



BUDGET 2025

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The Economy


Newfoundland
&
Labrador

The Economy 2025 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 April 3, 2025, unless otherwise noted. Readers should note that annual data referenced in this document are reported on a calendar year basis, unless stated otherwise.

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The Economy 2025 is available on the Department of Finance website: www.gov.nl.ca/fin

ISBN 978-1-55146-765-8

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Highlights and Expectations



2024 Highlights

- ▶ Provincial real gross domestic product (GDP) increased by 6.7 per cent in 2024, among the highest growth rates in Canada, supported by higher resource production and strong consumer spending.
- ▶ Employment in the province increased by 6,700 persons (or 2.8 per cent) in 2024, continuing a multi-year trend in job growth.
- ▶ The province's population increased by 1.2 per cent in 2024, the second largest annual increase since 1975. The increase was driven mainly by gains in international migration.
- ▶ Retail sales totalled \$12.1 billion in 2024, an increase of 6.1 per cent compared to 2023.
- ▶ Capital investment is estimated to have totalled \$12.0 billion in 2024, an increase of 24.1 per cent from 2023.
- ▶ Growth in the province's Consumer Price Index (CPI) averaged 1.8 per cent for the year, compared to 3.3 per cent in 2023 and 6.4 per cent in 2022.
- ▶ The value of Newfoundland and Labrador international exports totalled \$13.7 billion in 2024, an increase of 10.2 per cent compared to 2023, largely due to a higher value of crude oil, seafood product, and renewable fuel exports.

Mining at the Iron Ore Company of Canada
Department of Industry, Energy and Technology

- ▶ Household income increased by 5.8 per cent in 2024, reflecting increased employment and higher average weekly earnings.

Oil and Gas

- ▶ Crude oil production totalled 76.5 million barrels in 2024, representing an increase of 4.6 per cent compared to 2023. The corresponding value of production increased by 4.2 per cent to \$8.4 billion.
- ▶ The price of Brent crude oil averaged US\$80.52 per barrel in 2024, a decrease of 2.4 per cent from 2023.
- ▶ Construction on the West White Rose project continued in 2024, and as of December 31, 2024, the project was approximately 88 per cent complete with first oil expected in 2026.

Mining

- ▶ Mineral shipments from the province were valued at \$4.4 billion in 2024, a decrease of 0.6 per cent from 2023, primarily due to lower prices for iron ore and nickel.
- ▶ Mineral exploration expenditures in the province totalled \$243.9 million in 2024, an increase of 6.0 per cent from 2023.

Manufacturing

- ▶ The value of manufacturing shipments totalled \$4.4 billion in 2024, an increase of 25.3 per cent compared to 2023, due to an increase in shipments of non-durable goods (+51.5 per cent).

Fishery and Aquaculture

- ▶ The total volume of fish landings increased by 11.3 per cent to 217,403 tonnes in 2024, the result of higher landings for all major species categories. The corresponding total landed value increased by 33.6 per cent to \$971.5 million, primarily due to increased landings and an increase in the average landed price for snow crab.
- ▶ The volume of aquaculture production increased by 31.3 per cent to 26,183 tonnes in 2024. The corresponding total market value reached \$281.5 million, an increase of 21.9 per cent compared to 2023.

Forestry

- ▶ The volume of newsprint shipments decreased by 12.1 per cent to 199,574 tonnes in 2024.
- ▶ Preliminary estimates for lumber production totalled approximately 100 million board feet in 2024, up from 91 million board feet in 2023.

Agriculture

- ▶ The value of farm cash receipts totalled \$181.3 million in 2024, an increase of 5.5 per cent compared to 2023.

Construction

- ▶ Construction-related investment spending in the province was estimated to be approximately \$9.2 billion in 2024, an increase of 26.0 per cent from the previous year.

Real Estate

- ▶ There were 1,672 housing starts in the province in 2024, an increase of 71.0 per cent compared to 2023.
- ▶ According to the Canadian Real Estate Association's Multiple Listing Service (MLS®), a total of 5,686 homes were sold in the province in 2024, an increase of 6.1 per cent compared to 2023.

Tourism

- ▶ It is estimated that non-resident air and auto visitation was 443,300 visitors in 2024, representing a decrease of 2.9 per cent compared to 2023.
- ▶ The associated non-resident spending was an estimated \$587.0 million, a decrease of 1.1 per cent over 2023, which is on par with pre-pandemic 2019 levels.

2025 Expectations

- ▶ Newfoundland and Labrador's real GDP is forecast to increase by 4.4 per cent to \$34.9 billion (\$2017) in 2025, primarily due to increased oil and mineral production.
- ▶ Real exports are expected to increase by 6.4 per cent, driven mainly by anticipated increases in crude oil and mineral exports.
- ▶ Total employment is forecast to decline by 1.2 per cent in 2025, primarily due to the effects of United States tariffs on the Canadian and local economy.
- ▶ Household income is expected to increase by 1.9 per cent in 2025, partly due to continued wage growth.

- ▶ Income growth is anticipated to continue to support retail sales, which is forecast to increase by 2.0 per cent in 2025.
- ▶ The rate of consumer inflation is expected to increase to 2.5 per cent, mainly due to Canadian counter-tariffs on the United States driving up consumer prices. Higher inflation due to tariffs will be partly offset by the removal of the consumer carbon tax on April 1, 2025.
- ▶ Population growth is expected to moderate in 2025 due to lower international in-migration.
- ▶ Various tariffs have been placed on Canadian goods entering the United States and China. As a result, Newfoundland and Labrador will see negative impacts on economic growth, employment and inflation. The impacts of these tariffs have been broadly captured in the economic forecast.

Oil and Gas

- ▶ Oil production is expected to increase in 2025 as the SeaRose FPSO restarted production at the White Rose field in March.
- ▶ The topsides and concrete gravity structure associated with the West White Rose project are expected to be installed offshore in 2025 with developmental drilling beginning later in the year.
- ▶ The Department of Finance expects Brent crude oil prices to average US\$73.90 per barrel in 2025, on a calendar year basis (or US\$73.00 per barrel in the 2025-26 fiscal year).

Mining

- ▶ The volume of mineral shipments is expected to increase in 2025, driven mainly by rising nickel production from the underground mines at Voisey's Bay, but also due to the start of gold production at the Valentine and Hammerdown gold projects.
- ▶ Iron ore and nickel prices are both likely to face downward pressure in 2025.
- ▶ Mineral exploration is expected to total \$258.1 million in 2025, a 5.8 per cent increase over 2024.

Manufacturing

- ▶ The value of manufacturing shipments is expected to be boosted by increased nickel shipments in 2025, mainly driven by increasing production from the underground mines at Voisey's Bay.

Fishery and Aquaculture

- ▶ The volume of fish landings in Newfoundland and Labrador is expected to remain relatively steady in 2025.
- ▶ Aquaculture production is expected to increase in 2025, as gains from both new sites and expansions to existing sites continue to boost output.

Forestry

- ▶ Provincial lumber production is projected to reach approximately 105 million board feet in 2025, an increase of 5.0 per cent over 2024.

- ▶ Annual newsprint prices are expected to average US\$825 per tonne in 2025, up from US\$778 per tonne in 2024.

Agriculture

- ▶ Prices of farm inputs are expected to remain elevated in 2025, which will likely result in continued high prices for farm products and increased farm cash receipts.
- ▶ The ongoing war in Ukraine could further affect prices for farm inputs like grain and fertilizer.

Construction

- ▶ Total construction-related capital spending is expected to decrease by 2.9 per cent to \$9.0 billion in 2025, as several mining projects transition from construction to the operations phase.
- ▶ The industry will continue to benefit from major project activity, particularly as investment in the West White Rose project is expected to remain high in 2025.

Real Estate

- ▶ Housing starts are forecast to be 1,901 units in 2025, an increase of 13.7 per cent compared to 2024.
- ▶ The Canadian Real Estate Association forecasts residential sales in the province to be 6,150 units, a rise of 8.2 per cent compared to 2024. The average resale price is forecast to rise 6.7 per cent to \$341,035.

Tourism

- Improvements to air access will continue to play an important role in the province's tourism industry in 2025, following the re-establishment of a non-stop link to Europe for the first time since 2019.

GDP and Employment by Industry

Table 1: GDP and Employment by Industry
Newfoundland and Labrador

	GDP 2023e		Employment 2024	
	\$ Millions	% of Total	Person Years, 000s	% of Total
Goods-Producing Sector	15,008.9	42.0	49.8	20.3
Agriculture, Forestry & Logging	167.3	0.5	1.5	0.6
Fishing, Hunting & Trapping	623.4	1.7	2.2	0.9
Mining	3,324.8	9.3	8.2	3.3
Oil Extraction	5,512.7	15.4	3.1	1.3
Support Activities for Oil & Mining	489.9	1.4	2.9	1.2
Manufacturing	1,137.7	3.2	9.9	4.0
Fish Products	423.9	1.2	3.4	1.4
Other	713.9	2.0	6.5	2.7
Construction	2,951.7	8.3	19.8	8.1
Utilities	801.4	2.2	2.1	0.9

Table 1: GDP and Employment by Industry**Newfoundland and Labrador**

	GDP 2023e		Employment 2024	
	\$ Millions	% of Total	Person Years, 000s	% of Total
Services-Producing Sector	20,769.1	58.1	195.2	79.7
Wholesale Trade	880.1	2.5	5.4	2.2
Retail Trade	1,992.8	5.6	32.6	13.3
Transportation & Warehousing	1,216.5	3.4	13.0	5.3
Finance, Insurance, Real Estate & Business Support Services	1,962.2	5.5	14.1	5.8
Professional, Scientific, & Technical Services	1,313.1	3.7	12.4	5.1
Educational Services	1,907.0	5.3	21.0	8.6
Health Care & Social Assistance	3,202.1	9.0	47.6	19.4
Information, Culture & Recreation	744.2	2.1	6.4	2.6
Accommodation & Food Services	636.8	1.8	13.8	5.6
Public Administration	3,016.1	8.4	20.7	8.4
Other Services	3,898.3	10.9	8.3	3.4
Total, All Industries	35,778.0	100.0	245.0	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

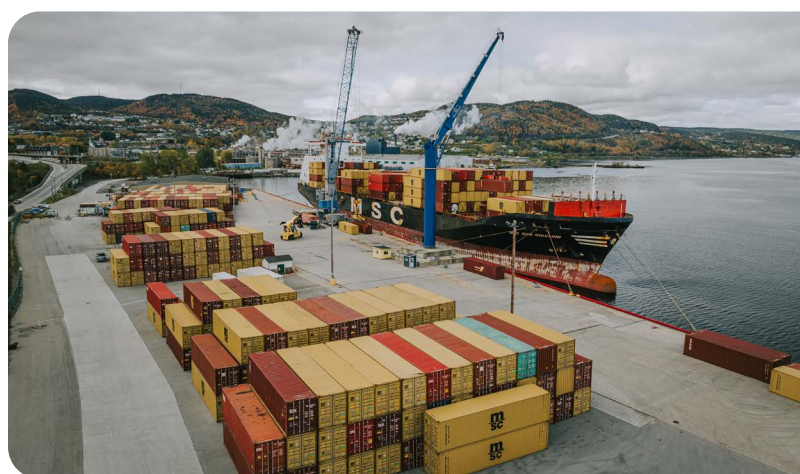
According to the International Monetary Fund (IMF), growth in real gross domestic product (GDP) for the world economy was 3.2 per cent in 2024, below the pre-pandemic average of 3.7 per cent over the 2000 to 2019 period (see Table 2).

Table 2: Real GDP Growth (per cent)
by Country/Region, 2023-2025f

	2023	2024e	2025f
World	3.3	3.2	3.3
China	5.2	4.8	4.6
United States	2.9	2.8	2.4
India	8.2	6.5	6.5
Japan	1.5	-0.2	1.1
United Kingdom	0.3	0.9	1.6
Euro Area	0.4	0.8	1.0
Germany	-0.3	-0.2	0.3
France	1.1	1.1	0.8
Italy	0.7	0.6	0.7
Spain	2.7	3.1	2.3
Canada	1.5	1.5	1.3

e: estimate; f: forecast

Source: International Monetary Fund (January 2025);
others available upon request.



In recent years, the global economy was confronted with a series of shocks, including a pandemic, disrupted supply chains, and a war on Ukraine. These events contributed to elevated global inflation in 2022 and 2023. In 2024, however, notable progress was made in slowing inflation. While core goods price inflation fell back to or below its pre-pandemic level, service price inflation remained elevated, especially in the United States and euro area. This follows a period of tight monetary policy intended to dampen inflation, which partially explains limited

economic growth in developed countries in 2024. The loosening of monetary policy began with the Bank of Canada and the European Central Bank cutting their target interest rates in June 2024. The Bank of England followed with cuts in August, while the United States Federal Reserve announced the first cut to its target rate in mid-September.

Real GDP growth in advanced economies reached 1.7 per cent in 2024. At 2.8 per cent, growth in the United States outperformed other advanced economies, which is attributed to strong growth in consumption. On the other hand, the euro area continued to post lower growth than the average for advanced economies. Germany, the economic engine of Europe, experienced a slight decline in its real GDP for the second consecutive year. Among the other major euro area economies, growth was also weak in France (1.1 per cent) and Italy (0.6 per cent), but strong in Spain (3.1 per cent).

Real GDP in emerging and developing economies increased by 4.2 per cent in 2024, with India once again outpacing China. However, growth in both countries decelerated from 2023. China remained mired in a real estate crisis, threatening financial stability and eroding consumer confidence. As of late 2024, real estate prices remained on a steady downward trend. China posted a deficit in foreign direct investment in the third quarter of 2023, the first ever

deficit recorded since comparable records began in 1998. While some observers noted that this may be an anomaly due to financial accounting, this persisted into 2024, with an estimated decline of 27.1 per cent. This likely reflects other developed countries' interests in reducing their reliance on China for manufacturing in the face of increasing trade restrictions from Western countries (especially the United States). Alternative countries being considered include India, Thailand, and Vietnam.

The IMF projects global real GDP growth of 3.3 per cent in 2025. Growth is anticipated to be 1.9 per cent in advanced economies and 4.2 per cent in developing economies. Note that the IMF refrains from making any assumptions about policy changes that are currently under public debate. This includes announced tariffs from the new United States administration and trade frictions that may result if implemented. This represents a risk which may affect the global outlook.

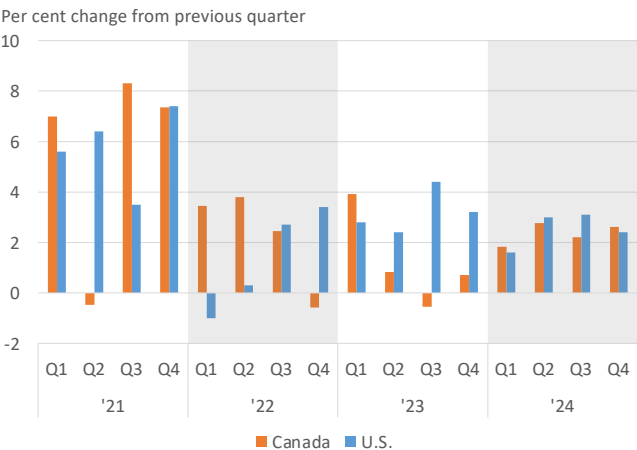
Energy commodity prices are expected to decline by 2.6 per cent in 2025, largely reflecting weak Chinese demand and strong supply from countries outside of the Organization of the Petroleum Exporting Countries (OPEC) and OPEC+.¹ Geopolitical tensions are expected to persist in the Middle East, while the Russia-Ukraine war is now in its fourth year.

¹ OPEC+ includes additional partners, such as Russia. Canada and the United States are not OPEC+ members.

United States

Real GDP in the United States increased by 2.8 per cent in 2024, slightly below the 2.9 per cent recorded in 2023. In the fourth quarter of 2024, real GDP increased by 2.4 per cent at an annual rate, decelerating from 3.0 per cent in the second quarter and 3.1 per cent in the third quarter (see Figure 1). The largest contribution to the latest annual gains stemmed from household consumption, followed by gross private domestic investment, with gains across both residential and non-residential investment. Gains in personal consumption may reflect higher incomes as wage growth outpaced inflation, and significant gains in wealth as equity prices soared.

Figure 1: Annualized Real GDP Growth
Canada and United States, Quarterly, 2021-2024



Inflation in the United States averaged 2.9 per cent in 2024, decelerating from 4.1 per cent in 2023. In response to rising and persistent inflation in 2022 and 2023, the Federal Reserve applied a contractionary monetary policy, gradually raising its benchmark federal funds target interest rate

up to a range between 5.25 and 5.50 per cent as of July 2023, representing a 22-year high. This rate remained in place until three rate cuts were applied in the second half of 2024, bringing the target rate down to between 4.25 and 4.50 per cent.

Due to increased interest rates, existing-home sales in the United States in 2024 were at their lowest annual level since 1995. Low housing starts, combined with expectations of lower future mortgage rates, may have played a role in deferring decisions on home buying. In December 2024, the national median existing-home price stood at US\$404,400, an increase of 6.0 per cent from December 2023. Housing starts in 2024 were down 3.9 per cent compared to 2023. The home-builder confidence index in the market for newly built single-family homes has been slowly improving in every month since August 2024, hinting at expectations of improved financial conditions on the demand side in 2025.

Despite monetary policy weighing down economic activity, job creation continued in the United States in 2024. Non-farm payroll employment increased by an average of 168,000 persons per month in 2024, compared to an average of 216,000 per month in 2023. Employment gains were in line with historical average monthly job creation of 183,000 between 2010 and 2019. The seasonally adjusted unemployment rate in December 2024 stood at 4.1 per cent. The labour force participation rate remains slightly below pre-pandemic levels.

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 2025. Prospects for the labour market suggest an unemployment rate holding steady at 4.2 per cent in 2025. The pace of job creation is expected to continue to decelerate, with the survey of forecasters predicting average monthly gains of 145,000 persons in 2025.

Canada

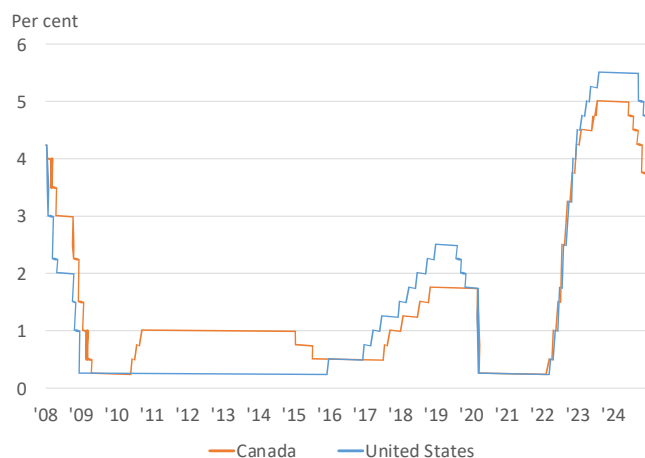
Canada's real GDP increased by 1.5 per cent in 2024, the same pace as 2023. Growth was supported by household consumption (+2.4 per cent), government expenditures (+3.2 per cent) and government investment (+7.2 per cent), which reached its highest annual growth rate since 2010. At the same time, private sector investment declined by 1.3 per cent, decreasing for the third consecutive year. The contribution of trade was neutral, as exports and imports both increased by 0.6 per cent. On a per capita basis, real GDP declined in 2023 and 2024, reflecting population growth outpacing GDP gains. This is an unusual result outside of a recession, with a cumulative decline of 2.8 per cent in Canada's real GDP per capita over the last two years. In contrast, real per capita GDP increased by 3.9 per cent in the United States during the same period.

Employment in Canada rose by 1.9 per cent in 2024, however, these gains were outpaced by gains in the working-age population, which increased by 3.5 per cent, largely due to international in-migration. Consequently, the

annual unemployment rate increased from 5.4 per cent in 2023 to 6.3 per cent in 2024. Despite a growing over supply of labour, wage rates continued to grow at a strong pace. In 2024, average weekly earnings increased by 4.6 per cent compared to 2023.

Canada's inflation averaged 2.4 per cent in 2024, down from 3.9 per cent in 2023 and 6.8 per cent in 2022, with 2022 representing the highest annual inflation rate recorded in four decades. To reduce inflation, the Bank of Canada initiated a series of interest rate increases in 2022. With rate increases implemented between March 2022 and July 2023, the overnight target interest rate climbed to 5.0 per cent (see Figure 2). Since June 2024, the Bank of Canada decreased its target rate seven times, down to 2.75 per cent as of late March 2025. The policy of the Bank of Canada is to target an inflation rate between 1.0 per cent and 3.0 per cent.

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

Following two years of decline, housing starts in Canada increased by 2.0 per cent in 2024.

Despite the turnaround, housing remains in short supply across Canada. Higher interest rates, in conjunction with high residential construction costs weighed against new construction. Until recently, higher rental prices were also evident, reflecting limited housing supply and record population increases. The average price of a home sold in Canada stood at \$691,150 in December 2024, up from \$658,784 in December 2023, but down from a high of \$824,325 in February 2022. Moving forward, interest rate reductions and several initiatives announced by federal and provincial governments should boost housing supply in 2025.

The latest average of forecasts by major Canadian banks and the Conference Board of Canada expects Canadian real GDP to grow by 1.3 per cent in 2025 (see Table 3). The rapid succession of cuts to interest rates are expected to contribute to higher private investment and housing construction. The highest estimated real GDP growth rate among provinces in 2025 is expected in Newfoundland and Labrador (4.4 per cent), driven mainly by higher crude oil, iron ore and gold production. This is forecast to be followed by Nova Scotia (2.0 per cent), Saskatchewan (1.8 per cent), Alberta (1.8 per cent), and British Columbia (1.8 per cent).

The tariffs on Canadian goods entering the United States and China pose substantial risks to Canada's economic outlook. Should they remain in place for a prolonged period, these tariffs will erode Canada's export competitiveness, curb industrial production, and result in job losses, particularly in the

manufacturing, steel, and aluminum sectors. A decline in exports will slow GDP growth and have adverse effects on the economy. Additionally, retaliatory tariffs from Canada on United States imports will disrupt supply chains, weaken business confidence and investment, and raise inflation as businesses pass higher costs on to Canadian consumers. Such a trade dispute can also be expected to put downward pressure on the Canadian dollar, increase import costs, and further fuel inflation.

**Table 3: Real GDP Growth (per cent)
by Province, 2024e-2025f**

	2024e	2025f
Newfoundland and Labrador	6.7	4.4
Prince Edward Island	2.1	1.5
Nova Scotia*	1.9	2.0
New Brunswick*	1.5	1.1
Quebec*	1.4	1.1
Ontario	1.2	1.1
Manitoba*	1.1	1.7
Saskatchewan*	1.6	1.8
Alberta*	3.0	1.8
British Columbia*	1.2	1.8
Canada	1.5	1.3

Note: Provinces with an asterisks denote actual Budget 2025 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 Nova Scotia; Government of Alberta; Government of British Columbia; Government of Saskatchewan; Government of Manitoba; Government of Quebec; Government of New Brunswick

Provincial Economic Overview

Newfoundland and Labrador's economy showed significant growth in 2024, driven by strong performances in key sectors such as mining, oil and gas, and the service sector. Real GDP is estimated to have increased by 6.7 per cent, among the highest growth rates in Canada, supported by higher resource production and strong consumer spending (see Table 4). Employment increased by 6,700 persons, or 2.8 per cent in 2024, and the unemployment rate stayed near-historic lows at 10.0 per cent. The housing market saw a surge in new home construction and sales of existing homes were above 2023 levels. Economic growth was further supported by lower inflation and interest rates. The province's population grew by 1.2 per cent in 2024, one of the highest increases in decades, bolstered by record-high international in-migration and positive interprovincial migration.

Marine Imaging
SubC Imaging

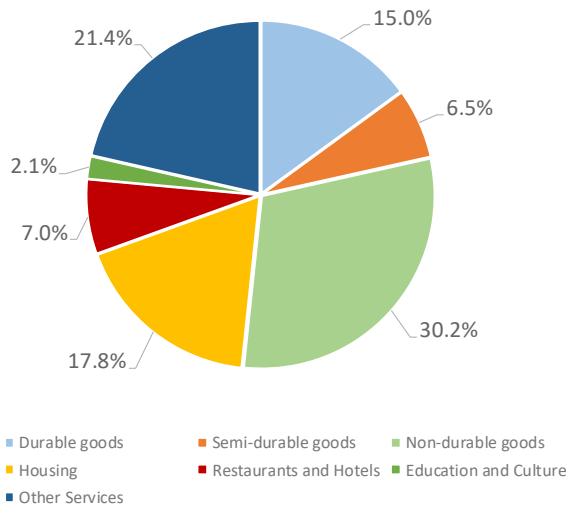


Consumer Spending

Consumer spending is an important component of economic activity. Consisting of expenditures on all goods and services within an economy, consumer spending plays a key role in employment and overall economic growth (see Figure 3). Despite a challenging and evolving economic landscape, many measures of consumer spending in the province were strong in 2024, led by a notable rebound in new motor vehicle sales. Overall, consumer spending increased by an estimated 5.6 per cent to \$22.2 billion in 2024.

Figure 3: Components of Consumer Spending

Newfoundland and Labrador, 2024



Retail sales generally account for over half of the consumer spending in the province. Retail sales totalled \$12.1 billion in Newfoundland and Labrador in 2024, an increase of 6.1 per cent compared to 2023. Growth was robust throughout the year, driven by higher employment and wages, easing inflation, and lower interest rates. In 2024, retail sales growth was especially strong in 'Motor vehicle and parts dealers', which increased 12.3 per cent compared to 2023. Growth in this category reflects new and used car sales, as well as sales of parts and services labour. Notable growth was also seen in 'Gasoline stations and fuel vendors' (+21.1 per cent). Increases in these categories were partly offset by lower sales at 'Food and beverage retailers' (-6.3 per cent), mainly reflecting lower sales at grocery and convenience stores, despite higher prices for those retailers.

New motor vehicle sales were exceptionally strong in the province in 2024, growing

faster than in any other province. The number of new cars sold totalled 33,326 units in 2024, an increase of 21.4 per cent compared to 2023. Several factors likely contributed to this growth, with the timing and rate at which dealerships received vehicles being the most significant. Since mid-2021, new car sales in the province had been subdued due to supply chain disruptions caused by the pandemic. Newfoundland and Labrador was slower to recover from these issues compared to the rest of the country, which helps explain the strong growth seen in 2024 relative to other provinces. Higher employment and wages as well as lower interest rates also likely played a role in the increase of new car sales.

In the service sector, sales at food services and drinking places totalled approximately \$1.1 billion in 2024, an increase of 3.5 per cent compared to 2023. Sales at full-service restaurants, which primarily includes family restaurants, diners, and fine-dining restaurants, increased by 0.7 per cent, while sales at limited-service eating places such as coffee and doughnut shops, fast food restaurants, and ice cream parlours, increased by 4.5 per cent.

Table 4: Provincial Economic Indicators

Newfoundland and Labrador, 2023-2029f

	2023	2024e	2025f	2026f	2027f	2028f	2029f
GDP at Market Prices (\$Millions)	38,959	41,642	43,419	44,781	47,339	50,740	55,359
% Change	-5.5	6.9	4.3	3.1	5.7	7.2	9.1
Real GDP at Market Prices (Chained \$2017 Millions)	31,358	33,465	34,923	35,479	36,722	38,455	41,124
% Change	-2.6	6.7	4.4	1.6	3.5	4.7	6.9
Household Income (\$Millions)	31,440	33,248	33,864	34,483	35,313	37,240	39,208
% Change	7.6	5.8	1.9	1.8	2.4	5.5	5.3
% Change, real	4.2	3.9	-0.6	-0.2	0.2	3.2	3.0
Household Disposable Income (\$Millions)	21,173	22,530	23,054	23,524	24,164	25,479	26,804
% Change	7.0	6.4	2.3	2.0	2.7	5.4	5.2
% Change, real	3.5	4.5	-0.2	0.0	0.5	3.2	2.9
Retail Sales (\$Millions)	11,433	12,135	12,371	12,587	12,894	13,395	13,958
% Change	1.9	6.1	2.0	1.7	2.4	3.9	4.2
% Change, real	-0.9	5.4	-0.5	0.1	0.6	2.1	2.4
Consumer Price Index (2002=100)	159.0	161.9	166.0	169.4	173.1	176.9	180.9
% Change	3.3	1.8	2.5	2.1	2.2	2.2	2.2
Capital Investment (\$Millions)	9,662	11,989	11,623	11,211	12,385	17,634	26,653
% Change	11.0	24.1	-3.1	-3.5	10.5	42.4	51.1
% Change, real	7.8	20.2	-4.0	-5.0	8.3	40.3	48.6
Housing Starts	978	1,672	1,901	2,199	2,302	2,337	2,401
% Change	-29.1	71.0	13.7	15.6	4.7	1.5	2.8
Employment ('000s)	238.3	245.0	242.1	241.0	241.5	251.9	262.3
% Change	1.8	2.8	-1.2	-0.5	0.2	4.3	4.1
Labour Force ('000s)	264.6	272.0	271.4	272.1	271.2	272.7	276.0
% Change	0.2	2.8	-0.2	0.3	-0.3	0.5	1.2
Unemployment Rate (%)	9.9	10.0	10.8	11.4	10.9	7.6	5.0
Participation Rate (%)	57.6	58.3	57.9	57.7	57.4	57.4	57.4
Population ('000s)	538.9	545.2	546.1	548.2	548.6	551.0	556.4
% Change	1.4	1.2	0.2	0.4	0.1	0.4	1.0

e: estimate; f: forecast, Department of Finance, April 2025

Source: Statistics Canada; Department of Finance

Inflation

Following a period of higher inflation due to global economic pressures, including supply chain disruptions and fluctuating energy prices, inflation in Newfoundland and Labrador moderated significantly in 2024. Growth in the province's Consumer Price Index (CPI) averaged 1.8 per cent for the year, compared to 3.3 per cent in 2023 and 6.4 per cent in 2022. Monthly inflation levels fluctuated between the Bank of Canada's target of 1.0 per cent to 3.0 per cent for most of the year, remaining closer to the lower bound during the latter part of the year.

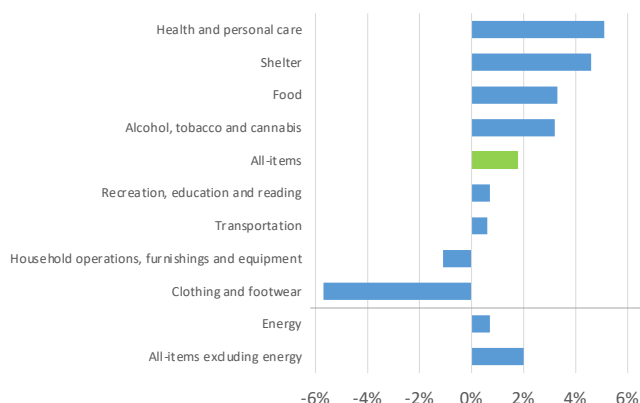
The rate of price growth for goods and services had distinct trends in 2024. Price growth for goods eased significantly, whereas service inflation was more persistent. The price index for goods increased by 0.8 per cent in 2024 compared to 2.7 per cent in 2023. Inflation for non-durable goods decelerated to 2.2 per cent in 2024 compared to 3.5 per cent in 2023. The categories that contributed to lower inflation in the non-durable goods sector included 'Other food products and non-alcoholic beverages' (+2.9 per cent in 2024 vs. 10.3 per cent in 2023), 'Bakery and cereal products' (+1.4 per cent in 2024 vs. 10.4 per cent in 2023) and 'Meat' (+2.6 per cent in 2024 vs. 6.9 per cent in 2023). Prices for durable goods fell by 0.3 per cent on an annual average basis in 2024, with notable price declines occurring in 'Furniture and household textiles' (-4.0 per cent) and 'Household equipment' (-2.5 per cent). On an annual average basis, prices for

services increased by 3.2 per cent in 2024, compared to 4.0 per cent in 2023. Lower price increases for 'Health care services' (+2.8 per cent in 2024 vs. +4.7 per cent in 2023) and 'Personal care services' (+4.8 per cent in 2024 vs. +11.7 per cent in 2023) contributed significantly to the lower price growth for services in 2024, alongside smaller price increases for 'Food purchased from restaurants' (+4.5 per cent in 2024 vs. +6.5 per cent in 2023).

Although annual inflation was lower in most major CPI components in 2024, growth in some prices remained high relative to pre-pandemic levels, particularly for essential items such as food, shelter, and electricity (see Figure 4). CPI growth for 'Food' averaged 3.3 per cent in 2024, which was higher than the overall inflation rate. This was partly due to elevated prices for 'Food purchased from stores' (+2.9 per cent), notably fruits, vegetables, and dairy products. 'Shelter' price growth (+4.6 per cent) moderated through the year, largely due to multiple reductions to the Bank of Canada's overnight target interest rate, but also remained higher than the overall inflation rate. 'Electricity' price inflation averaged 6.0 per cent in 2024, as Newfoundland Power, the primary retailer of electric power in Newfoundland and Labrador, increased electricity rates in the province by an average of 6.8 per cent for residential consumers effective August 1, 2024. Despite higher prices for electricity, inflation continued to moderate and stabilize for other energy products. 'Gasoline' price inflation averaged 0.3 per cent in 2024, up from 2023 (-6.8 per cent), but much

lower than the record highs in 2022 (+25.9 per cent) and 2021 (+36.6 per cent). The change in prices for ‘Fuel oil and other fuels’, averaged a decline of 18.4 per cent in 2024, after peaking at 67.0 per cent in 2022.

Figure 4: Per Cent Change in CPI
Newfoundland and Labrador, 2024 vs 2023



Source: Statistics Canada; Department of Finance

At the national level, CPI growth was much lower across all provinces in 2024. Newfoundland and Labrador’s annual inflation rate, at 1.8 per cent, was tied with Prince Edward Island for the third lowest in the country, behind Saskatchewan (+1.4 per cent) and Manitoba (+1.1 per cent). The inflation rate for Canada was 2.4 per cent.

Exports

International exports from the province totalled \$13.7 billion in 2024, an increase of 10.2 per cent compared to 2023. The export value of crude oil and seafood products both increased due to increased crude oil production and higher prices for snow crab, while renewable fuel exports also provided a substantial boost to overall value. However, increased production levels for both iron ore

and nickel were not enough to offset lower prices for those commodities in 2024.

Oil production was 4.6 per cent higher in the province in 2024, mainly due to the return of production from the Terra Nova floating production, storage and offloading vessel (FPSO) (see **Oil and Gas**). Much of the added production from Terra Nova, however, was offset by suspended production from the White Rose project, which was offline for most of the year as the SeaRose FPSO underwent a refit as part of the field’s Asset Life Extension project. Production also declined slightly at both the Hibernia and Hebron projects, compared to 2023. The value of crude oil production increased by 4.2 per cent, despite a lower Brent crude oil price in 2024. Overall, the value of international crude oil exports from the province totalled \$7.5 billion in 2024, an annual increase of 9.6 per cent.

In the seafood processing sector, the value of exports increased by 20.2 per cent in 2024. This was due to higher fish landings, increased aquaculture production and higher market prices for key species, particularly snow crab (see **Fishery and Aquaculture**).

Nickel production in the province increased significantly in 2024 compared to the previous year, as construction wrapped up and production ramped up at the Voisey’s Bay underground mines (see **Mining**). However, as result of lower nickel prices, the value of international non-ferrous metal exports from the province, which is mostly comprised of refined nickel exports from

Long Harbour, totalled \$820.3 million in 2024, a decrease of 21.4 per cent compared to 2023.

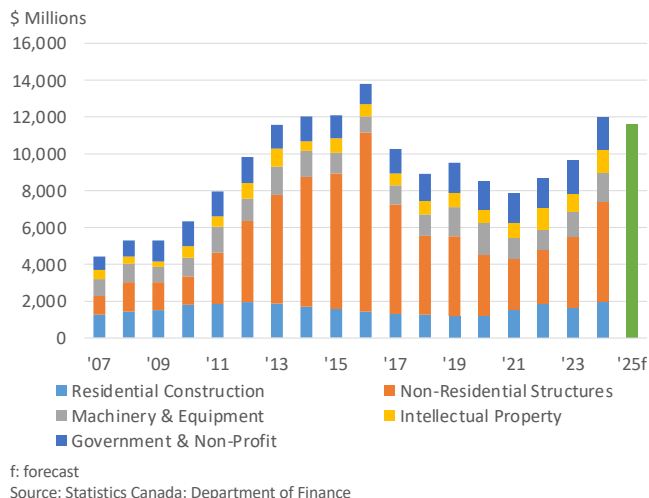
Iron ore production in the province in 2024 remained close to the previous year's level, as increased production in the first half of the year was offset by a decline in the third quarter due to an 11-day shut down of the Iron Ore Company of Canada stemming from forest fires in mid-July (see **Mining**). Iron ore prices started the year at the highest level they have been since mid-2022, but trended downward for the remainder of the year. Overall, the value of international exports of iron ore from the province totalled \$2.6 billion in 2024, a decrease of 6.0 per cent compared to 2023.

The value of renewable fuel exports totalled \$724.3 million in 2024, as production began at Braya Renewable Fuels' refinery at Come By Chance in February.

Capital Investment

Capital investment in Newfoundland and Labrador is estimated to have totalled \$12.0 billion in 2024, an increase of 24.1 per cent from 2023 (see Figure 5). Investment increased across most categories, led by non-residential and residential investment. Non-residential spending was supported by investment growth in the mining sector in 2024, while residential spending was boosted by an increase in housing starts.

Figure 5: Capital Investment
Newfoundland and Labrador, 2007-2025f



Labour Market

Newfoundland and Labrador's labour market displayed encouraging signs of growth and stability in 2024. Employment increased by 6,700 persons, or 2.8 per cent, continuing a multi-year trend in job growth. This contributed to another near-record low unemployment rate at 10.0 per cent, indicating improved job opportunities and a more dynamic labour market. With increased international and interprovincial migration, the province's population growth contributed positively to the labour market.

The services-producing sector was a key driver of job growth in 2024, particularly in education and health care. Total service sector employment increased by 6,600 persons, or 3.5 per cent. This was driven by a 3,300 person gain in 'Educational services' employment and an 1,800 person gain in 'Health care and social assistance' employment. Other service-sector industries, such as 'Wholesale and retail trade', also

posted strong employment growth (+1,400 persons). The goods-producing sector showed stable employment, increasing by 100 persons, or 0.2 per cent, led by a 200 person gain in both 'Construction' and 'Forestry, fishing, mining, quarrying, oil and gas'.

The province's labour force increased by 2.8 per cent in 2024, mainly due to an increase in the working age population (those 15 years of age and older) and an increase in the overall participation rate (+0.7 percentage points). Much of the growth in these indicators can be attributed to high levels of international in-migration.

Wages continued to grow in the province in 2024, driven by increased employment, particularly in full-time positions, further increases to the minimum wage, and general salary increases in both the public and private sectors. Household income increased by 6.0 per cent, reflecting higher average weekly earnings, which was \$1,243.06 in 2024, compared to the Canadian average of \$1,260.54.

Population

On an annual basis, Newfoundland and Labrador's population increased by 6,340 persons, or 1.2 per cent, between July 1, 2023 and July 1, 2024. This marked the second largest annual increase since 1975, driven by gains in both international and interprovincial migration which mitigated losses due to natural population change (lower births than deaths). Net international migration reached the second highest annual

level (+9,219) since consistent records began in 1971, largely due to a record number of immigrants (+5,353) and very close to a record number of net non-permanent residents (+3,973). Net interprovincial in-migration was positive for a fourth consecutive year (+598) and was dominated by net gains from Ontario (+1,108). The largest net loss was to Alberta (-517). Losses from natural population change totalled 3,477. Natural population change losses have been accelerating for the last eight years, reflecting an aging population.

Economic Outlook

There are risks to the short-term outlook for the province related to tariffs placed on Canadian goods entering the United States and China. As a result, Newfoundland and Labrador will see negative impacts on economic growth, employment and inflation. The impacts of these tariffs have been broadly captured in the economic forecast.

Despite these impacts, Newfoundland and Labrador's real GDP is forecast to increase by 4.4 per cent to \$34.9 billion (\$2017) in 2025, primarily due to increased oil and mineral production. Real exports are expected to increase by 6.4 per cent, driven mainly by higher crude oil, iron ore and gold production. The Terra Nova oil project is expected to continue to ramp up production and the Valentine Gold project is expected to start producing this year. Pre-development work on six potential wind-hydrogen projects and the Gull Island hydroelectric project are expected to support non-residential

investment. Rising housing starts are expected to boost residential investment.

Total employment is forecast to decline by 1.2 per cent in 2025, primarily due to the effects of United States tariffs on the Canadian and local economy. The unemployment rate is expected to rise slightly to 10.8 per cent.

Household income is expected to increase by 1.9 per cent in 2025 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 2.0 per cent in 2025. The rate of consumer inflation is expected to increase to 2.5 per cent, mainly due to Canadian counter-tariffs on the United States. Consumer price pressures will be partly offset by the removal of the consumer carbon tax on April 1, 2025.

Population growth is expected to moderate in 2025 due to reduced international in-migration. Overall, the province's population is forecast to rise by 0.2 per cent in 2025, with net natural losses being more than offset by international in-migration.

In the medium-term, investment is forecast to accelerate, driven by construction activity associated with wind-hydrogen projects, the Bay du Nord deepwater oil project, and Upper Churchill-related construction activity. This is expected to result in significant real GDP growth over the period and a tightening of local labour markets.

Oil and Gas

The oil and gas industry plays an important role in the Newfoundland and Labrador economy, accounting for approximately 14 per cent of the province's real GDP in 2023. There are four developed oilfields in the province's offshore area: Hibernia, Terra Nova, White Rose (including North Amethyst), and Hebron. Three of the four fields produced crude oil in 2024, as production was paused at the White Rose field in January 2024 to refit the SeaRose FPSO. Production activities at the White Rose field resumed on March 13, 2025. Oil production in Newfoundland and Labrador's offshore totalled 76.5 million barrels (MMbbls) in 2024, representing an increase of 4.6 per cent, or 3.4 MMbbls, compared with 2023 (see Figure 6). Over the past two years, Newfoundland and Labrador accounted for approximately 12 per cent of Canada's conventional light crude oil production.

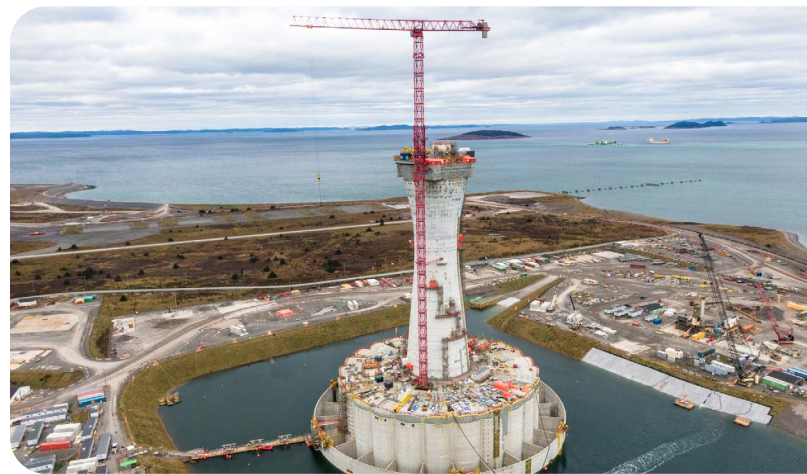
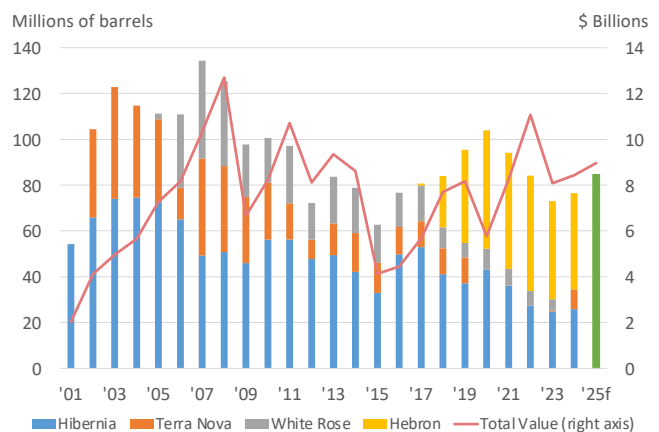


Figure 6: Offshore Oil Production
Newfoundland and Labrador, 2001-2025f



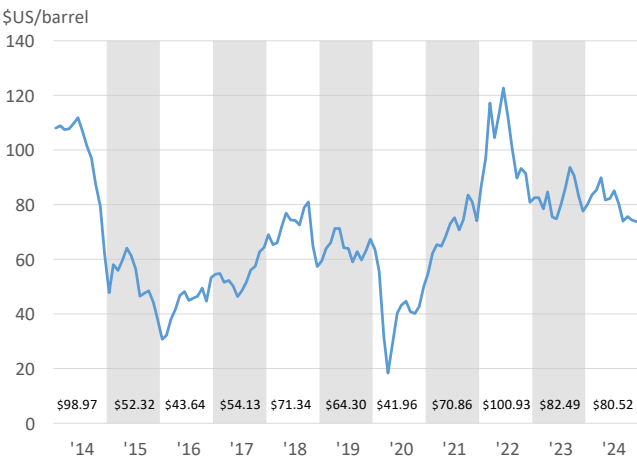
f: forecast

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

West White Rose CGS in Argentina
Department of Industry, Energy and Technology

The value of crude oil production increased by 4.2 per cent to \$8.4 billion in 2024. The price of Brent crude oil averaged US\$80.52 per barrel in 2024, a decrease of 2.4 per cent from 2023 (see Figure 7). The global oil market continues to be influenced by ongoing supply restrictions by OPEC+ and geopolitical concerns. Since 2022, it is estimated that OPEC+ production cuts to support the market have totalled 5.9 million barrels per day, which is equal to about 5.7 per cent of global demand. Recently, these cuts have been extended until the end of 2026 due to weak demand and increased supply from outside of the group. The ongoing Russia-Ukraine war, tensions in the Middle East and United States tariff threats also continue to influence oil prices.

Figure 7: Brent Crude Oil Prices
Monthly, 2014-2024



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 25.8 MMbbls in 2024, an increase of 3.9 per cent from 2023. The Hibernia oilfield had an estimated 519 MMbbls of recoverable reserves remaining as of January 27, 2025, with 1,016 Newfoundland and Labrador residents working on the project as of December 31, 2024.

Terra Nova

The Terra Nova oilfield, located southeast of the Hibernia field in the Jeanne d'Arc Region, was the second oil project to be developed in the province. The field was developed using the Terra Nova FPSO and achieved first oil in January 2002. Production at Terra Nova was halted in December 2019 and the oilfield underwent an Asset Life Extension project, which is expected to add 10 years of production to the field. The FPSO resumed production in November 2023. Oil production at Terra Nova totalled 8.7 MMbbls in 2024, up significantly from 0.5 MMbbls in 2023. The Terra Nova oilfield had an estimated 72 MMbbls of recoverable reserves remaining, as of January 22, 2025. There were 550 Newfoundland and Labrador residents working on the Terra Nova project as of December 31, 2024.

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 and achieved first oil in November 2005. There was no production from the White Rose project in 2024, as the SeaRose FPSO sailed to Belfast, Northern Ireland, to undergo a refit as part of the White Rose ALE project. Refit work for the ALE project is now complete and production at the White Rose field resumed on March 13, 2025.

Construction on the West White Rose project continued in 2024. The West White Rose project will access further resources to the west of the field, using a fixed drilling rig tied back to the existing SeaRose FPSO. Cenovus and its partners have invested about \$1.3 billion in the project since 2022. As of December 31, 2024, the West White Rose project was approximately 88 per cent complete with first oil expected in 2026. As of January 22, 2025, the White Rose project (including its satellite areas) had an estimated 177 MMbbls of recoverable reserves remaining. There were 731 Newfoundland and Labrador residents working on the White Rose's operations activities and 822 residents working on the West White Rose project as of December 31, 2024.

Hebron

The Hebron oilfield, also 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 42.0 MMbbls in 2024, a decline of 2.2 per cent from 2023. The Hebron field had an estimated 519 MMbbls of recoverable reserves remaining as of January 27, 2025. There were 969 Newfoundland and Labrador residents working on the project as of December 31, 2024.

Bay du Nord

In July 2018, the Government of Newfoundland and Labrador, Equinor Canada and Cenovus 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 significantly improved the potential for additional recoverable oil. On February 2, 2024, the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) issued a Significant Discovery License to Equinor for the Cambriol G-92 discovery which is estimated to hold 340 MMbbls of recoverable reserves. The estimated recoverable reserves associated with the Bay du Nord project currently stands 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. However, Equinor has stated that the company is committed to the Bay du Nord project and is seeking opportunities to lower associated costs with the project. Equinor has not made a final investment decision regarding the Bay du Nord project, but the recent decision by Equinor to contract two companies to develop preliminary designs for a production and storage vessel to operate at the Bay du Nord oil field is a positive sign for the project.

Exploration

The Newfoundland and Labrador offshore is divided into eight regions based on activity defined by the C-NLOPB's Scheduled Land Tenure System.⁴ 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 \$294 million as of January 2025.⁵ The following figure highlights exploration activity in the province's offshore (see Figure 8).

Jeanne d'Arc Region

- ▶ There is currently one Exploration License (EL) within the Jeanne d'Arc Region.
- ▶ There are currently no active oil and gas-related Environmental Assessments

submitted to the Impact Assessment Agency of Canada.

Eastern Newfoundland Region

- ▶ There are currently six ELs entirely within the Eastern Newfoundland Region.
- ▶ ExxonMobil and Qatar Energy spudded the Persephone C-54 well with the Stena DrillMax drill ship in the Orphan basin on May 24, 2024. In September 2024, ExxonMobil announced that the Persephone C-54 well did not find commercial hydrocarbons.
- ▶ As part of an effort to improve the Bay du Nord project's feasibility, Equinor hired the Hercules semi-submersible drill rig to conduct exploration activities at the Sitka deposit in the Flemish Pass Basin. Equinor spudded the Sitka C-02 well on July 10, 2024, and spudded the Cappahayden C-85 well on September 16, 2024. On November 4, 2024, Equinor announced that it had completed its 2024 exploratory drilling campaign in Newfoundland and Labrador's offshore. While significant hydrocarbons were not discovered, Equinor stated that this will not affect the progression of the Bay du Nord project.

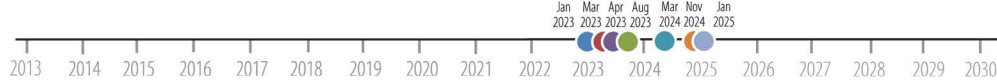
⁴ The Land Tenure System is the method by which companies gain the rights to conduct exploration activity in a region. The companies bid for the land based on the dollar value of their proposed work commitments with the rights to conduct exploration going to the highest bidder.

⁵ 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)



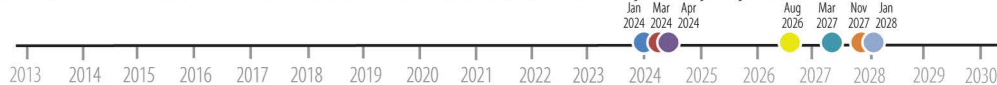
2024 Labrador North (NL24-CFN02) (Low Activity, 2-3-yr cycle)



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



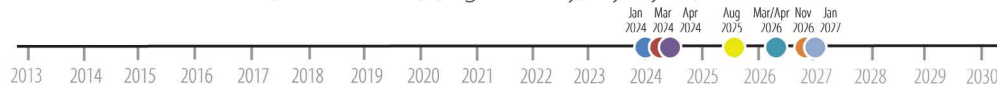
North Eastern Newfoundland (NL24-CFN02) (Low Activity, 2-3-yr cycle)



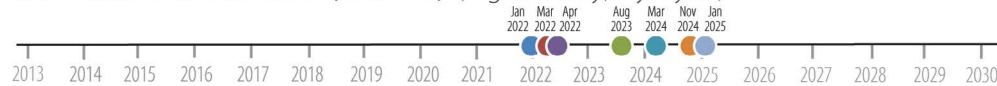
South Eastern Newfoundland (NL24-CFN02) (Low Activity, 2-3-yr cycle)



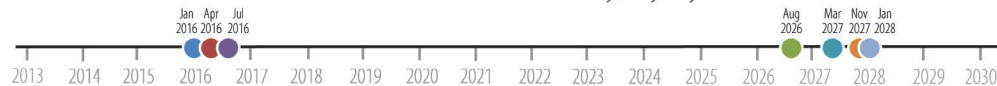
Eastern Newfoundland (NL24-CFN01) (High Activity, 2-yr cycle)



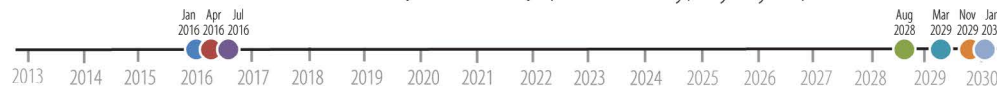
2022 Eastern Newfoundland (NL06-EN) (High Activity, 2-yr cycle)



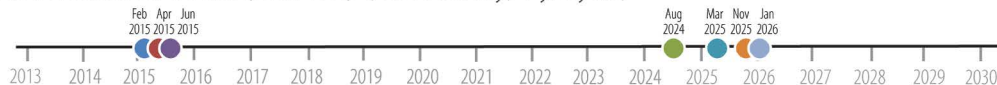
2016 Southern Newfoundland (NL01-SN) (Low Activity, 4-yr cycle)



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



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

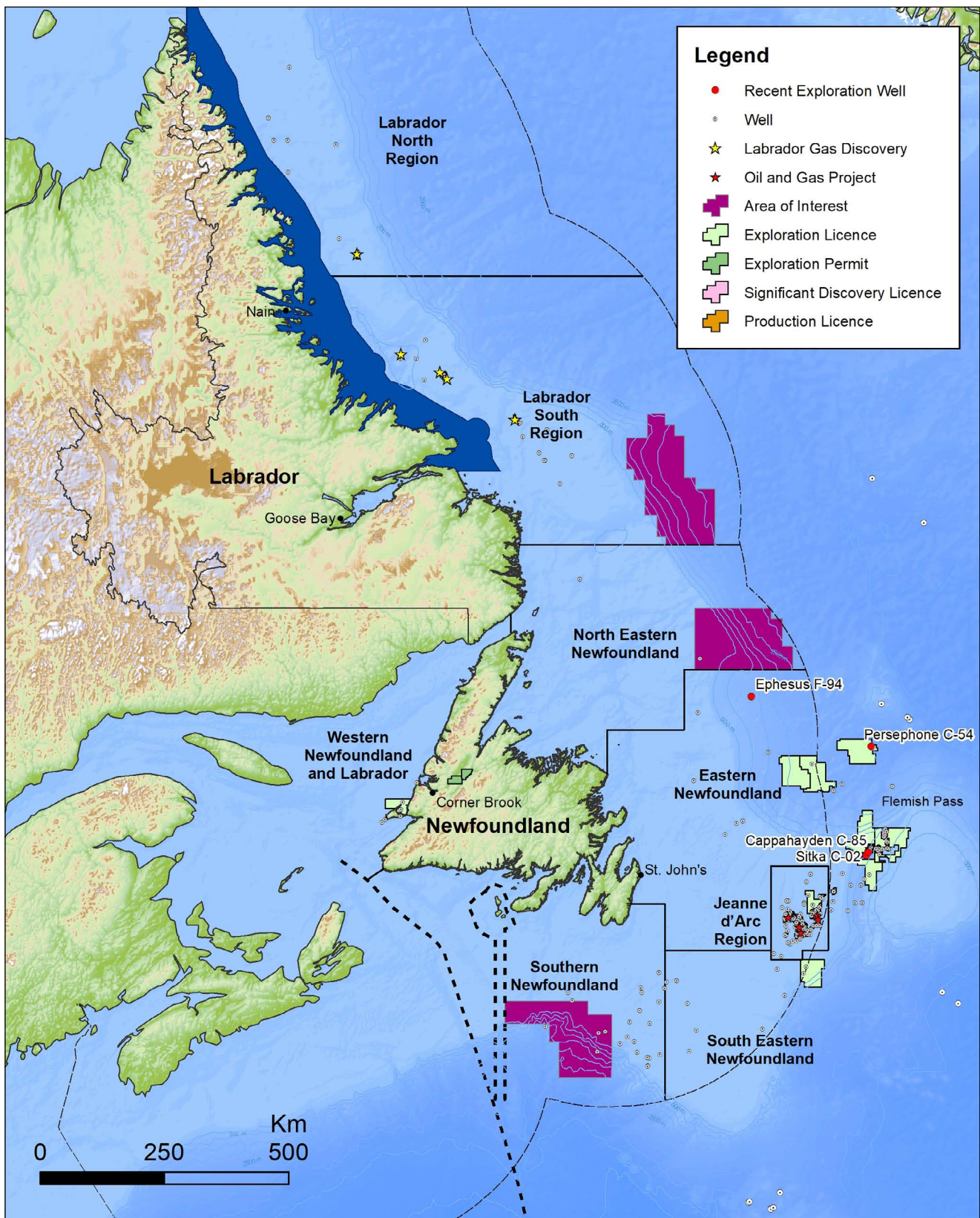


Source: Canada-Newfoundland & Labrador Offshore Petroleum Board

2025 Outlook

- ▶ Oil production is expected to increase in 2025 as the SeaRose FPSO restarted production at the White Rose field in March.
- ▶ The topsides and concrete gravity structure associated with the West White Rose project are expected to be installed offshore in 2025 with developmental drilling beginning in late 2025.
- ▶ The Department of Finance expects Brent crude oil prices to average US\$73.90 per barrel in 2025, on a calendar year basis (US\$73.00 per barrel in the 2025-26 fiscal year).
- ▶ Oil produced entirely in Canada is not expected to be hit with United States tariffs, meaning impacts on the Newfoundland and Labrador oil sector should be minimal. Local producers have made an effort to reduce dependency on United States markets over the past two decades, resulting in 40-60 per cent of oil being shipped by tanker to western Europe and other countries in 2023 and 2024. While United States tariffs could pose challenges, Newfoundland and Labrador's ability to export to other markets makes it well-positioned to adapt and minimize United States tariff impacts.

Map 1: Newfoundland and Labrador Petroleum Lands



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

Mining

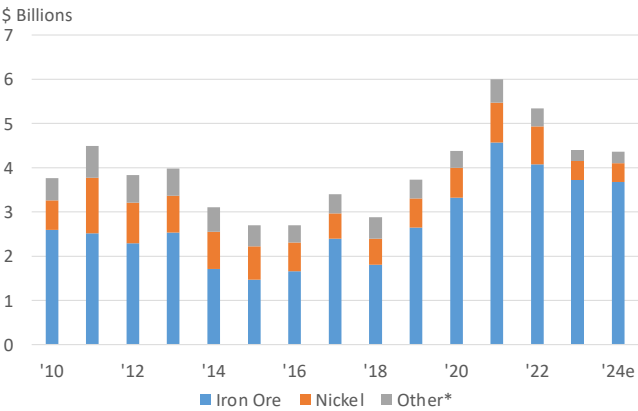


Mineral shipments from Newfoundland and Labrador were valued at \$4.4 billion in 2024, a decrease of 0.6 per cent from 2023, primarily due to lower prices for iron ore and nickel (see Figure 9). Total mining-related employment was approximately 7,900 person years in 2024, a decrease of 11.5 per cent compared to 2023, due to the completion of construction activities associated with the Voisey’s Bay Mine Expansion (VBME) project.

Haul Truck at the Scully Mine in Wabush
Tacora Resources Inc.

Iron ore prices averaged US\$103.66 per tonne in 2024, a decrease of 9.3 percent from 2023, mainly due to oversupply in the global market (see Figure 10). China purchases approximately three-quarters of global seaborne iron ore shipments. Increased shipments from the world’s largest iron ore producers, rising stockpiles at Chinese ports, and lower steel production all contributed to the oversupply issues.

Figure 9: Value of Mineral Shipments
Newfoundland and Labrador, 2010-2024e

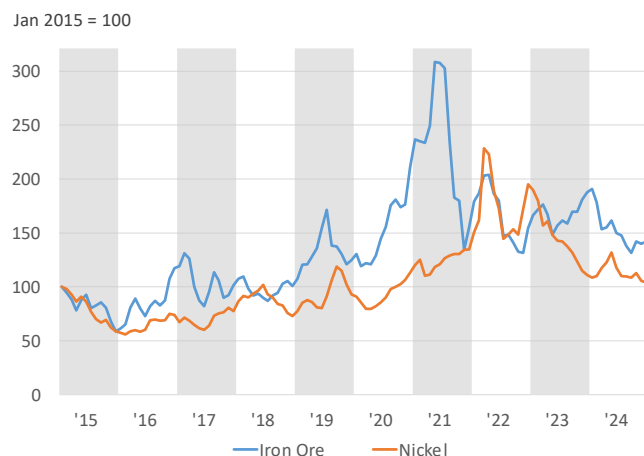


* Includes antimony, copper, cobalt, gold, silver, barite, dolomite, fluorspar, gypsum, limestone, peat, pyrophyllite, sand & gravel, stone aggregate and dimension stone.
e: estimate
Source: Department of Industry, Energy and Technology; Natural Resources Canada

The ongoing Chinese real estate downturn prompted steel mills within China to lower their production levels, which also negatively impacted iron ore prices.

Figure 10: Mineral Price Indices

Monthly, 2015-2024



Source: Bloomberg

The price of nickel averaged US\$7.63 per pound in 2024, a decrease of 21.7 per cent from 2023. Supply growth outpaced demand growth in the nickel market, as Indonesian nickel production continued to increase rapidly, accounting for approximately half of global nickel production. Demand growth from the green transition has been weaker than originally expected as lithium iron phosphate electric vehicle batteries, which do not contain nickel, have risen in popularity, especially in China.

The price of gold is becoming increasingly more relevant to the provincial economy as two gold mines are expected to begin production in 2025. The price of gold averaged US\$2,386 per troy ounce in 2024, an increase of 23.0 per cent from 2023, mostly due to strong demand from China.

Weak returns on Chinese equities and the collapse of the Chinese real estate sector have increased the attractiveness of gold for Chinese investors. The People's Bank of China has been tilting its US\$3 trillion stock of reserves toward gold in recent years. Given its scale, purchases of gold by the People's Bank of China have had a strong impact on gold prices. Rising geopolitical uncertainty and continued purchases of gold by the People's Bank of China are expected to support gold prices in 2025.

Iron Ore Company of Canada

The Iron Ore Company of Canada (IOC) mine and processing facility, located in Labrador City, is one of Canada's largest iron ore producers. With a high-grade iron ore reserve and a long mine life, IOC is a global leader in the iron ore industry, producing premium products. Saleable iron ore production from IOC, including concentrate and pellets, totalled 16.1 million tonnes in 2024, a 2.4 per cent decline over 2023, partly due to an 11-day shut down in July 2024 stemming from forest fires in western Labrador. Employment at IOC totalled 2,200 person years in 2024, an increase of 0.9 per cent from 2023.

Vale Newfoundland and Labrador

Vale Newfoundland and Labrador (VNL) operates the Voisey's Bay nickel mines on the north coast of Labrador and a hydrometallurgical nickel processing plant at Long Harbour on the island portion of the province. All nickel mined at Voisey's Bay

is shipped to Long Harbour for processing. Nickel production from VNL totalled 19,200 metric tonnes in 2024, an increase of 42.2 per cent from 2023. Copper production totalled 12,900 metric tonnes in 2024, an increase of 34.4 per cent from 2023. Rising production levels were driven by the continued ramp-up of underground production at Voisey's Bay as part of the VBME project.

On December 3, 2024, Vale announced the completion of the VBME project, which began in late 2018. The expansion included shifting operations from the open-pit Ovoid mine to the two newly developed underground mines, Reid Brook and Eastern Deeps. These mines are expected to produce 45,000 tonnes of nickel annually, along with approximately 20,000 tonnes of copper and 2,600 tonnes of cobalt as by-products. The full ramp-up of underground production is expected to occur in the second half of 2026.

Employment for all aspects of VNL operations, including at the Voisey's Bay mine site and the Long Harbour Processing Plant, was estimated to be 2,524 person years in 2024, a decrease of 35.0 per cent from 2023. This largely reflects the transition from the construction phase of the underground mines toward operations.

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 457

person years of employment in 2024, a decrease of 11.4 per cent from 2023.

Tacora Resources Inc. (Tacora) is an iron ore mining and processing company that reactivated the Scully Mine near Wabush, Labrador, in 2018. On September 20, 2024, Tacora closed a sale transaction led by an investor group consisting of Cargill Incorporated, Millstreet Capital Management, O'Brien-Staley Partners and Brigade Capital Management LP. This included a \$250 million equity injection to support capital investment and expansion plans, as well as a 10-year offtake agreement with Cargill metals business. This supports Tacora's long-term goal of producing more than six million tonnes of iron ore concentrate annually. Tacora's operations generated 699 person years of employment in 2024, an increase of 3.2 per cent from 2023.

FireFly Metals Ltd. (formerly AuTECO Minerals Ltd./Rambler Metals and Mining Canada Ltd.) is an Australian company that owns 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. While production at the mine has been halted since February 2023, FireFly plans to continue exploration activities in 2025 and is expected to revise its resource estimate.

Cemex Materials Newfoundland (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 USA completed the acquisition of Atlantic Minerals in May 2023. Employment at the mine totalled 92 person years in 2024, on par with 2023.

In early 2022, Canada Fluorspar Inc. (CFI) entered receivership and in June 2023 its assets were purchased by a subsidiary company of AMED Funds (AMED) for \$25 million. The mine, located at 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 production is anticipated to resume in 2025 with a possible mine life of about 30 years. Associated with restarting the mine, employment at CFI totalled 207 person years in 2024.

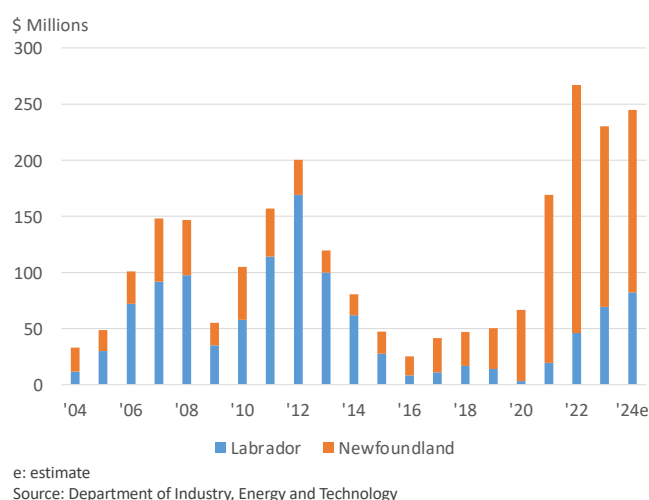
The province's construction aggregate industry (i.e., producers of gravel, sand, crushed stone, or other mineral materials used in the construction industry) shipped approximately 6.9 million tonnes of aggregate in 2024, a decrease of 0.9 per cent compared with 2023. Construction aggregate was valued at approximately \$42.8 million in 2024, a decrease of 0.2 per cent from 2023. The construction aggregate sector generates about 557 person years of employment annually.

Exploration and Development

Mineral exploration expenditures in the province totalled \$243.9 million in 2024, an increase of 6.0 per cent from 2023, due to ongoing gold exploration in Newfoundland and higher activity targeting critical minerals, such as uranium and lithium (see Figure 11).

Figure 11: Mineral Exploration Expenditures

Newfoundland and Labrador, 2004-2024e



Calibre Mining Corp. (a Vancouver-based mid-tier gold producer) is currently developing the Valentine Gold project at Valentine Lake, approximately 55 kilometres southwest of Millertown. The Valentine mine is expected to produce 195,000 ounces of gold annually over the first 12 years of the project's 14.3-year mine life. Construction of the project was approximately 85 per cent complete at the end of November 2024, with first gold expected during the second quarter of 2025. On August 6, 2024, Calibre announced that it had received approval from the federal environmental assessment process to develop a third open pit, named

the Berry Deposit, which had been released from provincial environmental assessment in October 2023. Recent discoveries have increased confidence that the Valentine Lake area may represent a new gold district in the province. The project is expected to employ an estimated 405 person years of employment during peak construction and 522 person years of employment during peak operation. On February 23, 2025, it was announced that Calibre and Equinox Gold Corp. entered into a definitive arrangement agreement whereby Equinox would acquire all the issued and outstanding common shares of Calibre pursuant to a court-approved plan of arrangement. The combined company would continue under the name Equinox Gold Corp., with the deal expected to close later this year.

Maritime Resources Corp. 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 announced it had entered into a share purchase agreement to acquire the Point Rousse project near Baie Verte from Signal Gold Inc. as well as related offerings. The Point Rousse project, including the Pine Cove gold processing facility, had been in a care and maintenance mode since March 2023. In February 2025, Maritime Resources announced the commencement of mineral processing operations at the Pine Cove processing facility. Maritime anticipates annual gold production of 50,000 ounces over a five-year mine life. However, two

additional deposits, Orion and Stog'er Tight, have the potential to extend the life of the project.

Champion Iron Ltd. (Champion) owns the Kamistiatasset (or Kami) iron ore deposit located in the Labrador Trough in southwestern Labrador. A recent pre-feasibility study indicates annual production of nine million tonnes of high-quality iron ore over a 25-year mine life. The construction period is expected to last four years with initial capital expenditures estimated at \$3.9 billion. In December 2024, a deal was announced that would see Sojitz Corporation and Nippon Steel invest \$245 million into the Kami project. In exchange, Nippon Steel would receive a 30 per cent stake in the Kami project while Sojitz Corporation would receive a 19 per cent stake. Nippon Steel stated that it believes the Kami iron ore project has the potential to offer a long-term supply of high-purity iron ore compatible with electric arc furnaces, which will help the company achieve its decarbonization objectives.

New Found Gold Corp. 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, and has announced the initiation of a resource

estimate and preliminary economic assessment for the Queensway Project.

AuMEGA Metals Ltd. is pursuing a gold exploration program at the Cape Ray Gold project located near Port aux Basques. AuMEGA released its updated mineral resource estimate of 837,000 ounces of gold in May 2023, and is expected to continue exploration activities in 2025.

Atlas Salt (Atlas) is advancing its principal asset, the Great Atlantic salt mine, on the west coast of Newfoundland near Stephenville. Atlas is expected to spend \$480 million on construction which is expected to begin later this year. The project is projected to generate 300 jobs during the construction phase and 170 jobs during the operations phase. On February 5, 2025, it was announced that the Atlantic Canada Opportunities Agency (ACOA) provided a \$1 million loan to Atlas to optimize the efficiency of the mine, support construction, and evaluate the use of low-emissions vehicles during operations. Atlas is expected to mine approximately 2.5 million tonnes of salt per year over a 34-year mine life, beginning in 2029. The mine life could be extended to 50 years based on a potential expansion.

To encourage mineral exploration, the Government of Newfoundland and Labrador provides funding to the industry through the Mineral Incentive Program (MIP). This program makes available \$350,000 for prospector assistance through prospector grants and other support to prospectors. The MIP also delivers \$1.3 million in rebates toward qualifying junior exploration activities and an additional \$2.6 million in funding

for qualifying critical mineral exploration including \$1.3 million from ACOA.

Newfoundland and Labrador has tremendous critical mineral potential that can support new mines, mineral processing, and manufacturing within the province. This potential holds significant international importance, positioning the province as a key player in global supply chains essential for the energy transition. Hosting 34 of the 49 minerals identified as critical by Canada, the United States, the European Union, Japan, Australia, the United Kingdom, and South Korea, the province is well-positioned to attract international investments, develop strategic partnerships, and integrate into global markets.

2025 Outlook

- ▶ The volume of mineral shipments is expected to increase in 2025, driven mainly by increasing nickel production from the underground mines at Voisey's Bay.
- ▶ Nickel prices are expected to face downward pressure in 2025 driven by continued oversupply, higher production from Indonesia, and lower-than-expected demand from the energy transition.
- ▶ Production guidance from Rio Tinto, the majority shareholder in IOC, indicates that iron ore production will rise to between 16.5 and 19.4 million tonnes in 2025.
- ▶ Iron ore prices are anticipated to fall in 2025, driven by weaker demand for steel coupled with rising supply of iron ore.

This may be offset, however, by stimulus measures designed to support the construction sector in China.

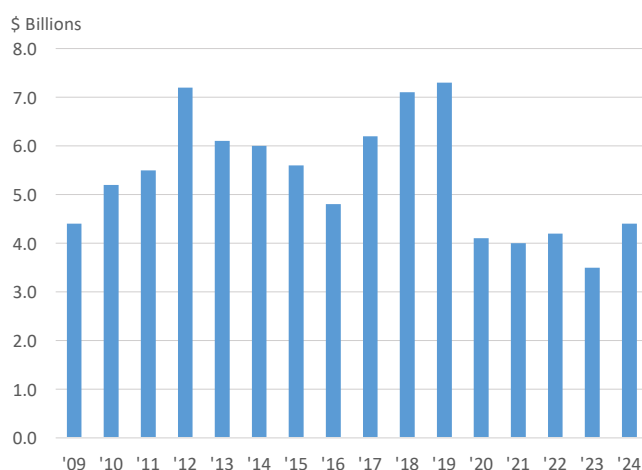
- ▶ Mineral shipments will receive a further boost from the start of gold production at the Valentine and Hammerdown gold projects.
- ▶ Final Environmental Impact Statement (EIS) guidelines for the Kami project were approved by the Provincial Government in late December 2024. A final investment decision will be made only after the EIS and feasibility study are completed.
- ▶ Mining sector employment is projected to be slightly higher in 2025, as employment ramps up at the newly producing gold mines and Canada Fluorspar.
- ▶ Mineral exploration is expected to total \$258.1 million in 2025, a 5.8 per cent increase over 2024.
- ▶ Continued uncertainty remains surrounding whether any of Newfoundland and Labrador's mineral and mineral product exports will be affected by United States tariffs on steel and aluminum. Only a small percentage of the province's international mineral exports are exported to the United States (under 10 per cent in 2024). The province's geographical advantage of having direct access to global markets via sea may help mitigate the impacts and position the province to adapt and diversify markets further.

Manufacturing

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 \$4.4 billion in 2024, an increase of 25.3 per cent compared to 2023 (see Figure 12). Shipments of non-durables, such as newsprint, fish products,

Figure 12: Value of Manufacturing Shipments

Newfoundland and Labrador, 2009-2024



Source: Statistics Canada



and renewable fuel accounted for the largest share of manufacturing shipments at \$3.1 billion, an increase of 51.5 per cent over 2023.⁶ Shipments of durable goods, which include fabricated metal products and non-ferrous refined metals such as nickel processed at Long Harbour, totalled \$1.3 billion, a decrease of 12.3 per cent.

Employment in the manufacturing sector averaged approximately 9,900 persons in 2024, an increase of 1.5 per cent compared

Cod Processing at Icewater Seafoods in Arnold's Cove
Department of Fisheries, Forestry and Agriculture

⁶The 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.

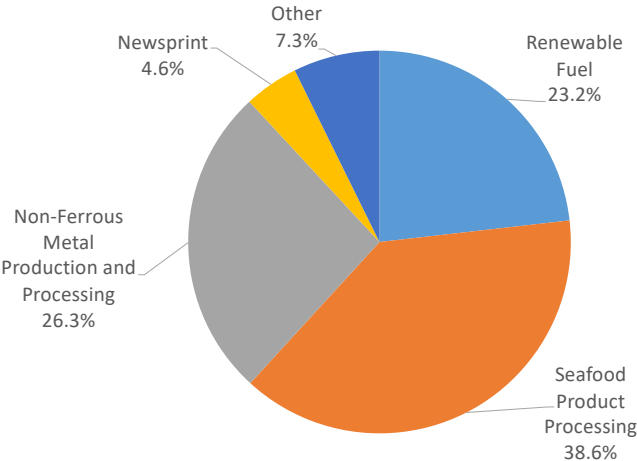
to 2023. Non-durable goods manufacturing employment totalled 6,900 persons, an increase of 15.3 per cent, while durable goods manufacturing employment totalled 3,100 persons, a decrease of 19.7 per cent. Average weekly earnings in the manufacturing sector decreased by 4.0 per cent in 2024 compared to 2023.

Locally manufactured products are sold in both domestic and international markets. The value of international manufacturing exports from Newfoundland and Labrador totalled approximately \$3.1 billion in 2024, an increase of 26.8 per cent from 2023, primarily due to the start of production at the Braya Renewable Fuels refinery. The United States remained the largest export market for Newfoundland and Labrador manufacturers, representing 58.2 per cent of international manufacturing exports in 2024.

Fish processing plays an important role in Newfoundland and Labrador's manufacturing industry. Seafood product preparation and packaging accounted for the largest share of international exports of manufactured goods in 2024, at 38.6 per cent. The value of international seafood product exports from the province totalled approximately \$1.2 billion in 2024, an increase of 20.2 per cent from 2023, largely due to higher prices for some key species. Markets in the United States and China purchased a combined 82.9 per cent of the value of the province's seafood product exports in 2024 (see **Fishery and Aquaculture**).

The non-ferrous metal production and processing category accounted for the second largest share of total international manufacturing exports in 2024, at 26.3 per cent (see Figure 13). This category is mostly comprised of nickel exports from Long Harbour. The value of international exports of non-ferrous metal production and processed products from Newfoundland and Labrador totalled \$820.3 million in 2024, a decrease of 21.4 per cent compared to 2023. This decrease was mainly the result of lower global prices for nickel (see **Mining**).

Figure 13: Distribution of International Manufacturing Exports by Industry
Newfoundland and Labrador, 2024



Source: Statistics Canada

The value of renewable fuel exports accounted for the third largest share of the total international manufacturing exports in 2024, at 23.2 per cent. Exports totalled \$724.3 million in 2024, following negligible exports in 2023. The newly converted biofuel refinery in Come By Chance began production in February 2024 after being offline since 2019. The first shipment of renewable diesel was transported by ship to

international markets in the spring of 2024. However, the refinery was temporarily shut down in January 2025 due to lower-than-normal margins and market disruptions caused by the expiration of the United States Blenders Tax Credit. Braya has stated it would be retaining all 230 permanent employees during the economic shutdown.

The value of international newsprint exports totalled approximately \$144.4 million, a decrease of 17.4 per cent from 2023, largely due to lower newsprint prices and declining global demand (see **Forestry**).

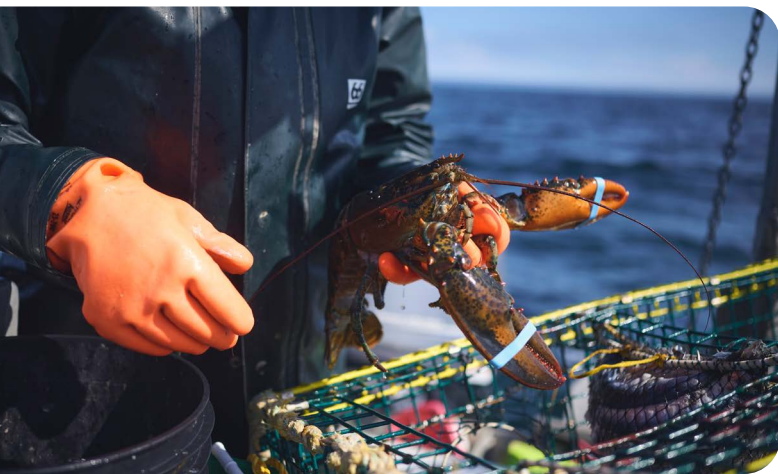
The Government of Newfoundland and Labrador offers businesses in the manufacturing industry a number of tax credits and programs. The Manufacturing and Processing Investment Tax Credit allows corporations that invest in capital property in Newfoundland and Labrador to claim a credit of 10 per cent of the capital cost to reduce provincial tax otherwise payable and in some cases may be refundable. The Green Technology Tax Credit 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 of 20 per cent of the capital cost.

2025 Outlook

- ▶ The value of manufacturing shipments is expected to be boosted by increased nickel shipments, mainly driven by increasing production from the underground mines at Voisey's Bay.

- ▶ Provincial newsprint shipment volumes are expected to remain near recent production levels.
- ▶ North American lumber prices are expected to be slightly lower in 2025 than in 2024.
- ▶ 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 fishery and aquaculture sector in Newfoundland and Labrador experienced a successful year in 2024. Wild fish landings and landed value both increased in comparison to 2023, as did aquaculture production and value. This led to a notable increase in the value of seafood product exports. Preliminary data indicate that there were approximately 16,700 individuals employed in fish harvesting, aquaculture hatchery and grow-out activities, and fish processing plants in 2024, up from 16,100 in 2023.

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 commercial fishery for Unit 1 redfish in the Gulf of St. Lawrence opened in 2024, with a Total Allowable Catch (TAC) of 60,000 tonnes, up from a TAC of 5,000 tonnes for the experimental fishery in 2023.⁷ The northern cod stock has not fully recovered; however, recent assessments indicate that the stock remains above levels observed during the early 2000s. The commercial northern cod fishery reopened in 2024 for the first time since 1992, with a TAC of 18,000 tonnes. The snow crab resource is stable and increasing in some areas, which resulted in an increase in the TAC for this fishery to 57,586 tonnes in 2024, an increase of 5.2 per cent from 2023. Most northern and gulf shrimp stocks

Lobster Harvesting
Department of Fisheries, Forestry and Agriculture

⁷ The redfish fishery in Unit 1 consists of two redfish species, deepwater redfish and Acadian redfish in the Gulf of St. Lawrence and Laurentian Channel.

Table 5: Landings and Landed Value by Species
Newfoundland and Labrador, 2023-2024

Species	2023 Revised		2024 Preliminary		2024/2023 Comparison	
	Volume (tonnes)	Value (\$000s)	Volume (tonnes)	Value (\$000s)	% Volume	% Value
Snow Crab	51,634	253,048	56,122	436,187	8.7%	72.4%
Lobster	7,319	121,612	10,147	147,739	38.6%	21.5%
Shrimp	26,382	125,321	27,174	133,636	3.0%	6.6%
Other Shellfish	42,161	107,352	44,517	115,372	5.6%	7.5%
SHELLFISH	127,496	607,332	137,960	832,934	8.2%	37.1%
Turbot	7,609	42,679	9,922	56,658	30.4%	32.8%
Cod	13,802	24,305	16,119	30,414	16.8%	25.1%
Halibut	998	10,310	1,040	10,389	4.3%	0.8%
Flounders	3,298	5,653	3,007	5,435	-8.8%	-3.9%
Redfish	4,520	5,538	4,639	3,385	2.6%	-38.9%
Other Groundfish	314	434	2,248	938	615.8%	116.1%
GROUNDFISH	30,540	88,919	36,975	107,219	21.1%	20.6%
Herring	21,410	8,576	23,111	10,037	7.9%	17.0%
Capelin	12,517	4,829	16,102	8,065	28.6%	67.0%
Other Pelagics	722	7,736	256	2,652	-64.5%	-65.7%
PELAGICS	34,649	21,142	39,468	20,755	13.9%	-1.8%
Miscellaneous	2,575	9,509	3,001	10,584	16.5%	11.3%
TOTAL	195,260	726,902	217,403	971,492	11.3%	33.6%

Notes:

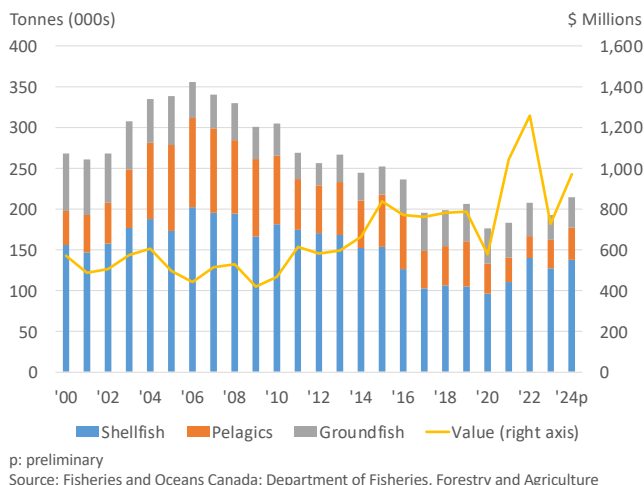
- Species components may not sum due to independent rounding.
- Flounders includes: American plaice, yellowtail flounder, greysole/witch, winter flounder.
- Other Shellfish may include: clams, whelk, scallops, sea cucumber, other crustaceans, other molluscs.
- Other Groundfish may include: pollock, hake,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

Source: Fisheries and Oceans Canada (March 19, 2025); Department of Fisheries, Forestry and Agriculture (January 24, 2025)

have declined in recent years, which led to a decrease in some TACs in 2024. The gulf shrimp TAC was reduced to 3,060 tonnes in 2024, down from 14,524 tonnes in 2023. The TAC for shrimp fishing area (SFA) 5 was reduced by 11.1 per cent and the TAC for SFA 6 was reduced by 5.5 per cent for the 2024 season.

The total volume of fish landings increased by 11.3 per cent to 217,403 tonnes in 2024, as the result of higher landings for all major species categories. The corresponding total landed value increased by 33.6 per cent to \$971.5 million, due to increased landings and an increase in the average landed price for snow crab (see Table 5 and Figure 14).

Figure 14: Wild Fishery Landings
Newfoundland and Labrador, 2000-2024p



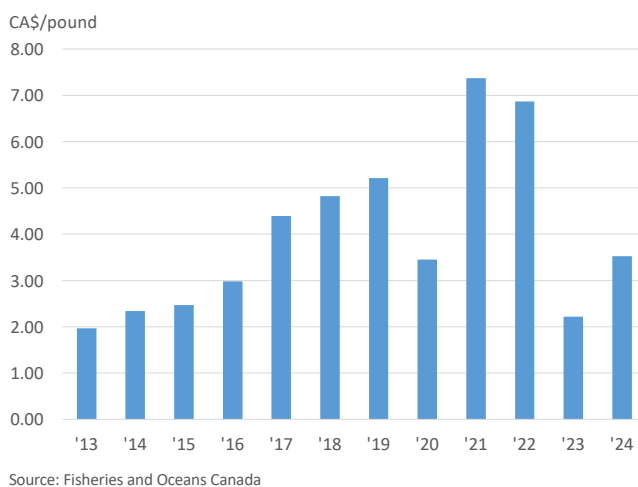
Shellfish

In 2024, shellfish continued to account for the majority of both the total volume of fish landings (63 per cent) and the landed value (86 per cent) of the wild fishery. The volume of shellfish landings totalled 137,960 tonnes in 2024, an increase of 8.2 per cent compared to 2023, primarily due to higher landings of snow crab, lobster and whelk. The corresponding landed value for shellfish rose by 37.1 per cent to \$832.9 million, due to higher landings and an increase in the average landed price for snow crab.

Landings in the snow crab fishery increased by 8.7 per cent to 56,122 tonnes in 2024, after an increase in the TAC. The corresponding landed value of snow crab saw a notable increase of 72.4 per cent to \$436.2 million in 2024. The average landed raw material price for snow crab increased by 58.6 per cent to \$3.53 per pound in 2024, compared to an average of \$2.22 per pound in 2023 (see Figure 15).

Figure 15: Snow Crab Average Landed Price

Newfoundland and Labrador, 2013-2024



Shrimp landings increased by 3.0 per cent to 27,174 tonnes in 2024. The corresponding value increased by 6.6 per cent to \$133.6 million. The minimum landed price paid to harvesters for inshore shrimp increased to \$1.36 per pound for each fishing season of 2024, up from \$1.08 per pound in the 2023 spring fishery, \$0.92 per pound in the summer fishery, and \$1.21 per pound in the fall fishery (see Figure 16).

Lobster landings increased by 38.6 per cent to 10,147 tonnes in 2024, as catch rates increased. The value of lobster landings reached a historical high of \$147.7 million, an increase of 21.5 per cent over 2023. The average raw material price for lobster was \$6.60 per pound in 2024, a decline of 12.4 per cent from \$7.54 per pound in 2023.

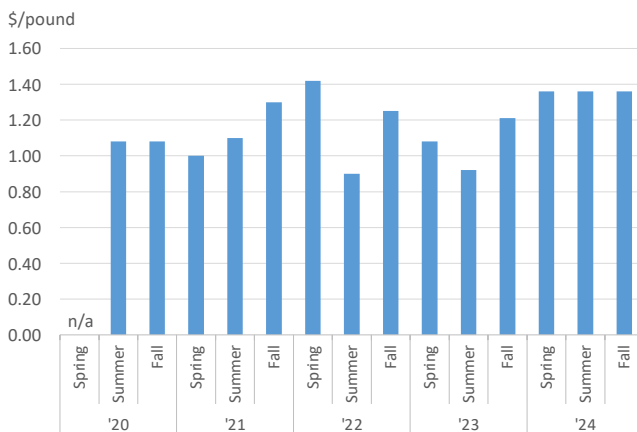
Groundfish

Groundfish accounted for 17 per cent of the total volume of fish landings in the province and 11 per cent of the total landed value in

2024. Groundfish landings increased by 21.1 per cent to 36,975 tonnes in 2024, primarily due to higher catches of turbot (+30.4 per cent) and cod (+16.8 per cent). The corresponding landed value of groundfish increased by 20.6 per cent to \$107.2 million.

Figure 16: Minimum Landed Price Paid to Inshore Shrimp Harvesters

Newfoundland and Labrador, 2020-2024



Source: Fish Food & Allied Workers Union

Pelagics

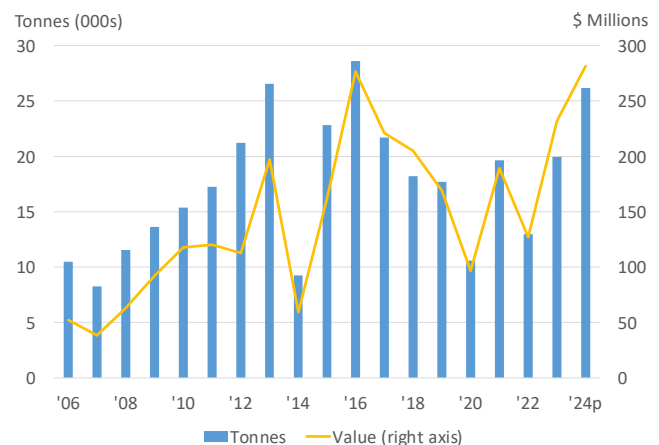
Pelagics accounted for approximately 18 per cent of the volume of total fish landings and 2.1 per cent of the total landed value in 2024. Pelagic landings increased by 13.9 per cent to 39,468 tonnes, primarily due to higher catches of capelin, which rose by 28.6 per cent. Herring landings increased by 7.9 per cent in comparison with 2023, while the commercial mackerel fishery remained under moratorium. Despite the gains in herring and capelin, the corresponding landed value of pelagics decreased by 1.8 per cent to approximately \$20.8 million, due to lower landings of some higher priced pelagics such as swordfish.

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). Preliminary data indicate that the volume of aquaculture production increased by 31.3 per cent to 26,183 tonnes in 2024 (see Figure 17). The corresponding total market value was \$281.5 million, an increase of 21.9 per cent compared to 2023.

Figure 17: Aquaculture Production and Value

Newfoundland and Labrador, 2006-2024p



p: preliminary

Source: Department of Fisheries, Forestry and Agriculture

Salmonid production increased by 48.0 per cent to approximately 23,159 tonnes in 2024, largely due to increased production from Grieg Seafood Newfoundland after completing its first full year of commercial harvest. Total salmonid production was valued at \$264.2 million, an increase of 28.2 per cent over 2023. The average market price for 8-10 pound wholefish Atlantic salmon was \$5.49 per pound in 2024, down by 7.4 per cent in comparison to the average price in 2023.

Aquaculture shellfish production consists primarily of blue mussels, with a small number of oysters. In 2024, shellfish production was 3,024 tonnes, a decrease of 31.6 per cent compared to 2023. Its corresponding market value decreased by 30.6 per cent to \$17.3 million. Market prices for mussels increased from an average of \$2.63 per pound in 2023 to an average of \$2.67 per pound in 2024.

Aquaculture developments continued in the province in 2024. 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 full year of harvesting farmed salmon in Placentia Bay. The company was also the successful proponent for the Bays West Aquaculture Development project in 2022, which ranges from the western edge of Bay d'Espoir to Burgeo and on to Port aux Basques. Development of the project is underway with consultations with communities and organizations. License applications are expected by the end of 2025. This project could potentially produce upwards of 15,000 tonnes of Atlantic salmon annually once fully operational.

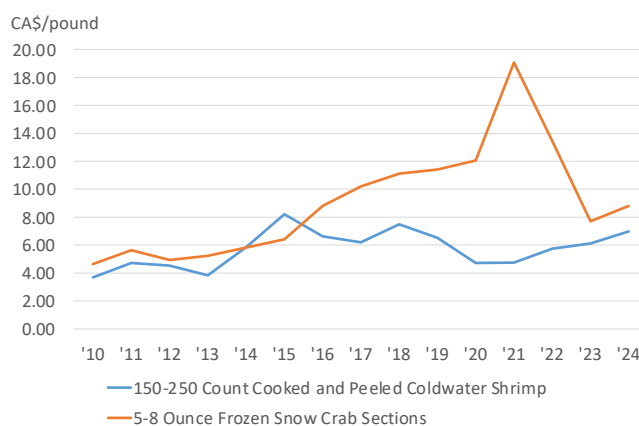
Processing and Marketing

In 2024, there were 86 licensed fish processing plants in the province, compared to 90 in 2023. Products produced at these plants are largely sold in international markets.

The value of Newfoundland and Labrador's international seafood product exports reached \$1.2 billion in 2024, an increase of 20.2 per cent over 2023. This was largely due to higher market prices for snow crab. The United States remained the largest export market for Newfoundland and Labrador seafood products in 2024, representing 61.5 per cent of the total export value, while China accounted for 21.3 per cent. Other markets included the United Kingdom (4.0 per cent), Japan (5.5 per cent) and Vietnam (2.1 per cent).

Market prices for snow crab increased in 2024. The average market price for 5-8 ounce snow crab sections was \$8.80 per pound in 2024, an increase of 14.1 per cent from an average of \$7.71 per pound in 2023 (see Figure 18). Market prices for cooked and peeled inshore shrimp averaged \$6.98 per pound in 2024, an increase of 14.2 per cent from \$6.11 per pound in 2023.

Figure 18: Shrimp and Snow Crab Average Market Prices 2010-2024



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

2025 Outlook

- ▶ The volume of fish landings in Newfoundland and Labrador is expected to remain relatively steady in 2025.
- ▶ Aquaculture production is expected to increase, as gains from both new sites and expansions to existing sites continue to boost output.
- ▶ It appears that Canadian fish and seafood products are covered by the Canada-United States-Mexico Agreement and are not subject to recent United States tariffs. However, tariffs placed on Canadian seafood entering China will have negative economic implications for the province's seafood exporters. Tariffs erode profit margins, making it difficult for producers to compete in foreign markets.

Forestry



The provincial forestry industry continued to operate under challenging market conditions in 2024. The value of lumber shipments increased compared to 2023, but remained well below the historically high levels of 2022. The global demand for newsprint continued to decline. The local industry faced several challenges, including Annual Allowable Cut reductions in areas with high forestry activity and a spruce budworm infestation.

Newsprint

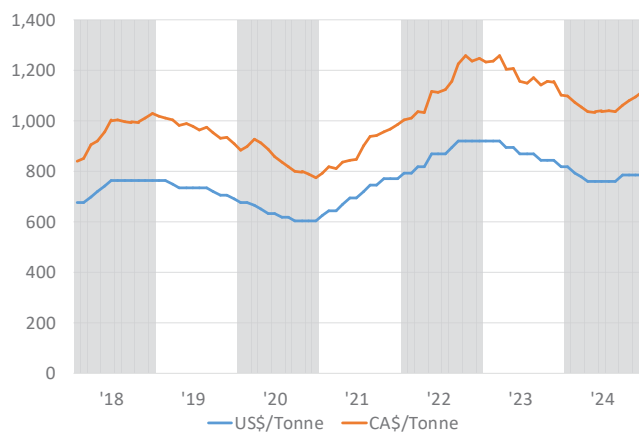
Corner Brook Pulp and Paper Limited (CBPPL), a subsidiary of Kruger Inc., owns and operates the only newsprint facility in the province, located in Corner Brook. CBPPL currently operates two paper machines with a total annual production capacity of 245,000 tonnes. Between its paper mill, power plants and forest operations, CBPPL employs about 400 workers. The volume of total newsprint shipments from the province, which includes both interprovincial and international shipments, totalled 199,574 tonnes in 2024, a 12.1 per cent decrease compared to 2023. The value of international newsprint exports totalled \$144.4 million in 2024, a decrease of 17.4 per cent compared to the same period in 2023. In recent years, India has overtaken the United States as the top export destination for the province's newsprint exports. This continued in 2024, with the United States falling to third place behind the United Kingdom. Together, these three countries accounted for about half of the international newsprint exports from the province.

Saw Logs Sorted Roadside
Department of Fisheries, Forestry and Agriculture

The average newsprint price decreased to US\$778 per tonne in 2024, compared to US\$876 per tonne in 2023 (see Figure 19). Facing declining demand globally, some newsprint mills suspended or interrupted operations. CBPPL interrupted production for one week in November 2024 to rebalance its inventories with market demand.

Figure 19: North American Newsprint Prices

Canadian and U.S. Dollars, Monthly, 2018-2024



Source: PPI Pulp and Paper Week

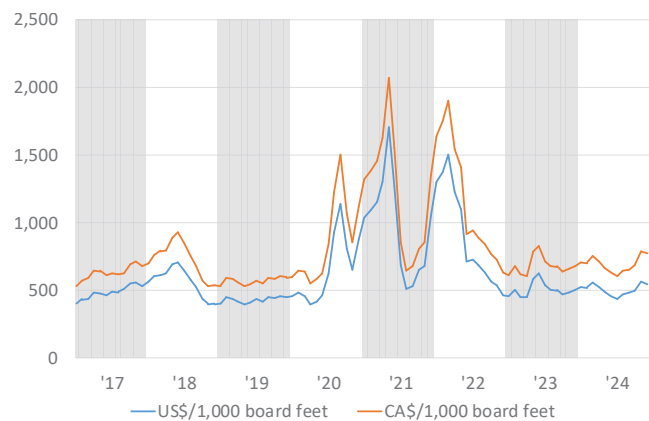
Lumber

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 approximately 100 million board feet in 2024, up from 91 million board feet in 2023. The average lumber price was US\$506 per thousand board feet in 2024, on par with 2023, but still a significant drop from US\$903 per thousand board feet in 2022 (see Figure 20).

Higher interest rates in Canada and the United States slowed housing starts and dampened lumber demand in 2024. The market outlook in the United States is important for sawmills in the province, as 40 to 50 per cent of the provincial production is sold into the northeast United States market.

Figure 20: Lumber Prices

Canadian and U.S. Dollars, Monthly, 2017-2024



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

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 these companies are small to medium-sized businesses, but the large volume of companies collectively makes this sector significant and stable. In 2024, it is estimated that this sector generated approximately \$120 million in market value.

Spruce Budworm Infestation

An ongoing spruce budworm infestation on the west coast of the island has caused damage to timber resources. As of December 2024, the Provincial Government mapped 57,677 hectares of defoliation, ranging from moderate to severe. Since 2020, there has been 509,556 hectares treated along the province's west coast as part of the Spruce Budworm Control Program. In 2024, approximately 90,007 hectares of forested area were treated. Overall treatment effectiveness was 75.3 per cent in areas treated with one single application of insecticide.

Note that this infestation is not unprecedented. During a previous outbreak in the late 1970s and 1980s, 90 per cent of coniferous forest that were dominated by balsam fir and spruce species were damaged and defoliated by spruce budworm.

lumber exports may lead to higher prices than predicted.

- ▶ In response to new tariffs imposed by the United States, lumber producers in Newfoundland and Labrador may try to sell a larger share of their lumber either domestically or to other countries to offset lower United States demand.
- ▶ 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. The Provincial Government continues to work with industry stakeholders to implement an effective salvage harvest in areas with tree mortality.

2025 Outlook

- ▶ Annual newsprint prices are expected to average US\$825 per tonne in 2025, up from US\$778 per tonne in 2024.
- ▶ Newsprint shipment volumes from Newfoundland and Labrador in 2025 are expected to remain near previous levels.
- ▶ Provincial lumber production is projected to reach approximately 105 million board feet in 2025.
- ▶ North American lumber prices are expected to average US\$500 per thousand board feet in 2025, reflecting limited residential investment due to higher interest rates. However, United States tariffs on Canadian

Agriculture

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 77 per cent of the total value of farm cash receipts in 2024. The remaining value of farm cash receipts comes from crops and program payments, such as crop insurance.

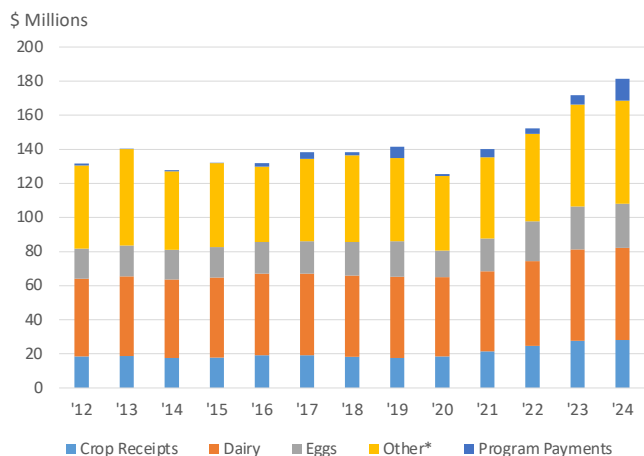
Total farm cash receipts, or farm product sales, are comprised of crop receipts; livestock and livestock product receipts; and receipts from direct payments, such as agriculture-related program payments. Farm cash receipts totalled \$181.3 million in 2024, an increase of 5.5 per cent compared to 2023 (see Figure 21). Crop receipts increased by 1.3 per cent to \$28.1 million in 2024, with an increase across most crop types, including floriculture and nursery products, fresh fruit



and fresh vegetables. Livestock and livestock product receipts increased by 1.4 per cent to \$140.3 million in 2024, mainly due to increased sales of dairy, lambs, cattle and calves. Direct payment receipts increased by 127.2 per cent to \$12.8 million, mainly due to the \$11.4 million funding for the AgriStability Program. This voluntary program provides support when farmers experience large margin declines.

Locally Grown Fruit and Vegetables from Wright's Family Farm in Pasadena
Crystal Anderson (Department of Fisheries, Forestry and Agriculture)

Figure 21: Farm Cash Receipts
Newfoundland and Labrador, 2012-2024



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

Higher prices for farm products contributed to the increase in farm cash receipts in 2024. However, farmers were also confronted with higher input costs. The farm input price index was 0.9 per cent higher during the first three quarters of 2024, compared to the first three quarters of 2023.

The most recent trade data indicate that the value of raw mink fur skins exports from the province in 2024 was \$6.0 million, a decrease of 1.2 per cent from 2023. Finland (74 per cent) and United States (19 per cent) represented 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 17.7 million kilograms in 2024, a decrease of 1.3 per cent compared to 2023. Over the first nine months of 2024, chicken farm product prices increased by 2.8 per cent compared to the same period of 2023. This contributed to an increase in the value of farm cash receipts.

The volume of milk sold by Newfoundland and Labrador farms remained essentially the same in 2024 compared to 2023, totalling 48,696 kilolitres. The corresponding value of milk increased by 0.8 per cent to \$53.9 million, due to higher prices. In October 2023, the Canadian Dairy Commission approved a 1.77 per cent increase in the price of milk that came into effect on May 1, 2024.

There are currently five license holders in the province that are authorized to cultivate, process and/or sell 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 that cannabis products grown and processed in Newfoundland and Labrador can be sold in the province.

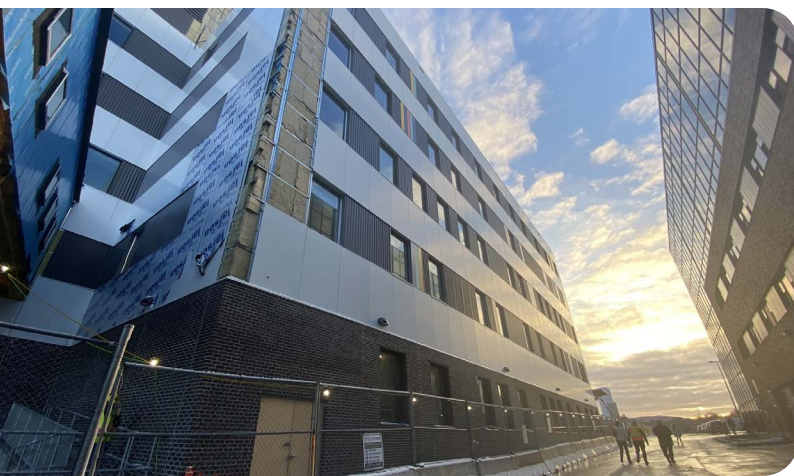
Since 2016, the amount of Crown land developed and enhanced for fruit and vegetable production has more than doubled, from 590 hectares to 1,212 hectares. To enhance the well-being of residents by boosting food self-sufficiency, promoting agricultural growth, and expanding secondary processing of agricultural products in the province, Budget 2024 allocated \$2.15 million to the Provincial Agrifoods Assistance Program. This investment is part of a larger \$20 million commitment to support the agriculture sector. Additionally, under the five-year (2023-2028) 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. Government also offers programs such as Provincial Vegetable Transplant Program which gives farmers a head start on the province's short growing season by providing high-quality vegetable transplants – more than four million annually – to promote higher marketable yields, more crop variety, and earlier harvest and returns.

2025 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.
- ▶ The ongoing war in Ukraine could further affect prices for farm inputs like 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 2024, the non-residential sector benefitted from increased investment in the West White Rose oil project and from construction activity on the completion of the Voisey's Bay Mine Expansion project. Employment in the construction industry in Newfoundland and Labrador was 19,800

person years in 2024, a 1.0 per cent increase over 2023.

Construction-Related Investment

Construction-related investment spending in the province was estimated to be approximately \$9.2 billion in 2024, an increase of 26.0 per cent from the previous year (see Figure 22). Investment in non-residential construction spending (e.g., mine development, hospitals), which accounts for most construction-related investment in the province, was \$7.2 billion in 2024, an increase of 27.6 per cent compared to 2023.

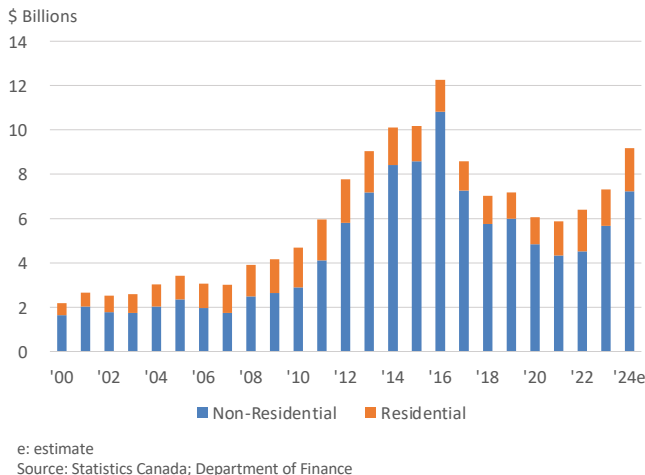
This growth in non-residential construction was attributable to higher spending on the West White Rose oil project and the Valentine Gold mining project. Cenovus Energy Inc. continued construction work on the West White Rose project in 2024 and reached a significant milestone with the completion of major construction on the Concrete Gravity

Construction at the New Adult Mental Health and Addictions Centre in St. John's
Department of Transportation and Infrastructure

Structure. Construction activity associated with the gold mine at Valentine Lake in central Newfoundland continued throughout 2024, with first gold expected in the second quarter of 2025 (see **Mining**).

Figure 22: Construction-Related Investment

Newfoundland and Labrador, 2000-2024e



Based on the Department of Finance's estimates, residential construction investment (e.g., construction of new homes, renovations of existing homes) increased by 19.8 per cent in 2024 compared to 2023. Expenditures on new dwellings more than doubled to \$625 million, while spending on renovations decreased by 2.9 per cent. The increase in spending on new dwellings is consistent with the 71.0 per cent rise in housing starts in 2024 (see **Real Estate**).

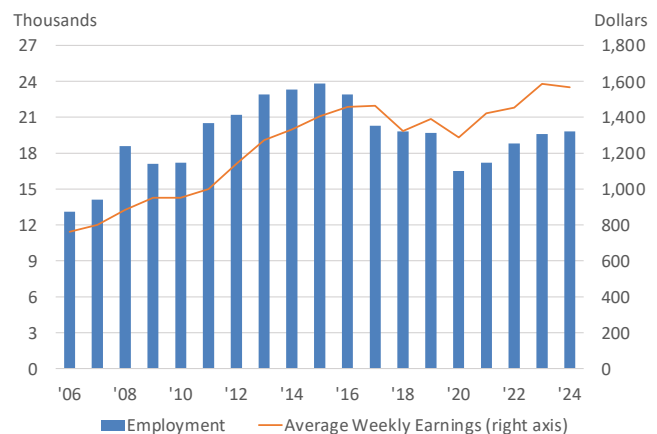
Employment and Wages

Employment in the construction industry averaged 19,800 people in 2024, an increase of 200 persons, or 1.0 per cent, compared to 2023 (see Figure 23). Weekly earnings (including overtime) in the construction industry averaged \$1,562.63 in 2024, a

decrease of 1.5 per cent compared 2023. Although there was a decrease, the average weekly earnings in the local construction industry still surpassed the national average. Among all provinces, only Alberta had a higher average weekly construction wage than Newfoundland and Labrador.

Figure 23: Construction Employment and Average Weekly Earnings

Newfoundland and Labrador, 2006-2024



2025 Outlook

- Total construction-related capital spending is expected to decrease by 2.9 per cent to \$9.0 billion in 2025, as several mining projects transition from construction to the operations phase.
- The industry will continue to benefit from major project activity, particularly as investment in the West White Rose project is expected remain high in 2025.
- Ongoing infrastructure projects, along with road maintenance and repairs, will contribute to construction activity.

Real Estate



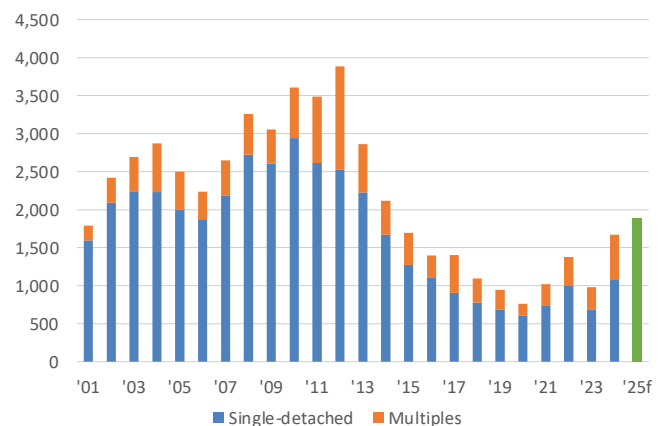
The housing market in Newfoundland and Labrador saw significant growth in 2024. The number of housing starts increased substantially, as strong demand for housing and declining interest rates fuelled residential construction. In the residential resale market, high demand and a low supply of homes for sale increased housing prices. Meanwhile, the residential rental market remained tight in 2024. Vacancy rates remained low as strong population growth continued to put upward pressure on rental demand. In the commercial sector, office vacancy rates

remained high in 2024, while overall office rental rates remained similar to 2023.

Housing Starts

New home construction was up significantly in 2024. There were 1,672 housing starts in the province in 2024, an increase of 71.0 per cent compared to 2023 (see Figure 24). Single-detached housing starts (which typically account for the majority of total starts in the province) increased by 56.3 per

Figure 24: Housing Starts
Newfoundland and Labrador, 2001-2025f



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

New Housing Construction in St. John's
Department of Finance

cent to 1,075 units, while the number of multiple starts (i.e., semi-detached homes, row homes and apartments) more than doubled, rising from 290 to 597 units.

Housing starts increased in both rural and urban areas of the province in 2024. Rural housing starts increased by 81.0 per cent, from 364 to 659 units, while urban housing starts increased by 65.0 per cent, from 614 to 1,013 units. In the St. John's Census Metropolitan Area (CMA), the largest housing market in the province, housing starts increased by 78.5 per cent, from 488 units in 2023 to 871 units in 2024. Single-detached housing starts increased from 347 to 548 units, while the number of multiple starts more than doubled, rising from 141 to 323 units.

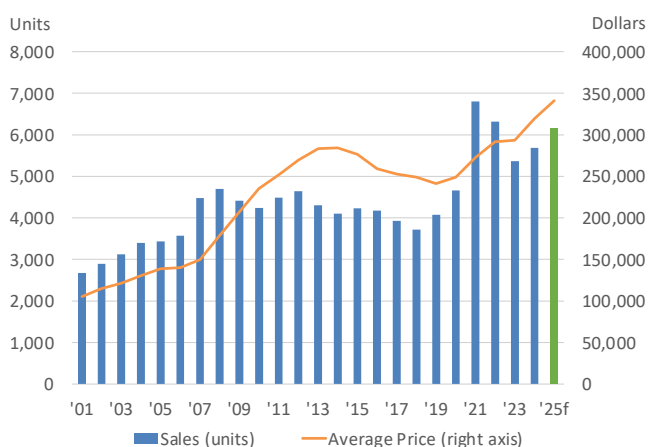
Residential Sales and Prices

In the residential resale market, population growth and higher employment levels, along with a historically low supply of homes on the market, contributed to an increase in home prices. In Newfoundland and Labrador, the average annual home price increased by 8.9 per cent, rising from \$292,403 in 2023 to \$319,634 in 2024 (see Figure 25). Despite the increase, the average home price remained the lowest of all the provinces. By comparison, the average price of a home was \$982,104 in British Columbia, \$865,287 in Ontario and \$689,783 in Canada overall.

Real estate sales activity in Newfoundland and Labrador remained strong in 2024,

Figure 25: Residential MLS® Sales and Average Price

Newfoundland and Labrador, 2001-2025f



f: forecast

Source: Canadian Real Estate Association; Department of Finance

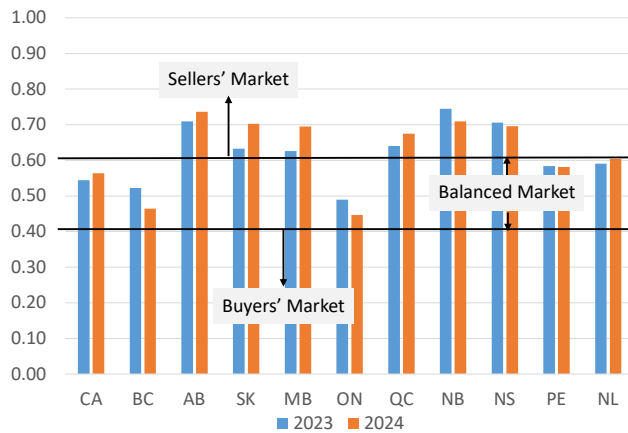
notwithstanding higher home prices and low supply. According to the Canadian Real Estate Association's Multiple Listing Service (MLS®), a total of 5,686 homes were sold in 2024, an increase of 6.1 per cent compared to 2023.

The home sales-to-new listings ratio is a widely used indicator to demonstrate housing market conditions and how they have changed.⁸ In Newfoundland and Labrador, the sales-to-new listings ratio increased from 59.1 per cent in 2023 to 60.4 per cent in 2024, just slightly into the sellers' market range (see Figure 26). At the national level, the sales-to-new listings ratio decreased from 56.4 per cent in 2023 to 54.4 per cent in 2024. The provinces with the largest drop in the sales-to-new listing ratio were British Columbia (from 52.2 to 46.4 per cent) and Ontario (from 49.0 to 44.7 per cent).

⁸ 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.

Figure 26: Home Sales-to-New Listings Ratio

Canada and Provinces, 2023-2024



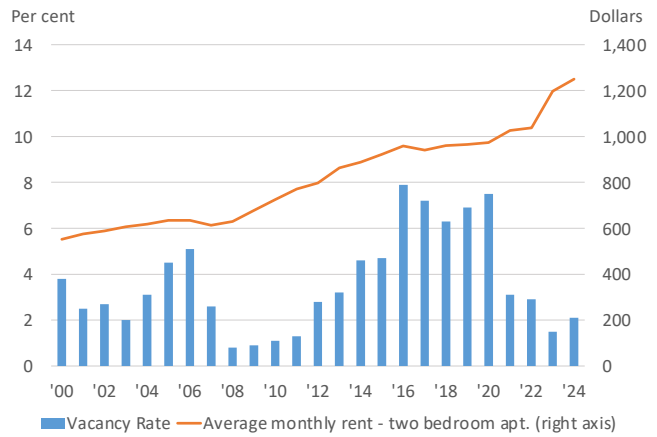
Source: Canadian Real Estate Association

Rental Market

Housing shortages and increased in-migration have squeezed vacancy rates in the residential rental market in recent years. According to the Canada Mortgage and Housing Corporation's Rental Market Survey, the residential vacancy rate for private apartments in Newfoundland and Labrador rose from 1.5 per cent in October 2023 to 1.8 per cent in October 2024.⁹ In the St. John's CMA, the vacancy rate for apartments was 2.1 per cent in 2024, an increase of 0.6 percentage points compared to 2023, but was still the second lowest vacancy rate recorded in the CMA since 2011 (see Figure 27). The vacancy rate for private apartments in October 2024 was 0.4 per cent in Corner Brook, 0.7 per cent in Gander and 2.5 per cent in Grand Falls-Windsor.

Figure 27: Residential Market Vacancy Rates and Average Rent

St. John's CMA, 2000-2024



Source: CMHC Rental Market Survey

Consistent with low vacancy rates, the average monthly rent for a two-bedroom apartment in the province increased slightly from \$1,092 in October 2023 to \$1,109 in October 2024, while in the St. John's CMA, rent increased from \$1,198 to \$1,250 over the same period. Nonetheless, the average monthly rent for a two-bedroom apartment in the province was lower than in the rest of Atlantic Canada in 2024: \$1,606 in Nova Scotia, \$1,285 in New Brunswick and \$1,181 in Prince Edward Island.

Commercial

The overall office vacancy rate for St. John's averaged 20.4 per cent in 2024, an increase of 1.3 percentage points compared to 2023 (see Figure 28). 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

⁹ 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.

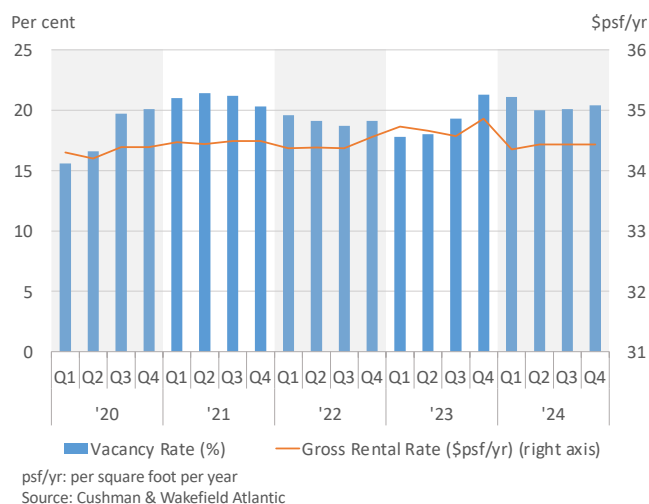
third quarter of 2024, the vacancy rate in downtown St. John's was 30.2 per cent. The average gross rental rate for office space in St. John's was \$34.41 per square foot per year in 2024, a decrease of \$0.29 compared to 2023.

2025 Outlook

- Housing starts are forecast to be 1,901 units in 2025, an increase of 13.7 per cent compared to 2024.
- The Canadian Real Estate Association forecasts residential sales in the province to be 6,150 units, a rise of 8.2 per cent compared to 2024. The average resale price is forecast to rise 6.7 per cent to \$341,035.
- Any further interest rate cuts in 2025 should continue to support a rebound in the real estate market.¹⁰

Figure 28: Office Vacancy and Rental Rates

St. John's NL, Quarterly, 2020-2024



¹⁰ The 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 residents engaging in tourist activities within the province and non-resident visitors who arrive by airline, automobile via ferry, and cruise ship.

Provincial tourism performance indicators were mixed in 2024. It is estimated that non-resident air and auto visitation reached 443,300 visitors, representing a decrease

of 2.9 per cent compared to 2023 and 7.3 per cent lower than pre-pandemic 2019 levels. The associated non-resident spending reached an estimated \$587.0 million, a decrease of 1.1 per cent over 2023. Compared to pre-pandemic levels, spending by non-resident air visitors was on par with 2019, while spending by non-resident auto visitors was 39 per cent higher.

Air Visitors

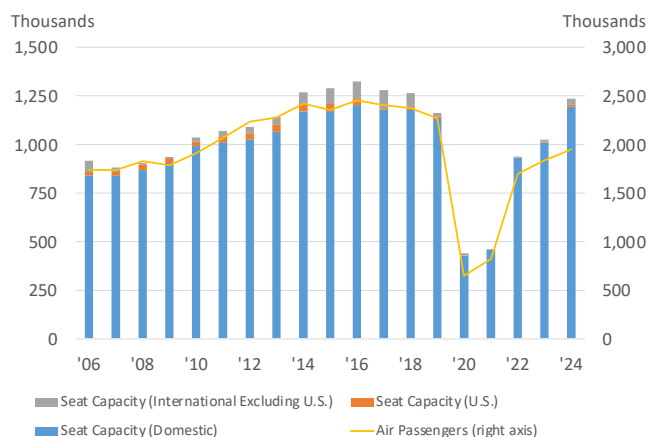
Air travel generally makes up the largest segment of provincial non-resident tourism. In 2024, it accounted for an estimated 75 per cent of total non-resident visitors tourism spending (excluding cruise visitation spending). Approximately 332,800 non-resident visitors arrived by airplane in 2024, down 3.0 per cent compared to 2023 and 13.4 per cent below 2019 levels.

In 2024, seat capacity surpassed pre-pandemic 2019 levels, recovering from the significant losses seen in 2020 and 2021.

Inbound non-stop seat capacity for 2024 increased by 20.5 per cent compared to 2023 and increased by 6.3 per cent compared to 2019 (see Figure 29). Boarding and deplaning traffic at the province's six major airports is estimated to have reached 1,948,100 passengers in 2024.¹¹ This was an increase of 8.4 per cent over 2023, but still 8.2 per cent below 2019 levels.¹²

Figure 29: Air Passengers and Seat Capacity

Newfoundland and Labrador, 2006-2024



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

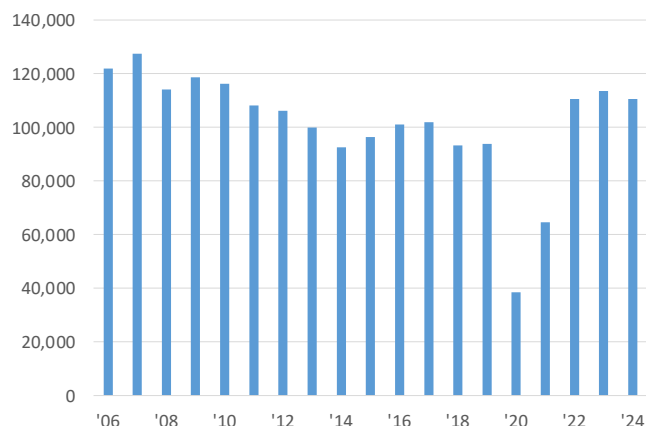
Automobile Visitors

In 2024, there were 359,700 passenger movements on Marine Atlantic ferries, a decrease of 2.3 per cent compared to 2023. The number of non-resident automobile visitors travelling to the province was estimated at 110,500 in 2024, a decrease of 2.7 per cent relative to 2023 (see Figure 30).

A new Marine Atlantic vessel was launched in the summer of 2024, the Ala'suinu – a

Figure 30: Non-Resident Automobile Visitors

Newfoundland and Labrador, 2006-2024



Source: Department of Tourism, Culture, Arts and Recreation

name that means “Traveller” in Mi’kmaw. The vessel’s key features include a capacity of 1,000 passengers, 146 spacious cabins, 31 designated cabins for passengers with pets, 40 passenger pods, as well as energy efficient and dual fuel technology to reduce its carbon footprint.

Accommodations

The preliminary provincial accommodation occupancy rate was 56 per cent for the January to October 2024 period, a decrease of four percentage points over the same period of 2023, but still eight percentage points above the pre-pandemic 2019 rate for this period. The average daily room rate was \$171 per room for January to October 2024, an increase of 7.5 per cent compared to the same period of 2023. The number of room nights sold was 1.4 million, a decrease of 6.8 per cent, while the associated room revenue

¹¹ The six major airports in Newfoundland and Labrador are located in St. John's, Gander, Deer Lake, St. Anthony, Wabush and Happy Valley-Goose Bay.

¹² Data for Wabush has been unavailable since April 2023; Wabush is not included in the comparison to 2023.

was \$240 million, on par with the January to October 2023 period.

Conventions and Events

In 2023, there was a return to in-person business events including meetings, conventions, and incentive travel, after the pandemic had put a halt to such events. This continued into 2024, and preliminary data indicate that business events brought 19,700 delegates to St. John's (data only available for this region), a decrease of approximately 6.0 per cent from 2023. Associated room nights reached 34,100 in St. John's, an increase of approximately 3.0 per cent over 2023.

Connecting with Travellers

In 2024, Provincial Visitor Information Centres recorded a total of 140,125 visitors, an increase of 7.1 per cent in comparison to 2023. Across the network of Provincial Historic Sites, visitation reached 97,893 in 2024, marking an increase of 8.1 per cent over 2023, but 7.4 per cent below the same period in 2019.

2025 Outlook

- Improvements to air access will continue to play an important role in the province's tourism industry in 2025, following the re-establishment of a non-stop link to Europe for the first time since 2019. The extension of WestJet's London-Gatwick to St. John's route through 2027, and the launch of additional direct European routes to Dublin and Paris, will mean that Newfoundland and Labrador will have direct access to Europe seven days per

week during the May to October 2025 period.

- In December 2024, the Provincial Government announced that 2025 will be known as the "Year of Sport." It will celebrate sport and athletes in this province and will consist of marquee events, including the 2025 Canada Games (from August 8 to 25) which will see the City of St. John's and surrounding area play host to over 4,000 athletes, coaches, and managers from across the country. Throughout the year, there will be spotlights on community sport, volunteerism, women and inclusivity in sport, seniors in sport and athletes and builders.
- The Canadian dollar to United States dollar exchange rate has been near 20-year lows since the beginning of 2025. If this continues, it may draw more travellers from the United States to popular tourist destinations in Canada, including Newfoundland and Labrador. It may also cause more Canadians to travel domestically, potentially further benefiting the province's tourism industry.

Special Feature

The Community Sector in Newfoundland and Labrador



In Newfoundland and Labrador, community sector organizations are woven into every facet of daily life. The community sector comprises non-profit organizations, charities and social enterprises, among other bodies.² Thousands of different organizations in virtually every community provide a wide range of services for every resident in the province. They are active in areas that range from seniors and youth programs, mental health, advocacy, sports and recreation, maintaining trails, tourism, arts, culture and heritage, employment training and support, and housing, to environmental protection, early childhood, health promotion, poverty reduction and social justice. Community organizations create and feed community vitality, generate solutions to complex socio-economic challenges, develop local talent, help attract investment and grow

business, and generally contribute to making the province a great place to live, go to school, operate a business, work, and raise a family. Like the public and private sectors, the community sector is a contributor to economic and regional growth and is central to the well-being of the province.

Nominal GDP in the non-profit sector in Newfoundland and Labrador totalled \$585 million in 2022 (latest data available). This accounted for approximately 1.4 per cent of the province's total GDP. There were five sub-sectors within the non-profit sector that made up approximately 78 per cent of its GDP share (see Table 6). The sub-sector that accounted for the largest share was 'Business and professional associations, unions' at \$149 million (or 25.5 per cent). This includes industry associations, chambers of commerce, labour unions, and organizations promoting the interests of a particular occupation. 'Social services' accounted for the second largest share of non-profit GDP in 2022 at \$98 million (or 16.8 per cent). This includes temporary shelters, child services, day care services, and refugee assistance. 'Culture and recreation' accounted for the third most at \$91 million (or 15.6 per cent). This includes museums, sports clubs, performing arts, and social clubs. 'Religion'

Shopping at the Craft Council
of Newfoundland and Labrador
Department of Tourism, Culture, Arts and Recreation

² Most of the data used in this section are from Statistics Canada, which commonly refers to the community sector as the non-profit sector. Statistics Canada defines the non-profit sector as a collection of organizations that provide goods and services to communities and households. According to Statistics Canada, the non-profit sector is made up of three main categories: community, business, and government. Government non-profit organizations are excluded from this analysis.

Table 6: Non-Profit GDP by Sub-Sector

Newfoundland and Labrador, 2022

Non-Profit Sub-Sector	GDP (\$M)	Per cent of Non-Profit GDP
Business and professional associations, unions	149.0	25.5%
Social services	98.0	16.8%
Culture and recreation	91.0	15.6%
Religion	66.0	11.3%
Development and housing	53.0	9.1%
Education and research	28.0	4.8%
Other*	100.0	17.1%
Total	585.0	100.0%

Notes: * "Other" includes 'Philanthropic intermediaries and voluntarism promotion', 'Health', 'Law, advocacy, and politics', 'Environment', 'International', and 'Not elsewhere classified'.

\$M: millions

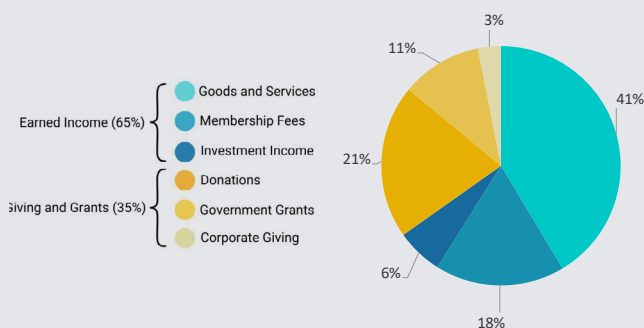
Source: Statistics Canada

and 'Development and housing' rounded out the top five, accounting for 11.3 per cent and 9.1 per cent of non-profit GDP in 2022, respectively.

The community sector generated over 65 per cent of its \$1.2 billion in income in 2022 through earned revenue and social enterprise (see Figure 31). This includes the sale of goods and services at \$508 million (41 per cent), membership fees at \$215 million (18 per cent) and investment income at \$77 million (6 per cent). The remaining 35 per cent came from household transfers through donations (21 per cent), government transfers through grants (11 per cent) and businesses/institutions through corporate giving (3 per cent). The community sector

Figure 31: Community Sector Income by Source

Newfoundland and Labrador, 2022



Source: Statistics Canada

remains a vital supplier of goods and services for the public sector in the contracted delivery of programs and services.

Volunteers remain an invaluable part of the community sector labour force. According to the 2018 General Social Survey on Giving, Volunteering and Participating, over 46 per cent of residents in the province engage in formal volunteering. According to the survey, each volunteer in Newfoundland and Labrador contributed an average of 161 volunteer hours per year, the highest in the country, for an estimated total of 33.8 million hours per year.

While many organizations rely heavily on volunteers, the community sector is a significant employer in the province. A past review of administrative data indicated over 16,000 individuals worked in the community sector at some point during the year. Recent Statistics Canada employment by industry data indicate that industries in the non-profit sector generated approximately 8,500 full-year equivalent positions in the province in 2023.³ The average hourly compensation in the non-profit sector was \$27.54 per hour worked in 2023, below the provincial average across all industries of \$42.16 per hour worked.

Incorporated in 1977, the Community Sector Council of Newfoundland and Labrador (CSCNL) is an independent charity that provides support to organizations, volunteers and employees in the province's community sector. CSCNL exists to foster social and economic well-being by empowering,

amplifying and uplifting the sector through capacity-building, research, advocacy, grants, programing and services. According to CSCNL, there were more than 3,200 incorporated entities led by volunteers in Newfoundland and Labrador in 2022, including thousands of informal committees and organizations. About one third of these organizations held charitable status, with the remainder being mostly registered non-profit organizations. The majority of charities and registered non-profits were located on the Avalon Peninsula (42 per cent), with the remainder being fairly evenly spread out across the rest of the province, led by Grand Falls Windsor-Baie Verte-Harbour Breton (11 per cent) and Gander-New-Wes-Valley (9 per cent).

³ Based on the total number of jobs in the following industries in Statistics Canada table 36-10-0480-01: 'Private households', 'Professional and similar organizations', and 'Non-profit institutions serving households'. A full-year equivalent position is a calculation that compares the total hours worked to the average number of hours worked in a full-time job.

Statistical Indicators

Figure 32: Nominal Gross Domestic Product

Newfoundland and Labrador, 1994-2024e

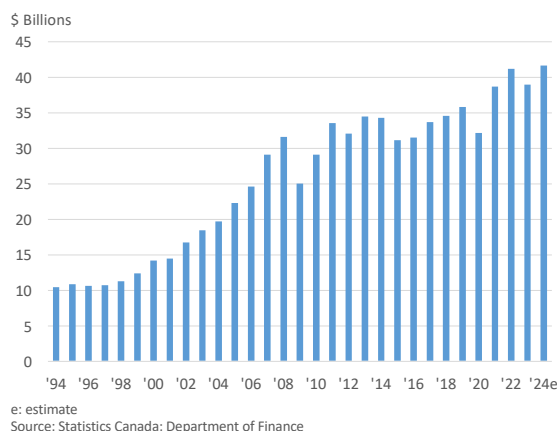


Figure 33: Real Gross Domestic Product
Newfoundland and Labrador, 1994-2024e

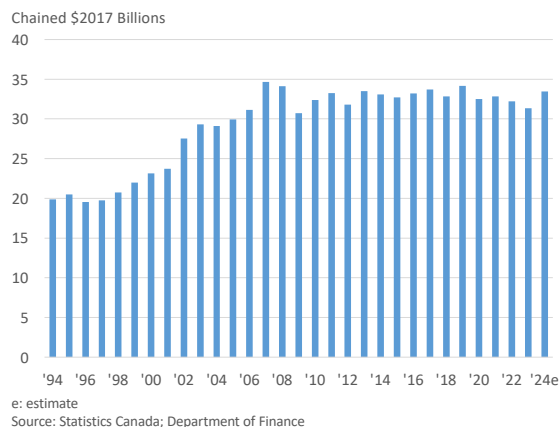


Figure 34: Household Income

Newfoundland and Labrador, 1994-2024e

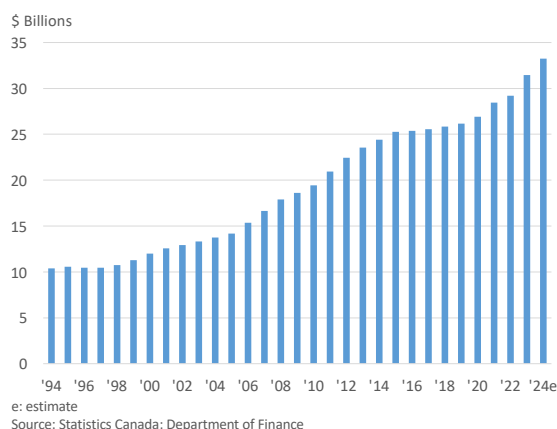


Figure 35: Compensation of Employees

Newfoundland and Labrador, 1994-2024e

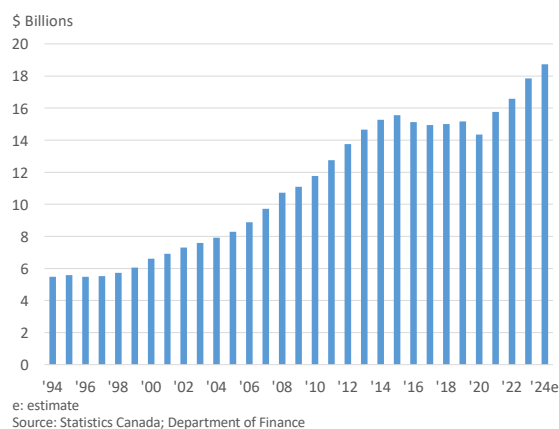


Figure 36: Capital Investment

Newfoundland and Labrador, 1994-2024e

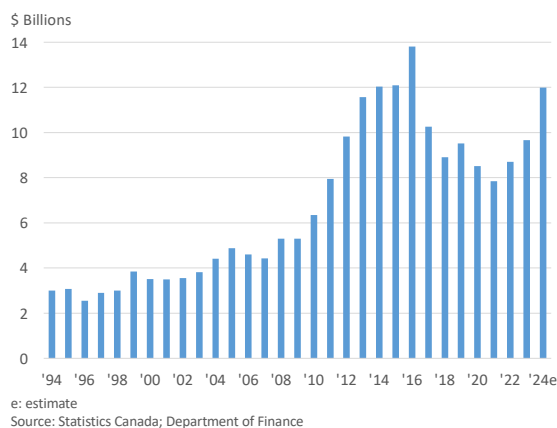


Figure 37: Housing Starts

Newfoundland and Labrador, 1994-2024

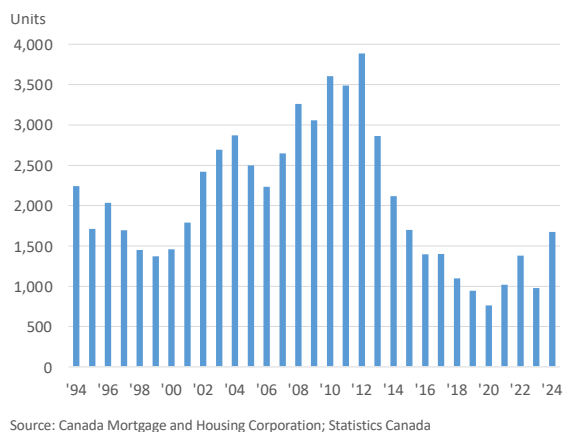


Figure 38: Average Weekly Earnings
Newfoundland and Labrador, 1994-2024

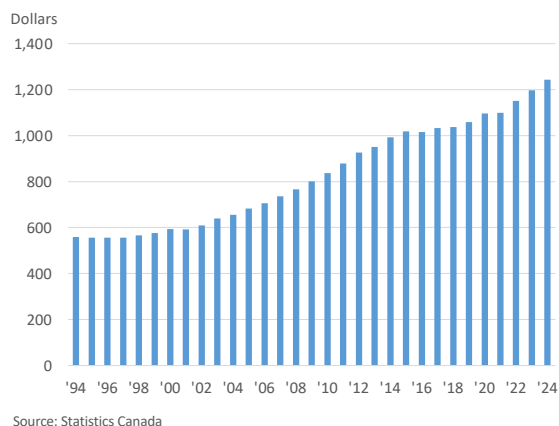


Figure 39: Retail Sales
Newfoundland and Labrador, 1994-2024

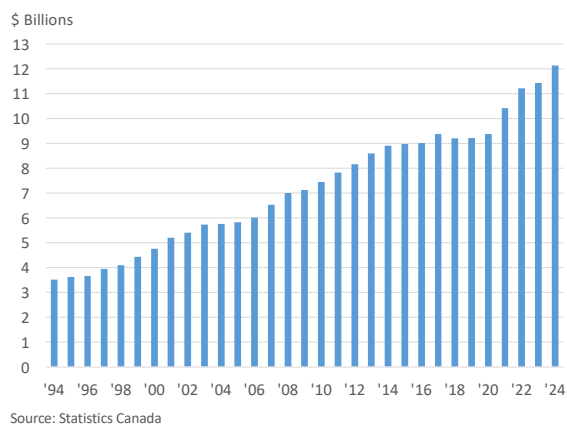


Figure 40: Population
Newfoundland and Labrador, 1994-2024

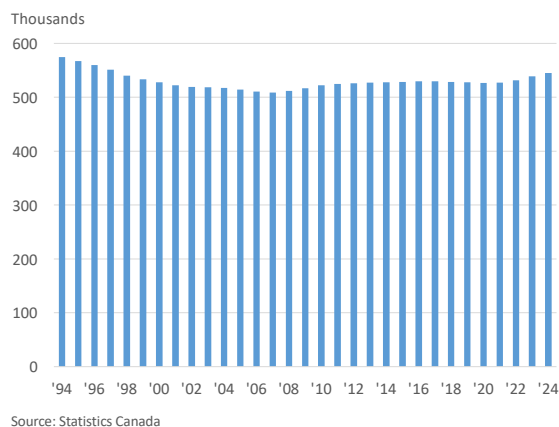


Figure 41: Labour Force
Newfoundland and Labrador, 1994-2024

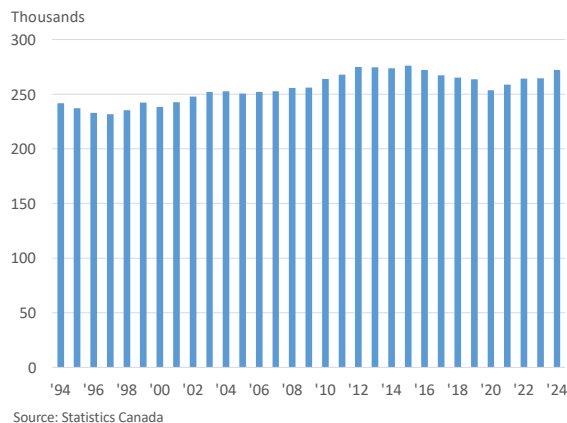


Figure 42: Employment
Newfoundland and Labrador, 1994-2024

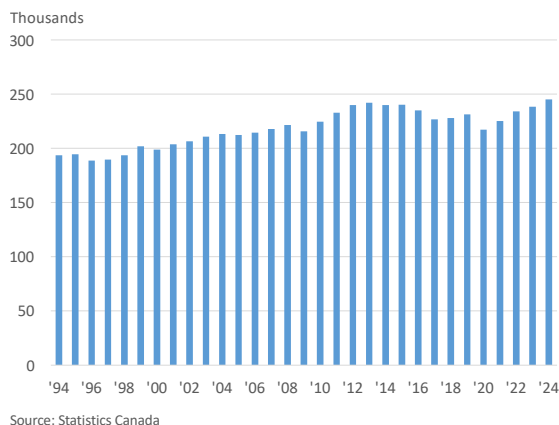


Figure 43: Unemployment Rate
Newfoundland and Labrador, 1994-2024

