



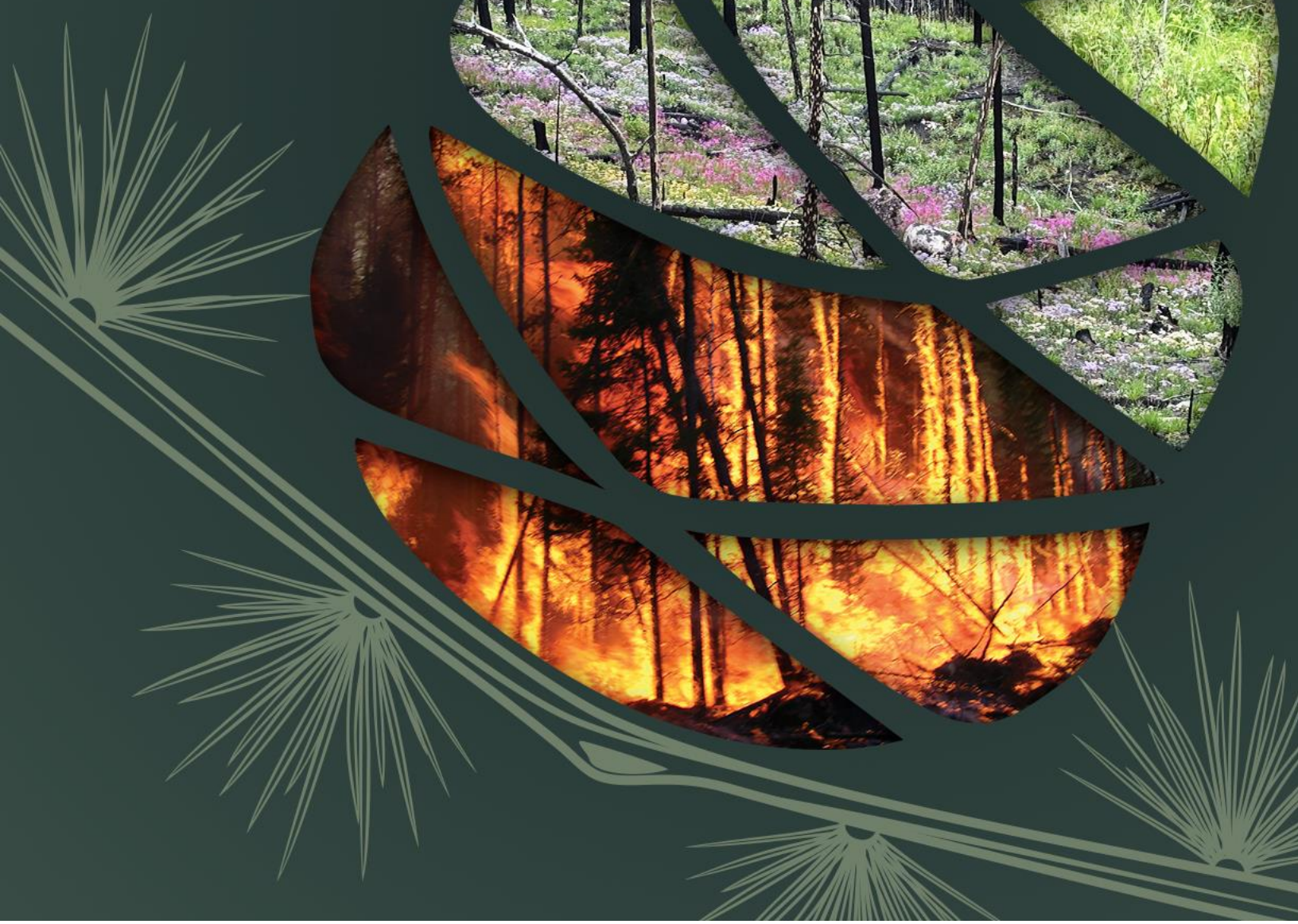
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Annual Report 2025



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Message from the Minister of Energy and Natural Resources

Canada's forests are more than a natural resource — from coast to coast to coast, they are a cornerstone of local and regional economies, a crucial part of our identity and an ally in building a more sustainable nation.

Canada continues to be a global leader in forest stewardship, guided by science and Indigenous knowledge. We are proud to support Indigenous leadership and participation in forest governance, recognizing that reconciliation and sustainability go hand in hand.

In the face of ongoing trade disputes, particularly around softwood lumber, our government remains steadfast in defending Canada's forest sector and protecting the livelihoods of the thousands of Canadians who depend on it as we work to retool our industry to focus on more reliable markets — including our own.

Natural Resources Canada (NRCan) is making investments in forest sector transformation to unlock new opportunities for advanced wood construction, clean technologies and value-added products. Through initiatives like Canada's Global Forest Leadership Program, the Investments in Forest Industry Transformation program, the Indigenous Forestry Initiative and the Green Construction through Wood program, we are helping Canadian companies adapt, compete, find new international markets and create and sustain jobs at home. Other initiatives like Build Canada Homes, the Buy Canadian Policy and investments in industry resilience and transformation are supporting Canadian lumber and related products that ensure we can act as our own best customer, building Canadian projects with Canadian wood.

As wildfires become more frequent and devastating, NRCan is also investing in specialized firefighting equipment; training wildland firefighters; strengthening community-based prevention and mitigation efforts; including Indigenous wildfire stewardship; and supporting the first government-owned satellite mission dedicated to monitoring wildfires. As the 2025 G7 President, Canada also led the creation of the Kananaskis Wildfire Charter to drive international coordination on wildfires. Together, with investments in research and innovation, these actions will protect forests and communities in Canada and around the world.

Our approach is about not only supporting the forest sector and communities facing wildfire risk in the short term but also about building a sector as resilient and enduring as our forests themselves. A sector that supports Indigenous leadership, strong rural economies and Canadians for decades to come, as it has for decades past. As we look ahead, our forests and forest sector will play a central role in our push for diversified trade markets, our affordable housing ambitions and the fight against climate change. Achieving these outcomes depends on timely, credible forest information to understand trends, assess

risks and track progress across Canada’s forests and forest sector — work to which NRCan is wholly committed.

Our forest sector will play an instrumental role in building a sustainable, sovereign Canada as we work to become an energy and natural resources superpower. Together with provinces, territories, Indigenous partners and industry — we will protect and grow this vital sector for generations to come.

The Honourable Tim Hodgson
Minister of Energy and Natural Resources

Canada’s forests: Sustainably managed, backed by trusted data and transparent reporting

Canada’s forests provide vital environmental, cultural, and economic benefits. Through sustainable forest management (SFM) laws and regulations, Canada aims to preserve these benefits for future generations.

For more than 35 years, *The State of Canada’s Forests: Annual Report* has been a reliable source of data on the health of our forests and the forest sector. It features science-based sustainability indicators that:

- track forest conditions and trends
- inform policy and management improvements
- support environmental and trade discussions

These indicators are built on data from trusted sources like Statistics Canada,¹ the National Forestry Database,² and the National Forest Inventory.³ Leading experts analyze this data to provide clear, evidence-based insights.

Aligned with global standards

Canada is a founding member of the Montréal Process, a global initiative using shared indicators to measure SFM across 90% of the world’s temperate and boreal forests. The indicators presented in this report and those available on the [Forest Statistical Data](#) website are inspired by and seek to align with this evolving and internationally relevant framework.

Supporting global sustainability goals

Canada’s forest reporting also contributes to the United Nations’ 2030 Agenda, including:

	Mixedwood	13.6%
	Broadleaf	11.4%
	Temporarily non-treed	4.9%
Forest ownership	Provincial	75.7%
	Territorial	12.8%
	Private	6.7%
	Indigenous	2.1%
	Federal	1.7%
	Municipal	0.8%
	Other	0.3%
Growing stock (million cubic metres, 2023)	Total volume	51,074
Disturbance		
Insects (hectares, 2023)	Area defoliated by insects and containing beetle-killed trees	11,596,888
Fire (2024)	Area burned (hectares)	5,374,344
	Number of fires	5,844
Forest management		
Harvesting (2023)	Area harvested (hectares)	669,812
	Volume harvested (cubic metres)	116,809,112
Regeneration (hectares, 2023)	Area planted	407,820
	Area seeded	7,058
Third-party certification (hectares, 2024)	Area certified	161,562,595
Protected forest (IUCN categories and primary management objectives)	Ia Strict nature reserve (science)	0.1%
	Ib Wilderness area (wilderness protection)	2.3%
	II National park (ecosystem protection and recreation)	6.2%
	III Natural monument (conservation of specific natural features)	0.0%
	IV Habitat/species management area (conservation through management intervention)	0.4%
	V Protected landscape/seascape (landscape conservation and recreation)	0.0%
Greenhouse gas inventory		
For forest lands affected by land-use change (2023)	Removals from the atmosphere due to afforestation (CO ₂ e/yr, million tonnes)	0.13
	Total emissions due to deforestation (CO₂e/yr, million tonnes)	17
For managed forests (2023)	Area of managed forests (1,000 hectares)	230,000
	Total net emissions or removals to the atmosphere, all causes (CO ₂ e/yr, million tonnes)	1,139
	Net emissions or removals due to natural disturbances (CO ₂ e/yr, million tonnes)	1,118
	Net emissions or removals due to human forest management activities and from harvested wood products (CO ₂ e/yr, million tonnes)	20.2

	Transfers from the managed forest sector to the forest products sector due to harvesting and firewood collection (CO ₂ e/yr, million tonnes)	130
Domestic economic impact		
Canadian housing starts (number, 2024)		245,367
Contribution to nominal GDP (current dollars, 2024)	Forestry and logging	4,832,684,587
	Pulp and paper product manufacturing	9,450,492,669
	Wood product manufacturing	16,457,996,290
	Total contribution to nominal GDP	30,741,173,546
Contribution to real GDP (constant 2017 dollars, 2024)	Forestry and logging	3,450,000,000
	Pulp and paper product manufacturing	6,833,000,000
	Wood product manufacturing	11,245,000,000
	Total contribution to real GDP	21,528,000,000
Revenue from goods manufactured (dollars, 2023)	Logging	10,874,108,000
	Pulp and paper product manufacturing	32,549,487,000
	Wood product manufacturing	39,339,695,000
	Total revenue from goods manufactured	82,763,290,000
Forest sector employment		
Employment (number, 2024)	Survey of Employment, Payrolls and Hours	176,210
	Canadian System of National Accounts	194,040
	Natural Resources Satellite Account	223,316
Wages and salaries (dollars, 2023)	Logging	1,746,846,000
	Pulp and paper manufacturing	3,977,707,000
	Wood product manufacturing	5,789,780,000
	Total wages and salaries	11,514,333,000
Trade		
Balance of trade (total exports, dollars, 2024)		22,048,918,887
Value of exports (dollars, 2024)	Primary wood products	1,369,315,957
	Pulp and paper products	18,703,829,018
	Wood-fabricated materials	17,172,939,152
	Total value of exports	37,246,084,127
Value of imports (dollars, 2024)	Primary wood products	608,852,674
	Pulp and paper products	10,489,807,125
	Wood-fabricated materials	4,098,505,441
	Total value of imports	15,197,165,240
Domestic production and investment		
Production (2024)	Hardwood lumber (cubic metres)	858,000
	Softwood lumber (cubic metres)	47,894,500

How much forest does Canada have?

Canada is home to 369 million hectares (ha) of forest.⁴ This forest is more than 90% publicly owned, makes up 24% of the world's boreal forest and 9% of the world's total forest, and results in a per-capita forest area of more than 9 ha per person.⁵ Canadians depend on and value these forests for many different uses including recreation, conservation, Indigenous cultural and livelihood practices, and economic livelihoods. Canada's National Deforestation Monitoring System reports that less than 0.5% of Canada's forest has been deforested over the last 35 years.⁶

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Notes

- a. Indigenous Services Canada budgets \$16.5 million each year, and an additional \$47.7 million (2019–2024) plus \$39.2 million (2022–2027) in targeted programs, to expand FireSmart and other wildland fire management activities led by First Nations. These initiatives combine traditional fire knowledge with modern equipment and training to lower wildfire risk and build community resilience.⁷ In addition, the Fighting and Managing Wildfires in a Changing Climate program, which began in 2022, provides \$364.1 million in cost-shared funding over 5 years to provinces, territories, and Indigenous organizations to purchase firefighting equipment and train new wildland firefighters to better respond to wildland fires across Canada.
- b. Canada's 225 million hectares (ha) of managed forests (within the 369 million ha national total)¹³ are tracked with the Carbon Budget Model of the Canadian Forest Sector.¹² The model indicates that the managed forests have been a net carbon source in recent decades, releasing more carbon dioxide than they absorb because of disturbances such as larger wildland fires, insect outbreaks, and emissions from harvested wood.¹⁰

- c. Climate-impact modelling by the Canadian Climate Institute predicts annual climate-related losses of \$25 billion in 2025. Without additional adaptation efforts, they estimate annual damages in the range of \$78 billion (low-emissions path) to \$101 billion (high-emissions path) per year by 2050.¹⁴

Indicator: forest insects

In 2023, 11.6 million hectares (ha) of Canada's forests were affected by insects,¹ an 11.4% decrease from 2022.

- The significant spongy moth outbreak in Ontario continues to decrease, with defoliation decreasing a further 95% in 2023 compared to 2022.
- In 2023, eastern spruce budworm defoliation remained high in Québec and Ontario. Notable reductions were observed in Newfoundland and Labrador and the Northwest Territories
- Overall, tree mortality caused by spruce beetle continues to decrease, falling by a 33% in British Columbia from 2022 to 2023.
- Defoliation by jack pine budworm from 2022 to 2023 decreased by more than 50% in Ontario, remained stable in Manitoba, and increased nearly fivefold in Saskatchewan. Nationally, overall levels in 2023 were similar to those observed in 2022. Damage by other insect species increased in Ontario and British Columbia; however, large reduction in the Northwest Territories resulted in overall nationwide reductions of 23% from 2022 through 2023.

Insects and other organisms produce chemicals called semiochemicals, which act as scent cues to help them navigate and communicate in forests. These semiochemicals are often very specific in their chemical structure. These can be produced by prey, host plants, or by mates. Understanding semiochemicals is important to figuring out how a pest moves in an environment and can help in monitoring populations using semiochemical-based traps.

British Columbia	2019	515,447	178,140	0	3,885	0	4,675,810
British Columbia	2020	525,271	111,963	0	7,267	0	4,085,422
British Columbia	2021	470,668	73,238	0	36,449	0	4,050,000
British Columbia	2022	143,569	50,820	0	0	0	2,440,000
British Columbia	2023	95,633	42,845	0	3,221	0	2,320,000
Manitoba	2013	0	0	311	1,163	0	95,429
Manitoba	2014	0	0	4,346	0	0	1,358
Manitoba	2015	0	0	3,285	0	0	69,611
Manitoba	2016	N/A	N/A	199,799	12,597	N/A	15,853
Manitoba	2017	N/A	N/A	638,181	388	N/A	25,906
Manitoba	2018	N/A	N/A	552,118	N/A	N/A	37,109
Manitoba	2019	N/A	N/A	1,025,850	34,305	N/A	N/A
Manitoba	2020	0	0	2,580,000	104,433	0	0
Manitoba	2021	0	0	2,030,000	156,055	0	0
Manitoba	2022	0	0	673,851	19,422	0	0
Manitoba	2023	0	0	673,851	19,422	0	0
New Brunswick	2013	0	0	0	0	0	700
New Brunswick	2014	0	0	0	0	0	0
New Brunswick	2015	0	0	0	0	0	0
New Brunswick	2016	0	0	0	0	0	0
New Brunswick	2017	0	0	0	875	0	0
New Brunswick	2018	0	0	0	440	0	0

New Brunswick	2019	N/A	N/A	N/A	0	N/A	N/A
New Brunswick	2020	0	0	0	0	0	0
New Brunswick	2021	N/A	N/A	N/A	N/A	N/A	N/A
New Brunswick	2022	100	N/A	N/A	1,200	N/A	N/A
New Brunswick	2023	0	N/A	N/A	100	N/A	N/A
Newfoundland and Labrador	2013	7,848	N/A	N/A	55,045	N/A	499
Newfoundland and Labrador	2014	46,839	0	0	50,767	0	0
Newfoundland and Labrador	2015	46,839	0	0	36,352	0	0
Newfoundland and Labrador	2016	0	0	0	34,520	0	0
Newfoundland and Labrador	2017	0	0	0	430	0	0
Newfoundland and Labrador	2018	0	0	0	0	0	307
Newfoundland and Labrador	2019	0	0	0	0	0	0
Newfoundland and Labrador	2020	0	0	0	3,319	0	0
Newfoundland and Labrador	2021	0	0	0	65,701	0	0
Newfoundland and Labrador	2022	N/A	N/A	N/A	167,209	N/A	N/A
Newfoundland and Labrador	2023	N/A	N/A	N/A	73,356	N/A	N/A
Northwest Territories	2013	N/A	N/A	N/A	53,539	N/A	75,567
Northwest Territories	2014	N/A	N/A	N/A	76,400	N/A	270,839

Northwest Territories	2015	N/A	N/A	N/A	174,263	N/A	236,673
Northwest Territories	2016	N/A	N/A	N/A	122,473	N/A	261,411
Northwest Territories	2017	N/A	N/A	N/A	245,859	N/A	239,837
Northwest Territories	2018	N/A	N/A	N/A	391,615	N/A	357,534
Northwest Territories	2019	N/A	N/A	N/A	215,753	N/A	593,867
Northwest Territories	2020	0	0	0	107,760	0	292,930
Northwest Territories	2021	0	0	0	1,030,000	0	0
Northwest Territories	2022	0	0	0	1,310,000	0	1,460,000
Northwest Territories	2023	N/A	N/A	N/A	529,000	N/A	476,000
Nova Scotia	2013	N/A	N/A	N/A	N/A	N/A	N/A
Nova Scotia	2014	533	N/A	N/A	N/A	N/A	N/A
Nova Scotia	2015	N/A	N/A	N/A	N/A	N/A	N/A
Nova Scotia	2016	N/A	N/A	N/A	N/A	N/A	N/A
Nova Scotia	2017	0	N/A	N/A	N/A	N/A	0
Nova Scotia	2018	0	N/A	N/A	N/A	N/A	0
Nova Scotia	2019	0	N/A	N/A	N/A	N/A	0
Nova Scotia	2020	0	0	0	0	0	0
Nova Scotia	2021	0	0	0	0	0	18,727
Nova Scotia	2022	0	0	0	0	0	167,559
Nova Scotia	2023	0	0	0	0	0	167,559

Ontario	2013	0	0	91,865	348	8,451	97,763
Ontario	2014	0	0	22,010	30,317	23,335	64,814
Ontario	2015	0	0	21,349	149,310	2,529	3,326
Ontario	2016	0	0	5,086	119,462	0	50,749
Ontario	2017	0	0	100,510	147,546	21,712	65,648
Ontario	2018	0	0	625,955	136,410	14,930	39,232
Ontario	2019	0	0	1,029,916	343,426	47,431	713
Ontario	2020	0	0	1,060,000	447,730	583,158	1,093
Ontario	2021	0	0	345,389	1,330,000	1,780,000	15,474
Ontario	2022	0	0	133,472	2,040,000	57,078	14,809
Ontario	2023	0	0	61,431	1,990,000	2,542	26,895
Prince Edward Island	2013	60	N/A	N/A	N/A	1	30
Prince Edward Island	2014	50	N/A	N/A	N/A	N/A	25
Prince Edward Island	2015	50	N/A	N/A	N/A	N/A	25
Prince Edward Island	2016	10	N/A	N/A	N/A	N/A	15
Prince Edward Island	2017	10	N/A	N/A	N/A	2	15
Prince Edward Island	2018	5	N/A	N/A	N/A	2	10
Prince Edward Island	2019	5	N/A	N/A	N/A	2	12
Prince Edward Island	2020	0	0	0	0	0	0
Prince Edward Island	2021	0	0	0	0	0	10

Prince Edward Island	2022	0	0	0	0	0	220
Prince Edward Island	2023	N/A	N/A	N/A	1	N/A	N/A
Quebec	2013	N/A	N/A	0	2,621,520	0	674
Quebec	2014	N/A	N/A	0	3,381,829	0	0
Quebec	2015	N/A	N/A	0	4,824,947	0	0
Quebec	2016	N/A	0	0	4,664,658	0	0
Quebec	2017	N/A	0	0	5,105,885	0	0
Quebec	2018	N/A	0	0	5,433,302	0	0
Quebec	2019	N/A	N/A	N/A	4,891,885	N/A	N/A
Quebec	2020	0	0	0	6,250,000	0	0
Quebec	2021	0	0	0	2,460,000	0	0
Quebec	2022	0	0	0	3,210,000	0	0
Quebec	2023	0	0	0	3,210,000	0	0
Saskatchewan	2013	N/A	N/A	N/A	9,307	N/A	99,837
Saskatchewan	2014	0	0	0	0	0	159
Saskatchewan	2015	0	N/A	0	0	0	1,205
Saskatchewan	2016	0	N/A	1,965	0	0	374
Saskatchewan	2017	0	N/A	10,189	0	0	994
Saskatchewan	2018	0	N/A	6,141	0	0	171
Saskatchewan	2019	0	N/A	12,624	0	0	5,693
Saskatchewan	2020	0	0	25,327	0	0	4,158
Saskatchewan	2021	0	0	32,449	0	0	31,082
Saskatchewan	2022	0	0	11,748	244	0	4,342
Saskatchewan	2023	0	0	53,874	2,610	0	11,002

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Indicator: forest greenhouse gas fluxes

In 2023, total net greenhouse gas (GHG) flux—the sum of all emissions, removals, and carbon transfers reported in carbon dioxide equivalent (CO₂e)—from Canada’s managed forests and forest products was about 1,138 million tonnes.¹ This total net GHG flux value is calculated by adding net GHG flux caused by human activities to net GHG flux attributed to natural disturbances and subsequent regeneration in Canada’s managed forests.

In 2023, human activities in Canada’s managed forests, including the use and disposal of forest products, accounted for a net GHG flux of about 20.2 million tonnes, whereas natural disturbances and subsequent natural regeneration accounted for a net GHG flux of about 1,118 million tonnes.¹

The burned area by wildland fires in 2023 was the largest in recorded Canadian history resulting in unprecedented emissions:

- In 2023, 7.9 million hectares (ha) in the managed forests were burned in wildland fires releasing 1,070 million tonnes of CO₂e.¹ This is more burned area than the sum of the 4 highest years of

Emissions occur when carbon stocks move from a forest carbon pool into the atmosphere. Emissions can come from both the managed forest and the harvested wood products pools. **Removals** occur when carbon moves from the atmosphere into a forest carbon pool, such as when carbon moves from the atmosphere to tree biomass through photosynthesis.²

Carbon transfers occur when carbon stocks are moved between forest carbon pools, for example, from the managed forest to the harvested wood products pool.²

GHG flux is the net balance of emissions, removals, and carbon transfers. Positive GHG flux values indicate carbon losses, whereas negative GHG flux values indicate carbon gains.²

Canada takes an approach that distinguishes net GHG fluxes in the managed forests into 2 components:

- Those under the influence of human activities
- Those associated with natural disturbances beyond human control¹

Human activities in the managed forests include forest inventory and resource assessment, harvesting, thinning, burning, site preparation, regeneration, stand tending, fertilization, weeding, fire suppression and prevention, and pest management. These decisions have an effect on the total carbon stored on the landscape regardless of the stand origin. These decisions and subsequent actions, including when and where to harvest, are part of sustainable forest management.

To improve transparency, Canada’s 2025 National GHG Inventory Report includes a new section on emissions associated with harvesting and other forestry sector activities (see Chapter 2, Table 2–11).¹ The new table presents information on forest harvesting that is normally reported across multiple sectors.

How do forests benefit Canadians?

Forests are central to the identities, health, cultures, environment, and economy of Canada; forests provide jobs, absorb carbon, support biodiversity, and hold social and cultural importance. They also offer opportunities for recreation and for innovation in the growing bioeconomy.

An integral part of Canada’s communities, health, cultures, and identities

More than one-third of people in Canada reside in or near forests, highlighting the significance of forests in the daily lives and well-being of Canadians. Forests—including urban forests (e.g., trees, forests, and green spaces inside cities¹)—enhance quality of life by mitigating mental stresses;² supporting cultural, spiritual, and livelihood connections; and serving as tangible links between past, present, and future generations, traditions, and the land. Forests also provide recreational and ecotourism opportunities for people living in both rural and urban areas.³

Forests are fundamental to the livelihoods, cultures, and economies of many Indigenous Peoples in Canada. As of 2021, nearly 1 million First Nations, Inuit, and Métis people live in or near forests,⁴⁻⁶ and Indigenous and treaty rights are increasingly reflected in forest policy and forest management practices—a critical step for advancing Indigenous governance and self-determination.⁷ Sustainable forest use that is rooted in Indigenous knowledge systems can support ceremonial and subsistence practices, as well as boost economic prosperity.⁸

Protecting Canada’s environment

Forests are far more than a collection of trees—they are complex ecosystems that also include soil, air, water, and all living organisms that depend on forests for survival.⁹ Forests provide several ecological functions that support climate mitigation and adaptation, such as carbon storage, nutrient cycling, water and air purification, and maintenance of wildlife habitat.¹⁰ At a global scale, forests help maintain Earth’s carbon balance by absorbing carbon dioxide (CO₂) from the atmosphere when they grow and releasing CO₂ and other greenhouse gases (GHG) when they decay or burn. Soil in forest ecosystems is also critical for processing water, nutrients, and contaminants, and sustaining the overall health of forests—on which the production of fibre, food, and fuel depends.¹¹

Forest products also offer sustainable solutions to meeting housing needs. For example, mass timber has lower manufacturing GHG emissions than other construction materials, while also providing long-



Culturally modified tree

Several Indigenous groups in Canada culturally modify trees. Culturally modified trees (CMTs) are living trees that have been visibly altered as part of cultural traditions. These modifications—such as bark stripping and planks—were made to create clothing, baskets, shelter, and other tools while allowing the trees to recover and be used again over generations. CMTs serve as enduring records of Indigenous land use, stewardship, and connection to the forest and are recognized as important cultural heritage resources.

term carbon storage. When combined with other cost-effective design choices, wood products can reduce the embodied carbon of buildings by up to 40%.¹²

A pillar of Canada's economy

The forest sector includes forestry and logging, support activities for forestry, wood product manufacturing, and paper manufacturing. The forest sector is an important employer nationwide and contributes to the economic and social welfare of people in Canada. Forest sector employment is especially important in many rural and Indigenous communities, where it is often a key source of income. In 2021, more than 70,000 forest sector workers lived in rural communities, or about 40% of total forest sector workers. The forest sector also directly employs more than 11,000 Indigenous people and has a higher rate of Indigenous workers (6%) than in the labour force overall (4%).¹³

The forest sector also contributes to Canada's gross domestic product (GDP). In 2024, nominal GDP was \$30.7 billion, which represents a decrease of 1.1% compared with 2023.

Conventional forest products such as lumber, structural panels, pulp, paper, newsprint, tissue, and packaging remain foundational. However, wood also plays an expanding role in supporting domestic housing needs through innovative products like mass timber and prefabricated construction, which can offer economical and climate-friendly building solutions. Beyond these uses, harvest residues can be broken down into its core components—cellulose, hemicellulose, and lignin—to create a wide range of materials¹⁴ as well as bioenergy.¹⁵ For example, forest biomass-derived heat and electricity systems can help decarbonize industry and communities and offer a pathway to energy security, economic reconciliation, and self-determination for Indigenous communities.¹⁶

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Notes

- a. Calculations were based on Statistics Canada’s 2021 census of population⁵ and Natural Resources Canada, Canadian Forest Service’s National Forest Inventory’s forested land cover.⁴
- b. Spatial (geographic information system) analysis used the 2 sources^{4,5} to calculate the percentage of forest cover by census subdivision. To be considered forested, a census subdivision needed to contain 25% or more of forested land cover. Populations residing within those forested census subdivisions are considered living in or near forests. Additionally, those sources were used to calculate how many First Nations, Inuit, and Métis people live in or near forests.

Indicator: forest sector employment

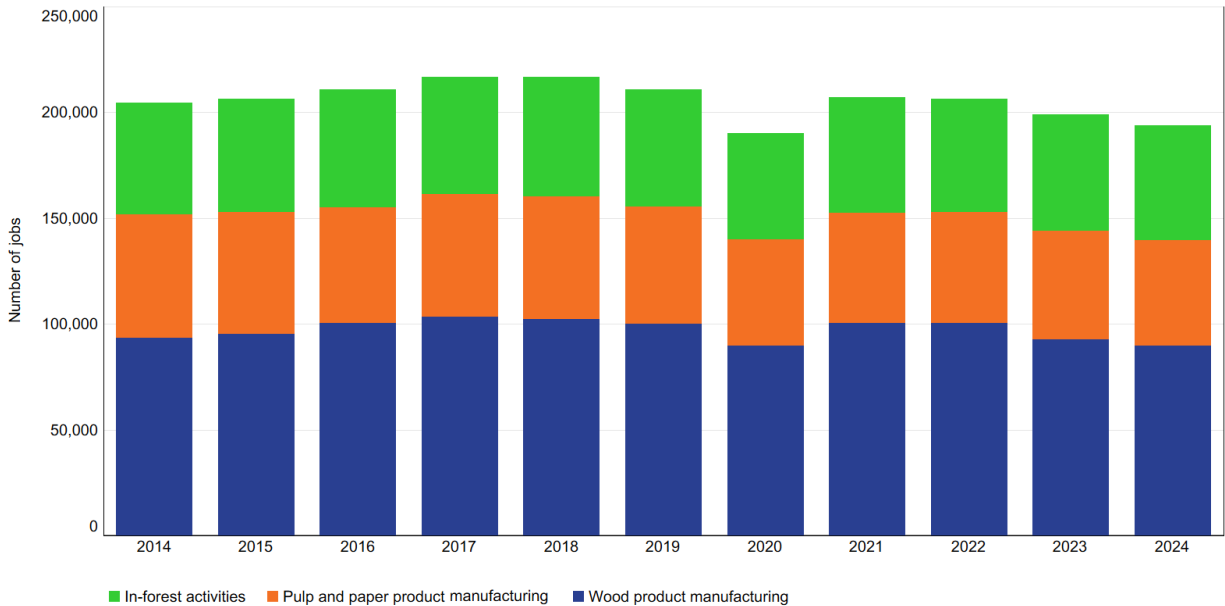
In 2024, Canada’s forest sector employed 194,040 people—a decrease of 2.6% from 2023.¹ According to the latest census (2021), approximately 19% of forest sector workers are women, 13% are immigrants, 12% are visible minorities, and 6% are Indigenous.² In 2021, more than 11,000 Indigenous Peoples worked in the forest sector.

- Following the post-pandemic rebound in 2021, employment in the forest sector has decreased over the last 3 years. Although employment in all subsectors decreased, the wood product manufacturing subsector recorded the largest decrease in employment at 3.3%, reflecting weak market conditions throughout the year.
- Employment in support activities for forestry (which is part of in-forest activities and includes forest conservation and reforestation services, timber inventory, and fire-fighting activities) saw the smallest decrease in employment at 0.6%. Despite

The forest sector is highly interconnected and dependent on each other, with sawmills acting as a crucial anchor. Demand for lumber supports upstream forestry and logging jobs, while by-products from lumber production supply downstream industries such as pulp and paper, wood-based panels and bioenergy. As a result, the closure of a sawmill can have ripple effects throughout the supply chain.

the decrease, employment in support activities in forestry has been growing over the last decade, reflecting the increased importance of forest maintenance and wildland fire management.

Direct employment in Canada's forest sector, 2014–2024¹



Graph summary

Comparison of the total number of direct jobs in the Canadian forest sector by subsector for each year from 2014 to 2024.

Graph data

Number of direct jobs

Year	In-forest activities	Pulp and paper product manufacturing	Wood product manufacturing
2014	53,005	58,150	93,575
2015	53,650	57,775	95,150
2016	55,635	54,815	100,315
2017	55,180	57,940	103,490
2018	56,360	58,320	102,130
2019	55,350	55,325	100,250
2020	50,330	50,255	89,660
2021	54,575	51,870	100,575
2022	53,380	52,670	100,345
2023	55,255	51,165	92,775
2024	54,565	49,785	89,690

Why is this indicator important?

- The forest sector is an important employer in Canada and contributes to the economic and social well-being of the country and of its communities.
- Forest sector employment is particularly important for many rural and Indigenous communities, where it is often a key source of jobs and income.

What is the outlook?

- Near-term economic uncertainty related to trade tensions and monetary policy as well as challenges related to the availability of economic timber, particularly in British Columbia, may negatively affect employment in the forest sector.
- The sector's continued shift toward improved energy efficiency, reduced fibre waste, mitigated environmental impacts, and increased production of higher-value products will create new forest sector opportunities for Canadians.
- New housing initiatives to address affordability challenges could increase demand for wood-based construction material and help strengthen forest sector employment.
- Diversification through secondary and tertiary wood products (advanced bioproducts, mass timber for construction, modular components for housing) can secure existing jobs, create new and direct employment opportunities, and generate higher-value business segments.

Sources and information

1. Statistics Canada. Table 36-10-0489-01. Labour statistics consistent with the System of National Accounts (SNA), by job category and industry; 2020–2024 [updated 2025 Aug 5]. <https://doi.org/10.25318/3610048901-eng> (See Notes a–d)
2. Statistics Canada. 2021 census of the population. (special extraction, received March 10, 2023) <https://www12.statcan.gc.ca/census-recensement/index-eng.cfm?DGUID=2021A000011124> (See Note e)
3. Indian Act, RSC 1985, c I-5, s 5(1). Government of Canada;1985 [updated 2025 Aug 28]. <https://laws-lois.justice.gc.ca/eng/acts/i-5/page-1.html#h-331794> (See Note f)

Notes

- a. Data include North American Industry Classification System 113, 1153, 321, and 322.
- b. Employment includes jobs held by people employed directly in the following industries: forestry and logging, support activities for forestry, pulp and paper product manufacturing, and wood product manufacturing.
- c. The Canadian Forest Service prefers to use employment data from Statistics Canada's SNA because these data are linked to the underlying framework used to compile the Canadian System of National Accounts.
- d. Data are based on the 2024 spring SNA annual data release. SNA employment estimates are often revised in future releases. Year-over-year comparisons are calculated with the most recent estimates available.
- e. Values refer to the number of people employed.
- f. "Indigenous" refers to people who are First Nations, Inuit, and/or Métis including individuals who are registered under the Indian Act and/or are members of a First Nation or Indian Band.

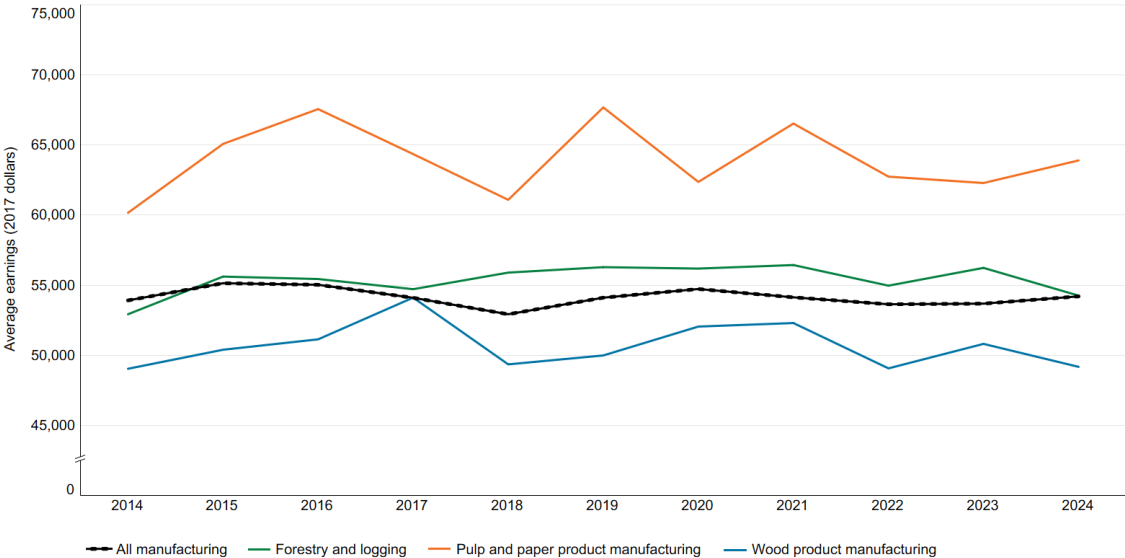
Indicator: forest sector average earnings

In 2024, average employment earnings across the forest sector decreased by 1.2% from 2023 to approximately \$55,800 annually^{1,2} (calculated in 2017 dollars).³ This is 4.5% lower than the highest point in the last 10 years, which was \$58,400 in 2021.^{1,2} Although average earnings are volatile year over year, they have generally trended upward over the past decade, with average earnings 3.2% higher in 2024 than in 2014.^{1,2}

Average employment earnings refer to the average net annual income per person directly employed in the forest sector, and excludes overtime pay.

- In 2024, average earnings decreased by 3.2% in wood product manufacturing subsector and 3.5% in forestry and logging compared with 2023.^{1,2} Weak lumber prices,⁴ low demand, rising operational costs due to inflation, and reduced availability of economic timber exerted downward pressure on companies' revenues, prompting cost-cutting measures that have affected salaries.
- In contrast, the pulp and paper product manufacturing subsector experienced an average earnings increase of 2.6% between 2023 and 2024.^{1,2} Salary increases were attributed to growing global demand for pulp and sustainable packaging products amid ongoing challenges of attracting and retaining skilled workers.^{5,6} Advancements in mills efficiency and productivity require fewer but higher-skilled workers, with better-paying jobs, who can use more automated technology to support manufacturing processes.^{5,6}
- Overall, average earnings in the forest sector remained slightly higher than those across the broader manufacturing industry. This trend was primarily supported by higher wages in the pulp and paper subsector.^{1,2}

Average earnings in the forest sector compared with all manufacturing sectors in Canada, 2014–2024^{1–}



3

Note: Average earnings in this indicator are reported in real dollars (i.e., adjusted for inflation [in 2017 dollars]).

Graph summary

Comparison of average earnings in the forest sector by subsector and for all other manufacturing sectors in Canada for each year from 2014 to 2024.

Graph data

Average earnings (2017 dollars)

Year	Forestry and logging	Pulp and paper product manufacturing	Wood product manufacturing	All manufacturing
2014	52,923	60,164	49,034	53,912
2015	55,612	65,080	50,391	55,139
2016	55,438	67,565	51,133	55,027
2017	54,713	64,353	54,109	54,097
2018	55,895	61,089	49,347	52,923
2019	56,285	67,684	49,983	54,107
2020	56,182	62,367	52,044	54,724
2021	56,435	66,531	52,296	54,131
2022	54,964	62,744	49,062	53,636
2023	56,233	62,288	50,808	53,682
2024	54,253	63,901	49,171	54,199

Why is this indicator important?

- In the forest sector, trends in the average employment earnings highlight the sector's importance to the economy and to the social well-being of Canadians compared with other industries.
- Real wage growth (inflation-adjusted wage changes) reflects the change in actual purchasing power of forest sector employees.

What is the outlook?

- In the short-term to medium-term, efforts in Canada and the United States to increase residential construction—an important driver of demand for solid wood products—could support growth in the wood products manufacturing and forestry and logging subsectors. This could subsequently improve employment conditions, including average earnings.^{7,8}
- To remain competitive and address the anticipated wave of retirements in the coming years, the sector may need to offer more attractive compensation to recruit and retain talent.
- In the longer term, increased productivity and continued growth, as well as emphasis on high-value products and the bioeconomy, could support high-skill, well-paid jobs.^{7,8}

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Notes

- a. Data exclude overtime.
- b. Starting in 2023, the average earnings were calculated using the Consumer Price Index rebased to 2017 dollars (previous years were compared with 2012 dollars).
- c. Prior to 2018, issues of *The State of Canada’s Forests Annual Report* calculated real average earnings using GDP at market prices as the measure of inflation. More recent issues use the Consumer Price Index (including volatile commodities) because it is a better indicator of the spending power of Canadians.
- d. Data are from Forestry and Forest Products sector North American Industry Classification System codes 113 (forestry and logging), 321 (wood product manufacturing), 322 (paper manufacturing), and 1153 (support activities for forestry) for each province.

Indicator: forest communities

Forests support the livelihoods of many Canadians and communities across the country—providing a rich source of environmental, economic, and cultural benefits in both rural and urban Canada. The forest sector provides local employment and creates opportunities for economic development, strengthening community self-reliance.

- More than one-third of Canadians live in or near forested areas.^{1,2}
- Forested areas are lands primarily covered by trees and related vegetation, including remote, rural, and some peri-urban regions.
- These areas are most prominent in provinces like British Columbia, Québec, and Ontario, which have the highest proportions of forest cover in Canada.
- There are more than 630 First Nations communities in Canada, with the majority living near and within the forests they depend on.³ In approximately 300 communities, the forest sector serves as a key source of employment and income.¹
- These forest-reliant communities account for about 2% of the national population, or roughly 620,000 people.

Indigenous Peoples are closely tied to Canada's forests both geographically and culturally. According to the 2021 Census, nearly 1 million Indigenous Peoples live in or near forests, and more than 11,000 are employed in the forest sector.

Why is this indicator important?

- Forest-reliant communities in Canada are stewards of forested landscapes. They participate in sustainable forest management (SFM), monitor wildlife, and manage wildland fires. These activities are critical to the delivery of local forest mitigation and adaptation initiatives. Additionally, communities near forests rely heavily on the forest sector for employment and income. Any downturns in the sector affect not only its employees but the entire community's social and economic well-being.
- Forests hold cultural significance for numerous First Nations, Inuit, and Métis communities, playing integral roles in their health and overall well-being, beyond economic benefits. Furthermore, they provide residents of forest-reliant communities with various environmental services and recreational opportunities.

What is the outlook?

- Climate change remains a critical threat to Canada's forests, not because wildfires or pest outbreaks are new, but because they are becoming more frequent, intense, and widespread. Although these disturbances are part of natural forest cycles, their increasing scale is challenging the health and resilience of forest ecosystems. Forest-reliant communities will be relied upon

for developing and implementing adaptive forest management practices and building resilient forest landscapes.

- A skilled and resilient workforce is essential for helping the forest sector adapt to changing market conditions and Canada's transition to a low-carbon economy. Recruitment, training, and retention remain ongoing challenges, particularly in forest-reliant communities, where youth often migrate to urban centres and fewer workers are entering the sector due to a lack of diverse job opportunities and negative perceptions. Continuous efforts in recruitment, training, and retention are needed to sustain the sector. Strengthening local training pathways and promoting career opportunities in rural areas are key to sustaining the sector and supporting forest communities in their ability to adapt and thrive.
- Indigenous communities, especially those located in or near forested regions, can support climate adaptation, help address labour shortages, and bring renewed vitality to aging forest communities.

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2. National Forest Inventory; accessed 2025 Sept 3. <https://nfi.nfis.org/en/> (See Note e–f)
3. First Nations. Government of Canada; updated 2025 May 22. <https://www.rcaanc-cirnac.gc.ca/eng/1100100013791/1535470872302> (See Note f)
4. Table 1.3: Number of census subdivisions by the Statistical Area Classification, 2021 Census. Statistics Canada; updated 2022 Nov 22. https://www12-2021.statcan.gc.ca/census-recensement/2021/ref/dict/tab/index-eng.cfm?ID=T1_3

Notes

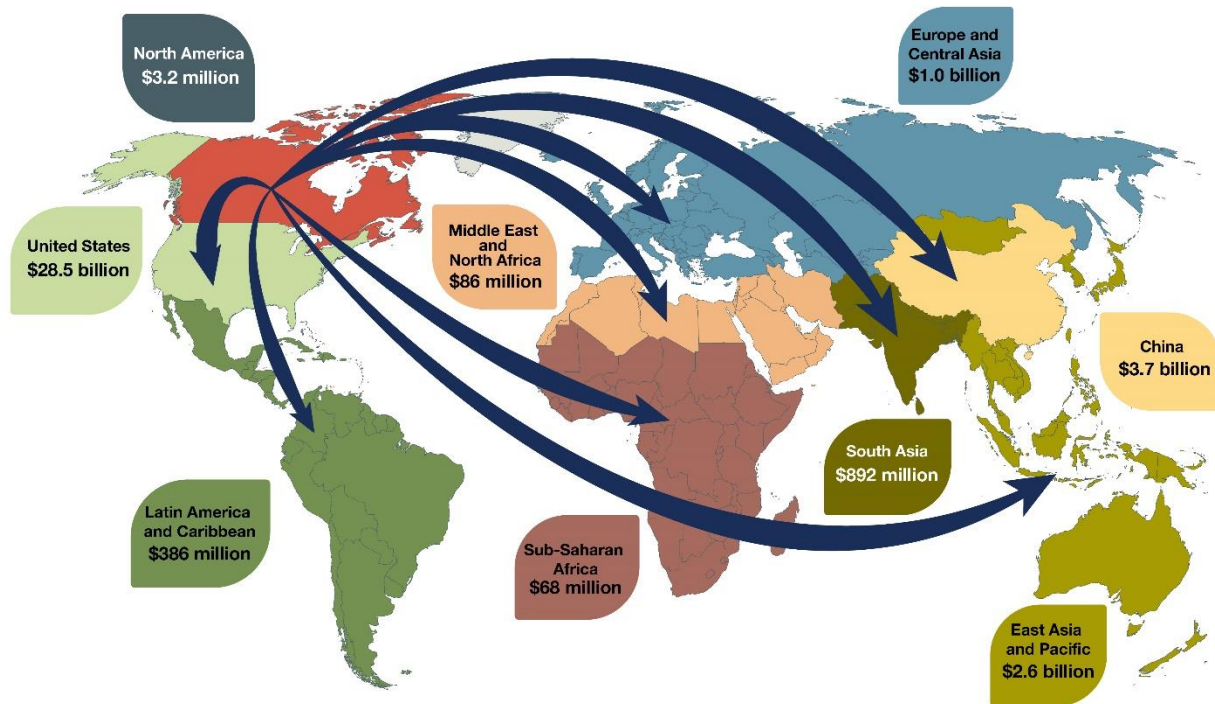
- a. The forest community indicator is based on Statistics Canada's census subdivisions. Statistics Canada defines a census subdivision as "the general term for municipalities (as determined by provincial/territorial legislation) or areas treated as municipal equivalents for statistical purposes (e.g., Indian reserves, Indian settlements, and unorganized territories)." Because there is no standardized definition of community across provinces and territories, using census subdivisions allows for a consistent approach in reporting over time. In 2021, Canada was divided into 5,161 census subdivisions.⁴
- b. In 2019, the Canadian Forest Service (CFS) adopted a new method for identifying communities that rely on economic activity from natural resource sectors. The method is based on the sector dependence index (SDI), a well-established approach to assess the relative importance of a given sector to local economies. In addition to considering the share of total income generated from the forest sector, CFS used the SDI to establish whether the forest sector provides a high number of jobs relative to the average Canadian community. The calculations also determine if there are many other sectors that are also an important source of jobs for residents.
- c. In 2018, *The State of Canada's Forests: Annual Report* noted that the forest sector was a major source of income for 105 census subdivisions in Canada. In 2019, following the new method, it reported that 300 Canadian communities rely on the forest sector for a significant share of economic activity.

- d. Employment data from Statistics Canada’s 2021 census of population refers to the number of people employed, as opposed to the size of the labour force (which also includes unemployed individuals).
- e. To be considered forested, a census subdivision needs to contain 25% or more of forested land cover. Populations residing within those forested census subdivisions are considered living in or near forests.
- f. CFS based the calculation of Number of Indigenous Peoples and Canadians that live in or near forests on a spatial (geographic information system) analysis. The 2 sources mentioned in this section (National Forest Inventory and Statistics Canada) were used to calculate the percentage of forest cover by census subdivision.

How does the forest sector contribute to the economy?

The forest sector is an important contributor to Canada’s economy, providing an array of goods and services that benefit the livelihoods of communities and people across Canada. In 2024, the forest sector contributed \$30.7 billion to Canada’s nominal gross domestic product (GDP), directly employed 194,040 people, and exported \$37.2 billion of forest products.¹⁻⁷

Forest sector contributions to environmental and clean technology products in Canada⁷



The forest sector, as part of the bioeconomy, is a significant contributor to the environmental and clean technology products sector in Canada. For example, by-products from harvest operations and industrial processing are used to make a range of low-carbon renewable alternatives to everyday consumer products, such as fuels, plastics, and textiles. The share of forest sector jobs that fall within the environmental and clean technology products sector (6.1%) is higher than the share of jobs across the broader economy (1.7%).^{8–10} The value (and share) of environmental and clean technology products attributable to the forest sector decreased from \$1.8 billion (2.3%) in 2022 to \$1.4 billion (1.7%) in 2023.^{9,10} The decrease was largely driven by a reduction in wood product manufacturing, which accounts for nearly half of the forest sector's contribution. The decrease in wood product manufacturing followed weakened demand in 2023, which was attributable to inflation and increased interest rates. Across all sectors, environmental and clean-technology products are valued at \$80.8 billion, or approximately 3.0% of Canada's nominal GDP.^{9–11}

Forest sector contributions across Canada

Forest sector activity directly supports the livelihoods of 194,040 people across Canada. The largest employment contributions are in Québec (30% of national forest sector jobs), British Columbia (25%), and Ontario (20%), whereas Alberta (10%), Atlantic Canada (10%), the Prairies (5%), and the Territories (0.1%) account for the remaining forest sector jobs. Forest sector contributions are particularly important in many rural, remote, and Indigenous communities, where there is often limited economic diversification, making forest-related work a key source of employment and income. According to the 2021 Census, the forest sector has a higher participation of Indigenous workers (6%) than the overall labour force (4%), and more than 40% of forest sector workers live in rural and remote communities.¹³ Additionally, the forest sector generates about \$3.2 billion in revenue for provincial and territorial governments (2021) through stumpage charges and various other fees.¹⁴

Canadian forest products in a global market

Canada is a leading global forest product manufacturer and exporter. The sector is highly export-oriented, accounting for 5% (\$37.2 billion) of Canada's goods exports and contributing to Canada's trade balance (exports minus imports) with a \$22.0 billion trade surplus (exports exceed imports).¹⁵ By dollar value, Canada is the global leader in the export of softwood lumber, oriented strandboard, northern bleached softwood kraft pulp, and newsprint. Most of our exports go to the United States (76%), China (10%), and Japan (3%). Canada is actively working to expand into new markets and develop new end-uses for Canadian forest products.

Innovation in Canada's forest sector

New and innovative forest products continue to gain popularity and are an increasingly important part of Canada's economy. These next-generation forest products include advanced wood building products and building systems such as cross-laminated timber, biofuels that can substitute for fossil fuels, and biodegradable replacements for single-use plastics. The Government of Canada supports the product

development and commercialization process of next-generation forest products through programs like the Forest Innovation Program, Investments in Forest Industry Transformation, and Green Construction Through Wood Program.

Sources and information

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2. Statistics Canada. Table 18-10-0267-01. Industrial product price index, by industry, monthly; Feb 2025–June 2025 [updated 2025 Aug 8]. <https://doi.org/10.25318/1810026701-eng> (See Note a and b)
3. Statistics Canada. Table 18-10-0268-01. Raw materials price index, monthly; Feb 2025–June 2025 [updated 2025 Aug 8]. <https://doi.org/10.25318/1810026801-eng> (See Note a and b)
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10. Statistics Canada. Table 36-10-0645-01. Environmental and Clean Technology Products Economic Account, output, gross domestic product, and compensation of employees per industry; 2019–2023 [updated 2025 Aug 8]. <https://doi.org/10.25318/3610064501-eng> (See Note e)
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12. Statistics Canada. Merchandise trade data (special extraction, April 3, 2025). (See Note d)
13. Statistics Canada. 2021 census of the population (special extraction, received March 10, 2023). <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/index-eng.cfm>
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15. Global Trade Atlas. IHS Connect; accessed May 23, 2025. (See Notes d and f)

Notes

- a. GDP in 2017 constant prices and estimated industry price deflators indexed to 2017.
- b. For nominal GDP up to (and including) 2017.
- c. Each product in the dataset represents the total for a custom grouping of HS codes. The following table provides data from the figure:

Major Region ^a	Forest Product Exports (2024)
China	\$3,673,975,121
East Asia and Pacific	\$2,644,649,396
Europe and Central Asia	\$1,023,158,077
Latin America and Caribbean	\$385,616,666
Middle East and North Africa	\$85,651,296
North America	\$3,201,651
South Asia	\$891,959,323
Sub-Saharan Africa	\$68,095,135
United States	\$28,469,777,434
Total	\$37,246,084,099

^aRegions are categorized according to the World Bank. Antarctica is not included (Canada exported \$28 of forest products to Antarctica in 2024).

- d. Forest products include only HS codes 44, 47, and 48.
- e. Estimates are from the Environmental and Clean Technology Products Economic Account (ECTPEA). ECTPEA GDP estimates are in nominal terms. Estimates for 2022 and 2023 are preliminary. Environmental and clean technology products are defined as any process, product or service that reduces environmental impacts through any of the following 3 strategies: (1) environmental protection activities that prevent, reduce or eliminate pollution of any other degradation of the environment; (2) resource management activities that result in the more efficient use of natural resources, thus safeguarding against their depletion; and (3) the use of goods that have been adapted to be significantly less energy or resources intensive than the industry standard.
- f. Global value comparisons are on a United States dollar basis.

Indicator: forest sector gross domestic product

In 2024, the forest sector contributed \$30.7 billion in nominal gross domestic product (GDP), a decrease of 1.1% year over year from 2023, and contributed 1.1% to Canada's total nominal GDP.¹⁻⁵ Real GDP for the forest sector also decreased by 1.7% from the previous year.⁶

The forest sector underperformed relative to Canada's total economy, which increased 2.5% (nominal GDP) and 1.6% (real GDP) in 2024.¹⁻⁶

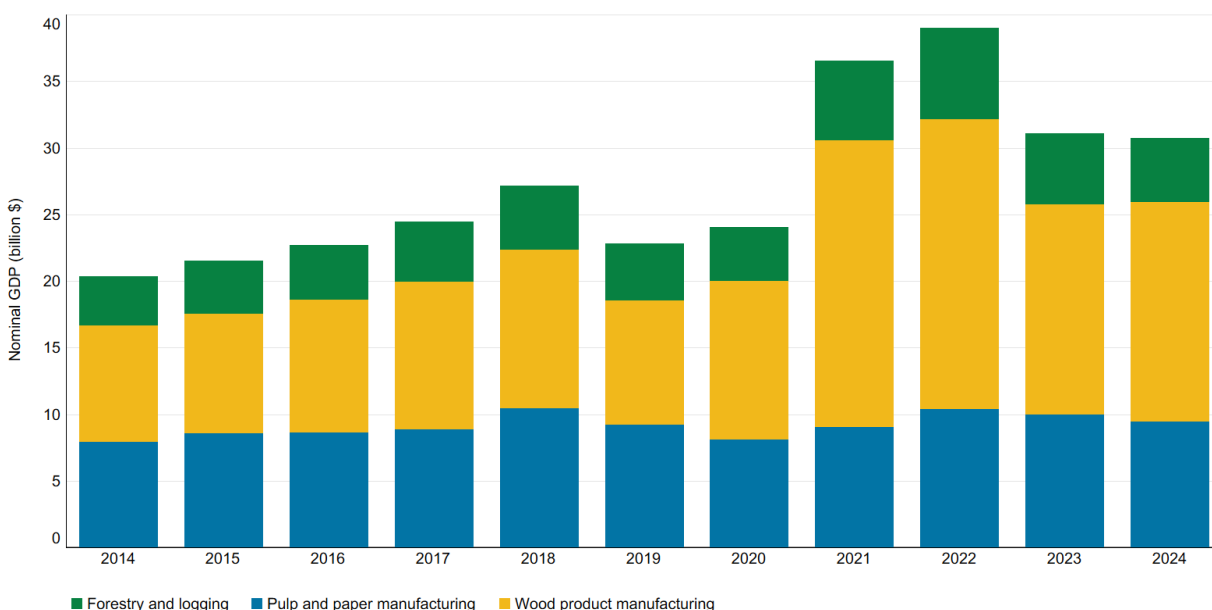
- Prices for softwood lumber and oriented strand board increased compared with 2023. These elevated prices contributed to the growth in the wood product manufacturing subsector, with increases of 1.8% for real GDP and 4.2% for nominal GDP compared to 2023, despite the overall decrease in GDP seen across the broader forest sector.¹⁻⁶
- Slightly higher pulp prices were offset by lower pulp production volumes in 2024. Furthermore, reduced paper and packaging prices coupled with slight increases in production led to a decrease of 5.3% in nominal GDP compared to 2023 for the pulp and paper manufacturing subsector.¹⁻⁵
- Nominal GDP in the forestry and logging subsector decreased 8.8%, driven mostly by reduced harvesting in British Columbia resulting from weak market conditions, challenges in accessing economic timber, and natural disturbances such as wildfires.¹⁻⁵

Gross domestic product (GDP) is a measure of the size of a country's economy.

Nominal GDP represents the total value of all final goods and services produced annually in a country.

Real GDP adjusts for price changes and provides a more accurate depiction of the change in economic output over time.

Canadian forest sector's nominal gross domestic product (GDP), 2014–2024^{1–5}



Graph summary

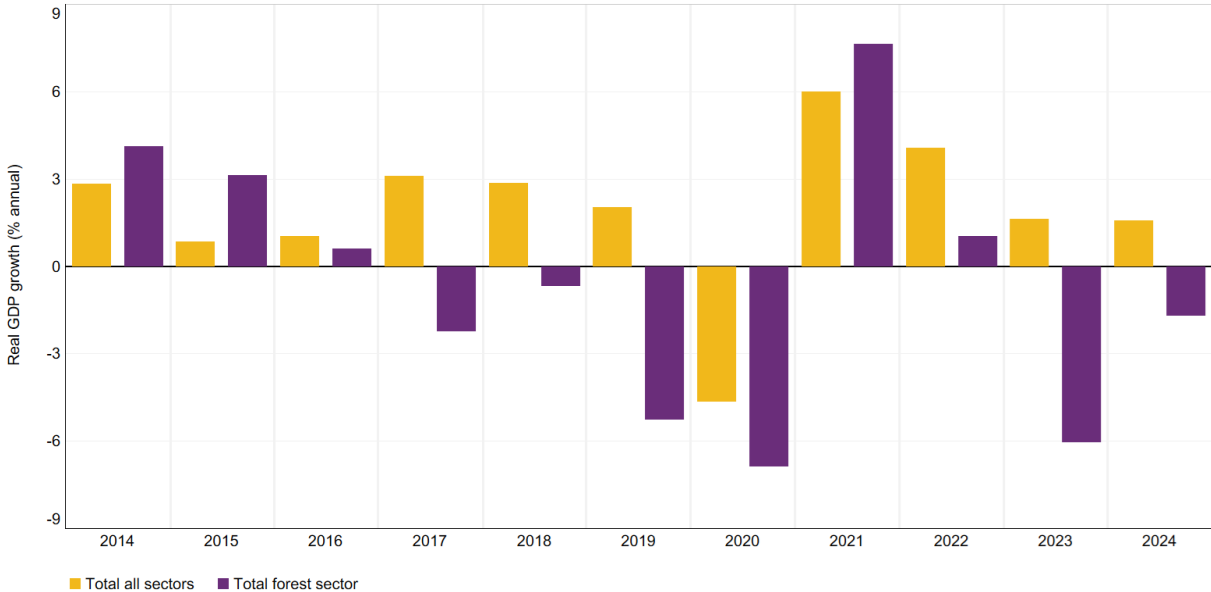
Comparison of the Canadian forest sector nominal gross domestic product by subsector for each year from 2014 to 2024.

Graph data

Nominal gross domestic product (billion dollars).

Year	Forestry and logging	Wood product manufacturing	Pulp and paper manufacturing
2014	3.73	8.72	7.93
2015	3.99	8.96	8.58
2016	4.09	9.99	8.61
2017	4.52	11.12	8.84
2018	4.82	11.86	10.47
2019	4.28	9.34	9.22
2020	4.04	11.88	8.11
2021	5.98	21.51	9.03
2022	6.85	21.77	10.39
2023	5.30	15.79	9.98
2024	4.83	16.46	9.45

Canadian forest sector's real gross domestic product (GDP) growth, 2014–2024⁶



Graph summary

Comparison of the growth (in percentage) of the real gross domestic product in Canada for all sectors and for the forest sector from 2014 to 2024.

Graph data

Real gross domestic product growth (% annual)

Year	Total all sectors	Total forest sector
2014	2.8	4.1
2015	0.9	3.1
2016	1.0	0.6
2017	3.1	-2.2
2018	2.8	-0.7
2019	2.0	-5.3
2020	-4.7	-6.9
2021	6.0	7.6
2022	4.1	1.0
2023	1.6	-6.0
2024	1.6	-1.7

Why is this indicator important?

- Contribution to nominal GDP is one of the key indicators used to compare the size of Canada’s forest sector with its other economic sectors.

What is the outlook?

- Despite ongoing trade challenges and a comparatively higher interest rate environment, long-term prospects for solid wood products are strong, supported by expected strong demand for new homes in Canada and the United States, and both countries' goals of addressing housing affordability.
- Demand for containerboard and other packaging products is a source of growth for the pulp and paper subsector due to the continued shift towards e-commerce and home delivery shopping. Other opportunities exist in tissue and hygiene products and high-value bioproducts.

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5. Statistics Canada. Table 36-10-0401-01. Gross domestic product (GDP) at basic prices by industry (x 1,000,000); 2017–2021 [updated 2025 Aug 8]. <https://doi.org/10.25318/3610040101-eng> (See Notes a and b)
6. Statistics Canada. Table 36-10-0434-04. Gross domestic product (GDP) at basic prices, by industry, monthly (x 1,000,000); Jan 2025–May 2025 [updated 2025 Aug 8]. <https://doi.org/10.25318/3610043401-eng> (See Notes c–e)

Notes

- a. For nominal GDP up to (and including) 2017.
- b. GDP in 2017 constant prices and estimated industry price deflators indexed to 2017.
- c. Real GDP in 2017 constant prices.
- d. Nominal and real GDP differ in that real values are adjusted for inflation whereas nominal values are not. Therefore, real GDP is used to account for differences between periods (e.g., comparing previous 2 years' GDP).
- e. Data from Statistics Canada's Natural Resources Satellite Account (NRSA) are a key source of information on the economic contribution of the forest sector in Canada. The NRSA, the result of collaboration between Natural Resources Canada and Statistics Canada, can capture economic activity in forest industry segments that have traditionally been difficult to measure, such as wood furniture manufacturing. According to data from the NRSA, the forest sector directly accounted for \$31.5 billion to Canada's nominal GDP (1.1% of total GDP) in 2024.

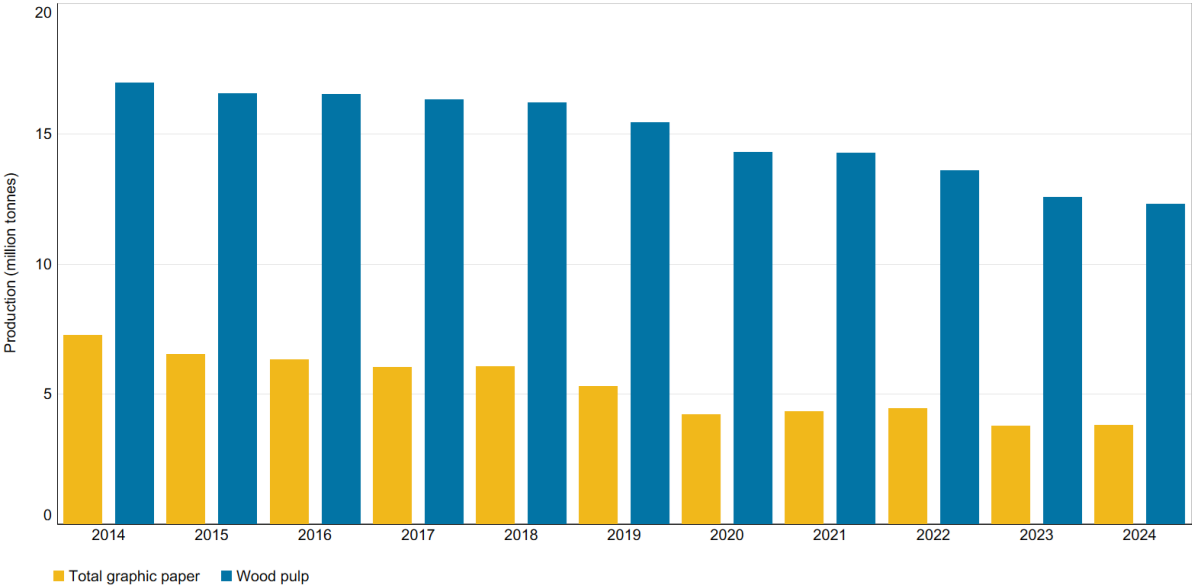
Indicator: production of forest products

Production of forest products in Canada was stable in 2024, a notable shift from the downward trends seen across most forest product groups in recent years. Significant growth in 2024 compared to 2023 was seen in glue-laminated timber (11%) and laminated veneer lumber (12%).¹

Canada is one of the world’s leading producers of newsprint, northern bleached softwood kraft pulp, and softwood lumber.

- Softwood lumber production was relatively steady, decreasing 1% in 2024 from 2023. This follows year-over-year decreases of 5% in 2023 and 10% in 2022. The downward trend in lumber production since 2018 is linked to reduced availability of low-cost fibre in key producing regions (e.g., British Columbia) after the mountain pine beetle epidemic and the increased incidence and severity of wildland fires.^{2,3}
- Year-over-year structural panel production increased 3%, rebounding from a 5% decrease in 2023. This growth was led by an increase in year-over-year oriented strand board production (4%), supported by higher prices across 2024.¹
- Year-over-year wood pulp production continued its long-term downward trend in 2024, although at a more modest rate compared with recent years: in 2024, -2%; in 2023, -8%; in 2022, -5%. Although demand for wood pulp exports grew in 2024, production was limited due to the reduced availability of sawmill residues (used to produce pulp) following sawmill curtailments and closures.⁴
- Graphic paper production remained stable in 2024 (a 1% increase year-over-year), following a sharp 15% decrease in 2023.⁴

Canadian production of graphic paper and wood pulp, 2014–2024⁴



Graph summary

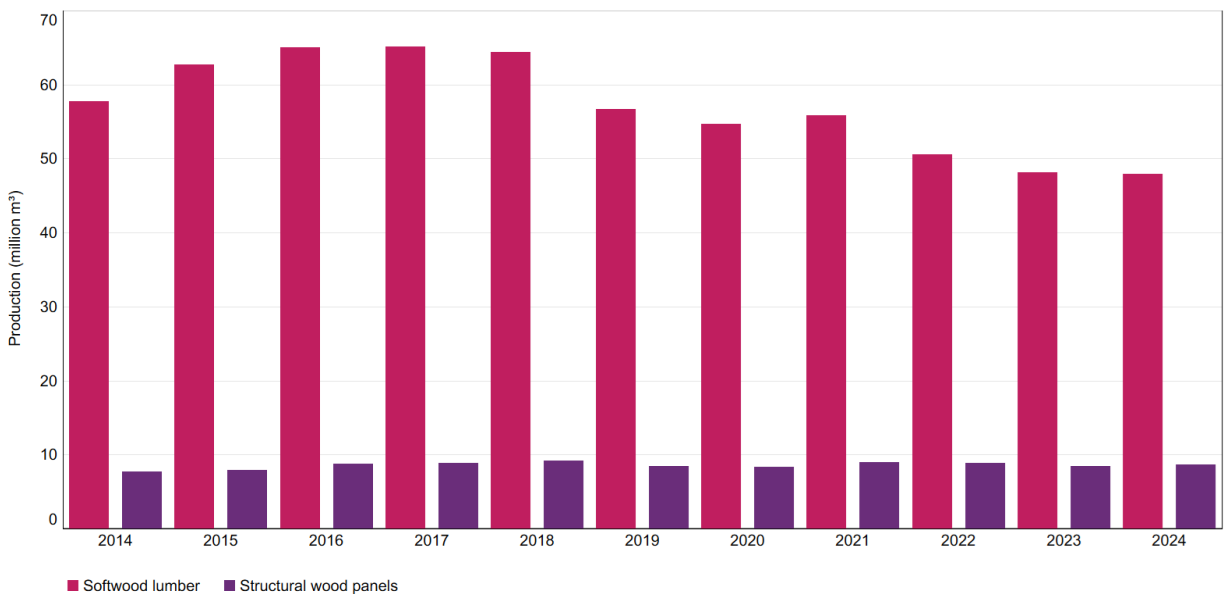
Comparison between the Canadian production of the total graphic paper and wood pulp for each year from 2014 to 2024.

Graph data

Production (million tonnes)

Year	Total graphic paper	Wood pulp
2014	7.27	16.96
2015	6.54	16.55
2016	6.34	16.51
2017	6.03	16.30
2018	6.05	16.18
2019	5.29	15.42
2020	4.22	14.30
2021	4.32	14.26
2022	4.44	13.58
2023	3.77	12.56
2024	3.81	12.30

Canadian production of softwood lumber and structural wood panels, 2014–2024¹⁻³



Graph summary

Comparison between the production of softwood lumber and structural wood panels for each year from 2014 to 2024.

Graph data

Production (million cubic metres)

Year	Softwood lumber	Structural wood panels
2014	7.69	1.50
2015	7.97	1.72
2016	8.73	1.60
2017	8.92	1.49
2018	9.17	1.25
2019	8.45	1.03
2020	8.30	1.00
2021	8.94	0.88
2022	8.87	0.87
2023	8.42	0.90
2024	8.64	0.86

Why is this indicator important?

- Canada is one of the world’s top manufacturers and exporters of forest products, and its production levels serve as an early indicator of economic and market shifts affecting the forest sector.

What is the outlook?

- A limited supply of economic timber driven by rising log costs and reduced economic fibre availability, is expected to continue in 2025, dampening production of solid wood products and pulp. Sawmilling downtime also affects pulp and paper production by reducing the supply of wood chips, which are a key input.
- Over the medium term, efforts to expand housing supply in Canada are expected to support domestic construction activity and solid wood product demand (lumber and structural panels).

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2. Statistics Canada. Table 16-10-0045-01. Lumber, production, shipments and stocks, monthly (x 1,000); Aug 2018–Dec 2018 [updated 2025 Aug 8]. <https://doi.org/10.25318/1610004501-eng> (See Notes b–d)
3. Statistics Canada. Table 16-10-0017-01. Lumber production, shipments, and stocks by species, monthly (x 1,000); Jan 2025–May 2025 [updated 2025 Aug 8]. <https://doi.org/10.25318/1610001701-eng> (See Notes b, c, and e)
4. Production data of total graphic paper and wood pulp. Personal communication. Pulp and Paper Products Council; 2025 Apr 16. (See Notes f and g)

Notes

- a. For production data of structural panels (plywood and oriented strand board).
- b. Statistics Canada sources are for production data of lumber, which include total softwood production for Canada.
- c. In January 2019, Statistics Canada noted that they made changes to the sampling and estimation methods for the monthly Sawmills survey, which is the source of the softwood lumber production data for this indicator. As a result of these changes, Statistics Canada replaced Table 16-10-0017-01 with Table 16-10-0045-01 as of January 2019. For more information, see <https://www150.statcan.gc.ca/n1/daily-quotidien/200302/dq200302a-eng.htm>
- d. Lumber production data for years 2010 to 2013 (inclusive).
- e. Lumber production data for years 2014 to 2023 (inclusive).
- f. For production data of total graphic paper and wood pulp.
- g. Because of changes in sampling and estimation methods in the Sawmills survey, readers should exercise caution in directly comparing data from different sources.

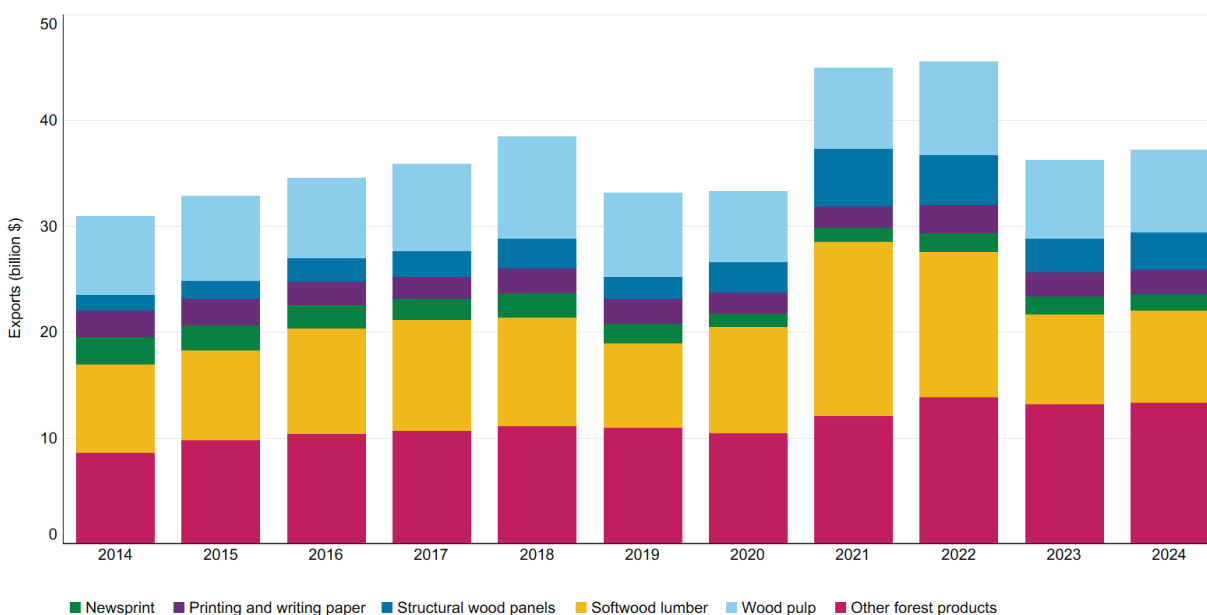
Indicator: exports of forest products

In 2024, the year-over-year value of Canada's total forest product exports increased by \$1 billion (3%) to \$37.2 billion, driven largely by higher forest products prices. This followed a period of market adjustment after years of price volatility and supply chain disruptions.¹

In 2024, Canada remained the world's leading exporter of softwood lumber, northern bleached softwood kraft pulp, oriented strand board, and newsprint.²

- Values of structural wood panel exports had the strongest growth in 2024, with export values increasing by \$0.4 billion (12%), somewhat recovering from a sharp decrease (33%) the previous year. The growth was supported by steady demand in construction and renovation markets. Wood pulp export values also increased by \$0.4 billion (5%), whereas the value of softwood lumber exports increased slightly by \$0.3 billion (3%).¹
- The value of printing and writing paper exports increased slightly by \$16 million (0.7%). However, the volume exported decreased sharply (24%) reflecting continued shifts to digital alternatives.¹
- Export volumes showed different patterns across other products, with wood pulp and newsprint volumes both increasing by 4%. In contrast, softwood lumber export volumes decreased slightly by 0.3% as supply remained constrained by production curtailments and mill closures.¹

Exports of Canadian forest products, 2014–2024¹



Note: Exports are reported in nominal dollars (not inflation-adjusted)

Graph summary

Comparison of the export value among various Canadian forest products, for each year from 2014 to 2024.

Graph data

Exports (billion dollars)

Year	Softwood lumber	Newsprint	Printing and writing paper	Structural wood panels	Wood pulp	Other forest products
2014	8.3	2.6	2.5	1.4	7.5	8.6
2015	8.5	2.3	2.6	1.6	8.0	9.8
2016	10.0	2.2	2.2	2.2	7.6	10.3
2017	10.4	2.0	2.1	2.5	8.3	10.7
2018	10.2	2.3	2.4	2.7	9.7	11.1
2019	8.0	1.9	2.4	2.0	8.0	10.9
2020	10.0	1.3	2.0	2.9	6.7	10.4
2021	16.4	1.4	2.0	5.5	7.7	12.1
2022	13.7	1.8	2.6	4.7	8.9	13.8
2023	8.5	1.7	2.3	3.2	7.5	13.1
2024	8.8	1.5	2.3	3.6	7.9	13.3

Why is this indicator important?

- Exports of forest products are a major driver of Canada's forest sector and rural economies. As one of the world's largest forest product exporters, Canada remains an important supplier to global markets.
- With an abundant and sustainably managed wood supply, the Canadian forest sector meets the needs of consumers worldwide. By exporting forest products, the sector supports climate change mitigation goals while making a substantial contribution to Canada's economy and balance of trade.

What is the outlook?

- The near-term outlook for forest product exports is uncertain due to trade challenges with the United States (US). US import duties imposed on Canadian softwood lumber and the US Section 232 national security investigation of imports of forest products³ could result in further trade measures imposed against Canadian forest products.
- Looking beyond the current trade challenges, the longer-term outlook for solid wood product exports, including lumber and panels (both structural and non-structural) remains strong. Efforts to expand housing supply as well as increased home repair and remodeling activity in North America should further support growth in solid wood product exports.
- Underlying demographic trends are expected to drive higher demand for home construction, repair, and remodeling in both Canada and the US, which would support growth in forest products.
- Export values for certain pulp and paper products are expected to decrease as demand for items such as newsprint and printing and writing paper will continue their long-term, downward trend.

Sources and information

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2. Global Trade Atlas (special extraction May 5, 2025). IHS Connect. (See Notes b–d)
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Notes

- a. Each product in this dataset represents the total for a custom grouping of HS codes.
- b. Forest Products include only HS codes 44, 47 and 48.
- c. Softwood Lumber includes only HS codes 440710, 440711, 440712, 440713, 440714, and 440719.
- d. Global value comparisons are on a United States dollar basis.

How is the forest sector changing?

Although Canada's forest sector continues in the face of ongoing challenges, its core components show stability, according to the latest data presented in this section.

Secondary manufacturing

In 2024, the manufacturing of various value-added product lines for the Canadian economy remained relatively stable. This stability is central to the future of the sector, which depends on its ability to innovate and adapt to changing customer preferences and technologies, and to maintain a healthy operating base within the primary forest product industry. For example, a large proportion of harvested logs are processed at sawmills, providing raw materials (e.g., wood residues) for both conventional and emerging manufacturing operations.

Circular and advanced bioeconomy

There are opportunities in the advanced forest bioeconomy, which provides innovative wood-based building materials such as mass timber and prefabricated modules for Canada's residential sector. Furthermore, circular bioeconomy activities that use wood residuals to create bioproducts ensure that all parts of harvested trees are used to generate benefits.

Circular construction activities can reuse or recycle materials. For example, composite panels can be made from construction and demolition waste. Another option for end-of-life materials is bioenergy, increasing Canada's energy security while avoiding landfilling wood-based materials.

Energy and climate

Although the forest sector provides benefits to Canadians, its energy efficiency and climate emissions are monitored. Canada's forest sector continues to use less total energy over time, owing to facility upgrades, and the use of bioenergy from wood residuals. However, the decline in the manufacturing of certain forest products has also contributed to the overall reduction of energy needs in the sector.

By using residuals for heat and power, forest sector facilities are creating value from biomass and helping reduce their emission of greenhouse gases from fossil fuel. As the sector advances with new products and more value-added manufacturing, there are further opportunities to provide benefits for the economy, society, and environment.

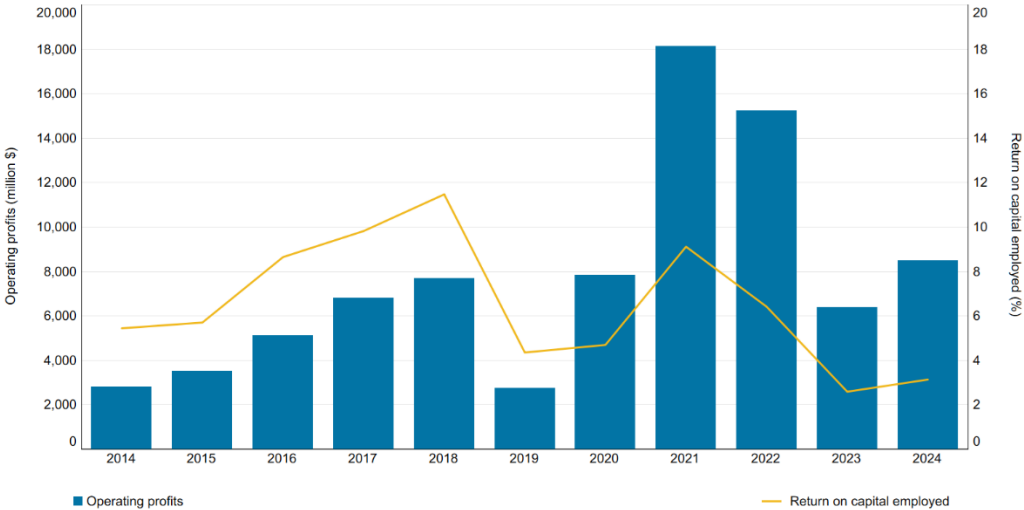
Indicator: forest sector financial performance

Financial performance in the forest sector bounced back in 2024 after a sharp decrease in 2023. In 2024, operating profit levels increased more than 30% from 2023; compared with 2019 (the lowest level of the last decade), it was an increase of 210%. However, the 2024 operating profit levels remained less than half of the 2021 record high that was reached during the pandemic boom,^{1,2} when lumber prices were at their peak.³ The forest sector is a capital-intensive industry — requiring substantial investments — and generated a return on capital employed of 3% in 2024, slightly above 2023 levels but the second lowest over the last decade.^{1,2}

Both operating profits and the return on capital employed indicate the economic competitiveness of the forest sector. Operating profit measures the difference between operating revenues and operation expenses. Return on capital employed measures the efficiency of capital in generating profits for the sector.

- Reduced availability of economic timber, rising production costs, weak market demand, and low lumber prices³ led to production cuts and sawmill closures in 2024.⁴ This reduced supply helped to increase prices later in the year, improving profit margins for producers who maintained output.
- In the pulp and paper sector, weak global demand early in the year was mitigated by unplanned global supply disruptions mid-year, including sawmill shutdowns and logistical bottlenecks in China. These disruptions reduced global supply, lifted pulp prices,⁵ and increased Canadian export volumes, which boosted overall profitability.
- North American markets continued to grapple with inflation and high interest rates, dampening demand and investments. In response, companies prioritized cost control measures, such as selective curtailments at higher-cost facilities and conservative investments targeting improved efficiency and reduced operating costs. They also continued to pursue projects in low-cost regions, such as the southern United States (US) where favorable logistics and access to abundant timber support more competitive operations.⁶⁻⁸

Financial performance by Canada's forest sector, 2014–2024²



Note: Operating profits are reported in nominal dollars (not inflation-adjusted)

Graph summary

The operating profits and return on capital employed in the forest sector for each year from 2014 to 2024.

Graph data

Year	Operating profits (million dollars)	Return on capital employed (%)
2014	2,811	5.4
2015	3,508	5.7
2016	5,121	8.6
2017	6,816	9.8
2018	7,698	11.5
2019	2,743	4.4
2020	7,834	4.7
2021	18,129	9.1
2022	15,237	6.4
2023	6,389	2.6
2024	8,494	3.1

Why is this indicator important?

- Strong financial performance is critical for the forest sector’s ability to attract investment and remain economically competitive, generating economic benefits for Canadians.
- Operating profits and return on capital employed are key indicators of this performance.

What is the outlook?

- US and Canadian construction activity is a major demand driver for solid wood products, while protectionist trade measures create uncertain market conditions that could negatively affect financial results in Canada's forest sector.
- Over the medium term, Canada and the US aim to address housing affordability by increasing housing supply, which should benefit the forest sector.^{8,9}
- The pulp and paper segment is expected to continue to face pressure from decreasing traditional paper sales, partially offset by growth in the packaging sector.¹⁰ Sector-wide innovation and a shift toward higher-value products can support future financial resilience.

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10. Cavanagh P. Market sentiment showing signs of recovery: global pulp outlook: 2025 preview. Fastmarkets; 2025 March 14 [accessed 2025 Aug 8]. www.fastmarkets.com/insights/market-signs-recovery-global-pulp-outlook-2025/

Notes

- a. For data before and including 2019, as Statistics Canada discontinued the use and update of this source (from 2000 onward, Table 33-10-0225-01 serves as the replacement).
- b. For data including and beyond 2020.

Indicator: forest sector secondary manufacturing

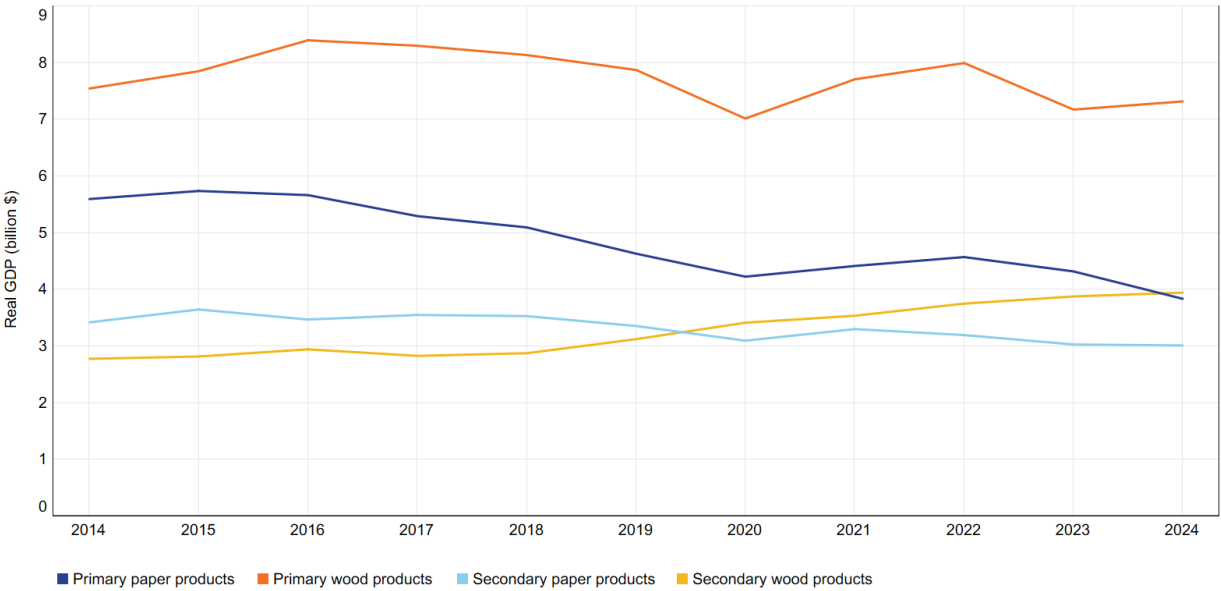
The secondary forest product manufacturing subsector in Canada generated \$6.95 billion in real gross domestic product (GDP) in 2024,¹ remaining relatively steady over the past few years.

- The secondary wood manufacturing subsector contributed \$3.94 billion in real GDP,¹ a 1.8% increase over the 2023 level. With the net exports falling by 12%,² the increase is primarily attributed to stronger domestic consumption.
- The real GDP for the secondary paper manufacturing subsector was \$3.01 billion,¹ a 0.6% decrease from the 2023 level. Although domestic consumption increased by 4% the increase was offset by an increase in competing imports leading to a modest decline in increases.^{2,3}

Forest sector secondary manufacturing is the further processing of primary products of lumber and raw paper into more finished products such as cabinets, paper bags, etc.

The industry real GDP is an inflation-adjusted value. It is obtained by calculating the difference in value (\$) between the industry's output and the inputs it purchases from other industries (e.g., energy or materials).

Real gross domestic product (GDP) from primary and secondary wood and paper product subsectors in Canada, 2014–2024¹⁻³



Graph summary

Comparison of the gross domestic product from primary and secondary wood and paper products in Canada for each year from 2014 to 2024.

Graph data

Gross domestic product (billion dollars)

Year	Primary paper products	Primary wood products	Secondary paper products	Secondary wood products
2014	5.6	7.5	3.4	2.8
2015	5.7	7.8	3.6	2.8
2016	5.7	8.4	3.5	2.9
2017	5.3	8.3	3.5	2.8
2018	5.1	8.1	3.5	2.9
2019	4.6	7.9	3.4	3.1
2020	4.2	7.0	3.1	3.4
2021	4.4	7.7	3.3	3.5
2022	4.6	8.0	3.2	3.7
2023	4.3	7.2	3.0	3.9
2024	3.8	7.3	3.0	3.9

Why is this indicator important?

- The secondary forest product manufacturing sector generates additional employment and revenue and is a significant and integral part of the forest product industry, representing 38% of real GDP,¹ 38% of the sales,³ 20% of the exports, and 57% of the domestic consumption.^{2,3}
- Complementing the primary sector, the secondary forest product manufacturing sector mitigates risks related to both timber supply and market demand. It creates a cushion against upstream supply shocks for the communities and stabilizes economies by focusing on domestic markets instead of volatile global ones, reducing reliance on exports.

What is the outlook?

- The secondary wood manufacturing subsector will benefit from the positive momentum driven by Canada's housing and infrastructure needs and the growing demand of sustainable and renewable materials in the construction. It faces challenges like United States tariffs and timber shortages, although United States policies could pressure primary producers to shift toward value-added products.
- Despite the rising demand for paper-based packaging, the secondary paper product subsector could continue to face challenges such as competing imports and rising production costs.

Sources and information

1. Statistics Canada. Table 36-10-0434-04. Gross domestic product at basic prices, by industry, monthly, industry detail; Jan 2025–May 2025 [updated 2025 Aug 8]. <https://doi.org/10.25318/3610043401-eng> (See Notes a and b)

2. Statistics Canada. Table: 12-10-0136-01. Canadian international merchandise trade by industry for all countries; Feb 2024–Jun 2024 [updated 2025 Aug 8]. <https://doi.org/10.25318/1210013601-eng> (See Notes a and b)
3. Statistics Canada. Table 16-10-0047-01. Manufacturers' sales, inventories, orders and inventory to sales ratios, by industry (dollars unless otherwise noted); Jan 2025–May 2025 [updated 2025 Aug 8]. <https://doi.org/10.25318/1610004701-eng> (See Notes a and b)

Notes

- a. Real GDP is in 2017 constant prices.
- b. Domestic consumption is calculated as the following: domestic sales – exports + imports.

Indicator: forest sector fossil carbon emissions

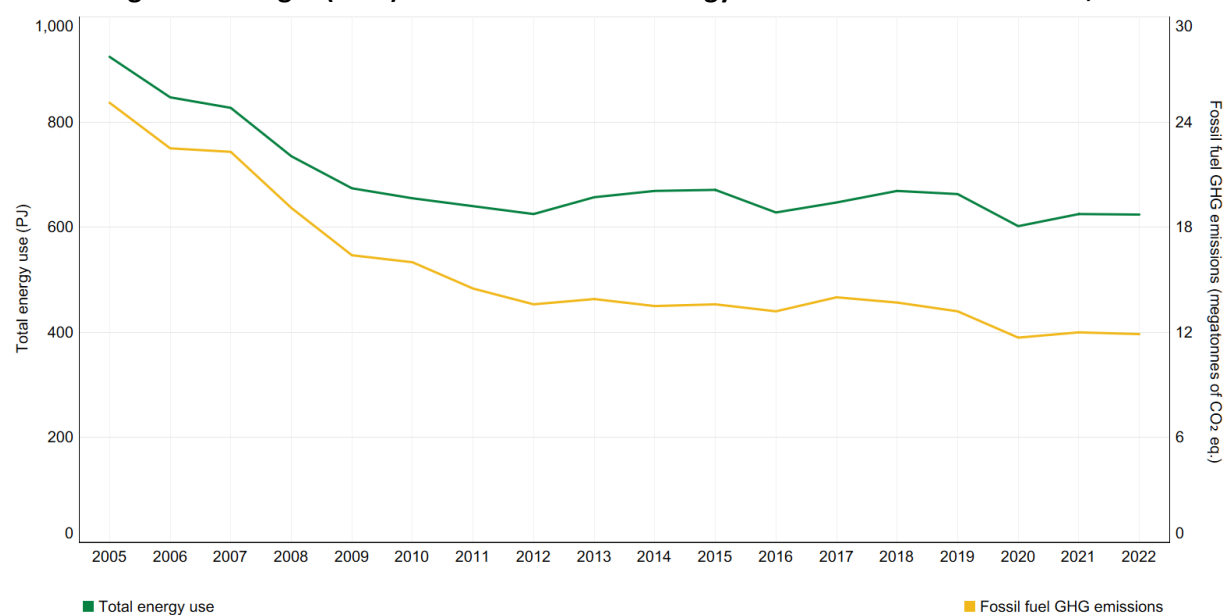
Following a pronounced reduction between 2005 and 2011, greenhouse gas (GHG) emissions from the use of fossil fuels at forest sector facilities have decreased more slowly since 2011.¹ Reductions in GHG emissions followed improvements in energy efficiency, increased use of forest biomass for heat and power generation, and reduced production capacity for certain types of forest products.

- Bioenergy meets 53% of the total annual energy demand of the forest sector. Increased bioenergy shares in wood product manufacturing, in addition to switching away from fuels such as coal and heavy fuel oil, has contributed to reducing GHG emissions from fossil fuels (direct and indirect emissions) in forest industry operations by 52% from 2005 through 2022.¹
- Total energy demand for the sector has decreased by 32% from 2005 through 2022 owing to reductions in industrial activities and energy efficiency improvements.¹
- Energy use in 2022 and GHG emissions remain mostly unchanged from 2021, remaining at levels lower than before the COVID-19 pandemic.

This indicator only considers GHG emissions released from the combustion of fossil fuels (mainly natural gas and oil) for forest industry operations; including indirect fossil fuel emissions for electricity used in the sector.

Pulp and paper mills released 72% of the forest sector's fossil GHG emissions in 2022, mostly due to natural gas and electricity use. Wood product manufacturing also relied on natural gas and electricity, but in smaller quantities. Forestry activities used GHG-intensive diesel fuel to operate harvesting equipment.

Fossil fuel greenhouse gas (GHG) emissions and total energy use in Canada's forest sector, 2005–2022¹



Graph summary

The total energy use and the greenhouse gas emissions from Canada's forest sector for each year from 2005 to 2022.

Graph data

Year	Total energy use (petajoules)	Greenhouse gas emissions (million tonnes of CO ₂ equivalent)
2005	924	25.1
2006	847	22.5
2007	827	22.3
2008	735	19.1
2009	674	16.4
2010	655	16.0
2011	640	14.5
2012	625	13.6
2013	657	13.9
2014	669	13.5
2015	671	13.6
2016	628	13.2
2017	647	14.0
2018	669	13.7
2019	663	13.2
2020	602	11.7
2021	625	12.0
2022	624	11.9

Why is this indicator important?

- Tracking annual emissions from fossil fuels is important to measure the forest sector's transition to net zero in industrial operations.
- Reliable data on fossil fuel GHG emissions associated with forest industry operations complements information on biogenic emissions and removals from forests and wood products (see Indicator: forest greenhouse gas fluxes). Considering both types of emissions data allows for a more accurate picture of GHG emissions associated with the entire forest sector. A portion of the emissions are part of the natural carbon cycle, where emissions occur alongside carbon removals as trees grow back and carbon is stored before being released by end-of-life forest products, as opposed to fossil emissions that are net additions to the atmosphere.

What is the outlook?

- Canada's forest sector continues to reduce emissions in other sectors. The substitution of carbon-intensive materials and energy sources in favour of forest products like mass timber, biocoal, and biocarbon can decrease GHG emissions across Canadian industry.
- Biomass for energy use is mainly a by-product of forest product manufacturing (i.e., lumber, pulp and paper, etc.) and increasingly post-consumer and demolition waste. In the future, residues from activities such as forest thinning and the use of FireSmart practices could become sources of bioenergy.
- Bioenergy with carbon capture and sequestration (BECCS) technology can support Canada's decarbonization goals and result in net negative emissions energy production. Pulp and paper mills emit large quantities of biogenic carbon dioxide by burning waste biomass for energy, making them good candidates for BECCS development, especially in provinces with existing carbon dioxide transport and storage infrastructure such as Alberta. A few BECCS projects are operating in Canada, with more under development.

Sources and information

1. Comprehensive Energy Use Database. Natural Resources Canada; accessed 2025 April 29. https://oee.nrcan.gc.ca/corporate/statistics/neud/dpa/menus/trends/comprehensive_tables/list.cfm (See Notes a–c)

Notes

- a. The Office of Energy Efficiency at NRCan has changed the base year related to its National Energy Use Database from 1990 to 2000, beginning with the release of 2018 data. This change in methodology has resulted in minor changes in the energy use and GHG emissions data back to 2000. This rebasing is to ensure that National Energy Use Database reflects developments in trends and structures of Canada's energy end use and efficiency across sectors. It also synchronizes Canada's energy use data reporting with changes recently made by the International Energy Agency. Although new estimates are no longer made available for years prior to 2000, data with the new base year are expected to better service the development, implementation, and monitoring of

- government policies; programs and projects; evidence-based decision-making; industrial and market analysis and projection; and energy use literacy, education, and stakeholder engagement.
- b. Direct emissions come from sources that are owned or controlled by the reporting entity. Indirect emissions are emissions that are a consequence of the activities of the reporting entity but that occur at sources owned or controlled by another entity. For this indicator, indirect emissions reported only include emissions from electricity generation.
 - c. National Resources Canada's Comprehensive Energy Use Database is compiled using the following sources:
 - 1. The Canadian Energy and Emissions Data Centre, Simon Fraser University. 2024
 - 2. Statistics Canada. 2024. Report on Energy Supply and Demand in Canada 2000–2022
 - 3. Natural Resources Canada. 2024. Industrial End-Use Model
 - 4. Environment and Climate Change Canada. 2024. National Inventory Report 1990–2022: Greenhouse Gas Sources and Sinks in Canada

Key facts and figures

Canada's forests: sustaining nature, powering economy

Canada's tree nursery sector supports national economic growth and ecological restoration:



Contributes **\$535.4 million/yr** to Canada's gross domestic product (2019-2023 average)



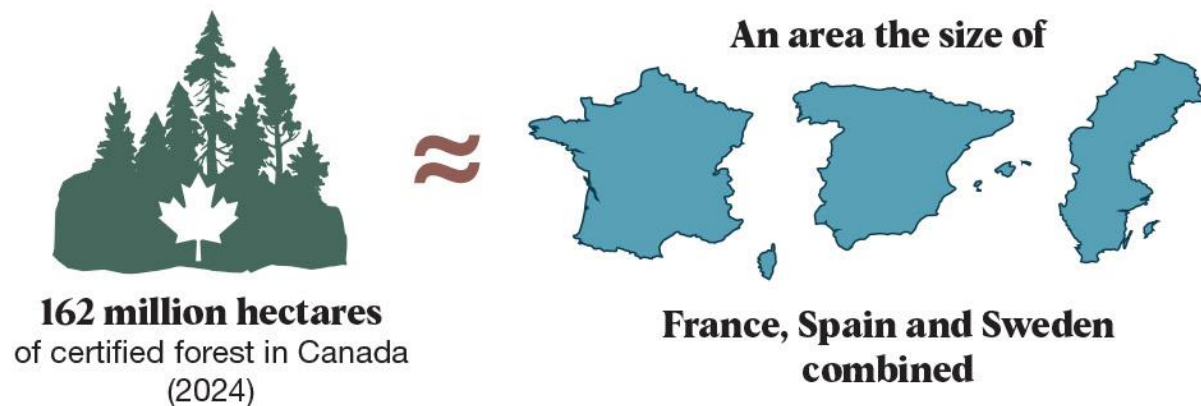
Generates **4,378** full-time equivalent **jobs**



Produces **726 million seedlings/yr** including approximately 600 million used to regenerate Crown forest harvested for timber production (2019-2023 average)

Canada is a global leader in third-party forest sustainability certification:

- Forest certification confirms that forests are managed responsibly according to recognized sustainability standards.
- The 3 independent certification programs used in Canada are:
 - The Forest Stewardship Council
 - Program for the Endorsement of Forest Certification Canada
 - The Sustainable Forestry Initiative
- 9.5% of the world's forests are independently certified, and 41% of these certified lands are in Canada.



Environmental changes in forest reflected by amphibians and reptiles



Of the **96 species of amphibians** and **reptiles** documented in Canada, 66 species are associated with forest habitats.

Forest-dwelling **amphibians** serve as early indicators of forest ecosystem health due to their permeable skin, which makes them especially sensitive to environmental changes and pollution.

Several species have developed strategies to survive Canadian winters:



The **wood frog** can endure partial freezing of its body thanks to natural antifreeze compounds, whereas **garter snakes** hibernate communally in underground dens called hibernacula.



Many forest species encounter serious challenges:



The **wood turtle** is considered vulnerable mainly due to habitat fragmentation and road mortality.

Canada's professional foresters: Guardians of sustainable forest management



As of 2024, there were more than **5,500 recognized professional foresters*** within Canada.

*A professional forester is a licensed expert who manages and protects forests by balancing environmental, social, and economic needs to ensure long-term forest health and sustainability.