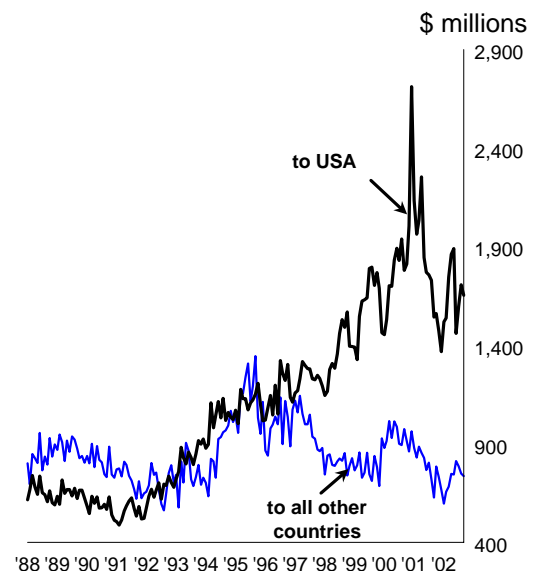


Exports ♦ September 2002

- The value of BC origin exports is down 11% in the first three quarters of 2002 compared to the same period last year. The spike in energy prices recorded early in 2001 continues to affect year-over-year comparisons. Both electricity (-86%) and natural gas (-43%) exports are well below last year's levels due to the return of prices to more normal levels.
- Exports of coal have also declined, but unlike natural gas and electricity it is not prices that are responsible for the drop, but rather quantities. There have been almost 4 million metric tonnes less of coal shipped so far in 2002 compared to the first three quarters of 2001, a drop of 23%.
- The value of shipments of softwood lumber to the United States has fallen 0.5% year-to-date compared to the same period in 2001. With the imposition of an average combined countervailing and anti-dumping duty of 27.2% on Canadian lumber exports to the United States, it is not surprising that there was a decline; however, it is surprising that the decline is due to a drop in price, not quantity. In fact, year-to-date, BC has shipped almost an additional 1.3 million cubic metres of softwood lumber to the US compared to the first three quarters of 2001. The reason for this apparent contradiction is that Canadian forest companies have made their operations more efficient by closing inefficient mills and running the others to capacity to achieve economies of scale. This has resulted in an increased flow of wood over the border and a drop in lumber prices as the market becomes saturated.
- The value of pulp and paper exports is 12% lower in the first three quarters of 2002 compared to the same period last year. Shipments to the United States are 9% off last year's pace, while exports to Japan have fallen by 29% and the European Union has taken in 24% less than in the same period in 2001.
- The value of BC origin exports to the European Union is down 21% year-to-date compared to the first three quarters of 2001. In addition to pulp and paper, shipments of machinery and equipment (-32%) and coal (-23%) are well off last year's pace.

Commodity prices continue to affect year-over-year comparisons of value of exports



Canada Looking to Shed Light on Trade with the Dark Continent

International Trade Minister Pierre Pettigrew is leading a trade and investment mission to **Sub-Saharan Africa** this month. The Canadian contingent is visiting South Africa, Nigeria and Senegal in an effort to establish new business and trade relationships with Africa. Currently less than half of one percent of Canada's commodity exports end up in Africa. The same is true for British Columbia. This trade mission is designed to increase those numbers, while at the same time fulfilling Prime Minister Chrétien's commitment to support African development.

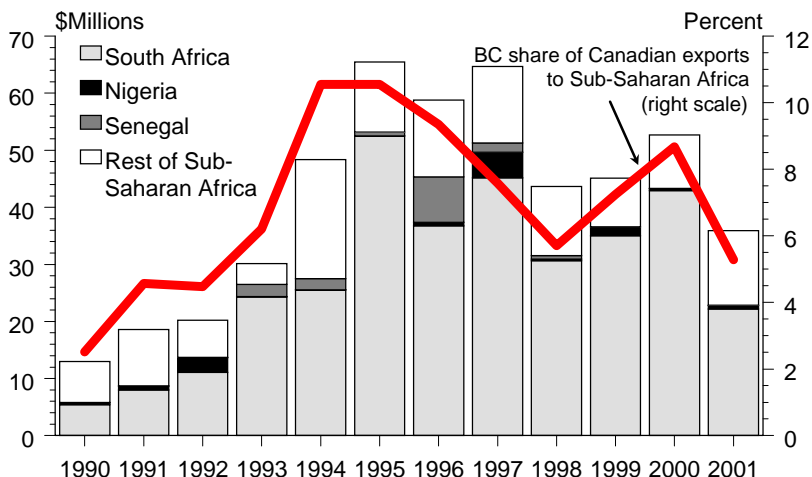
Africa is often overlooked as a potential place for investment opportunities, but according to the Department of Foreign Affairs and International Trade, it has been countries in Sub-Saharan Africa that have led the world in economic growth over the last few years. Canadian products and services are well-suited to the needs of Africa, but Canada has relatively little involvement in trade and investment with African countries. Exceptions are in mining exploration and some other services like engineering where Canadian firms have a strong presence.

The most robust economy in Sub-Saharan Africa belongs to South Africa, which is the country with which Canada has the strongest links. Nigeria has an emerging economy and promises to be a leader in the region in years to come. Canadian companies hope to use their established roots in these countries to help penetrate other regions of the continent. For British Columbia, South Africa is by far the most significant Sub-Saharan African destination for its exports with, on average, more than two-thirds of BC origin commodity exports to the region destined for that country.

Sub-Saharan Africa is comprised of all African countries south of Morocco, Algeria, Tunisia, Libya and Egypt

"Helping Africa get on its feet is in our interest from the perspective of our common humanity, from the perspective of creating a more prosperous world with new markets, and it is profoundly in our self-interest from the point of view of our own security." – Prime Minister Jean Chrétien

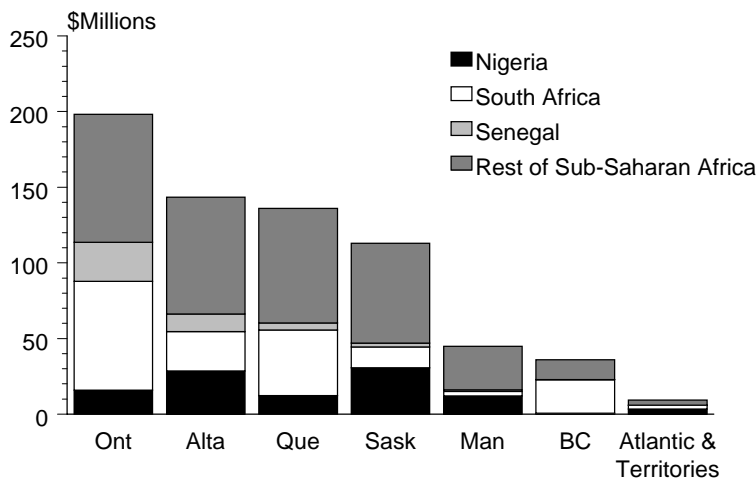
Most of British Columbia's exports to Sub-Saharan Africa are destined for South Africa



South Africa is the destination of the majority of BC origin commodity exports to Sub-Saharan Africa

Currently, British Columbia's commodity trade with Sub-Saharan Africa is fairly insignificant, with only \$35.9 million worth exported to that region in 2001. That figure represents just over 5% of all Canadian exports to Sub-Saharan Africa in 2001 and ranks British Columbia sixth among the provinces ahead of only the Atlantic Provinces and the Territories. Ontario exported the greatest value of goods to Sub-Saharan Africa in 2001, with just under \$200 million in exports.

British Columbia ranked sixth among the provinces for value of exports to Sub-Saharan Africa in 2001



BC exported just 5% of Canada's total exports to Sub-Saharan Africa in 2001 ranking it sixth among the provinces

Wheat is by far the most significant Canadian export to Sub-Saharan Africa, comprising almost a third of all Canadian exports to that region. Machinery and equipment, particularly related to agriculture, construction and transportation, is another significant export. Much of this originates in Ontario, although British Columbia also exports significant values of machinery and equipment, particularly that associated with the mining industry. One of Ontario's most significant exports is used clothing, presumably donated to aid Africa's poor.

In addition to machinery and equipment, the top exports from British Columbia are sulphur products and pulp. The sulphur products are critical components of many industrial processes in South Africa, such as mining, mineral and metal processing, pulp and paper manufacturing and water treatment. Just under 19% of British Columbia's exports to Sub-Saharan Africa in 2001 were comprised of sulphur products, all of which was destined for South Africa.

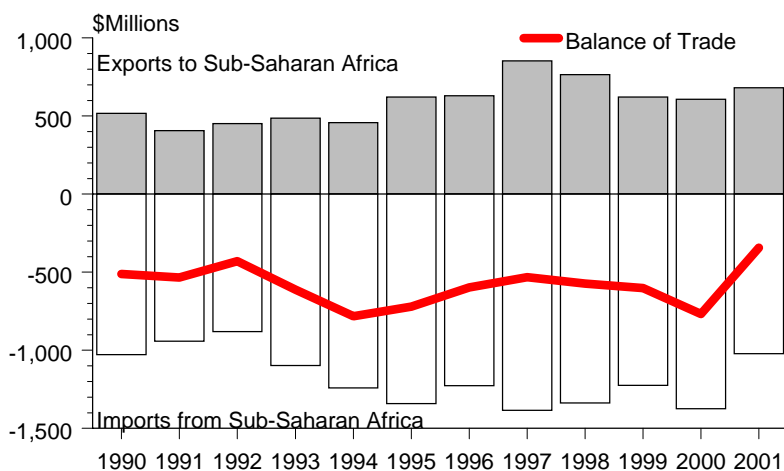
Machinery and equipment, sulphur and pulp are British Columbia's top exports to Sub-Saharan Africa

**2001 Exports to Sub-Saharan Africa
- Selected Commodities -**

	BC	% of	Canada	% of	BC Percent of
	(\$,000)	Total	(\$,000)	Total	Canadian Exports
SOLID WOOD PRODUCTS	863	2%	10,499	2%	8%
Lumber (softwood)	374	1%	447	0%	84%
Cedar Shakes & Shingles	26	0%	26	0%	100%
Plywood (softwood)	0	0%	23	0%	0%
Selected Value Added Wood Products	312	1%	3,713	1%	8%
Other	150	0%	6,290	1%	2%
PULP AND PAPER PRODUCTS	4,324	12%	6,518	1%	66%
Pulp	4,090	11%	4,090	1%	100%
Newsprint	0	0%	229	0%	0%
Paper, Paperboard - exc. Newsprint	234	1%	1,612	0%	15%
Other	0	0%	586	0%	0%
AGRICULTURE AND FOOD OTHER THAN FISH	3,034	8%	276,836	41%	1%
Fruit and Nuts	0	0%	86	0%	0%
Vegetables	1,461	4%	12,402	2%	12%
Other	1,573	4%	264,347	39%	1%
FISH PRODUCTS	45	0%	2,585	0%	2%
Whole Fish; Fresh, Chld, Froz Exc Salmon	0	0%	1,305	0%	0%
Salmon; Canned, Smoked, Etc.	34	0%	34	0%	100%
Other Fish Products	11	0%	1,246	0%	1%
METALLIC MINERAL PRODUCTS	0	0%	3,202	0%	0%
Unwrought Aluminum	0	0%	2,579	0%	0%
Other Metallic Mineral Products	0	0%	623	0%	0%
ENERGY PRODUCTS	13	0%	1,058	0%	1%
MACHINERY AND EQUIPMENT	10,580	29%	218,878	32%	5%
Motor Vehicles and Parts	1,942	5%	32,977	5%	6%
Electrical/Electronic/Communications	886	2%	50,838	7%	2%
Other	7,753	22%	135,063	20%	6%
PLASTICS AND ARTICLES OF PLASTIC	22	0%	9,328	1%	0%
APPAREL AND ACCESSORIES	13	0%	372	0%	3%
ALL OTHER COMMODITIES	17,035	47%	151,260	22%	11%
GRAND TOTAL	35,931	100%	680,535	100%	5%

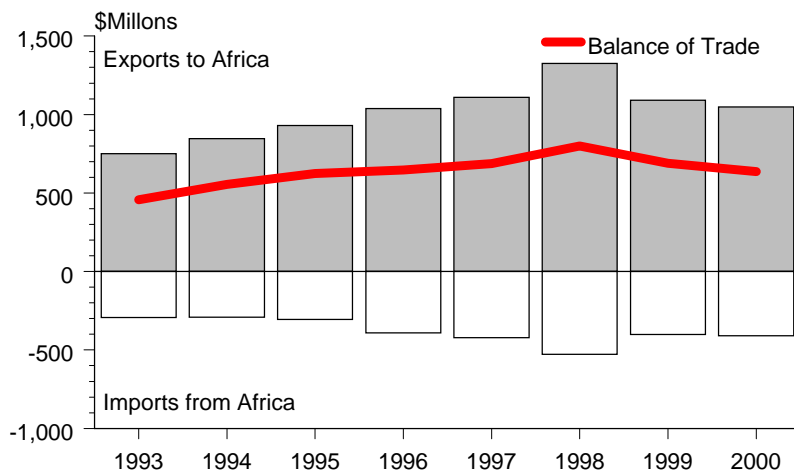
Canada imports far more goods from Sub-Saharan Africa than it exports to the region. These goods are comprised mainly of oil and mineral products, but some food products as well. Although Canada has a trade deficit in terms of commodities, this is not the case with regard to trade in services. Canada has a significant surplus in trade in services with Africa (although the data is for all of Africa and not just the Sub-Saharan portion, this surplus almost certainly exists with Sub-Saharan Africa as well). The majority of Canadian imports of services from Africa are related to travel and tourism.

Canada has a commodity trade deficit with Sub-Saharan Africa..



Canada imports more goods from Sub-Saharan Africa than it exports

...but has a surplus in trade in services with Africa*



Canada exports more services to Africa than it imports from the region

*Data for Sub-Saharan Africa in specific is not available

In the last couple of years, the federal government has been embarking on an increasing number of trade missions like this one to Sub-Saharan Africa as it recognises the increased globalisation that is occurring and the need to diversify Canada's trade relationships. The trade missions have been successful in bringing in billions of dollars in new deals and will likely continue to be a staple of Canada's foreign trade policy.

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

02-09	<i>Canada Looking to Shed Light on Trade With the Dark Continent (released November 2002)</i>	01-05	<i>Buy Low, Sell High: Trade in Electricity (released July 2001)</i>
02-08	<i>Canada's Share of US Softwood Lumber Market Slipping (released October 2002)</i>	01-04	<i>Attack of the Canadian Tomatoes (released June 2001)</i>
02-07	<i>FTAA: Free Trade for the Western Hemisphere? (released September 2002)</i>	01-03	<i>The Softwood Lumber Dispute (released May 2001)</i>
02-06	<i>The Changing Face of BC Exports (released August 2002)</i>	01-02	<i>(no article)</i>
02-05	<i>Japan's Economic Woes Translate to Reduced Trade for BC (released July 2002)</i>	01-01	<i>(no article)</i>
02-04	<i>Team Canada Promotes Trade With Mexico (released June 2002)</i>	00-12	<i>(no article)</i>
02-03	<i>Chile Warms Up to Trade With Canada (released May 2002)</i>	00-11	<i>After Much Economic Diversification, B.C. Exports Are Still Mainly Resource Based (released January 2000)</i>
02-02	<i>The Threat of American Protectionism (released April 2002)</i>	00-10	<i>Ambitious Western Hemisphere Trade Agreement Could Help Shape Canadian Trade In the New Decade (released Dec. 2000)</i>
02-01	<i>Canada Seeks to Increase Trade With India (released March 2002)</i>	00-09	<i>Trade Growth Tied To Transportation Infrastructure (released November 2000)</i>
01-12	<i>Is "Runaway" Film Production in Canada Harming the U.S. Industry? (released February 2002)</i>	00-08	<i>Some Familiar Patterns Developing In Trade Between China and British Columbia (released October 2000)</i>
01-11	<i>Team Canada Scouts Russia and Germany for New Trade Ties (released January 2002)</i>	00-07	<i>International Trade In Services Produces B.C.'s Only Trade Surplus (released October 2000)</i>
01-10	<i>Exploring China as a Market for BC's Wood Products (released December 2001)</i>	00-06	<i>Value Added Wood Exports Grow Fast In B.C., But Faster In Rest of Canada (released August 2000)</i>
01-09	<i>Is Trade Threatened by Security? (released November 2001)</i>	00-05	<i>What Has Free Trade Meant For B.C.'s International Trade? (released July 2000)</i>
01-08	<i>Thirst for Energy Powers British Columbia's Exports (released October 2001)</i>	00-04	<i>British Columbia Shipping Smaller Portion of Canadian Forestry Products (released June 2000)</i>
01-07	<i>International Trade in High Technology Goods and Services (released September 2001)</i>	00-03	<i>1990s Brought New Markets and New Products For B.C. Exports (released June 2000)</i>
01-06	<i>Interprovincial and International Trade in Goods and Services (released August 2001)</i>	00-02	<i>United States Continues Substantial Log Exports In 1999 (released April 2000)</i>
		00-01	<i>B.C. Goods Export Growth Among Lowest In Canada During 1990s (released March 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.

Revisions

Statistics Canada revises trade data for the previous three data years with release of the December data. The revision number is indicated in the footer of the tables (e.g., Rev 1 is the first annual revision, etc., and Prelim indicates it is the first release of data to December for that year). In addition to annual revisions, Statistics Canada revises the data for the previous data year every quarter (indicated in the footer by Rev Q1, etc).

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.