

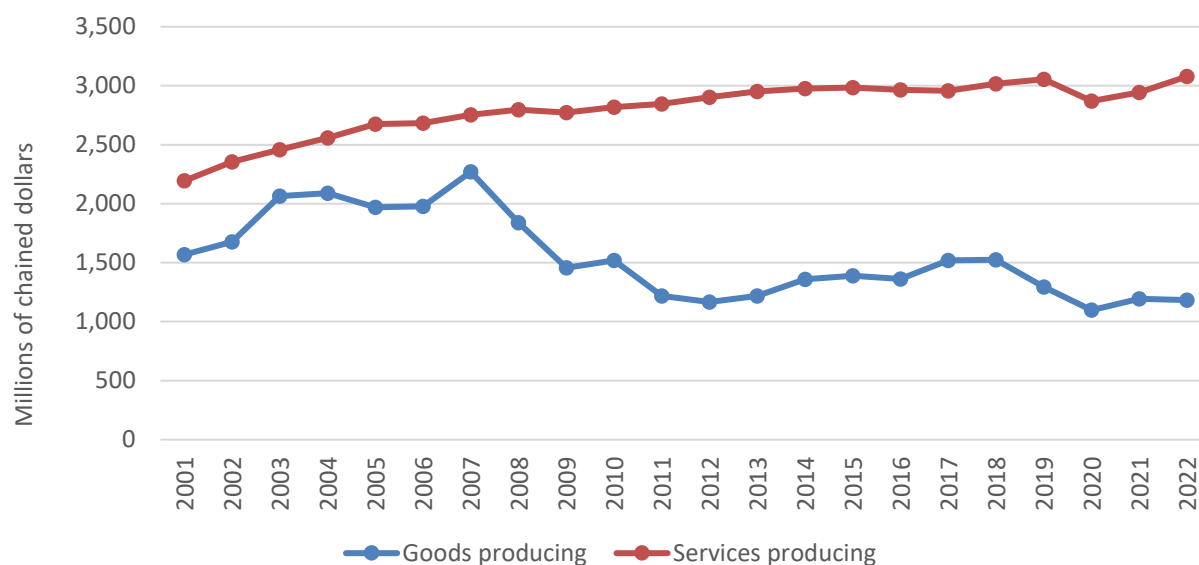


Gross Domestic Product Northwest Territories, 2022 Final

Statistics Canada has released initial 2022 estimates of income and expenditure accounts and revised 2022 estimates of Gross Domestic Product (GDP) for Canada, the provinces and territories. GDP is one way to report the size and growth of the economy. With this release, the reference year used to calculate chained dollar GDP has been updated from 2012 to 2017. While the re-referencing does not affect historic GDP growth rates, GDP levels in the NWT have been revised going back to 1997 for industry data and 1999 for expenditure accounts data¹.

NWT GDP increased by 2.9% between 2021 and 2022. Typically, the NWT economy is driven by a few goods producing industries whose GDP may rise or fall over the short to medium term. In contrast, GDP in the service producing sector tends to increase steadily over time. The pandemic disrupted both sectors in 2020 with both experiencing a partial recovery in 2021. In 2022, service sector GDP increased to pre-pandemic levels while the goods sector remained relatively unchanged from 2021.

**Figure 2 Gross Domestic Product at Basic Prices for the Goods and Service Sectors
2001 to 2022, Northwest Territories**



¹ For a description of how a reference year change can impact GDP levels, please refer to note A at the end of page 3.

At the industry level, GDP declined in mining, quarrying and oil & gas extraction industry, driven by a decrease of 7.9% in diamond mining. In contrast, the construction industry increased by 14.4%. GDP changes between 2021 and 2022 varied among service producing industries. Transportation and warehousing as well as accommodation and food services experienced double digit growth but remained below pre-pandemic levels. In contrast, wholesale and retail trade both declined between 2021 and 2022. Public administration remained relatively stable with a 0.4% increase.

With an estimate of over \$830 million chained dollars, public administration is the largest industry in the NWT. While prior estimates showed mining, quarrying and oil & gas as larger, the change in reference year caused a downward revision to diamond mining reflecting the decrease in diamond prices between 2012 and 2017.

Table 1 Gross Domestic Product at Basic Prices by Selected Industries, 2021 to 2022
Northwest Territories, Millions of chained (2017) dollars

	2021	2022	Percent Change (%)
All industries	4,135.1	4,253.7	2.9
Good Producing Industries			
Agriculture, forestry, fishing and hunting	22.8	24.4	7.0
Mining, quarrying, and oil & gas	794.5	743.4	-6.4
Oil and gas extraction	125.6	126.3	0.6
Diamond mining	650.0	598.9	-7.9
Support activities for mining, oil & gas	55.1	54.8	-0.5
Utilities	69.4	69.9	0.7
Construction	292.4	334.4	14.4
Manufacturing	16.4	14.6	-11.0
Service Producing Industries			
Wholesale trade	43.6	42.2	-3.2
Retail trade	193.2	179.4	-7.1
Transportation and warehousing	161.3	235.6	46.1
Information and cultural industries	118.6	119.6	0.8
Finance and insurance	136.2	142.7	4.8
Real estate, rental and leasing	446.6	451.1	1.0
Professional, scientific and technical services	108.1	106.9	-1.1
Management of companies and enterprises	3.1	2.2	-29.0
Administrative & support, waste man.	59.7	58.4	-2.2
Educational services	298.4	309.3	3.7
Health care and social assistance	394.0	414.5	5.2
Arts, entertainment and recreation	6.0	5.8	-3.3
Accommodation and food services	76.4	92.5	21.1
Other services (except public administration)	71.9	73.9	2.8
Public administration	833.3	836.4	0.4
Federal government	179.4	176.9	-1.4
Provincial and territorial	457.9	457.9	0.0
Local, municipal and regional	113.4	112.8	-0.5
Indigenous	83.7	90.1	7.6

Table 2 shows select expenditure-side components of chained (2017) dollar GDP for the Northwest Territories. Final consumption expenditures increased by 1.7% between 2021 and 2022 with higher government expenditures (4.4%) partially offset by lower household expenditures (-2.4%). Gross fixed capital formation, which includes construction of buildings and other infrastructure, rose by 16.6% in 2022, with most of the increase stemming from government. Exports also increased, with a 6.5% year over year gain.

**Table 2 Select Expenditure-Side Components of GDP Growth, 2021 to 2022
Northwest Territories, Millions of chained (2017) dollars**

	2021	2022	Percent Change (%)
Gross domestic product (GDP)	4,276	4,396	2.8
Final domestic demand	5,297	5,509	4.0
Final consumption expenditure	4,526	4,603	1.7
Household expenditure	1,811	1,768	-2.4
Non-profit institutions serving households exp.	79	80	1.3
Governments expenditure	2,636	2,753	4.4
Investment in inventories	24	41	70.8
Gross fixed capital formation	772	900	16.6
Governments gross fixed capital formation	361	473	31.0
Business gross fixed capital formation	404	423	4.7
Residential structures	92	71	-22.8
Non-residential structures	114	147	28.9
Machinery and equipment	104	105	1.0
Intellectual property products	98	110	12.2
Non-profit gross fixed capital formation	8	7	-12.5
Exports of goods and services	2,249	2,396	6.5
Exports to other countries	1,427	1,465	2.7
Exports to other provinces	836	958	14.6
Less: imports of goods and services	3,292	3,550	7.8
Imports from other countries	1,216	1,373	12.9
Imports from other provinces	2,077	2,181	5.0

Note A: Impact of Updating the Reference Year from 2012 to 2017

Periodically Statistics Canada updates the reference year used to calculate chained dollar GDP. The information released today reflects an update of the reference year from 2012 to 2017. All historic chained dollar GDP data has been revised to reflect the change in reference year; for the NWT, this includes industry data going back to 1997 and expenditure accounts data going back to 1999.

While chained dollar GDP growth rates are unaffected by the update, corresponding GDP levels are revised, in part, to reflect the change in prices between 2012 and 2017.

At the industry level, diamond mining GDP was revised downward, in part, to reflect the decline in diamond prices between 2012 and 2017. In contrast, many other industries were revised upward to reflect the increase in their respective prices.

GDP can also be shown in current dollars which includes the impact of both volume and price changes (Table 3). Gross domestic product increased by 14.9% in current dollars, reflecting the rise in prices during 2022. All components of income-based GDP increased, many by double digits. Gross operating surplus, which includes profits from the private sector, increased to its highest level since 2011.

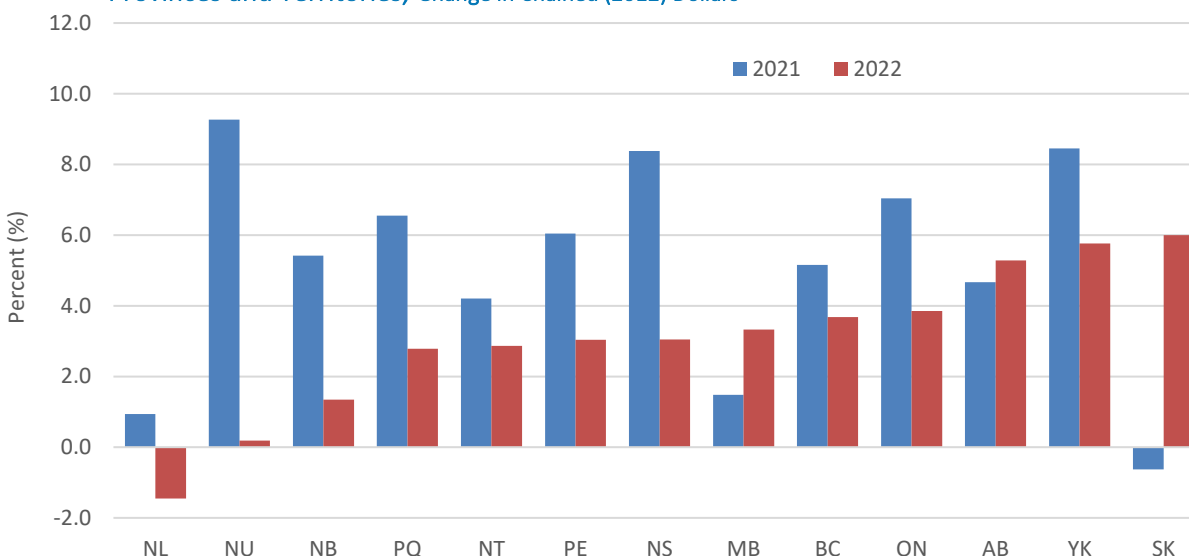
Table 3 Select Income-Side Components of GDP Growth, 2021 to 2022
Northwest Territories, Millions of current dollars

	2021	2022	Percent Change (%)
Gross domestic product at market prices	4,851	5,574	14.9
Compensation of employees	2,663	2,805	5.3
Gross operating surplus	1,524	1,992	30.7
Gross mixed income	434	482	11.1
Net mixed income	347	381	9.8
Consumption of fixed capital: unincorporated businesses	87	101	16.1
Taxes less subsidies on production	31	66	112.9
Taxes less subsidies on products and imports	202	230	13.9

National GDP

Except for Newfoundland and Labrador, all provinces and territories experienced an increase in GDP between 2021 and 2022. GDP growth was highest in Saskatchewan, followed by Yukon and Alberta. Many jurisdictions, including the NWT, experienced lower growth in 2022 compared to the pandemic induced recovery of 2021.

Figure 2 Percentage Change in Gross Domestic Product, 2021 & 2022
Provinces and Territories, Change in Chained (2012) Dollars



The next release of provincial/territorial economic accounts information is scheduled for May 2024 and will include preliminary 2023 estimates by industry. For more information, please visit the NWT Bureau of Statistics website at <http://www.statsnwt.ca> or call (867) 767-9169.