

GOAL 5: VALUE OF EXPORTS

New Brunswick will increase the value of its total annual exports from \$20.9 billion* to \$31.4 billion* by 2028.

**Prices in 2017 constant dollars*

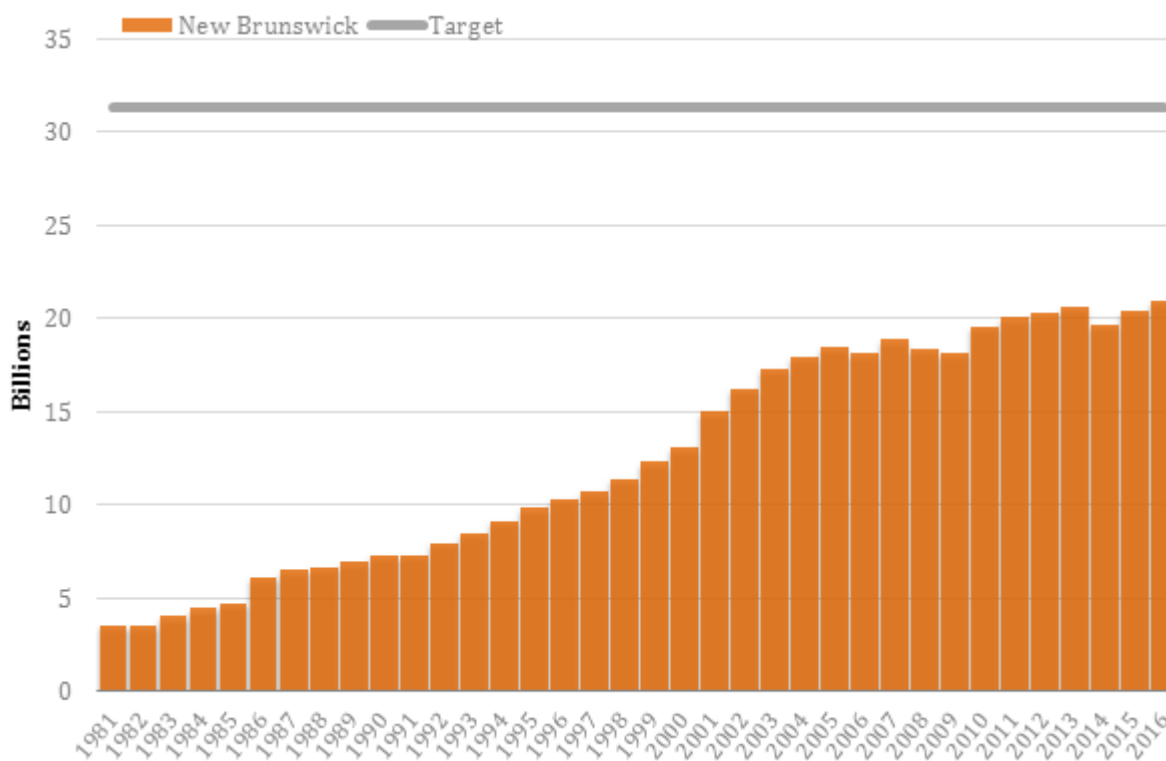
Status: NOT PROGRESSING

Current Situation

As described in *OneNS*, Nova Scotia has set a goal of increasing the value of its total annual exports by 50%. If New Brunswick follows this strategy for growth, it will aim to increase the value of its exports from \$20.9 billion (the province's 2016 total) to \$31.4 billion (50% of the 2016 baseline) by 2028.

In many sectors, the value of New Brunswick's exports has been rapidly increasing. For example, between 2000 and 2017, the export value of basic and industrial chemicals and plastic and rubber products grew by 46.36%. However, the overall rate of increase for all commodities (6.19%) is less significant than the growth rates of previous years. If New Brunswick's exports can reach pre-recession levels of growth, the province may be able to achieve the suggested goal of \$31.4 billion. On the other hand, if the current, slower trend of growth continues, it is unlikely that New Brunswick will see any significant increase in the total annual value of its exports by 2028.

Figure 1: Interprovincial and International Exports (billions, 2017 constant dollars)



**Interprovincial and International Exports (Dollars x 1,000,000)
(Constant price: 2017 = 100)*

Data: Figure 1	NB (Millions)
1981	\$3,500
1982	\$3,472
1983	\$3,963
1984	\$4,389
1985	\$4,695
1986	\$6,062
1987	\$6,431
1988	\$6,574
1989	\$6,881
1990	\$7,234
1991	\$7,282
1992	\$7,928
1993	\$8,431
1994	\$9,094
1995	\$9,765
1996	\$10,274
1997	\$10,672
1998	\$11,355
1999	\$12,239
2000	\$13,041
2001	\$14,944
2002	\$16,202
2003	\$17,269
2004	\$17,912
2005	\$18,411
2006	\$18,081
2007	\$18,828
2008	\$18,347
2009	\$18,084
2010	\$19,537

2011	\$20,010
2012	\$20,227
2013	\$20,560
2014	\$19,650
2015	\$20,361
2016	\$20,909

Source: Statistics Canada, CANSIM Table 384-0038: Gross domestic product, expenditure based, provincial and territorial, annual (dollars unless otherwise noted); Statistics Canada, CANSIM Table 326-0021: Consumer Price Index, annual average, not seasonally adjusted

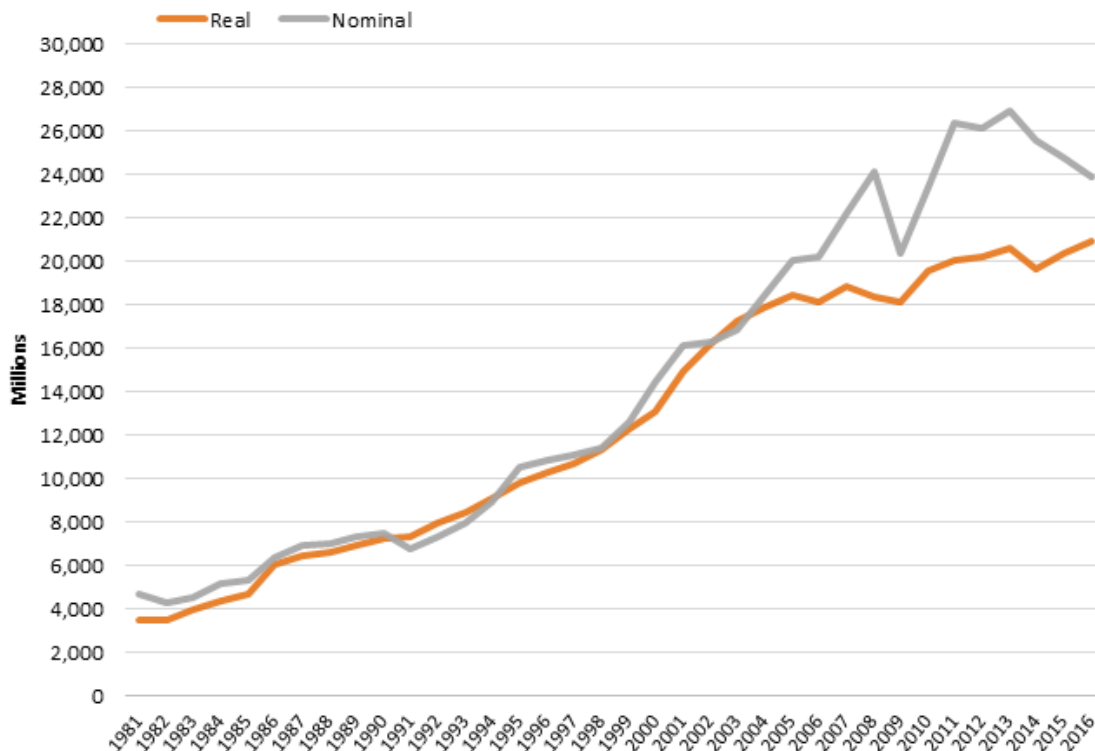
What This Means

Overall, the value of New Brunswick’s exports has drastically increased since 1981, though the province saw decreases following the loss of forest products, pulp, and paper in 2006 and in 2014 (see Figure 1). There has been an upward trend in the value of exports since 2014; however, although positive, this trend is one of slow growth and fluctuating value. While the increasing value of exports from 1981 to 2016 suggests that New Brunswick's annual export value will continue to grow, it is difficult to determine whether the rate of growth will accelerate or remain gradual.

DEEP DIVE

New Brunswick’s total export value increased steadily after 2004 when converted to real value (2017 constant dollars), whereas nominal values increased vigorously due to inflation (see Figure 2).

Figure 2: Interprovincial and International Exports, Real and Nominal Values (millions, 2017 constant dollars)



**Interprovincial and International Exports (Dollars x 1,000,000)*

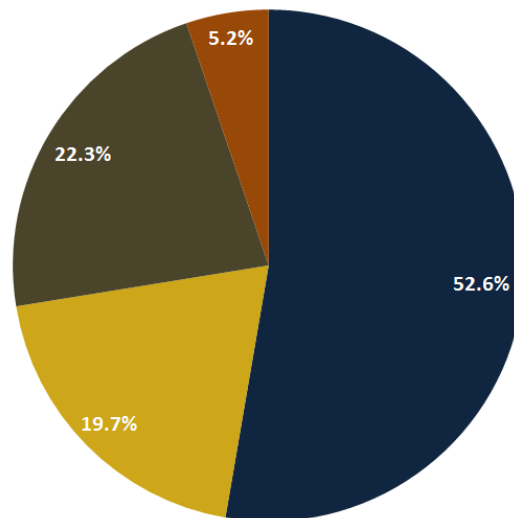
Data: Figure 2	Real Chained (2017) dollars	Nominal Current prices
1981	\$4,652	\$4,652
1982	\$4,241	\$4,241
1983	\$4,494	\$4,494
1984	\$5,193	\$5,193
1985	\$3,500	\$5,310
1986	\$3,472	\$6,337
1987	\$3,963	\$6,882
1988	\$4,389	\$7,017
1989	\$4,695	\$7,315
1990	\$6,062	\$7,465
1991	\$6,431	\$6,726
1992	\$6,574	\$7,328
1993	\$6,881	\$7,918
1994	\$7,234	\$8,915
1995	\$7,282	\$10,549
1996	\$7,928	\$10,860
1997	\$8,431	\$11,096
1998	\$9,094	\$11,411
1999	\$9,765	\$12,597
2000	\$10,274	\$14,464
2001	\$10,672	\$16,117
2002	\$11,355	\$16,272
2003	\$12,239	\$16,835
2004	\$13,041	\$18,445
2005	\$14,944	\$20,072
2006	\$16,202	\$20,190
2007	\$17,269	\$22,193
2008	\$17,912	\$24,143

2009	\$18,411	\$20,376
2010	\$18,081	\$23,379
2011	\$18,828	\$26,333
2012	\$18,347	\$26,086
2013	\$18,084	\$26,890
2014	\$19,537	\$25,556
2015	\$20,010	\$24,783
2016	\$20,227	\$23,849

Source: Statistics Canada, CANSIM Table 384-0038: Gross domestic product, expenditure-based, provincial and territorial, annual (dollars unless otherwise noted); Statistics Canada, CANSIM Table 326-0021: Consumer Price Index, annual average, not seasonally adjusted

In 2016, goods exported to foreign countries accounted for just over half of the value of New Brunswick’s total exports, and goods exported to other Canadian provinces accounted for just under a quarter. Collectively, international and interprovincial service exports accounted for just over a quarter of the total value (see Figure 3).

Figure 3: Pie Chart of Exports by Type and Destination, NB (2016)

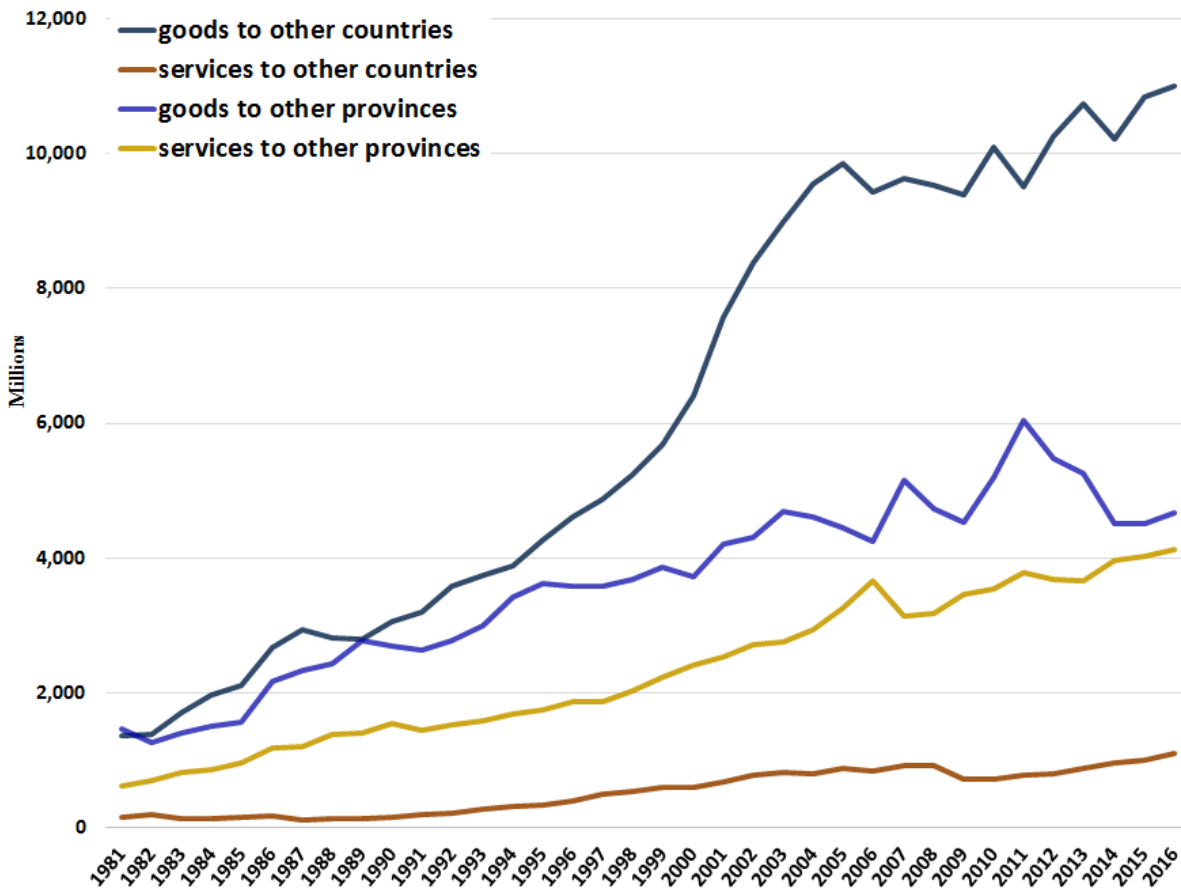


Data: Figure 2	PERCENTAGE OF TOTAL VALUE - NB
Exports of goods to other countries	52.6%
Exports of services to other countries	5.2%
Exports of goods to other provinces	22.3%
Exports of services to other provinces	19.7%

Source: Statistics Canada, CANSIM Table 384-0038: Gross domestic product, expenditure-based, provincial and territorial, annual (dollars unless otherwise noted)

Although goods continue to account for most of the total dollar-value of New Brunswick’s exports, the service sector has been a much steadier source of growth since the early 2000s. From 2000 to 2016, the value of goods exported to other provinces declined by 6.9%, whereas the value of goods exported to other countries grew by 27.4%. On the other hand, the value of service exports to other provinces rose by 27.4%, and the value of services exported to other countries increased by 36.5%. While the goods and services sectors have both seen a net increase in value, the valuation of goods experienced growth *and* decline, whereas services saw only growth. However, despite this large increase in the service sector, the value of exported goods in 2016 was still higher than the value of services (see Figure 4).

Figure 4: Exports by Type and Destination (in millions, 2017 constant dollars)



**Exports by Type and Destination (Dollars x 1,000,000)
(Constant price: 2017 = 100)*

Data: Figure 4	GOODS TO OTHER COUNTRIES	SERVICES TO OTHER COUNTRIES	GOODS TO OTHER PROVINCES	SERVICES TO OTHER PROVINCES
1981	\$1,356	\$149	\$1,456	\$622
1982	\$1,382	\$182	\$1,266	\$703
1983	\$1,694	\$130	\$1,394	\$816
1984	\$1,958	\$138	\$1,504	\$858
1985	\$2,113	\$143	\$1,551	\$959
1986	\$2,670	\$161	\$2,174	\$1,175

1987	\$2,939	\$107	\$2,327	\$1,200
1988	\$2,812	\$123	\$2,419	\$1,387
1989	\$2,798	\$135	\$2,768	\$1,403
1990	\$3,047	\$151	\$2,681	\$1,543
1991	\$3,198	\$179	\$2,623	\$1,442
1992	\$3,578	\$210	\$2,778	\$1,518
1993	\$3,750	\$262	\$3,002	\$1,575
1994	\$3,873	\$306	\$3,418	\$1,686
1995	\$4,270	\$324	\$3,614	\$1,745
1996	\$4,599	\$395	\$3,573	\$1,867
1997	\$4,864	\$488	\$3,572	\$1,870
1998	\$5,230	\$528	\$3,681	\$2,033
1999	\$5,679	\$590	\$3,856	\$2,226
2000	\$6,410	\$596	\$3,711	\$2,402
2001	\$7,579	\$663	\$4,208	\$2,532
2002	\$8,393	\$775	\$4,309	\$2,707
2003	\$8,984	\$820	\$4,682	\$2,758
2004	\$9,551	\$795	\$4,612	\$2,930
2005	\$9,847	\$866	\$4,437	\$3,260
2006	\$9,440	\$839	\$4,238	\$3,661
2007	\$9,635	\$906	\$5,151	\$3,135
2008	\$9,528	\$915	\$4,726	\$3,179
2009	\$9,398	\$707	\$4,522	\$3,456
2010	\$10,098	\$711	\$5,202	\$3,539
2011	\$9,520	\$765	\$6,041	\$3,772
2012	\$10,260	\$797	\$5,478	\$3,690
2013	\$10,745	\$864	\$5,263	\$3,654
2014	\$10,228	\$946	\$4,509	\$3,953
2015	\$10,838	\$986	\$4,512	\$4,015
2016	\$11,005	\$1,096	\$4,660	\$4,124

Source: Statistics Canada, CANSIM Table 384-0038: Gross domestic product, expenditure-based, provincial and territorial, annual (dollars unless otherwise noted); Statistics Canada, CANSIM Table 326-0021: Consumer Price Index, annual average, not seasonally adjusted

The total value of New Brunswick's international goods exports has been steadily increasing since the early 2000s, but there have been notable shifts in the types of commodities being exported (see Table 1). Forestry products and building and packaging materials saw a slow annual increase in value from 2000 to 2017 (only 0.91%), but the province experienced significant growth in its largest merchandise export categories: basic and industrial chemicals, plastic and rubber products, and energy products. Although the export value of basic

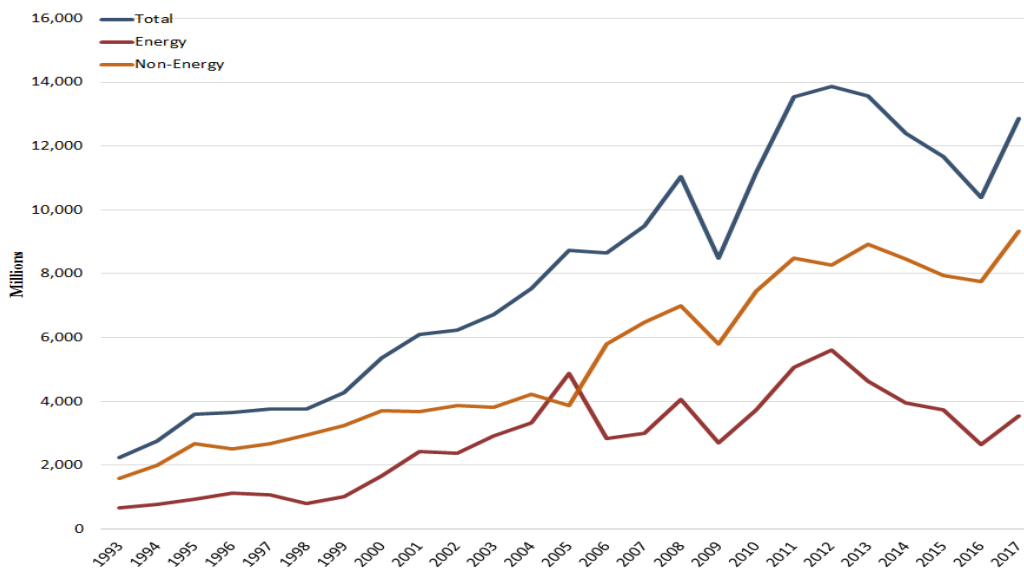
and industrial chemicals and plastic and rubber products declined between 2013 and 2016, it increased between 2016 and 2017, and their total value has multiplied more than 78 times since 2000. Looking forward, it is likely that New Brunswick will see a positive trend in export growth rates, particularly in non-energy exports, though it is possible this growth may increase at a slower (albeit more stable) pace than the average 2000-2017 rates

Commodity	Value (millions)	Share of total (%)	2000-2017 average annual growth
Basic and Industrial Chemicals, Plastic and Rubber Products	\$3,963.1	30.8%	46.36%
Energy Products	\$3,537.9	27.5%	8.55%
Forestry Products and Building and Packaging Materials	\$2,278.5	17.7%	0.91%
Consumer Goods	\$1,763.4	13.7 %	5.45%
Sub-Total	\$11,542.9	89.7%	6.45%
Total	\$12,872.5	100%	6.19%

Source: Statistics Canada, CANSIM Table 228-0060: Merchandise imports and domestic exports, customs-based, by North American Product Classification System (NAPCS), Canada, provinces and territories, monthly (dollars x 1,000,000); Statistics Canada, CANSIM Table 326-0021: Consumer Price Index, annual average, not seasonally adjusted

Although the total value of non-energy exports is significantly greater than that of energy exports, both industry sectors followed a similar positive trend of growth until 2005, when the energy export sector saw a sharp decline. The total value of New Brunswick's exports was hampered by this change and has been fluctuating ever since, though it still exhibits overall growth.

Figure 5: International Merchandise Exports (in millions, 2017 constant dollars)



**International Merchandise Exports (Dollars x 1,000,000)
(Constant price: 2017 = 100)*

Data: Figure 5	TOTAL (millions)	ENERGY (millions)	NON-ENERGY (millions)
1993	\$2,235.63	\$660.87	\$1,574.76
1994	\$2,766.61	\$778.93	\$1,987.68
1995	\$3,601.52	\$939.59	\$2,661.93
1996	\$3,639.63	\$1,118.26	\$2,521.37
1997	\$3,756.94	\$1,083.47	\$2,673.47
1998	\$3,769.84	\$812.43	\$2,957.41
1999	\$4,271.98	\$1,017.73	\$3,254.25
2000	\$5,365.76	\$1,657.65	\$3,708.10
2001	\$6,102.38	\$2,433.94	\$3,668.44
2002	\$6,223.93	\$2,362.35	\$3,861.59
2003	\$6,713.59	\$2,911.36	\$3,802.24
2004	\$7,545.92	\$3,333.85	\$4,212.07
2005	\$8,740.98	\$4,869.59	\$3,871.39
2006	\$8,637.54	\$2,836.54	\$5,801.00
2007	\$9,486.37	\$3,001.88	\$6,484.50
2008	\$11,050.98	\$4,069.16	\$6,981.82
2009	\$8,499.70	\$2,692.51	\$5,807.19
2010	\$11,188.77	\$3,724.97	\$7,463.80
2011	\$13,527.16	\$5,052.80	\$8,474.36

2012	\$13,857.60	\$5,598.14	\$8,259.46
2013	\$13,555.97	\$4,621.41	\$8,934.56
2014	\$12,396.01	\$3,940.43	\$8,455.58
2015	\$11,670.42	\$3,725.87	\$7,944.55
2016	\$10,399.15	\$2,644.13	\$7,755.03
2017	\$12,872.50	\$3,537.90	\$9,334.60

Source: Statistics Canada, CANSIM Table 228-0060: Merchandise imports and domestic exports, customs-based, by North American Product Classification System (NAPCS), Canada, provinces and territories, monthly (dollars x 1,000,000); Statistics Canada, CANSIM Table 326-0021: Consumer Price Index, annual average, not seasonally adjusted

Changes to the Indicator, Baseline, or Target:

- Because the suggested goal assumes to measure exports in real 2017 dollars (as opposed to current prices), the chained 2002 dollar has been re-indexed to the chained 2017 dollar to reflect 2017 purchasing power.