Shipments by Area	1990	1989	Change %
Canada	4 703	4 886	-4
Exports	19 450	19 982	-3
United States	13 131	12 993	1
Europe	3 044	3 314	-8
Latin America	605	555	9
Other Countries	2 670	3 120	-14
Total	24 153	24 868	-3

Operating Rates		
Wood Pulp-Chemical Paper Grades	84%	93%
Newsprint	90%	96%
Other Papers	86%	90%
Paperboard	92%	93%

Source: CPPA, May 1991

(v) Value-Added Paper Products

Overview

The converted paper products industry is comprised of manufacturers of the following value-added paper products: a) corrugated containers, folding cartons and other packaging products; b) sanitary tissue and other consumer disposables; c) specialty commercial papers (office equipment rolls and sheets for telex, adding machines and copiers, self-adhesive paper, self-copy paper, tapes and labels); d) specialty institutional papers (products used by the service industry such as paper cups, plates, placemats and food containers); and e) wallpapers. There is a wide range of products manufactured by firms whose characteristics range from small, non-integrated and labour intensive establishments to large, integrated, capital intensive operations. They are generally dispersed across Canada with a concentration of production in Ontario and Quebec. Actual shipments appear to have remained stable between 1989 and 1990 at about $5.3 billion. This follows a period of negative growth in the last half of the year, particularly in the packaging and wallpaper industries, and this trend is continuing in 1991.

Economic performance of the converted paper sector is closely tied to the business cycle. Because of the continued weakness in the economy, many firms are taking down time resulting in layoffs and idle capacity. Capacity utilization ranges from a low of 60 to 65% in folding cartons, corrugated containers and paper bags to over 90% in self-adhesive labels and paper consumables.

Current Situation - Domestic Market

Canadian production in some segments of the industry such as corrugated containers, folding cartons, paper bags, multi-wall sacks and wallpaper are experiencing zero or negative growth as a result of decreased consumer purchases and higher imports. Reduced housing activity in both Canada and the U.S. has caused a slowdown in the wallpaper industry. Other segments are showing small to moderate gains, particularly sanitary tissues and consumer disposables, specialty commercial papers and specialty