

will decline from 82 percent to 78 percent due to large increases in Western Canadian chemical pulp capacity. BCTMP shipments are expected to improve in 1991 but continuing weak prices will keep earnings low.

Newsprint

Newsprint shipments declined by 5.5 percent in 1990 to 9.1 million tonnes. Labour disruptions caused part of the 665,000 loss but increased capacity in the Southern United States combined with lower demand in both the United States and Britain were also factors. Industry estimates suggest a growth rate of 2 percent will bring shipments to a level of 9.2 million tonnes in 1991. Customers in the E.C. and Japan will help the estimated 9.2 percent rise in offshore shipments providing the Canadian dollar remain stable. Capacity utilization will decline to 88 percent from 90 percent. Of the supply coming on stream this year (five new machines) only about 170,000 tonnes of this will be standard newsprint destined for sale in North America. The balance will replace old machines or exported to Japan.

Printing and Writing Papers

Shipments in this category increased by 12 percent in 1990 to 3.6 million tonnes, boosted mainly by exports to the United States. Of this coated mechanical papers rose by 32.4 percent due to new Repap capacity and the off machine coater at Island Papers. Uncoated woodfree shipments expanded by almost 19 percent. The modern high speed commodity grade machines at Domtar, Canadian Pacific Forest Products and Weyerhaeuser were the major beneficiaries of the increased sales. The continuing recession in North America will reduce the pace of Canadian shipments to 2.4 percent in 1991 reaching 3.7 million tonnes, for an operating rate of 85 percent.

CANADIAN PULP AND PAPER INDUSTRY STATISTICS (^{'000} Metric Tonnes) (1990-1989)

<u>Production</u>	1990	1989	Change %
Total Wood Pulp	23 639	23 614	-5
Newsprint	9 069	9 640	-6
Other Papers	4 591	4 243	8
Paperboard	2 806	2 700	4
Total Paper and Paperboard	16 466	16 583	0
 <u>Shipments by Product</u>			
Wood Pulp	7 686	8 347	-8
Newsprint	9 075	9 607	-6
Other Papers	4 568	4 218	8
Paperboard	2 825	2 695	5
Total	24 153	24 867	-3