

1 Q. Provide the economic forecasts prepared by the Provincial Government and
2 used in creating the Long Term Planning Load Forecast as referred to at p.
3 6-7 of the evidence of H.G. Budgell.

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5 A. See attached summary of Key Economic Indicators. This economic forecast
6 was prepared by the Provincial Government (Department of Finance) for
7 Hydro's own planning purposes and, at Hydro's direction, incorporates
8 assumptions that may or may not agree with the Province's own views.

Key Economic Indicators
Newfoundland and Labrador
2001 Long-Term Planning Forecast

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
GDP at Market Prices (\$ Millions)	10,871	11,638	13,344	14,122	14,712	14,975	15,503	16,290	17,097	17,735	18,046	18,228	18,566
% Change	6.3	7.1	14.7	5.8	4.2	1.8	3.5	5.1	5.0	3.7	1.8	1.0	1.9
Real GDP at Market Prices (\$1992 Millions)	10,491	11,051	11,568	12,186	12,741	13,022	13,283	13,661	13,934	14,160	14,195	14,146	14,208
% Change	6.2	5.3	4.7	5.3	4.6	2.2	2.0	2.8	2.0	1.6	0.2	-0.3	0.4
Adjusted Real GDP at Market Prices (\$1992 Millions)	10,222	10,620	10,979	11,285	11,393	11,552	11,728	11,802	11,885	12,055	12,253	12,434	12,656
% Change	3.6	3.9	3.4	2.8	1.0	1.4	1.5	0.6	0.7	1.4	1.6	1.5	1.8
GDP Deflator (1992 = 100)	103.6	105.3	115.4	115.9	115.5	115.0	116.7	119.2	122.7	125.2	127.1	128.9	130.7
% Change	0.0	1.6	9.5	0.5	-0.4	-0.4	1.5	2.2	2.9	2.1	1.5	1.4	1.4
Consumer Price Index (1992=100)	108.4	110.0	113.1	114.8	116.8	118.9	121.1	123.3	125.6	127.9	130.3	132.7	135.0
% Change	0.2	1.5	2.8	1.6	1.7	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.8
Personal Income (\$ Millions)	10,054	10,490	10,849	11,392	11,803	12,340	12,774	13,139	13,513	13,970	14,473	14,977	15,544
% Change	1.5	4.3	3.4	5.0	3.6	4.6	3.5	2.9	2.8	3.4	3.6	3.5	3.8
% Change, real	1.3	2.8	0.6	3.4	1.8	2.7	1.7	1.0	1.0	1.5	1.7	1.7	1.9
Disposable Income (\$ Millions)	7,872	8,230	8,600	9,034	9,350	9,748	10,099	10,379	10,660	11,007	11,390	11,770	12,198
% Change	0.4	4.6	4.5	5.1	3.5	4.3	3.6	2.8	2.7	3.3	3.5	3.3	3.6
% Change, real	0.2	3.1	1.7	3.4	1.7	2.4	1.8	0.9	0.8	1.3	1.6	1.5	1.8
Retail Sales (\$ Millions)	3,939	4,223	4,435	4,655	4,740	4,897	5,018	5,100	5,196	5,337	5,511	5,679	5,861
% Change	3.7	7.2	5.0	5.0	1.8	3.3	2.5	1.6	1.9	2.7	3.3	3.0	3.2
% Change, real	4.7	5.9	1.9	3.3	0.1	1.3	0.5	0.0	0.2	0.9	1.5	1.4	1.5
Housing Starts	1,450	1,371	1,488	1,607	1,586	1,672	1,699	1,691	1,733	1,787	1,870	1,877	1,895
% Change	-14.5	-5.4	8.6	7.9	-1.3	5.4	1.6	-0.5	2.5	3.1	4.7	0.4	0.9
Employment ('000s)	194.2	204.9	204.9	210.0	211.9	215.3	217.1	216.9	216.8	217.7	219.0	220.0	221.5
% Change	2.6	5.5	0.0	2.5	0.9	1.6	0.8	-0.1	0.0	0.4	0.6	0.5	0.7
Labour Force ('000s)	237.0	246.7	243.9	247.3	249.5	250.6	251.8	252.2	252.4	252.6	252.8	252.7	252.6
% Change	1.9	4.1	-1.1	1.4	0.9	0.5	0.5	0.1	0.1	0.1	0.1	0.0	0.0
Unemployment Rate (%)	18.0	16.9	16.0	15.1	15.0	14.1	13.8	14.0	14.1	13.8	13.4	12.9	12.3
Population ('000s)	545.4	540.8	538.8	539.3	539.8	540.4	541.5	541.4	541.4	540.7	540.0	539.2	538.7
% Change	-1.6	-0.8	-0.4	0.1	0.1	0.1	0.2	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Capital Investment, (PPI definition)	2,774	3,338	3,230	3,240	3,428	3,742	3,740	3,136	2,931	3,015	3,119	3,262	3,394
% Change	1.3	20.3	-3.2	0.3	5.8	9.2	0.0	-16.1	-6.5	2.9	3.4	4.6	4.0
% Change Real	1.0	20.1	-0.3	1.5	3.7	7.4	-0.4	-13.6	-4.5	2.3	2.9	3.8	3.3
Labour Income (\$ Millions)	5,744	6,078	6,402	6,746	6,954	7,284	7,556	7,760	7,967	8,241	8,540	8,829	9,167
% Change	2.6	5.8	5.3	5.4	3.1	4.7	3.7	2.7	2.7	3.4	3.6	3.4	3.8

Note: Adjusted GDP excludes income that will be earned by the non-resident owners of Newfoundland mega-projects to better reflect growth in economic activity that generates income for residents. It differs from actual GDP only from 1997 forward.