

Export Opportunities for Nova Scotia's Forestry Sector

Market Intelligence Summary - Fall 2020

Summary

- ▶ The NS forestry sector generated \$375 million in GDP and directly employed 4,750 people in 2016.
- ▶ Subsectors: timber harvesting, sawmills, pulp, paper, fibreboard, pallets, chips and pellets. NS forests also valued for tourism, camping, hunting and other recreational activity.
- ▶ Growth in NS's exports has been slow in recent years. High demand has bolstered our lumber exports, but that was almost entirely to the US.
- ▶ Gains in pellet exports in last three years. Drop in pulp exports in early 2020.
- ▶ NS has a small domestic market. Gaining access to foreign markets is critical for generating prosperity from forestry resources.
- ▶ NS produces a variety of forestry products. Further diversification will aid in growing existing markets and accessing new ones. Ecologically sustainable forestry can support strong branding.

Latest Forestry Production in NS

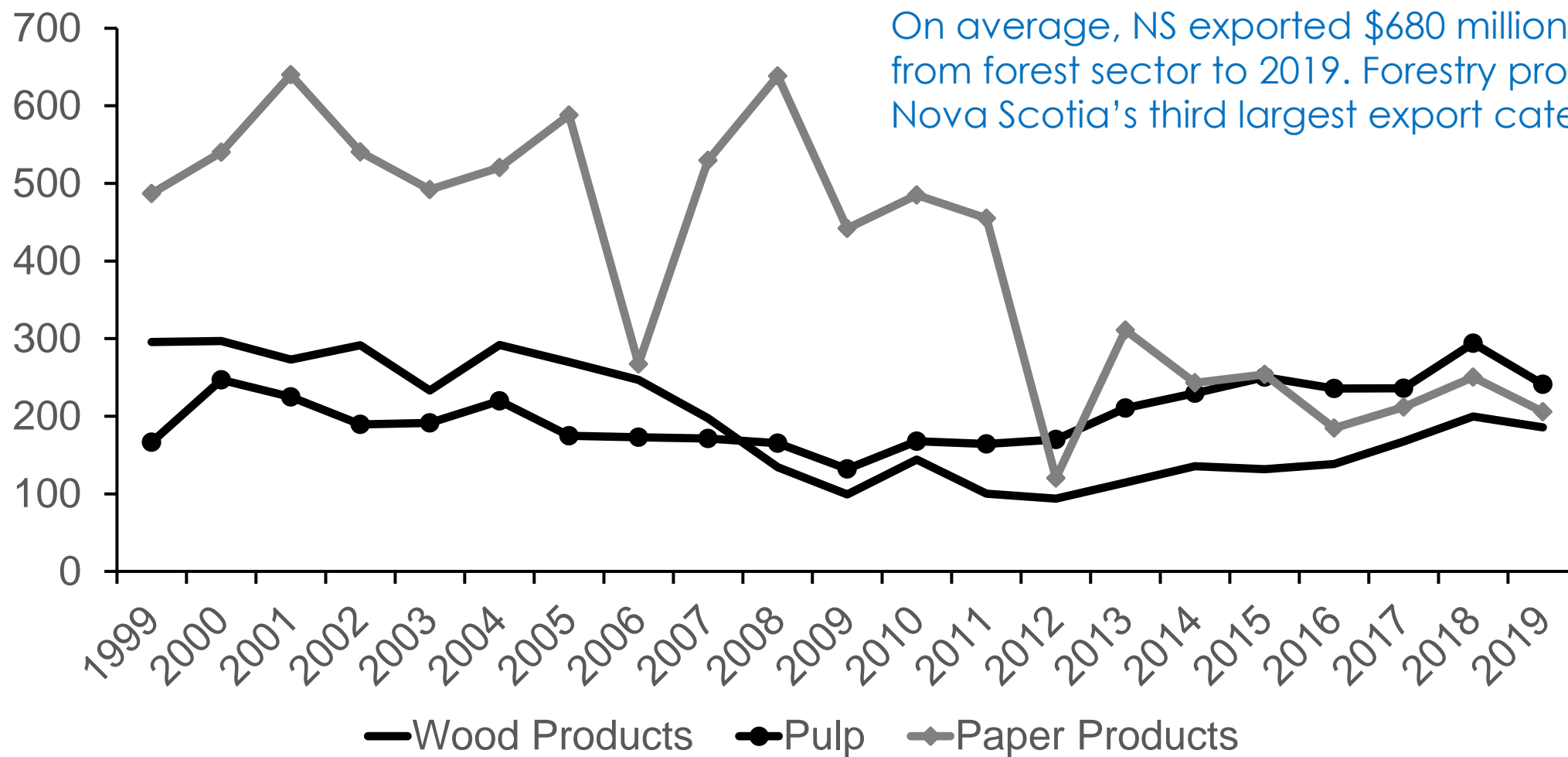
- ▶ Super Calendared Paper
- ▶ Sawmills
 - ▶ Studs
 - ▶ Dimensional Lumber
 - ▶ Oversize / custom lumber
 - ▶ Pallets
 - ▶ Woodchips (by-product)
- ▶ Pellets
- ▶ Construction material
- ▶ Energy

Exports, 2019

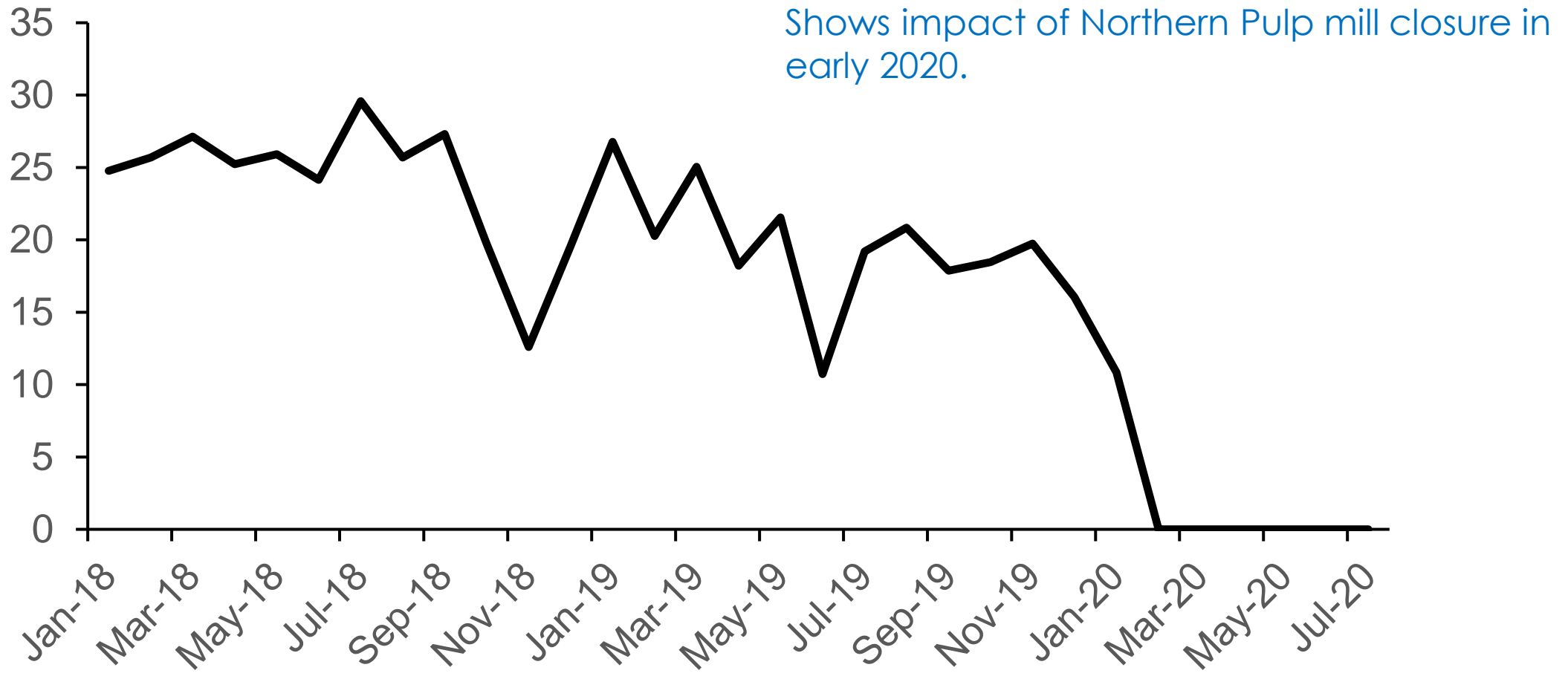
Product	Exports \$mil	Primary Destination
Pulp	241	China
Paper	205	
Super-calendared paper	180	US
Wood	185	
Lumber	140	US
Pellets	16	Denmark
Hardwood Chips	11	China
Fibreboard	9	UK

Nova Scotia Forestry Product Exports (\$M)

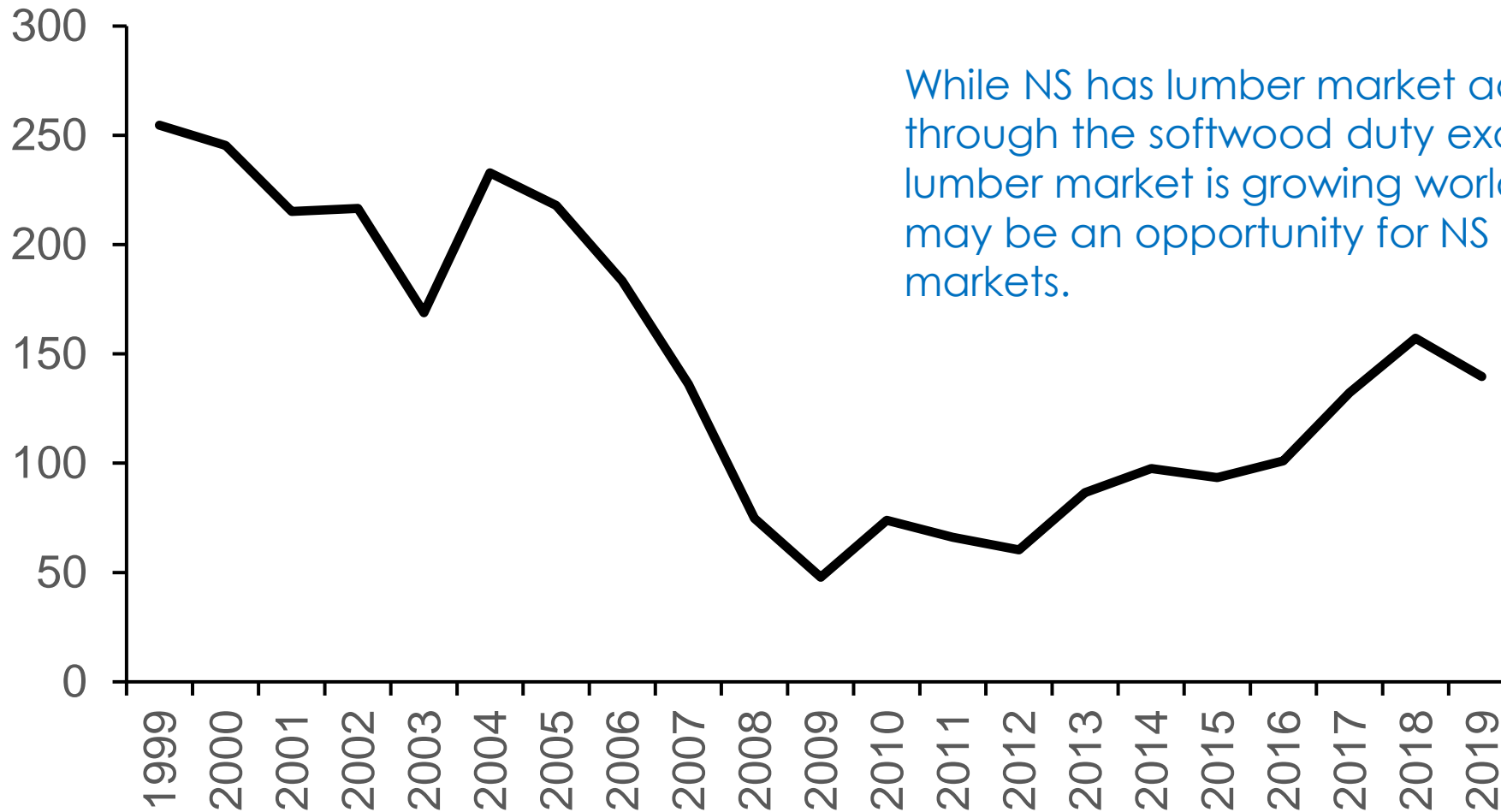
On average, NS exported \$680 million per year from forest sector to 2019. Forestry products is Nova Scotia's third largest export category.



Nova Scotia Monthly Pulp Exports (\$M)

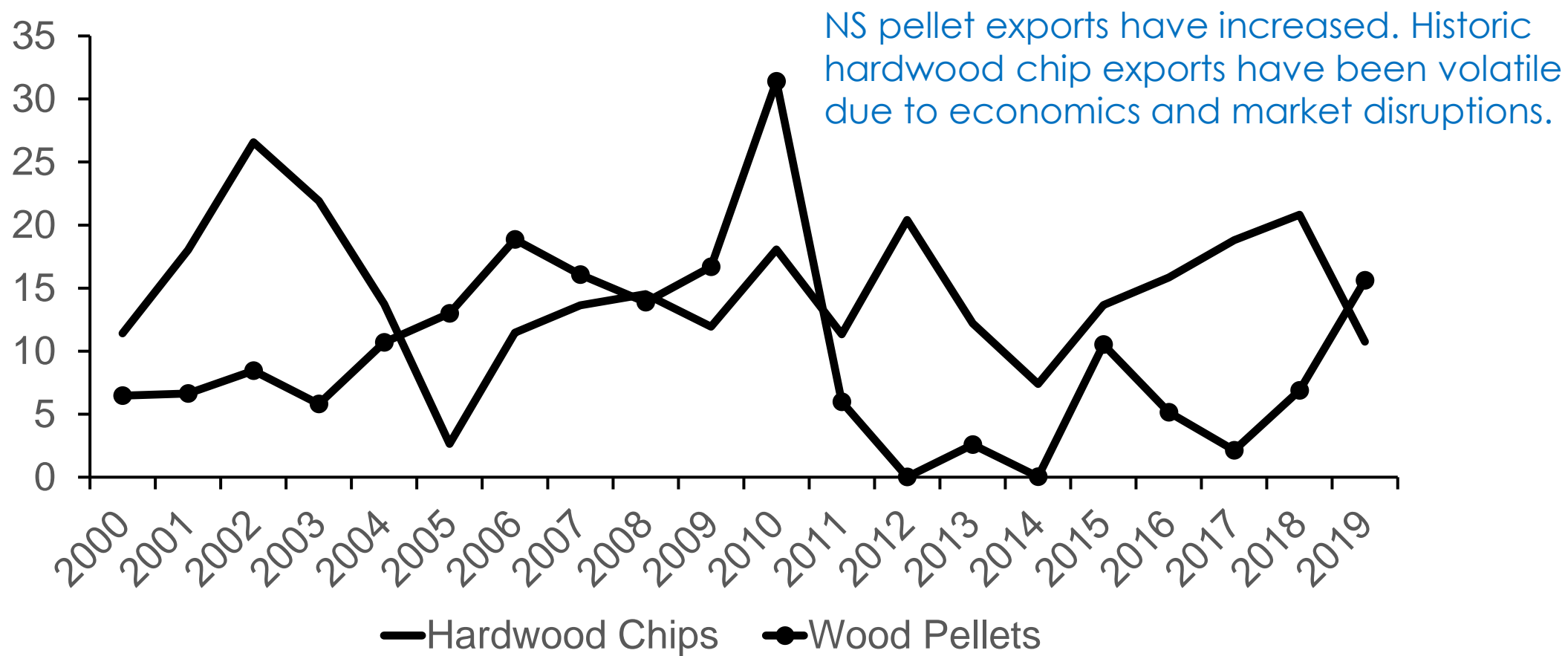


Nova Scotia Lumber Exports (\$M)



While NS has lumber market access to the US through the softwood duty exclusion, the lumber market is growing worldwide. There may be an opportunity for NS to diversify markets.

Nova Scotia Chip and Pellet Exports (\$M)



Overview of Opportunities for NS

- ▶ Mass Timber
- ▶ Bioproducts
- ▶ Market Opportunities for current production:
 - ▶ EU: Strong opportunities in Western Europe with recent increased demand for pellet products and NS exports can benefit from the elimination of tariffs through CETA. NS should have a geographical advantage to this market.
 - ▶ CAN: Retain and grow domestic and interprovincial opportunities. Domestic opportunities in NB and PEI.
 - ▶ Review what other provinces export to which markets

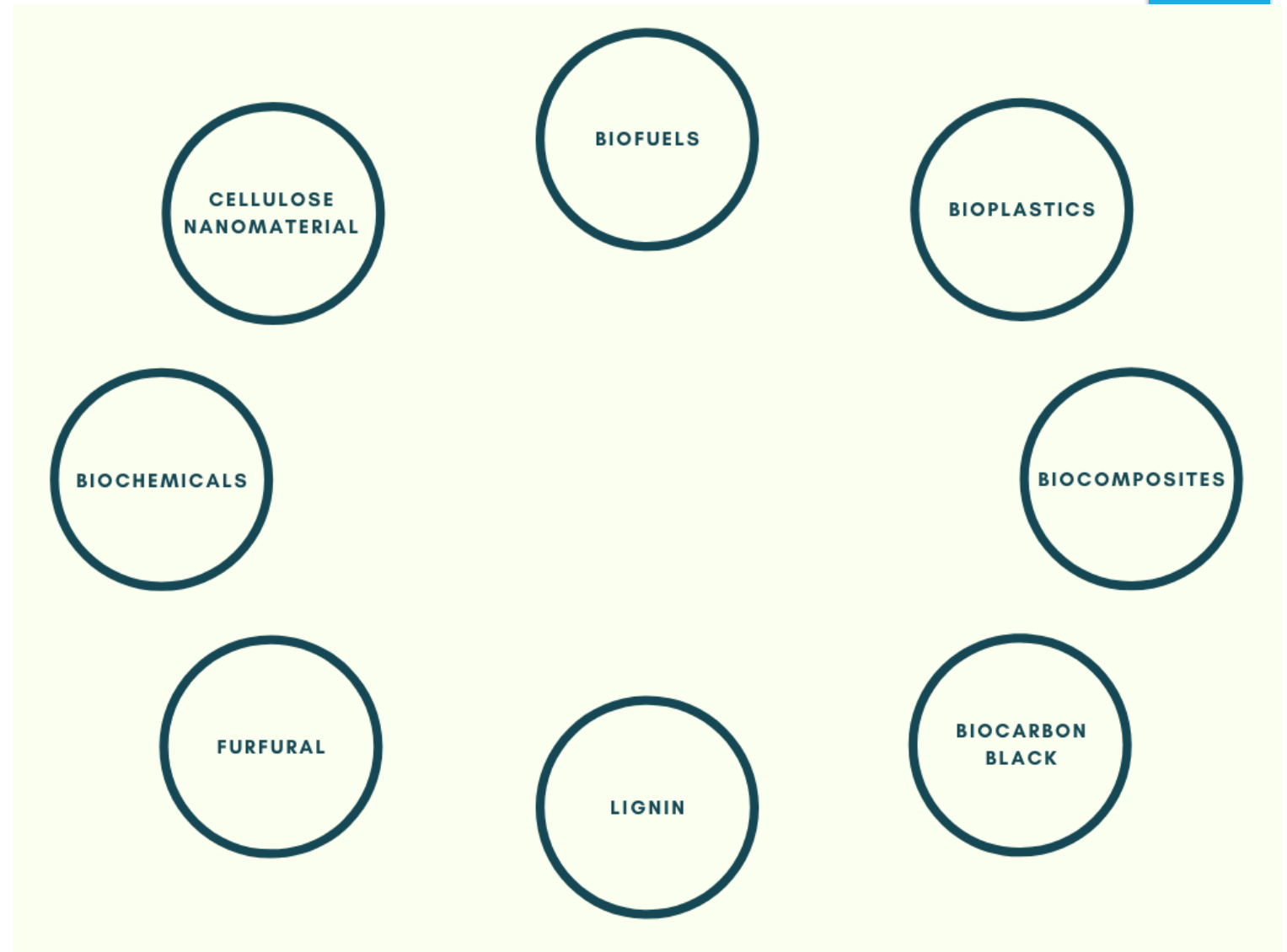
Mass Timber Opportunity

- ▶ A framing style formed by mechanically fastening and/or bonding smaller wood components such as lumber or wood veneers, strands or fibers to form large wood elements used as solid wood panels and beams for wall, floor, and roof construction.
- ▶ Includes cross laminated timber (CLT), glue laminated timber (GLT), nail laminated timber (NLT), laminated-veneer lumber (LVT), and laminated-strand lumber (LSL).
- ▶ Benefits of mass timber include
 - ▶ Climate friendly – renewable, high carbon storage, and strong life cycle analysis;
 - ▶ Durable and Safe - Excellent seismic, fire and sound performance
 - ▶ Ability to shorten construction schedules by up to 40 percent which reduces construction loan interests and land carrying costs.

Bioproduct Innovation Opportunity

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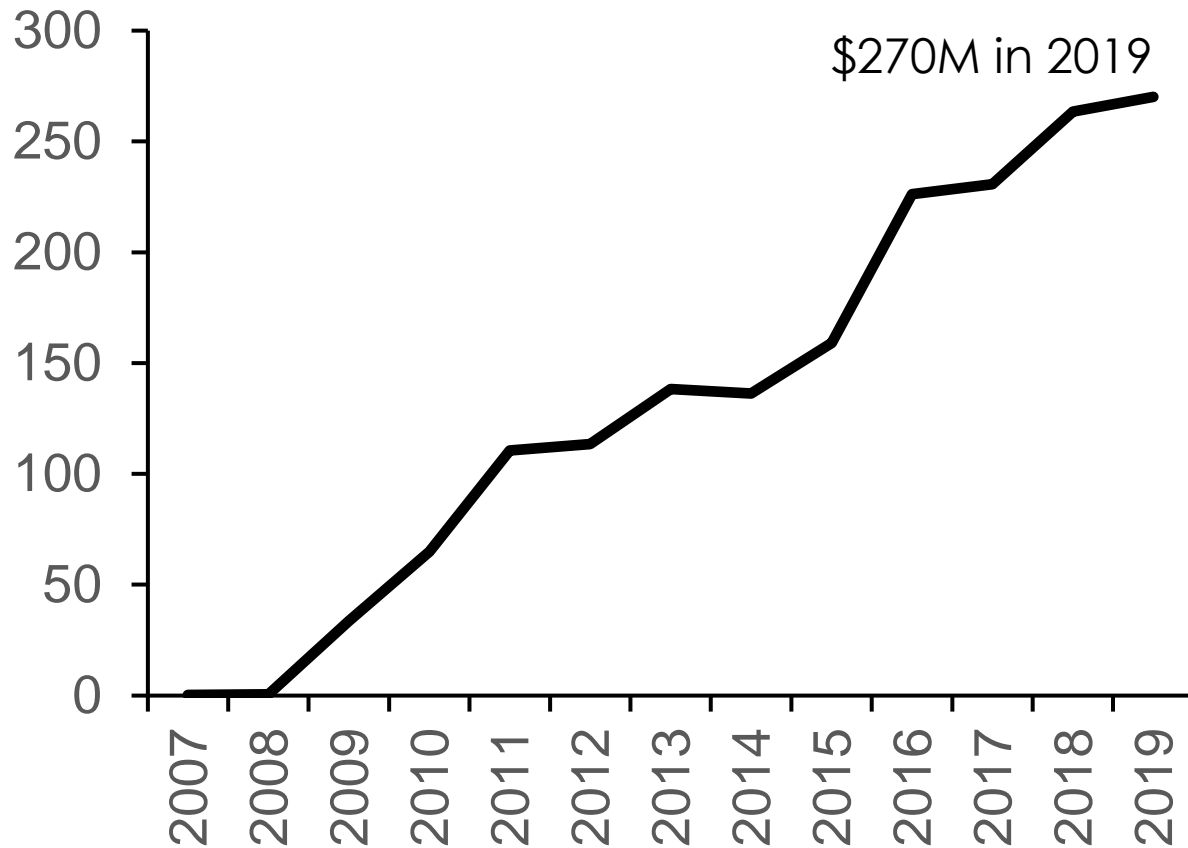
- ▶ Nova Scotia has the potential to use wood by-products as feedstock for biorefineries.
- ▶ Biorefineries convert biomass feedstock into a variety of higher value bioproducts.
- ▶ Nova Scotia Innovation Hub is actively seeking new markets and products to increase demand for wood fibre



Market Opportunities

- ▶ Global demand for wood products doubled over the past decade.
 - ▶ Rapid Growth Markets
 - ▶ China
 - ▶ US
 - ▶ Japan
 - ▶ Germany
 - ▶ UK
 - ▶ Italy
 - ▶ Korea
 - ▶ Sweden
 - ▶ Rapid Growth Products
 - ▶ Lumber
 - ▶ Particle Board
 - ▶ Cellular Wood Panels
 - ▶ Wood chips
 - ▶ Wood Pellets
 - ▶ MDF
 - ▶ Door frames
 - ▶ OSB
 - ▶ Mass timber

BC's Wood Pellet Exports to the UK



Other BC Exports to UK

Lumber \$46M

Plywood \$12M

Other Provinces' Forestry Exports/Markets

▶ **New Brunswick**

- ▶ Lumber - US
- ▶ Builders Joinery/Carpentry – US
- ▶ Fibreboard – US
- ▶ Pellets - UK

▶ **Quebec**

- ▶ Lumber – US and Mexico
- ▶ Particle Board – US and Korea
- ▶ Door Frames - US

▶ **Ontario**

- ▶ Particle Board – US and Mexico
- ▶ Fibreboard – US
- ▶ Door Frames - US

▶ **Alberta**

- ▶ Particle Board – US and Japan
- ▶ Fibreboard – US
- ▶ Plywood - US

▶ **British Columbia**

- ▶ Particle Board – US and China
- ▶ Plywood – US and China
- ▶ Shingles and Shakes – US and UK
- ▶ Wood Pellets - UK

Helpful Contacts

- ▶ Nova Scotia Business Inc. (NSBI) Regional Business Development Advisors <https://www.novascotiabusiness.com/contact-global>