

OUR ECONOMIC OUTLOOK  
CHAPTER 12

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THE NEW ECONOMY

- In Canada, do you think that more people work in the primary and secondary industries, or the tertiary and quaternary industries?
- Do you think that it is different for Atlantic Canada?
- [Statscan information](#)
- Pg 175 in your text book shows how the economy is changing

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SABIAN CYMBALS: AN INTERNATIONAL SUCCESS STORY

- What do you think were some of the reasons for Bob Zildjian to want to open a plant in New Brunswick?
- Avoiding import taxes
- Lower wages than in the US
- New Brunswickers had a reputations of producing quality goods
- Farmers and forestry workers were familiar with tools and machinery
- Close to the trans-Canada highway

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**THE PROSPERITY OF OUR REGION**

The economic wealth in an area is based on several key factors:

- Production and use of goods and services
- Selling goods and services outside of the region
- Purchasing goods and services from outside of the region
- Receipt of money, goods, and services, either as loans or gifts

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**QUALITY OF LIFE**

How is quality of life measured? The United Nations uses a number of criteria, including:

- Gross Domestic Product (GDP) per person
- Birth rate
- Life expectancy
- Literacy (ability to read and write)
- Maintain the environment
- Racial and gender equality

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**QUALITY OF LIFE**

- The UN ranks 174 countries on these criteria
- Countries with a lot of industry rank higher
- This gap, called disparity, in quality of life can be enormous
- Can you guess which countries rank high or low?

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QUALITY OF LIFE

The Atlantic Provinces

- Some provinces in Canada are richer than others
- The wealth gap is called regional disparity, and based on GDP per capita
- Why do you think that GDP is lower in Atlantic Canada?
- Does lower GDP always mean a lower quality of life?
- [Conference Board of Canada 2016 study](#)

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QUALITY OF LIFE

Some of the reasons for the disparity:

- Seasonal work – workers are employed for a small part of the year
- Brain drain – younger, better-educated workers out-migrate for higher-paying jobs
- Immigration – few immigrants settle in Atlantic Canada; most head to Vancouver, Toronto, and Montreal

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ATLANTIC CANADA: LOOKING FOR SOLUTIONS

- To ensure that important services such as health care and education are similar throughout the country, the Canadian government introduced transfer payments in 1957
- Provinces with high GDPs transfer some money collected through taxes to those with lower GDP
- ACOA – Atlantic Canada Opportunities Agency

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THE IMPORTANCE OF TRADE

- Trading with other provinces/countries boosts the Atlantic Economy
- In 2010, \$2.5 billion of seafood products was exported
- Others include wood, pulp, and paper and other agri-food products (frozen potatoes make up 20% of food exports)
- Since 1950s, world trade patterns have been changing
- Free trade eliminates tariffs (taxes) on certain goods
- NAFTA - North American Free Trade Agreement

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