



Department of Finance

The New Brunswick
Economy: 2016 in Review

The New Brunswick Economy: 2016 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 31, 2017; 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 grew by 3.1% in 2016. This followed a weaker-than-anticipated performance among advanced economies, while emerging markets and developing economies continued to expand steadily, albeit at a slower pace than in recent years. The euro zone reported stronger-than-expected growth (+1.7%), surpassing growth in the U.S. for the first time since the 2008 financial crisis.
- The U.S. economy saw real Gross Domestic Product (GDP) increase by 1.6% in 2016. A strong labour market and robust job gains, coupled with a rise in consumer spending and a recovery in the housing market, helped growth remain in positive territory.
- Driven by household consumption in the first half of the year, Canada saw economic activity improve in 2016 with real GDP growth of 1.5%. Increases in domestic demand and government final consumption also contributed to growth. Dampening the performance was lower business investment, which contracted mainly due to weakness in the energy sector.
- New Brunswick turned in a favourable performance in 2016, reporting solid economic growth for the second year in a row as its economy expanded 1.4%. Wages and salaries growth strengthened and outpaced the national increase, the provincial population increased for the first time in four years, and the 9.5% unemployment rate marked the third successive year of single digits. Constrained showings in the mining, manufacturing and housing sectors served to limit growth.

2016 Statistical Summary

2016 Statistical Summary		
Growth Rates ¹		
	N.B. Canada (2015 to 2016)	
Output		
Gross Domestic Product (GDP) *	1.8	2.1
GDP (real)	1.4	1.5
Population and Labour Force		
Total Population (July 1)	0.3	1.2
Labour Force	-0.4	0.8
Employment	-0.1	0.7
Unemployment Rate (%)	9.5	7.0
Participation Rate (%)	62.3	65.7
Wages and Salaries	3.8	2.4
Indicators		
International Exports	-12.8	-2.6
Retail Trade	1.8	5.1
Farm Cash Receipts	4.5	0.5
Housing Starts	-7.9	1.2
Manufacturing Sales	-3.9	1.0
Lumber Shipments	3.8	6.7
Mining Production	-36.3	-4.7
Consumer Price Index	2.2	1.4
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 was estimated at 3.1% in 2016, a slight reduction from the 3.4% pace of expansion the previous year. This slowdown was more evident across advanced economies, while emerging markets and developing economies continued to expand at a steady pace.
- Growth in the advanced economies slowed from 2.1% in 2015 to 1.7% in 2016. Economic expansion in the U.S.—and to a lesser extent in the U.K.—was somewhat subdued amidst uncertainties surrounding trade and other policy issues leading up to the U.S. presidential election and the Brexit vote.
- The euro area recorded a modest increase of 1.7% in 2016, with Spain (+3.2%), Germany (+1.8%), France (+1.2%) and Italy (+0.9%) all experiencing positive growth.
- The Asian members of the BRICS remain the frontrunners among the emerging markets. The Indian and Chinese economies expanded by 6.8% and 6.7% respectively in 2016, while economic growth contracted by 3.6% in Brazil and fell 0.2% in Russia.
- Meaningful growth in the Japanese economy continued to be a challenge despite the use of unconventional policy measures by both monetary and fiscal authorities. The economy expanded by 1.0% in 2016, with an average annual growth rate of 1.2% over the last five years.
- Real GDP in the U.S. grew 1.6% in 2016, supported by increases in household expenditure and government spending at the state and local levels. An uptick in residential fixed investment also contributed to economic growth.
- The U.S. labour market showed further signs of improvement with the creation of an additional 2.5 million jobs in 2016. The unemployment rate continued its downward trajectory for the sixth consecutive year, falling to 4.9%. Real personal consumption expenditure climbed 2.7% for the year.
- The U.S. housing market continued to strengthen as housing starts came in above the one-million mark for the third year in a row. Total starts stood at 1.17 million in 2016, a 5.6% increase over 2015.

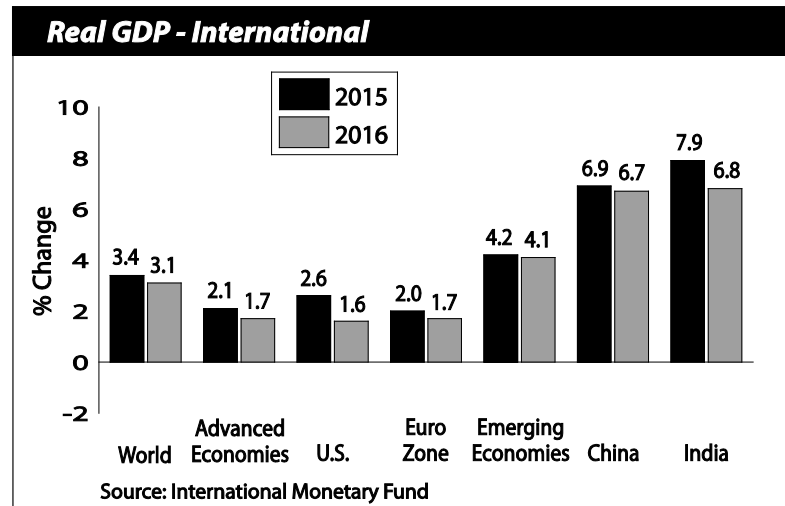
Global Growth Softens

Growth in the world economy continued to be subdued amidst an uncertain global policy environment.

Global output advanced by 3.1% in 2016, the slowest rate of growth since 2009.

The growth momentum in the advanced economies diminished slightly, leaving much of the heavy lifting to the emerging markets and developing economies.

India and China continued to spearhead global growth.

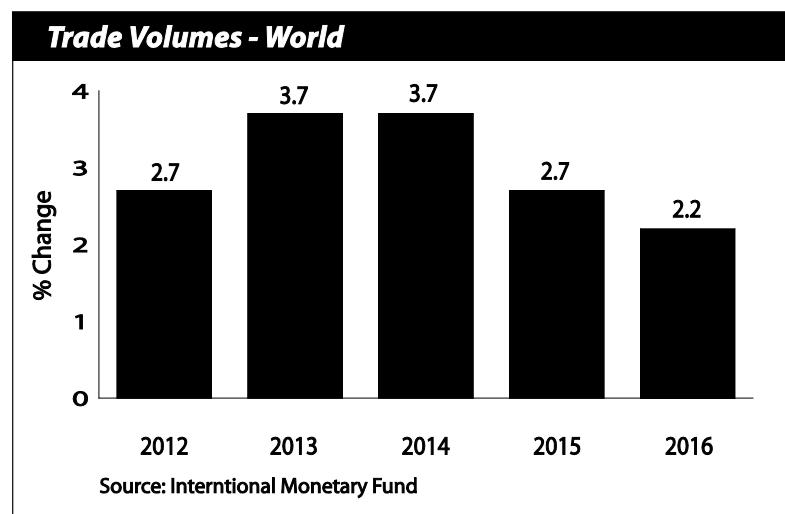


World Trade Makes Modest Gains

Global trade continued to expand but at a more leisurely pace than in recent years.

World trade volume increased by 2.2% in 2016, below growth of 2.7% in 2015.

The slowdown in global investments, the rise in protectionist sentiment and the impending renegotiation of major trading arrangements had an adverse effect on global trade.



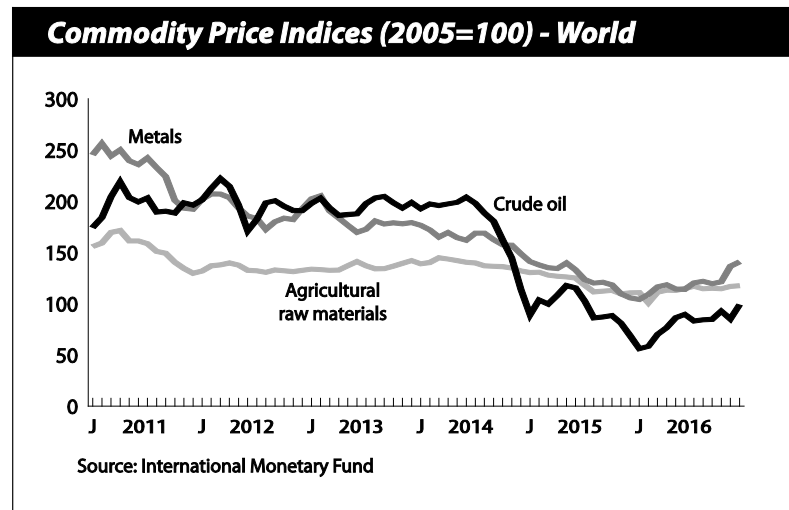
Commodity Prices Begin to Pick Up

Between January and December 2016, commodity prices began to trend upward, with gains in all the major categories.

Prices for oil, metal and agricultural raw materials bottomed out early in 2016, but picked up by year-end.

An upsurge in metal prices was driven mainly by an increase in Chinese demand

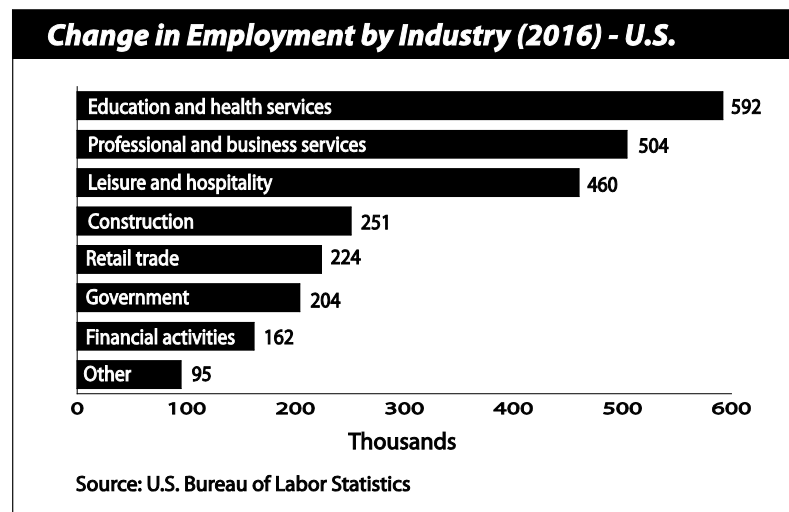
and a pledge by then President-elect Trump of a \$1 trillion infrastructure spending plan.



U.S. Recovery Continues

Increased consumer spending, modest employment gains and an unemployment rate below pre-recession levels were among the bright spots as the U.S. economic recovery continued to take shape.

Total non-farm employment increased by 2.5 million, with 12 out of 14 industry categories reporting net job gains. Growth in education and health services, professional and business services, and leisure and hospitality accounted for more than 50% of the total new jobs created.



Canadian Economy

- Real GDP in Canada rose 1.5% in 2016, improving on modest growth of 0.9% in 2015. Stronger growth in household consumption in the first half of 2016, government final consumption expenditure and housing investment contributed to the improvement.
- Real GDP increased in eight of 10 provinces in 2016 with the strongest growth in British Columbia (+3.7%). For the second consecutive year, Alberta reported the largest decline (-3.8%) followed by Saskatchewan (-1.0%).
- The Canadian labour market added more than 133,000 jobs in 2016. Growth in part-time employment outpaced that in full-time employment. The services-producing sector realized a 1.2% increase, spearheaded by gains in health care and social assistance but mitigated by decreases in transportation and warehousing, and educational services—the only two service industries to experience job losses. Employment in the goods-producing sector declined for the third year in a row.
- Canada's unemployment rate increased slightly in 2016, averaging 7.0% for the year. Deteriorating labour market conditions in energy-dependent provinces were offset by improving conditions in central Canada. Nevertheless, Saskatchewan (6.3%), Manitoba (6.1%) and British Columbia (6.0%) continued to hold the lowest unemployment rates in the country.
- Canadian exports fell by 2.6% in 2016, largely due to a decline in energy products. The decline was partially offset by an increase in non-energy products—which, thanks to strong U.S. demand and a weaker Canadian dollar, were led by an 8.4% rise in motor vehicles and parts exports. For the year, Canada's merchandise trade deficit widened from \$54.6 billion in 2015 to \$64.2 billion in 2016.
- After falling by 1.7% in 2015, manufacturing sales recovered and rose 1.0% in 2016. Sales were up in 11 of 21 industries, spearheaded by gains in wood product manufacturing (+10.9%) and transportation equipment manufacturing (+5.9%).
- Housing starts in Canada were up 1.2% in 2016. Growth in single-detached construction (+8.8%) was more than sufficient to offset a decline in multi-unit construction (-2.8%). The housing market surged ahead in British Columbia and Ontario, while Alberta and Newfoundland and Labrador saw significant declines.
- The Consumer Price Index (CPI) rose by 1.4% in 2016, with seven of the eight major components reporting price increases. The only exception was clothing and footwear which posted a decline of 0.2%.
- The Canadian dollar averaged 75 cents U.S. in 2016—with a high of 78 cents and a low of 70 cents—compared to an average of 78 cents U.S. in 2015.

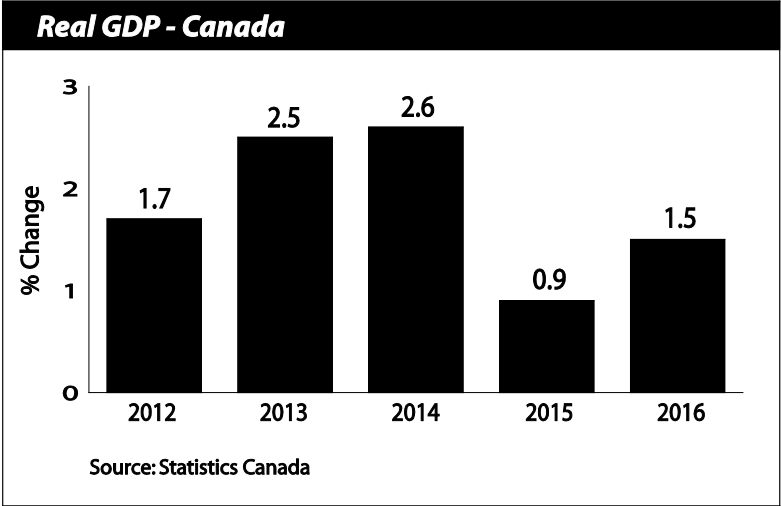
Canada Economic Indicators

Canada Economic Indicators Growth Rates ¹ , 2012 to 2016					
	2012	2013	2014	2015	2016
Economic Accounts					
Gross Domestic Product (GDP)	3.0	4.1	4.5	0.2	2.1
Household Final Consumption Expenditures	3.2	4.0	4.7	3.0	3.4
Gross Fixed Capital Formation	7.3	2.8	4.2	-1.8	-0.9
GDP (real)	1.7	2.5	2.6	0.9	1.5
Income					
Primary Household Income	4.6	3.9	3.8	3.8	2.6
Population and Labour Force					
Total Population (July 1)	1.2	1.2	1.1	0.9	1.2
Labour Force	1.0	1.2	0.5	0.8	0.8
Employment	1.3	1.5	0.6	0.8	0.7
Unemployment Rate (%)	7.3	7.1	6.9	6.9	7.0
Participation Rate (%)	66.5	66.5	66.0	65.8	65.7
Other					
Consumer Price Index	1.5	0.9	2.0	1.1	1.4
Housing Starts	10.8	-12.5	0.7	3.3	1.2
¹ Per cent change unless otherwise indicated					
Source: Statistics Canada					

Canadian Economy Strengthens

Real GDP in Canada grew 1.5% in 2016, more than one and a half times the pace recorded in 2015.

Contributing to economic activity were increases in household expenditures and housing investment, while business investment in non-residential structures dampened growth.

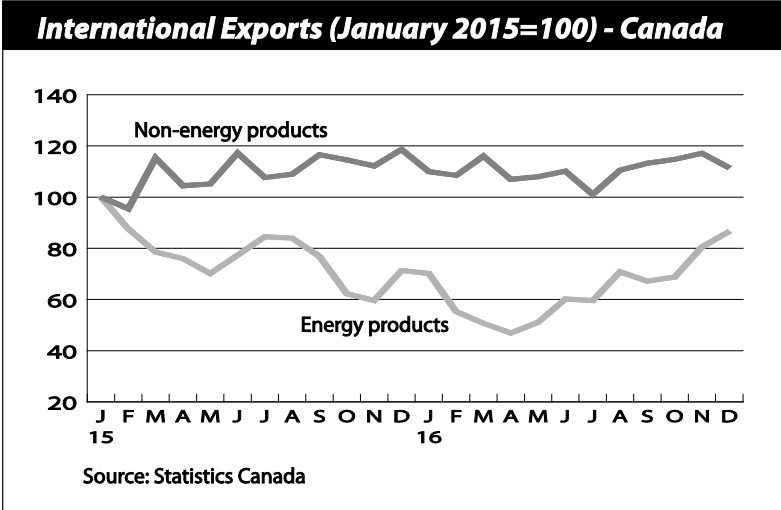


Export Rebound Emerges

Energy exports continued to be negatively impacted by the fall in the price of crude oil; they declined by 17.2% in 2016.

Nevertheless, energy products exports showed steady improvement after hitting a low point in April.

Non-energy exports increased by 0.9% in 2016, sensitive to the appreciation of the Canadian dollar in the first half of 2016 and restrained by softness in the U.S. economy.

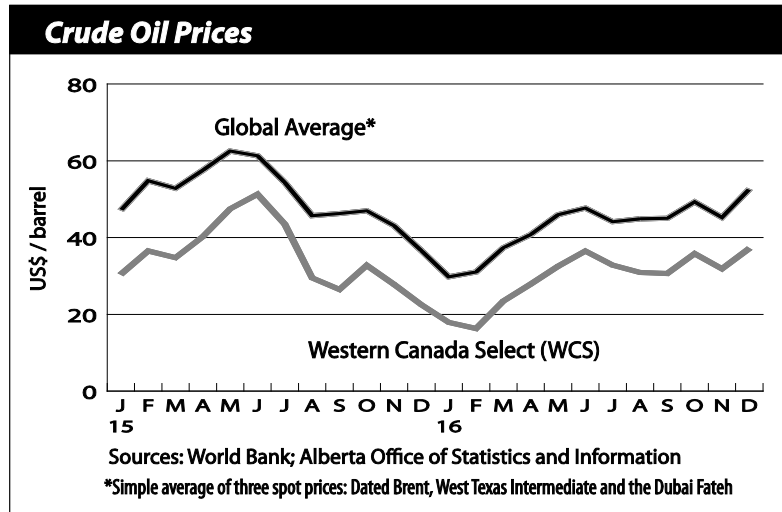


Oil Prices Show Improvement

Oil prices showed sustained increases throughout 2016, although they were still in the lower end of the range that has been in place over the past decade.

WCS crude oil prices averaged \$29 per barrel in 2016 compared to a global average of \$43 per barrel.

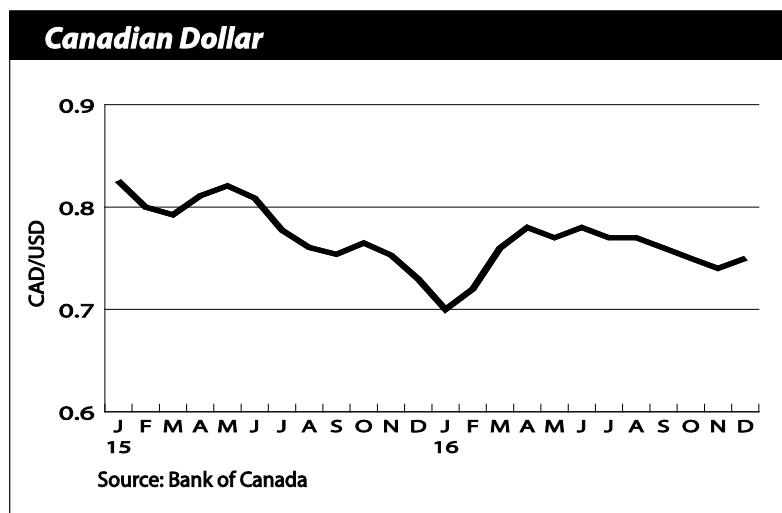
The weakness in prices resulted in further declines in investment by oil and gas producers.



Canadian Dollar Stabilizes

The Canadian dollar made some headway in the first half of 2016 before easing up as the year came to a close. Nevertheless, its value increased from 70 cents U.S. in January 2016 to 75 cents U.S. in December.

While the energy sector has suffered, the low dollar has mitigated declines in the non-energy commodity sectors making Canadian goods more affordable abroad.

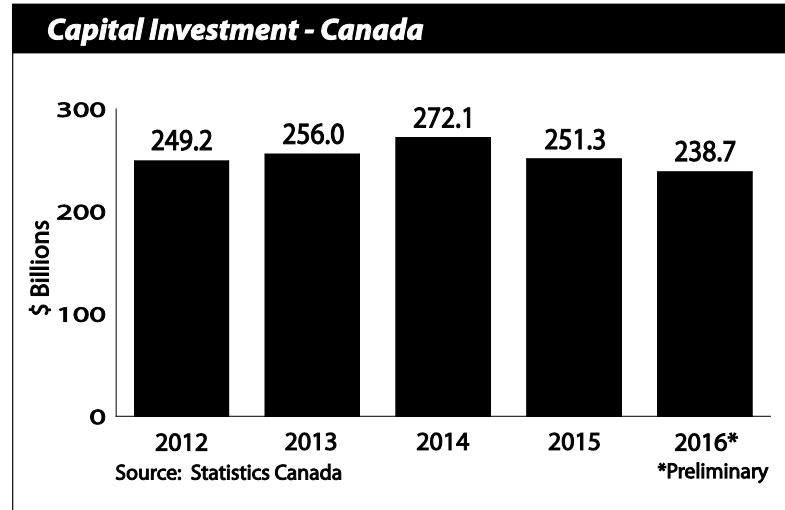


Capital Investment Decreases

Capital investment in Canada declined 5.0% to \$238.7 billion in 2016. Investment in the private sector fell 12.2%, while that in the public sector increased 10.9%.

Capital expenditures were higher in 10 of 20 industry categories, led by higher investment in public administration. Strong decreases were reported in mining, quarrying, and oil and gas extraction; manufacturing; and accommodation and food services.

Provincially, the strongest investment growth was reported in Prince Edward Island followed by Nova Scotia.



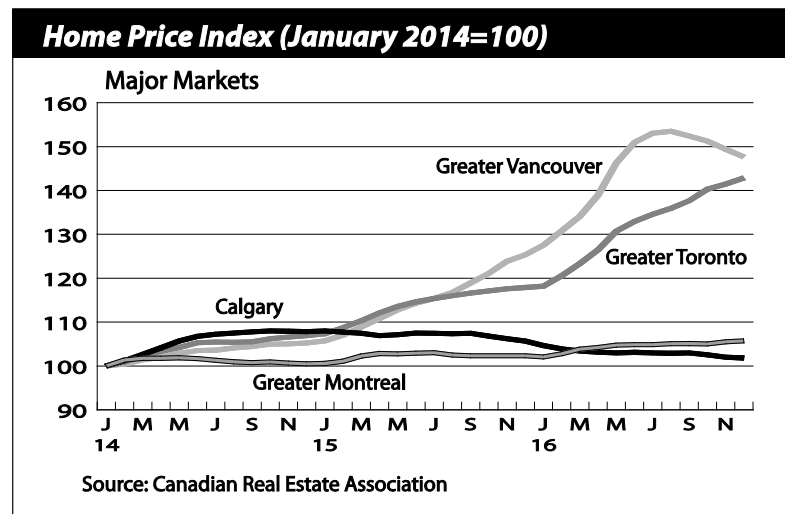
Vancouver and Toronto Housing Prices Soar

Driven by increases in the Toronto and Vancouver markets, the average value of a Canadian home increased 12.7% in 2016 compared to 2015.

Price increases in these markets were driven by factors including self-reinforcing price expectations, low interest rates and foreign demand.

Increased household indebtedness and greater imbalance in regional

housing markets due to accelerating prices could impact the economy should housing prices sharply decline.



New Brunswick Economy

- Real GDP in New Brunswick increased for a second consecutive year, recording growth of 1.4% in 2016. Construction was up thanks to ongoing activity on a number of infrastructure projects across the province. Strong growth was observed in the aquaculture industry, along with increased output in forestry and logging. Gains were also reported in the finance and insurance industry, wholesale trade and retail trade. The largest decline was observed in mining and quarrying, which was impacted by the closure of the potash mine.
- With the labour force falling faster than employment in 2016, the unemployment rate declined to 9.5%. Employment edged down slightly as gains in part-time employment largely offset full-time job losses. The goods-producing sector remained stable, while the services-producing sector declined modestly.
- Despite a weak labour market, average weekly earnings were up by 2.3% in 2016—compared to 2.8% growth in 2015—and above the national result of 0.4%. Tied with Prince Edward Island, New Brunswick had the highest growth in average weekly earnings countrywide in 2016.
- Retail trade advanced by 1.8% in 2016, an increase of \$215.4 million. Eight of the 11 subsectors reported higher sales, while gasoline stations, and electronics and appliance stores, reported the most substantial declines.
- Overall, capital expenditures increased by 3.6%, with increased public sector investment (+16.8%) offsetting a decline in private sector investment (-4.7%) in 2016. Higher investment in public administration, utilities, transportation and warehousing, and information and cultural industries had the strongest impact on the provincial total. Construction investment rose by 12.3%, while machinery and equipment investment was down 5.3%.
- Exports (-12.8%) and manufacturing (-3.9%) declined in 2016, influenced largely by declines in the prices of energy products. Wood product manufacturing turned in a solid performance (+8.3%), posting growth for the fifth year in a row.
- Housing starts in New Brunswick fell 7.9% in 2016, reflecting lower levels of both single-detached and multiple-unit starts. Activity increased in Moncton and Fredericton but declined in Saint John.
- Inflation in 2016 stood at 2.2%. Higher prices for alcoholic beverages and tobacco products led the push upward. Moderating the increase in transportation costs was a decline in gasoline prices.

New Brunswick Economic Indicators

New Brunswick Economic Indicators					
Growth Rates ¹ , 2012 to 2016					
	2012	2013	2014	2015	2016
Economic Accounts					
Gross Domestic Product (GDP) *	0.7	0.3	1.0	2.9	1.8
Household Final Consumption Expenditures *	2.4	3.0	3.5	2.1	2.7
Gross Fixed Capital Formation *	-11.9	-6.5	3.6	3.0	0.8
GDP (real) **	-1.0	-0.3	-0.1	2.3	1.4
Income					
Primary Household Income *	2.8	2.0	2.9	3.0	3.1
Population and Labour Force					
Total Population (July 1)	0.2	-0.1	-0.1	-0.1	0.3
Labour Force	0.1	0.5	-0.6	-0.7	-0.4
Employment	-0.7	0.4	-0.2	-0.6	-0.1
Unemployment Rate (%)	10.2	10.3	9.9	9.8	9.5
Participation Rate (%)	63.2	63.5	63.2	62.7	62.3
Other					
Consumer Price Index	1.7	0.8	1.5	0.5	2.2
Housing Starts	-4.4	-13.8	-19.9	-12.3	-7.9
¹ Per cent change unless otherwise indicated * NB Finance estimates for 2016 ** 2016 result on an industry accounts basis					
Sources: Statistics Canada and NB Finance					

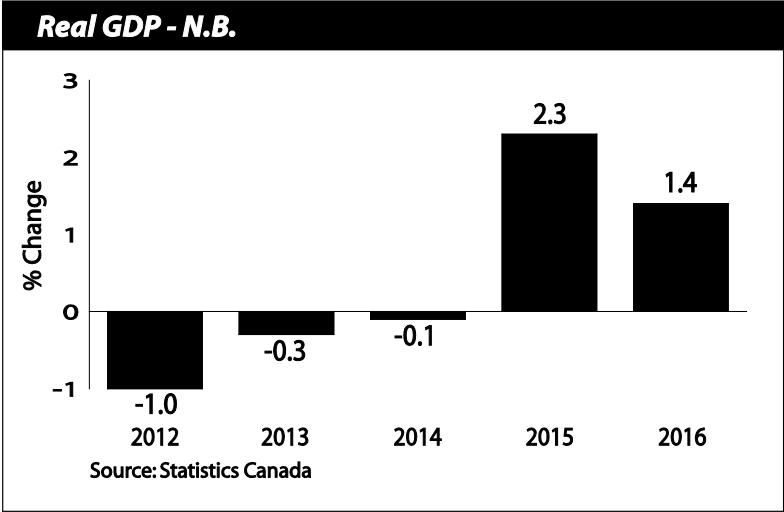
Note: [Social Indicators](#) covering a range of topics on New Brunswick can be found on the Department of Finance website. Data is compiled from several sources and includes information on low income, pensions and household expenditures. Analysis in this report is provided for only a few indicators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

Economy Continues to Expand

Real GDP in New Brunswick continued to grow at a solid pace, rising 1.4% in 2016.

Growth was widespread across many industries, with 16 of 20 sectors reporting gains.

Service-producing industries rose 1.5% and goods-producing industries grew 1.0%.

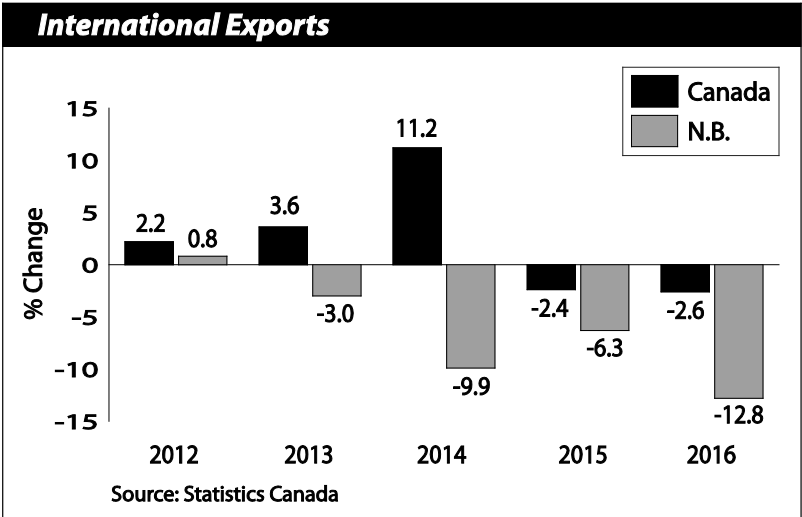


Exports Dampened by Commodity Prices

Foreign exports of goods from New Brunswick declined 12.8% to \$10.6 billion in 2016, mainly due to low commodity prices and the closure of the potash mine.

Six of the 12 product groups reported higher levels. The largest increases (in dollar terms) were in farm, fishing and intermediate food products; forestry products and building and packaging materials; and industrial machinery, equipment and parts. The greatest declines were in energy products; metal ores and non-metallic minerals; and basic and industrial chemical, plastic and rubber products.

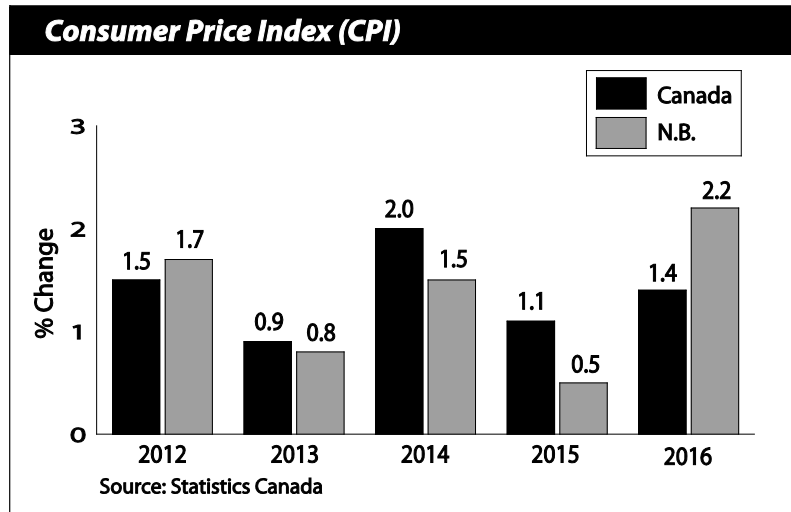
The province's largest trading partners include the U.S. (91.6%), India (1.2%), China (0.8%) and Japan (0.8%).



Inflation Rises

2016 marked the first time in four years that the provincial inflation rate was above the national rate. Consumer prices in New Brunswick rose 2.2% in 2016, while prices nationally increased 1.4%.

All eight major components of the CPI registered increases. Alcoholic beverages and tobacco products exerted the strongest upward pressure, with growth of 7.8%.

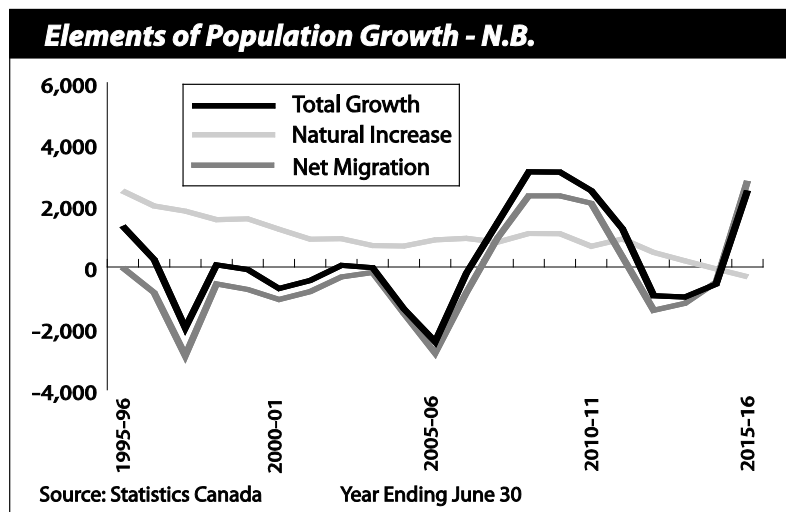


Population Grows for the First Time Since 2012

New Brunswick's population grew for the first time in four years, reaching 756,780 on July 1, 2016, a 0.3% rise from a year earlier. Canada's population rose 1.2% during 2015-2016.

Between July 1, 2015 and June 30, 2016, the provincial population was estimated to have increased by 2,500 people. Population growth was due largely to strength in net international migration, gains that were more than

sufficient to offset the loss in net interprovincial migration and negative natural increase.

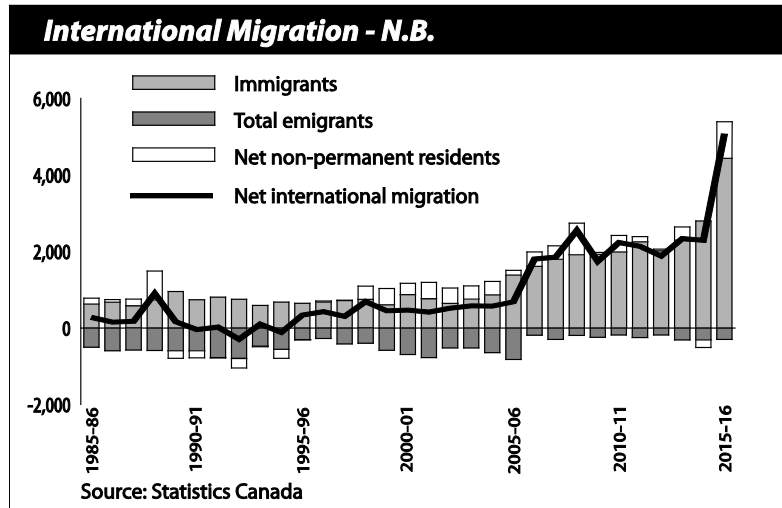


Immigration Spikes

Net international migration was the main driver of population growth in New Brunswick in 2015-2016.

A record number of immigrants settled in the province over the 12-month period (4,400), fuelled primarily by the arrival of Syrian refugees in the first half of 2016.

In addition, the number of net non-permanent residents reached an all-time high (+900).

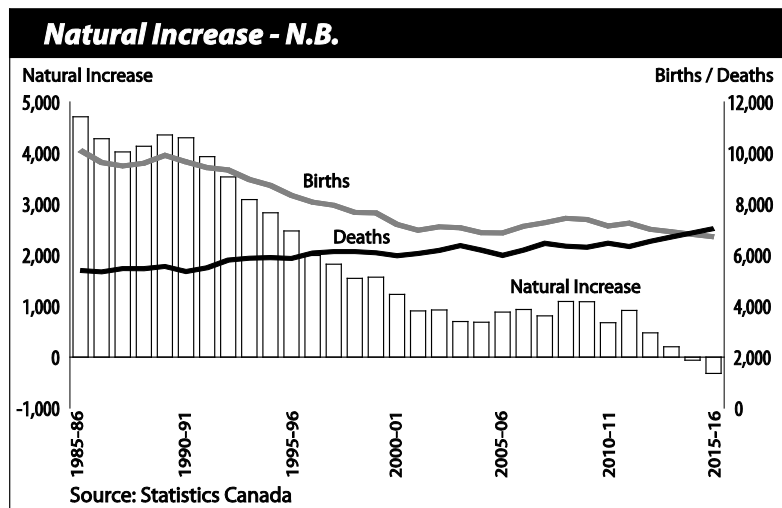


Natural Increase Still Negative

Deaths surpassed births for a second consecutive year in New Brunswick.

Natural increase was marginally negative in 2014-2015 and declined further in 2015-2016 as the number of deaths increased to 7,000 and the number of births fell to 6,700.

In 2015-2016, natural increase was also negative in the other Atlantic provinces, albeit only slightly in Prince Edward Island.



Boomers Shaping Population Over 50 Years of Age

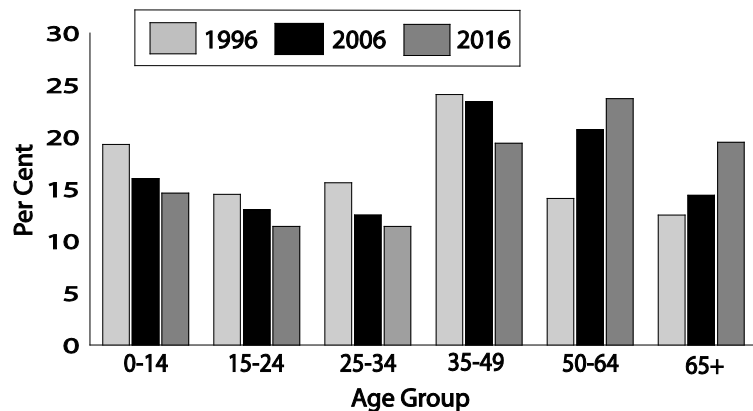
While the proportion of children (0-14 years) edged up slightly in 2016 from 2015, a decreasing share of the population under the age of 50 persisted, falling to 56.8% in 2016 from 57.3% in 2015.

The population 50 years and over continues to be heavily influenced by the boomer generation. The youngest boomers are just over 50 years old and the oldest are 70 years old. This cohort is significantly shaping the pre-

senior (50-64 years) and senior (65+ years) groups who comprise 23.7% and 19.5% of the total population respectively.

New Brunswick's median age was 45.0 years in 2016, considerably above the national median of 40.6 years.

Population by Age Groups - N.B.



Source: Statistics Canada

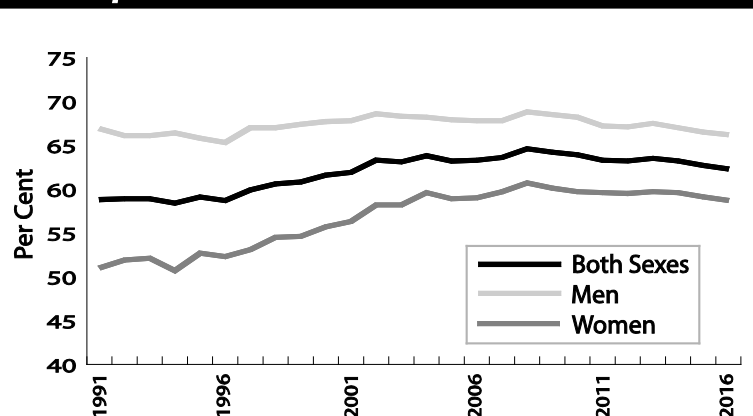
Participation Rate Falls

The number of New Brunswickers with a job or who were actively looking for work reached a 15-year low in 2016, falling to 62.3%—the lowest rate since 2001 when it stood at 61.9%.

The participation rate for men fell to 66.2% while that for women declined to 58.7%.

Canada's participation rate deteriorated to 65.7%, a low not seen since 1999.

Participation Rate - N.B.



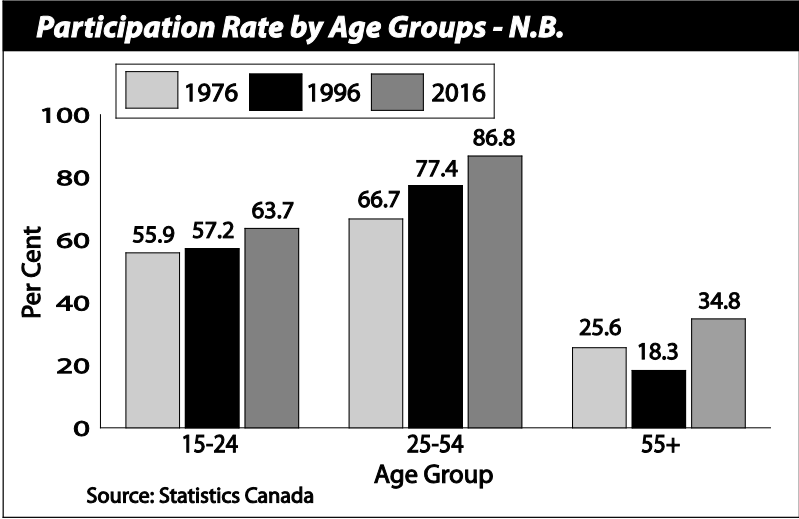
Source: Statistics Canada

Participation Rates Differ by Age

Participation rates by broad age groups have improved in New Brunswick with the 25-54 year age group surpassing 85% in each of the last nine years.

For the age group 55 years and over, the rates are significantly lower but have exceeded 30% since 2008.

Participation rates for young workers aged 15-24 years topped out at 68.5% in 2008, but have remained above 60% since 1999.

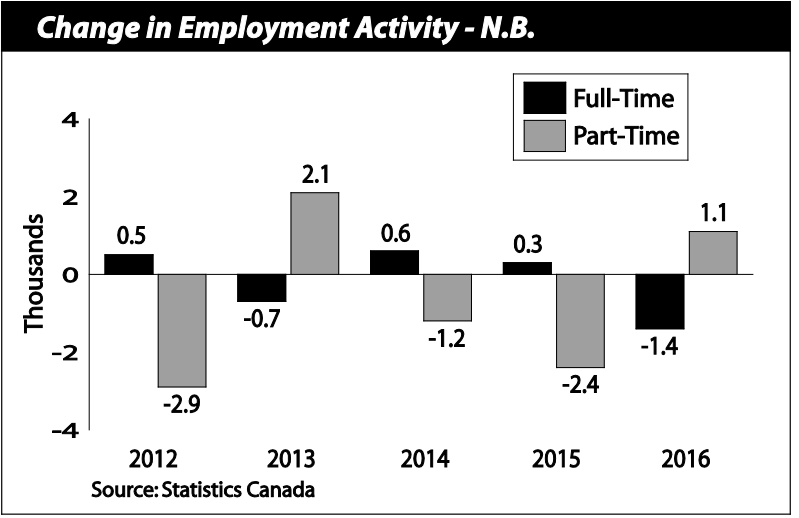


Part-Time Employment Rebounds

Part-time employment recovered some of the losses from the previous year and rose by 1,100. Full-time employment, which accounts for 84% of all jobs in the province, registered a drop of 1,400.

Employment showed sustained improvement in the latter half of the year. The number of employed in New Brunswick was essentially unchanged in 2016, falling 0.1% to 351,500.

Nationally, employment growth slowed to 0.7%.

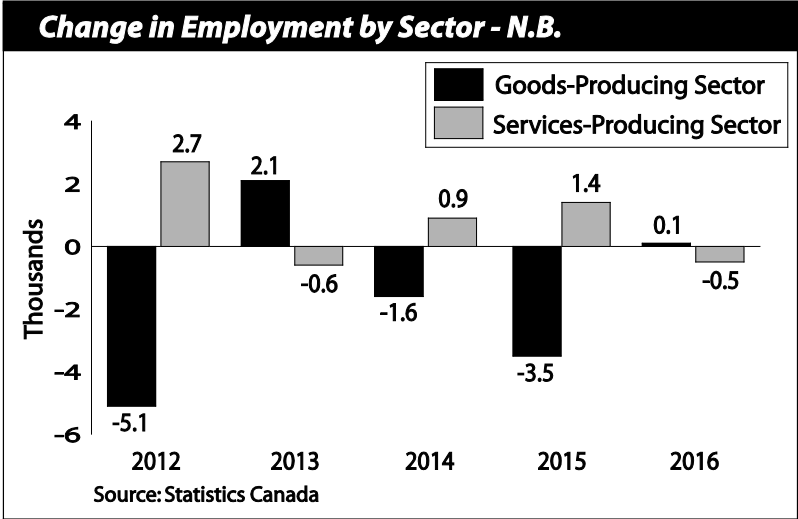


Employment in Goods-Producing Sector Unchanged

The number employed in the goods-producing sector was essentially unchanged from 2015, with the level edging up slightly. Employment in the service sector decreased following two years of growth.

Notable job gains were evident in finance, insurance, real estate and leasing (+2,300) and wholesale and retail trade (+1,900).

The biggest losses were suffered in business, building and other support services (-2,500), educational services (-2,000) and accommodation and food services (-2,000).

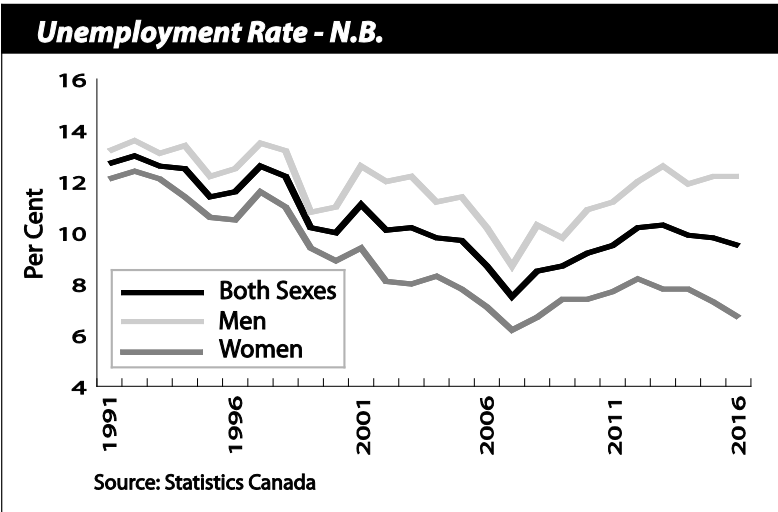


Unemployment Rate Still in Single Digits

New Brunswick's unemployment rate declined for the third consecutive year, falling to 9.5% in 2016, down 0.3 percentage points from 2015.

The unemployment rate for men was unchanged at 12.2% in 2016, while that for women was pushed down 0.6 percentage points to 6.7%.

Canada's unemployment rate edged up slightly to 7.0% in 2016.

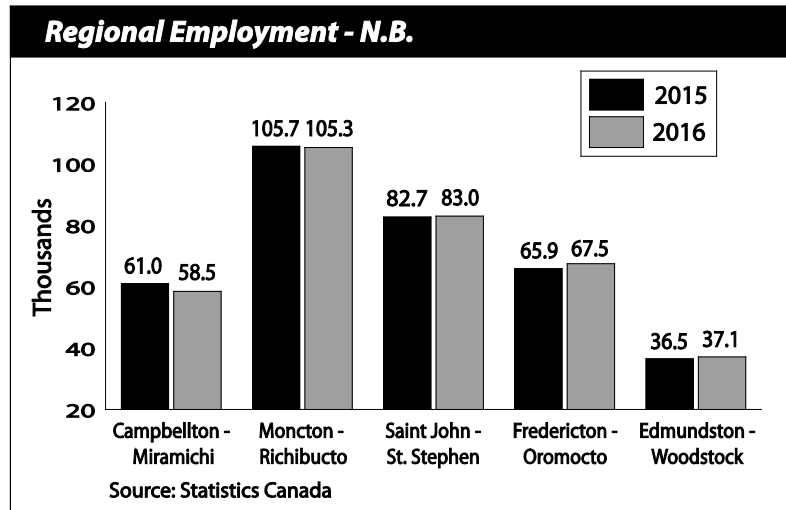


Job Gains in Three Regions

Employment increased in three of the five regions in 2016; Fredericton-Oromocto posted the highest growth (+2.4%) for the second year in a row.

Employment was also up in Edmundston-Woodstock. With job growth surpassing a decline in the labour force, the region recorded its lowest unemployment rate ever (6.8%).

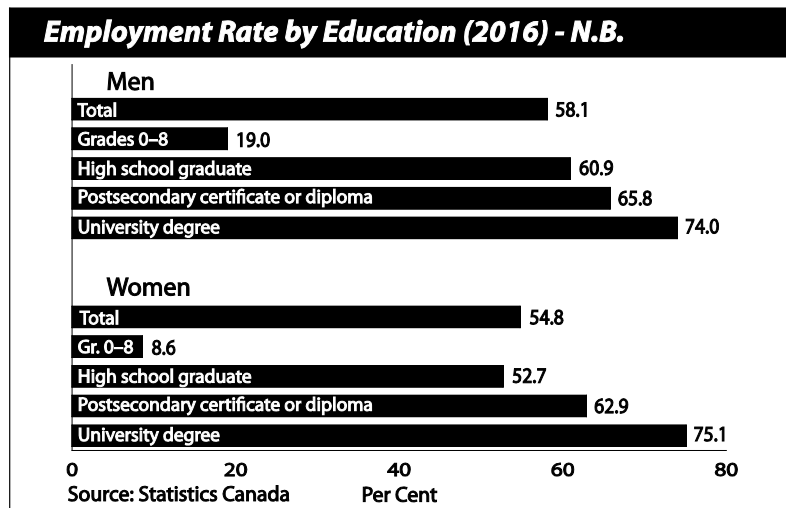
Campbellton-Miramichi suffered the heaviest job loss (-2,500) and maintained the highest unemployment rate (15.8%).



Higher Employment for University-Educated Women

In 2016, the employment rate for women was lower than that for men for all levels of education except those with a university degree.

Women with a university degree had an employment rate of 75.1%; the corresponding rate for men was 74.0%. Despite the lower rate for men, the proportion with university credentials who are employed has been trending up since 2014.



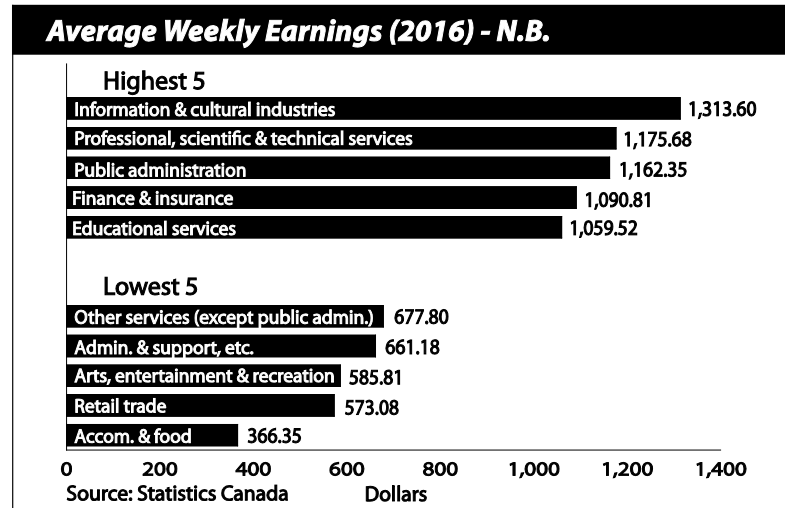
Average Weekly Earnings Growth Highest in Country

2016 marked the third consecutive year that average weekly earnings grew in New Brunswick. Earnings were up 2.3%, tied with Prince Edward Island for the largest increase in the country and above the national increase of 0.4%.

At \$875.15, the province's weekly earnings represented 91.5% of the Canadian average of \$956.50.

Provincial weekly earnings ranged from \$366.35 in

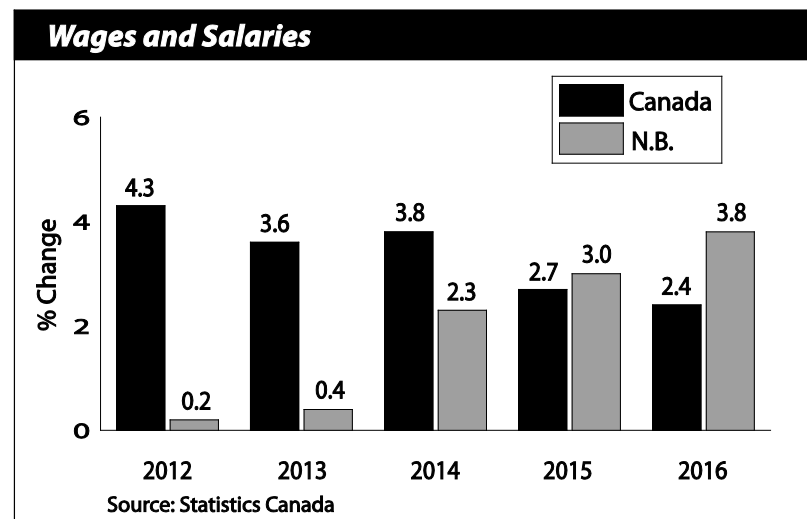
accommodation and food services to \$1,313.60 in information and cultural industries.



Wages and Salaries Continue to Strengthen

Growth in provincial wages and salaries continued to strengthen with an increase of 3.8% to \$15.3 billion in 2016. The national increase was lower for the second year in row at 2.4%.

Increases were reported in 13 of the 15 major industries in New Brunswick with the strongest gains (in dollar terms) from health care and social assistance; finance, real estate and company management; and trade.

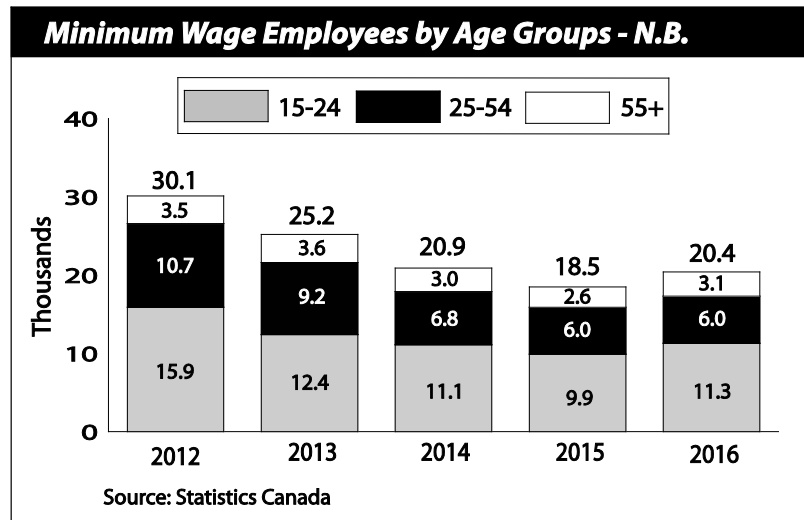


Employees Making Minimum Wage Increases

In 2016, the number of New Brunswick employees earning minimum wage or less rose 10.3% from 2015. However, no matter the age of employees, their number in 2016 was notably below their 2012 level.

Women with a minimum wage in 2016 exhibited a stronger increase than men, 15.5% versus 3.7%.

The minimum wage in the province increased to \$10.65 per hour from \$10.30 as of April 1, 2016.



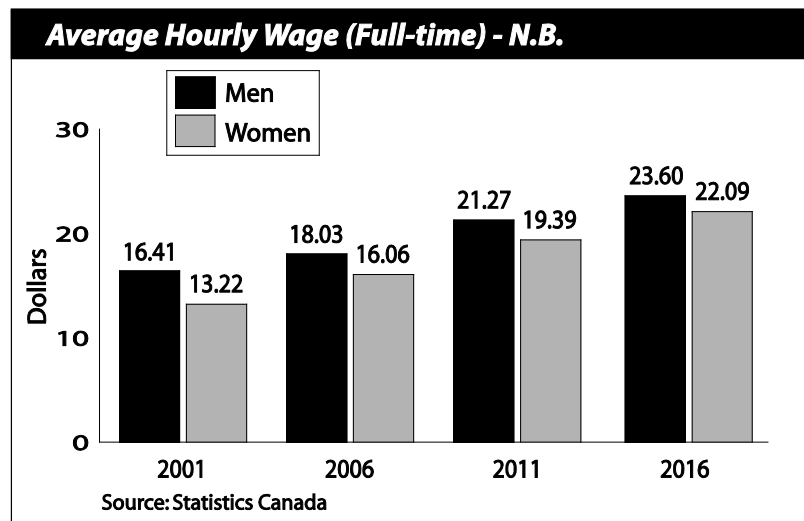
Average Hourly Wage Gap Narrows

Compared to 2011, the average hourly wage for full-time employees in New Brunswick increased 12.2% in 2016. The national increase was slightly higher at 12.5%.

In 2016, the average hourly wage in the province was \$22.88, representing 83.3% of the Canadian average of \$27.47.

The average hourly wage gap between men and women in New Brunswick has markedly improved, increasing from 80.6% in 2001 to 93.6% in 2016.

Similarly, the gap for Canada went from 82.2% to 88.4%.

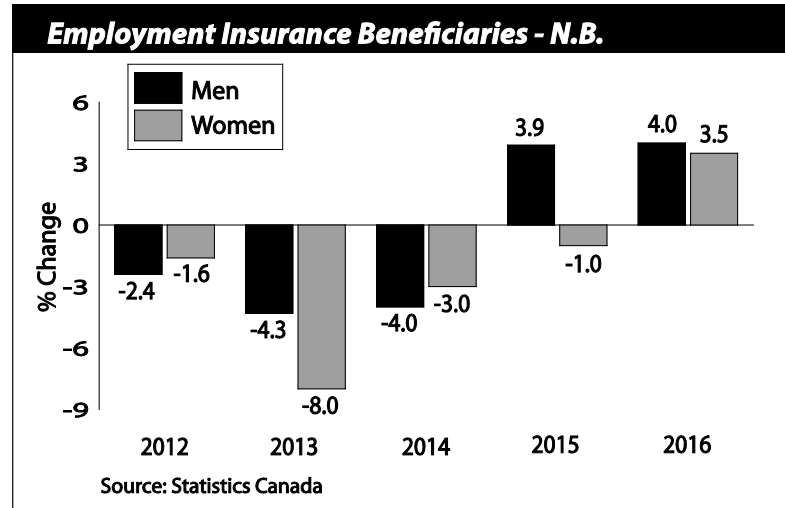


Employment Insurance Beneficiaries Rise

On average, 42,800 people received Employment Insurance (EI) benefits in New Brunswick in 2016, up 3.8% from 2015. Nationally, the number was up 4.7%.

The number of men receiving EI benefits in 2016 increased to 25,000, up 4.0% from the previous year. The number of female EI beneficiaries rose 3.5% to 17,800.

Men accounted for 58% of all beneficiaries and women made up 42%.

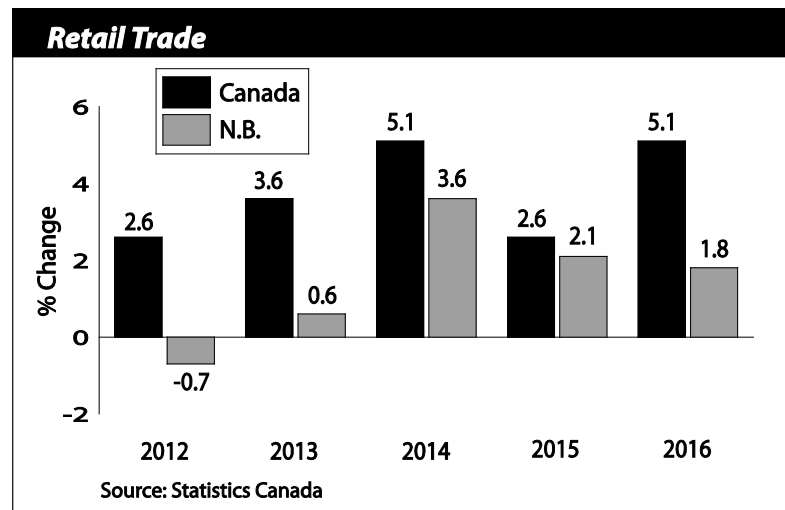


Retail Trade Growth Continues

Retail trade in New Brunswick rose 1.8% to \$11.9 billion in 2016, below the national increase of 5.1%.

Higher provincial sales (in dollar terms) were reported in eight of 11 subsectors, led by gains in motor vehicle and parts dealers, and health and personal care stores. Notable declines were reported by gasoline stations (-7.5%) and electronics and appliance stores (-12.1%).

Retail trade accounts for 7% of provincial GDP and in 2016 employed 47,300 people, a 3.7% increase.

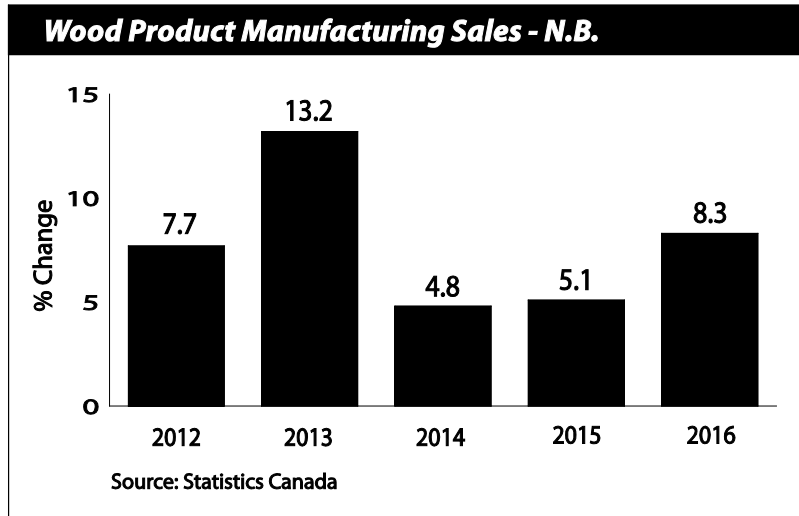


Wood Product Sales Healthy

New Brunswick's wood product manufacturers saw sales increase for the fifth consecutive year, rising by 8.3% in 2016, and averaging growth of 7.8% over the five-year period.

Sales surpassed \$1.2 billion in 2016.

Wood product manufacturing represents just over 1% of New Brunswick's GDP and in 2016 had 6,600 employees.



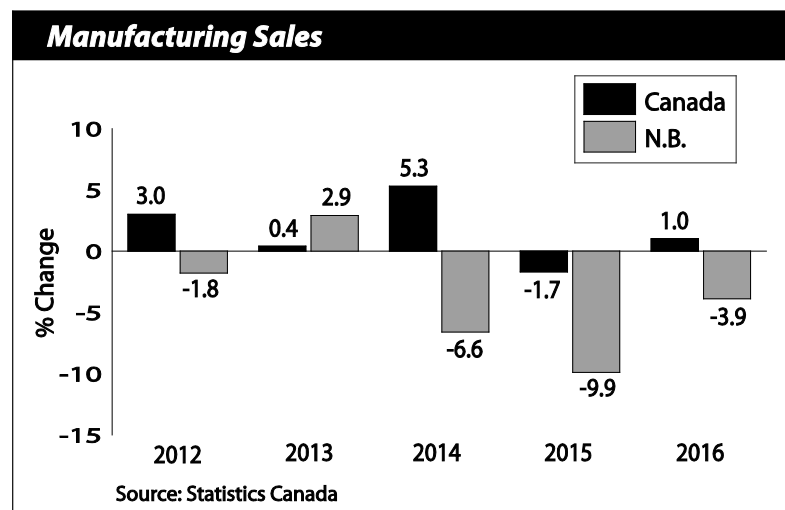
Manufacturing Sales Remain Challenging

Manufacturing sales in New Brunswick remain challenging with the fourth decline in five years. In 2016, sales fell 3.9% to \$16.2 billion, largely as a result of weaker commodity prices.

Across Canada, sales rose 1.0% after decreasing 1.7% in 2015.

Provincial sales of non-durable goods, which represent 81.0% of the total, fell 4.4% while durable goods declined 1.8%.

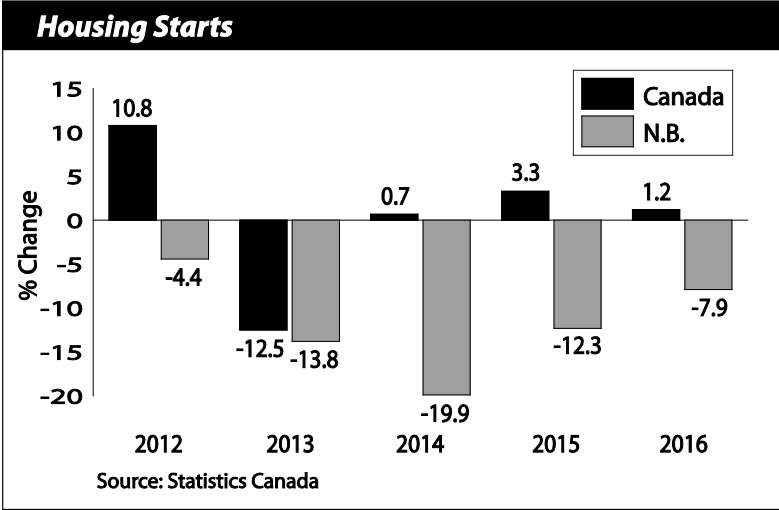
The manufacturing sector represents 11% of provincial GDP and in 2016 had 30,400 employees, an increase of 2.0% compared to 2015.



Housing Sector Struggles

New Brunswick housing starts continued to slide in 2016, although the pace of decline slowed in the last two years. The number of starts was pushed down to a low of 1,838 units, a 7.9% drop from 2015.

The Canadian housing market gathered speed in the first half of 2016 before braking. Housing starts increased 1.2% in 2016, roughly a third of the 2015 rise.

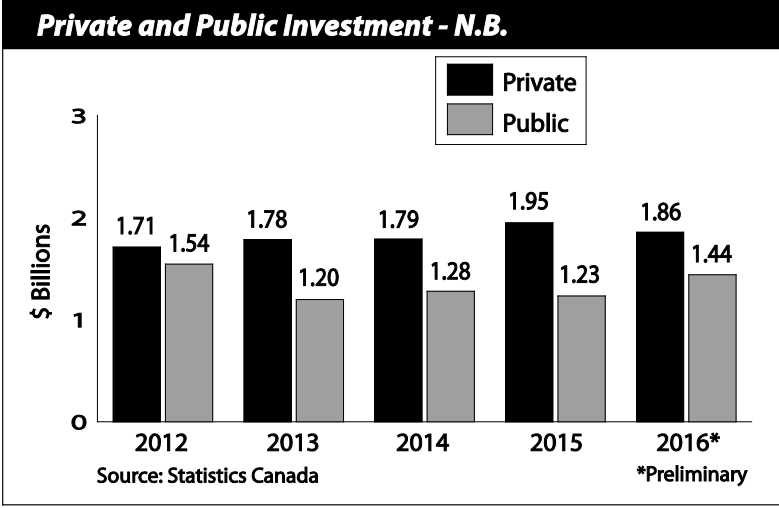


Capital Investment Increases Again

Capital investment in New Brunswick increased for the third year in a row, to \$3.3 billion (+3.6%) in 2016. Investment in the public sector climbed 16.8%, while the private sector fell 4.7%.

For the 13 sectors with public results, eight industries reported increases led by public administration (+\$158.2 million), utilities (+\$86.2 million), and transportation and warehousing (+\$66.6 million). Manufacturing had the largest decrease (-\$150.4 million).

Nationally, capital investment decreased for the second consecutive year (-5.0% in 2016).

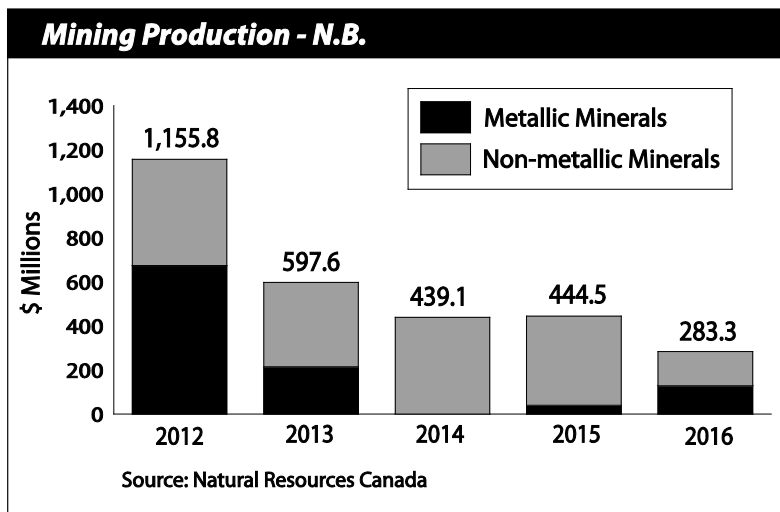


Mineral Production Tumbles

The value of mineral production in New Brunswick dropped 36.3% to \$283.3 million in 2016, the third decline in four years.

The closure of the Piccadilly potash mine was mainly responsible for the drop, which more than offset higher output of zinc, lead, peat and stone.

The mining, quarrying, and oil and gas extraction industry represents less than 1% of provincial GDP and in 2016 employed 4,300.

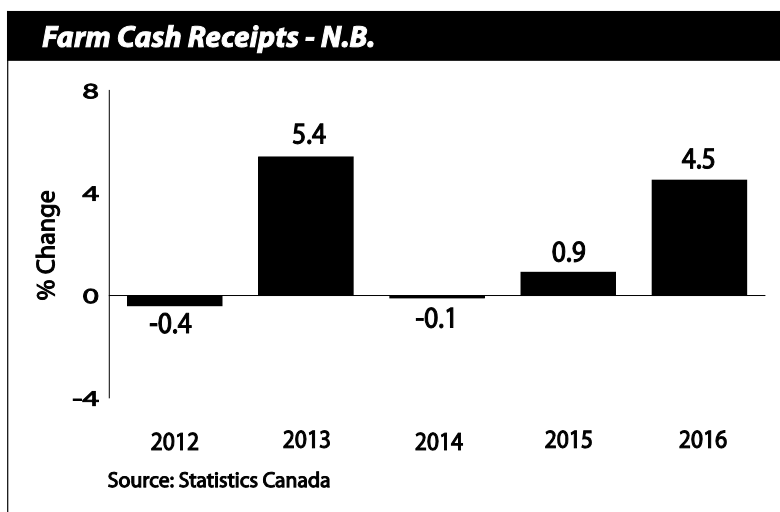


Farm Cash Receipts Stronger

New Brunswick's farm cash receipts for 2016 reached \$598.0 million, up 4.5% from the previous year. Increases were reported in receipts of crops (+3.2%) and livestock (+5.0%).

Nationally, cash receipts were up 0.5% in 2016.

The agriculture industry represents less than 2% of provincial GDP and in 2016 employment increased 26.8% to 5,200.



Transportation Results Steady

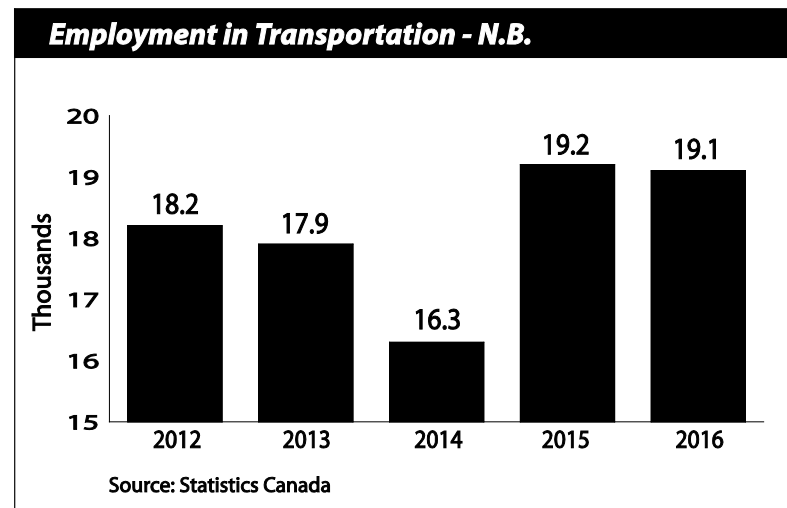
Transportation and warehousing employment was stable in 2016. Small declines for couriers and messengers, and scenic and sightseeing transportation were offset by similar increases in rail and truck transportation.

This sector represents over 4% of provincial GDP.

In 2016, total tonnage at the port of Saint John stayed much the same at 26.4 million metric tonnes. The number of cruise ship

passengers increased 20.8% to 143,926 as calls were up 6.8%.

The airports serving the three largest centres each reported increased aircraft movements in 2016.

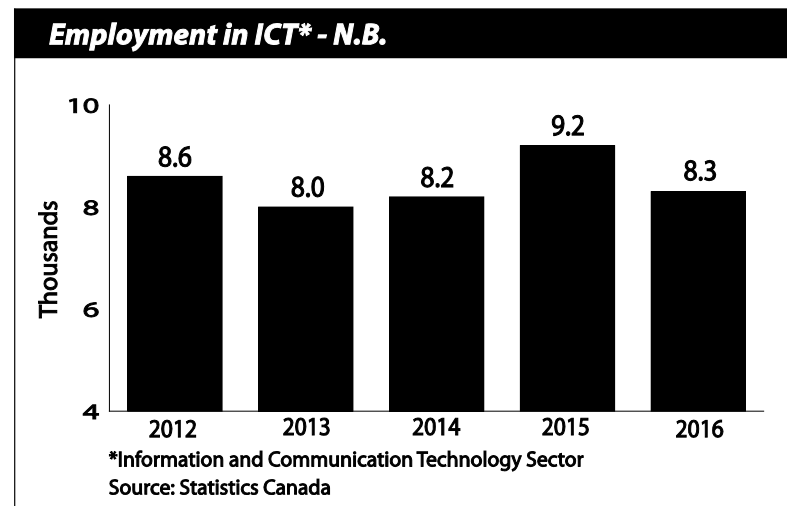


ICT Sector Still Solid

In 2016, employment in the information and communication technology (ICT) sector fell back to a similar level reported in 2014.

Computer systems design services employment declined 1,100 in 2016, to 3,500. Average weekly earnings for this sector were \$1,542.40 in 2016, a 23.1% increase from 2012.

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



New Brunswick Annual Indicators

New Brunswick Annual Indicators (as of May 31, 2017)							
Indicators	2013	2014	2015	2016	% Change		
					2013-14	2014-15	2015-16
Labour							
Population 15 Years and Over ('000)	622.4	621.7	622.0	623.4	-0.1	0.0	0.2
Labour Force ('000)	395.2	393.0	390.2	388.6	-0.6	-0.7	-0.4
Employment ('000)	354.5	353.9	351.8	351.5	-0.2	-0.6	-0.1
Full-time ('000)	297.0	297.6	297.9	296.5	0.2	0.1	-0.5
Part-time ('000)	57.5	56.3	53.9	55.0	-2.1	-4.3	2.0
Goods-producing Sector ('000)	77.8	76.2	72.7	72.8	-2.1	-4.6	0.1
Services-producing Sector ('000)	276.8	277.7	279.1	278.6	0.3	0.5	-0.2
Unemployment ('000)	40.6	39.1	38.4	37.1	-3.7	-1.8	-3.4
Participation Rate (%)	63.5	63.2	62.7	62.3	...	...	...
Employment Rate (%)	57.0	56.9	56.6	56.4	...	...	...
Unemployment Rate (%)	10.3	9.9	9.8	9.5	...	...	...
Average Weekly Earnings (\$)	804.78	832.44	855.42	875.15	3.4	2.8	2.3
Wages and Salaries (\$M)	13,962.7	14,284.4	14,715.1	15,268.5	2.3	3.0	3.8
Employment Insurance Beneficiaries	42,003	40,513	41,251	42,824	-3.5	1.8	3.8
Consumers							
Retail Trade (\$M)	11,089.5	11,487.8	11,728.4	11,943.8	3.6	2.1	1.8
New Motor Vehicle Sales (units)	41,512	42,656	44,735	44,984	2.8	4.9	0.6
New Motor Vehicle Sales (\$M)	1,310.5	1,376.2	1,533.9	1,619.8	5.0	11.5	5.6
Food Services and Drinking Places (\$M)	980.5	1,015.2	1,085.2	1,162.2	3.5	6.9	7.1
Consumer Price Index (2002=100)	123.0	124.8	125.4	128.2	1.5	0.5	2.2
Housing							
Housing Starts (units)	2,843	2,276	1,995	1,838	-19.9	-12.3	-7.9
Residential Building Permits (\$M)	480.5	456.5	419.4	479.0	-5.0	-8.1	14.2
MLS® Residential Sales (units)	6,282	6,273	6,682	7,170	-0.1	6.5	7.3
Business							
Manufacturing Sales (\$M)	20,094.8	18,762.1	16,897.0	16,240.0	-6.6	-9.9	-3.9
International Exports (\$M)	14,459.7	13,031.7	12,210.1	10,642.2	-9.9	-6.3	-12.8
Non-residential Building Permits (\$M)	524.5	374.5	402.6	508.9	-28.6	7.5	26.4
Industrial and Commercial (\$M)	250.2	250.6	250.8	388.6	0.2	0.1	54.9
Institutional and Governmental (\$M)	274.2	123.8	151.7	120.3	-54.8	22.5	-20.7
Wholesale Trade (\$M)	5,979.7	6,247.1	6,404.9	6,201.2	4.5	2.5	-3.2
Mining Production (\$M)	597.6	439.1	444.5	283.3	-26.5	1.2	-36.3
Farm Cash Receipts (\$M)	568.0	567.3	572.2	598.0	-0.1	0.9	4.5
Lumber Shipments ('000 m ³)	2,546.0	2,761.2	3,469.9	3,601.7	8.5	25.7	3.8
Demographics							
Population (July 1)	755,842	754,865	754,309	756,780	-0.1	-0.1	0.3
Natural Increase (July 1-June 30)	203	-61	-318		...	...	...
Net Migration (July 1-June 30)	-1,180	-495	2,789		...	...	...
... Not applicable							
x Suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>							
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
Transportation	Energy East Pipeline	New Brunswick	2,156	2013	
Mining	Sisson Project – Northcliff Resources	Stanley area	579	2013	
Manufacturing	Irving Pulp and Paper – modernization	Saint John	450	2014	2017
Health	Chaleur Regional Hospital	Bathurst	217	2015	2023
Utilities	Safe Clean Drinking Water	Saint John	217	2016	2018
Transportation	Port Saint John – modernization	Saint John	205	2016	2022
Utilities	Water and wastewater	New Brunswick	159	2016	2017
Manufacturing	Irving Oil refinery – turnaround	Saint John	135	2016	2016
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	2017
Public Administration	Trunked Mobile Radio system	New Brunswick	100	2015	2016
Manufacturing	J.D. Irving – sawmills and woodlands	Chipman, Doaktown, Saint-Léonard and Kedgwick	91	2014	2016
Public Administration	Public Service Pay Centre	Miramichi	85	2015	2017
Transportation	Centennial Bridge – rehabilitation	Miramichi	83	2015	2024
Mining	Brunswick Mine – demolition and re-vegetation	Bathurst area	80	2013	2018
Transportation	Bridges	New Brunswick	76	2016	2017
Transportation	Fundy Trail Parkway	Albert and Saint John Counties	73	2015	2021
Manufacturing	McCain Foods	Florenceville-Bristol	65	2016	2017
Transportation	Route 11 – twinning	Eastern NB	60	2015	2018
Agriculture	Acadian Wild Blueberry Company Ltd.	Saint-Isidore	50	2014	2016
Health	Shannex / Université de Moncton – specialized care	Moncton	50	2016	2018
Education	King Street Elementary (K-5), Max Aitken Academy (K-8), expansion of Gretna Green School (K-8)	Miramichi	48	2015	2017

Major Investment Projects (continued)

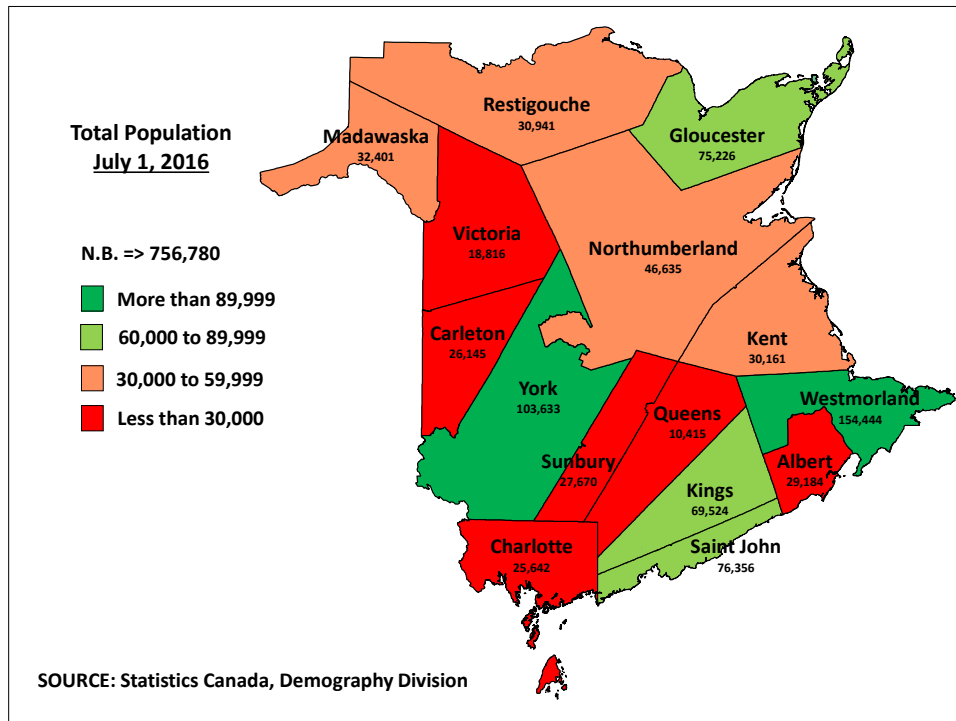
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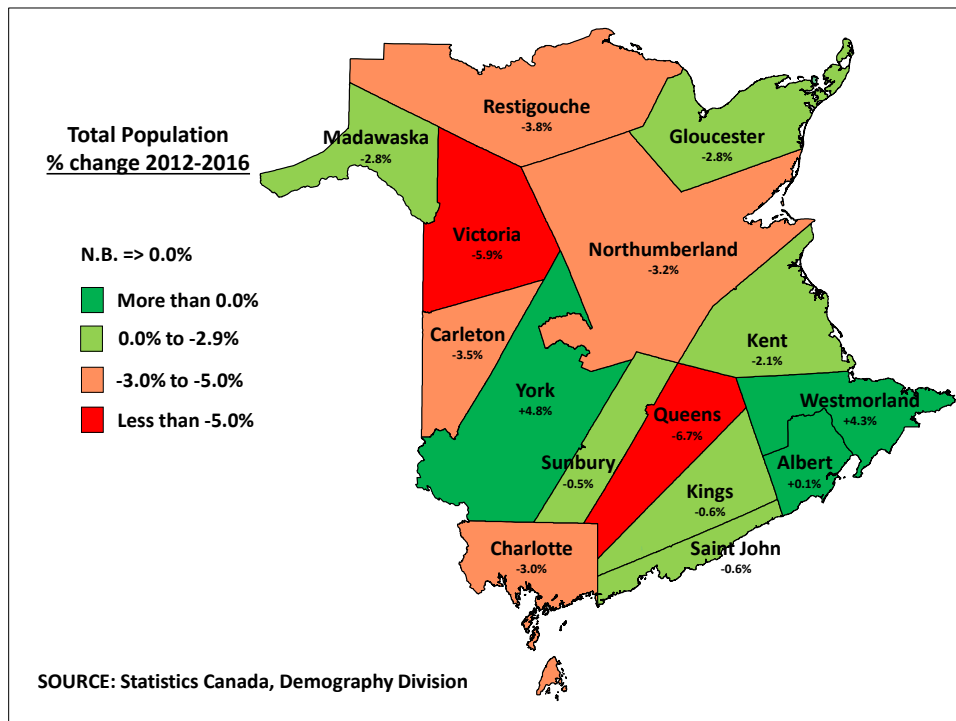
Major Investment Projects for New Brunswick					
Industry	Project	Location	Value (\$M)	Start	End
Transportation	Route 11 – Caraquet bypass	Caraquet	45	2013	2016
Transportation	Small craft harbour improvements	New Brunswick	44	2016	2017
Accommodation / Recreation	Kingswood Ventures – hotel and indoor water park	Fredericton area	42	2016	2020
Defence	Base Gagetown	Oromocto	38	2016	2017
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
Accommodation / Recreation	Junction Urban Village – mixed-use complex	Moncton	34	2016	2018
Education	High School upgrades	Fredericton, Moncton and Tracadie	32	2015	2019
Health	Parkland Saint John – specialized care	Saint John	30	2013	2016
Recreation	Kouchibouguac National Park	Kent County	30	2015	2016
Manufacturing	OrganiGram – medicinal marijuana	Moncton	30	2015	2016
Education	Mount Allison University and NBCC	Sackville and Saint John	30	2016	2018
Construction	Horizon Place – apartment complex	Dieppe	30	2016	2018
Retail	Rallye Motors Auto Group	Moncton	30	2016	2018
Health	NB Centre for Precision Medicine and Université de Moncton	Moncton	26	2016	2018
Education	École Champlain (K-8)	Moncton	25	2015	2016
Retail	Cliffe Crossing	Fredericton	25	2015	2016
Health	Nursing home	Dalhousie	23	2014	2016
Education	School (K-8)	Campbellton	22	2015	2017
Recreation	Federal parks and national heritage sites	Albert and Saint John Counties	21	2016	2016
Health	Nursing homes	Sussex and Woodstock	20	2014	2016
Education	Seaside Park Elementary School (K-5)	Saint John	20	2015	2017
Accommodations	Hilton Garden Inn	Fredericton	20	2016	2018

Maps of New Brunswick

Population Distribution, N.B. Counties

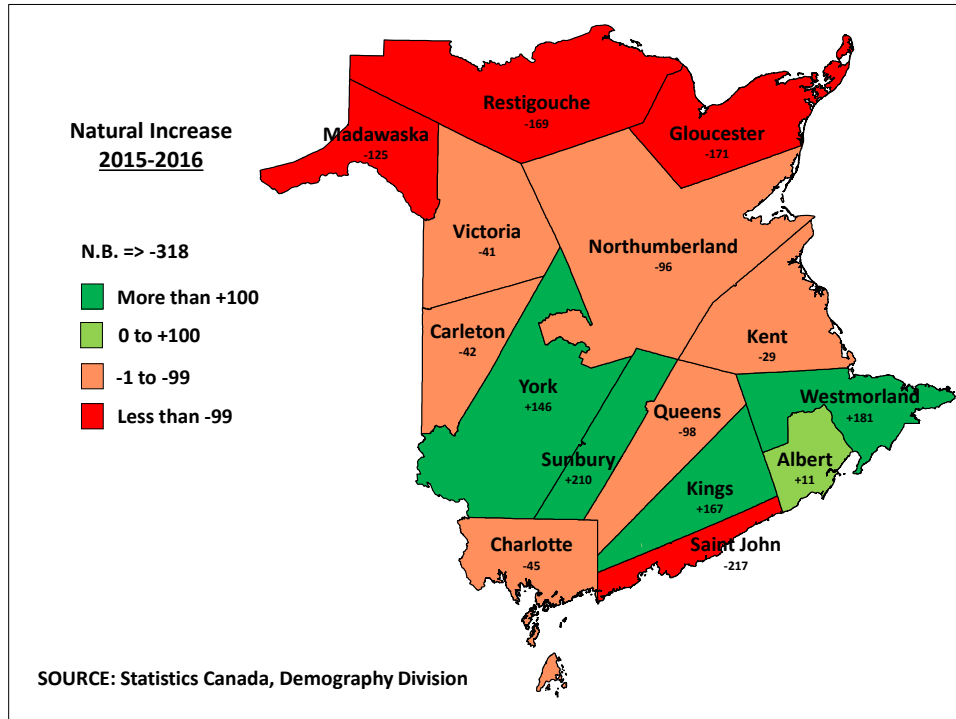


Population Change, N.B. Counties

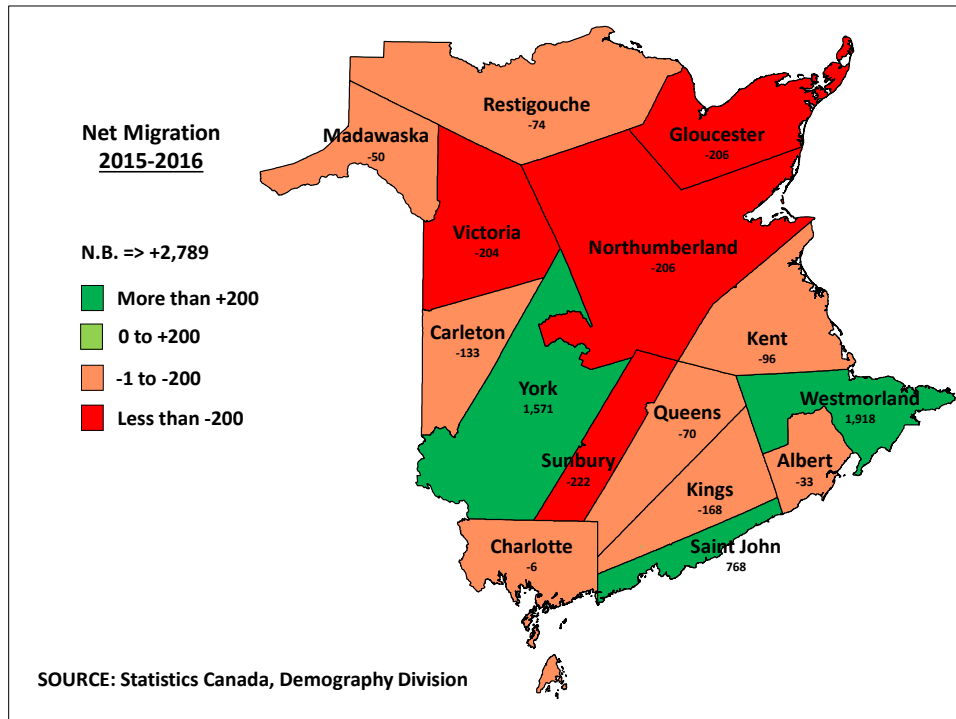


Maps of New Brunswick

Natural Increase, N.B. Counties

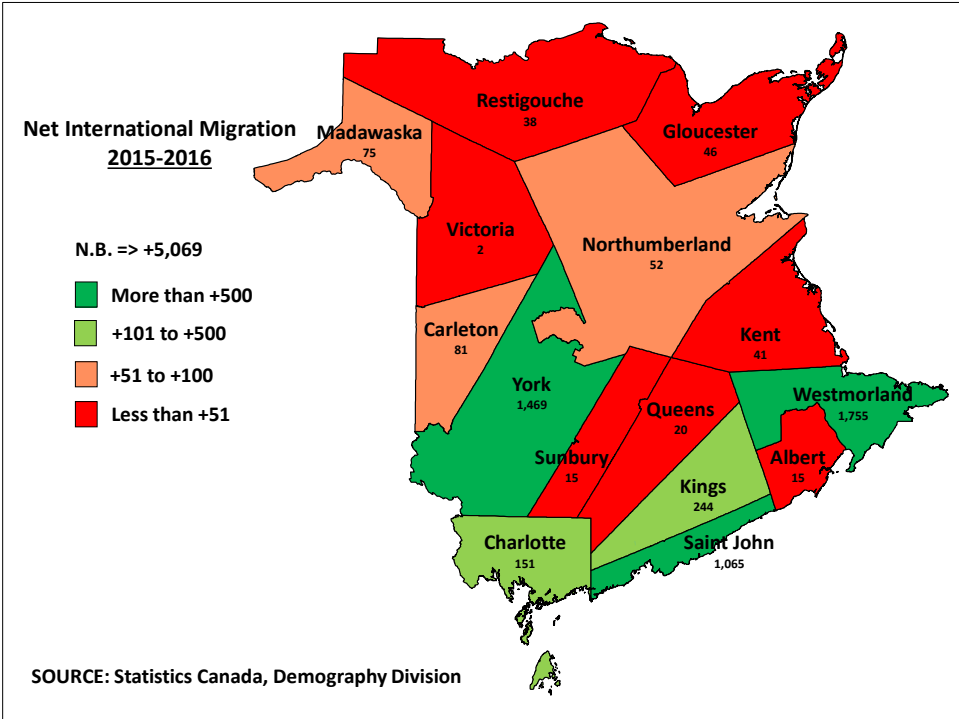


Net Migration, N.B. Counties

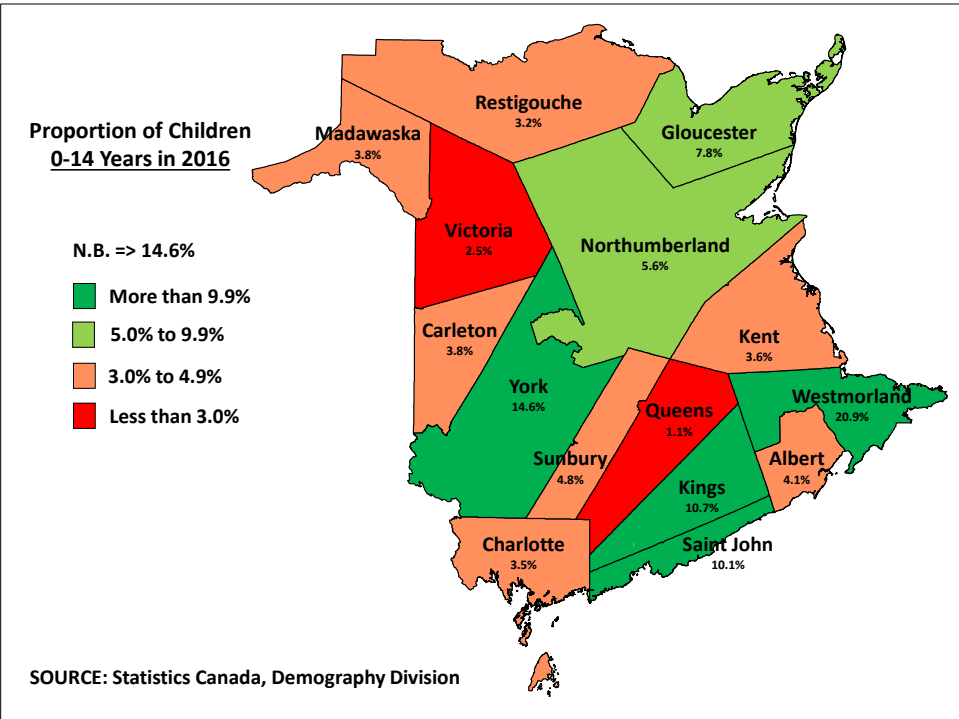


Maps of New Brunswick

Net International Migration, N.B. Counties

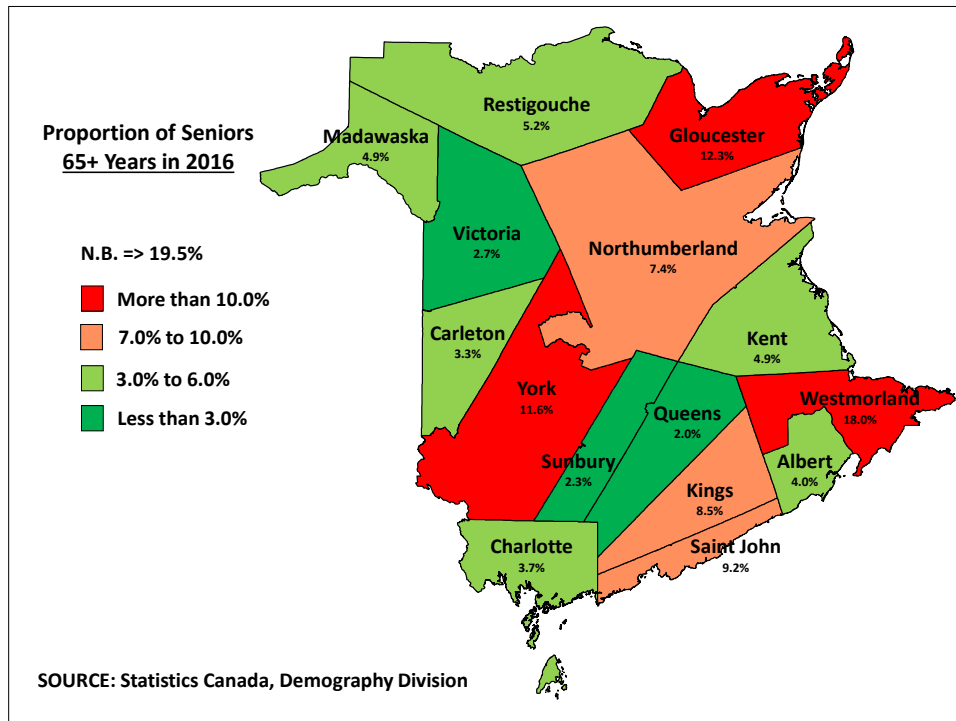


Distribution of Children, N.B. Counties



Maps of New Brunswick

Distribution of Seniors, N.B. Counties



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

