

ECONOMIC REVIEW 2017

ST. JOHN'S METROPOLITAN AREA



Economic Indicators St. John's Metropolitan Area, 2016-2017

Outlook for 2018

Economic activity in the St. John's Census Metropolitan Area (CMA) is expected to remain subdued in 2018. There is expected to be a significant decline in capital investment as the Hebron and Long Harbour projects have been completed though the start of construction on Husky's well head platform should offset this somewhat. In addition, provincial government deficit reduction measures are expected to curtail expenditures in the public sector.

	2016	2017e	% Change
Real GDP (2007\$M)	13,384	13,270	-0.9%
Employment (000s)	116.4	109.9	-5.6%
Labour Force (000s)	126.3	120.0	-5.0%
Unemployment Rate (%)	7.8%	8.4%	0.6 pts
Participation Rate (%)	69.6%	65.1%	-4.5 pts
Household Income (\$M)	10,889	11,017	1.2%
Retail Trade (\$M)	3,948	3,969	0.5%
Housing Starts	833	763	-8.4%
CPI (2002=100)	132.2	135.4	2.5%
Population (000s)	217.5	219.5	0.9%

Source: Statistics Canada; Economic Research and Analysis Division,
Government of Newfoundland and Labrador Department of Finance e: estimate.

2017 Performance

Economy

Economic performance in the St. John's CMA was subdued in 2017. Real gross domestic product (GDP) is estimated to have declined by 0.9 per cent to \$13.3 billion (in \$2007)—in comparison to a decline of 3.2 per cent for the province as a whole. A significant portion of the decline can be attributed to the construction sector, but declines were recorded in most industries. Offshore oil production increased to 80.66 million barrels, up 5.1 per cent over 2016, partly offsetting declines in other industries. Excluding the oil and gas industry, the CMA's real GDP is estimated to have declined by 2.7 per cent.

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2017 Performance

Labour Market

Employment in the St. John's CMA declined by 5.6 per cent to 109,900 in 2017 in line with the overall declines experienced by the province as a whole. Goods sector employment declined 10.3 per cent while services sector employment decreased by 4.4 per cent. The labour force declined by 5.0 per cent to 120,000 and since labour force declines were smaller than that of employment, the unemployment rate increased by 0.6 percentage points to 8.4 per cent. Among all the 33 CMAs in Canada, only Calgary had a higher unemployment rate than that of the St. John's CMA in 2017.

Household Income, Retail Sales and Housing Starts

Household income increased by 1.2 per cent in 2017 to \$11.0 billion, the lowest rate of growth in this indicator since 1997. The slow growth in household income was reflected in retail sales which increased by only 0.5 per cent to \$4.0 billion. Housing starts fell by 8.4 per cent to 763 units due to lower single detached starts. Canadian Real Estate Association MLS® data indicates that housing sales and average sales prices in the CMA fell by 17.0 per cent and 1.2 per cent respectively in 2017.



Population

The population of the St. John's CMA was estimated to be 219,500 as of July 1, 2017, a 0.9 per cent increase from the previous year. Gains resulted from natural population growth (more births than deaths) and net in-migration to the region.

Note: The annual population estimates, prepared by Statistics Canada's Demography Division, are the "official" population estimates and are used to determine things such as provincial entitlements from federal transfer programs such as the Canada Health Transfer. The Census, which is conducted once every five years, is an important tool for computing the "official" population estimates, but they do not count everyone. Several adjustments are made to the Census figures, in particular accounting for people missed during Census enumeration, to get the final "official" population numbers.



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