

GOAL 6: FIRMS PARTICIPATING IN FOREIGN EXPORT TRADE

BY 2028, NEW BRUNSWICK WILL HAVE AT LEAST 1,080 FIRMS PARTICIPATING IN FOREIGN EXPORT TRADE.



STATUS: NOT PROGRESSING



Overview

Problem

Over the last decade, there has been a minor variation in the number of New Brunswick businesses participating in foreign markets.

Cause

The province has not seen any clear, long-term upward or downward trends between 2012 and 2019, during which amounts fluctuated only slightly.

Importance

Foreign export trade both grows New Brunswick's economy and expands the global market. The greater New Brunswick exports, the greater the production, jobs, and revenue. This leads to a higher GDP, increasing the wealth of the province.

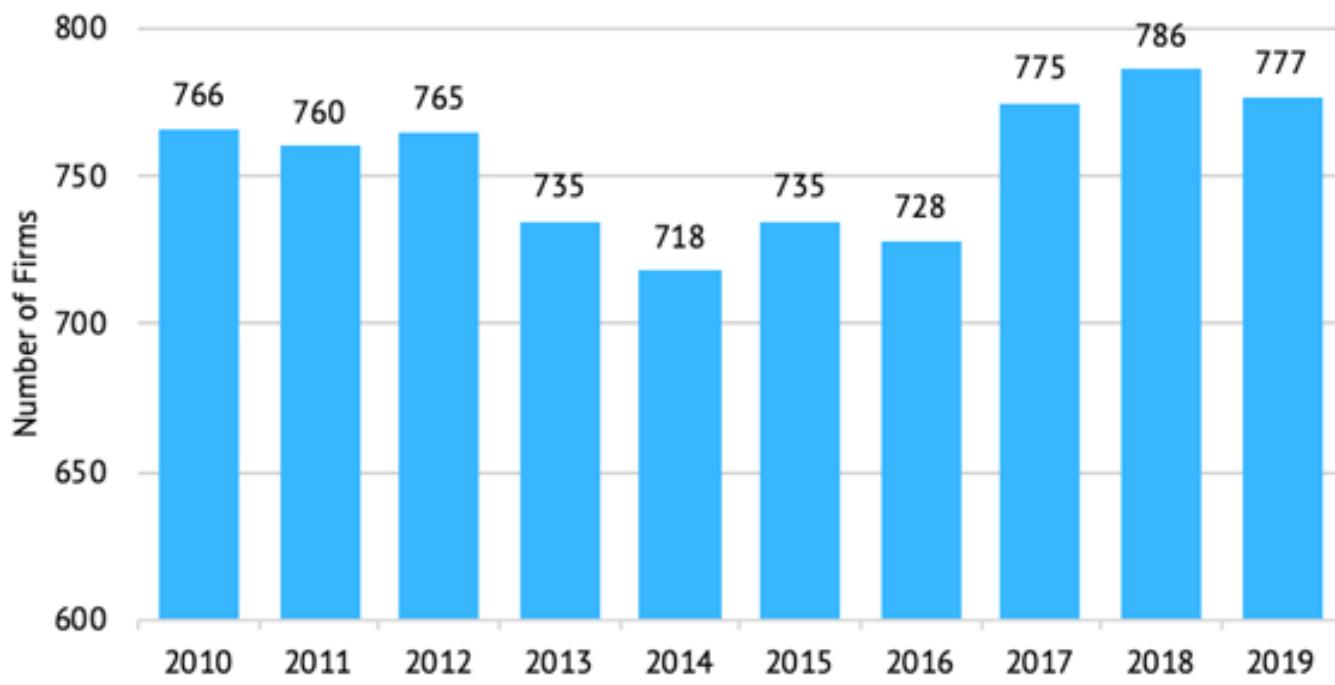
Recommendation

As outlined in OneNS, Nova Scotia has set a goal to increase the number of firms participating in international export trade by 50% of its 2012 total. If New Brunswick adopts a similar strategy and uses 2014 as a baseline year, the province would aim to increase the number of firms from 718 (the 2014 total) to 1,080 by 2028.

In the Numbers: Export Trade in New Brunswick

The suggested 2014 baseline (718 firms) reflects the lowest number of New Brunswick firms participating in foreign export trade this decade. As shown in Figure 1, the province saw a decrease from 786 firms in 2018 to 777 in 2019. This is because the total dollar value of New Brunswick exports has been decreasing since 2012. The number of exporting firms has only fluctuated slightly since 2010. Currently, New Brunswick is not on track to meet the suggested target of 1,080 firms participating in foreign export trade by the year 2028.

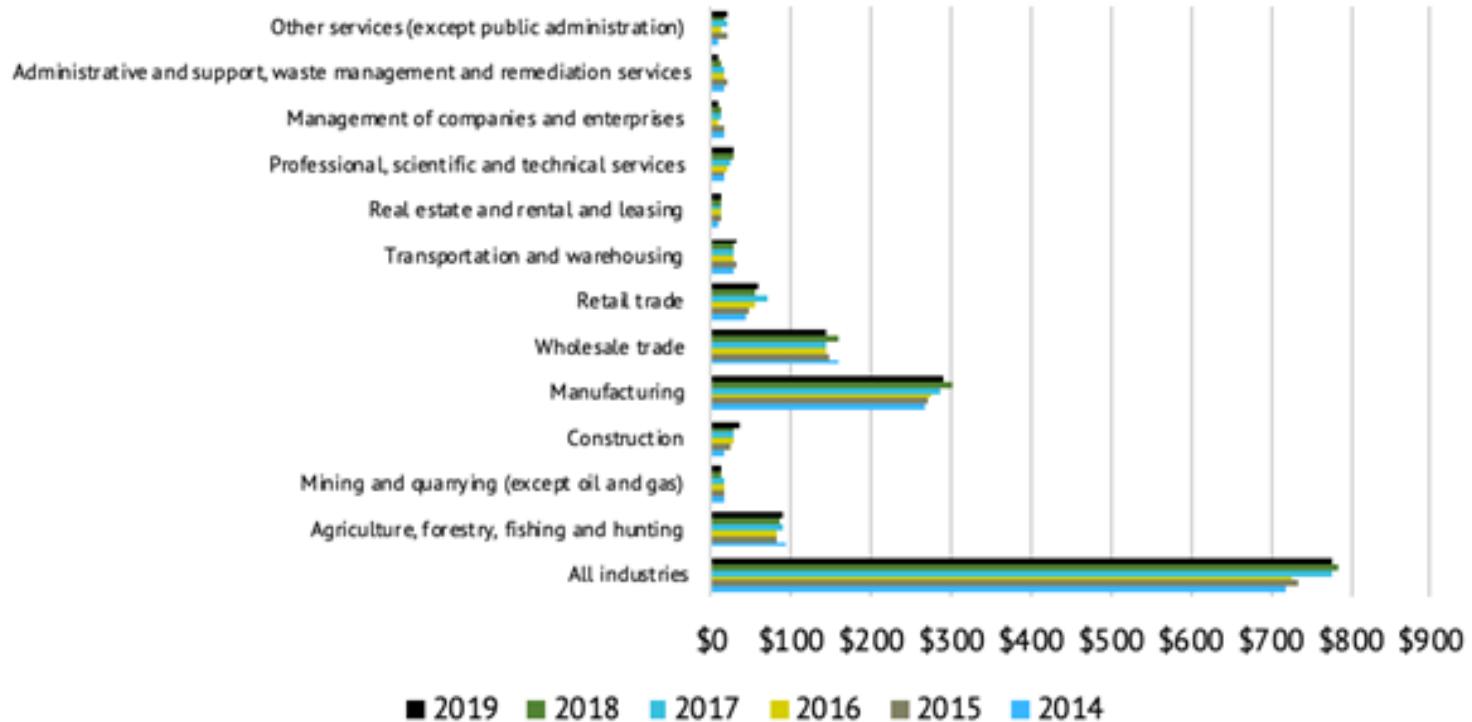
Figure 1: New Brunswick Firms Participating in Export Trade



(See full data set in Appendix A)

As seen from Figure 2, the majority of New Brunswick establishments involved in international exports fall into the production categories of manufacturing and agriculture, forestry, fishing, and hunting, as well as service industries, such as wholesale trade.

Figure 2: Number of Exporting Establishments (NB) by Industry



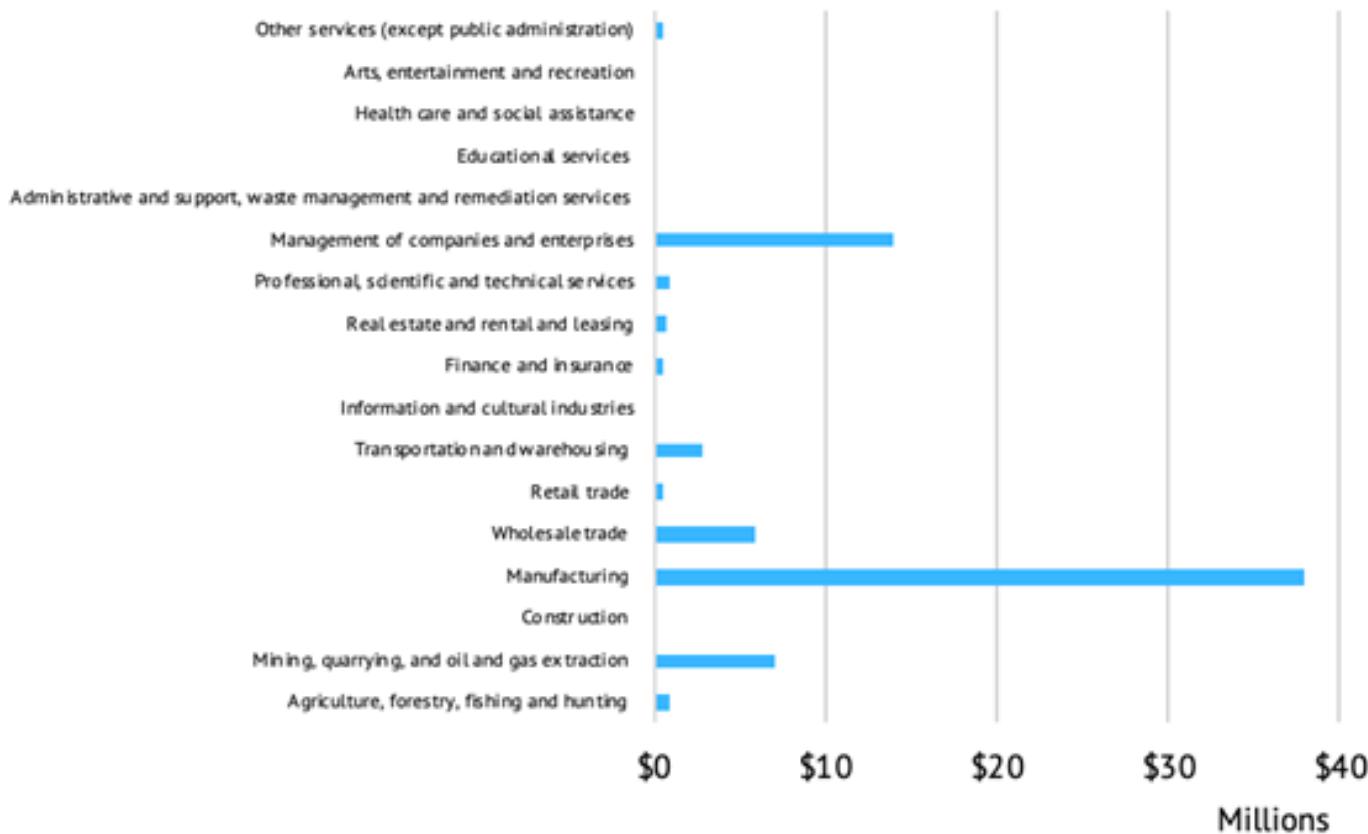
(See full data set in Appendix A)

A Closer Look:

Manufacturing Export Trade in New Brunswick

The manufacturing industry accounted for 88% of the value of New Brunswick's merchandise exports in 2019, bringing in \$37.9 million dollars and producing the largest value per exporting establishment in the province. This is shown in Figure 3. After manufacturing, the largest value of exports per establishment came from the management of companies and enterprises industry, which produced \$13.9 million per establishment. However, the high value per establishment in the utilities industry is due to the small number of firms sharing the large profit. Altogether, manufacturing, wholesale trade, and utilities were responsible for 96% of the value of New Brunswick's exports in 2019, and they represent 57% of the province's exporting establishments.

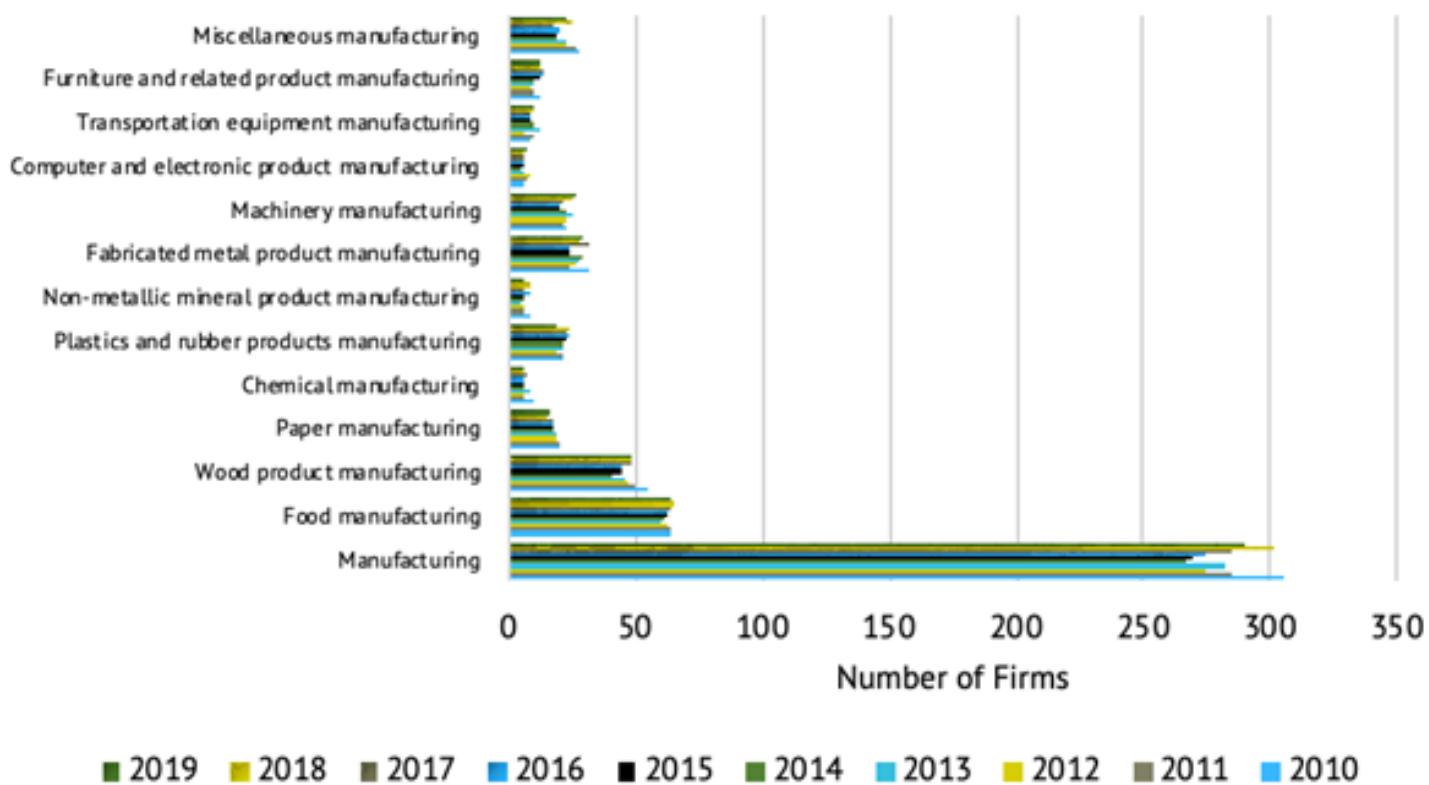
Figure 3: Value of Exports per Establishment (2019)



(See full data set in Appendix B)

As displayed in Figure 4, within the manufacturing sector, food manufacturing firms comprised the largest number of establishments exporting merchandise from New Brunswick in 2019. This follows a regional trend, as Nova Scotia's food manufacturing establishments also make up the bulk of the province's export businesses. There appears to have been a notable decline in the number of exporting firms after 2010, and in 2019 the number of exporting firms was still slightly lower than in 2010 but has mostly returned to normal.

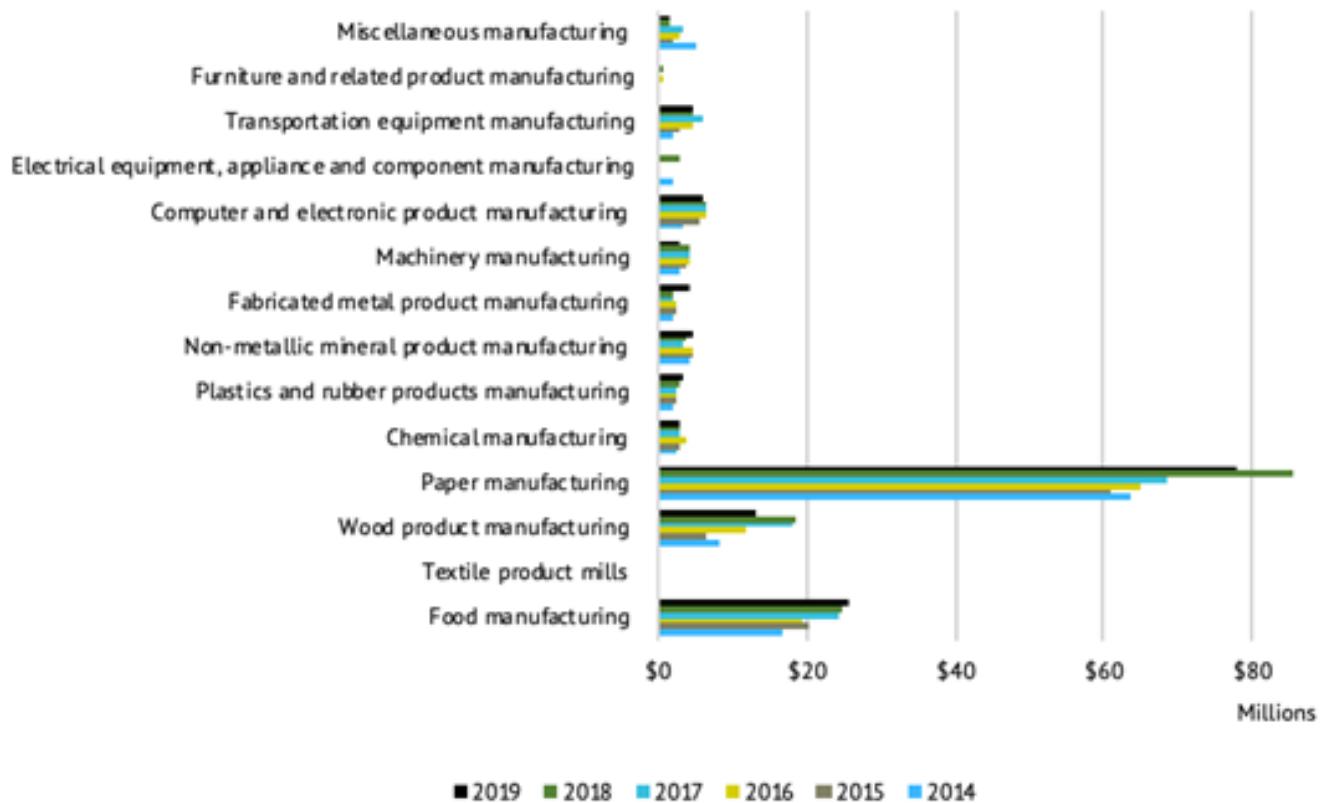
Figure 4: Number of Manufacturing Export Establishments (NB), by Sub-Sector



(See full data set in Appendix B)

Within the manufacturing sub-sector of foreign export businesses, the food and paper manufacturing industries had the highest value of exports per establishment within New Brunswick in 2019. As shown in Figure 5, paper manufacturing saw a significant increase in its value per establishment compared to 2018. This was caused by an increase in the total value of exports, but also by a decrease in the number of exporting firms within the sector.

Figure 5: Value of Exports per Establishment (NB), by Manufacturing Sub-Sector in 2019

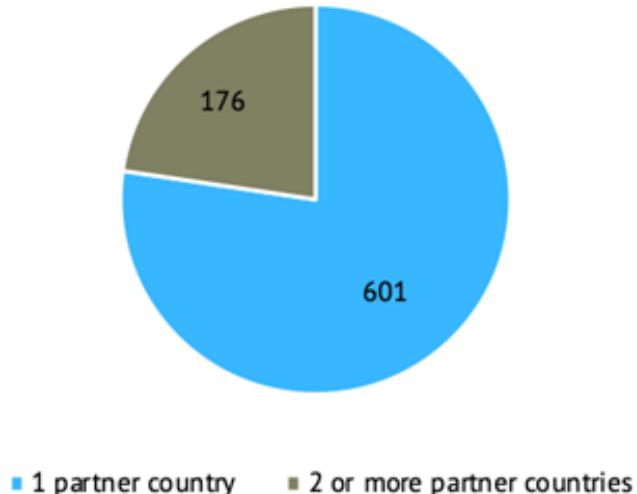


(See full data set in Appendix B)

Exporting Industries by Country

As shown in Figure 6, of the 777 New Brunswick businesses participating in international trade in 2019, roughly 77% of them exported to only one country.

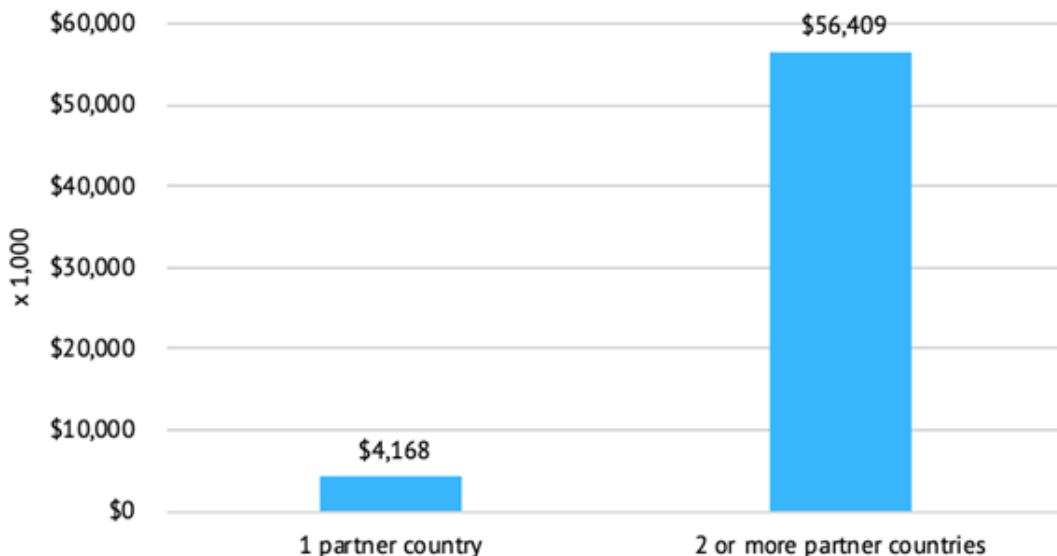
Figure 6: Number of Exporting Establishments (NB), by Receiving Countries in 2019



(See full data set in Appendix C)

Establishments that diversified their partnerships and shipped to multiple countries produced more value. The 176 establishments that exported merchandise to two or more partner countries produced 80% of New Brunswick's \$12 million export value, despite making up only 23% of the province's export establishments. These numbers demonstrate the economic advantage of exporting to multiple locations and participating in international trade, as both factors have the potential to assist the growth of the province's GDP and its international trade balance. This can be seen in Figure 7.

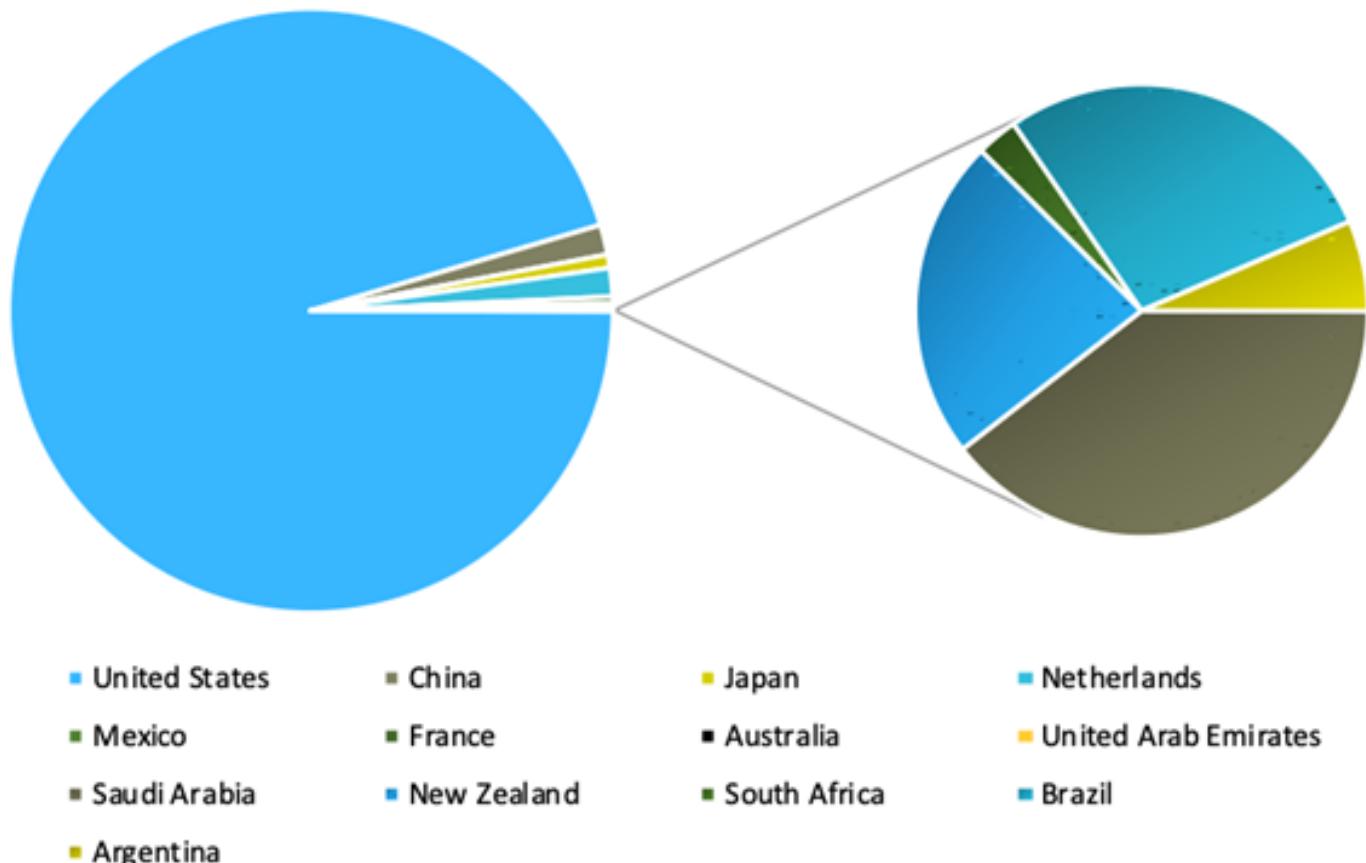
Figure 7: Value per Establishment (NB), by Number of Partner Countries in 2019



(See full data set in Appendix C)

As depicted in Figure 8, the primary destination for New Brunswick's exports is the United States. In 2019, the United States received 89% of all the province's international merchandise exports, with products coming from 659 New Brunswick establishments. The number of exporting establishments to the US remained unchanged from last year, but the province has seen growth in the number of firms exporting internationally.

Figure 8: New Brunswick's 10 Largest Export Destinations (2019)



(See full data set in Appendix C)

Summary

Foreign export trade grows New Brunswick's economy and also expands the global market. As New Brunswick's exports increase, this leads to greater production values, increased variety of vacant jobs, and more provincial revenue. This in turn contributes to a higher GDP, increasing the wealth of the province. This goal has not been progressing in recent years, as it has not shown any progress since 2012. New Brunswick should take action to improve foreign export trade through developing industrial bases, endorsing export-oriented goods, and providing incentives to exporting.

Appendix A

New Brunswick Firms Participating in Export Trade

| Year | Number of exporting establishments in NB |
|------|--|
| 2010 | 766 |
| 2011 | 760 |
| 2012 | 765 |
| 2013 | 735 |
| 2014 | 718 |
| 2015 | 735 |
| 2016 | 728 |
| 2017 | 775 |
| 2018 | 786 |
| 2019 | 777 |

Source: Statistics Canada, Table 12-10-0104-01 (formerly CANSIM 228-0079)

Number of Exporting Establishments (NB) by Industry

| Industry | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|------|------|------|------|------|
| All industries | 718 | 735 | 728 | 775 | 786 | 777 |
| Agriculture, forestry, fishing and hunting | 93 | 81 | 83 | 88 | 87 | 91 |
| Mining and quarrying (except oil and gas) | 17 | 16 | 16 | 16 | 14 | 14 |
| Construction | 17 | 22 | 28 | 27 | 26 | 37 |
| Manufacturing | 267 | 269 | 274 | 285 | 301 | 290 |
| Wholesale trade | 158 | 149 | 144 | 145 | 159 | 143 |
| Retail trade | 42 | 45 | 53 | 71 | 56 | 60 |
| Transportation and warehousing | 29 | 30 | 26 | 27 | 29 | 33 |
| Real estate and rental and leasing | 9 | 11 | 11 | 12 | 11 | 11 |
| Professional, scientific and technical services | 17 | 17 | 21 | 24 | 27 | 26 |
| Management of companies and enterprises | 16 | 17 | 10 | 13 | 11 | 7 |
| Administrative and support, waste management and remediation services | 16 | 18 | 15 | 17 | 14 | 10 |
| Other services (except public administration) | 10 | 20 | 14 | 19 | 17 | 19 |

Source: Statistics Canada, Table 12-10-0098-01 (formerly CANSIM 228-0077)

*Statistics Canada has deemed the number of certain establishments unreliable; therefore, many have been omitted.

**The total number of exporting establishments does not equal the sum of all establishments from each industry, as certain counts have been omitted.

Appendix B

Value of Exports per Establishment (2019) (\$)

| Industry | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------------|------------|------------|------------|------------|------------|
| Agriculture, forestry, fishing and hunting | 3,652,355 | 5,165,840 | 5,894,301 | 1,088,432 | 1,534,632 | 876,703 |
| Mining, quarrying, and oil and gas extraction | 14,640,667 | 24,676,722 | 2,811,250 | 6,050,667 | 3,506,563 | 7,110,944 |
| Construction | 400,765 | 278,227 | 349,964 | 230,556 | 273,154 | 230,784 |
| Manufacturing | 40,542,015 | 35,570,071 | 32,245,493 | 39,564,589 | 36,990,973 | 37,915,652 |
| Wholesale trade | 2,424,373 | 2,417,872 | 2,921,229 | 4,031,593 | 3,824,975 | 5,824,503 |
| Retail trade | 255,024 | 508,400 | 695,849 | 375,930 | 476,143 | 528,650 |
| Transportation and warehousing | 1,660,517 | 3,011,333 | 2,572,962 | 2,529,074 | 9,153,931 | 2,781,939 |
| Information and cultural industries | 229,000 | 12,264,333 | 791,500 | 274,400 | 657,000 | 58,200 |
| Finance and insurance | 1,720,000 | 845,286 | 1,265,667 | 1,864,200 | 349,000 | 538,000 |
| Real estate and rental and leasing | 503,444 | 450,727 | 378,545 | 399,250 | 995,727 | 668,636 |
| Professional, scientific and technical services | 471,647 | 660,471 | 504,048 | 725,500 | 535,074 | 950,115 |
| Management of companies and enterprises | 21,142,250 | 19,381,529 | 18,381,300 | 13,328,231 | 14,814,818 | 13,938,429 |
| Administrative and support, waste management and remediation services | 2,345,438 | 349,667 | 192,000 | 99,941 | 97,143 | 231,500 |
| Educational services | - | 42,333 | - | - | 20,250 | - |
| Health care and social assistance | - | - | 12,000 | 11,667 | 59,750 | 83,667 |
| Arts, entertainment and recreation | 82,000 | 155,500 | 84,000 | 99,667 | 83,200 | 84,600 |
| Other services (except public administration) | 715,500 | 343,900 | 1,728,286 | 312,684 | 370,235 | 571,737 |

Source: Statistics Canada, Table 12-10-0098-01 (formerly CANSIM 228-0077)

*Statistics Canada has deemed the number of certain establishments unreliable; therefore, value per establishment has been omitted.

Appendix B... Countinued

Number of Manufacturing Export Establishments (NB), by Sub-Sector

| Industry | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------|------|------|------|------|------|------|------|------|------|
| Manufacturing | 305 | 285 | 275 | 282 | 267 | 269 | 274 | 285 | 301 | 290 |
| Food manufacturing | 64 | 64 | 63 | 60 | 61 | 63 | 62 | 64 | 65 | 64 |
| Wood product manufacturing | 55 | 49 | 47 | 46 | 40 | 44 | 45 | 48 | 48 | 48 |
| Paper manufacturing | 20 | 20 | 19 | 19 | 17 | 18 | 17 | 17 | 15 | 16 |
| Chemical manufacturing | 10 | 6 | 6 | 8 | 6 | 6 | 6 | 7 | 6 | 6 |
| Plastics and rubber products manufacturing | 21 | 21 | 19 | 21 | 21 | 22 | 24 | 23 | 24 | 19 |
| Non-metallic mineral product manufacturing | 8 | 6 | 6 | 5 | 6 | 6 | 8 | 6 | 8 | 6 |
| Fabricated metal product manufacturing | 31 | 24 | 26 | 28 | 29 | 24 | 24 | 31 | 28 | 29 |
| Machinery manufacturing | 22 | 21 | 22 | 25 | 22 | 20 | 20 | 21 | 25 | 27 |
| Computer and electronic product manufacturing | 6 | 7 | 8 | 6 | 5 | 6 | 6 | 6 | 6 | 7 |
| Transportation equipment manufacturing | 8 | 10 | 6 | 12 | 10 | 9 | 8 | 8 | 10 | 10 |
| Furniture and related product manufacturing | 12 | 10 | 8 | 10 | 10 | 12 | 13 | 13 | 12 | 12 |
| Miscellaneous manufacturing | 28 | 27 | 22 | 22 | 19 | 19 | 20 | 17 | 25 | 23 |

Source: Statistics Canada, Table 12-10-0098-01 (formerly CANSIM 228-0077)

*Statistics Canada deemed the data on certain exporting establishments unreliable; therefore, it has been omitted for the sub-sector.

Appendix B... Countinued

Value of Exports per Establishment in New Brunswick (\$): by Manufacturing Sub-Sector

| Industry | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------------|------------|------------|------------|------------|------------|
| Food manufacturing | 16,807,639 | 20,436,968 | 19,286,645 | 24,248,234 | 24,562,462 | 25,839,672 |
| Textile product mills | 221,200 | 258,333 | 264,714 | 286,167 | 293,167 | 325,200 |
| Wood product manufacturing | 8,094,700 | 6,308,455 | 12,051,600 | 17,878,354 | 18,486,792 | 13,263,938 |
| Paper manufacturing | 63,479,471 | 60,947,944 | 64,987,529 | 68,655,706 | 85,568,200 | 78,101,438 |
| Chemical manufacturing | 2,247,667 | 3,096,667 | 3,649,833 | 2,806,429 | 3,049,667 | 3,115,500 |
| Plastics and rubber products manufacturing | 2,132,286 | 2,432,727 | 2,669,292 | 2,647,478 | 2,775,958 | 3,411,684 |
| Non-metallic mineral product manufacturing | 4,160,833 | 4,625,167 | 4,734,750 | 3,362,667 | 3,769,875 | 4,784,833 |
| Fabricated metal product manufacturing | 2,117,517 | 2,386,583 | 2,406,542 | 2,053,710 | 2,131,786 | 4,091,517 |
| Machinery manufacturing | 2,733,818 | 3,955,000 | 4,390,600 | 4,270,238 | 4,378,120 | 3,098,852 |
| Computer and electronic product manufacturing | 3,223,600 | 5,697,667 | 6,266,667 | 6,570,167 | 6,512,833 | 5,845,143 |
| Electrical equipment, appliance and component manufacturing | 2,075,250 | - | - | - | 3,000,000 | - |
| Transportation equipment manufacturing | 2,191,600 | 2,736,333 | 4,593,125 | 6,082,625 | 4,577,100 | 4,498,400 |
| Furniture and related product manufacturing | 360,200 | 343,500 | 469,846 | 407,692 | 586,000 | 432,833 |
| Miscellaneous manufacturing | 5,269,474 | 2,038,053 | 2,863,000 | 3,262,647 | 1,546,680 | 1,629,826 |

Source: Statistics Canada, Table 12-10-0098-01 (formerly CANSIM 228-0077)

*Statistics Canada deemed the data on certain exporting establishments unreliable; therefore, it has been omitted for the sub-sector.

Appendix C

Number of Exporting Establishments by Receiving Countries (\$)

| | | |
|------------------------------------|-----|-----------|
| 1 partner country | 601 | 2,504,677 |
| 2 or more partner countries | 176 | 9,935,245 |

Source: Statistics Canada, Table 12-10-0103-01 (formerly CANSIM 228-0078)

Value of Exports per Establishment by Number of Partner Countries (x 1000, \$)

| | |
|------------------------------------|--------|
| 1 partner country | 4,168 |
| 2 or more partner countries | 56,409 |

Source: Statistics Canada, Table 12-10-0103-01 (formerly CANSIM 228-0078)

New Brunswick's 10 Largest Export Destinations (2019)

| Trading Partner (x 1,000) | Value of Exports | Number of Establishments | Value Per Exporting Establishment |
|--------------------------------------|-----------------------------|-------------------------------------|--|
| All countries | \$12,432,708 | 777 | \$16,001 |
| United States | \$11,048,454 | 659 | \$16,765 |
| China | \$185,768 | 53 | \$3,505 |
| Japan | \$82,488 | 35 | \$2,357 |
| Netherlands | \$176,193 | 25 | \$7,048 |
| Mexico | \$39,727 | 19 | \$2,091 |
| France | \$14,775 | 56 | \$264 |
| Australia | \$20,305 | 27 | \$752 |
| United Arab Emirates | \$7,457 | 12 | \$621 |
| Saudi Arabia | \$3,189 | 7 | \$456 |
| New Zealand | \$1,854 | 14 | \$132 |
| South Africa | \$239 | 10 | \$24 |
| Brazil | \$2,271 | 7 | \$324 |

Source: Statistics Canada, Table 12-10-0104-01 (formerly CANSIM 228-0079)

*Note that the sum of the exporting establishments column exceeds the provincial total of 775. This is because some establishments export to two or more countries.

Appendix D

| Year | 15-24 | 25-44 | 45-64 |
|------|-------|-------|-------|
| 2000 | 17% | 52% | 32% |
| 2001 | 17% | 51% | 32% |
| 2002 | 17% | 50% | 33% |
| 2003 | 17% | 49% | 34% |
| 2004 | 17% | 48% | 35% |
| 2005 | 17% | 47% | 36% |
| 2006 | 17% | 46% | 37% |
| 2007 | 17% | 46% | 38% |
| 2008 | 17% | 45% | 38% |
| 2009 | 16% | 44% | 39% |
| 2010 | 16% | 44% | 40% |
| 2011 | 16% | 44% | 40% |
| 2012 | 16% | 44% | 40% |
| 2013 | 16% | 44% | 40% |
| 2014 | 16% | 44% | 40% |
| 2015 | 15% | 44% | 40% |
| 2016 | 15% | 45% | 40% |
| 2017 | 15% | 45% | 40% |
| 2018 | 15% | 46% | 40% |
| 2019 | 15% | 46% | 39% |

Source: Derived from Statscan Table: 14-10-0327-01

Appendix E

| Year | 15-24 | 25-44 | 45-64 |
|------|-------|-------|-------|
| 2000 | -2.9% | -1.9% | -6.8% |
| 2001 | -0.3% | -2.3% | -6.4% |
| 2002 | -0.3% | -1.2% | -6.1% |
| 2003 | -2.3% | -2.0% | -6.7% |
| 2004 | -1.0% | -1.9% | -4.9% |
| 2005 | -0.9% | -1.2% | -5.4% |
| 2006 | -0.6% | -0.3% | -5.6% |
| 2007 | -1.5% | -0.6% | -5.5% |
| 2008 | 1.2% | 0.0% | -3.8% |
| 2009 | 0.5% | 0.7% | -4.4% |
| 2010 | -1.8% | -0.3% | -3.1% |
| 2011 | -0.9% | 0.3% | -4.5% |
| 2012 | -1.0% | 0.2% | -3.5% |
| 2013 | -1.5% | 0.7% | -2.3% |
| 2014 | -0.1% | 0.7% | -1.7% |
| 2015 | -0.4% | 1.2% | -1.9% |
| 2016 | -0.1% | 0.5% | -2.0% |
| 2017 | -1.6% | -0.3% | -2.7% |
| 2018 | 2.6% | -0.8% | -2.5% |
| 2019 | 1.9% | -0.5% | -2.9% |

Source: Derived from Statscan Table: 14-10-0327-01

**To Note: Labour force Survey is all estimates and will not necessarily match up with other numbers (i.e. annual population data)