NEWS RELEASE

Nova Scotia’s private sector underperforms the rest of the country—ranks last among all Canadian provinces in private sector investment

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For immediate release

HALIFAX—Nova Scotia ranks last among all Canadian provinces in per person private sector investment—a key driver of higher living standards and increased prosperity—finds a new study published by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“For most of recent history, there has been a prosperity gap between Atlantic Canada and the rest of Canada, and part of closing this gap is for the region to have a healthy private sector,” said Alex Whalen, policy analyst at the Fraser Institute and co-author of The State of Markets in Atlantic Canada.

The study—which measures private markets in Atlantic Canada—finds that private markets in the Maritimes generally underperformed those in the rest of Canada.

Nova Scotia ranked 7th on small business start-ups, a key measure of entrepreneurship. Government spending (including federal, provincial and local) as a share of the overall economy was the highest in Nova Scotia at 60.2 per cent in 2019 (the most recent year of available data prior to the COVID-19 pandemic) compared to the other provinces.

Nova Scotia’s private sector employment relative to total employment ranked 6th at 63.6 per cent. All four Atlantic provinces had below-average shares of private sector employment as a share of total employment in 2019.

“One of the clear limitations to greater prosperity and higher living standards in Nova Scotia is its underperforming private sector,” Whalen said.

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