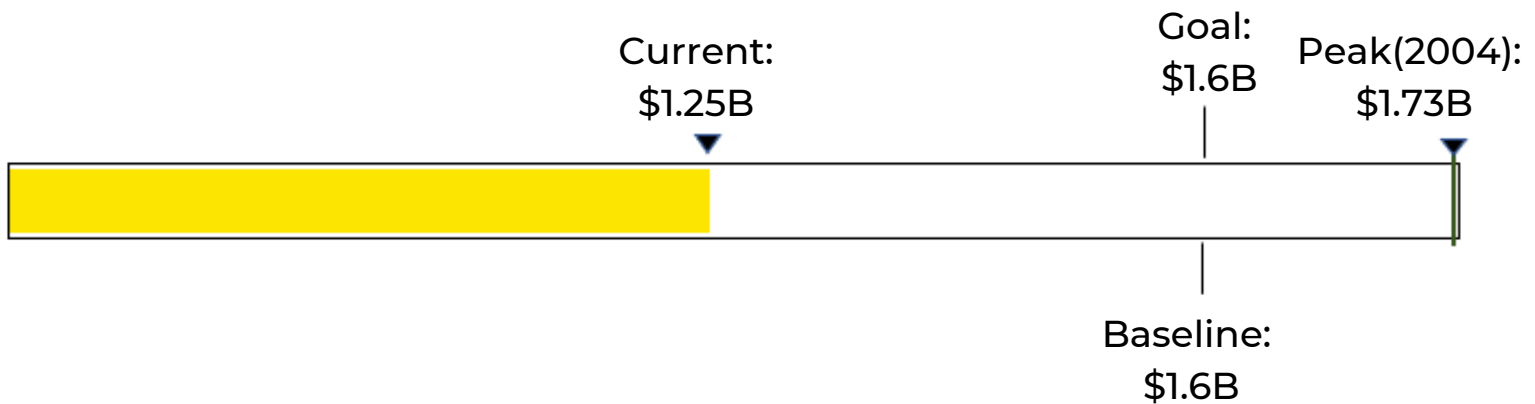




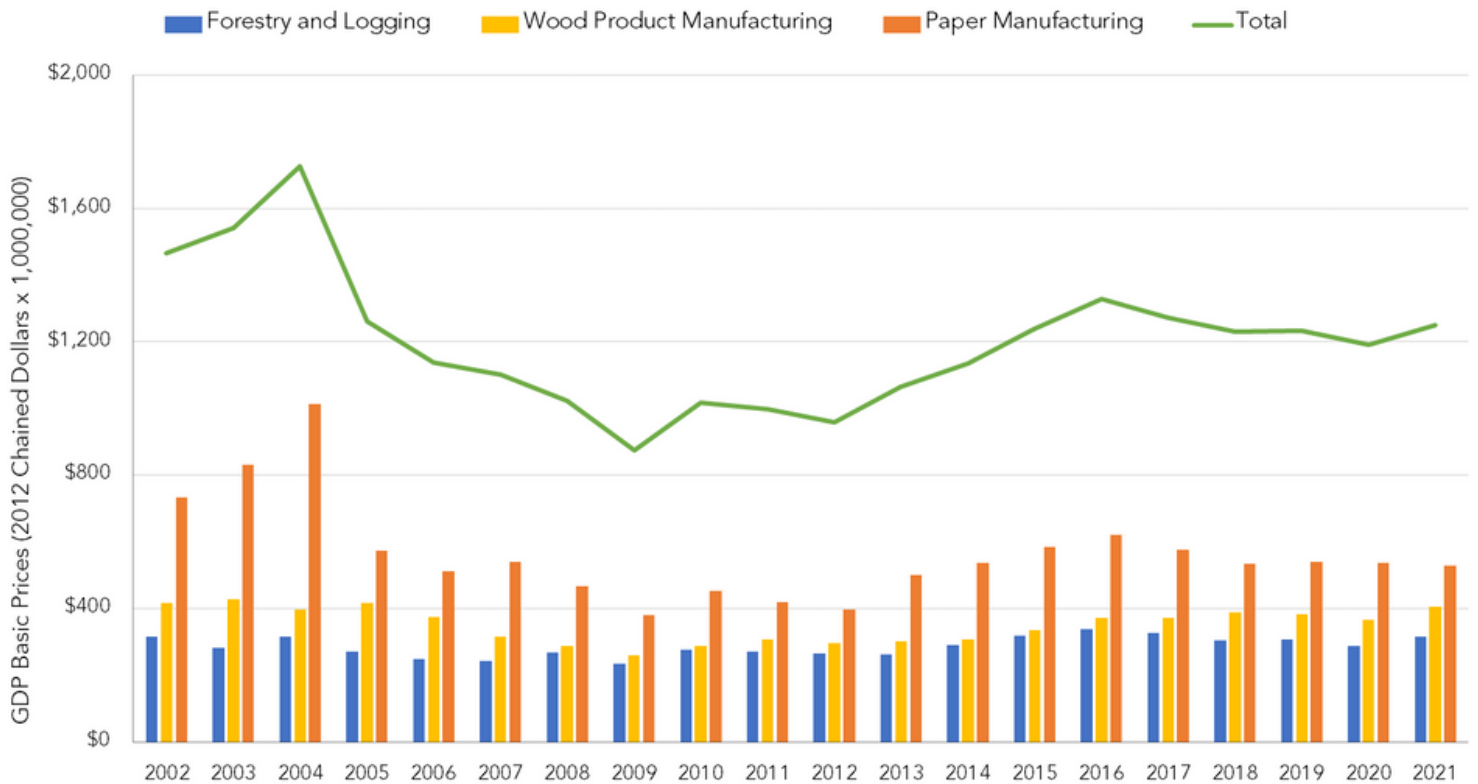
FORESTRY

STATUS: 🟡 PROGRESSING, NOT ON TRACK



New Brunswick's Forestry industry will return to levels seen before 2004 (1.6B Target)

Figure 1: GDP at Basic Prices for Forestry Sector, by Industries (2012 chained dollars x 1,000,000)



(See full data in Appendix A)

HIGHLIGHTS

- New Brunswick’s Forestry industry will return to levels seen before 2004 (1.6B Target)
- According to the provincial government, the effects of global competition have caused New Brunswick’s forestry industry to severely decline from 2004 to 2009.
- The forestry industry’s GDP steadily increased until 2016, when the GDP stagnated and saw no upwards growth until 2021.

OVERVIEW

Importance

Forestry is both a large industry in New Brunswick and a critical source of export products for the province. The 2014 Value-Added Wood Report calls New Brunswick a “forest province” because 85% of the province’s landscape is covered by trees [1]. New Brunswick’s forestry industry consists of logging, the manufacturing of pulp and paper products, and the manufacturing of wood products. As defined by Natural Resources Canada, logging, or forestry, is the process of harvesting, cutting, and preparing timber. Pulp and paper manufacturing involves the production of everyday items, such as tissue or newsprint, by milling softwoods and hardwoods into pulp. Finally, wood product manufacturing consists of processing veneer and plywood, producing millwork, and wood preservation. All three sectors of New Brunswick’s forestry industry are important to the growth of provincial and national GDP.

Problem

Forestry in New Brunswick had stagnated without showing any upward progress since 2016, until 2021. New Brunswick's value of exports saw significant growth in 2021.

Cause

According to the provincial government, the effects of global competition have caused New Brunswick’s forestry industry to decline since 2004. Decreasing numbers in the forestry sector’s labour market over the last two decades have also led to a lack of skilled workers.

[1]

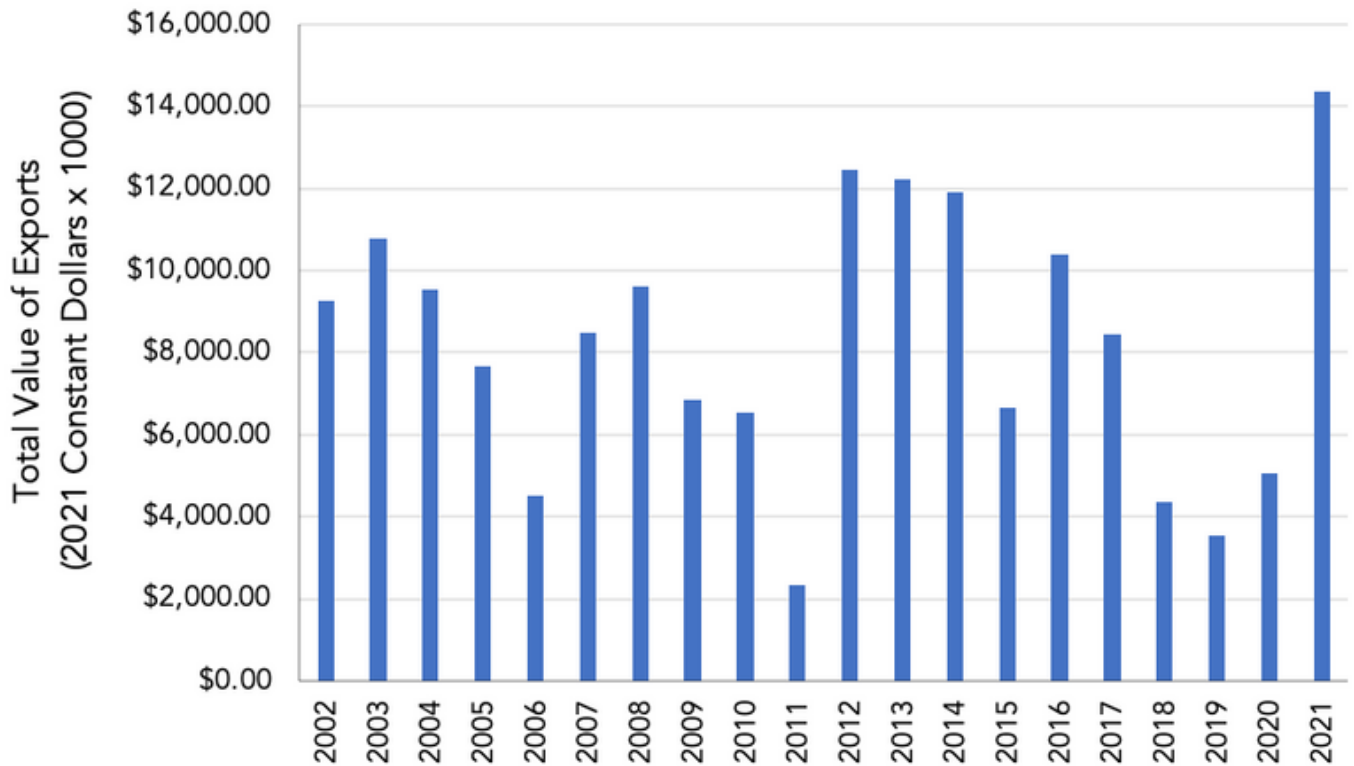
<https://www2.gnb.ca/content/dam/gnb/Departments/petlepft/PDF/PopGrowth/NBValueAddedWoodReport-31Mar14.pdf>

IN THE NUMBERS

GDP from Forestry

Following 2004, New Brunswick faced much global competition in the forestry sector, causing a large decline in the GDP. Continuing to contribute to this decline was the impact of the recession in 2008, which caused the GDP from the forestry sector dip to once again in 2009. Afterwards, however, there was growth for several years, and New Brunswick has maintained a stable level of GDP every year (~1.25 billion), although it experienced a slight increase in 2021.

Figure 2: Value of Exports for Forestry and Logging (2021 Constant Dollars x 1000)



(See full data in Appendix B)

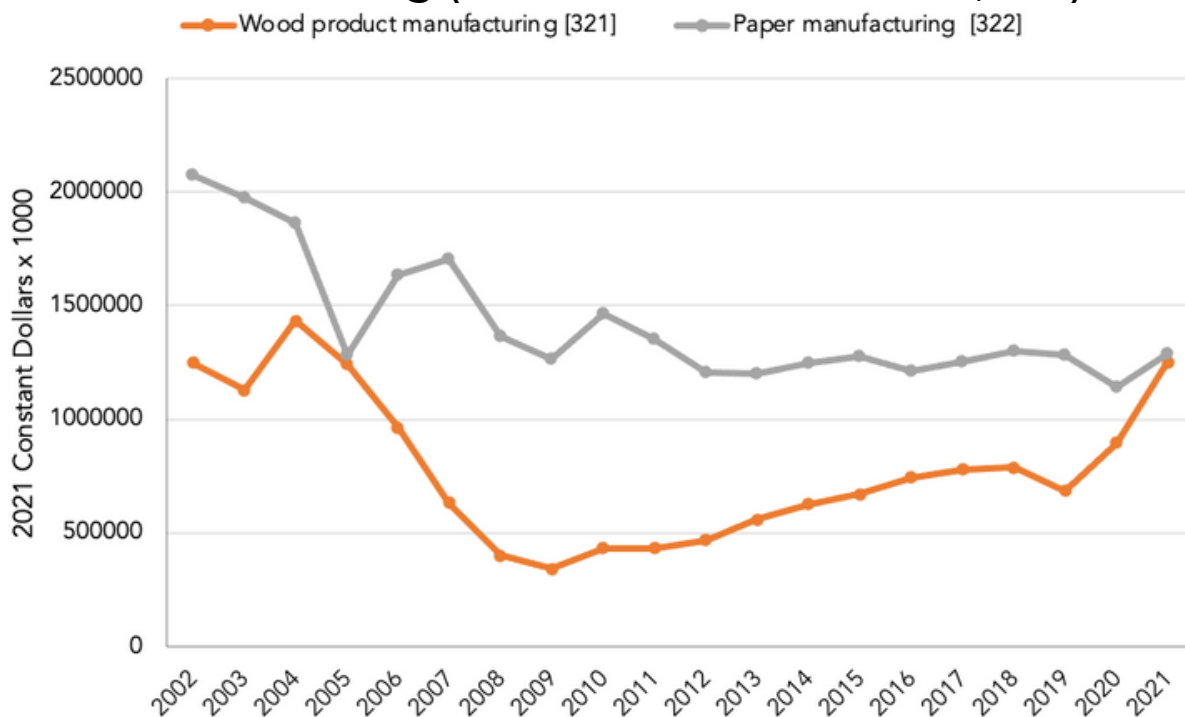
Forestry and Logging Exports

Figure 2 displays the total value of exports earned from the forestry and logging sector in New Brunswick. As the dramatic changes in the values here do not correspond with the changes in GDP in the former figure, it can be concluded that fewer goods were exported in these years, either being used by New Brunswick itself or exported interprovincially.

Lumber and manufactured wood products are important contributors to provincial growth. According to the New Brunswick Value Added-Wood Sector Strategy (2012-2016) report, the value of wood and wood derivatives coming from New Brunswick's forestry sector declined from 2004 to 2009 due to multiple "adverse conditions" within the industry, with export numbers reaching an all-time low in 2009 [2]. However, since 2009, New Brunswick's total wood product manufacturing has had a positive trend, while paper manufacturing has remained reasonably steady.

[2] <https://www2.gnb.ca/content/dam/gnb/Corporate/pdf/EcDevEc/Wood.pdf>

Figure 3: Value of International Exports for Forestry Sector Manufacturing (2021 constant dollars x 1,000)

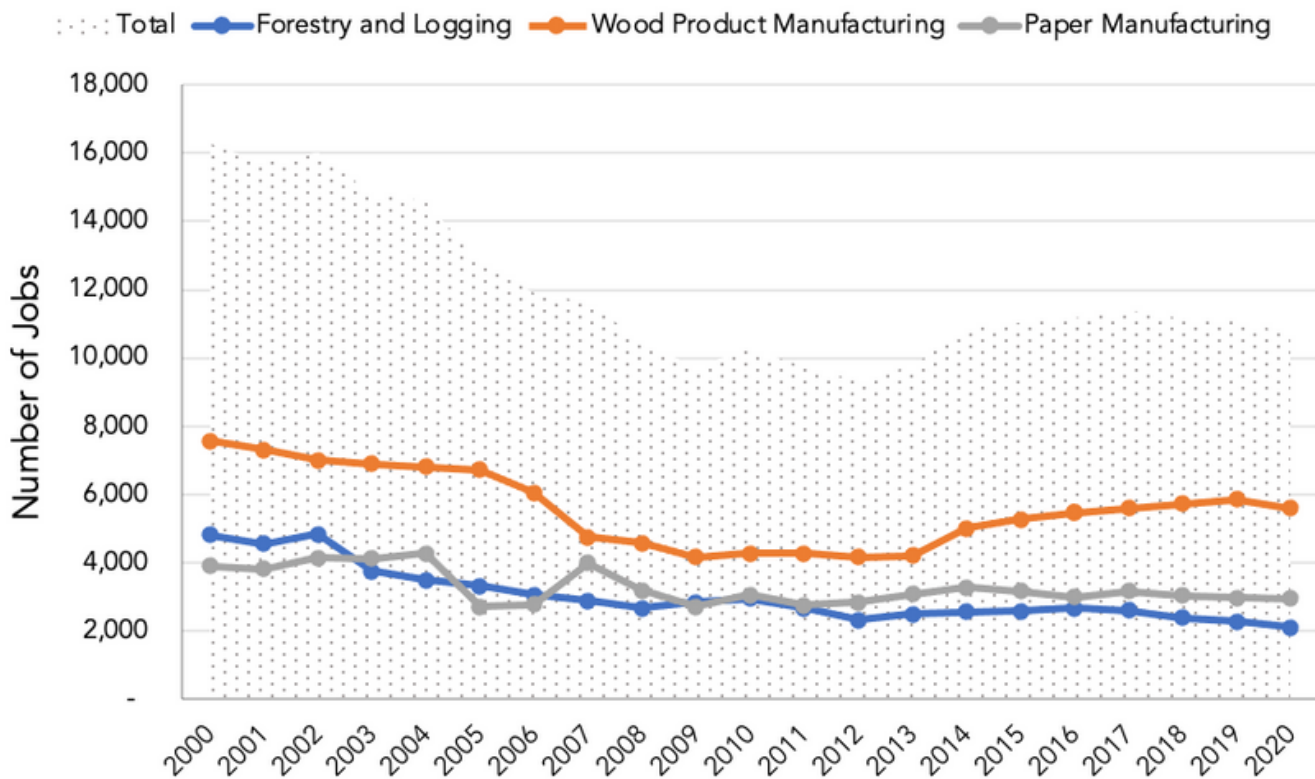


(See full data in Appendix C)

A CLOSER LOOK

Since New Brunswick is the “forest province,” it is not surprising that the forestry industry employs many New Brunswickers, both directly and indirectly—however, the number of forestry and logging jobs has been decreasing since 2000. This is due in part to the automation of the industry, which consequently requires fewer jobs for product output. As of 2012, the number of jobs in forestry began to slowly rise, which is in line with the rise in GDP and contributed to it. The 2020 numbers show a decrease in the number of jobs in forestry, which could be a result of the COVID-19 pandemic.

Figure 4: Forestry Labour Measures



(See full data in Appendix D)

SUMMARY

- The forestry industry is currently in a promising position, even after suffering from global competitiveness following 2004 and further recession in 2008, the forestry industry's GDP steadily increased until 2016, when the GDP stagnated and saw no upwards growth until 2021.
- While output from the sector is impacted by policies and regulations, there is the possibility for growth while pursuing sustainability. Therefore, this goal is progressing, but not on track to reach pre-2004 levels.

APPENDIX A

GDP at Basic Prices for Forestry Sector, by Industries (2012 chained dollars x 1,000)

Year	Forestry and Logging [113]	Wood Product Manufacturing [321]	Paper Manufacturing [322]	Total
2002	\$ 316.70	\$ 417.10	\$ 732.50	\$1,466.30
2003	\$ 283.00	\$ 426.60	\$ 830.70	\$1,540.30
2004	\$ 315.10	\$ 396.60	\$ 1,013.90	\$1,725.60
2005	\$ 271.10	\$ 415.80	\$ 574.80	\$1,261.70
2006	\$ 249.40	\$ 375.60	\$ 512.50	\$1,137.50
2007	\$ 244.00	\$ 316.40	\$ 540.60	\$1,101.00
2008	\$ 267.90	\$ 288.20	\$ 466.40	\$1,022.50
2009	\$ 235.30	\$ 259.70	\$ 380.30	\$ 875.30
2010	\$ 275.40	\$ 288.80	\$ 453.40	\$1,017.60
2011	\$ 269.70	\$ 307.00	\$ 420.80	\$ 997.50
2012	\$ 266.40	\$ 295.20	\$ 397.10	\$ 958.70
2013	\$ 263.90	\$ 301.80	\$ 499.70	\$1,065.40
2014	\$ 290.30	\$ 308.50	\$ 537.60	\$1,136.40
2015	\$ 319.90	\$ 334.90	\$ 584.30	\$1,239.10
2016	\$ 337.50	\$ 371.30	\$ 620.80	\$1,329.60
2017	\$ 326.10	\$ 370.90	\$ 575.50	\$1,272.50
2018	\$ 305.60	\$ 388.40	\$ 535.60	\$1,229.60
2019	\$ 307.40	\$ 383.50	\$ 541.20	\$1,232.10
2020	\$ 286.60	\$ 367.60	\$ 537.50	\$1,191.70
2021	\$ 317.00	\$ 404.30	\$ 528.30	\$1,249.60

Note: The codes [113], [321], [322] are the corresponding North American Industry Classification System (NAICS) codes for the data.

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

APPENDIX B

Value of Exports for Forestry and Logging (2021 dollars)

Year	Naics 113 - Forestry and Logging
2002	\$9,252.42
2003	\$10,776.51
2004	\$9,540.18
2005	\$7,679.11
2006	\$4,516.49
2007	\$8,469.40
2008	\$9,617.30
2009	\$6,849.73
2010	\$6,547.74
2011	\$2,344.09
2012	\$12,447.23
2013	\$12,213.55
2014	\$11,900.05
2015	\$6,639.48
2016	\$10,390.57
2017	\$8,463.16
2018	\$4,351.46
2019	\$3,547.01
2020	\$5,072.26
2021	\$14,345.70

Source: Statistics Canada (Trade Data Online), 18-10-0005-01 (formerly CANSIM 326-0021) for CPI

APPENDIX C

Value of International Exports for Forestry Sector Manufacturing (2021 constant dollars x1000)

Year	Wood product manufacturing [321]	Paper manufacturing [322]
2002	1247587.01	2074818.03
2003	1128953.22	1977840.51
2004	1435236.34	1865252.33
2005	1241986.46	1283845.66
2006	965254.67	1635299.05
2007	632338.03	1707797.11
2008	400149.55	1362946.17
2009	342412.52	1267353.56
2010	431508.70	1464157.92
2011	431020.04	1352538.17
2012	466931.82	1204992.39
2013	559274.37	1201942.22
2014	625147.30	1247473.38
2015	669375.31	1277330.27
2016	744522.69	1210552.52
2017	777419.32	1254659.41
2018	788340.96	1299590.83
2019	686294.30	1280329.64
2020	896565.76	1139343.55
2021	1250332.51	1291111.48

Source: Statistics Canada (Trade Data Online), 18-10-0005-01 (formerly CANSIM 326-0021) for CPI

APPENDIX D

Forestry Labour Measures

Year	Forestry and logging [BS113]	Wood product manufacturing [BS321]	Paper manufacturing [BS322]	Total
2000	4,810	7,560	3,905	16,275
2001	4,565	7,310	3,830	15,705
2002	4,845	7,015	4,140	16,000
2003	3,755	6,900	4,130	14,785
2004	3,485	6,815	4,270	14,570
2005	3,325	6,730	2,710	12,765
2006	3,070	6,045	2,785	11,900
2007	2,885	4,760	4,000	11,645
2008	2,680	4,570	3,200	10,450
2009	2,855	4,160	2,720	9,735
2010	2,945	4,280	3,065	10,290
2011	2,680	4,280	2,755	9,715
2012	2,315	4,170	2,850	9,335
2013	2,505	4,200	3,075	9,780
2014	2,560	5,020	3,275	10,855
2015	2,585	5,270	3,170	11,025
2016	2,680	5,460	2,995	11,135
2017	2,610	5,605	3,160	11,375
2018	2,390	5,720	3,030	11,140
2019	2,285	5,850	2,970	11,105
2020	2,110	5,600	2,950	10,660

Note: Codes are corresponding industries within Table: 36-10-0480-01

Source: Statistics Canada (Table: 36-10-0480-01 (formerly CANSIM 383-0033))