



**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](mailto: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 figures from core or "non-consolidated" government operations, unless otherwise described. When used, *f* denotes forecast and *r* indicates revised.

## Revenues

**Total Revenues** **\$2,838.2**  
2023-24; non-consolidated -6.6%

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 \$2.84 B in 2023-24 through federal transfers, revenues from third-party agreements, taxes, and other own-source revenues, including revolving funds and prior-year recoveries. This marks a -7% or \$202 M decrease from the \$3.04 B we forecast for 2022-23. While we still expect taxes and most transfers to grow in 2023-24, overall funding should fall due to the extraordinary nature of the various one-time, third-party payments received from the federal government for COVID-relief.

**Federal Transfers** **\$2,112.9**  
2023-24; GN Finance +6.2%

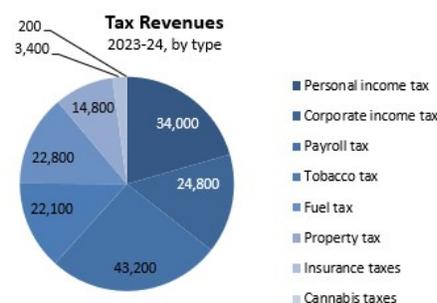
The GN receives fiscal transfers from the Government of Canada through various funding agreements and legislated arrangements. The largest of these, Territorial Formula Financing (TFF), will provide \$1,971.4 M in 2023-24, up 6% from last year. The TFF is an annual unconditional 'no strings attached' 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 (\$51.9 M), Canada Social Transfer (\$17.2 M), carbon levy (\$26 M), and a number of other arrangements through Health, Justice, and Family Services. Together, TFF and other federal transfers make up 74% of total GN revenues.

**Revenues From Third-Party Agreements** **\$418.1**  
2023-24; GN Finance -45.7%

The GN receives revenues from the federal government (\$414 M or 99%) and other organizations (\$4.3 M or 1%) 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 (e.g. transfers, taxes, etc.). The GN is budgeting to receive roughly \$418.1 M from third-party sources in 2023-24. This number is down almost 50% from 2022-23, a reflection mostly from the various extraordinary measures implemented by the federal government to fight the COVID-19 pandemic. 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** **\$165.3**  
2023-24; GN Finance +3.8%

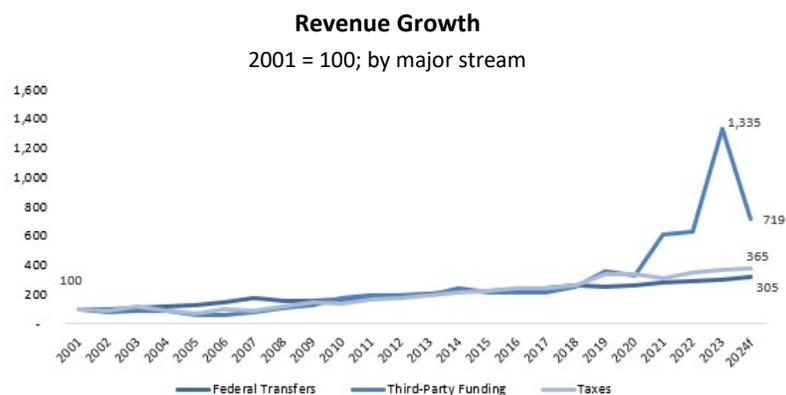
The GN expects to raise almost \$165 M in taxes in 2023-24, or \$6.0 M more than what we currently expect in 2022-23 (+4%). Personal income (\$34 M) and payroll (\$43 M) taxes will be the largest contributors, both of which depend on the quantity and quality of jobs and wages in the territory. Fuel tax (\$23 M) and property (\$15 M) may be up slightly while taxes on tobacco (\$22 M, with another \$0.2 M in cannabis tax revenues) should remain near their 2022-23 values. So too should corporate income tax (\$25 M), which depends on the profits of incorporated firms. Together, taxes are expected to make up 6% of the GN's total revenues, up slightly from last year (5%).



## Revenues

	Main Estimates 2023-24	Revised Estimates 2022-23	Main Estimates 2022-23	Actual 2021-22
TFF and Other Federal Transfers	2,112.9	1,990.4	1,980.0	1,917.3
Revenues From Third-Party Agreements	418.1	769.8	367.2	362.7
Taxes	165.3	159.3	159.8	152.4
Revolving Funds	42.7	52.4	52.4	42.0
Other Own-Source Revenues	86.2	54.8	53.7	53.7
Prior-Year Recoveries	13.0	13.0	11.0	16.8
<b>Total Revenues</b>	<b>2,838.2</b>	<b>3,039.7</b>	<b>2,624.1</b>	<b>2,544.9</b>

	2023-24	2022-23(r)	2022-23	2021-22
Personal Income Tax	34.0	32.6	33.9	41.3
Corporate Income Tax	24.8	26.0	20.5	13.2
Payroll Tax	43.2	40.9	41.8	39.3
Tobacco Tax	22.1	21.8	24.1	24.6
Fuel Tax	22.8	20.6	24.0	18.9
Property Tax	14.8	14.1	12.4	12.1
Insurance Tax	3.4	3.1	2.9	2.9
Cannabis Tax	0.2	0.2	0.2	-
<b>Total</b>	<b>165.3</b>	<b>159.3</b>	<b>159.8</b>	<b>152.3</b>



### Prior-Year Recoveries

2023-24; GN Finance

**\$13.0**

no change

The GN expects to report roughly \$13 M in prior-year recoveries in 2023-24. 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.

### Revenue Commentary

2023-24; GN Finance

- A proposed liquor tax was introduced into the Assembly in October 2020 but did not progress into law before the territorial election of fall 2021. This proposed tax (Bill 4, the *Liquor Tax Act*) was reintroduced into the Assembly in May 2022. Bill 4 received assent on November 8, 2022. We expect to implement in late 2023.
- All classes of property tax mill rates (excluding education) for the General Taxation Area (GTA)—that is, for all properties outside of Iqaluit—were increased by 10% for the 2022 tax year.
- Nunavut’s tobacco tax rates have remained unchanged since 2017. This means that as tobacco prices rise due to inflation, less and less of the total cost is due to tobacco taxes, reducing the tax disincentive on purchases of this extremely unhealthy product.
- The GN is drafting a new Fuel Tax Act to replace the Petroleum Product Tax Act to keep up with Nunavut evolving Economic reality. The Act will be introduced into the Assembly in spring 2023.

### Territorial Tax-to-GDP Ratio

**3.1%**

2023-24; GN Finance

-0.2 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). We forecast Nunavut’s 2023-24 share will slightly decrease to around 3%. This low figure reflects the territory’s small tax base and the high level of federal transfers that sustain government operations.

### Revolving & Other Own-Source Revenues

**\$128.9**

2023-24; GN Finance

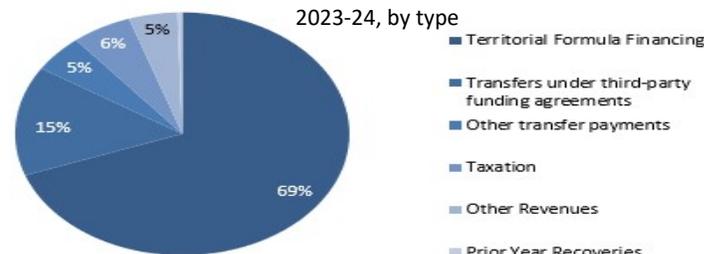
+20.2%

The GN generates revenue in a number of ways aside from taxes. In 2023-24, for example, we expect to collect \$21.2 M in rent from GN employees in staff housing, and expect to collect another \$65.0 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 (PPD; \$30.4 M, net cost of goods sold worth \$205.7 M; PPD’s revenues are expected to fall by \$10 M, constituting the bulk of the decline in this revenue category) and Liquor and Cannabis Commission (NULC; \$12.2 M net goods sold worth \$8.8 M). Revolving funds hold money collected from user charges (such as fuel or liquor sales), up to a limit specified in law (\$15 M in net assets for the NULC, for example). Net profits are paid into the Consolidated Revenue Fund (CRF), much like a dividend.

### Total Revenues

2023-24, by type



# Expenditures

## Departmental Expenditures

2023-24; GN Finance

**\$2,360.1**

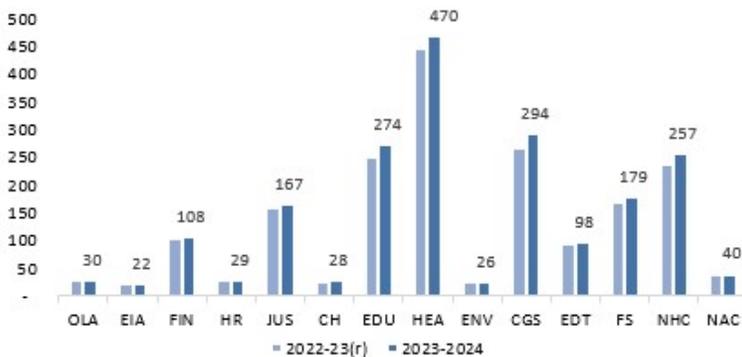
+3.3%

The GN is budgeting \$2.36 B worth of departmental spending in 2023-24, up 3% from the year before. This is the total amount the GN seeks to appropriate through the Capital Estimates and Main Estimates. Of this, \$2,022.1 M will go to operations and maintenance (O&M) and \$338.0 M to new capital projects.

For **operations and maintenance**, the GN is appropriating \$124.0 M more for O&M than the \$1,898.1 M included in the 2022-23 Revised Estimates (+7%). Most of this net increase will come as a result of spending by the Departments of Health (+\$23.5 M), Community and Government Services (+\$26.0 M), and Education (+\$21.3 M). Both health and education spending will remain key drivers going forward (compared to 2022-23, health and education have seen 5.3% and 8.4% increases, respectively). Of the other departments receiving increased appropriations, Nunavut Housing Corporation (+\$19.7 M or +8%), Family Services (+\$9.8 M or +6%), and Justice (+\$8.7 M or +6%) will see the biggest increase. For all non-Health and Education spending, we expect total O&M growth of around 7%.

### O&M Spending

'22 Revised vs '23 ME; \$M



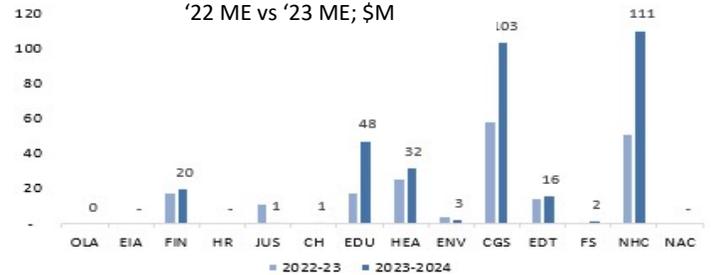
\*NHC nets out public rental recoveries and CMHC housing contributions from its O&M total.

In terms of **capital**, we forecast \$338.0 M in new spending in 2023-24 (up 66% from what was appropriated in the 2022-23 Capital Estimates). While this figure appears to be lower than the \$386.6 M ultimately appropriated through the Capital Estimates and Supplementary Appropriations in 2022-23 (Revised Estimates, -13%), 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 strictly comparable. The revised 2022-23 figure, for example, includes not only the \$204 M appropriated for new capital in the 2022-23 Capital

Estimates, but also \$170 M 'carried over' from uncompleted 2021-22 projects. The remaining \$1 M went to supplementary (that is, projects approved after the Capital Estimates were introduced) capital projects. We expect a similar amount for capital carryovers in 2023-24.

### Capital Spending

'22 ME vs '23 ME; \$M

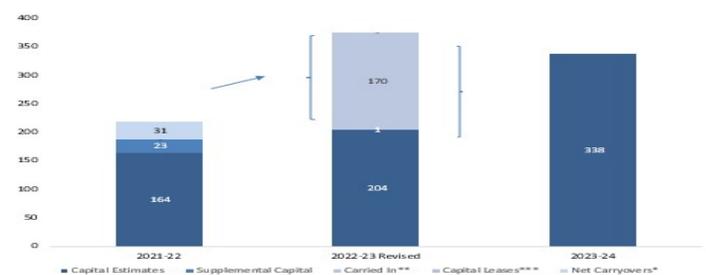


**Nunavut Carbon Rebate (NCR):** The NCR is a program offering a direct discount, 50% at-the pump of the Carbon tax to Nunavummiut when buying fuel. This program no longer meets the federal government's carbon pricing rules. It is being replaced by a new refundable tax credit—the Nunavut Carbon Credit (NCC). Once approved, this program will offer direct payments every three months starting in July 2023 to help Nunavummiut offset higher fuel costs. Budget 2023-24 sets aside \$12 million for the NCC.

**Homeowner fuel subsidy:** This is a one-time subsidy that homeowners can apply for starting spring 2023 to offset higher cost of heating. Maximum payment of \$1000 will be issued to each eligible homeowner.

### Carryovers in Action

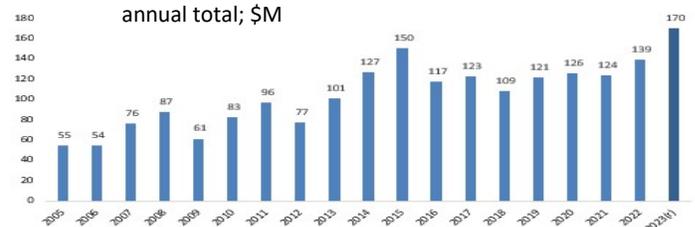
non-con \$M, by accounting period



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

### Capital Carryovers

annual total; \$M



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### 2023-24 to 2027-28 Capital Plan

Each year, the GN asks the Legislative Assembly for funds to build public infrastructure (appropriations made through the Capital Estimates), but plans its capital spending needs over many years, in a document known as the Capital Plan.

This plan includes funding allocations for planning (preparatory activities like sites visits, consultations, and geotechnical surveys to identify whether a proposed project is necessary or even feasible; the money is paid from a general funding envelope administered by CGS), design (architectural drawings and other plans), construction (building materials and labour), and other capital spending (including housing, small/minor capital, lifecycle repairs and maintenance, IT equipment, fire trucks and other vehicles, etc.). A typical project requires 1 year to design, 2 years to build, and 1 year of warranty work.

Note that capital planning does not address the uncertainty that may inflate the cost of capital projects. As we observed during the COVID-19 outbreak, such costs come in addition to the numbers discussed below.

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### 2023-24 to 2027-28 Capital Plan

Approved November 8, 2022

**Capital approved 2023-24:** \$338.0 M in capital projects for the first year of the plan.

**Capital planned until 2027-28:** \$1,444.2 M in capital projects proposed over the five years of the plan.

**Total value of projects in plan:** \$1,888.2 M in total capital projects linked to the plan (including all prior and future spending outside the five-year plan).

**Projects under construction:** 26.

**% devoted to housing:** 33% of the 2023-24 capital appropriation (\$110.5 M) is to support housing and related programs.

### New Projects

2023-24 Capital Estimates; GN Finance

The Plan includes \$2.7 M in 2023-24 to bring the Rankin Inlet Replacement of Critical Water & Sewer Mains into the design stage. It also introduces the following new capital projects:

- **Public Libraries Facilities**  
(\$0.5 M to CH in 2023-24; \$2.5 M total)

- **Replacement of Nuvuk Sewer Lift Station**  
(\$0.7 M to CGS in 2023-24; \$7.0 M total)
- **Sanikiluaq Wastewater Treatment Facility**  
(\$0.5 M to CGS in 2023-24; \$28.7 M total)

### Current Projects

2023-24 Capital Estimates; GN Finance

The GN continues its work on building a 24-bed **long-term care facility** in Rankin Inlet. \$12 M was approved for 2023-24, the third year of major construction. The facility is expected to open in 2024.

The **Nunavut Recovery Centre** will require a further \$15.5 M of construction work in 2023-24 to complete the \$26.7 M project.

The GN will spend \$17 M in 2023-24 on the **Enterprise Resource Planning System (ERP)**.

The GN's work toward bringing a **fibre optic** telecommunications line to the territory continues with a \$14.1 M budget for 2023-24.

The NHC will receive \$110.5 M in 2023-24 to support its capital **housing** activities, including the building and improvement of public and staff housing, mold remediation, local housing organizational support, and homeowner maintenance and purchase programs. The NHC combines these territorial investments with additional federal support.

### Operations Expenses

2023-24; non-consolidated

**\$2,796.4**

-5.3%

Operations expenses build on 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 (\$43.2 M), as well as spending incurred under third-party agreements (\$418.1 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...

# Expenditures

	Main Estimates 2023-24	Revised Estimates 2022-23	Main Estimates 2022-23	Actual 2021-22
O&M Expenditures	2,022.1	1,898.1	1,898.1	1,830.4
Capital Expenditures	338.0	**386.6	204.0	140.3
<b>Departmental Expenditures</b>	<b>2,360.1</b>	<b>2,284.7</b>	<b>2,102.1</b>	<b>1,970.7</b>
Net Change in Capital Assets*	(25.0)	(144.5)	(3.0)	(11.4)
Expenses Related to Revolving Funds*	43.2	42.1	42.4	39.9
Expenses Under Third-Party Agreements	418.1	769.8	367.2	362.7
<b>Operations Expenses</b>	<b>2,796.4</b>	<b>2,952.1</b>	<b>2,508.7</b>	<b>2,361.9</b>
Supplementary Requirements	50.0	20.0	75.0	-
<b>Total Projected Expenses</b>	<b>2,846.4</b>	<b>2,972.1</b>	<b>2,583.7</b>	<b>2,361.9</b>

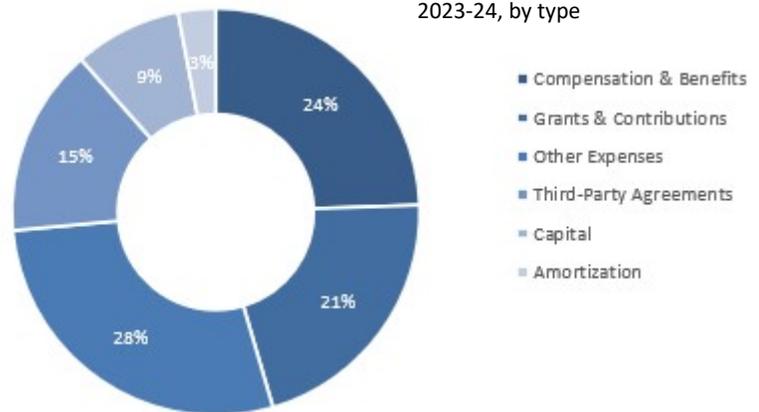
\*Projected values for net change in capital assets and expenses related to revolving funds are not published elsewhere. We publish final figures each year as part of Schedules B.1 and B.3 of the GN's non-consolidated financial statements. Net Change in Capital Assets is equal to capital spending minus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

\*\*This includes \$170 M in uncompleted capital projects 'carried over' from 2021-22, increasing the 2022-23 Main Estimates number through supplementary appropriations. We can expect a similar amount to be carried into 2023-24 from 2022-23. In this way the Revised 2022-23 figure includes much more appropriated capital than will actually be spent.

do not spend money in a year as planned), this adjustment is finalized only when we prepare year-end financial statements.

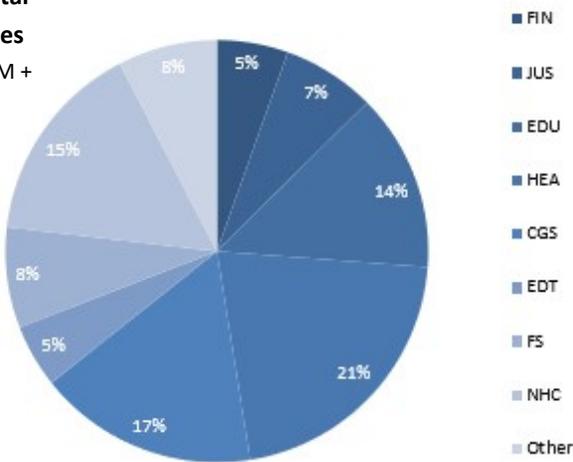
On this basis, the GN expects (assuming no additional third party agreements) operations expenses to total \$2.8 B in 2023-24, a year-over-year decrease of 5%—reflecting a return to normal GN pre-COVID-19 spending pattern.

**Total Expenses**  
2023-24, by type

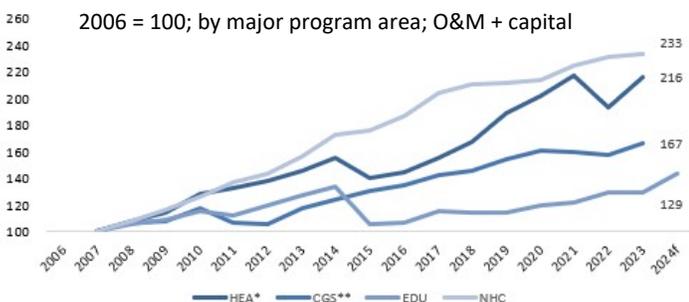


## Departmental Expenditures

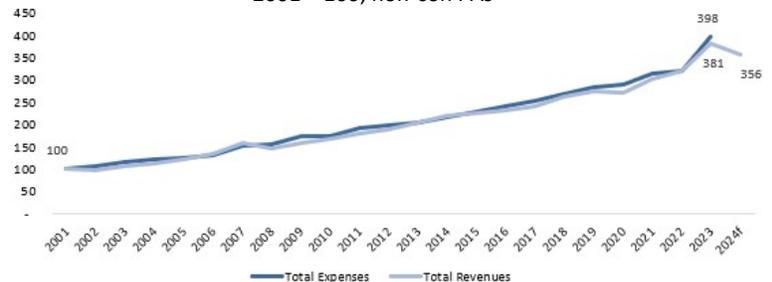
2023-24, O&M + capital



## Spending Growth



**Expenses vs Revenues**  
2001 = 100; non-con PAs



## Supplementary Requirements

2023-24; GN Finance

**\$50.0**  
-33%

The GN is setting aside \$50 M for contingencies and unallocated funding in 2023-24. 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 emergencies. Departments will often lapse funding and contingency funding can go unspent.

## Operating Surplus (Deficit) Summary of Operations

	Main Estimates 2023-24	Revised Estimates 2022-23	Main Estimates 2022-23	Actuals 2021-22
Total Revenues	2,833.9	3,039.7	2,624.1	2,544.8
<i>subtract:</i> Operations Expenses	(2,796.4)	(2,952.1)	(2,508.7)	(2,361.9)
<i>subtract:</i> Supplementary Requirements	(50.0)	(20.0)	(75.0)	-
<b>Projected Operating Surplus/(Deficit)</b>	<b>(8.2)</b>	<b>67.6</b>	<b>40.3</b>	<b>183.0</b>

Assuming the GN spends all \$50 M in contingencies, we are projecting total expenses will come to \$2,846.4 M in 2023-24, down 4% from the revised figure of \$2,972.1 M in 2022-23.

**Total Spending per Capita** **\$69,346**  
2023-24; GN Finance -5.5%

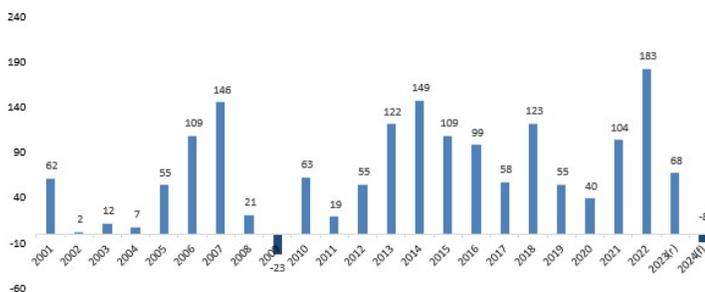
Climate, geographic remoteness, and a small, monopolistic commercial market make the provision of public services in Nunavut more costly than in the rest of Canada. Even so, we track spending carefully, to ensure the GN does not spend beyond its means. One measure is to divide total spending by the territory's population. We expect this per capita figure to shrink (due largely to lower projected COVID-related spending) almost 6% in the upcoming fiscal year, to just under \$70,000. Also worth measuring is public spending as a percentage of GDP. We expect its share of the territorial economy will hit 53% in 2023-24.

## Financial Performance

**Operating Deficit** **(\$8.2)**  
2023-24; GN Finance -\$75.9

The GN currently projects an operating deficit of \$8.2 M in 2023-24, equal to 0.3% of revenues. This is the total amount the GN expects to overspend, though the final figure will depend on how much of the contingency fund remains unused at the end of March 2024, how much money departments have left to lapse or capital to carry over at the end of the year, and the closing accounting charge related to capital assets. The final number will be made available in the 2024 Public Accounts.

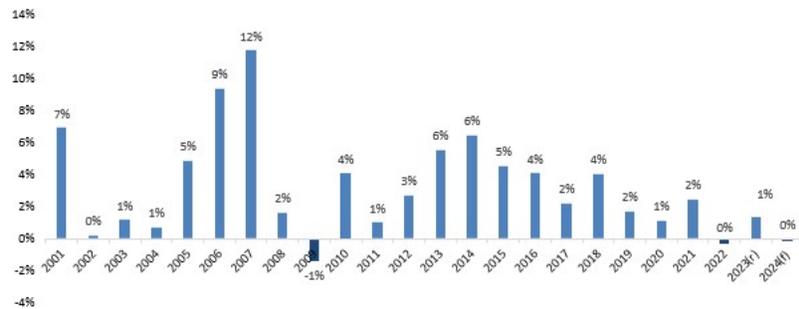
**Budgetary Balance**  
non-consolidated; \$M



**Projected Deficit-to-GDP Ratio** **-0.2%**  
2023-24; non-consolidated -1.5 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 around -0.2% in 2023-24, roughly -2 p.p. less than the results expected for 2022-23.

**Surplus-to-GDP Ratio**  
non-consolidated; % of nom GDP



**Net Financial Assets** **\$563.0**  
2023-24; non-consolidated -5.8%

Net financial assets (or debt, when negative) measure 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.

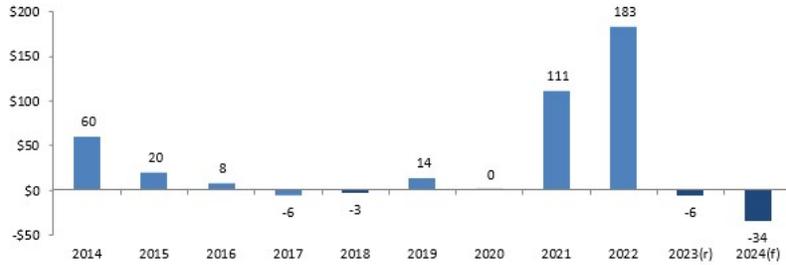
On top of the GN's operating deficit of -\$8.2 M, we expect to report a downward change to tangible capital assets worth \$24.8 M, based on accounting adjustments for capital acquisitions (-\$109.7 M), write-downs (\$1.5 M), and amortization (\$83.4 M). As a result of these...

and a few other smaller adjustments, the GN expects to decrease its net financial asset position by \$34.4 M. This will leave us with net assets at the end of the year worth \$563 M, equal to 10.5% of GDP.

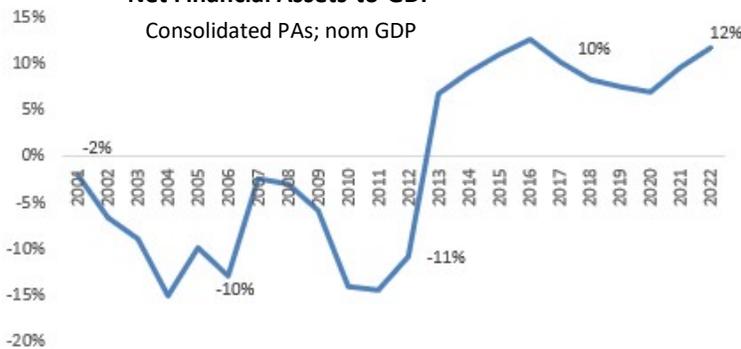
**Net Assets ('Accumulated Surplus')** **\$2,079.7**  
 2023-24; non-consolidated *-0.4%*

Net assets are 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 \$8.2 M in 2023-24, in line with our operating deficit. We currently expect to end 2022-23 with net assets of \$2,088 M, and so project a decrease of \$2,080 M in total assets by the end of 2023-24 (equal to 39% of GDP). 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.

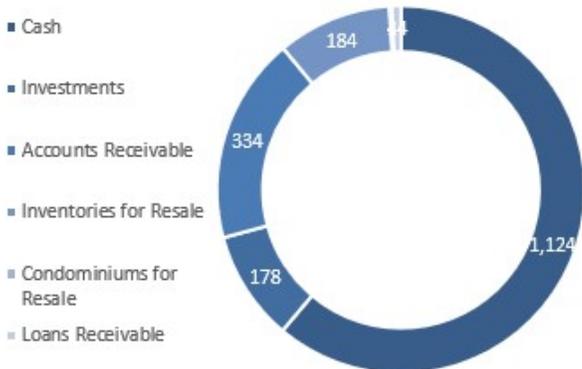
**Change in Net Financial Assets**  
 \$M; non-con PA & 2023-24 ME



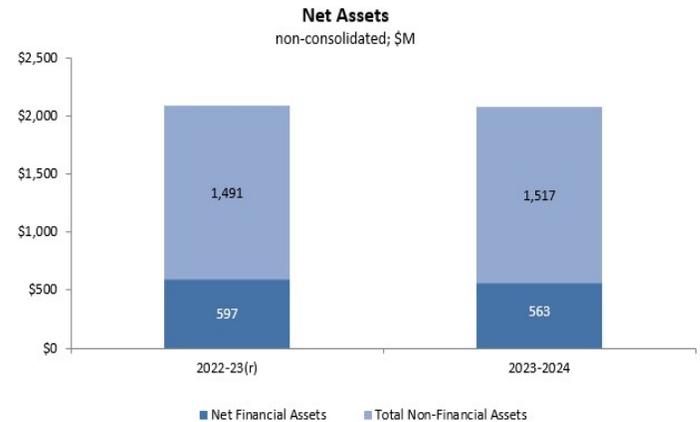
**Net Financial Assets-to-GDP**  
 Consolidated PAs; nom GDP



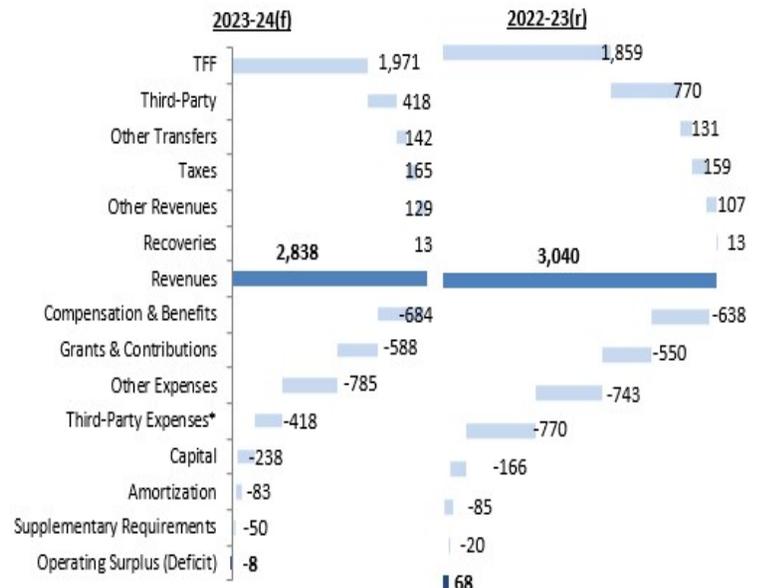
**Financial Assets**  
 Consolidated 2021-22; \$M



**Financial Liabilities**  
 Consolidated 2021-22; \$M



**GN Financial Statements—Waterfall**  
 non-consolidated; \$M



## Debt

### Interest-to-Revenue Ratio (%)

2023-24, non-consolidated; GN Finance

**0.8%**

no change

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 (both principal repayments and interest) the government’s non-consolidated debt (including capital leases and the NEMP). The combination of legislated debt restrictions, a history of low borrowing levels, a relatively high level of tied or third-party funding, and still-modest interest rates will keep Nunavut’s ratio under 1% (based on \$23.0 M in spending on interest and financing activities), no change from 2022-23. Nationally, the ratio is 8.4% in 2022.

### Total Government Borrowing

October 31, 2022; GN Finance

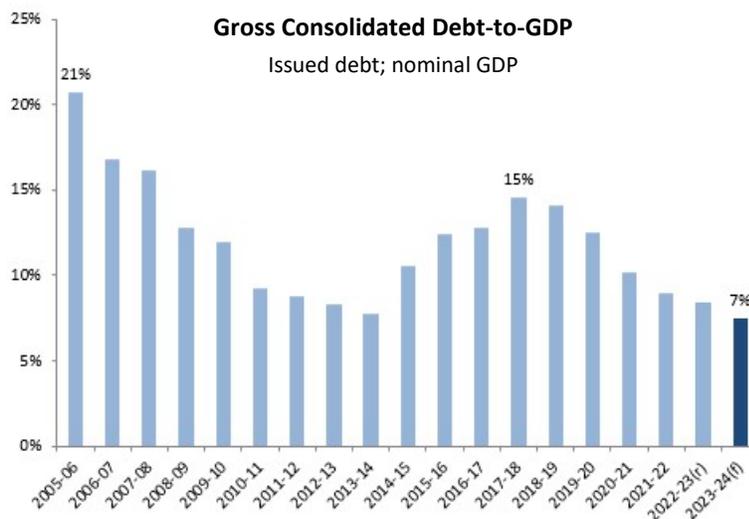
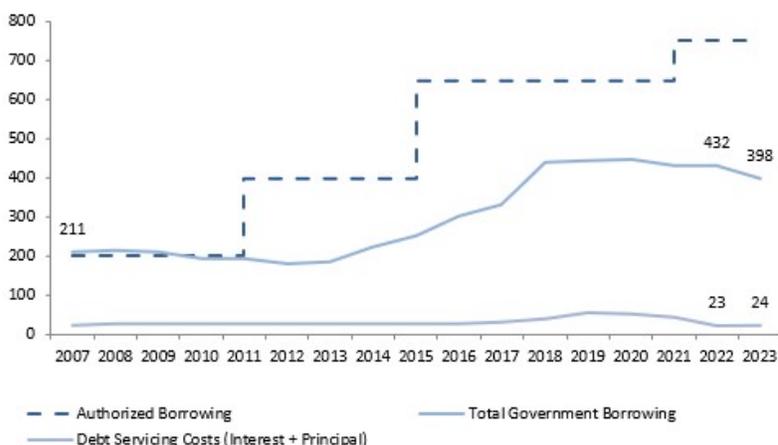
**\$397.7**

-7.8%

The Government of Canada limits how much debt territories can take on, including both actual borrowing and contingent liabilities. The GN’s legislated borrowing limit was increased by \$100 M in summer 2020 to \$750 M. As of October 31, 2022, total government borrowing was \$398 M (equal to 7% of GDP), leaving \$352 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, \$186 M), the Iqaluit airport project (\$149 M), and the Nunavut Housing Corporation (\$7 M). The rest is made up of GN obligations related to capital leases (\$40 M) and the Nunavut Energy Management Program (NEMP, \$17 M). Total borrowing is down \$34 M from March 31, 2022. This decline in debt was driven by a modest decline in QEC borrowing as well as the continued reduction of capital leases and airport obligations.

### GN Authorized Borrowing

October 31, 2022, consolidated; \$M



### Credit Rating

Nov 2022; 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 Morningstar 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 an AA low (with a stable trend) credit rating by DBRS, a rating subsequently confirmed each year since. 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
Canada	AA high <sup>+</sup>
BC	AA high
Saskatchewan	AA low
Alberta	AA low
Nunavut	AA low
Yukon*	AA low
NWT*	AA low
Ontario	AA low
Quebec	AA low
Manitoba	A high
New Brunswick	A high
Nova Scotia	A high
PEI	A
Newfoundland	A low

\*Issued by other rating agencies, but converted to DBRS-type scoring. <sup>+</sup> or <sup>-</sup> 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. Caution is required when using the figures, however, as no indicator will capture an economic phenomenon perfectly. Numbers are also subject to frequent revision by Statistics Canada (StatsCan), the Nunavut Bureau of Statistics (NBS), and other agencies.

## Nunavut's Economy

**Nominal GDP** **\$5,366**  
 2023 estimate; \$M (CBoC Jan 2023) **+9.8%**

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. Our latest forecast is that Nunavut's nominal GDP will reach \$5.4 B in 2023, up 9.8% from 2022 (which CBoC estimates grew by 4%). Nunavut's economy has proven stable with the war in Ukraine, in large part because of government spending and high commodity prices encouraging continued mineral production. Output at AEM's Meadowbank and Meliadine mines, for example, stayed stable at 717,500 ounces of gold in 2022, up 0.14% year-over-year. While AEM forgoing production in favour of exploration and expansion at its Hope Bay property in 2022 means annual gold production will not likely exceed 1 M ounces until 2023, we hope the bounce back of the hard-hit airline, tourism, recreation, and food establishment sectors will continue despite the risk of an economic recession as the inflation crisis persists.

**Real GDP** **\$3,780**  
 2023 estimate; \$M 2012 (CBoC Jan 2023) **+7.4%**

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. We expect Nunavut's real GDP will grow by 4.5% in 2023 (down from

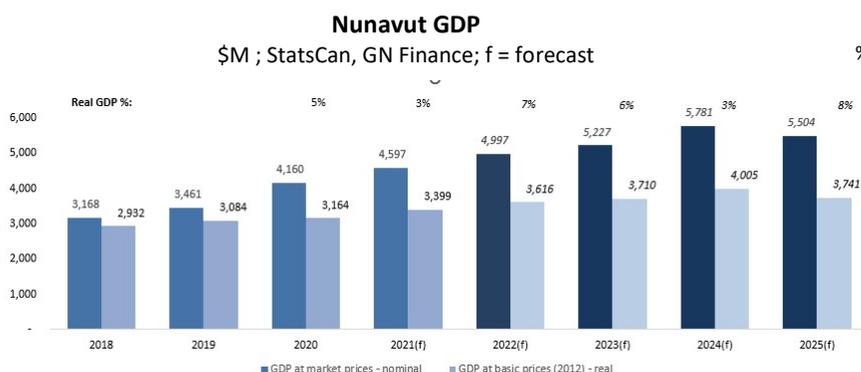
6% in 2022), coming in at roughly \$3.8 B. Longer-term, Nunavut's economic prospects...remained tied to both the territory's vast mineral potential—and its accompanying dependence on global ... commodity prices—and workforce education and skill development. Continued investment in crucial infrastructure will also enhance the territory's economic potential.

**Real GDP Per Capita** **\$92,094**  
 2023 estimate; \$ 2012 (CBoC, GN Finance) **+5.9%**

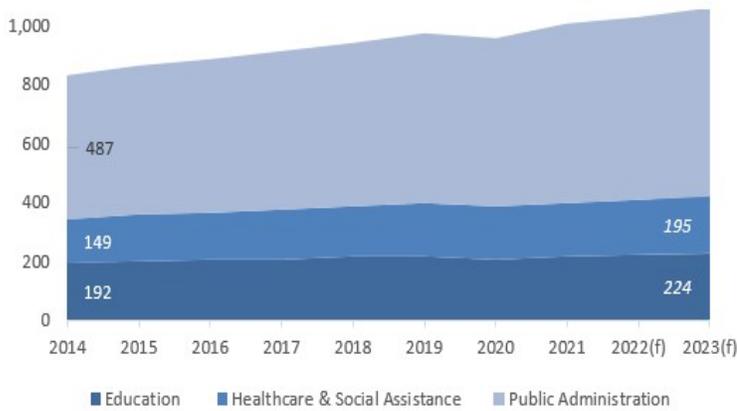
Real GDP per capita is calculated by dividing price-adjusted output by total population. We track output per person because average wealth can be a useful guide to living standards (though it does not speak to how wealth is distributed amongst the population; nor, as in the case of mining, does it mean all of the wealth produced actually stays in the territory). It is also a strong indication of whether economic growth is keeping pace with our territory's rapid population growth. Under current population and GDP forecasts, we expect real GDP per capita to grow at 2.1% in 2023.

**Government Share of GDP** **29.5%**  
 2023 estimate; % share (GN Finance) **-1.28 p.p.**

Government share of GDP is the total economic activity of 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: we forecast it to account for just over 29% of all goods and services produced in 2023. This figure is practically the same for 2022 and remains high. The economic activity of the federal government, for example, generally constitutes less than 20% of the national economy. Government looms large in the Nunavut economy, not only because of the high cost of providing public services in the far north, but also because the territory's private sector is typically quite small. One exception is mining, which accounts for roughly 1/3 of the economy—the industry's highest share in Canada. A falling share of government GDP generally suggests economic maturation and diversification.



**Government GDP Share**  
 \$M at basic 2012 prices; actual & CBoC forecast



**NU Real GDP Forecasts**  
 \$ M at basic 2012 prices

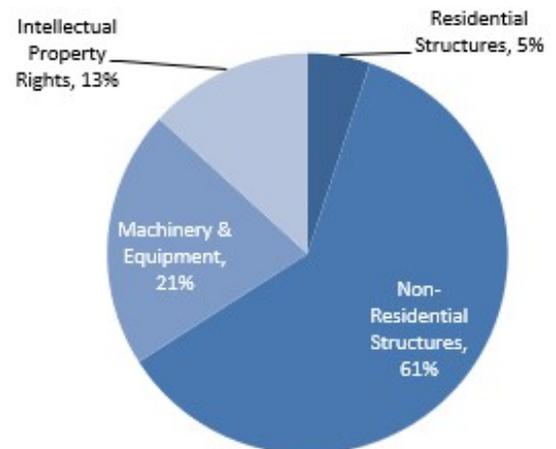


many delays with the recent being a missed deadline for the Nunavut Impact Review Board assessment on Jan 4th, 2023, the project is still being affected by earlier COVID-19 setbacks.

- **Nanisivik Deep-water Port:** Workers only arrived in August, pushing back expected completion to 2023 and the facility will start to be used by the navy regularly beginning in 2025.
- **Back River:** Although work was delayed, the gold site was fully permitted by July 2020 and ready for an expanded drilling program. Commercial production is expected to begin by 2025.

**Share of Business Investment in Nunavut, 2021**

StatsCan 36-10-0222-01



**Business Investment in Capital**

**\$963 M**

2021 (\$M 2012); StatsCan 36-10-0222-01

+11.4%

Business investment in capital refers to the total amount of private-sector capital investment in a given year. Firms invested \$963 M in Nunavut in 2021 (the latest year with available data). Most of this went to large investments in non-residential structures (up 7.8%, to \$579 M), machinery and equipment (up 31%, to \$198 M), and intellectual property (up 97%, to \$126 M), driven in large part by the natural resources sector. Investment in residential structures increased significantly (up 20% from 2020, to \$48 M), improving the territory's tight housing supply. On top of this business investment, several important public projects were furthered in 2019—including Iqaluit's \$84.9 M port which was completed summer 2022.

**Major Projects:**

- **Grays Bay Road & Port:** \$21.5 M in federal support was set to get the project—a key piece of unlocking the copper, lead, zinc, and silver of the Izok Corridor—'shovel ready' in 2020. The project has faced

**Construction Permits**

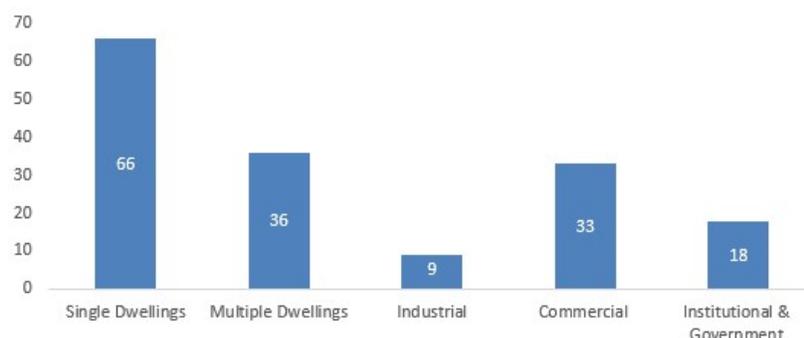
**162 units**

2022 (excl Dec); StatCan 34-10-0066-01

+134.8%

One real-time indicator of an economy's capital investment activity is the number of building or construction permits issued by municipalities. These show not only the new units under construction, but also their basic type. 2022, coming off COVID has recovered with a 135% year-over-year increase of 162 permits issued (excluding January) compared with 69 permits in 2021.

**Construction Permits**  
 2022 (excl Jan); issued #



## Retail Sales (monthly)

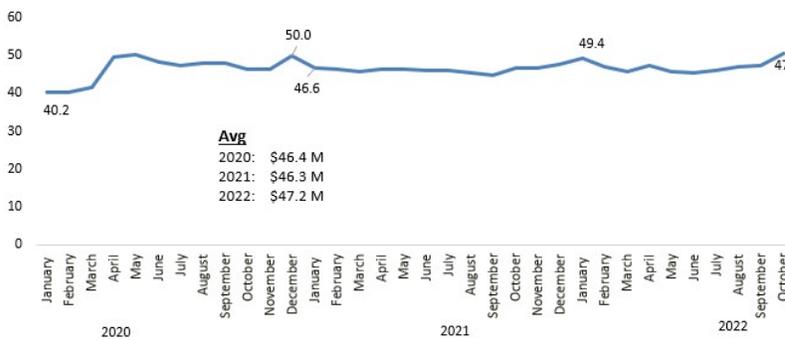
2022 avg; nom; StatsCan 20-100008-01

**\$47.2 M**

+2.1%

Retail sales provide timely and important insight into the economic health of consumers. We compare retail sales year-over-year to avoid confusing results with regular or 'seasonal' patterns that repeat themselves every year, such as how heating oil sales go up in the winter and down in the summer. The latest available data compares October 2022 to October 2021 and shows a strong 8.4% increase (to \$50.7 M in monthly sales). Of this total, we estimate roughly three-quarters went to grocery stores and the remainder to other retail, including convenience stores.

**Retail Sales**  
nominal \$ M; StatCan 20-10-0008-01



## Nunavut Cruise Ships

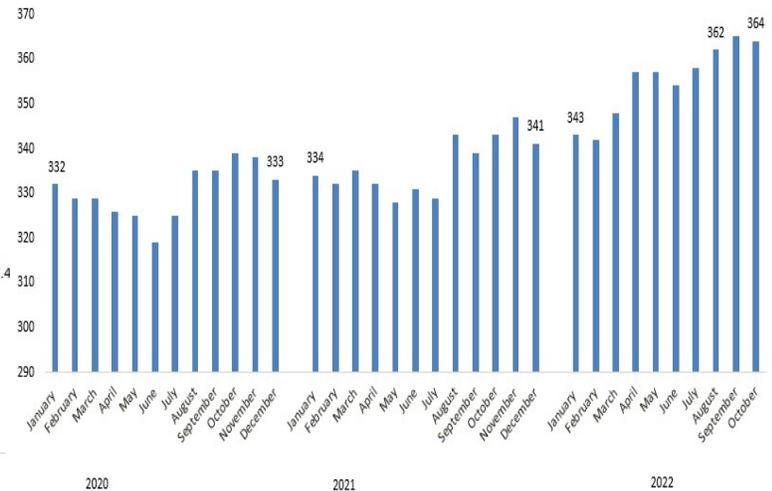
EDT; tourism data

**69**

+4.5%

Travel Nunavut has roughly 140 tourism operators, three quarters of which are headquartered in Nunavut and 69 of which are Inuit-owned. The territory received 3,011 cruise ship visitors in 2022. Coming out of the pandemic, cruise ships were halted in 2021 so we expect to see improvement in the following years.

**Active NU Businesses**  
monthly count; Statcan 33-10-0270-01



## Active Businesses

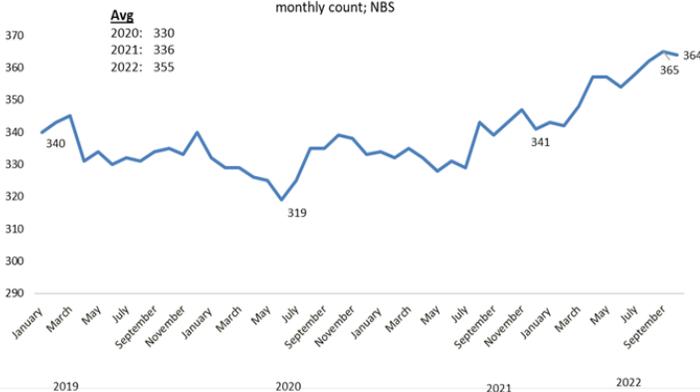
2022 average; StatsCan & NBS

**355**

+5.7%

The number of active businesses is another tool to measure private demand and the relatively vitality of an economy. More firms opening for business means entrepreneurs are confident enough in the health of the economy to risk their capital. It also increases competition and makes more goods and services available to consumers. The average number of active businesses in Nunavut increased from 336 to 355, an improvement (5.7%)—but a much better result than the 1.7% observed in 2021.

**Active NU Businesses**  
monthly count; NBS



### **The Canadian Economy in 2022: Statistics**

Canada estimates that real GDP grew by 0.7% in Q1 2022, 0.8% in Q2, and 0.7% in Q3. The International Monetary Fund (IMF) forecasts that as the economy has stabilized, Canadian real GDP will grow by 3.5% in 2022, down from 4.5% the year before (globally, the expectation is for 3.4% in 2022, down from 6.0% in 2021). This decline is mainly due to inflation, decreasing consumer's buying power which will slow economies. With the war in the Ukraine, oil prices have increased as well as component prices needed in the technology sector which might have a recession type impact on the economy due to higher than normal prices and high interest rates.

## Labour and Income

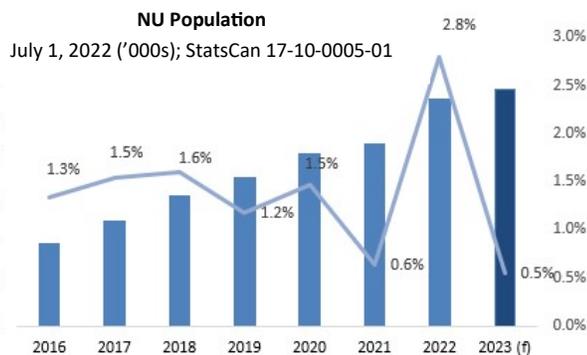
### Population (July 1)

2022; StatsCan 17-10-0005-01

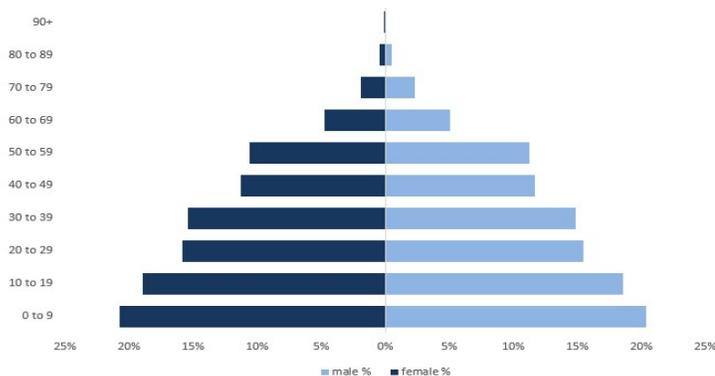
**40,526**

+2.1%

We measure total population as of July 1 in a given year. Nunavut's population grew by an estimated 815 people between 2021 and 2022, 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). Inter-provincial migration was at +183 in 2021/2022 which is a significant increase compared to +77 in 2020/2021 most likely from the economy's recovery from the pandemic. Nunavut remains Canada's youngest region, with about half of residents under 26 (the national median age is 41) and almost a third—or 12,425 Nunavummiut—under 15. Looking ahead, we expect total population to reach 40,718 by July 2023.



**NU Population Pyramid**  
July 1, 2022 ('000s); StatsCan 17-10-0005-01



### Employment

2022; NBS & StatsCan 14-10-0393-01 (LFS)

**14,200**

+1.4%

Employment refers to the annual average of people holding a steady job. COVID badly hurt the Nunavut labour force in 2020 but has recovered as the latest average of 14,200 people employed is up 200 year-over-year—an increase higher than the national rate (+1.4%). Nunavut's

employment rate (the share of population aged 15 and over who found at least some employment during the year) slightly dropped from 55.9% to 55.1% (nationally the rate is 62%) explained by the increased labour force from 25,100 to 25,700 in 2022. The Nunavut Bureau of Statistics (NBS) found that Inuit employment is recovering as well from job losses due to covid, 10.7% year-over-year increase in 2022.

### Unemployment Rate

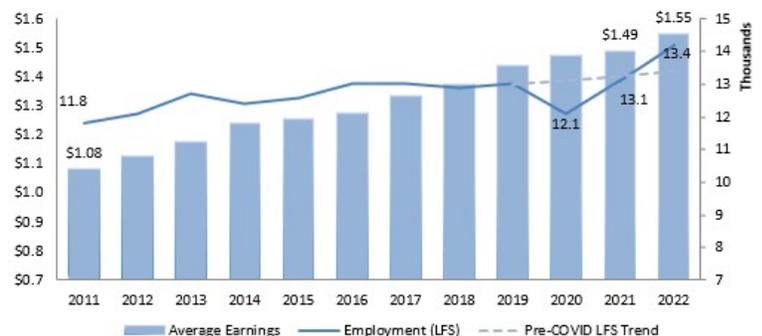
2022; StatsCan 14-10-0393-01 (LFS)

**13.9%**

+3.5 p.p.

The unemployment rate is the percentage of the labour force that is unemployed but still actively seeking employment. In 2022 Nunavut's unemployment rate increased to 13.9%, 3.5 percentage points from 2021 (nationally the rate is 5.3%). Nunavut's labour force participation rate (the share of Nunavummiut aged 15 and over actively seeking employment) performed better, increasing 1.6 p.p. in 2022 to 64.0% (Canada-wide the figure is 65%). This is a great sign as it indicates the economy is recovering and returning to pre-pandemic levels.

**Nunavut's Labour Market**  
Weekly \$k, annual avg; StatCan 14-10-0393-01 & NBS



### Average Weekly Earnings

2022(11months avg)Industrial Agg; 14-10-0203

**\$1,548.8**

+4.3%

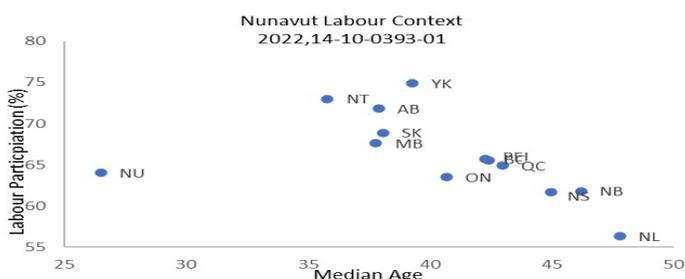
According to the latest figures, average weekly earnings in Nunavut increased by just \$63.67 (+4.3%) in the first eleven months of 2022. Average wages in goods-producing industries like construction grew modestly (\$2,117.7/week, up 4.9% since 2021); besides, the services sector (which is proportionately dependent on fewer fly-in, fly-out workers) grew 2.3% to \$1,374.9. Unfortunately, real wage growth was undermined by the high inflation throughout 2022. Nevertheless, Nunavut wages remain well above the Canadian average of \$1,131 per week. This +33% differential (1 percentage point higher than 2021) is the result of growing economy, high cost of living and shortage of skilled labour.

## Productivity

**\$235,033 per worker**

2021 (Annual average) Industrial Agg. 14-10-0203  
+2.2%

Productivity measures the amount of goods and services produced using a given stock of land, labour, and capital. Labour productivity looks at the efficiency of workers in particular. While productivity will rise and fall alongside the economy, we look for an overall upward trend. The more production from each Nunavut worker, the wealthier the territory becomes. In 2021, the most recent year with available data, each one produced roughly \$235,033 worth of GDP, up by just 2% from the year before. Put another way, each Nunavut worker produces about \$125 for each hour they work, 1.6 times the national average, unchanged from the previous year. Productivity growth in Nunavut is strongly correlated with mining activities, which may hinder further growth as mining activities tend to mature.



## Corporate Profits (tax filers)

**\$2.91 B**

2019 T2 Preliminary; GN Finance

+9.8%

Incorporated businesses operating in Nunavut file corporate income taxes with the Canada Revenue Agency (CRA). In 2019, the latest year with available data, 1,067 businesses did so—though we expect this number to rise by roughly 5% when final data becomes available. Corporate income is highly unevenly distributed among Nunavut firms, with more than 50% reporting less than \$55,000 in net income; 25% have reported net income of \$0 or less, suggesting many firms have limited operations or profitability concerns. About half of Nunavut corporations do not pay corporate income tax. Total net income, or corporate profits, reached \$2.91 B in 2019 (up 10% from 2020)—though note that much of this income comes from the national operations of financial services firms that is allocated to Nunavut by the CRA.

## Total Personal Income (tax filers)

**\$1,220 M**

2020 T1 Preliminary; GN Finance

+7.8%

Total personal income comprises all income that tax filers in Nunavut report, including wages and salaries, 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 grew surprisingly well in 2020 (+8% vs +4% the year before, according to the latest preliminary figures), likely a testament to both the resiliency of Nunavut's economy as well as the substantial COVID-related transfers to individuals provided by the federal government. While preliminary tax assessment indicated that 21,538 tax returns, CRA final result release indicates 23,220 total returns for 2020; this number is 7.8% higher and we expect final income to also increase accordingly.

## Median Income (tax filers)

**\$34,081**

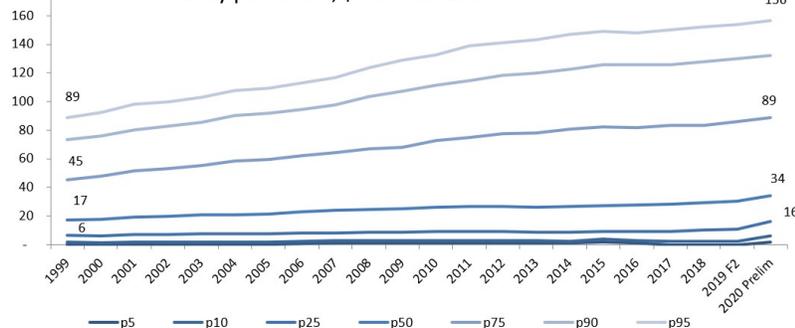
2020 T1 Prelim; NBS & GN Finance

+9.6%

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 2020, to almost \$34,100 (up 10% from the same period in 2019). With the median income growing even faster than total income, we can infer that income gains in 2020 went predominately to middle-to-low-income earners.

## Nunavut Income Distribution

total by percentile; \$'000 nominal



## Share of Total Income By Highest 10%

**32%**

2020 T1 Preliminary; GN Finance

-1.8 p.p.

In 2020, the top 10% of income earners in Nunavut reported earning in excess of \$132,063 each (down roughly 2 p.p. from 2019), according to our January 2022 results. Together, these individuals reported earning roughly \$389 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. We also expect high income earners to be somewhat protected in the pandemic, since they are more able to maintain employment by working from home or in the goods producing sector. Some may have even accumulated savings from cancelled vacations and other services spending. However, there are some important equalizers to this inequality.

**Low Income Families** **3,220**  
 2020, all types; NBS & StatsCan 11-10-0020-01 -14.4%

The Low Income Measure (LIM) is a relative measure of low income, set at 50% of median after-tax household income (\$22,520 in 2020). The measure is categorized according to the number of persons present in the household: couple families (760, down 310 from 2019), lone-parent (1,410, down 160) families, and non-family persons (1,050, down 70). NBS publishes this measure at the community level. The most recent data is from 2020, which shows a -14% decrease in the number of families living below the threshold. Nunavut's total number of households is roughly 11,000.

**Income Assistance** **7,629**  
 2022; NBS & GN Family Services -23.6%

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 2022, 7,629 Nunavummiut in 3,573 households (21% of the population) received a payment through these means-tested programs. This number is down from 2021 (-23.6%) which reflects many higher number of Nunavummiut enrolling on CERB, and its replacement the Canada Recovery Benefit).

## Price and Financial Markets

**Bank of Canada's Overnight Rate** **4.50%**  
 January 2023; Bank of Canada +3.5 p.p.

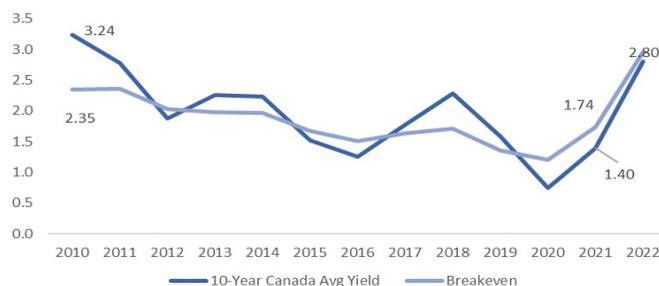
The Bank of Canada's overnight or 'policy' interest rate is the rate at which it lends to large banks and other key financial institutions. The rate has been set at 4.50% in January 2023. Updated eight times per year, we expect this rate will go down in the coming months as the current rate is to combat higher than usual inflation. The overnight rate is slightly different than the deposit rate, which is the average rate actually paid by commercial banks to individuals or corporations on deposits. This rate averaged 4.50% in January 2022 (+0.25 p.p. from the year before).

**10-Year Canada Bond Yield** **2.80%**  
 2022; Bank of Canada +1.40 p.p.

Benchmark bond yields are based on mid-market closing yields of selected government of Canada bond issues that mature approximately in the indicated terms. Canada long term yield for the 10-year Bond has recovered

throughout 2022 after slightly plunging in 2020. The average yearly long term yield increased by 1.40 percentage points to 2.80%. The 10-year bond yield is important for investors as it is seen as a useful proxy for mortgage rates, as well as an indicator of investors' confidence to the economy.

**Canada Benchmark Bonds**  
 annual avg yield; Bank of Canada



**CAD-USD Exchange Rate** **\$0.77**  
 2022; Bank of Canada (annual average) -3.9%

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 typically tracks commodity prices, particularly oil. However, this correlation slightly weakened throughout 2022 as a result of persistent high inflation that depleted earnings from higher oil prices. The CAD ended the year slightly weaker than in 2021, dropping by almost 4%. Also expectations that continuous inflationary pressure would weaken economic growth could explain reduced attractiveness of the CAD despite oil prices remaining above the historical average of \$60/ barrel.

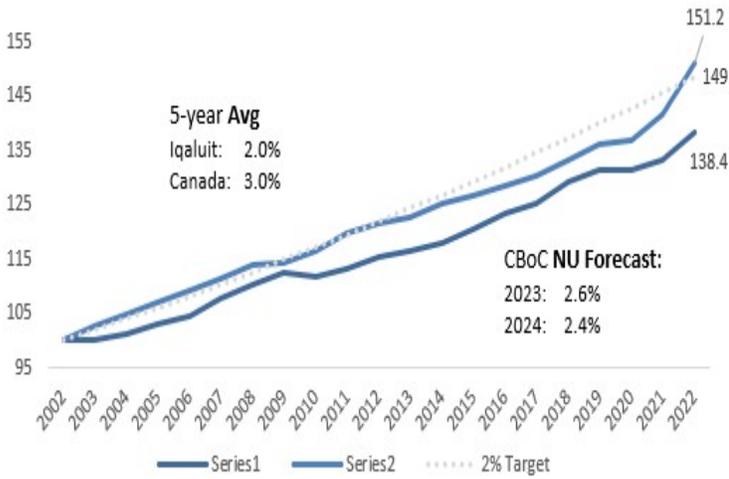
**Consumer Price Index, Iqaluit** **138.4**  
 2022 (2002 = 100), annual avg; 18-10-0005-01 +3.9%

The consumer price index (CPI) measures inflation, the change in price of a standard 'basket' of consumer goods and services over time. Inflation accelerated in 2022, and can be seen in Iqaluit, where price growth is up 3.9% on the year—compared to national price growth which severely increased to 6.8%. Inflation has become a major concern in recent months, reaching levels in Canada not seen since the early 1990s. 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, only 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.

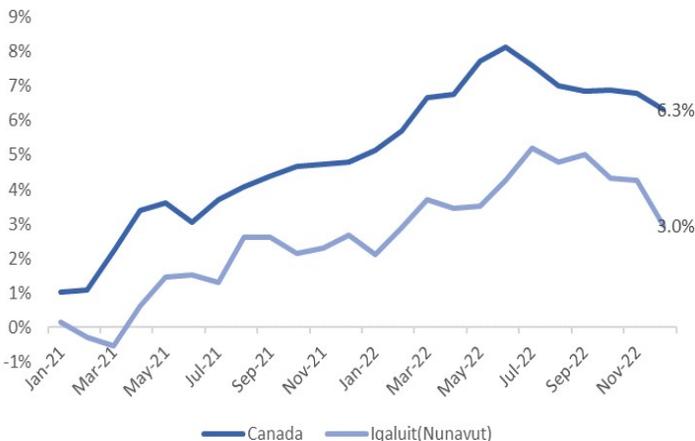
### Consumer Price Index

All items annual avg, 2002 = 100; StatsCan 18-10-0005-01



### Recent Inflation

All-items, MOM%, StatCan 18-10-0004-01



### Average Monthly Rent, Iqaluit

**\$ 2,798**

2021, Social housing excluded; CMHC

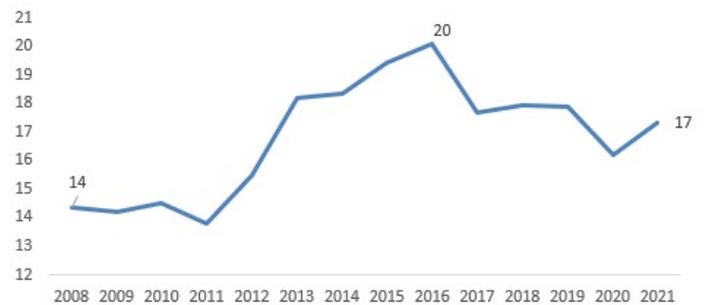
+1.7%

The Canada Mortgage Housing Corporation (CMHC) found that monthly average rent in Iqaluit—the only community in Nunavut with available data—rose just 1.7% in 2021 to \$2,798 (social housing excluded; CMHC estimates 23% of units are rented by the NHC for social housing, 42% by the GN and Canada for staff housing, and 12.5% by private individuals, and 22.5% of units are

others). Broken down by unit size, average rent was \$2,489 for a one-bedroom, \$2,823 for a two-bedroom, \$3,291 for a three-bedroom, and \$3,729 for a four-plus bedroom apartment. On the ownership side, Iqaluit's median residential sale price increased significantly in 2021 due to inflation, up \$72,500 up or 13.1% growth, \$625,000 from \$552,500 in 2020. The lack of available land continues to hinder housing supply and also limited construction and supply shortages. Residential sales increased, from 42 to 49 (of which 67% were single-detached units, while others were condominium and row housing types).

### Home Affordability

median Iqaluit home sale price as multiple of median income



### NHC Avg Bid Cost

**\$0.89 M**

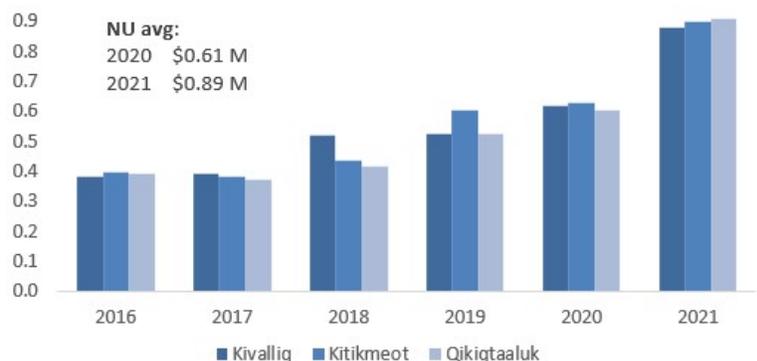
2021; NHC

+45.9%

Each year the Nunavut Housing Corporation (NHC) issues tenders to build new public and staff housing. While limited to residential and typically condo-type construction, these winning bids submitted in response provide a useful measure of the state of building costs in the territory. In 2021, NHC received bids for 74 units (of various sizes) across the territory (down 42 from 2020) with an average price of \$0.894 M (+46%). This steep increase in bid price reflects the high cost of building in the north, a shortage of developable land, limited market competition, as well as the impact of COVID on supply chains and the ability of skilled labour to visit remote worksites.

### NHC Construction Costs

bid price per unit, by region; nom \$M

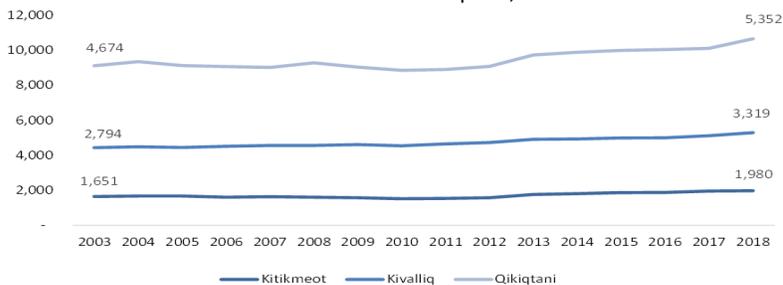


## Social Measures

**High School Graduation Rate** 43.6%  
2020/21, Gross figure; NBS & GN Education -4.9 p.p.

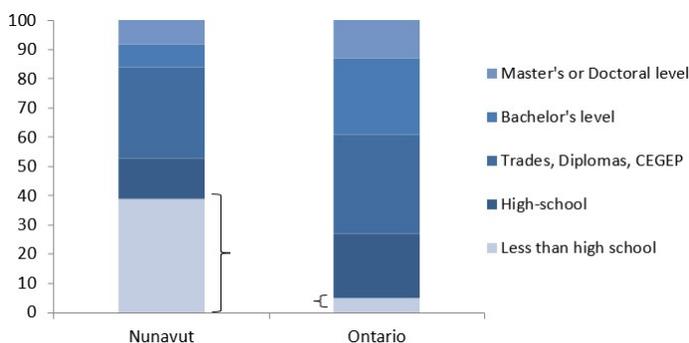
The high school graduation rate is calculated by dividing the number of high school graduates in a given year by the number of all students eligible to graduate. Low high school retention is one of the biggest challenges faced by the Nunavut economy. In the latest proportion data available (2021), the share of 17-18 year-old Nunavummiut graduating from high school has fallen by almost 5 p.p. to less than 44%. Total graduates rose slightly, from 255 to 287 (+13%). These figures nonetheless indicate much work remains to be done. Overall, the number of Nunavummiut without any certificate or diploma or degree rose from 40.9% in census 2016 to 45.1% in census 2021.

**Public School Enrollment**  
FT & PT students as of Sept 30; NBS



**Education Composition**

% of population 25-64, 2021, Cansim 37-10-0130-01



**Registered Apprentices** 159  
2021, Major trades; StatsCan 37-10-00219-01 +3.9%

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 2021, the latest year with available data, the total increased to 159, up 3.9% from the year prior. Electricians (24 apprentices), Carpenters (21), heavy duty mechanics (30), plumbers (15), and

automotive services (9) 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 (546 in Yukon and 339 in NWT).

**Crime Severity Index** 384.09  
2021, per 100,000 residents; StatsCan 35-10-0026-01 +1.6%

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 2021, Nunavut's CSI value increased 1.6%, to roughly 384—the second highest rate in Canada. Nationally, the figure is 74. Violent crime severity decreased -9.1% (596 from 656). Non-violent crime severity increased 10.8% (307 from 277).

## Mining

**Commodity Price Index: Metals & Minerals** 837.0  
2022; Bank of Canada +14.5%

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 14.5% in 2022, a great recovery from the disruption of COVID as 2021 also increased by 16%. This continues an upward commodity price trend that started in 2017 and helped keep Nunavut's mines running even as public health measures, the war in Ukraine and supply chain disruptions increased operating costs significantly. Energy (+40%), agricultural (+16%) and fisheries (+9%) products grew at even faster rates.

**Commodity Prices:** As the world's economies have rebounded from pandemic levels, the war in Ukraine did not help in certain sectors. Oil, for example, has diminished from a high in June of 2022 of \$120 per barrel (Brent) to \$81 today. Preliminary 2022 figures show mineral exploration spending in Nunavut was down 4%, to \$143.2 M. We look for a decline in 2023, as firms are mostly focused on production. Looking ahead, the World Bank forecasts the historically elevated commodity prices reached with the war in Ukraine and its associated sanctions on Russia will fall in 2023 and through the end of 2024. Energy, food, and fertilizer have already sustained the largest commodity price shock since the 1973 oil crisis. With expectations for economic downturn, energy prices will stabilize, or further decline in 2023; for instance, the U.S. Energy Information Administration has just lowered its 2023 natural gas Henry Hub Price by 30.5%. Gold and Iron ore prices are also projected to fall in 2023 and throughout 2024.

## Total Mineral Production

2021; preliminary (\$B); NRCan

**\$2.51 B**

+2.4%

Total mineral production is the value generated by all minerals extracted in Nunavut in a given year. The 2021 preliminary value is \$2.5 B, up just 2% from 2020, a sign that COVID-related disruptions have impacted operations. We typically track the composition of this figure, but Natural Resources Canada (NRCan) now suppresses volume and value data for specific commodities and the information is no longer available. Across Canada total mineral production grew stronger, up 11.5% to \$46.8 B (giving Nunavut a nearly 5% national share, roughly the same as in 2020). With pandemic restrictions lifted, we hope Nunavut's mines have returned to their full productive capacity.

## Gold Price

2022; USD/troy oz (World Bank)

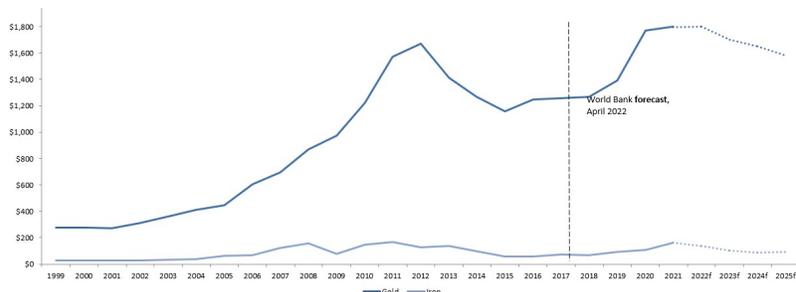
**\$1,800 USD**

+0.05%

The price of gold averaged \$1,800 US per troy ounce in 2022, up 0.05% from 2021 essentially remaining the same. Economic uncertainty and aggressive central bank action (even more so than during the 2008-09 financial crash) drove the price to almost \$2,100 in August 2020 but since has stabilized, today the Gold price stands at \$1,798. The precious metal is currently mined in Nunavut at AEM's Meadowbank (which, including its Amaruq satellite deposit, is expected to produce just over 300,000 ounces per year until 2027) and Meliadine (almost 400,000 annual ounces for the next several years until 2032) sites, as well as Hope Bay (200,000 ounces once it returns to production in 2023 which may be delayed). Sabina's Back River, currently in development, could produce 200,000 ounces for 15 years, starting in the first quarter of 2025. Pistol Bay project, located just 22km from Whale Cove contains similarly promising reserves; previously owned by the Russian Nordgold, it is since December 2022 a 100% property of the Ontario-based BG Gold Capital.

## Average Spot Price

USD; gold per toz, iron per dry tonne



## Iron Ore Price

2022; USD/dry ton (World Bank)

**\$120 USD**

-26%

Iron ore averaged \$120 per dry ton in 2022, a \$42 decrease from 2021. Tremendous market instability continues to prevail, China's December economy reopening pushed prices up again in a four-month highest; however, this improvement is not sustainable at least until we see how the economy evolves over the first quarter of 2023. Therefore, the outlook for Iron ore is uncertain as waves of economic shocks continue to impact demand and supply. In addition, China maintains its pledge to reduce steel output as part of an anti-pollution drive and this is driving fear within the space. Closer to home, the Nunavut Impact Review Board (NIRB) declined Baffinland's Mary River proposal to increase annual production from 6 M to 12 M tonnes and to construct a 110 km railway to Milne Inlet. Although this is not the final decision as Baffinland seeks an appeal, it is concerning as they have threatened to downsize due to the lack of increased production. The Qikiqtani Inuit Association (QIA), who manages most of the land occupied by the mine and refuses to support the company's proposal, citing caribou migration and other hunting concerns.



## Diamond Price

2022; FRED Export Price (Dec 2013 = 100)

**\$117 USD**

+16.2%

Diamond prices rose in 2022 significantly at 16.2% compared to 2021 at 4.5%, according to the US Federal Reserve's index of export prices, largely because demand has moved back to pre pandemic levels. De Beers' Chidliak property, located roughly 120 km from Iqaluit, holds an estimated 18.0 M carats, but field work there has been similarly delayed but should move forward mid 2023. Going forward, we expect this constraint on supply to keep upward pressure on diamond prices.

## Diamond Price



## Key Fiscal Indicators

Trend 2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23(r) 2023-24(f)

Revenues (\$M unless otherwise noted)

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23(r)	2023-24(f)
<b>Federal Funding</b>	<b>1,618.2</b>	<b>1,659.7</b>	<b>1,694.3</b>	<b>1,846.9</b>	<b>1,880.0</b>	<b>1,933.0</b>	<b>2,177.7</b>	<b>2,278.6</b>	<b>2,754.3</b>	<b>2,526.7</b>
Territorial Formula Financing	1,409.1	1,454.2	1,488.6	1,529.9	1,578.8	1,641.7	1,712.5	1,782.1	1,859.4	1,971.4
Transfers Under Third-Party Funding Arrangements*	126.8	122.2	125.8	148.5	203.6	191.7	352.0	361.3	763.9	413.8
Other Federal Transfers	82.3	83.3	79.9	168.5	97.6	99.627	113.22	135.2	131.0	141.5
<b>Own-Source Revenues</b>	<b>177.1</b>	<b>202.2</b>	<b>218.6</b>	<b>252.7</b>	<b>253.9</b>	<b>243.5</b>	<b>230.3</b>	<b>251.5</b>	<b>280.0</b>	<b>307.2</b>
Taxes	96.4	107.8	107.5	115.2	148.8	147.1	136.5	152.8	159.8	165.3
Revolving Funds (Net CoGS)	26.3	33.1	52.8	39.2	35.3	28.3	32.4	34.7	52.4	42.7
Other Own-Source	41.5	45.4	43.5	87.7	57.2	59.5	48.7	53.0	54.8	86.2
Recovery of Prior Years' Expenditures	12.8	15.9	14.8	10.6	12.6	8.6	12.7	11.0	13.0	13.0

<b>Total Revenues</b>	<b>1,795.3</b>	<b>1,862.0</b>	<b>1,912.9</b>	<b>2,099.6</b>	<b>2,133.9</b>	<b>2,176.5</b>	<b>2,408.1</b>	<b>2,931.9</b>	<b>3,039.7</b>	<b>2,838.2</b>
Share of Federal Transfers (%)	83.1	82.6	82.0	80.9	78.6	80.0	75.8	64.7	75.5	74
Tax-to-GDP Ratio (%)	4.0	4.5	4.2	3.8	4.7	4.3	3.3	3.3	3.2	3.2

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23(r)	2023-24(f)
<b>Expenditures</b>										
O&M	1,397.2	1,481.6	1,547.9	1,621.3	1,712.9	1,779.3	1,731.7	1,918.3	1,898.1	2,022.1
Capital	231.4	223.9	221.5	301.4	191.7	180.2	206.3	326.2	386.6	338.0
<b>Departmental Expenditures</b>	<b>1,628.5</b>	<b>1,705.5</b>	<b>1,769.4</b>	<b>1,922.7</b>	<b>1,904.6</b>	<b>1,959.5</b>	<b>1,938.1</b>	<b>2,244.5</b>	<b>2,284.7</b>	<b>2,360.1</b>
Net Transfer to Capital Assets	-99.0	-88.4	-66.1	-123.0	-17.1	-18.0	-26.3	-106.2	-144.5	-25
Expenses for Revolving Funds & Other	27.1	30.4	31.8	45.5	34.1	39.3	39.8	40.57	42.1	43.2
Expenses Related to Third-Party Agreements	129.8	115.4	120.0	131.9	157.5	156.1	352.0	784.1	769.8	418.1
Supplementary Requirements & Contingencies	0	0	0	0	0	0	0	0	20.0	50

<b>Total Projected Expenses</b>	<b>1,686.4</b>	<b>1,763.0</b>	<b>1,855.1</b>	<b>1,977.0</b>	<b>2,079.1</b>	<b>2,136.9</b>	<b>2,303.6</b>	<b>2,962.9</b>	<b>2,972.1</b>	<b>2,846.4</b>
<b>Yearly Surplus (Deficit), Public Accounts Basis</b>	<b>108.9</b>	<b>99.0</b>	<b>57.8</b>	<b>122.6</b>	<b>54.8</b>	<b>39.6</b>	<b>104.5</b>	<b>-31.0</b>	<b>67.6</b>	<b>-8.2</b>
Expenditures / person (\$)	46,882	48,316	50,172	52,655	54,509	55,371	58,832	75,201	73,382	69,346
Expenditures / GDP (%)	70.8	72.8	71.8	65.2	65.6	61.7	55.4	64.5	59.5	53
Capital spending as share of total (%)	13.7	12.7	11.9	15.2	9.2	8.4	9.0	11.0	8.4	12
Health spending as share of total (%)**	18.8	19.4	19.8	20.9	21.3	22.3	18.4	16.5	21.6	21
Education spending as share of total (%)	11.1	11.5	10.8	10.1	10.1	10.0	9.8	8.2	13.4	13.6
Projected Surplus / GDP (%)	4.6	4.1	2.2	4.0	1.7	1.1	2.5	-0.7	1.3	-0.2
Net Financial Assets (end of year)	295.4	303.5	297.4	294.2	307.8	308.1	419.6	323.1	598	563
Net Financial Assets (end of year) / GDP (%)	12.4	12.5	11.5	9.7	9.7	8.9	10.1	7.0	7.2	10.5
Interest Costs / Total Revenues (%)***	0.6	0.7	0.7	1.2	0.9	1.3	0.9	0.8	0.8	0.8
Government Borrowing	250.8	301.1	331.2	441.0	445.2	448.6	430.6	431.6	421.3	398
Credit Rating	Aa1	Aa1	Aa1	Aa1	Aa low					

Notes: \*The GN receives a small share of third-party revenues (<2%) 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

	Trend	2014	2015	2016	2017	2018	2019	2020	2021	2022(r)	2023(f)
<b>Gross Domestic Product</b>											
Nominal GDP (expenditure-based, \$M)		2,383	2,421	2,582	3,031	3,168	3,461	4,160	4,597	4,997	5,366
Real GDP (basic prices, \$ 2012 M)		2,362	2,353	2,479	2,806	2,932	3,084	3,164	3,399	3,616	3,780
Real GDP per person (basic prices, \$ 2012)		65,677	64,487	67,045	74,735	76,869	79,913	80,807	86,269	90,220	92,090
Government Share of GDP (actual, %)		35.1	36.6	35.5	32.9	31.5	31.5	30.2	28.6	27.4	29.5
Business Investment in Capital (\$ 2012)		668	687	704	1,071	1,453	1,346	847	963		
<b>Population &amp; Labour</b>											
Population, July 1 (# of people)		35,971	36,488	36,975	37,546	38,143	38,592	39,155	39,400	40,526	
Employment (# of people employed)		12,392	12,567	13,000	13,000	12,900	13,000	12,100	13,100	14,500	
Unemployment Rate (%)		13.8	15.9	14.9	14.5	14	13.4	14.3	10.1	12.9	
Employment rate (% of people aged 15+)		53.4	53	55.8	55.4	54.3	53.5	49.0	52.2	56.4	
Participation Rate (%)		61.5	63.2	65.6	64.8	63.1	61.8	57.2	58.1	64.7	
Average Weekly Earnings (\$)		1,238	1,256	1,277	1,333	1,376	1,441	1,472	1,490		
Total Income (taxfiler, \$M)		989	1,040	1,046	1,095	1,199	1,132	1,356			
Median Total Income (taxfiler, \$)		26,475	27,243	27,614	28,424	29,156	30,602	34,080			
Share of Total Income by Top 10% (%)		34.0	34.0	33.4	33.2	34.2	33.0	31.9			
Income Assistance Recipients			14,428	14,337	14,952	14,488	14,142	12,684	9,987	7,629	
High School Gross Graduation Rate (%)		31.6	33.7	41.7	47.7	39.2		48.5	43.6		
<b>Monetary Trends</b>											
Bank of Canada Overnight Interest Rate (%)		0.9	0.6	0.5	0.7	1.75	1.75	0.25	1.00	4.25	
Consumer Price Index, Iqaluit (2002=100)		118.1	120.4	123.4	125.4	129.2	131.4	131.4	133.2	138.4	
Nunavut Food Price Basket (24 items)		157.4	165.3	172.9	171	174.1					
Average Monthly Rent, Iqaluit (Excl. Social)		2,462	2,511	2,542	2,604	2,610	2,668	2,752	2,798		
CAD-US\$ Exchange Rate		0.91	0.78	0.75	0.77	0.77	0.75	0.75	0.8	0.77	
<b>Commodities</b>											
Bank of Canada Metals & Minerals Index		577	511	497	536	561	576	622	724	837	
Total Mineral Production (\$'000s)		636,424	644,165	700,094	1,100,366	1,036,595	1,632,195	2,454,968	2,514,947		
Gold Price (USD/troy oz; annual avg)		1,266	1,160	1,249	1,258	1,269	1,393	1,770	1,800	1,800	
Iron Price (CFR Tianjin port; USD/dry ton; annual avg)		97	56	59	72	69	94	109	162	121	
Uranium Price (USD/pound; annual avg)		33	37	26	22	25	26	30	35	39	
FRED Diamond Export Price Index (Dec 2013 = 100)		108.4	106.1	105	100.1	101.5	101.5	96.2	100.7	117.0	