



NEWS RELEASE

Newfoundland and Labrador experienced largest decline in employment and second largest decline in real GDP in the country during the pandemic

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VANCOUVER—The economic impacts of COVID-19 varied across the country and within Atlantic Canada, with Newfoundland and Labrador experiencing the largest decline in employment levels from January 2020 to January 2022 and the third largest decline in real GDP in 2020 while the Maritime provinces recorded some of the smallest declines in real GDP, finds a new study published today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“While all provinces were hurt by COVID and the measures to manage it, some weathered the economic storm better than others,” said Livio Di Matteo, professor of economics at Lakehead University, senior fellow at the Fraser Institute and author of *Storm without End: The Economic Impact of COVID-19 on Canada and the Provinces*.

Real GDP (the value of all goods and services produced, adjusted for inflation) fell by more than 5 per cent in Newfoundland and Labrador in 2020. The Maritime provinces and British Columbia, on the other hand, were hit less hard with real GDP declines of between 3 per cent and 4 per cent.

While most Canadian provinces experienced increases in their unemployment rates between January 2020 to January 2022, Atlantic provinces continued to have some of the highest unemployment rates in the country by January 2022. Newfoundland and Labrador led all provinces (12.8 per cent), followed by Prince Edward Island (9.6 per cent), and New Brunswick (8.5 per cent). Nova Scotia was one of four provinces that saw a decline in its unemployment rate.

More broadly, from January 2020 to January 2022, Newfoundland and Labrador (1.4 per cent), New Brunswick (1.2 per cent), and Prince Edward Island (1.0 per cent) experienced the steepest drops in employment levels followed by Quebec, Ontario, and Saskatchewan. Nova Scotia, by contrast, had the second highest employment growth (1.9 per cent) in Canada over the same period.

“It’s imperative we understand the different approaches taken by each individual Atlantic Province in terms of economic recovery, especially since many yielded far better results than others,” Di Matteo said.

“Should Atlantic Canada experience something like the COVID-19 pandemic again, the region will need a framework for what works, for what carried them through the last time.”

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