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# Earnings and Employment Trends
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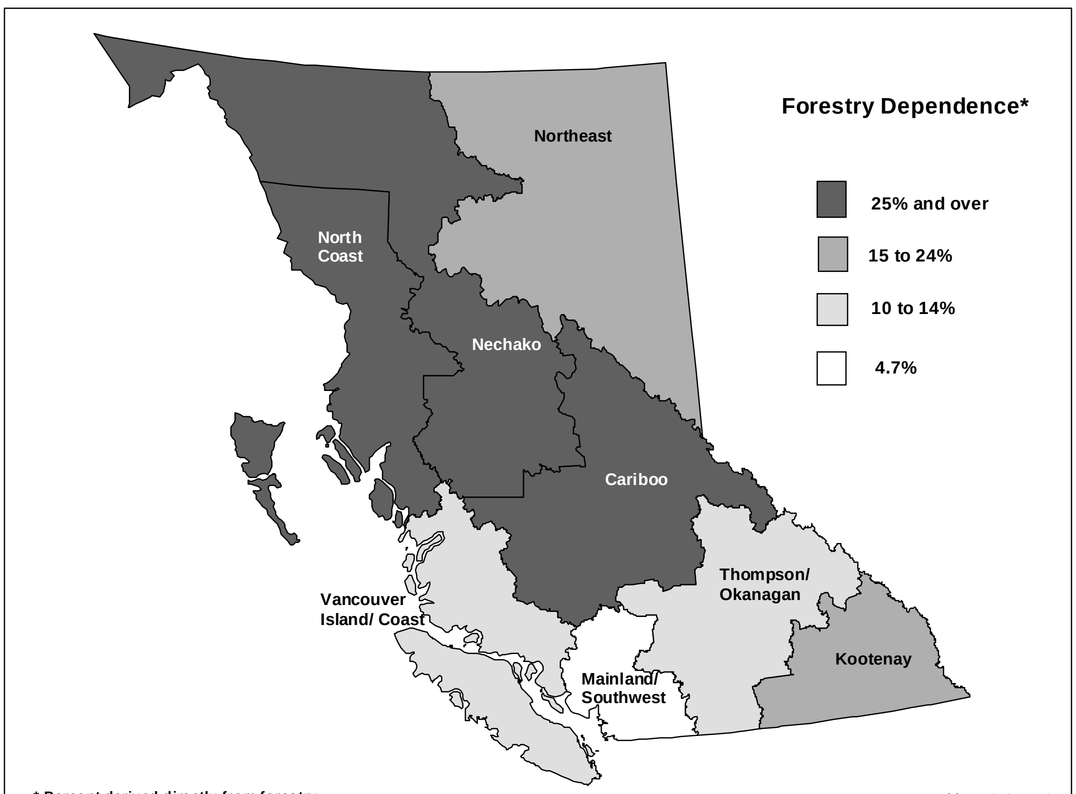
### The BC Forest Sector Workforce: Projected Impact of the Softwood Lumber Dispute

In 2001, there were 91,000 jobs in the forest sector, which includes logging, wood manufacturing, pulp & paper manufacturing plus forest services. These direct forest sector jobs represent 4.7 per cent of the total workforce. There are an estimated further 120,000 jobs that are dependent on the forest sector such as the suppliers of logging equipment, or the railway workers who transport the logs to the mills, or those employed in the service sector who rely, at least partially, on the wages generated by the forest sector. In total, approximately 11 per cent of all jobs in the British Columbia economy are reliant on the forest sector[1].

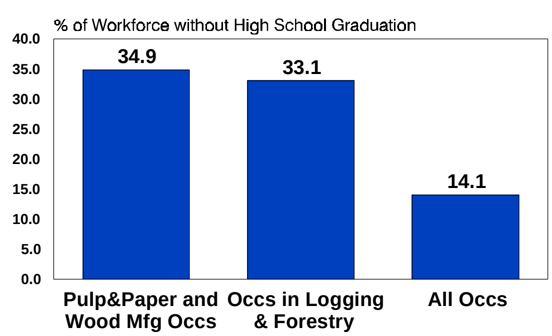
The extent of the economic dependency on the forest sector varies significantly across the province. The map below depicts the differences by Development Region. Dependencies range from 38.9 per cent in the Nechako Region to 4.7 per cent in the Mainland/SW. Within these regions there are also large variances in the dependency on forestry. For example, within the Mainland/SW, 39 per cent of the income of Powell River depends on forestry as opposed to only 2 per cent for Vancouver.



Since the beginning of 2001, approximately 4,000 direct forest sector jobs have been lost, primarily because of decreased productivity in the woods, particularly along the coast. The US imposition of export duties totalling 27 per cent on BC softwood lumber is expected to reduce demand for BC wood products and hence necessitate further restructuring and downsizing of the industry. If the tax remains at the 27 per cent level for an extended period of time, it is estimated that a further 16,000 jobs could be lost. As is evident from the map on the previous page, these 16,000 jobs will not be spread proportionately across the province. Instead, some communities are at risk of losing significant portions of their economic base.

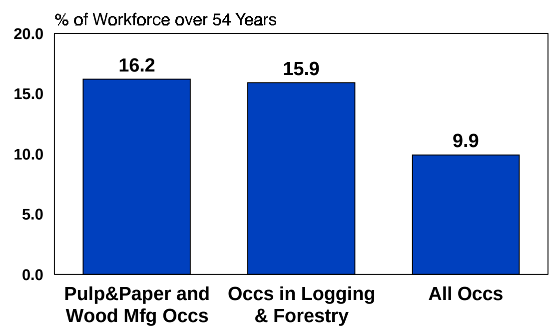
The federal government is suggesting ways to help alleviate the hardship that will transpire as the result of layoffs. Work sharing, topped up by Employment Insurance is one of the proposed solutions for short-term layoffs. That will directly help the workers and prop up the communities that are at risk. However, even if the softwood lumber dispute is eventually settled in Canada's favour, there will still likely be some permanent layoffs required in the BC industry. Under those circumstances, more permanent remedies may be required, such as helping the workers retrain and move into new careers.

**Education levels of the labour force in selected forestry occupations - 2000**




However, opportunities to retrain forest workers for new careers may also be limited. Many forest sector employees are loggers and machine operators and labourers in the sawmills and pulp mills. Workers in these occupations often have lower levels of education, which may hinder their ability to find alternative employment outside their occupation. Retraining will also be problematic as many do not have the basic academic skills required to enter post-secondary training programs.

**The BC forest sector has a high proportion of its workforce approaching retirement --2001**




The impact of layoffs in the industry may be eased somewhat by the fact that many employees in the sector appear to be nearing retirement age. Some form of early retirement incentive program could open up jobs for younger employees who find themselves directly impacted by restructuring.

[1] The number of indirect and induced jobs that are deemed dependent on the forest sector can range as high as 22%, depending on whether the downstream margins and the public sector expenditures that depend on the revenue generated by the forest sector are included.