

## **North Bay Forestry Sector**

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### **Industry Background**

North Bay and surrounding area benefit from the forestry industry, which has become much more capital and technology intensive in recent years, emphasizing process innovation and value-added products. The regional forestry sector includes logging, wood manufacturing/remanufacturing, paper and allied products, and forestry services and accounts for approximately 3,000 direct and indirect jobs, with combined total sales of approximately \$613 million annually.

Although the Canadian forestry industry currently faces some challenges, our regional firms remain committed to innovation, diversification, and stewardship. By supporting a growing eco-tourism industry, the forestry sector is able to help balance our economy during cycles affecting resource based operations, as well as providing cross-trained skilled labour for the mining equipment manufacturing.

North Bay is proud to have over a dozen multinational Canadian headquarters, such as Stowe Woodward and PGI Fabrene. The Eastern Canadian headquarters for Woodworks, promoting the use of engineered wood products in I.C.I. construction, is located in North Bay.

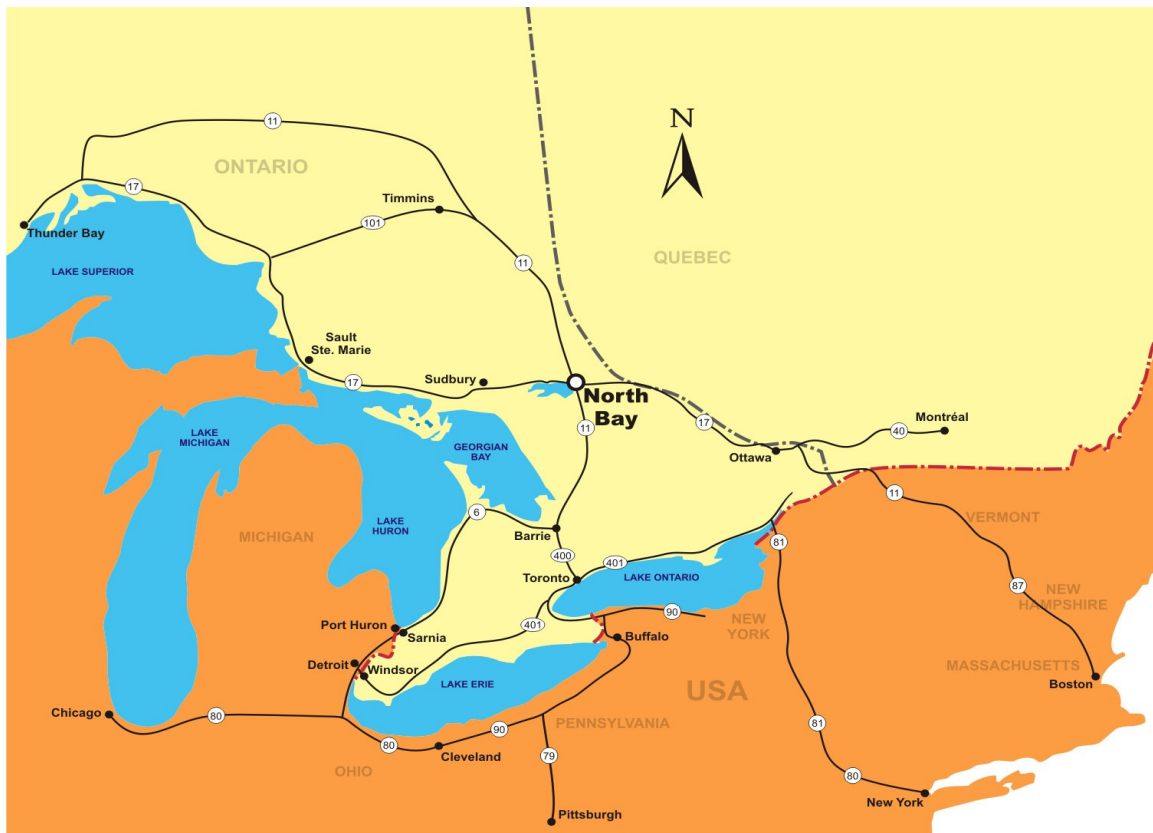
#### Ontario's Forest Industry Facts:

- Northern Ontario is home to 11 of Ontario's 12 operating pulp and paper mills, and 22 of 25 principal sawmills.
- Total forest area covers nearly 700,000 square kilometres (270,000 square miles) - an area as big as North Dakota, Minnesota, Wisconsin, and Michigan combined
- Ontario's forests make up two-thirds of the province's total area, 17% of Canada's forests, and 2% of the world's forests
- Ontario has been recognized for meeting international standards for sustainability and environmental protection
- \$1.4 billion has been spent on major capital improvements in the Ontario forest industry since 1995. This includes:
  - environmental controls
  - effluent treatment facilities
  - mill machinery upgrades to improve quality and energy efficiency

North Bay's municipal government has reduced industrial taxes by 66%, to one of the lowest rates in Ontario, making the city extremely competitive with most United States communities. They also eliminated development charges for industrial projects and made municipally-serviced industrial land available for \$14,000 - \$20,000 per acre.

## 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, Grant Forest Products, and Columbia Forest Products, 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.

<b>NOC Code</b>	<b>Description</b>	<b>Average Wage Rate</b>
<b>Management</b>		
0111	Financial Managers	\$35.07*
0721	Facility Operations & Maintenance Managers	\$24.20*
0811	Primary Production Managers	\$32.95*
0911	Manufacturing Managers	\$35.70*
<b>Finance and Administration</b>		
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*
<b>Science Professionals</b>		
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
<b>Trades</b>		
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**

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- 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**

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- 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 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**

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- 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**

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- North Bay services an immediate local market with a population of approximately 110,000 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.