

Selected Economic Indicators, Newfoundland and Labrador

2007 - 2021f

Indicator	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016e	2017f	2018f	2019f	2020f	2021f
GDP (\$m)	29,065	31,572	25,001	29,085	33,539	32,033	34,459	34,277	30,332	31,112	32,233	31,936	32,835	33,350	33,558
% change	18.3	8.6	-20.8	16.3	15.3	-4.5	7.6	-0.5	-11.5	2.6	3.6	-0.9	2.8	1.6	0.6
% change, real	11.2	-1.5	-10.1	5.5	2.7	-4.4	5.2	-0.9	-1.7	1.9	-3.2	0.2	1.5	-1.1	-2.3
Final Domestic Demand* (\$m)	22,075	23,660	24,872	26,990	29,629	32,170	34,628	35,711	36,513	38,901	37,668	36,399	36,328	36,157	35,995
% change	6.3	7.2	5.1	8.5	9.8	8.6	7.6	3.1	2.2	6.5	-3.2	-3.4	-0.2	-0.5	-0.4
% change, real	4.6	4.2	2.9	6.6	7.1	6.6	6.0	1.1	0.5	3.6	-4.8	-5.5	-2.2	-2.5	-2.5
Household Income (\$m)	16,620	17,861	18,604	19,424	20,905	22,403	23,530	24,375	25,290	25,883	26,348	26,509	26,868	27,286	27,840
% change	8.4	7.5	4.2	4.4	7.6	7.2	5.0	3.6	3.8	2.3	1.8	0.6	1.4	1.6	2.0
% change, real	6.9	4.5	3.9	1.9	4.1	5.0	3.3	1.7	3.3	-0.4	-0.8	-2.3	-1.0	-0.9	-0.5
Household Disposable Income (\$m)	10,905	11,824	12,712	13,402	14,319	15,287	16,025	16,543	17,017	17,267	17,576	17,696	17,953	18,250	18,629
% change	9.0	8.4	7.5	5.4	6.8	6.8	4.8	3.2	2.9	1.5	1.8	0.7	1.5	1.7	2.1
% change, real	7.4	5.4	7.2	2.9	3.3	4.6	3.1	1.3	2.4	-1.2	-0.8	-2.2	-0.9	-0.8	-0.5
Retail Sales (\$m)	6,528	7,009	7,121	7,453	7,833	8,187	8,606	8,919	8,972	8,988	9,075	9,028	9,100	9,230	9,350
% change	8.6	7.4	1.6	4.7	5.1	4.5	5.1	3.6	0.6	0.2	1.0	-0.5	0.8	1.4	1.3
% change, real	7.6	7.2	2.5	3.0	3.2	3.6	4.4	1.7	-0.3	-2.3	-0.4	-2.0	-0.6	0.1	-0.1
CPI (2002=100)	111.1	114.3	114.6	117.4	121.4	123.9	126.0	128.4	129.0	132.5	136.0	140.0	143.3	146.8	150.6
% change	1.5	2.9	0.3	2.4	3.4	2.1	1.7	1.9	0.5	2.7	2.6	2.9	2.4	2.4	2.6
Investment, Gross Fixed Capital Formation (\$m)	4,425	5,306	5,293	6,341	7,952	9,825	11,566	12,035	12,325	14,200	12,678	11,070	10,731	10,219	9,709
% change	-4.0	19.9	-0.2	19.8	25.4	23.6	17.7	4.1	2.4	15.2	-10.7	-12.7	-3.1	-4.8	-5.0
% change, real	-4.4	13.8	-3.2	19.1	24.8	20.6	16.4	1.8	-0.9	9.6	-11.9	-14.6	-5.1	-6.8	-7.0
Housing Starts	2,649	3,261	3,057	3,606	3,488	3,885	2,862	2,119	1,697	1,398	1,158	1,049	975	1,041	1,136
% change	18.6	23.1	-6.3	18.0	-3.3	11.4	-26.3	-26.0	-19.9	-17.6	-17.1	-9.4	-7.1	6.7	9.1
Employment (000s)	217.0	221.1	215.1	222.8	231.9	240.8	242.7	238.6	236.2	232.6	223.1	219.8	216.5	213.3	212.1
% change	1.2	1.9	-2.7	3.6	4.1	3.8	0.8	-1.7	-1.0	-1.5	-4.1	-1.5	-1.5	-1.5	-0.6
Labour Force (000s)	251.0	255.2	254.6	261.2	265.3	274.5	274.5	270.9	270.8	268.7	262.6	259.4	257.1	255.2	253.8
% change	-0.2	1.7	-0.2	2.6	1.6	3.5	0.0	-1.3	0.0	-0.8	-2.3	-1.2	-0.9	-0.7	-0.5
Unemployment Rate (%)	13.5	13.4	15.5	14.7	12.6	12.3	11.6	11.9	12.8	13.4	15.1	15.3	15.8	16.4	16.4
Participation Rate (%)	59.0	59.6	58.9	59.7	60.2	62.0	61.7	61.0	61.1	60.5	59.3	58.9	58.6	58.4	58.4
Population (000s)	509.0	511.5	516.7	522.0	525.0	526.5	527.4	528.4	528.8	530.3	528.8	525.7	523.4	521.2	518.2
% change	-0.3	0.5	1.0	1.0	0.6	0.3	0.2	0.2	0.1	0.3	-0.3	-0.6	-0.4	-0.4	-0.6

* Final domestic demand measures demand in the local economy by summing consumption, investment and government expenditures. It excludes net exports.

GDP: Gross Domestic Product at market prices; CPI: Consumer Price Index

Source: Statistics Canada; CMHC; Economic and Project Analysis Division, Department of Finance

e:estimate; f: forecast, Department of Finance (November 2017)

Major Forecast Assumptions, 2017-2021

These assumptions indicate the expectations for major factors that will affect the provincial economy in the medium term. They were prepared in late-October for Update 2017 which was released on November 14, 2017.

Offshore Oil Production

- Oil production is expected to total 76.0 million barrels in 2017 and average roughly 100 million barrels per year over the 2018 to 2021 period.
- The Hebron oil project is expected to begin production in late 2017 and ramp up over the next several years.

Mining

- The value of mineral shipments is expected to rise in 2017 as production increases at IOC and Tata more than offset lower nickel production at Voisey's Bay.

Investment Spending and Construction

- Capital investment is expected to remain high in 2017 due to significant spending on major projects, particularly Hebron and Muskrat Falls.
- Capital investment is expected to decline significantly over the remainder of the forecast period as several major projects, in particular Hebron and Muskrat Falls are completed.
- Total employment associated with major projects is expected to steadily decline over the forecast period as construction on Hebron and Muskrat Falls ends.

Other Assumptions

- Oil prices are expected to gradually rise over the forecast period. Brent crude oil is expected to average US\$52.80/barrel in calendar year 2017 and rise to US\$63.25 by 2021.
- The Canadian dollar is expected to average approximately US\$0.77 cents in calendar year 2017, up slightly from US\$0.75 2016. It is expected to slowly rise beyond 2017 as oil prices recover.
- Government spending and revenue are consistent with the goals and measures outlined in Budget 2017.