Cyclonic Forces
Conference Board of Canada

• Canadian economy expanding slowly 2018-2019.
  • But business investment in machinery and equipment and structures increased by a solid 13.5 per cent in 1st Quarter 2019

• Around 0.4% economic growth in 1st Quarter 2019
• Slower than our main trading partners
• Signs of energy sector coming back
Mining in the Territories

• Yukon and Nunavut economies booming on mining
• Yukon: economy grew 8.1% in 2018
• Nunavut: 4.4% economic growth in 2018, 9.1% in 2019
• NWT: economy more stagnant, employment in diamond mining set to decline
Mining

- Resources sector: tends to boom and bust
- Alberta oilpatch in recession, provincial economy contracting
- Decline in NWT diamond mining brings stagnation
- Mining in Yukon & Nunavut drives rapid growth, construction jobs
Mining

• A crucial part of the contemporary Canadian economy
  • Mining contributed an estimated $72BN in GDP 2017 [Statscan]
• Supplying minerals to export markets is presently important
• Asian investors active in Canadian mining sector
Labrador Trough

• Offers high-quality iron ores with access to a deep-water port at Port Cartier QC for global shipping
• Has attracted major Asian investment
Tata

• An Indian industrial giant
• Invested $5.5 billion in the Labrador Trough
  • 80% share of an ore shipping facility at Port Cartier
  • Has acquired major portions of new and projected ore mines in the Trough
China Steel of Taiwan spent US$270 million to acquire a 3.68% stake in ArcelorMittal Canada.
- Mining iron in the Labrador Trough
- Secured China Steel 1 mT of ore annually
  - Adds Labrador to its ore assets in Brazil, Australia
Mining Downturn

• In 2014 low iron ore prices lead to the closure of the mine at Wabush NL
• Slowdown of investment in the Labrador Trough
• Labrador City’s boom comes to a (temporary) end.
Izok Corridor

• In the Canadian Arctic
• **China and Canada exploring a mineral development deal**
• Would lead to open-pit mines for zinc and copper, oil tank farms, ports and roads in the calving grounds of the Bathurst caribou herd
  • Izok Lake, High Lake
Canada-China Trade Treaty

• A sign of the developing connections between the economies of China and Canada
  • Chinese investment developing in BC coal mining, Alberta oil sands
Cyclonic Forces

• The mining industry tends to boom and bust with the rise and fall of mineral prices
• Canada’s mining communities must face these cyclonic forces.