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YEAR 2020

GOAL 24: FORESTRY IN NEW BRUNSWICK

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



STATUS: PROGRESSING



Overview

Problem

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 involve 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.

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.

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.

Recommendation

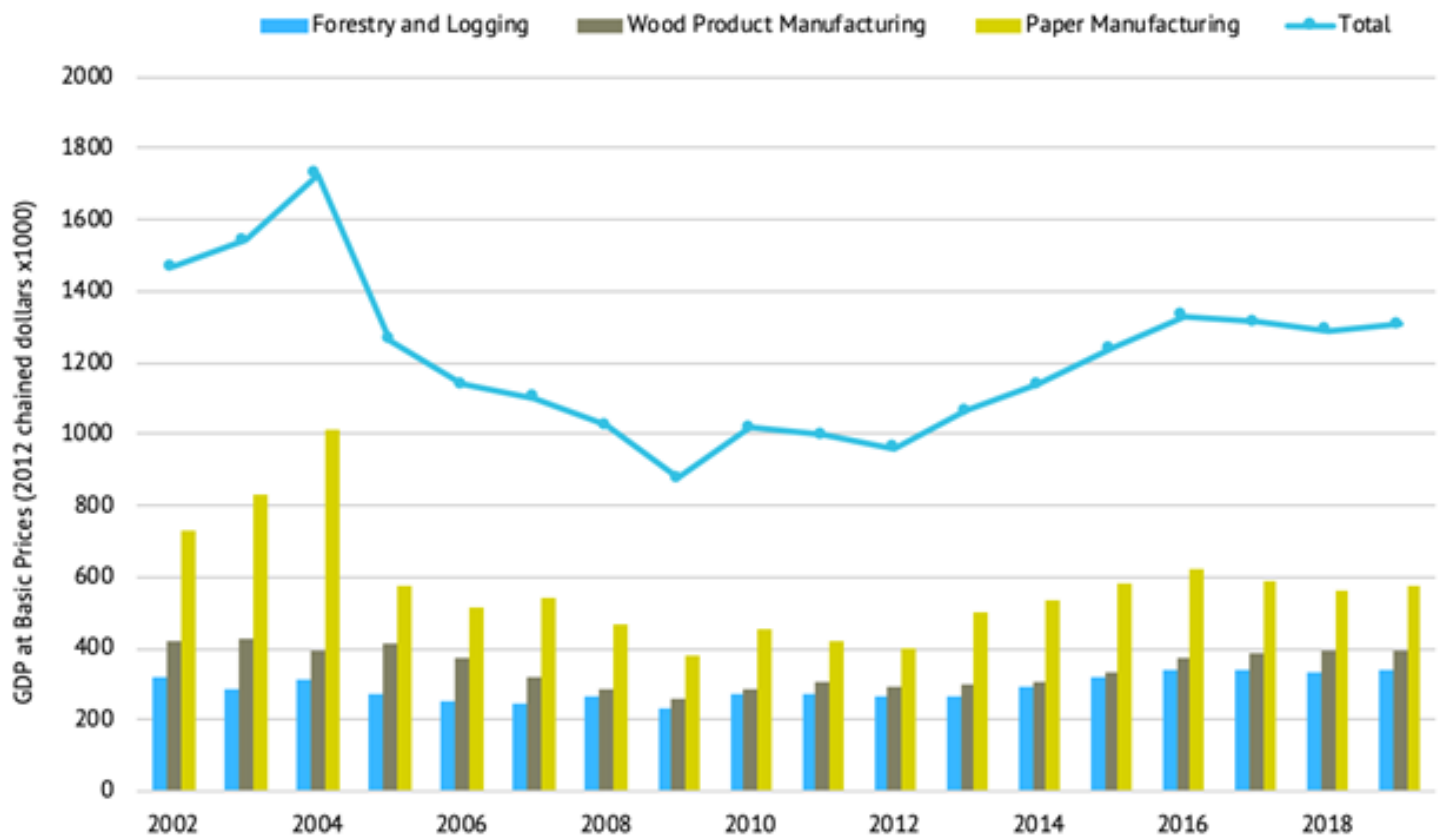
New Brunswick's forestry industry should continue its export strategy concerning manufactured products, as well as work towards attracting skilled workers to fill open positions.

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 recession in 2008, which made the GDP from the forestry sector dip once again in 2009. Afterwards, however, there was growth for several years, and New Brunswick has a stable level of GDP every year (~1.3 million).

Figure 1: GDP at Basic Prices for Forestry Sector, by Industries (2012 chained dollars x1000)

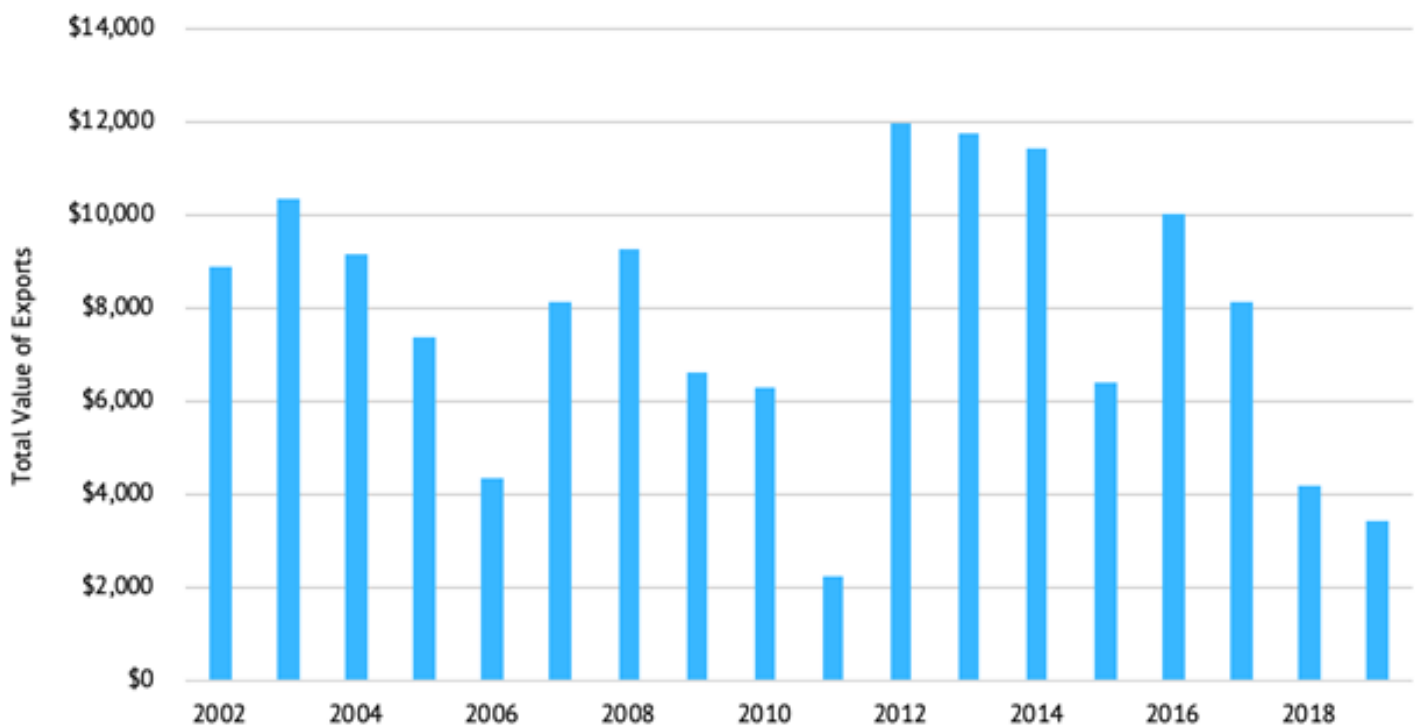


(See full data set in Appendix A)

Forestry Exports

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

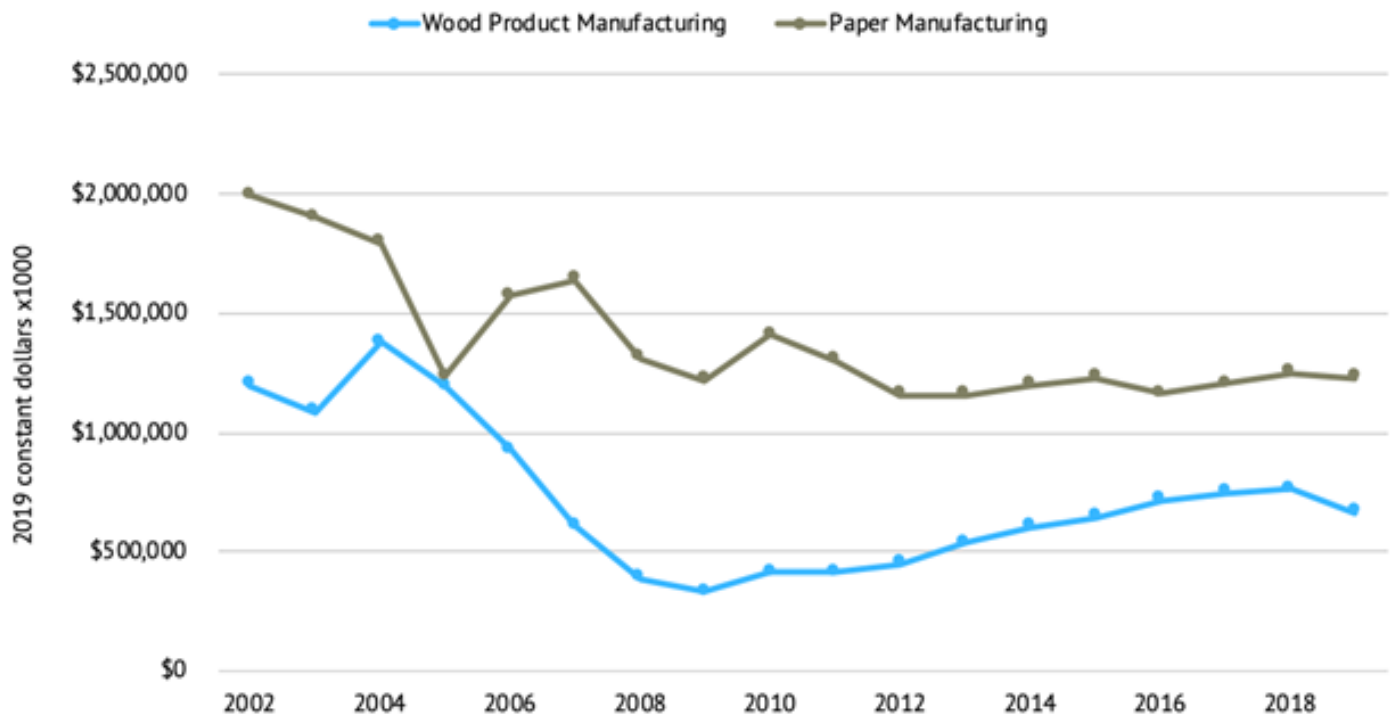
Figure 2: Value of Exports for Forestry and Logging (2019 dollars)



(See full data set in Appendix B)

Lumber and manufactured wood products are important contributors to provincial growth. According to the government report: New Brunswick Value Added-Wood Sector Strategy (2012-2016), 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. However, since 2009, New Brunswick's total wood, wood article, and pulp and paper exports have been on a positive trend and continue to increase.

Figure 3: Value of International Exports for Forestry Sector Manufacturing (2019 constant dollars x1000)



(See full data set in Appendix C)

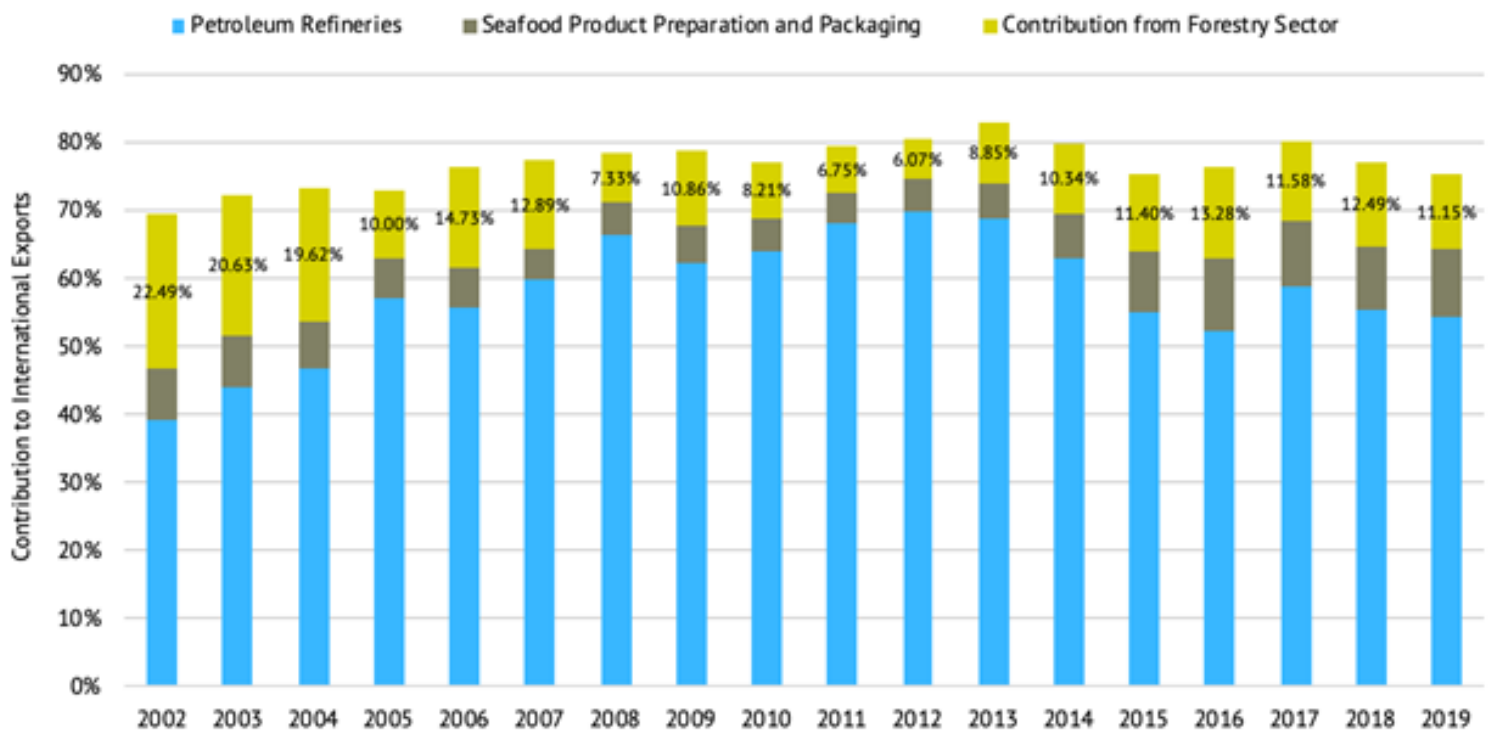


A Closer Look

Canadian Total Exports

Since 2012, the total contribution to international exports from the top 5 industries in New Brunswick has been decreasing. At the same time, the contribution from the forestry sector within the top 5 industries has grown from a low of ~6% to a high of over 12%. 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 (2019 constant dollars)

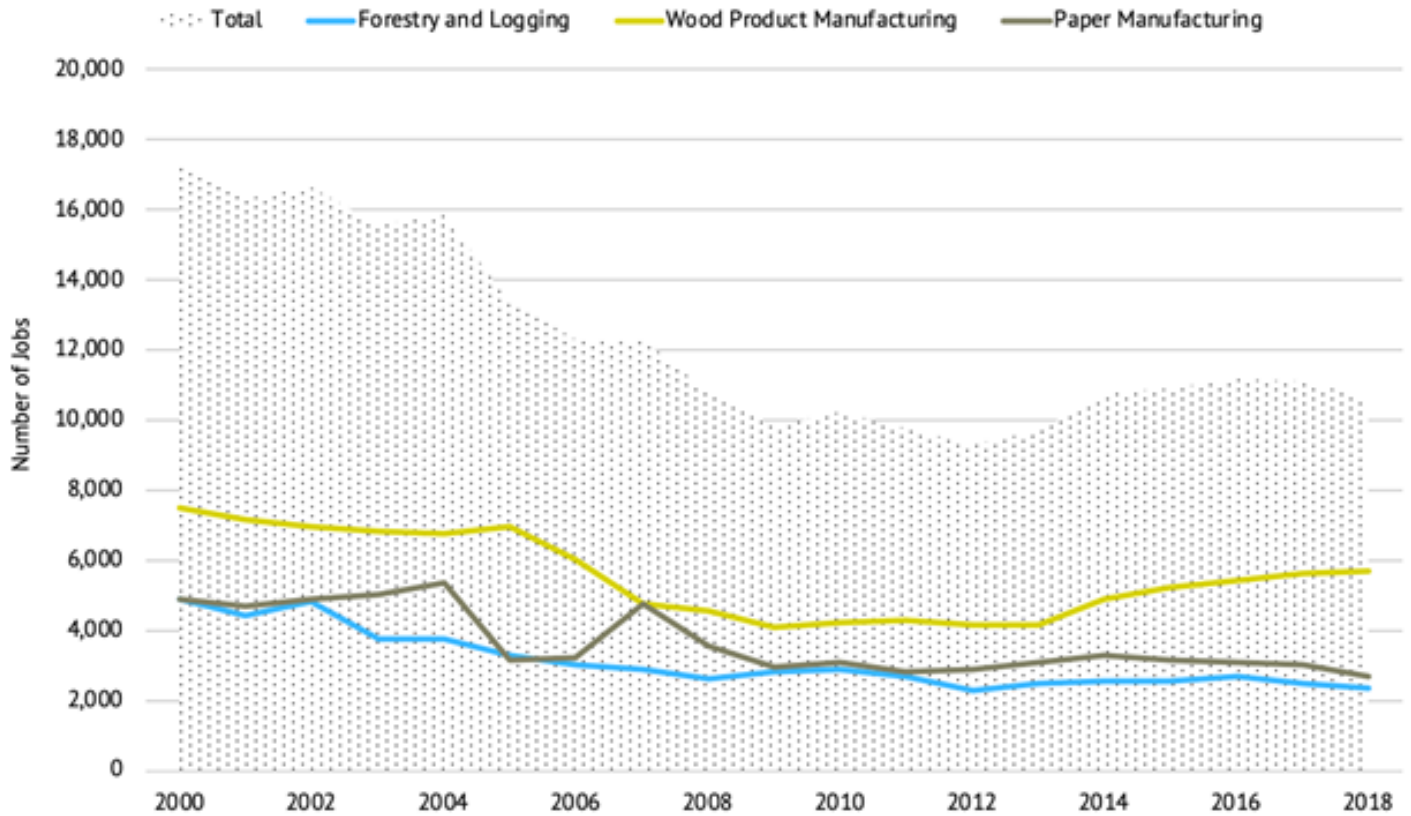


(See full data set in Appendix D)

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. Since 2012, the number of jobs in forestry has slowly started to rise, which is in line with the rise in GDP and was a large reason for it.

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 regulation, there is possibility for growth while staying sustainable. Therefore, this goal is progressing.

Appendix A

GDP at Basic Prices for Forestry Sector, by Industries (2012 chained dollars x1000)

Year	Forestry and Logging	Wood Product Manufacturing	Paper Manufacturing	Total
2002	316.7	417.1	732.5	1466.3
2003	283	426.6	830.7	1540.3
2004	315.1	396.6	1013.9	1725.6
2005	271.1	415.8	574.8	1261.7
2006	249.4	375.6	512.5	1137.5
2007	244	316.4	540.6	1101
2008	267.9	288.2	466.4	1022.5
2009	235.3	259.7	380.3	875.3
2010	275.4	288.8	453.4	1017.6
2011	269.7	307	420.8	997.5
2012	266.4	295.2	397.1	958.7
2013	263.9	301.8	499.7	1065.4
2014	290.3	308.5	537.6	1136.4
2015	319.9	334.9	584.3	1239.1
2016	337.5	371.3	620.8	1329.6
2017	340.3	386.8	585.9	1313
2018	334.6	393.1	562.9	1290.6
2019	341.6	394.2	571.6	1307.4

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

Appendix B

Value of Exports for Forestry and Logging (2019 dollars)

Year	Forestry and Logging
2002	8,894
2003	10,359
2004	9,170
2005	7,381
2006	4,341
2007	8,141
2008	9,244
2009	6,584
2010	6,294
2011	2,253
2012	11,964
2013	11,740
2014	11,438
2015	6,382
2016	9,988
2017	8,135
2018	4,186
2019	3,409

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 (2019 constant dollars x1000)

Year	Wood Product Manufacturing	Paper Manufacturing
2002	1,199,197	1,994,342
2003	1,085,164	1,901,126
2004	1,379,568	1,792,905
2005	1,193,813	1,234,049
2006	927,815	1,571,871
2007	607,812	1,641,557
2008	384,629	1,310,082
2009	329,131	1,218,197
2010	414,772	1,407,368
2011	414,302	1,300,077
2012	448,821	1,158,254
2013	537,582	1,155,322
2014	600,900	1,199,088
2015	643,412	1,227,786
2016	715,645	1,163,599
2017	747,460	1,205,986
2018	760,109	1,249,182
2019	663,532	1,230,673

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 (2019 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%	10.00%
2006	55.74%	5.82%	14.73%
2007	59.85%	4.58%	12.89%
2008	66.47%	4.70%	7.33%
2009	62.34%	5.48%	10.86%
2010	64.15%	4.79%	8.21%
2011	68.16%	4.47%	6.75%
2012	69.76%	4.75%	6.07%
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%	11.58%
2018	55.32%	9.42%	12.49%
2019	54.35%	9.92%	11.15%

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

Appendix E

Forestry Labour Measures

Year	Forestry and Logging	Wood Product Manufacturing	Paper Manufacturing	Total
2000	4,860	7,480	4,885	17,225
2001	4,430	7,185	4,665	16,280
2002	4,840	6,960	4,860	16,660
2003	3,755	6,830	4,990	15,575
2004	3,745	6,735	5,360	15,840
2005	3,260	6,940	3,165	13,365
2006	3,040	6,025	3,220	12,285
2007	2,855	4,745	4,715	12,315
2008	2,635	4,560	3,560	10,755
2009	2,805	4,110	2,920	9,835
2010	2,895	4,225	3,100	10,220
2011	2,665	4,255	2,835	9,755
2012	2,275	4,135	2,875	9,285
2013	2,455	4,170	3,090	9,715
2014	2,555	4,910	3,265	10,730
2015	2,545	5,200	3,125	10,870
2016	2,690	5,420	3,075	11,185
2017	2,490	5,630	3,005	11,125
2018	2,320	5,655	2,665	10,640

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