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YEAR 2020

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



Overview

Problem

In the past, New Brunswick was globally recognized for its mining industry. However, recently this industry has seen several mine closures that has resulted in a drop to about 25% of the GDP it produced in the 2000s.

Cause

The mining sector was never able to recover after 2008, after controversy began to roll out against shale gas mining and the Sisson tungsten mine, and this led to legislation that made it extremely difficult for shale gas mining to continue after 2016. 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. Outside of specific mines, decreases in global market mineral prices have also made it less economically feasible to develop/re-open sites.

Importance

New Brunswick's mining industry has existed for over 40 years and was once a pillar in the mining industry globally. The province has large amounts of many different minerals all over the province (specifically; potash, shale gas, and metal ores) and reinvigorating the province's mining industry could stimulate economic development and sustain higher levels of investment and employment.

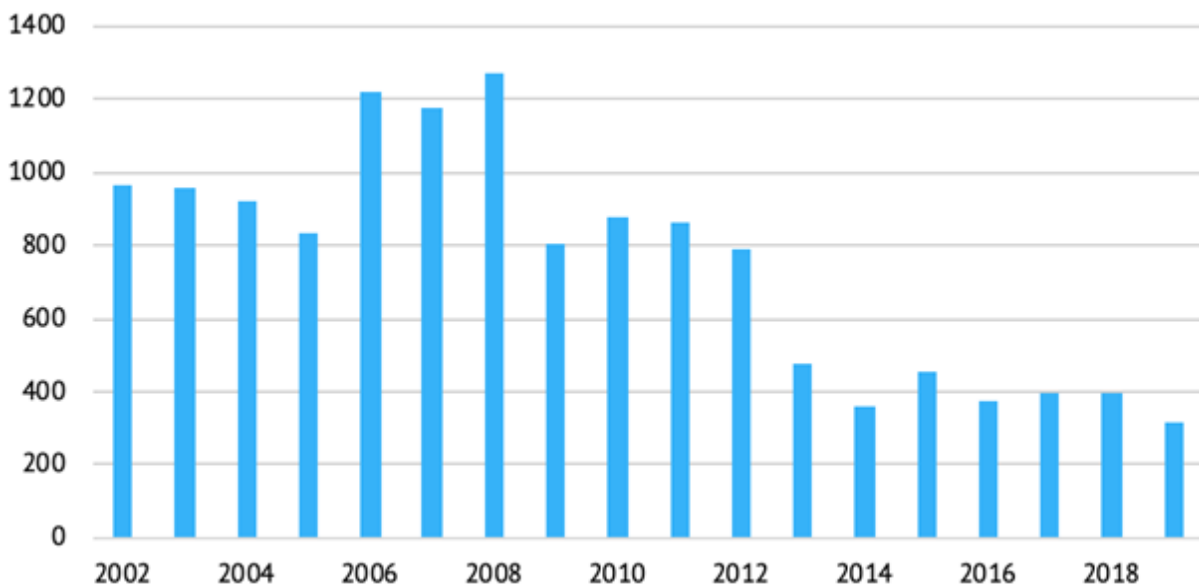
Recommendation

New Brunswick has the opportunity for to develop mining once again, as long as it is both economically feasible and environmentally sustainable. There are plenty of logging roads around the province to get to the resources, and excellent shipping ports in Belldune and Saint John to export these resources. If mineral prices were to increase, development of mining could be increasingly viable in the future.

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 until most recently having a value of \$315.7 million in 2019. The difference in these values is enormous, with the 2019 value being less than 25% 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)

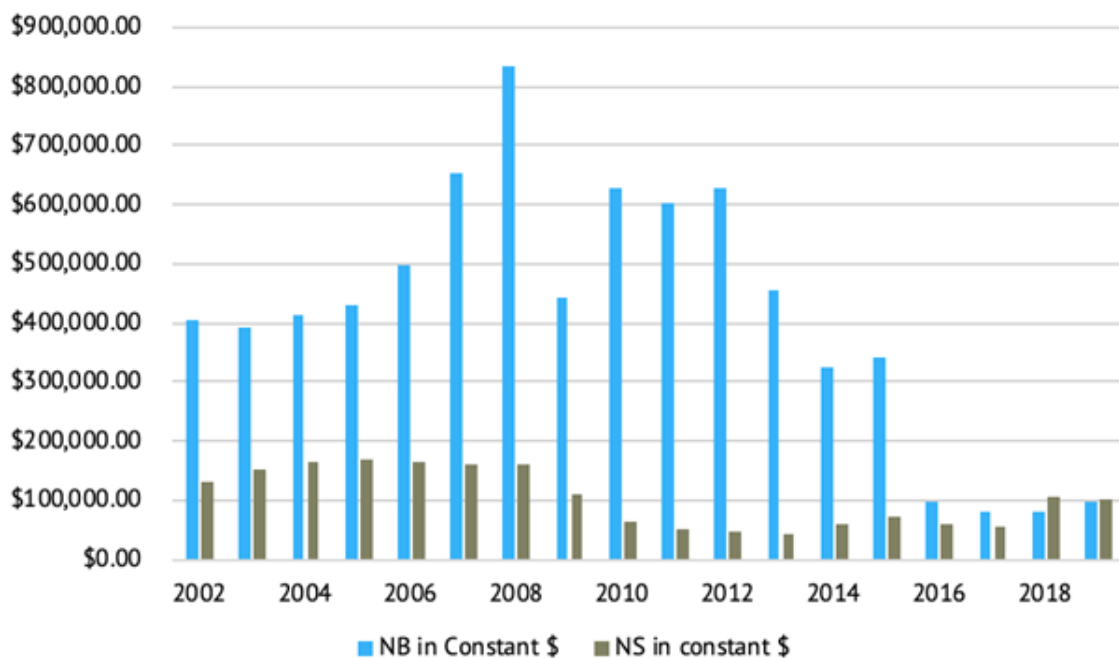


(See full data set in Appendix A)

A Closer Look

From 2012 to 2019, the total export value of New Brunswick's mining products decreased by over 80%. This negative 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. Both New Brunswick and Nova Scotia hit their respective exportation lows in 2017, with minimal increases since that point. As Nova Scotia is also following a large downward trend, this trend is affecting more Atlantic provinces than just New Brunswick, largely due to overall decreases in mineral prices.

Figure 2: Mining and quarrying (2019 constant dollar x 1,000)

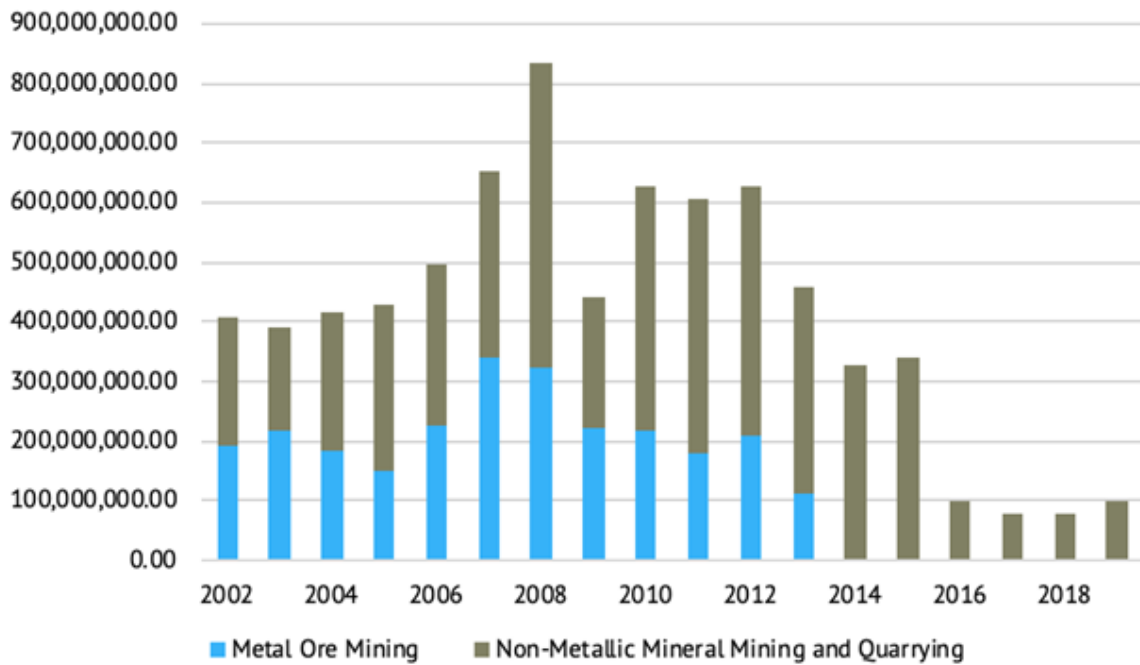


(See full data set in Appendix B)

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 this disappeared in 2016.

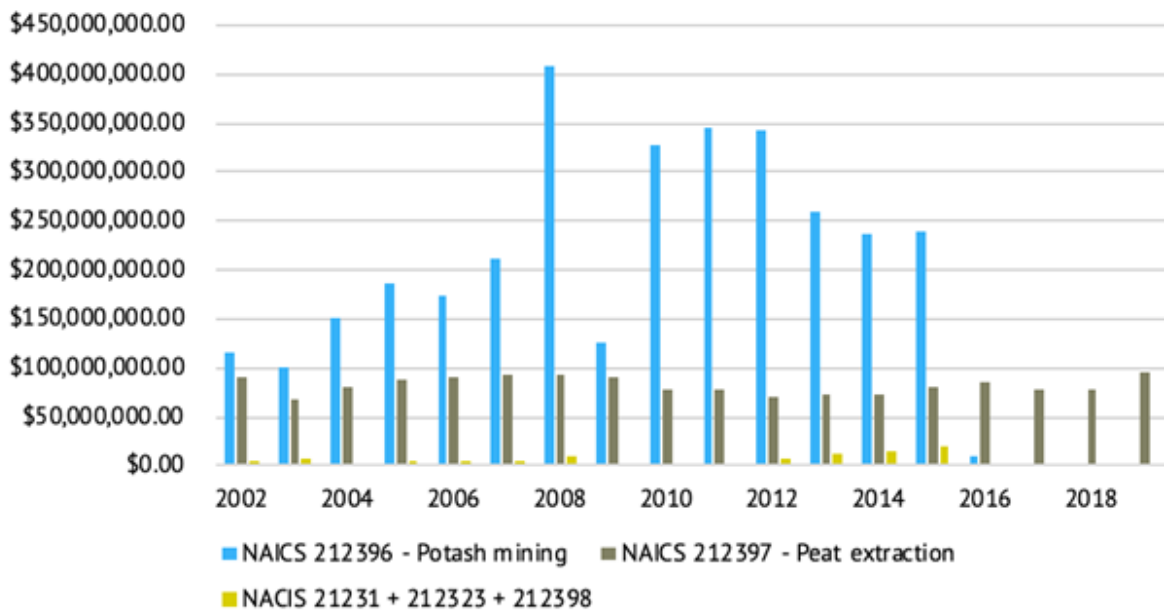
Figure 3: Mining and Quarrying Exports



(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 2000' with the development of mines in Sussex, causing potash exports to peak at \$407,230,782.54 in 2008. However, after the closure of the Sussex mines in 2016, New Brunswick's potash exports fell to almost nothing, with export value 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 (2019 constant dollars)



(See full data set in Appendix D)

Summary

The low probability of expanding the mining industry in the near future, coupled with the large decrease of the mining sector's contribution to GDP in New Brunswick, means this goal is not progressing. New Brunswick used to be a staple 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

Year	Mining, quarrying, and oil and gas extraction
2002	964
2003	956.5
2004	921.5
2005	835.7
2006	1,223.50
2007	1,174.10
2008	1,275.10
2009	807
2010	878.6
2011	863
2012	789.6
2013	476.4
2014	362.4
2015	457.8
2016	373.3
2017	399.7
2018	396
2019	315.7

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

Appendix B

	Mining (excluding oil and gas)	
Year	New Brunswick	Nova Scotia
2002	\$407,050.81	\$132,083.52
2003	\$392,840.63	\$151,304.31
2004	\$414,926.44	\$163,419.01
2005	\$430,231.78	\$170,134.78
2006	\$498,656.61	\$166,532.25
2007	\$652,640.74	\$161,002.78
2008	\$833,523.36	\$162,566.06
2009	\$441,602.65	\$110,755.66
2010	\$628,740.85	\$66,144.83
2011	\$604,517.13	\$52,624.35
2012	\$628,031.83	\$47,211.12
2013	\$457,736.38	\$43,157.97
2014	\$327,098.79	\$59,071.91
2015	\$340,138.11	\$74,593.57
2016	\$98,223.50	\$59,284.76
2017	\$79,573.05	\$56,131.23
2018	\$80,093.28	\$108,157.66
2019	\$98,410.10	\$100,685.09

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

Appendix C

Year	Metal ore mining	Non-metallic mineral mining and quarrying
2002	\$192,865,338.25	\$214,185,467.39
2003	\$218,563,722.64	\$174,276,903.86
2004	\$182,142,479.34	\$232,783,956.94
2005	\$151,519,444.56	\$278,173,544.32
2006	\$226,116,270.47	\$272,540,335.05
2007	\$338,496,771.18	\$314,143,966.91
2008	\$324,305,708.42	\$509,217,650.07
2009	\$222,533,271.66	\$219,069,378.28
2010	\$219,526,177.10	\$409,214,676.60
2011	\$178,838,553.04	\$425,678,578.84
2012	\$207,905,479.83	\$420,126,347.27
2013	\$112,795,945.96	\$344,940,434.90
2014	\$251.19	\$327,098,542.58
2015	\$1,267,436.74	\$338,854,922.41
2016	\$49,625.11	\$98,160,801.92
2017	\$ -	\$79,573,050.55
2018	\$ -	\$80,093,279.36
2019	\$ -	\$98,410,098.00

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

Appendix D

Year	NAICS 212396 - Potash mining	NAICS 212397 - Peat extraction	NACIS 21231 + 212323 + 212398
2002	\$116,898,972.13	\$90,713,157.88	\$5,927,196.32
2003	\$99,478,636.73	\$67,857,880.36	\$6,518,684.59
2004	\$149,902,376.19	\$79,864,322.34	\$2,881,411.88
2005	\$186,228,767.50	\$87,747,252.07	\$4,119,187.78
2006	\$172,910,150.04	\$90,858,291.46	\$5,078,242.18
2007	\$212,660,149.90	\$94,237,766.12	\$3,974,876.61
2008	\$407,230,782.54	\$93,329,399.77	\$8,645,176.68
2009	\$124,745,945.07	\$91,518,349.19	\$2,744,916.28
2010	\$328,091,764.90	\$78,662,955.42	\$2,413,912.98
2011	\$344,948,946.40	\$78,441,208.83	\$1,635,590.91
2012	\$343,562,989.56	\$69,629,368.92	\$6,880,032.98
2013	\$260,304,836.87	\$72,640,813.51	\$11,497,312.79
2014	\$237,244,377.40	\$72,667,960.56	\$15,931,409.12
2015	\$238,862,662.06	\$80,230,543.99	\$19,735,542.20
2016	\$10,591,692.26	\$85,521,674.22	\$1,921,808.74
2017	\$87,549.89	\$78,097,706.94	\$1,338,156.42
2018	\$89,326.34	\$77,066,924.00	\$2,792,476.76
2019	\$206,191.00	\$94,536,562.00	\$3,484,474.00

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