

BUDGET 2024

Transforming

Our Health. Our Economy. Our Province.

The Economy



Newfoundland
&
Labrador

The Economy 2024 is published by the Government of Newfoundland and Labrador under the authority of the Honourable Siobhan Coady, Minister of Finance. Data are current as of March 15, 2024, unless otherwise noted. Readers should note that annual data referenced in this document are reported on a calendar year basis, unless stated otherwise.

Comments and questions concerning The Economy 2024 should be directed to:

Department of Finance
P.O. Box 8700, St. John's, NL A1B 4J6

Telephone: (709) 729-5455
Facsimile: (709) 729-6944

E-mail: infoera@gov.nl.ca

The Economy 2024 is available on the Department of Finance website: www.gov.nl.ca/fin

ISBN 978-1-55146-763-4

Table of Contents



Highlights and Expectations.....	1
GDP and Employment by Industry.....	6
Global Economic Environment.....	8
Provincial Economic Overview	13
Special Feature: The Technology Sector in Newfoundland and Labrador	23
Oil and Gas	28
Mining.....	36
Manufacturing	42
Fishery and Aquaculture.....	45
Forestry	51
Agriculture	54
Construction	57
Real Estate	60
Tourism.....	64
Inventory of Major Capital Projects.....	68
Statistical Indicators	79

Highlights and Expectations



2023 Highlights

- ▶ Employment in the province averaged 236,700 in 2023, an increase of 4,200 persons, or 1.8 per cent, compared to 2022.
- ▶ The province's population stood at 538,605 as of July 1, 2023, an increase of 7,022 persons, or 1.3 per cent, compared to July 1, 2022. This marked the largest annual increase in the province's population since 1972.

Battle Harbour
Department of Tourism, Culture, Arts and Recreation

- ▶ Capital investment is estimated to have totalled \$9.3 billion in 2023, a decrease of 1.5 per cent from 2022, as lower residential investment more than offset higher non-residential investment.
- ▶ The Consumer Price Index (CPI) rose 3.3 per cent on an annual average basis in the province in 2023, following an increase of 6.4 per cent in 2022 and a 3.7 per cent increase in 2021. Lower inflation in 2023 was largely due to moderating energy prices.
- ▶ Retail sales in the province totalled \$11.4 billion in 2023, an increase of 1.8 per cent compared to 2022.
- ▶ Household income is estimated to have increased by 4.4 per cent, mainly due to higher labour compensation.
- ▶ Provincial exports declined in 2023, as prices and production for several key export commodities were lower relative to 2022.

- ▶ Provincial real gross domestic product (GDP) decreased by 2.1 per cent in 2023, mainly due to lower oil and nickel production and a decline in residential investment.

Oil and Gas

- ▶ Oil production totalled 73.1 million barrels in 2023, a decrease of 13.3 per cent compared to 2022. The value of oil production decreased by 27.0 per cent to \$7.9 billion, due to lower production coupled with lower prices.
- ▶ The average price of Brent crude oil was US\$82.49 per barrel in 2023, a decrease of 18.3 per cent from US\$100.93 per barrel in 2022.
- ▶ The Terra Nova floating production, storage and offloading (FPSO) vessel returned to production in November.
- ▶ Work continued on the West White Rose project's concrete gravity structure in Argentia and topsides facilities in Texas.

Mining

- ▶ Mineral shipments from the province were valued at \$4.3 billion in 2023, down 18.6 per cent from 2022, primarily due to lower nickel production at Voisey's Bay, lower nickel prices and lower prices for iron ore pellets.
- ▶ Mineral exploration expenditures in the province are estimated to have totalled \$218.5 million in 2023.

Manufacturing

- ▶ The value of manufacturing shipments totalled \$3.3 billion in 2023, representing a decrease of 13.4 per cent compared to 2022, mainly due to lower nickel prices and production.
- ▶ Losses were recorded in the value of durable goods shipments, which include fabricated metal products and non-ferrous refined metals such as nickel, and in the value of non-durable goods shipments, such as newsprint and value-added fish products.

Fishery and Aquaculture

- ▶ The total volume of fish landings decreased by 7.6 per cent to 191,873 tonnes in 2023, and the landed value declined by 44.0 per cent to \$704 million compared to 2022.
- ▶ The volume of aquaculture production reached 19,083 tonnes, an increase of 47.0 per cent compared to 2022. The corresponding total market value increased by 72.4 per cent to \$219.0 million.

Forestry

- ▶ Newsprint shipments increased by 7.0 per cent to 226,986 tonnes in 2023, but the value of international exports declined.
- ▶ Preliminary estimates for lumber production totalled 95 million board feet in 2023, down from 101 million board feet in 2022.

Agriculture

- ▶ The value of farm cash receipts were \$173.4 million in 2023, an increase of 11.7 per cent compared to 2022.

Construction

- ▶ Construction-related investment spending in the province was estimated to be \$6.1 billion in 2023, a decrease of 5.3 per cent from the previous year, mainly due to higher interest rates.
- ▶ Employment in the construction industry was 19,500 person years in 2023, a 4.8 per cent increase over 2022.

Real Estate

- ▶ There were 978 housing starts in the province in 2023, a decrease of 29.1 per cent compared to 2022. New home construction was hampered by high interest rates, rising building costs and labour shortages.
- ▶ According to the Canadian Real Estate Association's Multiple Listing Service (MLS®), a total of 5,362 homes were sold in 2023, a decrease of 15.2 per cent compared to 2022, but still 33.0 per cent above the five-year average prior to the pandemic.

Tourism

- ▶ Non-resident tourism spending continued to improve in 2023, growing closer to pre-pandemic levels.
- ▶ It is estimated that non-resident air, auto and cruise visitation reached 487,000

visitors, an increase of 13 per cent compared to 2022. The associated non-resident spending reached an estimated \$551.6 million, an increase of 12 per cent.

2024 Expectations

- ▶ Newfoundland and Labrador's real GDP is forecast to increase by 5.1 per cent to \$33.2 billion (\$2017) in 2024, primarily due to a strong rebound in exports.
- ▶ Real exports are expected to increase by 16.7 per cent, driven mainly by an anticipated increase in the production of oil, iron ore and nickel.
- ▶ Total employment is forecast to increase by 0.9 per cent in 2024, partly due to increased construction activity associated with increased housing starts and the West White Rose project.
- ▶ Household income is expected to increase by 4.9 per cent in 2024, due to continued wage growth and increased government transfers.
- ▶ Income growth is expected to continue to support retail sales, which are forecast to increase by 2.8 per cent in 2024.
- ▶ For the year as a whole, inflation in the province is forecast to average 2.6 per cent.
- ▶ Continuing the strong population growth seen in 2023, the province's population is projected to rise by 0.8 per cent in 2024, with net natural losses being more than offset by international in-migration.

- ▶ Capital investment is expected to increase by 3.0 per cent to \$9.6 billion in 2024, as construction activity associated with the West White Rose project continues and residential construction rebounds from the declines seen in 2023.
- ▶ The Terra Nova oil project is expected to ramp up to full production levels and the newly converted biofuel refinery in Come By Chance started production in February.
- ▶ Development work on the West White Rose project, in addition to continued government investment in infrastructure projects, such as the new mental health and addictions facility in St. John's, will continue to support construction activity in the province.

Oil and Gas

- ▶ Oil production is expected to increase by 12.4 per cent to 82.2 million barrels in 2024.
- ▶ Construction on the West White Rose project is expected to ramp up in 2024, as Cenovus plans to spend between \$850 and \$950 million on construction costs associated with the White Rose and West White Rose projects.
- ▶ Equinor is expected to begin exploratory drilling on the Sitka discovery this year associated with the Bay du Nord project.
- ▶ The Department of Finance expects Brent crude oil prices to average US\$81.80 per barrel on a calendar year basis in 2024 (US\$82.00 per barrel for fiscal year 2024-25).

Mining

- ▶ The value of mineral shipments is expected to increase in 2024, driven mainly by the completion of ramp-up activities at the Voisey's Bay Mine Expansion project and higher production of iron ore.
- ▶ Mineral exploration is expected to total \$223.2 million in 2024, driven by continued gold mineral potential in central Newfoundland and increased interest in critical minerals, such as uranium and lithium.

Manufacturing

- ▶ The newly converted Come By Chance refinery started production in February 2024, and is expected to produce approximately 18,000 barrels of renewable diesel per day.
- ▶ Construction on several major projects is expected to boost fabricated metal manufacturing.
- ▶ The manufacturing sector continues to explore ways to reduce costs, increase productivity and transition to greener technology to reduce carbon emissions.

Fishery and Aquaculture

- ▶ The volume of fish landings in Newfoundland and Labrador is expected to increase in 2024, with a rise in groundfish landings.
- ▶ Aquaculture production is expected to increase, as gains from both new sites and expansions to existing sites continue to boost output.

Forestry

- ▶ Provincial lumber production is projected to reach approximately 97 million board feet in 2024.
- ▶ The Government of Newfoundland and Labrador continues to partner with the Government of Canada on a Spruce Budworm Early Intervention Strategy to help safeguard the provincial forestry industry. A spray program is planned for 2024.

Agriculture

- ▶ Prices of farm inputs are expected to remain elevated, which will likely result in continued high prices for farm products and increased farm cash receipts.
- ▶ Developments in the ongoing war in Ukraine may have further impacts on farm inputs, such as energy and fertilizer prices.

Construction

- ▶ Total construction-related capital spending is expected to increase by 4.7 per cent to \$6.4 billion in 2024.
- ▶ The industry will continue to benefit from major project activity, particularly as investment in the West White Rose project is expected to peak in 2024.

Real Estate

- ▶ Housing starts are forecast to be 1,300 units in 2024, an increase of 33.0 per cent compared to 2023.

- ▶ The Canadian Real Estate Association forecasts residential sales in the province to be 5,626 units in 2024, a rise of 4.9 per cent compared to 2023. The average resale price is forecast to increase by 2.5 per cent to \$300,956.

Tourism

- ▶ Resident travel is expected to continue to play an important role in the province's tourism industry, especially as more potential travellers are impacted by concerns over affordability and rising travel costs in the face of inflation and the increasing cost of living.
- ▶ The Provincial Government announced that 2024 will be known as the "Year of the Arts." It will feature public events, festivals, music, exhibitions, performances and more, providing increased opportunities for residents and non-resident visitors to celebrate and experience the province's vibrant arts and culture sector.

GDP and Employment by Industry

Table 1: GDP and Employment by Industry

Newfoundland and Labrador

	GDP 2022e		Employment 2023	
	\$ Millions	% of Total	Person Years, 000s	% of Total
Goods-Producing Sector	17,073.4	45.4	49.2	20.8
Agriculture, Forestry & Logging	197.4	0.5	1.7	0.7
Fishing, Hunting & Trapping	419.1	1.1	2.2	0.9
Mining	2,727.7	7.3	8.1	3.4
Oil Extraction	8,567.6	22.8	2.5	1.1
Support Activities for Oil & Mining	568.2	1.5	3.3	1.4
Manufacturing	1,270.5	3.4	9.5	4.0
Fish Products	441.2	1.2	2.8	1.2
Other	829.4	2.2	6.7	2.8
Construction	2,582.4	6.9	19.5	8.2
Utilities	744.3	2.0	2.5	1.1

Table 1: GDP and Employment by Industry

Newfoundland and Labrador

	GDP 2022e		Employment 2023	
	\$ Millions	% of Total	Person Years, 000s	% of Total
Services-Producing Sector	20,516.6	54.6	187.5	79.2
Wholesale Trade	808.2	2.2	5.0	2.1
Retail Trade	1,969.7	5.2	31.6	13.4
Transportation & Warehousing	1,210.4	3.2	12.6	5.3
Finance, Insurance, Real Estate & Business Support Services	5,044.6	13.4	13.1	5.5
Professional, Scientific, & Technical Services	1,435.9	3.8	11.5	4.9
Educational Services	1,984.8	5.3	17.5	7.4
Health Care & Social Assistance	3,131.2	8.3	45.4	19.2
Information, Culture & Recreation	815.7	2.2	7.6	3.2
Accommodation & Food Services	571.4	1.5	14.3	6.0
Public Administration	2,988.4	8.0	21.0	8.9
Other Services	552.6	1.5	8.1	3.4
Total, All Industries	37,590.0	100.0	236.7	100.0

e: estimate

Note: GDP is expressed at basic prices, measuring payments made to the owners of factor inputs in production. This differs from GDP at market prices. The difference is attributable to taxes less subsidies on products and imports. Industry components may not sum to total due to independent rounding.

Source: Statistics Canada; Department of Finance

Global Economic Environment

According to the International Monetary Fund (IMF), growth in real gross domestic product (GDP) for the world economy slowed to 3.1 per cent in 2023, following an expansion of 3.5 per cent in 2022 (see Table 2).

Table 2: Real GDP Growth (per cent) by Country/Region, 2022-2024f

	2022	2023e	2024f
World	3.5	3.1	3.1
China	3.0	5.2	4.6
United States	1.9	2.5	2.4
India	7.2	6.7	6.5
Japan	1.0	1.9	0.9
United Kingdom	4.3	0.5	0.6
Euro Area	3.4	0.5	0.9
Germany	1.8	-0.3	0.5
France	2.5	0.8	1.0
Italy	3.7	0.7	0.7
Spain	5.8	2.4	1.5
Canada	3.8	1.1	0.6

e: estimate; f: forecast
 Source: International Monetary Fund (January 2024); others available upon request.



In 2023, the global economy continued to recover from pandemic-induced shocks, while adjusting to fallout from Russia’s invasion of Ukraine and mounting cost-of-living pressures. In spite of these factors, a global recession was avoided.

Economic growth was not evenly distributed across the world. Real GDP growth in advanced economies was 1.6 per cent, weighed down by slower growth in Europe, but lifted by stronger than expected growth in the United States. Emerging and developing economies increased 4.1 per cent, with India once again outpacing China.

Expectations were high for China in 2023, as the country lifted pandemic restrictions in late 2022; however, it has remained mired in a real estate crisis, threatening financial stability and hampering consumer confidence. China posted a deficit in foreign direct investment in the third quarter of 2023, the first ever recorded since comparable records began in 1998. This partly reflects a growing interest from other countries to reduce their reliance on China for manufacturing. Foreign visitors to China were also limited in 2023, at about one third of the 2019 level.

The main global economic storylines of the year were persistently high inflation and the global slowdown in response to interest rate increases enacted by major central banks. This period of elevated inflation moderated throughout 2023. Global inflation was 6.8 per cent in 2023, down from 8.7 per cent in 2022. Lower energy prices played an important role in lower overall price growth, after a number of factors, including consequences of the ongoing Russia-Ukraine war, led to a steep rise in prices in 2022. While pressure from energy prices eased, housing became a significant factor driving inflation in 2023. Higher interest rates cooled housing markets through higher mortgage rates, while unusually high migration flows, in conjunction with low housing starts, created housing supply issues in some countries.

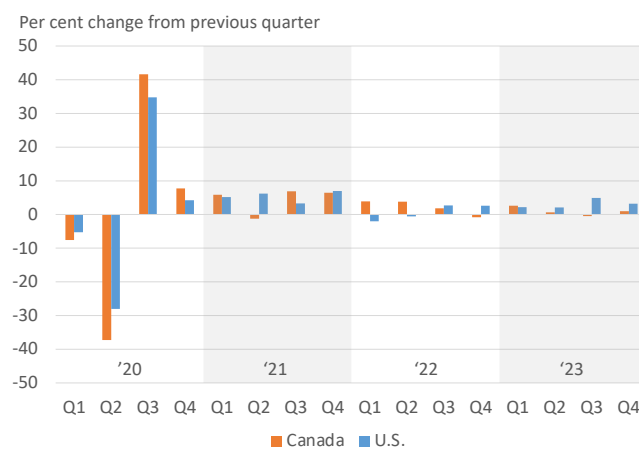
The IMF projects a global real GDP growth rate of 3.1 per cent in 2024, which remains below the annual average rate of 3.8 per cent over the 2000 to 2019 period. Growth

is anticipated to be 1.5 per cent in advanced economies and 4.1 per cent in developing economies. Factors which may affect the outlook include: a potential recession in Europe; whether the Chinese economy can regain momentum; and global spillovers from ongoing conflicts, such as the Russia-Ukraine war and recent developments in the Middle East.

United States

Real GDP growth in the United States was 2.5 per cent in 2023, up from 1.9 per cent in 2022 (see Figure 1). The increase in real GDP reflects increases in household consumption expenditures, non-residential investment, net exports and government spending, partially offset by a decline in residential investment. Non-residential investment in structures was the category with the largest growth rate (+13.0 per cent). Gains in non-residential investment were largely impacted by a rise in real manufacturing investment, which increased significantly throughout the year, reaching its highest level since 1958.

Figure 1: Annualized Real GDP Growth Canada and United States, Quarterly, 2020-2023



Source: U.S. Bureau of Economic Analysis; Statistics Canada

Despite monetary policy weighing down economic activity, job creation persisted in the United States in 2023, following two years of employment gains largely fueled by the recovery of losses from the pandemic. Employment increases averaged 225,000 persons per month in 2023, compared to an average of 399,000 per month in 2022. Even at roughly half the pace of the previous year, employment gains still compare favorably with recent history. For context, average monthly job creation was 183,000 between 2010 and 2019. The seasonally adjusted unemployment rate in December 2023 stood at 3.7 per cent, near pre-pandemic levels. The United States labour force participation rate has also rebounded since the pandemic, but only partially.

Inflation in the United States reached a peak in mid-2022, with a 40-year high of 9.1 per cent in June 2022. For the year as a whole, inflation averaged 4.1 per cent in 2023. The Federal Reserve applied a contractionary monetary policy in response to rising price levels, raising its benchmark federal funds target interest rate 11 times between March 2022 and July 2023. Following the latest interest rate increase in July 2023, it stood between 5.25 and 5.50 per cent, representing a 22-year high. Expectations point toward interest rate decreases in 2024, but the timing and speed at which interest rates are decreased remain uncertain.

As a consequence of increased interest rates, existing-home sales in the United States in 2023 were at their lowest annual level since 1995. This follows two years

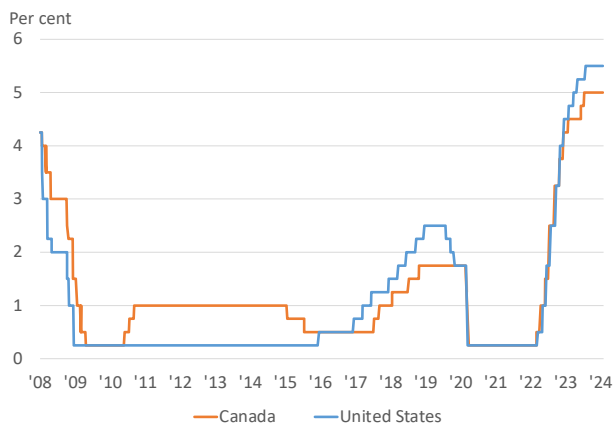
of soaring activity in home sales, largely halted by elevated mortgage costs and an insufficient stock of new housing units. In December 2023, the national median existing-home price stood at US\$382,600, up 4.4 per cent from December 2022. The accumulated latent demand is expected to maintain pressure on home prices. Housing starts in 2023 were down 9.0 per cent compared to 2022. However, home-builder confidence was up in February 2024 for a third consecutive month, which indicates potential for increased housing starts and lower borrowing costs this year.

According to the Fourth Quarter 2024 Survey of Professional Forecasters from the Federal Reserve Bank of Philadelphia, the median forecast for real GDP growth in the United States is 2.4 per cent in 2024. Prospects for the labour market do not suggest a substantial increase in the unemployment rate, with a rate of 3.9 per cent forecasted for 2024. The pace of job creation is expected to continue to decelerate, with the survey of forecasters predicting average monthly gains of 190,000 persons in 2024.

Canada

Canada's real GDP performance was mixed in 2023. Real GDP increased at moderate rates in the first half of the year, before declining by 0.5 per cent in the third quarter and then growing again in the fourth quarter. For the year as whole, real GDP growth was 1.1 per cent, led by strong gains in exports and government capital spending, which

Figure 2: Central Bank Rates
Canada and United States, 2008-2024



Note: U.S. rate is upper bound of the target range.
Source: Bank of Canada; U.S. Federal Reserve

more than offset declines in residential and inventory investment. On a per capita basis, real GDP declined 1.9 per cent compared to 2022, as strong population gains outpaced GDP growth. This is unusual for time periods not associated with a recession.

Despite the weak GDP performance, employment in Canada rose 2.4 per cent in 2023, with employment increases in both the goods-producing sector (+1.5 per cent) and the services-producing sector (+2.7 per cent). The annual average unemployment rate was 5.4 per cent in 2023, up slightly from 5.3 per cent in 2022.

Inflation averaged 3.9 per cent in 2023, down from 6.8 per cent in 2022, with the latter being the highest annual inflation rate recorded in four decades. Similar to other central banks, the Bank of Canada initiated a series of interest rate increases in 2022, in an effort to control rising inflation. With 10 rate increases between March 2022 and

July 2023, the overnight target interest rate currently sits at 5.0 per cent (see Figure 2).

Housing starts in Canada decreased by 8.2 per cent in 2023, down for a second consecutive year. Higher interest rates, in conjunction with high residential construction costs, resulted in a slowdown in new construction. Higher rental prices were also evident, reflecting low housing supply and record population increases. The average price of a home sold in Canada stood at \$657,145 in December 2023, up from \$625,116 in December 2022, but down from a high of \$816,646 in February 2022.

The latest average of forecasts by major Canadian banks and the Conference Board of Canada expects Canadian real GDP to grow by 0.6 per cent in 2024 (see Table 3). High interest rates in the first half of the year are expected to continue to dampen consumer spending and private investment. The highest estimated real GDP growth rates among provinces in 2024 are expected in Newfoundland and Labrador (5.1 per cent), Prince Edward Island (4.1 per cent), Alberta (2.9 per cent), Nova Scotia (1.7 per cent) and Saskatchewan (1.3 per cent). Although energy prices have declined compared to 2022, the situation remains favourable for the energy sector in Alberta, and Saskatchewan remains supported by oil production and the production of key minerals such as uranium and potash. In Ontario and Quebec, a combination of elevated inflation, lower consumer confidence and high interest rates negatively impacts the outlook for 2024.

Table 3: Real GDP Growth (per cent)

by Province, 2023-2024f

	2023e	2024f
Newfoundland and Labrador*	-2.1	5.1
Prince Edward Island*	3.0	4.1
Nova Scotia*	1.3	1.7
New Brunswick	1.1	0.7
Quebec*	0.2	0.6
Ontario	1.2	0.5
Manitoba	1.5	1.0
Saskatchewan	1.4	1.3
Alberta*	2.5	2.9
British Columbia*	0.8	1.0
Canada	1.1	0.6

Note: Provinces with an asterisks denote actual Budget 2024 estimates/forecasts that were available at the time of publishing.

e: estimate; f: forecast

Source: Department of Finance; Average of Major Canadian Banks; Conference Board of Canada; Statistics Canada; Government of British Columbia; Government of Nova Scotia; Government of Prince Edward Island; Government of Alberta; Government of Quebec

Provincial Economic Overview

The Newfoundland and Labrador economy was resilient in 2023, despite a challenging economic environment due to higher interest rates and persistent high rates of inflation. While the labour market and most indicators of consumer spending posted growth for the majority of the year, growth in employment and retail sales slowed in the later months as high interest rates dampened economic activity. Population growth continued with record-high numbers of international immigration, which contributed positively to the local labour supply, but also contributed to tightness in the housing market in conjunction with historically low housing starts.



On an industry basis, the oil and gas industry advanced construction on the West White Rose oil project and the Terra Nova FPSO vessel returned to production in November 2023. In the mining industry, lower production and prices for some of the province's key mineral exports had a negative impact on the value of mining exports, while work continued to ramp up to full production at the underground Voisey's Bay Mine Expansion project. In the fishery and aquaculture sector, the wild fishery was impacted by significantly lower prices for key species, while the aquaculture industry experienced considerable growth. Additionally, the tourism industry continued to rebound from the pandemic and there were several positive developments in the emerging wind-hydrogen sector.

Arches Provincial Park, Portland Creek

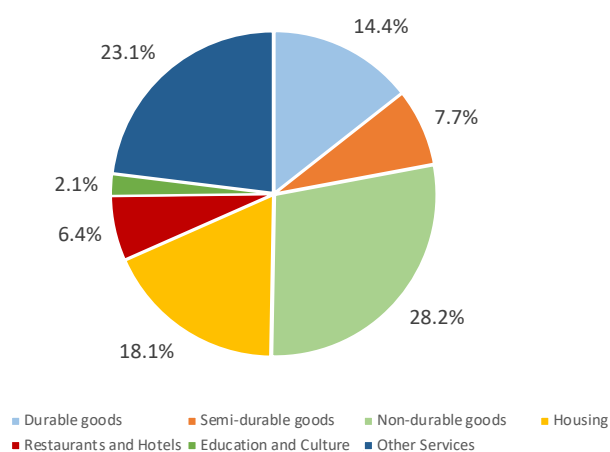
Overall, provincial real gross domestic product (GDP) decreased by 2.1 per cent in 2023, mainly due to lower oil and nickel production and a decline in residential investment (see Table 4).

Consumer Spending

Consumer spending consists of expenditures on all goods and services within an economy (see Figure 3). Most indicators of consumer spending in the province started the year strong, with measures of retail sales, new motor vehicle sales, and food service and drinking places sales all posting solid gains through the first two quarters. However, as the year progressed, higher interest rates began to restrain spending. Retail sales growth, in particular, stalled in the second half of the year. Overall, consumer spending increased by 4.9 per cent to \$20.4 billion in 2023.

Figure 3: Components of Consumer Spending

Newfoundland and Labrador, 2023



Source: Statistics Canada; Department of Finance

Retail trade sales typically account for around 55 per cent of total consumer spending. Retail sales in the province totalled \$11.4 billion in 2023, an increase of 1.8 per cent compared to 2022. Growth was strong through the first half of the year but slowed significantly in the second half, as the effect of higher interest rates worked through the economy. In 2023, retail sales growth was mainly concentrated in 'Motor vehicle and parts dealers,' which increased by 10.5 per cent compared to 2022. Notable growth was also seen in 'General merchandise retailers' (+5.5 per cent) and 'Food and beverage retailers' (+3.3 per cent), partly due to higher prices for goods in those categories. 'Cannabis retailers' also posted significant growth in 2023, at 24.5 per cent. This growth was offset by lower sales for 'Gasoline stations and fuel vendors' (-11.6 per cent) and 'Building material and garden equipment and supplies dealers' (-5.0 per cent). The lower value of sales at gasoline stations is consistent with lower prices for gasoline in 2023 compared to 2022, while prices for building materials were also relatively lower in 2023 after increasing significantly in 2021 and 2022.

The number of new motor vehicles sold in Newfoundland and Labrador in 2023 was above 2022 levels. This was largely due to sales being lower in 2022, stemming from supply issues that have been ongoing since mid-2021. The situation improved significantly throughout 2023, and for the year as a whole, the number of new motor vehicles sold in the province totalled 26,785 units, a 9.4 per cent increase compared to

Table 4: Provincial Economic Indicators

Newfoundland and Labrador, 2022-2028f

	2022	2023e	2024f	2025f	2026f	2027f	2028f
GDP at Market Prices (\$Millions)	40,720	38,192	40,396	41,872	44,489	47,124	49,232
% Change	6.8	-6.2	5.8	3.7	6.2	5.9	4.5
Real GDP at Market Prices (Chained \$2017 Millions)	32,293	31,619	33,235	35,521	38,116	39,969	41,632
% Change	-1.7	-2.1	5.1	6.9	7.3	4.9	4.2
Household Income (\$Millions)	29,168	30,441	31,942	33,004	34,513	35,862	36,927
% Change	2.3	4.4	4.9	3.3	4.6	3.9	3.0
% Change, real	-3.8	1.0	2.2	1.0	2.2	1.5	0.6
Household Disposable Income (\$Millions)	19,598	20,373	21,385	22,090	23,088	23,995	24,727
% Change	-1.2	4.0	5.0	3.3	4.5	3.9	3.1
% Change, real	-7.1	0.6	2.3	0.9	2.1	1.5	0.7
Retail Sales (\$Millions)	11,221	11,423	11,743	12,064	12,479	12,910	13,271
% Change	7.7	1.8	2.8	2.7	3.4	3.4	2.8
% Change, real	0.6	-0.7	0.8	1.1	1.6	1.5	0.9
Consumer Price Index (2002=100)	153.9	159.0	163.2	167.0	170.9	175.0	179.1
% Change	6.4	3.3	2.6	2.3	2.3	2.4	2.3
Capital Investment (\$Millions)	9,424	9,283	9,563	13,959	22,699	24,432	23,943
% Change	11.4	-1.5	3.0	46.0	62.6	7.6	-2.0
% Change, real	2.4	-3.4	1.5	48.4	65.5	6.5	-3.8
Housing Starts	1,379	978	1,300	1,554	1,615	1,526	1,447
% Change	35.1	-29.1	33.0	19.5	3.9	-5.5	-5.2
Employment ('000s)	232.5	236.7	238.8	242.3	247.3	249.7	249.0
% Change	4.4	1.8	0.9	1.5	2.1	1.0	-0.3
Labour Force ('000s)	262.0	262.3	265.2	267.5	270.8	272.3	272.3
% Change	2.2	0.3	0.9	0.9	1.2	0.6	0.0
Unemployment Rate (%)	11.3	10.0	10.0	9.4	8.7	8.3	8.6
Participation Rate (%)	58.4	57.8	57.7	57.7	58.1	58.1	57.9
Population ('000s)	531.6	538.6	543.1	546.0	548.4	550.9	552.8
% Change	0.9	1.3	0.8	0.5	0.4	0.4	0.3

e: estimate; f: forecast, Department of Finance, March 2024

Source: Statistics Canada; Department of Finance

2022, while the corresponding value of sales increased by 14.6 per cent. Nonetheless, potential sales growth was likely dampened by higher interest rates and rising prices.

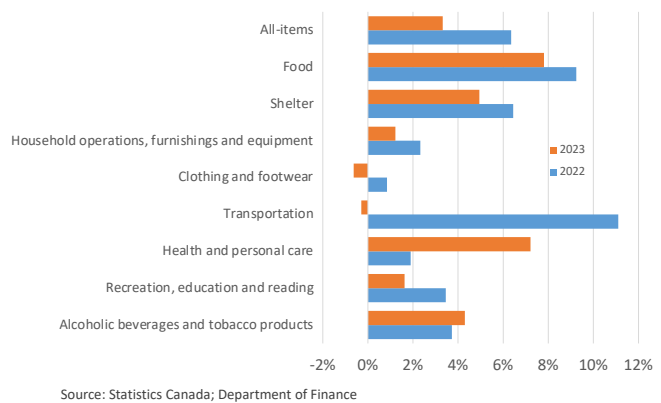
In the service sector, sales at food services and drinking places totalled approximately \$1.0 billion in 2023, up 11.7 per cent compared to 2022. Another successful year of tourism spending helped support local restaurants and other tourism-related businesses in 2023. This indicator, adjusted for inflation, remains above pre-pandemic 2019 levels.

Inflation

The Consumer Price Index (CPI) rose 3.3 per cent on an annual average basis in Newfoundland and Labrador in 2023, following a 40-year high of 6.4 per cent in 2022 and a 3.7 per cent increase in 2021. The inflation rate for the province trended down through the first half of 2023, after reaching a year-over-year high of 8.2 per cent in June 2022. This downward trend was largely due to moderating energy prices. As energy prices began to rise again in the third quarter, the year-over-year inflation rate proceeded to increase—up 2.5 per cent in July, 3.8 per cent in August and 4.1 per cent in September. In the final quarter of the year, the year-over-year monthly inflation rate continued to move in line with energy prices, decelerating in October (+2.4 per cent) and November (+2.1 per cent), before increasing slightly again in December (+3.4 per cent). Excluding energy, the annual average CPI increased 4.2 per cent in 2023, compared with 4.3 per cent in 2022.

Although prices continued to increase in most major CPI components in 2023 compared with 2022, price growth slowed in six of the eight major components (see Figure 4). The transportation component slowed the most (-0.3 per cent in 2023 versus +11.1 per cent in 2022) as a result of lower gasoline prices. The easing of inflation was seen in the food (+7.8 per cent in 2023 versus +9.2 per cent in 2022) and shelter (+4.9 per cent in 2023 versus +6.4 per cent in 2022) components.

Figure 4: Per Cent Change in CPI Newfoundland and Labrador, 2023 vs 2022



Lower overall inflation in 2023 was led by lower energy prices, which fell 4.2 per cent on an annual average basis in 2023, following a 22.1 per cent increase in 2022. Declines in the prices for gasoline were the main contributor to the decrease in energy prices. Gasoline prices fell by 6.8 per cent in 2023 following a 25.9 per cent increase in 2022. Crude prices were elevated due to a number of factors in 2022, including supply uncertainty resulting from Russia's invasion of Ukraine, as well as higher global demand in the wake of the lifted pandemic restrictions. Lower gasoline prices in 2023 can also partly

be attributed to the extension of the 7.0 cent per litre provincial gasoline tax reduction through to March 31, 2024. Prices for fuel oil, which are also related to crude oil prices, decreased 10.8 per cent in 2023 following a 67.0 per cent increase in 2022.

Despite slower growth in 2023, food price inflation remained elevated at 7.8 per cent, which was higher than the annual average increase in the CPI for all-items (+3.3 per cent). Price increases for groceries were a main contributor to increased food prices due to a number of factors, including poor weather in growing regions, higher input costs and disruptions to normal grain trading patterns stemming from the Russian invasion of Ukraine. The grocery categories with the largest price increases in the province were bakery and cereal products (+10.4 per cent), other food products and non-alcoholic beverages (+10.3 per cent), vegetables (+8.9 per cent), meat (+6.9 per cent) and dairy products and eggs (+6.8 per cent).

On an annual average basis, shelter prices (which includes prices paid for owned and rented accommodations such as mortgages, rent, insurance, water, fuel and electricity) increased at a slower pace in 2023 (+4.9 per cent) compared to 2022 (+6.4 per cent). The slowdown in shelter prices was largely due to lower prices for fuel oil and other fuels (-10.8 per cent), but also due to deceleration in some owned accommodation categories such as homeowners' home and mortgage insurance (-2.1 per cent in 2023 versus +2.2 per cent in 2022) and homeowners' replacement costs (+1.8 per cent in 2023

versus +4.1 per cent in 2022). The latter factors were partly attributable to the cooling of the housing market amid higher interest rates, but also partly attributable to the Provincial Government permanently removing the 15 per cent retail sales tax on personal property insurance in Budget 2023. At the same time, higher borrowing costs contributed to faster annual average price growth for mortgage interest costs and rent. While not available for Newfoundland and Labrador, the mortgage interest cost index for Canada rose 28.5 per cent in 2023, the largest annual increase on record, as more mortgages were initiated or renewed at higher interest rates. Consumers in the province also paid 6.9 per cent more for rent in 2023 following a 2.3 per cent increase in 2022. In addition to increased immigration, a higher interest rate environment may have stimulated rental demand due to the higher cost of home ownership. Some landlords also increased rent to offset increases in mortgage payments.

At the national level, the CPI rose in all provinces in 2023, but at a slower pace than in 2022. Newfoundland and Labrador's annual inflation rate, at 3.3 per cent, was tied with Alberta for second lowest in the country in 2023, behind Prince Edward Island (+2.9 per cent). The inflation rate for Canada was 3.9 per cent.

Exports

Newfoundland and Labrador exports declined in 2023, as prices and production for many of the province's key export commodities

declined relative to 2022. Overall, the nominal value of Newfoundland and Labrador international exports totalled \$12.5 billion in 2023, a decrease of 21.7 per cent compared to 2022.

Oil production was 13.3 per cent lower in the province in 2023, mainly due to delays in the return of the Terra Nova FPSO vessel to offshore Newfoundland, combined with scheduled maintenance and downtime for other oil projects. The value of oil production decreased by 27.0 per cent due to lower production and a lower average price for Brent crude oil (US\$82.49 per barrel in 2023 versus US\$100.93 per barrel in 2022) (see **Oil and Gas**). Overall, the value of international crude oil exports from the province totalled \$6.8 billion in 2023, a decrease of 28.8 per cent compared to 2022.

Nickel production and prices both declined in 2023 compared to 2022. Production decreased due to longer than expected annual maintenance at the Long Harbour Processing Plant and a lower grade of ore encountered at Voisey's Bay, while prices trended downward throughout the year (see **Mining**). Overall, the value of international nickel exports from the province totalled just over \$1.0 billion in 2023, a decrease of 21.5 per cent compared to 2022.

Iron ore production and prices both increased slightly in 2023. Production, however, was lower than expected from the Iron Ore Company of Canada, stemming from challenges due to the wildfires in northern

Quebec in the second quarter of the year, as well as extended plant downtime and conveyor belt failures in the third quarter. Prices fluctuated throughout the year after rebounding in late 2022 (see **Mining**). Overall, the value of international iron ore exports from the province totalled \$2.8 billion in 2023, a decrease of 7.2 per cent compared to 2022.

In the seafood processing sector, increased production of some key species was not enough to offset an overall decline in export value due to lower prices, particularly for snow crab. Snow crab market prices decreased significantly in 2023 compared to 2022, largely due to lower market demand (see **Fishery and Aquaculture**). This, combined with lower market prices for other key species, resulted in lower export values. Overall, the value of international seafood product exports from the province totalled approximately \$1.0 billion in 2023, a decrease of 13.5 per cent compared to 2022.

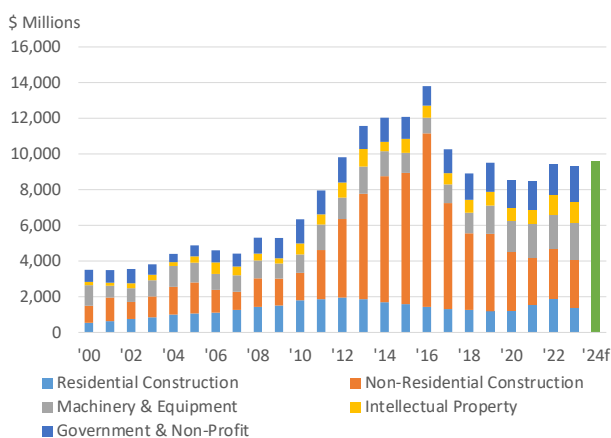
Locally manufactured products are exported to both domestic and international markets. Manufacturing shipments from the province totalled \$3.3 billion in 2023, a 13.4 per cent decrease over 2022. Shipments of durable goods, which include fabricated metal products and non-ferrous refined metals such as nickel processed at the Long Harbour plant, decreased 18.2 per cent, while shipments of non-durables, such as newsprint and fish products, decreased by 9.5 per cent.

The real value of total exports decreased by 5.5 per cent in 2023, mainly due to a lower volume of oil and nickel exports compared to the previous year.

Capital Investment

Capital investment in Newfoundland and Labrador is estimated to have declined to \$9.3 billion in 2023, a decrease of 1.5 per cent from 2022 (see Figure 5). Lower residential spending, largely due to a decline in housing starts (down 29.1 per cent in 2023) more than offset higher non-residential spending. Non-residential spending was supported by investment growth in the oil and gas sector in 2023, most notably due to construction activity related to the West White Rose wellhead platform ramping up (see **Oil and Gas**). Strong levels of infrastructure spending also supported capital investment growth.

Figure 5: Capital Investment
Newfoundland and Labrador, 2000-2024f



f: forecast
Source: Statistics Canada; Department of Finance

Labour Market

Overall, the Newfoundland and Labrador labour market performed well in 2023, recording employment gains on a year-over-year basis in all but one month and reaching a historically low annual unemployment rate. Year-over-year employment gains were particularly strong in the first quarter of the year, averaging 4.0 per cent growth, before slowing to an average of 1.2 per cent and 1.7 per cent over the second and third quarters, respectively. Employment growth slowed further to 0.7 per cent in the fourth quarter, as the impact of higher interest rates continued to materialize. For the year as whole, employment in the province averaged 236,700 in 2023, up by 4,200 persons, or 1.8 per cent, compared to 2022. This marked the highest annual employment level in the province since 2015. Employment gains were recorded in both the services-producing sector (+2,800 persons) and goods-producing sector (+1,400 persons) in 2023. The largest employment gains were recorded in the 'Transportation and warehousing' (+1,700 persons), 'Health care and social assistance' (+900 persons), and 'Construction' (+900 persons) industries. These gains were partly offset by employment losses in the 'Wholesale and retail trade' (-1,400 persons) and 'Manufacturing' (-600 persons) industries.

The province's labour force increased by 0.3 per cent in 2023, mainly due to an increase in the working-age population (those aged 15 years of age and older), which more than offset a decrease in the participation rate.

The working-age population increased by 1.5 per cent, while the participation rate decreased by 0.6 percentage points to 57.8 per cent. The province's unemployment rate decreased to 10.0 per cent in 2023, down 1.3 percentage points over 2022, marking the lowest annual unemployment rate in the province since consistent records began in 1976.

Low levels of unemployment, combined with high levels of inflation, two increases to the minimum wage and salary increases in both the public and private sectors, put upward pressure on wages in 2023. Average weekly earnings in the province were \$1,197.86 in 2023, representing an increase of 4.2 per cent over 2022. Average weekly earnings for Canada were \$1,204.84, up 3.4 per cent from 2022.

Total labour compensation increased 5.4 per cent in 2023 compared to 2022, reflecting higher wages and increased employment. Similarly, household income is estimated to have increased by 4.4 per cent, mainly due to higher labour compensation.

Population

Newfoundland and Labrador's population stood at 538,605 as of July 1, 2023, an increase of 7,022 persons, or 1.3 per cent, compared to July 1, 2022. This marked the largest annual increase in the province's population since 1972. The annual population increase was driven mainly by gains in international in-migration and mitigated by losses in natural population change (i.e., fewer births than deaths).

Net international migration reached the highest level (9,040 persons) since consistent records began in 1972, largely due to a record number of immigrants (5,337 persons) and net non-permanent residents (3,854). Net interprovincial in-migration was positive for a third consecutive year (542 persons) and was dominated by net gains from Ontario (1,252 persons). The largest net loss was to Alberta (-680 persons). Losses from natural population change have been accelerating in the province for the last seven years, reflecting an aging population. The births-to-deaths ratio for Newfoundland and Labrador (0.6) was the lowest of all provinces. Other provinces with a ratio below 1.0 included: British Columbia (0.9), Prince Edward Island (0.9), Nova Scotia (0.8) and New Brunswick (0.7).

On a quarterly basis, there has been population growth in Newfoundland and Labrador in each of the last 11 quarters. Growth was especially strong in the last five quarters. The population of Newfoundland and Labrador increased by 1,813 persons, or 0.3 per cent, from July 1, 2023 to October 1, 2023. The province's population stood at 540,418 as of October 1, 2023, the highest quarterly level since the third quarter of 1998.

Economic Outlook

Newfoundland and Labrador's real GDP is forecast to increase by 5.1 per cent to \$33.2 billion (\$2017) in 2024, primarily due to strong export growth. Real exports are expected to increase by 16.7 per cent, driven mainly by higher oil, iron ore and

nickel production. The Terra Nova oil project has returned to production and the newly converted refinery in Come By Chance started production of renewable diesel in February. Development work on the West White Rose project in addition to continued government investment in infrastructure projects, such as the new mental health and addictions facility in St. John's, will continue to support construction activity in the province.

Total employment is forecast to increase by 0.9 per cent in 2024, partly due to increased construction activity associated with increased housing starts and the West White Rose project. The unemployment rate is expected to remain on par with the record low in 2023 at 10.0 per cent in 2024.

Household income is expected to increase by 4.9 per cent in 2024 due to continued wage growth and increased government transfers. This income growth is anticipated to continue to support retail sales, which are forecast to increase by 2.8 per cent in 2024. The rate of consumer inflation is expected to moderate in the second half of the year as the effects of the Bank of Canada's interest rate increases continue to dampen price gains. However, some uncertainty remains as a rebound in energy prices or disruptions caused by world events could add to inflationary pressures. Overall, inflation is forecast to be 2.6 per cent in 2024.

Continuing the strong population growth seen in 2023, the province's population is projected to rise by 0.8 per cent in 2024, with net natural losses being more than offset by international in-migration.

Capital investment is expected to increase by 3.0 per cent to \$9.6 billion in 2024, as construction activity associated with the West White Rose project continues and residential construction rebounds from the declines seen in 2023.

There are prospects for growth in the long term, with opportunities in the green energy, oil and gas, mining and aquaculture industries boosting economic activity.

The wind-hydrogen sector continues to evolve, including multiple advances in 2023. The Province announced on August 30, 2023, that four companies have been granted the exclusive right to pursue the development of their projects through the Crown land application and approval process, which includes a referral to Environmental Assessment, while a fifth project is anticipated to be developed on private land. The spending associated with these projects is expected to significantly contribute to capital investment and GDP growth in the coming years.

Equinor continues engineering and design work associated with the deepwater Bay du Nord offshore oil project. In January 2024, Equinor announced that the company is investigating alternatives to develop the Bay du Nord oil field to improve the logistics and strengthen the business case associated with the project. There is also substantial oil and gas exploration potential for new discoveries in addition to tieback opportunities for existing projects in Newfoundland and Labrador's offshore (see **Oil and Gas**).

In the mining sector, mineral exploration expenditures in the province reached the second highest level in 20 years in 2023, a very positive sign for the future of the industry. Construction activities associated with the Hammerdown gold mine, owned by Maritime Resources Corporation, are expected to start in 2024 and Champion Iron Ltd. continues to advance the Kami iron ore project in Labrador (see **Mining**).

The aquaculture sector is anticipated to grow over the next decade. A strategic push towards innovative technology for marine sites and processing plants is expected to continue. Diversification of the fishing and aquaculture industries is also at the forefront, with the Province expected to license new species that have commercial potential over the coming years.

The Government of Newfoundland and Labrador continues to support and build on the momentum being experienced in the province's thriving film and television industry and will continue to foster this industry in the year ahead. In addition, the Provincial Government is working proactively with the technology sector to support investment and growth within the sector. For more details on the technology sector, see the special feature on the next page.

Special Feature:

The Technology Sector in Newfoundland and Labrador

The technology sector in Newfoundland and Labrador has emerged as a significant economic driver for the province. It has become an area of growth for local companies, as well as companies expanding into the province. The technology sector comprises a broad range of companies involved in information and communication technology, ocean technology, health and life sciences technology, clean technology and environmental industries, aerospace and defense technology, and others. The province has already gained global recognition for innovative technology applications and solutions in areas such as subsea imaging, fraud detection software, training simulation, collaborative engineering, energy efficiency, remote sensing, environmental monitoring, offshore and onshore geotechnics, water and wastewater solutions, wireless communication, wireless power, airborne intelligence, surveillance and reconnaissance. Also, given Newfoundland and Labrador's strategic location, the province is well positioned as a centre of excellence for marine and cold ocean research and development and technology commercialization.

There are varying definitions of the technology sector. While technology and innovation can be found in every industry, for this analysis, the technology sector is defined as a group of industries that produce technology-specific goods and services as their primary outputs. It is important to note that some of the industries in this analysis

also produce outputs that do not fall within the definition of the technology sector. For these industries, only the proportion of their activities that are defined as technology-related are included in the economic indicators (i.e., real GDP, employment, and labour income).

The industries included were determined through a review of similar analyses conducted in other provinces across Canada. The industry structure used is based on Statistics Canada's North American Industry Classification System (NAICS), with the most recent data available for 2022. While using NAICS-based industries provides structure and consistency across datasets for analytical purposes, it does not mean every technology industry or company is captured, particularly new and emerging industries or companies.

In 2022, it is estimated that the technology sector contributed approximately \$1.7 billion to real GDP in Newfoundland and Labrador (see Table 5). There were four industries that contributed 91 per cent of the total technology sector-related real GDP in 2022 as defined by NAICS, including: 'Telecommunications', 'Architectural, engineering, and related services', 'Computer systems design and related services', and 'Support activities for oil and gas extraction'. The 'Telecommunications' industry contributed the most to real GDP at \$598 million (35 per cent of the technology sector), followed by the 'Architectural, engineering, and related services' industry at \$457 million

(26 per cent), the 'Computer systems design and related services' industry at \$300 million (17 per cent), and the 'Support activities for oil and gas extraction' industry at \$222 million (13 per cent). The remaining \$152 million was dispersed among various other

industries, including 'Scientific research and development services', 'Other electronic product manufacturing' and 'Management, scientific and technical consulting services', among others.

Table 5: Technology Sector Economic Indicators

Newfoundland and Labrador, 2022

Technology Sector Industries	Employment (Persons)	Labour Compensation (\$ Millions)	Real GDP (\$2017 Millions)
Telecommunications	1,405	174.7	598.2
Architectural, Engineering and Related Services	4,450	462.9	457.2
Computer Systems Design and Related Services	1,495	146.3	299.8
Support Activities for Oil and Gas Extraction	1,170	173.4	221.9
Scientific Research and Development Services	232	23.4	62.2
Other Electronic Product Manufacturing	200	20.0	33.1
Management, Scientific and Technical Consulting Services	288	24.9	21.7
Other*	486	35.2	34.9
Total	9,726	1,060.8	1,729.0

Note: The economic indicators do not represent totals for each industry; instead, they represent the total technology sector share for each industry.

*Other technology industries include: Aerospace product and parts manufacturing; medical equipment and supplies manufacturing; other miscellaneous manufacturing; software publishers; motion picture and video exhibition; motion picture and video industries (except exhibition); scientific and technical consulting services; data processing, hosting, and related services; other information services; software publishers; and agricultural, construction and mining machinery manufacturing.

Source: Statistics Canada; Department of Finance

Employment in the technology sector in the province was estimated at 9,726 persons in 2022. Employment was concentrated in the 'Architectural, engineering, and related services' industry, with 4,450 people employed. There were 1,495 people employed in the 'Computer systems design and related services' industry, 1,405 people employed in the 'Telecommunications' industry and 1,170 people employed in the 'Support activities for oil and gas extraction' industry. Other industries included in the analysis accounted for the remaining employment in the technology sector (approximately 1,200 persons).

Labour compensation in the technology sector in Newfoundland and Labrador was approximately \$1.1 billion in 2022. Total labour compensation was the highest within the 'Architectural, engineering, and related services' industry at \$463 million. Labour compensation was \$175 million in the 'Telecommunications' industry, \$173 million within the 'Support activities for oil and gas extraction' industry, and \$146 million within the 'Computer systems design and related services' industry in 2022. The remaining technology-related industries accounted for approximately \$104 million of total labour compensation.

Moving forward, the technology sector in Newfoundland and Labrador is expected to expand and become an increasingly significant part of the province's knowledge-based economy. The Provincial Government continues to collaborate with sector partners

with the collective goal of growing the industry and stimulating new private sector investment and employment in the province.

Local Technology Company Profiles

Virtual Marine



Founded: 2004

Located: Paradise

Number of Employees: 38

About: Virtual Marine specializes in the development of state-of-the-art maritime safety training simulators, which offer skill enhancing, hands-on, realistic, risk-free training. The ability to frequently practice in realistic scenarios using simulation technology is proven to increase the confidence and competence of seafarers. They incorporate science into advanced training systems to produce unique and memorable learning experiences and are the first company to bring lifeboat simulation to the offshore oil and gas industry.

SubC Imaging



Founded: 2010

Located: Clarendville

Number of Employees: 25

About: SubC Imaging pioneers cutting-edge imaging solutions for marine research, offshore energy, aquaculture, fisheries and more. Their globally acclaimed equipment includes subsea cameras and camera systems, light-emitting diodes, lasers, and digital video recorders. As a trusted partner with clients in over 30 countries, SubC Imaging leads in advancing technology for intelligent and high-performance subsea inspections and surveys.

Swiftsure Innovations



Founded: 2020

Located: Pasadena

Number of Employees: 5

About: Swiftsure is focused on improving the patient experience and providing nurses with the tools required to improve efficiency, workflow, and outcomes. Their flagship product, The SwishKit, is the first medical device to rinse the mouths of patients on life support. Its unique topology and living hinge enable nurses to easily place the device in the oral cavity of mechanically ventilated patients. It is a single-use medical device that simultaneously rinses and suctions the oral cavity. The company completed their first clinical study at the Cleveland Clinic in Ohio, which was a big success.

Mysa



Founded: 2016

Located: St. John's

Number of Employees: 100

About: From the first Mysa prototype built in their parents' basement, to a growing ecosystem of over 300,000 energy-saving smart thermostats for electric heating or cooling installed all across North America, Josh and Zach Green and the Mysa team are helping to make change comfortable in homes across North America. In May of 2023, Mysa acquired assets from Zen Ecosystems, based out of California. They launched their enterprise energy management platform, Mysa HQ, and have become a trusted name in large-scale demand response programs with partners like BC Hydro. Mysa's continued growth in the energy-efficient smart thermostat and smart energy management market furthers its mission to lead in global electrification, reduce carbon emissions, and combat climate change.

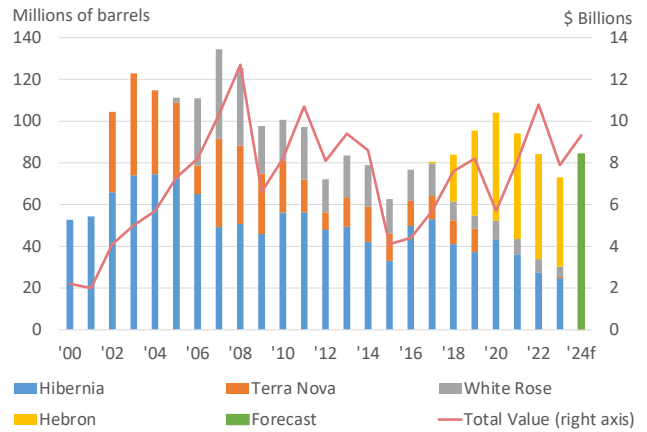
Oil and Gas



The oil and gas industry plays an important role in the Newfoundland and Labrador economy, accounting for approximately 16 per cent of the province’s real GDP in 2022. Oil royalties accounted for an average of 11.4 per cent of government revenue in fiscal year 2022-23. There are currently four developed oilfields in the province’s offshore area: Hibernia, Terra Nova, White Rose (including North Amethyst), and Hebron. With the resumption of production activities at Terra Nova in November 2023, all four oilfields in

Newly Refitted Terra Nova FPSO Vessel
Suncor

Figure 6: Offshore Oil Production Newfoundland and Labrador, 2000-2024f

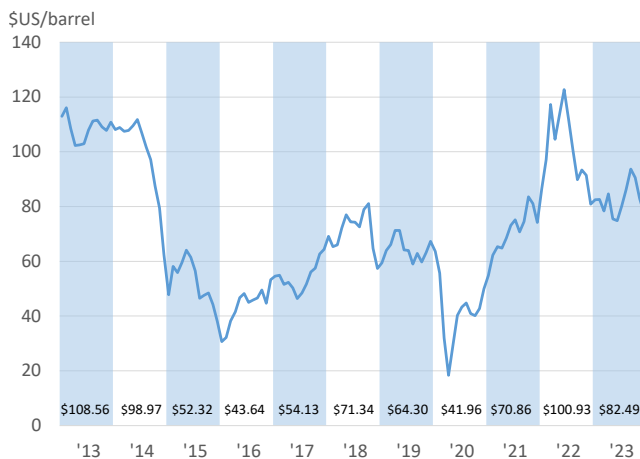


f: forecast
Source: Canada-Newfoundland and Labrador Offshore Petroleum Board; Department of Finance

the province were producing oil at the end of the year. Oil production in Newfoundland and Labrador’s offshore totalled 73.1 million barrels (MMbbls) in 2023, representing a decline of 13.3 per cent, or 11.2 MMbbls, compared to 2022 (see Figure 6). During the past two years, Newfoundland and Labrador has accounted for approximately five per cent of total oil production in Canada, trailing Alberta (84 per cent) and Saskatchewan (10 per cent).

The value of oil production declined by 27.0 per cent to \$7.9 billion in 2023, due to lower production coupled with lower oil prices. The price of Brent crude oil averaged US\$82.49 per barrel in 2023, 18.3 per cent lower than 2022 (see Figure 7). Rising interest rates and slow economic growth in developed countries dampened oil demand in 2023. In efforts to support oil prices, the Organization for Petroleum Exporting Countries and partner countries (OPEC+), which includes the OPEC and other non-member states, such as Russia, announced various production cuts throughout the year along with additional voluntary cuts by Saudi Arabia and Russia later in the year. However, higher supply among non-OPEC members, such as the United States, more than offset the effect of these production cuts.

Figure 7: Brent Crude Oil Prices
Monthly, 2013-2023



Note: Average annual Brent crude prices included for each year.
Source: U.S. Energy Information Administration

Hibernia

Hibernia, located in the Jeanne d'Arc Region approximately 315 kilometres southeast of St. John's, was the first offshore oil project

to be developed in Newfoundland and Labrador. Hibernia was developed using a stand-alone Gravity Based Structure (GBS) and produced first oil in November 1997. Oil production at Hibernia totalled 24.8 MMbbls in 2023, a decline of 9.2 per cent from 2022. The Hibernia oilfield had an estimated 553 MMbbls of recoverable reserves remaining as of January 24, 2024. There were 2,007 Newfoundland and Labrador residents working on the project as of December 31, 2023.

Terra Nova

The Terra Nova oilfield, located southeast of the Hibernia field in the Jeanne d'Arc Region, was the second offshore oil project to be developed. The field was developed using a FPSO vessel and achieved first oil in January 2002. The Terra Nova FPSO vessel halted production activities in December 2019 and sailed to Spain in December 2021 to undergo repair, maintenance and renovation work as part of an Asset Life Extension (ALE) project. The FPSO vessel returned to Newfoundland and Labrador in February 2023, where additional repairs and recommissioning work were performed at the Bull Arm Fabrication Site. The ALE project is now complete and is estimated to add 10 years to the vessel's lifespan. The Terra Nova FPSO vessel returned to its station offshore and began producing oil again in November 2023. Oil production at Terra Nova totalled 0.49 MMbbls in 2023. The Terra Nova oilfield had an estimated 81 MMbbls of recoverable reserves remaining as of January 24, 2024. There were 569 Newfoundland and Labrador

residents working on the Terra Nova project as of December 31, 2023.

White Rose

The White Rose project, also located in the Jeanne d'Arc Region, was the third oil project to be developed in Newfoundland and Labrador's offshore. The oilfield was developed using the SeaRose FPSO vessel and achieved first oil in November 2005. Oil production at the White Rose field and its satellite areas (i.e., North Amethyst, South White Rose Extension and West White Rose) totalled 4.9 MMbbls in 2023, down 26.7 per cent from 2022. Construction on the West White Rose satellite project continued in 2023, with concrete pouring on the conical slip of the Concrete Gravity Structure (CGS) completed in June. West White Rose will be the first project involving an offshore wellhead platform. The project's concrete base is currently under construction in Argentina while integrated topsides facilities are being constructed in Ingleside, Texas. Cenovus spent between \$600 and \$700 million on the West White Rose project in 2023. Construction of the CGS is expected to be completed by the end of 2024 and Cenovus plans to float it out to the Jeanne d'Arc Region in 2025, with first oil expected in 2026. The West White Rose project is expected to extend the life of the White Rose project by 14 years and reach a peak production rate of 80,000 barrels per day by the end of 2029.

The SeaRose FPSO vessel stopped production in January 2024 and sailed to Belfast, Northern Ireland, where the vessel

will undergo a refit as part of the White Rose ALE project. Production at the White Rose field is expected to restart in the third quarter of 2024. Cenovus is expected to spend between \$850 million and \$950 million on the White Rose project in 2024, with spending split between the SeaRose refit and construction activities associated with the West White Rose project. As of January 24, 2024, the White Rose project (including its satellite areas) had an estimated 177 MMbbls of recoverable reserves remaining. As of December 31, 2023, there were 790 Newfoundland and Labrador residents working on the White Rose's operations activities and 1,182 residents working on the West White Rose construction project.

Hebron

The Hebron oilfield, located in the Jeanne d'Arc Region, became the province's fourth stand-alone offshore oil project when it achieved first oil in November 2017. The Hebron oilfield was developed using a GBS similar to Hibernia, but on a smaller scale. Oil production at Hebron totalled 42.9 MMbbls in 2023, down 14.6 per cent from 2022.

In December 2023, ExxonMobil received approval from the provincial and federal governments to expand the Hebron field. Using the project's existing workers and facilities, ExxonMobil plans to develop additional fields within the Jeanne d'Arc Region which were not covered under the original development plan. The development of these new fields is expected to increase the project's recoverable reserves by over

100 MMbbls. The Hebron field had an estimated 561 MMbbls of recoverable reserves remaining as of January 24, 2024. There were 1,795 Newfoundland and Labrador residents working on the project as of December 31, 2023.

Bay du Nord

In July 2018, the Government of Newfoundland and Labrador, Equinor Canada and Cenovus (formerly known as Husky Energy) announced a framework for the development of the Bay du Nord project. Located in the Flemish Pass Basin, about 500 kilometres from St. John's, in approximately 1,170 metres of water, it would be Canada's first deepwater development to produce oil. Bay du Nord was initially reported to have a reserve estimate of 300 MMbbls of recoverable oil, with an expected field life between 12 and 20 years.

In recent years, several discoveries have improved the potential recoverable oil resources for the Bay du Nord project. On February 3, 2023, the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) issued a significant discovery licence (SDL) to Equinor related to the Cappahayden K-67 well, and on February 2, 2024, the C-NLOPB issued a SDL to Equinor for the Cambriol G-92 discovery. The Cappahayden K-67 and Cambriol G-92 wells are estimated to

hold recoverable reserves of 385 MMbbls and 340 MMbbls, respectively. With these new discoveries, the estimated recoverable reserves associated with the Bay du Nord project currently stand at over one billion barrels.

In May 2023, Equinor announced that the Bay du Nord project would be delayed by up to three years due to significant cost increases from the original \$16 billion estimate. Equinor has indicated that the company is committed to the Bay du Nord project and is seeking opportunities to lower costs associated with the project. In January 2024, Equinor indicated they are working to improve the project's business case and this may result in changes to the project's development concept and design.

Exploration

The Newfoundland and Labrador offshore is divided into eight regions based on activity defined by the C-NLOPB's Scheduled Land Tenure System.¹ Exploration drilling programs within these regions have the potential to create additional activity in the offshore area. Exploration work commitments on active exploration licenses in the Newfoundland and Labrador offshore were approximately \$2.1 billion as of January 2024.² The following highlights exploration activity in the province's offshore (see Figure 8).

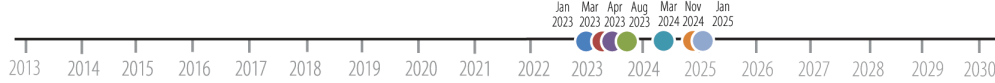
¹ The Land Tenure System is the method by which companies gain the rights to conduct exploration activity in a region. The companies bid for the land based on the dollar value of their proposed work commitments with the rights to conduct exploration going to the highest bidder.

² Financial work commitments do not necessarily represent how much companies will actually spend on programs related to exploration licences. Companies are not required to spend to the limit of total work commitments, but instead to put down a deposit and undertake exploration (i.e., seismic and/or drilling) activities according to a schedule under the licensing regulations in order to retain licences. Companies also have an option to extend a licence period by paying a refundable deposit.

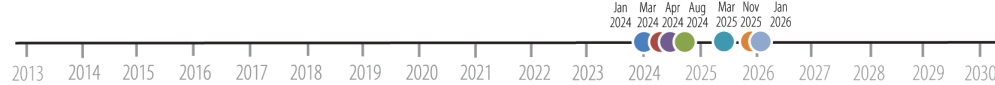
Figure 8: Lands Issuance Rounds Timeline

- Call for Nominations (AOI) Open
- Call for Nominations (AOI) Close
- Sector Identification
- Call for Nominations (Parcels) Open For:
 - Six Weeks
 - Twelve Weeks
- Call for Bids Open
- Call for Bids Close
- Issuance of Licences

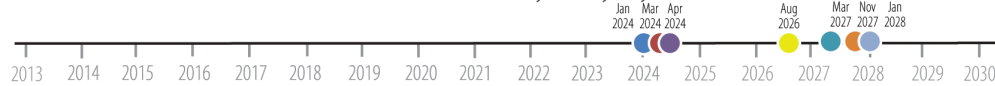
2023 Jeanne d’Arc (NL23-CFN02) (Mature, 1-yr cycle)



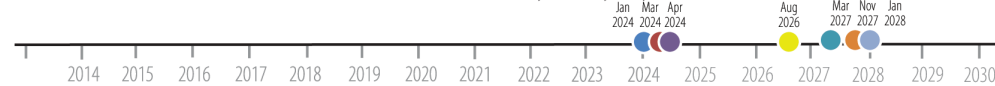
2024 Jeanne d’Arc (NL24-CFN01) (Mature, 1-yr cycle)



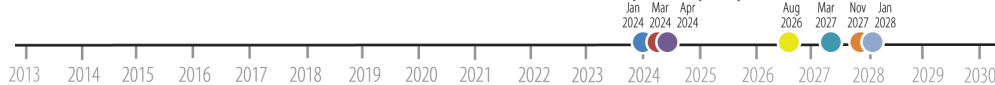
2024 Labrador North (NL24-CFN02) (Low Activity, 2-3-yr cycle)



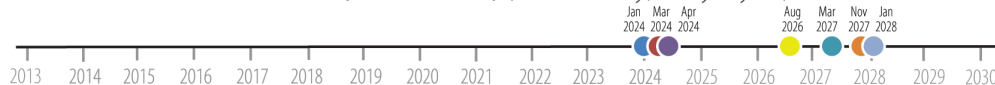
2024 Labrador South (NL24-CFN02) (Low Activity, 2-3-yr cycle)



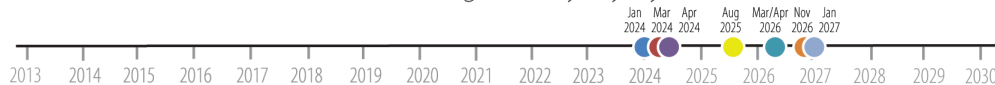
North Eastern Newfoundland (NL24-CFN02) (Low Activity, 2-3-yr cycle)



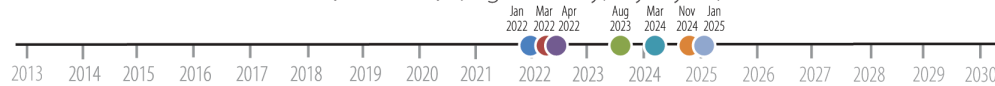
South Eastern Newfoundland (NL24-CFN02) (Low Activity, 2-3-yr cycle)



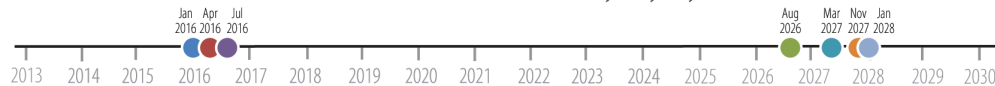
Eastern Newfoundland (NL24-CFN01) (High Activity, 2-yr cycle)



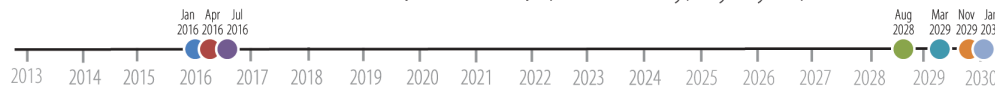
2022 Eastern Newfoundland (NL06-EN) (High Activity, 2-yr cycle)



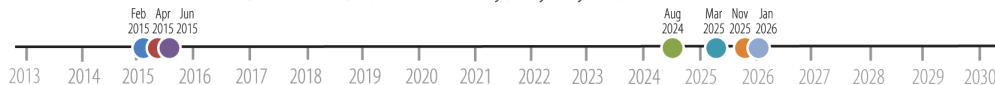
2016 Southern Newfoundland (NL01-SN) (Low Activity, 4-yr cycle)



2016 North Eastern Newfoundland (NL01-NEN) (Low Activity, 4-yr cycle)



2015 Labrador South (NL02-LS) (Low Activity, 4-yr cycle)



Source: Canada–Newfoundland & Labrador Offshore Petroleum Board

Jeanne d'Arc Region

- ▶ There are currently two Exploration Licenses (ELs) entirely within the Jeanne d'Arc Region and two additional ELs which straddle the boundary between the Jeanne d'Arc and Eastern Newfoundland Regions.
- ▶ One exploration well was spudded in the Jeanne d'Arc Region in 2023. ExxonMobil Canada and its joint venture partner, QPI Energy, spudded the Gale N-66 well with the Odjfell Hercules semi-submersible drill rig on July 17, 2023. The well was abandoned on August 31, 2023. Exploration results are slated to be released on August 31, 2025.
- ▶ Currently, there is one active oil and gas-related Environmental Assessment submitted to the Impact Assessment Agency of Canada (IAAC). Suncor Energy's Tilt Cove Exploration Drilling program was submitted in May 2019 and would involve drilling multiple wells over a nine-year period in EL 1161, approximately 300 kilometres southeast of St. John's. Upon completing the technical review of the submitted Environmental Impact Statement for the project, the IAAC has requested additional information from Suncor Energy, which must be submitted by August 31, 2024.

Eastern Newfoundland Region

- ▶ There are currently nine ELs entirely within the Eastern Newfoundland Region and one EL in the South Eastern Newfoundland Region.

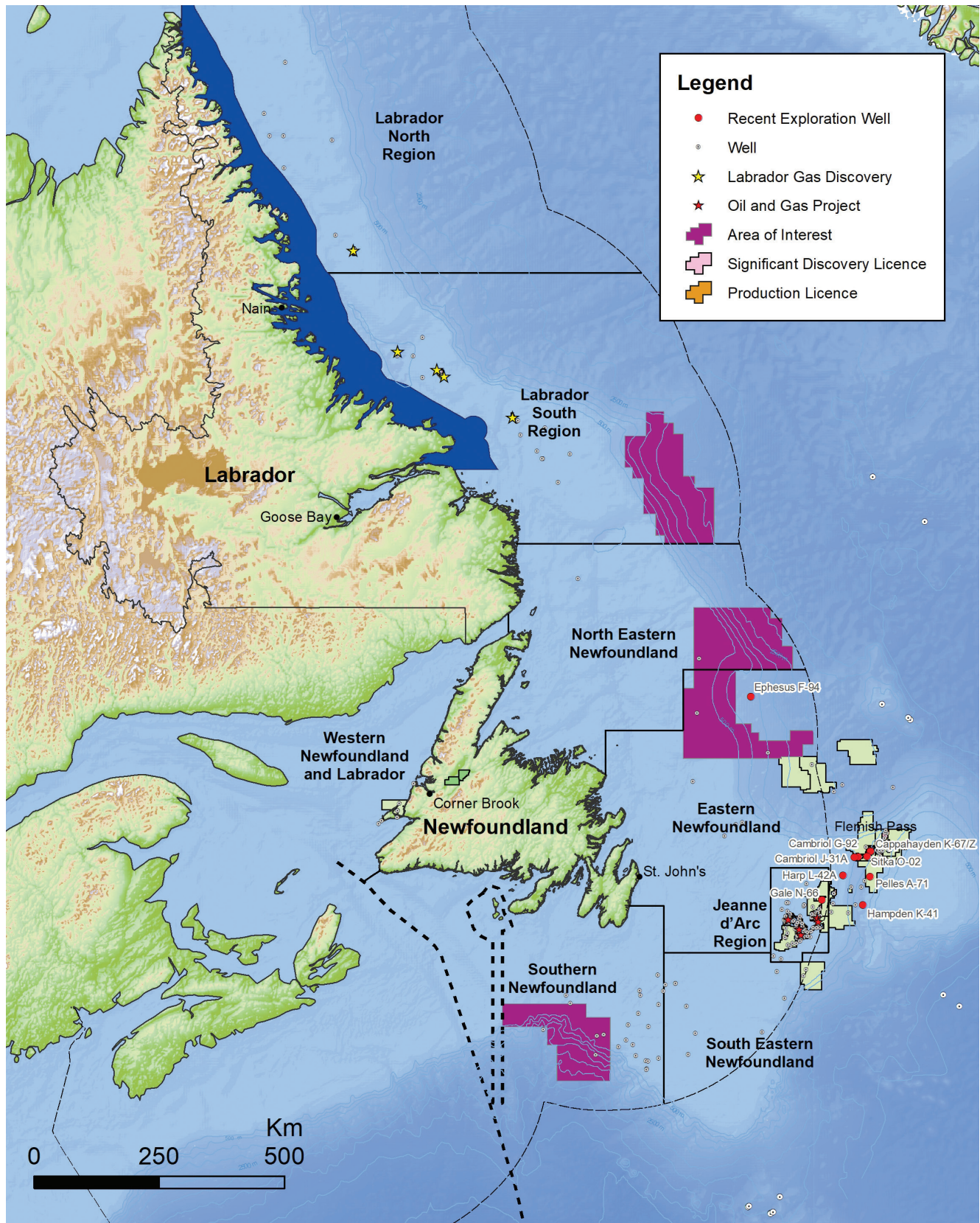
- ▶ One exploration well was spudded in the Eastern Newfoundland Region in 2023. BP Canada Energy Group ULC (BP) and joint venture partners, Hess Canada Oil and Gas ULC and Chevron Corporation, spudded the Ephesus F-94 well in EL 1168 in the Orphan Basin on May 8, 2023, with the Stena IceMAX drilling ship. Drilling was expected to last for two months, and BP abandoned the well on June 29, 2023. The results of the drilling program are expected to be released on June 29, 2025.
- ▶ ExxonMobil Canada is proposing a 2024–2034 Eastern Newfoundland and Labrador Offshore Exploration Drilling Project which would allow the proponent to determine the presence, nature, and quantity of potential hydrocarbon resources within EL 1169.
- ▶ Equinor has hired the Hercules semi-submersible drill rig to conduct exploration activities at the Sitka deposit in the Flemish Pass Basin. Drilling is expected to begin in the second quarter of 2024.

Call for Nominations

The following Calls for Nominations have been announced for offshore Newfoundland and Labrador:

- ▶ On September 19, 2023, the C-NLOPB announced a Call for Nominations (Parcels) for offshore exploration in the Eastern Newfoundland and Jeanne d'Arc Regions. This Call for Nominations

Map 1: Newfoundland and Labrador Petroleum Lands



Source: Canada–Newfoundland & Labrador Offshore Petroleum Board; Department of Industry, Energy and Technology

is designed to assist the C-NLOPB in determining whether a Call for Bids will take place for these regions in 2024, and, in turn, which parcels would be available.

- ▶ On January 19, 2024, the C-NLOPB announced a Call for Nominations for the Eastern Newfoundland Region and certain low-activity regions including the Labrador North Region, the Labrador South Region, North Eastern Newfoundland Region and South Eastern Newfoundland Region. These Calls for Nominations are designed to help the C-NLOPB designate sectors for the land tenure system.

Call for Bids and Results

On April 17, 2023, the C-NLOPB announced a 2023 Call for Bids for ELs in the Eastern Newfoundland and South Eastern Newfoundland Regions, with both rounds of bidding closing on November 1, 2023. After bidding closed, the C-NLOPB announced that no bids were received for the 28 parcels offered in the Eastern Newfoundland Region or the 19 parcels offered in the South Eastern Newfoundland Region.

2024 Outlook

- ▶ Oil production is expected to rebound in 2024, as Terra Nova benefits from its first full year of production activities since the completion of its ALE project.
- ▶ Construction on the West White Rose project's CGS is expected to be completed by the end of 2024. Cenovus plans to spend between \$850 and \$950 million

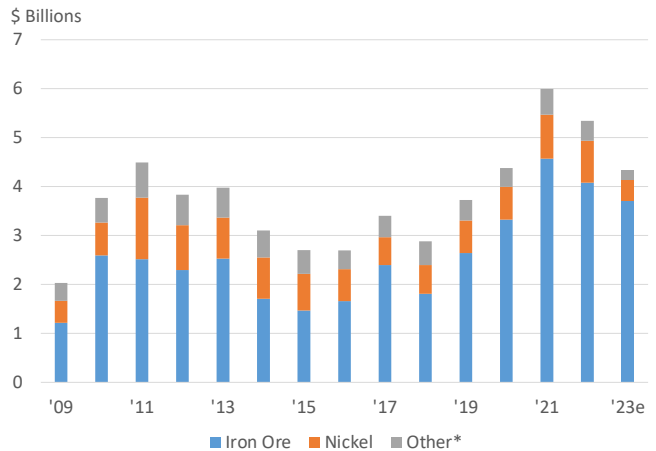
on the West White Rose project and the White Rose project ALE program in 2024.

- ▶ The SeaRose FPSO vessel is currently undergoing an ALE in Northern Ireland. Once completed, production at the White Rose field is expected to resume in the third quarter of 2024.
- ▶ The Department of Finance expects oil prices to average US\$81.80 per barrel in 2024, on a calendar year basis (US\$82.00 per barrel in the 2024-25 fiscal year).
- ▶ Equinor is expected to begin exploratory drilling on the Sitka deposit during the second quarter of 2024 associated with the Bay du Nord project.

Mining



**Figure 9: Value of Mineral Shipments
Newfoundland and Labrador, 2009-2023e**



* Includes antimony, copper, cobalt, gold, silver, barite, dolomite, fluorspar, gypsum, limestone, peat, pyrophyllite, sand & gravel, stone aggregate and dimension stone.
e: estimate
Source: Department of Industry, Energy and Technology; Natural Resources Canada

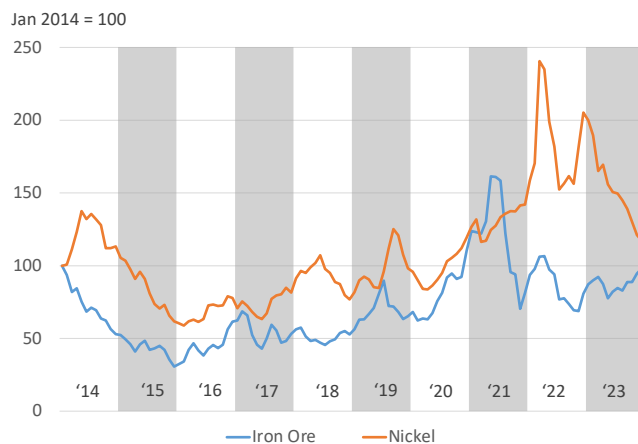
Mineral shipments from Newfoundland and Labrador were valued at \$4.3 billion in 2023, down 18.6 per cent from 2022 (see Figure 9). This decline was primarily due to lower nickel production at Voisey’s Bay, lower nickel prices and lower prices for iron ore pellets. Total mining-related employment was approximately 8,500 person years in 2023, a decrease of 0.8 per cent compared to 2022. Increased employment at several mines, as well as increased mineral exploration employment, were offset by the closure or restructuring of other mines in the province in 2023.

Commodity prices for two of the province’s key minerals—iron ore and nickel—trended in opposite directions in 2023 (see Figure 10). Overall, iron ore prices averaged US\$114.30 per tonne in 2023, up 1.3 per cent over 2022, supported by an increase in global steel production,

Voisey’s Bay Mine
Department of Industry, Energy and Technology

particularly in China, which consumes 70 per cent of global seaborne iron ore. While prices for iron ore concentrate increased, prices for iron ore pellets trended downwards in 2023, as economic pressures negatively impacted steel producers outside of China, reducing the demand for pellets.

Figure 10: Mineral Price Indices
Monthly, 2014-2023



Source: Bloomberg

The price of nickel averaged US\$9.75 per pound in 2023, a decline of 16.1 per cent from 2022. Global nickel production increased rapidly, especially in Indonesia, which now accounts for 50 per cent of the worldwide supply of nickel. It is estimated that nickel supply exceeded demand by 223,000 tonnes in 2023, up from a surplus of 104,000 tonnes in 2022. Excess nickel supply, compounded by weaker than expected demand in China, led to lower prices.

Iron ore and nickel are both included as part of the 34 minerals identified as critical by the Province's Critical Mineral Plan.

Iron Ore Company of Canada

The Iron Ore Company of Canada (IOC), located near Labrador City, is one of Canada's largest iron ore producers. With a high-quality iron ore reserve and a long mine life, IOC is a global leader in the iron ore sector, producing premium products. Saleable iron ore production from IOC, including concentrate and pellets, totalled 16.5 million tonnes in 2023, a 6.2 per cent decline over 2022. IOC operations were negatively impacted by wildfires in northern Quebec in the second quarter of 2023 and by extended plant downtime and conveyor belt failures during the third quarter. According to Rio Tinto, the majority shareholder in IOC, production is expected to increase to between 16.7 and 19.6 million tonnes in 2024. Employment at the mine totalled 2,166 person years in 2023, down 0.7 per cent from 2022.

Vale Newfoundland and Labrador

Vale Newfoundland and Labrador (VNL) operates the Voisey's Bay nickel mine on the north coast of Labrador and a hydrometallurgical nickel processing plant in Long Harbour on the island portion of the province. All nickel mined at Voisey's Bay is currently shipped to Long Harbour for processing. VNL continues to transition from the Ovoid open pit mine and is mining two underground areas (Reid Brook and Eastern Deeps). Reid Brook and Eastern Deeps, collectively the Voisey's Bay Mine Expansion (VBME) project, began in 2018 and will extend the life of the mine to 2036. Nickel

production from VNL totalled 13,500 metric tonnes in 2023, which was 44.7 per cent lower than 2022. This decrease was driven by the ongoing planned transition from the Ovoid open pit mine depletion to the underground VBME project ramp-up. Copper production totalled 9,600 metric tonnes, down 11.1 per cent from 2022. Overall, the estimated 2023 value of nickel shipments from Long Harbour was 48.8 per cent lower than 2022.

In 2023, Vale continued work on the VBME project. The project is expected to produce 45,000 tonnes of nickel annually, with approximately 20,000 tonnes of copper and 2,600 tonnes of cobalt produced as by-products. Production ramp-up started in the first half of 2023. While mining at the Ovoid pit has been progressing towards depletion and is expected to wrap-up in 2024, ore from the Discovery Hill pit has supplemented nickel production from VNL during the VBME project ramp-up. The VBME project was 88 per cent complete as of October 26, 2023.

Employment for all aspects of the Voisey's Bay project, including at the Voisey's Bay mine site and the Long Harbour Processing Plant, was estimated to be 3,882 person years in 2023, up 0.4 per cent from 2022.

Other Mines

Tata Steel Minerals Canada Ltd. operates a high-grade iron ore project in the Menihek region of Labrador and northern Quebec, with deposits on both sides of the border. The project generated approximately 405 person years of employment in 2023, an increase of around 12.5 per cent from 2022.

Tacora Resources Inc. is an iron ore mining and processing company that reactivated the Scully Mine in western Labrador in 2018. In October 2023, Tacora obtained creditor protection from Ontario's Superior Court, citing a volatile market, forest fires and unexpected maintenance at the mine as contributing factors. The arrangements allowed Tacora to continue to operate, preserve the value of the Scully Mine, and complete the sales and investment solicitation process. Tacora's operations generated 643 person years of employment in 2023, up 8.1 per cent from 2022.

FireFly Metals Ltd. (formerly AuTECO Minerals Ltd./Rambler Metals and Mining Canada Ltd.) is an Australian company that owns and operates the Green Bay Copper-Gold project. It includes the Ming underground mine, a high-grade copper-gold mine approximately nine kilometres east of Baie Verte, and the Little Deer complex, a copper-rich deposit approximately 40 kilometres south of the Ming mine. As part of the Green Bay Copper-Gold project, FireFly also owns the Nugget Pond processing facility and the Goodyear's Cove port facility, which includes a concentrate storage facility. In December 2023, FireFly announced the completion of the acquisition of all shares in Rambler Metals. In February 2023, prior to the acquisition, Rambler paused production at the mine. Upon completion of the acquisition, FireFly began a 40,000-metre underground drilling campaign and the development of a 700-metre underground exploration drill drive, marking the beginning of the first phase of the company's growth

strategy for the project. Initial results from the drilling were favourable and additional drilling is planned for 2024. Employment at the mine totalled 41 person years in 2023, down from 289 person years in 2022, as the mine remained closed for a significant portion of the year.

Cemex (formerly Atlantic Minerals) is located at Lower Cove on the Port au Port Peninsula and is a leading producer of chemical-grade high-calcium limestone, dolomite, and construction aggregates. Cemex completed the acquisition of Atlantic Minerals in May 2023. Employment at the mine totalled 92 person years in 2023, on par with 2022.

In early 2022, Canada Fluorspar Inc. (CFI) entered receivership and its assets were purchased by Fluorspar Holdings PTE Ltd. in June 2023 for \$25 million. Its mine, located in St. Lawrence, contains high-purity acid-grade fluorspar, which is a key material used in the production process of lithium batteries, solar panels, and steel. The mine has been closed since February 2022, but an estimated \$100 million is planned to be invested over the next three years, with about half being spent in 2024 to get the idle site back into production by 2025.

The province's construction aggregate industry (i.e., producers of gravel, sand, crushed stone, or other mineral materials used in the construction industry) shipped approximately 6.9 million tonnes of aggregate in 2023, down 13.1 per cent compared to 2022. Construction aggregate was valued at approximately \$44.0 million in 2023, an increase of 2.1 per cent from 2022.

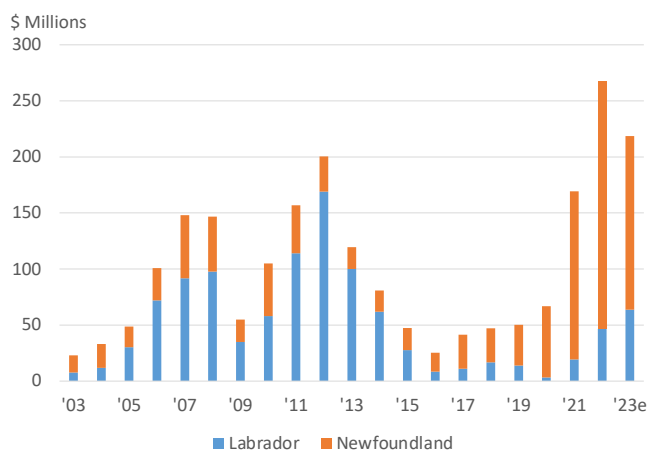
The construction aggregate sector generates about 557 person years of employment annually.

Exploration and Development

Mineral exploration expenditures in the province are estimated to have totalled \$218.5 million in 2023, a decrease of 18.3 per cent from \$267.4 million in 2022 (see Figure 11). This decrease in spending was likely due to some exploration projects being deferred in 2023.

Figure 11: Mineral Exploration Expenditures

Newfoundland and Labrador, 2003-2023e



e: estimate
Source: Department of Industry, Energy and Technology

On January 24, 2024, Calibre Mining Corporation (a Vancouver-based mid-tier gold producer) and Marathon Gold Corporation jointly announced the successful completion of Calibre's acquisition of all issued and outstanding common shares of Marathon Gold pursuant to a court-approved plan of arrangement. As a result of the arrangement, Calibre acquired a 100 per cent interest in Marathon's Valentine Gold project. A December 2022 feasibility

study concluded that the mine is expected to produce 195,000 ounces of gold annually over the first 12 years of the project's estimated 14.3-year mine life. As of October 2023, the project was approximately 50 per cent complete. The project remains on schedule, with gold production on track for the first half of 2025, and an estimated 405 person years of employment during peak construction and 522 person years of employment during peak operation.

Maritime Resources Corporation is a gold mining and exploration company with its key asset, the former-producing Hammerdown gold mine, located in the Baie Verte mining district, approximately five kilometres south-west of King's Point. In June 2023, Maritime Resources announced it entered into a share purchase agreement to acquire the Point Rousse project from Signal Gold Inc., as well as related offerings. Work is underway to update the 2022 feasibility study to bring the Hammerdown mine back into production using the Pine Cove mill for future mineral processing. The Pine Cove mill was placed in care and maintenance by Signal Gold earlier last year. The updated feasibility study will seek to include two additional deposits, Orion and Stog'er Tight, into the production plan to extend the project life when production ends at the Hammerdown deposit. Final permitting for the Hammerdown mine continues, including updates to the development plan application to include processing of Hammerdown feed at Pine Cove. Maritime Resource's original feasibility study anticipated annual gold production of 50,000 ounces over a five-year mine life.

Matador Mining Ltd. is pursuing a gold exploration program at the Cape Ray Gold project located near Port aux Basques. Matador released its updated mineral resource estimates for the project in May 2023. The updated estimate of 837,000 ounces of gold includes approximately 36,000 metres of diamond drilling since the previous estimate in May 2020. The project was registered for Environmental Assessment in 2022; however, the registration was later withdrawn. Matador is required to re-register the project for Environmental Assessment to gain approval. Matador has recently raised approximately \$9.5 million in capital equity to further advance exploration, general working capital and drill programs.

New Found Gold Corporation continues exploration at the Queensway gold project located approximately 15 kilometres west of Gander on the Trans-Canada Highway. A 650,000-metre drill campaign is underway, focused on a 9.5-kilometre corridor along the Appleton fault and a 12.4-kilometre corridor along the Joe Batts Pond fault. New Found Gold has made several high-grade gold discoveries and continues work to further unlock discovery potential.

Champion Iron Ltd. owns the Kami deposit located in the Labrador Trough in southwestern Labrador. Champion recently conducted a study to evaluate the construction of mining and processing facilities to produce direct reduction-grade pellet-feed iron ore. The study details a 25-year mine life with average production of nine million metric tonnes per year. Following a final investment decision, the

project construction period is estimated at four years. Total capital expenditures are estimated at \$3.9 billion. Champion Iron is considering potential strategic partnerships prior to advancing the project to capitalize on the growing demand for green steel.

To encourage mineral exploration, the Government of Newfoundland and Labrador provides funding to the industry through the Mineral Incentive Program (MIP). This program delivers \$400,000 in prospector assistance through prospector grants and support to the Matty Mitchel Prospector Resource Room. The MIP also delivers \$1.3 million in rebates toward qualifying junior exploration activities and leverages an additional \$1.3 million through Atlantic Canada Opportunities Agency (ACOA) funding for qualifying critical mineral exploration.

2024 Outlook

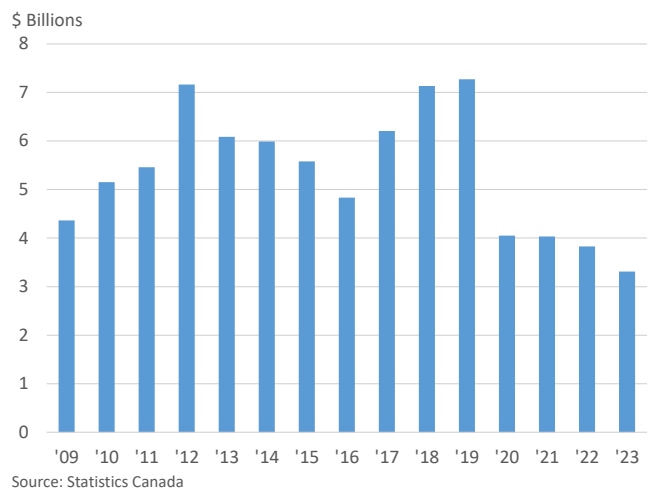
- ▶ The volume of mineral shipments is expected to increase in 2024, driven mainly by the completion of ramp-up activities at the VBME project and higher production at IOC.
- ▶ Iron ore prices are expected to rise, driven by increased demand from China.
- ▶ Nickel prices are expected to decline in the near term as global supply continues to rise; however, increased demand from the electric vehicle sector may moderate the price decline.
- ▶ Champion Iron Ltd. continues to optimize the Kami project prior to a final investment decision.
- ▶ As the holder of mineral rights to the Julienne Lake iron deposit as exempt mineral lands, the Provincial Government continues to evaluate the potential project.
- ▶ Mineral exploration is expected to increase to \$223.2 million in 2024, driven by continued gold mineral potential in central Newfoundland and increased interest in critical minerals, such as uranium and lithium.
- ▶ The Provincial Government has announced that Junior Exploration Assistance will include a combination of \$1.3 million from provincial grant funds, \$1.3 million from ACOA funded Critical Mineral Assistance and \$1.3 million in Provincial Critical Mineral Assistance for 2024.
- ▶ Mining sector employment is estimated to be slightly lower in 2024, as construction wraps up on the VBME project.
- ▶ IOC and the Government of Canada recently partnered to decarbonize iron ore processing in Labrador West. The project will enable IOC to reduce the amount of heavy fuel that it consumes. The project is expected to cost approximately \$70 million, \$18.1 million of which is from the Federal Government's Low Carbon Economy Fund.

Manufacturing



Figure 12: Value of Manufacturing Shipments

Newfoundland and Labrador, 2009-2023



Newfoundland and Labrador's manufacturing sector produces a wide variety of goods, with manufacturers located in both rural and urban areas of the province.

The value of manufacturing shipments totalled \$3.3 billion in 2023, representing a decrease of 13.4 per cent compared to 2022 (see Figure 12). Shipments of durable goods, which include fabricated metal products and non-ferrous refined metals such as nickel processed at Long Harbour, decreased by 18.2 per cent, and shipments of non-durables, such as newsprint and fish products, decreased by 9.5 per cent.³

Employment in the manufacturing sector averaged approximately 9,500 persons in 2023, a decrease of 6.6 per cent compared to 2022. Non-durable goods manufacturing employment

Long Harbour Nickel Processing Plant
Department of Industry, Energy and Technology

³ The distinction between non-durable goods and durable goods is based on whether the goods can be used once, only for purposes of production or consumption, or whether they can be used repeatedly or continuously. Examples of durable goods manufacturing include: wood products, fabricated metal, machinery, electrical equipment, appliance and component, transportation equipment, etc. Examples of non-durable goods manufacturing include: food, beverage and tobacco products, apparel, chemical, paper, etc.

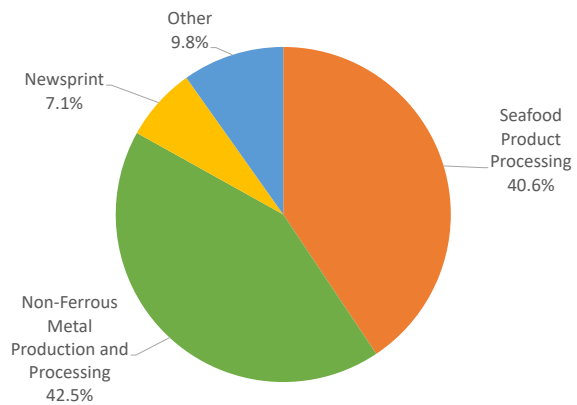
totalled 5,800 persons, a decrease of 19.0 per cent, while durable goods manufacturing employment totalled 3,700 persons, an increase of 24.0 per cent. In 2023, labour income in the sector increased by 10.7 per cent compared to 2022, due to an increase in wages in both the non-durable and durable goods sectors. Average weekly earnings in the sector increased by 8.1 per cent.

Locally manufactured products are sold in both domestic and international markets. The value of international manufacturing exports from Newfoundland and Labrador totalled approximately \$2.5 billion in 2023, a decrease of 15.1 per cent from 2022. The United States remained the largest export market for Newfoundland and Labrador manufacturers, representing 52.0 per cent of international manufacturing exports in 2023.

The non-ferrous metal production and processing category accounted for the largest share of total international manufacturing exports in 2023, at 42.5 per cent (see Figure 13). The value of international exports of non-ferrous metal production and processed products from Newfoundland and Labrador totalled \$1.0 billion, a decrease of 21.5 per cent compared to 2022. This decrease was mainly the result of a decline in nickel production and lower prices for nickel (see **Mining**).

Fish processing plays an important role in Newfoundland and Labrador's manufacturing industry. Seafood product preparation and packaging accounted for the second largest category of international exports of

Figure 13: Distribution of International Manufacturing Exports by Industry Newfoundland and Labrador, 2023



Source: Statistics Canada

manufactured goods in 2023, at 40.6 per cent. The value of international seafood product exports from the province totalled approximately \$1.0 billion in 2023, down 13.5 per cent from 2022, largely due to lower market prices for snow crab. Markets in the United States and China purchased a combined 85.9 per cent of the value of the province's seafood product exports in 2023 (see **Fishery and Aquaculture**).

The volume of newsprint shipments increased by 7.0 per cent to 226,986 tonnes in 2023. However, the value of international newsprint exports totalled approximately \$174.7 million, down 10.6 per cent from 2022 (see **Forestry**).

Production started at Braya Renewable Fuels newly converted Come By Chance refinery in February 2024, with around 18,000 barrels of renewable diesel per day expected. The refinery is strategically located along Atlantic shipping routes, with access through the

nearby marine terminal in Placentia Bay. This will allow for easy shipment of biofuel feedstock to the site and transportation of the final products to markets in Europe, Canada and the United States.

The Government of Newfoundland and Labrador offers businesses in the manufacturing industry a number of tax credits and programs, including the Manufacturing and Processing Investment Tax Credit, which allows corporations that invest in capital property in Newfoundland and Labrador to claim a credit of 10 per cent of the capital cost to reduce provincial tax otherwise payable and in some cases may be refundable; and the Green Technology Tax Credit, which allows Canadian-controlled private corporations that invest in equipment that generates or conserves renewable-source energy, uses fuels from waste, or makes efficient use of fossil fuels to claim a credit equal to 20 per cent of the capital cost.

2024 Outlook

- ▶ The newly converted Come By Chance refinery started production in February 2024, and is expected to produce around 18,000 barrels of renewable diesel per day.
- ▶ Lower nickel prices may reduce the value of non-ferrous metal manufacturing shipments from the province. However, increased demand from the electric vehicle market may moderate this decline.
- ▶ Provincial newsprint shipment volumes are expected to remain near recent production levels.
- ▶ Provincial lumber production is projected to increase, while North American lumber prices are expected to be slightly lower.
- ▶ Construction on several major projects is expected to boost fabricated metal manufacturing.
- ▶ The manufacturing sector continues to explore ways to reduce costs, increase productivity and transition to greener technology to reduce carbon emissions.

Fishery and Aquaculture

In 2023, commercial fish landings and the landed value declined in comparison to 2022. Landed value was down significantly, largely due to lower prices for key species. In the aquaculture industry, production and value increased considerably from lower levels recorded in 2022. The value of seafood product exports declined compared to 2022 but remained historically high. In 2023, there were 16,100 individuals employed in fish harvesting, aquaculture hatchery and grow-out activities, and fish processing plants, down from 17,104 in 2022.



Wild Fisheries

The wild fishery refers to the harvest of naturally occurring fish in marine environments. The most recent stock assessments indicate that some of the province's groundfish stocks continue to show signs of growth, particularly redfish. The northern cod stock has not fully recovered; however, recent assessments indicate that the stock is above levels observed during the early 2000s. The snow crab resource is stable and increasing in some areas, which resulted in an increase in the Total Allowable Catch (TAC) for this fishery in 2023.

Salmon Farm
Newfoundland Aquaculture Industry Association

Table 6: Landings and Landed Value by Species
Newfoundland and Labrador, 2022-2023

Species	2022 Revised		2023 Preliminary		2023/2022 Comparison	
	Volume (tonnes)	Value (\$000s)	Volume (tonnes)	Value (\$000s)	% Volume	% Value
Snow Crab	49,973	756,763	51,632	257,888	3.3%	-65.9%
Lobster	6,177	107,147	7,074	117,506	14.5%	9.7%
Shrimp	31,126	126,593	26,505	106,951	-14.8%	-15.5%
Other Shellfish	52,893	128,014	41,731	108,261	-21.1%	-15.4%
SHELLFISH	140,169	1,118,517	126,943	590,606	-9.4%	-47.2%
Turbot	9,955	53,561	7,616	41,469	-23.5%	-22.6%
Cod	13,430	24,360	13,718	24,823	2.1%	1.9%
Halibut	993	10,869	1,024	11,779	3.1%	8.4%
Flounders	11,593	20,010	3,294	5,580	-71.6%	-72.1%
Redfish	4,105	5,482	4,519	5,341	10.1%	-2.6%
Other Groundfish	488	7,834	307	3,636	-37.0%	-53.6%
GROUNDFISH	40,564	122,117	30,480	92,627	-24.9%	-24.1%
Herring	21,344	9,406	21,298	9,386	-0.2%	-0.2%
Capelin	4,935	1,773	12,518	4,498	153.7%	153.7%
Other Pelagics	573	6,321	634	7,302	10.6%	15.5%
PELAGICS	26,852	17,500	34,450	21,187	28.3%	21.1%
TOTAL	207,586	1,258,135	191,873	704,420	-7.6%	-44.0%

Date: February 2024

Notes:

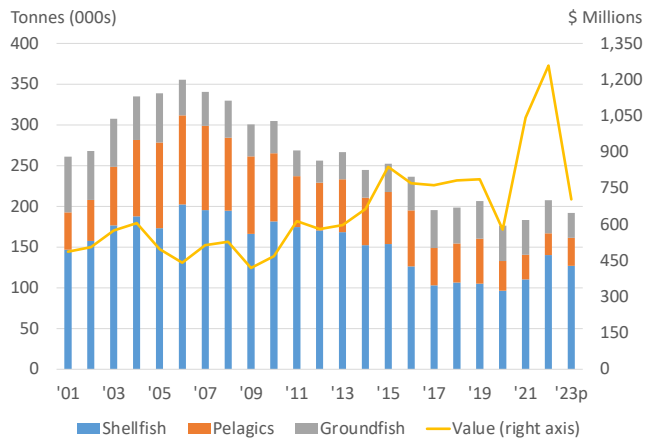
- Species components may not sum due to independent rounding.
- Flounders includes: American plaice, yellowtail flounder, greysole/witch, winter flounder.
- Other Shellfish includes: Clams, whelk, scallops, sea cucumber, other crustaceans, other molluscs.
- Other Groundfish includes: Pollock, hake, haddock, skate, monkfish, lumpfish roe and other miscellaneous groundfish.
- Other Pelagics includes: Tuna, swordfish and other miscellaneous pelagics.

Source: Fisheries and Oceans Canada; Department of Fisheries, Forestry and Agriculture

The total volume of fish landings decreased by 7.6 per cent to 191,873 tonnes in 2023, the result of lower shellfish and groundfish landings, which more than offset higher landings of pelagics. The corresponding total

landed value declined by 44.0 per cent to \$704 million, after reaching a record high of \$1.3 billion in 2022, primarily the result of a steep decline in the average landed price for snow crab (see Table 6 and Figure 14).

Figure 14: Wild Fishery Landings
Newfoundland and Labrador, 2001-2023p



p: preliminary
Source: Fisheries and Oceans Canada; Department of Fisheries, Forestry and Agriculture

Shellfish

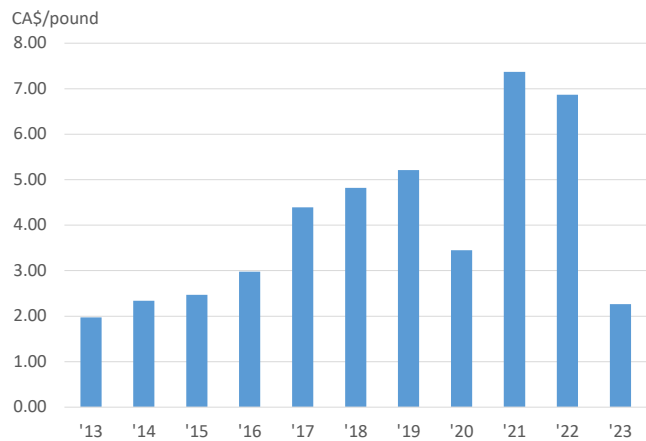
In 2023, shellfish continued to account for the majority of both the volume of fish landings (66 per cent) and the landed value (84 per cent) of the wild fishery. The volume of shellfish landings totalled 126,943 tonnes in 2023, a decrease of 9.4 per cent compared to 2022, largely due to a decrease in the other shellfish category and a decline in shrimp landings.⁴ The corresponding landed value for shellfish declined by 47.2 per cent to \$591 million, largely due to the lower average landed price for snow crab.

Landings in the snow crab fishery increased by 3.3 per cent to 51,632 tonnes, despite a price dispute which delayed the start of the season by approximately six weeks. While landings increased, harvesters did not harvest the full quota. The snow crab TAC increased to 54,727 tonnes in 2023, up from 50,470 tonnes in 2022. The corresponding landed value of snow crab saw a significant

decline of 65.9 per cent, down to \$258 million in 2023, after totalling \$757 million in 2022. The landed raw material price for snow crab averaged \$2.27 per pound in 2023, the lowest price since 2013, representing a 67.0 per cent decline from \$6.87 per pound in 2022 (see Figure 15).

Figure 15: Snow Crab Average Landed Price

Newfoundland and Labrador, 2013-2023

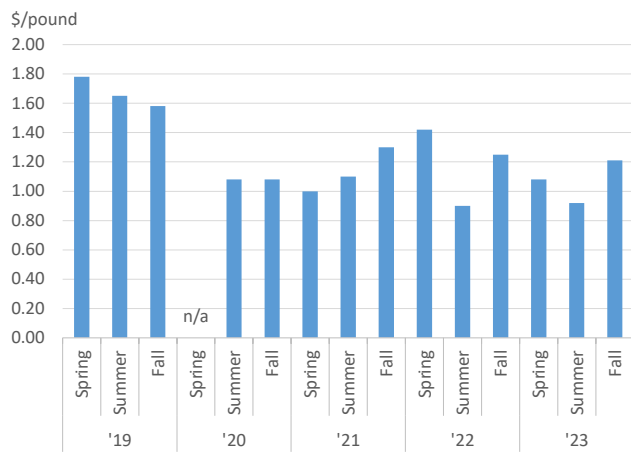


Source: Fisheries and Oceans Canada

Shrimp landings declined by 14.8 per cent to 26,505 tonnes in 2023. The corresponding value decreased by 15.5 per cent to \$107 million. The minimum landed price paid to harvesters for inshore shrimp in 2023 decreased by 23.9 per cent to \$1.08 per pound in the spring fishery over the same season of 2022, increased by 2.2 per cent to \$0.92 per pound in the summer fishery, and decreased by 3.2 per cent to approximately \$1.21 per pound in the fall fishery (see Figure 16). Typically, the majority of shrimp are harvested in the spring and summer fisheries.

⁴ Other shellfish includes clams, whelk, scallops, sea cucumber, other crustaceans and other molluscs.

Figure 16: Minimum Landed Price Paid to Inshore Shrimp Harvesters Newfoundland and Labrador, 2019-2023



Note: The price for fall 2023 is the average of \$0.28-\$0.30 per pound above the summer price. Source: Fish Food & Allied Workers Union

Lobster landings increased by 14.5 per cent to 7,074 tonnes in 2023, as catch rates increased. The value of lobster landings reached a historical high of \$117.5 million in 2023, overtaking shrimp as the second most valuable species in the wild fishery behind snow crab. This represented an increase of 9.7 per cent compared to 2022. The average raw material price for lobster declined from \$7.87 per pound in 2022 to \$7.54 per pound in 2023.

Groundfish

Groundfish accounted for 16 per cent of the total volume of fish landings and 13 per cent of the total landed value in the province in 2023. Groundfish landings decreased 24.9 per cent to 30,480 tonnes in 2023, primarily due to lower catches of flounders (down by 71.6 per cent) and turbot (down by 23.5 per cent). The corresponding landed value of groundfish decreased by 24.1 per cent to \$93 million.

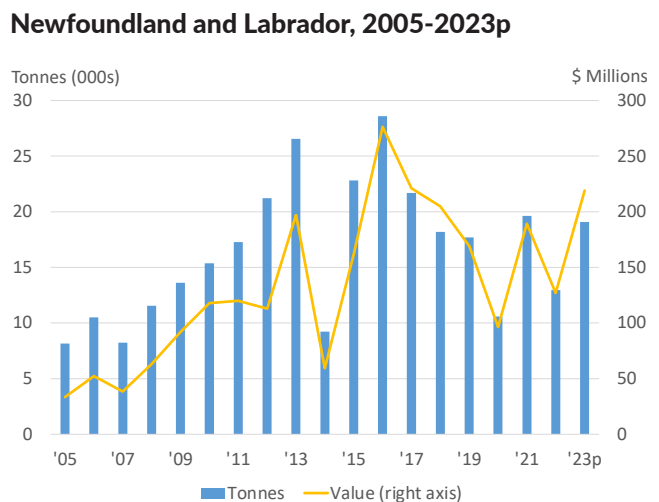
Pelagics

Pelagics accounted for approximately 18 per cent of the volume of total fish landings and three per cent of the total landed value in 2023. Pelagic landings increased by 28.3 per cent to 34,450 tonnes in 2023, primarily due to higher catches of capelin, which more than doubled as a result of increased fishing effort. Herring landings were on par with 2022, while the mackerel fishery remained under moratorium. The corresponding landed value of pelagics increased by 21.1 per cent to approximately \$21 million, mainly due to higher capelin landings.

Aquaculture

Commercial aquaculture production in the province is comprised of salmonids (i.e., Atlantic salmon and steelhead trout) and shellfish (i.e., blue mussels and oysters). The volume of aquaculture production increased significantly in 2023, rebounding after a year of lower salmonid production. Total

Figure 17: Aquaculture Production and Value Newfoundland and Labrador, 2005-2023p



p: preliminary Source: Department of Fisheries, Forestry and Agriculture

aquaculture production reached 19,083 tonnes, an increase of 47.0 per cent over 2022 (see Figure 17). The corresponding total market value increased by 72.4 per cent to \$219.0 million, the highest value since 2017.

Salmonid production increased by 82.4 per cent to approximately 15,018 tonnes in 2023, partly the result of a rebound from lower production levels in 2022, and partly due to Grieg Seafood Newfoundland beginning its first commercial harvest of farmed salmon in the fall of 2023. Total salmonid production was valued at \$196.0 million, up 88.5 per cent over 2022. The average market price for 8-10 pound wholefish Atlantic salmon was \$5.93 per pound in 2023, down by 1.7 per cent in comparison to the average price in 2022.

Aquaculture shellfish production consists primarily of blue mussels, with a small amount of oysters. In 2023, shellfish production decreased by 14.3 per cent to 4,065 tonnes, while its corresponding value remained on par with the previous year at \$23.0 million. Market prices for mussels increased from an average of \$2.20 per pound in 2022, to an average of \$2.63 per pound in 2023.

Aquaculture developments continued in the province in 2023. Diversification was at the forefront with the licensing of new species, such as marine plants, which have the potential to become commercial over the coming years. Grieg Seafood Newfoundland completed its first harvest of farmed salmon

in Placentia Bay. The company was also the successful proponent for the Bays West Aquaculture Development project in 2022, and in 2023 it began the initial steps to develop the region, which ranges from the western edge of Bay d'Espoir to Burgeo and on to Port aux Basques. This project could potentially produce upwards of 15,000 tonnes of Atlantic salmon annually once fully operational.

Processing and Marketing

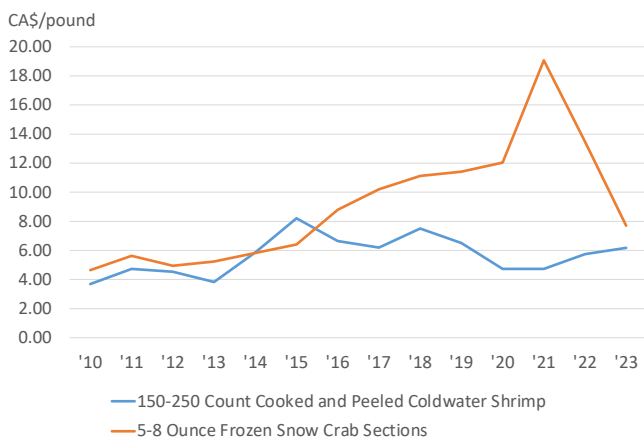
In 2023, there were 90 licensed fish processing plants in the province, compared to 89 in 2022. Products produced at these plants are largely sold in international markets.

The value of Newfoundland and Labrador's international seafood exports of fishing, aquaculture and seafood products declined by 9.0 per cent to \$1.1 billion in 2023 over 2022. This decrease was largely due to lower market prices for snow crab as a result of historically high prices in 2021 and 2022 that led to inventory carryover and lower market demand. The United States remained the largest export market for Newfoundland and Labrador seafood products, representing 66.9 per cent of the total export value, while China accounted for 19.5 per cent. Other markets included the United Kingdom (3.3 per cent) and Denmark (2.0 per cent).

Market prices for snow crab declined significantly in 2023. The average market price for 5-8 ounce snow crab sections was \$7.71 per pound in 2023, a decline of 42.7

per cent from \$13.46 per pound in 2022 (see Figure 18). Market prices for cooked and peeled inshore shrimp averaged \$6.17 per pound in 2023, an increase of 7.4 per cent from \$5.74 per pound in 2022.

Figure 18: Shrimp and Snow Crab Average Global Market Prices 2010-2023



Source: Urner Barry, Gemba Seafood Consulting A/S, Bank of Canada

shared between New Brunswick, Nova Scotia, Quebec and Newfoundland and Labrador.

- ▶ Northern cod will be assessed in March 2024 to determine if the species will remain in the cautious zone and out of moratorium.

2024 Outlook

- ▶ The volume of fish landings in Newfoundland and Labrador is expected to increase in 2024, with a rise in groundfish landings.
- ▶ Aquaculture production is expected to increase, as gains from both new sites and expansions to existing sites continue to boost output.
- ▶ The Federal Government announced that the redfish fishery in the Gulf of St. Lawrence will reopen in 2024, after a moratorium that began in 1995, with a minimum TAC of 25,000 tonnes to be

Forestry

The provincial forestry industry continued to operate under challenging market conditions in 2023. The value of lumber shipments declined as lumber prices fell from historically high levels in 2022 and newsprint demand continued its global decline. The local industry faced several challenges, including Annual Allowable Cut (AAC) reductions in areas with high forestry activity and a spruce budworm infestation. The AACs were reduced due to competing land uses—such as cabin development, agriculture development and wildlife habitat restrictions—which, in turn, has reduced the forested land available for commercial timber production. In recent years, concerns were raised regarding a spruce budworm infestation on the west coast of Newfoundland. Results from the Early Intervention Spruce Budworm Control Program in the fall of 2023 indicate decreasing spruce budworm populations east and north of Gros Morne National Park in response to an effective spray program. However, there was still some tree mortality caused by the spruce budworm infestation throughout 2023.



Newsprint

Corner Brook Pulp and Paper Limited (CBPPL), a subsidiary of Kruger Inc., owns and operates the only newsprint facility in the province, located in Corner Brook. CBPPL currently operates two paper machines with a total annual production capacity of 245,000 tonnes. Between its paper mill, power plants and forest operations, CBPPL employs about 425 workers. The

Loader and Logging Trucks at CBPPL
Department of Fisheries, Forestry and Agriculture

volume of newsprint shipments increased by 7.0 per cent to 226,986 tonnes in 2023. However, the value of international newsprint exports totalled \$174.7 million in 2023, down 10.6 per cent compared to 2022. India overtook the United States as the top export market in 2023. Together, the two countries accounted for 42.9 per cent of international newsprint exports from the province. Other destinations included Mexico, the United Kingdom, Israel and Taiwan.

The average newsprint price increased to US\$876 per tonne in 2023, compared to US\$868 per tonne in 2022 (see Figure 19). Demand in Asia appears to be stable, but potential remains for European producers to increase sales into the market and disrupt the share for North American producers. Facing declining demand globally, some newsprint mills suspended or interrupted operations. CBPPL interrupted production for one week in November 2023. In January 2024, Paper Excellence announced the indefinite

suspension of paper operations at its Crofton facility in British Columbia, removing 349,000 tonnes of newsprint production capacity from the market.

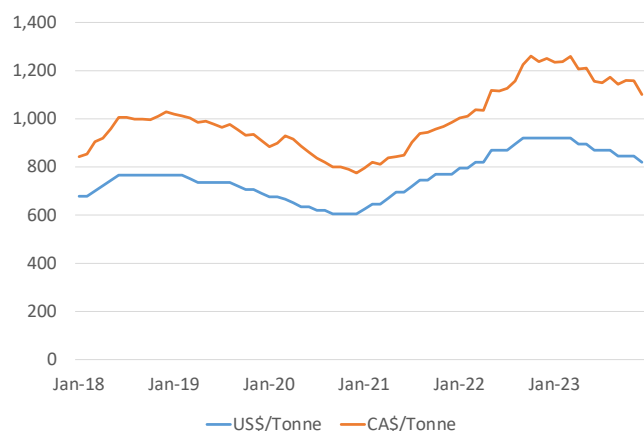
Lumber

Newfoundland and Labrador's lumber is produced primarily by three large integrated sawmills: Sexton Lumber Co. Ltd, Burton's Cove Logging and Lumber Ltd., and Cottles Island Lumber Company Ltd. Together, they represent nearly 95 per cent of the province's lumber production. Preliminary estimates for lumber production totalled 95 million board feet in 2023, down from 101 million board feet in 2022. Factors that limited production include a lack of sawlogs due to difficult operating conditions in the spring and a shortage of machine operators in timber harvesting operations.

The average lumber price was \$683 per thousand board feet in 2023, a significant drop from \$1,164 in 2022 (see Figure 20).

Figure 19: North American Newsprint Prices

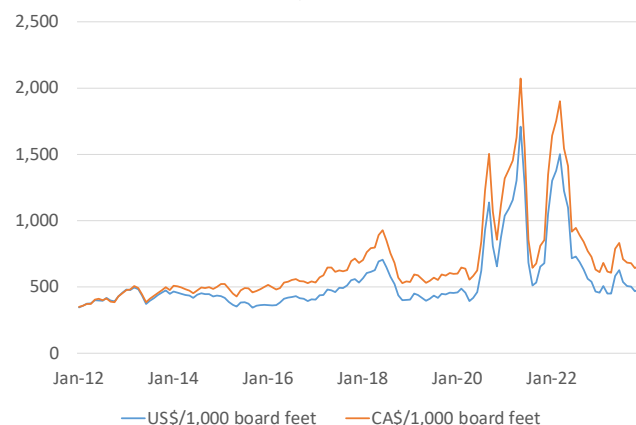
Monthly, 2018-2023



Source: PPI Pulp and Paper Week

Figure 20: Lumber Prices

Canada and U.S. Dollars, Monthly, 2012-2023



Note: Price is for Kiln Dried Eastern Spruce-Pine-Fir # 1&2 2x4 R/L - Delivered Great Lakes
Source: Random Lengths Weekly Pricing; Department of Industry, Energy and Technology; Bank of Canada; Department of Finance

Higher interest rates in Canada and the United States slowed housing starts and dampened lumber prices in 2023. The market outlook in the United States is important for sawmills in the province, as 40 to 50 per cent of their production is sold into the northeast U.S. market.

Wood Product Manufacturing

The province also has a value-added manufacturing sector related to forestry activities, which consists of a diverse group of companies that manufacture a variety of wood products from both local and imported wood sources. These companies utilize commodity wood products to produce specialty products such as cabinets, hardwood flooring, roof trusses, wood siding, and wooden furniture. Most of the companies are small to medium-sized businesses, but the large volume of companies collectively makes this sector significant and stable. In 2023, this sector generated approximately \$120 million in market value.

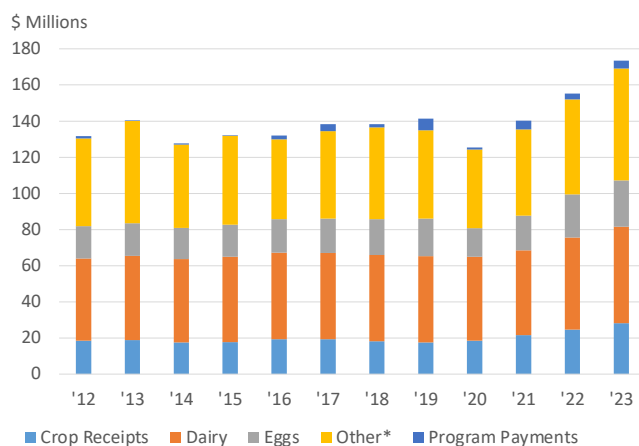
2024 Outlook

- ▶ Weakness in North American newsprint demand is expected to continue. Annual newsprint prices are expected to average US\$825 per tonne, down from US\$876 per tonne in 2023.
- ▶ Newsprint shipment volumes from Newfoundland and Labrador are expected to remain near previous production levels.
- ▶ North American lumber prices are expected to average \$625 per thousand board feet, reflecting limited residential investment due to higher interest rates.
- ▶ Provincial lumber production is projected to reach approximately 97 million board feet.
- ▶ The Government of Newfoundland and Labrador continues to partner with the Government of Canada on a Spruce Budworm Early Intervention Strategy to help safeguard the provincial forestry industry. A spray program is planned for 2024.

Agriculture



**Figure 21: Farm Cash Receipts
Newfoundland and Labrador, 2012-2023**



* Includes cattle, calves, sheep, lambs and miscellaneous livestock and livestock products.
Source: Statistics Canada; Department of Finance

The agriculture industry in Newfoundland and Labrador features operations ranging from small organic farms to large dairy and poultry farms. The three dominant agriculture commodities in the province are dairy, chicken and eggs. Livestock and livestock products, such as dairy, eggs, chicken, cattle and calves, accounted for 81 per cent of the total value of farm cash receipts in 2023. The remaining value of farm cash receipts comes from crops and program payments, such as crop insurance.

Total farm cash receipts, or farm product sales, are comprised of crop receipts, livestock and livestock product receipts, and receipts from direct payments, such as agriculture-related program payments. Farm cash receipts totalled \$173.4 million in 2023, an increase of 11.7 per cent compared to 2022 (see Figure 21). Crop receipts increased by 14.4 per cent to \$28.1 million, with increases across most crop types, including floriculture and nursery products, fresh fruit

Dairy Cow
Department of Fisheries, Forestry and Agriculture

and fresh vegetables. Livestock and livestock product receipts increased by 10.6 per cent to \$141.0 million, mainly due to increased sales of dairy, eggs, cattle and calves. Direct payment receipts increased by 35.5 per cent to \$4.4 million, partly the result of higher funding for the AgriStability Program in 2023 compared to 2022. This voluntary program provides support when farmers experience large margin declines.

Higher prices for farm products contributed to the increase in farm cash receipts in 2023. However, farmers were also confronted with higher input costs. The farm input price index was 6.6 per cent higher during the first three quarters of 2023, compared to the first three quarters of 2022. The ongoing war in Ukraine continued to place upward pressure on farm product input prices. Prior to the invasion, for example, most nitrogen fertilizer used in eastern Canada was imported from Russia.

Canada's 2021 Census of Agriculture, released on May 11, 2022, reported that there were five mink farms in the province in 2021, down from 16 in 2011. The most recent trade data indicate that the value of raw mink fur skins exports from the province was \$6.1 million in 2023, down 13.3 per cent from 2022. The United States and Finland represent the top two market destinations for Newfoundland and Labrador mink fur.

Data from the Chicken Farmers of Canada indicate that the volume of chicken produced in the province totalled 17.9 million kilograms in 2023, up 4.2 per cent compared to 2022. Chicken farm product prices increased by 9.5

per cent in 2023, contributing to an increase in the value of farm cash receipts.

The volume of milk sold by Newfoundland and Labrador farms held steady during 2023, totalling 48,696 kilolitres. The value of milk increased by 4.8 per cent to \$53.5 million in 2023, mainly due to higher prices, as the farm product price index of milk increased by 4.8 per cent in 2023, compared to 2022. In October 2022, the Canadian Dairy Commission approved a 2.2 per cent increase in the price of milk that came into effect on February 1, 2023.

As a result of the legalization of cannabis, two of the cannabis production facilities currently in operation are selling products in the province: Atlantic Cultivation (St. John's) and Oceanic Releaf (Burin). These local producers are selling a wide range of cannabis products through a network of licensed cannabis retailers. This ensures cannabis products grown and processed in Newfoundland and Labrador can be sold in the province.

Since 2016, the amount of Crown land developed and enhanced for fruit and vegetable production has more than doubled, from 590 hectares to 1,212 hectares. To support the well-being of residents by increasing food self-sufficiency, agricultural growth, and secondary processing of agriculture products in the province, the provincial Agrifoods Assistance Program invested nearly \$757,000 into agriculture infrastructure projects for the dairy, livestock, and poultry sectors in 2023-24, as well as

\$2.5 million to support current farmers and new entrants. Additionally, under the five-year national \$3.5-billion Sustainable Canadian Agricultural Partnership, Newfoundland and Labrador's farmers and producers can also access more than \$42 million in cost-shared funding.

2024 Outlook

- ▶ Prices of farm inputs are expected to remain elevated, which will likely result in continued high prices for farm products and increased farm cash receipts.
- ▶ Developments in the ongoing war in Ukraine may have further impacts on prices for farm inputs, such as grain and fertilizer.
- ▶ The Provincial Government will maintain efforts to improve food self-sufficiency in the province and continue to increase available land for agriculture production.
- ▶ Support for the advancement and competitiveness of all agricultural commodities will continue through professional extension services, local research and program support.

Construction

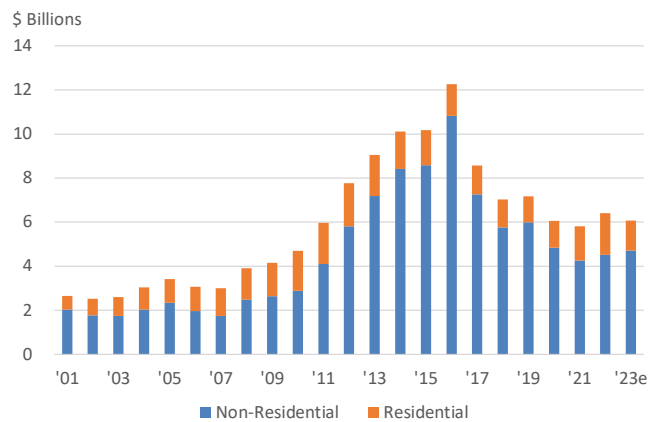
A significant portion of activity in the construction industry in the province is closely tied to major project development, particularly in the non-residential sector. As such, activity can fluctuate significantly from year to year depending on major project timelines. In 2023, the non-residential sector benefitted from increased investment in the West White Rose oil project and from ongoing construction activity on the Voisey’s Bay Mine Expansion (VBME) project. Employment in the construction industry in Newfoundland and Labrador was 19,500 person years in 2023, a 4.8 per cent increase over 2022.

Construction-Related Investment

Construction-related investment spending in the province was estimated to be approximately \$6.1 billion in 2023, a decrease of 5.3 per cent from the previous year (see Figure 22). Increased investment in non-



Figure 22: Construction-Related Investment
Newfoundland and Labrador, 2001-2023e



e: estimate
Source: Statistics Canada; Department of Finance

Construction of the Fortis Canada Games Complex
City of St. John’s

residential spending (e.g., mine development, hospitals) was more than offset by a decrease in residential investment (e.g., construction of new homes, renovations of existing homes).

Non-residential construction spending, which accounts for the majority of construction-related investment in the province, was \$4.7 billion in 2023, an increase of 4.2 per cent compared to 2022. This increase was attributable to higher spending on the West White Rose oil project and the Valentine Gold mining project, which more than offset declining investment in the VBME project as it nears completion. Cenovus Energy Inc. resumed construction work on the West White Rose project in 2023. The project's concrete gravity structure, currently being built in Argentina, is expected to be completed by the end of 2024. As of December 31, 2023, there were 1,182 Newfoundland and Labrador residents working on the project (see **Oil and Gas**). Construction activity associated with the gold mine at Valentine Lake in central Newfoundland continued in 2023 and the project remains on schedule for first ore by the end of 2024 and first gold in the first quarter of 2025. There were an estimated 208 construction employees on the project in 2023. Also in 2023, Vale Newfoundland and Labrador progressed work on the VBME project, which began in late 2018. Production ramp-up started in the first half of 2023 and as of October 26, 2023, the project was 88 per cent complete (see **Mining**).

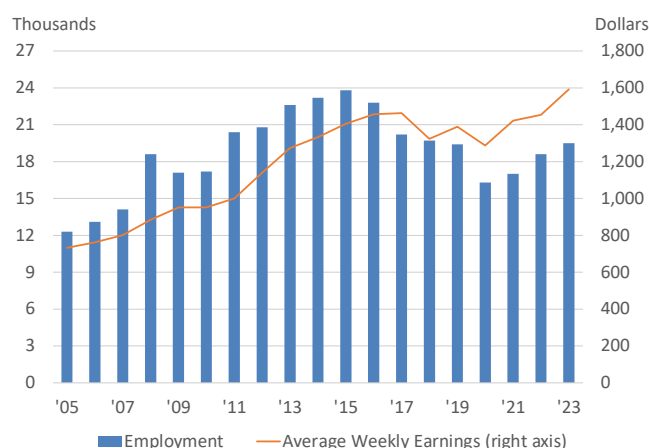
Residential construction spending was impacted by high interest rates and inflation

in 2023. High interest rates have negatively impacted housing starts, and inflationary pressures have driven up residential building costs. Residential construction spending decreased by 38.6 per cent in 2023 compared to 2022. Expenditures on new dwellings fell by 25.9 per cent, while expenditures on renovations decreased by 42.6 per cent. The decrease in expenditures for new dwellings is consistent with the 29.1 per cent drop in housing starts in 2023 (see **Real Estate**).

Employment and Wages

Employment in the construction industry averaged 19,500 people in 2023, an increase of 900 compared to 2022 (see Figure 23). Weekly earnings (including overtime) in the construction industry averaged \$1,592 in 2023, an increase of 9.6 per cent compared to 2022. Average weekly earnings in the local construction industry were above the national average and, among the provinces, only Alberta recorded a higher average weekly wage than Newfoundland and Labrador.

Figure 23: Construction Employment and Average Weekly Earnings Newfoundland and Labrador, 2005-2023



Source: Statistics Canada; Department of Finance

2024 Outlook

- ▶ Total construction-related capital spending is expected to increase by 4.7 per cent to \$6.4 billion in 2024.
- ▶ The industry will continue to benefit from major project activity, particularly as investment in the West White Rose project is expected to peak in 2024.
- ▶ Construction activity is also expected to benefit from the mining sector as the construction of the Valentine Gold project continues and Maritime Resources Corp. begins construction work on the Hammerdown gold mine on the Baie Verte Peninsula.
- ▶ Ongoing infrastructure projects, such as the new mental health facility in St. John's and road maintenance and repairs, will contribute to construction activity.

Real Estate



After performing well in 2022, the housing market in Newfoundland and Labrador was subdued in 2023. The number of housing starts and home sales decreased significantly during the year, largely due to rising interest rates. The residential rental market continued to tighten in 2023, as strong population growth boosted rental demand. As a result, vacancy rates dropped while average rents increased. In the commercial sector, office vacancy rates decreased in the first half of 2023, but

increased significantly in the second half of the year.

Housing Starts

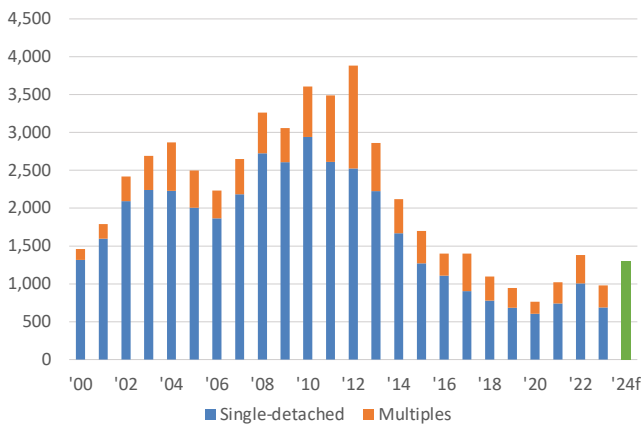
In 2023, new home construction was hampered by high interest rates, rising building costs and labour shortages. There were 978 housing starts in the province in 2023, a decrease of 29.1 per cent compared to 2022 (see Figure 24). Single-detached housing starts (which typically account for the majority of total starts in the province) decreased by 31.6 per cent to 688 units, while multiple starts (i.e., semi-detached homes, row homes, apartments and condominiums) decreased by 22.3 per cent to 290 units.

Housing starts decreased in both rural and urban areas of the province in 2023. Rural housing starts decreased by 34.6 per cent, from 557 to 364 units, while urban housing starts decreased by 25.3 per cent, from

822 to 614 units. In the St. John's Census Metropolitan Area (CMA), the largest housing market in the province, housing starts decreased by 33.4 per cent, from 733 units in 2022 to 488 units in 2023. Single-detached housing starts decreased from 568 to 347 units, while multiple starts decreased from 165 to 141 units.

Figure 24: Housing Starts

Newfoundland and Labrador, 2000-2024f



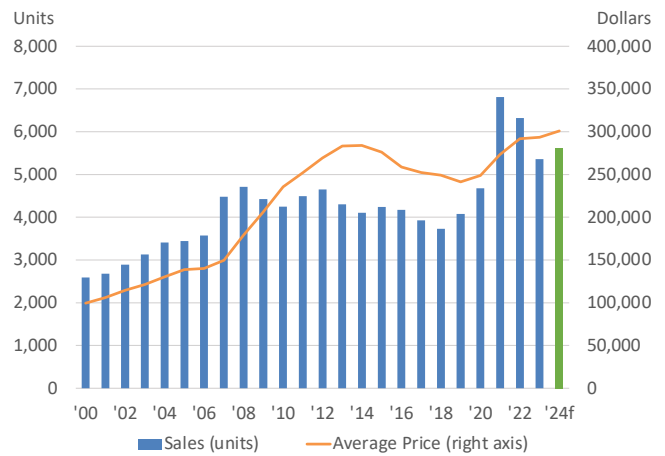
f: forecast
Source: Canada Mortgage and Housing Corporation; Department of Finance

Residential Sales and Prices

Home prices in most real estate markets across the country decreased in the first few months of 2023. However, as the year progressed, prices increased again, partly due to higher interest rates and increased population growth. In Newfoundland and Labrador, the average annual home price was \$293,573 in 2023, the lowest among all provinces in Canada and virtually unchanged compared to last year's average price (see Figure 25). In contrast, British Columbia and Ontario had the highest average prices at \$971,152 and \$872,312, respectively.

Figure 25: Residential MLS® Sales and Average Price

Newfoundland and Labrador, 2000-2024f



f: forecast
Source: Canadian Real Estate Association; Department of Finance

Real estate sales activity in Newfoundland and Labrador slowed in 2023, as the number of sales continued to decline from record high levels in 2021. Nonetheless, sales were still well above pre-pandemic levels, partly due to population growth. According to the Canadian Real Estate Association's Multiple Listing Service (MLS®), a total of 5,362 homes were sold in 2023, a decrease of 15.2 per cent compared to 2022, but still 33.0 per cent above the five-year average prior to the pandemic.

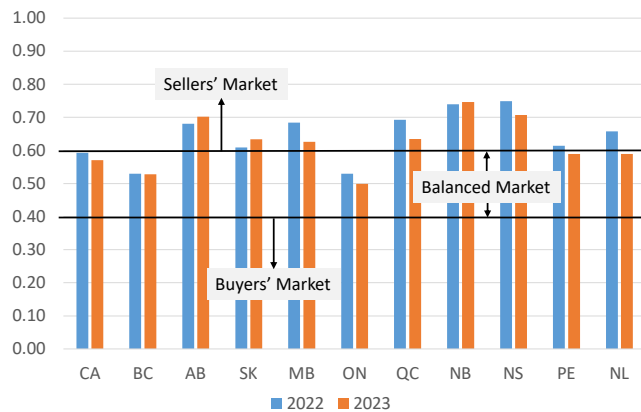
The home sales-to-new listings ratio is a widely used indicator to demonstrate housing market conditions and how they have changed.⁵ In Newfoundland and Labrador, the sales-to-new listings ratio decreased from a sellers' market range of 65.8 per cent in 2022, to a balanced market range of 58.9 per cent in 2023 (see Figure 26). Among all provinces, Newfoundland and Labrador experienced the

⁵ A housing market is generally considered balanced when the sales-to-new listings ratio falls in the range of 40 per cent to 60 per cent. A ratio below 40 per cent indicates a buyers' market, while a ratio above 60 per cent indicates a sellers' market.

largest decrease on a year-over-year basis. Only three provinces saw increases in the sales-to-new listings ratio: Saskatchewan (from 60.9 to 63.4 per cent), Alberta (from 68.1 to 70.2 per cent) and New Brunswick (74.0 to 74.6 per cent). At the national level, the sales-to-new listings ratio decreased slightly from 59.3 in 2022 to 57.1 per cent in 2023.

Figure 26: Home Sales-to-New Listings Ratio

Canada and Provinces, 2022-2023



Source: Canadian Real Estate Association

Rental Market

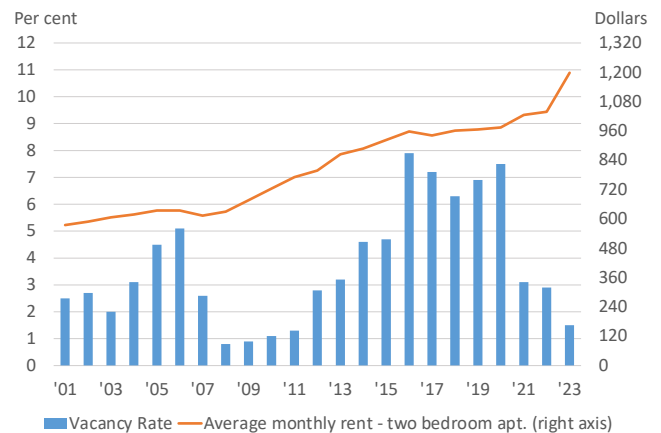
Residential vacancy rates continued to fall in 2023. According to the Canada Mortgage and Housing Corporation's Rental Market Survey, the residential vacancy rate for private apartments in Newfoundland and Labrador was 1.5 per cent in October 2023.⁶ Housing shortages and increased in-migration squeezed vacancy rates in the rental market. In the St. John's CMA, the vacancy rate for apartments was also 1.5 per cent in 2023, marking the lowest vacancy rate recorded in the CMA since 2011 (see

Figure 27). The vacancy rate for private apartments in October 2023 was 1.2 per cent in Corner Brook and 0.8 per cent in Grand Falls-Windsor.

The average monthly rent for a two-bedroom apartment in the province increased from \$943 in October 2022 to \$1,092 in October 2023, while in the St. John's CMA, rent increased from \$1,038 to \$1,198 over the same period. Nonetheless, the average monthly rent for a two-bedroom apartment was higher in the rest of Atlantic Canada in 2023: \$1,523 in Nova Scotia, \$1,170 in New Brunswick and \$1,130 in Prince Edward Island.

Figure 27: Residential Market Vacancy Rates and Average Rent

St. John's CMA, 2001-2023



Source: CMHC Rental Market Survey

Commercial

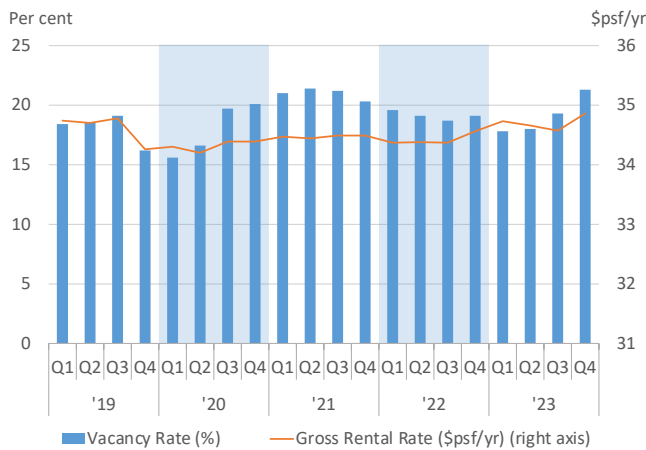
The overall office vacancy rate for St. John's averaged 19.1 per cent in 2023, unchanged with respect to 2022 (see Figure 28). The office vacancy rate in the first quarter of 2023 reached 17.8 per cent, the lowest

⁶ The Rental Market Survey is an annual survey conducted each October in urban areas with populations of at least 10,000 and targets the primary rental market, which only includes rental units in privately initiated apartment structures with at least three rental units.

level since 2020. However, vacancy rates increased in the following quarters before reaching 21.3 per cent in the fourth quarter of 2023. The downtown area of St. John's continued to experience the highest vacancy rate, as major tenants have moved in recent years to newly constructed office spaces in other areas of the city. During the fourth quarter of 2023, the vacancy rate in downtown St. John's was 30.4 per cent. The average gross rental rate for office space in St. John's was \$34.71 per square foot per year in 2023, an increase of \$0.29 compared to 2022.

Figure 28: Office Vacancy and Rental Rates

St. John's, Quarterly, 2019-2023



psf/yr: per square foot per year
Source: Cushman & Wakefield Atlantic

2024 Outlook

- ▶ Housing starts are forecast to be 1,300 units in 2024, an increase of 33.0 per cent compared to 2023.
- ▶ The Canadian Real Estate Association forecasts residential sales in the province to be 5,626 units, a rise of 4.9 per cent compared to 2023. The average resale price is forecast to rise 2.5 per cent to \$300,956.
- ▶ Expected interest rate cuts in 2024 should support a rebound in the real estate market.⁷ This would sustain continued high home sales, along with a rebound in housing starts.

⁷The vast majority of residential mortgages in Canada are at a fixed interest rate. The rates for these are primarily determined by the U.S. Federal Reserve rate. Variable rate mortgages on the other hand are primarily driven by the Bank of Canada overnight rate.

Tourism

The tourism industry in Newfoundland and Labrador generates economic activity in all regions of the province, making it an important contributor to the economy. Tourism consists of both residents engaging in tourist activities within the province and non-resident visitors who arrive by airline, automobile via ferry, and cruise ship.

From 2011 to 2019, tourism expenditures in the province (both resident and non-resident combined) consistently totalled \$1 billion or more annually. Tourism activity was severely impacted by the COVID-19 pandemic and has taken longer to recover than most other sectors. Non-resident tourism spending in 2020 and 2021 was estimated at less than half of pre-pandemic levels. In 2022, non-resident tourism spending recovered to near pre-pandemic levels, boosted by the lifting of pandemic-related restrictions and the Province's "Come Home 2022" campaign. However, non-resident air visitation continued to be impacted by operational and workforce challenges facing the air transportation sector.

Tourism performance continued to improve in 2023. It is estimated that non-resident air, auto and cruise visitation reached 487,000 visitors, representing an increase of 13 per cent compared to 2022. The associated non-resident spending reached an estimated \$551.6 million, an increase of 12 per cent over 2022. Compared to pre-pandemic levels, spending by non-resident air visitors remained 10 per cent below 2019, while spending by non-resident



auto visitors and cruise visitors were 38 and 51 per cent higher, respectively.

Air Visitors

Air travel generally makes up the largest segment of provincial non-resident tourism. In 2023, it accounted for an estimated 62 per cent of non-resident visitors and 72 per cent of non-resident tourism spending. Although non-resident air visitation has not returned to pre-pandemic levels, approximately 304,300 non-resident visitors arrived by airplane in 2023, up 10 per cent compared to 2022.

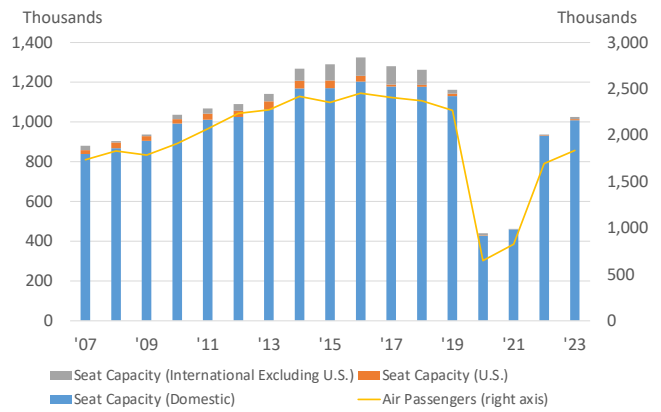
After significant losses in seat capacity in 2020 and 2021 due to the COVID-19 pandemic, re-establishing air access to the province remains essential for the tourism sector. Scheduled inbound non-stop seat capacity for 2023 increased by nine per cent compared to 2022; however, it remained 12 per cent below pre-pandemic levels (see Figure 29). Boarding and deplaning traffic at the province’s seven major airports is estimated to have reached 1,837,629 passengers in 2023.⁸ This represents an increase of 16 per cent over 2022.⁹

Automobile Visitors

Passenger movements on Marine Atlantic ferries have by far surpassed the pre-pandemic 2019 level. In 2023, they reached 368,039, an increase of four per cent compared to 2022 and 19 per cent from 2019. The number of non-resident

Figure 29: Air Passengers and Seat Capacity

Newfoundland and Labrador, 2007-2023

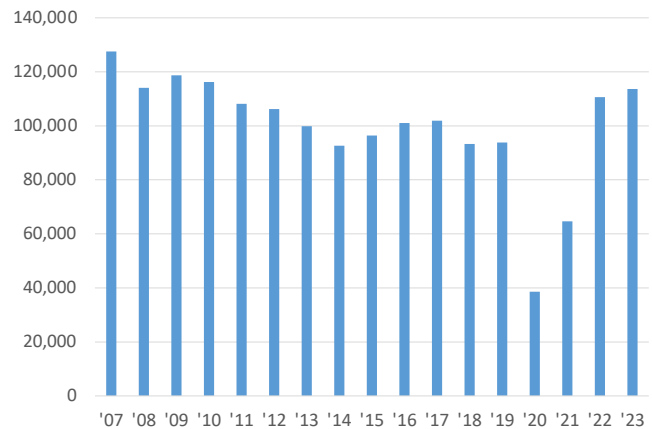


Notes: Passengers are boarding and deplaning; seat capacity is in-bound only
Source: Department of Tourism, Culture, Arts and Recreation

automobile visitors travelling to the province is estimated to have reached 113,600 in 2023, an increase of three per cent relative to 2022 and 21 per cent above 2019 (see Figure 30).

Figure 30: Non-Resident Automobile Visitors

Newfoundland and Labrador, 2007-2023



Source: Department of Tourism, Culture, Arts and Recreation

⁸ The seven major airports are located in St. John's, Gander, Deer Lake, Stephenville, St. Anthony, Wabush and Happy Valley-Goose Bay.

⁹ Data for Wabush has not been available since April 2023; Wabush is not included in the comparison for the May to December period for 2022 and 2023.

Cruise Ship Visitors

In 2023, 42 cruise ships visited Newfoundland and Labrador, making 118 port calls at 17 different ports throughout the province. It is estimated that the province welcomed 69,100 unique cruise ship visitors during the 2023 cruise season, an increase of 55 per cent over 2022 and 32 per cent over 2019. The associated spending by non-resident cruise visitors increased 59 per cent over 2022 and was up 51 per cent compared to 2019.

Accommodations

Businesses in the tourism and hospitality industry, including accommodation and food services, were also severely impacted by the COVID-19 pandemic. As health measures and travel restrictions eased, the boost in tourist activity across the province led to improved sales of accommodation and restaurant services. The preliminary provincial accommodation occupancy rate was 58.0 per cent for 2023, an increase of 7.3 percentage points over 2022, and 11.8 percentage points above the pre-pandemic 2019 rate. The average daily room rate reached \$158 for 2023, up six per cent compared to 2022. The number of room nights sold was 1.7 million for the year, an increase of 15 per cent over 2022, while the associated room revenues increased 22 per cent to \$266.8 million. The number of room nights sold during 2023 was 22 per cent above 2019, with the associated room revenue 39 per cent higher than in 2019.

Conventions and Events

This year marked a return to in-person business events including meetings, conventions, and incentive travel. In 2023, these business events brought 20,932 delegates to the province, up seven per cent from the 19,494 delegates recorded in 2019. Associated room nights reached 32,692 in St. John's, an increase of 10 per cent compared to 2019 (29,709 room nights).

Connecting with Travellers

For the May to October period, the Province's Visitor Information Centres recorded a total of 116,387 visitors in 2023, an increase of 13 per cent over the same period in 2022 but seven per cent below 2019. Across the network of Provincial Historic Sites, visitation reached 90,586 from May to November, marking a decrease of 25 per cent from the same period in 2022, when free admission was offered as part of Come Home Year 2022 celebrations, and 14 per cent below the same period in 2019.

2024 Outlook

- ▶ Resident travel is expected to continue to play an important role in the province's tourism industry in 2024, especially as more potential travellers are impacted by concerns over affordability and rising travel costs in the face of the increasing cost of living.
- ▶ Non-resident and global travel may be negatively impacted by a possible global slowdown, high inflation, high energy

prices and an overall challenging global economic environment; however, travel intentions by residents and other key markets signal continuing strong demand for travel to and within this province in 2024.

- ▶ On May 3, 2023, the Provincial Government announced that 2024 will be known as the “Year of the Arts.” It will feature public events, festivals, music, exhibitions, performances and more, providing increased opportunities for residents and non-resident visitors to celebrate and experience the province’s vibrant arts and culture sector. Several initiatives, including HarbourVOICES! and the Canadian Folk Music Awards, aim to attract visitors to the province.

Inventory of Major Capital Projects



The inventory of major capital projects provides information on capital projects and spending programs in Newfoundland and Labrador valued at \$25 million or more.¹⁰ The list includes both public and private projects that are either continuing or beginning in the current year.¹¹ In many cases, the capital spending figure quoted includes spending from previous years and estimated spending in coming years. Capital costs are estimates in most cases, based on anticipated spending and may vary from actual spending. Capital

spending figures generally include construction costs and soft costs such as engineering, financing, and legal. The inventory was prepared between January and March of 2024.

According to this year's inventory, about \$12.4 billion in major capital spending on projects valued over \$25 million is planned or underway in the province. The 'Mining and Oil & Gas' category tops the list at \$8.2 billion (see Table 7).

¹⁰ Note that while every effort was made to identify projects and research information, this list is not exhaustive. The information was gathered at one point in time and, in some cases, protecting the requested confidentiality of information has prohibited the publishing of projects. Readers should not base investment or business decisions on the information provided.

¹¹ In some project descriptions, government is identified as a source of funding. This reference, in most cases, is based on information provided by the project's proponent and should not be interpreted as an announcement of funding approval by the Government of Newfoundland and Labrador.

The list on the following pages is organized by project type (e.g., commercial, health care/personal care, transportation). It includes key information, such as the project name, capital cost, start date, end date, description and when possible, geographic information.

An asterisk (*) by a project name denotes that the project has a start and end date on a fiscal year basis (e.g., start/end denoted as 2024/2024 refers to the project starting and ending in fiscal year 2024-25; start/end denoted as 2024/2025 refers to the project starting in fiscal year 2024-25 and ending in fiscal year 2025-26). All other years are reported on a calendar year basis.

In some cases, not all information is available. Such cases are listed as NA (not available) or TBD (to be determined). In addition, some projects are included in the list if the capital spending is anticipated to be between \$24 million and \$25 million. The capital spending for these projects is listed as ≈25.0.

The inventory of major projects is also available on the Economics Division’s website at: <https://www.gov.nl.ca/fin/economics/mp-about/>.

Table 7: Major Projects (\$ Millions)

Newfoundland and Labrador	
Mining and Oil & Gas	8,226.5
Municipal Infrastructure	2,301.3
Residential	407.0
Utilities	360.9
Health Care/Personal Care	345.0
Transportation	316.0
Commercial	155.0
Tourism/Culture/Recreation	131.7
Education	93.7
Agriculture/Fishery/Forestry	61.6
Industrial/Manufacturing	34.4
Total	12,433.1

Note: The total value for individual projects may include spending for all years of the project and may not reflect spending for 2024 alone. All projects in US dollars have been converted to Canadian dollars for this table.
Source: Various, Department of Finance

Table 8: Inventory of Major Capital Projects

Project:	Capital Cost \$M:	Start/End:	Description (Location):
Agriculture/Fishery/Forestry			
Aquaculture Capital Plan	35.0	2023/2027	Cooke Aquaculture Inc. - expanding integrated farming operations, including investments in cleaner fish development for enhanced eco-friendly sea lice management, investments in automated farming, harvesting and processing operations and upgrades to seawater sites and equipment. Private funds. (Hermitage, St. Alban's and Belleoram)
Fighting and Managing Wildfires in a Changing Climate Program: Training Fund	26.6	2023/2026	Under the Fighting and Managing Wildfires in a Changing Climate Program: Training Fund, the Province will purchase, upgrade and install wildland fire equipment, and hire and train key personnel. Federal and provincial funds. (Various)
Commercial			
Retail Development	155.0	2017/2035	DewCor/Plaza REIT - construction of an additional 590,000 sq. ft. of retail buildings in "The Shoppes at Galway" area. Private funds. (St. John's)
Education			
School Construction and Renovations*	43.6	2024/2024	Various activities including new school construction, renovations, extensions and major maintenance projects. Provincial funds. (Various)

Table 8: Inventory of Major Capital Projects

Project:	Capital Cost \$M:	Start/End:	Description (Location):
Harsh Environment Research Facility	25.5	2019/2024	Memorial University of Newfoundland - construction of an 8,500 square foot Faculty of Engineering and Applied Science harsh environment research facility that includes a wind/wave tunnel, large cold room and a materials testing apparatus. (St. John's)
Aquarena Sports Facility Upgrades	≈25.0	2021/2025	Memorial University of Newfoundland - construction of a two-storey extension and interior renovations to the existing Aquarena Sports Facility for the 2025 Canada Games. (St. John's)
Health Care/Personal Care			
Mental Health Infrastructure*	250.0	2018/2024	Construction of a new adult mental health and addictions facility through a design-build-finance-maintain arrangement with the private sector. Provincial and private funds. (St. John's)
Health Care Facilities*	50.0	2024/2024	Expenditures for renovations and upgrades to existing health facilities. Includes \$35 million for equipment and furnishing purchases. Provincial funds. (Various)
Hospital Redevelopment*	45.0	2022/2026	Redevelopment of the Emergency Department at the Health Sciences Centre. Provincial funds. (St. John's)

Table 8: Inventory of Major Capital Projects

Project:	Capital Cost \$M:	Start/End:	Description (Location):
Industrial/Manufacturing			
Wind-Hydrogen Developments	NA	2024/NA	In August 2023, the Government of Newfoundland and Labrador announced that four companies were granted the exclusive right to pursue the development of their wind-hydrogen projects through the Crown land application and approval process, which includes a referral to Environmental Assessment. These four companies have announced plans to proceed with wind-hydrogen projects in the province with associated capital expenditure as follows: EverWind NL Company (\$8 billion), Exploits Valley Renewable Energy Corporation (\$10 billion), World Energy GH2 Inc. (\$5.75 billion) and Toqlukuti'k Wind and Hydrogen Ltd./ ABO (NA). (Various)
Refit of Coast Guard Ship	34.4	2024/2025	Newdock St. John's Dockyard Ltd. - conversion and refit of the Canadian Coast Guard ship Judy LaMarsh. It entails accommodation refurbishment and propulsion inspections, among other tasks. The project will create approximately 80 jobs. (St. John's)

Table 8: Inventory of Major Capital Projects

Project:	Capital Cost \$M:	Start/End:	Description (Location):
Mining and Oil & Gas			
West White Rose Project	3,400.0 - 3,800.0	2022/2026	Cenovus Energy and its co-venturers, Suncor Energy and OilCo. - the project is being developed using a fixed drilling platform tied back to existing infrastructure at the White Rose field including the SeaRose FPSO. The project was restarted in 2022, after being placed under review in 2020. The project restart included funding for the SeaRose production vessel to undergo regulatory and maintenance drydocking in 2024. This will support a Certificate of Fitness, allowing the vessel to operate for another 14+ years and enable continued safe and reliable operation of the White Rose Field. First oil is forecast in 2026. (Offshore)
Mine Expansion/ Underground Mine	US\$2,690.0	2018/2024	Vale Newfoundland and Labrador Limited - underground mine development at Voisey's Bay including the Reid Brook and Eastern Deeps deposits. Private funds. (Voisey's Bay)
Mine Development - Phase I	534.0	2022/2024	Marathon Gold Corporation & Calibre Mining Corp. - development of an open pit gold mining and milling operation at the Valentine Gold Project with a 14-year mine life. Private funds. (Valentine Lake)
Mineral Exploration	223.2	2024/2024	Natural Resources Canada uses the federal-provincial/territorial Survey of Mineral Exploration, Deposit Appraisal and Mine Complex Development Expenditures to publish spending intentions for mineral exploration and deposit appraisal. Private funds. (Various)

Table 8: Inventory of Major Capital Projects

Project:	Capital Cost \$M:	Start/End:	Description (Location):
Voisey's Bay Wind Energy Project	77.6	2024/2027	Innu-Inuit Envest Limited Partnership and Vale Newfoundland and Labrador Limited - development of a wind energy project at the Voisey's Bay mine site comprising five 4.2 megawatt wind turbines to provide cost-effective renewable electricity and reduce the carbon footprint of the mining operation by displacing diesel fuel use. Private funds. (Voisey's Bay)
Mine Development	75.0	2024/2025	Maritime Resources - development of an open pit and underground mine for the Hammerdown deposits. The project has an expected five-year mine life. Private funds. (Green Bay)
Iron Ore Processing Upgrades	≈70.0	2024/2025	Rio Tinto IOC - installation of an electric boiler to displace emissions from the usage of the heavy fuel oil boilers, as well as instrumentation and fuel-efficient burners to further reduce heavy fuel oil consumption. Over the lifetime of this project, IOC will see a cumulative reduction of about 2.2 million tonnes of greenhouse gas emissions. Federal and private funds. (Wabush)
Municipal Infrastructure			
Investing In Canada Plan*	1,107.5	2019/2033	Program to provide funding to create long-term economic growth, build inclusive communities, and support a low-carbon, green economy. Federal, provincial and municipal funds. (Various)

Table 8: Inventory of Major Capital Projects

Project:	Capital Cost \$M:	Start/End:	Description (Location):
Federal Gas Tax Program*	593.0	2006/2023	Funding agreement allocating federal funds to municipalities, cities, Inuit community governments and regional service boards in Newfoundland and Labrador for capital infrastructure projects that support the national objectives of productivity and economic growth, a clean environment and strong cities and communities. Federal funds. (Various)
Solid Waste Management Strategy*	324.0	2007/2024	Program provides funding to support planning and infrastructure associated with the implementation of the Provincial Waste Management Strategy. Federal and provincial funds. (Various)
Multi-Year Municipal Capital Works*	165.8	2014/2025	Program to assist municipalities in construction of local infrastructure. Cost-sharing varies with each project. Provincial and municipal funds. (Various)
Municipal Capital Works Program*	60.0	2018/2025	Program to assist municipalities in construction of local infrastructure. Cost-sharing varies with each project. Provincial and municipal funds. (Various)
Wastewater Lift Station Replacement	26.0	2023/2025	Town of Paradise - replacement of Lift Station 10. The new station is designed to serve for 50 years and will meet continued growth. (Paradise)
Wastewater Treatment Plant Upgrades	25.0	2022/2027	Town of Paradise - construction of the secondary wastewater treatment plant on St. Thomas Line. (Paradise)

Table 8: Inventory of Major Capital Projects

Project:	Capital Cost \$M:	Start/End:	Description (Location):
Residential			
Community Development	200.0	2016/2035	DewCor/Clayton Developments - construction of Phase I of the "Galway Living" residential community containing 500 homes. Consists of single family houses, bungalow townhomes, 3-storey executive townhomes, ground-based condominiums, quadraplexes and apartment buildings. Private funds. (St. John's)
Apartment Development	90.0	2024/2026	KMK Capital Inc. - construction of a 196 residential unit apartment development, with underground parking on Shortall Street. Private funds. (St. John's)
Affordable Homes Program	80.0	2024/2026	Funding to support the creation of new affordable rentals in three major regions: St. John's and the surrounding area, communities in other parts of Newfoundland, and Labrador. The program will focus on housing for vulnerable populations, including young adults, Indigenous peoples, persons with disabilities and newcomers. (Various)
Student Housing	30.0	2024/2025	Westerland LP - construction of three six-storey buildings with a total of 205 residential units, targeted toward students. (St. John's)
Tourism/Culture/Recreation			
Hotel Expansion	67.0	2021/2024	Steele Hotels Limited - JAG Hotel & multipurpose room expansion. Private funds. (St. John's)

Table 8: Inventory of Major Capital Projects

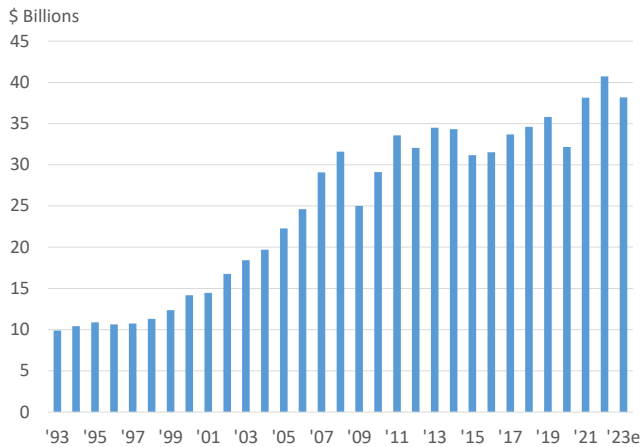
Project:	Capital Cost \$M:	Start/End:	Description (Location):
Canada Games Sporting Facility	40.0	2023/2025	City of St. John's - construction of sporting facility. A Centre of Excellence with athletic training space, teaching space, locker rooms and storage. Federal, provincial and municipal funds. (St. John's)
Regional Recreation Centre	≈25.0	2022/2024	City of Corner Brook - construction of a recreation centre on the Grenfell Campus, complete with swimming pool and aquatic features, daycare centre and fitness centre. Federal, provincial and municipal funds. (Corner Brook)
Multiplex Provincial Recreational Facility	NA	NA	A new multiplex provincial recreational facility in the St. John's metro region to ensure the availability of infrastructure for a growing community.
Transportation			
Provincial Roads Improvement Program*	288.0	2024/2024	Includes secondary road/bridge improvement projects in various parts of the province. Federal and provincial funds. (Various)
Asphalt Rehabilitation	28.0	2022/2025	St. John's International Airport Authority - includes 11 asphalt rehabilitation projects to replace/upgrade airside and groundside asphalt surfaces. Ten projects are airside projects including aprons, taxiways and runways, and are primarily milling, resurfacing and strengthening projects. The other project is a rehabilitation of the groundside road that services the General Aviation area of the airport. Private funds. (St. John's)

Table 8: Inventory of Major Capital Projects

Project:	Capital Cost \$M:	Start/End:	Description (Location):
Utilities			
Electric Utility Capital Program	139.3	2024/2024	Newfoundland and Labrador Hydro - annual capital program (including carryovers from the previous year) aimed at upgrading the provincial power grid and meeting electricity demand. Includes several projects focused on improving reliability and upgrading and replacing aging infrastructure. (Various)
Electric Utility Capital Program	115.9	2024/2024	Newfoundland Power Inc. - capital expenditures to refurbish and serve growth on the electricity system. Private funds. (Various)
Electric Utility Capital Expenditures	105.7	2024/2024	Churchill Falls (Labrador) Corporation - capital expenditures for improvements and upgrades. (Churchill Falls)
Other Investment			
Justice Infrastructure	TBD	2017/2030	Construction of Her Majesty's Penitentiary Correctional Facility replacement. The scope of the project and the capital cost are under review. Provincial funds. (St. John's)

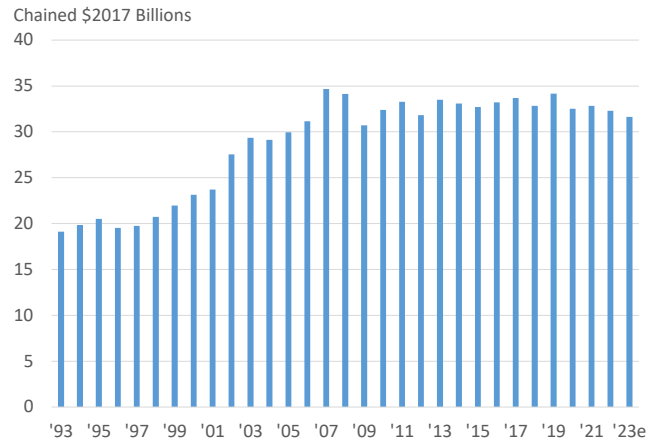
Statistical Indicators

Figure 31: Nominal GDP
Newfoundland and Labrador, 1993-2023



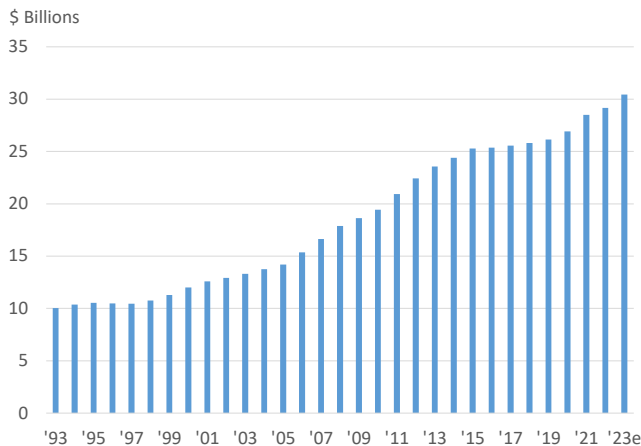
e: estimate
Source: Statistics Canada; Department of Finance

Figure 32: Real GDP
Newfoundland and Labrador, 1993-2023



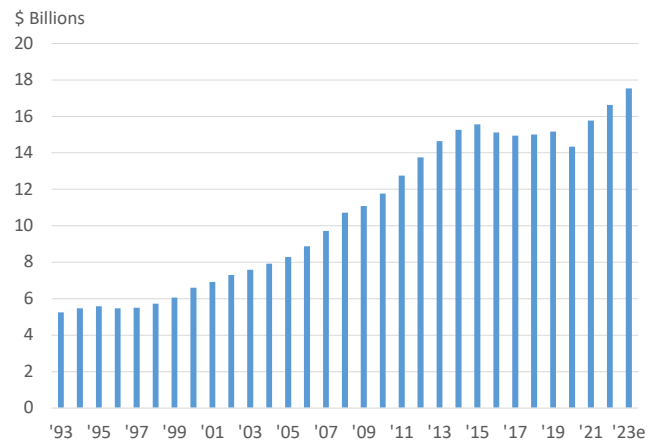
e: estimate
Source: Statistics Canada; Department of Finance

Figure 33: Household Income
Newfoundland and Labrador, 1993-2023



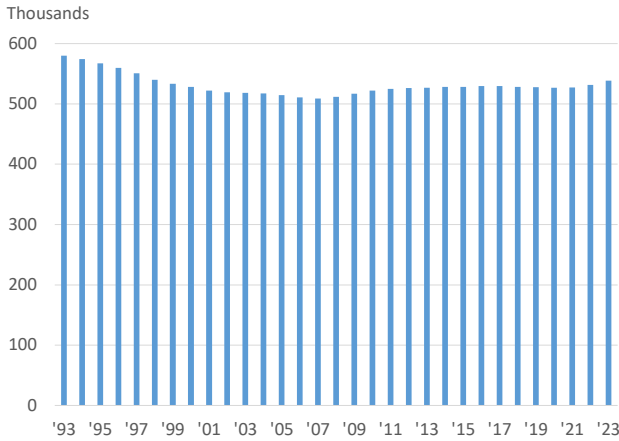
e: estimate
Source: Statistics Canada; Department of Finance

Figure 34: Compensation of Employees
Newfoundland and Labrador, 1993-2023



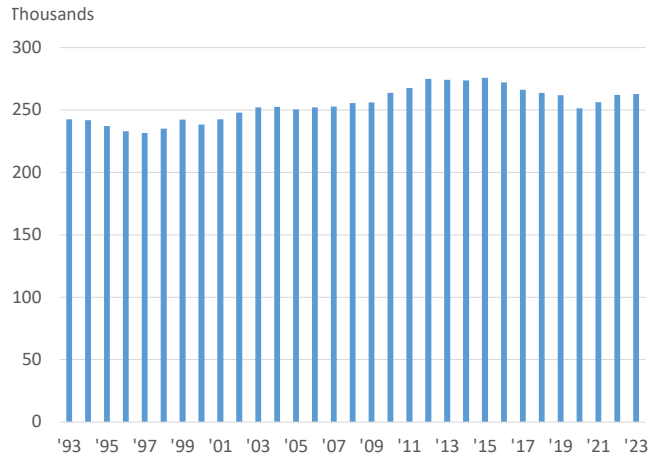
e: estimate
Source: Statistics Canada; Department of Finance

Figure 35: Population
Newfoundland and Labrador, 1993-2023



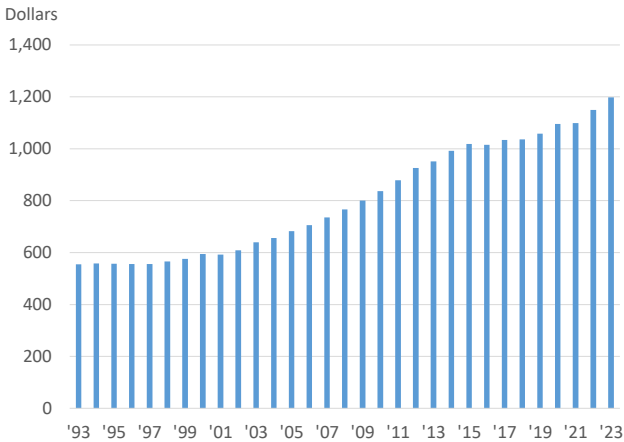
Source: Statistics Canada

Figure 36: Labour Force
Newfoundland and Labrador, 1993-2023



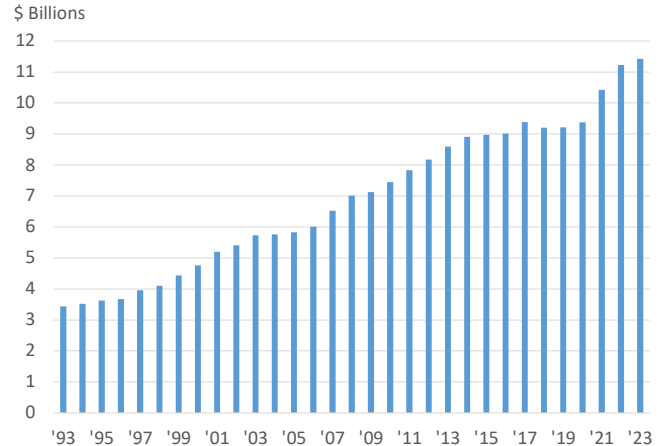
Source: Statistics Canada

Figure 37: Average Weekly Earnings
Newfoundland and Labrador, 1993-2023



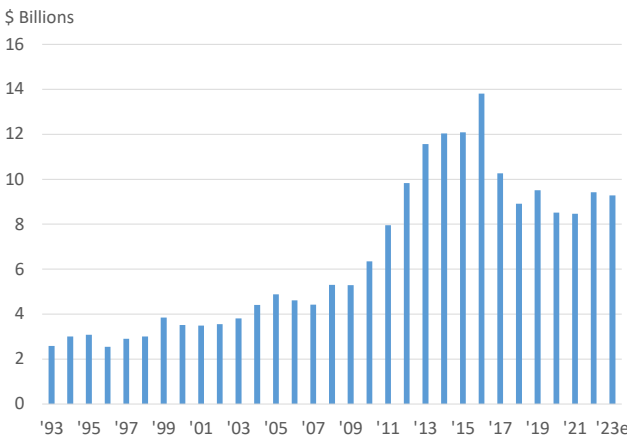
Source: Statistics Canada

Figure 38: Retail Sales
Newfoundland and Labrador, 1993-2023



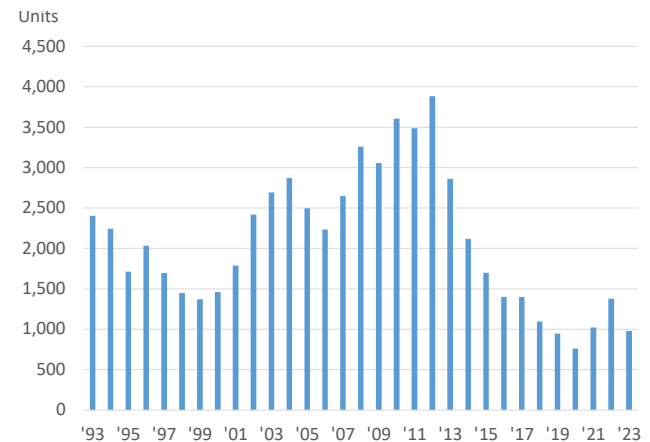
Source: Statistics Canada

Figure 39: Capital Investment
Newfoundland and Labrador, 1993-2023



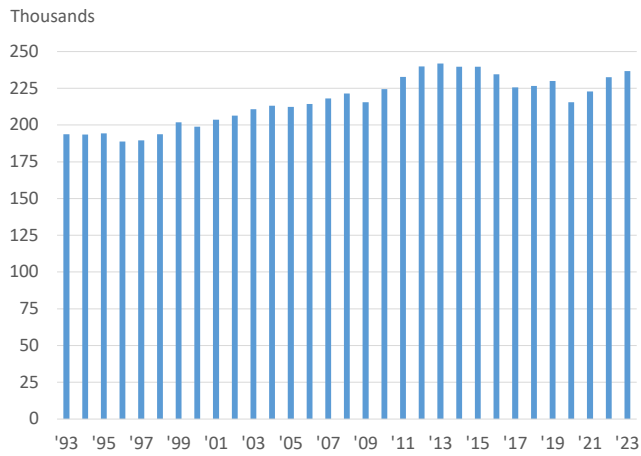
e: estimate
Source: Statistics Canada; Department of Finance

Figure 40: Housing Starts
Newfoundland and Labrador, 1993-2023



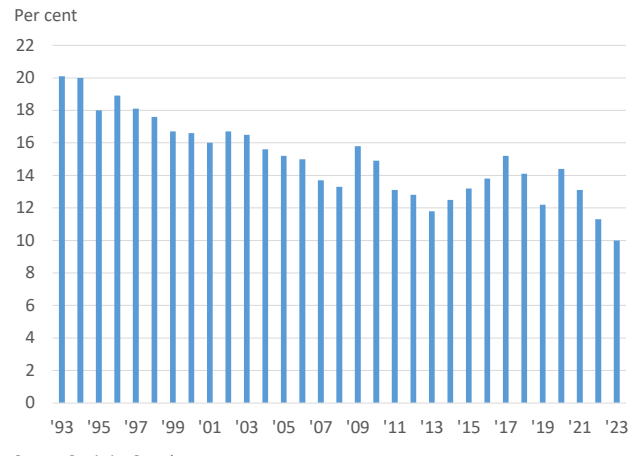
Source: Canada Mortgage and Housing Corporation; Statistics Canada

Figure 41: Employment
Newfoundland and Labrador, 1993-2023



Source: Statistics Canada

Figure 42: Unemployment Rate
Newfoundland and Labrador, 1993-2023



Source: Statistics Canada

