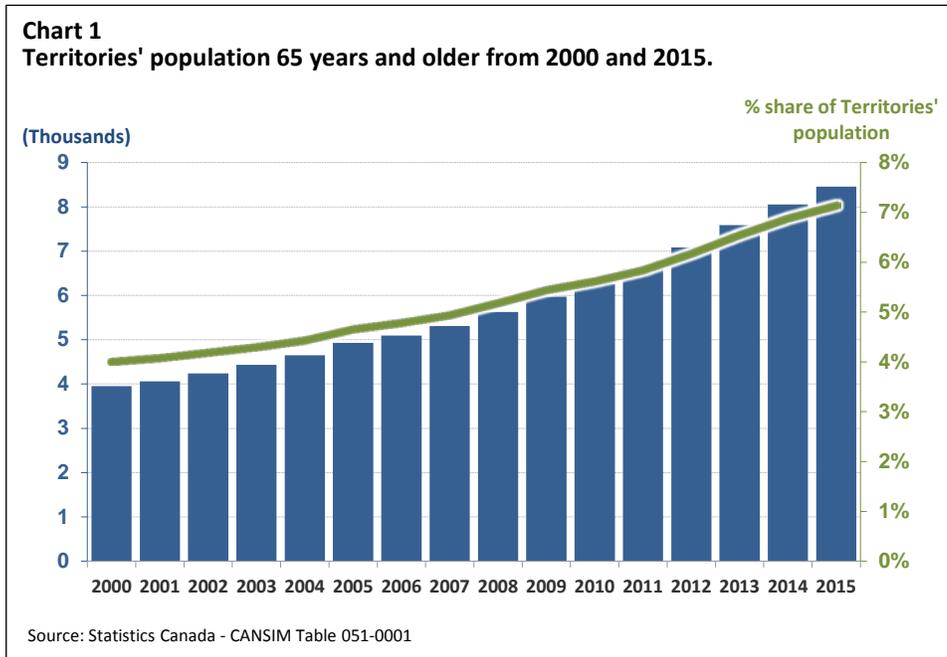
Among the major labour market challenges faced by Yukon is demographic decline spurred by a rapidly ageing population. Between 2010 and 2015, the fastest growing segment of the territory's workforce was the population aged 55 and over, increasing by an average annual rate of 5.7%. By comparison, the number of workers aged 15 to 24 was unchanged during the same period. Similar to Yukon, Northwest Territories also faces the challenge of an ageing population. Over the five year period, the only segment of the territorial workforce to post positive employment growth was the population aged 55 and over. In Nunavut, the number of people employed in the 55 and over age group grew at an average annual rate of close to 6%, more than double the growth rate of the prime working age group.

Seniors

Relative to Canada as a whole, the proportion of the population aged 65 and over in the territories is smaller. In 2015, 16% of Canadians were over the age of 65, while in the North, only 7.1% were seniors.

Looking at each of the territories individually, Yukon’s population accounted for the largest share of senior citizens in 2015, with 10.9% of the population over the age of 65. In Northwest Territories, 6.8% of residents were seniors. Meanwhile, in Nunavut, a small minority was aged 65 and over, as only 3.7% of the population consisted of seniors in 2015.

Nevertheless, it is worth noting that although the territories have proportionally fewer seniors than other parts of Canada, they still face the challenge of an ageing population – albeit to a lesser extent than the provinces. In each of the three territories, seniors represent the fastest growing segment of the population, a trend which is expected to accelerate in the coming decades.

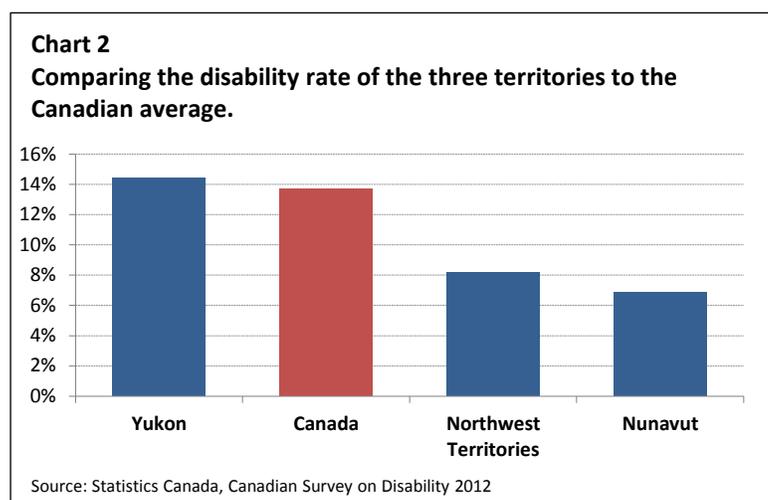


As a result, skilled labour shortages are anticipated, not to mention, additional strain on social programs. In fact, these issues are already beginning to manifest themselves. For example, in Yukon, an increasing number of seniors are opting to remain in the workforce, where opportunities remain abundant in light of labour market tightness. Similarly, in Northwest Territories, the proportion of seniors in the workforce has increased in recent years.

People with Disabilities

Although the territories face the challenge of an ageing population, the proportion of young people in the North is considerably higher when compared to the rest of Canada. Consequently, the rate of disability in the territories is also less.

Focusing on the individual territories, Yukon had a significantly higher disability rate (14.4%) than Northwest Territories (8.2%) and Nunavut (6.9%). Yukon’s rate was roughly one percentage point higher than the national rate of 13.7%. This is not surprising, given the fact that in 2015, the



proportion of youth in Yukon was considerably lower than in Northwest Territories and Nunavut – where only 16% of the population was 15 to 24 years of age.

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: NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

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¹ International Monetary Fund. World Economic Outlook. January 19, 2016.

² Scotia Economics. Global Forecast Update. March 2, 2016.

³ Ibid. & International Monetary Fund, World Economic Outlook. January 19, 2016.

⁴ RBC Economics. Economic and Financial Market Outlook. December 2015.

⁵ International Monetary Fund. World Economic Outlook. January 19, 2016.

⁶ Scotia Economics. Global Forecast Update. March 2, 2016.

⁷ Ibid.

⁸ Ibid. & TD Economics. Long-Term Economic Forecast. March 23, 2016.

⁹ Conference Board of Canada. Canadian Outlook: Economic Forecast. Winter, 2016. Oil prices are expected to remain below \$50 per barrel (USD) through to 2017.

¹⁰ TD Economics. Long-Term Economic Forecast. March 23, 2016.

¹¹ The Globe and Mail, May 12, 2016. The risk of damage to oil sands plants in Alberta has receded, but the impact of the wildfires on the petroleum industry will be felt for weeks.

¹² Q4 2015 GDP growth increased by 0.8% following (an upwardly revised) 2.4% increase in Q3.

¹³ Scotia Economics, Country Profile: Canada. April 2016.

¹⁴ Statistics Canada, Gross Domestic Product (GDP) by NAICS, CANSIM TABLE 379-0030, April 2016.

¹⁵ Ibid.

¹⁶ CBC News Article, De Beer's Gahcho Kue diamond mine 87% ready for production, March 15, 2016.

<http://www.cbc.ca/news/canada/north/gahcho-kue-production-nwt-1.3492424>

¹⁷ Ibid.

¹⁸ Statistics Canada, Gross Domestic Product (GDP) by NAICS, CANSIM TABLE 379-0030, April 2016.

¹⁹ Aston Bay Holdings website news releases, Aston Bay Holdings and BHP Billiton Ltd. Sign Letter of Intent To Advance Storm Copper Project, January 28, 2016
<https://astonbayholdings.com/2016/01/28/aston-bay-holdings-and-bhp-billiton-ltd-sign-letter-of-intent-to-advance-the-storm-copper-project/>

²⁰ Nunatsiaq Online News, Communities, officials prep for giant cruise ship foray through NW Passage, March 21, 2016.
http://www.nunatsiaqonline.ca/stories/article/65674communities_officials_prep_for_cruise_ship_foray_in_nw_passage/

²¹ Nunatsiaq Online News, Nunavut's health budget gets big increase for 2015-16, March 17, 2015.
http://www.nunatsiaqonline.ca/stories/article/65674nunavuts_health_budget_gets_big_increase_for_2015-16/

²² These figures are calculated from 2011 Census and 2011 National Household Survey (NHS) tables. In these tables, Statistics Canada refers to *Indigenous people* as *Aboriginal people*.