

Sector Profile

Forestry and Forest Products

Atlantic Region

2025

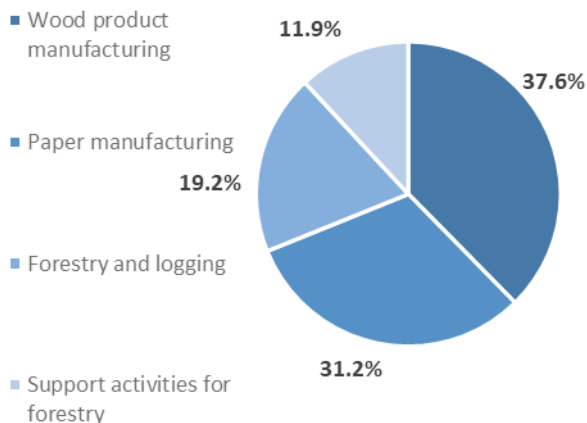


HIGHLIGHTS

- The forestry and forest products manufacturing sector contributes nearly \$2B in economic activity to the Atlantic region and supports nearly 16,600 jobs.
- Historically, men have comprised the majority of workers in this industry. In 2024, over 8 in 10 people working in the industry were male.
- Employment has been trending downward over the past few years as lower demand for forest products has limited production. Firms have sought out ways to raise labour productivity through the application of newer technologies.
- Over the 2025-27 forecast period, employment growth in the forestry and forest products sector is expected to lag the average for all industries in the Atlantic Region.

ABOUT THE INDUSTRY

Employment Share by sub-industry



Source: Statistics Canada, Labour Force Survey 2024

Composition and Importance of the Sector

The Forestry and forest products sector is comprised of the following sub-sectors: forestry and logging; wood product manufacturing; and paper manufacturing – all of which being integrated to some degree. The region's most important products by value include softwood lumber, structural panels, engineered wood products, and various grades of pulp and paper. Much of what isn't consumed domestically is shipped to the United States (U.S.), primarily in the form of building materials and paper products.

Forestry and forest products manufacturing contributes nearly \$2B in economic activity to the Atlantic region and supports nearly 16,600 jobs. Atlantic Canada's forests are especially valuable to several rural communities, where forest-related work can be a main source of income for many. The vast majority of these operations are concentrated in New Brunswick (N.B.).



Geographic Distribution of Employment

Over 70% of the Atlantic Region's revenue generated from the forestry and forest products sector comes from N.B. Similarly, the majority (60.5%) of the Region's jobs are concentrated in N.B. as well. Nova Scotia (N.S.) held the second largest employment share of Atlantic Canada's forestry and forest products industry with 5,000 people employed in 2024. Newfoundland (N.L.) had 1,100 employed during this time, with only 500 in Prince Edward Island (P.E.I.).

From a national perspective, the province of N.B. has the fifth most valuable forest and forest products industry in Canada in terms of Gross Domestic Product (GDP). Similarly, N.B. has the fifth highest number of people employed in this industry.

	Employed 2024	Industry Share (%)
Atlantic Canada	16,600	1.3%
Newfoundland and Labrador	1,100	0.4%
Prince Edward Island	500	0.5%
Nova Scotia	5,000	1.0%
New Brunswick	10,000	2.5%

Source: Statistics Canada, Labour Force Survey

WORKFORCE

Workforce Characteristics

Historically, the workforce for this industry has been predominantly male, with 85.2% of the 2024 employment share being men. Young people aged 15-24 made up 11.2% of the workers employed in the forestry and forest products sector, which is below the average for young people employed across all industries (13%). Conversely, a higher proportion of workers over the age of 55 (26.1%) could be found employed in the Region's forestry and forest products sector compared to the average across all industries (23.2%). The vast majority of people working in this industry hold permanent positions with companies rather than being self-employed, and 60% of workers had post-secondary degrees, diplomas or university degrees. Nearly all of the workforce in this industry (96%) are employed on a full-time basis.

In recent years, labour shortages have been common in the industry and employers (particularly in N.B.) have had to rely on temporary foreign workers (TFWs) to fill job vacancies. Seasonality (particularly in forestry and logging), negative perceptions about the industry, and low population numbers in the rural areas (where logging, silviculture and reforestation activities are mostly located) often make it difficult for employers to attract and retain workers.

Main Occupations

This industry's workforce is very diverse in terms of the work that is carried out. The three most common positions are labourers in wood, pulp and paper processing; construction millwrights/industrial mechanics; and logging machinery operators.

Labourers carry out a variety of general labouring and routine wood processing activities. They also help pulp mill and papermaking machine operators.

Logging machinery operators are employed by logging companies and contractors and operate machinery like mechanical harvesters, tree processors, and loaders, which are used to process trees at logging sites

Construction millwrights are typically engaged in the initial installation of industrial plant machinery and equipment; and industrial mechanics are more concerned with post-installation maintenance and repair of machinery and equipment.

Top 5 largest occupations	Employed 2024	% Share of Industry
Labourers in wood, pulp and paper processing	1,200	7.2%
Logging machinery operators	950	5.7%
Construction millwrights and industrial mechanics	900	5.4%
Supervisors, forest products processing	825	5.0%
Pulp mill, papermaking and finishing machine operators	800	4.9%

Source: ESDC/Service Canada



RECENT HISTORY

Forestry companies in Atlantic Canada cut a variety of trees of differing values from publicly and privately owned land every year. In NB, which accounts for the majority of Atlantic Canada’s forestry production, private woodlots makeup for 30%¹ of the province’s forests. The most lucrative types of trees include spruce, pine and fir that are large and straight enough to be cut into lumber.

Boosted by strong global demand for lumber, the value of Atlantic Canadian wood product shipments was on the rise following the pandemic but they began to taper off in 2022. The boom period was initially due to a surge in the price of lumber products starting in 2020. Home renovations spiked during the pandemic as people re-allocated travel funds to reno projects, followed by a surge in new home building.

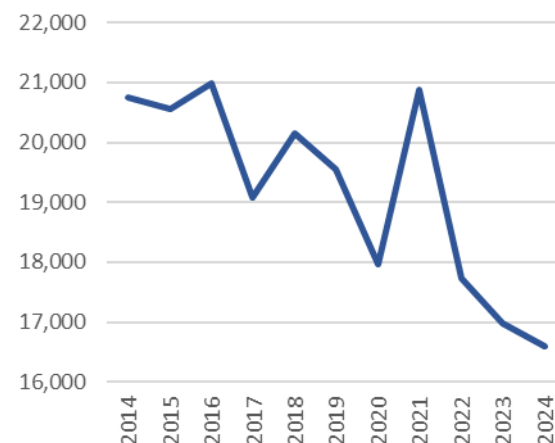
Lumber prices began to climb until hitting an all-time record high of US\$1,600 per thousand board feet (mbf) in 2021. Major flooding in B.C. that year, along with inflationary pressures and lingering pandemic effects contributed to the surge in prices that persisted into early 2022 (when lumber prices averaged US\$1,410 mbf). By the summer of 2022, however, lumber prices declined by over 50% from peak prices, due to a sharp decline in demand - influenced by strong inflation and the onset of rapidly rising interest rates. This in turn resulted in lumber inventories piling up and lumber prices in decline. The lumber market has since stabilized and has remained between US\$500-\$600 mbf over the last two years.

For the region in 2024, forestry and forest products GDP increased by 1.8% on a year-over-year basis. During this same period, export values of forestry-related products also increased. Specifically, in 2024 shipment values were up for paper (0.1%), pulp (14.9%), and wood products (3.7%).

Meanwhile, employment growth has been a challenge for the industry in recent years. This is mostly due to limited trade growth in Atlantic Canada’s main export markets due to tariffs and struggles to keep up with domestic home building demands. Following consecutive years of double-digit employment growth in 2020 and 2021, employment levels have been in decline in each of the three years since.

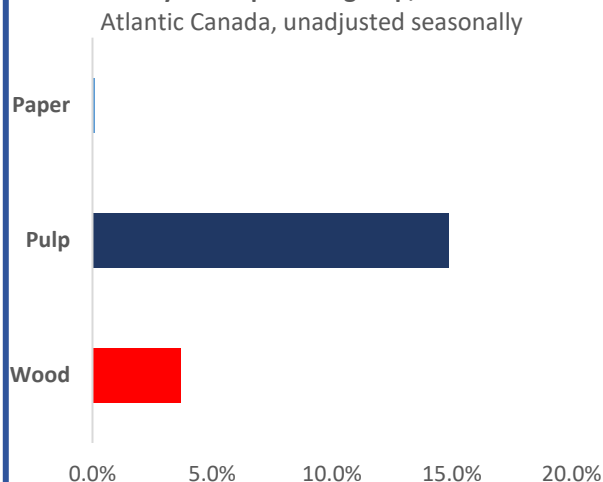
1. New Brunswick Private Woodlot Silviculture Program 2023-24

**Historical Employment Trend
Atlantic Canada**



Source: Statistics Canada, Labour Force Survey

**Year-over-year change (%) in export value
by select product group, 2024**



Source: Trade Data Online, 2024

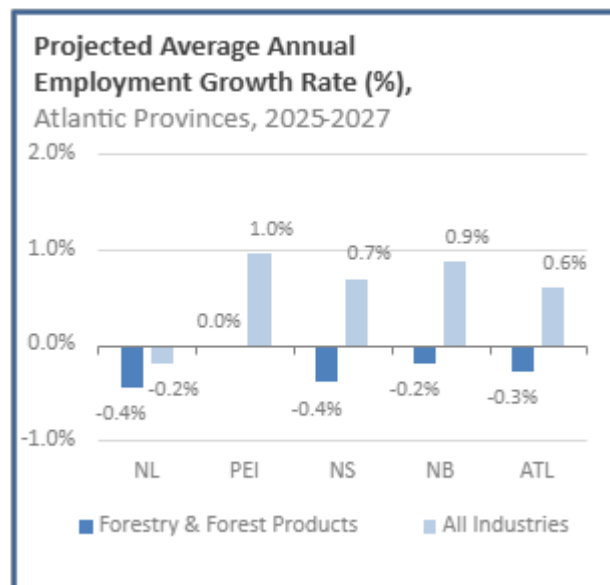


OUTLOOK

Lumber prices have been extremely volatile over the last several years – ranging from record highs during the pandemic period to decade lows in the past three years. Inflationary pressures in the economy coupled with aggressive monetary policy efforts (i.e. rising interest rates), contributed to a slowdown in home development in 2022 and early 2023, which softened demand for lumber products. While new home construction accelerated in Canada and the US during 2024 and into 2025, lumber prices remain suppressed.

Softwood lumber tariffs put in place by the U.S. against Canadian lumber has created an increasingly competitive marketplace. The Canada-U.S. softwood lumber dispute is one of the longest trade disputes between the two nations. Over the past 25 years, the U.S. lumber industry has sought government restrictions on Canadian softwood lumber imports through the application of U.S. countervailing duty and anti-dumping laws. These laws allow the imposition of import duties when a U.S. industry is allegedly harmed by subsidies in the exporting country (or otherwise, dumping - when a U.S. industry is allegedly harmed by imported products sold at a price that is lower than the cost in the domestic market). Just prior to the Trump government taking office in the U.S., a decision was made by then U.S. government to nearly double tariffs on Canadian lumber. The Trump administration has not softened their stance on Canada's lumber exports and as a result, these increased fees are expected to limit growth opportunities for Canada's wood product producers during the forecast period.

Looking forward, innovation and productivity gains will continue to impact job growth and the nature of work. Despite limited job prospects, the industry



continues to grapple with filling job vacancies for manual labour-intensive positions. To offset the lack of available labour, sawmill operators are investing in technologies and machinery that can perform these repetitive tasks, which may make some jobs in the industry obsolete.

Overall employment growth for forestry and forest products over the forecast period is expected to lag the average for all industries in the Atlantic Region. From a provincial perspective, growth in P.E.I is expected to be flat while the other three Atlantic provinces are expected to record slight declines over the 2025 to 2027 period.

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.

The analysis in this report was finalized as of **September 2025**.

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APPENDIX

Real GDP (2024) and Employment (2024) for Atlantic Canada

	Forestry and Forest Products			All Industries		
	Number	Share of		Number	Share of	
		Total	AAGR*		Total	AAGR*
Real GDP (M\$)	\$1,966.3	100.0%	0.8%	\$118,731.2	100.0%	1.2%
Newfoundland and Labrador	\$128.0	6.5%	-3.4%	\$29,645.2	25.0%	-0.3%
Prince Edward Island	\$29.9	1.5%	-2.1%	\$7,604.7	6.4%	2.9%
Nova Scotia	\$410.8	20.9%	0.7%	\$45,644.6	38.4%	1.9%
New Brunswick	\$1,397.6	71.1%	1.4%	\$35,836.7	30.2%	1.4%
Employment (000s)	16.6	100.0%	-2.2%	1258.7	100.0%	1.2%
Men+	14.1	85.2%	-2.2%	640.8	50.9%	1.2%
Women+	2.5	14.8%	-2.0%	618.0	49.1%	1.2%
15-24 years old	1.9	11.2%	-2.4%	163.8	13.0%	0.9%
25-54 years old	10.4	62.7%	-2.7%	803.1	63.8%	1.0%
55 years and older	4.3	26.1%	-0.8%	291.9	23.2%	2.0%
Worked full-time	15.9	96.0%	-2.2%	1057.5	84.0%	1.3%
Worked part-time	0.7	4.0%	-1.2%	201.2	16.0%	0.5%
Self-employed	1.4	8.2%	-4.5%	119.1	9.5%	-1.1%
Employees	15.3	92.0%	-2.0%	1139.7	90.5%	1.5%
Permanent job	13.4	80.9%	-1.1%	967.1	76.8%	1.9%
Temporary job	1.8	11.0%	-6.5%	172.6	13.7%	-0.5%
Less than high school	1.8	11.0%	-6.1%	87.9	7.0%	-3.1%
High school graduate	4.8	28.6%	-3.5%	286.9	22.8%	-0.3%
Postsecondary cert. or diploma	7.4	44.7%	-1.6%	487.2	38.7%	1.1%
University degree	2.6	15.7%	3.8%	396.8	31.5%	4.1%
Newfoundland and Labrador	1.1	6.5%	-6.0%	245.0	19.5%	0.2%
Prince Edward Island	0.5	3.0%	-1.2%	92.5	7.3%	2.3%
Nova Scotia	5.0	30.0%	-1.4%	521.4	41.4%	1.6%
New Brunswick	10.0	60.5%	-2.1%	400.0	31.8%	1.1%

Source: Statistics Canada, Labour Force Survey - Custom Table; Table 36-10-0402-01

*Average annual growth rate for last ten years of available data (GDP 2015-24 and Employment 2015-24)

