



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

October 2020



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.

Employment

After an unprecedented drop in economic activity due to the COVID-19 pandemic, the Territories' economy has begun to recover as businesses and services gradually reopen. In fact, the combined employment of Yukon, Northwest Territories (NWT) and Nunavut trended upward for a fourth consecutive month in October. The number of people employed in the Territories increased 1,000 to 53,800 on a monthly basis.

On a year-over-year basis, employment across the North is down 5.6% (-3,200). The number of people employed is down considerably both in Nunavut (-7.7%) and in Yukon (-6.5%), while employment loss in Northwest Territories is slightly more moderate (-3.3%).

Unemployment

The unemployment rate for the combined Territories decreased in October, falling 1.3 percentage points to 8.7%. On an annual basis, the Northwest Territories was the only territory to see its unemployment rate improve, falling 0.2 percentage points to 8.0%. By contrast, Nunavut's unemployment rate climbed 0.3 percentage points to 13.2%, while the unemployment rate in Yukon increased considerably – up 2.5 percentage points to 6.1%.

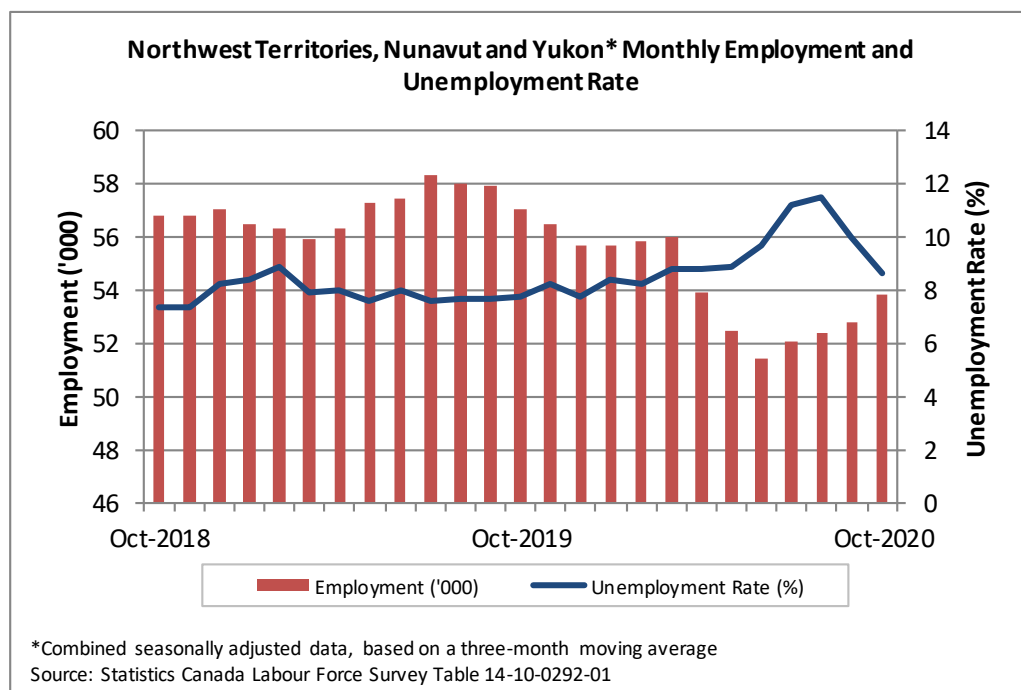
For the combined Territories, the unemployment rate for youth (15 to 24 years) was 15.5% in October, up 1.4 percentage points from October 2019. The unemployment rate for young women increased significantly on an annual basis, up 6.9 percentage points to 15.2%. Meanwhile, the unemployment rate for young men fell 3.2 percentage points to 15.8% over the same period.

Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Adjusted Data	October 2020	September 2020	October 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	89.7	89.6	88.4	0.1	0.1	1.3	1.5
Labour Force ('000)	58.9	58.8	61.9	0.1	0.2	-3.0	-4.8
Employment ('000)	53.8	52.8	57.0	1.0	1.9	-3.2	-5.6
Unemployment ('000)	5.1	5.9	4.8	-0.8	-13.6	0.3	6.2
Unemployment Rate (%)	8.7	10.0	7.8	-1.3	-	0.9	-
Participation Rate (%)	65.7	65.6	70.0	0.1	-	-4.3	-
Employment Rate (%)	60.0	58.9	64.5	1.1	-	-4.5	-

*Combined data - three month moving average

Note: Totals may not add due to rounding



Northwest Territories, Nunavut and Yukon*
Monthly Unemployment Rates, by Gender and Age

Seasonally Unadjusted Data	October 2020 (%)	October 2019 (%)	Yearly Variation (% points)
Total	8.5	7.6	0.9
25 years and over	7.7	6.7	1.0
Men - 25 years and over	8.8	7.1	1.7
Women - 25 years and over	6.6	6.2	0.4
15 to 24 years	15.5	14.1	1.4
Men - 15 to 24 years	15.8	19.0	-3.2
Women - 15 to 24 years	15.2	8.3	6.9

**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

There were 7,400 people employed in the **goods-producing sector** in October, down 12.9% (-1,100) compared to a year ago. All industries within the sector saw employment losses over the year, with the exception of manufacturing. The largest declines occurred in utilities (-500) and forestry, fishing, mining, quarrying, oil and gas (-700).

The COVID-19 pandemic has negatively affected the goods-producing sector across the North, particularly the mining industry. Almost all companies either reduced or shut down productions at their mines in mid-March. Nonetheless, several mining companies have restarted operations and recalled staff in June and July as the number of COVID-19 cases remained low throughout the Territories in the summer.

The outlook for the Territories' mining sector remains uncertain in the short-term, as more COVID-19 cases were detected at several major mines across the North. In fact, the Diavik¹ and Gahcho Kué diamond mines – the only two active producing mines in the NWT – reported positive cases on site in October.² Meanwhile, three mines in Nunavut including Hope Bay,³ Meliadine and Mary River also confirmed COVID-19 cases in the past two months.⁴ If cases continue to rise, these mines could face another round of reduced operations or shutdowns.

In addition, Dominion Diamond Mines recently announced that its proposed \$166 million sale of the Ekati Diamond mine in the NWT to The Washington Companies has failed due to an impasse in negotiations. The Ekati mine has been in care and maintenance mode since March, with about 400 workers furloughed due to the COVID-19 pandemic. Dominion also filed for bankruptcy protection in April and has recently requested to extend bankruptcy protection until the beginning of December this year.⁵

In the medium-term, employment in the goods-producing sector is expected to benefit both from public and private sector construction projects. For example, the federal and Northwest Territories governments are providing \$38.8 million in joint funding towards construction of the Avens Pavilion senior's housing project in Yellowknife.⁶ Meanwhile, the Nunavut Housing Corporation (NHC) is spending \$30.7 million over the next 6 years on mould remediation in affordable housing units across the territory.⁷ NHC states that it is critical to remediate

and maintain all the public housing units as the number of new housing units will likely reduce each year due to escalating construction costs. In fact, the average cost of building a new house in Nunavut increased 20% in the 2019-2020 fiscal year compared to the 2018-2019 fiscal year.⁸

On an annual basis, employment in the **services-producing sector** is down 3.9%, with 1,900 fewer people employed in this sector compared to the same time last year. The largest declines were in trade, health care, educational services, and transportation and warehousing.

The COVID-19 pandemic has had a severe impact on employment in the services-sector across all three territories. Tourism-related industries such as accommodations and food services, transportation, and retail are among the hardest hit. These industries are expected to take longer to recover to their pre-pandemic employment levels compared to other industries.

All levels of government have pledged funding to support tourism-related businesses cope with the fallout from COVID-19. For instance, the federal government is providing additional funding of over \$17 million to go towards NWT's air carriers to ensure essential goods can continue to be delivered to remote communities.⁹ Meanwhile, the Yukon government announced \$15 million in relief funding over the next three years to support the territory's tourism industry, with about \$3 million going towards the accommodation sector.¹⁰

Furthermore, the federal and Northwest Territories governments are pledging over \$12 million in joint funding to schools across the territory for additional teachers, laptops, cleaning supplies and other associated education costs. The funding is expected to help mitigate the impacts of COVID-19 on the NWT's education system.¹¹ Also, the federal government is providing over \$12 million in top-up funding for the Yukon to support those affected by the COVID-19 pandemic and rural healthcare services. This new funding is an addition to the \$26 million Safe Restart Fund announced by the federal government in July.¹²

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

Seasonally Unadjusted Data ('000)	October 2020	October 2019	Yearly Variation	
			Number	%
Total employed, all industries	54.0	57.1	-3.1	-5.4
Goods-producing sector	7.4	8.5	-1.1	-12.9
Agriculture	0.0	0.0	0.0	--
Forestry, fishing, mining, quarrying, oil and gas	1.7	2.4	-0.7	-29.2
Utilities	0.4	0.9	-0.5	-55.6
Construction	4.1	4.4	-0.3	-6.8
Manufacturing	0.7	0.6	0.1	16.7
Services-producing sector	46.6	48.5	-1.9	-3.9
Trade	6.0	7.1	-1.1	-15.5
Transportation and warehousing	2.8	3.4	-0.6	-17.6
Finance, insurance, real estate and leasing	2.5	2.2	0.3	13.6
Professional, scientific and technical services	2.1	2.4	-0.3	-12.5
Business, building and other support services	1.1	1.3	-0.2	-15.4
Educational services	4.5	4.8	-0.3	-6.3
Health care and social assistance	7.2	8.0	-0.8	-10.0
Information, culture and recreation	2.4	2.4	0.0	0.0
Accommodation and food services	2.8	2.2	0.6	27.3
Other services	1.9	1.7	0.2	11.8
Public administration	13.4	13.0	0.4	3.1

*Combined data - three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey - ESDC custom table

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

Seasonally Adjusted Data	Employment			Unemployment Rate		
	October 2020 ('000)	October 2019 ('000)	Yearly Variation (%)	October 2020 (%)	October 2019 (%)	Yearly Variation (% points)
Territories*	53.8	57.0	-5.6	8.7	7.8	0.9
Northwest Territories	20.6	21.3	-3.3	8.0	8.2	-0.2
Nunavut	13.1	14.2	-7.7	13.2	12.9	0.3
Yukon	20.1	21.5	-6.5	6.1	3.6	2.5

*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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¹ Government of Northwest Territories, Positive Case of COVID-19 confirmed at Diavik, September 10, 2020.
<https://www.hss.gov.nt.ca/en/newsroom/positive-case-covid-19-confirmed-diavik>

² Government of Northwest Territories, Gahcho Kue Diamond Mine records confirmed positive COVID-19 test, October 23, 2020.
<https://www.hss.gov.nt.ca/en/newsroom/gahcho-kue-diamond-mine-records-confirmed-positive-covid-19-test>

³ CBC News, COVID-19 outbreak at Nunavut's Hope Bay mine at 10 cases but contained, government says. October 07, 2020.
<https://www.cbc.ca/news/canada/north/nunavut-chief-public-health-officer-health-minister-briefing-october-8-1.5753889>

⁴ CBC News, New case of COVID-19 confirmed at Mary River Mine, October 21, 2020.
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⁵ JCK News, Dominion asks for breathing room to save company, October 28, 2020.
<https://www.jckonline.com/editorial-article/dominion-asks-breathing-room/>

⁶ Cabin Radio News, \$39M announced for YK Avens Pavilion seniors' housing, October 29, 2020.
<https://cabinradio.ca/48464/news/yellowknife/39m-announced-for-yk-avens-pavilion-seniors-housing/>

⁷ Nunatsiaq News, In the endless war on mould, Nunavut doubles down, October 26, 2020.
<https://nunatsiaq.com/stories/article/in-the-endless-war-on-mould-nunavut-doubles-down/>

⁸ Nunavut News, Cost of building houses goes up 20 percent; GN devotes \$5 million in new funding to address mould, October 22, 2020.
<https://nunavutnews.com/nunavut-news/cost-of-building-houses-goes-up-20-per-cent-gn-devotes-5-million-in-new-funding-to-address-mould/>

⁹ Cabin Radio News, Ottawa announces \$29.3M in new Covid-19 funding for NWT, October 9, 2020.
<https://cabinradio.ca/46953/news/economy/ottawa-announces-29-3m-in-new-covid-19-funding-for-nwt/>

¹⁰ Yukon News, Tourism relief funding offers \$2.8 million to hotels and overnight accommodations, Oct 24, 2020.
<https://www.yukon-news.com/news/tourism-relief-funding-offers-2-8-million-to-hotels-and-overnight-accommodations/>

¹¹ CBC News, N.W.T. schools to get \$12M for more teachers, laptops, at-home internet access, October 01, 2020.
<https://www.cbc.ca/news/canada/north/n-w-t-schools-get-12m-from-territory-for-covid-19-costs-1.5746241>

¹² Yukon News, Feds announce top-up funding, October 11, 2020.
<https://www.yukon-news.com/news/feds-announce-top-up-funding/>