

Northwest Territories

Economic Fact Sheet Winter 2008

Key Industries

Mining

The Northwest Territories (NWT) is a major diamond producer. Production for 2008 was \$2.1 billion, a 18% rise from 2007, solidifying the NWT's position as the third largest producer of rough diamonds by value in the world. The NWT also has an operating tungsten mine. Exploration for diamonds, gold, uranium and base metals has been active.

Oil and Gas

The Western Canada Sedimentary oil and gas basin is found under much of the NWT. While largely undeveloped and unexplored, oil and gas production were valued at \$544 million, with a GDP contribution of \$219 million in 2007. The majority of these exports, \$493 million, was crude pumped along the oil pipeline from Norman Wells to Zama, Alberta. When gas flows down the proposed Mackenzie Valley Gas Pipeline, gas production will exceed \$2 billion annually. There are an estimated 6 trillion cubic feet of discovered gas reserves, plus another likely 55 trillion cubic feet in the Mackenzie Delta / Beaufort Sea region. Several oil companies have already proposed major exploration programs in the Beaufort Sea over the next five years. British Petroleum (BP), one of the world's largest oil companies, committed to spending nearly \$1.2 billion on exploration.

Construction

The construction industry contributed \$539 million to the economy in 2007, making it the second largest industry. The industry has developed innovative solutions for Arctic construction and companies in the NWT have exported their expertise to other cold-weather regions around the world. Overall growth is closely linked with investment.

Tourism

Tourist spending was valued at more than \$130million for the 2007/2008 season. The tourism season in the Northwest Territories is year-round with distinct market segments of: winter and spring aurora viewing, summer road traffic, fishing and fall hunting. New opportunities are developing for business and pleasure tourism with substantial fare reductions to the NWT; it is now possible to fly return between major US and Canadian cities for under \$1,000 Canadian.

The NWT covers a vast area accounting for 13.5% of Canada's landmass, with a population of almost 43,000. The NWT has a rich and diversified resource base which supports a thriving and strong economy. The Government of the NWT is building on this foundation by promoting diversified resource development and value-added processing.



Film

Film has also taken on a new importance. Ice Road Truckers, filmed entirely in the NWT, was seen by 3.4 million viewers to become the most-watched original telecast in the History Channel's 12 years of operation. Over 2008, the show will be broadcast in Europe and Australia. This year, a new documentary series on "bush plane" pilots is planned. These film productions have not only boosted the economy, but have increased interest in NWT tourism.

Key Economic Indicators for the Northwest Territories

- GDP was \$4.0 billion (2002 chained dollars) in 2007 - up 13% from 2006
- \$91,676 per capita GDP in 2007 - the highest in Canada
- \$88,800 median income in 2006 - the highest in Canada; 40% above the national average
- 68.3% rate of employment - 7.1% higher than the Canadian average in January 2009
- \$64,577 in exports of goods and services per capita in 2007 - up 14% from 2006

2007 Major Production (\$'000)

Diamonds	\$1,744,988
Crude Oil	\$492,604
Natural gas	\$51,464

Possible Projects Over the Next 5 Years

- \$16 billion for the development of the Mackenzie Valley Pipeline and related gas fields
- \$1.2 billion committed to be spent by BP in exploration in the Beaufort Sea
- \$960 million for the DeBeers Gahcho Kue diamond mine project (deferred)
- \$215 million for Fortune's NICO project
- \$200 million for Snare Lake Hydro expansion
- \$160 million for the DehCho bridge
- \$100 million for the Prairie Creek Mine
- \$100 million for the Tyhee Yellowknife Gold Project

A Look to the Future

The continued growth in the diamond industry and planned development of a natural gas pipeline in the Mackenzie Valley ensure a strong economic outlook. Over the next 30 years, the stream of benefits that will be enjoyed from the Mackenzie Gas Project alone, will:

- Create between 86,000 and 181,000 person-years of employment across Canada;
- Contribute between \$29 and \$59 billion to the national GDP.