

YEAR 2021

GOAL 16: MINING IN NEW BRUNSWICK

NEW BRUNSWICK WILL RECONSIDER THE
POTENTIAL FOR THE MINING INDUSTRY
TO SERVE AS A CRITICAL SOURCE OF GDP
GROWTH.



STATUS: NOT PROGRESSING ON TRACK

Overview

Importance

New Brunswick's mining industry has existed for over 40 years and was a huge global force at one point in time. The province has large amounts of different mineral deposits all over the province, specifically potash, shale gas, and metal ores, which are natural resources with export potential. Reinvigorating the province's mining industry could help stimulate economic development, sustain higher levels of investment, and generate of employment.

New Brunswick has a long history of mining, which brought the province international reputation. It was globally recognized for its mineral resources and mining industry. However, over the last decade, this industry has seen several mine closures and setbacks due to various socio-economic factors, which has resulted in a drop to about 25% of the GDP the industry produced in the early 2000s. This is causing a decline in the export value produced by the province in terms of mineral exports.

Problem

Mining production in the province has fallen by 75%, and it faces further limitations brought about by a struggling market and the provincial government's natural gas moratorium.

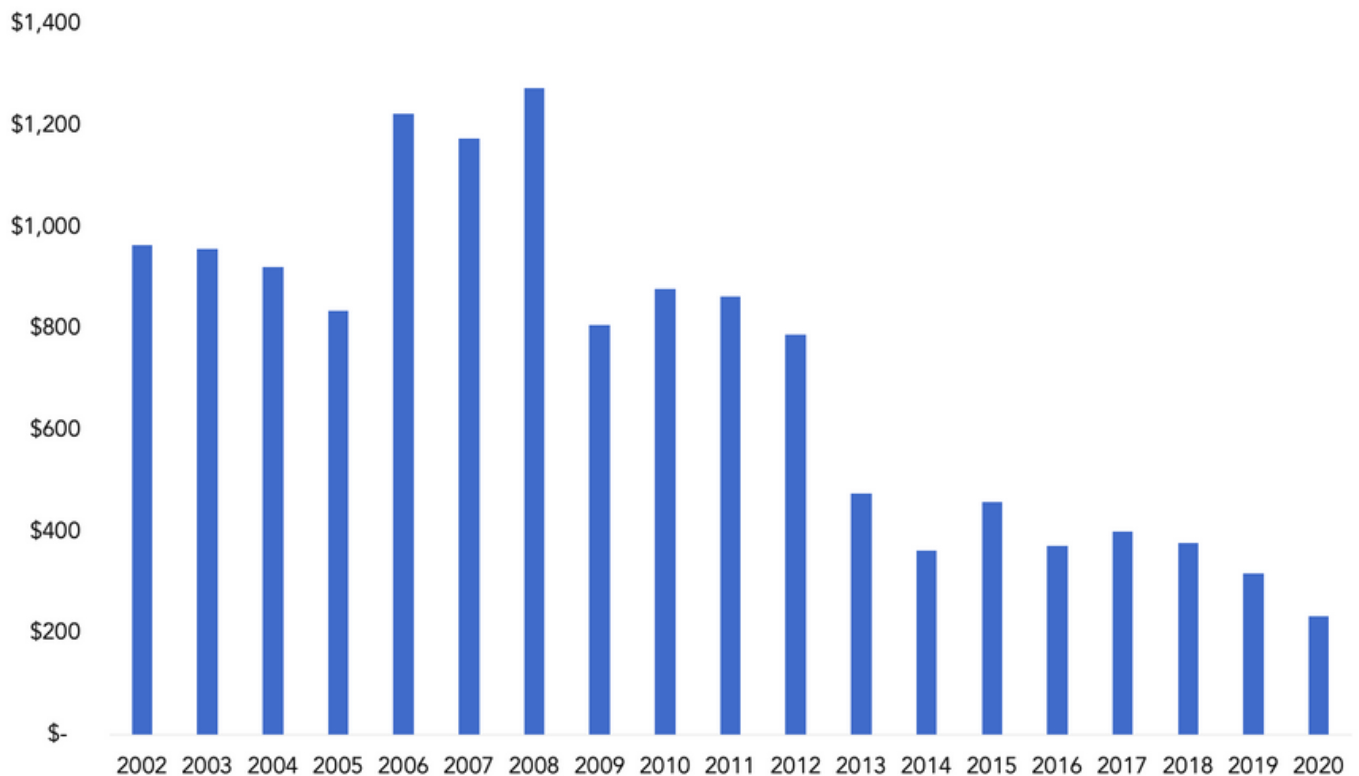
Cause

After controversy began to roll out against shale gas mining and the Sisson tungsten mine, New Brunswick's mining sector was heavily impacted. The sector was never able to fully economically recover after its peak in 2008. Alongside these occurrences was the 2013 closure of Bathurst's Xstrata zinc mine, as well as the closure of the potash mines in Sussex in 2016. This led to legislation that made it extremely difficult for shale gas mining to continue after 2016. Decreases in global market mineral prices have also made it less economically feasible to develop/re-open sites.

In the Numbers

Real GDP from mining peaked in 2008, with a value of \$ 1,275.1 million. Afterwards, there was a severe downward trend, decreasing to a value of \$233.8 million in 2020. The difference in these values is enormous, with the 2020 value being less than 18% of the 2008 value, meaning the province earned less than a quarter of what it used to in GDP from the mining sector.

Figure 1: GDP from Mining, Quarrying, and Oil and Gas Extraction (2012 chained dollars x 100,000)

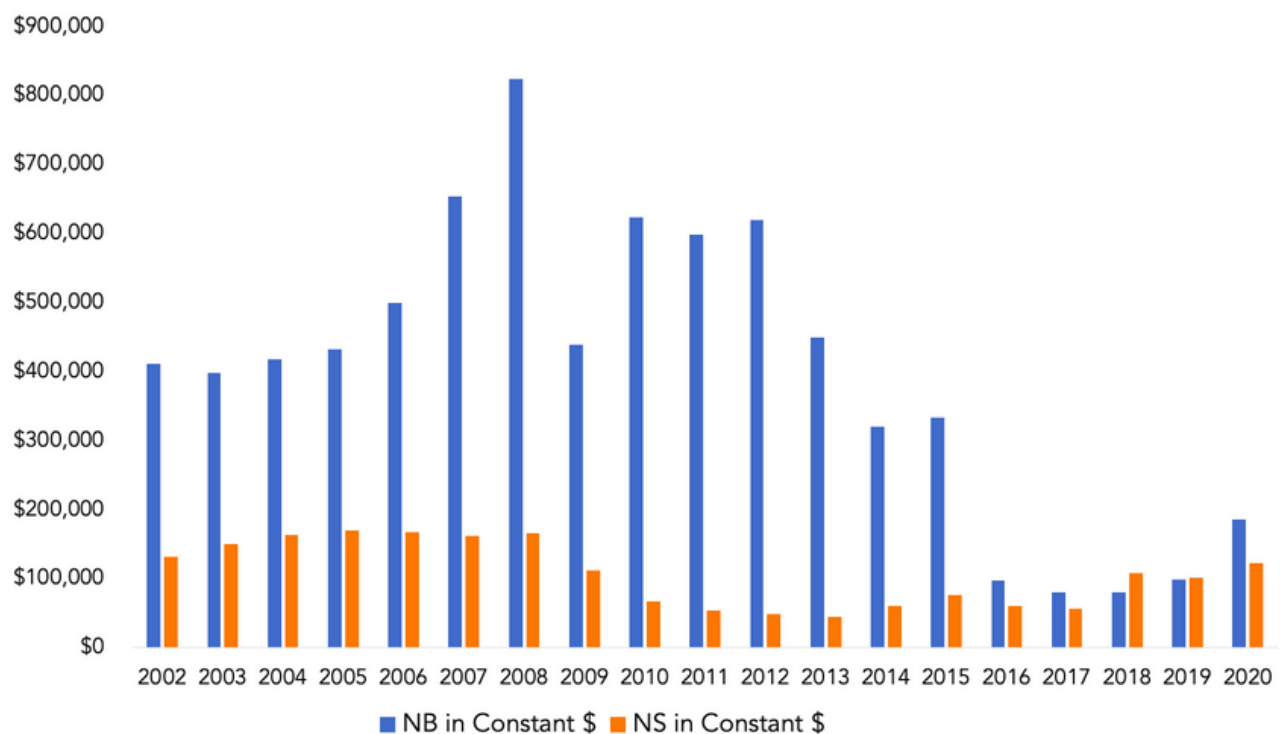


(See full data set in Appendix A)

A Closer Look

From 2012 to 2020, the total export value of New Brunswick's mining products decreased by over 70%. This trend has more recently been amplified by the closures of zinc and potash mines, as well as the 2016 fracking moratorium, which affected the shale gas industry. Nova Scotia is also seeing a large downward trend in mineral exports and mining, which shows that it is affecting more Atlantic provinces than just New Brunswick, largely due to overall decreases in mineral prices. Both New Brunswick and Nova Scotia hit their respective exportation lows in 2017, with minimal increases for both since that point. Despite the COVID-19 pandemic, the year 2020 saw a slight rise in export value compared to the past 3 years.

Figure 2: Mining and Quarrying (2020 constant dollars x 1,000)

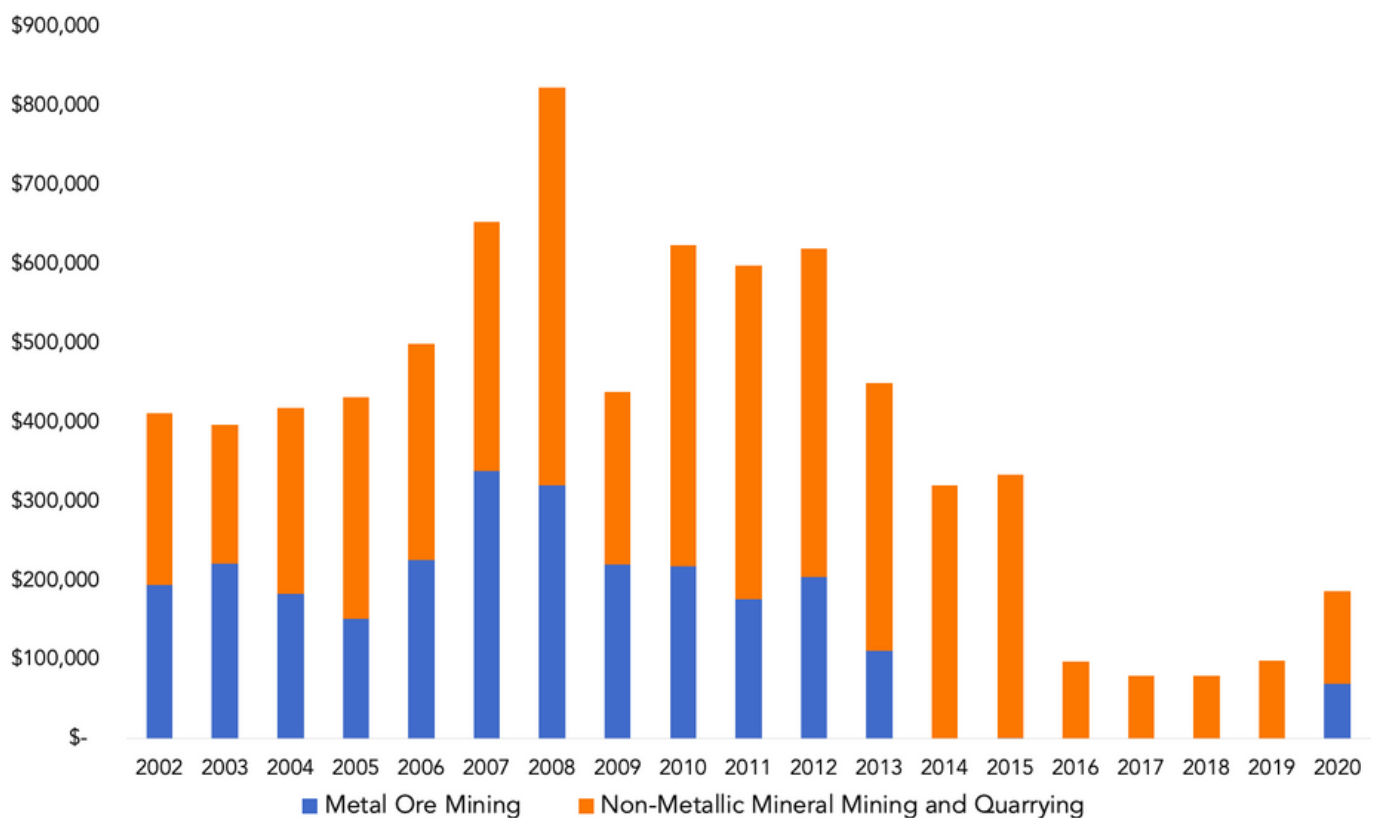


(See full data set in Appendix B)

All About Minerals

The closure of Bathurst's zinc mine in 2013 had a huge impact on New Brunswick's mining industry. Since the closure, New Brunswick has stopped all exports of metal ore mining, as there is no longer anything to export. Although minimal amounts of mining for other metal ores (including copper, zinc, lead, and nickel) continued after the Bathurst mine closed, even these disappeared in 2016. 2020 has seen a rise in mining and quarrying exports compared to previous years.

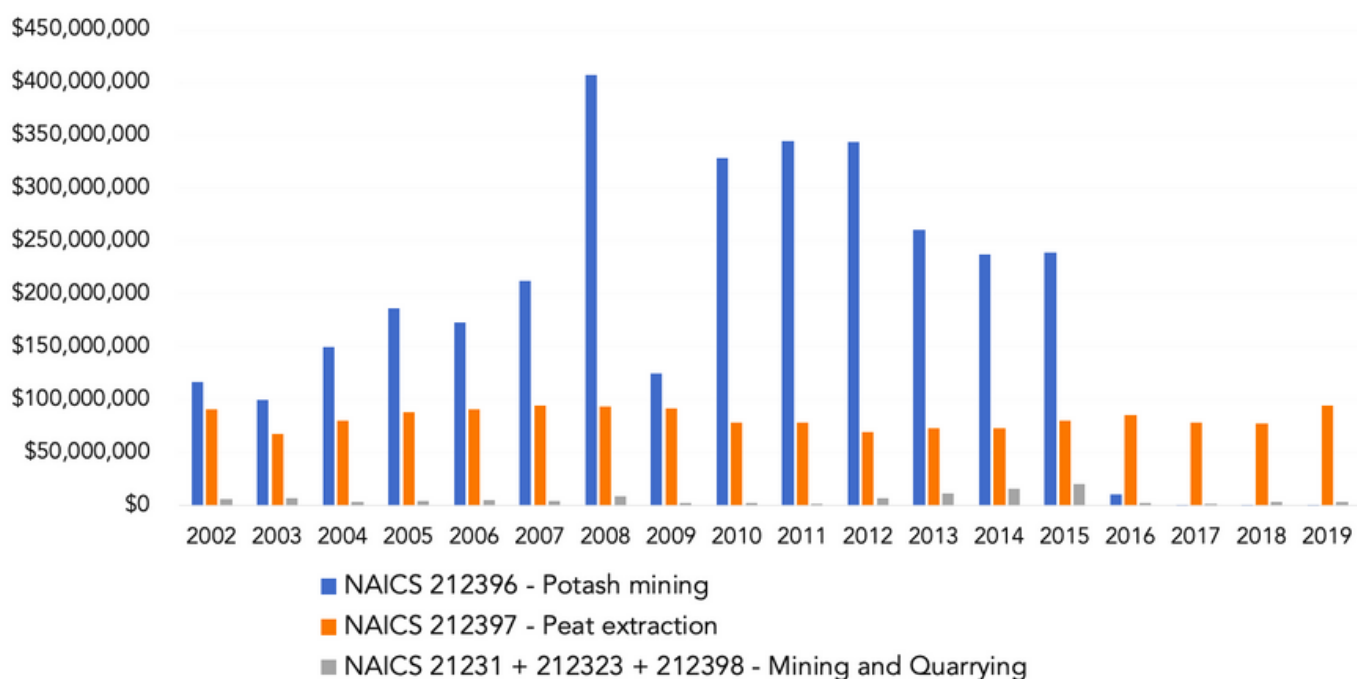
Figure 3: Mining and Quarrying Exports



(See full data set in Appendix C)

With regards to non-metallic ore mining, New Brunswick has always been a great source of peat and potash for exports. Specifically, potash rose to prominence in the early 2000s with the development of mines in Sussex, causing potash exports to peak at \$407,230,7823 in 2008. However, after the closure of the Sussex mines in 2016, New Brunswick's potash exports fell to almost nothing, with export values for mining of sand and gravel even surpassing potash in the years following the closure. Peat is now consistently the province's most valuable export for non-metallic ores.

Figure 4: Exports of Specific Mining Industries



(See full data set in Appendix D)

Summary

The low probability of expanding New Brunswick's mining industry in the near future, coupled with the large decrease of the mining sector's contribution to GDP in New Brunswick, shows that this goal is not progressing. However, when comparing the numbers for the past 3 years, the year 2020 saw an increase in export value.

New Brunswick used to be a backbone in the mining industry globally, and while it has become less viable for certain resources due to global competitiveness, there are still many potential resources to be tapped into throughout the province.

Appendix A

GDP from Mining, Quarrying, and Oil and Gas Extraction

Year	Mining, quarrying, and oil and gas extraction
2002	964
2003	956.5
2004	921.5
2005	835.7
2006	1223.5
2007	1174.1
2008	1275.1
2009	807
2010	878.6
2011	863
2012	789.6
2013	476.4
2014	362.4
2015	457.8
2016	373.3
2017	400.5
2018	377.4
2019	319
2020	233.8

Source: Table: 36-10-0402-01 (formerly CANSIM 379-0030)

Appendix B

Mining and Quarrying (2020 constant dollars x 1,000)

Year	New Brunswick	Nova Scotia
2002	\$411,829.10	\$131,219
2003	\$397,452.11	\$150,314
2004	\$418,202.51	\$162,968
2005	\$432,063.84	\$170,280
2006	\$499,026.43	\$167,260
2007	\$653,258.74	\$161,673
2008	\$823,662.28	\$165,354
2009	\$438,291.03	\$112,163
2010	\$623,743.52	\$67,016
2011	\$598,154.96	\$53,456
2012	\$619,658.75	\$48,094
2013	\$449,940.67	\$44,130
2014	\$320,660.95	\$60,566
2015	\$333,751.10	\$76,410
2016	\$97,326.75	\$60,137
2017	\$79,777.47	\$56,274
2018	\$80,214.01	\$108,486
2019	\$98,696.34	\$100,907
2020	\$186,343.96	\$122,505

Source: Trade Data Online with CPI values for conversions taken from Table: 18-10-0005-01 (formerly CANSIM 326-0021)

Appendix C

Mining and Quarrying Exports

Year	Metal Ore mining	Non-Metallic Mineral Mining and Quarrying
2002	\$195,129.35	\$216,699.75
2003	\$221,129.40	\$176,322.71
2004	\$183,580.59	\$234,621.91
2005	\$152,164.66	\$279,358.09
2006	\$226,283.97	\$272,742.46
2007	\$338,817.30	\$314,441.44
2008	\$320,468.98	\$503,193.30
2009	\$220,864.47	\$217,426.56
2010	\$217,781.35	\$405,962.18
2011	\$176,956.39	\$421,198.57
2012	\$205,133.63	\$414,525.12
2013	\$110,874.92	\$339,065.75
2014	\$0.25	\$320,660.70
2015	\$1,243.64	\$332,492.02
2016	\$49.17	\$97,264.62
2017	\$0.00	\$79,777.47
2018	\$0.00	\$80,214.01
2019	\$0.00	\$98,696.34
2020	\$69,554.18	\$116,789.78

Source: Trade Data Online with CPI values for conversions taken from Table: 18-10-0005-01 (formerly CANSIM 326-0021)

Appendix D

Exports of Specific Mining Industries

Year	NAICS 212396 - Potash mining	NAICS 212397 - Peat extraction	NAICS 21231 + 212323 + 212398
2002	\$118,271,227.12	\$91,778,022.54	\$5,926,324.40
2003	\$100,646,397.69	\$68,654,451.23	\$6,511,063.40
2004	\$151,085,937.76	\$80,494,895.02	\$2,827,838.35
2005	\$187,021,785.95	\$88,120,906.43	\$3,787,571.64
2006	\$173,038,388.93	\$90,925,676.55	\$4,738,668.87
2007	\$212,861,524.34	\$94,327,002.76	\$2,134,464.01
2008	\$402,412,998.03	\$92,225,256.96	\$7,054,015.25
2009	\$123,810,463.80	\$90,832,044.70	\$1,952,177.12
2010	\$325,484,041.17	\$78,037,730.17	\$90,158.04
2011	\$341,318,569.23	\$77,615,662.97	\$938,625.21
2012	\$338,982,520.45	\$68,701,052.47	\$4,217,131.75
2013	\$255,871,581.92	\$71,403,666.90	\$7,768,240.29
2014	\$232,575,016.95	\$71,237,735.30	\$14,543,911.59
2015	\$234,377,377.23	\$78,724,001.12	\$18,818,311.87
2016	\$10,494,992.75	\$84,740,882.65	\$1,856,011.64
2017	\$87,774.81	\$78,298,337.86	\$1,271,091.96
2018	\$62,820.43	\$77,208,234.76	\$2,714,957.13
2019	\$206,790.83	\$94,811,534.33	\$1,372,820.83
2020	\$0.00	\$114,466,169.00	\$387,464.52

Note : NAICS 2123 - Stone and mining quarrying, NAICS 212323 - Sand and gravel mining and quarrying, NAICS 212398 - All other non-metallic mineral mining and quarrying

Source: Trade Data Online with CPI values for conversions taken from Table: 18-10-0005-01 (formerly CANSIM 326-0021)