

CURRENT ECONOMIC IMPACTS OF COVID-19 PANDEMIC IN THE CANADIAN ARCTIC

PRELIMINARY PORTRAIT AS OF MAY 22, 2020

Submitted to SDWG SECEG Economic Impacts Group

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1. **OBJECTIVE AND METHOD** – This document is intended to inform the work of the SDWG-SECEG Economic Impacts Group, which is attempting to develop a circumpolar picture of the economic impacts of the COVID-19 pandemic. It is based on a review of information available on the Internet. It was not intended to be exhaustive, but to find immediately available economic impact indicators and to report on them in a very short time frame. In fact, few specific quantitative information is directly accessible without a more extensive survey. Consequently, few figures are given in this document. We have decided not to present a table of the figures found, since they are not homogeneous (geographically, for example); such a table would at best only provide illustrations of specific impacts or emergency support programs. Rather we summarize the identifiable impacts and emergency support programs revealed by the sources, even if they are not adequately measured. Thus, the available indicators albeit fragmentary are reported as well as the relevant evidences that could guide a proper impact assessment. Of all the documents analyzed, more than a hundred were retained, analyzed, coded and referenced. It resulted in the preparation of computer files containing some 1,400 data and coding elements. This database is available for further analysis.
2. **CASES** – To date, the spread of the virus in the Canadian Arctic has been contained and no disease-related deaths have been reported (Table 1).¹

**Table 1 – COVID-19 Cases Overview as of May 21, 2020,
Canadian Arctic Territories and Regions**

Territories and Regions	Confirmed	Recovered	Deaths
	<i>n</i>		
Total	33	33	0
Northwest Territories	5	5	0
Nunatsiavut Region	1	1	0
Nunavik Region	16	16	0
Nunavut Territory	0	0	0
Yukon Territory	11	11	0

3. **CONTAINMENT, GUIDELINES AND OTHER LIMITING FACTORS** – Contagion would have been limited by mandatory containment measures and public health guidelines promulgated by the provinces and territories. In the Canadian Arctic like everywhere else

in the country, work was prohibited in businesses (industrial, commercial and service), public administration, educational institutions, etc., with the exception of essential services.^{2; 3; 4} Establishments with the capacity to do so have switched to telework partially or totally; however, several establishments have had to cease normal operations. Travel has been restricted between each of the territories and regions concerned and the rest of the country, and in many cases between localities. A mandatory two-week quarantine was ordered for returning residents. Geographical factors would have contributed to limiting the contagion: most of the localities are far apart, scattered over a very large area and not connected to the national road networks.

4. **INDICATORS OF ECONOMIC IMPACTS** – Containment measures have an impact on the economy of each of the Canadian Arctic territories and regions. It is not possible to estimate these impacts at this time; however, there are several indications that they are very significant. For example, the airline industry has been hit hard. It has major strategic importance as the only practicable year-round physical link between isolated localities and the rest of the country. In all territories and regions, scheduled flights have been reduced or cancelled altogether except for air cargo for essential supplies; charters have been restricted to essential services; and maintained flights are routinely operated at a loss. In turn, the reduction in traffic has affected other industries, such as hotels and tourism.⁵ The complete cancellation of the cruise season will also have a significant impact on these sectors; for the Yukon, these losses could amount to between CAD 40 million and CAD 60 million.⁶ Mining operations have downsized or shut down, and those that have resumed operations are asking employees residing in Arctic communities to stay home to avoid local contamination.^{7; 8} In some industries, including public administration, salaries continue to be paid to employees.^{4; 9} In April, the labour force and the unemployment rate declined very slightly in the Yukon and the Northwest Territories, but these movements would not be indicative of trends. We do not have valid and specific indications for the other regions.¹⁰ With the resources at our disposal, there are also no specific indications currently available on the impact of pandemic-related job losses that would affect Indigenous populations, which make up the majority of the population in all the Canadian Arctic (Table 2).¹¹
5. **EMERGENCY PUBLIC SUPPORT PROGRAMS AND INITIATIVES** – To contain the impact of the pandemic, the public authorities have provided support to the population and businesses. In addition to the financial assistance available to all Canadians, including the Canadian Emergency Response Benefit (CERP), the federal government has made available almost CAD 130 million in supplementary budgets for territorial governments and an additional CAD 45 million for the Inuit land claim regions.^{12; 13} The federal government also authorized the deployment of Canadian Rangers residing in the Nunavik region to assist in the administration of health and social services and to ensure the health and safety of the population.¹⁴ In the territorial, regional and local levels, various emergency measures have been put in place to support individuals and families, including rent assistance, enhancements to existing financial assistance, food and temporary deferral of student loan payments.¹⁵

Table 2 – Indigenous Population in the Canadian Arctic Territories and Regions, 2016

Territories and Regions	Indigenous Population	
	<i>n</i>	<i>% of total population</i>
Northwest Territories	21,160	52
Nunatsiavut Region	2,350	92
Nunavik Region	11,985	91
Nunavut Territory	27,360	86
Yukon Territory	7,705	23

Several of these measures are aimed specifically at the most economically vulnerable, a higher proportion of whom are Indigenous people. Finally, various financial assistance has been provided to businesses in the territories and regions, such as grants to cover salaries and losses, as well as to ensure the maintenance of essential services such as air transportation, low-interest loans, fee exemptions, and deferrals.^{7; 13; 16} Financial assistance has also been made available to support artists and cultural workers, as well as to encourage craft production, including the production of masks.^{3; 17}

6. **A MAJOR SHOCK** – Although COVID-19 pandemic has so far caused no fatalities in the territories and regions of the Canadian Arctic, our review suggests that the economic shock appears to be of unprecedented magnitude.
7. **RECOMMENDATION** – However, our review also shows the shock cannot be precisely assessed at present. To make it possible, it is imperative to take into account the demographic, political and economic diversity of the territories, regions and communities that make up the Canadian Arctic, and the difficulties in accessing information to reach all of these components. To this end, we recommend the immediate establishment of a coordinated national task force whose membership would ensure direct communication with the territories, regions and Indigenous people organizations, and allow for the simultaneous collection of information from the territories, regions and Indigenous people organizations.

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