

Economic Review, 2019

St. John's Census Metropolitan Area



Economy

GDP 
\$18.0 billion

Real gross domestic product (GDP) is estimated to have increased by 5.4% to \$18.0 billion (in \$2012) in 2019. The increase in GDP is primarily due to an increase in oil production as most activity in the province's oil and gas industry is allocated to the St. John's CMA. Offshore oil production increased by 10.5% to 92.8 million barrels in 2019 due mainly to increased output from Hebron as that project continues to ramp up production. Excluding the oil and gas production industry, the CMA's real GDP is estimated to have increased by 2.4%, as private sector industries such as Construction and Professional, Scientific and Technical Services showed strong growth benefitting from investment in the West White Rose Project.

Labour Market

Employment in the St. John's CMA grew by 4.1% (or 4,500 persons) to 115,200 in 2019. Goods sector employment decreased by 1.1% while services sector employment increased by 5.1%. The strong employment gains attracted more labour force participants and the participation rate increased by 1.7 percentage points to 66.9%. The labour force increased by 2.9% to 124,500, while the unemployment rate decreased by 0.9 percentage points to 7.5%. This was the CMA's lowest recorded unemployment rate since 2015.



Household Income, Retail Sales, Housing Starts

Household income increased by 4.1% in 2019 to \$11.2 billion driven by gains in wages and salaries. Retail sales increased by a more modest 0.6% to \$3.9 billion.

Housing starts fell by 24.1% to 480 units as both single and multiple starts declined significantly. Canadian Real Estate Association MLS® data indicates that housing sales in the CMA increased by 11.4% in 2019 while average house prices declined by 2.0%.



Population

The population of the St. John's CMA was estimated to be 212,300 as of July 1, 2019, a 0.1% decrease from the previous year. Gains from modest natural population growth (more births than deaths) were offset by net out-migration from the region.



Outlook for 2020

Economic growth in the CMA, as measured by real GDP, is expected to be subdued in 2020. Although economic gains are expected from higher oil production and increased capital investment on the West White Rose project, other indicators such as employment, household income and housing starts may be more subdued as the economy continues to adjust to lower Muskrat Falls activity as construction on this project nears completion.

Economic Indicators, St. John's CMA, 2018-19

	2018	2019e
Real GDP (2012\$M)	17,124	18,048
% Change	1.2	5.4
Employment (000s)	110.7	115.2
% Change	0.7	4.1
Labour Force (000s)	121.0	124.5
% Change	0.8	2.9
Unemployment Rate (%)	8.4	7.5
Change	0.0 ppts	-0.9 ppts
Participation Rate (%)	65.2	66.9
Change	0.1 ppts	1.7 ppts
Household Income (\$M)	10,780	11,221
% Change	-0.6	4.1
Retail Trade (\$M)	3,918	3,942
% Change	-2.3	0.6
Housing Starts	632	480
% Change	-17.2	-24.1
Consumer Price Index (2002=100)	137.4	138.6
% Change	1.6	0.9
Population (000s)	212.5	212.3
% Change	0.0	-0.1

Source: Statistics Canada; Economic and Project Analysis Division, Dept. of Finance
e: estimate