BC STATS
Service BC
Ministry of Labour and Citizens' Services

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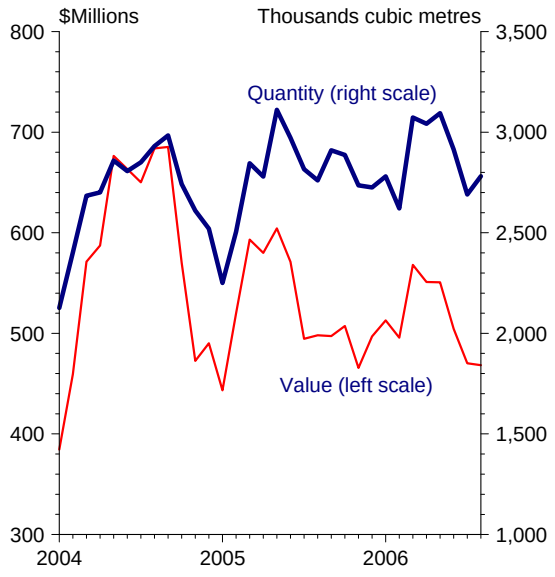
Exports ◆ August 2006

- BC origin exports rose 2.7% in the first eight months of 2006 compared to the January to August period a year earlier as strong growth in shipments of metallic mineral products offset declining exports of forest and energy products.
- An 81.2% increase in exports of copper ores and concentrates was the main contributor to the 27.5% jump in shipments of metallic mineral products. Exports of unwrought zinc (+23.9%) and aluminum (+33.4%) also saw strong growth, but shipments of molybdenum ores and concentrates (-34.2%) have fallen back somewhat after hitting a record high in 2005.
- Machinery and equipment exports are up 8.1% year-to-date, despite a 2.8% drop in exports of motor vehicles and parts.
- Exports of energy products are 1.6% lower over the first eight months of 2006 compared to the same period in 2005. Electricity is the main contributor to the drop, as exports of electricity have plunged 33.9% year-to-date as a result of both price declines and reduced demand. Natural gas shipments are also down (-1.9%) and while the value of coal exports is up (+2.5%), quantities shipped have fallen (-15.5%).
- Falling prices for lumber have driven down the value of exports of solid wood products (-3.2%). Softwood lumber shipments have slumped 4.3% due to the drop in prices as quantities shipped are actually up by an identical 4.3%. There has also been a substantial drop in shipments of selected value added wood products (-11.1%).
- The news isn't all bad in the forest sector as pulp exports have climbed 9.2%, more than offsetting slumps in shipments of other paper products, such that total pulp and paper exports have risen 3.9%.
- Exports to several Asian destinations are well up over last year. Shipments to Japan have climbed a robust 22.5%, while exports to India have soared 75.8%. Exports to Taiwan (+12.6%), China (+7.8%) and South Korea (+7.6%) have also jumped significantly. However, shipments to BC's largest customer, the United States, are down 1.4% year-to-date.

The volume of softwood lumber exports has been trending up, while values have been falling



SEASONALLY ADJUSTED EXPORTS

Exports (adjusted for seasonality) dipped in August due to a slump in shipments of industrial and consumer goods

Seasonal adjustment supplies a means of making month-to-month comparisons by removing the regular periodic seasonal fluctuations that occur. Variations from normal seasonal patterns are revealed in the seasonally adjusted data series.

- Exports slipped 1.9% in August as shipments of industrial and consumer goods plunged (-12.0%) and machinery, equipment and automobile exports also fell (-2.0%).
- Exports to the US also dropped in August (-1.5%). A 5.0% slump in energy exports led the way, but most other major commodity groups experienced declines or were flat, except agriculture and fish (+1.0%).

BC Exports, Seasonally Adjusted ($Millions)

Month	Agriculture & Fish	Energy	Forest Products	Machinery& Equip, Auto	Industrial, Consumer	Total	Exports to USA
Aug 2004	186	376	1,279	343	520	2,704	1,774
Sep	199	301	1,251	342	491	2,584	1,713
Oct	207	336	1,177	341	503	2,565	1,655
Nov	195	424	1,120	339	488	2,566	1,671
Dec	183	432	1,109	325	510	2,560	1,651
Jan 2005	188	448	1,112	334	546	2,627	1,658
Feb	182	447	1,173	339	540	2,680	1,758
Mar	177	467	1,115	333	489	2,582	1,734
Apr	185	523	1,116	357	516	2,697	1,777
May	185	565	1,139	356	522	2,766	1,752
Jun	210	623	1,114	359	565	2,870	1,803
Jul	172	697	1,010	360	467	2,705	1,821
Aug	198	799	1,063	367	554	2,981	1,857
Sep	193	793	1,036	365	564	2,951	1,842
Oct	195	838	1,127	375	497	3,032	2,018
Nov	202	708	1,113	376	563	2,964	2,008
Dec	196	869	1,179	389	575	3,208	2,049
Jan 2006	193	708	1,175	365	532	2,973	1,972
Feb	190	584	1,116	373	560	2,823	1,771
Mar	191	577	1,116	432	588	2,905	1,792
Apr	182	540	1,077	363	528	2,690	1,696
May	190	513	1,074	341	586	2,704	1,667
Jun	183	549	1,107	371	736	2,946	1,680
Jul	190	512	1,050	341	657	2,749	1,696
Aug	190	517	1,079	334	578	2,697	1,670

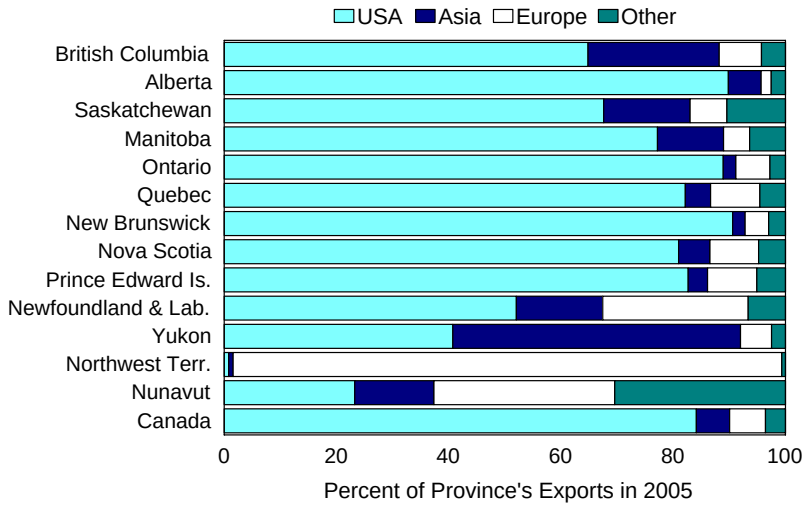
Provincial Export Profile

Canada's provinces share many similarities, but they are also quite different in a number of ways and this is particularly true with regard to international exports. There are substantial differences among provinces in what, where and how goods are exported, highlighting just how vast this country really is.

Canada's provinces vary significantly with regard to international exports

For example, although 84% of Canadian goods exports were destined for the United States in 2005, there was considerable variation among some provinces in terms of destination of merchandise exports. In British Columbia, for instance, over one third of domestic exports originating in the province were shipped to destinations other than the United States. The US was still the target for the bulk of BC's exports (65%), but Asia was also a significant market for BC products with 23% of BC origin exports headed there, compared to only 6% of total Canadian goods exports. The most extreme example is the Northwest Territories, which ships 98% of its merchandise exports to Europe. In fact, in all three territories, in 2005, less than half of exports were shipped to the United States. In Yukon, just over half (51%) of goods were exported to Asia, while shipments from Nunavut were split between a variety of destinations.

The destination of Canadian exports varies significantly by province



Source: Statistics Canada

While the United States is the destination for the bulk of Canadian exports, there is considerable variation between the regions in terms of destination of exports

Geography is a partial determinant of where goods are shipped, as is the type of merchandise being exported. British Columbia's location on the west coast offers it an advantage when shipping to countries in Asia, but the nature of the goods produced in BC is more in demand in Asia compared to the types of manufactured merchandise produced in provinces such as Ontario. BC's top exports are mainly resource-based products, particularly forest products. Wood and articles of wood, pulp and paper are all sig-

nificant export products for BC. Products from the mining industry are other big BC exports, including coal, metals and other mineral products. While the US is a significant destination for these goods as well, Asia and, to a lesser extent, Europe, are also large markets for these commodities. The one major export from BC that is exported more or less exclusively to the United States is energy, either in the form of electricity or natural gas.

Energy products are by far the most significant exports from Alberta and once again they are shipped almost exclusively to the United States, which is why 90% of Alberta's commodity exports were destined for the US in 2005. Surprisingly, energy products were also the top exports from the Prairie provinces of Saskatchewan and Manitoba, rather than agricultural goods as one might expect. Petroleum products represented over a third (34%) of Saskatchewan's total exports in 2005 and electricity and petroleum together were Manitoba's top export. In fact, in Manitoba, agricultural products also took a backseat to vehicle exports, such as tractors and diesel-powered buses, as well as other machinery and equipment. Nevertheless, cereal products such as wheat were important exports for both Manitoba and Saskatchewan and fertilisers, such as potash, were second only to energy as an export from Saskatchewan.

Energy products such as petroleum, natural gas and electricity top the list of exports for several Canadian provinces, including the Prairie Provinces

Ontario is seen as the manufacturing hub of Canada and the types of goods exported from that province support that view. Automobiles and parts are by far the most important merchandise export from Ontario. Vehicles and parts comprised 40% of Ontario origin exports in 2005. Quebec also has significant exports of manufactured goods, such as aircraft and parts from their world class aircraft industry, but it also ships a substantial amount of forest products such as paper and wood. Aluminum is another of the top merchandise exports from Quebec.

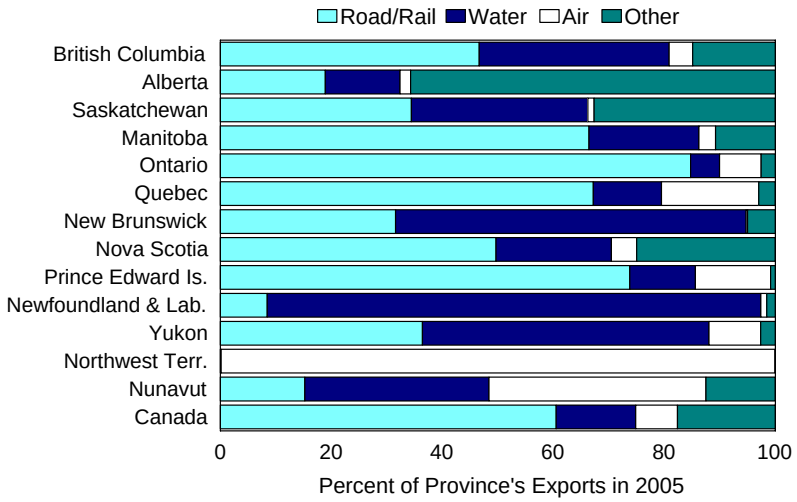
Automobiles and other manufactured goods figure prominently in Ontario's exports, while aircraft and forest products are Quebec's top exports

In the Atlantic provinces, energy was the main export with gasoline among the top exports for New Brunswick and Newfoundland and Labrador, and natural gas a main export of Nova Scotia. Agricultural goods and seafood products were also significant exports for all four Atlantic provinces. The mining sector plays the largest role in exports from Yukon and the Northwest Territories. Tungsten ores and concentrates made up half of Yukon's merchandise exports in 2005, while diamonds comprised almost all of the Northwest Territories shipments (99.8%).

The destination and type of goods exported usually determine how those goods are shipped and with the provincial variation in these factors, it is not all that surprising that there are also significant differences in the mode of transport of exported goods. For Canada as a whole, road and rail are the mode of transport for about 60% of exported goods. Since the United States is such a significant destination for Canadian goods, this shouldn't come as a surprise; however, there are significant variations among the

provinces and territories. In the Northwest Territories, for example, where most exports are diamonds shipped to Europe, air transport is virtually always the mode of choice. In Alberta, where energy products top the list of exports, pipelines and power lines (the "other" category in the chart below) transport two-thirds of that province's merchandise exports.

Goods from different provinces travel by different modes



Source: Statistics Canada

The mode of transport differs depending on the destination and the type of goods being transported, which is why there is significant variation by province

Marine transport is the mode for only 14% of total Canadian exports, but for most coastal provinces, it is a far more significant means of moving goods. For Newfoundland and Labrador, 89% of goods exports were shipped over water in 2005. New Brunswick (63%) and Yukon (52%) also had over half of their exports shipped by boat. Over a third (34%) of BC's merchandise exports were shipped over water in 2005 and even for some of the landlocked Prairie Provinces, water was a significant mode of transport, mainly due to the significant quantities of grain shipped through the Port of Vancouver in BC.[1]

Transport over land by road or rail is the top mode of transport for Canada, but for some provinces, water, air and other modes, such as pipelines and power lines, are more often the mode used to transport exported goods

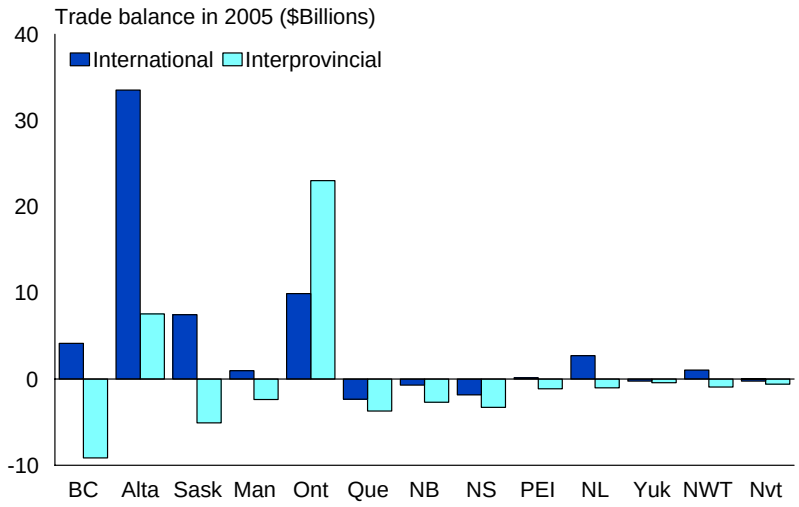
Less than 8% of Canadian exports travelled by air, mainly due to the higher expense of this mode of transport. However, air transport was significant for some regions of the country. In addition to the Northwest Territories already mentioned, the remote Nunavut territory shipped over a third (39%) of its exports by air, while Quebec (18%) and Prince Edward Island (14%) also had double-digit figures for exports shipped by air. For Quebec, a large portion of these goods shipped by air were the aircraft themselves.

[1] For the purposes of export data, the mode of transport is that used to transport the goods from point of exit out of the country. Grain is shipped to BC by rail and then loaded onto a boat to be transported internationally, so the mode of transport is recorded as over water, rather than by rail.

Although the Canadian provinces and territories vary substantially in many ways, they do share a common trait of relying significantly on trade. Overall, Canada had a surplus in trade of goods and services with the rest of the world of over $54 billion in 2005. However, only eight of the 13 provinces and territories also had a surplus of exports over imports. Quebec had the largest international trade deficit at $2.3 billion, followed by Nova Scotia at $1.8 billion. New Brunswick, Yukon and Nunavut also imported more than they exported. The high price of energy insured that Alberta's trade surplus was strongly positive and it led the country by far with a $33.5 billion international trade surplus. Ontario ($9.9 billion) and Saskatchewan ($7.5 billion) were well behind and BC's $4.1 billion surplus ranked fourth in the country.

Only Ontario and Alberta have both an international and interprovincial commodity trade surplus

While most provinces have a surplus in trade with other countries, only Ontario and Alberta have a surplus in trade with other provinces



Source: Statistics Canada (National Accounts data - Balance of Payments basis)

While many provinces had a surplus in trade with other countries, only two – Ontario and Alberta – also had a surplus in trade with other provinces. British Columbia had the largest interprovincial trade deficit in 2005, at $9.1 billion, which more than offset its international trade surplus and resulted in an overall $5.0 billion trade deficit. The types of goods and services produced in each province are the major reason for the flow of trade, either to other provinces or other countries. Ontario's manufactured goods and Alberta's energy products are in demand throughout the country, while many of the resource-based products are present in each province and therefore the demand for these goods is mostly from other countries.

Canada is a country with a wide range of landscapes and climates, so perhaps it is not all that surprising that there are large variations in trade profiles. As demands change and different countries emerge as economic powers, some of these profiles may shift, but trade will remain an important aspect of provincial economies.

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

06-08 *Provincial Export Profile*
(released October 2006)

06-07 *Has Doha Gone the Way of the Dodo?*
(released September 2006)

06-06 *Will BC Miss the Boat on Port Expansion?*
(released August 2006)

06-05 *Breaking the Interprovincial Trade Barrier*
(released July 2006)

06-04 *Deal or No Deal for Softwood Lumber?*
(released June 2006)

06-03 *Will Canada-India Trade Spice Up?*
(released May 2006)

06-02 *Log Exports Becoming More of a Private Affair*
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(released July 2004)

04-04 *Port of Prince Rupert: Down, But Not Out*
(released June 2004)

04-03 *Expanded European Union Could be Both Good and Bad for BC*
(released May 2004)

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.

The **European Union** is the membership as of May 1, 2004: Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

'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 BC government statistics users requiring more detailed information on exports or imports, a special report service is offered through the address below:

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P.O. Box 9410 Stn Prov Govt
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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 BC, Canada, the United States and other countries. Tabulations can include information on commodities, countries, US states, years, months, mode of transport, etc.