

Impact of COVID-19: Key Economic Issues for Atlantic Canada

Highlights

Industry and economic vulnerability varies widely between counties in Atlantic Canada.

Rural areas are typically more vulnerable to the economic impacts of the pandemic than urban areas due to their greater dependence on the industries most adversely affected by COVID-19.

Recent improvement in population growth trends in most areas will support labour force growth post pandemic.

Communities should use these profiles to assess their own vulnerabilities and develop strategies to support their regional recovery.

About APEC

APEC is the source for independent research, insights and ideas vital to supporting a healthy, inclusive and sustainable Atlantic Canadian economy.

For a more in-depth look at the economic impact of COVID-19 and APEC's assessment of the ongoing recovery, visit: www.apec-econ.ca/covid



Economic Vulnerability by Location

This is the final report in a series that examines the impact of COVID-19 on different groups of Atlantic Canadians. The first looked at the impact on specific [industries](#), the second on [demographic and diverse groups](#) and the third on [geographies](#).

This report consolidates this analysis to assess vulnerabilities to the economic effects of COVID-19 for individual counties and divisions in Atlantic Canada. Each profile provides an overview of the industry employment structure and other economic characteristics of each area, highlighting vulnerabilities.

Local chambers, employers, communities and policy makers can use this analysis to assess their own regional vulnerabilities and develop effective responses to support their short and long-term recovery from COVID-19.

Summary of previous reports in the series

Industries – key industries including tourism, primary industries, manufacturing, construction, retail and restaurants were hit especially hard by the initial impacts of COVID-19. These industries in Atlantic Canada lost over \$12 billion in revenue in the early stages of the pandemic. Some have rebounded but several are still struggling.

Demographic and diverse groups – employment losses remain high for several groups, especially youth and those with lower education and in low-wage jobs. These groups often work in hard hit industries.

Geographies – rural areas have been more negatively impacted across the region due to job losses in the primary and manufacturing industries

This report was
commissioned by:



The Atlantic Chamber of Commerce (ACC) is the largest accredited business organization of influence in Atlantic Canada. ACC represents more than 16,000 business and 29 corporate partners and their 300,000 employees through its network of 94 Chambers of Commerce and Boards of Trade.

Impact of COVID-19: Industry Vulnerability

Travel-related, event and customer facing and commodity-based industries have been among the most negatively impacted by COVID-19. However, every country, region and small community has had varying effects due to their industry and demographic composition. Each area has different economic vulnerability levels and some may struggle more than others to respond once the pandemic subsides. The profiles that are included with this analysis provide details on the potential vulnerability at the county level in Atlantic Canada.

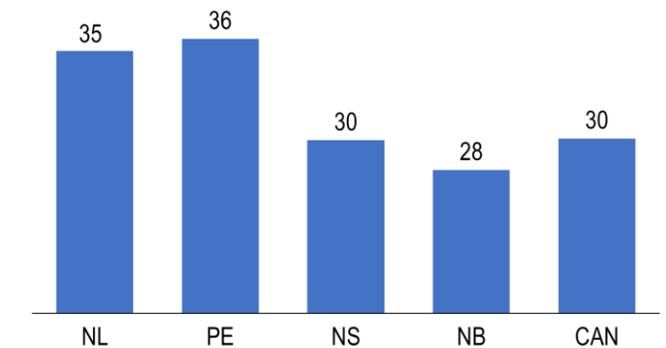
Atlantic Industry Vulnerability Index

A core part of the analysis in this report is the Atlantic Industry Vulnerability Index. This measures the share of the labour force in industries that have been most adversely impacted by COVID-19. Prince Edward Island (36%) and Newfoundland and Labrador (35%) have larger shares of high-risk industries than the rest of the region. In Newfoundland and Labrador this is due to a stronger dependence on fishing, oil, construction and transportation. In Prince Edward Island there are more people in the fishing, agriculture, manufacturing and tourism industries. New Brunswick has the lowest industry vulnerability at 28% due to a lower reliance on the fishery, tourism and the impacted transportation sectors than the rest of the region.

At the county level there are large differences between industry vulnerability rates ranging from 18% to 53%. Those with high industry vulnerability like Shelburne County (NS), Northern Peninsula (NL) and Kings County (PE) have a strong reliance on the fishery and fish manufacturing. Fish exports from Atlantic Canada were down over \$600 million in 2020. Larger centres such as Fredericton, Halifax, Saint John and Moncton have lower shares of employment in industries at risk and have lower vulnerability rates. Urban areas have 26% of their workforce in the most affected industries compared to 36% in rural areas.

NL and PEI Have Higher Rates of Industry Vulnerability

Share of employment in industries highly vulnerable to COVID-19(%)



Source: Statistics Canada, APEC

Industry Vulnerability Index Rates by County/Division

Highest Vulnerability			Lowest Vulnerability		
Shelburne	NS	53.2	Sunbury	NB	17.9
Northern Peninsula	NL	45.8	York	NB	21.1
Kings	PE	45.3	Restigouche	NB	21.5
Digby	NS	44.7	Queens	NB	23.4
Victoria	NS	44.5	Halifax	NS	25.3
Burin Peninsula	NL	43.9	Saint John	NB	26.0
Bonavista/Trinity	NL	43.0	Madawaska	NB	26.5
Notre Dame Bay	NL	43.0	Albert	NB	26.6
Prince	PE	42.6	Kings	NB	27.1
Charlotte	NB	42.6	Westmorland	NB	27.9

Source: Statistics Canada, APEC

Impact of COVID-19: Vulnerability – Other Factors

Other Vulnerability Factors

However, it is also important to look at other labour force, health and long-term structural factors when trying to understand the overall vulnerability of an area to the economic impacts of COVID-19 and its ability to respond. Factors such as income, education, demographics, diversity measures and health all determine how vulnerable individuals are to COVID-19 and the economic downturn.

For example, Restigouche County in New Brunswick has a low industry vulnerability index (22%), but income and education levels are relatively low, unemployment is high and population is declining which might impede a recovery from COVID-19. The county also has a high share of seniors that are at greater risk from the health effects of COVID-19 and the county borders Quebec which could impact the number of cases and cause partial industry closures when borders are open. Urban areas are at greater risk of partial or full shutdowns due to higher population density and faster transmission. Urban areas have higher numbers of young workers and immigrants which are groups at greater risk of losing employment.

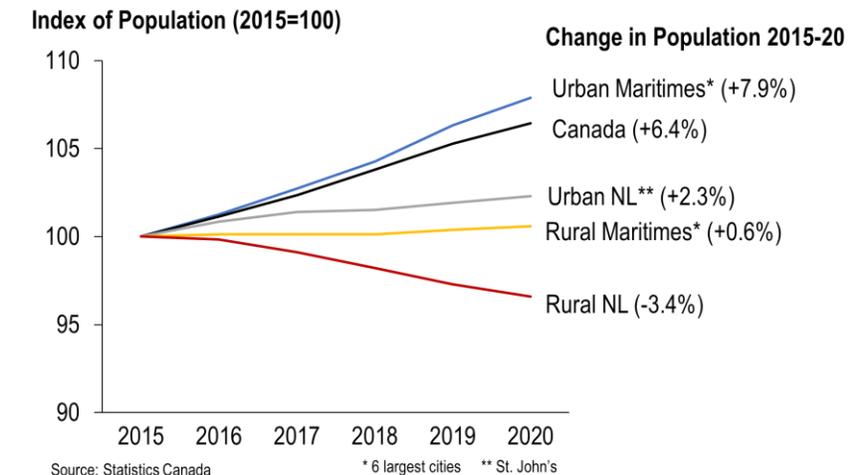
The dashboards and detailed tables in this report will provide readers with a comparative background of some of the key challenges for each county/division during the rest of the pandemic and into the recovery.

Population

Population trends have shifted considerably over the last five years which will support labour force growth post-pandemic. This is due to growing immigration to most areas and positive flows from other provinces to the Maritimes. 37 of the region's 47 counties/divisions had improved population growth between 2015 and 2020 compared to the 2011 to 2016 period. Nine of the 10 with worsening change in population were in Newfoundland and Labrador due to outmigration to other provinces. Urban areas of the Maritimes (larger cities) increased their population by 75,000 between 2015 and 2020 (+7.9%) which outpaced the growth nationally. Rural areas saw a decline of nearly 6,000, although rural areas of the Maritimes grew by over 5,000 and rural Newfoundland and Labrador lost nearly 11,000.



Maritime Cities are Outpacing National Population Growth



Impact of COVID-19: Takeaways and Discussion Questions

Community Takeaways

The recovery path for each county/division will be different due to the varying industry and demographic compositions. Federal and provincial governments should **consider the distinctive aspects of urban and rural areas and how to support the recovery of all regions.**

Municipalities should **adopt economic development strategies that are tailored to their unique circumstances and vulnerabilities.**

Digitalization and automation will be key for the long-term success in all industries. Continued investments in high-speed internet in rural areas is crucial for remote working and attracting newcomers. **Many firms will need assistance and advice to transition to a more digital future.**

The occupations and skills required for industries are shifting. **Support for training, immigration, collaboration with post-secondary institutions and supporting market development will remain crucial** and should be accelerated.

Companies that operate in multiple jurisdictions of Atlantic Canada can **benefit from a better understanding of the unique circumstances of each local operation.**

Discussion Questions

- Where have you seen the biggest impacts of COVID-19 in your community?
- What are your primary concerns for the recovery of your region from COVID-19?
- As you look at the profile for your county, what worries you the most? What gives you the most hope?
- What is being done in your community to support your region's recovery from COVID-19?
- What else needs to be done to ensure inclusive and sustainable economic prosperity in your county? How can you help advance this agenda?

