



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

February 2019



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 trended downward for a second consecutive month in February. The number of people employed in the Territories fell 0.4% to 56,000 on a month-over-month basis. Employment levels in Nunavut and Yukon were lower on the month, while employment in Northwest Territories increased slightly.

On a year-over-year basis, employment in the Territories is up 1.4% (+800), with all gains occurring in the goods-producing sector. The number of people employed in Northwest Territories (+1.0%) and Nunavut (+4.6%) is up, while employment levels in Yukon were unchanged over the year.

Unemployment

The unemployment rate for the combined Territories increased 0.7 percentage points to 9.0% from January to February. On an annual basis, Yukon's unemployment rate climbed 1.3 percentage points to 4.1%, while the unemployment rate in Nunavut increased considerably, up 2.0 percentage points to 16.3%. The unemployment rate in Northwest Territories was unchanged over the year.

The youth (15 to 24 years) unemployment rate for the combined Territories was 21.3% in February, representing an increase of 5.3 percentage points from the same time last year. The unemployment rate for young men increased significantly over the year, up 10.3 percentage points to 27.0%. Meanwhile, the unemployment rate for young women increased 3.0 percentage points to 15.8%.

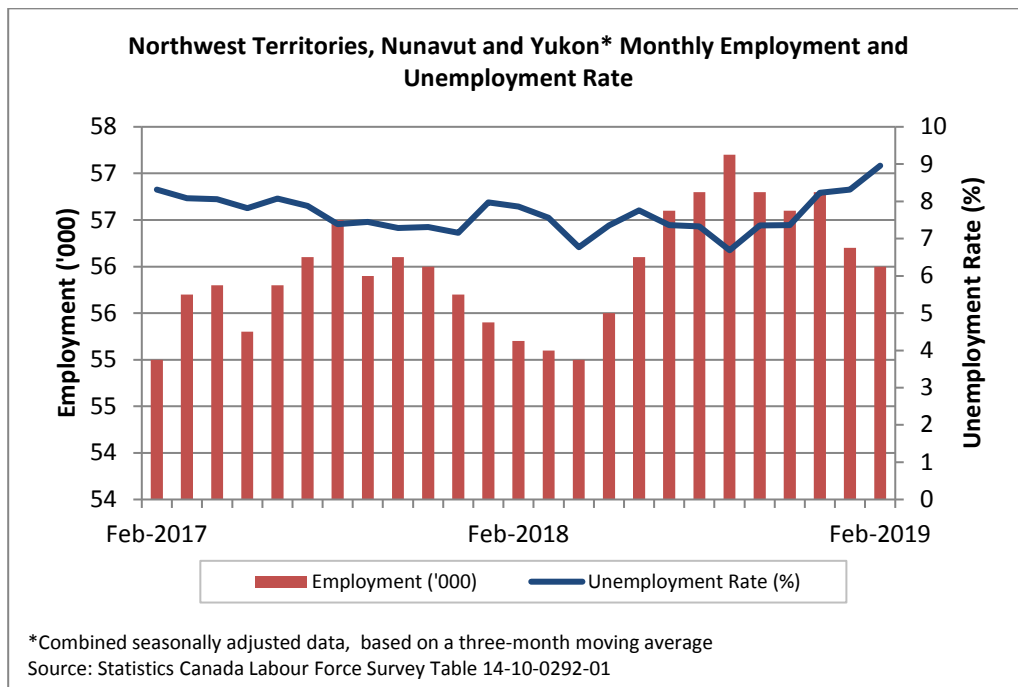
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Adjusted Data	February 2019	January 2019	February 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	87.7	87.6	86.1	0.1	0.1	1.6	1.9
Labour Force ('000)	61.4	61.3	59.8	0.1	0.2	1.6	2.7
Employment ('000)	56.0	56.2	55.2	-0.2	-0.4	0.8	1.4
Unemployment ('000)	5.5	5.1	4.7	0.4	7.8	0.8	17.0
Unemployment Rate (%)	9.0	8.3	7.9	0.7	-	1.1	-
Participation Rate (%)	70.0	70.0	69.5	0.0	-	0.5	-
Employment Rate (%)	63.9	64.2	64.1	-0.3	-	-0.2	-

*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	February 2019 (%)	February 2018 (%)	Yearly Variation (% points)
Total	9.0	7.9	1.1
25 years and over	7.3	6.7	0.6
Men - 25 years and over	9.3	9.3	0.0
Women - 25 years and over	5.1	4.0	1.1
15 to 24 years	21.3	16.0	5.3
Men - 15 to 24 years	27.0	16.7	10.3
Women - 15 to 24 years	15.8	12.8	3.0

*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 increased significantly on a yearly basis, up 16.9% (+1,200). In fact, employment was up across all industries within the sector compared to year-ago levels, with mining (+500) and construction (+200) posting strong employment gains. Employment growth in these industries is being driven by several mining development and public infrastructure projects that got underway across the three territories over the past year.

Positive employment growth in the goods-producing sector is likely to continue moving forward as major mining and construction projects are scheduled to begin in the North over the next few years. For instance, the federal and Northwest Territories governments are providing funding to construct a new \$9.8 million diesel power plant in Sachs Harbour by 2020, replacing the 43-year-old existing plant. Funded through the federal Arctic Energy Fund, the new plant will generate fewer carbon emissions and will be adaptable to the integration of wind energy in the future. This project is expected to generate employment opportunities for local residents and companies during the construction phase.¹

On a year-over-year basis, employment in the services-producing sector is down 0.8%, with 400 fewer people employed in this sector compared to the same time last year. The largest declines were in accommodation and food services; educational services; and finance, insurance, real estate and leasing.

Despite these recent employment losses, the services-producing sector should see some improvement over the medium-term. Funding from all levels of government for new health care and educational initiatives will help to support employment growth in the services sector. For example, the Government of Nunavut plans to allocate \$4.6 million in funding to develop land camps for mental health treatment and increase training of Inuit counsellors in the territory this year.²

Meanwhile, Aurora College in the Northwest Territories recently unveiled its new Centre for Mine and Industry Training, which is located at their Thebacha Campus in Fort Smith. The \$10.4 million facility will host a new heavy

equipment operator program, as well as various training courses focused on mining-related occupations. The new building accommodates more students, instructors, tutors and counselling staff. Programs that are offered at the new centre should help local students gain the knowledge, skills, and practical experience required to find employment in the NWT's mining industry.³

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

Seasonally Unadjusted Data	February 2019	February 2018	Yearly Variation	
			Number	%
Total employed, all industries	55.5	54.7	0.8	1.5
Goods-producing sector	8.3	7.1	1.2	16.9
Agriculture	0.0	0.0	0.0	--
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.2	0.5	22.7
Utilities	1.0	1.0	0.0	0.0
Construction	3.8	3.6	0.2	5.6
Manufacturing	0.6	0.0	0.6	--
Services-producing sector	47.2	47.6	-0.4	-0.8
Trade	6.7	5.9	0.8	13.6
Transportation and warehousing	3.2	3.1	0.1	3.2
Finance, insurance, real estate and leasing	2.0	2.4	-0.4	-16.7
Professional, scientific and technical services	1.9	1.8	0.1	5.6
Business, building and other support services	0.9	1.1	-0.2	-18.2
Educational services	4.7	5.4	-0.7	-13.0
Health care and social assistance	8.6	7.6	1.0	13.2
Information, culture and recreation	2.8	3.0	-0.2	-6.7
Accommodation and food services	2.5	3.6	-1.1	-30.6
Other services	1.7	1.6	0.1	6.2
Public administration	11.9	12.3	-0.4	-3.3

*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 levels in Yukon were unchanged over the year. Employment losses in the territory's services-producing sector were offset by gains in the goods-producing sector. In the medium-term, Yukon's economy should see stronger growth than almost any other province or territory as three new mines are projected to come online over the next few years. Victoria Gold Corp.'s \$370 million Eagle Gold Project, the \$320 million Coffee Gold Project and the \$2.45 billion Casino gold mine project are expected to boost employment in mining-related industries.⁴

According to Natural Resources Canada, Yukon ranked fifth in Canada for spending on mineral exploration in 2018. In fact, mineral exploration investment in Yukon grew to \$186.1 million last year, up from \$168 million in 2017.⁵ With several mining exploration projects advancing to various stages, the territory's mining industry is expected to remain strong over the next five years.⁶ These projects include the Granite Creek Copper exploration project⁷, Copper North Mining Corp.'s \$264 million Carmacks Copper exploration, and the \$89 million Brewery Creek gold mine project.⁸

Northwest Territories

The number of people employed in Northwest Territories reached 21,100 in February, an increase of 200 compared to a year ago. Employment gains were mainly concentrated in the services-producing sector, with employment in trade and other services seeing the largest increases over the year.

In the medium-term, the \$280 million Prairie Creek zinc mine development, the \$40 million TerraX Mineral's Yellowknife City Gold exploration project⁹, and the Taltson hydroelectric plant expansion project near Fort Smith¹⁰ should help to support growth in the mining and construction industries.

In addition, Cheetah Resources Pty Ltd., an Australian investment group, recently signed a \$5 million agreement to invest in Avalon Advanced Materials Inc.'s Nechalacho rare earth elements project at Thor Lake. Under the agreement, Cheetah will acquire ownership of the near surface resources in two areas of the Nechalacho property to start a small-scale mining operation. Blasting and milling work could start this summer with harvesting scheduled to begin in 2020. Avalon had announced last year that it would be reactivating the Nechalacho project in 2019 due to strong demand for rare earth elements.¹¹

Nunavut

Year-over-year, the number of people employed in Nunavut is up 4.6% (+600). Both the goods-producing and services-producing sectors posted increases over the year. Forestry, fishing, mining, oil and gas; health care and social services; and transportation and warehousing saw the most significant increases.

Several mega mining and construction projects are slated to begin in Nunavut over the next few years. Projects such as the \$400 million Back River gold mine development, Agnico Eagle's Amaruq gold mine development, and TMAC Resources Inc.'s Boston and Madrid gold projects should create plenty of employment opportunities in both the goods-producing and services-producing sectors over the next five years.¹²

In addition, production began at the Agnico Eagle Mines Ltd.'s \$1.1 billion Meliadine mine near Rankin Inlet on February 21, 2019. There are currently about 550 staff working at the site and Agnico plans to hire an additional 100 workers over the next two years. The project is expected to provide significant economic and employment gains for local residents in the territory. According to an Inuit Impact Benefit Agreement – signed by Agnico Eagle and Kivalliq Inuit Association (KIA) – \$450 million in royalties will be paid to the KIA and Nunavut Tunngavik Inc. over the mine's 15-year lifespan; and about 50% of jobs at the mine should be filled by Inuit during production.¹³

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

Seasonally Adjusted Data	Employment			Unemployment Rate		
	February 2019 ('000)	February 2018 ('000)	Yearly Variation (%)	February 2019 (%)	February 2018 (%)	Yearly Variation (% points)
Territories*	56.0	55.2	1.4	9.0	7.9	1.1
Northwest Territories	21.1	20.9	1.0	8.3	8.3	0.0
Nunavut	13.7	13.1	4.6	16.3	14.3	2.0
Yukon	21.2	21.2	0.0	4.1	2.8	1.3

*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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