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Building *Nunavut* Together
Nunavut liuqatigiingniq
Bâtir le *Nunavut* ensemble

Budget 2020-21

Fiscal and Economic Indicators

Department of Finance

Government of Nunavut

Feb 2020

About This Document

The Department of Finance prepares the Fiscal and Economic Indicators using the latest data available at the time of writing, a few weeks ahead of the official release of the GN Budget. Some information may change during the intervening period. If you have questions about the data we use, please contact us at info@gov.nu.cg.

Key Fiscal Indicators

The following describe the fiscal situation of the Government of Nunavut (GN). Figures are generally expressed in millions (\$ M) and billions (\$ B) of dollars, and include calculations of year-over-year change measured in percent (%) or percentage points (p.p.). Totals are subject to rounding. Unless otherwise noted, we measure change against last year's Revised Estimates rather than Main Estimates. Similarly, this document presents only figures from core or 'non-consolidated' government operations, unless otherwise described.

Revenues

Total Revenues **\$2,348.0**
2020-21; Non-consolidated +2.4%

Total revenues are the sum of all financial resources the GN raises and receives to fund its operations, investments, and other expenses. The GN expects to generate \$2.35 B in 2020-21 through federal transfers, revenues from third-party agreements, taxes, and other own-source revenues, including revolving funds and prior-year recoveries. This marks a 2% or \$55.2 M increase from the \$2.29 B we currently forecast for 2019-20. We expect revenues to grow largely from stronger transfers and healthy tax revenue growth, as well as surpluses in the revolving funds.

Federal Transfers **\$1,837.0**
2020-21; GN Finance +4.8%

The GN receives fiscal transfers from the Government of Canada through various funding agreements and legislated arrangements. The largest of these, Territorial Formula Financing (TFF), will provide \$1,712.5 M in 2020-21, up 4.3% from last year. The TFF is an annual unconditional 'no strings attached' payment that recognizes territories, with our small economies and narrow tax bases, are not able to raise enough revenue on our own to provide public services comparable to elsewhere in Canada. Other federal transfers include the Canada Health Transfer (\$43.5 M), Canada Social Transfer (\$15.6 M), carbon levy (\$20.6 M), and a number of other arrangements through Health, Justice, and Family Services. Together, TFF and other federal transfers make up 80% of total GN revenues (for comparison, in New Brunswick this number is 36% and BC 16%).

Revenues From Third-Party Agreements **\$262.2**
2020-21; GN Finance -12.8%

The GN receives revenues from the federal government (~98%) and other organizations (~2%) through agreements that set out specific requirements about how the GN must spend the money. These 'strings attached' revenues are different from revenues over which we have full control and can spend freely (e.g. transfers, taxes, etc.). The GN is budgeting to receive roughly \$262 M from third-party sources in 2020-21. The Main Estimates and Capital Estimates include appendices that list the latest agreements. Third-party revenues tend to be difficult to predict, as they are based on the funding choices, budgets, and timelines of external funding organizations. Additional agreements may be signed later in the year.

Taxes **\$144.9**
2020-21; GN Finance +3.3%

The GN expects to raise almost \$145 M in taxes in 2020-21, or \$4.6 M more than what we currently expect in 2019-20. Personal income (\$31 M, a total slowed by tax relief for low- and middle-income Nunavummiut introduced in November 2019) and payroll (\$36 M) taxes will be the largest contributors, both of which depend on the quantity and quality of jobs and wages in the territory. Fuel tax (\$22 M) will likely continue its strong growth, thanks to Nunavut's growing economy. Taxes on tobacco (\$24 M) and property (\$9 M) should remain near their 2019-20 values. So too should corporate income taxes (\$21 M), which depend on the profits of locally-based firms. Together, taxes are expected to make up 6.2% of the GN's total revenues, essentially the same figure as last year (6.3%). According to DBRS, tax revenue across provinces and territories grew by 2% in 2019-20.

	2020-21	2019-20(r)	2019-20	2018-19
Personal Income Tax	30.8	30.7	34.7	37.8
Corporate Income Tax	20.9	20.5	20.0	28.0
Payroll Tax	35.5	34.1	31.8	32.3
Tobacco Tax	23.8	23.2	25.3	22.6
Fuel Tax	22.3	20.8	14.9	18.0
Property Tax	8.8	8.4	7.0	7.8
Insurance Tax	2.8	2.6	2.2	2.4
Total	144.9	140.3	135.9	148.8

Revenues	Main Estimates	Revised Estimates	Main Estimates	Actual
	2020-21	2019-20	2019-20	2018-19
TFF and Other Federal Transfers	1,837.0	1,752.9	1,737.5	1,676.4
Revenues From Third-Party Agreements	262.2	300.6	200.6	203.6
Taxes	144.9	140.3	135.9	148.8
Revolving Funds	42.2	37.8	30.5	35.3
Other Own-Source Revenues	48.7	48.2	44.6	57.2
Prior-Year Recoveries	13.0	13.0	13.0	12.6
Total Revenues	2,348.0	2,292.8	2,162.1	2,134.0

Territorial Tax-to-GDP Ratio **3.2%**
2020-21; GN Finance -0.4 p.p.

One way to measure both the sophistication of an economy and the relative burden of a tax regime is the government’s tax take as a share of total gross domestic product (GDP). In Nunavut we forecast the 2020-21 share will drop to just over 3%, a low figure (Ontario’s ratio is about 10%, while PEI is roughly 15% and Alberta 7%; federally the ratio is 10%) that reflects the territory’s small tax base and the high level of federal transfers that sustain government operations.

Cannabis: We expect cannabis revenues—collected on Nunavut’s behalf by the Canada Revenue Agency (CRA)—to remain modest, at roughly \$80,000 per year. Like the rest of Canada, Nunavut continues to face steep competition from the illegal market—including sophisticated online sales—whose established distribution networks and price competitiveness have proven difficult to undermine. Cannabis can be legally purchased in Nunavut through agents licensed by the Nunavut Liquor and Cannabis Commission (NULC). A list of these can be found at www.nulc.ca.

Carbon Pricing: The CRA began collecting the federal carbon levy in Nunavut on July 1, 2019. Carbon revenues were first remitted to the GN this past December. This money is distributed to Nunavummiut through the at-the-pump Nunavut Carbon Rebate (NCR; currently worth 50% of the tax imposed on consumers) and a series of personal tax credit enhancements (increasing the Basic Personal Amount to \$16,000 and the Cost of Living Tax Credit to \$1,500) and a reduction in the small-business tax corporate income tax rate from 4% to 3%. In April 2020 the levy will increase from \$20 per tonne to \$30.

Revolving & Other Own-Source Revenues **\$90.9**
2020-21; GN Finance +5.7%

The GN generates revenue in a number of ways aside from taxes. In 2020-21, for example, we expect to collect \$20.7 M in rent from GN employees in staff housing, and expect to collect another \$28.0 M from a wide variety of miscellaneous revenues. Examples of revenues in this ‘other’ category include money collected from licensing and service fees, penalties and fines, insurance proceeds, and interest revenues.

The GN also raises revenue through its revolving funds, in particular the Petroleum Products Division (\$31.5 M, net cost of goods sold worth \$171.5 M) and Liquor Commission (\$10.7 M net cost of goods sold worth \$9.4 M). Revolving funds operate outside the GN’s core operations and—within certain limits set in law—keep the revenues they earn in one year to fund their own operations the next year. The GN includes these revenues in the Main Estimates and reports them annually in our year-end financial statements.

Prior-Year Recoveries **\$13.0**
2020-21; GN Finance —

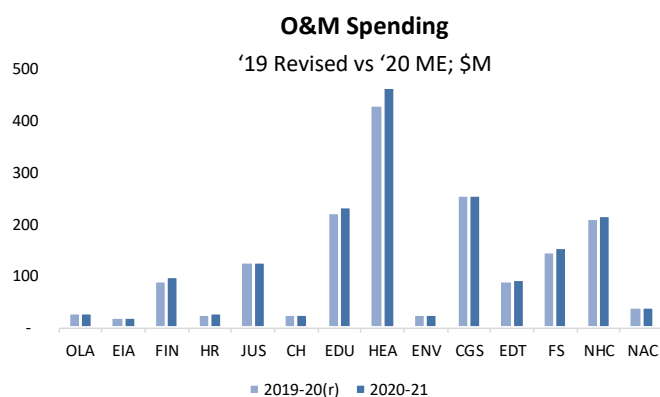
The GN expects to report roughly \$13 M in prior-year recoveries in 2020-21. These revenues are earned when the GN recovers money after spending it; for example, when the GN is provided a refund for the purchase of goods subsequently returned. All recoveries are recorded in the Public Accounts.

Expenditures

Departmental Expenditures **\$1,959.7**
2020-21; GN Finance -5.0%

The GN is budgeting \$1.96 B worth of departmental spending in 2020-21. This is the total amount the GN seeks to appropriate through the Capital Estimates and Main Estimates. Of this, \$1,816.7 M will go to operations and maintenance (O&M) and \$143.0 M to new capital projects.

Operations wise, the GN is appropriating \$77.1 M more for O&M than the \$1,739.6 M included in the 2019-20 Revised Estimates (+4.4%). Over half of this year’s increase will go to the Department of Health, which will see its funding rise by \$37.9 M to a total of \$469.0 M, year-over-year growth of 8.8% (nationally, health has been growing at 3.5% and education at 2.6%). Although a smaller dollar value, the largest increase in percentage terms is the \$10.0 M in new money destined for the Department of Finance (+11%), in part to fund the new Nunavut Carbon Rebate. Education (+\$9.4 M), Family Services (+\$8.4 M), and the GN’s contribution to the Nunavut Housing Corporation (NHC, +\$6.5 M) will receive similar increases, though in percentage terms the growth is more modest. For all non-Health and Education spending, we expect total O&M growth of 2.7%.



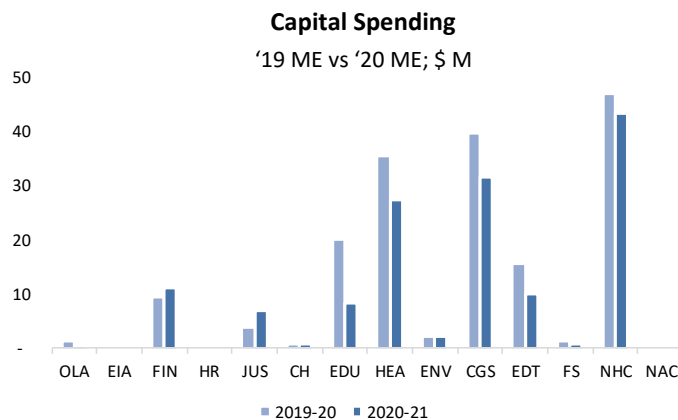
In terms of capital, we forecast \$143 M in new spending in 2020-21 (down 19% from what was appropriated in 2019-20). While this figure appears to be a sharp decline from the \$323.0 M ultimately appropriated in 2019-20 (Revised Estimates, -56%), capital carryovers—capital spending that is pushed to future years, largely due to construction delays associated with the difficulty of building in the Arctic—mean these two numbers are not perfectly comparable. The revised 2019-20 figure, for example, includes not only the \$177.5 M appropriated for new capital in the 2019-20 Main Estimates, but also \$142.7 M ‘carried over’ from uncompleted 2018-19 projects. The remaining \$2.8 M went to supplementary capital projects. We expect a similar amount for capi-

Expenditures

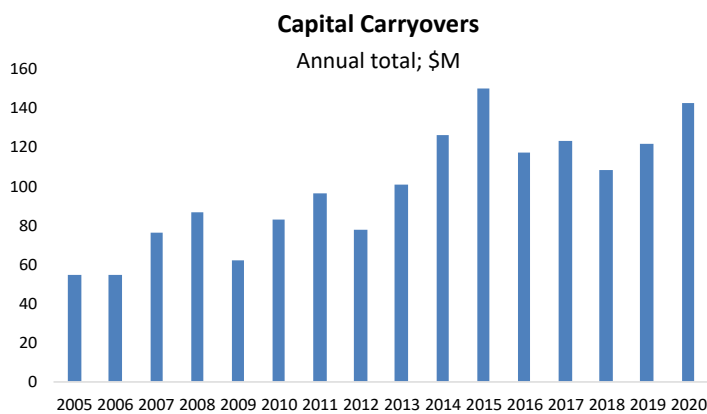
	Main Estimates 2020-21	Revised Estimates 2019-20	Main Estimates 2019-20	Actual 2018-19
O&M Expenditures	1,816.7	1,739.6	1,735.5	1,712.9
Capital Expenditures	143.0	323.0	177.5	191.7
Departmental Expenditures	1,959.7	2,062.6	1,913.0	1,904.6
Net Change in Capital Assets*	61.3	(81.1)	12.3	(17.1)
Expenses Related To Revolving Funds*	45.2	44.5	40.2	34.1
Expenses Under Third-Party Agreements	262.2	300.6	200.6	157.5
Operations Expenses	2,328.5	2,326.6	2,166.1	2,079.1
Supplementary Requirements	50.0	22.5	30.0	0.0
Total Projected Expenses	2,378.5	2,349.1	2,196.1	2,079.1

*Projected values for net change in capital assets and expenses related to revolving funds are not published elsewhere. We publish final figures each year as part of Schedules B.1 and B.3 of the GN's non-consolidated financial statements. Net Change in Capital Assets is equal to capital spending minus current-year carryovers minus net transfers to capital assets plus amortization.

-tal carryovers in 2020-21, which will ultimately push this year's total capital appropriations higher (and be reflected in the 2020-21 Revised Estimates).



Carryovers are authorized through supplementary appropriations, generally early in the new fiscal year.



Operations Expenses

2020-21; Non-consolidated

\$2,328.5

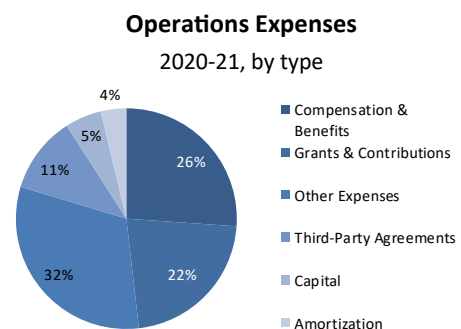
+0.1%

Operations expenses build on the core departmental expenditures for O&M and capital by adding other expenses not part of the GN's appropriations to departments. These include expenses related to operating the liquor, petroleum, student,

and public stores revolving funds (\$45.2 M), as well as spending incurred under third-party agreements (\$262.2 M). As we spend this money on behalf of external organizations, we do not appropriate it in precisely the same way as departmental spending.

Operations expenses also include the net change in capital assets, an adjustment related to how the GN accounts for the acquisition and consumption of capital assets, repayments on capital leases, and amortization. This adjustment fluctuates depending on capital appropriation plans and how quickly projects are completed. As the GN often carries over capital appropriations from one fiscal year to the next (recognizing that approval for multi-year capital projects extends until the project is complete, even if we do not spend money in a year as planned), this adjustment is finalized only when we prepare year-end financial statements.

On this basis, the GN expects (assuming no additional third party agreements) operations expenses to total \$2.33 B in 2020-21, a year-over-year increase of just 0.1%. By comparison, DBRS estimates total provincial spending went up 3.2% in 2019-20, though in recent years the rate has varied from 1.7% to 6.4%.



Supplementary Requirements

2020-21; GN Finance

\$50.0

+66.7%

The GN is setting aside \$50 M for contingencies and unallocated funding in 2020-21. This funding is used to help cover spending overruns by departments, and to add some fiscal cushion in case of revenue shortfalls, unforeseen events, and

Operating Surplus (Deficit)

Summary of Operations

	Main Estimates 2020-21	Revised Estimates 2019-20	Main Estimates 2019-20
Total Revenues	2,348.0	2,292.8	2,162.1
<i>subtract:</i> Operations Expenses	(2,328.5)	(2,326.6)	(2,166.1)
<i>subtract:</i> Supplementary Requirements	(50.0)	(22.5)	(30.0)
Projected Operating Surplus/(Deficit)	(30.5)	(56.3)	(34.0)

emergencies. Negative numbers indicate funding was lapsed by departments and therefore went unspent. Assuming the GN spends all \$50 M in contingencies, we are projecting total expenses will come to \$2,378.5 M in 2020-21, up 1.3% from the revised figure of \$2,349.1 M in 2019-20.

Total Spending per Capita **\$60,055**
2020-21; GN Finance -0.9%

Climate, geographic remoteness, and a small, monopolistic commercial market make the provision of public services in Nunavut more costly than in the rest of Canada. Even so, we track spending carefully, to ensure the GN does not spend beyond its means. One measure is to divide total spending by the territory's population. We expect this *per capita* figure to shrink by 1% in the upcoming fiscal year, to \$60,100 (in comparison, the figure in a typical province like Manitoba is \$13,000). Also worth measuring is public spending as a percentage of GDP. We expect its share of the total economy will hit 52% in 2020-21 (against 24% in Manitoba, according to DBRS).

Financial Performance

Operating Deficit **(\$30.5)**
2020-21; GN Finance +\$25.8

The GN currently projects an operating deficit of \$31 M in 2020-21, equal to 1.3% of revenues. This is the total amount the GN expects to spend over its projected revenues. The final figure will depend on how much of the contingency fund remains unused at the end of March 2021, how much money departments have left to lapse or capital to carry over at the end of the year, and the final accounting charge related to capital assets. This number will be made available in the 2021 Public Accounts.

Projected Deficit-to-GDP Ratio **-0.7%**
2020-21; Non-consolidated +2.1 p.p.

We compare the size of the GN's projected operating surplus to the size of the economy (measured by nominal GDP) to help understand the government's fiscal health. A positive number indicates the government is in surplus, while a negative number indicates the government is spending more than its revenues. Assuming the GN fully spends its \$50 M contingency and revenues grow as forecast, we expect the GN's non-consolidated deficit-to-GDP ratio will be just under 1% in 2020-21, 1 percentage point better than the results expected for 2019-20. Federally, the Parliamentary Budget Officer projects a 2020-21 deficit equal to -1.0% of GDP.

Consolidated Results **new** 2020-21; GN Finance —

The Main Estimates present figures on a non-consolidated basis, as some public operations—such as those of QEC, the Nunavut Business Credit Corporation, and the District Education Authorities—are not voted on by the Assembly and therefore remain outside the appropriations process used by core government departments and funds. Even so, these activities are reported at the end of the year in the consolidated Public Accounts, which include adjustments to eliminate double-counting from budget transactions across government entities.

In addition to the Main Estimates, this year the GN will submit a Consolidated Budget during the winter legislative session. This document will provide a comprehensive financial look at all government and government-controlled entities, and will more accurately forecast the numbers ultimately presented in the end-of-year Public Accounts.

Our early forecast is for the following consolidated totals:

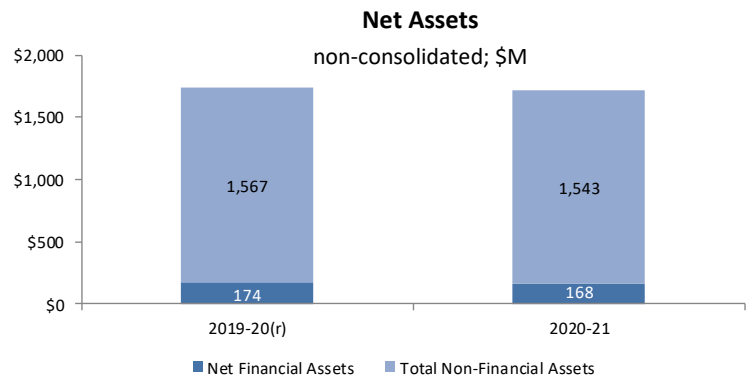
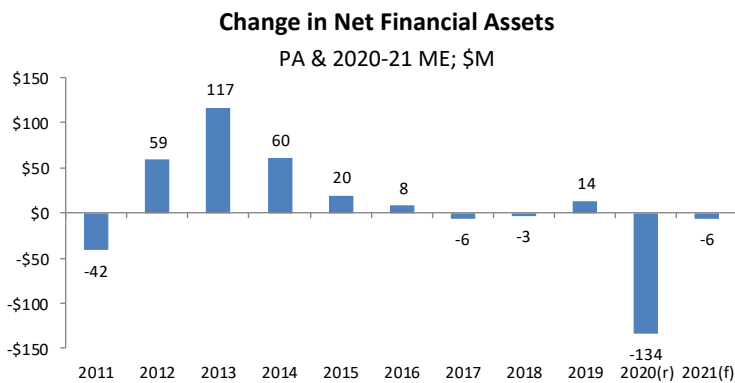
Revenues	\$2,621 M	Net Assets	\$2,826 M
Expenses	\$2,604 M	Net Fin Assets	\$172 M
Surplus	\$17 M	Amortization	\$140 M

Net Financial Assets **\$168.0**
2020-21; Non-consolidated -3.4%

Net financial assets (or debt, when negative) measures the difference between how much the GN owes (our liabilities) and how much in liquid assets we have on hand to pay off these debts (our financial assets). This is why the measure is often called a government's 'future revenue requirements' (any debt will need at least an equal amount of revenue if it is to be paid off in the future).

Changes in net financial assets are tracked in the Main Estimates. This statement records write-downs and net gains from the sale of capital assets. It also backs out accounting allocations, so the total reflects a cash rather than accrual position.

On top of the GN's operating deficit of -\$30.5 M, we expect to report an upward change to tangible capital assets worth \$24.5 M, based on accounting adjustments for capital acquisition (-\$62.7 M), write-downs (\$0), and amortization (\$87.1 M). As a result of these and a few other smaller adjustments, the GN expects to decrease our net financial asset position by \$6.0 M. This will leave us with net assets at the end of the year worth \$168 M, equal to 3.7% of GDP.



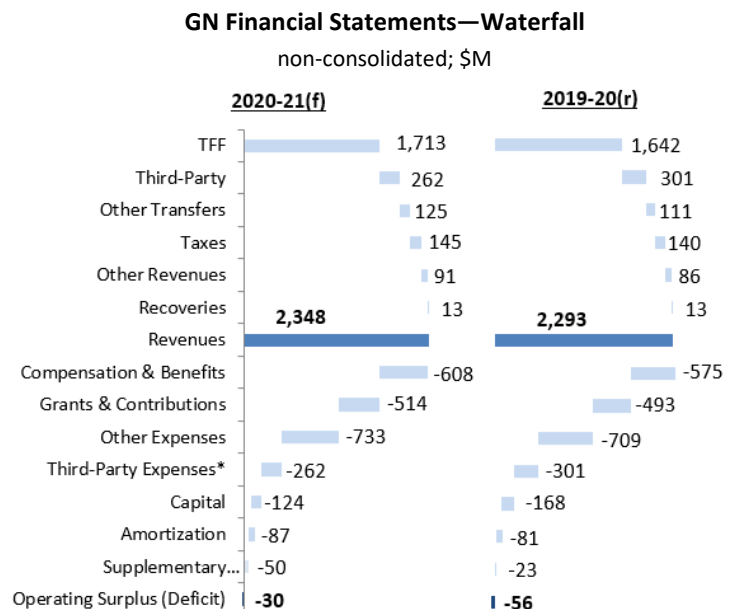
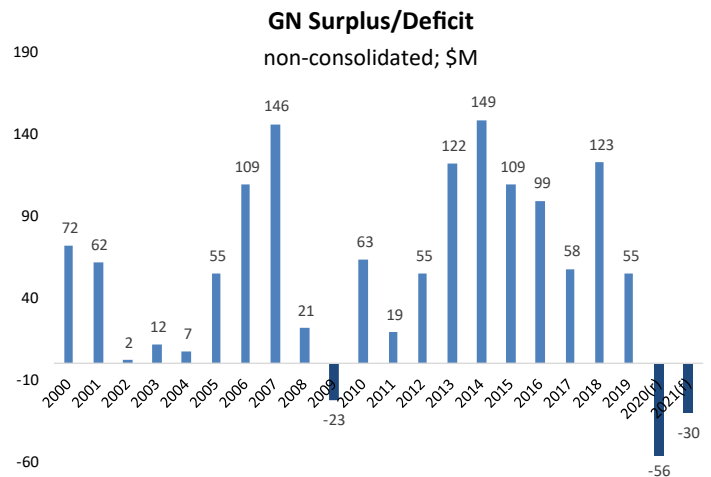
Net Assets ('Accumulated Surplus') **\$1,711.0**

2020-21; Non-consolidated *-1.7%*

Net assets is the total value of the GN's recognized economic resources. This figure considers the worth of all GN assets, both financial (like cash) and tangible non-financial (such as buildings, equipment, and vehicles), then subtracts the GN's total liabilities. The total reflects all past operating surpluses and deficits, as well as any adjustments due to re-measurement. We forecast the GN's net assets to decrease by \$30.5 M in 2020-21, in line with our operating deficit. We currently expect to end 2019-20 with net assets of \$1,741 M, and so project a decrease to \$1,711 M in total assets by the end of 2020-21. Most of this net value comes from the GN's tangible non-financial assets like health centres, schools, and tank farms, which means that while these assets make the GN's delivery of services possible, it would be difficult to realize this value through sale on an open market.

Ransomware Attack: On November 2, 2019 the GN's computer servers were frozen by malicious software originating from an unknown outside source. This forced the GN to replace all of its servers and restore the government's files to a backed-up version. No data was accessed or stolen through this breach, but the event did cause several weeks of significant disruption to GN operations. We expect to submit a total cost to the Assembly this spring.

Canadian Fiscal Conditions: Provincial and territorial fiscal conditions generally improved in 2019-20, with the economic powerhouses of Ontario and Quebec leading the way. An improved national economy, rebounding export performance, stronger population growth (driven in large part by generationally-high immigration levels), increased federal transfers, and a renewed focus on balanced budgets have generally improved fiscal conditions for all levels of government. Even Alberta, Newfoundland, and Saskatchewan—provinces hit hard by the sharp decline in oil prices—have begun to turn the corner. Federally, the October 2019 election returned a minority Liberal government. We await their first budget, but in the meantime expect further deficit-financed spending (though federal revenues may continue to grow at a faster rate than has been budgeted) and a heavy emphasis on public investment. The Liberal win also likely signifies the entrenchment of carbon pricing, at least at the national level.



Debt

Interest-to-Revenue Ratio (%)

2020-21, Non-consolidated; GN Finance

0.5%

-0.3 p.p.

The interest-to-revenue ratio, also known as the debt service cost ratio or ‘interest bite’, measures how much of GN revenues are taken up by servicing the government’s non-consolidated debt (including the Nunavut Energy Savings Program). The combination of legislated debt restrictions, a history of low borrowing levels, a relatively high level of tied or third-party funding, and still-low interest rates will keep Nunavut’s ratio under 1% (based on \$10.7 M in spending on financing activities), a 0.3 p.p. improvement from 2018-19. Nationally, the latest figure is 7%—though this varies from 3% in BC to 12% in Newfoundland.

Total Government Borrowing

Dec 31, 2019; GN Finance

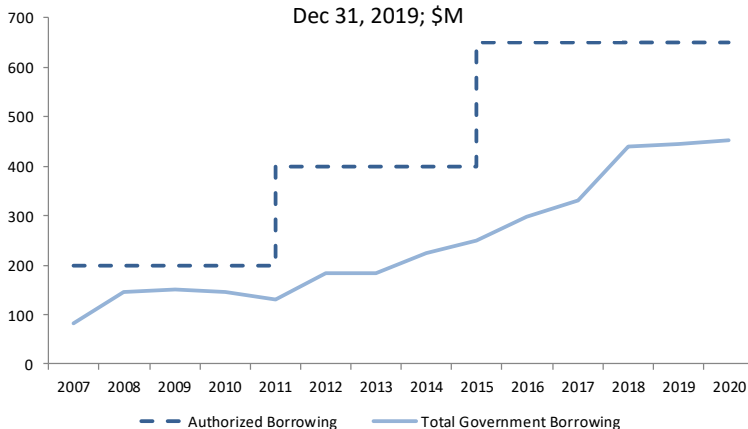
\$452.0

+1.5%

The Government of Canada limits how much debt the three territories can take on, including both actual borrowing and contingent liabilities. The GN’s current borrowing limit is legislated at \$650 M. As of December 31, 2019, total government borrowing was \$452 M (equal to 9.9% of GDP), leaving \$198 M in available borrowing room. The GN uses most of its borrowing room to guarantee loans and credit facilities extended to the Qulliq Energy Corporation (QEC, \$199.7 M), the Iqaluit airport project (\$154.0 M), and the Nunavut Housing Corporation (\$10.0 M). The rest is made up of GN obligations related to capital leases (\$61.1 M) and mortgages (\$0.4 M), and the Nunavut Energy Management Program (NEMP, \$26.6 M). Total borrowing increased slightly from March 31, 2019 (+1.5%), up \$6.8 M.

GN Authorized Borrowing

Dec 31, 2019; \$M

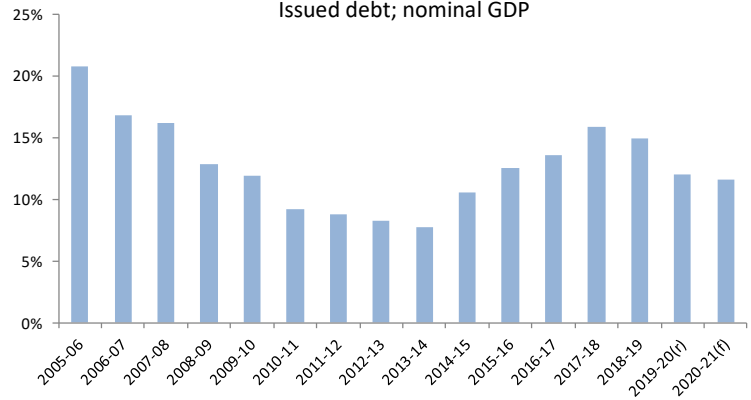


The growth in debt was driven by a slight increase in QEC borrowing and the NEMP, though some of this was offset by a decline in capital lease and airport debt. Going forward, the GN expects to spend \$7.9 M on principal and interest repayments for capital leases and make no payments for mortgages in 2020-21. Another \$1.8 M will be made in payments for the Iqaluit airport and \$1.0 M for the NEMP. For comparison, federal debt is equal to roughly 31% of Canadian GDP (nationally, combined provincial and territorial debt has risen from \$417 B to nearly

\$810 B since 2008, increasing the debt-to-GDP ratio from 37% to 25%, though trend has now stabilized).

Gross Consolidated Debt-to-GDP

Issued debt; nominal GDP



Credit Rating

Dec 2019; DBRS

AA low

no change

A government’s credit rating is an evaluation of its credit risk, or how likely it will be able to pay back its debt in the future. DBRS Canada provides a yearly credit rating for the GN (as well as other governments within and outside of Canada). In December 2018 the GN was issued a AA low (stable trend) credit rating by DBRS. This high score reflects the GN’s low risk of default. Assuming credit conditions do not change, the GN should expect to keep this rating as long as we maintain fiscal discipline. Nunavut’s first credit rating was issued in August 2012 by Moody’s; the rating they issued was Aa1.

Province/Territory	DBRS Credit Rating
BC	AA high
Saskatchewan	AA
Alberta	AA
Nunavut	AA low
NWT*	AA low
Ontario	AA low
Quebec	A high
Manitoba	A high
New Brunswick	A high
Nova Scotia	A high
PEI	A ⁺
Newfoundland	A low
Yukon*	A low

*Issued by other rating agencies, but converted to DBRS-type scoring. ⁺ or ⁻ indicate change (including outlook) since previous FEI.

Key Economic Indicators

The following indicators provide insight into the current state of Nunavut's economy and illustrate how it has evolved over time. We look to these trends to evaluate policy and to forecast future economic developments. Careful interpretation of the figures is required, however, as each indicator is accompanied by both strengths and weaknesses. All figures are subject to frequent revision by Statistics Canada (StatsCan) and other agencies.

Nunavut's Economy

Nominal GDP **\$4,570**
 2020 estimate; \$ M (CBoC) **+15.7%**

Nominal gross domestic product (GDP) measures the total market value of all goods and services produced in a region. It is the broadest measure of economic activity. In January, the Conference Board of Canada (CBoC) projected Nunavut's nominal GDP may reach \$4.6 B in 2020, \$621 M (a bullish +16%) higher than their latest forecast for 2019. This remarkable growth continues to be primarily driven by the mining sector. Gold mines at Meadowbank and Hope Bay produced a combined 408,000 ounces of gold in 2018, while an estimated 5.1 M tonnes of iron ore were shipped out of Mary River. We expect the 2019 figures will be even higher. By 2022, gold production is expected to reach more than 1 million ounces, with new facilities at Meliadine, Meadowbank's satellite deposit at Amaruq, and Sabina's Back River project being fully brought online. Baffinland, owner of Mary River, has announced plans to build a railway to Milne Inlet and dramatically increase annual production — though this plan faces significant local opposition and has not yet received regulatory approval.

Real GDP **\$3,784**
 2020 estimate; \$ 2012 (CBoC) **+12.9%**

Real GDP adjusts for inflation by reducing nominal GDP growth by the rate at which prices for goods and services grow from one year to the next, leaving prices constant. Taking price changes out of GDP estimates provides a more accurate picture of how a territory's actual production or 'real income' evolves over time. The CBoC estimates that Nunavut's real GDP will grow by 13% (or \$433 M) in 2020, coming in at rough-

ly \$3.8 B. Nunavut's long-term economic prospects remain tied to both the territory's vast mineral potential—and its dependence on global commodity prices—and workforce education and skill development.

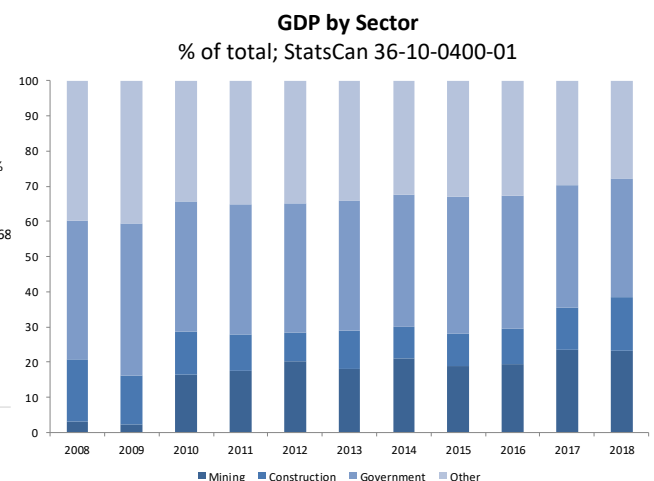
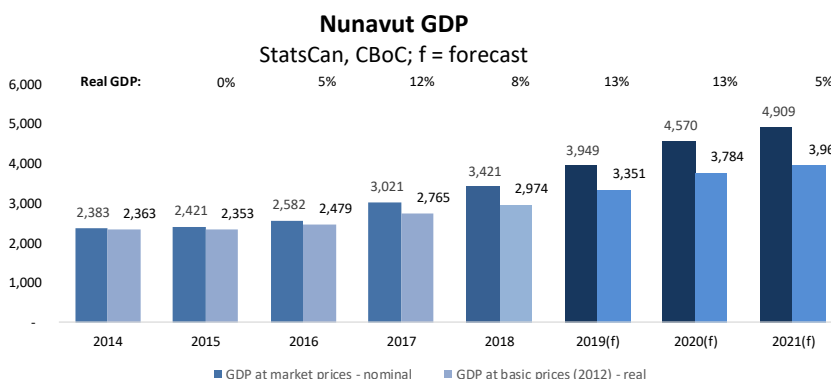
Real GDP Per Capita **\$95,549**
 2020 estimate; \$ 2012 (CBoC, GN) **+10.6%**

Real GDP per capita is calculated by dividing price-adjusted output by total population. We track output per person because average wealth is a useful guide to overall living standards (though it does not speak to how wealth is distributed amongst the population). It is also a strong indication of whether economic growth is keeping pace with Nunavut's rapid population growth. Under current population and GDP forecasts, we expect real GDP per capita to rise by over 11% in 2020.

Government Share of GDP **25.1%**
 2020 estimate; % share (CBoC) **-0.8 p.p.**

Government share of GDP is the total economic activity of a government (incorporating the public administration, education, health care, and social assistance GDP sub-sectors) divided by the real GDP of the area it governs. The public sector plays a large role in Nunavut's economy: the CBoC expects it to account for more than 25% of all goods and services produced in 2020. This figure is slightly lower than the estimate for 2019 and Nunavut remains above the national trend. The economic activity of the federal government, for example, generally constitutes less than 20% of the national economy. Nunavut's share is large not only because of the high cost of providing public services in the far north, but also because the territory's private sector is so small.

The Canadian Economy in 2020: The International Monetary Fund (IMF) forecasts Canadian real GDP growth of 1.8% in 2020, up from 1.5% the year before (globally, the expectation is for 2.9% in 2020). While somewhat improved commodity prices, generational unemployment lows, and improving industrial capacity utilization give reason to think the Canadian economy is headed for further growth, strong headwinds persist. An increasingly protectionist...



...America poses a serious geopolitical trade risk. Meanwhile, relations with China, a key importer of Canadian food, mineral, and wood products, have deteriorated dramatically over the past five months. Perhaps most worrisome is the recent outbreak of the 2019-nCoV coronavirus, a respiratory infection that has made tens of thousands sick and threatens to disrupt global trade.

Business Investment in Capital

2018 (\$ 2012); StatsCan 36-10-0222-01

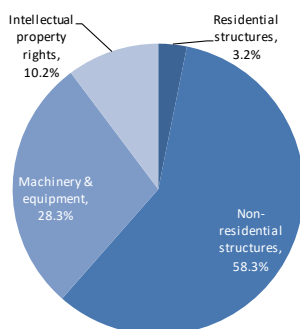
\$1,447.0

+20.9%

Business investment in capital refers to the total amount of private-sector capital investment in a given year. Firms invested \$1.5 B in Nunavut in 2018 (the latest year with available data). Most of this went to large investments in non-residential structures (up 18%, to \$831 M), machinery and equipment (up 44%, to \$403 M), and intellectual property (down 19%, to \$146 M), all driven in large part by the natural resources sector. AEM, for example, invested heavily in its Meliadine and Amaruq sites, aiming to bring both into production by 2019. Investment in residential structures declined slightly (down another 9% from 2017, to \$45 M), worsening the territory's already tight housing supply. On top of this business investment, several important public projects were furthered in 2018—including Iqaluit's port and small-craft harbour project, which is expected to cost \$84.9 M and be completed by late 2020.

Share of Business Investment in Nunavut, 2018

StatsCan 36-10-0222-01



Labour and Income

Population (July 1)

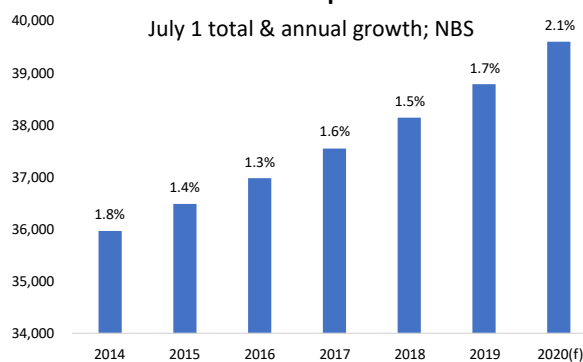
2019; StatsCan 17-10-0005-01

38,780

+1.7%

We measure total population as of July 1 in a given year. Nunavut's population grew by an estimated 641 people between 2018 and 2019, due largely to high birth rates (Nunavummiut women have on average three children over their lifetime, the highest rate in Canada and almost double the national average). Early estimates have inter-provincial migration at -117. Nunavut remains Canada's youngest region, with about half of residents under 26 (the national median age is 41) and almost a third—or 12,348 Nunavummiut—under 15. Looking ahead, we expect total population to reach 39,605 by July 2020, and for most of this growth to take place in Iqaluit, Arviat, and Rankin Inlet.

Nunavut Population



Employment

2019; NBS & StatsCan 14-10-0090-01 (LFS)

13,900

+2.9%

Employment refers to the annual average of people holding a steady job. In 2019 there was an average of 13,900 people employed in Nunavut, 400 more than last year—a rate of growth noticeably stronger than the national trend (+2.1%). Despite this good news, Nunavut's employment rate (the share of population aged 15 and over who found at least some employment during the year) declined slightly, from 54.0% to 53.5% (nationally the rate is 62.0%). That said, the Nunavut Bureau of Statistics (NBS) found the largest proportion of net employment gains went to Inuit workers (+300, against +100 for non-Inuit workers), a positive development in comparison to previous years. Even so, the gap between Inuit (45%) and non-Inuit (89%) employment rates remains wide. While strong economic growth brings important benefits, we must remember it is only a partial solution to Nunavut's labour market participation problems.

Unemployment Rate

2019; StatsCan 14-10-0090-01 (LFS)

13.4%

-0.7 p.p.

The unemployment rate is the percentage of the labour force that is unemployed but still actively seeking employment. In 2019 Nunavut's unemployment rate was 13.4%, down 0.7 p.p. from 2018. While good news, Nunavut's labour force participation rate (the share of Nunavummiut aged 15 and over actively seeking employment) also fell by 1.1 p.p. in 2019 to 61.8%. This suggests a growing portion of the Nunavut labour force exists outside the wage economy.

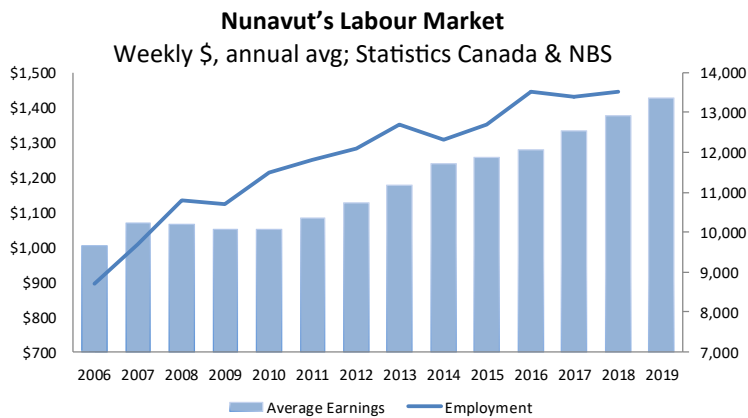
Average Weekly Earnings

2019 (Jan-Nov) Industrial Agg; 14-10-0203

\$1,429

+3.5%

According to the latest figures, average weekly earnings in Nunavut increased by roughly \$48 (+4%) in 2019. Average wages in goods-producing industries like construction grew strongly (\$1,983/week, up 5.1% since 2018), widening the gap with workers in the services sector (\$1,315/week, up 2.1%). This strong wage growth was partially offset by higher inflation, meaning real earnings typically increased by only 0.8%. Wages in Nunavut remain well above the Canadian average of \$1,026 per week. This +28.2% differential (down a surprisingly sharp 9.9 p.p. from 2018) is the result of a growing economy, a shortage of skilled labour, and the high cost of living in the north.

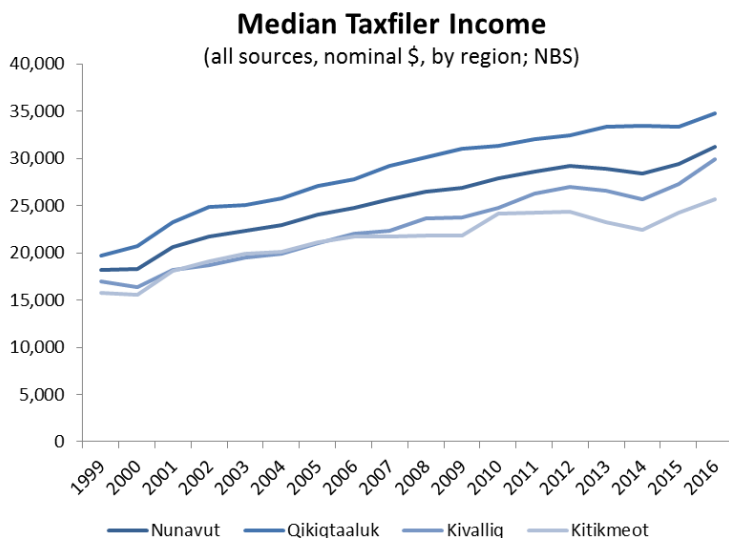


Total Personal Income (tax filers) **\$1,088.1 M**
 2018 T1 Preliminary; GN Finance **+7.2%**

Total income comprises all income that tax filers in Nunavut report, including employment, social assistance, pensions, investments, and the profits of sole proprietorships and business partnerships. Tracking total income gives us a sense of how much money is flowing to Nunavummiut. Total income has been growing strongly in recent years—over 7% in 2018 alone, according to the latest preliminary figures. As of July 2019, the CRA had processed 21,380 tax returns (+4.7% compared to the same period in 2018) from Nunavummiut, who together report total income of about \$1.1 B for 2018. We expect this represents roughly 93% of all tax returns for 2018 and that once all late returns are filed total income will exceed \$1.17 B (roughly 85% of which coming from employment).

Median Income (tax filers) **\$28,196**
 2017 T1 Prelim; NBS & GN Finance **+7.4%**

Median total income is the dollar amount that divides Nunavut taxpayers in two: half of all Nunavummiut reported earning less than this amount and half reported earning more. It shows how much a typical resident makes in a year and—unlike an average calculation—is not influenced by extremely high or low earnings. According to early tax data, median total income in Nunavut rose in 2017, to \$28,200 (up 7% from the same period in 2016). With total income growing at roughly the same rate as the median, we can infer that income gains in 2017 were divided relatively evenly between high-income and low-income earners.



Share of Total Income By Highest 10% **33.7%**
 2018 T1 Preliminary; GN Finance **+0.5p.p.**

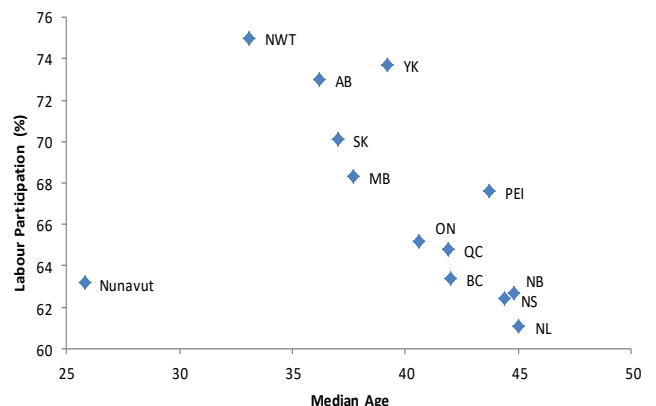
In 2018, the top 10% of income earners in Nunavut reported earning in excess of \$124,999 each (up slightly from 2017), according to our July 2019 results. Together, these individuals reported earning roughly \$366.5 M, which is one third of all income reported in the territory. This data shows that income in Nunavut is distributed highly unequally—a situation not entirely uncommon elsewhere in Canada. However, there are some important equalizers. First, Nunavut's progressive tax system means higher income earners pay more taxes: the top 10% of income earners paid an estimated 51% of Nunavut's total assessed personal income taxes in 2018. Also, these figures do not include the substantial non-income benefits for low earners, such as subsidized public housing.

Low Income Families **3,630**
 2017, all types; NBS & StatsCan 11-10-0020-01 **+0.8%**

The Low Income Measure (LIM) is a relative measure of low income, set at 50% of median after-tax household income (\$18,410 in 2017). The measure is categorized according to the number of persons present in the household: couple families (1,080), lone-parent (1,430) families, and non-family persons (1,130). NBS publishes this measure at the community level. The most recent data is from 2017, which shows a modest 1% increase in the number of families living below the threshold. Nunavut's total number of households is roughly 12,000.

Income Assistance Recipients **14,488**
 2018; NBS & GN Family Services **-3.1%**

Income assistance consists of a variety of benefit programs (including social assistance, the senior citizens supplementary benefit and fuel subsidy, daycare subsidy, and the Nunavut Child Benefit) that provide various levels of financial assistance to people aged 18 or over and their dependents. In 2018, the latest year available, almost 15,000 Nunavummiut in 6,299 households (roughly 40% of the territory's population) received a payment through this means-tested program. Total payments equaled \$50.4 M (up from \$42.3 M in 2017), with an average payment per family of \$7,800.



Prices and Financial Markets

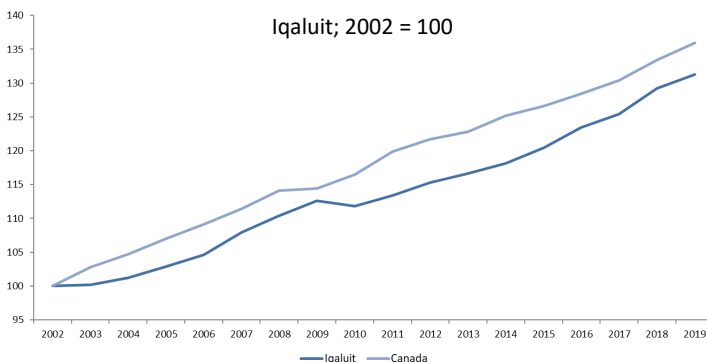
Bank of Canada's Overnight Rate **1.75%**
Jan 2019; Bank of Canada *no change*

The Bank of Canada's overnight or 'policy' interest rate is the rate at which it lends to large banks and other key financial institutions. Updated eight times per year, this rate affects the interest rates for mortgages, lines of credit, and business loans. While the Bank—concerned about overleveraged Canadian borrowers—contends it would like to see interest rates higher than their current level, worries about the health of the Canadian economy halted further rate hikes in October 2018. How quickly business confidence rebounds in 2020 will go a long way towards determining how quickly the Bank returns to raising interest rates.

Consumer Price Index, Iqaluit **131.3**
2019 (2002 = 100), annual avg; 18-010-0004-01 *+1.6%*

The consumer price index (CPI) measures inflation, the change in price of a standard 'basket' of consumer goods and services over time. Price growth slowed in 2019, increasing by just 1.6%—compared to the Canadian average of 1.9% (for reference, the Bank of Canada's inflation target is 2%). Since 2003, annual all-item CPI growth in Iqaluit has averaged 1.6% (against 1.8% nationally). As CPI data exists only for Iqaluit, we do not know how quickly prices are changing in other communities. Also note that CPI does not measure price levels, just how quickly they change. Prices for many goods are already extremely high in Nunavut relative to the rest of the country, given the territory's steep energy and transportation costs, as well as limited market competition.

Consumer Price Index
 Iqaluit; 2002 = 100

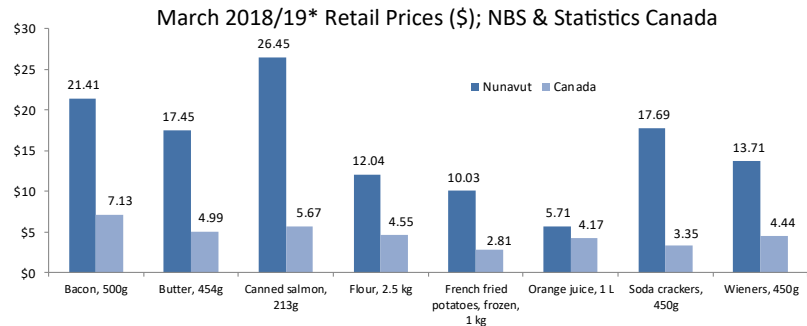


Nunavut Food Price Basket **174.1**
2018/19; NBS, StatsCan 326-0012 *+1.8%*

The Nunavut food price basket, developed by the Nunavut Bureau of Statistics (NBS), measures the price of 24 select food items across the territory. While CPI is a useful measure of how prices change over time, it does not measure the cost difference between goods sold in Nunavut and those in southern Canada. With the Nunavut food price basket, the prices of key goods in the territory can be compared with other jurisdictions.

Despite lower fuel prices—making the transport of goods to the high arctic more affordable—and federal subsidies, the cost of basic necessities in Nunavut rose in 2018 by almost 2%. While this growth is comparable with in the rest of Canada, the price gap remains high: as an example, Nunavummiut pay roughly twice the Canadian average for apples and oranges, and three times the Canadian average for carrots and flour.

Nunavut's Food Prices



*Nunavut release delayed by NBS due to November 2019 ransomware attack.

Average Monthly Rent, Iqaluit **\$2,610**
2018, Social housing excluded; CMHC *+0.2%*

The Canada Mortgage Housing Corporation (CMHC) found that monthly average rent in Iqaluit—the only community in Nunavut with available data—rose just 0.2% in 2018 to \$2,610 (social housing excluded; CMHC estimates 23% of units are rented by the NHC for social housing, 39% by the GN and Canada for staff housing, and 25% by private companies for the same). Broken down by unit size, average rent was \$2,296 for a one-bedroom, \$2,678 for a two-bedroom, \$3,054 for a three-bedroom, and \$3,592 for a four-plus bedroom apartment. The total universe of rented units fell slightly, to 2,126 (down 2.0%). On the ownership side, Iqaluit's median residential sale price increased to \$522,500 (up 3.8%), likely due to a land shortage that limited construction activity. Total residential building permits declined from 61 in 2017 to 51 in 2018, while residential sales fell slightly, from 36 to 33 (of which 23 were single-detached and 13 row homes). Statistics Canada estimates 36.5% of Nunavummiut live in 'core housing need', a rate more than double anywhere else in Canada.

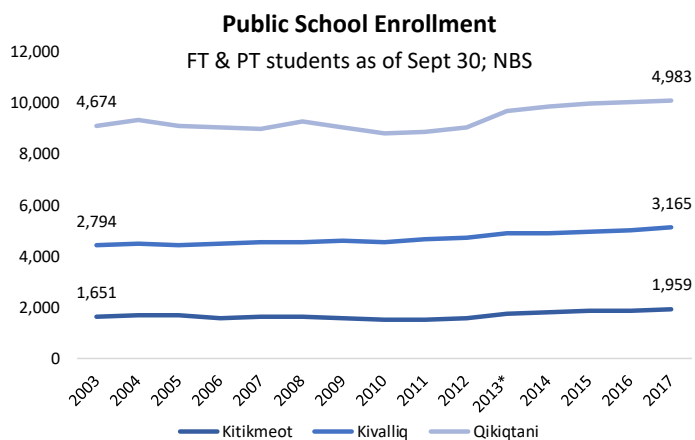
CAD-USD Exchange Rate **\$0.75**
2019; Bank of Canada (annual average) *-2¢*

The CAD-USD exchange rate is the amount in American dollars (USD) that a person can buy with one Canadian dollar (CAD). Exchange rates reflect trade and, just as importantly, volatile capital flows that seek out the best return from one country to the next. The CAD has in recent years closely tracked the price of oil, and as crude prices have stabilized, so too has the Canadian dollar. Higher interest rates should also prop up the dollar's value. Overall, the CAD averaged \$0.75 USD in 2019, two cents lower than in 2018. A weaker Canadian dollar makes imports more expensive—reducing the international buying power of Nunavut consumers and producers—though it does make exports more attractive to foreign buyers.

Social Measures

High School Graduation Rate **48.5%**
 2017, Gross figure; NBS *+5.5 p.p.*

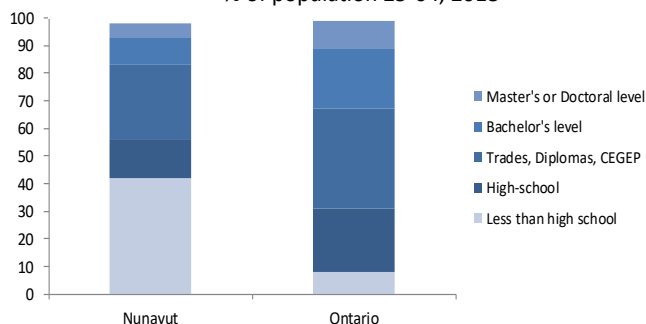
The high school graduation rate is calculated by dividing the number of high school graduates in a given year by the number of all students eligible to graduate. Low high school retention is one of the biggest challenges faced by the Nunavut economy. In the latest data available (2017), the share of 17-18 year-old Nunavummiut graduating from high school increased by almost 6 p.p. This improvement reflects a roughly equal cohort of graduation-aged students, but a jump from 260 to 297 total graduates. Despite this progress, much work remains to be done. For comparison, the national high school completion rate is 88%.



Registered Apprentices **168**
 2018, Major trades; StatsCan 37-10-0023 *+9.8%*

Registered apprenticeships are jobs with training that help workers gain recognized qualifications and skills while earning a living. With Nunavut's economy facing a shortage of skilled tradespeople, the GN—through Nunavut Arctic College and the Department of Family Services—is working hard to increase the number of registered apprentices. In 2018, the latest year with available data, the total reached 168, up 10% from the year before. Electricians (33 apprentices), carpenters (24), heavy duty mechanics (24), plumbers (18), and automotive services (8) led the way as the most popular trade categories. Despite the recent growth in apprenticeships, it is important to note the current total is well below the 2010 peak of 255—and Nunavut lags the other two territories considerably (606 in Yukon and 504 in NWT).

Education Composition
 % of population 25-64, 2018

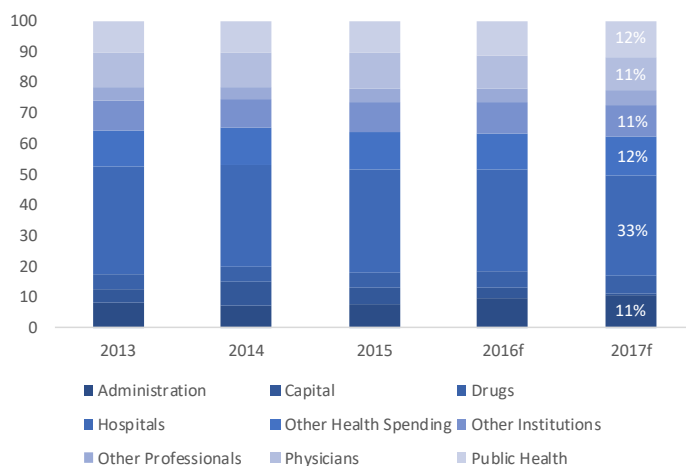


Health Centre Visits Per Capita **5.9**
 2016; NBS & GN Department of Health *-11.3%*

On average each Nunavummiut made roughly six trips to a community health centre or (in the case of Iqaluit) hospital in 2016 (-11%), the latest year with data available. This number varies considerably by community, ranging from 1.0 visits per capita in Iqaluit and 16.1 in Qikiqtarjuaq. Combined, this equaled 217,168 visits, a 11% decrease year-over-year. General checkups, counselling, and laboratory visits made up 39% of visits, respiratory infections 13%, and injuries 7%, while pregnancy and child birth just 3%.

Health Spending

% of public & private, by category; NBS & CIHI



Crime Severity Index **319.9**
 2018, per 100,000 residents; StatsCan 252-0052 *+6.0%*

The Crime Severity Index (CSI) is a measurement of the seriousness of police-reported crime. The index is weighted by the seriousness of the crime (as measured by average incarceration time) and is expressed as a rate per 100,000 residents to facilitate comparison across jurisdictions. In 2018, Nunavut's CSI value increased almost 6%, to roughly 320—the second highest rate in Canada. Nationally, the figure is 75. Two other crime tracking statistics also worsened in 2018. The number of police-reported crimes in Nunavut grew 8%, to 38,119 per 100,000 residents (nationally the rate is 5,488), while the territory's homicide rate was up 30% (from 6 incidents to 8). This is equal to 20.8 homicides per 100,000 residents, a figure well above the national rate of just 1.8 (down 4% from the year before).

Mining

Commodity Price Index: Metals & Minerals **570.3**
 2019; Bank of Canada *+1.7%*

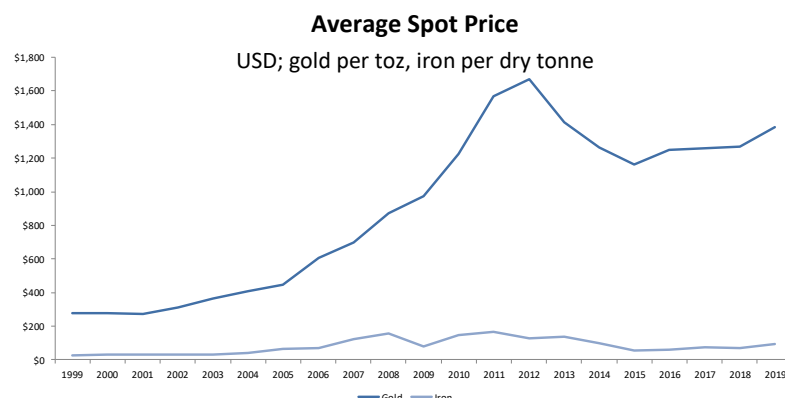
The Bank of Canada tracks the USD spot or transaction prices of commodities produced in Canada and sold on world markets. The value of the Bank's Metals and Minerals Index increased...

almost 2% in 2019, suggesting gains in precious metals outweighed base metal price declines. This continues an upward trend that started in 2017. However, at the same time energy prices declined by 2%, as supply growth in the United States and elsewhere continued to outpace demand. Solar and other renewable energy sources also enjoyed dramatic increases in production. We therefore expect to see more emphasis on consolidation in the Canadian natural resources sector, rather than production expansion.

Commodity Prices: *Weak global demand and rising trade tensions meant most commodity prices declined in 2019. At \$61 per barrel, crude oil came in \$10 below the World Bank's forecast—and is expected to average just \$58 in 2020. Base metals declined 5% as well, adding further weight to Nunavut's sluggish mineral exploration activity: preliminary 2019 figures show spending in Nunavut fell by a modest 4%, to \$144.3 M. Data for 2018 tells a similar story, with claims and leases both down significantly (from 3,699 to 2,855 and 487 to 470, respectively), though the number of prospecting permits rose from 78 to 147 (+88%). One bright spot, however, was continued strong demand for precious metals. A high price for gold has done much to drive Nunavut's record production. Looking ahead, the World Bank expects energy and metals prices will continue to fall in 2020—though gold could do the opposite and climb even further. Agricultural prices, which fell 5% in 2019, are expected to stabilize. Note that these forecasts were released before the latest outbreak of coronavirus—an epidemic that has already effectively shut down large parts of the Chinese economy for a prolonged period.*

Total Mineral Production **\$1.16 B**
 2018 preliminary (\$ B); Natural Resources Canada +5.8%

Total mineral production is the value generated by all minerals extracted in Nunavut in a given year. The 2018 preliminary value was \$1.2 B, up almost 6% from 2017. Of this, \$595 M came from gold production (11,359 kilograms produced, down 8%) and \$564 M from iron (4,947 tonnes produced, up 24%). Across Canada total mineral production grew significantly as well, up 3.7% in value to \$47 B (giving Nunavut a 2.5% national share, up 0.6 p.p.). The higher mineral value reflects the increased production at Baffinland's Mary River iron mine, as well as higher gold prices and the ramp-up at TMAC's new Hope Bay facility offsetting production declines at AEM's aging Meadowbank site.



Gold Price **\$1,393 USD**
 2019; USD/troy oz (World Bank) +9.7%

The price of gold averaged almost \$1,400 US per troy ounce in 2019, up 9% from 2018. Recent months have seen gold trade even higher, at \$1,511. High prices and looming production declines led to \$33 B worth of industry mergers in 2019. The precious metal is currently mined in Nunavut at AEM's Meadowbank (including the Amaruq satellite deposit) and Meliadine sites, the latter two of which first achieved commercial production in 2019. TMAC's Hope Bay is producing as well, and Sabina's Back River project is expected to see drilling commence in March 2020.

Iron Ore Price **\$94 USD**
 2019; USD/dry ton (World Bank) +34.6%

Iron ore averaged almost \$100 per dry ton in 2019, an increase of more than a third from 2018. This increase reflects the negative supply shock caused by a catastrophic dam failure at a Brazilian iron mine owned by Vale. However, prices will likely fall in 2020 as supply recovers, alongside tariffs and continued overcapacity in the steel industry amid soft global demand. A prolonged coronavirus-induced shutdown of Chinese imports—which now appears likely—will only worsen this trend. In Nunavut, considerable controversy surrounds Baffinland's Mary River expansion plans. The recent high prices encouraged the company to apply to the Nunavut Impact Review Board (NIRB) to increase production from 6 M to 12 M tonnes per year and to construct a 110 km railway to Milne Inlet. However, the Qikiqtani Inuit Association (QIA), who manages most of the land occupied by the mine, refuses to support the company's proposal, citing caribou migration and other hunting concerns.

Uranium Price **\$26 USD**
 2019; USD/pound (Cameco) +4.3%

Uranium prices continued their modest gains in 2019, up almost 5% from the previous year. However, despite more favourable price conditions, deposits in Nunavut remains stuck at the exploratory stage. In 2015 the mining firm Areva (now known as Orano) stated that prices for the commodity were so low that it could be up to two decades before its Kiggavik property in the Kivalliq region becomes viable.

Diamond Price **101.5**
 2019; FRED Export Price (Dec 2013 = 100) no change

Diamond prices were unchanged in 2019, according to the US Federal Reserve's index of export prices. Argyle, Australia's largest diamond mine, is set to close in 2020. Production at NWT's Ekati and Diavik mines are slowing as well, further tightening global supply. In addition, synthetic diamonds have emerged as a realistic alternative and this may displace some demand. In September 2018, De Beers Group bought Peregrine Diamonds for \$107 M, suggesting interest in developing the junior firm's high-quality Chidliak project near Iqaluit. Chidliak holds an estimated 17.96 M carats.

Key Fiscal Indicators

Revenues	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20(r)	2020-21(f)
Federal Funding	1,465.2	1,576.6	1,618.2	1,659.7	1,694.3	1,846.9	1,880.0	2,053.5	2,099.2
Territorial Formula Financing	1,273.5	1,350.4	1,409.1	1,454.2	1,488.6	1,529.9	1,578.8	1,641.7	1,712.5
Transfers Under Third-Party Funding Arrangements*	112.1	138.7	126.8	122.2	125.8	148.5	203.6	300.6	262.2
Other Federal Transfers	79.6	87.5	82.3	83.3	79.9	168.5	97.6	111.2	124.5
Own-Source Revenues	154.8	177.7	177.1	202.2	218.6	252.7	253.9	239.3	248.8
Taxes	84.2	92.4	96.4	107.8	107.5	115.2	148.8	140.3	144.9
Revolving Funds (Net CoGS)	20.1	25.3	26.3	33.1	52.8	39.2	35.3	37.8	42.2
Other Own-Source	37.2	50.6	41.5	45.4	43.5	87.7	57.2	48.2	48.7
Recovery of Prior Years' Expenditures	13.3	9.3	12.8	15.9	14.8	10.6	12.6	13.0	13.0
Total Revenues	1,620.1	1,754.2	1,795.3	1,862.0	1,912.9	2,099.6	2,133.9	2,292.8	2,348.0
Share of Federal Transfers (%)	83.5	82.0	83.1	82.6	82.0	80.9	78.6	76.5	78.2
Tax-to-GDP Ratio (%)	3.8	4.0	4.0	4.5	4.2	3.8	4.3	3.6	3.2
Expenditures									
O&M	1,273.2	1,349.5	1,397.2	1,481.6	1,547.9	1,621.3	1,712.9	1,739.6	1,816.7
Capital	90.9	183.6	231.4	223.9	221.5	301.4	191.7	323.0	143.0
Departmental Expenditures	1,364.1	1,533.1	1,628.5	1,705.5	1,769.4	1,922.7	1,904.6	2,062.6	1,959.7
Net Transfer to Capital Assets	-8.9	-79.6	-99.0	-88.4	-66.1	-123.0	-17.1	-81.1	61.3
Expenses for Revolving Funds & Other	33.5	28.0	27.1	30.4	31.8	45.5	34.1	44.5	45.2
Expenses Related to Third-Party Agreements	109.3	124.0	129.8	115.4	120.0	131.9	157.5	300.6	262.2
Supplementary Requirements & Contingencies	0	0	0	0	0	0	0	22.5	50.0
Total Projected Expenses	1,498.0	1,605.5	1,686.4	1,763.0	1,855.1	1,977.0	2,079.1	2,349.1	2,378.5
Yearly Surplus (Deficit), Public Accounts Basis	122.1	148.7	108.9	99.0	57.8	122.6	54.8	-56.3	-30.5
Expenditures / person (\$)	43,205	45,434	46,882	48,316	50,172	52,637	54,515	60,575	60,054
Expenditures / GDP (%)	68.1	70.0	70.8	72.8	71.8	65.4	60.8	59.5	52.0
Capital spending as share of total (%)	6.1	11.4	13.7	12.7	11.9	15.2	9.2	13.7	6.0
Health spending as share of total (%)**	24.2	20.6	21.0	20.7	20.6	21.3	22.3	19.6	20.9
Education spending as share of total (%)	16.2	12.9	12.7	12.9	12.9	13.0	12.1	11.7	10.1
Projected Surplus / GDP (%)	5.6	6.5	4.6	4.1	2.2	4.1	1.6	-1.4	-0.7
Net Financial Assets (end of year)	215.3	275.8	295.4	303.5	297.4	294.2	307.8	174.0	168.0
Net Financial Assets (end of year) / GDP (%)	9.8	12.0	12.4	12.5	11.5	9.7	9.0	4.4	3.7
Interest Costs / Total Revenues (%)***	0.7	0.6	0.6	0.7	0.7	1.2	0.9	0.8	0.5
Government Borrowing	187.1	225.0	250.8	301.1	331.2	440.9	445.2	452.0	-
Credit Rating	-	Aa1	Aa1	Aa1	Aa1	Aa1	Aa low	Aa low	-

Notes: *The GN receives a small share of third-party revenues (1.2% in 2017-18) from parties other than the Government of Canada. While we report these non-federal amounts separately in the year-end financial statements, we combine them here for budgeting presentation purposes. **Changes to GN departments in 2013-14, notably the creation of the Dept. of Family Services, mean that health spending as a share of total spending is not strictly comparable with 2012-13 and earlier. Numbers in italics indicate forecast; empty cells indicate no data or forecast for that year. ***Note that the interest figure in the main text includes principal repayments. Interest-only figures are not broken out in the Main Estimates, though they are reported in the Public Accounts at year end.

Key Economic Indicators

	2012	2013	2014	2015	2016	2017	2018	2019	2020(f)
Gross Domestic Product									
Nominal GDP (expenditure-based, \$ M)	2,200	2,295	2,383	2,421	2,582	3,021	3,421	3,949	4,570
Real GDP (basic prices, \$ 2012 M)	2,173	2,393	2,363	2,353	2,479	2,765	2,974	3,351	3,784
Real GDP per person (basic prices, \$ 2012)	62,676	67,705	65,681	64,487	67,051	73,604	77,981	86,405	95,549
Government Share of GDP (actual, %)	35.3	32.5	33.8	34.9	34.9	32.7	31.4	28.8	25.1
Business Investment in Capital (\$ 2012)	738	1,013	668	687	704	1,071	1,425	-	-
Population & Labour									
Population, July 1 (# of people)	34,672	35,337	35,971	36,488	36,975	37,559	38,139	38,780	39,605
Employment (# of people employed)	12,100	12,700	12,300	12,700	13,500	13,400	13,500	13,900	-
Unemployment Rate (%)	15.6	14.0	13.8	15.9	14.9	14.6	14.1	13.4	-
Employment rate (% of people aged 15+)	54.8	56.5	53.1	53.2	55.9	54.9	54.0	53.5	-
Participation Rate (%)	65.0	65.8	61.5	63.2	65.6	64.3	62.9	61.8	-
Average Weekly Earnings (\$)	1,125	1,177	1,237	1,256	1,277	1,332	1,381	1,437	-
Total Income (taxfiler, \$ M)	974.4	1,020.6	989.3	1,040.1	1,045.5	1,095.4	-	-	-
Median Total Income (taxfiler, \$)	29,220	28,910	28,410	29,450	31,270	-	-	-	-
Share of Total Income by Top 10% (%)	33.7	34.7	34.0	34.0	33.4	33.2	33.7	-	-
Income Assistance Recipients	13,797	14,578	-	14,428	14,337	14,952	14,488	-	-
High School Gross Graduation Rate (%)	35.1	32.1	32.1	34.0	41.7	47.7	48.5	-	-
Monetary Trends									
Bank of Canada Overnight Interest Rate (%)	0.9	0.9	0.9	0.6	0.5	0.7	1.75	1.75	-
Consumer Price Index, Iqaluit (2002=100)	115.3	116.6	118.1	120.4	123.4	125.4	129.2	131.3	-
Nunavut Food Price Basket (24 items)	-	155.7	157.4	165.3	172.9	171.0	174.1	-	-
Average Monthly Rent, Iqaluit (Excl. Social)	2,335	2,417	2,462	2,511	2,542	2,604	2,610	-	-
CAD-USD Exchange Rate	1.00	0.97	0.91	0.78	0.75	0.77	0.77	0.75	-
Commodities									
Bank of Canada Metals & Minerals Index	722.8	609.6	576.5	510.8	496.9	536.0	560.6	570.3	-
Total Mineral Production (\$'000s)	614,441	629,041	636,424	644,165	700,094	1,100,366	1,164,280	-	-
Gold Price (USD/troy oz; annual avg)	1,669	1,411	1,266	1,160	1,249	1,258	1,269	1,393	-
Iron Price (CFR Tianjin port; USD/dry ton; annual avg)	129	135	97	56	59	72	69	94	-
Uranium Price (USD/pound; annual avg)	49	39	33	37	26	22	30	26	-
FRED Diamond Export Price Index (Dec 2013 = 100)	-	100.0	108.4	106.1	105.0	100.1	101.5	101.5	-