

Economic Review, 2022

St. John's Census Metropolitan Area



Economy

Real GDP
\$16.3 billion

The St. John's Census Metropolitan Area (CMA) economy performed well in 2022, with most economic indicators showing moderate-to-strong growth. The CMA's real gross domestic product (GDP), excluding oil and gas extraction, increased by 2.3%, as private sector industries such as 'Finance, insurance, real estate, rental and leasing'; 'Retail trade'; 'Information, culture and recreation' and 'Accommodation and food services', benefitted from the tourism sector's "Come Home 2022" campaign. Overall, estimated real GDP decreased by 2.1% in 2022 to \$16.3 billion (\$2012), primarily due to lower offshore oil production.

The provincial oil and gas industry is allocated to the St. John's CMA, meaning the CMA's real GDP is influenced by fluctuations in oil production levels. Oil production totaled 84.3 million barrels in 2022, down 10.4% compared to 2021, mainly due to lower production at Hibernia, which shut down for planned maintenance in early September. Production returned to normal levels in November.



Labour Market



Employment in the St. John's CMA increased by 9.0% to 116,400 persons in 2022, as strong growth in the services-producing sector was complemented by slight growth in the goods-producing sector. Much of the growth can be attributed to the 'Trade' and 'Accommodation and food services' industries that grew by 700 persons and 2,700 persons respectively during the year. Provincial tourism performance displayed considerable improvement with total non-resident visitors increasing sharply, and activity nearly back to pre-pandemic levels. The labour force grew by 7.3% in 2022, to 124,700 participants and the participation rate increased by 3.7 percentage points to 67.5%. The unemployment rate decreased by 1.4 percentage points to 6.7%.



Real Estate



Housing starts in the St. John's CMA increased by 34.7% in 2022 to 733 units, mostly due to pent-up demand from the COVID-19 pandemic, increased immigration, and relatively low interest rates early in the year. As the year went on, interest rates began to rise and there was a downward adjustment in the sale of homes across the country. Home sales in St. John's, however, were less impacted by the rising rates and uncertainty compared to Canada. The sale of single detached units in St. John's decreased 9.8% to 888 units in 2022 and the sale of multiple-family units remained steady at 484 units.^[1] Residential sales in Canada decreased 25.2% in 2022.



Outlook for 2023

St. John's CMA real GDP is expected to grow in 2023, led by the goods-producing sector as investment, production, and employment in the provincial oil industry is expected to rebound. The Terra Nova FPSO will return to the province's offshore and production is expected to resume in early 2023. Cenovus Energy has announced plans to spend between \$600 and \$700 million on the West White Rose project during the year. The St. John's CMA should also expect to see continued growth in its tourism industry.

February 2023

¹The sale of single detached and multiple-family homes refers to the City of St. John's. Data is unavailable for the CMA.

² Non-permanent residents are persons who have been legally granted the right to live in Canada on a temporary basis under the authority of a temporary resident permit, along with members of their family living with them. Non-permanent residents include foreign workers, foreign students, the humanitarian population and other temporary residents.



Household Income, Retail Sales, Inflation



Household income increased by 9.1% in 2022 to \$12.9 billion, reflecting increased employment and higher labour compensation. Retail sales increased by 7.8% to \$4.8 billion in 2022, with the gain in value mainly due to higher prices. The Consumer Price Index (CPI) for the St. John's CMA increased 5.9% in 2022. This was particularly pronounced for food and energy, with provincial prices up 9.2% and 22.1% respectively for those categories.



Population



The population of the St. John's CMA was estimated to be 219,119 in 2022, a 2.3% increase from 2021 mainly due to gains in immigration (+2,170) and net non-permanent residents (+1,977)^[2]. Newfoundland and Labrador has been supporting Ukrainians displaced by the Russian invasion of their country using provincial government airlifts. As of December 6, 2022, over 1,500 Ukrainians have settled in the province.

Economic Indicators, St. John's CMA, 2021-22

	2021	2022e
Real GDP (\$2012, \$M)	16,614	16,258
% Change	-1.2	-2.1
Real GDP (\$2012, \$M) excluding oil and gas	10,409	10,647
% Change	5.0	2.3
Employment (000s)	106.8	116.4
% Change	0.7	9.0
Labour Force (000s)	116.2	124.7
% Change	-1.9	7.3
Unemployment Rate (%)	8.1	6.7
Change	-2.4 ppts	-1.4 ppts
Participation Rate (%)	63.8	67.5
Change	-1.7 ppts	3.7 ppts
Household Income (\$M)	11,813	12,884
% Change	2.9	9.1
Retail Trade (\$M)	4,422	4,766
% Change	11.6	7.8
Housing Starts	544	733
% Change	30.1	34.7
Consumer Price Index (2002=100)	143.8	152.3
% Change	3.3	5.9
Population (000s)	214,267	219,119
% Change	0.2	2.3

Source: Statistics Canada; Economics Division, Dept. of Finance
e: estimate \$M: Millions