



ACOA

Briefing – Minister



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada 

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Canada



Atlantic Canada is experiencing historic momentum...

Atlantic Momentum

Macro Economy

- Real gross domestic product (GDP) ↗
- Real GDP per capita ↗
- Real exports ↗

Labour Market

- Employment rate ↗
- Employment income ↘
- Labour productivity ↗

Innovation and Investment

- Business expenditures on R&D (BERD) ↗
- Non-residential investment ↘
- Production of non-emitting energy ↗

Human Capital

- Population ↗
- Immigration ↗
- Immigration retention rate ↗
- Median age ↗
- Youth not in education, employment and training (NEET) ↘
- Educational attainment ↗

Quality of Life

- GINI coefficient ↗
- Housing starts ↗
- Access to family physician ↘
- Life satisfaction ↗
- Sense of belonging ↗



- **All four Atlantic provinces** exhibited strong evidence of momentum
- Atlantic Canada **improved on 16 of 20 indicators**
- In comparison, only **10 out of 20 indicators for Canada** showed improvement
- The region is surpassing national growth on **GDP per capita, exports, productivity, population and immigration**



Fuelling economic growth in Atlantic Canada

ACOA AT A GLANCE

Mission

- Help Atlantic Canada's economy grow

Values

- Commitment to the region
- Customer service and creativity
- Strong advocacy for the region
- Nimbleness/responsiveness

- **1 of 7 regional development agencies**
- **On-the-ground presence**, allowing:
 - solid understanding of region's **challenges and opportunities**
 - strategic relationships with clients and partners
- Manages crises at regional level (e.g., **COVID-19, Hurricane Fiona**)
- **30 points of service**
- **584** full-time equivalents at:
 - **head office** in Moncton, N.B. (with a team in Ottawa)
 - **regional offices** in each provincial capital
 - **satellite locations** throughout the region



Delivering programs and advocating for Atlantic Canada

TWO CORE FUNCTIONS

ACOA's mandate is twofold:

- **Delivering programming** principally for small and medium-sized enterprises (SMEs) and community groups
- **Advocating** for businesses and communities as well as strong economic development policies across the Government of Canada that may impact the region
 - *Working through effective **relationships** and strong **collaboration** to ensure Atlantic Canadian issues and opportunities are well understood in the federal system (key ministers and officials)*

Delivery Partners

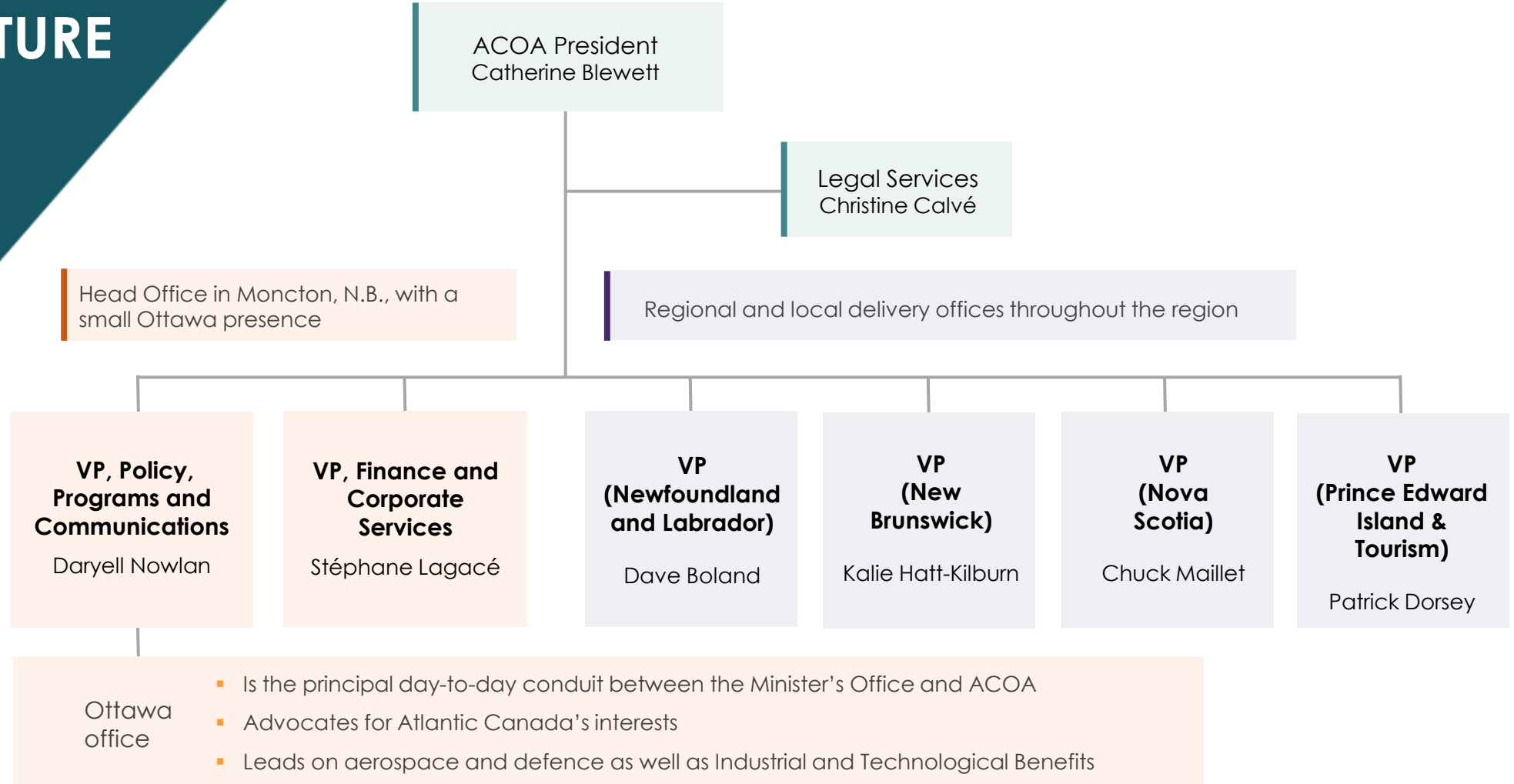
- Provinces
- Other RDAs
- Other federal funders
 - Industry

Advocacy Stakeholders

ISED | ESDC | NRCan | ECCC
DFO | AAFC | IRCC | TC



ORGANIZATIONAL STRUCTURE



CURRENT CORE PROGRAMS

Providing strategic, agile support through repayable, provisionally repayable and non-repayable contributions

Regional Economic Growth through Innovation (REGI)
(common to all RDAs)

Business Development Program (BDP)

Atlantic Innovation Fund (AIF)

Innovative Communities Fund (ICF)

- For non-commercial projects and contributions

Community Futures Program (CFP)

- Funds 39 independent Community Business Development Corporations



CURRENT TEMPORARY PROGRAMS

Delivering short-term initiatives

COVID-19 economic recovery initiatives

Aerospace Regional Recovery Initiative*

- Ending March 31, 2024

Jobs and Growth Fund*

- Ending March 31, 2024

Other funding initiatives

Hurricane Fiona Recovery Fund

- Ending March 31, 2024

PEI Potato Stabilization and Innovation Initiative

- Ending March 31, 2024

National Ecosystem Fund / Black Entrepreneurship Program*

- Ending March 31, 2025

Canada Coal Transition Initiative

(common to ACOA and Prairies Economic Development Canada)

- Ending March 31, 2026

*COMMON INITIATIVES FOR ALL REGIONAL DEVELOPMENT AGENCIES



Providing grants and contributions as a catalyst for growth

	Actual Expenditures			Planned Expenditures (*)			
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-27
Operations & Maintenance	\$79M	\$79M	\$82M	\$83M	\$76M	\$75M	\$75M
Grants & Contributions	\$496M	\$364M	\$351M	\$424M	\$229M	\$221M	\$162M
Total	\$575M	\$443M	\$433M	\$507M	\$305M	\$296M	\$237M

PROGRAM SPENDING

Over the past decade (2012-2013 to 2022-2023)

- ACOA approved an annual **average of 1,443 projects**
- Average **approved contribution: \$237,007**
- On average each year, ACOA assisted **590 businesses** and invested in **322 communities**
- On average, ACOA's **annual project spending** was **\$324M**

* Decline in program spending is due to the winding down of short-term initiatives. Budget 2023 decisions are reflected in the table but are based on estimates only at this time.

CLIENT PROFILE

ACOA's commercial clients



ACOA clients are majority owned by:

- Women - 11.2%
- Men – 81.4%
- Equally owned - 7.4%

ACOA clients are aged:

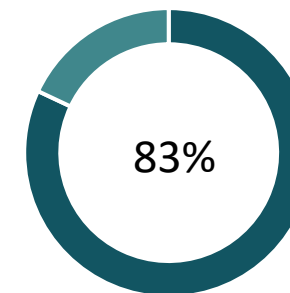
- Less than 40 – 11.3%
- 40-54 - 35.1%
- 55 and over - 53.6%



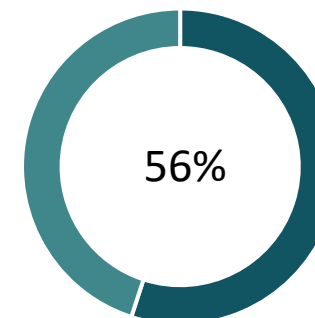
ACOA clients are:

- Immigrants – 7.1%
- Canadian-born – 92.9%

ACOA clients with less than 50 employees



ACOA clients with \$2 million or less in revenue



RESULTS

Impacting the region's economy

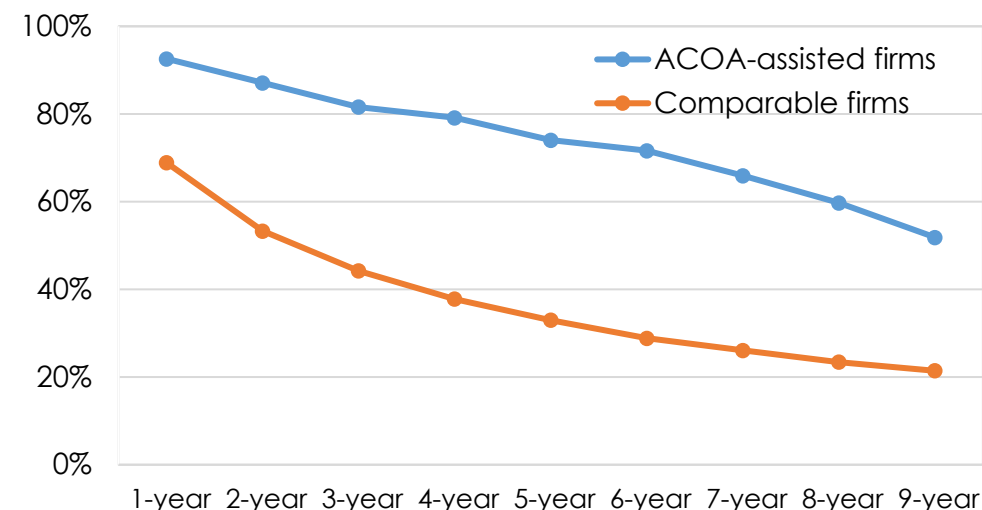
Sales and labour productivity (2015 to 2020)

- Sales by ACOA-assisted firms grew by an average of 3.0% per year.
- Labour productivity by ACOA-assisted firms grew by an average of 2.2% per year.

Business exports, growth and R&D (2015 to 2020, except for exports)

- Atlantic Canada's commodity exports rose by 16.6% in 2022 to \$43.2 billion. When comparing prior to the pandemic, the region's exports in 2022 were above those of 2019 (+22.1%, from \$35.4 billion).
- In 2020, there were 150 ACOA-assisted high-growth firms, up 6.4% compared to 2015.
- ACOA-assisted firms' R&D expenditures as a percentage of revenue averaged 0.6% over the 2015-2020 period, compared to 0.1% for other firms.

Business survival rate – start-ups

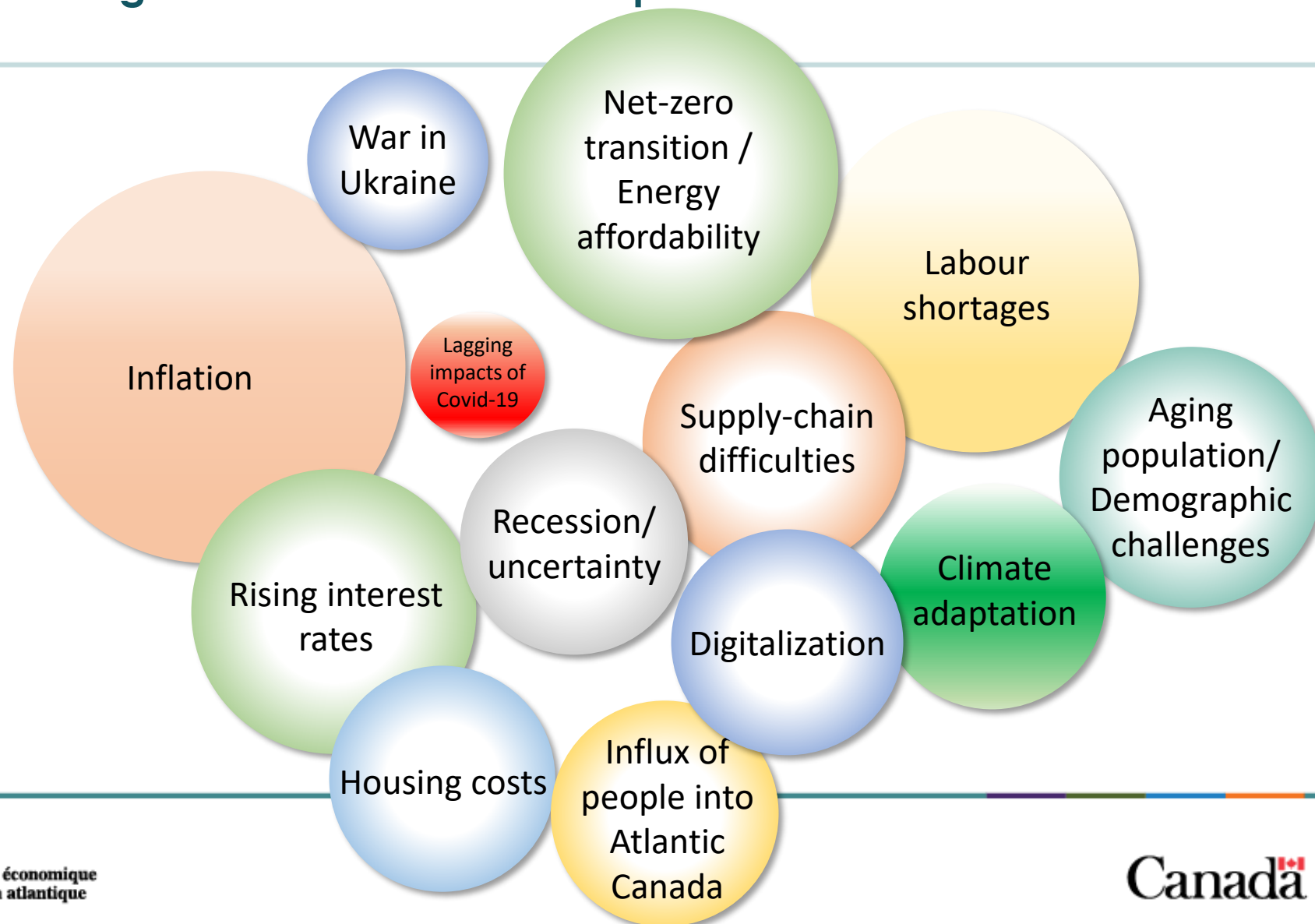


The **business survival rate** for ACOA-assisted start-ups is 2.2 times higher than for unassisted firms after the crucial fifth year following start-up.



...but residents and business owners in Atlantic Canada are still facing a number of economic pressures

HEADWINDS



Working strategically to unlock Atlantic Canada's economic potential

AREAS OF FOCUS

INDUSTRIAL DRIVERS OF CHANGE

PRIORITIES

SOLUTION PATHS

GREEN IMPERATIVE



Decarbonize Atlantic Canada's grid, electrify sectors and green businesses

Increasing Atlantic Canada's competitiveness in a low-carbon future

- **Advancing transmission** through collaboration with electricity regulators
- **Clean energy sources and emerging energy tech** development
- **Decarbonization and electrification of sectors**
- **Supply-chain development**

RESILIENCE AND SECURITY



Support critical infrastructure and strengthen regional air access

Addressing critical infrastructure needs and reductions in air access to enable economic development

- Ensuring critical infrastructure needs are addressed through **advocacy and engagement** with OGDs
- Increasing **seat capacity** by facilitating integration between airports and airlines and through marketing
- Addressing **workforce** challenges through planning and innovation for training and certification

Develop and attract the workforce of the future

Addressing barriers to allow full workforce participation in the economy to support SME growth

- Innovative approaches to **immigration attraction and retention**
- Fostering an **inclusive and diversified workforce**
- Access to a **trained workforce** by improving accessibility to skills, reskilling and upskilling initiatives

DIGITAL REVOLUTION



Increase productivity and digitalization

Continuing to close the productivity gap of the region

- Building awareness on the benefits of **automation**
- Increased uptake of **digitalization** programs
- Continued emphasis on **Innovation, Trade and Investment & Tourism** as levers for economic growth



OUTREACH OPPORTUNITIES

Key Announcements

- Genesis Group - \$1.8 million (St. John's)
- Fall Flavours Bundle - \$447,000 (Charlottetown)
- Bioprocessing and Hurricane Fiona Bundles - \$2.4 million and \$2.3 million (Cape Breton)
- Hurricane Fiona Recovery Fund approved ACOA projects (four Atlantic provinces)
- Atlantic Association of CBDCs - \$12.6 million (annual funding) + \$1.5 million (new project)

Media Interview

- Business in Focus magazine – Interview with ACOA Minister – October issue focused on economic momentum in Atlantic Canada (Atlantic Canada Momentum Index) – August 2023



OUTREACH OPPORTUNITIES

Potential Trips

- August 8-11 – Joint ACOA & Canadian Heritage trip with an Acadian focus – Antigonish County & Cape Breton, N.S.
- September 15-16 – International Shellfish Festival – Charlottetown
- October 9-14 – Potential trip to France focused on business development and official languages (Joint with PCH)

Keynote Events

- September 13-15 – [CBDC Annual General Meeting](#) – Moncton, N.B.
- September 19 – [Black Business Initiative \(BBI\)](#) Summit – Halifax
- October 2-4 – [Atlantic Canada Showcase](#) – Charlottetown
- October 3-5 – [DEFSEC Atlantic 2023](#) – Halifax

