

Tabled by Minister of Finance &
President of Treasury Board
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Q1 Update 2025-26

August 18, 2025

Q1 Update - 2025 Economic Indicators

| | Q1 Update 2025 | Budget 2025 (% change) | Q1 Update 2025 (% change) | Difference (pp) |
|--------------------------------------|----------------|---------------------------|------------------------------|-----------------|
| Nominal GDP (\$ Millions) | 42,009 | 4.3 | 3.3 | -1.0 |
| Real GDP (Chained \$2017 Millions) | 34,126 | 4.4 | 6.3 | 1.9 |
| Household Income (\$ Millions) | 33,818 | 1.9 | 1.9 | 0.0 |
| Retail Sales (\$ Millions) | 12,607 | 2.0 | 3.9 | 1.9 |
| Consumer Price Index (2002=100) | 163.3 | 2.5 | 0.9 | -1.6 |
| Housing Starts (units) | 2,006 | 13.7 | 20.0 | 6.3 |
| Capital Investment (\$ Millions) | 11,330 | -3.1 | 10.3 | 13.4 |
| Population (Thousands of Persons) | 545.8 | 0.2 | 0.1 | -0.1 |
| Employment (Thousands of Persons) | 246.6 | -1.2 | 0.6 | 1.8 |
| Unemployment Rate (%) | 9.9 | 10.8* | 9.9* | -0.9** |
| Oil Production (millions of barrels) | 84.4 | 84.6* | 84.4* | -0.2** |

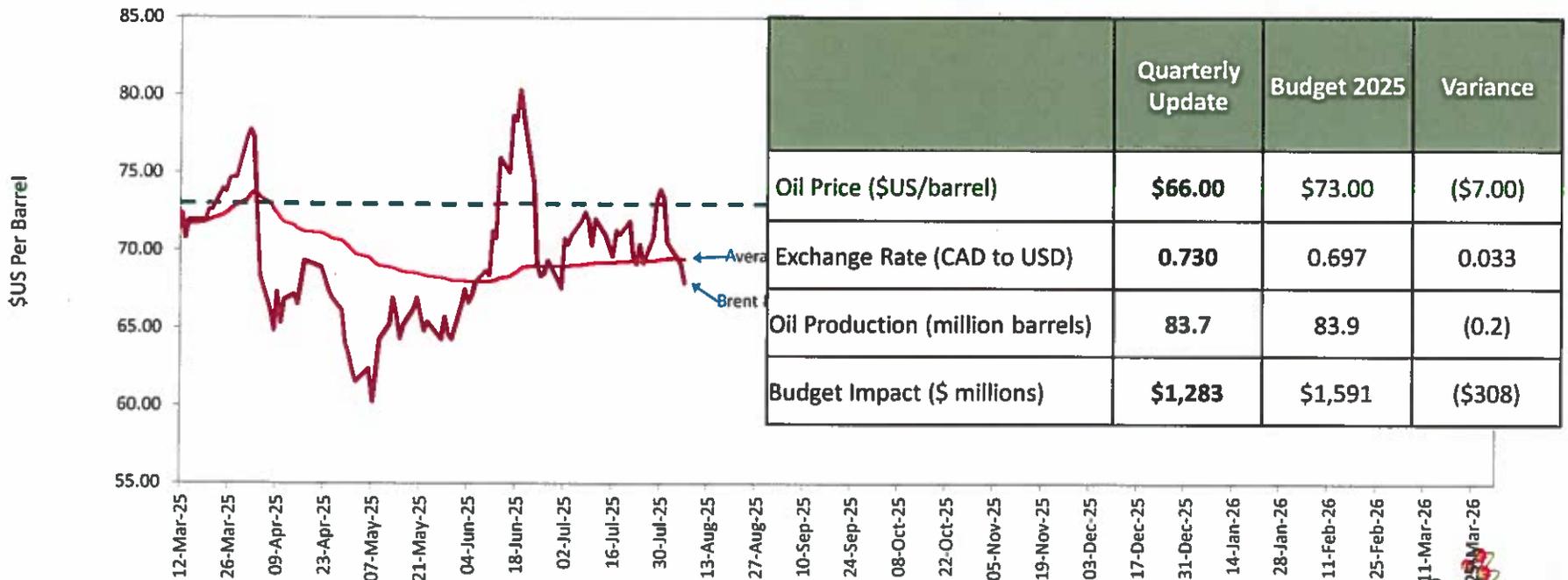
pp: percentage point difference; * Indicator level; ** Level difference

Economic Outlook

- The outlook for most economic indicators in 2025 is projected to be stronger than was forecast in Budget 2025, primarily due to weaker than expected tariff effects.
- Real GDP growth for NL is expected to grow by 6.3% driven by strong mineral and oil production.
- Employment is expected to grow 0.6% as the service sector is boosted by strong consumer spending.
- The unemployment rate is expected to fall slightly to 9.9% aided by employment growth.

Oil Royalties Forecast and Assumptions

Brent Oil Prices
(March 12, 2025 to August 6, 2025)



Q1 Fiscal Update 2025-26

| | Budget 2025-26 | Q1 Update 2025-26 | Variance |
|------------------------------|-------------------|----------------------|--------------|
| Revenue | 10,670 | 10,416 | (254) |
| Expenses* | 11,042 | 11,042 | - |
| Surplus (Deficit) \$M | (372) | (626) | (254) |
| | | | |
| Borrowing Requirement (\$B) | 4.1 | 4.1 | - |
| Net Debt (\$B) | 19.4 | 19.7 | \$0.3B |

*expense pressures exist in disaster assistance (e.g. wildfires) and health care. Departments and entities are working to offset these pressures within approved budgets.