



## NEWS RELEASE

### **COVID related economic projections bleak for NWT, brighter for Nunavut and Yukon due to mining**

(Yellowknife, NT – November 30, 2020) A recently released economic analysis by The Conference Board of Canada (CBoC) paints a graphic picture of the COVID 19 Pandemic’s significant effects on the territorial economies. Some of the key takeaways from “[The Impact of COVID-19 on Canada’s Territorial Economies](#)”, include:

- Tourism and its related industries such as accommodations and food services are being hit particularly hard.
- Because air transportation is the main method of travel to visit the territories, the decline in tourism means a return to pre-pandemic air travel is not anticipated in the foreseeable future.
- Thankfully, northern mining operations were not required to shut down. While production has been affected at some mining sites, the sector has remained mostly intact largely due to efforts and extra expenses incurred by the operating mines when compared to other private sector industries in the territories. Unfortunately for the Northwest Territories, the shutdown of the Ekati diamond mine exacerbated an already bleak economic outlook in the territory’s diamond industry.
- Meanwhile, the large contribution of the public sector to GDP of the territories partially shelters their economies from fluctuations in the private sector. Combined with strong mining sector performance, this allows the CBoC to project positive economic growth for Nunavut and Yukon this year—something that they are not forecasting in any other region of Canada.

Some specific comments on individual territorial outlooks, all strongly related to mining:

- The economic outlook for Nunavut is favourable, even in the face of the pandemic, because the territory’s mining sector—which has remained mostly intact during the current crisis—will account for over one-third of the territory’s economy in 2020, a share that is higher than any other province or territory in Canada.
- The economic outlook for the Northwest Territories is weak. In the CBoC baseline forecast, real GDP in the territory is expected to contract 7.6 per cent this year and rebound only 4.6 per cent in 2021. The steep contraction in 2020 year is due largely to the lost year for the territory’s tourism sector, in addition to weakness in its exploration and mining sector.
- The overall economic outlook for Yukon is bright. Apart from Nunavut, Yukon is the only province or territory in Canada where CBoC is forecasting to see positive economic growth in 2020, a reflection of the territory’s rising mining sector.

The CBoC produced the report for the Canadian Northern Economic Development Agency (CanNor).

For more information on the NWT and Nunavut mining industries, please visit the website at [www.miningnorth.com](http://www.miningnorth.com) or contact Tom Hoefer, Executive Director at Tel: 867-873-5281 or email: [executivedirector@miningnorth.com](mailto:executivedirector@miningnorth.com).