

# Saskatchewan's Forestry Sector



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## Forestry Resources

- Over half of Saskatchewan is forested, representing 34 million hectares, of which greater than 90% is owned by the province
- Saskatchewan's Commercial Forest Zone is 11.7 million hectares, of which 5.3 million hectares are classified as productive forest land available for commercial timber harvesting
- The current Annual Allowable Cut (AAC) for timber harvested from the Commercial Forest Zone is 8.4 million cubic metres (4.8 million softwood tree species and 3.6 million hardwood tree species)
- 1.0 million oven-dried tonnes of biomass per year available from forest products mill wood waste and timber harvesting operations

## Forestry Economy

- Forestry is northern Saskatchewan's second largest industry
- Existing forest industry has the mill capacity to utilize approximately 70% of the AAC, leaving 2.5 million cubic metres of timber available for new mill investments

- 2018 forest products sales over \$1.2 billion and the sector supported nearly 8,000 direct and indirect jobs
- Full sector development utilizing majority of AAC has the potential to generate over \$2 billion in forest products sales annually & support nearly 12,000 direct & indirect jobs
- Over 75% of primary forest products are exported to other countries
- First Nations and Métis people comprise over 30% of the workforce, by far the largest percentage of Indigenous forestry employees in Canada

## Forestry Industry

- Well-established and competitive with leading-edge technology
- Eight large forest-products manufacturing facilities which produce lumber, pulp and panels
- Over 210 small businesses that produce a variety of forest products
- Well positioned to harvest record levels of timber and produce record levels of forest products as early as 2021



Saskatchewan's forests are sustainably managed and its forestry sector is globally competitive.

## Competitive Edge

### **Investment Climate**

- Strong government support for development and growth of the forestry sector, including opportunities within the emerging bio-economy and other value-added forest products
- New investment opportunities are available for underutilized AAC, biomass and secondary manufacturing.
- Planned investments of \$500 million over the next four years
- Well-established transportation network providing excellent access to North American and offshore markets
- Well-trained, reliable and productive workforce
- Results based regulatory environment

### **Tax Structure**

- Manufacturing and processing tax rate as low as 9.5%
- Corporate income tax rate of 12%
- No corporate capital tax

### **Timber Royalties**

- Saskatchewan has a competitive and market-based timber royalty system

## Bottom Line

- Saskatchewan's forests are sustainably managed and its forestry sector is globally competitive
- Competitive forest-products manufacturing costs and taxes
- Significantly underutilized timber resource presents substantial new investment opportunities and increased forest products export potential

*Are you interested in learning more about Saskatchewan's forestry sector?*



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