



Press Release

For immediate release

Maritimes to Lose Nearly 14,000 Jobs in the Wake of Planned Federal Budget Cuts

Ottawa, March 7, 2012 – Nearly 14,000 workers in Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island will lose their jobs if the Canadian government follows through on its plan to cut more than \$8 billion in spending from its forthcoming budget.

In addition to these job losses, the Atlantic region's gross domestic product (GDP) is expected to shrink by close to \$1 billion, which could slow down the regional economy.

In terms of the number of job losses, the retail trade sector will be the hardest hit, with 2,256 residents of the region losing their jobs. Nova Scotia is predicted to be the most severely affected of the Maritime provinces, with nearly 7,000 people losing their jobs.

According to the Canadian Association of Professional Employees (CAPE), the Canadian Input-Output Model developed by Statistics Canada and used by numerous federal departments and agencies projects that the budget cuts announced by the Conservative government will have a strong impact on the private sector. All across Canada, small businesses will bear the brunt of the blow. In the Maritimes, the economic model predicts that 3,000 jobs will be lost in the retail and wholesale trade sectors combined and more than 1,000 jobs will disappear in the food services sector. Even the health services sector will be affected, with close to 500 workers losing their jobs.

After predicting a \$10.17-billion reduction in Canada's GDP and no fewer than 116,000 job losses nationwide, CAPE released regionalized data today generated through the use of an economic model developed by Statistics Canada.

"The economic model we are using is tried and tested," said CAPE President Claude Poirier. "We ran the model on the basis of the figures that have been put forward more than a few times by Canada's Minister of Finance, namely a proposed government spending reduction of \$8 billion or 10% of the federal budget. This model has predicted some troubled times for the Canadian economy if the government continues to stick to its objective and proceeds with this massive cut in federal spending."

The proposed federal spending cuts will have an impact on economic growth across Canada. Apart from job losses in the trade, food services and health sectors, a further 337 jobs are expected to disappear in residential construction as well as 298 jobs in the administrative services sector.

“Since the release of our first analysis on February 21,” Mr. Poirier added, “the government has clearly been trying to calm the waters by stating that the forthcoming budget will not be austere so much as it will focus on prudent and balanced spending. But even budget cuts of 5% or \$4 billion would lead to the loss of 7,000 jobs in the region. This means that there are waiters and waitresses, cooks, accountants, construction workers, architects and hospital employees in Atlantic Canada who will be joining the ranks of the unemployed.”

CAPE represents approximately 13,000 economists and social science services employees who advise the government on public policy, 1,000 translators, interpreters and terminologists who provide the bilingual face of the government, and 85 analysts and research assistants at the Library of Parliament.

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Background information

Explanatory notes