



BUSINESS INDICATORS

For November, 1995

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Feature: British Columbia Service Exports Expand Internationally and Interprovincially

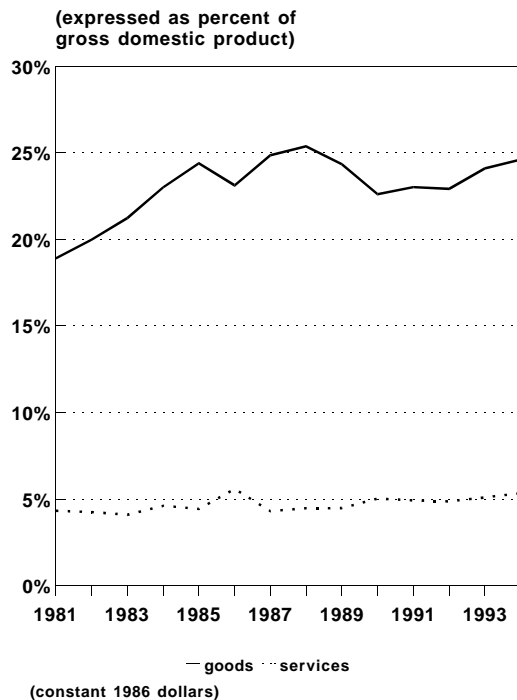
Service exports have become a vital part of British Columbia's trade. International and interprovincial service exports together reached \$13.5 billion in 1994, an amount 9% greater than the value of all goods shipped by the province to the United States in that year.

Interprovincial exports of services greatly exceed international. The value exported to residents of other provinces was \$8.4 billion in 1994, 65% greater than the \$5.1 exported to other countries.

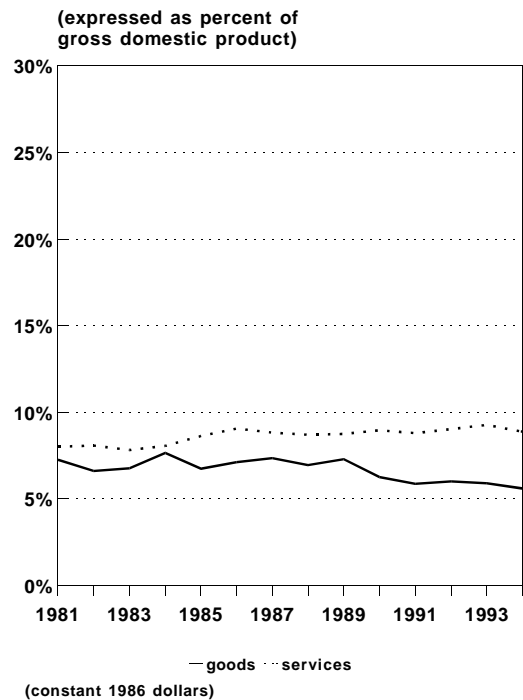
The term 'service export' includes a broad range of transactions between residents of British Columbia, and individuals, corporations or governments resident outside the province.

An interprovincial example would be a national railway company, based in Ontario, with British Columbia-resident employees whose duties include transporting Japanese cars from the Port of Vancouver to other provinces. Whatever part of the work of these employees involves

British Columbia INTERNATIONAL Exports
1981-1994



British Columbia INTERPROVINCIAL Exports
1981-1994



shipping goods to other provinces is an export of service.

An international example would be a Vancouver-based consulting firm completing a contract with an overseas client. Work on the contract by British Columbia residents would be included in the province's service exports, regardless of where the work was carried out. Any portion of the Vancouver head office operating costs allocated to the contract would also constitute a service export. Work completed by employees of the company who reside overseas, or in other provinces, would not be considered a British Columbia service export.

Total service exports, including both those to other countries and to other provinces, accounted for a very significant 13% of the provincial economy in 1994. This ratio has remained more or less constant since at least the early 1980s, as rising service exports have kept pace with the expanding economy.

The portions attributable to international and interprovincial trade changed very little over this period. Between 1981 and 1994, the value of services provided to residents of other countries grew slightly from 4% to 5% of gross domestic product, while services performed for residents of other provinces fell from 9% to 8%.

British Columbia is unique in its interprovincial trade as the only province to export a greater value of services than goods. The explanation for this is not so much that its interprovincial service exports are high, as that its interprovincial goods exports are remarkably low. The portion of gross domestic product accounted for by interprovincial goods exports in 1994 was only 5%, the lowest for any province. By comparison, the ratios were 11% for Ontario and 14% for Quebec.

British Columbia goods exports to the rest of Canada are low, largely because the forestry and mineral products that make up most of its production for trade are generally also available elsewhere in Canada. More than most provinces, British Columbia has had to look to overseas markets to sell its goods. This necessity has made the province the least dependent of any on domestic Canadian markets.

The case is different for service exports. Interprovincial service exports amounted to 8% of British Columbia's gross domestic product in 1994, very close to the 9% for Ontario and 7% for Quebec.

1990 is the latest year for which comprehensive information is available on the types of services being exported. Statistics for that year indicate

1990 British Columbia Service Exports

	International	Interprovincial
Travel plus transport and storage of goods	54%	34%
Communications	1%	9%
Other utilities	2%	0%
Wholesale	16%	16%
Retail	0%	5%
Finance, insurance and real estate	4%	12%
Business services	3%	11%
Personal Services	19%	12%
Total	100%	100%

that British Columbia's international exports of services were mostly linked to its role as Canada's gateway to the Pacific. Over half (55%) of services exported were activities associated with the transport and storage of goods, transportation of people, or communications. A further 19% involved personal services, and the remaining 26% were in other miscellaneous activities.

Service exports to other provinces similarly reflected the importance of British Columbia's geographic location on the Pacific. About 43% were linked to the transportation or communication industries.

The other important basis for interprovincial service exports has been Vancouver's expanding role as a national commercial centre. Twelve percent of the total value of services provided by British Columbians for residents of other provinces was related to the finance, insurance and real estate industries. Wholesale and retail services amounted to 16% and 5%, respectively, while other business services accounted for a further 11%. Personal services accounted for another 12%.



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.

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:

George Dufour — Trade Statistics
BC STATS
553 Superior Street
Victoria, B.C. V8V 1X4
(604) 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.