

Canada's Forest Industry

- An Economic Cornerstone -

Forest and the Economy

The Forest industry is Canada's largest industrial employer, directly providing jobs to approximately 361,000 people in hundreds of communities across the country.

It is also among the largest contributors to Canada's trade surplus, accounting for over \$32.6 billion in 2002 alone.

On a global scale, Canada is the world's leader as a forest products exporter.



Current Goals

The Canadian Forest products industry aims to:

- remain ranked in the top three forest products globally;
- be a world leader in environmentally sustainable manufacturing and forestry practices;
- be amongst the leading industries over the next decade, generating over 3% of Canada's GDP, increasing the value of exports to \$50 billion, and the top contributor to Canada's trade balance;
- be a primary partner in the integration of high technology into Canada's rural economies;
- be productive at an increasing rate equal to or greater than that of its key competitors; and
- be a model of social and corporate responsibility.

(source: FPAC)

Federal Contributions

Several federal government departments are involved in ensuring the prosperity of the forest sector and the sustainability of Canada's forests. Efforts range from international relations and research to environmental assessments and finance.

The Canadian Forest Service (CFS), part of Natural Resources Canada (NRCan) works closely with both the forest sector and other federal departments involved in these efforts.



CFS Industry Partnerships

The Canadian Forest Service supports the development of export opportunities for Canada's forest products, and works with the forest products industry through their associations, institutions and directly with firms to help promote the industry's competitiveness.



CFS Industry Partnerships

Examples of CFS industry partnerships include:

- R&D, on issues such as technical product acceptance;
- supporting offshore export market development, e.g. the Canada Wood Export Program, aimed at expanding overseas export opportunities;
- maintaining access to foreign markets;
- working with Industrial Research Institutes;
- the Value to Wood Program (R&D and technology transfer to move up the wood value chain);
- compilation of forestry data & statistics;
- analysis of industry issues; and
- participation in other S&T initiatives.

Other Partnerships

The Natural Sciences and Engineering Research Council of Canada (NSERC), for example, works in partnership with the CFS to fund forestry research across the country.



Its contributions range from financial aid for students conducting graduate research in forestry, to million-dollar funding for research partnerships and research networks.

NSERC has also helped Canada's forest sector by supporting industry knowledge of the latest trends in science and technology. Last year's multi-million dollar investment in the launch of a forestry e-business initiative is just one example.

A Regional Effort

Canada Economic Development (CED) was another major investor in the e-business initiative. CED is a federal agency that promotes economic development in Quebec.

Other recent forestry sector contributions by CED include:

- funds to raise the technological level of forestry manufacturers in Bas-Saint-Laurent's eight regional county municipalities; and
- an investment in two forestry projects in Abitibi-Témiscamingue to promote the use of new tools and technologies.

Other federal regional economic development agencies, which also support the forest industry, include:

- Western Economic Diversification in the West,
- FedNor in Northern Ontario, and
- the Atlantic Canada Opportunities Agency in the Maritimes.

Export Standards

The Canadian Food Inspection Agency (CFIA) establishes phytosanitary and certification standards for forestry products.

CFIA's standards ensure that Canadian forestry product exports meet Canadian and international standards, as well as importing countries plant health regulations.

Strict regulations help maintain global confidence in the quality of Canadian forestry products, allowing access to new markets while maintaining traditional one.

Leaders in Environmental Stewardship

In the last decade the forest products industry has invested 6 billion dollars (Source: FPAC) on environmental improvements alone – proactively investing in the environment.

In addition to pollutant reductions achieved through regulation, the industry voluntarily improved other key areas – from reducing water consumption by 30% to a 26% reduction in greenhouse gas emissions, despite a 21% increase in production.

Going Above and Beyond

The industry's investment in the environment and its commitment to communities illustrate an increasingly sophisticated understanding of interests that link economic, social and environmental issues.

Securing the Future

Canada relies on its forests as a major contributor to the national economy.



Investing in the forest sector in areas such as research and development, science and technology, partnerships and networks helps the industry remain competitive, while ensuring its long-term sustainability.