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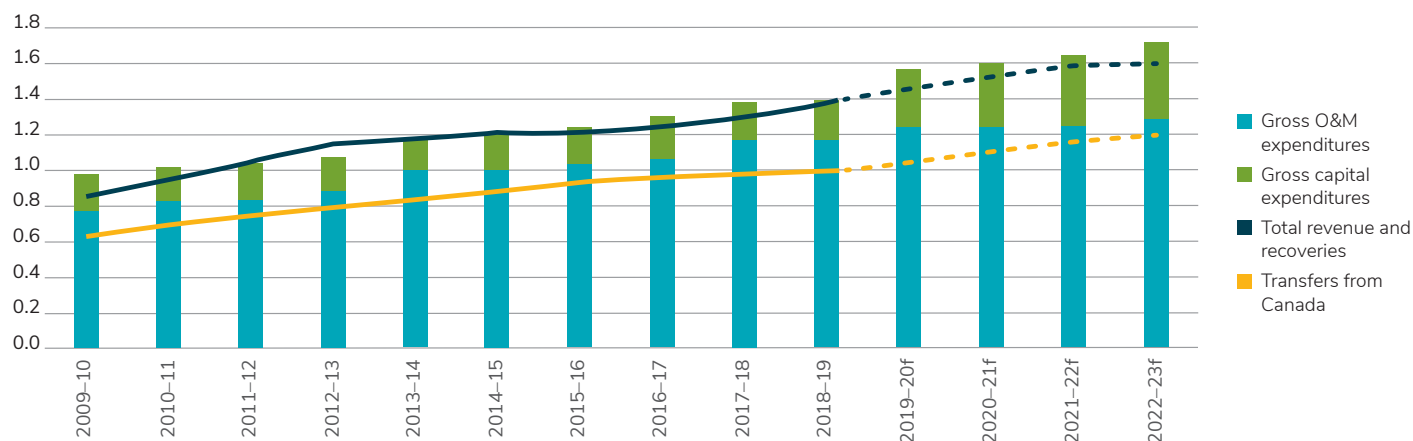
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Part 1: Yukon's finances

The 2020–21 Budget presents a fiscally responsible plan for meeting the challenges of robust demographic and economic growth in the territory. As Yukon returns to surplus in 2020–21, as promised, we must ensure long-term financial responsibility and sustainability to keep paying for the services and programs Yukoners depend on. It's essential to maximize every tax dollar, from all sources, and work with other governments and the private sector to keep building a future for Yukoners.

Chart 1. Government of Yukon fiscal indicators

Expenditures and revenues (\$billions)¹



Source: Department of Finance

Table 1. Fiscal summary

(All figures in millions of dollars)	2019–20 Main Estimates	2019–20 Supplementary Estimates #2	2020–21 Main Estimates	2021–22 Plan	2022–23 Plan
Revenue	1,251.1	1,250.6	1,307.2	1,346.6	1,383.5
Expense	(1,325.3)	(1,377.4)	(1,405.9)	(1,443.6)	(1,516.1)
Accounting adjustments	68.2	108.2	102.7	101.9	137.8
Surplus/Deficit	(5.9)	(18.6)	4.1	4.9	5.2
Other key metrics					
Net debt (end of year)	57.9	60.8	81.5	112.2	181.5

Source: Department of Finance

Revenue

Total government revenue is forecast to be \$1.3 billion in 2020–21. This marks an increase of 4.5 per cent or \$56 million from the 2019–20 Main Estimates. Revenues are expected to rise to \$1.4 billion in 2022–23, growing by an average annual rate of 2.9 per cent.

1. Total revenue in Chart 1 includes capital and operating recoveries. This differs from the presentation in Table 1, where recoveries are netted out of expenses, and where revenues do not include recoveries. To align with presentation in Yukon Public Accounts, revenues are netted out of Yukon Housing Corporation's gross expenditures, as opposed to being presented in total revenues and recoveries.

Growth is primarily driven by an increase in federal transfers, which account for 85 per cent of territorial revenues, of which Territorial Formula Financing (TFF) makes up the bulk. Federal transfers are projected to grow by 5.5 per cent in 2020–21 to \$1.1 billion before rising to \$1.2 billion in 2022–23.

Yukon’s strong economy and tight labour market continue to boost household income. This is leading to a rise in personal income taxes, which are projected to grow by 7.2 per cent in 2020–21 to \$80.3 million. Corporate income taxes (CIT) are expected to drop off after two consecutive years of stronger than expected growth. CIT revenues are projected to fall to \$13.7 million in 2020–21, in part because of the reduction of the small business tax to zero. This is partly offset by an increase in insurance premium tax revenues. CIT revenues in the forecast climb back to \$17.7 million by 2022–23.

Yukoners continue to enjoy one of the most favourable tax regimes in Canada. Unlike in other regions of the country, Yukon does not have territorial sales or payroll taxes, nor do Yukoners pay health care fees. Fuel taxes are lower than in any other province or territory and personal income taxes make up a smaller share of household income than in almost every other jurisdiction.

Table 2. Revenue by type

(All figures in millions of dollars)	2019–20 Main Estimates	2019–20 Supplementary Estimates #2	2020–21 Main Estimates	2021–22 Plan	2022–23 Plan
Income taxes	89.8	95.9	94.0	98.2	102.0
Property tax	5.9	5.9	6.0	6.6	7.0
Fuel oil tax	9.1	9.1	9.6	9.8	9.9
Tobacco and alcohol taxes	18.2	18.2	17.9	18.0	18.1
Other taxes	3.2	3.1	4.0	6.2	6.3
Other revenue	66.5	60.0	59.1	44.0	34.1
Total own source revenue	192.7	192.2	190.6	182.8	177.4
Federal transfers	1,058.4	1,058.4	1,116.7	1,163.9	1,206.0
Total revenue	1,251.1	1,250.6	1,307.2	1,346.6	1,383.5

Source: Department of Finance

New tax measures

The 2020–21 Budget contains several new tax measures designed to ensure Yukon has a competitive business environment fostering entrepreneurship and innovation. It builds on efforts made over the last few years to reduce the burden on Yukon businesses and improve the competitiveness of Yukon’s corporate tax regime.

Small businesses will benefit from the lowest taxes in Canada. Effective January 1, 2021, the Yukon small business tax rate will be lowered from two per cent to zero. This is estimated to save Yukon businesses over \$2 million annually that can be put towards growing their businesses.

To offset the revenue shortfall, the insurance premium tax will increase to four per cent, bringing it in line with tax rates in other jurisdictions. This is estimated to raise an additional \$3 million by 2021–22.

The Small Business Investment Tax Credit program has been in place since 1999. It has helped Yukon small businesses raise almost \$10 million by giving investors an income tax credit on their investments. Starting in

2020, the program will be expanded to allow not just small, but also medium-sized businesses to apply. The renamed Business Investment Tax Credit will also increase the amount of money a business can raise under the program in a particular year.

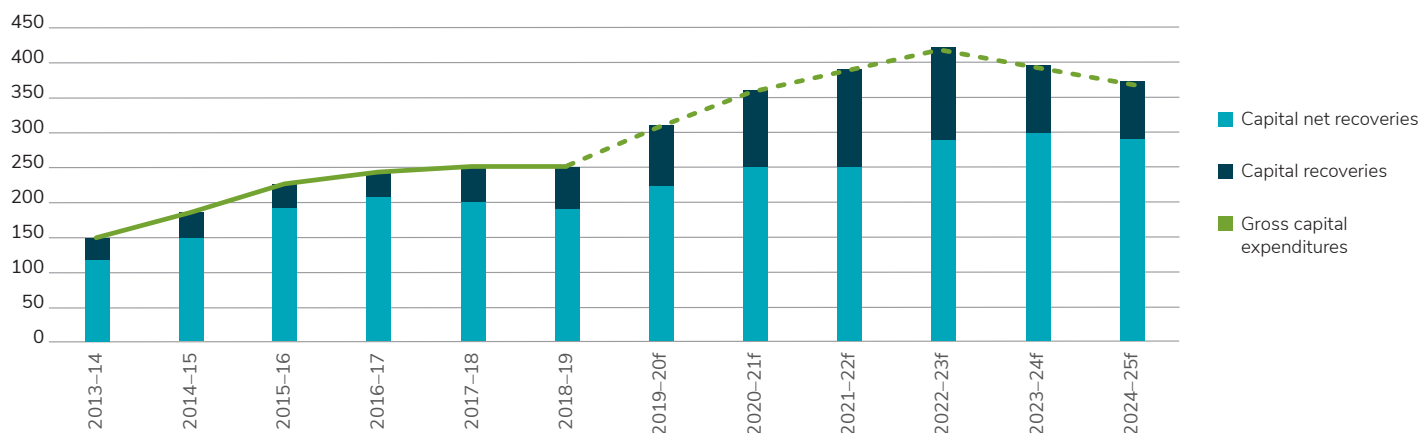
In addition to businesses, individuals will also face a lighter tax regime as Yukon is increasing the Basic Personal Amount to mirror changes at the federal level. The Basic Personal Amount is the amount of income a person may earn tax free. The increase will be phased in over four years. When fully phased in, individual tax-filers will save about \$125 per year on their Yukon income taxes and couples will save \$250.

Five-Year Capital Plan

The 2020–21 Five-Year Capital Plan takes advantage of federal funding to invest over \$2 billion over five years to improve public infrastructure. Roughly one-third of these investments are recoverable from the federal government. The Capital Plan leverages \$655 million in federal funding (Chart 2) and will see Yukon partner with multiple levels of government.

Chart 2. Capital plan to leverage record federal funding

Capital expenditures and recoveries (\$millions)



Source: Department of Finance

These investments will help to meet the challenges of a growing economy and an aging population, with investments in transportation infrastructure and health facilities. The Capital Plan also takes action on climate change by beginning implementation of *Our Clean Future*², the government’s draft strategy to address climate change that is expected to be finalized later this year.

As with last year’s budget, this year’s Capital Plan focuses on six categories to better illustrate how government investments are impacting Yukoners.

- \$134 million over five years for **Climate change, energy and green economy** to help the Government of Yukon meet its target of a 30 per cent reduction in greenhouse gas emissions by 2030. This money will help to improve the energy efficiency of government buildings and help First Nations communities develop renewable energy.

2. To view a draft copy of the *Our Clean Future* see: <https://yukon.ca/sites/yukon.ca/files/env/env-our-clean-future-draft.pdf>

- \$397 million over five years for **Land development, social development, education and health**. This includes continued expansion of the Whistle Bend subdivision, new health facilities and new schools.
- \$523 million over five years for **Community and First Nations infrastructure**. This includes clean water infrastructure, new RCMP detachments, the Carmacks arena and the Whitehorse air tanker base.
- \$246 million over five years for **Real property and asset management**, including upgrades to government buildings and maintenance for campgrounds and historic sites.
- \$558 million over five years for **Transportation infrastructure**, for road maintenance and bridge replacement and refurbishment. Extensive federal funding has been leveraged to further the Northern Resource Gateway Project and North Klondike Highway Reconstruction.
- \$157 million over five years for **Information technology**, including the Dempster Fibre Line and IT upgrades in Yukon schools.

Table 3. Five-Year Capital Plan gross expenditures by category

(All figures in millions of dollars)	2020–21	2021–22	2022–23	2023–24	2024–25	Totals
Climate change, energy and green economy	21	24	30	34	25	134
Land development, social development, education and health	74	87	92	75	69	397
Community and First Nations infrastructure	101	102	104	110	106	523
Real property and asset management	45	46	43	59	54	246
Transportation infrastructure	87	96	141	118	117	558
Information technology	43	50	35	15	14	157
Totals	370	406	444	410	384	2,015

Source: Capital Planning Office

Operating and maintenance expense

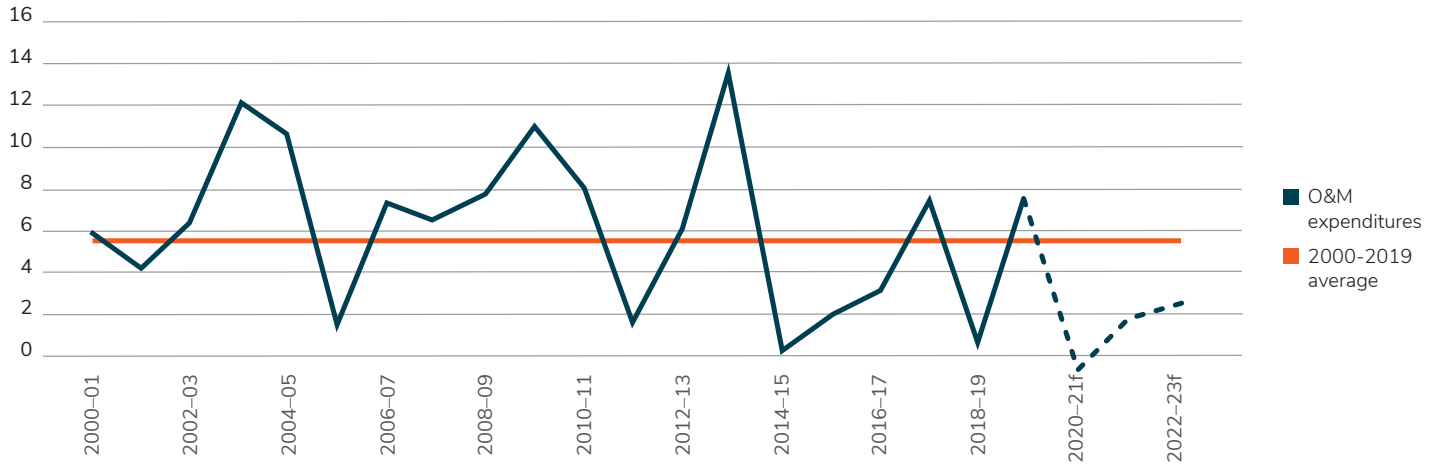
Operating and maintenance (O&M) expenses are expected to decrease modestly after an increase in O&M spending was required in the 2019–20 Supplementary Estimates (Chart 3). Much of the growth in spending was the result of increased wildfire activity in the territory, the costs of which can be unpredictable depending on the number and intensity of fires, proximity to communities, and the length of the fire season.

Yukon is forecast to return to surplus in 2020–21, followed by further surpluses in the following years. Efforts are continuing to ensure minimal spending growth while still meeting the service requirements of Yukoners, which is challenging considering the pressures created by Yukon’s aging population, particularly in the area of health care.

In rising to this challenge, the Government of Yukon will continue to review how key services are delivered in order to strike a balance between efficient use of public funds and effective delivery of services.

Chart 3. Growth in O&M spending expected to be below average

Change in Government of Yukon O&M spending (per cent)



Source: Department of Finance

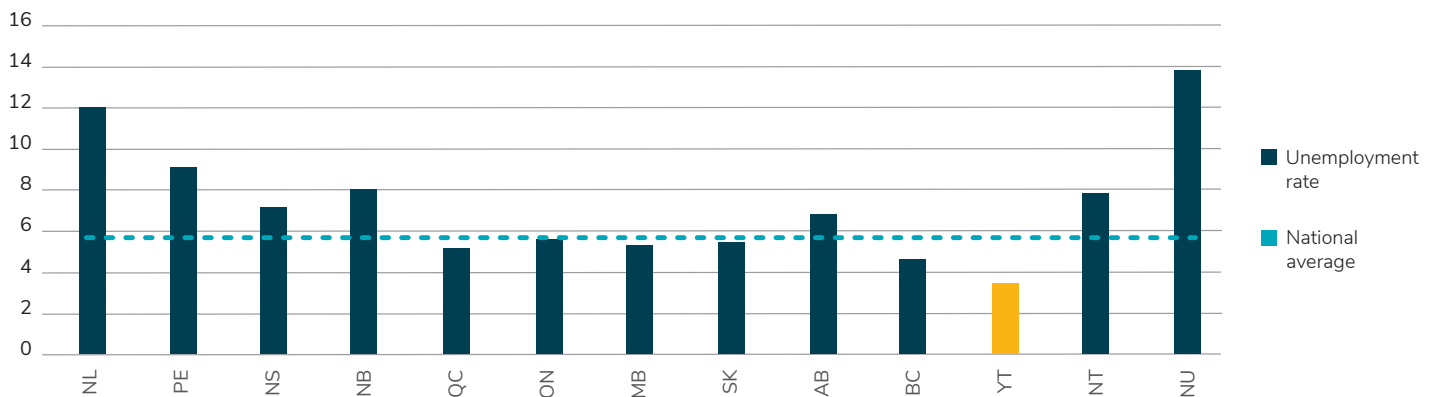
Part 2: Economic overview

Yukon's economy continued to perform well in 2019

Yukon's economy remains robust. In 2019, this was highlighted by continued labour market strength and the lowest unemployment rate in the country (Chart 4). The strong labour market pushed up household incomes and drew newcomers to the territory. This bolstered the population, which grew for a 16th consecutive year in 2019.

Chart 4. Yukon continued to have the lowest unemployment rate in the country

2019 Unemployment rate (per cent)



Source: Statistics Canada

While the territory’s economic fundamentals were strong in 2019, growth in Yukon’s real gross domestic product (GDP) is forecast to underperform recent gains. Following growth of 3.2 per cent in 2018, the current real GDP forecast is for modest growth of 1.0 per cent in 2019.

Activities related to the mining sector explain much of this weaker growth. Spending related to the development of the now-operating Eagle Gold mine was lower in 2019, as development activities wound down in the latter portion of the year. The start of production from Eagle Gold and resuming production at the Minto mine late in 2019 did not contribute enough to GDP to offset the decline in development activities.

Yukon’s GDP is forecast to perform better in 2020. While the completion of development activities at Eagle Gold in 2019 will result in lower development expenditures in 2020, increased production from the first full year of Eagle Gold operations will result in a substantial increase in gold exports. Production at the Minto mine will also add to the value of Yukon’s mineral exports. A notable increase in public sector capital spending should add steam to GDP in 2020. GDP growth is projected to be 6.2 per cent, which would be the highest since 2016 (7.2 per cent). Beyond 2020, annual growth is forecast to average 3.3 per cent out to 2024. Key contributors to the positive outlook include the expected development and operations of the Coffee mine, increased production from the Eagle Gold mine and a high level of public sector capital investment.

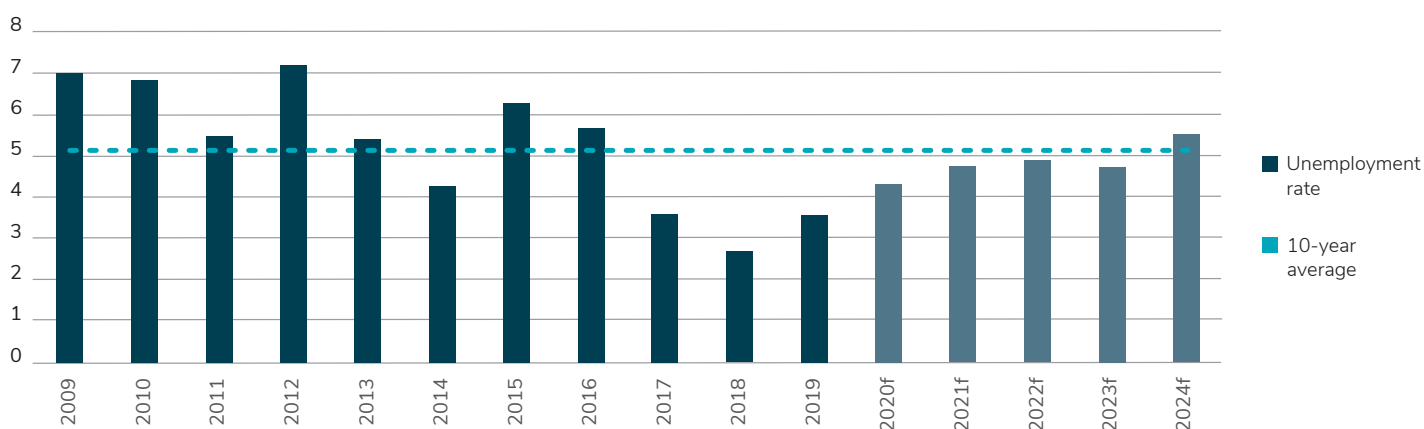
The labour market remains among the strongest in the country

Yukon’s labour market led the country in several important metrics in 2019. In addition to the low unemployment rate, Yukon saw further gains in the labour force and the number employed. An elevated number of job vacancies and growth in earnings were indicative of a tight labour market in 2019.

The forecast includes annual growth in both the labour force and employment. Gains in the labour force are anticipated to outpace employment gains, as strong earnings draw people into the labour market. These additional workers will ease the unemployment rate back to more normal levels (Chart 5). Projections for the annual unemployment rate continue to fall below historical levels over most of the forecast, averaging 4.8 per cent over 2020–24. Over the medium term, Yukon is expected to continue to have one of the lowest unemployment rates in the country.

Chart 5. Unemployment rate to remain low, but trending towards historical averages

Unemployment rate (per cent)

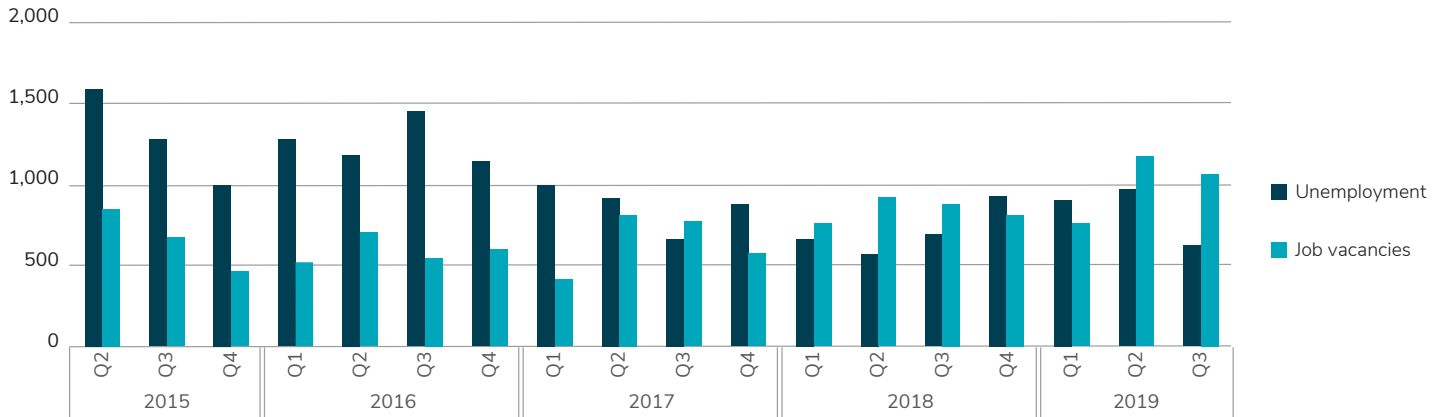


Source: Statistics Canada, Department of Finance

Demand for employees remains strong at a time when the local pool of potential workers is limited. The third quarter of 2019, in particular, saw a notable gap between the number of unemployed and the number of job vacancies (Chart 6). There were roughly three vacant jobs for every two unemployed workers. This is exceptionally low. For comparison, the national labour market is doing better than it has in decades, yet there was only one job vacancy for every two unemployed workers.

Chart 6. Job vacancies continue to exceed the number of unemployed

Unemployment and job vacancies (count)

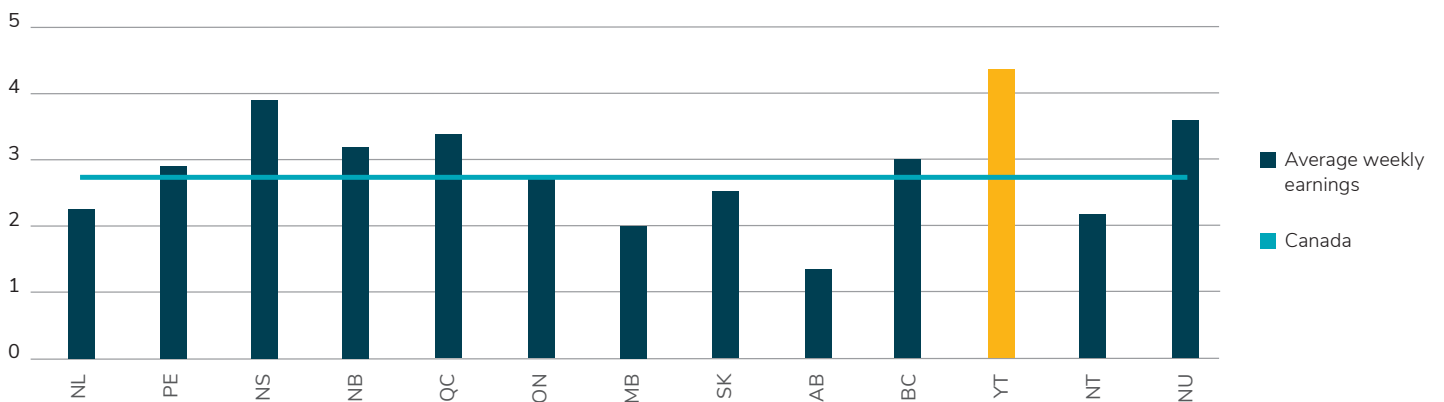


Source: Statistics Canada

While recent labour market performance is generally positive, it has created challenges for employers. High demand for employees when labour supply is tight has left employers with unfilled positions for extended periods. The tight labour market has resulted in increased costs for employers, as they increase compensation to attract and retain employees. The increased competition for labour has contributed to upward pressure on wages, reflected in higher average weekly earnings (Chart 7).

Chart 7. Earnings growth has been strong in Yukon

2019 year-to-date (to November) growth in average weekly earnings (per cent)



Source: Statistics Canada

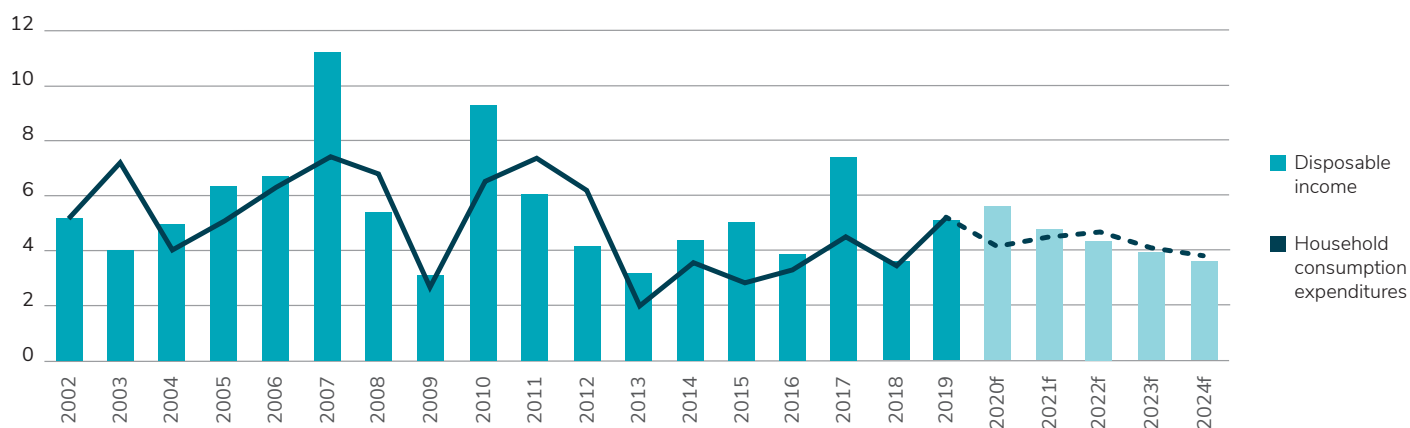
Broad-based gains across industries led to growth in overall average weekly earnings for Yukon. Average weekly earnings over the first 11 months of 2019 were up 4.3 per cent from the same period of 2018 (Chart 8). As of November 2019, Yukon average weekly earnings trail only the other territories and Alberta. The positive outlook for Yukon’s economy is expected to contribute to further upward pressure on wages over the medium term, with labour income growing by about 4 per cent annually.

Growing incomes fueling consumer spending

Consumer spending in Yukon has been bolstered by population gains, a strong local labour market, increasing incomes and a generally positive economy. Household consumption expenditures are forecast to grow over the current outlook, with annual growth expected to average over 4 per cent out to 2024 (Chart 8).

Chart 8. Rising incomes continue to boost consumer spending

Annual change (per cent)



Source: Statistics Canada; Department of Finance

Growth in consumer spending is reflected in Yukon’s retail sales. The first eleven months of 2019 saw retail sales grow 3.5 per cent to \$794 million, with total sales forecast to reach about \$870 million for the year. Additional gains are expected in each year of the forecast with retail sales approaching \$1.1 billion in 2024.

Further population gains expected over the medium term

Yukon’s population grew for a 16th straight year in 2019 (Chart 9). Quarterly population estimates³ show Yukon’s population has grown 21 per cent over the last ten years. This is well above the national growth of about 12 per cent over that same period.

3. Canada’s population estimates, third quarter 2019. [Statistics Canada](#).

Chart 9. Population growth to continue

Yukon annual population and population change (persons)



Source: Department of Finance

Yukon's 2019 population was 41,352, up 1.7 per cent from 2018. Growth continues to be fuelled by strong population gains in Whitehorse. Over the current period of expansion, Whitehorse's population growth rate of 44 per cent is more than double the growth rate of 21 per cent for the non-Whitehorse population.

The positive outlook for Yukon's economy should support population expansion over the medium term, with a strong local labour market attracting workers to Yukon. Population growth of 1.8 per cent is forecast in 2020, followed by gains in every year of the outlook. By 2024, the territory's population is forecast to exceed 45,000.

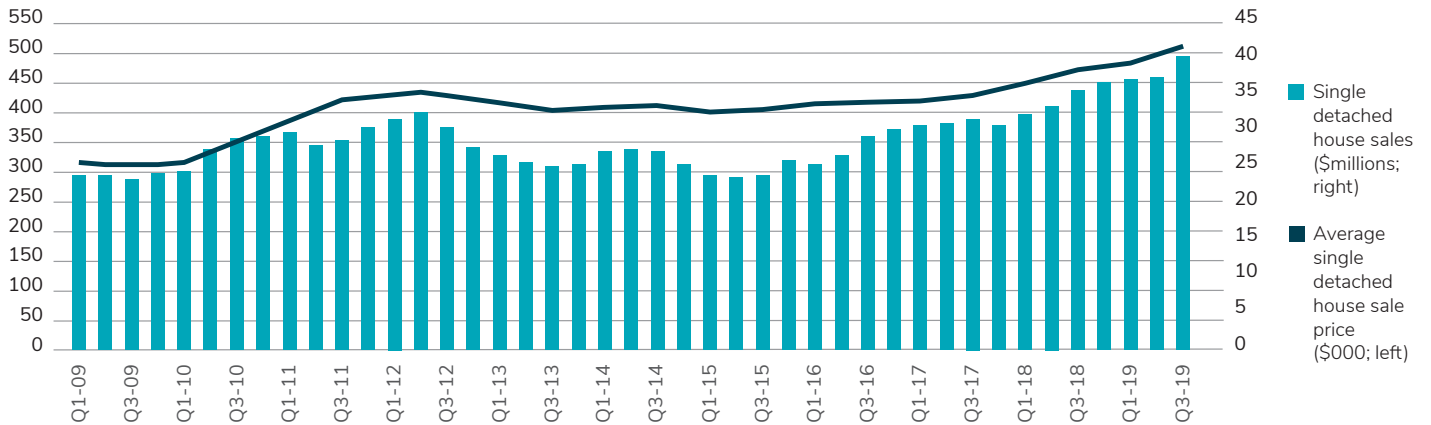
Housing market remains tight

The housing market in Whitehorse has been one of the strongest in Canada in recent years. A robust labour market and population growth have increased demand for housing. Record highs for house prices, increasing rents and limited availability of accommodations have become the norm in recent years.

The average price of a single-detached house in Whitehorse was \$513,600 over the first three quarters of 2019 (Chart 10), up almost \$40,000 from the same period of 2018. Annual growth in 2019 would represent the sixth-straight year that prices have increased. Yukon's rental market remains tight, with a prolonged period of low vacancy rates and historically high rents. Vacancy rates under five per cent are generally considered indicative of a tight rental market. The vacancy rate for buildings in Whitehorse with three or more rental units was estimated at 2.9 per cent in October 2019. Local rental rates remain elevated with demand outstripping supply. The median monthly rent for all types of housing reached a record high of \$1,099 in October 2019.

Chart 10. Housing market remains strong

Whitehorse housing market indicators (four quarter moving average)

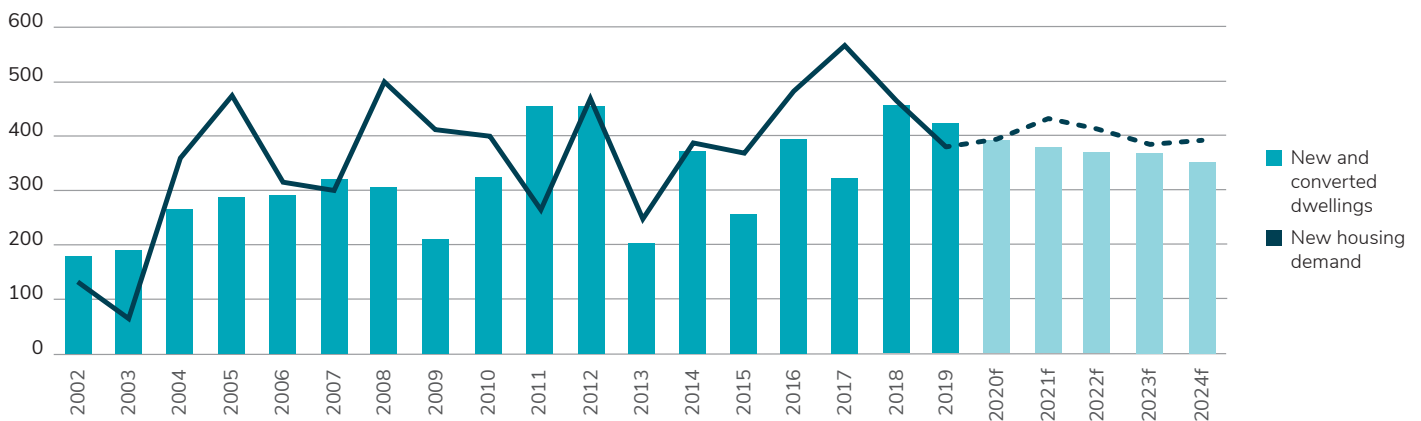


Source: Statistics Canada; Department of Finance

Yukon's housing market is expected to remain tight over the forecast. Supply is expected to struggle to keep up with rising demand. Yukon is expected to add over 3,000 new residents by 2024. The need to house these new residents and renew the existing housing stock will require about 400 new housing units to be added per year (Chart 11). Despite historically robust residential investment, supply does not keep up with demand over the forecast, with approximately 375 units expected to be added per year.

Chart 11. Demand for housing to remain tight

New housing units and converted dwellings in Yukon and estimated demand



Source: Statistics Canada; Department of Finance

Rising rents and house prices are pushing up inflation. Overall, consumer price growth averaged 2.0 per cent in 2019. Increasing shelter costs were a prominent driver of inflation in 2019, up 4.4 per cent from 2018. Excluding shelter costs, consumer prices were up only 1.2 per cent, with higher rents, rising home prices and more expensive utilities contributing to growth.

The national inflation rate for 2019 was also 2.0 per cent, right in the middle of the Bank of Canada's target range. With inflation remaining in check, there is less pressure for the Bank of Canada to follow the course of other central banks and cut interest rates, despite increasing headwinds for the Canadian economy. National economic growth slowed in the second half of 2019 as it struggled to find traction amid geopolitical tensions and uncertainty.

Mining sector

Eagle Gold production a key contributor to medium term gains

Victoria Gold's Eagle Gold project continues to advance towards full commercial production after pouring first gold in September 2019. Eagle Gold production is a major driver of GDP over the forecast. Mine operations support local employment and goods and services suppliers. At full operation, the mine will employ 350 to 400 people. As of late November 2019, Victoria Gold noted employment of about 300 personnel, with Yukon residents making up 50 per cent of this figure⁴.

Victoria Gold released an Eagle Gold technical report in early December, showing an increase in gold reserves from 2.7 million ounces to 3.3 million ounces⁵. This would result in production increasing from 200,000 ounces to 220,000 ounces annually, plus extend the mine life by two years. This adds to what is anticipated to be Yukon's most productive gold mine ever. The revised expectations for production have a relatively minor impact on the forecast, as the majority of the increase occurs in years beyond 2024.

What was included as upside risk in the fall update to the outlook became a reality with the restart of production at the Minto mine in October 2019. While the current forecast includes Minto production, uncertainty remains about the annual level of production. Plans for production from the new operator, Pembridge Resources, should become clearer in the coming months.

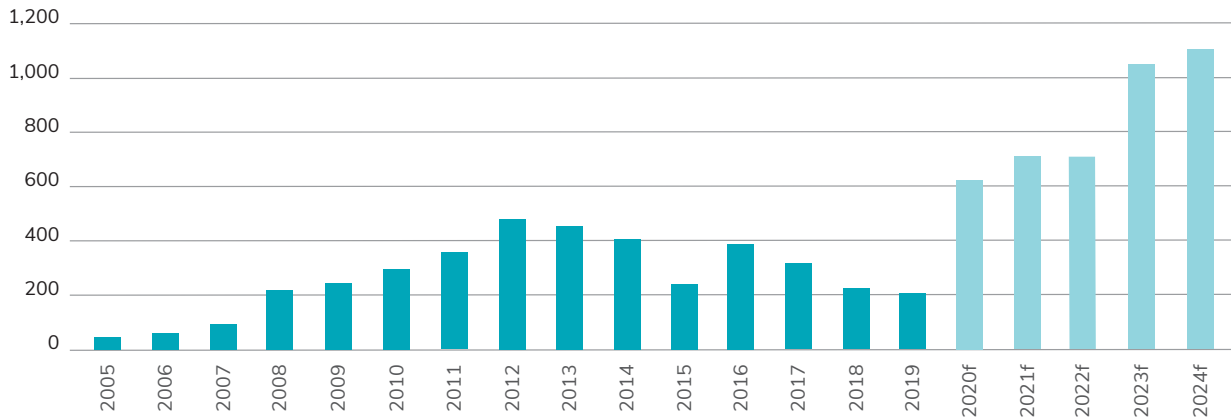
Newmont Corp's Coffee gold mine continues to make its way through the regulatory process. The project remains in the forecast, but the development timeline has been made more uncertain as the operator is taking a closer look at its feasibility as part of a broader review of the company's investment portfolio. Further details on plans for Coffee should come to light once Newmont's evaluation of its projects is complete. Coffee is projected to boost mineral revenues in the territory to \$1 billion in 2024 (Chart 12).

4. News Release: Victoria Gold: Eagle production surpasses 10,000 ounces of gold (November 25, 2019). [Victoria Gold Corp.](#)

5. News Release: Victoria Gold: Eagle Gold Mine reserves increase by 20 per cent to 3.3 per cent million ounces gold (December 4, 2019). [Victoria Gold Corp.](#)

Chart 12. Current forecast supported by new mine production

Value of mineral production (\$millions)



Source: Natural Resources Canada, Department of Finance

Beyond Coffee, there are other projects with the potential for medium term development. The Keno Hill silver project, the Kudz Ze Kayah project and the Brewery Creek gold mine all have the potential to move forward over the current forecast period. (see Risks to the GDP on page 18) Though not included in the baseline forecast, these projects represent upside risk to the forecast.

Smaller-scale placer gold mining remains an important contributor to mineral production. A relatively high gold price and a favourable exchange rate contributed to stronger-than-anticipated placer gold production in 2019. As of November 2019, annual production was already well above \$100 million, with further reporting for the year to come. This is supported by the strong performance in 2019, a generally positive outlook for gold prices, and expectations that the US/Canadian exchange rate will remain favourable.

Exploration activities are key to identifying new development prospects, provide local employment opportunities and support local goods and services providers. After two years of growth, estimates from Natural Resources Canada show a decline in Yukon exploration expenditures in 2019 of almost 19 per cent⁶.

Recent exploration weakness in Yukon is attributable in part to lower levels of financing flowing to the Canadian mining sector in general. The Oreninc index, tracking 1,400 junior gold producers on Canadian markets, fell by 8 per cent to just over \$2.5 billion in 2019. This is only half of the nearly \$5 billion noted in 2016⁷.

6. Exploration and Deposit Appraisal Expenditures, 2015–2018 Annual and 2019 Revised Spending Intentions. (September 2019). [Natural Resources Canada](#).

7. How your investment is killing the industry. Presentation: Vancouver Resource Investment Conference 2020. (January 19, 2020). Oreninc.

Tourism sector

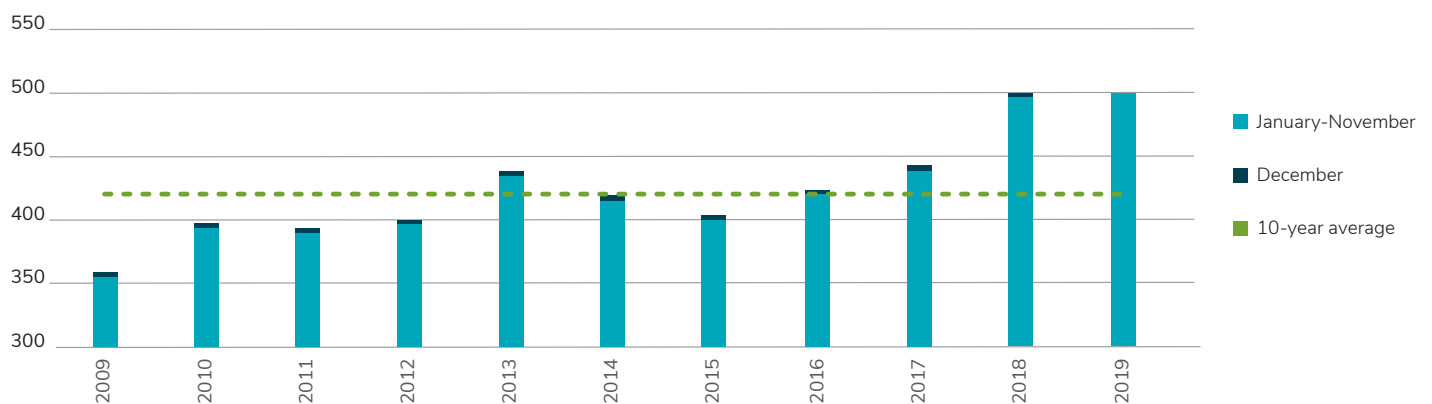
The tourism sector continues to impress

Tourism-related activities add to the diversity of Yukon's economy, supporting employment and revenue for a variety of local goods and service providers. Results of a recent Department of Tourism & Culture survey also show that Yukoners view the tourism sector as beneficial to the economy, with 94 per cent of respondents indicating they feel tourism is good for Yukon's economy and 87 per cent feeling tourism is good for their community's economy⁸.

Border crossings continued to grow in 2019 (Chart 13), up 0.6 per cent in the first eleven months. Data for the first ten months of 2019 also show strong growth in the number of air arrivals at the Whitehorse airport, up 6.8 per cent to 177,082 (Chart 14). International overnight visitation in the first three quarters of 2019 was up 6.8 per cent from the same period of 2018, after a strong performance in July and August.

Chart 13. Annual border crossings expected to reach a new record in 2019

Travelers (Thousands)⁹



Source: Statistics Canada, Department of Finance

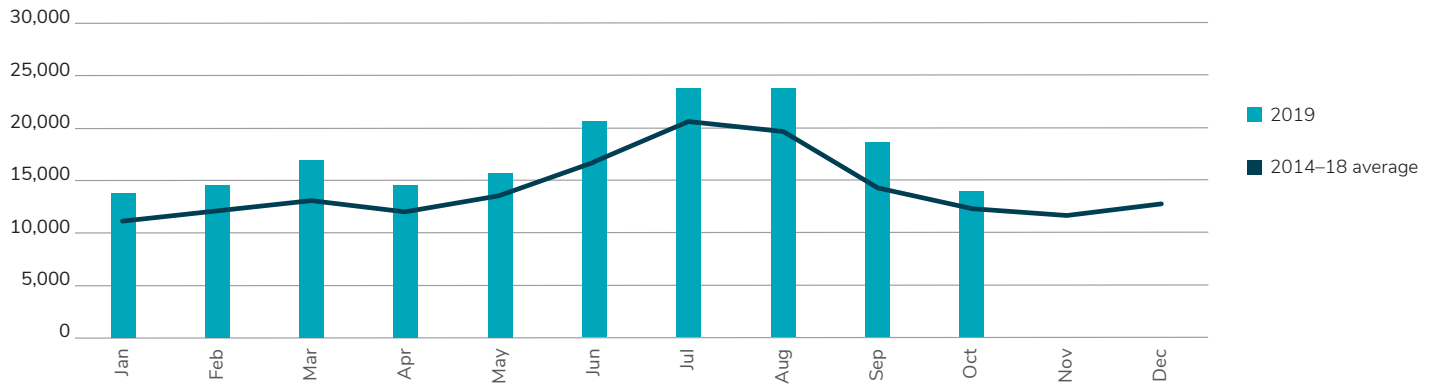
US visitation historically accounts for about 70 per cent of Yukon's annual international border crossings. Several factors bode well for US visitation to Yukon going forward. The US economic environment is expected to remain generally positive over the forecast and little to no appreciation in the Canadian dollar anticipated over the medium term.

8. 2019 Yukon Resident Perceptions of Tourism Survey Report. [Department of Tourism and Culture](#).

9. Only the first 11 months of data were available at the time of writing. As noted in the chart, border crossings in December historically account for a very small percentage of annual border crossings.

Chart 14. Whitehorse air arrivals outperforming the five-year average

Number of air arrivals



Source: Department of Tourism & Culture

Construction sector

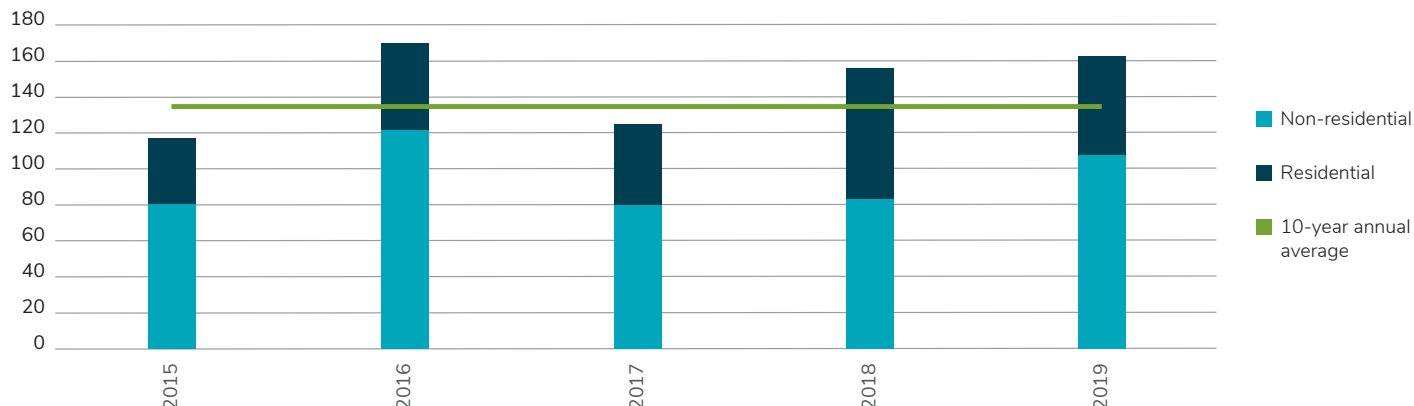
Construction activity in 2019 supported by non-residential activity

Population growth and a positive labour market were key contributors to another busy year for Yukon's construction sector in 2019.

Building permit value grew 3.7 per cent to \$161.3 million in 2019 (Chart 15). Non-residential permit value totalled over \$106 million in 2019, up 28.3 per cent from 2018. Key contributors to this growth included permits related to the construction of the French first language secondary school in Whitehorse, the Kwanlin Dün First Nation administration building and a new recreation centre in Carmacks. On the residential side, permit value totalled \$54.7 million, down 24.4 per cent from 2018. Even with this decline, residential permit value in 2019 is the second-highest since 2012.

Chart 15. High level of non-residential activity in 2019

Building permits (\$millions)



Source: Department of Finance

Much of the spending identified in the Government of Yukon's 2020–21 Five-Year Capital Plan aims to address pressures associated with a growing economy and increasing population. The latest capital plan includes notable investments in schools, health care, and housing. Investments in transportation infrastructure also figure prominently in the current capital plan, in particular, the Yukon Resource Gateway project and the North Klondike Reconstruction project. In addition, the plan will also begin to implement the commitments outlined in Our Clean Future to help Yukon meet its greenhouse gas emission reduction target of 30 per cent by 2030.

Following gross capital spending of \$324 million in 2019–20, the capital plan includes spending of \$370 million in 2020–21. Over the five-year capital plan, annual spending averages just over \$400 million per year.

Planned work by the City of Whitehorse also factors in the construction outlook. The city is investing almost \$21 million for the Building Consolidation Project¹⁰ over the next four years. Other significant projects include updating the 40-year old Mount McIntyre Recreation Centre (\$15.8 million), the Cook Street West reconstruction project (\$9.3 million); and infrastructure upgrades to Marwell East-Tlingit Street (\$6.3 million).

Development of the Coffee mine is also a key contributor to the construction outlook. Costs to bring the mine into production are estimated to be around \$400 million¹¹, with construction projected to get underway next year.

10. City of Whitehorse Capital Expenditure Program 2020–2023. [City of Whitehorse](#).

11. Deal's impact on Coffee Gold Project is unclear (January 14, 2019). [Whitehorse Star](#).

Conclusion

The positive economic climate of recent years is expected to persist over the medium term, highlighted by further strength in the labour market and continued population growth. Mining sector activities – including the development of a new mine – continue to be prominent drivers of the economic forecast.

To help address pressures stemming from a growing economy and population, the Government of Yukon's Five-Year Capital Plan includes increased spending to meet future demand in the areas of education, health and housing. Even with increased capital spending, Yukon's finances are on track to return to a surplus in 2020–21, with further surpluses projected over the forecast period.

Risks to the GDP outlook

Mining sector activity is a primary driver of the GDP outlook, and how GDP impacts are realized over the forecast depends on the timing of development and the start of mineral production.

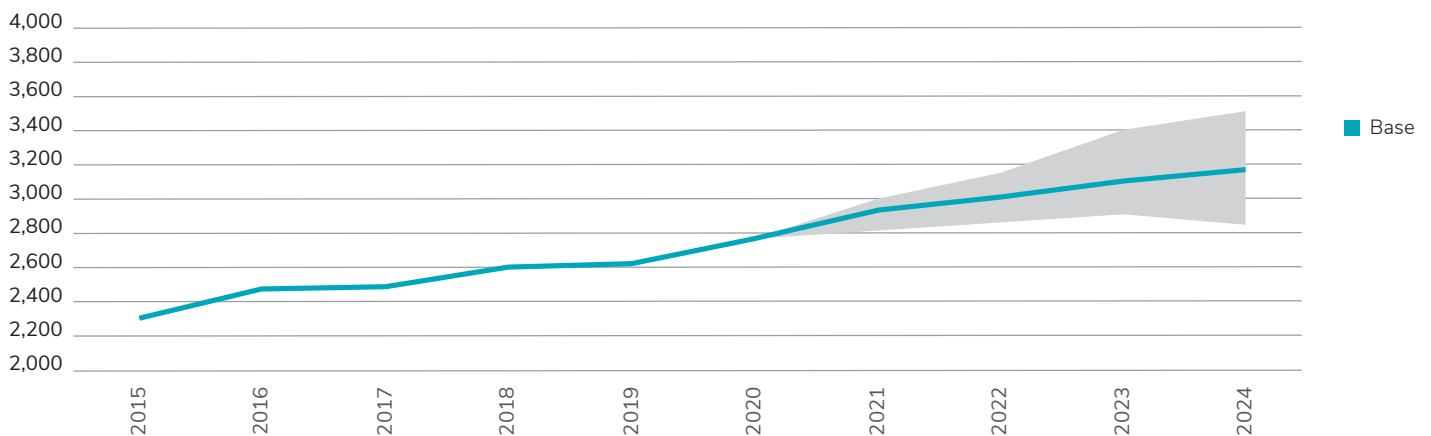
Development and operations of the Coffee gold mine are key components of the forecast. Following the 2019 merger of the project proponent, Goldcorp, with Newmont Mining, the newly formed company undertook a review of all of its properties. As this review presents uncertainty for the development timeline, the assumed start date of construction and production has been moved one year out compared to the October 2019 Update. The current forecast now has development over 2021–2023, with first production in 2023. Even if the project does not move forward over the current forecast period, the medium term forecast remains positive, with gains still noted in GDP, retail sales and employment.

The resumption of production at the Minto mine in October 2019 is positive for the GDP outlook. While there is uncertainty about production levels going forward, plans from the new owner, Pembridge Resources, should become clearer in the coming months.

Other projects are in a position for potential development over the medium term. Alexco Resource Corp. is looking at a return to production with its Keno Hill silver project, publicly indicating production as early as 2020. BMC Minerals is nearing the final stage of the permitting process for its Kudz Ze Kayah project. Golden Predator Mining is also advancing work for a return to production at the Brewery Creek gold mine, announcing in February 2020 the establishment of a project coordination committee with the Government of Yukon. These projects represent upside risk to the GDP forecast (Chart 16) as well as for other indicators such as employment and retail sales.

Chart 16. Mining uncertainty adds uncertainty to the GDP outlook

Real GDP (\$ millions)



Source: Statistics Canada, Department of Finance

Appendix A: Key economic indicators

	2018	2019	2020f	2021f	2022f	2023f	2024f
Real GDP							
Per cent change	3.2	1.0f	6.2	5.7	3.0	2.7	2.0
Population							
Population (persons)	40,643	41,352	42,110	42,970	43,780	44,510	45,250
Per cent change	2.3	1.7	1.8	2.0	1.9	1.7	1.7
Labour market†							
Labour force	21,900	22,300	22,600	22,900	23,100	23,400	23,700
Employment	21,300	21,500	21,600	21,800	22,000	22,300	22,400
Unemployment rate	2.7	3.6	4.3	4.7	4.8	4.7	5.5
Consumers^							
Inflation (per cent)	2.4	2.0	2.5	2.0	2.0	2.0	2.0
Retail sales (\$M)	838	870f	910	950	990	1,030	1,070
Commodity Prices~							
Gold (\$US/toz)	1,269	1,392	1,495	1,450	1,435	1,420	1,420
Silver (\$US/toz)	15.70	16.19	17.80	17.25	17.00	17.00	17.00
Copper (\$US/lb)	2.96	2.72	2.76	2.83	2.80	2.80	2.80
Zinc (\$US/lb)	1.33	1.16	1.09	1.09	1.09	1.09	1.09
Oil (\$US/barrel)	65.36	57.04	58.39	60.41	59.23	59.94	59.94
Natural gas (\$US/MMBTU)	3.12	2.57	2.53	3.10	2.88	2.96	2.96
Key Rates							
Three month T-bill rate	1.4	1.6	1.5	1.5	1.5	1.5	1.5
Can/US exchange rate	0.77	0.75	0.76	0.76	0.76	0.76	0.76
Mining							
Mineral production (\$M)	217	210f	620	720	720	1,040	1,120

f = forecast

† = annual averages rounded to the nearest 100. Totals may appear not to add due to rounding

^CPI increase for Whitehorse only

~annual averages

Source: Real GDP; Population; Labour Market and Consumers are from Statistics Canada. Exchange Rates and Interest Rates are from the Bank of Canada. Commodity prices sourced from a variety of private-sector forecasts.

Forecasts are based on data available as of January 30, 2020. The Yukon Bureau of Statistics produces the population projections. All other forecasts produced by the Economic Research branch.