



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

January 2021



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

There were 56,800 people employed in Yukon, Northwest Territories (NWT) and Nunavut as of January 2021, representing a slight decrease of 0.2% (-100) from December 2020. Declining employment is not entirely unexpected though, as the northern economy typically contracts during the winter months.

On an annual basis, employment across the North is down 1.9% (-1,100). Employment decreased significantly both in Yukon and in Nunavut over the past year, falling 4.4% and 4.7% respectively. Meanwhile, Northwest Territories is the only territory to see an uptick in employment (+2.2%) compared to last January due to job gains in the services-producing sector.

Unemployment

The unemployment rate for the combined Territories decreased in January, falling 0.4 percentage points to 6.0%. On an annual basis, Yukon was the only territory to see an increase in its unemployment rate, rising 1.0 percentage points to 5.6%. By contrast, Northwest Territories' unemployment rate decreased 2.1 percentage points to 5.8%, while the unemployment rate in Nunavut fell considerably over the year.

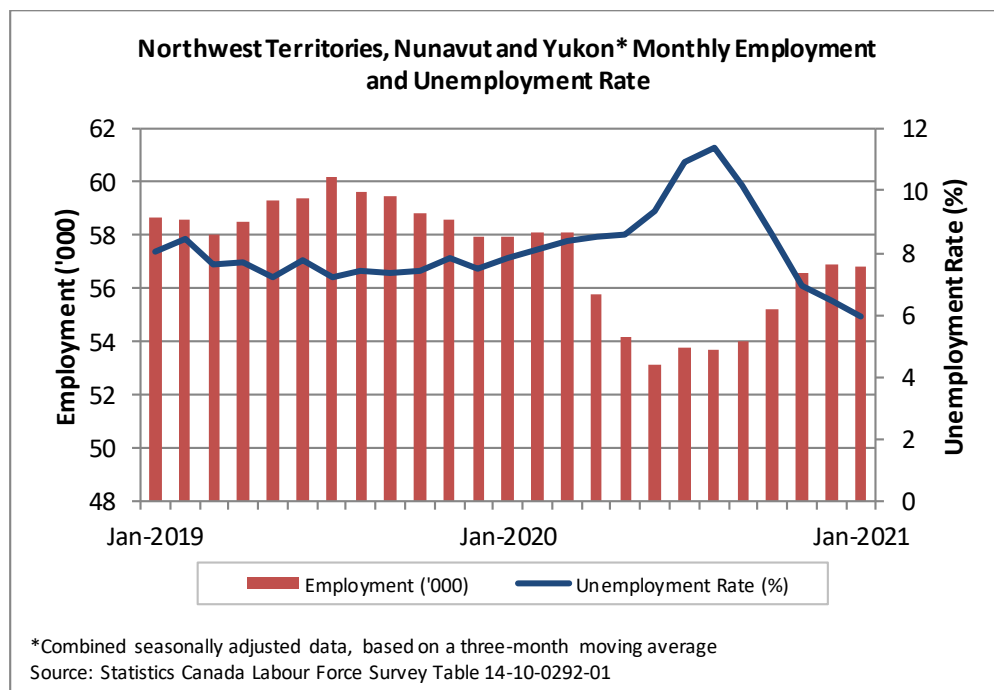
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Adjusted Data	January 2021	December 2020	January 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	91.2	91.2	90.1	0.0	0.0	1.1	1.2
Labour Force ('000)	60.5	60.7	62.8	-0.2	-0.3	-2.3	-3.7
Employment ('000)	56.8	56.9	57.9	-0.1	-0.2	-1.1	-1.9
Unemployment ('000)	3.6	3.9	4.9	-0.3	-7.7	-1.3	-26.5
Unemployment Rate (%)	6.0	6.4	7.8	-0.4	-	-1.8	-
Participation Rate (%)	66.3	66.6	69.7	-0.3	-	-3.4	-
Employment Rate (%)	62.3	62.4	64.3	-0.1	-	-2.0	-

*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)



EMPLOYMENT BY INDUSTRY

Employment in the **goods-producing sector** is down 12.2% on an annual basis, meaning 1,000 fewer people were employed in this sector in January compared to a year ago. The largest declines were in forestry, fishing, mining, quarrying, oil and gas and utilities.

The COVID-19 pandemic has negatively affected the Territories' mining industry. Almost all companies either reduced or shut down production at their mines last March. Although several mines restarted operations and recalled staff in June and July of last year, productivity disruptions at these mines affected the overall profitability of the northern mining sector in 2020.¹

Looking ahead, the Territories' mining sector should see improvement over the short-term as more investments are going into mining projects across the North. For instance, Avalon Mining received \$5 million in funding from its partner, Norwegian mineral extraction company REETecAs, to enhance operational activities for the Nechalacho rare metals mining project. The Nechalacho mine, an open-cast extraction project, is located at Thor Lake, 100 kilometers southeast of Yellowknife. The development is expected to process high demand deposits of rare earth elements – neodymium and praseodymium – essential to the magnets used in electric motors.²

In addition, Dominion Diamond Mines ULC recently completed the sale of its Ekati Diamond Mine to Arctic Canadian Diamond Company Ltd.³ Dominion Diamond also announced that the Ekati mine resumed production in January and staff will be recalled in phases, with all staff expected to be back to work by the end of February. In March 2020, Dominion suspended operations at the Ekati mine in response to the COVID-19 pandemic.⁴

Over the medium-term, the goods-producing sector should see some growth, buoyed by private and public construction projects scheduled to begin across the North over the next few years. For example, the Yukon and federal governments are providing \$5.5 million to build a new RCMP detachment in Faro. Construction is scheduled to begin this summer and should be completed by summer 2022.⁵

Meanwhile, Toronto-based CanArctic Inuit Network is planning to construct a 2,000 kilometre long fibre-optic line between Clarenville, N.L. and Iqaluit. The \$107 million project, known as SednaLink, is expected to bring fibre-optic internet to Iqaluit by October 2022 and will later expand the network to nearby communities.⁶

There were 48,700 people employed in the **services-producing sector** in January, down 0.2% (-100) compared to a year ago. The COVID-19 pandemic has had a substantial impact on employment in some industries within the services-sector, particularly in tourism-related industries. For instance, Air North, Yukon's Airlines, reports that the company lost approximately \$6 million in revenue last year due to the pandemic and had to reduce work hours for many of its staff.⁷

To cope with the fallout from COVID-19, all levels of government have pledged funding to support residents and businesses across the North. For instance, the Yukon government is providing \$15 million in funding over three years to help support the tourism industry. According to the Tourism Industry Association of the Yukon, there were over 400 tourism-related businesses in Yukon with 2,000 people working in the industry as of 2019. Many of these businesses report that they have been severely affected by the pandemic.⁸

In addition, the federal government is providing \$3 million in funding for labour market recovery efforts in the Northwest Territories. The Northwest Territories government will use the funds to offer wage subsidies for employers, project funding, and support for communities to train and hire local residents.⁹

In the near-term, industries such as professional, scientific and technical services and business, building and other support services should see growth, supported by increasing federal and territorial funding commitments. For example, the federal government has awarded \$800,000 to Nihtat Energy, an Inuvik company planning solar power projects in Nunavut's Beaufort Delta region. The funds are part of a \$20 million program that aims to reduce Indigenous communities' reliance on diesel.

Meanwhile, the federal government is also providing \$36.1 million towards a new arctic surveillance drone as part of Transport Canada's National Aerial Surveillance Program. The new remote piloted aircraft system will help to detect oil spills, survey ice and marine habitats, monitor shipping, and help with search and rescue. The drone will be housed, maintained, and operated at the Aerial Surveillance complex in Iqaluit.¹⁰

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

Seasonally Unadjusted Data ('000)	January 2021	January 2020	Yearly Variation	
			Number	%
Total employed, all industries	55.9	56.9	-1.0	-1.8
Goods-producing sector	7.2	8.2	-1.0	-12.2
Agriculture	0.0	0.0	0.0	--
Forestry, fishing, mining, quarrying, oil and gas	1.6	2.3	-0.7	-30.4
Utilities	0.8	0.9	-0.1	-11.1
Construction	4.0	4.2	-0.2	-4.8
Manufacturing	0.6	0.6	0.0	0.0
Services-producing sector	48.7	48.8	-0.1	-0.2
Trade	6.7	6.8	-0.1	-1.5
Transportation and warehousing	3.2	3.6	-0.4	-11.1
Finance, insurance, real estate and leasing	2.2	2.2	0.0	0.0
Professional, scientific and technical services	1.8	2.5	-0.7	-28.0
Business, building and other support services	1.2	1.0	0.2	20.0
Educational services	5.5	5.3	0.2	3.8
Health care and social assistance	7.6	7.4	0.2	2.7
Information, culture and recreation	2.0	2.6	-0.6	-23.1
Accommodation and food services	2.1	2.3	-0.2	-8.7
Other services	2.0	1.8	0.2	11.1
Public administration	14.4	13.4	1.0	7.5

*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		
	January 2021 ('000)	January 2020 ('000)	Yearly Variation (%)	January 2021 (%)	January 2020 (%)	Yearly Variation (% points)
Territories*	56.8	57.9	-1.9	6.0	7.8	-1.8
Northwest Territories	22.8	22.3	2.2	5.8	7.9	-2.1
Nunavut	12.1	12.7	-4.7	7.1	13.2	-6.1
Yukon	21.9	22.9	-4.4	5.6	4.6	1.0

*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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