

# Saskatchewan's Forestry Sector



**Saskatchewan's commercial forest zone is 11.7 million hectares.**

## 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 8.3 million cubic metres (4.9 million softwood tree species and 3.4 million hardwood tree species)
- Over 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 80% of the AAC, leaving 1.7 million cubic metres of timber available for new mill investments

- 2016 forest products sales totalled \$949 million and the sector supported nearly 13,000 direct and indirect jobs
- Full AAC utilization has the potential to generate over \$1.7 billion in forest products sales annually and support over 19,000 direct and indirect jobs
- 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
- 10 large forest-products manufacturing facilities which produce lumber, pulp and panels
- Over 250 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 2020





**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
- Planned investments of \$500 million over the next four years
- New investment opportunities in areas with significantly underutilized AAC and abundant availability of biomass
- 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?**



## Contact:

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*Disclaimer: The information in this document is accurate as of June 2017; however, the Government of Saskatchewan accepts no liability for any actions taken as a result of the information contained herein.*