

### Jobs and the Economy

The Prince Edward Island economy fared better than most other provinces during the severe economic downturn. A combination of stimulus spending, moderate growth in key sectors and notable employment gains helped the province offset the impacts of the downturn.

Over the past four years, Prince Edward Island's GDP remained stable, with 0.4 percent growth in 2008 and -0.1 in 2009. That compares with a -2.5 percent decline in Canada.

#### Economy At-A-Glance

##### Economy

- The PEI economy grew by 1.9 per cent in 2010.
- It is forecast to grow by 1.7 per cent in 2011.
- Retail sales rose from \$1.6 billion in 2007 to \$1.8 billion in 2010.
- Total capital expenditures in new construction and equipment in the province, rose from \$827 million in 2007 to \$958 million in 2010.

##### Jobs

- According to Statistics Canada, the number of jobs in PEI grew from 69,300 in 2007 to 71,300 in 2010, the second highest growth rate in Canada.

##### Income

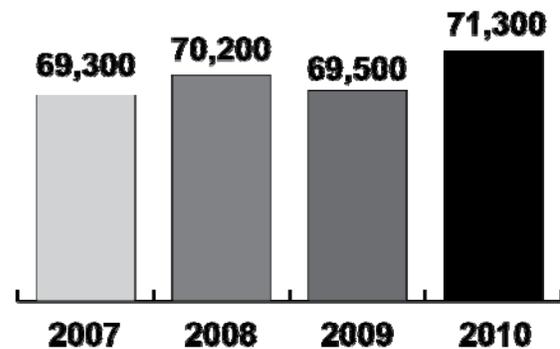
- Labour income grew from \$2.3 billion in 2007 to \$2.7 billion in 2010.
- Net farm income grew from losses of \$21 million in 2007 to a forecast profit of over \$50 million in 2011.

##### Population

- Prince Edward Island's population grew from 138,161 in 2007 to 142,266 in 2010, the fastest growth rate in Atlantic Canada.

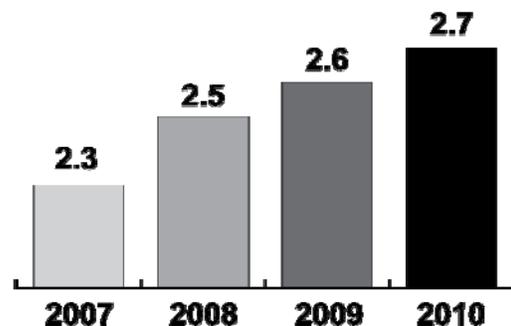
The Prince Edward Island economy is forecast to have expanded by 1.9 percent in 2010. The Department of Finance and Municipal Affairs forecasts the PEI economy to grow 1.7 per cent in 2011.

#### Number of jobs in PEI



In 2007, the number of people employed in the province was 69,300. In 2010, that number had expanded to 71,300 people. This was the second highest employment growth in Canada in 2010.

#### Labour income growth (billions)



Agriculture recorded moderate growth between 2007 and 2010, with farm cash receipts rising from \$382 million to \$395 million. They are forecast to increase to \$456 million in 2011, an all-time record high.

Between 2007 and 2009, when fishery markets bottomed out, the value of fish landings dropped from \$168 million to \$124 million. The value of lobster landings, which accounts for 60 percent of the fishery, increased in 2010 to \$84 million, up from \$75 million in 2009. Lobster landings in 2010 reached 23.8 million pounds, the highest ever recorded in the province. The aquaculture industry, with a value of more than \$30 million, has been relatively stable.

The total number of visitors to the Island in 2010 grew by 1.4 per cent to more than 1.3 million, despite the higher value of the Canadian dollar and the impact of the downturn. The tourism industry accounts for \$370 million in economic activity, up 2.6 per cent from 2009. Tourism returns \$42 million to annual provincial revenues.

The Island Prosperity Strategy identified four sectors that could provide new opportunities for Islanders - biosciences; renewable energy; information technology; and aerospace. The bioscience sector now employs almost 1,000 people who work at over 40 companies and research centers. In 2009-2010, bioscience was responsible for \$77 million in sales. From 2008 to 2010, there were 14 bioscience projects that leveraged \$57 million worth of research activity in the province.

From having literally no aerospace industry in the 1990s, Prince Edward Island has grown an industry that now employs 900 people at 10 companies. Aerospace produces \$355 million in annual export sales and pays salaries of \$32 million every year. Indirect spinoffs of aerospace are estimated to have an economic impact of \$726 million per year and to be linked to 3,600 jobs.

Over the past four years, notable gains in both employment and economic activity have been achieved in utilities, professional, scientific and technical services, and in education. Employment losses have occurred in both the goods and services producing industries, with declines in manufacturing, transportation and warehousing, information, culture and recreation and accommodation and food services.

In 2010, government announced a Rural Action Plan to stimulate the growth of rural communities. The Rural Action Plan brings a government-wide focus to renew and revitalize rural PEI. This is the first time in the province that the needs of rural communities have been addressed in a comprehensive manner.

## **New and Traditional Industries**

### *Agriculture*

- Farm cash receipts rose from \$382 million in 2007 to \$395 million in 2010. They are forecast to increase to \$456 million in 2011, an all-time high.

### *Fishery*

- The value of lobster landings increased from \$75 million in 2009 to \$84 million in 2010, the highest ever recorded in the province.
- The value of seafood exports rose 25.7 per cent in 2010.

### *Tourism*

- The number of visitors to the Island in 2010 grew by 1.4 per cent to more than 1.3 million.
- In 2010, cruise ship traffic was up by more than 7 per cent, motorcoach traffic was up 7.4 per cent, bridge traffic was down slightly by 0.4 per cent, ferry traffic was up 2.9 per cent and air traffic was up 4.3 per cent.

### *Strategic growth sectors – Island Prosperity Strategy*

- 1,000 people now work in bioscience which generates \$77 million in annual sales.
- The number of people who work in aerospace has grown from 650 to 900 in the last 3 years.
- Over 2,000 people work in the information and communications technology sector.