

Part I

CANADA'S FORESTS AND FOREST INDUSTRY IN A WORLD CONTEXT

Canada's forests make up about 10.0 per cent of the world's forest land and cover an area larger than France, Spain and Portugal combined. These forests and the benefits they provide are critical to the health of the Canadian economy and environment.

WORLD GROWING STOCK OF NON-TROPICAL SOFTWOODS AND HARDWOODS

Of the non-tropical stock, both softwood (coniferous) and hardwood (deciduous) tree species are found in Canadian forests.

SOFTWOOD

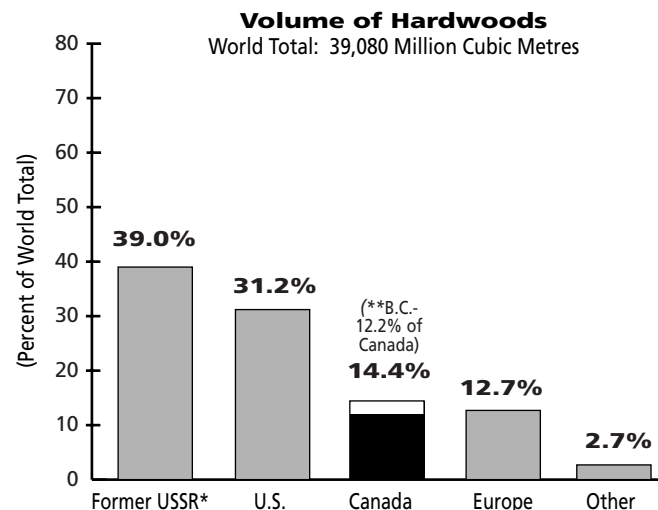
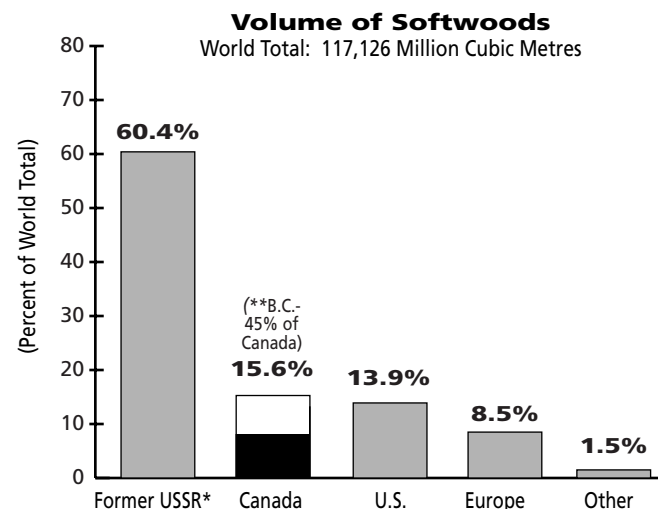
Canada's reserve of 17,800 million cubic metres represents over 15 per cent of the non-tropical forest growing stock of softwoods in the world. The forests of British Columbia account for 45 per cent of the total Canadian softwood stock. While the softwood reserve of former USSR exceeds that of Canada, much of that country's softwood grows in remote or inaccessible areas.

HARDWOOD

Canada's reserve of 5,300 million cubic metres represents 14.4 per cent of the non-tropical forest growing stock of hardwoods in the world. British Columbia's hardwoods contribute 12.2 per cent of Canada's total hardwood stock.

Sources: U.N. Food and Agriculture Organization *Excludes Ukraine **Forestry Canada

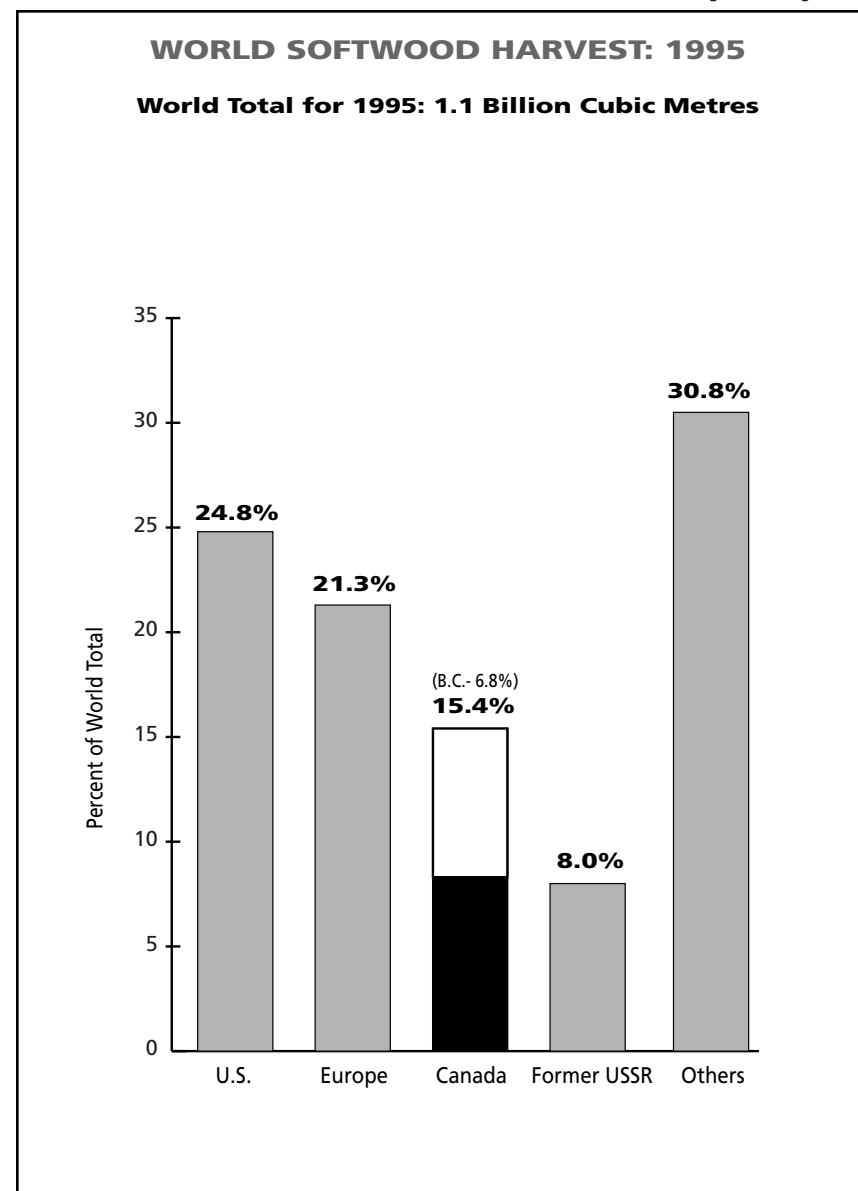
WORLD GROWING STOCK OF NON-TROPICAL SOFTWOODS AND HARDWOODS: 1995



Source: U.N. Food and Agriculture Organization

WORLD SOFTWOOD HARVEST

In 1995, Canada's annual softwood timber harvest represented 15.4 per cent of the world total and ranked third after the United States and Europe. In 1995 British Columbia's proportion of the world's softwood timber harvest was 6.8 per cent. British Columbia is a significant contributor to Canada's total softwood timber harvest and accounted for 43 per cent in 1995.



WORLD CONSUMPTION OF FOREST PRODUCTS

Between 1970 and 1990 there was a steady growth in forest products consumption. During the 90's the consumption of softwood lumber has been steadily declining, while consumption of panelboards, or reconstituted boards has been steadily increasing.

Softwood lumber consumption increased by 17 per cent from 312 million cubic metres in 1970 to over 364 million cubic metres in 1990. Between 1990 and 1995 consumption declined by 17.7 per cent to 299.5 million cubic metres.

Hardwood lumber consumption between 1970 and 1990 increased 32 per cent from 94 million cubic metres to 124 million cubic metres. By 1995 consumption increased by 2 per cent to 126.6 million cubic metres.

Plywood consumption (hardwood and softwood) between 1970 and 1990 rose 45 per cent from 33 million cubic metres to 48 million cubic metres. From 1990 to 1995 growth in plywood consumption rose 4 per cent to 49.9 million cubic metres.

Panelboard consumption including veneer sheets, plywood, particleboard and fibre board (softwood and hardwood) increased 76 per cent from 70 million cubic metres in 1970 to 123 million cubic metres in 1990. Since 1990 panelboard consumption increased by 13 per cent to 139 million cubic metres in 1995. However, this was down slightly from the 1994 total of 141 million cubic metres.

Wood pulp consumption (hardwood and softwood) from 1970 to 1990 increased from 119 million metric tonnes to over 155 million metric tonnes, an increase of 30 per cent. And from 1990 to 1995 consumption increased a further 8 per cent to 167.4 million metric tonnes.

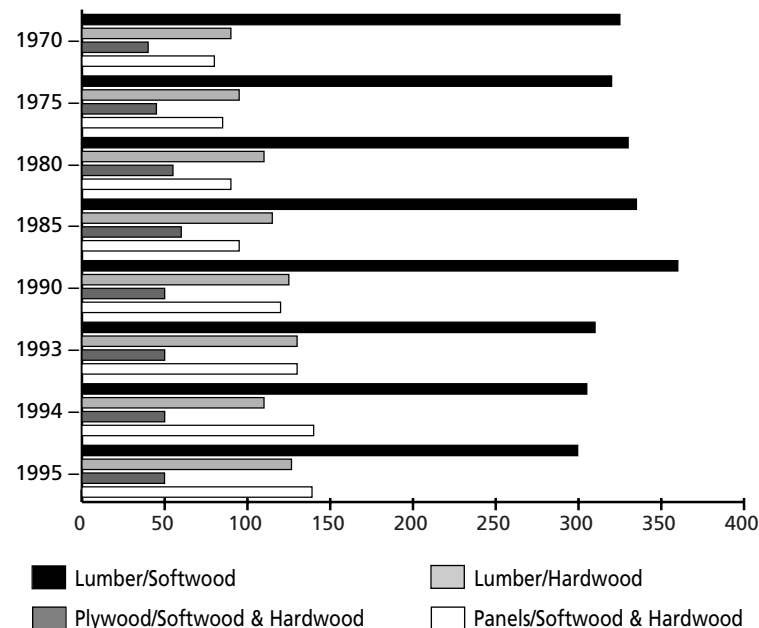
Per Capita Consumption of Forest Products 1994

Region	Softwood Lumber m ³ /1000 people	Panelboards m ³ /1000 people	Paper & Paperboard tonnes/1000 people	Population (millions)
Canada	558	134	202	29.5
U.S.	420	135	325	263.2
W. Europe	168	88	170	391.4
Germany	196	142	200	81.6
Japan	255	104	232	125.1

Source: U.N. Food and Agriculture Organization

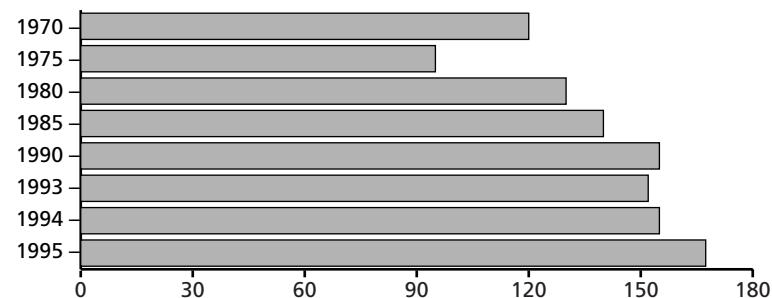
WORLD CONSUMPTION OF FOREST PRODUCTS: 1970-1995

Million Cubic Metres



Wood Pulp/Softwood & Hardwood

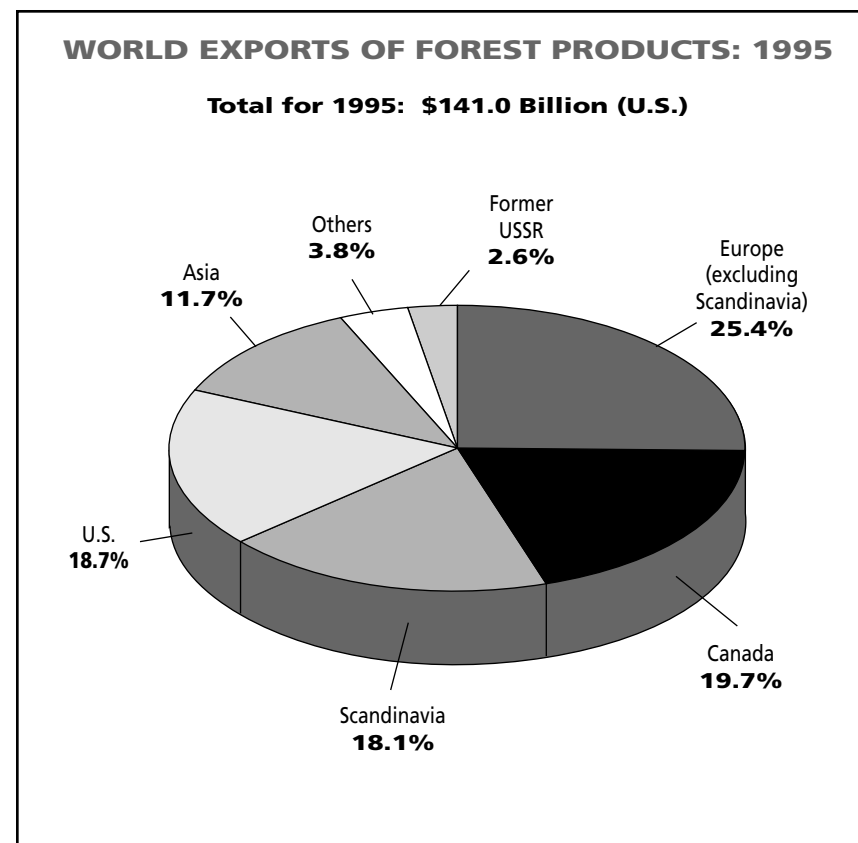
Million Metric Tonnes



Source: U.N. Food and Agriculture Organization

WORLD EXPORTS OF FOREST PRODUCTS

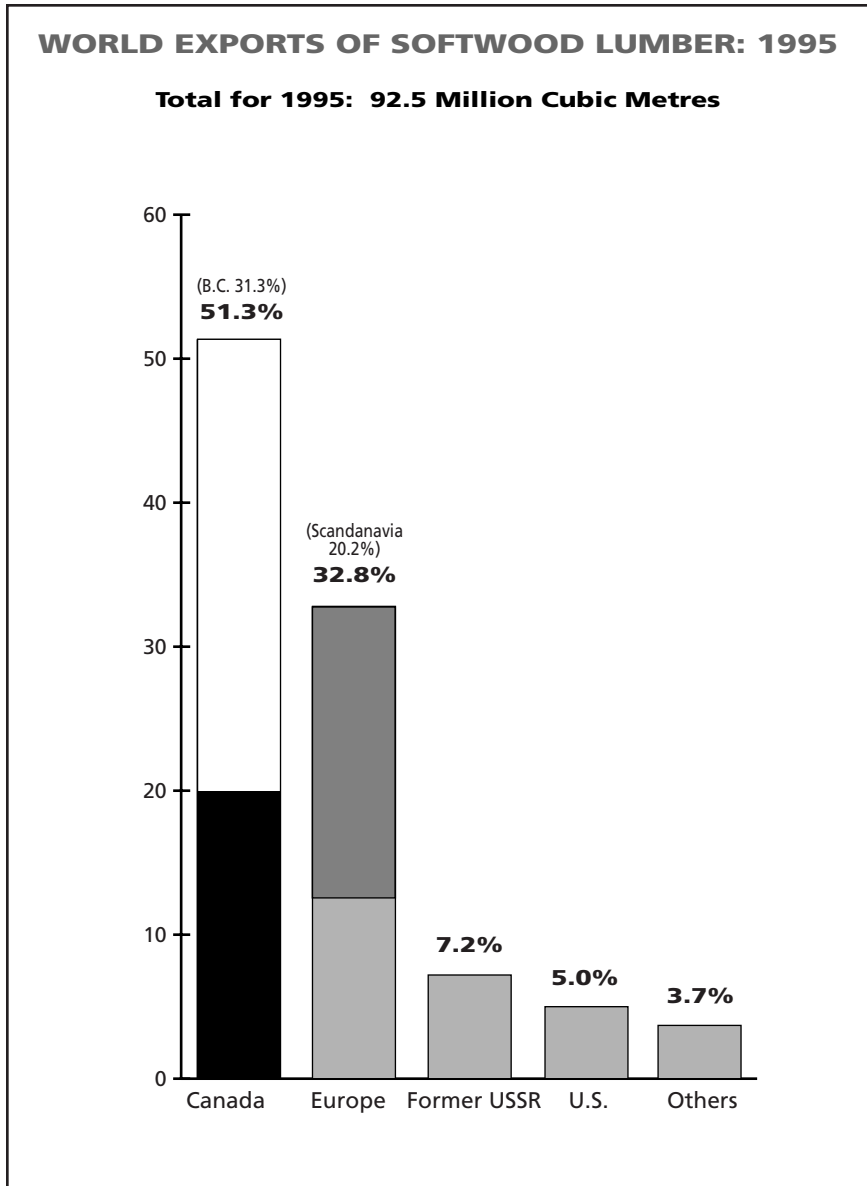
Canada exports more manufactured forest products than any other country. In 1995 Canada exported 19.7 per cent of total world exports. All of Europe including Scandinavia accounted for 43.5 per cent of exports. Asia represented 11.7 per cent, the U.S. 18.7 per cent, former USSR 2.6 per cent and all other countries 3.8 per cent.



WORLD EXPORTS OF SOFTWOOD LUMBER

Canada is the world's largest exporter of softwood lumber. In 1995 Canada accounted for 51.3 per cent of the world's total export volume of 92.5 million cubic metres. British Columbia is the largest contributor (61%) to Canada's softwood lumber exports representing 31.3 per cent of the world total.

In 1995 Europe exported 32.8 per cent, of which Scandinavia accounted for 20.2 per cent. The former USSR exported 7.2 per cent, the U.S. exported 5.0 per cent and the remaining countries represented 3.7 per cent.



WORLD EXPORTS OF PULP AND NEWSPRINT

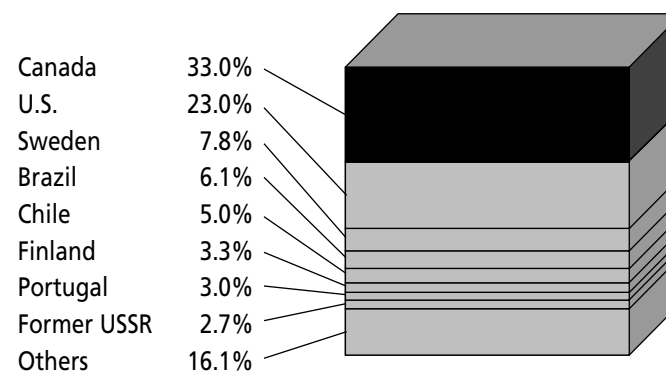
In 1995 world exports of wood pulp totalled 32.7 million tonnes, an increase of 3.5 per cent over the 1994 total of 31.6 million tonnes.

In 1995 world newsprint exports totalled 17.5 million tonnes, up 0.6 per cent from the 1994 total of 17.4 million tonnes.

Canada exports more wood pulp and newsprint than any other country in the world. In 1995 Canadian wood pulp exports amounted to 33.0 per cent of world total. Canadian newsprint exports were 52.3 per cent of the world total in 1995.

WORLD EXPORTS OF PULP AND NEWSPRINT: 1995

Wood Pulp Total for 1995: 32.7 Million Tonnes



Newsprint Total for 1995: 17.5 Million Tonnes

