

Selected Economic Indicators, Newfoundland and Labrador

2007 - 2022f

Indicator	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017e	2018f	2019f	2020f	2021f	2022f
GDP (\$m)	29,065	31,572	25,001	29,085	33,539	32,033	34,459	34,277	30,332	31,112	32,429	32,850	33,454	33,864	35,060	36,110
% change	18.3	8.6	-20.8	16.3	15.3	-4.5	7.6	-0.5	-11.5	2.6	4.2	1.3	1.8	1.2	3.5	3.0
% change, real	11.2	-1.5	-10.1	5.5	2.7	-4.4	5.2	-0.9	-1.7	1.9	-3.4	-0.8	1.1	-0.3	1.0	0.3
Final Domestic Demand* (\$m)	22,075	23,660	24,872	26,990	29,629	32,170	34,628	35,711	36,513	38,901	35,631	35,110	34,220	34,145	34,218	34,114
% change	6.3	7.2	5.1	8.5	9.8	8.6	7.6	3.1	2.2	6.5	-8.4	-1.5	-2.5	-0.2	0.2	-0.3
% change, real	4.6	4.2	2.9	6.6	7.1	6.6	6.0	1.1	0.5	3.6	-9.3	-2.9	-4.2	-2.0	-1.8	-2.1
Household Income (\$m)	16,620	17,861	18,604	19,424	20,905	22,403	23,530	24,375	25,290	25,883	26,368	26,540	26,645	26,996	27,579	28,149
% change	8.4	7.5	4.2	4.4	7.6	7.2	5.0	3.6	3.8	2.3	1.9	0.7	0.4	1.3	2.2	2.1
% change, real	6.9	4.5	3.9	1.9	4.1	5.0	3.3	1.7	3.3	-0.4	-0.5	-1.3	-1.7	-0.8	-0.5	0.1
Household Disposable Income (\$m)	10,905	11,824	12,712	13,402	14,319	15,287	16,025	16,543	17,017	17,267	17,586	17,712	17,801	18,048	18,444	18,829
% 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	0.5	1.4	2.2	2.1
% change, real	7.4	5.4	7.2	2.9	3.3	4.6	3.1	1.3	2.4	-1.2	-0.6	-1.3	-1.6	-0.7	-0.4	0.1
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	9,293	9,242	9,267	9,362	9,493
% change	8.6	7.4	1.6	4.7	5.1	4.5	5.1	3.6	0.6	0.4	2.4	0.7	-0.5	0.3	1.0	1.4
% change, real	7.6	7.2	2.5	3.0	3.2	3.6	4.4	1.7	0.8	-1.7	1.1	-0.5	-1.9	-1.1	-0.4	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	135.7	138.4	141.4	144.4	148.2	151.1
% change	1.5	2.9	0.3	2.4	3.4	2.1	1.7	1.9	0.5	2.7	2.4	2.0	2.2	2.1	2.6	2.0
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	10,699	9,703	8,872	8,735	8,458	8,052
% change	-4.0	19.9	-0.2	19.8	25.4	23.6	17.7	4.1	2.4	15.2	-24.7	-9.3	-8.6	-1.5	-3.2	-4.8
% change, real	-4.4	13.8	-3.2	19.1	24.8	20.6	16.4	1.8	-0.9	9.6	-25.4	-10.8	-10.4	-3.6	-5.1	-6.6
Housing Starts	2,649	3,261	3,057	3,606	3,488	3,885	2,862	2,119	1,697	1,398	1,400	1,259	1,159	1,199	1,262	1,303
% change	18.6	23.1	-6.3	18.0	-3.3	11.4	-26.3	-26.0	-19.9	-17.6	0.1	-10.1	-8.0	3.5	5.2	3.3
Employment (000s)	217.0	221.1	215.1	222.8	231.9	240.8	242.7	238.6	236.2	232.6	224.1	221.9	218.0	215.8	215.4	214.8
% change	1.2	1.9	-2.7	3.6	4.1	3.8	0.8	-1.7	-1.0	-1.5	-3.7	-1.0	-1.8	-1.0	-0.2	-0.3
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	260.6	257.9	255.7	254.2	252.9
% change	-0.2	1.7	-0.2	2.6	1.6	3.5	0.0	-1.3	0.0	-0.8	-2.2	-0.9	-1.1	-0.8	-0.6	-0.5
Unemployment Rate (%)	13.5	13.4	15.5	14.7	12.6	12.3	11.6	11.9	12.8	13.4	14.8	14.8	15.4	15.6	15.3	15.1
Participation Rate (%)	59.0	59.6	58.9	59.7	60.2	62.0	61.7	61.0	61.1	60.5	59.0	57.8	57.4	57.1	57.0	57.0
Population (000s)	509.0	511.5	516.7	522.0	525.0	526.5	527.4	528.4	528.8	530.3	528.8	525.9	523.4	521.1	518.1	514.9
% 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	-0.5	-0.4	-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; Economic and Project Analysis Division, Department of Finance

e:estimate; f: forecast, Department of Finance (March 2018)

Major Forecast Assumptions, 2018-2022

These assumptions indicate the expectations for major factors that will affect the provincial economy in the medium term. They were prepared in early-March for Budget 2018 which was released on March 27, 2018.

Offshore Oil Production

- Oil production is expected to total 85.7 million barrels in 2018 and average roughly 105 million barrels per year over the 2019 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 decline in 2018 as iron ore production increases are offset by lower average iron ore prices.

Investment Spending and Construction

- Capital investment is expected to decline in 2018, reflecting the completion of Hebron in 2017 and the advanced stage of the Muskrat Falls development.
- Capital investment is expected to continue to decline over the remainder of the forecast period as Muskrat Falls and the White Rose Well Head Project are completed.
- 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\$63.70/barrel in calendar year 2018 and rise to US\$72.25 by 2022.
- The Canadian dollar is expected to average approximately US\$0.80 in calendar year 2018, up slightly from US\$0.77 in 2017. It is expected to slowly rise beyond 2018 as oil prices recover.