

Economic Review, 2020

St. John's Census Metropolitan Area



Economy

GDP 
\$17.5 billion

Economic performance in the St. John's Metropolitan Area (CMA) in 2020 was adversely impacted by measures to contain the COVID-19 pandemic. Real gross domestic product (GDP) is estimated to have decreased by 2.6% in 2020 to \$17.5 billion (in \$2012) – in comparison to a decrease of 4.8% for the province as a whole and, according to the latest consensus of forecasters, a decrease of 5.8% for Canada. An increase in oil production helped to mitigate the downturn as most activity in the province's oil and gas industry is allocated to the St. John's CMA. Offshore oil production increased by 7.8% to 102.9 million barrels in 2020 with higher production at Hebron, Hibernia and White Rose offsetting losses at Terra Nova. Excluding the oil and gas production industry, the CMA's real GDP is estimated to have decreased by 7.1%, as private sector industries such as Construction; Finance, insurance, real estate, rental and leasing; Information, culture and recreation; and Accommodation and food services experienced losses due to COVID-19 related shutdowns, slowdowns and a reduction in the hours worked.

Labour Market

Employment in the St. John's CMA fell by 4.9% (or 5,400 persons) to 105,800 in 2020 similar to provincial and national trends. Goods sector employment decreased by 9.5% while services sector employment decreased by 4.0%. The drop in employment was accompanied by a 2.7% decline in the labour force from 120,500 to 117,200 participants and the participation rate decreased by 2.3 percentage points to 64.8%. The unemployment rate increased by 2.0 percentage points to 9.7%.



Select Labour Market Statistics 2020

CMA	Unemployment Rate	Participation Rate
St. John's, NL	9.7	64.8
Halifax, NS	8.7	66.7
Montreal, PQ	10.1	66.1
Ottawa-Gatineau, ON/PQ	7.5	65.7
Toronto, ON	10.8	65.6
Winnipeg, MB	8.8	66.9
Regina, SK	8.3	66.8
Saskatoon, SK	9.7	68
Calgary, AB	11.9	71.1
Edmonton, AB	12	67.9
Vancouver, BC	9.2	65

Source: Statistics Canada

Population

The population of the St. John's CMA was estimated to be 214,014 as of July 1, 2020, a 0.4% increase from the previous year as gains in international immigration and net intraprovincial migration offset losses due to net interprovincial out-migration.



Outlook for 2021

The economy in the CMA is expected to rebound in 2021 as the impacts of the COVID-19 shutdowns are partly reversed. Although lower oil production and decreased capital investment on major projects are expected to hamper growth, other indicators such as employment, retail sales and housing starts should improve as the economy emerges from the constraints imposed during the pandemic.



Household Income, Retail Sales, Housing Starts

Household income increased by 3.1% in 2020 to \$11.6 billion as Canada Emergency Response Benefit (CERB) payments and other transfer payments offset the loss in employment income. Retail sales declined by 0.9% to \$3.9 billion due to lower consumption spending as the result of restrictions imposed due to the COVID-19 pandemic. Housing starts fell by 12.9% in 2020 to 418 units mostly due to a decline of 39% in multiple unit starts. However, housing sales surged in the latter half of the year with Canadian Real Estate Association MLS® data indicating that the number of homes sold in the CMA increased by 11.9% in 2020 while average house prices increased by 3.5%.



Economic Indicators, St. John's CMA, 2019-20

	2019	2020e
Real GDP (2012\$M)	18,008	17,539
% Change	3.2	-2.6
Employment (000s)	111.2	105.8
% Change	4.3	-4.9
Labour Force (000s)	120.5	117.2
% Change	3.3	-2.7
Unemployment Rate (%)	7.7	9.7
Change	-0.9 ppts	2.0 ppts
Participation Rate (%)	67.1	64.8
Change	1.8 ppts	-2.3 ppts
Household Income (\$M)	11,271	11,619
% Change	3.4	3.1
Retail Trade (\$M)	3,955	3,921
% Change	0.8	-0.9
Housing Starts	480	418
% Change	-24.1	-12.9
Consumer Price Index (2002=100)	138.6	139.2
% Change	0.9	0.4
Population (000s)	213,204	214,014
% Change	0.4	0.4

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