



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon



February 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

The Territories' labour market continues to recover from the impact of the initial outbreak of novel coronavirus (COVID-19) last year. In fact, employment in each of the three territories is higher on a monthly basis, with Yukon seeing the most significant increase. The number of people employed in the Territories increased 900 to 57,300 in February.

On an annual basis, employment in the Territories is 1.4% lower (-800). The number of people employed is down both in Yukon (-3.5%) and in Nunavut (-4.7%). Northwest Territories was the only territory to see an increase in employment (+2.7%) due to significant growth in its services-producing sector over the past year.

Unemployment

The unemployment rate for the combined Territories increased from January, up 0.7 percentage points to 6.7% in February. Year-over-year, the unemployment rate decreased in Northwest Territories and Nunavut, falling to 6.9% and 6.5% respectively. Meanwhile, Yukon's unemployment rate increased 2.6 percentage points to 6.8%.

The youth (15 to 24 years) unemployment rate for the combined Territories was 15.9% in February, a decrease of 2.4 percentage points from the same time last year. The unemployment rate for young men fell 0.8 percentage points to 22.9% year-over-year, while the unemployment rate for young women decreased 0.5 percentage points to 8.6%.

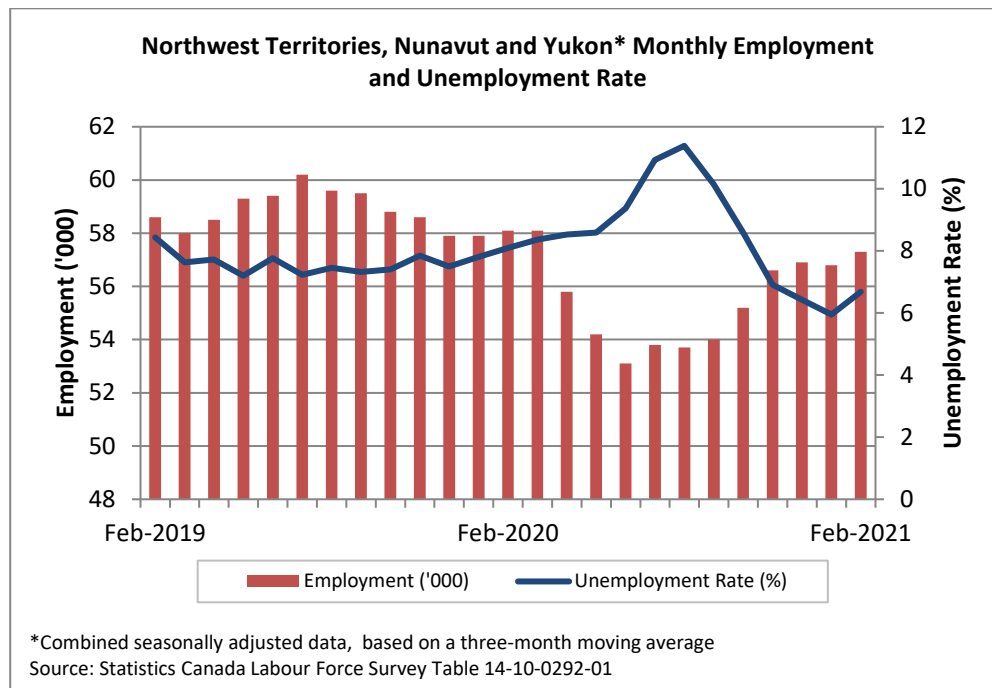
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

| Seasonally Adjusted Data | February 2021 | January 2021 | February 2020 | Monthly Variation | | Yearly Variation | |
|--------------------------|---------------|--------------|---------------|-------------------|------|------------------|-------|
| | | | | Number | % | Number | % |
| Population 15 + ('000) | 91.2 | 91.2 | 90.3 | 0.0 | 0.0 | 0.9 | 1.0 |
| Labour Force ('000) | 61.3 | 60.5 | 63.0 | 0.8 | 1.3 | -1.7 | -2.7 |
| Employment ('000) | 57.3 | 56.8 | 58.1 | 0.5 | 0.9 | -0.8 | -1.4 |
| Unemployment ('000) | 4.1 | 3.6 | 5.1 | 0.5 | 13.9 | -1.0 | -19.6 |
| Unemployment Rate (%) | 6.7 | 6.0 | 8.1 | 0.7 | - | -1.4 | - |
| Participation Rate (%) | 67.2 | 66.3 | 69.8 | 0.9 | - | -2.6 | - |
| Employment Rate (%) | 62.8 | 62.3 | 64.3 | 0.5 | - | -1.5 | - |

*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)



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

| Seasonally Unadjusted Data | February 2021 (%) | February 2020 (%) | Yearly Variation (% points) |
|----------------------------|-------------------|-------------------|-----------------------------|
| Total | 6.9 | 8.1 | -1.2 |
| 25 years and over | 5.8 | 6.9 | -1.1 |
| Men - 25 years and over | 6.0 | 6.8 | -0.8 |
| Women - 25 years and over | 5.6 | 7.1 | -1.5 |
| 15 to 24 years | 15.9 | 18.3 | -2.4 |
| Men - 15 to 24 years | 22.9 | 23.7 | -0.8 |
| Women - 15 to 24 years | 8.6 | 9.1 | -0.5 |

**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 7,200 people employed in the **goods-producing sector** in February, down 10.0% (-800) compared to a year ago. The largest declines were in forestry, fishing, mining, quarrying, oil and gas and construction.

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 of 2020. 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 The Northwest Territories government reports that they did not receive any revenue from mining royalties in 2020 due to financial losses in the sector caused by the pandemic.²

Looking forward, the outlook is optimistic for the goods-producing sector over the short-term, as a number of major mining remediation and construction projects are slated to begin in the next few years. For example, the Giant Mine Remediation Project located north of Yellowknife will begin clean-up work this summer. The 10-year project is expected to employ approximately 200 people this year and just over 300 people in 2022.³

Meanwhile, the federal and Yukon governments are providing \$39 million in joint funding to build an 84-unit seniors independent living complex in Whitehorse. Construction on the new Normandy Manor development has already begun and the facility is anticipated to open in 2022.⁴

In addition, the Yukon government and the Na-Cho Nyäk Dun First Nation are collaborating on a \$63 million road reconstruction project. This upgrade to the Silver Trail is expected to provide training, employment and business opportunities for the Na-Cho Nyäk Dun community.⁵

Employment climbed higher in the **services-producing sector** – increasing 0.4% (+200) to 49,200 on an annual basis. Despite this slight increase, the COVID-19 pandemic has had a substantial impact on the Territories' services-sector, particularly in Yukon.

To cope with the fallout from COVID-19, all levels of government have pledged funding to support residents and businesses across the North. For example, the Yukon government is extending several financial support programs for businesses affected by the pandemic. This includes an extension of the \$4 million Tourism Accommodation and Non-Accommodation sector supplements and Yukon Business Relief Program to September 30, 2021.⁶

The Government of Northwest Territories also extended its Wage Top-up Program to August 31 of this year, increasing wages to \$18/hour to assist low-income workers during the pandemic.⁷ The territorial government is also providing COVID-19 relief funding to tourism operators in the Northwest Territories. The initiative will provide up to \$50,000 to eligible operators to cover their operating expenses until April 2021.⁸

Moving forward, the services-producing sector should continue to see steady growth over the short-term as major public and private construction projects get underway across the North. These projects are expected to provide spin-off benefits for construction-related industries such as transportation and warehousing; trade; and professional, scientific and technical services. For example, the Canadian Foundation for Innovation is providing \$1.69 million to Aurora College to help construct a warehouse at its Western Arctic Research Centre in Inuvik, NWT. The expansion will be used for training, storage, and workspace.⁹

Meanwhile, the federal government is providing \$2.5 million in funding to the Tlingit Homeland Energy Limited Partnership and Yukon Energy for a hydro expansion project. The project is anticipated to add 8.5 megawatts of capacity to Yukon's grid and will generate about 45 gigawatt hours of hydroelectricity for 3,750 Yukon homes per year. The Atlin Hydro Expansion project is expected to be complete in 2024.¹⁰

In addition, the federal government and Yukon Energy are jointly funding a \$31 million battery storage facility to be located at the intersection of Robert Service Way and the Alaska Highway. The facility will be in service by the end of 2022 and has a lifespan of about 20 years.¹¹

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

| Seasonally Unadjusted Data ('000) | February 2021 | February 2020 | Yearly Variation | |
|---------------------------------------------------|---------------|---------------|------------------|-------|
| | | | Number | % |
| Total employed, all industries | 56.3 | 57.1 | -0.8 | -1.4 |
| Goods-producing sector | 7.2 | 8.0 | -0.8 | -10.0 |
| Agriculture | 0.0 | 0.0 | 0.0 | -- |
| Forestry, fishing, mining, quarrying, oil and gas | 2.1 | 2.5 | -0.4 | -16.0 |
| Utilities | 0.8 | 0.8 | 0.0 | 0.0 |
| Construction | 3.7 | 4.1 | -0.4 | -9.8 |
| Manufacturing | 0.5 | 0.6 | -0.1 | -16.7 |
| Services-producing sector | 49.2 | 49.0 | 0.2 | 0.4 |
| Trade | 6.7 | 6.9 | -0.2 | -2.9 |
| Transportation and warehousing | 3.1 | 3.6 | -0.5 | -13.9 |
| Finance, insurance, real estate and leasing | 2.3 | 2.0 | 0.3 | 15.0 |
| Professional, scientific and technical services | 2.0 | 2.5 | -0.5 | -20.0 |
| Business, building and other support services | 1.4 | 1.1 | 0.3 | 27.3 |
| Educational services | 5.3 | 5.1 | 0.2 | 3.9 |
| Health care and social assistance | 7.8 | 7.6 | 0.2 | 2.6 |
| Information, culture and recreation | 1.9 | 2.5 | -0.6 | -24.0 |
| Accommodation and food services | 2.3 | 2.5 | -0.2 | -8.0 |
| Other services | 1.9 | 1.9 | 0.0 | 0.0 |
| Public administration | 14.5 | 13.3 | 1.2 | 9.0 |

*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 | | |
|------------------------------|----------------------|----------------------|----------------------|-------------------|-------------------|-----------------------------|
| | February 2021 ('000) | February 2020 ('000) | Yearly Variation (%) | February 2021 (%) | February 2020 (%) | Yearly Variation (% points) |
| Territories* | 57.3 | 58.1 | -1.4 | 6.7 | 8.1 | -1.4 |
| Northwest Territories | 23.0 | 22.4 | 2.7 | 6.9 | 8.6 | -1.7 |
| Nunavut | 12.2 | 12.8 | -4.7 | 6.5 | 13.3 | -6.8 |
| Yukon | 22.1 | 22.9 | -3.5 | 6.8 | 4.2 | 2.6 |

*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, 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

² 100.1 True North news, Mining royalties zero in 2020: GNWT 2021 budget, February 5, 2021. <https://www.mytruenorthnow.com/53117/mining-royalties-zero-in-2020-gnwt-2021-budget/>

³ Cabin Radio News, Giant Mine cleanup team won't dismantle townsite till 2022, March 3, 2021. <https://cabinradio.ca/57128/news/yellowknife/giant-mine-cleanup-team-wont-dismantle-townsite-till-2022/>

⁴ Government of Yukon, Affordable seniors housing coming to Whitehorse, March 2, 2021. <https://yukon.ca/en/news/affordable-seniors-housing-coming-whitehorse>

⁵ Government of Yukon, Sixth project agreement reached in Yukon Resource Gateway Project, March 1, 2021. <https://yukon.ca/en/news/sixth-project-agreement-reached-yukon-resource-gateway-project>

⁶ Government of Yukon, COVID-19 supports for Yukon businesses continue, February 25, 2021. <https://yukon.ca/en/news/covid-19-supports-yukon-businesses-continue>

⁷ Government of Northwest Territories, Wage Top UP Program Extended to August 31st, March 4, 2021. <https://www.gov.nt.ca/en/newsroom/wage-top-program-extended-august-31st>

⁸ Government of Northwest Territories, GNWT to fill funding gap for tourism operators, February 25, 2021. <https://www.gov.nt.ca/en/newsroom/gnwt-fill-funding-gap-tourism-operators>

⁹ CBC News, Inuvik's Western Arctic Research Centre receives \$1.69M in funding for warehouse project, March 9, 2021. <https://www.cbc.ca/news/canada/north/warc-warehouse-funding-1.5941797>

¹⁰ Yukon News, Atlin hydro project progresses, February 26, 2021. <https://www.yukon-news.com/news/atlin-hydro-project-progresses/>

¹¹ Whitehorse Daily Star, Site announced for battery storage facility, February 22, 2021. <https://www.whitehorsestar.com/News/site-announced-for-battery-storage-facility>