

2015 Forest Sector Review

Forestry has been a cornerstone of the New Brunswick economy for generations, generating economic growth, recreational activities, and environmental sustainability among communities and families. There are approximately six million hectares of forest land in the province. About 50 per cent is Crown land, 35 per cent is private woodlots, and 15 per cent is industrial freehold. In addition to the landowners, there are 397 forest and logging companies, and 84 support businesses. In 2015, the primary forest sector generated about \$489 million in revenues. About two-thirds of these revenues were generated by softwood (mainly spruce-fir-jack pine), with hardwood contributing around one-third. The wood processing sector comprises 147 businesses, which include approximately 35 industrial sawmills, 6 pulp

and paper mills, and 2 panel mills. The balance of the wood processing sector is comprised of smaller, locally owned mills and of secondary processing facilities which remanufacture wood products to create finished goods such as windows, doors, and furniture. Together these businesses produced over \$2 billion of processed forest products. New Brunswick is the largest exporter of forest products in Atlantic Canada valued at about \$1.7 billion in 2015. The United States, India and Indonesia are the main export destinations, accounting for 77 per cent, 6 per cent and 4 per cent of export share, respectively. In 2015, the primary forest sector created approximately 3,200 full time equivalent jobs, while the processing sector generated 6,900 full-time equivalent jobs.

Industry at a Glance

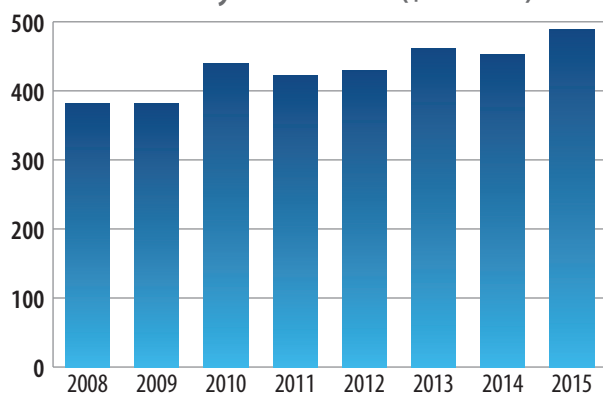
Number of small private woodlots	Over 40,000
Number of primary forestry businesses	481
Number of processing forestry businesses	147
Value of primary forestry production	\$489 million
Value of processed forest product shipments*	Over \$2 billion
Value of exports	\$1.7 billion
GDP (direct)	\$978 million
Employment-primary (FTEs)	3,200
Employment-processing (FTEs)	6,900

* Estimate

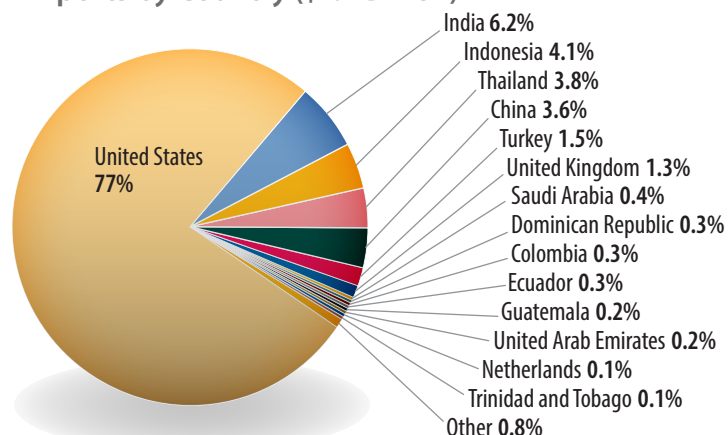
Exports by Country

Country	Value (\$ Million)	
	2014	2015
United States	1,286.8	1,329.7
India	95.1	106.5
Indonesia	61.0	70.6
Thailand	46.4	65.0
China	66.8	61.9
Turkey	19.0	25.4
United Kingdom	28.3	22.5
Saudi Arabia	0.4	6.2
Dominican Republic	4.8	4.6
Colombia	2.1	4.6
Ecuador	3.5	4.5
Guatemala	4.2	3.2
United Arab Emirates	1.7	2.8
Netherlands	6.3	2.5
Trinidad and Tobago	1.8	2.2
Other	30.1	14.0
Total	1,658.3	1,726.2

Total Primary Production (\$ Million)



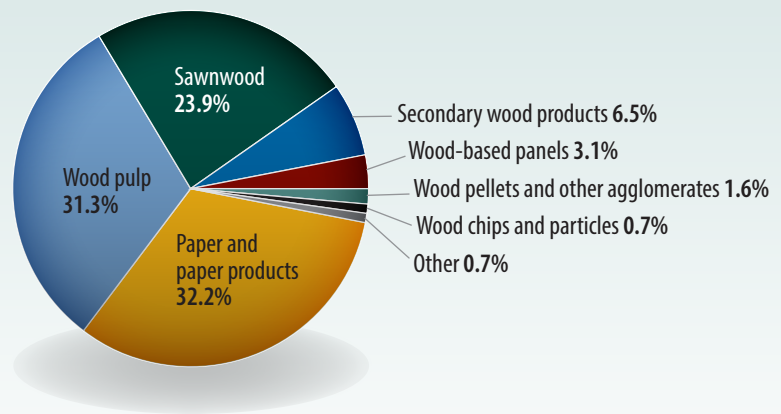
Exports by Country (\$1.7 Billion)



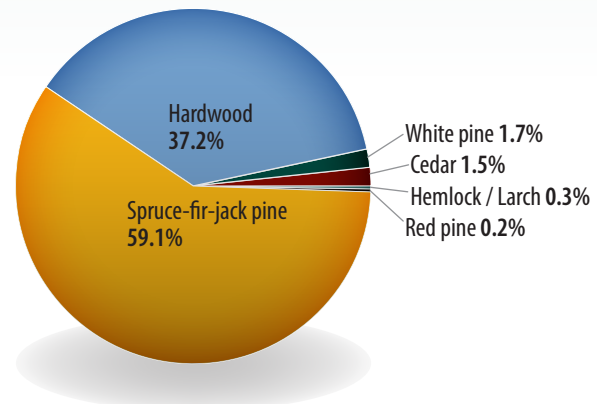
2015 Highlights

- New Brunswick's total value of primary forestry production was estimated at \$489 million in 2015, a \$37 million (8 per cent) increase over 2014.
- In 2015, the value of spruce-fir-jack pine primary production increased slightly by \$6 million (2 per cent) to approximately \$300 million. This was mainly due to an increase in harvested volume by 143,000 cubic metres (3 per cent) to about 5.9 million cubic meters.
- The value of hardwood primary production rose by about \$29 million (20 per cent) in 2015, to a total of \$171 million. This resulted from an increase in harvested volume by 577,000 cubic metres (18 per cent) to approximately 3.7 million cubic meters in 2015.
- New Brunswick forestry export revenues increased by \$68 million (4 per cent) to over \$1.7 billion in 2015 compared to 2014. Export revenues for the sector have been increasing steadily since 2012. This growth is mainly attributable to increased demand in the United States coupled with a favourable exchange rate.
- The United States continued to be the most significant export market for New Brunswick's forest products with \$1.3 billion in sales, up by \$43 million (3 per cent) from 2014. This was mainly due to higher sales of paper and paper products, and wood-based panels.
- India and Indonesia were the next most important destinations for the province's forest products at \$107 million and \$71 million, respectively. Exports to India were up by about \$11 million (12 per cent), while those to Indonesia were up by nearly \$10 million (16 per cent) in 2015 over 2014. This resulted from higher dissolving wood pulp sales.

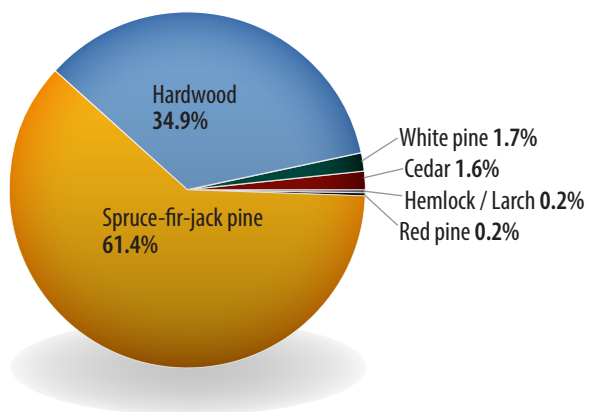
Exports by Product (\$1.7 Billion)



Primary Production Volume (9.9 Million M³)



Primary Production Value (\$489 Million)



Primary Production

Species	Volume (000 M ³)		Value (\$ Million)	
	2014	2015	2014	2015
Spruce-fir-jack pine	5,724	5,868	294.3	300.2
Hardwood	3,123	3,700	141.7	170.5
White pine	137	170	7.7	8.5
Cedar	132	145	6.6	7.6
Hemlock / Larch	16	28	0.7	1.2
Red pine	25	24	1.2	1.1
Total	9,157	9,936	452.2	489.1

Exports by Product

Product	Value (\$ Million)	
	2014	2015
Paper and paper products	539.1	556.4
Wood pulp	510.6	540.6
Sawnwood	409.3	412.9
Secondary wood products	90.7	112.1
Wood-based panels	39.1	52.7
Wood pellets and other agglomerates	21.3	26.8
Wood chips and particles	11.4	12.9
Other	36.8	11.9
Total	1,658.3	1,726.2