
On a regional basis, the importance in terms of provincial income varies dramatically. For instance, the forest industry generates about 13.8 per cent¹ of the provincial income of British Columbia. When indirect effects are factored in, the sector accounts for about 25 per cent of provincial income. The unique species and large-sized trees found in British Columbia are highly suited to the production of a wide range of wood products. B.C. is also a major producer and exporter of chemical pulp and newsprint.

In the Atlantic provinces, nine per cent of provincial income originates with this sector. For Quebec, the proportion is 8.8 per cent and for Ontario, five per cent on a direct and indirect basis. Eastern Canada accounts for a significant proportion of Canada's output of paper, paper-board, and converted wood products.

The least dependent region, the Prairie provinces, currently relies directly and indirectly on the sector for two per cent of its income. However, the importance of the sector in this region is growing as reflected in recent announcements of investments in pulp and paper mills.

Investment

Canadian forest product companies are currently spending over five billion dollars annually to upgrade existing facilities, to incorporate new advances in processing technologies and, in some cases, to expand capacity. This represents almost one-quarter of total investment in all Canadian manufacturing sectors combined.

This level of investment will likely increase even further in the years ahead as companies continue to make major investments in productivity improvement to remain competitive, as well as in new or expanded facilities to take advantage of emerging market opportunities.

Employment

The number of direct jobs involved in the harvesting and processing of Canada's forest resources currently totals almost 270,000, about the same level as 15 years ago. Almost 740,000 jobs in Canada are directly or indirectly dependent on forest sector activity². Total output in the forest industry increased by over 32 per cent over the same period. Looking to the future, the total number of jobs in the forest industry is expected to be fairly stable over the next decade as jobs lost through continuing productivity advances are replaced through new activities.

While the total number of jobs remains stable, there will be a continuing shift from low-skill to high-skill occupations with increased automation and adoption of new electronic and other processing technologies. Training and re-training will continue to be an important manpower issue in the forest industry.

¹ Canadian Forestry Service, 1988, "Impact of Forestry Activity on the Economy of Canada and its Provinces: An Input-Output Approach", Information Report E-X-39.

² The employment multiplier for the forest industry has been estimated by the Canadian Forestry Service (Canadian Forestry Service, 1988, "Impact of Forestry Activity on the Economy of Canada and its Provinces: An Input-Output Approach", Information Report E-X-39) to be 1.76. In other words, for each job in the forest sector, there were 1.76 jobs generated in industries supplying the forest industry and in industries meeting the consumer needs of forest sector workers. Thus almost 740,000 jobs in Canada are directly or indirectly dependent on forest sector activity.