

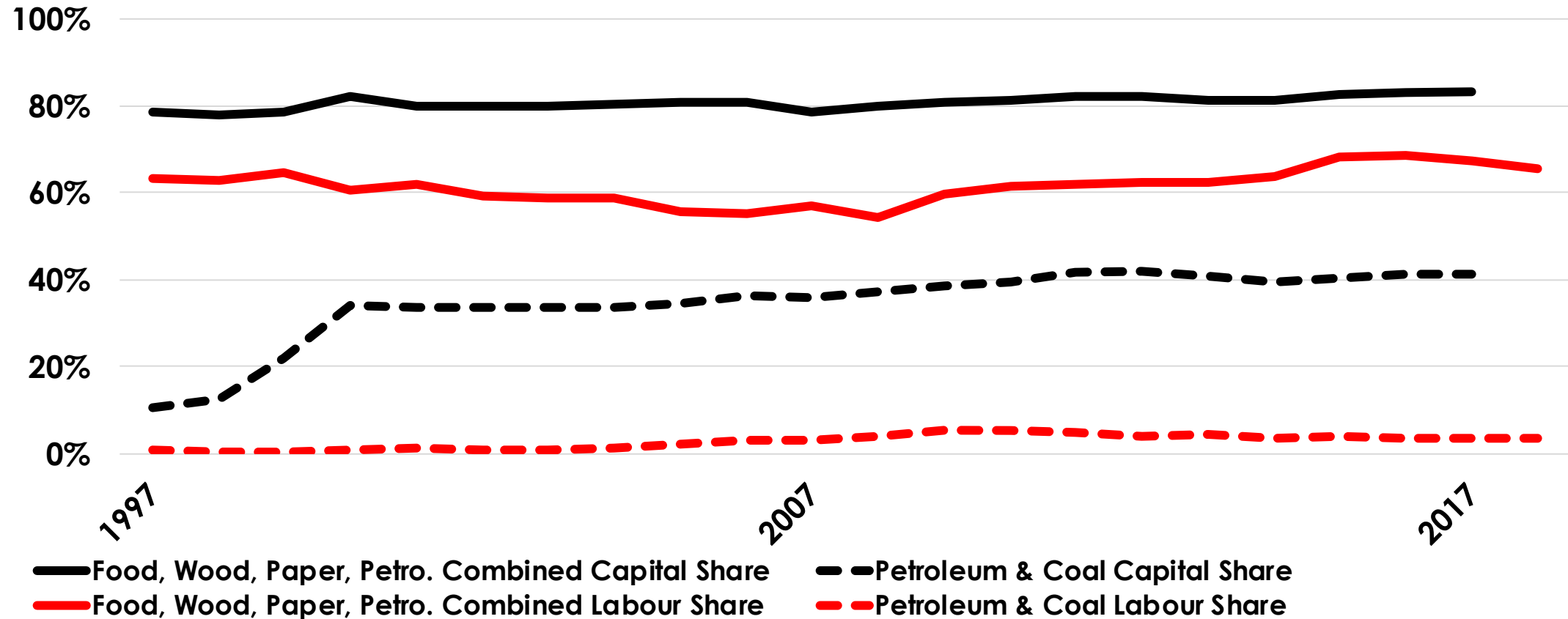
CAPITAL STOCKS AND PRODUCTIVITY MEASURES IN THE NEW BRUNSWICK MANUFACTURING INDUSTRY

Sept. 26, 2019 | Andrew Balcom & Li Wang, AIPR



NB Manufacturing Sub-sectors' Share of Capital & Employment

Petroleum has a large share of capital, but low share of employment



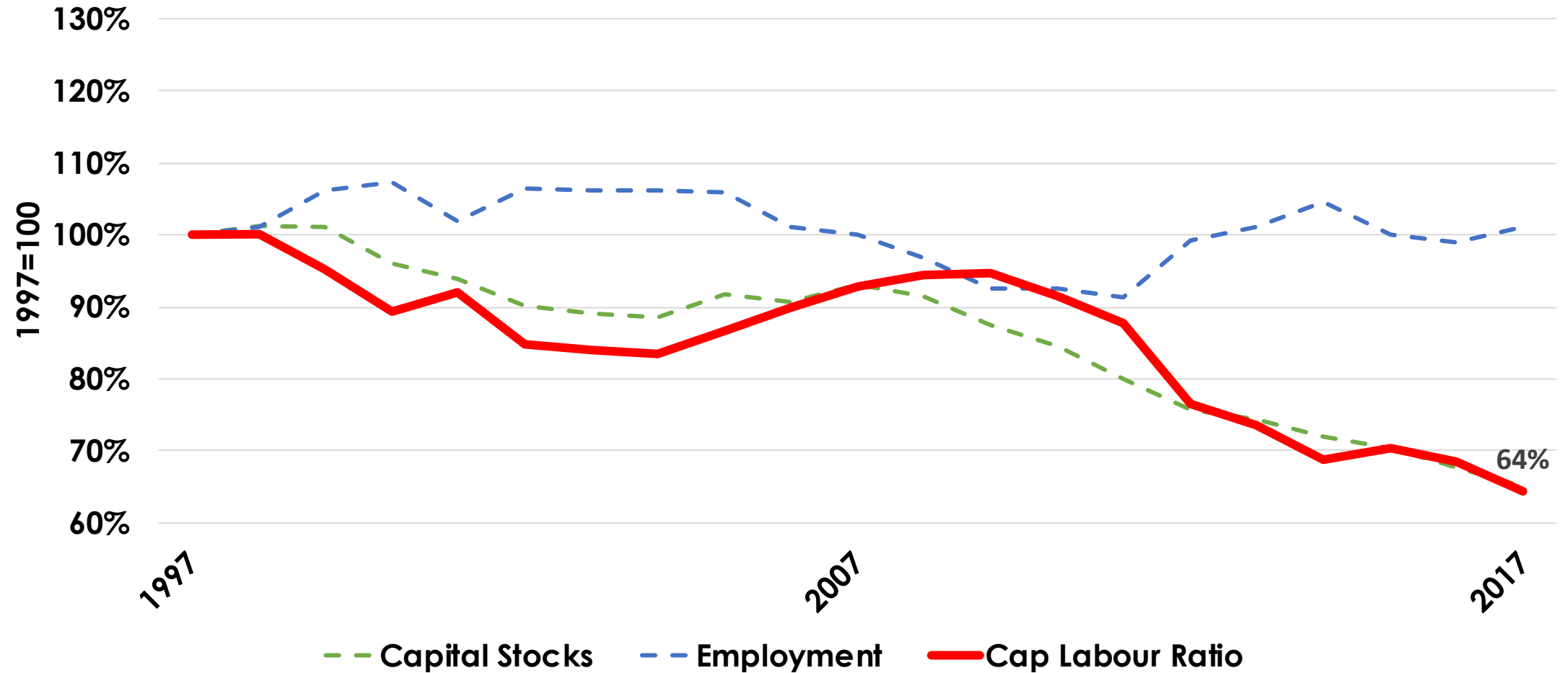
“NB Manufacturing Sub-sectors' Share of Capital & Employment”

Capital Stocks Measured in Chained (2012) Dollars

Source: Statistics Canada

Capital Labour Ratio

Declining capital stocks have decreased CLR (particularly since 2009)



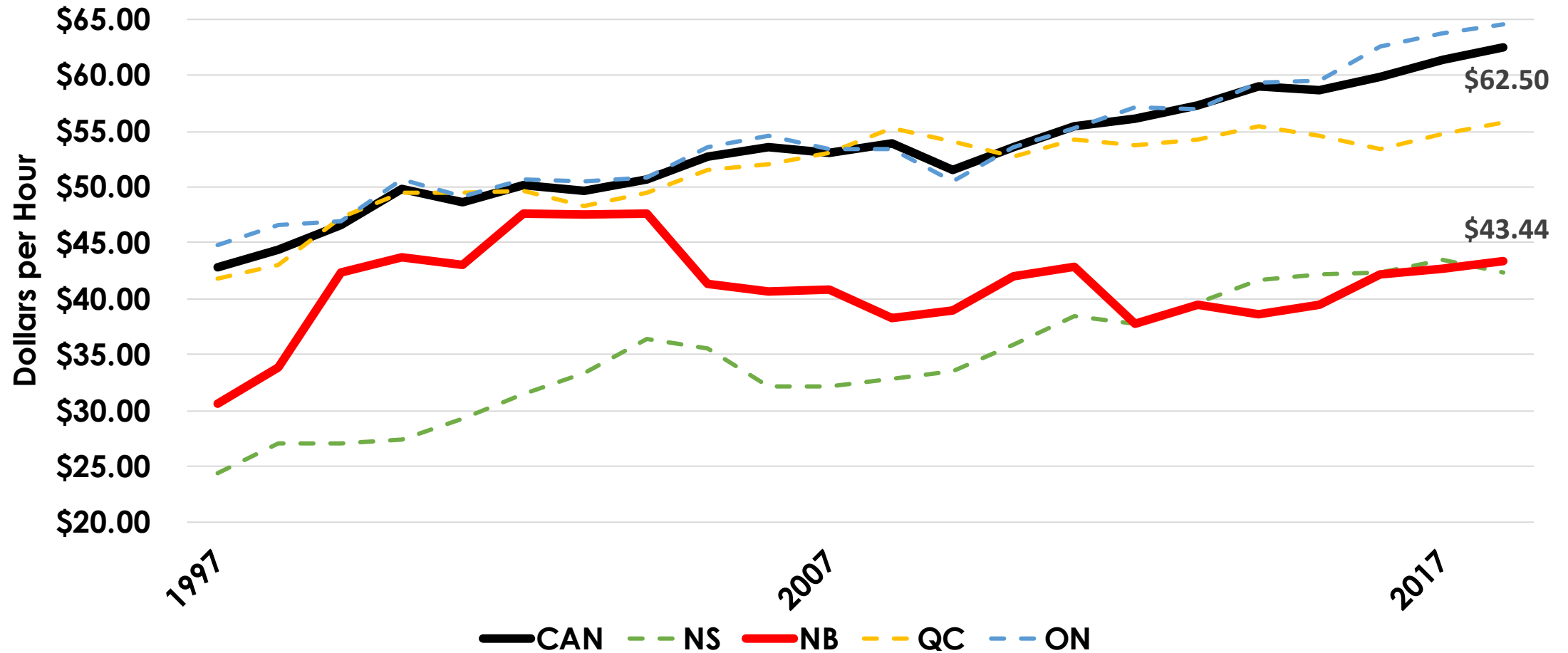
"Capital Labour Ratio in Manufacturing Industry Excluding Petroleum & Coal Sub-sector"

Capital Stocks Measured in Chained (2012) Dollars

Source: Statistics Canada

Labour Productivity

NB \$20 / H lower than Canadian average



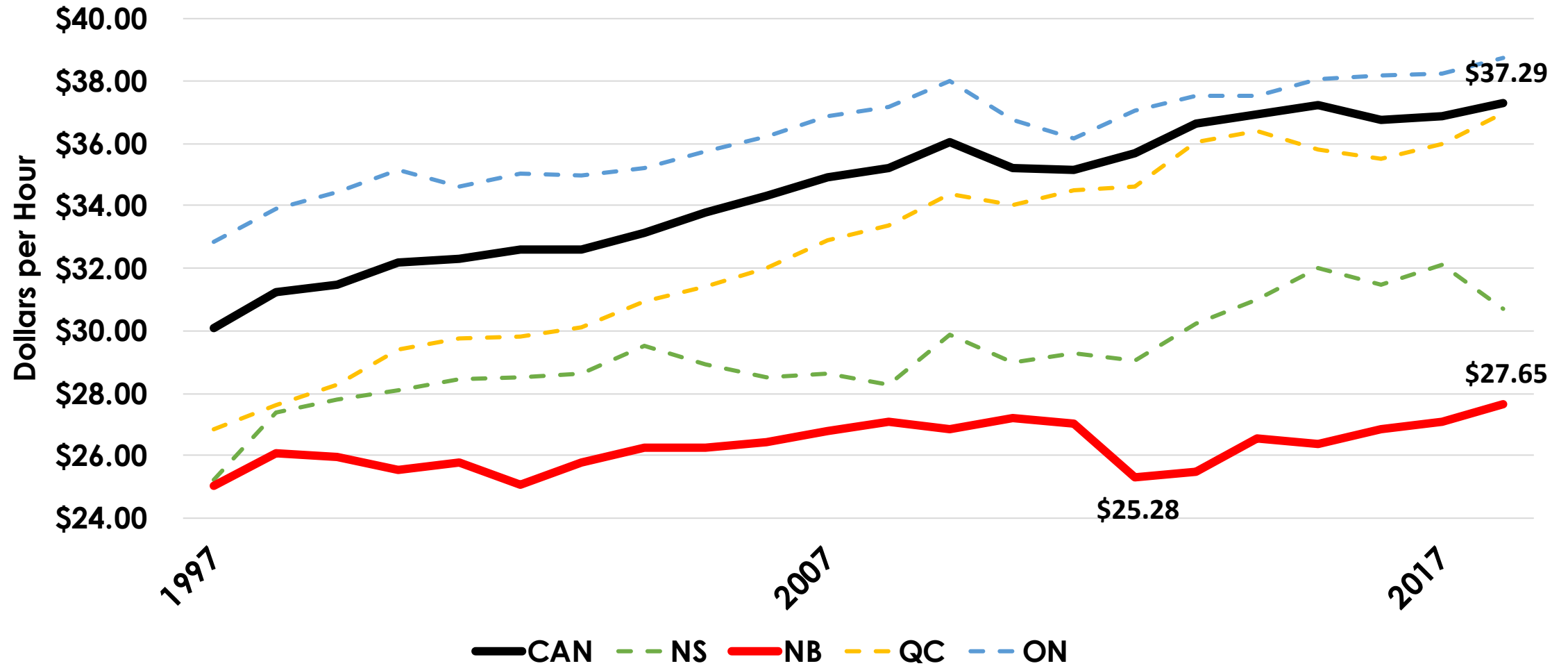
“Labour Productivity in Manufacturing Industry Excluding Petroleum & Coal Sub-sector”

Measured in (Chained) 2012 Dollars

Source: Statistics Canada

Labour Compensation

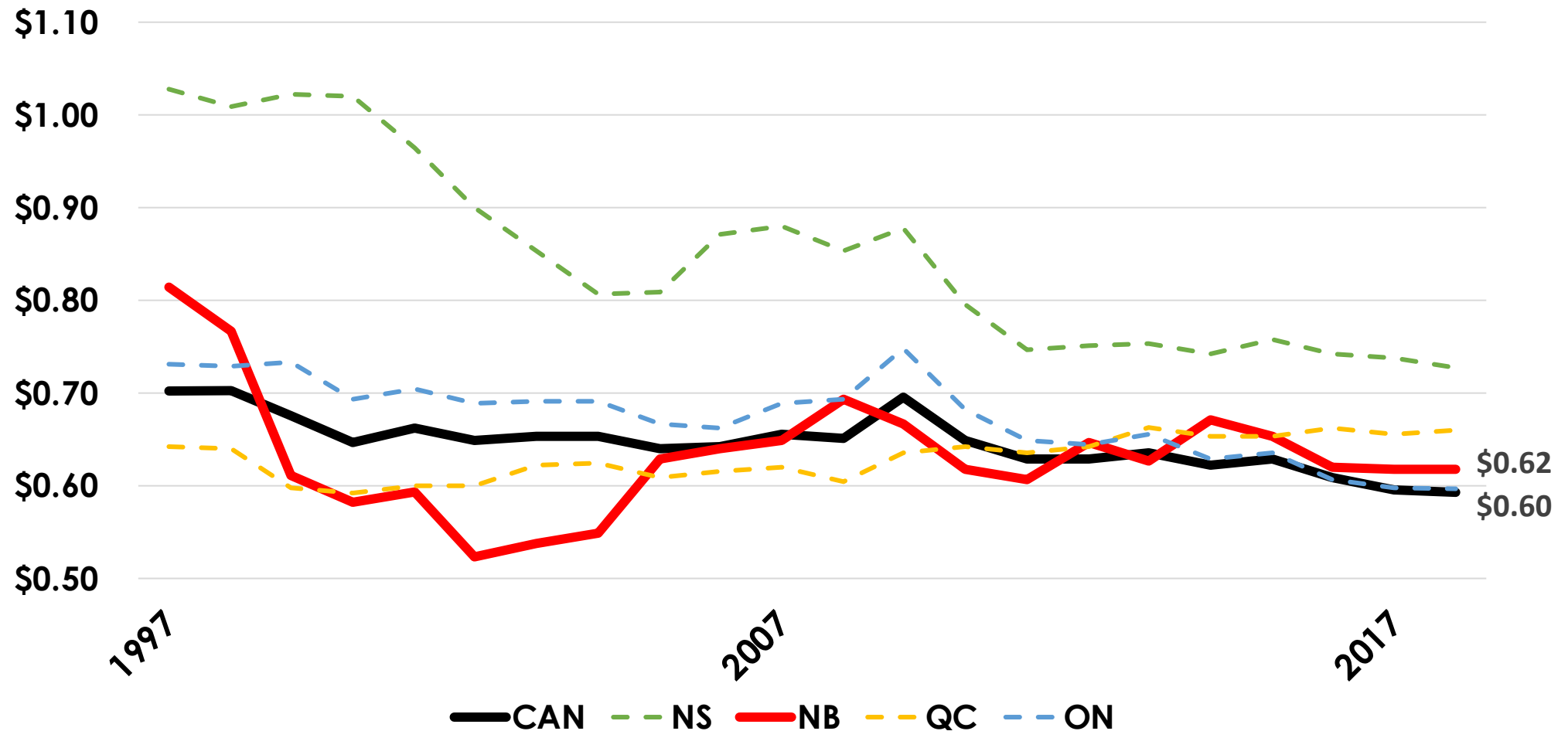
NB \$10 / H lower than Canadian average



Measured in 2012 Real Dollar, CPI Adjusted
Source: Statistics Canada

Unit Labour Cost = Labour Compensation / Labour Productivity (= cost of labour per \$1 of output)

NB relies on low wages to compensate for low productivity



Source: Statistics Canada