



# Labour Market Bulletin

## Northwest Territories, Nunavut and Yukon

December 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 fell 4.3% (-2,500) on a quarterly basis in the fourth quarter of 2019. This decrease is not entirely unexpected though, and likely reflects an annual drop in seasonal employment between October and December.

On an annual basis, employment across the North is down 1.9% (-1,100). In fact, employment declined across all three territories over the past year. The number of people employed is down significantly in Northwest Territories (-3.3%), while Yukon (-1.4%) and Nunavut (-0.7%) saw more moderate declines.

#### Unemployment

The unemployment rate for the combined Territories is now 7.8%, up 0.2 percentage points from the third quarter of 2019. Year-over-year, Nunavut was the only territory to see its unemployment rate improve, as it fell 3.5 percentage points to 11.6%. By contrast, Yukon's unemployment rate increased 0.5 percentage points to 4.5%, while the unemployment rate in Northwest Territories increased 1.0 percentage points to 8.4%.

Compared to the fourth quarter of 2018, the unemployment rate for youth (15 to 24 years) in the Territories is down 2.5 percentage points to 17.8%. The unemployment rate for young men dropped 1.3 percentage points to 23.7%, while the unemployment rate for young women decreased 5.7 percentage points to 11.8%.

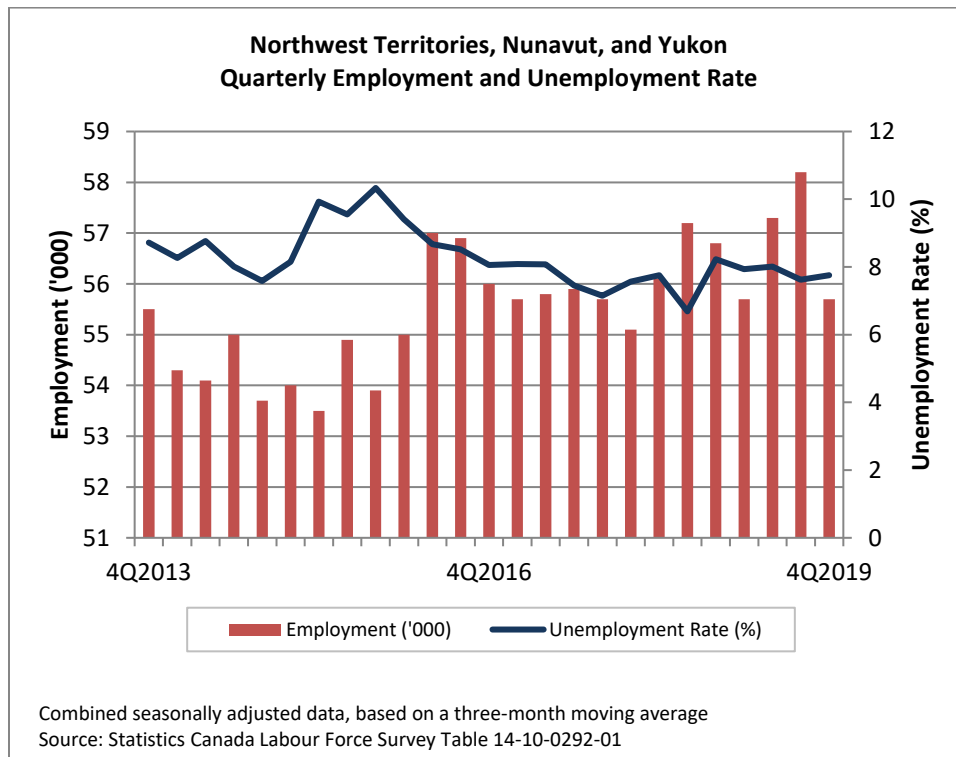
**Northwest Territories, Nunavut, Yukon\* Quarterly Labour Force Statistics**

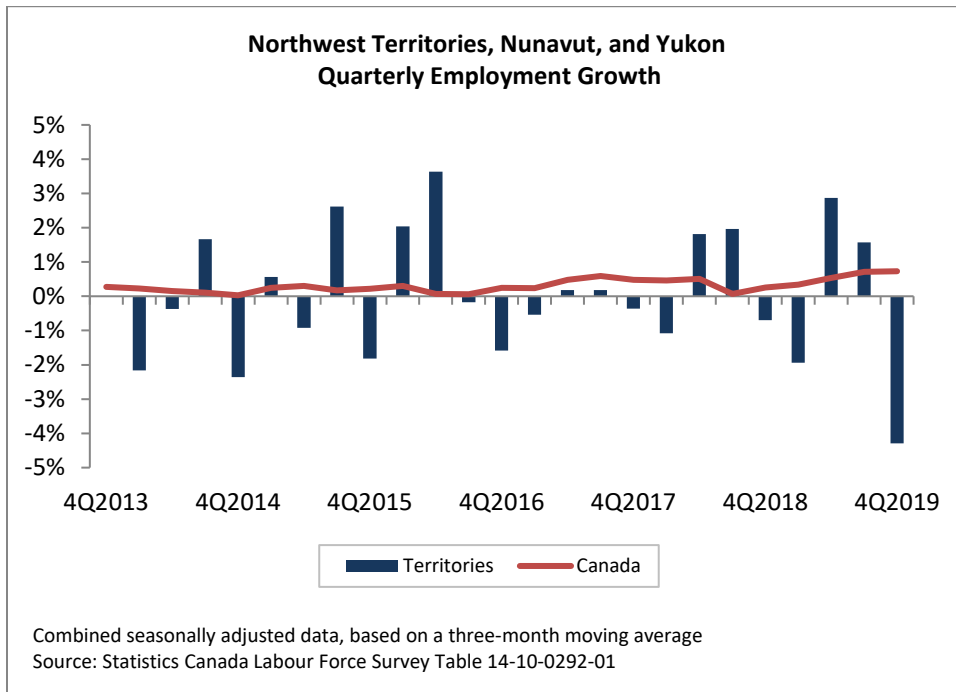
Seasonally adjusted data	4th Quarter 2019	3rd Quarter 2019	4th Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	88.5	88.4	87.4	0.1	0.1	1.1	1.3
Labour Force ('000)	60.6	63.0	62.0	-2.4	-3.8	-1.4	-2.3
Employment ('000)	55.7	58.2	56.8	-2.5	-4.3	-1.1	-1.9
Unemployment ('000)	4.7	4.8	5.1	-0.1	-2.1	-0.4	-7.8
Unemployment Rate (%)	7.8	7.6	8.2	0.2	-	-0.4	-
Participation Rate (%)	68.5	71.3	70.9	-2.8	-	-2.4	-
Employment Rate (%)	62.9	65.8	65.0	-2.9	-	-2.1	-

\* 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	4th Quarter 2019 (%)	4th Quarter 2018 (%)	Yearly Variation (% points)
<b>Total</b>	8.0	8.3	-0.3
<b>25 years and over</b>	6.5	6.5	0.0
Men - 25 years and over	6.3	7.8	-1.5
Women - 25 years and over	6.6	5.1	1.5
<b>15 to 24 years</b>	17.8	20.3	-2.5
Men - 15 to 24 years	23.7	25.0	-1.3
Women - 15 to 24 years	11.8	17.5	-5.7

*\*Combined data based on a three month moving average*

*Source: Statistics Canada Labour Force Survey – ESDC custom table*

## EMPLOYMENT BY INDUSTRY

There were 8,000 people employed in the goods-producing sector in the fourth quarter of 2019, slightly fewer (-100) compared to a year ago. Employment gains in the construction and manufacturing industries were offset by losses in the resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) and utilities industry.

Moving forward, the outlook for the goods-producing sector should improve over the near term, driven by major mining and construction projects scheduled to begin across the North over the next few years. Projects such as the \$320 million Coffee Gold Project in Yukon, the \$150 million Mike Zubko Airport expansion project in NWT, and the new \$47.5 million additions and trauma treatment centre in Iqaluit will create opportunities for local residents and companies.

Moreover, NorZinc has received the final permits necessary for the construction of their Prairie Creek Mine near Fort Smith in the NWT and phase one of the project is anticipated to begin in the first quarter of 2020.<sup>1</sup> The \$280 million zinc mine is expected to have a substantial impact on the territorial economy over the course of its 15-year lifespan. The construction phase will employ approximately 200 people, with an additional 330 full-time employees required once the facility is fully operational.<sup>2</sup>

On a year-over-year basis, employment in the services-producing sector is down 2.3% (-1,100). The largest declines were in accommodation and food services, and in health care and social assistance.

Despite these recent employment losses, labour market conditions in the services sector should improve over the medium-term. Funding from all levels of government for infrastructure projects such as roads, new power plants, and remediation work on mine sites will help to support employment growth in industries like trade; transportation and warehousing; and professional, scientific and technical services. For example, the community of Łutsël K'É in the NWT is planning to build a new \$11.3 million energy efficient diesel power plant to replace the existing one. Construction on the power plant is expected to commence in 2020.<sup>3</sup>

Also, the federal government is looking to hire more local contractors and Indigenous suppliers in NWT for future remediation work under the Contaminated Sites Action Plan. There are currently 23,633 contaminated sites across Canada and 59 of those are in NWT – with another 1,317 sites in the territory that still need to be classified. These remediation projects are expected to bring business opportunities for local companies specializing in transportation, demolition, engineering and hazardous material handling.<sup>4</sup>

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

Seasonally Unadjusted Data ('000)	4th Quarter	4th Quarter	Yearly Variation	
	2019	2018	Number	%
<b>Total employed, all industries</b>	55.2	56.4	-1.2	-2.1
<b>Goods-producing sector</b>	8.0	8.1	-0.1	-1.2
Agriculture	0.0	0.0	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	2.4	2.5	-0.1	-4.0
Utilities	0.7	1.0	-0.3	-30.0
Construction	4.2	4.0	0.2	5.0
Manufacturing	0.6	0.5	0.1	20.0
<b>Services-producing sector</b>	47.1	48.2	-1.1	-2.3
Trade	6.4	6.6	-0.2	-3.0
Transportation and warehousing	3.4	3.3	0.1	3.0
Finance, insurance, real estate and leasing	2.2	2.1	0.1	4.8
Professional, scientific and technical services	2.3	1.9	0.4	21.1
Business, building and other support services	1.0	1.2	-0.2	-16.7
Educational services	5.3	4.8	0.5	10.4
Health care and social assistance	7.7	8.3	-0.6	-7.2
Information, culture and recreation	2.4	2.9	-0.5	-17.2
Accommodation and food services	2.1	2.9	-0.8	-27.6
Other services	1.5	2.0	-0.5	-25.0
Public administration	12.8	12.2	0.6	4.9

\* 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. Both the goods-producing and services-producing sectors posted declines over the year.

The territory's economic fortunes are expected to improve over the short-term buoyed by Victoria Gold Corp.'s Eagle Gold Mine, which should reach commercial production this spring. The \$487 million open-pit mine could produce up to 200,000 ounces of gold per year, creating a cash flow of \$100 million annually over its 10-year lifespan. Approximately 400 employees will be needed when the mine reaches full production and about half of them are expected to be Yukon residents. Eagle Gold Mine is located 85 kilometres northeast of Mayo on the Dublin Gulch property where there are currently 12 favourable discovery targets under exploration. The company is hoping to build a second mine on the property if one of these targets has a large enough resource.<sup>5</sup>

Meanwhile, the Yukon government recently announced that \$1.65 million from the federal Gas Tax Fund will be used to support various local infrastructure priorities in the town of Watson Lake. Projects such as installing a new groundwater monitoring well and the Town Centre Brownfield Redevelopment Project are expected to create job opportunities for local residents during the winter months. All of these projects are anticipated to be complete by March 2020.<sup>6</sup>

### **Northwest Territories**

Employment in the Northwest Territories fell 3.3% to 20,600 on an annual basis. Job losses over the past year are due mostly to falling employment in the services-producing sector.

Over the medium-term, mining exploration and extraction projects are expected to help create employment opportunities both in the goods-producing and services-producing sectors. For example, Dominion Diamond Mines and De Beers Canada submitted applications to the Mackenzie Valley Land and Water Board to expand exploration at their current projects in the territory. Dominion requested to increase exploration work on the land near Glowworm Lake, east of its Ekati mine. The company also sought permission to build new winter roads and exploration camps in the area.<sup>7</sup>

Meanwhile, De Beers filed a submission to explore eleven targets at its Gahcho Kué mine by the end of February. The project – which aims to extend Gahcho Kué mine’s life – will be split into two phases and cost about \$2.9 million to complete.<sup>8</sup> Combined, the Ekati and Gahcho Kué mines employ over 600 residents in the NWT – accounting for almost half of all employment in the territory’s mining industry.<sup>9</sup>

### **Nunavut**

Employment in Nunavut was essentially flat year-over-year, down 0.7% (-100). Employment gains in the goods-producing sector were offset by losses in the services-producing sector.

Moving forward, Nunavut’s short-term economic outlook is optimistic as new private and public construction projects are scheduled to begin in the next few years. For instance, the Nunavut government has approved Nunavut Housing Corporation’s \$43 million capital budget to build additional housing units in the 2020-2021 fiscal year.<sup>10</sup> Currently, approximately 280 public housing units are in different stages of construction across the territory.<sup>11</sup>

Moreover, the Qulliq Energy Corporation recently applied for a major project permit to build a new \$32 million power plant to replace the current 45-year-old facility in Arctic Bay. The new plant is expected to be more efficient by integrating renewable energy sources such as wind turbines and solar panels to help reduce the use of diesel fuel. If approved, construction would begin in 2020.<sup>12</sup>

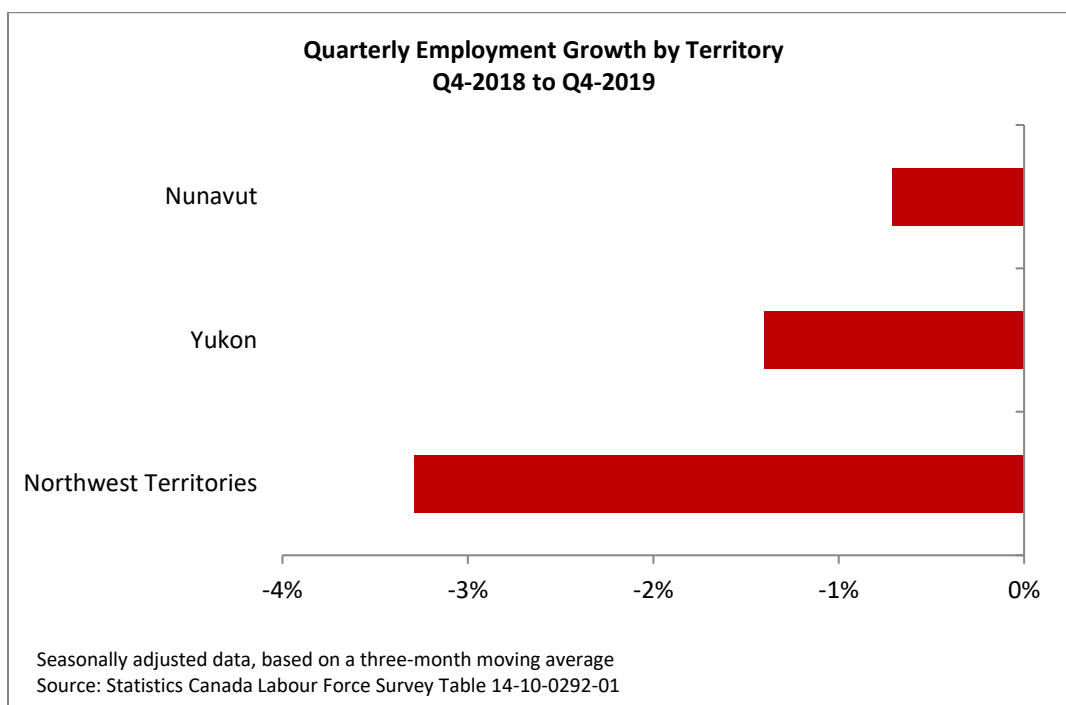
**Quarterly Labour Force Statistics by Territory**

Seasonally adjusted data	Employment			Unemployment Rate		
	4th Quarter 2019 ('000)	4th Quarter 2018 ('000)	Yearly Variation (%)	4th Quarter 2019 (%)	4th Quarter 2018 (%)	Yearly Variation (% points)
<b>Total territories*</b>	55.7	56.8	-1.9	7.8	8.2	-0.4
Yukon	21.1	21.4	-1.4	4.5	4.0	0.5
Northwest Territories	20.6	21.3	-3.3	8.4	7.4	1.0
Nunavut	14.0	14.1	-0.7	11.6	15.1	-3.5

\* 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> CISION News, NorZinc Receives Final Major Permits for Prairie Creek Mine, November 25, 2019.

<https://www.newswire.ca/news-releases/norzinc-receives-final-major-permits-for-prairie-creek-mine-881003911.html>

<sup>2</sup> Cabin Radio News, Prairie Creek Mine access road gets ministerial approval, October 15, 2018.

<https://cabinradio.ca/10290/news/environment/prairie-creek-mines-access-road-gets-ministerial-approval/>

<sup>3</sup> CBC News, Łutsël K'é diesel power plant to be replaced in \$11.3M project, December 23, 2019.

<https://www.cbc.ca/news/canada/north/lutselke-new-power-plant-1.5405614>

<sup>4</sup> Cabin Radio News, Ottawa tries 'new approach' to hire locals for NWT remediation, December 5, 2019.

<https://cabinradio.ca/26709/news/environment/done-federal-tender-seeks-northern-businesses-for-remediation-projects/>

<sup>5</sup> Whitehorse Daily Star, Eagle Gold Mine progressing well, November 29, 2019.

<https://www.whitehorsestar.com/News/eagle-gold-mine-progressing-well>

<sup>6</sup> Government of Yukon, Gas Tax Fund to support local infrastructure priorities in the Town of Watson Lake, December 6, 2019. <https://yukon.ca/en/news/gas-tax-fund-support-local-infrastructure-priorities-town-watson-lake>

<sup>7</sup> CBC News, Dominion applying to expand exploration project east of Ekati, January 2, 2020.

<https://www.cbc.ca/news/canada/north/dominion-planning-to-expand-glowworm-project-1.5412034>

<sup>8</sup> Rapaport Diamonds.net, De Beers, Dominion Seek Canada Expansion, January 6, 2020.

<https://www.diamonds.net/News/NewsItem.aspx?ArticleID=64557&ArticleTitle=De+Beers%2C+Dominion+Seek+Canada+Expansion>

<sup>9</sup> De Beers Canada, Gahcho Kué Project – Human Resource Strategy, 2019.

[http://reviewboard.ca/upload/project\\_document/EIR0607-001\\_Gahcho\\_Kue\\_Human\\_Resource\\_Strategy.PDF](http://reviewboard.ca/upload/project_document/EIR0607-001_Gahcho_Kue_Human_Resource_Strategy.PDF)

<sup>10</sup> Nunatsiaq News, MLAs approve Nunavut Housing Corp. capital budget, November 6, 2019.

<https://nunatsiaq.com/stories/article/mlas-approve-nunavut-housing-corp-capital-budget/>

<sup>11</sup> CBC News, Nunavut MLAs delay approving housing corp's draft budget, October 24, 2019.

<https://www.cbc.ca/news/canada/north/nunavut-mlas-public-housing-draft-budget-delay-1.5333006>



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<sup>12</sup> Nunatsiaq News, Nunavut utility pitches new \$32.4M power plant for Arctic Bay, November 18, 2019.  
<https://nunatsiaq.com/stories/article/nunavut-utility-pitches-new-32-4m-power-plant-for-arctic-bay/>