

# Appendix B

## Looking at Investment by Province

The four panels of Chart B-1 provide a comparison between government investment and business investment for each Atlantic province. Because each of the economies is small, the charts reflect large fluctuations that are based on significant developments in each province.

The peak in investment in Nova Scotia in the mid-1980s is likely due to exploration activity on the Sable shelf. The recent upswing is probably also related to renewed activity on the shelf, which is now producing natural gas, as well as the Stora expansion in Cape Breton. Nova Scotian politicians are as excited about the world of opportunities opened by these finds as Dutch leaders were by their natural-gas finds in the 1960s.

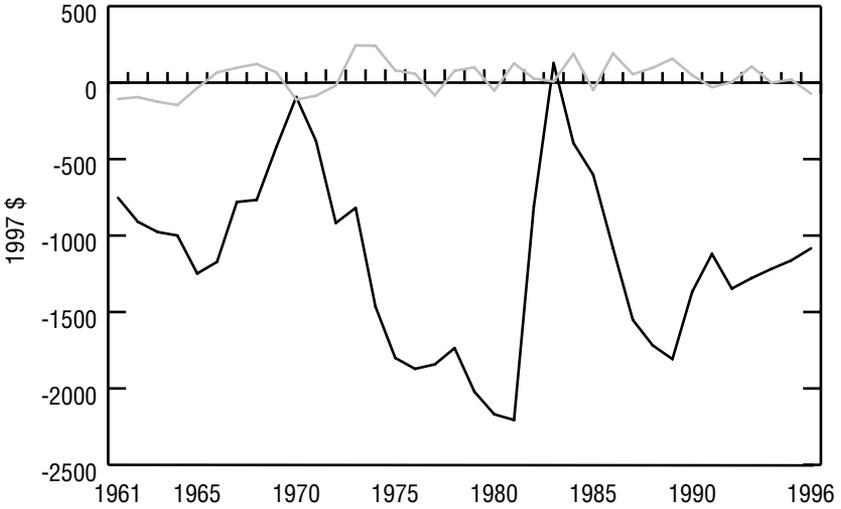
Newfoundland offers something of a similar pattern. Investment grew rapidly and briefly in the 1980s, probably driven by petrochemical-exploration activity. Investment rose again late in the decade as these finds were brought into development.

The upward growth of investment in Prince Edward Island toward the end of the period is related to the construction of the Confederation Bridge connecting the island with the mainland. Although a public project, it undoubtedly spurred private-sector investment during the construction phase as firms geared up to handle contracts on the bridge.

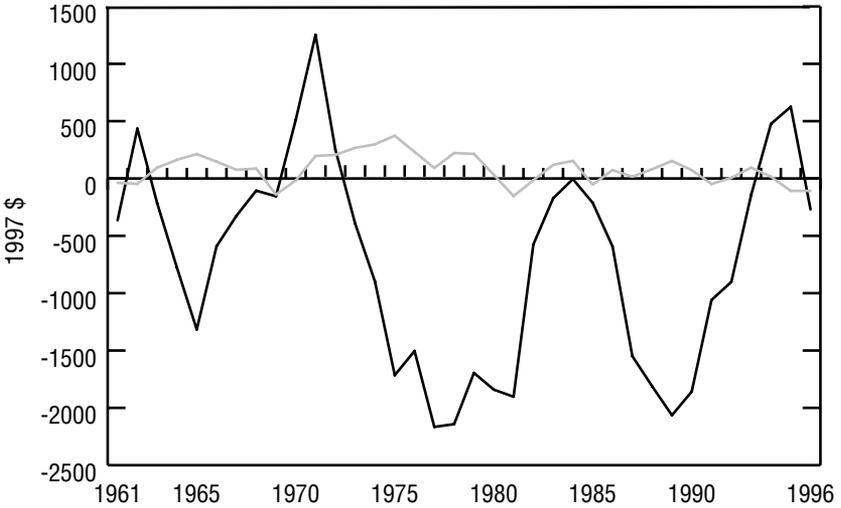
Investment in New Brunswick also fluctuated, but not to the extent of the other Atlantic provinces. It simply did not experience very large investment projects, like the offshore developments in Newfoundland and Nova Scotia. The relative size of the province's population also makes a difference. The construction of the Confederation Bridge between New Brunswick and PEI had a much smaller impact on the New Brunswick economy of nearly a million people than on the PEI economy of not much more than a hundred thousand people.

**Chart B-1: Fixed Capital Investment per Capita, Difference from National Average**

**a: Nova Scotia**



**b: Newfoundland**

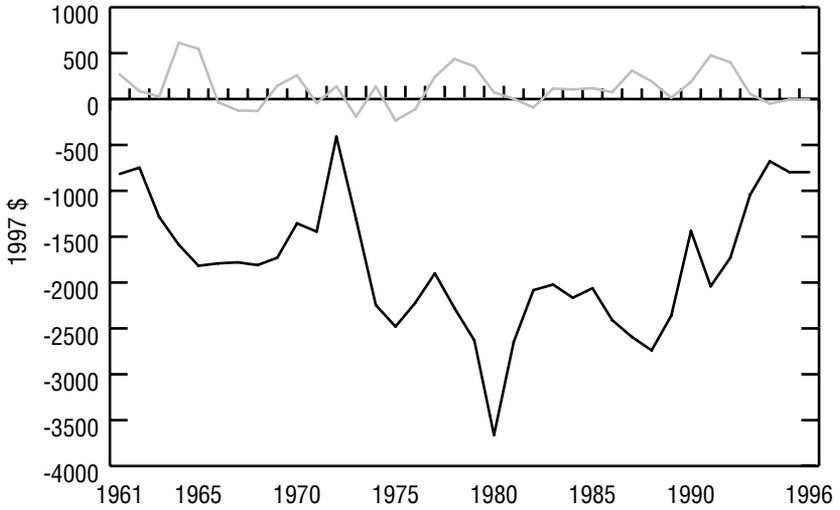


— Government — Business

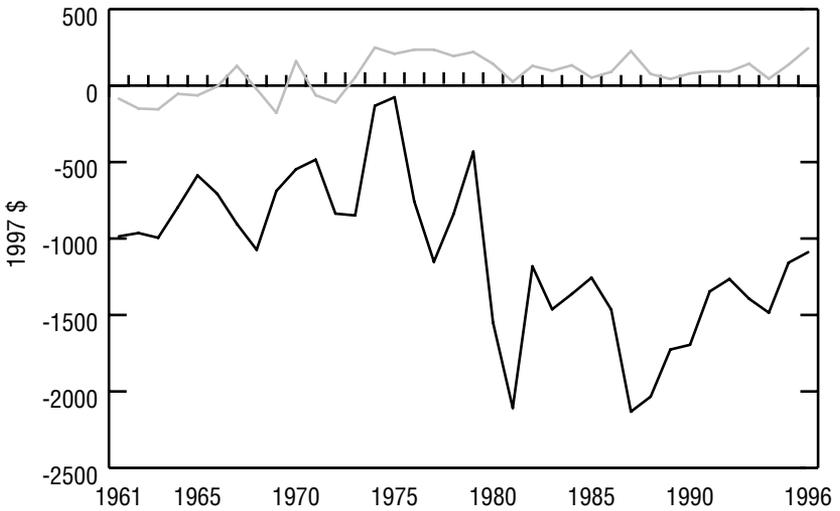
Source: CANSIM.

**Chart B-1: Fixed Capital Investment per Capita, Difference from National Average**

**c: Prince Edward Island**



**d: New Brunswick**



— Government      — Business

Source: CANSIM.