



# Labour Market Bulletin

## Northwest Territories, Nunavut and Yukon



December 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 Territories' labour market continues to recover from the impact of the initial outbreak of the novel coronavirus (COVID-19) last spring. In fact, the combined employment of Yukon, Northwest Territories (NWT) and Nunavut trended upward for a second consecutive quarter. The number of people employed in the Territories increased 4.0% to 54,900 in the fourth quarter of 2020.

On an annual basis, employment in the Territories fell 1.4% (-800). The number of people employed is down both in Yukon (-2.8%) and in Nunavut (-7.1%). Northwest Territories was the only territory to see an increase in employment (+3.9%) due to significant growth in its services-producing sector over the past year.

#### Unemployment

On a quarterly basis, the unemployment rate for the combined Territories dropped 3.5 percentage points to 6.5%. Year-over-year, both the Northwest Territories and Nunavut saw a decrease in their unemployment rate, falling to 6.1% and 8.8% respectively. Meanwhile, Yukon was the only territory to see an increase in its unemployment rate (+0.6 percentage points to 5.1%). While Yukon's unemployment rate increased slightly over the past year, the territory continues to have one of the lowest unemployment rates in the country, well below the national rate of 8.6%.

The unemployment rate for youth (15 to 24 years) in the Territories is down 0.6 percentage points to 17.2% compared to the fourth quarter of 2019. During the same time frame, the unemployment rate for young men

fell 2.5 percentage points to 21.2%, while the unemployment rate for young women increased 4.3 percentage points to 16.1%.

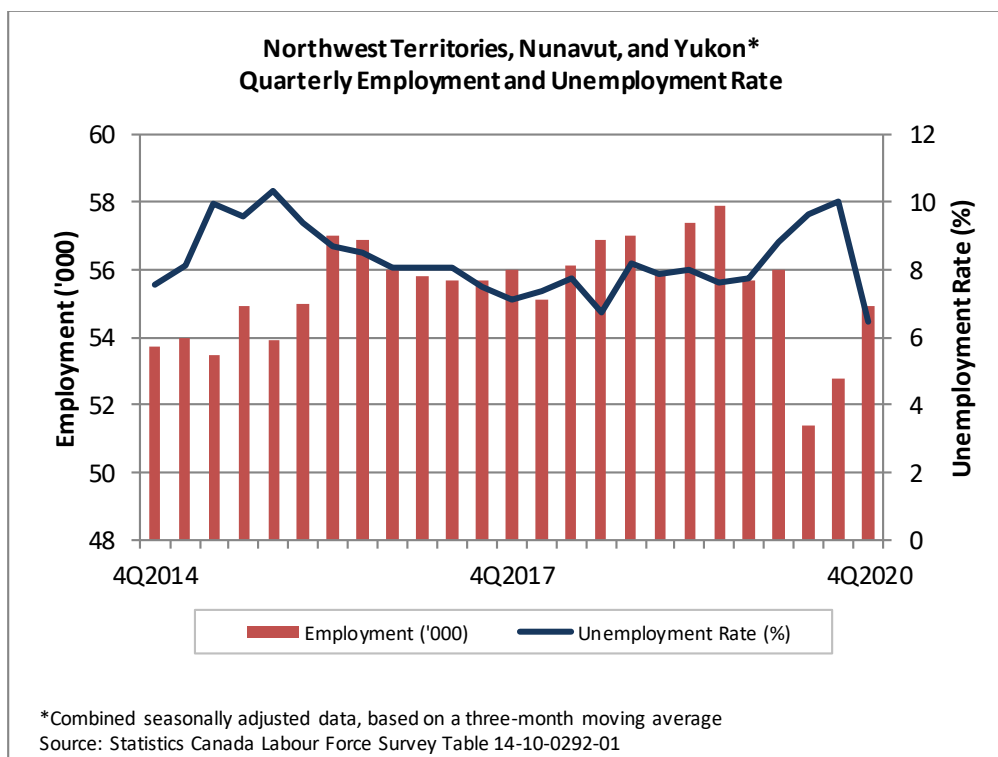
**Northwest Territories, Nunavut, Yukon\* Quarterly Labour Force Statistics**

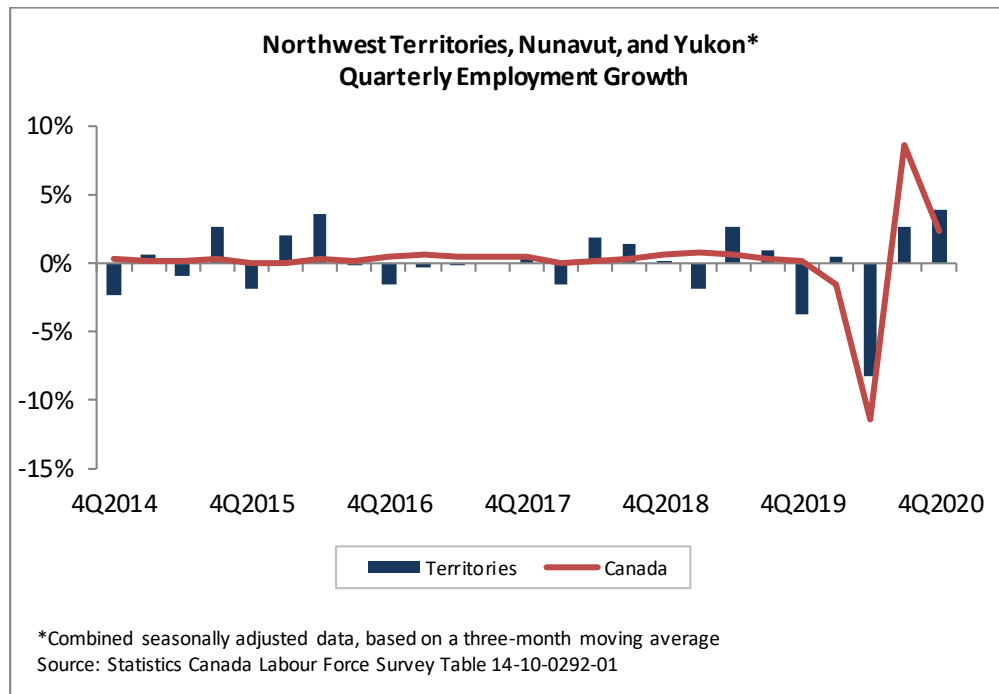
Seasonally adjusted data	4th Quarter 2020	3rd Quarter 2020	4th Quarter 2019	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	89.6	89.6	88.5	0.0	0.0	1.1	1.2
Labour Force ('000)	58.8	58.8	60.5	0.0	0.0	-1.7	-2.8
Employment ('000)	54.9	52.8	55.7	2.1	4.0	-0.8	-1.4
Unemployment ('000)	3.8	5.9	4.7	-2.1	-35.6	-0.9	-19.1
Unemployment Rate (%)	6.5	10.0	7.8	-3.5	-	-1.3	-
Participation Rate (%)	65.6	65.6	68.4	0.0	-	-2.8	-
Employment Rate (%)	61.3	58.9	62.9	2.4	-	-1.6	-

\* 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 2020 (%)	4th Quarter 2019 (%)	Yearly Variation (% points)
<b>Total</b>	6.5	8.0	-1.5
<b>25 years and over</b>	5.2	6.5	-1.3
Men - 25 years and over	5.8	6.3	-0.5
Women - 25 years and over	4.6	6.6	-2.0
<b>15 to 24 years</b>	17.2	17.8	-0.6
Men - 15 to 24 years	21.2	23.7	-2.5
Women - 15 to 24 years	16.1	11.8	4.3

\*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** fell considerably on an annual basis, down 11.3% (-900). Indeed, the mining industry posted significant year-over-year employment losses over the year, down by half from the year prior.

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 production at their mines in mid-March. Although several mines restarted operations and recalled staff in June and July, productivity disruptions at these mines affected the overall profitability for the northern mining sector in 2020.<sup>1</sup>

The pandemic is also significantly impacting mineral exploration activities in the North due to many exploration companies delaying work to 2021.<sup>2</sup> As investment in exploration was already declining before COVID-19, these delays are expected to affect the short-term recovery for the sector.

Moving forward, the outlook for the goods-producing sector should improve over the medium-term as private and public infrastructure projects will help generate new employment opportunities for the Territories. For instance, the Northwest Territories government allocated \$451.2 million for infrastructure projects as part of their 2021-2022 capital budget. Projects include upgrades to the Mike Zubko Airport runway and construction of the Mackenzie Valley Highway.<sup>3</sup>

In addition, the City of Iqaluit is providing \$64 million in funding to construct a new water reservoir to help address the city water shortage issue. The City of Iqaluit has intermittently declared water emergencies for many years. Moreover, the amount of water storage needed for the city is expected to be more than double by 2040 due to rapid population growth projected by the Nunavut government. Construction of the new reservoir is anticipated to begin in the summer of 2023 and be completed by 2025.<sup>4</sup>

Employment in the **services-producing sector** was relatively flat on a yearly basis, up 0.4% (+200). Despite this slight increase, the COVID-19 pandemic has had a substantial impact on employment in the Territories' services-sector, particularly in Yukon (-3.8%).

To cope with the fallout from COVID-19, all levels of government have pledged funding to support residents and businesses across in the North. For example, the federal government is providing \$3 million in funding to Yukon for its labour market recovery plan. The territory will apply the funding towards enhanced skills training and employment counselling services to provide supports for those re-entering the labour market.<sup>5</sup>

The federal government is also providing over \$30.7 million in funding towards Northwest Territories' COVID-19 pandemic response initiatives. The funding will be split between isolation centres in the territory – the 811 information line, and the Protect NWT taskforce – all under the COVID-19 Coordinating Secretariat. The NWT government has also created over 150 positions since last fall to work in the new secretariat. Over half of these positions include staff working for the compliance and enforcement task force, staff protecting the border at airports and highways, and isolation centres.<sup>6</sup>

Looking ahead, industries such as transportation and warehousing and Information, culture and recreation should see some growth over the next few years. For instance, Amazon recently opened a new pick-up hub at the Canadian North warehouse in Iqaluit to enable faster delivery options in Nunavut. The new service will allow packages to arrive in days rather than weeks.<sup>7</sup>

Meanwhile, the Government of Canada is spending \$59.9 million to continue work underway to conserve and protect Wood Buffalo National Park and maintain its status as a world heritage site. The new funding is in addition to \$27.5 million announced in 2018 to protect the site. The 44,000 square-kilometre park spans the border of Alberta and NWT and is home to the largest free-roaming wood bison herd site in the world.<sup>8</sup>

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

Seasonally Unadjusted Data ('000)	4th Quarter 2020	4th Quarter 2019	Yearly Variation	
			Number	%
<b>Total employed, all industries</b>	54.4	55.2	-0.8	-1.4
<b>Goods-producing sector</b>	7.1	8.0	-0.9	-11.3
Agriculture	0.0	0.0	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	1.2	2.4	-1.2	-50.0
Utilities	0.7	0.7	0.0	0.0
Construction	4.0	4.2	-0.2	-4.8
Manufacturing	0.8	0.6	0.2	33.3
<b>Services-producing sector</b>	47.3	47.1	0.2	0.4
Trade	6.0	6.4	-0.4	-6.3
Transportation and warehousing	3.2	3.4	-0.2	-5.9
Finance, insurance, real estate and leasing	2.3	2.2	0.1	4.5
Professional, scientific and technical services	2.0	2.3	-0.3	-13.0
Business, building and other support services	0.9	1.0	-0.1	-10.0
Educational services	5.1	5.3	-0.2	-3.8
Health care and social assistance	7.5	7.7	-0.2	-2.6
Information, culture and recreation	2.1	2.4	-0.3	-12.5
Accommodation and food services	2.5	2.1	0.4	19.0
Other services	2.1	1.5	0.6	40.0
Public administration	13.7	12.8	0.9	7.0

\* 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

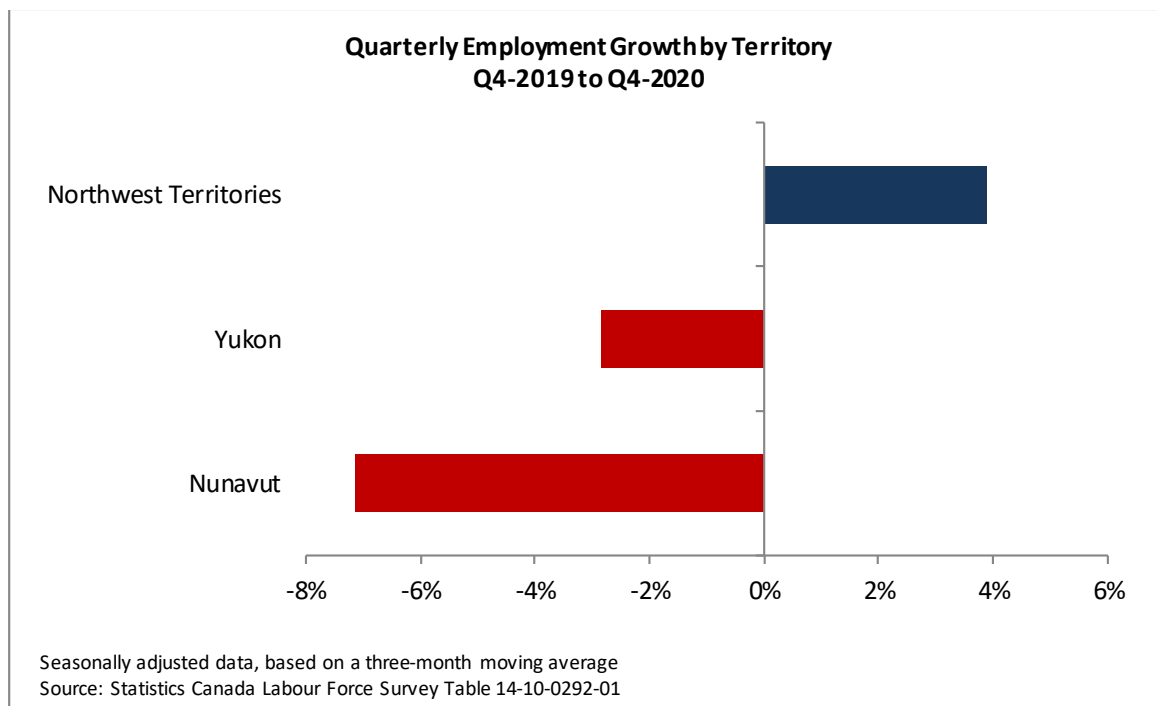
**Quarterly Labour Force Statistics by Territory**

Seasonally adjusted data	Employment			Unemployment Rate		
	4th Quarter 2020 ('000)	4th Quarter 2019 ('000)	Yearly Variation (%)	4th Quarter 2020 (%)	4th Quarter 2019 (%)	Yearly Variation (% points)
<b>Total territories*</b>	54.9	55.7	-1.4	6.5	7.8	-1.3
Yukon	20.5	21.1	-2.8	5.1	4.5	0.6
Northwest Territories	21.4	20.6	3.9	6.1	8.4	-2.3
Nunavut	13.0	14.0	-7.1	8.8	11.6	-2.8

\* 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> Conference Board of Canada, The impact of COVID-19 on Canada's Territorial Economies. October 30, 2020. <https://www.miningnorth.com/rsc/site-content/library/economics/COVID-19%20-%20Economic%20Analysis%20-%202020-10-30.pdf>

<sup>2</sup> Ibid

<sup>3</sup> Government of Northwest Territories, GNWT Infrastructure Plan – Industry Update, December 2020. <https://www.inf.gov.nt.ca/sites/inf/files/resources/industryday2020.pdf>

<sup>4</sup> Nunatsiaq News, City of Iqaluit approves \$64M plan to build new reservoir, December 11, 2020. <https://nunatsiaq.com/stories/article/city-of-igaluit-approves-64m-plan-to-build-new-reservoir/>

<sup>5</sup> Whitehorse DailyStar, Territory gains \$3 million for labour training, December 18, 2020. <https://www.whitehorsestar.com/News/territory-gains-3-million-for-labour-training>

<sup>6</sup> Cabin Radio News, Most COVID-19 secretariat staff will work in enforcement, protection, September 18, 2020. <https://cabinradio.ca/45552/news/health/coronavirus/most-covid-19-secretariat-staff-will-work-in-enforcement-protection/>

<sup>7</sup> Nunatsiaq News, Amazon opens new pick-up hub in Nunavut capital, December 17, 2020. <https://nunatsiaq.com/stories/article/amazon-opens-new-pick-up-hub-in-nunavut-capital/>

<sup>8</sup> CBC News, Ottawa submits progress report on protecting Wood Buffalo National Park, promises another \$59M. December 21, 2020. <https://www.cbc.ca/news/canada/north/wood-buffalo-national-park-money-unesco-plan-1.5850362>