

NEWS RELEASE

Business investment in the Maritimes continues 30-year trend of lagging national average

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For immediate release

HALIFAX—Business investment across the Maritime provinces as well as Quebec has been below the Canadian average for at least the past 30 years, finds a new study released by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“For at least the past 30 years, business investment in the Maritimes has lagged behind the national average, and that has serious implications for living standards and regional prosperity,” said Steven Globerman, a Fraser Institute senior fellow and co-author of *Capital Investment in Canada's Provinces: A Provincial Report*.

The study finds that from 1990 to 2018, while business investment rose across Canada by 2.2 per cent per year, on average, it increased by just 0.6 per cent, on average, per year in Nova Scotia, 1.2 per cent in New Brunswick, and 1.7 per cent in Prince Edward Island over the same period.

In Newfoundland and Labrador, investment increased by an average of 3.5 per cent per year, but investment was largely concentrated in engineering construction in utilities, which makes up more than half of the investment growth in the province, and conventional oil and gas.

Elsewhere in Canada, while Alberta and Saskatchewan had experienced very strong business investment growth from 1990 to 2014—averaging 4.4 and 3.3 per cent per year, respectively—both have seen sharp declines in investment since 2014. In fact, from 2014 to 2018, Alberta saw just 0.1 per cent growth in investment annually.

British Columbia remains an above-average investment performer, buoyed largely by its strong real estate sector. Ontario’s business investment performance, too, improved from 2014 to 2018.

“Business investment is a key ingredient necessary to increase productivity and raise living standards, and for the past 30 years or more, business investment in the Maritimes and Quebec has been stagnant,” Globerman said.

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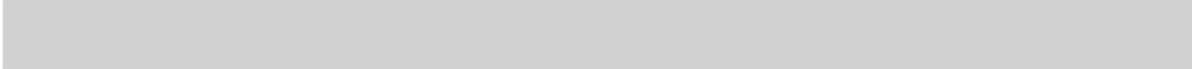
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