



Forest companies increase their mill capacity to handle increased cutting in Canada's boreal forest

EDMONTON, May 07, 2004 - Large forestry companies have increased the capacity of their mills to process increasing volumes of wood from Canada's boreal forest, says a new report from Global Forest Watch Canada released today. The report, which examines the distribution and production of forest product mills across the country, finds that large companies are gearing up to process more and more wood that will be cut from more and more publicly owned boreal forests.

"Almost 75% of Canada's increase in softwood sawmill capacity between 1995 and 2001 period was from the boreal regions in the provinces of Alberta, Saskatchewan, Manitoba, Ontario and Québec. A substantial portion of the remaining increase in capacity was from mills near the boreal region of northern British Columbia," notes Peter Lee, National Coordinator for Global Forest Watch Canada. "The proportional increase in softwood sawmill capacity in Canada was almost double that of the United States (15.4% and 8.5%) between 1995 and 2001," Lee adds.

Companies that have the largest number of forest product mills (including pulp or paper, dimensional lumber, and engineered wood product mills) in Canada include Abitibi-Consolidated, Weyerhaeuser, Slocan/Canfor, Tembec, Domtar, Norampac, Bowater, Cascades, and Smurfit-Stone.

"The amount of logging on publicly-owned land each year is also rising, jumping 50 percent since 1975," Lee continues. Most of this logging increase has occurred in the boreal forest region, which contains some of the world's largest remaining areas of intact forest.

Canada is the world's largest forest products exporter (20.5 percent), is the world's largest producer of newsprint, and is the second largest producer of softwood lumber and wood pulp. The forest sector's contribution to the Canadian economy (GDP) was only \$28.5 billion, or 2.9 percent, in 2001, down from 3.3 percent in 1990.

Although Canada contains about one tenth of the world's forests, it contains approximately one quarter of the world's remaining frontier, or intact forests. The vast majority of these untouched forests are contained within Canada's boreal region, a vast wilderness of publicly owned forests stretching across northern Canada.

Some findings from the Global Forest Watch report include:

- The 11 Canadian companies that ranked in the Global Forest and Paper Industry Top 100 companies (by sales) list from PricewaterhouseCoopers reported sales of \$17.5 billion in 2002 (up from \$16.8 billion in 2001), which represented 6 percent of the Top 100 companies' total sales. These companies include: Abitibi-Consolidated, Domtar, Cascades, Tembec, Nexfor, Canfor, West Fraser Timber, Norske Canada, Slocan, Interfor, and Doman.

- Revenues of the wood product forest companies have more than doubled from 1990-2001 and revenues for the pulp and paper product forest companies have increased 50 percent from 1990-2001.
- 14 of the top 15 producers of lumber in the United States and Canada, in terms of cubic metres of processing capacity, operate in Canada. These companies include: Weyerhaeuser, CanFor, Georgia-Pacific, International Paper, Abitibi Consolidated, West Fraser, Slocan, Domtar, Tembec, Louisiana-Pacific, Doman, Weldwood, J.D. Irving and Interfor.
- Although there are many joint venture mills, companies in Canada that have the largest mill capacities for producing pulp or paper include Abitibi-Consolidated, Bowater, Tembec, Kruger, Norampac, Norske, and Domtar.
- Companies in Canada that have the largest mill capacities for producing softwood lumber include Canfor/Slocan, Abitibi-Consolidated, Doman, Domtar, International Forest Products, JD Irving, Riverside, Weldwood, West Fraser, Barrette, Houston Forest Products, Tolko, and Uniforêt.
- Most of the forest product mills are located in the provinces in which the largest area is logged annually -- Québec, British Columbia and Ontario. The largest volume of timber is cut in British Columbia, followed by Québec and Ontario. Together, 70% of the volume and 79% of the area logged in all of Canada is from or in these three provinces.

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-30-

Canada's Forest Product Mills, 2003: Background and Summary Report, maps, and associated forest product mills datasets are available for download at:
www.globalforestwatch.ca