

Regional Economic Development Plan - Beaufort Delta

**Prepared for the GNWT Department of
Industry, Tourism and Investment**

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CONTENTS

1. INTRODUCTION	1
1.1 Purpose of the Regional Economic Development Plan	2
1.2 How the Plan Was Developed	3
1.3 Structure of the Plan	5
2. SOCIO-ECONOMIC PROFILE OF THE REGION	6
2.1 Regional Overview	7
2.2 Population and Demographics	7
2.3 Economic Sectors	11
2.4 Employment, Income, and Labour Market	12
3. STRENGTHS, CONSTRAINTS, DEVELOPMENT OPPORTUNITIES, AND PRIORITIES FOR ACTION	17
3.1 Economic Strengths	18
3.2 Constraints to Development	21
3.3 Opportunities	24
3.4 Priorities for Action	31



1. INTRODUCTION



1.1 PURPOSE OF THE REGIONAL ECONOMIC DEVELOPMENT PLAN

The mandate of the Minister of Industry, Tourism, and Investment (ITI) is to promote economic self-sufficiency through funding, support, and marketing initiatives designed to foster a positive economic environment in the Northwest Territories (NWT). ITI is working with various stakeholders and Governments throughout the territory to help diversify regional economies and to increase employment opportunities in the communities.

The purpose of this project, led by ITI, is to identify economic opportunities in each of the administrative Regions in the NWT and develop six Regional Economic Development Plans (REDPs). The development of REDPs is a mandate item under the 19th Legislative Assembly of the Northwest Territories as the Government of the Northwest Territories (GNWT) continues to work towards diversifying the economy of the NWT.

More specifically, this project entailed:

- Developing a list of engagement participants for the Region in association with local facilitators and ITI;
- Engaging with key regional stakeholders, Governments, and participants through surveys, interviews, and group sessions;
- Increasing the understanding of the importance of economic development;
- Identifying economic strengths, constraints, and development opportunities, in the Region; and
- Identifying priorities for action as identified by respondents to take advantage of strengths and opportunities, and to address constraints.

The REDP includes:

- A socio-economic profile of the Region;
- A summary of regional strengths, constraints, and development opportunities; and
- A summary of key economic development priorities for the Region reflecting the results of our research and consultation with key regional stakeholders, Indigenous Governments, Community/Municipal Governments, and participants.

The NWT consists of five administrative regions including the Dehcho, South Slave, Beaufort Delta, Sahtú, and North Slave. A separate REDP was developed for the communities covered under the Tłıchǫ Land Claims and Self-Government Agreement. This report focuses on the Beaufort Delta Region, the northernmost and largest administrative Region in the NWT. The Beaufort Delta is bordered by the Yukon to the west, Nunavut to the east, and the Sahtú Region to the south.

Figure 1: Map of the NWT Administrative Regions



1.2 HOW THE PLAN WAS DEVELOPED

This plan was developed through extensive engagement with key stakeholders as well as an in-depth review of the relevant statistics, reports, and existing local and sectoral strategies. The engagement process included:

- **A survey of regional stakeholders, Governments, and other key informants.** The survey was posted online using the "Have Your Say" portal, the GNWT's public engagement website, and was designed to obtain input on identifying opportunities and mitigating

challenges and threats to economic growth and gather recommendations for actions that could be taken to promote development.

- **In-person discussions and focus group in Inuvik.** The purpose of the sessions was to obtain input on developing the economy, and identify the opportunities and constraints to development, and identify priorities for action as identified by respondents.
- **Interviews with key stakeholders and Governments.** The purpose of the key stakeholder interviews was to give those with interest, expertise, and knowledge applicable to the regional economy the opportunity to share their opinions on the opportunities for development.

As demonstrated in the following table, 49 stakeholders were engaged in the process of developing the plan for the Beaufort Delta Region, including seven key stakeholders who participated in interviews, 11 community representatives who were engaged in the focus group discussion, six regional stakeholders who participated in the survey, and 25 sectoral and territorial representatives who participated in the survey.

Table 1: Engagement Activities in the Beaufort Delta Region

Engagement Method	Number of participants
Interviews with regional representatives	7
Focus groups	11
Surveys with regional stakeholders	6
Survey of sectoral or territorial representatives	25
Total	49

In preparing the plan, we also conducted a review of research reports, plans, strategies, sector profiles, and other documents relevant to the Beaufort Delta Region and more generally, the NWT.

We used inclusive engagement approaches to increase participation by stakeholders from different backgrounds. We provided multiple ways of participation for stakeholders including online surveys, phone or in-person interviews and group discussions. Multiple phone or email reminders were sent to stakeholders to encourage their participation. We hired local facilitators in the Region who assisted with identifying local stakeholders, organized group discussions, recruited participants, promoted the engagements through social media, advertisements, and e-blasts. For example, the in-person group discussion in Inuvik was promoted through e-blasts, social media posts, and multiple phone and email reminders. The engagement was also promoted by the GNWT through the ITI website, social media, and emails. The group discussion was organized in the evening (6.00pm to 9.00pm) to facilitate attendance from the public.

1.3 STRUCTURE OF THE PLAN

Chapter 2 provides an overview of current economic conditions and presents a socio-economic profile of the Region. Chapter 3 summarizes the results of the engagement process regarding the economic outlook, the economic strengths on which the Region can build, constraints to development, development opportunities, and finally key priorities for action as identified by respondents.

An aerial photograph of a coastal wetland. The landscape is a mosaic of green marsh vegetation, brownish patches of bare soil or sand, and numerous small, irregular pools of water. A larger body of water is visible on the left side of the frame. The text '2. SOCIO-ECONOMIC PROFILE OF THE REGION' is overlaid in the upper left quadrant, with a yellow horizontal line underneath the word 'REGION'.

2. SOCIO-ECONOMIC PROFILE OF THE REGION

2.1 REGIONAL OVERVIEW

Encompassing the northernmost area of the NWT, a large majority of the Beaufort Delta population is Gwich'in and/or Inuvialuit. The Region has tremendous tourism assets for visitors including pingos, the national parks of Aulavik and Tuktoyaktuk, numerous rivers including the mighty Mackenzie, and Canada's northern most highway, the Inuvik-Tuktoyaktuk Highway that provides visitors and residents access to the Arctic Ocean. The Region is also home to polar bears, reindeer, and sprawling tundra, though its remoteness renders access to many communities difficult. Travel through the Region is done via boats, planes, and, for the southern communities, access to the Dempster Highway.

The Beaufort Delta Region is made up of eight communities, the largest of which is Inuvik – the Region's commercial centre. Other communities in the Region include Aklavik, Fort McPherson, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk, and Ulukhaktok. The Dempster Highway connects the Region's communities of Fort McPherson, Tsiigehtchic, Inuvik, and by extension the community of Tuktoyaktuk with year-round road access to Yukon and to southern Canada. Aklavik, Sachs Harbour, Paulatuk and Ulukhaktok are accessible by boat in the summer months and regularly by plane from Inuvik. Aklavik is also seasonably accessible by winter road from Inuvik.

2.2 POPULATION AND DEMOGRAPHICS

As of 2022, there were an estimated 45,605 people living in the NWT. Of these, approximately 15% lived in the communities of the Beaufort Delta Region. As indicated in Table 2, residents are heavily concentrated in Inuvik, home to 47% of the Region's populace, while Aklavik, Fort McPherson, and Tuktoyaktuk account for another 36% collectively.

Table 2: Beaufort Delta Region Population, 2022

Region and Communities	Population	% of Beaufort Delta Region Population	% of NWT Population
Aklavik	708	10%	2%
Fort McPherson	759	11%	2%
Inuvik	3,214	47%	7%
Paulatuk	327	5%	1%
Sachs Harbour	118	2%	0%
Tsiigehtchic	205	3%	0%
Tuktoyaktuk	1,058	15%	2%
Ulukhaktok	499	7%	1%
Beaufort Delta	6,888	100%	15%
Northwest Territories	45,605		100%

Source: NWT Bureau of Statistics

Between 2009 and 2022, the Beaufort Delta Region experienced a small decrease in population of 1%, while the NWT grew by 5%. This negative growth was driven primarily by a 11% decline in Inuvik over this period. This is the largest relative population decline observed among all Regions in the NWT. In contrast, Tsiigehtchic experienced a growth of 33%.

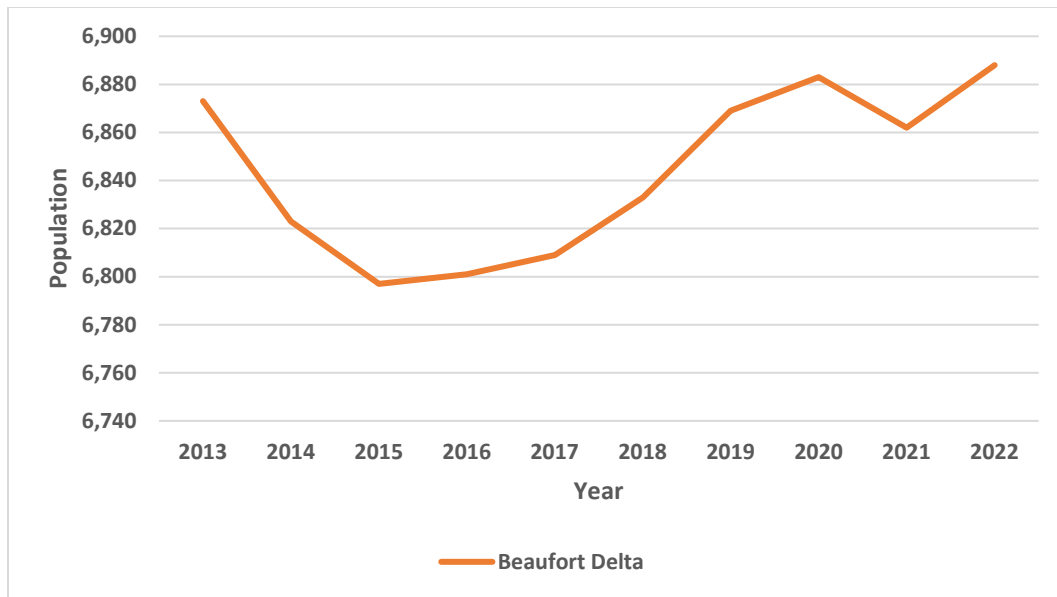
Table 3: Beaufort Delta Region Population Change, 2009-2022

Region/Community	2022 Population	2009 Population	% Change
Aklavik	708	618	15%
Fort McPherson	759	815	-7%
Inuvik	3,214	3,631	-11%
Paulatuk	327	309	6%
Sachs Harbour	118	131	-10%
Tsiigehtchic	205	154	33%
Tuktoyaktuk	1,058	876	21%
Ulukhaktok	499	418	19%
Beaufort Delta	6,888	6,952	-1%

Source: NWT Bureau of Statistics

Chart 1 shows that the Beaufort Delta Region's population declined from 2013 to 2015. During the period from 2015 to 2022, the population increased steadily with a minor dip in population observed in 2021.

Chart 1: Total Population in Region, 2013 to 2022



In 2019, the NWT Bureau of Statistics developed population projections for the territory going out to 2035 using the 2018 population data as the base. According to these projections, the population of the Beaufort Delta Region is forecasted to shrink by approximately 7%, from 6,880 in 2018 to 6,371 by 2035. During this same period, the population of the NWT overall is forecasted to grow from 44,541 in 2018 to 45,676 (an increase of 1,353 residents), which represents an increase of 2.5% (equal to 0.1% per year which is well below the national average of 1.2%).

Table 4: Projected Population of the Beaufort Delta Region in 2035

Location	2018 Actual		2035 Projected		% Change 2018-2035
Aklavik	623	1.4%	638	1.4%	2.4%
Fort McPherson	684	1.5%	638	1.4%	-6.7%
Inuvik	3,536	7.9%	3,129	6.9%	-11.5%
Paulatuk	302	0.7%	265	0.6%	-12.3%
Sachs Harbour	111	0.2%	120	0.3%	8.1%
Tsiigehtchic	198	0.4%	184	0.4%	-7.1%
Tuktoyaktuk	982	2.2%	940	2.1%	-4.3%
Ulukhaktok	444	1.0%	457	1.0%	2.9%
Beaufort Delta	6,880	15.4%	6,371	13.9%	-7.4%
NWT Total	44,541	100.0%	45,676	100.0%	2.5%

Source: NWT Bureau of Statistics projections

Eighty percent of the Beaufort Delta Region's population identifies as Indigenous – significantly higher than the territorial average of 51%. As seen in the following table, the percentage of the

population who are Indigenous is relatively consistent at 85-95% across the Region's smaller communities, while one-third of the Inuvik population is non-Indigenous.

Table 5: Indigenous Representation, July 2022

Location	Indigenous Population	Total Population	Indigenous Population	% Indigenous language speakers
NWT	22,935	45,605	50%	33%
Beaufort Delta	5,493	6,888	80%	21%
Aklavik	654	708	92%	17%
Fort McPherson	683	759	90%	23%
Inuvik	2,135	3,214	66%	17%
Paulatuk	309	327	94%	20%
Sachs Harbour	99	118	84%	23%
Tsiigehtchic	166	205	81%	26%
Tuktoyaktuk	987	1,058	93%	19%
Ulukhaktok	460	499	92%	54%

Source: NWT Bureau of Statistics

The population of the Beaufort Delta Region is closely aligned in age distribution with the territorial population, with 64% being over the age of 25 in both the Beaufort Delta Region and the NWT as a whole; 62% of the Beaufort Delta Region's population is of working age¹ compared to the NWT average of 64%.

Table 6: Population by Age Group, 2022

Age Group	NWT		Beaufort Delta Region	
	#	%	#	%
0 – 4 Years	2,794	6%	536	8%
5 – 9 Years	2,992	7%	527	8%
10 – 14 Years	2,997	7%	533	8%
15 – 24 Years	5,964	13%	861	13%
25 – 44 Years	14,328	31%	2,166	31%
45 – 59 Years	9,263	20%	1,232	18%
60 Yrs. & Older	7,267	16%	1033	15%
Total	45,605	100%	6,888	100%

Source: NWT Bureau of Statistics

According to the 2021 Census, the median age in the Beaufort Delta Region is marginally lower than that of the NWT at 35.6 and 36.4, respectively, while both are significantly lower than the median age of the Canadian population at 41.9. The distribution of average ages is tighter, where Beaufort Delta sits at 33.6, relative to the territorial average of 35.6.

¹ Working age defined as those between 15 and 59.

Table 7: Beaufort Delta, NWT, and Canada Population Age, 2021

2021 Census Data	Beaufort Delta	NWT	Canada
Average Age	35.2	36.4	41.9
Median Age	33.6	35.6	41.6

Source: Statistics Canada (Data is from the Statistics Canada website for the City of Yellowknife and the Northwest Territories)

The percentage of the Beaufort Delta Region's population with a high school diploma or higher education increased gradually in most of the Beaufort Delta Region communities from 1991 to 2021 but remains low relative to the territorial average of 74% in 2021. The share of Inuvik residents with a high school diploma has hovered around 76% throughout this period, though completion rates remain low among the Region's smaller communities.

Table 8: Percentage of Population with High School Diploma or Higher Education

Location	1991	2001	2011	2021
NWT	60%	65%	69%	74%
Beaufort Delta	51%	55%	55%	61%
Aklavik	38%	43%	49%	44%
Fort McPherson	34%	41%	39%	53%
Inuvik	66%	71%	69%	76%
Paulatuk	21%	29%	26%	33%
Sachs Harbour	47%	50%	47%	56%
Tsiigehtchic	26%	40%	42%	-
Tuktoyaktuk	35%	37%	37%	43%
Ulukhaktok	37%	46%	39%	43%

2.3 ECONOMIC SECTORS

The sectors of the economy that have historically dominated the Beaufort Delta Region economy include the public sector, the oil and gas sector, health care and social assistance, the military and security, construction, retail, and education. In addition, there are several emerging sectors in the Region that have potential for growth, including tourism, agriculture and country foods, the remediation economy, the traditional economy, information, communications, and technology, and film, media and culture.

2.4 EMPLOYMENT, INCOME, AND LABOUR MARKET

A summary of employment and income data for communities in the Beaufort Delta Region and the NWT is provided below.

Employment

As demonstrated in Table 9, employment, income, and education levels in many Beaufort Delta communities fell short of the territorial average, though Inuvik overperformed compared to its neighbouring communities, aligning closely with the NWT.

Table 9: Selected Regional Statistics, 2021²

Selected Characteristics	Aklavik	Fort McPherson	Inuvik	Paulatuk	Sachs Harbour	Tuktoyaktuk	Ulukhaktok	NWT
Employment rate (2021)	43%	40%	67%	53%	59%	35%	48%	65%
Unemployment rate (2021)	18%	15%	9%	0%	0%	18%	25%	9%
Average personal income (2020)	\$41,244	\$45,917	\$69,703	\$49,525	-	\$45,113	\$43,466	\$69,802
Average family income (2020)	\$95,367	\$94,725	\$139,859	\$104,313	-	\$92,042	\$96,364	\$149,197
% with high school diploma (2021)	44%	53%	76%	33%	56%	43%	43%	74%

Source: NWT Bureau of Statistics

Table 10 provides labour market participation rates for all communities in the Beaufort Delta Region. As demonstrated in the table, in 2021, there were a total 4,625 people in the Region over the age of 15 years. Of those, 2,560 (55%) were employed, 340 (7%) were unemployed, and 1,730 (37%) were not in the formal labour force. The percentage of those employed was the highest in Inuvik (67%) and ranged from 35 to 59% in the other communities.

Table 10: Labour Market Participation, 2021³

Labour Force Activity	Aklavik	Fort McPherson	Inuvik	Paulatuk	Sachs Harbour	Tuktoyaktuk	Ulukhaktok	Beaufort Delta
Population 15 & Over	415	510	2,340	200	85	665	305	4,625
Employed	180	205	1,575	105	50	235	145	2,560
Unemployed	40	35	150	-	-	50	50	340
Not in the Labour Force	195	270	615	90	20	385	105	1,730

² No information was available for Tsiigehtchic

³ No information was available for Tsiigehtchic

% of Employed 43% 40% 67% 53% 59% 35% 48% **55%**

Source: NWT Bureau of Statistics

As indicated in Table 11, among those employed, the percentage of individuals who were employed full-time ranged from 84% in Inuvik to 53% in Paulatuk. Large employment gaps exist across education levels and between Indigenous and non-Indigenous people. The territorial average employment rate for those without a high school diploma is only 38%, while the employment rate of those with a high school diploma or higher education is significantly higher at 77%. A similar discrepancy exists across most Beaufort Delta communities.

Table 11: Employment Data by Characteristic, 2019

Employment Profile (2019)	Aklavik	Fort McPherson	Inuvik	Paulatuk	Sachs Harbour	Tsiigehtchic	Tuktoyaktuk	Ulukhaktok	NWT
Employment Full/Part Time									
% Full-Time	75%	68%	84%	53%	63%	75%	74%	62%	83%
% Part-Time	25%	32%	16%	47%	37%	25%	26%	38%	17%
Education Level and Employment									
Employment Rates for Those with Less than High School Diploma	26%	21%	43%	41%	49%	22%	28%	40%	38%
Employment Rates for Those with High School Diploma or Greater	59%	63%	78%	75%	79%	75%	62%	71%	77%
Gender and Employment									
Males	38%	39%	68%	51%	74%	38%	41%	53%	66%
Females	44%	40%	69%	58%	59%	71%	43%	57%	65%
Indigenous Background and Employment									
Indigenous	39%	34%	59%	51%	65%	52%	38%	52%	50%
Non-Indigenous	75%	95%	84%	94%	80%	58%	88%	84%	80%

Source: NWT Bureau of Statistics

Labour Market

The Beaufort Delta's labour market is dominated by the public sector, with 25% of the workforce being employed by the public sector, over four times the national average according to the 2021 Census.

Table 12: Labour Force by Industry, 2021

Labour Market Profile (2021)			
North American Industry Classification System (NAICS)	Beaufort Delta	NWT	Canada
91 Public administration	25.2%	27.4%	6.2%
62 Health care and social assistance	12.6%	10.8%	12.7%
61 Educational services	11.4%	8.1%	7.3%
44-45 Retail trade	9.8%	9.0%	11.1%
23 Construction	9.1%	6.1%	7.6%
81 Other services (except public administration)	5.3%	3.2%	4.1%
Industry not applicable	4%	2.8%	2.5%
48-49 Transportation and warehousing	3.4%	5.9%	5.1%

Labour Market Profile (2021)			
North American Industry Classification System (NAICS)	Beaufort Delta	NWT	Canada
56 Administrative and support, waste management and remediation services	3.1%	3.3%	4.1%
72 Accommodation and food services	2.6%	4.7%	5.6%
54 Professional, scientific and technical services	2.4%	4.3%	8.1%
22 Utilities	2.2%	1.4%	0.8%
53 Real estate and rental and leasing	2.1%	1.2%	1.8%
71 Arts, entertainment and recreation	1.7%	1.8%	1.8%
11 Agriculture, forestry, fishing and hunting	1.2%	0.8%	2.3%
21 Mining, quarrying, and oil and gas extraction	1%	4.3%	1.2%
51 Information and cultural industries	1%	1.6%	2.1%

The NWT Bureau of Statistics projects future labour demand across the NWT and its Regions using the NWT Occupational Demand Model, which estimates future demand for 140 occupations using three-digit National Occupation Classification (NOC) codes. As seen in the following table, the NWT is anticipated to have 13,700 job openings between 2021 and 2030. However, those job openings are not evenly distributed across Regions with the majority (61%) expected to occur in Yellowknife.

Table 13: Labour Market Outlook, 2021-2030

Region	Employment (2019)		Expected Job Openings (2021-2030)		Avg. Annual Job Openings
	#	%	#	%	#
Beaufort Delta	3,085	13%	1,300	10%	130
Yellowknife	12,550	54%	8,400	61%	840
NWT	23,240	100%	13,700	100%	1,370

Source: NWT Bureau of Statistics

Replacement demand is expected to represent most job openings as current jobs are vacated due to retirement, death, or emigration.

Cost of Living

The NWT Bureau of Statistics uses Federal Isolated Post Living Differentials to determine the relative cost of living across communities in the NWT. The differentials are benchmarked to the cost of living in Edmonton (Index=100). In 2018, communities of the Beaufort Delta Region received differentials ranging from 147.5 in Inuvik to 192.5 in Ulukhaktok, Paulatuk, and Sachs Harbour. Yellowknife, by contrast, sits at an index value of 122.5.

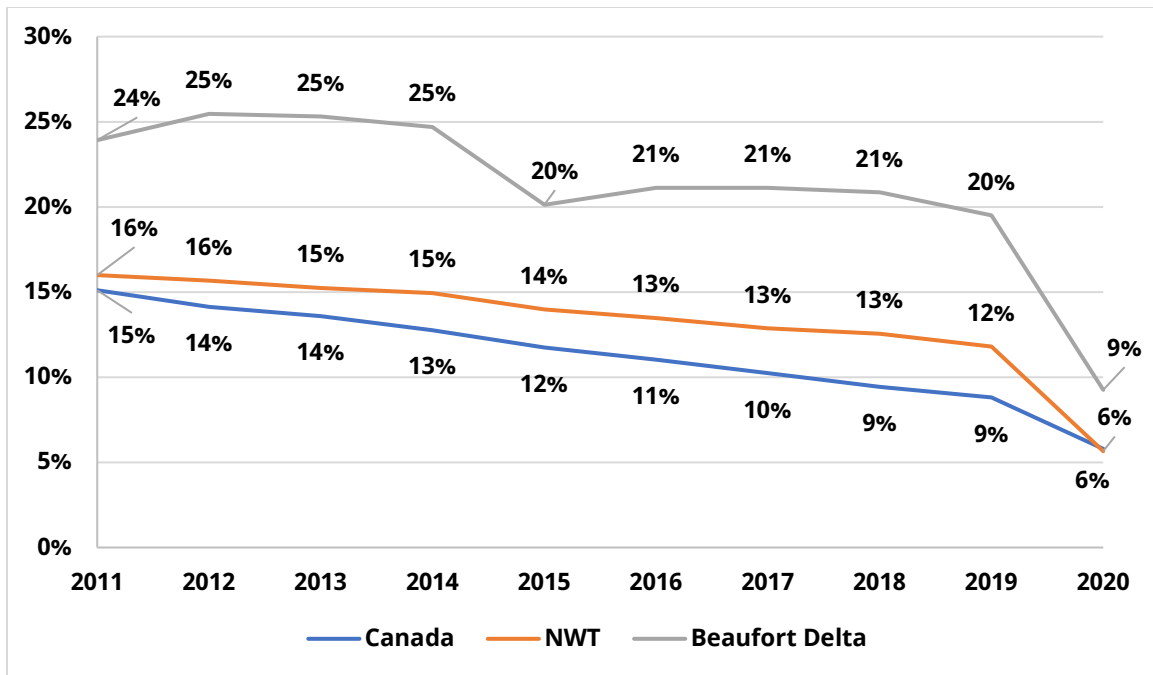
Table 14: Cost of Living

Community	Cost of Living Index (Edmonton = 100)	2019 Food Price Index (YK = 122.5)	% of Homes with Internet	Difficulty Making Ends Meet (2018)
Aklavik	162.5	161.6	53%	26%
Fort McPherson	162.5	162.8	46%	16%
Inuvik	147.5	158.6	84%	19%
Paulatuk	192.5	187.4	70%	43%
Sachs Harbour	192.5	197.4	82%	27%
Tsiigehtchic	167.5	182.2	61%	24%
Tuktoyaktuk	162.5	157.8	52%	31%
Ulukhaktok	192.5	179.9	52%	47%

Across the Region, food prices were significantly higher than the reference point in Yellowknife, averaging an additional 73%. Moreover, the percentage of families who reported difficulties in making ends meet ranged from 16% in Fort McPherson to 47% in Ulukhaktok, relative to a baseline of 16% in Yellowknife. The share of homes in these communities with internet access ranges from 46 to 70%, except for Inuvik and Sachs Harbour at 84% and 82%, respectively.

The rate of families that are considered low-income decreased in the Beaufort Delta Region from 24% in 2011 to 9% in 2020, which is higher compared to the territorial average (at 6% of all NWT families in 2020). By comparison, Statistics Canada reported that the Beaufort Delta Region dropped 15%, considerably more than 9% that Canada did. The data from 2020 was impacted by government support that was provided in response to the pandemic.

Chart 2: Percentage of Low-Income Families, 2011-2020



Source: NWT Bureau of Statistics

An aerial photograph of a vast, flat landscape, likely a wetland or coastal plain. A prominent, winding river or channel flows through the center of the image, surrounded by numerous smaller, irregularly shaped ponds and pools of water. The terrain is a mix of dark, possibly vegetated areas and lighter, possibly sandy or silty, patches. The sky is overcast with soft, diffused light.

3. STRENGTHS, WEAKNESSES, DEVELOPMENT OPPORTUNITIES, AND PRIORITIES FOR ACTION

During the interviews, focus groups, and the limited survey that was conducted involving residents, participants tended to be quite optimistic regarding the economic outlook for the Beaufort Delta Region, particularly in comparison to participants from other parts of the NWT. Focus group and interview participants identified opportunities for development across a wide range of sectors such as energy, tourism, research and innovation, and Canada's Arctic sovereignty agenda. Recent and planned developments such as improved internet connectivity, the runway extension at the Inuvik airport, and new housing developments will create new opportunities for the Region.

Of the six representatives who were surveyed from the Region, three viewed the outlook as positive (two as very positive), one as neutral, and two as somewhat negative. In comparison, only seven of the 27 sectoral or territorial representatives who were surveyed viewed the economic outlook as positive over the next five years, none of whom viewed it as very positive.

Table 15: Perceived Economic Outlook

<i>Looking forward over the next five years, do you think the economic outlook for this region is?</i>	Regional		Sectoral or Territorial	
	#	%	#	%
Very positive	2	33%	0	0%
Somewhat positive	1	17%	7	2%
Neither positive nor negative	1	17%	4	16%
Somewhat negative	2	33%	11	44%
Very negative	0	0%	2	8%
Not sure	0	-	1	4%
Total Participants	6	100%	25	100%

3.1 ECONOMIC STRENGTHS

Some of the strengths upon which the economy can build include:

- **Increased attention to the North.** It was noted that changes in world geopolitics have increased attention to Arctic Sovereignty and that this could turn into increased investment in the Region, as there continues to be a significant need for further investment to address the infrastructure deficit in the North. Overall, security, the need for critical minerals, and climate change are all drawing attention to the North.
- **Northern location.** The northerly location and cold climate of the NWT provide significant research and development opportunities in areas like cold climate research (e.g., auto testing, material testing, winter mining, permafrost research), satellite research and data exchange/downloads, and climate change research. The Beaufort-Delta is also located on tidewater, providing the Region with access to international markets for any future development in the oil and gas sector.
- **Ongoing improvements in connectivity.** A fibre line is being constructed between Dawson City, Yukon and Inuvik, providing a redundant link known as the Canadian Northern Fibre Loop. This will connect the Mackenzie Valley Fibre Optic Line, Yukon's Dempster fibre line, and Northwestel infrastructure. The GNWT is committed to extending the line to Tuktoyaktuk. The

federal government has signalled strong support for investments in enhanced community connectivity, especially in rural and remote communities through various funding mechanisms. The Canadian Radio-television and Telecommunications Commission (CRTC) Universal Service Objective (USO) for fixed internet access service is that all Canadians have access to at least 50mbps download and 10mbps upload speed. Improved connectivity creates opportunities for NWT businesses and residents to work closely with other businesses, staff, and resources located within and beyond the Region in pursuing opportunities related to innovation.

- **Transportation infrastructure.** The Inuvik Tuktoyaktuk Highway (ITH), a 138-kilometre highway, from Inuvik to Tuktoyaktuk, is the first highway in Canada to reach the Arctic Ocean. The ITH has led to greater numbers of tourists as they can now travel to Tuktoyaktuk and visit the Arctic Ocean. The Dempster Highway links the Beaufort Delta and the Yukon, providing access to tourists, who fly directly to Whitehorse and drive to the Beaufort Delta Region.

The Government of Canada Department of National Defence (DND) is fully funding the \$230 million Inuvik Airport Runway Extension Project that will support the DND in meeting its obligations under the North American Aerospace Defence Command Treaty. Additionally, the Inuvik Airport Civil Improvements project is funded at \$22 million, cost shared by the GNWT and Infrastructure Canada through the Disaster Mitigation Adaptation Fund. According to participants, the project will boost local employment opportunities and incomes. These projects and other airfield improvements and repairs will increase the resilience of the Region's air transportation network to the effects of climate change.

The Region is also ideally located and could benefit from future investments by the Federal government in the development of deep-water ports. With current geopolitical issues and the impacts of climate change, interest in the Arctic is continually increasing. This could lead to infrastructure investments in the Arctic as Canada will need to exercise its sovereignty.

- **Settled, modern, and comprehensive treaties.** There are two comprehensive modern treaties in the area: the Inuvialuit Final Agreement (IFA, 1984) and the Gwich'in Comprehensive Land Claim Agreement (GCLCA, 1992). Under the IFA, Inuvialuit communities include Aklavik, Ulukhaktok, Inuvik, Paulatuk, Sachs Harbour, and Tuktoyaktuk. The communities of Inuvik, Aklavik, Fort McPherson, and Tsiigehtchic are identified as Gwich'in communities under the GCLCA. These agreements establish and provide for participation by the Inuvialuit and the Gwich'in in the co-management of land and resources within the Beaufort Delta Region.
- **Innovation and experiential learning resources.** The Arts, Crafts, Technology, and Micro-Manufacturing Centre in Inuvik opened in April 2019 and provides space, equipment, training, and ongoing support to artists in the Beaufort Delta Region. The maker space in Tuktoyaktuk opened in 2021 and provides artists and creators with specialized tools such as 3D printers, laser engraving, wood burning, and vinyl cutting equipment.
- **Research cluster.** The Region can build on its existing resources including the Western Arctic Research Centre (WARC), which houses the Aurora Research Institute, the Inuvik Satellite Station Facility (ISSF) and the private satellite stations owned by Norwegian aerospace company, Kongsberg Satellite Services (KSAT). There is upside potential for expansion in both the size and operations of the ISSF and KSAT stations. Continued development of the ISSF and

the WARC has created a research community “cluster” and facilitated international partnerships.

- **Entrepreneur and research support.** Organizations such as the National Research Council Canada, Futurpreneur, EntrepreNorth, and others are helping to support entrepreneurs and researchers financially and through advisory services.
- **Existing and diverse natural resources in the Region.** Participants highlighted available resources on which the economy can further develop ranging from oil and natural gas to minerals as well as renewable resources such as big game hunting and traditional activities such as trapping, tanning and tool making. The National Energy Board has completed an assessment of discovered conventional petroleum resources in the NWT mainland, NWT Arctic Islands and Beaufort Sea regions of northern Canada. Beaufort Sea discoveries are estimated to have 178.0 billion m³ (6.2 Tcf) of natural gas, 106.1 million m³ (667.4 million barrels) of crude oil and 0.2 million m³ (1.2 million barrels) of NGLs.
- **Tourism.** The Beaufort Delta benefits from vibrant traditional cultures and outstanding natural landscapes and scenery that benefit the tourism sector. Physical attractions in the Region include the Richardson Mountains, the Mackenzie River, the Arctic Ocean, the Delta itself, the midnight sun, pingos, national and territorial parks, summer and winter festivals, and the Inuvialuit and Gwich'in cultures.
- **The high level of government employment provides for greater economic stability.** The GNWT is the leading single employer, employing nearly 900 people in the Region.⁴ The public administration sector serves as somewhat of a steadying force for the economy, to the extent that any economic downturn does not result in a decline in population.

⁴ GNWT, Public Service Annual Report 2021/2022

3.2 CONSTRAINTS TO DEVELOPMENT

The regional and sector/territorial representatives who were surveyed were asked to rate the extent to which various issues constrain economic development in the Beaufort Delta Region, on a scale of 1 to 5, where 1 is not at all, 3 is somewhat and 5 is to a great deal. The results are summarized in Table 16.

As demonstrated in the table, the cost of living (e.g., housing, food, energy), regulatory issues (e.g., red tape), and cost of business operations were the constraints rated the highest.

Table 16: Constraints to Development

<i>On a scale of 1 to 5, where 1 is no constraint at all, 3 is somewhat of a constraint, and 5 is a major constraint, how much of a constraint to development are the following issues?</i>	Regional	Sectoral / Territorial ⁵
Number of Respondents	6	25
Cost of living (e.g., housing, food, energy)	4.3	4.4
Development processes, permitting issues and other regulatory issues (e.g., red tape)	4.2	4.1
Cost of business operations	4.0	4.2
Access to markets	4.0	3.8
Access to skilled workers	3.8	4.6
Access to land and resources	3.5	3.9
Transportation access	3.2	3.9
Access to capital	3.2	3.4
Access to business support	3.2	3.0
Energy infrastructure	3.0	4.2
Internet connectivity	3.0	3.6

When asked about constraints to development, other than those which were listed, participants identified issues related to weather and climate change, as well as social issues that are impacting communities. Several participants also noted that the upcoming closure of the diamond mines would have some effect on the economy of the entire territory.

The major constraints are further discussed below.

- **High cost of living and doing business.** Expenditures on food, shelter, transportation, utilities, fuel, and electricity are considerably higher in the Region than the Canadian average. The Cost of Living Differential ranged from 147.5 in Inuvik (using Edmonton = 100) to 192.5 in Paulatuk, Sachs Harbour, and Ulukhaktok. The impact of high costs is felt across all sectors. For example, participants noted that even the traditional arts and crafts sector is impacted by the high cost of raw materials required for production. Fuel is a key input affecting the viability of hunting and trapping, which impacts families that rely on harvested foods as a primary source of nutrition.

⁵ Sectoral and territorial representatives were responding of the sector which they represent (e.g., tourism) and/or for the NWT as a whole rather than specifically for the Beaufort Delta Region.

- **Regulatory environment.** Participants expressed concern about what they see as overly complex regulatory processes (i.e., long permitting and contracting processes that are constraining development and investment), unexpected regulatory roadblocks when developing new businesses, high levels of government bureaucracy, difficulties in navigating grant programs, a lack of clear service standards and responsiveness (e.g., delays in replying to questions or concerns), high levels of paperwork that slow or halt new business, and the need to improve coordination across levels of government. Participants specifically mentioned issues with obtaining licences to bring natural gas to communities, run satellite services, and establish tourism-based businesses.

Another key regulatory issue highlighted by participants was the federal government's 2016 decision (and 2023 extension) to impose a ban on issuing new offshore oil and gas licenses in Canadian Arctic waters. The decision has largely stalled the development of the oil and gas industry in the north. As a result, there are no major ongoing oil and gas exploration and extraction efforts in the Region that would stimulate the economy.

- **Access to markets.** When discussing access to markets, participants commented on both the difficulties that local businesses face in accessing local markets given the small population base and the distance to southern markets, as well as the impact that increased online sales into the communities are having on local businesses. While access to e-commerce has created opportunities for residents to participate in the global economy, it has also had adverse effects on the local retail sector.
- **Access to workers.** Accessing workers, particularly skilled workers, is a major challenge for businesses given the high wages and benefits provided by the government, lower education levels in the NWT relative to other jurisdictions, and limited access to education and training programs. Employers report difficulties in filling positions, from entry-level positions to more senior and skilled positions. Some anticipate that the constraints will become even more significant due to an aging population and as more people retire. Participants noted that the lack of skilled workers, combined with a shortage of advisors who can assist entrepreneurs in developing businesses, has slowed the development of new businesses.

According to participants, businesses often struggle to match the salary expectations of potential employees, including those applying for entry-level positions. Inuvik is a government town, and most people prefer to work for the government in roles that generally have more security, higher salaries, and include benefits. The contrast between the high-paying public sector jobs and the small size of the total labour force creates many problems for small businesses seeking to hire and retain workers. Due to labour shortages, communities often lack basic services in areas such as restaurants, cafes, pet shops or pet services, barber shops, and hair salons.

Given the developing research community in the Region, there are significant opportunities for those with computer science backgrounds to work in data management or data production. However, there is a shortage of local information technology specialists.

Improving education and training programs will provide greater opportunities for Indigenous governments and communities to participate in and make informed decisions regarding access rights, infrastructure development, climate change monitoring and mitigation, wildlife management, and land management.

Another factor contributing to the shortage of workers is the lack of affordable childcare in Inuvik and surrounding communities. Proper childcare services could allow more people to enter the workforce and boost the economy.

- **Housing shortages.** Communities throughout the Region are experiencing significant housing shortages. The rental vacancy rate is zero, and those looking for a rental apartment have a very difficult time finding one. The lack of housing has resulted in overcrowding as many young people decide to live together, and some choose to move to other Regions where they can find a more affordable place to live. Many families who decide to move to the Region change their minds once they realize how difficult it is to find proper housing. In addition, existing public housing units have large waiting lists. Several participants noted that there are federally owned housing units in the community of Inuvik that are empty, which could be used to accommodate more people. To help ease the situation, governments are making new investments to address some of the housing shortages across the territory, and funds are being allocated to build new housing in the Region. In 2022, the federal government allocated \$25 million to the Gwich'in Tribal Council to support housing development in the Region. Funds will be used to build housing units in the Gwich'in communities of Fort McPherson, Tsiigehtchic, Aklavik, and Inuvik.
- **Transportation access.** The Region is accessible by road, water, and air. However, there are challenges associated with the distances involved, the costs of air travel, and the subsequent costs of shipping. The existing road infrastructure that plays a key role in regional connectivity is deteriorating. In particular, the section of the Dempster Highway that passes through the Yukon is in poor condition. It discourages truckers and tourists from travelling to the Region, increases the cost of goods and services overall, affects the viability of businesses, and hampers economic growth.
- **Climate change.** Climate change is rapidly affecting the Region and is expected to accelerate changes in the growing and hunting seasons. According to participants, animal harvesting, produce farming, fishing, and general access to a winter road are all dependent on the climate, and these practices are becoming more unpredictable due to climate change. Climate change has also led to milder winters in the North and an increase in average temperatures. This has led to melting of the permafrost, and this has had negative impacts on existing infrastructure including roads, bridges, and houses and buildings. As a result, costs to maintain, repair, and replace infrastructure are likely to increase in the future.
- **Shortage of entrepreneurs and limited access to capital and business support.** Access to business support services, capital for growth, investment, and other resources is a key challenge. Representatives also noted that the local economy is primarily driven by the public sector: the presence of well-paying jobs in the government is viewed as a disincentive to entrepreneurial development and new business development.

- **Connectivity.** Internet service is not adequate in some communities to conduct basic functions such as virtual communication and meetings, file downloading, video streaming, or even sending and receiving emails. Due to poor connectivity and periodic service outages, businesses frequently lose the ability to operate online or are forced to operate at partial capacity. Insufficient connectivity limits business access to southern markets and poses a substantial risk to partner or client organizations that rely on timely communication or product/service delivery. It was noted, for example, that visitors who tour the Region and explore the Arctic Ocean by boat may be unable to check weather conditions due to the lack of reliable internet. It should also be noted that improvements are ongoing. The GNWT is committed to extending the line to Tuktoyaktuk. Also, a fibre line is being constructed between Dawson City, Yukon and Inuvik which will connect Fort McPherson and Tsiigehtchic and provide a redundant link, known as the Canadian Northern Fibre Loop, connecting the Mackenzie Valley Fibre Optic Line, the Yukon's Dempster fibre line, and Northwestel infrastructure.

3.3 OPPORTUNITIES

Surveyed representatives were asked to rate how much of a priority the government and others should place on promoting various sectors on a scale of 1 to 5, where 1 is no priority at all, 3 is some priority, and 5 is a major priority. The average ratings of the regional representatives as well as the sector and territorial representatives are provided in the table below. As indicated, education and training, tourism, oil & gas, small business development, remediation and site reclamation, renewable or alternative energy, and the arts and culture sector were the highest rated opportunities.

Table 17: Priority Sectors for Development

<i>Given the opportunities available in this region, on a scale of 1 to 5, where 1 is no priority at all, 3 is some priority, and 5 is a major priority, how much of a priority do you think government and others should place on promoting the following sectors:</i>	Regional	Sectoral / Territorial
Number of Respondents	6	25
Education and training services	5.0	3.9
Tourism	4.7	3.7
Oil & gas exploration and development	4.5	3.8
Small business development	4.5	3.4
Remediation and site reclamation	4.3	3.6
Renewable or alternative energy	4.3	3.1
Arts and culture sector	4.2	3.0
Country foods	3.8	4.0
Mineral exploration and mine development	3.8	3.3
Traditional economy	3.5	3.0
Other renewable resources	3.3	2.9
The tech sector and innovation	3.3	2.8
Manufacturing	2.8	3.9
Commercial fisheries	2.7	3.3
Film Sector	2.5	2.7

<i>Given the opportunities available in this region, on a scale of 1 to 5, where 1 is no priority at all, 3 is some priority, and 5 is a major priority, how much of a priority do you think government and others should place on promoting the following sectors:</i>	Regional	Sectoral / Territorial
Agriculture	1.8	3.5

The key opportunities are further discussed below:

- **Education and research.** Participants frequently saw increasing local access to education and training and better aligning those programs with the needs of employers and the regional economy as the single highest priority. It was noted that culture should be embedded as an important teaching tool to help ensure that future development is consistent with the values of communities within the Region. Various initiatives are underway in the NWT to promote interest in science, technology, engineering, and math (STEM) and incorporate Indigenous knowledge into the way that students are learning. The Aurora Research Institute (ARI) delivers a STEM Outreach Program which reaches 7,000 northern youth and 150 northern educators through 250 science promotion events every year.

The GNWT Department of Education, Culture, and Employment (ECE) is leading work to strengthen and expand the NWT post-secondary education system. A key element of that work is the GNWT's commitment to the transition of Aurora College into a polytechnic university by 2025, which will be linked to a series of community learning centres in communities across the NWT.

The other related opportunity is to further develop the Beaufort Delta Region as a centre for Arctic research. The key research and innovation opportunities in the Region, mentioned by stakeholders, included:

- *Inuvik and Aurora College's Western Arctic Research Centre (WARC)* has been in operation in Inuvik since 1964 and it has the capacity to support a wide range of research projects focused on Arctic issues. Since its inception, WARC has supported over 3,000 research projects involving more than 1,500 researchers at the facility. It operates year-round and provides researchers with access to facilities (office space, access to a research library, high-speed and wireless internet, laboratory space and equipment, and accommodations) to undertake their research. According to participants, WARC is the leading place in the world to research the impact of climate change on Arctic regions. There is an opportunity to increase the number of researchers accommodated at the Centre and increase the type and scale of the services it provides to visiting researchers. Participants also noted that there is a need for the Centre to build skills in the Region and hire locals rather than bringing qualified staff from the south. There is also a need to inspire science through traditional knowledge.
- *Satellite stations.* The Inuvik Satellite Station Facility (ISSF) is an international, multi-use science and technology facility with an emphasis on earth observation. The Government of Canada (GC) established the ISSF in 2010. The station is focused on tracking and receiving data from polar-orbiting satellites for scientific, mapping, weather, surveillance, and other purposes. In addition, Inuvik is also the base for a private

satellite station owned by Norwegian aerospace company, Kongsberg Satellite Services (KSAT). According to stakeholders, there is a great, and growing, opportunity to expand satellite stations in the Region and generate significant economic activity. There are a growing number of satellites that orbit above the Arctic and the demand for stations that can monitor and maintain these satellites (e.g., checking positions, downloading data, updating instructions, etc.) is increasing rapidly. The location of Inuvik, connectivity (access to fibre optic communication), and accessibility (e.g., road transportation and airports) make it an excellent place for satellite stations, a competitive option compared to other regions (e.g., Alaska and Baltic countries such as Norway).

- **Tourism.** Prior to the pandemic, continued growth in the tourism sector helped to support a wide range of businesses (food and beverage, accommodation, small-scale bed and breakfasts, arts and crafts, tour operators, etc.) and provide employment for a labour force with varying skillsets (skilled and semi-skilled). Opportunities exist to support further development of the tourism industry through working to attract investments, further developing infrastructure, increasing accommodation capacity, actively supporting the development of new attractions and tourism products, attracting visitors, and helping to attract skilled and unskilled employees for the industry.

Various segments of the tourism sector were specifically identified as having potential for growth in the Beaufort Delta Region to increase visitation during the shoulder and off-peak seasons as well as increase activity levels and expenditures during peak periods. Some of these tourism opportunities include:

- *Touring and outdoor adventure.* The Region has year-round and all-weather accessibility due to the Dempster Highway.⁶ Many touring and outdoor adventure enthusiasts visit the area through ground travel to explore the Region. The opening of the Inuvik-Tuktoyaktuk Highway provides year-round road access from Inuvik to Tuktoyaktuk which has increased the inflow of tourists significantly. As the first all-weather route connecting the Canadian road network with the Arctic Ocean, it is very attractive to outdoor adventurers who wish to experience the Arctic Ocean. According to participants, in 2022, over 1,400 tourists registered at the Tuktoyaktuk Tourism Centre, which was the highest number on record (and underreported because only a portion of tourists register).

The increased inflow of tourists has facilitated the development of tourism infrastructure in the Region. For example, over the past few years, some basic infrastructure (e.g., camping facilities, outdoor cooking and grill facilities, smokehouses) has been built in Tuktoyaktuk to accommodate tourists. However, according to participants, further development of tourism products and infrastructure is needed to meet current and potential demand. Participants noted, for example, that Tuktoyaktuk lacks basic services such as shower facilities, campgrounds, access to the internet, garbage dumps, and laundry facilities, which are critical for those who visit the Region in recreational vehicles.

⁶ Travel is disrupted for several weeks in the Fall and Winter allowing for “freeze up” and “break up”

- *Cruise traffic.* In 2022, four cruise ships landed in Ulukhaktok and one landed in Paulatuk (seven cruise ships arrived but two were not able to dock, because they had travellers with COVID-19 on board). Increased cruise traffic has resulted in the creation of businesses that serve tourists, including smokehouses that sell smoked fish, and arts and craft stores. According to participants, there is an opportunity to work with cruise companies to increase stopovers and deliver additional services (e.g., coffee shops, restaurants) and cultural experiences (e.g., cultural centres, arts and crafts, etc.) for tourists. Climate change is expected to improve the accessibility of the Region, increase cruise ship traffic, and extend the length of the season. The Inuvialuit Regional Corporation (IRC) has developed a Cruise Ship Management Plan to better manage the impact of the new industry.

A key challenge is the need to increase access to food, accommodations, cultural attractions, and other services to attract and serve tourists. Also, it was noted that there are limited restaurant services in Inuvik. The Saliqmiut: Tuktuuyaqtuuq Centre for Arts and Culture proposed in Tuktoyaktuk could help bring more cultural experiences for tourists. Another challenge identified by participants is the lack of deep seaports and harbours in the Region: communities need deep sea harbours to be able to adequately receive and accommodate large cruise ships.

- *Festivals and community cultural events.* Inuvik and the Region already successfully organizes several cultural events. For example, the Great Northern Arts Festival held every year in Inuvik, attracts artists and artisans from across the world who come together for 10 days and participate in masterclasses, seminars, and workshops dedicated to various types of arts. Participants indicated that there is an opportunity to organize additional events to attract tourists. However, the lack of accommodations to host visitors is a key challenge. Most venues are fully booked, and the cost is generally expensive.
- *Organizing meetings and conferences.* Northwest Territories Tourism (NWTT) has identified Meetings, Conferences, and Incentive Travel (MCIT) as a priority segment. It operates a proactive conference bureau which works to both attract conferences and promote pre/post tourism around such events. Inuvik has facilities to accommodate conferences, cultural events, and other activities. Its proximity to the Arctic could also benefit the Region by hosting conferences, events, and meetings dedicated to Arctic climate change, permafrost, and other Arctic issues.
- **Oil and gas.** Despite having large oil and gas resources, communities in the Region often use diesel generators for electricity and oil for heating. The Inuvialuit Regional Corporation (IRC) has been working on extracting natural gas from an existing natural gas well (TUK-M18) in the Inuvialuit Settlement Region (ISR). This project will involve constructing a gas plant which will convert natural gas into liquified natural gas (LNG) and synthetic diesel which can then be transported to customers throughout the Region for power and heating applications. A permit application is under review by the Canada Energy Regulator (CER). This single well contains more than enough gas to supply the region for 50 years, according to the CER filing. If the IRC is

successful in realizing this project, it will help to bring more affordable energy to communities and offset high energy costs, in addition to generating economic activity.

The GNWT commissioned a pre-feasibility study in 2019 to determine if large-scale natural gas liquification and export was either technically possible or financially viable. In a nutshell, the development of MDLNG would involve extracting proven, conventional onshore reserves of natural gas, liquefying them for transport and then exporting them by ship to target markets in Asia or elsewhere. The study, completed in April 2021 by Advisian, concluded that it was not only technically possible using proven and commercialized technologies, but also economically competitive against other Canadian and international LNG export projects.

The Beaufort Delta Region has significant deposits of both oil and gas resources onshore and offshore. However, the ongoing federal moratorium on exploration is a key constraint for the development of the oil and gas industry. Development may also be constrained by costs, the cold climate, access to markets and financing, and infrastructure. Any large-scale production for export in the Beaufort Delta would have significant economic benefits for the Region, and the territory.

- **Mining** - Historically, oil and gas activity has dominated the natural resource sector in the Beaufort Delta. However, significant mineral exploration activities have also occurred across the Region over the decades. Perhaps the most well-known undertaking in the Region is the Darnley Bay anomaly near the Inuvialuit community of Paulatuk. In 1969, the Geological Survey of Canada confirmed the presence of a massive geological anomaly at Darnley Bay, comparing the site favourably with the Sudbury Basin in Ontario. If the suspicions about Darnley Bay are correct, any development would have a transforming effect on the economy of the Beaufort Delta and the Northwest Territories. Other mineral exploration activities across the Region have identified the presence of several kimberlite indicator mineral sources in addition to extensive coal deposits on Banks Island. The Region also has various critical mineral showings.
- **Remediation and site reclamation.** There are opportunities related to onshore wells within the Inuvialuit Settlement Region (ISR), Tuk Island, and solid waste cleanup. Oil and gas exploration in the area began in the early 1960s and, according to a 2020 report developed for the IRC, 233 onshore wells have been drilled within the ISR. Among the 233 wells reviewed, a total of 223 drilling waste sumps were identified. In addition, Imperial Oil is leading remediation work on Tuk Island, which was once used as a storage and staging area for offshore drilling. Solid waste cleanup focuses on stockpiles of hazardous material and scrap metal in landfills. The work creates a potential market for NWT-based suppliers of products and services, in areas such as care and maintenance, assessment, closure, remediation, and post-closure monitoring of mine and contaminated sites.
- **Renewable or alternative energy.** Communities in the Region are examining options to reduce their reliance on fossil fuels and improve local air quality. Nihtat Energy Ltd, an Indigenous-owned and operated business, has been awarded funding under Impact Canada for a project which will add up to 150 kW of additional solar PV capacity in Aklavik, and support the installation of a grid-connected 1 MW solar PV project located in Inuvik that will contribute to an expanded microgrid at the Inuvik Satellite Station Facility. The Inuvik Wind Project is a 3.5MW turbine scheduled to come online by late summer 2023. Inuvik is currently the NWT's

largest off-grid community and this wind turbine could reduce the community's diesel consumption by 30% by offsetting approximately three million litres of diesel per year.

- **Arts and crafts.** The creation and selling of arts and crafts helps to preserve the cultures of the Inuvialuit and Gwich'in people and supplements the incomes of families. Approximately 1,400 residents in the Beaufort Delta Region produce arts and crafts for sale, of whom 600 reside in Inuvik. As a result, according to participants, last year local artists generated over \$120,000 in revenue from the sales of arts and crafts to those who visited the Region through cruise ships. Revenues generated through online and retail sales were estimated to be multiple times higher.

The INNOVATE Centre for Arts, Crafts, and Technology provides a well-equipped facility and access to innovative tools and techniques for local artists and artisans to create attractive and unique arts and crafts. Similarly, the Makerspace in Tuktoyaktuk provides a venue, tools, and technology for residents to explore creative pursuits, and learn new technologies and methods of producing arts and crafts.

Participants noted that, with the increasing tourist traffic to the Region and interest in local arts and crafts, there is potential to further grow the sector. As part of the initiative to personalize arts and crafts for visitors, every single art piece produced in the Region included a card inside providing information about the artists and artisans who created it. Information about the artists helps draw more attention and sales.

- **Film Sector.** Film is an emerging industry in the NWT which has grown significantly over the past decade. As of 2020, the NWT Film Commission's Rebate Program has invested \$487,000 in 13 productions, leveraging outside investment of \$5 million, and the creation of 103 resident cast and crew positions. Until recently, the region has been involved primarily in documentaries and reality TV shows (e.g., *Alone*, *Ice Road Truckers*, and *Ice Pilots NWT*) but there has been increasing interest from feature films and scripted series. Expanding the market will require increasing awareness of the NWT film and media screen sector, locations, local tax credit programs and promoting the NWT as a film location in other jurisdictions. It will also require increasing local access to equipment and trained workers.

In 2021, the GNWT released a new five-year strategy to guide initiatives and investments in support of the NWT's film and media sector. The *Rolling, Action!* Report outlines 15 actions and investments in three focus areas: managing and improving our programming; showcasing and promoting our film and media sector; and developing skills and collaborating. To support further development of the industry, ITI offers the NWT Producer Incentive Pilot Program which aids NWT producers at the pre-development and development stages developing professional quality commercial projects to the point that they can be presented to broadcasters and other financiers. Self-employed film producers in the NWT are also eligible to apply for funding as entrepreneurs under the SEED Program. CanNor and the GNWT provide funding to enable the NWT Film Commission (NWT Film) to attract film productions to the NWT.

- **Potential for economic development in fulfilling Canada's new sovereignty agenda.** During the Cold War, military bases that existed in the Region contributed to overall economic activity. With the end of the Cold War, the federal government reduced the military presence to

a minimum and removed the bases, which had negative impacts on the Region. With increased tensions with Russia, and Canada's new sovereignty agenda, there is a possibility of increased military presence in the Region once again. According to participants, a "sovereignty" agenda can include not only Canadian defence and security but also a quick response capability regarding search and rescue, environmental protection of coastal waters, etc. Benefits could include new government investments in the Region, new employment opportunities, new wages, and higher incomes.

- **Manufacturing.** Some participants indicated that the potential viability of small-scale manufacturing operations may have improved because of increases in transportation costs. The NWT manufacturing sector largely consists of small-scale "cottage," artisanal and micro manufacturers (i.e., individuals producing and selling out of their homes). The most prominent types of this manufacturing are the processing of locally harvested animal, plant, and biomass products and the creation of arts and fine crafts.
- **Country Foods.** A wild game food processing project was recently organized by the IRC to tackle food insecurity problems, offer employment opportunities, and reconnect the people to traditional harvesting within the Region. Wild meat is supplied from hunters and trappers across the six Inuvialuit settlement communities — Inuvik, Aklavik, Sachs Harbour, Paulatuk, Ulukhaktok, and Tuktoyaktuk. There may be potential to expand this project and see locally harvested country foods shipped to other areas of the NWT and possibly other areas of Canada.
- **Construction and large projects.** The construction industry is the fourth largest sector in the NWT after mining, public administration, and real estate, rental, and leasing. GDP in the construction sector has averaged nearly \$400 million annually in the territory over the past decade. With significant government investments being made in LNG, housing developments, renewable energy projects, and the construction and maintenance of transportation infrastructure across the territory, construction is expected to remain an integral part of the economy.

Several government-led critical infrastructure projects are expected to contribute to the Region's construction sector in the short- and medium-term, including new housing developments and three separate improvement projects at Inuvik's Mike Zubko Airport. In the longer term, the Mackenzie Valley Highway would link the Beaufort Delta to the southern NWT and enable a circle tour in which tourists could drive from the NWT-Alberta border, north to the Beaufort Delta Region, and then south through the Yukon. The GNWT produced Project Development Reports for the unbuilt sections of the highway through the Dehcho, Sahtú, and Beaufort Delta Regions. The highway is expected to increase the flow of tourists across all regions of the NWT, including the Beaufort Delta Region.

Table 18: Economic Strengths, Constraints and Opportunities for Development

BEAUFORT DELTA	
STRENGTHS	<ul style="list-style-type: none"> • Increased focus on the region • Northern location • Ongoing improvements in connectivity • Transportation infrastructure • Settled, modern and comprehensive treaties • Innovation and experiential learning resources • Entrepreneur and research support • Diverse natural resources • Traditional cultures • Outstanding natural landscapes and scenery • Government employment provides stability
CONSTRAINTS TO DEVELOPMENT	<ul style="list-style-type: none"> • High cost of living and doing business • Regulatory environment • Access to markets • Access to workers • Housing shortages • Transportation access • Shortage of entrepreneurs • Limited access to capital and business support • (Internet) Connectivity
OPPORTUNITIES	<ul style="list-style-type: none"> • Education and research • Tourism • Oil and gas • Remediation and site reclamation • Renewable or alternative energy • Arts and crafts • Canada's new sovereignty agenda • Manufacturing • Country Foods • Construction and large projects

3.4 PRIORITIES FOR ACTION

When asked to select up to ten actions from a list that should be of high priority for governments and other stakeholders in promoting economic development, participants noted that education should be the focus. Increasing access to post-secondary education and training programs, strengthening connections between education and business, and further incorporating Indigenous traditional and local knowledge into education programs. Education was seen as the primary driver for economic development, the creation of new business, and participation in the economy.

Other commonly identified priorities included implementing business and investment attraction initiatives and business incentives, as well as increasing access to business support services (including services such as bookkeeping).

**Table 19: Recommendations Regarding Economic Development
Priorities for Government and Others**

<i>Recognizing that government and others can focus on only so many priorities, which of the following potential actions would you consider to be a high priority for your respective region? (Please select your top 10 choices)</i>	Regional	Sectoral / Territorial
Number of Respondents	6	25
Increase access to post-secondary education and training programs	100%	40%
Strengthen connections between education and business	67%	60%
Further incorporate Indigenous traditional and local knowledge into education programs	67%	32%
Implement business and investment attraction initiatives/business incentives	67%	20%
Increase access to business support services	67%	8%
Further develop energy infrastructure	50%	72%
Attract more tourists to the region	50%	48%
Increase access to youth entrepreneurship training	50%	32%
Increase access to business mentorship programs and related small business education and training for entrepreneurs and businesses	50%	28%
Address regulatory issues	33%	72%
Improve transportation access	33%	44%
Attract workers and residents from other parts of Canada	33%	44%
Help grow local and regional markets for products	33%	40%
Attract workers and residents from outside of Canada	33%	36%
Increase access to early-stage capital	33%	32%
Make more strategic use of government procurement to promote economic development	33%	32%
Improve pathfinding services linking businesses to funding programs and support	33%	32%
Encourage development of strong industry associations and sector partnerships	33%	24%
Transform Aurora College into a polytechnic university	33%	24%
Invest in coworking spaces makerspaces arts & craft centres and incubators	17%	24%
Stage events and other mechanisms that provide opportunities for networking	17%	4%
Increase access to fast reliable and affordable internet	0%	64%
Facilitate e-marketing and use of digital platforms and social media to market products and services from the NWT	0%	32%
Increase access to loan financing	0%	16%

The representatives were then asked, given the priorities that they have identified, what were the three most important actions that government could take to support economic development in the Region. As indicated below, the most common recommendations were to develop critical transportation and energy infrastructure (e.g., build the Mackenzie Valley Highway; prioritize improvements to the Dempster Highway; increase and diversify energy development; provide significant subsidization for alternate energy), increase access to various types of education, increase access to information and supports for business development, and focus on community outreach.

Table 20: Highest Priority Government Actions

<i>Given the priorities that you have identified, what are the three most important actions that government could take to support economic development in your region?</i>	#	%
Develop critical infrastructure (e.g., build the Mackenzie Valley Highway; prioritize improvements to the Dempster Highway; increase and diversify energy development; provide significant subsidization for alternate energy)	6	38%
Increase access to various types of education (e.g., promotion of education and activities; improve education systems; improve training services; strengthen connections between education and business through cooperative education or internships)	4	25%
Increase access to information and supports for business development (e.g., increase access to seed money; decrease regulatory processes to access funding; increase public knowledge of business start-up and funding)	3	19%
Focus on community outreach (e.g., educate individuals about available programming; support initiatives for youth)	2	12%
Strategize government procurement to promote economic development	1	6%

Participants in the focus group, interviews, and surveys also provided a range of recommendations on how the economic development of the Region could be grown and supported, including:

- **Focus on building local talent and creating more educational opportunities for young people in the Region.** To access education and training, some people must leave the Region, and many do not return. As a result, they recommended developing more training opportunities in the Region. Participants indicated that the local economy needs nurses, teachers, IT specialists, entrepreneurs, tourism specialists, etc., all of whom can be trained locally.

Despite having independent (and thus entrepreneurial) spirits, local youth get very limited exposure to learn entrepreneurship skills. The high school curriculum does not include sufficient learning of knowledge related to business and entrepreneurship and the Region also lacks adequate small and mid-sized enterprises (SME) from whom local youth could learn business skills. Participants recommended having a campus of Aurora College (or another institution) in the Region that can attract local youth; an influx of international students would also contribute to the local economy. Stakeholders also supported the idea of allowing students to gain access to loans, grants, and contribution programs aimed at summer self-employment initiatives.

- **Consider establishing a regional tourism association/society.** There needs to be a more in-depth development of the regional tourism sector. The association would focus on exchanges of information, market intelligence, program promotion, and ultimately, a “buy-in” for sector growth among communities.
- **Focus on developing skills for the remediation economy.** Remediation and reclamation projects will be significant boosts for the economy for the next 10-25 years, with \$4.8 billion projected in expenditures over the next 30 years and with 90% of these expenditures happening over the next 15 years. Training programs are needed to build skills for the local labour force to address workforce needs.

- **Ensure economic development (and other) plans are regional or community-specific and include long-term visions.** Several stakeholders noted that in the past plans created by the Government of Northwest Territories (GNWT) were too generic and often did not consider the needs of local communities, and that communities were often expected to lead their implementation. Participants believe that government-created plans should be led by the government and that specific plans generate better results. Some participants also noted that in addition to five-year plans, there is a need for a long-term (20 or 50-year) vision for economic development within the Region. Canada needs to develop a long-term vision and plan for meaningful development of the Arctic.
- **Continue to make investments in regional public infrastructure.** Participants noted the need to improve connectivity, increase and diversify energy development, and update/extend the road network, including the Mackenzie Valley Highway. Participants also recommended making the Inuvik-Tuktoyaktuk Highway more tourist-friendly by installing pull-offs, camping sites, washrooms, and trash receptacles.
- **Focus on building foundational economies.** According to participants, the Region needs economic diversification and more foundational economies that can sustain long-term economic growth. Foundational economies will suffer slowdowns or reductions in activity, but they are consistent, over the years, in the production of benefits to users and residents. It was noted that there are only two foundational economies in the Region (i.e., a traditional economy and the public sector) which is insufficient for long-term prosperity. As an emerging sector, there is potential for tourism to become a foundational economy, which will require a lot more investment and time to develop. It was also recommended to study the economies of other Arctic countries (e.g., Norway, Finland, Sweden) to determine which foundational economies can be developed in the north.
- **Support local agriculture and traditional harvesting.** Continue supporting community-based initiatives aimed at reducing the cost of food through additional agricultural initiatives and traditional harvesting programs.
- **Provide access to basic business support services.** There must be an initiative to offer all areas of business support and counselling services.
- **Work to mitigate the impact of climate change.** It was noted that the NWT will need significant investments in the adaptation, retrofitting, and rebuilding of infrastructure because of the effects of climate change as well as aging infrastructure.