

Regional Economic Development Plan - North Slave

Prepared for the GNWT Department of
Industry, Tourism and Investment

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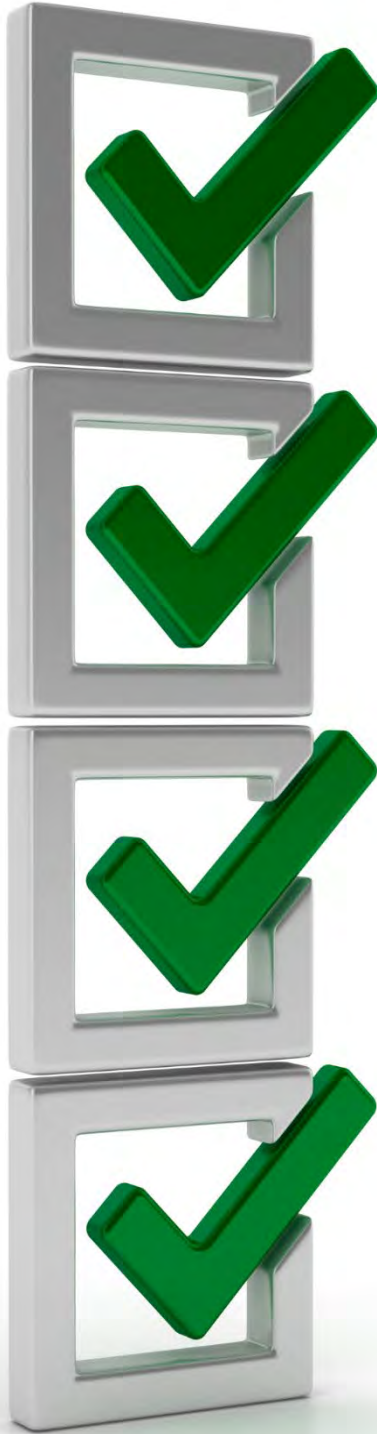


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1. INTRODUCTION



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, Sahtu, and North Slave. The map in Figure 1 highlights the boundaries and communities located in each Region. As demonstrated in the map, the North Slave Region is bordered by the Dehcho and Sahtu Regions to the west, Nunavut to the north and east, and the South Slave Region to the south.

The North Slave Region encompasses four communities (Dettah, N'dilq, Łutsek'e, and Yellowknife) plus the four communities included under the Tłı̨chq Agreement: Wekweètì, Whatì, Gamètì, and Behchokq. A separate REDP will be developed for the communities covered under the Tłı̨chq Land Claims and Self-Government Agreement. As a result, this document focuses on four communities: Dettah, N'dilq, Łutsek'e, and Yellowknife. Yellowknife is the economic, industrial, administrative, and transportation center for the region, and provides various services to the other regions in the NWT.

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 and Governments 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 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.
- **Group discussion in Yellowknife.** The purpose of the sessions was to obtain input on developing the economy, and identify the opportunities and constraints to development, and priorities for action as identified by respondents.
- **Interviews with key stakeholders.** 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 well as key priorities and actions that should be incorporated into the action plan.

As demonstrated in the following table, 73 stakeholders were engaged in the process of developing the plan for the North Slave Region, including 8 key stakeholders who participated in interviews, 24 stakeholders who were engaged in focus group discussions, 16 regional stakeholders, and 25 sectoral and territorial representatives who participated in the survey.

Table 1: Engagement Activities in the North Slave Region

Engagement Methods	Number of participants
Interviews with regional representatives	8
Focus groups	24
Surveys with regional stakeholders	16
Survey of sectoral or territorial representatives	25
Total	73

In preparing the plan, we have also conducted a review of research reports, plans, strategies, profiles, reports, and other documents relevant to the North Slave Region and more generally, the NWT. An overview of key sectors is provided in Appendix 1.

We used inclusive engagement approaches to increase participation by stakeholders from different backgrounds. Participants were provided multiple ways to participate 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, organizing group discussions, recruiting participants, promoting the engagement through social media, advertisements, and e-blasts. For example, the in-person group discussion in Yellowknife 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.

2. SOCIO-ECONOMIC PROFILE OF THE REGION



2.1 REGIONAL OVERVIEW

The NWT consists of five administrative regions which include the Dehcho, South Slave, Beaufort Delta, Sahtu, and North Slave. Encompassing the northern and eastern shores of Great Slave Lake, the North Slave Region includes the east arm of Great Slave Lake and extends northwest into the Slave Geological Province Corridor (SGPC), a geographic area rich in mineral resources and a decades-long history of successful mining.

The North Slave Region boasts 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 the South Slave and Dehcho Regions as well as to southern Canada. It also has regular flights to and from the other two territories, as well as regular flights to all other Regions in the NWT in addition to daily flights to southern Canada. The main administrative centre in the North Slave Region is Yellowknife, which accounts for nearly half of the population of the NWT and is the main economic hub for the territory.

There are three First Nations communities in the North Slave Region, not including the Tłı̨chǫ communities. The three communities include Dettah, N'dilǫ and Łutselk'e. N'dilǫ and Dettah are located very close to Yellowknife. N'dilǫ is a small community located on the edge of Yellowknife, on the tip of Latham Island. Dettah is located just southeast of Yellowknife, a 6.5 km drive from the city by ice road across the north arm of Great Slave Lake. Łutselk'e is located on the south shore near the eastern end of Great Slave Lake.

2.2 POPULATION AND DEMOGRAPHICS

As of 2022, there were an estimated 45,605 people living in the NWT. Half (50%, 22,563) of the territorial population lived in the North Slave Region. As indicated in Table 2, the community of Yellowknife accounts for 48% of the territorial population, and 96% of the regional population.

Table 2: North Slave Region Population, 2022

Region and Communities	Population	% of North Slave Region Population	% of NWT Population
North Slave (ex-YK)	843	4%	2%
Dettah	227	1%	0%
N'dilo	260	1%	1%
Łutselk'e	356	2%	1%
Yellowknife	21,720	96%	48%
North Slave (with YK)	22,563	100%	49%
Northwest Territories	45,605		100%

Source: NWT Bureau of Statistics

Between 2009 and 2022, the North Slave Region experienced a population increase of 10%, significantly greater than the NWT’s growth, at 5%. All communities in the region experienced population increases during this period.

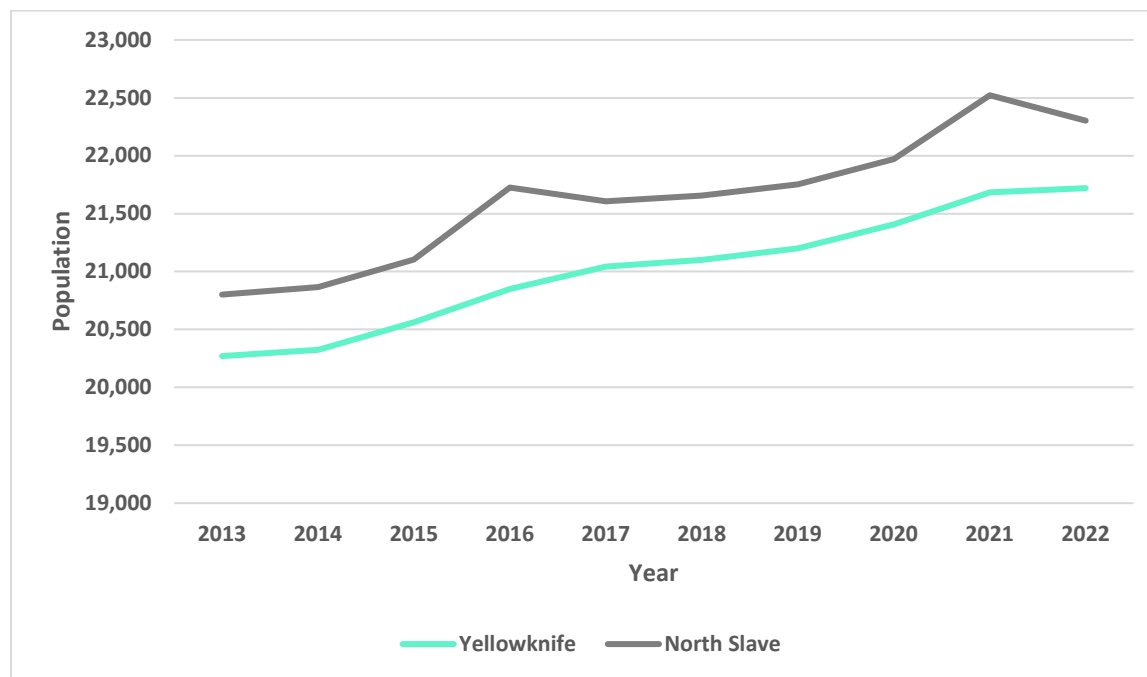
Table 3: North Slave Region Population Change, 2009-2022

Community ¹	2022 Population	2009 Population	% Change
Yellowknife	21,720	19,725	10%
Dettah	227	222	2%
Łutselk'e	356	316	13%
North Slave (ex-YK) ²	843	538	57%
North Slave (with YK)	22,563	20,263	11%
Northwest Territories	45,605	43,156	6%

Source: NWT Bureau of Statistics

Chart 1 shows that the North Slave population grew at a relatively steady rate from 2013 to 2022, with the population peaking in 2021.

Chart 1: Total Population in Region, 2013 to 2022



¹ The data was not available for N'dilo

² In this chapter, depending on the data source and focus of the table, data from the North Slave Region may be presented as North Slave (including all communities) or as North Slave and Tłıchq (showing the Tłıchq communities separate from other communities in the North Slave). In the table, Yellowknife population is shown separate from other North Slave communities.

In 2019, the NWT Bureau of Statistics developed population projections for the territory to 2035. In the North Slave Region, data is available for two communities: Yellowknife and Dettah.

According to their projections, the population of Yellowknife and Dettah is forecasted to grow from 20,840 in 2018 to 22,893 (an increase of 2,053 residents) by 2035, which represents an increase of 9.9% (equal to 0.6% per year which is well below the national average of 1.2%). Most of the increase is associated with people migrating from other communities within the NWT. During the same period, the population of the NWT is forecasted to grow from 44,541 in 2018 to 45,676 (an increase of 1,135 residents) by 2035, which represents an increase of 2.5%.

Table 4: Projected Population of the North Slave Region in 2035

Location	2018 Actual		2035 Projected		% Change 2018-2035
North Slave: Yellowknife & Dettah	20,840	46.8%	22,893	50.1%	9.9%
NWT Total	44,541	100.0%	45,676	100.0%	2.5%

Source: NWT Bureau of Statistics projections

Thirty-four percent of the North Slave Region’s population identifies as Indigenous, compared to 24% for Yellowknife and 51% in the NWT. As seen in the following table, the percentage of the population who are Indigenous and who can speak an Indigenous language varies significantly across communities and is significantly higher in the communities of Dettah and Łutsek'e compared to Yellowknife or the NWT.

Table 5: Indigenous Population

Location	Indigenous Population	% of Indigenous language speakers
NWT	51%	33%
North Slave Region	34%	20%
Yellowknife	24%	20%
Dettah	-	47%
Łutsek'e	90%	59%
N'dilo	97%	33%

Source: NWT Bureau of Statistics

The population of the North Slave Region is closely aligned in age distribution with the territorial population, with 68% being over the age of 25 in both the North Slave Region and the NWT. Nearly two thirds (67%) of the North Slave Region’s population are of working age, compared to 65% in the NWT.

Table 6: Population by Age Group, 2021

Age Group	NWT		North Slave Region	
	#	%	#	%
0 – 4 Years	2,794	6%	1,374	6%
5 – 9 Years	2,992	7%	1,487	7%

10 – 14 Years	2,997	7%	1,432	6%
15 – 24 Years	5,964	13%	2,951	13%
25 – 44 Years	14,328	31%	7,399	33%
45 – 59 Years	9,263	20%	4,763	21%
60 Yrs. & Older	7,267	16%	3,166	14%
Total	45,605	100%	22,572	100%

Source: NWT Bureau of Statistics

According to the 2021 Census, the average age in the North Slave Region is slightly lower than that of the NWT at 35.8 and 36.4 years, respectively. However, they are both significantly lower than the average age of the Canadian population at 41.9 years.

Table 7: Yellowknife, NWT, and Canada Population Age, 2021

2021 Census Data	North Slave	NWT	Canada
Average Age	35.8	36.4	41.9
Median Age	35.6	35.6	41.6

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

The percentage of the North Slave Region’s population with a high school diploma or higher education steadily increased from 1991 to 2021 across all communities. Yellowknife was observed to have the highest percentage of population with a high school diploma or higher education levels (i.e. 86%) in 2021. The education level for all the other communities in the North Slave Region was much lower compared to Yellowknife: 53% in Dettah and 57% in N’dilq.

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

Location	1991	2001	2011	2021
NWT	60%	65%	69%	74%
Yellowknife	74%	78%	82%	86%
Dettah	35%	29%	45%	53%
Łutselk’e	38%	40%	42%	-
N’dilq	27%	44%	-	57%

Source: NWT Bureau of Statistics

The NWT Bureau of Statistics also provides population growth projections based on population characteristics. Those projections are only provided at a territorial level, rather than at a regional or community level. However, given that close to half of the population of the NWT lives in Yellowknife (and by extension in the North Slave Region), some shifts in territorial population are likely to be mirrored in the North Slave Region’s population. As seen in the following table, it is projected that there will be a 72% increase in the population of those over the age of 60, and a 23% decrease of those between the ages of 25 and 59, suggesting that the overall population of the NWT will be aging significantly over the next 10 to 15 years, and that people may be living longer. It is also projected that the NWT’s Indigenous population will grow by 5% by 2035, while the non-Indigenous population remains relatively consistent.

Table 9: NWT Population Projections by Characteristic, 2018 to 2035

Characteristic	NWT Population			Projected 2018 to 2035 % Change
	2018	2025 Projected	2035 Projected	
Age				
0 - 4	3,180	3,010	2,901	-9%
5 - 14	5,925	5,922	5,591	-6%
15 - 24	5,952	5,756	6,047	2%
25 - 44	13,753	13,125	12,343	-10%
45 - 59	9,750	8,723	8,492	-13%
60+	5,981	8,574	10,302	72%
Gender				
Male	22,912	22,932	22,948	0%
Female	21,629	22,178	22,728	5%
Ethnicity				
Indigenous	22,369	22,982	23,401	5%
Non-Indigenous	22,172	22,128	22,275	0%
NWT Total Population	44,541	45,110	45,676	3%

Source: NWT Bureau of Statistics Projections

2.3 ECONOMIC SECTORS

The sectors of the economy that have historically dominated the North Slave Region include the public sector, mining, and mineral development including remediation, services related to minerals and oil and gas, education, research and the tech sector, trade, and construction. In addition, there are several emerging sectors that have potential for growth, including tourism, agriculture and country food, manufacturing, fishing, traditional economy, and film, media and culture.

2.4 EMPLOYMENT, INCOME, AND LABOUR MARKET

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

Employment

As demonstrated in the following table, employment, income, and education levels vary widely across communities. Yellowknife shows much higher rates of employment, educational attainment, and personal and family income compared to other communities in the North Slave Region and the NWT territorial average.

Table 10: Selected Regional Statistics on Employment, Income and Education

Selected Characteristics	North Slave Region				NWT
	Łutselk'e	Yellowknife	Dettah	N'dilq	
Employment rate (2021)	-	74.4%	41.9%	47.6%	65%
Unemployment rate (2021)	-	5.8%	17.6%	-	9%
Average personal income (2020)	\$44,289	\$80,075	-	-	\$69,802
Average family income (2020)	\$76,786	\$173,338	-	-	\$149,197
% with high school diploma (2021)	-	85.8%	53.1%	57.1%	74%

Source: NWT Bureau of Statistics

The following table provides labour market participation rates for communities in the North Slave Region. As demonstrated in the table, in 2021, of the total 16,160 people in the region over the age of 15 years, 11,920 (74%) were employed, 735 (5%) were unemployed, and 3,500 (22%) were not considered in the labour force. The percentage of those employed was the highest in Yellowknife (74%) and the lowest in Dettah (42%). No labour market data was available for Łutselk'e.

Table 11: Labour Market Participation, 2021

Labour Force Activity	Dettah	Yellowknife	Łutselk'e	N'dilq	North Slave
Population 15 & Over	155	15,795	-	210	16,160
Employed	65	11,755	-	100	11,920
Unemployed	15	720	-	-	735
Not in the Labour Force	75	3,320	-	105	3,500
% of Employed	42%	74%	-	48%	74%

Source: NWT Bureau of Statistics

Among the employed, the percentage of those who had full-time jobs ranged from 85% in Yellowknife to 70% in Dettah and were somewhat like the NWT average. The employment rate of men and women were relatively similar in the Region and across the NWT. However, there is a significant difference in employment rates based on education level and between Indigenous and non-Indigenous people. The territorial average employment rate for those without a high school diploma was only 38%, while the employment rate of those with a high school diploma or higher education was 78%. A similar discrepancy exists in Yellowknife and across all communities in the North Slave Region. The Indigenous employment rate in Yellowknife is higher than the territorial average at 59% compared to 50%, however it is still 21 percentage points lower than the non-Indigenous employment rate (80%) in Yellowknife, and 30 percentage points lower across the NWT (80%). The Indigenous employment rate in most other communities of the North Slave Region was lower than the territorial average.

Table 12: Employment Data by Characteristic, 2019

Employment Profile (2019)	Dettah	Yellowknife	Łutselk'e	N'dilq	NWT
Employment Full/Part Time					
% Full-Time	70%	85%	82%	78%	83%
% Part-Time	30%	15%	18%	22%	17%
Education Level and Employment					

Employment Profile (2019)	Dettah	Yellowknife	Łutselk'e	N'dilq	NWT
% of those Employed with Less than High School Diploma	29%	45%	16%	30%	38%
% of those Employed with High School Diploma or Greater	71%	81%	64%	71%	77%
Gender and Employment					
Males	40%	77%	33%	51%	66%
Females	52%	73%	49%	46%	65%
Indigenous Background and Employment					
Indigenous	47%	59%	31%	47%	50%
Non-Indigenous	-	80%	92%	100%	80%

Source: NWT Bureau of Statistics

Labour Market

Yellowknife's (and by extension the North Slave Region's) labour market is dominated by the public sector, with 29.4% of the workforce being employed within the public sector, which is over four times the national average according to the 2021 Census. Other major employment industries are: health and social services, retail trade, transportation and warehousing, and education services.

Table 13: Labour Force by Industry, 2021

Labour Market Profile (2021)			
North American Industry Classification System (NAICS)	Yellowknife	NWT	Canada
91 Public administration	29.4%	27.4%	6.2%
62 Health care and social assistance	10.3%	10.8%	12.7%
44-45 Retail trade	8.6%	9.0%	11.1%
48-49 Transportation and warehousing	7%	5.9%	5.1%
61 Educational services	6.4%	8.1%	7.3%
72 Accommodation and food services	5.7%	4.7%	5.6%
54 Professional, scientific and technical services	5.6%	4.3%	8.1%
21 Mining, quarrying, and oil and gas extraction	4.9%	4.3%	1.2%
23 Construction	4.6%	6.1%	7.6%
56 Administrative and support, waste management and remediation services	3.7%	3.3%	4.1%
81 Other services (except public administration)	2.9%	3.2%	4.1%
51 Information and cultural industries	2.1%	1.6%	2.1%
52 Finance and insurance	1.7%	1.2%	4.2%

Source: Statistics Canada Census 2021

The NWT Bureau of Statistics projects a 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 the regions, with the majority (61%) expected to occur in Yellowknife.

Table 14: Labour Market Outlook, 2021-2030

Region	Employment (2019)		Expected Job Openings (2021-2030)		Avg. Annual Job Openings
	#	%	#	%	#
Tłjchq	875	4%	400	3%	40
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. As decline in diamond mining expected to reduce employment levels in the coming years, job growth is expected to be minimal.

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 North Slave Region received differentials ranging from 122.5 in Yellowknife to 157.5 in Łutselk'e, indicating a much higher cost of living in the region compared to in Edmonton.

Table 15: Cost of Living Differential

<i>Cost of Living</i>	Dettah	Yellowknife	Łutselk'e
2018 Living Cost Diff. (Edmonton = 100)	-	122.5	157.5

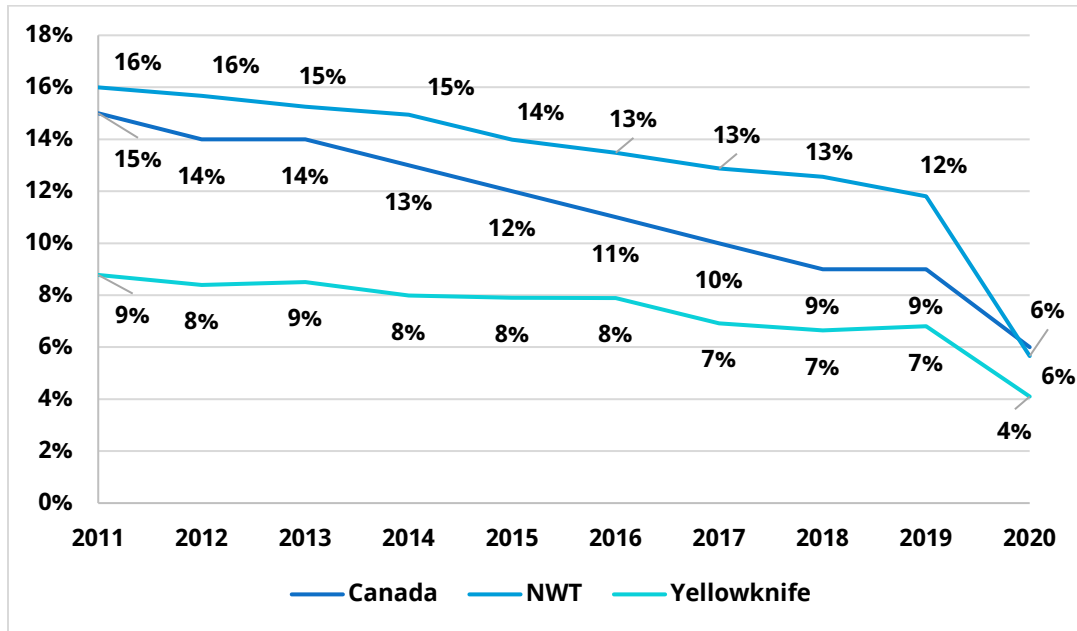
Source: NWT Bureau of Statistics

Within the NWT, the cost of living in Yellowknife was the lowest. However, only 14% of those living in Yellowknife reported being satisfied with the cost of living.³ The rate of families that are considered low income decreased in Yellowknife from 9% in 2011 to 4% in 2020, which is lower than the territorial average of 6% in 2020. By comparison, Statistics Canada reported that 6% of Canadian families were considered low-income in 2020, considerably lower in comparison to the 15% reported in 2011.⁴ The data from 2020 was impacted by government support provided in response to the COVID-19 pandemic.

³ Yellowknife Community Survey 2019. <https://www.statsnwt.ca/community-data/CommunityInfographics/community%20-%20Yellowknife.pdf>

⁴ Distribution of total income by census family type and age of older partner, parent or individual. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1110001201>

Chart 2: Percentage of Low-Income Families, 2010-2020



Source: NWT Bureau of Statistics

Across the Region, the cost of food prices was much higher in other communities of the North Slave Region compared to Yellowknife, and the percentage of families who reported difficulties in making ends meet in 2018 ranged from 45% in Łutsek'e to 16% in Yellowknife. The homes with access to internet in 2019 ranged from 91% in Yellowknife to 35% in Dettah.

Table 16: Cost of Living

<i>Community</i>	<i>2019 Food Price Index (YK = 100)</i>	<i>% of Homes with Internet</i>	<i>Difficulty Making Ends Meet (2019)</i>
Dettah	-	35%	24%
Yellowknife	100	91%	16%
Łutsek'e	168.9	36%	45%
N'dilq	-	49%	38%

Source: NWT Bureau of Statistics

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



Throughout the engagement process, significant concern was expressed about the economic outlook for the North Slave Region over the medium-term, particularly given upcoming mine closures. For example, only two of the 16 regional representatives and seven of the 27 sectoral or territorial representatives who were surveyed viewed the economic outlook as positive over the next five years.

Table 17: 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	0	-	0	0%
Somewhat positive	2	13%	7	2%
Neither positive nor negative	4	25%	4	16%
Somewhat negative	5	31%	11	44%
Very negative	5	31%	2	8%
Not sure	0	-	1	4%
Total Participants	16	100%	25	100%

All three operating diamond mines (Diavik, Ekati, and Gahcho Kué) are anticipated to close within the next decade, however, all three mines continue to carryout exploration work. Any new discoveries could lead to mine life extensions. Approximately one third (29%) of the Gross Domestic Product (GDP) of the NWT is generated by diamond mining, and the economic impact of these closures will be significant. In fact, the reduction in diamond mining is already affecting the economy of the territory and impacting communities and local businesses. Notably, the NWT economy shrank in 2019 for the first time in three years, marking the largest decline in real GDP since 2011. The decline followed two consecutive years of weak growth and marks a sharp contrast to economic growth in the rest of the country (Canada’s real GDP increased 1.9% from 2018 to 2019). The decline was largely due to a significant fall in real exports which was driven by a 38% drop in diamond mining.

The territory does not have a concrete plan nor any upcoming major projects that would offset the economic impact of the diamond mine closures. In fact, mineral exploration and deposit appraisal expenditures in the NWT have been in steady decline since 2015, in absolute value and as a share of the Canadian total. According to stakeholders, lack of access to mineral rich lands (due to conservation efforts, unsettled land claims, land use planning, etc.), complex regulatory processes, the higher cost of doing business in the Region, and availability of higher government incentives in competing jurisdictions have contributed to the decline in expenditures. As a result, there are no sufficient upcoming mining projects to offset the economic losses expected due to these closures.

There are four proposed mining projects that may be upcoming in the NWT: Fortune Minerals’ NICO Project, Osisko Metals’ Pine Point Project, Vital Metals’ Nechalacho Project, and NorZinc’s Prairie Creek Project. The NICO Project and the Nechalacho Project are both situated in the North Slave Region. These projects will be considerably smaller, and their economic benefits will not be sufficient to offset the economic losses from the closure of the diamond mines. According to the NWT Chamber of Mines, aggregate employment generated by these four mines (1,005 employees) will not be sufficient to compensate for the employment losses from the Diavik mine closure alone (1,113 employees).

Other factors contributing to concerns regarding the economic outlook included: a slower than desired rate of investment in key infrastructure projects (e.g., Taltson expansion and Slave Geological Province Corridor), rising inflation, housing shortages, and ongoing difficulties that the private sector face in attracting and retaining workers.

Major strengths, constraints to development, and economic development opportunities in the North Slave region as identified through the engagement process are listed in Table 18 and described in the following sections. This chapter also summarizes priority areas where governments and other stakeholders could promote development.

3.1 ECONOMIC STRENGTHS

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

- **The role of Yellowknife as a distribution hub.** Yellowknife remains the primary administration, supply, and transportation center for the North Slave region and the territory. Yellowknife's economy is inextricably linked with that of the North Slave Region and the territory overall. As the major population centre, the seat of government, the major supply hub, and the primary centre for key services like healthcare, the economic health of Yellowknife can directly impact the quality of life in other communities in the NWT.
- **Connection to southern Canada through Highway 3.** The Yellowknife Highway, officially named Northwest Territories Highway 3, is a highway connecting Yellowknife to the Mackenzie Highway, at the Alberta border. The highway provides direct access to some communities in the North Slave Region as well as provides access to communities in Alberta and British Columbia.
- **Hydroelectric availability.** In 2019, 47% of the NWT's electricity came from hydroelectricity and 37% came from petroleum.⁵ In the NWT, eight communities use hydroelectricity and are serviced by two hydro grids. The remaining 25 communities rely on diesel-fired power plants. The major hydro generators in the NWT include the Snare, Bluefish, and Taltson hydro systems, of which two (Bluefish and Snare) are in the North Slave Region. Bluefish is located about 50 kilometres northeast of Yellowknife, and the Snare Hydro system is located on the Snare River about 140 kilometres northwest of Yellowknife. Bluefish supplies up to 20% of Yellowknife's electricity needs.
- **Existing and diverse natural resources in the region.** All three active diamond mines in the NWT are in the North Slave Region. Significant known resources of various minerals such as gold, silver, lithium, rare earths, cobalt, beryllium, copper, lead, zinc, and diamonds have been discovered in the North Slave Region. Other resources such as fish, fur, and forest resources also represent opportunities for development.

⁵ Canada Energy Regulator. 2023 Provincial and Territorial Energy Profiles – Northwest Territories <https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/provincial-territorial-energy-profiles/provincial-territorial-energy-profiles-northwest-territories.html#:~:text=In%202019%2C%2046.8%25%20of%20NWT's,in%20Hay%20River%20and%20Yellowknife>.

- **Outstanding natural landscape and scenery.** The North Slave Region is home to the fabled East Arm of Great Slave, known for its plunging shore cliffs, profound blue depths, supersized sportfish, and celebrated wilderness lodges which are all protected as Thaidene Nënë National Park. The North Slave Region is also known for legendary paddling rivers like the Thelon and the North Arm of Great Slave Lake, with sparkling Caribbean-like waters and feisty pike. The northern lights are also a major natural attraction.
- **Young and growing population, many trained for work in the mines or with post-secondary education.** Close to half of the population of the NWT lives in the North Slave Region, providing the largest supply of both skilled, and unskilled labour. The population of the region demonstrated slight growth from 2009 to 2021, which is expected to continue during the next decade.
- **The high level of government employment provides for greater economic stability.** The GNWT is the leading single employer, employing over 3,400 people in Yellowknife.⁶ This employment is funded largely through transfers from the Government of Canada. Under the funding arrangement between Canada and the GNWT, the budget is affected in part by the population of the NWT. As such, 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.

3.2 CONSTRAINTS TO DEVELOPMENT

The regional and sectoral/territorial representatives who were surveyed were asked to rate the extent to which various issues constrain economic development in the North Slave 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 below.

Table 188: 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 ⁷
Number of Respondents	16	25
Development processes, permitting issues and other regulatory issues (e.g., red tape)	4.5	4.1
Cost of living (e.g., housing, food, energy)	4.3	4.4
Cost of business operations	4.1	4.2
Access to land and resources	4.1	3.9
Energy infrastructure	3.9	4.2
Access to skilled workers	3.7	4.6
Access to markets	3.4	3.8
Transportation access	3.3	3.9

⁶ GNWT, Public Service Annual Report 2021/2022

⁷ 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 North Slave Region.

<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 ⁷
Access to capital	3.2	3.4
Access to business support	3.0	3.0
Internet connectivity	2.7	3.6

The major constraints are further discussed below.

- Regulatory environment.** Representatives expressed concern about what they see as overly complex regulatory processes (e.g., long permitting and contracting processes that are constraining development and investment), outdated by-laws, legislation/regulatory frameworks, high levels of government bureaucracy, a lack of clear service standards and responsiveness (e.g., delays in replying to questions or concerns), and the need to improve coordination across levels of government. Some areas of concern that individuals identified as constraints to investment included: building permit processes, business licensing, fire regulations and liquor laws, as well as regulations and processes affecting resource development (e.g., mineral exploration and mine development, and agriculture), manufacturing (e.g., food inspection), and tourism operator licenses.
- High cost of living and doing business.** Higher incomes in the NWT partly reflect the high cost of living in the north relative to other jurisdictions. Prior to recent inflation, expenditures on food, shelter, transportation, water, sewage, fuel, and electricity were much higher than the Canadian average. The 2018 Living Cost Difference for Yellowknife was 122.5 (using Edmonton = 100). Household expenditures are nearly 50% higher than the national household average. High costs affect all aspects of business development and economic growth.
- Access to land for residential, commercial, and industrial development.** Businesses across the region experience consistent challenges accessing land for development. Impacted by factors such as unsettled land claims, a lack of dedicated land ready for development, and access to land generally were identified as major constraints to residential and commercial development as well as the tourism sector. For example, although there are 13,660 hectares located within the municipal boundaries of Yellowknife, only 118 hectares are available as vacant land within the city. This is contributing to a lack of available affordable housing (rental vacancy rates are very low). Rising costs and a lack of supply in the rental market make it more difficult to attract workers to relocate from outside of the region.
- Energy infrastructure.** Access to infrastructure of all types, including energy, transportation (including road and air access), and communication, can have a major influence on investment decisions. Medium to long-term transformative projects such as adding 60 MW of hydroelectricity through the completion of the Taltson Hydro Expansion, connecting the North and South Slave grids to each other and to the North American grid, or building new transmission lines requires significant federal investment. Representatives highlighted the need to hasten the development of the Taltson Grid Expansion and Great Slave Lake intertie connecting the Taltson and Snare Systems, which would increase access to much-needed renewable energy and reduce energy costs. The lack of commercial cost-effective energy generation and distribution infrastructure in the NWT is a key constraint on the territory's

social and economic development across most industrial sectors. It is especially a constraint for energy-intensive industries such as mining and manufacturing.

- **Access to skilled 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 positions to more senior and skilled positions. Skills shortages were identified in areas ranging from small business management and operations to trades, tourism, marketing, and administration. Some anticipate that the constraints will become even more significant due to aging population as more people will retire and exit the labour force.
- **Access to markets is difficult.** Given the small population base and the distance to southern markets, a readily available market for goods is limited. While the North Slave Region is the most populated region in the NWT, the population is still small particularly given its large geographic size.
- **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.
- **Transportation access.** Yellowknife 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 high cost of transportation affects the viability of businesses and hampers economic growth.
- **Lack of access to capital and business support.** Access to business support services, capital for growth, investments, and other resources are 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 deterrent to entrepreneurial development and new business development. There is a need to create more of an entrepreneurial culture, and an environment that is supportive for businesses.

3.3 OPPORTUNITIES

The 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 regional representatives, and sectoral and territorial representatives are provided in the table below. As indicated, small business development, mineral exploration and mine development, education and training

services, and tourism were the opportunities rated highest. Sectors less prevalent to the Region, such as oil & gas and country foods, tended to be rated lower.

Table 19: Priority Sector 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	16	25
Small business development	4.3	3.4
Mineral exploration and mine development	4.1	3.3
Education and training services	4.0	3.9
Tourism	3.8	3.7
Renewable or alternative energy	3.7	3.1
Remediation and site reclamation	3.7	3.6
Scientific research	3.5	3.8
The tech sector and innovation	3.5	2.8
Commercial fisheries	3.3	3.3
Traditional economy	3.1	3.0
Other renewable resources	3.1	2.9
Agriculture	3.0	3.5
Manufacturing	3.0	3.9
Arts and culture sector	2.9	3.0
Country foods	2.9	4.0
Film Sector	2.8	2.7
Oil & gas exploration and development	2.4	3.8

Key opportunities are further discussed below:

- Small business development.** Relative to other NWT communities, Yellowknife features the broadest base of business operations and entrepreneurs. When asked to identify advantages associated with being in Yellowknife, businesses mostly identified existing networks; being able to serve customers in Yellowknife, other parts of the NWT and Western Nunavut, as well as holding competitive advantages associated with being close to the market and having developed expertise specifically relevant to local conditions. Representatives noted that much more could be done to create awareness of potential development opportunities among businesses and entrepreneurs, create more of an entrepreneurial culture, and build an environment that is more supportive for businesses (e.g., provide infrastructure, access to financing, training and professional development resources, and other programs to support businesses).

A few representatives also noted opportunities to encourage the development of social enterprises, which are businesses that pursue a social mission through an entrepreneurial approach. In recent years, the federal government and municipal governments across Canada have introduced social procurement frameworks, policies and programs designed to support social entrepreneurship by developing social enterprise policies, providing grants and contributions, offering business development support services, promoting the use of community benefit agreements, and incorporating social clauses and associated requirements into procurement and development permits.

- **Mineral exploration and mining.** The economy of the NWT has been driven primarily by non-renewable natural resource sectors including minerals, oil, and gas. There continues to be significant mineral potential associated with diamonds, gold, rare earth metals, lead, zinc, uranium, tungsten, cobalt, bismuth, silver, nickel, copper, iron, sand, gravel, and stone. The Government of Canada’s Department of Natural Resources (NRCan) developed a national plan, the Canadian Critical Minerals Strategy, which identified 31 minerals considered critical for building “a clean and digitized economy” of which at least 23 have known occurrences in the NWT.

Apart from diamond production, the mineral industry also generates significant economic activity in North Slave related to exploration: the purchase of products and services, construction, accommodation, and food services. In addition, Yellowknife also serves as an important “bedroom” community for workers elsewhere in the mining industry.

There are several mineral projects either in the exploration stage or at the very advanced stage of development, including Fortune Minerals’ NICO project, (cobalt-gold-bismuth-copper project in the Tłıchǫ Region), Mountain Provinces – Kennady North project (diamonds), Nighthawk Gold’s Indian Lake property, Gold Terra’s Yellowknife City Gold Project (encompassing nearly 800 sq.km. of prospective gold deposits in and around Yellowknife), and the Cheetah Resources Nechalacho project, a rare earth minerals project 100 km east of Yellowknife undergoing a three-year bulk sampling program. There are also diamond projects in various stages of exploration and development including Arctic Star Exploration Corporation’s and Margaret Lake Diamonds Inc.’s Diagas project near the Nunavut border and North Arrow Mineral’s Loki project. The Region has mining infrastructure and geoscience data resources in place to continue to build and expand the mining industry.

- **Education and training services.** The challenge is to expand access to education and training in the NWT and better align those programs with the needs of employers and the economy. The GNWT’s 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 transition Aurora College into a polytechnic university by 2025. Polytechnic programs provide skills-intensive, technology-based, and practical training for in-demand jobs. Program and curriculum decisions are made in close collaboration with industries, ensuring graduates attain skills that are relevant to the current job market. They combine the practical approach of a college education and the depth of study usually associated with a university program.

The North Slave Aurora College Campus in Yellowknife currently offers programs in areas such as business administration, social programming, and nursing. Under the Polytechnic University Facilities Master Plan (FMP) released by the GNWT in September 2022, infrastructure enhancements and expansions will occur at all three campuses (Inuvik, Fort Smith, and Yellowknife) and across a network of community learning centres. Those enhancements will include the development of a new North Slave campus in Yellowknife, as the existing site no longer meets the needs of Aurora College students.

- **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 provided employment for a labour force with varying skillsets (skilled and semi-skilled). Opportunities exist to further develop the tourism industry by working to attract investments and 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 labour for the industry.

Various opportunities have been identified to develop additional tourism products in the North Slave Region to increase visitation during the shoulder and off-peak seasons as well as increased activity levels and expenditures during peak periods:

- *Aurora viewing.* Aurora viewing is the leading leisure segment in the NWT and particularly in the North Slave Region. Unlike the other market segments, this segment has primarily targeted visitors from Asian countries including China, Japan, and South Korea.
- *Indigenous tourism.* There is an increasing interest in Indigenous tourism, particularly for authentic experiences where tourists can interact directly with Indigenous people and learn about local cultures, traditions, art, food, storytelling, and history. The NWT Tourism (NWTT) 2020 Strategy incorporates a focus on Indigenous culture and adopting the recommendations of the NWT's Aboriginal Tourism Champions Advisory Council (ATCAC). Similarly, NWTT Tourism 2025: Roadmap to Recovery also has a strong emphasis on developing Indigenous tourism businesses and Indigenous tourism products and services.
- *Outdoor adventure travel, with a particular focus on ecotourism.*⁸ Summer activities such as camping, sightseeing, wildlife viewing, cycling, boating, fishing, hunting, photography, hiking, and visiting historic sites are popular. There is also potential for growth in winter adventures including dogsledding, snowmobiling, snowshoeing, ice fishing, ice road tours, and cross-country skiing.
- *Meetings, conferences, and events.* NWTT has identified Meetings, Conferences, and Incentive Travel (MCIT) as a priority segment. It operates a proactive conference bureau which both works to attract conferences and promote pre/post tourism around such events.
- *Development of geotourism products, with a particular focus on the mining industry.* Development has begun on the mining museum at the Giant mine site. Similar attractions in other jurisdictions have been successful in attracting visitors during the summer months. It could focus on the history of gold and diamond mining in the region, the reclamation process, and changes in mining practices over time.

⁸ Ecotourism is catering for tourists wishing to experience the natural environment without damaging it or disturbing its habitats.

- *Completion of the Mackenzie Valley Highway (MVH).* The MVH would enable a circle tour in which tourists could drive from the NWT-Alberta border, north to the Beaufort Delta, and then south through the Yukon. The GNWT produced Project Development Reports for the sections of the MVH remaining to be built through the Dehcho, Sahtu and Beaufort Delta regions. The highway is expected to increase inflow of tourists across all regions of the NWT including in the North Slave Region.
- **Renewable or alternative energy.** Opportunities were identified for wind, solar, and hydro power projects, the development of which could be leveraged with funding from the Canada Infrastructure Bank (CIB). CIB is a federal Crown corporation which invests in and further supports (through advisory, research and data) infrastructure development, leveraging the capital and expertise of the private sector. One of its five priorities is investing in clean power infrastructure, with intentions to reduce greenhouse gas (GHG) emissions, create employment, and enable Canadians to access energy from sustainable sources. CIB has specifically noted the importance of addressing the infrastructure gap in Indigenous and northern communities by improving electricity interties and advancing clean power generation, distribution, and use.
- **Remediation and site reclamation.** It is estimated that there are over 500 sites in the NWT that require or will require assessment, remediation, clean up, and monitoring, and it is estimated that remediation activities in the NWT would be worth approximately \$4.8B over the next 30 years with just under 90% of spending likely to occur in the next 15 years. The annual spend is estimated to be roughly \$291M per year for the next 15 years, generating approximately \$151M per year in Gross Domestic Product (GDP) to the NWT in that timeframe. This includes projects under the responsibility of:
 - *Mining companies.* Between 2023 and 2040, the three major mining operations (Diavik, Ekati and Gahcho Kué) are expected to transition into the next stage of the mining life cycle: closure, remediation, and post-closure monitoring. Several other mine sites have begun the remediation process, such as De Beers' Snap Lake mine. The Snap Lake Mine was in production from 2008 to 2015 and the work associated with the remediation involves the demolishing of some buildings and rehabilitating the land. In 2021, Met/Nuna, a joint venture between Nuna Logistics and Métcor, the economic development arm of the North Slave Métis Alliance was awarded the contract for this work worth \$110 million over three years.
 - The *Contaminants and Remediation Division (CARD) of Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)* manages the sites for which the federal government is responsible. By far the most significant of these is the Giant Mine, which is expected to have additional remediation activity for about 15 years, until 2038. Other major sites for which there are planned remediation activities in the next three to five years under the current phase of the Federal Contaminated Sites Action Plan (FCSAP) and the Northern Abandoned Mines Remediation Plan (NAMRP) are Bullmoose & Ruth Gold Mines, Great Bear Lake, O'Connor, Pine Point Railbed, Rayrock, Stark Lake, Tundra and Cantung.
 - The *Contaminated Sites Program of the Department of Environment and Climate Change (formerly Environment and Natural Resources)* manages the sites which the GNWT is responsible for. The GNWT has approximately 200 sites on their environmental liabilities

list, 16 of which are at the remedial action plan phase. Contaminated site projects are more numerous but smaller in terms of expenditures.

These expenditures could create a significant 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. A few examples of the many opportunities include construction, engineering, logistics and supplies, camp services, project management, community engagement, health and safety, and quality control/assurance services.

The remediation projects will add to other major opportunities in areas such as the development of transportation, energy, and communications infrastructure. Remediation projects are best viewed as just one component of a broad range of remediation and infrastructure development opportunities that will be open to development corporations and Indigenous businesses over the next ten to twenty years.

- **Knowledge economy and innovation.** Opportunities were identified to both increase access to knowledge relevant to the NWT and its communities, as well as serve as an important economic driver (as additional projects and funding flows into the NWT). Building on the momentum created by the transformation of Aurora College into a polytechnic university, there are opportunities to create partnerships across sectors and regions, more actively promote research opportunities in the NWT, and better enable researchers to plan and implement their research activities in the NWT. There may also be opportunities to establish Yellowknife as a research centre for northern or Arctic research, a Mining Technical Centre of Excellence, as well as a centre for cold-weather testing.
 - A Northern Centre of Excellence could help to promote and support research, innovation, the use of traditional Indigenous knowledge, and foster partnerships between academia, governments, the private sector, and other organizations.
 - A Mining Technical Centre of Excellence could facilitate partnerships between researchers, educators, and businesses to support the development of new technologies, products, and services, conduct research, and implement education and training programs. A potential opportunity could be to expand the focus of the Mine Training Society (MTS) and transform the MTS into a Mining Technical Centre of Excellence working in collaboration with current mining sector participants and the private sector at large.
 - Yellowknife is well-positioned to conduct cold-weather testing of technology, given the ready airport access and climate. Various companies including Bell Helicopters, Porsche Sikorsky, Airbus/Bombardier, and General Motors have tested equipment in Yellowknife. In 2017, Wilfrid Laurier University (WLU) opened a research office in Yellowknife for cold regions research.⁹ There is potential to learn lessons from similar initiatives from other jurisdictions and implement them in the context of the NWT.

⁹ Laurier University. Yellowknife Office: <https://www.wlu.ca/academics/research/northern-research/yellowknife-office.html>

Specifically, the University of Alaska at Fairbanks and the city of Thompson, Manitoba, are two examples of initiatives providing cold-weather testing for aviation companies. The lack of housing and other accommodations are challenges that have been cited to negatively impact the ability of firms to conduct testing in the region.

There are also opportunities to incorporate Indigenous, traditional, and local knowledge into research programs. Indigenous knowledge provides for a richer understanding of key topics, such as the negative impacts of climate change. For example, the Tłı̨chǫ Government's Research and Training Institute, Dedats'eetsaa, has attracted academic partners and research funding for its *Ekwò Nàxoède K'è: Boots on the Ground* caribou monitoring program, which is collecting critical information on changes to caribou habitats. The GNWT can play an important role in fostering connections between communities and researchers and supporting the integration of Indigenous, traditional, and local knowledge into research programs.

The technology sector is important not only as an economic sector but also as a contributor to innovation occurring in other economic sectors. The Information and Communication Technology (ICT) sector accounts for about 2.1% of GDP in the NWT, as compared to 3.7% in the Yukon and 4.4% for Canada overall. It is, however, growing. Employment in ICT in the territory increased by 19% between the 2011 Census and 2016 Census, while GDP grew by 8%.

Opportunities were identified to further develop the digital economy, which can help to create new economic opportunities, increase access to opportunities outside of the region, and diversify the local economy. Infrastructure developments such as the Mackenzie Valley Fibre Link (MVFL) are increasing access to high-speed internet for communities in the NWT. There is a need for greater engagement, collaboration, and discussions to generate ideas and projects that can support the growth of the digital economy. ITI led the development of an Innovation Action Plan designed to accelerate the rate of innovation in the NWT. Research, education, and technology are important components of building a more innovative economy.

There is a small and growing industry in Yellowknife focused on digital creatives. It includes businesses involved in developing video games, apps, and serving the film industry. The industry has potential to grow because it requires minimal investment and can be developed with existing infrastructure.

- **Development of community-based commercial fisheries.** In 2021, the NWT fishing industry landed a total 310 metric tons of fish, accounting for about 1% of the volume of freshwater fish landed in Canada.¹⁰ In terms of species, the Great Slave Lake (GSL) fishery typically accounts for 5% to 7% of Canadian lake whitefish production, 10% to 25% of lake trout production, and less than 1% of Canada's pickerel and northern pike production. There is an opportunity to work with local agriculture and fishing groups to promote stewardship, training, and the development of local markets and commercial producers. In particular, opportunities for the growth of fisheries across the NWT, including in the North Slave Region, include strengthening the GSL fishery by attracting additional fishers and developing community fisheries on other lakes in the region. For example, there may be potential to create a small-scale commercial

¹⁰ DFO. Freshwater fisheries - catches and landed values by species, by province/territory, 2021 <https://www.dfo-mpo.gc.ca/stats/commercial/land-debarq/freshwater-eaudouce/2021-eng.htm>

fishery on Lac la Martre and at Frank Channel on the North Arm of Great Slave Lake. Another opportunity might be for local fishers to supply fish to the new fish processing plant in Hay River. This would create new opportunities for North Slave fishers as the fish supplied to the Hay River plant would have access to national and international markets.

- **Agriculture and Food Processing.** In 2019, the city of Yellowknife published GROW, an abbreviated name for the Yellowknife Food and Agriculture Strategy. Building on the vision and principles in the Yellowknife Food Charter, it is a long-range plan for increasing community and commercial opportunities in Yellowknife’s urban food and agriculture system. It aims to leverage connections to the land and culture while ensuring food security by increasing the amount of food that is grown, raised, hunted, fished, and foraged locally. It focuses on objectives and actions that are within the municipal boundaries of Yellowknife and the jurisdiction and mandate of the city. The goals of a sustainable food system include respecting traditional practices and improving overall health outcomes.

Growth of the agriculture sector in the North Slave Region can support seasonal replacements of expensive food imports from southern Canada with locally grown, fresh, and nutritious foods, and can provide seasonal job opportunities. Agricultural activities in the North Slave Region have increased dramatically over the last decade and there is strong potential for future development. The Region currently has more than twenty producers including sixteen in field/greenhouse crop production, two in animal production (apiculture), one mixed producer (field crops, chickens, pigs, and apiculture) and three in forest products. This region also has at least 13 community and school gardens.

There is potential to support these farms and expand production to other products and areas. Several farms are growing various vegetables more resilient to the local climate (i.e., cold weather and shorter growing seasons). A representative of one farm mentioned that they are willing to establish greenhouses at mine sites to provide fresh produce to workers. There is also an innovative cannabis producer in the NWT that grows, processes, and sells cannabis products. Value-added processing, including food manufacturing, is capital-intensive and may require capital investments to grow.

- **Arts and culture sector.** Participants noted that there is a growing arts and crafts industry in the North Slave Region, which has yet to reach its full potential. For example, almost 10% of Canadian arts and crafts exports are generated from Nunavut. The percentage for the NWT is much smaller, however there is potential to grow the industry with additional supports for artists and artisans.
- **Manufacturing.** The vast natural resource wealth of the NWT has not translated to the establishment of a vibrant local manufacturing sector. According to the NWT Community Survey, the number of people employed in the NWT manufacturing sector (direct and indirect) in 2019 was approximately 144, a 33% decline from the 2016 value.

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, cabinets and millwork, concrete products, signs, housing related products, and the

creation of arts and fine crafts. Products from the manufacturing sector also include custom furniture and metal fabrication for the mining industry. The GNWT prepared a Manufacturing Strategy (2019-24) focused on four strategic objectives: establishing a strong manufacturing association and sector, improving access to business information, services, and capital, renewing the Northern Manufactured Products Policy, and growing the manufacturing sector. One of the proposed actions involved the development of makerspaces; the makerspace in Yellowknife, called Makerspace YK, opened its doors in 2022. In 2019-20, the GNWT provided funding to support the activities of the NWT Manufacturing Association (NWTMA). This funding was only accessed for one year due to operational difficulties. ITI has also identified a 'pathfinder' point of contact for the NWT manufacturing sector that works with NWT manufacturers within the GNWT procurement system to identify opportunities. The 'pathfinder' point of contact is ITI's Business Incentive Policy (BIP) office, located in Hay River.

- **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.

- **Construction and related services.** The construction industry is the fourth largest sector in the NWT after mining, public administration, and real estate, rental, and leasing. Total NWT GDP in the construction sector has averaged nearly \$400 million annually over the past decade. Whether it is investments made in the mining industry, residential and commercial activities, or the construction of roads and bridges across the territory, construction remains an integral part of the economy and could continue to have major economic impacts for the Region. This is especially true with recent announcements made by all levels of government in the investment of housing across the Region, and with the potential that exists for future infrastructure (e.g., the Slave Geological Province Corridor and the Taltson hydro-electric dam expansion), housing and mine development projects.
- **Urban development.** The largest urban centre in the NWT, Yellowknife, has potential for development that can facilitate the growth of other sectors within the city. Downtown

Yellowknife has been affected by homelessness, poverty, safety, security, cleanliness, addictions, and mental health issues for many years. The city of Yellowknife has made downtown revitalization as a key priority for the city over the next decade. Vision for Downtown Revitalization and the Retail Revitalization Strategy for Downtown Yellowknife (September 2019) has put forward concrete steps in addressing complex social challenges, support economic development and revitalization and contribute to the development of prosperous and thriving community.

Table 20: Economic Strengths, Constraints and Opportunities for Development

NORTH SLAVE	
STRENGTHS	<ul style="list-style-type: none"> • The role of Yellowknife as a distribution hub • Connected to Highway 3 – access to southern Canada • Hydroelectricity availability • Existing and diverse mineral resources in the Region • Outstanding natural landscape and scenery • Young and growing population, many trained for work in mines or with post-secondary education • Economic stability resulting from the high level of government employment
CONSTRAINTS TO DEVELOPMENT	<ul style="list-style-type: none"> • Regulatory environment • High cost of living and doing business • Access to land for residential, commercial and industrial development • Energy infrastructure • Access to skilled workers • Access to markets • Transportation access • Lack of access to capital and business support
OPPORTUNITIES	<ul style="list-style-type: none"> • Small business development • Mineral exploration and mining • Education and training services • Tourism • Renewable or alternative energy • Remediation and site reclamation • Knowledge economy/innovation

3.4 PRIORITIES FOR ACTION

The North Slave Region’s regional representatives who were surveyed were asked to select, from a list, up to ten actions that should be a high priority for the government and other stakeholders in promoting economic development. Commonly identified priorities reflected the need to address regulatory issues, attract more tourists to the region, further develop energy infrastructure, attract businesses and investment, help to grow local and regional markets for products, and improve transportation access to the region.

**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	16	25
Address regulatory issues	69%	72%
Attract more tourists to the region	69%	48%
Further develop energy infrastructure	56%	72%
Implement business and investment attraction initiatives/business incentives	50%	20%
Help grow local and regional markets for products	44%	40%
Improve transportation access	44%	44%
Attract workers and residents from outside of Canada	38%	36%
Encourage development of strong industry associations and sector partnerships	38%	24%
Increase access to business mentorship programs and related small business education and training for entrepreneurs and businesses	38%	28%
Increase access to early-stage capital	38%	32%
Strengthen connections between education and business	38%	60%
Transform Aurora College into a polytechnic university	38%	24%
Attract workers and residents from other parts of Canada	31%	44%
Increase access to business support services	31%	8%
Increase access to post-secondary education and training programs	31%	40%
Increase access to loan financing	25%	16%
Increase access to fast reliable and affordable internet	19%	64%
Invest in coworking spaces makerspaces arts & craft centres and incubators	19%	24%
Make more strategic use of government procurement to promote economic development	19%	32%
Facilitate e-marketing and use of digital platforms and social media to market products and services from the NWT	13%	32%
Further incorporate Indigenous traditional and local knowledge into education programs	13%	32%
Improve pathfinding services linking businesses to funding programs and support	13%	32%
Increase access to youth entrepreneurship training	13%	32%
Stage events and other mechanisms that provide opportunities for networking	-	4%

Other priorities that were identified by those surveyed and interviewed included:

- Increasing access to land and affordable housing and accelerating the settlement of land claims.

- Promoting the development of local businesses to reduce reliance on southern products and services.
- Supporting the development of particular sectors (e.g., agriculture, construction, tourism, mineral development, and social enterprises).
- Strengthen relationships between Indigenous governments and communities, industry, and the GNWT.

The representatives were then asked, given the priorities that they identified, the three most important actions that the government could take to support economic development in the Region. As indicated below, the most common recommendations are to attract investment and further the development of local businesses, address regulatory issues and undertake legislative reforms, strengthen relationships between Indigenous governments and communities, industry, and the GNWT, and further develop the region’s infrastructure.

Table 20: Highest Priority Government Actions Amongst North Slave Region’s Representatives

<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>	#	%
Increase investment in private sector and building capacity for local businesses (e.g., capital for business development; capacity to grow agriculture; long-term planning; invest in local construction businesses to decrease reliance on southern contractors; incentives for operators; economic instead of social programming; prioritize businesses that produce products sold outside of the NWT, especially tech; increase access to funding/early stage capital; identify opportunities; assistance in accessing existing programming; support entrepreneurship)	8	30%
Address regulatory issues and undertake legislative reforms (e.g., clarify; simplify; address current issues; easing processes for mining development; devolve control over developable land within the municipal boundary to the city of Yellowknife; coordinated actions between varying levels of government)	6	22%
Building relationships with Indigenous communities, local business and industry representatives and other partners (e.g., settling land claims; develop better relationships between private businesses and government)	4	15%
Arts & tourism (e.g., tourism infrastructure; eco-tourism; Yellowknife as a destination)	3	11%
Infrastructure (e.g., caps on costs for housing and other types of infrastructure; hydro expansion, Slave Geological Province Corridor)	3	11%
Education (e.g., provide workshops for business training; train and educate residents)	2	7%
Immigration (e.g., implement an aggressive program with reduced red tape)	1	4%

In the interviews and group sessions, participants suggested that the government and other stakeholders should focus on:

- **Developing a clear and coordinated vision for economic development in the NWT.** Concern was expressed that neither the federal government nor the GNWT have a clear vision for economic development in the NWT. The Government tends to operate within four-year cycles. However, with each new administration priorities often shift. It is necessary for the Government to take a long-term outlook on plans that span 10-20 years to effectively address challenges.

- **Supporting business development.** Suggestions included increasing access to capital, promoting awareness of business opportunities, and establishing a one stop shop for business incubation and development navigation.
- **Facilitating investment.** Potential investors coming to the NWT often struggle in making investment decisions as they lack knowledge of the local economy and investment opportunities. According to participants, governments and business communities need to be more proactive in working with investors and ensuring that they receive information and the supports necessary to make investment decisions. One strategy would be to designate a lead organization/body (e.g., chamber of commerce) to work with potential investors and provide them with appropriate information and resources so that they can make informed decisions.
- **Supporting social enterprises.** There is a need to support third sector, social economy organizations, projects, and initiatives (neither public nor private) that provide social benefits, address social issues, and support the development of human capital (e.g., Makerspace YK), including skills development.
- **Improving education and training.** Suggestions included increasing awareness of employment opportunities in sectors ranging from tourism to mining, increasing access to training and education programs, better aligning those programs with employer needs, better preparing youth for emerging economy sectors such as digital economy, and focusing more directly on transferable skills so workers can, for example, transition smoothly from working in mines to other jobs in infrastructure and construction. It was noted that not enough young people are prepared for and drawn to work at the mines; the proportion of locals working in the mineral sector has been declining (from 51% ten years ago to 47% now).
- **Facilitating infrastructure development** including energy, communications, and transportation infrastructure.
- **Accelerating the settlement of land claims,** would provide certainty and put communities in a better position to encourage housing, mineral, and tourism development. Participants noted a need for governments to work together to facilitate the transfer of more territorial lands to the city.
- **Promoting economic diversification.** Many participants noted that the economy of the North Slave Region is too reliant on a few sectors and further economic diversification is required to increase resiliency and improve the long-term competitiveness of the region. It was also noted that government and other stakeholders need to continue to support the development of existing sectors such as mining, construction, retail, tourism, and the traditional economy.
- **Better preparing our businesses, communities, and residents to participate in a rapidly changing world.** The drivers of economic growth in the future will be different from those of the past. Innovative technologies, artificial intelligence, and the digital economy will change the way people live, work, and do business in the region. Many of the jobs that exist today will disappear in several decades. There is a need to plan and start investing in the areas that will drive economic development in the future.

- **Facilitating collaboration in economic development.** Participants noted that economic development requires effective collaboration and coordination between stakeholders from across governments, Indigenous governments, communities, the private sector, and the public. Several participants noted the need for greater participation and buy-in from various departments within the GNWT. Greater engagement with Indigenous governments and people is critical.
- **Increasing investment in research and development.** Establishment of the polytechnic university is viewed as an important step in further building the knowledge economy, accelerating innovation, attracting and developing more highly qualified personnel, and supporting research on issues that are a priority for local communities such as climate change and its impact on the north.
- **Facilitating export growth (i.e. sales outside of the NWT).** Participants highlighted the importance of incentivizing exporters and providing them with market development assistance and other supports to facilitate their growth. This includes the export of products and services as well as using tourism to attract visitors from other jurisdictions.
- **Investing in the development of green energy and the circular economy.** Several participants recommended increasing the focus on developing the circular economy and the production of environmentally friendly goods, services, and sources of energy. According to participants, new investments in green and renewable energy (such as the Taltson expansion project) may help to reduce the reliance on diesel generators bringing down the cost of hydro. Lower hydro costs will increase profitability for businesses and improve the overall competitiveness of the economy.
- **Increasing Internet capacity, connectivity, and redundancy.** For example, companies that host large servers ('server farms') are interested in moving their operations to regions with a colder climate however, they need good connectivity and cheap electricity.
- **Streamlining the regulatory environment.** There is a need to simplify the regulatory processes, accelerate approval processes, update legislation and by-laws, reduce bureaucracy, and improve responsiveness. This will need the commitment of all levels of government including the GNWT, municipal governments, and Indigenous governments.