



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

March 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 quarter. The number of people employed in the Territories dropped 1.9% (-1,100) to 55,700 in the first quarter of 2019. Falling employment in the first quarter is not uncommon though, as the northern economy typically contracts during the winter months, and employment levels should improve with the arrival of spring.

Despite this quarterly decline, employment in the combined Territories advanced 1.1% (+600) on a year-over-year basis. The number of people employed is up both in Northwest Territories (+1.4%) and in Nunavut (+4.7%). Yukon was the only territory to see declining employment over the past year, with the number of people employed falling 1.4%.

Unemployment

The unemployment rate for the combined Territories is now 7.9%, down 0.3 percentage points from the fourth quarter of 2018. On a yearly basis, Northwest Territories was the only territory to see its unemployment rate fall, down 1.8 percentage points to 7.0%. By contrast, Yukon's unemployment rate increased 1.4 percentage points to 4.1%, while the unemployment rate in Nunavut increased 2.2 percentage points to 14.8%. Nunavut continues to have the highest unemployment rate in Canada – about 9.0 percentage points higher than the national average of 5.8%.

Meanwhile, the youth unemployment rate (15 to 24 years) in the Territories increased 0.7 percentage points to 16.7% compared to the first quarter of 2018. The unemployment rate for young men increased 2.7 percentage points to 21.6%, while the unemployment rate for young women fell 4.7 percentage points to 11.1%.

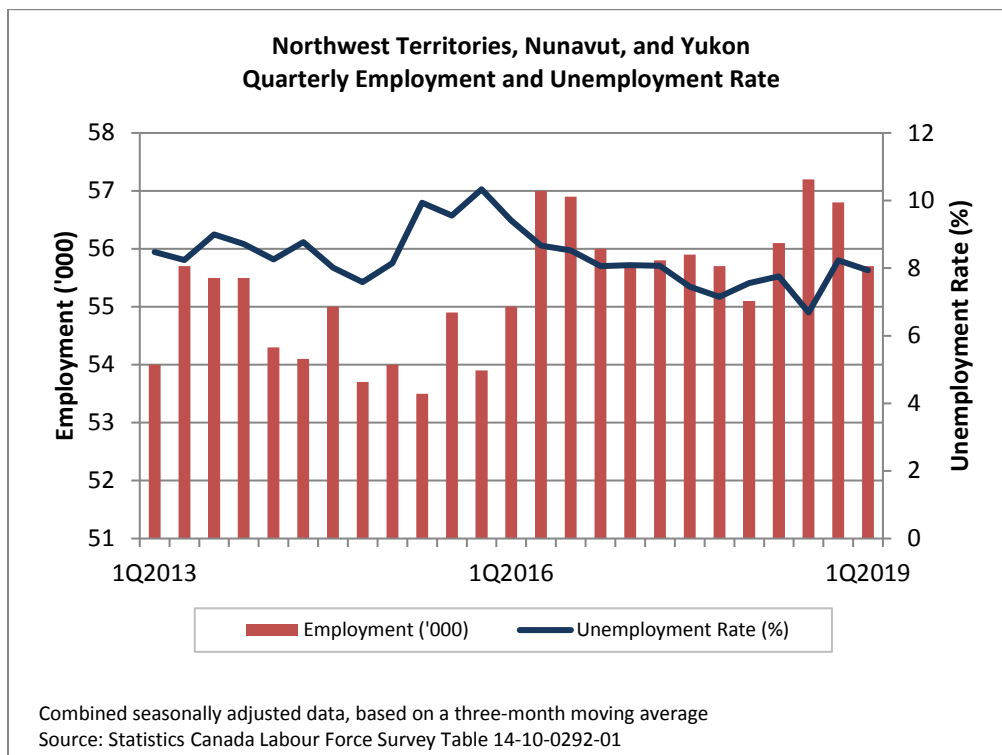
Northwest Territories, Nunavut, Yukon* Quarterly Labour Force Statistics

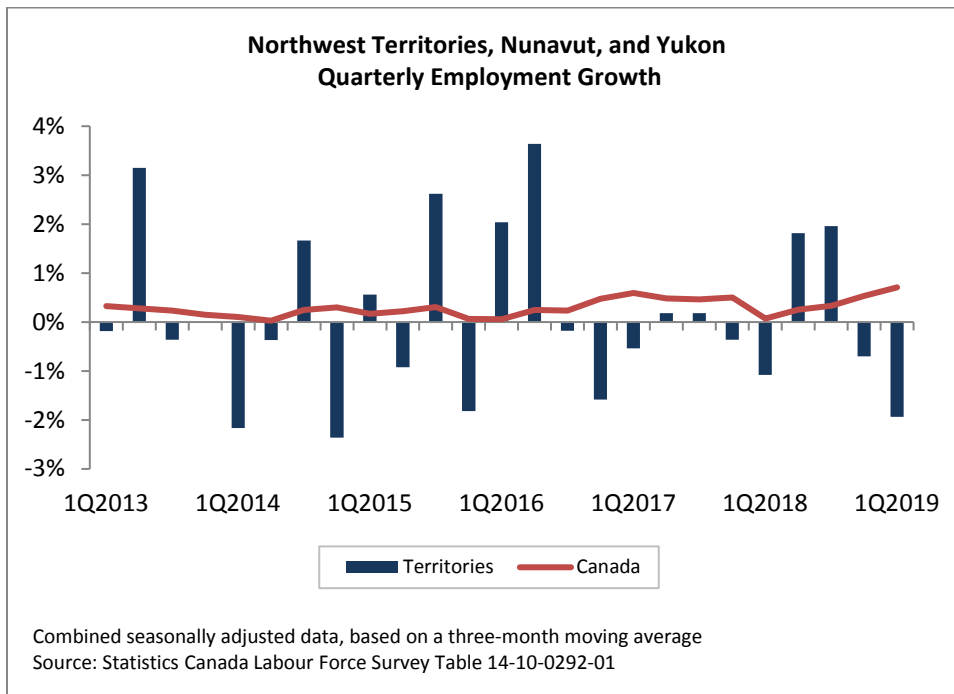
Seasonally adjusted data	1st Quarter 2019	4th Quarter 2018	1st Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	87.9	87.4	86.2	0.5	0.6	1.7	2.0
Labour Force ('000)	60.5	62.0	59.5	-1.5	-2.4	1.0	1.7
Employment ('000)	55.7	56.8	55.1	-1.1	-1.9	0.6	1.1
Unemployment ('000)	4.8	5.1	4.5	-0.3	-5.9	0.3	6.7
Unemployment Rate (%)	7.9	8.2	7.6	-0.3	-	0.3	-
Participation Rate (%)	68.8	70.9	69.0	-2.1	-	-0.2	-
Employment Rate (%)	63.4	65.0	63.9	-1.6	-	-0.5	-

* Combined data based on monthly three-month moving averages

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* Quarterly Unemployment Rates by Gender and Age

Seasonally unadjusted data	1st Quarter 2019 (%)	1st Quarter 2018 (%)	Yearly Variation (% points)
Total	8.1	7.4	0.7
25 years and over	7.0	6.2	0.8
Men - 25 years and over	9.3	8.2	1.1
Women - 25 years and over	4.4	4.0	0.4
15 to 24 years	16.7	16.0	0.7
Men - 15 to 24 years	21.6	18.9	2.7
Women - 15 to 24 years	11.1	15.8	-4.7

*Combined data based on a three month moving average
 Source: Statistics Canada Labour Force Survey – ESDC custom table

EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector was up 1,200 in the first quarter of 2019, an increase of 17.4% from the same quarter last year. In fact, all industries within the sector posted employment gains on the year, with mining (+400) and construction (+400) seeing the largest increases. Employment growth in these industries is being driven by several mining exploration and major construction projects that started across the North over the past year.

The goods-producing sector should continue to see steady growth over the short-term as large-scale public infrastructure projects will help generate new employment opportunities for the Territories. For instance, the Government of Yukon is releasing tenders totalling \$85 million by May of this year to support 40 new seasonally dependent infrastructure projects for the upcoming summer season. These projects, which include resurfacing roads, grounds maintenance, soil and water monitoring programs, and geotechnical drilling, are expected to create plenty of employment and subcontracting opportunities for local residents and businesses.¹

In addition, the federal and Yukon governments recently pledged \$60 million in funding over ten years to build, repair, and expand affordable housing across the territory. This new funding is in addition to the \$28.5 million federal housing investment over ten years announced last year under the Social Housing Agreement, aimed at alleviating a shortage of social housing in Yukon. The combined funding will preserve about 543 existing community-housing units and will see construction of additional units in the territory. According to the territorial government, there are currently 270 people on the waiting list for social and senior housing in Yukon, up from 105 in 2016.²

On an annual basis, the number of people employed in the services-producing sector fell 1.0% (-500). The largest declines were in accommodation and food services; information, culture and recreation; and educational services.

Looking forward, the outlook for the services-producing sector is optimistic over the medium-term. With major construction and mining exploration projects underway across the three territories, the transportation and warehousing industry, as well as the trade industry (wholesale/retail), are anticipated to see some growth. Projects include Victoria Gold's \$400 million Eagle Gold Mine in Yukon,³ the \$40 million Inuvik Wind Generation project in Northwest Territories⁴ and TMAC Resources Inc.'s Hope Bay gold development in the Kitikmeot region⁵.

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

Seasonally Unadjusted Data ('000)	1st Quarter 2019	1st Quarter 2018	Yearly Variation	
			Number	%
Total employed, all industries	55.5	54.6	0.9	1.6
Goods-producing sector	8.1	6.9	1.2	17.4
Agriculture	0.0	0.0	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	2.6	2.2	0.4	18.2
Utilities	1.1	0.9	0.2	22.2
Construction	3.6	3.2	0.4	12.5
Manufacturing	0.4	0.2	0.2	100.0
Services-producing sector	47.4	47.9	-0.5	-1.0
Trade	6.8	6.0	0.8	13.3
Transportation and warehousing	3.3	2.8	0.5	17.9
Finance, insurance, real estate and leasing	2.2	2.1	0.1	4.8
Professional, scientific and technical services	2.0	1.8	0.2	11.1
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	8.7	7.8	0.9	11.5
Information, culture and recreation	2.5	3.3	-0.8	-24.2
Accommodation and food services	2.7	3.6	-0.9	-25.0
Other services	1.5	1.6	-0.1	-6.3
Public administration	11.9	12.4	-0.5	-4.0

* Combined data based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – ESDC custom table

REGIONAL ANALYSIS**Yukon**

The number of people employed in Yukon is down 1.4% (-300) on a year-over-year basis. Employment gains in the territory's goods-producing sector were offset by greater losses in the services-producing sector.

In the short-term, employment in the goods-producing sector may benefit from funding from all levels of government for infrastructure projects such as schools, roads and airport upgrades. These projects include \$9.9 million in upgrades at Dawson City airport,⁶ the \$17 million Alaska Highway safety improvement project⁷, and the \$19 million French First Language Secondary School construction project.⁸

In addition, the federal government has earmarked \$26 million in funding over five years to construct a new science building for the future Yukon University in Whitehorse. Yukon College is transitioning to become Canada's first northern "brick-and mortar" university in May 2020. The new university will offer made-in-Yukon degrees, diplomas, certificates and skills training programs related to the North's unique culture, economy and

environment. The total construction cost of the new science building is estimated at \$35 million and the university will be responsible to cover the balance of cost. Construction on the project is anticipated to begin this summer and should be complete by 2023.⁹

Northwest Territories

Employment in Northwest Territories increased 1.4% (+300) on an annual basis, with both goods-producing and services-producing sectors posting employment gains over the year.

Over the medium-term, major infrastructure projects are expected to support employment growth in the territory. For instance, the territorial government and City of Yellowknife recently pledged \$34.4 million to replace an 8.5-kilometre underwater pipe in Yellowknife that draws water from Yellowknife River to the city's water treatment plant. This project is expected to increase the capacity for flood water retention and to better protect drinking water supply for residents in the region during extreme weather conditions.¹⁰

Moreover, the federal and territorial governments are providing \$9.8 million in funding to construct a new diesel power plant in Sachs Harbour, replacing the 43-year-old existing plant. Funded through the federal Arctic Energy Fund, the new plant will generate fewer carbon emissions and be adaptable to the integration of wind energy in the future.¹¹

The federal government is also providing over \$1 million in funding for two new research projects to study the impact of climate change on northern transportation infrastructure, as well as the overall impacts to NWT. The first research project will focus on the impact of permafrost on the new Dempster and Inuvik Tuktoyaktuk Highways, while the second project will focus on assessing the cost of climate change on the territory over the next 20 years.¹²

Nunavut

The number of people employed in Nunavut reached 13,500 in the first quarter of this year, an increase of 600 compared to a year earlier. Both the goods-producing and services-producing sectors saw employment advance over the past year.

Positive employment growth in both sectors is likely to continue moving forward due to large-scale mining and construction projects in the territory. For example, Agnico Eagle Mines Ltd. started production at their \$1.1 billion Meliadine mine in February. There are currently about 550 staff working at the mine and Agnico plans to hire an additional 100 workers over the next two years.¹³

In addition, the Nunavut government recently awarded a contract to local company – Pilitak Enterprises Ltd. – to construct a new correctional centre in Iqaluit. Under the \$74 million contract, 20% of jobs during construction are to be filled by Inuit people. The new Qikiqtani Correctional Healing Centre replaces the over 30-year old Baffin Correctional Centre that has been plagued by many health and security issues – primarily overcrowding. The new Qikiqtani Correctional Healing Centre will house approximately 112 inmates with separate medium- and maximum- security wings. Construction of the facility could begin as early as this summer and the entire project should be complete by 2022.¹⁴

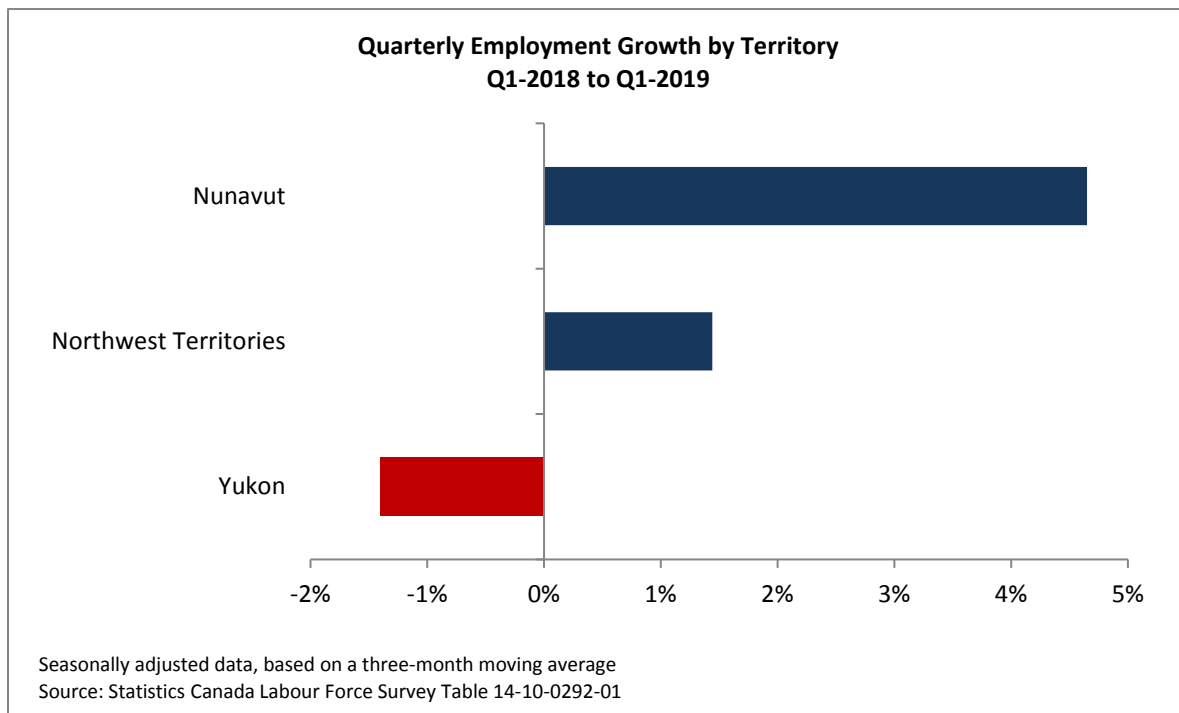
Quarterly Labour Force Statistics by Territory

Seasonally adjusted data	Employment			Unemployment Rate		
	1st Quarter 2019 ('000)	1st Quarter 2018 ('000)	Yearly Variation (%)	1st Quarter 2019 (%)	1st Quarter 2018 (%)	Yearly Variation (% points)
Total territories*	55.7	55.1	1.1	7.9	7.6	0.3
Yukon	21.1	21.4	-1.4	4.1	2.7	1.4
Northwest Territories	21.1	20.8	1.4	7.0	8.8	-1.8
Nunavut	13.5	12.9	4.7	14.8	12.6	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 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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