



2019

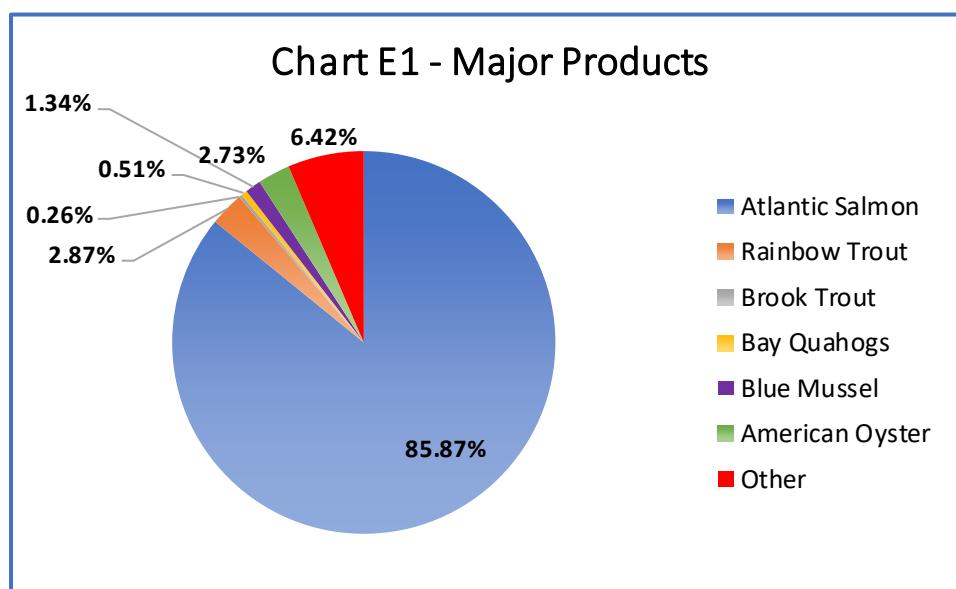
Economic Impact Study on the Aquaculture Industry in Nova Scotia – Executive Summary

Prepared by:
Canmac Economics Ltd.

Executive Summary

Canmac Economics Ltd. was contracted by the Centre for Marine Applied Research to conduct an economic impact assessment of the Nova Scotia Aquaculture Industry. The research involved collecting data on the industry from secondary sources and a survey of key industry participants. Impact simulations were conducted using Canmac’s Aquaculture Input-Output Model – derived from the latest Statistics Canada input-output data. **Our major findings are as follows:**

1. **The Nova Scotia Aquaculture Industry has recently had strong growth.**
 In 2017, the industry had an economic value of \$116.04 million – a 110.8% growth rate over the 2016 value of \$55.05 million.
2. **The industry is dominated by a single product - Atlantic salmon – 85.9% of product by value in 2017.**

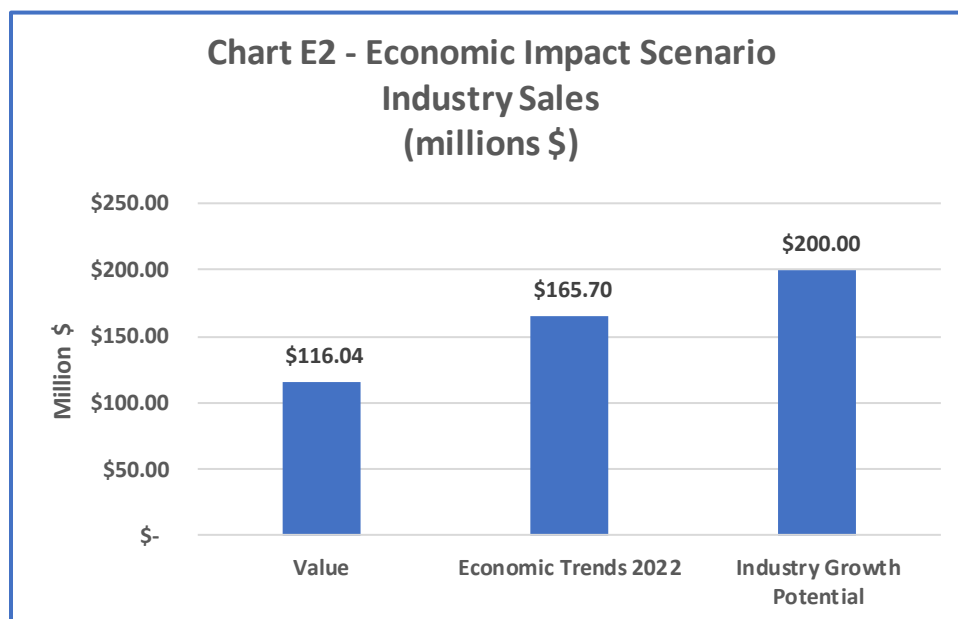


3. **Potential growth.** Canmac projects the industry will **grow to an economic value of \$165.7 million by 2022**, based on current trends. This is a growth of 42% over its 2017 values. As well, Canmac projects the Nova Scotia **aquaculture industry has the potential to grow more strongly and reach \$200 million in economic value by 2022**. This would include \$50 million to a processing plant that would have an economic output of \$110 million.

The industry is **not limited by market demand** as it is a small part of the global aquaculture industry. The Nova Scotia product is sold into the U.S. and to the ‘rest of Canada’ marketplace.

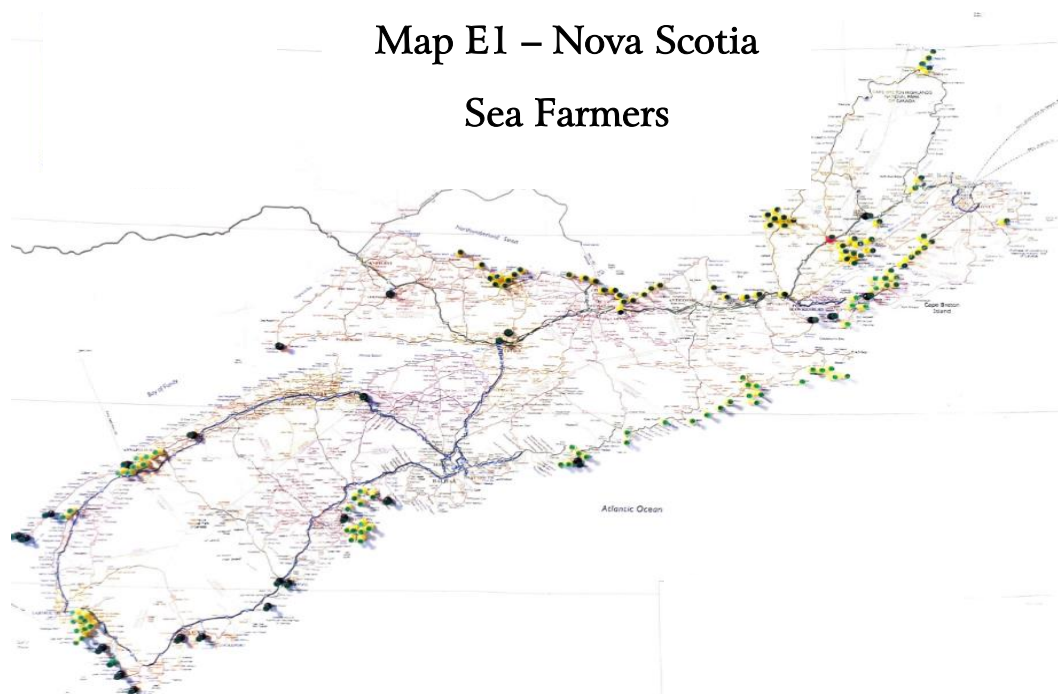
Nova Scotia industry growth is limited by **supply capacity**.

The two major concerns by industry that could constrain growth are 1) **the regulatory environment**, and 2) **labour availability**. If these issues are successfully addressed, then there exists the potential for the industry to grow constantly, well into the future.



4. The Nova Scotia Aquaculture Industry is a rural industry.

As shown in Map E1, the industry is located throughout rural Nova Scotia.

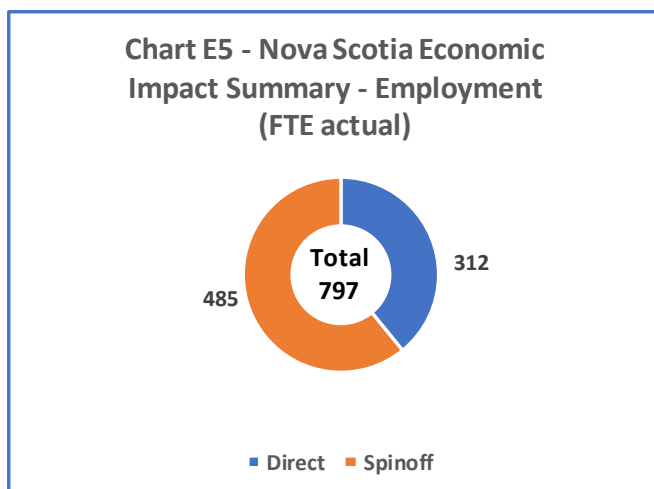
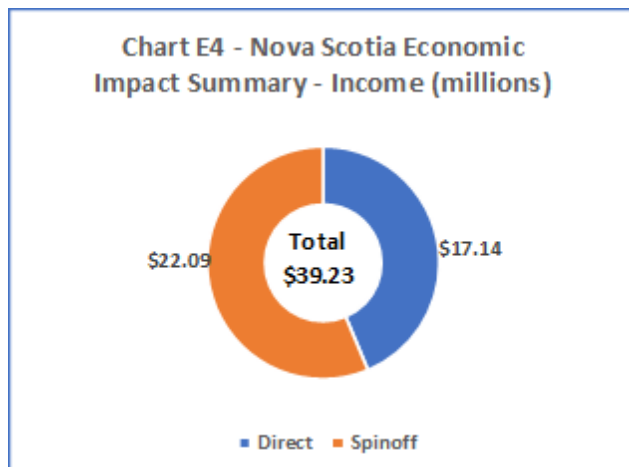
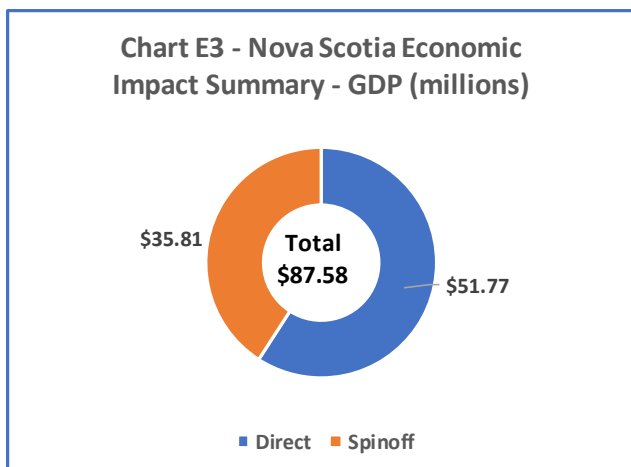


5. The Nova Scotia aquaculture industry provides a small, but significant economic impact benefit to the Nova Scotia economy.

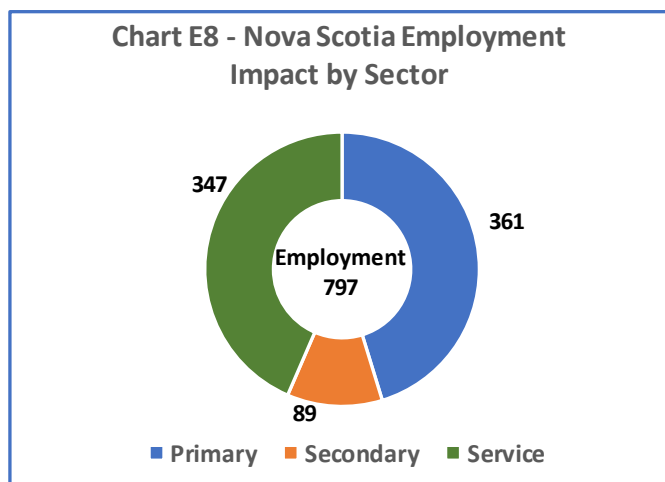
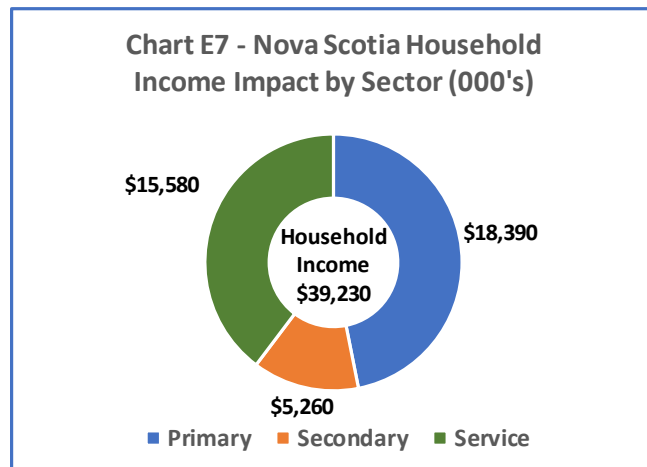
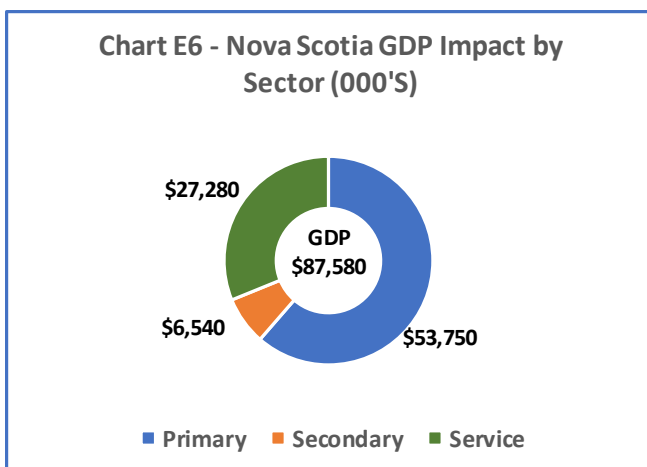
In 2017, the industry's contribution to the provincial economy was as follows:

- An increase in **direct GDP of \$51.77 million, and total GDP of \$87.58 million.**
- An increase in **direct household income of \$17.14 million, and total household income of \$39.23 million.**

- An increase in **direct employment** of (full time equivalent) 311.91, and **total employment** of 797.31.
- Given that it is a rural industry, its impact is most significant for the economic maintenance of communities in rural southwest Nova Scotia.



6. The economic impact of the Nova Scotia aquaculture industry stimulates sales across all industrial sectors with the primary sector being the largest component. This is consistent with the industry’s particular importance to rural Nova Scotia.



7. Under the growth projections noted above, the Nova Scotia aquaculture industry will continue to provide an increasing contribution to the provincial economy and will be a significant contributor to the prosperity of southwestern Nova Scotia. The future outlook for the industry is of course unknown. Canmac

developed a scenario approach to provide an outlook forecast. Scenario 1 is based on a trend analysis of the historic growth in the industry. Scenario 2 is based on Canmac's view of what the industry has the potential to achieve under a favourable market and regulatory environment (further detail given in section 3.4 of the report).

Under the current trends approach, the industry by 2022 will create:

- \$125.07 million in total GDP.
- \$56.02 million in household income.
- 1,138.54 in total employment (full time equivalents).

Under the industry potential scenario, the industry by 2022 will create:

- \$205.19 million in total GDP.
- \$105.15 million in household income.
- 2,158.78 in total employment (full time equivalents).

In conclusion, the Nova Scotia aquaculture industry provides a significant economic impact to the Nova Scotia economy and has the potential to contribute an even more significant economic impact in the future.