

# 2014 Expectations

- Real GDP is expected to increase 0.5% in 2014 primarily due to higher consumer expenditures.
- The real value of exports is expected to be virtually unchanged as declines in nickel and fish offset gains in oil and iron ore.
- Employment is forecast to grow by 0.3% and the unemployment rate to remain at 11.4%.
- Household income is expected to grow by 3.4%, mainly reflecting wage gains.
- Retail sales are expected to increase by 3.6%.
- Consumer prices are expected to increase by 1.7%.
- The province's population is projected to remain stable at 526,700.
- Capital investment is forecast to rise by 2.4% to \$12.6 billion, driven by the continued advancement of major projects such as Muskrat Falls, Hebron and the Kami iron ore project.
- Oil production is expected to increase by 1.8% to 85.1 million barrels due primarily to an increase in Terra Nova production following extended maintenance downtime in 2013. Annual average Brent crude oil prices are expected to decline 2.7% to US\$105.64/barrel.
- The value of mineral shipments is anticipated to increase about 2% to \$3.8 billion on the strength of higher iron ore production.
- Mineral exploration expenditures are expected to decrease about 19% to \$84 million.
- The value of provincial manufacturing shipments is expected to increase moderately as Vale Newfoundland and Labrador commences production at its nickel processing plant. Manufacturers may benefit from the lower Canadian dollar.

- Newsprint shipments are expected to increase by about 1% to around 245,000 tonnes. North American newsprint prices are expected to remain about the same as 2013.
- Fish landings are projected to remain relatively on par with 2013. Quota reductions in some fisheries, such as northern shrimp, will likely be offset by increased landings in the groundfish sector.
- Aquaculture production is expected to decline.
- Housing starts are expected to be 2,843, comparable to the 2,862 recorded last year and reflective of long-term levels.
- The Canadian Real Estate Association forecasts sales will increase by 4.4% to 4,490 units. The residential resale price is expected to average \$288,800, an increase of 2.0% from 2013.
- Construction investment is expected to post another strong performance, reaching \$10.5 billion.
- Non-resident travel to the province should continue to benefit from the strengthening global and Canadian economies as well as solid business travel associated with high levels of economic activity in the province. Resident tourism is expected to benefit from continued growth in household income.
- Further development of major projects, such as Muskrat Falls, Hebron, Kami and the Hibernia South Extension, will continue to support economic growth.

