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New report shows Edmonton is truly a forestry city...



Alberta forest and wood products industry provides \$1 billion annual economic impact to Greater Edmonton

January 18, 2007... Edmonton is the main beneficiary of Alberta's forest and wood products industry says a report released by the Forest Industry Suppliers and Logging Association, Alberta Forest Products Association and Edmonton Economic Development Corp. The study shows that amid billions of dollars in oilsands developments and infrastructure projects, Edmonton reaps more than \$1 billion in annual economic impact due to its position as the primary location for firms that support, supply and service the forest and wood products industry.

"Edmonton is a growing city with a diverse economy and forestry is one key factor in our success, and this report shows just how significant this industry has become to our city, says Edmonton's Mayor Stephen Mandel. "It also shows clearly how important Edmonton has become to the industry, and it is increasingly seen as a growing centre of activity for this industry - and this is a role that I hope we can only continue to grow."

"Alberta Forest and Wood Products Industry and the Greater Edmonton Area: Regional Economic Investments and Long-Term Benefits" found that the Edmonton area receives almost \$555.5 million from the wood products sector and \$468 million from the pulp and paper sector on an annual basis. These direct expenditures translate to greater economic impacts through what is called an economic multiplier effect. This translates into:

- \$600 million GDP impact;
- employment for 5,700 Albertans;
- a total labour income of \$308 million; and
- an increase in provincial gross output of 1.6 for every dollar spent by the forest industry, or \$1.65 billion.

Within Greater Edmonton, 161 firms (representing almost 90 per cent of provincial suppliers) were confirmed as providing goods and services to the wood and forest sector - ranging from large, multi-national firms to local suppliers. Technical service suppliers represent more than one-third of this total.

"Collectively the Edmonton area is truly a Forestry Capital as it is home to a large cluster of firms that provide an array of goods and services to the forest and wood products industry in Alberta and abroad", says Dave Thompson, President of the Forest Industry Suppliers and Logging Association. "Many firms serve domestic and international markets providing a stable net economic benefit to the region and province".

The report states the forest and wood products industry provides a constant level of economic generation through the procurement of good and services from the region regardless of market cycle. The relative stability of the forest and wood products industry translates to stable employment with above average wages for employees of the industry residing within Greater Edmonton.

"With a majority of the forest industry operations in northern Alberta, it is natural that Edmonton would be a key supplier and beneficiary from our industry's purchasing of everything from heavy equipment to consulting services and office supplies," said Ken Vanderwell, Alberta Forest Products Association President. "And while our industry is currently facing some tough times, the Capital Region will continue to receive a significant economic benefit from our operational purchases."

This economic concentration has also helped to solidify the Edmonton region as a leading research and development centre - with the Alberta Research Council's forest products and pulp and paper labs; the University of Alberta hosting the Sustainable Forest Management Network Centre of Excellence; and a variety of other public and private scientific, research and development. Through this compilation of economics and R&D,

Edmonton is poised to play a significant role in the new bio-economy.

"The next generation of development within the forest and wood products industry will be shaped by the advancement of bio-energy and bio-products that will potentially generate a new wave of technological developments and investments like the construction of bio-fuel facilities and biorefineries, says Myron Borys, EEDC's Vice President of Economic Development. "Greater Edmonton can capitalize on bio-industry advancements since the region is a hub for forestry and energy and a well-developed supply and service sector."

The economic impact report was prepared by Meyers Norris Penny LLP for the Forest Industry Suppliers and Logging Association, the Alberta Forest Products Association and Edmonton Economic Development Corp. All major primary forest products companies in Alberta were solicited for their economic data relevant to this study. The forest companies that provided data for this study represent 70 per cent of the 23 million cubic metres of timber harvested annually in Alberta.

The ***Forest Industry Suppliers and Logging Association*** (FISLA) is an independent Canadian-based non-profit industry organization devoted to the sustainable development of all forest industry sectors. FISLA consists mainly of companies that provide a variety of goods and services (including logging) to the primary forest producers of lumber, pulp, paper, newsprint, veneer, plywood, oriented strandboard, MDF, agri-fiber, and numerous other value-added and secondary wood components. www.fisla.com

The ***Alberta Forest Products Association*** (AFPA) is a private, non-profit industry organization, representing lumber, panelboard, pulp and paper, and secondary manufacturing wood products companies operating in Alberta. The forest products industry is Alberta's third-largest manufacturing industry and the second largest manufacturing export industry. AFPA member companies are active participants in sustainability advancements that benefit the industry, our environment and society. Forests are a sustainable, renewable natural resource. www.albertaforestproducts.ca

Edmonton Economic Development Corp. (EEDC) is a not-for-profit company owned by the City of Edmonton that is responsible for regional economic development and regional tourism marketing, as well as management of the Shaw Conference Centre and Edmonton Research Park. EEDC's Economic Development division supports 10 industry clusters as a means to retain, expand and grow Greater Edmonton's regional comparative advantages. www.edmonton.com/eedc

Electronic copies of the study and supporting fact sheets are available on each

of the partner's websites.

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