



# Labour Market Bulletin

## Northwest Territories, Nunavut and Yukon

June 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 increased 2.9% (+1,600) in the second quarter of 2019. In fact, employment in each of the three territories is higher on a quarterly basis, with Nunavut and Yukon seeing the most significant increases.

Over the twelve months, the number of people employed in the Territories increased 2.1% (+1,200) between the second quarter of 2018 and the second quarter of 2019. Employment in Northwest Territories was unchanged year-over-year, while the number of people employed in Yukon and Nunavut increased 1.4% and 6.8% respectively.

#### Unemployment

The unemployment rate for the combined Territories was largely unchanged on a quarterly basis, up 0.1 percentage points to 8.0% from the first quarter of 2019. On an annual basis, Yukon was the only territory to record an increase in its unemployment rate (+1.7 percentage points to 4.0%). Meanwhile, both the Northwest Territories and Nunavut saw a decrease in their unemployment rate over the year, reaching 8.1% and 13.6% respectively.

Compared to the second quarter of 2018, the unemployment rate for youth (15 to 24 years) in the Territories is up 3.1 percentage points to 17.6%. The unemployment rate for young men increased 3.4 percentage points to 20.5% during the past year, while the unemployment rate for young women jumped 2.1 percentage points to 14.3%. Nunavut continues to have the highest youth unemployment rate in the North at nearly 29%.

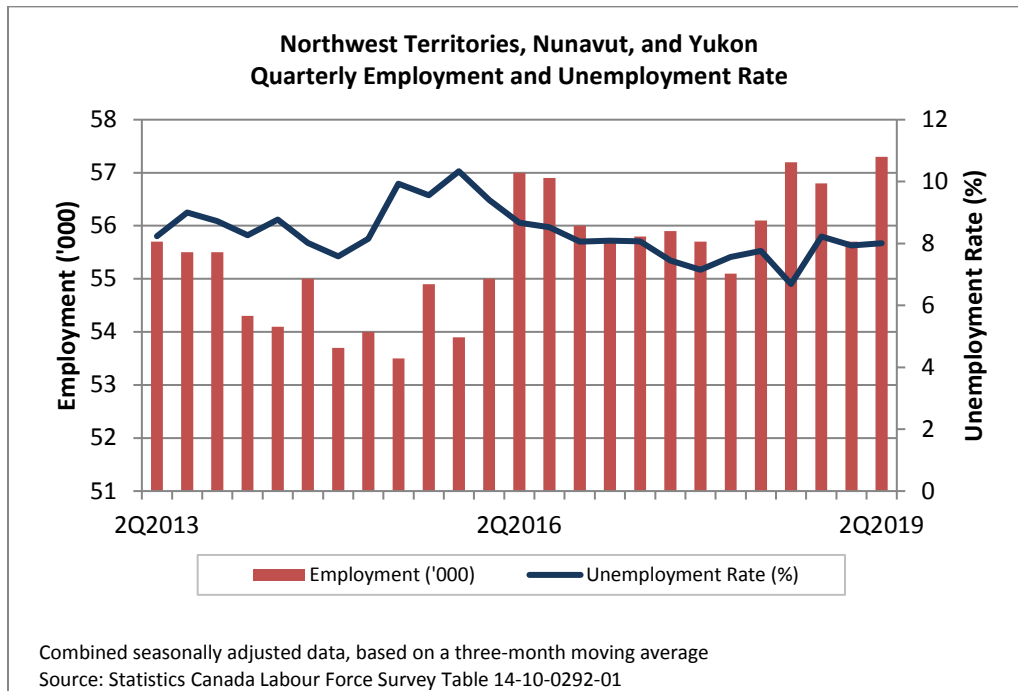
**Northwest Territories, Nunavut, Yukon\* Quarterly Labour Force Statistics**

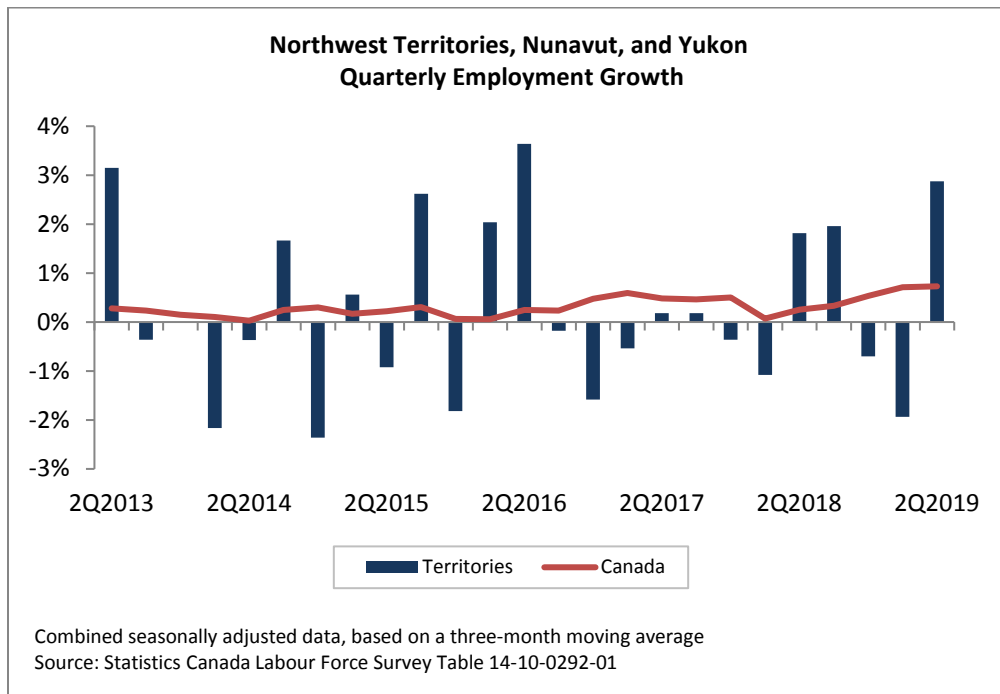
Seasonally adjusted data	2nd Quarter 2019	1st Quarter 2019	2nd Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	88.1	87.9	86.7	0.2	0.2	1.4	1.6
Labour Force ('000)	62.4	60.5	60.6	1.9	3.1	1.8	3.0
Employment ('000)	57.3	55.7	56.1	1.6	2.9	1.2	2.1
Unemployment ('000)	5.0	4.8	4.7	0.2	4.2	0.3	6.4
Unemployment Rate (%)	8.0	7.9	7.8	0.1	-	0.2	-
Participation Rate (%)	70.8	68.8	69.9	2.0	-	0.9	-
Employment Rate (%)	65.0	63.4	64.7	1.6	-	0.3	-

\* 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	2nd Quarter	2nd Quarter	Yearly Variation
	2019 (%)	2018 (%)	(% points)
<b>Total</b>	8.0	7.5	0.5
<b>25 years and over</b>	6.5	6.5	0.0
Men - 25 years and over	7.4	8.4	-1.0
Women - 25 years and over	5.8	4.3	1.5
<b>15 to 24 years</b>	17.6	14.5	3.1
Men - 15 to 24 years	20.5	17.1	3.4
Women - 15 to 24 years	14.3	12.2	2.1

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

**EMPLOYMENT BY INDUSTRY**

There were 8,900 people employed in the goods-producing sector in the second quarter of 2019, an increase of 12.7% (+1,000) from the same quarter last year. Employment losses in mining were more than offset by gains in the utilities, construction and manufacturing industries.

Over the short-term, the Territories construction industry should continue to see steady employment growth, buoyed by increased federal and territorial funding commitments in public infrastructure. For instance,

construction of a 97-kilometre all-season road connecting the remote Tlicho community of Whati to Highway 3 in Northwest Territories begins this fall. The two-lane road is estimated to cost \$411 million to build. The NWT government is targeting 35% of the construction workforce for this project to be northern residents and 75% representation for ongoing operation and maintenance of the road, once complete. The entire project is expected to be finished by 2022.<sup>1</sup>

In addition, the federal and Yukon governments announced funding in May to construct a new community centre to replace a 40-year old existing facility in Old Crow. The Government of Canada is providing \$10.8 million through the Rural and Northern Infrastructure Stream and the Community, Culture and Recreation Infrastructure Stream, while the territorial government is spending \$3.6 million on the project. The 913-square meter development includes a community hall, a gathering area for elders, and a games room for youth, in addition to administrative offices. Construction begins this summer and is expected to be complete by 2021.<sup>2</sup>

Meanwhile, the number of people working in the services-producing sector increased 0.6% (+300) over the year. Falling employment in business, building and other support services (-400) and in information, culture and recreation (-800) was offset by growing employment in transportation and warehousing (+600) and trade (+1,200).

The employment outlook for the services-producing sector is positive in the short-term. Industries such as transportation and warehousing and professional, scientific and technical services should see some growth over the next two years. The federal government recently approved the merger of two large Arctic airlines in the North – First Air and Canadian North. The approval is subject to a number of terms and conditions, including no price increases for both passenger travel and cargo delivery. Moreover, there will be no reductions to weekly schedule options on all routes for the airlines' combined network. A commitment was also required for the merged entity to increase Inuit representation across its operations. The two airlines have routes to about 48 communities across Nunavut and Northwest Territories.<sup>3</sup>

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

Seasonally Unadjusted Data ('000)	2nd Quarter	2nd Quarter	Yearly Variation	
	2019	2018	Number	%
<b>Total employed, all industries</b>	57.6	56.2	1.4	2.5
<b>Goods-producing sector</b>	8.9	7.9	1.0	12.7
Agriculture	0.0	0.0	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	2.8	2.9	-0.1	-3.4
Utilities	1.2	0.9	0.3	33.3
Construction	4.0	3.7	0.3	8.1
Manufacturing	0.7	0.2	0.5	250.0
<b>Services-producing sector</b>	48.7	48.4	0.3	0.6
Trade	7.7	6.5	1.2	18.5
Transportation and warehousing	3.5	2.9	0.6	20.7
Finance, insurance, real estate and leasing	2.3	2.0	0.3	15.0
Professional, scientific and technical services	2.3	2.1	0.2	9.5
Business, building and other support services	1.0	1.4	-0.4	-28.6
Educational services	4.7	5.0	-0.3	-6.0
Health care and social assistance	8.4	8.3	0.1	1.2
Information, culture and recreation	2.5	3.3	-0.8	-24.2
Accommodation and food services	2.5	2.8	-0.3	-10.7
Other services	1.6	1.4	0.2	14.3
Public administration	12.3	12.5	-0.2	-1.6

\* 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 reached 21,700 in the second quarter of 2019, an increase of 300 compared to the same time last year. All employment gains over the past year were due to growth in the goods-producing sector.

Positive employment growth in Yukon's goods-producing sector is likely to continue moving forward as large-scale mining developments and remediation projects will help to support employment growth in the territory. These projects include Victoria's Gold Corp's \$370 million Eagle Gold Project, the \$320 million Coffee Gold Project<sup>4</sup> and the Faro Mine remediation project.<sup>5</sup> These projects are expected to create construction and mining-related job opportunities over the medium-term.

Meanwhile, U.K.-based Pembridge Resources announced the purchase of Capstone Mining Corp.'s Minto Mine – located 240 kilometres northwest of Whitehorse – for US\$20 million. Pembridge plans to reopen the mine immediately and restart commercial production in the fourth quarter of this year. The copper and silver mine

was put into care and maintenance last October due to falling copper prices. Pembridge estimates that approximately 200 employees will be hired, which would be similar to the number of people employed by Capstone at the close of their operations.<sup>6</sup> Based on figures from a 2015 Capstone report, about one-third of Minto Mine's workforce were Yukon residents.<sup>7</sup>

### **Northwest Territories**

Employment in the Northwest Territories is unchanged on a yearly basis. Employment gains in the goods-producing sector were offset by losses in the services-producing sector.

Major infrastructure projects are expected to support employment growth in the territory over the short-term. For instance, the Kivalliq Inuit Association recently signed a memorandum of understanding with Agnico Eagle Mines Ltd. and Northern Energy Capital for the construction of a new \$75 million, three-turbine wind farm at Agnico's Meliadine mine near Rankin Inlet. The new wind turbines are expected to supply the Meliadine mine with 20% of its energy needs and provide renewable energy throughout the Kivalliq region.<sup>8</sup>

Moreover, the federal and territorial governments recently announced joint funding to improve the Inuvik Mike Zubko Airport. The Government of Canada is providing \$16.5 million through the Disaster Mitigation and Adaptation Fund, while the territorial government is contributing \$5.5 million. The funding is being used to widen the runway and taxiway embankments, as well as to improve the airfield's drainage system to protect the permafrost below the airport. These upgrades will give communities in the Beaufort Delta region with a reliable form of transportation for goods and services and medical travel.<sup>9</sup>

### **Nunavut**

Employment in Nunavut increased 6.8% (+900) on an annual basis, with both the goods-producing and services-producing sectors posting gains over the year.

Nunavut's economy is expected to be strong over the short-term as two new gold mines start production in 2019. Indeed, Agnico Eagle Mines Ltd. began commercial production at their Meliadine Gold Mine near Rankin Inlet in May. Once the mine is in full production, it is expected to employ approximately 900 people, of whom at least 350 will be Inuit.<sup>10</sup> Furthermore, production at another Agnico Eagle's gold mine – the Amaruq mine near Meadowbank – will begin in the third quarter of 2019. These two projects alone are expected to result in significant economic gains for the territory over their estimated 15-year lifespans, including \$500 million a year in spending on goods and services.<sup>11</sup>

In addition, the federal and Nunavut governments, along with Qulliq Energy Corporation, recently announced joint funding of \$27.8 million towards four green energy and wastewater treatment projects in the territory. These projects include the replacement of seven diesel power generators in six communities; construction of a new renewable solar energy and storage system at the Kugluktuk's power plant; and the rehabilitation of the sewage lagoon in Kugaaruk to treat and manage wastewater. These projects are anticipated to create training and job opportunities for residents across the territory.<sup>12</sup>

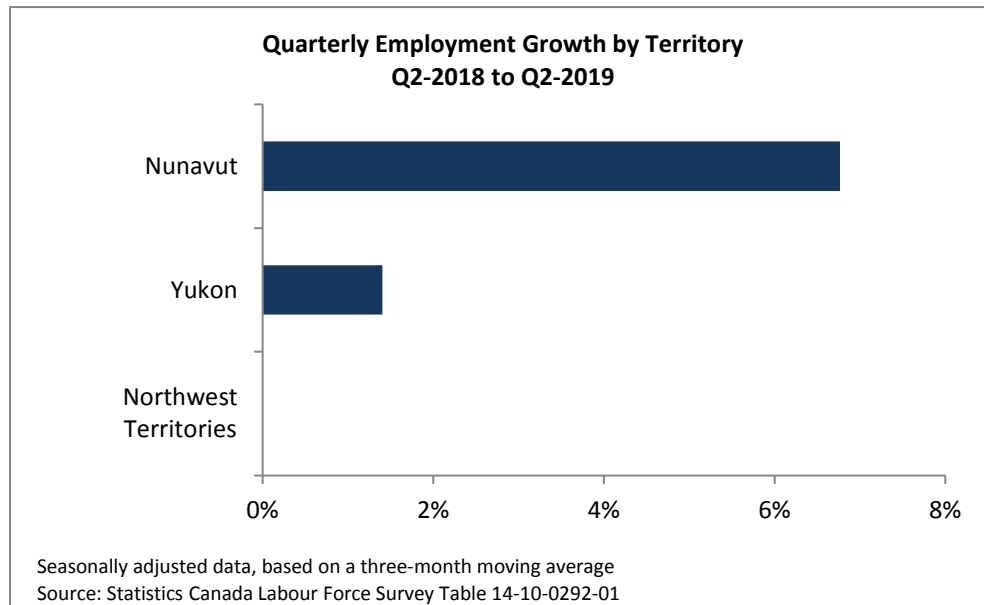
## Quarterly Labour Force Statistics by Territory

Seasonally adjusted data	Employment			Unemployment Rate		
	2 <sup>nd</sup> Quarter 2019 ('000)	2 <sup>nd</sup> Quarter 2018 ('000)	Yearly Variation (%)	2 <sup>nd</sup> Quarter 2019 (%)	2 <sup>nd</sup> Quarter 2018 (%)	Yearly Variation (% points)
<b>Total territories*</b>	57.3	56.1	2.1	8.0	7.8	0.2
Yukon	21.7	21.4	1.4	4.0	2.3	1.7
Northwest Territories	21.4	21.4	0.0	8.1	8.6	-0.5
Nunavut	14.2	13.3	6.8	13.6	14.1	-0.5

\* 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](http://www.statcan.gc.ca)

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<sup>1</sup> CBC News, Northern hiring targets to increase to 75% for Tlicho road, June 14, 2019.

<https://www.cbc.ca/news/canada/north/northern-hiring-targets-what-i-road-1.5175056>

<sup>2</sup> Yukon News, Funding announced for new community centre in old Crow, May 22, 2019. <https://www.yukon-news.com/news/funding-announced-for-new-community-centre-in-old-crow/>

<sup>3</sup> CBC News, Federal government approves Canadian North and First Air merger, June 19, 2019.

<https://www.cbc.ca/news/canada/north/canadian-north-first-air-merger-approved-1.5181975>

<sup>4</sup> CBC News, 2018 was a promising year for Yukon's mining sector, January 03, 2019.

<https://www.cbc.ca/news/canada/north/2018-promising-year-yukon-mining-1.4964122>

<sup>5</sup> Whitehorse Star Daily, Mine remediation contract awarded, May 31, 2019.

<https://www.whitehorsestar.com/News/mine-remediation-contract-awarded>

<sup>6</sup> Yukon News, Minto Mine sold, June 7, 2019. <https://www.yukon-news.com/news/minto-mine-sold/>

<sup>7</sup> Capstone Mining Corp., Minto Mine Socio-Economic Monitoring Program Annual Report 2015, July 2018.

[http://www.selkirkfn.com/files/2115/3419/3625/MintoMine\\_Socio-EconReport-2015\\_FINAL\\_July\\_30\\_2018.pdf](http://www.selkirkfn.com/files/2115/3419/3625/MintoMine_Socio-EconReport-2015_FINAL_July_30_2018.pdf)

<sup>8</sup> Nunavut News Online, Sakku signs on for Agnico wind farm, May 31, 2019. <https://nunavutnews.com/kivalliq-news/sakku-signs-on-for-agnico-wind-farm/>

<sup>9</sup> CBC News, Inuvik's airport gets \$22M for runway renovations from Ottawa, N.W.T. gov't, June 28, 2019.

<https://www.cbc.ca/news/canada/north/inuvik-airport-gets-federal-funding-1.5194966>

<sup>10</sup> Nunatsiaq News, Agnico Eagle's second Nunavut gold mine moves into production, June 3, 2019.

<https://nunatsiaq.com/stories/article/agnico-eagles-second-nunavut-gold-mine-moves-into-production/>

<sup>11</sup> Agnico Eagle, Meliadine site visit, September 6, 2018.

[https://s21.q4cdn.com/374334112/files/doc\\_presentations/2018/Meliadine-Tour-September-2018\\_Rev3.pdf](https://s21.q4cdn.com/374334112/files/doc_presentations/2018/Meliadine-Tour-September-2018_Rev3.pdf)

<sup>12</sup> Government of Canada News Release, Nunavut residents to benefit from improved green energy and wastewater infrastructure, May 21, 2019. <https://www.canada.ca/en/office-infrastructure/news/2019/05/nunavut-residents-to-benefit-from-improved-green-energy-and-wastewater-infrastructure.html>