

NEWS RELEASE



Maritimes experienced slowest growth in business investment nationwide from 1990 to 2018, contributing to lower living standards in the region

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For immediate release

VANCOUVER—Business investment in the three maritime provinces has been below the average for the rest of Canada since at least 1990, and that has contributed significantly to the region’s slower economic growth and lower living standards, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“The Maritimes have the lowest levels of business investment anywhere in Canada, and that’s been the case for decades, stunting the region’s economic growth and keeping workers in the region from enjoying a higher living standard,” said Steven Globerman, resident scholar at the Fraser Institute and co-author of *Promoting Capital Investment in Atlantic Canada: An Imperative for Prosperity*.

The study finds that from at least 1990 to 2020, Nova Scotia, New Brunswick and Prince Edward Island have all suffered below-average business investment, especially in non-residential structures, machinery and equipment, and intellectual property products.

In fact, compared to the national average, business investment (excluding residential construction) grew significantly less in all three maritime provinces from 1990 to 2018, with Nova Scotia experiencing the slowest growth compared to the national average (70.9 per cent less) and New Brunswick having the second slowest growth (46.0 per cent less). By comparison, business investment increased in Alberta by 69.3 per cent more than the national average over the same period.

Crucially, investments in machinery and equipment and intellectual property products play a significant role in improving productivity and raising living standards.

“For decades, the maritime provinces have lagged the rest of Canada in business investment, and in turn, have suffered sub-par economic growth and lower living standards,” Globerman said.

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