

North Bay Forestry Sector

Industry Background

The City of North Bay is within the forest management unit known as the “Nipissing Forest”. The Forest extends over 11,932 square kilometres and from the forest 400,000 cubic metres of wood is harvested annually and is delivered to more than 20 forest resource processing facilities in the region. Wood from the Nipissing Forest is processed into pulp, paper, veneer, dimension lumber, oriented strandboard (OSB), fuelwood, pallets and specialty products. There are over 2,300 workers in the region that rely on the forest industry for employment and the total annual employment income from the forest harvest operations is more than \$30 million. The forestry sector annually spends about \$300 million on goods and services in the region.

The Nipissing Forest supports many forestry based operations including Nipissing Forest Resource Management Inc, Quality Hardwoods, Tembec Industries Inc, Domtar Inc, and Georgia Pacific.

North Bay is the head office location for Ontario WoodWORKS. WoodWORKS is an industry led initiative of the Canadian Wood Council; their goal is to promote the use of wood and wood products in innovative construction projects and to acknowledge the contribution of wood use advocates.

Ontario's Forest Industry Facts:

Ontario's forest sector is a key component of the province's economy. In total, it supports almost 200,000 direct and indirect jobs in over 260 Ontario communities.

Ontario forests represent two per cent of the world's total and are home to approximately 85 billion trees. Of the 71 million hectares of forested land in Ontario, fifty-seven million, or 80 per cent, are publicly owned and known as Crown forest. Approximately 13 per cent of the forested land in Ontario is held in other types of ownerships (private, First Nations, Federal, and protected areas.) The Government of Ontario oversees the management of Crown Forests, including commercial logging (harvesting) on over 26 million hectares.

In 2008, the value of Ontario's forestry sector products was \$14 billion, the majority of which was pulp and paper products (\$8.0 billion). Sawmill, engineered wood and other wood product manufacturing was valued at \$3.9 billion, and value-added furniture/kitchen cabinet manufacturing represented \$2.1 billion.

Since 2005, Ontario has announced a series of measures aimed at restoring the competitiveness of the forest sector and contributing to strong and prosperous communities in rural and northern Ontario. In total, the government is making more than \$1 billion available through various programs to assist the forest sector. These programs



help stimulate new forest sector investments in value-added manufacturing and co-generation as the industry becomes more competitive and transitions into the future.

In November 2009, Ontario launched the “Provincial Wood Supply Competitive Process” with the goal to attract new investment in the forest sector, support new and innovative ventures to stimulate Ontario’s economy and build an industry of top performers – both existing and new. Through the competitive process, Ontario has issued 46 wood supply offers, of which 35 have been accepted, creating 613 jobs and protecting another 2,370 existing jobs while helping local economies. The 35 accepted wood supply offers will put to use a total of 4.9 million cubic metres per year of wood.

The importance of Ontario’s forests to the northern Ontario economy has never been more apparent. Ontario is strengthening its position as a leading global forest jurisdiction known for:

- Sustainable management of a world class forest asset;
- An innovative, diversified and competitive forest sector;
- Aboriginal involvement and entrepreneurship in the forest sector; and
- Providing expertise in green services and technology.

As the forest sector evolves to embrace the emerging bio-economy and green technologies, change and innovation are taking place – not only in the high-tech sawmills, veneer plants and pulp and paper mills, but also through rapid innovation in the use of wood fibre. Ontario’s forests have become the source for cutting-edge products and services like engineered wood for buildings, smart paper, bio-plastics and new green energy solutions.

North Bay’s Strategic Location

Centrally located, North Bay provides a strong competitive advantage to forestry firms located in the region. Surrounded by natural boreal forests and linked by major transportation routes, major industry players such as Tembec, as well as various independents, maintain superb access to both raw materials and markets. Three engineered wood product operators are located in the region. The majority of Northern Ontario forestry shipping is supported by a strong trucking industry, with many major carriers headquartered in North Bay, and rail service from CP, CN, and ONR.



Average Wage Rates for the Forestry Sector

The following chart highlights the wages for various occupations within the forestry industry.

NOC Code	Description	Average Wage Rate
Management		
0111	Financial Managers	\$35.07*
0721	Facility Operations & Maintenance Managers	\$24.20*
0811	Primary Production Managers	\$32.95*
0911	Manufacturing Managers	\$35.70*
Finance and Administration		
1111	Financial Auditors & Accountants	\$22.38
1211	Supervisors & Office Clerks	\$15.56
1225	Purchasing Agents	\$21.00*
1231	Bookkeepers	\$13.82
1422	Data Entry Clerks	\$10.21*
Science Professionals		
2121	Biologists & Scientists	\$21.74*
2122	Forestry Professionals	\$24.44*
2131	Civil Engineers	\$28.50*
2134	Chemical Engineers	\$31.26*
2223	Forestry Technicians	\$19.55
Trades		
2243	Industrial Instrument Techs	\$26.07*
7231	Machinists & Tooling	\$15.30
7312	Heavy Duty Equipment Techs	\$17.15*
7311	Construction Millwrights	\$21.40
7452	Material Handlers	\$12.55

* Derived from Statistics Canada, October 22, 2003. 2001 Census of Canada. Catalogue number 97F0019XCB2001060

Source: Local Labour Market Data from Service Canada

Key Reasons for Forestry Related Businesses to Locate in North Bay

#1. Industrial Incentives

- Industrial taxes in North Bay have been reduced by 66% and are now one of the lowest rates in Ontario.
- Both new and existing manufacturers are eligible for generous financial support in the Northern Ontario region, including wage subsidies, R&D grants, tax credits, and incentive loans for capital projects.

#2. Location

- North Bay is a transportation hub. It is well connected to major American and Canadian urban markets via a network of transportation options that include a system of highways, railways, ports, and an airport.
- Trans-Canada Highway 17; Canada's east/west artery passes through North Bay and connects it with the Highway 11 link to Toronto, making transportation quick and affordable to many urban centres in both the United States and Canada.
- North Bay is home to Jack Garland Airport, one of only four civilian airports in Ontario with a runway of 10,000 feet or more. The runway has been constructed to comply with military standards, and as such, is an ideal location for heavy-lift cargo airplanes.

#3. Availability of a Highly Trained, Skilled Workforce

- Northern Ontario's post-secondary educational institutions have steadily expanded their role in the development of highly qualified human resources for the construction and manufacturing sectors over the past few years.
- Classes at Canadore College are attended by over 3,000 full-time and 3,000 part-time students each year, with classes at Nipissing University attended by over 4,000 students.
- Canadore College offers a wide array of apprenticeship programs (millwrighting, machining, welding, and many others) available through both traditional and alternative delivery models, affording the maximum amount of flexibility to employers.
- Over 75% of North Bay's workforce has completed high school and over 50% have graduated from a trade school, technical college, or university.

#4. Access to a Large, Growing Base of Customers

- North Bay services an immediate local market with a population of approximately 112,000 people.
- Visitors to the area contribute over \$95 million into the economy each year.
- North Bay is within one day's drive of 100 million consumers throughout Canada and the United States.