
FACTSHEET

For Immediate Release
NEWS-13876
Feb. 15, 2017

Ministry of Forests, Lands and Natural Resource
Operations

B.C.'s forest economy: softwood lumber

- Forestry is one of B.C.'s founding industries and a key driver of B.C.'s economy.
- In 2016, the industry accounted for \$14 billion in exports – 35% of all B.C. goods exported.
- Forestry directly employs more than 60,000 people in over 140 communities around the province.
- In 2015-16, direct forestry revenues to the provincial government were \$833 million, helping to support vital services such as health care and education.
- B.C.'s forest products consist of wood products, especially lumber, pulp and paper, logs, and wood pellets.
- In 2016, softwood lumber products accounted for nearly 50% of all B.C. forest product exports.

Global Exporter

- B.C. is one of the world's leaders in terms of softwood lumber products, with exports going to markets in Europe, Asia, Australia, the Middle East and the U.S.
- The U.S. is B.C.'s largest market for softwood lumber products, accounting for \$4.6 billion in sales in 2016.
- The last softwood lumber trade dispute from 2001 to 2006 drove home the importance of diversifying the province's export markets for B.C. lumber products.
- In the early 2000s, the B.C. government and forest sector began looking for new markets to reduce the reliance on the U.S.
- As a result of this work, China has become the largest offshore market for B.C. lumber, with the value and volume of products increasing 20-fold since 2003.
- B.C. lumber export volumes to China increased to 21% in 2016 from 1% in 2005, while exports to the U.S. decreased from 86% in 2005 to 67% in 2016.
- The growth in the China market kept workers in many mills and communities employed during the 2007-09 global economic downturn.

Expanding Markets

- Advances are being made in other Asian markets, including Japan, South Korea, and the new emerging market of India.
- Forestry Innovation Investment Ltd., a government Crown agency, is focused on providing market research and developing strategies specific to each market.
- For example, India, with a rapidly growing middle-class combined with a gradual decrease in traditional hardwood supplies, holds great potential as a new and growing market for B.C. softwood lumber products.
- To capitalize on the opportunities in India, Forestry Innovation Investment Ltd. established an office in Mumbai. In addition, 12 product trials were completed in India

over the last year, with half leading to commercial orders.

- The focus of marketing in India is for softwood lumber to be used in interior finishes, such as windows, doors, furniture and floors.
- In January 2017, B.C. companies Structurlam and Coast Clear Wood provided wood products to build a showcase for B.C. wood products at India's Centre for Environmental Planning and Technology University.

Innovation

- In 2009, the B.C. government changed the B.C. building code to increase wood-frame construction from four storeys to six. This has resulted in more than 250 mid-rise construction projects around the province.
- Recent innovations, such as cross-laminated timber has allowed wood-frame construction to climb even higher.
- In 2014, the Wood Innovation Design Centre in Prince George, at nine storeys, became tallest contemporary wood-frame building in North America. That has now been surpassed by the new 18-storey Brock Commons student residence at the University of British Columbia.

Why it Matters

- B.C. is Canada's largest producer of softwood lumber accounting for approximately half of overall production.
- While B.C. has made great strides in opening up Asian markets, the U.S. is still B.C.'s number one market for softwood lumber. In 2016, the value of B.C. lumber exports to the U.S. was \$4.6 billion.
- Forestry is one of B.C.'s key economic drivers and key employers – providing 60,000 direct jobs. About 40% of B.C.'s rural communities are dependent on forestry.

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