



# 2022 Economic State of British Columbia's Forest Sector

Ministry of Forests

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## Foreword

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The *Economic State of the British Columbia Forest Sector* report is an annual review of the forest sector's role in the provincial economy in 2022. This report provides an overview of forest product markets, including softwood lumber, veneer, plywood, shake and shingle, logs, pulp, and paper in 2022 and in previous years. It examines and monitors B.C.'s forest sector in terms of harvest level, gross domestic product (GDP), manufacturing sales, exports, employment, market supply and demand conditions, major destination markets, and key products. Because the forest sector is export-oriented, the report also includes an overview of the global forest commodity markets, exchange rates, foreign competition, and trade policies.

The report is an annual cumulation of other information products developed by the Economics and Trade Branch in the Ministry of Forests throughout the year. Numbers throughout the report may not add up to totals due to rounding. Some historical data is also subject to revision. Some Statistics Canada series contain data suppression to protect confidentiality or due to poor data quality, and this will be denoted by a "-" in this report's tables.

This report is available online at:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/forest-industry-economics>

Please note that any comments can be sent to the contact information on the website, by e-mail to [ForestEconomics@gov.bc.ca](mailto:ForestEconomics@gov.bc.ca) or by mail to the following location:

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This report acknowledges that its development and writing was done with respect on the lands of the ɫəkʷəŋən, Songhees and Esquimalt Peoples whose historical relationships with the land continue to this day.



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# Overview

The forest sector in British Columbia (B.C.) is a vital industry that supports economic activity in all regions of the province. This sector is critical to regional economic development and provides significant economic benefits to British Columbians. The *Economic State of the British Columbia Forest Sector* report provides key information on the sector’s contribution to the economy and market trends in 2022 and previous years.

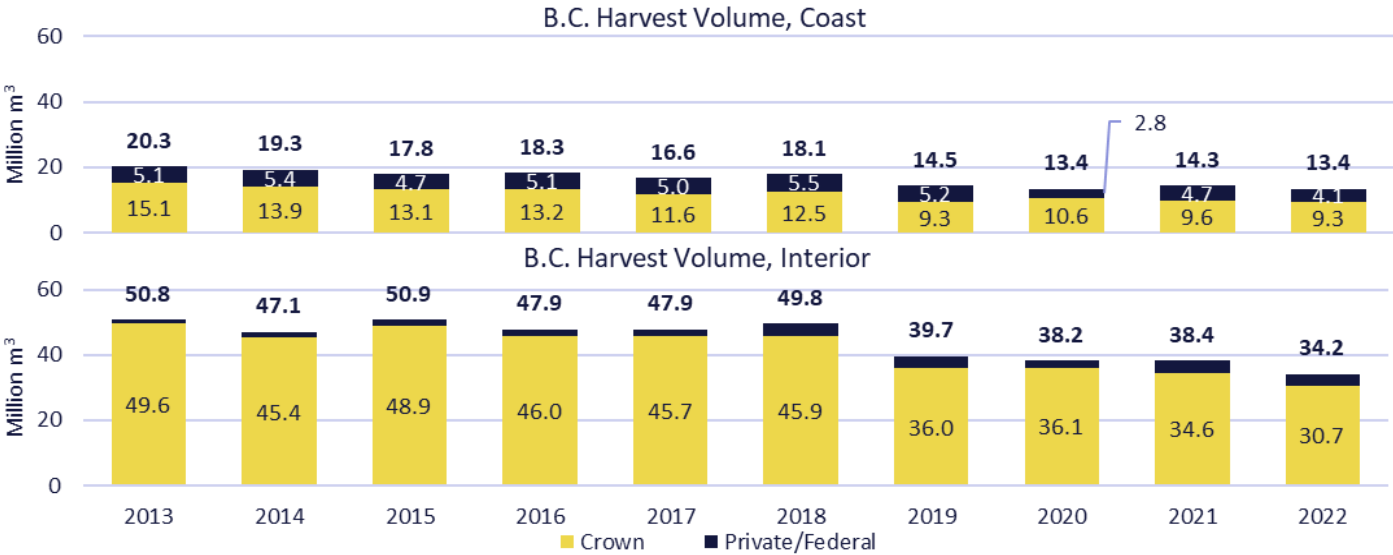
In 2022, B.C.’s forest sector continued to play an important role in the provincial economy. The sector generated 56,120 jobs, \$6.4 billion in GDP, and reported \$1.9 billion in provincial government revenues. The sector also accounted for 26% of provincial manufacturing sales and 24% of B.C.’s total commodity export value.<sup>1</sup>

In 2022, the forest sector in B.C. experienced significant market shifts driven by multiple factors. The industry grappled with post-pandemic supply recovery, transportation challenges, global competition, and mill curtailment due to long-term fibre shortages. These factors significantly impacted the supply of various forest products.

# Timber Harvest

Timber harvest in B.C. totaled 47.7 million cubic metres in 2022. The Interior accounted for 72% of the harvest (34.2 million cubic metres), and the Coast for 28% (13.4 million cubic metres). The volume reported in this section includes all logs, special forest products, species, and grades for timber harvested from Crown, federal, and private lands. It excludes waste, reject, and Christmas trees, and is based on the B.C. [Harvest Billing System \(HBS\)](#).

Figure 1: B.C. Harvest Volume, Coast and Interior



Source: B.C. [Harvest Billing System \(HBS\)](#)

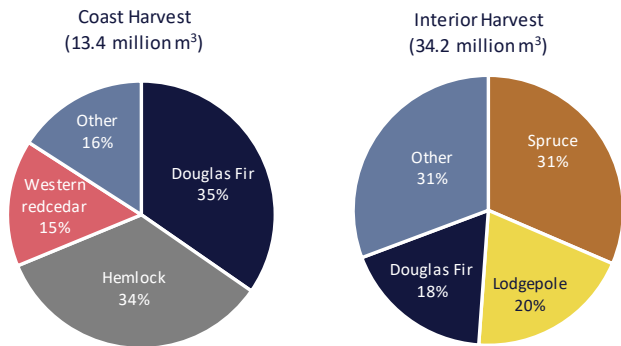
Table 1: B.C. Timber Harvest

million m <sup>3</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Coast	20.3	19.3	17.8	18.3	16.6	18.1	14.5	13.4	14.3	13.4
Interior	50.8	47.1	50.8	47.9	47.9	49.8	39.7	38.2	38.4	34.2
<b>Total</b>	<b>71.1</b>	<b>66.4</b>	<b>68.6</b>	<b>66.3</b>	<b>64.5</b>	<b>67.9</b>	<b>54.2</b>	<b>51.6</b>	<b>52.6</b>	<b>47.7</b>

<sup>1</sup> [Annual B.C. Exports](#), by B.C. Stats extract of Statistics Canada data.



On the Coast, Douglas fir accounted for 35% of the log harvest, followed by hemlock (34%), and western redcedar (15%). In the Interior, spruce and lodgepole pine together accounted for 51% of the log harvest.

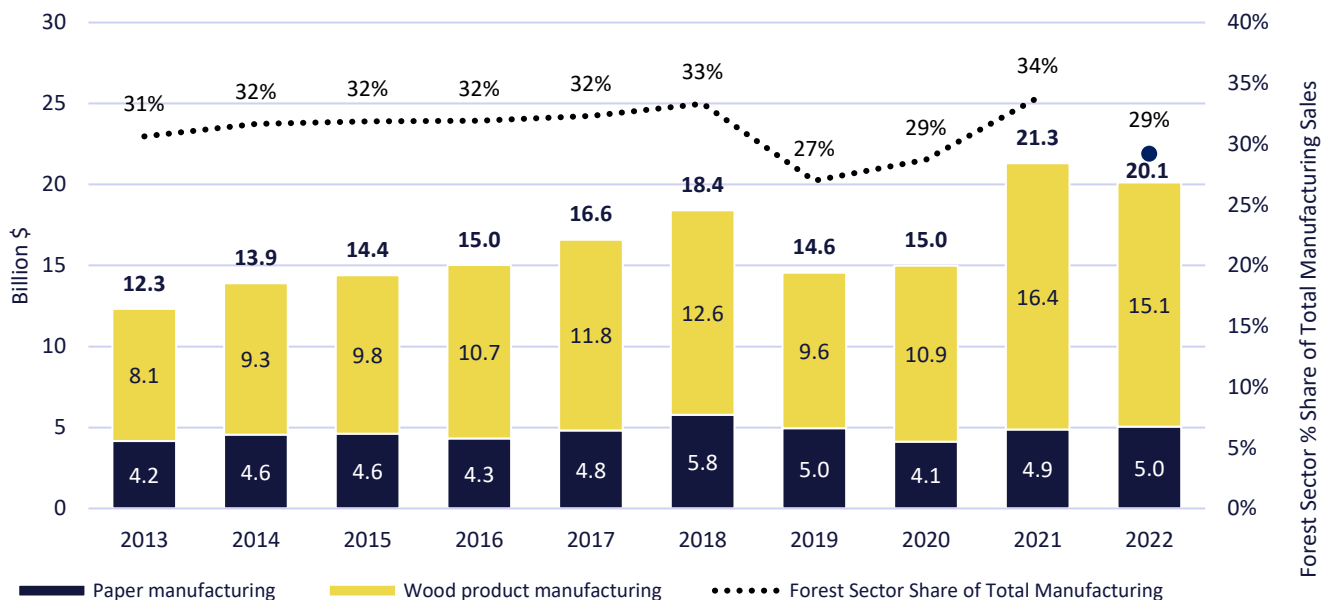


## Forest Sector Manufacturing

Logs harvested in the province are manufactured to make various forest products and surplus logs are shipped to other jurisdictions. More details on the use of primary logs by various major timber processing facilities can be found in the Ministry's [Major Timber Processing Facilities Survey](#).

Total B.C. forest sector manufacturing sales decreased by 3%, from \$20.8 billion in 2021 to \$20.1 billion in 2022<sup>2</sup> (excluding converted paper product manufacturing). Wood product manufacturing sales decreased by 8%, from \$16.4 billion in 2021 to \$15.1 billion in 2022, driven by the retreating prices for lumber and other wood products. Paper manufacturing sales increased by 15%, from \$4.4 billion in 2021 to \$5.0 billion in 2022 (excluding converted paper product manufacturing).

Figure 2: B.C. Forest Sector Manufacturing Sales



Source: Statistics Canada; [Table 16-10-0048-01](#).

<sup>2</sup> The manufacturing sales for converted paper product were suppressed for six months in 2022. For now, we are leaving this industry in the historical data, but removing it from 2022 data, so note that in Figure 2 2022 is not directly comparable to previous years.

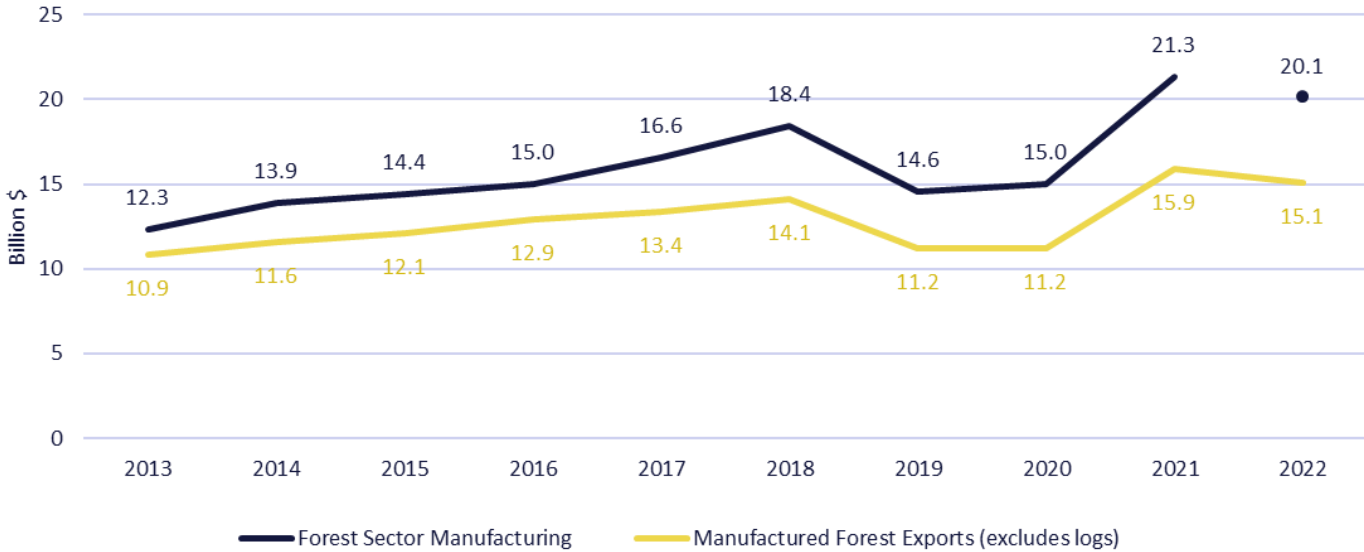




Note: Data for converted paper product manufacturing sales in 2022 were suppressed by Statistics Canada due to confidentiality requirements of the Statistics Act. Since the 2022 data cannot be compared to previous years, the 2022 share of manufacturing is shown as a single data point rather than a continuation of the line.

B.C.'s forest sector is export-oriented, with most manufactured forest products being exported. In 2022, total exports of manufactured forest products were \$15.1 billion, down 5% from 2021.

Figure 3: B.C. Manufactured Forest Product Sales and Forest Exports



Source: Statistics Canada; [Table 16-10-0048-01](#), and [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

Note: Data for converted paper product manufacturing sales in 2022 were suppressed by Statistics Canada due to confidentiality requirements of the Statistics Act. Since the 2022 data cannot be compared to previous years, the 2022 data is shown as a single data point rather than a continuation of the line.

### Manufactured Wood Products

Total wood product manufacturing sales decreased by 8%, from \$16.4 billion in 2020 to \$15.1 billion in 2022. Despite a slight uptick in sales of veneer, plywood and engineered wood products and other wood products, the overall sales of wood products were still depressed by the decline in sales of sawmill products, which dominate the wood product manufacturing category. Specifically, sawmill product sales<sup>3</sup> decreased by 17%, from \$9.7 billion in 2021 to \$8.0 billion in 2022. Veneer, plywood, and engineered wood product sales increased by 4%, from \$3.1 billion in 2021 to \$3.2 billion in 2022. Other wood product sales<sup>4</sup> increased by 14%, from \$2.7 billion in 2021 to \$3.1 billion in 2022.

Of these total sales in 2022, sawmill product sales accounted for 53%, followed by veneer, plywood, and engineered wood product sales (21%), other wood products (20%), as well as shingle and shake and wood preservation (5%).

<sup>3</sup> Sawmill sales include chip and sawdust sales and exclude shingle and shake sales.

<sup>4</sup> Other wood products include millwork, container and pallet manufacturing and other activities. Other activities include products ranging from chairs, benches and bowls to tool handles and chopsticks.

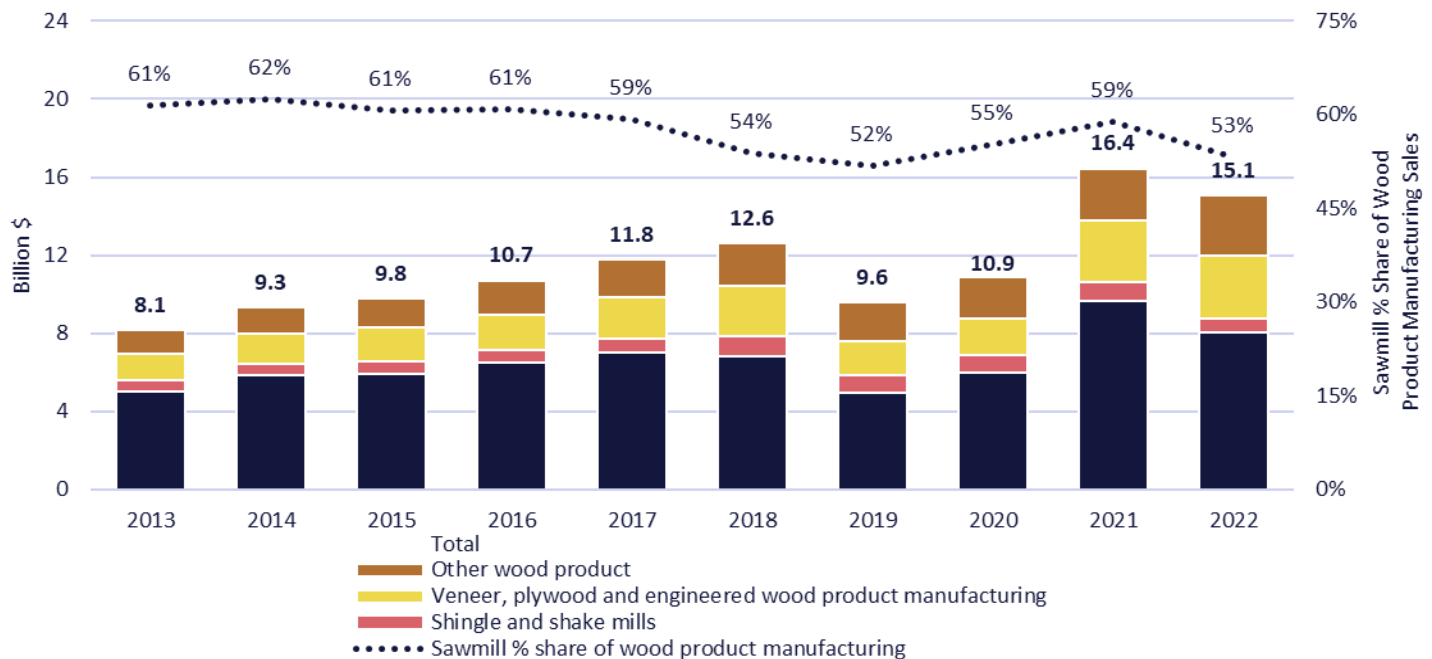


**Table 2: B.C. Wood Product Manufacturing Sales**

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sawmills (except shingle and shake mills)	5.0	5.8	5.9	6.5	7.0	6.8	5.0	6.0	9.7	8.0
Shingle and shake mills and wood preservation	0.6	0.6	0.6	0.7	0.8	1.0	0.9	0.9	1.0	0.7
Veneer, plywood & engineered wood product manufacturing	1.4	1.5	1.7	1.8	2.1	2.6	1.7	1.8	3.1	3.2
Other wood product manufacturing	1.2	1.4	1.5	1.8	1.9	2.2	2.0	2.1	2.7	3.1
<b>Total</b>	<b>8.1</b>	<b>9.3</b>	<b>9.8</b>	<b>10.7</b>	<b>11.8</b>	<b>12.6</b>	<b>9.6</b>	<b>10.9</b>	<b>16.4</b>	<b>15.1</b>

Source: Statistics Canada; [Table 16-10-0048-01](#).

**Figure 4: B.C. Wood Product Manufacturing Sales**



Source: Statistics Canada; [Table 16-10-0048-01](#).

## Softwood Lumber

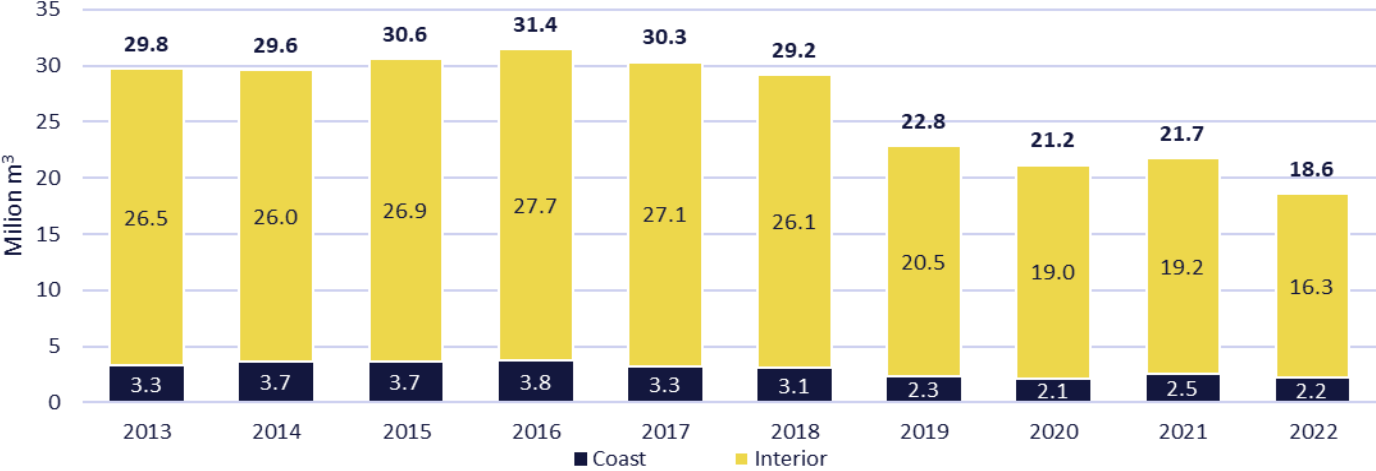
Being the largest lumber producer in Canada, B.C. produced 18.6 million cubic metres<sup>5</sup> of lumber in 2022, down 15% from 2021. Of this total, 88% of lumber production came from the Interior and 12% came from the Coast.<sup>6</sup> By species, 72% of softwood lumber production was spruce, pine, or fir (SPF), 19% was Douglas fir and Western larch, and 9% was hemlock, fir and Western redcedar, and other minor species.

<sup>5</sup> There are 2.36 cubic metres of lumber per thousand board feet (nominal). To convert from cubic metres to board feet, divide the million cubic metre volumes above by 2.36 to get billion board feet of lumber.

<sup>6</sup> Reported Interior volumes include production from Yukon, Northwest Territories & Nunavut, although the volume is negligible.



**Figure 5: B.C. Softwood Lumber Production**



Source: Statistics Canada; 2009-2013 from [Table 16-10-0045-01](#) and 2014 onwards from [Table 16-10-0017-01](#).



### Non-Lumber Wood Products

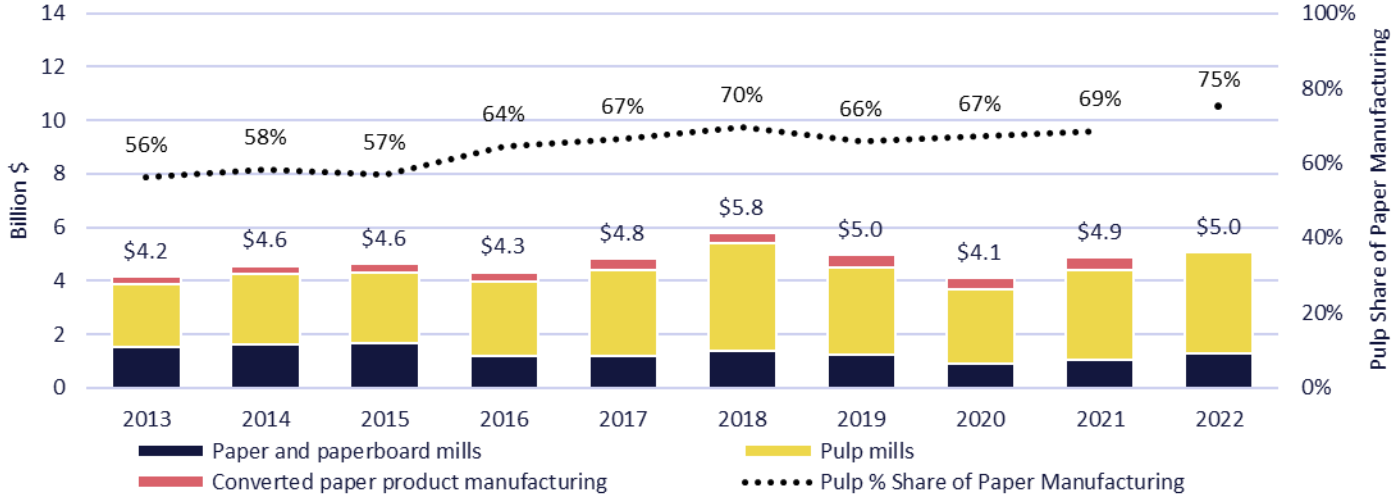
Non-lumber industries include shake and shingle, wood preservation, veneer, plywood, engineered wood products, millwork, container and pallet manufacturing, and other activities.<sup>7</sup> A comparison of export and manufacturing sales suggests that most non-lumber goods are consumed domestically, while the majority (89% in 2022) of lumber is exported.

Among the various products, mass timber has begun to play an important role in recent years, and B.C. launched [The Mass Timber Action Plan](#) in 2022. Mass timber products are structural engineered wood products made from dimension lumber or wood fibre that is mechanically fastened or glued together in layers under high pressure. These products are considered comparable to steel and concrete in the construction of taller buildings. Examples of mass timber products<sup>8</sup> include Cross-Laminated Timber (CLT), Dowel-Laminated Timber (DLT), Glue-Laminated Timber (glulam), Nail-Laminated Timber (NLT), and Laminated Veneer Lumber (LVL).

### Pulp and Paper

Total pulp and paper manufacturing sales (excluding converted paper product manufacturing) in B.C. in 2022 were more than \$5.0 billion<sup>9</sup>, of which pulp mills<sup>10</sup> accounted for around 75% or \$3.8 billion. Compared to 2021, total sales of pulp and paper products (excluding converted paper product manufacturing) increased 15%, with pulp mills increasing 13%, and paper and paperboard mills increasing 22%.

**Figure 6: B.C. Pulp and Paper Manufacturing Sales**



Source: Statistics Canada; [Table 16-10-0048-01](#). Converted paper includes products created from purchased paper and paperboard. Data for converted paper product manufacturing sales in 2022 were suppressed by Statistics Canada due to confidentiality requirements of the Statistics Act. Since the 2022 data cannot be compared to previous years, the 2022 share data is shown as a single data point rather than a continuation of the line.

<sup>7</sup> Other activities include products ranging from chairs, benches and bowls to tool handles and chopsticks.  
<sup>8</sup> Sources: naturally:wood website (<https://www.naturallywood.com/resource/what-is-mass-timber/>) and company websites.  
<sup>9</sup> 6-months of converted paper manufacturing [3222] sales were suppressed by Statistics Canada due to confidentiality, so it was excluded in the total sales amount, which indicates a higher total pulp and paper manufacturing sales in 2022. Pulp and paper manufacturing here indicates paper manufacturing [322] in the North American Industry Classification System (NAICS).  
<sup>10</sup> Pulp mills code [32211] is further subcategory of the pulp and paper manufacturing code [322] in the North American Industry Classification System (NAICS).



## Forest Sector Exports and Destination Markets

In 2022, British Columbia's forest exports comprised 24% of the province's total commodity export value. Within Canada's forest product exports, B.C. accounted for 25% of the value sent to the US, 71% to China, and 81% to Japan. These three major markets collectively made up 88% of B.C.'s overall forest products export value. Additionally, B.C. extended its reach by exporting forest products to an additional 105 countries, accounting for 12% exported value, and showcasing the sector's global impact.

**Table 3: Forest Product Exports, by destination, from B.C. and Canada**

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>To US</b>										
B.C.	5.0	5.5	6.1	7.1	6.9	6.7	5.4	6.5	10.0	9.6
Canada	19.4	21.7	24.0	25.9	26.1	27.0	24.4	26.5	36.5	37.6
<i>B.C. % Share of Canada</i>	<i>26%</i>	<i>26%</i>	<i>26%</i>	<i>28%</i>	<i>26%</i>	<i>25%</i>	<i>22%</i>	<i>24%</i>	<i>27%</i>	<i>25%</i>
<b>To China</b>										
B.C.	3.7	3.8	3.7	3.4	3.9	4.2	3.5	2.8	3.1	2.8
Canada	4.7	4.8	5.0	4.9	5.5	6.1	5.2	4.2	4.4	3.9
<i>B.C. % Share of Canada</i>	<i>77%</i>	<i>78%</i>	<i>73%</i>	<i>70%</i>	<i>70%</i>	<i>69%</i>	<i>67%</i>	<i>67%</i>	<i>71%</i>	<i>71%</i>
<b>To Japan</b>										
B.C.	1.3	1.3	1.2	1.2	1.3	1.5	1.2	0.8	1.5	1.4
Canada	1.6	1.5	1.4	1.4	1.5	1.8	1.4	1.1	1.8	1.8
<i>B.C. % Share of Canada</i>	<i>85%</i>	<i>84%</i>	<i>83%</i>	<i>85%</i>	<i>87%</i>	<i>82%</i>	<i>83%</i>	<i>78%</i>	<i>84%</i>	<i>81%</i>

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

### Exports by Markets

In 2022, B.C. exported a total of \$15.6 billion of forest products, down 5% from 2021. Market trends for major countries or regions include:

- The US was the largest market for B.C. forest product exports, accounting for 61% of the total forest product export value in 2022. Total export value to the US was \$9.6 billion in 2022, a decrease of 4% from 2021. This slight drop in value was mainly driven by decreases in softwood lumber exports (16% in value and 7% in volume) and retreating prices in 2022.
- China was the second largest market, accounting for 18% of the total forest product export value in 2022. Total export value to China was \$2.8 billion in 2022, a decrease of 11% from 2021. This moderate decrease in value was driven by the declining sales in softwood lumber (32% in value) and paper (44% in value) to China in 2022.
- Japan was the third largest market, accounting for 9% of the total forest export value between 2021 and 2022. Total export value to Japan was \$1.4 billion in 2022, a decrease of 5% from 2021. This minor decrease in value was driven by large losses in softwood lumber exports (-26% in value), which were offset by increases in pulp and other wood products.
- Other export markets made up 12% of the total forest export value in 2022, with notable destinations being Indonesia (2.1%), South Korea (2.0%) and the United Kingdom (1.3%).

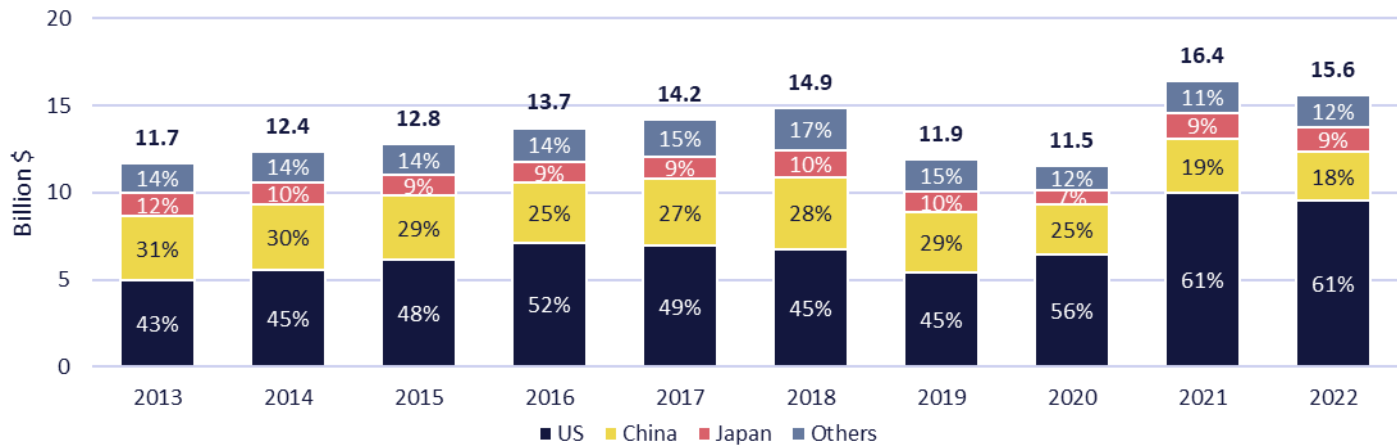


**Table 4: B.C. Forest Product Export Value by Market**

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
US	5.0	5.5	6.1	7.1	6.9	6.7	5.4	6.5	10.0	9.6
China	3.7	3.8	3.7	3.4	3.9	4.2	3.5	2.8	3.1	2.8
Japan	1.3	1.3	1.2	1.2	1.3	1.5	1.2	0.8	1.5	1.4
Others	1.7	1.8	1.8	1.9	2.1	2.5	1.8	1.4	1.8	1.8
<b>Total</b>	<b>11.7</b>	<b>12.4</b>	<b>12.8</b>	<b>13.7</b>	<b>14.2</b>	<b>14.9</b>	<b>11.9</b>	<b>11.5</b>	<b>16.4</b>	<b>15.6</b>

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

**Figure 7: B.C. Forest Product Export Value by Market**

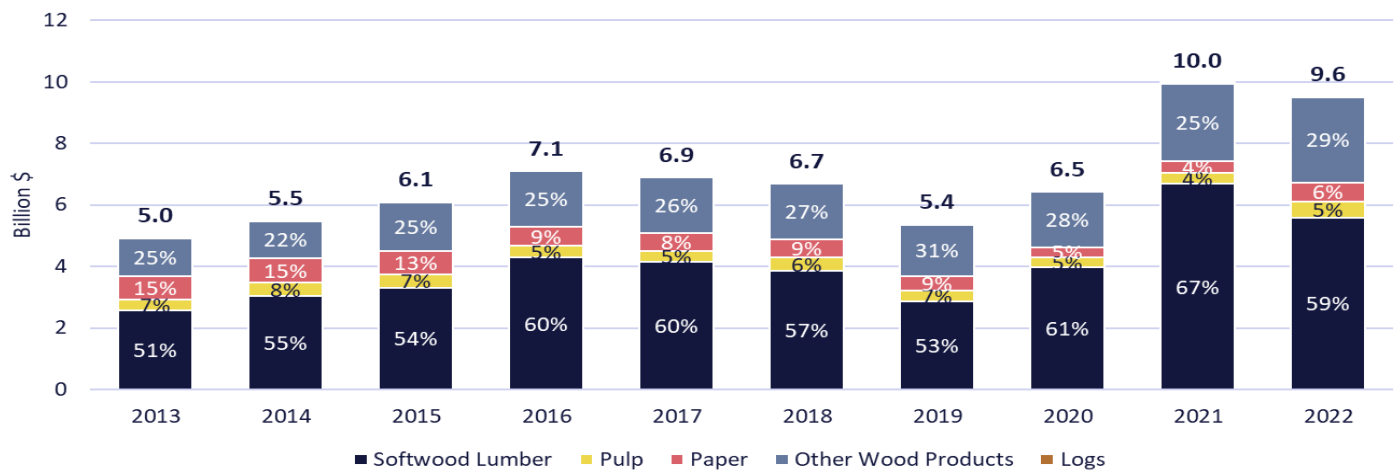


Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

## United States

The US was B.C.'s largest market for forest products, with exports totaling \$9.6 billion in 2022, a decrease of 4% from 2021. The export value of softwood lumber (59% of forest product exports to the US) decreased by 16%, from \$6.7 billion in 2021 to \$5.6 billion in 2022. The export value of other wood products<sup>11</sup> (29%) increased by 11% to \$2.8 billion in 2022. The export value of pulp and paper (12%) increased by 51% to \$1.14 billion in 2022. The export value of logs is negligible compared to other forest products.

**Figure 8: B.C. Forest Product Exports to the US**



Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

<sup>11</sup> Other wood products include oriented strand board, veneer and plywood, fabricated structural members, shakes, shingles, etc.



**Table 5: B.C. Forest Product Export Value to the US**

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Softwood Lumber	2.6	3.0	3.3	4.3	4.2	3.9	2.9	4.0	6.7	5.6
Pulp	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.5
Paper	0.8	0.8	0.8	0.6	0.6	0.6	0.5	0.3	0.4	0.6
Other Wood Products	1.2	1.2	1.6	1.8	1.8	1.8	1.7	1.8	2.5	2.8
Logs	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>5.0</b>	<b>5.5</b>	<b>6.1</b>	<b>7.1</b>	<b>6.9</b>	<b>6.7</b>	<b>5.4</b>	<b>6.5</b>	<b>10.0</b>	<b>9.6</b>
<i>US % Share of B.C. Exports</i>	<i>43%</i>	<i>45%</i>	<i>48%</i>	<i>52%</i>	<i>49%</i>	<i>45%</i>	<i>45%</i>	<i>56%</i>	<i>61%</i>	<i>61%</i>

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

US housing starts decreased to 1.56 million units in 2022, a decrease of 3% from 2021. The decrease in US housing starts was driven by high mortgage rates due to the rapid growth in US interest rates in 2022. Single-family houses, which consume more softwood lumber than multi-family units, represented 65% of US housing starts.

Despite the slight decrease in US housing starts, the housing market remains robust compared to the data before 2021. Driven by a strong housing market, estimated US softwood lumber consumption peaked at 52.8 billion board feet in 2022. Canada accounted for nearly one-third of total US consumption of softwood lumber. B.C. alone contributed 11% of estimated US softwood lumber consumption.

**Table 6: US Housing Starts, Single vs. Multi-Family Units**

Thousands of units	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Single	618	648	715	782	849	876	888	991	1127	1005
Multi	307	355	397	392	354	374	402	389	474	547
<b>Total</b>	<b>925</b>	<b>1,003</b>	<b>1,112</b>	<b>1,174</b>	<b>1,203</b>	<b>1,250</b>	<b>1,290</b>	<b>1,380</b>	<b>1,601</b>	<b>1,553</b>
<i>% Single-Family</i>	<i>67%</i>	<i>65%</i>	<i>64%</i>	<i>67%</i>	<i>71%</i>	<i>70%</i>	<i>69%</i>	<i>72%</i>	<i>70%</i>	<i>65%</i>

Source: [US Census Bureau](#).

**Table 7: Estimated US Softwood Lumber Consumption**

Billion Board feet	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
US Lumber Consumption	39.5	42.5	44.1	47.2	47.8	48.6	48.7	51.8	52.6	53.0
Lumber Imports from B.C.	5.9	6.2	6.7	8.4	6.9	6.6	5.6	5.6	6.1	5.7

Source: [Western Wood Products Association \(WWPA\)](#). Historical data is subject to revisions.

**Table 8: Supplier Share of Estimated US Softwood Lumber Consumption**

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
B.C.	15%	15%	15%	18%	15%	14%	12%	11%	12%	11%
Rest of Canada	13%	14%	15%	14%	16%	15%	15%	15%	15%	13%
Non-Canadian	1%	1%	2%	2%	2%	3%	3%	4%	4%	7%
US	71%	70%	69%	66%	68%	69%	70%	70%	69%	69%

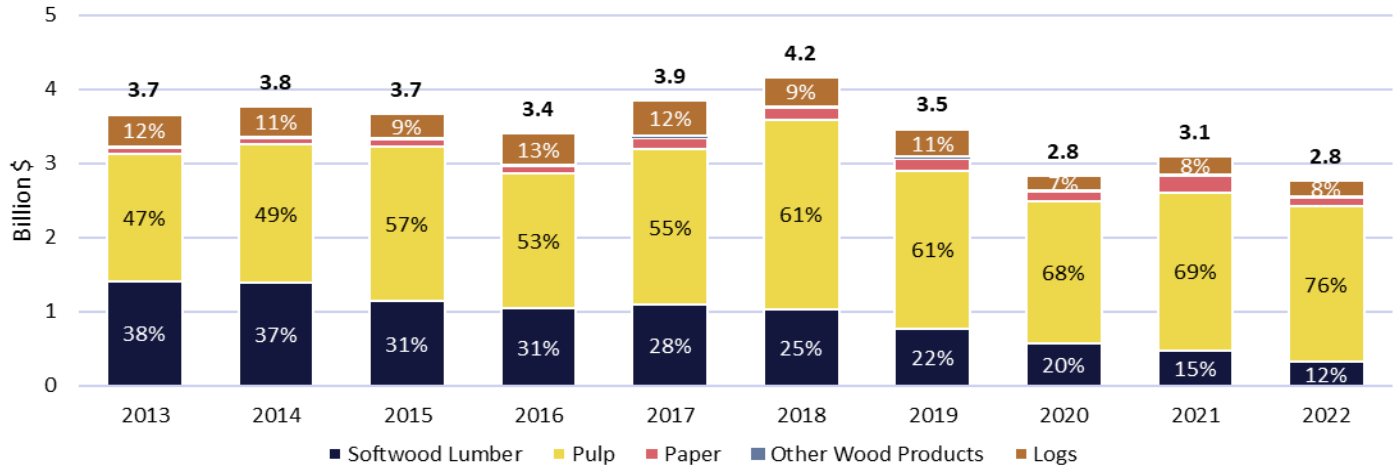
Source: [WWPA](#).

## China

China was B.C.'s second largest market for forest products. Total forest product exports were valued at \$2.8 billion in 2022, a drop of 11% from 2021. Pulp and paper export value (76% of forest product exports to China) decreased by 6% to \$2.2 billion in 2022. Softwood lumber export value (12%) decreased by 32% to \$0.32 billion in 2022. Log export value (8%) decreased by 15% to \$0.2 billion in 2022. Other wood products' export value (0.2%) decreased by 77% to \$0.004 billion in 2022.



Figure 9: B.C. Forest Product Exports to China



Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

Table 9: B.C. Forest Product Export Value to China

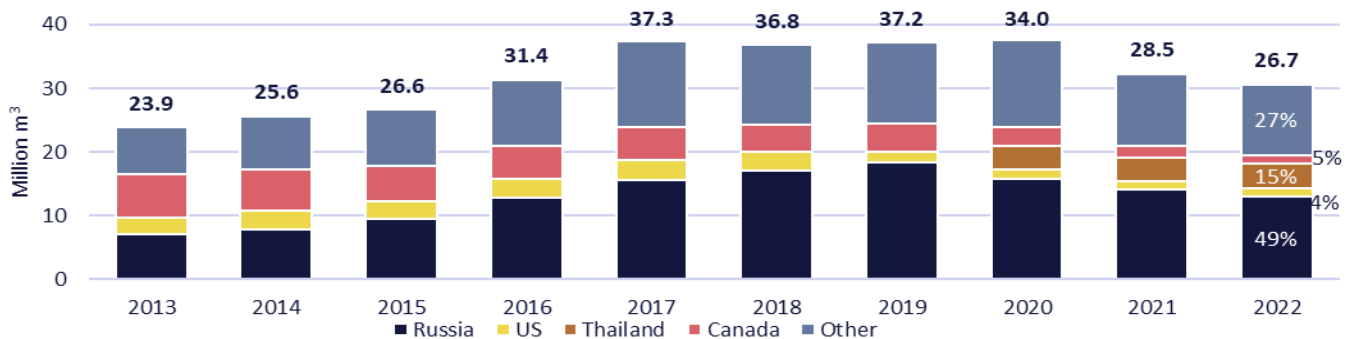
Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Softwood Lumber	1.4	1.4	1.1	1.0	1.1	1.0	0.8	0.6	0.5	0.3
Pulp	1.7	1.9	2.1	1.8	2.1	2.6	2.1	1.9	2.1	2.1
Paper	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.1
Other Wood Products	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Logs	0.4	0.4	0.3	0.4	0.5	0.4	0.4	0.2	0.2	0.2
<b>Total</b>	<b>3.7</b>	<b>3.8</b>	<b>3.7</b>	<b>3.4</b>	<b>3.9</b>	<b>4.2</b>	<b>3.5</b>	<b>2.8</b>	<b>3.1</b>	<b>2.8</b>
China % Share of B.C. Exports	31%	30%	29%	25%	27%	28%	29%	25%	19%	18%

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision. There are Other Wood Product exports for each year, but they round to zero in this table.

China's total lumber import volume (all species) decreased by 6%, from 28.5 million cubic metres in 2021 to 26.7 million cubic metres in 2022. This was a much lower decline compared to the fall from 2020 to 2021.

The top three suppliers of lumber to China in 2022 were Russia (49%), Thailand (15%), and Canada (5%). The volume of Russian lumber exported to China decreased by 7% and volume exported from the US to China declined by 1% in 2022 compared to 2021, while Canada's volume decreased substantially by 20%. Thailand's share of China's lumber market retained its growth trend and the quantity increased by 5% in 2022.

Figure 10: China Lumber Imports by Supply Country



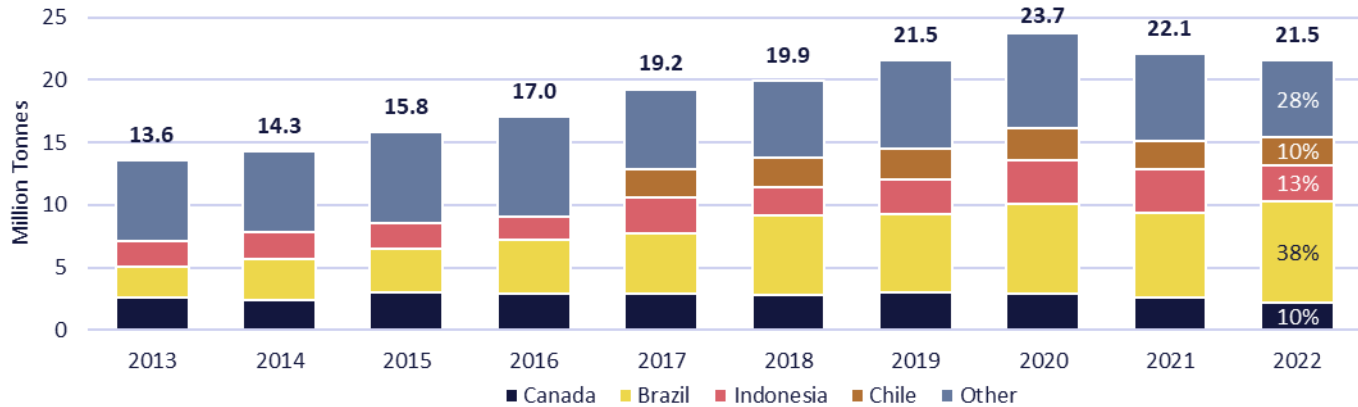
Source: [FEA China Bulletin](#). All species, including hardwoods.





China's Kraft pulp imports decreased by 3%, from 22.1 million tonnes in 2021 to 21.5 million tonnes in 2022. The top four suppliers in 2022 by volume were Brazil (38%), Indonesia (13%), Chile (10%) and Canada (10%).

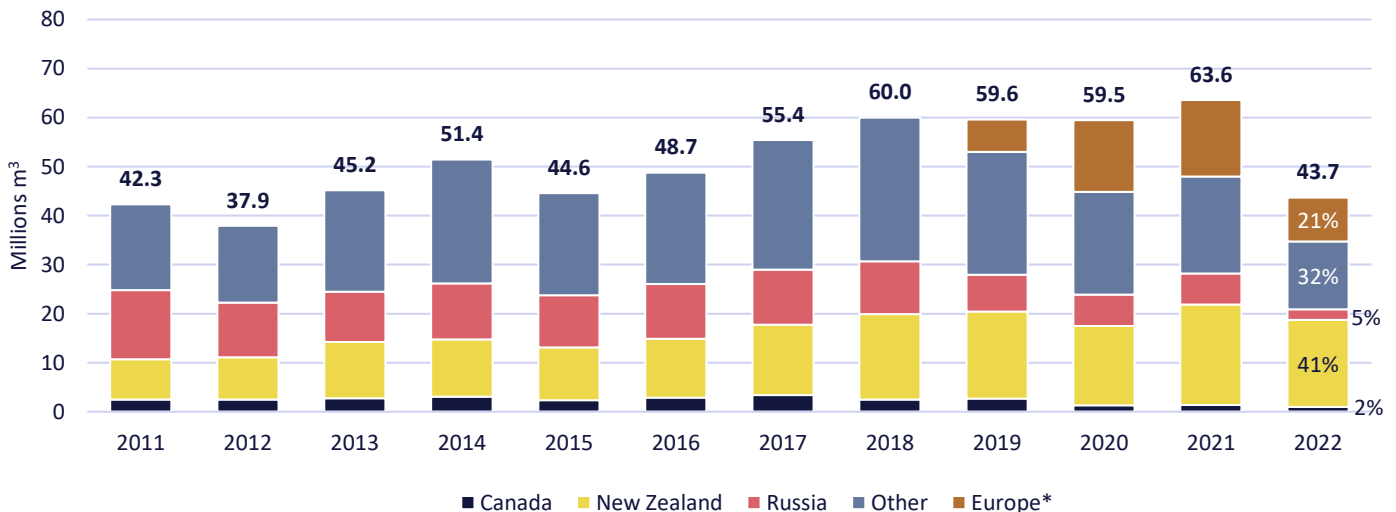
Figure 11: China Sulfate (Kraft) Wood Pulp Imports by Supply Country



Source: FEA China Bulletin. All species, including hardwoods.

China's log imports sharply decreased 31%, from 63.6 million cubic metres in 2021 to 43.7 million cubic metres in 2022. The top three suppliers were New Zealand (41%), Europe (21%), Papua New Guinea (5%) and Russia (5%). The market share of New Zealand logs increased to 41% in 2022 compared to the 32% in 2021, benefiting from China's suspension of Australian log imports since October 2020. The market share of European logs has increased in recent years due to an increase in log supply from the spruce beetle outbreak. The market share of Russian logs decreased to 5% in 2022 compared to 10% in 2021 due to logistical challenges and Russia's log export ban in 2022. Canada's share was unchanged at 2% between 2020 and 2022.

Figure 12: China Log Imports by Supply Country



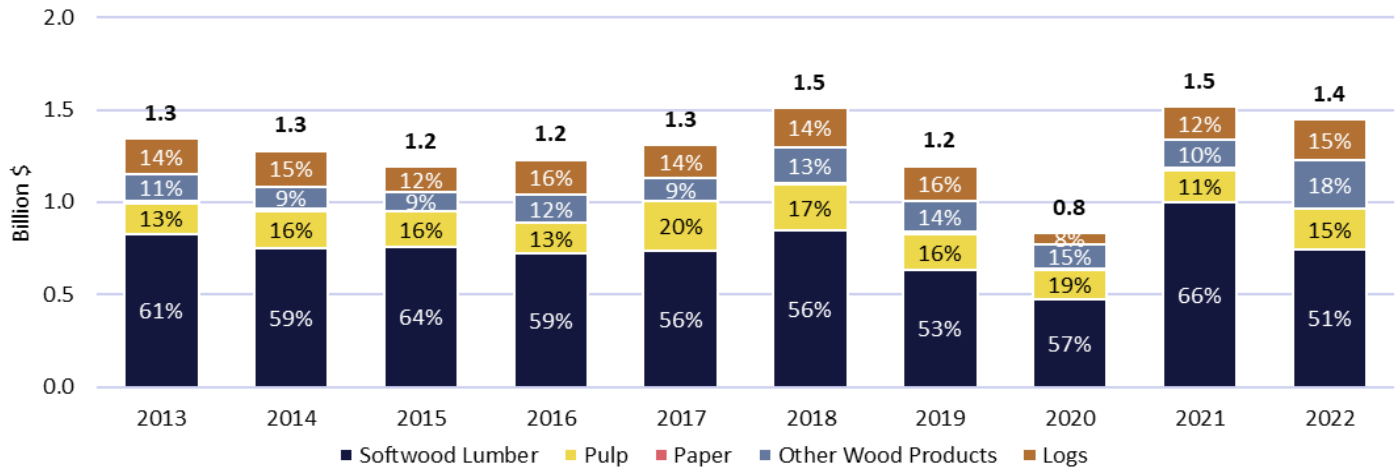
Source: FEA China Bulletin. All species, including hardwoods. \*Europe includes Germany and Czech Republic only.

## Japan

Japan was B.C.'s third largest market. In 2022, the total value of forest product exports to Japan was \$1.4 billion, a 5% decrease from 2021. This mild decrease was driven by the gradual fall in the amount of softwood lumber imported. The export value of softwood lumber (51% of forest product exports to Japan) dropped from \$1 billion in 2021 to \$0.74 billion in 2022. The export value of logs and other wood products (33%) increased by 45%, from \$0.33 billion in 2021 to \$0.49 billion in 2022.



Figure 13: B.C. Forest Product Exports to Japan



Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

Table 10: B.C. Forest Product Export Value to Japan

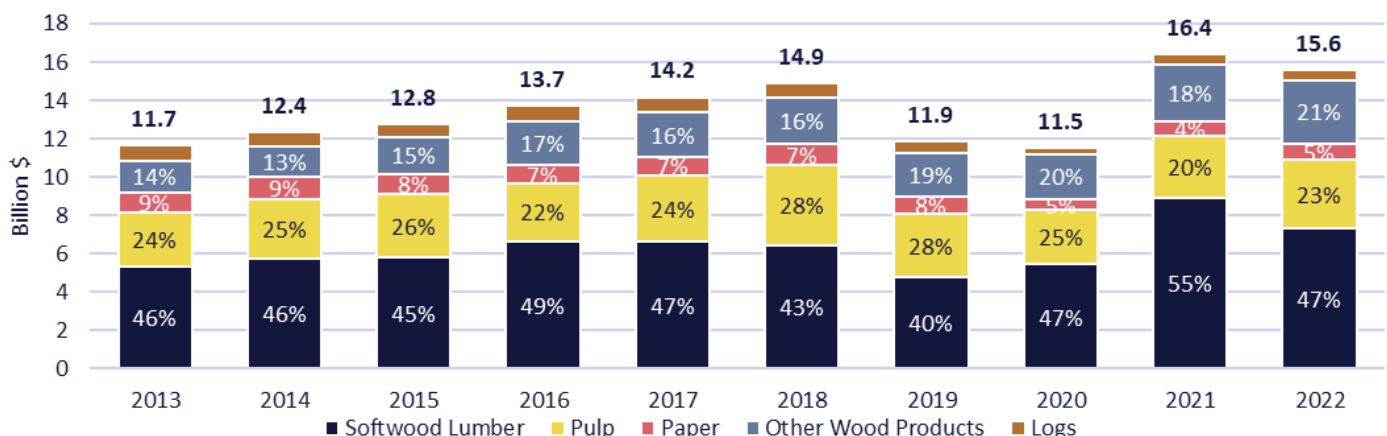
Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Softwood Lumber	0.83	0.75	0.76	0.73	0.74	0.84	0.63	0.48	1.00	0.74
Pulp	0.17	0.20	0.19	0.16	0.27	0.25	0.19	0.16	0.17	0.22
Paper	0.01	0.01	0.00	0.00	0.00	0.00	0.02	0.01	0.01	0.00
Other Wood Products	0.14	0.12	0.10	0.15	0.12	0.20	0.16	0.13	0.15	0.27
Logs	0.19	0.19	0.14	0.19	0.18	0.21	0.19	0.06	0.18	0.22
<b>Total</b>	<b>1.34</b>	<b>1.28</b>	<b>1.19</b>	<b>1.23</b>	<b>1.31</b>	<b>1.51</b>	<b>1.19</b>	<b>0.83</b>	<b>1.52</b>	<b>1.45</b>
Japan % Share of B.C. Exports	11%	12%	10%	9%	9%	9%	10%	10%	7%	4%

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

### Export by Product Type

In 2022, B.C.'s forest product exports were valued at \$15.6 billion, a 5% decrease from 2021. Of this total, softwood lumber export value (47% of B.C. forest product export value) decreased 18% to \$7.3 billion, driven by retreating lumber prices and export quantity. B.C. pulp and paper export value (28%) increased by 12%, from \$4 billion in 2021 to about \$4.5 billion in 2022. The export value of other wood products (21%) increased by 12%, from \$3 billion in 2021 to \$3.3 billion in 2022. Log export value (3%) remained unchanged at \$0.5 billion between 2021 and 2022.

Figure 14: B.C. Forest Product Export Value by Product Type



Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.



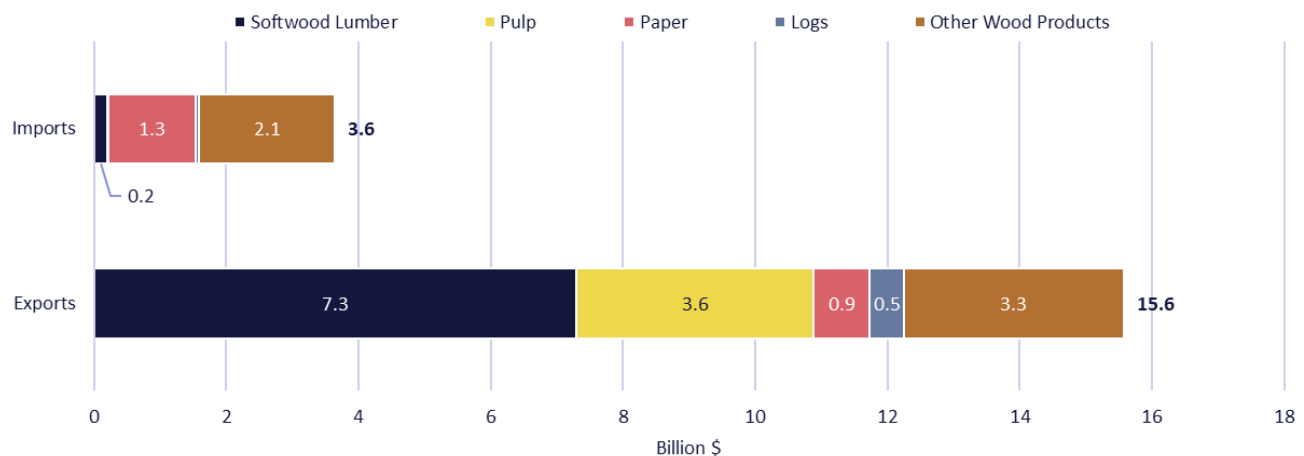
**Table 11: B.C. Forest Product Export Value by Product Type**

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Softwood Lumber	5.3	5.7	5.8	6.7	6.6	6.4	4.8	5.4	8.9	7.3
Pulp	2.8	3.1	3.3	3.0	3.5	4.2	3.3	2.8	3.2	3.6
Paper	1.1	1.1	1.1	0.9	1.0	1.1	0.9	0.6	0.7	0.9
Other Wood Products	1.6	1.6	1.9	2.3	2.3	2.4	2.2	2.3	3.0	3.3
Logs	0.8	0.8	0.7	0.8	0.8	0.7	0.7	0.3	0.5	0.5
<b>Total</b>	<b>11.7</b>	<b>12.4</b>	<b>12.8</b>	<b>13.7</b>	<b>14.2</b>	<b>14.9</b>	<b>11.9</b>	<b>11.5</b>	<b>16.4</b>	<b>15.6</b>

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

B.C. forest product imports were valued at \$3.6 billion in 2022, an increase of 16% from \$3.1 billion in 2021.<sup>12</sup> This increase was driven by increases in Paper (17%) and Other Wood Products (10%) imports. It is important to note that the final destinations of these imports may have been other provinces. Pulp and log imports are included in the total, but not given their own number label due to their low overall value.

**Figure 15: Comparison of B.C. Forest Product Exports and Imports Values**



Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

## Softwood Lumber

B.C. is the largest supplier of Canadian softwood lumber exports. In 2022, B.C. accounted for 53% of Canada’s total softwood lumber export value, and 44% of Canada’s softwood lumber export volume to the US.

**Table 12: Softwood Lumber Exports: B.C. and Canada**

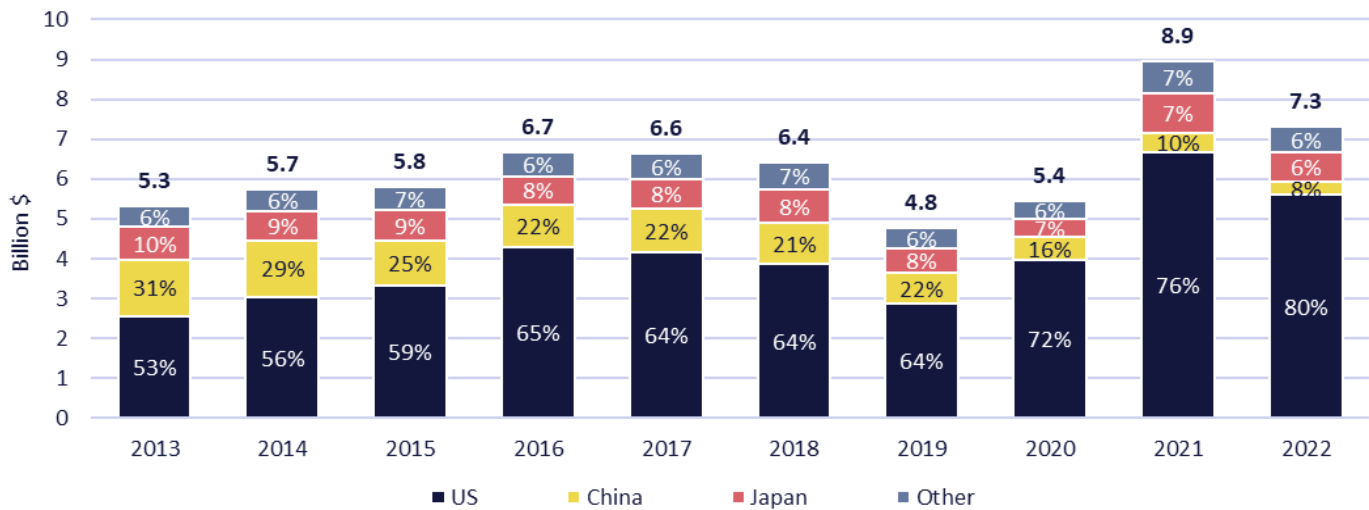
Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
B.C.	5.3	5.7	5.8	6.7	6.6	6.4	4.8	5.4	8.9	7.3
Rest of Canada	2.1	2.6	2.7	3.3	3.8	3.8	3.2	4.6	7.5	6.4
<i>B.C. % Share of Canada</i>	<i>72%</i>	<i>69%</i>	<i>68%</i>	<i>67%</i>	<i>63%</i>	<i>63%</i>	<i>60%</i>	<i>54%</i>	<i>54%</i>	<i>53%</i>

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

<sup>12</sup> The import data in “2021 Economic State of British Columbia’s Forest Sector” contained an error causing total imports to be double counted. A revised version of the import number in “2021 Economic State of British Columbia’s Forest Sector” report would be “B.C. forest product imports were valued at \$3.1 billion in 2021, an increase of 19% from 2020”.



Figure 16: B.C. Softwood Lumber Export Value by Market



Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

While B.C. is diversifying its global markets, the US remains B.C.'s largest softwood lumber export market. Reflecting decreased prices, B.C.'s softwood lumber exports to Japan dipped to 0.7 billion in 2022, but it remained the second largest export market. B.C.'s softwood lumber exports to China fell to their lowest level (\$0.3 billion in 2022) since 2010, due to increasing domestic supply, weak demand, and high product prices.

Table 13: B.C. Softwood Lumber Export Value and Volume by Market

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Value (billion \$CA)</b>	<b>\$5.3</b>	<b>\$5.7</b>	<b>\$5.8</b>	<b>\$6.7</b>	<b>\$6.6</b>	<b>\$6.4</b>	<b>\$4.8</b>	<b>\$5.4</b>	<b>\$8.9</b>	<b>\$7.3</b>
US	\$2.6	\$3.0	\$3.3	\$4.3	\$4.2	\$3.9	\$2.9	\$4.0	\$6.7	\$5.6
China	\$1.4	\$1.4	\$1.1	\$1.0	\$1.1	\$1.0	\$0.8	\$0.6	\$0.5	\$0.3
Japan	\$0.8	\$0.8	\$0.8	\$0.7	\$0.7	\$0.8	\$0.6	\$0.5	\$1.0	\$0.7
Others	\$0.5	\$0.5	\$0.6	\$0.6	\$0.6	\$0.7	\$0.5	\$0.4	\$0.8	\$0.6
<b>Volume (million m<sup>3</sup>)</b>	<b>25.9</b>	<b>25.8</b>	<b>26.2</b>	<b>27.7</b>	<b>25.3</b>	<b>23.9</b>	<b>20.1</b>	<b>18.3</b>	<b>18.9</b>	<b>16.6</b>
US	13.6	14.5	15.5	17.9	16.1	15.4	13.0	13.1	14.4	13.3
China	8.0	7.6	6.7	6.0	5.5	5.0	4.4	2.9	1.8	1.3
Japan	2.6	2.2	2.3	2.2	2.1	2.0	1.7	1.3	1.4	1.0
Others	1.7	1.6	1.7	1.6	1.6	1.6	1.2	1.0	1.3	0.9

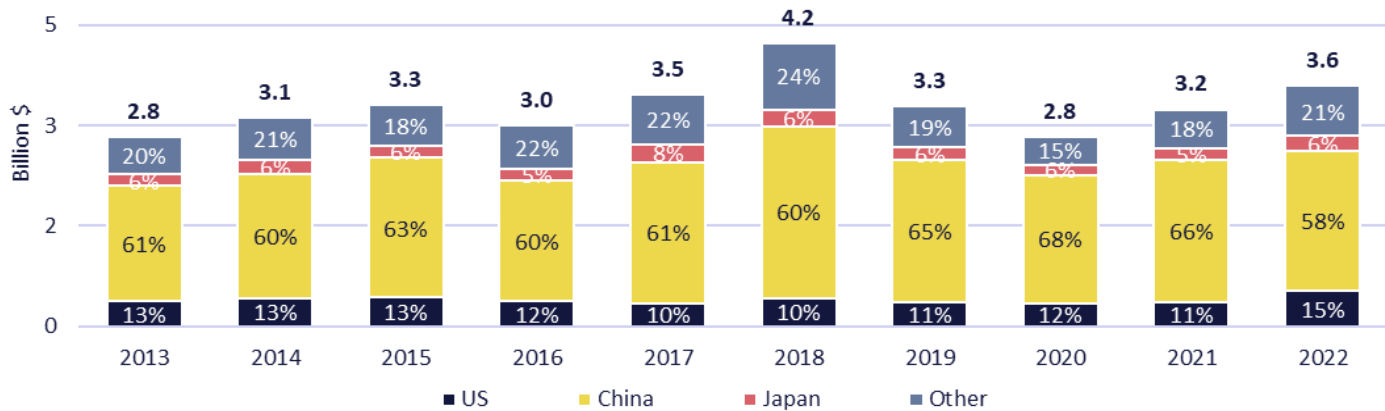
Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

## Pulp and Paper

B.C. was Canada's largest supplier of pulp exports with a total value of \$3.6 billion, or 41% of Canada's total pulp export value. Of this total, China had a dominant share (58%) of B.C. pulp export value, followed by the US (15%) and Japan (6%). B.C. also exported \$0.9 billion in paper products, for a total of \$4.4 billion in pulp and paper products. By product type, \$2.7 billion (or 60%) was attributed to the export of northern bleached softwood kraft (NBSK); \$0.9 billion (or 19%) was paper exports; \$0.6 billion (or 13%) was other pulp exports; and \$0.3 billion (or 8%) was bleached chemical thermo-mechanical pulp (BCTMP) exports. Pulp export volume decreased by 4%, from 3.5 million tonnes in 2021 to 3.4 million tonnes in 2022, reflecting lower demand in China and other countries.



Figure 17: B.C. Pulp Export Value by Market



Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

Table 14: B.C. Pulp and Paper Export Value by Product Type

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NBSK	2.1	2.4	2.6	2.4	2.8	3.5	2.6	2.2	2.5	2.7
BCTMP	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.4	0.3	0.3
Other Pulp	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.4	0.6
Paper	1.1	1.1	1.1	0.9	1.0	1.1	0.9	0.6	0.7	0.9
<b>Total</b>	<b>3.9</b>	<b>4.3</b>	<b>4.4</b>	<b>3.9</b>	<b>4.4</b>	<b>5.3</b>	<b>4.2</b>	<b>3.4</b>	<b>4.0</b>	<b>4.4</b>

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

Table 15: Pulp Export Value – B.C. vs. Canada

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
B.C.	2.9	3.2	3.4	3.1	3.6	4.3	3.3	2.9	3.3	3.7
Rest of Canada	4.1	4.3	4.7	4.5	4.7	5.4	4.6	3.8	4.3	5.2
<i>B.C. % Share of Canada</i>	<i>41%</i>	<i>42%</i>	<i>42%</i>	<i>41%</i>	<i>43%</i>	<i>44%</i>	<i>42%</i>	<i>43%</i>	<i>43%</i>	<i>41%</i>

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

Table 16: B.C. Pulp Export Value and Volume by Market

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Value (billion \$CA)</b>	<b>\$2.8</b>	<b>\$3.1</b>	<b>\$3.3</b>	<b>\$3.0</b>	<b>\$3.5</b>	<b>\$4.2</b>	<b>\$3.3</b>	<b>\$2.8</b>	<b>\$3.2</b>	<b>\$3.6</b>
US	\$0.4	\$0.4	\$0.4	\$0.4	\$0.3	\$0.4	\$0.4	\$0.3	\$0.4	\$0.5
China	\$1.7	\$1.9	\$2.1	\$1.8	\$2.1	\$2.6	\$2.1	\$1.9	\$2.1	\$2.1
Japan	\$0.2	\$0.2	\$0.2	\$0.2	\$0.3	\$0.3	\$0.2	\$0.2	\$0.2	\$0.2
Others	\$0.6	\$0.6	\$0.6	\$0.7	\$0.7	\$1.0	\$0.6	\$0.4	\$0.6	\$0.7
<b>Volume (million tonnes)</b>	<b>4.2</b>	<b>4.1</b>	<b>4.3</b>	<b>4.1</b>	<b>4.3</b>	<b>4.1</b>	<b>4.1</b>	<b>3.8</b>	<b>3.5</b>	<b>3.4</b>
US	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
China	2.7	2.6	2.8	2.6	2.7	2.5	2.7	2.7	2.3	2.0
Japan	0.2	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2
Others	0.8	0.8	0.8	0.9	0.9	0.9	0.7	0.6	0.6	0.7

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.



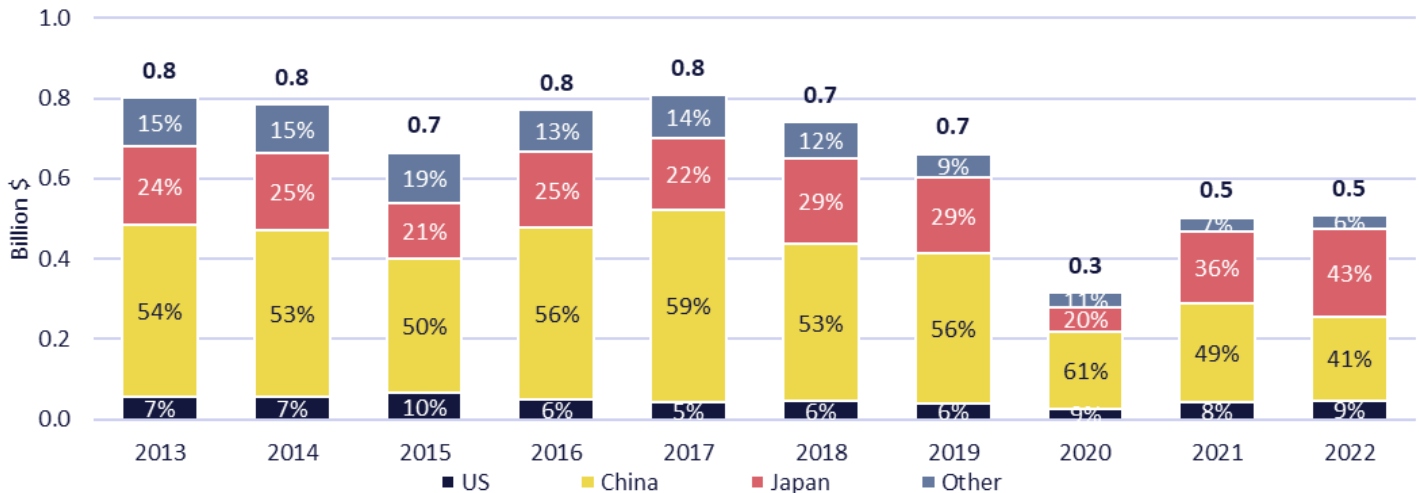
## Logs

The value of log exports remained stable at \$0.5 billion between 2021 and 2022. In 2022, Japan surpassed China becoming the largest destination, with a value of \$0.22 billion (or 43% of the total value), up 22% from 2021. China slipped to the second largest market by value with its value of \$0.21 billion (or 41% of the total value), a 15% decrease from last year. The US was the third largest market with its value of \$0.05 billion (or 9% of the total value), up 11% from 2021.

In terms of volume, B.C.'s total log exports decreased by 19%, to 2.7 million cubic metres in 2022. Of this total, China accounted for 44% of the volume in 2022, followed by Japan (34%), the US (15%), and other countries (6%). Although B.C.'s log export value to China fell behind Japan by 2% of the total value, B.C.'s log export volume to China is higher than that to Japan, with 1.2 million cubic metres in 2022. B.C.'s log export volume to Japan was 0.9 million cubic metres in 2022, slightly below 2021. B.C.'s log export volume to the US remained constant at 0.4 million cubic metres between 2021 and 2022.

These figures include log exports from all land in BC (Crown, private, and federal).

**Figure 18: B.C. Log Export Value by Market**



Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

**Table 17: B.C. Log Export Value and Volume by Market**

Billion \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Value (billion \$CA)</b>	<b>0.80</b>	<b>0.78</b>	<b>0.67</b>	<b>0.77</b>	<b>0.81</b>	<b>0.74</b>	<b>0.66</b>	<b>0.31</b>	<b>0.50</b>	<b>0.51</b>
US	0.05	0.06	0.06	0.05	0.04	0.04	0.04	0.03	0.04	0.05
China	0.43	0.41	0.33	0.43	0.48	0.39	0.37	0.19	0.25	0.21
Japan	0.19	0.19	0.14	0.19	0.18	0.21	0.19	0.06	0.18	0.22
Others	0.12	0.12	0.13	0.10	0.11	0.09	0.06	0.03	0.03	0.03
<b>Volume (million m<sup>3</sup>)</b>	<b>6.7</b>	<b>6.3</b>	<b>5.6</b>	<b>6.3</b>	<b>6.0</b>	<b>5.1</b>	<b>4.8</b>	<b>2.7</b>	<b>3.3</b>	<b>2.7</b>
US	0.6	0.5	0.6	0.4	0.4	0.3	0.4	0.2	0.4	0.4
China	3.6	3.4	2.9	3.7	3.7	3.0	3.0	1.7	1.7	1.2
Japan	1.6	1.5	1.1	1.4	1.3	1.3	1.1	0.5	1.0	0.9
Others	0.9	0.9	1.0	0.7	0.7	0.5	0.4	0.3	0.2	0.2

Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision.

## Pellets

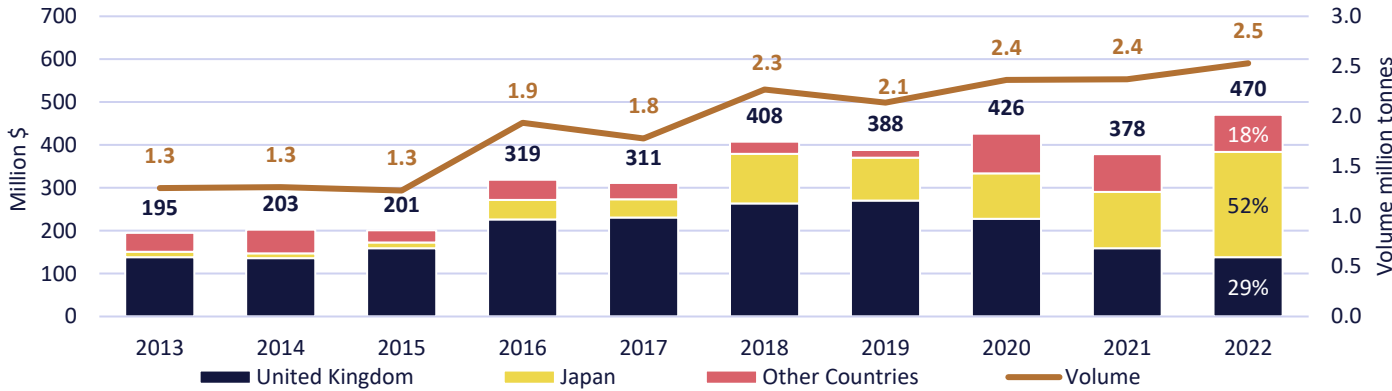
B.C. is one of the world's leading suppliers of wood pellets in the world. Demand for pellets has been driven primarily by European demand for renewable fuels to replace fossil fuels in power boilers and space heating, and Japan has also become



an important market. Feedstock for B.C. pellet mills comes from milling residuals<sup>13</sup>, harvest residuals<sup>14</sup>, and logs that were damaged by insects or disease, cracked, twisted or otherwise unsuitable for lumber production.

The export volume of pellets continued increasing in 2022, with 2.5 million tonnes (valued at \$470 million). In 2022, Japan (52%) overtook the United Kingdom (29%) as the top destination by weight, and the remaining importers accounted for 18%. While the pellet export volume inched up to 2.5 million tonnes, the total export value of pellets climbed by 24% to \$470 million in 2022 compared with the value at \$378 million in 2021.

**Figure 19: B.C. Export Value of Pellets<sup>15</sup>**



Source: [B.C. Stats](#) extract from Statistics Canada data. Also available from Statistics Canada [CIMTD](#). Historical data is subject to revision. If trying to establish a longer time series for pellets, pellets were included in “wood waste and scrap” prior to 2012.

## Sector Indicators

This section examines several indicators that influence and measure the performance of the B.C. forest sector.

### Prices and Costs

The price of lumber fell from an annual average of US \$870 per thousand board feet in 2021 to an annual average of US \$776 per thousand board feet in 2022. While average lumber prices decreased in 2022 compared to 2021, lumber prices experienced another major increase within the year. The price of SPF 2x4 lumber jumped from US \$1,178 per thousand board feet in January to US \$1,403 per thousand board feet in March of 2022. After this surge, the price kept declining every month to US \$393 per thousand board feet at the end of the year.

Meanwhile, prices for other wood products also fell after March 2022. The price of oriented strand board (OSB) declined to an average of \$805 per thousand square feet in 2022 from annual average of \$1,083 per thousand square feet in 2021. Even so, the price of OSB was still high compared with the annual average price in 2020 of \$563 per thousand square feet. Plywood prices fell from an annual average of \$956 per thousand square feet in 2021 to \$784 per thousand square feet in 2022.

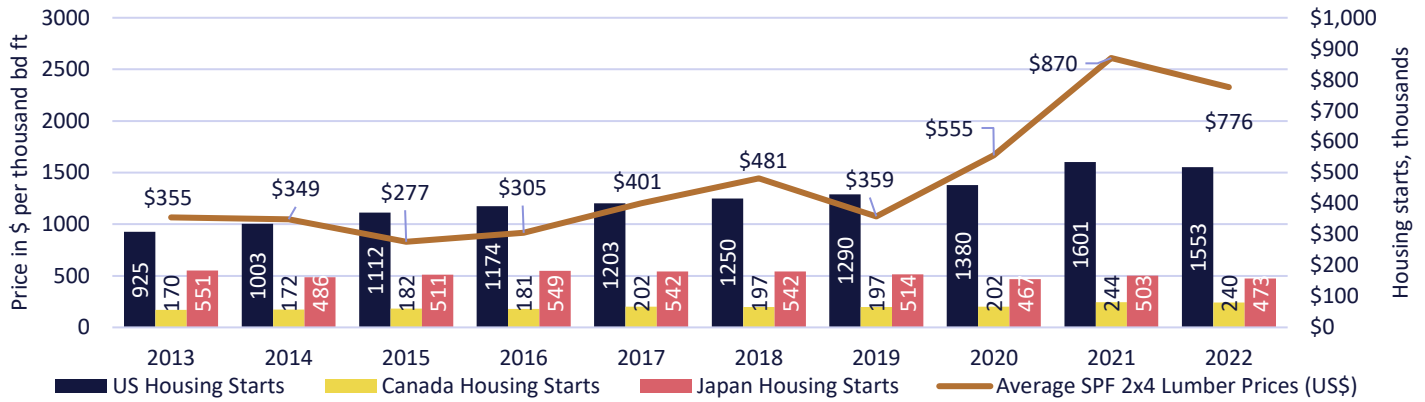
Meanwhile, increases in interest and mortgage rates in major markets resulted in a decrease of new residential construction, which in turn reduced demand for lumber and other wood products. As shown in Figure 20, US housing starts declined to 1.55 million units in 2022, slightly below 2021. Housing starts in Canada and Japan decreased by 2% and 6%, respectively, over the same period, resulting in lower demand for lumber and other wood products in both countries.

**Figure 20: Average SPF #2&Btr 2x4 Lumber Prices and Housing Starts**

<sup>13</sup> Milling residuals include sawdust and shavings, residual chips and other fibres such as mill yard waste.

<sup>14</sup> Harvest residuals include non-sawlog fibre removed from cut blocks following harvesting activities and transported directly to mills to make wood products.

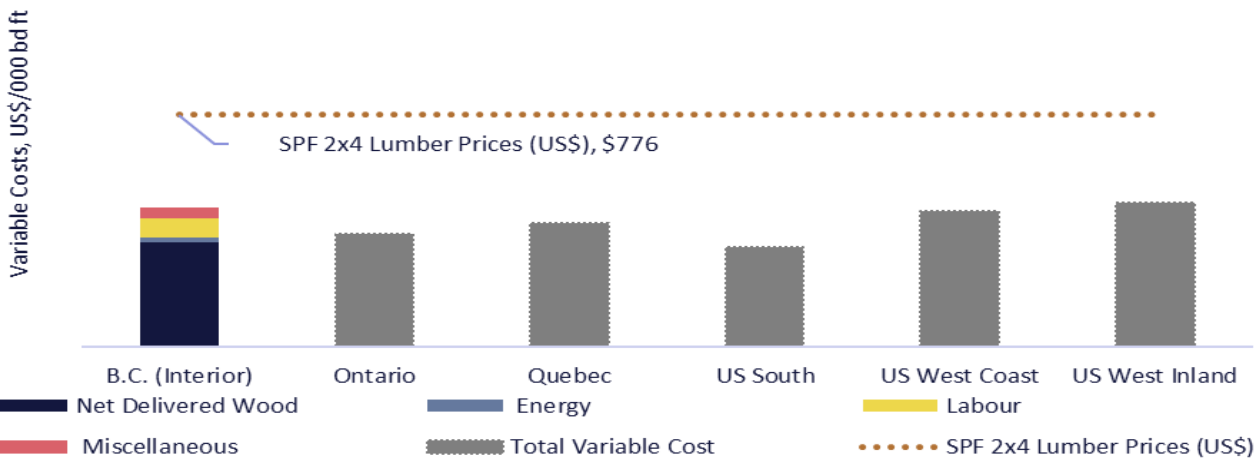
<sup>15</sup> Prior to 2012, pellets were reported in the same category as wood waste and scrap in the export data.



Data sources: [Fastmarkets Random Lengths \(SPF\)](#), [US Census Bureau](#), [Statistics of Japan](#) and [Statistics Canada Table 34-10-0035-01](#).

Variable costs for North American lumber mills include net delivered wood costs, energy costs, labour costs, and other miscellaneous costs. Among all selected jurisdictions, US West Inland softwood lumber mills overtook B.C. interior softwood lumber mills and had the highest variable costs. The US South had the lowest variable costs resulting from its low net delivered wood costs. Due to higher variable costs and lower lumber prices, all lumber producers in all selected jurisdictions received lower profit margins in 2022 than in 2021.

**Figure 21: Softwood Lumber Mills' Variable Costs (2022)**



Data sources: [Fastmarkets Random Lengths \(SPF #2&Btr 2x4\)](#), [Forest Economic Advisor \(FEA, cost data\)](#)

The average export price for NBSK pulp increased by 14%, from \$1,009 per tonne in 2021 to \$1,149 per tonne in 2022. The export price for bleached chemical thermo-mechanical pulp (BCTMP) increased by 35%, from \$587 per tonne in 2021 to \$790 per tonne in 2022. The latest available pulp output was from 2021 at 4.4 million tonnes.

**Table 18: Export Pulp Prices and Pulp Output**

Export Price to China, \$/tonne	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NBSK	\$699	\$774	\$813	\$771	\$824	\$1,088	\$845	\$765	\$1,009	\$1,149
BCTMP	\$508	\$552	\$508	\$502	\$672	\$766	\$641	\$583	\$587	\$790
BC Pulp Output (million tonnes)	5.8	5.5	5.6	5.7	5.2	5.2	5.1	4.8	4.4	-

Source: [B.C. Stats](#) extract from [Statistics Canada](#) data. Also available from [Statistics Canada CIMTD](#). Historical data is subject to revision. Pulp output is from the Ministry's annual [Major Timber Processing Facilities Survey](#).



## Gross Domestic Product (GDP)

“GDP (in chained 2017 dollars)” or “real GDP” is a measure of GDP that eliminates year-over-year distortions caused by inflation. Real GDP of the forest sector shows how the sector's output increases or decreases from year to year. It is one of the primary indicators used to evaluate the size and health of the forest sector.

In 2022, the forest sector contributed \$6.40 billion (in 2017 chained dollars) to the province’s GDP, a decrease of 2% from 2021. Real GDP increased by 2% in the wood products manufacturing subsector in 2022 compared to 2021, because of the increase in production. Real GDP slipped by 2% in the paper manufacturing subsector over the same period, due to decreased demand for certain paper products such as tissue in the post-pandemic era. Real GDP in the forestry and logging subsector declined by 5% in 2022, mostly due to forest fires and floods that caused a moderate decline in forest, logging, and support activities.

**Table 19: B.C. Forest Sector GDP, in 2017 Chained Dollars**

Billion 2017\$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Forestry, Logging and Support Activities</b>	<b>3.11</b>	<b>3.10</b>	<b>3.12</b>	<b>2.89</b>	<b>2.97</b>	<b>3.15</b>	<b>2.57</b>	<b>2.55</b>	<b>2.63</b>	<b>2.50</b>
Forestry and logging	2.53	2.49	2.48	2.28	2.32	2.43	1.88	1.85	1.86	1.75
Support activities for forestry	0.58	0.61	0.63	0.62	0.65	0.72	0.69	0.70	0.77	0.76
<b>Wood Products Manufacturing</b>	<b>3.54</b>	<b>3.57</b>	<b>3.60</b>	<b>3.79</b>	<b>3.67</b>	<b>3.40</b>	<b>2.69</b>	<b>2.46</b>	<b>2.67</b>	<b>2.72</b>
Sawmills and wood preservation	2.48	2.39	2.34	2.53	2.34	2.07	1.42	1.19	1.22	1.05
Veneer, plywood and engineered wood product manufacturing	0.54	0.64	0.69	0.65	0.71	0.73	0.64	0.52	0.68	0.85
Other wood product manufacturing	0.52	0.53	0.57	0.60	0.62	0.59	0.63	0.74	0.77	0.82
<b>Paper Manufacturing</b>	<b>1.27</b>	<b>1.47</b>	<b>1.53</b>	<b>1.43</b>	<b>1.31</b>	<b>1.24</b>	<b>1.18</b>	<b>1.10</b>	<b>1.21</b>	<b>1.18</b>

Source: Statistics Canada; [Table 36-10-0402-01](#). Historical data is subject to revision.

## Forest Sector Direct Employment

Among the different types of employment estimates, those based on the Labour Productivity Accounts (Macroeconomic Accounts) are considered the most robust data because they are developed from multiple sources and include cross-sectoral verifications. The data presented here is consistent with the System of National Accounts (SNA).

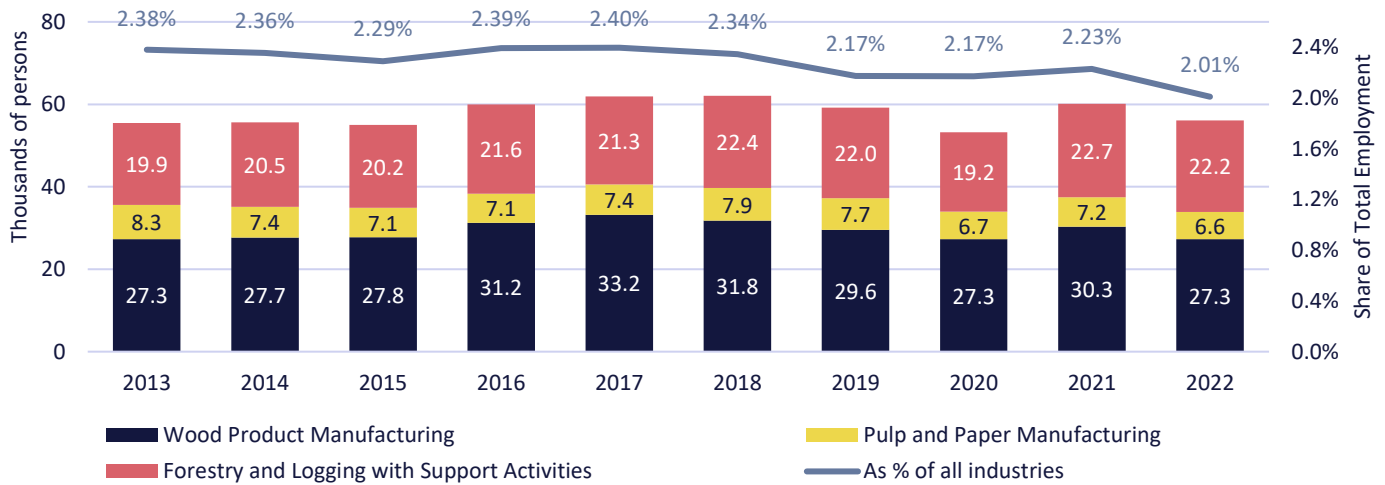
According to the SNA, B.C.’s forest sector accounted for 2% of all industry employment. The sector employed 56,120 people in 2022, a decrease of 7% from 60,150 in 2021. All three forestry subsectors experienced a decrease in employment in 2022 compared to 2021. Specifically, employment in the forestry, logging, and support activities subsectors decreased by 2%, from 22,660 in 2021 to 22,215 in 2022. Employment in the wood product manufacturing subsector decreased by 10%, from 30,300 in 2021 to 27,285 in 2022. Employment in the pulp and paper manufacturing subsector decreased by 8%, from 7,160 in 2021 to 6,620 in 2022<sup>16</sup>.

**Figure 22: B.C. Forest Sector Direct Employment**

Employees, Thousands	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Wood Product Manufacturing	27.3	27.7	27.8	31.2	33.2	31.8	29.6	27.3	30.3	27.3
Pulp and Paper Manufacturing	8.3	7.4	7.1	7.1	7.4	7.9	7.7	6.7	7.2	6.6
Forestry and Logging with Support Activities	19.9	20.5	20.2	21.6	21.3	22.4	22.0	19.2	22.7	22.2
<b>Total</b>	<b>55.5</b>	<b>55.6</b>	<b>55.0</b>	<b>59.9</b>	<b>61.9</b>	<b>62.1</b>	<b>59.2</b>	<b>53.2</b>	<b>60.2</b>	<b>56.1</b>

Source: Statistics Canada [Table 36-10-0489-01](#), employment is consistent with the System of National Accounts (SNA).

<sup>16</sup> Historical data is revised in February each year. In February 2023, historical Forest Sector employment in The Labour Productivity Accounts had a large upward revision.



Source: Statistics Canada [Table 36-10-0489-01](#), employment is consistent with the SNA.  
 \*Note: SNA includes government forest services such as fire fighting in forestry and logging with support activities.

Another source of employment estimates is the Labour Force Survey (LFS). This data is often reported in the media and used by other organizations because it is the timeliest indicator and includes unemployment. It also includes some sub-provincial data. According to the LFS, the Coast accounted for 46% of direct employment in the B.C. forest sector in 2022, with the rest employed in the Interior.

**Table 20: Forest Sector Employment Share by Coast and Interior**

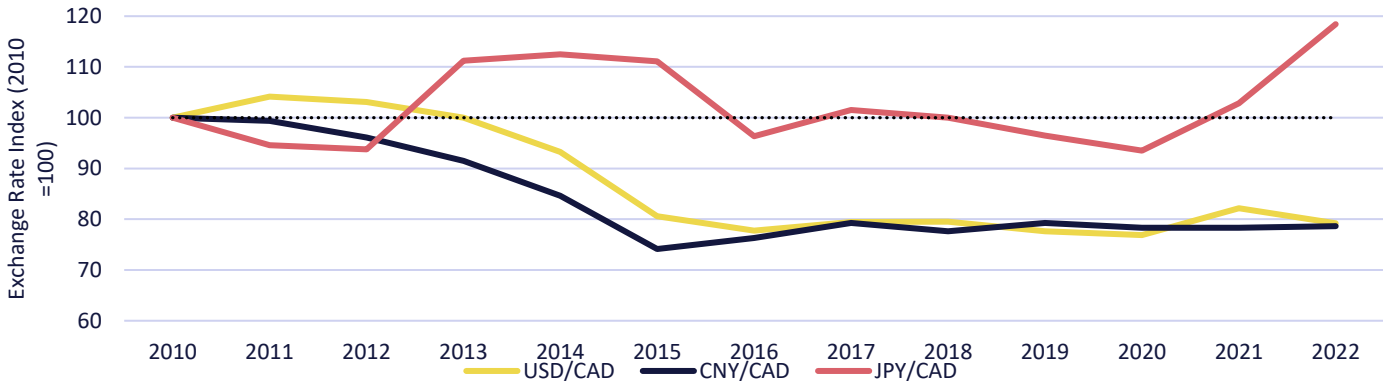
Employment, %	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Interior	55%	56%	53%	56%	55%	64%	60%	56%	58%	54%
Coast	45%	44%	47%	44%	45%	36%	40%	44%	42%	46%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Statistics Canada LFS data via [B.C. Stats](#) (Employment and Unemployment by [Development Region](#)).  
 Notes: Coast includes the Mainland/Southwest and Vancouver Island economic development regions. The remaining economic development regions are in the Interior.

### Exchange Rates

The indexing of foreign exchange rates relative to the Canadian dollar shows the percentage change in exchange rates compared to 2010. Increases vs. the previous year indicate an appreciation of the Canadian dollar, which makes Canadian exports less competitive in the global market. In 2021 the Canadian dollar appreciated against the Japanese yen (JPY) significantly and the Chinese yuan (CNY) slightly, while it depreciated against the US dollar.

**Figure 23: Indexed Foreign Exchange Rates Relative to \$CAD**



Source: 2010 to 2016, [Bank of Canada](#). 2017 to current, [Statistics Canada Table 33-10-0163-01](#).



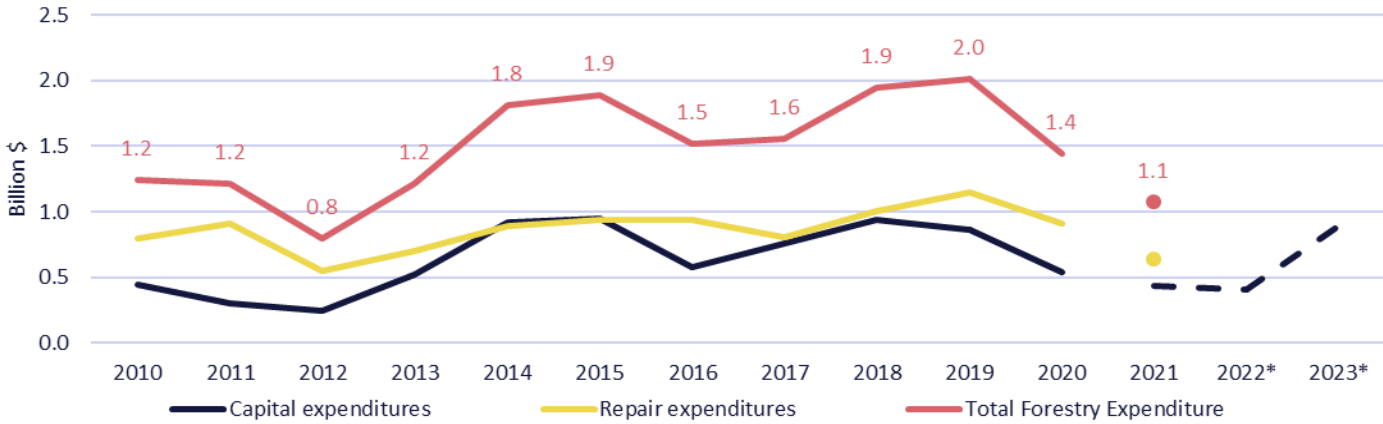
**Investments**

B.C. companies continue to invest in the forest sector to increase their competitiveness in global markets.

There are important data issues to discuss this year. First, capital expenditure for Forestry and Logging was suppressed for 2021 and 2022, and repairs were suppressed for 2021, so total expenditure in 2021 and 2022 will appear lower than they are in reality and prevent comparisons against prior years. The lines in Figure 24 are severed to indicate this difference in the data. Second, the latest three years of capital expenditures are not finalized, and the line is dashed to indicate this change. The latest year is reported intentions, and the two years preceding it are preliminary results.

Pre-pandemic investment in the forest sector continued to increase from 2017 to 2019. Overall investment in the sector decreased by 30%, from \$2 billion in 2019 to \$1.4 billion in 2020 (latest available full data).

**Figure 24: B.C. Forest Sector Capital and Repair Expenditures**



Source: Statistics Canada; [Table 34-10-0035-01](#).

Note: The capital and repair expenditures for forestry and logging were suppressed in 2021 and 2022. The number cannot be compared with the amount in previous years and we indicate this with a break between 2020 and 2021 in the chart.

(\* ) indicates preliminary data, subject to changes – use this data with caution.

Forest sector investment includes capital expenditure in construction (e.g., buildings and land improvements), machinery and equipment, and repair expenditures. Among these expenditures, preliminary capital investment for the Paper and Wood product industry in 2022 were estimated at \$404 million, a decrease of 7% from 2021.<sup>17</sup> The latest available data for repair expenditures is 2021, at \$663 million, which excludes Forestry and Logging.

<sup>17</sup> The capital expenditures for Forestry and Logging industry were suppressed by Statistics Canada due to confidentiality requirements of the Statistics Act.



**Table 21: B.C. Forest Sector Capital and Repair Expenditures by Industry**

Expenditure, million \$	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
<b>Capital expenditures</b>	<b>517</b>	<b>916</b>	<b>949</b>	<b>577</b>	<b>756</b>	<b>935</b>	<b>865</b>	<b>537</b>	<b>437</b>	<b>404</b>	<b>889</b>
Forestry and logging	144	212	198	220	232	296	310	248	-	-	254
Paper manufacturing	84	186	171	124	241	229	220	135	175	172	388
Wood product manufacturing	290	518	580	234	283	411	336	154	261	232	247
<b>Repair expenditures</b>	<b>700</b>	<b>895</b>	<b>941</b>	<b>940</b>	<b>802</b>	<b>1006</b>	<b>1151</b>	<b>909</b>	<b>633</b>		
Forestry and logging	238	302	174	141	-	256	270	260	-		
Paper manufacturing	195	315	412	355	357	385	446	325	331		
Wood product manufacturing	267	279	355	443	445	365	435	325	303		
<b>Total</b>	<b>1217</b>	<b>1811</b>	<b>1890</b>	<b>1517</b>	<b>1559</b>	<b>1942</b>	<b>2016</b>	<b>1446</b>	<b>1070</b>	<b>404</b>	<b>889</b>

Source: Statistics Canada; [Table 34-10-0035-01](#).

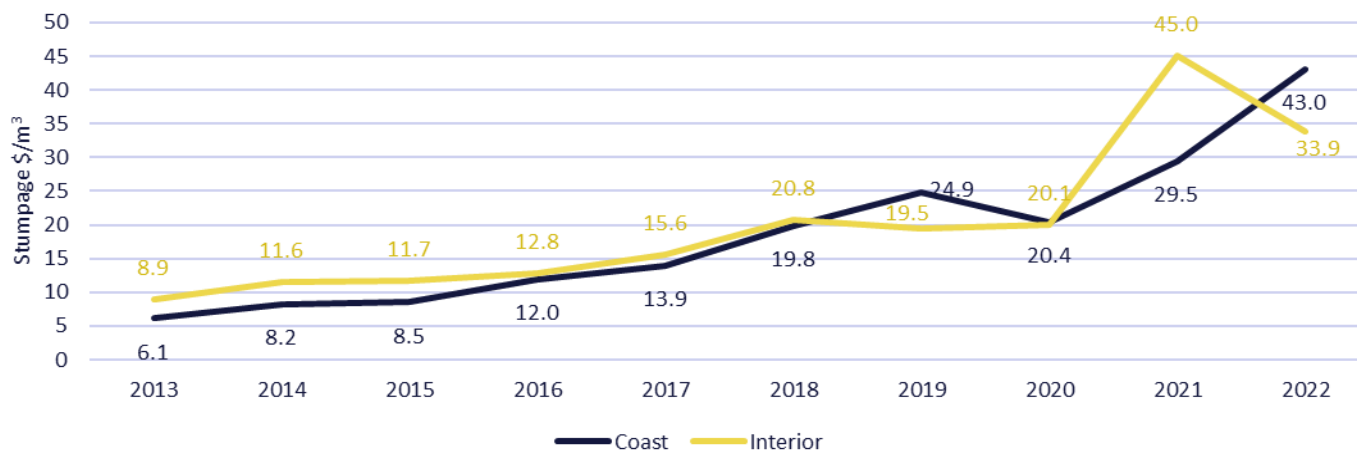
Notes: (\*) indicates preliminary data, subject to changes. The data quality grade is often "Use with caution".

## Government Revenues

Stumpage is a fee that businesses or individuals pay when they harvest timber from Crown land in B.C. Stumpage is payment for the use of a public natural resource and is not the same as a [logging tax](#). Stumpage revenue is used to fund essential social services such as education and health care. It is sometimes shared with First Nations communities under [forest consultation and revenue sharing agreements](#).

Compared to 2021, the average stumpage rate<sup>18</sup> in the Interior decreased by \$11.1 per cubic metre and the average stumpage rate on the Coast increased by \$3.5 per cubic metre in 2022. It is the third time in the past decade that the stumpage rate on Coast exceeded the stumpage rate in Interior B.C., and it was the second largest difference (\$9.1/m<sup>3</sup>) since 2013.

**Figure 25: Average Stumpage Rates**



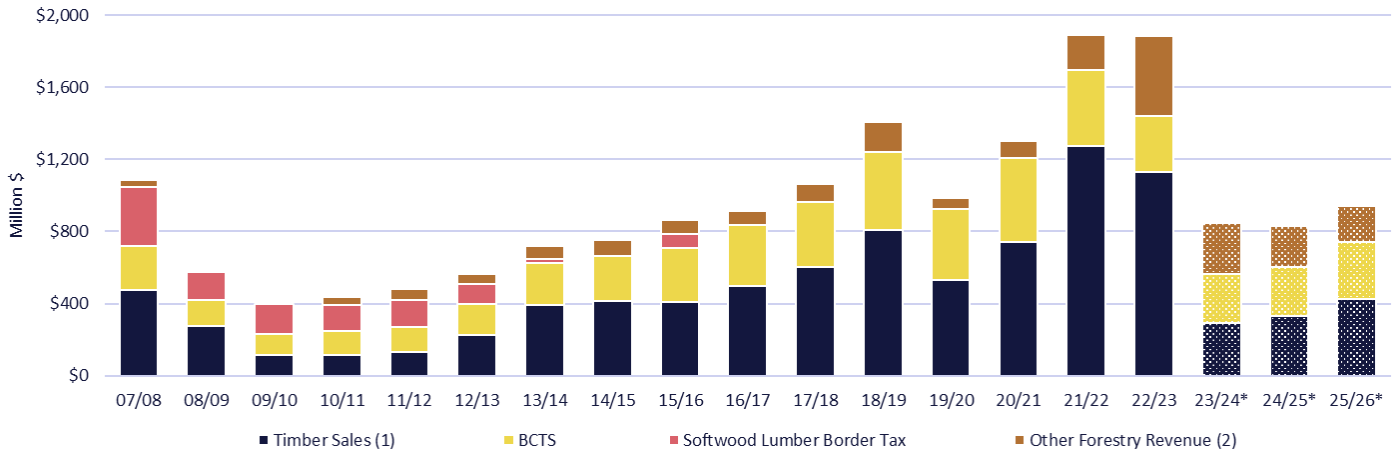
Source: B.C. [HBS](#). Includes all logs, special forest products, species and grades billed excluding waste, rejects, and Christmas trees, data run on June 15, 2023. Includes Crown land harvests only.

Government forest revenue slightly decreased by 0.3%, from \$1.892 billion in fiscal year 2021/22 to \$1.886 billion in fiscal year 2022/23. This revenue is projected to decline substantially from 2023/24 to 2024/25 assuming both harvest levels and lumber prices will decline. With Timber Sales predicted to rise in 2025/26, the revenue of Government is also expected to rise.

<sup>18</sup> Interior and Coast stumpage rates include B.C. Timber Sales (BCTS) and exclude waste and rejected items.



**Figure 26: B.C. Government Forest Sector Revenue, by Fiscal Year**



Source: MOF. Corporate and personal income taxes are not included in these figures. These numbers are consistent with the B.C. Ministry of Finance Budget and Fiscal Plan, Table A5, page 165. Forecasts are for 2022/23 to 2025/26.

Notes:

\*Forecast total revenue

- 1) Timber sales exclude B.C. Timber Sales (BCTS) sales.
- 2) Includes other Consolidated Reserve Fund (CRF) revenue, forest recoveries, and the logging tax.
- 3) The softwood lumber border tax ended in 2016/17.