

Economy expected to take off in N.S.

May 16, 2012 - 8:38pm By JOHN DEMONT Business Reporter



The production platform for Encana Corporation's Deep Panuke natural gas project in Nova Scotia's offshore. On the left is the Skandi Skolten, a vessel that helped to install the platform; on the right is the platform supply vessel Atlantic Condor.

The provincial economy will shake off the doldrums this year and pick up steam in 2013, says the Conference Board of Canada.

The recent economic recession hit Nova Scotia less harshly than most other provinces, said Marie-Christine Bernard, the board's associate director of its provincial outlook.

Consequently, the recovery has been slower in Nova Scotia, which had one of the worst performing economies in 2010 and 2011.

This year, however, the board predicts stronger job creation and improved wholesale and retail trade will translate into real gross domestic product growth of 1.8 per cent for the province.

Although that lags the national average of 2.3 per cent, Nova Scotia is expected to fare better than several provinces as natural gas production begins at the Deep Panuke offshore field and energy-related manufacturing picks up.

Next year, the board expects the province will perform even better, registering GDP growth of 2.4 per cent.

“We think that’s when the real hiring for the shipbuilding contract will begin,” Bernard said in an interview. “And that should have a positive impact.”

The board predicts that shipbuilding construction will help reduce the unemployment rate to an average of 7.8 per cent next year, compared with nine per cent now.

That is expected to fuel increased consumer demand across the province.

As well, said Bernard, the provincial economy will benefit from the \$1-billion Shell Canada has committed to spending on deepwater exploratory drilling over the next six years.

Counterbalancing that somewhat is federal government restraint and the provincial government’s plan to cut spending in a bid to eliminate its deficit.

Overall, the board predicts that the resource-based western provinces will continue to lead the country.

Alberta’s GDP is expected to grow by 3.8 per cent this year and 3.7 per cent in 2013, topping the country both years.

In Atlantic Canada, Prince Edward Island is forecast to register the best growth this year. The following year, Nova Scotia is expected to top the region.

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