

The background image shows a rocky coastline with a lighthouse on a rocky cliff. The sky is blue with white clouds. A large, solid red rectangular overlay covers the left side of the slide. The text is positioned within this red area.

Newfoundland and Labrador

Fall Fiscal and Economic Update

October 19, 2022

A close-up photograph of a rocky coastline. In the background, a lighthouse stands on a rocky cliff. The sky is blue with white clouds.

Rose Blanche Lighthouse

Fiscal Update 2022-23



	Budget 2022-23	Fall Update 2022-23	Variance
Revenue	9,070	10,404	1,334
Expenses	9,421	9,925	504
Surplus (Deficit) \$M	(351)	479	830
Borrowing Requirement	2,700	1,800	(900)
Net Debt	17,054	16,035	(1,019)

Oil Price, Production and Exchange



Oil Price
\$US per barrel
• \$CDN per barrel
Exchange Rate (CAD to USD)
Oil Production (Million barrels)
Budget Impact (Total Royalties)

	Budget 2022	Fall Update 2022	Variance
Oil Price \$US per barrel	\$86	\$102	\$16
• \$CDN per barrel	\$108.45	\$131.27	\$22.83
Exchange Rate (CAD to USD)	0.793	0.777	-0.016
Oil Production (Million barrels)	83.1	86.0	2.9
Budget Impact (Total Royalties)	\$865.7 M	\$1,240.3 M	\$374.6 M

2022 Economic Indicators

Budget 2022 vs. Fall 2022 (per cent change unless otherwise indicated)

	Budget 2022f	Fall Update 2022f	Difference(pp)
Nominal GDP	3.6	10.1	6.5
Real GDP	0.5	0.9	0.4
Household Income	3.2	7.2	4.0
Retail Sales	3.5	6.0	2.5
Consumer Price Index	3.9	6.5	2.6
Housing Starts	6.7	18.1	11.4
Capital Investment	4.8	4.7	-0.1
Population	0.4	1.1*	0.7
Employment	2.6	3.9	1.3
Unemployment Rate (%)	11.7	10.9	-0.8
Oil Production (millions of barrels)	82.3	85.2	2.9**

f= forecast

*: Actual

**: Millions of barrels.

pp: percentage point difference

Source: Statistics Canada; Department of Finance

Economic Outlook



Global challenges

- Inflation is higher due to continued supply chain issues, but has been slowing in recent months
- Outlook for the global economy hinges on inflation and the impacts of the war in Ukraine

NL economy is performing well in 2022

- Improvement in GDP growth relative to budget reflects better than expected oil prices and oil production
- Tourism sector continues to benefit from a pandemic rebound and the “Come Home 2022” campaign
- Employment, population, household income, retail sales and housing starts are stronger than anticipated

Future opportunities

- Major oil project investment, production and employment are expected to rebound
- Positive announcements concerning future energy development opportunities (e.g. wind and hydrogen)

Thank You

