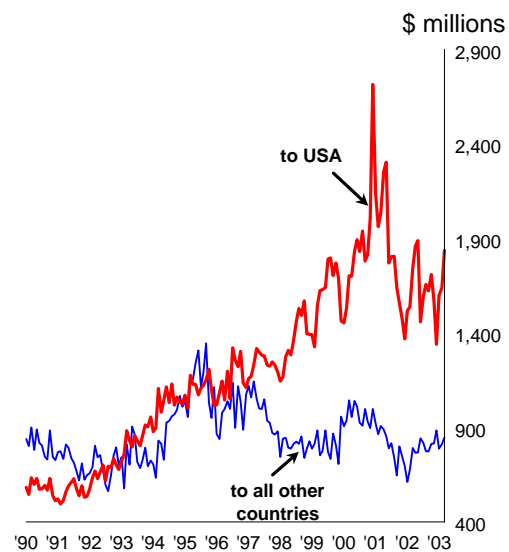


Exports ♦ March 2003

Note that with this release there have been two changes to the tables. First, two additional columns have been added with data from the same month a year earlier and the corresponding year-over-year change. The second change involves the commodity definitions. The "Plywood (softwood)" category has been expanded to include softwood veneer and a new category called "Other Panel Products" has been separated out from "Other Solid Wood Products". This category includes other plywood and veneer, particleboard and fibreboard.

- Year-to-date through the first quarter of 2003, the value of BC origin exports is up 9% compared to the same period in 2002. Once again the energy sector is leading the way as higher prices and increased demand for natural gas and electricity resulted in almost double the value of exports (+93%) of energy products in the first quarter.
- In the forest sector, the softwood lumber dispute continues to have a negative impact on the value of solid wood product exports. Year-to-date softwood lumber exports to the US are 32% lower compared to the first quarter of 2002. Most of this decline is due to falling prices as a result of oversupply. There are some signs that the forest industry is attempting to find alternative markets as lumber exports to Japan are up 14% and the European Union increased its imports from BC by 8%.
- Pulp and paper exports continue to climb (+6%) on the strength of the resurgence of pulp (+9%) and paper and paperboard (+9%). Low demand for newsprint (due in part to a reduction in advertising) has driven down prices resulting in an 8% drop in the value of BC exports of that good.
- Machinery and equipment shipments are still falling (-9%) as a result of the closure of the Western Star Trucks assembly plant in Kelowna. The value of exports of motor vehicles and parts is almost 37% off last year's pace.
- Exports to the Pacific Rim (excluding Japan) have jumped 42% in the first quarter compared to last year. Shipments to China increased 74%, exports to Taiwan were up 65%, and South Korean imports from BC grew by a third.

Rising commodity prices, particularly for energy products, are driving up the value of BC exports

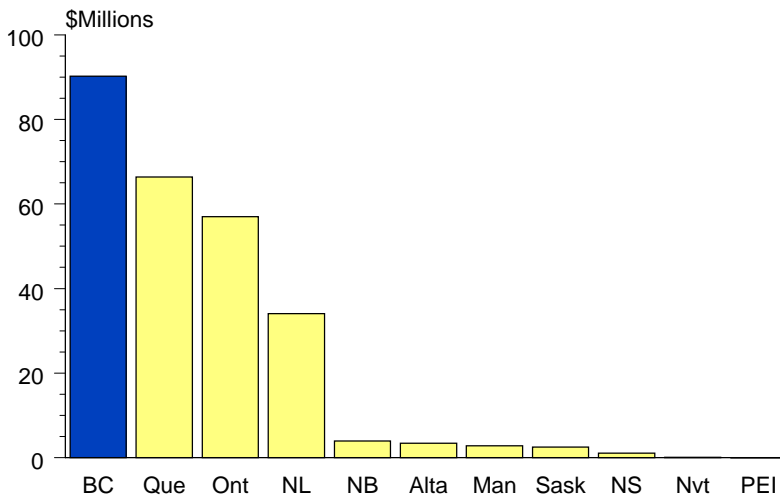


Canada Talks Trade with Turkey

Turkey and Bulgaria will be the focus of a Canadian trade mission from May 21 to 29. Currently, trade between Canada and Bulgaria is not very significant, with two-way trade amounting to just over \$85 million in 2002. BC exports to Bulgaria were valued at just over \$169 thousand. However, Turkey has been a far more important trade partner for both Canada as a whole and British Columbia in particular. Two-way trade between Canada and Turkey was worth about \$666 million in 2002 and BC was the source of over a third of Canadian domestic exports to Turkey. In fact, BC ranked first among the provinces in terms of commodity exports to Turkey. Turkey was the destination for more of BC's goods than either Mexico or Chile, with which Canada has free trade agreements. Of all BC commodity trade to the Middle East, almost half (49%) went to Turkey in 2002.

Of the two countries involved in the next Canadian trade mission, Turkey is by far the more significant trade partner for both Canada and BC

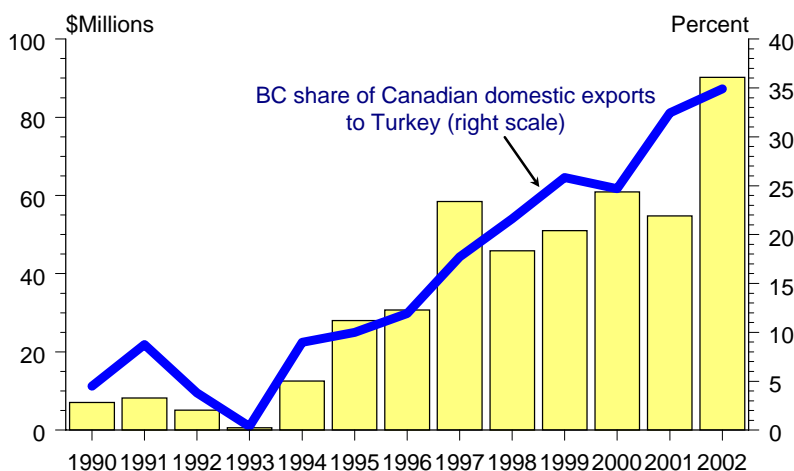
BC ranks number one among the provinces in terms of commodity exports to Turkey



In 2002, BC was the primary Canadian source of commodity exports to Turkey

British Columbia's exports of goods to Turkey have been increasing steadily over the last decade, such that the value of BC origin exports to Turkey is well over ten times what it was in the early nineties. BC's share of Canadian exports has expanded correspondingly, rising from between 5 and 10 percent in the early nineties to almost 35% in 2002. By comparison, second ranked Quebec was the source of 25% of Canada's commodity exports to Turkey.

BC origin commodity exports to Turkey have been rising steadily over the last decade



BC's share of Canadian exports of goods to Turkey has increased substantially over the last decade such that BC was the source of over a third of Canada's exports to Turkey in 2002

2002 Exports to Turkey - Selected Commodities -

| | BC (\$,000) | % of Total | Canada (\$,000) | % of Total | BC Percent of Canadian Exports |
|--|-----------------|---------------|--------------------|---------------|-----------------------------------|
| SOLID WOOD PRODUCTS | 60.1 | 0% | 598.6 | 0% | 10% |
| PULP & PAPER PRODUCTS | 294.9 | 0% | 48,592.3 | 19% | 1% |
| Pulp | 0.0 | 0% | 12,854.0 | 5% | 0% |
| Newsprint | 0.0 | 0% | 34,341.0 | 13% | 0% |
| Paper, Paperboard, Exc. Newsprint | 294.9 | 0% | 1,095.1 | 0% | 27% |
| Other Pulp & Paper Products | 0.0 | 0% | 302.2 | 0% | 0% |
| AGRICULTURE & FOOD (including FISH) | 118.5 | 0% | 9,974.4 | 4% | 1% |
| Vegetables | 118.5 | 0% | 4,032.3 | 2% | 3% |
| Other Agriculture & Non-Fish Food | 0.0 | 0% | 5,939.7 | 2% | 0% |
| Fish Products | 0.0 | 0% | 2.4 | 0% | 0% |
| METALLIC MINERAL PRODUCTS | 0.0 | 0% | 44,245.7 | 17% | 0% |
| Unwrought Aluminum | 0.0 | 0% | 650.8 | 0% | 0% |
| Other Metallic Mineral Products | 0.0 | 0% | 43,594.9 | 17% | 0% |
| ENERGY PRODUCTS | 86,154.1 | 96% | 86,376.4 | 33% | 100% |
| Coal | 86,154.1 | 96% | 86,154.1 | 33% | 100% |
| Other Energy Products | 0.0 | 0% | 222.3 | 0% | 0% |
| MACHINERY AND EQUIPMENT | 2,888.7 | 3% | 44,177.1 | 17% | 7% |
| Motor Vehicles & Parts | 0.0 | 0% | 1,274.4 | 0% | 0% |
| Electrical & Electronic / Communications | 952.1 | 1% | 9,171.9 | 4% | 10% |
| Other Machinery & Equipment | 1,936.6 | 2% | 33,730.9 | 13% | 6% |
| PLASTICS & ARTICLES OF PLASTIC | 60.4 | 0% | 2,944.3 | 1% | 2% |
| APPAREL & ACCESSORIES | 0.0 | 0% | 499.3 | 0% | 0% |
| OTHER BC EXPORT COMMODITIES | 624.3 | 1% | 23,950.3 | 9% | 3% |
| GRAND TOTAL | 90,201.0 | 100% | 261,358.4 | 100% | 35% |

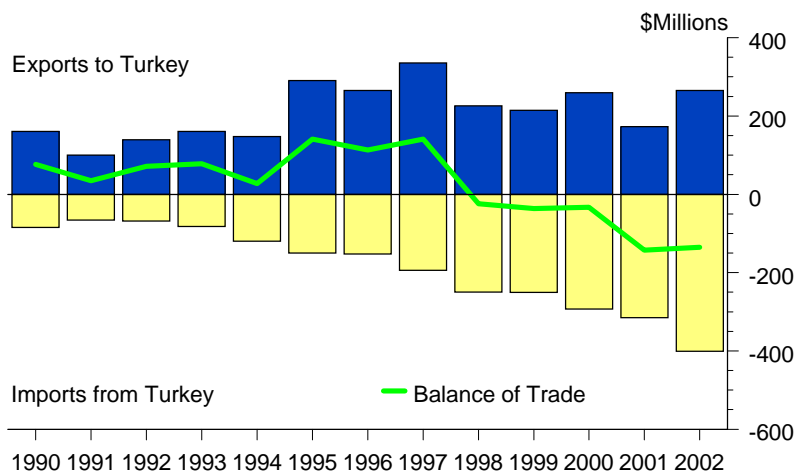
Almost all (96%) of British Columbia's exports to Turkey in 2002 were comprised of coal. Most of the balance was machinery and equipment, particularly medical equipment. With the exception of Ontario, exports from most provinces were not very diversified. Over half of Quebec's shipments consisted of newsprint and all of Newfoundland and Labrador's exports were iron ores and concentrates. For Ontario there was no single commodity that dominated the export picture.

Almost the entire volume of BC origin exports to Turkey in 2002 was comprised of coal

Canadian imports from Turkey are a little more varied, although more than half the value of imports in 2002 was from three general product groups. These top imports were iron and steel, clothing and accessories and ceramic products.

In recent years Canada has imported more goods from Turkey than it has shipped to that country, putting the balance of trade in goods in a deficit situation. Prior to 1998, Canada consistently had a commodity trade surplus with Turkey, but rising imports combined with no growth in exports has tipped the balance in Turkey's favour.

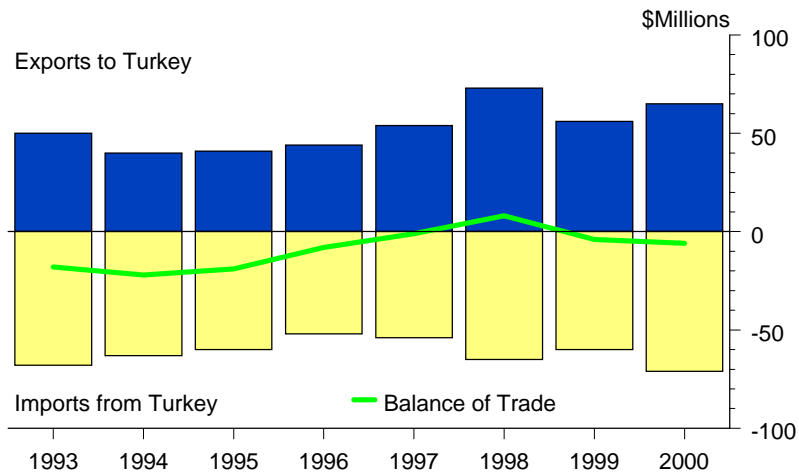
Canada's commodity trade balance with Turkey has moved from surplus to deficit in the last five years



Since 1998, Canada has had a commodity trade deficit with Turkey

Although Canada also has a deficit with Turkey in trade in services, the gap has diminished over the last few years of available data and was in surplus in 1998 before slipping back into deficit. Trade in services between Canada and Turkey is not overly significant at this time. Canadian service imports from Turkey are mainly related to tourism, while Canadian exports are primarily commercial services.

Canada has a slight deficit in trade in services with Turkey



Canada also has a deficit in trade in services with Turkey

Although Turkey does not typically leap to mind when one is thinking about major trading partners for British Columbia, it did rank 18th as a destination for BC exports in 2002, ahead of free trade partners Mexico and Chile. According to the Department of Foreign Affairs and International Trade, Turkey has the 17th largest economy in the world and has over twice the population of Canada with 69 million people. In 2002, according to Statistics Canada, Canadian direct investment in Turkey amounted to \$679 million. The Turkish economy is on an upswing offering an opportunity to Canadian firms in both British Columbia and across the country to continue to expand trade. It is already a significant market for BC coal, but there are opportunities to establish a market there for other BC goods, as well as for services in sectors like transportation, mining, and engineering.

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

| | | | |
|--------------|--|--------------|--|
| 03-03 | <i>Canada Talks Trade With Turkey</i> (released May 2003) | 01-12 | <i>Is "Runaway" Film Production in Canada Harming the U.S. Industry?</i> (released February 2002) |
| 03-02 | <i>Rising Log Exports Fuel Controversy</i> (released April 2003) | 01-11 | <i>Team Canada Scouts Russia and Germany for New Trade Ties</i> (released January 2002) |
| 03-01 | <i>Review and Outlook for BC Exports</i> (released March 2003) | 01-10 | <i>Exploring China as a Market for BC's Wood Products</i> (released December 2001) |
| 02-12 | <i>Team Canada Returns to Europe</i> (released February 2003) | 01-09 | <i>Is Trade Threatened by Security?</i> (released November 2001) |
| 02-11 | <i>Canada Courts the European Union for Freer Trade</i> (released January 2003) | 01-08 | <i>Thirst for Energy Powers British Columbia's Exports</i> (released October 2001) |
| 02-10 | <i>Lumber Battle Takes an Unexpected Turn</i> (released December 2002) | 01-07 | <i>International Trade in High Technology Goods and Services</i> (released September 2001) |
| 02-09 | <i>Canada Looking to Shed Light on Trade With the Dark Continent</i> (released November 2002) | 01-06 | <i>Interprovincial and International Trade in Goods and Services</i> (released August 2001) |
| 02-08 | <i>Canada's Share of US Softwood Lumber Market Slipping</i> (released October 2002) | 01-05 | <i>Buy Low, Sell High: Trade in Electricity</i> (released July 2001) |
| 02-07 | <i>FTAA: Free Trade for the Western Hemisphere?</i> (released September 2002) | 01-04 | <i>Attack of the Canadian Tomatoes</i> (released June 2001) |
| 02-06 | <i>The Changing Face of BC Exports</i> (released August 2002) | 01-03 | <i>The Softwood Lumber Dispute</i> (released May 2001) |
| 02-05 | <i>Japan's Economic Woes Translate to Reduced Trade for BC</i> (released July 2002) | 01-02 | (no article) |
| 02-04 | <i>Team Canada Promotes Trade With Mexico</i> (released June 2002) | 01-01 | (no article) |
| 02-03 | <i>Chile Warms Up to Trade With Canada</i> (released May 2002) | 00-12 | (no article) |
| 02-02 | <i>The Threat of American Protectionism</i> (released April 2002) | 00-11 | <i>After Much Economic Diversification, B.C. Exports Are Still Mainly Resource Based</i> (released January 2000) |
| 02-01 | <i>Canada Seeks to Increase Trade With India</i> (released March 2002) | 00-10 | <i>Ambitious Western Hemisphere Trade Agreement Could Help Shape Canadian Trade In New Decade</i> (released Dec. 2000) |
| | | 00-09 | <i>Trade Growth Tied To Transportation Infrastructure</i> (released November 2000) |

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**

P.O. Box 9410 Stn Prov Govt

Victoria, B.C.

V8W 9V1

(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.