Selected Economic Indicators, Newfoundland and Labrador

2007 - 2020f

Indicator	2007	2008	2009	2010	2011	2012	2013	2014	2015e	2016f	2017f	2018f	2019f	2020f
GDP ($m)	29,065	31,572	25,001	29,085	33,539	32,032	34,462	34,022	30,100	29,734	29,631	30,400	31,355	31,961
% change	18.3	8.6	-20.8	16.3	15.3	-4.5	7.6	-1.3	-11.5	-1.2	-0.3	2.6	3.1	1.9
% change, real	11.3	-1.5	-10.1	5.5	2.9	-4.4	5.2	-1.0	-2.0	0.6	-4.5	-2.6	-0.6	-0.9
Final Domestic Demand* ($m)	22,075	23,660	24,872	26,990	29,629	32,170	34,628	36,900	37,368	37,438	35,494	32,138	31,879	31,332
% change	6.3	7.2	5.1	8.5	9.8	8.6	7.6	6.6	1.3	0.2	-5.2	-9.5	-0.8	-1.7
% change, real	4.6	4.2	2.9	6.6	7.1	6.6	6.0	4.1	0.1	-1.2	-6.4	-10.8	-2.5	-3.5
Household Income ($m)	16,620	17,861	18,604	19,424	20,905	22,403	23,530	24,315	25,260	25,392	24,732	24,154	24,273	24,587
% change	8.4	7.5	4.2	4.4	7.6	7.2	5.0	3.3	3.9	0.5	-2.6	-2.3	0.5	1.3
% change, real	6.9	4.5	3.9	1.9	4.1	5.0	3.3	1.4	3.4	-2.0	-4.9	-4.4	-1.5	-1.0
Household Disposable Income ($m)	10,905	11,824	12,712	13,402	14,319	15,287	16,025	16,626	17,271	17,313	16,797	16,420	16,520	16,746
% change	9.0	8.4	7.5	5.4	6.8	6.8	4.8	3.8	3.9	0.2	-3.0	-2.2	0.6	1.4
% change, real	7.4	5.4	7.2	2.9	3.3	4.6	3.1	1.8	3.4	-2.2	-5.3	-4.3	-1.4	-0.9
Retail Sales ($m)	6,528	7,009	7,121	7,453	7,833	8,182	8,589	8,882	8,900	8,968	8,837	8,580	8,476	8,526
% change	8.6	7.4	1.6	4.7	5.1	4.5	5.0	3.4	0.2	0.8	-1.5	-2.9	-1.2	0.6
% change, real	7.6	7.2	2.5	3.0	3.2	3.5	4.3	1.4	0.4	-1.5	-3.7	-4.3	-2.5	-0.7
CPI (2002=100)	111.1	114.3	114.6	117.4	121.4	123.9	126.0	128.4	129.0	132.3	135.4	138.3	141.1	144.4
% change	1.5	2.9	0.3	2.4	3.4	2.1	1.7	1.9	0.5	2.5	2.4	2.1	2.0	2.3
Capital Investment ($m)	4,425	5,306	5,293	6,341	7,952	9,825	11,566	12,946	12,868	12,797	11,200	8,599	8,658	8,006
% change	-4.0	19.9	-0.2	19.8	25.4	23.6	17.7	11.9	-0.6	-0.6	-12.5	-23.2	0.7	-7.5
% change, real	-4.4	13.8	-3.2	19.1	24.8	20.6	16.4	8.6	-2.5	-1.6	-13.3	-24.3	-1.0	-9.1
Housing Starts	2,649	3,261	3,057	3,606	3,488	3,885	2,862	2,119	1,697	1,428	1,224	1,051	940	927
% change	18.6	23.1	-6.3	18.0	-3.3	11.4	-26.3	-26.0	-19.9	-15.8	-14.3	-14.1	-10.6	-1.3
Employment (000s)	217.0	221.1	215.1	222.8	231.9	240.8	242.7	238.6	236.2	232.6	222.7	209.9	204.0	201.6
% change	1.2	1.9	-2.7	3.6	4.1	3.8	0.8	-1.7	-1.0	-1.5	-4.2	-5.8	-2.8	-1.2
Labour Force (000s)	251.0	255.2	254.6	261.2	265.3	274.5	274.5	270.9	270.8	268.7	263.0	257.7	254.7	251.5
% change	-0.2	1.7	-0.2	2.6	1.6	3.5	0.0	-1.3	0.0	-0.8	-2.1	-2.0	-1.2	-1.3
Unemployment Rate (%)	13.5	13.4	15.5	14.7	12.6	12.3	11.6	11.9	12.8	13.4	15.3	18.5	19.9	19.9
Participation Rate (%)	59.0	59.6	58.9	59.7	60.2	62.0	61.7	61.0	61.1	60.5	59.6	59.1	58.7	58.3
Population (000s)	509.0	511.5	516.7	522.0	525.0	526.5	527.4	528.3	528.7	530.1	526.3	520.4	517.1	514.2
% change	-0.3	0.5	1.0	1.0	0.6	0.3	0.2	0.2	0.1	0.3	-0.7	-1.1	-0.6	-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; Economics and Statistics Branch, Department of Finance
e:estimate; f: forecast, Department of Finance (September 2016)
Historical data update: January 9, 2017

Major Forecast Assumptions, 2016-2020

These assumptions indicate the expectations for major factors that will affect the provincial economy in the medium term. They were prepared in late September for Fall Fiscal and Economic Update 2016 which was released on the 27th of October 2016.

Offshore Oil Production

- Oil production is expected to total 71.6 million barrels in 2016 and average roughly 92 million barrels per year over the 2017 to 2020 period.

Mining

- The value of mineral shipments is expected to decrease in 2016 as higher iron ore production volumes and increased nickel processing at the Long Harbour facility are offset by lower direct exports from the Voisey's Bay mine.
- Though there have been signs of recovery early in 2016, the global iron ore market is expected to remain oversupplied in the short term, keeping prices low.

Investment Spending and Construction

- Capital investment is expected to remain high in 2016 due to strong spending on major projects, particularly Hebron and Muskrat Falls.
- Capital investment is expected to decline significantly over the 2017-2020 period as several major projects, in particular Hebron and Muskrat Falls, see development wind down.
- Total employment associated with major projects is expected to steadily decline over the forecast period.

Other Assumptions

- The price of Brent crude oil is expected to average around US$42 per barrel in calendar year 2016, 19% lower than the 2015 average.
- The Canadian dollar is expected to average approximately US$0.76 cents in calendar year 2016, down from US$0.78 in 2015. It is expected to slowly rise beyond 2016 as oil prices recover.
- Government spending and revenue are consistent with the goals and measures outlined in Budget 2016 and Fall Fiscal and Economic Update 2016.