



Sectoral Profile

Forestry and logging

NAICS 113

Quebec

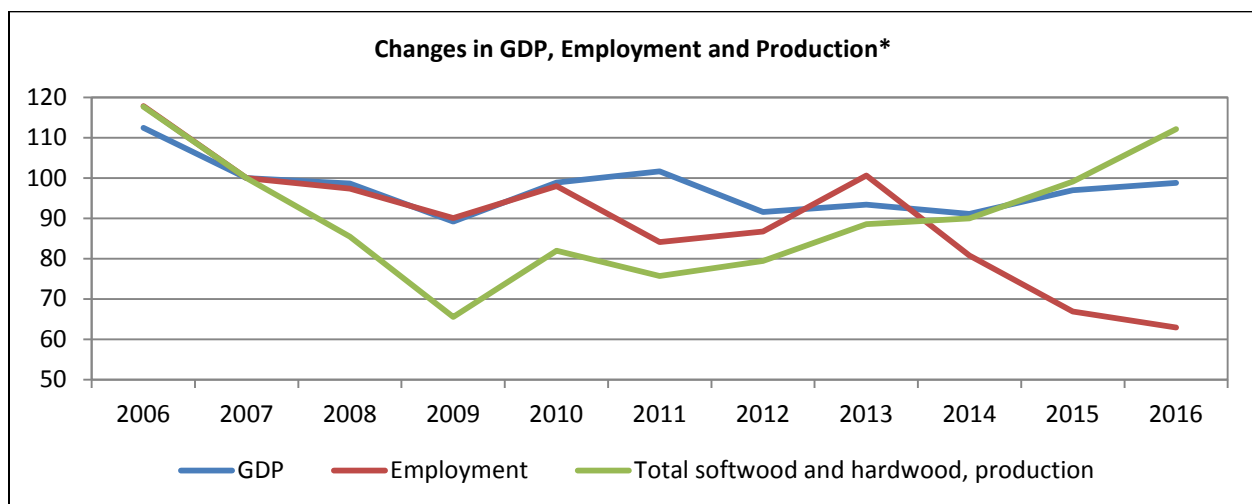
2018-2020*



- Employment in the industry has been falling significantly for the last 20 years
- The decline in the workforce is mainly due to a drop in demand for newsprint
- In 2016, the United States imposed import duties on Canadian supercalendared paper, then on Canadian softwood lumber in 2017; the Forestry—Wood Product Manufacturing—Paper Manufacturing cluster is tackled on many side, and the impacts could be significant, in case of a trickle-down effect on goods and services providers

Since 1998, the workforce in forestry and logging has shrunk by over 60% in Quebec. The business environment suffered many hits, one after the other: declining interest of consumers in wood furniture and cabinets, gradual shift from newspaper and magazines to electronic platforms, and a significant decrease in the need for softwood lumber due to the decline of residential construction in Canada and the bursting of the real estate bubble in the United States.

The demand deteriorated, in both the domestic and export markets, even more so with the strengthening of the Canadian dollar during the 2000s.



* Data are expressed as indices with 2007 = 100
Sources: Statistics Canada, Employment – LFS, Production – CANSIM 303-0064

* This document is the result of analyses performed using information available as at April 5, 2018.

The level of activity in the industry has also been affected by periodic adjustments to the allowable cut made by Quebec's Chief Forester. In keeping with his mandate to ensure the sustainability of the resource, the Chief Forester conducts a review of the state of public forests, which has resulted in periodic reductions in cutting rights.

Finally, a reassessment was needed following the restructuring that took place in industries like wood products and paper manufacturing, the main clients. Investments were made to optimize the use of all available resources, human and material, in order to enhance productivity. Of course, these did nothing for employment growth, but they enabled to stabilize part of the labour force over the past few years.

The business environment has improved since 2012. The Canadian dollar lost ground against the American currency, there was significant growth in residential construction in the United States, and the downturn in the Quebec residential industry was cut short. This generated much demand for softwood lumber and contributed to an overall improvement in prices. Softwood lumber production and shipments posted a significant increase as of that moment.

In October 2015, the end of the Softwood Lumber Agreement between Canada and the United States added uncertainty regarding future sales. Despite major discussions, it was not possible to secure an extension, or to reach a new agreement. In November 2016, a group of American businesses filed a complaint with the U.S. Department of Commerce: they believed the Canadian wood product manufacturing industry was able to secure stocks at a lower price, and thus was not following the rules of a free market. Following an inquest, the American agency responsible for international trade stated that their industry was materially injured by the Canadian imports. In April 2017, it recommended the imposition of countervailing and antidumping duties on Canadian softwood lumber, mainly sawn or chipped lengthwise, sliced or peeled, planed or not, sanded or end-jointed, coniferous, and builders' joinery and carpentry of wood.

Since April 2017, the United States have been imposing countervailing and antidumping duties on Canadian softwood lumber. This is in addition to the import duties imposed by the United States on Canadian supercalendared paper since 2016, and newsprint and printing paper made in Canada in January 2018. However, there is a significant difference between these markets: the softwood lumber market benefits from a strong US demand, which has led to a sharp rise in prices. The gains are higher than could be expected, given that Canada-US trade is shadowed by a climate of uncertainty that weighs on both forecast and business context.

Because of the continuing uncertainty, and productivity gains in recent years through optimization of human and material resources, we expect of employment will continue to subside for the 2018-2020 period, except in the Bas-Saint-Laurent region, where job growth is expected centred on an anticipated rise in exports.

Sectoral Dynamics for Regions

Québec 2018-2020	In the Economic Regions	AAGR
Annual average growth: -0,6% Loss of approx.: 200 positions Yearly dynamics: 2018 : ↘ 2019 : ↘ 2020 : ↘	Bas-Saint-Laurent	0.7%
	Centre-du-Québec	0.0%
	Lanaudière	0.0%
	Gaspésie–Les-Îles	-0.2%
	Chaudière-Appalaches	-0.4%
	Capitale-Nationale	-0.5%
	Montréal	-0.5%
	Estrie	-0.5%
	Mauricie	-0.5%
	QUÉBEC	-0.6%
	Saguenay–Lac-Saint-Jean	-0.6%
	Laurentides	-0.7%
	Abitibi-Témiscamingue	-0.8%
	Outaouais	-1.2%
Côte-Nord / Nord-du-Québec	-1.7%	
Montréal CMA	-2.9%	

n/a: not applicable

Source: 2018–2020 Sectoral Outlook annual exercise

Labour Market Analysis Directorate, Service Canada – Quebec Region, April 5, 2018.

The following occupations in the forestry and logging industry are the ones most likely to be affected by the anticipated dynamics of the labour market (according to the occupation by industry matrix):

- 8422 Silviculture and forestry workers
- 8421 Chain saw and skidder operators
- 8241 Logging machinery operators
- 8211 Supervisors, logging and forestry
- 2223 Forestry technologists and technicians
- 7511 Transport truck drivers
- 7521 Heavy equipment operators (except crane)
- 9431 Sawmill machine operators
- 7312 Heavy-duty equipment mechanics
- 8612 Landscaping and grounds maintenance labourers
- 2122 Forestry professionals
- 8432 Nursery and greenhouse workers.

SIZE AND DISTRIBUTION OF AND CHANGES IN EMPLOYMENT IN THE INDUSTRY IN QUEBEC

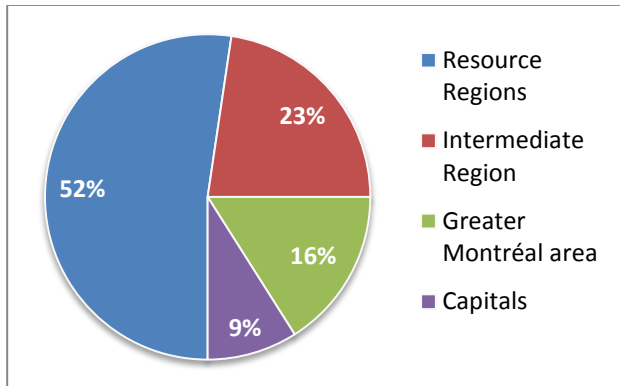
	Employment 2015–2017 Average			10-year Change in Employment	
	Employment In thousands	Provincial distribution	Regional employment share	In thousands	as a %
All of Quebec	10.6	100.0%	0.3%	-7.2	-40.5%
Resource Regions					
Abitibi-Témiscamingue	x	x	x	x	x
Bas-Saint-Laurent	x	x	x	x	x
Côte-Nord / Nord-du-Québec	x	x	x	x	x
Gaspésie-Îles-de-la-Madeleine	x	x	x	x	x
Saguenay-Lac-Saint-Jean	2.0	18.6%	1.5%	-1.7	-46.8%
Intermediate Regions					
Centre-du-Québec	x	x	x	x	x
Chaudière-Appalaches	x	x	x	x	x
Estrie	x	x	x	x	x
Mauricie	x	x	x	x	x
Greater Montréal area					
Lanaudière	x	x	x	x	x
Laurentides	x	x	x	x	x
Laval	x	x	x	x	x
Montérégie	x	x	x	x	x
Montréal	x	x	x	x	x
Capitals					
Capitale-Nationale	x	x	x	x	x
Outaouais	x	x	x	x	x

x: confidential data, fewer than 1,500 people employed in this region

Source: Historical estimates based on Statistics Canada's Labour Force Survey

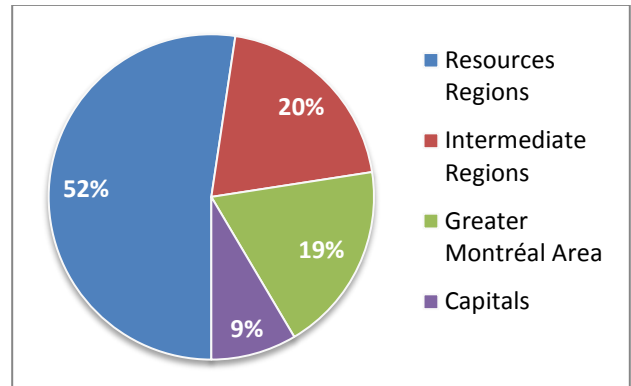
SOME CHARACTERISTICS OF THE INDUSTRY IN QUÉBEC

Establishment distribution by Region



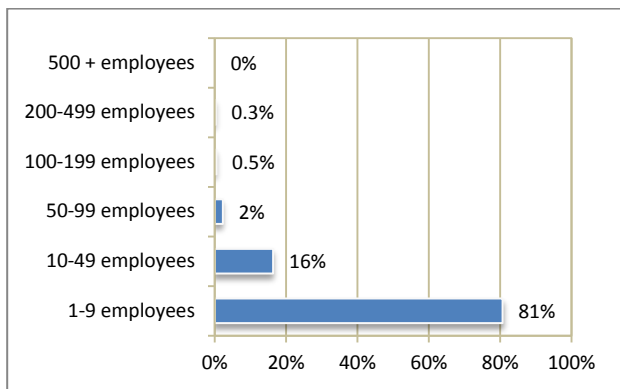
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment distribution by Region



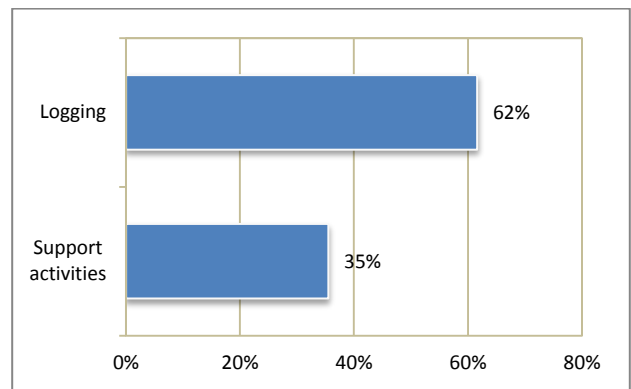
Source: Statistics Canada, Labour Force Survey; based on average employment in 2014-2016

Size of establishment



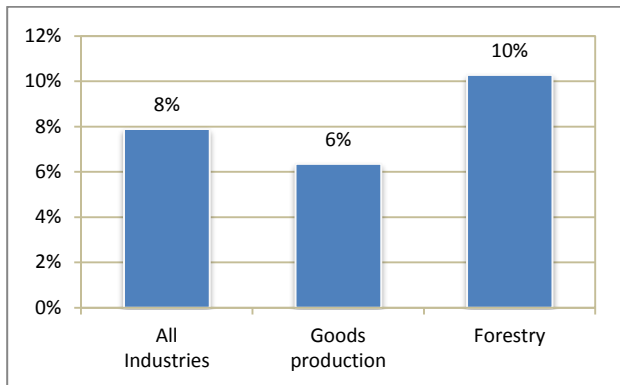
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment by industry subsectors



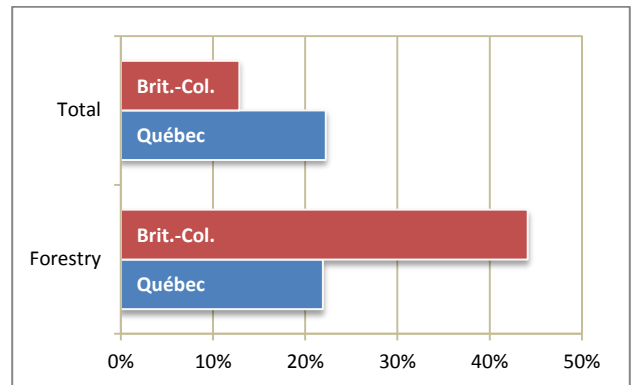
Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Self-employed jobs compared to Total employment

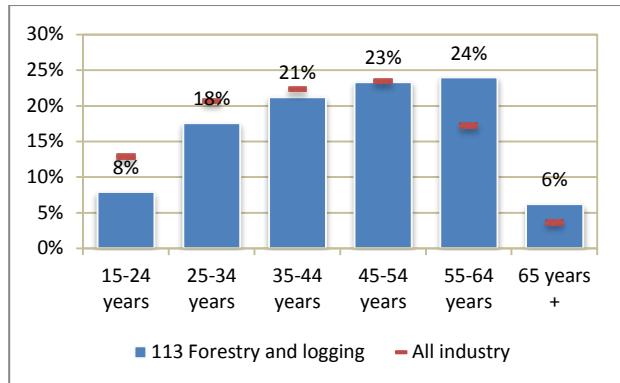


Source: Statistics Canada, CANSIM 383-0031 Labour statistics, based on average employment in 2014-2016

Share of total employment and industry in Canada



Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Employed Labour Force Aged 15 Years and Over

Source: Statistics Canada, 2016 Census, special tabulation for ESDC

Employment distribution by skill type

National Occupational Classification	
0. Management	6%
1. Business, finance and administration	10%
2. Natural and applied sciences and related	11%
3. Health	0%
4. Education, law and social, community and government services	1%
5. Art, culture, recreation and sport	0%
6. Sales and service	3%
7. Trades, transport and equipment operators	15%
8. Natural resources, agriculture and related production	48%
9. Manufacturing and utilities	5%

Source: Statistics Canada, 2016 Census, special tabulation for ESDC

FOR MORE INFORMATION

- Job Bank (Canada) – [Job Market Trends and News](#): Information on job, skills and local labour market trends is important for making career decisions. In addition, information on wages, labour supply, labour demand and other factors helps employers recruit, train and retain workers and make business and investment decisions.
- North American Industry Classification System (NAICS) Canada 2012: Forestry and logging [NAICS 113](#)

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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For further information, please contact the LMI team at:

http://www.esdc.gc.ca/cqi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi

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