

2021–2026  
Prince Edward Island  
**ECONOMIC**  
**Action Plan**

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**A bigger future for our Island:**  
*Building resilience and sustainability in a changing world*

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OCTOBER 2020



PARTNERSHIP  
FOR GROWTH  
PRINCE EDWARD ISLAND

**Consultation  
Document**

# Overview

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# Introduction: A Bigger Future for Our Island

**Now more than ever is the time for leadership to develop a framework providing an exciting pathway to economic recovery and sustainable growth for Prince Edward Island.**

The path forward will require *all* stakeholders—industry, organizations, post-secondary institutions, research entities, all levels of government, and communities—to work together to have a positive impact on PEI's future. Collaboration and alignment of priorities and actions are critical.

The 2021-2026 Economic Action Plan is intended to provide an action-oriented roadmap for PEI's economic recovery and growth, with a longer-term focus. This initiative is industry-led through the Partnership for Growth.

## Partnership For Growth – Founding Partners



# Introduction: A Bigger Future for Our Island

## Objectives of this engagement

MRSB Consulting Services was engaged to work with the Partnership for Growth (PFG) to:

- Design and implement a consultation process and secondary research
- Develop an action-oriented Economic Action Plan with a long-term vision (PFG) and 5-year actions
- Evaluation and Monitoring Framework

## The consultation process to-date included more than 200 stakeholders, including:

- PFG Founding Partners
- Industry representatives from various sectors, stages of business, and geographic areas
- Business, industry and community organizations
- Post-secondary institutions and youth
- First Nations and Francophone communities
- Municipal, provincial, and federal governments
- Extensive secondary research and observations by consultants

# 2020 Impact and Outlook

PEI has experienced **12 consecutive years of strong economic growth**, with the two most recent years involving the highest growth rate among Canadian provinces.

Our record of sustained economic growth was disrupted in March 2020 with the global pandemic, resulting in a public health and economic crisis.

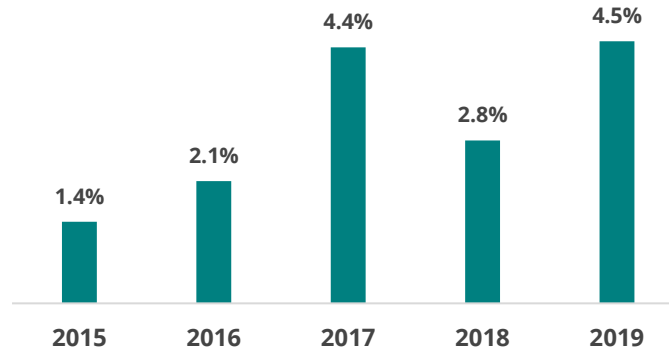


Figure 1: PEI led among all Canadian provinces in GDP growth in 2018 and 2019.

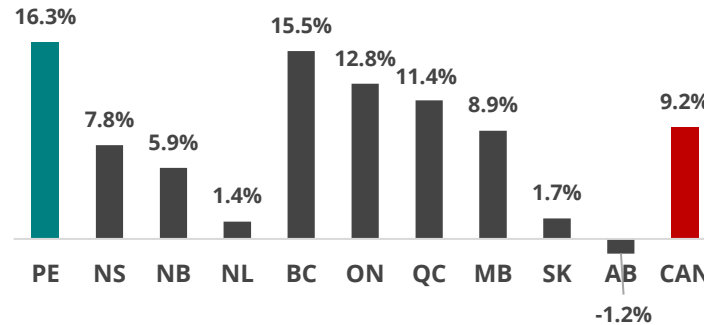


Figure 2: PEI's GDP grew 16.3% over the last 5 years, exceeding all other provinces and national average of 9.2%.

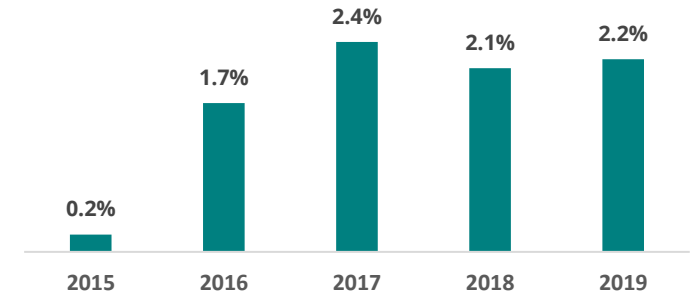


Figure 3: PEI led the country in population growth in each of the last four years.

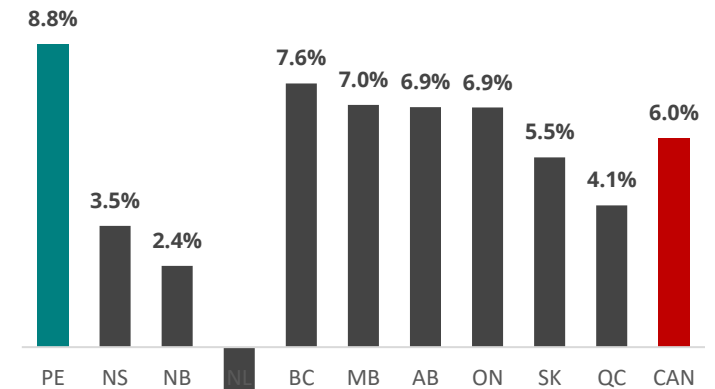


Figure 4: PEI's 5-year population growth has outpaced all other provinces and national average.

# Impact of COVID-19 on PEI Sectors

## SEVERE IMPACT

**Tourism and hospitality**, including restaurants, bars and accommodations (new business/delivery models, delayed opening, limited capacity)

**Sporting, tourism, cultural and recreational activities** (delayed opening, travel restrictions)

**Retail** (with the exception of grocery stores and online/curbside pick-up)

**Aerospace** (focus on maintenance and overhaul)

## MAJOR IMPACT

**Agriculture, including potato processing** (reduced demand by restaurants and fast food chains)

**Construction industry** (delayed capital projects)

**Fisheries, aquaculture and seafood processing** (reduced demand by restaurants and fast food chains)

**Transport** (passenger transport hit hard, cargo down)

**Wholesale** (supply chain management)

**Other services**

## MODERATE IMPACT

**Advanced manufacturing** (continued demand and shift to COVID-19 products)

**Education** (home schooling and online delivery models)

**Food processing** (business disruption)

**Real estate** (new online models)

**Retail** (grocery stores and online/curbside pick-up)

**Some professional services** (online communications and delivery methods)

## MODEST IMPACT

**Bioscience** (continued demand and shift to COVID-19 products)

**Essential services** (e.g., finance and insurance, utilities, business services, some professional services)

**Healthcare**

# PEI's Long-Term Path To **Sustainable Economic Growth**

A vibrant private sector is critical to PEI's economic recovery



**ECONOMIC  
PEAK  
PRE-  
PANDEMIC**



**GLOBAL  
PANDEMIC:  
PUBLIC HEALTH  
AND ECONOMIC  
CRISIS**

PEI sectors impacted differently.  
Gradual staged-approach  
for some sectors;  
lagging recovery for others



**ECONOMIC  
RECOVERY**

PEI sectors impacted differently  
as some will take longer to recover,  
while others will adapt more quickly  
to new industry dynamics  
and/or pursue growth opportunities

- Support the renewed strengthening of the most significantly impacted sectors

**SUSTAINABLE  
ECONOMIC  
GROWTH**



Carefully planned  
growth that provides  
opportunity for  
Prince Edward Island  
that is beyond  
pre-pandemic levels

- Accelerate growth and opportunity for business
- Pursue sector growth and economic diversity
- Focus on the health and well-being of Islanders and our environment

# Our Vision

**Prince Edward Island is a leader in entrepreneurship and sustainable economic growth—attracting people, technology, and capital to a growing economy where businesses and all Islanders can succeed.**

Where the health and well-being of our people, economy, and environment are all important for long-term sustainable growth.



# Prince Edward Island Success in 5 Years

## 1. People

Where Islanders and other Canadians have the skills and recognize the opportunities available in PEI, and where immigrants can prosper and integrate into the community.



## 2. Innovation



Where PEI is generating and attracting entrepreneurs, capital investment, and new technologies, building on our quality innovation ecosystem.

## 3. Infrastructure

Where strategic investment in private and public infrastructure supports economic, environmental and social objectives and all Islanders are connected regionally, nationally, and internationally.



## 4. Competitiveness

Where businesses want to set up operations because of the competitive business environment as PEI is “open for business”.



## 5. Alignment

Where there is coordination among the private sector industries, academic and research agencies, and government partners on the economic action plan within PEI and Atlantic Canada

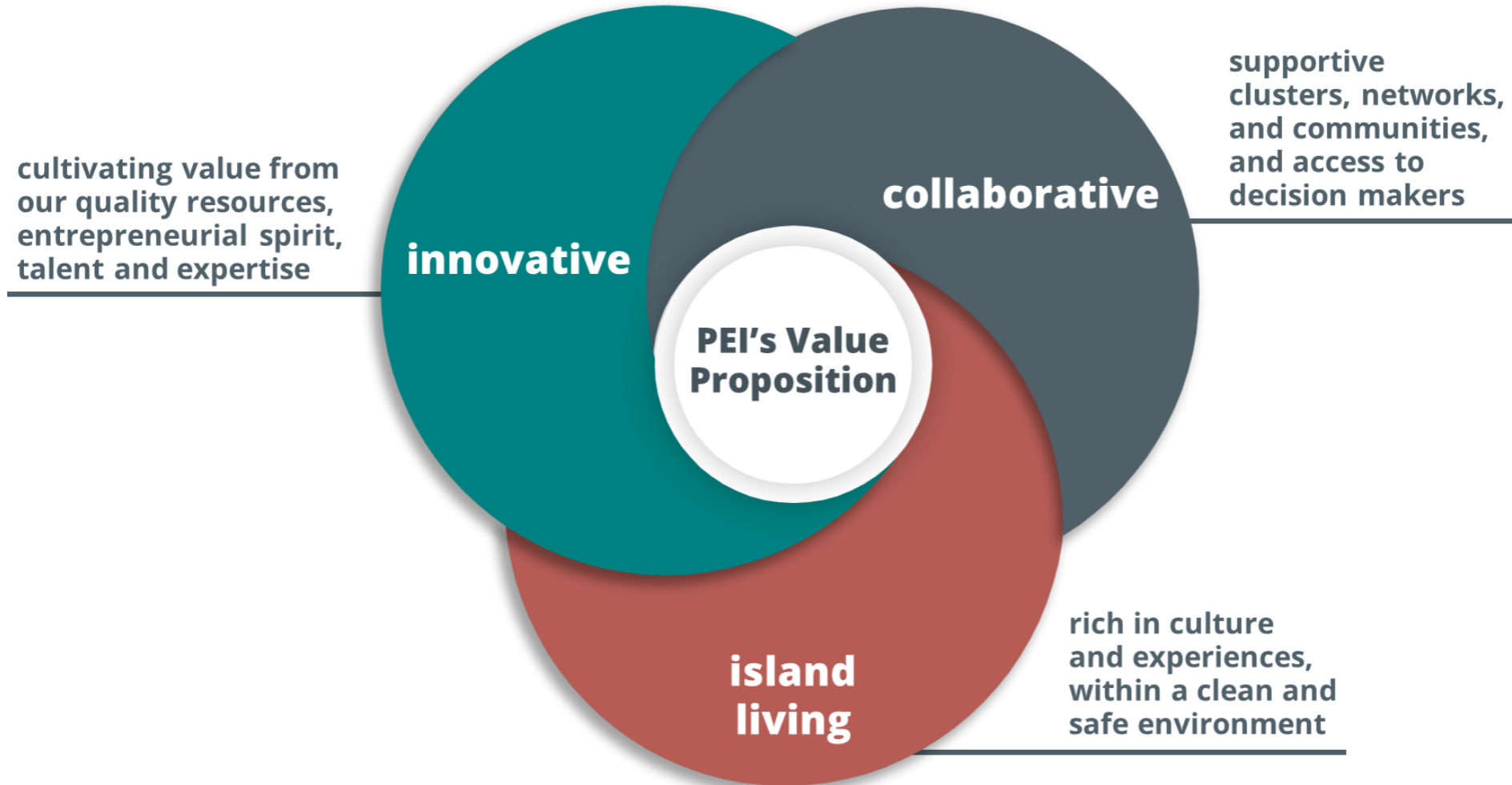


## 6. Quality of Life

Where the health and well-being of all Islanders and our environment are at the centre of managing economic growth and measuring success.



# Value Proposition





# Guiding Principles

Five principles will guide decisions to ensure success in collectively building a more sustainable, resilient PEI

01

**Foster a  
robust and  
diverse  
economy**

02

**Provide  
opportunity  
for a diverse  
population**

03

**Build stronger  
connections  
between  
urban and  
rural areas**

04

**Demonstrate  
leadership in  
sustainability  
and resilience**

05

**Take a  
long-term view  
to planning**



# Goal and Growth Targets

**Goal:** Regain our momentum for long-term economic growth, and build a stronger, more diverse and resilient economy

- ✓ GDP growth
- ✓ Increased export sales
- ✓ Population growth
- ✓ Increased employment
- ✓ Increased compensation
- ✓ Innovation growth
- ✓ Productivity growth
- ✓ Increased entrepreneurship and number of high-growth companies
- ✓ Alignment

# Five Key Priorities

1.

## Create an Outstanding Environment where Businesses and Communities Can Thrive

- > Connect every person, business and community to economic opportunity through reliable high-speed internet access
- > Create a more competitive environment for doing business
- > Build thriving communities where people want to live and work

2.

## Develop a Growing, Diverse and Skilled Workforce Necessary for PEI's Economic Future

- > Prepare the workforce for the future
- > Create pathways to employment and entrepreneurship for youth
- > Attract people to live in PEI (immigrants, other Canadians, expatriates)
- > Promote and support healthy, diverse, and inclusive workplaces

3.

## Stimulate Innovation and Sector by Sector Growth in a Changing Global Environment

- > Boldly support and invest in high-growth sectors
- > Diversify our economy to grow our exports
- > Strengthen the competitiveness of PEI industries
- > Accelerate research and development that will lead to innovation

4.

## Drive Entrepreneurship to Power PEI's Economic Success

- > Grow our entrepreneurial culture
- > Build an environment that enables entrepreneurial success and growth
- > Strengthen PEI's economy through social enterprise

5.

## Build PEI's Reputation as Innovative and Clean

- > Relentlessly communicate PEI's innovative economy
- > Be a leader in clean growth and innovation

# 1.

## Create an Outstanding Environment where Businesses and Communities Can Thrive

### 1A. Connect every person, business, and community to economic opportunity through reliable high-speed internet access

1. Accelerate investment in reliable and consistent access to high-speed internet across the province  
– *this is essential to economic recovery and growth and to support entrepreneurial activity, attraction of talent and businesses, and building resilient communities*

### 1B. Create a more competitive environment for doing business

1. Conduct a comprehensive review of PEI's tax system to support competitive prospecting and retention strategies  
—*PEI has one of the highest tax rates among Canadian provinces*
2. Streamline the offering of adaptable and flexible provincial government programs to enable business growth
3. Advocate for PEI or Atlantic Canada solutions that address barriers to doing business and pursuing opportunities
4. Enable entrepreneurship in PEI through public procurement, outsourcing, and service delivery arrangements in collaboration with the private sector

### 1C. Build thriving communities where people want to live and work

1. Develop and implement an industry-led tourism strategy focused on collaboration to grow higher yield markets and to build confidence in tourism in PEI by the public and visitors
2. Invest in vibrant community hubs that revitalize and grow communities and attract people and businesses
3. Promote and support integrated community planning that incorporates economic, social, and environmental criteria and identifies linkages and shared services with surrounding urban and rural areas
4. Access support for innovative business and community-led solutions to address affordable housing, transportation, and childcare needs in rural and urban communities

# 2.

## Develop a Growing, Diverse and Skilled Workforce Necessary for PEI's Economic Future

### 2A. Prepare the workforce for the future

1. Establish sector-specific approaches to workforce development to address skills and labour gaps
2. Enhance and develop flexible and adaptable delivery models within a post-secondary education environment that recognizes the evolving needs of learners and businesses
3. Enhance customized supports for retraining and reskilling, as technology changes the nature of the work across sectors

### 2B. Create pathways to employment and entrepreneurship for youth

1. Promote private sector involvement in experiential learning through K-12 and post-secondary education
2. Improve K-12 outcomes to ensure excellence in student achievement and prepare students for the future
3. Develop seamless pathways for international students to access employment and become permanent residents, bringing together key stakeholders to define and implement priorities

### 2C. Attract people to live in PEI (immigrants, other Canadians, expatriates)

1. Revisit PEI's population growth strategy, including recruitment, integration, and retention
2. Explore and develop opportunities for an immigrant program that supports employment and investment, and addresses the need to grow and diversify PEI's population
3. Access help to attract skilled foreign workers through a long-term commitment to an enhanced Atlantic Immigration Pilot
4. Host a roundtable on inclusive and welcoming communities to share best practices and define collaborative approaches to embrace diversity

### 2D. Promote and support healthy, diverse, and inclusive workplaces

1. Provide professional development opportunities for employers, and explore the potential for employer certification or recognition for training (e.g., mental health, inclusivity and diversity)

# 3.

## Stimulate Innovation and Sector by Sector Growth in a Changing Global Environment

### 3.A Boldly support and invest in high-growth sectors

1. Access provincial and federal government funds to support cluster-identified priorities, including strategic infrastructure investments – building on the successful BioAlliance – PEI Bioscience Cluster model
2. Pursue the next level of growth for value-added food, leveraging PEI's quality agriculture, fisheries, and aquaculture and reputation as Canada's Food Island
3. Establish industry-led leadership and cluster development for ICT, mapping strategic areas of growth for urban and rural PEI
4. Build coordinated leadership and supportive ecosystem to fully realize the growth potential of PEI's gaming industry
5. Renew the prospecting strategy to build on the competitive advantage of PEI's location in a post-COVID world, working with cluster hubs to collaboratively pursue growth targets

### 3.B Diversify our economy to grow our exports

1. Transform to a digital economy. PEI's future competitiveness and growth prospects are linked to our ability to seize opportunities created in the rapidly evolving digital economy (e.g., supports for ecommerce and to redefine business models)
2. Build a leading cleantech cluster, accelerating R&D, innovation, exports, and cross-sector collaborative initiatives

### 3.C Strengthen the competitiveness of PEI industries

1. Ensure every industry/sector has a strategy that aligns with the priorities of this economic action plan
2. Accelerate investment in automation, artificial intelligence, and equipment to support productivity improvement at levels that recognize the different scale of investment required for specific sectors and businesses
3. Provide opportunities for real-life testing of private sector innovation (goods and services) within government

### 3.D Accelerate research and development that will lead to innovation

1. Advance R&D to support industry-driven priorities
2. Incentivize private sector investment in R&D (e.g., R&D tax credit based)
3. Increase the amount of public R&D investment secured by research entities and post-secondary institutions in PEI that will positively impact key economic sectors and industry needs



# 4.

## Drive Entrepreneurship to Power PEI's Economic Success

### 4.A Grow our entrepreneurial culture

1. Champion a coordinated approach to promote and celebrate entrepreneurship in PEI
2. Create entrepreneurship pathways for youth opportunity, mapping out programs and supports available and addressing gaps through a defined stakeholder plan

### 4.B Build an environment that enables entrepreneurial success and growth

1. Raise the bar to strengthen and grow PEI's entrepreneurial network, accelerating the impact of entrepreneurial supports and building collaborative communities with entrepreneurial individuals at the centre
2. Enhance access to capital and mentoring for PEI start-up and entrepreneurs
3. Encourage and support more women, Francophone, Indigenous, and newcomer entrepreneurs who are an important part of PEI's entrepreneurial culture

### 4.C Strengthen PEI's economy through social enterprise

1. Increase the capacity of the social enterprise sector through a network model supported by leadership and a strategy that includes creating an enabling policy and regulatory environment and communicating the impact of the sector

# 5.

## Build PEI's Reputation as Innovative and Clean

### 5.A Relentlessly communicate PEI's innovative economy

1. Promote PEI's highly collaborative and innovative environment as a major force for economic growth, job creation, and a growing entrepreneurial culture

### 5.B Be a leader in clean growth and innovation

1. Build a thriving, innovative, export-oriented cleantech sector that will also accelerate PEI's clean growth and climate change priorities

# Implementation and Oversight

Key to the successful implementation of this Economic Action Plan are:

- ✓ Buy-in from all stakeholders
- ✓ Strong alignment and collaboration
- ✓ Investment made
- ✓ Sector by sector strategy development
- ✓ Strategic focus on achieving results
- ✓ Implementation oversight (including structure)
- ✓ Tracking, evaluation, and reporting

# Next Steps

## Thank you for your feedback!

- Your feedback will be compiled and incorporated into the final Economic Action Plan
- The Partnership for Growth will approve the Economic Action Plan and initiate implementation plans
- Stay tuned to the Partnership for Growth [website](#) and social media for future announcements