



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

August 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.

OVERVIEW

Employment

The COVID-19 pandemic has taken a toll on the Territories' economy, particularly in the tourism and mining industries. However, there are signs that the labour market is starting to recover as businesses and services began to reopen in recent months across all three territories. Employment in the combined Territories increased slightly in August, up 0.6% (+300) compared to the previous month.

On an annual basis, employment across the North is down 9.7% (-5,600). The number of people employed fell considerably both in Yukon (-10.5%) and in Northwest Territories (-9.6%), while employment loss in Nunavut was slightly more moderate (-8.5%).

Unemployment

The unemployment rate across the North was up year-over-year 3.9 percentage points in August to 11.5%. Nunavut's unemployment rate increased 1.5 percentage points to 16.1%, while the unemployment rate in Northwest Territories rose 4.0 percentage points to 11.6%. The Yukon posted the most significant increase among all three territories compared with August last year, seeing its unemployment rate increase 5.3 percentage points to 8.0%.

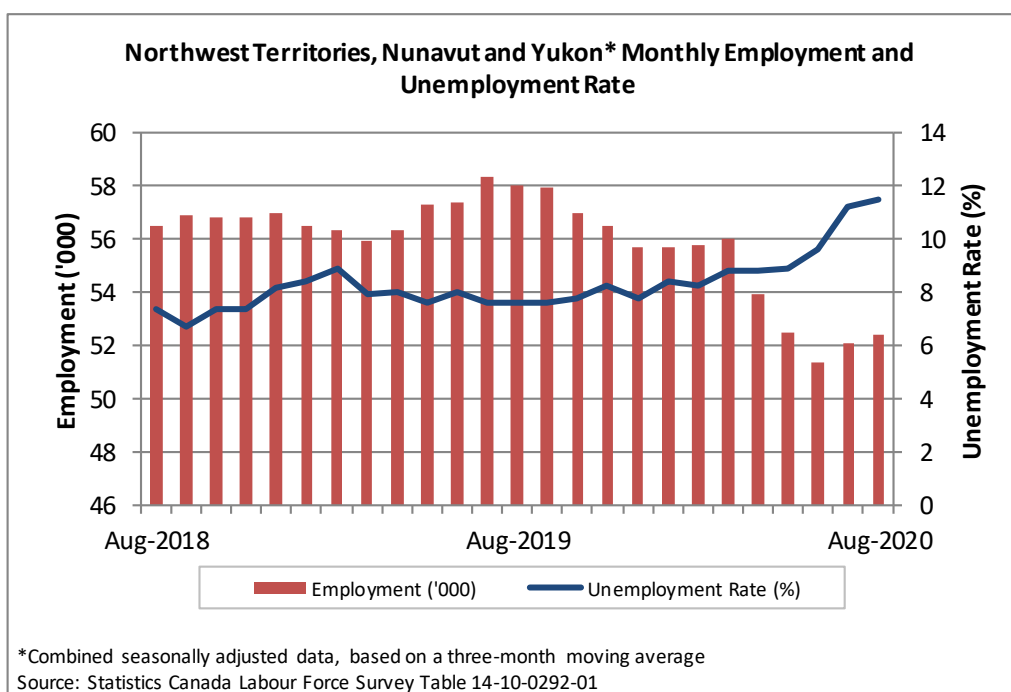
The COVID-19 pandemic is having a significant impact on youth unemployment. In August, the unemployment rate in the Territories among people aged 15 to 24 was up 9.9 percentage points to 21.4%. The unemployment rate for young men increased considerably on an annual basis, up 9.7 percentage points to 23.4%, while the unemployment rate for young women increased 4.7 percentage points to 15.8%.

Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Adjusted Data	August 2020	July 2020	August 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	89.6	89.4	88.2	0.2	0.2	1.4	1.6
Labour Force ('000)	59.2	58.8	62.9	0.4	0.7	-3.7	-5.9
Employment ('000)	52.4	52.1	58.0	0.3	0.6	-5.6	-9.7
Unemployment ('000)	6.8	6.6	4.8	0.2	3.0	2.0	41.7
Unemployment Rate (%)	11.5	11.2	7.6	0.3	-	3.9	-
Participation Rate (%)	66.1	65.8	71.3	0.3	-	-5.2	-
Employment Rate (%)	58.5	58.3	65.8	0.2	-	-7.3	-

*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	August 2020 (%)	August 2019 (%)	Yearly Variation (% points)
Total	11.3	7.3	4.0
25 years and over	9.6	6.6	3.0
Men - 25 years and over	9.7	7.7	2.0
Women - 25 years and over	9.5	5.4	4.1
15 to 24 years	21.4	11.5	9.9
Men - 15 to 24 years	23.4	13.7	9.7
Women - 15 to 24 years	15.8	11.1	4.7

**Combined data - three month moving average*

Note: Totals may not add due to rounding

EMPLOYMENT BY INDUSTRY

There were 8,200 people employed in the **goods-producing sector** in August, down 12.8% (-1,200) compared to a year prior. In fact, almost all industries within the sector suffered year-over-year employment losses, with the exception of manufacturing.

The COVID-19 pandemic has negatively affected the goods-producing sector across the North, mainly in the mining and construction industries. In the mining industry, which accounted for about one-quarter of the Territories' gross domestic product (GDP) in 2019¹, almost all companies either reduced or shut down productions at their mines in mid-March to protect their workers from the coronavirus. 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.

Looking ahead, mining exploration and construction projects scheduled to begin in the short-term will help to boost employment in the Territories' goods-producing sector. For instance, Whitehorse-based Cobalt Construction Ltd. has begun construction work on a 500-metre section of the Hamilton Boulevard extension in mid-August. The \$10.8 million project is anticipated to take four weeks to complete and will generate employment opportunities for local residents during construction.²

In addition, the Northwest Territories government recently announced that 20 mineral exploration projects across the territory will receive a collective \$1 million in funding as part of the 2020/21 Mine Incentive Program. Most recipients are exploring in mining gold, with a few interested in rare earth metals, diamonds, lead, zinc and cobalt.³

Meanwhile, the federal government announced it would waive payments for mineral leases on Crown land this fiscal year to help reduce the economic impact of the COVID-19 pandemic in Nunavut. The estimated value of the relief for waived leases is around \$1.5 million for about 500 mineral leases across the territory.⁴

On an annual basis, the number of people employed in the **services-producing sector** fell considerably, down 9.4% (-4,700). The largest declines were in trade, health care, educational services, and accommodation and food services.

The COVID-19 pandemic has had a severe impact on employment in the services sector across the North. Tourism-related industries such as accommodations and food services, transportation, and retail have been 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 help tourism-related businesses to cope with the fallout from COVID-19. For example, The Northwest Territories and federal governments recently announced \$1.5 million in joint funding towards the territory's tourism industry, through the Growing and Recovery by Investing in Tourism fund program.⁵ Meanwhile, the Government of Yukon is providing \$1.23 million in funding to go towards the territory's aviation industry to offset revenues lost because of the pandemic. This funding is expected to help ensure essential transport links between the North and south are maintained without disruption.⁶

The Northwest Territories government has issued tenders for three infrastructure projects totalling over \$4 million for the Mike Zubko Airport expansion project. These projects involve a 3,000-foot runway expansion, as well as improved lighting, navigational, and military aircraft landing systems. The upgrades will benefit tourism in the region, as larger planes will be able to land on the new runway, potentially opening the airport up to more airlines. Construction work on the projects is expected to be complete by October 2022.⁷

In the near-term, industries such as professional, scientific and technical services; transportation and warehousing; and business, building and other support services should see growth, due to increase in federal and territorial funding commitments. For instance, the Canadian Radio-Television and Telecommunications Commission is providing \$62 million in funding to Northwestel for improvements to broadband internet service in the Northwest Territories and Yukon. The project involves construction of new satellite dishes and ground stations, installation of new fibre optic lines across both territories. Construction is scheduled to commence in the spring of 2021. The upgrades are expected to boost internet speeds for residential users and provide much faster broadband capacity for institutions such as governments, schools and health care providers.⁸

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

Seasonally Unadjusted Data ('000)	August 2020	August 2019	Yearly Variation	
			Number	%
Total employed, all industries	53.7	59.4	-5.7	-9.6
Goods-producing sector	8.2	9.4	-1.2	-12.8
Agriculture	0.0	0.2	-0.2	-100.0
Forestry, fishing, mining, quarrying, oil and gas	2.1	2.7	-0.6	-22.2
Utilities	0.5	0.9	-0.4	-44.4
Construction	4.4	4.7	-0.3	-6.4
Manufacturing	0.8	0.7	0.1	14.3
Services-producing sector	45.5	50.2	-4.7	-9.4
Trade	6.2	7.9	-1.7	-21.5
Transportation and warehousing	2.9	3.5	-0.6	-17.1
Finance, insurance, real estate and leasing	2.3	2.0	0.3	15.0
Professional, scientific and technical services	2.3	2.2	0.1	4.5
Business, building and other support services	1.1	1.3	-0.2	-15.4
Educational services	4.0	4.9	-0.9	-18.4
Health care and social assistance	7.1	8.2	-1.1	-13.4
Information, culture and recreation	2.1	2.4	-0.3	-12.5
Accommodation and food services	1.9	2.7	-0.8	-29.6
Other services	1.5	1.7	-0.2	-11.8
Public administration	14.0	13.2	0.8	6.1

*Combined data - three month moving average

Note: Totals may not add due to rounding

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

Seasonally Adjusted Data	Employment			Unemployment Rate		
	August 2020 ('000)	August 2019 ('000)	Yearly Variation (%)	August 2020 (%)	August 2019 (%)	Yearly Variation (% points)
Territories*	52.4	58.0	-9.7	11.5	7.6	3.9
Northwest Territories	19.8	21.9	-9.6	11.6	7.6	4.0
Nunavut	13.0	14.2	-8.5	16.1	14.6	1.5
Yukon	19.6	21.9	-10.5	8.0	2.7	5.3

*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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¹ Conference Board of Canada, Summary for Executives Territorial Snapshot Spring 2020, June 18, 2020.
https://www.conferenceboard.ca/docs/default-source/territorial/24781_sumexec_territorial-snapshot_spring2020.pdf

² ReNewCanada, Reconstruction underway for Yukon's Hamilton Boulevard extension, August 20, 2020.
<https://www.renewcanada.net/reconstruction-underway-for-yukons-hamilton-boulevard-extension/>

³ Cabin Radio, NWT announces recipients of \$1 million Mine Incentive Program, August 11, 2020.
<https://cabinradio.ca/43193/news/economy/nwt-announces-recipients-of-1-million-mine-incentive-program/>

⁴ CBC News, Canada waives annual mineral lease fees on Crown land in Nunavut, August 17, 2020.
<https://www.cbc.ca/news/canada/north/annual-mineral-leases-waived-by-feds-in-nunavut-1.5689441>

⁵ Cabin Radio, NWT, federal governments launch \$1.5M tourism recovery fund, August 12, 2020.
<https://cabinradio.ca/43341/news/nt-federal-governments-launch-1-5m-tourism-recovery-fund/>

⁶ Government of Yukon, Yukon's aviation industry continues to receive support, July 28, 2020.
<https://yukon.ca/en/news/yukons-aviation-industry-continues-receive-support>

⁷ NNSL Media – Inuvik Drum, Work on Mike Zubko Airport runway extension to begin in 2021, August 9, 2020.
<https://nnsi.com/inuvikdrum/work-on-mike-zubko-airport-runway-extension-to-begin-in-2021/>

⁸ Cabin Radio, Northwestel to get \$62M to improve internet in NWT, Yukon, August 12, 2020.
<https://cabinradio.ca/43289/news/northwestel-to-get-62m-to-improve-internet-in-nwt-yukon/>