



Northwest Territories

Economic Fact Sheet - Updated Fall 2011

Introduction

The Northwest Territories' strong resource base provides it with one of the most favourable long term outlooks in Canada.

- With development of the Mackenzie Gas Project, the Conference Board of Canada predicts the GDP will climb to \$9.6 billion by 2020.
- The proposed Mackenzie Gas project will be one of Canada's largest investments (over \$16 billion).
- At least seven new mining projects are expected over the next decade – these would add over 2,000 new direct jobs. Other opportunities exist for shale gas development near the NWT and British Columbia border and in the Sahtu region of the NWT.
- Diamonds remain the major pillar of the Territory's economy. The NWT has three operating diamond mines, and another in development. The NWT produces 17% of the world's gem diamonds by value.

Key Economic Indicators for the Northwest Territories

- GDP was \$4.1 billion in 2009, up 80% since division of the NWT and Nunavut in 1999.
- \$94,429 per capita GDP in 2009 - the highest in Canada - and \$61,159 in exports per capita in 2009.
- \$98,300 median income in 2009 - the highest in Canada; 44% above the national average.
- 72% rate of employment - is 9% higher than the Canadian average in July 2011

Key Industries

Mining

The NWT is a major diamond producer, accounting for 85% of Canada's diamond production by value, and 16% of world production. A number of mining projects are nearing development, including Avalon's rare earth element project, NICO's Gold-Cobalt- Bismuth-Copper project, the Gahcho Kue diamond project and the Prairie Creek Mine, a zinc/lead/silver property.

Oil and Gas

The ultimate (risked) recoverable oil and gas resources of Territory are six billion barrels of oil and 71 trillion cubic feet of gas. In 2010, there was significant uptake of exploration licences in Central Mackenzie Valley and the Mackenzie Delta/Beaufort Sea. The National Energy Board also approved the applications for the construction and operation of the Mackenzie Gas Project. This decision marks an important milestone for the project.





Key Industries (Continued)

Construction

The construction industry contributed \$311 million to the GDP in 2010. The industry has developed innovative solutions for Arctic construction and companies in the NWT have exported their expertise to other cold-weather regions around the world. Overall growth is closely linked with investment and mineral development.

Tourism

Tourist spending was valued at more than \$111 million for the 2010/2011 season. The tourism season in the Northwest Territories is year-round with distinct market segments: winter and spring aurora viewing, summer road traffic, fishing and fall hunting.

Film

Filming in the NWT continues to reach new limits. The initial season of “Ice Road Truckers”, filmed entirely in the NWT, was watched by over 4 million viewers. In 2009, the History Channel launched a new documentary series called, “Ice Pilots NWT”. The series has been renewed for its 3rd season, and is being shown in the UK on Quest, and in the US on the National Geographic Channel.

New Investments Over the Next 5 Years

- \$16 billion for the development of the Mackenzie Valley Pipeline and related gas fields
- \$600 million for the DeBeers Gahcho Kue diamond mine project
- \$215 million for Fortune’s NICO project
- \$55 million for the Prairie Creek Mine
- \$170 million for the Tyhee Yellowknife Gold project
- \$900 million for rare earth metals mine Avalon Resources
- \$1,260 million for the Seabridge Courageous Lake project

A Look to the Future

The continued strength of the diamond industry as well as development of new mines, and the Mackenzie Valley pipeline, will provide a strong economic base. According to the Conference Board of Canada, the NWT GDP is predicted to climb to \$9.6 billion by 2020, almost twice its current level. The Mackenzie Gas project alone is expected to create between 86,000 and 181,000 person-years of employment and contribute between \$29 and \$59 billion to the National GDP.