

performance over the long term. To achieve this goal, the government will focus on building an economy that can successfully compete at regional, national and international levels. The paper outlines some of the strategic initiatives that the Department of Economic Development will pursue with a view to building a sustainable and competitive economy. These include:

- putting its regulatory house in order and developing a positive business climate;
- attracting outside investment;
- developing its capacity to compete in world markets and export goods and services; and
- aggressively marketing territorial products and services.

In 2007, the Yukon will host the Canada Winter Games in Whitehorse. The event is expected to contribute \$20 million to Yukon's GDP in 2007 and to result in up to 500 person years of employment. Construction of facilities and planning for the Games will provide some boost to the economy in the next three years leading up to the Games.

Tourism has been a growing sector in the Yukon economy and contributes a larger portion of GDP than in any other jurisdiction in Canada. Statistics Canada reports that tourism accounted for 4.4% of the Yukon GDP in 1998 and also accounted for 6.8% of employment. A large percentage of the Yukon's tourism businesses are small, sole proprietorships and are often seasonal operations. This diversity provides challenges to quantifying the size of the industry and measuring its full economic impact.

International Trade

With economic growth having been relatively flat in recent years, territorial GDP figures show that total exports of goods and services have declined by 42% between 1997 and 2002.

Tourism is the Yukon's largest export, with more than 80% of visitors arriving between June and September. In 2002, an estimated total of 313,290 visitors visited the Yukon, an increase of 11% over 2001. Current estimates suggest that \$164 million in revenue is directly related to non-resident tourism, up 22% or \$29 million from the 1998 figure of \$135 million.

International visitors are believed to account for more than 50% of tourism related spending in the territory.

Historically, the Yukon's largest merchandise exports were lead and zinc concentrate. These exports accounted for 99% of the value of the Yukon's international exports of goods each year. However, with the closing of the mine in 1998, the value of these exports plummeted. In 2002, the value of exports of these products was \$4 million, down 98% in comparison with the 1996 figure of \$185 million.

The largest international goods exports in 2002 were wooden trusses, pre-fabricated log homes and vinyl framed windows.

The Yukon's largest trading partner is the United States, which accounts for more than 90% of the territory's international exports. Within the United States, the largest destination for Yukon exports is the State of Alaska which imported \$2.7 million worth of Yukon goods in 2002.

Market Access Issues

The products of key export interest to the Yukon currently face few market access barriers. However, given the significance of trade with the United States and the importance of maintaining access to the U.S. market, effective management of trade relations with the United States is required to ensure orderly two-way trade between Canada and the United States and to minimize the potential for disputes. The Governments of the Yukon and Alaska are considering the scope for enhancing cross-border trade and tourism between the two jurisdictions.

NORTHERN TERRITORIES SUCCESS STORIES

Pangnirtung Fisheries Ltd.

www.ndcorp.nu.ca/meat_fish/pangnirtung.htm

Pangnirtung Fisheries has become a major exporter and source of employment in the Pangnirtung (Baffin) area. The company owns a fish processing plant that processes arctic char and turbot (also called Greenland Halibut). Pangnirtung has also established strategic arrangements with European fishing vessels