

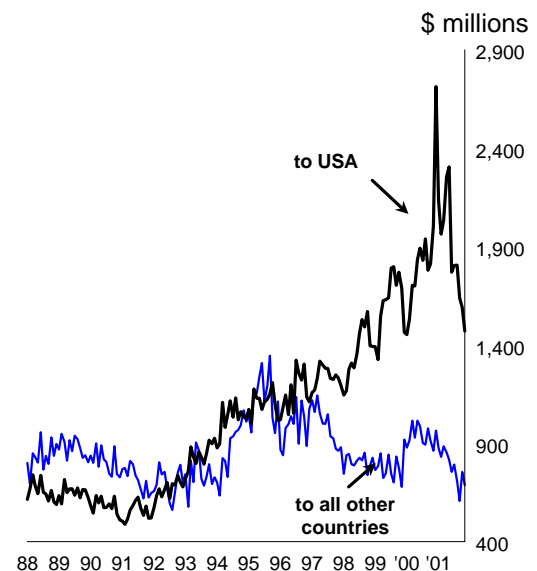
Exports ♦ November 2001

- The total value of BC origin exports year-to-date to November 2001 is down 1.4% from the same period in 2000. Significant declines in the value of exports of forest products outweighed the large increase in energy exports. BC exports in November 2001 were almost 25% lower than the same month in 2000. Part of the drop is due to falling prices for energy products. November 2000 was the beginning of a period of rampant inflation for natural gas and electricity and prices have since come back down. However, energy was only part of the story as exports of other commodities declined as well.
- Despite falling prices in recent months, the value of energy exports is still 34% higher year-to-date compared to the first 11 months of 2000. Electricity exports are almost 28% higher year-to-date even though volumes have dropped due largely to the low snow packs experienced in the province in 2001, which resulted in less available surplus electricity for trade.
- The forest sector continues to slump, particularly with regard to pulp and paper. The value of exports of pulp and paper products is down 22% compared to the January to November period of 2000. Declines in shipments to Japan (-45%) and the European Union (-29%) are the main reason for the drop.
- In the first eleven months of 2001, exports of metallic mineral products are

about 25% off the pace set in the same period in 2000. The most significant drop is in exports of unwrought zinc (-53%).

- While exports to most Asian and European countries are down year-to-date, the value of BC commodities going to North, Central and South American destinations is up. Exports to Mexico are up almost 41%, to Central America and the Caribbean have increased 40% and to South America are 21% higher.

Exports falling after spiking earlier in the year



Team Canada Scouts Russia and Germany for New Trade Ties

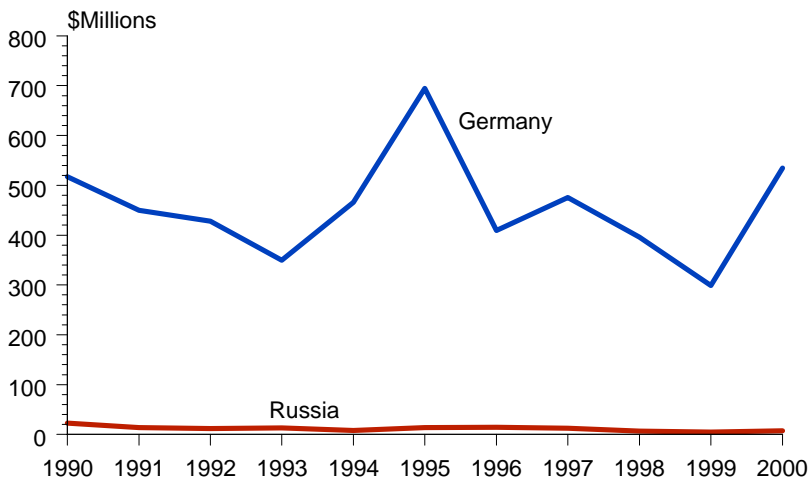
Prime Minister Jean Chretien will lead a Team Canada trade mission to Russia and Germany from February 13-21 in an effort to promote Canadian businesses and develop new trade ties in those markets. This is the seventh such mission since 1994 and, according to the Department of Foreign Affairs and International Trade, these trade junkets have resulted in approximately \$30.2 billion worth of new business to Canada.

Team Canada missions have brought in \$30.2 billion in new business

Germany is already a significant market for Canadian goods, but Russia is perhaps where more opportunities exist since that market is largely untapped. These European markets have traditionally been less important for BC compared to other provinces, due mainly to Europe's relative proximity to Eastern Canada. Russia's potential as a trade partner with Western Canada is also limited due to the fact that it already has a wealth of natural resources, which are the main exports of the western provinces.

In 2000, Canada traded \$195.2 million worth of goods with Russia, of which \$7.6 million, or a mere 4%, originated in British Columbia. This is compared to \$3 billion worth of trade to Germany, with \$534.4 million originating in BC (18%).

BC's exports to Russia have been insignificant, but Germany has been an important export destination

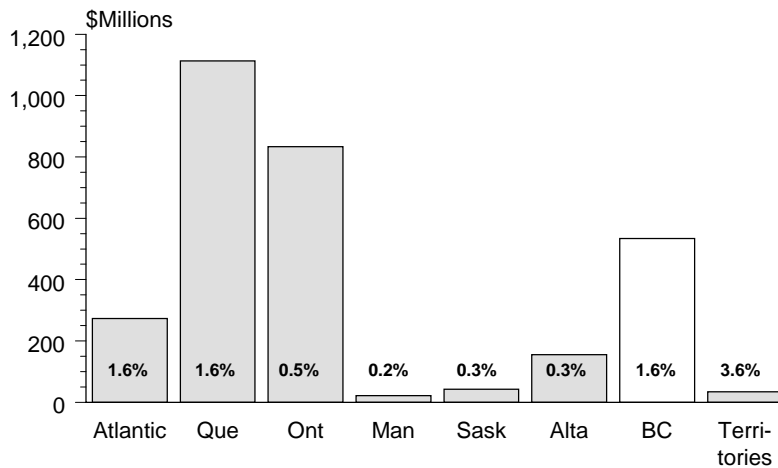


* Note: Prior to 1993, data for Russia is for the entire former USSR

In 2000, Germany was the sixth most significant destination for BC origin exports

While Germany was the fifth ranked destination in terms of value of Canadian exports in 2000, Russia barely cracked the top 50, ranking only 43rd. For exports originating in BC, Germany was ranked as the sixth most important destination and Russia was 46th.

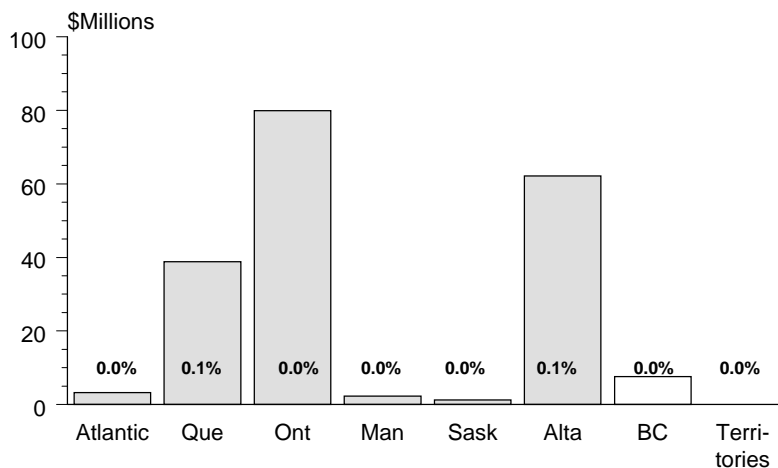
Among the provinces, BC ranks third in terms of value of exports to Germany



* Note: Percentages are portion of province's total exports represented by exports to Germany

In 2000, exports to Germany comprised 1.6% of total BC origin exports, the same as Quebec and the Atlantic Provinces and second only to the Territories

Exports to Russia comprise only a small portion of Canadian exports



* Note: Percentages are portion of province's total exports represented by exports to Russia

In 2000, Canadian exports to Russia originated mainly in Central Canada and Alberta

Germany is a highly industrialised country, which is reflected in the types of goods that it exports to Canada—mostly machinery and motor vehicles. With fewer natural resources available within Germany, it is not surprising that the bulk of BC origin exports to Germany are resource-based. Pulp is by far the most significant export from BC to Germany, making up about 64% of total BC origin exports to that country. BC is the source of over half the pulp exported from Canada to Germany. Although exports of machinery and equipment from BC are also significant (16% of total BC exports to Germany), they comprise only 7% of Canadian machinery and equipment exports to that country. The majority of these machinery and equipment exports from BC are either parts for machinery used in printing, or specialised high technology items.

**2000 Exports to Germany and Russia
- Selected Commodities -**

	British Columbia Exports to:				BC Percent of Canadian Exports	
	Germany		Russia		to Germany	To Russia
	(\$,000)		(\$,000)			
SOLID WOOD PRODUCTS	50,366	9%	108	1%	43%	2%
Lumber (softwood)	39,709	7%	0	0%	99%	-
Cedar Shakes and Shingles	324	0%	0	0%	100%	-
Plywood (softwood)	7,683	1%	0	0%	100%	-
Selected Value Added Wood Products	1,867	0%	0	0%	16%	0%
other	783	0%	108	1%	1%	29%
PULP AND PAPER PRODUCTS	343,911	64%	1,633	22%	46%	58%
Pulp	343,582	64%	1,633	22%	51%	65%
Newsprint	0	0%	0	0%	0%	-
Paper, Paperboard - exc. Newsprint	312	0%	0	0%	5%	0%
other	16	0%	0	0%	1%	0%
AGRICULTURE AND FOOD OTHER THAN FISH	2,786	1%	2,361	31%	3%	10%
Fruit and Nuts	197	0%	0	0%	1%	-
Vegetables	247	0%	0	0%	2%	0%
other	2,341	0%	2,361	31%	4%	10%
FISH PRODUCTS	868	0%	162	2%	2%	12%
Whole Fish; Fresh, Ch'd, Froz. exc Salmon	603	0%	0	0%	20%	-
Whole Salmon; Fresh, Chilled, Frozen	167	0%	0	0%	100%	-
Salmon; Canned, Smoked, etc.	98	0%	0	0%	100%	-
other	0	0%	162	2%	0%	12%
METALLIC MINERAL PRODUCTS	715	0%	0	0%	0%	0%
Copper Ores and Concentrates	0	0%	0	0%	-	-
Molybdenum Ores and Concentrates	0	0%	0	0%	-	-
Unwrought Aluminum	0	0%	0	0%	0%	-
Unwrought Zinc	0	0%	0	0%	-	-
other	715	0%	0	0%	0%	0%
ENERGY PRODUCTS	34,464	6%	0	0%	99%	0%
Natural Gas	0	0%	0	0%	-	-
Coal	34,452	6%	0	0%	100%	-
Electricity	0	0%	0	0%	-	-
other	12	0%	0	0%	3%	0%
MACHINERY AND EQUIPMENT	85,073	16%	3,029	40%	7%	3%
Motor Vehicles and Parts	1,356	0%	0	0%	2%	0%
Electrical/Electronic/Communications	17,076	3%	102	1%	11%	1%
other	66,642	12%	2,927	39%	6%	4%
PLASTICS AND ARTICLES OF PLASTIC	158	0%	23	0%	1%	0%
APPAREL AND ACCESSORIES	948	0%	36	0%	20%	2%
ALL OTHER COMMODITIES	15,135	3%	213	3%	4%	1%
GRAND TOTAL	534,423	100%	7,563	100%	18%	4%

For Russia, it is quite a different story. About 40% of BC origin exports to Russia are machinery and equipment. Agriculture and food products account for 31% and pulp makes up 22% of BC exports to Russia. Other resource products such as soft-wood lumber and coal are a far less significant export to Russia compared to Germany. As stated earlier, Russia's wealth of natural resources is the reason for the lack of demand for these products from elsewhere. Most Canadian exports to Russia originate in Ontario, Quebec or Alberta. The products most in demand from Alberta are machinery and equipment related to agricultural production. There is limited demand for resource products, with the exception of food.

If BC is to increase its trade with Russia, it will likely have to be in the areas of machinery and equipment, value added products and high technology. High technology is an area where British Columbia could certainly look to expand trade, as in 2000 there were just over \$200,000 worth of high technology products exported to Russia from BC. As Russia continues to reinvent itself and move toward a more modernised, consumer-oriented society, it should create more demand for technological goods.

Products for which there are currently market opportunities in Russia include computer and engineering systems used for mineral exploration, extraction and smelting, modern environmental equipment, agricultural machinery and equipment, food processing and packing equipment, telecommunications and financial services.

High technology is also a key sector in Germany. In 2000, approximately \$5.4 million worth of high technology goods were exported from BC to Germany. The proliferation of home computers has been much slower in Germany compared to North America, but there has recently been rapid development in this area, which means there is a significant market for software and Internet applications. E-commerce and electronic finance are growth industries in Germany. Telecommunications is another area where market opportunities abound. In addition to high technology products, more traditional resource-based exports such as energy products (particularly coal) and building materials are in demand in Germany.

The Team Canada missions have helped Canadian businesses find new markets for their products in the past and the mission to Germany and Russia should prove to be no exception. For British Columbia companies, perhaps the greatest opportunities lie with BC's burgeoning high technology sector, as both Russia and Germany have growing markets for high tech products ranging from telecommunications to computer software.

There is a market in Russia for high tech products and machinery and equipment

Computer software, Internet applications and telecommunications are in demand right now in Germany

**Recent Feature Articles In British Columbia Origin Exports Release
Listed By Statistical Reference Date of Issue**

01-10	<i>Exploring China as a Market for BC's Wood Products (released December 2001)</i>	00-05	<i>What Has Free Trade Meant For B.C.'s International Trade? (released July 2000)</i>
01-09	<i>Is Trade Threatened by Security? (released November 2001)</i>	00-04	<i>British Columbia Shipping Smaller Portion of Canadian Forestry Products (released June 2000)</i>
01-08	<i>Thirst for Energy Powers British Columbia's Exports (released October 2001)</i>	00-03	<i>1990s Brought New Markets and New Products For B.C. Exports (released June 2000)</i>
01-07	<i>International Trade in High Technology Goods and Services (released September 2001)</i>	00-02	<i>United States Continues Substantial Log Exports In 1999 (released April 2000)</i>
01-06	<i>Interprovincial and International Trade in Goods and Services (released August 2001)</i>	00-01	<i>B.C. Goods Export Growth Among Lowest In Canada During 1990s (released March 2000)</i>
01-05	<i>Buy Low, Sell High: Trade in Electricity (released July 2001)</i>	99-12	<i>British Columbia Trade Becoming More Continental Than Global (released February 2000)</i>
01-04	<i>Attack of the Canadian Tomatoes (released June 2001)</i>	99-11	<i>Growing Cross Border Trade In Agricultural Food Products (released January 2000)</i>
01-03	<i>The Softwood Lumber Dispute (released May 2001)</i>	99-10	<i>Trade Imbalances Growing Within NAFTA (released December 1999)</i>
01-02	<i>(no article)</i>	99-09	<i>B.C. Exports Recovering In Some Asian Markets, Still Declining In Others (released November 1999)</i>
01-01	<i>(no article)</i>	99-08	<i>British Columbia Exports to United States Move Increasingly By Truck (released October 1999)</i>
00-12	<i>(no article)</i>	99-07	<i>Export Changes During 1990s Reduce Resource Dependency (released September 1999)</i>
00-11	<i>After Much Economic Diversification, B.C. Exports Are Still Mainly Resource Based (released January 2000)</i>	99-06	<i>British Columbia Losing Dominant Position In World Lumber Markets (released September 1999)</i>
00-10	<i>Ambitious Western Hemisphere Trade Agreement Could Help Shape Canadian Trade In the New Decade (released Dec. 2000)</i>	99-05	<i>September Team Canada Mission To Visit Japan and Australia (released July 1999)</i>
00-09	<i>Trade Growth Tied To Transportation Infrastructure (released November 2000)</i>	99-04	<i>New Export Industries Depend Heavily On Air Freight Services (released July 1999)</i>
00-08	<i>Some Familiar Patterns Developing In Trade Between China and British Columbia (released October 2000)</i>	99-03	<i>United States Log Exports (released May 1999)</i>
00-07	<i>International Trade In Services Produces B.C.'s Only Trade Surplus (released October 2000)</i>	99-02	<i>British Columbia Losing Ground In United States Lumber Market (released Apr 1999)</i>
00-06	<i>Value Added Wood Exports Grow Fast In B.C., But Faster In Rest of Canada (released August 2000)</i>		

NOTES

Countries Included Within World Regions:

(1) Western Europe: United Kingdom, Ireland, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland.

(2) Eastern Europe: other Europe, including all of Russia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, etc.

(3) South East Asia: Malaysia, Brunei Darussalam, Singapore, Myanmar, Kampuchea, Laos, Indonesia, Philippines, Thailand, Vietnam.

(4) Africa: continental Africa, excluding Ethiopia, Libya, Somalia, Sudan, Egypt.

(5) South America: continental South America from Colombia and Venezuela south to Chile and Argentina, including offshore islands, but not Caribbean.

(6) Central America and Caribbean: from Guatemala and Belize to Panama, plus Caribbean Islands.

(7) Pacific Rim (including Japan): Japan, Hong Kong, Malaysia, Brunei Darussalam, Singapore, Laos, Mongolia, China, Indonesia, North Korea, South Korea, Philippines, Macau, Taiwan, Thailand, Vietnam, Australia, Fiji, New Zealand.

(8) Pacific Rim: as above, but excluding Japan.

(9) Middle East: from Turkey and Iran south through the Arabian Peninsula. Excluding Afghanistan and Pakistan, but including Cyprus, Ethiopia, Egypt, Somalia, Sudan and Libya.

'Selected Value-added Wood Products' category includes prefabricated houses, doors, windows, furniture, moulding, siding, etc. It does not include panel products, shakes, shingles or any pulp and paper products.

Service Offered for Detailed Trade Statistics

For B.C. government statistics users requiring more detailed information on exports or imports, a special report service is offered through the address below:

Dan Schrier - Trade Statistics

BC STATS

553 Superior Street, Victoria, B.C. V8V 1X4

(250) 387-0376

This service is provided through the Trade Research and Inquiry Package (TRIP) computer reporting system. TRIP offers user-defined tabulations of export or import statistics for British Columbia, Canada, the United States and other countries. Tabulations can include information on commodities, countries, U.S. states, years, months, mode of transport, etc.