

# Economic Update August 2018



The **New Housing Price Index** for St. John's Metro was 98.9 in May 2018 down 0.6%\*

The **Consumer Price Index** for St. John's Metro was 137.5 in June 2018 up 2.0%\*

**Retail trade** for Newfoundland and Labrador was \$750 million in May 2018 up 0.8%\*

\* same month in the previous year.



... 2018 forecast

Labour Force	117,700 (down 1.9%)
Unemployment Rate	7.9% (down 0.5 ppts)
Employment	108,400 (down 1.3 ppts)
Participation Rate	63.3% (down 1.8 ppts)

*Statistics Canada; Department of Finance, Government of Newfoundland and Labrador...July's data will be reported in September's issue.*

## Business Briefs



### Equinor and Govt of NL announce \$6.8B offshore deepwater oil project

Equinor Canada and Newfoundland and Labrador have announced an agreement to develop the Bay du Nord oil project — the first remote, deepwater project in the province's offshore. The province is buying 10 per cent of the project and will borrow close to \$100-million to invest in the Bay du Nord oil project in the Flemish Pass. Overall, the project is expected to bring in \$3.5 billion in total provincial government revenues over its lifetime. It will cost about \$11 billion to construct and operate. Equinor says the project is viable so long as oil doesn't go below \$49 per barrel. About 5,000 tonnes of steel fabrication will be done in Newfoundland, and a land-based operations centre with about 50 people will be established. The Bay du Nord project is expected to be sanctioned in 2020 — with first oil in 2025 — and is projected to hold oil reserves of nearly 300 million barrels. [www.gov.nl.ca](http://www.gov.nl.ca)

### New Immigration categories in NL

The Government of Newfoundland and Labrador has introduced two new immigration categories to help newcomers start businesses, create jobs and economic development opportunities. The International Graduate Entrepreneur category is open to graduates of Memorial University and College of the North Atlantic who wish to create or co-own and manage a business in the province. The International Entrepreneur category is open to prospective immigrants who wish to settle in the province and be engaged in the daily operation of a business they create, join or take over. Eligibility requirements can be found at: [www.gov.nl.ca/immigration](http://www.gov.nl.ca/immigration)

### St. John's - Fishing Port

In 2017, approximately 5,500 tonnes of fish was landed in the port of St. John's. The estimated total landed value of this volume of fish was about \$50 million. Of all landing ports in Newfoundland and Labrador in 2017, St. John's had the second highest volume of landings and the highest total landed value. Virtually all the landed volume in St. John's was comprised of snow crab, with smaller amounts of groundfish such as cod and Greenland halibut.

The main commercial fish landing site for the <65' fleet in Newfoundland and Labrador, the St.

John's Fort Amherst Small Boat Basin, is currently undergoing Infrastructure improvements scheduled to be completed by March 2020. The federal government is investing \$40 million toward improvements to small craft harbours in Newfoundland and Labrador this year to support the fishery industry, a key economic sector in the local economy. Specific funding amounts will be made public once the tendering process has been completed.



## City Building Permits (year to date)

As of July 23, 2018 the value of:

- **Commercial** permits were up 56% to \$137,172,818 for 2018 over \$87,924,480 for 2017
- **Industrial** permits were valued at \$5,000 for 2018 and \$0 for 2017
- **Government/Institutional** permits were up from \$436,000 in 2017 to \$2,445,882 in 2018\*
- **Residential** permits are down this year, 3% over 2017: \$42,990,889 for 2018 over \$44,100,744 for 2017
- **Repair** permits were down 17%, from \$1,816,757 in 2017 to \$1,509,945 in 2018
- **Total** value of all permits was up 37% to \$184,124,534 for 2018 over \$134,277,981 for 2017

\* Note that this data does not include the full range of permit activity undertaken by the provincial government and Memorial University.



## Business Approvals

Restaurant, 310 Water St.  
Little Ceasars, 2-8 Great Southern Dr.  
Proax Technologies Ltd., 1 Austin St.  
Rocket Bakery & Fresh Food, 25 Churchill Sq.  
SPCA Thrift Store, 27 Elizabeth Ave.  
Little Burgundy, Avalon Mall  
Tim Horton's, 648 Topsail Rd.  
Hillhead Designs Ltd., 74 Prescott St.  
Furniture refinishing, 21-23 Queen's Rd.  
Home Hardware, 141 Torbay Rd.  
Global Pet Foods, 141 Torbay Rd.  
Home Grown Hydroponics, 141 Torbay Rd.  
S & P Data, Village Mall

### Home-based Businesses

Bed and Breakfast, 119 Waterford Bridge Rd.  
Event planning, 8 Calver St.  
Family home childcare, 712A Main Rd.  
Online Vehicle Sales, 195 Mundy Pond Rd.

Year to Date 91

- Regular 61
- Home-based 30

## City Initiatives



### Economic Outlook 2018

Economic growth in the St. John's Census Metropolitan Area (CMA), as measured by real gross domestic product (GDP), is expected to increase by 0.7% to \$13.8 billion in 2018, largely due to oil production gains. Household income and retail trade are expected to grow slightly throughout 2018; however, the economic slowdown is being reflected in the labour market data as employment is expected to decline 1.3% in line with decreasing major project investment. The unemployment rate is expected to decrease by 0.5 percentage points, since labour force declines are expected to be larger than that of employment. The St. John's CMA population should continue to benefit from historically high levels of international migration. The population of the St. John's CMA is expected to continue to grow in 2018 to 220,500 persons, an increase of 0.6 per cent compared to 2017. Read the full report here: [stjohns.ca/publications/economic-outlook-2018](http://stjohns.ca/publications/economic-outlook-2018)

## Upcoming Events

- Aug 7 [Business Model Canvas: MOTR workshop](#)
- Aug 7 [International Recruitment & Immigration - Lunch & Learn for NL Tech Companies](#)
- Aug 13 [Value Proposition + Customer Interviews: MOTR workshop, Genesis Centre](#)
- Aug 17 [Pitch & Pick by Genesis Centre](#)
- Sept 7 [St. John's Board of Trade 101 Session](#)
- Sept 10 [Export Markets: Identifying Opportunities](#)
- Sept 18 [How to Use Census Data](#)



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