

Selected Economic Indicators, Newfoundland and Labrador

2007 - 2022f

Indicator	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018e	2019f	2020f	2021f	2022f
GDP (\$m)	29,065	31,572	25,001	29,085	33,539	32,033	34,460	34,277	31,138	31,696	33,074	34,362	35,242	35,802	37,203	37,636
% change	18.3	8.6	-20.8	16.3	15.3	-4.5	7.6	-0.5	-9.2	1.8	4.3	3.9	2.6	1.6	3.9	1.2
% change, real	11.2	-1.5	-10.1	5.5	2.7	-4.4	5.3	-1.2	-1.2	1.8	0.9	-2.9	4.1	0.2	2.4	-0.1
Final Domestic Demand* (\$m)	22,075	23,660	24,872	26,990	29,629	32,170	34,628	35,711	36,329	38,588	36,280	34,904	36,720	35,027	35,159	36,130
% change	6.3	7.2	5.1	8.5	9.8	8.6	7.6	3.1	1.7	6.2	-6.0	-3.8	5.2	-4.6	0.4	2.8
% change, real	4.2	3.9	3.0	6.3	6.9	6.7	5.8	1.1	0.4	3.2	-5.9	-5.4	3.6	-6.4	-1.4	0.7
Household Income (\$m)	16,620	17,861	18,604	19,424	20,905	22,403	23,530	24,375	25,258	25,286	25,754	25,957	26,802	26,944	27,459	28,075
% change	8.4	7.5	4.2	4.4	7.6	7.2	5.0	3.6	3.6	0.1	1.9	0.8	3.3	0.5	1.9	2.2
% change, real	6.9	4.5	3.9	1.9	4.1	5.0	3.3	1.7	3.1	-2.5	-0.6	-0.8	1.7	-1.4	0.0	0.2
Household Disposable Income (\$m)	10,905	11,824	12,712	13,402	14,319	15,287	16,025	16,543	16,961	16,707	16,912	17,047	17,581	17,695	18,039	18,451
% change	9.0	8.4	7.5	5.4	6.8	6.8	4.8	3.2	2.5	-1.5	1.2	0.8	3.1	0.6	1.9	2.3
% change, real	7.4	5.4	7.2	2.9	3.3	4.6	3.1	1.3	2.0	-4.1	-1.2	-0.8	1.6	-1.3	0.0	0.2
Retail Sales (\$m)	6,528	7,009	7,121	7,453	7,833	8,187	8,606	8,919	8,972	9,011	9,227	9,006	9,090	9,221	9,358	9,514
% change	8.6	7.4	1.6	4.7	5.1	4.5	5.1	3.6	0.6	0.4	2.4	-2.4	0.9	1.4	1.5	1.7
% change, real	7.5	7.1	2.3	2.8	3.1	3.5	4.4	1.5	0.8	-1.4	0.3	-3.4	0.1	-0.2	-0.2	0.0
CPI (2002=100)	111.1	114.3	114.6	117.4	121.4	123.9	126.0	128.4	129.0	132.5	135.7	137.9	140.0	142.8	145.6	148.6
% change	1.5	2.9	0.3	2.4	3.4	2.1	1.7	1.9	0.5	2.7	2.4	1.6	1.5	2.0	2.0	2.1
Investment, Gross Fixed Capital Formation (\$m)	4,425	5,306	5,293	6,341	7,952	9,825	11,566	12,035	12,087	13,873	10,978	9,684	11,313	9,250	9,161	9,956
% change	-4.0	19.9	-0.2	19.8	25.4	23.6	17.7	4.1	0.4	14.8	-20.9	-11.8	16.8	-18.2	-1.0	8.7
% change, real	-4.5	13.8	-3.2	19.1	24.8	20.6	16.2	2.0	-1.8	8.8	-18.0	-12.9	14.4	-19.7	-2.8	6.7
Housing Starts	2,649	3,261	3,057	3,606	3,488	3,885	2,862	2,119	1,697	1,398	1,400	1,096	1,117	1,060	1,140	1,200
% change	18.6	23.1	-6.3	18.0	-3.3	11.4	-26.3	-26.0	-19.9	-17.6	0.1	-21.7	1.9	-5.1	7.6	5.3
Employment (000s)	217.0	221.1	215.1	222.8	231.9	240.8	242.7	238.6	236.2	232.6	224.1	225.3	228.1	225.2	225.4	224.9
% change	1.2	1.9	-2.7	3.6	4.1	3.8	0.8	-1.7	-1.0	-1.5	-3.7	0.5	1.2	-1.3	0.1	-0.2
Labour Force (000s)	251.0	255.2	254.6	261.2	265.3	274.5	274.5	270.9	270.8	268.7	262.9	261.4	262.3	260.3	260.1	259.7
% change	-0.2	1.7	-0.2	2.6	1.6	3.5	0.0	-1.3	0.0	-0.8	-2.2	-0.6	0.3	-0.8	-0.1	-0.2
Unemployment Rate (%)	13.5	13.4	15.5	14.7	12.6	12.3	11.6	11.9	12.8	13.4	14.8	13.8	13.1	13.5	13.4	13.4
Participation Rate (%)	59.0	59.6	58.9	59.7	60.2	62.0	61.7	61.0	61.1	60.5	59.0	58.9	59.2	58.8	58.8	58.8
Population (000s)	509.1	511.6	516.8	522.0	525.0	526.3	527.1	528.2	528.1	529.4	528.6	525.4	524.3	523.6	522.1	520.4
% change	-0.3	0.5	1.0	1.0	0.6	0.3	0.1	0.2	0.0	0.2	-0.2	-0.6	-0.2	-0.1	-0.3	-0.3

\* 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 (April 2019)

## **Major Forecast Assumptions, 2019-2022**

These assumptions indicate the expectations for major factors that will affect the provincial economy in the medium term. They were prepared in early-April for Budget 2019 which was released on April 16, 2019.

### **Offshore Oil Production**

- Oil production is expected to total 94.2 million barrels in 2018 and average roughly 108 million barrels per year over the 2020 to 2022 period.
- Production from the Hebron oil project is expected to ramp up over the next several years.

### **Mining**

- The value of mineral shipments is expected to rise by 38% as a result of production increases at Voisey's Bay, Iron Ore Company of Canada and Tata as well as the commencement of production by Tacora.

### **Investment Spending and Construction**

- Capital investment is expected to rise as higher expenditures on the West White Rose project and the Voisey's Bay underground mine offset lower spending on the Muskrat Falls hydroelectric development.
- Capital investment is expected to decline after 2019 as the Voisey's Bay Underground Mine, Muskrat Falls and the White Rose Well Head Project are completed.
- Investment is expected to be to recover again in 2022 as construction activity associated with the Bay du Nord oil project ramps up.
- Total employment associated with major projects is expected to steadily decrease over the forecast period in line with investment declines.

### **Other Assumptions**

- Oil prices are expected to gradually rise over the forecast period. Brent crude oil is expected to average US\$64.40/barrel in calendar year 2019 and rise to US\$71.00 by 2022.
- The Canadian dollar is expected to average approximately US\$0.76 in calendar year 2019, down slightly from US\$0.77 in 2018. It is expected to slowly rise beyond 2019 as oil prices recover.