

YEAR 2021

GOAL 6: FIRMS PARTICIPATING IN FOREIGN EXPORT TRADE

BY 2028, NEW BRUNSWICK WILL HAVE AT LEAST
1,080 FIRMS PARTICIPATING IN FOREIGN EXPORT
TRADE



STATUS: NOT PROGRESSING

Overview

Importance

Firms participating in foreign export trade refers to the number of firms exporting internationally. Foreign export trade both grows New Brunswick's economy and expands the global market. Greater exports from New Brunswick leads to more production, jobs, and revenue for the province. This in turn leads to a higher GDP, increasing the wealth of the province.

Problem

Over the last decade, there has been very little change in the number of New Brunswick businesses participating in foreign markets. The province has not seen any clear, long-term upward or downward trends between 2012 and 2020, during which amounts fluctuated only slightly.

Cause

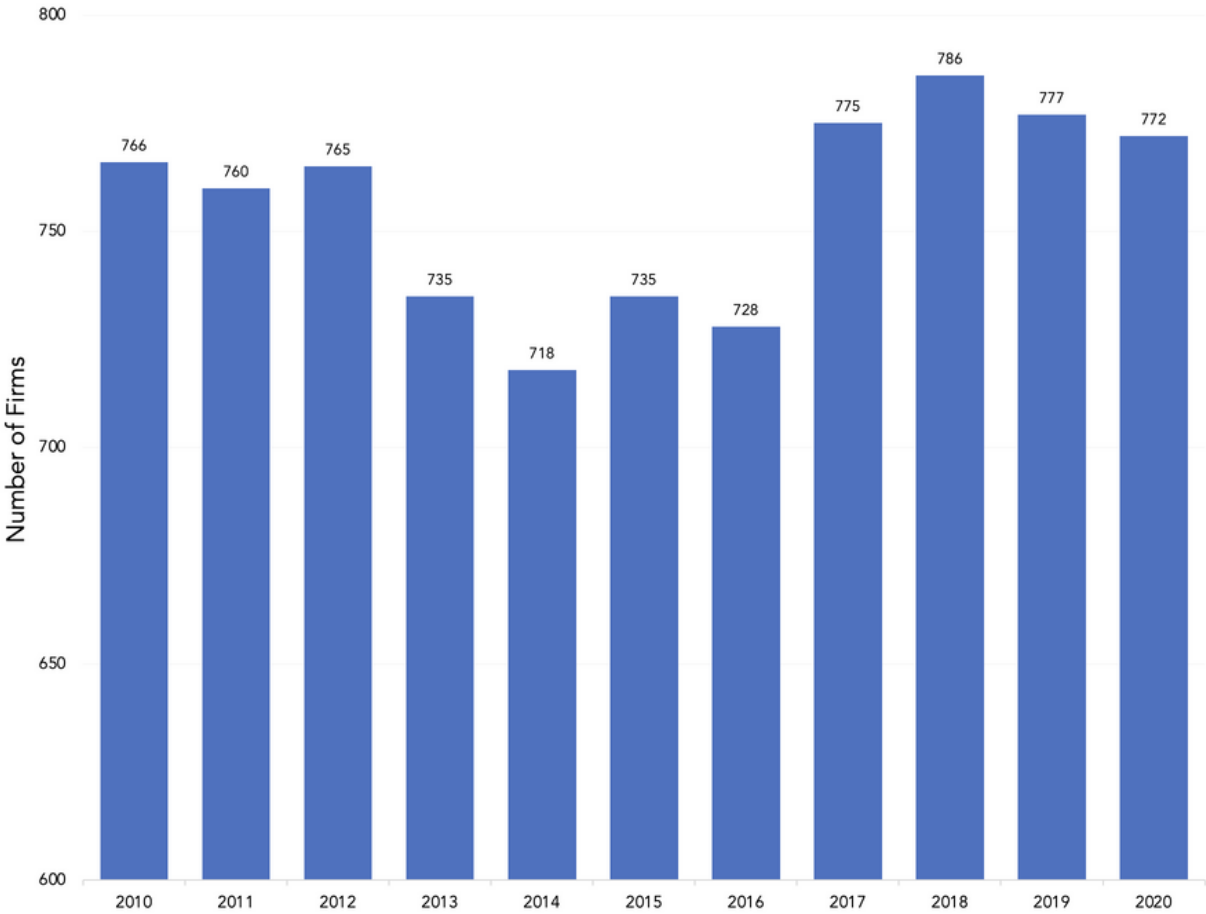
New Brunswick has relied heavily on the export of its natural resources. There has been a general decrease within sectors participating in foreign export trade.

In the Numbers:

Export Trade in New Brunswick

In 2014, New Brunswick saw the lowest number of provincial firms participating in foreign export trade (718), forming a suggested baseline. As shown in Figure 1, the province saw a decrease from 777 firms in 2019 to 772 in 2020, after the highest recorded number of firms of the decade in 2018, at 786. This is because the total dollar value of New Brunswick exports has been decreasing since 2012. The number of exporting firms has only fluctuated slightly since 2010. Currently, New Brunswick is not on track to meet the suggested target of 1,080 firms participating in foreign export trade by the year 2028.

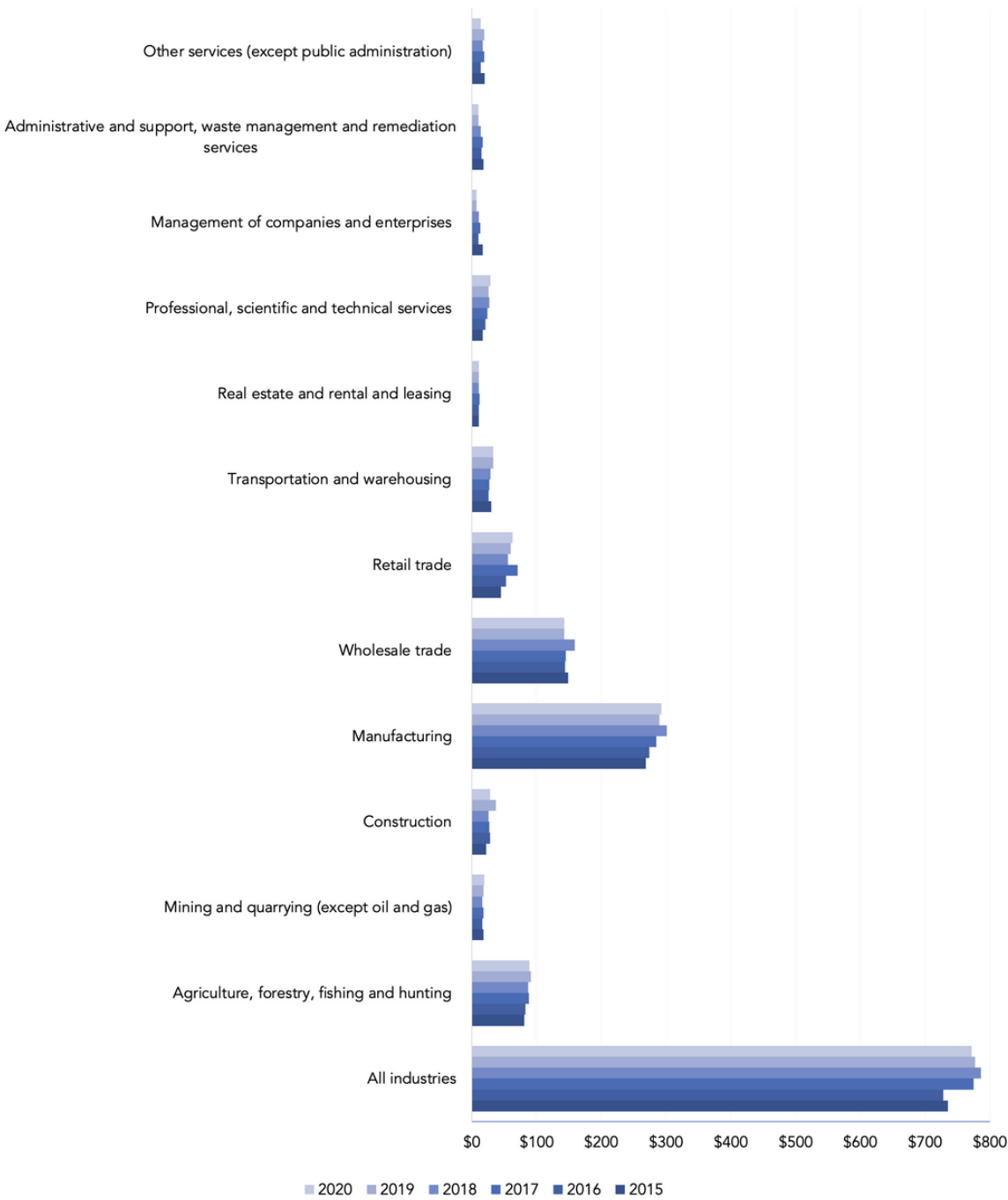
Figure 1: New Brunswick Firms Participating in Foreign Export Trade



(See full data set in Appendix A)

As seen from Figure 2, the majority of New Brunswick establishments involved in international exports fall into the production categories of manufacturing and agriculture, forestry, fishing, and hunting, as well as service industries, such as wholesale and retail trade.

Figure 2: Number of Exporting Establishments (NB) by Industry



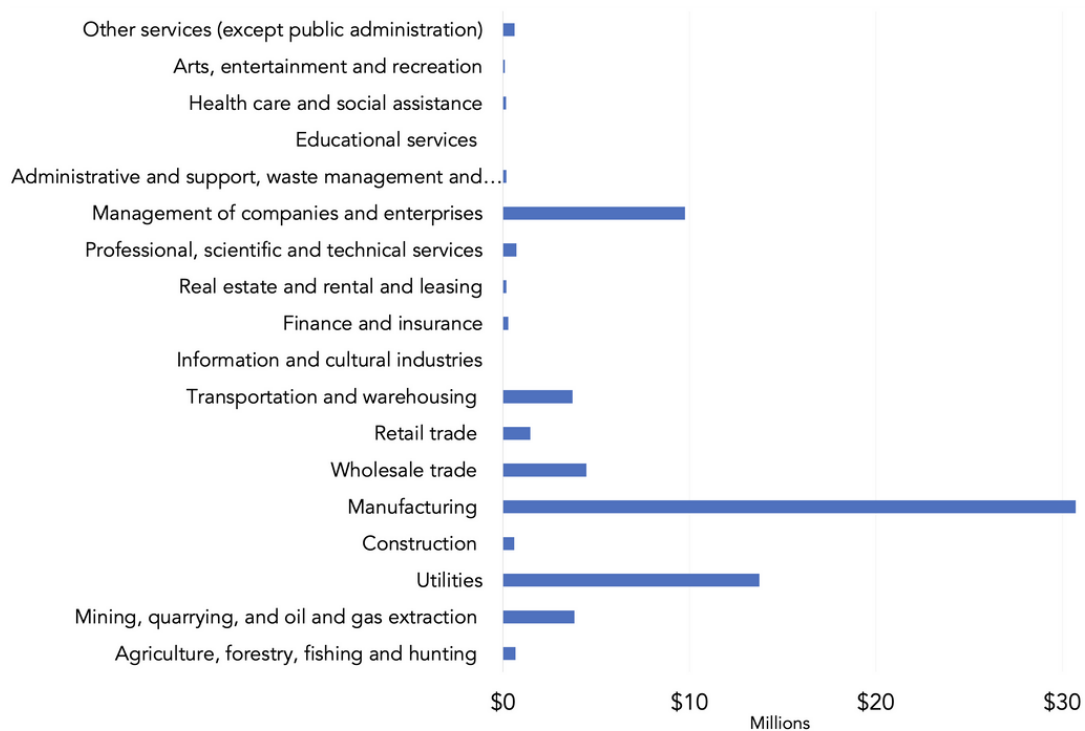
(See full data set in Appendix A)

A Closer Look:

Manufacturing Export Trade in New Brunswick

The manufacturing industry accounted for 76% of the value of New Brunswick's merchandise exports in 2020, bringing in \$30.7 million and producing the largest value per exporting establishment in the province. This is shown in Figure 3. After manufacturing, the largest value of exports per establishment came from the management of companies and enterprises industry, which produced \$9.6 million per establishment. The high value per establishment in the utilities industry is due to the small number of firms sharing the large profit. Altogether, manufacturing, wholesale trade, and utilities were responsible for 95% of the value of New Brunswick's exports in 2020, and they represent 58% of the province's exporting establishments.

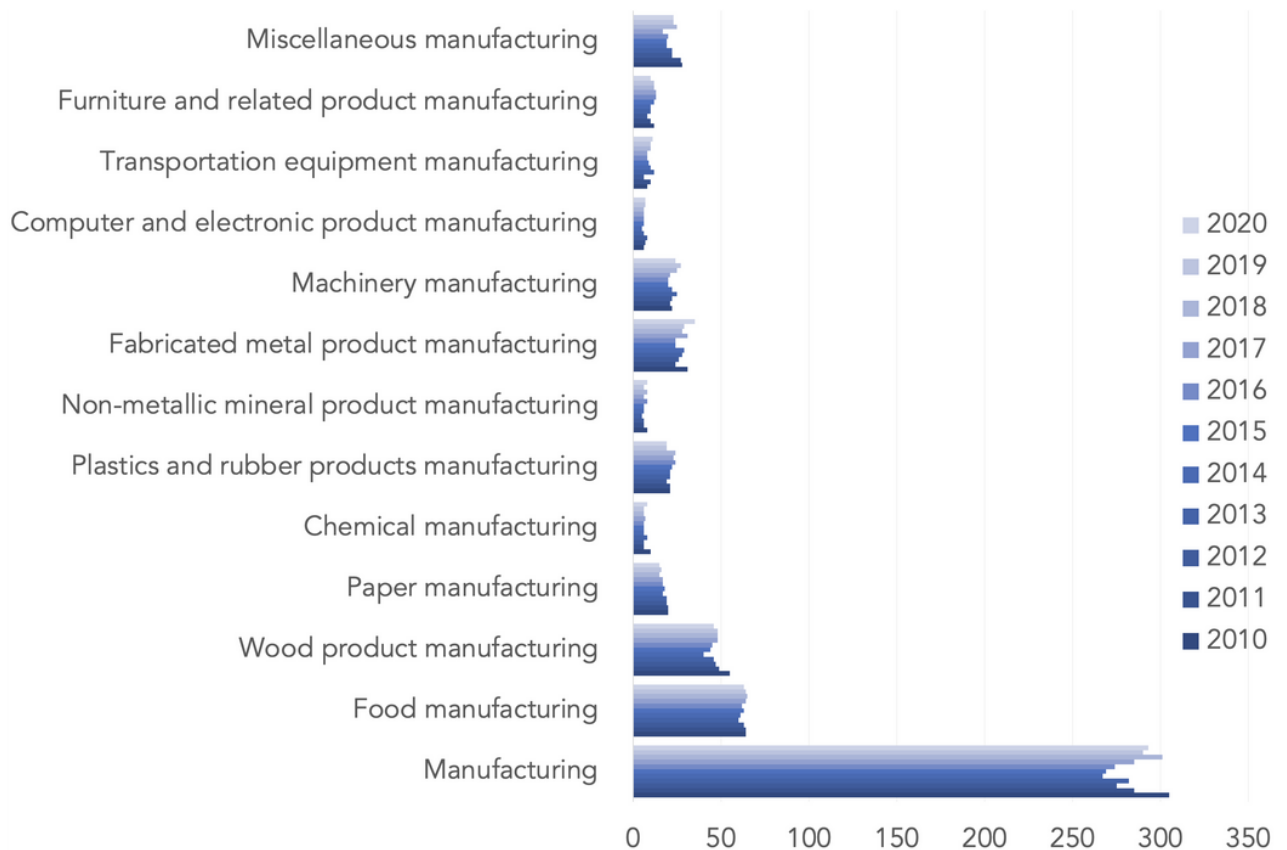
Figure 3: Value of Exports per Establishment (2020)



(See full data set in Appendix B)

As displayed in Figure 4, within the manufacturing sector, food manufacturing firms comprised the largest number of establishments exporting merchandise from New Brunswick in 2020. This follows a regional trend, as Nova Scotia's food manufacturing establishments also make up the bulk of the province's export businesses. There appears to have been a notable decline in the number of exporting firms after 2010, and in 2020 the number of exporting firms was still slightly lower than in 2010 but has mostly returned to normal.

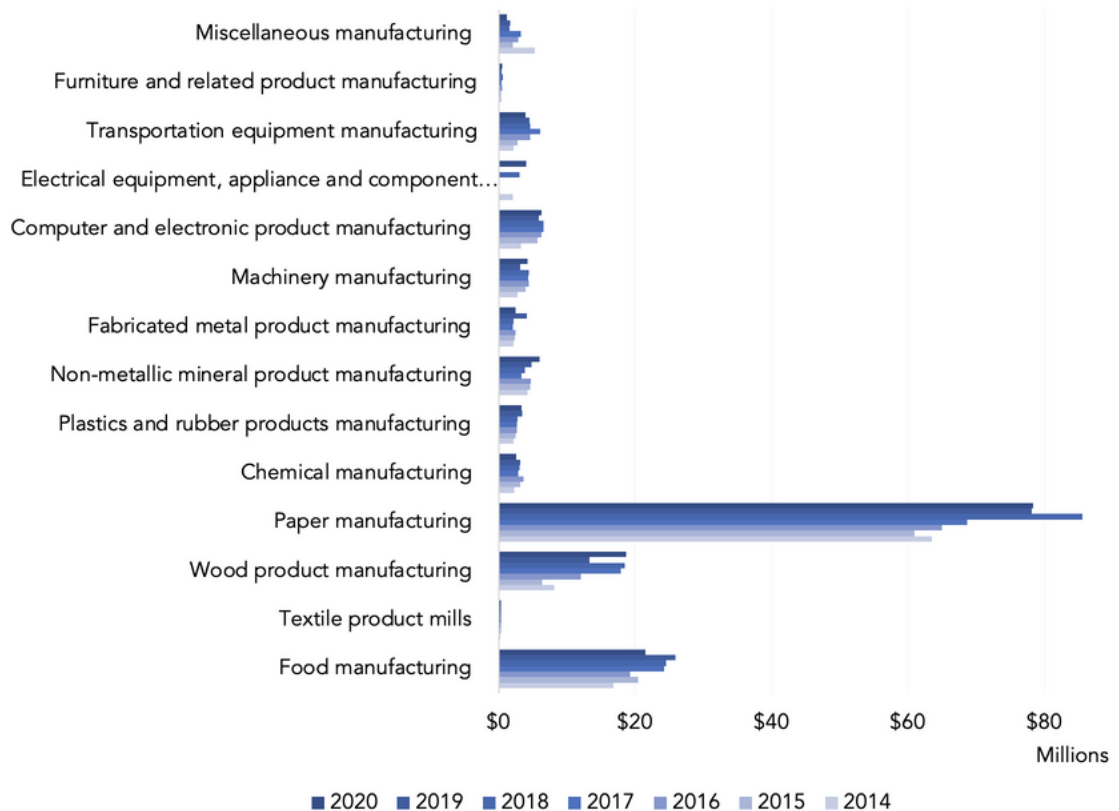
Figure 4: Number of Manufacturing Export Establishments (NB), by Sub-Sector



(See full data set in Appendix B)

Within the manufacturing sub-sector of foreign export businesses, the paper, food, and wood product manufacturing industries had the highest value of exports per establishment within New Brunswick in 2020. As shown in Figure 5, paper manufacturing saw a significant decrease in its value per establishment in both 2019 and 2020 compared to 2018. This was caused by a decrease in the total value of exports, while the number of exporting firms within the sector stayed fairly constant.

Figure 5: Value of Exports per Establishment (NB), by Manufacturing Sub-Sector (2020)

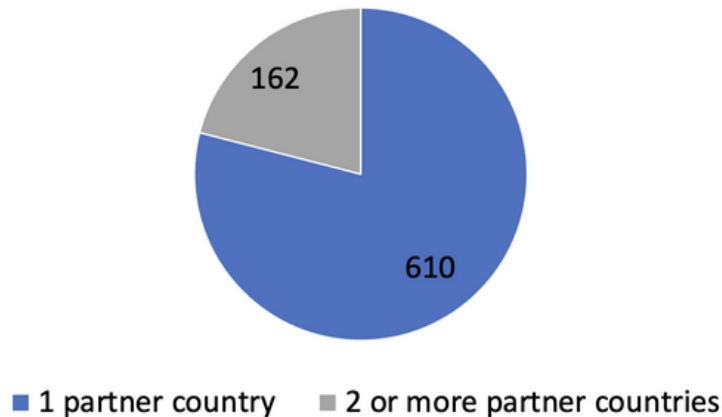


(See full data set in Appendix B)

Exporting Industries by Country

As shown in Figure 6, of the 772 New Brunswick businesses participating in international trade in 2020, roughly 80% exported to only one country.

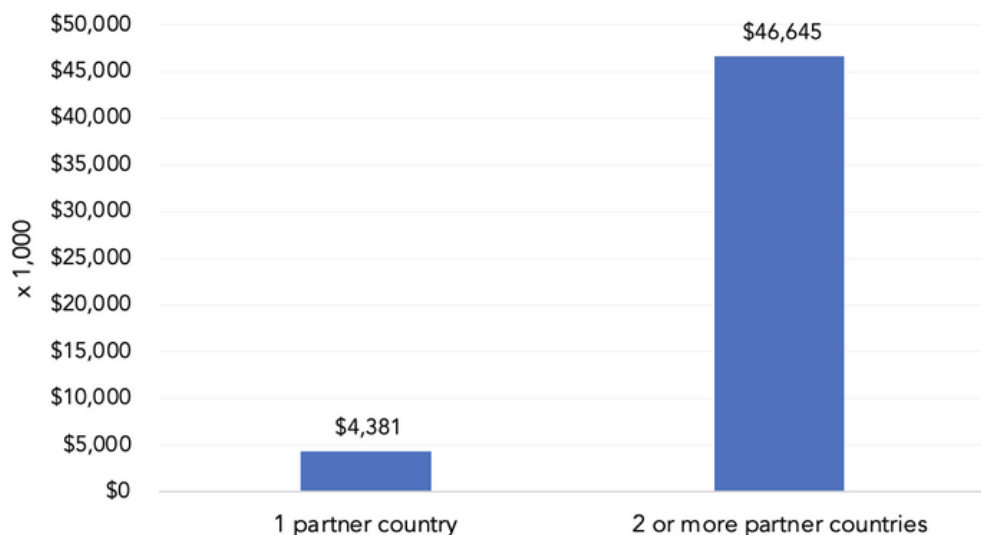
Figure 6: Number of Exporting Establishments (NB), by Receiving Countries (2020)



(See full data set in Appendix C)

Establishments that diversified their partnerships and shipped to multiple countries produced more value. The 162 establishments that exported merchandise to two or more partner countries produced almost 75% of New Brunswick's \$10 million export value, despite making up only 21% of the province's export establishments. These numbers demonstrate the economic advantage of exporting to multiple locations and participating in international trade, as both factors have the potential to assist the growth of the province's GDP and its international trade balance. This can be seen in Figure 7.

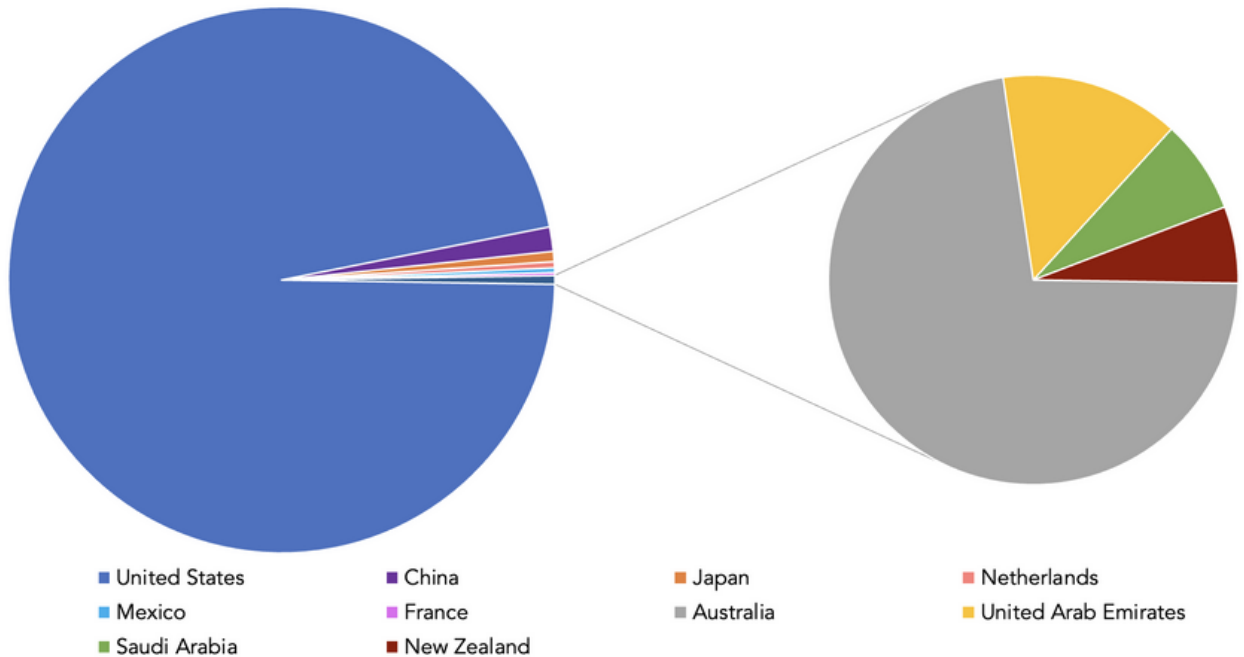
Figure 7: Value per Establishment (NB), by Number of Partner Countries (2020)



(See full data set in Appendix C)

As depicted in Figure 8, the primary destination for New Brunswick's exports is the United States. In 2020, the United States received 92% of all the province's international merchandise exports, with products coming from 663 New Brunswick establishments. The number of exporting establishments to the US has remained fairly constant since 2019, as well as the number of firms exporting internationally.

Figure 8: New Brunswick's 10 Largest Export Destinations (2020)



(See full data set in Appendix C)

Summary

Foreign export trade grows New Brunswick's economy and also expands the global market. As New Brunswick's exports increase, they lead to greater production values, increased variety of vacant jobs, and more provincial revenue. This in turn contributes to a higher GDP, increasing the wealth of the province. This goal has not progressed in recent years, as it has not shown any growth since 2012. Despite COVID-19, there has been no significant change in New Brunswick's foreign export trade. New Brunswick should take action to improve foreign export trade through developing industrial bases, endorsing export-oriented goods, exporting to more destinations, and providing incentives to exporting.

Appendix A

New Brunswick Firms Participating in Export Trade

Year	Number of exporting establishments in NB
2010	766
2011	760
2012	765
2013	735
2014	718
2015	735
2016	728
2017	775
2018	786
2019	777
2020	772

Source: Statistics Canada, Table 12-10-0104-01 (formerly CANSIM 228-0079)

Number of Exporting Establishments (NB) by Industry

Industry	2014	2015	2016	2017	2018	2019	2020
All industries	718	735	728	775	786	777	772
Agriculture, forestry, fishing and hunting	93	81	83	88	87	91	89
Mining and quarrying (except oil and gas)	18	18	16	18	16	18	19
Construction	17	22	28	27	26	37	28
Manufacturing	267	269	274	285	301	290	293
Wholesale trade	158	149	144	145	159	143	143
Retail trade	42	45	53	71	56	60	63
Transportation and warehousing	29	30	26	27	29	33	33
Real estate and rental and leasing	9	11	11	12	11	11	11
Professional, scientific and technical services	17	17	21	24	27	26	29
Management of companies and enterprises	16	17	10	13	11	7	7
Administrative and support, waste management and remediation services	16	18	15	17	14	10	10
Other services (except public administration)	10	20	14	19	17	19	14

Source: Statistics Canada, Table 12-10-0098-01 (formerly CANSIM 228-0077)

*Statistics Canada has deemed the number of certain establishments unreliable; therefore, many have been omitted.

**The total number of exporting establishments does not equal the sum of all establishments from each industry, as certain counts have been omitted.

Appendix B

Value of Exports per Establishment (2020) (\$)

	2014	2015	2016	2017	2018	2019	2020
Agriculture, forestry, fishing and hunting	\$3,652,355	\$5,165,840	\$5,894,301	\$1,088,432	\$1,534,632	\$876,703	\$665,427
Mining, quarrying, and oil and gas extracti	\$14,640,667	\$24,676,722	\$2,811,250	\$6,050,667	\$3,506,563	\$7,110,944	\$3,834,368
Utilities	\$25,513,857	\$20,382,500	\$40,193,667	\$19,707,429	\$10,125,125	\$14,838,375	\$13,742,222
Construction	\$400,765	\$278,227	\$349,964	\$230,556	\$273,154	\$230,784	\$608,250
Manufacturing	\$40,542,015	\$35,570,071	\$32,245,493	\$39,564,589	\$36,990,973	\$37,915,652	\$30,707,502
Wholesale trade	\$2,424,373	\$2,417,872	\$2,921,229	\$4,031,593	\$3,824,975	\$5,824,503	\$4,471,266
Retail trade	\$255,024	\$508,400	\$695,849	\$375,930	\$476,143	\$528,650	\$1,462,698
Transportation and warehousing	\$1,660,517	\$3,011,333	\$2,572,962	\$2,529,074	\$9,153,931	\$2,781,939	\$3,722,788
Information and cultural industries	\$229,000	\$12,264,333	\$791,500	\$274,400	\$657,000	\$58,200	-
Finance and insurance	\$1,720,000	\$845,286	\$1,265,667	\$1,864,200	\$349,000	\$538,000	\$278,500
Real estate and rental and leasing	\$503,444	\$450,727	\$378,545	\$399,250	\$995,727	\$668,636	\$175,455
Professional, scientific and technical services	\$471,647	\$660,471	\$504,048	\$725,500	\$535,074	\$950,115	\$726,172
Management of companies and enterprises	\$21,142,250	\$19,381,529	\$18,381,300	\$13,328,231	\$14,814,818	\$13,938,429	\$9,758,286
Administrative and support, waste management and remediation services	\$2,345,438	\$349,667	\$192,000	\$99,941	\$97,143	\$231,500	\$179,400
Educational services	-	\$42,333	-	-	\$20,250	-	\$11,600
Health care and social assistance	-	-	\$12,000	\$11,667	\$59,750	\$83,667	\$157,333
Arts, entertainment and recreation	\$82,000	\$155,500	\$84,000	\$99,667	\$83,200	\$84,600	\$92,833
Other services (except public administration)	\$715,500	\$343,900	\$1,728,286	\$312,684	\$370,235	\$571,737	\$623,857

Source: Statistics Canada, Table 12-10-0098-01 (formerly CANSIM 228-0077)

*Statistics Canada has deemed the number of certain establishments unreliable; therefore, value per establishment has been omitted.

Appendix B... Continued

Number of Manufacturing Export Establishments (NB), by Sub-Sector

Industry	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Manufacturing	305	285	275	282	267	269	274	285	301	290	293
Food manufacturing	64	64	63	60	61	63	62	64	65	64	63
Wood product manufacturing	55	49	47	46	40	44	45	48	48	48	46
Paper manufacturing	20	20	19	19	17	18	17	17	15	16	15
Chemical manufacturing	10	6	6	8	6	6	6	7	6	6	8
Plastics and rubber products manufacturing	21	21	19	21	21	22	24	23	24	19	19
Non-metallic mineral product manufacturing	8	6	6	5	6	6	8	6	8	6	8
Fabricated metal product manufacturing	31	24	26	28	29	24	24	31	28	29	35
Machinery manufacturing	22	21	22	25	22	20	20	21	25	27	24
Computer and electronic product manufacturing	6	7	8	6	5	6	6	6	6	7	7
Transportation equipment manufacturing	8	10	6	12	10	9	8	8	10	10	11
Furniture and related product manufacturing	12	10	8	10	10	12	13	13	12	12	10
Miscellaneous manufacturing	28	27	22	22	19	19	20	17	25	23	23

Source: Statistics Canada, Table 12-10-0098-01 (formerly CANSIM 228-0077)

*Statistics Canada deemed the data on certain exporting establishments unreliable; therefore, it has been omitted for the sub-sector.

Appendix B... Continued

Value of Exports per Establishment in New Brunswick (\$): by Manufacturing Sub-Sector

Industry	2014	2015	2016	2017	2018	2019	2020
Food manufacturing	\$16,807,639.34	\$20,436,968.25	\$19,286,645.16	\$24,248,234.38	\$24,562,461.54	\$25,839,671.88	\$21,521,079.37
Textile product mills	\$221,200.00	\$258,333.33	\$264,714.29	\$286,166.67	\$293,166.67	\$325,200.00	\$257,200.00
Wood product manufacturing	\$8,094,700.00	\$6,308,454.55	\$12,051,600.00	\$17,878,354.17	\$18,486,791.67	\$13,263,937.50	\$18,612,913.04
Paper manufacturing	\$63,479,470.59	\$60,947,944.44	\$64,987,529.41	\$68,655,705.88	\$85,568,200.00	\$78,101,437.50	\$78,355,200.00
Chemical manufacturing	\$2,247,666.67	\$3,096,666.67	\$3,649,833.33	\$2,806,428.57	\$3,049,666.67	\$3,115,500.00	\$2,529,750.00
Plastics and rubber products manufacturing	\$2,132,285.71	\$2,432,727.27	\$2,669,291.67	\$2,647,478.26	\$2,775,958.33	\$3,411,684.21	\$3,321,473.68
Non-metallic mineral product manufacturing	\$4,160,833.33	\$4,625,166.67	\$4,734,750.00	\$3,362,666.67	\$3,769,875.00	\$4,784,833.33	\$5,963,875.00
Fabricated metal product manufacturing	\$2,117,517.24	\$2,386,583.33	\$2,406,541.67	\$2,053,709.68	\$2,131,785.71	\$4,091,517.24	\$2,492,142.86
Machinery manufacturing	\$2,733,818.18	\$3,955,000.00	\$4,390,600.00	\$4,270,238.10	\$4,378,120.00	\$3,098,851.85	\$4,214,833.33
Computer and electronic product manufacturing	\$3,223,600.00	\$5,697,666.67	\$6,266,666.67	\$6,570,166.67	\$6,512,833.33	\$5,845,142.86	\$6,207,714.29
Electrical equipment, appliance and component manufacturing	\$2,075,250.00	-	-	-	\$3,000,000.00	-	\$4,056,750.00
Transportation equipment manufacturing	\$2,191,600.00	\$2,736,333.33	\$4,593,125.00	\$6,082,625.00	\$4,577,100.00	\$4,498,400.00	\$3,872,818.18
Furniture and related product manufacturing	\$360,200.00	\$343,500.00	\$469,846.15	\$407,692.31	\$586,000.00	\$432,833.33	\$527,100.00
Miscellaneous manufacturing	\$5,269,473.68	\$2,038,052.63	\$2,863,000.00	\$3,262,647.06	\$1,546,680.00	\$1,629,826.09	\$1,131,086.96

Source: Statistics Canada, Table 12-10-0098-01 (formerly CANSIM 228-0077)

*Statistics Canada deemed the data on certain exporting establishments unreliable; therefore, it has been omitted for the sub-sector.

Appendix C

Number of Exporting Establishments by Receiving Countries (\$)

Partner Country	Number of Exporting Establishments 2020	Value of exports 2020
1 partner country	610	\$2,672,544.00
2 or more partner countries	162	\$7,556,566.00

Source: Statistics Canada, Table 12-10-0103-01 (formerly CANSIM 228-0078)

Value of Exports per Establishment by Number of Partner Countries (x 1000, \$)

1 partner country	\$4,381
2 or more partner countries	\$46,645

Source: Statistics Canada, Table 12-10-0103-01 (formerly CANSIM 228-0078)

New Brunswick's 10 Largest Export Destinations (2020)

Trading Partner	Value of Exports	Number of Establishments	Value Per Exporting Establishment
All countries (x 1,000)	\$10,229,111	777	\$13,165
United States	\$9,439,026	663	\$14,237
China	\$140,719	43	\$3,273
Japan	\$58,816	33	\$1,782
Netherlands	\$35,743	23	\$1,554
Mexico	\$26,438	15	\$1,763
France	\$17,746	46	\$386
Australia	\$36,060	30	\$1,202
United Arab Emirates	\$7,051	13	\$542
Saudi Arabia	\$3,691	6	\$615
New Zealand	\$3,017	16	\$189
South Africa	\$263	9	\$29
Brazil	\$6,222	12	\$519

Source: Statistics Canada, Table 12-10-0104-01 (formerly CANSIM 228-0079)

*Note that the sum of the exporting establishments column exceeds the provincial total of 775. This is because some establishments export to two or more countries.