



Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

June 2017



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 combined employment of Northwest Territories, Nunavut and Yukon increased 2.0% (+1,100) in the second quarter of 2017. All employment gains in the second quarter were in full-time positions (+4.7%), while part-time employment was down 13.6% from the previous quarter.

Year-over-year, employment across the North fell 2.3% (-1,300), with declines occurring in full-time and part-time positions. The number of people employed is down considerably both in Northwest Territories and Nunavut, by 7.0% and 2.9% respectively. These declines are not surprising though, as a pullback in mineral commodity prices over the past three years has negatively impacted both territories' labour markets. Meanwhile, Yukon was the only territory to see an increase in employment over the year (+3.9%).

Moving forward, the medium-term employment trend is positive for the Territories, as a number of new private and public infrastructure projects are expected to get underway across the North. New mineral exploration and extraction projects will also help to boost employment both in the goods-producing and services-producing sectors over the next few years.

Unemployment

The unemployment rate for the combined Territories dropped for the sixth consecutive quarter, decreasing to 8.0%. On a year-over-year basis, the unemployment rate decreased both in Yukon and Northwest Territories, while Nunavut's unemployment rate increased 2.8 percentage points to 16.3%. Nunavut continues to have one

of the highest unemployment rates in Canada – 9.8 percentage points higher than the national average of 6.5%.

The youth (15 to 24 years) unemployment rate in the Territories was 15.6% in the second quarter, a decrease of 2.7 percentage points from the first quarter of this year. On an annual basis, the unemployment rate for this age group decreased 1.6 percentage points. The unemployment rate for young men dropped 1.5 percentage points to 20.5% over the year, while the unemployment rate for young women decreased 1.3 percentage points to 10.9%.

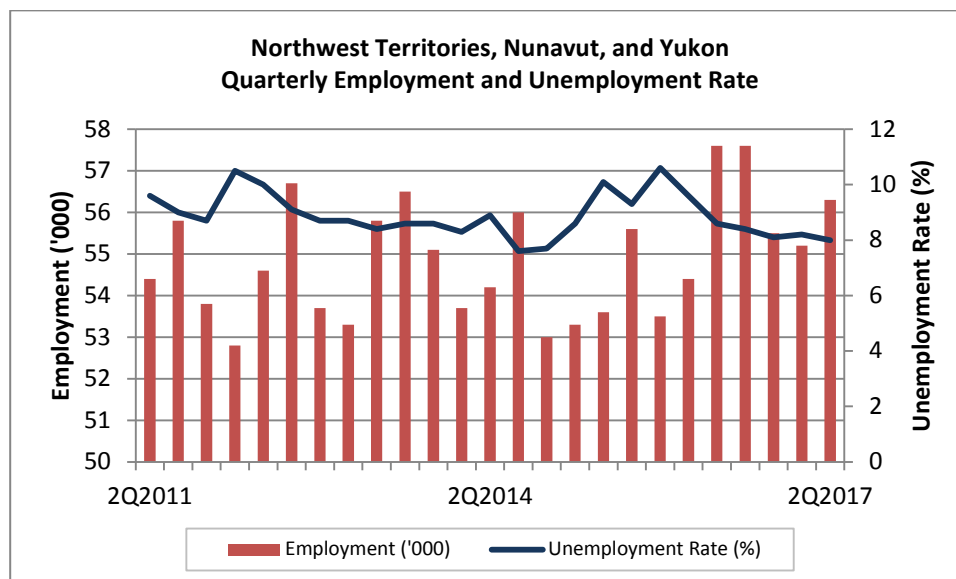
Northwest Territories, Nunavut, Yukon* Quarterly Labour Force Statistics

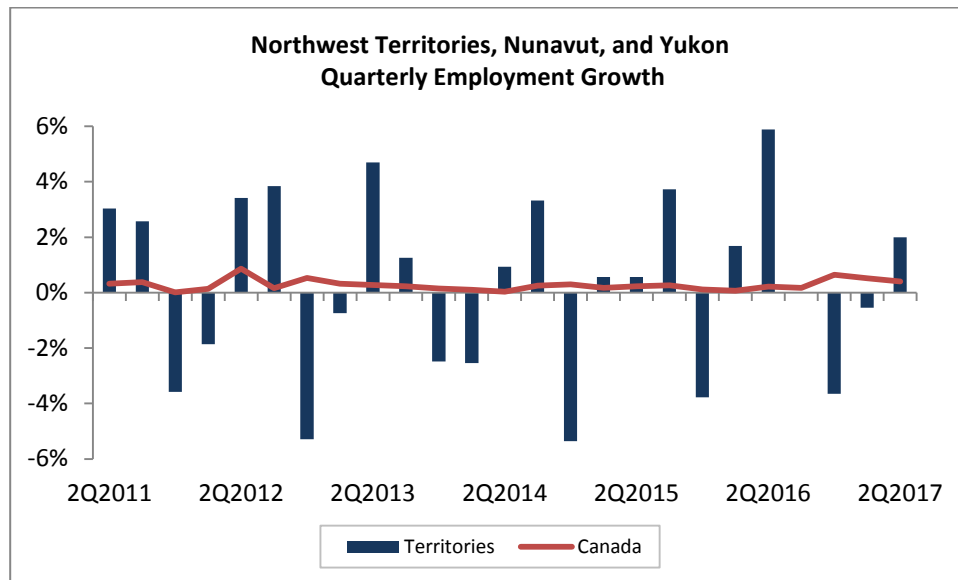
Seasonally unadjusted quarterly data	2nd Quarter 2017	1st Quarter 2017	2nd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	85.3	85.1	85.0	0.2	0.2	0.3	0.4
Labour Force ('000)	61.2	60.1	63.0	1.1	1.8	-1.8	-2.9
Employment ('000)	56.3	55.2	57.6	1.1	2.0	-1.3	-2.3
Full-Time ('000)	48.6	46.4	49.4	2.2	4.7	-0.8	-1.6
Part-Time ('000)	7.6	8.8	8.2	-1.2	-13.6	-0.6	-7.3
Unemployment ('000)	4.9	4.9	5.4	0.0	0.0	-0.5	-9.3
Unemployment Rate (%)	8.0	8.2	8.6	-0.2	-	-0.6	-
Participation Rate (%)	71.7	70.6	74.1	1.1	-	-2.4	-
Employment Rate (%)	66.0	64.9	67.8	1.1	-	-1.8	-

* Combined data – based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey





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

Seasonally unadjusted data	2nd Quarter 2017 (%)	1st Quarter 2017 (%)	2nd Quarter 2016 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
	Total	8.0	8.2	8.6	-0.2
25 years and over	6.7	6.6	7.0	0.1	-0.3
Men - 25 years and over	8.8	8.2	9.1	0.6	-0.3
Women - 25 years and over	4.4	4.8	4.7	-0.4	-0.3
15 to 24 years	15.6	18.3	17.2	-2.7	-1.6
Men - 15 to 24 years	20.5	24.4	22.0	-3.9	-1.5
Women - 15 to 24 years	10.9	11.9	12.2	-1.0	-1.3

*Combined data — based on a three month moving average
 Source: Statistics Canada Labour Force Survey

EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector was up 700 in the second quarter of 2017, an increase of 9.9% from the previous quarter. All industries within the sector added jobs during the quarter, with mining and construction posting strong employment gains of 8.7% and 8.1% respectively.

On a yearly basis, the number of people working in the goods-producing sector dropped 7.1% (-600). All industries within the sector suffered employment losses over the year, with the utilities industry posting the most significant decline (-300).

Moving forward, the goods-producing sector should see some growth over the next few years as large-scale mining development projects and public infrastructure investments will help to generate new employment opportunities. These projects include TMAC Resources Inc.’s Doris North Gold Mine project in Nunavut, the

\$317 million Goldcorp Inc.'s Coffee Gold project in Yukon and the all-season road from Norman Wells to Canyon Creek in the Northwest Territories.

Employment in the services-producing sector was relatively flat in the second quarter (+100). Year-over-year, the number of people employed in the sector decreased 2.0% (-1,000). The largest declines were in professional, scientific and technical services (-500) and public administration (-400).

Looking ahead, labour market conditions in the services-producing sector should improve over the medium-term. Tourism is expected to generate plenty of employment opportunities for the Territories over the next few years, as all three territorial governments have increased their funding to support new tourism initiatives. These new incentives should provide spin-off benefits for the accommodation and food services industry, as well as for the retail and transportation industries.

Moreover, public administration, which accounts for a large share of employment in the Territories (26%), will continue to see growth over the next couple of years as the need for government services increases. In fact, the Government of Yukon is planning to add about 200 full-time equivalent positions to the public service in 2017-18.¹

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

Seasonally Unadjusted Data ('000)	2nd Quarter 2017	1st Quarter 2017	2nd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	56.3	55.3	57.5	1.0	1.8	-1.2	-2.1
Goods-producing sector	7.8	7.1	8.4	0.7	9.9	-0.6	-7.1
Agriculture	0.0	0.0	0.2	0.0	-	-0.2	-100.0
Forestry, fishing, mining, quarrying, oil and gas	2.5	2.3	2.5	0.2	8.7	0.0	0.0
Utilities	0.7	0.5	1.0	0.2	40.0	-0.3	-30.0
Construction	4.0	3.7	4.2	0.3	8.1	-0.2	-4.8
Manufacturing	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Services-producing sector	48.3	48.2	49.3	0.1	0.2	-1.0	-2.0
Trade	6.6	6.0	6.2	0.6	10.0	0.4	6.5
Transportation and warehousing	3.3	3.6	3.1	-0.3	-8.3	0.2	6.5
Finance, insurance, real estate and leasing	2.3	2.2	2.3	0.1	4.5	0.0	0.0
Professional, scientific and technical services	2.3	2.6	2.8	-0.3	-11.5	-0.5	-17.9
Business, building and other support services	1.0	1.1	1.2	-0.1	-9.1	-0.2	-16.7
Educational services	5.6	5.8	6.0	-0.2	-3.4	-0.4	-6.7
Health care and social assistance	6.9	6.9	6.9	0.0	0.0	0.0	0.0
Information, culture and recreation	2.6	2.2	2.3	0.4	18.2	0.3	13.0
Accommodation and food services	3.7	3.6	3.7	0.1	2.8	0.0	0.0
Other services	1.7	1.8	1.9	-0.1	-5.6	-0.2	-10.5
Public administration	12.4	12.2	12.8	0.2	1.6	-0.4	-3.1

* Combined data — based on a three-month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey

REGIONAL ANALYSIS

Yukon

Employment in Yukon increased 2.9% to 21,500 on a quarterly basis. Both the goods-producing sector (+200) and the services-producing sector (+400) saw employment advance on the quarter. Year-over-year, employment in the territory is up 3.9% (+800). All employment gains over the past year are due to growth in the services-producing sector (+5.1%). The trade industry posted the largest gains, with the number of people working in the industry increasing by 500 (+22.7%).

In the medium-term, projects such as the \$45 million municipal operations building in Whitehorse, a new multi-million dollar aquaponics farm facility in Carcross and construction of the new French First Language high school on the Riverdale Education Reserve should create plenty of job opportunities for local residents and companies during construction.

In addition, the federal and territorial governments plan to submit a remediation plan to the Yukon Environmental and Socio-Economic Assessment Board (YESB) next year for the abandoned Faro Mine. If approved by the YESB, actual remediation work could start in 2022. The project would require approximately 150 staff to work on the cleanup over a 15 year period.²

Northwest Territories

Employment in Northwest Territories fell 0.5% to 21,300 in the second quarter. Employment gains in the territory's goods-producing sector (+500) were offset by losses in the services-producing sector (-700).

On an annual basis, employment in the territory is down 7.0% (-1,600). Employment results were mixed between the two sectors with the goods-producing sector seeing gains (+2.7%), while employment in the services-producing sector declined (-9.8%). Several major industries saw large swings in employment over the past year. For example, employment in public administration decreased 14.3%, while employment in mining increased 12.5%. Employment gains in the mining industry are largely due to the onset of production at the world's largest diamond mine – the Gahcho Kue mine – at the end of 2016.

The territory's goods-producing sector should continue to see steady employment growth in the near-term, as the Gahcho Kue mine comes into full production this year. Moreover, construction projects currently underway or set to begin this summer are expected to generate many job opportunities for the territory. These projects include the \$25 million Skywatch Lodge near Dettah, the \$12.8 million Allain St-Cyr School expansion project in Yellowknife, and the new \$10.6 million heavy equipment operator's facility at the Aurora College campus. The Conference Board of Canada predicts that the territory's gross domestic product (GDP) will rise by 12.2% in 2017 – the highest growth rate among the three territories.³

Nunavut

The number of people employed in Nunavut reached 13,500 in the second quarter, an increase of 500 compared to the previous quarter. However, year-over-year territorial employment is down 2.9% (-400). These

losses resulted entirely from falling employment in the goods-producing sector (-500), with the largest decline occurring in construction (-300).

Looking forward, the outlook for Nunavut’s mining industry is positive. Within the next few years, the territory will see the start of production at Baffinland’s Mary River iron mine and at TMAC Resources Inc.’s new Hope Bay gold mine, which will help to boost employment in mining-related industries.

In addition, Agnico Eagle Mines Ltd. plans to invest US\$1.2 billion to construct the Meliadine and Whale Tail gold mines in the Kivalliq region.⁴ Agnico Eagle already signed a \$6.5 million Inuit Impact Benefit Agreement with the Kivalliq Inuit Association in June to help create more jobs for Inuit people at its Whale Tail gold project. Both projects are expected to result in significant economic gains for the territory, including \$500 million a year in spending on goods and services and \$66 million a year in payroll for Kivalliq communities.⁵

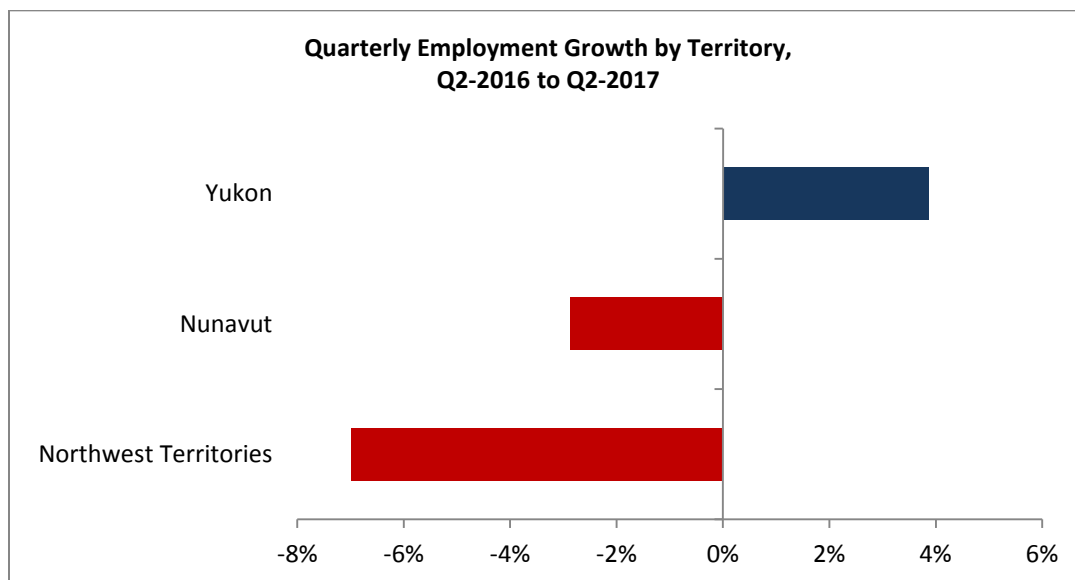
Quarterly Labour Force Statistics, by Territory

Seasonally unadjusted data	Employment			Unemployment Rate		
	2nd Quarter 2017 ('000)	2nd Quarter 2016 ('000)	Yearly Variation (%)	2nd Quarter 2017 (%)	2nd Quarter 2016 (%)	Yearly Variation (% points)
Total territories*	56.3	57.6	-2.3	8.0	8.6	-0.6
Yukon	21.5	20.7	3.9	4.0	5.5	-1.5
Northwest Territories	21.3	22.9	-7.0	6.2	8.0	-1.8
Nunavut	13.5	13.9	-2.9	16.3	13.5	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



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 Whitehorse Daily Star, 'The premier needs to learn to live within his means': YP, May 10, 2017.
<http://www.whitehorsestar.com/News/the-premier-needs-to-learn-to-live-within-his-means-yp>

² Yukon News, Faro mine remediation plans take shape, June 12, 2017
<http://www.yukon-news.com/news/faro-mine-remediation-plans-take-shape/>

³ Conference Board of Canada, Territorial Outlook 2017: Optimism in the Air, May 24, 2017

⁴ Nunatsiaq Online, Nunavut Inuit org signs benefits bonanza with gold miner, June 16, 2017.
http://www.nunatsiaqonline.ca/stories/article/65674nunavut_inuit_org_signs_benefits_bonanza_with_agnico_eagle_gold_mine/

⁵ Ibid