

Gross Domestic Product Northwest Territories, 2019 Final

Today Statistics Canada released initial 2019 estimates of income and expenditure accounts and revised 2019 estimates of Gross Domestic Product (GDP) by industry for Canada, the provinces and territories. Since interventions due to the coronavirus took place after 2019, these estimates will not reflect the economic impacts of the pandemic.

Figure 1 shows the percentage change in chained dollar GDP between 2019 and 2018. Changes in chained dollar GDP estimates only reflect changes in the quantities of goods and services produced, not their prices. Between 2018 and 2019, GDP for the Northwest Territories declined by 8.0%. In comparison, Yukon rose by 0.8% while Nunavut expanded by 6.5%, the largest growth among provinces and territories. The Northwest Territories was one of only two jurisdictions to experience a decline in 2019, with Saskatchewan declining by less than 1%. Overall growth in Canada was 1.9% between 2018 and 2019.

Figure 1 Percentage Gross Domestic Product, 2019
Canada, Provinces and Territories,
Change in Chained (2012) Dollars

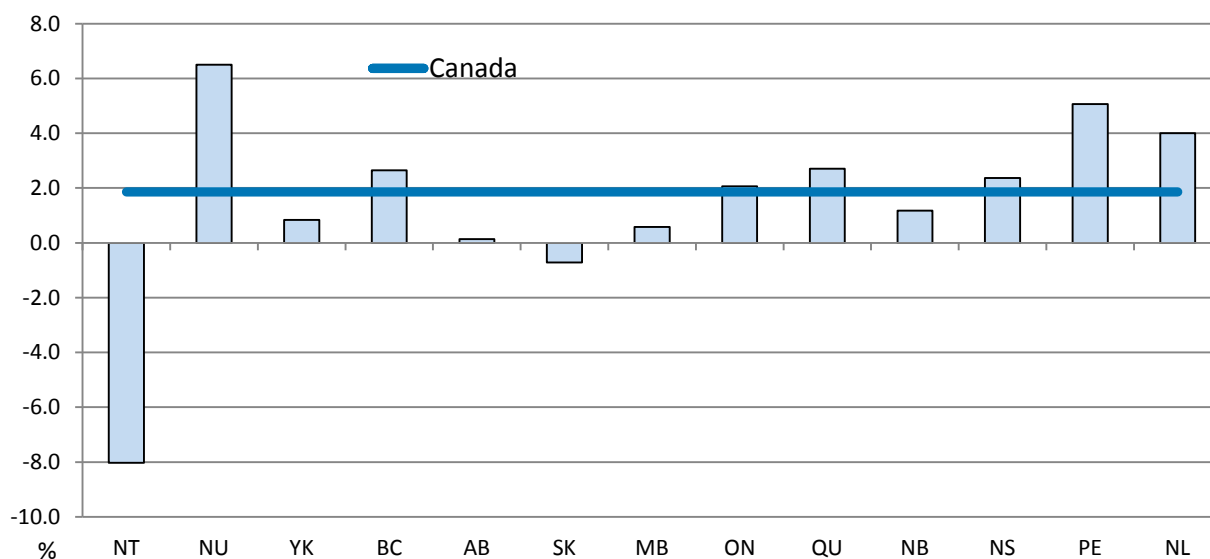


Table 1 shows select expenditure-side components of chained (2012) dollar GDP for the Northwest Territories. Final consumption expenditures grew between 2018 and 2019 with household and government expenditures increasing by 0.8% and 0.9% respectively over the period. Gross fixed capital formation, which includes construction activity at the mines and construction of other non-residential structures, fell by 9.7%. A decrease in business capital formation was partially offset by a rise in government capital formation.

Exports decreased by 13.2% between 2018 and 2019. The change in exports can be traced back to the resource extraction sector, with a decrease in exports to other countries related to the diamond industry and an increase in exports to other provinces related to oil and gas extraction.

Table 1 Select Expenditure-Side Components of GDP Growth, 2019 and 2018
Northwest Territories
Millions of Chained (2012) dollars

	2019	2018	Percent Change (%)
Gross domestic product (GDP)	4,517	4,911	-8.0
Final domestic demand	4,754	4,819	-1.3
Final consumption expenditure	3,840	3,805	0.9
Household expenditure	1,674	1,660	0.8
Non-profit institutions serving households exp.	79	78	1.3
Governments expenditure	2,090	2,071	0.9
Investment in inventories	40	51	-21.6
Gross fixed capital formation	922	1,021	-9.7
Governments gross fixed capital formation	424	341	24.3
Business gross fixed capital formation	489	672	-27.2
Residential structures	61	71	-14.1
Non-residential structures	161	326	-50.6
Machinery and equipment	145	140	3.6
Intellectual property products	113	125	-9.6
Non-profit gross fixed capital formation	8	8	0.0
Exports of goods and services	3,139	3,617	-13.2
Exports to other countries	2,123	2,736	-22.4
Exports to other provinces	1,016	893	13.8
Less: imports of goods and services	3,354	3,452	-2.8
Imports from other countries	1,130	1,197	-5.6
Imports from other provinces	2,231	2,256	-1.1

Table 2 shows GDP by industry for the Northwest Territories. The largest contributor to NWT GDP, the mining, oil and gas extraction industry, fell by 25.9% between 2018 and 2019. The 38.0% decline in the diamond mining was largely a result of lower carat production from the Ekati diamond mine in 2019. In contrast, the oil and gas extraction industry expanded when the Norman Wells oil field resumed operations in late 2018 after a temporary shutdown to fix a portion of the pipeline. Completion of the pipeline repairs contributed to the 25.5% decrease in engineering construction, while completion of the Stanton Hospital Renewal Project contributed to the decline in non-residential building construction. Overall, construction decreased by 21.4% between 2018 and 2019.

Several service producing industries such as wholesale and retail trade, and finance and insurance also declined between 2018 and 2019. Other industries such as education services, health care and social assistance and public administration increased over this period.

Table 2 Gross Domestic Product at Basic Prices by Selected Industry, 2019 and 2018
Northwest Territories,
Millions of Chained (2012) dollars

	2019	2018	Percent Change (%)
All industries	4,376.4	4,763.8	-8.1
Good Producing Industries			
Agriculture, forestry, fishing and hunting	10.4	10.3	1.0
Mining, quarrying, and oil and gas extraction	1,336.0	1,804.1	-25.9
Oil and gas extraction	171.9	37.9	353.6
Diamond mining	1,167.3	1,882.9	-38.0
Support activities for mining, oil & gas	43.1	68.8	-37.4
Utilities	72.3	76.0	-4.9
Construction	287.6	366.1	-21.4
Residential building construction	28.3	32.6	-13.2
Non-residential building construction	23.4	50.1	-53.3
Engineering construction	123.7	166.1	-25.5
Other activities of the construction industry	31.4	41.5	-24.3
Repair construction	79.5	81.1	-2.0
Manufacturing	8.3	10.5	-21.0
Service Producing Industries			
Wholesale trade	104.2	123.1	-15.4
Retail trade	160.6	165.1	-2.7
Transportation and warehousing	223.8	223.2	0.3
Information and cultural industries	107.0	104.5	2.4
Finance and insurance	119.6	123.8	-3.4
Real estate, rental and leasing	403.8	402.3	0.4
Professional, scientific and technical services	76.2	74.7	2.0
Management of companies and enterprises	16.2	19.6	-17.3
Administrative and support, waste management etc.	52.8	50.9	3.7
Educational services	220.1	214.7	2.5
Health care and social assistance	319.0	309.6	3.0
Arts, entertainment and recreation	7.2	7.4	-2.7
Accommodation and food services	95.2	93.8	1.5
Other services (except public administration)	56.3	57.8	-2.6
Public administration	722.8	712.3	1.5
Federal government public administration	150.3	146.2	2.8
Provincial and territorial public administration	413.3	406.9	1.6
Local, municipal and regional public administration	98.0	98.7	-0.7
Aboriginal public administration	60.1	59.2	1.5

GDP can also be shown in current dollars which includes the impact of both volume and price changes. By this measure of GDP, the Northwest Territories decreased by 4.1% in 2019 compared to 2018. The decrease in current dollar GDP was largely a result of a 14.4% decline in gross operating surplus, which include profits earned by corporations. This was offset by small increases in the other components. Compensation of employees (labour income), which comprises the largest share of income GDP, increased by 0.9% between 2018 and 2019.

Table 3 Select Income-Side Components of GDP Growth, 2019 and 2018
Northwest Territories
 Millions of current dollars

	2019	2018	Percent Change (%)
Gross domestic product at market prices	4,542	4,738	-4.1
Compensation of employees	2,491	2,468	0.9
Gross operating surplus	1,394	1,628	-14.4
Gross mixed income	392	386	1.6
Net mixed income	320	312	2.6
Consumption of fixed capital: unincorporated businesses	72	74	-2.7
Taxes less subsidies on production	101	98	3.1
Taxes less subsidies on products and imports	168	155	8.4

The next release of provincial/territorial economic accounts information is scheduled to be available in May 2021 and will include preliminary 2020 estimates by industry.