

## **Newfoundland and Labrador: Economy is doing well**

Memorial University economist Wade Locke says almost all economic indicators point to an economy in the province that is improving, and actually prospering. Locke said he began looking at Newfoundland and Labrador's situation following increasingly pessimistic media reports about the impact of the recession. "I didn't think then, I don't think now, the sky is falling," Locke told the audience of nearly 100 at a luncheon held by the St. John's Board of Trade Tuesday. He said in five years time, the recession will be a "distant memory." Among the economic indicators cited by Lock in his presentation:

- from February to March 2009, the value of building permits grew by 23.5% throughout Canada and 54.6% in Newfoundland and Labrador;
- In the first quarter of 2009, Royal LePage indicated that on an annual basic housing prices (for a detached bungalow) fell 6.1% in Canada, but increased by 17.7% in St. John's;
- Also in the first quarter of 2009, in centres with populations of 10,000 – plus, Newfoundland and Labrador had a 27% increase year over year in housing starts – the only province with an increase; national starts fell by 48%.

The MUN economist said his long term projections put Newfoundland and Labrador in so-called "have" status "for a good number of years" beyond 2020. He pointed to a number of projects on the horizon as encouraging signs. Those include Hebron, the Vale Inco plant, the White Rose extension and Hibernia South. Globally, Lock pointed to a variety of sources indicating the recession could soon end. While Locke indicated 2009 will be a difficult year for the province, his presentation noted "all the indications are that we will weather it fine and have a brighter, prosperous future both in the medium and longer terms."

*-Rob Antle  
The Telegram*