

as market pulp while the remaining is converted into paper and board by the integrated mills.

Canada is the largest producer of market pulp with more than one-quarter of world capacity. The three major producing areas account for 70 per cent of the world's chemical paper-grade market pulp capacity. In descending order they are Canada (26 per cent), Nordic countries (22 per cent), and the United States (22 per cent).

The market pulp sector is divided into three categories: chemical pulp (90 per cent of total capacity), mechanical pulp (7 per cent) and dissolving and special alpha pulp (3 per cent). Chemical pulp is subdivided into two categories: kraft pulp or sulphate (96 per cent) and sulphite pulp (4 per cent).

There are 48 mills producing market pulp in Canada that are owned by some 34 companies. In 1986, 12 mills representing approximately 24 per cent of total capacity were producing market pulp only. The remaining mills were paper and board producers but had pulp in excess of their own needs. However, the trend is toward more integration of operations.

The sector is estimated to be 65 per cent Canadian-owned. It is heavily concentrated in British Columbia, which had 51 per cent of total Canadian capacity in 1986. New Brunswick, Ontario and Quebec accounted for an additional 12, 13 and 14 per cent respectively.

Of the 10 million t of market pulp produced in Canada in 1988 2 million t were sold domestically, mostly in Quebec and Ontario. The balance was exported. The major export markets are the United States (48 per cent), the European Community (25 per cent), Asia (21 per cent), and the remaining 6 per cent distributed among all other regions.

1.4 Newsprint and Printing Paper Sector

The newsprint and uncoated groundwood printing or specialty papers industry consists of newsprint used in the publication of newspapers, and specialty papers employed in the printing of newspaper advertising inserts, catalogues, directories or paperbacks. The sector is highly export-oriented with over 80 per cent of the products exported, primarily to the United States. Other markets include the EC (5 per cent), Latin America and the Caribbean (5 per cent), and Asia (5 per cent). There are no imports. The primary exporting competitors are Sweden and Finland.

The total Canadian capacity is approximately one-third of world capacity. In 1986, shipments totalled 10.5 million t. Quebec has 44 per cent of productive capacity, Ontario 21 per cent, British Columbia 17 per cent, the Atlantic provinces 16 per cent and the Prairie provinces 2 per cent.

The sector is composed of 43 mills, owned by 21 companies. Few companies produce newsprint exclusively; most also produce other papers, market pulp, lumber and container board or a combination of these products.

1.5 Structural Wood Panel Sector

The structural wood-based panel products industry is made up of two major subsectors: softwood plywood and waferboard/oriented strandboard (OSB).

Softwood plywood and waferboard/OSB compete for many but not all end uses and are generally sold in standard-sized panels used primarily for construction, packaging and industrial applications. Softwood plywood, including upgraded specialty products such as overlaid concrete-form plywood, is used extensively in engineered structures, as