

Mining Industry in the Northwest Territories

Mr. Speaker, today I am pleased to provide an update on the mining industry in the Northwest Territories.

Economic activity relies strongly on the use of natural resources. We live in a global era with a rapidly expanding world population dependent on the sustainable development of resources. Fortunately, in the Northwest Territories we are blessed with an endowment of non-renewable resources, and have been successful in using these to sustain economic growth.

Mineral exploration has brought significant economic opportunities to our Territory.

In 2007, almost 200 million dollars was spent on mineral exploration in the Northwest Territories. This means contracts to fly planes and helicopters to exploration sites and camps. This means jobs to unload supplies, prepare camp meals, carry out geological and geophysical work, and walk the exploration grids. We have the local capacity to fulfill what is required by this sector. However, the exploration sector has been very challenged during the past 2 years. For 2009, forecasted spending on exploration has dropped from almost 200 million dollars to less than 30 million dollars.

We are engaged in positive work to support industry and our economic growth of income and competitiveness. For example, the territorial and federal governments are partnering to gather new geoscience data. It is estimated that every \$1 million of government investment in the geosciences knowledge base stimulates \$5 million in private sector exploration. This in turn could result in the discovery of an estimated \$125 million worth of new resources. We will continue to do our utmost to realize sustainable Northwest Territories opportunities from this development.

Developed mines have also brought significant opportunity to Northwest Territories residents and businesses.

Since our first diamond mine began construction in 1996, we have seen almost 14,000 person years of northern resident employment. Since 1996, the diamond mines have bought more than seven billion dollars of goods and services from northern businesses. More than three billion dollars of those purchases were from Aboriginal northern businesses. In our experience, partnerships are integral to successful resource development.

Like the exploration sector, mining in the Northwest Territories has been challenged in the last few years. In 2008/09, the Diavik and De Beers Snap Lake Diamond Mines planned temporary shutdowns, and the BHP Billiton Ekati Diamond Mine reduced expansion plans in response to the global economic downturn. Diavik and De Beers implemented their temporary shutdowns planned for the summer. I am pleased to report, however, that the temporary shutdowns planned for this winter will not be taking place due to improving economic conditions.

Throughout this, the diamond mines have remained sincere in their original commitments to the North. As a mark of this sincerity, as I mentioned last week, they are working with us under the Workforce Memorandum of Understanding to increase their northern resident employees.

Northern spending by the mines is exceeding predictions. Reported purchases from northern businesses in 2008 ranged from 74 percent to 83 percent of all purchases at each of the three diamond mines.

What is needed now is for the federal government to live up to their responsibilities and regenerate mining and exploration in the Northwest Territories. The federal government receives handsome royalties from these developments so its in their best interest to

make this commitment. The Government of the Northwest Territories will be doing its part. We will be lobbying the federal government to remind them of this responsibility and the importance of this investment. And investment will fuel national income growth and is essential to the sustainable economic growth of the Northwest Territories.

Thank you, Mr. Speaker.