



Department of Finance

The New Brunswick
Economy: 2017 in Review

The New Brunswick Economy: 2017 in Review

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NOTE: Unless sourced otherwise, the analysis contained in this document is based on Statistics Canada data available as of May 28, 2018; historically comparable data series are used. Numbers may not add due to rounding. Data will be updated on the Department of Finance website at: www.gnb.ca/finance

Overview

- The International Monetary Fund (IMF) reported that the global economy expanded at a slightly faster pace in 2017 than in 2016, registering growth of 3.8%. The emerging markets and developing economies improved on their 2016 performance and recorded growth of 4.8%. Advanced economies also surpassed their 2016 output and expanded by 2.3%.
- The U.S. economy expanded by 2.3% in 2017, driven mainly by increased consumer spending from job growth and a rise in household income. Higher levels of private business investment also contributed to growth.
- The Canadian economy had a stellar year in 2017, registering real Gross Domestic Product (GDP) growth of 3.0%. This was the fastest pace of growth since 2011 and significantly above growth of 1.4% in 2016. Household spending was the biggest contributor to growth in 2017, along with higher levels of private business investment. Employment boasted the strongest rate of growth in a decade and Canadian exports grew favourably.
- New Brunswick's economy expanded for a fourth straight year, with real GDP growth of 1.9% in 2017. The uptick in economic activity resulted in a modest increase in employment—the first increase in four years—while the unemployment rate fell to 8.1%. Housing starts, exports and manufacturing sales exhibited solid performances, surpassing the national growth rates in all cases. Wages and salaries increased by 3.3%, while average weekly earnings saw a gain of 1.4%.

2017 Statistical Summary

2017 Statistical Summary		
Growth Rates ¹		
	N.B. Canada (2016 to 2017)	
Output		
Gross Domestic Product (GDP) *	3.3	5.3
GDP (real)	1.9	3.0
Population and Labour Force		
Total Population (July 1)	0.3	1.2
Labour Force	-1.2	1.1
Employment	0.4	1.9
Unemployment Rate (%)	8.1	6.3
Participation Rate (%)	61.5	65.8
Wages and Salaries	3.3	4.0
Indicators		
International Exports	21.0	7.0
Retail Trade	6.8	7.1
Farm Cash Receipts	-2.5	1.8
Housing Starts	26.4	11.0
Manufacturing Sales	15.7	6.1
Lumber Shipments	1.4	-1.4
Mining Production	4.8	7.0
Consumer Price Index	2.3	1.6
¹ Per cent change unless otherwise indicated * Provincial figure is NB Finance estimate		
Sources: Statistics Canada and Natural Resources Canada		

International Economy

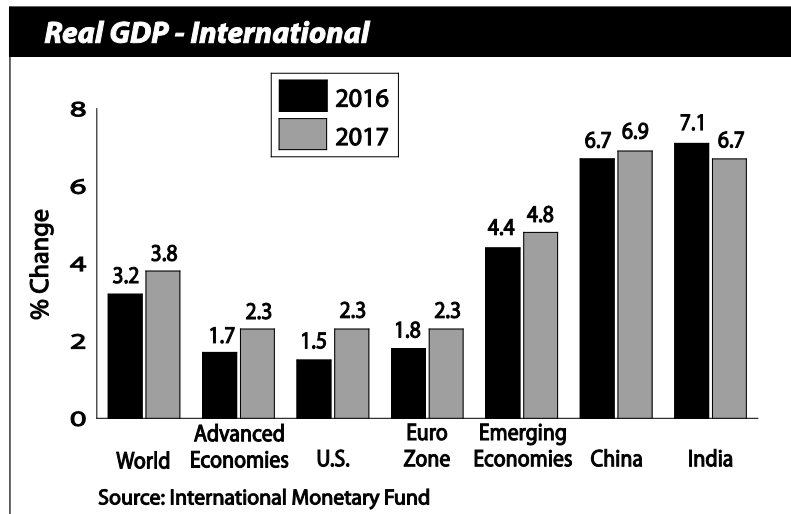
- According to the IMF, global economic growth has picked up and was estimated at 3.8% in 2017, an increase of 0.6 percentage points from the previous year.
- Economic growth in the advanced economies strengthened from 1.7% in 2016 to 2.3% in 2017, thanks to higher-than-anticipated output in Germany, Japan, South Korea and the United States.
- Growth in the emerging markets and developing economies—which increased from 4.4% in 2016 to 4.8% in 2017—was reinforced as activity in the BRICS economies (the group of five major emerging markets) gathered speed. Output in Brazil, China, Russia and South Africa improved in 2017, while India’s economy stayed strong despite slowing to 6.7%.
- The euro zone’s economy advanced by 2.3% in 2017, the fastest rate of expansion since 2007. Solid growth was observed in Spain (+3.1%), Germany (+2.5%), France (+1.8%) and Italy (+1.5%).
- An improved global economic performance, the extension of the Organization of Petroleum Exporting Countries’ (OPEC) agreement to limit oil production, geopolitical tensions in the Middle East, and natural disasters in the United States, were contributing factors behind an increase in crude oil prices.
- Despite the rise of protectionist sentiments in some markets, world trade continued to grow in 2017, predominantly due to a pickup in investments in advanced economies and higher manufacturing output in Asia.
- Real GDP in the U.S. grew by 2.3% in 2017 as economic activity picked up. Consumer spending was supported by job gains, rising household wealth and positive consumer sentiment. Higher business investment and optimistic business prospects further stimulated growth.
- Labour market conditions in the U.S. continued to strengthen in 2017, with payroll employment increasing by more than 2.2 million jobs; this followed the addition of more than 2.5 million jobs in 2016. The unemployment rate declined for the seventh consecutive year, falling to 4.4% in 2017.
- The U.S. housing market remained healthy and surpassed 1.28 million housing starts in 2017, an increase of 6.2% over the 2016 level and the eighth consecutive annual increase since the housing market emerged from its record low in 2009.

Global Growth Accelerates

Higher-than-expected performances expanded the pace of global economic growth to 3.8% in 2017 from 3.2% in 2016.

Output in both advanced economies and emerging and developing economies supported the gain.

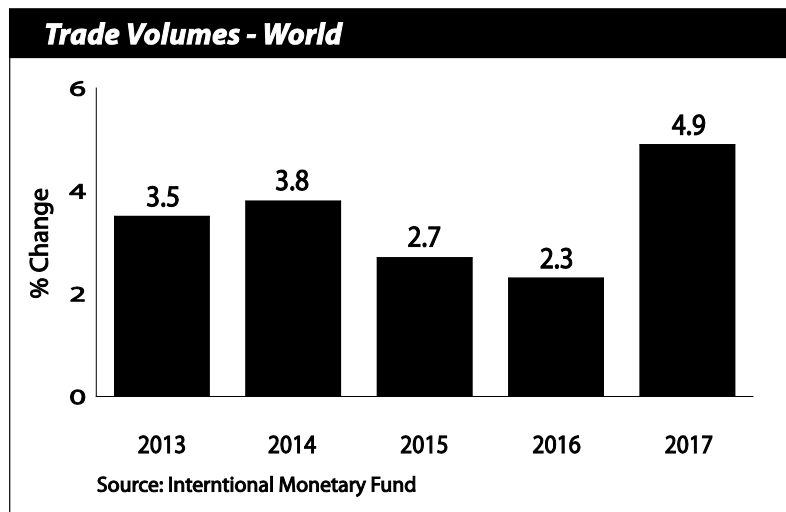
China's growth rate strengthened in 2017, surpassing India and regaining its position as one of the key drivers of global growth.



World Trade Rebounds

Growth in world trade volume more than doubled from 2016, rising to 4.9% in 2017 and reaching a high not seen since 2011.

Stronger-than-expected growth in most economies and a recovery in investment boosted the increase in global trade volume.

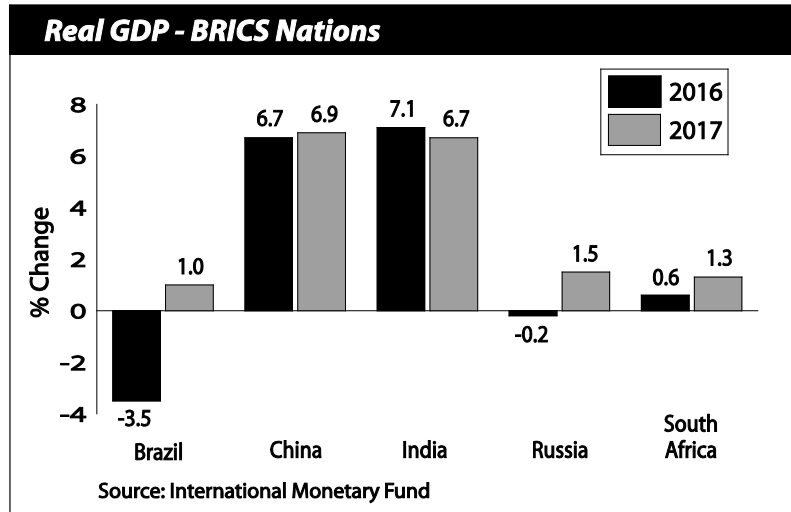


BRICS Economies Gain Momentum

Real GDP growth in the BRICS countries was the major driver of economic activity in the emerging markets and developing economies.

India's economic growth slowed to 6.7% in 2017 due to a weakening in the manufacturing sector and overall industrial output.

The turnaround in Brazil and Russia was led by an ongoing recovery in world commodity prices.

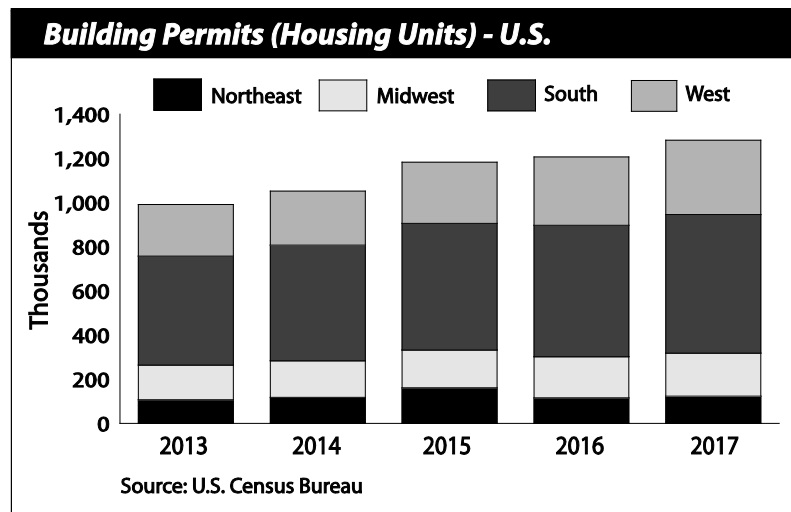


U.S. Housing Market Continues Expansion

The U.S. housing market grew for the eighth year in a row, increasing by 6.2% to more than 1.28 million housing units in 2017.

The West and South regions in the U.S. saw the largest increase in the number of housing units, rising by 26,800 and 32,400 respectively.

The South continued to dominate the housing market, registering 626,900 total housing units in 2017.



Canadian Economy

- The Canadian economy recorded its best performance since 2011, with preliminary estimates indicating real GDP grew 3.0% in 2017, an improvement over the 1.4% expansion registered in 2016. Economic activity was driven mainly by increased household spending along with an upturn in business investment—which recovered after two consecutive years of declines.
- Real GDP increased in all 10 provinces in 2017, with Alberta (+4.9%) and British Columbia (+3.9%) posting the strongest growth performances. A recovery in oil prices was a major factor in the energy sector rebounding and contributing to Alberta's growth.
- Employment growth of 1.9% was the strongest in a decade. The Canadian labour market added approximately 337,000 new jobs in 2017, over 80% of which were full-time positions. Newfoundland and Labrador (-3.7%) and Saskatchewan (-0.2%) were the only provinces to record employment declines, while British Columbia (+3.7%) boasted the largest increase. Both the services-producing and goods-producing sectors saw employment rise, up 2.1% and 1.1% respectively, with widespread gains across 12 of 16 industries.
- The uptick in job growth contributed to a decline in Canada's unemployment rate, which averaged 6.3% in 2017. However, the disparity among regions persisted as the rate of joblessness continued to be more pronounced across the Atlantic provinces, all of which had unemployment rates above the national average.
- Despite the uncertainty surrounding foreign trade, Canadian exports increased by 7.0% in 2017 spearheaded by a rebound in energy product exports (+33.8%). Exports of motor vehicles and parts suffered the largest decline (-5.3%) after three years of increases. Canada's merchandise trade deficit narrowed from \$63.9 billion in 2016 to \$59.0 billion in 2017.
- Manufacturing sales increased for a second straight year, registering growth of 6.1% in 2017. Sales were up in 18 of 21 industries; petroleum and coal product sales posted the largest gain (+24.0%) followed by sales in machinery manufacturing (+17.9%). Acting as a drag on overall growth were sales in the transportation equipment manufacturing industry that fell by approximately \$2.8 billion (-2.1%).
- Canadian housing starts increased by 11.0% in 2017, registering a fourth consecutive year of growth. Activity was up in all provinces, although starts in Newfoundland and Labrador were essentially unchanged from 2016. Growth in the construction of multi-unit dwellings accelerated by 15.4%, while the pace of single-detached starts slowed to 3.7%.

Canadian Economy (continued)

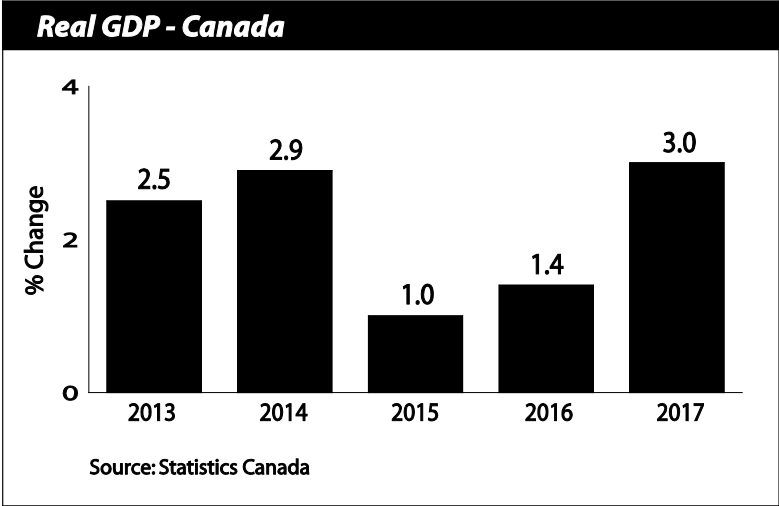
- Inflation, as measured by the Consumer Price Index (CPI), rose by 1.6% in 2017, driven mainly by an 11.8% increase in gasoline prices. Consumer prices were up in seven of the eight major components, with only clothing and footwear registering a decline (-0.7%).
- The Canadian dollar strengthened slightly against the U.S. dollar in 2017, trading at 77 cents U.S., up 2 cents over the 2016 price. Weighing on the Canadian currency, among other things, was uncertainty over NAFTA and the possibility of further interest rate hikes.

Canada Economic Indicators					
Growth Rates¹, 2013 to 2017					
	2013	2014	2015	2016	2017
Economic Accounts					
Gross Domestic Product (GDP)	4.1	4.9	0.2	2.0	5.3
Household Final Consumption Expenditures	4.0	4.7	3.2	3.3	4.6
Gross Fixed Capital Formation	2.8	5.7	-2.2	-0.7	4.4
GDP (real)	2.5	2.9	1.0	1.4	3.0
Income					
Primary Household Income	3.9	3.9	4.1	1.3	4.1
Population and Labour Force					
Total Population (July 1)	1.2	1.1	0.8	1.2	1.2
Labour Force	1.2	0.5	0.8	0.8	1.1
Employment	1.5	0.6	0.8	0.7	1.9
Unemployment Rate (%)	7.1	6.9	6.9	7.0	6.3
Participation Rate (%)	66.5	66.0	65.8	65.7	65.8
Other					
Consumer Price Index	0.9	2.0	1.1	1.4	1.6
Housing Starts	-12.5	0.7	3.3	1.2	11.0
¹ Per cent change unless otherwise indicated					
Source: Statistics Canada					

Canadian Economy Exceeds Expectations

The Canadian economy expanded by 3.0% in 2017, more than double the 2016 pace, and exceeded the growth target that was anticipated at the start of the year.

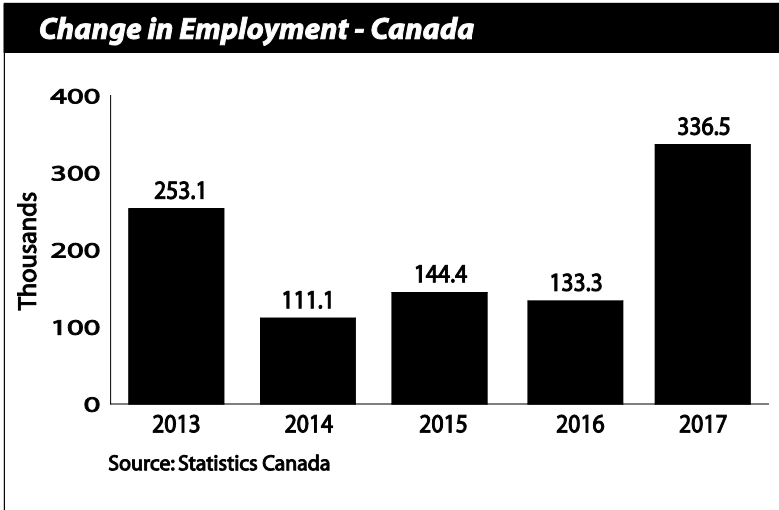
Economic activity was especially strong over the first half of 2017 as household spending picked up, business investment rebounded and energy exports soared.



Robust Job Growth

Canada had the fastest growing economy among the G7 member countries throughout much of 2017.

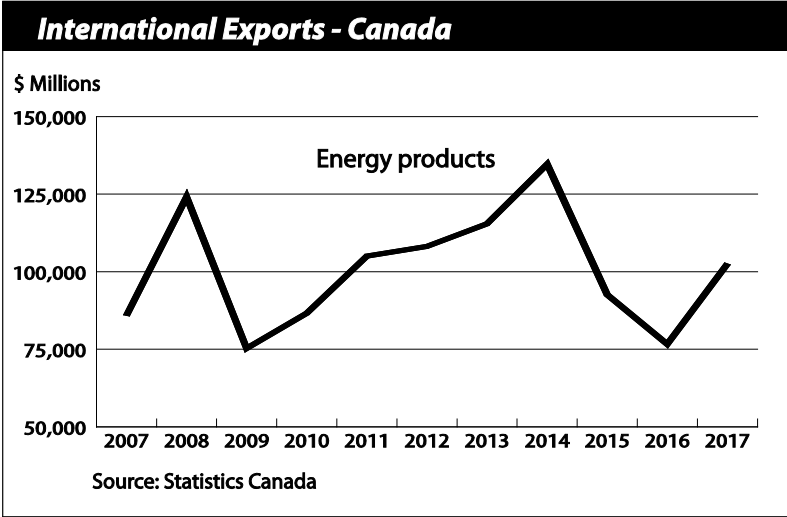
The upswing in economic activity absorbed much of the slack in the labour market, creating in excess of 330,000 new jobs and lowering the national unemployment rate from 7.0% to 6.3%.



Energy Exports Turnaround

Much of the growth in Canadian exports in 2017 can be attributed to the rebound in the energy sector, which saw exports of energy products jump by 33.8% following two straight years of declines.

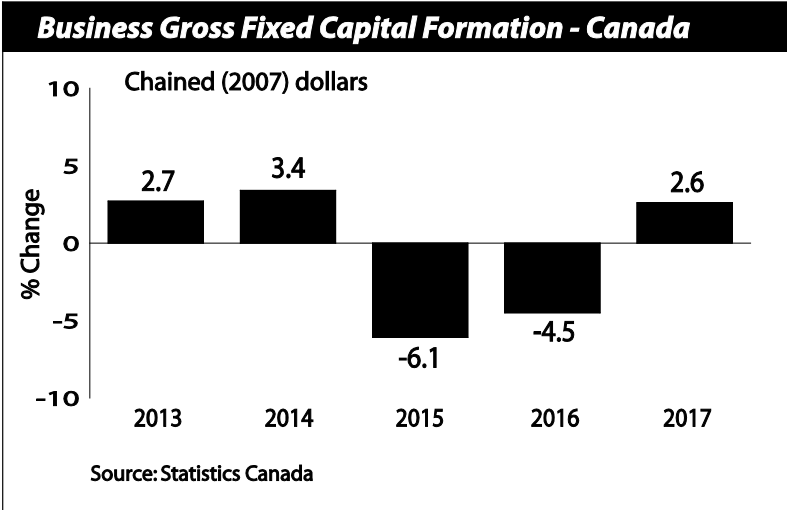
The partial recovery in oil prices was a major catalyst to this turnaround, as West Texas Intermediate (WTI) crude oil prices averaged US\$51 per barrel in 2017, up from US\$43 per barrel the previous year.



Business Investment Picks Up

Following two years of declines, business investment increased by 2.6% in 2017, further increasing production capacity among firms.

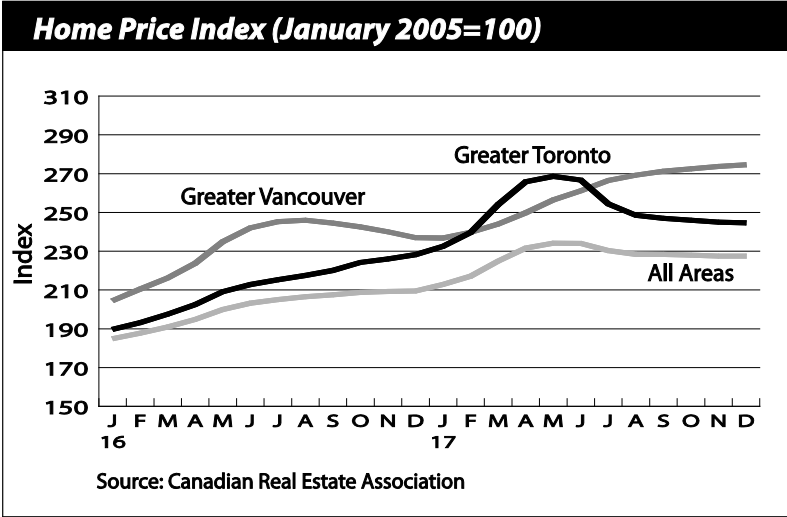
Machinery and equipment investment was up by 6.0%, while residential and non-residential structure investment recorded gains of 3.1% and 0.3% respectively.



Housing Prices Continue to Escalate

With household income rising and interest rates remaining low throughout much of 2017, Canadians piled on mortgage debt, adding further pressure to the already over-heated housing market.

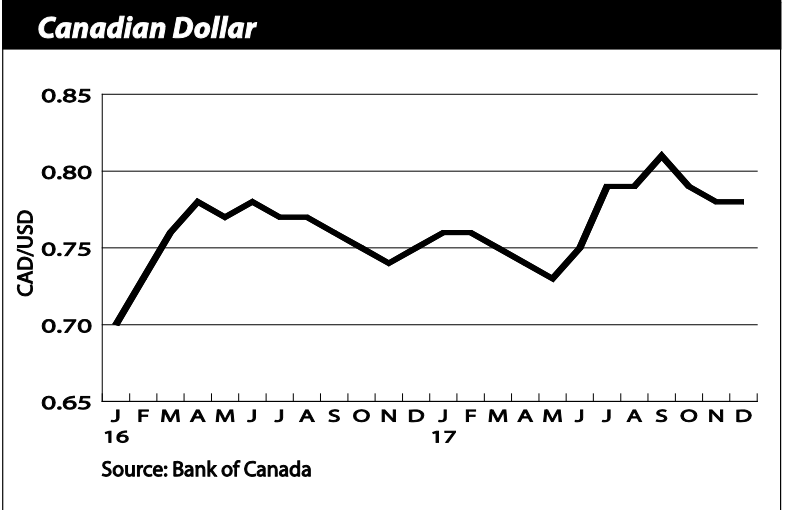
The average price for a house in Canada increased by 13.2% in 2017, with major markets in Toronto and Vancouver recording gains of 18.8% and 11.8% respectively.



Canadian Dollar Appreciates

The Canadian dollar appreciated slightly against its U.S. counterpart in 2017 and was trading for an average of 77 cents U.S., 2 cents higher than it did the previous year.

The uncertainty surrounding foreign trade, particularly with respect to NAFTA renegotiations, is one of several factors which impacted the value of the loonie in 2017.



New Brunswick Economy

- Real GDP in New Brunswick increased for a fourth consecutive year, recording growth of 1.9% in 2017. Construction was up thanks to a substantial jump in non-residential building construction. Manufacturing output increased led by a rise at petroleum refineries and solid gains in the manufacturing of wood products, fabricated metal products and plastic products. Strong growth was also evident in the retail trade, wholesale trade, transportation and warehousing, and finance and insurance industries. The largest declines were observed in the management of companies and enterprises, and in information and cultural industries.
- Employment grew for the first time in four years, up 0.4% in 2017. Gains in full-time employment more than offset part-time job losses. Furthermore, growth was evident in both the goods-producing and services-producing sectors (up by 0.7% and 0.4% respectively), which helped to push the unemployment rate down 1.4 percentage points to 8.1%.
- Supported by the rise in full-time jobs, growth in wages and salaries in the province continued to strengthen, rising by 3.3% in 2017. Average weekly earnings grew by 1.4% for the year.
- Retail trade advanced by 6.8% in 2017, an increase of \$814.1 million. Nine of the 11 subsectors reported higher sales, with sales at motor vehicle and parts dealers, and gasoline stations leading the increase.
- Capital expenditures in the province rose by 7.4% in 2017, due to increased investment in both the public sector (+8.3%) and private sector (+6.7%). Investment of roughly \$300 million in four sectors (information and cultural industries, utilities, health care and social assistance, and real estate and rental and leasing) contributed strongly to the overall growth. Construction investment grew by 15.2%, while machinery and equipment investment fell 2.5%.
- After four successive years of declines, exports rallied and jumped 21.0% in 2017, influenced heavily by an upsurge in the exports of basic and industrial chemical, plastic and rubber products (+\$997.8 million) and energy products (+\$831.9 million).
- Manufacturing sales climbed 15.7% in 2017 following declines in each of the previous three years. Wood product manufacturing remained a bright spot with sales up 7.7% from 2016.
- Housing starts in New Brunswick soared 26.4% to 2,324 units in 2017, the first increase since 2010. Gains were reported in the three major urban centres in the province, with Moncton and Saint John having the most pronounced increases.

New Brunswick Economy (continued)

- Inflation was pushed up slightly to 2.3% in 2017. Contributing to the provincial increase were: alcoholic beverages and tobacco products; transportation; recreation, education and reading; and clothing and footwear. Consumers paid less for food for the first time since 1992.

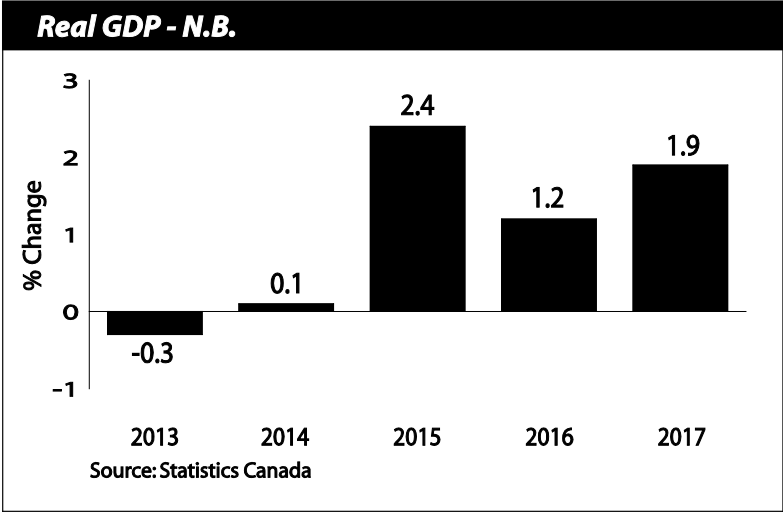
New Brunswick Economic Indicators					
Growth Rates¹, 2013 to 2017					
	2013	2014	2015	2016	2017
Economic Accounts					
Gross Domestic Product (GDP) *	0.3	1.8	2.0	3.6	3.3
Household Final Consumption Expenditures *	3.0	3.5	1.8	2.7	3.2
Gross Fixed Capital Formation *	-6.5	0.6	1.2	2.4	4.8
GDP (real) **	-0.3	0.1	2.4	1.2	1.9
Income					
Primary Household Income *	2.0	3.2	1.0	3.9	2.5
Population and Labour Force					
Total Population (July 1)	-0.1	-0.1	-0.1	0.5	0.3
Labour Force	0.5	-0.6	-0.7	-0.4	-1.2
Employment	0.4	-0.2	-0.6	-0.1	0.4
Unemployment Rate (%)	10.3	9.9	9.8	9.5	8.1
Participation Rate (%)	63.5	63.2	62.7	62.3	61.5
Other					
Consumer Price Index	0.8	1.5	0.5	2.2	2.3
Housing Starts	-13.8	-19.9	-12.3	-7.9	26.4
¹ Per cent change unless otherwise indicated * NB Finance estimates for 2017 ** 2017 result on an industry accounts basis					
Sources: Statistics Canada and NB Finance					

Note: Social Indicators covering a range of topics on New Brunswick can be found on the Department of Finance website. Data is compiled from several sources and includes information on low income, pensions and household expenditures. Analysis in this report is provided for only a few indicators due to the time lag for data not corresponding to the year being reviewed.

Economy Continues on a Solid Path

Real GDP in New Brunswick continued expanding at a solid pace, rising 1.9% in 2017. Higher output from retail trade, manufacturing, construction and wholesale trade were the main contributors to growth.

12 of 20 sectors showed gains in 2017. Goods-producing industries rose 3.3%, outpacing growth in service-producing industries (+1.5%).

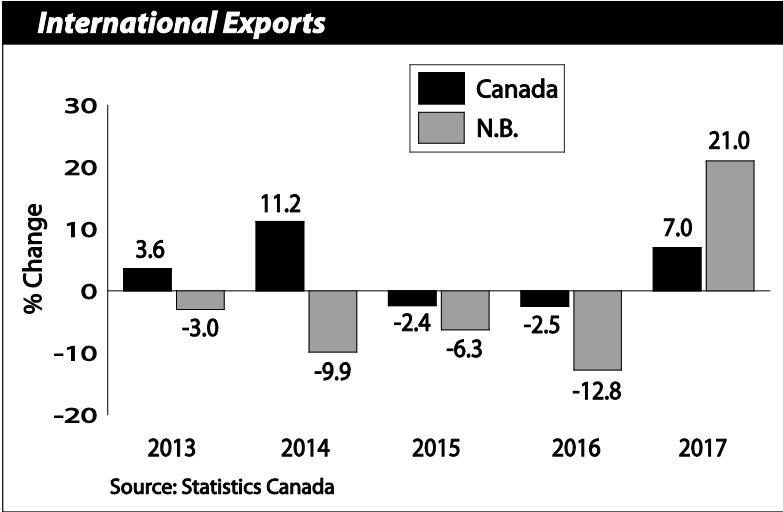


Exports Growth Turns Around

Foreign exports of goods from New Brunswick exhibited the first increase since 2012, up 21.0% to \$12.9 billion in 2017. The national growth was also positive at 7.0%.

Eight of the 12 product groups reported higher levels for the province. The largest increases (in dollar terms) were in basic and industrial chemical, plastic and rubber products; energy products; forestry products and building and packaging materials; and metal and non-metallic mineral products.

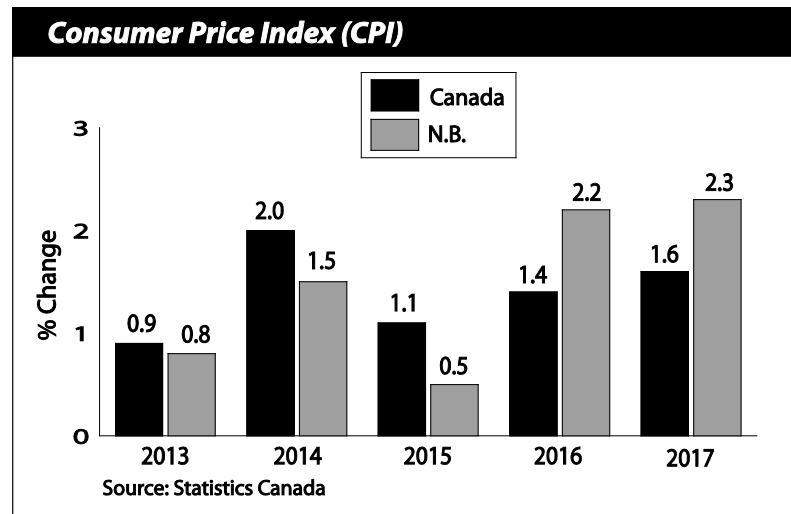
The province's largest trading partners include the U.S. (90.5%), India (1.1%), China (1.0%) and Turkey (1.0%).



Inflation Rises

Consumer prices in New Brunswick rose by 2.3% in 2017, above the national rate of 1.6%.

Prices were up in seven of the eight major CPI components. Alcoholic beverages and tobacco products reported the largest increase, while food costs fell for the first time in 25 years.

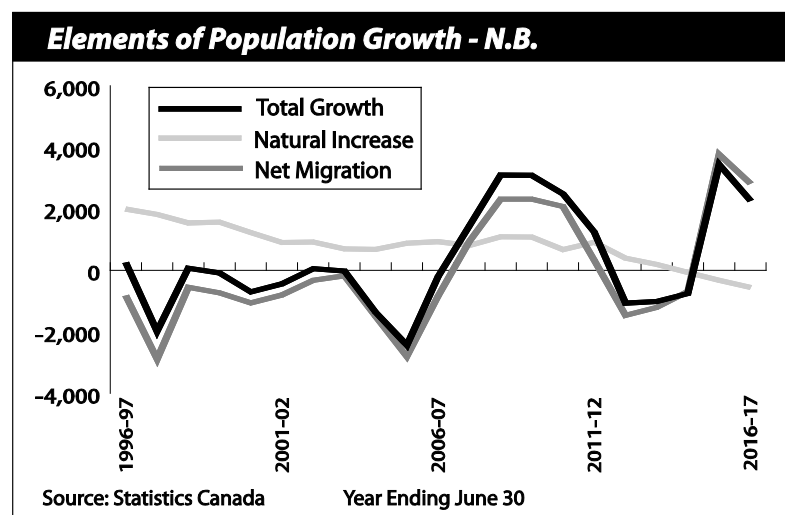


Population Grows for Second Consecutive Year

New Brunswick's population grew for the second year in a row, reaching 759,655 as of July 1, 2017, its highest level to date and a 0.3% rise from a year ago.

Between July 1, 2016 and June 30, 2017, the provincial population was estimated to have increased by almost 2,300 people. Net international migration was the source of population growth, as natural increase declined and losses were evident in interprovincial migration.

Over the same period, Canada's population rose 1.2%.

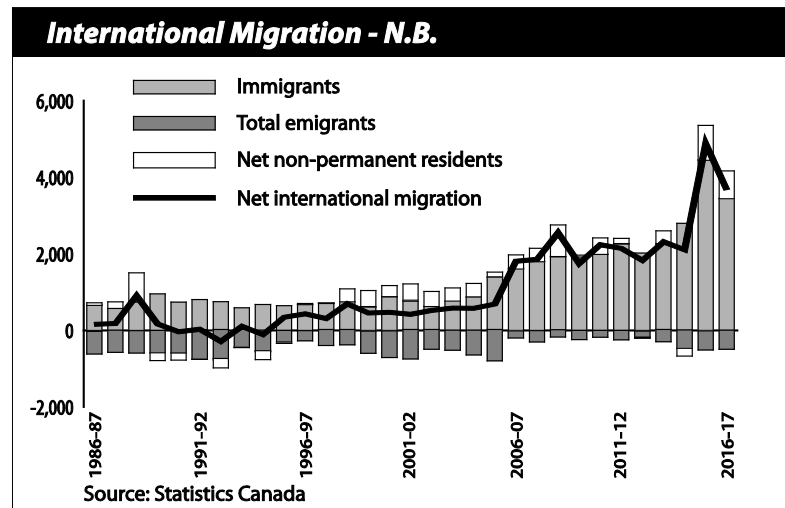


International Migration Drives Growth

Population growth in New Brunswick in 2016-2017 can be attributed to a high level of net international migration (+3,674), fueled by strong immigration and the arrival of a considerable number of non-permanent residents.

The province welcomed 3,448 immigrants over the 12-month period, the second-highest number posted since 1971.

As well, the number of non-permanent residents grew by roughly 700.



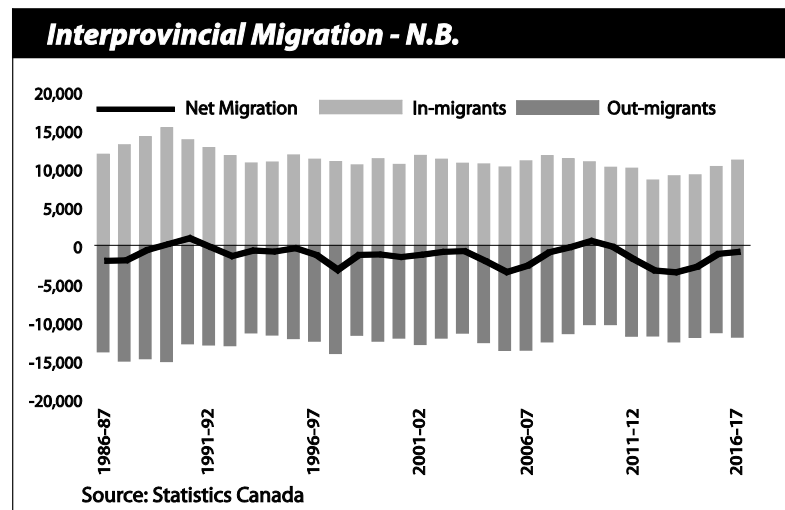
Interprovincial Migration Improves

Interprovincial migration losses in New Brunswick in 2016-2017 were considerably lower than losses experienced in each of the previous five years.

While the province lost more people to other provinces and territories than it gained, the net outflow in 2016-2017 (-849) was the best performance since 2010-2011.

Interprovincial migration exchanges with other provinces and territories over the 12-month period showed that most of New

Brunswick's net outflow was to Ontario, while most of the net inflow was from Alberta.

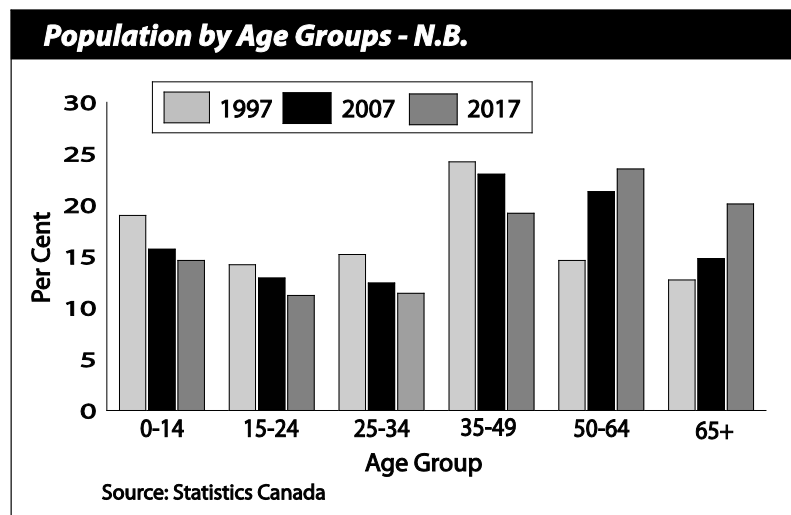


One in Five New Brunswickers a Senior

Baby boomers (born 1946 to 1965) still comprise a significant proportion of New Brunswick's population, with almost 30% belonging to this generation in 2017.

Seniors (65+ years) and pre-seniors (50-64 years) continue to be impacted by baby boomers, accounting for 20.1% and 23.5% of the population respectively. The share of the province's population under 50 years of age continues to diminish.

New Brunswick's median age reached 45.3 years in 2017; only Newfoundland and Labrador was older (45.7 years). Nationally, the median age was 40.6 years.

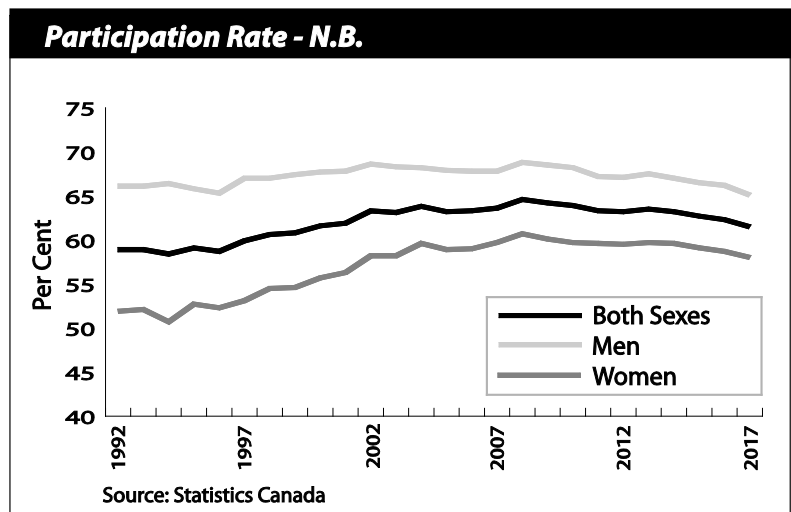


Participation Rate Slides

Labour market participation in the province has declined in eight of the last nine years, falling from 64.2% in 2009 to 61.5% in 2017. The 2017 result was the lowest rate since 1999 when it stood at 60.8%.

The participation rate for men fell to 65.1% while that for women declined to 58.0%.

Canada's participation rate edged up 0.1 percentage points to 65.8%.

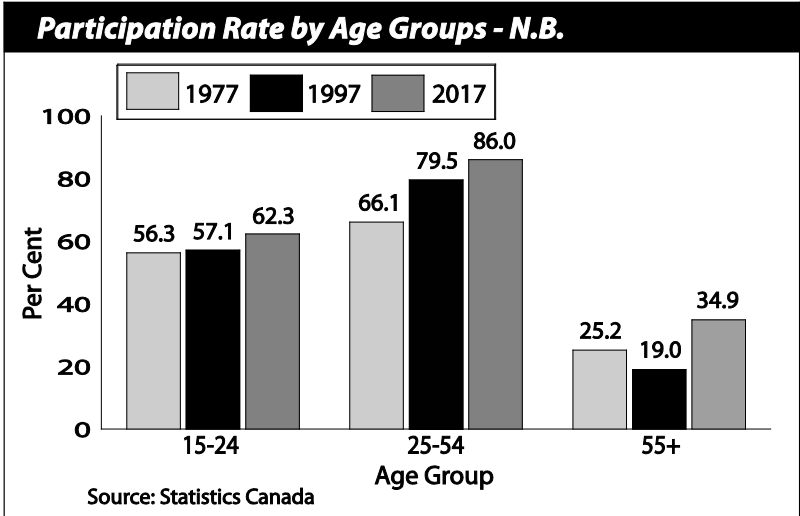


Participation Rates Increase for Older Workers

Participation rates among people aged 55 and over have generally been increasing over the past 20 years. In 2017, the rate edged up 0.1 percentage points after remaining steady at 34.8% in both 2015 and 2016.

Participation rates for workers aged 25-54 years are notably higher; they reached 87.1% in 2013 before falling back to 86.0% in 2017.

The rates for youth aged 15-24 have been more or less trending down since 2009 but have remained above 60%.

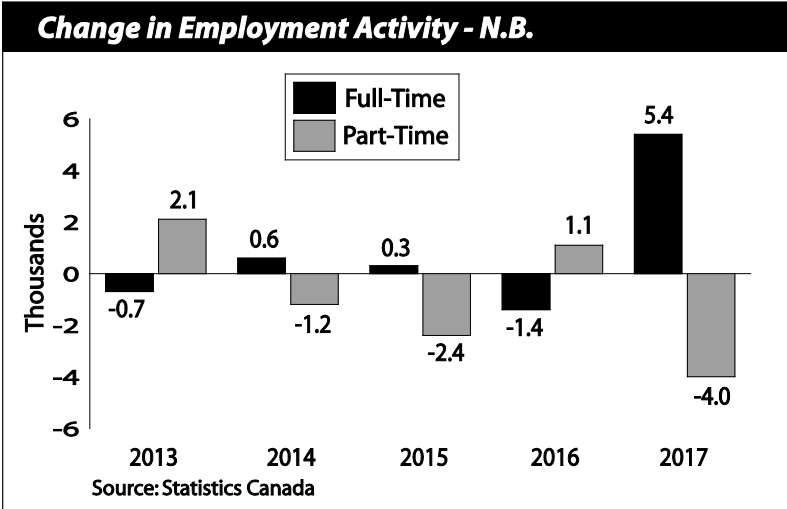


Full-Time Employment Surges Ahead

New Brunswick's employment gains in 2017 were all in full-time work, which jumped by 5,400 and accounted for 85.5% of all jobs in the province.

Employment in the province climbed to 352,900 in 2017, up 0.4% for the year.

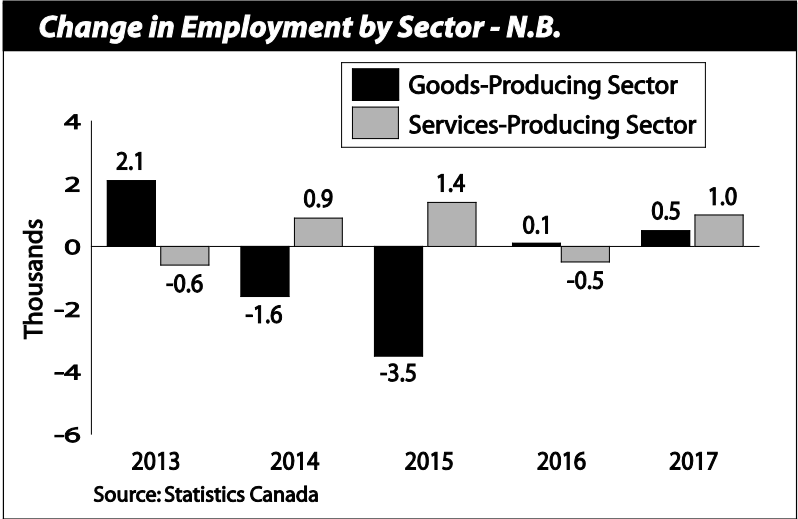
Nationally, the number employed increased 1.9%.



Job Growth Strengthens in Service Sector

Employment gains in the province in 2017 occurred in both the goods-producing and services-producing sectors, with the majority of job growth focused in the service sector (+1,000).

Health care and social assistance led job gains in the service sector (+4,400), while manufacturing was the main engine of growth among the goods-producing industries (+1,300).

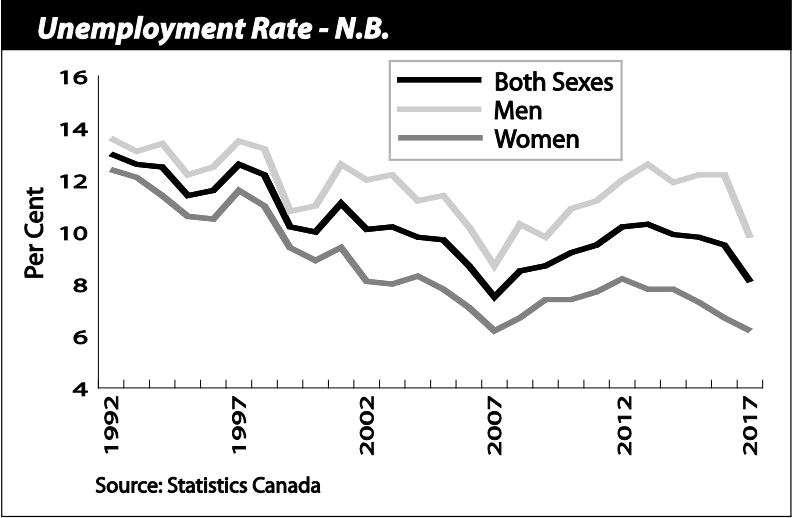


Unemployment Rate Tumbles to 8.1%

New Brunswick's unemployment rate was pushed down 1.4 percentage points to 8.1% in 2017, due to an increase in employment and a decline in the labour force. This was the fourth consecutive annual drop in the rate.

The jobless rate decreased for both men and women in 2017, to 9.8% and 6.2% respectively. The rate for men has not been this low since 2009.

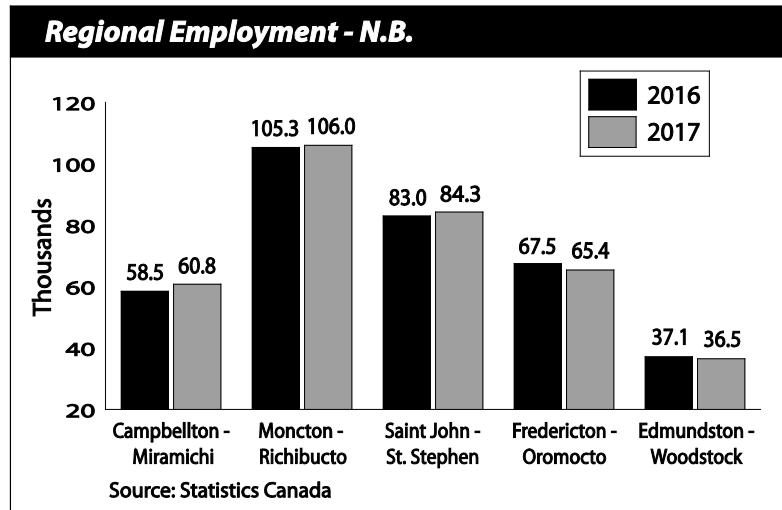
Nationally, the unemployment rate fell from 7.0% in 2016 to 6.3% in 2017.



Campbellton-Miramichi Displays Highest Job Growth

Three of five regions posted employment increases in 2017, with Campbellton-Miramichi boasting the highest growth (+3.9%). This served to push its unemployment rate down 2.3 percentage points. Nevertheless, the rate remained highest among the regions at 13.5%.

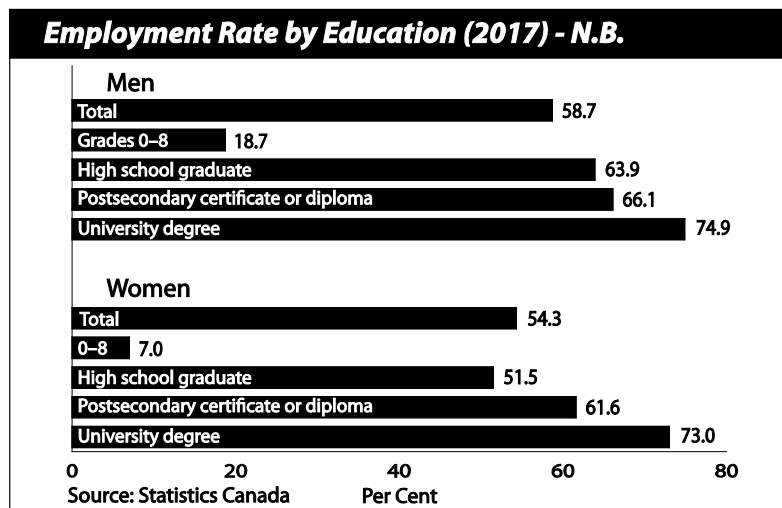
All regions registered improvements in their unemployment rates except Edmundston-Woodstock; its rate deteriorated from a record low of 6.8% in 2016 to 7.4% in 2017.



Gender Differences in Employment Rates

In 2017, the employment rate for men was higher than that for women for all levels of education. However, the gap between their rates tends to narrow as educational attainment increases.

The gender gap in employment rates in 2017 was the largest among adults with a high school diploma (12.4 percentage points) and the smallest among adults with a university degree above the bachelor level (0.6 percentage points).



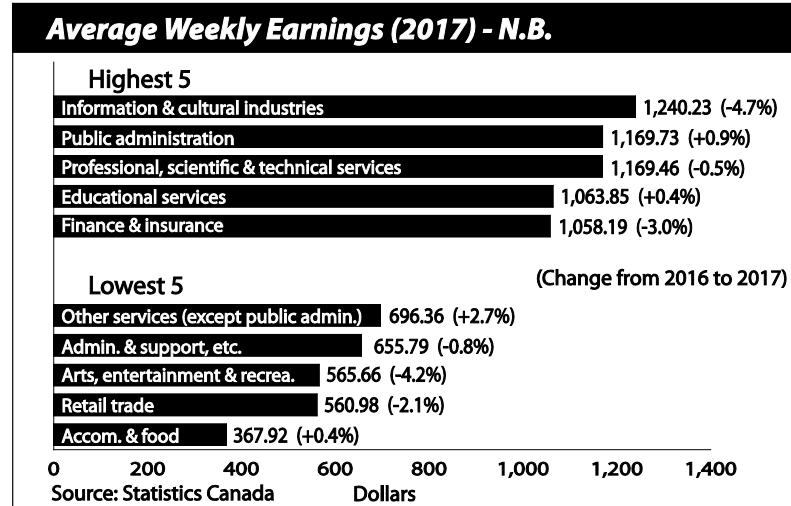
Average Weekly Earnings Up

Average weekly earnings in New Brunswick improved for the fourth year in a row, growing 1.4% in 2017. This was below the national increase of 2.0%.

At \$887.03, the province's weekly earnings represented 90.9% of the Canadian average of \$976.14.

Provincial weekly earnings increased in eight of the 15 industry groups available. In 2017, earnings ranged from

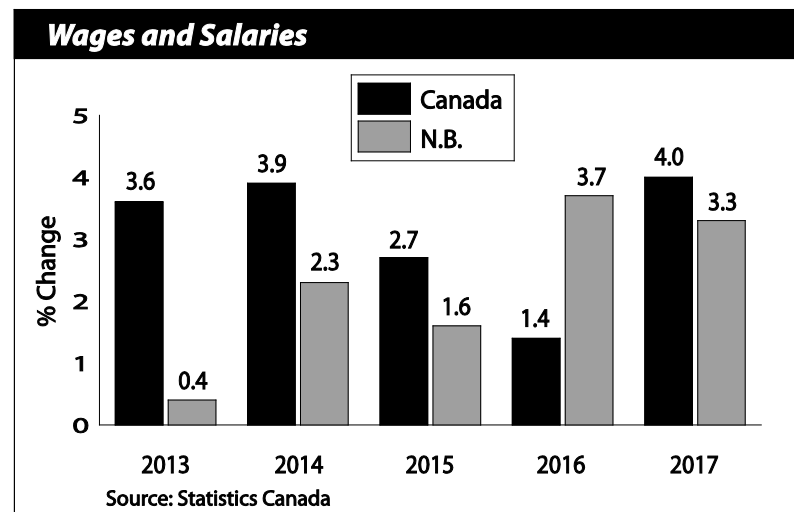
\$367.92 in accommodation and food services to \$1,240.23 in information and cultural industries.



Wages and Salaries Growth Above 3% Again

Growth in provincial wages and salaries remained over 3% for a second year, reaching \$15.6 billion (+3.3%) in 2017. The national increase was higher at 4.0%.

Gains were reported in 12 of the 15 major industries in New Brunswick with the strongest increases (in dollar terms) from professional and personal service industries; health care and social assistance; federal government public administration; construction; and manufacturing.

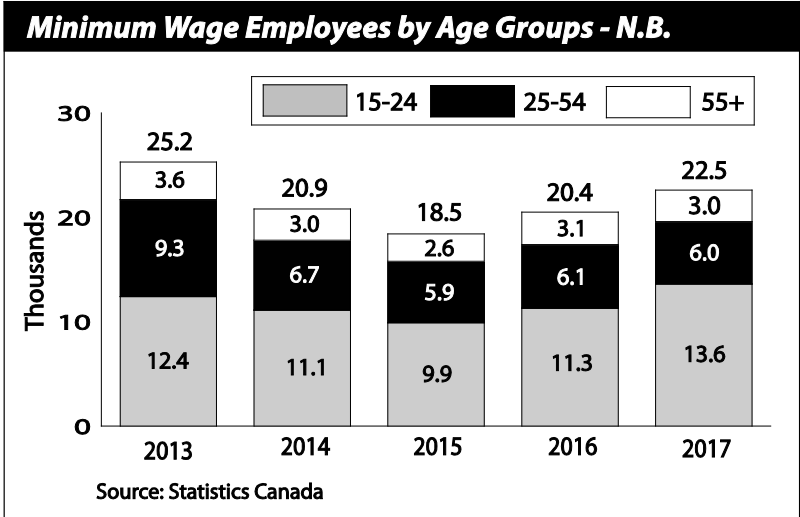


Number of Minimum Wage Earners Climbs

In 2017, the number of New Brunswick employees earning minimum wage or less was up 10.3% for the second year in a row. Young workers (15-24 years) had the greatest impact on the increase.

Men earning minimum wage in 2017 exhibited a stronger increase than women, 14.1% versus 8.4%.

The minimum wage in the province increased to \$11.00 per hour from \$10.65 as of April 1, 2017.



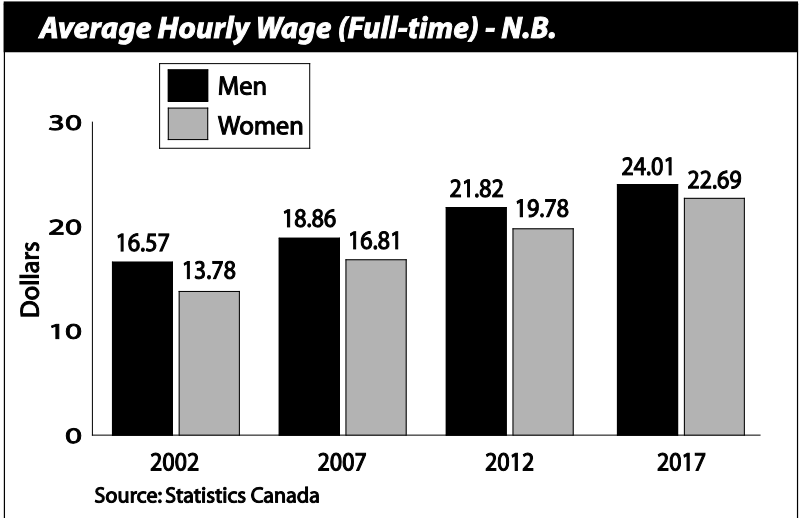
Average Hourly Wage Gap Tightens

Compared to 2012, the average hourly wage for full-time employees in New Brunswick increased 12.1% in 2017. The national increase was lower at 10.9%.

In 2017, the average hourly wage (full-time) in the province was \$23.37, representing 83.8% of the Canadian wage of \$27.88.

The average hourly wage gap between men and women in New Brunswick has markedly improved, increasing from 83.2% in 2002 to 94.5% in 2017.

Similarly, the gap for Canada went from 83.4% to 88.5%.

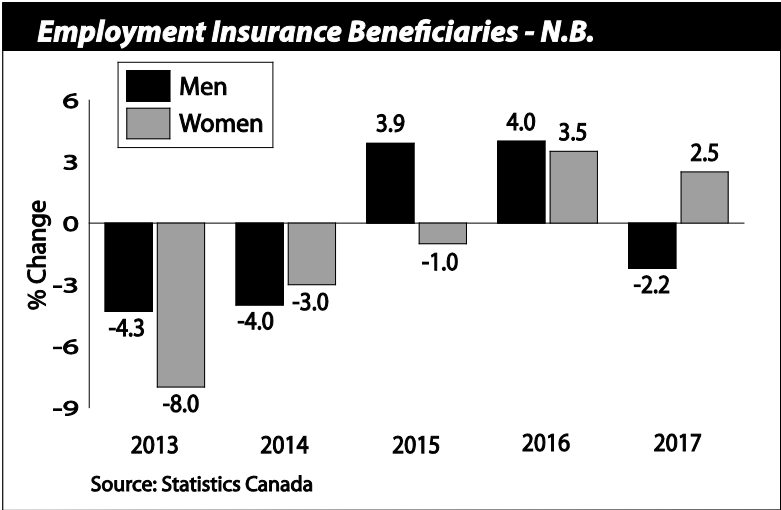


Employment Insurance Beneficiaries Edge Down

In 2017, roughly 42,700 people received Employment Insurance (EI) benefits in New Brunswick, down 0.3% from 2016. Men accounted for 57% of all recipients and women made up 43%.

There were fewer male and more female beneficiaries compared to the previous year. The number of men receiving EI benefits in 2017 fell 2.2% from 2016, while the number of women receiving benefits increased 2.5% over the same period.

Nationally, the number of EI beneficiaries declined by 3.2%.

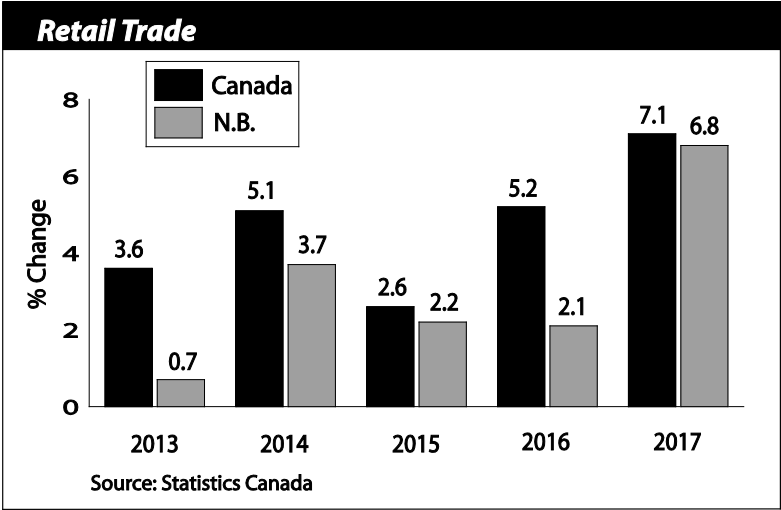


Retail Trade Growth Stronger

Retail trade in New Brunswick rose 6.8% to \$12.8 billion in 2017, the highest rate of growth since 1999. Nationally, retail sales increased 7.1%.

Higher provincial sales (in dollar terms) were reported in nine of 11 subsectors, led by gains in motor vehicle and parts dealers, gasoline stations, and building material and garden equipment and supplies dealers.

Retail trade accounts for less than 7% of provincial GDP and in 2017 employed 45,300 people. Average weekly earnings in the sector fell 2.1%.



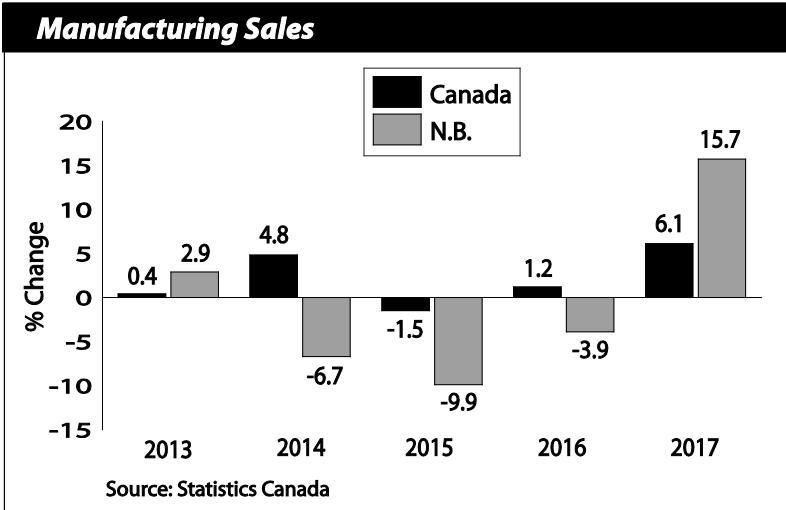
Manufacturing Sales Growth Impressive

Manufacturing sales in New Brunswick improved for the first time in four years. In 2017, sales climbed 15.7% to \$18.8 billion.

In Canada, sales increased for two years in a row, rising 6.1% in 2017. The improvement was largely due to sales in the non-durable goods industries.

Provincial sales of non-durable goods, which represent 83.2% of the total, jumped 18.3% while durable goods were up 4.0%.

The manufacturing sector represents over 11% of provincial GDP and in 2017 had 31,700 employees, an increase of 4.3% from 2016. As well, average weekly earnings rose 4.5%.

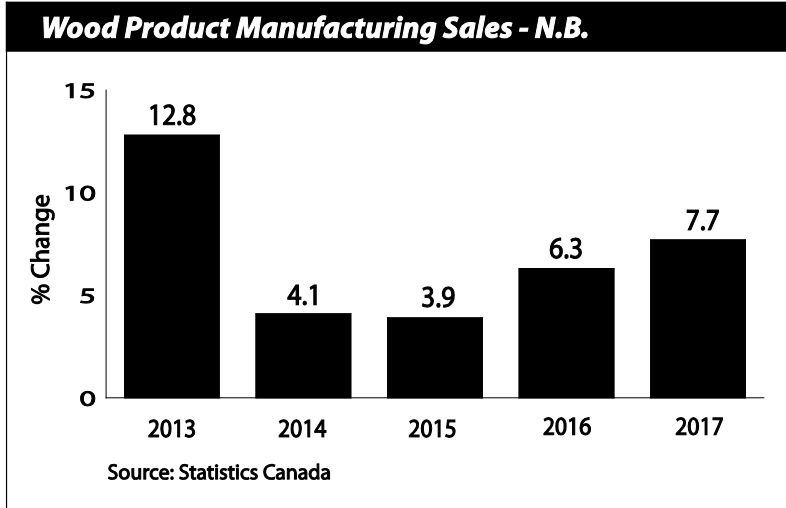


Wood Product Sales Maintain Strength

New Brunswick’s wood product manufacturers saw sales increase for the sixth consecutive year, rising by 7.7% in 2017.

Sales closed in on \$1.3 billion in 2017 to register their highest level since 2005.

Wood product manufacturing represents just over 1% of New Brunswick’s GDP and in 2017 had 6,200 employees.

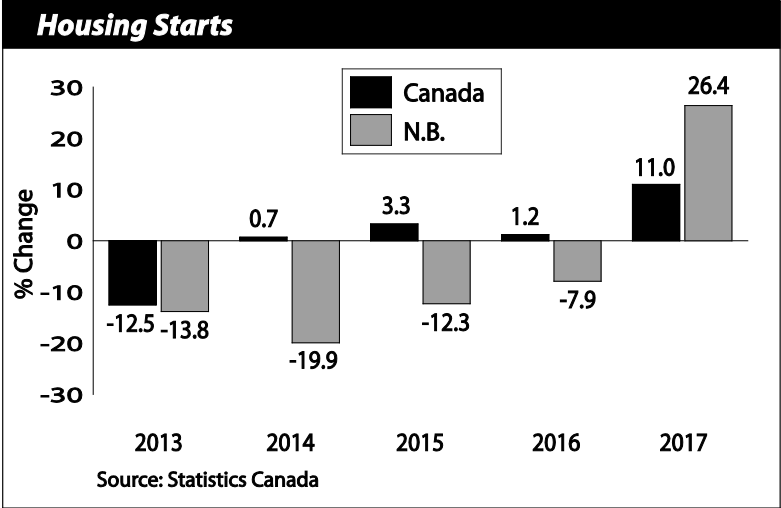


Housing Sector Bounces Back

Following six years of declines, New Brunswick’s housing starts rebounded and posted growth of more than twice the rate of the national average.

Starts in the province jumped 26.4% in 2017 to 2,324 units—the highest level reported since 2013. The three main urban centres all saw increased housing activity. Moncton’s performance was particularly strong with starts reaching 908, a high not seen since a similar level in 2013.

Nationally, housing starts were up 11.0%.

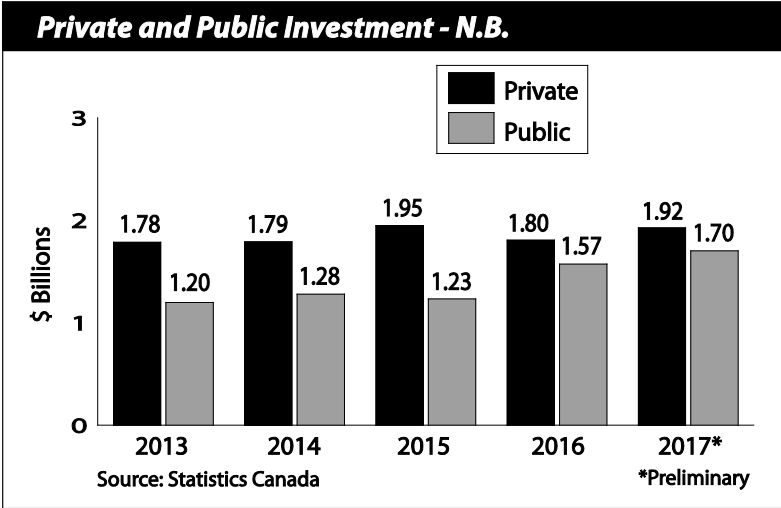


Capital Investment Growth Continues

Capital investment in New Brunswick increased for the fourth year in a row, to \$3.6 billion (+7.4%) in 2017. Investment in the public sector rose 8.3%, while the private sector was up 6.7%.

For the 13 sectors with published results, nine industries reported increases, led by information and cultural industries (+\$100.8 million) and utilities (+\$89.5 million). Manufacturing had the largest decrease (-\$90.4 million).

Nationally, capital investment improved 3.0%; this followed two years of declines.

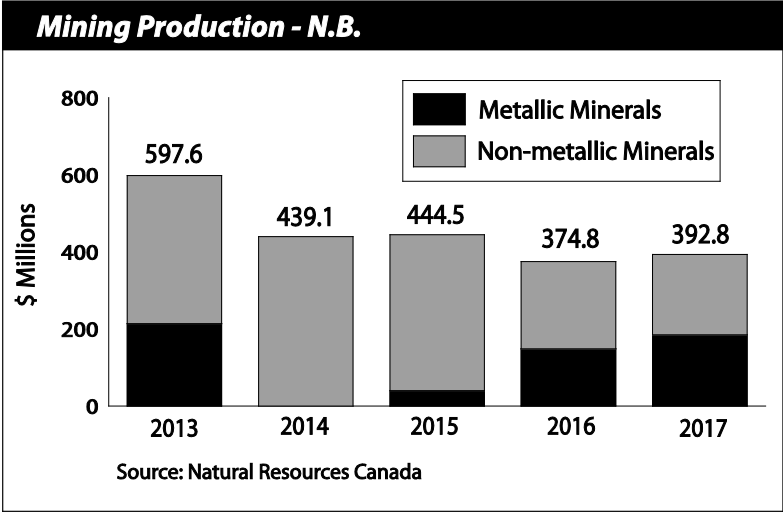


Mineral Production Shows Signs of Recovery

Mineral production in New Brunswick increased 4.8% to \$392.8 million in 2017, due to higher lead and zinc prices.

2017 marked the second time in five years that overall production rose, and the third straight year that metallic mineral production increased.

The mining, quarrying, and oil and gas extraction industry represents less than 1% of provincial GDP and in 2017 employed 3,100.

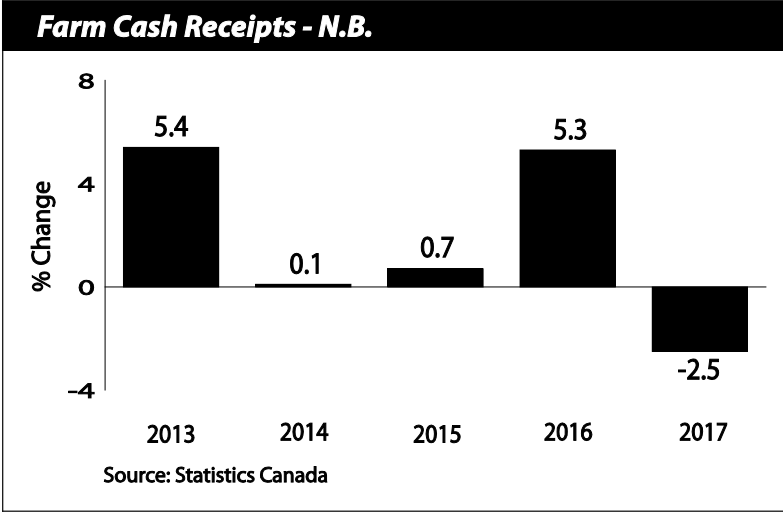


Farm Cash Receipts Still Solid

New Brunswick's farm cash receipts in 2017 were \$587.7 million, down 2.5% from 2016. Nonetheless, the level is higher than those prior to the 2016 record level. Crop receipts fell 6.4% while livestock receipts were up 1.5%.

Nationally, farm cash receipts increased 1.8% in 2017.

The agriculture industry represents less than 2% of provincial GDP and in 2017 employment was stable at 5,100.



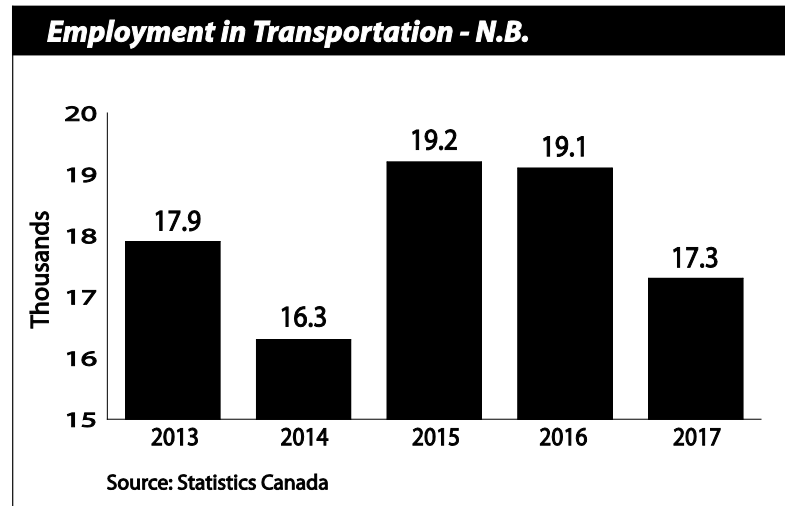
Transportation Results Positive Overall

Transportation and warehousing employment dropped 9.4% in 2017, mainly due to truck transportation. Conversely, average weekly earnings for the sector increased 5.5%, the highest result for published industries.

This sector represents 5% of provincial GDP.

Total tonnage handled at Port Saint John in 2017 was 30.5 million metric tonnes, an increase of 15.2% over 2016. The number of cruise ship passengers increased 2.6% to 147,736, as calls remained stable at 64.

The airports serving the three largest centres each reported increased passenger and itinerant aircraft movements in 2017.

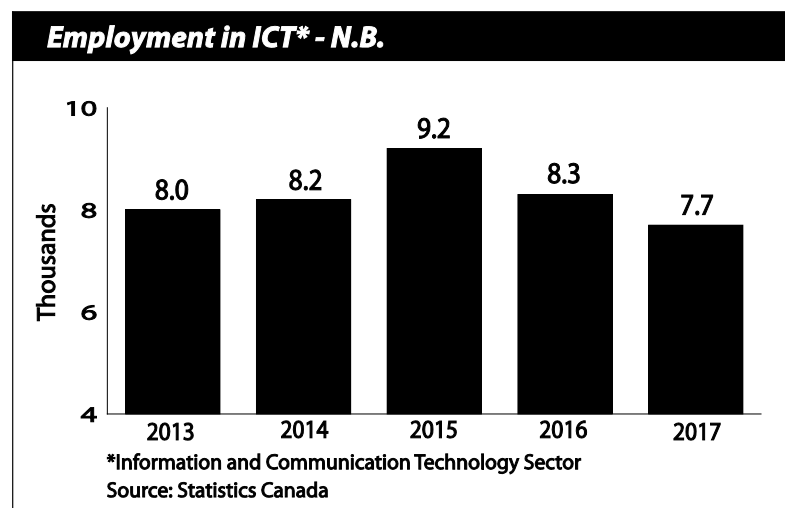


ICT Sector Slows

In 2017, employment in the information and communication technology (ICT) sector fell back to a similar level reported in 2010.

While employment in computer systems design services increased from 3,500 to 4,300 in 2017, wired telecommunications carriers dropped from 3,100 to 1,900.

The ICT sector accounts for over 3% of provincial GDP.



New Brunswick Annual Indicators

New Brunswick Annual Indicators (as of May 28, 2018)							
Indicators	2014	2015	2016	2017	% Change		
					2014-15	2015-16	2016-17
Labour							
Population 15 Years and Over ('000)	621.7	622.0	623.4	624.7	0.0	0.2	0.2
Labour Force ('000)	393.0	390.2	388.6	383.9	-0.7	-0.4	-1.2
Employment ('000)	353.9	351.8	351.5	352.9	-0.6	-0.1	0.4
Full-time ('000)	297.6	297.9	296.5	301.9	0.1	-0.5	1.8
Part-time ('000)	56.3	53.9	55.0	51.0	-4.3	2.0	-7.3
Goods-producing Sector ('000)	76.2	72.7	72.8	73.3	-4.6	0.1	0.7
Services-producing Sector ('000)	277.7	279.1	278.6	279.6	0.5	-0.2	0.4
Unemployment ('000)	39.1	38.4	37.1	31.0	-1.8	-3.4	-16.4
Participation Rate (%)	63.2	62.7	62.3	61.5	...	...	...
Employment Rate (%)	56.9	56.6	56.4	56.5	...	...	...
Unemployment Rate (%)	9.9	9.8	9.5	8.1	...	...	...
Average Weekly Earnings (\$)	832.56	855.69	875.12	887.03	2.8	2.3	1.4
Wages and Salaries (\$M)	14,286.0	14,520.2	15,064.2	15,555.2	1.6	3.7	3.3
Employment Insurance Beneficiaries	40,513	41,251	42,826	42,717	1.8	3.8	-0.3
Consumers							
Retail Trade (\$M)	11,479.3	11,730.2	11,977.9	12,792.1	2.2	2.1	6.8
New Motor Vehicle Sales (units)	42,656	44,735	44,984	44,801	4.9	0.6	-0.4
New Motor Vehicle Sales (\$M)	1,376.2	1,533.9	1,619.8	1,717.8	11.5	5.6	6.0
Food Services and Drinking Places (\$M)	1,012.7	1,082.7	1,156.8	1,184.3	6.9	6.8	2.4
Consumer Price Index (2002=100)	124.8	125.4	128.2	131.2	0.5	2.2	2.3
Housing							
Housing Starts (units)	2,276	1,995	1,838	2,324	-12.3	-7.9	26.4
Residential Building Permits (\$M)	456.5	419.4	479.0	477.6	-8.1	14.2	-0.3
MLS® Residential Sales (units)	6,273	6,682	7,427	7,935	6.5	11.1	6.8
Business							
Manufacturing Sales (\$M)	18,755.8	16,903.1	16,245.6	18,788.1	-9.9	-3.9	15.7
International Exports (\$M)	13,031.7	12,210.2	10,642.5	12,872.5	-6.3	-12.8	21.0
Non-residential Building Permits (\$M)	374.5	402.6	508.9	718.9	7.5	26.4	41.3
Industrial and Commercial (\$M)	250.6	250.8	388.6	456.7	0.1	54.9	17.5
Institutional and Governmental (\$M)	123.8	151.7	120.3	262.3	22.5	-20.7	118.1
Wholesale Trade (\$M)	6,265.6	6,441.5	6,267.5	6,449.8	2.8	-2.7	2.9
Mining Production (\$M)	439.1	444.5	374.8	392.8	1.2	-15.7	4.8
Farm Cash Receipts (\$M)	568.2	572.3	602.9	587.7	0.7	5.3	-2.5
Lumber Shipments ('000 m ³)	2 761.2	3 469.9	3 601.7	3 650.5	25.7	3.8	1.4
Demographics							
Population (July 1)	754,700	753,944	757,384	759,655	-0.1	0.5	0.3
Natural Increase (July 1-June 30)	-69	-326	-554	...	...	...	...
Net Migration (July 1-June 30)	-687	3,766	2,825	...	...	...	...
... Not applicable							
MLS® is a registered trademark of the Canadian Real Estate Association							
Sources: Statistics Canada, Natural Resources Canada and Canadian Real Estate Association							

Major Investment Projects

Projects valued at \$20 million or more that have been announced, are underway or have been completed.

Disclaimer: Project details are obtained from public sources. Every effort has been made to ensure a comprehensive and accurate listing.

Major Investment Projects for New Brunswick					
Industry	Project	Location	Value (\$M)	Start	End
Mining	Sisson Project – Northcliff Resources	Stanley area	579	2013	
Manufacturing	Irving Pulp and Paper – modernization	Saint John	450	2014	2018
Transportation	Route 11 – twinning	Eastern NB	272	2017	2021
Utilities	Safe Clean Drinking Water	Saint John	250	2016	2018
Health	Chaleur Regional Hospital	Bathurst	217	2015	2024
Transportation	Port Saint John – modernization	Saint John	205	2016	2022
Utilities	Water and wastewater	New Brunswick	159	2016	2017
Manufacturing	AV Group	Atholville and Nackawic	125	2016	2020
Recreation	Events centre	Moncton	104	2016	2018
Health	Dr. Georges-L.-Dumont University Hospital Centre	Moncton	101	2014	2021
Transportation	Centennial Bridge – rehabilitation	Miramichi	100	2015	2020
Public Administration	Public Service Pay Centre	Miramichi	85	2015	2017
Mining	Brunswick Mine – demolition and re-vegetation	Bathurst area	80	2013	2018
Transportation	Bridges	New Brunswick	76	2016	2017
Public Administration	Centennial Building – refurbishment / Courthouse	Fredericton	76	2017	2021
Transportation	Fundy Trail Parkway	Albert and Saint John Counties	73	2015	2021
Manufacturing	McCain Foods	Florenceville-Bristol	65	2016	2017
Transportation	Petitcodiac River bridge project	Moncton–Riverview	62	2017	2020
Education	King Street Elementary (K-5), Max Aitken Academy (K-8), expansion of Gretna Green School (K-8)	Miramichi	50	2015	2017
Health	Shannex / Université de Moncton – specialized care	Moncton	50	2016	2017
Transportation	Small craft harbour improvements	New Brunswick	44	2016	2017
Accommodation / Recreation	Kingswood Ventures – Radisson Kingswood Hotel & Suites and indoor water park	Fredericton area	42	2016	2020
Defence	Base Gagetown	Oromocto	38	2016	2017

Major Investment Projects (continued)

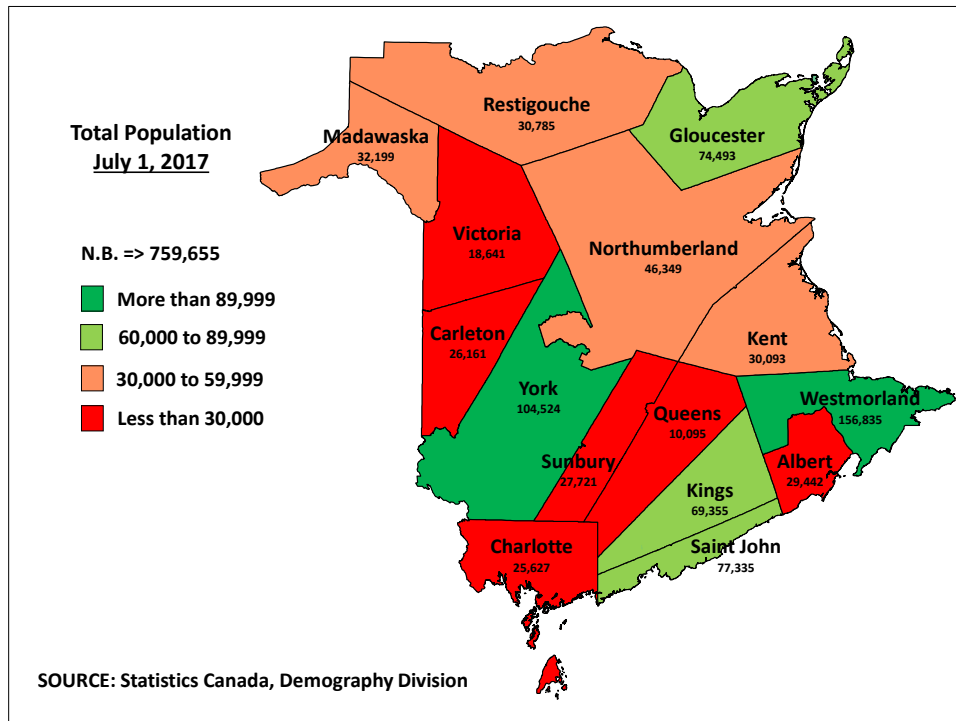
Projects valued at \$20 million or more that have been announced, are underway or have been completed.

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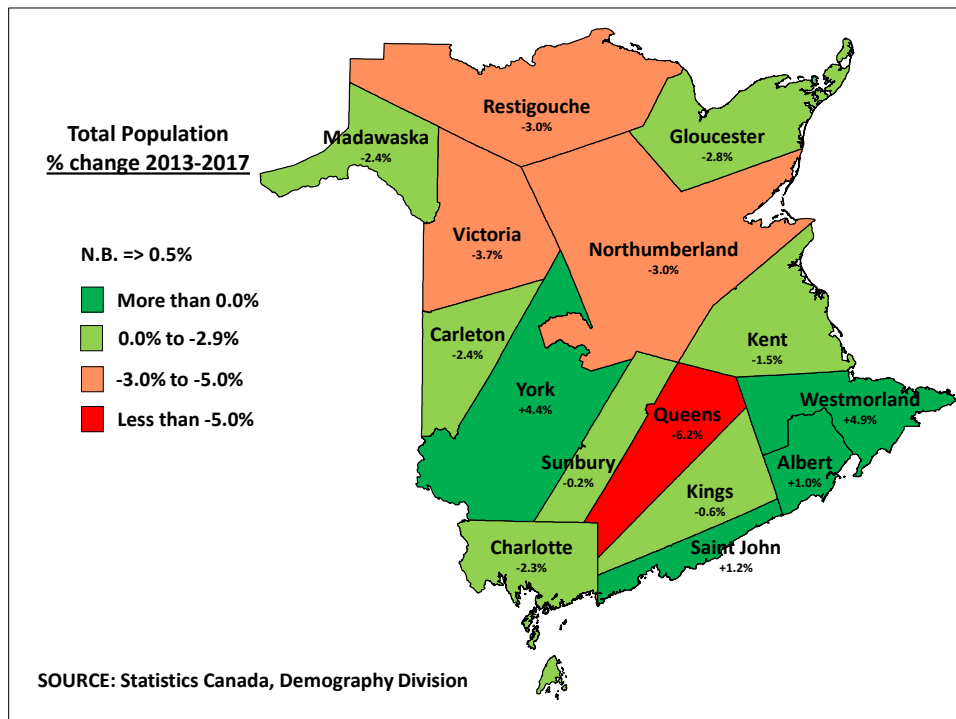
Major Investment Projects for New Brunswick					
Industry	Project	Location	Value (\$M)	Start	End
Education	UNB Centre for Healthy Living	Fredericton	36	2016	2018
Commercial	Irving Oil – new headquarters	Saint John	35	2016	2018
Education	School (3-8)	Dieppe	35	2016	2018
Manufacturing	Organigram – cannabis	Moncton	35	2017	2018
Health	The Moncton Hospital	Moncton	35	2017	2022
Residential construction / Retail	Junction Urban Village – mixed-use complex	Moncton	34	2016	2019
Education	High School upgrades	Fredericton, Moncton and Tracadie	32	2015	2019
Culture	Beaverbrook Art Gallery – expansion	Fredericton	31	2015	2017
Education	Mount Allison University and NBCC	Sackville and Saint John	30	2016	2018
Residential construction	Horizon Place – apartment complex	Dieppe	30	2016	2018
Retail	Rallye Motors Auto Group	Moncton	30	2016	2018
Accommodation / Food services	FiveFive Queen – hotel-condo-restaurant	Moncton	30	2017	2018
Education	School (6-8)	Moncton	27	2017	2019
Health	NB Centre for Precision Medicine and Université de Moncton	Moncton	26	2016	2018
Education	École Champlain (K-8)	Moncton	24	2015	2017
Health	Nursing home	Dalhousie	23	2014	2017
Education	Polyvalente Louis-J.-Robichaud (9-12) and École Étoile de l'Acadie (K-12)	Shediac and Rogersville	23	2016	2020
Education	Galion des Appalaches (K-8)	Campbellton	21	2015	2018
Education	Seaside Park Elementary School (K-5)	Saint John	20	2016	2017
Accommodation	Hilton Garden Inn	Fredericton	20	2016	2018
Accommodation / Retail	Delta Hotels by Marriott / Brunswick Square renovation	Saint John	20	2017	2017
Mining	Trevali Mining Corporation – machinery for Caribou Mine	Bathurst	20	2017	2017

Maps of New Brunswick

Population Distribution, N.B. Counties

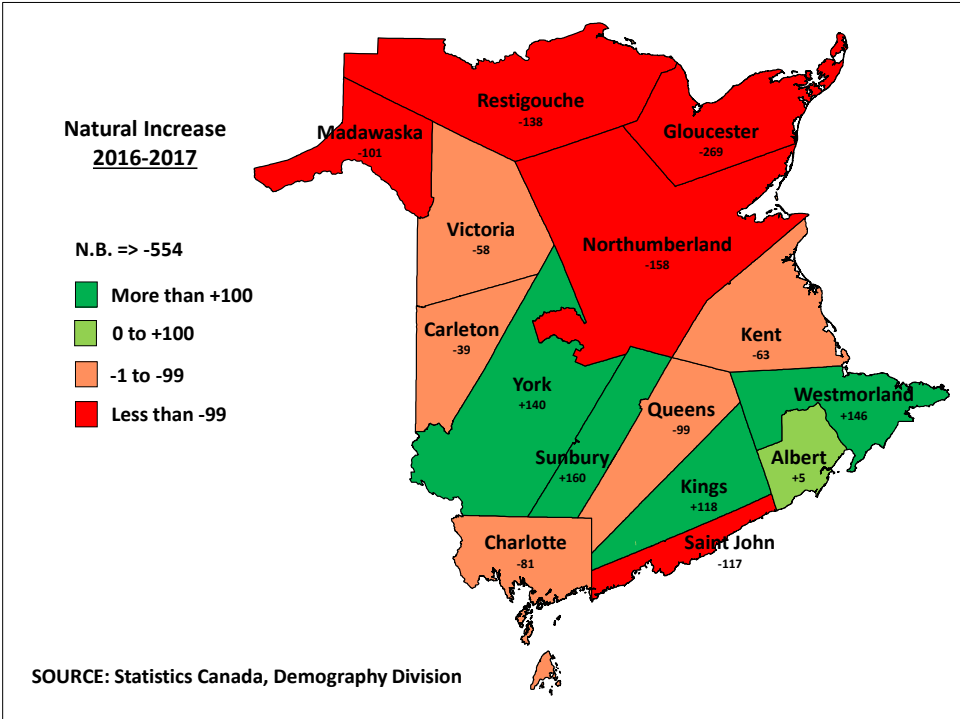


Population Change, N.B. Counties

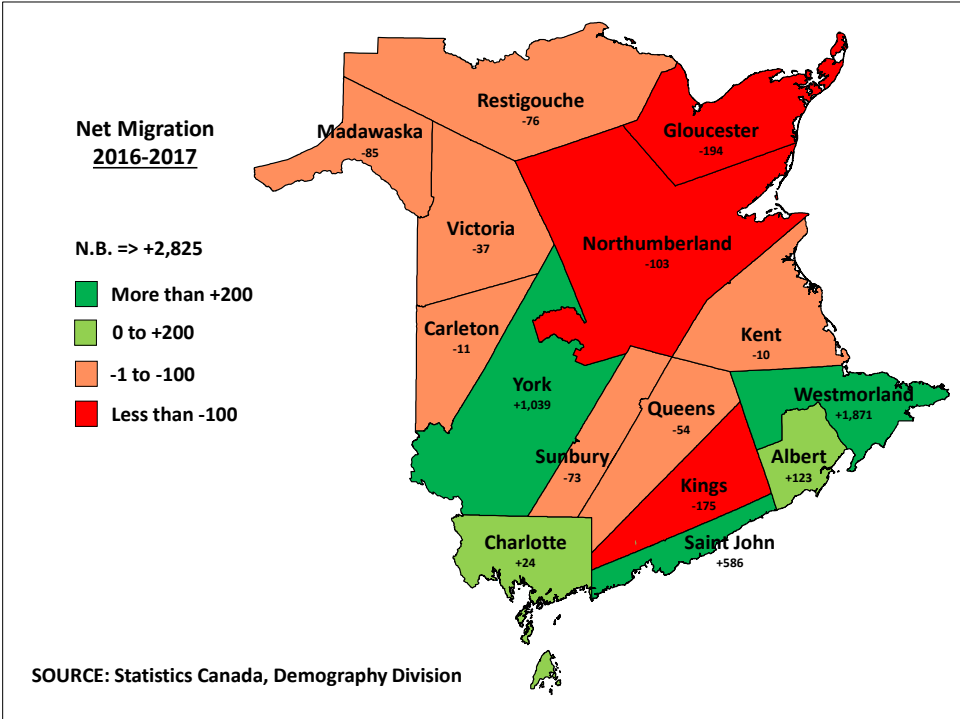


Maps of New Brunswick

Natural Increase, N.B. Counties

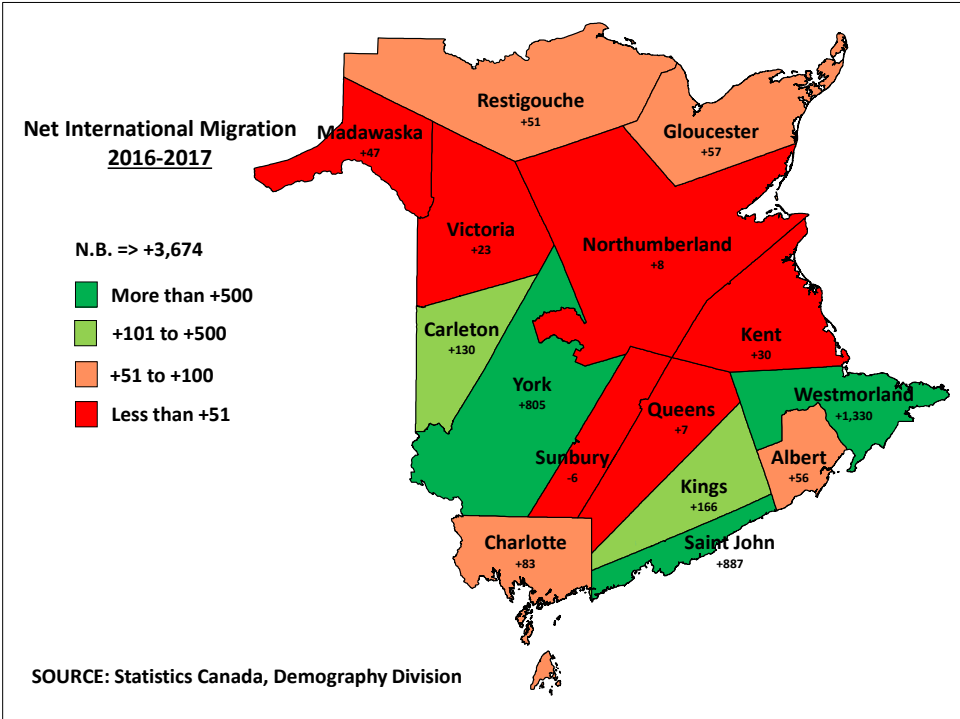


Net Migration, N.B. Counties

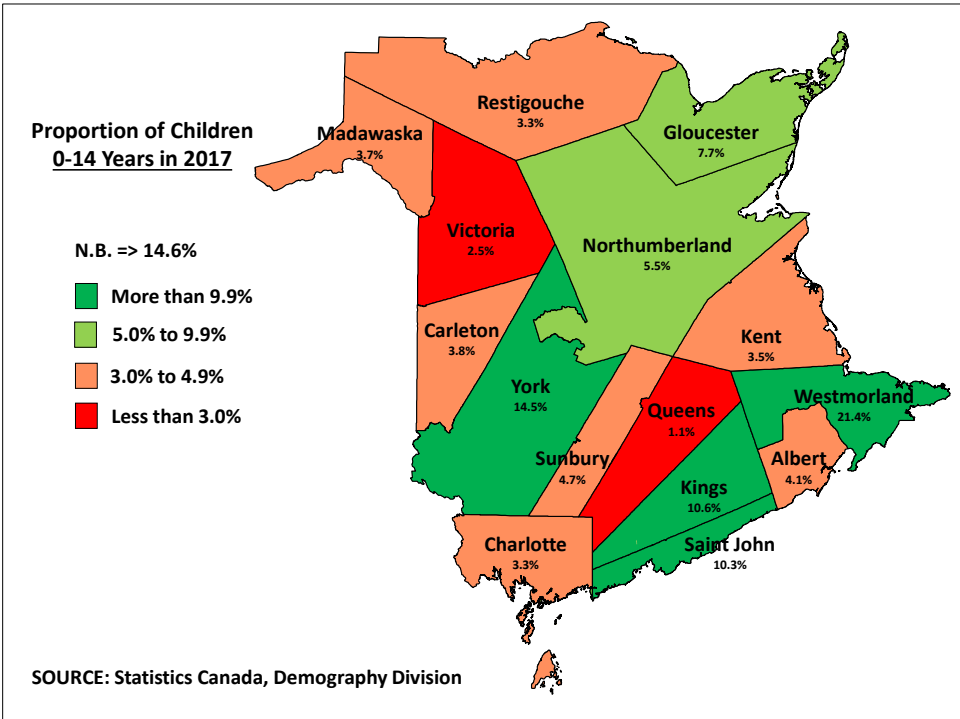


Maps of New Brunswick

Net International Migration, N.B. Counties

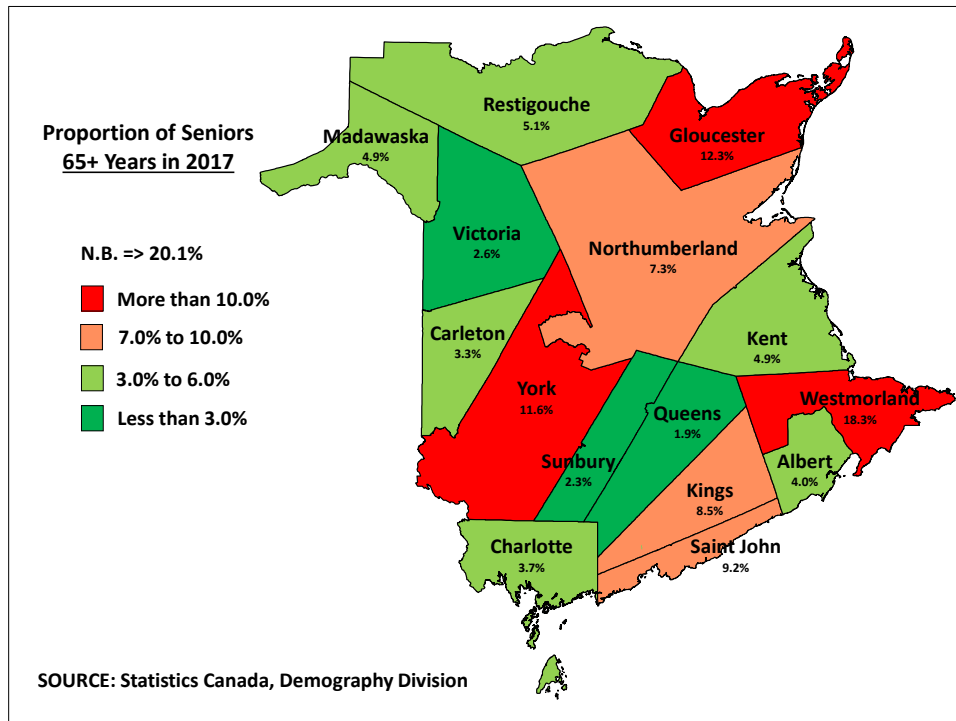


Distribution of Children, N.B. Counties



Maps of New Brunswick

Distribution of Seniors, N.B. Counties



Unemployment Rate, N.B. Economic Regions and Urban Areas

