



Government of
Northwest Territories

The NWT Economy

Where do we build from here?



BUDGET DIALOGUES 2022



NWT Economic Structure

The economy is small and open. Separate activities can cause big shifts in the economic landscape:

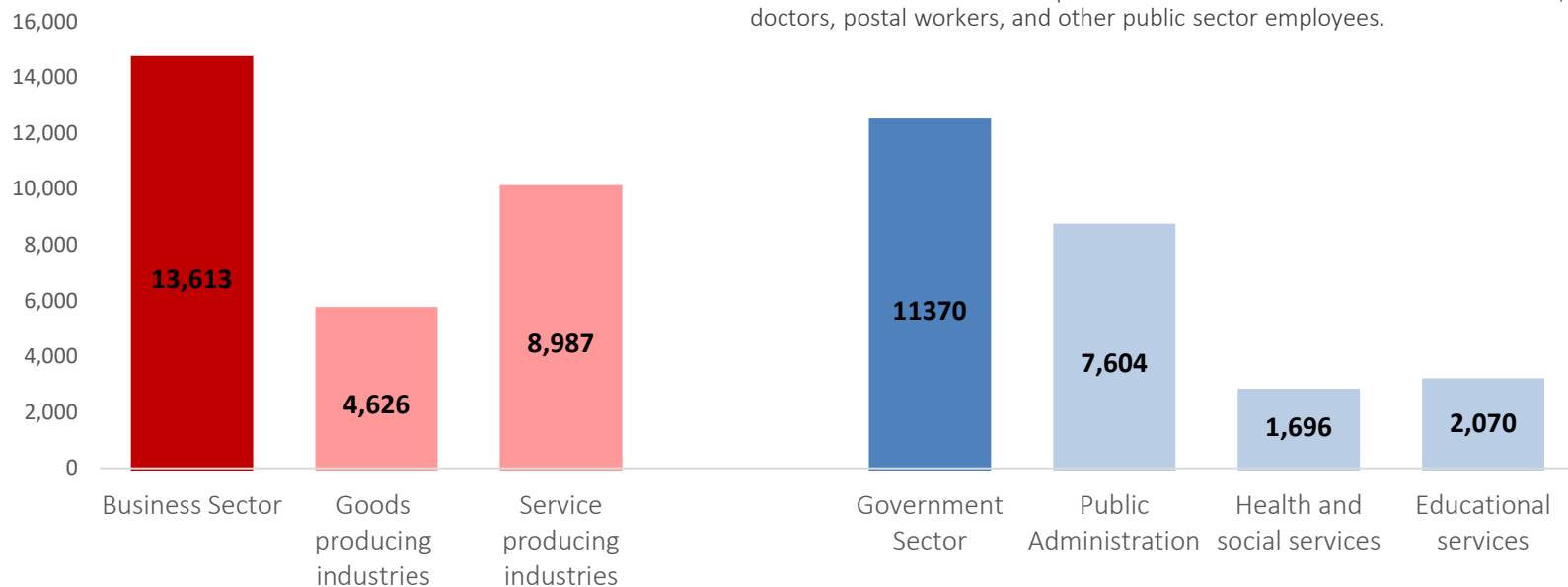
- The economic footprint of a single mine is large and able to support multiple local businesses
- The government sector (federal, territorial and Indigenous and local) provides a stable economic base mainly funded by the federal government
- The tourist industry was expanding before the pandemic, bringing in international tourists



The Government Sector is a Large Employer

Jobs by Sector, 2021

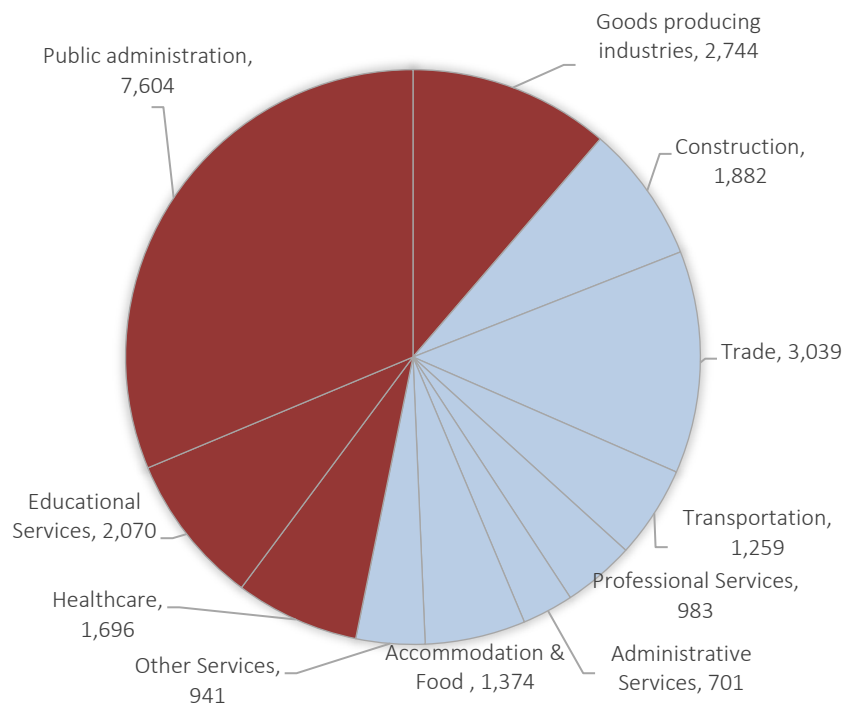
- Goods-producing businesses include mining and construction.
- Services-producing businesses include wholesale and retail trade, transportation and warehousing, finance and real estate, professional services, accommodations and restaurants, and other services.
- Government sector includes public administration as well as school teachers, doctors, postal workers, and other public sector employees.



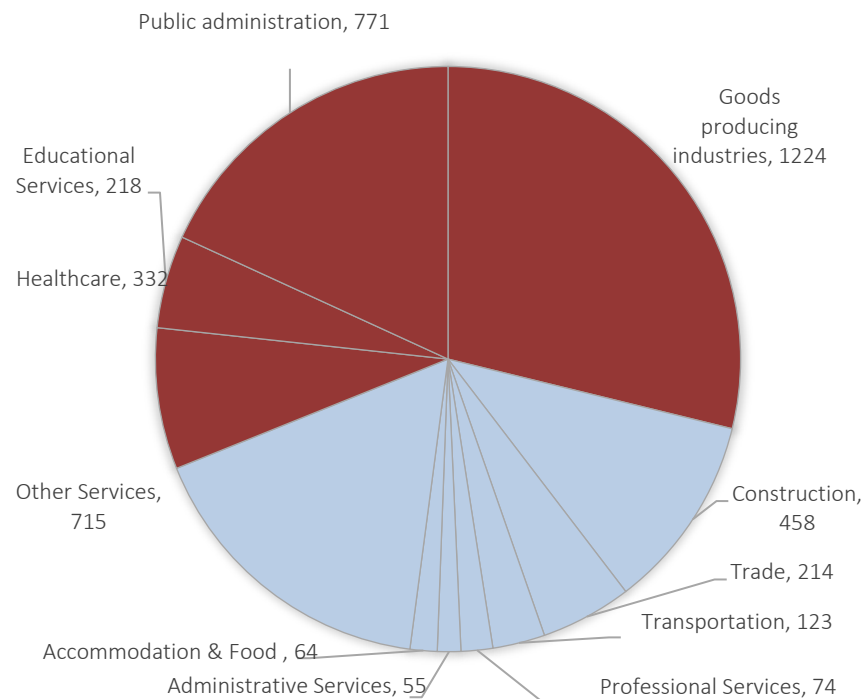
NWT Economy Dominated by Public Sector and Mining industries

(measured by Jobs or GDP)

JOBS BY SECTOR, 2021(P)



GDP BY SECTOR, 2021 (2012\$ MILLIONS)



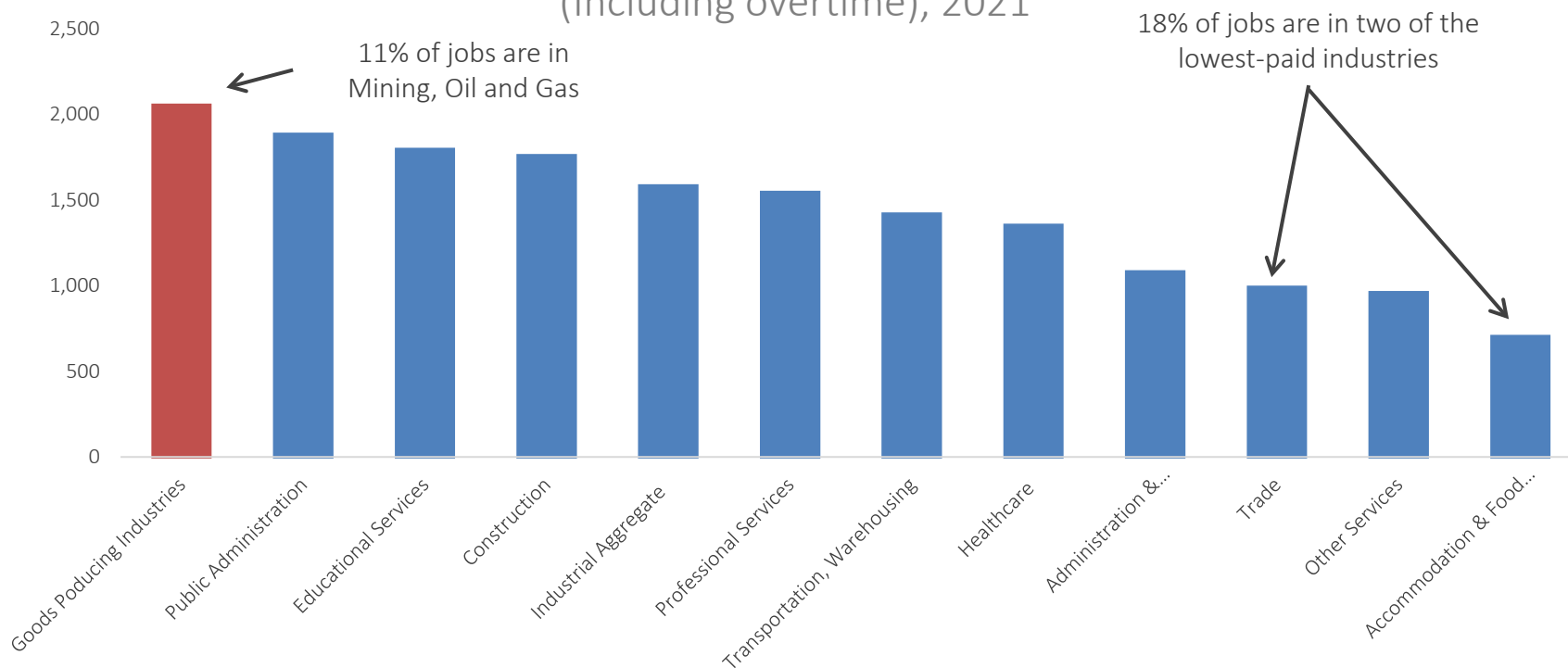
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Source: Statistics Canada (p - Preliminary)

NWT Earnings Differ by Industry

Average Weekly Earning

(Including overtime), 2021



HOW HAS THE ECONOMY DEALT WITH COVID-19?



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Post COVID-19

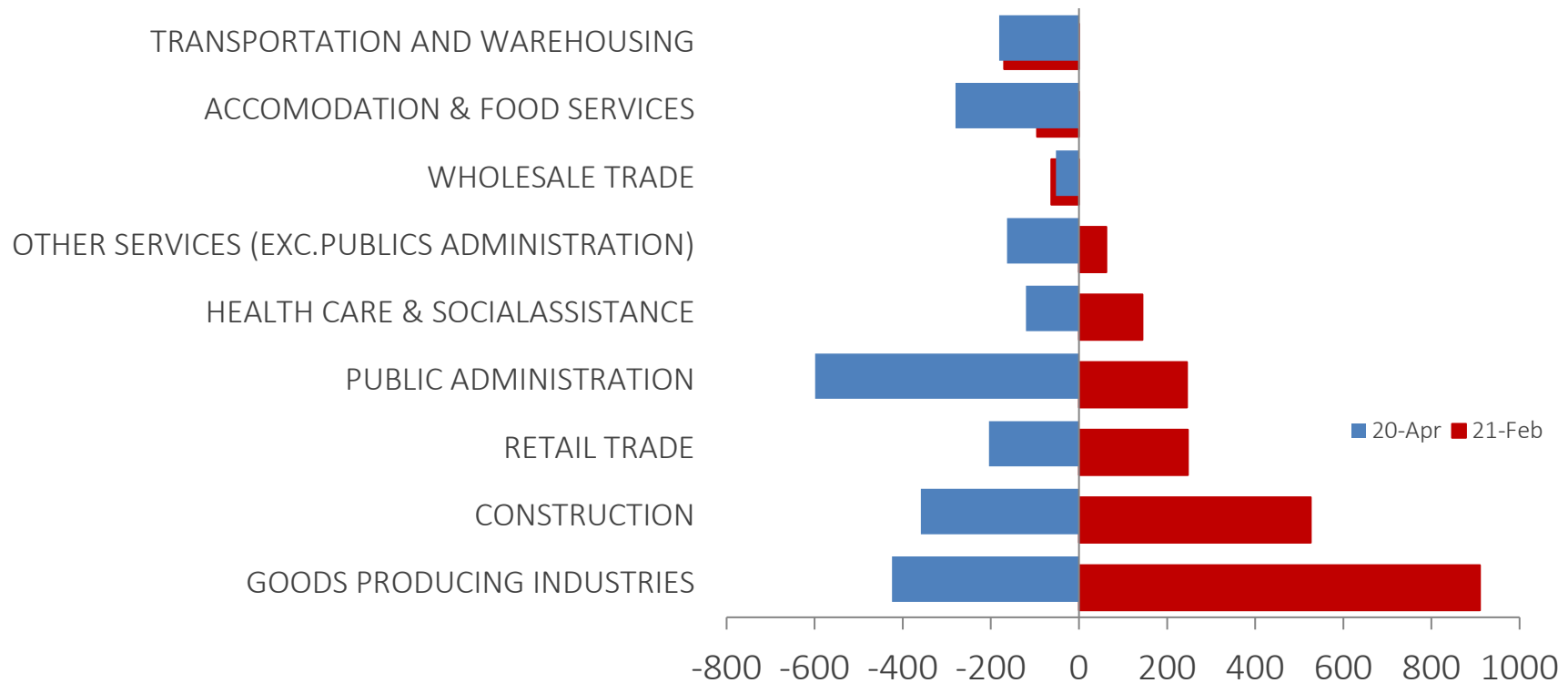
- Jobs have recovered:
 - March 2022 jobs have surpassed March 2020 levels.
- Economic output has not recovered:
 - The estimated GDP in 2021 is noticeably improved compared to the low point of 2020, but still below 2019 levels.
 - Economic risks of mines closing remain unchanged: the mines are a large component of GDP and have important linkages with other sectors and businesses.

What are the economic opportunities for the NWT and what would be the highest value for dollar invested?



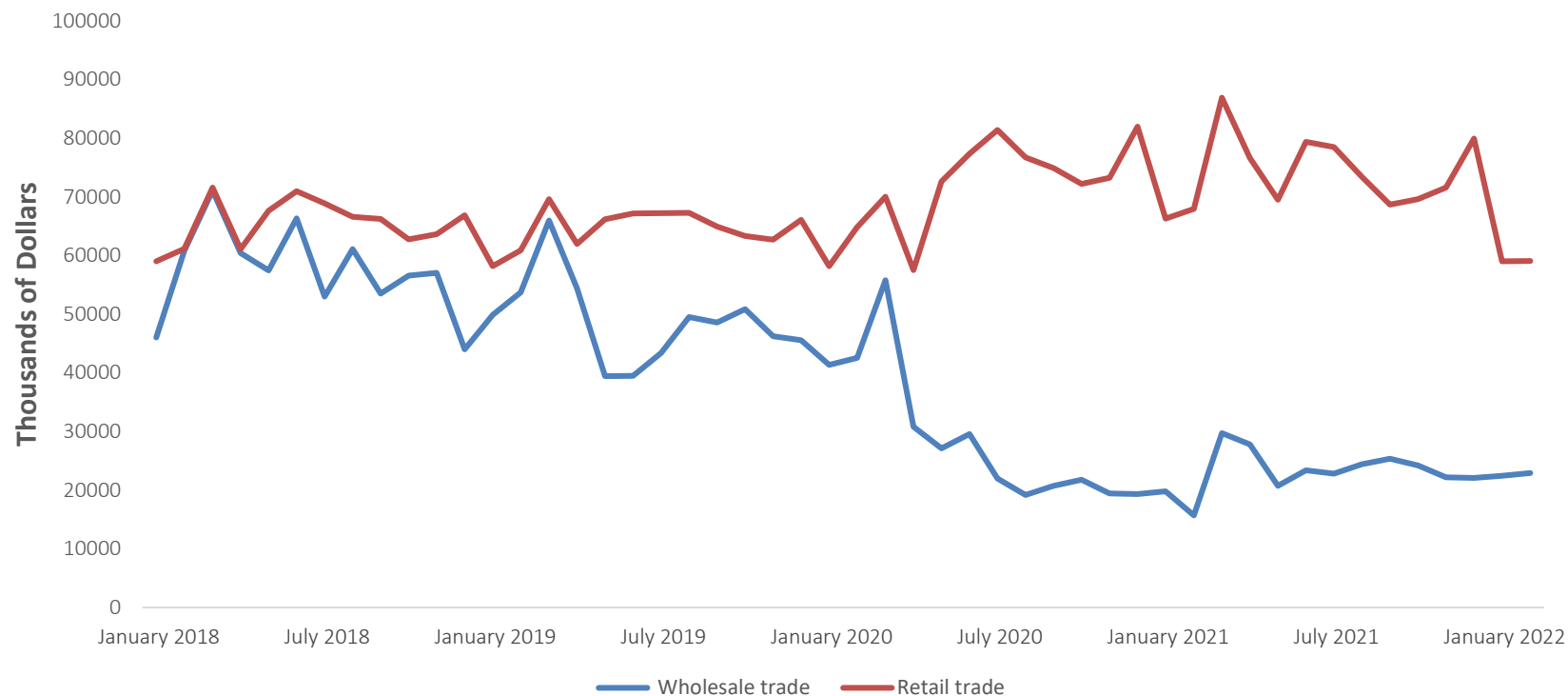
105% Job Recovery; Shift between Industries

Change in Jobs Relative to March 2020

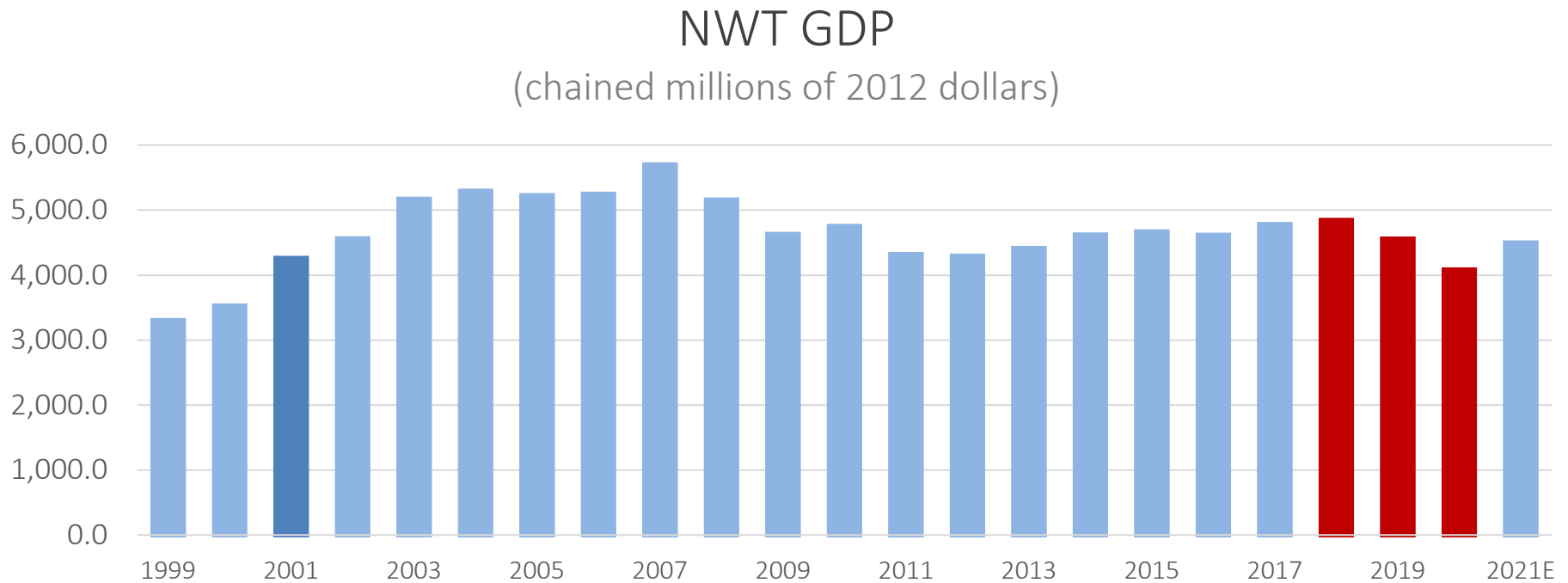


The retail and wholesale trade gap widens

Estimated Trade Sales, NWT, Unadjusted



The NWT economy has rebounded, but is expected to stay at current level in near future



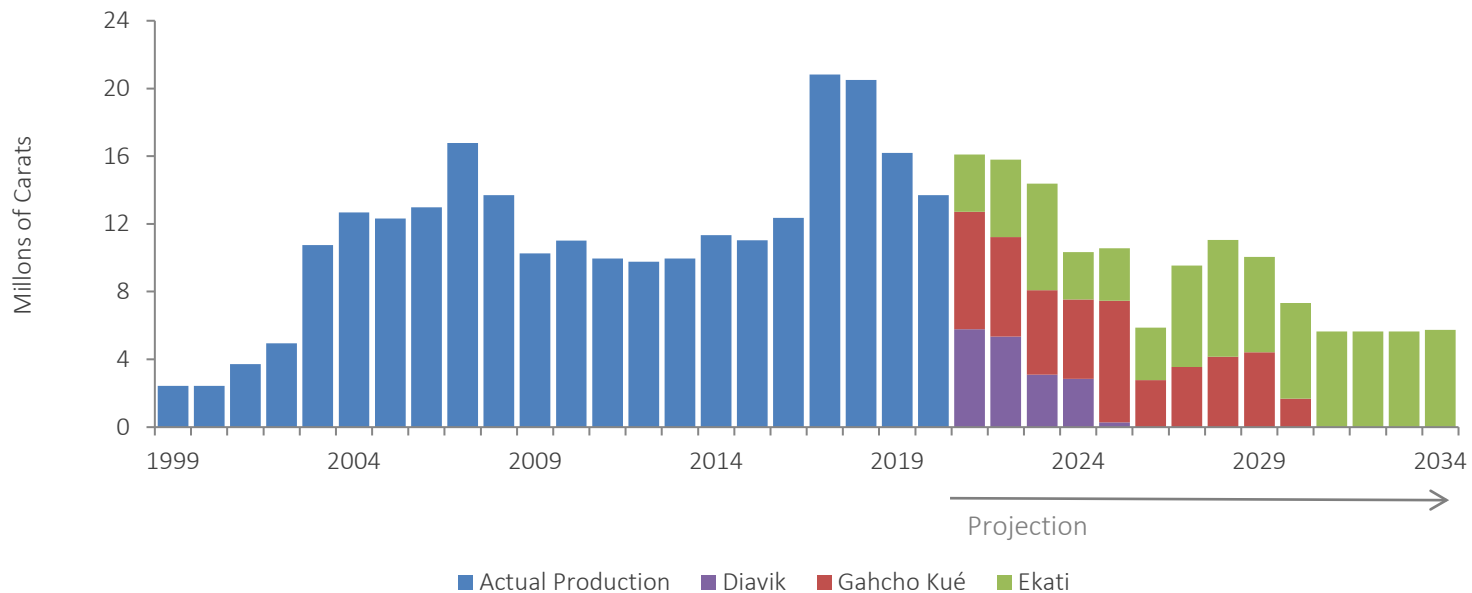
Source: Statistics Canada (E- estimate)



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Diamond Mines Maturing

- Expansion of the mining industry depends on successful exploration programs, environmental approvals and financing.



Note: Projection numbers are subject to change based on mine plan revisions by the private mining companies.

Source: Natural Resources Canada, mining plans and technical reports, NWT Finance



Mineral Resource Projects in the NWT

There are many mineral resources projects currently underway in the NWT.

Some projects are in the advanced exploration stage, some are pre-production, while others are already operational:

- **Nechalacho:** rare earths (operating)
- **Pine Point:** zinc (pre-production)
- **Nico:** lithium, cobalt, nickel (pre-production)
- **Prairie Creek:** silver, zinc (pre-production)
- **Gold Terra:** gold (advanced exploration)
- **Courageous Lake:** gold (advanced exploration)
- **Colomac Gold:** gold (advanced exploration)



Building a New Economic Path

Knowing What We Can Control... And What We Can't

- **Global Demand for NWT non-renewable resources:** the global economy is currently volatile but is recovering from the effects of the global lockdowns. Nothing we do as a territory can change this. Moving forward, the increasing demand in resources needed for renewable technology may benefit the NWT.
- **International Tourists:** We have no control over when and if international travel will recover but can work to prepare for the expected increase in demand to help NWT tourism sector increase its share of the market.
- **NWT Population:** NWT population is small; so too is our labour force. Most NWT residents who want a job have one. Economic growth will be constrained by the size of the labour force.



Future Economic Growth will be limited by the small labour force in the NWT

- The population is assumed to be stable over the medium term.
- The economy generates more employment than the resident labour force and, at its current size, depends on fly-in/fly-out labour.
 - The resident labour force is assumed to be steady over the medium term at 23,000 people, 21,000 employed.
 - Total employment is over 26,000. Difference is filled by non-resident workers.
- Non-resident workers pay no NWT income tax but remit payroll tax.



How Can the GNWT Support Economic Growth?

And How do We Want our Economy to Grow?

Things We Can Support:

- **Physical Infrastructure:** roads, marinas
- **Social infrastructure:** schools, health centres, housing
- **Programs:** education, languages, counselling, child and elder care
- **Public utilities:** broadband, parks
- **Regulation:** environmental and consumer protection

Taxation: competitive

Direction of Future Growth:

- What do we want our economy to look like?
- Where do we want our tax dollars spent?
- What types of jobs do we want in our territory? In which industries?
- How can the private-sector support the economic vision?
- How can government support private businesses?



How Can the GNWT Support Economic Growth?

And How do We Want our Economy to Grow?

| Things We Can Support | Direction of Future Growth |
|--|---|
| <ul style="list-style-type: none">• Physical infrastructure: roads, marinas | <ul style="list-style-type: none">• What do we want our economy to look like? |
| <ul style="list-style-type: none">• Social infrastructure: schools, health centres, housing | <ul style="list-style-type: none">• Where do we want our tax dollars spent? |
| <ul style="list-style-type: none">• Programs: education, languages, counselling, child and elder care | <ul style="list-style-type: none">• What types of jobs do we want in our territory? |
| <ul style="list-style-type: none">• Public utilities: broadband, parks | <ul style="list-style-type: none">• What industries do we want to attract? |
| <ul style="list-style-type: none">• Regulation: environmental and consumer protection | <ul style="list-style-type: none">• How can the private sector support the economic vision? |
| <ul style="list-style-type: none">• Taxation: competitive | <ul style="list-style-type: none">• How can government support private businesses? |



Other Information Sources

For the Economic Review from the 2022-23 Budget visit:

- [2022-23 Budget Economic Review.pdf](#)

The Northwest Territories Bureau of Statistics provides detailed information on economic and social indicators. Visit:

- <https://www.statsnwt.ca/>

