



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon



June 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

The combined employment of Yukon, Northwest Territories (NWT), and Nunavut fell slightly (-0.3%) in the second quarter (April, May, June) of 2021, compared to the previous quarter (January, February, March). Employment gains in the Northwest Territories were offset by losses in Yukon and Nunavut.

Year-over-year, employment in the Territories increased 8.5% (+4,500), with all gains occurring in the services-producing sector as more government restrictions to limit the spread of COVID-19 were relaxed and businesses were allowed to open and resume more normal operations. The number of people employed was up considerably both in Northwest Territories (+12.9%) and in Nunavut (+10.0%), while employment in Yukon increased more moderately (+3.3%).

Northwest Territories, Nunavut, Yukon* Quarterly Labour Force Statistics

Seasonally adjusted data	2nd Quarter 2021	1st Quarter 2021	2nd Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	91.5	91.4	90.7	0.1	0.1	0.8	0.9
Labour Force ('000)	60.8	61.9	58.7	-1.1	-1.8	2.1	3.6
Employment ('000)	57.6	57.8	53.1	-0.2	-0.3	4.5	8.5
Unemployment ('000)	3.1	4.2	5.5	-1.1	-26.2	-2.4	-43.6
Unemployment Rate (%)	5.1	6.8	9.4	-1.7	-	-4.3	-
Participation Rate (%)	66.4	67.7	64.7	-1.3	-	1.7	-
Employment Rate (%)	63.0	63.2	58.5	-0.2	-	4.5	-

* 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)

Quarterly Labour Force Statistics by Territory

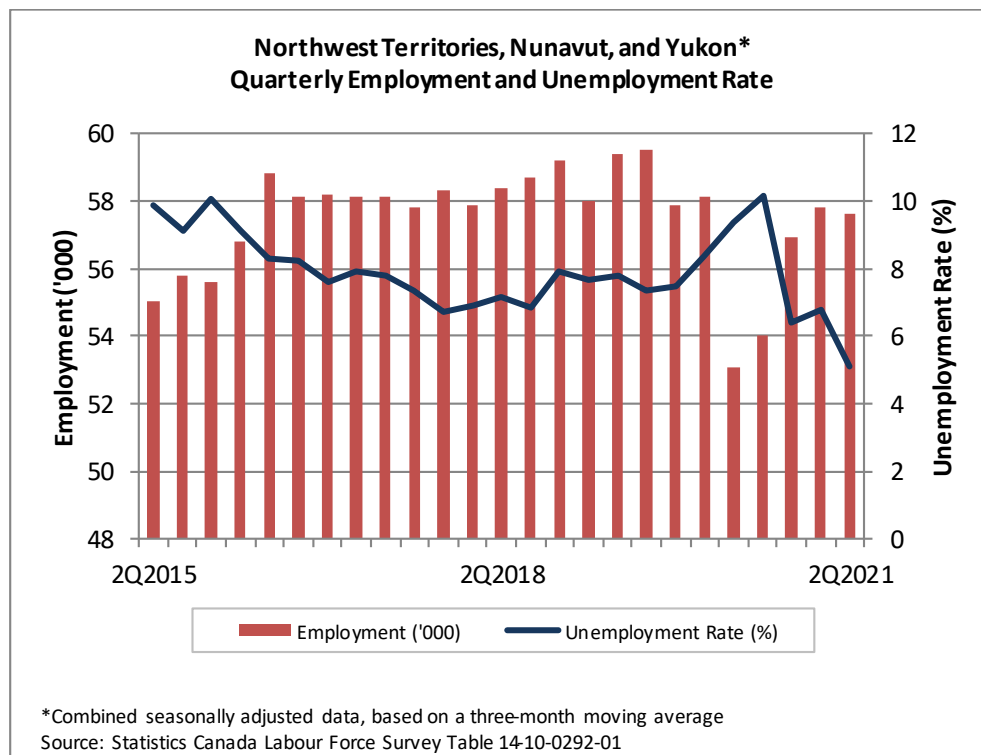
Seasonally adjusted data	Employment			Unemployment Rate		
	2nd Quarter 2021 ('000)	2nd Quarter 2020 ('000)	Yearly Variation (%)	2nd Quarter 2021 (%)	2nd Quarter 2020 (%)	Yearly Variation (% points)
Total territories*	57.6	53.1	8.5	5.1	9.4	-4.3
Yukon	21.8	21.1	3.3	6.8	6.2	0.6
Northwest Territories	23.7	21.0	12.9	4.4	9.1	-4.7
Nunavut	12.1	11.0	10.0	3.5	15.5	-12.0

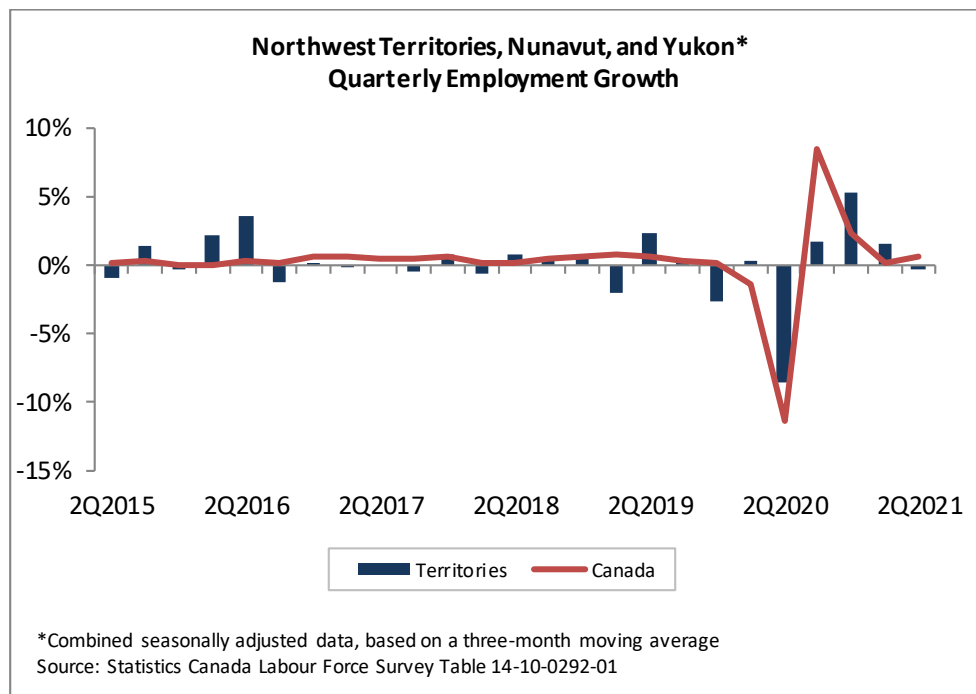
* Combined data based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Table 14-10-0292-01 (formerly CANSIM 282-0100)

The unemployment rate for the combined Territories was 5.1%, down 1.7 percentage points from the first quarter of 2021. Compared to the same period last year, Yukon was the only territory to see an increase in its unemployment rate, rising 0.6 percentage points to 6.8%. By contrast, Northwest Territories' unemployment rate decreased 4.7 percentage points to 4.4%, while the unemployment rate in Nunavut fell 12.0 percentage points to 3.5%—the lowest rate on record. Fewer people looking for work, reflected in Nunavut's shrinking labour force, was mostly responsible for the region's low unemployment rate.





Compared to the second quarter of 2020, the unemployment rate for youth (15 to 24 years) in the Territories was down 10.4 percentage points to 12.3%. The unemployment rate for young women fell 8.6 percentage points to 10.8% year-over-year, while the unemployment rate for young men decreased significantly – down 15.1 percentage points to 14.3%.

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

Seasonally unadjusted data	2nd Quarter 2021 (%)	2nd Quarter 2020 (%)	Yearly Variation (% points)
Total	5.4	9.5	-4.1
25 years and over	4.5	7.8	-3.3
Men - 25 years and over	5.5	7.1	-1.6
Women - 25 years and over	3.4	8.6	-5.2
15 to 24 years	12.3	22.7	-10.4
Men - 15 to 24 years	14.3	29.4	-15.1
Women - 15 to 24 years	10.8	19.4	-8.6

*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 12.8% (-1,000). The COVID-19 pandemic has negatively affected the Territories' two key industries – mining and construction– with year-over-year employment falling 10.0% and 19.5% respectively. COVID-19 outbreaks continue to occur at major mining company sites this year, including the Mary River mine in Nunavut¹ and the Ekati and Diavik diamond mines in the Northwest Territories.² These mining companies reported that productivity disruptions during the pandemic have affected their overall profitability.

Moreover, exploration expenditures and deposit appraisals across the North fell dramatically (-50% to \$182 million) in 2020, as the pandemic created difficulties for exploratory operations according to Natural Resources Canada. The total spending intention in the Territories this year is projected to be about \$231 million – a slight upturn from last year, but still far from the total investment level of \$363 million in 2019.³

Looking ahead, the outlook for the goods-producing sector should improve over the next few years as private and public infrastructure projects will help generate new employment opportunities for the Territories. For instance, the Northwest Territories government is providing an additional \$106 million for infrastructure in 2021 to complete projects delayed by the COVID-19 pandemic last year. Projects include a new healthcare centre in Tulita and a new wind turbine project in Inuvik.⁴

Meanwhile, the federal government is providing \$12.86 million through the Rapid Housing Initiative (RHI) to build 50 units of affordable housing across the Yukon. This funding supports four different projects across the territory in Mayo, Watson Lake, Whitehorse, and Carcross/Tagish First Nation. These projects are expected to create job opportunities for local residents during construction according to the Yukon government.⁵

In Nunavut, construction is expected to start on a new \$47.5 million long-term care facility in September and be completed by fall of 2024. The project is anticipated to create several years worth of jobs for the Kivalliq's community during the construction phase. Once completed, there will be full-time positions available for local residents such as health care, janitorial and administrative supports.⁶

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

Seasonally Unadjusted Data ('000)	2nd Quarter 2021	2nd Quarter 2020	Yearly Variation	
			Number	%
Total employed, all industries	57.8	53.2	4.6	8.6
Goods-producing sector	6.8	7.8	-1.0	-12.8
Agriculture	0.0	0.0	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	1.8	2.0	-0.2	-10.0
Utilities	0.9	0.7	0.2	28.6
Construction	3.3	4.1	-0.8	-19.5
Manufacturing	0.6	0.9	-0.3	-33.3
Services-producing sector	51.0	45.6	5.4	11.8
Trade	6.2	6.8	-0.6	-8.8
Transportation and warehousing	3.3	2.7	0.6	22.2
Finance, insurance, real estate and leasing	2.5	1.8	0.7	38.9
Professional, scientific and technical services	2.1	2.5	-0.4	-16.0
Business, building and other support services	1.5	0.9	0.6	66.7
Educational services	5.4	3.9	1.5	38.5
Health care and social assistance	7.6	7.3	0.3	4.1
Information, culture and recreation	1.5	1.9	-0.4	-21.1
Accommodation and food services	3.3	2.2	1.1	50.0
Other services	2.0	1.5	0.5	33.3
Public administration	15.6	13.9	1.7	12.2

* Combined data based on a three-month moving average

Note: Totals may not add due to rounding

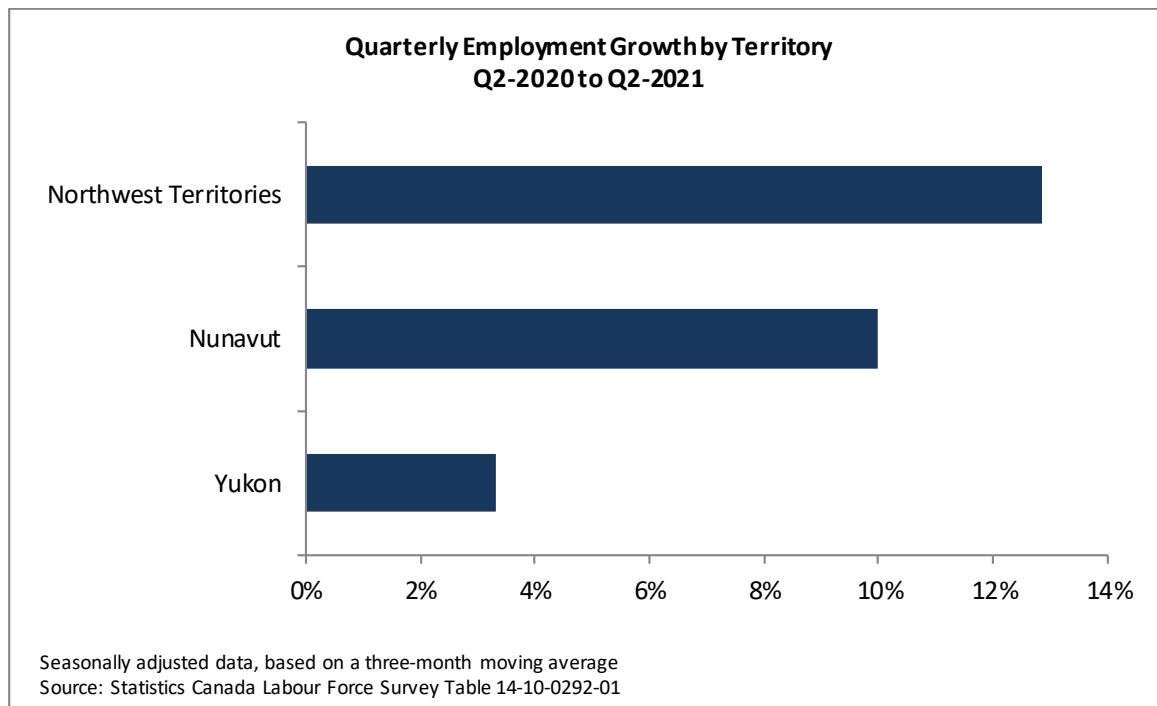
Source: Statistics Canada Labour Force Survey – ESDC custom table

Employment in the **services-producing sector** was up 5,400 in the second quarter of 2021, an increase of 11.8% from the same quarter last year. Despite recent employment gains, the tourism industry remained severely impacted by the pandemic.

To cope with the fallout from COVID-19, all levels of government have pledged funding and created new initiatives aimed to support tourism-related businesses across the North. The NWT government is launching two new programs to provide financial assistance to eligible tourism operators and accommodation providers. The Pandemic Relief Extension Program and the Supplement for Tourism Accommodation Relief program are expected to help the tourism sector to recover. According to the NWT government, 75% of territory's tourism businesses reported decline in revenues of at least 50% last year and average occupancy levels for hotels fell from 65% in 2019 to 39% in 2020.⁷

In addition, the federal and NWT governments are providing an additional \$14.77 million in new funding to support the territory's aviation sector to continue essential air services in remote communities during the pandemic. There are 22 remote communities in the Northwest Territories for which air service is the only year-round mode of transportation. The funding will be allocated to both passenger airlines and cargo and charter companies.⁸

The outlook for the services-producing sector is positive over the short-term. With major infrastructure projects underway across the North, employment growth over the next two years is likely in the transportation and warehousing, professional, scientific and technical services, and trade industries. Several upcoming projects such as the \$42 million air terminal expansion at Inuvik’s Mike Zubko Airport in NWT⁹; the \$3.8 million rehabilitation project at the Erik Nielsen Whitehorse International Airport¹⁰; and the \$3 million Kivalliq Hydro-Fibre Link feasibility research project in Nunavut should increase the need for employees across the Territories.¹¹



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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<https://yukon.ca/en/news/canada-supports-rapid-housing-projects-first-nations-yukon>
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<https://www.canada.ca/en/northern-economic-development/news/2021/05/government-of-canada-continues-to-support-kivalliq-hydro-fibre-link.html>
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