



Indemnities & Allowances Commission

2020 Report

Legislative Assembly of Prince Edward Island

Ron Profit, Q.C., Chair
Dennis Carver, C.P.A., C.A., Commissioner
Sharon O'Halloran, C.P.A., C.G.A., Commissioner

December 1, 2020

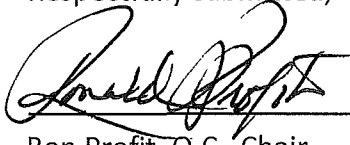
Hon. Colin LaVie, MLA
Speaker of the Legislative Assembly
197 Richmond Street
PO Box 2000
Charlottetown PE C1A 7N8

Dear Mister Speaker,

The Indemnities and Allowances Commission has completed its review of the remuneration and benefits paid to the Members of the Legislative Assembly and to others, as defined in section 46 of the *Legislative Assembly Act*.

The Commission is pleased to submit its 2020 report.

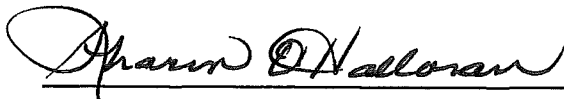
Respectfully submitted,



Ron Profit, Q.C., Chair



Dennis Carver, C.P.A., C.A., Commissioner



Sharon O'Halloran, C.P.A., C.G.A., Commissioner

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I. Legislation and Commissioners

The Commission's authority arises from Section 46 of the *Legislative Assembly Act*. In summary, it establishes an independent Commission to review annually the remuneration and benefits to be paid to the Members of the Legislative Assembly and others, and to deliver a report to the Speaker by December 1 each year, which is final and binding.

The *Legislative Assembly Act*, Section 46, *R.S.P.E.I. 1988, Cap. L-7*, states the following:

46. Indemnities and Allowances Commission

(1) The Speaker, after consultation with such persons as the Speaker considers appropriate, shall appoint an independent commission to be known as the Indemnities and Allowances Commission to review and determine the remuneration and benefits to be paid to the Members of the Legislative Assembly, Ministers, the Speaker, Deputy Speaker, the Leader of the Opposition, Government House Leader, Opposition House Leader, Leader of a Third Party, Government Whip and Opposition Whip.

Composition

(2) The Commission shall be comprised of three independent, neutral and knowledgeable persons from private life.

Duration of appointment

(3) The persons appointed pursuant to subsection (1) shall serve until the dissolution of the Assembly during which they are appointed, or for a maximum of five years, and are eligible for reappointment.

Appointment of replacement

(4) On the resignation, inability to act or death of a commissioner, the Speaker shall appoint a replacement.

Powers, privileges, immunities

(5) The persons appointed pursuant to subsection (1) have all the powers and privileges and immunities of a commissioner pursuant to the *Public Inquiries Act* R.S.P.E.I. 1988, Cap. P-31.

Report

(6) The Commission, annually and at such other times as the Speaker may request, shall carry out a review of remuneration and allowances paid to the persons referred to in subsection (1), and shall on or before the first day of December of each year deliver a report to the Speaker which shall be final and binding.

Tabling of report

(7) The Speaker shall, within five sitting days of the commencement of the Legislative Assembly next following the receipt of the report, cause a copy thereof to be laid before the Legislative Assembly.

Effect of determination in report

(8) The report shall, from such date as may be specified therein, have effect for the purposes of determining the remuneration and allowances of the persons referred to in subsection (1) as if the provisions contained in it had been enacted by the Legislative Assembly.

Remuneration and benefits

(9) For the purposes of this section, remuneration and benefits include salaries, indemnities, allowances and pension benefits.

No increase in remuneration during 2012

(10) Notwithstanding anything contained in this section, there shall be no increase in the remuneration and benefits paid to the Premier or non-ministerial MLAs of the executive council committees or to any person referred to in subsection (1) in accordance with this section until January 1, 2013. 1994,c.34,s.5; 1997,c.28,s.3; 2010,c.39,s.1; 2012,c.23,s.1.

The Honourable Colin LaVie, Speaker of the Legislative Assembly, appointed Ron Profit, Q.C., Dennis Carver, C.P.A., C.A., and Sharon O'Halloran, C.P.A, C.G.A., to the Indemnities and Allowances Commission in 2019.

II. Research & Review

- i. Current PEI MLA remuneration and benefits
- ii. Review of previous Commission reports
- iii. Comparison of PEI MLA base salary with New Brunswick, Nova Scotia, and the Canadian average
- iv. Consumer Price Index (CPI) and Gross Domestic Product (GDP) for PEI
- v. PEI public sector negotiated salary increases
- vi. Written submissions to the Commission
- vii. COVID-19 pandemic in 2020
- viii. Review of MLA pension matters

i. Current PEI MLA remuneration and benefits

Remuneration is provided to MLAs according to their responsibilities in the assembly: a base salary is received by all MLAs, and positions of additional responsibility receive additional salary, as illustrated in the chart below (rounded to the nearest whole dollar).

Position	Base Salary	Additional Salary*	Total
MLA	\$74,394	n/a	\$74,394
Premier	\$74,394	\$80,797	\$155,191
Minister	\$74,394	\$51,986	\$126,381
Speaker	\$74,394	\$51,986	\$126,381
Deputy Speaker	\$74,394	\$25,993	\$100,388
Leader of the Opposition	\$74,394	\$51,986	\$126,381
Leader of a Third Party	\$74,394	\$25,993	\$100,388
Government House Leader	\$74,394	\$14,018	\$88,413
Opposition House Leader	\$74,394	\$7,009	\$81,403
Third Party House Leader	\$74,394	\$4,626	\$79,020
Government Whip			
Opposition Whip	\$74,394	\$4,084	\$78,478
Third Party Whip			

**Non-Ministerial
Member(s) of an
Executive Council
Committee**

**Permanent Member(s)
on a Legislative
Committee**

Permanent MLAs or properly-authorized substitute MLAs of Legislative Assembly committees and of Executive Council committees shall receive a per diem based on the Category B honoraria established by Treasury Board for attending meetings outside of regular sitting days of the Legislative Assembly. The following positions are excluded from this compensation: Premier, Ministers, Speaker, Deputy Speaker, Leader of the Opposition, and Leader of a Third Party. No MLA shall receive more than \$4,500.00 annually.

**each elected official can receive only one additional salary.*

The base salary paid to MLAs over the past twelve years, including the percent increase received as of April 1 in each year, is outlined in the following chart:

Year (as of April 1)	Percent increase in all salaries	Base salary in \$ as at April 1 of year noted
2009	2.5	65,344
2010	0	65,344
2011	0	65,344
2012	0	65,344
2013	(Jan-Mar) 2	66,700
	(Apr-Mar) 1	67,400
2014	0.75	67,906
2015	1.2	68,721
2016	2	70,095
2017	2	71,497
2018	1.5	72,569
2019	1.0	73,295
2020	1.5	74,394

Health, dental, pension, group insurance and life insurance benefits are provided to MLAs on the same terms and conditions as the Excluded Group of Employees in the Provincial Civil Service. MLAs do not receive long term disability benefits.

MLAs receive professional procedural and operational supports, research and administrative staff, communication and internet services, and office facilities. MLAs also receive the following allowances:

Mileage		
<i>Round-trip mileage is reimbursed at the prevailing civil service mileage rates (per section 17.02 of Treasury Board Policy) from the MLA's home to the Legislative Assembly, or to the committee meeting location, and for return.</i>	Inter-sessional	5 round trips per month
	Sessional	1 round-trip for each sitting day
	Committee	1 round-trip for each committee meeting. If there are two meetings on the same day (committee or session), only one meeting is eligible for reimbursement.
Vehicle		
<i>Based on Executive Council Vehicle Policy</i>	Premier	Government vehicle plus maintenance, fuel, registration, and insurance OR
	Speaker	
	Minister	Taxable Vehicle Allowance of \$775/month plus mileage at half the of the prevailing civil service rates.
	Leader of the Official Opposition	
Group Insurance		
<i>Same coverage as is provided to the Excluded Employees Group of the Government of PEI, except Long Term Disability which MLAs do not receive.</i>	Health	Health, dental, and drug coverage at 80%
	Life Insurance	Equal to three times annual earnings upon death up to a maximum of \$300,000. Additional life insurance increments of \$10,000 can be purchased by the MLA at a preferred rate to a maximum of \$300,000.
Equipment & Services		
Computer		
Printer		
Cell phone and cell phone service plan		
Home internet allowance: maximum of \$88.92/month		
Parking provided in the Legislative Assembly parking lot		

The Indemnities and Allowances Commission is aware additional allowances are provided to MLAs on a claim basis through the Government, Official Opposition, and Third Party Caucus Offices. These allowances include:

- mileage not covered in the table above
- some meals
- advertising
- community support
- eligible overnight accommodations.

ii. Review of previous Commission reports

A review of previous Commission reports provided an overview of MLA remuneration and benefits since the Indemnities and Allowances Commission was established by Section 46 of the *Legislative Assembly Act* in 1994. Any future work mentioned in these reports was carried forward.

iii. Comparison of PEI MLA base salary with New Brunswick, Nova Scotia, and the Canadian average

The Commission reviewed the base salaries received by MLAs across Canada. As of April 1, 2020, Prince Edward Island MLAs receive a salary equal to 85% of the regional average (New Brunswick and Nova Scotia) and 74% of the national average, as illustrated in the table below:

	PEI	NB	NS	NB & NS Avg.	Canadian Avg. (excl. PEI)
Base salary:	\$74,394	\$85,000	\$89,235	\$87,118	\$100,373
PEI base salary as a % of :		88%	83%	85%	74%
\$ difference:		\$10,606	\$14,841	\$12,724	\$25,979

iv. Consumer Price Index (CPI) and Gross Domestic Product (GDP) for Prince Edward Island

Products and product groups	Reference Period	Prince Edward Island 2002=100	Prince Edward Island Calendar Year Over Year % Change
	2010	119.5	1.9%
	2011	123	2.9%
	2012	125.5	2.0%
	2013	128	2.0%
	2014	130.1	1.6%
	2015	129.3	-0.6%
	2016	130.8	1.2%
	2017	133.2	1.8%
	2018	136.3	2.3%
	2019	138.4	1.1%
Ten-Year Average Change in CPI			1.5%

The All Items Consumer Price Index is considered a measure of consumer cost of living. The October 2020 year-over-year CPI for PEI is 0.1%. The ten-year average All-Items CPI for PEI is 1.5% (2010-2019; the year 2020 is not completed), while the ten-year average salary increase for the same period for MLAs is 1.1%.

Gross domestic product (GDP) is a standard measure of the value added through the production of goods and services in a jurisdiction and is considered a measure of economic performance. A review of the 2019 Statistics Canada preliminary data on provincial gross domestic product (GDP) by income and expenditure indicates “the Prince Edward Island economy grew by 5.1 per cent in chained 2012 dollars, the fastest growth since 1995. This was the highest growth among provinces, ahead of Newfoundland and Labrador at 4.0 per cent. PEI is the only jurisdiction in the country to have continuous GDP growth since 2007.” (*Statistics Canada Releases 2019 GDP Data*: Department of Finance, Government of Prince Edward Island. Accessed November 10, 2020. Full report available online at: <https://www.princeedwardisland.ca/en/information/finance/gross-domestic-product-gdp-income-and-expenditure>)

v. PEI public sector negotiated salary increases

The Commission reviewed negotiated salaries for public sector collective bargaining units in Prince Edward Island.

vi. Written submissions to the Commission

The Commission invited written submissions from the public on the subject of MLA remuneration. Advertisements were placed in local newspapers and notice was posted on the Legislative Assembly’s website and its social media channels.

The Commission gratefully acknowledges and appreciates the submission it received.

vii. COVID-19 pandemic in 2020

The Commission considered the 2020 COVID-19 pandemic and its effect on MLA responsibilities, the economy, and the public’s livelihoods and wellbeing.

On March 11, 2020, given the rapid spread of infection in 114 countries around the world, the World Health Organization characterized the outbreak of a coronavirus strain as a pandemic. On March 14, 2020, Prince Edward Island’s Chief Public Health Officer Dr. Heather Morrison confirmed the first positive case of COVID-19 on the Island.

At the direction of the Chief Public Health Office (CPHO), measures to prevent the spread of the infection were strengthened over the following week as the world learned more about how the virus spread and who was most vulnerable. A state of public health emergency was declared by Cabinet on March 16, 2020, to provide the CPHO with additional resources and powers to curb the spread of the virus. Schools and daycares were closed on March 17, 2020, and elective medical procedures were indefinitely postponed as the health care sector prepared for a potential mass outbreak.

Other measures put in place included the following: social distancing; hand washing; limiting travel to only essential reasons; isolating for 14 days after travel or if showing symptoms; canceling festivals, events and church services where people gathered in large numbers; non-essential businesses being closed or asked to enable their workforce to telework; federal and provincial governments rolling out aid programs to support Canadians and Islanders who were unemployed due to workplace shutdowns; screening measures being put in place at all three points of entry into Prince Edward Island; those traveling to Prince Edward Island for non-essential reasons were turned around; and non-medical masks were made mandatory on November 20, 2020.

As of this report, Prince Edward Island has had a total of 72 cases of COVID-19 with no hospitalizations, no deaths, and no evidence of community spread.

The provincial government has created a colour-coded COVID-19 alert level system to alert the public of changes in restrictions on movements and gatherings in the event of a wider outbreak. Restrictions on large gatherings continue and social distancing and wearing a non-medical mask are required in public areas.

Prince Edward Island opened to the other Atlantic provinces for unrestricted travel from July 3, 2020, to November 23, 2020. As of November 24, 2020, Prince Edward Island pulled out of the Atlantic bubble due to an increase in cases in the region and across Canada. National and international travel requires screening and self-isolation for 14 days.

School resumed in September with measures limiting potential spread by grouping students into cohorts in schools and requiring masks be worn by bus drivers and students on school buses and when in transition in schools.

The societal and economic disruption caused by the rapid spread of COVID-19 around the world continues today while accelerated vaccine development happens in several countries. Until an effective vaccine is developed, tested, and implemented, restrictions remain in place to protect the public.

To date there have been an estimated 63 million infections worldwide, and an estimated 1.5 million deaths (Johns Hopkins University & Medicine Coronavirus Resource Centre. Accessed December 1, 2020. Available online at: <https://coronavirus.jhu.edu/map.html>)

viii. Review of MLA pension matters

The Commission met with MLA Pension Plan managers for an overview of the pension plan and a discussion of best practices, some of which is addressed in the next section of this report.

III. MLA Pension Matters

I. Funding the MLA Pension Plan

Given the report to the Commission by administrators of the *Pension Plan for Members of the Legislative Assembly*, the Commission is aware that issues around pension plan funding and administration costs need to be addressed to ensure long-term funding security of the plan.

In reviewing the Plan text, the Commission notes that under Articles 16.1 and 18.02:

- 16.1.03 The Commission, in addition to the powers otherwise conferred on it in this Plan, shall have the authority to:
 - (a) determine any dispute, difference or question of any kind arising with respect to the benefit levels provided under the Plan (such decisions of the Commission shall be final and binding on all persons);
 - (b) consult with and obtain opinions, advice and information from any lawyer, auditor, accountant, Actuary or other expert;
 - (c) direct the Administrator to implement and administer any benefit level changes it may determine.
- 16.1.04 The Commission may make recommendations to the Administrator respecting the operation, administration and interpretation of any aspect of the Plan.

- 18.02 If the Plan is amended, any Participant or other person's entitlement under the amended Plan in respect of Continuous Service prior to the date of amendment of the Plan shall not be less than the person's entitlement at the date of amendment as provided under the Plan. Replacement of the Plan by another pension plan shall be considered an amendment to the Plan

In 2014, the Commission introduced substantial changes to the *Pension Plan for Members of the Legislative Assembly* to align the fund with the civil service plan and to strengthen its funding capacity. The Commission supports further changes to the MLA pension plan to provide long term funding stability and administrative cost savings.

II. Pension allowance for MLAs ineligible to contribute

The Commission also reviewed the question of a pension allowance for MLAs ineligible to participate in the MLA Pension Plan due to the age limit (of 72 years) placed on contributing participants by the federal *Income Tax Act*, which governs registered retirement savings plans. The Commission reviewed the practices of other Canadian jurisdictions, as well as those of public sector plans in Prince Edward Island.

IV. Decisions

i. Determination of MLA salaries

The Commission has concluded, based on its research, that there shall be 0% increase in the base salary and additional salaries of Members of the Legislative Assembly and others (as defined in Section 46 of the *Legislative Assembly Act*). This is illustrated in the chart below, effective April 1, 2021, rounded to the nearest whole dollar:

Position	Base Salary	Additional Salary*	Total
MLA	74,394	n/a	74,394
Premier	74,394	80,797	155,191
Minister	74,394	51,986	126,381
Speaker	74,394	51,986	126,381
Deputy Speake	74,394	25,993	100,388
Leader of the Opposition	74,394	51,986	126,381
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Government Whip Opposition Whip Third Party Whip	74,394	4,084	78,478
Non-Ministerial Member(s) of an Executive Council Committee	Permanent MLAs, or properly-authorized substitute MLAs, of Legislative Assembly committees and of Executive Council committees shall receive a per diem based on the Category B honoraria established by Treasury Board for attending meetings outside of regular sitting days of the Legislative Assembly. The following positions are excluded from this compensation: Premier, Ministers, Speaker, Deputy Speaker, Leader of the Opposition, and Leader of a Third Party. No MLA shall receive more than \$4,500.00 annually.		
Permanent Member(s) of Legislative Committees			

*each elected official can receive only one additional salary.

ii. Funding the MLA Pension Plan

The Indemnities and Allowances Commission recommends that the Plan Sponsor wind-up the basic portion of the MLA Pension Plan and transfer its assets and liabilities to the Civil Service Superannuation Fund (CSSF), to efficiently accrue and administer the basic benefit. This will not change the total pension benefit to MLAs but will allow the MLA Pension Plan access to the CSSF's modern pension administration systems and economies of scale, thereby reducing future administration costs.

iii. Pension allowance for MLAs ineligible to contribute

The Commission notes the disparity in the pension benefits provided to MLAs who are able, due to their age, to invest in the *Pension Plan for Members of the Legislative Assembly*, and those who cannot because they are 72 years of age or older. The Commission has decided no additional remuneration will be awarded as compensation. The age limit on contributions is a federal *Income Tax Act* rule that applies equally to all registered pension plans, including other provincial pension plans and the majority of MLA pension plans in other Canadian jurisdictions.

V. Future Work

In 2021, the Commission will undertake the following additional work:

- update of the plan text for the *Pension Plan for Members of the Legislative Assembly*;
- report on the allowances provided to MLAs by the Caucus Offices; and
- report on the severance allowance for MLAs.

VI. Conclusion

In conclusion, the Commissioners respectfully acknowledge Honourable Colin LaVie, Speaker of the Legislative Assembly, for the trust he has shown in appointing them to serve on this Commission. Further, the Commissioners thank the Office of the Legislative Assembly and Terry Hogan, Manager of Pensions and Benefits in the Department of Finance, for the support provided in the preparation of this report.

Appendix A

MLA Base Salaries in Canadian Provincial, Territorial and Federal Parliaments

As of April 1, 2020

Jurisdiction	Basic Salary <i>(rounded to the nearest whole dollar)</i>
British Columbia	\$111,024
Alberta	\$120,936
Saskatchewan	\$100,068
Manitoba	\$96,214
Ontario	\$116,550
Quebec	\$95,704
New Brunswick	\$85,000
Nova Scotia	\$89,235
Newfoundland & Labrador	\$95,357
Yukon	\$81,076
Nunavut	\$103,323
Northwest Territories	\$109,991

Appendix B

October 2020 All-items CPI



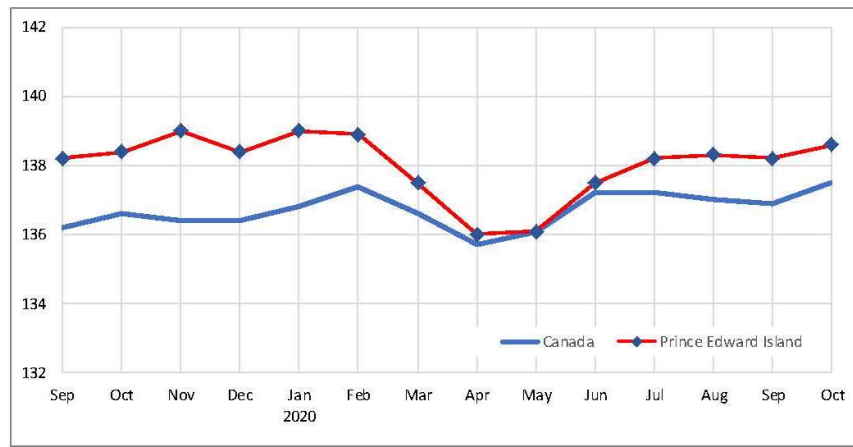
Prince Edward Island Statistics Bureau
 Department of Finance
 Economics, Statistics and
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November 18, 2020

PEI / CANADA CONSUMER PRICE INDEX, OCTOBER 2020



OCTOBER 2020 ALL-ITEMS CONSUMER PRICE INDEX (2002=100)

	CN	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Oct-20	137.5	140.5	138.6	138.4	137.0	133.1	138.9	138.1	141.6	145.2	132.9
Sep-20	136.9	139.4	138.2	137.5	136.3	132.5	138.3	137.2	140.8	145.0	132.5
Oct-19	136.6	139.7	138.4	138.0	136.8	132.4	137.9	138.0	140.9	143.6	132.2
Year over Year Change (%)	0.7%	0.6%	0.1%	0.3%	0.1%	0.5%	0.7%	0.1%	0.5%	1.1%	0.5%
Monthly Change (%)	0.4%	0.8%	0.3%	0.7%	0.5%	0.5%	0.4%	0.7%	0.6%	0.1%	0.3%

SUMMARY

Statistics Canada reported that the year-over-year change in the All-Items Consumer Price Index for P.E.I. was 0.1 per cent in October 2020. This compares to a 0.7 per cent increase for Canada. Year-over-year price declines for P.E.I. were led by *fuel oil and other fuels* (-29.6%), followed by *gasoline* (-13.0%), *telephone services* (-6.0%), *women's clothing* (-7.0%), and *recreational equipment and services excluding recreational vehicles* (-8.6%). These declines were mostly offset by year-over-year increases for *rent* (5.9%), *purchase and leasing of passenger vehicles* (2.9%), *cigarettes* (10.2%), *dairy products* (8.6%), and *homeowners' replacement cost* (3.3%).

The monthly change for P.E.I. in October 2020 was 0.3 per cent. Higher prices for *homeowners' replacement cost* (2.5%), *purchase and leasing of passenger vehicles* (1.0%), *women's clothing* (4.2%), *dairy products* (2.6%), and *children's clothing* (7.2%) were partially offset by lower prices for *traveler accommodation* (-11.3%), *rent* (-1.4%), *other fresh or frozen poultry*¹, *fresh vegetables* (-3.9%), and *sugar and confectionery* (-3.9%).

¹ data not published at the provincial level.

Nationally, the *All-Items Consumer Price Index* rose 0.7 per cent on a year-over-year basis in October, up from a 0.5 per cent increase in September. Prices rose in five of the eight major components on a year-over-year basis. Year-over-year gasoline prices fell 12.4 per cent in October, following a 10.7 per cent decline in September. Prices rose in all provinces on a year-over-year basis in October.

Impact of COVID-19 on the October CPI

Following a 2.2% decline in September, prices for fresh or frozen chicken increased by 2.4% in October. Volatility in the food service industry related to COVID-19 has had an unpredictable impact on chicken prices. The rise in prices in October followed production cuts beginning in May, which were implemented in an effort to steady the market. Meat prices rose 1.7% on a year-over-year basis in October, following a 0.4% increase in September.

Mortgage rates continue to face downward pressure from lower interest rates following reductions in the Bank of Canada's policy interest rate in March. The mortgage interest cost index fell 0.7% on a month-over-month basis in October, following a 0.5% monthly decline in September.

Traveler accommodation prices fell less on a year-over-year basis in October (-22.9%) than in September (-26.5%). Prices for traveler accommodation traditionally decline in September and October as demand weakens following the peak summer period.

For more information about the impact of COVID-19 on the CPI, please consult the research document entitled "[Adjusting the Consumer Price Index to the new spending realities during the pandemic](#)" released on October 8, which explores new sources of expenditure data to estimate basket weights that reflect shifting consumption patterns during the pandemic.

For more information regarding the October CPI for Canada and the Provinces, see the [Statistics Canada CPI release for October 2020](#).

The next release of the CPI will be on December 16, 2020.

Source: Statistics Canada, Consumer Price Index, released November 18, 2020.

Appendix C

Gross Domestic Product (GDP) by Income and Expenditure for PEI



Prince Edward Island Statistics Bureau
Department of Finance
Economics, Statistics and
Federal Fiscal Relations



Tel / tél. : (902) 368 4035
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STATISTICS CANADA RELEASES 2019 GDP DATA

On November 9, 2020 Statistics Canada released preliminary Provincial Gross Domestic Product (GDP) by Income and Expenditure data for 2019 and revisions for 2017 and 2018.

GDP at Market Prices (Income and Expenditure Accounts)

The PEI GDP at market prices in current dollars was valued at \$7,523 million in 2019. The statistics show that the Prince Edward Island economy grew by 5.1 per cent in chained 2012 dollars, the fastest growth since 1995. This was the highest growth among provinces, ahead of Newfoundland and Labrador at 4.0 per cent. PEI is the only jurisdiction in the country to have continuous GDP growth since 2007. The revised data shows growth of 4.7 per cent in 2017 and 2.5 per cent in 2018.

As Table 1 indicates, the national economy expanded by 1.9 per cent in chained 2012 dollars in 2019, following a 2.4 per cent increase in 2018. Nunavut saw the highest growth among provinces and territories in 2019 with an increase of 6.5 per cent, followed by Prince Edward Island at 5.1 per cent and Newfoundland and Labrador at 4.0 per cent. The only jurisdictions where Real GDP fell in 2019 were Northwest Territories at -8.0 per cent and Saskatchewan at -0.7 per cent.

TABLE 1

REAL GDP GROWTH AND NOMINAL GDP CANADA, PROVINCES AND TERRITORIES

Province	Chained GDP Growth (%) (Chained \$ 2012)				Nominal 2019 GDP \$ millions
	2016	2017	2018	2019	
Newfoundland and Labrador	1.5	1.5	-3.5	4.0	35,349
Prince Edward Island	2.1	4.7	2.5	5.1	7,523
Nova Scotia	1.6	1.8	1.9	2.4	46,586
New Brunswick	0.8	2.5	0.5	1.2	38,236
Quebec	1.6	2.9	2.9	2.7	460,357
Ontario	2.1	2.8	2.8	2.1	891,811
Manitoba	1.4	3.3	1.5	0.6	73,814
Saskatchewan	-0.1	2.6	1.2	-0.7	82,917
Alberta	-3.5	4.5	1.9	0.1	352,884
British Columbia	2.8	3.8	2.7	2.7	309,059
Yukon	7.4	1.8	3.8	0.8	3,157
Northwest Territories	-1.4	3.4	0.8	-8.0	4,542
Nunavut	5.1	13.2	5.2	6.5	3,689
Canada	1.0	3.0	2.4	1.9	2,310,712

PEI's growth in real GDP was attributable to a 21.4 per cent rise in housing investment, coinciding with an inflow of international immigrants in recent years, as well as a 3.2 per cent increase in exports. Growth in household spending increased from 2.0 per cent in 2018 to 2.6 per cent in 2019. Growth in imports slowed to 2.1 per cent from 3.9 per cent in 2018, while growth of exports remained steady at 3.2 per cent, down slightly from 3.3 per cent in 2018.

Table 2 shows PEI's expenditure based real GDP in chained 2012 dollars from 2015 to 2019.

TABLE 2
REAL GDP EXPENDITURE BASED, PRINCE EDWARD ISLAND
(chained 2012 dollars)

in \$ millions (except per capita) Chained 2012 dollars	2015	2016	2017	2018	2019
Final consumption expenditure	5,924	6,046	6,187	6,331	6,500
Household final consumption expenditure	4,069	4,167	4,274	4,359	4,471
Goods	2,021	2,077	2,144	2,165	2,199
Services	2,047	2,089	2,129	2,193	2,270
Non-profit institutions serving households' final consumption expenditure	75	81	81	84	87
General governments final consumption expenditure	1,783	1,802	1,837	1,893	1,946
Gross fixed capital formation	874	977	1,193	1,219	1,347
Business gross fixed capital formation	662	748	920	947	1,044
Residential structures	333	356	438	462	561
Non-residential structures, machinery and equipment	288	348	429	431	432
Intellectual property products	43	45	54	55	54
Non-profit institutions serving households' gross fixed capital formation	7	6	6	9	11
General governments gross fixed capital formation	204	221	264	261	289
Investment in inventories	19	-21	21	58	88
Of which: business investment in inventories	20	-21	19	61	87
Non-farm	27	-24	25	69	36
Farm	-7	3	-5	-7	47
Exports of goods and services	2,874	2,888	2,998	3,098	3,197
Exports to other countries	1,355	1,374	1,393	1,454	1,513
Exports to other provinces	1,513	1,508	1,599	1,637	1,676
Less: imports of goods and services	3,837	3,922	4,155	4,318	4,407
Imports from other countries	1,296	1,298	1,383	1,466	1,451
Imports from other provinces	2,538	2,622	2,770	2,848	2,953
Statistical discrepancy	-4	-4	-8	10	-2
Gross domestic product at market prices	5,770	5,894	6,170	6,324	6,644
Final domestic demand	6,797	7,024	7,386	7,556	7,856
Annual Growth in Gross Domestic Product (%)	1.4	2.1	4.7	2.5	5.1
Gross Domestic Product Per Capita (chained 2012 \$)	39,918	40,104	41,023	41,227	42,248
Change in Real GDP Per Capita (%)	1.2	0.5	2.3	0.5	2.5
Nominal GDP	6,088	6,376	6,790	7,033	7,523
Nominal GDP Per Capita (\$)	42,118	43,383	45,146	45,849	47,837
Change in Nominal GDP Per Capita (%)	3.7	3.0	4.1	1.6	4.3

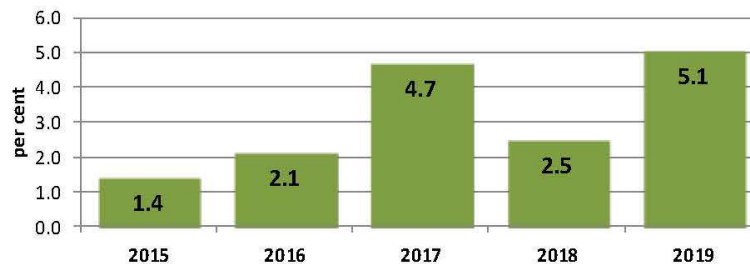
Table 3 shows contributions to change in real GDP for 2019. Final consumption expenditure, the largest component of GDP, contributed 2.6 percentage points to the growth of GDP, while gross fixed capital formation contributed 2.0 percentage points. Investment in inventories contributed 0.4 percentage points to the growth of GDP in 2019. An increase of exports of goods and services added 1.6 percentage points. Imports of goods and services¹ also increased, subtracting 1.4 percentage points from GDP growth, for a total net gain of 0.2 percentage points for international and interprovincial trade.

TABLE 3
REAL GDP, EXPENDITURE BASED, CONTRIBUTIONS TO PERCENT CHANGE²
PRINCE EDWARD ISLAND, 2019

Gross domestic product (GDP)	5.1	Gross Fixed Capital Formation	2.0
Final consumption expenditure	2.6	Business gross fixed capital formation	1.6
Durable goods	0.3	Residential structures	1.6
Semi-durable goods	0.0	Non-residential structures	0.1
Non-durable goods	0.1	Machinery and equipment	-0.1
Services	1.2	Intellectual property products	0.0
Non-profit institutions final consumption expenditure	0.0	Non-profit institutions gross fixed capital formation	0.0
General governments final consumption expenditure	0.9	General governments gross fixed capital formation	0.4
Exports of goods and services	1.6	Investment in inventories	0.4
Exports to other countries	1.0	Non-farm	-0.4
Exports to other provinces	0.6	Farm	0.8
Deduct: Imports of goods and services	1.4	Statistical discrepancy	-0.2
Imports from other countries	-0.2		
Imports from other provinces	1.6	Final domestic demand	4.6

Diagram 1 illustrates provincial economic growth from 2015 to 2019 in chained 2012 dollars.

DIAGRAM 1
Annual Real GDP Growth
2015-2019
Prince Edward Island



Sources: Statistics Canada.

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

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¹ Imports are a deduction from GDP. A reduction in imports results in a positive contribution to change.

² Contributions to percent change are presented as percentage points.