

## GOAL 0: GDP GROWTH

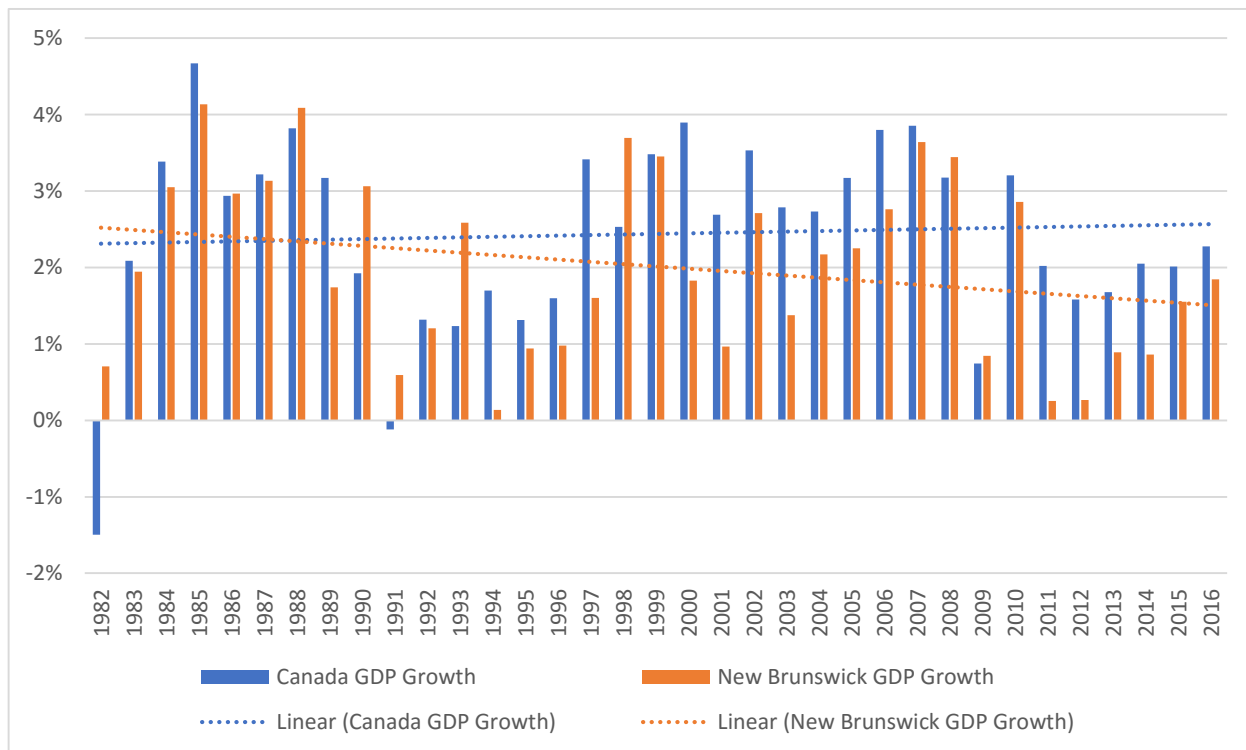
**By 2028, New Brunswick will experience an upward trend that returns its GDP growth rate to 2008 levels.**

**Status: NOT PROGRESSING**

### Current Situation

New Brunswick did not experience any declines in GDP during the 1982-2016 study period, though the rate of GDP growth has fluctuated drastically over the past thirty-five years. GDP growth for the province peaked in 1985 with a growth rate of 4.13%, and it was at its lowest in 1994, with a rate of 0.14%. New Brunswick more recently experienced a period of extremely slow growth beginning in 2010, shortly after the 2008 recession. The province appears to be recovering, however, and GDP growth showed a positive trend from 2011 to 2016. Nonetheless, data shows that from 1982 onward, the linear growth of Canada's GDP has been accelerating, whereas the linear growth of New Brunswick's GDP has been slowing down. For New Brunswick's economy to remain competitive on a national scale, it should attempt to achieve and surpass pre-recession growth rates by 2028.

**Figure 1: Annual GDP Growth (Canada and NB)**



Data: Figure 1	Canada GDP Growth	New Brunswick GDP Growth
1982	-1.50%	0.71%
1983	2.09%	1.94%
1984	3.39%	3.05%
1985	4.67%	4.13%
1986	2.94%	2.97%
1987	3.22%	3.13%
1988	3.82%	4.09%
1989	3.17%	1.74%
1990	1.92%	3.06%
1991	-0.12%	0.59%
1992	1.32%	1.20%
1993	1.23%	2.58%
1994	1.70%	0.14%
1995	1.31%	0.94%
1996	1.60%	0.98%
1997	3.42%	1.60%
1998	2.53%	3.69%
1999	3.48%	3.45%
2000	3.90%	1.83%
2001	2.69%	0.96%
2002	3.53%	2.71%
2003	2.79%	1.38%
2004	2.73%	2.17%
2005	3.17%	2.25%
2006	3.80%	2.76%
2007	3.85%	3.64%
2008	3.18%	3.44%
2009	0.74%	0.84%
2010	3.21%	2.86%
2011	2.02%	0.25%
2012	1.58%	0.27%
2013	1.68%	0.89%
2014	2.05%	0.86%
2015	2.01%	1.55%
2016	2.28%	1.85%

Source: Statistics Canada, CANSIM Table 36-10-0222-01 (formerly CANSIM 384-0038): Gross domestic product, expenditure-based, provincial and territorial

### What This Means

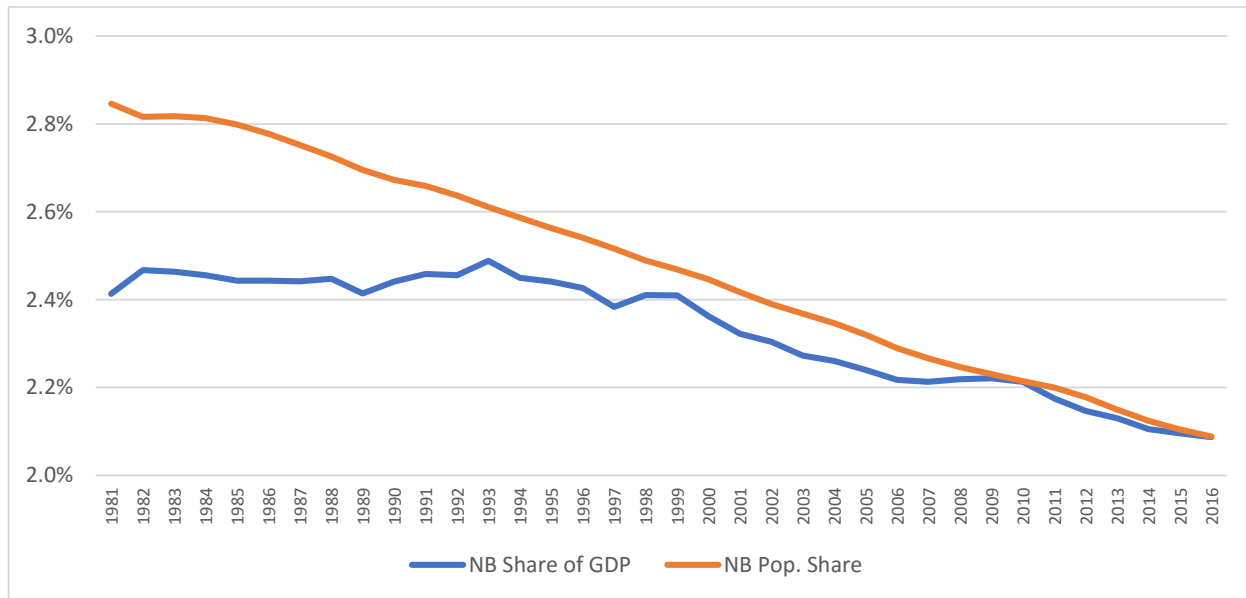
From 1982 to 2016, the linear growth rate of New Brunswick's GDP showed a downward slope. If this trend continues, the New Brunswick economy will eventually reach a state of stagnation, and GDP could start to decrease. The recession of 2008 appears to have accelerated this process, and New Brunswick must reverse this trend (preferably by 2028) if it is to maintain its economic relevance.

## DEEP DIVE

The effectiveness of New Brunswick’s labour force and economy is reflected by the size of its GDP in relation to the size of its population. For the New Brunswick economy to prove effective on the national scale, the percentage of Canada’s total GDP coming from New Brunswick should be equal to or greater than the percentage of the Canadian population living in the province.

New Brunswick’s GDP has been steadily increasing over the past thirty-five years; however, the rate of this growth has also been steadily decreasing. Most recently, in 2016, 2.09% of the population of Canada lived in New Brunswick, and the New Brunswick economy made up 2.09% of Canada’s total GDP. While the 2016 national GDP share and population share in New Brunswick were equal, both numbers were also the lowest of the study period.

**Figure 2: New Brunswick’s GDP and Population Share**



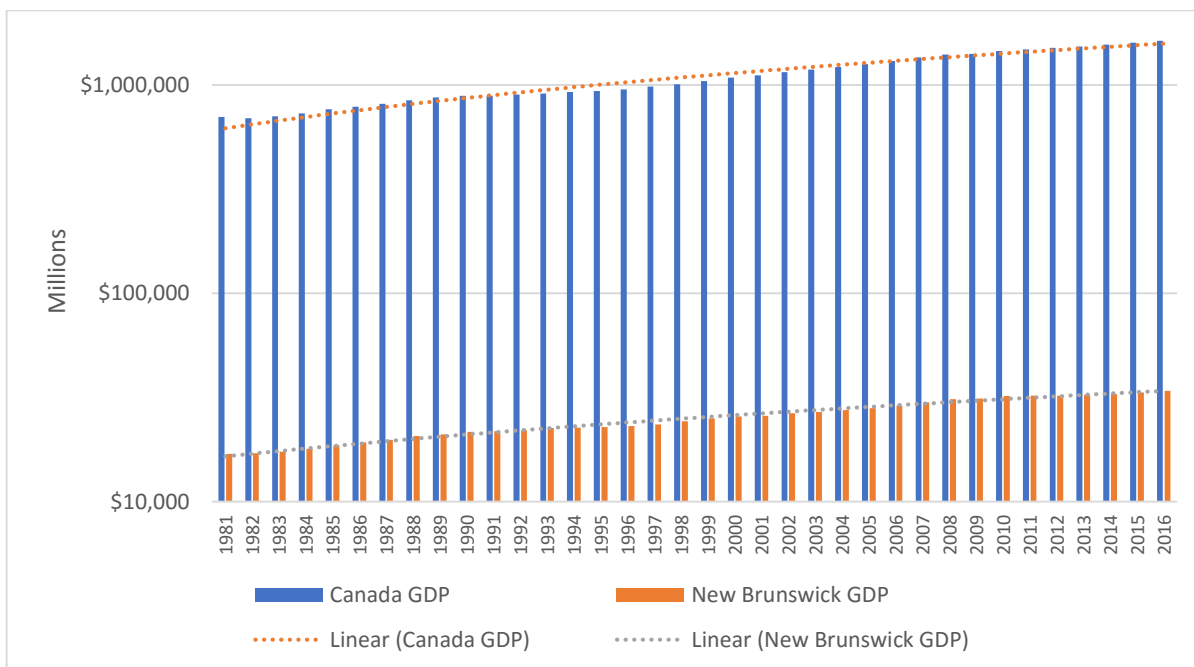
Data: Figure 2	NB - National GDP Share	NB – National Pop. Share
1981	2.41%	2.85%
1982	2.47%	2.82%
1983	2.46%	2.82%
1984	2.46%	2.81%
1985	2.44%	2.80%
1986	2.44%	2.78%
1987	2.44%	2.75%
1988	2.45%	2.73%
1989	2.41%	2.70%
1990	2.44%	2.67%
1991	2.46%	2.66%
1992	2.46%	2.64%
1993	2.49%	2.61%
1994	2.45%	2.59%
1995	2.44%	2.56%

1996	2.43%	2.54%
1997	2.38%	2.52%
1998	2.41%	2.49%
1999	2.41%	2.47%
2000	2.36%	2.45%
2001	2.32%	2.42%
2002	2.30%	2.39%
2003	2.27%	2.37%
2004	2.26%	2.35%
2005	2.24%	2.32%
2006	2.22%	2.29%
2007	2.21%	2.27%
2008	2.22%	2.25%
2009	2.22%	2.23%
2010	2.21%	2.21%
2011	2.17%	2.20%
2012	2.15%	2.18%
2013	2.13%	2.15%
2014	2.11%	2.12%
2015	2.10%	2.10%
2016	2.09%	2.09%

Source: Statistics Canada, CANSIM Table 36-10-0222-01 (formerly CANSIM 384-0038): Gross domestic product, expenditure-based, provincial and territorial, and CANSIM Table 051-0005: Estimates of population, Canada, provinces and territories, quarterly (persons) (1,2,3,6)

Canada has seen a relatively consistent trend of growth in its GDP since 1981, although the national GDP did shrink in 1982 and in 1991. New Brunswick's GDP has seen a similar long-running trend of growth, and unlike Canada, its GDP did not see negative growth once during the 1981/82-2016 study period.

**Figure 3: Annual Expenditure-Based GDP (adjusted, 2017 constant dollars)**

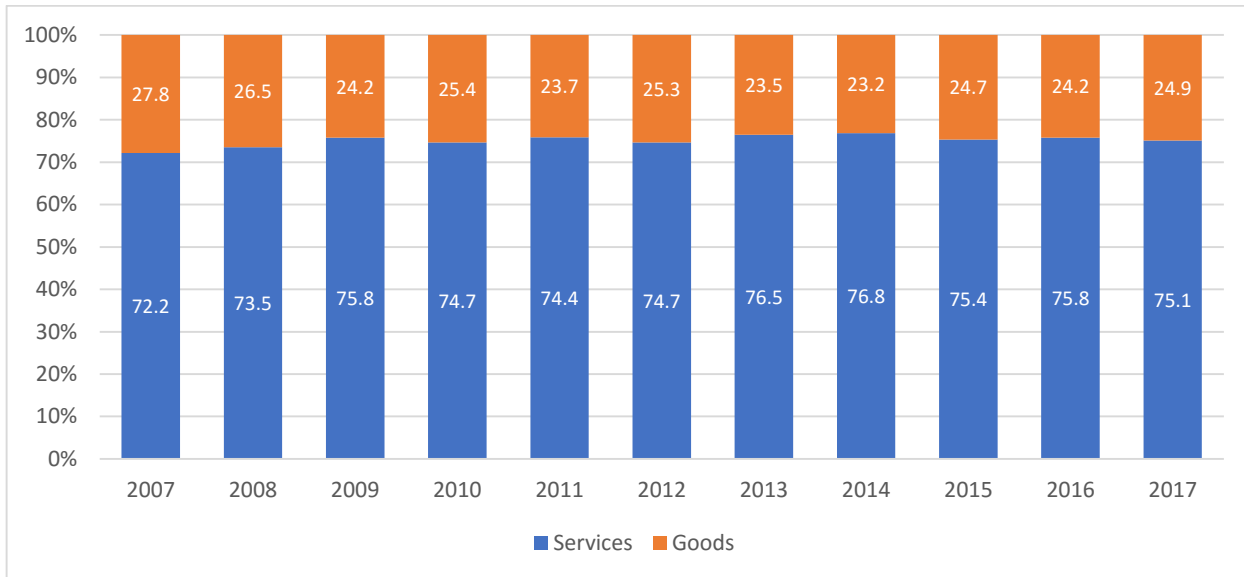


<b>Data:</b>	<b>Canada GDP</b>	<b>New Brunswick GDP</b>
<b>Figure 3</b>	<b>(millions, 2017 constant dollars)</b>	<b>(millions, 2017 constant dollars)</b>
1981	\$702,480	\$16,952
1982	\$691,978	\$17,072
1983	\$706,436	\$17,404
1984	\$730,360	\$17,934
1985	\$764,478	\$18,675
1986	\$786,945	\$19,229
1987	\$812,257	\$19,832
1988	\$843,306	\$20,642
1989	\$870,052	\$21,001
1990	\$886,784	\$21,645
1991	\$885,717	\$21,773
1992	\$897,384	\$22,035
1993	\$908,448	\$22,605
1994	\$923,887	\$22,635
1995	\$936,005	\$22,848
1996	\$950,949	\$23,072
1997	\$983,426	\$23,441
1998	\$1,008,302	\$24,307
1999	\$1,043,403	\$25,146
2000	\$1,084,077	\$25,606
2001	\$1,113,244	\$25,853
2002	\$1,152,560	\$26,554
2003	\$1,184,669	\$26,920
2004	\$1,217,016	\$27,505
2005	\$1,255,622	\$28,124
2006	\$1,303,319	\$28,900
2007	\$1,353,555	\$29,952
2008	\$1,396,547	\$30,984
2009	\$1,406,916	\$31,245
2010	\$1,452,022	\$32,138
2011	\$1,481,377	\$32,219
2012	\$1,504,771	\$32,305
2013	\$1,529,983	\$32,592
2014	\$1,561,349	\$32,872
2015	\$1,592,751	\$33,381
2016	\$1,629,013	\$33,998

Source: CANSIM Table 36-10-0222-01 (formerly CANSIM 384-0038): Gross domestic product, expenditure-based, provincial and territorial

Since 2007, the make-up of New Brunswick's GDP has been undergoing a minor shift away from goods-based industries and toward service-based industries. This could be due to a combination of the province's low property and utility costs and relatively low minimum wages, which may be incentivizing service-based businesses to operate in New Brunswick. Inversely, provincial regulations and high taxes may be deterring goods-based industries.

**Figure 4: GDP Breakdown, by Type of Industry (NB)**

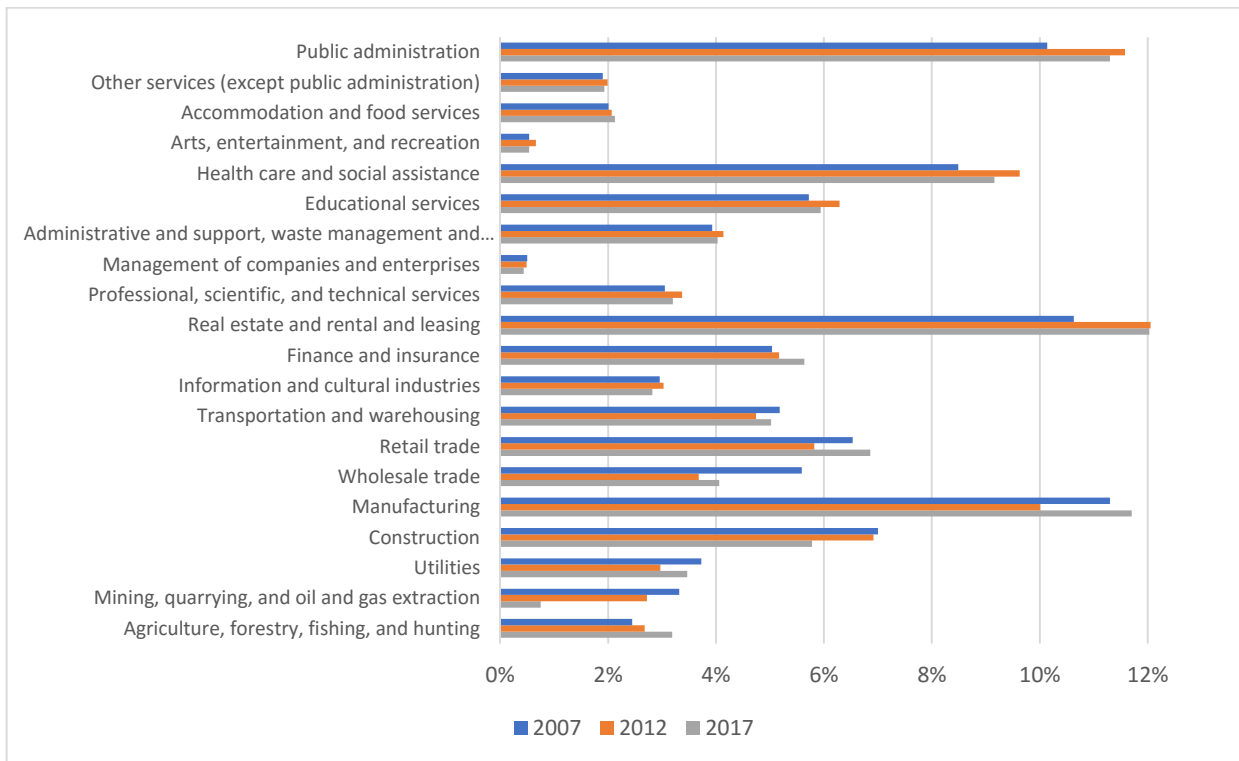


<b>Data: Figure 4</b>	<b>Services</b>	<b>Goods</b>
<b>2007</b>	72.20%	27.8%
<b>2008</b>	73.51%	26.49%
<b>2009</b>	75.81%	24.19%
<b>2010</b>	74.65%	25.35%
<b>2011</b>	74.35%	23.65%
<b>2012</b>	74.69%	25.31%
<b>2013</b>	76.47%	23.53%
<b>2014</b>	76.84%	23.16%
<b>2015</b>	75.35%	24.65%
<b>2016</b>	75.83%	24.17%
<b>2017</b>	75.10%	24.90%

Source: CANSIM Table 36-10-0400-01 (formerly CANSIM 379-0028): Gross domestic product (GDP) at basic prices, by industry, provinces

From 2007 to 2017, there was little fluctuation in various industries’ contributions to the provincial GDP. However, there are a few exceptions. New Brunswick has seen growth in public administration, health care and social assistance, and educational services, which indicates that the province’s public sector is continuing to grow. Meanwhile, decreases in the mining and construction industries signal a decline in the province’s private sector.

**Figure 5: New Brunswick Industries Contributing to GDP**



<b>Data: Figure 5</b>	<b>2007</b>	<b>2012</b>	<b>2017</b>
<b>Public administration</b>	10.14%	11.58%	11.3%
<b>Other services (except public administration)</b>	1.90%	1.99%	1.93%
<b>Accommodation and food services</b>	2.01%	2.07%	2.13%
<b>Arts, entertainment, and recreation</b>	0.54%	0.66%	0.54%
<b>Health care and social assistance</b>	8.49%	9.63%	9.16%
<b>Educational services</b>	5.72%	6.29%	5.94%
<b>Administrative and support, waste management and remediation services</b>	3.93%	4.14%	4.03%
<b>Management of companies and enterprises</b>	0.50%	0.49%	0.44%
<b>Professional, scientific, and technical services</b>	3.05%	3.37%	3.20%
<b>Real estate and rental and leasing</b>	10.63%	12.05%	12.03%
<b>Finance and insurance</b>	5.04%	5.17%	5.64%

<b>Information and cultural industries</b>	2.96%	3.03%	2.82%
<b>Transportation and warehousing</b>	5.18%	4.74%	5.02%
<b>Retail trade</b>	6.53%	5.82%	6.86%
<b>Wholesale trade</b>	5.59%	3.68%	4.06%
<b>Manufacturing</b>	11.3%	10.01%	11.70%
<b>Construction</b>	7.00%	6.92%	5.78%
<b>Utilities</b>	3.73%	2.97%	3.47%
<b>Mining, quarrying, and oil and gas extraction</b>	3.32%	2.72%	0.75%
<b>Agriculture, forestry, fishing, and hunting</b>	2.45%	2.68%	3.19%
<b>Total GDP*</b>	100.01%	100.01%	99.99%

Source: Statistics Canada, CANSIM Table 36-10-0400-01 (formerly CANSIM 379-0028): Gross domestic product (GDP) at basic prices, by industry, provinces

\*Under "Total GDP," the slight variances from 100%, are due to rounding errors.

## Sources

- *OneNS.ca*
- Statistics Canada
  - CANSIM Table 36-10-0222-01 (formerly CANSIM 384-0038): Gross domestic product, expenditure-based, provincial and territorial,
  - CANSIM Table 36-10-0400-01 (formerly CANSIM 379-0028): Gross domestic product (GDP) at basic prices, by industry, provinces
  - CANSIM Table 051-0005: Estimates of population, Canada, provinces and territories, quarterly (persons) (1,2,3,6)