



NEWS RELEASE

Alberta experienced largest economic decline during pandemic's first year, Quebec saw sharpest employment decline

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VANCOUVER—The economic impacts of COVID-19 varied across Canada with Alberta experiencing the steepest decline in economic activity in 2020 and Quebec experiencing the sharpest decline in employment, 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 and Fiscal Impact of COVID in Canada*.

The first chapter in the new study, *The Economic Impact of COVID-19 on Canada and the Provinces*, finds that in 2020, Alberta experienced an estimated 8 per cent drop in real GDP (the value of all goods and services produced, adjusted for inflation) followed by Quebec and Newfoundland and Labrador (each falling by more than 5 per cent) and Ontario (about 5 per cent). The Atlantic 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.

In 2021, Quebec, B.C. and Ontario experienced the biggest economic rebounds, with real GDP growing more than six per cent respectively followed by Alberta and Saskatchewan (more than 5 per cent).

On the employment front, during the first few months of the pandemic (January 2020 to April 2020), Quebec experienced the largest drop in employment levels at approximately 19 per cent. More broadly, from January 2020 to January 2022, Newfoundland and Labrador, Prince Edward Island, New Brunswick and Quebec experienced the steepest drop in employment levels followed by Ontario and Saskatchewan. Nova Scotia, Manitoba, Alberta and B.C. experienced more modest employment declines.

“The economic costs of COVID will likely be long-lasting as Canada struggles to fully recover,” Di Matteo said.

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