



Regional Economic Development Plans

DISCUSSION PAPER **OCTOBER 2022**



DEVELOPING REGIONAL ECONOMIC DEVELOPMENT PLANS

The development of Regional Economic Development Plans (REDPs) is a part of the Mandate of the Government of the Northwest Territories (GNWT) to diversify the economy of the Northwest Territories (NWT).

This initiative comes at a time of transition and potential. The NWT is facing challenges due to a decade-long decline in activity in the non-renewable resource sectors, and, more recently, the ongoing impacts of COVID-19, requiring consistent support programs for the private sector. With these factors top of mind, the GNWT understands the importance in diversifying the economy by exploring new opportunities and supporting new sectors of the economy.

The REDPs will identify new economic development and employment opportunities for each region. Although resource extraction remains an important part of the economy, current economic conditions highlight the need for a focused lens on opportunities to grow other emerging sectors across the territory.

The Department of Industry, Tourism and Investment (ITI) will work with Indigenous and community governments to identify, examine and advance economic opportunities for the six regions/areas of the NWT: Beaufort-Delta; Dehcho; North Slave; Sahtú; South Slave; Tłıchǫ. This work will continue through collaboration with key regional partners, stakeholders, municipal governments, and major private sector organizations. These include the various Chambers of Commerce, the NWT and Nunavut Chamber of Mines, the NWT and Nunavut Construction Association, crown corporations such as the Northwest Territories Power Corporation, and numerous other non-government organizations such as development corporations.

These organizations operate at the grassroots levels in their respective regions and are best suited to lead the work to identify emerging and future opportunities. They will be involved in the entire process as the REDPs are developed.

ENGAGEMENT

Initial engagements have taken place with various Indigenous partners, ensuring a defined and collaborative process to build the REDPs. ITI has hired a consultant to oversee the engagement and development of the six REDPs to ensure a common approach amongst the plans. This, in turn, will create consistent measurement criteria for reporting on the REDP outcomes once they move to the implementation phase.

Additionally, local facilitators will be hired in the regions. They will assist in developing an engagement plan for their respective region, identify the key

partners and stakeholders to participate in the planned sessions, and participating themselves in all their particular region's engagement sessions.

Other methods of engagement, like online meetings or workshops, may be necessary, given that some communities may prefer to continue with COVID-19 social distancing requirements. This approach will ensure that input from all stakeholders is considered in the finalization of the REDPs.

PARTNERSHIPS

Partnerships and collaboration will help ensure ownership and pride in the finalized REDPs, and that the process has utilized the expertise of the key partners/stakeholders and all information currently available in the regions.

It is critical that the REDPs are accurate and thorough. The regions and communities across the NWT will all benefit from researched and well-rounded plans.

Discussions with partners and key stakeholders will continue throughout the process as we work towards our shared goals of increasing economic development and employment opportunities across the NWT.



WHAT DO WE WANT TO ACCOMPLISH?

The REDPs will identify opportunities for growth and start-up in the non-extractive sectors of the economy. The NWT has untapped economic potential in areas such as tourism, agriculture, and innovation initiatives around the knowledge economy. Supporting opportunities for economic diversification will create jobs and improve community resiliency.

Each of the final REDPs will include the following:

1. A snapshot of current economic conditions in each of the regions, including a narrative accompanied by data reflecting regional economic indicators;
2. A set of actions to take advantage of regional Strengths, address Weaknesses, benefit from outside Opportunities and avoid Threats (SWOT). Building on the initial SWOT analysis provided during the regional engagements, a more complete SWOT analysis will be developed that includes information from the engagement discussions; and,
3. Recommendations for creating employment and economic opportunities in the regions. The list will identify opportunities for potential investment, prioritized by likelihood of success and highest expected economic impact.

Once the plans are complete, they can be used as a guide by all invested partners to expand and diversify their regional economies. Each region is unique, with their own strengths, weaknesses, opportunities, and threats. By working with partners and key stakeholders in each region, the REDPs will identify short-, medium-, and long-term opportunities that will create meaningful and systematic change and growth in all our communities.

Additionally, there is potential for ultimately retooling the territory's economy through the regional plans. New opportunities will arise to help ease the challenges affecting small and medium-sized local businesses. Local resources can replace imports, thereby lowering the cost of goods in communities.

SOME QUESTIONS TO CONSIDER

ITI and the contractor will host engagements with Indigenous governments and key partners and stakeholders from October 2022 to January 2023. Select engagement dates for bilateral interviews have been scheduled, and others will be confirmed as the engagement period progresses. The current plan is to have town hall and visits to the regions in Fall 2022.

To prepare for the upcoming engagement discussions, questions follow below for consideration:

1. How can governments support or create economic development in your region/ community?
2. What are some of the strengths in your region/ community?
3. How does your community's traditional knowledge feed into the regional or territorial economy?
4. Are there ways to sustain traditional knowledge to benefit the community/region?
5. What are some economic (or employment) opportunities currently in your community/ region?
6. All regions/communities have opportunities that are unique to them. What are some of the local resources that are underused in your region? Why are these resources not currently being used or accessed?
7. What are some goals that you have for your community/region moving forward?
8. Are there other options that should be considered that have not been discussed?
9. What are some of the challenges or barriers to economic development/growth in your region/ communities? How can these challenges be addressed?
10. How can ITI, Indigenous governments, key partners, and regional stakeholders work together to guarantee positive outcomes emerge from the engagement discussions?



STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT)

Undertaking an industry or regional SWOT analysis requires identifying four characteristics:

Strengths:

characteristics of the region or industry that give it an advantage over others (eg: diamond mines, forest resources, Aurora viewing, airport connections, etc.)

Weaknesses:

characteristics that place the region or industry at a disadvantage (eg: regulatory process, limited roads, access to land, small population base, etc.)

Opportunities:

external chances to improve performance or investments (eg: tourist interest in the North and Aurora).

Threats:

external elements in the environment that could cause trouble for a region or industry (eg: direct flights to Whitehorse).

As work continues to develop the REDPs, environmental scans are underway for each of the regions to determine available opportunities. This approach will include gathering information on current regional activities and available assets. The scans will also identify underutilized assets and the reasons behind their lack of use. Utilizing these latent resources could present opportunities to replace imports that currently supply the region. Local actions like growing food, harvesting timber, and accessing natural gas for regional and community uses will be treated as assets to underpin new economic and employment opportunities.



REGIONAL STRENGTHS

The REDPs will identify economic opportunities and areas for growth in all NWT communities. Opportunities in certain areas, such as in arts and tourism may be common across all regions. In addition to the environmental scans, SWOT analyses will be completed for each region. The following regional summaries feature selected strengths in each of the six regions.

Beaufort Delta

The Beaufort Delta region benefits from well-developed assets which can either be expanded or used to advance new opportunities. There is a well-developed transportation network with access to southern Canada via both road and air. The region also has two comprehensive, modern land and resource treaties with existing pathways for exploration and development of the existing hydrocarbon and mineral resources. The Western Arctic Research Centre (WARC) is based in Inuvik and houses the Aurora Research Institute, which welcomes academics from southern Canada and internationally to conduct research in the areas of climate change, permafrost and other environmental study areas. These institutes are connected to Aurora College's Aurora Campus in Inuvik. The Inuvik Satellite Station Facility (ISSF) is an international, multi-use science and technology facility with an emphasis on earth observation. It is ideally positioned to track and receive data in near real-time from polar-orbiting satellites for scientific, mapping, weather, surveillance, and other purposes. Inuvik has benefitted from tens of millions of dollars in investment from the Canadian government, other countries, and international business companies.

Dehcho

The Dehcho region has a well-established transportation network that connects to most of the region's communities, to select communities in the North Slave and South Slave, and to Alberta, British Columbia, and southern Canada via all-weather road access. The Dehcho region also has regular air service from Yellowknife and benefits from a regional airline that services local communities from Fort Simpson. The Dehcho boasts tourism assets with world-class scenery and topography including rivers, mountains, numerous lakes, the world-renowned Nahanni National Park Reserve and Blackstone Territorial Park. Prevalent resources identified in the Dehcho are forestry and hydrocarbon and mineral deposits.

North Slave

The North Slave region has the most developed economy in the NWT, along with the largest population. There is a well-established transportation network with all-season road connections to other North Slave communities, the South Slave, Dehcho, Beaufort-Delta regions, southern Canada, and daily flights into the region from the three territories and southern Canada. The North Slave has a highly skilled and educated workforce, and benefits from having access to hydroelectricity from the Snare Hydro system and the Bluefish dam which provide power to Yellowknife and Behchokò. Yellowknife is also home to the North Slave Aurora College campus, which provides various programming, including the Bachelor of Science in Nursing program. The North Slave has a history of mining stretching more than 80 years, with deposits of various minerals like gold, silver, uranium, and diamonds, and is the region where much of the mining activity in the NWT has taken place to date. The region is also home to numerous territorial parks, beautiful landscapes, and hosts a majority of tourists who travel to the NWT for tourism purposes.

Sahtú

The Sahtú region has daily flight service from Yellowknife but does not yet have road access. There is a highly skilled workforce employed at the Norman Wells oilfield, giving the community the highest employment rate and household income in the NWT. The Sahtú has numerous tourism assets, including the Mackenzie River, the Bear River, Great Bear Lake, the Canol Trail, and the Mackenzie Mountains. There is a modern, comprehensive land and resource treaty, the Sahtú Dene and Métis Comprehensive Agreement, providing existing pathways to exploration and development. The Sahtú has significant proven oil reserves and mineral deposits.

South Slave

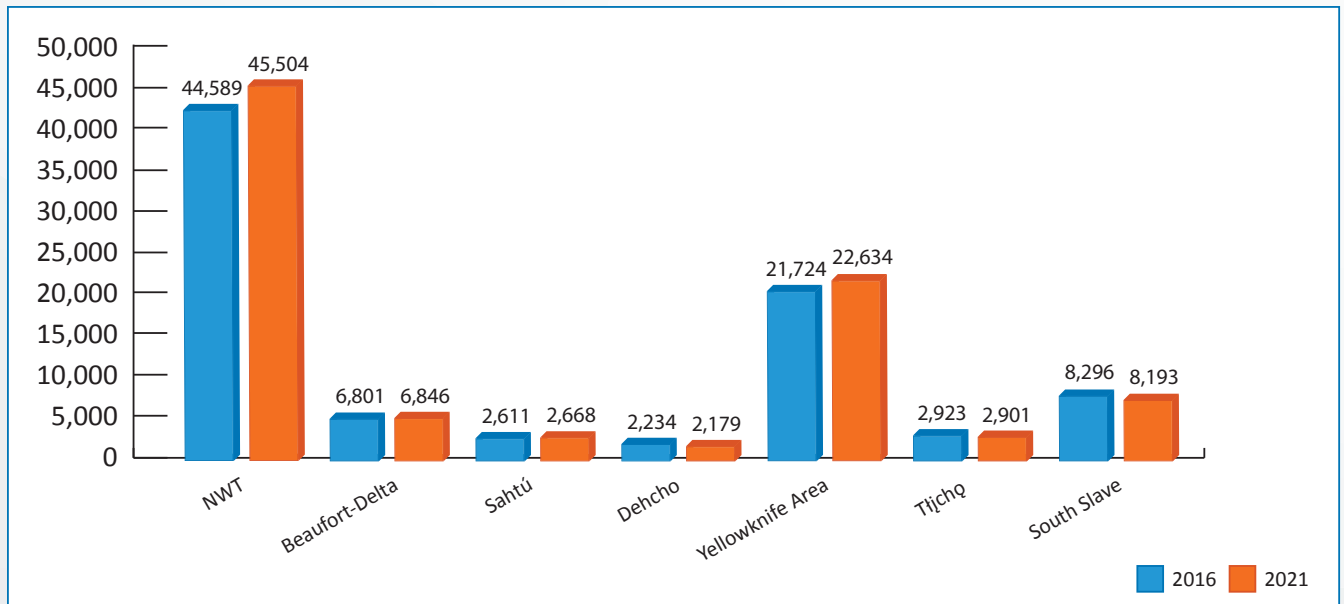
The South Slave region has the best developed transportation infrastructure in the territory, with all-season roads that provide year-round access to southern Canada and other regions in the NWT, daily flight service from some communities, the shipyard for marine barge freight transport for the NWT, and is home to the northernmost rail line connected to the North American network. Hay River, the region's largest community, is known as the "Hub". The South Slave is home to a skilled workforce and the region has access to hydroelectricity with the support potential for industrial purposes like manufacturing and mineral production. Fort Smith is home to the Thebacha Campus of Aurora College, which offers several skilled trades programs. There are known mineral resources, as well as the best agricultural land in the territory, and is already home to the largest commercial farming operations across the NWT. Lastly, the South Slave features tourism assets like Great Slave Lake, Wood Buffalo National Park, Alexandra Falls, and territorial parks.

Tłıchǫ

The Tłıchǫ region has some concrete offerings that could bolster business development growth in the region. The Region is situated very close to Yellowknife and has a well-established transportation network including all-weather roads to both Behchokǫ and Whatì, its two largest communities. There are regularly scheduled flights between all Tłıchǫ communities and Yellowknife. There is one modern, comprehensive land, resource and self-government treaty, the Tłıchǫ Agreement. The region also has access to hydroelectricity from the Snare Hydro System, with much lower electricity costs compared to communities that rely on diesel for their electrical needs. Finally, the region is home to a diverse spectrum of mineral resources. Three diamond mines currently operate in the North Slave and in close vicinity of the Tłıchǫ region. With a history of mining in the region and the rest of the North Slave region, potential is high for the development of new mining operations that could benefit the Tłıchǫ communities.

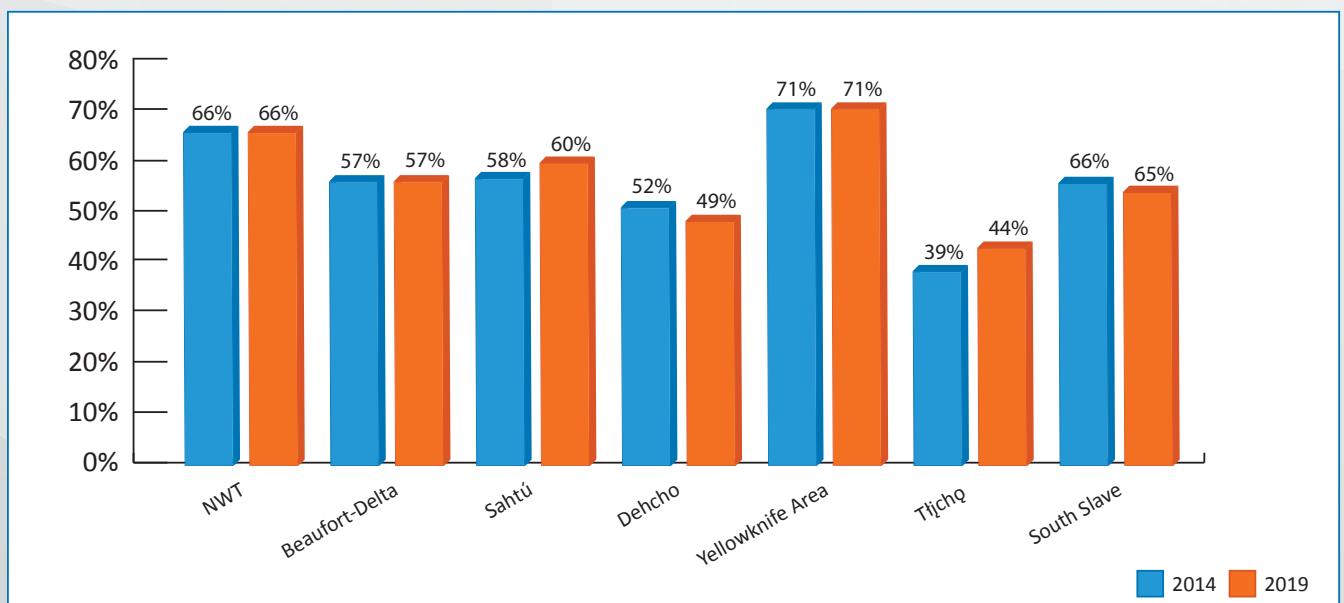
THE NWT ECONOMY - BY THE NUMBERS

Population by Region, 2016-2021



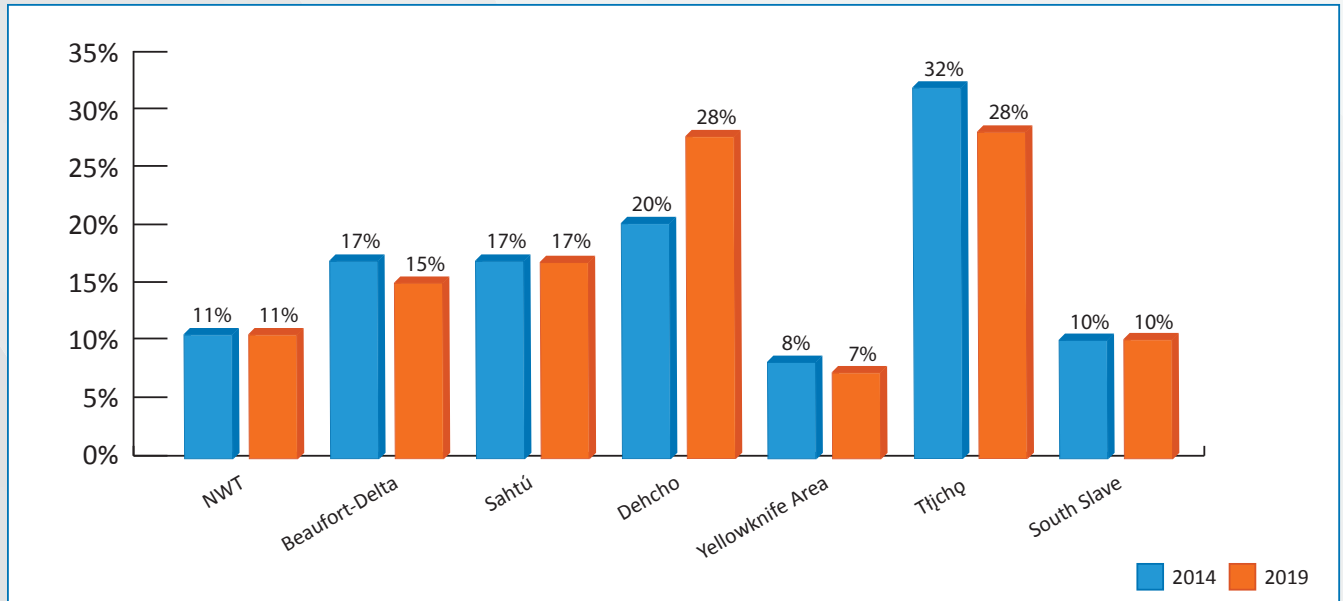
SOURCE: NWT Bureau of Statistics

Employment Rate by Region, 2014-2019



SOURCE: NWT Bureau of Statistics

Unemployment Rate by Region, 2014-2019



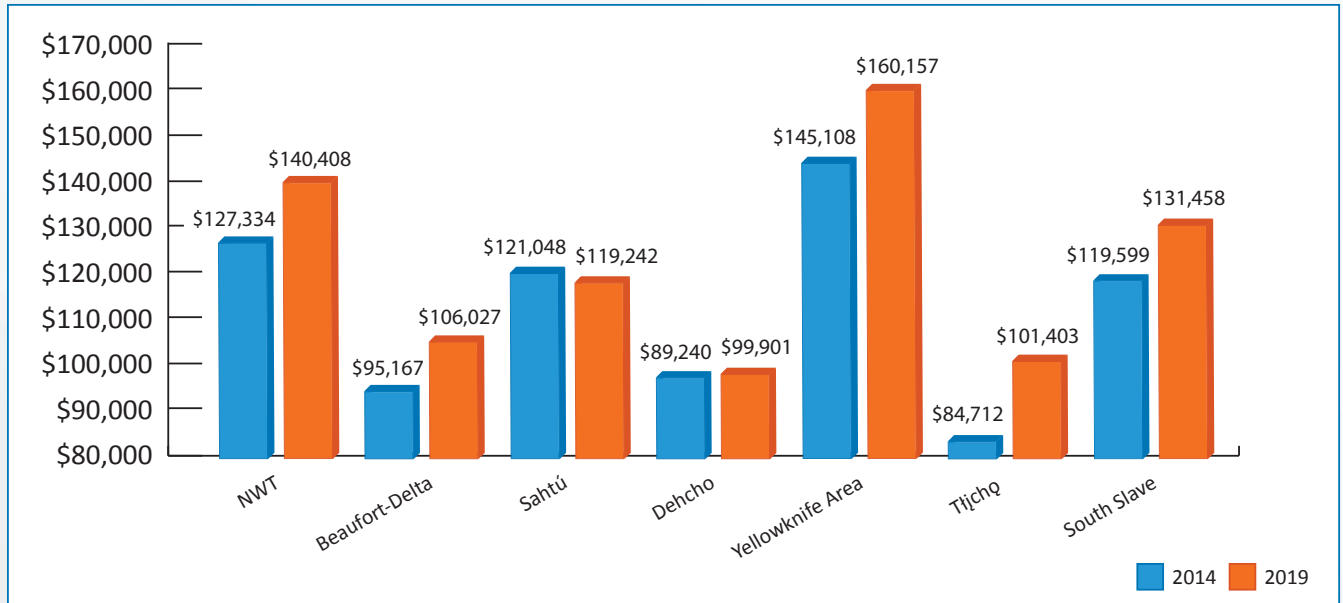
SOURCE: NWT Bureau of Statistics

Average Personal Income by Region, 2014-2019



SOURCE: NWT Bureau of Statistics

Average Family Income by Region, 2014-2019



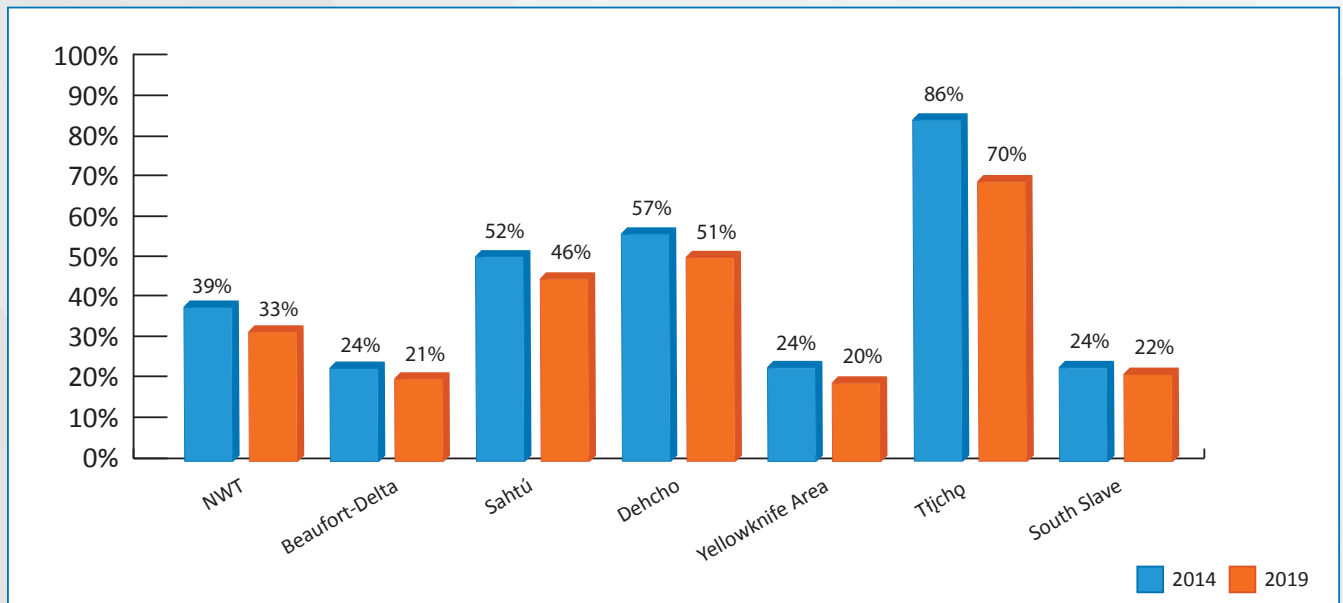
SOURCE: NWT Bureau of Statistics

Highest Level of Schooling, by Community Type and Selected Characteristics

| | Less Than Grade 9 | % | High School No Diploma | % | High School Diploma | % | Certificate or Diploma | % | University Degree | % |
|--|----------------------|------|---------------------------------|------|---------------------------|------|------------------------------|------|----------------------|------|
| All Persons | 2,872 | 8.2 | 6,857 | 19.6 | 7,892 | 22.5 | 10,094 | 28.8 | 7,332 | 20.9 |
| Male | 1,625 | 9.1 | 3,662 | 20.5 | 3,976 | 22.2 | 5,562 | 31.1 | 3,074 | 17.2 |
| Female | 1,234 | 7.3 | 3,177 | 18.7 | 3,874 | 22.8 | 4,484 | 26.4 | 4,230 | 24.9 |
| Indigenous | 2,386 | 14.3 | 5,314 | 31.8 | 3,515 | 21.0 | 4,400 | 26.3 | 1,122 | 6.7 |
| Non-Indigenous | 486 | 2.7 | 1,542 | 8.4 | 4,377 | 23.9 | 5,694 | 31.1 | 6,210 | 33.9 |
| Yellowknife | 607 | 3.7 | 2,021 | 12.2 | 4,253 | 25.7 | 4,917 | 29.7 | 4,762 | 28.8 |
| Hay River, Fort Smith, Inuvik | 387 | 4.8 | 1,560 | 19.3 | 1,770 | 21.9 | 2,802 | 34.7 | 1,554 | 19.3 |
| Remaining Communities | 1,878 | 18.0 | 3,275 | 31.5 | 1,858 | 17.9 | 2,374 | 22.8 | 1,015 | 9.8 |

SOURCE: NWT Bureau of Statistics

Percentage of Indigenous Individuals that Speak an Indigenous Language, 2014-2019



SOURCE: NWT Bureau of Statistics

GDP by Industry - 2017-2021 (Millions of Chained Dollars)

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------|---------|---------|---------|---------|
| All industries (NAICS 2017) | 4,736.6 | 4,800.5 | 4,508.9 | 4,035.8 | 4,291.2 |
| Agriculture, forestry, fishing, and hunting | 10.3 | 8.6 | 8.6 | 8.3 | 8.4 |
| Mining, quarrying, and oil and gas extraction | 1,846.5 | 1,889.3 | 1,469.0 | 1,022.0 | 1,143.2 |
| Utilities | 74.1 | 75.6 | 72.0 | 65.3 | 63.6 |
| Construction | 362.0 | 372.1 | 296.0 | 359.5 | 458.0 |
| Manufacturing | 9.9 | 10.8 | 11.0 | 10.3 | 9.1 |
| Wholesale trade | 117.3 | 116.8 | 101.4 | 58.1 | 43.6 |
| Retail trade | 161.0 | 166.3 | 161.2 | 168.2 | 170.6 |
| Transportation and warehousing | 217.3 | 207.6 | 230.9 | 124.5 | 122.8 |
| Information and cultural industries | 98.8 | 100.8 | 104.6 | 103.5 | 104.4 |
| Finance and insurance | 122.4 | 124.2 | 119.7 | 124.8 | 132.4 |
| Real estate and rental and leasing | 395.4 | 402.7 | 402.3 | 413.8 | 420.9 |
| Professional, scientific, and technical services | 77.9 | 75.3 | 81.4 | 74.7 | 74.3 |
| Management of companies and enterprises | 22.4 | 16.3 | 10.9 | 3.8 | 2.8 |
| Administrative and support, waste management and remediation | 53.4 | 52.7 | 53.4 | 48.6 | 52.1 |
| Educational services | 209.8 | 215.3 | 218.2 | 211.3 | 217.9 |
| Health care and social assistance | 304.0 | 312.8 | 321.8 | 306.8 | 331.5 |
| Arts, entertainment, and recreation | 7.6 | 6.6 | 6.5 | 3.3 | 2.6 |
| Accommodation and food services | 94.0 | 91.7 | 95.9 | 58.8 | 63.5 |
| Other services (except public administration) | 58.2 | 60.8 | 58.7 | 54.4 | 57.0 |
| Public administration | 706.0 | 720.5 | 736.0 | 742.1 | 771.1 |

NOTE: Data will not sum to totals since chained dollars are not additive.

SOURCE: NWT Bureau of Statistics

Employment by Industry - 2020

| | Number Employed | Percentage |
|---|-----------------|---------------|
| Total Employed | 21,700 | 100.0% |
| | | 0.0% |
| Goods-Producing Sector | 3,100 | 14.3% |
| Agriculture | -- | -- |
| Forestry, fishing, mining, oil and gas | 1,100 | 5.1% |
| Utilities | 200 | 0.9% |
| Construction | 1,600 | 7.4% |
| Manufacturing | 200 | 0.9% |
| | | 0.0% |
| Service-Producing Sector | 18,600 | 85.7% |
| Trade | 2,400 | 11.1% |
| Transportation and warehousing | 1,700 | 7.8% |
| Finance, insurance, real estate and leasing | 1,100 | 5.1% |
| Professional, scientific and technical services | 800 | 3.7% |
| Business, building and other support services | 300 | 1.4% |
| Educational services | 1,600 | 7.4% |
| Health care and social assistance | 2,200 | 10.1% |
| Information, culture and recreation | 800 | 3.7% |
| Accommodation and food services | 1,100 | 5.1% |
| Other services | 800 | 3.7% |
| Public administration | 5,800 | 26.7% |

SOURCE: NWT Bureau of Statistics



NOTES



A series of horizontal blue lines for taking notes, with a decorative wavy line and a stylized maple leaf graphic at the bottom.

English

French

Cree

Tłuchó

Chipewyan

South Slavey

North Slavey

Gwich'in

Inuvialuktun

Inuktitut

Inuinnaqtun

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