



NEWS RELEASE

New Brunswick's private sector largely trails the rest of the country; failed to improve between 2007-2019

January 23, 2024
For Immediate Release

HALIFAX— New Brunswick's private sector trailed the rest of the country and failed to improve over the period 2007 to 2019, which covers the last full business cycle before the most recent recession, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“The state of the private sector in New Brunswick, like anywhere in the country, is closely linked with economic growth and living standards,” said Alex Whalen, associate director of the Atlantic Canada Prosperity Initiative at the Fraser Institute and co-author of *Stagnation in Atlantic Canada's Private Markets: Measuring Progress 2007 to 2019*.

The study analyzes the private sector in Atlantic Canada and across the country by measuring several indicators between 2007 and 2019. It found that the size of the private sector workforce (measured by average private sector employment as a share of total employment) is below the national average in New Brunswick across this period of time. Moreover, New Brunswick had the fourth lowest rate of private sector employment amongst the provinces.

Another indicator, private sector venture capital investment, shows that despite having approximately 6.4 per cent of the national population, the Atlantic Provinces as a whole attracted an average of only 2.4 per cent of the national private venture capital investment over the same period.

New Brunswick experienced a decline in business investment per worker over the time period (2007 to 2019), and experienced the second lowest average level of business investment per worker over the period at \$12,617.

The province also recorded the third largest average government sector as a share of its economy over the time period.

“A large and growing government sector leaves less space for and ultimately crowds out private sector activity, impairing economic growth and ultimately living standards therefore harms economic growth in New Brunswick,” said Whalen.

“Improvements in the state of the private sector will be key to generating economic opportunity, jobs, and business investment, improving overall prosperity in Atlantic Canada”

(30)

MEDIA CONTACTS:

Alex Whalen, Associate Director, Atlantic Canada Prosperity Initiative
Fraser Institute

To arrange media interviews or for more information, please contact:
Drue MacPherson, 604-688-0221 ext. 721, drue.macpherson@fraserinstitute.org

[Follow the Fraser Institute on Twitter](#) | [Like us on Facebook](#)

The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org