

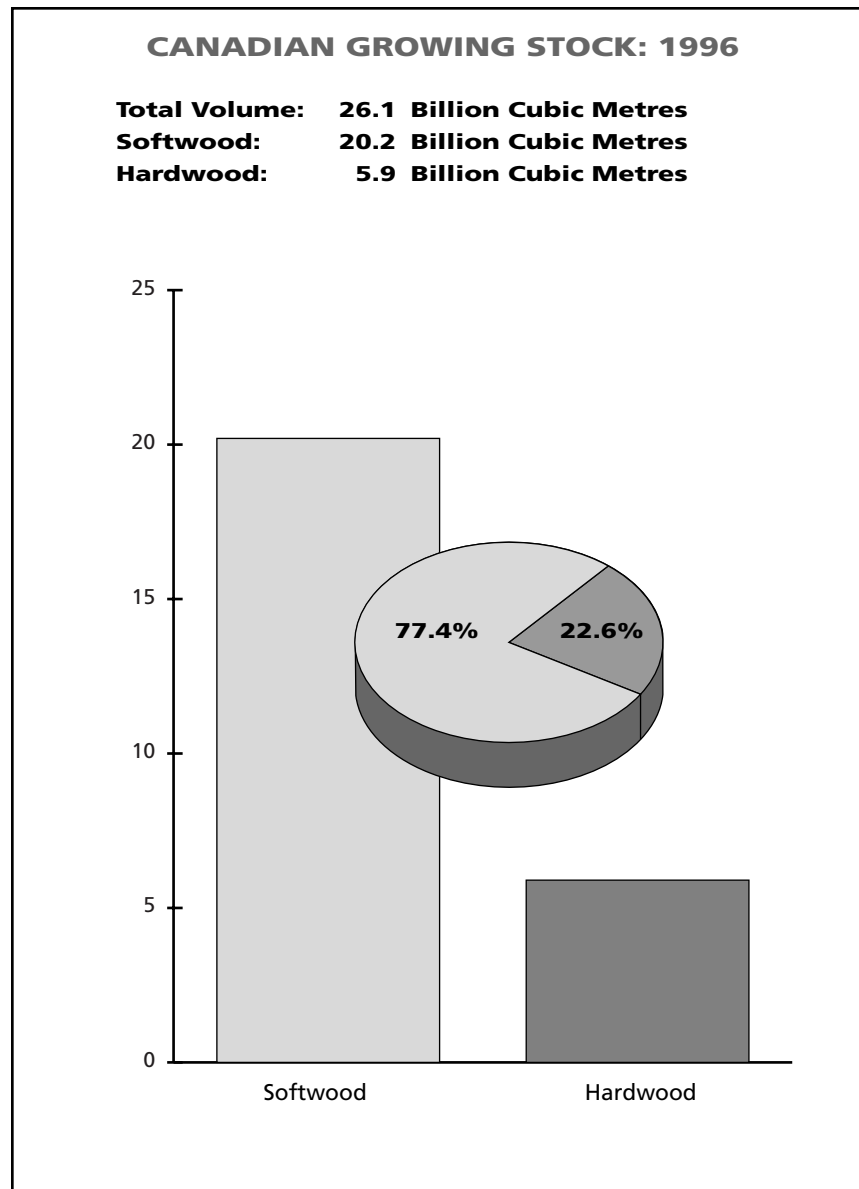
## Part II

### CANADA'S FORESTS AND FOREST INDUSTRY

Canada is the world's largest exporter of forest products — accounting for 10 per cent of the world's forest landbase. Canada is committed to sustainable forest management.

### CANADIAN GROWING STOCK

Forests cover over 45 per cent of Canada's landbase. Total growing stock in Canada is 26.1 billion cubic metres. Softwood, or coniferous trees, account for 20.2 billion cubic metres, or 77.4 per cent of the total. Hardwood or deciduous trees account for 5.9 billion cubic metres, or 22.6 per cent.



Sources: Natural Resources Canada and B.C. Ministry of Forests

## CANADA'S AVERAGE ANNUAL TIMBER HARVEST

In each province the responsibility for determining the amount of timber to be harvested, or more widely referred to as the allowable annual cut (AAC), is approved by the provincial government.

A provincial AAC prescribes a rate of harvesting for a specified area of forest and is based on economic, social and environmental considerations.

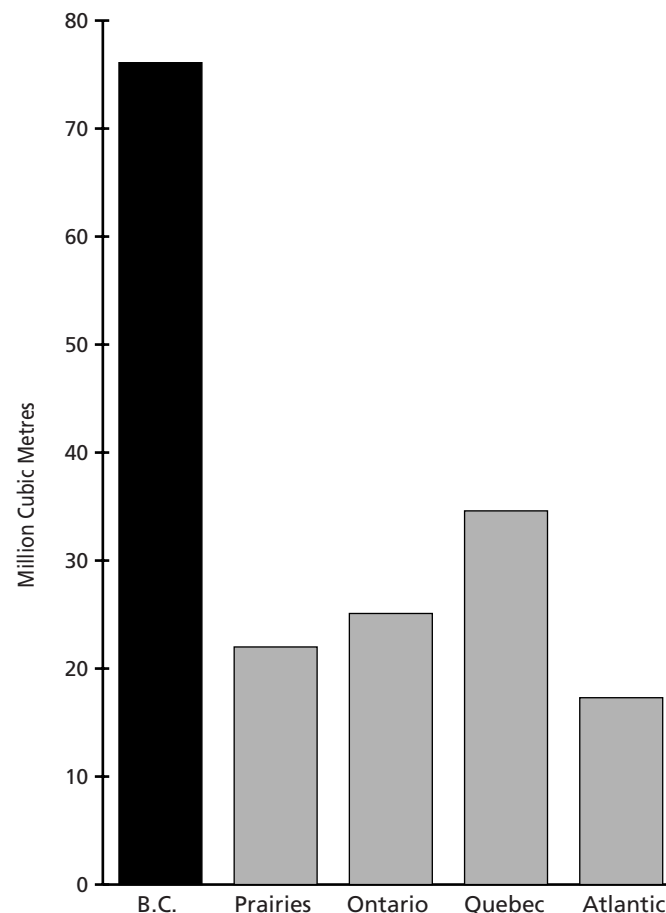
During the period 1992 - 1996 the B.C. forest industry harvested an average of 76.1 million cubic metres per year. This slipped marginally from the 76.6 million cubic metre average for the 1991-1995 period.

Over the five year period 1991 - 1995 the Quebec forest industry harvested an average 34.6 million cubic metres of timber per year. In the same period Ontario harvested an average 25.1 million cubic metres per year, the Prairie provinces harvested an average 22.0 million cubic metres and the Atlantic provinces harvested an average 17.3 million cubic metres per year.

Over the period 1991 - 1995 Canada's annual harvest averaged 175.1 million cubic metres per year during 1991 - 1995. The total harvest in 1995 was 188 million cubic metres.

### CANADA'S AVERAGE ANNUAL TIMBER HARVEST

Million Cubic Metres (Softwood and Hardwood)



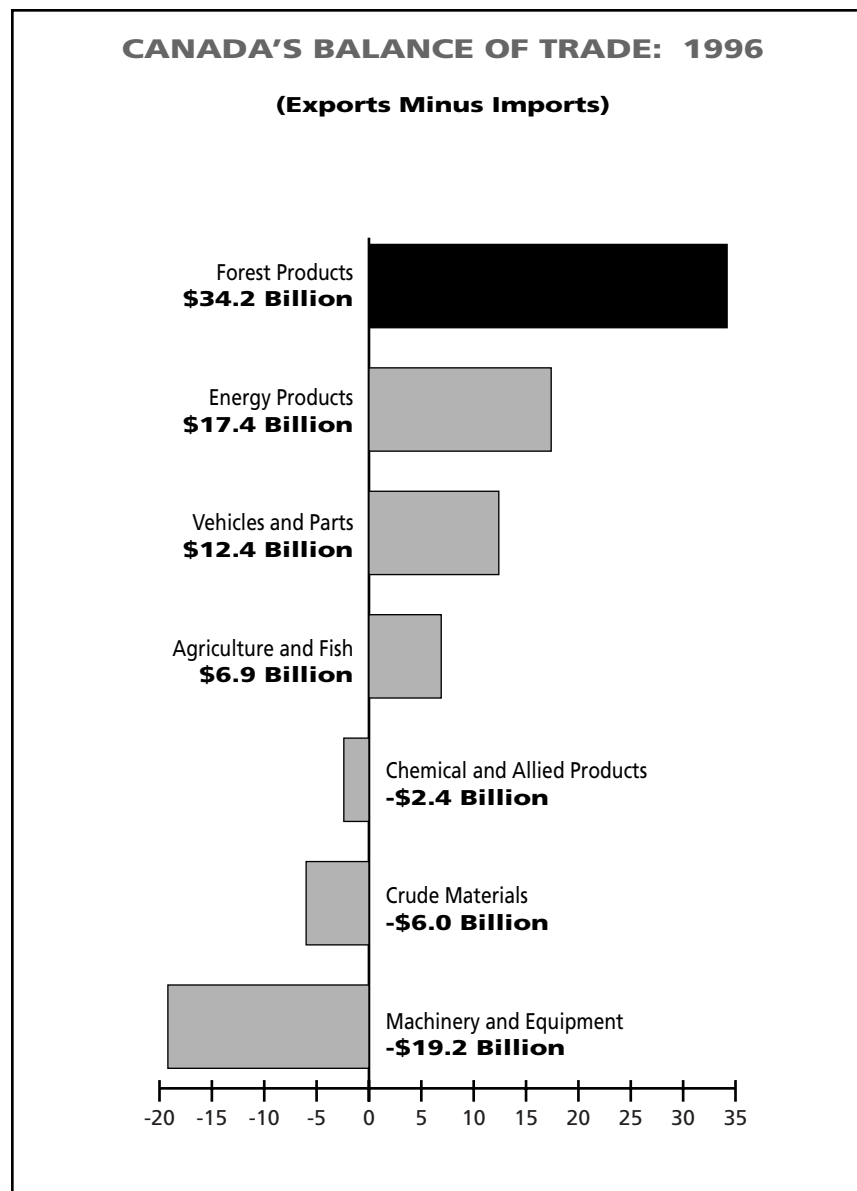
**Note:** Harvest data for Prairies, Ontario, Quebec, Atlantic and total Canada averaged over 1991 - 1995. Harvest data for B.C. averaged over 1992 - 1996.

## CANADA'S BALANCE OF TRADE

As a measure of the difference between a country's exports and imports of goods and services, the "balance of trade" underscores the importance of international trade to Canada.

In 1996 the forest industry recorded a \$34.2 billion trade surplus (exports minus imports). The total 1996 export sales were \$38.2 billion, down \$1 billion from 1995.

Crude materials, chemicals, machinery and equipment ran a combined trade deficit of \$27.5 billion, while, agriculture and fish, forest products, energy, vehicles and parts collectively contributed a surplus of \$70.9 billion in 1996.



## CANADA'S EXPORT OF FOREST PRODUCTS

In 1996 the export value of Canadian forest products totalled \$38.2 billion. This represents a drop of 7.3 per cent from the \$41.2 billion in 1995.

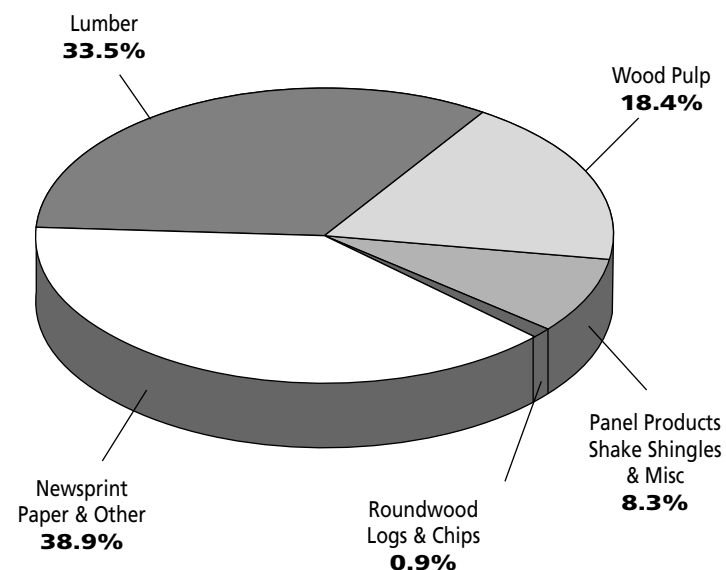
Domestic consumption of forest products was valued at \$14.1 billion in 1996, slightly lower than the \$14.3 billion reported in 1995.

In 1996 the value of forest products in the wood pulp sector fell to 18.4 per cent from 26.9 per cent in 1995. Newsprint and other paper and paperboard products inched up to 38.9 per cent from 38.0 per cent in 1995. Exports of lumber increased in 1996 to 33.5 per cent from 27.1 per cent in 1995. Roundwood, logs and chip exports were unchanged at 0.9 per cent.

The share of exports for panelboard products, shingle/shakes and miscellaneous products rose from 7.0 per cent in 1995 to 8.3 per cent in 1996.

### CANADA'S EXPORTS OF FOREST PRODUCTS: 1996

**Total Value of Production/Shipments: \$52.3 Billion**  
**Total Value of Exports: \$38.2 Billion**



## CANADA'S FOREST INDUSTRIES, PRODUCTION BY VOLUME

Softwood lumber production in Canada totalled 26.2 billion board feet, or 61.8 million cubic metres in 1996. This was 2.9 per cent higher than the previous year. B.C. softwood lumber production accounted for 53 per cent of total Canadian softwood lumber production in 1996.

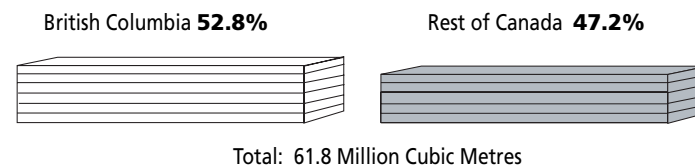
1996 pulp production totalled 24.4 million tonnes, a decrease of 4 per cent from the previous year. B.C. produced 7.3 million tonnes, accounting for 29.9 of total Canadian production.

1996 paper production totalled 18.4 million tonnes, down marginally from 1995. B.C. produced 2.8 million tonnes of total Canadian production, down slightly from 1995.

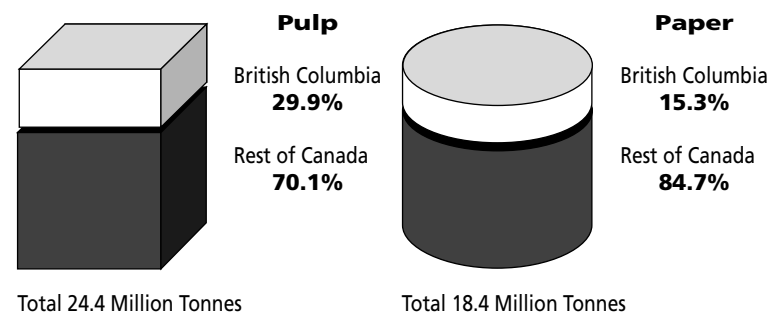
Plywood production in 1996 was 1.8 million cubic metres, basically unchanged from the previous year. B.C. produced 83 per cent of total Canadian production.

### CANADA'S FOREST INDUSTRIES, PRODUCTION BY VOLUME: 1996

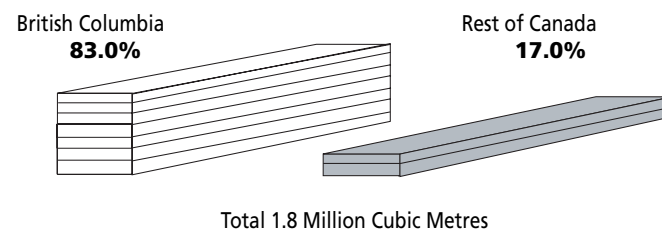
#### Softwood Lumber (Million Cubic Metres)



#### Pulp and Paper (Million Tonnes)



#### Plywood (Million Cubic Metres)



## CANADIAN FOREST SECTOR, JOBS AND ECONOMIC IMPORTANCE

In 1996 the Canadian forest industry directly employed 251,700 Canadians from coast to coast. This represented a gain of 4,900 jobs over 1995. The total value of manufactured forest products shipments accounted for \$52.3 billion in 1996, compared to \$54.0 billion in the previous year, a decline of 3.2 per cent.

The forest industry also provided indirect employment in service and related industries contributing 755,000 Canadian jobs in 1996. This represents an increase of 14,000 jobs over 1995.

In total, nearly 1,007,000 Canadian workers depended on a flourishing forest industry for their livelihood in 1996.

### Employment in the Canadian Forest Sector

Total Direct Employment	251,700
Indirect Employment	755,000
Canadian Jobs that Depend on the Industry	1,006,700

Source: Price Waterhouse

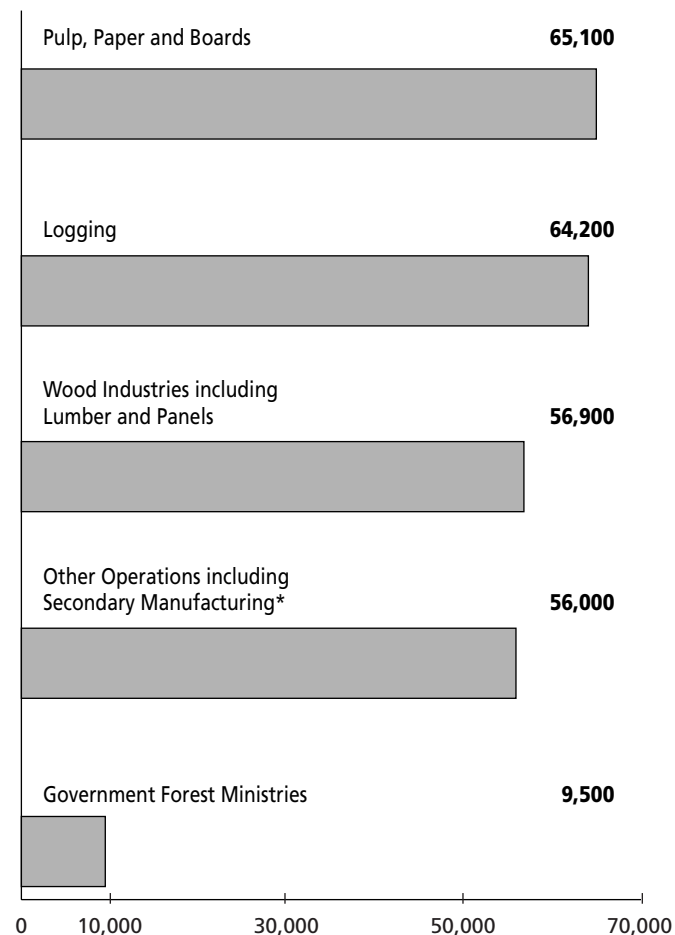
### Total Value of Canadian Forest Product Sales (1996)

Wood Industries	\$27.0 billion
Pulp and Paper	\$22.0 billion
Total	\$49.0 billion

Source: Price Waterhouse

## CANADIAN FOREST SECTOR, JOBS AND ECONOMIC IMPORTANCE: 1996

### Direct Employment for 1996: 251,700



\* Includes deinked pulp, value added operations, container converting facilities, shakes and shingles and silviculture.

## HOUSING STARTS, CANADA, U.S. AND JAPAN

Housing construction represents one of the most important indicators of consumption of wood products.

The United States is the largest consumer of B.C. wood products. U.S. housing starts were reported at 1.5 million units in 1996, up from 1.4 million units in 1995. Single family housing starts of 1.2 million units represented 78.7 per cent of total U.S. housing starts in 1996.

Japanese housing starts totalled 1.6 million units in 1996, up from 1.5 million units in 1995. The acceptance of North American-style platform frame construction in Japan, can be attributed to concerted market development efforts, achieving significant market penetration over the past 10 years.

Canadian housing starts were 124.7 thousand units in 1996. This is an increase of 12.4 per cent over 1995 of 110.9 thousand units.

