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YEAR 2020

# GOAL 23: LABOUR PRODUCTIVITY

BY 2028, THE LABOUR PRODUCTIVITY LEVELS  
IN NEW BRUNSWICK'S MANUFACTURING  
SECTOR WILL BE EQUAL TO OR GREATER  
THAN NATIONAL LEVELS



STATUS: NOT PROGRESSING



# Overview

## Problem

Labour productivity is a measure of output (GDP) per labour hour. In 2018, New Brunswick's manufacturing productivity was below the national average by \$16.50 per labour hour, the greatest difference since 2014.

## Cause

New Brunswick has an aging population. This is a key concern within the manufacturing industry, where the number of workers under the age of 55 has dropped significantly as the population ages. One of the main reasons behind the decrease in labour productivity is the difficulty in attracting and keeping young workers in New Brunswick's manufacturing industries.

## Importance

A productive and efficient labour force can contribute to a healthy market and prompt economic growth. If New Brunswick can increase labour productivity, specifically in the manufacturing sector, the increased output would contribute to higher profits and GDP levels for the province.

## Recommendation

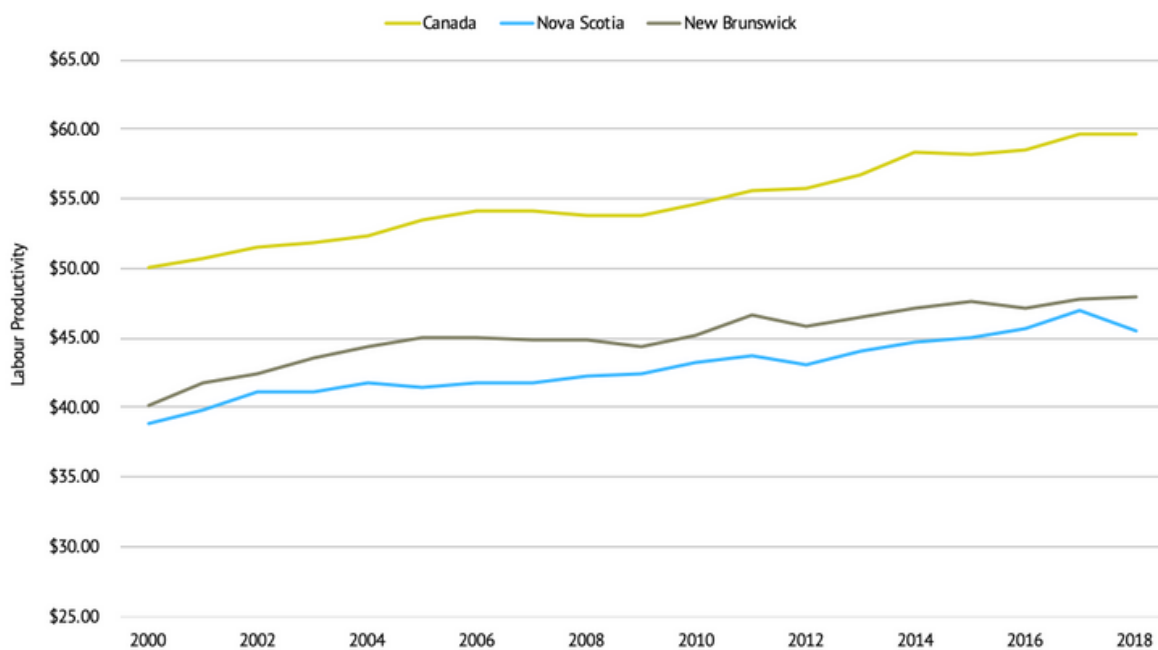
For New Brunswick's labour force to boost the provincial economy, the province should aim to reach or surpass national levels of productivity in the manufacturing sector by 2028.

# In the Numbers

## Comparing Total Labour Productivity

As shown in Figure 1, total labour productivity has seen steady growth since 2000 in New Brunswick and Nova Scotia, as well as Canada overall. However, since all three have been increasing at similar rates, the disparity between New Brunswick and Nova Scotia as compared to the national average remains vast.

Figure 1: Total Labour Productivity



(See full data set in Appendix A)

## Across Provinces

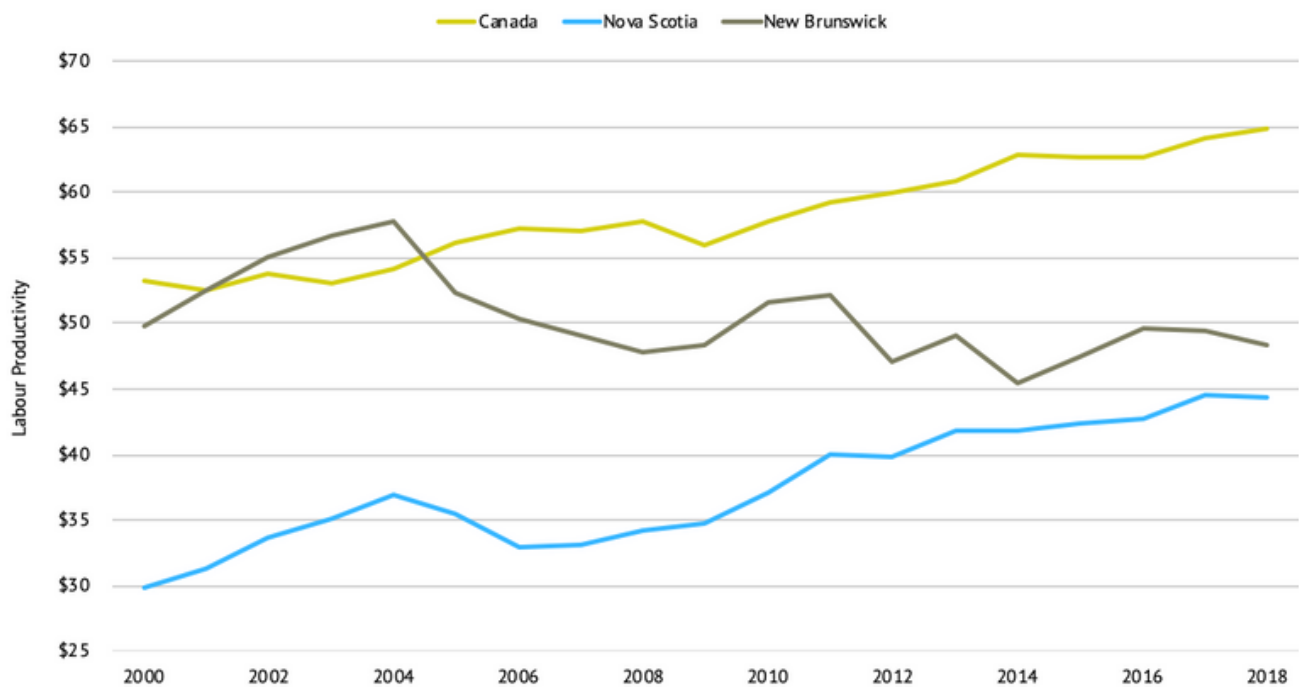
The labour productivity in more populated provinces like Ontario and British Columbia are much closer to the national average, and Alberta's labour productivity was a whopping \$78.80 in 2018. These outliers are part of the reason the national average continues to rise.

# A Closer Look

## Labour Productivity in Manufacturing

As per Figure 2, New Brunswick's labour productivity in the manufacturing sector was actually higher than the national average from 2001-2004. Meanwhile, Nova Scotia was far below the national average. From 2005-2018, levels in both New Brunswick and Nova Scotia were below the national average, but New Brunswick demonstrated a downwards trend while Nova Scotia had an upwards trend. New Brunswick's labour productivity in the manufacturing space continues to fall due to an aging population and lack of young people to replace retirees.

Figure 2: Labour Productivity in Manufacturing



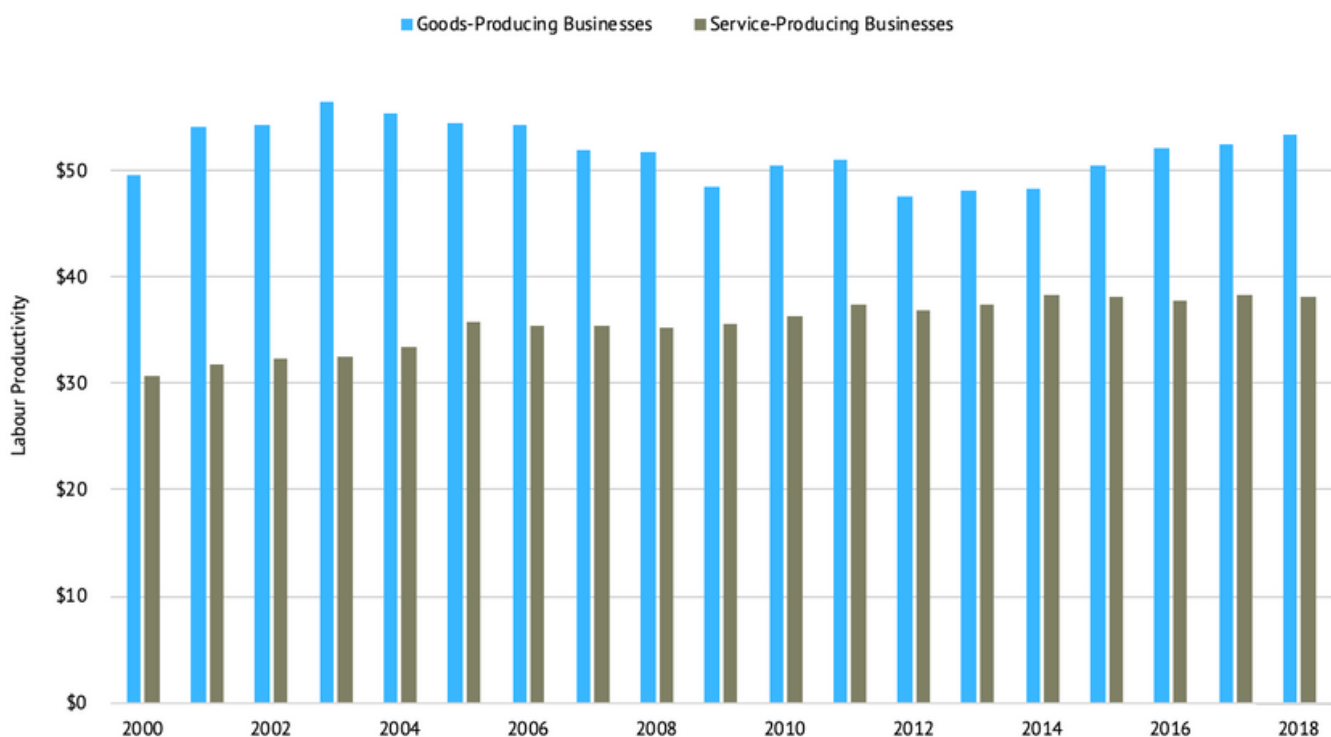
(See full data set in Appendix B)

## Labour Productivity in Goods-Producing Businesses and Service-Producing Businesses

Figure 3 compares labour productivity between goods-producing businesses and service-producing businesses. New Brunswick's goods-producing sector, which includes manufacturing and the export of pulp, paper, and other products key for growth, has been declining. Meanwhile, labour productivity in the province's service sector has gradually been increasing.

In the goods-producing sector, labour productivity reached its peak in 2003 with a value of \$56.40 per labour hour, after which it began to decline. Although productivity levels have seen a slight increase from 2014 to 2018, New Brunswick's goods-producing sector is still below 2003 amounts.

Figure 3: Labour Productivity in Goods-Producing Businesses and Service-Producing Businesses



(See full data set in Appendix C)

# Summary

Labour productivity is important as a productive and efficient labour force can contribute to a healthy market and prompt economic growth in the province. However, New Brunswick has an aging population, and this is a key concern within the manufacturing industry, where the number of workers under the age of 55 is declining. One of the main reasons behind the decrease in labour productivity is the difficulty in attracting and keeping young workers in New Brunswick's manufacturing industries. In 2018, New Brunswick's manufacturing productivity was below the national average by \$16.50. As such, this goal is found to be not progressing. Ultimately, investment and technological innovation within firms can increase levels of productivity and create more jobs, as businesses with higher productive output and lower costs tend to be more competitive than others. This will create jobs in the manufacturing sector, attracting working-age migrants and keeping New Brunswickers in the province.



# Appendix A

## Total Labour Productivity

<b>Year</b>	<b>Canada</b>	<b>Nova Scotia</b>	<b>New Brunswick</b>
<b>2000</b>	\$50.00	\$38.90	\$40.10
<b>2001</b>	\$50.70	\$39.80	\$41.70
<b>2002</b>	\$51.60	\$41.10	\$42.40
<b>2003</b>	\$51.80	\$41.10	\$43.50
<b>2004</b>	\$52.30	\$41.70	\$44.30
<b>2005</b>	\$53.50	\$41.50	\$45.10
<b>2006</b>	\$54.10	\$41.80	\$45.10
<b>2007</b>	\$54.10	\$41.70	\$44.80
<b>2008</b>	\$53.80	\$42.20	\$44.80
<b>2009</b>	\$53.80	\$42.40	\$44.40
<b>2010</b>	\$54.60	\$43.20	\$45.20
<b>2011</b>	\$55.60	\$43.70	\$46.70
<b>2012</b>	\$55.80	\$43.10	\$45.90
<b>2013</b>	\$56.70	\$44.00	\$46.50
<b>2014</b>	\$58.30	\$44.70	\$47.20
<b>2015</b>	\$58.20	\$45.10	\$47.60
<b>2016</b>	\$58.50	\$45.60	\$47.20
<b>2017</b>	\$59.70	\$46.90	\$47.80
<b>2018</b>	\$59.70	\$45.50	\$47.90

Source: Statistics Canada, CANSIM Table 383-0033

# Appendix B

## Labour Productivity in Manufacturing

<b>Year</b>	<b>Canada</b>	<b>Nova Scotia</b>	<b>New Brunswick</b>
<b>2000</b>	\$53.30	\$29.80	\$49.90
<b>2001</b>	\$52.60	\$31.40	\$52.60
<b>2002</b>	\$53.80	\$33.70	\$55.00
<b>2003</b>	\$53.00	\$35.10	\$56.70
<b>2004</b>	\$54.20	\$36.90	\$57.80
<b>2005</b>	\$56.20	\$35.50	\$52.30
<b>2006</b>	\$57.20	\$33.00	\$50.40
<b>2007</b>	\$57.00	\$33.10	\$49.10
<b>2008</b>	\$57.80	\$34.30	\$47.80
<b>2009</b>	\$55.90	\$34.70	\$48.30
<b>2010</b>	\$57.80	\$37.10	\$51.60
<b>2011</b>	\$59.30	\$40.10	\$52.20
<b>2012</b>	\$60.00	\$39.80	\$47.10
<b>2013</b>	\$60.80	\$41.80	\$49.10
<b>2014</b>	\$62.90	\$41.90	\$45.50
<b>2015</b>	\$62.60	\$42.30	\$47.40
<b>2016</b>	\$62.60	\$42.70	\$49.60
<b>2017</b>	\$64.20	\$44.50	\$49.40
<b>2018</b>	\$64.80	\$44.30	\$48.30

Source: Statistics Canada, CANSIM Table 383-0033



# Appendix C

## Labour Productivity in Goods-Producing Businesses and Service-Producing Businesses

<b>Year</b>	<b>Goods-Producing Businesses</b>	<b>Service-Producing Businesses</b>
<b>2000</b>	\$49.50	\$30.70
<b>2001</b>	\$54.10	\$31.80
<b>2002</b>	\$54.30	\$32.40
<b>2003</b>	\$56.40	\$32.60
<b>2004</b>	\$55.40	\$33.50
<b>2005</b>	\$54.50	\$35.70
<b>2006</b>	\$54.30	\$35.40
<b>2007</b>	\$51.90	\$35.50
<b>2008</b>	\$51.70	\$35.20
<b>2009</b>	\$48.50	\$35.60
<b>2010</b>	\$50.40	\$36.30
<b>2011</b>	\$51.10	\$37.40
<b>2012</b>	\$47.60	\$36.80
<b>2013</b>	\$48.20	\$37.40
<b>2014</b>	\$48.30	\$38.30
<b>2015</b>	\$50.50	\$38.20
<b>2016</b>	\$52.10	\$37.70
<b>2017</b>	\$52.50	\$38.30
<b>2018</b>	\$53.30	\$38.20

Source: Statistics Canada, CANSIM Table 383-0033