YEAR 2021

GOAL 24: FORESTRY IN NEW BRUNSWICK

THE FORESTRY INDUSTRY IN NEW BRUNSWICK WILL RETURN TO ITS PRE-2004 GROWTH TREND.

STATUS: UNCERTAIN

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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 has stagnated and hasn't shown any upward progress since 2016. New Brunswick's value of exports is well below the pre-2004 growth trend.

Cause

According to the provincial government, the effects of global competition have caused New Brunswick's forestry industry to decline. 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/petl-epft/PDF/PopGrowth/NB-ValueAddedWoodReport-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 (~1.3 million), although it experienced a slight decline in 2020.

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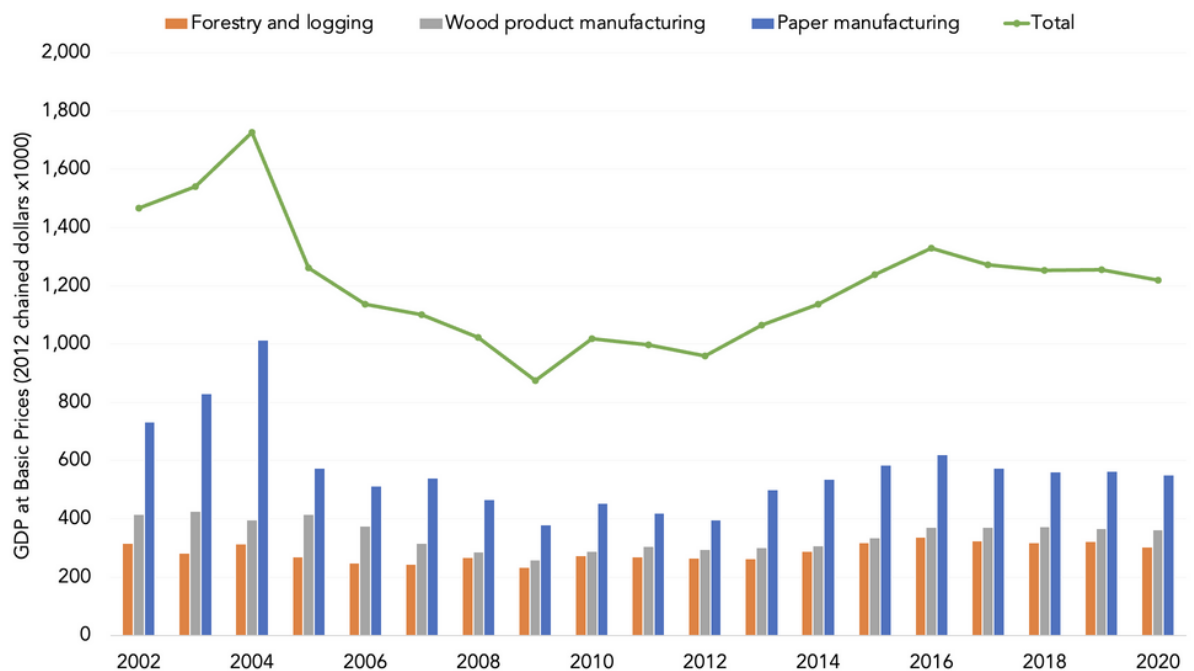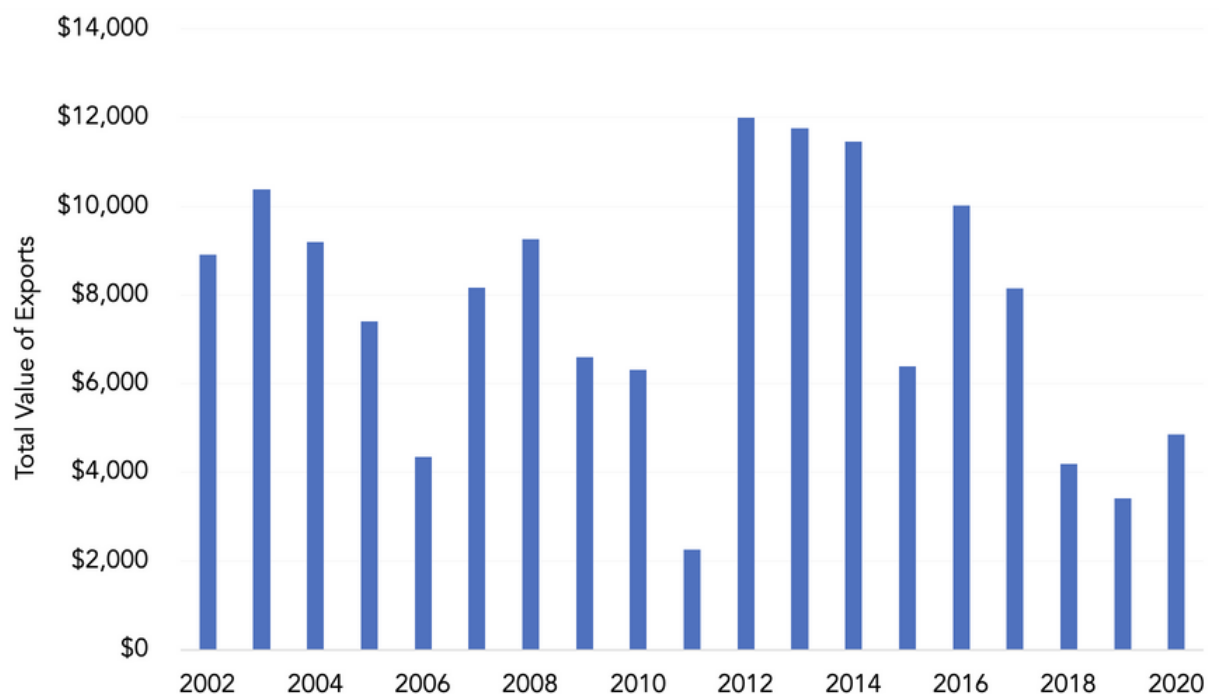

(See full data set in Appendix A)

Forestry Exports

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

Figure 2: Value of Exports for Forestry and Logging (2020 dollars)

(See full data set in Appendix B)

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.

Figure 3: Value of International Exports for Forestry Sector Manufacturing (2020 constant dollars x 1,000)
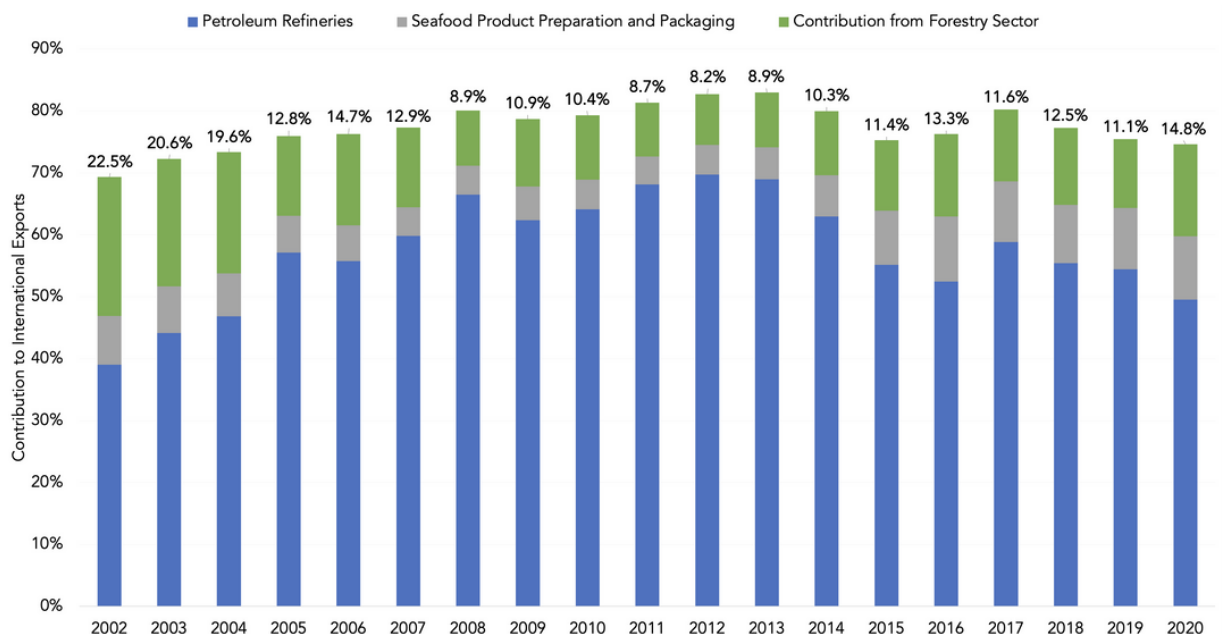

(See full data set in Appendix C)

[2] https://www2.gnb.ca/content/dam/gnb/Corporate/pdf/EcDevEc/Wood.pdf
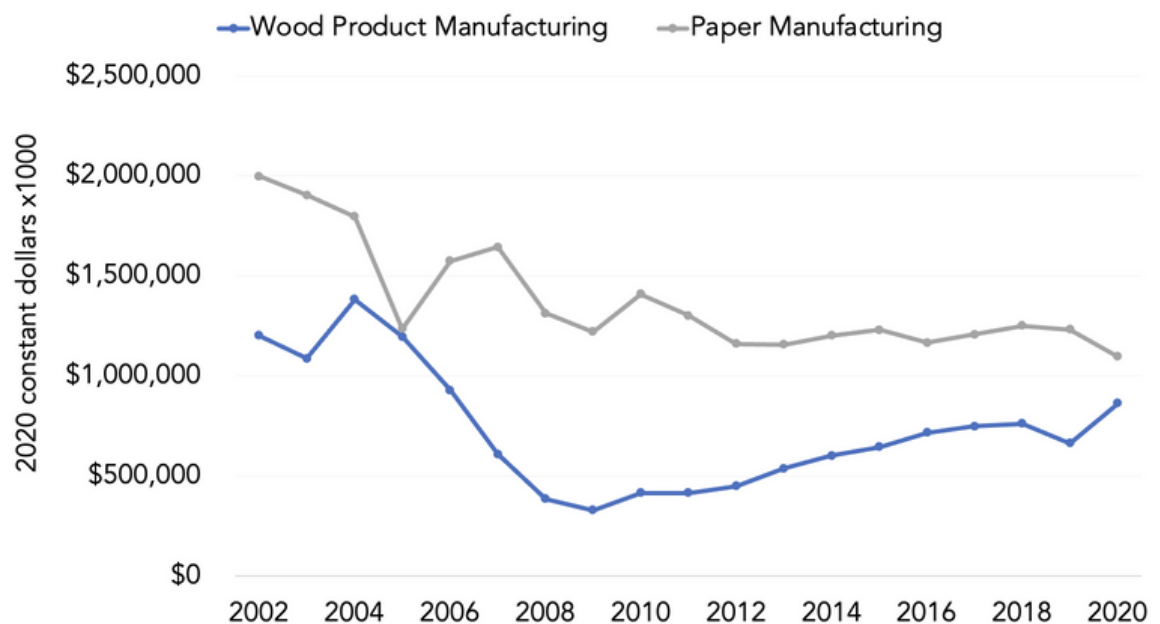
A Closer Look

Canadian Total Exports

Since 2012, the total contribution to international exports from the top five industries in New Brunswick has been decreasing. At the same time, the contribution from the forestry sector within the top five industries has grown from a low of ˜8% to a high of almost 15%. Our province is overall becoming more varied in its industries, and forestry is becoming even more important.

Figure 4: Contribution from Top 5 Industries to Canadian Total Exports (2020 constant dollars)

(See full data set in Appendix D)

Labour Market

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 largely 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 5: Forestry Labour Measures
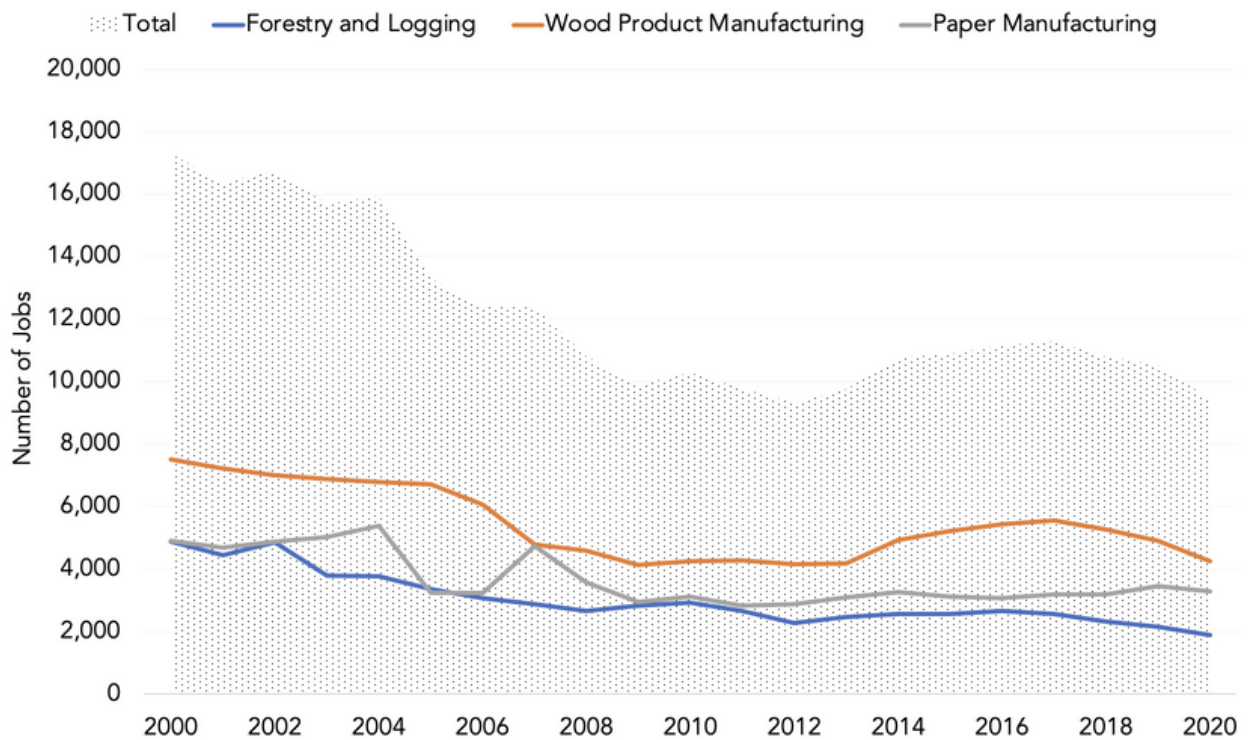
(See full data set in Appendix E)

Summary

The forestry industry is currently in a promising position, even after suffering from global competitiveness following 2004. Labour market numbers are increasing in the forestry sector, and 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.

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	316.7	417.1	732.5	1,466.3
2003	283.0	426.6	830.7	1,540.3
2004	315.1	396.6	1,013.9	1,725.6
2005	271.1	415.8	574.8	1,261.7
2006	249.4	375.6	512.5	1,137.5
2007	244.0	316.4	540.6	1,101.0
2008	267.9	288.2	466.4	1,022.5
2009	235.3	259.7	380.3	875.3
2010	275.4	288.8	453.4	1,017.6
2011	269.7	307.0	420.8	997.5
2012	266.4	295.2	397.1	958.7
2013	263.9	301.8	499.7	1,065.4
2014	290.3	308.5	537.6	1,136.4
2015	319.9	334.9	584.3	1,239.1
2016	337.5	371.3	620.8	1,329.6
2017	326.1	370.9	575.5	1,272.5
2018	318.3	373.4	562.1	1,253.8
2019	323.9	366.9	564.4	1,255.2
2020	304.6	363.3	550.5	1,218.4

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 (2020 dollars)

Year	NAICS 113 - Forestry and Logging
2002	$8,913.13
2003	$10,381.32
2004	$9,190.33
2005	$7,397.51
2006	$4,350.86
2007	$8,158.81
2008	$9,264.62
2009	$6,598.54
2010	$6,307.63
2011	$2,258.13
2012	$11,990.78
2013	$11,765.66
2014	$11,463.66
2015	$6,396.00
2016	$10,009.53
2017	$8,152.80
2018	$4,195.57
2019	$3,416.95
2020	$4,860.42

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 (2020 constant dollars x1000)

Year	NAICS 321 - Wood product manufacturing	NAICS 322 - Paper manufacturing
2002	$1,201,836.29	$1,998,731.61
2003	$1,087,552.96	$1,905,310.39
2004	$1,382,604.26	$1,796,850.97
2005	$1,196,441.12	$1,236,765.28
2006	$929,857.46	$1,575,330.39
2007	$609,149.33	$1,645,169.86
2008	$385,475.52	$1,312,965.07
2009	$329,855.78	$1,220,877.97
2010	$415,684.69	$1,410,465.24
2011	$415,213.95	$1,302,938.75
2012	$449,808.79	$1,160,803.67
2013	$538,765.01	$1,157,865.36
2014	$602,222.29	$1,201,726.82
2015	$644,828.40	$1,230,488.82
2016	$717,220.02	$1,166,159.90
2017	$749,105.43	$1,208,640.87
2018	$761,781.94	$1,251,931.63
2019	$664,992.66	$1,233,381.28
2020	$863,744.60	$1,097,511.40

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

Appendix D

Contribution from Top 5 Industries to Canadian Total Exports (2020 constant dollars)

Year	32411 - Petroleum refineries	31171 - Seafood product preparation and packaging	Contribution from forestry sector within the Top 5 Industries
2002	39.06%	7.82%	22.49%
2003	44.18%	7.49%	20.63%
2004	46.83%	6.94%	19.62%
2005	57.11%	5.98%	12.85%
2006	55.74%	5.82%	14.73%
2007	59.85%	4.58%	12.89%
2008	66.47%	4.70%	8.93%
2009	62.34%	5.48%	10.86%
2010	64.15%	4.79%	10.39%
2011	68.16%	4.47%	8.70%
2012	69.76%	4.75%	8.21%
2013	68.99%	5.16%	8.85%
2014	62.98%	6.64%	10.34%
2015	55.14%	8.75%	11.40%
2016	52.44%	10.55%	13.28%
2017	58.85%	9.81%	11.59%
2018	55.45%	9.39%	12.45%
2019	54.47%	9.90%	11.10%
2020	49.54%	10.25%	14.85%

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

Appendix E

Forestry Labour Measures

Number of Jobs				
Reference period	Forestry and logging [BS113]	Wood product manufacturing [BS321]	Paper manufacturing [BS322]	Total
2000	4,875	7,515	4,905	17,295
2001	4,450	7,220	4,680	16,350
2002	4,865	7,000	4,880	16,745
2003	3,785	6,875	5,015	15,675
2004	3,760	6,775	5,385	15,920
2005	3,350	6,725	3,230	13,305
2006	3,070	6,070	3,240	12,380
2007	2,880	4,780	4,745	12,405
2008	2,650	4,590	3,580	10,820
2009	2,830	4,130	2,940	9,900
2010	2,915	4,250	3,115	10,280
2011	2,670	4,270	2,840	9,780
2012	2,285	4,145	2,885	9,315
2013	2,470	4,190	3,095	9,755
2014	2,565	4,935	3,275	10,775
2015	2,560	5,215	3,115	10,890
2016	2,665	5,425	3,070	11,160
2017	2,555	5,560	3,190	11,305
2018	2,335	5,275	3,180	10,790
2019	2,165	4,905	3,445	10,515
2020	1,890	4,260	3,300	9,450

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

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