

NEWS RELEASE

Alberta's economy as diversified as most other provinces

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For immediate release

TORONTO—Despite frequent calls for intentional diversification, Alberta's economy is approximately as diversified as the rest of the provinces, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Demands for Edmonton to actively diversify the Albertan economy are often based on myths and a misunderstanding of the status quo,” said Ben Eisen, a senior fellow with the Fraser Institute and co-author of *Four Myths about economic diversification in Alberta*.

The study examines several popular myths about Alberta's economy, including the supposed lack of diversification relative to the rest of the country.

Despite misperceptions, oil and gas production in the province does not dominate economic activity or employment in Alberta to the point that the provincial economy is notably less diversified than other provinces or even other advanced, industrial economies like Germany or Japan. In fact, with respect to employment, Alberta's was the most diversified provincial economy in Canada in 2020.

As far as overall economic diversification goes, Alberta is strikingly similar to most other provinces, as the economy isn't unusually concentrated in any given industry. In fact, Alberta in 2020 was the fourth most diversified provincial economy in Canada as measured by GDP concentration – more diversified than Ontario or British Columbia.

Furthermore, Alberta's history provides several examples of unsuccessful top-down diversification attempts that resulted in taxpayer resources being wasted.

“Governments shouldn't try to pick winners and losers but should foster a pro-economic growth environment that gives businesses and entrepreneurs in all sectors the best chance of success,” said Eisen.

“Alberta's economy is more diversified than commonly understood, and top-down efforts to further diversify the economy should be met with skepticism.”

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