

Prince Edward Island **ECONOMIC** Action Plan

A Bigger Future For Our Island:
Building resilience and sustainability in a changing world

MAY 2022



**PARTNERSHIP
FOR GROWTH**
PRINCE EDWARD ISLAND

The PEI Partnership for Growth presents:

The Economic Action Plan for Prince Edward Island

On behalf of the following organizations who work every day to grow Prince Edward Island's economy:

FOUNDING PARTNERS



The PEI Partnership for Growth respectfully acknowledges that the land on which we work and gather is the traditional unceded territory of the Mi'kmaq.

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Providence

“Until one is committed, there is hesitancy, the chance to draw back, always ineffectiveness. Concerning all acts of initiative (and creation), there is one elementary truth that ignorance of which kills countless ideas and splendid plans: that the moment one definitely commits oneself, then Providence moves too. All sorts of things occur to help one that would never otherwise have occurred. A whole stream of events issues from the decision, raising in one's favour all manner of unforeseen incidents and meetings and material assistance, which no one could have dreamed would have come their way. Whatever you can do, or dream you can do, begin it. Boldness has genius, power, and magic in it. Begin it now.”

— [William Hutchison Murray](#)

Introduction

Now more than ever is the time for leadership to create a path for sustainable economic growth for Prince Edward Island. After twelve years of consecutive growth and a strong economy, PEI, as with the rest of the world, has been negatively impacted by the global pandemic, a health and economic crisis. Over the last number of months, PEI has seen tremendous leadership with businesses and industries pivoting and adapting to the changing world with support from federal and provincial governments. Still, many businesses and industries, particularly notable are tourism, hospitality services, and retail have been severely impacted. As we emerge from the pandemic, new challenges have emerged: inflation rates not seen in decades; rising costs of- everything; trade disruptions; supply chain disruptions.

For this reason, it is more important than ever to act on the **PEI Partnership for Growth's Vision for a bigger future for our Island**. The intent is to develop an economic action plan to build resilience and sustainability in a changing world that is private sector-led and involves alignment and collaboration by all stakeholders to ensure the successful implementation and a strong path forward for PEI. This private sector-led initiative is particularly important as it is the leadership, ingenuity, and hard work of PEI entrepreneurs that will keep us at the forefront of economic recovery and sustainable growth. Our entrepreneurs will need the support of our business organizations, industry associations, communities and government.

The Partnership highlights five principles in the action plan that will guide decisions to build a more sustainable, resilient PEI economy. These include fostering a robust and diverse economy, providing opportunities for a diverse population, building stronger connections between urban and rural areas, demonstrating leadership in sustainability and resilience, and taking a long-term view for economic planning.

Priorities include a focus on creating an outstanding environment where businesses and communities can thrive; developing a growing, diverse and skilled workforce necessary for PEI's economic future; stimulating innovation and sector-by-sector growth in a changing global environment; driving entrepreneurship to power PEI's economic success; and building PEI's reputation as innovative and clean.

The goal is to improve the quality of life for all Islanders, defined as anyone who chooses PEI as their home. Everyone should feel welcomed and invited to contribute to the well-being of our Island.

The Economic Action Plan provides a roadmap to support the long-term vision and five-year goals and has been developed based on the feedback of more than 220 stakeholders. Industry stakeholders represented various sectors, stages of business, and rural and urban PEI. Community groups, First Nation and Francophone communities, municipalities, post-secondary institutions, youth, and the public also provided feedback. Discussions were held with government at all levels to support the alignment of priorities.

The PEI Partnership for Growth has endorsed the final plan. Critical to success is stakeholder leadership and commitment to implement the identified actions, learn from experiences, and measure progress as presented throughout this plan.

Benchmarking Our Economy

Strong Economic Performance

Leading into the first quarter of 2020, Prince Edward Island was experiencing strong and prolonged economic growth, outpacing other provinces in Atlantic Canada and, by some metrics, leading the country. Even through the pandemic, PEI continued this leadership by many indicators. The following section provides a high-level overview of this performance.

Gross Domestic Product

PEI experienced the **highest growth in Gross Domestic Product (GDP) among Canadian provinces** in 2021. PEI's GDP grew by 19.1% from 2016 to 2021 exceeding other provinces and the national average. It was also the province with the smallest decrease in 2020 at -1.8%.¹

PEI GDP Growth (%)

Figure 1: PEI led all provinces in GDP growth in 2021.



5-Year GDP Growth (2017–2021)

Figure 2: PEI's GDP grew 17.2% over the last five years, exceeding all other provinces and the national average of 6.5%.



Most PEI industries experienced growth over the three-year period from 2019 to 2021 in spite of the pandemic, with construction experiencing the most growth (10.3%). Manufacturing, which makes up 10% of the total GDP, experienced an average three-year growth of 2.3%. Public administration made up 12% of total GDP in 2021.²

Industry	2021 GDP (\$Millions)	% of total GDP (2021)	3-Year Average Annual Growth (2019-2021)
Real estate and rental and leasing	\$ 876	14.2%	4.4%
Public administration	751.8	12.2%	2.1%
Manufacturing	631.6	10.2%	2.3%
Health care and social assistance	592.5	9.6%	1.7%
Construction	487.7	7.9%	10.3%
Educational Services	444.3	7.2%	2.0%
Agriculture, forestry, fishing, and hunting	444.2	7.2%	7.1%
Retail trade	436.1	7.1%	3.4%
Finance and insurance	332.6	5.4%	3.0%
Professional, scientific, and technical services	215.4	3.5%	6.5%
Transportation and warehousing	187.1	3.0%	0.3%
Information and cultural industries	161.2	2.6%	1.8%
Accommodation and food services	160.4	2.6%	-1.2%
Wholesale trade	136.2	2.2%	7.3%
Administrative, waste management, remediation services	126.1	2.0%	0.8%
Other services (except public administration)	123.2	2.0%	-0.6%
Arts, entertainment, and recreation	43.7	0.7%	-23.2%
Management of companies and enterprises	6.4	0.1%	-78.1%
Utilities	3.9	0.1%	2.7%
Mining, quarrying, and oil and gas extraction	2	0.03%	-9.6%
TOTAL	\$ 6,162.4	100.0%	-2.9%

¹ Statistics Canada. Table 36-10-0402-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories (x 1,000,000)

² Statistics Canada. Table 36-10-0402-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories (x 1,000,000)

Trade Balance

In 2019 and 2020, PEI had record-breaking years with over \$3 billion in exports annually. During the same period, total imports of goods and services remained steady at \$4 billion, narrowing the trade balance slightly.³

Population

In 2021, PEI's population was 164,318, with 2% annual growth and once again leading all provinces in population growth rate.⁴ Immigration continued to be PEI's leading source of population growth, with net international migration accounting for 96% of the growth.

A majority of population growth took place in Queens County (59%), followed by Prince (29%) and Kings counties (12%).⁶ From 2016 to 2020, PEI's median age declined from 43.9 yrs to 42.9 years.⁷

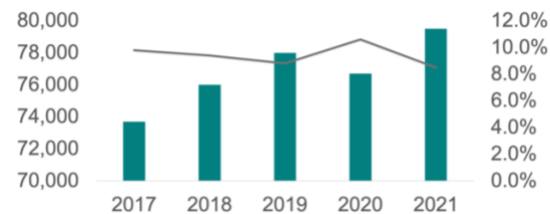
PEI's dependency ratio has been worsening over the last five years. PEI's dependency ratio was 0.55 in 2020, which means for every 100 persons of working age (aged 15-64) there were 55 dependents (aged 0-14 or 65 and older).

Employment, Compensation and Productivity

PEI's employment reached an all-time high of 79,500 persons in 2021. A majority (85%) included full-time jobs, representing a 3.1% annual increase and the highest increase among provinces. Further, the unemployment rate in 2021 was 8.5%, the lowest in 50 years.⁸ PEI's 2021 average weekly earnings of \$945.99 is the lowest in Canada.⁹

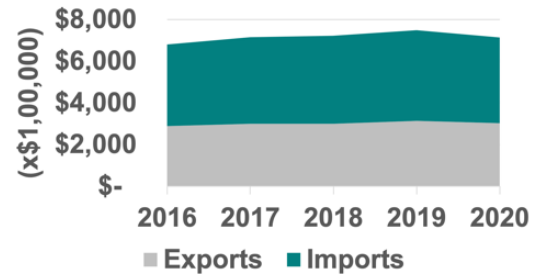
Total Employment and Unemployment Rates (2017–2021)

Figure 6: PEI reached 79,500 jobs in 2021, an all time high, while unemployment of 8.5% was the lowest in 50 years.



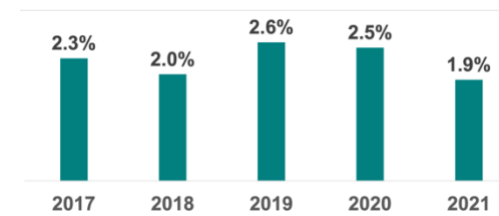
PEI Trade Balance (2016–2020)

Figure 3: PEI's exports increased in 2019 and 2020, while imports remained steady, narrowing the trade deficit slightly.



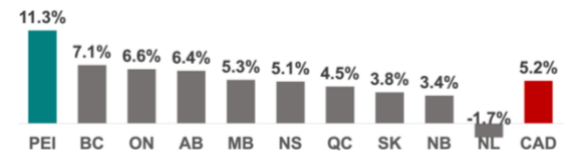
PEI Annual Population Growth (2017–2021)

Figure 4: PEI led the country in population growth in each of the last five years.



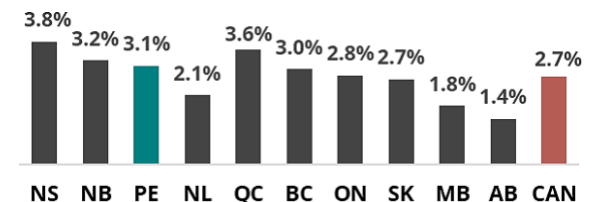
Five-Year Population Growth (2017–2021)

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



Growth in Average Weekly Earnings (2021)

Figure 7: PEI's average weekly earnings increased by 0.3% in 2021, the second lowest increase among Canadian provinces.



³ Statistics Canada. Table 36-10-0222-01 Gross domestic product, expenditure-based, provincial and territorial, annual (x 1,000,000)

⁴ Statistics Canada. Table 17-10-0137-01 Population estimates, July 1, by economic region, 2016 boundaries ⁵

Statistics Canada. Table 17-10-0040-01 Estimates of the components of international migration, quarterly ⁶

Province of PEI. 46th Annual Statistical Review 2019

⁷ Statistics Canada. Table 17-10-0005-01 Population estimates on July 1st, by age and sex

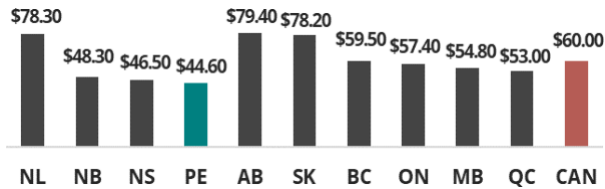
⁸ Statistics Canada. Table 14-10-0090-01 Labour force characteristics by province, territory and economic region, annual

⁹ Statistics Canada. Table 14-10-0204-01 Average weekly earnings by industry, annual

Despite an improvement in the number of jobs and employment rates, productivity has been a challenge for PEI. Productivity is measured by the value added (in dollars) for each hour worked. PEI lags behind all other provinces with \$46.20 in value added per hour worked compared to \$64.63 as the national average.¹⁰

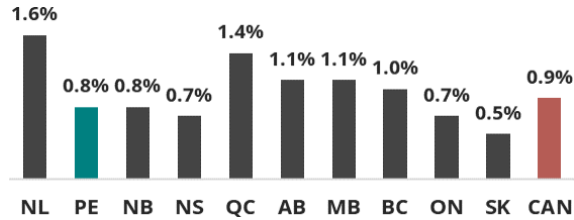
Labour Productivity (Value added per hour worked) (2021)

Figure 8: PEI lags behind other provinces in labour productivity at \$46.20 of value added per hour worked.



Three-Year Average Annual Labour Productivity Growth (2018–2020)

Figure 9: PEI's three-year average annual productivity growth of 1.8% (2018-2020) was on par with NB, NS, and the national average.



Innovation

The Conference Board of Canada assigned PEI the lowest possible overall innovation score of D-, alongside New Brunswick, Manitoba and Saskatchewan. Quebec scored D, Nova Scotia scored D, and PEI earned an “A” for enterprise entry; however, scores declined on other indicators, including public R&D and ICT investment. Furthermore, PEI scores poorly on indicators related to innovation capacity and activity (scientific articles, venture capital, ICT investment, researchers engaged in R&D, and business R&D) and innovation results (patents and labour productivity).¹¹

REPORT CARD											
Innovation Indicators											
	Canada	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Public R&D	B	B	B	A+	C	A	A	B	D	D	C
Researchers	D	D-	D-	D-	D-	C	C	D-	D-	D-	D-
Scientific articles	C	C	D	B	D	C	B	C	C	C	C
Entrepreneurial ambition	A	B	n.a.	C	n.a.	A	A+	A	A	A+	A+
Venture capital	C	D	D	C	D	B	C	D	D	D	B
Business R&D	D	D-	D-	D-	D-	C	D	D-	D-	D-	D-
ICT investment	C	D	D	D	C	D	C	D	D-	C	D
Patents	D	D-	D	D-	D-	D	D	D-	D-	D	D
Enterprise entry	n.a.	A	A	C	C	D	B	B	B	A	A
Labour productivity	D	C	D-	D-	D	D	D	D	C	B	D

Note: Data for the most recent year available were used. For details on methodology and data sources, see the Methodology & Data section of this website.
Source: The Conference Board of Canada.

¹⁰ Statistics Canada. Table 36-10-0480-01 Labour productivity and related measures by business sector industry and by non-commercial activity consistent with the industry accounts

¹¹ Conference Board of Canada, 2018

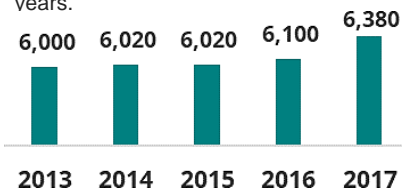
Entrepreneurship

In 2019, there were 6,480 active employer businesses in the private sector. From 2015 to 2019, PEI experienced an overall increase in the number of private-sector business entrants and an overall decrease in the number of private sector business exits (Figure 11).¹²

According to Statistics Canada, PEI had 50 high-growth companies in 2017, accounting for 0.8% of total active private sector businesses. Statistics Canada defines high-growth companies as enterprises with average annualized growth greater than 20% over a three-year period. High-growth companies must have at least ten employees at the start of the three-year period and must be at least four years old.¹³

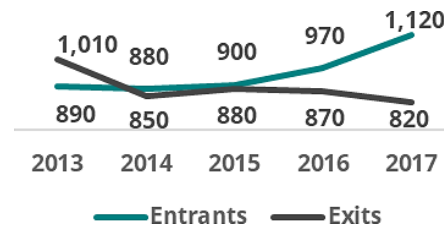
PEI Active Employer Businesses (2015–2019)

Figure 10: The number of active employer businesses in the private sector increased steadily over the past five years.



PEI Businesses: Entrants and Exits (2015–2019)

Figure 11: Between 2015 and 2019 the number of private sector business entrants was trending upward, while the number of private sector business exits decreased.



	Number of high-growth (by revenue) enterprises in 2017	As a % of total active employer businesses in the private sector
Nova Scotia	240	0.9%
New Brunswick	220	1.0%
Newfoundland and Labrador	110	0.6%
Prince Edward Island	50	0.8%
Ontario	4,370	1.0%
Quebec	2,620	1.2%
British Columbia	2,120	1.2%
Alberta	900	0.5%
Manitoba	260	0.7%
Saskatchewan	160	0.4%
Northwest Territories	40	1.0%
Canada	11,090	1.0%

¹² Statistics Canada. Table 33-10-0087-01 Business Dynamics measures, by industry, per province or territory

¹³ Statistics Canada, Centre for Special Business Projects (November 2019)

COVID-19 Impact and Outlook

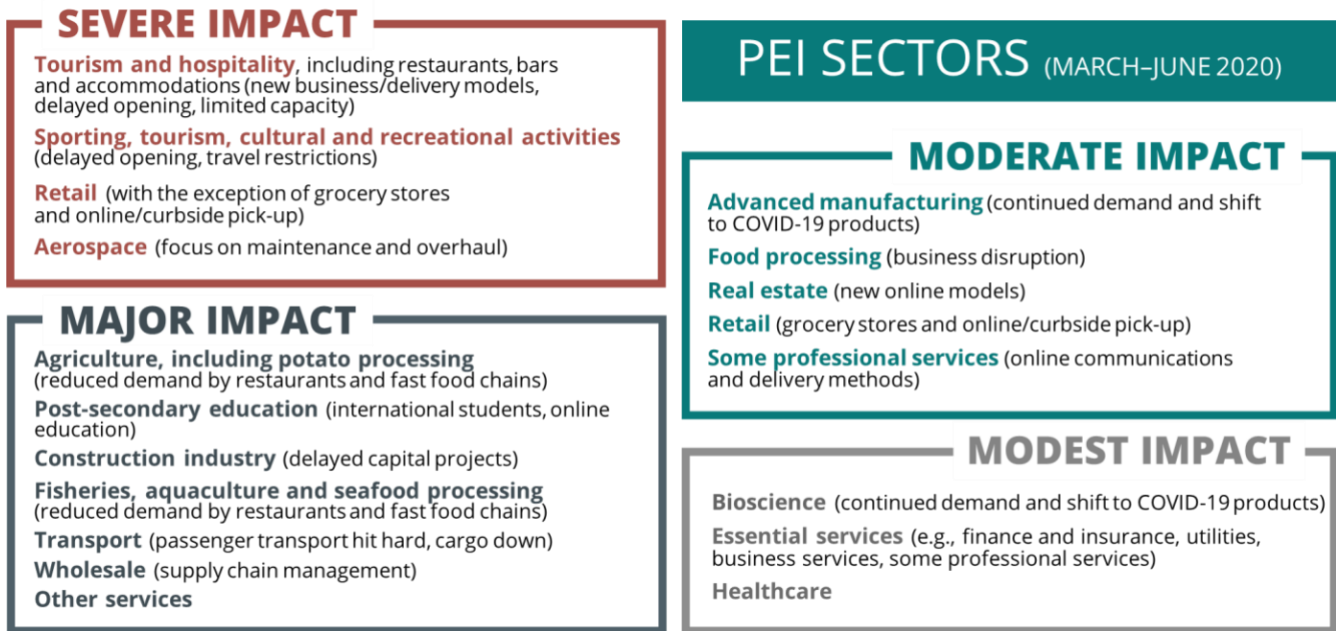
Up to 2020, PEI had experienced twelve consecutive years of strong economic growth, and in 2018 and 2019 the highest growth rate among Canadian provinces. PEI's record of sustained economic growth was disrupted in March of 2020 with the global pandemic resulting in a public health and economic crisis.

Some sectors have been impacted more severely than others, with tourism, culture, recreation, retail, and aerospace experiencing the most significant impact, and essential services (while impacted in terms of the need to adjust operations and ramp up services) experiencing the least amount of overall impact.

Bioscience, advanced manufacturing, and food processing are examples of sectors that have shifted production to new products/markets. In contrast, others, such as retail and restaurants, have pivoted to new business and service delivery models. The significance of the impact of the global pandemic on various PEI sectors is presented in Figure 12.

Figure 12: Impact of the COVID-19 Pandemic on PEI Sectors (March–June 2020)

The Government of Canada and the Province of PEI have invested significantly in programs and supports to financially help Canadians, businesses, and not-for-profit organizations during the economic crisis.



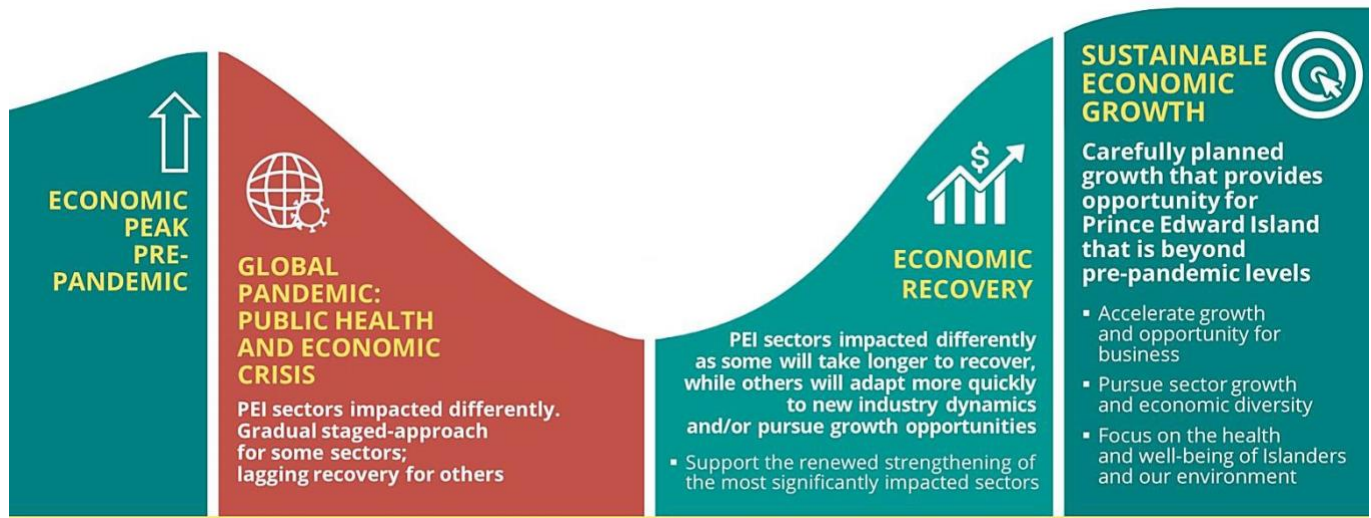
New levels of collaboration have also presented themselves among private, not-for-profit, and public sectors. Together, with private-sector leadership adapting new business and service delivery models, this level of commitment has supported PEI's economy.

Canada is on a path to recovery. Recovery will be a gradual, staged approach for some sectors, mostly because of PEI's dependence on national and international export markets and visitation.

We must recognize that many challenges will continue into 2022–2023 and perhaps beyond for some key sectors. As such, these industries will take time to rebound to pre-pandemic levels. It is not a time to stand still; aggressive and strategic initiatives must be implemented, recognizing that sector by sector, there will be varying challenges and new opportunities. **The leadership, ingenuity, and hard work of PEI entrepreneurs will be at the forefront as we move through economic recovery.**

The path forward includes a reflection on lessons learned over the last two years, including the resilience of many sectors and businesses and the ability to adapt business and service delivery models and better understand the long-term impacts of the global pandemic on PEI's economy.

It will require all stakeholders to work together— businesses, industry organizations, communities, post-secondary institutions, research entities, governments at all levels, —to positively impact PEI's future. More than ever, collaboration and alignment of priorities and actions are critical.



¹⁴ www.princeedwardisland.ca/sites/default/files/publications/provincial_economic_update_2019_april2020_0.pdf

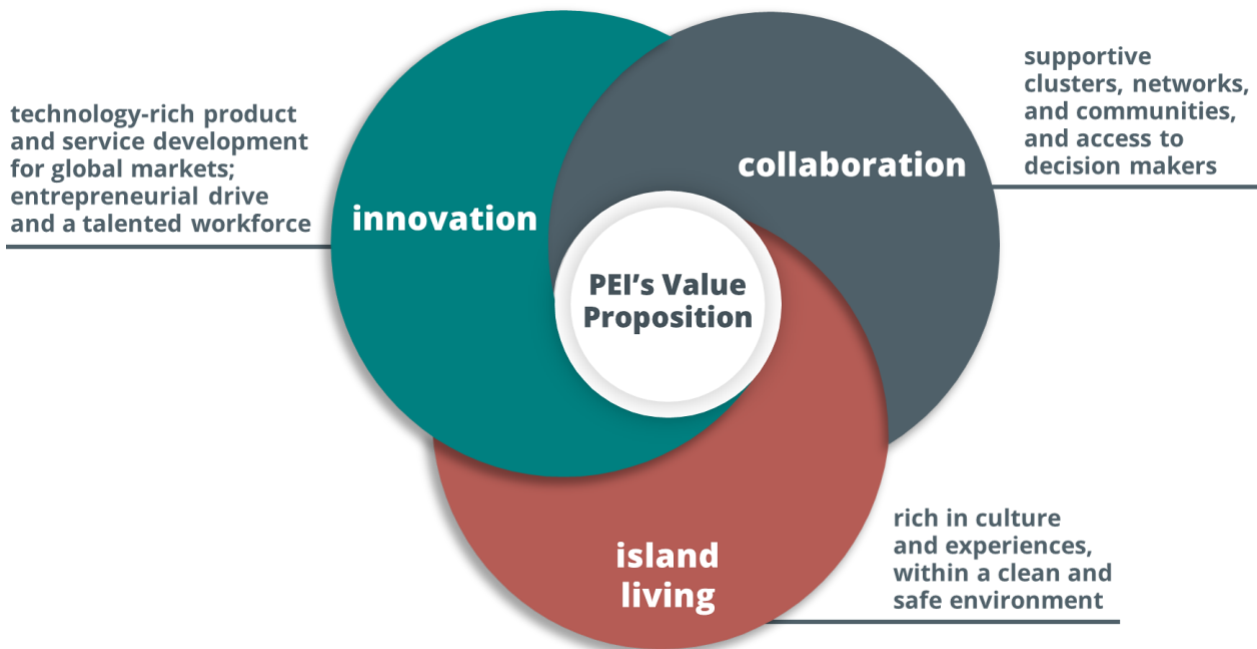
Our Vision

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

The health and well-being of our people, economy, and environment are all important for long-term sustainable growth. Ensuring a high quality of life for Islanders means a strong focus on our economy's performance, our communities' strength, and protecting our environment.

Value Proposition







Prince Edward Island is well-positioned to capitalize on opportunities and pursue this vision due to a solid foundation that continues to evolve and develop, providing a strong value proposition— **innovation, collaboration, and island living.**



Success in Five Years

Success in the next five years will largely depend on PEI's ability to regain momentum towards long-term sustainable economic growth and to move forward in a direction that builds a stronger, more diverse and resilient economy.

Key building blocks support our vision for the future and are essential to economic success in the next five 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, and aligning efforts to develop a high-quality innovative 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. 

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
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Important Enablers for Sustainable Economic Growth

Strong economic performance is essential to provide the tax revenues that finance high quality services and infrastructure essential to support a growing population.. But it is a virtuous circle. We must **continuously improve access to timely services essential to support Island workers and their families, attract and retain talent, and enable a resilient and sustainable economy. This includes at a minimum:**

- Programs and services that breakdown barriers to employment, including for under-represented populations (e.g., targeted incentive programs for hiring and training)
- Access to primary healthcare, including access to physicians and mental health supports and services, working with community groups and developing new models of healthcare
- Continued investment in digital healthcare and educational services, building on successful new models developed during the global pandemic
- A K-12 education system with outcomes among the top three in Canada
- Access to public transportation and active living
- Access to affordable housing
- Incentives and supports for residents and businesses to support transition to renewable energy sources, waste reduction, and an accelerated response to climate change
- Community care, long-term seniors' care, and other facilities

Goal and Growth Targets



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

Progress towards this goal will be measured by the primary targets identified below.

<p>GDP Growth</p> <p>Target: Grow real GDP by 10.0% (2026) Baseline: \$5.99 Billion GDP (2019)</p>	<p>Increased International Exports</p> <p>Target: Grow international exports by an average of 4% annually (starting in 2021) Baseline: \$1.70 Billion (2019)</p>	<p>Population Growth</p> <p>Target: Grow working age population at a rate higher than total population (2019–2026) Baseline: 101,430 working age population; 156,947 total population (2019) Target: Meet the national average for the dependency ratio (2026) Baseline: PEI: 0.55; Canada: 0.50 (2019)</p>
<p>Increased Employment</p> <p>Target: Exceed the national average for employment rate (2026) Baseline: PEI: 60.7%; Canada: 62.0% (2019)</p>	<p>Increased Compensation</p> <p>Target: Exceed the national average for annual growth of hourly compensation of employees Baseline: PEI: \$29.40/hour; Canada: \$38.65/hour (2019)</p>	<p>Innovation Growth</p> <p>Target: Meet the national average for the overall innovation rating by Conference Board of Canada (2026) Baseline: PEI: Overall D- rating; Canada: Overall C rating (2018)</p>
<p>Productivity</p> <p>Target: Meet the national average for annual labour productivity growth Baseline: PEI: \$44.60/hour worked; Canada: \$60.00/hour worked (2019)</p>	<p>Increased Entrepreneurship and Number of High-Growth Companies</p> <p>Target: Maintain the highest number of annual entrepreneurial entrants per capita in Canada Baseline: PEI: 7.4 business entrants per 1,000 population (2017) (highest in Canada) Canada: 4.2 business entrants per 1,000 population (2017) Target: Rank the highest in Atlantic Canada for number of high-growth firms (by revenue) as a percentage of active businesses Baseline: PEI: 0.8% NB: 1.0% NS: 0.9% NL: 0.6% (2017)</p>	<p>Quality of Life</p> <p>Target: Maintain level of satisfaction Baseline: 90% of Islanders rated overall quality of life in their community as good or excellent (2018)</p>
<p>Evaluation and Reporting</p> <ul style="list-style-type: none"> Baseline measurements will be further defined and developed Annual and semi-annual (where possible) progress will be measured Longer-term goals will be determined to support growth targets 	<p>Alignment</p> <p>Target: Successfully implement priorities in Economic Action Plan Baseline: Proven record of joint projects and initiatives. Opportunity and need for strong collaboration and alignment in today's environment</p>	

Five Key Priorities

New Approaches, Strategies and Initiatives in a Changing World and More Complex Environment

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 innovation economy
- > Be a leader in clean growth

Key Priority

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

Key Priority: Summary Overview

Create an Outstanding Environment where Businesses and Communities Can Thrive

OBJECTIVE AND ACTIONS	LEAD	OUTCOME
1.A Connect every person, business, and community to economic opportunity through reliable high-speed internet access.		
1. Accelerate investment in reliable, affordable and consistent access to high-speed internet across the province— <i>this is essential to economic recovery and growth and to support entrepreneurial activity, attraction of talent and businesses, and building resilient communities.</i>	<i>Provincial gov't (Economic Growth, Tourism and Culture) and fed gov't</i>	Reliable high-speed internet access in rural and urban PEI Level of satisfaction
1.B Create a more competitive environment for doing business without compromising other societal outcomes		
1. Conduct a comprehensive review of PEI's tax system to support competitive prospecting and retention strategies. <i>(PEI has one of the highest tax rates among Canadian provinces).</i>	<i>Tax expert working group, working with provincial gov't</i>	Most competitive tax system within Atlantic Canada
2. Streamline the offering of adaptable and flexible provincial government programs to enable business growth.	<i>Private sector feedback provided to provincial gov't (Innovation PEI, cross-government initiative)</i>	Level of satisfaction
a. <i>Include access to advisory and financial supports to develop and implement growth plans. Conduct a periodic review of programs and service delivery models incorporating industry feedback.</i>		Outcome-based program
b. <i>Identify opportunities for improvement in timeliness of necessary regulatory processes</i>	Provincial and federal governments	Outcome-based pilot
c. <i>Develop, pilot, and implement Business Navigator Services to enhance service effectiveness and navigation of programs, services, and regulations.</i>		Outcome-based pilot
d. <i>Support the establishment of an Atlantic Investment Incentive to mobilize regional private capital for business development and expansion</i>	Council of Atlantic Premiers	Improved access to private capital for PEI businesses
3. Advocate for PEI and Atlantic Canadian solutions that address barriers to doing business and pursuing opportunities.	<i>Cross-sector working group(s) working with provincial and fed gov'ts</i>	PEI or Atlantic Canadian-made pilots/solutions
4. Enable entrepreneurship in PEI through public procurement, outsourcing, and service delivery arrangements in collaboration with the private sector.	<i>Sector/industry strategies/Chambers of Commerce initiatives</i>	Entrepreneurial opportunities
1.C 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 build confidence in tourism in PEI by the public and visitors <i>(retail, service, cultural and arts are important tourism-related sectors).</i>	<i>TIAPEI, working with DMOs and RTAs, with support from provincial gov't and ACOA</i>	Strong collaboration and leadership model Sector recovery and post-COVID growth (longer-term)
2. Expand the network of community-based arts and culture facilities and programming as a core element of community economic and social development. <i>(These community-led initiatives involve working towards a shared vision and a focus on quality of life, including arts, culture, recreation, and nature.)</i>	<i>PEI Federation of Municipalities, Municipalities, Community champions, facilitated by provincial gov't</i>	Vibrant communities that 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.	<i>Communities facilitated by provincial gov't (Fisheries and Communities)</i>	Integrated community planning in rural and urban communities
4. Support innovative business and community-led solutions to address affordable housing, transportation, and childcare needs in rural and urban communities <i>(a barrier to attracting people and businesses and providing opportunity for Islanders to contribute to the economy).</i>	<i>Industry/sector associations and communities, working with provincial and federal gov't agencies</i>	Innovative solutions to address community needs



Create an Outstanding Environment Where Businesses and Communities Can Thrive

Small businesses are the lifeblood of our communities and make up 98.3% of the businesses located in PEI. More than ever, PEI must support our small businesses and work together to build strong, resilient communities that are attractive to businesses, talent, and visitors.

Objective

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

Ensuring Islanders are connected is a top priority for Islanders, businesses, organizations, and communities that is also shared by provincial and federal governments. **Access to reliable and affordable high-speed internet is essential to economic growth—driving private sector growth; adapting new business and service delivery models; attracting talent and businesses; supporting new delivery models in education, health, other public service sectors; and building resilient communities.** The original path for developing broadband across the province must be revisited with new solutions explored and timelines for completion accelerated. As an island that relies on urban and rural living, entrepreneurship, and innovation, we must meet this essential need.

Action

1. **Accelerate investment in reliable, affordable, 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.*

Objective

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

A competitive business environment supports the attraction and retention of businesses, which in turn, become key economic drivers for strong, sustainable communities.

Actions

1. **Conduct a comprehensive review of PEI's tax system to support competitive prospecting and retention strategies,** including consideration for tax credits to encourage more private sector investment. *(PEI has one of the highest tax rates among Canadian provinces).*

Economic Value of PEI Tourism (2018)

- ☑ Revenues generated by the tourism sector on Prince Edward Island account for approximately 5.6% of provincial GDP;
- ☑ Tourism supported approximately 8,900 full-time equivalent jobs on PEI; and
- ☑ Annual tax revenues of \$155.25 million were realized by the three levels of government.
- ☑ Federal government collected \$69 million, Provincial government collected \$82 million, and Local governments collected \$4 million

Source: PEI 2019 Tourism Economic Impact Study

2. Streamline the offering of adaptable and flexible provincial government programs to enable business growth.

- a. Include access to advisory and financial supports to develop and implement growth plans. Conduct a periodic review of programs and service delivery models incorporating industry feedback.
- b. Report on regulatory changes and the positive impact on businesses.
- c. Monitor and support the Business Navigator Services to enhance service effectiveness and navigation of programs, services, and regulations. Adapt lessons learned and use data to inform continual improvements, implement a program evaluation review process, and share key findings.
- d. Support the establishment of an Atlantic Investment Incentive to mobilize regional private capital for business development and expansion

The Canadian Federation of Independent Business recognized the Nova Scotia Business Navigator Services for “its leadership in cutting red tape and producing meaningful and positive results for small businesses.”

Source: cfib-fcei.ca/en/advocacy/nova-scotia-red-tape

3. Advocate for PEI and Atlantic Canadian solutions that address barriers to doing business and pursuing new opportunities (e.g., interprovincial trade barriers, Temporary Foreign Worker program, federal government infrastructure investment criteria).

4. Enable entrepreneurship in PEI through public procurement, outsourcing, and service delivery arrangements in collaboration with the private sector.

Objective

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

Building strong, resilient communities involves diversifying the economic base, enhancing the quality of life, and ensuring a more environmentally sustainable future. Access to high-speed internet across the province is essential to support these priorities.

Action

1. **Renew the industry-led tourism strategy to grow higher yield markets and maintain confidence in PEI tourism locally and with visitors** (*retail, service, cultural and arts are important tourism-related sectors*).
2. **Invest in vibrant communities to provide essential services and attract people and businesses - these community-led initiatives involve working towards a shared vision and a focus on quality of life, including arts, culture, recreation, and nature.**
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**—*this will help achieve alignment in priorities by municipalities and the provincial government.*
4. **Support innovative business and community-led solutions to address affordable housing, transportation, and childcare needs in rural and urban communities** (*a barrier to attracting talent and businesses and providing the opportunity for Islanders to contribute to the economy*).

Key Priority

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

Key Priority: Summary Overview

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

OBJECTIVE AND ACTIONS

LEAD

OUTCOME

2.A Prepare the workforce for the future.

1. Establish sector-specific approaches to workforce development to address skills and labour gaps, identifying opportunities to ensure a diverse and inclusive workplace for equity-seeking organizations including women, newcomers, indigenous communities, persons with disabilities, black and other racialized communities, and LGBTQ2 communities from across the province,

a. Identify sector-specific priorities as part of every industry/sector strategy (as defined under Action 3.C.1).

Industry/sector associations, supported by provincial gov't /ACOA

Skills and workforce solutions (sector/industry strategy)

b. Develop and implement a future-oriented skilled trades strategy in collaboration with K-12 and post-secondary education, and provincial and federal governments.

Champion with a working group and gov't support

Workforce solutions (skilled trades strategy)

c. Allocate funds through Labour Market Development Agreement (LMDA) to sector-specific priorities, including an evaluation framework that defines sector-based outcomes.

Provincial gov't (Skills PEI) with fed gov't/ACOA based on industry/sector strategies

LMDA evaluation outcomes based on industry/sector needs

d. Explore the potential for an income tax incentive for people who attend a post-secondary institution and commit to employment for a specific timeframe in PEI (as part of comprehensive tax review Action 1.B.1).

Tax expert working group with provincial gov't

Workforce incentive

2. Enhance and develop flexible and adaptable delivery models within a post-secondary education environment that recognizes the evolving needs of learners and businesses.

Holland College, Collège de l'Île, UPEI working with industry and learners

Solutions to business needs
Access to skilled workers

3. Enhance customized supports for retraining and reskilling, as technology changes the nature of the work across sectors.

Associations working with provincial gov't (Skills PEI) and post-secondary institutions

Training solutions (in-house, post-secondary institutions, other)

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

1. Promote private sector involvement in experiential learning through partnerships with K-12 and post-secondary education.

Industry Associations working with UPEI, colleges, and Department of Education

Student learning outcomes aligned with business/industry needs

2. Improve K-12 outcomes to ensure excellence in student achievement and prepare students for the future.

Champion with reporting by Dept. of Education

A K-12 system with outcomes among the top three in Canada

3. Develop seamless pathways for international students to access employment and become permanent residents, bringing together key stakeholders to define and implement priorities.

Champion working with ACOA, provincial gov't, post-secondary, stakeholders

International student/graduate retention

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

1. Revisit PEI's population growth strategy, including recruitment, integration, and retention.

Provincial gov't with industry/sector reps

Targeted population growth (sector needs, working age population)

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.

Provincial gov't with industry/sector rep

Targeted immigrant growth (employment and investment)

3. Access help to attract skilled foreign workers through a long-term commitment to an enhanced Atlantic Immigration Pilot.

Chambers discussion with fed gov't/ACOA

Long-term program commitment
Increased access to skilled workers

4. Develop innovative ways to retain and streamline access to permanent residency for skilled workers who have been employed through the Temporary Foreign Worker program.

Champion working group with engagement of the provincial and fed gov'ts

Increased access to skilled workers

5. Create a culture of inclusive and welcoming communities across PEI, share best practices and define collaborative approaches to embrace diversity and inclusion

Champion working with stakeholders and provincial gov't

Net population retention (rural and urban)

2.D 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).

Chambers of Commerce Network, in partnership with employers

Model diverse workplaces

2.

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

A continued focus on growing PEI's working-age population is critical to PEI over the next five years and beyond. What this looks like might be different than in the pre-pandemic world. There are new opportunities for attracting people based on Island living. There are barriers that must be addressed, such as availability of housing, and the need to streamline the process for international students to become permanent residents.

A growing population and the attraction and retention of people who are skilled, adaptable, and have access to lifelong learning are needed to address labour and skills needs critical to the growth, diversification, and sustainability of PEI's economy.

Objective

2.A Prepare the workforce for the future.

Along with opportunity, automation and digitalization will create new workforce challenges and widen the skills gap that could be costly if PEI does not adapt and train for this new reality. If PEI is to successfully tackle its skills gap and ensure economic growth, there needs to be special attention given to the largest cohort of new labour force entrants each year—young people. PEI should strive to be a collaboration and alignment model among the K-12 education system, post-secondary education, and industry.

Actions

1. Establish sector-specific approaches to workforce development to address skills and labour gaps, identifying opportunities to ensure a diverse and inclusive workplace for equity-seeking organizations including women, newcomers, indigenous communities, persons with disabilities, black and other racialized communities, and LGBTQ2 communities from across the province
 - a. Identify sector-specific priorities as part of every industry/sector strategy (see Action 3.C.1).
 - b. Develop and implement a future-oriented skilled trades strategy in collaboration with K-12 and post-secondary education, and provincial and federal governments.
 - c. Allocate funds through the Labour Market Development Agreement (LMDA) to sector-specific priorities, including an evaluation framework that defines sector-based outcomes.
 - d. Explore the potential for an income tax incentive for people who attend a post-secondary institution and commit to employment for a specific timeframe in PEI (as part of comprehensive tax review Action 1.B.1).

- 2. Enhance and develop flexible and adaptable delivery models within a post-secondary education environment that recognizes the evolving needs of learners and businesses** —*this is even more important with diverse learner needs and the growing need for online learning.*
- 3. Enhance customized supports for reskilling and upskilling as technology changes the nature of the work across sectors (including digitization, automation, and artificial intelligence).** Industries require new skills on the job, and companies are evolving to continuous learning cultures where they are doing significant training in-house. Consult with businesses to better understand needs, and renew programs and supports to best reflect customized in-house solutions.

Objective

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

Young Canadians are the most educated, connected, and diverse generation. Providing employment and engagement opportunities for youth is in the best social and economic interest of PEI as the provincial government looks to build a more inclusive, sustainable future.

Actions

- 1. Promote private sector involvement in experiential and work-integrated learning through partnerships with K-12 and post-secondary education.**
- 2. Improve K-12 outcomes to ensure excellence in student achievement and prepare students for the future (including essential skills). Enhance STEM competencies through teacher professional development and external programming.**
- 3. Develop seamless pathways for international students to access employment and become permanent residents, bringing together key stakeholders to define and implement priorities.**

Objective

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

PEI must continue to provide high quality employment and career opportunities that encourage people to live on our Island. PEI needs to attract and retain talent who can help support economic growth priorities and make PEI their home and a place where they can become part of vibrant communities across the province..

Actions

- 1. Revisit PEI's population growth strategy, including recruitment, integration, and retention of immigrants, other Canadians, and expatriates.** Showcase opportunities for employment based on sector needs, growth and innovation, as well as our growing entrepreneurial culture while highlighting PEI's quality of life. Work with sector and industry associations to showcase opportunities for a more focused and targeted approach to attract working-age population.
- 2. Explore and develop opportunities for an immigration program that supports employment and investment, and addresses the need to grow and diversify PEI's population.**
- 3. Attract skilled foreign workers through a long-term commitment to an enhanced Atlantic Immigration Pilot.**
- 4. Develop innovative ways to retain and streamline access to permanent residency for skilled workers who have gained access through the Temporary Foreign Worker program.**

Economic Impact of International Students

“International students studying at Atlantic universities and community colleges contribute \$795 million per year to the Atlantic economy” according to the report, *The Economic Impact of Post-Secondary International Students in Atlantic Canada 2018*, prepared by Gardner Pinfold for the Council of Atlantic Ministers of Education and Training.

(Source: https://immediac.blob.core.windows.net/camet-camef/images/2018-02-20_EconomicImpactofInternationalStudents-WEB.PDF)

Research findings suggest International students want to become Canadian citizens.

The most significant challenges:

- Finding work in their field
- Establishing important social connections
- Awareness of employment opportunities
- Timeliness to obtain work experience needed to apply for permanent residency can be tight

(Source: theguardian.pe.ca/news/local/while-some-remain-most-international-students-leave-pe-after-graduating224946/)

Objective

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

Diversity in the workplace strengthens organizations in all sectors. As leaders in our communities, whether private, not-for-profit, or public, our workplaces should reflect our diverse communities' make-up and provide opportunity for all Islanders.

Action

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).**

Key Priority

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
- ✓ Develop an Innovation Strategy for PEI

Key Priority: Summary Overview

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

OBJECTIVE AND ACTIONS	LEAD	OUTCOME
3.A Boldly support and invest in high-growth sectors.		
1. Access provincial and federal investment funds to support cluster-identified strategic infrastructure investments	<i>Industry/sector associations, with provincial gov't and ACOA/fed gov't</i>	Strategic infrastructure investment Sector economic impact
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.	<i>FIP, working with industry, provincial gov't and ACOA</i>	Sector economic impact
3. Establish an industry-led cluster and leadership model for Information and Communications Technologies (ICT), mapping strategic areas of growth for urban and rural PEI.	<i>Champion to facilitate industry-led ICT cluster, supported by provincial gov't and ACOA</i>	Industry leadership; cluster model Sector growth
4. Build coordinated leadership and a supportive ecosystem to fully realize the growth potential of PEI's gaming industry.	<i>GamePlan/Creative PEI</i>	Gaming Cluster development/ Sector growth
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.	<i>Cluster organizations working with Innovation PEI and other partners</i>	Cluster growth; business and people attraction and retention
3.B Diversify our economy to grow our exports.		
1. Transform to a digital economy. Develop a strategy, including supports (expertise and investment) for businesses and organizations to redefine business models and internal processes and communication.	<i>Champion to lead strategy development, supported by provincial gov't and ACOA</i>	Economic impact
2. Build an industry-led cleantech cluster, accelerating R&D, innovation, exports, and cross-sector collaborative initiatives.	<i>Champion to lead cluster development, supported by provincial gov't and ACOA</i>	Industry leadership Sector growth
3.C Strengthen the competitiveness of PEI industries.		
1. Ensure every industry/sector has a multi-year strategic plan that identifies targets for economic growth, critical issues to be addressed, and plans to achieve desired results	<i>Industry/sector associations, with support from provincial gov't and ACOA</i>	Sector investment and growth Economic impact
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.	<i>Industry/sector associations with investment through ACOA and provincial gov't</i>	Business productivity improvement
3. Provide opportunities for real-life testing of private sector innovation (goods and services) within government.	<i>Industry/sectors working with provincial gov't and ACOA/fed gov't</i>	Testing of private sector innovation
3.D Develop and Innovation Strategy for PEI		
1. Bring together academic and research agencies, industry sectors, and government agencies to develop and implement an Innovation Strategy for PEI.	<i>Industry/sector associations working with Holland College, UPEI, governments, and other research entities</i>	Increased public R&D investment Improved Innovation rating for PEI
2. Incentivize private sector investment in R&D (e.g., R&D tax credit).	<i>Tax expert working group with provincial gov't</i>	Increased private sector R&D investment

3.

Stimulate Innovation and Sector By Sector Growth in a Changing Global Environment

Businesses that innovate successfully enhance their competitiveness and position themselves for growth. Economies with robust and successful innovation activity tend to see improvements in labour productivity, investment attraction, economic growth, talent attraction, and wage growth. To support these efforts, there needs to be alignment of priorities for investment in research capacity (people and infrastructure) among our academic and research partners, business community, and government agencies. This should result in aligned impact from investment in facilities, research and technology development, access to capital, and workforce skills and training.

Export sales are a key economic driver that also fuel the professional services, retail and service sectors of our economy. Strategies are required to increase and diversify what PEI exports and where. Factors related to the changing global business environment must be considered.

While PEI has seen significant growth in innovation sectors, our innovation ecosystem is not as robust as other jurisdictions in Canada. PEI has had and continues to have success in driving innovation and economic growth through a sector cluster model. A leading example is the BioAlliance – the PEI Bioscience Cluster model that has utilized a collaborative sector strategy to quadruple GDP impact over the past decade. Bioscience-based products and services are now the number two export industry in the province. **A cluster approach across various sectors with all stakeholders contributing to innovation and commercialization is essential for sustainable economic growth in PEI's future.**

Objective

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

Working together, PEI can achieve its potential in its high-growth technology sectors, including bioscience, ITC, value-added food, construction, and advanced manufacturing, while seizing other new opportunities for growth and diversification.

Actions

- 1. Access provincial and federal investment funds to support sector-identified strategic infrastructure investments.**
- 2. Pursue the next level of growth for value-added food, leveraging PEI's quality agriculture, fisheries, and aquaculture products and PEI's reputation as Canada's Food Island.**
Develop a strategy for value-added food product development and market diversification based on the changing environment, including the facilitated opportunity for value-added development and commercialization of underutilized by-products.

3. **Establish an industry-led cluster and leadership model for ICT, mapping opportunities for growth in both urban and rural PEI.**
4. **Build coordinated leadership and a supportive ecosystem to fully realize the growth potential of PEI's gaming industry.**
5. **Establish a targeted 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 aligned with PEI's science and technology strengths.**

Objective

3.B Diversify our economy to grow our exports.

Diversifying PEI's economy builds on our strengths, will provide greater opportunity for economic growth, job creation, and innovation, leading to a more sustainable future for Islanders.

Actions

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.** Develop a strategy, including supports (expertise and investment) for businesses and organizations to redefine business models (e.g., e-commerce) and internal processes and communication.
2. **Build an industry-led cleantech cluster, accelerating R&D, innovation, exports, and cross-sector collaborative initiatives.**

Video Game Industry Value

Canadian Video Game Industry (2019)

- ☑ \$3.6 billion in revenue (15% growth since 2017)
- ☑ 27,700 direct jobs (28% growth since 2017)
- ☑ \$75,900 average salary

(Source: Entertainment Software Association of Canada. The Canadian Video Game Industry 2019. November 2019)

Cleantech Value

PEI's Cleantech Sector (2018)

- ☑ \$64 million in GDP (83% growth 2012-2018)
- ☑ 562 direct jobs (62% growth 2012-2018)
- ☑ \$73,000 average compensation (33% growth 2012-2018)

(Source: Clean Technology Macroeconomic Data, Communities of Interest on Data, Innovation, Science and Economic Development Canada, June 23, 2020)

Objective

2.E Strengthen the competitiveness of PEI industries.

Strong, competitive industries drive economic growth and support quality of life for Islanders.

Actions

1. Ensure every industry/sector has a multi-year strategic plan that identifies targets for economic growth, critical issues to be addressed and plans to achieve desired results

The world has changed, and business models have and continue to change. Supply chains have been impacted, and people around the globe view the quality of life differently. Every key sector should have a new strategic plan to focus efforts and investments over the next three to five years.

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 (business and industry/sector-led initiatives).

3. Provide opportunities for real-life testing of private sector innovation (goods and services) within government.

Objective

2.F Develop an Innovation Strategy for PEI

The global economy is driven by better, faster, or cheaper products and services that address the demands of society for improved quality of life and address major challenges in population health, food security, and environmental sustainability. These ‘innovations’ are being provided to the world by jurisdictions that have successfully created ‘innovation ecosystems’ that connect researchers, startups, growth-stage companies, private capital and a skilled workforce in a networked environment that enables economic success. This rarely happens by accident. Prince Edward Island can embrace the opportunity to define it’s future by creating that kind of ‘innovation ecosystem’.

Actions

1. Bring together academic and research agencies, industry leaders, and government agencies to develop and implement an Innovation Strategy for PEI.

2. Incentivize private sector investment in R&D. Explore and develop an R&D tax credit based on a review of incentives in other jurisdictions—*PEI is the only province in Canada that does not have an R&D tax credit.*

Key Priority

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

Key Priority: Summary Overview

Drive Entrepreneurship to Power PEI's Economic Success

OBJECTIVES AND ACTION	LEAD	OUTCOME
4.A Grow our entrepreneurial culture.		
1. Champion a coordinated approach to promote and celebrate entrepreneurship in PEI.	<i>Chambers of Commerce</i>	Increased promotion
2. Increase entrepreneurship pathways for youth, supporting programs available and addressing gaps through a defined stakeholder plan.	<i>Champion working with stakeholders and provincial gov't</i>	Increased youth participation Programming gaps addressed
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.	<i>Private-sector led, with consultation of industry, not-for-profit and government partners</i>	Growth in number of entrants and high-growth companies
2. Enhance access to capital and mentoring for PEI start-ups and entrepreneurs.	<i>Island Capital Partners, Incubators</i>	Increased investable start-ups; Increased access to capital funds
3. Encourage and support more women, Francophone, Indigenous, and newcomer entrepreneurs who are an important part of PEI's diverse entrepreneurial culture. Leverage federal and provincial government funding to enhance supports.	<i>Industry/not-for-profit organizations</i>	Growth in number of new entrants and high-growth companies
4.C Strengthen PEI's economy through social enterprise.		
1. Increase the capacity of the social enterprise sector through a network model supported by an enabling policy and regulatory environment, communicating the impact of the sector, and supporting sector growth.	<i>Champion to lead network and strategy development, supported by provincial gov't and ACOA</i>	Recognized growing impact of social enterprise sector

4. Drive Entrepreneurship to Power PEI's Economic Success

Entrepreneurship creates an opportunity for economic growth, job creation, talent attraction, and other entrepreneurial activity. Strong entrepreneurs are needed to grow our economy, strengthen and support existing primary industries, and grow new areas.

High-growth start-ups, small businesses, and social enterprises play an important role in supporting the growing entrepreneurial culture in PEI. PEI is fostering a culture of entrepreneurship, innovation and success, creating economic growth and societal impact. Much of PEI's successes to-date are attributed to critical advances within the entrepreneurial ecosystem: facilities (incubators /accelerators), mentorship, and access to funding. The key to the success of an ecosystem is clear roles and responsibilities among the many stakeholders along the commercialization pathway supporting entrepreneurs, and collaboration that facilitates strong relationships and creates a shared sense of mission. This creates integrated approaches to providing the necessary suite of supports (as opposed to one-off support) to entrepreneurs.

There is an important opportunity to ensure that our efforts to create successful entrepreneurial ecosystems include a focus on several under-represented groups. We must engage our indigenous population and support indigenous entrepreneurs in their new initiatives in the innovation economy. Newcomers to our province are also a valuable source of entrepreneurial drive and ambition.

More is needed to truly accelerate entrepreneurial opportunity and success. Among the priorities identified based on a 2018 assessment of PEI's ecosystem (commissioned by Island Advance) and the consultation for the development of this action plan are a strong need for **integrated leadership, alignment, and private sector involvement**; **more focus and investment in entrepreneur development** with more seamless supports; **better measurement tools to track progress**; and **strengthened connections** (e.g., digital connections and among rural and urban areas and organizations).

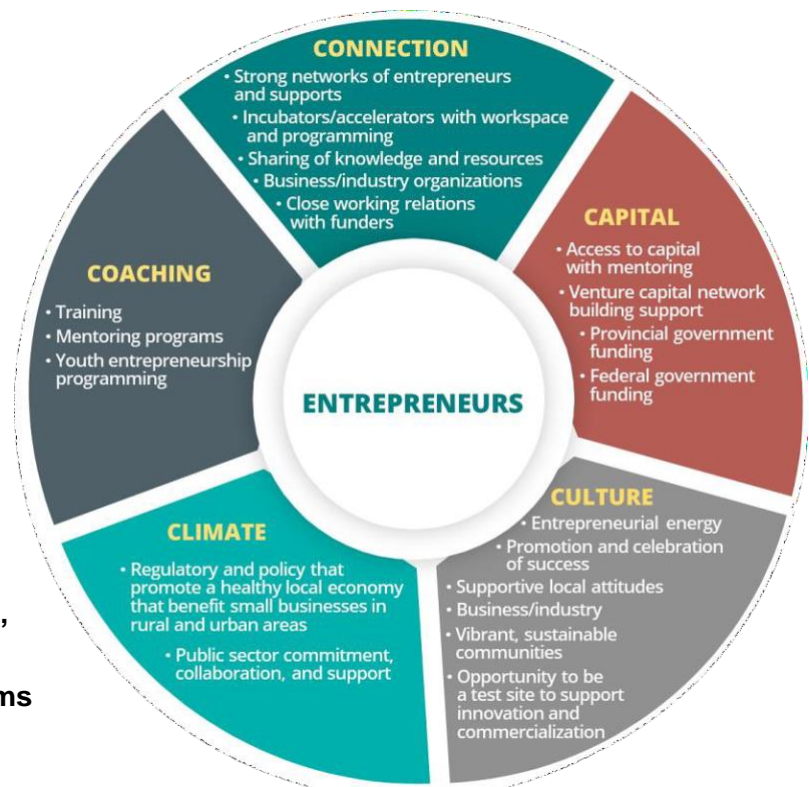
Objective

2.B Grow our entrepreneurial culture.

PEI has a reputation for a high level of entry into entrepreneurial ventures relative to the rest of Canada. Still, there is more to be done to improve the success rate of these ventures.

Actions

1. **Champion a coordinated approach to promote and celebrate entrepreneurship in PEI.**
2. **Create increased entrepreneurship pathways for newcomers to Canada, our youth, and underrepresented groups, supporting existing programs and addressing gaps through a defined stakeholder plan.**



3. **Work with indigenous communities to support existing and new initiatives that can increase that population's interest in and support for new entrepreneurial ventures.**

Objective

2.C **Build an innovation ecosystem that enables entrepreneurial success and drives economic growth.**

Actions

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-ups and entrepreneurs.** Explore the potential for additional investment capital funds, using public sector resources and policy to catalyze incremental investment from private capital. Leverage newcomer investment.
3. **Encourage and support more women, Francophone, Indigenous, and newcomer entrepreneurs who are an important part of PEI's diverse entrepreneurial culture.** Leverage federal and provincial government programming and funding to enhance supports.

2.D **Strengthen PEI's economy through social enterprise.**

Vital to economic growth and inclusion, social enterprises, which generate societal impact through an entrepreneurial approach, help boost PEI's economy and enhance social fabric.

Action

1. **Increase the capacity of the social enterprise sector through a network model supported by an enabling policy and regulatory environment, communicating the impact of the sector, and supporting sector growth.**

Only 16% of Canadian small and medium-sized businesses are owned by women. The Government of Canada's **Women Entrepreneurship Strategy (WES)**, a nearly \$5-billion fund, seeks to double the number of women-owned businesses by 2025. The intent is to create a diverse, inclusive economy that will ensure a better quality of life for women entrepreneurs in Canada.

In March of 2020, PEI Business Women's Association established a project coordinator role for the **Atlantic Canadian Women's Growth Partnership Project** responsible for:

- Conducting a jurisdictional scan of PEI's Women in Business;
- Mapping a needs assessment; and
- Helping to develop and deliver programs to increase the participation of under-represented women and women-owned businesses in Atlantic Canada's entrepreneurial ecosystem.

Key Priority

5. Build PEI's Reputation as Innovative and Clean

- ✓ Relentlessly communicate PEI's innovation economy
- ✓ Be a leader in clean growth

Key Priority: Summary Overview

Build PEI's Reputation as Innovative and Clean

OBJECTIVES AND ACTION

LEAD

OUTCOME

5.A Relentlessly communicate PEI's innovative economy.

1. Develop an aggressive communications strategy to promote PEI's highly collaborative innovation ecosystem as a major force for multi-sector economic growth, job creation, and new business development

Provincial government and industry partners

Increased national and international awareness

5.B Be a leader in clean growth

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

Newly formed cluster

Reputation for leadership in clean growth

5.

Build PEI's Reputation as Innovative and Clean

An important aspect of PEI's recent economic success in terms of export sales, high-tech businesses, business prospecting success, and attraction and retention of talent, is that it is largely an untold story. PEI has not yet established a national and international reputation for this economic development success. Together, we can build greater pride in our Island while ensuring long-term, environmentally sustainable economic growth.

Objective

5.A Relentlessly communicate PEI's innovation economy.

A greater emphasis on showcasing the opportunity in PEI will support prospecting of business and talent and retention of skilled workers, entrepreneurs, while building thriving communities.

Action

- 1. Develop an aggressive communications strategy to promote PEI's highly collaborative innovation ecosystem as a major force in multi-sector economic growth, job creation, and new business development**

Objective

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

PEI has demonstrated leadership in renewable energy and developed expertise in research and development and innovation to support clean growth and climate change priorities for PEI.

Action

- 1. Build a thriving, innovative, export-oriented cleantech sector that will also accelerate PEI's clean growth and climate change priorities.** Bring together stakeholders to map existing expertise and define strategic areas of focus to establish a thriving, innovative, export-oriented sector that will also accelerate PEI's clean growth and climate change priorities.

Implementation and Next Steps

Keys to Successful Implementation

The following are key to the successful implementation of this Economic Action Plan:

- ☑ Private sector leadership in building momentum, taking action, and measuring progress
- ☑ Strong alignment, collaboration, and buy-in from stakeholders
- ☑ Development of sector/industry strategies
- ☑ A commitment by federal and provincial governments to support the implementation of priorities
- ☑ An investment in economic recovery and growth that will attract incremental public and private funds
- ☑ An outcomes-focused, results-driven approach to implementation of priorities
- ☑ Tracking, measurement, and reporting process

Implementation and Oversight

This Economic Action Plan is presented by the Partnership for Growth as a timely and forward-thinking road map for PEI's economic future. It represents the shared vision of all participants in defining economic success metrics, enabling conditions for sustainable growth, and strategies and plans to achieve those goals. It recognizes and reinforces the need for all Islanders to benefit from our economic success and the importance of other societal priorities like timely access to health care, housing, quality of K-12 education, and environmental protection in enabling economic success.

It is also obvious from this document that implementation of the Action Plan will require the attention and support of many partners in our community: businesses and business associations, academia, research organizations, federal, provincial and municipal governments, and citizens of our province. It is not specifically directed to governments. We all have a role to play.

The Partnership for Growth has established a Steering Committee to provide a point of contact for ongoing dialogue with other stakeholders in communicating the main messages of the Action Plan. PFG will work with provincial and federal partners on mechanisms to ensure this Action Plan is an influential source for allocation of resources and priority setting where public policy and budgetary expenditures are part of the solution. PFG also proposes to work directly with the provincial government on a process to enhance current economic reporting to include additional metrics as defined in this plan.

In many ways, Prince Edward Island has been exceeding expectations in terms of economic diversification, entrepreneurship, population growth and retention, and national impact of key initiatives. This Action Plan is a roadmap for continuing and accelerating this trajectory in a post-covid world. We look forward to building on the essential partnerships that have created this success and will be essential for continued prosperity and a higher quality of life for all Islanders.