

Sector Profile

Accommodation and Food Services

Atlantic Region

2025

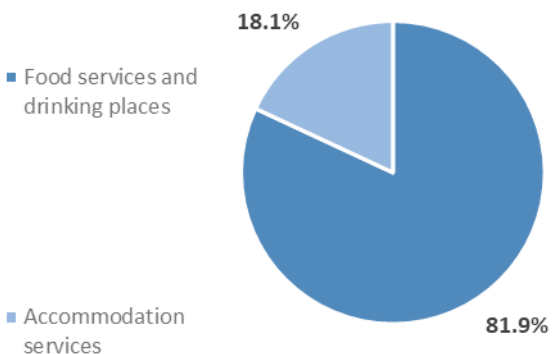


HIGHLIGHTS

- The accommodations and food services (AFS) sector includes establishments that provide lodging and related services to travelers and leisure seekers. As a result, activity in this sector typically peaks during the spring and summer months, coinciding with the height of tourism spending.
- In Atlantic Canada, the proportion of youth (aged 15 to 24 years) working in this sector is nearly triple that of the all-industry average (37.3% vs. 13.0%). Part-time work is more than twice as common in AFS (35.1% vs. 16.0%).
- The region's AFS employment grew for the third straight year, in 2024 (+7.9%), due to an increase in travel and tourism spending.
- Employment in Atlantic Canada's AFS sector is expected to grow at an average annual rate of 0.5% over the forecast period (2025 to 2027). An increase in the number of visitors from other provinces is expected to be offset to some degree by fewer American travellers.

ABOUT THE INDUSTRY

Employment Share by sub-industry



Source: Statistics Canada, Labour Force Survey 2024

Composition and Importance of the Sector

The accommodations and food services (AFS) sector includes establishments that provide lodging and related services to travelers and leisure seekers. As a result, AFS activity is seasonal in nature, with business typically beginning to increase in the spring and reaching its peak during the summer months. Aside from Atlantic Canadians travelling within the region, the three main visitor markets are Ontario, Québec and the United States (U.S.).

The accommodations and food services sector is a key employer in Atlantic Canada, accounting for 6.1% of the region's total number of jobs (compared to 5.5% nationwide).

A significant number of AFS businesses employ relatively few people, as many restaurants and accommodations in the industry are small or family-owned enterprises. As a case in point, food services and drinking places enterprises are often small, but the sub-industry employs four-fifths (81.9%) of the sector's workforce. Accommodation services plays a smaller but still significant role in the industry (18.1%).



Geographic Distribution of Employment

Nova Scotia's AFS sector accounted for 6.7% of the province's total workforce, in 2024, leading all provinces. Prince Edward Island (P.E.I.) was next in line, at 6.4%, followed by Newfoundland and Labrador (N.L.) and New Brunswick (N.B.) followed, at 5.6% each.

Given that tourism heavily influences AFS activity, urban areas and tourist attractions generally exhibit higher levels of employment. Additionally, regions with ports and airports tend to have greater employment opportunities due to the fact that these locations are typically landing spots for visitors.

	Employed 2024	Industry Share (%)
Atlantic Canada	76,800	6.1%
Newfoundland and Labrador	13,800	5.6%
Prince Edward Island	5,900	6.4%
Nova Scotia	34,800	6.7%
New Brunswick	22,300	5.6%

Source: Statistics Canada, Labour Force Survey

WORKFORCE

Workforce Characteristics

Women accounted for 60.2% of Atlantic Canada's AFS workforce, in 2024, well surpassing the all-industry average of 49.1%. Additionally, the proportion of youth (aged 15 to 24 years) is nearly triple that of the all-industry average (37.3% vs. 13.0%).

Demand for labour is stronger in the summer, when tourism activity is at its peak, which in turn impacts certain employment characteristics. Part-time work is more than twice as common in AFS as it is across all industries (35.1% vs. 16.0%) and the sector also depends to a greater degree on temporary workers (20.3% vs. 13.7% across all industries). There is a heavy dependence on high school and post-secondary students, though temporary foreign workers have grown in importance over the past several years.

The proportion of self-employment in AFS is nearly half that of all industries (5.3% vs. 9.5%) and declined at an average annual rate of 3.0% between 2015 and 2024.

Main Occupations

Food counter attendants, kitchen helpers and related support occupations made up nearly one-quarter (22.7%) of Atlantic Canada's AFS workforce in 2024. This was followed by cooks (13.8%), food and beverage servers (12.2%), food service supervisors (8.8%) and restaurant and food service managers (6.2%). Overall, the top five occupations made up over three-fifths (63.7%) of all AFS jobs in 2024 and are all in the food services and drinking places subindustry.

Food service supervisors increased in importance between 2014 and 2024 as its share of the total AFS workforce grew by 2.9 percentage points (p.p.). The share of food counter attendants, kitchen helpers and related support occupations was unchanged (-0.1 p.p.), while declines in importance were observed for food and beverage servers (-2.8 p.p.), restaurant and food service managers (-1.4 p.p.), and cooks (-1.0 p.p.). Food safety training is encouraged for these occupations.

Top 5 largest occupations	Employed 2024	% Share of Industry
Food counter attendants, kitchen helpers and related support occupations	17,425	22.7%
Cooks	10,600	13.8%
Food and beverage servers	9,350	12.2%
Food service supervisors	6,800	8.8%
Restaurant and food service managers	4,725	6.2%

Source: ESDC/Service Canada



RECENT HISTORY

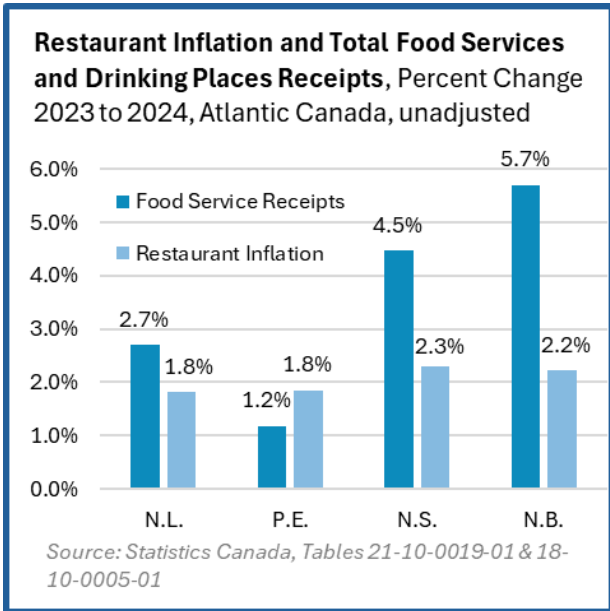
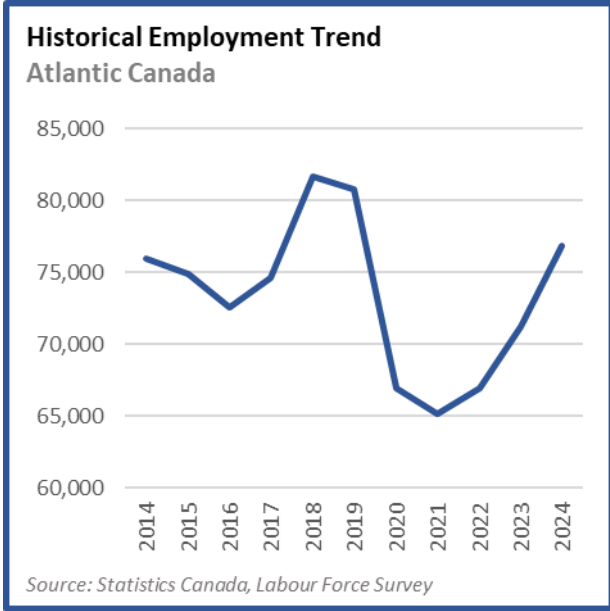
AFS employment in the region increased for the third straight year, in 2024 (+7.9%) and appears poised to surpass its pre-pandemic (2019) high in the near future. The sector’s real GDP grew by 1.9% from 2023 to 2024 and is now only 1.6% lower than its pre-pandemic value. (source: Statistics Canada. Table 36-10-0402-01).

A post-pandemic return to normal travel levels has been the main driver of this recovery. Both air passenger traffic and non-resident land border crossings in the region increased by nearly one-tenth from 2023 to 2024 (9.1% and 10.1%, respectively). (source: Statistics Canada. Tables 23-10-0253-01 & 24-10-0053-02). An increasing number of cruise ship visits has also supported growth in this sector. Atlantic Canada experienced over one million visits from April to November 2024, representing a 30% year-over-year increase from 2023 (source: Atlantic Canada Cruise Association).

Food service receipts were up in all provinces, in 2024, on a year-over-year basis. N.B. (5.7%) and N.S. (4.5%) led the way while growth was more modest in N.L. (2.7%) and P.E.I. (1.2%). Restaurant inflation, defined as the cost to purchase food from restaurants, also rose for every Atlantic Canadian province from 2023 to 2024 and ranged from 1.8% to 2.3%. The percentage increase in the value of food service receipts outpaced restaurant inflation in all provinces except Prince Edward Island (P.E.I.), indicating that restaurant goers were ordering more food and/or going out to eat more across the region, on average.

Factors like low wages and the seasonal nature of AFS activity limit the sector’s ability to attract and retain talent. Median hourly wages of the top five occupations in the region ranged from \$15.65 to \$20.00 in 2024 (source: Job Bank). Rural operators, in particular, have been struggling to attract labour. One reason is the lower availability of students and other young people. A lack of transportation and available housing are also commonly cited challenges to attracting rural labour.

Restaurants have observed a limited availability of workers to fill certain essential “back of house” occupations, including cooks, chefs, bakers, and kitchen helpers. Shortages of experienced supervisors and managers became pronounced post-pandemic and has persisted to this day. One of main drivers was the mass exodus of workers to other sectors, in 2020 and 2021, when much AFS activity was restricted or limited due the global COVID-19 pandemic. As a result, there is a smaller pool of experienced workers to grow into these roles.



RECENT HISTORY

The industry's job vacancy rate was elevated during the first quarter of 2025, led by N.S. (4.3%), followed by N.L. (3.5%) and N.B. (2.9%). Data is unavailable in P.E.I. (source: Statistics Canada. Table 14-10-0442-01). Thus, wages have likely hurt the industry in terms of recruitment.

Small and medium enterprises (SMEs), particularly restaurants, have been struggling financially since the pandemic. Bankruptcies and closures have become more common as the Canada Emergency Business Account (CEBA) loans became due in January 2024. According to the Restaurant Association of Nova Scotia, about half of restaurants in Nova Scotia are breaking even or operating at a loss. Employment appears to have been unaffected to date, as new openings have kept pace with closures. The harmonized sales tax (HST) holiday in the region from December 2024 to February 2025 helped restaurants remain solvent as many restaurants did extremely well during an otherwise slow period.



OUTLOOK

Employment growth in the accommodation and food services sector is expected to keep pace with the all-industry rate from 2025 to 2027 (0.5% vs. 0.6%). P.E.I. leads the way, with expected average annual growth of 1.4%, followed by N.B. at 0.8% and N.S. with 0.4%. N.L. is the only province expected to lose jobs over the forecast period (-0.1%).

The 2025 Canada Games in St. John's, N.L., is anticipated to create \$100 million in economic benefits for the region. Notably, hotels are expected to be fully booked while restaurants will likely experience a surge in customers.

The new Canada Strong Pass, which offers free or discounted travel packages, and admission to parks, museums, and heritage places, should provide a boost to the accommodations subindustry while food services should also see some gains. Recent bridge and ferry fee reductions will also improve demand in the region.

Financial pressures on restaurants are expected to continue over the next few years. This will likely lead to some closures, reduced hours, and insolvencies in the region. New restaurants often replace ones that close, so it is unclear how much employment will be affected over the forecast period.

Recent immigration program changes may limit the ability of certain Atlantic Canadian businesses to expand, going forward. Specifically, caps on the number of international students admitted to the region may result in staffing shortages. Elevated inflation in recent years and the subsequent decrease in discretionary income may also limit growth.

The shift towards domestic tourism is expected to be a major driver throughout the forecast period. AFS stakeholders expect the tourism season to become increasingly busy and extend further into the year, presenting additional opportunities for growth. However, these increases may be somewhat counterbalanced by a decline in visitors from the U.S., at least in the short term. Recent initiatives to attract European visitors through increased direct flights should help diversify the supply of tourists in the region and should offset a drop in the number of U.S. tourists, to some degree.

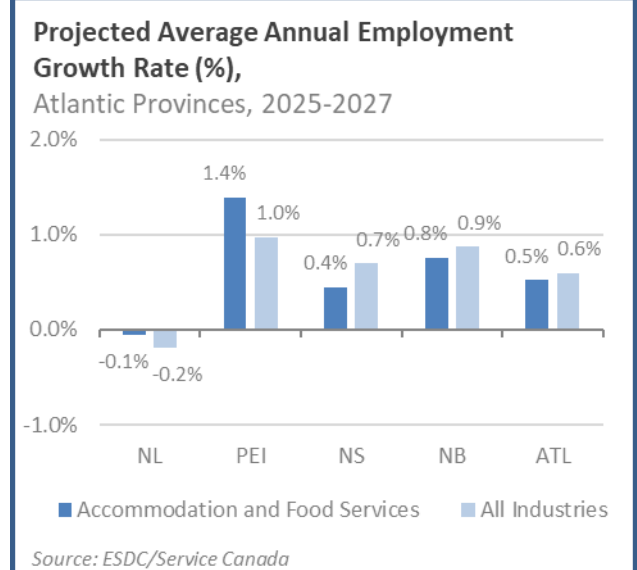
Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

The analysis in this report was finalized as of **September 2025**.

Prepared by: Business Intelligence and Labour Market and Analysis Directorate, Service Canada – Atlantic Region

For further information, you may contact us at: ATL-LMI-IMT-GD@servicecanada.gc.ca

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APPENDIX

Real GDP (2024) and Employment (2024) for Atlantic Canada

	Accommodation and Food Services			All Industries		
	Number	Share of		Number	Share of	
		Total	AAGR*		Total	AAGR*
Real GDP (M\$)	\$2,647.2	100.0%	0.8%	\$118,731.2	100.0%	1.2%
Newfoundland and Labrador	\$572.3	21.6%	-0.2%	\$29,645.2	25.0%	-0.3%
Prince Edward Island	\$268.9	10.2%	4.7%	\$7,604.7	6.4%	2.9%
Nova Scotia	\$1,090.3	41.2%	0.9%	\$45,644.6	38.4%	1.9%
New Brunswick	\$715.7	27.0%	0.2%	\$35,836.7	30.2%	1.4%
Employment (000s)	76.8	100.0%	0.1%	1258.7	100.0%	1.2%
Men+	30.6	39.8%	1.5%	640.8	50.9%	1.2%
Women+	46.3	60.2%	-0.7%	618.0	49.1%	1.2%
15-24 years old	28.6	37.3%	-0.7%	163.8	13.0%	0.9%
25-54 years old	38.3	49.8%	0.7%	803.1	63.8%	1.0%
55 years and older	9.9	12.9%	0.5%	291.9	23.2%	2.0%
Worked full-time	49.9	64.9%	0.3%	1057.5	84.0%	1.3%
Worked part-time	26.9	35.1%	-0.2%	201.2	16.0%	0.5%
Self-employed	4.0	5.3%	-3.0%	119.1	9.5%	-1.1%
Employees	72.8	94.8%	0.3%	1139.7	90.5%	1.5%
Permanent job	57.2	74.5%	0.2%	967.1	76.8%	1.9%
Temporary job	15.6	20.3%	0.8%	172.6	13.7%	-0.5%
Less than high school	10.4	13.5%	-4.9%	87.9	7.0%	-3.1%
High school graduate	29.7	38.7%	-1.4%	286.9	22.8%	-0.3%
Postsecondary cert. or diploma	22.3	29.0%	2.8%	487.2	38.7%	1.1%
University degree	14.4	18.7%	6.2%	396.8	31.5%	4.1%
Newfoundland and Labrador	13.8	18.0%	-0.8%	245.0	19.5%	0.2%
Prince Edward Island	5.9	7.6%	1.1%	92.5	7.3%	2.3%
Nova Scotia	34.8	45.3%	0.9%	521.4	41.4%	1.6%
New Brunswick	22.3	29.0%	-0.6%	400.0	31.8%	1.1%

Source: Statistics Canada, Labour Force Survey - Custom Table; Table 36-10-0402-01

*Average annual growth rate for last ten years of available data (GDP 2015-24 and Employment 2015-24)

